Regular Meeting of the

Santa Clara County Health Authority Governing Board

Thursday, December 17, 2020, 12:00 PM – 2:30 PM
Santa Clara Family Health Plan
6201 San Ignacio Ave, San Jose, CA 95119

Via Teleconference
(669) 900-6833
Meeting ID: 977 5635 9370
Passcode: GovBD1217
https://zoom.us/j/97756359370

AGENDA

1.	**Roll Call**	Mr. Brownstein	12:00	5 min
2.	**Public Comment** Members of the public may speak to any item not on the agenda; two minutes per speaker. The Governing Board reserves the right to limit the duration of the public comment period to 30 minutes.	Mr. Brownstein	12:05	5 min
3.	**Approve Consent Calendar and Changes to the Agenda** Items removed from the Consent Calendar will be considered as regular agenda items. **Possible Action:** Approve Consent Calendar	Mr. Brownstein	12:10	5 min

a. Approve minutes of the September 24, 2020 **Governing Board** Meeting

b. Aprove minutes of the November 30, 2020 **Special Governing Board** Meeting

c. Accept minutes of the October 22, 2020 **Executive/Finance Committee** Meeting
- Ratify the approval of the Fiscal Year 2019-2020 Independent Auditor's Report
- Ratify approval of the August 2020 Financial Statements
- Review Quality Update: CY'19 Med-Cal HEDIS Plan Comparison Rates

d. Accept minutes of the November 19, 2020 **Executive/Finance Committee** Meeting
- Ratify acceptance of the Network Detection and Prevention Update
- Ratify approval of the September 2020 Financial Statements
- Review Quality Update: CY'19 Medi-Cal HEDIS Network Comparison Rates
- Ratify approval to fund the Institue on Aging (IOA) for Assisted Living Services

e. Accept minutes of the November 19, 2020 **Compliance Committee** Meeting
- Ratify approval of the Compliance Program, Standards of Conduct, and Policies;
  - CP.07 Corrective Actions
  - CP.10 Compliance Training
  - CP.12 Annual Compliance Program Effectiveness Audit
  - CP.15 Standards of Conduct
  - CP.17 Risk Assessments
  - DE.04 Communication Between SCFHP and FDRs/Delegated Entities
  - DE.05 Joint Operations Committee Meetings Between SCFHP and FDRs/Delegated Entities
  - DE.12 Delegated Entity Reporting

f. Accept minutes of the October 21, 2020 **Quality Improvement Committee** Meeting
- Ratify acceptance of the Annual Assessment of Physician Direcotry Accurancy Report 2020
- Ratify acceptance of the Provider Satisfaction Survey MY2020 Analysis
- Ratify acceptance of the PHM 2C Activities and Resources
- Ratify approval of Policies
  - Q1.17 Behavioral Health Care Coordination
  - Q1.20 Information Sharing with San Andreas Regional Center SARC)
  - Q1.21 Information Exchange Between SCFHP and County of Santa Clara Behavioral Health Services Department
  - Q1.22 Early Start Program
  - Q1.23 Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care (SBIRT)
- Ratify acceptance of Committee Reports
  - Pharmacy & Therapeutics Committee Minutes – June 18, 2020
  - Utilization Management Committee July 15, 2020
  - Credentialing Committee – August 5, 2020

g. Accept minutes of the December 9, 2020 **Quality Improvement Committee** Meeting
- Ratify acceptance of the Provider Accessibility Assessment
- Ratify approval of the Q1.30 Private Duty Nursing Policy
- Ratify acceptance of the Annual Continuity and Coordination between Medical Care and Behavioral Healthcare Analysis
- Ratify acceptance of the Annual Cal Medi-Connect (CMC) Continuity and Coordination of Medical Care Analysis (2020)
- Ratify acceptance of the Personalized Information on Health Plans Services
- Ratify acceptance of the Pharmacy Benefit Information
- Ratify acceptance of Committee Reports
  - Credentialing Committee – October 7, 2020

h. Accept minutes of the November 11, 2020 **Provider Advisory Council Committee** Meeting

i. Accept minutes of the December 8, 2020 **Consumer Advisory Committee** Meeting

j. Approve **Publicly Available Salary Schedule**

k. Approve **Quarterly Investment Compliance Report**
l. Approve **FHIR Vendor Contract**
m. Approve **Resolution to Adopt an Amended Conflict of Interest Code**
n. Approve **Annual Report to the Board of Supervisors**

4.	**CEO Update** Discuss status of current topics and initiatives.	Ms. Tomcala	12:15	15 min
5.	**Quality Update** Review and discuss: • Medi-Cal CY'19 HEDIS Disparity Analysis • CMC 2019 Population Health Management Impact Analysis	Dr. Nakahira	12:30	15 min
6.	**Compliance Report** Review and discuss compliance activities and notifications.	Mr. Haskell	12:45	10 min
7.	**Government Relations Update** Discuss state budget status and other local, state, and federal legislative and policy issues impacting the Plan and its members.	Mr. Haskell	12:55	15 min
8.	**October 2020 Financial Statements** Review October 2020 Financial Statements. **Possible Action:** Approve the October 2020 Financial Statements	Mr. Jarecki	1:10	10 min
9.	**Fiscal Year 2020-2021 Budget Update** Review the Fiscal Year 2020-2021 budget.	Mr. Jarecki	1:20	15 min
10.	**Innovation Fund Expenditure** Consider funding for Phase 1 of The Healthier Kids Foundation (HKF) My HealthFirst program. **Possible Action:** Approve expenditure from the Board Designated Innovation Fund for HKF My HealthFirst – Phase I **<u>Announcement Prior to Recessing into Closed Session</u>** Announcment that the Governing Board will recess into closed session to discuss Item No. 11 below.	Ms. Tomcala	1:35	15 min
11.	**Adjourn to Closed Session** **a.** **<u>Public Employee Performance Evaluation</u>** (Government Code Section 54957(b)): It is the intention of the Governing Board to meet in Closed Session to consider the performance evaluation of the Chief Executive Officer.		1:50	
12.	**Report from Closed Session**	Mr. Brownstein	2:20	5 min
13.	**Annual CEO Evaluation Process** Consider potential annual salary adjustment and incentive bonus for the Chief Executive Officer. **Possible Action:** Approve an annual salary increase and incentive bonus for the CEO	Mr. Brownstein	2:25	5 min
14.	**Adjournment**		2:30	

Notice to the Public—Meeting Procedures

- Persons wishing to address the Governing Board on any item on the agenda are requested to advise the Recorder so that the Chairperson can call on them when the item comes up for discussion.
- The Committee may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the possible action.
- In compliance with the Americans with Disabilities Act, those requiring accommodations in this meeting should notify Rita Zambrano 48 hours prior to the meeting at (408) 874-1842.
- To obtain a copy of any supporting document that is available, contact Rita Zambrano at (408) 874-1842. Agenda materials distributed less than 72 hours before a meeting can be inspected at the Santa Clara Family Health Plan offices at 6201 San Ignacio Ave, San Jose, CA 95119.
- This agenda and meeting documents are available at www.scfhp.com.

Regular Meeting of the

Santa Clara County Health Authority Governing Board

Thursday, September 24, 2020, 12:00 PM – 2:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present
Bob Brownstein, Chair
Dolores Alvarado
Dave Cameron
Darrell Evora
Kathleen King
Liz Kniss
Michele Lew
Sue Murphy
Ria Paul, M.D.
Sherri Sager
Jolene Smith

Members Absent
Alma Burrell
Debra Porchia-Usher

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 Operating Officer
Ngoc Bui-Tong, VP, Strategies & Analytics
Teresa Chapman, VP, Human Resources
Laura Watkins, VP, Marketing & Enrollment
Barbara Graniere, Controller
Tyler Haskell, Director, Government Relations
Johanna Liu, Director, Quality & Process Improvement
Khanh Pham, Director, Financial Reporting & Budgeting
Jayne Giangreco, Manager, Administrative Services

Others Present
Tiffany Washington, Anthem Blue Cross Medi-Cal Plan
Christine Rutherford-Stuart, County of Santa Clara
Carlyn Obringer, Government & Community Engagement Manager at Blue Shield of California

1. Roll Call and Board Member Recognition

Bob Brownstein, Chair, called the meeting to order at 12:00 pm. Mr. Brownstein administered the Oath and affirmed Darrell Evora and Dr. Ria Paul's reappointments, and Michele Lew's appointment to the Governing Board. 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

Kathleen King, Board Member, requested that Items 3.e.—2019 Population Health Management Impact Report, and 3.i., 401(a) Resolution, be removed from the Consent Calendar for further discussion.

a. Approve minutes of the June 25, 2020 **Governor Board** Meeting
b. Accept minutes of the July 23, 2020 **Executive/Finance Committee** Meeting
- Ratify approval of the May 2020 Financial Statements

c. Accept minutes of the August 27, 2020 **Executive/Finance Committee** Meeting
- Ratify acceptance of the Consent Calendar
  - Quarterly Investment Compliance Report
  - Network Detection and Prevention Update
  - Fiscal Year 2020-2021 Plan Objectives
- Ratify approval of the June 2020 Pre-Audit Financial Statements
- Ratify the approval of the East Side Access: Community Wireless Project funding request
- Ratify approval of the resolution to endorse ballot measure Proposition 16

d. Accept minutes of the September 4, 2020 **Compliance Committee** Meeting

e. Accept minutes of the August 12, 2020 **Quality Improvement Committee** Meeting
- Ratify acceptance of the Cal MediConnect (CMC) Availability of Practitioners Evaluation
- Ratify acceptance of Committee Reports
  - Utilization Management Committee April 15, 2020
  - Pharmacy & Therapeutics Committee Minutes – April 30, 2020
  - Credentialing Committee – June 3, 2020

f. Accept minutes of the August 12, 2020 **Provider Advisory Council Committee** Meeting

g. Accept minutes of the September 8, 2020 **Consumer Advisory Committee** Meeting

h. Approve **Publicly Available Salary Schedule**

k. Approve **2021 Board & Committee Meeting Calendar**

It was moved, seconded and the Consent Calendar was **unanimously approved,** with the exception of Items 3.e.—2019 Population Management Impact Report and 3.i., 401(a) Resolution.

Motion:	Ms. King
Second:	Ms. Lew
Ayes:	Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager, Ms. Smith
Absent:	Ms. Burrell, Ms. Kniss, Ms. Porchia-Usher

Ms. King thought the Population Management Impact Report was positive, interesting data and referred to the CMC Emergency Department Visits graph, asking for more detail. Laurie Nakahira, D.O., Chief Medical Officer, explained the graph, noting the reduction in the Complex & Moderate Case Management population who experienced three+ Emergency Department (ED) visits from CY 2017-2019. Upon discussion, Dr. Nakahira indicated she could bring the topic back to the Board with additional information.

It was moved, seconded, and Item 3.e.—2019 Population Management Impact Report was **unanimously accepted.**

Motion:	Ms. King
Second:	Ms. Murphy
Ayes:	Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager, Ms. Smith
Absent:	Ms. Burrell, Ms. Kniss, Ms. Porchia-Usher

Ms. King requested additional information on Item 3.i., 401(a) Resolution. Neal Jarecki, Chief Financial Officer, responded that discussions with our attorneys and the IRS determined the necessary technical corrections. These corrections do not change the function of the documentation. The IRS has reviewed these documents and has determined the changes will ensure that our Plan will remain compliant.

It was moved, seconded, and Item 3.i., 401(a) Resolution, was **unanimously approved.**

Motion:	Ms. King
Second:	Ms. Lew
Ayes:	Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager, Ms. Smith
Absent:	Ms. Burrell, Ms. Liz Kniss, Ms. Porchia-Usher

4. CEO Update

Christine Tomcala, Chief Executive Officer, presented the Board with the updated SCFHP COVID-19 Responses noting 2,174 members have tested positive, cumulatively 707 members have been hospitalized, and 40 members were deceased, representing 15% of County-reported deaths, while total membership equals about 12% of the County population.

Ms. Tomcala shared that due to COVID, wildfires, and civil unrest, an Employee Support Survey was fielded. She noted there was a 61% response rate with 93% indicating SCFHP is doing what it can to keep staff safe. Many responded that the Plan has been supportive during this uncertain time. However, of those respondents who are caregivers, 31% indicated they were struggling or feeling completely overwhelmed. Sue Murphy, Board Member, inquired if there was anything we could do as an organization to help those individuals who are caregivers. Teresa Chapman, VP, Human Resources, responded that the Plan is looking at ways to roll out a communications campaign focused on resources that are available during COVID-19, as well as rolling out an online Employee Wellness platform.

Ms. Tomcala shared a status update on the Blanca Alvarado Community Resource Center, noting occupancy is projected for mid-to-late October. Mr. Brownstein inquired if there was a special ventilation system and Neal Jarecki, Chief Financial Officer, indicated he would check the status and report back to the Board.

5. Quality Update

Dr. Nakahira summarized preventative care outreach activities, noting changes added since COVID-19. She also stated the focus on children throughout the year is for well visits and preventive care, and Board Members Jolene Smith and Kathleen King offered to assist with getting the word out for children to receive visits and immunizations.

Dr. Nakahira reported collaborating with the Santa Clara County Public Health Department on the Black Infant Health Program and Diabetes Prevention Initiative, and with the American Heart Association for Target Blood Pressure. SCFHP is participating in a new Emergency Operation Center Immunization Task Force (EOC) sharing initiatives taken on flu immunizations for the upcoming flu season. She presented a wellness rewards program and Health Education Classes and resources available to our members during the pandemic.

6. Compliance Report

Tyler Haskell, Interim Compliance Officer, presented an update on recent compliance audits and other related activity. He informed the Board that the Plan recently completed the CMS re-validation audit and received a final report with no findings. He also announced that the Plan recently received the final annual DHCS audit report, which showed a total of six findings, which is down from 14 findings in last year's audit. Additionally, Mr. Haskell announced that Daniel Quan has recently joined the Plan as Medicare Compliance Manager. He further informed the Board that the Compliance Department, in partnership with the Plan's data analytics team, was bringing the Fraud, Waste, and Abuse program in-house.

Liz Kniss joined the meeting at 12:51 pm.

7. Government Relations Update

Tyler Haskell, Government Relations Director, presented an update on federal and state legislative and policy developments. Mr. Haskell discussed the status of a small number of bills that would impact Medi-Cal managed care plans, should the Governor sign them into law before the deadline of September 30th. He gave an update on the carve-out of the pharmacy benefit, stating that some complications are arising that may disrupt the January 1, 2021 implementation schedule. He also discussed the submission by DHCS to CMS of a request to extend California's 1115 Medicaid waiver, which expires at the end of 2020, for an additional year. Mr. Haskell informed the Board that CMS has recently withdrawn its proposed Medicaid Fiscal Accountability Regulation, which would have severely limited Medicaid reimbursement for public health systems. He provided an update about ongoing efforts in Congress to pass a COVID relief bill that includes state and local government budget relief. He further discussed the risk associated with the effort to appoint a new Justice to the U.S. Supreme

Court before the Texas v. Azar case is heard starting on November 10th. That case threatens to nullify the Affordable Care Act, which could significantly impact Medi-Cal enrollment.

8. July 2020 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the July 2020 financial statements, which reflected a current month net surplus of $2.7 million ($2.2 million favorable to budget). Enrollment increased by 3,161 members from the prior month to 257,036 members (4,475 unfavorable to budget). Membership growth due to COVID-19 has not been as pronounced initially as budgeted but will likely be sustained for a longer period of time than planned. Revenue reflected a favorable current month variance of $64 thousand (0.1% favorable to budget) largely due to higher CY20 CMC Medicare rate versus budget. Medical expense reflected an unfavorable current month variance of $2.5 million (2.7% favorable to budget) due to certain lower unit costs and lower utilization of supplemental services than budget. Administrative expense reflected a favorable current month variance of $303 thousand (5.4% favorable to budget) due largely to the timing of headcount and certain other expenses. The balance sheet reflected a Current Ratio of 1.25:1, versus the minimum required by DMHC of 1.00:1. Tangible Net Equity of $214.6 million represented approximately two months of the Plan's total expenses. Year-to-date capital investments of $153 thousand were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

It was moved, seconded and the July 2020 Financial Statements were **unanimously approved.**

Motion:	Mr. Cameron
Second:	Ms. Lew
Ayes:	Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager, Ms. Smith
Absent:	Ms. Burrell, Ms. Porchia-Usher

9. Fiscal Year 2020-2021 Budget Update

Mr. Jarecki presented an updated forecast of fiscal year 2020-2021 enrollment projections. While the budget envisioned a sharp initial increase in enrollment, followed by a flattening and a decline toward the end of the fiscal year, the current forecast reflects more sustained growth. He noted that the enrollment growth noted reflects the County's suspension of Medi-Cal and CMC disenrollment projections, which is likely to continue until the Public Health Emergency ends. He noted that enrollment growth in new members, which was budgeted to be a material source of growth, has not occurred throughout California. As a result, fiscal year 2020-21 enrollment is forecasted to continue growing at a sustained pace.

10. Fiscal Year 2019-2020 Team Incentive Compensation

Ms. Tomcala recapped the Fiscal Year 2019-2020 Team Incentive Compensation Program, designed to recognize employees for achieving critical Plan Objectives. She noted the Plan met the minimum payout level for compliance, the target payout level for Medi-Cal HEDIS, and the maximum payout level for CMC HEDIS and Medi-Cal Member Calls. Ms. Tomcala asked the Board to consider recognizing staff with a 3% incentive award.

It was moved, seconded and FY '19-'20 Team Incentive Compensation Payout of 3% for all staff (excluding the CEO) was **unanimously approved,** predicated on achieving a Net Operating Surplus on the audited financial statements.

Motion:	Ms. Murphy
Second:	Mr. Cameron
Ayes:	Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager, Ms. Smith
Absent:	Ms. Burrell, Ms. Porchia-Usher

11. Fiscal Year 2020-2021 Team Incentive Compensation

Ms. Tomcala presented the proposed Fiscal Year 2020-2021 Team Incentive Compensation Program, designed to recognize employees for achieving critical Plan Objectives. Ms. Tomcala noted there would be a 3% Maximum

payout and that non-executive staff would be eligible to receive an Overall Percent Payout. The Team Incentive Compensation would be determined upon receipt of audited financial statements for the fiscal 2020-21 performance year. Ms. Murphy suggested consideration be given to not paying out at the maximum level for Compliance if there are repeat findings. Ms. King requested an additional vote that would include Executive Staff in the payout.

It was moved, seconded, and the FY '20-'21 Team Incentive Compensation Program payout was **unanimously approved**.

Motion: Ms. Murphy
Second: Mr. Cameron
Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager, Ms. Smith
Absent: Ms. Burrell, Ms. Porchia-Usher

It was moved, seconded, and a FY '20-'21 Team Incentive Compensation Program with eligibility of payout for all staff, including the Executive Staff, was **not approved**.

Motion: Ms. King
Second: Ms. Lew
Ayes: Ms. King, Ms. Lew, Ms. Sager, Ms. Smith
Nays: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. Kniss, Ms. Murphy, Dr. Paul
Absent: Ms. Burrell, Ms. Porchia-Usher

12. Adjourn to Closed Session

a. **Contract Rates**
The Governing Board met in Closed Session to discuss Contract Rates.

13. Report from Closed Session

Mr. Brownstein reported the Governing Board met in Closed Session and discussed contract rates.

14. Adjournment

The meeting was adjourned at 2:33 pm.

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Susan G. Murphy, Secretary

Special Meeting of the

Santa Clara County Health Authority
Governing Board
Strategic Planning Kick-Off

Monday, November 30, 2020, 12:00 PM – 3:00 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present
Bob Brownstein, Chair
Dolores Alvarado
Alma Burrell
Dave Cameron
Darrell Evora
Kathleen King
Liz Kniss
Michele Lew
Sue Murphy
Ria Paul, M.D.
Debra Porchia-Usher
Sherri Sager
Jolene Smith

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, Director, Government Relations
Jayne Giangreco, Manager, Administrative Services
Mike Gonzalez, Manager, Community Resource Center

Others Present
Rafael Gomez, Pacific Health Consulting Group
Bobbie Wunsch, Pacific Health Consulting Group
Larry Levitt, Executive Vice President for Health Policy, Kaiser Family Foundation
Will Lightbourne, Director, Department of Health Care Services

1. Welcome, Introductions and Meeting Goals

Bob Brownstein, Chair, called the meeting to order at 12:07 pm. Christine Tomcala, Chief Executive Officer, conducted roll, welcomed and introduced Bobbie Wunsch from Pacific Health Consulting Group, and announced presenters Larry Levitt, Executive Vice President for Health Policy at Kaiser Family Foundation, and Will Lightbourne, Director, Department of Health Care Services.

2. Public Comment

There were no public comments.

Dolores Alvarado, Debra Porchia-Usher, and Jolene Smith joined the meeting at 12:12 pm.

3. Overview of Strategic Planning Process, Timeline and Board Role

Bobbie Wunsch stated they are very happy to be working with the staff and Board at Santa Clara Family Health Plan, assisting with building the 3-year Strategic Plan. Ms. Wunsch reviewed the agenda and focus of the meeting, which was developed with Christine Tomcala and the Leadership Team, as well as the timeline for planning activities.

Rafael Gomez, Pacific Health Consulting Group, reviewed the goals of Strategic Planning, roles, and the timeline of the planning process, starting with incorporating the perspectives and ideas of internal and external stakeholders, then working with senior staff on development of the plan. Over the next four months, work will move quickly and many activities have been planned to ensure a smooth process. Mr. Gomez answered questions and comments raised by the Board. In response to Sue Murphy's inquiry, Ms. Tomcala responded that development of a Vision Statement will be part of the process.

4. Directions and Considerations for the Future of Medicaid

Larry Levitt, Executive Vice President for Health Policy, Kaiser Family Foundation, discussed the future of Medicaid and spoke of the upcoming changes in Washington with the new administration and how it opens up the possibility of a very different outlook for health policy in Washington. Mr. Levitt accepted questions and comments raised by the Board.

5. Statewide Policy Issues and Directions

Will Lightbourne, Director, Department of Health Care Services (DHCS), discussed the importance of local initiative plans and their relationships with safety-net providers. Additional topics included Medi-Cal enrollment, racial disparities, CalAIM, plan procurement and beneficiary assignment, rates, and telehealth. Discussion continued with Mr. Lightbourne responding to questions from the Board.

6. Board Reflections on Key Strategic Questions to Address

Rafael Gomez, asked the Board to share their initial thinking in terms of key strategic questions or issues critical for the plan to address as a part of this process. A second opportunity to hear from Board members will be during their individual interviews.

7. Adjournment

The meeting was adjourned at 3:00 pm.

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Susan G. Murphy, Secretary

Regular Meeting of the

Santa Clara County Health Authority
Executive/Finance Committee

Thursday, October 22, 2020, 11:30 PM – 1:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes

Members Present
Dolores Alvarado, Chair
Bob Brownstein
Dave Cameron
Liz Kniss
Sue Murphy

Staff Present
Christine Tomcala, Chief Executive Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, D.O., Chief Medical 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 and Interim Compliance Officer
Chelsea Byom, Director, Marketing & Communications
Johanna Liu, Director, Quality & Process Improvement
Jayne Giangreco, Manager, Administrative Services
Rita Zambrano, Executive Assistant

Others Present
Chris Pritchard, Moss Adams LLP
Rianne Suicco, Moss Adams LLP

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:33 am. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

Ms. Alvarado requested that the Outreach & Retention Update for Medi-Cal be presented immediately following the CEO Update.

3. Fiscal Year 2019-2020 External Independent Auditor's Report

Neal Jarecki, Chief Financial Officer, introduced Chris Pritchard, Partner, and Rianne Suicco, Senior Manager, from the Plan's independent accounting firm, Moss Adams LLP. Mr. Pritchard presented the Plan's audited financial statements and Board communication letter for the fiscal year ended June 30, 2020. He indicated the financial statements received an unmodified audit opinion (meaning that the Plan has presented fairly its financial position, results of operations, and changes in cash flows and that the financial statements are in

conformity with generally accepted accounting principles). Ms. Suicco reviewed a summary of the Plan's financial statement detail and advised that: (1) management's accounting estimates were reasonable, (2) there were no disagreements with management, and (3) no audit adjustments to the financial statements were necessary.

It was moved, seconded, and the FY 2019-2020 Independent Auditor's Report was **unanimously approved.**

Motion: Ms. Kniss
Second: Mr. Cameron
Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

4. Meeting Minutes

The minutes of the August 27, 2020 Executive/Finance Committee were reviewed.

It was moved, seconded, and the August 27, 2020 Executive/Finance Committee Minutes were **unanimously approved.**

Motion: Ms. Kniss
Second: Mr. Brownstein
Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

5. CEO Update

Christine Tomcala, Chief Executive Officer, presented highlights on the updated SCFHP COVID-19 Responses. Ms. Tomcala referenced an outbreak of COVID positive members in skilled nursing facilities (SNFs), specifically the Gilroy Health and Rehabilitation Center (Gilroy HRC). Dr. Laurie Nakahira, DO, Chief Medical Officer, provided additional details.

Ms. Tomcala shared a status update on the Blanca Alvarado Community Resource Center (CRC), noting the projected occupancy date is October 26, 2020. Mike Gonzalez has been hired as the CRC Manager and will start on November 9th. Program planning is underway.

Ms. Tomcala spoke to a variety of activities in which SCFHP is engaged related to understanding and addressing race and health disparities, including meeting with community leaders.

She also noted that the Medi-Cal Rx carve-out will still have a January 1, 2021 effective date.

6. Outreach & Retention Update for Medi-Cal

Chelsea Byom, Director, Marketing & Communications, presented an update on Outreach and Retention for Medi-Cal, describing the strategies and goals for the 2020-2021 fiscal year and noting the corresponding Organizational Objectives. The Outreach and Retention Plan Goals are (1) create and strengthen partnerships with Community Based Organizations (CBOs), government agencies, and providers; (2) improve recognition of and engagement with SCFHP by members and prospective members; and (3) improve member retention through enhanced onboarding and service delivery. She presented an overview of outreach activity and the impact of COVID-19 on event participation. Ms. Byom also briefly reviewed the Medi-Cal marketing regulations outlined in our contract with the Department of Health Care Services (DHCS).

7. Government Relations Update

Tyler Haskell, Director, Government Relations, presented an update on state legislative and administrative developments. Mr. Haskell described three state bills recently signed into law that would affect Plan operations, and mentioned that legislation relating to telehealth and data sharing is already being drafted for the 2021 legislative session. He gave an update on the state budget, noting that the "trigger cuts" the budget included, conditional on not receiving additional federal aid, were to be enacted, and that cuts would likely continue into the FY22 budget unless state revenue projections are significantly revised. Mr. Haskell stated that the go-live date for the change to a statewide pharmacy benefit is less than 90 days away, and that significant operational and

readiness issues persisted on the part of DHCS and its pharmacy benefit contractor, Magellan.

Mr. Haskell provided an update on the ongoing effort in Congress to provide states with additional federal aid, concluding that it remains unlikely to occur until the White House and Senate majority can agree on the details. Finally, he noted that the legality of the Affordable Care Act will again be tested in the Supreme Court in November, although a decision likely won't be announced until June 2021.

8. Compliance Report

Mr. Haskell, Interim Compliance Officer, presented an update on recent and ongoing compliance audits. The Plan received the final Revalidation Audit report recognizing that we sufficiently corrected all 31 Program Audit findings, and CMS has officially closed the audit. The Committee agreed to discontinue regular reporting of compliance activity to the Executive/Finance Committee, with the understanding that compliance activity would continue to be reported to the Compliance Committee and Governing Board.

9. August 2020 Financial Statements

Mr. Jarecki presented the August 2020 financial statements, which reflected a current month net surplus of $599 thousand ($338 thousand unfavorable to budget) and a fiscal year to date net surplus of $3.3 million ($1.8 million favorable to budget). Enrollment increased by 3,234 members from the prior month to 260,270 members (7,504 unfavorable to budget). Membership growth due to COVID-19 has not been as pronounced as budgeted. Revenue reflected an unfavorable current month variance of $626 thousand (0.6%) largely due to slightly higher capitation rates versus budget. Medical expense reflected a small favorable current month variance of $57 thousand (0.1%) reflecting favorable capitation expense due to lower enrollment coupled with higher fee-for-service and pharmacy expenses versus budget. Administrative expense reflected a favorable current month variance of $270 thousand (5.1%) due largely to the timing of certain expenses. The balance sheet reflected a Current Ratio of 1.18:1, versus the minimum required by DMHC of 1.00:1. Tangible Net Equity of $213.2 million represented approximately two months of the Plan's total expenses. Year-to-date capital investments of $1.7 thousand were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

It was moved, seconded, and the August 2020 Financial Statements were **unanimously approved.**

Motion: Mr. Cameron
Second: Mr. Brownstein
Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

10. Quality Update

Dr. Nakahira presented a Medi-Cal Managed Care performance review for calendar year 2019, noting DHCS ranks Managed Care Plans on an aggregated quality factor score (AQFS), which is based on HEDIS scores. She stated the scores are not official this year due to the impact of the COVID pandemic. The data is for our internal use only.

Dr. Nakahira reported that for 2019, SCFHP ranked 12th out of 56 plans and Anthem ranked 25th. She reviewed the HEDIS measures ranking, noting the Plan generally performed in the top 50% of plans. Because the HEDIS scores are not official this year, the 2020 auto-assignment rates will carry-over to 2021, rather than being updated with the most recent HEDIS data.

11. Adjournment

The meeting was adjourned at 1:28 pm.

_____
Susan G. Murphy, Secretary

Report of Independent Auditors and Financial Statements

Santa Clara County Health Authority (dba Santa Clara Family Health Plan)

June 30, 2020 and 2019

Communication with
Those Charged with Governance

Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)

June 30, 2020

Communication with Those Charged with Governance

To the Governing Board
Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)

We have audited the financial statements of Santa Clara County Health Authority (dba Santa Clara Family Health Plan) ("Health Authority"), as of and for the year ended June 30, 2020, and have issued our report thereon dated _____, 2020. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated May 5, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Authority's internal control over financial reporting. Accordingly, we considered the Health Authority's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management, who has been charged by the Governing Board to oversee the audit, during our pre-audit planning meeting on April 28, 2020.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Health Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2020. We noted no transactions entered into by the Health Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management recorded an estimated capitation receivable. The estimated capitation receivable for eligible Medi-Cal program beneficiaries is based upon a historical experience methodology. We have gained an understanding of management's estimate methodology, and have examined the documentation supporting these methodologies and formulas. We found management's basis to be reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the fair values of investments in the absence of readily-determinable fair values is based on information provided by the fund managers. We have gained an understanding of management's estimate methodology and examined the documentation supporting this methodology. We found management's process to be reasonable.

- Management recorded an estimated liability for incurred but unpaid claims expense. The estimated liability for unpaid claims is based on management's estimate of historical claims experience and known activity subsequent to year-end. We have gained an understanding of management's estimate methodology, and have examined the documentation supporting these methodologies and formulas. We found management's basis to be reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension asset is actuarially determined using assumptions on the long-term rate of return on pension plan assets, the discount rate used to determine the present value of benefit obligations, and the rate of compensation increases. These assumptions are provided by management. We have evaluated the key factors and assumptions used to develop the estimate. We found management's basis to be reasonable in relation to the financial statements taken as a whole.

- Management's estimate of net other post-employment benefit ("OPEB") liability is actuarially determined using assumptions on the long-term rate of return on OPEB plan assets, the discount rate used to determine the present value of benefit obligations, and changes in healthcare costs. These assumptions are provided by management. We have evaluated the key factors and assumptions used to develop the estimate. We found management's basis to be reasonable in relation to the financial statements taken as a whole.

- Management recorded an estimated liability for the medical loss ratio requirement for Medi-Cal Expansion. The estimated liability is based on management's estimate of revenues and allowable medical expenses related to Medi-Cal Expansion. We have gained an understanding of management's estimate methodology, and have examined the documentation supporting these methodologies and formulas. We found management's process to be reasonable.

- Management recorded an estimated liability for premium deficiency reserve. The estimated liability is based on management's analyses of its expected future medical expenses and maintenance costs to determine whether such costs will exceed anticipated future revenues under its contracts. We have gained an understanding of management's estimate methodology, and have examined the documentation supporting these methodologies and formulas. We found management's basis to be reasonable in relation to the financial statements taken as a whole.

- The useful lives of capital assets have been estimated based on the intended use and are within accounting principles generally accepted in the United States of America. We found management's basis to be reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Health Authority's financial statements relate to medical claims payable, net pension, other-post employment benefit liability, and capitation and premium revenues.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected and uncorrected misstatements whose effects, as determined by management, are material, both individually and in the aggregate, to the financial statements as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2020.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Health Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Independence

We are required to disclose to those charged with governance, in writing, all relationships between the auditors and the Health Authority that in the auditor's professional judgment, may reasonably be thought to bear on our independence. We know of no such relationships and confirm that, in our professional judgment, we are independent of the Health Authority within the meaning of professional standards.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Health Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Governing Board of Santa Clara County Health Authority (dba Santa Clara Family Health Plan) and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.

San Francisco, California
_____, 2020

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Management's Discussion and Analysis

INTRODUCTION:

In accordance with the Governmental Accounting Standards Board Codification Section 2200, Comprehensive Annual Financial Report, the management of the Santa Clara County Health Authority (dba Santa Clara Family Health Plan) ("Health Authority") has prepared this discussion and analysis to provide readers and interested parties with an overview of the organizations' financial activities for the fiscal years ended June 30, 2020, 2019, and 2018. This discussion should be reviewed in conjunction with the Health Authority's financial statements and accompanying notes to enhance the reader's understanding of the Health Authority's financial performance.

ORGANIZATION:

Santa Clara County Health Authority is a licensed health maintenance organization that operates in Santa Clara County (the "County"). The County's Board of Supervisors established Santa Clara County Health Authority in August 1995 in accordance with the State of California Welfare and Institutions Code (the "Code") Section 14087.38. During 1996, the Health Authority obtained licensure under the Knox-Keene Health Care Services Plan Act of 1975 and commenced operations.

The Santa Clara Community Health Authority Joint Powers Authority ("JPA") is a licensed health maintenance organization that operated in the County. The County's Board of Supervisors established the JPA in October 2005 in accordance with the Code Section 14087.54. During 2006, the JPA obtained licensure under the Knox-Keene Health Care Services Plan Act of 1975 and commenced operations. The Health Authority has advised the California Department of Managed HealthCare ("DMHC") of its intent to surrender the JPA's license as of December 31, 2019 and the JPA ceased to exist on December 31, 2019.

OVERVIEW OF FINANCIAL STATEMENTS:

The Health Authority's annual financial report consists of three statements – Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows and accompanying notes. The statements report the following financial information:

- The Statements of Net Position present the Health Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.
- The Statements of Revenues, Expenses, and Changes in Net Position present the results of operations during the fiscal years and the resulting changes in net position.
- The Statements of Cash Flows identify sources and uses of cash from operating activities, capital and financing activities, and investing activities.

The following discussion and analysis addresses the Health Authority's overall program activities.

FINANCIAL HIGHLIGHTS:

- Total enrollment increased 1.9% to 253,875 members at June 30, 2020, from 249,206 members at June 30, 2019. Total enrollment decreased 4.0% to 249,206 members at June 30, 2019, from 259,475 members at June 30, 2018.

- Net position increased by $6,515,031 to $208,640,786 for the fiscal year ended June 30, 2020, from $202,125,755 for the fiscal year ended June 30, 2019, due to operating income of $38,958 and nonoperating income of $6,476,073. Net position increased by $24,109,890 to $202,125,755 for the fiscal year ended June 30, 2019, from $178,015,865 for the fiscal year ended June 30, 2018, due to operating income of $18,298,263 and nonoperating income of $5,811,627.

- Total assets and deferred outflows of resources increased to $1,189,881,233 as of June 30, 2020, from $1,009,258,566 as of June 30, 2019. Total assets and deferred outflows of resources increased to $1,009,258,566 as of June 30, 2019, from $763,293,226 as of June 30, 2018.

- Total liabilities and deferred inflows of resources increased to $981,240,447 at June 30, 2020, from $897,132,811 at June 30, 2019. Total liabilities and deferred inflows of resources increased to $897,132,811 at June 30, 2019, from $585,277,361 at June 30, 2018.

- The current ratio (current assets divided by current liabilities) of 1.18 as of June 30, 2020, reflected a decrease from 1.19 at June 30, 2019. The current ratio (current assets divided by current liabilities) of 1.19 as of June 30, 2019, reflected a decrease from 1.26 at June 30, 2018.

CONDENSED STATEMENTS OF NET POSITION:

	June 30			2020 to 2019 Change		2019 to 2018 Change	
	2020	2019	2018	Amount	% Change	Amount	% Change
Assets:							
Current assets	$ 1,152,476,888	$ 1,060,344,723	$ 724,183,257	$ 92,132,165	8.7%	$ 336,161,466	46.4%
Capital assets	26,649,088	27,392,240	24,269,369	(743,152)	-2.7%	3,122,871	12.9%
Other assets	2,352,997	2,283,994	305,350	69,003	3.0%	1,978,644	648.0%
Total assets	1,181,478,973	1,090,020,957	748,757,976	91,458,016	8.4%	341,262,981	45.6%
Deferred outflows of resources	8,402,260	9,237,609	14,535,250	(835,349)	-9.0%	(5,297,641)	-36.4%
Total assets and deferred outflows of resources	$ 1,189,881,233	$ 1,099,258,566	$ 763,293,226	$ 90,622,667	8.2%	$ 335,965,340	44.0%
Liabilities:							
Current liabilities	$ 977,464,723	$ 891,447,827	$ 574,535,150	$ 86,016,896	9.6%	$ 316,912,677	55.2%
Noncurrent liabilities	-	2,539,090	6,533,514	(2,539,090)	-100.0%	(3,994,424)	-61.1%
Total liabilities	977,464,723	893,986,917	581,068,664	83,477,806	9.3%	312,918,253	53.9%
Deferred inflow of resources	3,775,724	3,145,894	4,208,697	629,830	20.0%	(1,062,803)	-25.3%
Net position:							
Net investment in capital assets	26,649,088	27,392,240	24,269,369	(743,152)	-2.7%	3,122,871	12.9%
Restricted	305,350	305,350	305,350	-	0.0%	-	0.0%
Unrestricted:							
Designated by Governing Board	17,339,275	2,200,000	-	15,139,275	100.0%	2,200,000	100.0%
Unrestricted	164,347,073	172,228,165	153,441,146	(7,881,092)	-4.6%	18,787,019	12.2%
Total net position	208,640,786	202,125,755	178,015,865	6,515,031	3.2%	24,109,890	13.5%
Total liabilities, deferred inflows of resources, and net position	$ 1,189,881,233	$ 1,099,258,566	$ 763,293,226	$ 90,622,667	8.2%	$ 335,965,340	44.0%

Assets and Deferred Outflows of Resources

For the fiscal year ended June 30, 2020, assets increased $91,458,016 or 8.4% due primarily to increases in receivables from the California Department of Health Care Services (“DHCS”). During the same period, deferred outflows of resources decreased $835,349 or -9.0% due to the timing of amounts attributable to employee retirement plans.

For the fiscal year ended June 30, 2019, assets increased $341,262,981 or 45.6% due primarily to the accrual of receivables for fiscal year 2018 hospital directed payments, which were received after the end of the fiscal year. During the same period, deferred outflows of resources decreased $5,297,641 or -36.4% due to the timing of amounts attributable to employee retirement plans.

Liabilities and Deferred Inflows of Resources

For the fiscal year ended June 30, 2020, liabilities increased $83,477,806 or 9.3% due primarily to increases in timing of payables to DHCS and certain providers. During the same period, deferred inflows of resources increased $629,830 or 20.0% due to due to the timing of amounts attributable to employee retirement plans.

For the fiscal year ended June 30, 2019, liabilities increased $312,918,253 or 53.9% due primarily to the accrual of payables for fiscal year 2018 hospital directed payments. During the same period, deferred inflows of resources decreased $1,062,803 or -25.3% due to the timing of amounts attributable to employee retirement plans.

Tangible Net Equity

The Health Authority is required to maintain a minimum level of tangible net equity ("TNE") per its contract with DHCS. TNE is defined as the excess of total assets over total liabilities, excluding subordinated liabilities and intangible assets, if any. The Health Authority's TNE was $208,640,786, $202,125,755, and $178,015,865 at June 30, 2020, 2019, and 2018, respectively. The Health Authority exceeded the minimum required TNE levels at all times during the three fiscal years.

CONDENSED RESULTS OF OPERATIONS:

	Fiscal Year			2020 to 2019 Change		2019 to 2018 Change	
	2020	2019	2018	Amount	% Change	Amount	% Change
Year end membership:							
Medi-Cal	244,888	237,698	248,776	7,190	3.0%	(11,078)	-4.5%
Cal Medi-Connect	8,987	8,022	7,503	965	12.0%	519	6.9%
Healthy Kids	-	3,486	3,196	(3,486)	-100.0%	290	9.1%
Total year end membership	253,875	249,206	259,475	4,669	1.9%	(10,269)	-4.0%
Annual member months:							
Medi-Cal	2,829,690	2,904,840	3,090,265	(75,150)	-2.6%	(185,425)	-6.0%
Cal Medi-Connect	101,391	92,838	96,513	8,553	9.2%	(3,675)	-3.8%
Healthy Kids	10,528	40,083	33,830	(29,555)	-73.7%	6,253	18.5%
Total annual member months	2,941,609	3,037,761	3,220,608	(96,152)	-3.2%	(182,847)	-5.7%
Operating revenues:							
Capitation and premium revenue	$ 1,147,826,608	$ 1,161,897,093	$ 1,329,112,179	$ (14,070,485)	-1.2%	$ (167,215,086)	-12.6%
Total operating revenues	1,147,826,608	1,161,897,093	1,329,112,179	(14,070,485)	-1.2%	(167,215,086)	-12.6%
Operating expenses:							
Medical expenses	1,036,714,518	979,947,150	1,162,181,837	56,767,368	5.8%	(182,234,687)	-15.7%
General and administrative expenses	57,442,133	54,419,879	45,893,851	3,022,254	5.6%	8,526,028	18.6%
Depreciation and amortization	3,370,268	3,816,251	3,548,003	(445,983)	-11.7%	268,248	7.6%
Premium tax	50,260,731	105,415,550	101,621,379	(55,154,819)	-52.3%	3,794,171	3.7%
Total operating expenses	1,147,787,650	1,143,598,830	1,313,245,070	4,188,820	0.4%	(169,646,240)	-12.9%
Operating income	38,958	18,298,263	15,867,109	(18,259,305)	-99.8%	2,431,154	15.3%
Nonoperating revenues:							
Interest and other income	6,476,073	5,811,627	3,768,195	664,446	11.4%	2,043,432	54.2%
Changes in net position	6,515,031	24,109,890	19,635,304	(17,594,859)	-73.0%	4,474,586	22.8%
Net position, beginning of year	202,125,755	178,015,865	158,380,561	24,109,890	13.5%	19,635,304	12.4%
Net position, end of year	$ 208,640,786	$ 202,125,755	$ 178,015,865	$ 6,515,031	3.2%	$ 24,109,890	13.5%

Membership and Enrollment

During the fiscal year ended June 30, 2020, the Health Authority experienced an increase in enrollment of 1.9% predominately Due to the County's suspension of Medi-Cal disenrollments during the COVID-19 public health emergency.

During the fiscal year ended June 30, 2019, the Health Authority experienced a decrease in enrollment of 4.0% predominately in the Medi-Cal program.

Operating Revenue

During the fiscal year ended June 30, 2020, operating revenues decreased by $14,070,485 or -1.2% to $1,147,826,608 versus the prior year operating revenue of $1,161,897,093. Much of the decrease was attributable to changes in enrollment and capitation rates.

During the fiscal year ended June 30, 2019, operating revenues decreased by $167,215,086 or -12.6% to $1,161,897,093 versus the prior year operating revenue of $1,329,112,179. Much of the decrease was attributable to the phase-out of In-Home Supportive Services ("IHSS") from the Coordinated Care Initiative ("CCI"), which entail the Medi-Cal Dual Managed Long-Term Services & Supports ("MLTSS") and the Cal MediConnect ("CMC") programs, effective January 1, 2018.

Medical Expenses

During the fiscal year ended June 30, 2020, medical expenses increased by $56,767,368 or 5.9% to $1,036,714,518 versus the prior year of $979,947,150. Much of the increase was attributable to certain increases in capitation and fee-for-service expenses.

During the fiscal year ended June 30, 2019, medical expenses decreased by $182,234,687 or -15.7% to $979,947,150 versus the prior year of $1,162,181,837. Much of the decrease was attributable to the phase-out of IHSS from the CCI, which entail the MLTSS and the CMC program, effective January 1, 2018.

The Health Authority's medical loss ratio ("MLR"), or medical expenses as a percentage of capitation and premium revenue (less contra-revenue premium tax), was 94.5%, 92.8%, and 94.7% for the fiscal years ended June 30, 2020, 2019, and 2018, respectively.

Premium Deficiency Reserve

During the fiscal year ended June 30, 2020, management maintained its estimated premium deficiency reserve ("PDR") on the CMC contract at $8,294,025 for fiscal year 2021 due to continuing uncertainties about final rate recasts for multiple fiscal years, shared risk corridor payments and hierarchical condition category ("HCC") risk adjustments, for which management cannot fully quantify the likelihood of these impacts.

During the fiscal year ended June 30, 2019, management maintained its estimated PDR on the CMC contract at $8,294,025 for fiscal year 2020 due to continuing uncertainties about final rate recasts for multiple fiscal years, shared risk corridor payments, and HCC risk adjustments, for which management cannot fully quantify the likelihood of these impacts.

General and Administrative Expenses

During the fiscal year ended June 30, 2020, general and administrative expenses increased by $3,022,254 or 5.3% to $57,442,133 versus the prior year expense of $54,419,879 due to increased staffing and increases in other expenses.

During the fiscal year ended June 30, 2019, general and administrative expenses increased by $8,526,028 or 18.6% to $54,419,879 versus the prior year expense of $45,893,851 due to increased staffing, contracted services, and printing and postage expenses.

The Health Authority's administrative loss ratio ("ALR"), or general and administrative (including depreciation and amortization expense) as a percentage of capitation and premium revenue (including contra-revenue premium tax), was 5.5%, 5.5%, and 4.0% for the fiscal years ended June 30, 2020, 2019, and 2018, respectively.

CONDENSED CASH FLOW INFORMATION:

The table below summarizes the major sources and uses of cash and cash equivalents for the fiscal years ended June 30, 2020, 2019, and 2018:

	Fiscal Year			2020 to 2019 Change		2019 to 2018 Change	
	2020	2019	2018	Amount	% Change	Amount	% Change
Cash flows from operating activities	$ 30,887,730	$ 75,870,490	$ (130,630,635)	$ (44,982,760)	-59.3%	$ 206,501,125	-158.1%
Cash flows from capital and financing activities	(2,826,838)	(6,415,822)	(13,590,598)	3,588,984	-55.9%	7,174,776	-52.8%
Cash flows from investing activities	(193,407,282)	5,811,627	3,768,195	(199,218,909)	-3427.9%	2,043,432	54.2%
Net change in cash and cash equivalents	(165,346,390)	75,266,295	(140,453,038)	(240,612,685)	-319.7%	215,719,333	-153.6%
Cash and cash equivalents, beginning of year	299,117,154	223,850,859	364,303,897	75,266,295	33.6%	(140,453,038)	-38.6%
Cash and cash equivalents, end of year	$ 133,770,764	$ 299,117,154	$ 223,850,859	$ (165,346,390)	-55.3%	$ 75,266,295	33.6%

The Health Authority considers all highly liquid instruments with a maturity of three months or less to be cash and cash equivalents. The Health Authority invests excess cash in the Santa Clara County Investment Pool, which can be withdrawn on demand.

CONDENSED CAPITAL ASSET INFORMATION:

The table below summarizes the major changes in capital assets for the fiscal years ended June 30, 2020, 2019, and 2018. Capital assets largely included furniture and fixtures, computer hardware and software, and leasehold improvements:

	Fiscal Year Ended June 30,			2020 to 2019 Change		2019 to 2018 Change	
	2020	2019	2018	Amount	% Change	Amount	% Change
Beginning balance, net	$ 27,392,240	$ 24,269,369	$ 10,507,128	$ 3,122,871	12.9%	$ 13,762,241	131.0%
Additions	2,826,838	6,941,405	17,365,176	(4,114,567)	-59.3%	(10,423,771)	-60.0%
Reductions/adjustments	(199,722)	(2,283)	(54,932)	(197,439)	8648.2%	52,649	-95.8%
Depreciation and amortization expense	(3,370,268)	(3,816,251)	(3,548,003)	445,983	-11.7%	(268,248)	7.6%
Ending balance, net	$ 26,649,088	$ 27,392,240	$ 24,269,369	$ (743,152)	-2.7%	$ 3,122,871	12.9%

KEY FACTORS INFLUENCING THE FISCAL YEAR 2020-2021 BUDGET:

In June 2020, the Health Authority's Governing Board formally approved operating and capital budgets for the fiscal year ending June 30, 2021. The fiscal year 2021 operating budget anticipates enrollment growth of 5.5%, carve-out of pharmacy from Medi-Cal, modest changes in Medi-Cal capitation rates, and modest growth in operating expenses. The 2020 capital budget includes approximately $6.9 million for investments in facilities and information systems.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Health Authority's finances for interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Santa Clara Family Health Plan, Attn: Controller, 6201 San Ignacio Avenue, San Jose, California 95119 or call (408) 376-2000.

Report of Independent Auditors

To the Governing Board
Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)

Report on the Financial Statements

We have audited the accompanying financial statements of Santa Clara County Health Authority (dba Santa Clara Family Health Plan) ("Health Authority"), which comprise the statements of net position as of June 30, 2020 and 2019, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Santa Clara County Health Authority (dba Santa Clara Family Health Plan) as of June 30, 2020 and 2019, and the results in its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The accompanying Management's Discussion and Analysis on pages 1 through 7, supplementary schedule of proportionate share of the net pension asset/liability, supplementary schedule of pension contributions, supplementary schedules of changes in net other post-employment benefit liability, and supplementary schedule of other post-employment benefit contributions on pages 39 through 42 are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board who considers them to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. This supplementary information is the responsibility of the Health Authority's management. We have applied certain limited procedures in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide an assurance on the supplementary information because limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

San Francisco, California
_____, 2020

Financial Statements

Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Statements of Net Position
June 30, 2020 and 2019

	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets		
Cash and cash equivalents	$ 133,770,764	$ 299,117,154
Investments	199,883,355	-
Premiums receivable	811,006,716	751,066,126
Prepaids and other assets	7,816,053	10,161,443
Total current assets	1,152,476,888	1,060,344,723
Capital assets, net		
Nondepreciable	4,074,349	4,136,236
Depreciable, net of accumulated depreciation and amortization	22,574,739	23,256,004
Total capital assets, net	26,649,088	27,392,240
Assets restricted as to use	305,350	305,350
Net pension asset	1,017,002	1,978,644
Other post-employment benefits asset	1,030,645	-
Total assets	1,181,478,973	1,090,020,957
Deferred outflows of resources	8,402,260	9,237,609
Total deferred outflows of resources	8,402,260	9,237,609
Total assets and deferred outflows of resources	$ 1,189,881,233	$ 1,099,258,566
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities		
Accounts payable and accrued liabilities	$ 13,010,770	$ 9,371,499
Amounts due to the State of California	104,429,798	53,143,088
In-home supportive services payable	419,268,582	416,092,526
Due to providers	345,356,397	316,691,672
Medical incurred but not reported claims and medical claims payable	84,105,151	82,355,017
Provider incentives and other medical liabilities	3,000,000	5,500,000
Premium deficiency reserves	8,294,025	8,294,025
Total current liabilities	977,464,723	891,447,827
Noncurrent liabilities		
Other post-employment benefits liability	-	2,539,090
Total liabilities	977,464,723	893,986,917
Deferred inflows of resources	3,775,724	3,145,894
Total deferred inflows of resources	3,775,724	3,145,894
Net position		
Net investment in capital assets	26,649,088	27,392,240
Restricted	305,350	305,350
Unrestricted:		
Designated by Governing Board	17,339,275	2,200,000
Unrestricted	164,347,073	172,228,165
Total net position	208,640,786	202,125,755
Total liabilities, deferred inflows of resources, and net position	$ 1,189,881,233	$ 1,099,258,566

See accompanying notes to financial statements.

Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2020 and 2019

	2020	2019
Operating revenues		
Capitation and premium revenue	$ 1,147,826,608	$ 1,161,897,093
Total operating revenues	1,147,826,608	1,161,897,093
Operating expenses		
Medical expenses	1,036,714,518	979,947,150
Premium tax	50,260,731	105,415,550
General and administrative expenses	57,442,133	54,419,879
Depreciation and amortization	3,370,268	3,816,251
Total operating expenses	1,147,787,650	1,143,598,830
Operating income	38,958	18,298,263
Nonoperating revenues		
Interest and other income	6,476,073	5,811,627
Change in net position	6,515,031	24,109,890
Net position, beginning of year	202,125,755	178,015,865
Net position, end of year	$ 208,640,786	$ 202,125,755

Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Capitation and premiums received	$ 1,087,886,018	$ 904,138,393
Medical expenses paid	(1,004,597,624)	(757,985,414)
Marketing, general, and administrative expenses paid	(52,400,664)	(70,282,489)
Net cash provided by operating activities	30,887,730	75,870,490
Cash flows from capital and financing activities		
Purchases of capital assets	(2,826,838)	(6,415,822)
Net cash used in capital and financing activities	(2,826,838)	(6,415,822)
Cash flows from investing activities		
Purchase of investments	(311,638,909)	-
Sale of investments	111,755,554	-
Interest collection on investments	6,476,073	5,811,627
Net cash (used in) provided by investing activities	(193,407,282)	5,811,627
Net change in cash and cash equivalents	(165,346,390)	75,266,295
Cash and cash equivalents, beginning of year	299,117,154	223,850,859
Cash and cash equivalents, end of year	$ 133,770,764	$ 299,117,154
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 38,958	$ 18,298,263
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	3,370,268	3,816,251
Changes in operating assets and liabilities		
Premiums receivable	(59,940,590)	(257,758,700)
Prepaids and other assets	2,345,390	(3,136,471)
Net pension asset	961,642	(3,803,440)
Other post-employment benefits asset/liability	(3,569,735)	(2,169,628)
Deferred outflows of resources	835,349	5,297,641
Accounts payable and accrued liabilities	3,838,993	(10,987,909)
Amounts due to the State of California	51,286,710	28,713,110
In-home supportive services payable	3,176,056	2,542,975
Due to providers	28,664,725	300,736,688
Medical incurred but not reported claims and medical claims payable	1,750,134	4,265,370
Provider incentives and other medical liabilities	(2,500,000)	(8,880,857)
Deferred intlows of resources	629,830	(1,062,803)
Net cash provided by operating activities	$ 30,887,730	$ 75,870,490
Supplemental cash flow disclosure		
Cash paid during the year for premium tax	$ 26,353,887	$ 105,415,548
Supplemental disclosure of noncash item		
Payables for capital asset purchases	$ 257,855	$ 525,583

See accompanying notes to financial statements.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and organization – The Santa Clara County Health Authority (dba Santa Clara Family Health Plan ("Health Authority") was established on August 1, 1995, by the Santa Clara County Board of Supervisors pursuant to Section 14087.38 of the State of California Welfare and Institutions Code (the "Code"). SCFHP was created for the purpose of developing the Local Initiative Plan (the "Plan") for the expansion of Medi-Cal Managed Care, as presently regulated by the California Department of Managed Health Care ("DMHC"). The Medi-Cal Managed Care Program offers no-cost health coverage to children, birth through age 18, pregnant women, and other low-income adults in Santa Clara County (the "County"). During 1996, SCFHP obtained licensure under the Knox-Keene Health Care Service Plan Act of 1975 and commenced operations. The financial statements are included in the County of Santa Clara's basic financial statements as a discretely presented component unit.

The Santa Clara Community Health Authority Joint Powers Authority ("JPA") is a licensed health maintenance organization that operates in the County. The County's Board of Supervisors established the JPA in October 2005 in accordance with the Code Section 14087.54. The JPA received its Knox-Keene license on May 11, 2006, and commenced operations on June 1, 2006. The Health Authority has advised the DMHC of its intent to surrender the JPA's license as of December 31, 2019 and the JPA ceased to exist on 12/31/19.

The following table presents certain combined financial statement captions as previously reported which combines the JPA with the Health Authority, and compares them to the current presentation which does not combine the JPA with the Health Authority as of and for the years ended June 30:

	2020		
	Health Authority with JPA	Health Authority without JPA	Difference
Total operating revenues	$ 1,149,827,409	$ 1,147,826,608	$ 2,000,801
Total operating expenses	$ 1,146,694,775	$ 1,147,787,650	$ (1,092,875)
Change in net position	$ 9,608,707	$ 6,515,031	$ 3,093,676

	2019		
	Health Authority with JPA	Health Authority without JPA	Difference
Total operating revenues	$ 1,161,897,093	$ 1,161,897,093	$ -
Total operating expenses	$ 1,143,598,830	$ 1,143,598,830	$ -
Change in net position	$ 24,109,890	$ 24,109,890	$ -

The Health Authority has contracted with the California Department of Health Care Services ("DHCS") to receive funding to provide health care services to the Medi-Cal eligible County residents who are enrolled as members of the Health Authority ("DHCS contract"). The DHCS contract specifies capitation rates, which may be adjusted annually. DHCS revenue is paid monthly and is based upon contracted rates, and actual Medi-Cal enrollment. The Health Authority, in turn, has contracted with hospitals and physicians whereby capitation payments (agreed-upon monthly payments per member) and fee-for-service payments are made in return for contracted health care services for its members. Provider contracts are typically evergreen and contain annual rate change provisions, termination clauses, and risk-sharing provisions.

The Health Authority contracts with the Centers for Medicare & Medicaid Services ("CMS") and the DHCS, effective January 1, 2015, to participate in Cal MediConnect ("CMC"), a demonstration project to integrate care for dual-eligible beneficiaries. Cal MediConnect is part of California's larger demonstration plan known as the Coordinated Care Initiative ("CCI"), which transforms the delivery of health care for seniors and people with disabilities. It integrates dual eligibles' care across all their entitlement benefits from Medicare, Medi-Cal, and other supportive services.

The Health Authority operates a Healthy Kids program to provide medical coverage to children of parents not otherwise eligible for the Medi-Cal program. All Health Kids members transitioned to Medi-Cal by December 31, 2019.

On March 1, 2016, SB X2-2 established a Managed Care Organization ("MCO") provider tax for July 1, 2016, through June 30, 2019, and administered by DHCS. The tax is assessed on by DHCS on licensed health plans contracted to provide Medi-Cal services. The legislation established taxing tiers and per-enrollee amounts for the fiscal years ended June 30, 2017, 2018, and 2019. On September 27, 2019, Assembly Bill 115 (Chapter 348, Statutes 2019) authorized DHCS to implement a modified MCO tax model on specified health plans, which was approved by the federal Centers for Medicare & Medicaid Services on April 3, 2020. The effective date range for this approval is January 1, 2020 through December 31, 2022. The Health Authority paid $0 and $105,415,548 in MCO premium taxes during fiscal years 2020 and 2019, respectively. At June 30, 2020 and 2019, the Health Authority had payables due in the amount of $48,615,420 and $26,353,889, respectively, included in Amounts due to the State of California.

Basis of accounting – The Health Authority is a governmental health insuring organization and, accordingly, follows principles, as prescribed by the Governmental Accounting Standards Board ("GASB"), the provisions of the American Institute of Certified Public Accountants Audit and Accounting Guide ("AICPA"), *Health Care Organizations*, and the California Code of Regulations, Title 2, Section 1131, State Controller's *Minimum Audit Requirements* for California Special Districts and the State Controller's Office prescribed reporting guidelines. The Health Authority utilizes the proprietary fund method of accounting under which the financial statements are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Health Authority's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989.

Use of estimates – The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Medical incurred but not reported claims and medical claims payable, premiums receivable, fair market value of investments, net pension asset/liability, other post-employment benefits asset/liability, premium deficiency reserves, and useful lives of capital assets represent significant estimates. Actual results could differ from those estimates.

Cash and cash equivalents – The Health Authority considers all highly liquid instruments with a maturity of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value. At June 30, 2020 and 2019, the Health Authority's cash deposits and investment pool had carrying amounts of $133,770,764 and $299,117,154, respectively. The Health Authority's bank and investment pool balances at June 30, 2020 and 2019, including interests in an investment pool, were $344,500,631 and $306,584,080, respectively. Of the bank and investment pool balances at June 30, 2020 and 2019, $343,653,375 and $305,834,080, respectively, were not covered by federal depository insurance.

Amounts invested in the County Treasurer's investment pool (the "Investment Pool") are considered cash and cash equivalents, as funds can be withdrawn by the Health Authority on demand. The County's Investment Oversight Committee Board has oversight responsibility for the Investment Pool. The Investment Pool is not U.S. Securities and Exchange Commission registered, and based on the California statutes and the County's investment policy, primarily invests in obligations of U.S. Treasury, certain federal agencies, bankers' acceptances, commercial papers, certificates of deposit, repurchase agreements, and California State Treasurer's Local Agency Investment Fund. The amounts invested in the Investment Pool are considered investments in an external investment pool and earn interest based on the blended rate of return earned by the entire portfolio in the pool. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in forced liquidation. The fair value of the Investment Pool is generally based on published market prices and quotations from major investment firms. As the Health Authority does not own identifiable investment securities of the pool but participates as a shareholder of the pool, these cash and cash equivalents are not individually identifiable and were not required to be categorized under GASB Codification Section C20, *Cash Deposits with Financial Institutions*, Section 150, *Investments* and Section 155, *Investments – Reverse Repurchase Agreements*. The fair value of the Health Authority's share in the pool approximated the fair value of the position in the pool at June 30, 2020 and 2019.

Investments – The Health Authority adopted GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), effective July 1, 2019. GASB 72 requires the Health Authority to use valuation techniques which are appropriate under the circumstances and are consistent with the market approach, the cost approach, or the income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

Capital assets – Purchased capital assets are stated at cost. Depreciation and amortization is provided using the straight-line method over the estimated useful lives of the respective assets, generally three to five years. Leasehold improvements are amortized over the shorter of the remaining term of the lease or the useful life. The Health Authority capitalizes capital expenditures over $1,000, which will have a useful life of three or more years.

The Health Authority evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment losses on capital assets are measured using the method that best reflects the diminished service utility of the capital asset.

Assets restricted as to use – The Health Authority is required by DMHC to restrict cash having a fair value of at least $300,000 for payment of member claims in the event of insolvency. The amount recorded was $305,350 at June 30, 2020 and 2019.

Amounts due to the State of California – When the Health Authority is made aware of changes to DHCS rate structure, such as rate changes, risk corridors or program reconciliations, that significantly impact the financial outlook, an accrual for the estimated change is recorded.

In-Home Supportive Services ("IHSS") payable – DHCS paid IHSS payments directly to the Santa Clara County's Department of Social Services. As part of CCI, the Health Authority assumed full risk for IHSS provider payments. These amounts are included in both premium revenue and medical expenses and equivalent amounts are recorded as premiums receivable and IHSS payable, respectively, in the Health Authority's financials statements. Additionally, the Health Authority paid the MCO tax on the IHSS revenue and recorded it as premium tax. Effective January 1, 2018, IHSS was phased-out of CCI.

Due to providers – Due to providers consists predominately of payables related to managed care hospital directed payments, Proposition 56 funds, and Ground Emergency Medical Transportation ("GEMT") funds.

Effective July 1, 2017, DHCS implement three Medi-Cal managed care hospital directed payments: (1) Private Hospital Directed Payment ("PHDP"), 2) Designated Public Hospital Enhanced Payment Program ("EPP"), and (3) Designated Public Hospital Quality Incentive Pool ("QIP").

- For PHDP, the Department has directed Managed Care Plans ("MCP") to reimburse private hospitals as defined in WIC 14169.51, based on actual utilization of contracted services. The enhanced payment is contingent upon hospitals providing adequate access to service, including primary, specialty, and inpatient care.

- For EPP, which consists of fee-for-service and capitated pools, the Department has directed MCPs to reimburse California's designated public hospitals ("DPH") for contracted services based on actual utilization of contracted services.

- For QIP, the Department has directed MCPs to make additional payments tied to performance on designated performance metrics in four strategic categories: primary care, specialty care, inpatient care, and resource utilization.

Proposition 56 is a supplemental payment for certain professional medical services to Medi-Cal beneficiaries funded by the Tobacco Tax (California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) as defined by DHCS in APL 19-006.

GEMT is a supplemental payment that provides additional funding to eligible providers of GEMT services to Medi-Cal beneficiaries as defined by DHCS in APL 19-007.

Medical incurred but not reported claims and medical claims payable – The Health Authority contracts with various providers, including physicians and hospitals, to provide certain health care products and services to enrolled beneficiaries. The cost of the health care products and services provided or contracted for is accrued in the period in which it is provided to a member, based in part on actuarial estimates, including an accrual for medical services incurred but not yet reported to the Health Authority. Estimates are monitored and reviewed and, as settlements are made or estimates adjusted, differences are reflected in current operations. Such estimates are subject to the impact of changes in the regulatory environment and economic conditions.

Provider incentives and other medical liabilities – The Health Authority has various incentive agreements with certain providers whereby the providers are reimbursed for efficient and quality services provided to certain enrolled beneficiaries. Under the incentive agreements, health care costs (which include all fee-for-service claims and estimated medical incurred but not reported claims and medical claims payable) are allocated on a per member per month basis. Based on the terms of certain incentive agreements, a final reconciliation of surpluses is completed annually and paid within six months of the end of the Health Authority's fiscal year. Incentive payments are recorded as medical expenses in the accompanying financial statements.

Net pension asset/liability – The Health Authority recognizes a net pension asset/liability, which represents the proportionate share of the difference of the total pension asset/liability over the fiduciary net position of the pension reflected in the actuarial report provided by the California Public Employees' Retirement System (“CalPERS”). The net pension asset/liability is measured as of the Health Authority's prior fiscal year-end. Changes in the net pension asset/liability are recorded in the period incurred as pension expense and as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension asset/liability that are recorded as deferred inflows of resources or deferred outflows of resources are recognized in pension expense systematically over time.

For purposes of measuring the net pension asset/liability, deferred outflows and inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other post-employment benefit asset/liability – The Health Authority recognizes a net other post-employment benefit (“OPEB”) asset/liability, which represents the difference of the total OPEB liability over the fiduciary net position of the Health Authority’s OPEB plan, which is administered by CalPERS. The net OPEB asset/liability is measured as of the Health Authority's prior fiscal year-end. Changes in the net OPEB asset/liability are recorded in the period incurred as OPEB expense and as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net OPEB asset/liability that are recorded as deferred inflows of resources or deferred outflows of resources are recognized in OPEB expense systematically over time.

For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position, and additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Net position – Net position is classified as net investment in capital assets, restricted net position, and unrestricted net position, which includes board designated funds. Net investment in capital assets represents capital assets, net of accumulated depreciation and amortization. Restricted net position is noncapital net position that must be used for a particular purpose, as specified by the state regulatory agency, grantors, or contributors external to the Health Authority. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets and board designated funds. In December 2019, the Health Authority's Governing Board designated $16,000,000 for an Innovation fund and increased its previous designation for a Community-Based Organization fund to $4,000,000. As of June 30, 2020, $17,339,275 was unexpended. In December 2018, the Health Authority's Governing Board designated $2,200,000 for board-designated investments, the specific composition and recipients of which will be determined at a later date.

Capitation and premium revenue – The Health Authority has agreements with the Medi-Cal Program in the state to provide certain health care products and services to enrolled Medi-Cal beneficiaries. Eligibility of beneficiaries is determined by Santa Clara County Social Services Agency and validated by the State of California. The State of California provides the Health Authority the validated monthly eligibility file of program beneficiaries who are continuing, newly added, or terminated from the program in support of capitation revenue for the respective month. The Health Authority receives monthly premium payments from DHCS based on the number of enrolled Medi-Cal beneficiaries, regardless of services actually performed. Premiums are due from DHCS monthly and are recognized as revenue during the period in which the Health Authority is obligated to provide services to members. A portion of revenues received from DHCS is subject to possible retroactive adjustments. Provisions have been made for estimated retroactive adjustments. For the years ended June 30, 2020 and 2019, premium revenues recorded from DHCS under the Medi-Cal Program totaled $972,210,890 and $998,083,852, respectively.

The Health Authority entered into a three-way contract with CMS and the DHCS effective January 1, 2015, to participate in the CMC program. For the years ended June 30, 2020 and 2019, premium revenues totaled $34,839,647 and $30,482,500, and $141,653,083 and $129,063,173 for the Medi-Cal and Medicare components of the CMC program, respectively. According to Chapter 33, Statutes of 2013 (SB 78, Committee on Budget and Fiscal Review), premium tax is imposed on only the revenues received by MCOs through their Medi-Cal and Healthy Kids managed care plans; consequently, Medicare revenues are not subject to premium tax.

The Health Authority has an agreement with the County of Santa Clara to provide health care services to enrolled Healthy Kids beneficiaries. The Health Authority issues monthly invoices to the funding organization for its respective portion of premium costs for all Healthy Kids enrollees. Premiums are due monthly and are recognized as revenue in the period the Health Authority is obligated to provide medical services. A nominal monthly premium is invoiced directly to the family of the Healthy Kids enrolled child and recognized as revenue in the service month. Annual premium revenue for the Healthy Kids Program totaled $1,123,789 and $4,267,568 for the years ended June 30, 2020 and 2019, respectively, and were funded by County of Santa Clara. All Health Kids members transitioned to Medi-Cal by December 31, 2019.

Premium deficiency reserves – The Health Authority performs periodic analyses of its expected future medical expenses and maintenance costs to determine whether such costs will exceed anticipated future revenues under its contracts. The Health Authority entered into a three-way contract with CMS and the DHCS effective January 1, 2015, to participate in a demonstration project to integrate care for dual-eligible beneficiaries. The Contract shall be renewed in one-year terms through December 31, 2022. The Health Authority has the option to cancel this agreement prior to the end of each term. Management has estimated that it may incur losses on the contract. Accordingly, a premium deficiency reserve in the amount of $8,294,025 has been recorded at June 30, 2020 and 2019. The Health Authority may receive future revenue adjustments in the form of shared risk corridor payments and CMS hierarchical condition category risk adjustment true-ups; however, these adjustments cannot currently be estimated. Management has determined that no other premium deficiency reserves are needed at June 30, 2020 and 2019.

Concentration of credit risk – A majority of the Health Authority's revenues are derived from contracts with DHCS and CMS. Loss of the contracts due to nonrenewal or legislative decisions that impact program funding or result in discontinuation could materially affect the financial position of the Health Authority. As of June 30, 2020, the Health Authority had premiums receivable of $787,273,372, $7,405,424, $17,972,777, and $454 due from Medi-Cal Program, CMC program, Medicare, and Healthy Kids Program, respectively. As of June 30, 2019, the Health Authority had premiums receivable of $734,627,346, $7,941,454, $7,812,105, and $685,221 due from Medi-Cal Program, CMC program, Medicare, and Healthy Kids Program, respectively.

Medical expenses – Hospital, physician, and other service costs are based on actual paid claims plus an estimate for accrued incurred but not reported claims. Claims are paid primarily on a fee-for-service basis. Many physicians belonging to medical groups and certain hospitals are compensated primarily on a capitation basis with provisions for additional incentive payments in certain circumstances.

Operating revenues and expenses – The Health Authority's primary operating revenue is derived from capitation. As defined by GASB Codification Section P80, *Proprietary Fund Accounting and Financial Reporting,* all operating revenues are considered program revenues since they are charges for services provided and program-specific operating grants. The primary operating expense is medical care cost. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or net investment income and changes in the fair value of investments.

Income taxes – The Health Authority is a public entity and falls under the purview of Internal Revenue Code, Section 115, and corresponding California Revenue and Taxation Code provisions. As such, it is not subject to federal income or state franchise taxes.

New accounting pronouncements – In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities* (“GASB 84”). GASB 84 provides improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which deferred the effective date of GASB 84 to reporting periods beginning after December 15, 2019. The Health Authority is reviewing the impact of the adoption of GASB 84 for the fiscal year ending 2021.

In June 2017, the GASB issued GASB Statement No. 87, *Leases* ("GASB 87"). GASB 87 increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB 87 also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which deferred the effective date of GASB 87 to fiscal years beginning after June 15, 2021. The Health Authority is reviewing the impact of the adoption of GASB 87 for the fiscal year ending 2022.

Reclassifications – Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation. These reclassifications have no effect on the 2019 operating income or net position.

NOTE 2 – INVESTMENTS

At June 30, 2020, the Health Authority's investments consisted of money market funds, commercial paper, U.S. government agency bonds, corporate bonds, municipal bonds, asset back securities, commercial paper, and U.S. treasury securities.

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Health Authority manages risk of market value fluctuations due to overall changes in the general level of interest rates by complying with California Government Code Section 53600.5. As of June 30, 2020, the Health Authority's investments all have maturities of less than one year.

Credit risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. The following are the credit ratings for each investment type at June 30, 2020:

Description	Fair value	AAA	AA	AA+	AA-	A	A+	A-1+	A-2
Investments in:									
U.S. government agency bonds	$ 101,825,363	$ 2,026,549	$ -	$ -	$ -	$ -	$ -	$ 99,798,814	$ -
Corporate bonds	34,790,027	2,047,076	-	-	2,015,254	7,982,729	22,744,968	-	-
Municipal bonds	9,018,771	-	2,560,532	1,681,741	-	-	761,476	4,015,022	-
Asset-backed securities	1,203,170	1,203,170	-	-	-	-	-	-	-
Commerical paper	10,995,235	-	-	-	-	-	-	10,995,235	-
U.S. treasury securities	42,050,789	18,358,657	-	-	-	-	-	23,692,132	-
Total investments	$ 199,883,355	$ 23,635,452	$ 2,560,532	$ 1,681,741	$ 2,015,254	$ 7,982,729	$ 23,506,444	$ 138,501,203	$ -

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Alliance's investments as a percentage of its portfolio at June 30, 2020 were as follows:

Investment	Issuer	Percentage of portfolio
U.S. government agency bonds	Various	50.0 %
Corporate bonds	Various	17.0
Municipal bonds	Various	5.00
Asset-backed securities	Various	1.0
Commerical paper	Various	6.0
U.S. treasury securities	Various	21.0
		100.00 %

NOTE 3 – FAIR VALUE

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy is also established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table present fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020:

Description	Level 1	Level 2	Level 3	2020
Investments in:				
U.S. government agency bonds	$ -	$ 101,825,363	$ -	$ 101,825,363
Corporate bonds	-	34,790,027	-	34,790,027
Municipal bonds		9,018,771		9,018,771
Asset-backed securities	-	1,203,170	-	1,203,170
Total investments subject to fair value hierarchy	$ -	$ 146,837,331	$ -	$ 146,837,331
Investments and restricted cash not subject to fair value hierarchy				
Commerical paper				10,995,235
U.S. treasury securities				42,050,789
Certificate of deposits				305,350
Total investments and restricted cash				$ 200,188,705

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal years ended June 30, 2020 and 2019, are as follows:

	2020				
	Beginning Balance	Additions	Reductions/ Adjustments	Transfers	Ending Balance
Land	$ 3,507,578	$ -	$ -	$ -	$ 3,507,578
Furniture and equipment	11,983,493	849,663	(6,290)	(184,611)	12,642,255
Building and building improvements	17,267,569	1,568,598	(12,565)	184,611	19,008,213
Software	11,342,155	408,577	(150,207)	31,227	11,631,752
Vehicles	29,248	-	-	-	29,248
Software work in progress	61,887	-	(30,660)	(31,227)	-
Building improvements work in progress	566,771	-	-	-	566,771
Total capital assets	44,758,701	2,826,838	(199,722)	-	47,385,817
Less accumulated depreciation and amortization for:					
Furniture and equipment	9,647,338	621,469	592,056	-	10,860,863
Leasehold improvements	592,056	-	(592,056)	-	-
Building and building improvements	755,003	802,915	-	-	1,557,918
Software	6,365,158	1,941,009	-	-	8,306,167
Vehicles	6,906	4,875	-	-	11,781
Total accumulated depreciation and amortization	17,366,461	3,370,268	-	-	20,736,729
Capital assets, net	$ 27,392,240	$ (543,430)	$ (199,722)	$ -	$ 26,649,088

	2019				
	Beginning Balance	Additions	Reductions/ Adjustments	Transfers	Ending Balance
Land	$ 3,507,578	$ -	$ -	$ -	$ 3,507,578
Furniture and equipment	10,839,469	1,146,309	(2,285)	-	11,983,493
Leasehold improvements	759,482	-	(759,482)	-	-
Building and building improvements	6,235,856	1,165,733	-	9,865,980	17,267,569
Software	10,657,629	97,000	-	587,526	11,342,155
Vehicles	29,248	-	-	-	29,248
Software work in progress	347,526	301,887	-	(587,526)	61,887
Building improvements work in progress	6,202,275	4,230,476	-	(9,865,980)	566,771
Total capital assets	38,579,063	6,941,405	(761,767)	-	44,758,701
Less accumulated depreciation and amortization for:					
Furniture and equipment	9,397,651	841,746	(592,059)	-	9,647,338
Leasehold improvements	746,602	12,879	(167,425)	-	592,056
Building and building improvements	159,894	595,109	-	-	755,003
Software	4,003,516	2,361,642	-	-	6,365,158
Vehicles	2,031	4,875	-	-	6,906
Total accumulated depreciation and amortization	14,309,694	3,816,251	(759,484)	-	17,366,461
Capital assets, net	$ 24,269,369	$ 3,125,154	$ (2,283)	$ -	$ 27,392,240

Depreciation and amortization expense totaled $3,370,268 and $3,816,251 at June 30, 2020 and 2019, respectively.

NOTE 5 – MEDICAL INCURRED BUT NOT REPORTED CLAIMS AND MEDICAL CLAIMS PAYABLE

The Health Authority estimates medical incurred but not reported ("IBNR") claims and medical claims payable based on historical claims payment and other relevant information. Estimates are monitored and reviewed and, as settlements are made or estimates are adjusted, differences are reflected in current operations. Such estimates are subject to impact of changes in the regulatory environment. Activity for medical IBNR and medical claims payable for the years ended June 30, 2020 and 2019, is summarized as follows:

	2020	2019
Beginning balance	$ 82,355,017	$ 78,089,647
Incurred related to:		
Current year	609,184,841	584,499,785
Prior year	(12,867,896)	(12,368,761)
Total incurred	596,316,945	572,131,024
Paid related to:		
Current year	529,237,516	503,819,454
Prior year	65,329,295	64,046,200
Total paid	594,566,811	567,865,654
Ending balance	$ 84,105,151	$ 82,355,017

As presented in the table above, $596,316,945 and $572,131,024 in medical claims were incurred at June 30, 2020 and 2019, respectively, which are reflected in medical services in the statements of revenues, expenses, and changes in net position.

Claims payable liability increased by $8,963,079 in comparison to the previous year as a result of changes between actual payments for medical services and estimated amounts in previous years. Management believes the increase in estimated prior year's claims experience is largely a result of higher-than-anticipated adverse health care claims experience.

NOTE 6 – DESIGNATED NET POSITION

Designated funds remain under the control of the Governing Board, which may, at its discretion, later use the funds for other purposes. For the fiscal years ended June 30, 2020 and 2019, board-designated funds of $17,339,275 and $2,200,000, respectively, were made.

NOTE 7 – OPERATING LEASE OBLIGATIONS

The Health Authority leases the Blanca Alvarado Community Resource Center (scheduled to open in October 2020) and various equipment leases expiring in various years.

Future minimum lease payments as of June 30, 2020, consist of the following:

Years Ending June 30,	
2021	$ 242,209
2022	189,886
2023	189,886
2024	189,886
2025	189,886
Thereafter	31,648
Total minimum lease payments	$ 1,033,401

Rent expense, included in general and administrative expenses in the statements of revenues, expenses, and changes in net position, for the years ended June 30, 2020 and 2019, was $23,923 and $171,779, respectively.

NOTE 8 – EMPLOYEE BENEFIT PLANS

Internal Revenue Code 401(a) Plan – The Health Authority has a defined contribution plan under Section 401(a) of the Internal Revenue Code. For employees hired prior to January 1, 2013, participants must contribute 6% of their gross compensation and the Health Authority must contribute 3% of the participant's gross compensation. For employees hired on or after January 1, 2013, participants must contribute 6.25% of their gross compensation within a specific range and the Health Authority must contribute 6.533% of the participant's gross compensation with the same specific range. For senior staff employees, the Health Authority contributes greater than 3% of gross compensation and senior staff employees contribute less than 6% of their gross compensation. Contributions by the Health Authority totaled $656,347 and $716,716 for the years ended June 30, 2020 and 2019, respectively.

The 401(a) plan is administered through a third-party administrator and is available to all employee groups. The Heath Authority does not perform the investment function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the Health Authority's financial statements.

Internal Revenue Code 457 Plan – The Health Authority has a deferred compensation plan under Section 457 of the Internal Revenue Code. Participants may contribute up to the maximum allowed under Section 457. The Health Authority makes matching contributions only to 457 plan participants who are not participating in the 401(a) plan. For those employees, the Health Authority matches 50% of employee contributions, up to a maximum of 3% of compensation. Matching contributions are made to the 401(a) plan.

The 457 plan is administered through a third-party administrator and is available to all employee groups. The Heath Authority does not perform the investment function and has no fiduciary accountability for the plan. Thus, plan assets and any related liability to plan participants have been excluded from the Health Authority's financial statements.

California Public Employees' Retirement System

Plan description – The Health Authority participates in CalPERS, a cost sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. CalPERS provides retirement, disability, and death benefits based on the employees' years of service, age, and final compensation. CalPERS provides retirement benefits payable beginning at age 55 that are equal to 2% of the employee's final 3-year average compensation multiplied by the employee's years of service.

The State passed the California Employees' Pension Reform Act of 2013 ("PEPRA") which became effective on January 1, 2013. PEPRA changes include the classification of active employees into two distinct classifications: classic members and new members. Classic members represent active members hired before January 1, 2013, and retain the pension plan benefits in effect. This plan was closed to entrants on January 1, 2013, or after. New members are active members hired on or after January 1, 2013, and are subject to PEPRA. PEPRA offers a reduced benefit formula and increased retirement ages to new public employees, who first became PERS members on or after January 1, 2013. CalPERS provides retirement benefits payable beginning at age 62 that are equal to 2% of the employee's final 3-year average compensation times the employee's years of service. The provisions and all other requirements are established by State statute. CalPERS issues a stand-alone report that is available upon request at the following address: CalPERS Actuarial & Employer Service Division; P.O. Box 942709; Sacramento, California 94229-2709.

Funding policy – The contribution requirements of the plan members and the Health Authority are established and may be amended by CalPERS. With the election to participate in CalPERS, participation in Social Security is discontinued, and contributions to CalPERS are in lieu of contributions to Social Security. The Health Authority is required to contribute an actuarially determined rate. The employer contribution rate was 8.00% of annual covered payroll for both the years ended June 30, 2020 and 2019. All eligible participating employees are required to contribute 7.00% of their monthly salaries to CalPERS. The Health Authority deducts the contributions from employees' wages and remits to CalPERS on their behalf and for their account. Contributions to the pension plans from the Health Authority were $2,058,408 and $1,669,920 for the years ended June 30, 2020 and 2019, respectively.

Pension asset/liability, pension expense, and deferred outflows of resources and deferred inflows of resources related to pension – The net pension asset at June 30, 2020, is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. The total pension asset in the June 30, 2018 actuarial valuation was based on the following actuarial methods and assumptions:

Actuarial cost method:	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table	Derived using CalPERS' Membership Data for all Funds
Postretirement benefit increase:	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

The net pension asset at June 30, 2019, is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018, using standard update procedures. The total pension asset in the June 30, 2017 actuarial valuation was based on the following actuarial methods and assumptions:

Actuarial cost method:	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table	Derived using CalPERS' Membership Data for all Funds
Postretirement benefit increase:	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

All other actuarial assumptions used in the June 30, 2018 and 2017 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The experience study report can be obtained at the CalPERS' website under Forms and Publications.

Change of assumptions – The inflation rate remained unchanged at 2.50% for the June 30, 2019 measurement date. The discount rate decreased from 2.75% to 2.50% for the June 30, 2018 measurement date.

Discount rate – The discount rate used to measure the total pension asset at June 30, 2020 and 2019, measurement date was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The test revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make the required contributions as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Current Target Allocation	Real Return Years 1-10 [(a)]	Real Return Years 11+ [(b)]
Global equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

[(a)] An expected inflation rate of 2.00% was used for this period.
[(b)] An expected inflation rate of 2.92% was used for this period.

Sensitivity of the employer's proportionate share of the net pension asset/liability to changes in the discount rate – The following presents the Health Authority's net pension asset/liability as of June 30, 2020 and 2019, as well as what the net pension asset/liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	June 30, 2020		
	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Health Authority's net pension (asset) liability	$ 5,574,335	$ (1,017,002)	$ (6,457,686)

	June 30, 2019		
	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Health Authority's net pension (asset) liability	$ 3,796,634	$ (1,978,644)	$ (6,746,042)

The Health Authority's proportion for the miscellaneous plan was -0.00992% and -0.02053% at June 30, 2020 and 2019, respectively.

For the years ended June 30, 2020 and 2019, the Health Authority recognized pension expense of $2,924,828 and $1,122,685, respectively. Pension expense represents the change in the net pension asset/liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

As of June 30, 2020, the Health Authority had $5,296,371 of deferred outflows of resources and $1,661,827 of deferred inflows of resources related to pensions from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in employers' proportionate share	$ 686,603	$ (1,245,899)
Difference in experience	5,473	(70,635)
Differences between employer's actual contributions and its proportionate share of total employer contributions	2,510,916	(296,798)
Net differences between projected and actual earnings on pension plan investments	17,780	-
Changes in assumptions	17,191	(48,495)
Pension contributions made subsequent to measurement date	2,058,408	-
	$ 5,296,371	$ (1,661,827)

As of June 30, 2019, the Health Authority had $6,533,870 of deferred outflows of resources and $2,994,548 of deferred inflows of resources related to pensions from the following sources:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in employers' proportionate share	$ 29,685	$ (2,671,652)
Difference in experience	25,833	(75,914)
Differences between employer's actual contributions and its proportionate share of total employer contributions	4,753,151	(11,637)
Net differences between projected and actual earnings on pension plan investments	-	(9,782)
Changes in assumptions	55,281	(225,563)
Pension contributions made subsequent to measurement date	1,669,920	-
	$ 6,533,870	$ (2,994,548)

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension asset/liability to be recognized in future periods in a systematic manner.

Deferred outflows of resources of $2,058,408 and $1,669,920 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the years ending June 30, 2020 and 2019, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2021	$ 839,934
2022	$ 636,843
2023	$ 102,952
2024	$ (3,593)

NOTE 9 – POST-EMPLOYMENT HEALTH BENEFITS

Plan description – The Health Authority participates in the California Employers' Retiree Benefit Trust (“CERBT”), a single employer agent plan as administered by CalPERS to prefund its post-employment healthcare benefits. The Health Authority's OPEB plan provides healthcare benefits to eligible employees and certain dependents. Retired employees who retire directly from the health plan are eligible to receive contributions from the Health Authority toward their monthly Public Employees’ Medical and Hospital Care Act (health plans offered by CalPERS) if they meet certain age and service eligibility requirements as outlined in the plan document and as approved by the Health Authority’s Governing Board.

Employees hired prior to May 1, 2018, who attain age 50, with a minimum of 5 years of CalPERS service, and are employed by the Health Authority at the time of retirement, are eligible for coverage. Employees hired on or after May 1, 2018, who attain age 50, with a minimum of 12 continuous years at the Health Authority, and are employed by the Health Authority at the time of retirement, are eligible for coverage.

Copies of CERBT's annual financial report may be obtained from the executive office at 400 Q Street, Sacramento, California 95811. A separate report for the Health Authority's participation in the CERBT trust is not available.

Funding policy – For employees hired prior to May 1, 2018, the Health Authority pays for 90% of the cost of retiree medical plan premiums, including the cost for spouse and dependent coverage. Retirees are required to pay the other 10% of the cost of coverage. The Health Authority's contribution is capped at 90% of the monthly premium cost of the second most expensive HMO plan available from CalPERS (basic and supplemental rates for non-Medicare and Medicare retirees, respectively) for retirees who elect PERS Care or out-of-state coverage. Upon the death of the retiree, the Health Authority will continue contributions described above for the surviving spouse or until surviving minor dependents reach age 26.

For retirees hired on or after May 1, 2018, the Health Authority pays for 90% of the cost of retiree-only medical plan premiums. Retirees are required to pay the other 10% of the cost of coverage. The Health Authority's contribution is capped at 90% of the employee-only premium cost of the second most expensive HMO plan available from CalPERS (basic and supplemental rates for non-Medicare and retirees, respectively) for retirees who elect PERS Care or out-of-state coverage.

Employees covered – At June 30, 2020 and 2019, the following employees were covered by the plan:

	2020	2019
Active	238	232
Retirees	54	55
Total participants	292	287

Contributions – The Health Authority must contribute the minimum required amount of $5,000 or the actuarially determined contribution, whichever is lower. The contribution requirements of the Health Authority are established and may be amended by the CERBT.

Net OPEB asset/liability – The Health Authority's net OPEB asset/liability at June 30, 2020 and 2019, was measured as of June 30, 2019 and 2018, respectively, and the total OPEB asset/liability used to calculate the net OPEB asset/liability was determined by an actuarial valuation as of June 30, 2019 and 2018, respectively.

The total OPEB asset in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method:	Individual Entry Age Normal Level Percent of Pay
Actuarial assumptions:	
Discount rate	6.75%
Inflation	2.75%
Investment rate of return	6.75%
Healthcare cost trend rates:	7.50% for 2019 – Non-Medicare, decreasing to 4.00% in 2076, 6.5% for 2019 – Medicare, decreasing to 4% in 2076

Mortality rates are based on statistics taken from the CalPERS 1997-2015 Experience Study Report. Mortality projected fully generational with Scale MP-17.

The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method:	Individual Entry Age Normal Level Percent of Pay
Actuarial assumptions:	
Discount rate	6.75%
Inflation	2.75%
Investment rate of return	6.75%
Healthcare cost trend rates:	7.50% for 2019 – Non-Medicare, decreasing to 4.00% in 2076, 6.5% for 2019 – Medicare, decreasing to 4% in 2076

Mortality rates are based on statistics taken from the CalPERS Experience Study Report adopted in 2014. The rates include a projection to 2028 using Scale BB to account for anticipated future mortality improvement.

Discount rate – The discount rate used to measure the total OPEB asset/liability was 6.75% at both June 30, 2019 and 2018, measurement dates. The projection of cash flows used to determine the discount rate assumed that Health Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset/liability.

The Health Authority's retiree health plan assets are invested in the California Employers' Retirement Benefit Trust Fund Strategy 1 ("Strategy"). The table below reflects the Strategy's asset allocation.

Asset Class	Asset Allocation	Expected Real Rate of Return
Global equity	59.00%	4.82%
Fixed Income	25.00%	1.47%
Treasury inflation-protected securities	5.00%	1.29%
Commodities	3.00%	0.84%
Real estate investment trusts	8.00%	3.76%
Assumed long-term rate of inflation		2.75%
Expected long-term net rate of return		6.75%

Changes in the net OPEB asset/liability – The changes in the net OPEB asset/liability for the years ended June 30, 2020 and 2019, were as follows:

	June 30, 2020		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2019	$ 12,492,170	$ 9,953,080	$ 2,539,090
Changes during the year:			
Service cost	1,089,286	-	1,089,286
Interest on the total OPEB liability	901,963	-	901,963
Actual vs. expected experience	(2,076,281)	-	(2,076,281)
Assumption changes	(90,590)	-	(90,590)
Contributions from employer	-	2,601,369	(2,601,369)
Net investment income	-	795,021	(795,021)
Benefit payments	(438,081)	(438,081)	-
Administrative expense	-	(2,277)	2,277
Net change	(613,703)	2,956,032	(3,569,735)
Balance at June 30, 2020	$ 11,878,467	$ 12,909,112	$ (1,030,645)

	June 30, 2019		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	$ 11,046,155	$ 6,337,437	$ 4,708,718
Changes during the year:			
Service cost	1,119,648	-	1,119,648
Interest on the total OPEB liability	805,036	-	805,036
Contributions from employer	-	3,588,109	(3,588,109)
Net investment income	-	518,470	(518,470)
Benefit payments	(478,669)	(478,669)	-
Administrative expense	-	(12,267)	12,267
Net change	1,446,015	3,615,643	(2,169,628)
Balance at June 30, 2019	$ 12,492,170	$ 9,953,080	$ 2,539,090

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the Health Authority as of June 30, 2020 and 2019, as well as what the Health Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	June 30, 2020		
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Health Authority's net OPEB (asset) liability	$ 676,268	$ (1,030,645)	$ (2,428,373)

	June 30, 2019		
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Health Authority's net OPEB liability	$ 4,299,307	$ 2,539,090	$ 1,090,984

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the Health Authority, as well as what the Health Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	June 30, 2020		
	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
Health Authority's net OPEB (asset) liability	$ (2,684,513)	$ (1,030,645)	$ 1,053,799

	June 30, 2019		
	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
Health Authority's net OPEB liability	$ 832,325	$ 2,539,090	$ 4,574,514

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 2020, the Health Authority recognized OPEB expense of $1,008,809. At June 30, 2020, the Health Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020	
	Deferred outflows of resources	Deferred inflows of resources
Difference in experience	$ -	$ (1,876,357)
Net differences between projected and actual earnings on pension plan investments	-	(156,101)
Changes in assumptions	87,746	(81,439)
OPEB contributions made subsequent to measurement date	3,018,143	-
	$ 3,105,889	$ (2,113,897)

For the year ended June 2019, the Health Authority recognized OPEB expense of $1,410,374. At June 30, 2019, the Health Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019	
	Deferred outflows of resources	Deferred inflows of resources
Difference in experience	$ -	$ (11,434)
Net differences between projected and actual earnings on pension plan investments	-	(139,912)
Changes in assumptions	102,370	-
OPEB contributions made subsequent to measurement date	2,601,369	-
	$ 2,703,739	$ (151,346)

The Health Authority reported $3,018,143 and $2,601,369 as deferred outflows of resources related to contributions made subsequent to the measurement date for the years ended June 30, 2020 and 2019. This amount will be recognized as a reduction of net OPEB asset/liability in the years ended June 30, 2021 and 2020, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2021	$ (266,234)
2022	$ (266,236)
2023	$ (225,980)
2024	$ (221,191)
2025	$ (205,885)
Thereafter	$ (840,625)

Payable to the OPEB plan – At June 30, 2020 and 2019, the Health Authority had no outstanding amount of contributions to the OPEB plan required for the years ended June 30, 2020 and 2019.

