Regular Meeting of the

Santa Clara County Health Authority
Executive/Finance Committee

Thursday, August 22, 2019, 11:30 AM - 1:00 PM
Santa Clara Family Health Plan, Boardroom
6201 San Ignacio Ave, San Jose, CA 95119

AGENDA

1.	**Roll Call**	Mr. Brownstein	11:30	5 min
2.	**Public Comment** Members of the public may speak to any item on the agenda; two minutes per speaker. The Executive/Finance Committee reserves the right to limit the duration of the public comment period to 30 minutes.	Mr. Brownstein	11:35	5 min
3.	**Meeting Minutes** Review meeting minutes of the July 25, 2019 Executive/Finance Committee. **Possible Action:** Approve July 25, 2019 Executive/Finance Committee Minutes **Announcement Prior to Recessing into Closed Session** Announcement that the Executive/Finance Committee will recess into Closed Session to discuss Item 4 (a) below.	Mr. Brownstein	11:40	5 min
4.	**Adjourn to Closed Session**		11:45	
	a. **Real Property Negotiations** (Government Code Section 54956.8): It is the intention of the Executive/Finance Committee to meet in Closed Session to confer with its Real Property Negotiators concerning the price and terms of payment related to the possible lease of real property located at 408 N. Capital Avenue, San Jose, CA. The negotiators for the Health Authority are Dave Cameron, CFO, and Christine Tomcala, CEO. The other negotiating party is Capitol Square Partners.			
5.	**Report from Closed Session**	Mr. Brownstein	12:05	5 min
6.	**Preliminary June 2019 Financial Statements** Review pre-audit June 2019 Financial Statements. **Possible Action:** Approve the Preliminary June 2019 Financial Statements	Mr. Cameron	12:10	10 min
7.	**Compliance Update** Discuss audit activity and corrective action plan progress. **Possible Action:** Accept Compliance Update	Ms. Larmer	12:20	5 min

8.	**Network Detection and Prevention Update** Review report on firewall intrusion, detection, and prevention efforts. **Possible Action:** Accept Network Detection and Prevention Update	Mr. Tamayo	12:25	5 min
9.	**CEO Update** Discuss status of current topics and initiatives. **Possible Action:** Accept CEO Update	Ms. Tomcala	12:30	5 min
10.	**Government Relations Update** Discussion of local, state and federal legislative and policy issues impacting the Plan and its members.	Mr. Haskell	12:35	5 min
11.	**Board Discretionary Fund Expenditure** Consider funding request from The Health Trust for capital improvements to their new Client Services and Operation Center. **Possible Action:** Approve expenditure from the Special Project Board Discretionary Fund to support capital improvements at the new Health Trust Client Services and Operations Center	Ms. Tomcala	12:40	5 min
12.	**Special Project Board Discretionary Fund** Review and discuss criteria outlined in Policy GO.02 and potential areas of focus. **Possible Action:** Recommend potential refinements to Policy GO.02 – Special Project Board Discretionary Fund	Ms. Tomcala	12:45	15 min
13.	**Adjournment**	Mr. Brownstein	1:00	

Notice to the Public—Meeting Procedures

- Persons wishing to address the Committee 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
Executive/Finance Committee

Thursday, July 25, 2019, 11:30 AM - 1:00 PM
Santa Clara Family Health Plan, Boardroom
6201 San Ignacio Ave, San Jose, CA 95119

Minutes

Members Present
Bob Brownstein
Dolores Alvarado
Linda Williams

Members Absent
Liz Kniss

Staff Present
Christine Tomcala, Chief Executive Officer
Dave Cameron, Chief Financial Officer
Robin Larmer, Chief Compliance & Regulatory Affairs Officer
Laurie Nakahira, D.O., Chief Medical Officer
Laura Watkins, VP, Marketing and Enrollment
Neal Jarecki, Controller
Rita Zambrano, Executive Assistant
Jayne Giangreco, Manager, Administrative Services

1. **Roll Call**

   Bob Brownstein, Chair, called the meeting to order at 11:37 am. Roll call was taken and a quorum was not established.

2. **Public Comment**

   There were no public comments.

3. **May 2019 Financial Statements**

   Dave Cameron, Chief Financial Officer, presented the May 2019 financial statements, which reflected a current month net surplus of $2.3 million ($1.2 million favorable to budget) and a fiscal year-to-date surplus of $16.9 million ($9.4 million favorable to budget). Enrollment declined by 1,701 from the prior month to 249,077 members. Medi-Cal enrollment has declined since October 2016 while CMC membership has grown due to continued outreach efforts. Revenue reflected a favorable current month variance of $7.3 million (9.1%), largely due to a one-time retroactive prior year Medicare quality withhold earn-back, higher Prop 56 revenue accrual of $1.7 million (offset by higher medical expense), and higher non-dual enrollment, versus budget of $1.3 million. Medical expense reflected an unfavorable current month variance of $6.4 million (8.6%) largely due to the combination of increased inpatient, outpatient, institutional and pharmacy expenses of $4.6 million and higher Prop 56 expense noted above. Administrative expense reflected an unfavorable current month variance of $282 thousand (6.1%) due to higher personnel and consulting expenses. Administrative expenses are at budget year-to-date. The balance sheet reflected a Current Ratio of 1.27:1, versus the minimum required by DMHC of 1.0:1. Tangible Net Equity of $194.9 million represented 608.8% of the minimum required by DMHC of $32.0 million.

Dolores Alvarado joined the meeting at 12:15 pm and a quorum was established.

It was moved, seconded, and the May 2019 Financial Statements were **unanimously approved.**

4. CEO Update

Christine Tomcala, Chief Executive Officer, provided an Employee Recognition Gift Card Program summary for fiscal year 2018-19. This program recognizes employees for their outstanding efforts. In the last fiscal year, the Plan awarded twenty-three staff members with $100 dollar gift cards and one staff person received a $50 dollar gift card.

5. Meeting Minutes

The minutes of the May 23, 2019 Executive/Finance Committee were reviewed.

It was moved, seconded, and the May 23, 2019 Executive/Finance Committee Minutes were **approved.**
Dolores Alvarado, Board Member, abstained.

6. Adjourn to Closed Session

a. Real Property Negotiations
The Executive/Finance Committee met in Closed Session to confer with its Real Property Negotiators concerning the price and terms of payment related to the possible lease of real property located at 408 N. Capital Avenue, San Jose, CA.

7. Report from Closed Session

Mr. Brownstein reported the Executive/Finance Committee met in Closed Session to discuss Item 6(a) and authorized staff to move forward with negotiating a lease for the real property 408 N. Capital Avenue, San Jose, CA within budget parameters.

8. Diversify Investment Portfolio

Mr. Cameron noted that during the annual review of the Plan's investment policy in April 2019, staff determined that the Plan's money market fund investment was not sufficiently diversified in accordance with applicable law. Mr. Cameron proposed, and reviewed the benefits of maintaining, an actively-managed portfolio - which include achieving the required diversification, reduced fees, decreased institutional risk, third-party oversight and enhanced reporting.

It was moved, seconded, and the Investment Diversification proposal was **unanimously approved**.

9. Board Discretionary Fund Expenditure

Ms. Tomcala referred to the request from The Health Trust for a one-time grant of $100,000 for capital improvements to its new Client Services and Operations Center. Upon discussion, the Committee suggested that Ms. Tomcala obtain additional information regarding the request. Potential action on the **Board Discretionary Fund Expenditure** was deferred to the next Executive/Finance Committee.

10. Board Discretionary Fund Policy

Ms. Tomcala and the Committee discussed potential revisions to the Special Project Board Discretionary Fund Policy (GO.02), and potential focus areas for funding projects. There will be further consideration and discussion of the policy at the next Executive/Finance Committee meeting.

11. Compliance Update

Robin Larmer, Chief Compliance and Regulatory Affairs Officer, gave a status update on the CMS Program Audit, noting the Plan's sustained compliance with the remedial actions. She also shared a list of the deficiencies identified by DHCS in its 2019 Audit. DHCS was most focused on delegation oversight and monitoring and reporting delegate performance. Ms. Larmer noted that most of the deficiencies had been remediated before the Audit began.

The Plan is currently in week one of the Independent Validation Audit (IVA) for the CMS program audit, starting with the Compliance Program Effectiveness portion. The Compliance team has submitted all requested materials and is waiting for any follow-up questions or requests for information. The IVA for the CCQIPE, SARAG, CDAG, and FA areas will follow, and the auditors' final report is due at the end of September.

It was moved, seconded and unanimously approved to accept the Compliance Update.

12. Adjournment

The meeting was adjourned at 1:03 pm.

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Robin Larmer, Secretary

Santa Clara Family Health Plan™

Unaudited Financial Statements
For The Twelve Months Ended June 30, 2019

Agenda

Santa Clara Family Health Plan.

Financial Highlights

	MTD		YTD	
Revenue	$98 M		$1,056 M	
Medical Expense (MLR)	$81 M	82.5%	$974 M	92.2%
Administrative Expense (% Rev)	$5.0 M	5.1%	$56.4 M	5.3%
Other Income/Expense	$696,061		$4,012,834	
Net Surplus (Loss)	**$12,886,110**		**$29,802,584**	

Cash on Hand	$299 M
Receivables	$474 M
Total Current Assets	$783 M
Current Liabilities	$604 M
Current Ratio	1.30
Tangible Net Equity	$208 M
% of DMHC Requirements	**677.7%**

Financial Highlights

Net Surplus (Loss)	Month: Surplus of $12.9M is $11.4M or 751.1% favorable to budget of $1.5M. YTD: Surplus of $29.8M is $20.7M or 228.9% favorable to budget of $9.1M.
Enrollment	Month: Membership was 249,205 (2,873 or 1.2% favorable budget of 246,332). YTD: Member months were 3.0M (10.1K or 0.3% favorable budget of 3.0M).
Revenue	Month: $98.1M ($18.1M or 22.6% favorable to budget of $80.0M) YTD: $1,056.5M ($88.7M or 9.2% favorable to budget of $967.8M)
Medical Expenses	Month: $80.9M ($6.9M or 9.3% unfavorable to budget of $74.1M) YTD: $974.3M ($72.3M or 8.0% unfavorable to budget of $902.0M)
Administrative Expenses	Month: $5.0M ($661.1K or 15.2% unfavorable to budget of $4.4M) YTD: $56.4M ($659.0K or 1.2% unfavorable to budget of $55.7M)
Tangible Net Equity	TNE was $207.8M (677.7% of minimum DMHC requirement of $30.7M)
Capital Expenditures	YTD Capital Investments of $6.4M vs. $10.9M annual budget, primarily building renovation.

Santa Clara Family Health Plan™

Detail Analyses

Enrollment

- Total enrollment has decreased since June 30, 2018 by 10,270 or -4.0%, in line with budgeted expectation.
- As detailed on page 7, much of the Medi-Cal enrollment decline has been in the Medi-Cal Non-Dual Child, Adult and Adult Expansion categories of aid. Medi-Cal Dual enrollment has been stable overall while CMC enrollment has grown 6.9% due to outreach efforts.
- Membership Trends:
  - Medi-Cal membership decreased since the beginning of the fiscal year by 4.5%.
  - CMC membership increased since the beginning of the fiscal year by 6.9%.
  - Healthy Kids membership increased since the beginning of the fiscal year by 9.1%.

