



Regular Meeting of the
**Santa Clara County Health Authority
Governing Board**

Thursday, December 15, 2022, 12:00 PM – 2:30 PM
Santa Clara Family Health Plan
6201 San Ignacio Ave, San Jose, CA 95119

Via Teleconference Only

(408) 638-0968
Meeting ID: 811 0228 8572
Passcode: GovBd2022!
<https://us06web.zoom.us/j/81102288572>

AGENDA

1. Roll Call Welcome new Governing Board Member, Lisa Hernandez, MD.	Ms. Lew	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.	Ms. Lew	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 a. Approve minutes of the September 22, 2022 Governing Board Meeting b. Accept minutes of the October 27, 2022 Executive/Finance Committee Meeting • Ratify approval of the Fiscal Year 2021-2022 Independent Auditor’s Report • Ratify approval of the June 30, 2022 Investment Compliance Report • Ratify approval of the August 2022 Financial Statements • Ratify approval of funding for the Unity Care Seasons of Wellness Pilot Project from the Board Designated Innovation Fund c. Accept minutes of the November 21, 2022 Executive/Finance Committee Meeting • Ratify acceptance of the Network Detection and Prevention Update • Ratify approval of the September 2022 Financial Statements • Ratify approval of funding for the San Jose State University Culturally-Responsive Wellness and Communication Interventions: Healthy Development Community Clinic from the Board Designated Innovation Fund	Ms. Lew	12:10	5 min

- d. Accept minutes of the November 17, 2022 **Compliance Committee Meeting**
 - Accept the September 2022 Compliance Dashboard
 - Ratify approval of Compliance Program Documents
- e. Accept minutes of the October 11, 2022 **Quality Improvement Committee Meeting**
 - Ratify approval of the Annual Assessment of Physician Directory Accuracy Report 2022
 - Ratify approval of the Accuracy and Quality of Pharmacy Benefit Information to Members via Telephone
 - Ratify approval of the Annual CMC Continuity and Coordination between Medical Care and Behavioral Health Analysis
 - Ratify approval of the Assessment of CMC Member Understanding of Policies & Procedures
 - Ratify approval of QI Policies
 - QI.02 Clinical & Preventative Practice Guidelines Health Care Coordination
 - Ratify approval of Credentialing Policies
 - CR.01 Credentialing and Recredentialing
 - CR.02 Credentialing and Oversight of Mid-Level Practitioners
 - CR.03 Objective Criteria for Defining HIV/AIDS Expertise
 - CR.04 Notification to Authorities and Practitioner Appeal Rights
 - CR.05 Delegation of Credentialing and Recredentialing
 - CR.06 Ongoing Monitoring and Interventions
 - CR.07 Assessment of Organizational Providers
 - CR.08 Credentialing Committee
 - CR.10 Credentialing System Controls
 - Ratify approval of the Grievance and Appeals Report Q2 2022
 - Ratify approval of Committee Reports
 - Credentialing Committee – August 3, 2022
- f. Accept minutes of the November 8, 2022 **Provider Advisory Council Meeting**
- g. Accept minutes of the December 6, 2022 **Consumer Advisory Committee Meeting**
- h. Approve **Publicly Available Salary Schedule**
- i. Approve **Resolution to Adopt and Amend Conflict of Interest Code**
- j. Approve **Annual Report to the Board of Supervisors**
- k. Approve **continued use of teleconferencing** without providing public access to each teleconference location pursuant to Government Code Section 54953

<p>4. October 2022 Financial Statements Review October 2022 Financial Statements. Possible Action: Approve the October 2022 Financial Statements</p>	Mr. Jarecki	12:15	10 min
<p>5. CY 2021 Quality Performance Analysis Discuss quality performance trends and reduction of outcome disparities.</p>	Dr. Nakahira	12:25	20 min
<p>6. CEO Update Discuss status of current topics and initiatives.</p>	Ms. Tomcala	12:45	10 min

<p>7. Compliance Report Review and discuss compliance activities and notifications.</p>	<p>Mr. Haskell</p>	<p>12:55</p>	<p>10 min</p>
<p>8. Government Relations Update Discuss local, state, and federal legislative and policy issues impacting the Plan and its members.</p>	<p>Mr. Haskell</p>	<p>1:05</p>	<p>10 min</p>
<p>9. Innovation Fund Expenditure Request Consider funding request from Amigos De Guadalupe Center for Justice and Empowerment for the Activating the Legacy of Cesar Chavez for the Improved Health and Community Change Renovation Project. Possible Action: Approve expenditure from the Board Designated Innovation Fund for the Amigos De Guadalupe Center for Justice and Empowerment Improved Health and Community Change Renovation Project</p> <p><u>Announcement Prior to Recessing into Closed Session</u> Announcement that the Governing Board will recess into Closed Session to discuss Item No. 10 below.</p>	<p>Ms. Bui-Tong</p>	<p>1:15</p>	<p>20 min</p>
<p>10. Adjourn to Closed Session</p> <p>a. <u>Contract Rates</u> (Welfare and Institutions Code Section 14087.38(n)): It is the intention of the Governing Board to meet in Closed Session to discuss Plan partner rates.</p>		<p>1:35</p>	
<p>11. Report from Closed Session</p>	<p>Ms. Lew</p>	<p>2:25</p>	<p>5 min</p>
<p>12. Adjournment</p>	<p>Ms. Lew</p>	<p>2:30</p>	

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 Board 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 Ashley Kerner 48 hours prior to the meeting at (408) 874-1896.
- To obtain a copy of any supporting document that is available, contact Ashley Kerner at (408) 874-1896. 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 22, 2022, 12:00 PM – 2:30 PM

Santa Clara Family Health Plan - Teleconference

6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present

Michele Lew, Chair
Dave Cameron
Sara Jeevanjee, M.D.
Kathleen King
Liz Kniss
Sarita Kohli
Sue Murphy
Ria Paul, M.D.
Sherri Sager

Members Absent

Alma Burrell
Eva Terrazas

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 Operations Officer
Ngoc Bui-Tong, VP, Strategies and Analytics
Chelsea Byom, VP, Marketing, Communications &
Outreach
Teresa Chapman, VP, Human Resources
Tyler Haskell, Interim Compliance Officer
Barbara Granieri, Controller
Mike Gonzalez, Director, Community Engagement
Khanh Pham, Director, Financial Reporting &
Budgeting
Ashley Kerner, Manager, Administrative Services
Kris Cameron, Strategic Planning Project Manager
Lloyd Alaban, Copy Writer & Content Strategist
Robyn Esparza, Administrative Assistant

Others Present

Jennifer Cloyd, FIRST 5
Darcy Muilenberg, DSR Health Law
Tiffany Washington, Valley Health Plan

1. Roll Call

Michele Lew, Chair, called the meeting to order at 12:00 pm. Roll call was taken and a quorum was established.

Christine Tomcala, Chief Executive Officer, acknowledged newly appointed board members Jennifer Cloyd and Sara Jeevanjee, M.D..

2. Public Comment

There were no public comments.

3. Approve Consent Calendar and Changes to the Agenda

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

- a. Approve minutes of the June 23, 2022 **Governing Board Meeting**
- b. Accept minutes of the July 28, 2022 **Executive/Finance Committee Meeting**
- Ratify approval of Claims Policies
 - CL.01 v5 Interest on the Late Payment of Claims
 - CL.02 v4 Misdirected Claims
 - CL.03 v5 Notice of Denial of Payment
 - CL.04 v3 Skilled Nursing Facility
 - CL.05 v3 Long Term Care
 - CL.06 v5 Inpatient Admission
 - CL.07 v6 Emergency Room Services
 - CL.08 v4 General Physician Professional Services
 - CL.09 v4 Claims Timeframes Turn-Around-Time
 - CL.10 v4 Provider Dispute Resolution
 - CL.11 v3 Ambulatory Surgery Center (ASC)
 - CL.13 v5 Processing of Family Planning Claims
 - CL.12 v3 Coordination of Benefits and Medicare_Medi-Cal Crossover Claims
 - CL.14 v3 Processing of Radiology Claims
 - CL.15 v3 Processing of Anesthesia Claims
 - CL.16 v3 Processing of Drugs and Biologicals Claims
 - CL.17 v3 Processing of Durable Medical Equipment, Orthotics, and Prosthetics Claims
 - CL.18 v3 Processing of Home Health Claims
 - CL.19 v3 Processing of Rehabilitation Therapies Claims
 - CL.20 v5 Processing of Inpatient Psychiatric Facility and Outpatient Behavioral Mental Health Claims
 - CL.21 v5 Claims Processing & Adjudication
 - CL.22 v5 Processing of Abortion Claims
 - CL.23 v3 Overpayment Recovery
 - CL.24 v3 Timely Processing of Non-Clean Claims
 - CL.25 v4 Direct Member Reimbursement
 - CL.26 v3 Claim Development of Non-Clean Non-Contracted Medicare Claims
 - CL.27 v3 Non-Medical Transportation
 - CL.28 v2 Other Health Coverage Cost Avoidance and Post Payment Recovery
 - CL.29 v2 Third Party Tort Liability Reporting Requirements
 - Ratify approval of the May 2022 Financial Statements
 - Ratify approval of funding for the YMCA Diabetes Prevention Program from the Board Designated Innovation Fund
 - Ratify approval of funding for the South County Compassion Center Rental Assistance Program from the Special Project Fund for CBOs
- c. Accept minutes of the August 25, 2022 **Executive/Finance Committee Meeting**
- Ratify approval of the Network Detection and Prevention Update
 - Ratify approval of Governance Policy GO.01 v2 Organizational Policies
 - Ratify approval of Claims Policies
 - CL.02 v4 Misdirected Claims
 - CL.04 v3 Skilled Nursing Facility
 - CL.07 v6 Emergency Room Services
 - CL.10 v4 Provider Dispute Resolution
 - CL.28 v2 Other Health Coverage Cost Avoidance and Post Payment Recovery
 - Ratify approval of the County of Santa Clara Reentry Resource Center sponsorship
 - Ratify approval of the June 2022 Financial Statements
 - Ratify approval of an adjustment to the use and terms of funding for the FIRST 5 Integrated Behavioral Health Pilot Project from the Board Designated Innovation Fund
- d. Accept minutes of the August 31, 2022 **Compliance Committee Meeting**
- Accept Compliance Dashboard

- Ratify approval of HIPAA Policies
 - HI.01 v2 Privacy Officer Assignment and Responsibilities
 - HI.02 v2 Privacy Training Requirements
 - HI.03 v2 Minimum Necessary Standards
 - HI.06 v3 Request for Access
 - HI.07 v3 Amendments to Protected Health Information
 - HI.08 v2 Accounting of Disclosures
 - HI.10 v3 Uses by and Disclosures to Business Associates and Third Parties
 - HI.11 v3 De-Identification of Health Information
 - HI.12 v3 Uses and Disclosures of Limited Data Sets
 - HI.13 v2 Requests for Restrictions on Uses and Disclosures
 - HI.14 v2 Request for Confidential Communications
 - HI.16 v2 Reporting and Responding to Privacy Complaints
 - HI.18 v2 Safeguards
 - HI.19 v3 Notice of Privacy Practices
 - HI.20 v3 Personal Representatives
 - HI.22 v2 Individual Caller Identification
 - HI.24 v2 Communications with Minors
 - HI.25 v2 Leaving Message with PHI
 - HI.26 v2 Uses and Disclosures of Protected Health Information
 - HI.46 v2 Photographing, Video Recording, Audio Recording and Other Imaging
 - HI.51 v2 Breach Notification Requirements
- e. Accept minutes of the August 9, 2022 **Quality Improvement Committee** Meeting
 - Ratify approval of the Cal MediConnect Availability of Practitioners Evaluation
 - Ratify approval of the Annual E-Mail Quality and Analysis Report
 - Ratify approval of the Santa Clara Family Health Plan Member Experience, including Behavioral Health: 2021 Analysis
 - Ratify approval of QI Policies
 - QI.17 Behavioral Health Care Coordination
 - QI.18 Sensitive Services, Confidentiality, Rights of Adults and Minors
 - QI.21 Information Exchange Between SCFHP & SCCBHSD
 - QI.25 Palliative Care
 - QI.34 Housing and Homelessness Incentive Program
 - Ratify approval of Committee Reports
 - Credentialing Committee - June 1, 2022
- f. Accept minutes of the August 10, 2022 **Provider Advisory Council** Meeting
- g. Accept minutes of the September 6, 2022 **Consumer Advisory Committee** Meeting
- h. Approve **Publicly Available Salary Schedule**
- i. Approve **D-SNP Encounter Submission Services Vendor Contract**
- j. Approve **D-SNP Customer Service Support Vendor Contract**
- k. Approve **2023 Board & Committee Meeting Calendar**
- l. Approve **continued use of teleconferencing** without providing public access to each teleconference location pursuant to Government Code Section 54953

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

Motion: Ms. Kniss

Second: Ms. King

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy,
Ms. Sager

Absent: Ms. Burrell, Dr. Paul, Ms. Terrazas

Dr. Ria Paul joined the meeting at 12:10 pm.

4. July 2022 Financial Statements

Mr. Jarecki presented the unaudited financial statements for July 2022, the first month of the fiscal year, which reflected a current month net surplus of \$4.3 million (a favorable variance of \$3.5 million to budget).

Enrollment increased by 7,347 members from the prior month to 313,729 members (8,054 members or 2.6% higher than budget) predominately due to the newly-eligible Medi-Cal undocumented Adult population. Enrollment has been rising since March 2020 due to the suspension of annual eligibility redeterminations during the public health emergency (PHE).

Revenue reflected a net favorable current month budget variance of \$2.2 million (2.0%) due to several factors. Favorable variances resulted from (1) higher enrollment and (2) higher supplemental utilization. Unfavorable variances resulted from (1) the timing of several DHCS incentive programs (offset by related favorable medical expense variances), and (2) updated Long Term Care (LTC) membership counts.

Medical Expense reflected a net unfavorable current month budget variance of \$157 thousand (0.2%) due to several factors. Unfavorable variances included higher fee-for-service enrollment and higher unit costs in certain categories of service versus budget, higher supplemental services than budget, and higher capitation expense due to higher capitated enrollment vs. budget.

Administrative Expense was \$946 thousand (13.5%) favorable to budget for the month largely due to (1) lower headcount than budgeted, and (2) favorable variances in several non-personnel categories due to the timing of certain expenses vs. budget.

Non-Operating Income was \$460 thousand favorable to budget due to higher investment yield compared to budget.

The **Balance Sheet** reflected a Current Ratio, a key measure of liquidity, of 1.33:1 versus the DMHC minimum current ratio requirement of 1.00:1.

Tangible Net Equity of \$289.4 million, which represented approximately three months of the Plan's total expenses, included unrestricted net assets of \$249.7 million.

Capital Investments of \$108 thousand were have been made year-to-date, predominately computer hardware, versus the annual capital budget of \$6.2 million.

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

Motion: Mr. Cameron

Second: Ms. Kniss

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Terrazas

5. Fiscal Year 2021-2022 Team Incentive Compensation

Christine Tomcala, Chief Executive Officer, presented the performance on metrics for the FY 2021-2022 Team Incentive Compensation Program. Ms. Tomcala shared information on the process for calculating the incentive award, as well as the eligibility requirements employees must meet to receive a payout.

It was moved, seconded, and the Fiscal Year 2021-2022 Team Incentive Payout was unanimously approved.

Motion: Ms. Kohli

Second: Ms. Sager

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Terrazas

6. Fiscal Year 2022-2023 Team Incentive Compensation

Ms. Tomcala presented the proposed FY 2022-2023 Team Incentive Compensation Program. She highlighted the metric for reducing health disparities in the percentage of African American/Black members receiving post-partum care. Discussion ensued regarding the achievability of the metric.

It was moved, seconded, and the Fiscal Year 2022-2023 Team Incentive Compensation Program was unanimously approved.

Motion: Ms. Murphy

Second: Ms. Sager

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Terrazas

7. Innovation Fund Expenditure Request

Chelsea Byom, VP, Marketing, Communications & Outreach, presented the Governing Board with a request to designate funding for a health care scholarship program in honor of SCFHP's 25th Anniversary. Scholarships would provide financial support to empower the next generation of healthcare professionals in Santa Clara County who reflect the diversity of the SCFHP member population. Ms. Byom indicated the scholarship eligibility requirements and recipient award amounts were being discussed internally.

Sherri Sager suggested inviting Plan partner hospitals to contribute additional funds to the scholarship program.

It was moved, seconded, and the Santa Clara Family Health Plan request for \$500,000 to fund a health care scholarship program was unanimously approved as an expenditure from the Board Designated Innovation Fund.

Motion: Ms. Kohli

Second: Ms. King

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager

Absent: Ms. Burrell, Ms. Terrazas

8. CEO Update

Ms. Tomcala invited the Governing Board Members to a 25th Anniversary event being held at the SCFHP Blanca Alvarado Community Resource Center on October 22, 2022.

She also shared information on the recent passing of SCFHP Medical Director, Dr. Jeff Robertson, and his memorie open house. Kathleen King asked that the meeting be adjourned in honor of Dr. Jeff Robertson, and Board members concurred.

Ms. Tomcala asked Mr. Haskell to provide the status of Assembly Bill 2449 regarding public meeting teleconferencing. He highlighted updates to the teleconferencing requirements scheduled to take effect after the public health emergency ends in 2023.

Ms. Tomcala further offered information on the D-SNP transition, and noted the Acronym list and Board Dashboard in the meeting packet.

9. Compliance Report

Tyler Haskell, Interim Compliance Officer, provided updates on current compliance activity, beginning with the annual Department of Managed Health Care (DCMHC) Routine Audit, for which the Compliance Department is preparing. Mr. Haskell shared the plan recently concluded its routine triennial DMHC Financial Audit with no deficiencies. Mr. Haskell stated the plan is awaiting a preliminary report from the annual Department of Health Care Services (DHCS).

Mr. Haskell informed the members the Compliance Department is working with internal business units to prepare submissions for the first set of deadlines for the new process initiated by DHCS put in place to ensure plans are ready to comply with the requirements of the new 2024 contract.

Mr. Haskell shared the Plan's receipt of a Notice of Noncompliance from CMS related to a required protected class drug that was missing from the Plan's July 2022 formulary submission.

Mr. Haskell informed the members of the Plan's recent completion of the annual Medicare data validation audit with final results indicating 100% validation.

Mr. Haskell concluded his presentation by sharing the results of the report from the peer-review compliance program effectiveness (CPE) audit of four observations related to improving the consistency and clarity of internal documents and reducing audit completion times.

10. Government Relations Update

Tyler Haskell, Director of Government Relations, provided updates on federal and state governmental actions affecting Plan operations. He discussed the finalization of the reversal of the Public Charge Act and he shared a new rule proposed by CMS to streamline Medicare eligibility and enrollment that will primarily impact county community health workers assisting individuals applying for coverage.

Mr. Haskell shared congressional updates highlighting the impact of the Inflation Reduction Act on SCFHP Part-D members who require catastrophic coverage raising the current payment made by the Plan from 15% to 60%. Mr. Haskell provided an update on the Improving Seniors' Timely Access to Care Act that contains concerning Gold Carding language allowing certain providers to waive prior authorization requirements. Mr. Haskell shared information on the Advancing Telehealth Beyond COVID-19 Act that extends the COVID telehealth Medicare Flexibilities through the end of 2024. Mr. Haskell discussed the Statutory PAYGO sequester that may trigger an automatic Medicare payment cut of 4%. Mr. Haskell concluded the congressional update portion of his presentation with an update on government funding relating to the COVID-19 pandemic and Monkey Pox outbreak, noting current government funding authorization will expire at the end of September 2022.

Mr. Haskell shared state issues impacting the Plan, including the DHCS/Medi-Cal reprocurments relation to the 2024 Medical Managed Care Contract that has resulted in Anthem Blue Cross remaining the Commercial Plan Competitor in Santa Clara County.

Mr. Haskell shared a legislation update on five bills. SB 1473 demands out-of-network providers reimburse, at a reasonable rate, costs related to COVID testing. He shared that the SB 987 requirement for Plans to contract with National Cancer Center Institute designated comprehensive cancer centers and notify enrollees of their right to request services will not impact SCFHP as the Plan currently contracts with Stanford. Mr. Haskell stated, SB 858 will increase penalties for Health Plans from the California Department of Managed Health Care (DMHC). He informed the members that SB 966 has extend indefinitely the code flexibilities, enacted during COVID, for a Medi-Cal program administered by DHCS for health care services for Federally Qualified Health Centers FQHC and Rural Health Clinics RHC. Mr. Haskell concluded his presentation with an update on new requirements resulting from AB 2697 that codifies into law the Community Health Worker benefit launched in July.

11. Adjourn to Closed Session

a. Existing Litigation

The existing litigation discussion was removed from the agenda.

b. Pending Litigation

The Governing Board met in Closed Session to confer with Legal Counsel regarding pending litigation.

Liz Kniss left the meeting at 1:50 pm.

Sara Jeevanjee recused herself from the Contract Rates conversation, leaving the meeting at 1:55 pm.

c. Contract Rates

The Governing Board met in Closed Session to discuss Plan partner rates.

Christine Tomcala, Neal Jarecki, Laurie Nakahira, Ngoc Bui-Tong, Tyler Haskell left Closed Session at 2:28 pm.

Sara Jeevanjee returned to Closed Session at 2:28 pm.

d. Public Employee Performance Evaluation

The Governing Board met in Closed Session to consider the performance evaluation of the Chief Executive Officer.

12. Report from Closed Session

Ms. Lew reported the Governing Board met in Closed Session to discuss pending litigation, contract rates, and public employee performance evaluation.

13. Annual CEO Evaluation Process

Sherri Sager reported that the ad hoc CEO Evaluation Subcommittee recommended a compensation increase of 6% in base pay, and a 12.5% incentive bonus, based on the favorable evaluation of the CEO, effective July 1, 2022.

It was moved, seconded, and the recommended 6% annual salary increase and 12.5% incentive bonus for the CEO was unanimously approved.

Motion: Ms. Sager

Second: Mr. Cameron

Ayes: Mr. Cameron, Ms. Jeevanjee, Ms. King, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul,
Ms. Sager

Absent: Ms. Burrell, Ms. Kniss, Ms. Terrazas

14. Adjournment

The meeting was adjourned in honor of Dr. Jeff Robertson at 2:28 pm.

Sarita Kohli, Secretary



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

Thursday, October 27, 2022, 10:30 AM – 12:30 PM
Santa Clara Family Health Plan – Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present

Sue Murphy, Chair
Alma Burrell
Dave Cameron
Michele Lew

Members Absent

Sarita Kohli

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
Chelsea Byom, VP, Marketing, Communications & Outreach
Teresa Chapman, VP, Human Resources
Tyler Haskell, VP, Government Relations and Compliance
Barbara Granieri, Controller
Khanh Pham, Director, Financial Reporting & Budgeting
Ashley Kerner, Manager, Administrative Services
Nancy Aguirre, Administrative Assistant

Others Present

Gordon Lam, Moss Adams, LLP
Chris Pritchard, Moss Adams, LLP
Rianne Suico, Moss Adams, LLP
Tatiana Colon, Unity Care
Sheila Mitchell, Unity Care
Gary Rummelnoff, Unity Care
Sanders Trent, Unity Care
Darcy Mulenberg, DSR Health Law

1. Roll Call

Sue Murphy, Chair, called the meeting to order at 10:30 AM. Roll call was taken and a quorum was established.

Alma Burrell arrived at 10:33 AM.

2. Public Comments

There were no public comments.

3. Fiscal Year 2021-2022 Independent Auditor's Report

Neal Jarecki, Chief Financial Officer, introduced Chris Pritchard & Rianne Suicco, partners from the Plan's independent accounting firm, Moss-Adams, LLP and Gordon Lam, Audit Manager. Mr. Pritchard presented the Plan's audited financial statements and Board communication letter for the fiscal year ended June 30, 2022. He indicated that 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 flow and that the financial



statements are in conformity with general-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 adjustment to the financial statements were necessary.

It was moved, seconded, and the Fiscal Year 2021-2022 Independent Auditor's Report was **unanimously approved.**

Motion: Mr. Cameron

Second: Ms. Lew

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

4. Approve Consent Calendar and Changes to the Agenda

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

- a. Approve August 25, 2022 **Executive/Finance Committee** minutes
- b. Approve June 30, 2022 **Investment Compliance Report**
- c. Approve **continued use of teleconferencing** without providing public access to each teleconference location pursuant to Government Code Section 54953 questions.

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

Motion: Ms. Lew

Second: Ms. Burrell

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

5. August 2022 Financial Statements

Mr. Jarecki presented the unaudited financial statements through August 30, 2022, the second month of the fiscal year, which reflected a current month net surplus of \$4.3 million (a favorable variance of \$3.5 million to budget).

Enrollment increased by 1,552 members from the prior month to 315,281 members (7,683 members or 2.5% higher than budget) predominately due to the newly-eligible Medi-Cal undocumented Adult population. Enrollment has been rising since March 2020 due to the suspension of annual eligibility redeterminations during the public health emergency (PHE).

Revenue reflected a net favorable current month budget variance of \$826 thousand (0.7%) due to several factors. Favorable variances resulted from (1) higher enrollment, (2) higher supplemental utilization, and (3) higher COVID incentive revenue. Unfavorable variances resulted from (1) the timing of several DHCS incentive programs (offset by related favorable medical expense variances), and (2) Prop 56 Value-Based Purchasing revenue (program ended June 30; offset by reduced medical expenses).

Medical Expense reflected a net favorable current month budget variance of \$1.2 million (1.1%) due to several factors. Favorable variances resulted from the timing of several DHCS incentive programs. Unfavorable variances included capitated enrollment and member mix, higher unit costs in certain categories of service versus budget, higher supplemental services than budget.

Administrative Expense was \$1.6 million (21.5%) favorable to budget for the month largely due to (1) lower headcount than budgeted, and (2) favorable variances in several non-personnel categories due to the timing of certain expenses vs. budget.

Non-Operating Income, comprised of interest and rental income, was \$470 thousand favorable to budget due to higher investment yield compared to budget.

The **Balance Sheet** reflected a Current Ratio, a key measure of liquidity, of 1.28:1 versus the DMHC minimum current ratio requirement of 1.00:1.



Tangible Net Equity of \$313 million, which represented approximately three months of the Plan's total expenses, included unrestricted net assets of \$272 million.

Capital Investments of \$148 thousand were have been made year-to-date, predominately computer hardware, versus the annual capital budget of \$6.2 million.

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

Motion: Mr. Cameron

Second: Ms. Lew

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

6. Innovation Fund Expenditure Adjustment Request

Christine Tomcala, Chief Executive Officer, presented a request from Unity Care for the Seasons of Wellness Pilot Project. This project would provide treatment and prevention strategies to help transitional foster youth cope with complex trauma and manage stress. Ms. Tomcala introduced representatives from Unity Care, who were available for questions.

A discussion regarding Unity Care's criteria for evaluating program effectiveness and sustainability ensued.

It was moved, seconded, and the Unity Fund request for \$200,000 to fund the Seasons of Wellness Pilot Project was **unanimously approved** as an expenditure from the Board Designated Innovation Fund.

Motion: Ms. Burrell

Second: Mr. Cameron

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

7. Government Relations Update

Tyler Haskell, Interim Compliance Officer, presented federal issues of note, including the Centers for Medicare and Medicaid Services (CMS) extension of the COVID-19 public health emergency to January 11, 2023. Mr. Haskell informed the members that the end of the COVID-19 public health emergency will bring about an extensive unwinding of Federal and State waved requirements.

Mr. Haskell discussed the upcoming legislation and noted the Improving Seniors' Timely Access to Care Act that establishes several requirements and standards relating to prior authorization processes under Medicare Advantage plans with concerning "Gold Card" language, the Advancing Telehealth Beyond COVID-19 Act that extends the COVID telehealth Medicare Flexibilities through December 31, 2024, and the Statutory Pay-As-You-Go Act of 2010 (Statutory PAYGO) sequester that, if triggered, would result in a 4% cut to Medicare, have the possibility of being heard during the upcoming Lame Duck Session, while all mental health legislation will likely be held over until next session.

Mr. Haskell presented state issues impacting the Plan. Mr. Haskell reported on the Governor's lifting of the COVID State of Emergency effective February 28, 2023. Mr. Haskell reminded the members that once the COVID State of Emergency has been lifted committee meetings will revert back to in-person. Mr. Haskell shared Cal AIM initiative that went into effect this year centered around independent living for members.

Mr. Haskell shared an update on five bills that were recently passed by the Governor that will go into effect in January and that the Plan will work to implement. SB 1473 that demands out-of-network providers reimburse, at a reasonable rate, costs related to COVID testing beginning 6 months after the federal public health emergency expires. SB 987 that requires Plans to contract with National Cancer Center Institute designated comprehensive cancer centers and notify enrollees of their right to request services, this requirement will not impact SCFHP as the Plan currently contracts with Stanford. SB 858 that increases the penalties for Health Plans from the California Department of Managed Health Care (DMHC). SB 966 that has been extend indefinitely the code



flexibilities, enacted during COVID, for a Medi-Cal program administered by DHCS for health care services for Federally Qualified Health Centers FQHC and Rural Health Clinics RHC. And AB 2697 Medi-Cal Community Health Worker Services (CHWS) which codified into law the requirement that community health worker's services be a covered Medi-Cal benefit requiring Medi-Cal managed care plans to engage in outreach and education efforts to enrollees.

Mr. Haskell concluded his presentation with a forecast for the 2023 legislation that will include cuts in the budget should the current revenue trend continue.

8. CEO Update

Ms. Tomcala provided a brief summary of festivities that took place at the SCFHP 25th anniversary celebration and community health event at the Blanca Alvarado Community Resource Center. She shared there were over 1,000 attendees and twenty-five organizations promoting health, food, housing, legal aid, COVID-19 booster shots, and flu vaccinations. Additionally, Ms. Tomcala announced the SCFHP health career scholarship program in honor of the Plan's 25th anniversary.

Ms. Tomcala reported that the Plan earned \$4 million out of the \$8.5 million COVID vaccine incentive allocated to SCFHP. She indicated the Plan received an additional \$1 million for 20,000 member incentives, which were reimbursable by DHCS.

Ms. Tomcala noted that DMHC recently conducted a routine audit. The Plan expects to receive a draft report in a couple weeks. She also mentioned the Plan is still awaiting the results of the DHCS routine audit conducted in March 2022.

Lastly, Ms. Tomcala noted Valley Medical Center is preparing for a possible physician strike, and discussion ensued regarding efforts to minimize the impact on members.

9. Adjourn to Closed Session

a. Pending Litigation

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

b. Contract Rates

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

10. Report from Closed Session

Ms. Lew reported that the Executive/Finance committee met in Closed Session to discuss pending litigation and Plan partner rates.

11. Adjournment

The meeting was adjourned at 12:12 PM.

DocuSigned by:

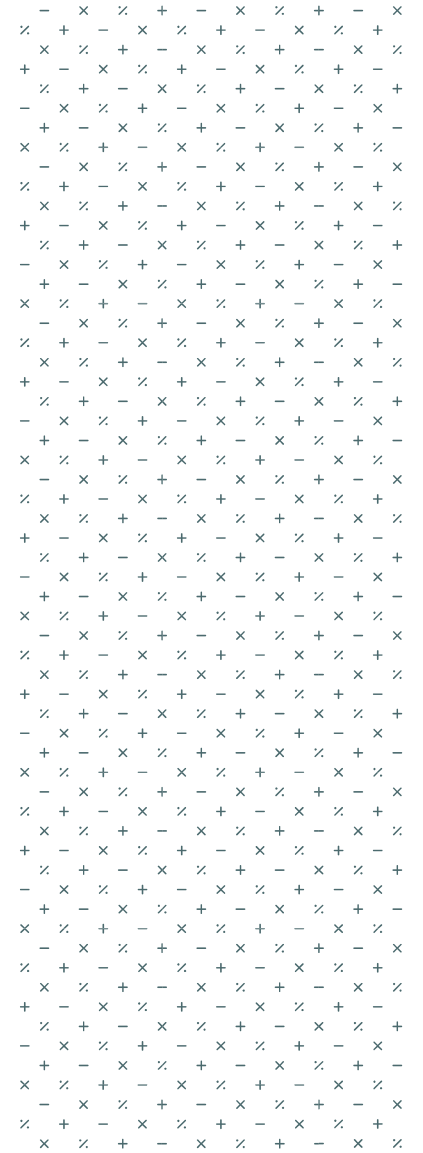
Sarita Kohli

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Sarita Kohli, Secretary



2022 Audit Results:

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



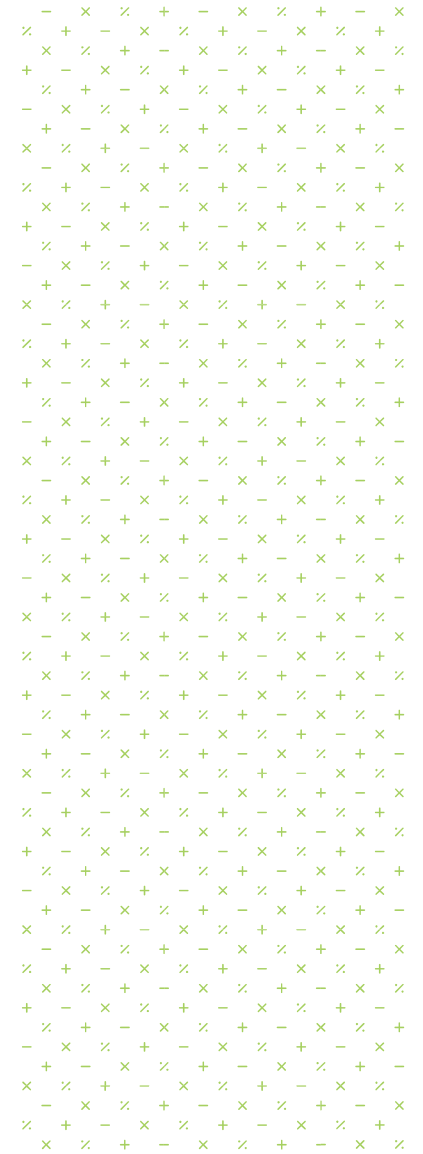


Report of Independent Auditors

Unmodified Opinion

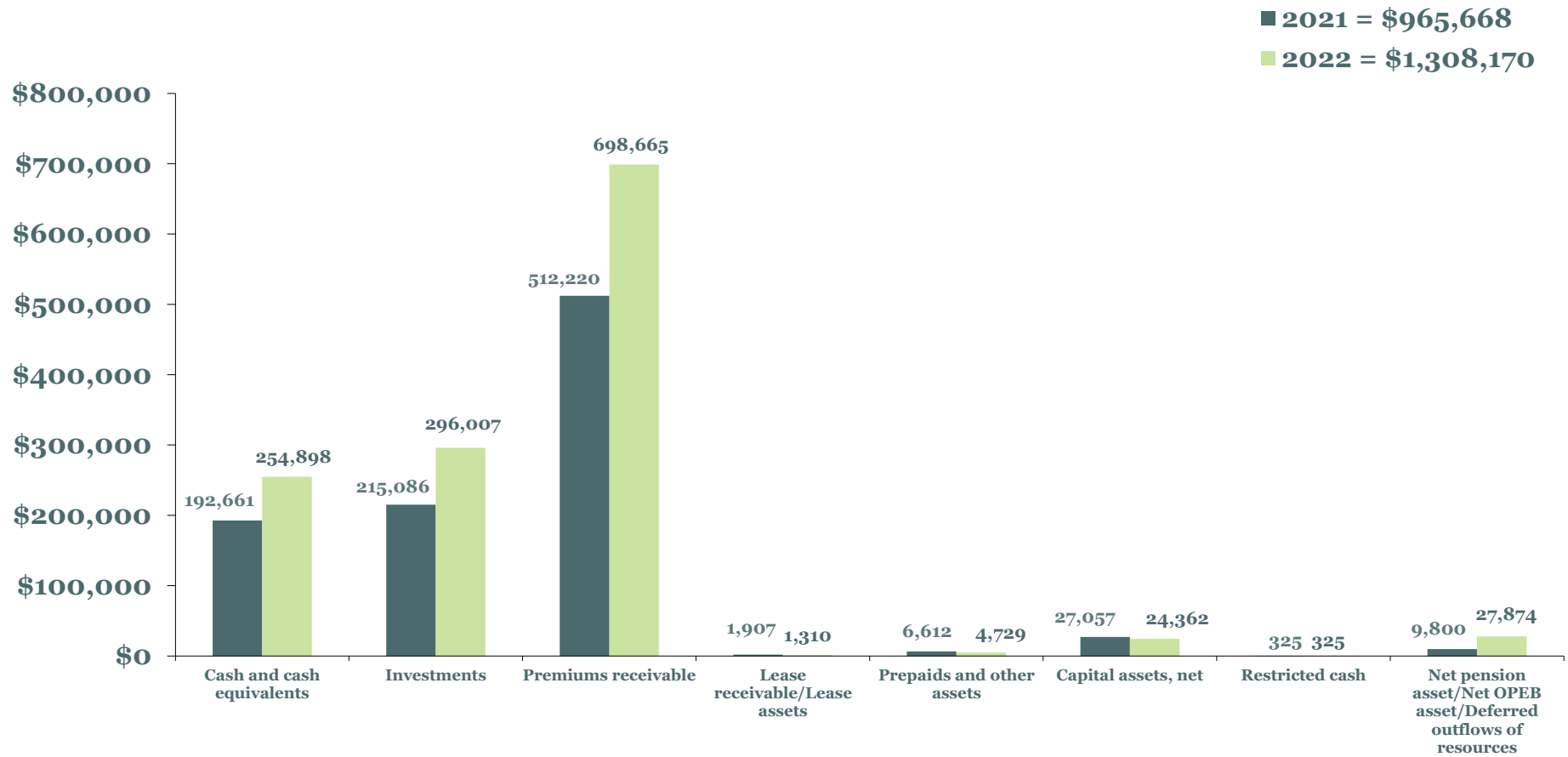
Financial statements are fairly presented in accordance with generally accepted accounting principles.

Statements of Net Position



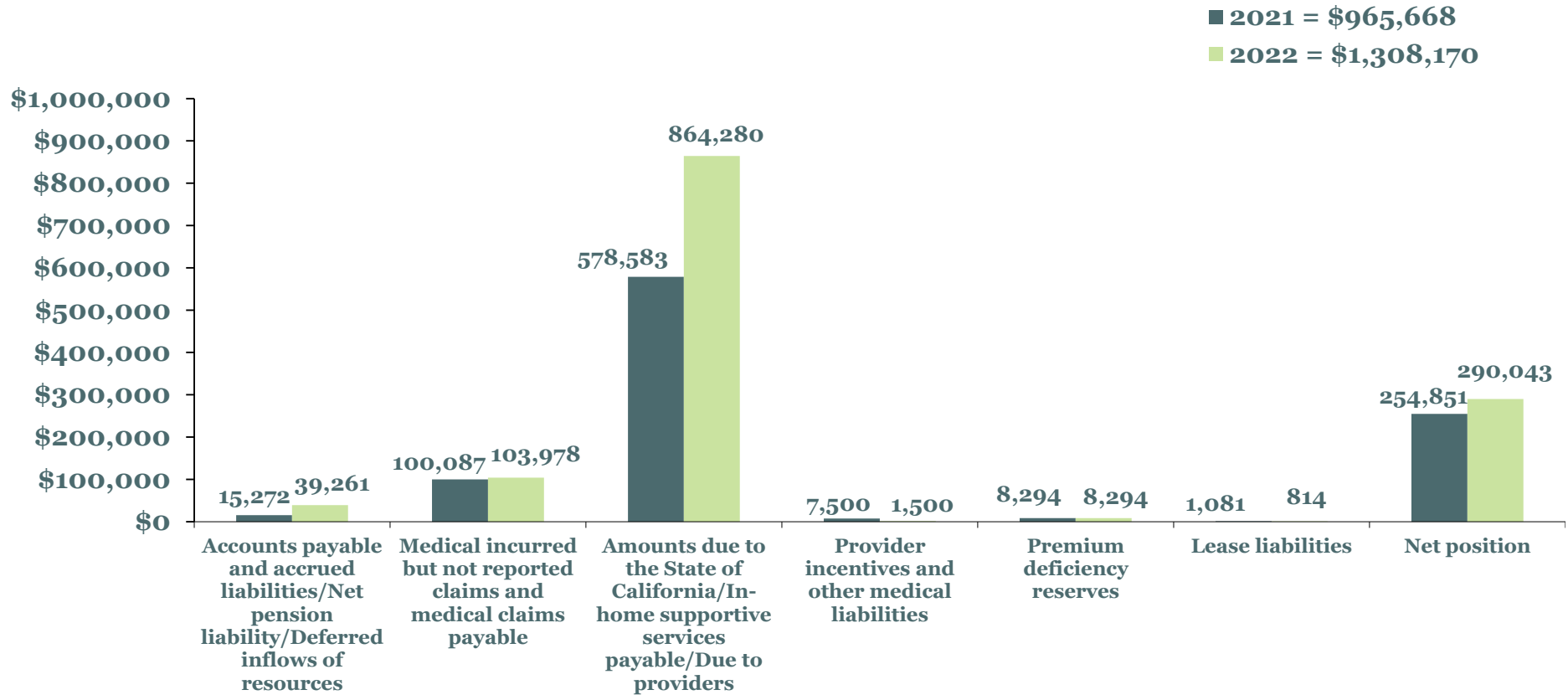


Asset Composition (in Thousands)



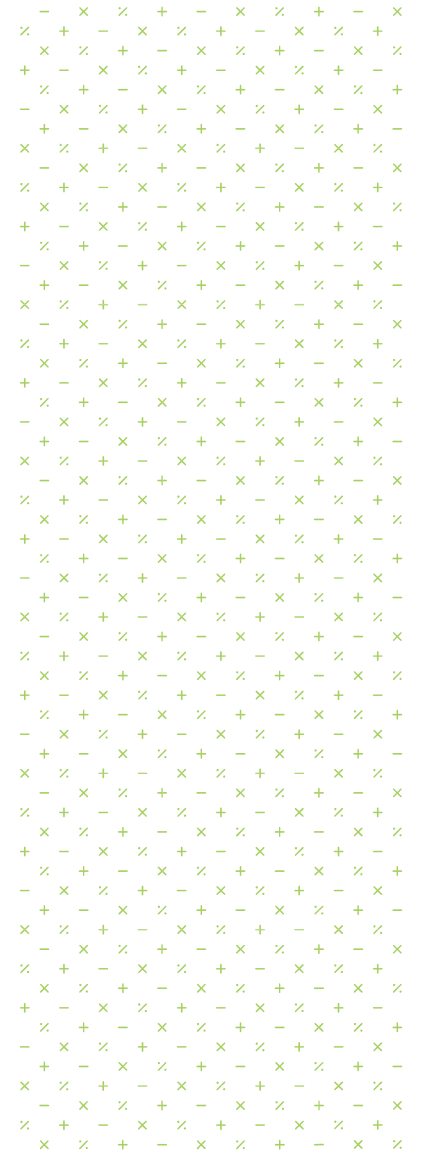


Liabilities and Net Position Balance (in Thousands)





Operations

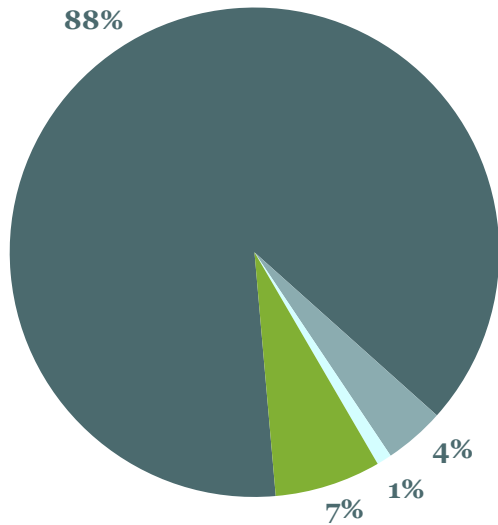




Operating Expenses (in Thousands)

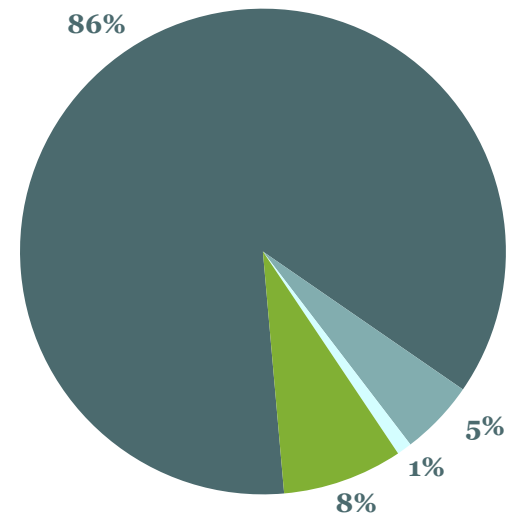
June 30, 2022

\$1,800,267



June 30, 2021

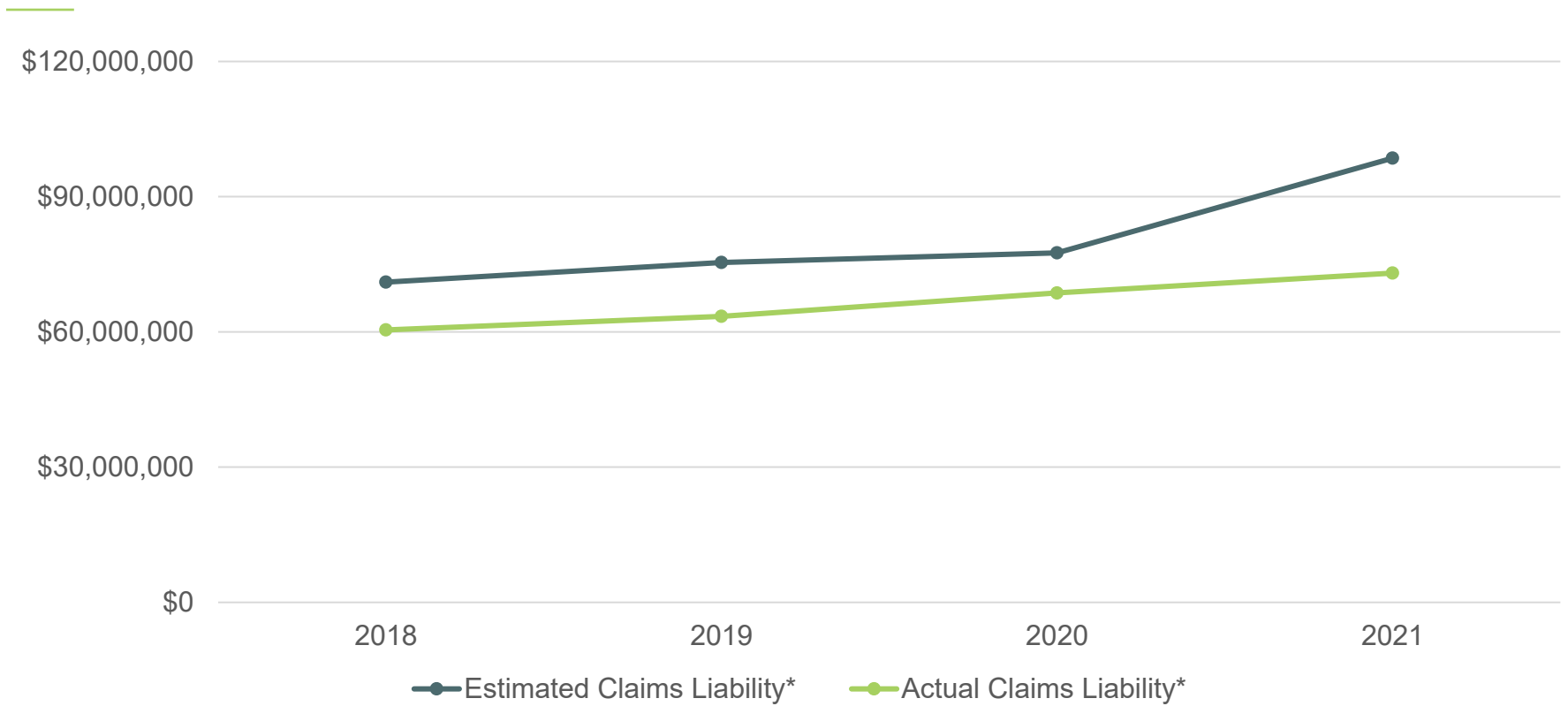
\$1,337,018



- Medical expenses
- Marketing, general, and administrative expenses
- Depreciation
- Premium tax



Historic Estimated Claims Liability and Historic Actual Claims Liability

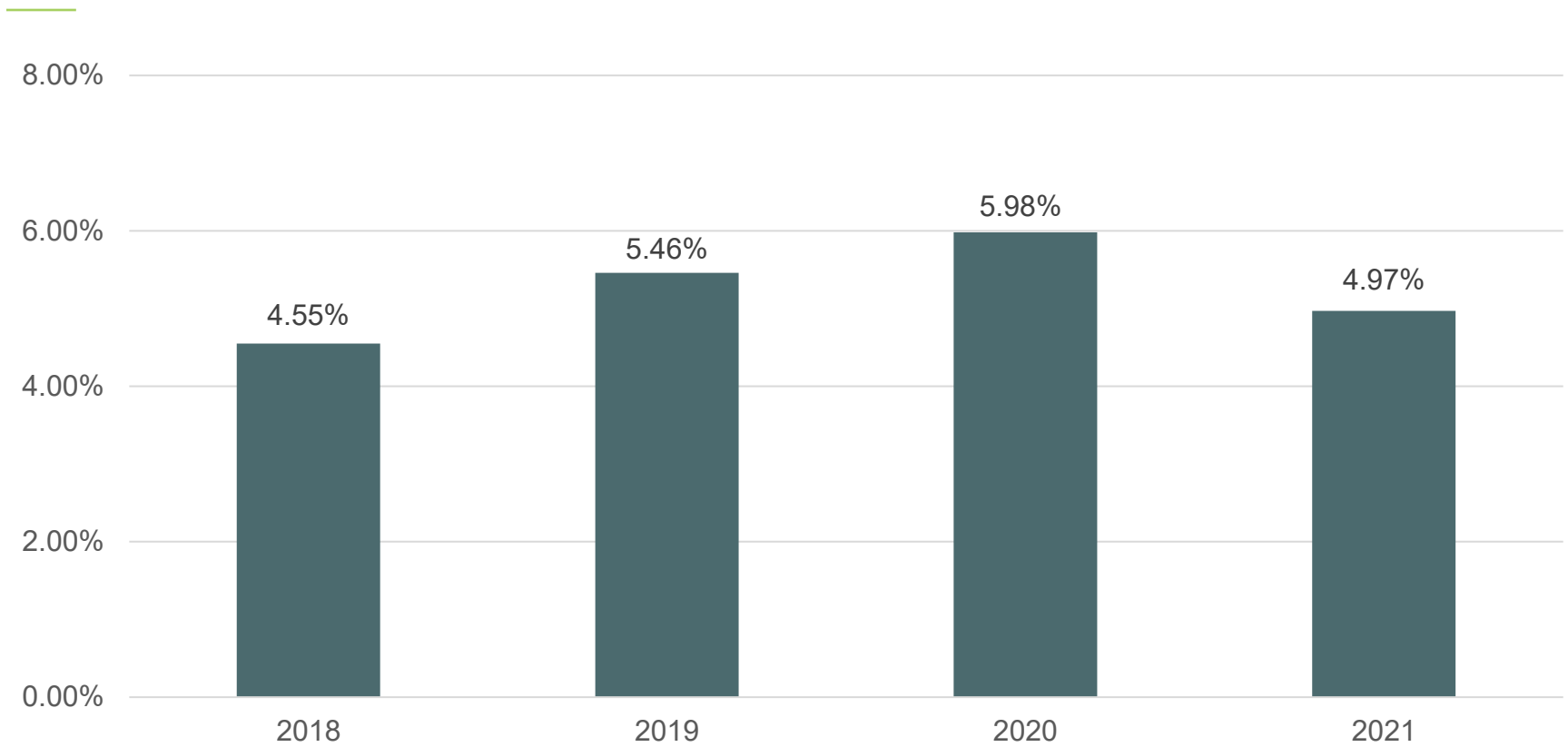


* Estimated claims liability and actual claims liability excludes pharmacy claims.

Source: SCFHP's internal reports



Historic Actual Claims Liability* as a % of Capitation and Premium Revenues

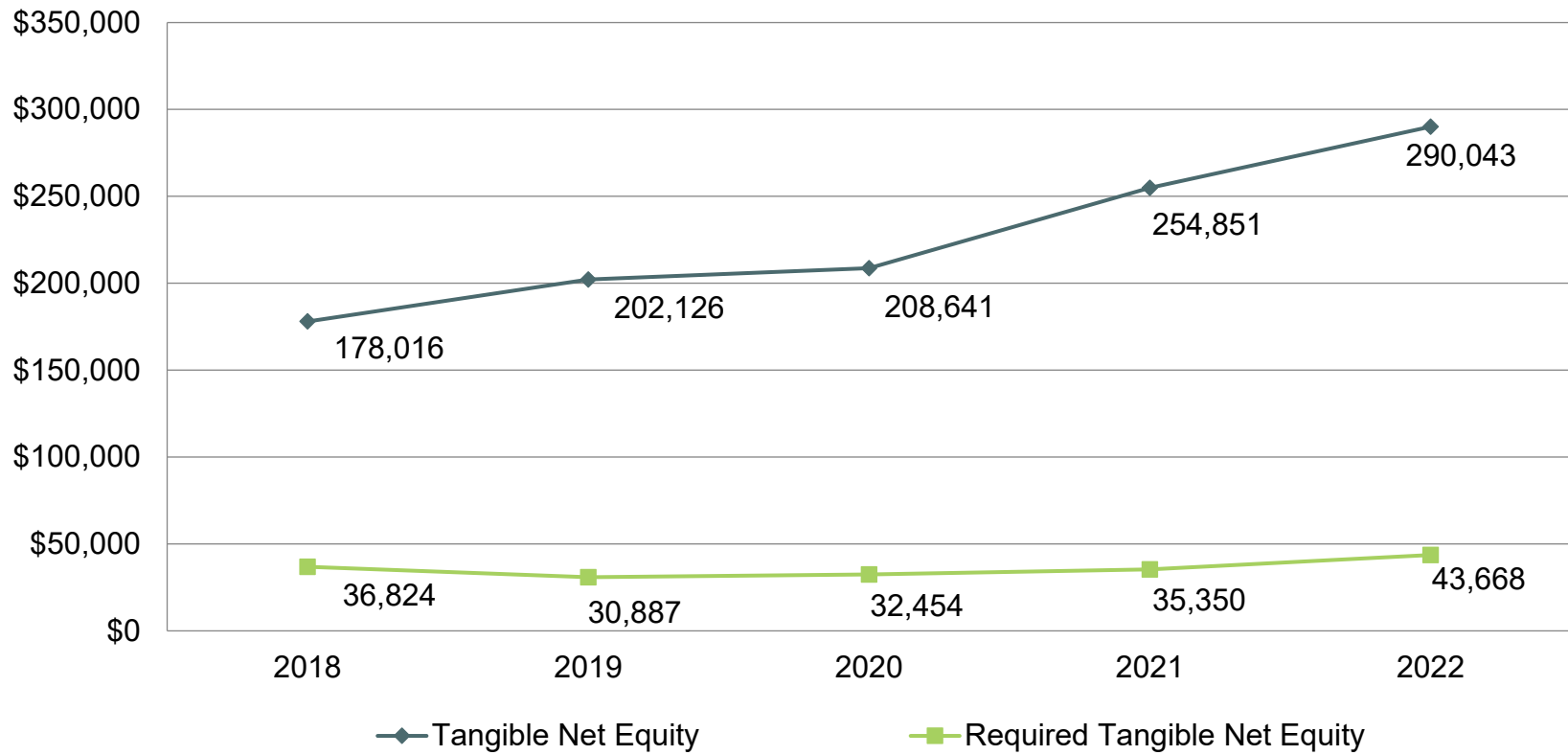


* Actual claims liability excludes pharmacy claims

Source: SCFHP's internal reports



Tangible Net Equity (in Thousands)



Source: Annual Department of Managed Health Care Filing



Important Board Communications

- AU-C Section 260 – *The Auditor’s Communication with Those Charged with Governance*
- Significant accounting policies
- Accounting estimates are reasonable
- Proposed audit adjustment
- No issues discussed prior to our retention as auditors
- No disagreements with management
- No awareness of material instances of fraud or noncompliance with laws and regulations



Questions?