NOTE 10 – MEDICAL STOP LOSS INSURANCE

The Health Authority has entered into certain stop-loss agreements with third parties in order to limit its losses on individual claims. Under the terms of these agreements, the third parties will reimburse the Health Authority certain proportions of the cost of each member's annual hospital services excluding those that are capitated, in excess of specified deductibles, up to a maximum of $1,500,000 per member per contract year. Insurance premiums are recorded as medical expenses and recoveries are recorded as a reduction of these expenses. Premiums exceeded stop-loss recoveries by $248,999 and $2,479,214 in 2020 and 2019, respectively.

NOTE 11 – TANGIBLE NET EQUITY

As a limited license plan under the Knox-Keene Health Care Services Plan Act of 1975, the Health Authority is required to maintain a minimum level of tangible net equity. The required tangible net equity level was $32,471,000 and $30,887,000 at June 30, 2020 and 2019, respectively. The Health Authority's tangible net equity was $208,640,786 and $202,125,755 at June 30, 2020 and 2019, respectively.

NOTE 10 – RISK MANAGEMENT

The Health Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; employee injuries and illness; natural disasters; and employee health, dental, and accident benefits. The Health Authority carries commercial insurance for claims arising from such matters, and no settled claims have ever exceeded the Health Authority's commercial coverage.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Health Authority is a party to claims and legal actions by enrollees, providers, and others. The Health Authority's policy is to accrue for amounts related to these claims and legal actions if it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. After consulting with legal counsel, Health Authority management is of the opinion that any liability that may ultimately result from claims or legal actions will not have a material effect on the financial position or results of operations of the Health Authority.

NOTE 12 – HEALTH CARE REFORM

The Patient Protection and Affordable Care Act (“PPACA”) allowed for the expansion of Medi-Cal members in the State of California. Any further federal or state changes funding could have an impact on the Health Authority. With the changes in the executive branch, the future of PPACA and impact of future changes in Medi-Cal to the Health Authority is uncertain at this time.

Supplementary Information

Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Schedule of Proportionate Share of the Net Pension Asset/Liability

	2020	2019	2018	2017	2016	2015
Measurement period	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Proportion of the net pension (asset) liability	-0.00992%	-0.02053%	0.01840%	0.07925%	0.07311%	0.07849%
Proportionate share of the net pension (asset) liability	$ (1,017,002)	$ (1,978,644)	$ 1,824,796	$ 6,857,370	$ 5,018,386	$ 4,883,971
Covered-employee payroll*	$ 23,706,126	$ 19,966,458	$ 16,512,291	$ 11,010,647	$ 7,427,745	$ 9,121,825
Proportionate share of the net pension (asset) liability as a percentage of covered-employee payroll	-4.29%	-9.91%	11.05%	62.28%	67.56%	53.54%
Proportionate share of plan's fiduciary net position as a percentage of the plan's total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%	80.43%

*For the year ending on the measurement date

Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Schedule of Pension Contributions

	2020	2019	2018	2017	2016	2015
Measurement period	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Actuarially determined contribution	$ 2,058,408	$ 1,669,920	$ 1,198,065	$ 1,287,320	$ 910,906	$ 886,335
Contributions in relation to the actuarially determined contribution	2,058,408	1,669,920	4,426,715	7,188,179	910,906	886,335
Contribution excess	$ -	$ -	$ (3,228,650)	$ (5,900,859)	$ -	$ -
Covered-employee payroll*	$ 26,732,488	$ 23,706,126	$ 19,966,458	$ 16,512,291	$ 11,010,647	$ 7,427,745
Contributions as a percentage of covered-employee payroll	7.70%	7.04%	22.17%	43.53%	8.27%	11.93%

*For the fiscal year ending on the date shown

Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Schedule of Changes in Net Other Post-Employment Benefit Asset/Liability

	2020	2019	2018	2017
Measurement period	2018-2019	2017-2018	2016-2017	2015-2016
Total OPEB liability				
Service cost	$ 1,089,286	$ 1,119,648	$ 756,248	$ 736,008
Interest on the total OPEB liability	901,963	805,036	708,213	648,807
Actual vs. expected experience	(2,076,281)	-	(14,700)	-
Assumption changes	(90,590)	-	131,618	-
Benefit payments	(438,081)	(478,669)	(542,029)	(499,704)
Net change in total OPEB liability	(613,703)	1,446,015	1,039,350	885,111
Total OPEB liability, beginning of year	12,492,170	11,046,155	10,006,805	9,121,694
Total OPEB liability, end of year	$ 11,878,467	$ 12,492,170	$ 11,046,155	$ 10,006,805
Plan fiduciary net position				
Contributions from employer	$ 2,601,369	$ 3,588,109	$ 1,142,027	$ 954,155
Net investment income	795,021	518,470	551,777	283,871
Benefit payments	(438,081)	(478,669)	(542,029)	(499,704)
Administrative expense	(2,277)	(12,267)	(2,784)	(2,239)
Net change in plan fiduciary net position	2,956,032	3,615,643	1,148,991	736,083
Plan fiduciary net position, beginning of year	9,953,080	6,337,437	5,188,446	4,452,363
Plan fiduciary net position, end of year	$ 12,909,112	$ 9,953,080	$ 6,337,437	$ 5,188,446
Health Authority's net OPEB (asset) liability	$ (1,030,645)	$ 2,539,090	$ 4,708,718	$ 4,818,359
Plan fiduciary net position as a percentage of the total OPEB liability	108.68%	79.67%	57.37%	51.85%
Covered-employee payroll*	$ 24,360,228	$ 20,046,373	$ 17,216,515	$ 17,195,643
Health Authority's net OPEB (asset) liability as a percentage of covered-employee payroll	-4.23%	12.67%	27.35%	28.02%

*For the year ending on the measurement date

Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Schedule of Other Post-Employment Benefit Contributions

	2020	2019	2018	2017
Measurement period	2018-2019	2017-2018	2016-2017	2015-2016
Actuarially determined contribution	$ 1,062,967	$ 1,269,369	$ 1,427,237	$ 1,217,313
Contributions in relation to the actuarially determined contribution	3,018,143	2,601,369	3,588,109	1,217,313
Contribution excess	$ (1,955,176)	$ (1,332,000)	$ (2,160,872)	$ -
Covered-employee payroll*	$ 26,732,488	$ 24,360,228	$ 20,046,373	$ 17,195,643
Contributions as a percentage of covered-employee payroll	11.29%	10.68%	17.90%	7.08%

*For the fiscal year ending on the date shown

Santa Clara Family Health Plan™

Unaudited Financial Statements
For Two Months Ended August 31, 2020

Agenda

Santa Clara Family Health Plan

Financial Highlights

Santa Clara Family Health Plan

	MTD		YTD	
Revenue	$99 M		$197 M	
Medical Expense (MLR)	$94 M	94.5%	$184 M	93.0%
Administrative Expense (% Rev)	$5.0 M	5.1%	$10.9 M	5.5%
Other Income/Expense	$208K		$384K	
Net Surplus (Loss)	**$599K**		**$3.3 M**	
Cash and Investments			$316 M	
Receivables			$824 M	
Total Current Assets			$1,151 M	
Current Liabilities			$971 M	
Current Ratio			1.18	
Tangible Net Equity			$213 M	
% of DMHC Requirement			**645.0%**	

Financial Highlights

Santa Clara Family Health Plan

Net Surplus (Loss)	Month: Surplus of $599K is $338K or 36.1% unfavorable to budget of $937K. YTD: Surplus of $3.3M is $1.8M or 119.4% favorable to budget of $1.5M.
Enrollment	Month: Membership was 260,270 (7,504 or 2.8% unfavorable budget of 267,774). YTD: Membership was 517,306 (11,979 or 2.3% unfavorable budget of 529,285).
Revenue	Month: $99.1M ($626K or 0.6% unfavorable to budget of $99.8M). YTD: $197.5M ($562K or 0.3% unfavorable to budget of $198.0M).
Medical Expenses	Month: $93.7M ($57K or 0.1% favorable to budget of $93.8M). YTD: $183.6M ($2.5M or 1.4% favorable to budget of $186.1M).
Administrative Expenses	Month: $5.0M ($270K or 5.1% favorable to budget of $5.3M). YTD: $10.9M ($33K or 0.3% unfavorable to budget of $10.9M).
Tangible Net Equity	TNE was $213.2M (represents approximately two months of total expenses).
Capital Expenditures	YTD Capital Investments of $1.7M vs. $6.9M annual budget, primarily Community Resource Center.

Santa Clara Family Health Plan™

Detail Analyses

Enrollment

- Total enrollment of 260,270 members is lower than budget by 7,504 or 2.8%. Since June 30, 2020, total enrollment has increased by 6,395 members or 2.5%.
- Medi-Cal enrollment has been increasing since January, reflecting newly-eligible and COVID enrollment (beginning in March annual redeterminations of eligibility was suspended).
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 2.7%, Dual enrollment has increased 1.0%, and CMC enrollment has grown 3.1%.

	For the Month August 2020				For Two Months Ending August 31, 2020					
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)	Prior Year Actuals	Δ FY20 vs. FY21
Medi-Cal	251,004	258,760	(7,756)	-3.0%	499,011	511,297	(12,286)	-2.4%	2,840,218	(82.4%)
Cal Medi-Connect	9,266	9,014	252	2.8%	18,295	17,988	307	1.7%	101,391	(82.0%)
Total	**260,270**	**267,774**	**(7,504)**	**-2.8%**	**517,306**	**529,285**	**(11,979)**	**-2.3%**	**2,941,609**	**(82.4%)**

Santa Clara Family Health Plan Enrollment By Network
August 2020

Network	Medi-Cal		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	31,797	13%	9,266	100%	41,063	16%
SCVHHS[1], Safety Net Clinics, FQHC[2] Clinics	125,894	50%	-	0%	125,894	48%
Palo Alto Medical Foundation	6,759	3%	-	0%	6,759	3%
Physicians Medical Group	43,436	17%	-	0%	43,436	17%
Premier Care	15,274	6%	-	0%	15,274	6%
Kaiser	27,844	11%	-	0%	27,844	11%
Total	**251,004**	**100%**	**9,266**	**100%**	**260,270**	**100%**
Enrollment at June 30, 2020	244,888		8,987		253,875	
Net Δ from Beginning of FY21	2.5%		3.1%		2.5%	

[1] *SCVHHS = Santa Clara Valley Health & Hospital System*
[2] *FQHC = Federally Qualified Health Center*

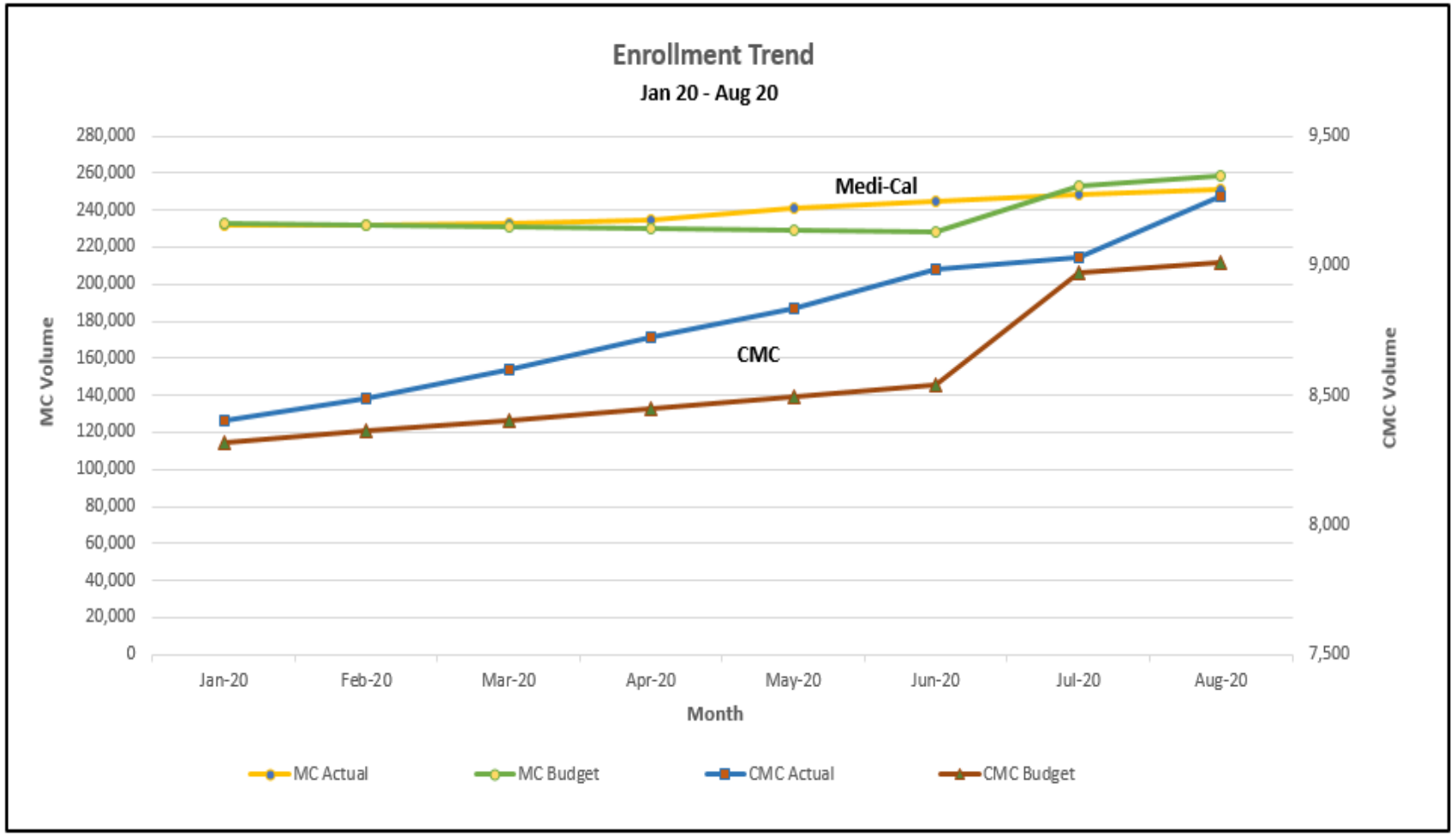
Enrollment By Aid Category

Santa Clara Family Health Plan

SCFHP TRENDED ENROLLMENT BY COA YTD AUGUST-2020

		2019-08	2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	FYTD var	%
NON DUAL	Adult (over 19)	24,888	24,689	24,492	24,207	23,999	23,620	23,604	23,873	24,051	25,253	26,299	27,066	27,877	1,578	6.0%
	Child (under 19)	92,668	92,092	95,000	93,829	93,477	92,339	92,248	92,843	93,374	95,145	96,173	96,605	97,359	1,186	1.2%
	Aged - Medi-Cal Only	10,958	10,855	10,850	10,897	10,903	10,904	10,831	10,753	10,801	11,044	11,207	11,227	11,178	(29)	(0.3%)
	Disabled - Medi-Cal Only	10,833	10,814	10,836	10,865	10,839	10,845	10,854	10,882	10,851	10,902	10,922	10,944	10,910	(12)	(0.1%)
	Adult Expansion	70,635	70,418	70,285	69,889	69,069	68,130	68,372	69,272	70,458	72,546	74,553	76,262	77,701	3,148	4.2%
	BCCTP	10	10	10	12	11	11	11	11	11	11	11	11	11	0	0.0%
	Long Term Care	364	366	372	371	373	379	373	367	380	398	405	402	406	1	0.2%
	Total Non-Duals	**210,356**	**209,244**	**211,845**	**210,070**	**208,671**	**206,228**	**206,293**	**208,001**	**209,926**	**215,299**	**219,570**	**222,517**	**225,442**	**5,872**	**2.7%**
DUAL	Adult (21 Over)	345	351	341	350	341	330	328	320	311	320	321	327	320	(1)	(0.3%)
	SPD (21 Over)	23,230	23,445	23,531	23,577	23,498	23,472	23,540	23,541	23,443	23,595	23,508	23,641	23,686	178	0.8%
	Adult Expansion	226	201	122	82	177	139	130	136	134	190	241	261	289	48	19.9%
	BCCTP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	Long Term Care	1,232	1,237	1,256	1,271	1,308	1,266	1,257	1,231	1,235	1,252	1,248	1,261	1,267	19	1.5%
	Total Duals	**25,033**	**25,234**	**25,250**	**25,280**	**25,324**	**25,207**	**25,255**	**25,228**	**25,123**	**25,357**	**25,318**	**25,490**	**25,562**	**244**	**1.0%**
	Total Medi-Cal	**235,389**	**234,478**	**237,095**	**235,350**	**233,995**	**231,435**	**231,548**	**233,229**	**235,049**	**240,656**	**244,888**	**248,007**	**251,004**	**6,116**	**2.5%**
	Healthy Kids	**3,509**	**3,512**	**2**	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0%**
CMC	CMC Non-Long Term Care	7,921	7,982	8,016	8,069	8,206	8,177	8,261	8,388	8,511	8,625	8,775	8,814	9,055	280	3.2%
	CMC - Long Term Care	213	212	217	220	222	224	225	213	214	212	212	215	211	(1)	(0.5%)
	Total CMC	**8,134**	**8,194**	**8,233**	**8,289**	**8,428**	**8,401**	**8,486**	**8,601**	**8,725**	**8,837**	**8,987**	**9,029**	**9,266**	**279**	**3.1%**
	Total Enrollment	**247,032**	**246,184**	**245,330**	**243,641**	**242,425**	**239,836**	**240,034**	**241,830**	**243,774**	**249,493**	**253,875**	**257,036**	**260,270**	**6,395**	**2.5%**

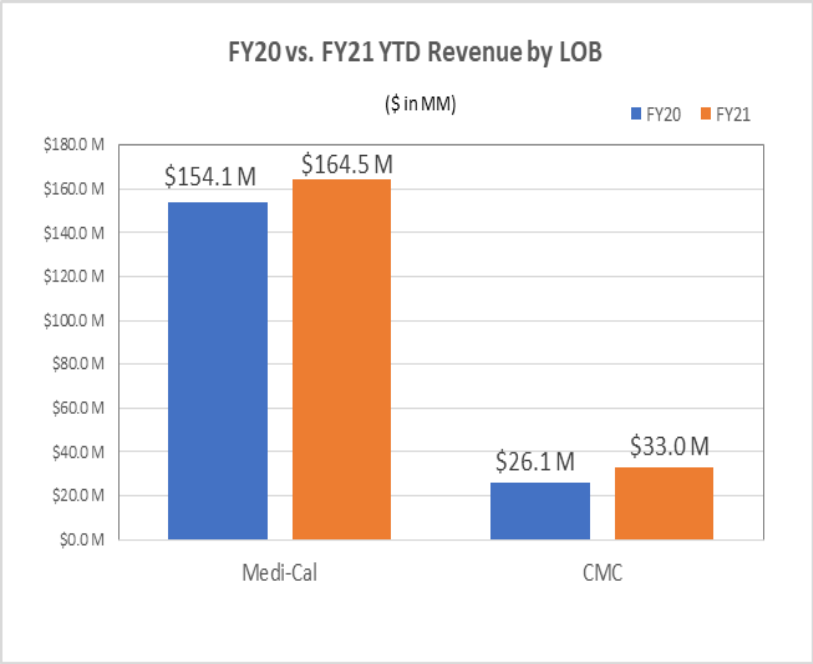
Enrollment Trend

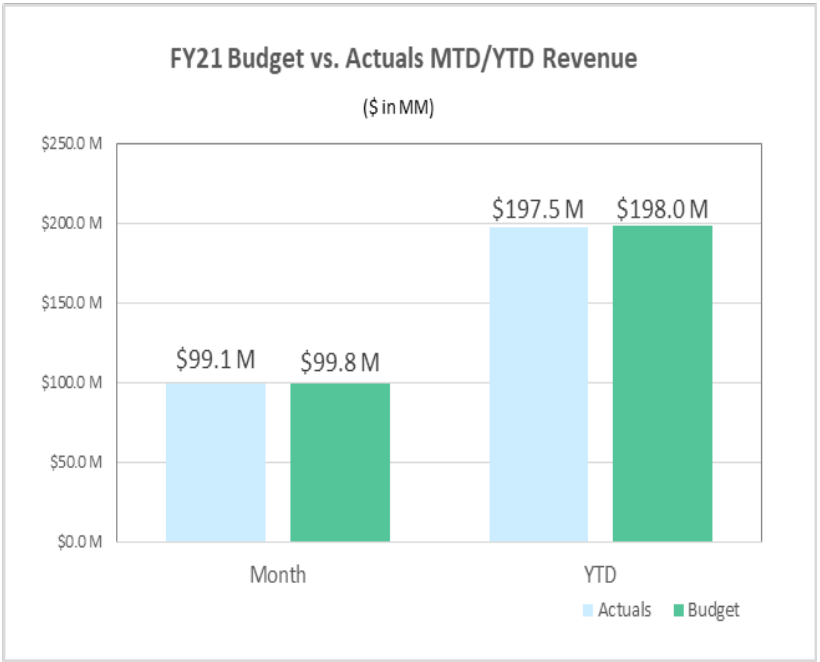


Revenue

Current month revenue of $99.1M is $626K or 0.6% unfavorable to budget of $99.8M. The current month variance was primarily due to the following:

- MediCal revenue is $1.36M unfavorable to budget due to lower enrollment offset with higher Optional Expansion and Adult rates than expected.
- Supplement revenue is $639K favorable to budget due to increase in BHT utilization.
- CMC MediCal revenue is $264K favorable to budget due to higher rate and enrollment than expected.

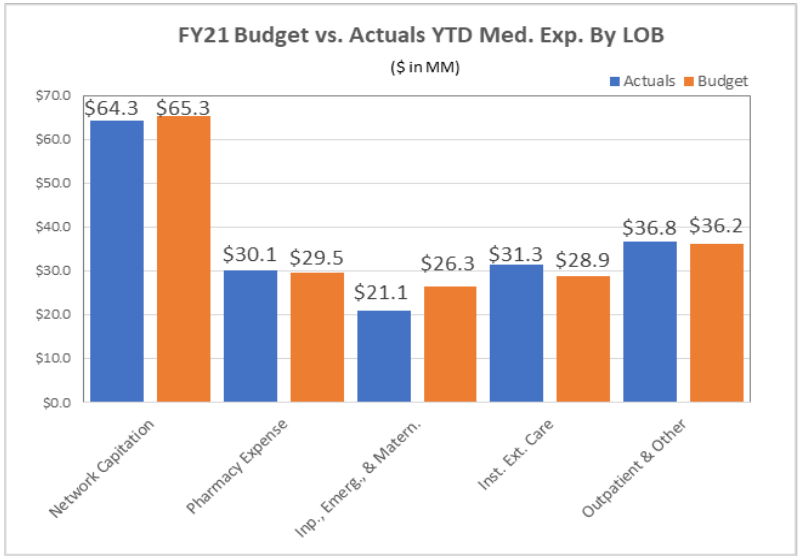


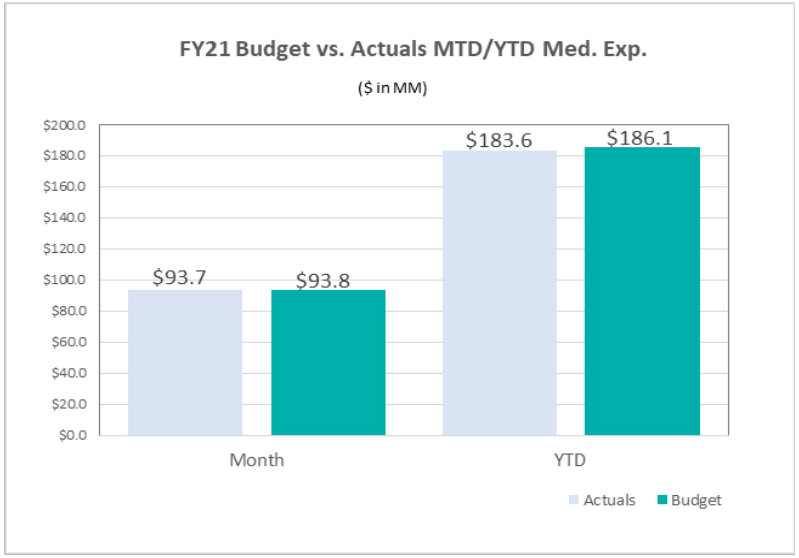


Medical Expense

Current month medical expense of $93.7M is $57K or 0.1% favorable to budget of $93.8M. The current month variance was due largely to:

- Favorable capitation expense variance of $750K due to lower enrollment than budget (2.3%).
- Fee-For-Service expense is $327K favorable variance due to several categories of service for which net actual expense is lower than budget.
- Increased utilization in supplemental services of $563K (primarily BHT services) is unfavorable to budget (with offsetting increase to revenue).
- Pharmacy expense is $491K unfavorable variance due to increase in prescriptions resulting from DHCS allowing refill and prior authorization overrides due to COVID-19.

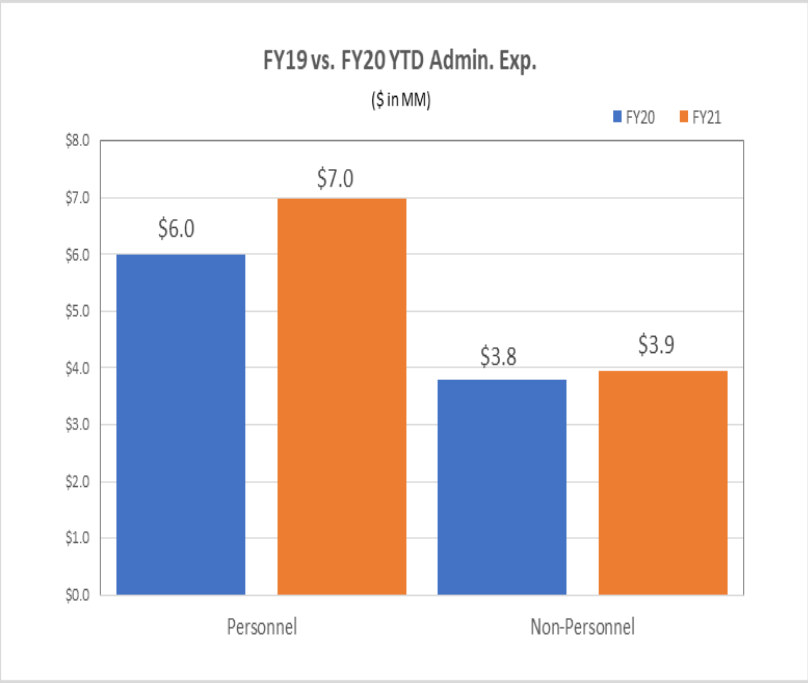


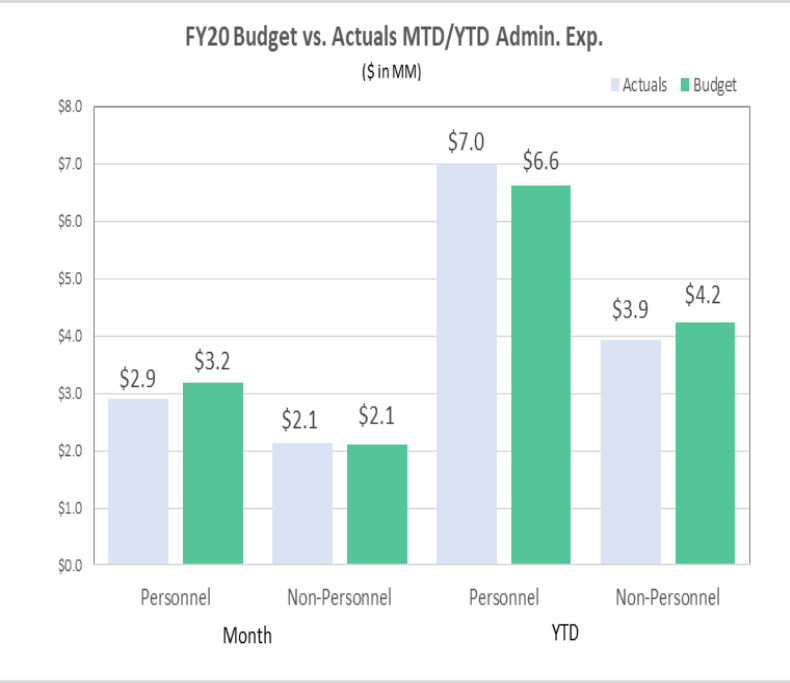


Administrative Expense

Current month admin expense of $5.0M is $270K or 5.1% favorable to budget of $5.3M. The current month variances were primarily due to the following:

- Personnel expenses were $285K or 8.9% favorable to budget due to a one-time reclassification of an annual CalPERS payment, slightly higher average salaries, partially offset by a lower head count.
- Non-Personnel expenses were $15K or 0.7% unfavorable to budget due to timing of budget spending in contract, consulting and professional services.





Balance Sheet

- Current assets totaled $1.2B compared to current liabilities of $971.5M, yielding a current ratio (Current Assets/Current Liabilities) of 1.18:1 vs. the DMHC minimum requirement of 1.0:1.
- Cash balance decreased by $17.7M compared to the cash balance as of year-end June 30, 2020 due to the timing of inflows and outflows.
- Current Cash & Equivalents components and yields were as follows:

Description	Cash & Investments	Current Yield %	Interest Income	
			Month	YTD
Short-Term Investments				
County of Santa Clara Comingled Pool	$105,978,654	1.54%	$100,000	$200,000
Wells Fargo Investments	$180,537,741	0.43%	$19,058	$94,445
	$286,516,395		$119,058	$294,445
Cash & Equivalents				
Bank of the West Money Market	$133,628	0.13%	$1,826	$3,393
Wells Fargo Bank Accounts	$29,340,697	0.01%	$540	$1,923
	$29,474,325		$2,366	$5,315
Assets Pledged to DMHC				
Restricted Cash	$305,350	0.42%	$107	$107
Petty Cash	$500	0.00%	$0	$0
Month-End Balance	**$316,296,570**		**$121,531**	**$299,868**

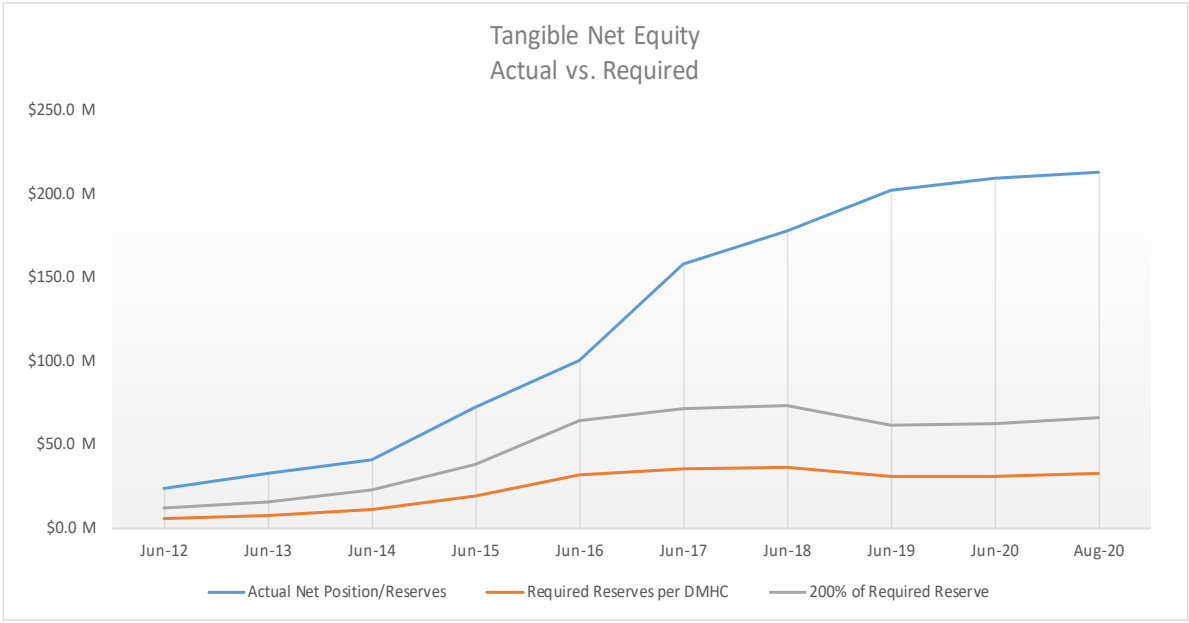
- County of Santa Clara Comingled Pool funds have longer-term investments which are currently yielding a higher rate than WFB investments.
- Overall cash and investment yield is lower than budget (0.76% actual vs. 1.4% budgeted).

Tangible Net Equity

- TNE was $213.2M - representing approximately two months of the Plan's total expenses.

Santa Clara Health Authority
Tangible Net Equity - Actual vs. Required
As of August 31, 2020

	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Aug-20
Actual Net Position/Reserves	$24.2 M	$32.6 M	$40.9 M	$72.6 M	$100.3 M	$158.4 M	$178.0 M	$202.1 M	$209.2 M	$213.2 M
Required Reserves per DMHC	$5.9 M	$7.8 M	$11.4 M	$19.3 M	$32.4 M	$35.9 M	$36.8 M	$30.9 M	$31.3 M	$33.1 M
200% of Required Reserve	$11.8 M	$15.6 M	$22.9 M	$38.5 M	$64.8 M	$71.8 M	$73.6 M	$61.8 M	$62.6 M	$66.1 M
Actual as % Required	410.2%	418.5%	357.5%	376.9%	309.8%	441.2%	483.4%	654.4%	668.7%	645.0%



Reserves Analysis

Santa Clara Family Health Plan

SCFHP RESERVES ANALYSIS AUGUST 2020

Financial Reserve Target #1: Tangible Net Equity	Approved	Expended	Balance
Unrestricted Net Assets			**$167,766,243** *
Board Designated Funds (Note 1):			
Special Project Funding for CBOs	$4,000,000	$540,727	$3,459,274
Innovation & COVID-19 Fund	$16,000,000	$2,119,999	$13,880,001
Subtotal	$20,000,000	$2,660,726	$17,339,275
Net Book Value of Fixed Assets			$27,803,501
Restricted Under Knox-Keene Agreement			$305,350
Total Tangible Net Equity (TNE)			$213,214,369
Current Required TNE			$33,058,534
TNE %			645.0%
SCFHP Target TNE Range:			
350% of Required TNE (Low)			$115,704,868
500% of Required TNE (High)			$165,292,668
Total TNE Above/(Below) SCFHP Low Target			**$97,509,501**
Total TNE Above/(Below) High Target			**$47,921,701**
Financial Reserve Target #2: Liquidity			
Cash & Investments			$316,296,570
Less Pass-Through Liabilities			
MCO Tax Payable to State of CA			(66,846,203)
Whole Person Care / Prop 56			(37,973,007)
Other Pass-Through Liabilities (Note 2)			(42,443,146)
Total Pass-Through Liabilities			**(147,262,356)**
Net Cash Available to SCFHP			169,034,214
SCFHP Target Liquidity (Note 3)			
45 Days of Total Operating Expense			(148,603,473)
60 Days of Total Operating Expense			(198,137,964)
Liquidity Above/(Below) SCFHP Low Target			**20,430,741**
Liquidity Above/(Below) High Target			**-$29,103,750**

- **Unrestricted Net Assets represents less than two months of total expenses.**
- **Cash balance is unusually low due to the CYTD 20 MCO tax not received until Sept-20.**

Note 1: In December 2018, the Governing Board established a Board Discretionary Fund for Special Projects of $2.2M. In December 2019, the Governing Board also approved additional $1.8M for Special Project fund ($4M total) and $16M for Innovation Fund.

Note 2: Other Pass-Through Liabilities include HQAF, Rate Range, and DHCS overpayment payables.

Note 3: SCFHP Target Liquidity is based on total monthly budgeted expenses.

Capital Expenditures

- Majority of the capital variances are Community Resource Center, hardware, software, and building improvements due to timing of certain projects.

Expenditure	YTD Actual	Annual Budget
Community Resource Center	$1,666,073	$3,507,100
Hardware	$16,546	$1,282,500
Software	$0	$1,194,374
Building Improvements	$9,760	$866,500
Furniture & Equipment	$0	$28,000
TOTAL	**$1,692,379**	**$6,878,474**

Santa Clara Family Health Plan™

Financial Statements

Income Statement

Santa Clara Family Health Plan

Santa Clara County Health Authority
INCOME STATEMENT
For Two Months Ending August 31, 2020

	Aug-2020 Actuals	% of Rev	Aug-2020 Budget	% of Rev	Current Month Variance $	Current Month Variance %	YTD Aug-2020 Actuals	% of Rev	YTD Aug-2020 Budget	% of Rev	YTD Variance $	YTD Variance %
REVENUES												
MEDI-CAL	$ 83,207,151	83.9%	$ 83,927,526	84.1%	$ (720,375)	-0.9%	$ 164,489,236	83.3%	$ 166,459,550	84.0%	$ (1,970,315)	-1.2%
CMC MEDI-CAL	3,173,635	3.2%	2,909,735	2.9%	263,901	9.1%	6,044,604	3.1%	5,806,624	2.9%	237,979	4.1%
CMC MEDICARE	12,751,166	12.9%	12,920,397	13.0%	(169,231)	-1.3%	26,953,762	13.6%	25,783,460	13.0%	1,170,302	4.5%
TOTAL CMC	15,924,802	16.1%	15,830,132	15.9%	94,670	0.6%	32,998,365	16.7%	31,590,084	16.0%	1,408,281	4.5%
HEALTHY KIDS	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL REVENUE	**$ 99,131,953**	**100.0%**	**$ 99,757,658**	**100.0%**	**$ (625,706)**	**-0.6%**	**$ 197,487,601**	**100.0%**	**$ 198,049,634**	**100.0%**	**$ (562,034)**	**-0.3%**
MEDICAL EXPENSES												
MEDI-CAL	$ 78,378,238	79.1%	$ 78,755,863	78.9%	$ 377,625	0.5%	$ 154,267,705	78.1%	$ 156,181,295	78.9%	$ 1,913,590	1.2%
CMC MEDI-CAL	2,335,081	2.4%	2,981,527	3.0%	646,446	21.7%	5,946,343	3.0%	5,950,161	3.0%	3,818	0.1%
CMC MEDICARE	12,993,898	13.1%	12,032,346	12.1%	(961,552)	-8.0%	23,396,635	11.8%	24,010,164	12.1%	613,530	2.6%
TOTAL CMC	15,328,979	15.5%	15,013,874	15.1%	(315,106)	-2.1%	29,342,978	14.9%	29,960,326	15.1%	617,348	2.1%
HEALTHY KIDS	5,384	0.0%	0	0.0%	(5,384)	0.0%	6,424	0.0%	0	0.0%	(6,424)	0.0%
TOTAL MEDICAL EXPENSES	**$ 93,712,601**	**94.5%**	**$ 93,769,736**	**94.0%**	**$ 57,135**	**0.1%**	**$ 183,617,107**	**93.0%**	**$ 186,141,621**	**94.0%**	**$ 2,524,514**	**1.4%**
MEDICAL OPERATING MARGIN	**$ 5,419,352**	**5.5%**	**$ 5,987,922**	**6.0%**	**$ (568,570)**	**-9.5%**	**$ 13,870,494**	**7.0%**	**$ 11,908,013**	**6.0%**	**$ 1,962,480**	**16.5%**
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	$ 2,904,698	2.9%	$ 3,189,495	3.2%	$ 284,797	8.9%	$ 6,976,442	3.5%	$ 6,634,505	3.3%	$ (341,936)	-5.2%
RENTS AND UTILITIES	24,496	0.0%	22,109	0.0%	(2,387)	-10.8%	58,537	0.0%	44,218	0.0%	(14,318)	-32.4%
PRINTING AND ADVERTISING	31,579	0.0%	67,042	0.1%	35,462	52.9%	56,504	0.0%	134,083	0.1%	77,579	57.9%
INFORMATION SYSTEMS	176,481	0.2%	316,405	0.3%	139,925	44.2%	491,130	0.2%	632,810	0.3%	141,681	22.4%
PROF FEES/CONSULTING/TEMP STAFFING	1,118,245	1.1%	990,225	1.0%	(128,020)	-12.9%	1,890,707	1.0%	1,999,881	1.0%	109,174	5.5%
DEPRECIATION/INSURANCE/EQUIPMENT	332,491	0.3%	325,730	0.3%	(6,761)	-2.1%	648,954	0.3%	641,757	0.3%	(7,197)	-1.1%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	74,816	0.1%	56,173	0.1%	(18,642)	-33.2%	127,921	0.1%	111,866	0.1%	(16,054)	-14.4%
MEETINGS/TRAVEL/DUES	115,674	0.1%	102,274	0.1%	(13,400)	-13.1%	171,265	0.1%	222,263	0.1%	50,998	22.9%
OTHER	250,671	0.3%	229,792	0.2%	(20,879)	-9.1%	491,826	0.2%	459,209	0.2%	(32,617)	-7.1%
TOTAL ADMINISTRATIVE EXPENSES	**$ 5,029,151**	**5.1%**	**$ 5,299,246**	**5.3%**	**$ 270,095**	**5.1%**	**$ 10,913,285**	**5.5%**	**$ 10,880,593**	**5.5%**	**$ (32,692)**	**-0.3%**
OPERATING SURPLUS (LOSS)	**$ 390,201**	**0.4%**	**$ 688,676**	**0.7%**	**$ (298,475)**	**-43.3%**	**$ 2,957,209**	**1.5%**	**$ 1,027,421**	**0.5%**	**$ 1,929,789**	**187.8%**
GASB 75 - POST EMPLOYMENT BENEFITS EXPENSE	$ (75,602)	-0.1%	$ 60,000	0.1%	$ 135,602	226.0%	$ 168,134	0.1%	$ 120,000	0.1%	$ (48,134)	-40.1%
GASB 68 - UNFUNDED PENSION LIABILITY	403,405	0.4%	75,000	0.1%	(328,405)	-437.9%	487,472	0.2%	150,000	0.1%	(337,472)	-225.0%
NON-OPERATING EXPENSES	**$ 327,803**	**0.3%**	**$ 135,000**	**0.1%**	**$ (192,803)**	**-142.8%**	**$ 655,606**	**0.3%**	**$ 270,000**	**0.1%**	**$ (385,606)**	**-142.8%**
INTEREST & INVESTMENT INCOME	$ 121,424	0.1%	$ 350,000	0.4%	$ (228,576)	-65.3%	$ 299,761	0.2%	$ 700,000	0.4%	$ (400,239)	-57.2%
OTHER INCOME	414,831	0.4%	32,896	0.0%	381,936	1161.1%	739,853	0.4%	65,791	0.0%	674,062	1024.5%
NON-OPERATING INCOME	**$ 536,255**	**0.5%**	**$ 382,896**	**0.4%**	**$ 153,359**	**40.1%**	**$ 1,039,613**	**0.5%**	**$ 765,791**	**0.4%**	**$ 273,822**	**35.8%**
NET NON-OPERATING ACTIVITIES	**$ 208,452**	**0.2%**	**$ 247,896**	**0.2%**	**$ (39,444)**	**-15.9%**	**$ 384,007**	**0.2%**	**$ 495,791**	**0.3%**	**$ (111,784)**	**-22.5%**
NET SURPLUS (LOSS)	**$ 598,653**	**0.6%**	**$ 936,572**	**0.9%**	**$ (337,919)**	**-36.1%**	**$ 3,341,216**	**1.7%**	**$ 1,523,212**	**0.8%**	**$ 1,818,005**	**119.4%**

Balance Sheet

Santa Clara Family Health Plan

SANTA CLARA COUNTY HEALTH AUTHORITY
As of August 31, 2020

	Aug-2020	Jul-2020	Jun-2020	Aug-2019
Assets				
Current Assets				
Cash and Investments	316,296,570	345,046,103	333,959,470	291,325,334
Receivables	823,990,945	823,652,403	812,652,027	752,169,795
Prepaid Expenses and Other Current Assets	10,324,440	10,905,149	9,863,699	11,991,409
Total Current Assets	**1,150,611,955**	**1,179,603,655**	**1,156,475,195**	**1,055,486,539**
Long Term Assets				
Property and Equipment	49,078,265	47,539,137	47,385,886	45,024,463
Accumulated Depreciation	(21,274,764)	(20,999,421)	(20,736,798)	(17,943,981)
Total Long Term Assets	27,803,501	26,539,716	26,649,087	27,080,481
Total Assets	**1,178,415,456**	**1,206,143,371**	**1,183,124,283**	**1,082,567,020**
Deferred Outflow of Resources	**8,402,260**	**8,402,260**	**8,402,260**	**9,237,609**
Total Assets & Deferred Outflows	**1,186,817,716**	**1,214,545,631**	**1,191,526,543**	**1,091,804,629**
Liabilities and Net Assets:				
Current Liabilities				
Trade Payables	7,871,178	9,718,507	10,460,763	6,442,995
Employee Benefits	2,324,666	2,302,119	2,174,389	1,690,637
Retirement Obligation per GASB 75	2,282,031	2,197,964	2,113,897	4,062,845
Advance Premium - Healthy Kids	0	0	0	95,965
Deferred Revenue - Medicare	0	12,385,712	191,510	9,997,983
Whole Person Care / Prop 56	37,973,007	34,951,070	34,643,968	17,664,845
Pass-Throughs Payable	26,877	26,877	801,274	279,440,736
Due to Santa Clara County Valley Health Plan and Kaiser	10,742,452	36,882,621	34,945,075	25,687,975
MCO Tax Payable - State Board of Equalization	66,846,203	57,730,811	48,615,420	0
Due to DHCS	42,416,269	53,508,650	49,644,515	28,372,563
Liability for In Home Support Services (IHSS)	419,268,582	419,268,582	419,268,582	416,092,527
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
Medical Cost Reserves	98,089,487	87,446,092	94,318,096	86,591,338
Total Current Liabilities	**971,454,048**	**1,000,024,352**	**979,991,563**	**884,434,434**
Non-Current Liabilities				
Net Pension Liability GASB 68	487,472	243,735.68	(0)	150,000
Total Non-Current Liabilities	**487,472**	**243,735.68**	**(0)**	**150,000**
Total Liabilities	**971,941,520**	**1,000,268,088**	**979,991,563**	**884,584,434**
Deferred Inflow of Resources	**1,661,827**	**1,661,827**	**1,661,827**	**2,994,548**
Net Assets				
Board Designated Fund: Special Project Funding for CBOs	3,459,274	3,459,274	3,459,274	2,200,000
Board Designated Fund: Innovation & COVID-19 Fund	13,880,001	13,880,001	13,880,001	0
Invested in Capital Assets (NBV)	27,803,501	26,539,716	26,649,087	27,080,481
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	164,425,027	165,688,813	157,832,041	172,539,922
Current YTD Income (Loss)	3,341,216	2,742,563	7,747,400	2,099,895
Total Net Assets / Reserves	**213,214,369**	**212,615,716**	**209,873,153**	**204,225,648**
Total Liabilities, Deferred Inflows and Net Assets	**1,186,817,716**	**1,214,545,631**	**1,191,526,543**	**1,091,804,629**

Cash Flow Statement

Santa Clara Family Health Plan

	Aug-2020
Cash Flows from Operating Activities	
Premiums Received	$96,816,421
Medical Expenses Paid	(109,209,375)
Adminstrative Expenses Paid	(15,353,704)
Net Cash from Operating Activities	**($27,746,659)**
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(1,539,128)
Cash Flows from Investing Activities	
Interest Income and Other Income (Net)	536,255
Net Increase/(Decrease) in Cash & Cash Equivalents	**(28,749,533)**
Cash & Investments (Beginning)	345,046,103
Cash & Investments (Ending)	**$316,296,570**
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating Income/(Loss)	$62,398
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Depreciation	275,343
Changes in Operating Assets/Liabilities	
Premiums Receivable	(338,542)
Prepaids & Other Assets	580,710
Accounts Payable & Accrued Liabilities	(11,096,539)
State Payable	(1,976,990)
IGT, HQAF & Other Provider Payables	(26,140,169)
Net Pension Liability	243,736
Medical Cost Reserves & PDR	10,643,395
Total Adjustments	**(27,809,057)**
Net Cash from Operating Activities	**($27,746,659)**

Statement of Operations by Line of Business - YTD

Santa Clara Family Health Plan

Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For Two Months Ending August 31, 2020

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	$164,489,236	$6,044,604	$26,953,762	$32,998,365	**$197,487,601**
MEDICAL EXPENSE	$154,267,705	$5,946,343	$23,396,635	$29,342,978	**$183,617,107**
(MLR)	93.8%	98.4%	86.8%	88.9%	93.0%
GROSS MARGIN	$10,221,530	$98,261	$3,557,127	$3,655,387	**$13,870,494**
ADMINISTRATIVE EXPENSE	$9,089,775	$334,028	$1,489,481	$1,823,510	**$10,913,285**
(% of Revenue Allocation)					
OPERATING INCOME/(LOSS)	$1,131,756	($235,768)	$2,067,646	$1,831,878	**$2,957,209**
(% of Revenue Allocation)					
OTHER INCOME/(EXPENSE)	$319,843	$11,754	$52,411	$64,164	**$384,007**
(% of Revenue Allocation)					
NET INCOME/(LOSS)	$1,451,599	($224,014)	$2,120,056	$1,896,042	**$3,341,216**
PMPM (ALLOCATED BASIS)					
REVENUE	$329.63	$330.40	$1,473.29	$1,803.68	**$381.76**
MEDICAL EXPENSES	$309.15	$325.03	$1,278.85	$1,603.88	**$354.95**
GROSS MARGIN	$20.48	$5.37	$194.43	$199.80	**$26.81**
ADMINISTRATIVE EXPENSES	$18.22	$18.26	$81.41	$99.67	**$21.10**
OPERATING INCOME/(LOSS)	$2.27	($12.89)	$113.02	$100.13	**$5.72**
OTHER INCOME/(EXPENSE)	$0.64	$0.64	$2.86	$3.51	**$0.74**
NET INCOME/(LOSS)	$2.91	($12.24)	$115.88	$103.64	**$6.46**
ALLOCATION BASIS:					
MEMBER MONTHS - YTD	499,011	18,295	18,295	18,295	517,306
REVENUE BY LOB	83.3%	3.1%	13.6%	16.7%	100.0%

Santa Clara Family Health Plan™

Appendices

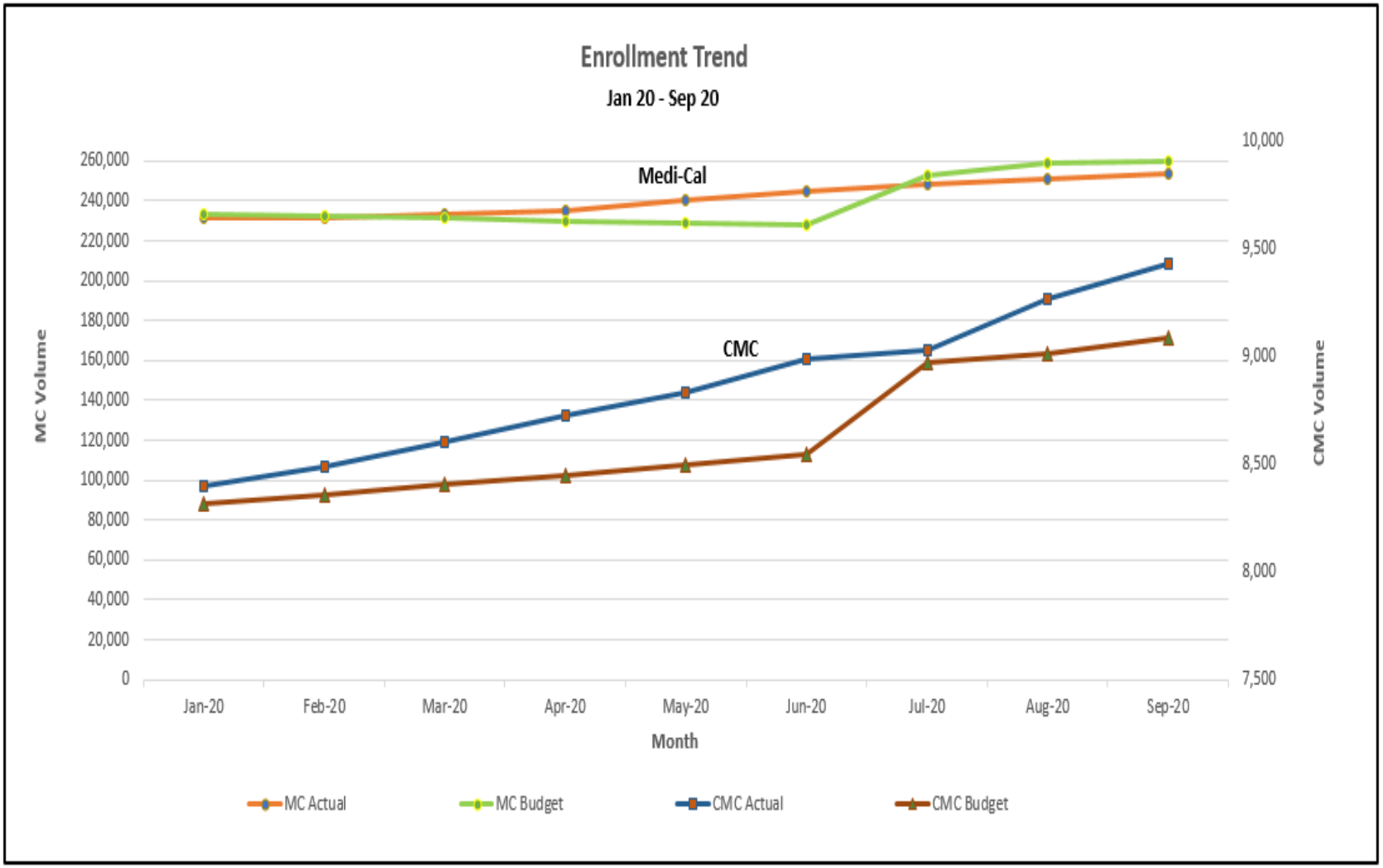
Enrollment By Aid Category

Santa Clara Family Health Plan

SCFHP TRENDED ENROLLMENT BY COA YTD SEP-2020

		2019-07	2019-08	2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	FYTD var	%
NON DUAL	Adult (over 19)	24,989	24,888	24,689	24,492	24,207	23,999	23,620	23,604	23,873	24,051	25,253	26,299	27,066	27,877	28,269	392	1.5%
	Child (under 19)	93,536	92,668	92,092	95,000	93,829	93,477	92,339	92,248	92,843	93,374	95,145	96,173	96,605	97,359	97,629	270	0.3%
	Aged - Medi-Cal Only	10,948	10,958	10,855	10,850	10,897	10,903	10,904	10,831	10,753	10,801	11,044	11,207	11,227	11,178	11,229	51	0.5%
	Disabled - Medi-Cal Only	10,774	10,833	10,814	10,836	10,865	10,839	10,845	10,854	10,882	10,851	10,902	10,922	10,944	10,910	10,839	(71)	(0.7%)
	Adult Expansion	71,082	70,635	70,418	70,285	69,889	69,069	68,130	68,372	69,272	70,458	72,546	74,553	76,262	77,701	79,263	1,562	2.1%
	BCCTP	10	10	10	10	12	11	11	11	11	11	11	11	11	11	11	0	0.0%
	Long Term Care	372	364	366	372	371	373	379	373	367	380	398	405	402	406	407	1	0.2%
	Total Non-Duals	**211,711**	**210,356**	**209,244**	**211,845**	**210,070**	**208,671**	**206,228**	**206,293**	**208,001**	**209,926**	**215,299**	**219,570**	**222,517**	**225,442**	**227,647**	**2,205**	**1.0%**
DUAL	Adult (21 Over)	351	345	351	341	350	341	330	328	320	311	320	321	327	320	337	17	5.3%
	SPD (21 Over)	23,087	23,230	23,445	23,531	23,577	23,498	23,472	23,540	23,541	23,443	23,595	23,508	23,641	23,686	23,654	(32)	(0.1%)
	Adult Expansion	209	226	201	122	82	177	139	130	136	134	190	241	261	289	358	69	28.6%
	BCCTP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	Long Term Care	1,220	1,232	1,237	1,256	1,271	1,308	1,266	1,257	1,231	1,235	1,252	1,248	1,261	1,267	1,256	(11)	(0.9%)
	Total Duals	**24,867**	**25,033**	**25,234**	**25,250**	**25,280**	**25,324**	**25,207**	**25,255**	**25,228**	**25,123**	**25,357**	**25,318**	**25,490**	**25,562**	**25,605**	**43**	**0.2%**
	Total Medi-Cal	**236,578**	**235,389**	**234,478**	**237,095**	**235,350**	**233,995**	**231,435**	**231,548**	**233,229**	**235,049**	**240,656**	**244,888**	**248,007**	**251,004**	**253,252**	**2,248**	**0.9%**
	Healthy Kids	**3,501**	**3,509**	**3,512**	**2**	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0%**
CMC	CMC Non-Long Term Care	7,869	7,921	7,982	8,016	8,069	8,206	8,177	8,261	8,388	8,511	8,625	8,775	8,814	9,055	9,215	160	1.8%
	CMC - Long Term Care	207	213	212	217	220	222	224	225	213	214	212	212	215	211	213	2	0.9%
	Total CMC	**8,076**	**8,134**	**8,194**	**8,233**	**8,289**	**8,428**	**8,401**	**8,486**	**8,601**	**8,725**	**8,837**	**8,987**	**9,029**	**9,266**	**9,428**	**162**	**1.8%**
	Total Enrollment	**248,155**	**247,032**	**246,184**	**245,330**	**243,641**	**242,425**	**239,836**	**240,034**	**241,830**	**243,774**	**249,493**	**253,875**	**257,036**	**260,270**	**262,680**	**2,410**	**0.9%**

Enrollment Trend



September 2020 Enrollment Comparison

Santa Clara Family Health Plan

SEPT 20 PROJECTED AND FORECAST COMPARISON

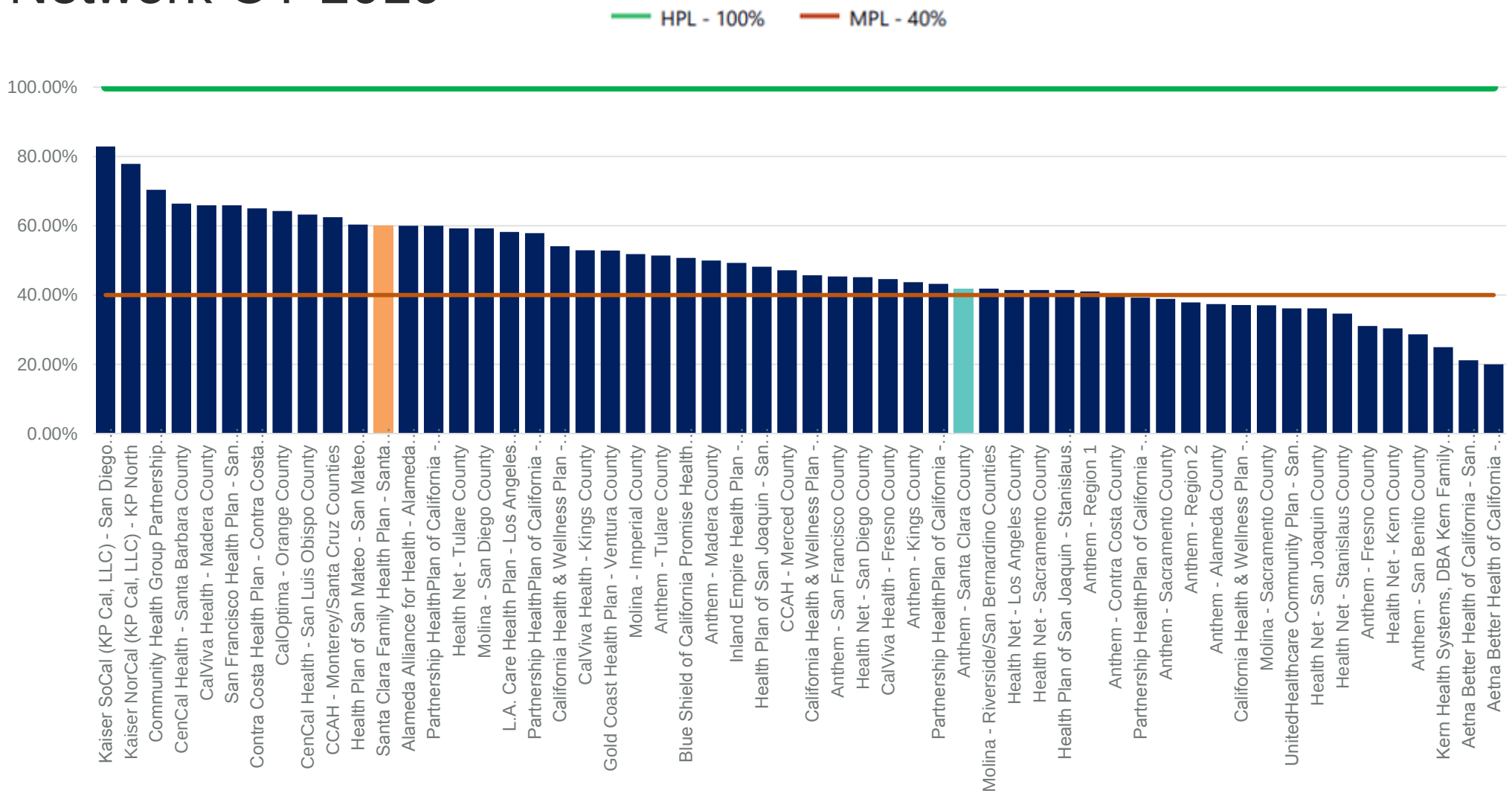
NON DUALS	Sep-20 Actual	APPROVED Sep-20 Budget	Actual vs. Budget Incr / (Decr)	Actual vs. Budget %	Sep-20 Actual	Sep-20 Forecast	Variance Incr / (Decr)	Variance %	Forecast vs. Budget Incr / (Decr)	Forecast vs. Budget %
Adult Expansion	79,263	79,669	(406)	-0.5%	79,263	79,101	162	0.2%	(568)	-0.7%
Adult/Family (under 19)	97,629	104,487	(6,858)	-6.6%	97,629	98,099	(470)	-0.5%	(6,388)	-6.1%
Adult/Family (over 19)	28,269	27,733	536	1.9%	28,269	28,688	(419)	-1.5%	955	3.4%
SPD	22,068	22,039	29	0.1%	22,068	22,136	(68)	-0.3%	97	0.4%
BCCTP	11	11	-	0.0%	11	11	-	0.0%	-	0.0%
Long Term Care	407	398	9	2.3%	407	406	1	0.2%	8	2.0%
Non-Dual Subtotal	**227,647**	**234,337**	**(6,690)**	**-2.9%**	**227,647**	**228,441**	**(794)**	**-0.3%**	**(5,896)**	**-2.5%**
DUALS										
Adult Expansion	358	190	168	88.4%	358	317	41	12.9%	127	66.8%
Adult/Family (21 over)	337	320	17	5.3%	337	320	17	5.3%	-	0.0%
SPD	23,654	23,612	42	0.2%	23,654	23,726	(72)	-0.3%	114	0.5%
BCCTP	-	-	-	0.0%	-	-	-	0.0%	-	0.0%
Long Term Care	1,256	1,435	(179)	-12.5%	1,256	1,267	(11)	-0.9%	(168)	-11.7%
Dual Subtotal	**25,605**	**25,557**	**48**	**0.2%**	**25,605**	**25,630**	**(25)**	**-0.1%**	**73**	**0.3%**
Total Medi-Cal	**253,252**	**259,894**	**(6,642)**	**-2.6%**	**253,252**	**254,071**	**(819)**	**-0.3%**	**(5,823)**	**-2.2%**
Cal MediConnect	**9,428**	**9,084**	**344**	**3.8%**	**9,428**	**9,339**	**89**	**1.0%**	**255**	**2.8%**
TOTAL ENROLLMENT	**262,680**	**268,978**	**(6,298)**	**-2.3%**	**262,680**	**263,410**	**(730)**	**-0.3%**	**(5,568)**	**-2.1%**

	Sep-20	Variance from Actual	
Actual	262,680		
Budget	268,978	(6,298)	-2.40%
Forecast	263,410	(730)	-0.28%

Santa Clara Family Health Plan™

Medi-Cal Managed Care Plan Performance Review
CY 2019

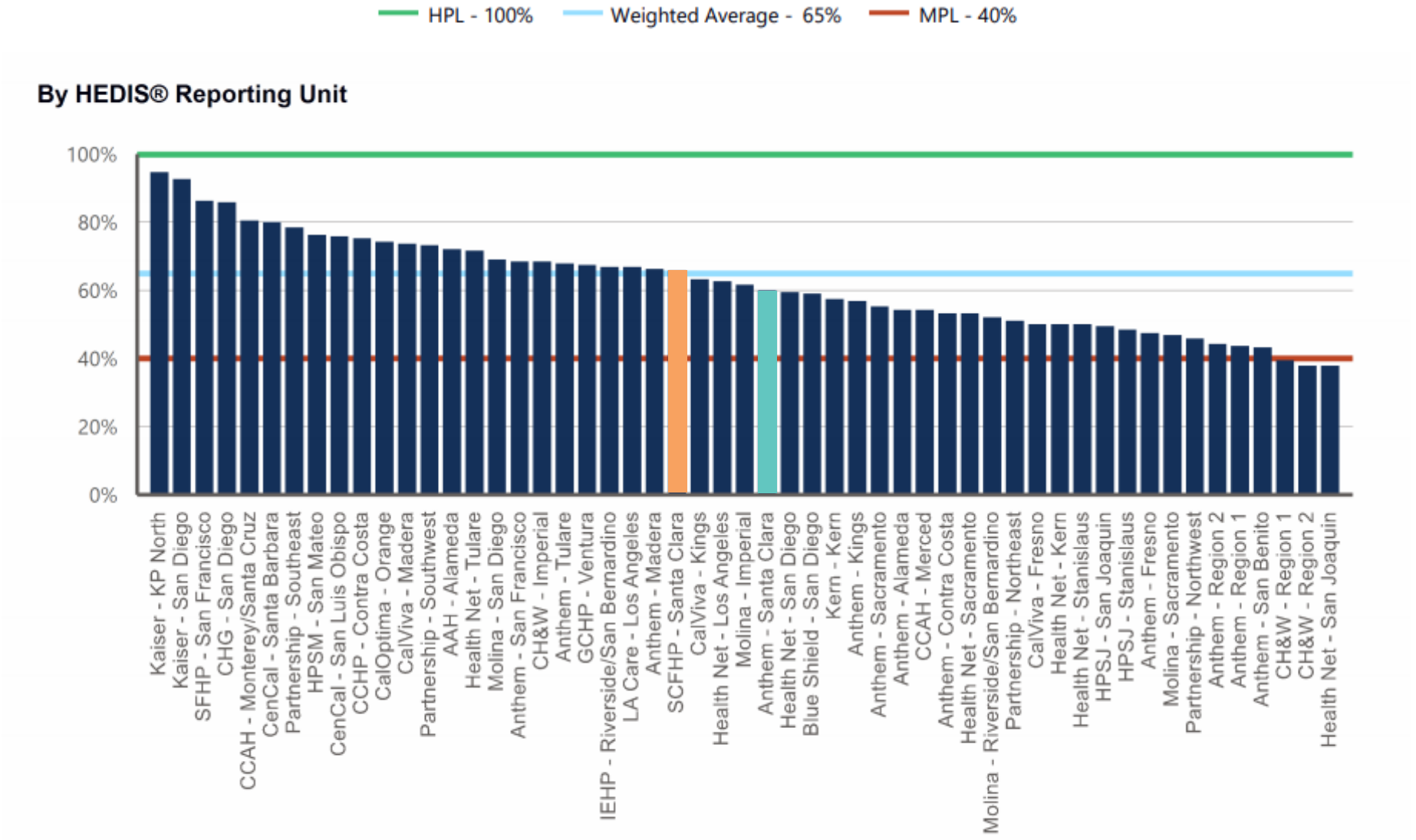
Estimated Aggregated Quality Factor Score (AQFS) by Network CY 2019



SCFHP – Rank 12
Anthem – Rank 35
Total # of MCPs = 56

**Performance might be affected as some plans reported the rates as is during COVID.*

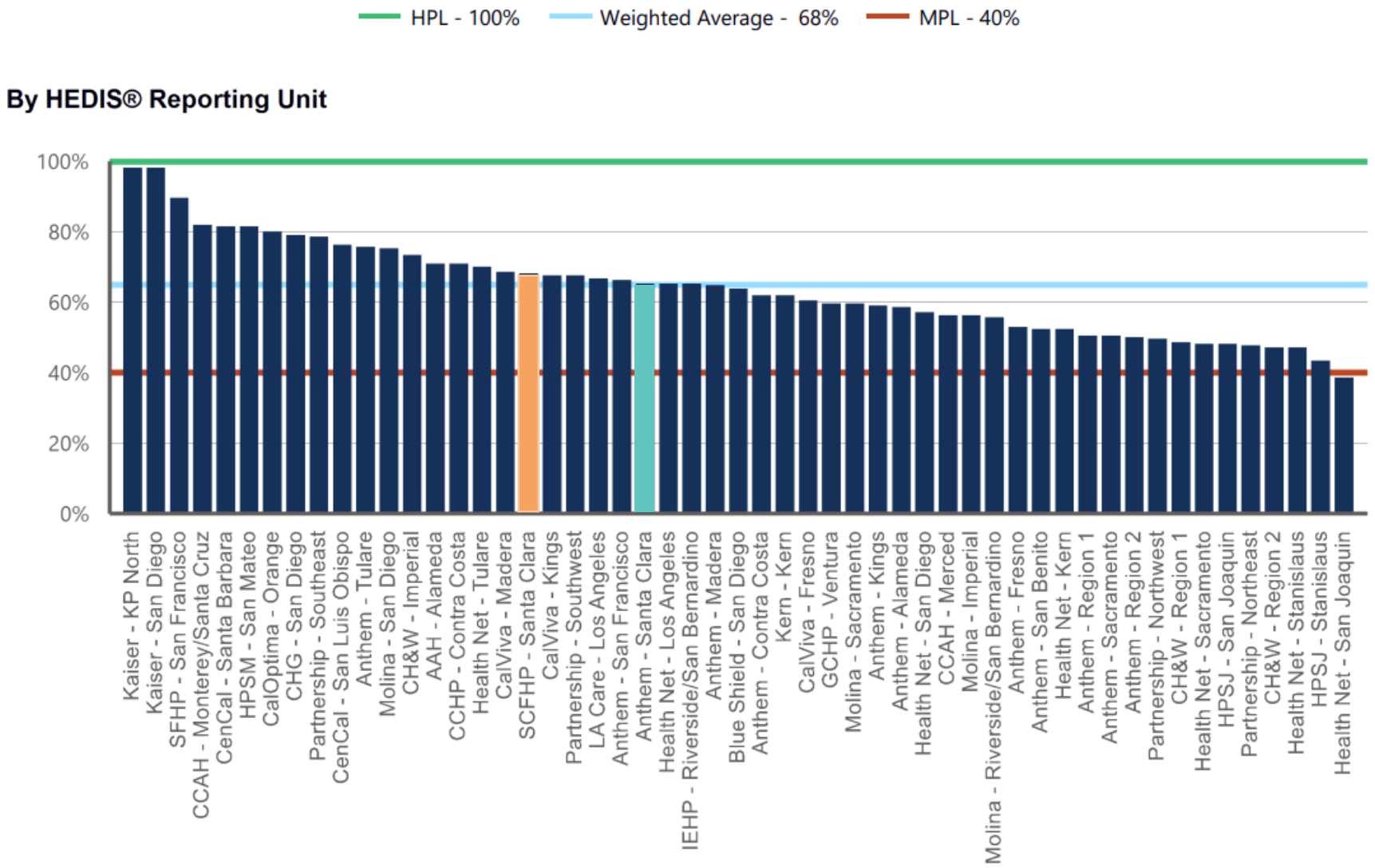
Aggregated Quality Factor Score (AQFS) by Network CY 2018



SCFHP – Rank 24
Anthem – Rank 28
Total # of MCPs = 53

Aggregated Quality Factor Score (AQFS) by Network CY 2017

SCFHP – Rank 18
Anthem – Rank 23
Total # of MCPs = 53



Measure Rankings

SCFHP generally performed in the top 50% of all MCPs (56 total plans)*

Measure	Rank	Percentile
Childhood Immunizations – Combo 10	1	95th
Antidepressant Med Mgmt – Cont	3	90th
Well Child Visits in First 15 Months	3	90th
Breast Cancer Screening	5	75th
Antidepressant Med Mgmt – Acute	6	75th
All Cause Readmit -Expected Readmission	7	95th
Post Partum Care	10	95th
Diabetes Care – HbA1c>9	11	75th
Children and Adolescents Access to Primary Care -7-11 Years[1]	*13*	*25th*
Immunizations for Adolescents – Combo 2	14	75th
Children and Adolescents Access to Primary Care – 12-19 Years[1]	*15*	*25th*
Children and Adolescents Access to Primary Care -25 Months – 6 Years[1]	*15*	*50th*
Follow Up Care for Children on ADHD Medication – Cont	16	10th
All Cause Readmit – Observed Readmission	16	95th

Measure*	Rank	Percentile
Prenatal Care	17	95th
Children and Adolescent BMI Percentile Documentation	17	75th
Well Child Visits 3-6 Years[2]	*18*	*50th*
All Cause Readmit –Observed to Expected Ratio	19	10th
Children and Adolescents Access to Primary Care – 12-24 Months[1]	*21*	*25th*
Adolescent Well Child[2]	*23*	*25th*
Follow Up Care for Children on ADHD Medication – Init	24	25th
Asthma Medication Ratio	27	25th
Adult BMI Assessment[1]	*27*	*50th*
Cervical Cancer Screening	29	50th
Controlling Blood Pressure	33	50th
Chlamydia Screening in Women	36	50th
Diabetes Care – HbA1c Testing	38	25th
Ambulatory Care – ED Visits[3]	51	< 10th

**Performance might be affected as some plans reported the rates as is during COVID.*

Held to MPL

1. Measure has been retired
2. AWC and W34 will be combined into a new measure, WCV
3. Ambulatory Care—Emergency Department Visits summarizes utilization of ambulatory care for ED visits. This measure is reported in number of visits per 1,000 member months in the IDSS file. Higher or lower rates do not necessarily indicate better or worse performance.

Auto-Assignment

Year 16 (2021) with 20% cap

HEDIS Measures	Anthem Blue Cross	Santa Clara Family Health Plan	Statistically Superior?	Anthem Blue Cross	Santa Clara Family Health Plan	Audit Means, Percentiles, & Ratios	Improvement Score for > 90th Nat P: Anthem Blue Cross	Improvement Score for > 90th Nat P: Santa Clara Family Health Plan	Improvement Score: Anthem Blue Cross	Improvement Score: Santa Clara Family Health Plan	Aggregate Score: Anthem Blue Cross	Aggregate Score: Santa Clara Family Health Plan	Current Year: z	Current Year: Two Tailed	Current Year: Difference Between Rates	Annual Improvement: Anthem Blue Cross: z	Annual Improvement: Anthem Blue Cross: Two Tailed	Annual Improvement: Santa Clara Family Health Plan: z	Annual Improvement: Santa Clara Family Health Plan: Two Tailed
Well Child Visits: 3rd - 6th Years of Life	76.22%	77.13%	No	1	1	83.85%	0	0	0	0	1	1	-0.3085	0.7577	0.9%	0	1.0000	0.32868	0.7424
	411	411																	
Timeliness of Prenatal Care	86.13%	93.19%	Santa Clara Family Health Pl	0	2	90.98%	0	0	0	1	0	3	-3.2017	0.0014	7.1%	-0.0965	0.9231	3.04514	0.0023
	360	411																	
Comprehensive Diabetes Care - HbA1c Testing	83.21%	86.13%	No	1	1	92.82%	0	0	0	0	1	1	-1.1628	0.2449	2.9%	0	1.0000	-1.6101	0.1074
	411	411																	
Controlling High Blood Pressure	56.20%	62.04%	No	1	1	92.94%	0	0	0	0	1	1	-1.7059	0.0880	5.8%	0	1.0000	1.49418	0.1351
	411	411																	
Cervical Cancer Screening	54.26%	61.07%	Santa Clara Family Health Pl	0	2	72.02%	0	0	0	0	0	2	-1.9805	0.0476	6.8%	1.04842	0.2944	0	1.0000
	411	411																	
Safety Net Provider Support Measures							ptest												
% of inpatient hospitalizations which occurred at Disproportionate Share Hospitals (DSH)*	23.91%	39.01%	Santa Clara Family Health Pl	0	1.5		0.00%	0.00%	0	0	0	1.5	-25.656	0.0000	15.1%	0	1.0000	0	1.0000
All Discharges	7,880	20,594																	
% of members enrolled with a PCP at a safety net provider site**	53.30%	55.45%	No	0	0		0.00%	0.00%	0	0	0	0	-9.8402	0.0000	2.2%	0	1.0000	0	1.0000
Total Assigned to a PCP	66,293	242,396																	
		Total Points		**3.0**	**8.5**				**0.0**	**1.0**	**3.0**	**9.5**							

Score Summary	Anthem Blue Cross	Santa Clara Family Health Plan	
Current Year Score	3.0	8.5	
Improvement Score	0.0	1.0	
Aggregate Score (or zero)	3.0	9.5	12.5
Percentage Allocation	**24%**	**76%**	
Baseline Allocation	36%	64%	
Difference	-12%	12%	
Add-on Allowed to Baseline	-12%	12%	
New Base Allocation	**24.00%**	**76.00%**	

*For the most recent year for which data are available, % of inpatient hospitalizations which occurred at Disproportionate Share Hospitals (DSH) for HMO-specific enrollees residing within the county

**% of members assigned to PCPs at rural health clinics, FQHCs, Indian or Tribal clinics, non-profit licensed community or free care clinics, and clinics associated with publicly owned DSH facilities for HMO-specific enrollees residing within the county

Note: 50/50 allocation is the functional equivalent of a 1:1 allocation

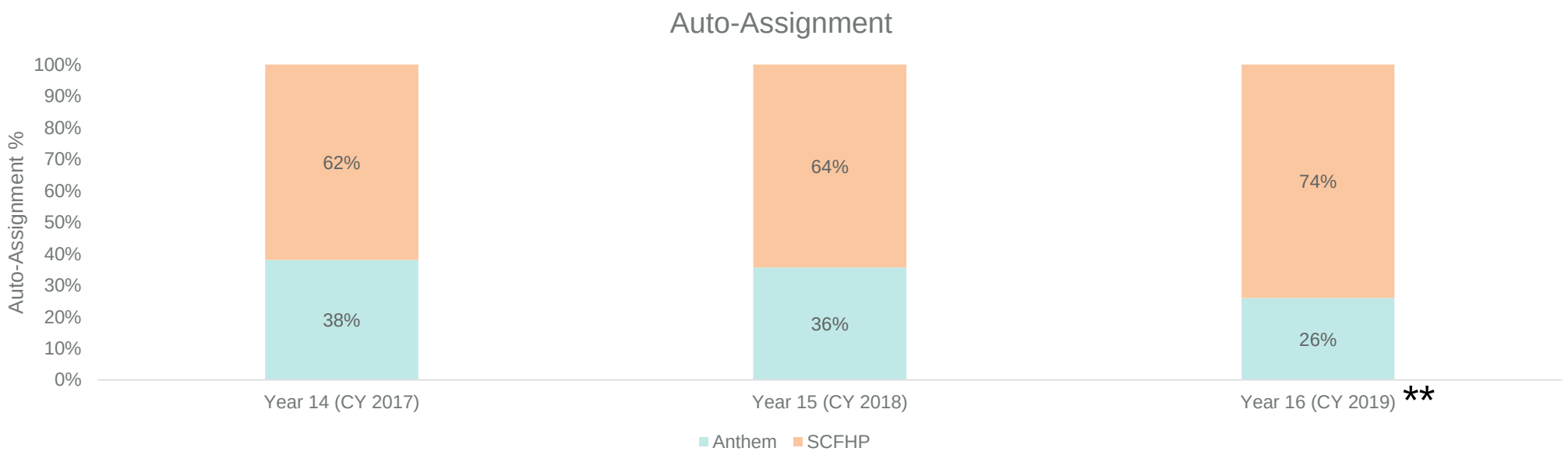
Encounter Data Adjustments	Anthem Blue Cross	Santa Clara Family Health Plan
Encounter Data Grade Low-Performing = 0 High-Performing = 1	1	1
Encounter Data Default %	**3.00%**	**3.00%**
Adjusted Original Algorithm %	**23.00%**	**71.00%**
Final Adjusted Rate	**26.00%**	**74.00%**

* Highlighted cells assume no change from previous year

**Performance might be affected as some plans reported the rates as is during COVID.*

Auto-Assignment

SCFHP's auto-assignment percentage would be potentially increasing.



**Performance might be affected as some plans reported the rates as is during COVID.*
*** Due to COVID, for Year 16, the rates are frozen from Year 15. Displayed rates are an estimate.*

Santa Clara Family Health Plan™

Questions?

Regular Meeting of the

Santa Clara County Health Authority
Executive/Finance Committee

Thursday, November 19, 2020, 11:30 PM – 1:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes

Members Present
Dolores Alvarado, Chair
Bob Brownstein
Dave Cameron
Liz Kniss
Sue Murphy

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 Operating Officer
Ngoc Bui-Tong, VP, Strategies & Analytics
Teresa Chapman, VP, Human Resources
Barbara Granieri, Controller
Lori Andersen, Director, Long Term Services & Supports
Tyler Haskell, Director, Government Relations
Johanna Liu, Director, Quality & Process Improvement
Jayne Giangreco, Manager, Administrative Services
Rita Zambrano, Executive Assistant

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:33 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. Alvarado presented the Consent Calendar and indicated all agenda items would be approved in one motion.

a. Approve minutes of the **October 22, 2020 Executive/Finance Committee** meeting
b. Accept the **Network Detection and Prevention Update**

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

Motion: Ms. Murphy
Second: Ms. Kniss
Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

4. CEO Update

Christine Tomcala, Chief Executive Officer, presented highlights on the updated SCFHP COVID-19 Responses, referencing an outbreak of COVID positive members in skilled nursing facilities (SNFs), specifically at San Tomas Convalescent.

Ms. Tomcala shared a status update on the Blanca Alvarado Community Resource Center (CRC), noting we are in the completion phase and are awaiting final designs for external signage. She indicated a phased opening strategy was being developed. She also reported that Ms. Alvarado and the CHP team were in the process moving into their new space. Ms. Alvarado noted she had received a couple calls, including one from Blanca Alvarado, suggesting they believed the CRC is a clinic.

Ms. Tomcala shared a draft Board Dashboard, noting it was designed to be an easy-to-understand, quick reference for key Plan metrics. She welcomed any edits, suggestions, or thoughts before the rollout with the Board in December. Sue Murphy, Board Member, suggested color-coding the financial highlights to indicate whether a metric is favorable or unfavorable to budget. She also suggested adding a net gain/loss line on the membership graphs. Ms. Tomcala also shared the one-page "At a Glance" information sheet about SCFHP, noting the plan will provide an updated version to the Board quarterly.

There was discussion about data to be used in strategic planning. Ms. Tomcala agreed to bring additional network-specific performance information to a future meeting. Ms. Murphy suggested analyzing the data to see where we can make a difference and improve community health. Ms. Murphy stated we want to utilize such information to paint a picture of our value proposition, what differences we do or do not make, our strengths and weaknesses; Ms. Murphy offered to help create the story.

5. Government Relations Update

Tyler Haskell, Director, Government Relations, provided an update on state and federal issues. He informed the Committee that the State is projecting a $26 billion budget surplus, which will likely result in a reversal of most, if not all, of the current year's budget cuts. Mr. Haskell stated that probably as a result of the favorable budget conditions, DHCS had recently resumed planning for several CalAIM proposals, most notably the transition from county-operated Whole Person Care programs to new managed care programs known as Enhanced Care Management and In-Lieu of Services, which will have an updated implementation date of January 1, 2022. DHCS also recently announced a three-month delay of the transition to a statewide Medi-Cal fee-for-service pharmacy benefit, known as Medi-Cal Rx. Mr. Haskell informed the Committee that powerful interests are lining up behind two pieces of legislation slated for introduction in 2021, specifically relating to telehealth payment parity and health information and data sharing.

Mr. Haskell shared that the Supreme Court's hearing of the Texas v. Azar case challenging the Affordable Care Act seemed to go well for supporters of the law, and that court observers now predict a low probability of the entire law being overturned. Mr. Haskell discussed the presidential transition, including naming several contenders for Secretary of Health and Human Services, as well as the fact that the lack of official recognition of the transition by federal agencies may hamper the effort to distribute COVID vaccines. Finally, Mr. Haskell discussed the prospects of a federal economic stimulus and COVID relief bill in the context of the recent elections, noting that the chances of such legislation likely hinge on the outcomes of two upcoming special elections for both of Georgia's U.S. Senate seats.

6. September 2020 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the September 2020 financial statements, which reflected a current month net surplus of $2M thousand ($1.8 million favorable to budget) and a fiscal year to date net surplus of $5.4 million ($3.6 million favorable to budget). Enrollment increased by 2,410 members from the prior month to 262,680 members (6,298 unfavorable to budget). Membership growth due to COVID-19 has not been as pronounced initially as budgeted but will likely be sustained for a longer period of time than planned. Revenue reflected a favorable current month variance of $11.7 million (11.7%) largely due to higher CY20 full-dual Medi-Cal MLTSS & CMC capitation rates than budgeted. Medical expense reflected an unfavorable current month variance of $9.8 million due to (1) unfavorable Medi-Cal capitation expenses

related to the higher premiums from DHCS, and (2) additional fee-for-service expenses related to COVID. Administrative expense reflected a favorable current month variance of $286 thousand (5.1%) due largely to the timing of headcount and certain other expenses. The balance sheet reflected a Current Ratio of 1.18:1, versus the minimum required by DMHC of 1.00:1. Tangible Net Equity of $214 million represented approximately two months of the Plan's total expenses. Year-to-date capital investments of $2.37 thousand were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

It was moved, seconded, and the September 2020 Financial Statements were **unanimously approved.**

Motion: Mr. Cameron
Second: Ms. Kniss
Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

7. Quality Update

Laurie Nakahira, D.O., Chief Medical Officer, presented the Medi-Cal HEDIS Network Comparison Rates for calendar year 2019. First, she reviewed how an Aggregated Quality Factor Score (AQFS) is calculated. Dr. Nakahira subsequently reviewed the AQFS scores by network, noting they are HEDIS administrative rates including supplemental data from delegates. They are not hybrid rates that include chart reviews, which are not available by network. She pointed out that the score for SCFHP includes hybrid rates.

Discussion ensued regarding challenges in data availability and presentation. There were observations on notable differences in scores for diabetes levels vs. diabetes testing. Dr. Nakahira noted the team is hoping to determine why there is such a difference and agreed to bring it back for review.

Ms. Murphy requested a regular report to assess if there is continuous improvement, in support of the goal to create a delivery system where all members are assured of receiving good basic care.

8. Institute on Aging (IOA) Funding Request

Lori Andersen, Director, Long Term Services and Supports, presented the Institute on Aging (IOA) funding request proposal for Assisted Living Services in the amount of $867,000 for calendar year 2021. Ms. Andersen reported that IOA has been a key program partner for the Whole Person Care (WPC) pilot program in Santa Clara County since 2015. She noted that as part of the WPC pilot, SCFHP member placements in Residential Care Facilities for the Elderly (RCFEs) were made through the financial support of Santa Clara Valley Health & Hospital System (SCVHHS). The proposal would shift the financial responsibility for ongoing placements, and incremental ones, from SCVHHS to SCFHP. Ms. Andersen noted the WPC program is scheduled to end in December, but the expectation is that the State of California and Centers for Medicare and Medicaid Services (CMS) will extend the program through 2021.

The IOA is requesting funding for 25 member placements in RCFEs over the next twelve months. The funding would impact more than 25 individual members over the course of the year due to some members returning to SNFs or deaths, and those RCFE beds would become available to other members.

It is also important to note that without continued funding for RCFE services, almost all of the impacted members would return to long-term care beds where they would experience a lower quality of life and would consume a critical bed resource that would otherwise be available for members more urgently in need of SNF/LTC services.

It was moved, seconded, and the Institute on Aging funding request proposal for Assisted Living Services in the amount of $867,000 was **unanimously approved.**

Motion: Ms. Murphy
Second: Ms. Kniss
Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Kniss, Ms. Murphy

9. Adjournment

The meeting was adjourned at 1:28 pm.

_____

Susan G. Murphy, Secretary

Santa Clara Family Health Plan™

Network Detection and Prevention Report

November 2020

Executive/Finance Committee Meeting

Firewall Background

The following network intrusion reports show the malicious activities that were prevented from accessing SCFHP's network. It is important to note that these attempts are not specifically targeted at SCFHP, but rather are common attempts against entire areas of the Internet. The results are typical of many organizations.

None of the intrusion attempts on the SCFHP network were successful.

The attempts have been categorized in three severity levels:

Critical/High

These attacks are the most dangerous. They can take down our entire network or disable servers. Can take the form of various Backdoor, DDoS (Distributed Denial of Service), and DOS (Denial of Service) attacks.

Medium

These attacks can cause disruption to the network, such as increased network traffic that slows performance. For example, various DNS (Domain Naming Service), FTP (File Transfer Protocol), and Telnet attacks.

Low/Informational

These attacks are characterized more as informational events, such as various scans (port and IP internet protocol address), RPC (Remote Procedure Call), and SMTP (Simple Mail Transfer Protocol) attacks. The new informational category is from the recently implemented Palo Alto Firewall. These events are of low to no threat and are more of an FYI for reporting.

Attack Statistics Combined

Jul/Aug/Sep/Oct

Santa Clara Family Health Plan

	Number of Different Types of Attacks				Total Number of Attempts				Percent of Attempts			
Severity Level	Jul	Aug	Sep	Oct	Jul	Aug	Sep	Oct	Jul	Aug	Sep	Oct
Critical	13	20	20	30	111	3,822	261	3,193	.02	0.07	0.04	0.27
High	15	18	16	28	1,820	2,489	957	7,252	0.28	0.04	0.13	0.59
Medium	13	27	52	69	16,605	111,618	116,536	165,989	2.55	1.95	15.35	13.55
Low	6	6	10	14	636	2,512	1,448	1,770	0.10	0.04	0.19	0.14
Informational	19	19	27	29	632,234	5,608,464	639,710	1,046,648	97.05	97.90	84.29	85.45

Summary – Compare Oct to previous month of Sep 2020

- Critical Severity Level – number of threat attempts is **1223.4%** higher
- High Severity Level - number of threat attempts is 757.8% higher
- Medium Severity Level - number of threat attempts **42.4%** higher
- Low Severity Level - number of threat attempts is **22.2%** higher

11/13/2020

Top 5 Events for August - October

Critical Events – total 7276 events

Top 5 Critical vulnerability events
- 2683 events for “Bash Remote Code Execution Vulnerability” (**Code-Execution**)
- 2683 events for “CobaltStrike.Gen Command and Control Traffic” (**Code-Execution**)
- 746 events for “Cisco IOS and IOS XE Software Cluster Management Protocol Remote Code Execution Vulnerability” (**Botnet**)
- 301 events for “Zeroshell Remote Command Execution Vulnerability” (**Code-Execution**)
- 99 events for “Mirai and Reaper Exploitation Traffic” (**Code-Execution**)

High Events – total 10,698 events

Top 5 High vulnerability events
- 2877 events for “SMB: User Password Brute Force Attempt” (**Brute Force**)
- 1911 events for “SIP INVITE Method Request Flood Attempt” (**Brute Force**)
- 1466 events for “ThinkPHP Remote Command Execution Vulnerability” (**Code-Execution**)
- 1223 events for “SIP Bye Message Brute Force Attack” (**Code-Execution**)
- 767 events for “Microsoft Windows win.ini Access Attempt Detected” (**Code-Execution**)

Medium Events – total 394143 events

Top 5 Medium vulnerability events
- 232698 events for “SCAN: Host Sweep” (**Info-Leak**)
- 132837 events for “SIPVicious Scanner Detection” (**Info-Leak**)
- 18014 events for “RPC Portmapper DUMP Request Detected” (**Info-Leak**)
- 3888 events for “ZGrab Application Layer Scanner Detection” (**Info-Leak**)
- 1552 events for “HTTP Directory Traversal Request Attempt” (**Info-Leak**)

Definitions:

Code-Execution – Attempt to install or run an application.
Brute Force – Vulnerability attempt to obtain user credentials.
Info-Leak – attempt to obtain user or sensitive information.
Botnet – used to perform distributed denial-of-service attack (DDoS attack), steal data and send spam.