Santa Clara Family Health Plan Enrollment Summary

	For the Month of June 2019			For Twelve Months Ending June 30 2019					
	Actual	Budget	Variance	Actual	Budget	Variance	Variance (%)	Prior Year Actuals	Δ FY18 vs. FY19
Medi-Cal	237,697	235,543	0.9%	2,904,820	2,900,362	4,458	0.2%	3,073,291	(5.5%)
Cal Medi-Connect	8,022	7,915	1.4%	92,838	92,340	498	0.5%	88,970	4.3%
Healthy Kids	3,486	2,874	21.3%	40,083	34,978	5,105	14.6%	34,294	16.9%
Total	**249,205**	**246,332**	**1.2%**	**3,037,741**	**3,027,680**	**10,061**	**0.3%**	**3,196,555**	**(5.0%)**

Santa Clara Family Health Plan Enrollment By Network
June 2019

Network	Medi-Cal		CMC		Healthy Kids		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	30,299	13%	8,022	100%	359	10%	38,680	16%
SCVHHS[1], Safety Net Clinics, FQHC[2] Clinics	118,074	50%	-	0%	1,524	44%	119,598	48%
Palo Alto Medical Foundation	6,863	3%	-	0%	94	3%	6,957	3%
Physicians Medical Group	42,242	18%	-	0%	1,239	36%	43,481	17%
Premier Care	14,731	6%	-	0%	270	8%	15,001	6%
Kaiser	25,488	11%	-	0%	-	0%	25,488	10%
Total	**237,697**	**100%**	**8,022**	**100%**	**3,486**	**100%**	**249,205**	**100%**
Enrollment at June 30, 2018	248,776		7,503		3,196		259,475	
Net Δ from Beginning of FY19	-4.5%		6.9%		9.1%		-4.0%	

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

Enrollment By Aid Category

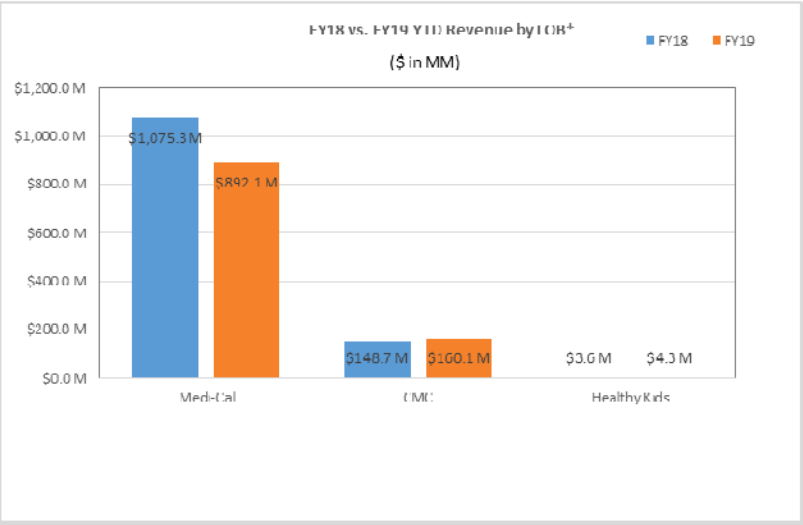
SCFHP TRENDED ENROLLMENT BY COA YTD JUN-19

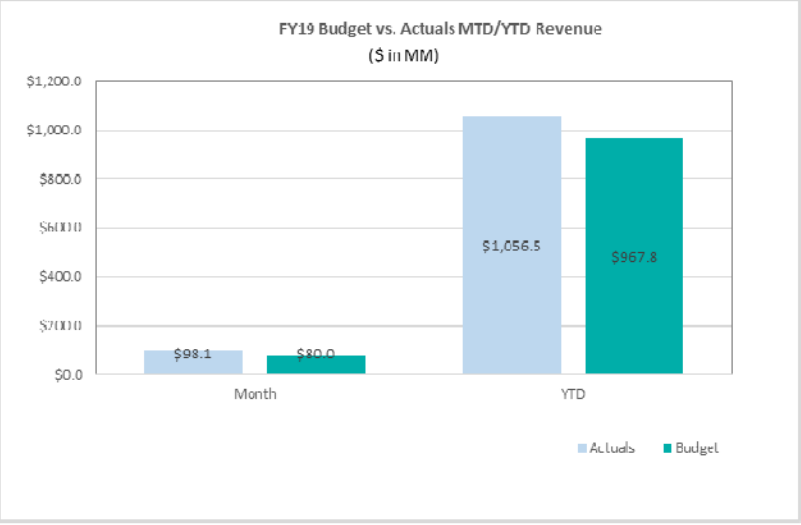
		2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06
NON DUAL	Adult (over 19)	27,001	26,652	26,568	26,354	26,213	26,175	25,954	25,846	25,779	25,563	25,198	25,204
	Child (under 19)	99,369	98,316	98,255	97,518	96,830	96,331	95,155	95,177	95,229	94,956	94,255	94,026
	Aged - Medi-Cal Only	10,909	10,815	10,887	10,869	10,887	10,923	10,901	10,963	10,934	10,949	10,871	10,995
	Disabled - Medi-Cal Only	10,742	10,679	10,635	10,611	10,624	10,631	10,629	10,579	10,595	10,678	10,780	10,819
	Adult Expansion	74,261	73,971	73,959	73,601	73,398	73,186	72,075	72,223	72,143	72,114	71,364	71,465
	BCCTP	13	14	13	12	11	11	9	9	8	10	11	11
	Long Term Care	382	384	387	379	377	372	371	376	375	375	370	372
	Total Non-Duals	**222,676**	**220,831**	**220,703**	**219,343**	**218,340**	**217,629**	**215,093**	**215,173**	**215,063**	**214,644**	**212,848**	**212,891**
DUAL	Adult (21 Over)	387	385	382	385	390	379	373	376	367	368	354	352
	Aged (21 Over)												
	Disabled (21 Over)	22,919	22,928	22,984	22,963	22,897	22,893	22,765	22,728	22,725	22,941	23,009	22,988
	Adult Expansion	455	485	521	533	538	586	556	529	479	304	252	253
	BCCTP	2	2	2	1	1	1	2	1	1	0	0	0
	Long Term Care	1,316	1,323	1,292	1,268	1,233	1,208	1,209	1,203	1,201	1,187	1,192	1,213
	Total Duals	**25,079**	**25,123**	**25,181**	**25,150**	**25,059**	**25,067**	**24,905**	**24,837**	**24,773**	**24,800**	**24,807**	**24,806**
	Total Medi-Cal	**247,755**	**245,954**	**245,884**	**244,493**	**243,399**	**242,696**	**239,998**	**240,010**	**239,836**	**239,444**	**237,655**	**237,697**
	Healthy Kids	**3,278**	**3,187**	**3,163**	**3,217**	**3,460**	**3,345**	**3,252**	**3,375**	**3,348**	**3,465**	**3,507**	**3,486**
CMC	CMC Non-Long Term Care	7,302	7,318	7,386	7,383	7,407	7,484	7,540	7,616	7,680	7,661	7,706	7,815
	CMC - Long Term Care	221	222	214	218	218	211	210	198	204	208	209	207
	Total CMC	**7,523**	**7,540**	**7,600**	**7,601**	**7,625**	**7,695**	**7,750**	**7,814**	**7,884**	**7,869**	**7,915**	**8,022**
	Total Enrollment	**258,556**	**256,681**	**256,647**	**255,311**	**254,484**	**253,736**	**251,000**	**251,199**	**251,068**	**250,778**	**249,077**	**249,205**

Revenue

Current month revenue of $98.1M is $18.1M or 22.6% favorable to budget of $80.0M. YTD revenue of $1,056.5M is $88.7M or 9.2% favorable to budget of $967.8M. This month's variances were due to several factors including:

- Non-Recurring Variances:
  - Increased estimated CY19 revenue for CMC & MLTSS of $7.0M retroactive to January 2019.
  - Recognized Medicare Quality Withhold earn back of $5.2M for calendar years 2017 & 2018.
  - Reduced estimated DHCS overpayment for LTC members of $2.8M for FY19.
- Recurring Variances:
  - Proposition 56 revenue exceeded budget by $1.8M (with an offsetting increase to medical expense).
  - Non-Dual revenue was higher than budget by $1.8M due to a higher enrollment versus budget.



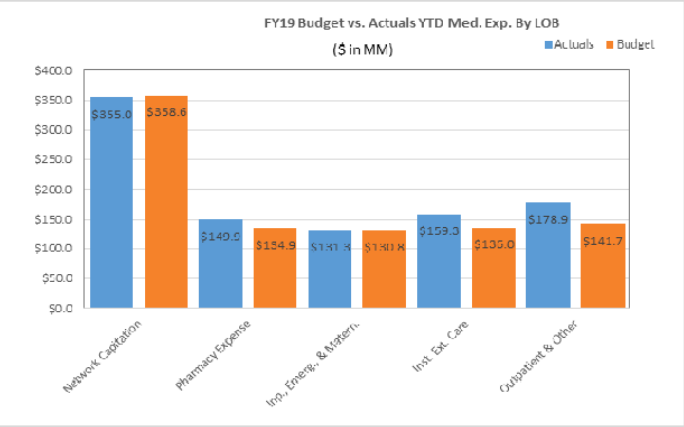


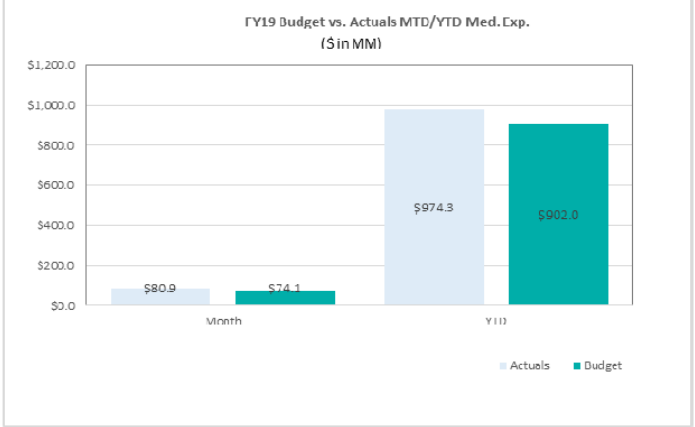
*IHSS was included in FY18 Medi-Cal & CMC revenue through 12/31/17

Medical Expense

Current month medical expense of $80.9M is $6.9M or 9.3% unfavorable to budget of $74.1M. YTD medical expense of $974.3M is $72.3M or 8.0% unfavorable to budget of $902.0M.The current month variances were due to a variety of factors, including:

- Medi-Cal Inpatient, Outpatient, and Institutional expenses in excess of budget yielded an unfavorable variance of $4.7M.
- CMC Medicare Inpatient, Outpatient and Institutional expenses in excess of budget yielded an unfavorable variance of $1.9M.
- Proposition 56 increased medical expense by $1.8M (with offsetting an increase to revenue).