*Report of Independent Auditors and
Financial Statements*

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

June 30, 2022 and 2021



MOSSADAMS

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Management's Discussion and Analysis

DRAFT

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Management's Discussion and Analysis
June 30, 2022, 2021, and 2020**

INTRODUCTION:

In accordance with the Governmental Accounting Standards Board Codification Section 2200, *Annual Comprehensive 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, 2022, 2021, and 2020. 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.

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.

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Management's Discussion and Analysis
June 30, 2022, 2021, and 2020**

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

FINANCIAL HIGHLIGHTS:

- Total enrollment increased by 8.4% to 306,351 members at June 30, 2022, from 282,670 members at June 30, 2021. Total enrollment increased by 11.3% to 282,670 members at June 30, 2021, from 253,875 members at June 30, 2020.
- Net position increased by \$35,192,319 to \$290,042,921 for the fiscal year ended June 30, 2022, from \$254,850,602 for the fiscal year ended June 30, 2021, due to operating income of \$33,061,836 and nonoperating income of \$2,130,483. Net position increased by \$46,209,816 to \$254,850,602 for the fiscal year ended June 30, 2021, from \$208,640,786 for the fiscal year ended June 30, 2020, due to operating income of \$43,357,542 and nonoperating income of \$2,852,274.
- Total assets and deferred outflows of resources increased to \$1,308,170,177 as of June 30, 2022, from \$965,668,156 as of June 30, 2021. Total assets and deferred outflows of resources decreased to \$965,668,156 as of June 30, 2021, from \$1,189,881,233 as of June 30, 2020.
- Total liabilities and deferred inflows of resources increased to \$1,018,127,256 at June 30, 2022, from \$710,817,554 at June 30, 2021. Total liabilities and deferred inflows of resources decreased to \$710,817,554 at June 30, 2021, from \$981,240,447 at June 30, 2020.
- The current ratio (current assets divided by current liabilities) of 1.24 as of June 30, 2022, reflected a decrease from 1.31 as of June 30, 2021. The current ratio (current assets divided by current liabilities) of 1.31 as of June 30, 2021, reflected an increase from 1.18 as of June 30, 2020.

**Santa Clara County Health Authority
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CONDENSED STATEMENTS OF NET POSITION:

	June 30			2022 to 2021		2021 to 2020	
	2022	2021 (As Restated)	2020	Amount	% Change	Amount	% Change
Assets:							
Current assets	\$ 1,254,649,142	\$ 926,897,526	\$ 1,152,476,888	\$ 327,751,616	35.4%	\$ (225,579,362)	-19.6%
Capital assets	24,361,878	27,056,663	26,649,088	(2,694,785)	-10.0%	407,575	1.5%
Other assets	15,980,478	4,300,610	2,352,997	11,679,868	271.6%	1,947,613	82.8%
Total assets	1,294,991,498	958,254,799	1,181,478,973	336,736,699	35.1%	(223,224,174)	-18.9%
Deferred outflows of resources	13,178,679	7,413,357	8,402,260	5,765,322	77.8%	(988,903)	-11.8%
Total assets and deferred outflows of resources	<u>\$ 1,308,170,177</u>	<u>\$ 965,668,156</u>	<u>\$ 1,189,881,233</u>	<u>\$ 342,502,021</u>	<u>35.5%</u>	<u>\$ (224,213,077)</u>	<u>-18.8%</u>
Liabilities:							
Current liabilities	\$ 1,010,459,937	\$ 706,660,855	\$ 977,464,723	\$ 303,799,082	43.0%	\$ (270,803,868)	-27.7%
Noncurrent liabilities	521,308	1,013,567	-	(492,259)	100.0%	1,013,567	100.0%
Total liabilities	1,010,981,245	707,674,422	977,464,723	303,306,823	42.9%	(269,790,301)	-27.6%
Deferred inflow of resources	7,146,011	3,143,132	3,775,724	4,002,879	127.4%	(632,592)	-16.8%
Net position:							
Net investment in capital assets	24,361,878	27,056,663	26,649,088	(2,694,785)	-10.0%	407,575	1.5%
Restricted	325,000	325,000	305,350	-	0.0%	19,650	6.4%
Unrestricted:							
Designated by Governing Board	15,587,414	17,067,275	17,339,275	(1,479,861)	-8.7%	(272,000)	100.0%
Unrestricted	249,768,629	210,401,664	164,347,073	39,366,965	18.7%	46,054,591	28.0%
Total net position	290,042,921	254,850,602	208,640,786	35,192,319	13.8%	46,209,816	22.1%
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,308,170,177</u>	<u>\$ 965,668,156</u>	<u>\$ 1,189,881,233</u>	<u>\$ 342,502,021</u>	<u>35.5%</u>	<u>\$ (224,213,077)</u>	<u>-18.8%</u>

Assets and Deferred Outflows of Resources

For the fiscal year ended June 30, 2022, assets increased by \$336,736,699 or 35.1% due primarily to increased premiums receivable attributable to the timing of anticipated hospital directed payments (as noted in the footnotes to the financial statements), coupled with increased cash and investment balances. During the same period, deferred outflows of resources increased by \$5,765,322 or 77.8% due to the timing of amounts attributable to employee retirement plans.

For the fiscal year ended June 30, 2021, assets decreased by \$223,224,174 or -18.9% due primarily to decreases in hospital pass-through receivables. During the same period, deferred outflows of resources decreased by \$988,903 or -11.8% due to the timing of amounts attributable to employee retirement plans.

Liabilities and Deferred Inflows of Resources

For the fiscal year ended June 30, 2022, liabilities increased by \$303,306,823 or 42.9% due primarily to increased liabilities for hospital directed payments (as noted in the footnotes to the financial statements). During the same period, deferred inflows of resources increased by \$4,002,879 or 127.4% due to the timing of amounts attributable to employee retirement plans and recording deferred inflow of resources related to the adoption of Government Accounting Standards Board Statement No. 87 – Leases (“GASB 87”).

**Santa Clara County Health Authority
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For the fiscal year ended June 30, 2021, liabilities decreased by \$269,790,301 or -27.6% due primarily to decreases in hospital pass-through payables. During the same period, deferred inflows of resources decreased by \$632,592 or -16.8% due to the timing of amounts attributable to employee retirement plans and recording deferred inflow of resources related to the adoption of GASB 87.

Tangible Net Equity

The Health Authority is required to maintain a minimum level of tangible net equity (“TNE”) per its contract with the California Department of Health Care Services (“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 \$290,042,921, \$254,850,602, and \$208,640,786 at June 30, 2022, 2021, and 2020, respectively. The Health Authority exceeded the minimum required TNE levels at all times during the three fiscal years.

CONDENSED RESULTS OF OPERATIONS:

	Fiscal Year			2022 to 2021 Change		2021 to 2020 Change	
	2022	2021 (As Restated)	2020	Amount	% Change	Amount	% Change
Year end membership:							
Medi-Cal	296,019	272,590	244,888	23,429	8.6%	27,702	11.3%
Cal Medi-Connect	10,332	10,080	8,987	252	2.5%	1,093	12.2%
Total year end membership	306,351	282,670	253,875	23,681	8.4%	28,795	11.3%
Annual member months:							
Medi-Cal	3,390,356	3,137,271	2,829,690	253,085	8.1%	307,581	10.9%
Cal Medi-Connect	123,700	116,365	101,391	7,335	6.3%	14,974	14.8%
Healthy Kids	-	-	10,528	-	0.0%	(10,528)	-100.0%
Total annual member months	3,514,056	3,253,636	2,941,609	260,420	8.0%	312,027	10.6%
Operating revenues:							
Capitation and premium revenue	\$ 1,833,328,501	\$ 1,380,375,797	\$ 1,147,826,608	\$ 452,952,704	32.8%	\$ 232,549,189	20.3%
Total operating revenues	1,833,328,501	1,380,375,797	1,147,826,608	452,952,704	32.8%	232,549,189	20.3%
Operating expenses:							
Medical expenses	1,597,879,729	1,162,912,637	1,036,714,518	434,967,092	37.4%	126,198,119	12.2%
General and administrative expenses	69,145,367	60,783,541	57,442,133	8,361,826	13.8%	3,341,408	5.8%
Depreciation and amortization	4,406,582	3,937,385	3,370,268	469,197	11.9%	567,117	16.8%
Premium tax	128,834,987	109,384,692	50,260,731	19,450,295	17.8%	59,123,961	117.6%
Total operating expenses	1,800,266,665	1,337,018,255	1,147,787,650	463,248,410	34.6%	189,230,605	16.5%
Operating income	33,061,836	43,357,542	38,958	(10,295,706)	-23.7%	43,318,584	111193.0%
Nonoperating revenues:							
Interest and other income	2,130,483	2,852,274	6,476,073	(721,791)	-25.3%	(3,623,799)	-56.0%
Changes in net position	35,192,319	46,209,816	6,515,031	(11,017,497)	-23.8%	39,694,785	609.3%
Net position, beginning of year	254,850,602	208,640,786	202,125,755	46,209,816	22.1%	6,515,031	3.2%
Net position, end of year	\$ 290,042,921	\$ 254,850,602	\$ 208,640,786	\$ 35,192,319	13.8%	\$ 46,209,816	22.1%

The Healthy Kids program ended December 31, 2019, The Cal Medi-Connect program is scheduled to end December 31, 2022 and will be replaced with Dual Connect, a dual-eligible special plan (“D-SNP”).

**Santa Clara County Health Authority
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Management's Discussion and Analysis
June 30, 2022, 2021, and 2020**

Membership and Enrollment

During the fiscal year ended June 30, 2022, the Health Authority experienced an increase in enrollment of 8.4% predominately due to the County's suspension of Medi-Cal disenrollment during the continued COVID-19 public health emergency.

During the fiscal year ended June 30, 2021, the Health Authority experienced an increase in enrollment of 11.3% predominately due to the County's suspension of Medi-Cal disenrollment during the COVID-19 public health emergency.

Operating Revenue

During the fiscal year ended June 30, 2022, operating revenues increased by \$452,952,704 or 32.8% to \$1,833,328,501 versus the prior year operating revenue of \$1,380,375,797. Much of the increase was attributable to a new DHCS requirement to record hospital directed payments on the statement of net position, coupled with increased enrollment.

During the fiscal year ended June 30, 2021, operating revenues increased by \$232,549,189 or 20.3% to \$1,380,375,797 versus the prior year operating revenue of \$1,147,826,608. Much of the increase was attributable to changes in enrollment and capitation rates.

Medical Expenses

During the fiscal year ended June 30, 2022, medical expenses increased by \$434,967,092 or 37.4% to \$1,597,879,729 versus the prior year of \$1,162,912,637. Much of the increase was attributable to a new DHCS requirement to record hospital directed payments on the statement of net position, coupled with increased enrollment.

During the fiscal year ended June 30, 2021, medical expenses increased by \$126,198,119 or 12.2% to \$1,162,912,637 versus the prior year of \$1,036,714,518. Much of the increase was attributable to increases in certain capitation and fee-for-service expenses.

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 93.7%, 91.5%, and 94.5% for the fiscal years ended June 30, 2022, 2021, and 2020, respectively.

Premium Deficiency Reserve

During the fiscal year ended June 30, 2022, management maintained its estimated premium deficiency reserve ("PDR") on the CMC contract at \$8,294,025 for fiscal year 2023 due to continued uncertainties and past reconciliations.

During the fiscal year ended June 30, 2021, management maintained its estimated premium deficiency reserve ("PDR") on the CMC contract at \$8,294,025 for fiscal year 2022 due to continued uncertainties and past reconciliations.

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Management's Discussion and Analysis
June 30, 2022, 2021, and 2020**

General and Administrative Expenses

During the fiscal year ended June 30, 2022, general and administrative expenses increased by \$8,361,826 or 13.8% to \$69,145,367 versus the prior year expense of \$60,783,541 due to increased headcount required by expanding scope of responsibilities under the various California Advancing and Innovative Medi-Cal CalAIM programs.

During the fiscal year ended June 30, 2021, general and administrative expenses increased by \$3,341,408 or 5.8% to \$60,783,541 versus the prior year expense of \$57,442,133 due to increased employee headcount and associated benefit costs.

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 4.3%, 5.1%, and 5.5% for the fiscal years ended June 30, 2022, 2021, and 2020, 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, 2022, 2021, and 2020:

	Fiscal Year			2022 to 2021 Change		2021 to 2020 Change	
	2022	2021 (As Restated)	2020	Amount	% Change	Amount	% Change
Cash flows from operating activities	\$ 141,997,704	\$ 75,657,913	\$ 30,675,986	\$ 66,339,791	87.7%	\$ 44,981,927	146.6%
Cash flows from capital and financing activities	(1,846,248)	(4,197,579)	(2,826,838)	2,351,331	-56.0%	(1,370,741)	48.5%
Cash flows from investing activities	(77,915,004)	(12,569,800)	(193,195,538)	(65,345,204)	519.9%	180,625,738	-93.5%
Net change in cash and cash equivalents	62,236,452	58,890,534	(165,346,390)	3,345,918	5.7%	224,236,924	-135.6%
Cash and cash equivalents, beginning of year	192,661,298	133,770,764	299,117,154	58,890,534	44.0%	(165,346,390)	-55.3%
Cash and cash equivalents, end of year	\$ 254,897,750	\$ 192,661,298	\$ 133,770,764	\$ 62,236,452	32.3%	\$ 58,890,534	44.0%

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 and City National Bank Managed Investment Account, both of 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, 2022, 2021, and 2020. Capital assets largely included furniture and fixtures, computer hardware and software, and leasehold improvements:

	Fiscal Year Ended June 30,			2022 to 2021 Change		2021 to 2020 Change	
	2022	2021 (As Restated)	2020	Amount	% Change	Amount	% Change
Beginning balance, net	\$ 27,056,663	\$ 26,649,088	\$ 27,392,240	\$ 407,575	1.5%	\$ (743,152)	-2.7%
Additions	2,182,144	4,583,540	2,826,838	(2,401,396)	-52.4%	1,756,702	62.1%
Reductions/adjustments	(749,294)	(446,556)	(199,722)	(302,738)	67.8%	(246,834)	123.6%
Depreciation and amortization expense	(4,127,635)	(3,729,409)	(3,370,268)	(398,226)	10.7%	(359,141)	10.7%
Ending balance, net	\$ 24,361,878	\$ 27,056,663	\$ 26,649,088	\$ (2,694,785)	-10.0%	\$ 407,575	1.5%

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Management's Discussion and Analysis
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GENERAL ECONOMIC FACTORS:

While the COVID-19 pandemic seems to be winding down, the public health emergency (“PHE”) continues to remain in effect. The resulting pause in redeterminations has continue to increase the Plan’s enrollment and will continue to do so until the PHE has concluded. The Plan’s membership will likely decrease significantly over the subsequent twelve months as the County processes Medi-Cal renewal applications. The Plan’s costs may move with potential changes in member acuity and utilization patterns. Changes in the general economic and employment conditions may also impact the Plan. For example, the broader economy faces additional challenges such as increasing inflation, supply chain concerns and changes to monetary policy, which may add cost pressures to the healthcare delivery system. SCFHP will continue to carefully navigate the vast landscape of unknowns to ensure it remains in a stable financial position.

FISCAL YEAR BUDGETS:

Fiscal Year 2022 Key Budget Impacts:

- COVID-19 Impact – The declaration of a Public Health Emergency by the State of California paused the normal Medi-Cal disenrollment process. The Plan saw a significant increase in enrollment for the fiscal years ended June 30, 2021 and June 30, 2020. Following the conclusion of the public health emergency, the Plan anticipates that Medi-Cal disenrollment process resumes.
- California Advancing and Innovative Medi-Cal (“CalAIM”) – The State of California launched a multi-year initiative entitled California Advancing and Innovative Medi-Cal to improve health outcomes for the Medi-Cal population by implementing a multi-year program of broad reforms to the delivery systems, programs, and payment reforms. The initial components of CalAIM launched January 1, 2022. CalAIM is expected to provide new funding to the Plan and increased expenses, the magnitude of which are unknown at this time.

Fiscal Year 2023 Budget Summary:

In June 2022, the Health Authority’s Governing Board formally approved operating and capital budgets for the fiscal year ending June 30, 2023. The fiscal year 2023 operating budget anticipates an enrollment decline of 2.1% due to the resumption of Medi-Cal eligibility redeterminations following the end of the public health emergency, transition of the Cal Medi-Connect program to the Dual Connect D-SNP program, introduction of additional CalAIM programs, modest changes in capitation rates, and modest growth in operating expenses.

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, Attention: Controller, 6201 San Ignacio Avenue, San Jose, California 95119 or call (408) 376-2000.

Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Santa Clara County Health Authority (dba Santa Clara Family Health Plan), which comprise the statements of net position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Santa Clara County Health Authority (dba Santa Clara Family Health Plan) as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Santa Clara County Health Authority (dba Santa Clara Family Health Plan) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Santa Clara County Health Authority (dba Santa Clara Family Health Plan)'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Santa Clara County Health Authority (dba Santa Clara Family Health Plan)'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Santa Clara County Health Authority (dba Santa Clara Family Health Plan)'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter – New Accounting Standard

As discussed in Note 1 to the combined financial statements, San Francisco Health Authority and San Francisco Community Health Authority adopted Government Accounting Standards Board No. 87, Leases, as of July 1, 2020. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 asset/liability, and supplementary schedule of other post-employment benefit contributions on pages 41 through 44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

[Signature]

San Francisco, California

October __, 2022

DRAFT

Financial Statements

DRAFT

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Statements of Net Position
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u> (As Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets		
Cash and cash equivalents	\$ 254,897,750	\$ 192,661,298
Investments	296,007,423	215,085,767
Premiums receivable	698,665,326	512,219,526
Lease receivable, current portion	349,459	318,790
Prepays and other assets	4,729,184	6,612,145
Total current assets	<u>1,254,649,142</u>	<u>926,897,526</u>
Lease receivable, net of current portion	233,139	582,597
Capital assets, net		
Nondepreciable	3,509,128	3,509,128
Depreciable, net of accumulated depreciation and amortization	<u>20,852,750</u>	<u>23,547,535</u>
Total capital assets, net	24,361,878	27,056,663
Assets restricted as to use	325,000	325,000
Net pension asset	8,138,023	-
Other post-employment benefits asset	6,557,302	2,387,052
Lease assets, net of accumulated amortization	<u>727,014</u>	<u>1,005,961</u>
Total assets	<u>1,294,991,498</u>	<u>958,254,799</u>
Deferred outflows of resources	<u>13,178,679</u>	<u>7,413,357</u>
Total deferred outflows of resources	<u>13,178,679</u>	<u>7,413,357</u>
Total assets and deferred outflows of resources	<u>\$ 1,308,170,177</u>	<u>\$ 965,668,156</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities		
Accounts payable and accrued liabilities	\$ 32,114,924	\$ 11,930,005
Amounts due to the State of California	132,578,880	90,485,269
In-home supportive services payable	419,990,933	419,990,933
Due to providers	311,710,640	68,106,473
Medical incurred but not reported claims and medical claims payable	103,977,932	100,087,324
Provider incentives and other medical liabilities	1,499,998	7,500,000
Premium deficiency reserves	8,294,025	8,294,025
Lease liabilities, current portion	<u>292,605</u>	<u>266,826</u>
Total current liabilities	<u>1,010,459,937</u>	<u>706,660,855</u>
Noncurrent liabilities		
Net pension liability	-	199,654
Lease liabilities, net of current portion	<u>521,308</u>	<u>813,913</u>
Total liabilities	<u>1,010,981,245</u>	<u>707,674,422</u>
Deferred inflows of resources	<u>7,146,011</u>	<u>3,143,132</u>
Total deferred inflows of resources	<u>7,146,011</u>	<u>3,143,132</u>
Net position		
Net investment in capital assets	24,361,878	27,056,663
Restricted	325,000	325,000
Unrestricted:		
Designated by Governing Board	15,587,414	17,067,275
Unrestricted	<u>249,768,629</u>	<u>210,401,664</u>
Total net position	<u>290,042,921</u>	<u>254,850,602</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,308,170,177</u>	<u>\$ 965,668,156</u>

**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, 2022 and 2021**

	2022	2021
		(As Restated)
Operating revenues		
Capitation and premium revenue	\$ 1,833,328,501	\$ 1,380,375,797
Total operating revenues	1,833,328,501	1,380,375,797
Operating expenses		
Medical expenses	1,597,879,729	1,162,912,637
Premium tax	128,834,987	109,384,692
General and administrative expenses	69,145,367	60,783,541
Depreciation and amortization	4,406,582	3,937,385
Total operating expenses	1,800,266,665	1,337,018,255
Operating income	33,061,836	43,357,542
Nonoperating revenues		
Interest and other income	2,130,483	2,852,274
Change in net position	35,192,319	46,209,816
Net position, beginning of year	254,850,602	208,640,786
Net position, end of year	\$ 290,042,921	\$ 254,850,602

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u> (As Restated)
Cash flows from operating activities		
Capitation and premiums received	\$ 1,646,882,701	\$ 1,679,162,987
Medical expenses paid	(1,443,126,332)	(1,542,306,908)
Marketing, general, and administrative expenses paid	(61,758,665)	(61,198,166)
Net cash provided by operating activities	<u>141,997,704</u>	<u>75,657,913</u>
Cash flows from capital and financing activities		
Purchases of capital assets	(1,898,211)	(4,350,663)
Principal payments on lease liabilities	(266,826)	(133,198)
Proceeds from lease receivable	318,789	286,282
Net cash used in capital and financing activities	<u>(1,846,248)</u>	<u>(4,197,579)</u>
Cash flows from investing activities		
Purchase of investments	(1,801,354,060)	(693,316,965)
Sale of investments	1,721,308,573	677,894,891
Interest collection on investments	2,130,483	2,852,274
Net cash used in investing activities	<u>(77,915,004)</u>	<u>(12,569,800)</u>
Net change in cash and cash equivalents	62,236,452	58,890,534
Cash and cash equivalents, beginning of year	192,661,298	133,770,764
Cash and cash equivalents, end of year	<u>\$ 254,897,750</u>	<u>\$ 192,661,298</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 33,061,836	\$ 43,357,542
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	4,406,582	3,937,385
Net unrealized (gain) loss on investments	(876,169)	219,662
Changes in operating assets and liabilities:		
Premiums receivable	(186,445,800)	298,787,190
Prepays and other assets	1,882,961	1,184,258
Net pension asset/liability	(8,337,677)	1,216,656
Other post-employment benefits asset	(4,170,250)	(1,356,407)
Deferred outflows of resources	(5,765,322)	988,903
Accounts payable and accrued liabilities	20,650,280	(867,086)
Amounts due to the State of California	42,093,611	(13,944,529)
In-home supportive services payable	-	722,351
Due to providers	243,604,167	(277,249,924)
Medical incurred but not reported claims and medical claims payable	3,890,608	15,982,173
Provider incentives and other medical liabilities	(6,000,002)	4,500,000
Deferred inflows of resources	4,002,879	(1,820,261)
Net cash provided by operating activities	<u>\$ 141,997,704</u>	<u>\$ 75,657,913</u>
Supplemental cash-flow disclosure		
Cash paid during the year for premium tax	<u>\$ 118,500,088</u>	<u>\$ 82,038,521</u>
Supplemental disclosure of noncash item		
Payables for capital asset purchases	<u>\$ 283,933</u>	<u>\$ 232,877</u>

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
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 populations in Santa Clara County (the “County”).

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 Cal Medi-Connect program is scheduled to end December 31, 2022 and will be replaced with Dual Connect, a dual-eligible special needs plan (“D-SNP”).

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 \$118,500,088 and \$82,038,521 in MCO premium taxes during fiscal years 2022 and 2021, respectively. At June 30, 2022 and 2021, the Health Authority had payables due in the amount of \$35,019,123 and \$31,975,622, respectively, included in amounts due to the State of California.

Beginning January 1, 2022, CDHCS began implementing California Advancing and Innovating Medi-Cal (“CalAIM”) to modernize the state of California's Medi-Cal Program. CalAIM will require managed care plans to implement a whole-system, person-centered strategy that focuses on wellness and prevention, including assessments of each enrollee's health risks and health-related social needs, and provide care management and care transitions across delivery systems and settings. CalAIM is expected to provide additional new funding to the Health Authority and increase expenses, the total magnitude of which are unknown at this time.

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Notes to Financial Statements**

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 (“IBNR”) claims and medical claims payable, premiums receivable, fair market value of investments, net pension asset/liability, other post-employment benefits asset, 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, 2022 and 2021, the Health Authority’s cash deposits and investment pool had carrying amounts of \$254,897,750 and \$192,661,298, respectively. The Health Authority’s bank and investment pool balances at June 30, 2022 and 2021, including interests in an investment pool, were \$260,066,086 and \$223,433,288, respectively. Of the bank and investment pool balances at June 30, 2022 and 2021, \$259,267,576 and \$222,563,094, 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, 2022 and 2021.

Santa Clara County Health Authority (dba Santa Clara Family Health Plan) Notes to Financial Statements

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 \$325,000 at June 30, 2022 and 2021.

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 financial 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 implemented 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.

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Notes to Financial Statements**

- 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.

Santa Clara County Health Authority (dba Santa Clara Family Health Plan) Notes to Financial Statements

Other post-employment benefits asset – The Health Authority recognizes a net other post-employment benefits (“OPEB”) asset, 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 is measured as of the Health Authority’s prior fiscal year-end. Changes in the net OPEB asset 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 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, 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.

Lease assets and lease liabilities – The Health Authority has recorded lease assets and lease liabilities as a result of implementing GASB 87, *Leases* (“GASB 87”). The lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The lease assets are amortized on a straight-line basis over the life of the related lease.

The Health Authority recognizes lease contracts or equivalents that have a term exceeding one year that meet the definition of an other than short-term lease. The Health Authority uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the Health Authority’s incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

Lease receivable and deferred inflow of resources - Pursuant to GASB 87, the Health Authority, as a lessor, recognized a lease receivable and a deferred inflow of resources in the statements of net position. A lease receivable represents the present value of future lease payments expected to be received by the Health Authority during the lease term. A deferred inflow of resources is recognized corresponding to the lease receivable amount and is defined as an acquisition of net position by the Health Authority that is applicable to future reporting periods. Amortization of the deferred inflow of resources is based on the straight-line method over the terms of the leases.

The Health Authority recognizes lease contracts or equivalents that have a term exceeding one year that meet the definition of an other than short-term lease. The Health Authority uses the same interest rate it charges to lessee as the discount rate or that is implicit in the contract to the lessee. Short-term lease receipts and variable lease receipts not included in the measurement of the lease receivable are recognized as income when earned.

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Notes to Financial Statements**

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, 2022 and 2021, \$15,587,414 and \$17,067,275 was unexpended, respectively.

Capitation and premium revenue – The Health Authority has agreements with the Medi-Cal Program in the State of California 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, 2022 and 2021, premium revenues recorded from DHCS under the Medi-Cal program totaled \$1,605,283,554 and \$1,169,271,641, 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, 2022 and 2021, premium revenues totaled \$42,996,569 and \$45,682,524, and \$185,048,378 and \$165,421,632 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.

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, 2023. 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, 2022 and 2021. 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, 2022 and 2021. The Cal Medi-Connect program is scheduled to end December 31, 2022 and will be replaced with D-SNP.

Santa Clara County Health Authority (dba Santa Clara Family Health Plan) Notes to Financial Statements

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, 2022, the Health Authority had premiums receivable of \$654,743,403, \$10,468,902, and \$33,453,021 due from Medi-Cal program, CMC program, and Medicare, respectively. As of June 30, 2021, the Health Authority had premiums receivable of \$490,415,912, \$9,002,439, and \$12,801,175 due from Medi-Cal program, CMC program, and Medicare, 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 June 2017, the GASB issued 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 adopted GASB 87 as of July 1, 2020. The Health Authority calculated and recognized lease assets of \$1,005,961, lease liabilities of \$1,080,739, lease receivables of \$901,387, and deferred inflows of resources of \$866,537 as of June 30, 2021. There was no material impact to beginning net position from the adoption of GASB 87.

NOTE 2 – INVESTMENTS

At June 30, 2022 and 2021, the Health Authority's investments consisted of commercial paper, U.S. government agency bonds, corporate bonds, foreign bonds, municipal bonds, commercial paper, U.S. treasury securities and money market funds.

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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, 2022 and 2021, 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, 2022:

Description	Fair value	Not rated	AAA	AA+	AA	AA-	A+	A	A-
Investments in:									
U.S. government agency bonds	\$ 1,988,320	\$ 1,988,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate bonds	53,440,085	-	1,010,623	-	-	4,000,163	6,816,745	4,375,795	37,236,759
Foreign bonds	22,983,662	-	-	-	-	14,935,397	-	-	8,048,265
Municipal bonds	24,295,915	-	11,783,975	1,830,183	1,850,023	999,568	7,832,166	-	-
Commercial paper	108,906,959	108,906,959	-	-	-	-	-	-	-
U.S. Treasury securities	49,987,500	49,987,500	-	-	-	-	-	-	-
Money market funds	34,404,982	-	34,404,982	-	-	-	-	-	-
Total investments	\$ 296,007,423	\$ 160,882,779	\$ 47,199,580	\$ 1,830,183	\$ 1,850,023	\$ 19,935,128	\$ 14,648,911	\$ 4,375,795	\$ 45,285,024

The following are the credit ratings for each investment type at June 30, 2021:

Description	Fair value	AAA	AA+	AA	AA-	A+	A	A-	A-1+	A-1
Investments in:										
U.S. government agency bonds	\$ 91,032,849	\$ 25,549,604	\$ -	\$ 5,074,397	\$ -	\$ -	\$ -	\$ -	\$ 60,408,848	\$ -
Corporate bonds	62,445,780	-	3,019,216	-	9,520,715	16,644,503	20,140,173	13,121,173	-	-
Municipal bonds	13,108,692	1,925,611	499,868	6,596,581	4,086,632	-	-	-	-	-
Commercial paper	40,257,340	-	-	-	-	-	-	-	24,658,032	15,599,308
U.S. Treasury securities	8,241,106	2,541,134	-	-	-	-	-	-	5,699,972	-
Total investments	\$ 215,085,767	\$ 30,016,349	\$ 3,519,084	\$ 11,670,978	\$ 13,607,347	\$ 16,644,503	\$ 20,140,173	\$ 13,121,173	\$ 90,766,852	\$ 15,599,308

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 Health Authority’s investments as a percentage of its portfolio at June 30, 2022 were as follows:

Investment	Issuer	Percentage of portfolio
U.S. government agency bonds	Various	1.0 %
Corporate bonds	Various	18.0
Foreign bonds	Various	8.0
Municipal bonds	Various	8.0
Commercial paper	Various	36.0
U.S. Treasury securities	Various	17.0
Money market funds	Various	12.0
		100.00 %

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The Health Authority’s investments as a percentage of its portfolio at June 30, 2021 were as follows:

<u>Investment</u>	<u>Issuer</u>	<u>Percentage of portfolio</u>
U.S. government agency bonds	Various	42.0 %
Corporate bonds	Various	29.0
Municipal bonds	Various	6.0
Commercial paper	Various	19.0
U.S. Treasury securities	Various	4.0
		<u>100.00 %</u>

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.

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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:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>2022</u>
Investments in:				
U.S. government agency bonds	\$ -	\$ 1,988,320	\$ -	\$ 1,988,320
Corporate bonds	-	53,440,085	-	53,440,085
Foreign bonds	-	22,983,662	-	22,983,662
Municipal bonds	-	24,295,915	-	24,295,915
Total investments subject to fair value hierarchy	<u>\$ -</u>	<u>\$ 102,707,982</u>	<u>\$ -</u>	<u>102,707,982</u>
Investments and restricted cash not subject to fair value hierarchy				
Commercial paper				108,906,959
U.S. Treasury securities				49,987,500
Money market funds				34,404,982
Certificates of deposits				325,000
Total investments and restricted cash				<u>\$ 296,332,423</u>
Description	Level 1	Level 2	Level 3	2021
Investments in:				
U.S. government agency bonds	\$ -	\$ 91,032,849	\$ -	\$ 91,032,849
Corporate bonds	-	62,445,780	-	62,445,780
Municipal bonds	-	13,108,692	-	13,108,692
Total investments subject to fair value hierarchy	<u>\$ -</u>	<u>\$ 166,587,321</u>	<u>\$ -</u>	<u>166,587,321</u>
Investments and restricted cash not subject to fair value hierarchy				
Commercial paper				40,257,340
U.S. Treasury securities				8,241,106
Certificates of deposits				325,000
Total investments and restricted cash				<u>\$ 215,410,767</u>

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

The Health Authority estimates 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, 2022 and 2021 is summarized as follows:

	2022	2021
Beginning balance	\$ 100,087,324	\$ 84,105,151
Incurred related to:		
Current year	661,732,668	677,315,048
Prior year	(28,652,411)	(13,082,432)
Total incurred	633,080,257	664,232,616
Paid related to:		
Current year	555,604,717	578,912,062
Prior year	73,584,932	69,338,381
Total paid	629,189,649	648,250,443
Ending balance	\$ 103,977,932	\$ 100,087,324

As presented in the table above, \$633,080,257 and \$664,232,616 in medical claims were incurred for the years ended June 30, 2022 and 2021, respectively, which are reflected in medical services in the statements of revenues, expenses, and changes in net position.

IBNR liability increased by \$3,890,608 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, 2022 and 2021, board-designated funds of \$15,587,414 and \$17,067,275, respectively, were made.

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NOTE 7 – LEASES

The Health Authority is a lessee for noncancellable lease of office space and equipment with lease terms through 2026. There are no residual value guarantees included in the measurement of the Health Authority's lease liability nor recognized as an expense for the years ended June 30, 2022 and 2021. The Health Authority does not have any commitments that were incurred at the commencement of the leases. The Health Authority is not subject to variable payments. No termination penalties were incurred for the years ended June 30, 2022 and 2021.

The Health Authority has the following lease right of use activities as of June 30:

	2022			
	Beginning Balance	Increase	Decrease	Ending Balance
Lease assets				
Office space	\$ 876,823	\$ -	\$ -	\$ 876,823
Equipment	337,114	-	-	337,114
Total lease assets	<u>1,213,937</u>	<u>-</u>	<u>-</u>	<u>1,213,937</u>
Less accumulated amortization				
Office space	172,490	172,490	-	344,980
Equipment	35,486	106,457	-	141,943
Total accumulated amortization	<u>207,976</u>	<u>278,947</u>	<u>-</u>	<u>486,923</u>
Net lease assets	<u>\$ 1,005,961</u>	<u>\$ (278,947)</u>	<u>\$ -</u>	<u>\$ 727,014</u>
	2021			
	Beginning Balance	Increase	Decrease	Ending Balance
Lease assets				
Office space	\$ 876,823	\$ -	\$ -	\$ 876,823
Equipment	-	337,114	-	337,114
Total lease assets	<u>876,823</u>	<u>337,114</u>	<u>-</u>	<u>1,213,937</u>
Less accumulated amortization				
Office space	-	172,490	-	172,490
Equipment	-	35,486	-	35,486
Total accumulated amortization	<u>-</u>	<u>207,976</u>	<u>-</u>	<u>207,976</u>
Net lease assets	<u>\$ 876,823</u>	<u>\$ 129,138</u>	<u>\$ -</u>	<u>\$ 1,005,961</u>

For the year ended June 30, 2022 and 2021, the Health Authority recognized \$278,947 and \$207,976, respectively, in amortization expense.

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The future principal and interest lease payments as of June 30, 2022, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 292,605	\$ 34,106	\$ 326,711
2024	297,288	18,899	316,187
2025	205,938	6,546	212,484
2026	18,082	75	18,157
	<u>\$ 813,913</u>	<u>\$ 59,626</u>	<u>\$ 873,539</u>

The Health Authority evaluated the lease assets for impairment and determined there was no impairment for the years ended June 30, 2022 and 2021.

The Health Authority is a lessor for noncancellable lease of office space with lease terms through fiscal year 2026. For the year ending June 30, 2022, the Health Authority recognized \$329,632 in lease revenue released from deferred inflows of resources related to the office space lease. The Health Authority recognized interest revenue of \$36,616 for the year ended June 30, 2022. No variable payments charged to the lessees. No inflows of resources were recognized in the year related to termination penalties or residual value guarantees during the year.

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. Non-senior staff employees may make an irrevocable election by their first day of employment to contribute 6% of their gross compensation and the Health Authority must contribute 3% of the participant's gross compensation. 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 \$907,115 and \$854,462 for the years ended June 30, 2022 and 2021, respectively.

The 401(a) plan is administered through a third-party administrator and is available to all employee groups. The Health 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.

Santa Clara County Health Authority (dba Santa Clara Family Health Plan) Notes to Financial Statements

The 457 plan is administered through a third-party administrator and is available to all employee groups. The Health 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 for Classic members was 10.32% and 10.34% of annual covered payroll for the years ended June 30, 2022 and 2021. The employer contribution rate for PEPRA members was 7.47% and 7.59% for the years ended June 30, 2022 and 2021. All eligible participating Classic employees are required to contribute 7.00% of their monthly salaries to CalPERS for years ended June 30, 2022 and 2021. All eligible participating PEPRA employees are required to contribute 6.75% for years ended June 30, 2022 and 2021. 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 \$2,519,660 and \$2,361,122 for the years ended June 30, 2022 and 2021, respectively.

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Pension liability/asset, pension expense, and deferred outflows of resources and deferred inflows of resources related to pension – The net pension liability at June 30, 2022, is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The total pension liability in the June 30, 2020 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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The net pension asset at June 30, 2021, is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The total pension asset in the June 30, 2019 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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

All other actuarial assumptions used in the June 30, 2020 and 2019 valuations were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, 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, 2021 and 2020, measurement dates.

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Discount rate – The discount rate used to measure the total pension asset at June 30, 2022 and 2021, 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)
Public 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.

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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, 2022 and 2021, 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, 2022		
	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
	Health Authority's net pension liability (asset)	\$ (116,848)	\$ (8,138,023)

	June 30, 2021		
	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
	Health Authority's net pension (asset) liability	\$ 7,419,584	\$ 199,654

The Health Authority's proportion for the miscellaneous plan was -0.15047% and 0.00183% at June 30, 2022 and 2021, respectively.

For the years ended June 30, 2022 and 2021, the Health Authority recognized pension income of \$13,019,517 and pension expense of \$3,551,927, respectively. Pension income/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, 2022, the Health Authority had \$12,516,133 of deferred outflows of resources and \$1,417,320 of deferred inflows of resources related to pensions from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in employers' proportionate share	\$ 2,660,042	\$ -
Difference in experience	-	(912,592)
Differences between employer's actual contributions and its proportionate share of total employer contributions	-	(504,728)
Net differences between projected and actual earnings on pension plan investments	7,104,064	-
Changes in assumptions	-	-
Pension contributions made subsequent to measurement date	2,752,027	-
	\$ 12,516,133	\$ (1,417,320)

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As of June 30, 2021, the Health Authority had \$4,204,264 of deferred outflows of resources and \$539,318 of deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in employers' proportionate share	\$ 1,248,667	\$ (84,236)
Difference in experience	10,290	-
Differences between employer's actual contributions and its proportionate share of total employer contributions	573,703	(453,658)
Net differences between projected and actual earnings on pension plan investments	5,931	-
Changes in assumptions	-	(1,424)
Pension contributions made subsequent to measurement date	2,365,673	-
	<u>\$ 4,204,264</u>	<u>\$ (539,318)</u>

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 \$2,752,027 and \$2,365,673 resulting from contributions subsequent to the measurement date will be recognized as an increase/reduction of the net pension asset/liability in the years ending June 30, 2023 and 2022, 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:

<u>Year Ended June 30,</u>	
2023	\$ 2,213,608
2024	\$ 2,162,273
2025	\$ 2,007,707
2026	\$ 1,963,198

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.

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Notes to Financial Statements**

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, 2022 and 2021, the following employees were covered by the plan:

	2022	2021
Active	331	238
Retirees	65	54
Total participants	396	292

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 – The Health Authority’s net OPEB asset at June 30, 2022 and 2021, was measured as of June 30, 2021 and 2020, respectively, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2021 and 2020, respectively.

Santa Clara County Health Authority (dba Santa Clara Family Health Plan) Notes to Financial Statements

The total OPEB asset in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method:	Individual Entry Age Normal Level Percent of Pay
Actuarial assumptions:	
Discount rate	6.25%
Inflation	2.50%
Investment rate of return	6.75%
Healthcare cost trend rates:	6.76 % for 2022 – Non-Medicare, decreasing to 4.00% in 2076, 5.90% for 2023 – Medicare, decreasing to 4.00% in 2076

Mortality rates are based on statistics taken from the CalPERS 2000-2019 Experience Study Report. Mortality projected fully generational with Scale MP-2021.

The total OPEB liability in the June 30, 2021, 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:	7.00% for 2022 – Non-Medicare, decreasing to 4.00% in 2076, 6.10% for 2022 – Medicare, decreasing to 4.00% in 2076

Mortality rates are based on statistics taken from the CalPERS 1997-2015 Experience Study Report. Mortality projected fully generational with Scale MP-2019.

Discount rate – The discount rate used to measure the total OPEB asset was 6.25% and 6.75% at June 30, 2021 and 2020 measurement dates, respectively. 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.

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Notes to Financial Statements**

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%	4.56%
Fixed income	25.00%	0.78%
Treasury inflation-protected securities	5.00%	-0.08%
Commodities	3.00%	1.22%
Real estate investment trusts	8.00%	4.06%
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return		6.25%

Changes in the net OPEB asset – The changes in the net OPEB asset for the years ended June 30, 2022 and 2021, were as follows:

	June 30, 2022		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
Balance at June 30, 2021	\$ 13,485,032	\$ 15,872,084	\$ (2,387,052)
Changes during the year:			
Service cost	1,231,856	-	1,231,856
Interest on the total OPEB asset	977,230	-	977,230
Actual vs. expected experience	(1,267,092)	-	(1,267,092)
Assumption changes	(167,716)	-	(167,716)
Contributions from employer	-	588,065	(588,065)
Net investment income	-	4,362,468	(4,362,468)
Benefit payments	(478,810)	(478,810)	-
Administrative expense	-	(6,005)	6,005
Net change	295,468	4,465,718	(4,170,250)
Balance at June 30, 2022	<u>\$ 13,780,500</u>	<u>\$ 20,337,802</u>	<u>\$ (6,557,302)</u>

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Notes to Financial Statements**

	June 30, 2021		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
Balance at June 30, 2020	\$ 11,878,467	\$ 12,909,112	\$ (1,030,645)
Changes during the year:			
Service cost	1,222,378	-	1,222,378
Interest on the total OPEB asset	867,980	-	867,980
Actual vs. expected experience	-	-	-
Assumption changes	-	-	-
Contributions from employer	-	3,018,143	(3,018,143)
Net investment income	-	435,252	(435,252)
Benefit payments	(483,793)	(483,793)	-
Administrative expense	-	(6,630)	6,630
Net change	<u>1,606,565</u>	<u>2,962,972</u>	<u>(1,356,407)</u>
Balance at June 30, 2021	<u>\$ 13,485,032</u>	<u>\$ 15,872,084</u>	<u>\$ (2,387,052)</u>

Sensitivity of the net OPEB asset to changes in the discount rate – The following presents the net OPEB asset of the Health Authority as of June 30, 2022 and 2021, as well as what the Health Authority's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	June 30, 2022		
	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Health Authority's net OPEB (asset)	\$ (4,641,149)	\$ (6,557,302)	\$ (8,138,562)
	June 30, 2021		
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Health Authority's net OPEB (asset)	\$ (438,734)	\$ (2,387,052)	\$ (3,981,312)

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Notes to Financial Statements**

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

	June 30, 2022		
	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)	\$ (8,451,652)	\$ (6,557,302)	\$ (4,179,007)

	June 30, 2021		
	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	\$ (4,396,093)	\$ (2,387,052)	\$ 161,692

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the years ended June 2022, the Health Authority recognized OPEB expense of \$178,226. At June 30, 2022, the Health Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022	
	Deferred outflows of resources	Deferred inflows of resources
Difference in experience	\$ -	\$ (2,598,897)
Net differences between projected and actual earnings on pension plan investments	-	(2,378,173)
Changes in assumptions	58,498	(214,726)
OPEB contributions made subsequent to measurement date	604,048	-
	\$ 662,546	\$ (5,191,796)

**Santa Clara County Health Authority
(dba Santa Clara Family Health Plan)
Notes to Financial Statements**

For the year ended June 2021, the Health Authority recognized OPEB expense of \$1,008,472. At June 30, 2021, the Health Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021	
	Deferred outflows of resources	Deferred inflows of resources
Difference in experience	\$ -	\$ (1,664,999)
Net differences between projected and actual earnings on pension plan investments	291,278	-
Changes in assumptions	73,122	(72,288)
OPEB contributions made subsequent to measurement date	2,844,693	-
	<u>\$ 3,209,093</u>	<u>\$ (1,737,287)</u>

The Health Authority reported \$604,048 and \$2,844,693 as deferred outflows of resources related to contributions made subsequent to the measurement date for the years ended June 30, 2022 and 2021, respectively. This amount will be recognized as an increase of net OPEB asset in the years ended June 30, 2023 and 2022, 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:

<u>Year Ended June 30,</u>	
2023	\$ (925,446)
2024	\$ (920,657)
2025	\$ (905,353)
2026	\$ (1,002,110)
2027	\$ (356,839)
Thereafter	\$ (1,022,893)

Payable to the OPEB plan – At June 30, 2022 and 2021, the Health Authority had no outstanding amount of contributions to the OPEB plan required for the years ended June 30, 2022 and 2021.

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 \$896,925 and \$861,145 in 2022 and 2021, 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 \$43,667,905 and \$35,350,150 at June 30, 2022 and 2021, respectively. The Health Authority's tangible net equity was \$290,042,921 and \$254,850,602 at June 30, 2022 and 2021, respectively.

NOTE 12 – 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 13 – COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Health Authority is a party to claims and legal actions by enrollees, providers, and governmental and regulatory agencies. 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 14 – HEALTH CARE REFORM

There are various proposals at the federal and state levels that could, among other things, significantly change member eligibility, payment rates or benefits. The ultimate outcome of these proposals, including the potential effects of or changes to health care reform that will be enacted cannot presently be determined.

Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement period	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Proportion of the net pension liability (asset)	-0.15047%	0.00183%	-0.00992%	-0.02053%	0.01840%	0.07925%	0.07311%	0.07849%
Proportionate share of the net pension liability (asset)	\$ (8,138,023)	\$ 199,654	\$ (1,017,002)	\$ (1,978,644)	\$ 1,824,796	\$ 6,857,370	\$ 5,018,386	\$ 4,883,971
Covered-employee payroll*	\$ 29,826,808	\$ 26,732,488	\$ 23,706,126	\$ 19,966,458	\$ 16,512,291	\$ 11,010,647	\$ 7,427,745	\$ 9,121,825
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-27.28%	0.75%	-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 (asset)	88.29%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	80.43%

*For the year ending on the measurement date

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement period	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Actuarially determined contribution	\$ 2,752,027	\$ 2,365,673	\$ 2,058,408	\$ 1,669,920	\$ 1,198,065	\$ 1,287,320	\$ 910,906	\$ 886,335
Contributions in relation to the actuarially determined contribution	<u>2,752,027</u>	<u>2,365,673</u>	<u>2,058,408</u>	<u>1,669,920</u>	<u>4,426,715</u>	<u>7,188,179</u>	<u>910,906</u>	<u>886,335</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,228,650)</u>	<u>\$ (5,900,859)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll*	\$ 32,455,141	\$ 29,826,808	\$ 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	8.48%	7.93%	7.70%	7.04%	22.17%	43.53%	8.27%	11.93%

*For the fiscal year ending on the date shown

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement period	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Total OPEB liability						
Service cost	\$ 1,231,856	\$ 1,222,378	\$ 1,089,286	\$ 1,119,648	\$ 756,248	\$ 736,008
Interest on the total OPEB liability	977,230	867,980	901,963	805,036	708,213	648,807
Actual vs. expected experience	(1,267,092)	-	(2,076,281)	-	(14,700)	-
Assumption changes	(167,716)	-	(90,590)	-	131,618	-
Benefit payments	<u>(478,810)</u>	<u>(483,793)</u>	<u>(438,081)</u>	<u>(478,669)</u>	<u>(542,029)</u>	<u>(499,704)</u>
Net change in total OPEB liability	295,468	1,606,565	(613,703)	1,446,015	1,039,350	885,111
Total OPEB liability, beginning of year	<u>13,485,032</u>	<u>11,878,467</u>	<u>12,492,170</u>	<u>11,046,155</u>	<u>10,006,805</u>	<u>9,121,694</u>
Total OPEB liability, end of year	<u>\$ 13,780,500</u>	<u>\$ 13,485,032</u>	<u>\$ 11,878,467</u>	<u>\$ 12,492,170</u>	<u>\$ 11,046,155</u>	<u>\$ 10,006,805</u>
Plan fiduciary net position						
Contributions from employer	\$ 588,065	\$ 3,018,143	\$ 2,601,369	\$ 3,588,109	\$ 1,142,027	\$ 954,155
Net investment income	4,362,468	435,252	795,021	518,470	551,777	283,871
Benefit payments	(478,810)	(483,793)	(438,081)	(478,669)	(542,029)	(499,704)
Administrative expense	<u>(6,005)</u>	<u>(6,630)</u>	<u>(2,277)</u>	<u>(12,267)</u>	<u>(2,784)</u>	<u>(2,239)</u>
Net change in plan fiduciary net position	4,465,718	2,962,972	2,956,032	3,615,643	1,148,991	736,083
Plan fiduciary net position, beginning of year	<u>15,872,084</u>	<u>12,909,112</u>	<u>9,953,080</u>	<u>6,337,437</u>	<u>5,188,446</u>	<u>4,452,363</u>
Plan fiduciary net position, end of year	<u>\$ 20,337,802</u>	<u>\$ 15,872,084</u>	<u>\$ 12,909,112</u>	<u>\$ 9,953,080</u>	<u>\$ 6,337,437</u>	<u>\$ 5,188,446</u>
Health Authority's net OPEB (asset) liability	\$ (6,557,302)	\$ (2,387,052)	\$ (1,030,645)	\$ 2,539,090	\$ 4,708,718	\$ 4,818,359
Plan fiduciary net position as a percentage of the total OPEB liability	147.58%	117.70%	108.68%	79.67%	57.37%	51.85%
Covered-employee payroll*	\$ 28,680,020	\$ 26,732,488	\$ 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	-22.86%	-8.93%	-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**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement period	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Actuarially determined contribution	\$ 639,939	\$ 624,728	\$ 1,062,967	\$ 1,269,369	\$ 1,427,237	\$ 1,217,313
Contributions in relation to the actuarially determined contribution	<u>604,048</u>	<u>2,844,693</u>	<u>3,018,143</u>	<u>2,601,369</u>	<u>3,588,109</u>	<u>1,217,313</u>
Contribution excess	<u>\$ 35,891</u>	<u>\$ (2,219,965)</u>	<u>\$ (1,955,176)</u>	<u>\$ (1,332,000)</u>	<u>\$ (2,160,872)</u>	<u>\$ -</u>
Covered-employee payroll*	\$ 34,511,813	\$ 28,680,020	\$ 26,732,488	\$ 24,360,228	\$ 20,046,373	\$ 17,195,643
Contributions as a percentage of covered-employee payroll	1.75%	9.92%	11.29%	10.68%	17.90%	7.08%

*For the fiscal year ending on the date shown

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Communications with the Governing Board

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

June 30, 2022

Communications with the Governing Board

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) (the Health Authority), as of and for the year ended June 30, 2022, and have issued our report thereon dated **October __, 2022**. 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 4, 2022, we are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Santa Clara County Health Authority (dba Santa Clara Family Health Plan)'s internal control over financial reporting. Accordingly, we considered Santa Clara County Health Authority (dba Santa Clara Family Health Plan)'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.

The supplementary information was subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated May 4, 2022, and our planning meeting with management on May 16, 2022.

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 Santa Clara County Health Authority (dba Santa Clara Family Health Plan) are described in Note 1 to the financial statements. During the year ended June 30, 2022, the Health Authority adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, under the retrospective approach. No other new accounting policies were adopted and there were no changes in the application of existing policies during 2022. 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 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 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'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) asset 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 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.
- Management's estimates of the discount rate, useful lives, lease terms related to the Health Authority's lease receivable, deferred inflows of resources related to leases, lease assets, and lease liabilities. We have gained an understanding of management's key factors and assumptions and examined the documentation supporting the estimates. We found management's basis to be reasonable in relation to the Health Authority's 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 financial statements relate to medical claims payable, net pension, other-post employment benefit liability, and capitation and premium revenues.

Significant Unusual Transactions

We encountered no significant unusual transactions during our audit of the Health Authority's financial statements.

Significant Difficulties Encountered in Performing the Audit

Professional standards require us to inform you of any significant difficulties encountered in performing the audit. No significant difficulties were encountered during our audit of the Health Authority's financial statements.

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. No such disagreements arose during the course of our audit.

Circumstances that Affect the Form and Content of the Auditor's Report

There may be circumstances in which we would consider it necessary to include additional information in the auditor's report in accordance with U.S. GAAS. There were no circumstances that affected the form and content of the auditor's report.

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.

Corrected Misstatements: None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements as a whole.

Uncorrected Misstatements: The below summarizes uncorrected misstatements of the financial statements related to the effects of investment returns due to market volatility to the estimated net pension asset/liabilities and other post-employment benefits asset/liabilities.

- To decrease accounts payable and accrued liabilities by \$13,895,325 and decrease general and administrative expenses by \$13,895,325.

Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. Uncorrected misstatements, or matters underlying those uncorrected misstatements, as of and for the year ended June 30, 2022 could potentially cause future-period financial statements to be materially misstated, even though we have concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **October __, 2022**.

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.

Other Significant Audit Findings or Issues

We are required to communicate to you other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process. There were no such items identified.

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.

[Signature]

San Francisco, California

October __, 2022

DRAFT

Santa Clara Family Health Plan
Quarterly Investment Performance & Compliance Report
For The Quarter Ended June 30, 2022

1. OVERVIEW

The California Government Code (the Code), Section 53646, which governs Santa Clara Family Health Plan’s investment policy, states that the Chief Financial Officer may render a quarterly report on the status of investment portfolio and cash to the Governing Board.

This quarterly report, for the date indicated above, includes the following:

1. Analysis of recent changes to the Plan’s investment landscape.
2. Statement of compliance with the investment policy.
3. Summary of investments & cash held at quarter-end.
4. Statement of SCFHP’s ability to meet its expenditure requirements for the next six months.
5. Statement of diversification compliance with SCFHP investment policy.
6. Details of investment diversification.
7. Analysis of, and commentary on, investment yield.
8. Reports & other reference materials

2. INVESTMENT LANDSCAPE UPDATES

Change in Investment Advisor: This report was prepared by CFO Neal Jarecki. The Plan has contracted with a new investment oversight advisor, Meketa Investment Group, for future investment reporting, beginning with the quarter ending September 30, 2022.