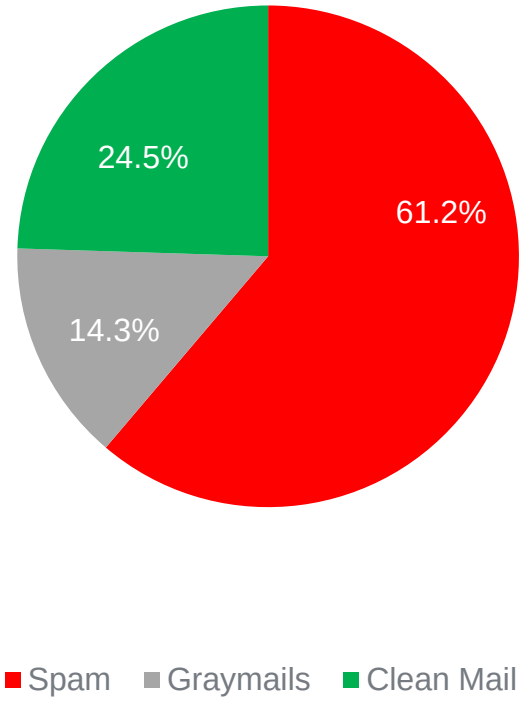
11/13/2020

Email Security – Monthly Statistics

Santa Clara Family Health Plan

Overview > Incoming Mail Summary

Message Category	%	Messages
Stopped by Reputation Filtering	51.8%	150.7k
Stopped as Invalid Recipients	0.0%	3
Spam Detected	9.1%	26.5k
Virus Detected	0.0%	25
Detected by Advanced Malware Protection	0.0%	3
Messages with Malicious URLs	0.1%	328
Stopped by Content Filter	0.2%	525
Stopped by DMARC	0.0%	0
S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:	**61.2%**	**177.8k**
Marketing Messages	8.6%	25.0k
Social Networking Messages	0.2%	519
Bulk Messages	5.6%	16.2k
Total Graymails:	**14.3%**	**41.7k**
S/MIME Verification/Decryption Successful	0.0%	0
Clean Messages	24.5%	71.3k
Total Attempted Messages:		**290.7k**



October

During the month.

- 61.2% of threat messages had been blocked.
- 14.3% were Graymails *(Graymail is solicited bulk email that doesn't fit the definition of email spam).*
- 24.5% were clean messages that delivered.

11/13/2020

Santa Clara Family Health Plan™

CY 2019 Medi-Cal HEDIS Network Comparison Rates

November 19, 2020

Aggregated Quality Factor Score (AQFS) Calculation

- Plans are assigned a score from 1-10 for each measure based on which percentile they fall into for each measure
- Total Points Earned is the sum of all points earned for all eligible measures
- Total Possible Points is the sum of all possible points for all eligible measures
- AQFS = Total Points Earned/Total Possible Points

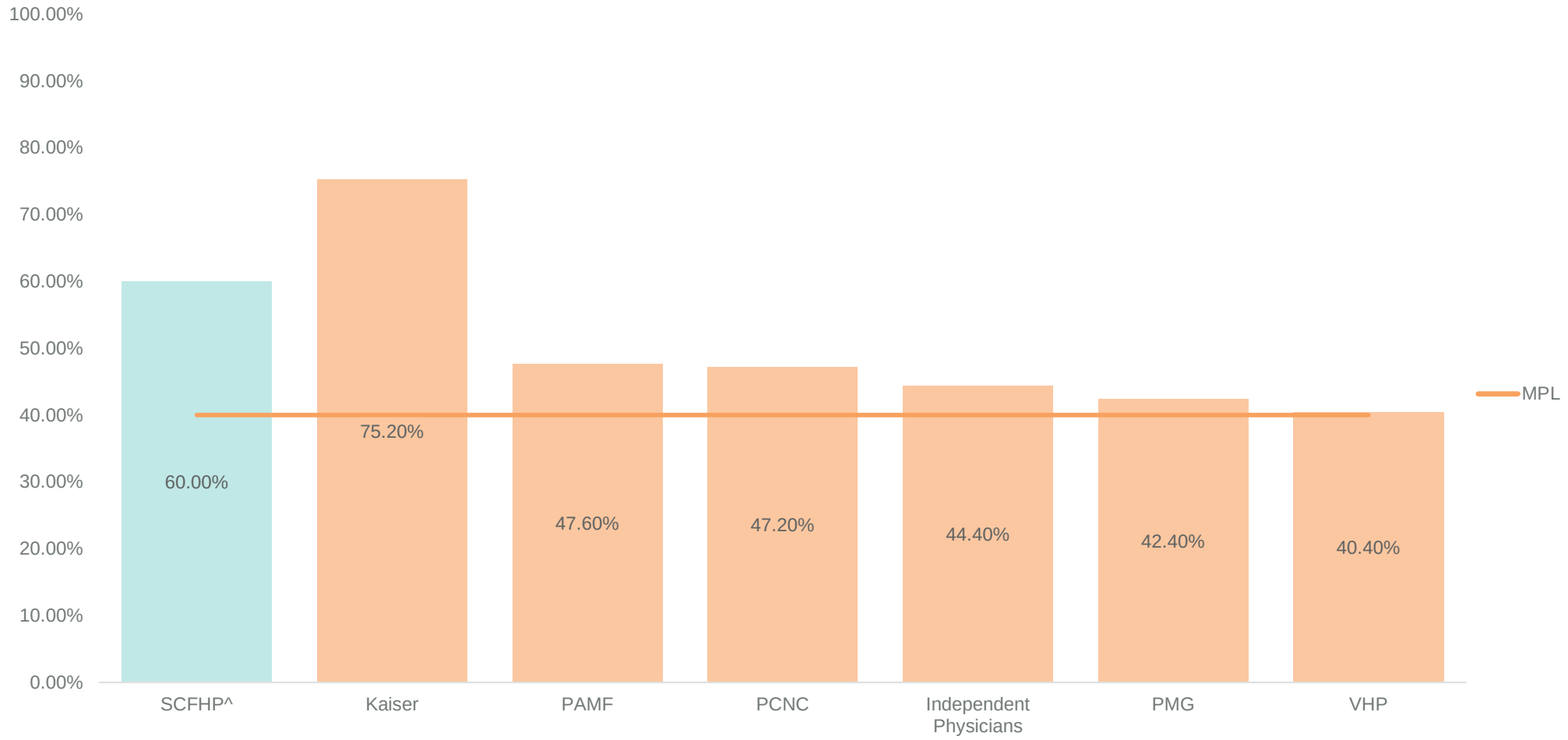
Group Name	Measure A Points	Measure B Points	Measure C Points	Total Points Earned	Total Points Possible	AQFS
Group A	5	7	10	5 + 7 + 10 = 23	10 + 10 + 10 = 30	23/30 = 76.67%
Group B	3	10	4	3 + 10 + 4 = 17	10 + 10 + 10 = 30	17/30 = 56.67%

DHCS AQFS Calculation - Scoring

NCQA Percentile Performance	Assigned Score
Below 10%	1
10%<= and <17.5%	2
17.5% <=and <25%	3
25%<= and <37.5%	4
37.5%<= and <50%	5
50%<= and <62.5%	6
62.5%<= and <75%	7
75% <=and <82.5%	8
82.5%<= and <90%	9
90% and above	10

https://www.dhcs.ca.gov/services/Documents/MMCD/Jan09-2020-Glossary.pdf

Aggregated Quality Factor Score (AQFS) by Network CY 2019 (based on Admin Rates* only)



*Admin Rates include supplemental data received from delegates/providers. Hybrid data is not used due to unequal distribution between groups
^SCFHP rate is the estimated AQFS including hybrid rates

Measure Rankings by Network (Admin rates only)

Measure	Kaiser	PAMF	PCNC	Independent Physicians	PMG	VHP
Adult BMI Assessment (ABA)[1]	1	6	4	2	5	3
Follow-Up Care for Children Prescribed ADHD Medication (ADD–C&M)	2*	5*	5*	1*	5*	3*
Follow-Up Care for Children Prescribed ADHD Medication (ADD–Init)	1	4*	6*	2*	5	3
Antidepressant Medication Management (AMM–Acute)	1	2	4	3	5	6
Antidepressant Medication Management (AMM–Cont)	1	2	3	4	5	6
Asthma Medication Ratio (AMR)	1	6	5	3	2	4
Adolescent Well Care (AWC)[2]	2	4	1	6	3	5
Breast Cancer Screening (BCS)	1	2	4	6	3	5
Children's Access to Primary Care (CAP–1219)	1	2	5	3	4	6
Children's Access to Primary Care (CAP–1224)	2	1	3	6	5	4
Children's Access to Primary Care (CAP–256)	3	1	2	6	4	5
Children's Access to Primary Care (CAP–711)	4	2	1	6	3	5
Controlling Blood Pressure (CBP)	1	5	3	5	2	4
Cervical Cancer Screening (CCS)	1	4	2	5	3	6
Comprehensive Diabetes Care (CDC–H9)	6	5	3	4	2	1
Comprehensive Diabetes Care (CDC–HT)	1	2	3	4	5	6
Chlamydia Screening in Women (CHL)	1	6	2	5	4	3
Childhood Immunization Status (CIS–10)	1	2	6	4	3	5
Immunizations for Adolescents (IMA–2)	1	3	6	2	5	4
Plan All-Cause Readmissions (PCR–OR)	6	3	1	2	4	5
Postpartum Care (PPC–Post)	3	2	1	5	6	4
Prenatal Care (PPC–Pre)	6	1	5	2	3	4
Well Visits in the First 15 Months (W15–6+ Visits)	6	1	3	4	2	5
Well Visits Years 3-6 (W34)[2]	2	5	1	6	3	4
Weight Assessment and Counseling (WCC–BMI)	1	6	4	2	5	3

Held to MPL

1. Measure has been retired
2. AWC and W34 will be combined into a new measure, WCV

* Small denominator (N < 30)

Santa Clara Family Health Plan™

Questions?

Santa Clara Family Health Plan™

Unaudited Financial Statements
For Three Months Ended September 30, 2020

Agenda

Santa Clara Family Health Plan

Financial Highlights

Santa Clara Family Health Plan

	MTD		YTD	
Revenue	$112 M		$309 M	
Medical Expense (MLR)	$104 M	93.1%	$288 M	93.0%
Administrative Expense (% Rev)	$5.4 M	4.8%	$16.3 M	5.3%
Other Income/(Expense)	($281K)		$103K	
Net Surplus (Net Loss)	**$2.0 M**		**$5.4 M**	
Cash and Investments			$625 M	
Receivables			$520 M	
Total Current Assets			$1,156 M	
Current Liabilities			$975 M	
Current Ratio			1.18	
Tangible Net Equity			$214 M	
% of DMHC Requirement			**624.3%**	

Financial Highlights

Santa Clara Family Health Plan

Net Surplus (Net Loss)	Month: Surplus of $2.0M is $1.8M or 591.1% favorable to budget of $296K. YTD: Surplus of $5.4M is $3.6M or 196.2% favorable to budget of $1.8M.
Enrollment	Month: Membership was 262,680 (6,298 or 2.3% lower than budget of 268,978). YTD: Member Months YTD was 779,986 (18,277 or 2.3% lower than budget of 798,263).
Revenue	Month: $111.9M ($11.7M or 11.7% favorable to budget of $100.2M). YTD: $309.4M ($11.2M or 3.8% favorable to budget of $298.2M).
Medical Expenses	Month: $104.2M ($9.8M or 10.3% unfavorable to budget of $94.5M). YTD: $287.8M ($7.2M or 2.6% unfavorable to budget of $280.6M).
Administrative Expenses	Month: $5.4M ($286K or 5.1% favorable to budget of $5.7M). YTD: $16.3M ($253K or 1.5% favorable to budget of $16.5M).
Tangible Net Equity	TNE was $214.0M (represents approximately two months of total expenses).
Capital Expenditures	YTD Capital Investments of $2.3M vs. $6.9M annual budget, primarily Community Resource Center.

Santa Clara Family Health Plan™

Detail Analyses

Enrollment

- Total enrollment of 262,680 members is lower than budget by 6,298 or 2.3%. Since June 30, 2020, total enrollment has increased by 8,805 members or 3.5%.
- Medi-Cal enrollment has been increasing since January, reflecting newly-eligible and COVID enrollment (beginning in March annual redeterminations of eligibility was suspended).
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 3.7%, Dual enrollment has increased 1.1%, and CMC enrollment has grown 4.9% also due largely to the suspension of disenrollment.

	For the Month September 2020				For Three Months Ending September 30, 2020					
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)	Prior Year Actuals	Δ FY20 vs. FY21
Medi-Cal	253,252	259,894	(6,642)	-2.6%	752,263	771,191	(18,928)	-2.5%	2,840,218	(73.5%)
Cal Medi-Connect	9,428	9,084	344	3.8%	27,723	27,072	651	2.4%	101,391	(72.7%)
Total	**262,680**	**268,978**	**(6,298)**	**-2.3%**	**779,986**	**798,263**	**(18,277)**	**-2.3%**	**2,941,609**	**(73.5%)**

Santa Clara Family Health Plan Enrollment By Network
September 2020

Network	Medi-Cal		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	32,056	13%	9,428	100%	41,484	16%
SCVHHS[1], Safety Net Clinics, FQHC[2] Clinics	127,102	50%	-	0%	127,102	48%
Palo Alto Medical Foundation	6,823	3%	-	0%	6,823	3%
Physicians Medical Group	43,695	17%	-	0%	43,695	17%
Premier Care	15,344	6%	-	0%	15,344	6%
Kaiser	28,232	11%	-	0%	28,232	11%
Total	**253,252**	**100%**	**9,428**	**100%**	**262,680**	**100%**
Enrollment at June 30, 2020	244,888		8,987		253,875	
Net Δ from Beginning of FY21	3.4%		4.9%		3.5%	

[1] *SCVHHS = Santa Clara Valley Health & Hospital System*
[2] *FQHC = Federally Qualified Health Center*

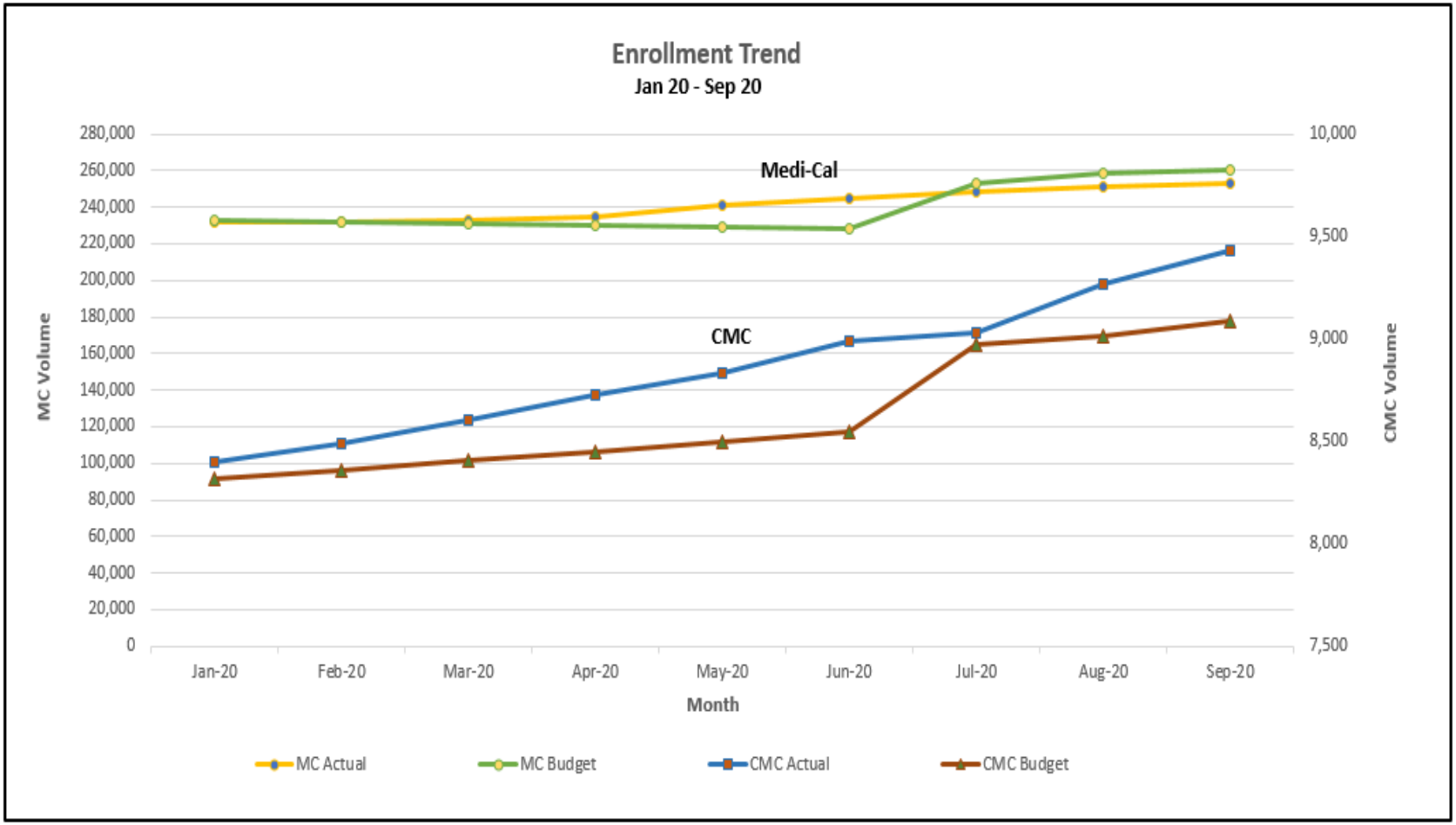
Enrollment By Aid Category

Santa Clara Family Health Plan

SCFHP TRENDED ENROLLMENT BY COA YTD SEPTEMBER-2020

		2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	FYTD var	%
NON DUAL	Adult (over 19)	24,689	24,492	24,207	23,999	23,620	23,604	23,873	24,051	25,253	26,299	27,066	27,877	28,269	1,970	7.5%
	Child (under 19)	92,092	95,000	93,829	93,477	92,339	92,248	92,843	93,374	95,145	96,173	96,605	97,359	97,629	1,456	1.5%
	Aged - Medi-Cal Only	10,855	10,850	10,897	10,903	10,904	10,831	10,753	10,801	11,044	11,207	11,227	11,178	11,229	22	0.2%
	Disabled - Medi-Cal Only	10,814	10,836	10,865	10,839	10,845	10,854	10,882	10,851	10,902	10,922	10,944	10,910	10,839	(83)	(0.8%)
	Adult Expansion	70,418	70,285	69,889	69,069	68,130	68,372	69,272	70,458	72,546	74,553	76,262	77,701	79,263	4,710	6.3%
	BCCTP	10	10	12	11	11	11	11	11	11	11	11	11	11	0	0.0%
	Long Term Care	366	372	371	373	379	373	367	380	398	405	402	406	407	2	0.5%
	Total Non-Duals	**209,244**	**211,845**	**210,070**	**208,671**	**206,228**	**206,293**	**208,001**	**209,926**	**215,299**	**219,570**	**222,517**	**225,442**	**227,647**	**8,077**	**3.7%**
DUAL	Adult (21 Over)	351	341	350	341	330	328	320	311	320	321	327	320	337	16	5.0%
	SPD (21 Over)	23,445	23,531	23,577	23,498	23,472	23,540	23,541	23,443	23,595	23,508	23,641	23,686	23,654	146	0.6%
	Adult Expansion	201	122	82	177	139	130	136	134	190	241	261	289	358	117	48.5%
	BCCTP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	Long Term Care	1,237	1,256	1,271	1,308	1,266	1,257	1,231	1,235	1,252	1,248	1,261	1,267	1,256	8	0.6%
	Total Duals	**25,234**	**25,250**	**25,280**	**25,324**	**25,207**	**25,255**	**25,228**	**25,123**	**25,357**	**25,318**	**25,490**	**25,562**	**25,605**	**287**	**1.1%**
	Total Medi-Cal	**234,478**	**237,095**	**235,350**	**233,995**	**231,435**	**231,548**	**233,229**	**235,049**	**240,656**	**244,888**	**248,007**	**251,004**	**253,252**	**8,364**	**3.4%**
	Healthy Kids	**3,512**	**2**	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0%**
CMC	CMC Non-Long Term Care	7,982	8,016	8,069	8,206	8,177	8,261	8,388	8,511	8,625	8,775	8,814	9,055	9,212	437	5.0%
	CMC - Long Term Care	212	217	220	222	224	225	213	214	212	212	215	211	216	4	1.9%
	Total CMC	**8,194**	**8,233**	**8,289**	**8,428**	**8,401**	**8,486**	**8,601**	**8,725**	**8,837**	**8,987**	**9,029**	**9,266**	**9,428**	**441**	**4.9%**
	Total Enrollment	**246,184**	**245,330**	**243,641**	**242,425**	**239,836**	**240,034**	**241,830**	**243,774**	**249,493**	**253,875**	**257,036**	**260,270**	**262,680**	**8,805**	**3.5%**

Enrollment Trend

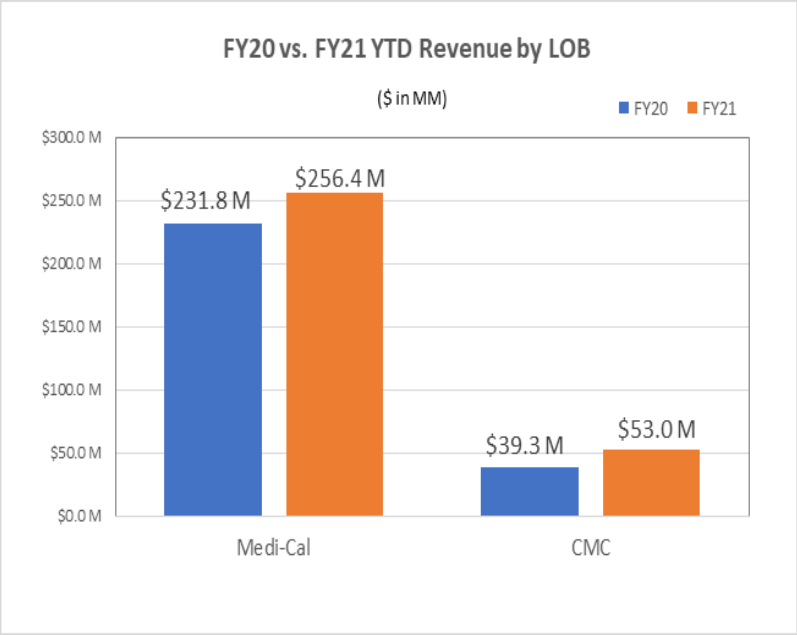


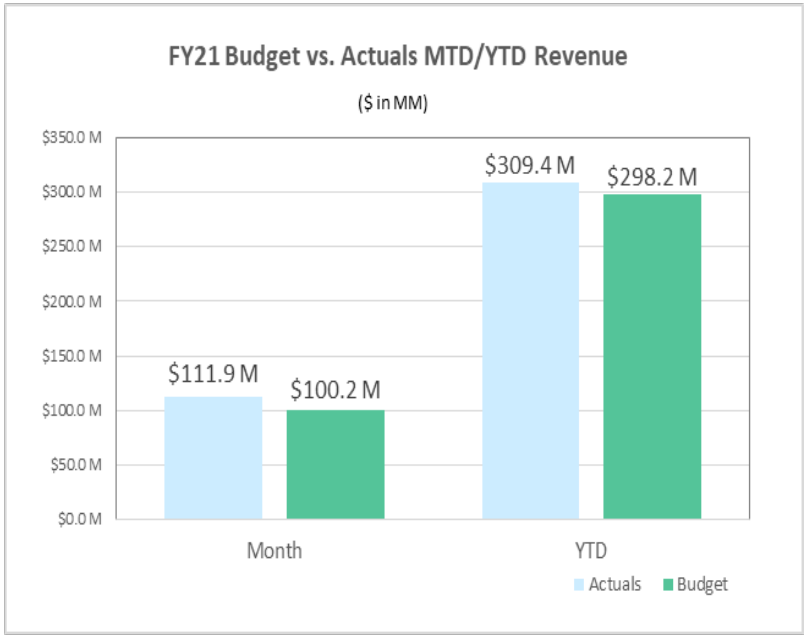
- The enrollment budget envisioned steep COVID enrollment growth early in the fiscal year followed by a flattening.
- Actual enrollment has grown steadily due to largely suspended disenrollment.

Revenue

Current month revenue of $111.9M is $11.7M or 11.7% favorable to budget of $100.2M. The current month variance was primarily due to the following:

- Medi-Cal revenue is $7.7M favorable to budget due to higher CY20 MLTSS rate than budgeted for FY21 ($2.7M) and retroactive FY20 ($5.3M) partially offset by lower enrollment (-$300K).
- CMC Medicare revenue is $1.9M favorable to budget due to higher CY19 Part-C Quality Withholding than estimated.
- CMC Medi-Cal revenue is $2.1M favorable to budget due to higher CY20 CMC rate than budgeted for FY21 ($1M) and retroactive FY20 ($1.3M) and favorable enrollment ($110K).

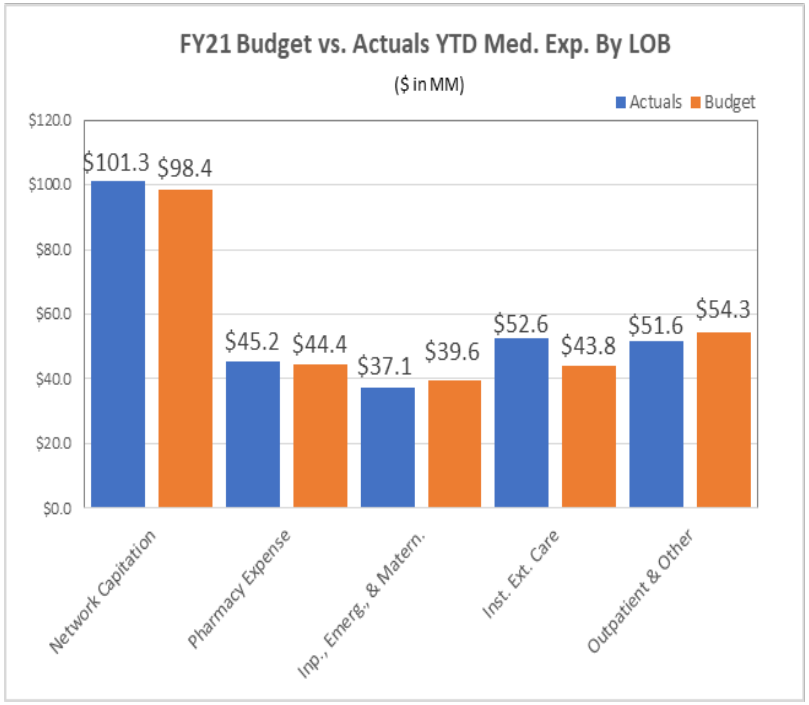


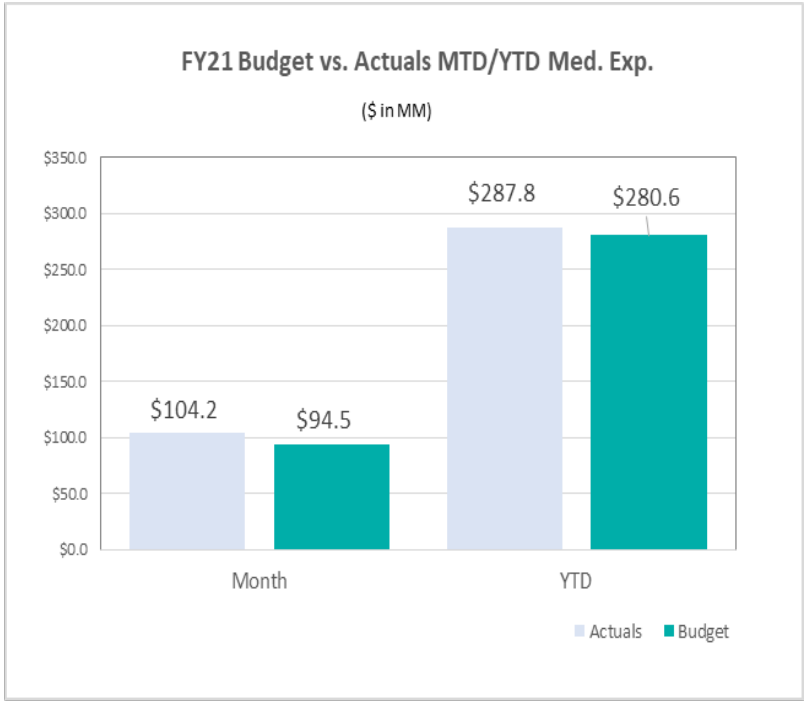


Medical Expense

Current month medical expense of $104.2M is $9.8M or 10.3% unfavorable to budget of $94.5M. The current month variance was due largely to:

- Fee-For-Service expense is $6.0M unfavorable variance due to an increased enrollment, retroactive LTC rate increases for COVID and increased utilization trends.
- Unfavorable capitation expense variance of $3.8M is due to higher enrollment and retroactive revisions to Medi-Cal and CCI capitation rates payable.

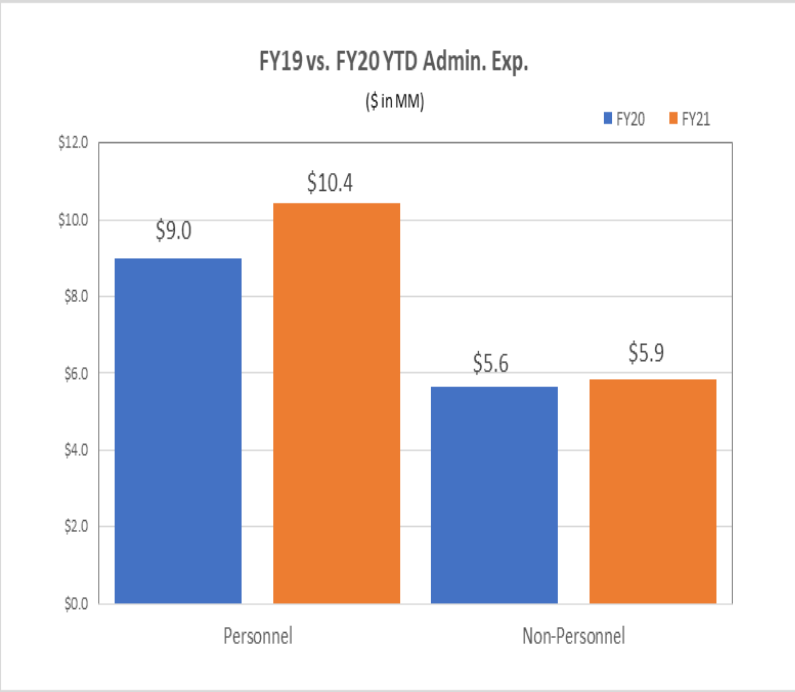


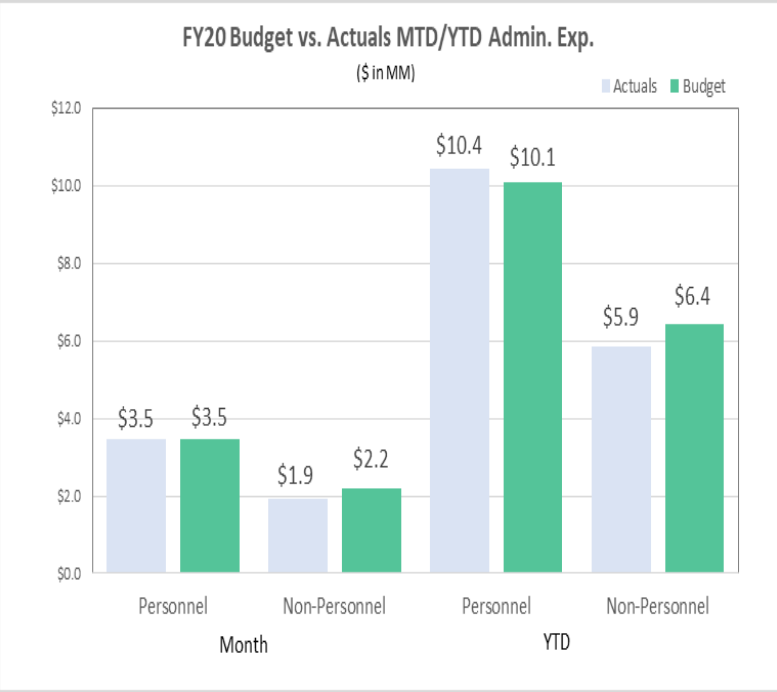


Administrative Expense

Current month admin expense of $5.4M is $286K or 5.1% favorable to budget of $5.7M. The current month variances were primarily due to the following:

- Personnel expenses were $21K or 0.6% favorable to budget due to lower headcount than expected and under utilization of PTO than budgeted.
- Non-Personnel expenses were $265K or 12.2% favorable to budget due to timing of budget spending in printing & advertising, contract, consulting and professional services.





Balance Sheet

- Current assets totaled $1.2B compared to current liabilities of $975.5M, yielding a current ratio (Current Assets/Current Liabilities) of 1.18:1 vs. the DMHC minimum requirement of 1.0:1.
- Cash balance increased by $290.8M compared to the cash balance as of year-end June 30, 2020 due to the timing of inflows and outflows. $275M was disbursed from Wells Fargo account in early October to Hospitals for Directed Payments.
- Current Cash & Equivalents components and yields were as follows:

Description	Cash & Investments	Current Yield %	Interest Income	
			Month	YTD
Short-Term Investments				
County of Santa Clara Comingled Pool	$156,192,291	1.54%	$100,000	$300,000
Wells Fargo Investments	$433,914,925	0.21%	$36,404	$130,849
	$590,107,217		$136,404	$430,849
Cash & Equivalents				
Bank of the West Money Market	$116,132	0.13%	$4,372	$7,765
Wells Fargo Bank Accounts	$34,194,092	0.01%	$384	$2,306
	$34,310,224		$4,756	$10,071
Assets Pledged to DMHC				
Restricted Cash	$305,350	0.42%	$107	$107
Petty Cash	$500	0.00%	$0	$0
Month-End Balance	**$624,723,291**		**$141,267**	**$441,027**

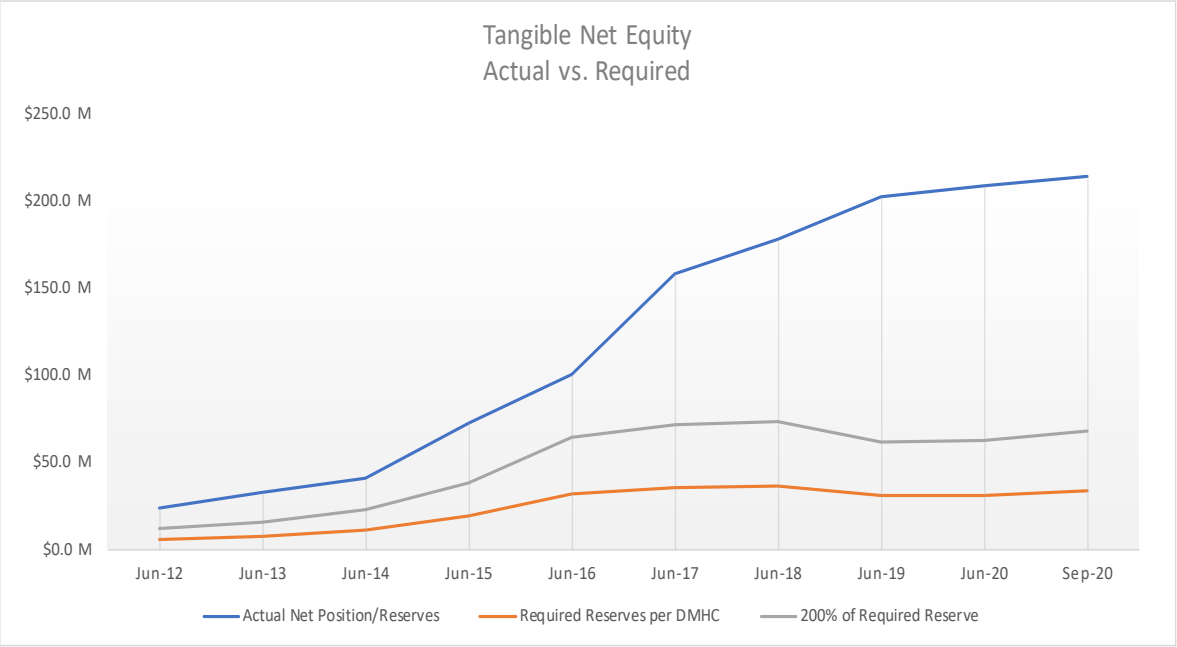
- County of Santa Clara Comingled Pool funds have longer-term investments which are currently yielding a higher rate than WFB investments.
- Overall cash and investment yield is lower than budget (0.53% actual vs. 1.4% budgeted).

Tangible Net Equity

- TNE was $214.0M - representing approximately two months of the Plan's total expenses.

Santa Clara Health Authority
Tangible Net Equity - Actual vs. Required
As of September 30, 2020

	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Sep-20
Actual Net Position/Reserves	$24.2 M	$32.6 M	$40.9 M	$72.6 M	$100.3 M	$158.4 M	$178.0 M	$202.1 M	$208.6 M	$214.0 M
Required Reserves per DMHC	$5.9 M	$7.8 M	$11.4 M	$19.3 M	$32.4 M	$35.9 M	$36.8 M	$30.9 M	$31.3 M	$34.3 M
200% of Required Reserve	$11.8 M	$15.6 M	$22.9 M	$38.5 M	$64.8 M	$71.8 M	$73.6 M	$61.8 M	$62.5 M	$68.6 M
Actual as % Required	410.2%	418.5%	357.5%	376.9%	309.8%	441.2%	483.4%	654.4%	667.2%	624.3%



Reserves Analysis

Santa Clara Family Health Plan

SCFHP RESERVES ANALYSIS SEPTEMBER 2020

Financial Reserve Target #1: Tangible Net Equity	Approved	Expended	Balance
Unrestricted Net Assets			**$168,274,288** *
Board Designated Funds (Note 1):			
Special Project Funding for CBOs	$4,000,000	$540,727	$3,459,274
Innovation & COVID-19 Fund	$16,000,000	$2,119,999	$13,880,001
Subtotal	$20,000,000	$2,660,726	$17,339,275
Net Book Value of Fixed Assets			$28,111,670
Restricted Under Knox-Keene Agreement			$305,350
Total Tangible Net Equity (TNE)			$214,030,582
Current Required TNE			$34,284,854
TNE %			624.3%
SCFHP Target TNE Range:			
350% of Required TNE (Low)			$119,996,989
500% of Required TNE (High)			$171,424,270
Total TNE Above/(Below) SCFHP Low Target			**$94,033,592**
Total TNE Above/(Below) High Target			**$42,606,311**
Financial Reserve Target #2: Liquidity			
Cash & Investments			$624,723,291
Less Pass-Through Liabilities:			
Hospital Directed Payments			(275,271,449)
MCO Tax Payable to State of CA			(51,653,884)
Whole Person Care / Prop 56			(39,655,575)
Other Pass-Through Liabilities (Note 2)			(49,291,114)
Total Pass-Through Liabilities			**(415,872,022)**
Net Cash Available to SCFHP			208,851,268
SCFHP Target Liquidity (Note 3)			
45 Days of Total Operating Expense			(150,165,150)
60 Days of Total Operating Expense			(200,220,199)
Liquidity Above/(Below) SCFHP Low Target			**58,686,119**
Liquidity Above/(Below) High Target			**$8,631,069**

- **Unrestricted Net Assets represents less than two months of total expenses.**
- **Cash balance is high due to receiving CYTD 20 MCO tax and Hospital Directed Payments.**

Note 1: In December 2018, the Governing Board established a Board Discretionary Fund for Special Projects of $2.2M. In December 2019, the Governing Board also approved additional $1.8M for Special Project fund ($4M total) and $16M for Innovation Fund.

Note 2: Other Pass-Through Liabilities include HQAF, Rate Range, and DHCS overpayment payables.

Note 3: SCFHP Target Liquidity is based on total monthly budgeted expenses.

Capital Expenditures

- Majority of the capital variances are Community Resource Center, hardware, software, and building improvements due to timing of certain projects.

Expenditure	YTD Actual	Annual Budget
Community Resource Center	$1,858,715	$3,507,100
Hardware	$36,672	$1,282,500
Software	$0	$1,194,374
Building Improvements	$369,588	$866,500
Furniture & Equipment	$0	$28,000
TOTAL	**$2,264,975**	**$6,878,474**

Santa Clara Family Health Plan™

Financial Statements

Income Statement

Santa Clara Family Health Plan

Santa Clara County Health Authority
INCOME STATEMENT
For Three Months Ending September 30, 2020

	Sep-2020 Actuals	% of Rev	Sep-2020 Budget	% of Rev	Current Month Variance $	Current Month Variance %	YTD Sep-2020 Actuals	% of Rev	YTD Sep-2020 Budget	% of Rev	YTD Variance $	YTD Variance %
REVENUES												
MEDI-CAL	$ 91,908,007	82.1%	$ 84,205,491	84.1%	$ 7,702,516	9.1%	$ 256,397,242	82.9%	$ 250,665,041	84.1%	$ 5,732,201	2.3%
CMC MEDI-CAL	5,067,008	4.5%	2,932,382	2.9%	2,134,625	72.8%	11,111,611	3.6%	8,739,007	2.9%	2,372,604	27.1%
CMC MEDICARE	14,931,617	13.3%	13,020,733	13.0%	1,910,884	14.7%	41,885,378	13.5%	38,804,193	13.0%	3,081,185	7.9%
TOTAL CMC	19,998,624	17.9%	15,953,116	15.9%	4,045,509	25.4%	52,996,989	17.1%	47,543,200	15.9%	5,453,790	11.5%
TOTAL REVENUE	**$ 111,906,631**	**100.0%**	**$ 100,158,606**	**100.0%**	**$ 11,748,024**	**11.7%**	**$ 309,394,231**	**100.0%**	**$ 298,208,241**	**100.0%**	**$ 11,185,991**	**3.8%**
MEDICAL EXPENSES												
MEDI-CAL	$ 88,734,575	79.3%	$ 79,321,434	79.2%	$ (9,413,142)	-11.9%	$ 243,002,281	78.5%	$ 235,502,729	79.0%	$ (7,499,552)	-3.2%
CMC MEDI-CAL	3,013,315	2.7%	3,004,261	3.0%	(9,055)	-0.3%	8,959,658	2.9%	8,954,422	3.0%	(5,236)	-0.1%
CMC MEDICARE	12,459,408	11.1%	12,129,440	12.1%	(329,969)	-2.7%	35,856,043	11.6%	36,139,604	12.1%	283,561	0.8%
TOTAL CMC	15,472,724	13.8%	15,133,700	15.1%	(339,023)	-2.2%	44,815,701	14.5%	45,094,026	15.1%	278,325	0.6%
HEALTHY KIDS	417	0.0%	0	0.0%	(417)	0.0%	6,841	0.0%	0	0.0%	(6,841)	0.0%
TOTAL MEDICAL EXPENSES	**$ 104,207,716**	**93.1%**	**$ 94,455,134**	**94.3%**	**$ (9,752,582)**	**-10.3%**	**$ 287,824,823**	**93.0%**	**$ 280,596,755**	**94.1%**	**$ (7,228,068)**	**-2.6%**
MEDICAL OPERATING MARGIN	**$ 7,698,915**	**6.9%**	**$ 5,703,472**	**5.7%**	**$ 1,995,443**	**35.0%**	**$ 21,569,409**	**7.0%**	**$ 17,611,486**	**5.9%**	**$ 3,957,923**	**22.5%**
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	$ 3,451,188	3.1%	$ 3,471,727	3.5%	$ 20,539	0.6%	$ 10,427,629	3.4%	$ 10,106,232	3.4%	$ (321,397)	-3.2%
RENTS AND UTILITIES	25,712	0.0%	32,692	0.0%	6,980	21.4%	84,249	0.0%	76,910	0.0%	(7,338)	-9.5%
PRINTING AND ADVERTISING	9,178	0.0%	75,429	0.1%	66,251	87.8%	65,682	0.0%	209,513	0.1%	143,830	68.6%
INFORMATION SYSTEMS	277,160	0.2%	371,156	0.4%	93,996	25.3%	768,289	0.2%	1,003,966	0.3%	235,677	23.5%
PROF FEES/CONSULTING/TEMP STAFFING	905,727	0.8%	943,125	0.9%	37,399	4.0%	2,796,433	0.9%	2,943,006	1.0%	146,573	5.0%
DEPRECIATION/INSURANCE/EQUIPMENT	314,321	0.3%	360,272	0.4%	45,951	12.8%	963,275	0.3%	1,002,029	0.3%	38,754	3.9%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	72,206	0.1%	55,474	0.1%	(16,732)	-30.2%	200,127	0.1%	167,341	0.1%	(32,786)	-19.6%
MEETINGS/TRAVEL/DUES	76,956	0.1%	113,448	0.1%	36,492	32.2%	248,221	0.1%	335,711	0.1%	87,490	26.1%
OTHER	236,567	0.2%	231,642	0.2%	(4,925)	-2.1%	728,393	0.2%	690,851	0.2%	(37,542)	-5.4%
TOTAL ADMINISTRATIVE EXPENSES	**$ 5,369,014**	**4.8%**	**$ 5,654,966**	**5.6%**	**$ 285,952**	**5.1%**	**$ 16,282,298**	**5.3%**	**$ 16,535,559**	**5.5%**	**$ 253,260**	**1.5%**
OPERATING SURPLUS (LOSS)	**$ 2,329,901**	**2.1%**	**$ 48,507**	**0.0%**	**$ 2,281,394**	**4703.3%**	**$ 5,287,110**	**1.7%**	**$ 1,075,927**	**0.4%**	**$ 4,211,183**	**391.4%**
GASB 75 - POST EMPLOYMENT BENEFITS EXPENSE	$ 84,067	0.1%	$ 60,000	0.1%	$ (24,067)	-40.1%	$ 252,201	0.1%	$ 180,000	0.1%	$ (72,201)	-40.1%
GASB 68 - UNFUNDED PENSION LIABILITY	364,984	0.3%	75,000	0.1%	(289,984)	-386.6%	852,456	0.3%	225,000	0.1%	(627,456)	-278.9%
NON-OPERATING EXPENSES	**$ 449,051**	**0.4%**	**$ 135,000**	**0.1%**	**$ (314,051)**	**-232.6%**	**$ 1,104,657**	**0.4%**	**$ 405,000**	**0.1%**	**$ (699,657)**	**-172.8%**
INTEREST & INVESTMENT INCOME	$ 141,160	0.1%	$ 350,000	0.3%	$ (208,840)	-59.7%	$ 440,921	0.1%	$ 1,050,000	0.4%	$ (609,079)	-58.0%
OTHER INCOME	26,569	0.0%	32,896	0.0%	(6,327)	-19.2%	766,421	0.2%	98,687	0.0%	667,735	676.6%
NON-OPERATING INCOME	**$ 167,729**	**0.1%**	**$ 382,896**	**0.4%**	**$ (215,167)**	**-56.2%**	**$ 1,207,342**	**0.4%**	**$ 1,148,687**	**0.4%**	**$ 58,655**	**5.1%**
NET NON-OPERATING ACTIVITIES	**$ (281,323)**	**-0.3%**	**$ 247,896**	**0.2%**	**$ (529,218)**	**-213.5%**	**$ 102,684**	**0.0%**	**$ 743,687**	**0.2%**	**$ (641,002)**	**-86.2%**
NET SURPLUS (LOSS)	**$ 2,048,578**	**1.8%**	**$ 296,402**	**0.3%**	**$ 1,752,176**	**591.1%**	**$ 5,389,795**	**1.7%**	**$ 1,819,614**	**0.6%**	**$ 3,570,181**	**196.2%**

Balance Sheet

Santa Clara Family Health Plan

SANTA CLARA COUNTY HEALTH AUTHORITY
As of September 30, 2020

	Sep-2020	Aug-2020	Jul-2020	Sep-2019
Assets				
Current Assets				
Cash and Investments	624,723,291	316,296,570	345,046,103	292,802,171
Receivables	520,171,179	822,345,634	822,007,092	512,431,795
Prepaid Expenses and Other Current Assets	10,630,246	10,324,440	10,905,149	11,807,126
Total Current Assets	**1,155,524,716**	**1,148,966,644**	**1,177,958,344**	**817,041,092**
Long Term Assets				
Property and Equipment	49,650,861	49,078,265	47,539,137	45,257,793
Accumulated Depreciation	(21,539,191)	(21,274,764)	(20,999,421)	(18,235,377)
Total Long Term Assets	28,111,670	27,803,501	26,539,716	27,022,416
Total Assets	**1,183,636,385**	**1,176,770,145**	**1,204,498,060**	**844,063,508**
Deferred Outflow of Resources	**8,402,260**	**8,402,260**	**8,402,260**	**9,237,609**
Total Assets & Deferred Outflows	**1,192,038,645**	**1,185,172,405**	**1,212,900,320**	**853,301,117**
Liabilities and Net Assets:				
Current Liabilities				
Trade Payables	8,837,491	7,871,178	9,718,507	7,598,240
Deferred Rent	47,728	47,822	39,871	0
Employee Benefits	2,430,308	2,324,666	2,302,119	1,740,524
Retirement Obligation per GASB 75	2,366,099	2,282,031	2,197,964	4,122,625
Advance Premium - Healthy Kids	0	0	0	85,058
Deferred Revenue - Medicare	0	0	12,385,712	0
Whole Person Care / Prop 56	39,655,575	37,973,007	34,951,070	19,531,214
Payable to Hospitals (SB90)	529,171	529,171	529,171	0
Payable to Hospitals (SB208)	274,742,278	274,742,278	274,742,278	0
Pass-Throughs Payable	26,877	26,877	26,877	6,023,114
Due to Santa Clara County Valley Health Plan and Kaiser	18,334,201	10,742,452	36,882,621	29,597,800
MCO Tax Payable - State Board of Equalization	51,653,884	66,846,203	57,730,811	31,057,710
Due to DHCS	49,264,236	49,216,269	60,308,650	28,665,798
Liability for In Home Support Services (IHSS)	419,268,582	419,268,582	419,268,582	416,092,527
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
Medical Cost Reserves	100,043,325	90,876,542	80,233,147	92,558,575
Total Current Liabilities	**975,493,781**	**971,041,103**	**999,611,407**	**645,367,209**
Non-Current Liabilities				
Net Pension Liability GASB 68	852,456	487,471.68	243,736	216,983
Total Non-Current Liabilities	**852,456**	**487,471.68**	**243,736**	**216,983**
Total Liabilities	**976,346,237**	**971,528,575**	**999,855,143**	**645,584,191**
Deferred Inflow of Resources	**1,661,827**	**1,661,827**	**1,661,827**	**2,994,548**
Net Assets				
Board Designated Fund: Special Project Funding for CBOs	3,459,274	3,459,274	3,459,274	2,200,000
Board Designated Fund: Innovation & COVID-19 Fund	13,880,001	13,880,001	13,880,001	0
Invested in Capital Assets (NBV)	28,111,670	27,803,501	26,539,716	27,022,416
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	162,884,493	163,192,661	164,456,447	172,597,987
Current YTD Income (Loss)	5,389,795	3,341,216	2,742,563	2,596,625
Total Net Assets / Reserves	**214,030,582**	**211,982,003**	**211,383,350**	**204,722,378**
Total Liabilities, Deferred Inflows and Net Assets	**1,192,038,645**	**1,185,172,405**	**1,212,900,320**	**853,301,117**

Cash Flow Statement

Santa Clara Family Health Plan

	Sep-2020	Year-to-date
Cash Flows from Operating Activities		
Premiums Received	398,936,735	596,087,954
Medical Expenses Paid	(87,449,184)	(291,497,523)
Adminstrative Expenses Paid	(2,655,964)	(12,768,976)
Net Cash from Operating Activities	**308,831,588**	**291,821,454**
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(572,596)	(2,264,975)
Cash Flows from Investing Activities		
Interest Income and Other Income (Net)	167,729	1,207,342
Net Increase/(Decrease) in Cash & Cash Equivalents	**308,426,721**	**290,763,821**
Cash & Investments (Beginning)	316,296,570	333,959,470
Cash & Investments (Ending)	**624,723,291**	**624,723,291**
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Income/(Loss)	1,880,850	4,182,453
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	264,427	802,393
Changes in Operating Assets/Liabilities		
Premiums Receivable	302,174,456	290,835,537
Prepaids & Other Assets	(305,806)	(766,547)
Accounts Payable & Accrued Liabilities	2,838,497	3,729,678
State Payable	(15,144,351)	(4,141,815)
IGT, HQAF & Other Provider Payables	7,591,749	(16,610,874)
Net Pension Liability	364,984	852,456
Medical Cost Reserves & PDR	9,166,783	12,938,174
Total Adjustments	**306,950,738**	**287,639,002**
Net Cash from Operating Activities	**308,831,588**	**291,821,454**

Statement of Operations by Line of Business - YTD

Santa Clara Family Health Plan

Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For Three Months Ending September 30, 2020

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	$256,397,242	$11,111,611	$41,885,378	$52,996,989	**$309,394,231**
MEDICAL EXPENSE	$243,002,281	$8,959,658	$35,856,043	$44,815,701	**$287,824,823**
(MLR)	94.8%	80.6%	85.6%	84.6%	93.0%
GROSS MARGIN	$13,394,962	$2,151,953	$6,029,335	$8,181,288	**$21,569,409**
ADMINISTRATIVE EXPENSE	$13,493,259	$584,764	$2,204,276	$2,789,040	**$16,282,298**
(% of Revenue Allocation)					
OPERATING INCOME/(LOSS)	($98,297)	$1,567,189	$3,825,059	$5,392,248	**$5,287,110**
(% of Revenue Allocation)					
OTHER INCOME/(EXPENSE)	$85,095	$3,688	$13,901	$17,589	**$102,684**
(% of Revenue Allocation)					
NET INCOME/(LOSS)	-$13,202	$1,570,877	$3,838,960	$5,409,837	**$5,389,795**
PMPM (ALLOCATED BASIS)					
REVENUE	$340.83	$400.81	$1,510.85	$1,911.66	**$396.67**
MEDICAL EXPENSES	$323.03	$323.19	$1,293.37	$1,616.55	**$369.01**
GROSS MARGIN	$17.81	$77.62	$217.48	$295.11	**$27.65**
ADMINISTRATIVE EXPENSES	$17.94	$21.09	$79.51	$100.60	**$20.88**
OPERATING INCOME/(LOSS)	-$0.13	$56.53	$137.97	$194.50	**$6.78**
OTHER INCOME/(EXPENSE)	$0.11	$0.13	$0.50	$0.63	**$0.13**
NET INCOME/(LOSS)	-$0.02	$56.66	$138.48	$195.14	**$6.91**
ALLOCATION BASIS:					
MEMBER MONTHS - YTD	752,263	27,723	27,723	27,723	779,986
REVENUE BY LOB	82.9%	3.6%	13.5%	17.1%	100.0%

Santa Clara Family Health Plan™

Appendix

Enrollment By Aid Category

Santa Clara Family Health Plan

SCFHP TRENDED ENROLLMENT BY COA YTD OCTOBER-2020

		2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	FYTD var	%
NON DUAL	Adult (over 19)	24,492	24,207	23,999	23,620	23,604	23,873	24,051	25,253	26,299	27,066	27,877	28,269	29,181	2,882	11.0%
	Child (under 19)	95,000	93,829	93,477	92,339	92,248	92,843	93,374	95,145	96,173	96,605	97,359	97,629	98,409	2,236	2.3%
	Aged - Medi-Cal Only	10,850	10,897	10,903	10,904	10,831	10,753	10,801	11,044	11,207	11,227	11,178	11,229	11,263	56	0.5%
	Disabled - Medi-Cal Only	10,836	10,865	10,839	10,845	10,854	10,882	10,851	10,902	10,922	10,944	10,910	10,839	10,875	(47)	(0.4%)
	Adult Expansion	70,285	69,889	69,069	68,130	68,372	69,272	70,458	72,546	74,553	76,262	77,701	79,263	80,654	6,101	8.2%
	BCCTP	10	12	11	11	11	11	11	11	11	11	11	11	11	0	0.0%
	Long Term Care	372	371	373	379	373	367	380	398	405	402	406	407	409	4	1.0%
	Total Non-Duals	**211,845**	**210,070**	**208,671**	**206,228**	**206,293**	**208,001**	**209,926**	**215,299**	**219,570**	**222,517**	**225,442**	**227,647**	**230,802**	**11,232**	**5.1%**
DUAL	Adult (21 Over)	341	350	341	330	328	320	311	320	321	327	320	337	354	33	10.3%
	SPD (21 Over)	23,531	23,577	23,498	23,472	23,540	23,541	23,443	23,595	23,508	23,641	23,686	23,654	23,687	179	0.8%
	Adult Expansion	122	82	177	139	130	136	134	190	241	261	289	358	410	169	70.1%
	Long Term Care	1,256	1,271	1,308	1,266	1,257	1,231	1,235	1,252	1,248	1,261	1,267	1,256	1,237	-11	(0.9%)
	Total Duals	**25,250**	**25,280**	**25,324**	**25,207**	**25,255**	**25,228**	**25,123**	**25,357**	**25,318**	**25,490**	**25,562**	**25,605**	**25,688**	**370**	**1.5%**
	Total Medi-Cal	**237,095**	**235,350**	**233,995**	**231,435**	**231,548**	**233,229**	**235,049**	**240,656**	**244,888**	**248,007**	**251,004**	**253,252**	**256,490**	**11,602**	**4.7%**
CMC	CMC Non-Long Term Care	8,016	8,069	8,206	8,177	8,261	8,388	8,511	8,625	8,775	8,814	9,055	9,212	9,360	585	6.7%
	CMC - Long Term Care	217	220	222	224	225	213	214	212	212	215	211	216	210	-2	(0.9%)
	Total CMC	**8,233**	**8,289**	**8,428**	**8,401**	**8,486**	**8,601**	**8,725**	**8,837**	**8,987**	**9,029**	**9,266**	**9,428**	**9,570**	**583**	**6.5%**
	Total Enrollment	**245,330**	**243,641**	**242,425**	**239,836**	**240,034**	**241,830**	**243,774**	**249,493**	**253,875**	**257,036**	**260,270**	**262,680**	**266,060**	**12,185**	**4.8%**

Santa Clara County Health Authority
Funding Request Summary

Organization Name:	Institute on Aging
Project Name:	Proposal for Assisted Living Services
Contact Name and Title:	Preston Burnes, Vice President of Strategic Partnerships
Requested Amount:	$867,000
Time Period for Project Expenditures:	Calendar Year 2021
Proposal Submitted to:	Executive/Finance Committee
Date Proposal Submitted for Review:	November 19, 2020

Summary of Proposal:

The Institute on Aging (IOA) has been a key program partner for the Whole Person Care (WPC) pilot program in Santa Clara County since 2015, and IOA is looking to build on and sustain the success of that program through a new partnership with Santa Clara Family Health Plan (SCFHP). As part of the WPC pilot, placements of SCFHP members have been made in Residential Care Facilities for the Elderly (RCFEs) through the financial support of the Santa Clara Valley Health & Hospital System (SCVHHS). This proposal envisions shifting the financial responsibility for those ongoing placements, as well as incremental ones, from SCVHHS to SCFHP.

The current understanding is that the WPC waiver program will be extended by the State of California and the Centers for Medicare and Medicaid Services (CMS) through calendar year 2021. That extension would enable SCVHHS to continue funding the Community Living Connections (CLC) program that is operated by IOA and provides comprehensive community living services and supports to SCFHP's members. This proposal dovetails with the services provided through CLC and will enable that program to increase its impact for SCFHP members while building a path to sustainability for a post-WPC environment in 2022.

Summary of Projected Outcome/Impact:

SCFHP's members have comprised the majority of the RCFE placements and the current member census residing in RCFEs through CLC stands at 14. SCVHHS will no longer be able to fund RCFE placements along with the other key CLC services going forward. Without RCFE services being made available to them, almost all of those members would return to SNF/LTC (Long Term Care) beds where they would experience a lower quality of life, accrue higher costs for the system, and consume a critical bed resource that would otherwise be available for inpatient discharges or other members more urgently in need of SNF/LTC services. The requested funding would impact more than 25 individual members over the course of the year.

Placement Length	Number of Members	Total Cost
Full 12 Month Residency (existing placements)	14	$504,000
11 Month Residency (new placements after one month)	6	$198,000
10 Month Residency (new placements after two months)	5	$165,000
All Placements	25	$867,000

Source of Funding:

In September 2017, the SCFHP Governing Board approved an investment of $2 million for the Whole Person Care pilot program as follows:

11. Allocate Remaining ACA 1202 Funds to Whole Person Care Program

Mr. Cameron presented background on the ACA 1202 "PCP Bump." He noted that ACA 1202 was a provision of the Affordable Care Act that provided additional funding to attesting physicians for the calendar years 2013-2014. SCFHP's Board voluntarily continued the program for calendar year 2015 to distribute residual funds. As of July 31, 2017, Mr. Cameron noted that approximately $2 million of ACA 1202 funds remain. He recommended using this residual to fund the Plan's investment in the Whole Person Care (WPC) pilot program. The Board previously approved an investment of $2 million at its March 26, 2017 meeting.

It was moved, seconded, and unanimously approved to move the residual ACA 1202 funds of $2.1m to the Whole Person Care Program.

At present, these funds have not been expended and it is proposed to repurpose these funds for this Assisted Living Services proposal. As noted in the attached Letter of Support, SCVHHS will not be requesting funding for the services encompassed in the IOA request.

Institute on Aging



Proposal for

Assisted Living Services

Presented to

Santa Clara Family Health Plan™

TABLE OF CONTENTS

Proposal Summary

The Institute on Aging (IOA) has been a key program partner for the Whole Person Care (WPC) pilot program in Santa Clara County since 2015, and IOA is looking to build on and sustain the success of that program through a new partnership with Santa Clara Family Health Plan (SCFHP). As part of the WPC pilot, numerous placements of SCFHP members have been made in Residential Care Facilities for the Elderly (RCFEs) through the financial support of the Santa Clara Valley Health & Hospital System (SCVHHS). This proposal envisions shifting the financial responsibility for those ongoing placements, as well as incremental ones, from SCVHHS to SCFHP to align investments more appropriately with benefits and outcomes.

IOA delivers this proposal with the current understanding that the WPC waiver program will be extended by the State of California and the Centers for Medicare and Medicaid Services (CMS) through calendar year 2021. That extension would enable SCVHHS to continue funding the Community Living Connections (CLC) program that is operated by IOA and provides comprehensive community living services and supports to SCFHP's members, who comprise the majority of program participants. This proposal dovetails with the services provided through CLC and will enable that program to increase its impact for SCFHP members while building a path to sustainability for a post-WPC environment in 2022.

WPC Assisted Living Services Background

The CLC program that IOA has operated in partnership with SCVHHS over the past three years has the stated goal of enabling the deinstitutionalization, or avoidance of institutionalization, for high-needs individuals residing in Santa Clara County. It provides an array of services that include face-to-face care planning and management, purchase of services not otherwise covered, network development and management, coordination of service providers and community placement supports. As part of enabling community placements IOA has developed, and SCVHHS has funded, a network of RCFEs where CLC participants can be transitioned from skilled nursing facilities (SNFs) where appropriate. While CLC leverages other settings for placements such as apartments or private homes, RCFEs are a critical resource pathway for higher risk individuals and those who require a higher level of 24-hour care than can be delivered in other settings.

In developing and managing this network IOA has performed extensive outreach and review of facilities throughout the Santa Clara Valley and identified high quality reasonably priced providers who share IOA's mission of supporting vulnerable populations. IOA regularly visits these facilities to both ensure quality and increase coordination of care with facility staff in support of individuals residing there. At a time when RCFEs are under increasing pressure from COVID-19, rising costs of operation and increasing regulation, these relationships that IOA has developed are critical to the continued availability of beds for placements.

SCFHP's members have comprised the majority of these RCFE placements and the current member census residing in RCFEs through CLC stands at 14. Without RCFE services being made available to them almost all of those members would return to SNF beds where they would experience a lower quality of life, accrue higher costs for the system and consume a critical bed resource that would otherwise be available for inpatient discharges or other members more urgently in need of SNF services.

Program Proposal

With 14 SCFHP members currently residing in RCFEs funded by SCVHHS and the WPC pilot, SCFHP has benefited from the services and supports provided by CLC without a requirement to allocate funding for the program. As changes to funding structures begin to occur, SCVHHS will no longer be able to fund RCFE placements along with the other key CLC services going forward and therefore it will be critical to identify a new funding source to support these high-risk individuals in sustaining their community living. IOA has discussed with SCFHP the possibility of the plan providing the necessary funding for the RCFE costs specifically, because without such funding the members would need to be transitioned back to SNFs.

To achieve this, IOA proposes to contract with SCFHP for funding for RCFE services in support of the currently placed members and to create capacity for additional placements that would serve members in urgent need of a transition from a SNF. IOA would work closely with SCFHP's LTSS case management staff to ensure that RCFE services are utilized appropriately and managed effectively. IOA will also ensure that SCFHP is integrated with the CLC core group so that comprehensive care planning can occur across all service providers.

At this time, the funding would be used solely for this purpose as SCVHHS and WPC will provide funding for all other aspects of the CLC program as long as the WPC waiver is extended before the end of 2020. Should the waiver extension not occur, IOA would work with SCFHP to identify alternative methods for supporting these high needs members and ensure their stability in the community, which would likely still require the allocation of RCFE funding. Over the long-term, IOA is working with SCFHP and a coalition of community stakeholders to develop a vision and strategy that would sustain existing services and create a new community living ecosystem to support SCFHP members and those of other managed care plans in the county. This will likely include efforts to leverage the statewide Assisted Living Waiver as a longer-term funding solution for RCFE services.

Funding Request

With 14 SCFHP members currently placed in RCFEs and future growth in placements anticipated to meet a variety of goals including COVID-related SNF decompression, IOA is requesting sufficient funding for 25 total member placements in RCFEs over a twelve month period from contract signing. Any placements beyond the existing 14 members currently residing in RCFEs, however, would only occur with the full engagement and approval of SCFHP's LTSS case management staff. These placement costs would be held consistent with the current rate supported by SCVHHS and WPC of $3,000 PMPM, and be based on actual utilization. Therefore, the estimated annualized funding request with some consideration for ramp-up of incremental placements would be $867,000, as displayed in the table below. The funding would also impact more than 25 individual members over the course of the year due to returns to SNFs or deaths and those RCFE beds would then be available to other members for transition.

It is also important to note that IOA would not be able to maintain responsibility for the cost of care for these individuals if funding from SCFHP were to be discontinued for any reason or at the conclusion of the yearlong contract, and therefore a contingency planning process would need to be put into place to address any disruptions to funding and for long-term planning purposes. IOA anticipates that it would be necessary to begin joint contingency planning no later than July 2021 for potential program conclusion at the end of December 2021.

Placement Length	Number of Members	Total Cost
Full 12 Month Residency (existing placements)	14	$504,000
11 Month Residency (new placements after one month)	6	$198,000
10 Month Residency (new placements after two months)	5	$165,000
All Placements	25	$867,000

Next Steps

Once the SCFHP team has had the opportunity to review and consider this proposal, IOA would welcome any questions that may arise or be prepared to set up a meeting to discuss it in further detail. IOA is excited for the opportunity to partner with SCFHP on this effort in service of its members.

County of Santa Clara Health System Administration
2325 Enborg Lane, Suite 320, San Jose, CA 95128
Phone: 1-408-885-4030 • Fax: 1-408-885-4050

COUNTY OF SA
Health Sys

November 11, 2020

To: Christine Tomcala
Chief Executive Officer
Santa Clara Family Health Plan

From: Michelle de la Calle
Director Office of System Integration and Transformation
Santa Clara County Health System

Re: Letter of Support for IOA RCFE Program

This letter is in support of the Institute of Aging's (IOA) funding request of Santa Clara Family Health Plan (SCFHP) for supportive services for SCFHP members placed in Residential Care Facilities for the Elderly (RCFEs) for the calendar year 2021. IOA previously funded these services through a contract with the Whole Person Care (WPC) program, a Department of Health Care Services (DHCS) initiative funded under the 1115 Waiver from the Centers for Medicare and Medicaid Services (CMS) and delivered in partnership with Santa Clara Valley Health and Hospital System (SCVHHS). The WPC contract term was initially for five years and is scheduled to expire on December 31, 2020. While there are strong indications that CMS will renew the contract for 2021, the scope of the contract will not include the funding base from which the WPC funds for the RCFE supportive services was generated.

WPC was designed to improve the access to preventive and supportive services for the high utilizers of multiple medical services such as emergent and inpatient care. One population targeted in the County of Santa Clara was individuals residing in Skilled Nursing Facilities (SNF) who were capable of community living but lacked the services and supports to transition to lower levels of care. IOA was engaged with WPC for the purpose of assessing, planning and managing these transitions to lower levels of care.

WPC and IOA explored alternative residential models which would be accessible for the transition population and RCFEs were identified as an appropriate and accessible residential setting. WPC was able to tap into one-time funding to pay for supportive services for those patients who could pay for the residential costs of their RCFE placement through FY 2020/2021 (ending December 31, 2020). Even if WPC is extended, the SCVHHS contract with IOA will no longer support existing RCFE services or additional placements as of January 1, 2021. This is why SCVHHS and WPC are writing in support of IOA's request to SCFHP for one-time funding of RCFE supportive services for calendar year 2021. SCVHHS will also not be making a similar proposal to SCFHP for the same services.

Thank you for your ongoing willingness to address this difficult care and social determinant issue and your partnership on this critical program.

Michelle de la Calle
Office of System Integration and Transformation

cc: Lori Anderson
Rene Santiago
Alice Naqvi-Mugler
Preston Burnes

Regular Meeting of the

Santa Clara County Health Authority
Compliance Committee

Thursday, November 19, 2020, 2:00 PM – 3:00 PM
Santa Clara Family Health Plan, Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present
Tyler Haskell, Interim Compliance Officer, Chair
Sue Murphy, Board Member
Christine M. Tomcala, Chief Executive Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, D.O., Chief Medical Officer
Jonathan Tamayo, Chief Information Officer
Chris Turner, Chief Operating Officer
Teresa Chapman, VP, Human Resources

Staff Present
Barbara Granieri, Controller
Daniel Quan, Medicare Compliance Manager
Anna Vuong, Medi-Cal Compliance Manager
Leanne Kelly, Audit Program Manager
Sylvia Luong, Audit Program Manager
Mai-Phuong Nguyen, Oversight Program Manager
Vanessa Santos, Compliance Coordinator
Jayne Giangreco, Manager, Administrative Services
Rita Zambrano, Executive Assistant

Members Absent
Ngoc Bui-Tong, VP, Strategies and Analysis
Laura Watkins, VP Marketing and Enrollment

1. Roll Call

Tyler Haskell, Interim Compliance Officer, called the meeting to order at 2:01 pm. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

3. Meeting Minutes

The minutes of the September 4, 2020 Regular Compliance Committee meeting were reviewed. Mr. Haskell noted a revised copy of the minutes was sent out earlier in the week.

It was moved, seconded, and the September 4, 2020 Regular Compliance Committee minutes were **unanimously approved**.

Motion:	Mr. Jarecki
Second:	Mr. Tamayo
Ayes:	Ms. Chapman, Mr. Haskell, Mr. Jarecki, Ms. Murphy, Dr. Nakahira, Mr. Tamayo, Ms. Tomcala, Ms. Turner
Absent:	Ms. Bui-Tong, Ms. Watkin

4. Regulatory Audit Report

Mr. Haskell reported on the Centers for Medicare and Medicaid Services (CMS) Program Revalidation Audit for Cal MediConnect, noting the audit has officially been closed.

Anna Vuong, Medi-Cal Compliance Manager, gave an update on the 2020 California Department of Health Care Services (DHCS) audit, noting we are in the CAPs phase, and the team has weekly updates with DHCS to help close out the deficiencies.

The 2021 upcoming DHCS audit will be conducted during the weeks of March 8-19, 2021, and will be a limited scope review due to the pandemic.

Ms. Vuong also reported on the upcoming 2021 DMHC follow-up audit which will be taking place the week of March 8, 2021 to March 12, 2021. The review period for this audit will be from 2/1/2020 to 10/31/2020. DMHC requested we submit our pre-audit universe, answer questionnaires, and submit pre-audit documents by December 17, 2020. Ms. Vuong also noted that DMHC would conduct their audit interviews the week of March 8, 2021.

Mr. Haskell noted the Plan had instituted a Quarterly Executive Team Review of our Corrective Action Plans (CAPs) to prevent repeat findings and increase executive oversight of the process. Mr. Haskell noted that Mai Phuong-Nguyen, Oversight Program Manager, has built a spreadsheet to track the CAPs.

Chris Turner, Chief Operating Officer, gave an update on two consecutive DHCS transportation findings regarding the Plan's lack of oversight of transportation vendors. Ms. Turner spoke to several key items implemented to increase oversight monitoring of transportation vendors. First, the IT and Customer Service teams developed a front-end booking system for rides that provides a visual aid of the work to be done and highlight priorities to reduce errors. The Plan is currently implementing a quarterly Dashboard of our transportation vendors to provide greater insight into how they perform in real-time by displaying how often our members are missing their rides, as well as rates of grievances and Potential Quality Issues. The Plan has also initiated an outreach program to assist members with rescheduling their missed appointment.

Sue Murphy, Board Member, thanked Ms. Tomcala and the Leadership Team for the seriousness with which the team took her request, and noted the actions should yield a difference. Ms. Murphy added that in order to obtain the goal of no repeat findings; both repeat findings and all initial findings must be reviewed and discussed to prevent new repeat findings.

Ms. Tomcala thanked Ms. Murphy for the guidance and stated that the Plan is beginning the discussions with the repeat findings but intends to hold every finding to the same level of discussion for prevention of re-occurrence.

Mr. Haskell noted that the second DHCS repeat finding for timely completions for individual health assessments would be discussed at the February 2021 Compliance Committee meeting.

5. Oversight Activity Report

Mai-Phuong Nguyen, Oversight Program Manager, presented the Compliance Dashboard, explaining green signifies the compliance goal is met, yellow signifies "substantially met" 98-99.9% compliance, and red represents anything less than 98%. Ms. Nguyen reported twelve CAPs open, seven for Medi-Cal, and five for CMC due to missing data. Ms. Murphy inquired if the Plan's annual performance goals which drive the Team Incentive Compensation program are part of the compliance dashboard monitoring. Ms. Murphy explained the Plan would have a more realistic and real-time expectation of their ability to reach performance goals if they were continuously monitored by the dashboard.

Ms. Tomcala noted everything reported within the SCFHP Compliance Dashboard is part of the Plan Objective to achieve at minimum 95% compliance for the year. Ms. Tomcala added that the Plan has Plan Objective work plans that identify sub-tasks which must occur, and who is responsible for those tasks, to monitor performance throughout the year.

Daniel Quan, Medicare Compliance Manager, discussed Internal and Delegation Audits, noting current open internal audits in Claims, Pharmacy, Website review, and Compliance Program Effectiveness.

The Compliance team has engaged with MCS to conduct the Compliance Program Effectiveness audit following the CMS audit protocols. The annual review of Compliance Program Effectiveness is a CMS requirement. We hope to update the committee with results at the next Compliance Committee meeting.

Mr. Quan reported on a Pre-Delegation Audit underway, and stated the preliminary report had been issued. We also closed out audits of Hanna and Language Line, the Plan's interpretation and language translation vendors, and issued CAPs. Open Delegation audits include MedImpact, VSP, New Directions, Kaiser, Premier Care, PMG, and VHP. VSP was issued a CAP before closing their audit.

6. Compliance Program Documents

Mr. Haskell reported on the Compliance Program, Standards of Conduct and Policies CP.07 Corrective Actions, CP.10 Compliance Training, CP.12 Annual Compliance Program Effectiveness Audit, CP.15 Standards of Conduct, CP.17 Risk Assessments, DE.04 Communications Between SCFHP and FDRs/Delegated Entities, DE.05 Joint Operations Committee Meetings Between SCFHP and FDRs/Delegated Entities, and DE.12 FDR Delegated Entity Reporting. Mr. Haskell noted there were minor revisions to the policies.

It was moved, seconded, and the Compliance Program Documents were **unanimously approved**.

Motion:	Ms. Tomcala
Second:	Mr. Jarecki
Ayes:	Ms. Chapman, Mr. Haskell, Mr. Jarecki, Ms. Murphy, Dr. Nakahira, Mr. Tamayo, Ms. Tomcala, Ms. Turner
Absent:	Ms. Bui-Tong, Ms. Watkins

7. Fraud, Waste, and Abuse Report

Ms. Nguyen reported on the Fraud, Waste, and Abuse (FWA) structure, CAPs investigation, and current investigations. She stated that the core team structure for FWA is Ms. Nguyen as the primary contact, reporting to Mr. Haskell. She will also be consulting with the Medicare and Medi-Cal Compliance Managers.

Ms. Nguyen indicated an analyst on the data analytics team, working with Ngoc Bui-Tong, VP of Strategies and Analytics, will analyze Plan and encounter data to identify suspected FWA cases. Lastly, we have an FWA team that consists of subject matter experts in health services, claims, provider network, health analytics, and compliance. Currently, there are biweekly meetings until the end of the year, and in 2021 there will be quarterly meetings. The purpose of the FWA team is to review suspected FWA cases identified through data mining. The group also provides their expertise in whichever area they are working to contribute to the identification of FWA.

Ms. Nguyen reported on a past investigations, noting our Special Investigation Unit (SIU) contractor, T&M, opened 54 investigations. Some of these investigations have been closed, and some are still pending. Currently the Plan is trying to retrieve all the medical records, and Ms. Nguyen noted we have received about 50% of them. The delay in retrieval of medical records is a result of the COVID pandemic. We are also working with our FWA team to get input on continuing to pursue the open investigations. The Medi-Cal Compliance Manager has provided some information on open FWA cases.

Ms. Nguyen reported one new case where members did not receive their Durable Medical Equipment (DME) deliveries. Those complaints triggered a review of the identified DME vendor. An update will be provided at the next meeting.

8. Adjournment

The meeting was adjourned at 2:54pm

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Susan G. Murphy, Secretary

SANTA CLARA COUNTY HEALTH AUTHORITY
d/b/a
SANTA CLARA FAMILY HEALTH PLAN

Compliance Program
2021~~0~~

Governing Board approval date: ~~December 12, 2019~~TBD

Compliance Program Overview

Santa Clara County Health Authority d/b/a Santa Clara Family Health Plan ("SCFHP" or "Plan") has developed this Compliance Program to provide guidance and ensure its activities as a Medi-Cal and a Cal MediConnect Managed Care Plan are conducted in an ethical and legal manner, in accordance with the 3-way Contract between the United States Department of Health and Human Services Centers for Medicare and Medicaid Services ("CMS"), the California Department of Health Care Services ("DHCS"), and the Plan; the Plan's Medi-Cal contract with DHCS; the Plan's Standards of Conduct and policies and procedures; and with applicable State and Federal law and regulations. The Compliance Program includes seven core elements with a particular and focus on each of the following areas: oversight of first tier, downstream and related entities (FDRs), compliance program effectiveness measures, and fraud, waste and abuse (FWA) prevention, detection and correction principles. These elements serve as the directional basis and source of guidance for development of operational and oversight policies and procedures for all Plan lines of business. This Compliance Program also articulates the framework and guiding principles for how the Plan will effectively ensure its compliance with applicable program requirements. The Compliance Program reflects the Plan's commitment to compliance with all applicable program requirements, including all applicable Federal and State standards. It is updated annually, and as appropriate from time-to time, and such updates are reviewed, approved and adopted by the Plan's Compliance Committee and Governing Board ("Board").

The Compliance Program described herein governs the activities of the Plan's employees (including temporary staff), contractors and volunteers, as well as Board and Committee members, collectively referred to as "Personnel."

The Compliance Program also applies to any subcontractors, vendors, agents or entities otherwise defined as FDRs under the Centers for Medicare & Medicaid Services (CMS) regulations and guidance, to whom Plan has delegated administrative or health care service functions relating to the Plan's 3-Way contract, and their employees (including temporary staff) and contractors who provide health and/or administrative services in connection with Plan's Cal Medi-Connect plan or that relate to Plan's Medicare functions.

The information contained in this Compliance Program is effective as of the date of approval by the Board.

Element I: Written Policies and Procedures and Standards of Conduct

SCFHP's Standards of Conduct is a policy and reference guide that describes the Plan's Standards of Conduct and Code of Ethics, including by way of practical application of the organization's core values and cultural attributes. This document sets forth the expectation of employees to report instances of potential non-compliance and Fraud Waste and Abuse ("FWA"). The Standards of Conduct, together with Plan's policies and procedures, are accessible to all employees within a shared location and demonstrate the Plan's commitment to comply with all applicable Federal and State laws and regulations. It is the Plan Leadership's expectation that all Personnel and FDRs shall adhere to the Plan's Standards of Conduct and policies and procedures, as well as applicable law, in the course of performing their duties on behalf of the Plan and its enrolled beneficiaries. This expectation is promoted through communications and training, and enforced through disciplinary, contractual and other standards.

The Standards of Conduct emphasize the need to maintain a high ethical standard for individual and organizational behavior and legal business practices. In addition, the Standards of Conduct and our policies and procedures provide practical guidance for Personnel and FDRs for effectuating compliance with law and promoting ethical and business practices in their daily roles. In doing so, the Standards of Conduct and our policies and procedures support the Plan's FWA prevention, detection and correction efforts, including but not limited to ~~through emphasis on compliance with~~:

- Federal and state False Claims Acts;
- Federal and state Anti-Kickback Statutes;
- Health Insurance Portability and Accountability Act of 1996, as amended;
- Prohibition on inducements to beneficiaries; and
- Plan Conflict of Interest rules.

The Standards of Conduct, as well as SCFHP's policies and procedures, also describes the process that any and all Personnel and FDRs (and their employees) are expected to use to report possible compliance and FWA issues to management, or anonymously using the Plan's free hotline, and includes a statement of non-intimidation and non-retaliation for good faith participation in the Compliance Program. Disciplinary actions, such as suspension or termination of employment, termination of contractual relationship or removal from office or Board membership may be taken for failure to comply with the Standards of Conduct. Reported issues are investigated and resolved in accordance with Plan's established policies and procedures.

FDRs to whom Plan has delegated administrative or health care service functions relating to the Plan's Three-way contract may either adopt the Plan's policies and procedures (as relevant to delegated functions) and Standards of Conduct (as provided upon contracting and annually thereafter) or implement their own policies, procedures, and/or standards of conduct consistent with Plan's and in full compliance with DHCS, DMHC and CMS requirements. FDRs shall distribute such Standards of Conduct and/or policies and procedures to their employees upon hire, appointment or contracting, at any time material revisions are made, and annually thereafter. The FDR's compliance program, policies, procedures and standards of conduct are subject to review upon audit by the Plan.

The Standards of Conduct is presented to Personnel at the time of hire, appointment or contracting and any time material revisions are made. All Personnel must attest that they have read and agree to comply with the Standards of Conduct and guidelines. Such attestations are kept with the employee or other individual's record. Attestations of FDRs and their employees concerning receipt of the relevant materials are maintained by the FDRs and can be audited by the Plan at any time.

In addition to the Standards of Conduct, Plan has issued and implemented policies and procedures that are detailed and specific, and describe the operation of the Compliance Program. Compliance policies and procedures are reviewed and updated as necessary, but no less than annually, to incorporate any relevant changes in applicable laws, regulations and other program requirements. Proposed revisions are developed under the direction of the Chief Compliance Officer, referred to the Compliance Committee for review and approval, and reported to the Board.

Element II: Compliance Officer, Compliance Committee and High Level Oversight

The success of the Compliance Program is the responsibility of many individuals within the Plan. The Chief Compliance Officer, Senior Management, the Compliance Committee and the Board all play an important role in the implementation and success of the Compliance Program. As used in this Compliance Program, the phrase "Senior Management" refers to the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Chief Medical Officer, the Chief Information Officer, the Vice President of Human Resources, the Vice President of Marketing and Enrollment, and such other executive level staff as may join the organization.

The sections below serve to describe the responsibilities of the Chief Compliance Officer, Compliance Committee, the Board and Senior Management.

A. The **Chief Compliance Officer** (CCO) serves as the Compliance Officer (as the term is used within Chapters 9 and 21 of the Prescription Drug Benefit Manual and Medicare Managed Care Manual, respectively) and is an employee of, and reports directly to, the Plan's CEO and Board. The CCO has detailed involvement in, and familiarity with, the Plan's operational and compliance activities (but shall be independent from, and not have direct responsibility over, program operations). The CCO ~~directs the Plan's day-to-day operations and execution of~~ is responsible for implementing the Compliance Program to define the program structure, educational requirements, reporting and compliant mechanisms, response and correction procedures, and compliance expectations of all Personnel and FDRs, in accordance with regulatory requirements.. The CCO is also a member of Senior Management and has direct access to the Plan's Chief Executive Officer (CEO) and the Board, and is provided with sufficient resources and authority to effectively carry out his or her duties.

The CCO shall have the authority to:

- Provide periodic written and/or in-person reports (as appropriate) directly to the Governing Board;
- Interview or delegate the responsibility to interview Plan employees and other relevant individuals;
- Review and retain company contracts and other documents pertinent to the Medi-Cal and Cal MediConnect programs;
- Review or delegate the responsibility to review the submission of data to CMS and DHCS to ensure that it is accurate and in compliance with their respective reporting requirements;
- Independently seek advice from legal counsel;
- Report misconduct and potential FWA to CMS, its designee and/or law enforcement;
- Conduct and direct audits and investigations of any first tier entities, downstream entities, or related entities;
- Conduct and/or direct audits of any area or function involved with Medi-Cal or Cal MediConnect plans (excluding those conducted under the purview of SCFHP's Executive/Finance Committee, such as external financial audits);
- Recommend policy, procedure and process changes;
- Enforce compliance program requirements at all levels of the Plan organization.


Santa Clara Family
Health Plan™

The duties for which the CCO is responsible include, but are not limited to:

- Communicating regularly with and reporting to the Board, Senior Management and the Compliance Committee on the status of the Compliance Program, including issues identified, investigated and resolved;
- Developing, implementing, managing, and monitoring the effectiveness of the Compliance Program and ensuring that the Board and Senior Management are aware of performance metrics and potential issues and their potential solutions;
- Identification and resolution of potential or actual instances of noncompliance or FWA;
- Creating, coordinating, and/or participating in educational training programs to ensure Personnel and FDRs are knowledgeable of Plan's Compliance Program, Standards of Conduct, operational and compliance policies and procedures, and applicable statutory, regulatory, and other program requirements;
- Monitoring Federal and State legal and regulatory developments (including but not limited to, Fraud Alerts and Advisory Opinions issued by the U.S. Department of Health and Human Services' Office of Inspector General (OIG) and Health Plan Management Systems (HPMS) memos and updating the Compliance Program as appropriate);
- Developing, maintaining and promoting use of retribution-free methods and programs for reporting in good faith suspected Medicare program non-compliance, misconduct or potential FWA by Personnel, FDRs or others;
- Working with Human Resources to ensure that the Plan conducts appropriate background checks, including routine screening, against all required exclusion lists;
- Developing risk analyses that are used to focus Compliance Program efforts in a manner designed to promote overall effectiveness;
- Developing and monitoring the implementation of, and adherence to, compliance policies and procedures through the creation and implementation of a compliance work plan (Work Plan) that defines internal monitoring, audit requirements, schedule and methodology;
- Maintaining documentation and tracking of each report of potential non-compliance and FWA received through any of the reporting methodologies or as self-identified through monitoring, auditing or other means;
- Conducting self-evaluations of the Compliance Program to assess overall effectiveness and identify areas for improvement;
- Conducting (or evaluating information obtained from) exit interviews; and,
- Responding to reports of potential instances of FWA, including through coordination of internal investigations and the development of appropriate corrective or disciplinary actions, or referral to law enforcement, as necessary.

B. The **Compliance Committee** assists the Plan's Board in the oversight of the Compliance Program and is accountable to provide support and guidance necessary to the CCO in overseeing the outcomes and performance of activities initiated under the Compliance Program. The Compliance Committee, through the CCO, shall periodically report directly to the Board on the activities and status of the Compliance Program, including issues identified, investigated, and resolved by the Compliance

Program.

The Compliance Committee shall include individuals ~~with~~ from a variety of backgrounds to ~~ensure~~ support the CCO in implementing the Compliance Program~~'s functional representation~~. Such members shall have both decision-making authority and understanding of vulnerabilities within their areas of expertise. Members shall include representatives from areas including, but not necessarily limited to, finance, health plan operations (including enrollment, appeals and grievances, and customer service), medical management, pharmacy services, quality improvement, marketing and sales, information technology and legal counsel. The Compliance Committee is a Brown Act Committee. The CCO will act as the Compliance Committee chairperson.

The Committee may invite other individuals, such as members of management, auditors, or other technical experts to attend meetings and provide pertinent information, as necessary.

The Committee has been delegated by the Board to uphold certain responsibilities, including but not limited to:

- Meeting on a quarterly basis, or more frequently as necessary, to enable reasonable oversight of the Compliance Program;
- Development, implementation and annual review and approval of compliance policies ~~and procedures~~;
- Reviewing and approving relevant compliance documents, including but not limited to:
    - CCO's performance goals;
    - Compliance and FWA training;
    - Compliance risk assessment;
    - Compliance and FWA monitoring and auditing Work Plan and audit results; and
    - Corrective action plans resulting from audits or other means of identification (and monitoring of their effectiveness);
- Developing strategies to promote compliance and the detection of any potential compliance violations, especially as they relate to core beneficiary protection issues such as, but not limited to, appeals and grievances, enrollment, transition, coverage determinations and exceptions;
- Reviewing effectiveness of the system of internal controls, such as dashboards, scorecards, self-assessment tools, etc. designed to reveal compliance issues or FWA issues, and metrics concerning operational compliance with key Medicare regulatory requirements, such as, but not limited to, those governing enrollment, appeals and grievances, and prescription drug benefit administration; and
- Ensuring that SCFHP has an easy to use system for employees and FDRs to ask compliance questions and report potential instances of noncompliance and potential FWA confidentially or anonymously (if desired) without fear of retaliation

The Compliance Committee will collect and review measurable evidence (using tools such as dashboards reports, scorecards and key performance indicators) concerning Compliance Program performance as a concrete means of measuring/demonstrating the extent to which the Compliance

Program is detecting and correcting noncompliance and FWA on a timely basis, and providing insights into any potential needed process improvements. The CCO will provide the Compliance Committee with data showing the status of organizational compliance through:

- Use of monitoring tools to track and review open/closed corrective action plans, FDR compliance, Notices of Non-Compliance, Warning Letters, CMS sanctions, marketing material approval rates, training completion/pass rates, results of CMS readiness checklist review, past performance review metrics, etc.;
- Implementation of new or updated Medicare program requirements (*e.g.*, tracking HPMS memo from receipt to implementation) including monitoring or auditing and quality control measures to confirm appropriate and timely implementation;
- Increase or decrease in number and/or severity of complaints from employees, FDRs, providers, or beneficiaries through customer service calls or the Complaint Tracking Module (CTM), including those relating to alleged marketing misrepresentations, etc.;
- Timely response to reported instances of potential noncompliance and FWA (including issues raised by CMS), and effective resolution (*i.e.*, non-recurring issues);
- Application of consistent, timely and appropriate disciplinary action; and
- Detection of noncompliance and FWA issues through monitoring and auditing:
    - Whether root cause was determined and corrective action appropriately and timely implemented and tested for effectiveness;
    - Detection of FWA trends and schemes via, for instance, daily claims reviews, outlier reports, pharmacy audits, etc.; and
    - Actions taken in response to non-compliance or FWA reports submitted by FDRs.

C. The governing body providing appropriate oversight of the Compliance Program is SCFHP's Board. The Board reviews and approves the Compliance Program and subsequent updates as revisions are made. As mentioned previously, the Board has delegated certain responsibilities to the Compliance Committee, but the Board as a whole remains accountable for Compliance Program oversight.

In addition to the above, the duties for which the Board is responsible include, but are not limited to, active oversight of the effectiveness of the Compliance Program and compliance results as follows:

- Understanding the Compliance Program structure, content and operation (including through appropriate training that educates Board Members regarding the Compliance Program operations, compliance risks and strategies and methods of gauging Compliance Program effectiveness);
- Evaluation of SCFHP's Senior Management team's commitment to ethics and the Compliance Program;
- Reviewing, understanding and questioning information provided within reports presented to them, including by the CCO, at least quarterly, on the activities of the Compliance Program. Such activities include, but are not limited to, actively considering:
    - Compliance Program outcomes (such as results of internal and external audits);

- The effectiveness of corrective action plans implemented in response to identified issues;
- Governmental compliance enforcement activity, such as Notices of Non-Compliance, Warning Letters, Corrective Action Plan requests, contract actions and/or other sanctions;
- Reports of potential noncompliance and/or FWA issues identified, investigated, and resolved;
- Identified risks and mitigation performed; and
- The results of performance and effectiveness assessments (including self-assessments) of the Compliance Program;

- Conducting follow-up on issues and taking appropriate action when necessary; and
- Approval of Standards of Conduct and Compliance Program (and modifications thereto).

The Board shall document in meeting minutes and related records its active engagement in the oversight of the Compliance Program and include documentation of the Board's discussion, follow-up on issues and actions taken in response and to ensure an effective Compliance Program.

D. Senior Management

The CCO shall provide SCFHP's CEO with periodic reports of risk areas facing the organization, the strategies being implemented to address them, and the results of those strategies. The CCO shall notify the CEO and the Senior Management team, as appropriate, of all governmental compliance enforcement activity, including the issuance of Notices of Non-compliance, Warning Letters, Corrective Action Plan requests, and contract actions and/or other sanctions, and seek consultation and assistance regarding how best to respond to and address the same.

Element III: Effective Training and Education

A. General Compliance Training

SCFHP provides a comprehensive education and training program to ensure communication and understanding of the Compliance Program and SCFHP's Standards of Conduct and Compliance policies and procedures. The education, training and communication program is designed to ensure that all Personnel (including without limitation the CEO, Senior Management and Board members), and any other applicable individual acting on behalf of SCFHP in connection with its Medicare program(s), such as FDRs and their employees, are fully capable of carrying out their duties in compliance with the Compliance Program, Standards of Conduct and relevant policies and procedures. The education program includes general Compliance Program awareness training, and specific training and education tailored to individuals' roles and responsibilities, delivered by the Compliance Department or operational business units. For example, employees whose job primarily focuses on enrollment or claims would receive additional training in these areas.

Compliance Program education and training occurs within ninety (90) days of hire (or appointment to Board), and, at a minimum, annually thereafter. The education and training may be provided through a variety of teaching methods, including classroom study, computer-based training, and distance learning. Additional tools may be used to communicate the Compliance Program process, such as use of posters, written Compliance Program updates, internet and intranet resources, and topical newsletters and other publications. SCFHP shall document and/or maintain records of Personnel who complete the required Compliance Program education and training in a format that is easily accessible. SCFHP shall implement controls to ensure that all Personnel are trained, as required. SCFHP shall review and update the general Compliance Program training, as necessary, whenever there are material changes in statute, regulation or Medicare Part C or Part D program guidance, and at least annually.