	FY19 Budget vs. Actuals YTD Med. Exp. By LOB			
	Actuals	Budget	Variance	
Network Capitation	$355.0	$358.6	$3.6	1.0%
Pharmacy	$149.9	$134.9	-$15.0	-10.0%
Inp., Emerg., & Matern.	$131.3	$130.8	-$0.5	-0.4%
Inst. Ext. Care	$159.3	$136.0	-$23.3	-14.6%
Outpatient & Other	$178.9	$141.7	-$37.2	-20.8%
Total Medical Expense	**$974.3**	**$902.0**	**-$72.3**	**-8.0%**

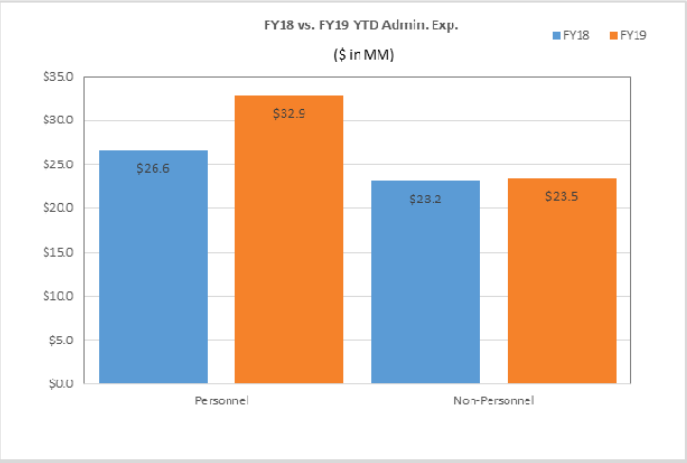
	FY19 Budget vs. Actuals MTD/YTD Med. Exp.			
	Actuals	Budget	Variance	
Month	$80.9	$74.1	-$6.9	-9.3%
YTD	$974.3	$902.0	-$72.3	-8.0%

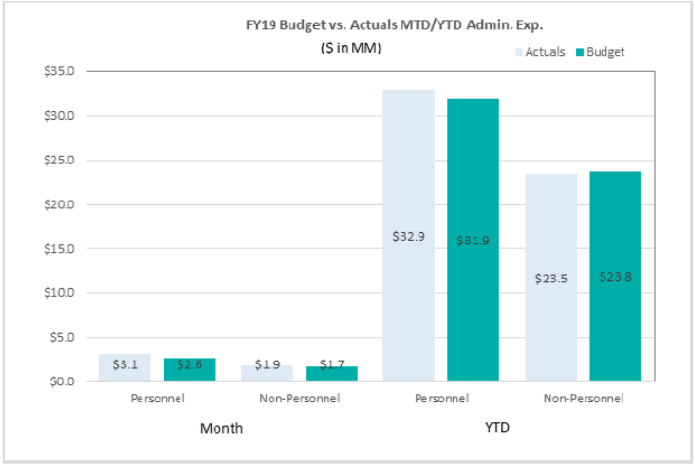
**IHSS was included in medical expense through 12/31/17*

Administrative Expense

Current month admin expense of $5.0M is $661.1K or 15.2% unfavorable to budget of $4.4M. YTD admin expense of $56.4M is $659.0K or 1.2% unfavorable to budget of $55.7M. The current month variances were primarily due to the following:

- Personnel expenses were $533K or 20.5% unfavorable to budget due largely to certain year-end reserves.
- Consulting expenses related to the CMC audits and Grievances & Appeals contributed to an unfavorable variance of $268K.





	FY18 vs. FY19 YTD Admin. Exp.			
	FY18	FY19	Variance	
Personnel	$26.6	$32.9	$6.3	23.7%
Non-Personnel	$23.2	$23.5	$0.3	1.3%
Total Administrative Expense	**$49.8**	**$56.4**	**$6.6**	**13.3%**

		FY19 Budget vs. Actuals MTD/YTD Admin. Exp.			
		Actuals	Budget	Variance	
Month	Personnel	$3.1	$2.6	-$0.5	-20.5%
	Non-Personnel	$1.9	$1.7	-$0.1	-7.3%
	MTD Total	**$5.0**	**$4.4**	**-$0.7**	**-15.2%**
YTD	Personnel	$32.9	$31.9	-$1.0	-3.1%
	Non-Personnel	$23.5	$23.8	$0.3	1.4%
	YTD Total	**$56.4**	**$55.7**	**-$0.7**	**-1.2%**

Balance Sheet

- Current assets totaled $783.2M compared to current liabilities of $604.1M, yielding a current ratio (Current Assets/Current Liabilities) of 1.30:1 vs. the DMHC minimum requirement of 1.0:1.
- Cash as of June 30, 2019 increased by $75.3M compared to the cash balance as of year-end June 30, 2018.
- Current Cash & Equivalent components and yields were as follows:

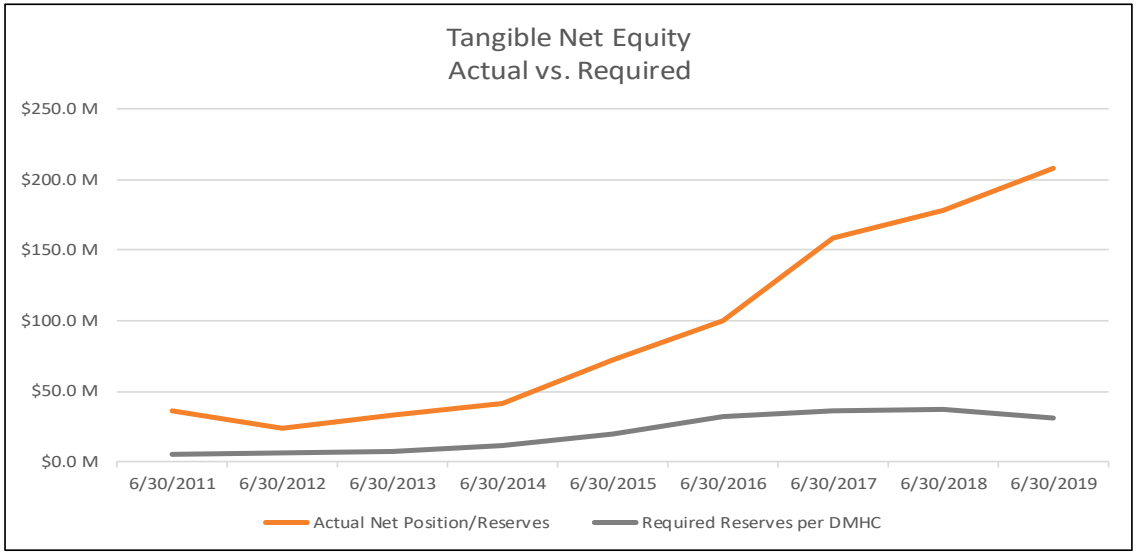
Description	Month-End Balance	Current Yield %	Interest Earned	
			Month	YTD
Short-Term Investments				
County of Santa Clara Comingled Pool	$78,952,945	1.95%	$352,565	$1,646,587
Cash & Equivalents				
Bank of the West Money Market	$414,851	1.34%	$6,468	$107,557
Wells Fargo Bank Accounts	$219,748,858	2.27%	$453,926	$3,784,645
	$220,163,709		$460,394	$3,892,202
Assets Pledged to DMHC				
Restricted Cash	$305,350	0.42%	$13	$348
Petty Cash	$500	0.00%	$0	$0
Total Cash & Equivalents	**$299,422,504**		**$812,971**	**$5,539,138**

Tangible Net Equity

- TNE was $207.8M or 677.7% of the most recent quarterly DMHC minimum requirement of $30.7M.
- TNE trends are presented below:

Santa Clara Health Authority
Tangible Net Equity - Actual vs. Required
As of: June 30, 2019

	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Actual Net Position/Reserves	$36.1 M	$24.2 M	$32.6 M	$40.9 M	$72.6 M	$100.3 M	$158.4 M	$178.0 M	$207.8 M
Required Reserves per DMHC	$5.0 M	$5.9 M	$7.8 M	$11.4 M	$19.3 M	$32.4 M	$35.9 M	$36.8 M	$30.7 M
200% of Required Reserve	$10.0 M	$11.8 M	$15.6 M	$22.9 M	$38.5 M	$64.8 M	$71.8 M	$73.6 M	$61.3 M
Actual as % Required	722.5%	410.2%	418.5%	357.5%	376.9%	309.8%	441.2%	483.4%	677.7%



Reserves Analysis

SCFHP RESERVES ANALYSIS June 2019	
Financial Reserve Target #1: Tangible Net Equity	
Actual TNE	$207,818,447
Current Required TNE	$30,663,070
Excess TNE	**$177,155,377**
Required TNE %	677.7%
SCFHP Target TNE Range:	
350% of Required TNE (Low)	$107,320,746
500% of Required TNE (High)	$153,315,352
TNE Above/(Below) SCFHP Low Target	**$100,497,701**
TNE Above/(Below) High Target	**$54,503,095**
Financial Reserve Target #2: Liquidity	
Cash & Cash Equivalents	$299,422,504
Less Pass-Through Liabilities	
Other Pass-Through Liabilities	($17,810,066)
Total Pass-Through Liabilities	**($17,810,066)**
Net Cash Available to SCFHP	$281,612,438
SCFHP Target Liability	
45 Days of Total Operating Expense	($120,210,934)
60 Days of Total Operating Expense	($160,281,245)
Liquidity Above/(Below) SCFHP Low Target	**$161,401,504**
Liquidity Above/(Below) High Target	**$121,331,193**

Note 1: In December 2018, the Governing Board established a Board Discretionary Fund of $2.2M. The specific projects/recipients have yet to be determined.

Note 2: Other Pass-Through Liabilities include Prop 56 and other provider payables.

Capital Expenditures

YTD Capital investments of $6.4M, largely to complete the renovation of the building, were comprised of the following:

Expenditure	YTD Actual	Annual Budget	
Building	$4,829,438	$ 7,874,631	*
Systems	0	925,000	
Hardware	1,144,025	1,550,000	
Software	398,887	593,000	
Furniture and Fixtures	0	0	
Automobile	0	0	
Leasehold Improvements	0	0	
TOTAL	**$6,372,350**	**$10,942,631**	

** Includes FY18 budget rollover of $6,628,131*

Note 1: The timing of certain I.T. expenses has been delayed to later in the current fiscal year or possibly into the next fiscal year.

Financial Statements

Income Statement

Santa Clara Family Health Plan.