Transition from Wells Fargo: At the end 2021, the Plan commenced movement of bank-held investments from Wells Fargo Bank to City National Bank, as approved by the Exec/Finance Committee in August 2021. The transition to City National Bank has been completed and final checks are clearing from Wells Fargo prior to account closure.

Interest Rate Increases: To combat inflation, the Federal Reserve has implemented a series of interest rate hikes in 2022 as per the chart below, which has caused bond yields to increase.

FOMC Meeting Date	Rate Change (bps)
Sept 21, 2022	+75
July 27, 2022	+75
June 16, 2022	+75
May 5, 2022	+50
March 17, 2022	+25

Santa Clara Family Health Plan
Quarterly Investment Performance & Compliance Report
For The Quarter Ended June 30, 2022

3. COMPLIANCE WITH THE INVESTMENT POLICY

The Plan's Investments and Cash & Equivalent accounts include the following:

1. Investments
 - a. County of Santa Clara Comingled Investment Pool (County Investment Pool)
 - b. City National Bank (CNB Investments)

2. Cash & Equivalents
 - a. City National Bank
 - b. Wells Fargo Bank
 - c. Chase Bank

Following review of the quarterly investment reports of the above-listed accounts, all investments made were compliant with Santa Clara Family Health Plan's Investment Policy (as adopted at the Executive/Finance Committee meeting of April 28, 2022 and attached to this report) and with the California Government Code.

4. SUMMARY OF INVESTMENTS & CASH BALANCES

The quarter-end value of the Investments and Cash & Equivalents accounts were as follows:

CHART #1: PORTFOLIO SUMMARY	
Investments:	
County Comingled Investment Pool	\$183,653,817
City National Bank Investments	\$296,007,423
	\$479,661,240
Cash & Equivalents:	
City National Bank	\$66,495,396
Wells Fargo Bank	\$4,699,527
Chase Bank	\$48,510
	\$71,243,433
Quarter-End Balance of Investments and Cash & Equivalents	\$550,904,673

- Petty Cash of \$500 and Restricted Cash of \$325,000 pledged to the Department of Managed Health Care (DMHC) are excluded from the amounts above.

**Santa Clara Family Health Plan
Quarterly Investment Performance & Compliance Report
For The Quarter Ended June 30, 2022**

5. SIX MONTH CASH SUFFICIENCY

The Plan has sufficient cash on-hand, plus projected revenues, to meet its operating expenditure requirements for at least the next six months.

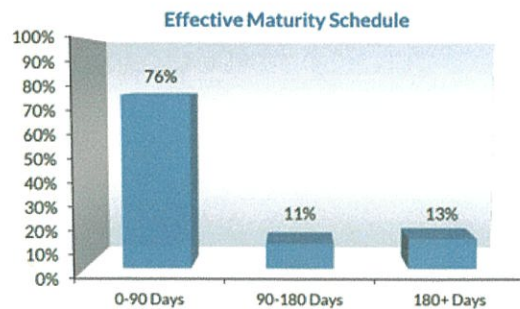
6. DIVERSIFICATION COMPLIANCE

Prior published Quarterly Investment Reports for the Santa Clara County Commingled Investment Pool indicate compliance with the County Treasurer’s Investment Policy and Diversification parameters, attached for reference. The Plan’s investment policy specifies no maximum percentage or investment in the Commingled Investment Pool.

City National Bank provided a report of compliance with the Plan’s investment policy, attached to this report.

CHART #2: DIVERSIFICATION SUMMARY

Investment Type	Maximum Maturity	Maxium % of Portfolio	Quality Requirements	Quarter-End Balance	Compliant?
County Comingled Investment Pool	N/A	None	None	\$183,653,817	Yes
City National Bank Investments:	410 days	See below & attached	See below & attached	\$296,007,423	Yes



MARKET VALUE	
Market Value	\$295,139,192.55
Accrued Income	\$868,251.10
Total	\$296,007,443.65

COMPLIANCE	
Acceptable Investments	<input checked="" type="checkbox"/>
Credit Quality	<input checked="" type="checkbox"/>
Diversification	<input checked="" type="checkbox"/>
Marketability/Liquidity	<input checked="" type="checkbox"/>
Maturity/Portfolio Duration	<input checked="" type="checkbox"/>

FIXED INCOME PORTFOLIO CHARACTERISTICS	
Estimated Annual Income:	\$3,696,426.65
Yield to Maturity:	1.82%
Estimated Acquisition Yield:	1.23%
Average Quality:	AA
Effective Duration:	0.19
Average Days to Maturity:	69
Percent of Floaters:	0%



Preliminary Total Return Performance	
As of 6/30/2022	Since Inception 11/10/2021
Account Gross	0.01%
Account Net	-0.01%
Barclays 1-3 Month T-Bill Index	0.16%

Santa Clara Family Health Plan
Quarterly Investment Performance & Compliance Report
For The Quarter Ended June 30, 2022

7. INVESTMENT PERFORMANCE

CHART #3: INVESTMENT PERFORMANCE

Santa Clara County Comingled Investment Trust

Annualized Yield = 1.25%

Weighted Average Life = 2.02 years (738 days)

City National Bank Investments

Annualized Yield = 0.10%

Benchmark: 3-Month T-Bill Rate: 0.16%

Average Duration: 99 days

The average investment yield of 1.09% for June was lower than budget of 1.4%. Actual yield has been increasing as a result of 2022 Federal Reserve actions to increase interest rates in combatting inflation.

8. REFERENCE/ATTACHMENTS

- a. 2022 SCFHP Investment Policy
- b. County Investment Report excerpt

The full quarterly County Investment report is available at the following link:

https://controller.sccgov.org/sites/g/files/exicpb511/files/report/Quarterly-Investment-Report-20220331_0.pdf

- c. City National Bank Investment Compliance Report



POLICY

Policy Title:	Investment Policy	Policy No.:	FA.07
Replaces Policy Title (if applicable):	NA	Replaces Policy No. (if applicable):	NA
Issuing Department:	Finance	Procedure Review Frequency:	Annual
Lines of Business (check all that apply):	<input type="checkbox"/> Medi-Cal	<input type="checkbox"/> CMC	

I. PURPOSE

This Investment Policy sets for the investment guidelines and structure for the investment of short-term operating funds not required for the immediate cash needs of the Plan on and after April 22, 2021 of the Santa Clara Family Health Plan ("SCFHP" or the "Plan") which was established by the Santa Clara County Board of Supervisors under Ordinance 300.576 and licensed by the State of California under the Knox-Keene Act of 1975 in 1996.

Investments may only be made as authorized by this Annual Investment Policy ("Policy" or "AIP"). SCFHP is required to invest its funds in accordance with the California Government Code ("Code") Sections 27130 et seq., Sections 53635 and/or 53601 et seq., Section 1346 of the Knox-Keene Act of 1975 as well as the prudent investment standard:

The Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of SCFHP, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency (California Government Code Section 53600.3).

II. OBJECTIVES

- i. **Safety:** the primary objective of this Policy is the preservation of principal; avoiding capital losses by minimizing credit risk and interest rate or market risk.
- ii. **Liquidity:** maintain sufficient liquidity to meet the operating requirements for six months.
- iii. **Yield:** achieve a market-average rate of return (yield) through budgetary and economic cycles, considering SCFHP's regulatory constraints and cash flow characteristics. Investments will be limited to low risk securities in anticipation of earning a fair return relative to the risk being assumed.
- iv. **Diversification:** provide diversification of the portfolio securities to avoid incurring unreasonable market and credit risks.



POLICY

III. INVESTMENT STRATEGY

The Plan will adhere to the investment goal of holding investments to maturity. From time to time, the portfolio may go out of alignment. The Chief Financial Officer may choose to rebalance the portfolio at any time to bring it back into compliance if the portfolio will not suffer any losses for selling the investment prior to maturity.

IV. ETHICS AND CONFLICTS OF INTEREST

SCFHP's officers, employees and Governing Board members involved in the investment process shall refrain from personal and professional business activities that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. SCFHP's officers and employees involved in the investment process are not permitted to have any material financial interests in financial institutions, including state or federal credit unions, that conduct business with SCFHP, and they are not permitted to have any personal financial or investment holdings that could be materially related to the performance of SCFHP's investments.

V. DELEGATION OF AUTHORITY

A. Governing Board

The Governing Board (the "Board") is responsible for the management and oversight of SCFHP's investment program.

B. Executive/Finance Committee

The Executive/Finance Committee ("Committee") is responsible for providing advice and recommendations on the SCFHP Investment Policies, Procedures and Practices.

C. Chief Financial Officer

The Chief Financial Officer is responsible for day-to-day managing and reporting of SCFHP's Investment Program. The Chief Financial Officer is also responsible for the oversight of investment contractual obligations between SCFHP and the County, Depository Institution and/or Investment Manager that has been granted authority over any SCFHP funds.

D. County of Santa Clara Commingled Investment Pool

The Board has directed that available excess funds not required for immediate operational cash flow purposes be deposited with the County Treasurer into the County of Santa Clara Commingled Investment Pool which will be invested by the County Treasurer in accordance with the policies contained in the County of Santa Clara Treasury Investment Policy, now in effect, and which may be revised from time to time. As per the deposit requirements for county health plans under California Health and Safety Code Section 1346 and 1376.1, depositing SCFHP's excess funds with the County of Santa Clara is permitted if:



POLICY

- (1) All of the evidence of indebtedness of the County, has been rated "A" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation, based on a rating conducted during the immediately preceding 12 months.
- (2) The County has cash or cash equivalents in an amount equal to fifty million dollars or more, based on its audited financial statements for the immediately preceding fiscal year.
- (3) The day-to-day managing, reporting, and oversight of the investment contractual obligations between the County and SCFHP shall be the responsibility of SCFHP's Chief Financial Officer.

E. Depository (Financial) Institutions

All SCFHP money shall be deposited in financial institutions that meet the requirements as set forth in California Government Code Section 53635.2 and authorized by the Board. The financial institution shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by its appropriate federal financial supervisory agency. In addition, the depository financial institution shall maintain a rating of its senior long-term debt obligations, deposit rating or claims-paying ability rating, or is guaranteed by an entity whose obligations are rated not lower than "AA- by S&P, AA- by Fitch or "Aa3" by Moody's or its equivalent from another nationally recognized rating agency.

- (1) All depository institutions shall provide SCFHP with notification of any downgrades in long-term ratings or any unsatisfactory rating by their appropriate federal financial supervisory agency within 10 days of such downgrade.
- (2) Any downgrade in ratings of a financial institution holding SCFHP funds, shall be provided to the Board by the Chief Financial Officer.
- (3) The day-to-day managing, reporting, and oversight of the depository and investment contractual obligations for SCFHP shall be the responsibility of SCFHP's Chief Financial Officer.
- (4) The Board may renew the delegation of authority to enter into depository and investment relationships annually.
- (5) Funds not required to compensate for transaction costs shall be invested in and earn a market rate of return in the depository institution's highest rated money market mutual fund as permitted by the California Government Code, Section 53600 et seq.

F. Portfolio Investment Manager

The Governing Board may grant authority to a qualified investment manager to direct investments of excess funds in accordance with the AIP and be subject to periodic review for compliance to the AIP. The qualified investment manager must meet all requirements established by federal and California law. Any Board-approved changes in Authorized Investments and the AIP shall be communicated to the investment manager upon approval.



POLICY

G. Exceptions to this Policy

The Governing Board may grant express written authority to make a one-time investment not permitted by this Policy however, the investment must be permitted by the California Government Code. The Board may also make amendments to the AIP at any quarterly meeting as needed.

VI. AUTHORIZED INVESTMENTS

A. Authorized Investment Types: SCFHP shall invest only in instruments as permitted by the California Government Code Section 53601, subject to the limitations of this AIP.

1. Permitted investments in the investment manager portfolio shall be considered short-term operating funds and are subject to a maximum stated term of two years.
2. The Governing Board may designate a reserve fund for excess funds not required for operational cash flow for which permitted investments are subject to a maximum term of five years pursuant to the Code.

Authorized Investments

Investment Type	Maximum Maturity (Code Allowance in Parenthesis if Different)	Maximum Specified % of Portfolio (Code Allowance in Parenthesis if Different)	Minimum Quality Requirements (Code Allowance in Parenthesis if Different)
U.S. Treasury Obligations	2 years (5 years)	None	None. May invest in securities that could result in zero or negative interest accrual if held to maturity, in the event of a period of negative market interest rates.
U.S. Agency Obligations	2 years (5 years)	None	None
State Obligations: CA and Others	2 years (5 years)	None	None for CA; AA or better for other States (None for all States)
CA Local Agency Obligations	2 years (5 years)	None	AA rated (None)
Commercial Paper: Non-Pooled Funds (minimum \$100,000,000 of investments) ⁵	270 days or less	40% of Plan's investible funds	Highest letter and number rating by an NRSRO ¹
Negotiable Certificates of Deposit	2 years (5 years)	30%	None
Placement Service Certificates of Deposit	2 years (5 years)	\$250,000 per deposit per institution (50%)	FDIC insured at all times (None)

POLICY

Repurchase Agreements	1 year	None	U.S. Treasury and Agency Obligations (None)
Medium-term Notes	2 years (5 years or less)	30%, with not more than 10 % in any one institution (30%)	"A" rating category or better
Mutual Funds and Money Market Mutual Funds	N/A	20%, with no more than 10% invested in any one mutual fund; limitation does not apply to money market mutual funds	Multiple ²
Collateralized Bank Deposits	2 years (5 years)	None	If investments require collateral, collateral must be placed in institution not affiliated with the issuer of the obligation.
Mortgage Pass-through and Asset Backed Securities	2 years (5 years or less)	20%	"AA" rating category or its equivalent or better ⁴
County Pooled Investment Funds- Santa Clara County Pool	N/A	None	"A" or better (None)
Joint Powers Authority Pool (CAMP, CalTrust)	N/A	None	Multiple ³
Local Agency Investment Fund (LAIF)	N/A	None	None
Supranational Obligations	2 years (5 years or less)	30%	"AA" rating or better
<u>Public Bank Obligations</u>	<u>2 years (5 years)</u>	<u>None</u>	<u>Section 57600 (b) ⁶</u>

¹Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency (NSRO).

²A money market mutual fund must receive the highest ranking by not less than two nationally recognized rating organizations or retain an investment advisor registered with the SEC (or exempt from registration) and who has not less than five years' experience investment in money market instruments with assets under management in excess of \$500 million.

³A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investment in instruments authorized by Section 53601, subdivisions (a) to (o).

⁴Any investments in asset-backed securities (mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds) are required to have a maximum remaining maturity of five years or less. While the Legislature removed



POLICY

the requirement that the securities' issuer be rated "A" or its equivalent or better for the issuer's debts in accordance with a nationally recognized statistical rating organization (NRSRO), the Plan retains this requirement.

⁵ In 2021, Section 53601 (h) amended to allow local agencies that have one hundred million dollars or more of investment assets under management to invest no more than 40% of their moneys in eligible commercial paper. Further amendment to Section 53601 limits local agencies to invest no more than 10% of their total investment assets in commercial paper and medium- term notes of any single issuer. Commercial Paper: Pooled Funds are not allowed in the Investment Manager Portfolio.

⁶ Public Bank means a corporation organized under the Nonprofit Mutual benefit corporation Law for the purpose of engaging in the commercial banking business or industrial banking business that is wholly owned by a local agency, local agencies or a joint powers authority that is composed only of local agencies. A local agency may invest in commercial paper, debt securities, or other obligations of a public bank.



POLICY

- B. Prohibited Investment Types: California Government Code Section 53601.6 prohibits local agencies from investing in inverse floaters, range notes, or mortgage-derived, interest-only strips, and any security which could result in zero interest accrual if held to maturity. In addition, the Plan does not authorize investment in the following:
- i. Bankers' Acceptances
 - ii. Commercial Paper: Pooled Funds (pertains only to Investment Manager Portfolio)
 - iii. Non-negotiable Certificates of Deposit
 - iv. Reverse Repurchase Agreements and Securities Lending Agreements
 - v. Voluntary Investment Program Fund

VII. REPORTING REQUIREMENTS

The following documents and reports will be periodically provided to support the investment procedures, oversight and reporting requirements:

- A. County of Santa Clara Investment Pool Disclosure and Agreement for Voluntary Deposits
- B. County of Santa Clara Treasury Investment Policy
- C. County of Santa Clara Treasury Quarterly Report
- D. SAP Balance and Interest Earnings Report of SCFHP Invested Funds
- E. Depository Institution – daily transaction and monthly activity report
- F. Investment Manager Portfolio - month-end and quarter-end portfolio performance summary, income, ending balance sheet, trading activity, transaction detail and portfolio diversification report. The listing must include issuer names, dates of maturity, par amounts, dollar amount, market values as of month-end and comparable published index as to diversification and duration that most closely tracks the performance of the portfolio.
- G. Investment Oversight Quarterly Report – provides independent review of all invested funds for tracking of AIP, diversification requirements and performance review. Minimum reporting requirements includes a listing of the types of investment, issuer names, dates of maturity, par amounts, dollar amount, market values, descriptions of the programs under the management of contracted parties, a statement of compliance with the investment policy, and a statement of the ability to meet cash flow needs for six months. Any irregularities shall be noted and included in the report.



POLICY

VIII. REVIEW OF INVESTMENT POLICY

At least annually and more frequently as needed, the Governing Board will review this investment policy at a regular meeting of the Board. Any recommended changes to the Policy, including modifications to current investment strategy, oversight procedures including internal controls will be first be brought to the Executive/Finance Committee by the CFO for review and approval prior to presentation to the Board. The Executive Committee and Governing Board will be supported in this work by the CFO, investment advisors and legal counsel for financial and legal issues, respectively.

Any modifications to this Investment Policy, including withdrawal from the County of Santa Clara Commingled Investment Pool, will be made in accordance with California Government Code Sections 27130 et seq., Sections 53635 and/or 53601 et seq., Section 1346 of the Knox Keene Act of 1975 as well as the prudent investment standard.

IX. Approval/Revision History

First Level Approval			Second Level Approval	
Barbara Granieri, Controller			Neal Jarecki Chief Financial 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	Exec/Finance	Approved 04/26/18	Approved 06/28/18
V1	Original (no changes)	Exec/Finance	Approved 05/01/19	Approved 06/27/19
V2	Revised	Exec/Finance	Approved 04/23/20	Approved 06/25/20
V3	Revised	Exec/Finance	04/22/21	Approved 06/24/2021
V4	Revised	Exec/Finance	04/28/22	



Quarterly Investment Report

June 30, 2022





Santa Clara County Commingled Pool and Segregated Investments

June 30, 2022

Fund	Cost Value**	Market Value	Variance	% Variance
Commingled Investment Pool	\$11,103,252,552	\$10,827,797,373	-\$275,455,179	-2.48%
Worker's Compensation	\$30,172,452	\$29,168,997	-\$1,003,455	-3.33%
Park Charter Fund	\$4,432,079	\$4,302,413	-\$129,666	-2.93%
San Jose-Evergreen	\$21,296,027	\$21,249,103	-\$46,925	-0.22%
Medical Malpractice Insurance Fund (1)	\$9,837,267	\$9,468,296	-\$368,970	-3.75%
Total	\$11,168,990,377	\$10,891,986,181	-\$277,004,196	-2.48%

(1) Managed by Chandler Asset Management, Inc.

Summary of Yields* for Select Santa Clara County Investment Funds

Fund	2022		2021
	Apr 30	May 31	Jun 30
Commingled Investment Pool	0.86%	1.09%	1.25%
Worker's Compensation	1.22%	1.54%	1.61%
Weighted Yield	0.86%	1.09%	1.25%

*Yield to maturity (YTM) is the rate of return paid on a bond, note, or other fixed income security if the investor buys and holds it to its maturity date and if the coupon interest paid over the life of the bond is reinvested at the same rate as the coupon rate. The calculation for YTM is based on the coupon rate, length of time to maturity, and market price at time of purchase.

Yield is a snapshot measure of the yield of the portfolio on the day it was measured based on the current portfolio holdings on that day. This is not a measure of total return, and is not intended to be, since it does not factor in unrealized capital gains and losses and reinvestment rates are dependent upon interest rate changes

**Cost Value is the amortized book value of the securities as of the date of this report.

(5)



Santa Clara County Commingled Pool and Segregated Investments

Economic Update and Portfolio Strategy

June 30, 2022

The U.S. domestic economy is already slowing and has clearly lost momentum in response to the Federal Reserve Bank's repeated interest rate increases and the challenges presented by rising inflation. Gross domestic product contracted at a 0.9 percent annualized pace in the second quarter, a consecutive quarterly decline after 1.6 percent negative growth in the first three months of the year. Nevertheless, economists are not viewing the current circumstance as broad-based weakness in the economy or as a recession. The economy continues to be bolstered by strong labor markets with an unemployment rate of 3.6 percent, a 50-year low. The U.S. added 2.7 million jobs the first half of 2022, a pace of about 450,000 jobs a month which is much stronger than the average prior to the Covid-19 pandemic. Payroll growth has been slowing but continues to be positive. Adjusted for inflation, personal consumption has continued to expand this year, rising in five of the past six months. Consumer spending accounts for around 70 percent of the US economy, so it remains a key driver for growth.

Federal Reserve Bank (Fed) policy makers have been forcefully raising interest rates to slow inflation and have signaled that their top priority is to reduce high inflation. Policy makers who have a dual mandate from Congress for maximum employment and to maintain price stability (low inflation) have been a target of criticism for misjudging inflation and being slow to respond. The Fed is seeking to cool off economic demand in response to surging prices that have persisted longer than expected. The consumer price index rose 9.1 percent in June from a year earlier in a broad-based advance, and which was the largest gain since 1981. The Fed has hiked its benchmark rate four times since March 2022 at which time, rates were near zero. Most recently, the central bank lifted its rate to a range between 2.25 and 2.50 percent on July 27th. Economists expect the Fed will accelerate the reduction of its balance sheet, which began this June with the runoff of maturing securities. Overall reductions should amount to \$1.1 trillion a year. This means the bank's balance sheet should shrink to \$8.4 trillion by year end, and contract to \$6.5 trillion in December 2024.

It is too soon to fully gauge the impact of the Fed's efforts so far. Certain inflation sources including the war in Ukraine and China's Covid Zero program lie outside the influence of monetary policy. The effects of higher rates are particularly evident in the housing market where sales have slowed as higher borrowing costs continue to reduce affordability. The average rate on a 30-year mortgage is nearly double what it was a year prior. Sales of previously owned homes fell in June to a two-year low. The Fed's impact also appears to be filtering more broadly through the economy. A steep decline in residential investment, a reduction in business spending and a slower rate of inventory replacement all contributed to GDP shrinking at a 0.9 percent annual rate from April through June 2022.

Most recently, US manufacturing activity continued to grow at a slower rate in June. Manufacturing has struggled this year amid supply chain difficulties, fewer orders as consumer spending slowed and a stronger US dollar which made exports more expensive. Companies have cited the damaging impact of inflation on costs which was now increasingly affecting revenues as rising prices destroyed demand for some goods and to a lesser extent services.

The central bank's interest-rate increases have not made a dent on wages. This has heightened concerns that prices will remain persistently high. The Labor Department's employment cost index (ECI), a broad gauge of wages and benefits, increased 1.3 percent in the second quarter from the prior three months. Compared with a year earlier, the labor costs measure rose 5.1 percent, an increase not seen in 20 years. Employers, with a near-record number of open positions, used higher pay and other perks to attract and retain workers. ECI is the preferred gauge of labor costs for Federal Reserve policy makers. The measure is not distorted by employment shifts among occupations or industries.





Santa Clara County Commingled Pool and Segregated Investments

Economic Update and Portfolio Strategy

June 30, 2022

Consumer spending has largely remained resilient despite inflation, mostly from energy prices as well as broader-based increases, diminishing spending power. Even though wages have been rising fast, they are still not keeping up with inflation. Inflation-adjusted spending barely rose in June after falling in the prior month according to Commerce Department data. Consumers are drawing down savings, switching brands, forgoing discretionary purchases to cope with higher prices. The saving rate declined to 5.1%, the lowest since 2009.

Because of discouraging inflation and growth news, some economists expect policy makers will not have to tighten monetary policy much further, thereby pausing early and then lowering interest rates quickly. Others see the Fed raising rates to a range of 4.0 to 4.25 percent by the first quarter of 2023. This compares with 2.25 to 2.50 percent today. Even though, recent results from the purchasing manager's index and housing data imply that demand is starting to wane, the June CPI figures suggest that such developments have had little impact on prices thus far, both in terms of the general level and the broadening of price pressures. Consequently, continued tightening is required. Those who expect more aggressive tightening also expect policy makers will maintain their resolve to push inflation completely back down to 2 percent, the preferred pace of inflation cited by policy makers.

The yields of U.S. government securities along with those of all domestic bonds have risen in anticipation of tighter monetary policy and consequently have suffered substantial price declines. Bond prices and yield are inversely related and hence, move in opposite directions. Although the Fed has increased, so far, its policy rate, fed funds four times, the two-year Treasury yield has increased by 222 basis points from .734 percent on December 31, 2021, to 2.957 percent on June 30th, 2022. Likewise, ten-year Treasury yields rose almost as much over the same period to 3.016 percent from 1.51 percent, a 151-basis point surge.

The portfolio strategy continues to focus on the:

- (1) acquisition of high-quality issuers;
- (2) identifying and selecting bonds with attractive valuations;
- (3) appropriately sizing the liquidity portion of the portfolio to ensure adequate cash for near term obligations; and
- (4) ensuring that monies targeted for longer term investments are deployed in vehicles with favorable risk-adjusted yields.

3



Santa Clara County Commingled Pool and Segregated Investments

Portfolio Liquidity Adequacy, Review, and Monitoring

June 30, 2022

Yield and Weighted Average Maturity

The yield of the Commingled Pool is 1.25 and the weighted average life is 738 days.

Liquidity Adequacy

The County Treasurer believes the Commingled Pool contains sufficient cash flow from liquid and maturing securities, bank deposits and incoming cash to meet the next six months of expected expenditures.

Review and Monitoring

FHN Financial Main Street Advisors, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations. The market values of securities were taken from pricing services provided by the Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

4



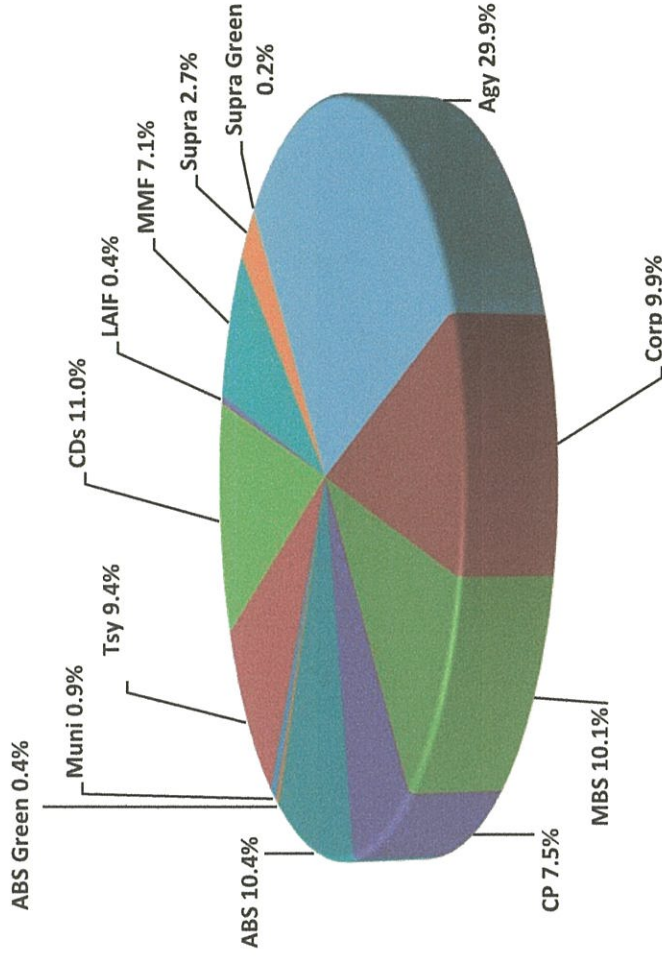
Santa Clara County Commingled Pool

Allocation by Security Types

June 30, 2022

Sector	6/30/2022	3/31/2022	% Chng
Federal Agencies	29.89%	29.73%	0.17%
Corporate Bonds	9.91%	9.50%	0.41%
Mortgage Backed Securities	10.15%	7.19%	2.96%
Commercial Paper	7.53%	7.48%	0.05%
ABS	10.41%	8.89%	1.52%
ABS Green Bonds	0.44%	0.47%	-0.02%
Municipal Securities	0.86%	0.97%	-0.11%
U.S. Treasuries	9.37%	9.17%	0.20%
Negotiable CDs	11.03%	15.59%	-4.56%
LAIF	0.39%	0.41%	-0.02%
Money Market Funds	7.11%	7.55%	-0.44%
Supranationals	2.67%	2.82%	-0.15%
Supranationals Green Bonds	0.22%	0.23%	-0.01%
Total	100.00%	100.00%	

Sector	6/30/2022	3/31/2022
Federal Agencies	3,319,066,939	3,127,034,107
Corporate Bonds	1,100,816,465	999,803,424
Mortgage Backed Securities	1,126,469,304	755,887,855
Commercial Paper	836,595,674	787,284,454
ABS	1,155,725,801	935,073,222
ABS Green Bonds	48,993,778	48,993,778
Municipal Securities	95,925,213	102,196,141
U.S. Treasuries	1,040,331,758	964,281,931
Negotiable CDs	1,224,900,420	1,639,901,049
LAIF	43,246,452	43,212,399
Money Market Funds	789,873,918	794,323,347
Supranational	296,801,892	296,816,390
Supranationals Green Bonds	24,504,939	24,464,690
Total	11,103,252,552	10,519,272,787



Amounts are based on book value

B



Santa Clara County Commingled Pool Compliance with Investment Policy

June 30, 2022

Item/Sector	Parameters	In Compliance
Maturity	Weighted Average Maturity (WAM) must be less than 36 months	Yes
Interest Periods	Securities must pay interest within one year of the initial investment and at least semiannually in subsequent years	Yes
Investment Swaps	Similar maturity swaps, so as not to affect cash flow needs, should have minimum 5 basis point gain	Yes
Issuer Limits	No more than 5% of the portfolio shall be invested in aggregate of any single institution of the following types: Bankers Acceptances, CP, Negotiable CDs, and Corporate Notes	Yes
U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years	Yes
U.S. Federal Agencies	No sector limit, no issuer limit, max maturity 5 years	Yes
LAIIF	No sector limit, no issuer limit, CA State's deposit limit \$65 million	Yes
Repurchase Agreements	No sector limit, no issuer limit, max maturity 92 days, treasury and agency collateral at 102% of investment, if maturity exceeds 15 days, must be collateralized by securities with 5 years or less maturities	Yes
Commercial Paper	Sector limit 40%, issuer limit 5%, max maturity 270 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by domestic corporation w/ at least \$500 mil of assets, and long term debt rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Corporate Bonds	Sector limit 30%, issuer limit 5%, max maturity 5 years, rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's), issued by domestic corps/depositories	Yes
Money Market Funds	Sector limit 20%, issuer limit 10%, rated by at least two: AAA-m (S&P/Fitch)/Aaa-mf (Moody's), MMMF has at least \$500 mil managed	Yes
Negotiable Certificates of Deposit	Sector limit 30%, issuer limit 5%, max maturity 5 years, if under 1 year rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), if greater than 1 year rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Municipal Securities	Sector limit 10%, no issuer limit, State of CA, local CA agencies, and other municipal securities of the other 49 states, if long-term rated, then by at least two: A- (S&P/Fitch)/A3 (Moody's), if short-term rated, then by at least two: SP-1 (S&P), MIG-1 (Moody's), F-1 (Fitch), revenue based bonds payable solely out of the States' or local agencies' revenues	Yes
Mortgage-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of conforming residential mortgage loans insured by FHLMC/FNMA and residential mortgages guaranteed by FHA (GNMA)	No
Asset-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of loans such as installment/receivables, security must be rated by at least two: AA- (S&P/Fitch), Aa3 (Moody's), issuer rated by at least two: A- (S&P/Fitch), A3 (Moody's)	No
Supranational Debt Obligations	Sector limit 10%, max maturity 5 years, issued or unconditionally guaranteed by the IBRD, rated by at least two: AAA (S&P/Fitch), Aaa (Moody's)	Yes
Bankers' Acceptances	Sector limit 40%, issuer limit 5%, max maturity 180 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by commercial banks, collateral must exceed market value of security by 2%	Yes, None in Portfolio
Securities Lending	Sector limit 20%, max maturity 92 days for loans and reinvestment, loan counterparty must be a primary dealer, loaned securities must be owned for at least 30 days	Yes, None in Portfolio

3



June 2022

Portfolio Review

Prepared for: Santa Clara Family Health Plan

Presented by:

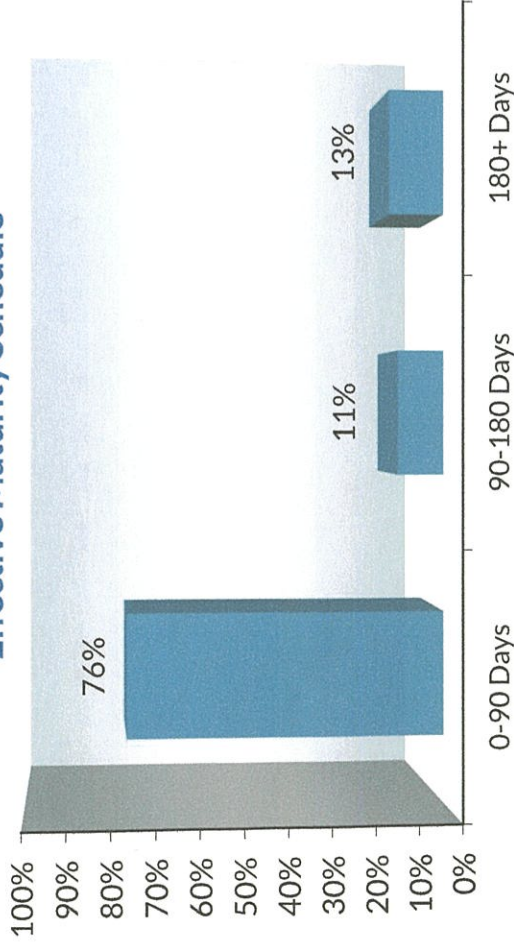
Michael Tailla

Managing Director, Co-Director Fixed Income

©

Portfolio Review Snapshot as of 6/30/2022

Effective Maturity Schedule



MARKET VALUE

Market Value	\$295,139,192.55
Accrued Income	\$868,251.10
Total	\$296,007,443.65

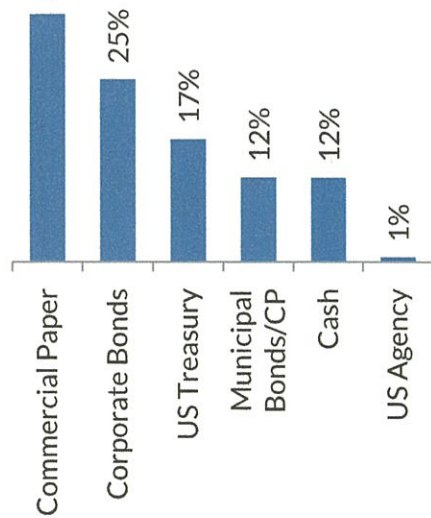
COMPLIANCE

Acceptable Investments	<input checked="" type="checkbox"/>
Credit Quality	<input checked="" type="checkbox"/>
Diversification	<input checked="" type="checkbox"/>
Marketability/Liquidity	<input checked="" type="checkbox"/>
Maturity/Portfolio Duration	<input checked="" type="checkbox"/>

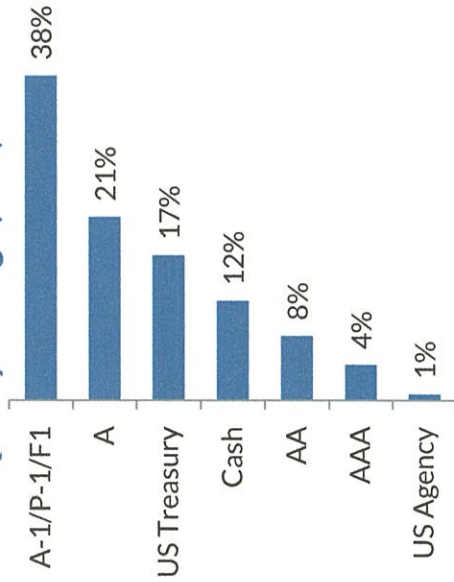
FIXED INCOME PORTFOLIO CHARACTERISTICS

Estimated Annual Income:	\$3,696,426.65
Yield to Maturity:	1.82%
Estimated Acquisition Yield:	1.23%
Average Quality:	AA
Effective Duration:	0.19
Average Days to Maturity:	69
Percent of Floaters:	0%

Sector Allocation



Quality Ratings (S&P)



Preliminary Total Return Performance

As of 6/30/2022	Since Inception 11/10/2021
Account Gross	0.01%
Account Net	-0.01%
Barclays 1-3 Month T-Bill Index	0.16%

9



Investment Statement as of 6/30/2022

ACCOUNT SUMMARY

The Market Value Reconciliation outlines how the value of your account has changed during this statement period and since the beginning of the year. Income accrued, but not yet received by your account has been estimated.

The Income Summary highlights, by major category, the income added to your account during the statement period and since the beginning of the year.

Market Value Reconciliation

	06/01/22 - 06/30/22 (\$)	CALENDAR YEAR TO DATE (\$)
Beginning Market Value	\$269,934,012.58	\$224,289,512.40
Additions	+ 125,046,053.91	+ 971,227,515.89
Withdrawals	- 100,000,000.00	- 900,000,000.00
Fees	- 10,151.39	- 45,832.26
Income	+ 425,612.00	+ 656,825.03
Security Transfers	+ 0.00	+ 0.00
Other Activity	+ 0.00	+ 0.00
Asset Price Appreciation/Depreciation	- 256,334.55	- 988,828.51
Ending Market Value on 06/30/22	= 295,139,192.55	= 295,139,192.55
Estimated Accrued Income	+ 868,251.10	
Market Value + Estimated Accrued Income	= \$296,007,443.65	

Income Summary

Income	
Dividends	\$11,191.26
Interest	645,633.77
Rental Income	0.00
Other Income	0.00
Total Income	\$656,825.03

Gain/Loss Summary

Income	
Short Term Gain (Loss)	-\$152,401.53
Long Term Gain (Loss)	0.00

①



Portfolio Holdings as of 6/30/2022 - By Maturity

Par (\$000)	CUSIP	Description	Moody Short	S&P Short	Fitch Short	Moody Long	S&P Long	Fitch Long	Coupon	Maturity	Days	Market Price	Market Value + Accrued	YTW	Acq Yield	Eff Dur	Total Gain or Loss
34,309	0000CNAM8	Cash & Equivalent									0	100.00	34,309,979.16	0.84	0.840	0.00	0.00
25,000	912796R68	United States Treas Bills Dt 010622-070722 Dt 010				U.S.	U.S.	U.S.	0.840	06/30/2022	7	99.99	24,996,925.00	0.64	0.918	0.02	1,325.59
25,000	912796K57	United States Treas Bills Dt 071521-071422 Dt 071				U.S.	U.S.	U.S.		07/07/2022	14	99.96	24,990,775.00	0.96	0.900	0.04	-597.84
8,000	09659CGF9	Bnp Paribas Sa 0% Cp 15/07/2022	P-1	A-1		U.S.	U.S.	U.S.		07/15/2022	15	99.93	7,994,672.00	1.62	1.048	0.04	-1,884.00
11,850	11070KGG0	British Columbia Prov Cda 0% Cp 18/07/2022	P-1	A-1+						07/18/2022	18	99.92	11,840,638.50	1.60	1.066	0.05	-3,135.24
10,050	87019SGK4	Swedbank Foreningssparbkn Ab 0% Cp 19/07/2022	P-1	A-1+	F1+					07/19/2022	19	99.92	10,041,718.80	1.58	1.027	0.05	-2,911.31
10,725	07274MH16	Bayerische Landesbank N Y 0% Cp 01/08/2022	P-1	NR	NR		USAGY	USAGY		08/01/2022	32	99.85	10,708,483.50	1.76	1.394	0.09	-3,425.08
7,700	13068AA7	California St Pub Wks Brd Leas Ref Bds 2022 a Ref Bq - Var Cap Projs				Aa3	A+	AA-	5.000	08/01/2022	32	100.27	7,831,096.78	1.80	1.344	0.09	-3,080.00
600	223047AA9	Covina Calif Pension Oblig Taxable Bds 2021 Taxabl							0.299	08/01/2022	32	99.87	599,986.52	1.76	0.299	0.09	-756.00
855	419792F68	Hawaii St GO Ref Taxable Bds 2021 G GO Ref				Aa2	AA+	AA	0.247	08/01/2022	32	99.88	854,856.62	1.63	0.247	0.09	-1,017.45
800	612574EP4	Monterey Peninsula Calif Cmnty Election 2020 Taxable GO a Electi							0.182	08/01/2022	32	99.87	799,578.62	1.67	0.182	0.09	-1,024.00
8,000	697379XV2	Palo Alto Calif Uni Sch Dist Election 2018 GO Bds 2022 Electi				Aaa	AAA	AAA	5.000	08/01/2022	32	100.26	8,107,066.67	1.99	1.271	0.09	-5,040.00
475	796720NX4	San Bernardino Calif Cmnty Col Taxable GO Ref Bds 2021 Taxabl				Aa1			0.225	08/01/2022	32	99.87	474,839.09	1.70	0.225	0.09	-603.25
1,000	9523474S8	West Contra Costa Calif Uni SC Taxable GO Ref Bds 2021 B Taxabl							0.206	08/01/2022	32	99.87	999,562.61	1.71	0.206	0.09	-1,290.00
10,725	80285QH29	Santander Uk Plc 0% Cp 02/08/2022								08/02/2022	33	99.84	10,707,646.95	1.79	1.455	0.09	-3,263.07
7,250	19424JHC3	Collateralized Coml Paper V Ltc 0% Cp 12/08/2022	P-1	A-1	F1					08/12/2022	43	99.77	7,233,107.50	1.98	2.034	0.12	438.56
5,900	22533JHG1	Credit Agricole Corp 0% Cp 16/08/2022	P-1	A-1	F1					08/16/2022	47	99.77	5,886,188.10	1.82	1.933	0.13	837.14
10,000	63873KHG5	Natixis Disc Coml Paper 0% Cp 16/08/2022	P-1	A-1	F1					08/16/2022	47	99.74	9,974,200.00	2.01	1.344	0.13	-8,523.60
3,800	87019SHG2	Swedbank Foreningssparbkn Ab 0% Cp 16/08/2022	P-1	A-1+	F1+					08/16/2022	47	99.77	3,791,286.60	1.79	1.912	0.13	619.33



Portfolio Holdings as of 6/30/2022 - By Maturity

Par (\$000)	CUSIP	Description	Moody Short	S&P Short	Fitch Short	Moody Long	S&P Long	Fitch Long	Coupon	Maturity	Days	Market Price	Market Value + Accrued	YTW	Acq Yield	Eff Dur	Total Gain or Loss
2,000	06406RAK3	Bank New York Mellon Corp Fr 1.95%082322 Fr 1.9	P-1	A-1	NR	A1	A	AA-	1.950	08/23/2022	54	99.94	2,012,628.33	2.32	0.132	0.15	-6,478.00
8,000	13078FCM6	California St Univ Taxable lam Coml Paper Coml P							1.400	09/01/2022	63	99.97	8,005,991.11	1.59	1.400	0.17	-2,720.00
1,345	14913Q3A5	Caterpillar Finl Svcs Mtns Be Fr 1.9%090622 Fr 1.9			NR	A2	A	A	1.900	09/06/2022	68	99.98	1,352,765.58	2.02	-0.319	0.18	-5,806.36
3,000	89236TEC5	Toyota Mtr Cr Corp Fr 2.15%090822 Fr 2.1			NR	A1	A+	A+	2.150	09/08/2022	70	99.96	3,018,908.67	2.34	-0.286	0.19	-14,979.00
8,000	5006E1JC9	KDBNY CP 09/12/22	P-1	A-1+						09/12/2022	74	99.57	7,965,448.00	2.14	1.286	0.20	-13,748.38
6,800	14912EJF5	Caterpillar Finl Svcs Corp 0% Cp 15/09/2022	P-1	A-1	NR	A2	A-	A	2.300	09/15/2022	77	99.59	6,772,174.40	1.95	1.070	0.21	-12,510.80
2,450	63743HEQ1	National Rural Utilis Coop Fin Fr 2.3%091522 Fr 2.3			NR	A2	A-	A		09/15/2022	77	99.91	2,464,303.92	2.70	0.175	0.21	-8,633.55
8,000	22533UJL8	Credit Agricole Corp 0% Cp 20/09/2022	P-1	A-1	F1	A2	A-	A		09/20/2022	82	99.52	7,961,584.00	2.15	1.296	0.23	-15,191.13
2,000	46625HJE1	Jpmorgan Chase & CO Sr Nt 3.25%22 Sr Nt			NR	A2	A-	AA-	3.250	09/23/2022	85	100.15	2,020,599.89	2.55	0.172	0.23	-11,094.00
780	69371RQ33	Paccar Financial Corp Fr 2%092622 Fr 2%0			NR	A1	A+	A+	2.000	09/26/2022	88	99.83	782,757.47	2.70	0.152	0.24	-4,756.44
2,000	31331J3J8	Federal Farm Cr Bks Matures 10/06/22 Mature						USAGY USAGY USAGY		10/06/2022	98	99.42	1,988,320.82	2.19	0.171	0.27	-10,761.35
3,000	91324PDD1	Unitedhealth Group Inc Sr Nt 2.375%22 Sr Nt			NR	A3	A+	A	2.375	10/15/2022	107	99.99	3,014,678.75	2.38	0.227	0.29	-18,986.00
8,000	86562MAU4	Sumitomo Mitsui Fin Grp Inc 2.778%22 2.778%							2.778	10/18/2022	110	100.04	8,047,784.00	2.62	0.898	0.30	-41,552.00
3,605	68607DPP4	Oregon St Dept Transn Hwy User Senior Lien Ref Bds 2012 a Senior			NR	Aa1	AAA	AA+	5.000	11/15/2022	138	101.33	3,675,297.50	1.44	1.611	0.38	2,379.30
11,600	010392EB0	Alabama Pwr CO Sr Gibl -S Nt 22 Sr Gbl			NR	A1	A-	A+	5.875	12/01/2022	154	101.06	11,778,183.41	3.29	1.885	0.42	-68,892.40
4,000	166764AB6	Chevron Corporation Sr Nt 2.355%22 Sr Nt			NR	A2	AA-	AA-	2.355	12/05/2022	158	99.91	4,002,993.67	2.56	0.640	0.43	-15,912.00
8,000	06051GEU9	Bk of America Corp Fr 3.3%011123 Fr 3.3			NR	A2	A-	AA-	3.300	01/11/2023	195	100.17	8,137,197.33	2.98	0.963	0.52	-85,428.00
6,830	85771PAG7	Equinor Asa Sr Nt 2.45%23 Sr Nt							2.450	01/17/2023	201	99.91	6,899,536.61	2.62	1.832	0.54	-29,068.48
12,700	69349LAK4	Pnc Bk N a Pittsburgh PA Disc Fr 2.95%013023 Fr 2.9			NR	A3	A-	A	2.950	01/30/2023	214	99.83	12,834,006.17	3.25	3.052	0.58	-14,465.30
8,000	961214DZ3	Westpac Bkg Corp Sr Gibl Nt 23 Sr Gbl			NR	Aa3	AA-	A+	3.650	05/15/2023	319	100.08	8,042,556.00	3.56	1.864	0.86	-117,248.00
3,000	769110CW5	Riverside Cnty Calif Tax Rev Antic Nt 2022 Tax Re		SP-1+	F1+			NR	5.000	06/30/2023	365	102.90	3,087,120.00	2.03	2.150	0.99	3,660.00
295,149									1.341	09/07/2022	69	100.01	296,007,443.65	1.82	1.228	0.19	-525,472.11

(C)





Santa Clara Family
Health Plan™

Unaudited Financial Statements

For Two Months Ended August 31, 2022

Agenda

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Financial Highlights



	MTD		YTD	
Revenue	\$113.4 M		\$227.7 M	
Medical Expense (MLR)	\$103.8 M	91.5%	\$208.4 M	91.5%
Administrative Expense (% Rev)	\$5.7 M	5.1%	\$11.8 M	5.2%
Non-Operating Income	\$624K		\$1.2 M	
Net Surplus (Net Loss)	\$4.5 M		\$8.8 M	

Cash and Investments	\$523 M
Receivables	\$711 M
Total Current Assets	\$1.26 B
Current Liabilities	\$980 M
Current Ratio	1.28
Tangible Net Equity	\$313 M
% of DMHC Requirement	910.4%

Financial Highlights

Net Surplus (Net Loss)	<ul style="list-style-type: none"> ▶ Month: Surplus of \$4.5M is \$4.1M or 914.5% favorable to budget of \$444K surplus. ▶ YTD: Surplus of \$8.8M is \$7.5M or 606.2% favorable to budget of \$1.2M surplus.
Enrollment	<ul style="list-style-type: none"> ▶ Month: Membership was 315,281 (7,683 or 2.5% higher than budget of 307,598). ▶ YTD: Member Months YTD was 629,010 (15,737 or 2.6% higher than budget of 613,273).
Revenue	<ul style="list-style-type: none"> ▶ Month: \$113.4M (\$826K or 0.7% favorable to budget of \$112.6M). ▶ YTD: \$227.7M (\$3.1M or 1.4% favorable to budget of \$224.7M).
Medical Expenses	<ul style="list-style-type: none"> ▶ Month: \$103.8M (\$1.2M or 1.1% favorable to budget of \$105.0M). ▶ YTD: \$208.4M (\$1.0M or 0.5% favorable to budget of \$209.4M).
Administrative Expenses	<ul style="list-style-type: none"> ▶ Month: \$5.7M (\$1.6M or 21.5% favorable to budget of \$7.3M). ▶ YTD: \$11.8M (\$2.5M or 17.6% favorable to budget of \$14.3M).
Non-Operating Income	<ul style="list-style-type: none"> ▶ Month: \$624K (\$470K or 306.8% favorable to budget of \$153K). ▶ YTD: \$1.2M (\$931K or 303.5% favorable to budget of \$307K).
Tangible Net Equity	<ul style="list-style-type: none"> ▶ TNE was \$312.7M (represents approximately three months of total expenses).
Capital Expenditures	<ul style="list-style-type: none"> ▶ YTD Capital Investments of \$148K vs. \$6.2M annual budget, primarily computer software.



Santa Clara Family
Health Plan™

Detail Analyses

Enrollment



- Total enrollment of 315,281 members is 7,683 or 2.5% higher than budget. Since the beginning of the fiscal year, total enrollment has increased by 8,899 members or 2.9%, which largely represents newly-eligible Medi-Cal undocumented adults.
- Medi-Cal & CMC enrollment have been increasing since March 2020 largely due to COVID. Beginning in March 2020, annual eligibility redeterminations were suspended and, as a result, enrollment continues to increase.
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 3.2%, Medi-Cal Dual enrollment has increased 0.9%, and CMC enrollment has grown 0.8%.