B. FWA Training

SCFHP provides Personnel with standard FWA training within ninety (90) days of initial hiring (or appointment to the Board), and annually thereafter. SCFHP may require that particular individuals participate in specialized or refresher training on issues posing FWA or other risks relevant to the individual's particular job function. Training may be required, as appropriate, when the Plan's program requirements change, when an individual is found to be non-compliant or needs additional training, or when training is appropriate to address an identified organizational deficiency or with respect to an area where FWA was identified in the past or presents heightened risk.

C. First Tier, Downstream and Related Entity Training

SCFHP requires FDRs, to whom SCFHP has delegated administrative or health care service functions relating to SCFHP's regulatory contract(s), to conduct training that meets CMS training requirements and is consistent with SCFHP's training materials. SCFHP shall accept the

certificate of completion of the CMS Standardized General Compliance Program Training and Education Module as satisfaction of the training requirement.

Any FDR that has met the FWA certification requirements through enrollment into the Medicare program or accreditation as a Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) supplier is deemed to have met, and fully satisfied, SCFHP's training and educational requirements related to FWA. In such context, no additional documentation beyond the documentation necessary for proper credentialing is required to establish that an employee or FDR or employee of an FDR has met SCFHP's FWA training requirements. In the case of chains, such as chain pharmacies, each individual location must be enrolled into Medicare Part A or B to be deemed. Such deemed individuals must, however, participate in the CMS general Medicare compliance training. FDRs that do not qualify for deeming status must take both the General Compliance and the FWA training programs offered by CMS.

Element IV: Effective Lines of Communication

SCFHP has established numerous mechanisms to ensure effective lines of communication exist between the CCO, members of the Compliance Committee, Personnel (including the Board) and SCFHP's FDRs (and their employees).

For instances, in order to facilitate communication among all Personnel, FDRs and the CCO, SCFHP offers a phone hotline, available 24 hours a day, 7 days a week, which can be used anonymously if preferred, through which an individual may seek guidance or disclose information about potential compliance or FWA issues. Through Compliance Program activities, Personnel and FDRs are encouraged to ask compliance and FWA related questions through various means, such as direct contact with the CCO, in order to assist such individuals in evaluating and dealing with suspected, detected or reported compliance or FWA issues. ~~If requested and as appropriate, the~~The CCO shall treat ~~such~~ all communications confidential~~ly~~. The CCO also communicates with Personnel, FDRs and enrollees concerning compliance and FWA issues through various educational mechanisms, as discussed more fully below.

A. Procedures for Reporting Noncompliant or Unethical Behavior

All Personnel and FDRs are required to report compliance concerns and suspected or actual violations related to SCFHP's programs to SCFHP. The reporting process set forth in this Compliance Program, as well as CCO name and contact information, is communicated to Personnel and FDRs and their employees through various means, including general Compliance Program training. An individual may confidentially report compliance and FWA concerns in multiple ways, at their option, including: 1) directly to his/her supervisor or manager (as applicable), 2) to SCFHP's CCO, or 3) anonymously using SCFHP's toll-free phone hotline reporting tool (available 24/7). SCFHP's non-intimidation and non-retaliation policy provides the individual who makes a report, complaint, or inquiry in good faith with protection from retaliatory action, including with respect to reporting of False Claims Act complaints and/or reporting to appropriate officials. SCFHP has a no tolerance policy for intimidation of, or retaliation taken against, individuals making such good faith reports, complaints or inquiries and shall take disciplinary action against individuals who are determined to have intimidated or retaliated against such individuals.

SCFHP recognizes that enrollees, contracted providers and FDRs are important sources for identifying potential non-compliance and/or FWA. SCFHP widely publicizes the methods by which individuals and entities outside the SCFHP organization can report possible instances of fraud, waste, abuse or non-compliance to the organization and can ask questions, including through the hotline (which is accessible to all).

Hotline information is provided to enrollees through the quarterly enrollee newsletter FDRs receive quarterly informational bulletins containing, as a standing item, hotline availability and reasons for use (including for compliance questions). The CCO's contact information is also

always contained within these materials. SCFHP customer service representatives, who intake calls from both enrollees and FDRs, including providers, have also been trained to recognize potential instances of non-compliance or FWA, and to properly memorialize and direct issues within the Plans Sponsor organization for appropriate follow-up by the CCO or others.

B. Education

The CCO engages in active communication with Personnel, FDRs and enrollees concerning a wide range of compliance issues, including the standards for compliance with laws, regulation and guidance; changes in legal authorities and/or compliance policies and procedures; and guidance on how to identify and report FWA issues. Such communication is accomplished through various educational means, including through newsletters and posters, SCFHP Websites, formal training, and individual and group meetings.

C. Follow-Up and Tracking

Once received, issues of potential non-compliance or FWA will be documented and forwarded to the CCO and/or his or her designee for investigation/resolution and reporting to the Compliance Committee and the applicable State and/or Federal agency, or law enforcement, as required.

D. Integrated Communications

To enhance SCFHP's day-to-day communication, understanding and focus on its actual compliance, and to ensure that potential compliance and FWA issues are examined early and corrective actions are implemented timely, each department maintains a set of compliance "dashboard" metrics that are routinely shared with the CCO. These dashboard results are i) reported to department staff to increase their attention to compliance, and ii) reported to the CCO for monitoring and auditing activities (such as trend analysis and identification of anomalies), and to provide status of any corrective actions undertaken and implemented (including barriers to implementation). Reports on these and other compliance activities will be routinely reviewed by Senior Management and reported to the Compliance Committee and the Board at each meeting, as appropriate.

Element V: Well-Publicized Disciplinary Standards

Compliance training, in its various forms (*e.g.* mandatory formal training, newsletters, websites and posters), demonstrates practical application of the Standards of Conduct. These training programs provide instruction regarding various regulations and laws pertinent to our business, as well as "Questions and Answers" that describe the expectation that SCFHP has of Personnel when confronted with certain situations, including appropriate reporting and the duty to assist in issues resolution. These programs set forth the expectation by SCFHP of Personnel and FDRs and their employees to report illegal or unethical behavior and potential compliance and/or FWA issues, as well as to assist in their resolution. They also encourage Personnel to contact the CCO or others if they have questions concerning potential compliance or FWA issues.

In various communications, SCFHP explains the ramifications faced by SCFHP for non-compliance with regulations and laws affecting its business, as well as disciplinary action to be taken against individual(s) or entities who have either committed a crime and/or participated in or knew about potential non-compliance, unethical behavior and/or FWA, but failed to report it to SCFHP. *Disciplinary action will be assessed based on the infraction and could range from retraining of the individual/entity, up to termination of employment/Board membership/contract.*

Enforcement of the standards will be timely, consistent and effective when non-compliance or unethical behavior (such as fraud) is determined. As set forth in Element IV, Part A, employees have an affirmative obligation to identify non-compliance and unethical behaviors, and failure to meet this obligation will result in appropriate action according to the disciplinary standards. Records of enforcement of standards will be maintained for ten years for all disciplinary actions based on compliance violations or FWA (or the failure to report the same), and such records will capture the date the violation was reported, a description of the violation, the date(s) of investigation, a summary of findings, the disciplinary action taken and the date it was taken. SCFHP may, from time-to time, review such records to ensure that discipline is appropriate to the seriousness of the offense, fairly and consistently applied, and imposed within a reasonable time frame after the infraction and/or discovery of such.

Finally, compliance is a measurement on SCFHP's annual employee performance evaluation to reinforce the importance that compliance plays in each individual's role within the organization. Issues of non-compliance will be considered by SCFHP in connection with whether to renew or continue any particular arrangement with an FDR.

Element VI: Effective System for Routine Monitoring, Auditing and Identification of Compliance Risks and FWA

SCFHP will establish and implement an effective system for identification of non-compliance or unethical behavior (such as activities involving fraud and abuse) and evaluation of the Compliance Program through risk analysis, engagement in monitoring and auditing activities and review of reported issues (including any issues identified by CMS). The system will include, among other things, routine and targeted internal monitoring and auditing of operational areas and auditing and monitoring of FDRs. SCFHP may from time-to-time engage external auditors to assist with focused review of particular areas where it deems such appropriate (*e.g.,* because of expertise required or resource limitations).

Multiple methods will be employed to facilitate monitoring and auditing of operational areas in a focused and efficient manner, including without limitation conducting risk assessments, developing annual Work Plans, engaging in on-site audits or desk reviews, conducting monitoring, including through periodic reports, and analyzing and responding to such monitoring and auditing results.

A. Risk Assessment

SCFHP will regularly conduct a risk assessment of all business operational areas, and those of FDRs to whom SCFHP has delegated functions under its regulatory contract(s). Each operational area (including those delegated to FDRs) will be assessed for the types and levels of risks the area presents to the Medi-Cal and CMC programs, to SCFHP and to its Medicare-Medi-Cal beneficiaries, paying close attention to those areas CMS considers high risk, such as but not limited to:

- enrollment and disenrollment non-compliance;
- appeals and grievances;
- benefit and formulary administration;
- credentialing;
- quality assessment;
- organization determinations;
- coverage determinations;
- transition and protected class policy;
- utilization management;
- accuracy of claims processing;
- previously identified areas of vulnerability for potentially fraudulent claims;
- outbound enrollment verification calls;
- marketing and enrollment violations, agent/broker misrepresentation, and selective marketing; and
- FDR oversight and monitoring.

In addition, SCFHP's risk assessment(s) will take into account information received from the OIG's annual work plan and Medicare Managed Care Manual and Medicare Prescription Drug

Benefit Manual chapter guidance updates, as well as other CMS program ~~instructions~~guidance, Fraud Alerts, CMS audits and other CMS indicators regarding plan performance (such as Warning Letter, Deficiency Notices, audit results, etc.). The risk assessment will expressly take into account CMS guidance provided concerning its prior year audits findings and any recent interim sanction or civil monetary penalties assessed by the agency, as well as DHCS Policy, All Plan and Dual Plan Letters, and DHCS and DMHC audit findings. The CCO will rank those risks identified during this process in order to identify those areas presenting the greatest potential risk to SCFHP. Risks identified through CMS audits and oversight, as well as SCFHP's own monitoring, auditing and investigations, will be considered priority items in the overall risk analysis. The CCO will develop the proposed annual Work Plan in consultation with the Compliance Committee and/or departmental staff as appropriate, taking into account the results of the risk assessment.

B. Annual Monitoring and Auditing Work Plan

An annual Work Plan, based on the results of the risk assessment, will be developed and brought to the Compliance Committee for review, input and approval. The Work Plan will include the audits to be performed (both of SCFHP and FDRs), the audit schedule, methodology to be used, if it is to be performed desktop and/or onsite, and the responsible party for performing the audit, as well as specify routine monitoring to be conducted. Such monitoring and auditing activities are designed to test controls and prevent, detect and correct compliance issues and FWA through verification of compliance standards and adherence to State and Federal laws, contractual requirements, Medicare regulatory requirements, Part C and Part D program instruction, SCFHP Compliance Program policy and procedures, and Standards of Conduct. During the course of the year, the CCO may propose modifications to the Work Plan to the Compliance Committee, as developments warrant (such as changes in law or identified compliance or FWA issues).

C. Audits

The Compliance Department, which is independent from the Plan's daily operations, will perform, or will arrange for independent, external parties to perform, audits of SCFHP's internal operations and FDRs. The CCO shall coordinate with auditors regarding audit design and related considerations, and receive regular reports from the auditors regarding audit status and results. Auditors will be directed to use a standard audit report format addressing audit objectives, scope and methodology, findings (including regarding condition, cause and effect), and recommendations. They will use care in selecting sample and sample size, based on whether a targeted or statistically valid sample is intended. Auditors shall be knowledgeable about CMS and DHCS operational requirements for the operational areas (whether internal or of FDRs) under review. Operations staff may assist auditors, as long as such assistance does not interfere with the auditors' independent review. Such assistance can take the form of gathering data for samples or providing other basic information to auditors. Auditors shall have access to relevant Personnel, records and areas of operation under review, including the operational departments at SCFHP, as well as FDR employees and operations. All Personnel and FDRs have a duty to cooperate with monitoring and auditing efforts directed by the CCO.

D. Monitoring

Routine operational metrics relative to regulatory standards and compliance measures will be maintained by the business units and the results reported to the CCO. Monitoring will also be conducted in each instance to determine whether corrective action plans are effective in addressing the compliance issue identified.

E. Analyzing and Responding to Monitoring and Auditing Results

Results of audits and monitoring, and any required root cause analyses and corrective action plans will be reported by the CCO (or his or her designee) to the Compliance Committee and, as appropriate, Senior Management (including the CEO) and/or the Board. Audit findings will also serve to identify Personnel, business units and/or FDRs requiring additional training (general or focused); the need for clarification or amendment of policies and/or procedures; the need for correction of system logic; and/or other necessary actions. The CCO shall be responsible for overseeing follow-up reviews of areas found to be non-compliant, as necessary, to determine if implemented corrective action has fully addressed the underlying problem identified. If applicable and appropriate, the CCO will consider whether to voluntarily self-report audit findings of non-compliance and/or potential fraud or misconduct related to the Plan's programs to CMS or its designee, such as the National Benefit Integrity Medicare Drug Integrity Contractor (NBI MEDIC), DHCS or DMHC.

F. Excluded Parties

SCFHP, in an effort to prevent FWA, shall screen Personnel against United States Department of Health & Human Services' (DHHS) OIG List of Excluded Individuals and Entities and the General Services Administration's (GSA) Excluded Parties Lists System, prior to hiring or contracting and monthly thereafter, to ensure that such individual or entity does not appear on such list(s) (*i.e.,* is not an excluded individual or entity). SCFHP also requires its FDRs to have a similar policy and audits accordingly to ensure compliance with such requirements.

G. Compliance Program Effectiveness

SCFHP is committed to a process of continual process improvement with respect to its Compliance Program. As such, SCFHP will conduct an annual audit of the effectiveness of the Compliance Program. After completion of a baseline compliance program effectiveness audit, such audit will be conducted by external auditors (or Personnel not part of the Compliance department). To assist in determining effectiveness, the Compliance Committee will annually evaluate whether activities under the Work Plan were completed in a timely and appropriate manner, actual performance of the CCO against performance goals (if relevant), CMS compliance assessments *(e.g.,* Warning Letters, Notices of Non-compliance, CAP requests, audits, sanctions), results of CMS readiness checklist assessment, and past performance review measurements as they relate to compliance. Results of this audit will be shared with the Compliance Committee, Senior Management and the Board. Either the CCO, Compliance Committee and/or the Board may recommend modifications, such as enhancing or increasing internal monitoring frequency in

areas that have previous low threshold results or areas that have become the subject of increased scrutiny (through regulation, audit or guidance), by state and/or federal regulatory agencies, including but not limited to CMS or the OIG.

Element VII: Procedures and System for Prompt Response to Compliance and FWA Issues

SCFHP has established and will maintain a process for assuring prompt response to reports or other identification of potential non-compliance and/or FWA, including timely investigation of potential problems, implementation of corrective actions to address past issues and mitigate future occurrences; appropriate self-reporting of fraud and misconduct, and processes to ensure appropriate action is taken with regard to identified overpayments.

A. Investigations of Compliance and FWA Issues

SCFHP will establish and implement procedures and a system for promptly responding to potential compliance and FWA issues as they are raised. Compliance or FWA problems identified in the course of self-evaluations, reports or complaints to the SCFHP, audits and/or other means and verified through investigation will be corrected promptly and thoroughly to address the issue, reduce the potential for recurrence, and promote ongoing compliance with CMS requirements. ~~If a potentially serious violation is identified, SCFHP will consult with its designated FWA/SIU vendor for assistance to determine the type and extent of the potential violation and liability. SCFHP may invoke attorney-client privilege at any time during the investigation as determined by legal counsel.~~ External legal counsel, auditing, and other expert resources may be engaged to provide additional services and guidance, as applicable. SCFHP will immediately cease, or instruct its FDR to immediately cease, questionable practices upon knowledge or clear indication of a violation. In addition:

- SCFHP will conduct a timely, reasonable inquiry into any evidence of misconduct related to a payment or delivery of items or services under the contract with CMS and/or DHCS (with such inquiry initiated within 2 weeks after the date the potential non-compliance or FWA incident is identified);
- SCFHP will conduct appropriate corrective actions (for example, repayment of overpayments and/or disciplinary actions against responsible individuals) in response to the potential violations referenced above; and,
- SCFHP will have procedures to consider whether to voluntarily self-report fraud or misconduct related to the Plan's programs to CMS or its designee (such as NBI MEDIC), DHCS and DMHC in appropriate situations, consistent with guidelines and time frames.

SCFHP and its Pharmacy Benefit Manager (PBM) shall monitor Fraud Alerts and will review its contractual agreements (or direct the PBM to review contractual agreements) with the identified parties, as appropriate, to determine whether any additional action should be taken. SCFHP and/or its PBM will review past paid claims from the identified entities to determine if there are any claims that it may have paid that were not payable (*e.g.*, related to an Excluded Individual) and should be removed for prior sets of prescription drug event drug submissions.

Responses to detected offenses will vary according to the offense and circumstance; however the response will always be in accordance with requirements of regulation and law. The CCO shall maintain a record of reported issues, including documentation of the status, investigation, finding

and resolution of each issue. This information shall be reported to the Compliance Committee regularly.

Any determination that potential FWA related to the Plan's programs has occurred will be referred to the appropriate regulatory agency, as appropriate, for further investigation after the determination that a violation may have occurred. SCFHP will, as appropriate, provide information timely in response to follow-up requests for information.

B. Corrective Action Plans (CAPs)

Corrective action plans will be implemented whenever it is determined by the CCO and the Compliance Committee that any Personnel, FDRs or their employees have engaged in an activity that violated SCFHP policies and procedures, federal or state laws or regulations or CMS contractual or other requirements. These corrective action plans will be in writing and developed based on a root cause analysis conducted in response to any wrongful activity discovered by way of investigation resulting from any report, complaint, and/or internal or external audit or monitoring efforts, or as identified by CMS. Through the root cause analysis, SCFHP will undertake to determine what caused or allowed the non-compliance or FWA to occur so that an appropriate and effective remedy can be developed.

The goal of any CAP implemented is to remedy underlying issues and prevent future recurrence. Each CAP will be tailored to the particular misconduct identified and include specific time frames for completion. SCFHP will immediately cease any non-compliant practice upon knowledge or clear indication of a violation. When developing a corrective action plan to address non-compliance by an FDR, the elements of the corrective action plan, and the ramifications for non-compliance, will be included in a written CAP provided to the FDR. Corrective actions may include, for instance, disciplinary action against any Personnel; prompt identification and refund of any overpayment to the government or any enrollee; and/or suspension or termination of any FDR contract (or delegated functions thereunder).

CAPs will be monitored to ensure the required remediation has been carried out, and is sustained over time. All corrective action plans recommended, in progress, and implemented, along with results of ongoing monitoring will be documented and reported at least quarterly to the Compliance Committee and to the Board.

C. Government Investigations

SCFHP's policy is to be forthright and cooperative when dealing with government investigations, inquiries, or requests for information. Any Personnel or FDR made aware of a government investigation, inquiry or request for information is required to notify the CCO and/or Compliance Department immediately to ensure prompt response to the request(s).

Appendix A
Fraud, Waste and Abuse (FWA)
(Measures for Prevention, Detection and Correction)

SCFHP employs multiple measures to prevent, detect and correct potential instances of FWA. Many of these measures are outlined in the Compliance Program, including, for instance:

- Communicating standards of individual and organizational ethical and legal business practices in the,including compliance with Federal laws and regulations designed to prevent or ameliorate fraud, waste, and abuse;
- Educating Personnel and FDRs about FWA issues through appropriate training and the sharing of educational materials;
- Communicating to all (including FDRs and enrollees) the availability of an anonymous compliance hotline for potential FWA issue reporting and asking fraud related questions;
- Engaging in monitoring and auditing of Part C and Part D operations, based on risk analyses conducted that expressly consider FWA concerns;
- Engaging in timely and vigorous investigation of suspected FWA, in whatever manner reported to SCFHP;
- Responding to identified FWA, including as appropriate, by reporting to the MEDIC and/or returning identified overpayments and making adjustments to prescription drug event or other claims payment data.

SCFHP actively engages FDRs to assist in its FWA prevention, detection and correction efforts. Thus, for instance, FDRs perform compliance and FWA related activities on SCFHP's behalf, such as monitoring, auditing and training. SCFHP performs oversight of the FWA and compliance related activities of each FDR and has processes in place to revoke delegated functions in accordance with 42 C.F.R. § 42.422.504(i)(5) and42 C.F.R. § 423.505(i)(4) and its contractual rights if such functions are not being performed satisfactorily.

If identified instances of FWA are discovered, SCFHP, directly or through its FWA/SIU vendor, engages in vigorous investigation and will, as it determines appropriate, report to CMS, the MEDIC or other appropriate regulatory or law enforcement entities.

The purpose of this Appendix is to provide additional information concerning specific measures SCFHP will use to prevent, detect and correct FWA.

Targeted Efforts

A. Credentialing

SCFHP's credentialing program for contracted providers and pharmacies is comprehensive and includes elements that have both a direct and indirect effect on the quality, delivery, and outcome of health care provided to SCFHP's members. SCFHP's credentialing program is based on National Committee for Quality Assurance (NCQA) standards and in accordance with CMS requirements.

SCFHP has contracted with a PBM to provide pharmacy benefits to its members enrolled in the Plan. By contract, the PBM employs a similar, vigorous credentialing program for each pharmacy in

SCFHP's network, with each pharmacy needing to partake in the credentialing and re-credentialing process, performed at a minimum every three years, for participation, or continued participation, within the SCFHP's network.

B. Claims Adjudication

The Plan's claims are processed on a system using adjudication rules which employ FWA edits. Thus, for instance, such adjudication rules are designed to eliminate duplicate payments for services and make payment (or denial) of claims based on SCFHP eligibility rules, contracted provider pricing, referrals and authorizations and Correct Coding Initiative (CCI) edits. In addition, Local Coverage Determinations (LCDs) and national coverage determinations (NCDs) are also reviewed to ensure payment consistent with Medicare guidelines. Claims processes also ensure claims submitted, intentionally or unintentionally, by providers who have opted out of Medicare are not paid. Finally, certain check run controls are also in place to prevent inappropriate payments under Medicare or Medi-Cal.

Similarly, Part D has point of sale system edits that ensure appropriate authorizations are in place before dispensing and that prevent SCFHP from paying for prescriptions written by excluded prescribers.

C. Auditing and Data Analytics

SCFHP engages in auditing -- directly or through contracted entities -- pursuant to the terms of the annual compliance Work Plan. As part of its standing audit practice, SCFHP, by engagement of an external consultant and use of internal coding staff, performs Part C retrospective coding reviews annually. The reviewers substantiate the documentation of the Hierarchical Condition Categories (HCCs) supporting the Risk Adjustment Factors (RAF) scores submitted to CMS for member premium payment. SCFHP submits "additions" *and* "deletions" as appropriate dependent upon its ability to substantiate the HCCs within the audited documentation. In addition to ensuring accurate payment is received by the SCFHP ("adds"), and paid by CMS ("deletes"), these reviews can reveal potential fraudulent provider documentation practices and allow SCFHP to take corrective actions, as appropriate. It also allows SCFHP to identify providers who may need additional training regarding the appropriate provision of encounter data.

Where claims administration is delegated to an FDR, SCFHP audits the FDR annually for proof of data integrity, timeliness of claims payment, proper payment consistent with contractual and other requirements, and proper payment amounts.

Similarly, SCFHP has engaged its PBM to engage in analysis of pharmacy, prescribing provider, and beneficiary data to detect potentially defective claims. Such data analysis is a tool for identifying coverage and payment errors, and other indicators of potential FWA and non-compliance. To gather and analyze data to protect against FWA, on behalf of the SCFHP, the PBM, among other audits, performs retrospective (post-pay) audits. Standardized algorithms are applied to root out overpayments or erroneous payments to pharmacies. Through use of sophisticated modeling

techniques, auditors can identify patterns in the data that may indicate potential FWA that may not be readily apparent. Such data mining activities will focus on areas of concern identified by CMS in guidance and entities identified by the MEDIC, as well as known areas of potentially aberrant behavior or high incidence of fraud based on industry experience. SCFHP's PBM employs staff pharmacists, physicians and others (as appropriate) to engage in follow-up research and investigation of suspect claims.

Pharmacies within the SCFHP's network are also subject to desk top and/or onsite audit. Pharmacies can be chosen for a variety of reasons, such as aberrant claims patterns revealed through the modeling techniques noted above. Claim sample selection will focus on identifying claims and/or claims patterns that potentially deviate from the norm. SCFHP can designate particular pharmacies for in-depth audits, upon request.

If FWA is found through any of the auditing methodologies applied by the PBM, the SCFHP will receive a FWA alert and take appropriate follow-up action in a prompt manner.

In addition to PBM audits, SCFHP receives various reports daily, weekly and monthly from the PBM. The reports are reviewed promptly and on a routine basis by the SCFHP's Pharmacy Department. Review of these reports can reveal potential fraudulent activity requiring investigation and action. Examples of reports received and reviewed regularly include (but are not limited to): summaries of controlled substances claims per member; top 3% prescribers; prescriber dispensing patterns; and FWA reports, which include results of all claims adjusted or reversed during the quarter due to audit results.

Santa Clara Family Health Plan
Standards of Conduct

Approved by the SCFHP Governing Board, September 27, 2018

40196

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Santa Clara County Health Authority dba Santa Clara Family Health Plan

Code of Ethics

Integrity is the cornerstone of Santa Clara Family Health Plan's (SCFHP) reputation and an important asset. We build and retain our integrity through the ethical behavior of every SCFHP employee and Governing Board member. To help strengthen the foundation, this code of ethics identifies and explains the key standards we strive to meet.

Personal and Professional Integrity

Each SCFHP employee and Governing Board member is expected to act in accordance with professional standards, as well as with honesty, integrity, openness, accountability, and a commitment to excellence. Each individual is expected to conduct SCFHP activities in accordance with this Standards of Conduct, exercising sound judgment to support SCFHP's mission and serving the best interests of SCFHP, its members and the community.

SCFHP promotes a working environment that values respect, fairness and integrity. We act in accordance with these values by treating our colleagues, members, and others with whom we interact with dignity, civility, and respect. Employees of SCFHP exercise responsibility appropriate to their position and delegated authorities. We strive for excellence in all of our activities and acknowledge that we are responsible to each other, to the health plan and it's Governing Board for our actions. We are each responsible for being aware of and complying with applicable professional standards that govern our conduct, including those that relate to our particular discipline.

Our conduct in the workplace

We recognize the diversity of fellow employees/co-workers, consultants, temps, job applicants, vendors, subcontractors, and other stakeholders. We refrain from harassment and discrimination based on gender, race, creed, color, national origin, and sexual orientation. We treat each other as we want to be treated – with fairness, honesty and respect.

Maintaining confidentiality and security

We honor the privacy of members' and employees/co-workers' personal information, whether medical or otherwise, just as we expect our privacy to be protected. We take appropriate precautions to protect the confidentiality and security of member, employees/co-workers and company information and transactions. We promise to protect confidential information, otherwise known as "intellectual property," that belongs to SCFHP. We refrain from divulging information that could be harmful to SCFHP or that could provide an advantage to our competitors.

Respecting company property and resources

We treat company property and resources respectfully while working at or serving SCFHP and after leaving. We protect and preserve company property and refrain from using it for personal gain. We understand that company property includes, but is not limited to, SCFHP's intellectual property, physical property and electronic communications systems.

Avoiding conflict of interest

SCFHP encourages employee participation in non-profit activities. However, representing oneself as an employee of SCFHP through associations or activities that might conflict or appear to conflict with SCFHP's interests is prohibited. We avoid doing business with competitors or other organizations that might conflict with the values at SCFHP. We do not accept material gifts from contractors or customers, or give gifts to them if doing so might compromise, or give the appearance of compromising, our business decisions. We do not take advantage of our association with SCFHP for personal gain.

Addressing health care resources

We strive to provide health care services, prescription drug coverage, products, and supports that are appropriate, efficient and cost effective. We apply proven evidence-based principles as we balance the needs of the many with the needs of the individual. We commit to working with providers and using our resources to continuously improve the health of our members and the community.

Obeying the law

We always uphold the law while working at or serving SCFHP. We commit to obeying all federal, state and local regulations with regard to our health plan and all our business units. We do not tolerate the use and/or abuse of illegal substances, discrimination, harassment, fraud, embezzlement or any other illegal activities.

Introduction

At Santa Clara Family Health Plan (SCFHP), business conduct is as important as business performance. Our behavior – both as individual employees (coworkers/employees, temporary employees, consultants, and contractors) and Governing Board members, and collectively as an organization – affects our success, shapes our reputation, and communicates our shared commitment to ethics, integrity and honesty.

Our Compliance Program guides us in making business decisions in alignment with the Plan's mission, vision, and values. One of the program's integral components is defining our expectations of each employee's personal conduct and workplace behavior. To communicate these expectations, we have developed this Standards of Conduct document.

This booklet is a quick reference guide on the standards of conduct that you must uphold as an SCFHP employee, Governing Board member or agent. It first introduces you to SCFHP's Code of Ethics, which includes:

1. Conduct in the workplace
2. Maintaining confidentiality and security
3. Respecting company property
4. Avoiding conflicts of interest
5. Addressing health care resources
6. Obeying the law.

These elements, which we refer to as our business conduct guidelines, define our standards of workplace behavior.

The information in this booklet focuses primarily on the code and guidelines. To expand your knowledge and understanding of expected behavior, we encourage you to review the Plan's policies and procedures. For more detailed information on how to comply with SCFHP's requirements for workplace conduct, refer to company-level and department-level policies and procedures and/or talk to your supervisor or Human Resources representative.

Our reputation for integrity is an invaluable long-term advantage. Fostering an ethical work environment that enhances SCFHP's reputation should be your call to action – your personal pledge to maintain the highest ethical standards as an SCFHP employee.

Our conduct in the workplace

"We recognize the diversity of fellow employees/co-workers, consultants, temps, job applicants, vendors, subcontractors, and other stakeholders. We refrain from gender or racial bias, creed, color, national origin, sexual or other discrimination or harassment. We treat each other as we want to be treated – with fairness, honesty and respect."

Equal employment

SCFHP believes in hiring, promoting and compensating employees without regard to race, color, national origin, age, gender, religious preference, marital status, sexual orientation, handicap or disability or any other characteristic protected by law. We are an equal opportunity employer committed to employment practices that comply with all laws, regulations and polices related to non- discrimination.

Freedom from harassment

SCFHP prohibits unlawful discrimination against any employee, applicant, individual providing services in the workplace pursuant to a contract, unpaid intern, and volunteer based on their actual or perceived race, color, religious creed, color, religion, sex, military and veteran status, civil air patrol status, marital status, registered domestic partner status, age (40 and over), national origin or ancestry, pregnancy (including childbirth and related medical conditions, and including medical conditions related to lactation) physical or mental disability, medical condition, genetic information, sexual orientation, gender, gender identity and expression (including transgender individuals who are transitioning, have transitioned, or are perceived to be transitioning to the gender with which they identify), military and veteran status or any other consideration protected by federal, state or local laws. An applicant's or employee's immigration status will not be considered for any employment purpose except as necessary to comply with federal, state or local laws. For purposes of this policy, discrimination on the basis of "national origin" also includes discrimination against an individual because that person holds or presents the California driver's license issued to those who cannot document their lawful presence in the United States. Our commitment to equal employment opportunity applies to all persons involved in our operations and prohibits unlawful discrimination and harassment by any employee (including supervisors and co-workers), agent, client, member, or vendor.

Because harassment means different things to different people, we must refrain from any behavior that can be construed as offensive or inappropriate. Examples of inappropriate and offensive behavior include degrading jokes, intimidation, slurs, and verbal or physical conduct of a sexual nature, and harassment, including unwelcome sexual advances and requests for sexual favors. If an employee feels that he or she has been harassed he or she should immediately report the harassment to his or her supervisor, the supervisor's supervisor, compliance or human resources. Reports will be promptly investigated, and employees found to be engaging in this behavior will be disciplined, up to and including termination of employment.

Freedom from Retaliation

SCFHP prohibits retaliation against any employee, individual providing services in the workplace pursuant to a contract, volunteer or other person who, in good faith, reports perceived harassment, ethical violations, noncompliance, or Fraud, Waste or Abuse.

Safe environment

At SCFHP, we are each responsible for creating a safe working environment. All employees are expected to work safely, utilizing available materials and devices. Employees are expected to report any of the following potential or actual problems to supervisors:

- Injuries or other illnesses;
- Hazards such as facilities and equipment malfunctions or dangers;
- Security violations or criminal activity on company premises; and
- Actual or threatened acts of violence or intimidation.

Violence or criminal activity should be reported to police and building security immediately, regardless of the availability of a supervisor

Maintaining confidentiality and security

"We honor the privacy of members' and employees'/co-workers' or employees'/co-workers' personal information, whether medical or otherwise, just as we expect our privacy to be protected. We take appropriate precautions to protect the confidentiality and security of member, employees/co-workers and company information and transactions. We promise to protect trade secrets and confidential information, otherwise known as "intellectual property," that belongs to SCFHP. We refrain from divulging information that could be harmful to SCFHP or that could provide an advantage to our competitors."

Confidentiality and security

To protect SCFHP and our members and employees, we are committed to preserving the privacy, confidentiality and security of information, except where we are permitted or required to share certain information in accordance with the Brown Act or other legal or regulatory requirements. The following information is always confidential, and may never be shared outside the Plan, and in connection with a legitimate business purpose:

- Members' protected health information, including diagnoses and treatments, personal data, billing and contact information; and
- Employee information, including personnel files, evaluations, disciplinary matters and psychological assessments.

When using or sharing such information, you must secure all data (electronic or otherwise) and follow all applicable laws and company policies. Failure to maintain confidentiality and appropriate security of information could subject an employee personally and/or SCFHP to civil and/or criminal penalties, regulatory sanctions and lawsuits, and undermine the trust our members and the community place in us.

Respecting company property and resources

"We treat company property and resources the same while working at SCFHP and after leaving. We protect and preserve company property and refrain from using it for personal gain. We understand that company property includes, but is not limited to, SCFHP's intellectual property, physical property and electronic communications systems."

Use of resources

SCFHP's facilities, equipment, technology and resources are for business purposes – to help employees do their work. Employees must use SCFHP's company property in a professional, productive, and lawful manner. Employees must act responsibly, reasonably and maturely, and use good judgment regarding all company-provided communications and computing devices, including, but not limited to:

- The Internet;
- All forms of printed and electronic media;
- Copying devices (scanners and copy machines);
- Telephones (including cell phones);
- Portable devices (iPads);
- Desktop and laptop computers; and
- Remote access hardware and software devices.

Employees must not use the computer to transmit, store or download material that includes, but is not limited to, harassing, threatening, maliciously false or obscene information. The computer should also not be used for any unauthorized activities.

Internal Controls

SCFHP has established control standards and procedures to ensure that company property and equipment is protected and properly used. Control standards are also in place to ensure that financial records and reports are accurate and reliable. All employees of SCFHP share the responsibility for maintaining and complying with required internal controls.

SCFHP takes all necessary steps to keep our Information Systems secure and inaccessible to outside interference and attack. Employees receive guidance to help protect the integrity of the system and the data stored therein.

Travel and entertainment

Travel and entertainment expenses should be consistent with the employees' duties and SCFHP's needs and resources. Employees are expected to exercise reasonable judgment in the use of SCFHP's funds. Employees must comply with SCFHP guidelines relating to all purchasing procedures, payment limits and travel and entertainment expense.

Avoiding conflicts of interest

"SCFHP encourages employee participation in non-profit activities. Representing oneself as an employee of SCFHP through associations or activities that might conflict or appear to conflict with SCFHP's interests is prohibited. We avoid doing business with competitors or other organizations that might conflict with the values at SCFHP. We do not accept gifts of any material value from contractors or members, or give gifts to them. We do not take advantage of our association with SCFHP for personal gain."

Activities and relationships beyond SCFHP

As SCFHP employees, and Governing Board members and committee members, we must make certain that our outside activities do not in any way conflict with, appear to conflict with, or pose a hazard to SCFHP. To ensure that SCFHP leadership is apprised of any activities that may create an actual or apparent conflict, it is SCFHP's policy that employees, Governing Board members and committee members must advise the CEO of any non-SCFHP activity, associations or investment that might influence the individual's business decisions or ability to carry out his or her duties objectively.

Entertainment, gifts and gratuities

SCFHP understands that entertaining – including meals, social events or training and educational activities – is an overall accepted practice of many businesses, but at SCFHP it is not. As a government contracted entity, we may not accept gifts or gratuities of any material value. If such are received, they may be donated to charities, made available to all employees, or returned to the sender with acknowledgement of their support and return of the item(s).

Refrain from giving or accepting gifts to or from vendors, customers and other business associates. It is the employee's responsibility to report or seek counsel should the employee receive or give gifts.

Procuring services from vendors and suppliers

As an SCFHP employee, you must procure services or products consistent with applicable legal and regulatory requirements and SCFHP policies and procedures. Employees must offer fair and equal opportunity to vendors and suppliers seeking to do business with SCFHP, and employees must negotiate and buy products and services without prejudice or favoritism. At SCFHP employees should not procure services for personal gain or to enhance personal relationships.

Fundraising and solicitation activities

To avoid conflicts of interest and to ensure that required business activities are performed in an effective and efficient manner, distributing leaflets, flyers, or other forms of printed or written materials during work time is prohibited. Notwithstanding this prohibition, the Union shall have the right to post notices of activities and matters of Union concern on the designated bulletin board.

For further direction as to the requirements for fundraising and solicitation activities please refer to the employee handbook or talk with a Human Resources representative.

Participation on Governing Boards/Board of Trustees

Upon request, an employee shall disclose services as a member of the Governing Board/Board of Trustees of any organization. A director, officer, or other employee must notify the CEO prior to beginning service as a member of the Governing Board of any organization whose interests may conflict with those of SCFHP. SCFHP reserves the right to prohibit such membership where there might be a conflict or appearance of conflict. The CEO will consult with the Compliance Committee and/or legal counsel to determine if participation may conflict with the interests of SCFHP.

Addressing health care resources

"We strive to provide members with health care services and products that are appropriate, efficient and cost effective. We commit to working with providers and using our resources wisely to continuously improve the health of our members."

Use of health care resources and quality improvement

SCFHP continually looks for ways to improve health outcomes for our members while effectively managing our resources. Our methods include making evidence-based decisions, fairly administering benefits to members and educating members and providers. Our goal is to assure that members receive the right care at the right time in the right place.

We promote continuous quality improvement and are committed to complying with state and federal regulations regarding health care.

Fraud, waste, and abuse

SCFHP is committed to ensuring that our employees, plan members, providers, suppliers, vendors, and anyone else doing business with or associated with SCFHP complies with federal and state anti- fraud and abuse laws. The following are some examples of prohibited activities:

- Direct, indirect or disguised payments in exchange for the referral of potential members;
- Submitting false, fraudulent reports to any government entity to substantiate a request for payment to SCFHP, including stating that services were provided that were not rendered, reports that characterize the service differently than the service actually rendered, or other submissions of information or data that does not otherwise comply with applicable program or contractual requirements;
- Submission by providers of claims for payment by SCFHP for services that were not rendered, or substandard care or care that did not meet generally recognized standards of practice; and
- False representations by potential members in order to gain or retain participation in a SCFHP program or to obtain payment for any service.

Obeying the law

"We always uphold the law while working at SCFHP. We commit to obeying all federal, state and local regulations with regard to our health plans and all our business units. We do not condone the use of illegal substances, the abuse of legal substances, fraud, embezzlement or any other illegal activities."

Regulatory obligations

As a consumer health service organization and a government contracted entity, SCFHP is heavily regulated by federal, state and local agencies. Some of our regulated business practices include:

- Ensuring that medical services and business practices meet quality assurance standards and protect member rights and confidentiality;
- Managing provider networks and health care delivery systems to make certain they meet contractual requirements and are accessible to our members;
- Monitoring the appropriate utilization of health care resources and ensuring that the most cost effective, medically necessary, covered services are not inappropriately denied;
- Providing for expeditious handling of members' complaints and appeals;
- Processing claims accurately and promptly;
- Conducting sales and marketing activities ethically and within established regulations and guidelines;
- Ensuring accurate and timely administration of membership accounting, including enrollment, disenrollment, member status and other requirements;
- Promoting a work environment for employees that is safe, ethical and founded on principles of equal employment and non-discrimination; and
- Ensuring the accuracy of SCFHP's financial statements and business activities in general.

External audits and reviews

Frequently we will have outside parties on site to perform financial and regulatory audits and reviews of our financial statements, operations and business practices. These outside parties include independent auditors and federal and state government regulators and inspectors. It is SCFHP's policy to fully cooperate with these auditors and provide them with all necessary information.

Prior to and during these audits or inspections, you must:

- Never conceal, destroy or alter any documents;
- Never give any false or misleading statements to inspectors;
- Never provide inaccurate information; and
- Never obstruct, mislead or delay communication of information or records about a possible violation of law.

Illegal activities

SCFHP and our employees must not engage, directly or indirectly, in any corrupt business practices or other illegal activities, including, among other things, fraud, embezzlement, kickback arrangements or drug use.

Fraud includes such things as falsifying documents or misappropriating company assets. Health care fraud occurs when someone uses false pretenses, representations, promises or other means to defraud or otherwise obtain money, service or property from any health care benefit program.

Embezzlement involves the attempt to take, for personal use, money or property, which has been entrusted to you by others without their knowledge or permission.

A kickback arrangement involves accepting or offering bribes or payoffs intended to induce, influence or reward actions of any person or entity in a position to benefit SCFHP. Such persons or entities include customers, contractors, vendors and government personnel.

Financial Reporting

All financial reports, accounting records, research reports, expense accounts, time sheets and other documents accurately and clearly represent the relevant facts or the true nature of a transaction. Improper or fraudulent accounting, documentation or financial reporting is contrary to the policy of SCFHP and may be in violation of applicable laws. SCFHP abides by all relevant tax laws and files reports in a manner consistent with applicable laws and regulations.

Political and lobbying activities

Officers, directors, and general employees are restricted from engaging in activities that may jeopardize the tax exempt status of SCFHP, including participation in various lobbying or political activities.

Individuals shall not make agreements to contribute monies, property, or services of any officer or employee at SCFHP's expense to any political candidate, party, organization, committee or individual in violation of any law. Officers, directors, and employees are not restricted from personally participating in and contributing to political organizations or campaigns, but must not do so under the SCFHP name or use SCFHP funds.

SCFHP has many contacts and dealings with governmental bodies and officials. Such contacts and transactions are expected to be conducted in an honest and ethical manner. Any attempt to influence decision-making processes of governmental bodies or officials by an improper offer of any benefit is prohibited. Any requests or demands by any governmental representative for a payment or other improper favor should be reported immediately through http://icat/Pages/Default.aspx or directly to your manager or the Compliance Officer or any member of the Compliance Committee.

Sales, marketing and advertising standards

We are committed to growing our membership through a well-trained, highly professional staff. All SCFHP member outreach representatives are committed to fair, forthright and legally compliant and marketing practices. We adhere to any state regulations that require sales representatives to be licensed.

We do not engage in corrupt marketing practices, including misrepresentation of our covered services or "redlining," which refers to the practice of avoiding sales in specific geographic areas or neighborhoods.

When advertising our products and services, we present only truthful, non-deceptive information. In many cases, advertising and marketing materials require approval from regulatory agencies prior to distribution. When required, SCFHP submits materials to agencies and ensures their full compliance with applicable regulations.

Copyright laws

SCFHP complies with state, federal and foreign laws pertaining to copyright protection. Our compliance includes, but is not limited to, laws that prohibit duplication of print materials, licensed computer software and other copyright-protected works.

We expect compliance with all copyright protections, including refraining from using company property to display, copy, play, store, transfer, transmit, download music or other sound recording (including CDs and MP3 or similar file formats), copyrighted pictures or images, motion pictures, clips (including AVI, Mpeg, DVDs or other similar formats), or other non-business-related materials (e.g., games, screensavers).

Medi-Cal and Cal MediConnect Benefit Plans

SCFHP employees are required to follow the legal and regulatory requirements pertaining to our relationship as a government contracted entity servicing Medi-Cal and Cal MediConnect benefits. The requirements for these programs are established in the DHCS, DMHC and CMS regulations and manuals.

As a government contracted entity, SCFHP is obligated to abide by federal, state and local laws pertaining to that relationship. Penalties for breaking government contract laws and regulations can be severe and negatively impact SCFHP, its business, and reputation.

Excluded parties

SCFHP takes steps to ensure that it does not engage in relationships with or make any payments to individuals or entities that are debarred, suspended, or otherwise excluded from participating in state or federally funded programs. This applies to the Governing Board or any committee, employees, contractors, consultants, providers, delegated entities, and vendors.

Document Retention

SCFHP maintains a record retention process that supports the requirements of federal law, regulations, and policies and procedures. Should SCFHP or anyone associated with SCFHP be involved in any litigation activities, SCFHP will not alter, destroy or throw away information that may be related to the dispute. All employees are required to abide by this requirement.

Government requests or requests for information

SCFHP employees should notify their supervisor and the Compliance Officer (or any member of the Compliance Committee) if they are approached by an agent or official of the state or federal government, and asked to provide information, records, documents or answer questions if the request is not related to a routine report or workforce activity, or was not scheduled in advance.

Should you receive subpoena, court order, notification of legal action (or threat thereof), or become aware of fraud and abuse investigations, or requests for information from third parties, you are requested to forward such communication to the compliance department for handling and response.

Responsibilities & consequences

SCFHP's guidelines and policies cannot address every potential situation or issue that employees may encounter. Employees must have a thorough understanding of SCFHP's code of ethics, guidelines and policies and procedures so he or she can effectively evaluate the specific situations.

Employee responsibilities

SCFHP provides employees with training so they are knowledgeable about our ethics and compliance initiatives. In return, we rely on the employee to help ensure that those initiatives remain a priority. We expect the employee to uphold all of the standards outlined in these guidelines and to report known or suspected violations of those standards.

Reporting suspected violations

Take responsibility for safeguarding SCFHP's integrity. If you observe potential violations of law or the company code of ethics, report them. Failure to do so could pose a risk to SCFHP or, in the case of illegal activities or regulatory violations, a risk to you, your co-workers or SCFHP's members.

Resolution and non-retaliation

Once a problem or suspected violation has been reported, SCFHP will take appropriate action to review the reported matter. We will not retaliate against you for reporting ethics or compliance violations in good faith. Anyone who engages in retaliatory activity is subject to disciplinary action, up to and including termination.

Consequences of violations

SCFHP will be thorough in our review of possible ethics or compliance violations. Employees may be subject to appropriate disciplinary action, up to and including termination, for engaging in activities such as, but not limited to:

- Authorizing or participating in actions that violate SCFHP guidelines, policies and procedure;
- Failure to report a possible violation of SCFHP guidelines, policies and procedures;
- Refusing to cooperate with a compliance investigation;
- Disclosing confidential information to any unauthorized person, company, organization or government agency about an inquiry without authorization;
- Retaliating against someone for reporting misconduct or violations; or
- Filing intentional false reports of misconduct or violations.

The degree of disciplinary action will be determined by the nature and surrounding circumstances of the violation.

Where to find answers to your questions and report issues

Ethics and compliance resources

Standards of Conduct are meant to provide an overview of SCFHP's policies on ethics, compliance and conduct-related issues. This publication is a living document and is subject to change as we refine our policies and procedures, and as government agencies and regulators modify their rules.

If you need more information or if you have an ethics or compliance-related question, the best thing to do is to talk with your supervisor or Human Resource Representative. Employees may also contact the Compliance Department directly. These individuals are the best sources for helping you understand the laws, regulations and practices that affect your work.

In addition, we encourage you to explore the following resources:

SCFHP's employee handbook

The handbook covers various topics, including employment, benefits, performance reviews, wage and salary information, and employee relations subjects such as dress code, workplace conduct, counseling, and health and safety issues. The employee handbook also directs you to the appropriate policies and procedures for each topic.

SCFHP's Intranet

This site contains extensive information on company policies, procedures and standards that affect your work.

Where to report issues

If you have an ethics or compliance question or concern, you have the following options:

- Talk with your supervisor. S/He is familiar with you and the issues in your workplace.
- Contact your Human Resource representative.
- Send a report using the Compliance Reporting Form.
- Contact the Compliance Officer.
- Call the anonymous and confidential Compliance Hotline

~~The Compliance Reporting Form allows employees to communicate violations or concerns anonymously without retaliation. If you report an issue through this method or other confidential reporting mechanism and choose to remain anonymous, be prepared to provide the location and enough information about the incident or circumstances to allow for the initiation of a review.~~

SCFHP's policy is to preserve the confidentiality of individuals who communicate suspected violations who are questioned in an investigation, subject to limits imposed by law. To the extent possible, all reported issues are treated as confidential and no attempt is made to identify the submitter from which the information was received.

POLICY

Policy Title:	**Corrective Actions**	**Policy No.:**	CP.07 v2
Replaces Policy Title (if applicable):		**Replaces Policy No. (if applicable):**	
Issuing Department:	Compliance	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒ Medi-Cal	☒ CMC	

I. Purpose

The purpose of this policy is to establish the standards that Santa Clara Family Health Plan (SCFHP) utilizes to correct actual or potential non-compliance, fraud, waste and abuse (FWA) and/or unethical conduct, and to promote a culture of compliance and continuous improvement.

II. Policy

SCFHP issues corrective actions to internal business units, individuals, ~~and/or~~ First Tier, Downstream and Related Entities (FDRs), and/or delegated entities as appropriate, upon the identification of non-compliance, unethical behavior or FWA to correct and prevent the issue(s) from recurring.

III. Responsibilities

A. Compliant activities and ethical behavior is the responsibility of all SCFHP employees, temporary staff, volunteers, interns, consultants and Governing Body members (Employees), ~~and~~ FDRs, and delegated entities. Accordingly, the following are responsible for issuing, investigating, supporting and/or demonstrating remediation of corrective actions associated with potential non-compliance, unethical behavior or FWA:

1. SCFHP managers and directors may issue corrective actions for their staff to resolve issues identified during regular monitoring;
2. SCFHP's compliance department may issue corrective actions for internal business units, individuals and/or FDRs/delegated entities to resolve issues identified during regular monitoring, auditing or associated with regulatory reporting requirements that have not been met;
3. The Compliance Committee may recommend the issuance of corrective actions based on their review of potential issues presented for their guidance and input;

4. The Governing Body may request corrective actions based on the organization's overall financial or operational performance;
5. SCFHP's Human Resources may issue performance improvement plans (PIPs), a form of corrective action, when it identifies systemic performance or behavioral issues demonstrated by employees; and
6. FDRs/delegated entities may issue corrective actions to its staff and/or downstream entities that support SCFHP's government-funded health care programs.

B. All SCFHP Employees and FDRs/delegated entities are responsible for participation in, and remediation of, any regulatory corrective actions issued by regulatory agencies to SCFHP.

IV. References

42 C.F.R. § 422.503(b)(4)(vi)(G)
42 C.F.R. § 423.504(b)(4)(vi)(G)
Medicare Managed Care Manual, Chapter 21, Section 50.7.2
Medicare Prescription Drug Benefit Manual, Chapter 9, Section 50.7.2

V. Approval/Revision History

First Level Approval	Second Level Approval
Anna Vuong Manager, Medi-Cal Compliance Date	Tyler Haskell Interim Compliance Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
v1	Original	Compliance Committee	Approved/2/28/19	Ratify/3/28/19
v2	Revised			

POLICY

Policy Title:	**Compliance Training**	**Policy No.:**	CP.10 v2
Replaces Policy Title (if applicable):		**Replaces Policy No. (if applicable):**	
Issuing Department:	Compliance	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒Medi-Cal	☒CMC	

I. Purpose

The purpose of this policy is to ensure all Santa Clara Family Health Plan (SCFHP) employees, temporary staff, volunteers, consultants, and board members ("Employees"), ~~and~~ First-tier, Downstream and Related entities (FDRs), and delegated entities receive appropriate training and comply with all state, federal and SCFHP compliance requirements and policies.

II. Policy

SCFHP ensures that all Employees, ~~and~~ FDRs, and delegated entities receive general compliance training that includes SCFHP's Standards of Conduct and compliance policies and procedures, and FWA training upon hire, appointment or contract, upon any updates in regulatory requirements, and annually thereafter (within the 12-month period from the prior training cycle).

III. Responsibilities

A. General compliance and FWA training is a cross-departmental activity and managed by the following B~~b~~usiness U~~u~~nits:
   1. Human Resources, in collaboration with the Compliance Department, is responsible for conducting new hire orientation training that includes general compliance and FWA training within 90 days of hire for all Employees, upon updates to regulatory requirements, and annually thereafter.
   2. Provider Network Management is responsible for communicating the requirements for SCFHP's contracted provider network to provide new hire and annual general compliance training to its staff.
   3. The Compliance Department is responsible for communicating to SCFHP's FDRs and delegated entities the requirements for providing general compliance and FWA training to all FDR staff within 90 days of hire, upon updates to regulatory requirements, and annually thereafter.

POLICY

IV. References

42 C.F.R. § 422.503(b)(4)(vi)(C)
42 C.F.R. § 423.504(b)(4)(vi)(C)
Medicare Managed Care Manual, Chapter 21, Section 50.3.1
Medicare Prescription Drug Benefit Manual, Chapter 9, Section 50.3.1

V. Approval/Revision History

First Level Approval	Second Level Approval
Anna Vuong Manager, Medi-Cal Compliance Date	Tyler Haskell Interim Compliance Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
v1	Original	Compliance Committee	Approved/2/28/19	Ratify/3/28/19
v2				

POLICY

Policy Title:	**Annual Compliance Program Effectiveness Audit**	**Policy No.:**	CP.12 v2
Replaces Policy Title (if applicable):		**Replaces Policy No. (if applicable):**	
Issuing Department:	Compliance	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒ Medi-Cal	☒ CMC	

I. Purpose

The purpose of this policy is to establish the standards that Santa Clara Family Health Plan (SCFHP) utilizes to implement, monitor, measure and promote an effective compliance program that detects, corrects and prevents non-compliance and fraud, waste and abuse.

II. Policy

SCFHP performs an annual, comprehensive compliance program audit or assessment to measure the overall effectiveness of its compliance program.

III. Responsibilities

A. SCFHP's compliance department identifies qualified, independent individuals or entities that are subject matter experts in conducting annual compliance program audits or assessments.
B. The Compliance Committee will review and approve the Compliance Officer's candidates prior to the award of the contract.
C. SCFHP's Compliance Officer and Compliance Committee are responsible for reviewing the compliance program audit or assessment report and making recommendations for corrective actions, where appropriate.
D. The Compliance Department conducts regular monitoring of compliance program operational activities through the use of established dashboard metrics.

IV. References

42 C.F.R. § 422.503(b)(4)(vi)(F)
42 C.F.R. § 423.504(b)(4)(vi)(F)
Medicare Managed Care Manual, Chapter 21, Section 50.6.7
Medicare Prescription Drug Benefit Manual, Chapter 9, Section 50.6.7

POLICY

V. Approval/Revision History

First Level Approval	Second Level Approval
Anna Vuong Manager, Medi-Cal Compliance Date	Tyler Haskell Interim Compliance Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
v1	Original	Compliance	Approved / 2/28/19	Ratify / 3/28/19
v2				

POLICY

Policy Title:	**Standards of Conduct**	**Policy No.:**	CP.15 v2
Replaces Policy Title (if applicable):		**Replaces Policy No. (if applicable):**	
Issuing Department:	Compliance	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒Medi-Cal	☒CMC	

I. Purpose

The purpose of this policy is to state Santa Clara Family Health Plan (SCFHP)'s overarching principles and values by which SCFHP operates and define the underlying framework for its compliance policies and procedures.

II. Policy

SCFHP has formal Standards of Conduct describing the expectations that apply to all employees, temporary employees, volunteers, interns, consultants and Governing Body members (Employees), ~~and~~ F~~f~~irst ~~t~~Tier, ~~d~~Downstream and ~~r~~Related entities (FDRs), and d~~D~~elegated entities~~s~~ in conducting themselves in an ethical manner.

III. Responsibilities

A. SCFHP's Compliance Officer is responsible for:
   1. Updating the Standards of Conduct to incorporate changes in applicable laws, regulations, and other program requirements; and
   2. Obtaining approval from the Compliance Committee of the Board whenever updates are made to the Standards of Conduct.

B. SCFHP's Human Resources is responsible for ensuring that the Standards of Conduct and the underlying compliance policies and procedures are distributed to all Employees upon hire and annually thereafter.

C. SCFHP's Compliance ~~Manager~~ Department is responsible for ensuring all FDRs and d~~D~~elegated entities~~s~~ have access to SCFHP's Standards of Conduct.

D. The Compliance Committee of the Board is responsible for review and approval of updates made to the Standards of Conduct.

IV. References

42 C.F.R. § 422.503(b)(4)(vi)(A)

POLICY

42 C.F.R. § 423.504(b)(4)(vi)(A)
Medicare Managed Care Manual, Chapter 21, Section 50.1.1
Medicare Prescription Drug Benefit Manual, Chapter 9, Section 50.1.1

V. Approval/Revision History

First Level Approval	Second Level Approval
Anna Vuong Manager, Medi-Cal Compliance Date	Tyler Haskell Interim Compliance Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
v1	Original	Compliance Committee	Approved/2/28/19	Ratify/3/28/19
v2				

POLICY

Policy Title:	**Risk Assessments**	**Policy No.:**	CP.17 v2
Replaces Policy Title (if applicable):		**Replaces Policy No. (if applicable):**	
Issuing Department:	Compliance	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒ Medi-Cal	☒ CMC	

I. Purpose

The purpose of this policy is to establish Santa Clara Family Health Plan (SCFHP)'s commitment to identifying, prioritizing, and assigning accountability for managing existing or potential threats related to noncompliance or ethical misconduct that could lead to fines or penalties, reputational damage, or the inability to continue operations in its government-funded health care programs.

II. Policy

SCFHP employs a standardized and consistent methodology for assessing its internal operational risks, contractual and regulatory risks, as well as the risks associated with delegated activities performed by it First Tier, Downstream and Related Entities (FDRs) and delegated entities that are designed to prioritize monitoring and auditing activities according to specified risk categorizations.

III. Responsibilities

A. SCFHP's Compliance Officer is responsible for the:
   1. Development and maintenance of SCFHP's risk assessment system;
   2. Annual implementation of the risk assessment process;
   3. Annual effectiveness reviews of the risk assessment system;
   4. Education of all stakeholders on the results and implications of the annual risk assessment; and
   5. Development of an annual monitoring and auditing work plan derived from the results of the annual risk assessment.

B. SCFHP's Compliance Department is responsible for establishing monitoring and auditing schedules based on the risk prioritization established by the risk assessment process.

C. SCFHP's Compliance Department is responsible for educating FDRs and dDelegated entities on SCFHP's risk assessment policy and procedure.

D. The Compliance Committee of the Board is responsible for assisting with the implementation and oversight of the risk assessment process, including approval of the annual monitoring and auditing work plan that is derived from the annual risk assessment process.
E. The Governing Body is responsible for reviewing and approving the risk assessment process.

IV. References

42 C.F.R. §§ 422.503(b)(4)(vi)(B) and (F)
42 C.F.R. §§ 423.504(b)(4)(vi)(B) and (F)
Medicare Managed Care Manual, Chapter 21, §§ 50.2.2, 50.2.3, 50.6.2
Medicare Prescription Drug Benefit Manual, Chapter 9, §§ 50.2.2, 50.2.3, 50.6.2

V. Approval/Revision History

First Level Approval	Second Level Approval
Mai Phuong-Nguyen Oversight Program Manager	Tyler Haskell Interim Compliance Officer
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
v1	Original	Compliance Committee	Approved/2/28/19	Ratify/3/28/19
v2				

POLICY

Policy Title:	**Communication Between SCFHP and FDR/Delegated Entities**	**Policy No.:**	DE.04 v2
Replaces Policy Title (if applicable):	Delegated Entity Communication Process	**Replaces Policy No. (if applicable):**	DE004, DE204
Issuing Department:	Compliance	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒ Medi-Cal	☒ CMC	

I. Purpose

The purpose of this policy is to establish the Santa Clara Family Health Plan (SCFHP) requirements regarding communication between SCFHP and its First Tier, Downstream and Related Entities (FDRs)/delegated entities.

II. Policy

SCFHP uses a variety of methods to communicate with FDRs/delegated entities in order to ensure compliance with applicable federal, state, and SCFHP contractual requirements.

A. SCFHP communication methods with the FDR/delegated entity include electronic, telephonic, external, and in-person.

B. SCFHP's formal communications with the FDR/delegated entity are documented. Formal Communications are defined as:
   1. Audit Notices
   2. All Plan Letters
   3. Regulatory Requirements
   ~~3.~~4. Corrective Action Plans

C. SCFHP initially and annually thereafter, reviews the communication processes, methods, ~~demographic information~~ and contact informations~~s~~ between SCFHP and ~~the~~ FDR/delegated entity.

III. Responsibilities

The Compliance Department is responsible for carrying out the terms of this policy.

A. The Compliance Department is responsible for the:
   1. Communication methodology established between SCFHP and the FDR/delegated entity.
   2. Oversight of the communication process between SCFHP and the FDR/delegated entity.

POLICY

IV. References

DHCS: SCFHP Contract with DHCS Exhibit A, Attachment 4
CMS: Three-Way contract between SCFHP, DHCS, CMS
NCQA: NCQA Health Plan Standards, 202017

V. Approval/Revision History

First Level Approval	Second Level Approval
Leanne Kelly Compliance Audit Program Manager Date	Tyler Haskell Interim Compliance Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
v1	Original	Delegation Oversight Committee	4/28/2016	n/a
v2	Revised			

POLICY

Policy Title:	**Joint Operations Committee Meetings Between SCFHP and FDRs/Delegated Entities**	**Policy No.:**	DE.05 v2
Replaces Policy Title (if applicable):	Delegation Oversight Joint Operations Committee Meeting	**Replaces Policy No. (if applicable):**	DE005 DE205
Issuing Department:	Compliance	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒ Medi-Cal	☒ CMC	

I. Purpose

The purpose of this policy is to establish the Santa Clara Family Health Plan (SCFHP) requirements to conduct and participate in Joint Operations Committee (JOC) meetings between SCFHP and its First Tier, Downstream and Related Entities (FDRs)/delegated entities.

II. Policy

SCFHP establishes, conducts, and participates in JOC meetings with FDRs/delegated entities. The JOC meetings occur on at least an annual basis with each FDR/delegated entity. JOC meetings may be held in person, via webinar, or telephonic. A standard agenda will be established with specific needs of the FDR/delegated entity and SCFHP. FDRs/delegated entities and key SCFHP participants have the opportunity to submit agenda topics prior to each JOC meeting. Ad hoc meetings may be scheduled at the request of the FDR/delegated entity or by SCFHP.

III. Responsibilities

The Compliance Department and Provider Network Management are responsible for carrying out the terms of this policy.

A. The Provider Network Management Department is responsible for:

1. Managing all JOC meetings for FDRs/delegated entities that have network providers

~~A.~~B. The Compliance Department is responsible for:

1. Managing all JOC meetings for FDRs/delegated entities that do not have network providers

~~B.~~C. Managing the JOC meetings includes:

1. Scheduling JOC meetings
2. Participating in the JOC meetings
3. Documenting the JOC meeting in the standardized meeting minute format
4. Distributing all related documents to the JOC participants
5. Escalating JOC activities if necessary to the Oversight Workgroup or Compliance Committee

6. Relaying applicable information from the Compliance Committee or regulators to the FDR/delegated entity through the JOC.

~~C.~~D. Business Units representing areas of delegation are responsible for staffing and/or participating in the JOC, providing meeting materials when applicable, and addressing issues involving the FDR/delegated entity.

~~D.~~E. Quality Improvement Department is responsible for:

1. Reporting JOC activities to the Quality Improvement Committee (QIC).
2. Relaying applicable information from the QIC to the FDR/delegated entity through the JOC.

IV. References

DHCS: SCFHP Contract with DHCS Exhibit A, Attachment 4
CMS: Three-Way contract between SCFHP, DHCS, CMS
NCQA: NCQA Health Plan Standards, 202017~~7~~

V. Approval/Revision History

First Level Approval	Second Level Approval
Leanne Kelly Compliance Audit Program Manager Date	Tyler Haskell Interim Compliance Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
v1	Original	Delegation Oversight Committee	4/28/2016	n/a
v2				

POLICY

Policy Title:	**FDR/Delegated Entity Reporting**	**Policy No.:**	DE.12 v2
Replaces Policy Title (if applicable):	Delegated Entity Reporting Process	**Replaces Policy No. (if applicable):**	DE012, DE212
Issuing Department:	Compliance	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒ Medi-Cal	☒ CMC	

I. Purpose

The purpose of this policy is to establish the Santa Clara Family Health Plan (SCFHP) requirements to accept, process, and monitor reporting from First Tier, Downstream and Related Entities (FDRs)/delegated entities.

II. Policy

~~Santa Clara Family Health Plan (~~SCFHP~~)~~ accepts and processes reports from FDRs/delegated entities following the timeframes established by state and federal regulations, and identified in the delegate's contract and delegation agreement.

Reporting by FDRs/delegated entities~~s~~ includes both regular ongoing reporting defined by the delegation agreement as well as any reporting required defined by a corrective action plan, as applicable.

III. Responsibilities

The Compliance Department is responsible for carrying out the terms of this policy.

A. The Compliance Department is responsible for:
   1. Notifying the FDR/delegated entity of the SCFHP reporting requirements~~.~~
   2. Monitoring the FDRs/~~-~~delegated entity's report submissions to SCFHP~~.~~
   3. Communicating non-compliance to the FDR/delegated entity~~.~~
   4. Issuing a corrective action plan when applicable~~.~~
   5. Reporting non-compliance to the Oversight Workgroup and Compliance Committee~~.~~ if necessary

B. Business units are responsible for:

   1. Receiving and processing applicable reporting from the FDR/delegated entity~~s.~~
   2. Reporting non-compliance to the Compliance Department

C. The Quality Department is responsible for reporting non-compliance to the Quality Improvement Committee.

IV. References

DHCS: SCFHP Contract with DHCS Exhibit A, Attachment 4
CMS: Three-Way contract between SCFHP, DHCS, CMS
NCQA: NCQA Health Plan Standards, 202017

V. Approval/Revision History

First Level Approval	Second Level Approval
Leanne Kelly Compliance Audit Program Manager Date	Tyler Haskell Interim Compliance Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
v1	Original	Delegation Oversight Committee	4/28/2016	n/a
v2				

Regular Meeting of the

Santa Clara County Health Authority
Quality Improvement Committee

Wednesday, October 21, 2020, 6:00 PM – 8:00 PM
Santa Clara Family Health Plan, Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes - Approved

Members Present	Specialty	Staff Present
Ria Paul, MD, Chair	Geriatric Medicine	Chris Turner, Chief Operating Officer
Ali Alkoraishi, MD	Adult & Child Psychiatry	Tyler Haskell, Interim Compliance Officer
Nayyara Dawood, MD	Pediatrics	Chelsea Byom, Director, Marketing & Communications
Jennifer Foreman, MD	Pediatrics	Janet Gambatese, Director Provider Network Operations
Jimmy Lin, MD	Internist	Johanna Liu, PharmD, Director, Quality & Process Improvement
Lily Boris, Medical Director		Raman Singh, Director, Case Management
Christine Tomcala, Chief Executive Officer		Theresa Zhang, Manager, Communications
Members Absent		Natalie McKelvey, Manager, Behavioral Health
Jeffery Arnold, MD	Emergency Medicine	Carmen Switzer, Manager, Provider Network Access
Laurie Nakahira, D.O., Chief Medical Officer		Lucile Baxter, Manager, Quality & Health Education
		Victor Hernandez, Grievance & Appeals Quality Assurance Program Manager
		Bryon Lu, Process Improvement Manger
		Jayne Giangreco, Manager, Administrative Services
		Rita Zambrano, Executive Assistant

1. Roll Call

Ria Paul, MD, Chair, called the meeting to order at 6:03 pm. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

3. Meeting Minutes

Minutes of the August 12, 2020 Quality Improvement Committee (QIC) meeting were reviewed.

It was moved, seconded and the minutes of the August 12, 2020 meeting were **unanimously approved.**

Motion: Dr. Dawood
Second: Dr. Alkoraishi

Ayes: Dr. Alkoraishi, Dr. Boris, Dr. Dawood, Dr. Foreman, Dr. Paul, Ms. Tomcala
Absent: Dr. Arnold, Dr. Foreman, Dr. Lin

4. CEO Update

Christine Tomcala, Chief Executive Officer, reported the current Plan membership is 266,000 members. Of which, approximately 9,600 are Cal MediConnect (CMC) members and 256,500 are Medi-Cal members. Santa Clara Family Health Plan's (SCFHP) membership continues to increase. However, this increase isn't caused by new members, but rather by their redeterminations that are on hold due to the public health emergency.

Ms. Tomcala spoke to the Pharmacy benefit being transitioned on January 1, 2021. A state-wide Pharmacy Benefit Manager (PBM), Magellan, will be responsible for all Medi-Cal pharmacy benefits. This will include enteral nutrition amongst others. Dang Huynh, Director, Pharmacy and Therapeutics, and the Pharmacy team are currently working on a transition plan. With a major transition such as this, SCFHP anticipates some hiccups, but is hopeful for a smooth transition for our members.

Ms. Tomcala announced a second outbreak of COVID-19 within the skilled nursing facilities (SNF) over the past couple of weeks. There was an issue with one SNF in particular, Gilroy Healthcare and Rehab, a Covenant Care Facility. An outbreak occurred within this center and was reported on the news just this last week. The outbreak started in the summer, however, Gilroy Healthcare and Rehab was not forthcoming in reporting members with COVID-19 to SCFHP when asked. SCFHP learned a number of our members within Gilroy Healthcare and Rehab had COVID-19, and some of which, have passed on.

Dr. Alkoraishi inquired if it's possible to obtain a copy of the Magellan pharmacy benefit formulary, specific to psychotropic medication. Dr. Boris spoke to this and shared she does not expect changes for psychotropic medications, as they are a Medi-Cal carve out for fee-for-service. SCFHP does not oversee this formulary. No further questions were asked.

Dr. Foreman joined the meeting at 6:13pm

5. Annual Assessment of Physician Directory Accuracy Report 2020

Janet Gambatese, Director, Provider Network Operations, reviewed the Annual Assessment of Physician Directory Accuracy Report 2020. Ms. Gambatese presented a high level overview of goals SCFHP did not meet, their barriers, and how SCFHP can overcome them.

Dr. Paul asked why the provider participation was so, with only 60 providers. Ms. Gambatese explained the survey is administered to a select 60 providers. No further questions were asked.

It was moved, seconded and the Annual Assessment of Physician Directory Accuracy Report 2020 was **unanimously approved.**

Motion: Dr. Foreman
Second: Dr. Alkoraishi
Ayes: Dr. Alkoraishi, Dr. Boris, Dr. Dawood, Dr. Foreman, Dr. Paul, Ms. Tomcala
Absent: Dr. Arnold, Dr. Lin

6. Provider Satisfaction Survey MY2020 Analysis

Dr. Lin joined the meeting at 6:31pm.

Carmen Switzer, Provider Network Access Manager, presented the Provider Satisfaction Survey (PSS) MY2020 Analysis. Ms. Switzer reviewed SCFHP's goals and objectives, the methodology, results of the PSS, and any areas for improvement.

Dr. Paul asked why there wasn't participation from Palo Alto Medical Foundation (PAMF) this year. Ms. Switzer explained the most SCFHP can do is hope the providers will complete the survey.

Dr. Lin asked if there is an incentive for the providers to complete the PSS. Ms. Switzer confirmed incentives are not provided, as the hope is that providers would want to provide input so that SCFHP can make

improvements. Ms. Switzer added she will follow up with PAMF to increase their participation.

It was moved, seconded and the Provider Satisfaction Survey MY2020 Analysis was **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Dr. Dawood
Ayes: Dr. Alkoraishi, Dr. Boris, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Paul, Ms. Tomcala
Absent: Dr. Arnold

7. Call Code Analysis for Assessing Member Understanding of Policies and Procedures

Theresa Zhang, Manager, Communications, presented the Call Code Analysis for Assessing Member Understanding of Policies and Procedures. Ms. Zhang reviewed how SCFHP completed the analysis, its findings, and the opportunities for improvement.

Dr. Dawood asked if the member's preference in communication is determined by an SCFHP administered survey. Ms. Zhang explained that a postcard or form is being developed, rather than a survey, to mail to members. On this postcard or form, members can check the appropriate boxes to indicate their preferred method of communication and fill in their contact information. Ms. Zhang mentioned that the postcard and form are still in a preliminary stage, and ongoing discussions and planning are taking place.

No further questions were asked.

8. PHM 2C Activities and Resources

Natalie McKelvey, Manager, Behavioral Health, reviewed the PHM 2C Activities and Resources. Ms. McKelvey highlighted some of the populations identified in the assessment and how SCFHP is addressing their needs.

The QIC discussed the following needs and changes to programming, resources, and the community resources available to address these identified needs from the population assessment.

Members over 75 or adults with disabilities and have a dependency for 3 or more activities of daily living who currently reside in the community or a LTC facility have needs around transitions of care, personal care and social determinants of health such as food security. To address these complex needs, CM programs conduct a comprehensive assessment of ADLs, social determinants of health, financial management and more. Aunt Bertha, a large inventory of resources in the community, is now available organizationally to assist with the identification and coordination of community resources and social services for these members during this transition. Updates are made to this inventory as new resources become available. The intensive support needed for successful transition indicated additional staffing was warranted. Added a dedicated RN CM for members transitioning from LTC back to the community.

Members who are experiencing homelessness or housing instability had frequent hospitalization and multiple barriers to care related to social determinants of health. Added the Homeless Management Information System (HMIS) to the community resources list.

Members with SMI had frequent ED visits and a lack of sufficient connections with primary care physicians. BH Program identified a need for more intensive follow up after hospitalization to connect members with appropriate BH and Medical follow-up. BH CM team members were dedicated to conducting more frequent outreach. The team works closely with community based organizations to address the member's needs.

Dr. Paul asked for clarification as to what HMIS is. Ms. McKelvey explained HMIS is a county-run health management system, which can assess a member's food and housing needs, as well as offer available resources.

It was moved, seconded, and the PHM 2C Activities and Resources were **unanimously approved.**

Motion: Ms. Tomcala
Second: Dr. Lin

Ayes: Dr. Alkoraishi, Dr. Boris, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Paul, Ms. Tomcala
Absent: Dr. Arnold

9. Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey 2020

Johanna Liu, Pharm D, Director, Quality & Process Improvement, presented the CAHPS Survey 2020. Dr. Liu presented the CAHPS Survey objectives, timeline, response rate, 2020 updates, overall performance, and ratings. Dr. Liu reviewed the opportunities for improvement and the next steps in improving the work plan.

This concludes Dr. Liu's presentation. No questions were asked.

10. CY 19 HEDIS Measures Below MPL Analysis

Lucile Baxter, Manger, Quality Improvement, presented the four (4) HEDIS measures that performed below the MPL levels in 2019. These measures included: Asthma Medication Ration (AMR), Adolescent Well Care Visit (AWC), Cervical Cancer Screening (CCS), and Comprehensive Diabetes Care – HbA1c Testing (CDC-HT).

Ms. Baxter reviewed the current interventions for members and providers to help increase the rates on these HEDIS measures. Dr. Lin suggested SCFHP offer incentives to members for greater participation. Ms. Baxter explained the current incentives available for members. Dr. Foreman, VHP, would like to collaborate with SCFHP to help increase the completion rate of these measures. Ms. Baxter will connect with Dr. Foreman offline.

11. Policies

Ms. McKelvey reviewed minor changes to the policies. No questions were asked.

- **a.** QI.17 Behavioral Health Care Coordination. Minor sentence restructure in section II.B.
- **b.** QI.20 Information Sharing with San Andreas Regional Center (SARC). The APL was updated in section II.A.3.
- **c.** QI.21 Information Exchange Between SCFHP & County of Santa Clara Behavioral Health Services Department. No changes required.
- **d.** QI.22 Early Start Program. No changes required.
- **e.** QI.23 Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care (SBIRT). The Gateway Access phone number was updated in section II.D.

It was moved, seconded, and the Policies QI.17, QI.20, QI.21, QI.22, QI.23 were **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Dawood
Ayes: Dr. Alkoraishi, Dr. Boris, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Paul, Ms. Tomcala
Absent: Dr. Arnold

12. 2021 Board and Committee Meeting Calendar

Dr. Liu presented the 2021 Board and Committee Meeting Calendar. Dr. Liu reviewed the dates for the QIC meetings, and pointed out one of the QIC meeting dates that was moved outside of the regular meeting pattern.

There were no issues with the shared QIC meeting dates for 2021. This concludes Dr. Liu's presentation.

13. Grievance and Appeals Report Q2 2020

Victor Hernandez, Grievance & Appeals Quality Assurance Program Manager, presented the Grievance and Appeals Report for Q2 2020. Mr. Hernandez noted a decrease in cases received this year. This was likely due to COVID-19.

Mr. Hernandez reviewed the top three (3) Medi-Cal and CMC Grievance categories. Also reviewed were the grievances and appeals by network, vendor, reason, and the rational for overturns.

Ms. Tomcala suggested presenting the grievance rates moving forward. Mr. Hernandez agreed to include this in

future QIC presentations. No further questions were asked.

14. Quality Dashboard

Dr. Liu presented the Quality Dashboard. Dr. Liu reviewed the completion rates for the Initial Health Assessment (IHA) and Potential Quality of Care Issues (PQI). Also reviewed were SCFHP's Member Incentives, Outreach Call Campaign, Health Homes Program (HHP), and Facility Site Review (FSR).

No questions were asked.

15. Compliance Report

Tyler Haskell, Interim Compliance Officer, presented the Compliance Report. Mr. Haskell reviewed the recent and ongoing audit activity. Mr. Haskell announced the CMS Program Audit has been officially closed out and expressed his felicitations to the various departments and staff involved.

Dr. Lin inquired when the next CMS Program Audit would be conducted. Mr. Haskell confirmed the next CMS Program Audit would be in 2022.

Mr. Haskell announced the Compliance Program Effectiveness (CPE) Audit will be launched soon. Any findings will not be reported to CMS, but rather used internally to correct and improve performance.

16. Utilization Management Committee

Minutes of the July 15, 2020 Utilization Management Committee (UMC) meeting were reviewed by Dr. Lin.

It was moved, seconded and the minutes of the July 15, 2020 meeting were **unanimously approved.**

Motion: Ms. Tomcala
Second: Dr. Alkoraishi
Ayes: Dr. Alkoraishi, Dr. Boris, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Paul, Ms. Tomcala
Absent: Dr. Arnold

17. Pharmacy and Therapeutics Committee

Minutes of the June 18, 2020 Pharmacy and Therapeutics Committee (P&T) meeting were reviewed by Dr. Lin.

It was moved, seconded and the June 18, 2020 P&T Committee meeting minutes were **unanimously approved.**

Motion: Dr. Dawood
Second: Dr. Alkoraishi
Ayes: Dr. Alkoraishi, Dr. Boris, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Paul, Ms. Tomcala
Absent: Dr. Arnold

18. Credentialing Committee Report

Dr. Boris reviewed the Credentialing Committee Report for August 5, 2020. There were no questions asked.

It was moved, seconded, and the Credentialing Committee Meeting Report was **unanimously approved.**

Motion: Dr. Lin
Second: Ms. Tomcala
Ayes: Dr. Alkoraishi, Dr. Boris, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Paul, Ms. Tomcala
Absent: Dr. Arnold

19. Adjournment

The next QIC meeting will be held on December 9, 2020. The meeting was adjourned at 8:03 pm.

Ria Paul, MD, Chair _____ Date _____

Santa Clara Family Health Plan Assessment of Physician Directory Accuracy: 2020 Analysis

Quality Improvement Committee : 10/21/20

Overview

Santa Clara Family Health Plan (SCFHP) aims to provide its members and prospective members with the most accurate and up-to-date information possible in our physician directories. Provider directories function as a vehicle for our members to connect with our providers and access the healthcare delivery system. By performing routine outreach to our providers to keep their information up to date, we maintain our dedication to our members and their health. SCFHP monitors activities directed at improving the accuracy of the physician directory, as necessary, to improve the outcomes of the monitored activities.

Annually, SCFHP, reviews data associated with physician directory accuracy. Through analysis, SCFHP Plan identifies opportunities for improvement. During 2020, the following measures were monitored for aspects of physician directory accuracy.

Measure 1: Accuracy of office locations

Measure 2: Accuracy of phone numbers

Measure 3: Accuracy of hospital affiliations

Measure 4: Accuracy of accepting new patients

Measure 5: Awareness of physician office staff of physician's participation in the organization's network

SCFHP sets performance goals for each measure and through the analysis process, identifies opportunities to improve physician directory accuracy. The quantitative analysis process includes a review of results and compares those results against an established performance goal. In future measurement years, trends will be assessed. The qualitative analysis process utilizes the data to identify potential root cause and barriers applicable to achieving the performance goal. The process incorporates opportunities and interventions to address the root cause. SCFHP will track and trend each measure over a 3-year period, beginning with Baseline/Measurement Year 1:

1. Baseline/Measurement Year 3 2020
    a. Quantitative analysis
    b. Qualitative analysis to include barriers, opportunities and recommended interventions to meet performance goals in measurement year 3.
    c. Implementation of interventions for measurement year 3.

I. Methodology

SCFHP measures the rate of physician directory accuracy through a provider outreach campaign to confirm provider directory accuracy. The data informatics team pulls the latest data used to produce the provider directory. From the data extract, a statistically significant sample is randomly selected. The following parameters were used to calculate the sample size:

Parameter	Value
Margin of Error	10%
Confidence Level	90%
Population Size	451
Recommended Sample Size	60

Two provider data staff members made calls during September using the Provider Directory Attestation form attached in Exhibit A. An analyst performed a randomized selection of PCP and SCP office and provided the listing to the Manager, Provider Database and Reporting, grouping the list by location so the caller could make one call to each office. For practitioners with multiple offices, each location was called. When there were multi-specialty offices, each practitioner was counted as one. Staff were instructed to talk to the office manager, who would have the most accurate information on whether the practitioner was taking new patients and which products were accepted by the office for payment. Based on the response from the provider's office, the provider data staff member records whether the information in the directory is accurate. If the information is not accurate, the representative records the accurate information into a spreadsheet to be updated into the provider database and subsequently updated into the directory.

Measure 1: Accuracy of office locations

Numerator: Number of respondents with correct address listed in the directory
Denominator: Total number of physician offices which responded
Goal: 100% accuracy of office locations listed in the directory

Measure 2: Accuracy of phone numbers

Numerator: Number of respondents with correct phone numbers listed in the directory
Denominator: Total number of physician offices which responded
Goal: 100% accuracy of phone numbers listed in the directory

Measure 3: Accuracy of Hospital Affiliations

Numerator: Number of respondents with correct hospital affiliation listed in the directory
Denominator: Total number of physician offices which responded
Goal: 100% accuracy of hospital affiliations listed in the directory

Measure 4: Accuracy of Accepting New Patients

Numerator: Number of respondents with correct 'Accepting New Patients' designation
Denominator: Total number of physician offices which responded
Goal: 100% accuracy of 'Accepting New Patients' designation in the directory

Measure 5: Awareness of physician office staff of physician's participation in the organization's network

Numerator: Number of respondents with awareness of participation in organization's network
Denominator: Total number of physician offices which responded
Goal: 100% awareness of physician office staff participating in the organization's network

II. Analysis

a. Results

Table #1. Measures 1-5 – Provider Directory Accuracy

	Accuracy of Office Locations	Accuracy of Phone Numbers	Accuracy of Hospital Affiliations	Accuracy of Accepting New Patients	Awareness of Office Staff of Physicians Participation in the Organization's Network
Number of Respondents with Accurate Entries	59	58	60	58	60
Total Physician Responses	60	60	60	60	60
Accuracy Percentage (%)	98%	97%	100%	97%	100%
2019 Accuracy Percentage (%)	98% (62/63)	98% (62/63)	80% (51/63)	98% (62/63)	94% (59/63)
Goal	100%	100%	100%	100%	100%
Goal Met (Y/N)	N	N	Y	N	Y

b. Quantitative analysis

The performance goal set in Measurement Year 3 (MY3), 2020 of 100% was not met. The rate of accuracy of office locations was 97% in 2018, 98% in 2019. It remained at 98% in 2020. It is still two percentage points below the performance goal. The rate of accuracy of phone

numbers was 93% in 2018, 98% in 2019 and went down to 97% in 2020, which is three percentage points below the performance goal.
The rate of accuracy of hospital affiliations was 97% in 2018, 80% in 2019 and went up to 100% in 2020. We have met this performance goal. The accuracy of accepting new patients was stable, at 98% for both 2019 and 2018. For 2020 the accuracy is 97%, which is -1% change, which is three percentage points below the performance goal. The accuracy level for participation in the organization's network was 79% for 2018, 94% for 2019 and 100% for 2020. We have met this performance goal.

c. Qualitative analysis

In an effort to meet the performance goal for 2021, a barrier analysis was completed to identify opportunities and interventions to improve the rate of all accuracy measures. We focused on the two lowest performing measures, where there was the most opportunity for improvement. The analysis was completed by internal staff comprised of the PNO data analyst, Manager, Provider Database and Reporting, and the Manager, Process Improvement.

2021 Barrier and Opportunity Analysis Table 2.0 (this goes to QIC every other year)

Barrier	Opportunity	Intervention	Selected for 2021?	Date Initiated
Delays in receiving changes from providers through their delegates	Reminders to delegates.	Continue to communicate timeliness of provider changes at quarterly joint operation committees.	Y	Ongoing
Rapidly changing provider data due to frequent staff changes	Inform providers of importance of submitting timely information	Ensure that provider relations staff has on-going communications to discuss data changes with MD and their office staff.	Y	Initiated 4Q2020 and will be ongoing annually

Barrier	Opportunity	Intervention	Selected for 2021?	Date Initiated
Inaccurate Phone number listed	Update the directory entry	Research correct phone number and process correction in the directory update	Y	Ongoing

III. Reporting

Committee Approval Table 3.0

Approving Committee	Date of Approval	Recommendations
Quality Improvement Committee		

Exhibit A

SAMPLE PROVIDER ATTESTATION FORM

Provider Directory Attestation
Date: xx/xx/xxxx

Santa Clara Family Health Plan (SCFHP) is required to validate provider demographics on a quarterly basis in accordance with all our regulatory requirements. **Each practice location will receive a separate attestation form specific to the location**. **Please review and fax the completed attestation to 1-408-874-1433 before xx/xx/xxxx.** If there are any changes to your information, please document the updates in the "Changes needed" column, then sign and date at the bottom. If there are no changes, check the "No change" box for each item.

	Please complete "Changes needed" column if information is missing.	**No change**	**Changes needed**
Legal name & title: (As listed on license)		☐	
Other name(s): (Recognized by patients)		☐	

Practitioner NPI #:		☐	
Practitioner gender:		☐	
Practitioner ethnicity:		☐	
Languages spoken by practitioner:		☐	
CA State license # and expiration date:		☐	
DEA # / DEA expiration date:		☐	
Practitioner type:		☐	
Declared specialty	**Taxonomy**	**No change**	**Changes needed**
		☐	
		☐	

Board certification specialty	**Board certification**	**Certification date**	**Certification exp. date**	**Status**	**Changes needed**

	Please complete "Changes needed" column if information is missing.	**No change**	**Changes needed**
Practitioner hospital admitting privileges & effective date:		☐	
Medical group name/practice name:		☐	
Practice location address:		☐	
Practice city, state, and ZIP:		☐	
Practice phone:		☐	
After hours phone number:		☐	
Practice fax:		☐	
Practice fax for authorizations:		☐	
Hours at this location:		☐	
Name and NPI of supervising physician: (If NP, PA, or CNP)		☐	
Website URL:		☐	
	Please complete "Changes needed" column if information is missing.	**No change**	**Changes needed**
Organizational/billing NPI:		☐	
Tax ID # (used for billing):		☐	
Languages spoken by staff:		☐	
Proximity to public transport:		☐	☐ <1 block ☐ <2 blocks ☐ <5 blocks ☐< 1 mile
Accepting new patients?		☐	
Age limits (youngest/oldest):		☐	
Gender limits:		☐	☐ F only ☐ M only ☐ None

Provider email address: A provider's office email address shall be displayed only with the written permission of the provider, and only if the provider has affirmatively verified that the email address is intended for patient communication, and is regularly monitored and maintained in a manner consistent with state and federal health privacy laws.

Email for patient communication:		☐	
Email for SCFHP communication:		☐	
Cultural competency training completed? (Date & training name)		☐	
Participate in telehealth?		☐	☐ Telehealth only ☐ None ☐ In-person & telehealth
Full-time equivalent (FTE): (Total # of hours per week)		☐	

Completed trainings	**No change**	**Completed trainings**	**No change**

Substance abuse:		☐	HIV/AIDS		☐
Trauma-informed:		☐	Serious mental illness		☐
Physical disabilities:		☐	Homelessness		☐
Chronic illness:		☐	Deafness or hard of hearing		☐
QASP level:		QASP level: ☐ Paraprofessional ☐ Professional ☐ Provider			☐
Other (specify):					

Malpractice carrier:	**Insurance type:**	**Policy #:**	**Changes needed**
			☐ Malpractice ☐ General liability
Policy claim amount: **Aggregate amount:**	**Policy effective date:**	**Policy expiration date:**	**Changes needed**
			☐ 1M/3M ☐ 2M/4M ☐ 5M/5M ☐ 10M/10M ☐ Other _____

Please use the space below to provide additional information regarding this practitioner:

Attestation completed by:

Print name: _____ Print title: _____

Signature: _____ Date: _____

Office use only:

40429

Santa Clara Family Health Plan™

Provider Satisfaction Survey Assessment-MY2020

Prepared by: Carmen Switzer, Provider Network Access Manager

For review by the Quality Improvement Committee

October 21, 2020

INTRODUCTION

- Santa Clara Family Health Plan (SCFHP) conducts an annual Provider Satisfaction Survey (PSS) to assess provider satisfaction with specific areas of services.

- The following provider networks were included in the survey:

  - ❑ Direct (Independent Providers)
  - ❑ Palo Alto Medical Foundation (PAMF)
  - ❑ Physicians Medical Group (PMG)
  - ❑ Premier Care (PC)
  - ❑ Valley Health Plan (VHP)

- Kaiser and VHP administers annual provider satisfaction surveys and provides the results (analysis) directly to state regulators and to SCFHP.

- SCFHP opted to include VHP providers in the 2020 survey.

GOALS AND OBJECTIVES

Goal:

- To ensure that SCFHP providers have a positive experience with health plan services.

Objectives:

- Measure provider experience (satisfaction) at least annually.
- Evaluate provider's satisfaction with performance measures.
- Identify any areas to improve contracted provider's experience with the health plan.
- Develop interventions as appropriate to address gaps in service.

Standards for Provider Satisfaction:

- Eighty percent (80%) of provider's will be satisfied (Q1-8 & 10)
- One hundred percent (100%) of provider's will be satisfied (Q9)

METHODOLOGY

- A total of 4,790 providers were surveyed using a fax-only methodology.
    - ❑ Unlike previous years, VHP network providers were included in the survey.
- To reduce the burden on offices where multiple providers share a single fax number, a sample was generated of all unique fax numbers (N=888) associated with providers in SCFHP's network.
- Each fax number was assigned a unique 8-digit identification number to track responses.
- The fax methodology consisted of four (4) fax waves:
    - ❑ Wave 1: August 4, 2020
    - ❑ Wave 2: August 10, 2020
    - ❑ Wave 3: August 13, 2020
    - ❑ Wave 4: August 19, 2020

Provider Satisfaction Survey

Survey Instruments

In 2020, two survey instruments were used to help SCFHP assess provider satisfaction with services delegated to provider networks as well as those provided directly by the plan. The same measures (27) were included in both versions of the survey.

Version 1: Traditional Survey

- Direct networks (non-delegated) received a traditional survey –
  - ❑ Independent Physicians
  - ❑ Palo Alto Medical Foundation
- Providers were requested to answer based on experiences with SCFHP services.

Provider Satisfaction Survey

Version 2: Delegated Survey

- Delegated networks:
  - ❑ Premier Care (PC)
  - ❑ Valley Health Plan (VHP)
  - ❑ Physicians Medical Group (PMG)
- Delegated services (Q1-3):
  - ❑ Utilization Management
  - ❑ Claims Processing/Disputes
  - ❑ UM Appeals

- Services described in survey questions 1-3 represents services that are delegated and providers were requested to answer based on experiences with their network/group.
- Remaining questions Q4-10 – providers were requested to answer based on their experiences with SCFHP services.

Provider Satisfaction Survey

Santa Clara Family Health Plan

Rate of Response – 2 year comparison

Table A: Responses by Provider Types

Provider Type	# Surveyed	Response #	2020	2019	Change
PCP	679	137	20%	27%	-7
SPC	1908	147	8%	7%	+1
BH	311	34	11%	12%	-1
Total	2898	318	11%	10%	+1

Table B: Responses by Provider Networks

Group	# Surveyed	Response #	2020	2019	Change
Direct	1586	164	10%	5%	+5
PAMF	539	1	0.2%	4%	-3.8
PMG	297	94	32%	36%	-4
PCNC	42	18	43%	40%	+3
*VHP	434	41	9%	NA	NA
Total	2898	318	11%	10%	+1

*Valley Health Plan (VHP) providers were not included in the 2019 survey, therefore no comparison data is available.

- Provider participation increased in 2020 by 1 percentage point.
- PAMF is omitted from this report, as only one survey was returned from this network.

Provider Satisfaction Survey

Statistically Valid Results

- Survey results that are calculated based on sample data and compared to a benchmark score (such as the plan's prior-year rate), the question is whether the observed difference is real or due to chance.

- A test of statistical significance uses the difference in scores as well as the number of respondents in both groups (in this case, the number of current-year and prior-year respondents) to determine the likelihood that the observed difference is real.