Santa Clara County Health Authority
Income Statement for Twelve Months Ending June 30, 2019

	Current Month						Fiscal Year To Date					
	Actuals	% of Rev	Budget	% of Rev	Variance	% Var	Actuals	% of Rev	Budget	% of Rev	Variance	% Var
REVENUE												
MEDI-CAL	$ 80,349,861	81.9%	$ 67,093,221	83.8%	$ 13,256,640	19.8%	$ 892,088,858	84.4%	$ 818,524,348	84.6%	$ 73,564,510	9.0%
CAL MEDI-CONNECT:												
CMC MEDI-CAL	2,473,123	2.5%	2,609,518	3.3%	(136,395)	-5.2%	31,061,946	2.9%	30,443,832	3.1%	618,114	2.0%
CMC MEDICARE	14,947,717	15.2%	10,030,544	12.5%	4,917,173	49.0%	129,063,172	12.2%	115,214,335	11.9%	13,848,837	12.0%
TOTAL CMC	17,420,841	17.8%	12,640,063	15.8%	4,780,778	37.8%	160,125,118	15.2%	145,658,168	15.1%	14,466,951	9.9%
HEALTHY KIDS	366,580	0.4%	298,609	0.4%	67,972	22.8%	4,267,568	0.4%	3,634,214	0.4%	633,353	17.4%
TOTAL REVENUE	**$ 98,137,282**	**100.0%**	**$ 80,031,892**	**100.0%**	**$ 18,105,389**	**22.6%**	**$ 1,056,481,544**	**100.0%**	**$ 967,816,730**	**100.0%**	**$ 88,664,814**	**9.2%**
MEDICAL EXPENSE												
MEDI-CAL	$ 66,802,498	68.1%	$ 62,161,687	77.7%	$ (4,640,811)	-7.5%	$ 823,669,752	78.0%	$ 762,869,010	78.8%	$ (60,800,741)	-8.0%
CAL MEDI-CONNECT:												
CMC MEDI-CAL	*2,645,477*	*2.7%*	*2,288,722*	*2.9%*	*(356,755)*	*-15.6%*	*30,805,646*	*2.9%*	*26,701,273*	*2.8%*	*(4,104,374)*	*-15.4%*
CMC MEDICARE	*11,236,985*	*11.5%*	*9,360,528*	*11.7%*	*(1,876,457)*	*-20.0%*	*116,041,593*	*11.0%*	*109,148,595*	*11.3%*	*(6,892,998)*	*-6.3%*
TOTAL CMC	13,882,461	14.1%	11,649,250	14.6%	(2,233,212)	-19.2%	146,847,240	13.9%	135,849,868	14.0%	(10,997,371)	-8.1%
HEALTHY KIDS	250,450	0.3%	268,947	0.3%	18,497	6.9%	3,797,986	0.4%	3,273,214	0.3%	(524,771)	-16.0%
TOTAL MEDICAL EXPENSES	**$ 80,935,410**	**82.5%**	**$ 74,079,883**	**92.6%**	**$ (6,855,527)**	**-9.3%**	**$ 974,314,977**	**92.2%**	**$ 901,992,093**	**93.2%**	**$ (72,322,884)**	**-8.0%**
MEDICAL OPERATING MARGIN	**$ 17,201,872**	**17.5%**	**$ 5,952,009**	**7.4%**	**$ 11,249,863**	**62.1%**	**$ 82,166,567**	**7.8%**	**$ 65,824,637**	**6.8%**	**$ 16,341,930**	**18.4%**
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	$ 3,134,979	3.2%	$ 2,602,160	3.3%	$ (532,819)	-20.5%	$ 32,923,188	3.1%	$ 31,936,990	3.3%	$ (986,197)	-3.1%
RENTS AND UTILITIES	15,894	0.0%	17,611	0.0%	1,717	9.7%	412,169	0.0%	464,892	0.0%	52,723	11.3%
PRINTING AND ADVERTISING	53,554	0.1%	44,150	0.1%	(9,404)	-21.3%	970,924	0.1%	1,434,800	0.1%	463,876	32.3%
INFORMATION SYSTEMS	187,784	0.2%	226,473	0.3%	38,689	17.1%	2,277,247	0.2%	2,717,677	0.3%	440,430	16.2%
PROF FEES/CONSULTING/TEMP STAFFING	1,038,932	1.1%	771,088	1.0%	(267,844)	-34.7%	12,902,234	1.2%	10,450,090	1.1%	(2,452,144)	-23.5%
DEPRECIATION/INSURANCE/EQUIPMENT	352,174	0.4%	457,566	0.6%	105,393	23.0%	4,431,102	0.4%	5,543,296	0.6%	1,112,194	20.1%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	86,462	0.1%	117,005	0.1%	30,543	26.1%	1,044,522	0.1%	1,596,051	0.2%	551,529	34.6%
MEETINGS/TRAVEL/DUES	121,916	0.1%	96,846	0.1%	(25,070)	-25.9%	1,076,925	0.1%	1,290,822	0.1%	213,897	16.6%
OTHER	20,128	0.0%	17,804	0.0%	(2,324)	-13.1%	338,504	0.0%	283,231	0.0%	(55,273)	-19.5%
TOTAL ADMINISTRATIVE EXPENSES	**$ 5,011,823**	**5.1%**	**$ 4,350,704**	**5.4%**	**$ (661,119)**	**-15.2%**	**$ 56,376,816**	**5.3%**	**$ 55,717,850**	**5.8%**	**$ (658,966)**	**-1.2%**
OPERATING SURPLUS (LOSS)	$ 12,190,048	12.4%	$ 1,601,305	2.0%	$ 10,588,744	661.3%	$ 25,789,750	2.4%	$ 10,106,787	1.0%	$ 15,682,964	155.2%
OTHER INCOME/EXPENSE												
GASB 45 - POST EMPLOYMENT BENEFITS EXPENSE	(59,780)	-0.1%	(59,780)	-0.1%	0	0.0%	(717,356)	-0.1%	(717,360)	-0.1%	4	0.0%
GASB 68 - UNFUNDED PENSION LIABILITY	(75,000)	-0.1%	(75,000)	-0.1%	-	0.0%	(900,000)	-0.1%	(900,000)	-0.1%	-	0.0%
INTEREST & OTHER INCOME	830,841	0.8%	47,605	0.1%	783,236	1645.3%	5,630,190	0.5%	571,259	0.1%	5,058,930	885.6%
OTHER INCOME/EXPENSE	**696,061**	**0.7%**	**(87,175)**	**-0.1%**	**783,236**	**-898.5%**	**4,012,834**	**0.4%**	**(1,046,101)**	**-0.1%**	**5,058,934**	**-483.6%**
NET SURPLUS (LOSS)	**$ 12,886,110**	**13.1%**	**$ 1,514,130**	**1.9%**	**$ 11,371,980**	**751.1%**	**$ 29,802,584**	**2.8%**	**$ 9,060,686**	**0.9%**	**$ 20,741,898**	**228.9%**

Balance Sheet

SANTA CLARA COUNTY HEALTH AUTHORITY

For the Twelve Months Ending June 30, 2019

	June 2019	May 2019	April 2019	June 2018
Assets				
Current Assets				
Cash and Marketable Securities	$299,422,504	$305,353,492	$270,252,107	$224,156,209
Receivables	473,680,834	469,045,788	492,698,518	493,307,425
Prepaid Expenses and Other Current Assets	10,100,097	8,104,515	7,920,323	7,024,982
Total Current Assets	**783,203,434**	**782,503,795**	**770,870,948**	**724,488,615**
Long Term Assets				
Property and Equipment	44,191,999	43,624,427	43,537,565	38,579,130
Accumulated Depreciation	(17,366,530)	(17,053,735)	(16,729,649)	(14,309,761)
Total Long Term Assets	26,825,468	26,570,692	26,807,916	24,269,369
Total Assets	**810,028,903**	**809,074,487**	**797,678,864**	**748,757,984**
Deferred Outflow of Resources	**14,535,240**	**14,535,240**	**14,535,240**	**14,535,240**
Total Deferred Outflows and Assets	**824,564,143**	**823,609,727**	**812,214,104**	**763,293,224**
Liabilities and Net Assets				
Current Liabilities				
Trade Payables	5,638,807	4,450,765	4,808,233	8,351,090
Deferred Rent	(0)	(0)	(0)	17,011
Employee Benefits	1,821,153	1,713,820	1,817,397	1,473,524
Retirement Obligation per GASB 45	3,436,863	4,208,371	4,148,592	4,882,795
Advance Premium - Healthy Kids	91,917	97,693	94,963	66,195
Deferred Revenue - Medicare	-	8,950,629	-	9,928,268
Whole Person Care/Prop 56	17,810,066	15,893,653	22,418,108	9,263,004
Payable to Hospitals	-	243,089	243,089	0
IGT, HQAF & Other Provider Payables	11,042,163	18,097,493	16,057,886	6,691,979
MCO Tax Payable - State Board of Equalization	26,353,889	17,569,259	8,784,630	(0)
Due to DHCS	26,789,200	36,800,474	37,700,004	24,429,978
Liability for In Home Support Services (IHSS)	416,092,527	416,092,527	416,092,527	413,549,551
Current Premium Deficiency Reserve (PDR)	2,374,525	2,374,525	2,374,525	2,374,525
Medical Cost Reserves	92,615,651	89,581,155	92,524,194	92,470,504
Total Current Liabilities	**604,066,760**	**616,073,453**	**607,064,144**	**573,498,425**
Non-Current Liabilities				
Noncurrent Premium Deficiency Reserve (PDR)	5,919,500	5,919,500	5,919,500	5,919,500
Net Pension Liability GASB 68	2,724,796	2,649,796	2,574,796	1,824,796
Total Non-Current Liabilities	**8,644,296**	**8,569,296**	**8,494,296**	**7,744,296**
Total Liabilities	**612,711,056**	**624,642,749**	**615,558,440**	**581,242,721**
Deferred Inflow of Resources	**4,034,640**	**4,034,640**	**4,034,640**	**4,034,640**
Net Assets / Reserves				
Invested in Capital Assets	26,825,468	26,570,692	26,807,916	24,269,369
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	150,885,044	151,139,821	150,902,597	133,805,841
Current YTD Income (Loss)	29,802,584	16,916,475	14,605,161	19,635,303
Total Net Assets / Reserves	207,818,447	194,932,337	192,621,023	178,015,863
Total Liabilities, Deferred Inflows, and Net Assets	**824,564,143**	**823,609,727**	**812,214,104**	**763,293,224**

Cash Flow – YTD

Cash Flows from Operating Activities	
Premiums Received	1,104,821,246
Medical Expenses Paid	(967,276,671)
Adminstrative Expenses Paid	(61,536,120)
Net Cash from Operating Activities	**$76,008,455**
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(6,372,350)
Cash Flows from Investing Activities	
Interest Income and Other Income (Net)	5,630,190
Net Increase/(Decrease) in Cash & Cash Equivalents	**75,266,295**
Cash & Cash Equivalents (Jun 2018)	224,156,209
Cash & Cash Equivalents (Jun 19)	**$299,422,504**
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating Income/(Loss)	**$29,802,584**
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Depreciation	3,816,250
Changes in Operating Assets/Liabilities	
Premiums Receivable	19,626,591
Other Receivable	(5,630,190)
Due from Santa Clara Family Health Foundation	-
Prepaids & Other Assets	(3,075,115)
Deferred Outflow of Resources	-
Accounts Payable & Accrued Liabilities	(5,183,083)
State Payable	28,713,110
IGT, HQAF & Other Provider Payables	4,350,184
Net Pension Liability	900,000
Medical Cost Reserves & PDR	145,147
IHSS Payable	2,542,975
Deferred Inflow of Resources	-
Total Adjustments	**42,389,620**
Net Cash from Operating Activities	**$76,008,455**

Statement of Operations - YTD

Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For Twelve Months Ending June 30 2019