	For the Month August 2022				For Two Months Ending August 31, 2022				Prior Year Actuals	Δ FY23 vs. FY22
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)		
Medi-Cal	304,867	297,214	7,653	2.6%	608,242	592,505	15,737	2.7%	549,257	10.7%
Cal Medi-Connect	10,414	10,384	30	0.3%	20,768	20,768	0	0.0%	20,393	1.8%
Total	315,281	307,598	7,683	2.5%	629,010	613,273	15,737	2.6%	569,650	10.4%

Santa Clara Family Health Plan Enrollment By Network August 2022

Network	Medi-Cal		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	38,730	13%	10,414	100%	49,144	16%
SCVHHS ¹ , Safety Net Clinics, FQHC ² Clinics	156,471	51%	-	0%	156,471	50%
North East Medical Services	3,426	1%	-	0%	3,426	1%
Palo Alto Medical Foundation	7,452	2%	-	0%	7,452	2%
Physicians Medical Group	45,850	15%	-	0%	45,850	15%
Premier Care	16,489	5%	-	0%	16,489	5%
Kaiser	36,449	12%	-	0%	36,449	12%
Total	304,867	100%	10,414	100%	315,281	100%
Enrollment at June 30, 2022	296,050		10,332		306,382	
Net Δ from Beginning of FY22	3.0%		0.8%		2.9%	

¹ SCVHHS = Santa Clara Valley Health & Hospital System

² FQHC = Federally Qualified Health Center

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD AUGUST - 2022

		2021-08	2021-09	2021-10	2021-11	2021-12	2022-01	2022-02	2022-03	2022-04	2022-05	2022-06	2022-07	2022-08	FYTD var	%
NON DUAL	Adult (over 19)	33,281	33,546	33,809	34,245	34,653	35,652	35,761	36,104	36,529	37,033	37,861	39,310	39,644	1,783	4.7%
	Child (under 19)	101,085	101,093	101,125	101,411	101,722	102,516	102,519	102,740	103,211	103,765	103,621	103,866	103,987	366	0.4%
	SPD	22,276	22,331	22,381	22,463	22,537	22,740	22,731	22,749	22,751	22,836	24,200	25,130	25,189	989	4.1%
	Adult Expansion	91,392	91,960	92,393	93,186	94,092	95,819	96,366	97,386	98,130	99,249	102,198	106,715	107,599	5,401	5.3%
	Long Term Care	408	401	391	385	392	391	403	395	393	397	398	412	432	34	8.5%
	Total Non-Duals	248,442	249,331	250,099	251,690	253,396	257,118	257,780	259,374	261,014	263,280	268,278	275,433	276,851	8,573	3.2%

DUAL	Adult (over 21)	376	375	396	398	408	410	403	407	412	431	423	424	422	-1	(0.2%)
	SPD	24,159	24,206	24,244	24,307	24,320	24,330	24,350	24,378	24,282	24,352	24,384	24,491	24,518	134	0.5%
	Long Term Care	1,115	1,092	1,083	1,106	1,111	1,085	1,107	1,102	1,111	1,126	1,148	1,159	1,153	5	0.4%
	SPD OE	1,135	1,223	1,308	1,372	1,431	1,496	1,531	1,612	1,666	1,739	1,817	1,868	1,923	106	5.8%
	Total Duals	26,785	26,896	27,031	27,183	27,270	27,321	27,391	27,499	27,471	27,648	27,772	27,942	28,016	244	0.9%

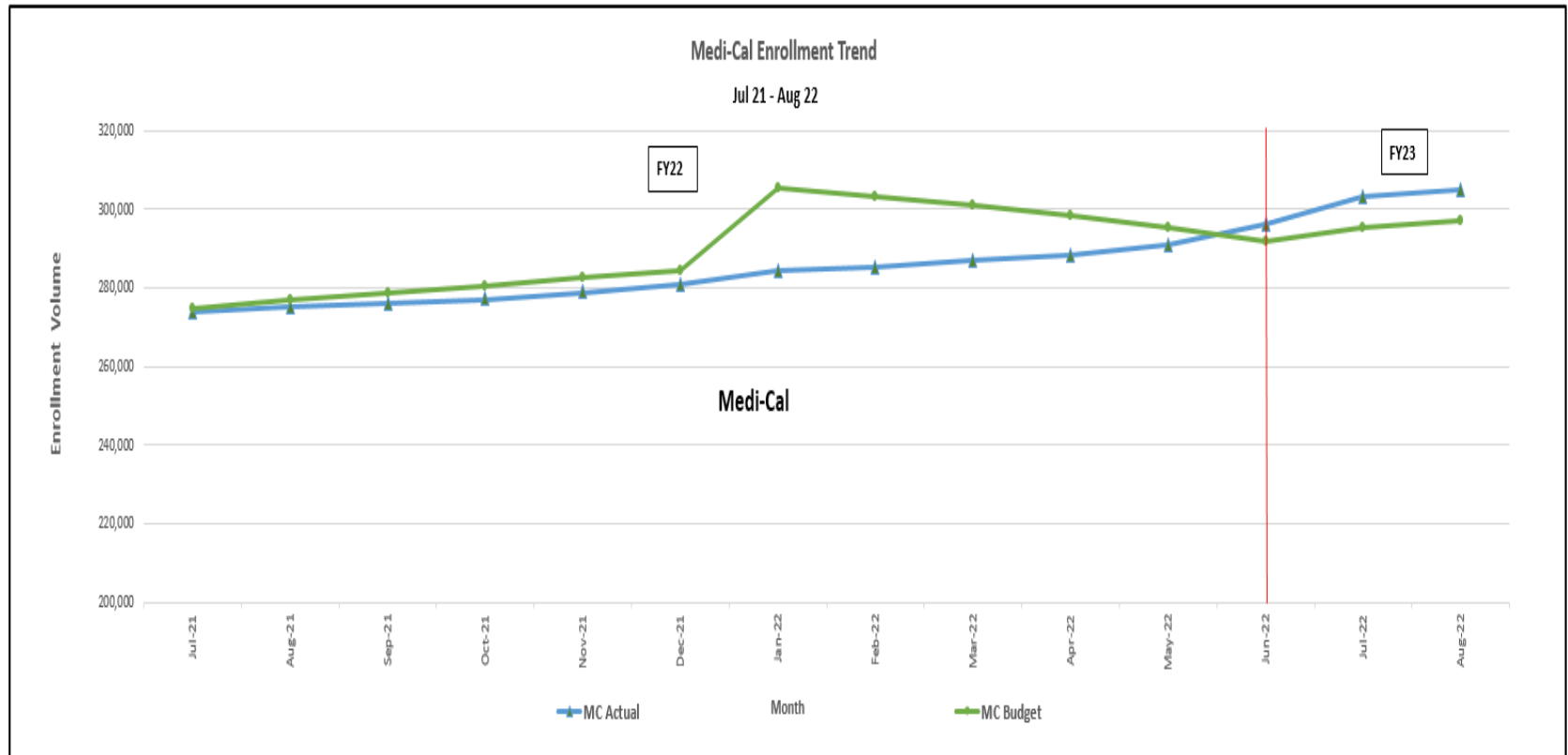
Total Medi-Cal	275,227	276,227	277,130	278,873	280,666	284,439	285,171	286,873	288,485	290,928	296,050	303,375	304,867	8,817	3.0%
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CMC	CMC Non-Long Term Care	10,037	10,122	10,160	10,211	10,221	10,017	10,038	10,084	10,127	10,128	10,127	10,146	10,200	73	0.7%
	CMC - Long Term Care	208	203	208	204	210	202	213	215	206	206	205	208	214	9	4.4%
	Total CMC	10,245	10,325	10,368	10,415	10,431	10,219	10,251	10,299	10,333	10,334	10,332	10,354	10,414	82	0.8%

Total Enrollment	285,472	286,552	287,498	289,288	291,097	294,658	295,422	297,172	298,818	301,262	306,382	313,729	315,281	8,899	2.9%
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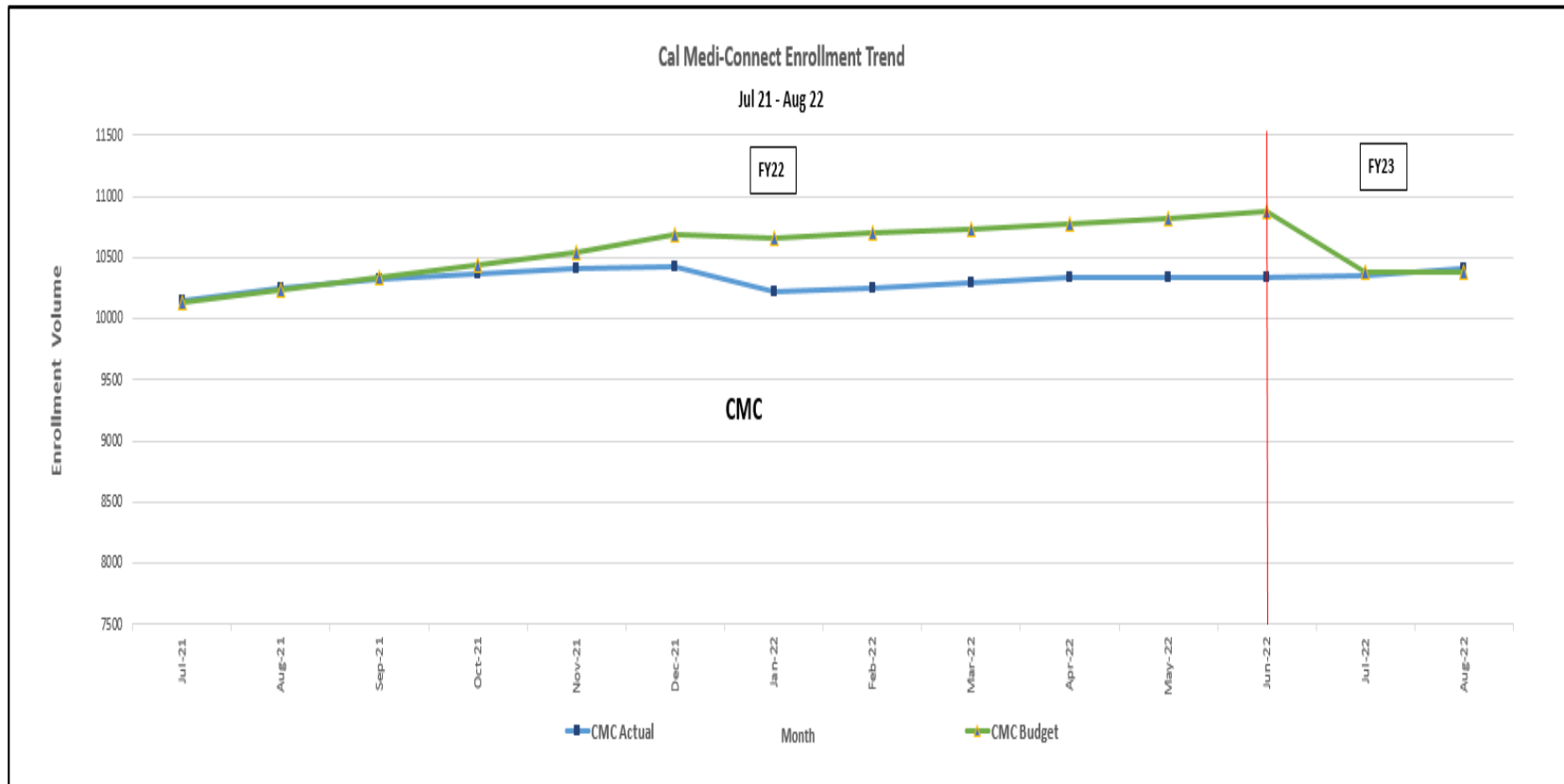
- From July to August 2022, total enrollment increased by 1,552 members largely due to newly-eligible Medi-Cal undocumented adults and continued suspended disenrollments due to COVID.

Medi-Cal Enrollment Trend



- Actual enrollment, represented by the blue line, showed a continued COVID enrollment growth through FY22 primarily due to public health emergency (PHE). Newly undocumented members started July 22.
- Budgeted enrollment, represented by the green line, was presumed to decrease in late FY22 but continues to increase due to sustained public health emergency. The FY22 budget included a higher projection of new mandatory Medi-Cal population having Other Health Coverage (OHC) starting Jan 2022. The FY23 budget assumed (1) the PHE continued through October & (2) lower estimated Undocumented Adult enrollment.

Cal Medi-Connect Enrollment Trend

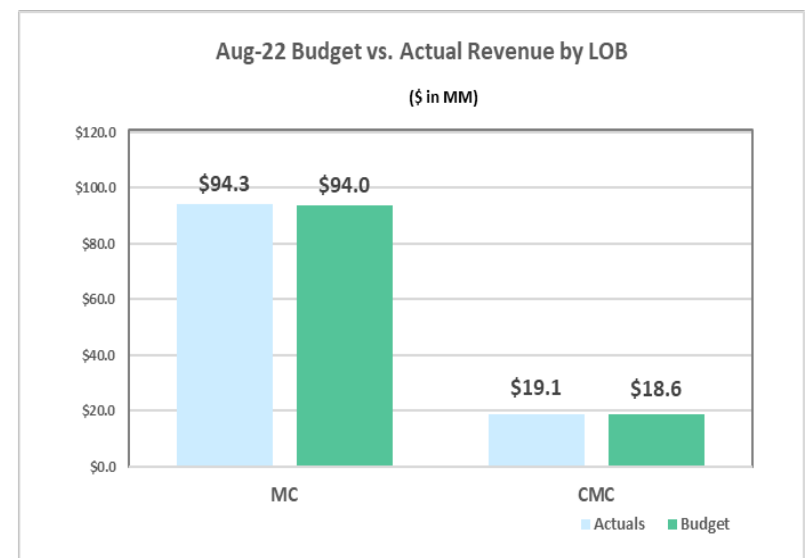
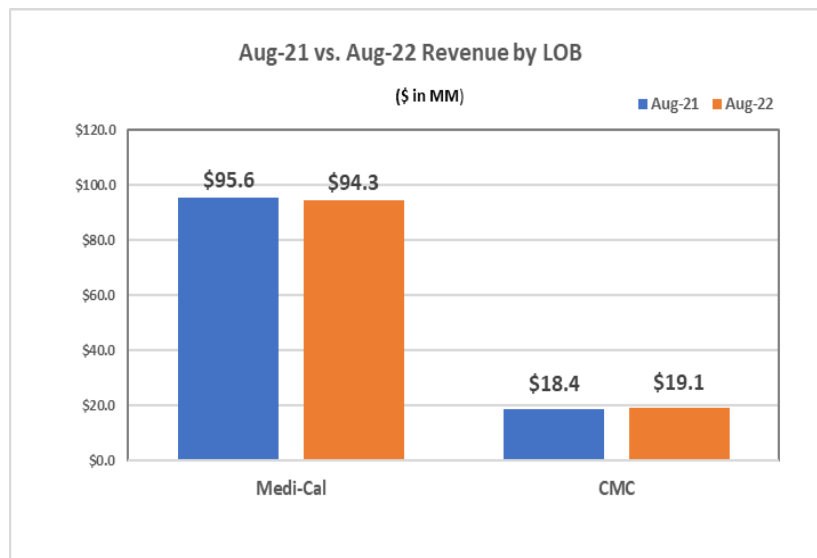


- Actual enrollment, represented by the blue line, showed a continued COVID enrollment growth through FY22 primarily due to public health emergency (PHE).
- Budgeted enrollment, represented by the green line, was presumed to plateau in late FY22 but continues to increase due to the sustained public health emergency. Beginning Jan 23, projections for D-SNP program replace projections for CMC.

Current Month Revenue

Current month revenue of \$113.4M was \$826K or 0.7% favorable to budget of \$112.6M. The current month variance was primarily due to the following:

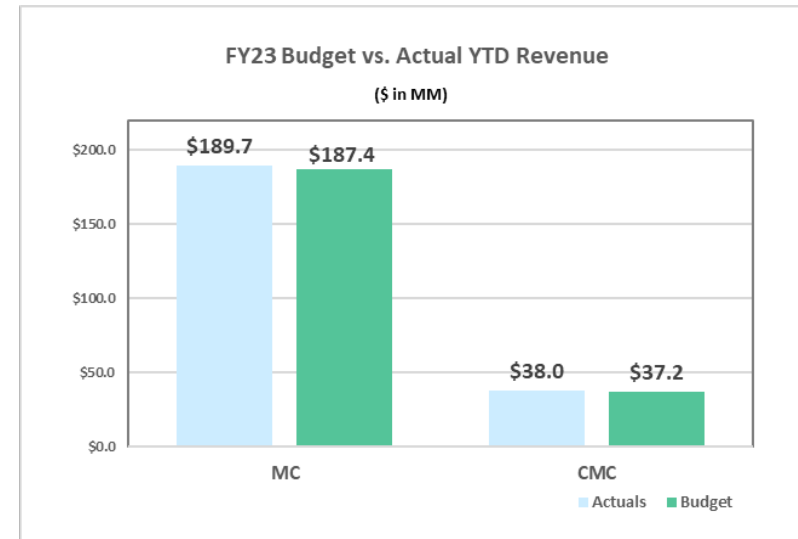
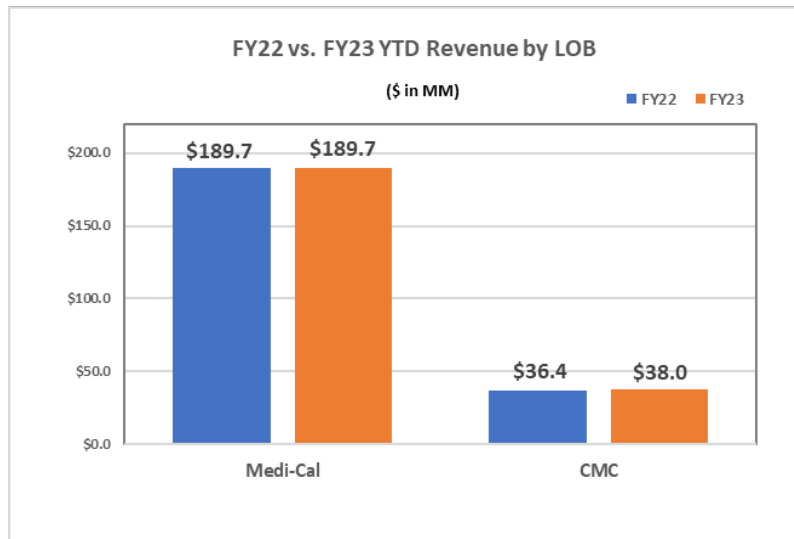
- Medi-Cal revenue was \$377K or 0.4% favorable to budget due primarily to (1) higher enrollment (\$2.9M favorable) due to newly undocumented Adults and extended PHE, (2) supplemental revenue (\$1.1M favorable) due to increased BHT utilization and higher maternity deliveries, (3) COVID incentive program (\$485K favorable), offset by (4) unfunded DHCS incentive programs (HH, ECM and SBH) (\$3.5M unfavorable), and (5) the Prop 56 Value Based Payment program was discontinued on June 30 (\$608K unfavorable). Unfavorable revenue variances and favorable medical expense variances pertaining to Prop 56 & incentive payments offset.
- CMC revenue was \$449K or 2.4% favorable to budget due to (1) higher Part C rate, (2) favorable mix corridor estimate and (3) higher enrollment versus budget.



YTD Revenue

YTD revenue of \$227.7M was \$3.1M or 1.4% favorable to budget of \$224.7M. The YTD variance was primarily due to the following:

- Medi-Cal revenue was \$2.2M or 1.2% favorable to budget due primarily to (1) higher enrollment (\$6.4M favorable) due to newly undocumented Adults and extended PHE, (2) supplemental revenue (\$2.5M favorable) due to increased BHT utilization and higher maternity deliveries, (3) COVID incentive program (\$1.4M favorable), offset by (4) unfunded DHCS incentive programs (HH, ECM and SBH) (\$6.9M unfavorable), and (5) the Prop 56 Value Based Payment program was discontinued on June 30 (\$1.2M unfavorable). The unfavorable revenue variances and favorable medical expense variances pertaining to incentive payments offset, due to timing of receipt.
- CMC revenue was \$816K or 2.2% favorable to budget due to (1) higher Part C rate, (2) favorable mix corridor estimate and (3) higher enrollment versus budget.

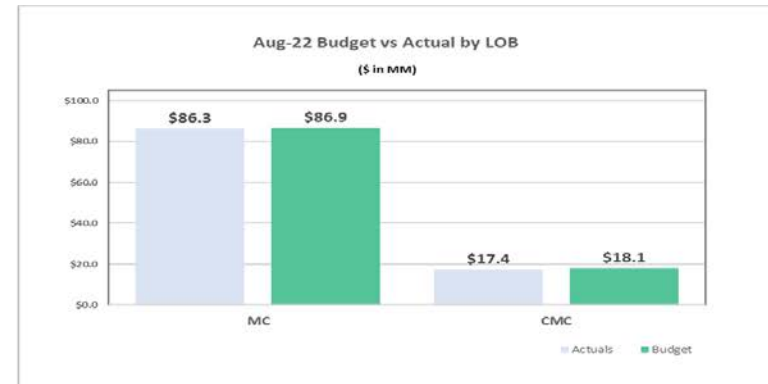
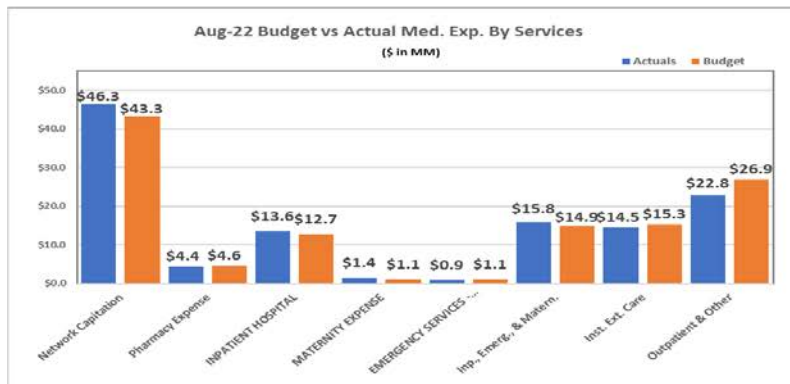


Current Month Medical Expense

Current month medical expense of \$103.8M was \$1.2M or 1.1% favorable to budget of \$105.0M.

The current month variance was due largely to:

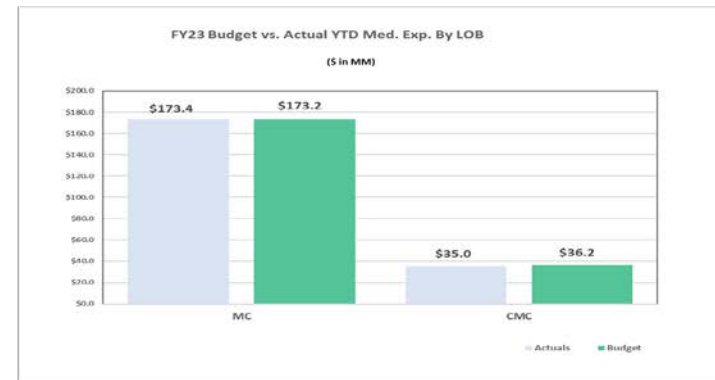
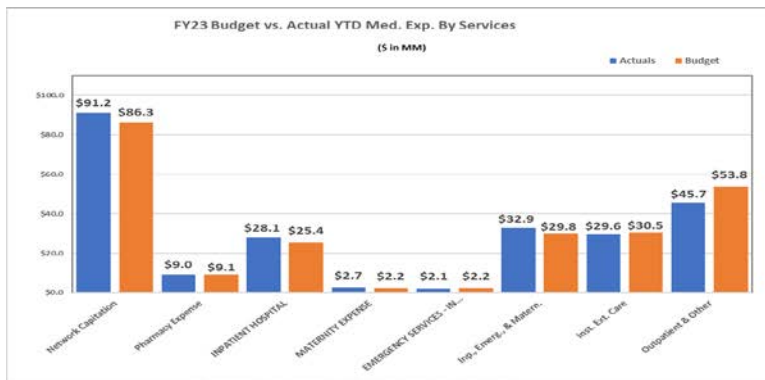
- Capitation expense was \$1.7M or 3.9% unfavorable to budget due to (1) higher capitated enrollment than expected (\$1.3M unfavorable volume variance) and (2) higher blended CY22 rate which is based on actual member mix (\$441K unfavorable rate variance).
- Fee-For-Service expense was \$1.1M or 2.3% unfavorable to budget due to (1) increased unit cost versus budget for Inpatient, Outpatient, LTC, and Primary Care Physician services (\$1.8M unfavorable) and (2) increased supplemental Behavioral Health Therapy utilization and maternity deliveries (\$759K unfavorable) (offset with favorable revenue variance); offset by (3) lower utilization in Emergency Room, Other Medical, MLTSS, ECM, and Community Support services (\$1.4M favorable).
- Reinsurance & Other expenses were \$3.9M or 57.5% favorable to budget due to unspent (1) Housing & Homelessness Incentive Program (\$1.8M favorable), (2) ECM Provider Incentive Program (\$957K favorable), (3) Prop 56 Value Based Payment program was discontinued on June 30 (\$718K favorable), (4) School of Behavioral Health Incentive Program (\$375K favorable), (5) Board Designated Fund (\$187K); offset by (6) lower claim recoveries (\$137K unfavorable). The unfavorable revenue variances and favorable medical expense variances pertaining to incentive payments offset.



YTD Medical Expense

YTD medical expense of \$208.4M was \$4.1M or 26.9% favorable to budget of \$209.4M. The YTD variance was due largely to:

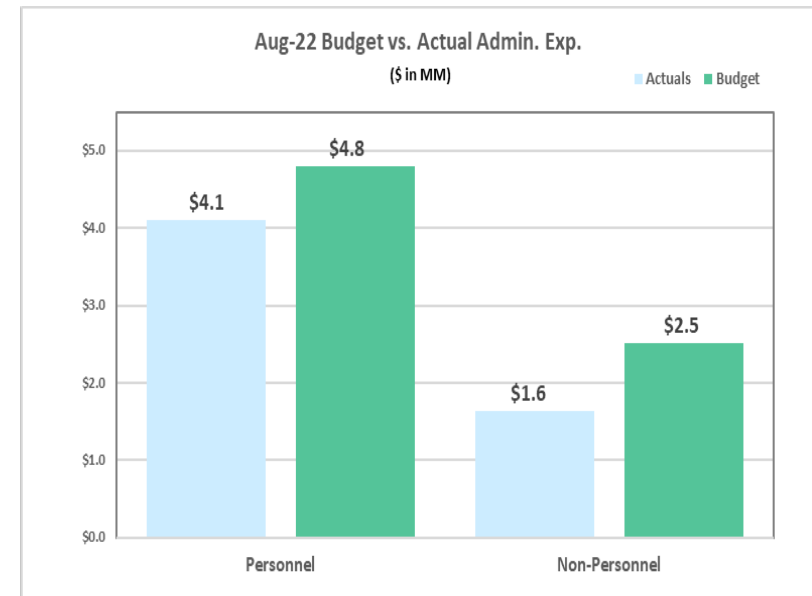
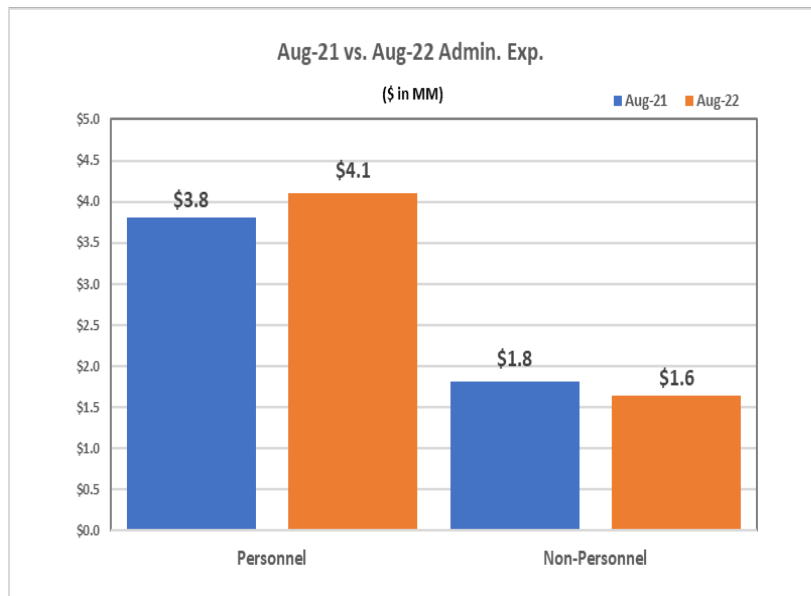
- Capitation expense was \$2.4M or 2.7% unfavorable to budget due to (1) higher capitated enrollment than expected (\$2.1M unfavorable volume variance) and (2) higher blended CY22 rate which is based on actual member mix (\$336K unfavorable rate variance).
- Fee-For-Service expense was \$4.3M or 4.3% unfavorable to budget due to (1) increased unit cost versus budget for Inpatient Hospital, LTC, PCP, Physician Specialty, and Transportation services (\$3.8M unfavorable), (2) increased supplemental Behavioral Health Therapy utilization and maternity deliveries (\$2.4M unfavorable) (offset with favorable revenue variance), and offset by (3) lower utilization in Outpatient Facility, Emergency Room, Behavioral Health Therapy, ECM and Community Support services (\$1.9M favorable).
- Reinsurance & Other expenses were \$7.6M or 55.9% favorable to budget due to unspent (1) Housing & Homelessness Incentive Program (\$3.7M favorable), (2) ECM Provider Incentive Program (\$1.9M favorable), (3) Prop 56 Value Based Payment program was discontinued on June 30 (\$1.2M favorable), (4) School of Behavioral Incentive Program (\$750K favorable), (5) Board Designated Fund (\$318K); offset by (6) lower claim recoveries (\$184K unfavorable). The unfavorable revenue variances and favorable medical expense variances pertaining to incentive payments offset, due to timing of receipt.



Current Month Administrative Expense

Current month expense of \$5.7M was \$1.6M or 21.5% favorable to budget of \$7.3M. The current month variances were primarily due to the following:

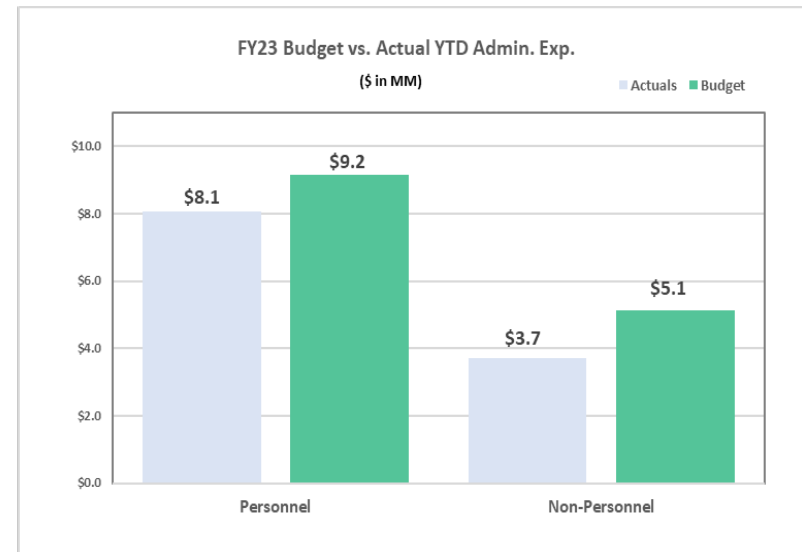
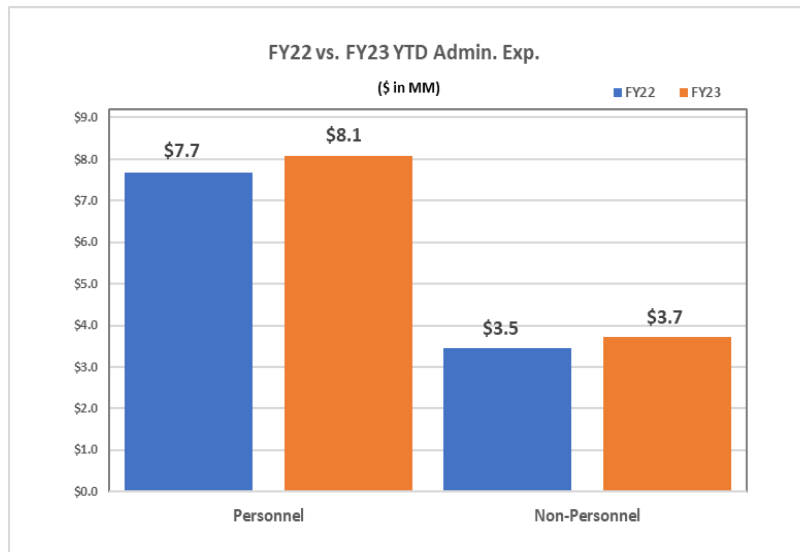
- Personnel expenses were \$700K or 14.6% favorable to budget due to lower headcount than budget which included payroll tax and benefit savings.
- Non-Personnel expenses were \$867K or 34.6% favorable to budget due to the timing of spending in certain expense categories (consulting, contract services, software licenses, translation, marketing and other expenses) which are expected to be incurred later in the fiscal year.



YTD Administrative Expense

YTD administrative expense of \$11.8M was \$2.5M or 17.6% favorable to budget of \$14.3M. The YTD variance was primarily due to the following:

- Personnel expenses were \$1.1M or 11.9% favorable to budget due to lower headcount than budget which included lower payroll tax and benefits.
- Non-Personnel expenses were \$1.4M or 27.6% favorable to budget due to the timing of budget spending in certain expenses (consulting, contract services, translation, printing & advertising, information systems, and other fees).



Balance Sheet

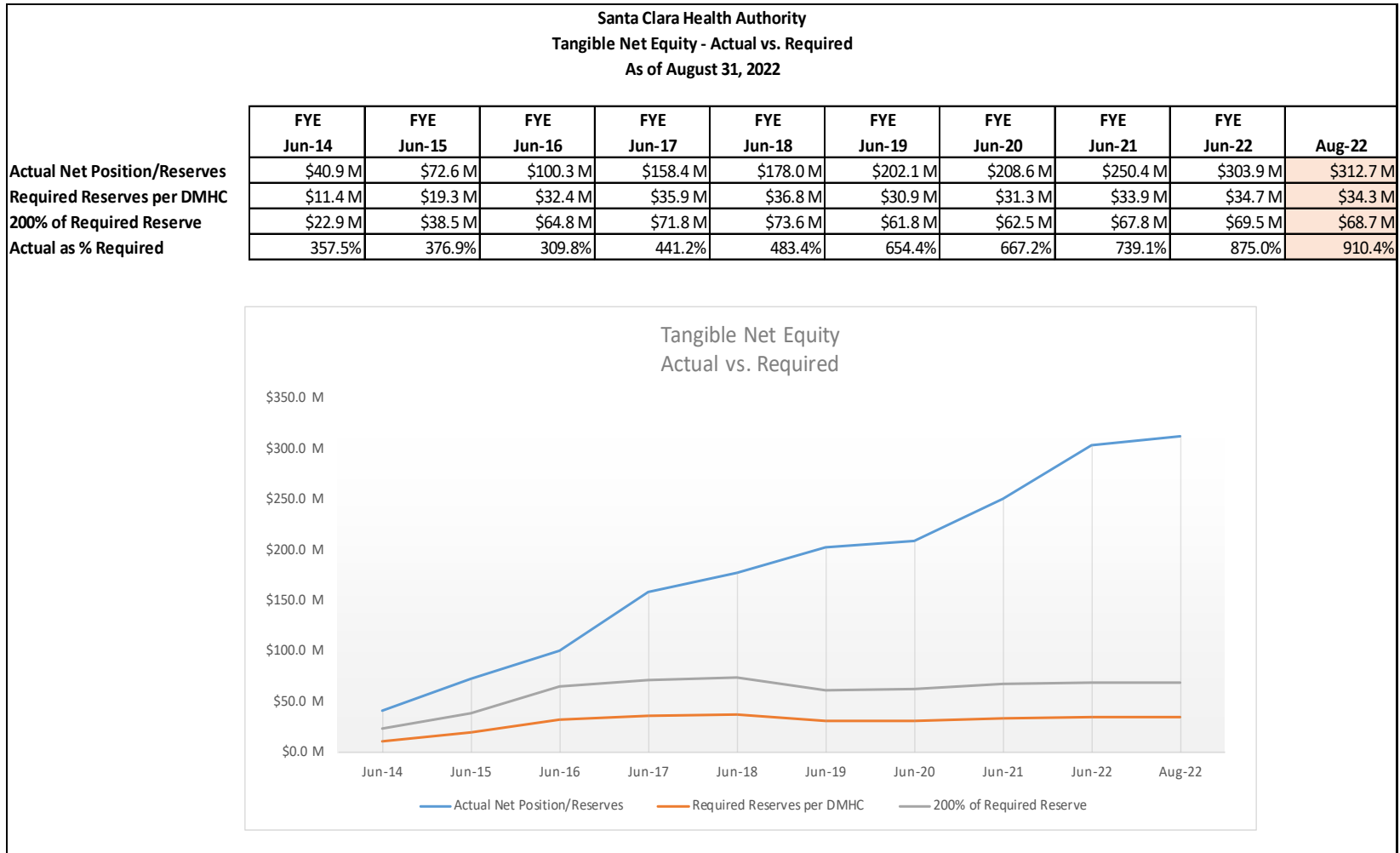
- Current assets totaled \$1.26B compared to current liabilities of \$980.2M, yielding a current ratio (Current Assets/Current Liabilities) of 1.28:1 vs. the DMHC minimum requirement of 1.0:1.
- On a YTD basis, the overall cash balance decreased by \$28.6M compared to the cash balance as of year-end June 30, 2022 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	\$184,114,157	1.25%	\$100,000	\$200,000
Wells Fargo Investments	(\$20)	0.00%	\$0	\$0
City National Bank Investments	\$268,715,839	2.01%	\$484,569	\$955,697
	<u>\$452,829,976</u>		<u>\$584,569</u>	<u>\$1,155,697</u>
Cash & Equivalents				
City National Bank Accounts	\$64,748,683	0.01%	\$508	\$1,044
Wells Fargo Bank Accounts	\$4,686,458	2.02%	\$7,880	\$13,474
Chase HMS Lockbox	\$40,189	0.00%	\$0	\$0
	<u>\$69,475,330</u>		<u>\$8,387</u>	<u>\$14,517</u>
Assets Pledged to DMHC				
Restricted Cash	\$325,000	0.01%	\$3	\$5
Petty Cash				
	\$500	0.00%	\$0	\$0
Month-End Balance	<u>\$522,630,806</u>		<u>\$592,959</u>	<u>\$1,170,219</u>

- Cash balances include balances payable to the State of CA for certain items.
- County of Santa Clara Comingled Pool funds have longer-term investments with a higher yield.
- Overall cash and investment yield is significantly higher than budget (1.49% actual vs. 0.3% budgeted).

Tangible Net Equity

- TNE was \$312.7M - representing approximately three months of the Plan's total expenses.



Reserves Analysis

SCFHP RESERVES ANALYSIS AUGUST 2022				
Financial Reserve Target #1: Tangible Net Equity				
	Board Funds Committed	Approved Projects	Funds Expended	Balance
Unrestricted Net Assets				\$272,283,303 *
Board Designated Funds (Note 1):				
Special Project Funding for CBOs	\$4,000,000	\$774,995	\$494,995	\$3,505,005
Innovation & COVID-19 Fund	\$16,000,000	\$8,444,043	\$4,100,091	\$11,899,910
Subtotal	\$20,000,000	\$9,219,038	\$4,595,085	\$15,404,915
Net Book Value of Fixed Assets				\$24,705,007
Restricted Under Knox-Keene Agreement				\$325,000
Total Tangible Net Equity (TNE)				\$312,718,225
Current Required TNE				\$34,349,530
TNE %				910.4%
SCFHP Target TNE Range:				
350% of Required TNE (Low)				\$120,223,354
500% of Required TNE (High)				\$171,747,648
Total TNE Above/(Below) SCFHP Low Target				\$192,494,872
Total TNE Above/(Below) High Target				\$140,970,577
Financial Reserve Target #2: Liquidity				
Cash & Investments				\$522,630,806
Less Pass-Through Liabilities:				
Hospital Directed Payments				(139,718,455)
MCO Tax Payable to State of CA				(34,190,773)
Prop 56 / Whole Person Care				(1,666,180)
Other Pass-Through Liabilities (Note 2)				(124,996,494)
Total Pass-Through Liabilities				(300,571,903)
Net Cash Available to SCFHP				222,058,903
SCFHP Target Liquidity (Note 3)				
45 Days of Total Operating Expense				(168,418,159)
60 Days of Total Operating Expense				(224,557,545)
Liquidity Above/(Below) SCFHP Low Target				53,640,745
Liquidity Above/(Below) High Target				(2,498,642)

- **Unrestricted Net Assets represents approximately 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 & COVID-19 Fund.

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

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

Capital Expenditures

- YTD Capital investments of \$148K, largely computer software, were comprised of the following:

Expenditure	YTD Actual	Annual Budget
Community Resource Center	\$0	\$94,400
Hardware	\$25,743	\$2,205,000
Software	\$119,764	\$3,806,437
Building Improvements	\$0	\$30,650
Furniture & Equipment	\$2,402	\$36,000
TOTAL	\$147,909	\$6,172,487



Santa Clara Family
Health Plan™

Financial Statements

Income Statement



Santa Clara County Health Authority INCOME STATEMENT For Two Months Ending August 31, 2022

	Aug-2022	% of	Aug-2022	% of	Current Month Variance		YTD Aug-2022	% of	YTD Aug-2022	% of	YTD Variance	
	Actuals	Rev	Budget	Rev	\$	%	Actuals	Rev	Budget	Rev	\$	%
REVENUES												
MEDI-CAL	\$ 94,333,799	83.2%	\$ 93,956,824	83.5%	\$ 376,976	0.4%	\$ 189,670,006	83.3%	\$ 187,435,512	83.4%	\$ 2,234,494	1.2%
CMC MEDI-CAL	4,015,161	3.5%	3,771,482	3.4%	243,679	6.5%	7,880,512	3.5%	7,542,964	3.4%	337,548	4.5%
CMC MEDICARE	15,047,050	13.3%	14,841,540	13.2%	205,510	1.4%	30,161,113	13.2%	29,683,079	13.2%	478,034	1.6%
TOTAL CMC	19,062,211	16.8%	18,613,022	16.5%	449,189	2.4%	38,041,625	16.7%	37,226,043	16.6%	815,582	2.2%
TOTAL REVENUE	\$ 113,396,010	100.0%	\$ 112,569,845	100.0%	\$ 826,165	0.7%	\$ 227,711,631	100.0%	\$ 224,661,555	100.0%	\$ 3,050,075	1.4%
MEDICAL EXPENSES												
MEDI-CAL	\$ 86,333,184	76.1%	\$ 86,869,741	77.2%	\$ 536,557	0.6%	\$ 173,353,984	76.1%	\$ 173,224,438	77.1%	\$ (129,546)	(0.1%)
CMC MEDI-CAL	2,848,527	2.5%	3,649,800	3.2%	801,273	22.0%	6,016,503	2.6%	7,293,974	3.2%	1,277,471	17.5%
CMC MEDICARE	14,592,085	12.9%	14,454,255	12.8%	(137,829)	(1.0%)	29,010,861	12.7%	28,906,018	12.9%	(104,843)	(0.4%)
TOTAL CMC	17,440,611	15.4%	18,104,055	16.1%	663,444	3.7%	35,027,364	15.4%	36,199,992	16.1%	1,172,628	3.2%
TOTAL MEDICAL EXPENSES	\$ 103,773,796	91.5%	\$ 104,973,796	93.3%	\$ 1,200,001	1.1%	\$ 208,381,349	91.5%	\$ 209,424,431	93.2%	\$ 1,043,082	0.5%
GROSS MARGIN	\$ 9,622,215	8.5%	\$ 7,596,049	6.7%	\$ 2,026,166	26.7%	\$ 19,330,282	8.5%	\$ 15,237,125	6.8%	\$ 4,093,157	26.9%
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	\$ 4,098,373	3.6%	\$ 4,797,935	4.3%	\$ 699,562	14.6%	\$ 8,064,569	3.5%	\$ 9,156,983	4.1%	\$ 1,092,414	11.9%
RENTS AND UTILITIES	12,816	0.0%	39,803	0.0%	26,987	67.8%	67,345	0.0%	79,607	0.0%	12,262	15.4%
PRINTING AND ADVERTISING	(156,042)	-0.1%	88,975	0.1%	245,017	275.4%	(96,913)	0.0%	177,950	0.1%	274,863	154.5%
INFORMATION SYSTEMS	370,702	0.3%	430,730	0.4%	60,028	13.9%	723,999	0.3%	892,159	0.4%	168,160	18.8%
PROF FEES/CONSULTING/TEMP STAFFING	705,377	0.6%	1,165,380	1.0%	460,003	39.5%	1,661,241	0.7%	2,368,063	1.1%	706,822	29.8%
DEPRECIATION/INSURANCE/EQUIPMENT	342,984	0.3%	446,318	0.4%	103,334	23.2%	654,079	0.3%	895,834	0.4%	241,755	27.0%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	57,034	0.1%	64,761	0.1%	7,727	11.9%	113,677	0.0%	129,922	0.1%	16,245	12.5%
MEETINGS/TRAVEL/DUES	109,111	0.1%	131,241	0.1%	22,130	16.9%	221,829	0.1%	320,254	0.1%	98,425	30.7%
OTHER	197,634	0.2%	139,833	0.1%	(57,800)	(41.3%)	377,590	0.2%	279,667	0.1%	(97,923)	(35.0%)
TOTAL ADMINISTRATIVE EXPENSES	\$ 5,737,988	5.1%	\$ 7,304,976	6.5%	\$ 1,566,988	21.5%	\$ 11,787,415	5.2%	\$ 14,300,438	6.4%	\$ 2,513,023	17.6%
OPERATING SURPLUS/(LOSS)	\$ 3,884,227	3.4%	\$ 291,073	0.3%	\$ 3,593,154	1,234.5%	\$ 7,542,867	3.3%	\$ 936,687	0.4%	\$ 6,606,180	705.3%
INTEREST & INVESTMENT INCOME	\$ 592,959	0.5%	\$ 118,000	0.1%	\$ 474,959	402.5%	\$ 1,170,219	0.5%	\$ 236,000	0.1%	\$ 934,219	395.9%
OTHER INCOME	30,625	0.0%	35,284	0.0%	(4,659)	(13.2%)	66,912	0.0%	70,568	0.0%	(3,656)	(5.2%)
NON-OPERATING INCOME	\$ 623,584	0.5%	\$ 153,284	0.1%	\$ 470,300	306.8%	\$ 1,237,131	0.5%	\$ 306,568	0.1%	\$ 930,563	303.5%
NET SURPLUS (LOSS)	\$ 4,507,811	4.0%	\$ 444,357	0.4%	\$ 4,063,454	914.5%	\$ 8,779,998	3.9%	\$ 1,243,255	0.6%	\$ 7,536,743	606.2%

Balance Sheet



SANTA CLARA COUNTY HEALTH AUTHORITY				
As of August 31, 2022				
	<u>Aug-2022</u>	<u>Jul-2022</u>	<u>Jun-2022</u>	<u>Aug-2021</u>
Assets				
Current Assets				
Cash and Investments	\$ 522,630,806	\$ 496,391,466	\$ 551,230,175	\$ 410,684,675
Receivables	710,827,555	705,480,592	698,665,336	544,807,886
Prepaid Expenses and Other Current Assets	22,991,872	22,817,506	20,007,106	9,900,313
Total Current Assets	\$ 1,256,450,233	\$ 1,224,689,564	\$ 1,269,902,617	\$ 965,392,874
Long Term Assets				
Property and Equipment	\$ 54,317,567	\$ 54,277,864	\$ 54,169,659	\$ 52,015,817
Accumulated Depreciation	(29,612,560)	(29,317,642)	(29,080,766)	(25,157,882)
Total Long Term Assets	24,705,007	24,960,221	25,088,893	26,857,935
Total Assets	\$ 1,281,155,240	\$ 1,249,649,785	\$ 1,294,991,510	\$ 992,250,809
Deferred Outflow of Resources	\$ 13,178,679	\$ 13,178,679	\$ 13,178,679	\$ 7,413,357
Total Assets & Deferred Outflows	\$ 1,294,333,920	\$ 1,262,828,465	\$ 1,308,170,190	\$ 999,664,166
Liabilities and Net Assets:				
Current Liabilities				
Trade Payables	\$ 15,493,238	\$ 15,810,610	\$ 13,616,818	\$ 5,588,358
Deferred Rent	808,879	856,917	857,699	47,735
Employee Benefits	4,922,981	4,771,651	4,559,004	3,210,465
Retirement Obligation per GASB 75	5,191,796	5,191,796	5,191,796	1,897,787
Whole Person Care	1,666,180	1,675,180	1,681,180	1,843,180
Prop 56 Pass-Throughs	54,076,711	51,437,856	48,842,763	48,257,091
HQAF Payable to Hospitals	27,009	4,715	4,715	103,357
Hospital Directed Payment Payable	139,691,447	139,694,171	139,694,171	23,516,453
Pass-Throughs Payable	33,100,689	28,838,527	24,557,190	182
Due to Santa Clara County Valley Health Plan and Kaiser	49,356,406	42,192,114	80,511,985	20,402,761
MCO Tax Payable - State Board of Equalization	34,190,773	23,046,639	42,311,132	24,885,874
Due to DHCS	91,895,805	90,960,487	90,267,754	60,193,218
Liability for In Home Support Services (IHSS)	419,990,933	419,990,933	419,990,933	419,990,933
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
DHCS Incentive Programs	14,273,060	16,589,389	16,418,646	0
Medical Cost Reserves	106,736,487	103,308,827	105,477,937	115,818,873
Total Current Liabilities	\$ 980,198,374	\$ 953,200,731	\$ 1,002,814,642	\$ 734,050,292
Non-Current Liabilities				
Net Pension Liability GASB 68	(0)	(0)	(0)	(10,335)
Total Non-Current Liabilities	\$ (0)	\$ (0)	\$ (0)	\$ (10,335)
Total Liabilities	\$ 980,198,374	\$ 953,200,730	\$ 1,002,814,642	\$ 734,039,957
Deferred Inflow of Resources	\$ 1,417,320	\$ 1,417,320	\$ 1,417,320	\$ 539,318
Net Assets				
Board Designated Fund: Special Project Funding for CBOs	\$ 3,505,005	\$ 3,505,005	\$ 3,505,005	\$ 3,337,274
Board Designated Fund: Innovation & COVID-19 Fund	11,899,910	11,957,410	12,082,410	13,682,004
Invested in Capital Assets (NBV)	24,705,007	24,960,221	25,088,893	26,857,935
Restricted under Knox-Keene agreement	325,000	325,000	325,000	325,000
Unrestricted Net Equity	263,503,305	263,190,591	213,849,293	210,648,389
Current YTD Income (Loss)	8,779,998	4,272,187	49,087,627	10,234,291
Total Net Assets / Reserves	\$ 312,718,225	\$ 308,210,415	\$ 303,938,228	\$ 265,084,892
Total Liabilities, Deferred Inflows and Net Assets	\$ 1,294,333,920	\$ 1,262,828,465	\$ 1,308,170,190	\$ 999,664,166

Cash Flow Statement



	Aug-2022	Year-to-date
Cash Flows from Operating Activities		
Premiums Received	\$ 120,128,500	\$ 209,057,104
Medical Expenses Paid	(93,181,844)	(238,278,378)
Administrative Expenses Paid	(1,291,196)	(467,318)
Net Cash from Operating Activities	\$ 25,655,460	\$ (29,688,592)
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	\$ (39,704)	\$ (147,909)
Cash Flows from Investing Activities		
Interest Income and Other Income (Net)	623,584	1,237,131
Net Increase/(Decrease) in Cash & Cash Equivalents	\$ 26,239,340	\$ (28,599,370)
Cash & Investments (Beginning)	496,391,466	551,230,175
Cash & Investments (Ending)	\$ 522,630,806	\$ 522,630,806
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Surplus/(Loss)	\$ 3,884,227	\$ 7,542,867
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	294,918	531,794
Changes in Operating Assets/Liabilities		
Premiums Receivable	(5,346,963)	(12,162,219)
Prepays & Other Assets	(174,366)	(2,984,766)
Accounts Payable & Accrued Liabilities	4,326,240	13,773,070
State Payable	12,079,452	(6,492,308)
IGT, HQAF & Other Provider Payables	7,164,292	(31,155,579)
Medical Cost Reserves & PDR	3,427,660	1,258,550
Total Adjustments	\$ 21,771,233	\$ (37,231,458)
Net Cash from Operating Activities	\$ 25,655,460	\$ (29,688,592)

Statement of Operations by Line of Business - YTD



**Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For Two Months Ending August 31, 2022**

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	\$189,670,006	\$7,880,512	\$30,161,113	\$38,041,625	\$227,711,631
MEDICAL EXPENSE (MLR)	\$173,353,984 91.4%	\$6,016,503 76.3%	\$29,010,861 96.2%	\$35,027,364 92.1%	\$208,381,349 91.5%
GROSS MARGIN	\$16,316,021	\$1,864,009	\$1,150,252	\$3,014,261	\$19,330,282
ADMINISTRATIVE EXPENSE (% of Revenue Allocation)	\$9,818,204	\$407,932	\$1,561,280	\$1,969,212	\$11,787,415
OPERATING SURPLUS/(LOSS) (% of Revenue Allocation)	\$6,497,818	\$1,456,077	(\$411,028)	\$1,045,049	\$7,542,867
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	\$1,030,455	\$42,814	\$163,862	\$206,676	\$1,237,131
NET SURPLUS/(LOSS)	\$7,528,273	\$1,498,891	(\$247,166)	\$1,251,725	\$8,779,998
PMPM (ALLOCATED BASIS)					
REVENUE	\$311.83	\$379.45	\$1,452.29	\$1,831.74	\$362.02
MEDICAL EXPENSES	\$285.01	\$289.70	\$1,396.90	\$1,686.60	\$331.28
GROSS MARGIN	\$26.82	\$89.75	\$55.39	\$145.14	\$30.73
ADMINISTRATIVE EXPENSES	\$16.14	\$19.64	\$75.18	\$94.82	\$18.74
OPERATING INCOME/(LOSS)	\$10.68	\$70.11	(\$19.79)	\$50.32	\$11.99
OTHER INCOME/(EXPENSE)	\$1.69	\$2.06	\$7.89	\$9.95	\$1.97
NET INCOME/(LOSS)	\$12.38	\$72.17	(\$11.90)	\$60.27	\$13.96
ALLOCATION BASIS:					
MEMBER MONTHS - YTD	608,242	20,768	20,768	20,768	629,010
REVENUE BY LOB	83.3%	3.5%	13.2%	16.7%	100.0%



Santa Clara Family
Health Plan™

Appendices

Statement of Operations by Line of Business – Current Month



Santa Clara County Health Authority Statement of Operations By Line of Business (Including Allocated Expenses) For the Month August 2022					
	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	\$94,333,799	\$4,015,161	\$15,047,050	\$19,062,211	\$113,396,010
MEDICAL EXPENSE (MLR)	\$86,333,184 91.5%	\$2,848,527 70.9%	\$14,592,085 97.0%	\$17,440,611 91.5%	\$103,773,796 91.5%
GROSS MARGIN	\$8,000,615	\$1,166,634	\$454,966	\$1,621,600	\$9,622,215
ADMINISTRATIVE EXPENSE (% of Revenue Allocation)	\$4,773,415	\$203,172	\$761,401	\$964,573	\$5,737,988
OPERATING SURPLUS/(LOSS) (% of Revenue Allocation)	\$3,227,200	\$963,462	(\$306,435)	\$657,027	\$3,884,227
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	\$518,758	\$22,080	\$82,746	\$104,826	\$623,584
NET SURPLUS/(LOSS)	\$3,745,958	\$985,542	(\$223,689)	\$761,853	\$4,507,811
PMPM (ALLOCATED BASIS)					
REVENUE	\$309.43	\$385.55	\$1,444.89	\$1,830.44	\$359.67
MEDICAL EXPENSES	\$283.18	\$273.53	\$1,401.20	\$1,674.73	\$329.15
GROSS MARGIN	\$26.24	\$112.03	\$43.69	\$155.71	\$30.52
ADMINISTRATIVE EXPENSES	\$15.66	\$19.51	\$73.11	\$92.62	\$18.20
OPERATING INCOME/(LOSS)	\$10.59	\$92.52	(\$29.43)	\$63.09	\$12.32
OTHER INCOME/(EXPENSE)	\$1.70	\$2.12	\$7.95	\$10.07	\$1.98
NET INCOME/(LOSS)	\$12.29	\$94.64	(\$21.48)	\$73.16	\$14.30
ALLOCATION BASIS:					
MEMBER MONTHS	304,867	10,414	10,414	10,414	315,281
REVENUE BY LOB	83.2%	3.5%	13.3%	16.8%	100.0%

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD SEPTEMBER - 2022

		2021-09	2021-10	2021-11	2021-12	2022-01	2022-02	2022-03	2022-04	2022-05	2022-06	2022-07	2022-08	2022-09	FYTD var	%
NON DUAL	Adult (over 19)	33,546	33,809	34,245	34,653	35,652	35,761	36,104	36,529	37,033	37,861	39,310	39,644	40,012	702	1.8%
	Child (under 19)	101,093	101,125	101,411	101,722	102,516	102,519	102,740	103,211	103,765	103,621	103,866	103,987	104,097	231	0.2%
	SPD	22,331	22,381	22,463	22,537	22,740	22,731	22,749	22,751	22,836	24,200	25,130	25,189	25,311	181	0.7%
	Adult Expansion	91,960	92,393	93,186	94,092	95,819	96,366	97,386	98,130	99,249	102,198	106,715	107,599	108,216	1,501	1.4%
	Long Term Care	401	391	385	392	391	403	395	393	397	398	412	432	434	22	5.3%
	Total Non-Duals	249,331	250,099	251,690	253,396	257,118	257,780	259,374	261,014	263,280	268,278	275,433	276,851	278,070	2,637	1.0%
0																
DUAL	Adult (over 21)	375	396	398	408	410	403	407	412	431	423	424	422	421	-3	(0.7%)
	SPD	24,206	24,244	24,307	24,320	24,330	24,350	24,378	24,282	24,352	24,384	24,491	24,518	24,579	88	0.4%
	Long Term Care	1,092	1,083	1,106	1,111	1,085	1,107	1,102	1,111	1,126	1,148	1,159	1,153	1,151	-8	(0.7%)
	SPD OE	1,223	1,308	1,372	1,431	1,496	1,531	1,612	1,666	1,739	1,817	1,868	1,923	1,994	126	6.7%
	Total Duals	26,896	27,031	27,183	27,270	27,321	27,391	27,499	27,471	27,648	27,772	27,942	28,016	28,145	203	0.7%
0																
Total Medi-Cal		276,227	277,130	278,873	280,666	284,439	285,171	286,873	288,485	290,928	296,050	303,375	304,867	306,215	2,840	0.9%
0																
CMC	CMC Non-Long Term Care	10,122	10,160	10,211	10,221	10,017	10,038	10,084	10,127	10,128	10,127	10,146	10,200	10,278	132	1.3%
	CMC - Long Term Care	203	208	204	210	202	213	215	206	206	205	208	214	202	-6	(2.9%)
	Total CMC	10,325	10,368	10,415	10,431	10,219	10,251	10,299	10,333	10,334	10,332	10,354	10,414	10,480	126	1.2%
0																
Total Enrollment		286,552	287,498	289,288	291,097	294,658	295,422	297,172	298,818	301,262	306,382	313,729	315,281	316,695	2,966	0.9%

Santa Clara County Health Authority Board Designated Innovation Fund Request Summary

Organization Name:	Unity Care
Project Name:	Seasons of Wellness Pilot Project
Contact Name and Title:	Tatiana Colon Rivera, Director of Strategic Partnerships tcolon@unitycare.org 408.917.9822 ext. 4140
Requested Amount:	\$200,000
Time Period for Project Expenditures:	11/1/2022 – 10/31/2023
Proposal Submitted to:	Executive Finance Committee, 10/27/2022
Date Proposal Submitted to SCFHP for Review:	08/08/2022

Summary of Proposal:

Seasons of Wellness is a health and wellness pilot project that provides treatment and prevention strategies to help transitional foster youth cope with complex trauma and manage stressors. With the help of a behavioral health clinician, youth will participate in structured and flexible activities that put youth in the driver's seat to seek out opportunities for self-reflection, empowerment, and personal growth. Modalities will include Individual Therapy, Caring Connections, and Self-Care Strategies. The program will target 30 young adults ages 18-24, specifically those who are Black and current or former foster youth who struggle with complex barriers to wellness and independence.