- Scores marked with an asterisk are statistically significant at a 95% confidence level, meaning there is a 95% probability that the observed difference is not due to chance. Questions with larger changes in scores and a larger number of respondents are more likely to be statistically significant.

Provider Satisfaction Survey

Results: Provider Satisfaction Ratings for Delegated Services and SCFHP Services (Q1-3):

Table I: Utilization Management (Q1a-c)

	Delegated Services						SCFHP Services			
Utilization Management	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
‡ Ease of submitting PA and/or referral requests (N=301)	99%	NA	100%	NA	89%	NA	86%	NA	80%	Y
‡ Timeliness of PA and/or referral process (N=298)	94%	NA	100%	NA	86%	NA	87%	NA	80%	Y
Friendliness/helpfulness of UM staff (N=287)	95%	NA	100%	NA	100%	NA	96%	+5	80%	Y

‡ Symbol denotes new measure for 2020

Goal: Met across all metrics.

- Delegates (PMG, PC, VHP) rated their UM services above goal across all metrics.
- Direct rated UM services by SCFHP above goal across all metrics and compared to 2019, satisfaction with UM staff increased by 5 percentage points.

Provider Satisfaction Survey

Table II: Claims (Q2a-b)

		Delegated Services						SCFHP Services			
	Claims Processing	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
*	Timeliness of clean claims processing (N=257)	86%	NA	88%	NA	100%	NA	81%	-3	80%	Y
‡	Resolution of claims payment problems/disputes (N=232)	84%	NA	88%	NA	100%	NA	84%	NA	80%	Y

‡ Symbol denotes new measure for 2020

Goal: Met across all metrics.

- PMG, PC and VHP rated claims processing by their networks above goal across all metrics.
- Direct rated claims processing services by SCFHP above goal across all metrics and compared to 2019, satisfaction with timeliness of claims processing decreased by 3 percentage points.
- Q2b is a new metric for 2020 – no comparison data is available.

Provider Satisfaction Survey

Table III: UM Appeals Processing (Q3)

	Delegated Services						SCFHP Services			
UM Appeals Processing	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
‡ Timeliness/Efficiency of member appeals process (N=248)	89%	NA	87%	NA	81%	NA	82%	NA	80%	Y

‡ Symbol denotes new measure

Goal: Met

- PMG, PC and VHP rated the UM appeals process by their networks above goal.
- Direct network rated the UM appeals process by SCFHP above goal at 82%.
- Q3 is a new metric for 2020 – no comparison data is available.

Provider Satisfaction Survey

Results: Provider Satisfaction Ratings for SCFHP Services (Q4-10)

Table IV: Member Appeals Processing (Q4)

Member Appeals Processing	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
* Timeliness/Efficiency of member appeals process (N=137)	91%	-.1	100%	+10	76%	NA	92%	+16	80%	N

Goal: Not met.

- PMG rated satisfaction at 91% with a decrease from 2019 by .1 percentage points.
- PC rated satisfaction the highest at 100% and showed an increase from 2019 by 10 percentage points.
- VHP rated satisfaction at 76% - goal was not met by 4 percentage points. A total of 17 VHP providers responded to Q4 – Psychiatrist (2) and PCP (15), and 6 PCP's rated satisfaction at 50% and all other providers rated satisfaction at 80% or above.
- Direct rated satisfaction at 92% and showed an increase from 2019 by 16 percentage points.

Provider Satisfaction Survey

Table V: Timely Access to Appointments (Q5a)

Patient's Timely Access to -	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
Urgent Care (N=202)	98%	-.4	85%	-.4	100%	NA	97%	+.2	80%	Y

Goal: Met

- Urgent Care:
  - ❑ All provider networks rated satisfaction above goal - VHP rated the highest at 100%, followed by PMG at 98%, Direct at 97% and PC at 85%.
  - ❑ PMG and PC showed a decrease in satisfaction from 2019 by .4 percentage points and Direct showed an increase in satisfaction by .2 percentage points.

Provider Satisfaction Survey

Table VI: Timely Access to Appointments (Q5b)

Patient's Timely Access to -	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
Non-urgent primary care (N=188)	100%	0	85%	-6	100%	NA	97%	-.1	80%	Y

Goal: Met

- Non-urgent primary care:
  - ❑ All provider networks rated satisfaction above goal – PMG and VHP rated the highest at 100%, followed by Direct at 97% and PC at 85%.
  - ❑ PC showed a decrease in satisfaction from 2019 by 6 percentage points and Direct showed a decrease of .1 percentage points.

Provider Satisfaction Survey

Table VII: Timely Access to Appointments (Q5c)

Patient's Timely Access to -	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
Non-urgent specialists care (N=219)	97%	-.2	79%	-8	59%	NA	94%	+1	80%	N

Goal: Not met.

- Non-urgent specialists care:
  - ❑ PMG and Direct rated satisfaction above goal - PMG rated the highest at 97% and showed a decrease from 2019 of .2 percentage points, followed by Direct at 94% with an increase of 1 percentage point.
  - ❑ PC rated satisfaction at 79% and showed a decrease in satisfaction from 2019 by 8 percentage points. A total of 14 PC providers responded to Q5c – PCP (13) and SPC (1). Five (5) PCP's rated satisfaction at 60% and all other providers rated satisfaction at 86% or above.
  - ❑ VHP rated satisfaction at 59% - goal was not met by 21 percentage points. A total of 32 VHP providers responded to Q5c – PCP (21) and SPC (8), BH (3) and 7 PCP's rated satisfaction at 14%, 9 PCP's at 56%. Three (3) SPC rated satisfaction at 0% and all other providers rated satisfaction at 100%.

Provider Satisfaction Survey

Table VIII: Timely Access to Appointments (Q5d)

Patient's Timely Access to -	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
* Non-urgent ancillary diagnostic and treatment services (N=210)	100%	+2	86%	-4	69%	NA	96%	+8	80%	N

Goal: Not met.

- Non-urgent ancillary diagnostic and treatment services:
  - ❑ PMG, PC and Direct rated satisfaction above goal - PMG rated the highest at 100% and showed an increase from 2019 of 2 percentage points, followed by Direct at 96% with an increase of 8 percentage points and PC at 86% with a decrease of 4 percentage points.
  - ❑ VHP rated satisfaction at 69% - goal was not met by 11 percentage points. A total of 32 VHP providers responded to Q5d – PCP (21) and SPC (8), BH (3) and 7 PCP's rated satisfaction at 14%, 9 PCP's at 56% and the other providers rated satisfaction at 100%.

Provider Satisfaction Survey

Table IX: Timely Access to Appointments (Q5e)

Patient's Timely Access to -	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
* Non-urgent behavioral health care (N=189)	82%	-13	80%	-9	77%	NA	55%	-8	80%	N

Goal: Not met.

- Non-urgent behavioral health care:
  - ❑ PMG and PC rated satisfaction above goal - PMG showed a decrease from 2019 by 13 percentage points and PC showed a decrease by 9 percentage points.
  - ❑ Direct rated satisfaction the lowest at 55% - goal was not met by 25 percentage points and showed a decrease from 2019 by 8 percentage points. A total of 100 Direct providers responded to Q5e – PCP (50) and SPC (30), BH (20) and 30 PCP's rated satisfaction at 30%, 2 at 50%, 15 at 67% and 1 at 0%. BH – 9 rated satisfaction at 11%, 4 at 25%, 2 at 50% and 5 at 0%. All other providers rated satisfaction at 80% or higher.
  - ❑ VHP rated satisfaction at 77% - goal was not met by 3 percentage points. Comparison data for 2019 is not available. A total of 30 VHP providers responded to Q5e – PCP (21) and SPC (6), BH (3) and 7 PCP's rated satisfaction at 57% and the other providers rated satisfaction at 89% or higher.

Provider Satisfaction Survey

Table X: Customer Service Staff (Q6a-c)

	Customer Service Staff	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
*	Ability to answer calls promptly (N=279)	93%	+2	100%	0	100%	NA	95%	0	80%	Y
*	Ability to resolve my concerns/issues (N=259)	90%	-3	88%	-4	100%	NA	93%	0	80%	Y
	Friendliness and helpfulness (N=279)	93%	-3	100%	+4	96%	NA	94%	-2	80%	Y

Goal: Met across all metrics.

- "Ability to answer calls promptly" – PMG showed an increase from 2019 of 2 percentage points and the other networks showed no change.
- "Ability to resolve my concerns/issues" – PMG and PC showed a decrease in satisfaction from 2019 by 3 or 4 percentage points. Direct network had no change in 2020.
- "Friendliness/helpfulness" – PMG and Direct network showed a decrease in satisfaction by 2 or 3 percentage points. PC rated satisfaction at 100% with an increase of 4 percentage points from 2019. VHP rated satisfaction at 96% and comparison data for 2019 is not available.

Provider Satisfaction Survey

Table XI: Provider Relations Staff (Q7a-c)

Provider Relations Staff	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
* Provider Relations & Ability to answer calls promptly (N=281)	93%	-.3	88%	-8	88%	NA	92%	-4	80%	Y
* Provider Relations & Ability to resolve my concerns/issues (N=281)	91%	-3	88%	-3	88%	NA	93%	-1	80%	Y
* Provider Relations & Friendliness and helpfulness (N=277)	93%	-4	87%	-12	88%	NA	94%	+1	80%	Y

Goal: Met across all metrics.

- "Ability to answer calls promptly" – PMG, PC and Direct showed a decrease in satisfaction from 2019. VHP rated satisfaction at 88% and 2019 comparison data is not available.
- "Ability to resolve my concerns/issues" – PMG, PC and Direct showed a decrease in satisfaction from 2019. VHP rated satisfaction at 88% and 2019 comparison data is not available.
- "Friendliness/helpfulness" – PMG and PC showed a decrease in satisfaction from 2019 and Direct showed an increase of 1 percentage point. VHP rated satisfaction at 88% and 2019 comparison data is not available

Provider Satisfaction Survey

Table XII: Provider Network (Q8a-c)

	Provider Network	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
*	Quality of provider network (N=269)	95%	-.2	80%	-16	83%	NA	83%	-6	80%	Y
*	Availability of medical health providers (N=245)	96%	-.4	93%	-2	72%	NA	95%	+7	80%	N
*	Availability of behavioral health providers (=219)	80%	-13	73%	-13	72%	NA	67%	+3	80%	N

Goal: Q8a met. Q8b-c not met.

- "Quality of provider network" – PMG, PC and Direct showed a decrease in satisfaction from 2019.
- "Availability of medical health providers" – PMG, PC showed a decrease in satisfaction from 2019 and Direct showed an increase in satisfaction.

  -VHP rated satisfaction at 72% - A total of 29 VHP providers responded to Q8b – PCP (21) and SPC (7), BH (1) and 9 PCP's rated satisfaction at 78%, 7 at 57% and 3 at 0%. There were 3 SPC that rated satisfaction at 0% and all other providers rated satisfaction at 100%.

Provider Satisfaction Survey

Provider Network (Q8a-c) – *cont'd...*

Provider Network	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
Quality of provider network (N=269)	95%	-2	80%	-16	83%	NA	83%	-6	80%	Y
Availability of medical health providers (N=245)	96%	-4	93%	-2	72%	NA	95%	+7	80%	N
* Availability of behavioral health providers (=219)	80%	-13	73%	-13	72%	NA	67%	+3	80%	N

- "Availability of behavioral health providers" –

  - PC rated satisfaction at 73% - A total of 15 providers responded to Q8c – PCP (13) and SPC (2) and 5 PCP's rated satisfaction at 40% and 1 at 0% and all other providers rated satisfaction at 100%.

  - VHP rated satisfaction at 72% - A total of 29 providers responded to Q8c – PCP (21), SPC (7) and BH (1) and 9 PCP's rated satisfaction at 78% and 7 at 57%. There were 3 SPC that rated satisfaction at 0% and all other providers rated satisfaction at 100%.

  - Direct rated satisfaction at 67% - A total of 29 providers responded to Q8c – PCP (21), SPC (7) and BH (1) and 9 PCP's rated satisfaction at 78% and 7 at 57%. There were 3 SPC that rated satisfaction at 0% and all other providers rated satisfaction at 100%.

Provider Satisfaction Survey

Table XIII: SCFHP's Language Assistance Program (Q9a-c)

SCFHP's Language Assistance Program	PMG	PY Change	PC	PY Change	VHP	PY	Direct	PY Change	Goal	Met
Coordination of appointments with an interpreter (N=146)	92%	-3	100%	0	100%	NA	97%	-.1	100%	N
Availability of an appropriate range of interpreters (N=148)	92%	-3	100%	0	100%	NA	97%	-2	100%	N
Training and competency of interpreters (N=143)	92%	-3	100%	0	100%	NA	97%	-.1	100%	N

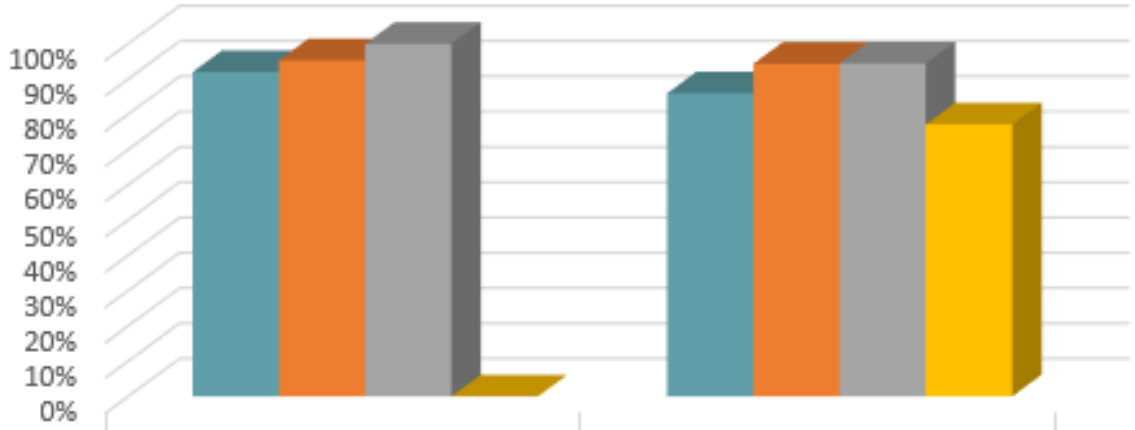
Goal: Not met.

- PC and VHP rated satisfaction at 100% across all metrics.
- PMG rated satisfaction at 92% across all metrics and showed a decrease in satisfaction by 3 percentage points. A total of 36 providers responded to Q9a-c, PCP (21), SPC (14) and BH (1) and 6 PCP's rated satisfaction at 83% and 11 PCP's at 91%. All other providers rated satisfaction at 100%.
- Direct rated satisfaction at 97% across all metrics and showed a decrease in satisfaction by 1 or 2 percentage points. A total of 81 providers responded to Q9a-c, PCP (43), SPC (36) and BH (2) and 14 PCP's (IM) rated satisfaction at 93% and all other providers rated satisfaction at 100%.

Provider Satisfaction Survey

Overall Provider Satisfaction with SCFHP (Q10) N=298

* Overall Satisfaction by Provider Network

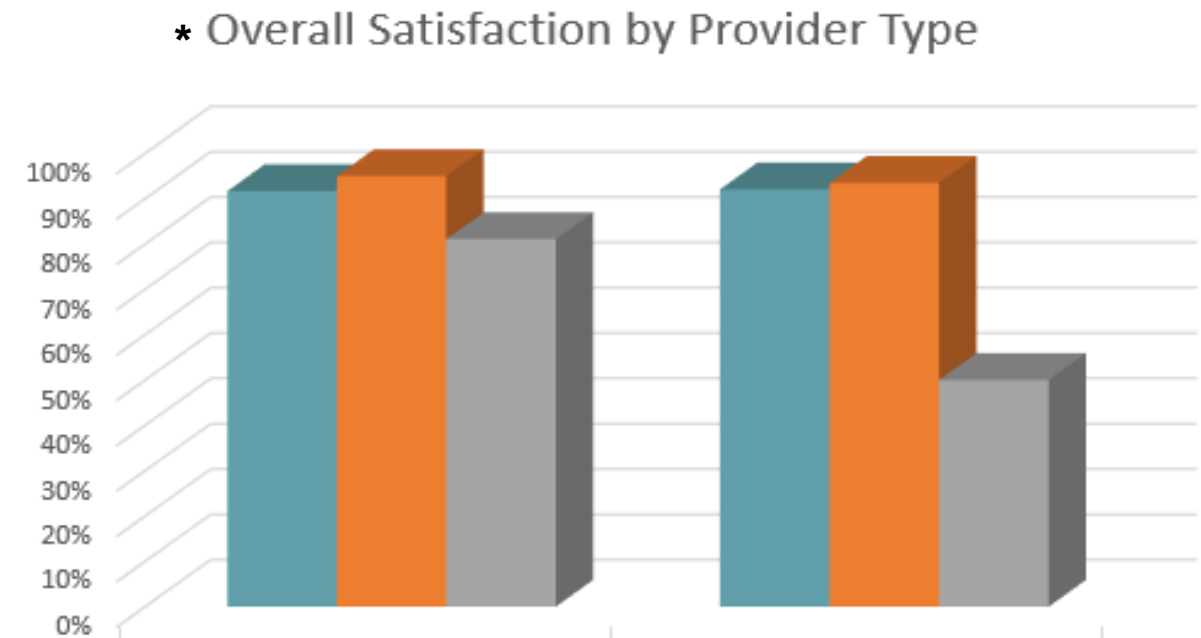


	2019	2020
	Very Satisfied/Satisfied	
Direct	92%	86%
PMG	95%	94%
PC	100%	94%
VHP	0%	77%

- Direct rated satisfaction at 94% - a 1 point drop from 2019.
- PMG rated satisfaction at 94% - a 1 point drop from 2019.
- PC rated satisfaction at 94% -a 6 point drop from 2019.
- VHP rated satisfaction at 77% - 3 percentage points below goal.

Provider Satisfaction Survey

Overall Provider Satisfaction with SCFHP (Q10) N=298



	2019	2020
PCP	92%	92%
SPC	95%	93%
BH	81%	50%

- Specialist providers rated satisfaction the highest at 93% - a 2 point drop from 2019.
- PCP providers rated satisfaction at 92% - no change from 2019.
- BH providers rated satisfaction the lowest at 50% - 30 points below goal and a 31 point drop from 2019.

Conclusion

Top 3 Service Areas (Very Dissatisfied/Dissatisfied)

Table I: Direct

Service	# Surveyed	# Respondents	# Very Dis/Dis	%
Claims Processing	322	242	86	36%
UM Appeals Process	161	131	25	19%
Provider Network	472	378	74	20%

Table II: Delegates

Service	# Surveyed	# Respondent	# Very Dis/Dis	%
Claims Processing	290	245	72	29%
UM Appeals Process	143	117	31	26%
Provider Network	423	355	108	30%

- Tables I (Direct) & II (Delegates) shows the top three areas where provider satisfaction fell below SCFHP's performance goals.
- Table II – shaded areas represent delegates rating their own networks/groups.

Conclusion

While the Plan is pleased that most measures met SCFHP's performance goals, and overall results indicate strengths in most operational areas, the results revealed potential needs for improvement in the following areas:

- Claims processing
- Provider network
- UM appeals processing

SCFHP staff will collaborate internally on the areas above, and if operational issues are identified, a correction plan will be established.

SCFHP values its network providers and will continue to improve operations to satisfy and meet provider needs and expectations.

Santa Clara Family Health Plan

PHM 2C Activities and Resources based on the 2020 Population Health Assessment

Populations with Identified Need	Population Needs and Gaps	Activities	Resources/Staffing	Community Resources
Type 2 Diabetics	Second most common condition within CMC members including identified sub-populations	1) Chronic disease management classes through community partners 2) Health education resources and access to registered dietitian 3) Referrals to Diabetes Prevention Program 4) Automation of ICP goals and interventions specific to Hba1c reduction 5) Online portal wellness education 6) Health Risk Assessment (HRA) identification of medication and nutritional needs 7) Address identified social determinants of health 8) Direct coordination with pharmacy to ensure access to needed medication and equipment	Ongoing updates (in-services and training) for case managers on food access and health education resources	1) Diabetes education programs through contracted hospitals or national disease organizations 2) Expansion of community resource through an online network (Aunt Bertha) to support SDOH barriers to wellness

Populations with Identified Need	Population Needs and Gaps	Activities	Resources/Staffing	Community Resources
Members with Multiple Uncontrolled Chronic Conditions	Complex case management and coordinated care between multiple providers External support through ICT	Tier 1 & 2 - Complex and Moderate case management (CCM): - Comprehensive assessment within 60 days of identification for CCM - Intensive engagement up to weekly with the CM team for CCM - HRA and care planning identifies chronic conditions and member goals - Coordination of medical care	All care teams will be cross-trained to provide CCM Multidisciplinary teams with RNs, SW Case Managers and PCCs, specialty CM for behavioral health and LTSS and external stakeholders and providers.	1) External case managers, County Behavioral Health including Substance Use Treatment Services, Long Term Services and Supports providers and other community organizations 2) Community-based providers for physical activity, nutrition programs including Medically Tailored Meals. 3) Santa Clara County Health & Hospital System (SCCHHS) and other county departments including Aging & Adult Services, In-Home Supportive Services (IHSS), public nutrition programs

Populations with Identified Need	Population Needs and Gaps	Activities	Resources/Staffing	Community Resources
Members aged 75+ or adults with disabilities with dependencies for 3 or more activities of daily living (ADLs) living in the community or long term care facilities, including members with cognitive impairment (Includes LTSS and LTC subpopulations)	Unmet personal care (eating, bathing, dressing or getting around the house) or routine needs. Social Determinants of Health such as lack of adequate access to food, caregiver burden, poverty and language issues Transportation for visiting family and friends Case management to assist with transition from long term care facilities back to the community with supports and services	1) Comprehensive assessments identify needs for ADLs, social determinants of health (SDOH), cognitive impairment and need for authorized representative, financial management and other long term services and supports (LTSS) 2) Care planning includes discussion with members of home and community-based services including LTSS available as benefits or in the community 3) Care plan goals may include home safety assessment, referral to LTSS, community resources to address SDOH, neuropsych testing, facilitate advanced care directives and family support and education	Dedicated SW Case Manager and PCC to support all case managers with timely referrals and follow up for LTSS benefits and community resources Dedicated staff for maintaining inventory of community resources, including Aunt Bertha, with initial and ongoing staff training Dedicated RN Case Manager for members transitioning from long term care back to community Partnership with Santa Clara County Health & Hospital (SCCHHS) Whole Person Care (WPC) Initiative for nursing home diversion program transitioning long term care members	1) Santa Clara County Health & Hospital System (SCCHHS) and other county departments including Aging & Adult Services, In-Home Supportive Services (IHSS), public nutrition and paratransit programs. 2) Community-based providers of nonmedical home care, housing, food, transportation, case management and other home and community-based services (e.g. Independent Living Center, Institute on Aging) 3) Alzheimer's Association coordination and training for case managers

Populations with Identified Need	Population Needs and Gaps	Activities	Resources/Staffing	Community Resources
Homeless and members with housing instability	Care coordination for medical and behavioral health services, transportation, cell phones, clothing and connection to short term or emergency or shelter housing, food, or other supports Prevention of frequent hospitalizations and assistance with safe discharge	1) The Homeless Management Information System(HMIS) is used by CMs to support care coordination 2) Identify community and clinic case managers to assist including Valley Homeless Health Care Program 3) Assist members to get on housing waitlists, when applicable 4) Conduct annual training for case managers on Housing resources (Office of Supportive Housing) and other resources to address needs 5) Collaboration with County Behavioral Health case management team to identify members experiencing homelessness 6) Health Homes Program and their network of Community-based Case Management Entities target high utilizers that include chronically homeless	Concerted effort to find alternative contact information for members who are SCFHP is unable to contact due to homelessness Care coordination vendor (New Directions) is used to help locate homeless members in the community	1) Partnerships with community providers (Health Trust, Institute on Aging, County Departments, community and senior centers, housing and food providers, 2) Participation on community improvement efforts including Whole Person Care and Medi-Cal 2020, LTSS Integration Committee 3) County Office of Supportive Housing partnership

Populations with Identified Need	Population Needs and Gaps	Activities	Resources/Staffing	Community Resources
Severe Mental Illness (SMI)	Lack of sufficient connections with primary care physicians is a barrier to care for SMI Rate of SMI ED visits and readmissions for psychiatric patients	1) Specialized case management with intensive interventions to coordinate care 2) PHQ9 screening for all members 3) Coordination with the specialty mental health providers and county behavioral health services department (CBHSD) 4) Intensive follow up after psychiatric hospitalization to ensure follow up outpatient care at 7 and 30 days after discharge	Dedicated behavioral health CM team including SW Case Managers and behavioral health care coordinators Members are identified by self-report of a qualifying severe mental illness diagnosis, are receiving specialty mental health services through the county, are not currently connected to BH provider	1) County Behavioral Health Department Services (CBHSD) 2) Meet regularly with community based organizations (CBOs) 3) Refer clients to National Alliance for Mental Illness (NAMI) for education and member and caregiver support 4) Community Resource Center - community space for members to meet with SCFHP or external CMs, attend support groups and health education classes

Populations with Identified Need	Population Needs and Gaps	Activities	Resources/Staffing	Community Resources
Social Determinants of Health	Financial Insecurity Language Assistance Employment assistance Understanding medical information Knowledge of social supports	1) Comprehensive assessments identify needs for social determinants of health (SDOH), cognitive impairment and need for authorized representative, financial management and other long term services and supports (LTSS) 2) Care planning includes discussion with members of home and community-based services including LTSS available as benefits or in the community 3) Care plan goals may include home safety assessment, referral to LTSS, community resources to address SDOH, neuropsych testing, facilitate advanced care directives and family support and education	Dedicated SW Case Manager and PCC to support all case managers with timely referrals and follow up for LTSS benefits and community resources Dedicated staff for maintaining inventory of community resources, including Aunt Bertha, with initial and ongoing staff training	1) Partnerships with community providers (Health Trust, Institute on Aging, County Departments, community and senior centers, paratransit, housing and food providers 2) Expansion of community resource through an online network (Aunt Bertha) to support SDOH barriers to wellness

Policy Title:	**Behavioral Health Care Coordination**	**Policy No.:**	QI.17 v2
Replaces Policy Title (if applicable):	Cal MediConnect Behavioral Health Coordination Of Care Policy and Procedure	**Replaces Policy No. (if applicable):**	CM106_1
Issuing Department:	Health Services – Behavioral Health	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒Medi-Cal	☒CMC	

I. Purpose

Santa Clara Family Health Plan (SCFHP) promotes and coordinates seamless access and availability to appropriate behavioral health providers, community services and support for members identified with behavioral/mental health and substance use needs so that member may achieve optimal health and functionality

II. Policy

A. To complement the Comprehensive Case Management policy, SCFHP optimizes access to services for members by coordinating care and facilitating referrals to Behavioral Health (Mental Health and Substance Use Disorders) services for Medi-Cal and Cal MediConnect (CMC) members. This includes emergent, non-emergent, in-patient or outpatient referrals. Referrals may encompass community services, a community triage service, a community crisis line, contracted plan providers.

B. SCFHP promotes continuity and coordination of care between behavioral healthcare providers and medical providers. Information is gathered regarding exchange of information, appropriate diagnoses, treatment, referrals, medications and follow-up. Successful collaboration is monitored, and improvement plans implemented as appropriate.

C. SCFHP defines processes for the provision of Early, Periodic Screening, Diagnostic and Treatment (EPSDT) services for members 0 to 21 years of age which includes medically necessary Behavioral Health Treatment (BHT) services with or without an Autism diagnosis and other evidence based behavioral intervention services that develop or restore functioning. SCFHP provides BHT for members who are under 21, have a recommendation from a licensed physician, surgeon, or psychologist that evidence based BHT services are medically necessary, and that the member is medically stable without the need for 24-hour medical nursing monitoring.

D. SCFHP requires Primary Care Physicians (PCP) to administer the Department of Health Services approved assessment tool as detailed in the procedure. To define how SCFHP provides guidelines to PCPs regarding management and treatment for members with Behavioral Health conditions as outlined in the procedure Mental Health Services Provided by PCPs.

III. Responsibilities

A. Behavioral Health Services collaborates with other Health Services areas to coordinate care.

B. Health Services, including Behavioral Health, coordinates with the Quality Improvement Department to monitor for under/over utilization.

IV. References

28 CCR 1300.74.72(g)(3) through (5)
Title 9, CCR, Chapter 11, Division 1, Section(s)
Title 22, CCR, Chapter 3, Article 4, Sections(s) 51305;51311;51313;51183
Title 22, Section 51341.1 Drug Medi-Cal Substance Abuse Services; the California Health and Safety Code, Section 11752.1 and the State of California Alcohol and/or Other Drug Program Certification Standards
California Health and Safety Code Sections 1374.72, 1374.73 and Rule 1300.74.72
WIC Sections 14182.17(d)(4), 14186(b), 5600.3 and 14016.5
3 Way Contract between United States Department of Health and Human Services; Centers for Medicare and Medicaid Services and California Department of Health Care Services
Department of Health Care Services (DHCS) Agreement 04-36069, and Amendments thereof, Exhibit A, Attachment 11, Case Management and Coordination of Care, 5. Specialty Mental Health
Department of Health Care Services (DHCS) Agreement 04-36069 and Amendments thereof, Exhibit A, Attachment 10, Scope of Services, 7. Services for all Members, D, Mental Health Services
DHCS All Plan Letter 19-010, Requirements for Coverage of Early, Periodic, Screening, Diagnostic, and Testing Services for Medi-Cal Members Under the Age of 21, August 14, 2019
DHCS All Plan Letter 19-014, Responsibilities for Behavioral Health Treatment Coverage for Members Under The Age Of 21, November 12, 2019
DHCS APL 14-011, September 15, 2014
MMCD Policy Letter 00-01
NCQA Guidelines 2016

V. Approval/Revision History

First Level Approval	Second Level Approval
Jeff Robertson, M.D. Medical Director	Laurie Nakahira Chief Medical Officer
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original	Quality Improvement Committee		
V2	Revised	Quality Improvement Committee		

Policy Title:	**Information Sharing with San Andreas Regional Center (SARC): MOU**	**Policy No.:**	QI.20 v2
Replaces Policy Title (if applicable):		**Replaces Policy No. (if applicable):**	
Issuing Department:	Health Services – Behavioral Health	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒Medi-Cal	☐CMC	

I. Purpose

This policy supports the agreement between San Andreas Regional Center (SARC) and the Santa Clara Family Health Plan (SCFHP) to perform care coordination and information exchange activities when Medi-Cal beneficiaries are accessing medically necessary Behavioral Health Treatment Services (BHT) without regard to diagnosis. The agreement addresses both new referrals for BHT and clients/beneficiaries receiving BHT when funding for this service is transitioning from SARC to SCFHP.

II. Policy

SCFHP is responsible for the provision of BHT as a managed care health benefit, including the coordination of the client's care with SARC and the BHT provider(s). SARC will support SCFHP's care coordination by providing necessary client information to SCFHP and vendors in accordance with any and all privacy laws and regulations.

A. Santa Clara Family Health Plan
   1. SCFHP is responsible for coordination of services provided by SCFHP including primary care, and carve out services such as California Children's Services, Specialty Mental Health Services.
   2. SCFHP and/or its subcontracted providers and vendors shall arrange and pay for comprehensive diagnostic evaluations (CDE's) for members/clients who are suspected of needing BHT services.
   3. SCFHP and/or its subcontracted providers and vendors shall arrange and pay for BHT services for members who meet criteria as outlined in APL 18-006 or any revised version of these APL's.
   4. SCFHP shall provide client information to SARC to ensure appropriate care coordination, in compliance with all privacy laws.
   5. SCFHP and/or its subcontracted providers and vendors shall be available to assist, the SARC in the development of the Individual Program Plan (IPP) or Individualized Family Services Plan (IFSP) as necessary.

B. San Andreas Regional Center
   1. SARC shall provide client information, including comprehensive diagnostic evaluation(s), treatment plan(s), utilization data and assessment information to SCFHP upon receipt of appropriate release of information (ROI)
   2. SARC shall refer clients under age 21 who are diagnosed without regard to diagnosis for evaluation for medically necessary BHT services upon client/member request for BHT services.

3. SARC shall provide case management & care coordination services related to SARC's Early Start Program clients to SCFHP for medically necessary BHT services.
4. SARC shall provide case management and care coordination to eligible clients and assist those clients in maintaining an ongoing relationship with the SCFHP's assigned primary care provider when medical needs arise.
5. SARC will identify a staff person to be the primary liaison to SCFHP. The liaison will meet not less than quarterly to ensure continuous communication and resolve any operational, administrative and policy complications.
6. SARC will share information on community resources to SCFHP and/or its sub-contracted providers and vendors.
7. SARC shall provide Targeted Case Management (TCM) services to eligible clients and their families to assure timely access to health, developmental, social, educational, and vocational services.
    a. TCM includes, but is not limited to:
        i. Coordination of health-related services with SCFHP to avoid duplication of services; and
        ii. Provision of referrals to specialty centers and follow-up with schools, social workers and others involved in the IPP and IFSP
        iii. SARC agrees to provide periodic training to SCFHP's staff as requested by the SCFHP concerning SARC services and requirements
        iv. SARC shall work collaboratively with SCFHP to resolve timely access and coordination of care issues.

III. Responsibilities

A. See Memorandum of Understanding between SARC and SCFHP. Policies and Procedures to be attached. Health Services works collaboratively with plan benefits, compliance, QA , IT, plan and community providers to coordinate members' Behavioral Health Treatment services and members' Behavioral Health managed care.

IV. References

Center for Medicare & Medicaid Services approved California State Plan Amendment (SPA) 14-026
Section 1915 C waiver, CA.336 HCBS Waiver for Californians with Developmental Disabilities
DHCS All Plan Letter 18-009 Memorandum of Understanding Requirements for Medi-Cal Managed Care Plans and Regional Centers, 03/02/2018
DHCS All Plan Letter 19-014 Responsibilities for Behavioral Health Treatment Coverage For Members Under The Age Of 21, 11/12/2019

V. Approval/Revision History

First Level Approval	Second Level Approval

Jeff Robertson, M.D. Medical Director Date	Laurie Nakahira Chief Medical Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original		08/05/2016	
V1	Reviewed		06/03/2019	
V2	Revised	Quality Improvement Committee		

Policy Title:	**Information Exchange Between Santa Clara Family Health Plan & County of Santa Clara Behavioral Health Services Department**	**Policy No.:**	QI.21 v2
Replaces Policy Title (if applicable):	Information Exchange Between Santa Clara Family Health Plan & County of Santa Clara County	**Replaces Policy No. (if applicable):**	HS 409
Issuing Department:	Health Services – Behavioral Health	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒Medi-Cal	☒CMC	

I. Purpose

This policy is to provide detailed instructions for how Santa Clara County Behavioral Health Services Department and Santa Clara Family Health Plan (SCFHP) will perform activities to support the provision of Medi-Cal Specialty Mental Health and/or drug Medi-Cal services as a managed care benefit under the Medi-Connect program. SCFHP and the County of Santa Clara Behavioral Health Services Department (formerly known as Santa Clara County Mental Health Department and Santa Clara County Department of Alcohol and Drugs) entered into a MOU effective January 1, 2014 to specify how roles and responsibilities between the two entities were to be performed.

II. Policy

It is the policy of the SCFHP to provide coordination of care for the purpose of providing services to CMC members which are coordinated with Santa Clara County BHSD, their mental health clinics and contractors. The SCFHP and the CBHSD will follow the medical necessity criteria for Medi-Cal specialty mental health 1915 (b) waiver services described in Title 9, California Code of Regulations. DHCS has developed a matrix of Roles and Responsibilities "Behavioral Health Benefits in the Duals Demonstration" which is attached to the MOU. Medical necessity for Drug Medi-Cal Substance Abuse Services will be as found in Title 22, California Code of Regulations (CCR).

III. Responsibilities

A. Assessment Process

The SCFHP and CBHSD shall develop and agree to written policies and procedures regarding screening and assessment processes that comply with all federal and state requirements. SCFHP completes a Health Risk Assessment (HRA) pursuant to the CMC three-way contract guidelines. SCFHP Behavioral Health Department reviews and/or completes the HRA with special attention to the depression Indicators as well as Severe Mental Illness indicators. The HRA, in conjunction with claims and pharmacy Information, is utilized to create a preliminary interdisciplinary care plan (ICP). The ICP is reviewed with the member and sent to the member's primary care physician and the member's Specialty Mental Health provider for their review and changes.

B. Referrals

The SCFHP and the CBHSD shall develop and agree to written policies and procedures regarding referral processes including:

1. CBHSD will accept referrals from SCFHP staff, providers, and members' self-referral for determination of medical necessity
2. SCFHP will accept referrals from CBHSD for services needed are provided by the SCFHP and not the CBHSD and the member does not meet the Medi-Cal Specialty mental health and/or Drug Medi-Cal medical necessity criteria. This will include mild to moderate levels of care needs which are the responsibility of SCFHP.

C. Information Exchange

1. CBHSD will develop and agree to information sharing policies and procedures. CBHSD Director has provided a memo to County Clinics and Sub-contractors stating that basic information may be shared in order to determine if a member is being seen and who is the provider in the agency.
2. SCFHP will create a list of members who are receiving Medi-Cal specialty mental health services, and/or Drug Medi-Cal services.
3. A signed mental health release of information is obtained from the member in order to 1. Share information with behavioral health services agencies; 2. Provide care coordination and 3. Complete and updated ICP and an interdisciplinary care team (ICT) meeting as needed.
4. The information sharing policies and procedures developed by the CBHSD and SCFHP will include milestones agreed upon for shared roles and responsibilities for sharing personal health information. Meetings with County BHSD providers and their contractors will be held to provide training to discuss the policies and procedures which have been agreed upon for sharing of personal health information.

D. Care Coordination

1. The SCFHP and CBHSD will develop and agree to policies and procedures for coordinating medical and behavioral health care for members enrolled in SCFHP and receiving Medi-Cal specialty mental health or Drug Medi-Cal services.
2. The policies and procedures will include:
   a. An identified point of contact from both CBHD and SCFHP who will initiate and maintain ongoing care coordination
   b. CBHSD and their contractors will participate in ICT's for members receiving County services and identified as needing an ICT.
   c. At the County's request, the SCFHP will assist the CBHSD in developing behavioral health care plans
   d. SCFHP will have a process for reviewing and updating the care plans as clinically indicated and following a hospitalization or significant change such as level of care.
   e. SCFHP will have regular quarterly meetings to review the care coordination process
   f. SCFHP will coordinate with the County to perform an annual review, analysis & evaluation of the effectiveness of the care management program to identify actions to implement and improve the quality of care and delivery of services.

IV. References

California Code of Regulations, Title 9, Division 4, Chapter 8 commencing with Section 13000
Department of Health Care Services (DHCS) Agreement 04-36069, and Amendments thereof, Exhibit A, Attachment 11, Case Management and Coordination of Care, 5. Specialty Mental Health
DHCS Agreement 04-36069, and Amendments thereof, Exhibit A, Attachment 10, Scope of Services, 7. Services for All Enrollees, D. Mental Health Services
MMCD Policy Letter 00-01
Title 9, CCR, Chapter 11, Division 1, Section (s) 1810.231; 1810.247; 1810.350; 1810.405; 1810.415; 1820.100; 1820.205; 1820.225; 1830.205; 1830.205 (b) (1); 1830.210; 1850.210 (I); 1850.505
Title 22, CCR, Chapter 3, Article 4, Section (s) 51305; 51311; 51313; 51183
Title 22, Section 51341.1, Drug Medi-Cal Substance Abuse Services; the California Health and Safety Code, Section 11752.1 (1) and the State of California Alcohol and/or Other Drug Program Certification Standards
Welfare and Institutions Code Section 5600.3; and 14016.5

V. Approval/Revision History

First Level Approval	Second Level Approval
Jeff Robertson, M.D. Medical Director	Laurie Nakahira Chief Medical Officer
Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original		06/06/2018	
V1	Reviewed		06/03/2019	
V2	Revised	Quality Improvement Committee		

Policy Title:	**Early Start Program (Early Intervention Services)**	**Policy No.:**	QI.22 v5
Replaces Policy Title (if applicable):	Early Start Program (Early Intervention Services): Developmental Delay Identification, Referral and Care Coordination	**Replaces Policy No. (if applicable):**	CM.005_03
Issuing Department:	Health Services – Behavioral Health	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒Medi-Cal	☐CMC	

I. Purpose

Santa Clara Family Health Plan (SCFHP) ensures that eligible members receive early screening, counseling and treatment for developmental delay or disabilities.

II. Policy

Santa Clara Family Health Plan (SCFHP) identifies members (aged 0 to 2.9 years) who have, or are at risk of acquiring developmental delays or disabilities and need early intervention services. SCFHP will coordinate the referral of members to the Early Start Program, which is a collaborative effort between the San Andreas Regional center (SARC) and the Santa Clara County Office of Education

III. Responsibilities

The Health Services Department of the SCFHP is responsible for referring members to Early Start as they are identified by the primary care physicians, case managers and others. The Department is also responsible to notify SCFHP delegates of their responsibilities to refer to Early Start.

IV. References

DHCS All Plan Letter 18-009 Memorandum of Understanding Requirements for Medi-Cal Managed Health Care Plans and Regional Centers, 03/02/2018

V. Approval/Revision History

First Level Approval	Second Level Approval
Jeff Robertson, M.D. Medical Director	Laurie Nakahira Chief Medical Officer

Date	Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original			
V2	Revised		2/8/2017	
V3	Revised		6/6/2018	
V4	Revised		6/3/2019	
V5	Revised	Quality Improvement Committee		

Policy Title:	**Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care**	**Policy No.:**	QI.23 v2
Replaces Policy Title (if applicable):		**Replaces Policy No. (if applicable):**	
Issuing Department:	Health Services – Behavioral Health	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒Medi-Cal	☒CMC	

I. Purpose

Santa Clara Family Health Plan (SCFHP) primary care providers will provide Alcohol Misuse: Screening and Behavioral Counseling (AMSC) Interventions in Primary Care settings for members 18 years of age and older who misuse alcohol.

II. Policy

A. SCFHP's policy is to support the contracted network in providing an expanded alcohol screening for members 18 years of age and older who answer "yes" to the alcohol question in the Individual Health Education Behavioral Assessment (IHEBA).
B. It is the policy of SCFHP to meet the Department of Health Care Services (DHCS) expanded contractual requirements for identification of potential alcohol misuse problems.
C. Providers in SCFHP primary care settings must offer and document AMSC services are offered.
D. The SCFHP will not limit behavioral counseling interventions. Beneficiaries who meet criteria for an alcohol use disorder or whose diagnosis is uncertain, are to be referred for further evaluation to the County Gateway program at 1-800-488-9919.

III. Responsibilities

A. SCFHP's Behavioral Health Department is responsible for monitoring compliance with the policy.
B. SCFHP's Health Services Department coordinates with the Quality Improvement Department to collaborate with the assistance of the Health Education, Provider Services and Behavioral Health Departments to train/educate providers in the provision of the AMSC.

IV. References

DHCS All Plan Letter 17-016 Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care
Title 42 CFR Requirements with the Mental Health Parity Rule

V. Approval/Revision History

First Level Approval	Second Level Approval
Jeff Robertson, M.D. Medical Director Date	Laurie Nakahira Chief Medical Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
V1	Original		02/21/2018	
V1	Reviewed		06/03/2019	
V2	Revised	Quality Improvement Committee		

Regular Meeting of the

Santa Clara County Health Authority

Pharmacy & Therapeutics Committee

Thursday, June 18, 2020, 6:00-8:00 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes (Open)

Members Present
Jimmy Lin, MD, Chair
Ali Alkoraishi, MD
Amara Balakrishnan, MD
Hao Bui, BS, RPh
Dang Huynh, PharmD, Director of Pharmacy
Laurie Nakahira, DO, Chief Medical Officer
Peter Nguyen, DO
Jesse Parashar-Rokicki, MD
Narinder Singh, PharmD

Members Absent
Xuan Cung, PharmD
Dolly Goel, MD

Staff Present
Duyen Nguyen, PharmD, Clinical Pharmacist
Tami Otomo, PharmD, Clinical Pharmacist
Michelle Huynh, Pharmacy Coordinator

Others Present
Alan Kaska, Account Manager, Abbott
Amy McCarty, PharmD, Clinical Program Manager, MedImpact
Lily Xia, PharmD, Pharmacy Resident, Valley Medical Center

1. Roll Call

Jimmy Lin, MD, Chair, called the meeting to order at 6:10 pm. Roll call was taken and a quorum was established at 6:14 pm.

Dang Huynh, PharmD, Director of Pharmacy, SCFHP, announced that Dr. Minh Thai will be resigning from the Pharmacy & Therapeutics (P&T) Committee.

2. Public Comment

Alan Kaska, Account Manager, Abbott, announced that the FDA approved the Freestyle Libre 2 continuous glucose monitor (CGM) as a Class II medical device. The Freestyle Libre 2 CGM has real-time glucose alarms for both high and low glucose readings and is indicated for the management of diabetes for adults and children 4 years and older. It has 14 day accuracy for adults and children. This device may be used as an integrated CGM with other compatible medical devices, such as insulin pumps. The price is the same as Abbott's other CGM product, Freestyle Libre 14 Day.

3. Open Meeting Minutes

The 1Q2020 P&T Committee open meeting minutes were reviewed.

It was moved, seconded and the minutes of the April 30, 2020 P&T meeting were **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Alkoraishi
Ayes: Dr. Alkoraishi, Dr. Balakrishnan, Ms. Bui, Dr. Huynh, Dr. Lin, Dr. Nakahira, Dr. Nguyen, Dr. Parashar-Rokicki, Dr. Singh
Absent: Dr. Cung, Dr. Goel

4. Standing Agenda Items

a. Chief Medical Officer Health Plan Updates

Laurie Nakahira, D.O., Chief Medical Officer (CMO), SCFHP, reviewed the following Health Plan updates:

I. The state has a 54 billion dollar deficit. State legislation passed the state budget on June 15 and is waiting for the governor to sign off.

II. There was an increase in membership in both Medi-Cal and Cal-MediConnect lines of business as of June 1st.

III. SCFHP has had approximately 156 members hospitalized with coronavirus disease 2019 (COVID). However, SCFHP has been unable to collect accurate numbers from all of the hospitals and delegates. SCFHP's call center call volume was slightly down when COVID started, but has now increased. Nurse advice line calls have also increased. SCFHP is looking into providing telehealth for behavioral health. Since California is still under a state of emergency, SCFHP continues to allow pharmacies to override for early refills and up to a 90-day supply of medications via mail order. The SCFHP website has a list of COVID testing sites.

IV. The Department of Health Care Services (DHCS) is encouraging plans to focus on flu vaccine campaign outreach to ensure everyone receives a flu shot, due to the concern for potential resurgence of COVID in the winter.

V. SCFHP is working on the community resource center (CRC), which is targeted to open in September/October of this year. The CRC will provide services such as health and wellness classes, enrollment assistance, and customer service.

VI. SCFHP is preparing internally for the state Medi-Cal pharmacy carve out, effective January 1, 2021 and is awaiting further guidance.

b. Medi-Cal Rx Update

Dr. Huynh shared that SCFHP is working with the state to help minimize the impact to members and providers once the pharmacy benefit is carved out to the state. The pharmacy benefit under the state will be referred to as Medi-Cal Rx. The state is planning to remove the restriction of six prescriptions per month and will be providing a transition period of 120 days. If members have an active drug prior authorization (PA) with their managed Medi-Cal plan, Medi-Cal Rx will honor the PA.

c. Plan/Global Medi-Cal Drug Use Review

I. Global Medi-Cal DUR Board Activities

Tami Otomo, PharmD, Clinical Pharmacist, SCFHP, stated that SCFHP participates in the state's Global Drug Use Review (DUR) Board quarterly meetings, then assesses DUR activities that need to be implemented at the plan. There were no actions for SCFHP from the last DUR meeting. Dr. Otomo noted that the state's DUR Board regularly releases DUR educational articles, and SCFHP does write-ups on these articles to publish in the plan's Provider eNews.

Dr. Otomo shared that SCFHP is working on the annual DUR report to submit to the state by July 1st.

II. Drug Use Evaluation

This topic was inadvertently missed and will be presented on at the next P&T meeting.

d. Emergency Supply Report

I. 2018 4th Quarter Report

Duyen Nguyen, PharmD, Clinical Pharmacist, SCFHP, stated that this is an ongoing report required by DHCS. The purpose of this report is to evaluate access to medication(s) prescribed pursuant to an emergency room (ER) visit and determine if any barriers exist in obtaining the prescription(s). Specifically, members with an ER visit diagnosis of urinary tract infection (UTI) are reviewed to determine if they received medication(s) within 72 hours of the ER visit. There were a total of 23,656 ER visits in 4th Quarter of 2018. There were no issues identified with approved or denied claims.

Dr. Peter Nguyen and Dr. Parashar-Rokicki questioned why fluconazole was included in the report if looking at UTI.
Dr. Nguyen replied that the plan will investigate further for any future reports that include an antifungal.
Dr. Nakahira stated that the etiology should be looked at to see if the patient is being treated for fungal UTI or a secondary infection like vaginitis.

II. 2019 1st Quarter Report

Dr. Nguyen shared that there were a total of 24,290 ER visits in 1st Quarter of 2019. There were no issues identified with approved or denied claims.

Dr. Nguyen reported that SCFHP had a DHCS audit in March 2020 where DHCS asked the plan why UTI was chosen over other diagnoses for this emergency supply report. Dr. Nguyen explained that there is a high likelihood of a patient being discharged from the ER with a prescription if diagnosed with UTI.

Adjourned to Closed Session at 6:54 p.m.
Pursuant to Welfare and Institutions Code Section 14087.36 (w)

5. Closed Meeting Minutes

The 2Q2020 P&T Committee closed meeting minutes were reviewed.

It was moved, seconded and the closed meeting minutes of the April 30, 2020 P&T meeting **were unanimously approved.**

Motion: Dr. Nguyen
Second: Ms. Bui
Ayes: Dr. Alkoraishi, Dr. Balakrishnan, Ms. Bui, Dr. Huynh, Dr. Lin, Dr. Nakahira, Dr. Nguyen, Dr. Parashar-Rokicki, Dr. Singh
Absent: Dr. Cung, Dr. Goel

6. Metrics and Financial Updates

a. Membership Report

b. Pharmacy Dashboard

c. Drug Utilization & Spend

7. Discussion and Recommendations for Changes to SCFHP's Cal MediConnect Formulary & Coverage Determination Criteria

a. Pharmacy Benefit Manager 1Q2020 P&T Minutes

b. Pharmacy Benefit Manager 2Q2020 P&T Part D Actions

Voting on the Pharmacy Benefit Manager Minutes & Part D Actions was deferred until a quorum was re-established.

At 7:22 PM, Dr. Huynh resumed the Committee's voting process, as a quorum was re-established upon Dr. Alkoraishi's reconnection.

It was moved, seconded and the Pharmacy Benefit Manager 1Q2020 Minutes & 2Q2020 Part D Actions **were unanimously approved.**

Motion: Dr. Lin
Second: Ms. Bui
Ayes: Dr. Alkoraishi, Dr. Balakrishnan, Ms. Bui, Dr. Huynh, Dr. Lin, Dr. Nakahira, Dr. Nguyen, Dr. Parashar-Rokicki, Dr. Singh
Absent: Dr. Cung, Dr. Goel

8. Discussion and Recommendations for Changes to SCFHP's Medi-Cal & Prior Authorization Criteria

a. Old Business/Follow-Up

i. Vascepa (icosapent ethyl)

b. Formulary Modifications

It was moved, seconded and the Formulary Modifications **were unanimously approved.**

Motion: Dr. Nguyen
Second: Dr. Lin
Ayes: Dr. Alkoraishi, Dr. Balakrishnan, Ms. Bui, Dr. Huynh, Dr. Lin, Dr. Nakahira, Dr. Nguyen, Dr. Parashar-Rokicki, Dr. Singh
Absent: Dr. Cung, Dr. Goel

c. Fee-for-Service Contract Drug List Comparability

It was moved, seconded and the proposed action from the Fee-for-Service Contract Drug List Comparability **unanimously approved.**

Motion: Dr. Nguyen
Second: Dr. Lin
Ayes: Dr. Alkoraishi, Dr. Balakrishnan, Ms. Bui, Dr. Huynh, Dr. Lin, Dr. Nakahira, Dr. Nguyen, Dr. Parashar-Rokicki, Dr. Singh
Absent: Dr. Cung, Dr. Goel

d. Prior Authorization Criteria

i. New or Revised Criteria

1. Oncology – *revised; added Tazverik*
2. Hepatitis C Policy – *revised*
3. Epclusa – *revised; removed requirement for genotype*
4. Mavyret – *revised; removed requirement for genotype*
5. Enablex – *revised; added trospium as tried and failed option, removed age limit*
6. Rhopressa – *revised; added Xelpros as tried and failed option*
7. Dovonex – *revised; removed age requirement and added plaque psoriasis on or around the eyelids*
8. Androgel – *revised; changed Approval Period from 6 to 12 months*
9. Elmiron – *revised; changed Approval Period from 6 to 12 months*
10. Lysteda – *revised; changed Approval Period from 6 to 12 months*
11. Provigil – *revised; changed Approval Period from 6 to 12 months*
12. Symlin – *revised; changed Approval Period from 6 to 12 months*
13. Tymlos – *revised; changed Approval Period from 6 to 12 months*
14. Mycobutin – *revised; changed Approval Period from 6 to 12 months*
15. Amitiza – *revised; changed Approval Period from 6 to 12 months*
16. Restasis – *revised; changed Approval Period from 6 to 12 months*
17. Marinol – *revised; changed Approval Period from 6 to 12 months*
18. Nebupent – *revised; changed Approval Period from 4 to 6 months*

ii. Annual Review

1. Reauthorization – *no changes*
2. Non-Formulary Oral Liquids – *no changes*
3. Pain Medications-Terminally Ill – *no changes*
4. Diabetic Supplies (blood glucose meter, test strips, & lancets) – *no changes*
5. Ciprodex – *no changes*
6. Exelon – *no changes*
7. Hycet – *no changes*
8. Intron A – *no changes*
9. Lovaza – *no changes*
10. Makena – *no changes*
11. Malarone – *no changes*
12. Revatio – *no changes*
13. Santyl – *no changes*
14. Sporanox – *no changes*
15. Viroptic – *no changes*
16. Xenazine – *no changes*
17. Letairis – *no changes*

It was moved, seconded and the Prior Authorization Criteria **were unanimously approved.**

Motion: Dr. Lin
Second: Dr. Nguyen
Ayes: Dr. Alkoraishi, Dr. Balakrishnan, Ms. Bui, Dr. Huynh, Dr. Lin, Dr. Nakahira, Dr. Nguyen, Dr. Parashar-Rokicki, Dr. Singh
Absent: Dr. Cung, Dr. Goel

9. New Drugs and Class Reviews

a. Chewable Birth Control Pills

b. Diabetes Update

i. Trulicity – Cardiovascular Outcomes

ii. Continuous Glucose Monitor (CGM)

iii. Farxiga – Heart Failure

It was motioned, seconded and the proposed actions from the New Drugs and Class Reviews **were unanimously approved.**

Motion: Dr. Lin
Second: Dr. Nguyen
Ayes: Dr. Alkoraishi, Dr. Balakrishnan, Ms. Bui, Dr. Huynh, Dr. Lin, Dr. Nakahira, Dr. Nguyen, Dr. Parashar-Rokicki, Dr. Singh
Absent: Dr. Cung, Dr. Goel

c. Thyroid Eye Disease – Tepezza

d. New Derivatives, Formulations, Combinations

e. New/Expanded Indications

Reconvened in Open Session at 8:03 p.m.

10. Discussion Items

a. New and Generic Pipeline

Dr. McCarty reviewed the New and Generic Pipeline and highlighted Farxiga for heart failure and obeticholic acid for NASH as potential high impact-interest agents in 2nd quarter of 2020.

11. Adjournment

The meeting was adjourned at 8:05 p.m. The next P&T Committee meeting will be on September 17, 2020.

_____ _____

Jimmy Lin, MD, Chair Date

Regular Meeting of the

Santa Clara County Health Authority
Utilization Management Committee

Wednesday, July 15, 2020, 6:00-7:30 PM
Santa Clara Family Health Plan – Teleconference
6201 San Ignacio Ave., San Jose, CA 95119

MINUTES - Approved

Members Present
Jimmy Lin, MD, Internal Medicine, Chair
Ali Alkoraishi, MD, Psychiatry
Dung Van Cai, DO, Head & Neck
Dr. Ngon Hoang Dinh, DO
Dr. Habib Tobbagi, PCP, Nephrology
Indira Vemuri, Pediatric Specialist

Staff Present
Christine Tomcala, Chief Executive Officer
Lily Boris, MD, Medical Director
Angela Chen, Manager, Utilization Management
Natalie McKelvey, Manager Behavioral Health
Luis Perez, Supervisor, Utilization Management
Amy O'Brien, Administrative Assistant

Members Absent
Laurie Nakahira, DO, Chief Medical Officer

1. **Introduction**

   Dr. Jimmy Lin, Chair, called the meeting to order at 6:05 p.m. Roll call was taken and a quorum was established.

2. **Public Comment**

   There were no public comments.

3. **Meeting Minutes**

   The minutes of the April 15, 2020 Utilization Management Committee (UMC) meeting were reviewed.

   It was moved, seconded, and the minutes of the April 15, 2020 Utilization Management Committee meeting were **unanimously approved.**

Motion:	Dr. Cai
Seconded:	Dr. Tobbagi
Ayes:	Dr. Alkoraishi, Dr. Cai, Dr. Dinh, Dr. Lin, Dr. Tobbagi, Dr. Vemuri
Absent:	Dr. Nakahira

4. **Chief Executive Officer Update**

   Christine Tomcala, Chief Executive Officer, provided an update, as the majority of SCFHP staff continue to shelter in place and work remotely, with approximately 10 staff members who work in house. SCFHP continues to do its utmost to track the number of members and staff diagnosed with COVID. To date, approximately 247 members have been hospitalized for COVID, with 26 deceased, 17 of whom were Skilled Nursing Facility (SNF) residents, and 9 of whom were not residents of a SNF. SCFHP continues to focus on many of the activities that were priorities prior to COVID. As of April 10, 2020, a Telehealth option was added to the 24/7 nurse advice line. So far, 274 members have sought physician care

through the Telehealth option. SCFHP encourages members who use Telehealth to seek care through their own Providers, rather than going through the nurse advice line. Membership continues to increase, not necessarily due to new members, but as a result of the state's response to the COVID outbreak. At this time, the state has ceased member disenrollment when members fail to return qualifying paperwork. Normally, SCFHP sees a few thousand members fall off the membership rolls; however, membership has increased from 243K to 257K, with 248K Medi-Cal members and 9K Cal MediConnect members. Once the pandemic emergency is over, the state and the county will continue to process redeterminations and several of these memberships will fall off. Ms. Tomcala addressed the budget issues, with the state's and the county's decisions to decrease SCFHP's premium rates by 1.5%, retroactive to July 1, 2019. Going forward, SCFHP anticipates that these premium rates will continue to drop. Dr. Lin pointed out that even a 1.5% drop in premium rates amounts to several millions of dollars. Ms. Tomcala agreed, however, she also pointed out that the Medi-Cal rates have not changed and the individual physician rates have not gone down. This will impact the capitation that SCFHP receives and provides to their downstream Independent Physician Associations (IPA's). Dr. Alkoraishi asked Ms. Tomcala if the Plan anticipates any staff member furloughs, lay-offs, or salary decreases. Ms. Tomcala replied that, at this time, we do not anticipate any furloughs, lay-offs, or salary decreases. Many staff members are SEIU (Service Employees International Union) members and, prior to the outbreak, negotiations for increases were completed for the new year. Healthcare is a cyclical business, and the Plan can draw upon reserves. To that end, SCFHP has budgeted to lose money in the upcoming fiscal year, and the Plan may even lose money in the next couple of years. The Plan's main concern is to continue to provide uninterrupted, seamless service to our members. The Plan believes it has adequate reserves to withstand the effects of the outbreak, and it is also important to maintain a good workforce, so no drastic action will be taken at this time.

5. Chief Medical Officer Update

Dr. Boris planned to give the Chief Medical Officer Update on behalf of Dr. Nakahira. It was determined, however, that all updates of note were covered by Ms. Tomcala in her Chief Executive Officer update.

6. Old Business/Follow-Up Items

a. General Old Business

There is no old business to discuss this evening.

b. LTC Statistics

Dr. Boris began with a follow-up item from the April 2020 meeting. Dr. Boris presented the LTC statistics for the calendar year 2019 to the Committee. Dr. Boris explained that these statistics pertain to members who are in long-term care, not skilled nursing care. The statistical breakdown includes members who were discharged; the total number of members per line of business; and how many members are homeless. At this time, the breakdown does not include the number of members who were homeless prior to, or are currently homeless and in, long-term care. A field to capture this data will be built in to include these members, as many of them have been in long-term care for several years. Dr. Boris explained that there are 2 teams responsible for the discharge of these members. Dr. Lin pointed out that there are still 2,100 members who reside in 5 of our long-term care facilities. Dr. Boris reminded Dr. Lin that long-term care was not a Medi-Cal benefit several years ago, and it was purposefully transitioned to a managed Medi-Cal plan due to cost. The Plan does take care of our members who are in long-term care, with a focus on transition into the community. Dr. Lin expressed concern about the cost to the Plan, and he would like to see the Plan track the additional data on the number of members who are homeless and in long-term care. Dr. Boris agreed. Dr. Alkoraishi discussed Santa Clara County's approach to housing the homeless. Dr. Boris pointed out that Medi-Cal has strict criteria in regards to the qualifications for long-term care. There was discussion amongst Dr. Boris, Dr. Lin, and Dr. Alkoraishi as to options for the homeless in Santa Clara County.

c. Home Health Comparison for Care Coordinator Guidelines

Dr. Boris introduced Mr. Perez who presented the Home Health Comparison for Care Coordinator Guidelines to the Committee. Mr. Perez discussed the fact that the Plan contacted other health plans in the area to compare the number of initially allowable home health visits approved under their guidelines, as compared to what SCFHP approves. Of the health plans we contacted, some were hesitant to give us this information, as it is based on medical necessity. Health Plan A allows up to 20 initially allowable visits, and Health Plan B allows up to 12 initially allowable visits. Dr. Lin stated that he still feels SCFHP is generous, especially when compared to commercial health plans, which typically only allow up to 4 or 5 visits. Dr. Boris explained that, as a Committee, up to 18 home health visits were approved, and the Plan's research shows that 2 local health plans were similar to SCFHP. Dr. Lin requests that the Plan reevaluate their findings and bring the results to the October 2020 meeting. Dr. Boris concurred and advised we will also evaluate home health utilization.

7. UM Manager/Director "Second Review" of Denial Letters

Angela Chen, Manager, Utilization Management, presented the UM Manager/Director "Second Review of Denial Letters" to the Committee. Ms. Chen began with a brief overview of the purpose behind the Plan's mandatory process of second review of denial letters. Ms. Chen highlighted the fact that since the implementation of second review, SCFHP has successfully shown compliance in subsequent annual audits with CMS, DHCS, DMHC, and the NCQA. As a result, the UM department now requests to end the second review of every denial letter by a manager or a director. QA measures will continue and, should issues be found, the UM department will immediately re-implement the process of second review of daily denial letters and notify the Committee.

It was moved, seconded, and the suspension of the UM Manager/Director "Second Review" of Denial Letters was **unanimously approved.**

Motion:	Dr. Cai
Seconded:	Dr. Lin
Ayes:	Dr. Alkoraishi, Dr. Cai, Dr. Dinh, Dr. Lin, Dr. Tobbagi, Dr. Vemuri
Absent:	Dr. Nakahira

8. Reports

a. Membership

Dr. Boris presented the Membership Reports to the Committee. The Plan's Medi-Cal line of business has increased, largely attributable to the fact that the number of redeterminations by DHCS has decreased due to the COVID outbreak. The Cal MediConnect is an active enrollment and has also grown. It is noteworthy that approximately 50% of our members are enrolled in the Valley Health Plan Network. Dr. Lin inquired as to how the Plan increased the Cal MediConnect enrollment? Ms. Tomcala gave a brief overview of the Cal MediConnect product line and the responsibilities of the Medicare Outreach Team. Dr. Tobbagi asked if Medi-Cal has any members who remain on the fee-for-service Medi-Cal product line outside the HMO plan. Ms. Tomcala responded that the majority are in managed care, with a few exceptions. Foster children, for example, are not required to be in a managed care plan. Dr. Cai inquired as to whether or not we have a number for the members on a PPO Medi-Cal plan? Ms. Tomcala responded that we do not have a handy source for this information. SCFHP enrollment constitutes approximately 79% of the market share, with Anthem serving the remainder of the market share, and a few under fee-for-service plans. A discussion ensued as to whether or not inmates also fall under the fee-for-service Medi-Cal plan. Ms. Tomcala advised that the County bears responsibility for inmates, and the Plan does not have sufficient data as to which Medi-Cal plans cover inmates.

b. Over/Under Utilization by Procedure Type/Standard UM Metrics

Dr. Boris presented the Utilization Metrics to the Committee. Dr. Boris explained that for the Medi-Cal line of business the UM department looks at quarterly metrics for SPD and non-SPD in-patient utilization from 7/1/2019- 6/30/2020, and the numbers are fairly stable. For the Cal MediConnect line of business, the slide may have inadvertently included SNF stays, and Dr. Boris will rerun this data to present in the October 2020 meeting. Dr. Boris presented the benchmarks comparisons for discharges per thousand members per month for our SPD and non-SPD populations. Dr. Boris presented the data for Medi-Cal and Cal MediConnect inpatient readmissions; reductions of inpatient readmissions is a strategic goal for the UM department in the upcoming year. The significant difference in the total number of denominators between Medi-Cal and Cal MediConnect is attributable to the population sizes between the 2 plans. Dr. Boris summarized the metrics for ADHD Medi-Cal BH. Dr. Boris concluded with the metrics for Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia, which has significantly dropped and will be monitored. Dr. Alkoraishi asked if the Plan differentiates between adult ADHD and child ADHD. Dr. Boris explained that the data presented pertains to HEDIS, which is specific to child ADHD. Dr. Boris will follow-up to confirm whether or not HEDIS includes adult ADHD, and will present her findings at the October 2020 meeting.

c. Dashboard Metrics

Mr. Perez presented the Call Center Dashboard Metrics to the Committee.

- Turn-Around Time Q2 2020

  Mr. Perez summarized the turn-around times for Medi-Cal authorizations. Suspension of prior authorizations due to the COVID outbreak are reflected in the Dashboard metrics. Mr. Perez advised the Committee that the UM team's turn-around times for routine authorizations, expedited authorizations, and decisions are timely and fall within at least the 98.1 percentile or better. Mr. Perez pointed out that in the area of Urgent Concurrent Review, where decisions must be rendered within 72 hours (a new NCQA change), the UM team achieved a 100% timely decision rate. For the area of Retrospective Review, where a decision must be rendered within 30 calendar days, the UM team also achieved a 100% for retrospective review and with a 97.9% timely decision rate. This same trend continues with the Cal MediConnect line of business. For routine determinations, urgent concurrent determinations, and post-service determinations the team falls within at least the 99.4 percentile or better.

  Call Center Q2 2020

  Mr. Perez presented the UM Call Center metrics for Medi-Cal and Cal MediConnect to the Committee. For the Medi-Cal line of business, the Call Center volume increased from month to month, as a result of prior authorization suspension. Increasingly, more calls came in each month regarding extensions of authorizations and verification of which services require authorizations. For the Cal MediConnect line of business, call volume also increased each month. Dr. Cai was concerned with the abandonment rate. Dr. Boris clarified that it is typically the Provider office who drops the call. Dr. Lin inquired as to whether or not we have a recording that plays during Providers' hold time, and Mr. Perez confirmed this is the case. Dr. Boris reminded the committee that these metrics are a positive trend that reflect staff capabilities while working from home.

d. Cal MediConnect and Medi-Cal Quarterly Referral Tracking – Q2 2020

Dr. Boris next discussed the 'Q2 Referral Tracking Report'. The Plan does an annual rollup, with quarterly numbers. This report is specific to the number of authorizations, and factors such as whether or not services were rendered, and the Claim paid, within 90 days; if the Claim was paid after 90 days; and what percentage of the authorizations received had no Claim paid. Dr. Boris pointed out that, out of

2,011 authorizations received for the Cal MediConnect plan, the 47.4% of authorizations with no services rendered is likely attributable to the COVID outbreak. The same trend continues with the Medi-Cal line of business. Dr. Boris suspects many authorizations are in open approved status which explains why they now receive more requests for extensions. Dr. Lin concurred that the COVID outbreak is the likely cause, as many people are afraid to see their doctor.

e. Quality Monitoring of Plan Authorizations and Denial Letters (HS.04.01) – Q2 2020

Ms. Chen reviewed the results of the standard quarterly report on Quality Monitoring of Plan Authorizations and Denial Letters for the 2nd quarter of 2020. Ms. Chen advised the Committee that the Plan analyzes a random sample of 30 authorizations per quarter, which includes examination of all the pertinent audit elements. During this review process, 50% of the letters that were examined pertained to the Medi-Cal line of business, and the other 50% of the letters that were examined pertained to the Cal MediConnect line of business, with 100% of them being denials. Ms. Chen gave a breakdown of the Plan's results with an emphasis on both member and provider notification. Ms. Chen explained that the provider letters are in English, while members receive their denial letters in their threshold language. Dr. Cai inquired as to whether or not there was a second review, and Ms. Chen confirmed there is always a second review. Ms. Chen advised QA measures will continue on a weekly basis with all findings reported to the Medical Director along with a corrective action plan.

f. Inter-Rater Reliability (IRR) Report – Q2 2020 Delayed

Dr. Boris introduced the topic of the IRR report, which is a semi-annual report for both the UM team and the BH team.

- IRR UM

  Ms. Chen presented the results of the IRR testing to the Committee. The testing is designed to evaluate the consistency and accuracy of review criteria applied by all physician and non-physician reviewers, as well as to identify opportunities for process improvement. The majority of staff members passed, with the exception of 1 Care Coordinator who is relatively new and 1 nurse who does not regularly review authorizations, as her focus is on members in long-term care facilities. The next IRR testing will occur in Q3 2020, and the findings will be presented at the October 2020 meeting.

- IRR BH

  Ms. McKelvey presented the results of the IRR testing for BH to the Committee. Dr. Cai inquired as to why BH had a higher score than UM. Ms. McKelvey replied that the IRR testing for BH is based on medical necessity, and BH has a pattern of not issuing denials unless the medical necessity criteria has not been met. Ms. McKelvey advised that most of the questions were based on BH treatment, which are the ABA authorizations, and there was 1 psychiatry question and 1 mild-to-moderate talk therapy question. Those questions are fairly easy to answer.

g. Behavioral Health UM

Ms. McKelvey presented the Behavioral Health UM Reports to the Committee. Ms. McKelvey began with BH treatment, which usually includes the ABA. Ms. McKelvey outlined the BH providers with pending contracts, as well as new potential providers. Ms. McKelvey reviewed the BH utilization statistics. The Developmental Screening numbers for the 2nd, 3rd, and 4th quarters of 2019, and the 1st and 2nd quarters of 2020, were also presented to the Committee. The numbers have increased, though there is room for improvement. An internal work group was established to address the developmental screening rates. The internal work group is focused on provider, member, and parent education, and potential barriers to developmental screenings. The results of the work group, and a work plan, will be presented at the October 2020 meeting. Dr. Lin would like to see results from the people at the high end and low end of the screenings, as well as incentives for screening. Ms. McKelvey agreed, and she highlighted the fact that the Plan is collaborating with First Five to provide these incentives.

9. Adjournment

The meeting adjourned at 7:03 pm. The next meeting is scheduled for Wednesday, October 14, 2020 at 6:00 pm.

Reviewed and approved by:

_____ Date _____

Jimmy Lin, M.D., UM Committee Chairperson

QUALITY IMPROVEMENT
COMMITTEE or ACTIVITY REPORT

Name of Reporting Committee or Activity: Monitoring or Meeting Period:

Credentialing Committee 08/05/2020

Areas of Review or Committee Activity

Credentialing of new applicants and recredentialing of existing network practitioners

Findings and Analysis

Initial Credentialing (excludes delegated practitioners)		
Number initial practitioners credentialed	19	
Initial practitioners credentialed within 180 days of attestation signature	100%	100%
Recredentialing		
Number practitioners due to be recredentialed	12	
Number practitioners recredentialed within 36-month timeline	12	
% recredentialed timely	100%	100%
Number of Quality of Care issues requiring mid-cycle consideration	0	
Percentage of all practitioners reviewed for ongoing sanctions or licensure limitations or issues	100%	100%
Terminated/Rejected/Suspended/Denied		
Existing practitioners terminated with cause	0	
New practitioners denied for cause	0	
Number of Fair Hearings	0	
Number of B&P Code 805 filings	0	
Total number of practitioners in network (excludes delegated providers) as of 07/31/2020	270	

(For Quality of Care ONLY)	**Stanford**	**LPCH**	**VHP**	**PAMF**	**PMG**	**PCNC**
Total # of Suspension	0	0	0	0	0	0
Total # of Terminations	0	0	0	0	0	0
Total # of Resignations	0	0	0	0	0	0
Total # of practitioners	1598	1508	740	814	404	133

Note: This is a count of single providers in their credentialed networks. A provider belonging to multiple networks will be counted for each network once.

Regular Meeting of the

Santa Clara County Health Authority
Quality Improvement Committee

Wednesday, October 21, 2020, 6:00 PM – 8:00 PM
Santa Clara Family Health Plan, Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes

Members Present	Specialty
Ali Alkoraishi, MD	Adult & Child Psychiatry
Nayyara Dawood, MD	Pediatrics
Jennifer Foreman, MD	Pediatrics
Jimmy Lin, MD	Internist
Laurie Nakahira, D.O., Chief Medical Officer	
Christine Tomcala, Chief Executive Officer	
Members Absent	
Ria Paul, MD, Chair	Emergency Medicine
Jeffery Arnold, MD	Geriatric Medicine

Staff Present
Chris Turner, Chief Operating Officer
Laura Watkins, Vice President , Marketing and Enrollment
Tyler Haskell, Interim Compliance Officer
Johanna Liu, PharmD, Director, Quality & Process Improvement
Raman Singh, Director, Case Management
Tanya Nguyen, Director, Customer Service
Lucile Baxter, Manager, Quality & Health Education
Jamie Enke, Manager, Process Improvement
Jayne Giangreco, Manager, Administrative Services
Charlene Luong, Manager, Grievance and Appeals
Natalie McKelvey, Manager, Behavioral Health
Carmen Switzer, Manager, Provider Network Access
Theresa Zhang, Manager, Communications
Victor Hernandez, Grievance & Appeals Quality Assurance Program Manager
Tiffany Franke-Brauer, Social Work Case Manager Lead, Behavioral Health
Neha Patel, Quality Improvement, RN
Lan Tran, Quality Improvement, RN
Nancy Aguirre, Administrative Assistant

1. Roll Call

Laurie Nakahira, D.O., Chief Medical Officer, Santa Clara Family Health Plan (SCFHP), called the meeting to order at 6:03 pm, in Ria Paul's absence. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

3. Meeting Minutes

Minutes of the October 21, 2020 Quality Improvement Committee (QIC) meeting were reviewed.

It was moved, seconded and the minutes of the October 21, 2020 meeting were **unanimously approved.**

Motion: Dr. Alkoraishi
Second: Dr. Dawood
Ayes: Dr. Alkoraishi, Dr. Dawood, Dr. Foreman, Dr.Lin, Dr. Nakahira, Ms. Tomcala
Absent: Dr. Arnold, Dr. Paul

4. CEO Update

Christine Tomcala, Chief Executive Officer, reported the current Plan membership is approximately 271,000 members. Of which, approximately 10,000 are Cal MediConnect (CMC) members and 261,000 are Medi-Cal members. This reflects an 11.8% increase from last year. However, a lot of these members are not new members, but rather members whose redeterminations are on hold due to the public health emergency.

Ms. Tomcala noted the SCFHP staff continue to primarily work remotely from home, as Santa Clara County is in the purple tier. Discussions regarding COVID-19 vaccine distributions are underway, and SCFHP is anxious to participate with the County as well as the State in terms of distribution plans to our members.

Ms. Tomcala briefly mentioned the Medi-Cal RX transition delay. The transition has been extended to April 1, 2021. The Pharmacy Team will discuss this further in the meeting.

This concludes Ms. Tomcala's update. No questions were asked.

5. Provider Accessibility Assessment

Carmen Switzer, Manager, Provider Network Access, reviewed the Provider Accessibility Assessment for 2020. Ms. Switzer noted Valley Health Plan (VHP) is included in the survey for 2020, but was not included in previous years.

Ms. Switzer reviewed SCFHP's survey goals, objectives, methodologies, and results of each of the following reporting sections: Provider Appointment Availability Survey, After Hours Survey, CAHPS, and Member Grievance. No questions were asked.

It was moved, seconded and the Provider Accessibility Assessment was **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Foreman
Ayes: Dr. Alkoraishi, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Nakahira, Ms. Tomcala
Absent: Dr. Arnold, Dr. Paul

6. QI.30 Private Duty Nursing Policy

Raman Singh, Director, Case Management, presented the QI.30 Private Duty Nursing Policy. Ms. Singh reviewed the eligibility for Private Duty Nursing, the responsibilities of the Case Management and Utilization Management Departments, as well as the APL expectations.

Dr. Dawood asked what the qualifications for a Private Duty Nurse are. Ms. Singh explained any Medi-Cal members under the age of 21, who are Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT) eligible. Ms. Singh added Private Duty Nursing is utilized for Home Health Services, appropriate evaluations for vision and dental needs, as well as developmental screenings.

Dr. Lin asked who qualifies for Case Management. Dr. Nakahira clarified the criteria for eligibility for Case Management is separate from eligibility for Private Duty Nursing. Ms. Raman added within the organization, there is currently one (1) member who qualifies for Private Duty Nursing.

It was moved, seconded and the QI.30 Private Duty Nursing Policy was **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Alkoraishi
Ayes: Dr. Alkoraishi, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Nakahira, Ms. Tomcala
Absent: Dr. Arnold, Dr. Paul

7. Annual Continuity and Coordination between Medical Care and Behavioral Healthcare Analysis

Tiffany Franke-Brauer, Behavioral Health Social Work Case Manager Lead, presented the Annual Continuity and Coordination between Medical Care and Behavioral Healthcare Analysis. Ms. Franke-Brauer noted interventions were completed for two (2) of the six (6) reviewed factors, Management of Co-Existing Medical and Behavioral Disorders; and Special Needs of Members with Severe and Persistent Mental Illness.

Ms. Franke-Brauer reviewed the methodologies, affected populations, goals, barriers, and results of Factors 1 – 6. Two (2) interventions were implemented for Factor 4, Management of Co-Existing Medical and Behavioral Disorders. The first was a letter to providers, followed by 3 outgoing calls to members. At this time, it is inconclusive as to whether or not the implemented interventions were effective.

Ms. Franke-Brauer reviewed the two (2) interventions implemented for Factor 6 – Special Needs of Members with Severe and Persistent Mental Illness. The first intervention was three (3) outgoing calls to members who needed to complete testing(s). The second intervention was a faxed letter to providers.

Although no effectiveness could be identified during analysis extending specifically from these interventions, SCFHP plans to improve timing of data collection and implementation of interventions.

It was moved, seconded and the Annual Continuity and Coordination between Medical Care and Behavioral Healthcare Analysis was **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Foreman
Ayes: Dr. Alkoraishi, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Nakahira, Ms. Tomcala
Absent: Dr. Arnold, Dr. Paul

8. Annual Cal Medi-Connect (CMC) Continuity and Coordination of Medical Care Analysis (2020)

Neha Patel, Quality Improvement Nurse, reviewed the Annual CMC Continuity and Coordination of Medical Care Analysis (2020). Ms. Patel reviewed four (4) measures: Transition of Care – Medication Reconciliation, Comprehensive Diabetes Care (CDC) Eye Exam Rate, PCP Follow-up After 30 Days of Discharge, and Plan All-Cause Readmissions (PCR). Ms. Patel noted all measures compared measurement year 2019 with the baseline data from 2017 and 2018.

Ms. Patel explained a cross-functional work group comprised of representatives from Case Management (CM), Utilization Management (UM), Behavioral Health (BH), Long Term Services and Support (LTSS), and Quality Improvement (QI) Departments reviewed the barriers analysis of each measure. Ms. Patel reviewed the results and interventions implemented in the previous years and the plan for next year for each measure.

Ms. Patel reviewed the changes made in the report to meet the NCQA requirements. Ms. Patel explained the changes made in CDC Eye Exam Rate, PCP Follow-Up After 30 Days of Discharge, and PCRs measures to incorporate the activities performed in previous years.

It was moved, seconded, and the Annual CMC Continuity and Coordination of Medical Care Analysis (2020) was **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Alkoraishi
Ayes: Dr. Alkoraishi, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Nakahira, Ms. Tomcala
Absent: Dr. Arnold, Dr. Paul

9. Personalized Information on Health Plan Services

Tanya Nguyen, Director, Customer Service, presented Personalized Information on Health Plan Services. SCFHP has a responsibility to provide access to accurate, quality personalized health information via the SCFHP website and the telephone. Ms. Nguyen reviewed the methodology used, SCFHP goals, qualitative analysis, and the results.

Ms. Nguyen concluded all established measures applied to the website and telephone met the goal of 100% on accuracy and quality. No deficiencies were identified for this audit period.

It was moved, seconded, and the Annual CMC Continuity and Coordination of Medical Care Analysis (2020) was **unanimously approved.**

Motion: Dr. Lin
Second: Ms. Tomcala
Ayes: Dr. Alkoraishi, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Nakahira, Ms. Tomcala
Absent: Dr. Arnold, Dr. Paul

10. Pharmacy Benefit Information

Ms. Nguyen presented the Pharmacy Benefit Information. SCFHP has a responsibility to ensure that members can contact the organization via telephone and receive accurate, quality pharmacy benefit information such as, drugs, coverage, and cost.

Ms. Nguyen reviewed the results of the audit conducted from 07/01/19 through 06/30/20. For accuracy of information, SCFHP met the goal of 100% on all measures, with the exception of one, Factor 2 (Exceptions Process). The turn-around time for the Exception process was not provided to members. For quality of information, SCFHP met the goal of 100% on all measures, with the exception of Factor 2, measures 1 & 2 (Exceptions Process). Customer Service Representatives (CSR) did not fully explain the restrictions for a medication or the next step when an exception was submitted.

Refresher trainings will be provided to remind CSRs to take the appropriate actions in these areas of deficiency.

It was moved, seconded, and the Pharmacy Benefit Information was **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Alkoraishi,
Ayes: Dr. Alkoraishi, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Nakahira, Ms. Tomcala
Absent: Dr. Arnold, Dr. Paul

11. Grievance and Appeals Member Experience Analysis 2019

Victor Hernandez, Grievance and Appeals Quality Assurance Program Manager, reviewed the Grievance and Appeals Member Experience Analysis 2019. Mr. Hernandez noted the data in this analysis was captured in calendar year 2019 (January 1 – December 31).

The Grievance and Appeals (G&A) Department utilizes an internal code set to categorize G&As. The data collected for the entire SCFHP CMC population is aggregated into the following five (5) categories: Quality of Care, Access, Attitude/Service, Billing/Financial, and Quality of Practitioner Office Site.

Mr. Hernandez reviewed the goals for each category as well as the Qualitative Analysis for two (2) categories, Attitude/Service and Billing/Financial.

Review of the Behavioral Health Member Satisfaction Survey was deferred to the next meeting.

12. Grievance and Appeals Report Q3 2020

Charlene Luong, Manager, G&A, and Mr. Hernandez presented the G&A Report Q3 2020. Mr. Hernandez noted there was a decrease in Grievances in 2020.

Mr. Hernandez reviewed the MC Grievances by Network, Categories, Subcategories, Provider Staff Attitude, Vendor (Transportation), and Reason. The greatest Grievance reason was transportation. Late Pick-Up followed by No Show and Driver Attitude were the top contributors. Ms. Luong reviewed the 270 MC Appeals by Network and Disposition. Ms. Luong noted about 70% of the MC Dispositions were upheld. The rationale for the majority of overturns was due to Medical Necessity.

Mr. Hernandez reviewed the top three (3) CMC Grievances: Access, Quality of Care, and Quality of Service. Also reviewed were the top three (3) CMC Grievance Subcategories: Inappropriate Provider Care, Access (Provider Telephone Access and Timely Access to PCP), and Billing/Balance Billing. Ms. Luong reviewed the CMC Appeals by Case Type. Ms. Luong noted the majority Case Type was Post-Service Part C. In terms of CMC Appeals by Disposition, data shows 62% of appeals were overturned. The rationale for the majority of overturns was due to Medical Necessity.

This concludes the presentation. No questions were asked.

13. Quality Dashboard

Johanna Liu, PharmD, Director, Quality and Process Improvement, presented the Quality Dashboard. Dr. Liu reviewed the Potential Quality of Care Issues (PQI) investigation and noted there was a 98.1% on-time closure rate from September – November, 2020.

Dr. Liu reviewed the Member Incentives for Wellness appointments related to Asthma, Breast Cancer Screening (BCS), Well Child Visits in the first 15 months of life (W15), Adolescent Well Care Visits (AWC), Cervical Cancer Screening (CCS), Well Child Visits (3-6 years of age), Comprehensive Diabetes Care (CDC), and Prenatal Care (PPC). Members who received service(s) became eligible for a gift card.

Dr. Liu highlighted the new Outreach Call Campaign, designed to close gaps in care by helping members schedule wellness appointments. Over 4,000 outreach calls were made to members. The Outreach Call Campaign focused on W15, Asthma Medication Ratio (AMR), Controlling High Blood Pressure (CBP), CDC, and AWC.

Dr. Liu shared a total of 680 members have verbally consented into Health Homes as of November 25, 2020. Dr. Liu noted Facility Site Reviews (FSR) were not conducted due to COVID-19. Extensions have been approved by DHCS. Virtual FSRs will be soon introduced to new sites.

14. Compliance Report

Tyler Haskell, Interim Compliance Officer, presented the Compliance Report. Mr. Haskell reviewed the recent and ongoing audit activity. Mr. Haskell announced SCFHP has officially closed out the CMS Program Audit Revalidation (Revalidation Audit). SCFHP received a letter from CMS which recognized SCFHP sufficiently corrected all 31 of the Program Audit findings.

Mr. Haskell noted SCFHP is currently in the Compliance Program Effectiveness (CPE) Audit, an annual CMS requirement for Medicare health plans. The CPE Audit evaluates the effectiveness of SCFHP's Medicare Compliance Program through an internal audit. A review session with auditors will take place next week.

Additionally, two (2) State regulatory agencies have reached out to SCFHP to schedule audits. Both audits will take place in March, 2021. The Entrance Conference for the annual DHCS Audit will take place on March 8, 2021. A follow-up audit for DMHC will also be taking place in March, 2021.

15. Credentialing Committee Report

Dr. Nakahira reviewed the Credentialing Committee Report for October 7, 2020. There were no questions asked.

It was moved, seconded, and the Credentialing Committee Meeting Report was **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Dawood
Ayes: Dr. Alkoraishi, Dr. Dawood, Dr. Foreman, Dr. Lin, Dr. Nakahira, Ms. Tomcala
Absent: Dr. Arnold, Dr. Paul

16. Adjournment

The next QIC meeting will be held on February 9, 2021. The meeting was adjourned at 7:44 pm.

_____ _____

Ria Paul, MD, Chair Date

Santa Clara Family Health Plan™

Accessibility of Provider Network – MY2020
Cal MediConnect

Prepared by: Carmen Switzer, Provider Network Access Manager

For review and approval by the Quality Improvement Committee

December 9, 2020

Introduction

This report provides an overview of SCFHP's timely access survey results. SCFHP survey goals, objectives, methodologies and results are included in each reporting section.

- The following survey assessments are included in this report:
  - ❑ Provider Appointment Availability Survey
  - ❑ After Hours Survey
  - ❑ CAHPS
  - ❑ Member Grievance

Introduction

SCFHP provider networks:

- ❑ Direct (individually contracted providers)
- ❑ Palo Alto Medical Foundation (PAMF)
- ❑ Physicians Medical Group (PMG)
- ❑ Premier Care (PC)
- ❑ Valley Health Plan (VHP)
- ❑ Kaiser

All networks with the exception of Kaiser are included in this report. The Plan to Plan agreement with Kaiser is exclusive to the Medi-Cal line of business.

Provider Appointment and Availability Survey

Goal:

- ❑ Ninety percent (90%) of providers will meet appointment access standards

Objectives:

- ❑ Measure rate of compliance with timely access standards, at least annually.
- ❑ Evaluate SCFHP's timely access performance in comparison to goals.
- ❑ Develop interventions as appropriate/applicable to address deficiencies and/or gaps in timely access to care.

Provider Appointment and Availability Survey

Santa Clara Family Health Plan

Methodology

- SCFHP follows the DMHC's methodology to administer the provider appointment and availability survey (PAAS).
- The following provider types were included in the survey:

  - ❑ Primary Care Providers
  - ❑ High Volume Specialists
  - ❑ High Impact Specialists
  - ❑ Behavioral Health Providers

- Survey dates:

  - ❑ Wave I – August 3, 2020 - August 16, 2020
  - ❑ Wave II - September 17, 2020 – October 12, 2020.

- The survey was initiated by fax and email with a telephone follow-up.

Measures

Santa Clara Family Health Plan

Table I: Appointment Access

Provider Type	Urgent Appointment	Non-Urgent/ Routine Appointment	Non-Life Threatening Appointment	Follow-up Care
Primary Care Providers (All)	48 hours	10-days	NA	NA
Family Medicine	48 hours	10-days	NA	NA
Internal Medicine	48 hours	10-days	NA	NA
Specialists (All)	96 hours	15-days	NA	NA
Oncology (HIS)	96 hours	15-days	NA	NA
Gynecology (HVS)	96 hours	15-days	NA	NA
Cardiology (HVS)	96 hours	15-days	NA	NA
Ophthalmology (HVS)	96 hours	15-days	NA	NA
BH/MH - Prescribers	48 hours	10-days	6-hours	30-days
BH/MH – Non-Prescribers	48 hours	10-days	6-hours	30-days

Results – PCP

Table I: PCP Urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	62	23	83%	N	74	15	80%	N	+3
PAMF	273	70	67%	N	255	122	46%	N	+21
PMG	60	39	72%	N	85	57	84%	N	-12
PC	32	13	69%	N	29	18	94%	Y	-25
VHP	209	42	43%	N	NA				NA

Aggregate results:

- 2020: 67%

--VHP omitted: 73%

- 2019: 76%
- Response rate dropped by 32%

Results - PCP

Santa Clara Family Health Plan

Table II: PCP Non-urgent Appointment

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	62	24	100%	Y	74	16	100%	Y	None
PAMF	273	71	96%	Y	255	140	78%	N	+18
PMG	60	40	95%	Y	85	60	95%	Y	None
PC	32	13	92%	Y	29	18	100%	Y	-8
VHP	209	46	80%	N	NA				

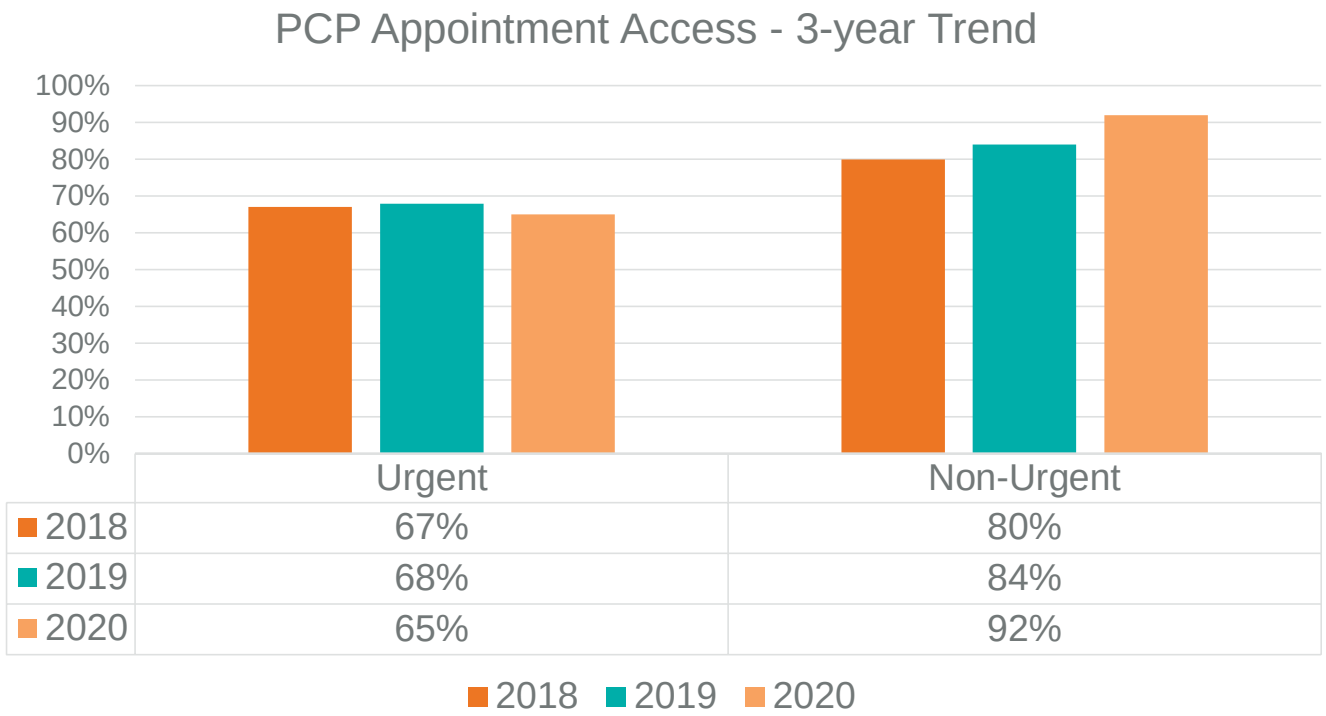
Aggregate results:

- 2020: 92%

--VHP omitted: 96%

- 2019: 93%
- Response rate dropped by 37%

Results - PCP



	Urgent	Non-Urgent
2018	67%	80%
2019	68%	84%
2020	65%	92%

Average ratings (2018-2020):

- Urgent Care: 67% - VHP omitted: 69%
- Non-urgent Care: 85% - VHP omitted: 87%

Conclusion

Santa Clara Family Health Plan

PCP Appointment Access

- The 3-year (2018-2020) analysis on PCP urgent appointment access revealed that results remain steady at 69% (VHP omitted), 21 percentage points below goal.