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Healthy Kids	Grand Total
P&L (ALLOCATED BASIS)						
REVENUE	$892,088,858	$31,061,946	$129,063,172	$160,125,118	$4,267,568	**$1,056,481,544**
MEDICAL EXPENSE	$823,669,752	$30,805,646	$116,041,593	$146,847,240	$3,797,986	**$974,314,977**
(MLR)	92.3%	99.2%	89.9%	91.7%	89.0%	**92.2%**
GROSS MARGIN	$68,419,107	$256,300	$13,021,579	$13,277,878	$469,582	**$82,166,567**
ADMINISTRATIVE EXPENSE	$47,604,362	$1,657,553	$6,887,173	$8,544,725	$227,729	**$56,376,816**
(% of Revenue Allocation)						
OPERATING INCOME/(LOSS)	$20,814,745	($1,401,253)	$6,134,406	$4,733,153	$241,852	**$25,789,750**
(% of Revenue Allocation)						
OTHER INCOME/(EXPENSE)	$3,388,421	$117,983	$490,221	$608,203	$16,210	**$4,012,834**
(% of Revenue Allocation)						
NET INCOME/(LOSS)	$24,203,166	($1,283,270)	$6,624,627	$5,341,357	$258,062	**$29,802,584**
PMPM (ALLOCATED BASIS)						
REVENUE	$307.11	$334.58	$1,390.20	$1,724.78	$106.47	**$347.79**
MEDICAL EXPENSES	$283.55	$331.82	$1,249.94	$1,581.76	$94.75	**$320.74**
GROSS MARGIN	$23.55	$2.76	$140.26	$143.02	$11.72	**$27.05**
ADMINISTRATIVE EXPENSES	$16.39	$17.85	$74.18	$92.04	$5.68	**$18.56**
OPERATING INCOME/(LOSS)	$7.17	($15.09)	$66.08	$50.98	$6.03	**$8.49**
OTHER INCOME/(EXPENSE)	$1.17	$1.27	$5.28	$6.55	$0.40	**$1.32**
NET INCOME/(LOSS)	$8.33	($13.82)	$71.36	$57.53	$6.44	**$9.81**
ALLOCATION BASIS:						
MEMBER MONTHS - YTD	2,904,820	92,838	92,838	92,838	40,083	3,037,741
REVENUE BY LOB	84.4%	2.9%	12.2%	15.2%	0.4%	100.0%

Santa Clara Family Health Plan™

Network Detection and Prevention Report

August 2019

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:

High/Critical

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.

8/16/2019

Attack Statistics Combined

April/May/June/July

	Number of Different Types of Attacks				Total Number of Attempts				Percent of Attempts			
Severity Level	Apr	May	Jun	Jul	Apr	May	Jun	Jul	Apr	May	Jun	Jul
Critical	3	6	8	8	24	29	38	61	0.03	0.05	0.06	0.12
High	6	10	3	4	17102	10528	17	40	23.54	17.73	0.03	0.08
Medium	13	11	9	11	1092	6448	9988	7215	1.5	10.86	16.58	14.70
Low	10	8	3	7	9623	1990	162	2920	13.24	3.35	0.27	5.95
Informational	17	17	13	16	44820	40377	50023	38829	61.68	68.01	83.06	79.15

Significant increase of attacks with a High severity level in April and May – This was due to a spike in brute force username/password hack attempts. We normally average a few hundred attempts per day, but on April 5th and May 14,15, and 27th our firewall blocked a few thousand attempts. Our Firewall vendor, Palo Alto Networks, confirmed that this was not isolated to our IP address and the spike of brute force login attempts was seen across the World Wide Web.

8/16/2019

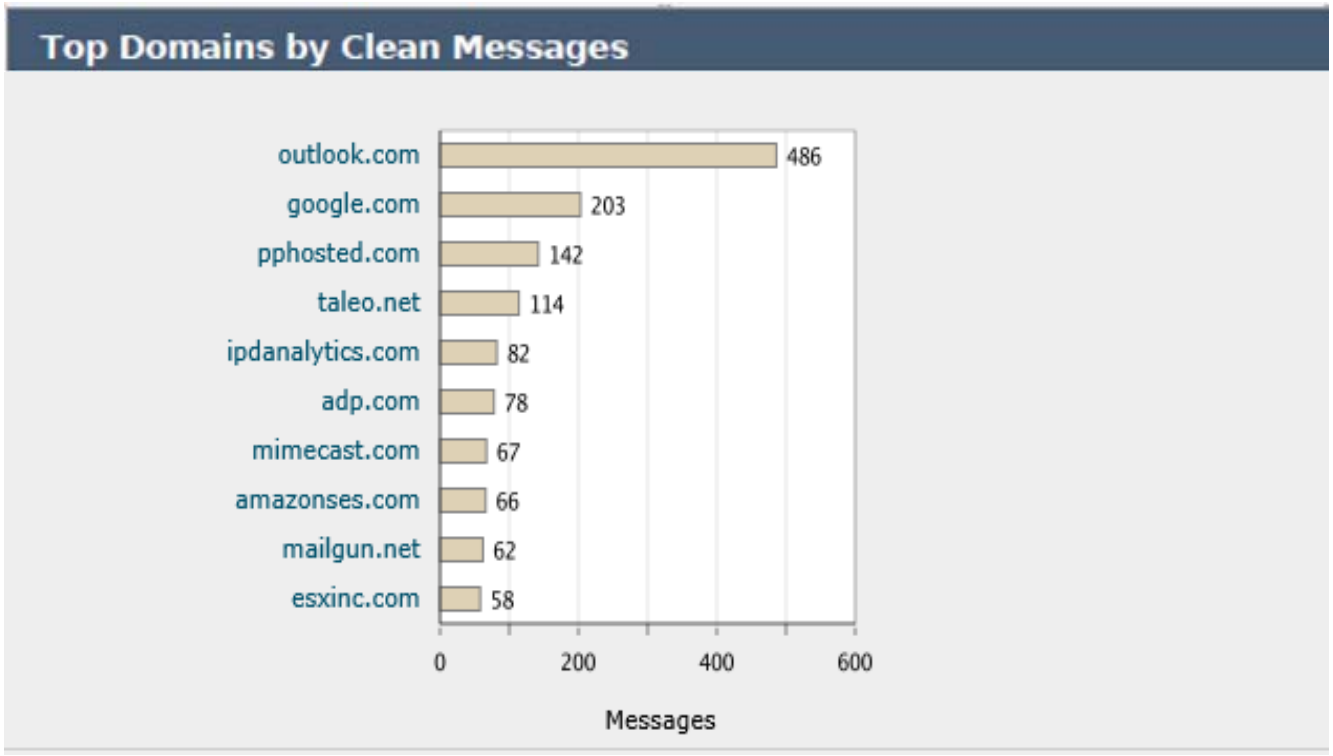
Email Security – Monthly Statistics

Santa Clara Family Health Plan.

Overview > Incoming Mail Summary

Message Category	%	Messages
Stopped by Reputation Filtering	28.2%	35.7k
Stopped as Invalid Recipients	0.0%	0
Spam Detected	11.1%	14.0k
Virus Detected	0.0%	1
Detected by Advanced Malware Protection	0.0%	0
Messages with Malicious URLs	0.2%	282
Stopped by Content Filter	0.2%	287
Stopped by DMARC	0.0%	0
S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:	**39.5%**	**50.0k**
Marketing Messages	18.0%	22.8k
Social Networking Messages	0.6%	778
Bulk Messages	7.7%	9,695
Total Graymails:	**26.3%**	**33.3k**
S/MIME Verification/Decryption Successful	0.0%	0
Clean Messages	34.2%	43.4k
Total Attempted Messages:		**126.7k**

Email Security – Daily Statistics



esxinc.com
- provides association, membership, events, continuing education, mobile or custom solutions for any industry or market.

MailGun.net
- Email service provider for Developers

Ipdanalytics.com
- IPD Analytics offers industry leading life-cycle analysis, clinical and formulary insights, brand and generic market impact forecasts

Snapshot of one day – August 6th

8/16/2019

Email Background

For email protection, SCFHP utilizes software that intercepts every incoming email and scans for suspicious content, attachments, or URLs (Uniform Resource Locator or address to the World Wide Web). The software has anti-malware and phishing-detection technology that is constantly being updated to detect the latest threats. It is configured to detect phishing attempts as well as SPF (Sender Policy Framework) anti-spoofing. SPF is a simple technology that detects spoofing by providing a mechanism to validate the incoming mail against the sender's domain name. The software can check those records to make sure mail is coming from legitimate email addresses.

SCFHP Phishing Attacks April - July 2019

Santa Clara Family Health Plan.

	INCIDENT 60 – 4/15/2019	INCIDENT 61 – 5/22/2019	INCIDENT 62 – 7/01/2019	INCIDENT 63 – 7/01/2019
TYPE OF ATTACK	Phishing	Phishing	Phishing	Phishing
SUMMARY	1 employee	5 employees	1 employee	1 employee
RESPONSE	**Step 1.** Analyze email and take appropriate action.	**Step 1.** Analyze email and take appropriate action.	**Step 1.** Analyze email and take appropriate action.	**Step 1.** Analyze email and take appropriate action.
	Step 2. • Block Source email on Cisco IronPort – mail@eseveir.com • Filter Expression "Checking In" • Block IP address 209.85.217.65	**Step 2.** • Block Source email on Cisco IronPort - kajotos4@gmail.com • No unique words to Filter Expression • No unique IP address to block	**Step 2.** • Block Source email on Cisco IronPort - Ta.Li@tetratech.com • No unique words to Filter Expression • No unique IP address to block	**Step 2.** • Block Source email on Cisco IronPort – paul@thekindcare.com • No unique words to Filter Expression • Block IP address 52.189.212.172
	Step 3. Remove threat by permanently deleting email.	**Step 3.** Remove threat by permanently deleting email.	**Step 3.** Remove threat by permanently deleting email.	**Step 3.** Remove threat by permanently deleting email.
	Step 4. Monitor email and user.	**Step 4.** Monitor email and user.	**Step 4.** Monitor email and user.	**Step 4.** Monitor email and user.

8/16/2019

Questions

8/16/2019

Picture Of Health

nultimedia/)

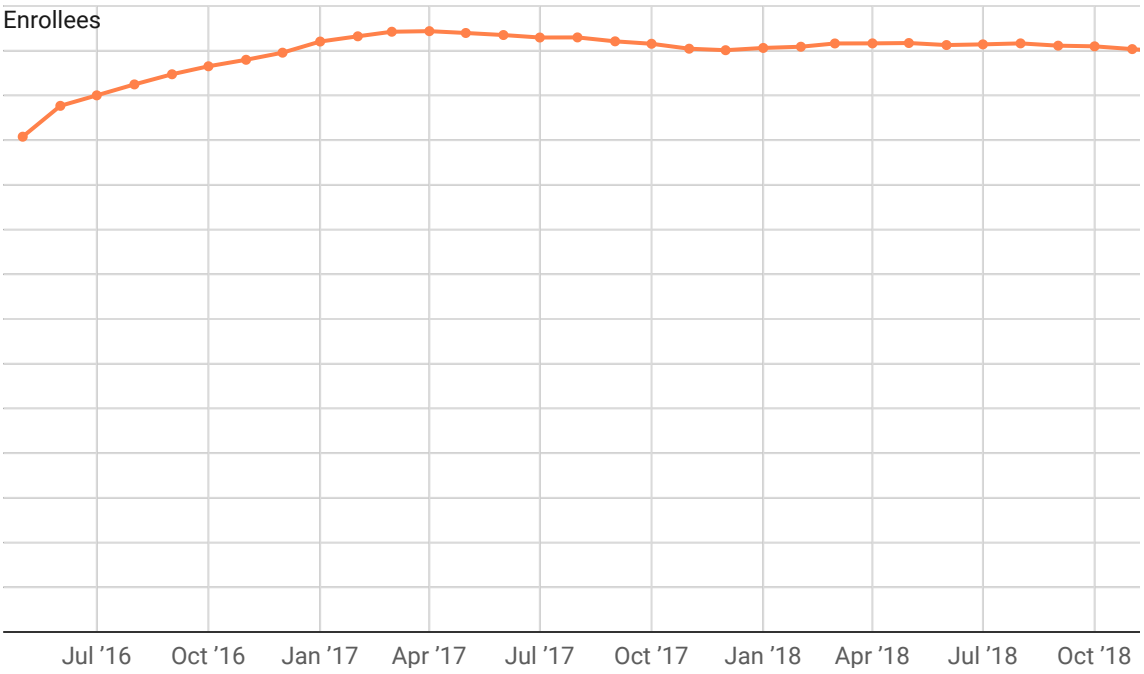
Medi-Cal Enrollment Among Immigrant Kids Stalls, Then Falls. Is Fear To Blame?