Summary of Projected Outcome/Impact:

- To decrease negative outcomes associated with complex trauma and high stress situations by teaching practical coping skills that youth in or exiting from foster care can adapt in everyday life.
 - Within 12 months, provide individualized twice monthly therapy to 30 youth.
 - Within 12 months connect all 30 youth to at least 1 caring and supporting individual to support their wellness journey.
 - Within 12 months provide at least 12 activities that can support self-care for youth.
- To increase positive coping strategies for youth who have experienced foster care.

- By the end of services, 75% of young people in the program will report greater confidence in their ability to cope with stressful situations.
- 75% of participants will report increased knowledge of positive coping strategies within 6 months of participation.
- By the end of services, 75% of young people in the program will have developed a plan of self-care designed to manage their stress.

Summary of Additional Funding and Funding Requests:

Unity Care has not sought other funders for this pilot; however, as part of this program Unity Care will research and work with SCFHP on becoming a provider for Medi-Cal services provided.

Evaluation Relative to SCFHP Innovation Funding Criteria

Criteria	Met/Not Met
1. Indicate if funding is being sought from other potential sources.	X
2. Demonstrate alignment with SCFHP Strategic Plan.	✓
3. Demonstrate the project addresses SDOH.	✓
4. Demonstrate the project addresses health equity.	✓
5. Demonstrate the project reduce health disparities for SCFHP members.	✓
6. Indicate if the project promotes quality of care and cost efficiency.	X
7. Indicate if the project addresses issues that affect SCFHP regulatory compliance or accreditation.	X
8. Demonstrate focus on identified gaps in serving our members, potential members, and providers to better meet health needs, consistent with SCFHP's mission.	-
9. Demonstrate that project will enable SCFHP to address evolving state and federal health care policy and regulatory expectations.	-
10. Demonstrate ability to work in collaboration with community, as appropriate for the initiative.	✓
11. Indicate that this is a strategic investment which may span years.	-

✓ Criteria met

- Criteria partially met

X Criteria not met, or not applicable



SCFHP Board Funding Request

Organization Information

Organization Name or Fiscal Agent, if applicable: Unity Care Group
Tax ID: 77-0323115
Organization Type: 501c3
Address: 1400 Parkmoor Ave. San Jose CA 95126
Phone: (408) 971-9822
Web Address: www.unitycare.org

Executive Director/Chief Executive Officer Contact Information:

Sheila Mitchell
Chief Executive Officer
Address: 1400 Parkmoor Ave. San Jose CA 95126
Phone: (408) 971-9822 ext 403
Email: smitchell@unitycare.org

Request Primary Contact
Tatiana Colón Rivera, MPA
Director of Strategic Partnerships
Address: 1400 Parkmoor Ave. San Jose CA 95126
Phone: (408) 971-9822 ext 4140
Email: tcolon@unitycare.org

Funding Request Information

Project Title: Seasons of Wellness
Project Summary (one paragraph description):
Request Amount: \$200,000
Total Project Budget: \$200,000
Project Start Date: November 1, 2022 Project End Date October 31, 2023

- **Has the project sought other funders? Names, amounts. If so, what was the outcome?**
Unity Care has not yet sought out other sources of funding for this project. We were looking to the SCFHP as our first investor in this pilot project and are hoping to leverage the partnership along with the data produced by the project to gain additional partners to implement the program widely.
- **If not, please describe plans to seek other or additional funding:**
Our hope is to use the funds provided by SCFHP to leverage the partnership and resources to build additional partners to support this work. We will identify foundations that support mental health programming to expand the program in other regions and provide ongoing support to the San Jose

program. Additionally, we will seek to secure mental health contracts with various counties to continue funding the individual and group therapy components of the model.

- **If this project will require ongoing funding, what will be the source of that funding? Has this funding been secured?**

Unity Care is working to add foundations as patrons of this project and also to secure mental health contracts with various counties to continue funding the individual and group therapy components of the model. While we have not yet secured these funding sources, we are hopeful that with an investment from the SCFHP, Unity Care will be in a position to build the necessary body of work and supporting data to prove proof of concept and gain additional support across various foundations and public partners in multiple counties.

Project Impact Areas

- **Project Alignment with [SCFHP Strategic Plan](#):**
- **Which SDOH is being addressed? Please see the below SDOH and provide information on how this project will address one or more of the SDOHs.**

Unity Care's **Seasons of Wellness Pilot Project** addresses the impacts of childhood exposure to trauma on health and well being including access to the social determinants of health listed below. Stress is being felt universally across the world today. These are trying times for everyone, even those who have not been exposed to significant amounts of childhood trauma. Unity Care has seen the impacts of this universal stress on the youth it serves, including how they lack the skills to cope with the most basic of stressors and how that in turn impacts their ability to remain successfully housed, retain employment, succeed in school, access health care and maintain positive healthy relationships. Every day, in spite of our staff's heroic efforts, it is clear that *our* youth experiencing foster care care and *all* youth experiencing foster care need more. The Seasons of Wellness pilot project aims to decrease negative outcomes associated with complex trauma and high stress situations by teaching practical coping skills that can be adapted in everyday life to youth in or exiting from foster care.

- **Economic Stability** (such as employment, income, expenses, debt, medical bills, etc.): Youth with complex trauma histories have a difficult time securing and maintaining employment, which leads to economic instability. Challenges often arise when youth meet demands and expectations in the workplace that they feel incapable of meeting. This can lead to frustrating encounters that result in a loss of employment. Seasons of Wellness will address economic stability by teaching youth coping strategies and self care that allows them to develop healthy lifestyles, manage the stressors of employment, and limit escalations that lead to loss of employment.
- **Education Access and Quality** (such as literacy, language, vocational training, higher education): Similarly, youth with complex trauma histories have a difficult time focusing and often develop learning disabilities that can lead to challenges in accessing and securing educational opportunities. Seasons of Wellness will provide youth with access to a support system, individual therapy, and self care strategies that will help them learn to self-advocate and take on goals and challenges at a pace that is reasonable to them. This will help mitigate any stressors arising from demands and expectations in education that they feel incapable of meeting. In turn, we hope that educational goals will begin to feel attainable for the youth we serve.
- **Health Care Access and Quality** (such as health coverage, provider linguistic and cultural competency, quality of care): Seasons of Wellness is a mental health program tailored to the specific unmet needs of transitional aged youth of color in or exiting from foster care. The program will help close a current gap in care that is not being addressed by any other entity and as such, will address health care access and quality.

- o **Neighborhood and Built Environment** (such as housing, transportation, safety, food insecurity): Youth that are in or exiting from foster care depend on housing services made available by community providers such as Unity Care. Their ability to remain successfully housed is directly linked to their ability to follow each provider's rules and program structure. This structure (however loose or strict) can prove to be a difficult challenge for many youth with complex trauma, as their emotions and reactions to stressors often interfere with their ability to keep the environment safe for themselves and others. This often leads to their exit from a program and potential homelessness. Seasons of Wellness aims to increase healthy coping strategies to mitigate negative responses to stressors that may place a youth's housing at risk.
- o **Social and Community Context** (such as social integration, social supports, community engagement, discrimination): One of the three strategies used by Seasons of Wellness is connecting youth to supportive individuals that will become part of their support system during stressful times. These social supports help with healthy decision making in multiple areas and model what healthy relationships look like.
- **Does this project address [health equity](#)?**
Seasons of Wellness addresses health equity by meeting a gap in care for transitional aged youth of color in or exiting from foster care that is not being addressed by any other entity at present time. While youth in foster care have access to traditional mental health services, these often do not consider and/or are not tailored to their unique situations. The services proposed herein, not only provide basic standards of therapeutic interventions, but also addresses the need for additional skill building that young people can use and benefit from long term. The program addresses health equity by meeting youth "where they are at" and providing tailored programming that ensures their comfort and success of the care. The program will use client-centered strategies and not expect youth to adhere to more traditional structures for mental health care that they are unfamiliar with and therefore would have a hard time navigating.
- **Will this project reduce health disparities for SCFHP members?**
Yes, Unity Care clients are members of the SCFHP.
- **Does this project promote quality of care and cost efficiency? If so, how?**
Yes, the project promotes quality care by providing tailored client-centered care designed for our target population. The project also promotes cost efficiency as it provides a more comprehensive three pronged wellness strategy for the cost of a single traditional therapeutic intervention. Further, increasing positive coping strategies for youth who are at risk of depression, PTSD, and other health complications could potentially reduce the amount of future hospitalizations, emergency visits, and psychiatric holds by reducing the factors that lead to complications ending in hospital visits.
- **Does this project address issues that affect SCFHP regulatory compliance or accreditation? If so, how?**
No.

Project Narrative

Project Summary

Seasons of Wellness is a health and wellness pilot project that provides treatment and prevention strategies to help young adults cope with complex trauma and manage stressors. This will be accomplished by promoting the healing process through helping participants build an understanding of the effects of trauma and toxic stress on their own health and providing coping strategies to manage stress.

Project Need

The American Academy of Pediatrics (AAP) classified children in foster care as a population of children with special health care needs. This is due to the well documented and extensive trauma these children have before, and continue to experience, upon entering foster care. For example, as many as 80% of children and adolescents enter foster care with a significant mental health need. Early childhood trauma/toxic stress has been correlated with poor emotional regulation, aggression, hyperactivity, impulsivity, attention and attachment problems and the inability to associate thought and mood. Left untreated and without the proper tools to self-mitigate the impacts of trauma and stress, children grow into adulthood to experience high rates of mental health problems including Post Traumatic Stress Disorder (PTSD), unemployment, homelessness, and low educational attainment.

Black youth are disproportionately represented in foster care as compared to the total child population. While Black youth make up 14% of the total child population, in foster care they account for 23% of youth. The impact of foster care on Black and other youth of color is compounded by the chronic stress brought on by discrimination, neighborhood stress, family stress, and environmental stress to name a few. The National Institute of Health has established that chronic stress can increase the risk for numerous health problems such as heart disease, obesity, diabetes, depression, cognitive impairment, and others.

National statistics are mirrored in Santa Clara County. A Santa Clara County Social Services Agency Transitional Aged Youth (TAY) Report for Fiscal Year 2020-21 noted that there were approximately 375 TAY between the ages of 16-21 with open child welfare cases in the county. Females ages 16-21 represent 54.67% of the TAY population, slightly higher than their male counterparts at 45.33%. Their report highlights that African Ancestry and Latino youth are disproportionately represented in the TAY population ages 16-21, with Latinos representing 65.78%, followed by African Ancestry at 10.70%. 100% are MediCal eligible.

The data above illustrates that Black and Latino youth in or exiting from foster care are exposed to an enormous amount of challenges that create chronic stress impacting their overall health and well being. This leads to countless physical and mental health problems AND adversely impacts their access to the social determinants of health such as housing, employment, education, and health care. When these variables are operationalized, they can be reduced to many incidences in which individuals did not have the proper coping skills and support to recognize and manage situations and/or opportunities they were presented with. **For example:** Shelly, an 18 year old female with stable housing placed it at risk because of a fight that escalated quickly. When Shelly lost her keys and one of her roommates laughed at her because of it, she dealt with the stressors by yelling at her roommates and threatening to kill one of them with a knife. Verbal and physical threats are not tolerated in Shelley's housing unit, therefore she was discharged from the program and became homeless. In this example, a simple unfortunate event leads to extreme circumstances and crisis because Shelly lacks the coping skills to deal with everyday life challenges, making any potential circumstance a crisis event, if not provided the proper support.

The Seasons of Wellness pilot project aims to decrease negative outcomes associated with complex trauma and high stress situations by teaching practical coping skills that can be adapted in everyday life to youth in or exiting from foster care.

Population Served

Unity Care will target young adults ages 16-21, especially those who are Black and current or former foster youth who struggle with complex barriers to wellness and independence. This population is in desperate need of trusted and flexible support that can help them overcome histories that may include severe trauma, family chaos, housing instability, mental health and substance use issues, disengagement in school, and systems involvement (juvenile justice, mental health, family and child services). As of March 2020, we can also add the impacts of COVID-19 to the stressors and challenges that continue to layer on foster youth, especially Black foster youth. The COVID-19 pandemic represents a difficult time that exacerbated conditions typical for foster youth such as PTSD, substance abuse, and depression, retraumatizing them with additional feelings of loneliness, hopelessness, and helplessness. Through Seasons of Wellness, Unity Care will serve 30 youth ages 16-21 in foster care living in Santa Clara County Unity Care properties through Individual Therapy, Caring Connections, and Self- Care Strategies.

Program Structure and Design

Seasons of Wellness will work to mitigate the previously described stressors and address wellness and well being by allowing youth to design and implement their own wellness journeys. The project will accomplish this via structured and flexible activities that put youth in the driver's seat to seek out opportunities for self reflection, empowerment, and personal growth. With the help of a clinician, youth will participate in new experiences to which they would not otherwise have access. Seasons of Wellness is intended as a preventative care program designed to promote, encourage, and teach self-care strategies for coping with stress and trauma. The goal is to prevent crisis situations and chronic stress associated with poor emotional regulation, aggression, hyperactivity, impulsivity, attention and attachment problems, and the inability to associate thought and mood.

Throughout the course of the year, the program will use a three pronged approach to address wellness barriers: 1) Promote Caring Connections; 2) Encourage Facing Your Feelings; and 3) Engage in Self-Care. The cumulative impact of these strategies will lead to self acceptance, empowerment, and emotional wellness. Activities are free of charge and offered at times convenient for the population of focus so that they can participate outside of school and work time.



1. **Promote Caring Connections:** This component will connect youth to supportive adults that can

provide support during difficult times, teaching youth how to identify positive influences in their lives and how to build trust through healthy boundaries.

2. **Encourage Facing Your Feelings:** Through individualized therapy, youth will learn to face their feelings and cope with past traumas. Through talk therapy, they learn strategies to manage stress and their feelings. Individual therapy sessions will be provided by a clinician once per week and/or as needed. Therapy sessions usually last one hour and address a variety of emotional/mental, physical and social wellness challenges that threaten participant self-actualization. Clinicians provide sessions wherever the youth feel most comfortable, which may include their homes, our program office, the park, and even while going for a walk.

Once enrolled in the program, youth will attend therapy sessions a minimum of twice per month or as needed based on their treatment plan. A youth in the program for an entire year will participate in at least 24 therapy sessions.

3. **Engage in Self- Care:** Youth are led through a wellness journey where they are presented with self-care options through a variety of activities designed to teach them how to design a self-care routine that is right for them. Activities range from spending time in nature, to eating healthy and nutrition, cooking classes, exercise and yoga classes, art and music therapy, chats about the impact of meditation, relaxation, and the importance of a good night’s sleep. Youth in the program are treated as one cohort. As part of the cohort, they select what activities they would like to participate in as a group from a menu of activities selected by staff and youth. Youth are encouraged to pick one wellness goal on which they wish to focus, and as a team (youth and staff), work to meet their goals across settings and activities, and monthly workshops. For example, youth may want to work on body and mind activities one month and they may propose having a yoga class. Staff would arrange for this activity to take place. Youth Self Care activities will be led by paid or volunteer contractors and, as relevant, staff.

Goals and Objectives

Goal 1	To decrease negative outcomes associated with complex trauma and high stress situations by teaching practical coping skills that youth in or exiting from foster care can adapt in everyday life.
Objectives	<p>1a: Within 12 months, provide individualized therapy to 30 youth.</p> <p>1b: Within 12 months connect all 30 youth to at least 1 caring and supporting individual to support their wellness journey.</p> <p>1c: Within 12 months provide at least 12 activities that can support self-care for youth.</p>
Goal 2	To increase positive coping strategies for youth who have experienced foster care.
Objectives	<p>2a: By the end of services, 75% of young people in the program will report greater confidence in their ability to cope with stressful situations.</p> <p>2b: 75% of participants will <u>report</u> increased knowledge of positive coping strategies within 6 months of participation</p> <p>2c: By the end of services, 75% of young people in the program will have developed a plan of self-care designed to manage their stress.</p>

Outcomes and Reporting

Performance Measures: As part of the initial project workplan, Unity Care will include a data collection and evaluation plan which identifies the data to be collected, who will collect it, and where it is stored. We anticipate this will look like the following:

Performance Measures		Target Goal	How to Calculate	Unity Care Method of Data Collection
How Much Did We Do?	<p>Performance Measure</p> <ol style="list-style-type: none"> 1. Number of youth served. 2. Number of classes/activities provided 	<p>20 individual therapy</p> <p>75 youth via classes</p> <p>12 classes per year</p>	<ol style="list-style-type: none"> 1. Unduplicated and duplicated count of youth served. 2. Classes scheduled 	<p>Data entry into AWARDS</p> <p>Activities Calendar</p>
How Well Was it Done?	<p>Performance Measure</p> <p>Percent of participants who meet at least bi-weekly with their clinician</p> <p>5 Pillars of Success targets (Housing, Education, Employment, Wellness, and Unconditional Care)</p>	<p>75%</p>	<p># of youth who met with their clinician at least biweekly in the reporting period</p> <p># of active participants in the reporting period</p> <p># of youth achieving targets</p>	<p>Clinicians and Case Managers enter data into AWARDS, Impact and Outcomes Analyst runs related reports</p>

Is Anyone Better Off?	Performance Measure			
	1. Percent of participants meeting at least 1 therapeutic goal created at program entry.	75%	1. # of participants who met at least 1 therapeutic goal created at program entry that ended during the reporting period	Clinicians, Case Managers enter data into AWARDS, Impact and Outcomes Analyst runs related reports
	2. Reduction in serious incident reports	25%	2. # of youth involved in crisis incidents as compared to previous years without the intervention.	Survey Monkey created, administered by clinician; data analyzed by IOA
	3. Decrease in the number of exits related to crisis situations.	25%	3. Reason for exit data	
4. # of youth reporting feeling better-prepared to manage stress.	75%	4. Self report data from a survey.		

Outcomes and Reporting Overview

Unity Care’s data evaluation team comprises a wide range of individuals at all levels of the agency, including the Director of Strategic Partnerships (DSP), the Impact and Outcomes Analyst (IOA), the Evaluation and Learning Staff Committee (consisting of Case Managers, Resident Advisors, and Management Representatives), and the Evaluation and Learning Board of Directors Committee (comprised of Board Members, community members, and agency directors) to oversee agency-wide learning and represent evaluation and learning interests at the Board level. Committees meet monthly to discuss data learning, challenges, and data implementation strategies. Led by the DSP, the IOA and evaluation and learning committees, Unity Care conducts regular and ongoing tracking, data analysis, reporting and evaluation of the effectiveness of program services and a quantifiable analysis of successful outcomes for youth involved.

The agency utilizes AWARDS (an electronic health record system) to collect data, track service activity efforts, and monitor participant outcomes and Microsoft Power BI to generate visual data insights that can be easily understood by all stakeholders (e.g. staff, clients, board members, funders). With the support of the IOA, Program Managers ensure tracking and reporting compliance by generating reports in AWARDS to verify that the Unity Care team is completing the required contacts and assessments. The documentation in AWARDS includes recorded efforts and other documentation necessary to monitor and evaluate the quality, quantity, timeliness of service activities, and ultimately impact. Power BI data insights are updated weekly and staff at all levels are given access to their personal data insights to evaluate their own performance.

All direct service program staff (Clinicians, Case Managers, Coordinators) will document and track participant engagement, successes and steps taken toward goal achievement in the form of case notes. Case notes must be entered into the agency's AWARDS within 48 hours of contact. AWARDS is used to aggregate all client and services information from intake to discharge, including participant demographic, intake and assessment information, clinical documentation, case plans, tracking of programmatic outputs and client outcomes, tracking of services provided and billing information.

How Unity Care will collect data and measure outcomes: At the start of the contract, the Clinical Supervisor will meet with the DSP and the IOAt to establish a data and learning plan identifying the outcome data to be collected, means of collection, and relevant staff roles and responsibilities. This plan is then operationalized on AWARDS, ensuring the program module is set up and that the appropriate data collecting systems are in place. Program staff (Clinician and Coordinator) are then trained to collect data for the program. Outcomes and measures for all Unity Care Programs include the Five Pillars of Success assessments which measure impact of each of the pillars on each individual youth and then the collective program as a whole. The plan will be implemented at the start of service provision and will include:

Quantitative data: Data documenting the number of persons served, types of services provided, number of sessions provided, and number of events will be tracked by entering the information into AWARDS and comparing reports run in AWARDS against targets. Unity Care will additionally track information based on our Five Pillars of Success model. These elements will be tracked monthly and at program exit.

Qualitative data: Effectiveness data will be tracked in AWARDS, with reports generated to define progress toward goals, as follows:

- *Individual Therapy:* All individual therapy meetings will be accounted for in AWARDS. Clinicians are required to document all contact attempts regardless of method and all actual contacts in AWARDS. Reports can be generated detailing the number of appointments, length of time and other data that may be useful to the county.
- *Case notes:* Direct service program staff will document and track a participant's engagement, successes and steps taken toward goal achievement in the form of case notes. Case notes must be entered into AWARDS within 48 hours of contact and include all contact attempts regardless of whether or not actual contact is made.
- *Measuring participant progress:* Client data will be gathered at admission, regularly throughout their stay, at exit, and at follow-up. Each participant's baseline is determined through the use of the Child Adolescent Needs and Strengths Assessment (CANS)/ Adult Needs and Strengths Assessment (ANSA) and the Ansell Casey Life Skills assessments to identify youth skill sets when the client enters the program as well as through discussions with the client, which is part of the information-gathering process during intake. Progress is measured at least monthly in the required domains so that any issues or needs may be addressed immediately and youth continue to make progress in housing status and other self-sufficiency indicators. Unity Care will measure the same domains at program completion to assess whether or not the participant has made progress in each domain.

In addition, Unity Care conducts an annual client survey, Unity Listens, through which clients are asked what programs and services had the most and least impact. Clients also have opportunities to provide feedback on how to make programs better and can identify service gaps that often lead to the development of new services for the youth.

One Year Project Budget

SCFHP Request Budget Table and Narrative:

Item	Description	Percent of Request	Cost
1.0 FTE Clinician + Benefits at 25%	Clinician will provide individual therapy to all youth in the program. Cost associated with this line item includes salary and benefits calculated at 25%. 1.0 FTE assumes at least 24 clients hours per week.	47%	\$93,750
0.20 FTE Clinical Program Manager + Benefits at 25%	Clinician is supervised by the Clinical Program Manager who spends 20% of his time on this task.	11%	\$22,500
0.5 FTE Activities Coordinator + Benefits at 25%	A 0.5 FTE activities coordinator will also support the project and help coordinate all wellness and self care activities. This person is responsible for the project management and implementation of all activities including the recruitment of instructors for self care activities.	19%	\$37,500
Self Care Activities Fund (instructors, spaces, equipment etc)	Fund supports the full cost of self care activities including equipment, rental space, contracted instructors, class fees etc.	10%	\$20,163
Total operating Costs			\$173,913
Indirect Costs at 15% of total program	Indirect costs are all the costs associated with the ongoing support of every Unity Care program and the administration of the organization. These costs include finance, administration, facilities, IT, Evaluation and Learning etc.	13%	\$26,087
Total Project Request for One Year			\$200,000

Project Sustainability

To have the desired impact, the necessary resources must be in place to ensure the Seasons of Wellness program enjoys long term success beyond the life of the pilot project. To that end, during the pilot phase of the program, Unity Care intends to work with SCFHP to identify how this project can be successful under the MediCal provider model, as well as look into other existing services we currently provide that have the potential to be billable services as a provider.

SCFHP Supplemental Questions

- 1. Do you have local SCC data on foster care youth including ethnicity that illustrates what the specific need is here in SCC?**
 - Yes, see needs
- 2. How many youth will be served this year-long pilot?**
 - 30
- 3. How frequently do the youth meet with staff/clinician? How many therapy sessions per youth on average?**
 - Once enrolled in the program, youth will attend therapy sessions a minimum of twice per month or as needed based on their treatment plan.
- 4. How long will each youth be enrolled in the program?**
 - Youth can be enrolled in the program while they continue to have clinical treatment goals and while still living in Unity Care housing. It is possible for youth to have met their treatment goals and still choose to participate in group self care activities as maintenance. The ultimate goal is for clients to graduate out of treatment because they no longer need it.
- 5. Will youth be discharged/graduated from the program and how will that be measured and decided?**
 - Youth can be discharged/ graduated from the program upon meeting t all of their treatment goals. Progress will be measure by youths ability to meet their co-created treatment goals
- 6. What is the criteria that each youth need to meet to qualify for enrollment into this program? (Assuming that this 1 FTE will not be able to assist every foster youth in SCC but will get a better understanding once they provide general foster youth data in SCC vs how many individuals this pilot program is intending to serve).**
 - In an effort to determine the impact of the three-pronged approach strategy on a reduction in crisis episodes, youth enrolled in the program will be recruited from Unity Care's existing pool of clients living in our Transitional Housing Units. This will allow us to monitor incident reports, exit reports, and crisis incidents to note the expected reduction of these as a result of the program's interventions. There are an estimated 375 youth in foster care living in Santa Clara County. Unity Care aims to serve 30.
- 7. How will these services be provided? Is it via 1:1 or group sessions or a combination of both? Where will these services be provided and how will this impact the population served?**
 - Individualized therapy will occur on a 1:1 basis with the clinician and the client. Services happen in the community and where clients feel most comfortable. This means they can be at a clients home, in the park, while out for a walk, wherever youth feel most comfortable.
 - Self Care activities will be organized as a group activity (with some exceptions) and provided according to the activity selected. For example, if yoga is selected, the activity might be provided at a local park or at the Sobrato Center for Non-profits depending on the weather. Some activities might be individual. For example if one youth seems particularly interested in an activity that the group cannot agree on, we can decide to pay the class fee for the youth to attend that class in the community.
 - All services are meant to be very accessible for youth. We will also have options for joining activities and therapy virtually if that is more convenient for the client. Our goal is attendance, so staff will always choose the method, space, and location that will yield the highest level of engagement from our youth people.

8. How will progress be tracked?

- See the outcome and reporting overview in the narrative.

9. Can you share an example of a case study?

- We don't know of any other program that has been designed with this specific program model that we can share. However, there is plenty of evidence and many studies have been conducted demonstrating the impacts of trauma on youth and the benefits of self care, therapeutic interventions, and connecting to a caring support system as key components necessary in coping with stressors and trauma. The National Child Traumatic Stress Network (NCTSN), the Centers for Disease Control, National Institute of Health (NIH) and the American Psychological Association have all published numerous studies and data on the subject that can validate the combination of activities in our program model.

10. How will progress be tracked for each youth?

- See the outcome and reporting overview in the narrative.

11. How are outcomes established and measured?

- See the outcome and reporting overview in the narrative.

12. How is preventing crisis situations and chronic stress measures? Is there an assessment use for pre and post enrollment in the pilot?

- Unity Care will compare incident reports and exit data from previous years to incidents within the pilot's reporting period. CANS/ANSA data is also collected at program entrance and exit and the pre and post scores are compared. See the performance measures and measuring participant progress under the outcome and reporting section of the narrative.

13. What type of talk therapy modalities will be utilized?

Evidence-based practices to be incorporated include:

- Dialectical Behavior Therapy (DBT): This is a type of cognitive behavioral therapy that teaches individuals to live in the moment, develop healthy ways to cope with stress, regulate their emotions, and improve their relationships with others. DBT can help people who have difficulty with emotional regulation or are exhibiting self-destructive behaviors. Cognitive Behavioral Therapy tries to identify and change negative thinking patterns and pushes for positive behavioral changes. DBT provides people with new skills to manage painful emotions and decrease conflict in relationships. Psychology Today describes the four key areas DBT focuses on as: 1) *Mindfulness*: focuses on improving an individual's ability to accept and be present in the current moment. 2) *Distress tolerance* is geared toward increasing a person's tolerance of negative emotion, rather than trying to escape from it. 3) *Emotion regulation* covers strategies to manage and change intense emotions that are causing problems in a person's life. 4) *Interpersonal effectiveness*: consists of techniques that allow a person to communicate with others in a way that is assertive, maintains self-respect, and strengthens relationships. While DBT is a tool to be used in therapeutic environments, DBT techniques are becoming widely used with direct service staff to prepare them in their ability to support wellness and treatment goals led by clinicians.
- Motivational Interviewing (MI): This goal-oriented, client-centered counseling style elicits behavioral change by helping youth and families explore and resolve their ambivalence toward changing their problematic behavior. The approach upholds four principles— expressing empathy and avoiding arguing, developing discrepancy, rolling with resistance, and supporting self-efficacy (youth's beliefs can successfully make a change). MI can be used by clinicians and direct service staff to gain essential information about the youth and their family and to begin to involve the youth and their Child Family Team (CFT) in determining the course of treatment and the measures of treatment success. MI techniques keep the youth actively engaged in their own recovery and build and maintain a sense of

empowerment on the part of the youth since the youth's belief in his or her ability to recover is an important element in effecting recovery.

- **Social-Emotional Learning:** The Collaborative for Academic, Social, and Emotional Learning (CASEL) defines social-emotional learning (SEL) as “the process through which children and adults understand and manage emotions, set and achieve positive goals, feel and show empathy for others, establish and maintain positive relationships, and make responsible decisions.” CASEL outlines five core competencies central to SEL:
 - Self-awareness: “Do I have insight into my strengths, limitations, and needs?”
 - Self-management: “Can I manage my emotions and physical behaviors in ways that align with expectations in a range of circumstances?”
 - Social awareness: “Can I empathize with those who are different from me?” “Can I accurately detect the rules of social engagement relevant to my current context?”
 - Relationship skills: “Can I cultivate and deal with the challenges inherent in maintaining relationships with diverse individuals and groups?”
 - Responsible decision-making: “Can I deliberate and settle upon a course of action with adequate attention to various considerations and possible outcomes?”

14. If physical, mental, and social needs are identified what are the next steps in addressing those needs? Will the therapist connect clients with their PCPs/specialist providers to address these needs or provide additional resources?

- Every client at Unity Care is assigned their own Case Manager that works to connect them with additional necessary services. Part of each youth's case management plan at Unity Care includes targets in the Five Pillars of Success (Housing, Education, Employment, Wellness, and Caring Connections) that would address physical and social needs. If new needs are identified during the course of services, the youth's Case Manager and Clinician would work together to identify appropriate services and referrals. When youth enter into services with Unity Care, one of our first goals is to establish their connection to a health plan and primary care physician and ensure ongoing follow up occurs as needed.

15. If the youth speaks about self-harm will Unity Care connect the youth to appropriate services and notify the appropriate parties?

- All staff at Unity Care are trained in emergency protocols and there is a procedure in place should a youth exhibit the intent to harm themselves or others that includes collaborating with the youths support team, a clinical assessment, therapeutic interventions, and potentially a referral for a psychiatric hold.

16. When considering the “engage in self-care” prong who will provide the activities designed to teach the clients self-care: time in nature, yoga, cooking classes, exercise classes, art and music therapy?

- Youth Self-Care activities will be led by paid or volunteer contractors and as relevant, staff. For example a time in nature activity can be led by a staff person with a passion for nature. A yoga or Zumba class would need a trained yoga or Zumba instructor; in these cases we would identify and contract an instructor and pay a per class/person fee. Should we find these services in-kind in the community we would leverage these as well.

17. What is the case load for the 1.0 FTE clinician? Ratio of clinician to youth during active participation/enrollment in the program?

- The caseload of a clinician at Unity Care is 1-25. This is the same ratio we will uphold for the program.

18. What are some of the indirect costs?

- See budget narrative.

19. How will this program compliment and coordinate the current system of care for those in the foster care system and transitioning out of the foster care system?

- This pilot program presents a new strategy for supporting youth that have experienced foster care. This pilot project is meant to be additive and would complement other available services that, while necessary, do not always provide the level of intensity needed to support youth through and out of the debilitating impacts of the trauma they have experienced in their lives. This project would be a pilot at our agency in that it would only be available in San Jose and would allow Unity Care to try a new model of care to be added to our menu of services. Since COVID-19 pandemic began, we have seen a rise in serious incidents with the youth Unity Care serves. It has become increasingly clear that additional measures need to be implemented to support the level of care necessary for youth to move from surviving to thriving.

20. What quantitative and qualitative analysis will be provided to SCFHP at the end of the pilot program?

- See the outcome and reporting overview in the narrative.

Regular Meeting of the

Santa Clara County Health Authority Executive/Finance Committee

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

MINUTES

Members Present

Michele Lew, Chair
Alma Burrell
Dave Cameron
Sarita Kohli

Members Absent

Sue Murphy

Staff Present

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

Others Present

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

1. Roll Call

Michele Lew, Chair, called the meeting to order at 1:33 PM. Roll call was taken and a quorum was established.

2. Public Comments

There were no public comments.

3. Approve Consent Calendar and Changes to the Agenda

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

- a. Approve October 27, 2022 **Executive/Finance Committee** minutes
- b. Approve **Network Detection and Prevention Update**
- c. Approve **continued use of teleconferencing** without providing public access to each teleconference location pursuant to Government Code Section 54953 questions.

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

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

Dave Cameron arrived at 1:40 PM.

4. September 2022 Financial Statements

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

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

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

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

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

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

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

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

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

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

5. Innovation Fund Expenditure Request

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

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

Motion: Ms. Kohli

Second: Mr. Cameron

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

Absent: Ms. Murphy

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

6. Government Relations Update

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

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

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

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

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

7. CEO Update

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

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

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

8. Adjourn to Closed Session

a. Pending Litigation

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

b. Contract Rates

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

9. Report from Closed Session

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

10. Adjournment

The meeting was adjourned at 2:32 PM.

Sarita Kohli, Secretary



**Santa Clara Family
Health Plan™**

Network Detection and Prevention Report
Executive/Finance Committee Meeting - November 21, 2022

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 threats and are more of an FYI for reporting.

Attack Statistics Combined

Jul/Aug/Sep/Oct

Severity Level	Number of Different Types of Attacks				Total Number of Attempts				Percent of Attempts			
	Jul	Aug	Sep	Oct	Jul	Aug	Sep	Oct	Jul	Aug	Sep	Oct
Critical	21	15	15	14	793	2325	10,137	4935	0.01	0.01	0.08	0.03
High	11	14	11	15	10,349	5,931,134	1,238,539	1,910,155	0.09	36.53	10.02	11.55
Medium	18	21	33	34	524,963	342,049	321,986	457,002	4.62	2.11	2.60	2.76
Low	11	10	12	9	660,057	609,568	730,381	1,360,773	5.80	3.75	5.91	8.23
Informational	31	29	29	37	10,171,786	9,349,605	10,060,124	12,808,079	89.48	57.60	81.39	77.43

- Summary – Compare Oct 2022 to previous month of Sep 2022
- Critical Severity Level – number of threat attempts is **105.41%** lower
 - High Severity Level - number of threat attempts is **35.16%** higher
 - Medium Severity Level - number of threat attempts **29.54%** higher
 - Low Severity Level - number of threat attempts is **46.33%** higher

Top 5 Events for Aug/Sep/Oct

Critical Events – total 17,397 events

Top 5 Critical vulnerability events

- 16,486 events for “Realtek Jungle SDK Remote Code Execution Vulnerability” (**Code-Execution**)
- 407 events for “ZeroAccess.Gen Command and Control Traffic” (**Code-Execution**)
- 84 events for “Microsoft Exchange Server Remote Code Execution Vulnerability” (**Code-Execution**)
- 80 events for “NJRat.Gen Command and Control Traffic” (**Code-Execution**)
- 74 events for “Fortinet FortiOS SSL VPN Path Traversal Vulnerability” (**Code-Execution**)

High Events – total 9,079,828 events

Top 5 High vulnerability events

- 9,005,641 events for “HTTP Unauthorized Brute Force Attack” (**Brute Force**)
- 48,489 events for “HTTP: User Authentication Brute Force Attempt” (**Brute Force**)
- 18,555 events for “SIP INVITE Method Request Flood Attempt” (**Brute Force**)
- 3,473 events for “SIP Bye Message Brute Force Attack” (**Brute Force**)
- 1,965 events for “SMB: User Password Brute Force Attempt” (**Brute Force**)

Medium Events – total 1,121,037 events

Top 5 Medium vulnerability events

- 961,612 events for “SCAN: Host Sweep” (**Info-Leak**)
- 136,337 events for “SIPVicious Scanner Detection” (**Info-Leak**)
- 16,335 events for “RPC Portmapper DUMP Request Detected” (**Info-Leak**)
- 3,480 events for “Metasploit VxWorks WDB Agent Scanner Detection” (**Info-Leak**)
- 2,133 events for “ZGrab Application Layer Scanner Detection” (**Info-Leak**)

Definitions:

Code-Execution – Attempt to install or run an application.

Brute Force – Vulnerability attempt to obtain user credentials.

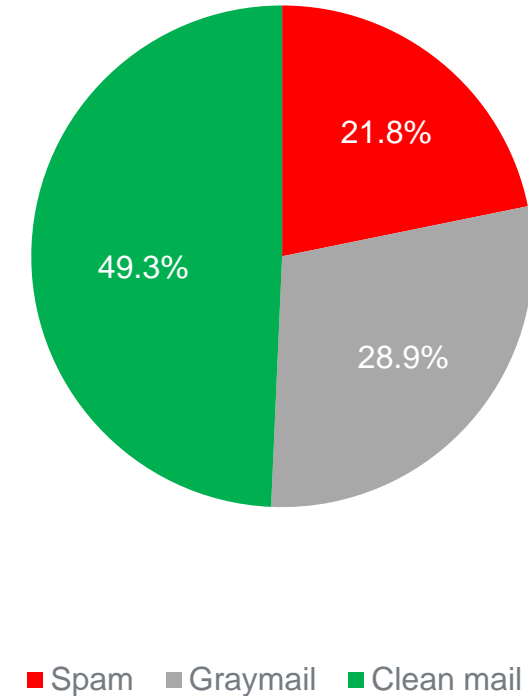
Info-Leak – attempt to obtain user or sensitive information.

Botnet – used to perform distributed denial-of-service attack (DDoS attack), steal data and send spam.

Email Security – Monthly Statistics

Overview > Incoming Mail Summary		
Message Category	%	Messages
Stopped by IP Reputation Filtering	12.9%	23.1k
Stopped by Domain Reputation Filtering	2.2%	3,876
Stopped as Invalid Recipients	1.3%	2,371
Spam Detected	4.8%	8,568
Virus Detected	0.0%	1
Detected by Advanced Malware Protection	0.0%	5
Messages with Malicious URLs	0.0%	50
Stopped by Content Filter	0.6%	1,019
Stopped by DMARC	3.4%	6,006
S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:	21.8%	39.0k
Marketing Messages	15.6%	27.8k
Social Networking Messages	0.4%	627
Bulk Messages	12.9%	23.1k
Total Graymails:	28.9%	51.6k
S/MIME Verification/Decryption Successful	0.0%	0
Clean Messages	49.3%	88.1k
Total Attempted Messages:		178.6k

October 2022



During the month.

- 21.8% of threat messages had been blocked.
- 28.9% were Graymails (*Graymail is solicited bulk email messages that don't fit the definition of email spam*).
- 49.3% were clean messages that delivered.



Santa Clara Family
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Unaudited Financial Statements

For Three Months Ended September 30, 2022

Agenda

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Financial Highlights



	MTD		YTD	
Revenue	\$115.8 M		\$343.5 M	
Medical Expense (MLR)	\$106.9 M	92.4%	\$315.3 M	91.8%
Administrative Expense (% Rev)	\$6.1 M	5.3%	\$17.9 M	5.2%
Non-Operating Income	\$745K		\$2.0 M	
Net Surplus (Net Loss)	\$3.4 M		\$12.2 M	
Cash and Investments			\$666 M	
Receivables			\$579 M	
Total Current Assets			\$1.27 B	
Current Liabilities			\$1.00 B	
Current Ratio			1.27	
Tangible Net Equity			\$302 M	
% of DMHC Requirement			877.1%	

Financial Highlights

Net Surplus (Net Loss)	<ul style="list-style-type: none"> ▶ Month: Surplus of \$3.4M is \$3.0M or 740.0% favorable to budget of \$411K surplus. ▶ YTD: Surplus of \$12.2M is \$10.6M or 634.3% favorable to budget of \$1.7M surplus.
Enrollment	<ul style="list-style-type: none"> ▶ Month: Membership was 316,695 (7,117 or 2.3% higher than budget of 309,578). ▶ YTD: Member Months YTD was 945,705 (22,854 or 2.5% higher than budget of 922,851).
Revenue	<ul style="list-style-type: none"> ▶ Month: \$115.8M (\$2.6M or 2.3% favorable to budget of \$113.2M). ▶ YTD: \$343.5M (\$5.7M or 1.7% favorable to budget of \$337.8M).
Medical Expenses	<ul style="list-style-type: none"> ▶ Month: \$106.9M (\$1.3M or 1.3% unfavorable to budget of \$105.6M). ▶ YTD: \$315.3M (\$299K or 0.1% unfavorable to budget of \$315.0M).
Administrative Expenses	<ul style="list-style-type: none"> ▶ Month: \$6.1M (\$1.2M or 15.9% favorable to budget of \$7.3M). ▶ YTD: \$17.9M (\$3.7M or 17.0% favorable to budget of \$21.6M).
Non-Operating Income	<ul style="list-style-type: none"> ▶ Month: \$745K (\$591K or 385.8% favorable to budget of \$153K). ▶ YTD: \$2.0M (\$1.5M or 330.9% favorable to budget of \$460K).
Tangible Net Equity	<ul style="list-style-type: none"> ▶ TNE was \$302.3M (represents approximately three months of total expenses).
Capital Expenditures	<ul style="list-style-type: none"> ▶ YTD Capital Investments of \$267K vs. \$6.2M annual budget, primarily computer hardware.



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Detail Analyses

Enrollment

- Total enrollment of 316,695 members is 7,117 or 2.3% higher than budget. Since the beginning of the fiscal year, total enrollment has increased by 10,313 members or 3.4%, which largely represents suspended disenrollments and newly-eligible Medi-Cal undocumented adults.
- Medi-Cal & CMC enrollment have been increasing since March 2020 largely due to COVID. Beginning in March 2020, annual eligibility redeterminations were suspended and, as a result, enrollment continues to increase.
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 3.6%, Medi-Cal Dual enrollment has increased 1.3%, and CMC enrollment has grown 1.4%.

	For the Month September 2022				For Three Months Ending September 30, 2022				Prior Year Actuals	Δ FY23 vs. FY22
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)		
Medi-Cal	306,215	299,134	7,081	2.4%	914,457	891,639	22,818	2.6%	825,484	10.8%
Cal Medi-Connect	10,480	10,444	36	0.3%	31,248	31,212	36	0.1%	30,718	1.7%
Total	316,695	309,578	7,117	2.3%	945,705	922,851	22,854	2.5%	856,202	10.5%

Santa Clara Family Health Plan Enrollment By Network August 2022

Network	Medi-Cal		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	38,751	13%	10,480	100%	49,231	16%
SCVHHS ¹ , Safety Net Clinics, FQHC ² Clinics	157,480	51%	-	0%	157,480	50%
North East Medical Services	3,440	1%	-	0%	3,440	1%
Palo Alto Medical Foundation	7,416	2%	-	0%	7,416	2%
Physicians Medical Group	45,982	15%	-	0%	45,982	15%
Premier Care	16,517	5%	-	0%	16,517	5%
Kaiser	36,629	12%	-	0%	36,629	12%
Total	306,215	100%	10,480	100%	316,695	100%
Enrollment at June 30, 2022	296,050		10,332		306,382	
Net Δ from Beginning of FY22	3.4%		1.4%		3.4%	

¹ SCVHHS = Santa Clara Valley Health & Hospital System

² FQHC = Federally Qualified Health Center

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD SEPTEMBER - 2022

		2021-09	2021-10	2021-11	2021-12	2022-01	2022-02	2022-03	2022-04	2022-05	2022-06	2022-07	2022-08	2022-09	FYTD var	%
NON DUAL	Adult (over 19)	33,546	33,809	34,245	34,653	35,652	35,761	36,104	36,529	37,033	37,861	39,310	39,644	40,012	2,151	5.7%
	Child (under 19)	101,093	101,125	101,411	101,722	102,516	102,519	102,740	103,211	103,765	103,621	103,866	103,987	104,097	476	0.5%
	SPD	22,331	22,381	22,463	22,537	22,740	22,731	22,749	22,751	22,836	24,200	25,130	25,189	25,311	1,111	4.6%
	Adult Expansion	91,960	92,393	93,186	94,092	95,819	96,366	97,386	98,130	99,249	102,198	106,715	107,599	108,216	6,018	5.9%
	Long Term Care	401	391	385	392	391	403	395	393	397	398	412	432	434	36	9.0%
	Total Non-Duals	249,331	250,099	251,690	253,396	257,118	257,780	259,374	261,014	263,280	268,278	275,433	276,851	278,070	9,792	3.6%

DUAL	Adult (over 21)	375	396	398	408	410	403	407	412	431	423	424	422	421	-2	(0.5%)
	SPD	24,206	24,244	24,307	24,320	24,330	24,350	24,378	24,282	24,352	24,384	24,491	24,518	24,579	195	0.8%
	Long Term Care	1,092	1,083	1,106	1,111	1,085	1,107	1,102	1,111	1,126	1,148	1,159	1,153	1,151	3	0.3%
	SPD OE	1,223	1,308	1,372	1,431	1,496	1,531	1,612	1,666	1,739	1,817	1,868	1,923	1,994	177	9.7%
	Total Duals	26,896	27,031	27,183	27,270	27,321	27,391	27,499	27,471	27,648	27,772	27,942	28,016	28,145	373	1.3%

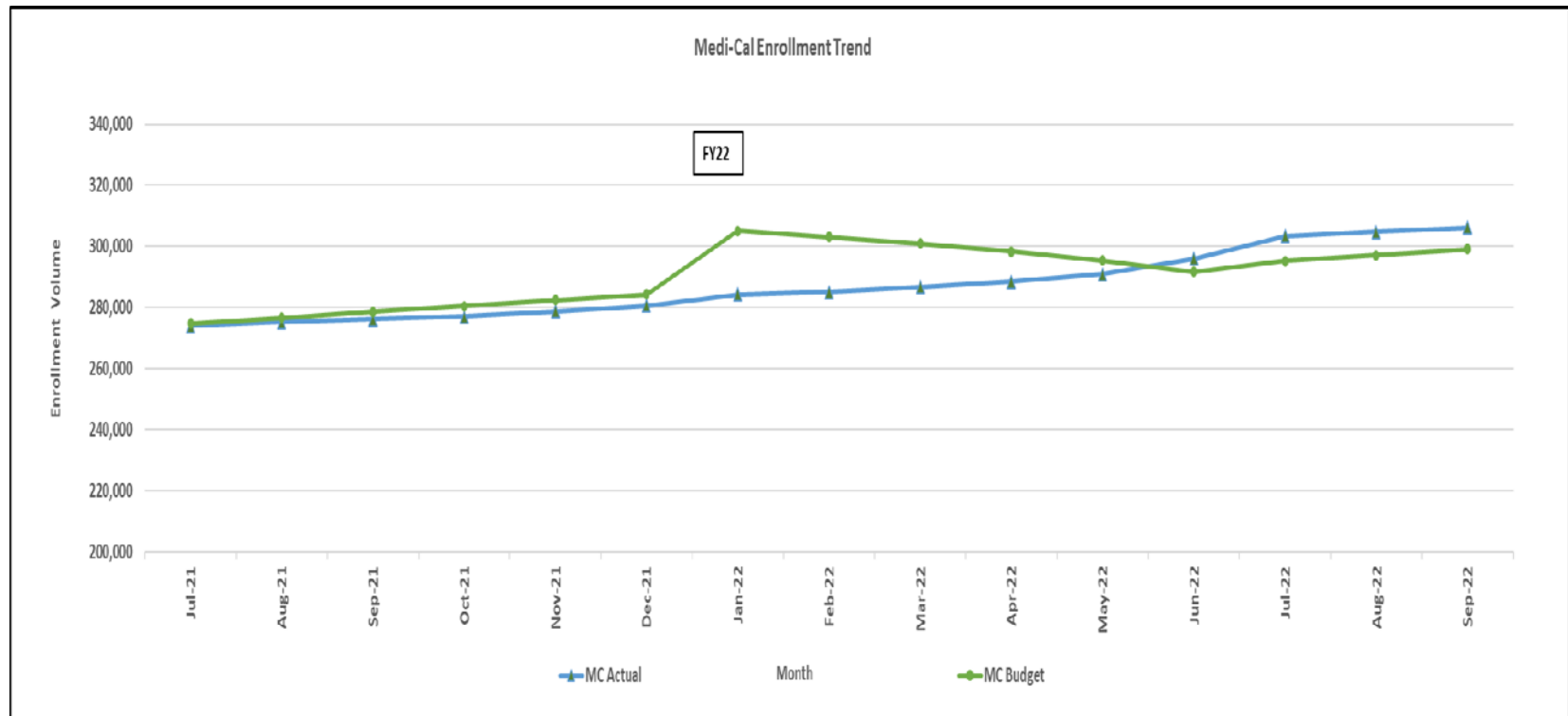
Total Medi-Cal	276,227	277,130	278,873	280,666	284,439	285,171	286,873	288,485	290,928	296,050	303,375	304,867	306,215	10,165	3.4%
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CMC	CMC Non-Long Term Care	10,122	10,160	10,211	10,221	10,017	10,038	10,084	10,127	10,128	10,127	10,146	10,200	10,278	151	1.5%
	CMC - Long Term Care	203	208	204	210	202	213	215	206	206	205	208	214	202	-3	(1.5%)
	Total CMC	10,325	10,368	10,415	10,431	10,219	10,251	10,299	10,333	10,334	10,332	10,354	10,414	10,480	148	1.4%

Total Enrollment	286,552	287,498	289,288	291,097	294,658	295,422	297,172	298,818	301,262	306,382	313,729	315,281	316,695	10,313	3.4%
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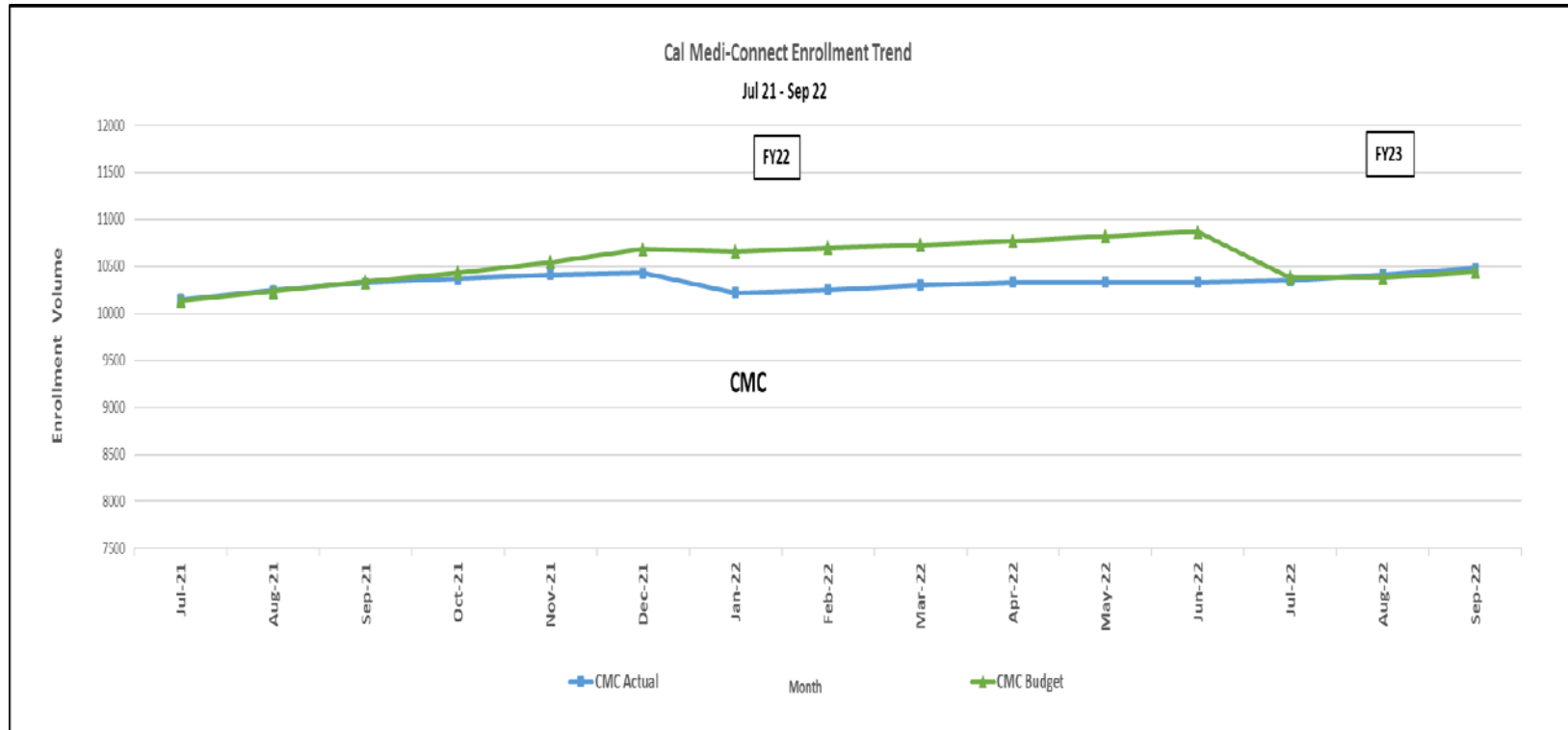
- From August to September 2022, total enrollment increased by 1,414 members largely due to newly-eligible Medi-Cal undocumented adults and continued suspended disenrollments due to COVID.

Medi-Cal Enrollment Trend



- Actual enrollment, represented by the blue line, showed a continued COVID enrollment growth through FY22 primarily due to public health emergency (PHE). Newly undocumented members started July 22.
- Budgeted enrollment, represented by the green line, was presumed to decrease in late FY22 but continues to increase due to sustained public health emergency. The FY22 budget included a higher projection of new mandatory Medi-Cal population having Other Health Coverage (OHC) starting Jan 2022. The FY23 budget assumed (1) the PHE continued through October 2022 & (2) lower estimated Undocumented Adult enrollment.