- The 3-year (2018-2020) analysis on PCP non-urgent appointment access revealed that results are trending upward and goal was met for the first time in 2020 at 92% (VHP omitted); 2 percentage points above goal.

- The Direct network had a slight increase in respondents in 2020 for urgent and non-urgent questions and showed an increase of 3 percentage points with urgent appointment access from 2019 and had no change at 100% for non-urgent access.

Conclusion

PCP Appointment Access

- The PAMF network had a significant decrease in respondents for urgent (43%) and non-urgent (49%) questions and showed an increase in urgent care access by 21 percentage points and non-urgent access at 18 percentage points.

  --The Plan contacted PAMF regarding the significant drop in participation and they reported that their scheduling call center had staff shortages for the better part of 2020 due to the pandemic (COVID-19), and while PAMF agreed that access survey participation is important, they did not have the manpower to fully participate in the surveys. PAMF also reported that the compliance officer working with SCFHP to ensure survey participation and preparedness has left the organization, which may have contributed to the lack of participation and preparation for this measurement year.

Conclusion

PCP Appointment Access

- The PMG network had a decrease in respondents in 2020 for urgent (32%) and non-urgent (33%) questions, and showed a decrease in urgent care access by 12 percentage points and no change at 95% for non-urgent access.

  --The Plan contacted PMG and they reported a significant turnover in staffing which may have contributed to the lack of responsiveness in 2020. They also expressed concerns that new staff members are unfamiliar with access standards and they agreed to a training session with SCFHP, scheduled for Dec 11, 2020.

- The PC network had a decrease in respondents in 2020 for urgent and non-urgent (28%) questions and showed a decrease in urgent care access by 25 percentage points and non-urgent access at 8 percentage points.

Conclusion

PCP Appointment Access

- The VHP network rated the lowest with urgent care access at 43% and non-urgent care at 80%. Further review revealed that 28 of 42 respondents were from 4 clinic locations, all of which are in the city of San Jose.

  --The Plan contacted VHP's provider relations department and was advised that each clinic is aware of appointment access standards, and when specific providers are not available, there are other providers available in each clinic to ensure SCFHP members are seen within timely access standards.

  VHP also reported that when necessary patients are referred to one of their 4 urgent care facilities in San Jose, all of which have extended office hours.

  -- PCP network: 36% are open to new patients.

Results - Specialists

Table I: Cardiology - Urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	61	13	38%	N	68	11	35%	N	+3
PAMF	25	8	63%	N	28	8	50%	N	+13
PMG	11	4	100%	Y	26	8	88%	N	+12
PC	NA				NA				NA
VHP	12	0	NA	NA	NA				NA

Aggregate results:

- 2020: 67%
- 2019: 58%
- Response rate dropped by 7%

Results - Specialists

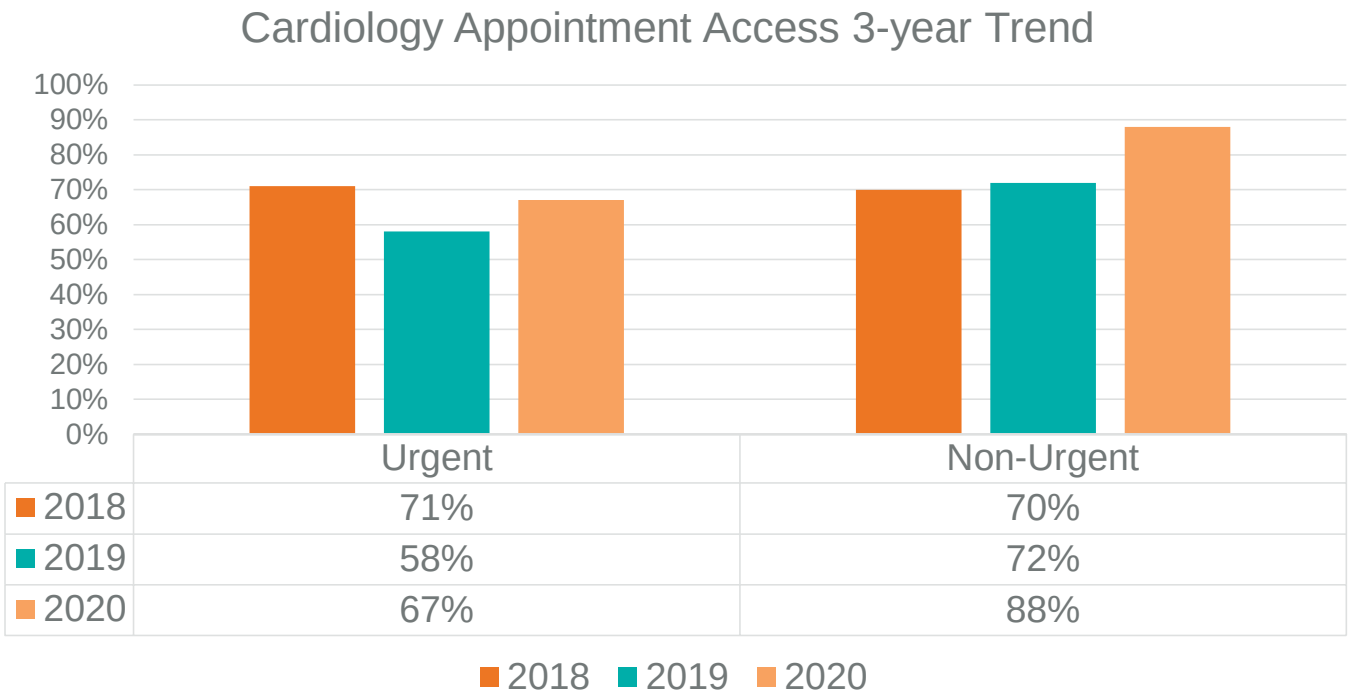
Table II: Cardiology - Non-urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	61	13	85%	N	108	19	53%	N	+32
PAMF	25	9	78%	N	28	8	75%	N	+3
PMG	11	5	100%	Y	26	9	89%	N	+11
PC	NA				NA				NA
VHP	12	0	NA	NA	NA				NA

Aggregate results:

- 2020: 88%
- 2019: 72%
- Response rate dropped by 25%

Results - Specialists



	Urgent	Non-Urgent
2018	71%	70%
2019	58%	72%
2020	67%	88%

Average ratings (2018-2020):

- Urgent Care: 65%
- Non-urgent Care: 77%

Results - Specialists

Table I: Gynecology - Urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	60	7	57%	N	62	16	44%	N	+13
PAMF	49	13	46%	N	52	15	27%	N	+19
PMG	12	6	50%	N	22	13	69%	N	-19
PC	NA				NA				NA
VHP	49	2	50%	N	NA				NA

Aggregate results:

- 2020: 51%

  -- VHP omitted: No change

- 2019: 47%

- Response rate in 2020 dropped by 41%

Results - Specialists

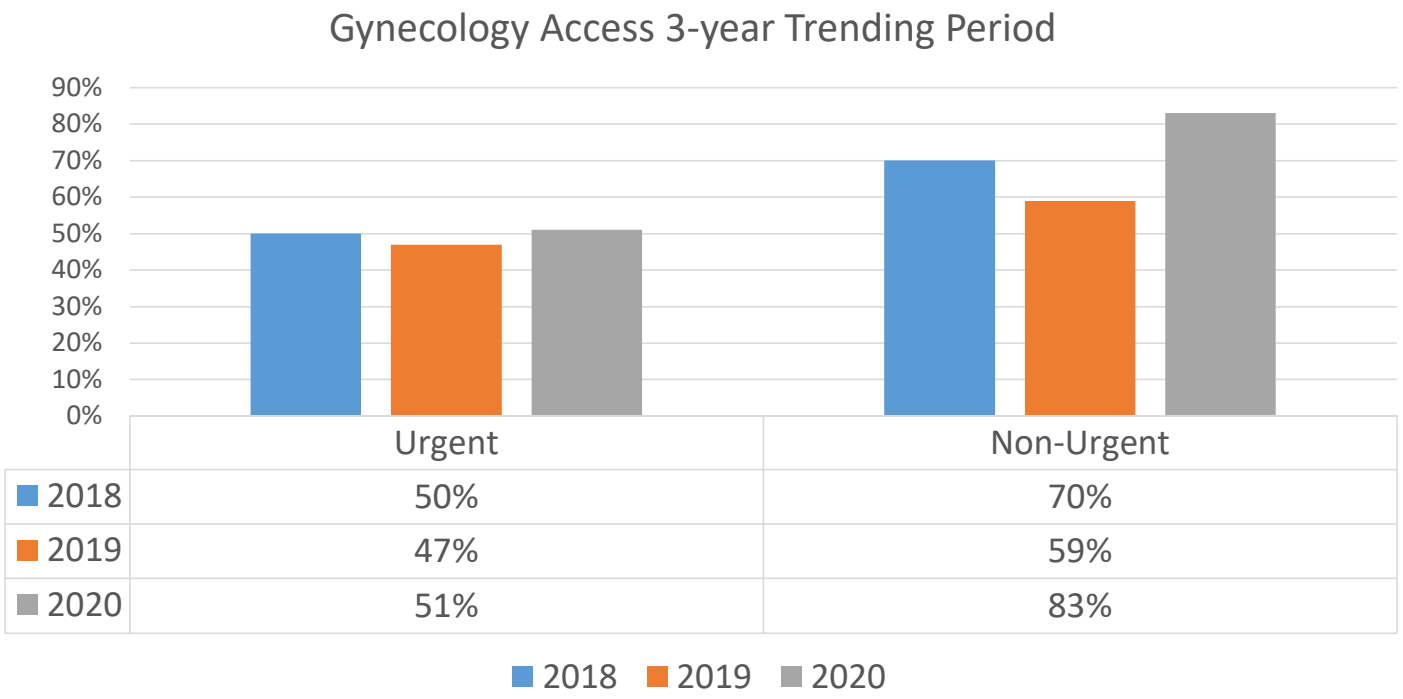
Table II: Gynecology - Non-urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	34	7	71%	N	34	16	81%	N	-10
PAMF	49	17	76%	N	52	17	18%	N	+58
PMG	12	7	86%	N	22	13	77%	N	+9
PC	NA				NA				NA
VHP	11	2	100%	Y	NA				NA

Aggregate results:

- 2020: 83%
  --VHP omitted: 78%
- 2019: 59%
- Response rate dropped by 33%

Results - Specialists



	Urgent	Non-Urgent
2018	50%	70%
2019	47%	59%
2020	51%	83%

Average ratings (2018-2020):

- Urgent Care: 49%
- Non-urgent Care: 71%

Results - Specialists

Table I: Ophthalmology - Urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	115	5	100%	Y	104	9	67%	N	+33
PAMF	24	9	67%	N	23	5	40%	N	+27
PMG	15	9	89%	N	18	6	100%	Y	-11
PC	NA				NA				NA
VHP	13	0	NA	NA	NA				NA

Aggregate results:

- 2020: 85%
- 2019: 69%
- Response rate increased by 15%

Results - Specialists

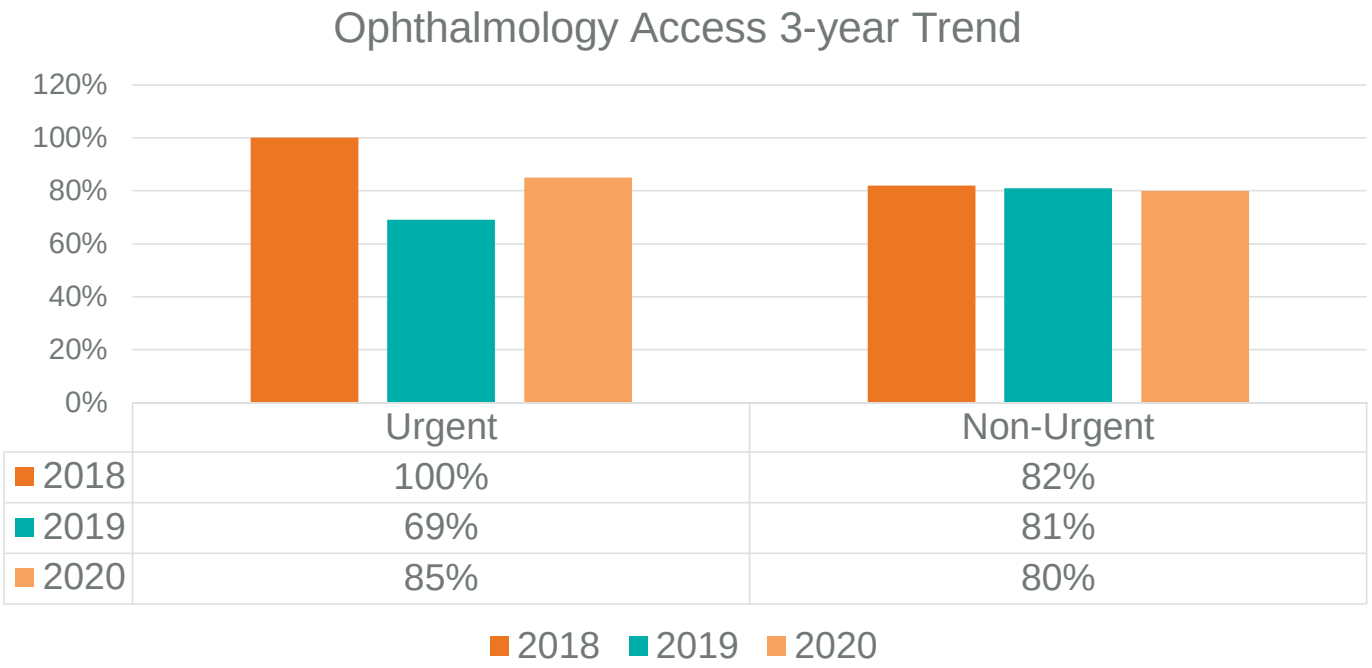
Table II: Ophthalmology - Non-urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	115	6	83%	N	104	10	80%	N	+3
PAMF	24	9	67%	N	23	8	63%	N	+4
PMG	15	9	89%	Y	18	6	100%	Y	-11
PC	NA				NA				NA
VHP	13	0	NA	NA	NA				NA

Aggregate results:

- 2020: 80%
- 2019: 81%
- Response rate no change

Results - Specialists



Average ratings (2018-2020):

- Urgent Care: 85%
- Non-urgent Care: 81%

Results - Specialists

Table I: Oncology - Urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	50	4	75%	N	52	6	17%	N	+58
PAMF	15	6	50%	N	16	7	43%	N	+7
PMG	6	5	20%	N	10	7	71%	Y	-51
PC	NA				NA				NA
VHP	10	0	NA	NA	NA				NA

Aggregate results:

- 2020: 48%
- 2019: 44%
- Response rate decreased by 25%

Results - Specialists

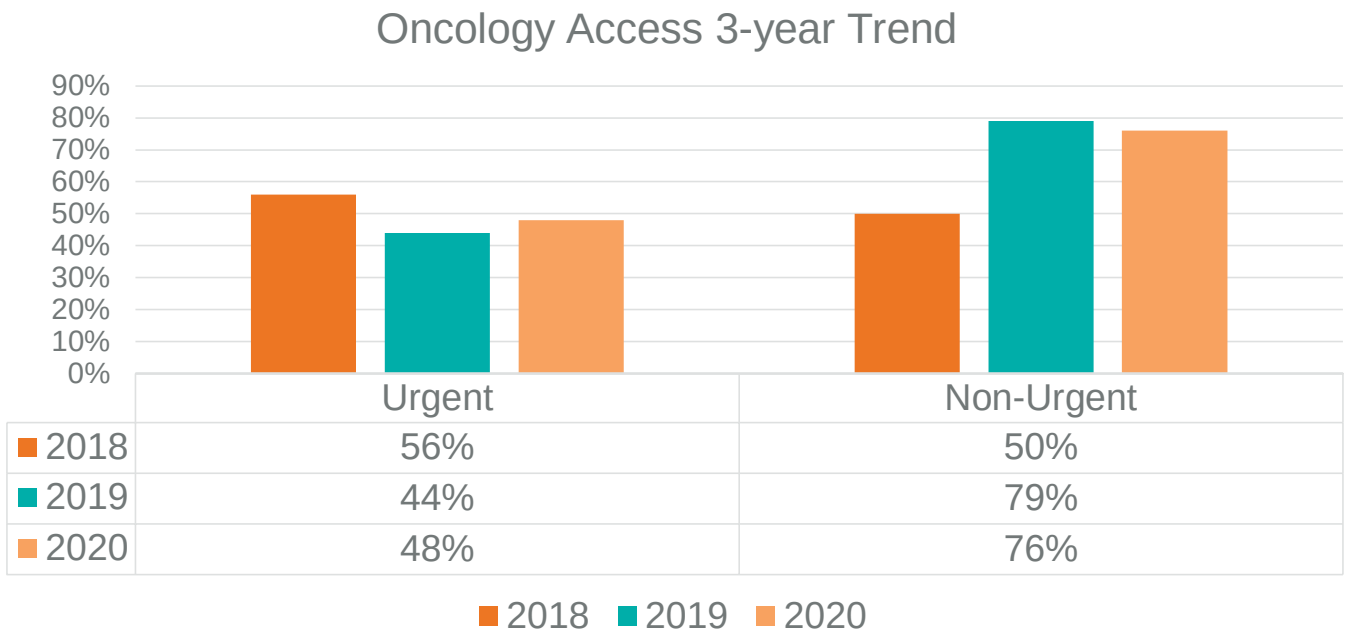
Table II: Oncology- Non-urgent Care Access

Network	# Surveyed 2020	# Responses 2020	% Compliant 2020	Met	# Surveyed 2019	# Responses 2019	% Compliant 2019	Met	PY Change
Direct	50	5	80%	N	52	8	50%	N	+30
PAMF	15	6	67%	N	16	7	100%	Y	-33
PMG	6	5	80%	N	10	7	86%	N	-6
PC	NA				NA				None
VHP	10	0	NA	NA	NA				NA

Aggregate results:

- 2020: 76%
- 2019: 79%
- Response rate dropped by 27%

Results - Specialists



	Urgent	Non-Urgent
2018	56%	50%
2019	44%	79%
2020	48%	76%

Average ratings (2018-2020):

- Urgent Care: 49%
- Non-urgent Care: 68%

Conclusion

Santa Clara Family Health Plan

Specialist Appointment Access

- The 3-year (2018-2020) analysis on Cardiology revealed that urgent appointment access is averaging 65% due to minor variations, 25 percentage points below goal; and non-urgent appointment access is trending upward and currently at 88%; 2 percentage points below goal.

  -- Cardiology network: 98% are open to new patients.

- The 3-year (2018-2020) analysis on Gynecology urgent appointment access revealed that results remain steady at 49%, 41 percentage points below goal; and non-urgent appointment access is averaging 71% due to variations, 19 percentage points below goal.

  -- Gynecology network: 97% are open to new patients.

Conclusion

Santa Clara Family Health Plan

Specialist Appointment Access

- The 3-year (2018-2020) analysis on Ophthalmology revealed that urgent appointment access is averaging 85% due to variations, 5 percentage points below goal; and non-urgent appointment access is trending steady at 81%; 9 percentage points below goal.

  -- Ophthalmology network: 86% are open to new patients.

- The 3-year (2018-2020) analysis on Oncology urgent appointment access revealed that results remain steady at 49%, 41 percentage points below goal; and non-urgent appointment access is trending upward and is currently 76%, 14 percentage points below goal.

  -- Oncology network: 100% are open to new patients.

After Hours Survey

Santa Clara Family Health Plan (SCFHP) conducts an annual After-Hours survey to ensure that telephone triage or screening services are provided in a timely manner.

The survey also identifies if emergency 911 instructions are provided.

The provider types included in the survey are:

- ❑ Primary Care Providers
- ❑ Behavioral/Mental Health Providers

Goal:

Ninety percent (90%) of providers to meet after-hours standards

After Hours Survey

Methodology:

- SCFHP follows the CMS and NCQA requirements to administer the after hours survey.
- The following provider types were included in the survey:
  - ❑ Primary Care Providers
  - ❑ Behavioral Health Providers
- Survey dates:
  - ❑ August 11, 2020 - August 20, 2020
- The survey was administered by phone during non-business hours PST 6pm to 8pm and on weekends.

Measures

Table I: After-Hours Standards

Service	Standard access requirement
Automated systems, office, or exchange/answering services	Must inform the patient that the provider will call back within 30 minutes.
Life-threatening situation	Automated systems must provide emergency 911 instructions, such as: • "Hang up and dial **911** or go to the nearest emergency room." Behavioral health providers should include the number to the Santa Clara County Behavioral Health: • "Hang up and dial **911** or go to the nearest emergency room or call Santa Clara County Behavioral Health at **1-800-704-0900**."
Urgent need to speak with a provider	Automated systems, office, or exchange/answering services must connect the patient with an on-call provider or should direct the patient on how to contact a provider after hours.

Results - PCP

Table I: PCP

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	914	865	212	34	93%	80%	+13	Y
Timeliness				79	53%	55%	-2	N

*Access = 911 message
*Timeliness = 30min call back message

Aggregate access results:

- 2020: 93%
  --VHP omitted: 95% (+15)
- 2019: 80%

Aggregate timeliness results:

- 2020: 53%
  --VHP omitted: 60% (+5)
- 2019: 55%

Results - PCP

Santa Clara Family Health Plan

Table III: Direct Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	75	64	25	3	95%	52%	+43	Y
Timeliness				6	43%	42%	+1	N

*Access = 911 message
*Timeliness = 30min call back message

Table IV: PAMF Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	365	353	34	8	94%	80%	+14	Y
Timeliness				20	52%	48%	+4	N

*Access = 911 message
*Timeliness = 30min call back message

Results - PCP

Santa Clara Family Health Plan

Table V: PMG Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	133	121	81	7	93%	96%	-3	Y
Timeliness				22	69%	65%	+4	N

*Access = 911 message
*Timeliness = 30min call back message

Table VI: Premier Care Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	34	31	28	1	97%	91%	+6	Y
Timeliness				7	77%	65%	+12	N

*Access = 911 message
*Timeliness = 30min call back message

Results - PCP

Table VII: VHP Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	307	296	44	15	88%	NA	NA	N
Timeliness				24	25%	NA	NA	N

*Access = 911 message
*Timeliness = 30min call back message

Results – BH

Table I: BH

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	349	315	89	26	91%	78%	+13	Y
Timeliness				29	79%	80%	-1	N

*Access = 911 message
*Timeliness = 30min call back message

Aggregate access results:

- 2020: 91%
  --VHP omitted: No change
- 2019: 78%

Aggregate timeliness results:

- 2020: 79%
  --VHP omitted: 90% (+11)
- 2019: 80%

Results – BH

Table II: Direct Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	248	225	56	16	82%	81%	+1	N
Timeliness				18	80%	85%	-5	N

*Access = 911 message
*Timeliness = 30min call back message

Table III: PAMF Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	40	34	15	6	82%	80%	+2	N
Timeliness				5	80%	83%	-3	N

*Access = 911 message
*Timeliness = 30min call back message

Results – BH

Table IV: PMG Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	2	2	2	0	100%	50%	None	Y
Timeliness				0	100%	50%	None	Y

*Access = 911 message
*Timeliness = 30min call back message

Table V: Premier Care Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	1	1	1	0	100%	100%	None	Y
Timeliness				0	100%	100%	None	Y

*Access = 911 message
*Timeliness = 30min call back message

Results – BH

Table VI: VHP Network

Standard	# Providers	# Responded	# Phones	Non-Compliant Phone #'s	2020	2019	PY Change	Met
Access	58	53	15	4	92%	NA	NA	Y
Timeliness				6	34%	NA	NA	N

*Access = 911 message
*Timeliness = 30min call back message

Conclusion

After Hours Survey

- After-hours PCP and BH access (911 messaging) compliance has trended upward from 2019.

  --Exception: PMG - while PMG showed a decrease of 3 percentage points in 2020, goal was met at 93%

- After-hours PCP timeliness (30min call back messaging) compliance has trended upward from 2019 across all networks.

  The BH (NPMH) network continues to be challenged with meeting this standard. After-hours automated messaging from most NPMH provider types refer members to the ER, Crisis Center and/or Santa Clara County Mental Health.

Conclusion

After Hours Survey

- The networks combined have 34 phone numbers that show non-compliance with access (911 messaging) and 79 phone numbers that show non-compliance with timeliness (30min call back messaging).
- Network providers deemed non-compliant with after-hours access/timeliness standards receive a corrective action letter from the Plan, and are expected to submit a corrective action plan within 30-days.
- Overall the networks have made a significant amount of progress in trending upward in meeting after-hours access and timeliness in the past 2-years.

Member Experience Survey (CAHPS)

Santa Clara Family Health Plan

Methodology

- SCFHP uses a vendor to annually administer the CAHPS survey.
- Respondents were given the option of completing the survey in a language other than English.
- Due to the pandemic, changes were made to the methodology on follow up phone calls to non-respondents.
- Sample size – 1600 (800 standard and 800 over sample)

Response Rate

- 2020 response rate: 29.1%
  - +3 percentage points from 2018 response rate
  - +.3 percentage points from 2019 response rate

Member Experience Survey (CAHPS)

Santa Clara Family Health Plan

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  - +3 percentage points from 2018 response rate
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Results - CAHPS

Santa Clara Family Health Plan

Table I: Access

Composite Rating & Questions	# Surveyed	Goal	Goal Met	Always and Usually (2019)	Always and Usually (2018)	PY Change
Rating of Health Plan (Q38)	438	90%	Yes	93%	86%	+6
Getting tests results when needed (Q21)	318	90%	No	82%	83%	-1
Getting appointments with specialists (Q29)	246	90%	No	75%	75%	None
Getting needed care, tests or treatment (Q10)	445	90%	No	83%	80%	+3
Getting care needed right away (Q4)	134	90%	No	81%	82%	-1
Getting appointments (Q6)	338	90%	No	73 %	76%	-3
Getting seen within 15min of your appointment (Q8)	335	90%	No	58%	54%	+4

- Most improved from 2019:
  - -- Rating on Health Plan +6
  - -- Getting seen within 15min of your appt
- Most decreased from 2019:
  - -- Getting appointments -3 from 2019

Conclusion:

CAHPS:

- A total of 3 out of 7 measures showed improvement from 2019.
- “Getting seen within 15min of your appointment” has a relatively high impact on members and the Plan is pleased that satisfaction ratings showed an improvement of 4 percentage points from 2019.
- Overall “access” results showed the Plan’s performance improved by 8 percentage points.

Member Grievances

Santa Clara Family Health Plan

Table I: Access Jan-Dec 2019

Provider Type	Timely Appt	%	In Office Wait Time	%	Phone Access	%	Service Delay	%	Quality	%	Other	%	Totals
PCP	7	47%	2	100%	4	88%					5	71%	18
Specialist	6	40%					10	59%			2	29%	18
Behavioral Health					2	6%							2
Imaging	2	13%											2
Interpreter Services									3	100%			3
Pharmacy							1	5%					1
DME					2	6%	3	18%					5
Transportation							3	18%					3
Totals	15	29%	2	4%	8	15%	17	33%	3	6%	7	13%	52

- Top 2 complaints:
  - ❑ Service delays (33%)
  - ❑ Timely appointments (29%)

Conclusion

Member Complaints

- Service delays (33%):
    - Most were related to specialist referrals and prior authorization delays due to miscommunication issues between the PCP and specialist offices.
- Timely access (29%):
    - PCP complaints were mostly related to desired appointment dates were not available, some of which appeared to be within timely access standards. In most cases desired appointment dates were not available due to provider vacations or leave of absents.
    - SPC appointments not being scheduled timely as office staff are unaware of par status with the Plan and/or member is unaware of the timelines in which authorizations should be processed.
- No trending found on specific networks or providers.
- Complaints are within normal limits.

Opportunities:

Barrier	Opportunity	Intervention	Selected for 2020/2021	Date Initiated
Timely access to urgent appointments.	Educate networks on urgent care access standards.	1. Provider network outreach: --PAMF: GYN --PAMF & PMG: Oncology	Yes	Dec 2020
		2. Issue CAP, resurvey and providers that show continued non- compliance will be required to take access training and submit an attestation.	Yes	Dec 2020
		3. Distribute SCFHP's Timely Access Matrix to network providers via fax blast.	Yes	01/2021
After Hours messaging that advises patients – 1. On-call provide will call back within 30-minutes	Educate PCP and BH providers on after-hours timeliness messaging.	1. Distribute SCFHP's Timely Access Matrix to network providers via fax blast.	Yes	01/2021
		2. Issue CAP	Yes	Dec 2020
		3. Provider Outreach	Yes	TBD

POLICY

Policy Title:	**Private Duty Nursing**	**Policy No.:**	QI.30
Replaces Policy Title (if applicable):		**Replaces Policy No. (if applicable):**	
Issuing Department:	Health Services – Care Management	**Policy Review Frequency:**	Annual
Lines of Business (check all that apply):	☒ Medi-Cal	☐ CMC	

I. Purpose

To define the case management services, authorization, and referral process for members under the age of 21 years who are EPSDT eligible and approved for Private Duty Nursing

II. Policy

A. SCFHP is required to provide Case Management Services as set forth in the Medi-Cal contract to all enrolled Medi-Cal beneficiaries who are EPSDT eligible and for whom Medi-Cal Private Duty Nursing services have been approved, including, upon a member's request, Case Management Services to arrange for all approved Private Duty Nursing services desired by the member, even when SCFHP is not financially responsible for paying for the approved Private Duty Nursing services. Medi-Cal Private Duty Nursing services include Private Duty Nursing services approved by the California Children's Services Program (CCS).

B. SCFHP is required to use one or more Home Health Agencies, Individual Nurse Providers, or any combination thereof, in providing Case Management Services as set forth in the Medi-Cal contract to enrolled EPSDT eligible Medi-Cal beneficiaries approved to receive Private Duty Nursing services, including, upon that member's request, Case Management Services to arrange for all approved Private Duty Nursing services desired by the member, even when SCFHP is not financially responsible for paying for the approved Private Duty Nursing services.

C. SCFHP's obligations to enrolled EPSDT eligible Medi-Cal beneficiaries approved to receive Private Duty Nursing services who request Case Management Services for their approved Private Duty Nursing services include, but are not limited to:

   a. Providing the member with information about the number of Private Duty Nursing hours the member is approved to receive
   b. Contacting enrolled Home Health Agencies and enrolled Individual Nurse Providers to seek approved Private Duty Nursing services on the member's behalf

c. Identifying and assisting potentially eligible Home Health Agencies and Individual Nurse Providers with navigating the process of enrolling to be a Medi-Cal provider
d. Working with enrolled Home Health Agencies and enrolled Individual Nurse Providers to jointly provide Private Duty Nursing services to the member as needed.

D. Approved enrolled EPSDT eligible Medi-Cal beneficiary to receive Private Duty Nursing services, SCFHP has primary responsibility to provide Case Management for approved Private Duty Nursing Services.

a. When a Medi-Cal Managed Care Plan has approved a plan enrolled EPSDT eligible Medi-Cal beneficiary to receive Private Duty Nursing services, the Managed Care Plan has primary responsibility to provide Case Management for approved Private Duty Nursing services. SA Pg. 11, para. 24.a.

b. When CCS has approved a CCS participant who is an EPSDT eligible Medi-Cal beneficiary to receive Private Duty Nursing services for treatment of a CCS condition, the CCS Program has primary responsibility to provide Case Management for approved Private Duty Nursing services.

c. Regardless of which Medi-Cal program entity has primary responsibility for providing Case Management for the approved Private Duty Nursing Services, an EPSDT eligible Medi-Cal beneficiary approved to receive Medi-Cal Private Duty Nursing services, and/or their personal representative, may contact any Medi-Cal program entity that the beneficiary is enrolled in (which may be SCFHP, CCS, or the Home and Community Based Alternatives Waiver Agency) to request Case Management for Private Duty Nursing services. The contacted Medi-Cal program entity must then provide Case Management Services as described above to the beneficiary and work collaboratively with the Medi-Cal program entity primary responsible for Case Management.

E. Members may choose not to use all approved PDN service hours and SCFHP is permitted to respect the member's choice. SCFHP will document instances when a member chooses not to use approved PDN services. When arranging for the member to receive authorized PDN services, SCFHP will document all efforts to locate and collaborate with providers of PDN services and with other entities, such as CCS.

F. Request for Private Duty Nursing for members under the age of 21 years will be reviewed by a nurse for medical necessity.
a. Whether the request is approved or denied, the nurse will send a referral to notify the Case Management department of the member's needs and for assistance as appropriate.

III. Responsibilities

A. Case Management
i. Review referrals from UM and assist member based on needs

ii. Case management services, except for when CCS has approved a CCS participant who is an EPSDT eligible Medi-Cal beneficiary to receive Private Duty Nursing services for treatment of a CCS condition, would include the following:

1. Providing the member with information about the number of Private Duty Nursing hours the member is approved to receive
2. Contacting enrolled Home Health Agencies and enrolled Individual Nurse Providers to seek approved Private Duty Nursing services on the member's behalf
3. Identifying and assisting potentially eligible Home Health Agencies and Individual Nurse Providers with navigating the process of enrolling to be a Medi-Cal provider
4. Working with enrolled Home Health Agencies and enrolled Individual Nurse Providers to jointly provide Private Duty Nursing services to the member as needed.

B. Utilization Management
   i. Review for medical necessity and approve or deny
   ii. Send all referrals to Case Management Department

IV. Definitions

A. "Case Management Services" means those services furnished to assist individuals eligible under the Medi-Cal State plan who reside in a community setting or are transitioning to a community setting, in gaining access to needed medical, social, education, and other services in accordance with 42 Code of Federal Regulations (CFR) sections 441.18 and 440.169. The assistance that case managers provide in assisting eligible individuals is set forth in 42 CFR 14 section 440.169(d) and (e), and 22 California Code of Regulations (CCR) section 51184(d), (g) (5) and (h). SA Pg. 3, para. 1.
B. "EPSDT services" means Early and Periodic Screening, Diagnostic and Treatment services, a benefit of the State's Medi-Cal program that provides comprehensive, preventative, diagnostic, and treatment services to eligible children under the age of 21, as specified in section 1905(r) of the Social Security Act. (42 U.S.C. §§ 1396a(a)(10)(A), 1396a(a)(43), 1396d(a)(4)(B), 1396d(r).)
C. "Home Health Agency" as defined in Health and Safety Code section 1727(a) and used herein, means a public or private organization licensed by the State which provides skilled nursing services as defined in Health and Safety Code section 1727(b), to persons in their place of residence.
D. "Individual Nurse Provider" or "INP" means a Medi-Cal enrolled Licensed Vocational Nurse or Registered Nurse who independently provides Private Duty Nursing services in the home to Medi-Cal beneficiaries.
E. "Private Duty Nursing" means nursing services provided in a Medi-Cal beneficiary's home by a registered nurse or a licensed practical nurse, under the direction of a beneficiary's physician, to a Medi-Cal beneficiary who requires more individual and continuous care than is available from a visiting nurse. (42 CFR. § 440.80.)

V. References

Department of Health Care Services All Plan Letter 20-012

VI. Approval/Revision History

First Level Approval	Second Level Approval
Raman Singh Director, Case Management Date	Laurie Nakahira, DO Chief Medical Officer Date

Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)

Santa Clara Family Health Plan™

NCQA – Continuity and Coordination Between Medical Care and Behavioral Healthcare Analysis

Calendar Year 2019 Review

Overview

Overview of SCFHP's analysis of the continuity and coordination between medical and behavioral healthcare - National Committee for Quality Assurance (NCQA)

- Review of Factors:
  1. Exchange of information between behavioral and medical care
  2. Diagnosis, treatment and referral of behavioral disorders commonly seen in primary care
  3. Appropriate use of psychotropic medications
  4. Management of co-existing medical and behavioral disorders (Intervention completed)
  5. Prevention programs for behavioral health
  6. Special needs of members with severe and persistent mental illness (Intervention completed)

The analysis reviewed data for CY 2019 as compared to our baseline year CY 2018 data.

Factor 1 – Exchange of Information

SCFHP collects data on the exchange of information between Behavioral Health Specialists and relevant medical delivery systems by conducting a medical record review.

Methodology changed this year from Medical Record Review to Primary Care Physician (PCP) Questionnaire.

Population: CMC Members connected to both outpatient Behavioral Health (BH) services as well as PCP as evidenced by claims CY 2019 [denominator] whose PCPs received medication lists/updates at least annually and after BH updates [numerator].

- Goal: 80% of the total number of samples meet the timeliness standard.
- CY2018 (baseline) & CY 2019 (comparison year 1) we did not meet our goal.

In CY 2018 (Med Rec Review), we missed our goal by 45 percentage points. We were unable to obtain requested external information at this time and relied on Electronic Medical Record access information.

In CY 2019 (PCP Questionnaire), we missed our goal by 65 percentage points (20 percentage points lower). Our response rate was low at 22% (13/60 responses) and we will work to increase response rate by selecting a larger sample size from which to request information next year.

This factor was not chosen for implementation of interventions for this report cycle.

Factor 2 – Appropriate diagnosis, treatment, & referral of behavioral disorders commonly seen in primary care

The SCFHP looks at the results of the HEDIS measure Antidepressant Medication Management (AMM) to monitor that members with a behavioral health diagnosis of depression are being appropriately treated.

Population: For each measure, the total number of Members taking medication for the specified period of time (numerator) is compared to the total number of Members prescribed antidepressant medication (denominator).

The two measures include the Acute Effective Treatment Phase (consistent compliance for12 weeks) as well as the Continuation Treatment Phase (consistent compliance for 6 months)

- Goal: 75th Percentile HEDIS for both AMM measures.
- CY2018 (baseline): 75th percentile Continuation Phase & 50th percentile Acute Phase.
- CY 2019 (comparison year): 50th percentile Continuation Phase & 25th percentile Acute Phase.
- We did not meet our goal

While no interventions were selected for this measure, Newsletter for Members mailed by Marketing with article 5/6/2019 indicating Mental Health as the key to wellbeing and promoting discussion of depression symptoms with PCPs and appropriate providers.

Measure	2018	Goal Y/N	2019	Goal	Met/Not Met
Effective/ Acute Phase Treatment	73.73% (87/118)	75.39%- N	71.78% (145/202)	77.52% - N	Not Met
Continuation of Treatment	61.86% (73/118)	60.32%-Y	57.92% (117/202)	61.58% - N	Not Met

Factor 3 – Appropriate Use of Psychotropic Medications

The SCFHP collects data on Behavioral Health and Primary Care Practitioner adherence to prescribing guidelines concerning antidepressant medication prescriptions.

We chose to focus on PCP education and prescribing of antidepressant medication to be able to determine where any additional education or gaps in knowledge may be with providers.

Population: CMC M2M Members prescribed antidepressant medications for mental health (denominator) and determining if the prescription was written for the Member by their PCP (numerator) or Psychiatrist (numerator).

- Goal: 50% of antidepressant medications for this population to be prescribed by PCPs and 50% of antidepressant medications to be prescribed by Psychiatrists.

- Data discrepancy noted: CY 2018 data and CY 2019 were gathered for trending comparison in 2019; We met our goal.

	Total # Scripts (denominator)	Psychiatrist Scripts	PCP Scripts	Not-Included * (unidentifiable providers)
CY 2018	N = 944	278/944 = **29%**	633/944 = **67%**	33/944 = 4%
CY 2019	N = 924	250/924 = **27%**	628/924 = **68%**	46/924 = 5%

Factor 3 – Appropriate Use of Psychotropic Medications

We plan to continue to monitor this measure to maintain a 50-50 split in prescriptions and chose to modify this goal to continue PCP education.

As there are research studies as well as American Psychological Association support to include talk therapy along with prescribing of antidepressants, current rates of talk therapy were reviewed showing that:

178 of total Members receive antidepressant prescriptions from PCPs (178/628) are connected to talk therapy (28%)

99 of total Members receive antidepressant prescriptions from Psychiatrists (99/250) are connected to talk therapy (40%)

Goal:

1) to *continue* to have at least 50% of antidepressant medication prescriptions to be provided by Primary Care Practitioners;

2) 40% of members with Mild-to-Moderate (M2M) depression receiving anti-depressant medication through their PCP to have at least one counseling session in the current year. This will be measured by comparing the total number of Members receiving antidepressant medications for M2M conditions through PCPs (denominator) over those currently engaged in talk therapy as identified by CPT & HCPC talk therapy codes (numerator).

Factor 5 – Secondary preventative behavioral healthcare program implementation

The SCFHP collects data on Members identified as having a diagnosis of depression and/or depressive symptoms for the purpose of follow up regarding necessary interventions. These Members are identified through use of the Health Risk Assessment (HRA).

Population: All CMC Members who indicate depressive symptoms within their HRA [denominator] are offered Patient Health Questionnaire – 9 (PHQ-9) for review of need and support. The Member desire to complete or decline the PHQ-9 is noted for additional information to review for this population.

Goal = 80-100 % CMC Members with HRA indicators of depression have been offered to complete the PHQ-9, as captured within a PHQ-9 Assessment within the Health Plans case management software program.

- Our overall goal is supplemented with data to determine participation of Members who have been offered a PHQ-9 assessment (denominator) and the level of participation as declined or completed (numerator).

Factor 5 – Secondary preventative behavioral healthcare program implementation

In CY 2019,
2831 Unique Members had identified symptoms and/or a diagnosis of Depression on their Health Risk Assessment.

Of the 2831 Members, 77 Members had agreed to complete a PHQ-9 assessment & 45 Members declined to complete.

- PHQ-9 offer rate for the overall population = 4.3% (122/2831) – rate of outreach down

- Of Members offered, the PHQ-9 completion rate = 63% (77/122) – response rate up

Outreach to Members by staff has decreased from CY 2018 (7.5%), with a PHQ-9 agreement rate of 57%. This shows that despite a decrease in outreach by 3.2 percentage points, Members agreed to complete the PHQ-9 63% of the time, an increase in completion by 6 percentage points. **Members are likely to engage if we can increase outreach**.

We did not meet our 80-100% goal. While we do not plan to implement an intervention for this measure, SCFHP plans to increase frequency of PHQ-9 staff trainings to address barriers noted such as employee turnover, new staff/increase in growth by the Case Management Department.

Factor 4 – Management of treatment access and follow-up for members with coexisting medical and behavioral health disorders (Interventions Completed & Effectiveness)

The Santa Clara Family Health Plan collects data on CMC Members identified as having dual diagnoses of Schizophrenia (diagnosis code F29) as well as Diabetes Mellitus II (DMII).

% of Members with both Diabetes Mellitus Type II and Schizophrenia who had a Primary Care/Internal Medicine visit within CY 2019 (numerator) / total number of members diagnosed with both Diabetes Mellitus Type II and Schizophrenia (denominator).

Goal = 75% of CMC members identified with diagnoses of Schizophrenia & Diabetes Mellitus Type II to have attended at least one annual Primary Care Visit for ongoing physical health monitoring.

CY 2018 = did not meet our goal by 13.3 percentage points
CY 2019 = did not meet our goal by 12 percentage points.

	CY 2018 Data	CY 2019 Data
Total Members with diagnoses Schizophrenia & Diabetes Mellitus II (Total N)	94	97
Those who met with PCP for follow up:	58	61
Those who did not meet with PCP for follow up:	36	36
Percentage who completed PCP follow up:	(58 / 94) = 61.7%	(61 / 97) = 63% (increase 1.3%)

Factor 4 – Management of treatment access and follow-up for members with coexisting medical and behavioral health disorders (Interventions Completed & Effectiveness)

Barrier	Opportunity	Intervention	Selected	Date Initiated
Members of this subpopulation may not prioritize health care/annual PCP visits. (Deficit of Knowledge)	Provide outreach and education to remind all Members of the importance of Health Care provider follow up appointments	3 outgoing calls to connect with Member and remind to: Schedule PCP Annual Wellness exam + Have A1c blood testing completed	y	11/5/2020-11/16/2020
Many Members diagnosed with SPMI meet with BH Providers more often than PCP or Specialists – lack of BH Provider awareness to necessary medical care	Information to Member and Providers to educate on need for DM2 follow up and potential medication influence on blood sugar (medical discussion)	Letter to BH and PCP Providers to Promote overall Health of Members – encourage Member to have follow up A1c testing completed	Y	12/2019

Workgroup to review Barriers and Discuss Interventions was conducted 10/2019 & 10/2020.

This factor was chosen for intervention implementation at baseline year CY 2018 and in CY 2019.

While our data in review of CY 2019 shows an increase in PCP appointment attendance by 1.3%, this is a small percentage and cannot be attributed toward effectiveness of our intervention.

The interventions for both analysis years were completed late in the year, indicating a likely reduced impact during our measurement cycle. SCFHP plans to improve timing of data collection and implementation of interventions in 2020 to improve upon intervention effectiveness and goal achievement.

Factor 6 – Special needs of members with severe and persistent mental illness (Interventions Completed & Effectiveness)

The Santa Clara Family Health Plan (SCFHP) collects data based originally on the parameters of the HEDIS measure Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia (SMC); to increase number of Members addressed, increased the Severe Mental Illness diagnoses in our data pull.

SCFHP has expanded the HEDIS measure to include other Severe and Persistent Mental Illness (SMI) diagnoses, including:

- Schizophrenia
- Schizoaffective Disorders
- Bipolar Disorders
- Unspecified Psychosis

Cardiovascular Monitoring for People with Cardiovascular Disease and Schizophrenia: Assesses adults 18–64 years of age with schizophrenia and cardiovascular disease, who had an LDL-C test during the measurement year.

After modifying the parameter, our population for this measure increased from single digit to double digit numbers.

Population: For measurement, all CMC Members diagnosed with both SPMI diagnoses & Cardiovascular Disease (denominator) & are reviewed through claims data to verify that they have been seen by their PCP for LDL-C blood work follow up (numerator).

Factor 6 – Special needs of members with severe and persistent mental illness (Interventions Completed & Effectiveness)

Goal: 75% of Total Members with SPMI & CHF diagnoses will have completed LDL-C blood work testing for follow up treatment care with their providers.

SCFHP did not meet the set goal by 56 percentage points. There was no noted difference in CY2018 versus CY 2019 data results.

TABLE. Comparison CY 2018 & CY 2019: Dually Diagnosed Members (SMI + CHF) follow up testing

	Total SMI + CHF Members	Members who COMPLETED LCL-C testing	Members who DID NOT COMPLETE LCL-C testing
CY 2018	31	6 / 31 = **19%**	25 / 31 = **81%**
CY 2019	42	8 / 42 = **19%**	34 / 42 = **81%**

Factor 6 – Special needs of members with severe and persistent mental illness

Barrier	Opportunity	Intervention	Selected	Date Initiated
Many Members diagnosed with SMI meet with BH Providers more often than PCP or Specialists – lack of BH Provider awareness to necessary medical care	Letter to BH and PCP Providers to Promote overall Health of Members – encourage Member to have medical follow up completed	Fax letter to providers (BH & PCP) for medical follow up need (LDL-C lab order)	Y	11/2020
Lack of support – Member may have forgotten to follow up and complete necessary follow up for medical condition of CHF by completing LDL-C testing	Notify Members of identified need for LDL-C testing (3 outbound calls to Members)	Notify Members of identified need for LDL-C testing (3 outbound calls to Members) & offer assistance in obtaining PCP apt if desired.	Y	10/2019

Workgroup to review Barriers and Discuss Interventions was conducted 10/2019 & 10/2020.

This factor was chosen for intervention implementation at baseline year CY 2018 and in CY 2019.

Review of CY 2019 shows no change in response to our first intervention completed in 2019 for this factor. No effectiveness of our intervention could be determined.

The interventions for both analysis years were completed late in the year, indicating a likely reduced impact during our measurement cycle. SCFHP plans to improve timing of data collection and implementation of interventions in 2020 to improve upon intervention effectiveness and goal achievement.

Santa Clara Family Health Plan™

Questions?

Contact Tiffany Franke, Behavioral Health Lead at tfranke@scfhp.com or Mansur Zahir, Process Improvement Project Manager at MZahir@scfhp.com

Santa Clara Family Health Plan™

Annual Cal Medi-Connect Continuity and Coordination of Medical Care Analysis (2020)

Presenter: Neha Patel, Quality Improvement Nurse

SCFHP monitors following measures

	Name of Measure	Movement Across Settings?	Movement Across Practitioners?
Measure 1	Transition of care – Medication Reconciliation (TRC-MR)	**[X]**	
Measure 2	Comprehensive Diabetes Care (CDC) Eye Exam Rate		**[X]**
Measure 3	PCP Follow up After 30 days of Discharge	**[X]**	
Measure 4	Plan All-Cause Readmissions (PCR)	**[X]**	

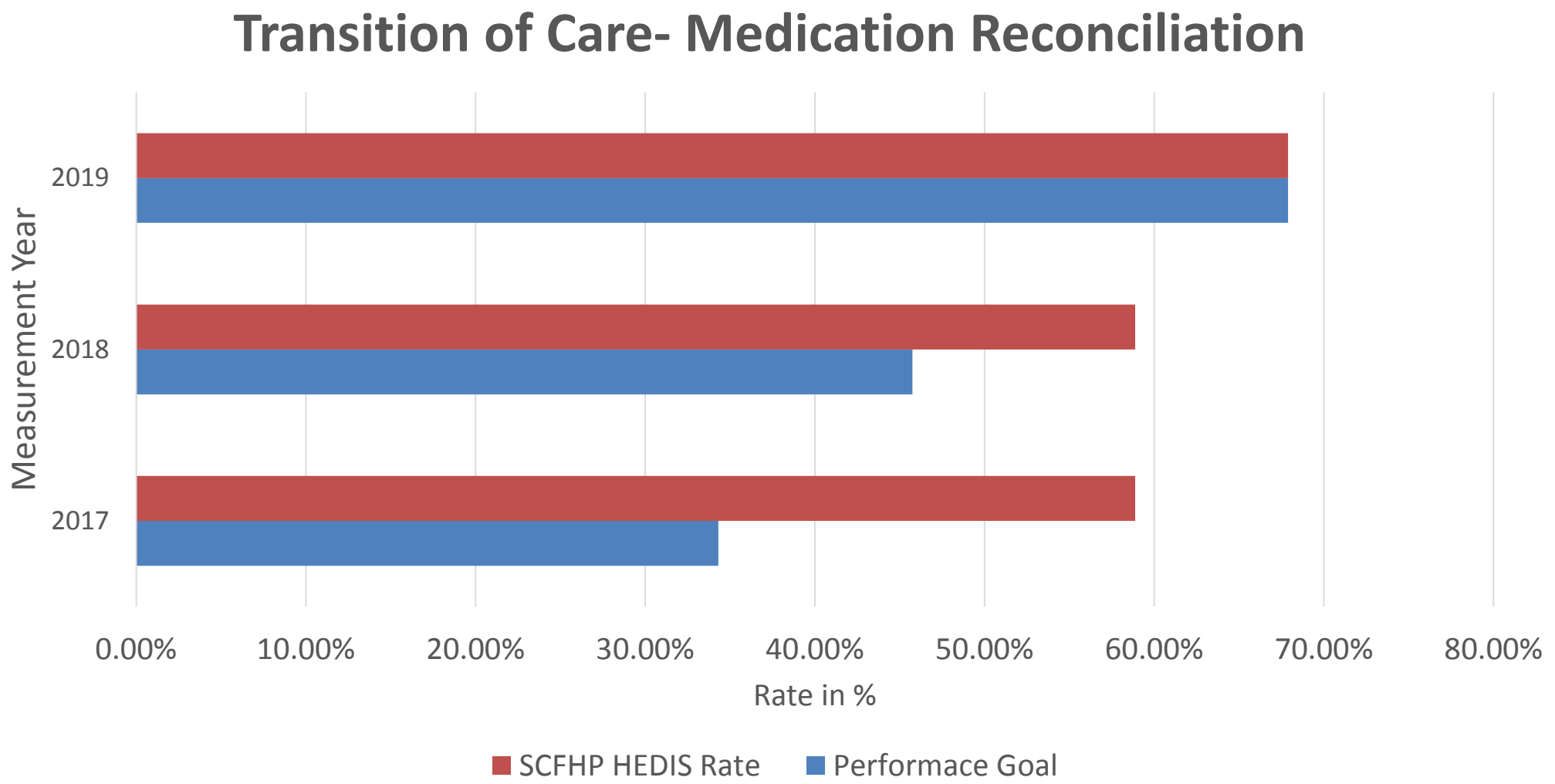
Transition of Care- Medication reconciliation Post Discharge (TRC- MR)

HEDIS Measure

Description: For members, 18 years of age and older, this measure identifies the percentage of discharges within the measurement/calendar year for whom medications were reconciled from the date of discharge through 30 days post-discharge (31 total days).

Proposed goal for MY 2020: 75th percentile

Results


Transition of Care- Medication Reconciliation
Measurement Year
2019
2018
2017
0.00%
10.00%
20.00%
30.00%
40.00%
50.00%
60.00%
70.00%
80.00%
Rate in %
SCFHP HEDIS Rate
Performace Goal

Barrier and Analysis

Barrier: Identified that not all practitioners have the time to complete and document a through medication reconciliation at the initial visit post- discharge.

Interventions:

- PNO to work with practice transformation group to build a template of practitioner information along with a check-box for medication reconciliation for providers/clinic to decrease the administrative burden of medication reconciliation. Practice transformation group to educate the provider on utilizing the office staff to complete activities.
- Develop provider communication with the assistance of provider network management on the importance of complete and document medication reconciliation within 30 days
- Targeting to implement by Q2 2020

Comprehensive Diabetes Care (CDC) Eye Exam Rate

HEDIS Measure

- Description: This measure measures the members 18-75 years of age with diabetes (type 1 & type 2) who received a diabetic retinal eye examination within measurement year.
- Proposed goal for MY 2020: 75th percentile

Results

Measure: CDC- E	Numerator	Denominator	Rate	Performance Goal	Goal Met?
Measurement Y1 2017	297	411	72.26%	62.53%	Y
Measurement Y2 2018	320	411	77.86%	65.56%	Y
Measurement Y3 2019	328	411	79.81%	82.05%	N

Barrier and Analysis

Barrier: Lack of education among members about the importance of retinal eye exam.

Interventions:

- Develop gaps in care alert system in QNXT to notify internal staff to remind members about their due visit for retinal eye exam.
- Develop health education materials to promote importance of retinal eye exam for diabetic members.
- since Aug- 2018

Barrier and Analysis

Barrier: Medical record review suggest that optometrist/ophthalmologist do conduct eye exam for visual acuity screening but they do not always offer retinal eye exam to diabetic members.

Intervention:

- Develop provider communication with assistance of provider network management on educating optometrist/ophthalmologist on identify and offer diabetic members who care due for their retinal eye exam.
- Targeting to implement by Q2 2021.

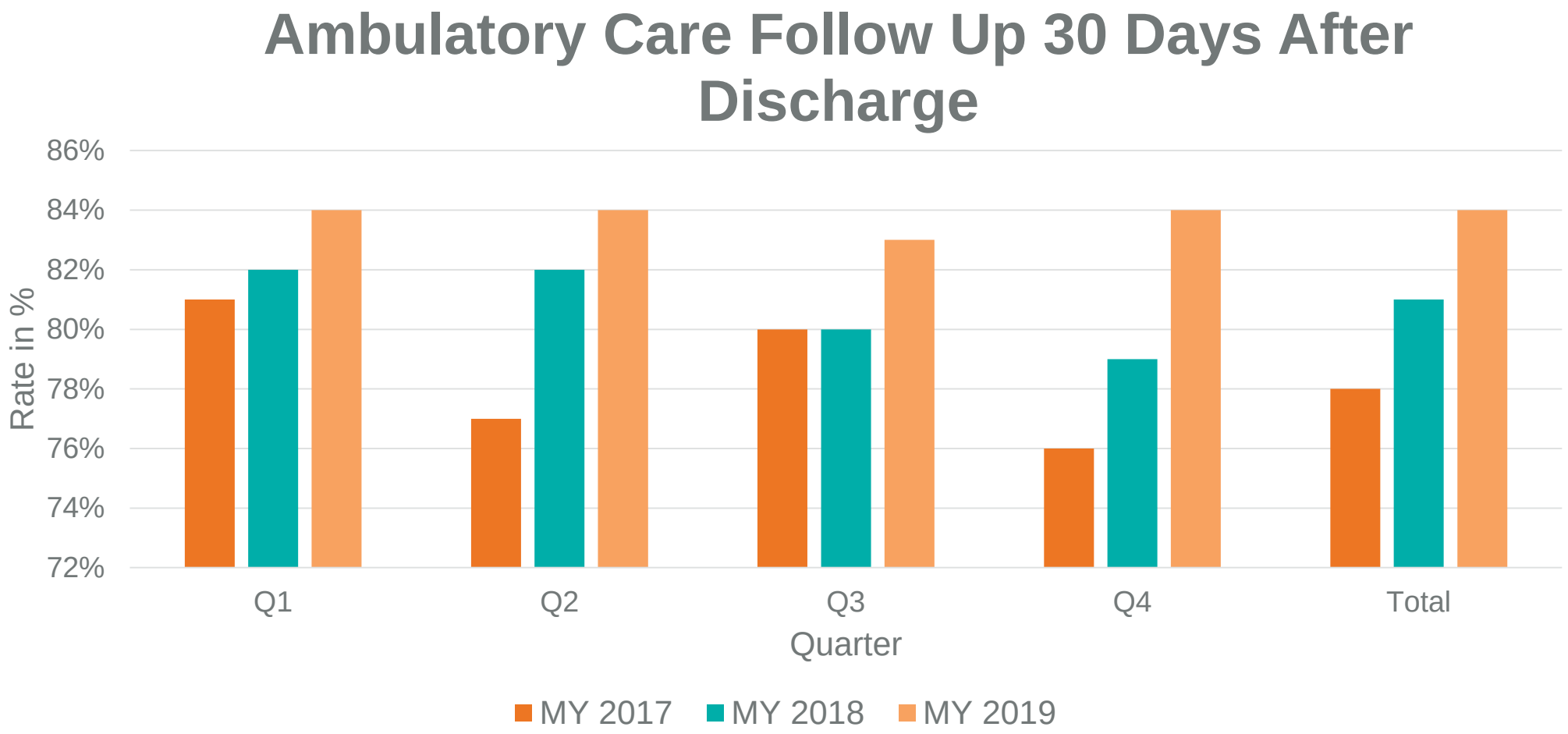
PCP follow up after 30 days of Discharge Rate

Regulatory requirement

- **Numerator definition**: Total number of acute inpatient hospital discharges that resulted in an ambulatory care follow-up visit within 30 days after discharge from the inpatient hospital stay.
- **Denominator definition:** Total number of acute inpatient hospital discharges during the reporting period.
- **Goal for comparison**: 85% of members with an acute inpatient hospital discharge within the reporting period have an ambulatory care follow-up visit within 30 days of discharge

- Proposed goal for MY 2020: 85%

Results


Ambulatory Care Follow Up 30 Days After Discharge
86%
84%
82%
80%
78%
76%
74%
72%
Rate in %
Q1
Q2
Q3
Q4
Total
Quarter
MY 2017
MY 2018
MY 2019

Barrier and Analysis

Barrier: PCPs are not always aware their patients have been admitted or subsequently discharged to home.

Interventions:

- Work with IT to build an IT report that automates the PCP admission notification reporting process.
- Physician contact information is consistently updated automatically in QNXT and across all systems.
- Cross function workgroup to work with hospitalist to develop the system to notify PCP about their member's hospitalization.
- Targeting to implement by Q-2 2021.

Barrier and Analysis

Barrier: SCFHP currently lacks a centralized notification system from all contracted hospitals that allows PCP follow up post-hospital discharges.

Interventions:

- Work with IT to define a workflow to incorporate census data from all contracted hospitals to a centralized database allowing UM to initiate the TOC call for PCP to schedule follow up visit post discharge.
- Targeting to implement by Q-2 2021.

Plan All-Cause Readmissions (PCR)

HEDIS Rate

Denominator: County of Index Hospital Stays (HIS)

- An HIS is defined as an acute inpatient stay with a discharge on or between January 1 and December 1 of the measurement year.

Numerator: Count of 30-day Readmissions

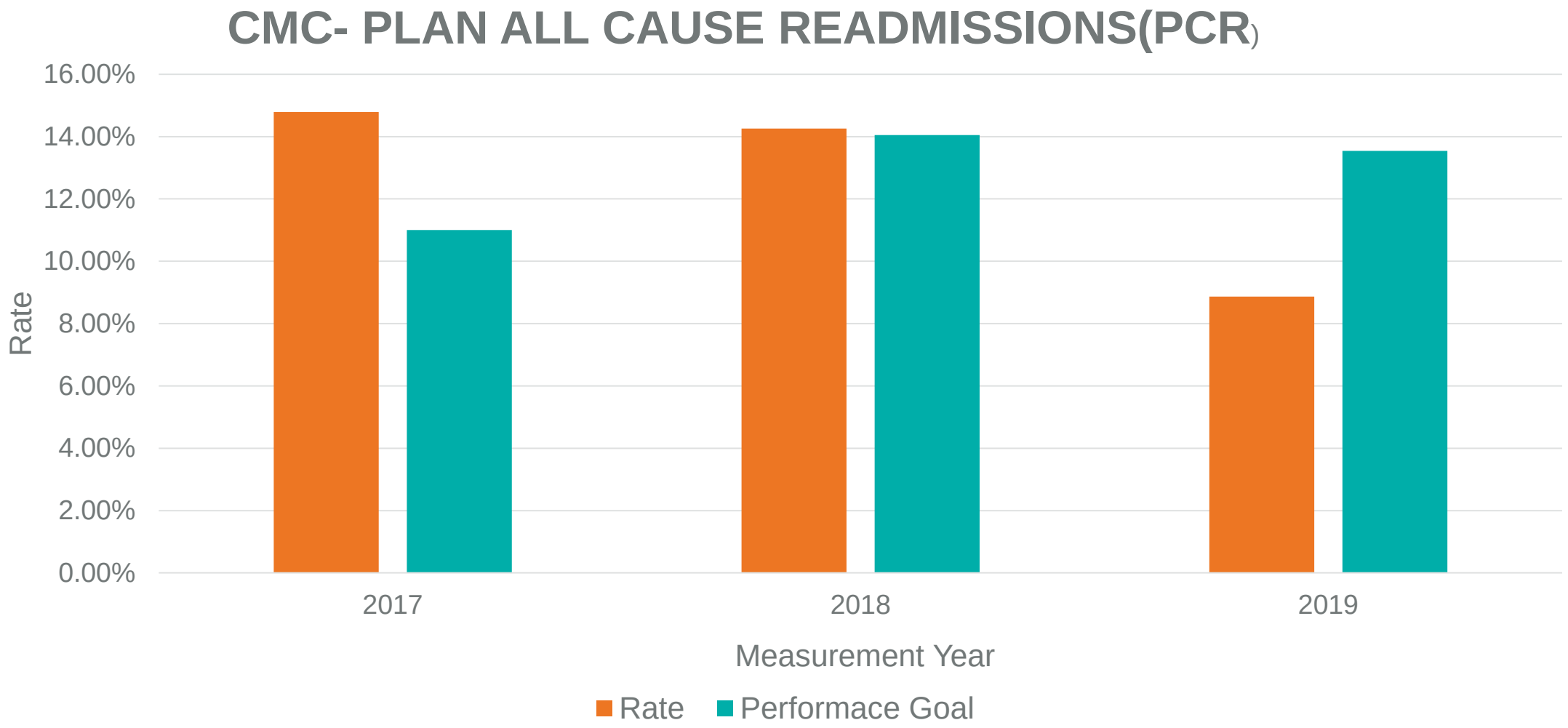
- Defined as an acute inpatient stay for any diagnosis with an admission date within 30 days of a previous Index Discharge Date

Expected Readmission Rate for MY 2019

- Performance Goal: 13.54%

Proposed goal for MY 2020: A 2% decline from MY 2019 (13.54%)

Results


CMC- PLAN ALL CAUSE READMISSIONS(PCR)
16.00%
14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
Rate
2017
2018
2019
Measurement Year
Rate
Performace Goal

Barrier and Analysis

Barrier: Limited staff resources to conduct TOC calls.

Intervention:

- Assign member cases to UM care team with responsibility for TOC calls.
- Realign TOC workflow and staffing resources in the utilization management department for timely completion of all TOC calls with prioritization for identifying the patient population with the highest needs.
- Since April 2020.

Barrier and Analysis

Barrier: PCPs are not always aware their patients have been admitted or subsequently discharged to home

Intervention:

- As part of the transition of care (TOC) call follow-up, the case manager will send a notification letter to PCP with discharge information in an SBAR format for PCP to offer to follow up care post-discharge
- since 2018.

Santa Clara Family Health Plan™

Thank you!

Neha Patel, Quality Improvement Nurse

Santa Clara Family Health Plan
Personalized Information on Health Plan Services:
Website and Telephone Functionality - 2020
Accuracy and Quality Analysis

Prepared by: Tanya Nguyen, Director of Customer Service
For review and approval by the Quality Improvement Committee
December 9, 2020

I. Overview

In order to best serve our members, it is important for members to have the ability to easily obtain personalized health plan information.

Santa Clara Family Health Plan (SCFHP) has the responsibility to provide access to accurate, quality personalized health information via the SCFHP website and the telephone. This includes the ability to change primary care practitioners (PCPs), and to determine how and when to obtain referrals and/or authorizations for specific services.

SCFHP members have no financial responsibility beyond a copay for pharmacy benefits. There is no copay for medical services.

SCFHP ensures the availability of this information by:

1) SCFHP Website – Members may submit PCP change requests via the SCFHP Website. The website includes a list of services requiring an authorization and instructions for obtaining an authorization.

2) Telephone – SCFHP Customer Service Representatives (CSRs) are trained to handle PCP changes, and determine if services require a referral or authorization and to address inquiries. CSRs are able to educate members on how to obtain specific services and/or an authorization and to offer assistance including the ability to initiate an Organization Determination on behalf of a member.

SCFHP conducts monthly quality monitoring to assure the quality of the information provided to members. In addition, SCFHP also conducts an annual evaluation through the selection of certain call categories to identify opportunities to improve the quality and accuracy of the information provided by CSRs.

II. Methodology: Via Website

Annually, SCFHP measured the functionality of PCP change via the Health Plan website. Another area of focus was to review the information available on the website on how and when to obtain referrals and authorization for specific services. This analysis was completed in July 2020.

The auditor used a dummy account to test the functionality to change a PCP through the website. This same account was also used to test the accuracy and quality of how and when to obtain referrals and authorization for specific services. To validate the functionality of the PCP change option, the auditor signed onto the dummy account and submit a PCP change request to the SCFHP. The auditor then signed onto SCFHP's portal to verify that the request was received and the confirmation of the PCP change was in the dummy account.

To test the accuracy and quality of how and when to obtain referrals and authorization for specific services, the auditor navigated throughout the dummy account to ensure that she can find the information that are laid out in table 2 below.

Goals:

Accuracy: 100%

Quality: 100%

III. Analysis

a. Results

Table 1: Accuracy of Personal Information on Health Plan Services on the Website

Measure	Goal	2019	Goal Met Y/N	2020	Goal Met Y/N
Members can access the following in one session:					
Functional Ability to Change Primary Care Practitioner	100%	Yes	Y	Yes	Y
Determine how and when to obtain a referral or authorization for a specific service	100%	Yes	Y	Yes	Y

Table 2: Quality of the Website: Quality of the information is assessed for the following during the accuracy review:

Measure	Goal	2019	Goal Met Y/N	2020	Goal Met Y/N
Information is legible, complete and allows the member to understand:					
How and when to obtain a referral or authorization for a specific service	100%	Yes	Y	Yes	Y
Information accurately reflect what services SCFHP would pay for and if there is any limits on the services	100%	Yes	Y	Yes	Y
Other items that may also reflect the quality of the web site:					
The link for the member handbook moves to the correct page	100%	Yes	Y	Yes	Y
Detailed instructions are provided on what chapter/section of the member handbook to refer to on how and when to obtain referrals and authorizations for specific services	100%	Yes	Y	Yes	Y

b. Quantitative Analysis

SCFHP evaluated the functional ability to change PCPs. The goal is to have this function 100% of the time. This function was evaluated in July 2020 and found to be functioning as it should be, and therefore met the 100% goal established.

For the accuracy of information SCFHP set a goal of 100% of the time that the website accurately reflected the UM requirements for obtaining authorizations and referrals. In July 2020, the auditor reviewed to ensure members can find the information on how and when to obtain referrals or authorization for services. The link for the member handbook was validated to ensure it moved to the correct page so that member can access information on what SCFHP would pay for and if there are limitations.

c. Qualitative Analysis

No barriers or opportunities were identified for the functionality of the websites since all established goals were met at 100%.

IV. Methodology: Telephone

Annually, SCFHP audits Customer Service telephone calls from members. To review the accuracy of the telephone calls of member requested information on determining how and when to obtain referrals and authorizations for specific services, the auditor (Customer Service Quality Manager) randomly selects ten(10) member contacts based on the selected call categories and call recording. Another ten (10) calls were specifically selected to review the quality assessment on the prior authorization submission process. The auditor assesses the call to determine whether the members were able to obtain answers to their inquiries. To determine the quality and accuracy of member inquiries, the auditor reviews the CSR's call documentation for completeness, listen to call recording to see if the CSR was accurate on informing the member whether or not a service requires a referral or a prior authorization. If a service does require a referral or an authorization, whether or not the CSR explain to the member on how to obtain one. If the service does require a prior authorization, was an organization determination offered and if the member requested to have one submitted, did CSR submit the request correctly, whether the turn-around time and the next steps were provided to the member. Data included in this analysis was captured from July 1, 2019 through June 30, 2020.

SCFHP members do not have any financial responsibility for covered services as long as they follow the plan's rules such as receiving services within the SCFHP network or contracted providers.

Accuracy of Personal Information on Health Plan Services on the telephone:

Measure 1: Did the CSR explain whether or not a service requires a referral and/or a prior authorization?
Numerator: Number of cases that were audited from Q3-2019-Q2-2020 that CSRs explain whether or not a service requires a referral and/or a prior authorization
Denominator: Number of cases received from Q3-2019-Q2-2020
Goal: 100% of inquiries were responded accurately

Measure 2: The CSR accurately explains how the member can obtain an authorization or referral
Numerator: Number of cases that were audited from Q3-2019-Q2-2020 that CSR accurately explains how the member can obtain an authorization or referral.
Denominator: Number of cases received from Q3-2019-Q2-2020
Goal: 100% of inquiries were responded accurately

Measure 3: The CSR provide a list of network provider to the member if the service does not require a prior authorization
Numerator: Number of cases that were audited from Q3-2019-Q2-2020 that the CSR provide a list of network provider to the member if the service does not require a prior authorization
Denominator: Number of cases received from Q3-2019-Q2-2020
Goal: 100% of inquiries were responded with accuracy

Quality of Personal Information on Health Plan Services on the telephone:

Measure 1: Was the inquiry initiated by the member or member's representative
Numerator: Number of cases that were audited from Q3-2019-Q2-2020 that the inquiry was initiated by the member or member's representative
Denominator: Number of cases received from Q3-2019-Q2-2020
Goal: 100% of callers were verified to ensure these are member and member's representative who initiated the request

Measure 2: CSR clearly explains whether or not the member needs prior authorization and/or verifies the status of the authorization if there is one on the member's file before obtaining the requested service
Numerator: Number of cases that were audited from Q3-2019-Q2-2020 that the CSR clearly explains whether or not the member needs prior authorization and/or verifies the status of the authorization if there is one on the member's file before obtaining the requested service
Denominator: Number of cases received from Q3-2019-Q2-2020
Goal: 100% of inquiries were explained fully verifies the status of the authorization if there is one on the member's file before obtaining the requested service

Measure 3: Did the CSR clearly explain the options for members to submit a prior authorization request? If member agreed to initiate with CSR, did the CSR follow the standard operating procedures to initiate the process?

Numerator: Number of cases that were audited from Q3-2019-Q2-2020 that the CSR clearly explain the options for members to submit a prior authorization request and if member agreed to initiate with CSR, the CSR follow the standard operating procedures to initiate the process
Denominator: Number of cases received from Q3-2019-Q2-2020
Goal: 100% of inquiries were explained fully and carried out the prior authorization process.

Measure 4: If a prior authorization was submitted, did the CSR fully explain the next step and turn-round time to the member?
Numerator: Number of cases that were audited from Q3-2019-Q2- which the CSR fully explain the next step and turn-round time to the member after submitting the prior authorization request
Denominator: Number of cases received from Q3-2019-Q2-2020
Goal: 100% of inquiries were explained fully that CSR fully explain the next step and turn-round time to the member

V. Analysis

a. Results

Table 3: Accuracy of Personal Information on Health Plan Services on the telephone:

Factor 1: Determine how and when to obtain referrals and authorizations for specific services, as applicable (Accuracy)	Total Sample	Accuracy Goal Met			% Accuracy Goal Met
		Yes	No	N/A	
1. Did the CSR explain whether or not a service requires a referral and/or a prior authorization?	10	10	0	0	100%
2. The CSR accurately explains how the member can obtain an authorization or referral.	10	8	0	2	100%
3. If a service does not require a prior authorization, did the CSR provide a list of network provider to the member?	10	0	0	10	NA
Factor 2: Benefit and financial responsibility-this factor is NA since members have no financial liability					

Table 4: Quality of Personal Information on Health Plan Services on the telephone:

Factor 1: Determine how and when to obtain referrals and authorizations for specific services, as applicable (Quality)	Total Sample	Quality Goal Met			% Quality Goal Met
		Yes	No	N/A	
1. Was the inquiry initiated by the member or member's representative?	10	10	0	0	100%
2. The CSR clearly explains whether or not the member needs prior authorization and/or verifies the status of the authorization if there is one on the member's file before obtaining the requested service.	10	10	0	0	100%
3. Did the CSR clearly explain the options for members to submit a prior authorization request? If member agreed to	10	10	0	0	100%

initiate with CSR, did the CSR follow the standard operating procedures to initiate the process?					
4. If a prior authorization was submitted, did the CSR fully explain the next step and turn-round time to the member?	10	10	0	0	100%
Factor 2: Benefit and financial responsibility-this factor is NA since members have no financial liability					

b. Quantitative Analysis

Accuracy: All Accuracy and quality measures met the target goal of 100%. On Table 3, factor 1, measure 2, there were two cases that were "NA". This is a result of a member calling in to check the status of a prior authorization. Since the authorization was already approved, it was not necessary for the CSR to explain how the members can obtain an authorization. Also on Table 3, measure 3, all of the cases selected were "NA". On the cases that were audited, the members were calling to verify if a prior authorization was required for a service, and they already have the provider in mind therefore, the CSRS did not have the need to offer the list of network specialists. For factor 2, our members have no financial responsibility so this factor is NA.

c. Qualitative Analysis

All of the telephone measures met the goal at 100% for the accuracy and quality analysis, and no deficiencies were identified for this audit period.

SANTA CLARA FAMILY HEALTH PLAN

Pharmacy Benefit Information 2020: Telephone Accuracy and Quality Analysis

Prepared by: Tanya Nguyen, Director of Customer Service
For review and approval by the Quality Improvement Committee December 9, 2020

I. Overview

Pharmaceutical benefits and drugs change periodically throughout the year. In an effort to best serve members, Santa Clara Family Health Plan (SCFHP) has a responsibility to ensure that members can contact the organization over the telephone and receive accurate, quality information on drugs, coverage, and cost.

SCFHP conducts monthly quality monitoring to assure the quality of the information provided to members related to pharmacy benefits. In addition, SCFHP also conducts an annual evaluation through the selection of certain call categories to identify opportunities to improve the quality and accuracy of the pharmacy benefit information provided by Customer Service Representatives (CSRs) to members.

II. Methodology: Telephone

Annually, Santa Clara Family Health Plan audits the information provided to members over the telephone by its CSRs. If the total calls received are 30 cases or more, than the auditor selects 25% of the calls. If the total calls received are less than 30, then 100% of the cases are reviewed. The calls are checked for the ability for CSRs to provide accurate reflection of:

a. Financial responsibility per LIS level (copays)
b. Initiate the exceptions process
c. Order a refill for an existing mail-order prescription
d. Assistance to locate an in-network pharmacy
e. Assistance to conduct a pharmacy proximity search based on zip codes in Santa Clara County
f. Determine the availability of a generic substitutes

The audit will be performed on an annual basis by collecting data on the quality and accuracy of the pharmacy benefit information provided over the telephone. The audit period is from 07/01/19 through 06/30/20.

Goal:
Accuracy: 100%
Quality: 100%

III. Data

Table 1: Accuracy of Pharmacy Benefit Information for financial responsibility, exceptions process, order a refill for mail order prescription, location of in-network pharmacy, conducting a proximity search, determining the availability of generic substitutes.

Element B: Pharmacy Benefit Information—Telephone (Accuracy Analysis)	Total Sample	Accuracy Goal Met			% Accuracy Goal Met
		Yes	No	N/A	
Factor 1: Financial responsibility					
Did CSR provide the correct copay amount for a drug according to member's financial responsibility level?	27	27	0	0	100%
Factor 2: Exceptions process					
1. Was the request submitted for the medication(s) member requested?	25	25	0	0	100%
2. Was the request marked correctly (standard vs expedited) per member's request?	25	25	0	0	100%
3. Was the correct turn-around time provided to the member (exception vs PA)?	25	23	2	0	92%
Factor 3: Order a Refill for an existing prescription					
Did the CSR thoroughly respond to the member's inquiry about utilizing the pharmacy mail order?	17	17	0	0	100%
Factor 4 and 5: Location of in-network pharmacy, conducting a proximity search					
Did the CSR conduct the proximity search utilizing the pharmacy locator tool or the Plan's provider search engine?	1	1	0	0	100%
Factor 6: Determine the availability of generic substitutes					
1. Did the CSR record and look up the correct medication that member provided?	3	3	0	0	100%
2. Did the CSR provide the correct generic substitution of a drug using the formulary tool?	3	3	0	0	100%

Table 2: Quality of Pharmacy Benefit Information for financial responsibility, exceptions process, order a refill for mail order prescription, location of in-network pharmacy, conducting a proximity search, determining the availability of generic substitutes.

Element B: Pharmacy Benefit Information—Telephone (Quality Analysis)	Total Sample	Quality Goal Met			% Quality Goal Met
		Yes	No	N/A	
Factor 1: Financial responsibility					
1. Did CSR review the member's financial responsibility level and provide the maximum amount of copays the member would pay according to the pharmacy benefit?	27	27	0	0	100%
2. Did CSR educate member about the financial benefit of filling a 90 day supply when applicable?	27	0	0	27	N/A
Factor 2: Exceptions process					
1. Did CSR fully explain/provide the restriction (s) pertaining to the medication (s) member requested?	25	21	4	0	84%
2. Did CSR inform the member of the next step for the exception submission process?	25	20	5	0	80%
Factor 3: Order a Refill for an existing prescription					
Did the CSR provide instructions to place an order for refills or offer/ warm transfer the member set up the pharmacy mail order service?	17	17	0	0	100%
Factor 4 and 5: Location of in-network pharmacy, conducting a proximity search					
Did the CSR locate and provide the correct name, address, phone number, hours of operation of an in-network pharmacy to the member?	1	1	0	0	100%
Factor 6: Determining the availability of generic substitutions					
Did the CSR provide the response to member's request fully such as dosage and restrictions, if any?	3	1	2	0	33%

IV. Quantitative Analysis

For the accuracy and quality of information, SCFHP sets a goal of 100%. Goals were met at 100% for factors 1, 3, 4, 5, and 6. For factor 2, 100% of the goal was met for all measures with the exception of one which only 92% out of 100% was met for measure 3 since the turn-around time for the exception process was not provided to the members.

The plan also had a goal of 100% for the quality of information provided for obtaining pharmacy benefit information. As with the accuracy rates, the goal is the same for quality. Goals were met at 100% for factors 1, 3, 4, and 5. Factor 1, measure 2 was "NA". This was mainly due to the benefit change that occurred in January of 2020 which SCFHP had waived the copayment for all generic medications. As a result, the opportunity to educate members about the benefit of filling a 90 day supply has diminished. Performance goal was missed for factor 2 which measure 1 received 84% of the goal and for measure 2, 80% which CSRs did not fully explain the restrictions for a medication and the member was not informed of the next step when an exception was submitted. For factor 6, only three samples were identified for the reporting period. Despite the low number of samples, only 33% of the goal was met.

V. Qualitative Analysis:

Upon the completion of the quality and accuracy analysis, we recognize the outcome on this year's analysis can be improved. One of the areas was related to the exception process. CSR was skillful at looking up the drug name using the formulary tool to identify whether or not there are restrictions such as PA; however, there was no evidence of information being shared with the members. In addition, the CSRs was diligent in submitting the exception requests upon the member's request but the next step and turn-around time were not provided to the members. Lastly, when the CSR looked up the generic substitute of a drug, information about the drug dosage and drug restrictions were not provided to the members. Refresher trainings will be provided to remind CSRs to take the appropriate actions in these areas of deficiency.

Deficiency	Accuracy or Quality	Plan for Correction	Target Date of Completion
1.CSR did not fully explain/provide the restriction (s) pertaining to the medication (s) member requested	Quality	Provide refresher training to remind CSRs to review and provide all applicable drug restrictions to members.	12/18/20
2. CSR did not inform the members of the next step for the exception submission process	Quality	Provide refresher training to remind CSRs to provide the turn-around time and to expect a phone call regarding the exception decision.	12/18/20
3. When looking up a generic substitute for a drug, CSR should provide the dosage and restrictions of that drug if applicable.	Quality	Provide refresher training to remind CSRs to review and provide the drug dosage and restrictions to members.	12/18/20
4. CSR need to provide and document the turn-around time (TAT) to members when an exception request is submitted.	Accuracy	Provide refresher training to remind CSRs to provide and document the TAT when an exception request is submitted.	12/18/20

QUALITY IMPROVEMENT
COMMITTEE or ACTIVITY REPORT

Name of Reporting Committee or Activity: Monitoring or Meeting Period:

Credentialing Committee 10/07/2020

Areas of Review or Committee Activity

Credentialing of new applicants and recredentialing of existing network practitioners

Findings and Analysis

Initial Credentialing (excludes delegated practitioners)		
Number initial practitioners credentialed	30	
Initial practitioners credentialed within 180 days of attestation signature	100%	100%
Recredentialing		
Number practitioners due to be recredentialed	12	
Number practitioners recredentialed within 36-month timeline	12	
% recredentialed timely	100%	100%
Number of Quality of Care issues requiring mid-cycle consideration	0	
Percentage of all practitioners reviewed for ongoing sanctions or licensure limitations or issues	100%	100%
Terminated/Rejected/Suspended/Denied		
Existing practitioners terminated with cause	0	
New practitioners denied for cause	0	
Number of Fair Hearings	0	
Number of B&P Code 805 filings	0	
Total number of practitioners in network (excludes delegated providers) as of 09/30/2020	285	

(For Quality of Care ONLY)	**Stanford**	**LPCH**	**VHP**	**PAMF**	**PMG**	**PCNC**
Total # of Suspension	0	0	0	0	0	0
Total # of Terminations	0	0	0	0	0	0
Total # of Resignations	0	0	0	0	0	0
Total # of practitioners	1662	1515	791	825	328	67

Note: This is a count of single providers in their credentialed networks. A provider belonging to multiple networks will be counted for each network once.

Regular Meeting of the

Santa Clara County Health Authority
Provider Advisory Council (PAC)

Tuesday, November 10, 2020, 12:15 – 1:45 PM
Santa Clara Family Health Plan
6201 San Ignacio Ave, San Jose, CA 95119

VIA Teleconference
(669) 900-6833
Meeting ID: 972 4379 0640
https://zoom.us/j/95607410181?pwd=VVN5OVoxVldJcVNOZlgzaXQ2MWk4Zz09
Passcode: PACNov10

MINUTES - Draft

Committee Members Present
Thad Padua, MD, Chair
Clara Adams, LCSW
Michael Griffis, MD
Bridget Harrison, MD
Jimmy Lin, MD
David Mineta
Peter L. Nguyen, DO
Sherri Sager
Meg Tabaka, MD

Staff Present
Christine Tomcala, Chief Executive Officer
Laurie Nakahira, DO, Chief Medical Officer
Dang Huynh, PharmD, Director, Pharmacy & Utilization Management
Janet Gambatese, Director, Provider Network Operations
Johanna Liu, PharmD, Director, Quality & Process Improvement
Brandon Engelbert, Manager, Provider Network Operations
Emily Schlothan, Provider Performance Program Manager
Stephanie Vielma, Provider Performance Program Manager
Jayne Giangreco, Manager, Administrative Services
Robyn Esparza, Administrative Assistant

1. **Roll Call/Establish Quorum**
   Thad Padua, MD, Chair, called the meeting to order at 12:15 pm. Roll call was taken and a quorum was established.

2. Meeting Minutes

The minutes of the August 28, 2020 Provider Advisory Council (PAC) meeting were reviewed.

It was moved, seconded, and the August 28, 2020 Provider Advisory Council (PAC) were **unanimously approved.**

Motion: Dr. Padua
Second: Dr. Nguyen
Ayes: Dr. Lin**,** Ms. Adams, LCSW, Dr. Griffis, Dr. Harrison, Dr. Lin, Dr. Nguyen Mr. Mineta, Dr. Padua, Ms. Sager, Dr. Tabaka

3. Public Comment

There was no public comment.

4. Chief Executive Officer Update

Christine Tomcala, CEO, presented the October 2020 Enrollment Summary, noting total enrollment of 266,060, with 9,570 members in Cal MediConnect and 256,490 members in Medi-Cal. The increase is primarily due to the State's suspension of redeterminations during the public health emergency, rather that enrollment of new members. When the COVID emergency is over, there likely will be a phased process to catch up on the redeterminations over a period of months.

Ms. Tomcala announced that construction of the Blanca Alvarado Community Resource Center (CRC) is essentially complete. The building is closed to the public because of COVID, but the Plan is looking forward to partnering with community organizations to create a resource center that serves our members and the broader safety-net community. It is located at North Capitol and McKee Roads, adjacent to public transportation and shopping opportunities, offering easy access to members of the community. The CRC includes three meeting spaces, which can be opened up to create one large space. The Plan anticipates holding health education classes, fitness classes, and making the meeting space available to community organizations.

5. Pharmacy

Dr. Dang Huynh, Director, Pharmacy and Utilization Management, presented the drug utilization reports for the '2020 Q3 Top 10 Drugs by Total Cost' and 'Top 10 Drug Classes by Prior Authorization Volume' for reporting period of July 1, 2020 – September 30, 2020. Biologics, diabetic medications, cancer drugs, blood clotting agents, and Hep C medication remain on the report for Medi-Cal. The top 10 drugs accounts for about $8.8 million of $34.7 million of the total cost for the quarter. CMC line of business had no major changes. The total cost is $12.4 million and top ten is about $2.4 million.

With regard to Prior Authorization, the plan saw an increase in prior authorization requests due to COVID. Dr. Huynh pointed out and highlighted is Myrbetriq currently ranked sixth previously ranked at 33rd. The plan also saw quite a few increase in prior authorization for the Assure Platinum Test Strips from our LTC facilities where these Assure Test Strips can be used in the same meter. Dr. Huynh also noted the same drugs high risk drugs for the elderly and opioid drugs exception requests. The plan saw just a couple increase in drug classes because the prior authorization volume is so low for our top 10 and for our overall CMC line of business. Just a couple of prior authorizations will shift ranking.

Medi-Cal RX Update:

Dr. Huynh presented the council with a Medi-Cal Rx Update**.** He noted that the pharmacy benefit of Medi-Cal is being carved back to the State, starting January 1, 2021. There was discussions about potential delays, but the State informs everything looks to be on track. Our IT team is working diligently to accept incoming files so we're able to process those and also send those to our delegates in the near future.

Adherence Report Update:

Dr. Huynh reported there is nothing to present at this related to the Adherence Report Update as it is still a work in progress.

6. **Quality**

Health Disparities by Race / Ethnicity:

Dr. Johanna Liu, Director, Quality and Process Improvement, gave a presentation on CY19 HEDIS MPL Measures Disparity Analysis. She noted the study looked at if there is there an ethnic or language disparity from the CY19 HEDIS results. Observations from the data showed: (1) Caucasian group was the lowest performing at 11 measures, followed by African American group in 9 measures; (2) Chinese group was the lowest performing in only 1 measure; (3) African American group was one of the lowest performing groups in 5 out of 6 children's measures; (4) English speaking was one of the lowest performing groups in 6 measures, followed by Tagalog in 5 measures; and (5) Chinese speaking group was lowest performing in only 1 measure. Additional analysis will be performed to test statistical significance.

Dr. Liu, noted there is work underway, including the following: (1) Meet with cultural champions in our community to identify additional barriers and opportunities; (2) Targeted Member Phone Outreach to groups that did not perform above MPL to offer health education classes and materials and increase awareness of member incentives; (3) Launching Diabetes Care Project targeting Hispanic members with poor diabetes control and offering them a glucose testing machine that speak Spanish to be filled at a pharmacy that providers counseling and automatic refill reminders; (4) Collaborating with Black Infant Health Program and sending data on eligible African American women for program referral and outreach; and (5) Discussion of feasibility to achieve NCQA Distinction of Multicultural Healthcare

CAHPS Presentation:

Dr. Johanna Liu, Director, Quality and Process Improvement, gave a presentation on the CAHPS 2020 results. She provided the following overview: CAHPS is a consumer satisfaction survey that the health plan is required to administer annually by the Centers for Medicare and Medicaid Services (CMS); SCFHP contracts with a vendor to conduct the survey; Results impact NCQA accreditation and health plan ratings; COVID-19 has had a significant impact on CAHPS survey process and reporting for 2020. She reviewed the 2020 CAHPS Timeline from the initial SCFHP Postcard #1 on January 1, 2020 through the availability of the SPH CAHPS Report on August 28, 2020. She noted there was a slight increase in the response rate of 28.8% from the 2019 CAHPS Response Rate to 29.1% for 2020. Dr. Liu reviewed, in detail, the finding for Estimated NCQA Health Plan Ratings, Estimated 2021 CMS Medicare Star Ratings, and Comparison to CMS Medicare Star Cut Points (From Fall 2019). She noted the Focus Ares of Improvement and the Next Steps, including: Present findings at committees and internal meetings: SCFHP Executive Team; Quality Strategy Workgroup; Consumer Advisor Board Meeting (CAB); Provider Advisory Council (PAC); Timely Access and Availability (TAA) Workgroup; Develop CAHPS 2021 strategy and work plan in early November 2020; Conduct qualitative analyses and identify interventions to address opportunities for improvement; Collaborate with Marketing to continue 2021 CAHPS campaign promotion and evaluate other opportunities, such as utilizing social media platforms for outreach; Explore providing CAHPS survey in Tagalog language.

7. **Utilization Management:**

Provider Portal Pre-Auth Pilot:

Dr. Huynh spoke to the Provider Portal Prior Authorization Pilot status. He informed council they have been reviewing prior authorization via the Provider Portal for medical services for Utilization Management (UM). Dr. Huynh noted internal testing has shown that the platform works. He and Mr. Brandon Engelbert, Manager, PNO, is soliciting providers to help test it by actually using it and provide us with any potential feedback so we can identify if any tweaks need to be made on the back end. Dr. Jimmy Lin and Dr. Bridget Harrison already agreed to participate If any other council member interested, please let either Dr. Huynh or Mr. Engelbert know.

Dr. Huynh noted a document is being developed to outline how to fill out the online portal prior authorization forms.

Blood Pressure Monitor Access:

Dr. Dang Huynh, Director of Pharmacy & Utilization Management, advised the Plan has a blood pressure monitor ordering form. So if you haven't seen it or you need a copy of it, please reach out to himself or Mr. Brandon Engelbert, Manager, Provider Network Operations, so it can be sent over to you.

8. Provider Network Operation Updates

Tele-Health Billing and Reimbursement:

Ms. Janet Gambatese, Director, Provider Network Operations (PNO) provided a presentation on Telehealth Billing and Reimbursement, giving a summary of details of billing and reimbursement. She noted that SCFHP will reimburse providers at contracted rates for covered services, whether the services were performed in person or through Telehealth. The guidance we have been giving SCFHP providers is to complete the elements you're able to be a Telehealth and document what requires follow up at the second in person visit. In the initial Telehealth visit, you can cover health history, developmental surveillance, anticipatory guidance, preventive counseling, identification in care gaps, and place orders for labs, vaccines and other needed screenings. The second in person visit completes the remaining components of the preventative medical services that were not covered in the Telehealth visit, such as giving vaccines, doing a physical exam doing testing (i.e., urine), and other age-appropriate screenings.

She noted that resources are available on the Santa Clara Family Health Plan website: SCFHP.com. Go to Provider Resources, Provider Memos (Provider Memo "Telehealth Reimbursement 03/27/2020) and Tip Sheets. Information is also located under Quality Improvement Program, where the HEDIS 2020 Coding Booklet and Provider Performance Program (PPP) 2020 Technical Specifications are located. Another resource option would be to email our Provider Performance Program Managers at ProviderPerformance@scfhp.com

Accessing Provider Report Cards:

Ms. Janet Gambatese also shared how providers access their report card / Gaps in Care (GIC) list by going to the Provider Portal link and selecting "Alerts" tab. Gaps in Care Report can be located in the "Your Action Items" and the Provider Performance Program can be located in the "Your Report Card," where providers can check their progress on SCFHP identified initiatives.

9. Old Business

Dr. Laurie Nakahira, Chief Medical Officer, advised the committee on the previously discussed Continuing Medical Education (CME) planning. Unfortunately, we had a provider, who we were hoping to have a CME in September or October, but that fell through. She noted we are still planning on having a CME in the first quarter of 2021 focusing on behavioral health with anxiety and/or depression as the educational topic. Information will be sent on it when we have that arranged.