By Ana B. Ibarra (https://californiahealthline.org/news/author/ana-b-ibarra/)

July 8, 2019

Health Care For Youngest Undocumented Immigrants

The number of undocumented immigrant children in California's Medicaid program rose for about a year after the program debuted, then enrollment stagnated and started to decline. In February 2019, 127,845 children were enrolled, down 5% from peak enrollment in April 2017.



Credit: Harriet Blair Rowan/California Healthline

As California prepares to expand Medicaid coverage to young adults here illegally, the number of undocumented immigrant children in the program is slowly declining, new state data show.

Unauthorized immigrant children have been eligible for Medi-Cal, the state's Medicaid program for low-income residents, since May 2016, and their enrollment peaked nearly a year later at 134,374, according to the data from the state Department of Health Care Services.

Since then, enrollment has stayed mostly flat or fallen. Last February, the latest month for which data are available, 127,845 undocumented immigrant children through age 18 were enrolled in Medi-Cal, down about 5% from the April 2017 peak.

This drop mirrors statewide and national trends for all children enrolled in Medicaid and the Children's Health Insurance Program, a separate public program that some states use to cover low-income children.

From December 2017 to December 2018, overall child enrollment in both programs dropped 2.2% nationally and 3% in California, according to a recent report (https://ccf.georgetown.edu/2019/05/28/medicaid-and-chip-enrollment-decline/) from Georgetown University's Health Policy Institute.

Some experts attribute the enrollment drop among all children to a strong economy because more people have jobs — and access to employer-sponsored health insurance. But Medicaid researchers say there are likely other factors at play for immigrant children.

The decline in their enrollment is more likely due to a shift in migration patterns and rising fear among their families in response to anti-immigrant rhetoric and federal crackdowns on unauthorized immigrants, said Edwin Park, a health policy research professor at Georgetown University.

"It's likely the overall hostile environment for immigrant families is playing a critical role in enrollment," Park said. "You should have seen a continued ramp-up" in sign-ups because the program is still relatively new. California is among six states, plus the District of Columbia, that provide public health coverage for undocumented immigrant children.

Last year, California allocated $365.2 million to cover these children. Even though Medicaid is a joint state-federal program, California must pay for the expanded benefits for unauthorized immigrants itself.

Starting next year (https://californiahealthline.org/news/california-budget-health-care-coverage-low-income-safety-net-medicaid-benefits/), as part of the 2019-20 state budget signed on June 27 by Gov. Gavin Newsom, the state will expand Medi-Cal coverage to young adult unauthorized immigrants ages 19 through 25. Officials estimate 90,000 young adults will join in the first year.

President Donald Trump criticized California's move and threatened to "stop it."

"The Democrats want to treat the illegals with health care and with other things, better than they treat the citizens of our country," Trump said (https://www.whitehouse.gov/briefings-statements/remarks-president-trump-signing-h-r-3401/) on July 1.

The state Department of Health Care Services, which administers Medi-Cal, said undocumented immigrant children might be leaving the program because they age out of eligibility when they turn 19 or move out of state.

Randy Capps, director of research at the Washington, D.C.-based Migration Policy Institute, said a shift in immigration patterns into and out of California could also affect their enrollment.

The number of people coming into the country illegally is down, especially from Mexico, according to a Pew Research Center report (https://www.pewresearch.org/fact-tank/2019/06/12/us-unauthorized-immigrant-population-2017/) released in June. That is notable in California, where Mexican nationals make up the majority of the state's undocumented immigrant population.

The report estimates there were 4.9 million unauthorized immigrants from Mexico in the U.S. in 2017, down from 6.9 million in 2007.

“All data suggest a downward trend on illegal immigration, especially of Mexican origin,” Capps said.

In California, “with the recent economic boom, that may be accelerating because the cost of living is escalating astronomically,” he said. “Housing is becoming prohibitively expensive for undocumented immigrants in large parts of the state.”

Although there have been an increasing number of Central American migrants trying to enter the U.S. at the southern border this year, most are claiming asylum and are not considered undocumented immigrants.

As a result, most of those children wouldn’t qualify for Medi-Cal under this program, explained Gabrielle Lessard, a staff attorney with the National Immigration Law Center.

But the rhetoric surrounding the Central American refugees has been heated, and Trump has made tough talk on immigration a centerpiece of his presidency.

Last month, Trump warned of “massive” deportation raids (https://www.vox.com/policy-and-politics/2019/6/21/18701408/ice-deportation-raids-10-cities) that would have targeted about 2,000 families — but they were postponed (https://www.npr.org/2019/06/22/735083190/trump-delays-immigration-raids-giving-democrats-two-weeks-to-reform-asylum-laws) after he gave members of Congress time to make changes to asylum laws. He said the raids would begin after the (https://www.bloomberg.com/news/articles/2019-07-01/trump-says-delayed-immigration-raids-will-start-after-july-4) Fourth of July.

His administration also has pursued policies targeting immigrants. For instance, last fall, the federal government introduced its "public charge (https://www.vox.com/2018/9/24/17892350/public-charge-immigration-food-stamps-medicaid-trump-comments)" proposal, which would consider immigrants' use of public benefit programs including Medi-Cal, CalFresh and Section 8 housing vouchers as a reason to deny lawful permanent residency — or green card status.

That proposed rule has not taken effect, and it's not clear whether it will. If implemented, the policy would mostly affect legal immigrants, but it could also affect undocumented immigrants should they become eligible to seek legal status in the future.

In response, unauthorized immigrant families have been forgoing care, missing doctors' appointments and asking whether they should disenroll from Medicaid coverage, health centers across California and the country have reported (https://khn.org/news/providers-walk-fine-line-between-informing-and-scaring-immigrant-patients/).

Lessard suspects that unauthorized immigrants could be pulling their children out of Medi-Cal or simply not renewing their coverage.

"This community has been so terrorized by the administration that people are afraid to show up to their appointments at health centers," she said. "So the prospect of giving your information to the government, even though it's the state government, is really terrifying to a lot of people."

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Modern Healthcare

As judges weigh Obamacare's fate, panic hasn't set in—yet

By Shelby Livingston
July 13, 2019

A coalition of Republican state officials fighting to topple Obamacare had a good day in court last week, when a panel of federal appellate judges appeared open to nixing the Affordable Care Act's now-toothless requirement that most people buy health insurance, and potentially other provisions of the law that Americans have come to rely on.

But while health insurers and hospitals—whose businesses after 10 years of operating under the ACA would be profoundly impacted by its undoing—are keeping a close eye on developments in the lawsuit, there's little they can do to prepare for an outcome impossible to predict.

"We are proceeding as if we are going to still be in business," said John Baackes, CEO of L.A. Care Health Plan, which covers more than 600,000 Californians through Medicaid expansion and nearly 90,000 on the ACA exchange. "We are not letting the potential of a negative outcome influence our thinking, but we're also trying not to bury our head in the sand."

In particular, L.A. Care is looking for ways to become more efficient to save costs, such as by cutting out third parties from its contracts with providers. That will help the publicly operated plan weather any crises that arise, be it a recession or the ACA's demise, which would undoubtedly slash the insurer's revenue and lead it to downsize, Baackes said.

Dr. Michael Cropp, CEO of Buffalo, N.Y.-based insurer Independent Health, similarly said the uncertain future of the healthcare law should have insurers focusing on efforts to take waste out of the system and bring premiums down. Should Medicaid expansion be rolled back, states may end up scrambling to fill the gaps where federal funding once was, he added.

But beyond crossing their fingers that the ACA will stay in place, insurers and providers aren't yet doing much contingency planning. That's largely because they believe the challenge, known as Texas v. United States, will ultimately end up in the Supreme Court and they are optimistic the high court will once again uphold the law.

"This case is still so much in process with the possibility of such a long pathway, we're not at a point where hospitals would take any action related to it," said Chip Kahn, CEO of the Federation of American Hospitals, which represents investor-owned health systems.

Paul Keckley, a healthcare consultant who has discussed potential outcomes of the case at hospital and insurer board meetings, said he hasn't sensed any panic from the industry. Healthcare companies are monitoring the case and developing scenarios that assume states will be the stopgap. They might also

be deploying capital more conservatively, but "no one is paralyzed by what's going on in that case," he said.

Operating in a state of regulatory limbo is not something that insurers and hospitals like to do, but it's a reality they've learned to live with after a Republican-controlled Congress and White House repeatedly tried to repeal the ACA or chip away at it through executive action over the past two years.

Moreover, healthcare companies have weathered previous legal challenges to the landmark healthcare law. Baackes described being even more worried about the future of the ACA back in 2012 when the Supreme Court first mulled a challenge to the law and upheld it, though the decision allowed states to opt out of Medicaid expansion.

The stakes are different now. Back then, the law was fairly new and few provisions had been fully implemented. While legal experts have said the plaintiffs' arguments in the current case don't hold much weight, the group of 18 state attorneys general were able to convince a lower court to strike down the ACA. There's a chance the same argument—that zeroing out the individual mandate penalty made it unconstitutional, and by extension, invalidated the entire ACA—will convince the 5th U.S. Circuit Court of Appeals to do the same.

Although a coalition of Democratic state attorneys general and the U.S. House of Representatives are defending Obamacare on appeal, two Republican-appointed judges on the three-judge panel seemed likely to invalidate the individual mandate. It was unclear, though, if they were open to striking the ACA in its entirety.

Abbe Gluck, a Yale University health law profcssor who is supportive of the ACA, said the judges on July 9 didn't tip their cards on that so-called severability issue. However, she said the 5th Circuit did show it was reluctant to come up with a remedy in the case.

The court spent time during oral arguments asking why Congress couldn't pass another healthcare law keeping only the attractive pieces of the ACA. It also grappled with sending the case back to the District Court to figure out what to do.

"I think what that points to is they realize the enormity of the consequences here and (the court) doesn't really want to have its fingerprints on it," Gluck said.

There are several ways the court could rule. Throwing out the ACA would be the most disruptive iteration, and if such a decision ultimately sticks, it could cause millions of Americans to lose their insurance while unwinding popular consumer protections enjoyed by even those who get health coverage through their jobs. The newly uninsured may resort to getting care at costly emergency rooms; healthcare providers could see uncompensated care soar.

There's only so much insurers and healthcare companies could do to prepare for that situation.

"It'd be tough for us, but if you roll (the ACA) back, it'd be more devastating to the community," Baackes said. "I'm not sure there's anything a particular insurer can do to head that off."