Cal Medi-Connect Enrollment Trend

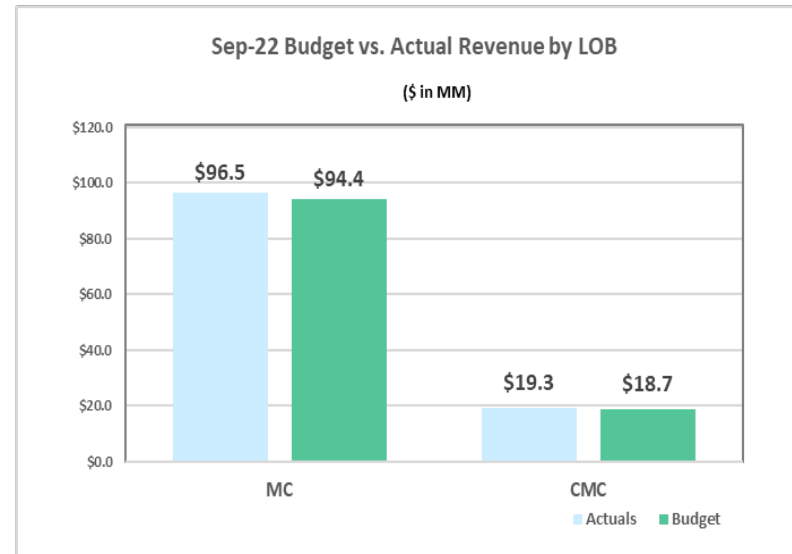
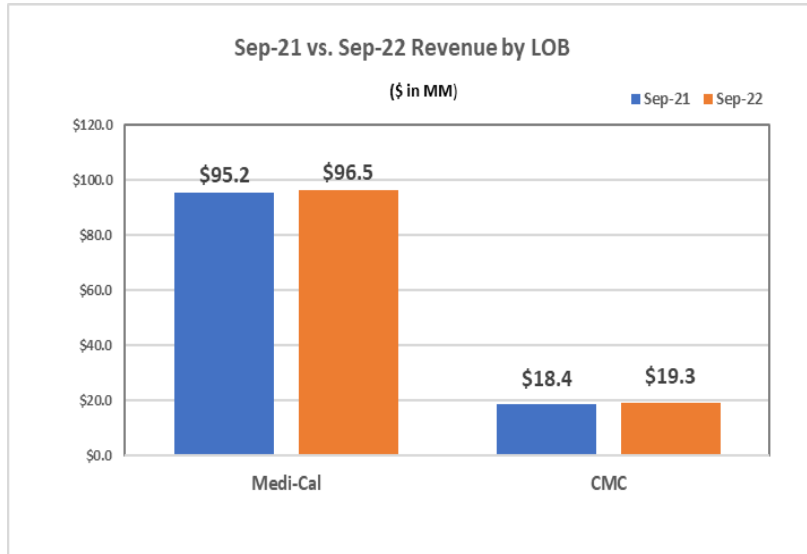


- Actual enrollment, represented by the blue line, showed a continued COVID enrollment growth through FY22 primarily due to public health emergency (PHE).
- Budgeted enrollment, represented by the green line, was presumed to plateau in late FY22 but continues to increase due to the sustained public health emergency. Beginning Jan 23, projections for D-SNP program (Dual Connect) replace projections for CMC.

Current Month Revenue

Current month revenue of \$115.8M was \$2.6M or 2.3% favorable to budget of \$113.2M. The current month variance was primarily due to the following:

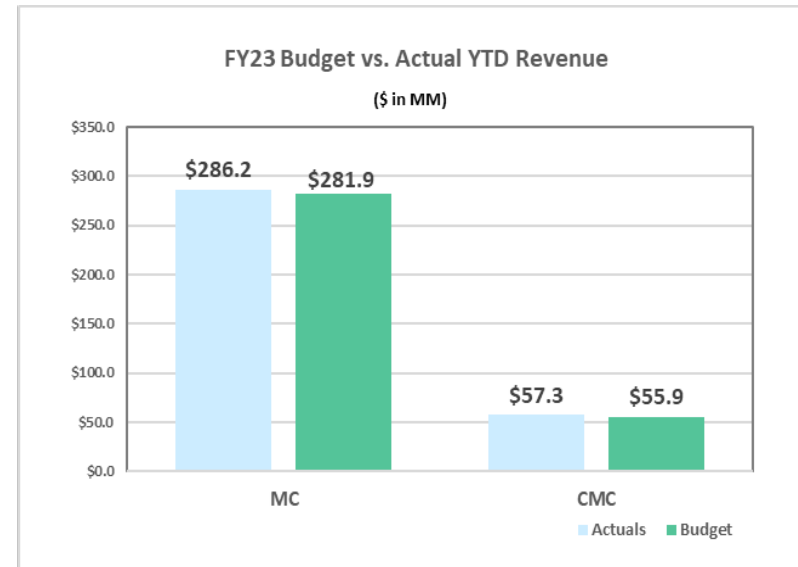
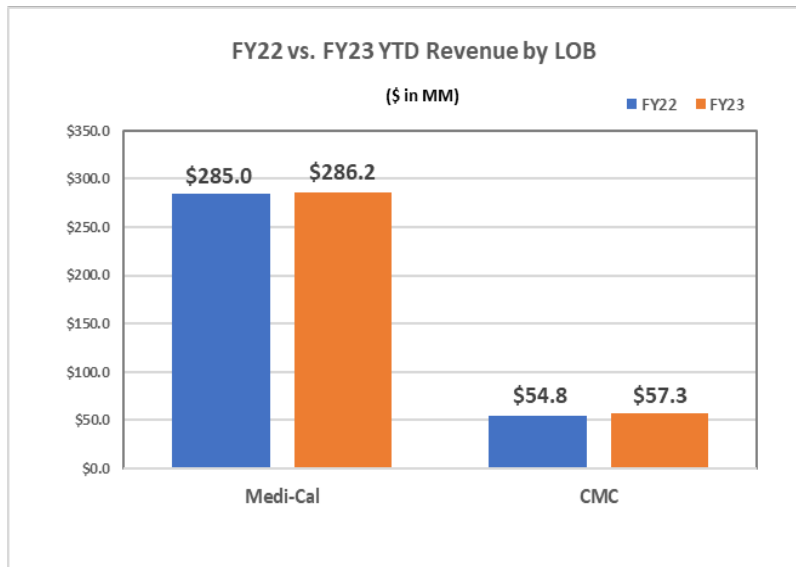
- Medi-Cal revenue was \$2.1M or 2.2% favorable to budget due primarily to (1) higher enrollment (\$3.9M favorable) versus budget due to newly Undocumented Adults and extended PHE, (2) supplemental revenue (\$1.3M favorable) due to increased BHT utilization and higher maternity deliveries, and (3) favorable MLTSS mix corridor estimate (\$400K favorable), partly offset by (4) unfunded DHCS incentive program revenue (\$3.5M unfavorable). Many of the revenue variances have offsetting medical expense variances.
- CMC revenue was \$549K or 2.9% favorable to budget due to (1) higher Part C rate, (2) favorable mix corridor estimate, and (3) higher enrollment versus budget.



YTD Revenue

YTD revenue of \$343.5M was \$5.7M or 1.7% favorable to budget of \$337.8M. The YTD variance was primarily due to the following:

- Medi-Cal revenue was \$4.3M or 1.2% favorable to budget due primarily to (1) higher enrollment (\$10.6M favorable) due to newly undocumented Adults and extended PHE, (2) supplemental revenue (\$3.9M favorable) due to increased BHT utilization and higher maternity deliveries, (3) COVID incentive program (\$1.4M favorable), offset by (4) unfunded DHCS incentive programs (HH, ECM and SBH) (\$10.4M unfavorable), and (5) the Prop 56 Value Based Payment program was discontinued on June 30 (\$1.2M unfavorable). The unfavorable revenue variances and favorable medical expense variances pertaining to incentive payments offset, due to timing of receipt.
- CMC revenue was \$1.4M or 2.4% favorable to budget due to (1) higher Part C rate, (2) favorable mix corridor estimate and (3) higher enrollment versus budget.

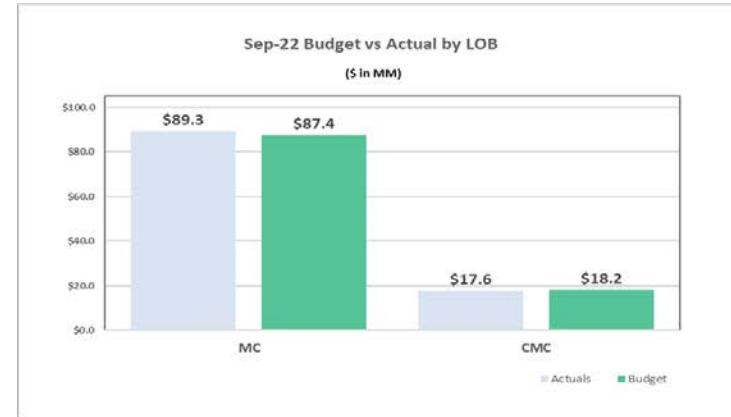
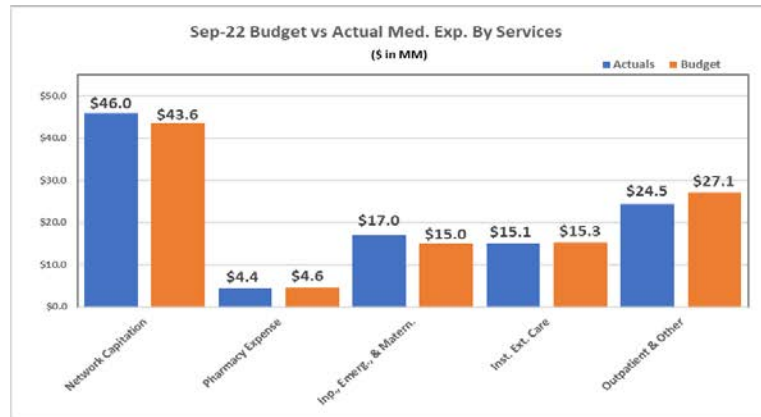


Current Month Medical Expense

Current month medical expense of \$106.9M was \$1.3M or 1.3% unfavorable to budget of \$105.6M.

The current month variance was due largely to:

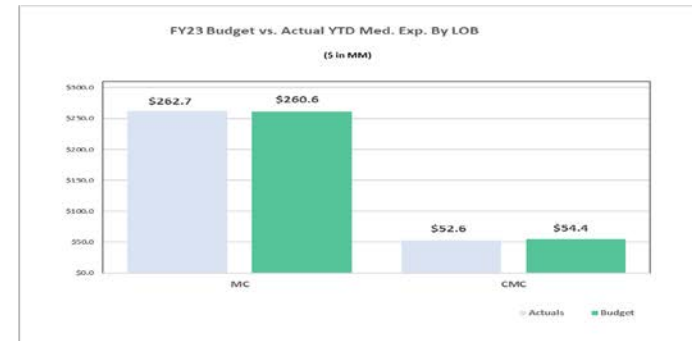
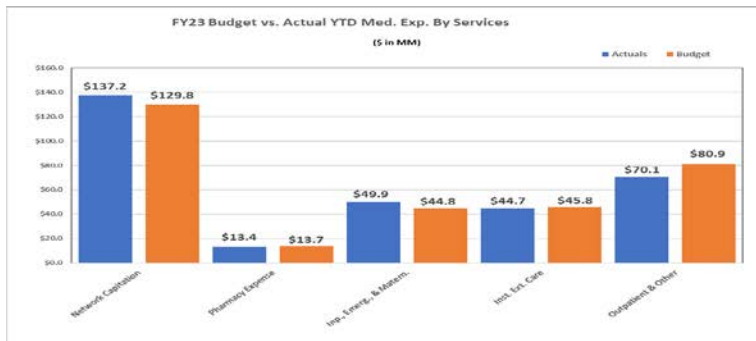
- Capitation expense was \$1.2M or 2.6% unfavorable to budget due to higher capitated enrollment than expected (\$1.2M unfavorable volume variance).
- Fee-For-Service expense was \$3.3M or 6.7% unfavorable to budget due to (1) increased unit cost versus budget for Inpatient, Outpatient, LTC, Primary Care Physician and Transportation services (\$1.8M unfavorable), (2) increased supplemental Behavioral Health Therapy utilization and maternity deliveries (\$1.0M unfavorable) offsetting favorable revenue variance and (3) increased utilization in Emergency Room, Other Medical, MLTSS, ECM, and Community Support services (\$500K unfavorable).
- Reinsurance & Other expenses were \$3.1M or 45.0% favorable to budget due to delayed funding from (1) Housing & Homelessness Incentive Program (\$1.8M favorable), (2) ECM Provider Incentive Program (\$957K favorable), (3) School of Behavioral Health Incentive Program (\$375K favorable), (4) Board Designated Fund (\$95K favorable) partly offset by (5) lower claim recoveries (\$122K unfavorable) and (6) Prop 56 expense (\$48K unfavorable). Several medical expense variances and offset related revenue variances.



YTD Medical Expense

YTD medical expense of \$315.3M was \$299K or 0.1% unfavorable to budget of \$315.0M. The YTD variance was due largely to:

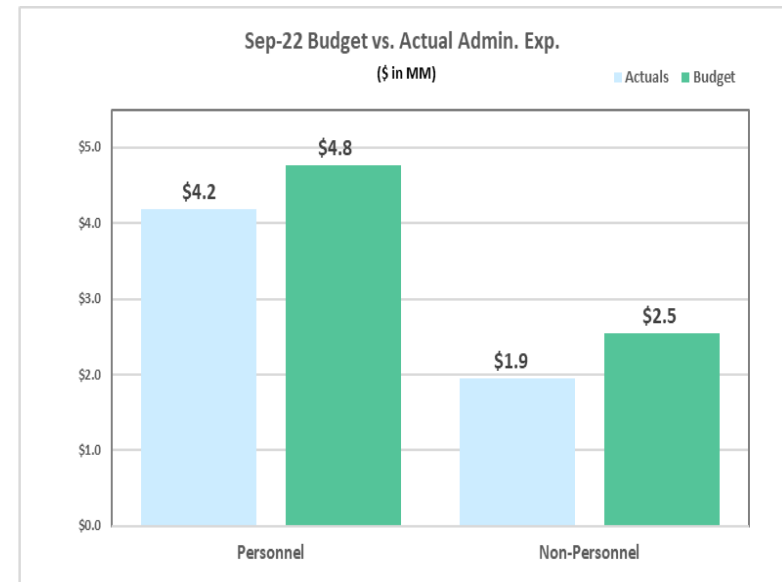
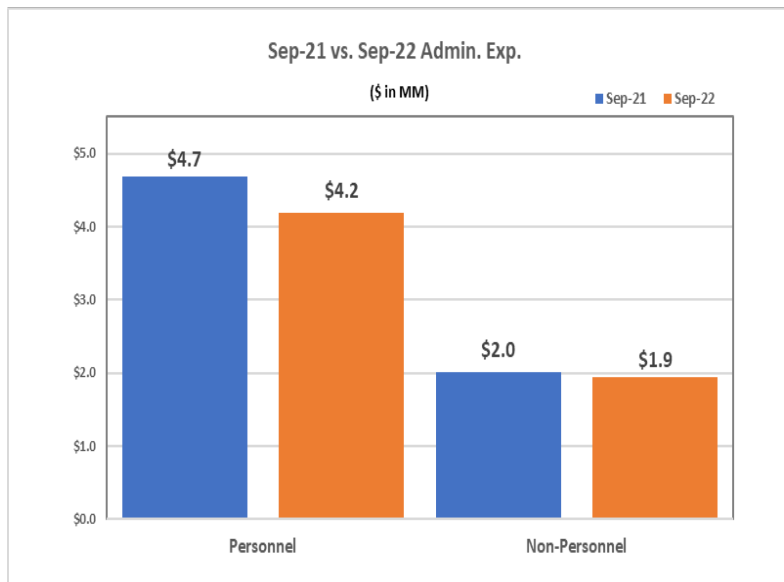
- Capitation expense was \$3.6M or 2.7% unfavorable to budget due to (1) higher capitated enrollment than expected (\$3.3M unfavorable volume variance) and (2) higher blended CY22 rate which is based on actual member mix (\$314K unfavorable rate variance).
- Fee-For-Service expense was \$7.6M or 5.1% unfavorable to budget due to (1) increased unit cost versus budget for Inpatient Hospital, LTC, PCP, Physician Specialty, and Transportation services (\$1.7M unfavorable), (2) increased supplemental Behavioral Health Therapy utilization and maternity deliveries (\$3.4M unfavorable) (offset with favorable revenue variance), and offset by (3) higher utilization in Outpatient Facility, Emergency Room, Behavioral Health Therapy, ECM and Community Support services (\$2.5M unfavorable).
- Reinsurance & Other expenses were \$10.7M or 52.2% favorable to budget due to unspent (1) Housing & Homelessness Incentive Program (\$5.5M favorable), (2) ECM Provider Incentive Program (\$2.9M favorable), (3) Prop 56 Value Based Payment program was discontinued on June 30 (\$1.2M favorable), (4) School of Behavioral Incentive Program (\$1.1M favorable), (5) Board Designated Fund (\$284K favorable); offset by (6) lower claim recoveries (\$306K unfavorable). The favorable medical expense variances and unfavorable revenue variances pertaining to incentive payments offset, due to timing of receipt.



Current Month Administrative Expense

Current month expense of \$6.1M was \$1.2M or 15.9% favorable to budget of \$7.3M. The current month variances were primarily due to the following:

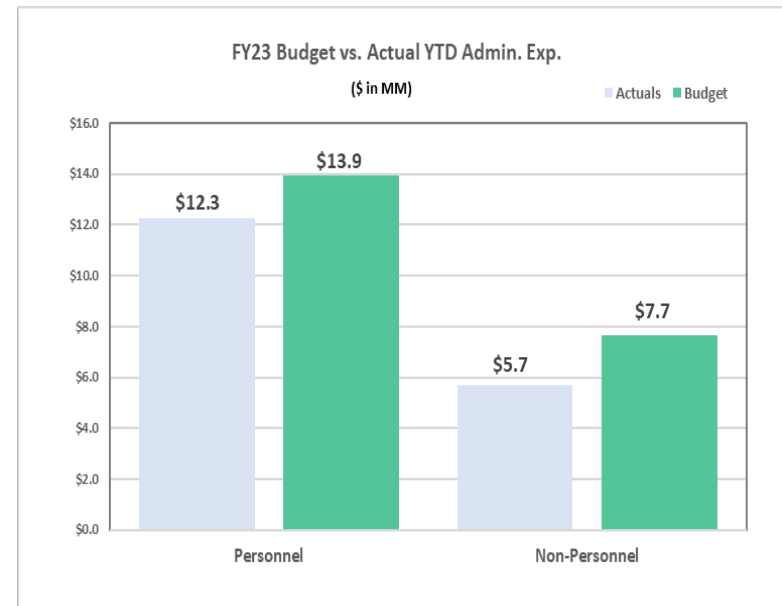
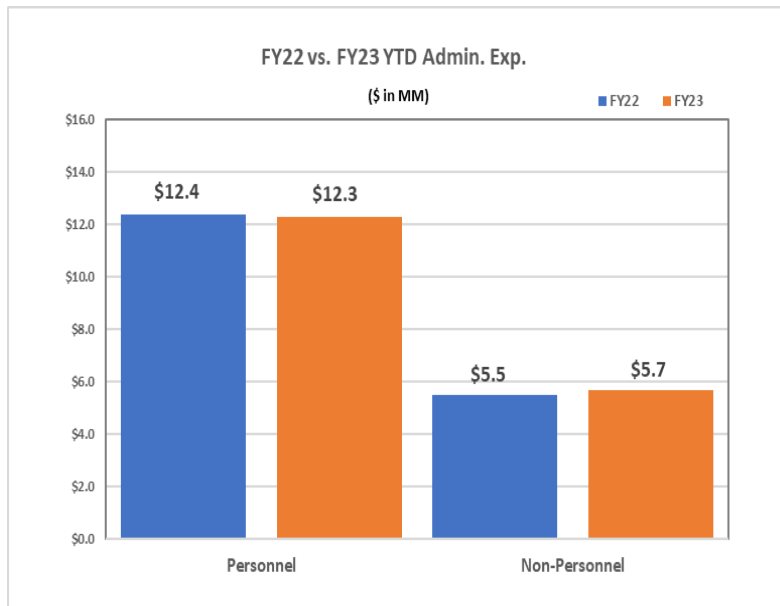
- Personnel expenses were \$570K or 12.0% favorable to budget due to lower headcount than budget which included payroll tax and benefit savings.
- Non-Personnel expenses were \$594K or 23.3% favorable to budget due to the timing of spending in certain expense categories (consulting, contract services, software licenses, translation, marketing and other expenses) which are expected to be incurred later in the fiscal year.



YTD Administrative Expense

YTD administrative expense of \$17.9M was \$3.7M or 17.0% favorable to budget of \$21.6M. The YTD variance was primarily due to the following:

- Personnel expenses were \$1.7M or 11.9% favorable to budget due to lower headcount than budget which included lower payroll tax and benefits.
- Non-Personnel expenses were \$2.0M or 26.1% favorable to budget due to the timing of budget spending in certain expenses (consulting, contract services, translation, printing & advertising, information systems, and other fees).



Balance Sheet

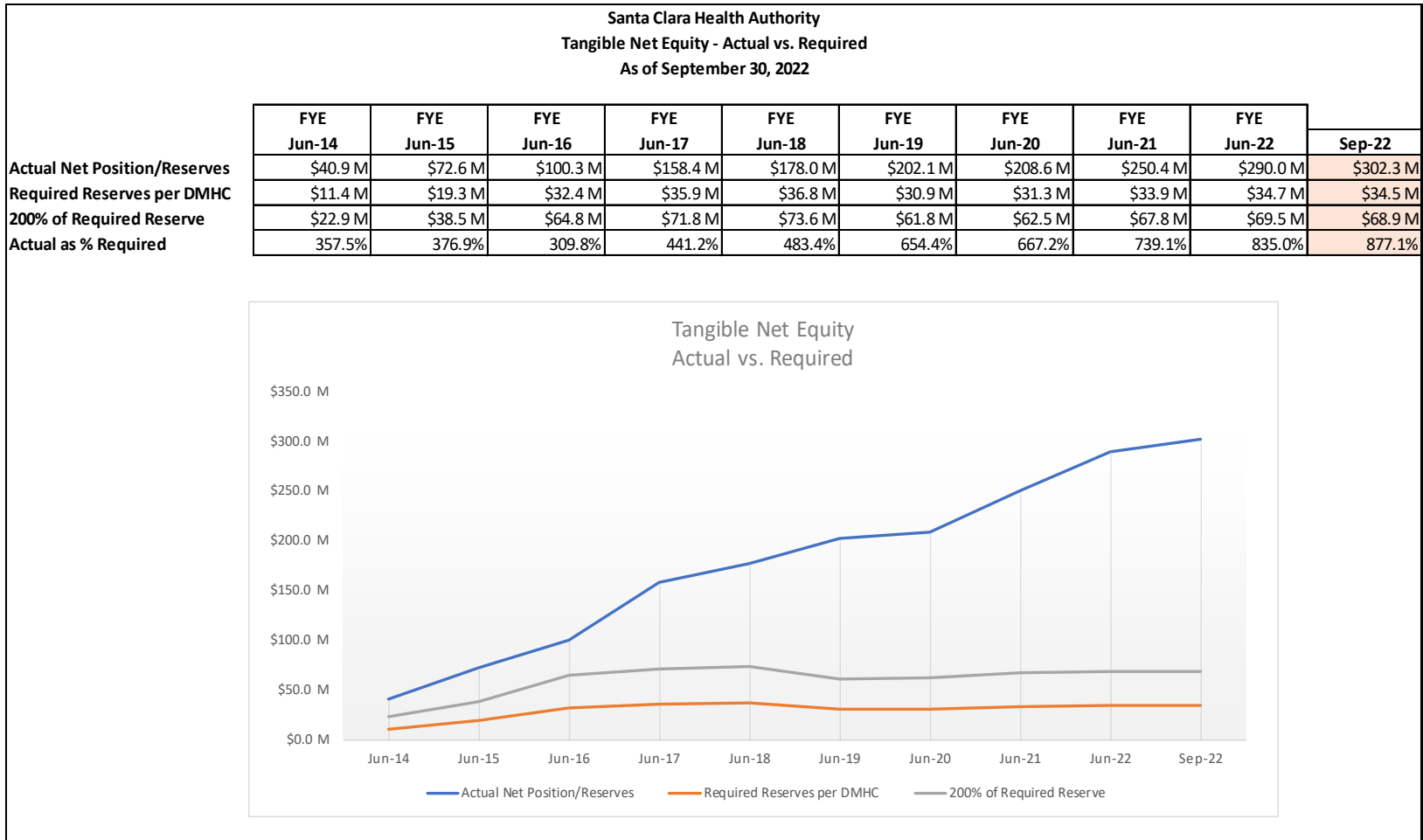
- Current assets totaled \$1.27B compared to current liabilities of \$1.00B, yielding a current ratio (Current Assets/Current Liabilities) of 1.27:1 vs. the DMHC minimum requirement of 1.0:1.
- On a YTD basis, the overall cash balance decreased by \$114.6M compared to the cash balance as of year-end June 30, 2022 due to the timing of inflows and outflows, including hospital 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	\$184,114,157	1.25%	\$100,000	\$300,000
Wells Fargo Investments	(\$20)	0.00%	\$0	\$0
City National Bank Investments	\$433,438,721	2.53%	\$611,070	\$1,566,766
	<u>\$617,552,857</u>		<u>\$711,070</u>	<u>\$1,866,766</u>
Cash & Equivalents				
City National Bank Accounts	\$43,232,652	0.01%	\$501	\$1,545
Wells Fargo Bank Accounts	\$4,682,536	2.69%	\$8,688	\$22,162
Chase HMS Lockbox	\$21,030	0.00%	\$0	\$0
	<u>\$47,936,218</u>		<u>\$9,189</u>	<u>\$23,706</u>
Assets Pledged to DMHC				
Restricted Cash	\$325,000	0.01%	\$3	\$8
Petty Cash				
	\$500	0.00%	\$0	\$0
Month-End Balance	<u>\$665,814,575</u>		<u>\$720,262</u>	<u>\$1,890,481</u>

- Investments & Cash balances include balances payable to the State of CA for certain large items.
- County of Santa Clara Comingled Pool funds have longer-term investments with a higher yield.
- Overall cash and investment yield is significantly higher than budget (2.01% actual vs. 0.3% budgeted).

Tangible Net Equity

- TNE was \$302.3M - representing approximately three months of the Plan's total expenses.



Reserves Analysis

SCFHP RESERVES ANALYSIS SEPTEMBER 2022				
Financial Reserve Target #1: Tangible Net Equity				
	Board Funds Committed	Approved Projects	Funds Expended	Balance
Unrestricted Net Assets				\$262,125,606 *
Board Designated Funds (Note 1):				
Special Project Funding for CBOs	\$4,000,000	\$774,995	\$529,995	\$3,470,005
Innovation & COVID-19 Fund	\$16,000,000	\$8,644,043	\$4,220,091	\$11,779,910
Subtotal	\$20,000,000	\$9,419,038	\$4,750,085	\$15,249,915
Net Book Value of Fixed Assets				\$24,571,824
Restricted Under Knox-Keene Agreement				\$325,000
Total Tangible Net Equity (TNE)				\$302,272,345
Current Required TNE				\$34,463,250
TNE %				877.1%
SCFHP Target TNE Range:				
350% of Required TNE (Low)				\$120,621,376
500% of Required TNE (High)				\$172,316,251
Total TNE Above/(Below) SCFHP Low Target				\$181,650,969
Total TNE Above/(Below) High Target				\$129,956,093
Financial Reserve Target #2: Liquidity				
Cash & Investments				\$665,814,575
Less Pass-Through Liabilities:				
Hospital Directed Payments				(139,718,477)
MCO Tax Payable to State of CA				(45,334,351)
Prop 56 / Whole Person Care				(1,666,180)
Other Pass-Through Liabilities (Note 2)				(130,099,169)
Total Pass-Through Liabilities				(316,818,177)
Net Cash Available to SCFHP				348,996,399
SCFHP Target Liquidity (Note 3)				
45 Days of Total Operating Expense				(169,345,964)
60 Days of Total Operating Expense				(225,794,619)
Liquidity Above/(Below) SCFHP Low Target				179,650,434
Liquidity Above/(Below) High Target				123,201,780

- **Unrestricted Net Assets represents approximately 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 & COVID-19 Fund.

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

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

Capital Expenditures

- YTD Capital investments of \$267K, largely computer hardware and software, were comprised of the following:

Expenditure	YTD Actual	Annual Budget
Community Resource Center	\$3,649	\$94,400
Hardware	\$141,430	\$2,205,000
Software	\$119,764	\$3,806,437
Building Improvements	\$0	\$30,650
Furniture & Equipment	\$2,402	\$36,000
TOTAL	\$267,244	\$6,172,487



Santa Clara Family
Health Plan™

Financial Statements

Income Statement



Santa Clara County Health Authority INCOME STATEMENT For Three Months Ending September 30, 2022

	Sep-2022	% of	Sep-2022	% of	Current Month Variance		YTD Sep-2022	% of	YTD Sep-2022	% of	YTD Variance	
	Actuals	Rev	Budget	Rev	\$	%	Actuals	Rev	Budget	Rev	\$	%
REVENUES												
MEDI-CAL	\$ 96,511,648	83.4%	\$ 94,434,125	83.5%	\$ 2,077,523	2.2%	\$ 286,181,654	83.3%	\$ 281,869,637	83.4%	\$ 4,312,017	1.5%
CMC MEDI-CAL	3,743,608	3.2%	3,793,238	3.4%	(49,630)	(1.3%)	11,624,120	3.4%	11,336,201	3.4%	287,918	2.5%
CMC MEDICARE	15,525,989	13.4%	14,927,296	13.2%	598,693	4.0%	45,687,102	13.3%	44,610,375	13.2%	1,076,727	2.4%
TOTAL CMC	19,269,597	16.6%	18,720,534	16.5%	549,063	2.9%	57,311,222	16.7%	55,946,577	16.6%	1,364,645	2.4%
TOTAL REVENUE	\$ 115,781,244	100.0%	\$ 113,154,658	100.0%	\$ 2,626,586	2.3%	\$ 343,492,875	100.0%	\$ 337,816,213	100.0%	\$ 5,676,662	1.7%
MEDICAL EXPENSES												
MEDI-CAL	\$ 89,342,743	77.2%	\$ 87,376,334	77.2%	\$ (1,966,409)	(2.3%)	\$ 262,696,728	76.5%	\$ 260,600,773	77.1%	\$ (2,095,955)	(0.8%)
CMC MEDI-CAL	3,053,629	2.6%	3,676,205	3.2%	622,576	16.9%	9,070,132	2.6%	10,970,179	3.2%	1,900,047	17.3%
CMC MEDICARE	14,538,673	12.6%	14,539,996	12.8%	1,322	0.0%	43,549,535	12.7%	43,446,014	12.9%	(103,521)	(0.2%)
TOTAL CMC	17,592,302	15.2%	18,216,201	16.1%	623,899	3.4%	52,619,666	15.3%	54,416,193	16.1%	1,796,527	3.3%
TOTAL MEDICAL EXPENSES	\$ 106,935,046	92.4%	\$ 105,592,535	93.3%	\$ (1,342,510)	(1.3%)	\$ 315,316,394	91.8%	\$ 315,016,966	93.3%	\$ (299,428)	(0.1%)
GROSS MARGIN	\$ 8,846,199	7.6%	\$ 7,562,123	6.7%	\$ 1,284,076	17.0%	\$ 28,176,481	8.2%	\$ 22,799,248	6.7%	\$ 5,377,233	23.6%
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	\$ 4,191,985	3.6%	\$ 4,761,645	4.2%	\$ 569,660	12.0%	\$ 12,256,554	3.6%	\$ 13,918,628	4.1%	\$ 1,662,074	11.9%
RENTS AND UTILITIES	(13,729)	0.0%	39,803	0.0%	53,532	134.5%	53,616	0.0%	119,410	0.0%	65,794	55.1%
PRINTING AND ADVERTISING	61,449	0.1%	113,975	0.1%	52,526	46.1%	(35,464)	0.0%	291,925	0.1%	327,389	112.1%
INFORMATION SYSTEMS	366,297	0.3%	504,896	0.4%	138,600	27.5%	1,090,295	0.3%	1,385,389	0.4%	295,094	21.3%
PROF FEES/CONSULTING/TEMP STAFFING	916,053	0.8%	1,081,842	1.0%	165,789	15.3%	2,577,294	0.8%	3,449,905	1.0%	872,611	25.3%
DEPRECIATION/INSURANCE/EQUIPMENT	314,954	0.3%	445,687	0.4%	130,733	29.3%	969,033	0.3%	1,341,521	0.4%	372,488	27.8%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	59,531	0.1%	64,761	0.1%	5,230	8.1%	173,208	0.1%	194,683	0.1%	21,475	11.0%
MEETINGS/TRAVEL/DUES	109,433	0.1%	152,131	0.1%	42,699	28.1%	331,261	0.1%	472,385	0.1%	141,124	29.9%
OTHER	135,384	0.1%	140,033	0.1%	4,649	3.3%	512,974	0.1%	419,700	0.1%	(93,274)	(22.2%)
TOTAL ADMINISTRATIVE EXPENSES	\$ 6,141,356	5.3%	\$ 7,304,774	6.5%	\$ 1,163,418	15.9%	\$ 17,928,771	5.2%	\$ 21,593,546	6.4%	\$ 3,664,775	17.0%
OPERATING SURPLUS/(LOSS)	\$ 2,704,843	2.3%	\$ 257,349	0.2%	\$ 2,447,494	951.0%	\$ 10,247,710	3.0%	\$ 1,205,702	0.4%	\$ 9,042,008	749.9%
INTEREST & INVESTMENT INCOME	\$ 720,262	0.6%	\$ 118,000	0.1%	\$ 602,262	510.4%	\$ 1,890,481	0.6%	\$ 354,000	0.1%	\$ 1,536,481	434.0%
OTHER INCOME	24,340	0.0%	35,284	0.0%	(10,944)	(31.0%)	91,251	0.0%	105,852	0.0%	(14,601)	(13.8%)
NON-OPERATING INCOME	\$ 744,601	0.6%	\$ 153,284	0.1%	\$ 591,317	385.8%	\$ 1,981,732	0.6%	\$ 459,852	0.1%	\$ 1,521,880	330.9%
NET SURPLUS (LOSS)	\$ 3,449,444	3.0%	\$ 410,633	0.4%	\$ 3,038,812	740.0%	\$ 12,229,442	3.6%	\$ 1,665,554	0.5%	\$ 10,563,888	634.3%

Balance Sheet



SANTA CLARA COUNTY HEALTH AUTHORITY				
As of September 30, 2022				
	Sep-2022	Aug-2022	Jul-2022	Sep-2021
Assets				
Current Assets				
Cash and Investments	\$ 665,814,575	\$ 522,630,806	\$ 496,391,466	\$ 449,737,033
Receivables	578,519,301	710,827,555	705,480,592	523,104,967
Prepaid Expenses and Other Current Assets	22,421,694	22,991,872	22,817,506	11,700,387
Total Current Assets	\$ 1,266,755,571	\$ 1,256,450,233	\$ 1,224,689,564	\$ 984,542,387
Long Term Assets				
Property and Equipment	\$ 54,436,903	\$ 54,317,567	\$ 54,277,864	\$ 52,197,243
Accumulated Depreciation	(29,865,079)	(29,612,560)	(29,317,642)	(25,504,456)
Total Long Term Assets	24,571,824	24,705,007	24,960,221	26,692,788
Total Assets	\$ 1,291,327,394	\$ 1,281,155,240	\$ 1,249,649,785	\$ 1,011,235,174
Deferred Outflow of Resources	\$ 13,178,679	\$ 13,178,679	\$ 13,178,679	\$ 7,162,621
Total Assets & Deferred Outflows	\$ 1,304,506,074	\$ 1,294,333,920	\$ 1,262,828,465	\$ 1,018,397,795
Liabilities and Net Assets:				
Current Liabilities				
Trade Payables	\$ 12,794,481	\$ 15,493,238	\$ 15,810,610	\$ 7,115,339
Deferred Rent	742,882	808,879	856,917	47,437
Employee Benefits	19,293,540	18,818,306	18,666,976	3,245,599
Retirement Obligation per GASB 75	5,191,796	5,191,796	5,191,796	1,978,037
Whole Person Care	1,666,180	1,666,180	1,675,180	1,807,180
Prop 56 Pass-Throughs	48,755,125	54,076,711	51,437,856	46,485,189
HQAF Payable to Hospitals	27,085	27,009	4,715	103,357
Hospital Directed Payment Payable	139,691,392	139,691,447	139,694,171	23,516,453
Pass-Throughs Payable	37,408,946	33,100,689	28,838,527	182
Due to Santa Clara County Valley Health Plan and Kaiser	56,249,101	49,356,406	42,192,114	24,985,401
MCO Tax Payable - State Board of Equalization	45,334,351	34,190,773	23,046,639	35,014,087
Due to DHCS	92,690,223	91,895,805	90,960,487	67,081,490
Liability for In Home Support Services (IHSS)	419,990,933	419,990,933	419,990,933	419,990,933
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
DHCS Incentive Programs	15,356,393	14,273,060	16,589,389	0
Medical Cost Reserves	96,875,469	106,736,487	103,308,827	103,669,528
Total Current Liabilities	\$ 1,000,816,409	\$ 994,093,699	\$ 967,096,056	\$ 743,334,237
Non-Current Liabilities				
Net Pension Liability GASB 68	-	(0)	(0)	341,250
Total Non-Current Liabilities	\$ -	\$ (0)	\$ (0)	\$ 341,250
Total Liabilities	\$ 1,000,816,409	\$ 994,093,699	\$ 967,096,055	\$ 743,675,487
Deferred Inflow of Resources	\$ 1,417,320	\$ 1,417,320	\$ 1,417,320	\$ 539,318
Net Assets				
Board Designated Fund: Special Project Funding for CBOs	\$ 3,470,005	\$ 3,505,005	\$ 3,505,005	\$ 3,337,274
Board Designated Fund: Innovation & COVID-19 Fund	11,779,910	11,899,910	11,957,410	13,682,004
Invested in Capital Assets (NBV)	24,571,824	24,705,007	24,960,221	26,692,788
Restricted under Knox-Keene agreement	325,000	325,000	325,000	325,000
Unrestricted Net Equity	249,896,164	249,607,980	249,295,266	210,813,536
Current YTD Income (Loss)	12,229,442	8,779,998	4,272,187	19,332,389
Total Net Assets / Reserves	\$ 302,272,345	\$ 298,822,900	\$ 294,315,090	\$ 274,182,990
Total Liabilities, Deferred Inflows and Net Assets	\$ 1,304,506,074	\$ 1,294,333,920	\$ 1,262,828,465	\$ 1,018,397,795

Cash Flow Statement



	Sep-2022	Year-to-date
Cash Flows from Operating Activities		
Premiums Received	\$ 260,027,494	\$ 469,084,598
Medical Expenses Paid	(109,903,368)	(348,181,746)
Administrative Expenses Paid	(7,565,622)	(8,032,940)
Net Cash from Operating Activities	\$ 142,558,504	\$ 112,869,912
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	\$ (119,336)	\$ (267,244)
Cash Flows from Investing Activities		
Interest Income and Other Income (Net)	744,601	1,981,732
Net Increase/(Decrease) in Cash & Cash Equivalents	\$ 143,183,770	\$ 114,584,400
Cash & Investments (Beginning)	522,630,806	551,230,175
Cash & Investments (Ending)	\$ 665,814,575	\$ 665,814,575
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Surplus/(Loss)	\$ 2,704,843	\$ 10,247,710
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	252,519	784,313
Changes in Operating Assets/Liabilities		
Premiums Receivable	132,308,254	120,146,035
Prepays & Other Assets	570,178	(2,414,588)
Accounts Payable & Accrued Liabilities	(3,330,297)	12,588,359
State Payable	11,937,996	5,445,688
IGT, HQAF & Other Provider Payables	6,892,695	(24,262,884)
DHCS Incentive Programs	1,083,333	(1,062,253)
Medical Cost Reserves & PDR	(9,861,017)	(8,602,468)
Total Adjustments	\$ 139,853,661	\$ 102,622,202
Net Cash from Operating Activities	\$ 142,558,504	\$ 112,869,912

Statement of Operations by Line of Business - YTD



Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For Three Months Ending September 30, 2022

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	\$286,181,654	\$11,624,120	\$45,687,102	\$57,311,222	\$343,492,875
MEDICAL EXPENSE (MLR)	\$262,696,728 91.8%	\$9,070,132 78.0%	\$43,549,535 95.3%	\$52,619,666 91.8%	\$315,316,394 91.8%
GROSS MARGIN	\$23,484,926	\$2,553,988	\$2,137,567	\$4,691,555	\$28,176,481
ADMINISTRATIVE EXPENSE (% of Revenue Allocation)	\$14,937,385	\$606,726	\$2,384,660	\$2,991,386	\$17,928,771
OPERATING SURPLUS/(LOSS) (% of Revenue Allocation)	\$8,547,541	\$1,947,262	(\$247,093)	\$1,700,169	\$10,247,710
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	\$1,651,084	\$67,064	\$263,585	\$330,649	\$1,981,732
NET SURPLUS/(LOSS)	\$10,198,624	\$2,014,325	\$16,493	\$2,030,818	\$12,229,442
PMPM (ALLOCATED BASIS)					
REVENUE	\$312.95	\$372.00	\$1,462.08	\$1,834.08	\$363.21
MEDICAL EXPENSES	\$287.27	\$290.26	\$1,393.67	\$1,683.94	\$333.42
GROSS MARGIN	\$25.68	\$81.73	\$68.41	\$150.14	\$29.79
ADMINISTRATIVE EXPENSES	\$16.33	\$19.42	\$76.31	\$95.73	\$18.96
OPERATING INCOME/(LOSS)	\$9.35	\$62.32	(\$7.91)	\$54.41	\$10.84
OTHER INCOME/(EXPENSE)	\$1.81	\$2.15	\$8.44	\$10.58	\$2.10
NET INCOME/(LOSS)	\$11.15	\$64.46	\$0.53	\$64.99	\$12.93
ALLOCATION BASIS:					
MEMBER MONTHS - YTD	914,457	31,248	31,248	31,248	945,705
REVENUE BY LOB	83.3%	3.4%	13.3%	16.7%	100.0%



Santa Clara Family
Health Plan™

Appendices

Statement of Operations by Line of Business – Current Month



Santa Clara County Health Authority
Statement of Operations
By Line of Business (Including Allocated Expenses)
For the Month September 2022

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	\$96,511,648	\$3,743,608	\$15,525,989	\$19,269,597	\$115,781,244
MEDICAL EXPENSE (MLR)	\$89,342,743 92.6%	\$3,053,629 81.6%	\$14,538,673 93.6%	\$17,592,302 91.3%	\$106,935,046 92.4%
GROSS MARGIN	\$7,168,905	\$689,979	\$987,316	\$1,677,294	\$8,846,199
ADMINISTRATIVE EXPENSE (% of Revenue Allocation)	\$5,119,243	\$198,571	\$823,541	\$1,022,112	\$6,141,356
OPERATING SURPLUS/(LOSS) (% of Revenue Allocation)	\$2,049,661	\$491,407	\$163,774	\$655,182	\$2,704,843
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	\$620,677	\$24,076	\$99,849	\$123,925	\$744,601
NET SURPLUS/(LOSS)	\$2,670,338	\$515,483	\$263,624	\$779,107	\$3,449,444
PMPM (ALLOCATED BASIS)					
REVENUE	\$315.18	\$357.21	\$1,481.49	\$1,838.70	\$365.59
MEDICAL EXPENSES	\$291.76	\$291.38	\$1,387.28	\$1,678.65	\$337.66
GROSS MARGIN	\$23.41	\$65.84	\$94.21	\$160.05	\$27.93
ADMINISTRATIVE EXPENSES	\$16.72	\$18.95	\$78.58	\$97.53	\$19.39
OPERATING INCOME/(LOSS)	\$6.69	\$46.89	\$15.63	\$62.52	\$8.54
OTHER INCOME/(EXPENSE)	\$2.03	\$2.30	\$9.53	\$11.82	\$2.35
NET INCOME/(LOSS)	\$8.72	\$49.19	\$25.15	\$74.34	\$10.89
ALLOCATION BASIS:					
MEMBER MONTHS	306,215	10,480	10,480	10,480	316,695
REVENUE BY LOB	83.4%	3.2%	13.4%	16.6%	100.0%

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD OCTOBER - 2022

		2021-10	2021-11	2021-12	2022-01	2022-02	2022-03	2022-04	2022-05	2022-06	2022-07	2022-08	2022-09	2022-10	FYTD var	%
NON DUAL	Adult (over 19)	33,809	34,245	34,653	35,652	35,761	36,104	36,529	37,033	37,861	39,310	39,644	40,012	40,326	1,016	2.6%
	Child (under 19)	101,125	101,411	101,722	102,516	102,519	102,740	103,211	103,765	103,621	103,866	103,987	104,097	104,183	317	0.3%
	SPD	22,381	22,463	22,537	22,740	22,731	22,749	22,751	22,836	24,200	25,130	25,189	25,311	25,357	227	0.9%
	Adult Expansion	92,393	93,186	94,092	95,819	96,366	97,386	98,130	99,249	102,198	106,715	107,599	108,216	108,974	2,259	2.1%
	Long Term Care	391	385	392	391	403	395	393	397	398	412	432	434	450	38	9.2%
	Total Non-Duals	250,099	251,690	253,396	257,118	257,780	259,374	261,014	263,280	268,278	275,433	276,851	278,070	279,290	3,857	1.4%

DUAL	Adult (over 21)	396	398	408	410	403	407	412	431	423	424	422	421	416	-8	(1.9%)
	SPD	24,244	24,307	24,320	24,330	24,350	24,378	24,282	24,352	24,384	24,491	24,518	24,579	24,600	109	0.4%
	Long Term Care	1,083	1,106	1,111	1,085	1,107	1,102	1,111	1,126	1,148	1,159	1,153	1,151	1,144	-15	(1.3%)
	SPD OE	1,308	1,372	1,431	1,496	1,531	1,612	1,666	1,739	1,817	1,868	1,923	1,994	2,040	172	9.2%
	Total Duals	27,031	27,183	27,270	27,321	27,391	27,499	27,471	27,648	27,772	27,942	28,016	28,145	28,200	258	0.9%

Total Medi-Cal	277,130	278,873	280,666	284,439	285,171	286,873	288,485	290,928	296,050	303,375	304,867	306,215	307,490	4,115	1.4%
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CMC	CMC Non-Long Term Care	10,160	10,211	10,221	10,017	10,038	10,084	10,127	10,128	10,127	10,146	10,200	10,278	10,271	125	1.2%
	CMC - Long Term Care	208	204	210	202	213	215	206	206	205	208	214	202	198	-10	(4.8%)
	Total CMC	10,368	10,415	10,431	10,219	10,251	10,299	10,333	10,334	10,332	10,354	10,414	10,480	10,469	115	1.1%

Total Enrollment	287,498	289,288	291,097	294,658	295,422	297,172	298,818	301,262	306,382	313,729	315,281	316,695	317,959	4,230	1.3%
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Santa Clara County Health Authority Board Designated Innovation Fund Request Summary

Organization Name:	San José State University (SJSU)
Project Name:	Culturally-Responsive Wellness and Communication Interventions: Healthy Development Community Clinic (HDCC)
Contact Name and Title:	Dr. Cara S. Maffini Faculty Director at HDCC and Associate Professor of Department of Child and Adolescent Development cara.maffini@sjsu.edu 408.924.3629
Requested Amount:	\$250,000
Time Period for Project Expenditures:	12/1/2022 – 12/1/2023
Proposal Submitted to:	Executive Finance Committee, 11/21/2022 meeting
Date Proposal Submitted to SCFHP for Review:	08/24/2022

Summary of Proposal:

San José State University (SJSU) currently administers a clinic on campus to provide screening and short-term interventions and targeted referral services addressing behavioral health, speech and language needs for all community members. Due to the location of the clinic on SJSU's downtown campus, the clinic has remained underutilized. SJSU has acquired the space that is now the Healthy Development Community Clinic (HDCC) on the Oak Grove High School campus to better serve the community's needs. SJSU is requesting \$250,000 in one-time start-up funding to assist with launching and growing the HDCC. This one-time funding from SCFHP's Board Fund will cover instruments and equipment (e.g., otoscopes, audiometers, psychological assessments, supervision equipment), technology (e.g., iPads, laptops), and sound dampening/proofing for the audio lab to provide different types of services simultaneously.

The HDCC is led by faculty from SJSU's Communicative Disorders & Sciences, Psychology, and Child & Adolescent Development Departments. HDCC services are provided by SJSU student-clinicians who are supervised by licensed faculty in their respective fields, and in doing so the HDCC is also training the next generation of diverse practitioners, which will help to further meet the needs of the region. SJSU students will be benefitted by a practicum environment that further develops their cultural competency and multidisciplinary approach to care. This clinic also allows for much-needed workforce development in the areas of behavioral health and speech and language.

While housed on a high school site, the HDCC serves all children, youth, and their families in the community at no-cost. Within Santa Clara County, there currently exists a lack of necessary behavioral health, speech and language assessments which the HDCC intends to help alleviate. HDCC services are provided in English, Spanish, and Vietnamese to ensure language access for diverse communities in San José. HDCC has been asked to investigate participation in the Local Education Agency Medi-Cal Billing Option Program (LEA-BOP) as well as investigating the availability of becoming an SCFHP provider. HDCC staff are also interested in partnering with SCFHP as part of the community events held at the HDCC.

Summary of Projected Outcome/Impact:

Service Delivery Goals:

- In 2022-2023 (by August 1, 2023), the HDCC will run 6 semester-long clinics (2 each in Fall, Spring, Summer) to deliver direct speech-language-hearing services, serving a minimum of 150 unduplicated clients.
- Complete a minimum of 100 mental health and general developmental screenings by August 1, 2023.

Student Training Goals:

- In 2022-2023 (by August 1, 2023), the HDCC will train a minimum of 60 unduplicated students from speech-language pathology, child and adolescent development, psychology, and related fields in direct service delivery and community outreach efforts.
- Plan and organize a minimum of 2 student-led community outreach events focusing on healthy development and inclusive education by August 1, 2023.

Community Wellness and Family Education Goals:

- In 2022-2023 (by August 1, 2023), the HDCC will host a minimum of 4 community wellness events on health- and development-related topics (e.g., Teen Health workshop, Communicative Wellness Event, Oral Health awareness/education, Family Nutrition workshop).
- In 2022-2023 (by August 1, 2023), the HDCC will host a minimum of 2 outreach and education events either at the request of community partners (e.g., ESUHSD) or community members (e.g., children/youth or parents).

Summary of Additional Funding and Funding Requests:

The clinic build up project has received at least \$500,000 from SJSU in renovation funds.

For ongoing operations, SJSU has sought and received funding from both the El Camino Health Foundation (\$25,000 to support only behavioral health screenings and workshops) and the Department of Health and Human Services (\$500,000 to support only personnel costs). The El Camino Health Foundation (applied for \$50,000, received \$25,000), specifically to support only behavioral health screenings and workshops. The Department of Health and Human Services – Substance Abuse and Mental Health Services Administration (applied for and received \$500,000) specifically to support only personnel costs.

Additionally, SJSU plans to submit grants to the following organizations for on-going funding support: the Spencer Foundation (\$400,000), Robert Wood Johnson Foundation (\$500,000), and a renewal from El Camino Health Foundation (\$50,000) Finally, HDCC has been asked to investigate participation in the Local Education Agency Medi-Cal Billing Option Program (LEA-BOP) as well as investigating the

availability of becoming an SCFHP provider. HDCC will encourage SCFHP members to connect back to their system of care and will also make the connection if there is consent.

Evaluation Relative to SCFHP Innovation Funding Criteria

Criteria	Met/Not Met
1. Indicate if funding is being sought from other potential sources.	✓
2. Demonstrate alignment with SCFHP Strategic Plan.	✓
3. Demonstrate the project addresses SDOH.	✓
4. Demonstrate the project addresses health equity.	✓
5. Demonstrate the project reduce health disparities for SCFHP members.	✓
6. Indicate if the project promotes quality of care and cost efficiency.	–
7. Indicate if the project addresses issues that affect SCFHP regulatory compliance or accreditation.	✗
8. Demonstrate focus on identified gaps in serving our members, potential members, and providers to better meet health needs, consistent with SCFHP's mission.	✓
9. Demonstrate that project will enable SCFHP to address evolving state and federal health care policy and regulatory expectations.	✓
10. Demonstrate ability to work in collaboration with community, as appropriate for the initiative.	✓

✓ Criteria met

– Criteria partially met

✗ Criteria not met, or not applicable



Board Funding Request

Organization Information

San Jose State University Research Foundation
Healthy Development Community Clinic
<https://sjsu.edu/hdcc/>

Request Primary Contact:

Dr. Cara S. Maffini
Associate Professor, Department of Child and Adolescent Development
Faculty Director, Healthy Development Community Clinic
San Jose State University

408.924.3629 cara.maffini@sjsu.edu

Funding Request Information

Project Title: Culturally-Responsive Wellness and Communication Interventions: Healthy Development Community Clinic

Project Summary (one paragraph description):

We are requesting \$250,000 as one-time start-up funding to assist with launching and growing SJSU's Healthy Development Community Clinic (HDCC). The purpose of SJSU's HDCC is to promote equity through holistic wellness services for children, youth, and families in South and East San Jose. Through primary prevention and community outreach and education, HDCC builds on individual, family, and community strengths; connects families with existing resources; and delivers culturally- and linguistically-responsive, trauma-informed services to meet wide-ranging needs. Services address behavioral health, speech and language, academic and social success, and family education. HDCC is community-nested and easily accessible to reduce barriers to care. Funding from SCFHP would help with one-time start-up costs. We received initial funding from SJSU to assist with renovating the building. However, we are in need of instruments and equipment (e.g., otoscopes, audiometers, psychological assessments, supervision equipment), technology (e.g., ipads, laptops), and sound dampening/proofing. With robust equipment and outfitting of the space, we will be able to build out the service capacity of HDCC in the coming months. We have obtained additional funding for ongoing expenses; however, the funders limited spending primarily to personnel costs. Thus, one-time funds will help address remaining start-up costs to equip the space and build out the service capacity of HDCC.

Request Amount: \$250,000

Total Project Budget Amount: Annual budget is approximately \$400,000

Project Start Date: Fall 2022

Project End Date: Ongoing

- **Has the project sought other funders? Please provide funder names and amounts.**

El Camino Health Foundation - applied for \$50,000; received \$25,000 to support only behavioral health screenings and workshops
Department of Health and Human Services- Substance Abuse and Mental Health Services Administration (SAMHSA) - applied for \$500,000; received \$500,000 to support only personnel costs.

- **If so, what was the outcome?**

Current funding includes: El Camino Health Foundation (\$25,000) and SAMHSA (\$500,000).

- **If not, please describe plans to seek other or additional funding.**

We are planning grant submissions to the Spencer Foundation (\$400,000), Robert Wood Johnson Foundation (\$500,000), and to apply for a renewal from El Camino Health Foundation (\$50,000). These funds would help with ongoing costs of HDCC.

- **If this project will require ongoing funding, what will be the source of that funding? Has this funding been secured?**

In addition to public and private grant funding, we are actively seeking philanthropic support to assist with ongoing expenses.