10. New Business

Credentialing Issue:

Dr. Laurie Nakahira, CMO, advised the committee that there was a question at last meeting that was brought up about possible credentialing issues. She confirmed Credentialing received a list of providers that Dr. Bridgett Harrison brought up at the last meeting. The issue was researched and Dr. Nakahira indicated she couldn't speak to it specifically, but will speak with Dr. Harrison about it off line. Dr. Nakahira noted that most of the Health Plan's credentialing has been done within two to three months for receipt; however, it was identified that a couple did, in fact, did fall through the cracks. One of the incidents was due to the credentialing packet arriving via secure email. In the second case, it was identified that provider was not a Medi-Cal provider which did delay their credentialing application.

Dr. Nakahira informed of the Health Plan's credentialing processes moving forward. She noted we are currently looking into how to make sure that some of these providers who are sending us their packets

doesn't fall through the cracks. So we are talking about doing a checklist and a follow up with the credentialing entity and who are coming through the Credentialing Committee so we can give you an estimated time of when the packet was actually completed. When it's going to go to the Credentialing Committee so you have a little bit of a more of an idea of when that provider will be credentialed. In addition, If there are any holdups and/or any other requests that we need to fulfill the packet, we will let you know about that so that keeps everybody in the loop.

2021 Meeting Calendar

Dr. Laurie Nakahira, CMO, advised the committee that included in today's meeting packet is the 2021 SCFHP meeting calendar, which includes all Health Plan meetings. There were some overlaps between the Provider Advisor Council (PAC) and the Quality Improvement Committee (QIC). The PAC meeting will continue to meeting quarterly, on the third Wednesday of the month, with the exception of August when the meeting will be held on Tuesday, August 10, 2021. The next meeting for PAC will be held on Wednesday, February 10, 2021.

11. Discussion / Recommendations

Bridget Harrison acknowledged her appreciation to the council for addressing her three questions over the last three months.

12. Adjournment

The meeting adjourned at 1:35 p.m. The next meeting is scheduled for Wednesday, February 10, 2021.

_____ _____

Dr. Thad Padua, Chair Date

Regular Meeting of the

Santa Clara County Health Authority
Consumer Advisory Committee

Tuesday, December 8, 2020, 6:00 PM – 7:00 PM

Santa Clara Family Health Plan

6201 San Ignacio Ave, San Jose, CA 95119

Minutes - Draft

Members Present
Debra Porchia-Usher, Chair
Rebecca Everett
Blanca Ezquerro
Rachel Hart
Tran Vu

Members Absent
Barifara (Bebe) Barife
Vishnu Karnataki
Maria Cristela Trejo Ramirez

Staff Present
Christine Tomcala, Chief Executive Officer
Chris Turner, Chief Operating Officer
Laura Watkins, Vice President, Marketing & Enrollment
Chelsea Byom, Director, Marketing & Communications
Mike Gonzalez, Manager, Community Resource Center
Thien Ly, Manager, Medicare Outreach
Theresa Zhang, Manager, Communications
Jocelyn Ma, Community Outreach Program Manager
Cristina Hernandez, Marketing Project Manager
Divya Shah, Health Educator
Lan Tran, Quality Improvement RN
Amy O'Brien, Administrative Assistant

1. Roll Call

Debra Porchia-Usher, Chair, called the meeting to order at 6:09 pm. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

3. Meeting Minutes

The minutes of the September 8, 2020 Consumer Advisory Committee (CAC) were reviewed. It was noted that the minutes did not include the list of members who were absent. It was determined that these minutes will be approved on the condition that they will be amended to reflect the members absent during the September 8, 2020 meeting.

It was moved, seconded, and the minutes of the September 8, 2020 CAC meeting were **conditionally approved.**

Motion: Mr. Vu
Seconded: Ms. Everett
Ayes: Ms. Everett, Ms. Hart, Ms. Porchia-Usher, Mr. Vu
Abstain: Ms. Ezquerro
Absent: Ms. Barife, Mr. Karnataki, Ms. Ramirez

4. Health Plan Update

Christine Tomcala, Chief Executive Officer, presented the enrollment update. As of December 1, 2020, the Plan's total enrollment is 271,107 members, an 11.8% increase since December 2019. Medi-Cal enrollment is 261,287 members, an 11.66% increase, while Cal MediConnect enrollment is 9,820 members, a 16.52% increase. Ms. Tomcala highlighted that the Plan's Medi-Cal growth is largely attributable to the pause on Medi-Cal disenrollment due to COVID, rather than new members enrolling in the Plan.

It was noted that the majority of staff members continue to work from home, with approximately 3% who cannot perform their job duties from home continue to come into the office.

Ms. Tomcala gave an overview of progress on COVID vaccine distribution planning, noting that healthcare workers and individuals who are medically vulnerable will likely be included in earlier phases of vaccine distribution. It was also noted that the need to store some of the vaccines at extremely cold temperatures may impact which providers can administer the vaccine. Committee members shared questions and thoughts on getting a vaccine. Ms. Hart expressed concern with the ingredients in vaccines. Ms. Porchia-Usher acknowledged Ms. Hart's concerns, noting hesitation to get vaccinated in communities of color based on past experiences with the medical community. There was discussion that approximately 70% of the population would need to be vaccinated to reach herd immunity. Input was sought on how the Plan can effectively educate and encourage members to get vaccinated. Ms. Watkins explained that the Plan is following the lead of the Public Health Department on community messaging, and the Public Health Department is following the lead from organizations such as the CDC and National Institutes of Health. Ms. Tomcala stated that the Plan is always open to our members' feedback and suggestions in regard to messaging to our communities.

Ms. Tomcala continued with an update on the Medi-Cal Rx pharmacy carve-out transition. This transition is delayed until April 1, 2021. Ms. Byom advised that the state did send out 90-day and 60-day notices to our Medi-Cal beneficiaries. Ms. Byom is not sure if the state has also sent notices advising of the delay in the transition. Otherwise, the next communication will be from the Plan 30 days in advance of the April transition.

Ms. Ezquerro left the meeting at 6:30 p.m.

5. Department of Employment & Benefits Services (DEBS)

Debra Porchia-Usher, Chair, presented an update on DEBS for the Committee. DEBS has seen significant growth in applicants since COVID and the shelter-in-place order. Prior to COVID, the average number of Cal Fresh applications was 3,500 per month. Since April 2020, applications have more than doubled to 8,500 per month. Of the approximately 40,000 Cal Fresh applications that have been received, 61% of the applications are from first time applicants.

General assistance applications have decreased, so outreach has been conducted to homeless shelters and encampments. Overall, applications for all types of assistance have increased by 18%. The DEBS business strategy has changed due to shelter-in-place and also because of individuals who are concerned with their own safety. Prior to shelter-in-place, 40% of applications were received online. Since COVID restrictions, 70% of applications are received online, including applications received via phone, text, computer, and email. Applications received by phone have increased from 1% to 8%. Applications received in person and via the drop box have decreased from 50% prior to shelter-in-place to only 8% since COVID. Prior to COVID, the total population served in Santa Clara County was approximately 362,000. As of November 2020, they now serve approximately 394,000 people, which is a 9% growth within 8 months.

Ms. Porchia-Usher gave an overview of the programs and services offered by DEBS. This includes the Bridge to Recovery initiative, which looks at the current labor market and the new economy that will result from COVID. There is a partnership between the department and community-based organizations to discuss how to bring their resources together to serve more of the population.

General assistance is another program that has seen changes since COVID. Prior to COVID, general assistance clients would receive a partial payment. As of COVID, clients receive their full payment of $343.00. They are offered shelter beds, and they are also encouraged to participate in CalWORKS. CalFresh has been

initiated for the Veterans' Service Organization, which was integrated into the Social Services agency, with a focus on maximizing benefits to veterans. Ms. Porchia-Usher concluded with a statement that Angela Shing, the Director of DEBS, has offered to give a detailed presentation on the Bridge to Recovery initiative, as well as the general assistance program, and the safety net, for the March 2021 CAC meeting.

6. Community Resource Center

Chelsea Byom, Director, Marketing and Communications, gave an update on the progress of the CRC. Construction is complete and SCFHP has now taken occupancy of the building, although the resource center continues to be closed to the public and to staff members, due to COVID-19. Ms. Byom introduced Mr. Mike Gonzalez as the Manager of the CRC. The Plan is in the active stage of planning the programming for the CRC. Ms. Byom highlighted the Plan's outreach efforts to determine the classes and activities that will be offered at the CRC. Ms. Byom summarized the next steps to determine the timeline for key milestones and a phased grand opening. Community Health Partnership is a subtenant of the CRC.

Ms. Hart asked about the number of employees who will work at the CRC. Ms. Byom replied that there will be four employees dedicated to work at the CRC, with a number of other staff members working there on a rotational basis as needed. Ms. Porchia-Usher asked if other community-based organizations will be able to partner with the Plan and share space. Ms. Byom replied that conference rooms may be made available for meetings or activities, but our tenant space is filled. Ms. Watkins advised there is an opportunity for hoteling space to be used on an as needed basis. Ms. Tomcala advised that the Plan welcomes other partnerships to utilize the CRC. Ms. Watkins noted that this extends to discussing with Social Services their potential use of the CRC to bring services closer to residents. Ms. Hart asked if the staff members dedicated to the CRC will be available to work with the homeless population. Ms. Byom replied the CRC will be an inclusive space that is open to anyone who requires the services of the Plan or our community-based organization partners. The core services that will be offered are customer service, case management, and enrollment assistance, especially for the Medicare line of business. Ms. Watkins stated the CRC will also be used for new member orientations and a variety of health education classes.

7. Outreach Strategy Plan

Jocelyn Ma, Community Outreach Program Manager, presented the Committee with an update of the Outreach Strategy Plan. Ms. Ma advised the Committee that the Outreach Strategy Plan was created in 2019. Ms. Ma shared the plan's 2020 accomplishments, as well as the goals for 2021. Ms. Hart asked how Plan materials are distributed, especially since the onset of COVID. Ms. Ma replied that staff members either identify potential opportunities for material distribution through the internet, or through community partners. For example, a senior center recently had a drive-through health fair. The Plan coordinated with this senior center to provide resource bags filled with the Plan's brochures, which the center distributed to participants. Ms. Ma confirmed for Ms. Hart that the Community Outreach team is always looking to participate in events in order to engage with the community.

8. Overview of Cal MediConnect

Thien Ly, Manager, Medicare Outreach, presented the Committee with an overview of the Cal MediConnect plan. Mr. Ly compared the differences among original fee-for-service Medicare, Medicare Advantage, and SCFHP Cal MediConnect. He explained the eligibility requirements to enroll in Cal MediConnect. Mr. Ly highlighted the wide variety of benefits that are included in the Cal MediConnect plan. He explained the prescription copays of the plan. Our network pharmacies and provider network are robust. Cal MediConnect does not follow the Medicare open enrollment period, so members can enroll at any time, and it will be effective on the 1st of the following month. Mr. Vu asked about the notation regarding the annual Total (True) Out-of-Pocket (TrOOP) drug cost exceeding $6,550.00. Mr. Ly explained this typically applies only to members who are on a lot of medications.

9. Member Communications

Theresa Zhang, Manager, Communications, gave an overview of the member communications completed since the last CAC meeting in September, including the fall newsletter. The Plan continues to call our

vulnerable, high risk members to check in on their welfare during COVID. Ms. Zhang highlighted that the SCFHP website is updated with meeting materials, member materials, newsletters, coronavirus information, and dedicated flu webpage to find flu shots near you. Ms. Zhang continued with a list of the events the Plan sent outreach materials to since our September meeting. The Plan has not attended any events in person since April. The Plan has hosted 10 pop-up flu clinics in partnership with Anthem, the last of which was today.

10. Future Agenda Items

Ms. Porchia-Usher and Ms. Watkins agreed that an update on the COVID vaccine should be a topic for the March 2021 meeting. Ms. Porchia-Usher also suggested we reach out to Analilia Garcia from Public Health to request she join the March meeting to discuss their contact tracing program. She also suggested a representative from DEBS join the meeting for a discussion on the Bridge to Recovery initiative.

Mr. Vu suggests we include the topic of behavioral health and COVID. Ms. Byom noted that the Marketing department is working on a number of communications to provide support to our members during COVID, and would like input from the committee. Ms. Hart suggested we include a topic about available behavioral health resources members can access during COVID.

11. Adjournment

The next meeting of the Consumer Advisory Committee will be on March 9, 2021. The meeting was adjourned at 7:15 p.m.

_____ _____

Debra Porchia-Usher, Chair Date

Santa Clara County Health Authority
Updates to Pay Schedule
December 17, 2020

Job Title	Pay Rate	Minimum	Midpoint	Maximum
Medical Management Care Coordinator I	Annually	45,141	55,297	65,454
Medical Management Care Coordinator II	Annually	49,655	60,827	72,000

Santa Clara Family Health Plan
Quarterly Investment Compliance Report
for the Quarter Ended June 30, 2020

1. OVERVIEW

The California Government Code (the Code), Section 53646, which governs Santa Clara Family Health Plan's (the Plan's) investments, states that the Chief Financial Officer may render a quarterly report on the status of investment portfolio and excess cash to its Governing Board.

This quarterly report contains a listing of investments, fund balances, activity, and return on investments made by the Plan. Quarterly reports also reflect the current positions and past performance of a portfolio of investments for the period of time under consideration.

This quarterly report also includes 1) a statement of compliance with the investment policy or an explanation for non-compliance; and 2) a statement of SCFHP's ability to meet its expenditure requirements for the next six months (and an explanation of why sufficient money would not be available, if that were the case).

The Plan's investments and excess cash accounts currently include:

1. County of Santa Clara Comingled Investment Pool (County Pool)

2. Wells Fargo Investment Management Portfolio (Portfolio)

3. Wells Fargo Stagecoach Money Market Fund (Sweep)

2. COMPLIANCE WITH ANNUAL INVESTMENT POLICY

Based upon our independent compliance review of the quarterly investment reports prepared for the County Pool, and Portfolio investments and the Sweep account, all investments were in compliance with the Santa Clara Family Health Plan's 2020 Annual Investment Policy adopted April 23, 2020. Investments made by Wells Fargo Asset Management are made in keeping with the Annual Investment Policy and the California Government Code.

As required by the Code, the quarter end listing of the portfolio holdings is attached to this report.

3. PORTFOLIO SUMMARY

As of June 30, 2020, the market values of the investments of the SCFHP in the County Pool, the Wells' managed portfolio and the Wells' Stagecoach Money Market Fund (Sweep Account) are as follows:

County Commingled Investment Pool (County Pool)	Wells Fargo Asset Management Portfolio (Portfolio)	Wells Fargo Stagecoach Money Market Fund (Sweep Account)	Total
$105,759,086	$199,883,355	$38,477,647	$344,120,088

4. SIX MONTH CASH SUFFICIENCY

The Plan's CFO confirmed to Sperry Capital that the Plan has sufficient cash on-hand plus projected revenues to meet its operating expenditure requirements for at least the next six months.

5. DIVERSIFICATION COMPLIANCE

As of June 30, 2020, the investment composition of the Wells Portfolio and Sweep accounts is compliant with the SCFHP Annual Investment Policy 2020.

The published Quarterly Investment Report as of June 30, 2020 for the Commingled Investment Pool indicates compliance with the County Treasurer's Investment Policy and Diversification parameters. There is no maximum percentage requirement for investment in the Commingled Investment Pool.

6. ACTUAL VS. DIVERSIFICATION REQUIREMENTS

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements	Portfolio As of 06-30-2020	Compliance
Wells Stagecoach MMF	N/A	20%	**	38,477,647	Yes
Wells Govt MMF	N/A	20%	**	142,239	Yes
Commingled Investment Pool	N/A	None	None	105,759,086	Yes
U.S. Treasury Obligations	5 years	None	None	42,050,788	Yes
U.S. Agency Obligations	5 years	None	None	108,434,027	Yes
Commercial Paper	270 days	25% of the agency's money	Highest letter and number rating by a national rating agency	10,995,235	Yes
CA Local Agency Obligations	5 years	None	None	5,003,748	Yes
CA State Obligation	5 years	None	None for CA	4,015,022	
Medium-Term Notes	5 years	30% (with not more than 20% in any 1 institution)	"A" rating or better	34,790,027	Yes
Asset-Backed Securities	5 years	20%	"AA" rating or better	1,203,170	Yes
Cash		None		-6,750,901	Yes

***A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of $500 million.*

7. PERFORMANCE

For the quarter ended June 30, 2020

Wells Fargo Asset Managed Portfolio
Annualized Yield = 0.56%* (0.14% = quarter-end; net of fees)
Primary Benchmark: ICE BofA Merrill Lynch 3-Month T-Bill: 0.02%
Average Duration: 0.31 years*
Average Effective Maturity: 0.31 years*

**provided by Wells Fargo Asset Management*

Santa Clara County Commingled Investment Pool
Annualized Yield = 1.61%
Weighted average life = 1.39 years (508 days)
Benchmark: LAIF = 1.41%; weighted average life = 0.52 years (190 days)
Benchmark: 2-year T-Note = 0.17%

Stagecoach Sweep Account (Wells Money Market Mutual Fund)
Annualized Yield = 0.051%

ATTACHMENT

Portfolio listing of the Wells Fargo Asset Managed Portfolio as of June 30, 3020

Portfolio Holdings

US Dollar

As of 30 June 2020

WC-Santa Clara Family HealthPl

Account: XXXX5000

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS FARGO Asset Management

Cash

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
CCYUSD Cash	0.08 0.08	0.00 AAA	06/30/2020 06/30/2020	0.08	1.0000 0.00	0.00 0.00	0.08 0.08
CCYUSD Payable	-6,750,961.94 -6,750,961.94	0.00 AAA	06/30/2020 06/30/2020	-6,750,961.94	1.0000 0.00	0.00 0.00	-6,750,961.94 -6,750,961.94
CCYUSD Receivable	60.51 60.51	0.00 AAA	06/30/2020 06/30/2020	60.51	1.0000 0.00	0.00 0.00	60.51 60.51
CCYUSD ---	**-6,750,901.35 -6,750,901.35**	**0.00 AAA**	**06/30/2020 06/30/2020**	**-6,750,901.35**	**1.0000 0.00**	**0.00 0.00**	**-6,750,901.35 -6,750,901.35**

MMFund

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
94975P405 WELLSFARGO:GOVT MM I	142,239.52 142,239.52	0.05 AAA	06/30/2020 06/30/2020	142,239.52	1.0000 2.54	0.00 0.00	142,239.52 142,239.52
94975P405 WELLSFARGO:GOVT MM I	**142,239.52 142,239.52**	**0.05 AAA**	**06/30/2020 06/30/2020**	**142,239.52**	**1.0000 2.54**	**0.00 0.00**	**142,239.52 142,239.52**

Fixed Income

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
06051GFT1 BANK OF AMERICA CORP	3,000,000.00 3,000,000.00	2.63 A	10/19/2020 10/19/2020	3,005,940.03	100.6797 0.38	15,750.00 14,450.22	3,020,390.25 3,036,140.25
06406HDD8 BANK OF NEW YORK MELLON CORP	2,000,000.00 2,000,000.00	2.60 A+	08/17/2020 07/17/2020	2,000,588.49	100.0893 0.72	19,355.56 1,198.39	2,001,786.88 2,021,142.44
06406FAA1 BANK OF NEW YORK MELLON CORP	760,000.00 760,000.00	2.50 A+	04/15/2021 03/15/2021	770,708.66	101.5245 0.34	4,011.11 877.38	771,586.05 775,597.16
13017HAF3 CALIFORNIA EARTHQUAKE AUTH REV	4,000,000.00 4,000,000.00	1.30 A-1+	07/01/2020 07/01/2020	4,000,000.00	100.0000 1.30	15,022.22 0.00	4,000,000.00 4,015,022.22
17325FAQ1 CITIBANK NA	3,050,000.00 3,050,000.00	3.40 A+	07/23/2021 06/23/2021	3,141,500.00	102.9822 0.35	45,512.78 -542.66	3,140,957.34 3,186,470.12
30229ALP2 Exxon Mobil Corporation	2,000,000.00 2,000,000.00	0.00 A-1+	11/23/2020 11/23/2020	1,997,180.55	99.8856 0.29	0.00 532.11	1,997,712.66 1,997,712.66
3133EJYY9 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00 2,000,000.00	2.69 AAA	09/04/2020 09/04/2020	2,002,887.86	100.4532 0.14	17,485.00 6,176.62	2,009,064.48 2,026,549.48
313312ZY9 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00 5,000,000.00	0.00 A-1+	07/28/2020 07/28/2020	4,992,934.86	99.9910 0.12	0.00 6,615.14	4,999,550.00 4,999,550.00
313312N97 FEDERAL FARM CREDIT BANKS FUNDING CORP	1,000,000.00 1,000,000.00	0.00 A-1+	11/10/2020 11/10/2020	994,102.95	99.9377 0.17	0.00 5,273.72	999,376.67 999,376.67

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement.

Portfolio Holdings

US Dollar

As of 30 June 2020

WC-Santa Clara Family HealthPl

Account: XXXX5000

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS FARGO Asset Management

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
313313DU9 FEDERAL FARM CREDIT BANKS FUNDING CORP	1,000,000.00 1,000,000.00	0.00 A-1+	04/01/2021 04/01/2021	997,715.81	99.8706 0.17	0.00 990.30	998,706.11 998,706.11
313312L65 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00 5,000,000.00	0.00 A-1+	10/22/2020 10/22/2020	4,997,959.52	99.9529 0.15	0.00 -313.67	4,997,645.85 4,997,645.85
313312Q60 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00 5,000,000.00	0.00 A-1+	11/23/2020 11/23/2020	4,997,180.26	99.9315 0.17	0.00 -603.86	4,996,576.40 4,996,576.40
313313CA4 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00 5,000,000.00	0.00 A-1+	02/18/2021 02/18/2021	4,994,199.27	99.8904 0.17	0.00 322.93	4,994,522.20 4,994,522.20
313384G86 FEDERAL HOME LOAN BANKS	1,900,000.00 1,900,000.00	0.00 A-1+	09/22/2020 09/22/2020	1,899,342.88	99.9677 0.14	0.00 43.84	1,899,386.72 1,899,386.72
313385BM7 FEDERAL HOME LOAN BANKS	5,000,000.00 5,000,000.00	0.00 A-1+	02/05/2021 02/05/2021	4,954,542.21	99.8966 0.17	0.00 40,286.94	4,994,829.15 4,994,829.15
313384D71 FEDERAL HOME LOAN BANKS	14,000,000.00 14,000,000.00	0.00 A-1+	08/28/2020 08/28/2020	13,996,729.25	99.9758 0.15	0.00 -112.63	13,996,616.62 13,996,616.62
313384M97 FEDERAL HOME LOAN BANKS	15,200,000.00 15,200,000.00	0.00 A-1+	11/02/2020 11/02/2020	15,195,714.71	99.9414 0.17	0.00 -4,615.23	15,191,099.49 15,191,099.49
313385AN6 FEDERAL HOME LOAN BANKS	5,000,000.00 5,000,000.00	0.00 A-1+	01/13/2021 01/13/2021	4,994,826.80	99.9020 0.18	0.00 273.20	4,995,100.00 4,995,100.00
313384ZR3 FEDERAL HOME LOAN BANKS	20,000,000.00 20,000,000.00	0.00 A-1+	07/21/2020 07/21/2020	19,998,833.24	99.9933 0.12	0.00 -166.64	19,998,666.60 19,998,666.60
313384D63 FEDERAL HOME LOAN BANKS	5,000,000.00 5,000,000.00	0.00 A-1+	08/27/2020 08/27/2020	4,998,852.02	99.9762 0.15	0.00 -39.52	4,998,812.50 4,998,812.50
313396A60 FEDERAL HOME LOAN MORTGAGE CORP	10,000,000.00 10,000,000.00	0.00 A-1+	08/03/2020 08/03/2020	9,985,904.16	99.9862 0.14	0.00 12,720.84	9,998,625.00 9,998,625.00
313396C68 FEDERAL HOME LOAN MORTGAGE CORP	250,000.00 250,000.00	0.00 A-1+	08/19/2020 08/19/2020	249,959.16	99.9796 0.15	0.00 -10.20	249,948.96 249,948.96
313588E43 FEDERAL NATIONAL MORTGAGE ASSOCIATION	8,100,000.00 8,100,000.00	0.00 A-1+	09/02/2020 09/02/2020	8,097,944.52	99.9755 0.14	0.00 70.98	8,098,015.50 8,098,015.50
4042Q1AE7 HSBC BANK USA NA	2,000,000.00 2,000,000.00	4.88 A	08/24/2020 08/24/2020	2,008,081.32	100.6340 0.63	34,395.83 4,598.68	2,012,680.00 2,047,075.83
44932HAK9 IBM CREDIT LLC	1,150,000.00 1,150,000.00	3.45 A	11/30/2020 11/30/2020	1,163,393.35	101.2761 0.38	3,416.46 1,281.70	1,164,675.05 1,168,091.50
458140AQ3 INTEL CORP	3,000,000.00 3,000,000.00	2.45 A+	07/29/2020 07/29/2020	3,001,055.05	100.1651 0.40	31,033.33 3,897.62	3,004,952.67 3,035,986.00
24422ESL4 JOHN DEERE CAPITAL CORP	500,000.00 500,000.00	2.80 A	03/04/2021 03/04/2021	503,504.87	101.6700 0.33	4,550.00 4,845.33	508,350.21 512,900.21
24422EUN7 JOHN DEERE CAPITAL CORP	1,731,000.00 1,731,000.00	1.73 A	07/10/2020 07/10/2020	1,731,135.16	100.0060 1.52	6,493.54 -31.60	1,731,103.57 1,737,597.11
24422EUV9 JOHN DEERE CAPITAL CORP	1,500,000.00 1,500,000.00	2.30 A	06/07/2021 06/07/2021	1,527,795.00	101.7069 0.47	2,395.83 -2,190.97	1,525,604.02 1,527,999.86
46625HNX4 JPMORGAN CHASE & CO	3,000,000.00 3,000,000.00	2.55 A	10/29/2020 09/29/2020	3,003,340.27	100.5101 0.48	13,175.00 11,961.32	3,015,301.59 3,028,476.59
50000DJ15 Koch Industries, Inc.	4,000,000.00 4,000,000.00	0.00 A-1+	09/01/2020 09/01/2020	3,998,553.33	99.9767 0.14	0.00 515.67	3,999,069.00 3,999,069.00

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Portfolio Holdings

US Dollar

As of 30 June 2020

WC-Santa Clara Family HealthPl

Account: XXXX5000

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS FARGO Asset Management

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
542424WH5 LONG BEACH CALIF HBR REV	1,500,000.00 1,500,000.00	4.00 AA	07/15/2021 07/15/2021	1,547,116.44	103.4540 0.57	7,000.00 4,693.56	1,551,810.00 1,558,810.00
544647BY5 LOS ANGELES CALIF UNI SCH DIST	1,675,000.00 1,675,000.00	2.38 AA+	07/01/2020 07/01/2020	1,675,000.00	100.0000 2.37	6,740.71 0.00	1,675,000.00 1,681,740.71
637432NF8 NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2,909,000.00 2,909,000.00	2.30 A+	11/01/2020 10/01/2020	2,911,563.06	100.4591 0.48	11,151.17 10,793.44	2,922,356.50 2,933,507.67
69371RN85 PACCAR FINANCIAL CORP	1,000,000.00 1,000,000.00	2.05 A+	11/13/2020 11/13/2020	1,000,946.01	100.6251 0.35	2,733.33 5,304.79	1,006,250.80 1,008,984.13
69371RP26 PACCAR FINANCIAL CORP	2,000,000.00 2,000,000.00	3.10 A+	05/10/2021 05/10/2021	2,044,866.15	102.3043 0.42	8,783.33 1,219.81	2,046,085.96 2,054,869.29
79730CJD7 SAN DIEGO CALIF PUB FACS FING AUTH WTR REV	1,000,000.00 1,000,000.00	1.03 AA	08/01/2020 08/01/2020	1,000,000.00	100.0290 0.69	1,431.94 290.00	1,000,290.00 1,001,721.94
857477AV5 STATE STREET CORP	2,000,000.00 2,000,000.00	1.95 A+	05/19/2021 05/19/2021	2,029,100.00	101.4354 0.33	4,658.33 -392.14	2,028,707.86 2,033,366.19
89238TAD5 TAOT 2018-B A3	1,400,000.00 1,183,575.59	2.96 AAA	09/15/2022 12/26/2020	1,202,073.15	101.5240 -0.14	1,557.06 -460.22	1,201,612.93 1,203,169.99
88602TJF1 Thunder Bay Funding, LLC	3,000,000.00 3,000,000.00	0.00 A-1+	09/15/2020 09/15/2020	2,998,670.00	99.9609 0.19	0.00 155.74	2,998,825.74 2,998,825.74
89236TCZ6 TOYOTA MOTOR CREDIT CORP	2,625,000.00 2,625,000.00	1.90 A+	04/08/2021 04/08/2021	2,647,384.78	101.1455 0.41	11,498.96 7,684.99	2,655,069.77 2,666,568.73
89233GHC3 Toyota Motor Credit Corporation	2,000,000.00 2,000,000.00	0.00 A-1+	08/12/2020 08/12/2020	1,997,666.67	99.9814 0.16	0.00 1,960.67	1,999,627.34 1,999,627.34
912828NT3 UNITED STATES TREASURY	5,500,000.00 5,500,000.00	2.63 AAA	08/15/2020 08/15/2020	5,506,657.59	100.3020 0.23	54,338.94 9,952.41	5,516,610.00 5,570,948.94
912828B58 UNITED STATES TREASURY	1,700,000.00 1,700,000.00	2.13 AAA	01/31/2021 01/31/2021	1,704,350.45	101.1211 0.21	15,085.16 14,708.25	1,719,058.70 1,734,143.86
9128282Z2 UNITED STATES TREASURY	5,000,000.00 5,000,000.00	1.63 AAA	10/15/2020 10/15/2020	4,997,086.37	100.4152 0.20	17,093.58 23,673.63	5,020,760.00 5,037,853.58
9128286V7 UNITED STATES TREASURY	5,900,000.00 5,900,000.00	2.13 AAA	05/31/2021 05/31/2021	5,992,497.27	101.7812 0.18	10,619.19 12,593.53	6,005,090.80 6,015,709.99
912796XG9 UNITED STATES TREASURY	12,700,000.00 12,700,000.00	0.00 A-1+	08/27/2020 08/27/2020	12,697,788.08	99.9778 0.14	0.00 -607.48	12,697,180.60 12,697,180.60
9127964K2 UNITED STATES TREASURY	11,000,000.00 11,000,000.00	0.00 A-1+	10/27/2020 10/27/2020	10,994,050.83	99.9541 0.14	0.00 900.17	10,994,951.00 10,994,951.00
92826CAB8 VISA INC	2,000,000.00 2,000,000.00	2.20 AA-	12/14/2020 11/14/2020	2,002,459.07	100.6588 0.42	2,077.78 10,716.91	2,013,175.98 2,015,253.76
9523472A9 WEST CONTRA COSTA CALIF UNI SCH DIST	760,000.00 760,000.00	1.18 A+	08/01/2020 08/01/2020	760,000.00	100.0330 0.80	1,224.78 250.80	760,250.80 761,475.58
--- ---	**205,810,000.00** **205,593,575.59**	**0.76** **AA+**	**10/22/2020** **10/17/2020**	**205,911,681.48**	**100.2633** **0.26**	**368,590.95** **211,744.82**	**206,123,426.30** **206,492,017.25**

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement.

Portfolio Holdings

US Dollar

As of 30 June 2020

WC-Santa Clara Family HealthPl

Account: XXXX5000

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS FARGO Asset Management

Summary

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
---	199,201,338.17	0.79	10/26/2020	199,303,019.65	103.5452	368,590.95	199,514,764.47
---	198,984,913.76	AA+	10/20/2020		0.27	211,744.82	199,883,355.42

* Grouped by: Asset Class. * Groups Sorted by: Asset Class. * Weighted by: Base Market Value + Accrued. * Holdings Displayed by: Position.

Santa Clara Family Health Plan™

FHIR Vendor Selection

December 17, 2020

What is FHIR?

FHIR (Fast Healthcare Interoperability Resource) - Is a standard that defines how healthcare information can be exchanged between different computer systems regardless of how it is stored in those systems. It allows healthcare information, including clinical and administrative data, to be available securely to those who have a need to access it, and to those who have the right to do so for the benefit of a patient receiving care. The standards development organization HL7® (Health Level Seven®3) uses a collaborative approach to develop and upgrade FHIR.

Mandate

- CMS Interoperability and Patient Access rule (Giving patients access to their data)
- Patient API access and Provider Directory by January 2021, enforced July 2021
- Payor-to-Payor data exchange by January 2022

Fast Healthcare Interoperability Resource

Where are we?

- Aug 2020 — RFQ – Request for Quote
- Sept 2020 — First cut to 5 vendors based on budget
- Sept 2020 — Second cut to 2 vendors based on pricing and capabilities
  - Smile CDR
  - Citius Tech
- Oct – Nov — Reference Calls (BCBS, Humana, Dialysis Centers)
- Dec 2020 — Vendor Decision: Smile CDR
- Apr 2021 — Phase I Go-live (proposed), enforcement July 2021
- Jan 2022 — Phase II Go-live

Five Year Total Cost of Ownership

Smile CDR	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Implementation and License Cost	$ 335,000	$ 234,000	$ 84,000	$ 86,520	$ 89,116	$ 828,636

Budgeted First Year Cost

Budget Description	Budget Category	Budget $	Proposed $	Favorable (Unfavorable)
Software	Capital	$ 260,000	$ 287,000	$ (27,000)*
License	Expense	$ 100,000	$ 48,000	$ 52,000**
Total		**$ 360,000**	**$ 335,000**	**$ 25,000**

*Capital (Implementation cost) is $27,000 unfavorable and is based on vendor's high estimate
**License cost is favorable due to CMS's phase approach of FHIR requirements

Fast Healthcare Interoperability Resource

FHIR Vendor Selection

Possible Action: Authorize Chief Executive Officer to negotiate, execute, amend, and terminate a contract with FHIR vendor Smile CDR in an amount not to exceed $850,000 for five-year license/support and implementation

Santa Clara Family Health Plan™

Questions?

Santa Clara County Health Authority

(dba Santa Clara Family Health Plan)

Conflict of Interest Code

RESOLUTION OF
THE SANTA CLARA COUNTY HEALTH AUTHORITY
TO ADOPT AN AMENDED
CONFLICT OF INTEREST CODE

WHEREAS, the Political Reform Act (Government Code Section 81000, *et seq.)* requires state and local government agencies to adopt and promulgate conflict of interest codes; and

WHEREAS, the Fair Political Practices Commission ("FPPC") has adopted a regulation (2 Cal. Code of Regs. 18730) which contains the terms of a standard conflict of interest code and following public notice and hearing it may be amended by the Fair Political Practices Commission to conform to Amendments in the Political Reform Act; and

WHEREAS, the Santa Clara County Heath Authority ("the Health Authority") has recently reviewed its conflict of interest code, its positions, and the duties of each position, and has determined that changes to the current conflict of interest code are necessary; and

WHEREAS, any earlier resolution and/or appendices containing the Health Authority's conflict of interest code shall be rescinded and superseded by this resolution and Appendix;

NOW, THEREFORE BE IT RESOLVED THAT, the terms of 2 California Code of Regulations Section 18730 (available at http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/LegalDiv/Regulations/Index/Chapter7/Article2/18730.pdf) and any amendments to it duly adopted by the FPPC are hereby incorporated by reference and this regulation and the Appendices, attached hereto and incorporated herein, designating officials and employees, and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Health Authority.

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IT IS **FURTHER RESOLVED THAT,** designated employees shall file their Statements of Economic Interests with the Health Authority's filing official. If a statement is received in signed paper format, the Health Authority's filing official shall make and retain a copy and forward the original of this statement to the filing officer, the County of Santa Clara Clerk of the Board of Supervisors. If a statement is electronically filed using the County of Santa Clara's Form 700 e-fling system, both the Health Authority's filing official and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed statement simultaneously. The Health Authority shall make a copy of the statements available for public inspection and reproduction in accordance with Government Code section 81008.

PASSED AND ADOPTED by the Santa Clara County Health Authority of the County of Santa Clara, State of California on December 17, 2020 by the following vote:

AYES:
NOES:
ABSENT:

Signed: _____
Robert Brownstein, Chair

Attest: _____
Susan G. Murphy, Secretary

Attachments to this Resolution:
Appendix A - Positions Required to File
Appendix B – Disclosure Categories

Appendix A – Amended
Santa Clara County Health Authority
Conflict of Interest Code
POSITIONS REQUIRED TO FILE

The following is a list of those positions that are required to submit Statements of Economic Interests (Form 700) pursuant to the Political Reform Act of 1974, as amended:

Required to File Form 700:

Position	Disclosure Category Number
Health Authority Board Member	1
Chief Executive Officer	1
Chief Financial Officer	12
Chief Operating Officer	12
Chief Medical Officer	82
Chief Information Officer	82
Chief Compliance Officer	8
Vice President, Strategies and Analytics	82
Vice President, Marketing and Enrollment	82
Director, Facilities	86
Director, Provider Network ~~Management~~Operations	86
Director, Infrastructure and System Support	86
Director, Pharmacy and Utilization Management	86
Director, Quality and Process Improvement	86
Medical Director	86
Consultant	7

*Newly Created Positions

A newly created position that makes or participates in the making of decisions that may foreseeably have a material effect on any financial interest of the position-holder, and which specific position title is not yet listed in the Health Authority ‘s conflict of interest code is included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation: The Chief Executive Officer may determine in writing that a particular newly created position, although a “designated position,” is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the broadest

disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that newly created position. Such written determination shall include a description of the newly created position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Health Authority's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

As soon as the Health Authority has a newly created position that must file statements of economic interests, the Health Authority filing official shall contact the County of Santa Clara Clerk of the Board of Supervisors Form 700 division to notify it of the new position title to be added in the County's electronic Form 700 record management system, known as eDisclosure. Upon this notification, the Clerk's office shall enter the actual position title of the newly created position into eDisclosure and the Health Authority filing official shall ensure that the name of any individual(s) holding the newly created position is entered under that position title in eDisclosure.

Additionally, within 90 days of the creation of a newly created position that must file statements of economic interests, the Health Authority shall update this conflict-of-interest code to add the actual position title in its list of designated positions, and submit the amended conflict of interest code to the County of Santa Clara Office of the County Counsel for code-reviewing body approval by the County Board of Supervisors. (Gov. Code Sec. 87306.)

Appendix B - Amended
Santa Clara County Health Authority
Conflict of Interest Code
DISCLOSURE CATEGORIES

Category 1. Persons in this category shall disclose (1) all interests in real property in Santa Clara County located entirely or partly within the boundaries of the County, or within two miles of the County's boundaries, or of any land owned or used by the Authority; and (2) all investments, business positions, and income, including gifts, loans and travel payments, from all sources.

Category 2. Persons in this category shall disclose all investments, business positions, and income, including gifts, loans and travel payments, from all sources.

Category 3. Persons in this category shall disclose all interests in real property in Santa Clara County located entirely or partly within the boundaries of the County, or within two miles of the County's boundaries, or of any land owned or used by the Authority.

Category 4. Persons in this category shall disclose all investments, business positions, and income (including gifts, loans, and travel payments) from all sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training or consulting services, of the type utilized by the Authority.

Category 5. Persons in this category shall disclose all investments, business positions, and income (including gifts, loans, and travel payments) from all sources that either contract to provide education or training required by the Authority to qualify for or maintain a license, or that provide education or training services which courses or curricula are approved by the Authority.

Category 6. Persons in this category shall disclose all investments, business positions, and income (including gifts, loans, and travel payments) from (1) all sources that provide leased facilities, goods, equipment, vehicles, machinery or services, including training or consulting services, of the type utilized by the Authority, and (2) all sources that are of the type to receive grants or other monies from or through the Authority, including, but not limited to, nonprofit organizations.

Category 7. Each Consultant, as defined for purposes of the Political Reform Act, shall disclose pursuant to the broadest disclosure category in the conflict of interest code subject to the following limitation: The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements of the broadest disclosure category, but instead must comply with more tailored disclosure requirements specific to that consultant. Such a determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. All such determinations are public records and shall be retained for public inspection along with this conflict of interest code.

DISCLOSURE CATEGORIES (cont.)

Category 8. Persons in this category shall disclose all investments in, business positions in, and income (including gifts, loans and travel payments) from (1) all sources that provide leased facilities, goods, equipment, vehicles, machinery, or services, including training or consulting services, of the type utilized by the Authority, and (2) all sources that are potential or current members or providers of the Authority; and (3) all sources that are of the type to receive grants or other monies from or through the Authority, including, but not limited to, nonprofit organizations, and (4) sources that receive referrals to provide assessments and/or treatments that are required or recommended by the Authority.

Santa Clara Family Health Plan™

TO: Santa Clara County Board of Supervisors

FROM: Santa Clara County Health Authority Governing Board

DATE: December 2020

SUBJECT: Annual Report

Santa Clara County Health Authority, doing business as Santa Clara Family Health Plan (SCFHP), serves more than 270,000 low-income residents of Santa Clara County through the Medi-Cal and Cal MediConnect programs. Medi-Cal enrollment had been declining until the State imposed a pause on membership redeterminations at the onset of the COVID-19 pandemic in March. With this pause, SCFHP experienced a 1.9% net increase in membership during the fiscal year, and our Medi-Cal market share increased to 79%. Attached is a summary of SCFHP 2019-2020 Financial Highlights.

As with other health care organizations, much of our focus over the past nine months has been consumed by responding to the COVID-19 pandemic, which has disproportionately affected our members. At least 2,587 of our members have contracted the virus and 1,124 of those have been hospitalized. Seventy-five of our members have died from COVID-19. Early in the pandemic, we bolstered access to care by providing members with direct access to physicians through telehealth, via our nurse advice line. We also provided a $2 million grant to our community clinic providers in the Valley Health Plan Network for the purchase of personal protective equipment and other expenses necessary to ensure the availability of patient care during the COVID-19 crisis. In addition, we made it easier for members to refill their prescriptions by mail, and suspended prior authorization requirements to decrease barriers to treatments. We reached out to our most vulnerable members and provided extensive information about how to avoid contracting the virus, as well as how to safely access health care services. When provider offices reopened after closing early in the pandemic, we undertook an extensive outreach campaign to remind our members to see their doctors for necessary and routine care.

We are pleased to report that our quality improvement efforts are yielding results. Although recently-released data from calendar year 2019 rankings are unofficial due to COVID, they indicate a significant jump in SCFHP's quality rankings, from 24th to 12th out of the 56 Medi-Cal managed care plans in the State.

With our exclusive focus on providing access to timely, high quality care to the safety net population in our community, we work closely with the County of Santa Clara Health System (CSCHS) and annually provide more than $400 million in combined capitation, fee for service, and pharmacy payments to CSCHS. Until interrupted by the COVID-19 pandemic, SCFHP met regularly with SCVHHS staff to plan for the transition of Whole Person Care to two new managed care programs envisioned by the State—Enhanced Care Management (ECM) and In Lieu of Services (ILOS). As this transition has been delayed from an original implementation date of January 1, 2021 to January 1, 2022, we will soon be resuming transition planning.

We are excited to share that we have recently completed construction on the Blanca Alvarado Community Resource Center, located at the intersection of North Capitol Ave and McKee Road in San Jose. This site will facilitate increased member engagement by making SCFHP member support services, and services of community partners more convenient and accessible. We look forward to welcoming you to the Center once it is safe to do so.

While this is a time of great upheaval in the health care sector, our work has rarely, if ever, been more necessary and challenging. As we head into 2021, we continue to value our partnership with you and look forward to working together to strengthen the safety net health care system that serves this County and its residents.

Santa Clara Family Health Plan™

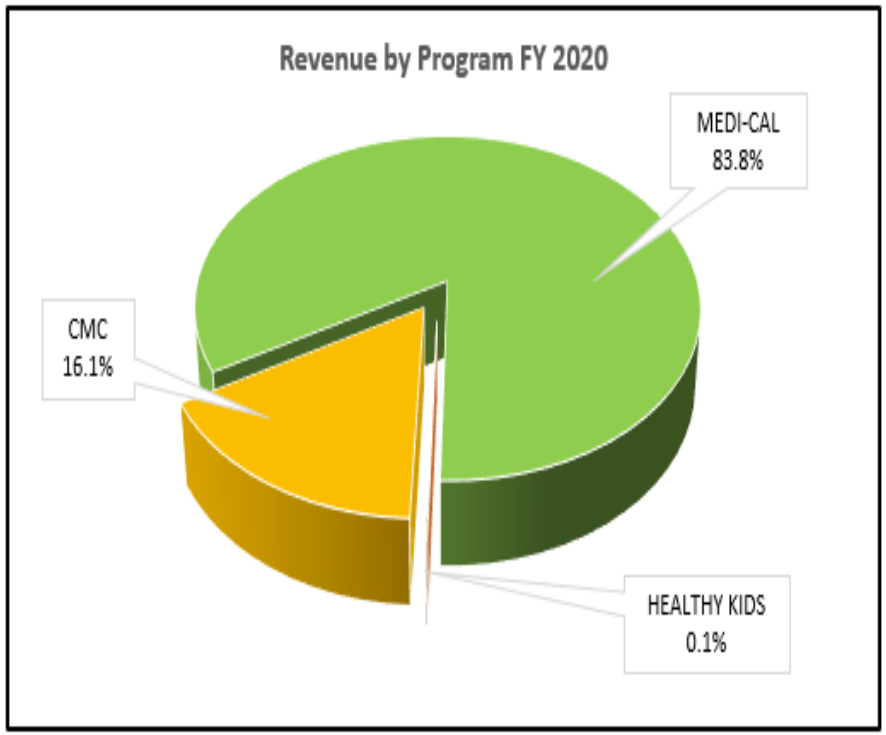
Financial Highlights Fiscal Year 2019-2020

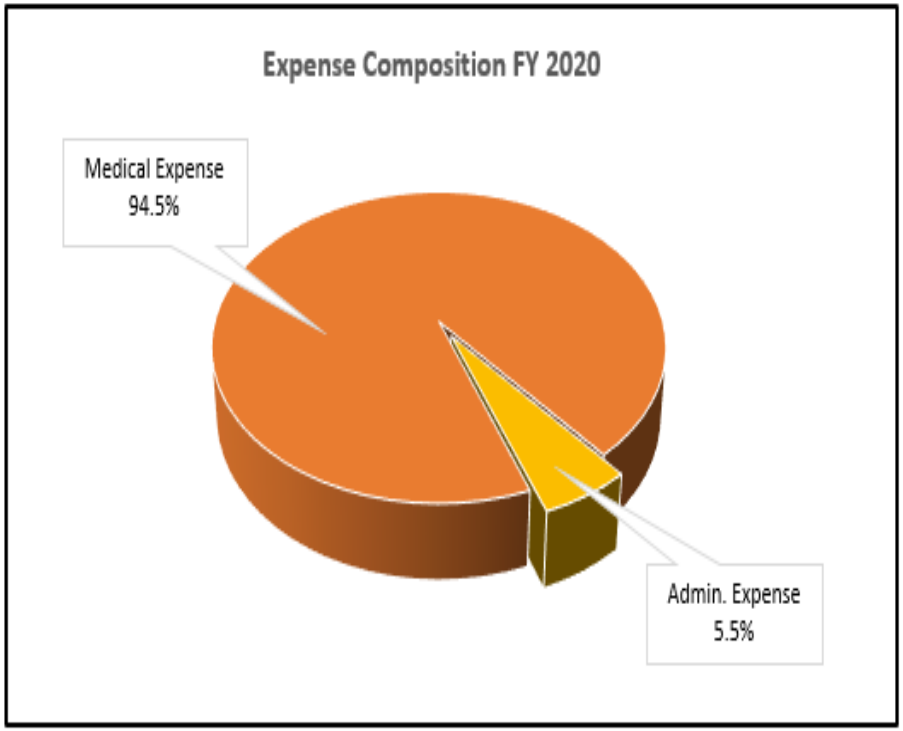
SCFHP Financial Highlights for Fiscal Year 2019-20

- Total enrollment increased 1.9% to 253,875 members at June 30, 2020, from 249,205 members at June 30, 2019.
- Net position increased by $6,515,034 to $208,640,786 for the fiscal year ended June 30, 2020, from $202,125,755 for the fiscal year ended June 30, 2019, due to operating income of $38,958 and non-operating income of $6,476,073.
- Total assets and deferred outflows of resources increased to $1,189,881,232 as of June 30, 2020, from $1,099,258,565 as of June 30, 2019.
- Total liabilities and deferred inflows of resources increased to $981,240,445 at June 30, 2020, from $897,132,812 at June 30, 2019.
- The current ratio (current assets divided by current liabilities) of 1.18 as of June 30, 2020 reflected a decrease from 1.20 at June 30, 2019.

SCFHP Financial Highlights for Fiscal Year 2019-2020

- Fiscal Year 2019-2020 Revenue and Expense Composition:





- For FY19-20, of every dollar of expense, SCFHP distributed approximately 95% to providers and retained 5% for administrative expenses.

SCFHP's COVID-19 Responses – December 16, 2020

Group	Focus Area	Activities and Metrics
Members	Statistics	Data as of 12/16; includes data from Kaiser and VMC • 3,400 members positive • Cumulatively 1,346 members hospitalized 95 deceased (50 SNF and 45 non-SNF), representing 17% of County-reported total (total membership equals about 12% of the County population)
	Call Center	• Call volume down 12.9% week of 11/9 vs prior year average • Average wait time of 25 seconds for CMC and 138 seconds for Medi-Cal
	Nurse Advice Line	• 394 Nurse Advice Line calls regarding coronavirus as of 11/17 • 1029 members created and activated MDLIVE accounts as of 11/17 • 861 members have completed an MDLIVE visit with a provider as of 11/17
	Grievance and Appeals	• 60 COVID-19 related grievances (Rx access due to provider office closed; transportation safety concerns, employment concerns) as of 11/16.

	Outreach to Vulnerable Populations	• Mailed flyer telling members we are here for them, to visit our website for information on resources and support, reiterate CDC's guidelines to stay safe, to call the nurse advice line for health questions, and call Customer Service for all other help.
		• Robo-calls to high risk members telling them they may be more vulnerable to COVID-19, reiterate CDC's guidelines to stay safe, call doctor for health questions or call nurse advice line, visit our website for more information on resources and support, and call Customer Service for questions.
		• Outbound calls:
		  ○ To pregnant & post-partum population, asking how they are doing and if they need any help.
		  ○ To members age 65+ with multiple chronic conditions, asking how they are doing and if they need any help.

Group	Focus Area	Activities and Metrics
		○ Case Management (CM) outreached and informed 1,933 newly enrolled members about COVID resources ○ CM outreached and informed 3,289 annually reassessed members about COVID resources ○ CM outreached 19 members of our Transitions of Care program who were recently discharged after COVID hospitalizations ○ Behavioral Health outreached 207 members ○ The Health Homes Program community-based care management entities outreached 3,432 members
	Pharmacy	• Refills available via mail-order for 90 day fills; pharmacy overrides to allow early refills • Formulary expanded to include disinfectant and gloves
	Transportation	• Lifted requirement to provide Customer Service notice 3-5 business days before medical appointment to arrange transportation (NMT and NEMT). Reinstated in early July for non-COVID-related appointments. • Amended agreements with two vendors to make special accommodations and cleaning relating to transporting suspected or confirmed COVID members
	Communications to Members	• Developed new webpage; published 31 member news updates • April newsletter includes infographics on do's and don'ts of coronavirus and five steps to clean hands • July newsletter includes telehealth and our commitment to member's health and safety (including a reminder to follow CDC guidelines to prevent the spread of coronavirus) • Facebook posts in April through October to include more information on coronavirus precautions and getting preventive care • Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey for Cal MediConnect was discontinued for 2020. Surveys were mailed out but no additional phone outreach will be conducted by the vendor.
	Eligibility Redetermination	• State and counties have paused redeterminations from mid-March through January for beneficiaries with a change in status (affects approximately 3-5k SCFHP members each month who otherwise would have lost their eligibility), so these members will not lose eligibility • SCFHP enrollment will be temporarily elevated April – January, and will fall as the pause is lifted

<table>
<tr><th>Group</th><th>Focus Area</th><th>Activities and Metrics</th></tr>
<tr><td rowspan="4">Providers</td><td>Prior Authorizations</td><td>• Suspended SCFHP requirement for all prior authorizations for network providers to decrease burden on providers; resumed authorizations on 5/1
• Delegates are following their own prior authorization guidelines</td></tr>
<tr><td>Telehealth</td><td>• Regulations during state of emergency allow provider reimbursement, with specific coding and documentation requirements
• Added capability for Nurse Advice Line to offer members telephonic physician consultation
• Communication sent to BHT providers with guidelines</td></tr>
<tr><td>CBAS centers</td><td>• All five contracted CBAS centers submitted operations plans to the State outlining Temporary Alternative Services (TAS) they have been providing.
• All of the CBAS centers has had their operational plans approved by CDA. Internal monitoring of these TAS indicate successful implementation of the plans.</td></tr>
<tr><td>Skilled Nursing Facilities</td><td>• SCFHP has requested that hospitals divert non-LTC and non-COVID-positive members away from facilities with three or more COVID positives.
<table>
<tr><th>LTC</th><th># Positive</th><th>Expired</th><th>Total Beds</th><th>STAR Rating</th></tr>
<tr><td>San Tomas Convalescent</td><td>0</td><td>6</td><td>130</td><td>5</td></tr>
<tr><td>A Grace Subacute & Skilled</td><td>12</td><td>0</td><td>166</td><td>2</td></tr>
<tr><td>The Ridge</td><td>5</td><td>1</td><td>54</td><td>5</td></tr>
<tr><td>Dycora</td><td>0</td><td>0</td><td>116</td><td>5</td></tr>
<tr><td>Grant Cuesta</td><td>28</td><td>1</td><td>102</td><td>5</td></tr>
<tr><td>Vasona Creek</td><td>5</td><td>1</td><td>148</td><td>4</td></tr>
<tr><td>Amberwood</td><td>65</td><td>4</td><td>258</td><td>2</td></tr>
<tr><td>Mission Skilled</td><td>7</td><td>1</td><td>133</td><td>5</td></tr>
<tr><td>Gilroy</td><td>1</td><td>8</td><td>134</td><td>4</td></tr>
<tr><td>Skyline</td><td>50</td><td>2</td><td>253</td><td>1</td></tr>
<tr><td>Woodlands</td><td>0</td><td>5</td><td>65</td><td>4</td></tr>
<tr><td>Cupertino HCC</td><td>1</td><td>0</td><td>170</td><td>1</td></tr>
<tr><td>Webster House</td><td>8</td><td>1</td><td>145</td><td>3</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Group</th><th>Focus Area</th><th>Activities and Metrics</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>Courtyard Care</td><td>2</td><td>0</td><td>76</td><td>4</td></tr>
<tr><td>Cupertino</td><td>1</td><td>0</td><td>170</td><td>1</td></tr>
<tr><td>Empress</td><td>2</td><td>0</td><td>67</td><td>5</td></tr>
<tr><td>Idylwood</td><td>3</td><td>0</td><td>185</td><td>5</td></tr>
<tr><td>Los Altos Sub-acute</td><td>4</td><td>0</td><td>152</td><td>4</td></tr>
<tr><td>Mission De La Casa</td><td>11</td><td>0</td><td>163</td><td>4</td></tr>
<tr><td>Mountain View</td><td>19</td><td>0</td><td>138</td><td>2</td></tr>
<tr><td>Pacific Hills Manor</td><td>1</td><td>0</td><td>99</td><td>4</td></tr>
<tr><td>Palo Alto Subacute</td><td>1</td><td>0</td><td>66</td><td>5</td></tr>
<tr><td>The Redwoods</td><td>19</td><td>1</td><td>152</td><td>2</td></tr>
<tr><td>Valley House</td><td>6</td><td>1</td><td>201</td><td>2</td></tr>
<tr><td>White Blossom</td><td>15</td><td>0</td><td>153</td><td>4</td></tr>
</table>

Positive = Current (w/14 days). Expired = Cumulative & relating or subsequent COVID-positive reporting.
SCFHP identified and reached out to three of the contracted SNFs hard-hit by COVID patients asking what staff support would be helpful. In response, a meal was delivered for all staff at two SNFs.
Public Health Dept disallowed SNFs from unilaterally refusing patients who test positive for COVID-19
Produced “Healthcare Heroes” flyers for contracted SNFs to thank them for caring for our members

</td></tr>
<tr><td></td><td>Clinics/Providers</td><td>

By measure of outreach completed to community clinics, direct contracts, and IPA practice locations (last updated 10/13):

PCPs:

133 locations are open to in-person visits, member walk-ins included.
26 are open to in-person visits, appointments only.

</td></tr>
</table>

Group	Focus Area	Activities and Metrics
		▪ 4 locations are telehealth only. ▪ 1 location anticipates opening within a month. ○ Specialists: ▪ 162 are open to in-person visits, member walk-ins included. ▪ 20 are open to in-person visits, appointments only. ▪ 0 locations are telehealth only. ▪ 0 locations anticipate any future change in their operations. • HEDIS Medical Record Review outreach has stopped for the Cal MediConnect line of business. The vendor will no longer call/fax/email/visit providers to obtain medical records. For Medi-Cal line of business, vendor is only reviewing records they can access electronically.
Staff	Working from home	• 97% of staff working remotely (10 regularly on site) • Planning has begun for certain staff to return to the office following shelter-in-place • Implemented relaxed telecommuting agreement • Staff onsite only for work that cannot be performed remotely • PTO/leave emergency policies implemented consistent with federal legislation
Community	Communications	• Informed CBOs and general community of SCFHP operational status via email and social media posts: still working and providing services for members and providers, most staff remote, lobby closed to visitors, how to contact us • Published a press release to announce telehealth integration with nurse advice line
	Partnerships with CBOs	• SCFHP staff donated $10,250 in cash to Second Harvest of Silicon Valley • Supported meal distribution programs by providing SCFHP's reusable bags to Veggielution, Santa Clara County's Senior Nutrition Program and Gilroy Compassion Center, Youth Alliance, and West Valley Community Services. • Provided financial support for Community Heath Partnership Diaper Drive, FIRST 5 certified infant formula distribution, and meal distribution to providers working in hospital settings • Provided individual hand sanitizers to Community Clinics for distribution to patients and to the Gilroy Compassion Center for distribution to the homeless population in South County • Donated reusable bags and toothbrushes to Next Door Solutions' pantry for individuals experiencing domestic violence during pandemic • Donated reusable bags to Healthier Kids Foundation to distribute books to underserved children • Participated in County assessment of food access needs for seniors to inform use of federal dollars

Group	Focus Area	Activities and Metrics
		• Continued documentation and sharing of community resources available to support members during COVID • Promoted and provided free member access to YMCA Healthy Living Day Camp

Santa Clara Family Health Plan™

Blanca Alvarado Community Resource Center

Santa Clara Family Health Plan
Blanca Alvarado Community Resource Center

408 N. Capitol Avenue

- Certificate of Occupancy received November 23.
- Final signage drawings are in internal review.
- CRC Manager, Mike Gonzalez, started on November 9.

Santa Clara Family Health Plan
Blanca Alvarado Community Resource Center

(Artist rendering)

Santa Clara Family Health Plan
Blanca Alvarado Community Resource Center

Next Steps

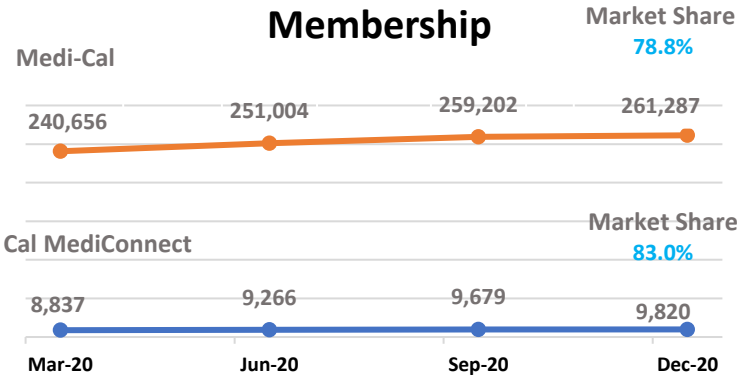
- Determine timeline & key milestones for phased opening
- Operationalize the CRC for Community Health Partnership and SCFHP
- Engage internal and external stakeholders in CRC strategic planning process

Board Dashboard

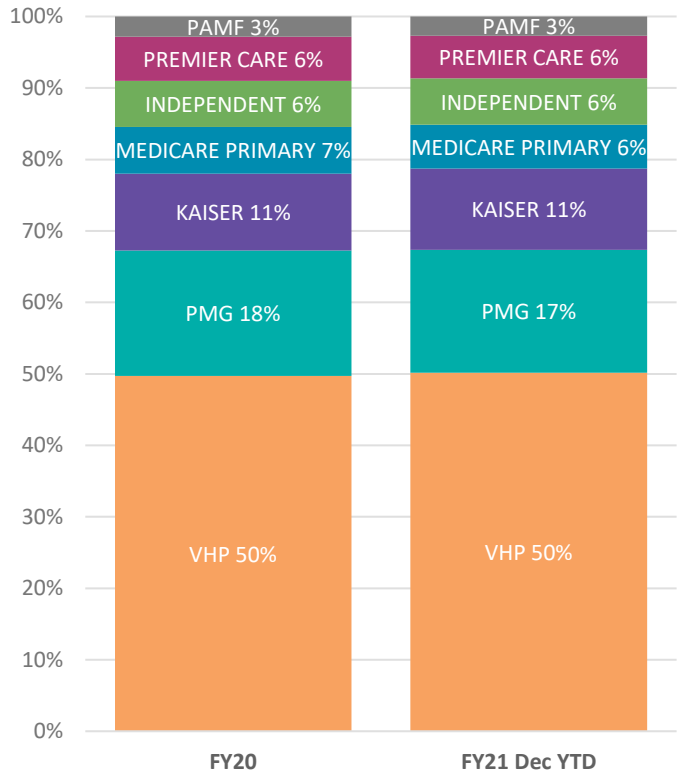
December 2020

Santa Clara Family Health Plan™

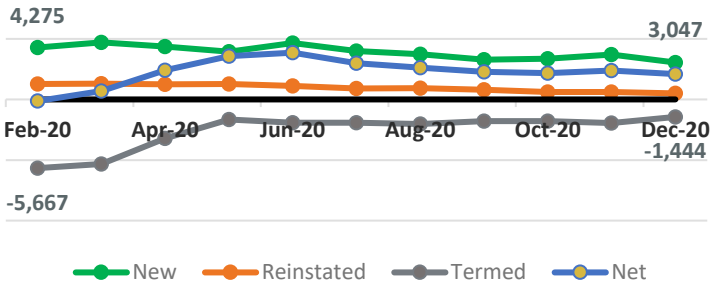
Membership



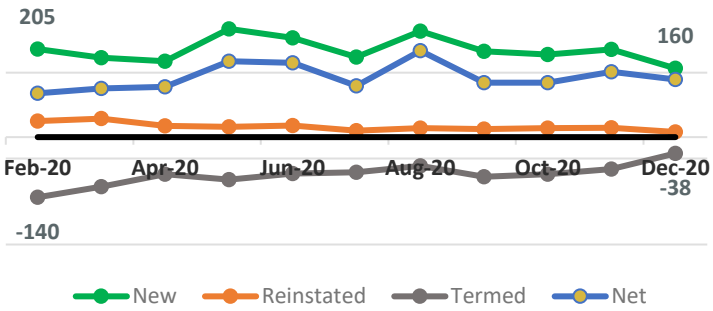
Medi-Cal Membership by Network



Medi-Cal Membership Gain/Loss



Cal MediConnect Membership Gain/Loss



Financial Highlights

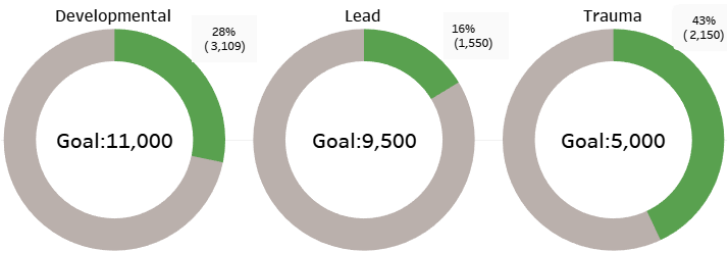
	Oct-20	FYTD
Revenue	$101.9 M	$411.2 M
Medical Expense (MLR)	94.3%	93.3%
Administrative Expense	5.5%	5.3%
Net Surplus (Loss)	($5K)	$5.4 M

favorable variance

unfavorable variance

Human Resource Statistics

Health Screenings FY21 Nov YTD



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December 2020

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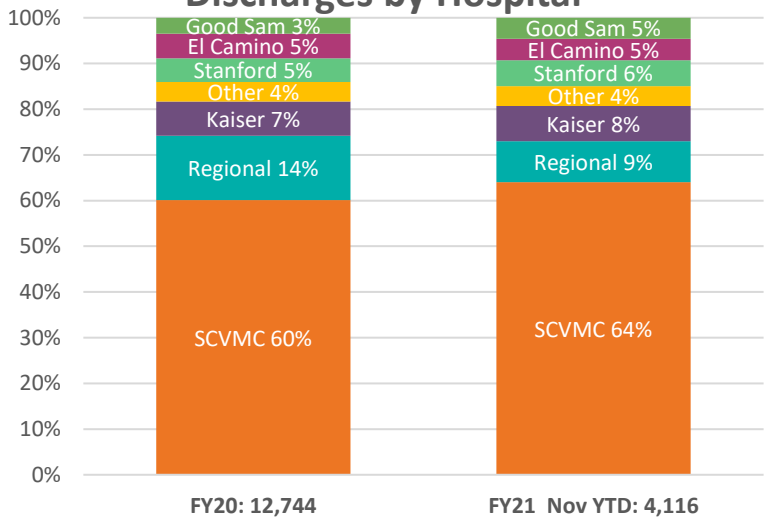
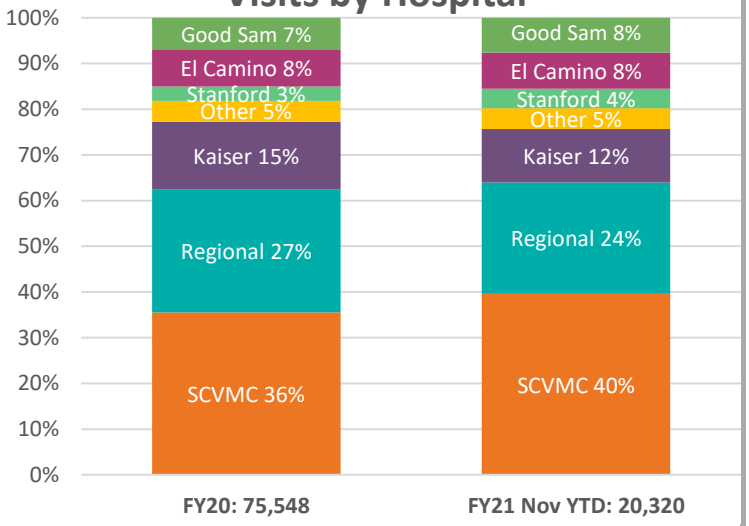
Medi-Cal Inpatient Discharges by Hospital



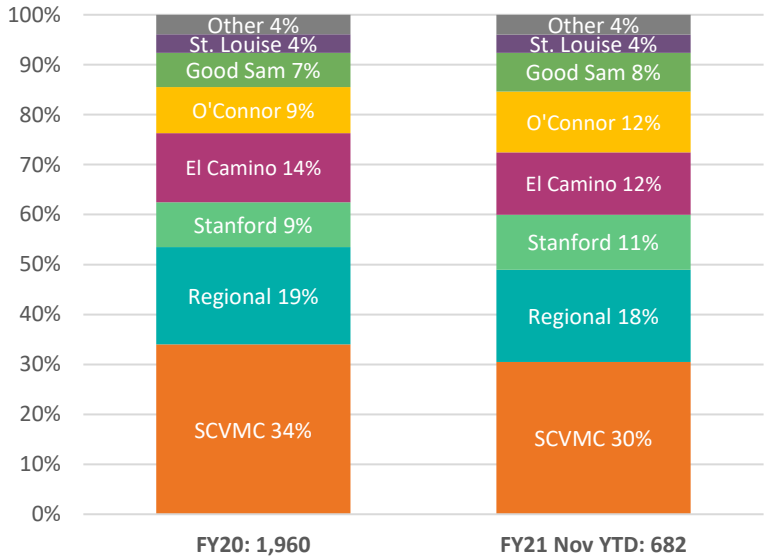
SCVMC= VMC, OCH, STL

Medi-Cal Emergency Visits by Hospital

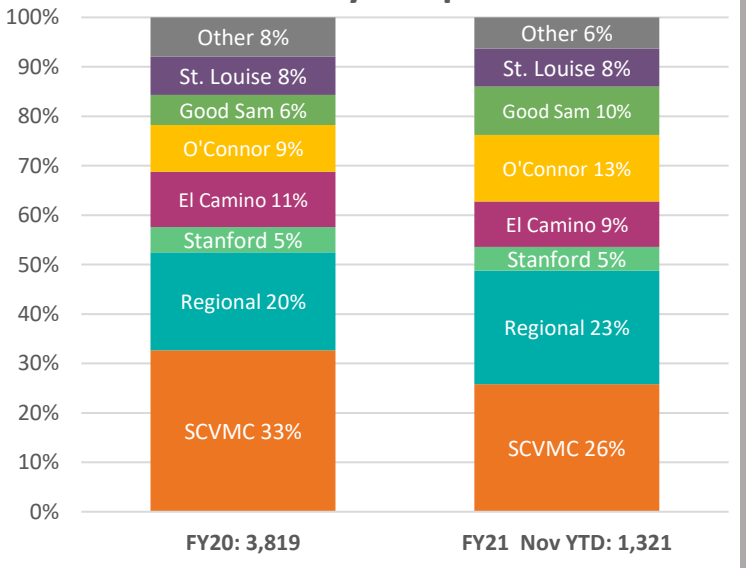


SCVMC= VMC, OCH, STL

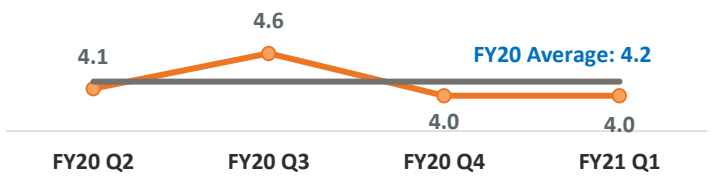
Cal MediConnect Inpatient Discharges by Hospital



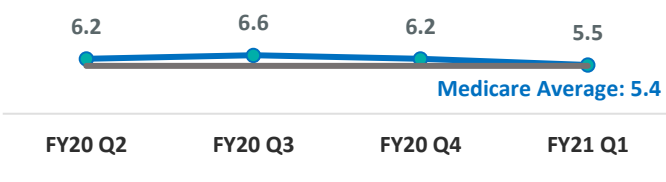
Cal MediConnect Emergency Visits by Hospital



Medi-Cal Inpatient Average Length of Stay (ALOS)



Cal MediConnect Inpatient Average Length of Stay (ALOS)

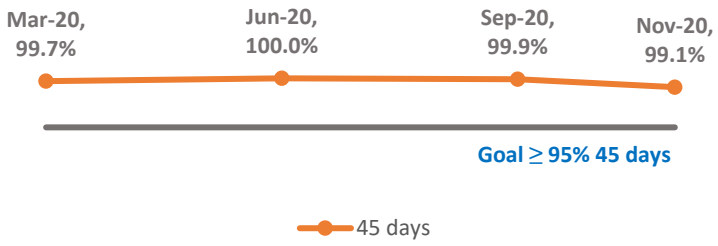


Board Dashboard

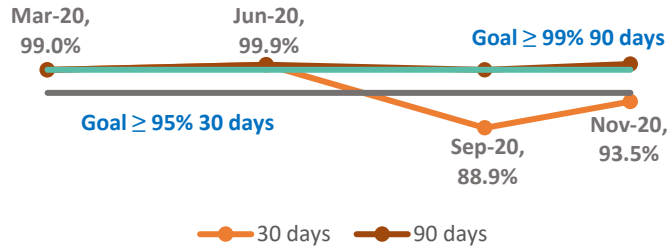
December 2020

Santa Clara Family Health Plan™

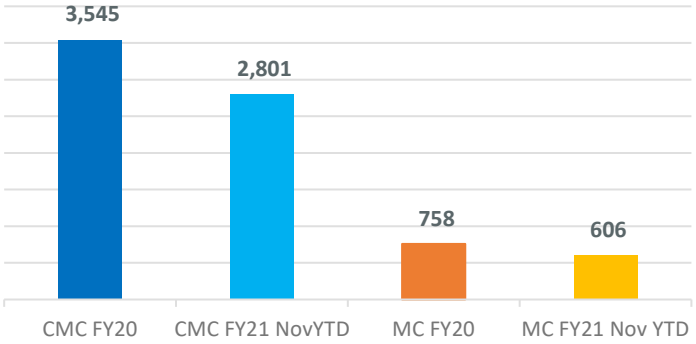
Medi-Cal Claims Processing



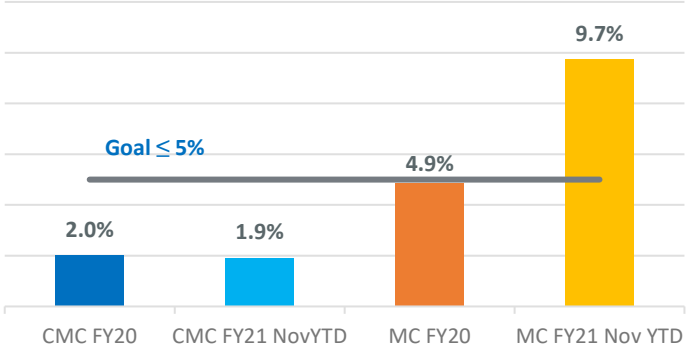
Cal MediConnect Claims Processing



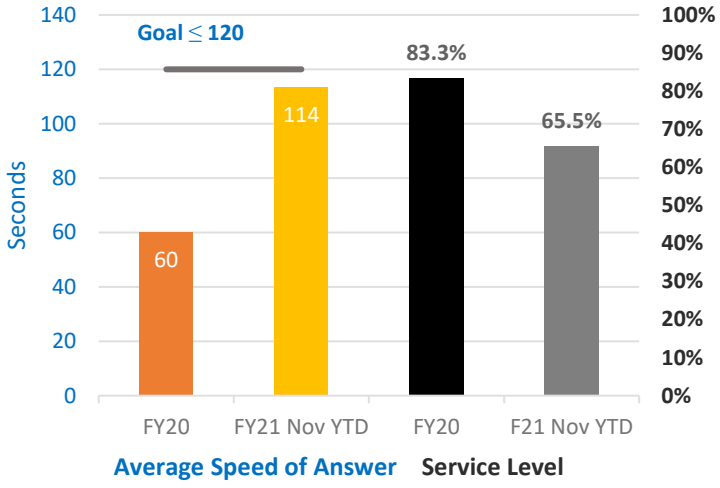
Member Calls Handled per 1,000 Members/Year



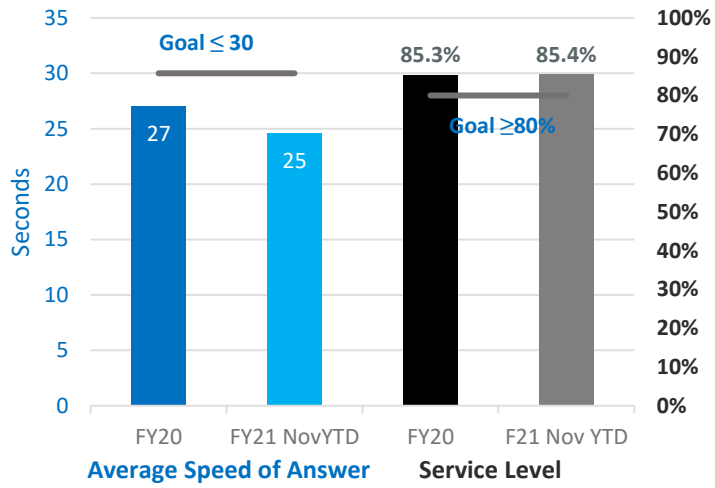
Abandoned Call Data



Medi-Cal Member Call Data



Cal MediConnect Member Call Data



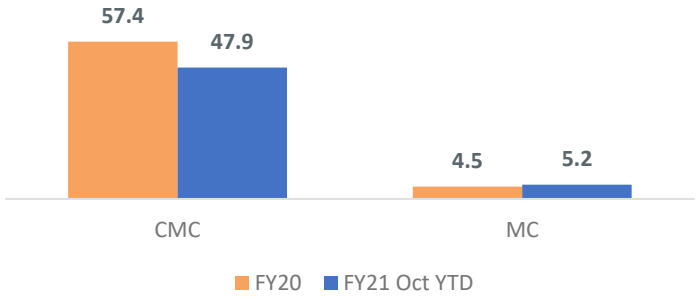
Board Dashboard

December 2020

Santa Clara Family Health Plan™

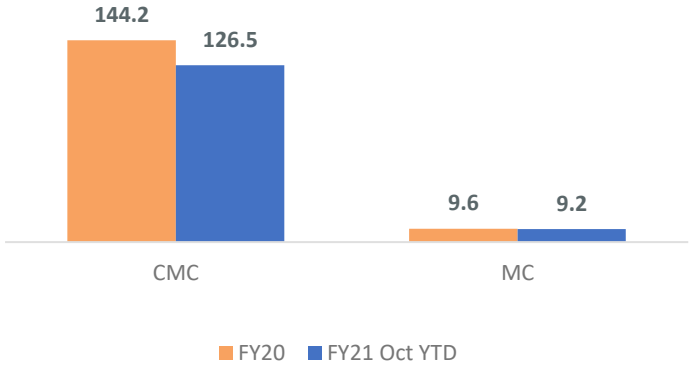
Appeals per 1,000 Members/Year

Appeal: request to change SCFHP coverage decision

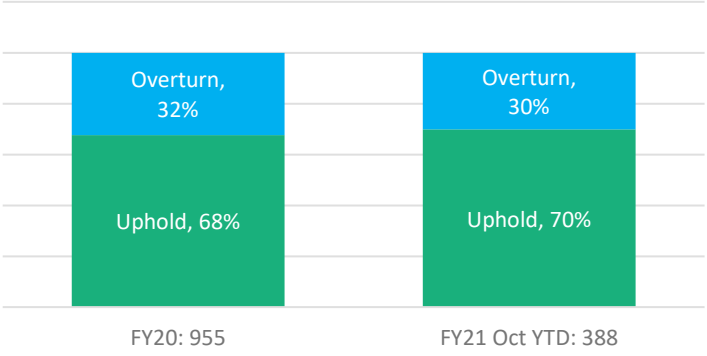


Grievances per 1,000 Members/Year

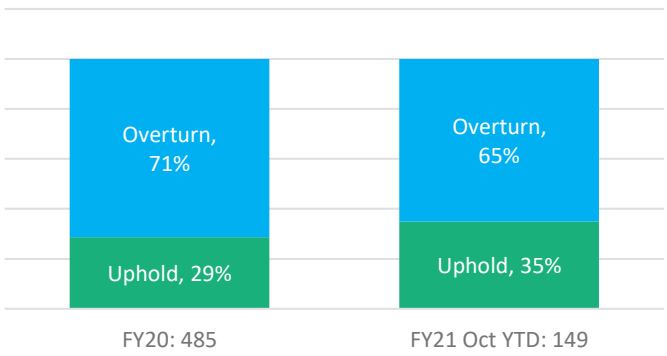
Grievance: member dissatisfaction with a service



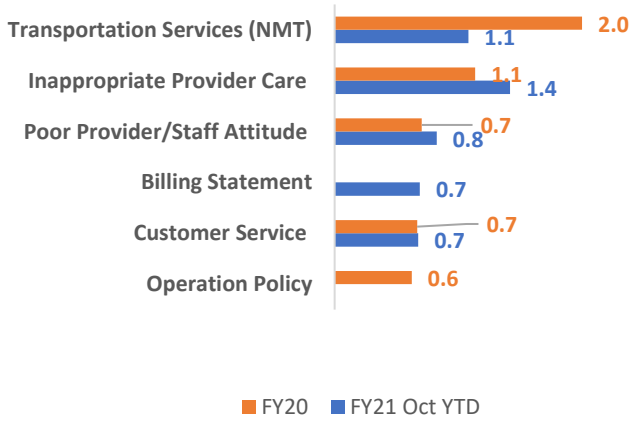
Medi-Cal Appeals by Outcome



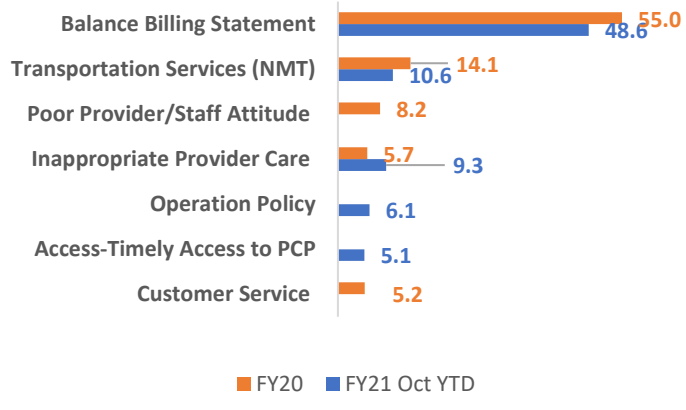
Cal MediConnect Appeals by Outcome



Medi-Cal Top Grievances per 1,000 Members/Year



Cal MediConnect Top Grievances per 1,000 Members/ Year



Santa Clara Family Health Plan™

At a Glance

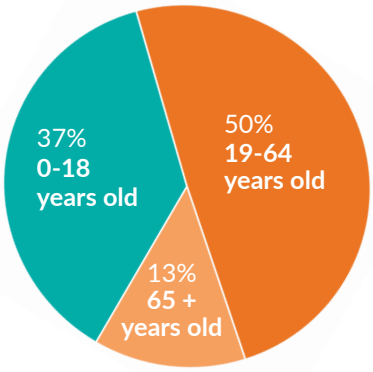
SCFHP is a local, community-based health plan dedicated to improving the health and well-being of Santa Clara County residents. Working in partnership with providers and community organizations, we serve our neighbors through our Medi-Cal and Cal MediConnect (Medicare-Medicaid Plan) health insurance plans.

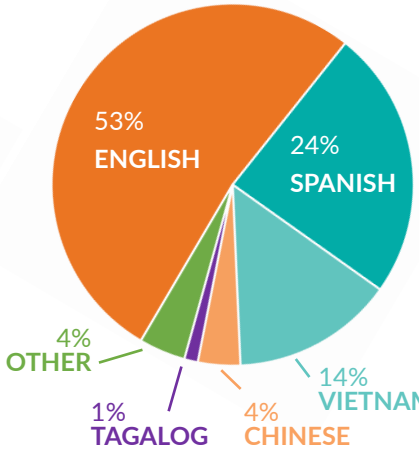
MEMBER DEMOGRAPHICS

259,202
Medi-Cal Members

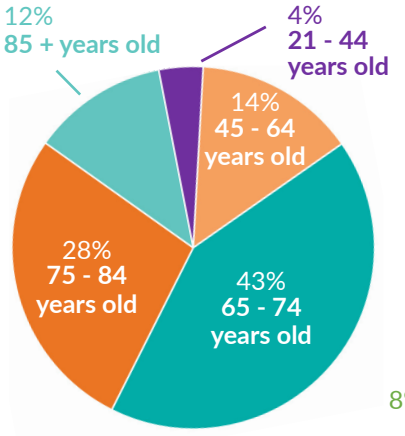
31.8%
of our Medi-Cal members are covered through ACA expansion

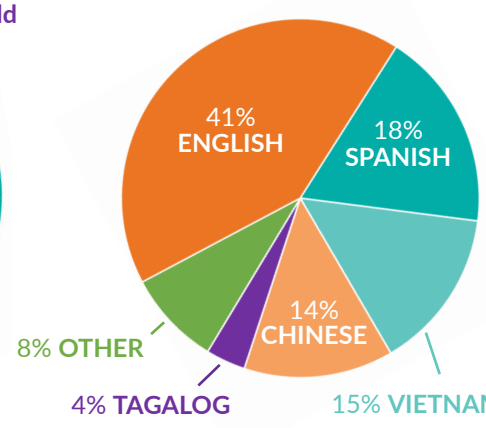
1.65
average # of kids enrolled with SCFHP per family





9,679
Cal MediConnect (Medicare-Medicaid Plan) Members





Marketshare
79% - Medi-Cal
83% - Cal MediConnect

CONTRACTED PROVIDERS

Primary Care Physicians	821 Medi-Cal 543 Cal MediConnect
Specialists	4,388 Medi-Cal 3,081 Cal MediConnect
Ancillaries	872 Medi-Cal 227 Cal MediConnect

SCFHP is contracted with **all hospitals** in Santa Clara County, giving our members access to care that is convenient for them.

94 ¢
of every $1 pays for benefits and services

6 ¢
of every $1 funds administration

>$ 1 B
invested in local economy each year

Budget FY 20-21

Santa Clara Family Health Plan™

Medi-Cal CY19 HEDIS Disparity Analysis

Laurie Nakahira, Chief Medical Officer

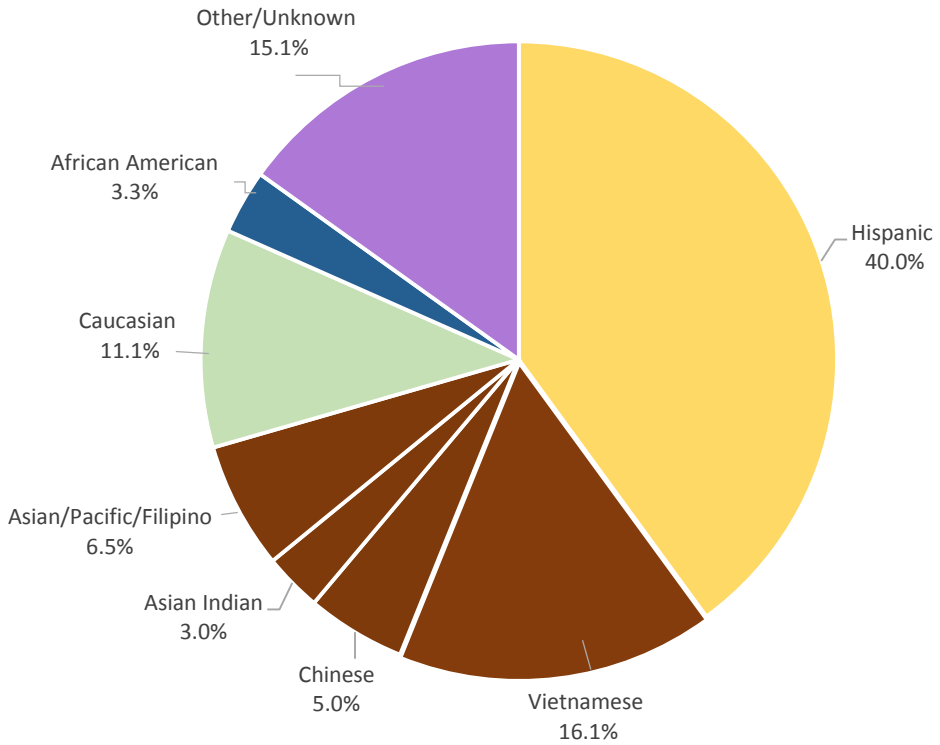
Introduction

Is there an ethnic or language disparity?

- For CY19 there were 18 HEDIS measures for which Medi-Cal Managed Care Plans were required to meet the minimum performance level (MPL) of 50th percentile by DHCS
- Those measures were analyzed by the following to determine if there is a cultural/ethnic or language health disparity:
  - Ethnicity
  - Language Spoken

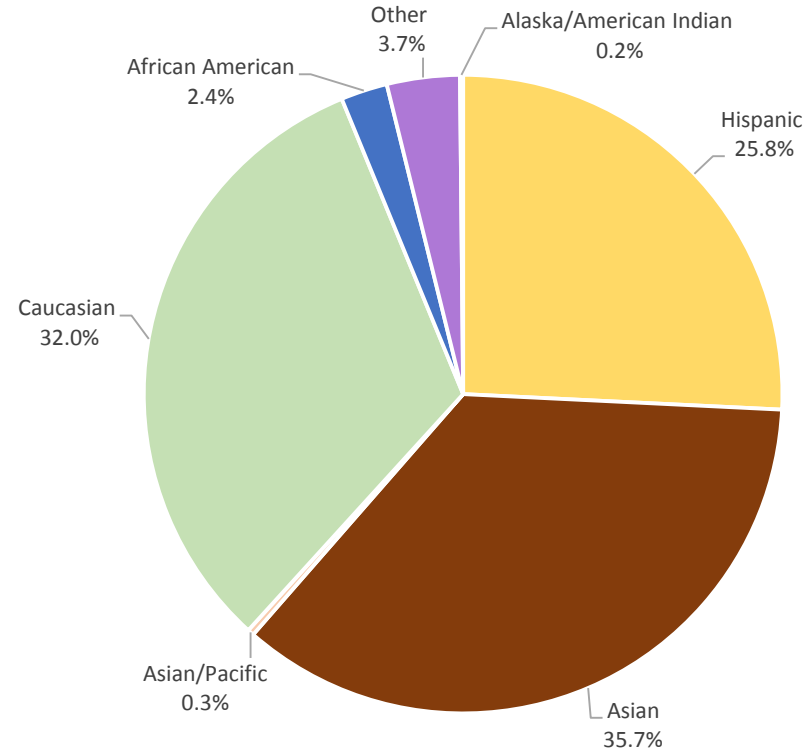
Ethnicity Distribution

SCFHP - 261,287 members



SCFHP Population 12/2020

Santa Clara County - 1,922,200 residents



Santa Clara County demographic information obtained from 2018 ACS 5-Year Estimates Data Profile (Link)

Observations from the Data

	Antidepressants AMM-Acute	Antidepressants AMM-Cont	Asthma AMR	Breast Cancer BCS	Cervical Cancer CCS	Chlamydia CHL	Diabetes CDC Poor	Diabetes CDC HT	Prenatal PPC Pre	Post Partum PPC Post	Adolescent Well AWC	Immunizations Adolescents IMA	Childhood Immunizations CIS	Well Child First 15 Months W15	Well Child 3-6 Years W34	Child BMI WCC	Total Times in Lowest 3 (stat sig) Total
African American								X			X	X			X		4
Asian Indian			1		X											X	2
Asian Pacific/Filipino					X						X					X	3
Caucasian				X	X		X				X	X		X			6
Chinese				X			1										1
Hispanic	X	X					X										3
Other/Unknown						1									X		1
Vietnamese				1	1						1	X	X			X	3

Chinese				X				1			1					1	1
English			X	X	X	1	X	X		X	X			X	X		9
Other/Unknown							1									X	1
Spanish		X										1					1
Tagalog					X						X						2
Vietnamese				1	1					1		X	X			X	3

X	Statistically significant difference (low performance)
1	Statistically significant difference (high performance)

Observations from the Data

General Observations

- Caucasian group performed statistically significantly ***lower*** than the rest of the population in 6 measures, followed by African American group in 4 measures
- English speaking group performed statistically significantly ***lower*** than the rest of the population in 9 measures

Preventive Care and Chronic Disease Measure Observations

- Vietnamese, African American and Caucasian groups performed statistically significantly ***lower*** than the rest of the population in 3 out of 6 **children's measures**
- Hispanic, African American and Caucasian groups performed statistically significantly ***lower*** in the **diabetes measures** than the rest of the population
- Hispanic group performed statistically significantly ***lower*** in the **anti-depressant medication** measure

Work Underway…

- Meet with cultural champions in our community to identify additional barriers and opportunities
- Targeted Member Phone Outreach to over 2,500 members per month in groups that did not perform above MPL to offer health education classes and materials and increase awareness of member incentives
- Planning Diabetes Care Project targeting Hispanic members with poor diabetes control and offering them a glucose testing machine that speaks Spanish to be filled at a pharmacy that provides counseling and automatic refill reminders targeted to launch by 2Q21
- Collaborating with SCC Public Health on Black Infant Health Program and sending data monthly on eligible African American women for program referral and outreach
- Assessing gaps by end of FY21 to achieve NCQA Distinction of Multicultural Healthcare

Santa Clara Family Health Plan™

Questions?

Santa Clara Family Health Plan™

CMC 2019 Population Health Management (PHM) Impact Analysis

December 17, 2020

CMC 2019 PHM Impact Analysis

What activities were done for CMC complex & moderate case management members from 2017 to 2019?