Santa Clara Family Health Plan™

At a Glance

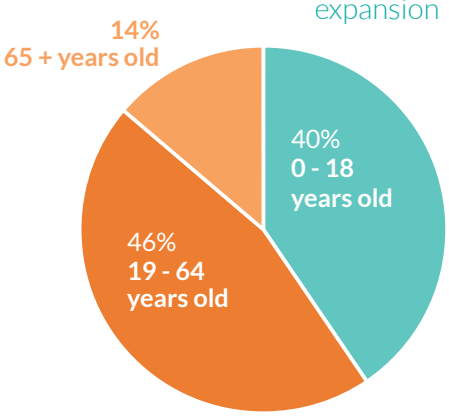
SCFHP is a local, community-based health plan dedicated to improving the health and well-being of the residents of Santa Clara County. Working in partnership with providers and community organizations, we serve our neighbors through our Medi-Cal, Cal MediConnect (Medicare-Medicaid Plan) and Healthy Kids HMO health insurance plans.

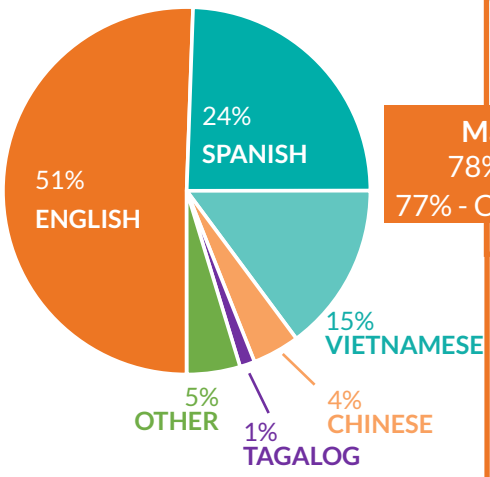
MEMBER DEMOGRAPHICS

236,900
Medi-Cal Members

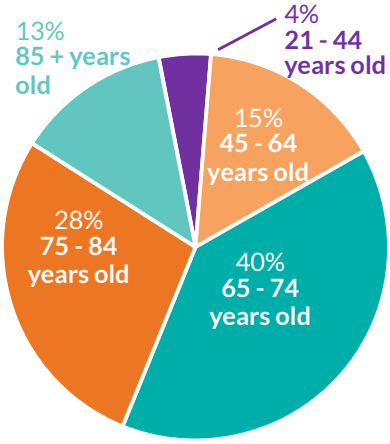
30%
of our Medi-Cal members are covered through ACA expansion

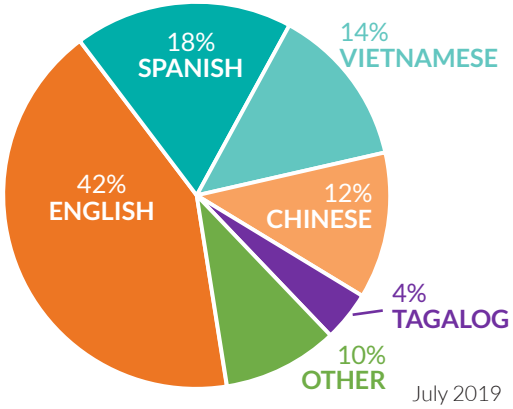
1.74
average # of kids in a Medi-Cal Family





8,200
Cal MediConnect (Medicare-Medicaid Plan) Members





July 2019

Marketshare
78% - Medi-Cal
77% - Cal MediConnect

CONTRACTED PROVIDERS

Primary Care Physicians	730 Medi-Cal 510 Cal MediConnect
Specialists	3,400 Medi-Cal 2,530 Cal MediConnect
Ancillaries	540 Medi-Cal 160 Cal MediConnect

SCFHP is contracted with **all hospitals** in Santa Clara County, giving our members access to care that is convenient for them.

June 2019

94 ¢
of every $1 is spent on benefits and services

6 ¢
of every $1 is spent on administration

<1 ¢
of every $1 is saved in reserves

>$ 1 B
invested in local economy each year

Budget FY 2020

Keep Up With Us

@scfhp

Santa Clara Family Health Plan

www.scfhp.com

07/19

Santa Clara Family Health Plan™

August 21, 2019

RE: Santa Clara Family Health Plan's Response to the Public Charge Final Rule

On August 14, 2019, the U.S. Department of Homeland Security published their final rule, *Inadmissibility on Public Charge Grounds,* which is an assault on vulnerable immigrant families in our community. The final rule widens the scope of benefits that will now be considered in the determination of an individual's immigration status. Under the new rule, legal immigrants applying for lawful permanent residency will now be deemed a "public charge" if they used SNAP/CalFresh food benefits, housing assistance, or non-emergency Medicaid, barring them from legally immigrating to the United States.

Santa Clara Family Health Plan (SCFHP) recognizes the fear and burden the changes to "public charge" cause many of our members and their families, and the impact these proposed changes will have on the health of our community. According to UCLA Center for Health Policy and Research, 58,000 Santa Clara County residents will potentially be affected by the "chilling effect" created due to the misinformation, confusion and fear surrounding the final rule. We strongly encourage our members and community to reach out to our local safety net organizations to understand and secure your rights before disenrolling from public benefits.

SCFHP was founded more than 20 years ago with a vision of building a healthier Santa Clara County. The change to "public charge" stands in direct opposition to our mission of providing access to high quality, comprehensive health care for our neighbors, including immigrant families targeted by this change. We continue to advocate for access to safety net services that help Santa Clara County residents work towards stability. We are proud to support Santa Clara County's fight against this discriminatory rule.

The "public charge" final rule is scheduled to take effect October 15, 2019 and will only apply to benefits used after the effective date.

Resources Available for Immigrant Families Public Charge Information and Resources

General Information on Public Charge and Health Care: http://www.itup.org/public-charge-health-care-in-california/

Information on Chilling Effect: *Proposed Changes to Immigration Rules Could Cost California Jobs, Harm Public Health*, UCLA Center for Health Policy Research, December 2018

HEALTHTrust

June 5, 2019

Ms. Christine Tomcala, CEO
Santa Clara Family Health Plan
6201 San Ignacio Ave
San Jose, CA 95119

Dear Ms. Tomcala,

The Health Trust respectfully requests a one-time grant of $100,000 for capital improvements to our new **Client Services and Operations Center**. The Center will provide centralized, coordinated health and wellness services and operations benefitting over 2,000 residents of Santa Clara County who are low-income, under/un-insured, and lack access to affordable care.

Founded in 1996, The Health Trust is an established non-profit organization in Santa Clara County. Our mission is to build health equity in Silicon Valley and our work complements and augments services offered by the County and other safety net community partners. As a direct service provider, The Health Trust provides food and nutrition services (including Meals On Wheels and Medically Tailored Meals), case management, and health education programs to vulnerable County residents, many of whom are living with chronic conditions and/or are homeless.

Serving those with the highest needs in our community means that the majority of The Health Trust's clients have difficulty maintaining housing, accessing transportation to jobs and medical appointments, and affording nutritious food. Through our three strategies – improving health through food, making chronic health conditions more preventable and manageable, and prioritizing health in housing – we strive to address the social determinants of health that lead to health disparities in our community, meeting the nutrition, housing, and specific health needs of thousands of people each year in an informed, integrated, and coordinated manner.

COMMUNITY NEED

Today, chronic disease is a leading cause of death and disability in California, and the biggest contributor to health care costs. In Santa Clara County, nearly one-third of adults have high cholesterol, 27% have high blood pressure, and nearly 20% have either diabetes or prediabetes. Among the County's senior population (age 65+), rates are 57%, 62%, and 34%, respectively. There are over 6,300 County residents living with HIV infection, 76% of whom have been diagnosed with AIDS.

Poor nutrition is a leading cause of chronic conditions and illness, especially for those already vulnerable due to age, disability, and income. If left unresolved, the positive effects of health care treatments can be reversed and further exacerbate health conditions, resulting in costly hospitalizations and emergency department visits. Individuals who are low-income are disproportionately affected by these challenges. Without appropriate prevention and

management, health conditions can plunge them even further into poverty – and sometimes homelessness. The bare minimum living wage in the County is estimated to be over $35,000 for a single adult. With rapidly rising housing costs, there are over 7,000 people who are homeless, including more than 600 veterans. Over a quarter of our homeless population are also living with a chronic health condition.

There is overwhelming evidence that eating nutritious food plays a key role in preventing and managing chronic health conditions. Particularly for individuals who are living with chronic health conditions (e.g., diabetes, congestive heart failure, HIV/AIDS), consuming nutritionally appropriate food is critical to managing their conditions and in the long-term improving their health. For example, research results on individuals living with Type 2 Diabetes and/or HIV who receive Medically Tailored Meals (MTMs) demonstrated a significant reduction in hospitalizations (63%), an increase in medication adherence (50%) and a drop in emergency room visits (58%). Similarly, research on patients with chronic diseases has demonstrated a drop in health care costs from $39,000 per month to $28,000 per month. With a food intervention, participants are better able to maintain their health and avoid hospitalization, which, in turn, saves money for individual clients and their healthcare systems.

As a member of the California Food is Medicine Coalition (CalFIMC), The Health Trust is participating in the Medi-Cal Medically Tailored Meals Pilot Program, a three-year, $6 million State-funded pilot program that aims to reduce hospital readmission rates and emergency room utilization for Medi-Cal clients with congestive heart failure. As we near the end of the first year of the pilot, CalFIMC reports that preliminary observations of the pilot project across all six partner organizations align with the goal of using food and nutrition therapy to improve the health of low-income Californians living with chronic illnesses. In addition to this statewide pilot, The Health Trust is currently partnering with a local hospital in a control-group research study to determine the impact of MTMs delivered to their patients.

REQUEST

To better address the social determinants of health of our community members, in FY20, The Health Trust will open a new Client Services and Operations Center near downtown San Jose that will offer a "one-stop shop" for healthy food, case management, and other health support services for vulnerable residents. Preparations for opening the Center include renovating The Health Trust's existing 3,200sf Jerry Larson FOODBasket, our hub for Meals On Wheels and other food/nutrition services, as well as two adjacent spaces that are also under Health Trust lease.

The total renovation cost is approximately $1,500,000. The Health Trust is actively pursuing financial support from the County of Santa Clara, as well as private funders, in order to cover costs. We recently received a $75,000 pledge and currently have two other requests pending (additional requests are planned). The Health Trust respectfully requests a **one-time grant of $100,000** from Santa Clara Family Health Plan (SCFHP) towards these necessary capital improvements.

3180 Newberry Dr. • Suite 200 • San Jose, CA 95118 • (o) 408.513.8700 • (f) 408.448.4055
www.healthtrust.org

OUTCOMES & IMPACT

The primary outcomes for this project are that the renovation is completed on time and on budget and that the Center is fully operational by December 31, 2019. The Center will include new food storage and distribution equipment, expansion of the client-facing food pantry space, improvements to the back-end nutrition operations space, client meeting rooms, new case management work spaces, health education/disease self-management workshop space, and ADA accessible upgrades. There will also be space where our health insurance enrollment services (currently funded by SCFHP) could operate. Co-locating nutrition, case management and health support services in a convenient location near downtown San Jose and public transportation will enable clients to access high-quality, coordinated, efficient and cost-effective services. These capital improvements will also create future capacity for The Health Trust to serve as a resource for other community-based organizations that want to provide clients with healthy, consistent food assistance but do not have the internal capacity to do so.