Project Impact Areas

SCFHP's mission is to improve the well-being of our members by addressing their health and social needs in a culturally competent manner, and partnering with providers and organizations in our shared commitment to the health of our community. The questions in this section seek to understand your project's alignment with SCFHP's mission.

SCFHP's Strategic Plan focuses on three goals:

- **Community Health Leadership** – Be a recognized local leader and collaborator in improving the health of communities impacted by disparities.
- **Quality, Access, and Equity** – Deliver exceptional quality outcomes and health equity for all Plan members.
- **Organizational Excellence** – Constantly demonstrate administrative and service excellence.

- **How does this project align with SCFHP’s Strategic Plan goals as listed above?**

This project aligns with SCFHP’s Strategic Plan goals: **Quality, Access, and Equity** and **Organizational Excellence**. HDCC centers the delivery of accessible, equitable, and high-quality wellness services. With a focus on accessibility, HDCC is community-nested to reduce barriers associated with travel; services are offered at times appropriate for families; and services and materials are delivered in the three most common languages in the community (English, Spanish, and Vietnamese). Equity is core to our mission and guides the focus on who we serve, how we engage in this work, and expansive services to meet the dynamic and wide-ranging needs of community members (e.g., hearing, communication, mental health, nutrition, etc.). Finally, we strive to provide high quality services by centering training and applications of cutting edge evidence-based practices across our work. Services are provided by student-clinicians with supervision from licensed faculty. Field-specific and interdisciplinary training focuses on high quality, ethical, culturally- and linguistically-responsive services that empower families to be advocates for their health and wellbeing. In alignment with the goal for Organizational Excellence, HDCC engages in interprofessional training of future providers in ethical and culturally responsive clinical practice. With most of our graduates staying in the area, we are growing and helping to diversify a workforce of highly qualified culturally-engaged practitioners. With funding from SCFHP, we would highlight SCFHP as a supporter and collaborator of HDCC helping us to enact our goals on improving health disparities.

- **Which SDOH domain is being addressed by this project? Please see the below SDOH domains and provide information on how this project will address one or more of the SDOH domains.**
 - **Economic Stability** (such as employment, income, expenses, debt, medical bills, etc):
 - **Education Access and Quality** (such as literacy, language, vocational training, higher education):
 - **Health Care Access and Quality** (such as health coverage, provider linguistic and cultural competency, quality of care):
 - **Neighborhood and Built Environment** (such as housing, transportation, safety, food insecurity):
 - **Social and Community Context** (such as social integration, social supports, community engagement, discrimination):

The Healthy Development Community Clinic directly addresses the SDOH domains of health care access and quality, education access and quality, and social and community context. Health care access includes multiple health and wellness services using culturally and linguistically responsive services (e.g., hearing screening, speech-language and communication screening and intervention services amid a dire shortage of audiologists and speech-language pathologists in California). Pre/literacy and community education addressing topics such as inclusive education (e.g., IEP workshop, benefits of bilingualism, supporting students with communication delays/differences). We aim to improve educational engagement via health services and family education, designed in partnership with school officials. Finally, some HDCC services focus on community engagement across languages and cultural groups. For instance, family nutrition workshops, community wellness events, and supporting direct career pathways for youth into clinical professions.

- **Does this project address health equity? If so, how?**

The HDCC centers health equity by situating services within the community and reducing barriers to care for families experiencing economic instability, challenges with documentation status, inconsistent access to health insurance, and scant knowledge of specialty services. Evidence-based practices are the gold standard for care and through HDCC, community members are accessing these services in their community, at convenient schedules, in their preferred language, and at no cost. Simultaneously, we are committed to health equity long-term through personnel preparation by diversifying ranks of providers in mental health and speech pathology. To support this goal, we actively train and mentor minoritized students as future providers in the community.

- **Will this project reduce health disparities for SCFHP members? If so, how?**

Persistent disparities result directly from an unfair distribution of particular social determinants of health. By anchoring our services in primary prevention efforts to raise awareness about factors and health conditions influencing child and youth development, early identification, pointed referrals and interventions for behavioral, mental health, communicative, and academic and social success, we expect HDCC services will help to directly reduce health disparities.

- **Does this project promote quality of care and cost efficiency? If so, how?**

Evidence-based practices are the gold standard of care. Thus, we strive to deliver quality services that are customized for this vibrant, racially diverse, multilingual, and underserved community.

- **Does this project address issues that affect SCFHP regulatory compliance or accreditation? If so, how?**

No.

- **Does this project work in collaboration with organizations in the community? If so, how?**

Our current main collaborations are with the East Side Union High School District and with SJSU's Kay Armstead Center for Communicative Disorders (KACCD). We are actively building additional community partnerships to expand our services, facilitate referrals, and coordinate care.

Project Narrative

Please provide a project narrative that includes the project goal, outcomes, and objectives. If helpful for requester, SMART objectives might be useful in this section.

Funding from SCFHP would aid in establishing the clinic with necessary equipment to be able to launch services. With funding for essential items, we are able to focus on providing care. Below we describe the larger goals of HDCC including SMART goals for the next year of services and training. However, we want to emphasize that the funding from SCFHP will be focused on start-up costs so we are able to work toward these goals. The overarching goal of HDCC is to promote equity through holistic wellness for children, youth, and families by reducing barriers to care. This funding will allow us to focus on: direct service delivery, student clinician training, and community outreach and education. We address current service gaps, exacerbated by the pandemic, to focus on youth needing support for mental health, speech-language-hearing and sensory function, and academic and social challenges. Schools currently are not able to meet the demand for screenings and consequently, students with needs go undiagnosed and do not receive the services they need. Whereas families from higher income backgrounds are better equipped to advocate for their needs, families facing financial hardships often do not have the ability to advocate for their needs and receive timely services. HDCC services are culturally- and linguistically-responsive and trauma-informed to meet client needs and preferences for format and modality of services. The HDCC uses a primary prevention approach to community wellness and are currently providing hearing screenings, speech screenings and therapy services, teen behavioral health screenings, parent and family health education (e.g., nutrition workshop), and community wellness events. HDCC services are grounded in Evidence Based Practices (EBP; e.g., research-based screening tools, validated intervention strategies) and culturally-sustaining practices (e.g., nurturing heritage languages). Faculty supervisors guide clinical training to ensure field-specific EBPs are implemented with fidelity, while tracking outcomes to assess efficacy of service delivery.

Current HDCC goals focus on:

SMART Goal 1- Service Delivery

In 2022-2023 (by August 1, 2023), the HDCC will run 6 semester-long clinics (2 each in Fall, Spring, Summer) to deliver direct speech-language-hearing services, serving a minimum of 150 unduplicated clients.

Complete a minimum of 100 mental health and general developmental screenings by August 1, 2023.

SMART Goal 2 - Student Training

In 2022-2023 (by August 1, 2023), the HDCC will train a minimum of 60 unduplicated students from speech-language pathology, child and adolescent development, psychology, and related fields in direct service delivery and community outreach efforts.

Plan and organize a minimum of 2 student-led community outreach events focusing on healthy development and inclusive education by August 1, 2023.

SMART Goal 3 - Community Wellness and Family Education

In 2022-2023 (by August 1, 2023), the HDCC will host a minimum of 4 community wellness events on health- and development-related topics (e.g., Teen Health workshop, Communicative Wellness Event, Oral Health awareness/education, Family Nutrition workshop).

In 2022-2023 (by August 1, 2023), the HDCC will host a minimum of 2 outreach and education events either at the request of community partners (e.g., ESUHSD) or community members (e.g., children/youth or parents).

Project Budget

SCFHP Request Budget Narrative:

We are requesting \$250,000 in one-time funding to cover start-up costs including furnishings, instruments (e.g., otoscopes, screening and assessments tools, resources), as well as sound proofing and equipment for the audio lab for proper diagnostic and screening abilities. With a functional space and appropriate tools, we seek to provide these services and resources to meet important needs and gaps in services in the community. In doing this, we are also training the next generation of diverse practitioners, which will help to further meet the health care needs of the region.

SCFHP Request Budget Table:

- Estimated costs

Item	Description	Percent of Request	Dollars
Sound dampening and sound proofing equipment	We are using a renovated school building. While significant improvements have been made and more work is needed to address reverberation in the. Further sound dampening and sound proofing will allow us to offer different types of services at one time.	60%	\$130,000
Otoscopes, sound-level meters, portable audiometers and related supplies (e.g., earphone covers, specula, batteries, chargers)		8%	\$20,000
Screening and Assessment Tools	Purchases are needed for many standardized assessment tools.	4%	\$10,000
Electronic Medical Record Software	EMR is required for compliance with HIPAA and to ensure the privacy of clinical data/records.	4%	\$10,000
Technology to Facilitate Services	iPads (screening, assessment, and clinical supervision via Zoom), computers (clinician documentation), printer/copier	12%	\$30,000
Miscellaneous Needs	As we launch services, new costs emerge connected to service delivery (e.g., children’s furniture, adaptive equipment and materials to support students receiving accommodations; interpreter/translation services to be inclusive of all community members)	12%	\$12,500
F&A		15%	37,500

Supplemental Questions

- **The proposal indicates HDCC intends to render services like “screenings, short-term interventions, outreach and education, and targeted referrals.”**
 - **Can you provide examples of these services be provided to better understand what specific types of services will be offered?**

Current screenings include hearing, speech and oral health, behavioral/mental health, and developmental. Brief services include community education including caregiver and family education as well as opportunities for youth. Using a primary prevention approach, community education focuses on promoting awareness and psychoeducation on a variety of topics including stress management, parenting strategies, healthy development (e.g., sleep hygiene), supporting gender and sexual minority youth, and family nutrition. Individual speech services are offered with individual and group counseling in spring 2023. With more information in languages and frameworks that are culturally responsive, we hope they will seek other services earlier or prevent other needs long term.

- **Are these services offered 1 to 1 and/or group settings?**

Services are offered in individual, family, and group modalities.

- **How are these services different than the services that are already reimbursed by Medi-Cal?**

While services may not be different from other services in the community, we are open to all community members and provide services at no cost, no billing. Some of the services are available on the SJSU campus, but there are limitations to access what is provided (due to space, scheduling, access to equipment, etc.) and who is able to access those services (due to timing, transportation, parking, etc.). HDCC is community-nested so the clientele is the community residents.

- **Has HDCC discussed their partnership with Oak Grove and East Side Union High District about collaborating through the Local Education Agency Medi-Cal Billing Option Program (LEA-BOP)? What was the outcome of the discussion?**

We have not had this discussion yet, but are interested in learning more. The program seems like a great opportunity for sustainability of our program. We intend to have further discussion with our partners in our future meetings.

- **What disciplines is their interdisciplinary **care team** comprised of in addition to SJSU psychologists, speech pathologists, and students?**

The primary clinical services are delivered by faculty and students from the SJSU departments of Communicative Disorders & Sciences, Psychology, and Child & Adolescent Development. Other departments who will provide community education programming including departments of Special Education, Nutrition and Food Sciences, and faculty with expertise in supporting queer youth, early childhood development, socioemotional wellness, pre-literacy/early literacy, and parent education.

- **What is the staffing ratio of clinician/student clinician to SSJ/ESJ resident?**

We do not currently have personnel-to-people ratios at the city-level, yet can speak to larger needs in service provision. The American Speech Language Hearing Association (ASHA, 2021) reports that California now faces among the worst shortages of speech-language pathologists and audiologists in the entire nation, leading to significant delays in receiving essential services. Many youth living in South and East San Jose are impacted by childhood adversity (e.g., maltreatment, exposure to violence, migration trauma, refugee status, homelessness) that influence well-being, mental and physical health, academic engagement, and future success. The CHNA (2022) report affirmed significant needs pertaining to youth anxiety, depression, and mental health being exacerbated by the COVID-19 pandemic. In SCC, the ratio of students-to-psychologists in schools is 1:1199, 15% worse than statewide numbers (1:1041; California Department of Education, 2019). Further, there are documented lower numbers of mental health providers compared to statewide numbers, and services in languages besides English are severely lacking (CHNA, 2022).

- **The proposal states that the program “serves the communities of South and East San Jose”**

- **What is the targeted population?**
- **Does anyone get turned away?**
- **Are services on walk-in basis and/or appointments?**

The target population is children, youth, and their families in South and East San Jose. Based on our linguistic capital and initially targeted languages, resources and services are provided in English, Spanish, and Vietnamese. If requested services are within our scopes of practice, we aim to conduct a screening or consultation, and provide next steps for services (through HDCC or referral to community agencies) or education as needed. Beyond direct services, we aim to raise awareness of health conditions, factors impacting health, and a range of beneficial clinical services.

Services are primarily appointment-based or based on voluntary sign-up. We anticipate scaling up to provide some initial mental health support, particularly for crises, through walk-ins. For example, if they need a hearing screening, we would want to arrange a time when we have the equipment set up and the space quiet to conduct a valid screening. If someone walks in, we would schedule a subsequent appointment.

- **Are treatment plans, screening results, and progress shared with the student’s primary care provider?**

We ask families to sign a release of information if they would like us to share progress with their PCP, other providers, or connect with school-based support services.

- **What can we expect from you in terms of data sharing and how frequently?**

We are able to provide aggregate information (including relevant demographics such as age, gender identity, and type of service provided) about clients seeking our services. As we acquire information about health insurance and Medi-Cal, and with client permission, we can provide updates if there is additional information we are able to provide.

- **How does HDCC plan on notifying the community of these services?**

We have growing relationships with leaders and families through school districts and are maintaining a database of clients who have received services. We share information through SJSU, an event calendar, and social media posts. We found Next Door to be a helpful resource to share information with community members. We are actively building relationships with the community and key organizations to respond to community needs, and raise awareness about our services.

- **Please share the citation/source of the 2022 CHNA reference in the proposal.**

Community Health Needs Assessment. (2022). *Executive summary of selected health needs*. https://www.elcaminohealth.org/sites/default/files/2022-01/chna2022-executive-summary-of-selected-health-needs_1.pdf

- **Which are the partners involved in the project?**

We primarily partner with the East Side Union High School District. School officials help us disseminate information about services to local K-8 districts that feed into ESUHSD. We are in the process of building other partnerships with key community organizations to expand our community presence and to build bi-directional referral pipelines for services and referrals.

- **What are some of the measures for success? Also, for quality care.**

We are measuring success in terms of the number of unduplicated clients served, and their reported benefit and satisfaction from services provided. For individuals we see regularly over a period of time, we aim to see improved functioning through individual goal-setting and customized interventions/referrals.

- **How will the community clinic address health care disparities? (i.e., healthcare navigation referrals and linkages)?**

HDCC addresses health care disparities by being an initial connection with care in the community. By being easily accessible, we are an entry point for many who otherwise would be reluctant to seek services. Through screenings and ongoing parent/community education, we focus on early detection and awareness to facilitate connections to other services and community resources. We aim to reduce health and health care disparities by facilitating connections and referrals, being a resource for people who have questions about healthcare and education navigation, and providing resources that foster family and community wellness.

- **In addition to mental health, will PCPs be available?**

Our model does not envision access to PCPs at this point in time. It is a possibility to expand to providing this in partnership with interested physicians or agencies. We have been approached by individual physicians with interest in supporting our model of greater access to services.

As the clinic focuses on providing needed training to SJSU students will the students this clinic aims to serve receive care from a frequently changing care team?

- **As the clinic focuses on providing needed training to SJSU students will the students this clinic aims to serve receive care from a frequently changing care team?**

Given that our services are short-term, we hope they will receive care from the same clinician team. Many of the practitioners will be there for a semester (16 weeks) or a full academic year (32 weeks). Licensed supervisors will be consistent throughout care.

- **Are you connected with School Health Center? SCCOE and the Student Behavioral Health Incentive Program?**

There is no School Health Center in this part of South San Jose.

- **Do these clients have a payor source? How will you connect them to the system of care that provides health coverage for these services? If not, how will you address multiple systems of care and continuity for the client? How will the primary care providers be linked in and connections to other services that the client would be eligible for under his/her insurer?**

Our hope and aspiration is that we will provide our services at no cost to the clients, many of whom share significant challenges receiving services. We hope to get them connected to Medi-Cal and referred to providers who take their insurance. We are working on curating referral networks to reduce barriers with referrals and additional funding would allow us to achieve this goal.

- **Will HDCC plan to become a provider for SCFHP given the client served will largely be our members, Medi-Cal?**

We are interested in discussing this opportunity.

Regular Meeting of the
**Santa Clara County Health Authority
Compliance Committee**

Thursday, November 17, 2022, 2:00 PM – 3:00 PM
Santa Clara Family Health Plan – Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present

Sue Murphy, Chair
Tyler Haskell, VP, Government Relations and Compliance
Christine Tomcala, Chief Executive Officer
Ngoc Bui-Tong, Chief Health Equity & Strategies Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, DO, Chief Medical Officer
Chris Turner, Chief Operating Officer
Chelsea Byom, VP, Marketing, Communications & Outreach
Teresa Chapman, VP, Human Resources

Members Absent

Jonathan Tamayo, Chief Information Officer

Staff Present

Barbara Granieri, Controller
Daniel Quan, Director, Compliance, Compliance
Ashley Kerner, Manager, Administrative Services
Mai Phuong Nguyen, Fraud, Waste, and Abuse Program Manager
Richard McPhee, Oversight Manager, Compliance
Sue Won, Compliance Audit Program Manager, Compliance
Alicia Zhao, Compliance Audit Program Manager, Compliance
Megha Shah, Compliance Analyst, Compliance
Alexandra Gutierrez, Compliance Coordinator I
Sonia Lopez, Compliance Coordinator I
Amy O'Brien, Administrative Assistant

1. **Roll Call**

Sue Murphy, Chair, called the meeting to order at 2:00 PM. Roll call was taken and a quorum was established

2. **Public Comment**

There were no public comments.

3. **Meeting Minutes**

Ms. Murphy reviewed the August 28, 2022 Compliance Committee minutes.

It was moved, seconded, and the August 28, 2022 Compliance Committee minutes were **unanimously approved.**

Motion: Mr. Haskell

Second: Mr. Jarecki

Ayes: Ms. Murphy, Ms. Tomcala, Mr. Jarecki, Ms. Nakahira, Ms. Turner, Ms. Byom, Ms. Bui-Tong, Ms. Chapman, Mr. Haskell

Absent: Mr. Tamayo

4. **Compliance Activity Report**

Tyler Haskell, VP, Government Relations and Compliance discussed the status of regulatory audits, related corrective action plans (CAPs), and other compliance issues.

Mr. Haskell stated the Plan underwent a Department of Managed Health Care (DMHC) routine audit during the week of October 17. No obvious compliance deficiencies arose and during the audit, and the Plan has not yet received a written preliminary report.

Mr. Haskell informed the members that the Plan was assessed a \$5,000 DMHC Enforcement Penalty for providing incomplete and late responses to an inquiry into a February 2019 enrollee complaint.

Mr. Haskell shared an update on the Department of Health Care Services (DHCS) audit stating that the Plan should receive a preliminary written report by November 18 and has scheduled an exit conference for November 29.

Mr. Haskell concluded his report by sharing DHCS intends to conduct audits in the areas of transportation and behavioral health in an effort to assess member access to care. These audits will be scheduled concurrently with the Plan's annual medical audit.

5. **Oversight Activity Report**

Daniel Quan, Director, Compliance reviewed the FY 2022 – 2023 compliance dashboard, oversight audits and corrective action plans.

Mr. Quan, shared the Plan is meeting 91.8% of recorded metrics, with 246 of 268 measures met. The fiscal year goal is to meet 95% of metrics.

Mr. Quan highlighted new report data summarizing third quarter delegate compliance, noting that several delegates have yet to provide data regarding their compliance with the listed measures.

Mr. Quan reported updates on the 2022 audit work plan status noting that all audits are in progress or completed aside from the Grievance and Appeals audit that has not yet begun.

Mr. Quan presented the Arvato Digital Services Audit that focused on compliance requirements, print and mail fulfillment, and provider directory development; noting there were two findings related to timely completion of general compliance and Fraud Waste and Abuse training.

Mr. Quan reported the 2022 Compliance Program Effectiveness scope and score summary of the audit performed by Health Alliance plan of Michigan, noting a 99% overall score across all reviewed areas.

Mr. Quan provided a summary of corrective action plans noting there were three CAPs closed and one new CAP since last Compliance Committee meeting.

6. **Initial Health Assessment (IHA) Update**

Laurie Nakahira, DO, Chief Medical Officer, presented the IHA update.

Dr. Nakahira shared current requirements to be completed within 120 days of continuous enrollment for new members or two documented outreach attempts. Dr. Nakahira highlighted changes taking affect beginning January 2023, including a change from Initial Health Assessment to Initial Health Appointment and the elimination of the Individual Health Education Behavior Assessment (IHEBA) and Staying Healthy Assessment (SHA) form.

Ngoc Bui-Tong, Chief Health Equity & Strategies Officer, reported current and proposed IHA data specifications, noting that the State does not provide specificity, like it does with HEDIS measures. Ms. Bui-Tong highlighted a proposed reporting timeline only looking at people with 120 days of continuous enrollment for a more accurate data representation to be presented in the Compliance Dashboard.

Dr. Nakahira concluded the presentation by sharing current and proposed interventions to improve IHA Compliance.

Sue Murphy, Chair, requested that a project improvement timeline be provided at the next meeting.

7. **Fraud, Waste, and Abuse Report**

Mai Phuong Nguyen, Fraud, Waste, and Abuse Program Manager, presented the Fraud, Waste, and Abuse Report activities and investigations.

Ms. Nguyen shared there are a total of 65 reported leads for the year 2022 comprised from Cal MediConnect (CMC), Medi-Cal, and CMC Medi-Cal. Ms. Nguyen stated the majority of the reported leads came from Medi-Cal followed by CMC, with the majority of the allegation sources originating from members for services not rendered.

Ms. Nguyen shared new report data illustrating the monetary recovery of about \$29,000 from program integrity investigations.

Ms. Nguyen concluded her presentation by sharing an updated chart of SCFHP open investigations, highlighting a billing for service case with a non-contracted provider for COVID-19 testing where providers received payment for services under Family Planning. She reported that the Plan is currently working to close this loophole.

8. **Compliance Program Documents – Annual Review**

Mr. Haskell reported on the annual review of Compliance Program and Standards of Conduct indicating updates were made to replace mentions of “Cal MediConnect” with “Medicare and DualConnect.”

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

Motion: Mr. Haskell

Second: Ms. Turner

Ayes: Ms. Murphy, Ms. Tomcala, Mr. Jarecki, Ms. Nakahira, Ms. Turner, Ms. Byom, Ms. Bui-Tong, Ms. Chapman, Mr. Haskell

Absent: Mr. Tamayo

9. **Adjournment**

The meeting was adjourned at 2:50 PM.

Sue Murphy, Secretary



**Santa Clara Family
Health Plan™**

Oversight Activity Report – Compliance Dashboard

Compliance Committee Meeting - November 17, 2022



Compliance Summary 2022-2023

FY 2022-2023 PLAN FOCUS - At least 95% of Metrics on Compliance Dashboard in Compliance														
Fiscal Year to Month:		Sep-22		246 out of 268 measures were compliant		=		91.8%						
LOB	Category	2022						2023						FY to Date
		Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	
CMC (49 measures)	Met	40	42	42										124
	Monthly Count*	43	44	45										132
	% Met	93.0%	95.5%	93.3%										93.9%
Medi-Cal (37 measures)	Met	28	31	30										89
	Monthly Count*	35	34	34										103
	% Met	80.0%	91.2%	88.2%										86.4%
General Compliance (14 measures)	Met	11	11	11										33
	Monthly Count*	11	11	11										33
	% Met	100.0%	100.0%	100.0%										100.0%
Combined (100 measures)	Met	79	84	83										246
	Monthly Count*	89	89	90										268
	% Met	88.8%	94.4%	92.2%										91.8%

Yellow = at least 98% for measures with a goal of 100%



Compliance Summary 2022-2023

Medicare					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
CLAIMS					
Non-Contracted Providers					
Clean Claims from Non-Contracted Providers paid or denied within thirty (30) calendar days	95%	96.6%			
All Other Claims from Non-Contracted Providers or enrollees must be paid or denied within sixty (60) calendar days	100%	98.9%			
Contracted Providers					
Clean Claims from Contracted Practitioners paid or denied within thirty (30) calendar days	90%	99.5%			
Clean Claims from Contracted Providers paid or denied within ninety (90) calendar days	99%	99.9%			

Medi-Cal					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
CLAIMS					
All Claims					
Misdirected Claims forwarded within ten (10) working days	95%	96.4%			
Processed Claims that receive acknowledgement timely	95%	98.6%			
All Claims paid or denied to ALL providers within forty-five (45) working days	95%	99.9%			
Clean Claims					
Clean Claims paid or denied to Practitioner within thirty (30) calendar days	90%	97.4%			
Clean Claims paid or denied to All Providers within ninety (90) calendar days	95%	100%			
Provider Claim Dispute Requests					
Provider Disputes acknowledged within fifteen (15) working days	95%	99.9%			
Provider Disputes resolved within forty-five (45) working days/sixty-two (62) calendar days	95%	100%			
Overturned Cases					
Overturned Cases with check provided within five (5) working days	95%	100%			

CUSTOMER SERVICE					
Call Stats	Member Queue				
Member Average Hold Time in Seconds	≤120 Seconds	32			
Incoming calls that are answered within 30 seconds	80% in ≤30 sec	74.2%			
Disconnect Rate from CMS Quarterly Report (part C)	≤5%	0.0%			

CUSTOMER SERVICE					
Call Stats	Member Queue				
Member calls that are answered in ≤ 10 minutes	100%	99.0%			

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%	100%			
Out of Area Members					
% of compliance with member outreach process within 10 calendar days of notification of possible OOA for members	100%	99.3%			

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%	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%	100%			

FINANCE					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
Monthly submission of encounter data	100%	100%			

Yellow = at least 98% for measures with a goal of 100%



Compliance Summary 2022-2023

Medicare					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
HEALTH SERVICES - CASE MANAGEMENT					
HRA and ICPs					
Total ICP Completion	100%	99.8%			
Total HRA Completion	100%	100%			
Members with timely annual HRA completion	100%	99.9%			

Medi-Cal					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
HEALTH SERVICES - CASE MANAGEMENT					
HRA and ICPs for SPDs					
Newly enrolled SPD members who were due for risk stratification and were statified timely during the reporting month	100%	100%			
Total High Risk SPD HRA Completion	100%	100%			
Total Low Risk SPD HRA Completion	100%	97.4%			
Total High Risk SPDs with ICP completion	100%	100%			

HEALTH SERVICES - MEDIMPACT/PHARMACY					
Standard Part D Authorization Requests					
Standard Prior Authorization requests (part D) completed within seventy-two (72) hours of request	100%	100%			
Expedited Part D Authorization Requests					
Expedited Prior Authorization requests (part D) completed within twenty-four (24) hours of request	100%	100%			
Non Part D Drugs Authorization Requests					
Non Part D Drugs Prior Authorization completed within twenty-four (24) hours of request	100%	100%			
Call Monitoring					
Provider/Pharmacy Average Hold Time in Seconds	≤120 Seconds	24			
Provider/Pharmacy Service Level	80% in ≤30 sec	85.0%			
Disconnect Rate	≤5%	1.8%			

HEALTH SERVICES - PHARMACY

HEALTH SERVICES - UTILIZATION MANAGEMENT					
Concurrent Organization Determinations					
Concurrent Review of Authorization Requests (part C) completed within five (5) working days of request	100%	98.9%			
Pre-Service Organization Determinations					
Standard Part C					
Standard Pre-Service Prior Authorization Requests (part C) completed within five (14) calendar days	100%	99.0%			

HEALTH SERVICES - QUALITY					
Facility Site Reviews and Initial Health Assessments					
Annual Managed Care Division Facility Site Reviews/Physical-Accessibility Report submitted by Aug 1 each year	100%	100%			
Facility Site Reviews Completed	100%	100%			
IHAs completed within 120 calendar days of enrollment	100%	44.9%			

HEALTH SERVICES - UTILIZATION MANAGEMENT					
Medical Authorizations					
Concurrent Review					
Concurrent Review of Authorization Requests completed within 5 working days of request	100%	99.6%			

Yellow = at least 98% for measures with a goal of 100%



Compliance Summary 2022-2023

Medicare					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
HEALTH SERVICES - UTILIZATION MANAGEMENT (cont.)					
Pre-Service Organization Determinations (cont.)					
Expedited Part C					
% of Expedited Pre-Service Prior Authorization Requests (part C) completed within seventy-two (72) hours	100%	99.0%			
Post Service Organization Determinations					
Retrospective Requests (part C) completed within thirty (30) calendar days	100%	99.5%			
Part B Drugs Organization Determinations					
Standard Prior Authorization Requests (part B drugs) completed within seventy-two (72) hours of request	100%	98.4%			
Expedited Prior Authorization requests (part B drugs) completed within twenty-four (24) hours of request	100%	100%			

Medi-Cal					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
HEALTH SERVICES - UTILIZATION MANAGEMENT (cont.)					
Medical Authorizations (cont.)					
Routine Authorizations					
Routine Prior Authorization Requests completed within five (5) working days of request	100%	99.5%			
Expedited Authorizations					
Expedited Prior Authorization Requests completed within seventy-two (72) hours of request	100%	99.7%			
Retrospective Review					
Retrospective Requests completed within thirty (30) calendar days of request	100%	100%			
Member Notification of UM Decision					
Member Notification of UM decision in writing within two (2) working days of the decision.	100%	99.4%			
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%	98.9%			

GRIEVANCE & APPEALS					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
Grievances, Part C					
Standard Grievances Part C					
Standard Grievances (Part C) that provided Acknowledgment Letters within five (5) calendar days	100%	99.7%			
Standard Grievances (Part C) that provided Resolution Letters within thirty day calendar (30) days	100%	100%			
Expedited Grievances Part C					
Expedited Grievances (Part C) that provided Verbal or Written Resolution within twenty-four (24) hours	100%	100%			
Grievances, Part D					
Standard Grievance Part D					
Standard Grievances (Part D) that provided Acknowledgment Letters within five (5) calendar days	100%	100%			
Standard Grievances (Part D) that provided Resolution Letters within thirty (30) calendar days	100%	100%			
Expedited Grievance Part D					
Expedited Grievances (Part D) provided Verbal OR Written Resolution within twenty-four (24) hours	100%	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%	100%			
Standard Pre-Service Reconsiderations (part C) that provided Resolution Letters within thirty (30) calendar days	100%	100%			
Standard Post-Service Part C					
Standard Post-Service Reconsiderations resolved within 60 days	100%	98.9%			

GRIEVANCE & APPEALS					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
Grievances					
Standard Grievances					
Standard Grievances that provided Acknowledgement Letters within five (5) calendar days	100%	97.0%			
Standard Grievances that provided Resolution Letters within thirty (30) calendar days	100%	98.5%			
Expedited Grievances					
Expedited Grievances that provided Verbal AND Written Notifications within seventy-two (72) hours	100%	94.9%			
Appeals					
Standard Appeals					
Standard Appeals that provided Acknowledgement Letters within five (5) calendar days	100%	96.6%			
Standard Appeals that provided Resolution Letters within thirty (30) calendar days	100%	100%			
Expedited Appeals					
Expedited Appeals that provided Verbal AND Written Notifications within seventy-two (72) hours	100%	91.7%			

Yellow = at least 98% for measures with a goal of 100%



Compliance Summary 2022-2023

Medicare					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
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%	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%	100%			
Appeals, Part B					
Part B Drug Appeals that provided Verbal OR Written Resolution within seven (7) calendar days	100%	100%			
Redeterminations, Part D					
Standard Part D					
% of Standard Redeterminations (part D) that provided Resolution Letters within seven (7) calendar days	100%	96.6%			
Expedited Part D					
Expedited Redeterminations (part D) that provided Verbal AND Written Resolution within seventy-two (72) hours	100%	100%			
Untimely Expedited Redeterminations (part D) submitted to IRE within twenty-four (24) hours of decision	100%	100%			
Direct Member Reimbursement Redeterminations (Part D) resolved within fourteen (14) calendar days	100%	100%			
Complaint Tracking Module (CTM) Complaints					
CTM Complaints Resolved Timely	100%	100%			
MARKETING					
Required Materials posted to the Plan's website by the first of each month	100%	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%	n/a			
MEDICARE OUTREACH					
Annual Medicare Communications & Marketing Guidelines training completed by September 30 each year	100%	100%			

PROVIDER NETWORK MANAGEMENT					
PROVIDER DATABASE & REPORTING					
Provider Directories updated monthly by the first day of the month	100%	100%			
Annual Health Service Delivery Tables submitted by September 30 of each year	100%	n/a			

Medi-Cal					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
GRIEVANCE & APPEALS					

MARKETING					
Training and certification for Marketing Representatives completed timely	100%	100%			
Medi-Cal Provider Directory posted on the Plan's website by the first of the month	100%	100%			

INFORMATION TECHNOLOGY					
Encounter Files Successfully Submitted to DHCS by end of month	100%	100%			
Monthly Eligibility Files successfully submitted to Delegates Timely	100%	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%	100%			
PROVIDER NETWORK ACCESS & DATABASE					
Annual Network Certification submitted by March 31 of each year	100%	n/a			
Timely Access Compliance Report submitted by March 31 of each year	100%	n/a			

Yellow = at least 98% for measures with a goal of 100%



Compliance Summary 2022-2023

Medicare					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
GENERAL COMPLIANCE					
Exclusion Screenings					
Individual Exclusion Screening					
New Eligible Individuals screened prior to start date	100%	100%			
Eligible Individuals who are screened monthly	100%	100%			
FDR Exclusion Screening					
Initial Exclusion Screening Completed for FDRs prior to contracting	100%	100%			
Monthly Exclusion Screening Completed for existing FDRs	100%	100%			
Provider Monthly Screenings					
Monthly Exclusion Screening completed for the Plan's Contracted Providers	100%	100%			
Monthly Exclusion Screening completed for Non-Contracted Providers	100%	100%			
Compliance Training					
New Eligible Employees completed trainings within ninety (90) days of initial hiring (SCFHP's operational standard = 5 working days)	100%	100%			
Annual Employee Training completed within sixty (60) calendar days of issuance	100%	n/a			
Annual Board Training completed within sixty (60) calendar days of issuance	100%	100%			
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%	100%			
Current Employees receive Standards of Conduct and Compliance P&Ps annually	100%	n/a			

Medi-Cal					
Measure	Goal	Q3-22	Q4-22	Q1-23	Q2-23
GENERAL COMPLIANCE					
Personnel Filings					
Key Personnel filings completed within five (5) calendar days of effective date	100%	100%			
Department Of Fair Employment & Housing Training					
Employees who complete the CA harassment training course once every two years	100%	n/a			
Temporary Employees completed the CA harassment training within 30 calendar days from start date or 100 hours of work	100%	100%			

Yellow = at least 98% for measures with a goal of 100%



Delegate Compliance Summary Q3-2022

Medi-Cal							
Measure	Goal	SCFHP	Kaiser	VHP	PMGSJ	NEMS	PCNC
CLAIMS							
All Claims							
Misdirected Claims forwarded within ten (10) working days	95%	96.4%					
Processed Claims that receive acknowledgement timely	95%	98.6%					
All Claims paid or denied to ALL providers within forty-five (45) working days	95%	99.9%	99.6%	99.0%	100%	100%	100%
Clean Claims							
Clean Claims paid or denied to Practitioner within thirty (30) calendar days	90%	97.4%	95.8%	99.0%	100%	100%	99.0%
Clean Claims paid or denied to All Providers within ninety (90) calendar days	95%	100%					
Provider Claim Dispute Requests							
Provider Disputes acknowledged within fifteen (15) working days	95%	99.9%					
Provider Disputes resolved within forty-five (45) working days/sixty-two (62) calendar days	95%	100%	99.0%		100%	100%	98.0%
Overtured Cases							
Overtured Cases with check provided within five (5) working days	95%	100%					
CUSTOMER SERVICE							
Call Stats							
Member calls that are answered in ≤ 10 minutes	100%	99.0%		Not Delegated	Not Delegated	Not Delegated	Not Delegated

Yellow = at least 98% for measures with a goal of 100%



Delegate Compliance Summary Q3-2022

Medi-Cal							
Measure	Goal	SCFHP	Kaiser	VHP	PMGSJ	NEMS	PCNC
HEALTH SERVICES - CASE MANAGEMENT							
HRA and ICPs for SPDs							
Total High Risk SPD HRA Completion	100%	100%		20.4%	Not Delegated	Not Delegated	Not Delegated
Total Low Risk SPD HRA Completion	100%	97.4%		0.00%	Not Delegated	Not Delegated	Not Delegated
Total High Risk SPDs with ICP completion	100%	100%		20.4%	Not Delegated	Not Delegated	Not Delegated
HEALTH SERVICES - QUALITY							
Initial Health Assessments							
IHAs completed within 120 calendar days of enrollment	100%	44.9%					
HEALTH SERVICES - UTILIZATION MANAGEMENT							
Medical Authorizations							
Concurrent Review							
Concurrent Review of Authorization Requests completed within 5 working days of request	100%	99.6%	100%	99.0%	99.0%	100%	85.0%

Yellow = at least 98% for measures with a goal of 100%
 Beige = data not yet reported



Delegate Compliance Summary Q3-2022

Medi-Cal							
Measure	Goal	SCFHP	Kaiser	VHP	PMGSI	NEMS	PCNC
HEALTH SERVICES - UTILIZATION MANAGEMENT (cont.)							
Medical Authorizations (cont.)							
Routine Authorizations							
Routine Prior Authorization Requests completed within five (5) working days of request	100%	99.5%	99.2%	98.9%	100%	100%	100%
Expedited Authorizations							
Expedited Prior Authorization Requests completed within seventy-two (72) hours of request	100%	99.7%	100%	99.1%	100%	100%	99.5%
Retrospective Review							
Retrospective Requests completed within thirty (30) calendar days of request	100%	100%	100%	100%	100%	97.1%	100%
Member Notification of UM Decision							
Member Notification of UM decision in writing within two (2) working days of the decision.	100%	99.4%	99.3%	99.0%	100%	100%	96.2%
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%	98.9%	99.0%	99.0%	100%	100%	
GRIEVANCE & APPEALS							
Grievances							
Standard Grievances							
Standard Grievances that provided Acknowledgement Letters within five (5) calendar days	100%	97.0%		Not Delegated	Not Delegated	Not Delegated	Not Delegated
Standard Grievances that provided Resolution Letters within thirty (30) calendar days	100%	98.5%		Not Delegated	Not Delegated	Not Delegated	Not Delegated
Expedited Grievances							
Expedited Grievances that provided Verbal AND Written Notifications within seventy-two (72) hours	100%	94.9%		Not Delegated	Not Delegated	Not Delegated	Not Delegated
Appeals							
Standard Appeals							
Standard Appeals that provided Acknowledgement Letters within five (5) calendar days	100%	96.6%		Not Delegated	Not Delegated	Not Delegated	Not Delegated
Standard Appeals that provided Resolution Letters within thirty (30) calendar days	100%	100%		Not Delegated	Not Delegated	Not Delegated	Not Delegated
Expedited Appeals							
Expedited Appeals that provided Verbal AND Written Notifications within seventy-two (72) hours	100%	91.7%		Not Delegated	Not Delegated	Not Delegated	Not Delegated

Yellow = at least 98% for measures with a goal of 100%

Beige = data not yet reported



**Santa Clara Family
Health Plan™**

Compliance Program Documents – Annual Review

Compliance Committee Meeting - November 17, 2022



**Santa Clara Family
Health Plan™**

Compliance Program Documents – Annual Review
Compliance Program

Compliance Committee Meeting - November 17, 2022



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

Compliance Program
202~~3~~2

Governing Board approval date: ~~December 16, 2024~~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 Managed Care Plan, ~~a Cal MediConnect Managed Care Plan~~, and a ~~soon to be~~ Medicare Advantage Prescription Drug Plan (“MAPD”) with Medicare Parts C and D, are conducted in an ethical and legal manner, in accordance with ~~the 3-way C~~ contracts between the United States Department of Health and Human Services Centers for Medicare and Medicaid Services (“CMS”), ~~and~~ 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 and focus on the following areas: oversight of first tier, downstream and related entities (FDRs), 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~~, Medicare Parts C and D, and their employees (including temporary staff) and contractors who provide health and/or administrative services in connection with Plan’s ~~Cal Medi-Connect plan~~ MAPD 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 :

- 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~~ [MAPD plan](#) 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 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 Medicare 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 Medicare 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.

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 from a variety of backgrounds to support the CCO in implementing the Compliance Program. 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;
- 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. The CCO shall treat all communications confidential. 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 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. 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) and 42 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™**

Compliance Program Documents – Annual Review Standards of Conduct

Compliance Committee Meeting - November 17, 2022



Santa Clara Family Health Plan Standards of Conduct

Approved by the Governing Board, ~~December 16, 2021~~ TBD

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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 its 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 policies 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

– As a government contracted entity, we may not accept gifts or gratuities of any material value. If gifts or gratuities of a \$50 or greater value 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 MediDual Connect 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 MediDual Connect 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

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.

Regular Meeting of the
Santa Clara County Health Authority
Quality Improvement Committee

Tuesday, October 11, 2022, 6:00 PM – 8:00 PM
Santa Clara Family Health Plan, Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes – Draft

Members Present

Ria Paul, MD, Chair
Ali Alkoraishi, MD
Jimmy Lin, MD
Laurie Nakahira, D.O.,
Chief Medical Officer
(CMO)
Christine Tomcala,
Chief Executive Officer
(CEO)

Members Absent

Nayyara Dawood, MD
Jennifer Foreman, MD

Specialty

Geriatrics
Adult & Child Psychiatry
Internist

Pediatrics
Pediatrics

Staff Present

Chris Turner, Chief Operating Officer (COO)
Chelsea Byom, Vice President, Marketing,
Communications & Outreach
Mai Chang, Director, Quality & Process Improvement
Angela Chen, Director, Case Management &
Behavioral Health
Janet Gambatase, MPA, Director, Provider Network
Operations
Tanya Nguyen, Director, Customer Service
Mauro Oliveira, Director, Operations
Daniel Quan, Director, Compliance
Carole Ruvalcaba, Director, Marketing &
Communications
Lucille Baxter, Manager, Quality & Health Education
Charla Bryant, Manager, Clinical Quality & Safety
Karen Fadley, Manager, Provider Data,
Credentialing and Reporting
Claudia Graciano, Provider Access Program
Manager
Olivia Pham, Process Improvement Project Manager
Robert Scrase, Manager, Process Improvement
Nancy Aguirre, Administrative Assistant
Robyn Esparza, Administrative Assistant

1. Roll Call

Ria Paul, MD, Chair, called the meeting to order at 6:01pm. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

3. Meeting Minutes

Draft meeting minutes of the 08/09/2022 Quality Improvement Committee (QIC) meeting were reviewed.

It was moved, seconded and the draft minutes of the 08/09/2022 QIC meeting were unanimously approved.

Motion: Ms. Tomcala
Second: Dr. Nakahira
Ayes: Dr. Alkoraishi, Dr. Nakahira, Dr. Paul, Ms. Tomcala
Absent: Dr. Dawood, Dr. Foreman, Dr. Lin

4. Chief Executive Officer (CEO) Update

Christine Tomcala, Chief Executive Officer (CEO) acknowledged the passing of our beloved friend and colleague, Dr. Jeff Robertson. Dr. Jeff served at the Health Plan for over 10 years at the capacity of Chief Medical Officer (CMO), and more recently, as a Medical Director. Dr. Jeff will be deeply missed.

Ms. Tomcala noted the Plan's membership is currently at 318,000 members, and it is the season for Medicare Advantage selections. Additionally, the Plan is in process of converting our Cal Medi-Connect (CMC) members and transitioning them to the Dual Eligible Special Needs Plan (D-SNP) program, effective January 1st.

Ms. Tomcala shared, once the public health emergency is over, Assembly Bill 2449, regarding public meeting teleconferencing, will allow for additional attendance flexibility, all while maintaining the existing public meeting parameters. Prior to COVID-19, members could attend the QIC meetings in person, or, if needed, electronically. In order to do so, the address where one plans to attend would need to be identified on the published agenda one (1) week prior to the meeting; and as such, the public would then have the opportunity to join you at the listed address. Assembly Bill 2449 requires a quorum needs to participate in person. New flexibilities include the ability to join remotely without the need to identify your address on the agenda shall one be experiencing an emergency. However, both audio and visual connections must be in use when joined remotely.

Ms. Tomcala announced this year is the 25th anniversary of the Health Plan. A celebration will be held at the Blanca Alvarado Community Resource Center (CRC), on Saturday, October 22. Additionally, in honor of our 25th anniversary, the Plan is instituting a scholarship program in hopes to provide support to our members who are interested in obtaining a career in healthcare. More details to come.

5. Compliance Report

Daniel Quan, Director, Compliance, presented the Compliance Report on behalf of Tyler Haskell, Director, Government Relations. Beginning on October 17th, the Plan will undergo a routine Department of Managed Health Care (DMHC) survey. This survey will cover the overall performance of the Plan against State health plan licensing regulations. Additionally, every three (3) years, DMHC conducts a Financial Audit. This year the Plan was due for review. On October 3rd, the Plan received a report from the Financial Audit with zero (0) findings.

In March, the Plan underwent its annual Department of Health Care Services (DHCS) audit, and has not yet received a written preliminary report.

Mr. Quan shared the Plan recently received a Notice of Noncompliance from Centers for Medicare & Medicaid Services (CMS) related to a required protected class drug that was missing from the Plan's July 2022 formulary submission. The Plan's pharmacy benefit manager, MedImpact, removed Trizivir from the formulary. MedImpact added Trizivir back to the formulary in the next submission window.

Mr. Quan announced the Plan recently completed its annual Medicare data validation audit, with final results indicating 100% validation.

Mr. Quan added, the Plan underwent the Compliance Effectiveness Audit required by CMS. This audit reviews the effectiveness of our Compliance Program and must be completed annually. The Plan received a final report in late September, indicating one (1) finding related to the lack of documentation demonstrating the Plan had provided required annual compliance training to a consultant doing work relations to our Medicare line of business (LOB). The report also includes four (4) observations relating to improving the consistency and clarity of internal documents and reducing audit completion times.

6. QIC Member Appointment and Term Limits

Laurie Nakahira, D.O., CMO reviewed the QIC member appointment and term limit requirements based on the QIC Charter. Upon review of the QIC Charter, all QIC stakeholders, including the Chairperson, can serve up to three (3), two (2) year terms. Currently, most QIC members are due for reappointment. Those interested in serving an additional term must connect with Dr. Nakahira and Ms. Tomcala offline.

7. Annual Assessment of Physician Directory Accuracy Report 2022

Claudia Graciano, Provider Access Program Manager, presented the Annual Assessment of Physician Directory Accuracy Report 2022. To validate the information on file, data is collected from provider delegates and providers via provider rosters, provider profiles, as well as provider and facility attestations.

There are five (5) measures that were monitored for aspects of physician directory accuracy. They include, 1). Accuracy of office locations, 2). Accuracy of phones numbers, 3). Accuracy of hospital affiliations, 4). Accuracy of accepting new patients, and 5). Awareness of physician office staff of physician's participation in the organization's network.

Ms. Graciano explained the methodology involved in conducting the accuracy report, as well as the results of the analysis. Barriers and opportunities for improvement were identified and shared.

It was moved, seconded and the Annual Assessment of Physician Directory Accuracy Report 2022 was unanimously approved.

Motion: Ms. Tomcala
Second: Dr. Nakahira
Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala
Absent: Dr. Dawood, Dr. Foreman

Jimmy Lin, MD, joined the meeting at 6:33pm.

8. Accuracy and Quality of Pharmacy Benefit Information to Members via Telephone

Tanya Nguyen, Director, Customer Service, reviewed the Accuracy and Quality of Pharmacy Benefit Information to Members via Telephone. SCFHP has a responsibility to ensure that members can contact the organization via phone and receive accurate, quality information on drugs, coverage, and costs.

Ms. Nguyen reviewed the methodology used, which is comprised of six (6) factors, including, 1). Financial responsibility, 2). Exceptions process, 3). Mail order, 4 & 5). Pharmacy location, and 6). Generic substitution. Ms. Nguyen reviewed both the accuracy and quality assessments for all factors. Additionally, an overview of both the quantitative and qualitative analyses were presented.

Ms. Nguyen concluded by reviewing the opportunities for improvement and the interventions implemented.

It was moved, seconded and the Accuracy and Quality of Pharmacy Benefit Information to Members via Telephone was unanimously approved.

Motion: Dr. Alkoraishi
Second: Dr. Lin
Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala
Absent: Dr. Dawood, Dr. Foreman

9. Annual CMC Continuity and Coordination Between Medical Care and Behavioral Health (BH) Analysis

Jamie Enke, Program Manager, Behavioral Health, presented the Annual CMC Continuity and Coordination Between Medical Care and BH Analysis. Annually, the Plan collects data of opportunities for collaboration between medical care and behavioral healthcare in the following six (6) areas: 1). Exchange of information, 2). Appropriate diagnosis, treatment, and referral of behavioral disorders commonly seen in primary care, 3). Appropriate use of psychotropic medications, 4). Management of treatment access and follow-up for members with coexisting medical and behavioral disorders, 5). Primary or secondary preventive behavioral healthcare

program implementation, and 6). Special needs of members with severe and persistent mental illness.

Ms. Enke reviewed the established goal(s) and the performance for each of the six (6) measures, as well as a quantitative and qualitative analysis. Barriers, opportunities for improvement, as well as the interventions implemented were also reviewed.

It was moved, seconded and the Annual CMC Continuity and Coordination Between Medical Care and BH Analysis was **unanimously approved**.

Motion: Ms. Tomcala

Second: Dr. Lin

Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala

Absent: Dr. Dawood, Dr. Foreman

10. Assessment of CMC Member Understanding of Policies and Procedures

Chelsea Byom, Vice President, Marketing, Communications & Outreach, presented the Assessment of CMC Member Understanding of Policies and Procedures. This report assesses how well members understand the Plan's policies and procedures, specifically from marketing materials.

Ms. Byom explained the methodology used, as well as the top three (3) call types, including, 1). Materials request, 2). Benefit inquiry/other, and 3). General Provider/Network information inquiry.

Ms. Byom reviewed the actionable opportunities for improvement, which include, improving awareness of SCFHP's forms and instructions through education, promoting self-service options, and updating webpages to include an Appointment of Representative (AOR) form with instructions more prominently.

Motion: Ms. Tomcala

Second: Dr. Lin

Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala

Absent: Dr. Dawood, Dr. Foreman

11. Annual Review of QI Policies

Charla Bryant, Manager, Clinical Quality & Safety, reviewed policy QI.02, and noted the minor changes made.

a. QI.02 Clinical & Preventative Practice Guidelines.

It was moved, seconded and policies QI.02 was **unanimously approved**.

Motion: Dr. Nakahira

Second: Dr. Lin

Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala

Absent: Dr. Dawood, Dr. Foreman

12. Annual Review of Credentialing Policies

Karen Fadley, Manager, Provider Data, Credentialing and Reporting, presented the Credentialing Policies. All listed policies were reviewed and approved as presented at the 08/03 Credentialing Committee Meeting.

- a. CR.01 Credentialing and Recredentialing
- b. CR.02 Credentialing and Oversight of Mid-Level Practitioners
- c. CR.03 Objective Criteria for Defining HIV/AIDS Expertise
- d. CR.04 Notification to Authorities and Practitioner Appeal Rights
- e. CR.05 Delegation of Credentialing and Recredentialing
- f. CR.06 Ongoing Monitoring and Interventions
- g. CR.07 Assessment of Organizational Providers
- h. CR.08 Credentialing Committee
- i. CR.10 Credentialing System Controls

It was moved, seconded and policies CR.01, CR.02, CR.03, CR.04, CR.05, CR.06, CR.07, CR.08, and CR.10 were **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Paul
Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala
Absent: Dr. Dawood, Dr. Foreman

13. Grievance & Appeals (G&A) Report Q2 2022

Mauro Oliveira, Director, Operations, presented the G&A Report for Q2 2022. Mr. Oliveira reviewed the total G&As per 1,000 members, for both Medi-Cal (MC) and CMC, as well as the total appeals received.

Mr. Oliveira presented the G&A Report for Q2 2022. The top 3 MC grievance categories and the top 3 MC grievance subcategories were reviewed, as well as the MC Appeals by case type and disposition. In addition, the Top 3 Cal MediConnect (CMC) grievance categories and the top 3 CMC grievance subcategories were reviewed, as well as the CMC Appeals by case type and disposition.

14. Quality Dashboard

Ms. Bryant presented the Quality Dashboard beginning with the Initial Health Assessment (IHA) results. Reports indicate a slight increase in completion rates when comparing August 2021 to September 2022.

Ms. Bryant noted between August – September 2022, six (6) Facility Site Reviews (FSRs) were completed. Certified Master Trainers (CMT) and QI Nurses continue to conduct FSRs to ensure sites operate in compliance with all applicable local, State, and federal laws and regulations.

Ms. Bryant reviewed the Potential Quality of Care Issues (PQIs), noting 20.5% of PQIs due from August – September 2022 closed on time (within 90 days). Also reviewed were the results for the Outreach Call Campaign, an internal program where staff conduct calls to members to promote health education. A total of 14,161 calls were made from August – September 2022.

In an effort to improve the Healthcare Effectiveness Data and Information Set (HEDIS) MC and CMC rates, alerts have been loaded into QNXT so that internal staff can remind members about screenings and/or visits they are due for. A total of 3,255 QNXT Gaps in Care (GIC) alerts were closed between August – September 2022.

15. Consumer Advisory Board (CAB)

The draft minutes of the 09/01/2022 CAB meeting were reviewed by Dr. Nakahira.

It was moved, seconded and the 09/01/2022 draft CAB meeting minutes were **unanimously approved.**

Motion: Dr. Lin
Second: Dr. Alkoraishi
Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala
Absent: Dr. Dawood, Dr. Foreman

16. Pharmacy & Therapeutics Committee (P&T)

The minutes of the 09/15/2022 P&T Committee meeting were reviewed by Jimmy Lin, MD, Chair, P&T Committee.

It was moved, seconded and the 09/15/2022 draft Open P&T Committee meeting minutes were **unanimously approved.**

Motion: Dr. Nakahira
Second: Dr. Lin
Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala
Absent: Dr. Dawood, Dr. Foreman

17. Credentialing Committee

The draft open minutes of the 08/03/2022 Credentialing Committee meeting were reviewed by Dr. Nakahira.

It was moved, seconded and the 08/03/2022 draft Credentialing Committee meeting minutes were unanimously approved.

Motion: Dr. Lin

Second: Dr. Nakahira

Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala

Absent: Dr. Dawood, Dr. Foreman

18. Credentialing Committee Report

Dr. Nakahira reviewed the 08/03/2022 Credentialing Committee Report.

It was moved, seconded and the 08/03/2022 Credentialing Committee Report was unanimously approved.

Motion: Dr. Lin

Second: Dr. Nakahira

Ayes: Dr. Alkoraishi, Dr. Lin, Dr. Nakahira, Dr. Paul, Ms. Tomcala

Absent: Dr. Dawood, Dr. Foreman

19. Adjournment

The next regular QIC meeting will be held on December 13, 2022. The meeting was adjourned at 7:24pm.

Ria Paul, MD, Chair

Date



**Santa Clara Family
Health Plan™**

Annual Assessment of Physician Directory Accuracy Report

Quality Improvement Committee Meeting October 11, 2022

Introduction

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.



[About us](#) [Healthcare plans](#) [For members](#) [Fo](#)

audio, [please fill out and submit this form](#).

2022 Member Materials

Name	English	Español	Tiếng Việt	中文	Tagalog
Annual Notice of Changes (ANOC)					
Denti-Cal Provider List					
Durable Medical Equipment (DME) List					
List of Covered Drugs (Formulary)					

Overview

By performing routine outreach to our providers to keep their information up to date, we maintain our dedication to our members and their health.