Review:

- CMC Complex & Moderate Case Management Tiers
- Regulatory Case Management activities for CMC
    - Health Risk Assessment
    - Individual Care Plans
    - Interdisciplinary Care Team
- Population Health Management CMC 2019 Impact Analysis review
- Case Management strategy 2020-2021

CMC Complex & Moderate Case Management Tiers

Tier 1 Criteria for Complex Cases	Tier 2 Criteria for Moderate Cases
• 3 or more hospitalization in past year and one other below criteria: Or • 3 or more below criteria: - Age greater than 75 with 3 Activities of Daily Living (ADLs) limitations - Greater than 3 ED visits in past year - Hospitalized in past 180 days - 3 or more Chronic Conditions with one condition being uncontrolled*	• Newly enrolled members with no claims or utilization history Or • Members with at least one criteria below and one uncontrolled chronic condition: - Age greater than 75 with 3 ADLs limitations - Greater than 3 ED visits in the past year - Hospitalized in past 180 days - 3 or more hospitalizations in past year - 1 or more Social Determinants of Health (i.e. homelessness) Or • Member is enrolled in either: - Multipurpose Senior Services Program - Serious Mental Illness (uncontrolled symptoms)

**Uncontrolled is defined as 1 ED Visit or Inpatient stay within the past year, with a primary diagnosis of the member's chronic condition*

CMC Case Management Required Activities

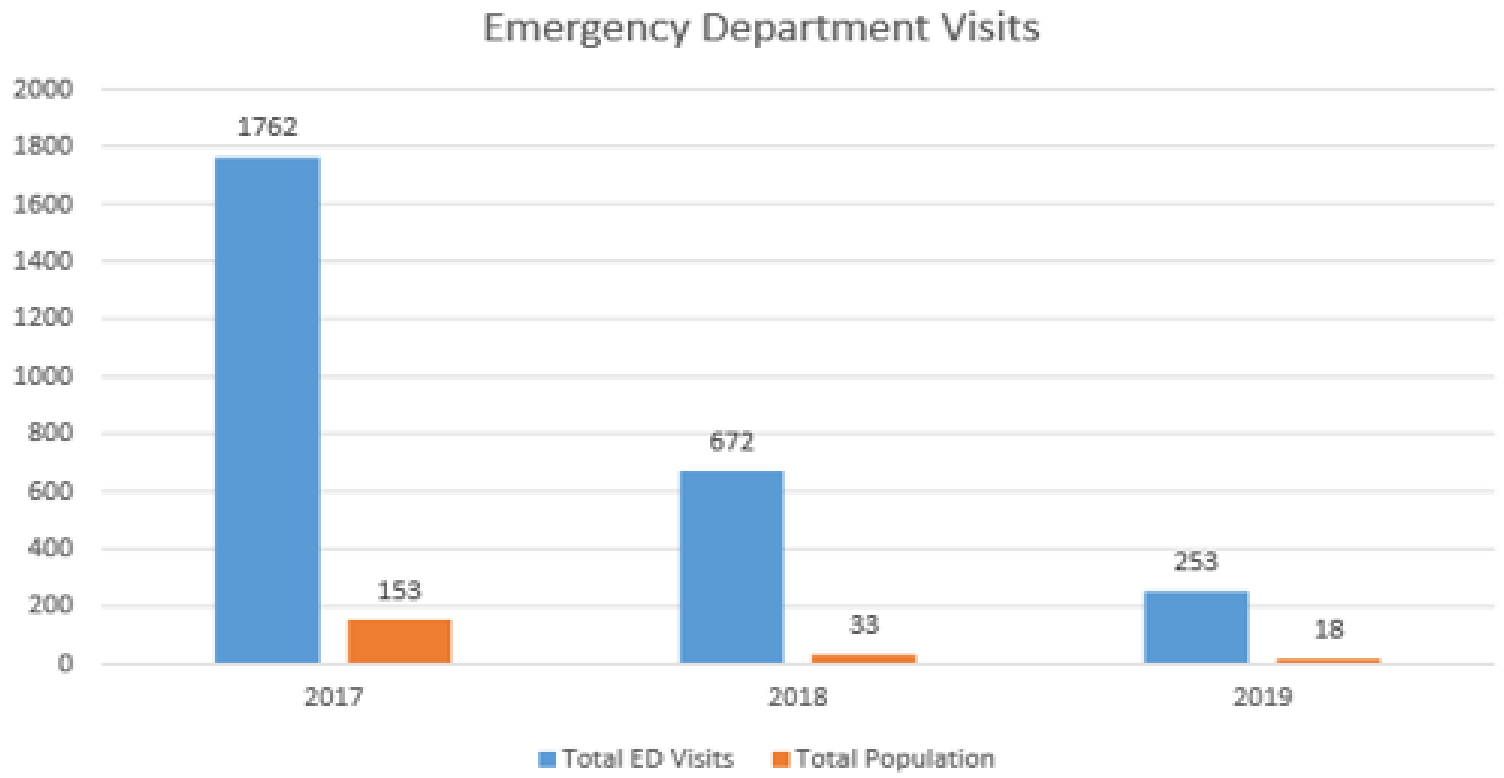
Activities	
Health Risk Assessment (HRA)	• Outreach is done for all CMC members for HRAs • HRAs are completed by mail, phone or face-to-face • Members can opt out of completing the HRA
Individualized Care Plan (ICP)	• ICPs are completed by phone or face-to-face • ICPs are also completed for members who were unable to be reached (based on claims diagnosis, medications and past medical history) • ICPs are sent to the members and providers for completed & the unable to reach
Interdisciplinary Care Team (ICT)	• Outreach is done for all CMC members to coordinate an interdisciplinary care team meeting with the member, provider(s) and other care team members

New Member	2017	2018	2019	2020 (YTD)^
HRA Completion	552	1,218	1,147	1,405
ICP Completion	N/A*	613	591	949

*Data not available. ^YTD as of 11/25/20 CY

CMC Complex & Moderate Case Management

Members with 3 or more ED visits



CMC Complex & Moderate Case Management

Members (cohort) enrolled with 3 or more ED visits in 2017 with utilization through 2019

Year Enrolled	Members Enrolled	ED Visits Per Member Month
2017	153	0.41
2018	133	0.33
2019	93	0.36
2019*	91	0.23

*Excluded 2 members with high ED visits (outliers) in 2019 with ED visits greater than 50 each
No outliers for 2017 and 2018

Case Management Activities

2018-2019

- Interdisciplinary approach
  - Individualized Care Plan (ICP) sent to members/providers
  - Telephonic outreach to all CMC members
  - Interdisciplinary Care Team meetings
- Specialty CM for Serious Mental Illness (SMI) & Long-Term Care (LTC) members
- Partnership with internal stakeholders:
  - UM – Transition of Care (TOC)
  - Quality – Reduce HEDIS gaps in care
  - Health Education
  - Information Technology (IT) – Reporting
  - Provider Network Operations (PNO)
  - Customer Service – Developed CM phone queue
  - Marketing/Communication – Scripts, letters, and educational materials created
- Partnership with external stakeholders:
  - Community Based Organizations (CBOs)

Case Management Strategy

2020-2021

- Comprehensive Transitions of Care (TOC) approach with an evidence-based model
  - UM/CM collaboration to target high risk members to reduce readmissions
- Piloting an interdisciplinary pod structure that allows a team to be accountable for a population
  - Manage cost and utilization
  - Improve quality and outcomes
  - Pods will have a Social Worker, RN, and 3 Personal Care Coordinators (PCCs) who will work collaboratively
    - Focus on quality – close HEDIS gaps in care
- Bringing in-house case management functions such as Annual HRA Reassessments for our CMC and MCAL Seniors and Persons with Disabilities (SPD) populations
  - Create efficiencies in process and enhance member engagement
- PHM strategy development in early 2021
  - Implement health equity and health disparities initiatives, social determinants of health and targeted interventions for certain subgroup populations (i.e., CHF, Diabetes, Asthma, COPD, and CAD, depending on member need).
- Developing executive & case manager specific dashboards showing the value of the CM program for our members and the organization
- Community Resource Center to provide greater access to the members for case management & health education

Santa Clara Family Health Plan

Compliance Report

December 17, 2020

AUDIT UPDATE

- **Centers for Medicare & Medicaid Services (CMS) Program Audit**

  The Plan has closed out our CMS Program Audit Revalidation (Revalidation Audit). After working throughout the year to achieve full compliance with all previously identified findings, SCFHP received the final Revalidation Audit report from ATTAC, the firm conducting audit activities on behalf of CMS, in September, which included no findings. SCFHP submitted the report to CMS, and subsequently received from CMS a letter which recognized that we had sufficiently corrected all 31 of the Program Audit findings and officially closed the audit.

- **Compliance Program Effectiveness (CPE) Audit**

  In accordance with CMS requirements, the Plan is currently undergoing its annual Compliance Program Effectiveness Audit (CPE).

- **Department of Health Care Services (DHCS) Medi-Cal Managed Care Audit**

  DHCS has reached out to schedule our 2021 annual audit, beginning with an entrance conference on March 8, 2020.

- **Department of Managed Health Care (DMHC) Medi-Cal Managed Care Audit**

  The Plan recently submitted pre-audit deliverables requested by DMHC in advance of our March 2021 follow-up audit. The scope of this audit is limited to the outstanding deficiencies in our 2019 audit final report. The pre-audit deliverables cover the review period of February 2020 through October 2020.

Santa Clara Family Health Plan™

Compliance Summary 2020-2021

Cal MediConnect

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
CLAIMS					
Non-Contracted Providers					
Clean Claims from Non-Contracted Providers paid or denied within thirty (30) calendar days	95%				
All Other Claims from Non-Contracted Providers or enrollees must be paid or denied within sixty (60) calendar days	100%	99.9%			
Contracted Providers					
Clean Claims from Contracted Practitioners paid or denied within thirty (30) calendar days	90%				
Clean Claims from Contracted Providers paid or denied within ninety (90) calendar days	99%				
Provider Disputes					
Non-Contracted Provider Disputes Processed within thirty (30) calendar days	95%		77.8%		
CUSTOMER SERVICE					
Call Stats					
Member Queue					
Member Average Hold Time in Seconds	≤120 Seconds				
Member Service Level	80% in ≤30 sec				
Disconnect Rate from CMS Quarterly Report (part C)	≤5%	n/a	n/a		
ENROLLMENT					
Enrollment Materials					
New member materials mailed within 10 calendar days of receipt of enrollment confirmation on TRR or by last calendar day of the month prior to the effective date, whichever occurs later	100%	99.9%			
Out of Area Members					
% of compliance with member outreach process within 10 calendar days of notification of possible OOA for members	100%				
FINANCE					
Monthly submission of encounter data	100%				

Medi-Cal

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
CLAIMS					
All Claims					
Misdirected Claims forwarded within ten (10) working days	95%				
Processed Claims that receive acknowledgement timely	95%				
All Claims paid or denied to ALL providers within forty-five (45) working days	95%				
Clean Claims					
Clean Claims paid or denied to Practitioner within thirty (30) calendar days	90%				
Clean Claims paid or denied to All Providers within ninety (90) calendar days	95%				
Provider Claim Dispute Requests					
Provider Disputes acknowledged within fifteen (15) working days	95%				
Provider Disputes resolved within forty-five (45) working days/sixty-two (62) calendar days	95%				
Overturned Cases					
Overturned Cases with check provided within five (5) working days	95%				
CUSTOMER SERVICE					
Call Stats					
Member Queue					
Member calls that are answered in ≤ 10 minutes	100%	98.3%	98.3%		
ENROLLMENT					
Enrollment Materials					
New member Information mailed within 7 calendar days of the effective date of member's enrollment, or within 7 calendar days of receipt of enrollment, if enrollment is retroactive	100%				
New member ID mailed within 7 calendar days of the effective date of member's enrollment, or within 7 calendar days of receipt of enrollment, if enrollment is retroactive	100%	n/a			

Yellow = at least 98% for measures with a goal of 100%

Santa Clara Family Health Plan™

Compliance Summary 2020-2021

Cal MediConnect

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
HEALTH SERVICES - CASE MANAGEMENT					
HRAs and ICPs					
Total IPC Completion	100%	99.9%	93.2%		
Total HRA Completion	100%	99.9%	99.8%		
Members with timely annual HRA completion	100%	99.9%	99.9%		

HEALTH SERVICES - MEDIMPACT/PHARMACY					
Standard Part D Authorization Requests					
Standard Prior Authorization requests (part D) completed within seventy-two (72) hours of request	100%				
Expedited Part D Authorization Requests					
Expedited Prior Authorization requests (part D) completed within twenty-four (24) hours of request	100%				
Expedited Initial Determination Notification (part D) sent to Provider/Member verbally within 24 hours from receipt and in writing within 3 calendar days from verbal notification	100%				
Non Part D Drugs Authorization Requests					
Non Part D Drugs Prior Authorization completed within twenty-four (24) hours of request	100%	85.3%	92.3%		
Call Monitoring					
Provider/Pharmacy Average Hold Time in Seconds	100%				
Provider/Pharmacy Service Level	100%				
Disconnect Rate	100%				

HEALTH SERVICES - UTILIZATION MANAGEMENT					
Concurrent Organization Determinations					
Concurrent Review of Authorization Requests (part C) completed within five (5) working days of request	100%				
Concurrent Initial Determination Notification (part C) sent to Provider/Member within five (5) working days of request	100%				
Pre-Service Organization Determinations					
Standard Part C					
Standard Pre-Service Prior Authorization Requests (part C) completed within five (5) working days	100%				
Standard Pre-Service Prior Authorization Notification (part C) sent to Provider/Member within 5 working days of request	100%	99.3%	99.8%		

Medi-Cal

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
HEALTH SERVICES - CASE MANAGEMENT					
HRAs and ICPs for SPDs					
Newly enrolled SPD members who were due for risk stratification and were statified timely during the reporting month	100%	Partial data provided	Partial data provided		
Total High Risk SPD HRA Completion	100%	Partial data provided	Partial data provided		
Total Low Risk SPD HRA Completion	100%	Partial data provided	Partial data provided		
Total High Risk SPDs with ICP completion	100%	Data not available	Data not available		

HEALTH SERVICES - PHARMACY					
Standard Authorization Request					
Standard Prior Authorization requests (RX) completed within twenty-four (24) hours	100%	99.9%	99.8%		
Expedited Authorization Request					
Expedited Prior Authorization requests (RX) completed within twenty-four (24) hours of request.	100%		99.7%		

HEALTH SERVICES - QUALITY					
Facility Site Reviews					
Annual Managed Care Division DPL 14-005 Facility Site Reviews/Physical-Accessibility Report submitted by Aug 1 each year	100%		n/a		
IHAs completed within 120 calendar days of enrollment	100%	31.9%	29.8%		

HEALTH SERVICES - UTILIZATION MANAGEMENT					
Medical Authorizations					
Conncurrent Review					
Concurrent Review of Authorization Requests completed within 5 working days of request	100%				

Yellow = at least 98% for measures with a goal of 100%

Santa Clara Family Health Plan™

Compliance Summary 2020-2021

Cal MediConnect

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
HEALTH SERVICES - UTILIZATION MANAGEMENT (cont.)					
Pre-Service Organization Determinations (cont.)					
Expedited Part C					
% of Expedited Pre-Service Prior Authorization Requests (part C) completed within sevety-two (72) hours	100%	99.8%	99.7%		
Expedited Initial Determination Notification (part C) sent to Provider/Member verbally within 72 hours from receipt & in writing within 3 calendar days from verbal notification	100%	98.6%	**97.4%**		
Post Service Organization Determinations					
Retrospective Requests (part C) completed within thirty (30) calendar days	100%	99.2%			
Part B Drugs Organization Determinations					
Standard Prior Authorization Requests (part B drugs) completed within seventy-two (72) hours of request	100%	Data not available	95.7%		
Standard Prior Authorization Notification (part B drugs) sent within seventy-two (72) hours of request	100%	Data not available	95.7%		
Expedited Prior Authorization requests (part B drugs) completed within twenty-four (24) hours of request	100%	Data not available	96.3%		
Expedited Initial Determination Notification sent to Provider/Member verbally within 24 hours from receipt & in writing within 3 calendar days from verbal notification	100%	Data not available	96.3%		

Medi-Cal

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
HEALTH SERVICES - UTILIZATION MANAGEMENT (cont.)					
Medical Authorizations (cont.)					
Routine Authorizations					
Routine Prior Authorization Requests completed within five (5) working days of request	100%	99.8%	99.8%		
Expedited Authorizations					
Expedited Prior Authorization Requests completed within seventy-two (72) hours of request	100%	99.6%	98.6%		
Retrospective Review					
Retrospective Requests completed within thirty (30) calendar days of request	100%	97.4%	99.7%		
Member Notification of UM Decision					
Member Notification of UM decision in writing within two (2) working days of the decision.	100%	98.4%	97.7%		
Provider Notification of UM Decision					
Provider Notification of UM decision by phone, fax or electronic mail and then in writing within 24 hours of making the decision	100%	97.0%	97.1%		

Cal MediConnect

GRIEVANCE & APPEALS					
Grievances, Part C	**Goal**				
Standard Grievances Part C					
Standard Grievances (Part C) that provided Acknowledgment Letters within five (5) calendar days	100%		99.2%		
Standard Grievances (Part C) that provided Resolution Letters within thirty-day calendar (30) days	100%				
Expedited Grievances Part C					
Expedited Grievances (Part C) that provided Verbal or Written Resolution within twenty-four (24) hours	100%				
Grievances, Part D					
Standard Grievance Part D					
Standard Grievances (Part D) that provided Acknowledgment Letters within five (5) calendar days	100%				
Standard Grievances (Part D) that provided Resolution Letters within thirty (30) calendar days	100%				
Expedited Grievance Part D					
Expedited Grievances (Part D) provided Verbal OR Written Resolution within twenty-four (24) hours	100%				
Reconsiderations, Part C					
Standard Pre-Service Part C					
Standard Pre-Service Reconsiderations (Part C) that provided Acknowledgment Letters within five (5) calendar days	100%				
Standard Pre-Service Reconsiderations (part C) that provided Resolution Letters within thirty (30) calendar days	100%				
Standard Post-Service Part C					
Standard Post-Service Reconsiderations resolved within 60 days	100%				

Medi-Cal

GRIEVANCE & APPEALS					
Grievances					
Standard Grievances					
Standard Grievances that provided Acknowledgement Letters within five (5) calendar days	100%		99.7%		
Standard Grievances that provided Resolution Letters within thirty (30) calendar days	100%				
Expedited Grievances					
Expedited Grievances that provided Verbal AND Written Notifications within seventy-two (72) hours	100%	96.4%	90.9%		
Appeals					
Standard Appeals					
Standard Appeals that provided Acknowledgement Letters within five (5) calendar days	100%	98.8%	99.3%		
Standard Appeals that provided Resolution Letters within thirty (30) calendar days	100%				
Expedited Appeals					
Expedited Appeals that provided Verbal AND Written Notifications within seventy-two (72) hours	100%		90.7%		

Cal MediConnect

Medi-Cal

Yellow = at least 98% for measures with a goal of 100%

Santa Clara Family Health Plan™

Compliance Summary 2020-2021

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
GRIEVANCE & APPEALS (cont.)					
Reconsiderations, Part C (cont.)					
Expedited Pre-Service Part C/Part B Drug					
Expedited Reconsiderations (part C) that provided Verbal AND Written Resolution within seventy-two (72) hours	100%				
Expedited Pre-Service Part C/Part B Drug (cont.)					
Expedited Pre-Service Reconsiderations (upheld & untimely) submitted to IRE within 24-hours of decision	100%				
Appeals, Part B					
Part B Drug Appeals that provided Verbal OR Written Resolution within seven (7) calendar days	100%				
Redeterminations, Part D					
Standard Part D					
% of Standard Redeterminations (part D) that provided Resolution Letters within seven (7) calendar days	100%				
Expedited Part D					
Expedited Redeterminations (part D) that provided Verbal AND Written Resolution within seventy-two (72) hours	100%				
Untimely Expedited Redeterminations (part D) submitted to IRE within twenty-four (24) hours of decision	100%				
Direct Member Reimbursement Redeterminations (Part D) resolved within fourteen (14) calendar days	100%				
Complaint Tracking Module (CTM) Complaints					
CTM Conplaints Resolved Timely	100%				

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
GRIEVANCE & APPEALS					

Yellow = at least 98% for measures with a goal of 100%

Santa Clara Family Health Plan™

Compliance Summary 2020-2021

Cal MediConnect

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
MARKETING & OUTREACH					
Required Materials posted to the Plan's website by the first of each month	100%				
Required Member Materials posted to the Plan's website by October 15 each year	100%	n/a			
Annual member materials distributed or notified by October 15 each year	100%				
Annual Medicare Communications & Marketing Guidelines training completed	100%		n/a		
PROVIDER NETWORK MANAGEMENT					
PROVIDER DATABASE & REPORTING					
Provider Directories updated monthly by the first day of the month	100%				
Annual Health Service Delivery Tables submitted by September 30 of each year	100%		n/a		
GENERAL COMPLIANCE					
Exclusion Screenings					
Individual Exclusion Screening					
New Eligible Individuals screened prior to start date	100%				
Eligible Individuals who are screened monthly	100%				
FDR Exclusion Screening					
Initial Exclusion Screening Completed for FDRs prior to contracting	100%				
Monthly Exclusion Screening Completed for existing FDRs	100%				
Provider Monthly Screenings					
Monthly Exclusion Screening completed for the Plan's Contracted Providers	100%				
Monthly Exclusion Screening completed for Non-Contracted Providers	100%				
Compliance Training					
New Eligible Employees completed trainings within ninety (90) days of initial hiring (SCFHP's operational standard = 5 working days)	100%				
Annual Employee Training completed within sixty (60) calendar days of issuance	100%	n/a	86.90%		
Annual Board Training completed within sixty (60) calendar days of issuance	100%	n/a	n/a		
Standards Of Conduct And Compliance Policies					
New Eligible Employees receive Standards of Conduct and P&Ps within five (5) working days of initial hiring	100%				
Current Employees receive Standards of Conduct and Compliance P&Ps annually	100%	n/a	91.80%		

Medi-Cal

Measure	Goal	Q3-20	Q4-20	Q1-21	Q2-21
MARKETING					
Training and certification for Marketing Representatives completed timely	100%	n/a	n/a		
Medi-Cal Provider Directory posted on the Plan's website by the first of the month	100%				
INFORMATION TECHNOLOGY					
Encounter Files Successfully Submitted to DHCS by end of month	100%				
Monthly Eligibility Files successfully submitted to Delegates Timely	100%				
PROVIDER NETWORK MANAGEMENT					
PROVIDER NETWORK RELATIONS					
% of New Providers who received orientation within ten (10) working days after being placed on active status	100%	88.9%			
PROVIDER NETWORK ACCESS & DATABASE					
Annual Network Certification submitted by March 31 of each year	100%	n/a	n/a		
Timely Access Compliance Report submitted by March 31 of each year	100%	n/a	n/a		
GENERAL COMPLIANCE					
Personnel Filings					
Key Personnel filings completed within five (5) calendar days of effective date	100%		n/a		
Department Of Fair Employment & Housing Training					
Employees who complete the CA harassment training course once every two years	100%	n/a	n/a		
Temporary Employees completed the CA harassment training within 30 calendar days from start date or 100 hours of work	100%	n/a	n/a		

Yellow = at least 98% for measures with a goal of 100%

Santa Clara Family Health Plan™

Unaudited Financial Statements
For Four Months Ended October 31, 2020

Agenda

Santa Clara Family Health Plan

Financial Highlights

Santa Clara Family Health Plan

	MTD		YTD	
Revenue	$102 M		$411 M	
Medical Expense (MLR)	$96 M	94.3%	$384 M	93.3%
Administrative Expense (% Rev)	$5.6 M	5.5%	$21.9 M	5.3%
Other Income/(Expense)	($221K)		($118K)	
Net Surplus (Net Loss)	**($4.9K)**		**$5.4 M**	
Cash and Investments			$353 M	
Receivables			$524 M	
Total Current Assets			$886 M	
Current Liabilities			$706 M	
Current Ratio			1.26	
Tangible Net Equity			$214 M	
% of DMHC Requirement			**625.3%**	

Financial Highlights

Santa Clara Family Health Plan

Net Surplus (Net Loss)	Month: Loss of $4.9K is $2.3K or 86.2% unfavorable to budget of ($2.6K). YTD: Surplus of $5.4M is $3.6M or 196.4% favorable to budget of $1.8M.
Enrollment	Month: Membership was 266,060 (4,129 or 1.5% lower than budget of 270,189). YTD: Member Months YTD was 1,046,046 (22,406 or 2.1% lower than budget of 1,068,452).
Revenue	Month: $101.9M ($1.3M or 1.3% favorable to budget of $100.6M). YTD: $411.2M ($12.5M or 3.1% favorable to budget of $398.8M).
Medical Expenses	Month: $96.0M ($901K or 0.9% unfavorable to budget of $95.1M). YTD: $383.9M ($8.1M or 2.2% unfavorable to budget of $375.7M).
Administrative Expenses	Month: $5.6M ($77K or 1.4% favorable to budget of $5.7M). YTD: $21.9M ($330K or 1.5% favorable to budget of $22.2M).
Tangible Net Equity	TNE was $214.0M (represents approximately two months of total expenses).
Capital Expenditures	YTD Capital Investments of $2.8M vs. $6.9M annual budget, primarily Community Resource Center.

Santa Clara Family Health Plan™

Detail Analyses

Enrollment

- Total enrollment of 266,060 members is lower than budget by 4,129 or 1.5%. Since June 30, 2020, total enrollment has increased by 12,185 members or 4.8%.
- Medi-Cal enrollment has been increasing since January, reflecting newly-eligible and COVID enrollment (beginning in March annual redeterminations of eligibility was suspended).
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 5.1%, Dual enrollment has increased 1.5%, and CMC enrollment has grown 6.5% also due largely to the suspension of disenrollment.

	For the Month October 2020				For Four Months Ending October 31, 2020					
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)	Prior Year Actuals	Δ FY20 vs. FY21
Medi-Cal	256,490	261,035	(4,545)	(1.7%)	1,008,753	1,032,226	(23,473)	(2.3%)	2,840,218	(64.5%)
Cal Medi-Connect	9,570	9,154	416	4.5%	37,293	36,226	1,067	2.9%	101,391	(63.2%)
Total	**266,060**	**270,189**	**(4,129)**	**(1.5%)**	**1,046,046**	**1,068,452**	**(22,406)**	**(2.1%)**	**2,941,609**	**(64.4%)**

Santa Clara Family Health Plan Enrollment By Network
October 2020

Network	Medi-Cal		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	32,369	13%	9,570	100%	41,939	16%
SCVHHS[1], Safety Net Clinics, FQHC[2] Clinics	128,622	50%	-	0%	128,622	48%
Palo Alto Medical Foundation	6,935	3%	-	0%	6,935	3%
Physicians Medical Group	44,223	17%	-	0%	44,223	17%
Premier Care	15,473	6%	-	0%	15,473	6%
Kaiser	28,868	11%	-	0%	28,868	11%
Total	**256,490**	**100%**	**9,570**	**100%**	**266,060**	**100%**
Enrollment at June 30, 2020	244,888		8,987		253,875	
Net Δ from Beginning of FY21	4.7%		6.5%		4.8%	

[1] *SCVHHS = Santa Clara Valley Health & Hospital System*
[2] *FQHC = Federally Qualified Health Center*

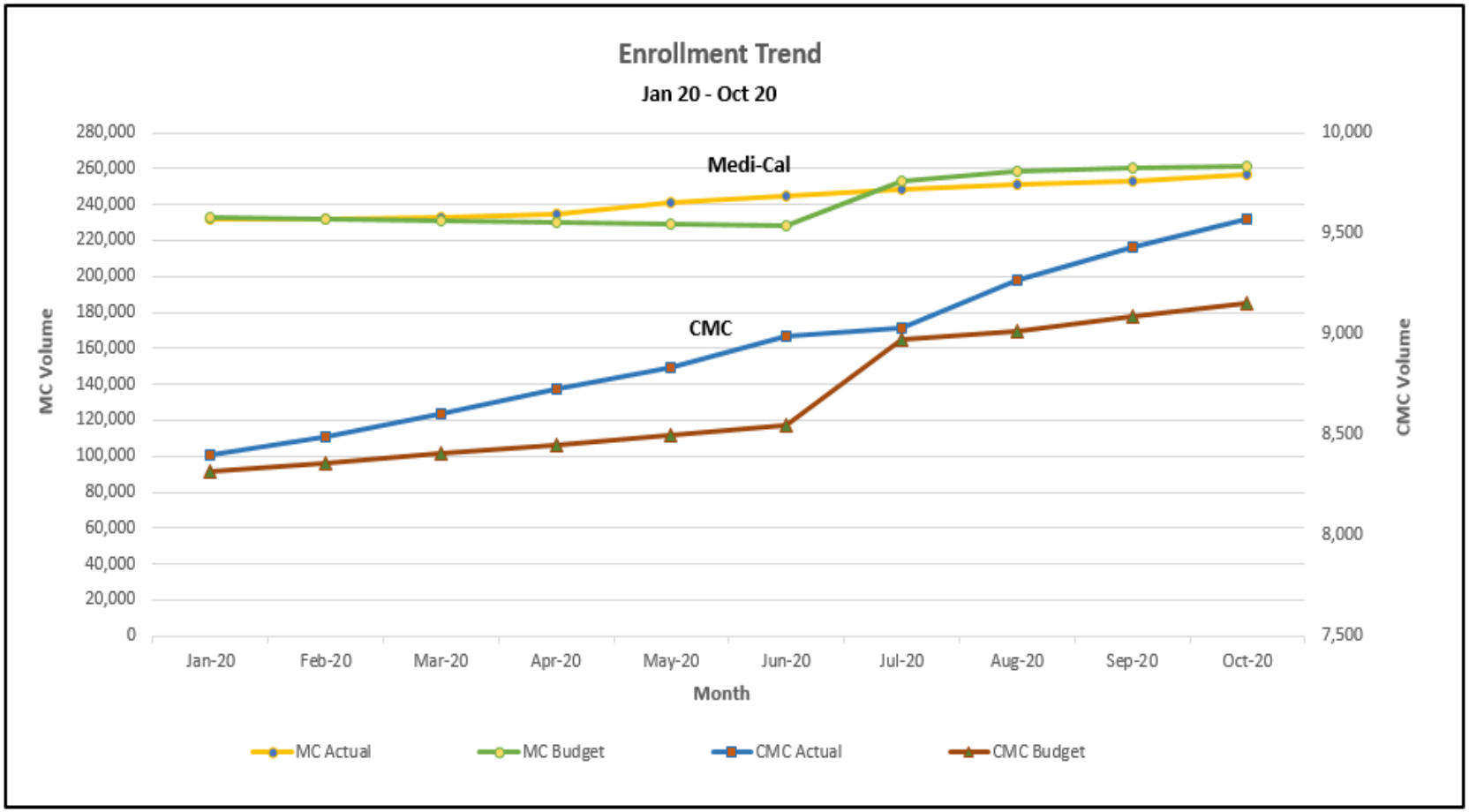
Enrollment By Aid Category

Santa Clara Family Health Plan

SCFHP TRENDED ENROLLMENT BY COA YTD OCTOBER-2020

		2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	FYTD var	%
NON DUAL	Adult (over 19)	24,492	24,207	23,999	23,620	23,604	23,873	24,051	25,253	26,299	27,066	27,877	28,269	29,181	2,882	11.0%
	Child (under 19)	95,000	93,829	93,477	92,339	92,248	92,843	93,374	95,145	96,173	96,605	97,359	97,629	98,409	2,236	2.3%
	Aged - Medi-Cal Only	10,850	10,897	10,903	10,904	10,831	10,753	10,801	11,044	11,207	11,227	11,178	11,229	11,263	56	0.5%
	Disabled - Medi-Cal Only	10,836	10,865	10,839	10,845	10,854	10,882	10,851	10,902	10,922	10,944	10,910	10,839	10,875	-47	(0.4%)
	Adult Expansion	70,285	69,889	69,069	68,130	68,372	69,272	70,458	72,546	74,553	76,262	77,701	79,263	80,654	6,101	8.2%
	BCCTP	10	12	11	11	11	11	11	11	11	11	11	11	11	0	0.0%
	Long Term Care	372	371	373	379	373	367	380	398	405	402	406	407	409	4	1.0%
	Total Non-Duals	**211,845**	**210,070**	**208,671**	**206,228**	**206,293**	**208,001**	**209,926**	**215,299**	**219,570**	**222,517**	**225,442**	**227,647**	**230,802**	**11,232**	**5.1%**
DUAL	Adult (21 Over)	341	350	341	330	328	320	311	320	321	327	320	337	354	33	10.3%
	SPD (21 Over)	23,531	23,577	23,498	23,472	23,540	23,541	23,443	23,595	23,508	23,641	23,686	23,654	23,687	179	0.8%
	Adult Expansion	122	82	177	139	130	136	134	190	241	261	289	358	410	169	70.1%
	BCCTP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	Long Term Care	1,256	1,271	1,308	1,266	1,257	1,231	1,235	1,252	1,248	1,261	1,267	1,256	1,237	-11	(0.9%)
	Total Duals	**25,250**	**25,280**	**25,324**	**25,207**	**25,255**	**25,228**	**25,123**	**25,357**	**25,318**	**25,490**	**25,562**	**25,605**	**25,688**	**370**	**1.5%**
	Total Medi-Cal	**237,095**	**235,350**	**233,995**	**231,435**	**231,548**	**233,229**	**235,049**	**240,656**	**244,888**	**248,007**	**251,004**	**253,252**	**256,490**	**11,602**	**4.7%**
	Healthy Kids	**2**	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.0%**
CMC	CMC Non-Long Term Care	8,016	8,069	8,206	8,177	8,261	8,388	8,511	8,625	8,775	8,814	9,055	9,212	9,360	585	6.7%
	CMC - Long Term Care	217	220	222	224	225	213	214	212	212	215	211	216	210	-2	(0.9%)
	Total CMC	**8,233**	**8,289**	**8,428**	**8,401**	**8,486**	**8,601**	**8,725**	**8,837**	**8,987**	**9,029**	**9,266**	**9,428**	**9,570**	**583**	**6.5%**
	Total Enrollment	**245,330**	**243,641**	**242,425**	**239,836**	**240,034**	**241,830**	**243,774**	**249,493**	**253,875**	**257,036**	**260,270**	**262,680**	**266,060**	**12,185**	**4.8%**

Enrollment Trend

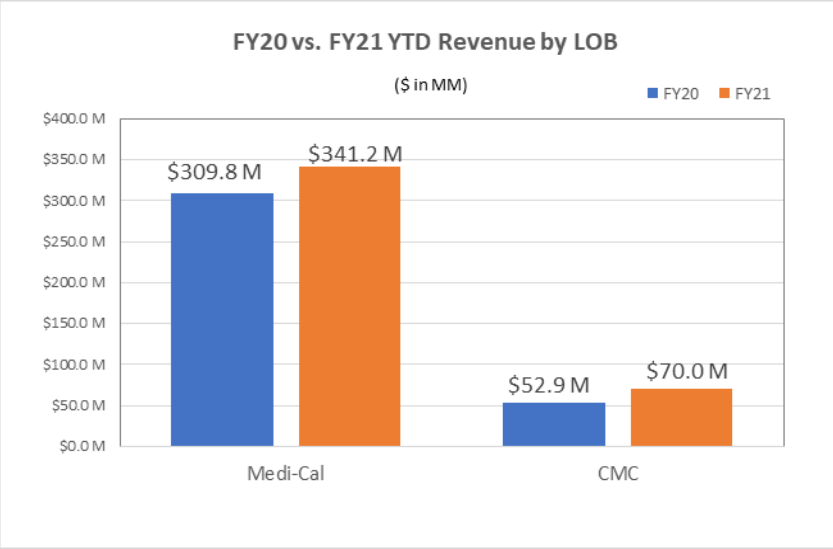


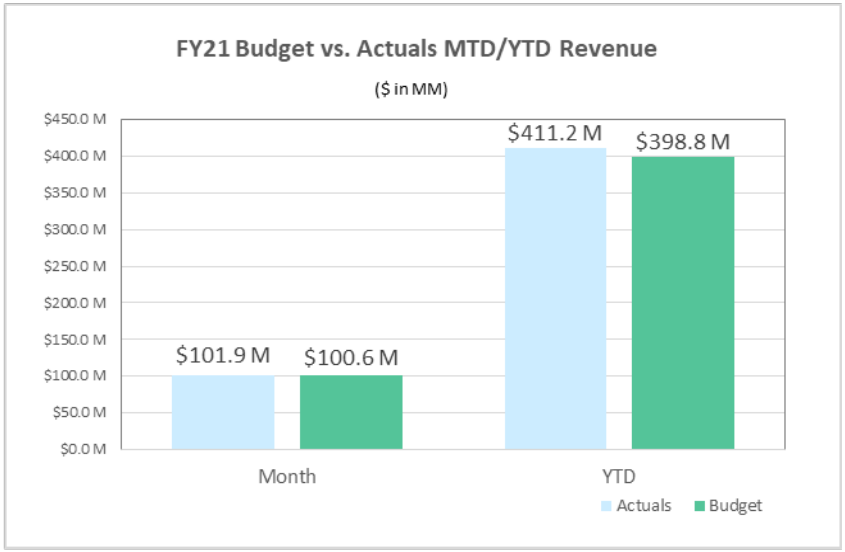
- The enrollment budget envisioned steep COVID enrollment growth early in the fiscal year followed by a flattening.
- Actual enrollment has grown steadily due to largely suspended disenrollment.

Revenue

Current month revenue of $101.9M is $1.3M or 1.3% favorable to budget of $100.6M. The current month variance was primarily due to the following:

- CMC revenue is $967M favorable to budget due to a higher CY20 CMC Medi-Cal rate than budgeted ($1.1M) retro back Jan-20 and unfavorable variance ($155K) for CMC Medicare due to conservatism of Part-D QWH.
- Supplemental Kick revenue is $927K unfavorable to budget due to lower utilizations in BHT and Hep-C treatments.
- Medi-Cal Dual revenue is $682K favorable to budget due to a higher CY20 MLTSS rate and higher enrollment than budgeted.
- MC Non-Dual revenue is $568K favorable budget due to higher SPD rate than expected and favorable LTC and Adult enrollments.

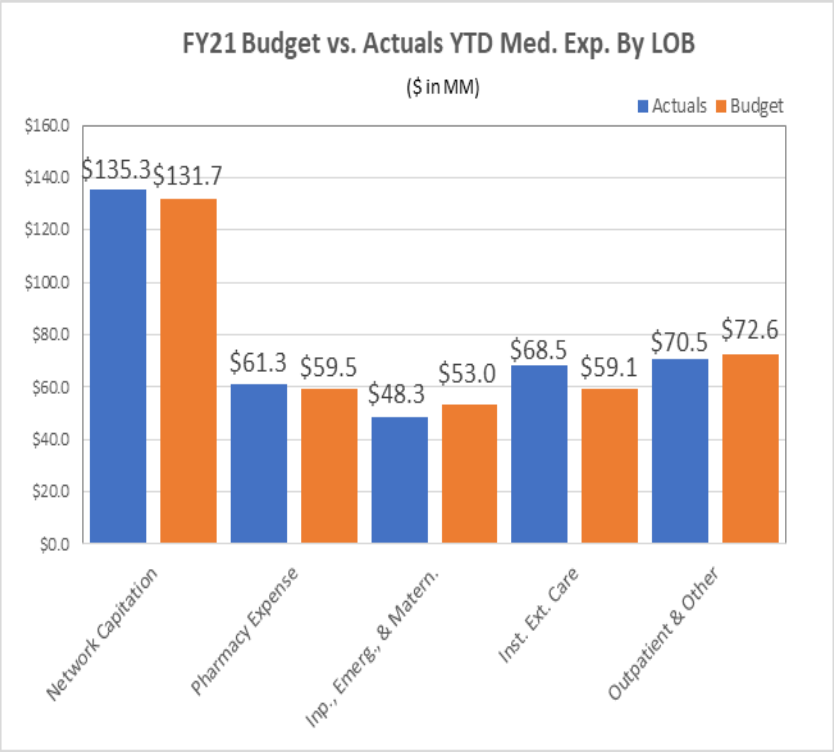


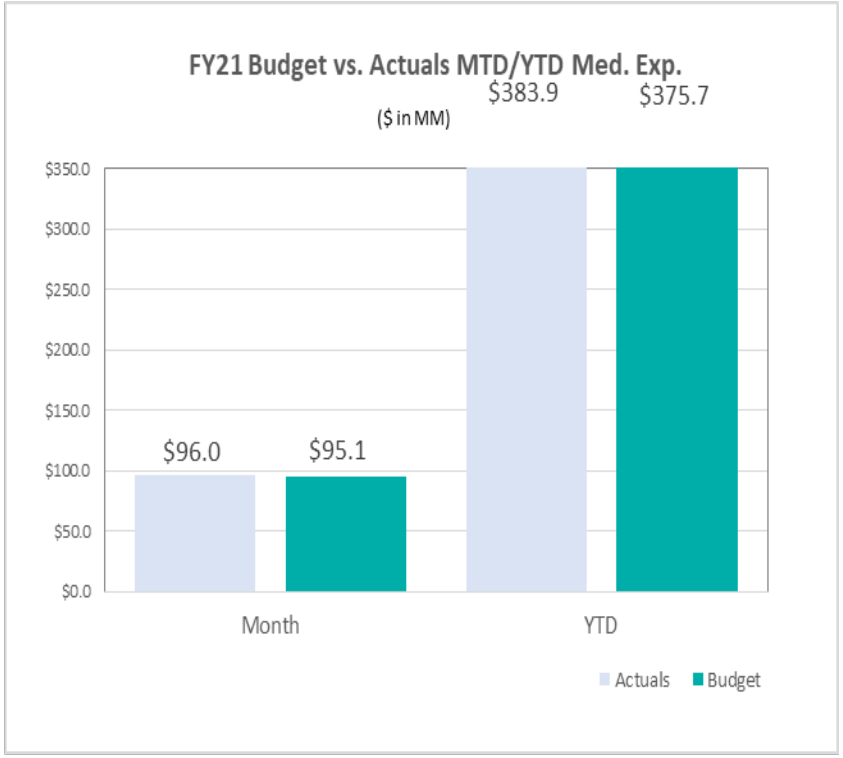


Medical Expense

Current month medical expense of $96.0M is $901K or 0.9% unfavorable to budget of $95.1M. The current month variance was due largely to:

- Capitation expense is $721K unfavorable variance due to retroactive capitation rate increase revisions associated with Medi-Cal and CCI capitation rate changes.
- Fee-For-Service expense is $180K unfavorable variance due to increase in Professional services and LTC rate increase for COVID.

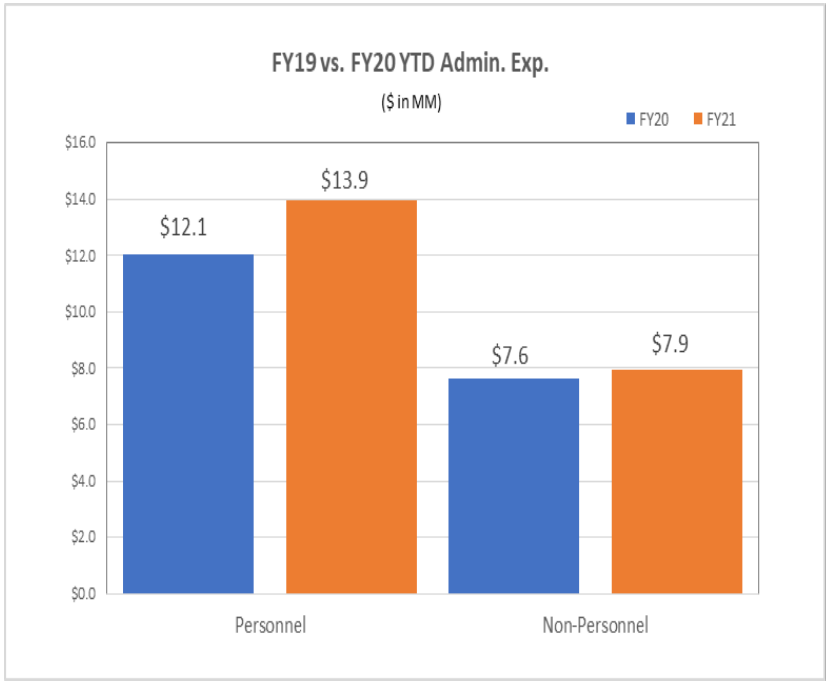


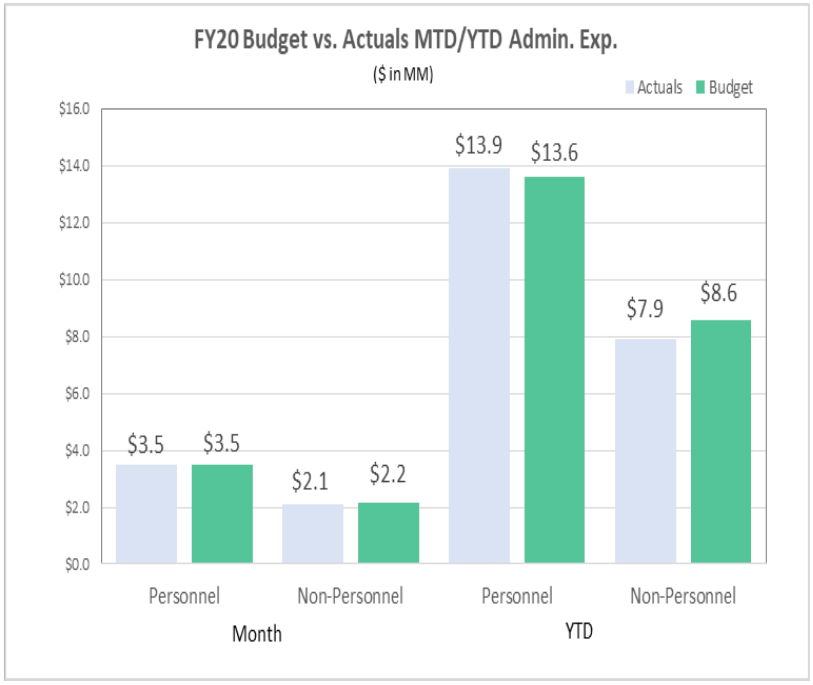


Administrative Expense

Current month admin expense of $5.6M is $77K or 1.4% favorable to budget of $5.7M. The current month variances were primarily due to the following:

- Personnel expenses were on target to budget due to lower headcount than expected offset with lower utilization of PTO and increased CalPERS Retirement expense.
- Non-Personnel expenses were $77K or 1.4% favorable to budget due to timing of budget spending in printing & advertising and savings on training / conference related expenses.





Balance Sheet

- Current assets totaled $885.6M compared to current liabilities of $705.6M, yielding a current ratio (Current Assets/Current Liabilities) of 1.26:1 vs. the DMHC minimum requirement of 1.0:1.
- Cash balance increased by $18.6M compared to the cash balance as of year-end June 30, 2020 due to the timing of inflows and outflows.
- Current Cash & Equivalents components and yields were as follows:

Description	Cash & Investments	Current Yield %	Interest Income	
			Month	YTD
Short-Term Investments				
County of Santa Clara Comingled Pool	$156,192,291	1.29%	$100,000	$400,000
Wells Fargo Investments	$144,347,614	0.17%	$20,072	$150,922
	$300,539,906		$120,072	$550,922
Cash & Equivalents				
Bank of the West Money Market	$134,213	0.13%	$354	$8,119
Wells Fargo Bank Accounts	$51,603,884	0.01%	$711	$3,017
	$51,738,097		$1,064	$11,135
Assets Pledged to DMHC				
Restricted Cash	$305,350	0.42%	$107	$107
Petty Cash	$500	0.00%	$0	$0
Month-End Balance	**$352,583,853**		**$121,243**	**$562,164**

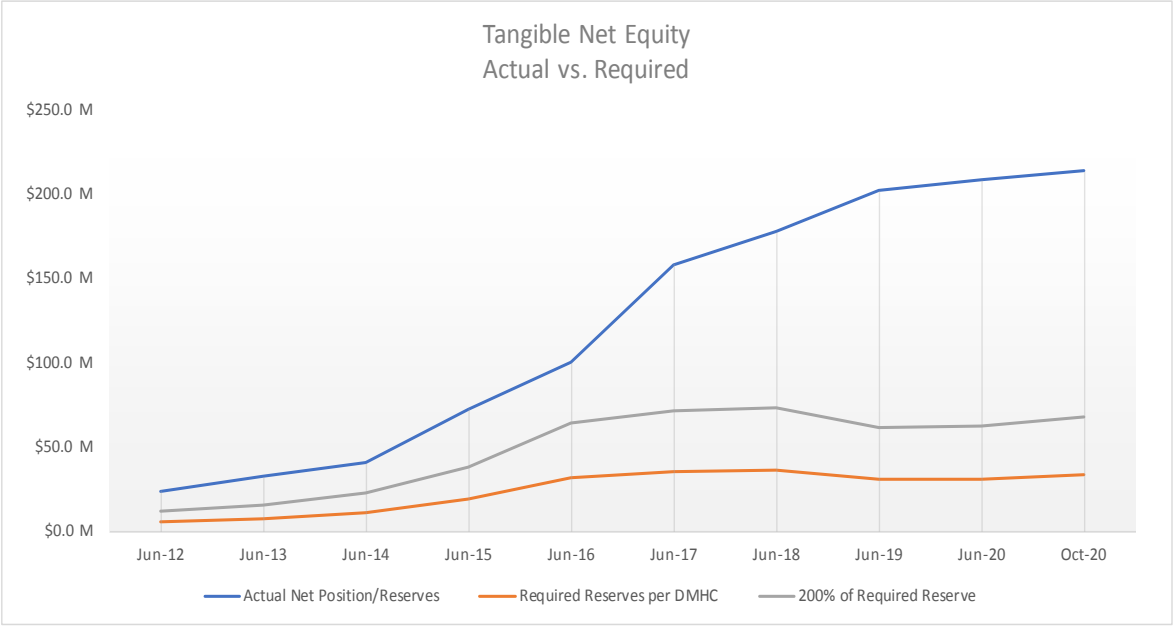
- County of Santa Clara Comingled Pool funds have longer-term investments which are currently yielding a higher rate than WFB investments.
- Overall cash and investment yield is lower than budget (0.64% actual vs. 1.4% budgeted).

Tangible Net Equity

- TNE was $214.0M - representing approximately two months of the Plan's total expenses.

Santa Clara Health Authority
Tangible Net Equity - Actual vs. Required
As of October 31, 2020

	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Oct-20
Actual Net Position/Reserves	$24.2 M	$32.6 M	$40.9 M	$72.6 M	$100.3 M	$158.4 M	$178.0 M	$202.1 M	$208.6 M	$214.0 M
Required Reserves per DMHC	$5.9 M	$7.8 M	$11.4 M	$19.3 M	$32.4 M	$35.9 M	$36.8 M	$30.9 M	$31.3 M	$34.2 M
200% of Required Reserve	$11.8 M	$15.6 M	$22.9 M	$38.5 M	$64.8 M	$71.8 M	$73.6 M	$61.8 M	$62.5 M	$68.5 M
Actual as % Required	410.2%	418.5%	357.5%	376.9%	309.8%	441.2%	483.4%	654.4%	667.2%	625.3%



Reserves Analysis

Santa Clara Family Health Plan

SCFHP RESERVES ANALYSIS OCTOBER 2020

Financial Reserve Target #1: Tangible Net Equity	Approved	Expended	Balance
Unrestricted Net Assets			**$168,036,809** *
Board Designated Funds (Note 1):			
Special Project Funding for CBOs	$4,000,000	$560,727	$3,439,274
Innovation & COVID-19 Fund	$16,000,000	$2,169,999	$13,830,001
Subtotal	$20,000,000	$2,730,726	$17,269,275
Net Book Value of Fixed Assets			$28,414,268
Restricted Under Knox-Keene Agreement			$305,350
Total Tangible Net Equity (TNE)			$214,025,701
Current Required TNE			$34,228,643
TNE %			625.3%
SCFHP Target TNE Range:			
350% of Required TNE (Low)			$119,800,251
500% of Required TNE (High)			$171,143,215
Total TNE Above/(Below) SCFHP Low Target			**$94,225,450**
Total TNE Above/(Below) High Target			**$42,882,485**
Financial Reserve Target #2: Liquidity			
Cash & Investments			$352,583,853
Less Pass-Through Liabilities:			
Hospital Directed Payments			(206,574)
MCO Tax Payable to State of CA			(36,461,565)
Whole Person Care / Prop 56			(42,736,765)
Other Pass-Through Liabilities (Note 2)			(47,825,213)
Total Pass-Through Liabilities			**(127,230,118)**
Net Cash Available to SCFHP			225,353,735
SCFHP Target Liquidity (Note 3)			
45 Days of Total Operating Expense			(151,217,307)
60 Days of Total Operating Expense			(201,623,076)
Liquidity Above/(Below) SCFHP Low Target			**74,136,428**
Liquidity Above/(Below) High Target			**$23,730,658**

- **Unrestricted Net Assets represents less than two months of total expenses.**

Note 1: In December 2018, the Governing Board established a Board Discretionary Fund for Special Projects of $2.2M. In December 2019, the Governing Board also approved additional $1.8M for Special Project fund ($4M total) and $16M for Innovation Fund.

Note 2: Other Pass-Through Liabilities include HQAF, Rate Range, and DHCS overpayment payables.

Note 3: SCFHP Target Liquidity is based on total monthly budgeted expenses.

Capital Expenditures

- Majority of the capital variances are Community Resource Center, hardware, software, and building improvements due to timing of certain projects.

Expenditure	YTD Actual	Annual Budget
Community Resource Center	$2,325,201	$3,507,100
Hardware	$90,655	$1,282,500
Software	$0	$1,194,374
Building Improvements	$418,777	$866,500
Furniture & Equipment	$0	$28,000
TOTAL	**$2,834,633**	**$6,878,474**

Santa Clara Family Health Plan™

Financial Statements

Income Statement

Santa Clara Family Health Plan

Santa Clara County Health Authority
INCOME STATEMENT
For Four Months Ending October 31, 2020

	Oct-2020 Actuals	% of Rev	Oct-2020 Budget	% of Rev	Current Month Variance $	Current Month Variance %	YTD Oct-2020 Actuals	% of Rev	YTD Oct-2020 Budget	% of Rev	YTD Variance $	YTD Variance %
REVENUES												
MEDI-CAL	$ 84,809,024	83.3%	$ 84,484,923	84.0%	$ 324,101	0.4%	$ 341,206,266	83.0%	$ 335,149,964	84.0%	$ 6,056,302	1.8%
CMC MEDI-CAL	4,076,565	4.0%	2,955,030	2.9%	1,121,535	38.0%	15,188,176	3.7%	11,694,037	2.9%	3,494,139	29.9%
CMC MEDICARE	12,966,237	12.7%	13,121,069	13.0%	(154,832)	-1.2%	54,851,616	13.3%	51,925,262	13.0%	2,926,354	5.6%
TOTAL CMC	17,042,803	16.7%	16,076,099	16.0%	966,703	6.0%	70,039,792	17.0%	63,619,299	16.0%	6,420,493	10.1%
TOTAL REVENUE	**$ 101,851,827**	**100.0%**	**$ 100,561,022**	**100.0%**	**$ 1,290,805**	**1.3%**	**$ 411,246,058**	**100.0%**	**$ 398,769,263**	**100.0%**	**$ 12,476,795**	**3.1%**
MEDICAL EXPENSES												
MEDI-CAL	$ 81,067,222	79.6%	$ 79,888,482	79.4%	$ (1,178,740)	-1.5%	$ 324,069,503	78.8%	$ 315,391,211	79.1%	$ (8,678,291)	-2.8%
CMC MEDI-CAL	2,863,482	2.8%	3,026,994	3.0%	163,511	5.4%	11,823,140	2.9%	11,981,416	3.0%	158,275	1.3%
CMC MEDICARE	12,108,891	11.9%	12,223,233	12.2%	114,342	0.9%	47,964,934	11.7%	48,362,837	12.1%	397,903	0.8%
TOTAL CMC	14,972,373	14.7%	15,250,227	15.2%	277,853	1.8%	59,788,075	14.5%	60,344,253	15.1%	556,178	0.9%
HEALTHY KIDS	462	0.0%	0	0.0%	(462)	0.0%	7,303	0.0%	0	0.0%	(7,303)	0.0%
TOTAL MEDICAL EXPENSES	**$ 96,040,058**	**94.3%**	**$ 95,138,709**	**94.6%**	**$ (901,349)**	**-0.9%**	**$ 383,864,881**	**93.3%**	**$ 375,735,464**	**94.2%**	**$ (8,129,417)**	**-2.2%**
MEDICAL OPERATING MARGIN	**$ 5,811,768**	**5.7%**	**$ 5,422,313**	**5.4%**	**$ 389,456**	**7.2%**	**$ 27,381,177**	**6.7%**	**$ 23,033,799**	**5.8%**	**$ 4,347,378**	**18.9%**
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	$ 3,515,476	3.5%	$ 3,515,378	3.5%	$ (98)	0.0%	$ 13,943,105	3.4%	$ 13,621,610	3.4%	$ (321,495)	-2.4%
RENTS AND UTILITIES	59,176	0.1%	43,275	0.0%	(15,901)	-36.7%	143,424	0.0%	120,185	0.0%	(23,239)	-19.3%
PRINTING AND ADVERTISING	24,321	0.0%	75,429	0.1%	51,108	67.8%	90,004	0.0%	284,942	0.1%	194,938	68.4%
INFORMATION SYSTEMS	302,021	0.3%	333,322	0.3%	31,301	9.4%	1,070,311	0.3%	1,337,288	0.3%	266,978	20.0%
PROF FEES/CONSULTING/TEMP STAFFING	933,354	0.9%	940,155	0.9%	6,802	0.7%	3,729,787	0.9%	3,883,161	1.0%	153,374	3.9%
DEPRECIATION/INSURANCE/EQUIPMENT	314,512	0.3%	364,111	0.4%	49,599	13.6%	1,277,787	0.3%	1,366,140	0.3%	88,353	6.5%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	79,265	0.1%	58,684	0.1%	(20,581)	-35.1%	279,392	0.1%	226,025	0.1%	(53,367)	-23.6%
MEETINGS/TRAVEL/DUES	71,582	0.1%	111,058	0.1%	39,476	35.5%	319,802	0.1%	446,769	0.1%	126,967	28.4%
OTHER	296,368	0.3%	231,417	0.2%	(64,951)	-28.1%	1,024,761	0.2%	922,268	0.2%	(102,493)	-11.1%
TOTAL ADMINISTRATIVE EXPENSES	**$ 5,596,074**	**5.5%**	**$ 5,672,829**	**5.6%**	**$ 76,755**	**1.4%**	**$ 21,878,373**	**5.3%**	**$ 22,208,388**	**5.6%**	**$ 330,015**	**1.5%**
OPERATING SURPLUS (LOSS)	**$ 215,694**	**0.2%**	**$ (250,516)**	**-0.2%**	**$ 466,211**	**-186.1%**	**$ 5,502,804**	**1.3%**	**$ 825,411**	**0.2%**	**$ 4,677,394**	**566.7%**
GASB 75 - POST EMPLOYMENT BENEFITS EXPENSE	$ 84,067	0.1%	$ 60,000	0.1%	$ (24,067)	-40.1%	$ 336,269	0.1%	$ 240,000	0.1%	$ (96,269)	-40.1%
GASB 68 - UNFUNDED PENSION LIABILITY	284,152	0.3%	75,000	0.1%	(209,152)	-278.9%	1,136,608	0.3%	300,000	0.1%	(836,608)	-278.9%
NON-OPERATING EXPENSES	**$ 368,219**	**0.4%**	**$ 135,000**	**0.1%**	**$ (233,219)**	**-172.8%**	**$ 1,472,877**	**0.4%**	**$ 540,000**	**0.1%**	**$ (932,877)**	**-172.8%**
INTEREST & INVESTMENT INCOME	$ 121,136	0.1%	$ 350,000	0.3%	$ (228,864)	-65.4%	$ 562,057	0.1%	$ 1,400,000	0.4%	$ (837,943)	-59.9%
OTHER INCOME	26,508	0.0%	32,896	0.0%	(6,388)	-19.4%	792,929	0.2%	131,582	0.0%	661,347	502.6%
NON-OPERATING INCOME	**$ 147,644**	**0.1%**	**$ 382,896**	**0.4%**	**$ (235,251)**	**-61.4%**	**$ 1,354,986**	**0.3%**	**$ 1,531,582**	**0.4%**	**$ (176,596)**	**-11.5%**
NET NON-OPERATING ACTIVITIES	**$ (220,575)**	**-0.2%**	**$ 247,896**	**0.2%**	**$ (468,471)**	**-189.0%**	**$ (117,891)**	**0.0%**	**$ 991,582**	**0.2%**	**$ (1,109,473)**	**-111.9%**
NET SURPLUS (LOSS)	**$ (4,881)**	**0.0%**	**$ (2,621)**	**0.0%**	**$ (2,260)**	**86.2%**	**$ 5,384,914**	**1.3%**	**$ 1,816,993**	**0.5%**	**$ 3,567,921**	**196.4%**

Balance Sheet

Santa Clara Family Health Plan

SANTA CLARA COUNTY HEALTH AUTHORITY
As of October 31, 2020

	Oct-2020	Sep-2020	Aug-2020	Oct-2019
Assets				
Current Assets				
Cash and Investments	352,583,853	624,723,291	316,296,570	300,653,115
Receivables	523,710,482	520,171,179	822,345,634	528,337,519
Prepaid Expenses and Other Current Assets	9,350,628	10,630,246	10,324,440	11,671,741
Total Current Assets	**885,644,963**	**1,155,524,716**	**1,148,966,644**	**840,662,376**
Long Term Assets				
Property and Equipment	50,220,519	49,650,861	49,078,265	45,648,483
Accumulated Depreciation	(21,806,251)	(21,539,191)	(21,274,764)	(18,544,570)
Total Long Term Assets	28,414,268	28,111,670	27,803,501	27,103,913
Total Assets	**914,059,230**	**1,183,636,385**	**1,176,770,145**	**867,766,289**
Deferred Outflow of Resources	**8,402,260**	**8,402,260**	**8,402,260**	**9,237,609**
Total Assets & Deferred Outflows	**922,461,490**	**1,192,038,645**	**1,185,172,405**	**877,003,898**
Liabilities and Net Assets:				
Current Liabilities				
Trade Payables	7,120,503	8,837,491	7,871,178	10,008,958
Deferred Rent	47,900	47,728	47,822	0
Employee Benefits	2,585,153	2,430,308	2,324,666	1,781,081
Retirement Obligation per GASB 75	2,450,166	2,366,099	2,282,031	4,182,405
Deferred Revenue - Medicare	20,476,272	0	0	0
Whole Person Care / Prop 56	42,736,765	39,655,575	37,973,007	21,339,570
HQAF Payable to Hospitals (SB239)	531,963	529,171	529,171	0
Hospital Directed Payment Payables	206,574	274,742,278	274,742,278	0
Pass-Throughs Payable	26,787	26,877	26,877	6,532,888
Due to Santa Clara County Valley Health Plan and Kaiser	18,589,122	18,334,201	10,742,452	31,679,294
MCO Tax Payable - State Board of Equalization	36,461,565	51,653,884	66,846,203	41,410,280
Due to DHCS	47,266,463	49,264,236	49,216,269	29,964,404
Liability for In Home Support Services (IHSS)	419,268,582	419,268,582	419,268,582	416,092,527
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
Medical Cost Reserves	99,575,513	100,043,325	90,876,542	97,451,250
Total Current Liabilities	**705,637,355**	**975,493,781**	**971,041,103**	**668,736,681**
Non-Current Liabilities				
Net Pension Liability GASB 68	1,136,608	852,455.68	487,472	287,974
Total Non-Current Liabilities	**1,136,608**	**852,455.68**	**487,472**	**287,974**
Total Liabilities	**706,773,962**	**976,346,237**	**971,528,575**	**669,024,655**
Deferred Inflow of Resources	**1,661,827**	**1,661,827**	**1,661,827**	**2,994,548**
Net Assets				
Board Designated Fund: Special Project Funding for CBOs	3,439,274	3,459,274	3,459,274	2,200,000
Board Designated Fund: Innovation & COVID-19 Fund	13,830,001	13,880,001	13,880,001	0
Invested in Capital Assets (NBV)	28,414,268	28,111,670	27,803,501	27,103,913
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	162,651,895	162,884,493	163,192,661	172,516,490
Current YTD Income (Loss)	5,384,914	5,389,795	3,341,216	2,858,942
Total Net Assets / Reserves	**214,025,701**	**214,030,582**	**211,982,003**	**204,984,695**
Total Liabilities, Deferred Inflows and Net Assets	**922,461,490**	**1,192,038,645**	**1,185,172,405**	**877,003,898**

Cash Flow Statement

Santa Clara Family Health Plan

	Oct-2020	Year-to-date
Cash Flows from Operating Activities		
Premiums Received	81,122,431	677,210,385
Medical Expenses Paid	(96,252,948)	(387,750,471)
Administrative Expenses Paid	(256,586,907)	(269,355,883)
Net Cash from Operating Activities	**(271,717,424)**	**20,104,031**
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(569,658)	(2,834,633)
Cash Flows from Investing Activities		
Interest Income and Other Income (Net)	147,644	1,354,986
Net Increase/(Decrease) in Cash & Cash Equivalents	**(272,139,438)**	**18,624,383**
Cash & Investments (Beginning)	624,723,291	333,959,470
Cash & Investments (Ending)	**352,583,853**	**352,583,853**
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Income/(Loss)	(152,525)	4,029,928
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	267,060	1,069,453
Changes in Operating Assets/Liabilities		
Premiums Receivable	(3,539,303)	287,296,234
Prepaids & Other Assets	1,279,618	513,071
Accounts Payable & Accrued Liabilities	(252,453,443)	(248,723,765)
State Payable	(17,190,093)	(21,331,908)
IGT, HQAF & Other Provider Payables	254,921	(16,355,953)
Net Pension Liability	284,152	1,136,608
Medical Cost Reserves & PDR	(467,811)	12,470,363
Total Adjustments	**(271,564,899)**	**16,074,103**
Net Cash from Operating Activities	**(271,717,424)**	**20,104,031**

Statement of Operations by Line of Business - YTD

Santa Clara Family Health Plan

Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For Four Months Ending October 31, 2020

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	$341,206,266	$15,188,176	$54,851,616	$70,039,792	**$411,246,058**
MEDICAL EXPENSE	$324,069,503	$11,823,140	$47,964,934	$59,788,075	**$383,864,881**
(MLR)	95.0%	77.8%	87.4%	85.4%	93.3%
GROSS MARGIN	$17,136,763	$3,365,036	$6,886,681	$10,251,717	**$27,381,177**
ADMINISTRATIVE EXPENSE	$18,152,242	$808,014	$2,918,117	$3,726,131	**$21,878,373**
(% of Revenue Allocation)					
OPERATING INCOME/(LOSS)	($1,015,478)	$2,557,022	$3,968,564	$6,525,586	**$5,502,804**
(% of Revenue Allocation)					
OTHER INCOME/(EXPENSE)	($97,813)	($4,354)	($15,724)	($20,078)	**($117,891)**
(% of Revenue Allocation)					
NET INCOME/(LOSS)	($1,113,291)	$2,552,668	$3,952,840	$6,505,508	**$5,384,914**
PMPM (ALLOCATED BASIS)					
REVENUE	$338.25	$407.27	$1,470.83	$1,878.09	**$393.14**
MEDICAL EXPENSES	$321.26	$317.03	$1,286.16	$1,603.20	**$366.97**
GROSS MARGIN	$16.99	$90.23	$184.66	$274.90	**$26.18**
ADMINISTRATIVE EXPENSES	$17.99	$21.67	$78.25	$99.92	**$20.92**
OPERATING INCOME/(LOSS)	($1.01)	$68.57	$106.42	$174.98	**$5.26**
OTHER INCOME/(EXPENSE)	($0.10)	($0.12)	($0.42)	($0.54)	**($0.11)**
NET INCOME/(LOSS)	($1.10)	$68.45	$105.99	$174.44	**$5.15**
ALLOCATION BASIS:					
MEMBER MONTHS - YTD	1,008,753	37,293	37,293	37,293	1,046,046
REVENUE BY LOB	83.0%	3.7%	13.3%	17.0%	100.0%

Santa Clara Family Health Plan™

Appendix

Enrollment By Aid Category

Santa Clara Family Health Plan

SCFHP TRENDED ENROLLMENT BY COA YTD NOVEMBER-2020

		2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06	2020-07	2020-08	2020-09	2020-10	2020-11	FYTD var	%
NON DUAL	Adult (over 19)	24,207	23,999	23,620	23,604	23,873	24,051	25,253	26,299	27,066	27,877	28,269	29,181	29,835	3,536	13.4%
	Child (under 19)	93,831	93,479	92,339	92,248	92,843	93,374	95,145	96,173	96,605	97,359	97,629	98,409	98,930	2,757	2.9%
	Aged - Medi-Cal Only	10,897	10,903	10,904	10,831	10,753	10,801	11,044	11,207	11,227	11,178	11,229	11,263	11,328	121	1.1%
	Disabled - Medi-Cal Only	10,865	10,839	10,845	10,854	10,882	10,851	10,902	10,922	10,944	10,910	10,839	10,875	10,830	-92	(0.8%)
	Adult Expansion	69,889	69,069	68,130	68,372	69,272	70,458	72,546	74,553	76,262	77,701	79,263	80,654	82,060	7,507	10.1%
	BCCTP	12	11	11	11	11	11	11	11	11	11	11	11	11	0	0.0%
	Long Term Care	371	373	379	373	367	380	398	405	402	406	407	409	389	-16	(4.0%)
	Total Non-Duals	**210,072**	**208,673**	**206,228**	**206,293**	**208,001**	**209,926**	**215,299**	**219,570**	**222,517**	**225,442**	**227,647**	**230,802**	**233,383**	**13,813**	**6.3%**
DUAL	Adult (21 Over)	350	341	330	328	320	311	320	321	327	320	337	354	353	32	10.0%
	SPD (21 Over)	23,577	23,498	23,472	23,540	23,541	23,443	23,595	23,508	23,641	23,686	23,654	23,687	23,760	252	1.1%
	Adult Expansion	82	177	139	130	136	134	190	241	261	289	358	410	498	257	106.6%
	BCCTP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	Long Term Care	1,271	1,308	1,266	1,257	1,231	1,235	1,252	1,248	1,261	1,267	1,256	1,237	1,208	-40	(3.2%)
	Total Duals	**25,280**	**25,324**	**25,207**	**25,255**	**25,228**	**25,123**	**25,357**	**25,318**	**25,490**	**25,562**	**25,605**	**25,688**	**25,819**	**501**	**2.0%**
	Total Medi-Cal	**235,352**	**233,997**	**231,435**	**231,548**	**233,229**	**235,049**	**240,656**	**244,888**	**248,007**	**251,004**	**253,252**	**256,490**	**259,202**	**14,314**	**5.8%**
CMC	CMC Non-Long Term Care	8,069	8,206	8,177	8,261	8,388	8,511	8,625	8,775	8,814	9,055	9,212	9,360	9,470	695	7.9%
	CMC - Long Term Care	220	222	224	225	213	214	212	212	215	211	216	210	209	-3	(1.4%)
	Total CMC	**8,289**	**8,428**	**8,401**	**8,486**	**8,601**	**8,725**	**8,837**	**8,987**	**9,029**	**9,266**	**9,428**	**9,570**	**9,679**	**692**	**7.7%**
	Total Enrollment	**243,641**	**242,425**	**239,836**	**240,034**	**241,830**	**243,774**	**249,493**	**253,875**	**257,036**	**260,270**	**262,680**	**266,060**	**268,881**	**15,006**	**5.9%**

Santa Clara Family Health Plan™

Fiscal Year 2020-2021 Budget Update
Governing Board Meeting of December 17, 2020

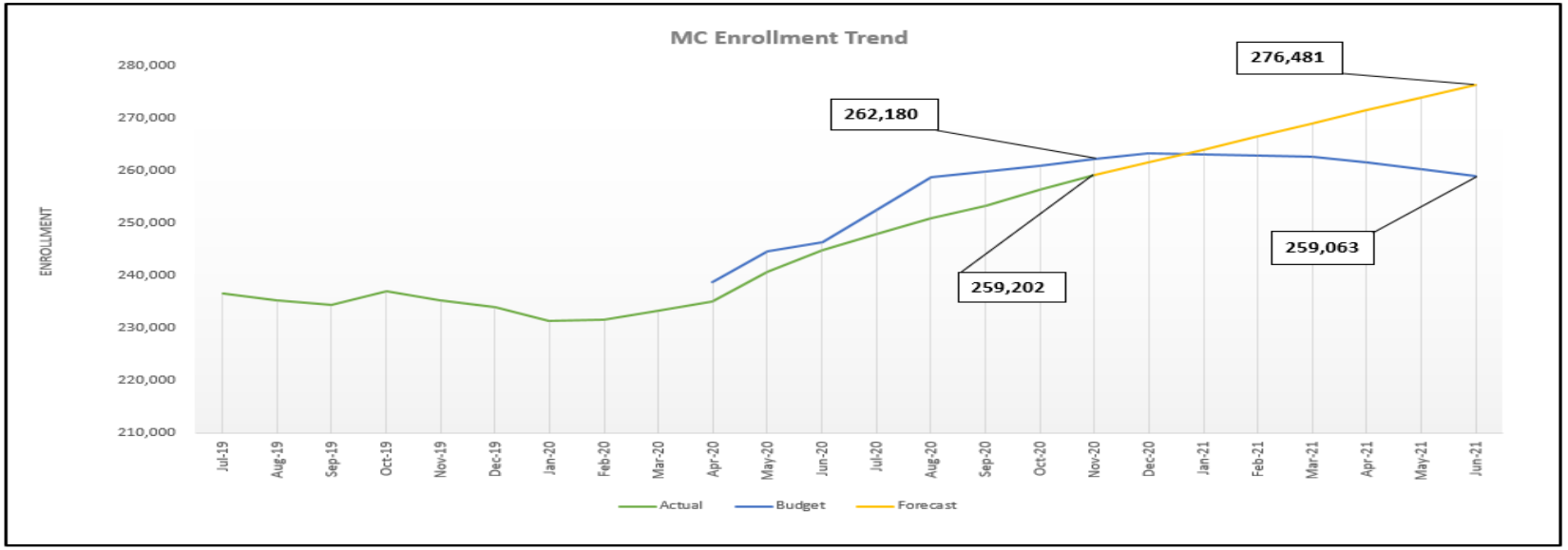
Key Updates to FY21 Budget

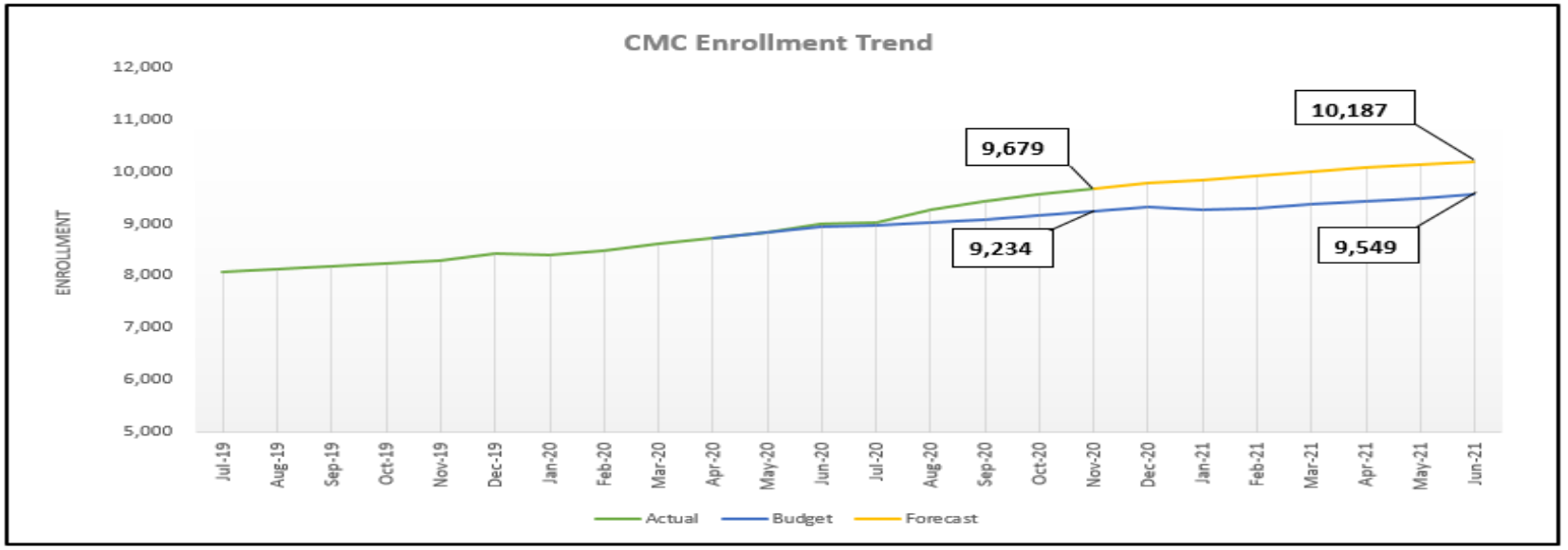
- Introduction
  - The FY21 budget was developed during the initial months of COVID (Mar-May)
  - Some reduction in FFS utilization was noted in early months of pandemic
  - As the COVID crisis continues to unfold, we adjust our estimates and assumptions
  - Forecast incorporates FYTD October 2020 actual results
- Enrollment:
  - Enrollment continues to grow largely due to suspended disenrollments
  - Suspended for the duration of the public health emergency (forecasted through FYE)
- Revenue Rates:
  - Medi-Cal Rates:
    - 18-month retroactive 1.5% rate adjustment ends 12/31/20
    - Awaiting calendar year 2021 Medi-Cal rates from DHCS
  - Full Dual Rates: revised CY20 Full Dual Rates for CMC & Dual MLTSS
  - Medicare Rates: forecasted reduction to CY21 Medicare rates

Key Updates to FY21 Budget, continued

- Medical Expense:
  - Pharmacy carve-out from managed care has been delayed to 04/01/21
  - Increased certain PMPM estimates for projected COVID increases
  - Increased Medi-Cal LTC fee-for-service rates by 10%
- Administrative Expense:
  - Administrative expenses held largely flat
  - Added funds for D-SNP preliminary bid development in CY21
- Overall:
  - The FY21 budget deficit of $13.9M is now forecasted to be a deficit of $6.1M
    - Forecasted MLR of 95.0% (budget = 95.6%)
    - Forecasted ALR of 5.7% (budget = 5.8%)
  - **Significant uncertainties continue**

Enrollment Trends





FY21 Forecast of December 2020

Santa Clara Family Health Plan

	APPROVED BUDGET		FORECAST BUDGET	Variance	Var %
MC - ND	2,818,781		2,841,907	23,126	0.8%
MC - DUAL	308,784		311,053	2,269	0.7%
TOTAL MC	**3,127,565**		**3,152,960**	**25,395**	0.8%
CMC	111,163		116,891	5,728	5.2%
ALL LOB ENROLLMENT	**3,238,728**		**3,269,851**	**31,123**	1.0%
REVENUE	$ 1,146,101,190		$ 1,176,318,882	$ 30,217,692	2.6%
MEDICAL EXPENSE	$ 1,096,073,498		$ 1,117,635,820	$ 21,562,322	2.0%
MLR %	95.6%		95.0%		
MEDICAL OPERATING MARGIN	$ 50,027,691		$ 58,683,062	$ 8,655,371	17.3%
ADMINISTRATIVE EXPENSES	$ 66,895,196		$ 66,615,181	(280,015)	-0.4%
ACR %	5.8%		5.7%		
Net Non-Operating Income	$ 2,980,928		$ 1,871,456	$ (1,109,473)	-37.2%
NET SURPLUS (LOSS)	**$ (13,886,577)**		**$ (6,060,663)**	**$ 7,825,913**	-56.4%
NET SURPLUS (LOSS) %	-1.2%		-0.5%		

Santa Clara County Health Authority
Board Designated Innovation Fund Request Summary

Organization Name:	Healthier Kids Foundation (HKF)
Project Name:	My HealthFirst – Phase 1
Contact Name and Title:	Kathleen King, CEO
Requested Amount:	$42,000
Time Period for Project Expenditures:	December 2020 – July 2021
Proposal Submitted to:	Governing Board
Date Proposal Submitted for Review:	December 17, 2020

Summary of Proposal:

With the Phase 0 funding of $41,710 provided by SCFHP in April 2020, HKF developed a roadmap for planning, implementing, and evaluating a collective action to implement mental health screening and referrals, and improve mental health outcomes, for children and youth in Santa Clara County public schools, and began to pilot the initiative. With Phase 1, during the current 2020/2021 school year, HKF will complete the pilot program at Franklin McKinley School District (FMSD) for student mental health screening and referrals, using the workflow, staffing model and forms developed and implemented with initial student population in Phase 0, screening a total of 350 students. HKF will prepare for FY 21-22 school year continuation at FMSD and rollout to Alum Rock Union School District. All SCFHP funding will sustain continued support of the consultant leading the project. Phase 0 worked through the difficulties created by COVID and inability to screen in-person. With Phase 1, all well-check screenings will continue to occur via Zoom with a screener, a physician, and a school social worker meeting with each student.

Summary of Projected Outcome/Impact:

The outcome of Phase 1 will be an evaluation of the efficacy/impact of the pilot program in improving mental health outcomes; finalized workflows for delivery of screenings/case management and any follow up actions; finalized forms (screening, consent, other); and finalized process and plan for data recording, storage, sharing, and evaluation.

Summary of Additional Funding and Funding Requests:

- Office of County Supervisor Susan Ellenberg (Phase 0) $20,000
- Anthem Blue Cross (Phase 0) $50,000
- Palo Alto Medical Foundation (Phase 1) $40,000
- The Chen Institute (Phase 1) $35,000
- Two grant applications pending for additional funding for the next three years

HKF continues to develop the budget and the funding sources for future years.

Healthier Kids Foundation

Grant Request to Santa Clara Family Health Plan for

My HealthFirst Phase 1

County of Santa Clara My HealthFirst Plan 2019-2021
Pilot Project Progress Report

November 15, 2020

Vision: All children should have the opportunity to thrive in healthy communities that promote cultural humility, equity, inclusion and optimal mental health/wellness through preventive screenings and case management. Screenings offer opportunities to provide preventative care and early intervention. A focus on wellness can be supported through routine screenings and offers opportunities to share wellness information with families.

Pilot Phase One
Healthier Kids Foundation and My HealthFirst request an additional grant to finish the first-year pilot with fifth graders in Franklin McKinley School District (FMSD).

Healthier Kids Foundation has used all funding from SCFHP to fund our consultant Laura Champion. None of the funding was used for overhead and no funding was used for legal. Some in-kind legal advice was offered, and it was quickly decided by FMSD, Healthier Kids Foundation and Laura Champion that parental consent forms should be used to receive parent permission and the need for more legal advice was unnecessary.

Ms. Laura Champion's time and efforts have been instrumental to the process and work completed to date. Laura has billed us for approximately $6200 a month and offered us $4000 of her time pro-bono to allow the program to continue with less funding.

The project has required an immense increase in resource but work currently is considered by all partners to be successful. Healthier Kids Foundation is requesting an addition $42,000 to allow use of Ms. Campion's effort to complete the endeavor this school year and document the pilot for additional district development next school year.

Summary of Progress
Well Check Screenings using the modified Kaiser POQ2 form adding positive asset questions for students has started (82 completed) and PSC 35 (17) screenings and resources for support have begun.

Screenings are not as efficient as they would be in person. Currently, each student has a zoom meeting that includes a screener, physician, and FMSD Social Worker.

Current Received Funding and Efforts for Additional Funding
Healthier Kids Foundation has received a small inventory item from Supervisor Ellenberg ($20K), Anthem Blue Cross Pilot Effort ($50K), Palo Alto Medical Foundation re-allocated from another program ($40K) to be used for physician costs and Healthier Kids Foundation screeners, IT effort, and Parent Advocate work.

Healthier Kids Foundation has four grant applications out and one is close to commitment for a small amount of funding each year for three years ($35K a year).

Detailed Update on Progress

- Focus Groups were completed in English and Spanish

- Town Hall Meetings occurred in English, Spanish, and Vietnamese-Thank you to Dr. Nakahira for her time
- Parental Permission was developed in English, Spanish, and Vietnamese by Ms. Champion, Healthier Kids Foundation, and FMSD utilizing FMSD "Permission Click"
- FMSD organized 3 social workers to be available between noon and 5 p.m. for two shifts of 20 minutes zoom appointments for the students (one track 12-4 p.m. and one track 2-5 p.m.). Plan is to increase to 3 tracks in December. One Social Worker is needed for escalation of any students showing an emergency need (includes 4 students currently).
- Healthier Kids Foundation organized 2 AACI physicians, one Gardner, and 3 other physicians trained and organized to maintain physician shifts.
- Orientations for Screeners, Case Managers (now called Parent Advocates), physicians, and School Social Workers completed
- All shifts including physician, social worker, and screener organized in Salesforce
- Salesforce systems were developed to collect results of Well Check visit results (modified Kaiser form) and PSC 35 results
- FMSD protocol for students with emergency needs during well check visit is in place and run by FMSD Social Workers
- Well Check visits have been completed for 82 of the 700 students. Zoom has decreased the efficiency of the effort. Without physical screenings occurring, there is no synergy currently between emotional wellbeing screenings and vision, hearing, and dental. In fact, no physical screenings have occurred at FMSD this school year yet.
- Parent Advocates have referral and resource lists as well parenting tips to use during PSC 35 interviews with parents and quarantine tips to help parents support their child's attendance and success in school.
- Healthier Kids Foundation is in the process of meeting with both Catholic Charities and Uplift BHD leadership to better ascertain CBO capacity needs in FMSD (completed by 11/18).
- Healthier Kids is formalizing the protocol to utilize CBO contacts for SLS and PEI services to assist Parent Advocates with Yellow Zone calls to parents and linkage to services as needed
- PSC 35 interviews with parents are started with 17 completed by Parent Advocates. Needs due to COVID-19 19 beyond the students' needs are being addressed by staff.
- Daily briefings occurred the first two weeks of screening and have moved to weekly. Rapid response team in support of successful improvements in place.

Highlights/Lowlights

- Efforts are deemed successful by all partners; program is moving forward, and all data can be analyzed daily due to development in Salesforce.
- Partnership is strong and works quickly and efficiently to make needed changes as we go.
- More resources for families that do not qualify through the PSC 35 need to be set up. This is work that will occur in the next two weeks.
- Healthier Kids Foundation staff time has been increased to help with consent forms and scheduling. This process is inefficient due to back and forth with parents on consent form, scheduling, and scheduling reminders required.

Future Actions

- The disconnect between student worries and parental understanding of their concerns need to be evaluated further and steps put in place to address the gap.
- Funding for the next 2-5 years needs to be applied for, but more data is required to help support these requests. Our hope is to at least screen half the school base this year or 350 students.

Documents that can be supplied

- Workflows for delivery of screenings and follow-up actions
- Well Check Screening Form (Modified Kaiser Form) and PSC 35
- Parental Consent Form in English, Spanish, and Vietnamese
- Recordings of the Town Hall Meetings

Questions of the SCFHP Executive Finance Committee

- What is currently being done for behavioral health screenings and referrals in schools? What is the gap or unmet need that My HealthFirst will be filling? Alum Rock Union and FMSD both have School Link Service and Prevention and Early Intervention (PEI) is in place for those children that shows concerns during their teacher interactions. Our program works to identify children before issues arise and we believe it is the only program in California working to combine Social workers with early screening.
- Proposition 56 funding provides additional reimbursement to providers for screenings for ACES. How will My HealthFirst screenings and referrals align with and/or complement ACES screenings? It may be too early to say, ACES focus is on the adverse environment children live in whereas My HealthFirst focuses on what is happening to the students that may be leading to future mental illness or causing chronic absenteeism. It compliments ACES and it may be too early to say how they may work together. My HealthFirst uses the development of ACES resources to further its program, replicating much of what has already been developed.
- Will the program involve Elisa Koff-Ginsborg and her association? How will you involve the current mental health service providers who focus on children/youth behavioral health issues? Elisa's organization, Santa Clara County Behavioral Health, and all the local providers are intimately involved. They are the organizations and resources that will allow the program to work.

Healthier Kids Foundation would be pleased to share aggregate data of the program's screenings but would prefer to wait until we have at least 250 students screened and can share a larger database. This may need to occur after the first of the year.

Healthier Kids Foundation

Report to Santa Clara Family Health Plan for

My HealthFirst Phase 0 Grant

County of Santa Clara My HealthFirst Plan 2019-2021
Pilot Project Progress Report

October 6, 2020

Vision: All children have the opportunity to thrive in healthy communities that promote cultural humility, equity, inclusion and optimal mental health through preventive screenings and case management. Screenings offer opportunities to provide preventative care and early intervention. A focus on wellness can be supported through routine screenings and offers opportunities to share wellness information with families.

Pilot Phase One

Progress Report Introduction

The My HealthFirst Pilot Project was launched almost immediately before COVID19 hit Santa Clara County with full force. This frightening pandemic has rocked the world and likely will continue to for quite some time. The varied effects on this specific pilot project have created some barriers as well as opportunities. While the timeline and ability to meet directly has been altered, the odd benefit of a pandemic coupled with a societal recognition of our racial divide, has emphasized the need to view mental health on par with physical health needs. There has been virtually no resistance to the over-arching goals of this project. The time is right for a wholistic approach to children's health needs and the ability to screen for mental along with physical health needs in our schools. Launch of the school screening is right around the corner and as such there has been increase in project activities to ensure success for the Franklin-McKinley School District Fifth Grade students, parents and school community.

Sponsorship and Leadership

Sponsorship secured with the following stakeholders;

Franklin McKinley School District
SCC Board of Supervisors; President Chavez and Supervisor Susan Ellenberg
SCC Behavioral Health Department
Santa Clara County Office of Education
Kaiser, San Jose VP Irene Chavez
Santa Clara Family Health Plan
Anthem Blue Cross
Palo Alto Medical Foundation
Dr. Steven Edelscheim, Director, Stanford
Behavioral Health Coalition of Agencies (BHCA)

Project Strategic Plan – Funding

Healthier Kids Foundation Executive Director secured funding from;

- Anthem Blue Cross - $50,000.00 grant – June 19, 2020
- PAMF transferred their restricted funding from VisionFirst to My Health First - $40,000 – September 2020

Project Plan Operational Progress

- Project Work Team meetings reconvened refined project objectives, designed strategies, secured resources and began preparations for the screening days;
- Met with Supervisor Ellenberg and her aide to provide update on pilot progress, garner support and suggestions;
- Three focus groups (BHCA Executive Committee, English and Spanish Speaking Parent Groups) hosted and information gleaned to inform project;
- Designed a hybrid screening questionnaire entitled; ***Wellness Check*** incorporating the POQ2.0 Likert Scale questions as well as Developmental Asset narrative questions;
- Produced screening process flow chart, protocols, agreements, deliverables with timeline
- Assessed the COVID19 County Health Department decisions and the subsequent CA State Education Department and Public Health decisions resulting in shift to remote screenings on Zoom;
- Determined no need for legal review due to acceptance for the need of parent consent;
- Designed interviewer protocols to ensure attention to the child and parent experience at the end of the screening and transition back to class and or home life;
- Santa Clara University intern Lili Soth extended her time with project. Ms. Soth continues to provide research, meeting management, focus group support and other project tasks;
- Project collaboration committee meetings have been held with FMSD, BHD, and Kaiser leadership and will continue as needed to accomplish all stated goals;
- Project plan updated due to COVID19 and design of hybrid screening questionnaire;

Project Goals and Status

1. Research other similar programs and whether we can replicate what is already available;

Completed

2. Do we need to use consent forms or opt out forms?

Completed

3. Evaluate legal concerns that could be tied to the screenings;

Completed

4. How will the data be used but not label students?

In Progress: Parent Focus Groups completed and Town Hall Events scheduled

5. Determine data storage; (e.g. school, Healthier Kids Foundation, and/or SCC BHD)

Completed

6. Evaluate current forms to determine standardization;

Completed

7. Collaborate with Kaiser to develop use of a modified POQ-2.0 form for initial screening;

Completed – Project leadership pivoted to a hybrid questionnaire with Kaiser Permanente leadership approval use POQ-2.0 content combined with asset narrative questions, "My HealthFirst Wellness Check".

8. Collaborate with SCC Behavioral Health to analyze use of their forms;

Completed

9. Develop Parent consent forms to allow Healthier Kids Case Managers to offer parents the PSC 35 and follow up if needed by case management for the student;

In Progress – Consent form and ROI currently being edited and translated and will be sent through Franklin McKinley District format and system.

10. Convene and host focus groups to receive feedback on plan and how to name the program and effort so as not to stigmatize the students;

Completed – BHCA Executive Committee, English and Spanish Language Parent Focus Groups

11. Review questions included in the Kaiser POQ2 to see if additional questions should be added;

Completed – Modified questionnaire to include Developmental Asset questions

12. Evaluate how to add results to Santa Clara County Office of Education (SCCOE) to compare data with chronic absenteeism data (one out of 11 children in Santa Clara County misses more the 3.5 weeks of school a year);

Pending – Current capacity available to achieve this goal after the design of protocol, data capturing and report out on findings

13. Analyze what additional resources may be needed by SCC Behavioral Health;

Pending – BHD contracted SLS and PEI CBO providers will likely require increased capacity

14. Evaluate how to deal with special needs students and language barriers including ASL;

Partially Completed – FMSD to assess number of students on IEP requiring accommodations

15. Evaluate whether a social worker and contracted pediatrician is needed or whether a pediatrician is the only specialist needed, especially in districts that don't have many social workers;

Completed

16. Develop the student screening process and how to handle students that show in the red zone in the Wellness Check analysis, how will the student be immediately supported;

Completed

17. Develop an HKF/FMSD escalation process when case management is unable to contact parents or parents refuse help; how will these situations be handled;

Completed

18. Analyze when CPS may be needed and a process may need to be put in place;

Completed

19. Evaluate the time required to provide an evaluation of the children scoring in the yellow and red ranges;

Pending – Beta testing may be needed as the MH screening may take longer than the physical health screenings due to the nature of this specific screening

20. Define how this is different from Adverse Childhood Experiences (ACES);

Completed

21. Address how the student health information in the education records will be protected as per Family Educational Rights and Privacy Act (FERPA);

Completed

22. Develop a process of providing this information and any concerns to the primary care provider (PCP);

Pending -

23. Develop a process that if there are more children within the home how to assess these children at risk;

In Progress – Case Managers will receive training on how to inquire of and provide linkage to parents for other life domain needs contributing to the students' stress

Next Steps

- Build online screening data base in Salesforce;
- Physician recruitment, contracting and orientation ;
- Finalize and translate parent consent and ROI forms;
- Provide orientations for; Screeners, Case Managers, and School Social Workers on process flow chart, protocols, scripts, risk response, data collection/disposition, self-care;
- Draft Town Hall parent invitation letters and emails (translations);
- Provide three Parent Town Hall Events (English, Spanish and Vietnamese);
- Update interviewer protocols to ensure attention to a supportive child experience at the end of Zoom interviews and transition back to class and or home life;
- Design Zoom platform for: appointment, invitation and reminders
- Case Managers to provide parent outreach after Town Hall events to ensure full participation of 5th graders;
- CM to design referral and resource lists as well parenting tips during quarantine to help parents support their child's attendance and success in school;
- Meet with BHD leadership to better ascertain CBO capacity needs;
- Secure CBO contacts for SLS and PEI services to assist CM with Yellow Zone calls to parents and linkage to services as needed;
- Launch weekly rapid response team in support of successful screening weeks;