When renovations are complete, The Health Trust will be able to provide centralized, on-site services and operations for over 2,000 local residents who are low-income and facing health challenges, creating better access to the healthy food, health education, and case management services they need to thrive.

Meals On Wheels is one of the programs that will operate out of new Center. Older adults like 71-year-old Penny, who has lived in the Bay Area for 45 years, will be able to get the nutritious food they need. Penny has heart and respiratory issues and must use a wheelchair to get around. Penny feels fortunate to live in affordable housing, but it is still tough for her to make ends meet on an annual income of less than $20,000. "Before I was offered the Meals On Wheels program, I was only able to eat once per day," she says. She began receiving daily meals with the addition of fresh fruits and vegetables to supplement, saving her the cost of purchasing them at a local store. Penny's granddaughter says: "The Meals On Wheels program has helped out my grandmother a lot! She does not have to stress about saving enough money to buy food after paying for her housing, medicine, utilities, and so on; she hates asking for financial help, so she may have often went without a few meals here and there before letting anyone know she was even struggling. She typically did not buy vegetables when she could go shopping, instead only frozen meals or whatever was affordable, so these meals help her get some of the daily nutrition she needs."

Thank you for your consideration. Please contact me at (408) 513-8701 or mlew@healthtrust.org with questions or for more information.

Sincerely,

Michele Lew
Chief Executive Officer

3180 Newberry Dr. • Suite 200 • San Jose, CA 95118 • (o) 408.513.8700 • (f) 408.448.4055
www.healthtrust.org

Santa Clara Family Health Plan

POLICY

Policy Title:	**Special Project Board Discretionary Fund**	**Policy No.:**	GO.02 v2
Replaces Policy Title (if applicable):	N/A	**Replaces Policy No. (if applicable):**	N/A
Issuing Department:	Governance & Org Structure	**Policy Review Frequency:**	Periodically as warranted
Lines of Business (check all that apply):	☐ Medi-Cal	☐ Healthy Kids	☐ CMC

I. Purpose

To define and outline the requirements and criteria by which SCFHP may provide funding for special projects through a Board Discretionary Fund.

II. Policy

SCFHP has established a Board Discretionary Fund to allow the Plan to provide funding for special projects and initiatives focused on serving the health needs of the safety net population in Santa Clara County. The amount of reserves available for the Discretionary Fund will be based on the amount available, if any, over the Board designated maximum Tangible Net Equity (TNE), determined annually after release of the audited financial statements. Availability of reserves will also be subject to the Plan exceeding the Board-established liquidity target range.

It is SCFHP's policy to make strategic investments, subject to the availability of funds, in special projects that support the mission of the Plan, are consistent with annual and strategic objectives, strengthen community partnerships, and explore new and emerging models of care or facilitate expansion of best practice quality care.

The Executive/Finance Committee may approve special project investments up to $100,000. Project funding over $100,000 must be approved by the Governing Board.

Special project investments must meet all of the following criteria:

1. The funding fulfills an overriding public purpose to ~~carry out SCFHP's mission to provide~~ ensure all Santa Clara County residents have access to high quality, comprehensive health care and services that impact health ~~coverage to those in Santa Clara County who do not have access to, or are not able to purchase, good health care at an affordable price~~.
2. The funding will be used to address assessed needs of the Plan and its members or potential members.
3. The special project will be consistent with the strategic and/or annual objectives of the Plan.
4. The special project will have measurable outcomes.
5. There is a lack of other resources in the community to fund the special project.

6. Continued special project funding from SCFHP would not be required for sustainability of the special project.
~~7. The funding will not be used for general operating costs, but may support project overhead.~~
~~8.~~7. The funding will not adversely impact the ability of SCFHP to operate and to deliver services and programs.
~~9.~~8. The funding will not financially benefit any Santa Clara County Health Authority official or employee.
~~10.~~9. The funding will not be used for political purposes (e.g., donations to political campaigns or ballot measures).

Special Projects to be funded must also meet two or more of the following considerations:

1. The special project will strengthen both the Plan and the member safety net.
2. The special project investment can be included in the Plan's claimable cost structure.
3. The special project will address regulatory or accreditation needs.
4. The funding will be used to pilot a promising approach for addressing emerging health care issues.
5. The funding will facilitate expansion of best practices/evidence-based care.
6. The special project will address social determinants of health.
7. The funding will promote quality care and cost efficiency.
8. The special project will leverage, or build on, existing partnerships or investments.

III. References

1. Tangible Net Equity Policy
2. Liquidity Policy

IV. Approval/Revision History

First Level Approval	Second Level Approval	Third Level Approval
[Manager/Director Name] [Title] Date	[Compliance Name] Title] Date	[Executive Name] [Title] Date

Version Number	Original/ Reviewed/ Revised	Reviewing Committee (if applicable)	Committee Action/Date (Recommended or Approved)	Board Action/Date (Approved or Ratified)
v1	Original			Approved: 6/28/2018
v2	Revised			

Santa Clara Family Health Plan™

FY 2019-20 FOCUS
Drive Quality Improvement & Achieve Operational Excellence

DRAFT

	Plan Objectives	Success Measures
1	Pursue benchmark quality performance	• Increase HEDIS composite average to 60% for CMC • Decrease Medi-Cal HEDIS measures below the new MPL (50th percentile) to ≤ 4 • Increase developmental screenings for children to ≥ 5,000 • Conduct gap analysis and roadmap for Medi-Cal NCQA accreditation • Achieve ≤ 120 second average speed of answer for Medi-Cal member calls
2	Enhance compliance program and delegation oversight	• ≥ 95% of metrics on Compliance Dashboard in compliance • 95% of routine regulatory reports submitted timely, without resubmission • Full implementation of enhanced delegation oversight program
3	Improve IT infrastructure	• Conduct HIPAA security risk assessment • Implement and optimize phone system upgrade by December 2019 • Implement monthly gaps in care on the provider portal by December 2019
4	Foster membership growth and retention	• Increase Medi-Cal market share from 78.3% • Achieve net increase of 533 CMC members • Develop a robust provider network strategy
5	Collaborate with Safety Net Community Partners	• Continue Whole Person Care partnership with SCVHHS and achieve ≥ 40 Long Term Care community transitions • Implement Health Homes for members with severe mental illness by January 2020 • Establish satellite office/community resource center
6	Achieve budgeted financial performance	• Achieve FY 2019-20 Net Surplus of $7.7 million • Maintain administrative loss ratio ≤ 7% of revenue

Critical Priority

Santa Clara Family Health Plan™

2016-2020 STRATEGIC PLAN FRAMEWORK

Quality Improvement

Support improved quality outcomes among provider networks and delegated entities

- **Improvement Initiatives** to increase patient access, care coordination, and health promotion.
- **Quality Incentive Programs** and redesigned contract arrangements to promote higher quality and value
- **National Committee Quality Accreditation** to meet the highest standards
- **HEDIS Score Improvement** through targeted initiatives and efforts

Complex Care Delivery

Successfully implement model of care for members with complex conditions

- **Managed Long Term Care Services & Supports** continued program development
- **Enhanced Internal Complex Care Delivery Expertise** to support care for members with complex conditions
- **Strengthened Behavioral Health Program** including enhancing internal capacity and expanding the external provider network
- **Strengthened Community Partnerships** to more effectively address the social determinants of health
- **ACA 2703 Health Homes Implementation** to pilot comprehensive systems of care for most vulnerable members

Growth

Explore opportunities to add new health plan products and grow membership

- **Exploration of Medicare Product Options** for Cal Medi-Connect opt-outs & new Medicare enrollees, such as Medicare Advantage, including Chronic SNP, DSNP, or other products for dual eligibles
- **New Program Options Exploration** such as service area expansions or other new products
- **Marketing and Outreach** to maximize program enrollment and retention

Value-Based Care

Expand contracting, reimbursement, and other arrangements that incentivize value-based care

- **Alternative Reimbursement/Incentive Arrangements and Contracts** that align incentives, promote higher quality, and encourage innovation
- **Pharmacy Contracts and Management** that contain costs and enhance oversight
- **Innovation Pilots** to explore new and emerging models of care
- **Contractual Arrangements & Score Cards** that increase accountability, promote shared savings, and increase capacity

Internal Optimization

Enhance internal systems to support integrated operations and sophisticated business analysis in a value-based care environment

- **Data Analytics and Reporting Functionality** to enable robust analytics, reporting, and compliance
- **Single Claims Operating System** to enable integration with ancillary sub-systems across all departments and lines of business
- **Fraud Waste & Abuse Program** to improve efficiency and quality
- **Risk Adjusted Payment & Quality Withholds** to achieve appropriate levels of revenue
- **Provider Network and Delegated Entity Accountability** for quality, cost, and compliance

BUILDING BLOCKS

Financial Strength	**Culture of Compliance**
Effective Workforce	**Positive County, State and Federal Relationships**

Mission

Santa Clara Family Health Plan is dedicated to improving the health and well-being of the residents of our region. Our mission is to provide high quality, comprehensive health care coverage for those who do not have access to, or are not able to purchase, good health care at an affordable price. Working in partnership with select providers, we act as a bridge between the health care system and those who need coverage.

The Spirit of Care

The Spirit of Care is the guiding principle of Santa Clara Family Health Plan. It is our commitment that our members will receive the care they need and the respect they deserve. It goes beyond the specific medical need of an individual and takes into account the mental, spiritual, and cultural implications of health-care decisions.

Core Values

- We believe that health status cannot improve without parallel improvements in economic opportunities and social status.
- Economic status is the single greatest determinant of community health.
- We believe that as a publicly-funded, local health plan, we have a unique responsibility to work toward improving the health status of our community.
- We must always be a voice for promoting community health, using a comprehensive approach to health care and wellness.
- We believe that to achieve our mission, we must be a well-run, financially viable business that makes a significant investment in our community.
- We believe that our services must be easy to use, and our processes must be easy to understand and follow.
- We believe that our services must be culturally and linguistically appropriate, and that we must teach our members how to use the health-care system.
- We believe that respect for our members, providers, and staff is fundamental to our operations.
- We believe that our network of providers and staff must put our values into action. Our providers and staff must meet high standards of medical service and customer service.
- We believe that the safety-net providers and the traditional providers of quality care to low-income individuals are essential partners of our health plan.

Distinguishing Characteristics

- We are a community-based local health plan.
- We are separate from county government.
- We are a public agency acting on behalf of the people of our community.
- We conduct business in public.
- We are accountable to our members and to the residents of this region.
- We work closely with our safety-net providers and with our community providers.
- We help to ensure the providers' continuing financial viability.
- We help our providers give members high-quality, comprehensive, and culturally and linguistically appropriate services.
- We work in the community to promote health and well-being for all.
- We have a governing board of stakeholders from the community.

Santa Clara Family Health Plan

Board Discretionary Fund
August 22, 2019

Funding Approved December 2018		$ 2,200,000		
Initiatives Approved	**Approval Date**	**Allocated Amount**	**$ Spent To-Date**	**Balance**
Health Homes Start-Up Funding	March 2019	≤ $400,000		
Potential Focus Areas				
Social Determinants of Health				
Health Prevention				
Home and Community-Based Services				
Practice Transformation				
BALANCE		$ 1,800,000		