- Provider Rosters
- Provider Profiles
- Provider and Facility Attestations



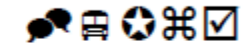
Overview continued

Data associated with physician directory accuracy.

- Measure 1. Accuracy of office locations
- Measure 2. Accuracy of phone numbers
- Measure 3. Accuracy of hospital affiliations (admitting privileges)
- Measure 4. Accuracy of accepting new patients
- Measure 5. Awareness of physician office staff of physician's participation in the organization's network

East Palo Alto

Chavarria, Jaime, MD

 4

Gender: M

Doctor/Clinic Code (NPI):

1629155619

License: G62386

Ravenswood Family Health

1 Center

1885 Bay Rd

East Palo Alto, CA 94303

2 (650) 330-7400


Family Medicine

Languages: Spanish

3 Hospitals: Santa Clara Valley

Medical

Hours: M,W,Th (8-7) T (9:30-7)

 Accessibility: Limited

P

Methodology

1

Provider Directory Data

Legal Name & Title	Practitioner N°	Pract	Languages Spoken	Are you a	Specialty1	Specialty2	Specialty3	Practitioner Hospital Affiliation	Medical Group Name/ Practice Name
Abalos-Gallo, Marietta M	1437277892	F	English, Tagalog	PCP	Internal Medicine				Marietta Abalos-Gallo MD
Kaytha, Amir MD	1639376959	M	English, Farsi	Specialist	Cardiovascular Diseases		Good Samaritan - Eff Date Unknown	Amir Kaytha MD Inc	
Aljnt, Nadia DC	1164518759	F	English	Specialist	Chiropractic			Nadia Aljnt, DC	
Ashleer, Robert G MD	1311562259	M	English, Punjabi, Spanish	Specialist	Orthopedic Surgery		El Camino - Eff Date Unknown, Carthritis & Orthopedic Medical Clinic		
Wurthy, Harris H MD	1922074061	M	English, Kannada	Specialist	Pulmonary Disease/Sleep Medicine		El Camino - Eff Date Unknown	Bay Area Surgical Specialists	
Wurthy, Harris H MD	1922074061	M	English, Kannada	Specialist	Sleep Medicine/Pulmonary Disease		El Camino - Eff Date Unknown	Bay Area Surgical Specialists	
Wurthy, Harris H MD	1922074061	M	English, Kannada	Specialist	Sleep Medicine/Pulmonary Disease		El Camino - Eff Date Unknown	Bay Area Surgical Specialists	
Wurthy, Harris H MD	1922074061	M	English, Kannada	Specialist	Pulmonary Disease/Sleep Medicine		El Camino - Eff Date Unknown	Bay Area Surgical Specialists	
Luong, Danny B MD	1388750438	M	Cantonese, Chinese, English	Specialist	Ophthalmology	Ophthalmology		Advanced Eye Associates	
Xie, John Z MD	1972981664	M	Chinese, English, Mandarin	Specialist	Ophthalmology			Advanced Eye Associates	
Cheung, Alphonse L MD	1696922469	M		Specialist	Anesthesiology/Pain Medicine			Alphonse L Cheung	
Asad, Navrad MD	1164037894	M	English, Hindi, Russian	Specialist	Cardiovascular Diseases		Good Samaritan - Eff Date Unknown	Cardiac & Vascular Care Inc	
Bücher, Michael D MD	1366631133	M	English, Farsi, Russian	Specialist	Orthopedic Surgery		Good Samaritan - Eff Date Unknown	Arthritis & Orthopedic Medical Clinic	
Cahn, David A MD	1689792205	M	English, Spanish	PCP	Family Medicine			Hamilton Medical Group	
Greenwald, Leonard DP	1134179047	M	English	Specialist	Podiatry			Berrysessa Hills Podiatry Group	
Carrie, Brian J MD	1851378095	M	English	Specialist	Nephrology		El Camino - Eff Date Unknown	El Camino Renal Medical Group	
Cervantes, Hector L DPM	1205659584	M	English, Tagalog	Specialist	Podiatry			Hector L Cervantes, DPM	
Che, Qi MD	1447429212	F	English, Mandarin	Specialist	Nephrology			Chobot Health Med Grp Inc	
Yu, Chung H MD	1013965017	M	Cantonese, English, Vietnamese	PCP	Internal Medicine			Chung H Yu MD	
Contreras, Claudio S MD	1194965387	M	English, Spanish	Specialist	Ophthalmology			Claudio S Contreras MD Inc	
Khay, Darth S MD	1285761616	M	Cambodian, English	PCP	Family Medicine			Darth S Khay MD Inc	

2

Parameters

Parameter	Value
Margin of Error	10%
Confidence Level	90%
Population Size	451
Recommended Sample Size	60

3

Phone Calls



Analysis

Provider Directory Accuracy

- Goal = 100% accuracy, not met
- 2022 Accuracy Percentage 85%-87%
- There was an overall accuracy percentage decreased

*Provider Terms, not yet updated
- timing of data pull/changes (2 term now, 6 have not received term notice)

*Provider visits on pause due to Covid. These visits have started in Q3 2022.

	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	51	52	52	51	52
Total Physician Responses	60	60	60	60	60
2022 Accuracy Percentage (%)	85%	87%	87%	85%	87%
2021 Accuracy Percentage (%)	92%	96%	83%	96%	96%
2020 Accuracy Percentage (%)	98%	97%	100%	97%	100%
Goal	100%	100%	100%	100%	100%
Goal Met (Y/N)	N	N	N	N	N

2022 Barrier and Opportunity Analysis

Barrier	Opportunity	Intervention	Selected for 2022?	Date Initiated
Delays in receiving changes from providers through their delegates. Additionally, inaccuracy in the delegate provide	Reminders to delegates	Continue to communicate timeliness and accuracy of provider changes at Delegate Data Work Group meetings.	Y	Ongoing
Rapidly changing provider data due to frequent staff changes	Inform/ educate providers of importance of submitting timely information	Include information on directory accuracy requirements in annual provider education packets. As needed, discuss data changes with MD and their office staff.	Y	Ongoing
SCFHP Provider Data report Data Validation Quality Checks	Create Quarterly Quality Checks on Provider Data Directory Validation	Quarterly validate the provider data through calls to provider office in validation of their submitted data reporting.	Y	Ongoing



**Santa Clara Family
Health Plan™**

Accuracy and Quality of Pharmacy Benefit Information to
Members via Telephone

Quality Improvement Committee Meeting October 11, 2022



SANTA CLARA FAMILY HEALTH PLAN

Pharmacy Benefit Information 2022:

Telephone Accuracy and Quality Analysis

Prepared by: Tanya Nguyen, Director of Customer Service
For review and approval by the Quality Improvement Committee October 11, 2022



IV. Methodology: Telephone

Quarterly, SCFHP audits Customer Service telephone calls from members. To review the quality and accuracy of the telephone calls of member in one attempt, requested information on six factors which are: Financial responsibility, exceptions process, mail order, pharmacy location, and generic substitution. The auditors (Quality Training Manager and the Quality & Training Specialist) randomly select ten (10) member contacts based on the selected call categories and call recording for each quarter. If there are less than ten (10) member contacts for a call category, all contacts for that factor were reviewed. When a particular category involves a turn-around time frame, twenty (20) cases would be selected, ten (10) cases would be selected for the standard requests and ten (10) cases would be selected for the expedited requests. The calls were specifically selected to review the quality and accuracy assessment on the pharmacy benefit information. 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 the pharmacy benefit inquiry can be answered in one attempt call made by the member. If a medication does require a copay, the CSR is able to respond correctly. If the caller is requesting an exception to a non-covered medication, the CSR is able to initiate this request. If the caller is requesting a mail order service for their medications, the CSR is able to assist with setting up mail service. If the caller is requesting a pharmacy location in their proximity, the CSR is able to provide accurate information. Lastly, if the caller is requesting for a



generic substitution, the CSR is able to accurately provide the availability of generic substitutes for specific pharmaceuticals. Data included in this analysis was captured from July 1, 2021 through June 30, 2022.

A. Pharmacy Benefit Inquiry Accuracy Assessments

Factor 1: Financial responsibility

Measure 1: Did the CSR respond correctly to copay?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the CSR determine their financial responsibility for a drug, based on the pharmacy benefit.

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% callers can determine their financial responsibility (e.g., out-of-pocket cost associated with filling a prescription) for specified pharmaceuticals by telephone.

Factor 2: Exceptions process

Measure 1: Was the request submitted for the medication(s) member requested?

Measure 2: Was the request marked correctly (standard vs expedited)?

Measure 3: Was the correct turnaround time provided?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the CSR Initiate the exceptions process

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% of callers can initiate the exceptions process on their own behalf without having to go through a dispensing pharmacist's telephone system. Limiting the process to initiate the exceptions process to only practitioners does not meet the factor



Factor 3: Mail-order prescription refills

Measure 2: Did the CSR thoroughly respond to the member’s inquiry about utilizing the pharmacy mail order?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the member is able to Order a refill for an existing, unexpired, mail-order prescription

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% of callers can order a refill of an existing, unexpired mail-order prescription, if allowed by law.

Factors 4, 5: Location and proximity search

Measure 1: Did the CSR conduct proximity search using tool?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the CSR was able find the location of an in-network pharmacy and conduct a proximity search based on zip code.

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% of callers can locate a pharmacy within their proximity

Factor 6: Availability of generic substitutes

Measure 1: Was the correct response to the member based on the search outcome from the formulary tool?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the CSR was able to determine the availability of generic substitutes

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% of callers can access information by telephone on the availability of generic substitutes for specific pharmaceutical

B. Pharmacy Benefit Inquiry- Quality Assessments

Measure 2: Did CSR review LIS level and provide max copay?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the CSR determine their financial responsibility for a drug, based on the pharmacy benefit.

Denominator: Number of cases received July 1, 2021 through June 30, 2022



Goal: 100% callers can determine their financial responsibility (e.g., out-of-pocket cost associated with filling a prescription) for specified pharmaceuticals by telephone

Factor 2: Exceptions process

Measure 4: Was the next step for the exception submission provided?

Measure 5: Did CSR fully explain/provide the restriction(s) pertaining to the medication(s) member requested?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the CSR Initiate the exceptions process

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% of callers can initiate the exceptions process on their own behalf without having to go through a dispensing pharmacist's telephone system. Limiting the process to initiate the exceptions process to only practitioners does not meet the factor

Factor 3: Mail-order prescription refills

Measure 1: Did the CSR provide instructions to place an order for refills or offer/ warm transfer the member set up the pharmacy mail order service?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the member is able to Order a refill for an existing, unexpired, mail-order prescription

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% of callers can order a refill of an existing, unexpired mail-order prescription, if allowed by law.

Factors 4, 5: Location and proximity search

Measure 2: Did CSR provide the correct name and address of pharmacy?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the CSR was able find the location of an in-network pharmacy and conduct a proximity search based on zip code.

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% of callers can locate a pharmacy within their proximity

Factor 6: Availability of generic substitutes



Measure 2: Did the CSR provide the response to member’s request fully such as dosage and restrictions?

Numerator: Number of cases that were audited from July 1, 2021 through June 30, 2022 that the CSR was able to determine the availability of generic substitutes

Denominator: Number of cases received July 1, 2021 through June 30, 2022

Goal: 100% of callers can access information by telephone on the availability of generic substitutes for specific pharmaceutical

V. Data – Telephone Functionality

Table 1: Quality and Accuracy Assessments of Factor 1 – Financial Responsibility_(July 2021-June 2022)

Element B: Functionality – Telephone (QUALITY AND ACCURACY)																	
Quarters	Q3 - 2021				Q4 - 2021				Q1 - 2022				Q2 - 2022				Annual Total
Total Sample Per Quarter	10				10				10				10				40
Goal	100%				100%				100%				100%				100%
Factor 1: Copay	MET	UNMET	N/A	GOAL MET	Met	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	Average Annual Total
1. Did the CSR respond correctly to copay?	10	0	0	100%	100%	0	0	100%	10	0	0	100%	10	0	0	100%	100%
2. Did the CSR review LIS level and provide max copay?	10	0	0	100%	100%	0	0	100%	10	0	0	100%	10	0	0	100%	100%



Table 2: Quality and Accuracy Assessments of Factor 2 – Exceptions Process (July 2021-June 2022)

Element B: Functionality – Telephone (QUALITY AND ACCURACY)																	
Quarters	Q3- 2021				Q4 - 2021				Q1 - 2022				Q2 - 2022				Annual Total
Total Sample Per Quarter	20				20				20				20				80
Goal	100 %				100%				100%				100%				100%
Factor 2: Exception Request	Met	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	Annual Total Average
1. Was the request submitted for the medication(s) member requested?	20	0	0	100%	20	0	0	100%	20	0	0	100%	20	0	0	100%	100%
2. Was the request marked correctly (standard vs expedited)?	20	0	0	100%	20	0	0	100%	20	0	0	100%	20	0	0	100%	100%
3. Was the correct turn-around time provided?	20	0	0	100%	18	2	0	90%	17	3	0	85%	20	0	0	100%	94%
4. Was the next step for the exception submission provided	19	1	0	95%	18	2	0	90%	17	3	0	85%	18	2	0	90%	90%
5. Did CSR fully explain/provide the restriction (s) pertaining to the medication (s) member requested?	20	0	0	100%	20	0	0	100%	20	0	0	100%	20	0	0	100%	100%



Table 3: Quality and Accuracy Assessments of Factor 3 – Mail-order Prescription Refills (July 2021-June 2022)

Element B: Functionality – Telephone (QUALITY AND ACCURACY)																	
Quarters	Q3 - 2021				Q4 - 2021				Q1 - 2022				Q2 - 2022				ANNUAL TOTAL
Total Sample Per Quarter	10				5				8				9				32
Goal	100%				100%				100%				100%				100%
Factor 3 – Mail Order	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	ANNUAL TOTAL AVERAGE
1. Did the CSR provide instructions to place an order for refills or offer/warm transfer the member set up the pharmacy mail order service?	10	0	0	100%	5	0	0	100%	8	0	0	100%	8	0	0	100%	100%
2. Did the CSR thoroughly respond to the member’s inquiry about utilizing the pharmacy mail order?	10	0	0	100%	5	0	0	100%	8	0	0	100%	8	0	0	100%	100%

Table 4: Quality and Accuracy Assessments of Factor 4, 5 – Location and Proximity Search (July 2021-June 2022)

Element B: Functionality – Telephone (QUALITY AND ACCURACY)																	
Quarters	Q3 - 2021				Q4 - 2021				Q1 - 2022				Q2 - 2022				ANNUAL TOTAL
Total Sample Per Quarter	1				1				1				0				3
Goal	100%				100%				100%				100%				100%
Factor 4&5 – Pharmacy Location	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	ANNUAL TOTAL AVERAGE
1. Did the CSR conduct proximity search using tool?	1	0	0	100%	1	0	0	100%	1	0	0	100%	0	0	0	*NA	100%
2. Did CSR provide the correct name, address of pharmacy?	1	0	0	100%	1	0	0	100%	1	0	0	100%	0	0	0	*NA	100%

*NA is due to no pharmacy location inquiries received for that quarter



Table 5: Quality and Accuracy Assessments of Factor – 6: Availability of Generic Substitutes Search on the Telephone (July 2021- June 2022)

Element B: Functionality – Telephone (QUALITY AND ACCURACY)																	
Quarters	Q3 - 2021				Q4 - 2021				Q1 - 2022				Q2 - 2022				ANNUAL TOTAL
Total Sample Per Quarter	3				4				1				1				9
Goal	100%				100%				100%				100%				100%
Factor 6 – Generic Availability	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	MET	UNMET	N/A	GOAL MET	ANNUAL TOTAL AVERAGE
1. (Generic) The correct response to the member based on the search outcome from the formulary tool.	3	0	0	100%	4	0	0	100%	1	0	0	100%	1	0	0	100%	100%
2. (Generic) Did the CSR provide the response to member’s request fully such as dosage and restrictions? Did CSR review LIS level and provide max copay?	3	0	0	100%	4	0	0	100%	1	0	0	100%	1	0	0	100%	100%

Table 6: Pharmacy Benefit Accuracy Analysis Compared to Previous Year (2021-2022 Vs 2020-2021)

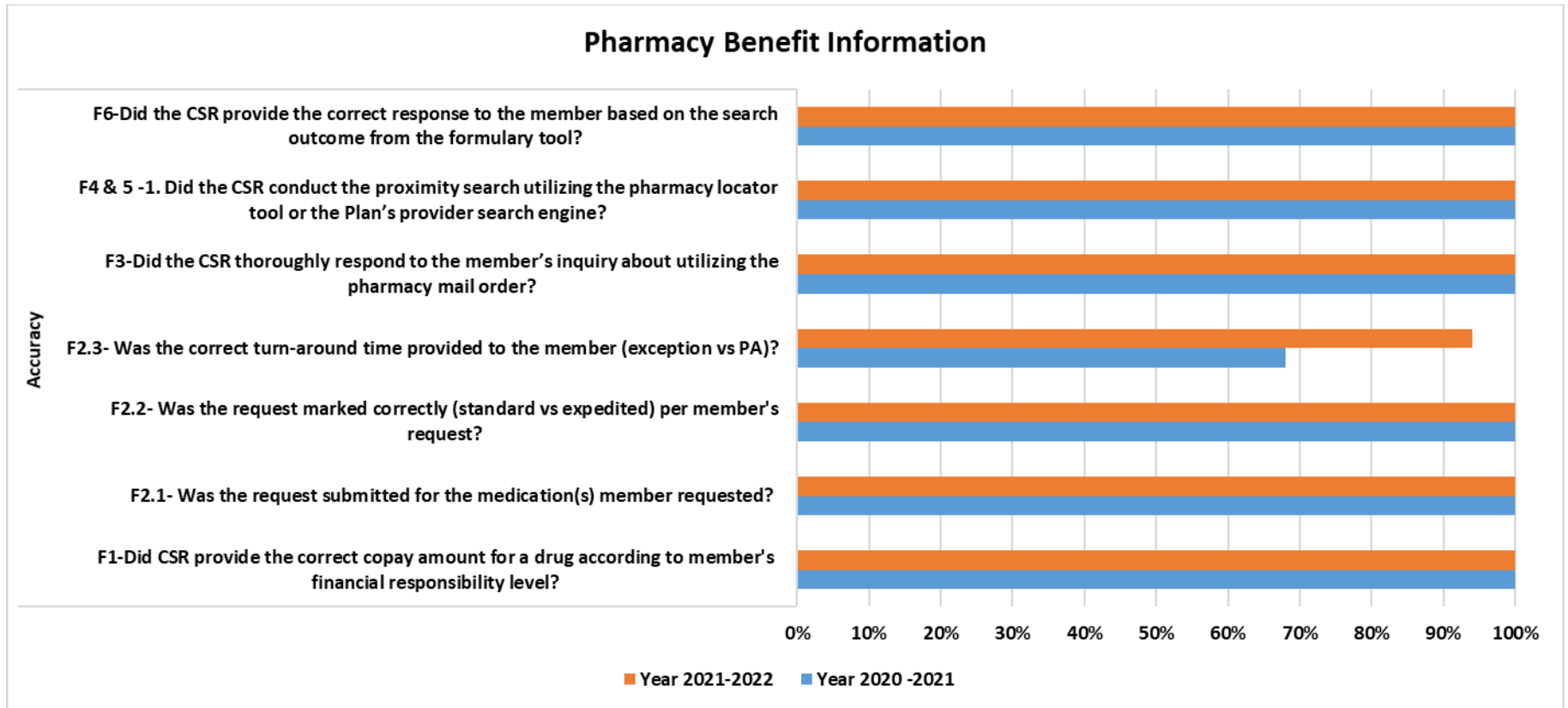
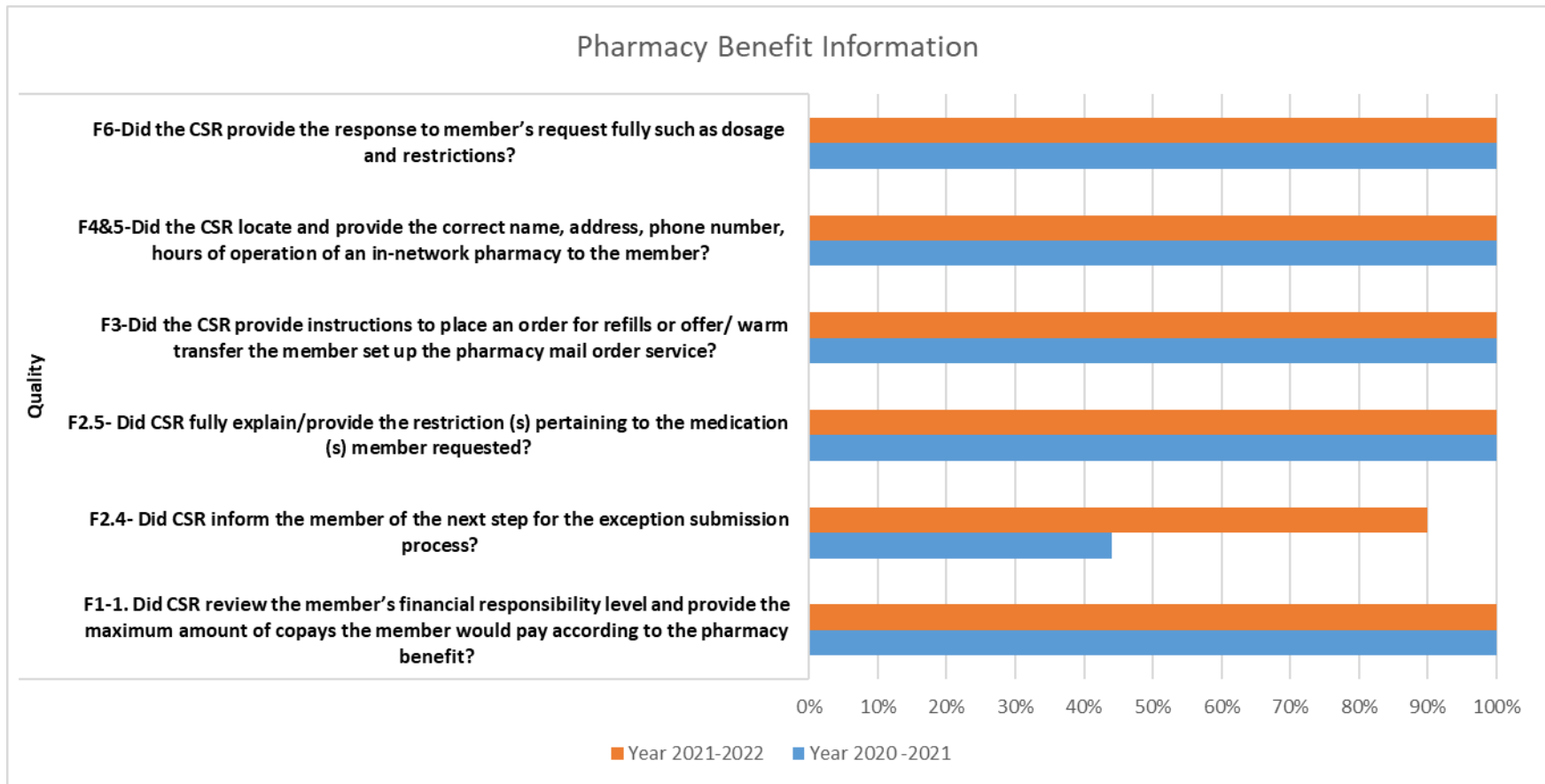


Table 7: Pharmacy Benefit Quality Analysis Compared to Previous Year (2021-2022 Vs 2020-2021)





A. Quantitative Analysis

For this audit period, SCFHP has randomly selected Forty-four (44) samples for Q3-2021, Forty (40) samples for Q4-2021, Forty (40) samples for Q1-2022, and Forty (40) samples for Q2-2022 to conduct the quality and accuracy study. This totaled up to one hundred (124) cases annually. The inconsistencies of the number of samples are due to the limited data that applies to each factor for the specified quarter.

All of the measures listed under each factors for the pharmacy benefit telephone accuracy assessments met the target goal at 100% with the exception of factor 2, measure 3. The Plan was able to achieve a target goal of 100% for Q1-2021 and Q4-2022 and did not meet the target goal for Q2 and Q3 of 2021 which brought the result of 94% for the reporting period. However, when compared to the previous year (2020-2021), we noted an improvement of twenty-six (26) percentage points.

Similarly, all of the measures listed under each factors for the pharmacy benefit telephone quality assessments met the target goal at 100% with the exception of factor 2, measure 4. Our assessments revealed the Plan did not meet the target goal for any of the quarters throughout the reporting period. Again, when compared to the previous year (2020-2021), we noted an improvement of forty-six (46) percentage points.

B. Qualitative Analysis

When the Quality Training Manager and the Quality & Training Specialist conduct the assessments, they would make notes of the deficiencies and the potential barriers throughout the review period. These deficiencies were presented to the Customer Service Manager to conduct immediate refresher trainings and/or provide individual coaching to any Customer Service Representatives (CSR) who did not perform well on the measures. The Customer Service Manager prepared and analyzed the annual preliminary audit results, including identified barriers and recommendations for improvement at the end of the reporting period and were presented to the Customer Service Director. The Customer Service Director then reviewed the identified barriers and would make additional recommendations for improvement opportunities as needed. It is important to note that although the department monitors these data on a quarterly basis, the compiled data were also reviewed and discussed. Findings and recommendations are reported to the cross-functional Quality Improvement Committee (QIC), which includes representatives from Customer Services, Quality Improvement, Provider Network, Regulatory Compliance, and Behavioral Health.



Overall, the Plan met the target goal of 100% for all of the pharmacy benefit factors and measures for the accuracy assessment with the exception of factor 2, measures 3. This measure assessed the accuracy of whether or not the CSR provided the correct turn-around time to the caller when an exception or a prior authorization was submitted. During our review of the data throughout the audit period, it was noted the root cause of the deficiencies was due to the oversight of a new hired staff and several seasoned CSRs. Upon review of factor 2 measure 3, the deficiency of 90% for the accuracy assessment for Q2-2022, was a result of an oversight of a new CSR. The deficiency of 85% in the accuracy for Q1-2022 measure 3, was due to a new processing timeframe on the Part D exception requests that was previously 14 days and was updated to 17 days starting in Q1-2022.

The Plan also met the target goal of 100% for all of the pharmacy benefit factors and measures for the quality assessment with the exception of factor 2, measures 4. This measure assessed the quality of the phone call if the CSRs inform the caller of the next step for the exception submission process. Upon review of factor 2 measure 4, the deficiencies of 95% for Q3-2021, 90% for Q4-2021, 85% of Q1-2022, and 90% of Q2-2022 were due to the oversight of multiple seasoned staff who overlooked the next steps when submitting an exception request.

The Plan recognized the need to improve the deficiencies for both measures from factor 2 and effort was put into action to correct this issue. A quick reference guide, named "Processing Time Frames Quick Reference Sheet", was created and presented to the staff on August 21st, 2021. The quick reference guide included the correct processing time frames for exception requests. During the meeting, the training and quality monitoring associate was able to provide a refresher training and relay the correct processing time frame to the staff. On January 20th, 2022, a training was provided to the staff providing the new processing timeframe and on March 4th, 2022 an additional refresher training was provided. Individual coaching also took place after the March 4, 2022 meeting with those CSRs who had cases that were deficient. During both trainings on January 20th, 2022 and March 4th 2022, CSRs were reminded to fully explain and document the next steps and expected turn-around time once the exceptions request was submitted, to members. Staff were also reminded of the importance of conveying this information to avoid member confusion about the process. SCFHP will continue to monitor these metrics on a quarterly basis, as part of its ongoing audit process.

The Customer Service Manager and Director reviewed the cases that did not meet the accuracy and quality requirements on the exception process, and concluded the following barriers during this audit period:



- A new staff member was hired during Q3-2021 of the review period. When the exception time frame was updated in Q1_2022, the CSR did not capture the change and continued to provide the former time frame that she was previously trained on.
- Our seasoned staff were accustomed to providing the turn-around time for Part D exception request for many years and forgot that it was changed from 14 days to 17 days. Some CSRs continued to reference their personal writing template that contain the out dated turn-around time.
- CSRs were very good at recognizing the opportunities to offering and submitting the exception requests for members; however, they were not consistently providing the next steps when the exception request has been submitted.

C. 2022 Barrier and Opportunity Analysis Table

Barriers	Opportunities	Intervention	Selected for 2022	Date Initiated
A new staff member was hired during Q3-2021 of the review period. When the exception time frame was updated in Q1_2022, the CSR did not capture the change and continue to provide the former time frame that she was previously trained on.	Re-educate staff on the correct exception processing timeframe	A refresher training on the exception processing timeframe was provided to the entire team due to not meeting the set goal	X	August 2021
Our seasoned staff were accustomed to providing the turn-around time for Part D exception request for many years and forgot that it was changed from 14 days to 17 days. Some CSRs continued to reference their personal writing template that contain the out dated turn-around time	Re-educate staff on the correct exception processing timeframe	<ul style="list-style-type: none"> • A quick reference guide, named “Processing Time Frames Quick Reference Sheet”, was created and presented to the staff • A refresher training on the exception 	X	August 2021 January 2022

Barriers	Opportunities	Intervention	Selected for 2022	Date Initiated
		<p>processing timeframe was provided at teams meeting</p> <ul style="list-style-type: none"> Individual coaching was provided to specific staff who had cases that did not reach set goal on the exception process. Requested staff to update their personal reference material as needed. 		<p>March 2022</p>
<p>The CSRs were not consistently informing members of the next steps in the exception process after the request has been submitted</p>	<p>Re-educate staff on the importance of providing the next steps to the callers when an exception request is submitted</p>	<ul style="list-style-type: none"> A refresher training on the exception processing timeframe was provided at teams meeting Individual coaching was provided to specific staff who had cases with missed opportunity in providing the next steps when the exception request is submitted. 	<p>X</p>	<p>January 2022</p> <p>March 2022</p>



Santa Clara Family Health Plan™

Annual CMC Continuity and Coordination between
Medical Care and Behavioral Health Analysis

Quality Improvement Committee Meeting October 11, 2022

NCQA: QI 4 Standard

- **The organization collaborates with behavioral healthcare practitioners to monitor and improve coordination between medical care and behavioral healthcare.**
- The organization annually collects data about opportunities for collaboration between medical care and behavioral healthcare in the following areas:
 1. Exchange of information.
 2. Appropriate diagnosis, treatment and referral of behavioral disorders commonly seen in primary care.
 3. Appropriate use of psychotropic medications.
 4. Management of treatment access and follow-up for members with coexisting medical and behavioral disorders.
 5. Primary or secondary preventive behavioral healthcare program implementation.
 6. Special needs of members with severe and persistent mental illness.

NCQA: QI 4 Standard

- Annual report
- 6 measures
- For each measure:
 - Establish annual **goal**
 - **Measure performance** against the goal
 - **Quantitative analysis** (describe how we performed)
 - **Qualitative analysis** (root cause analysis – why did we not meet goal?)
 - **Opportunities for improvement**
 - **Implementation of interventions** to target measure performance

Factor 1 – Exchange of Information

- **Requirement:** The exchange of information is bidirectional. The organization collects data on exchange of information between behavioral healthcare and relevant medical delivery systems (e.g., medical/surgical specialists, organizational providers) measuring any or all of the following:
 - Accuracy of information.
 - Sufficiency of information.
 - Timeliness of information.
 - Clarity of information.
- **Background:** In previous years, SCFHP BH team completed standalone PCP surveys to request info about satisfaction with exchange of information with BH.
 - Low response rates but high effort in previous measurement years
 - **BH did not move forward with the survey in 2022**
 - **Identify optimal method for assessing the exchange of information for 2023**

Factor 2 – Diagnosis, Treatment, & Referral of Behavioral Disorders Commonly Seen in Primary Care

- **New Measure for 2021:** Initiation and Engagement of Substance Use Disorder Treatment (HEDIS® Measure):
 - **Initiation of SUD Treatment.** % of new SUD episodes that result in treatment initiation through an inpatient SUD admission, outpatient visit, intensive outpatient encounter, partial hospitalization, telehealth visit or medication treatment within 14 days.
 - **Engagement of SUD Treatment.** % of new SUD episodes that have evidence of treatment engagement within 34 days of initiation.
- **Relevance:**
 - Mental health and substance use declared public health crisis in Santa Clara County in 2022 by Supervisors Ellenberg & Lee
 - In a mid-2020 survey, over half of CA SUD providers serving Medi-Cal beneficiaries reported decrease in substance use disorder treatment attendance and increase in the number of patients who have relapsed (Henretty, K., 2021)

Factor 2 – Diagnosis, Treatment, & Referral of Behavioral Disorders Commonly Seen in Primary Care

- IET – Initial Phase

2020 Rate	2021 Rate	+/- YOY 2020 to 2021	+/- from goal	Goal (HEDIS National Benchmarks – 50 th Percentile)
36.65%	33.85%	-3.20% percentage pts	-2.80% percentage pts	34.84%

- IET – Engagement Phase

2020 Rate	2021 Rate	+/- YOY 2020 to 2021	+/- from goal	Goal (HEDIS National Benchmarks – 75 th Percentile)
7.33%	4.69%	-2.64% percentage pts	-6.93% percentage pts	11.62%

Barriers, Opportunities for Improvement

- **Barriers Identified:**
 - Members not seeking treatment and/or relapsing due to Covid-related stress
 - Lack of support for members to stay in treatment once engaged
 - Lack of available providers and/or difficulty navigating behavioral health care delivery system in Santa Clara County
- **Opportunities for Improvement:**
 - Improve coordination between SCCBHSD & SCFHP
 - Follow up with members after discharge from ER for SUD-related problems
 - Expand accessibility of BH providers for SUD
- **Intervention(s) selected:**
 - Improve coordination between SCCBHSD & SCFHP (**Started Q3 2022**)
 - Implement program to provide follow-up to members after discharge from ER due to SUD (**Development in process for Q1 2023**)

Factor 3 – Appropriate Use of Psychotropic Medications

- **Requirement:** The organization collects data on behavioral and medical practitioner adherence to prescribing guidelines.
- **Measure:** Antidepressant Medication Management (AMM, HEDIS® Measure)
 - **Effective Acute Phase:** The percentage of members who remained on an antidepressant medication for at least 84 days (12 weeks).
 - **Effective Continuation Phase:** The percentage of members who remained on an antidepressant medication for at least 180 days (6 months).
- **Importance:**
 - Depression is the 6th most reported chronic condition among CMC members (SCFHP CMC 2021 Population Health Assessment)
 - SCFHP prevalence (13.6%) higher than general population (est. 8.1%, per 2016 [CDC report](#))

Factor 3 – Appropriate Use of Psychotropic Medications

- Effective Acute Phase:**

2019 Rate	2020 Rate	2021 Rate	+/- YOY 2020 to 2021	+/- 2021 from base	+/- from goal	Goal	Goal Percentile
71.78%	75.00%	80.28%	+5.28% percentage points	+8.50% percentage points	-1.88% percentage points	82.16%	75th

- Continuation Phase:**

2019 Rate	2020 Rate	2021 Rate	+/- YOY 2020 to 2021	+/- 2021 from base	+/- from goal	Goal	Goal Percentile
57.92%	61.57%	66.20%	+4.63% percentage points	+8.28% percentage points	-1.18% percentage points	67.38%	75th

Factor 3 – Appropriate Use of Psychotropic Medications

- **Barriers:**
 - Lack of understanding/education re: importance of taking medication daily
 - Lack of understanding, engagement and/or continuity of the PCP in managing the member's antidepressant medication regimen
 - Issues with retrieving medication refills: transportation, lack of time, inability to see provider
- **Opportunities for Improvement:**
 - Provider more support & education to PCPs in antidepressant medication management
 - Educate members on importance of continuing to take their medication via member communications
 - Provide outreach and support to members who have not refilled prescribed psychotropic medications
- **Interventions:**
 - Offer CME training (in partnership with SCCBHSD) to providers on behavioral health in primary care, including medication management (**ETA Q4 2022**)
 - Member newsletter article regarding antidepressant medication education (**TBD**)
 - Establish reoccurring cross-functional workgroup meetings to review and monitor psychotropic medication utilization (**Started Q2 2022**)

Factor 4 – Management of Coexisting Medical & Behavioral Conditions

- **Requirement:** SCFHP collects data on issues around management of multiple conditions where there are **both** medical and behavioral health conditions, and management across the continuum of care is an issue. The intent is to collect data on both treatment access and follow-up services for members with coexisting medical and behavioral conditions.
- **HEDIS® Measure:** Diabetes Screening for People With Schizophrenia or Bipolar Disorder (SSD)
 - The percentage of members 18–64 years of age with schizophrenia, schizoaffective disorder or bipolar disorder, who were dispensed an antipsychotic medication and had a diabetes screening test during the measurement year.
- **Relevance:**
 - Strong link between schizophrenia (and other serious mental illness) and diabetes type II + high prevalence of diabetes type II in SCFHP CMC (35.5%)

2020 Rate	2021 Rate	+/- YOY 2020 to 2021	+/- from goal	Goal
71.33%	76.32%	+4.99 percentage pts	+1.32 percentage pts	75.00%

Factor 5 – Prevention Programs for Behavioral Healthcare

- **NCQA Requirement:** The organization collects data on issues that could be preventable if appropriate primary or secondary programs were developed and implemented. The organization identifies the programs that the collaboration deems most appropriate, but is not required to implement the program to meet the element.
- **Proposed Program Name:** PHQ-9 Depression Screening & Referral Program
- **Methodology:** All CMC members are offered an HRA upon enrollment and annually thereafter. Completed HRAs are stored in essette, SCFHP’s case management system. In the HRA, there is the following question:

“Over the past month (30 days) how often have you felt tense, anxious or depressed?”

- If a member responds with “**Almost every day**”, this is an indicator that the member may be experiencing mental health symptoms or a possible mental health diagnosis.
- **Denominator:** # of members who answered “Almost every day” to the question “Over the past month (30 days) how often have you felt tense, anxious or depressed?” on the HRA in 2021
- **Numerator:** # of members who answered “Almost every day” to the question “Over the past month (30 days) how often have you felt tense, anxious or depressed?” on the HRA in 2021 + completed a PHQ-9 assessment with their care coordinator

Factor 5 – Prevention Programs for Behavioral Healthcare

Measure Description	Measure
# of HRA Responses Indicating Mental Health Symptoms	364
# of PHQ-9 Offered but Declined	39
Denominator (# of HRA responses - # of Declined PHQ-9)	325
Numerator: PHQ-9 Completed	51 (16%)

- **Discussion:** As this is baseline data, there was no goal set for this measure.
- The data reflects a low completion of the PHQ-9 assessment and a need to complete screenings according to a standardized process
- **Interventions:**
 - Update HRA questions to match evidence-based depression screening tool, PHQ-2 (**Q4 2022**)
 - Auto-trigger PHQ-9 screening tool when positive screen on PHQ-2
 - Refresh depression screening desktop procedures and re-train staff on the importance and purpose of the PHQ-9

Factor 6 – Special Needs of Members with Severe and Persistent Mental Illness

- **NCQA Requirement:** The organization collects data on specific issues around the continuity and coordination of services for members with severe and persistent mental illness (SPMI).
- **Measure:** Diabetes Monitoring for People with Diabetes and Schizophrenia (SMD, HEDIS® Measure)
 - The percentage of members 18–64 years of age with schizophrenia or schizoaffective disorder and diabetes who had both an LDL-C test and an HbA1c test during the measurement year.
- **Relevance:**
 - Studies have shown individuals with schizophrenia have 50% higher rate of diabetes type 2 than general population (Dickinson et al., 2008)

Factor 6 – Special Needs of Members with Severe and Persistent Mental Illness

2020 Rate	2021 Rate	+/- YOY 2020 to 2021	+/- from goal	Goal
71.33%	76.32%	+ 5.00 percentage pts	-3.68 percentage pts	80.00%

- **Barriers:**
 - Lack of social and/or family support for maintaining regular doctor's appointments
 - Lower priority given to diabetes management due to severity of mental illness
 - Inability for providers and case managers to contact or follow up with individuals with schizophrenia due to unstable housing and inaccurate contact information ([Santa Clara County 2019 homeless census survey](#) estimate 42% of people experiencing homelessness in Santa Clara County are also suffering from psychiatric or emotional conditions)
- **Interventions:**
 - Educate case management team on the link between schizophrenia and schizoaffective disorders and diabetes type 2, as well as appropriate care plan interventions **(Q4 2022)**

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**Santa Clara Family
Health Plan™**

Assessment of CMC Member Understanding of Policies and Procedures

Quality Improvement Committee Meeting October 11, 2022

Building the Report

1

Time period

07/1/2021 to 6/30/2022

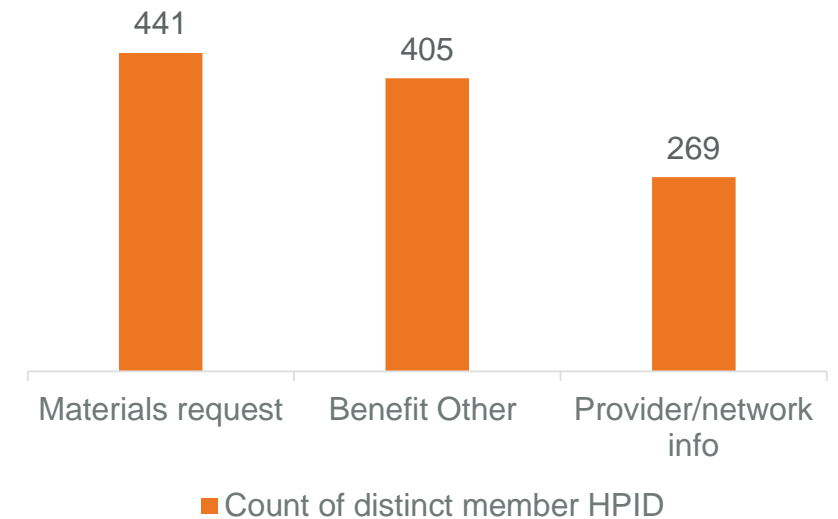
2

Calls from new members

Identify calls received by members who are within 90 days of their enrollment in SCFHP Cal MediConnect Plan (Medicare-Medicaid Plan)

3

Top 3 call types



Results

Top themes identified from sampling call notes from top 3 call types

Call type	Form/Process Category
Materials request	Mail AOR (Appointment of Representative) form
	VSP (Vision Benefit Providers) directory
Benefit Inquiry Other	Change provider, primary care provider (PCP) inquiry
	Mail AOR (Appointment of Representative) form
General Provider/Network Information Inquiry	Confirm provider or specialist, primary care provider PCP inquiry
	Mail AOR (Appointment of Representative) form

Results

In addition, a report of all grievances related to marketing materials was requested and reviewed.

- Zero (0) grievances were categorized as “marketing.”

Actionable Opportunities for Improvement

1

Educate on available forms

Educate & Increase member awareness of SCFHP's forms and instructions in newsletters, enrollment kit, member orientations and website.

2

Promote self-service options

Improve utilization of the member portal to check PCP and change to PCP.

3

Update webpages to include AOR form and instruction more prominently

SCFHP to develop and implement a strategy to update webpages to improve awareness and access to the AOR form and instructions



**Santa Clara Family
Health Plan™**

Annual Review of Quality Improvement Policies

Quality Improvement Committee Meeting October 11, 2022

Annual Review of Quality Improvement Policies

October 11, 2022

Policy No.	Policy Title	Changes
QI.02	Clinical & Preventative Practice Guidelines	Removed version number; Added Mai Chang as the approver

POLICY

Policy Title:	Clinical & Preventative Practice Guidelines	Policy No.:	QI.02
Replaces Policy Title (if applicable):	Development of Clinical Practice Guidelines	Replaces Policy No. (if applicable):	QM008_001
Issuing Department:	Quality & Process Improvement	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To ensure a consistent process for development and revisions of Clinical Practice and Preventative Care Guidelines.

II. Policy

Santa Clara Family Health Plan (SCFHP) adopts and disseminates Clinical Practice and Preventive Care Guidelines relevant to its members for the provision of preventive, acute and chronic medical services and behavioral health care services. These guidelines are adopted to help practitioners make appropriate decisions for specific clinical circumstances, preventive health and behavioral healthcare services.

- A. These guidelines are based on up to date evidence and explicit criteria developed by recognized sources or appropriately certified professionals or, where evidence-based practice guidelines do not exist, consensus of professionals in the field.
- B. SCFHP adopts at least two medical based and two behavioral health based clinical practice guidelines.
- C. The guidelines are reviewed and updated at least every two years by the Quality Improvement Committee (QIC).
- D. The guidelines are available for viewing on the provider web page of the health plan website, in the Provider Manual and upon request.
- E. In addition to the clinical practice guidelines, SCFHP adopts preventive care guidelines for the following:
 1. Care for children up to 24 months old
 2. Care for children 2-19 years old
 3. Care for adults 20-64 years old
 4. Care for adults over 65 years old
- F. SCFHP annually measures performance against at least two important aspects of the disease management programs

POLICY

- G. SCFHP annually evaluates provider adherence to CPGs and Preventive Care Guidelines through analysis demonstrating a valid methodology to collect data.
- a. The QI Department analyzes pertinent HEDIS scores and claims data. The analysis includes quantitative and qualitative analysis or performance.
 - b. Member satisfaction and grievances are tracked and reported to the QIC at least annually and acted upon as recommended by the QIC.

III. Responsibilities

Health Services Department, Quality Improvement Department and plan providers develop and adhere to Clinical and Preventive Practice Guidelines which are reviewed / revised at least annually. Evaluation of the guidelines occurs every 2 years.

IV. References

CA.gov. (2016, February 11). Retrieved February 22, 2015, from California Department of Managed HealthCare: <https://www.dmhc.ca.gov/>

Medicare Coverage Data Base. (2016, February 07). Retrieved February 07, 2016, from CMS.gov: <https://www.cms.gov/medicare-coverage-database/>

NCQA Guidelines. 2018

V. Approval/Revision History

First Level Approval	Second Level Approval
<hr/> <p>Mai Chang Director, Quality & Process Improvement</p> <hr/> <p>Date</p>	<hr/> <p>Laurie Nakahira Chief Medical Officer</p> <hr/> <p>Date</p>



**Santa Clara Family
Health Plan™**

Annual Review of Credentialing Policies

Quality Improvement Committee Meeting October 11, 2022

Annual Review of Credentialing Policies
October 11, 2022

Policy No.	Policy Title	Changes
CR.01 v2	Credentialing and Recredentialing	No Change
CR.02 v1	Credentialing and Oversight of Mid-Level Practitioners	No Change
CR.03 v1	Objective Criteria for Defining HIV/AIDS Expertise	No Change
CR.04 v1	Notification to Authorities and Practitioner Appeal Rights	No Change
CR.05 v1	Delegation of Credentialing and Recredentialing	No Change
CR.06 v1	Ongoing Monitoring and Interventions	No Change
CR.07 v2	Assessment of Organizational Providers	No Change
CR.08 v1	Credentialing Committee	No Change
CR.10 v2	Credentialing System Controls	No Change

POLICY

Policy Title:	Credentialing and Recredentialing	Policy No.:	CR.01 v2
Replaces Policy Title (if applicable):	Credentialing and Recredentialing Policy	Replaces Policy No. (if applicable):	CROOI,CR-07-01,QM-CR-04-01
Issuing Department:	Provider Network Operations - Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

To establish a well-defined process to credential & recredential practitioners who are contracted with Santa Clara Family Health Plan (SCFHP), or are applying to contract with SCFHP.

II. Policy

- A. SCFHP conducts timely verification of information, in accordance with all applicable regulatory and accrediting requirements, to ensure that practitioners have the legal authority and relevant training and experience to provide quality care to its members.

III. Responsibilities

- A. The Credentialing department is responsible for coordinating the terms of this policy with Quality Improvement, Delegation & Oversight, and Grievance & Appeals departments.
- B. The Grievance & Appeals department has responsibility to collect and review all practitioner related grievance and appeals.
- C. SCFHP's Credentialing Committee uses a peer review process to make recommendations regarding credentialing decisions.
- D. The Delegation & Oversight department has responsibility to oversee delegated credentialing.

IV. References

T28 CCR § 1300.74.16(e) and § 1300.67.60
 National Committee for Quality Assurance (NCQA) California Business and Professions Code § 805 and 809
 DHCS Contract, Exhibit A, Attachment 4, Provisions 6, 10, and 12 MMCD Policy Letter 02-03
 DMHC Regulation LS-34-01
 3-Way Contract between SCFHP, CMS, DHCS
 CA Health and Safety Code § 1367(a-c) and § 1374.16 T22 CCR § 53100, 53280
 T42 CFR §422.504(i) (4-5)
 MMC Manual, Chapter 6, §§ 20.2, 30, 50, 60.2, 60.3
 T16 CCR Divisions 4, 10, 11, 13-18, 25, 39-40

POLICY

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Operations		Chris Turner Chief Operating 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)
1	Revised	Credential Committee	Approve/12-2-2020	
2	Reviewed	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4-2022	

POLICY

Policy Title:	Credentialing and Oversight of Mid-Level Practitioners	Policy No.:	CR.02 v1
Replaces Policy Title (if applicable):	Physician Oversight of Allied Health Practitioners	Replaces Policy No. (if applicable):	CR002, CR-07-03, QM-CR-05-04
Issuing Department:	Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

The purpose of this policy is to outline the guidelines for credentialing and oversight of non-physician practitioners (“Mid-Level Practitioners”) who are contracted with Santa Clara Family Health Plan (SCFHP). Mid-Level Practitioners include the following licensed non-physician practitioners: Nurse Practitioners (NP), Physicians Assistants (PA), and Certified Nurse Midwives (CNM).

II. Policy

It is the policy of SCFHP to conduct timely verification of credentialing and recredentialing information, in accordance with all applicable regulatory and accrediting requirements to ensure that Mid-Level Practitioners have the legal authority, relevant training and experience, and applicable supervision to provide quality care to SCFHP members.

A supervising physician is responsible for overseeing the care provided by a Mid-Level Practitioner. The supervising physician must ensure that the Mid-Level Practitioner has the licensure and experience required for the care they provide. In addition, they must also ensure that procedures and protocols are established for the care that will be provided by the Mid-Level Practitioner.

SCFHP’s policy is to follow all California regulations related to the credentialing and oversight of Mid-Level Practitioners.

III. Responsibilities

- A. The Credentialing department is responsible for coordinating the terms of this policy with Quality Improvement, Delegation & Oversight, and Grievance & Appeals departments.
- B. The Grievance & Appeals department has responsibility to collect and review all allied health practitioner related grievance and appeals.
- C. SCFHP’s Credentialing Committee uses a peer review process to make recommendations regarding allied health practitioner credentialing decisions.
- D. The Delegation & Oversight department has responsibility to oversee delegated credential and recredential of allied health providers.

POLICY

IV. References

T28 CCR § 1300.74.16(e) and § 1300.67.60
 National Committee for Quality Assurance (NCQA)
 California Business and Professions Code § 805 and 809
 DHCS Contract, Exhibit A, Attachment 4, Provisions 6, 10, and 12
 MMCD Policy Letter 02-03
 DMHC Regulation LS-34-01
 3-Way Contract between SCFHP, CMS, DHCS
 CA Health and Safety Code § 1367(a-c) and § 1374.16
 T22 CCR § 53100, 53280
 T42 CFR § 422.504(i)(4-5)
 MMC Manual, Chapter 6, §§ 20.2, 30, 50, 60.2, 60.3
 T16 CCR Divisions 4,10,11,13-18,25,39-40

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Operations		Christine Turner Chief Operating 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)
1	Revised	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4/2022	

POLICY

Policy Title:	Objective Criteria for Defining HIV/AIDS Expertise	Policy No.:	CR.03 v1
Replaces Policy Title (if applicable):	Objective Criteria for Defining HIV/AIDS Expertise	Replaces Policy No. (if applicable):	CR003, CR-07-04
Issuing Department:	Provider Network Management - Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

The purpose of this policy is to establish a process to identify track and credential HIV/AIDS specialist physicians on an ongoing basis.

II. Policy

SCFHP conducts timely verification of information, in accordance with all applicable regulatory and accrediting requirements, to ensure that HIV/AIDS specialist practitioners have the legal authority and relevant training and experience to provide quality care to its members. SCFHP maintains a list of all Practitioners and Clinics that are credentialed as HIV/AIDS providers.

III. Responsibilities

- A. The Credentialing department is responsible for coordinating the terms of this policy with Quality Improvement, Delegation & Oversight, and Grievance & Appeals departments.
- B. The Grievance & Appeals department has responsibility to collect and review all HIV/AIDS specialist physician's related grievance and appeals.
- C. SCFHP's Credentialing Committee uses a peer-review process to make recommendations regarding HIV/AIDS specialist practitioner credentialing decisions.
- D. The Delegation & Oversight department has responsibility to oversee delegated credentialing of HIV/AIDS specialist practitioners.
- E. The Credentialing Department will provide to the Provider Network, Utilization Management, Case Management, and Customer Service Department a list of all practitioners and clinical who are credentialing and approved HIV/AIDS providers. This list will be made available to all Primary Care Providers (PCPs).

IV. References

T28 CCR § 1300.74.16(e) and § 1300.67.60
National Committee for Quality Assurance (NCQA)

POLICY

California Business and Professions Code § 805 and 809
 DHCS Contract, Exhibit A, Attachment 4, Provisions 6, 10, and 12
 MMCD Policy Letter 02-03
 DMHC Regulation LS-34-01
 3-Way Contract between SCFHP, CMS, DHCS
 CA Health and Safety Code § 1367(a-c) and § 1374.16
 T22 CCR § 53100, 53280
 T42 CFR § 422.504(i)(4-5)
 MMC Manual, Chapter 6, §§ 20.2, 30, 50, 60.2, 60.3
 T16 CCR Divisions 4,10,11,13-18,25,39-40

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Management		Chris Turner Chief Operating 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)
1	Reviewed	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4-2022	

POLICY

Policy Title:	Notification to Authorities and Practitioner Appeal Rights	Policy No.:	CR.04 v1
Replaces Policy Title (if applicable):	Fair Hearing Plan	Replaces Policy No. (if applicable):	CR004, CR-07-05
Issuing Department:	Provider Network Operations - Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

The purpose of this policy is to provide defined practitioners a process to appeal negative determinations based on quality of care or service that are a result of SCFHP’s Credentialing Committee peer review process.

The purpose of this policy is to establish a process for SCFHP to report negative determinations, as defined, to appropriate agencies.

II. Policy

Santa Clara Family Health Plan (SCFHP) monitors, terminates, reduces, suspends or limits privileges of contracted practitioners, and/or denies potential practitioners applying to contract with SCFHP, when the cause of the action is related to clinical competency and professional conduct. SCFHP maintains the accountability and authority to over-turn any credentialing or recredentialing decision made by a delegated entity.

When the Credentialing Committee makes a negative initial, recredentialing or mid-cycle determination, and denies new participation or terminates existing participation from the network based on quality of care or service, SCFHP notifies the affected contracted and/or applying practitioner, and affords certain practitioners a fair hearing and appeal process to contest negative determinations.

SCFHP reports all applicable negative uncontested or fair hearing negative determinations to the applicable authorities including the appropriate licensing boards and the National Practitioner Data Bank.

III. Responsibilities

- A. The Credentialing department is responsible for coordinating the terms of this policy with Quality Improvement, Delegation & Oversight, and Grievance & Appeals departments.

POLICY

- B. For defined practitioners who receive a negative initial or recredentialing determination by the Credentialing Committee, the Credentialing department notifies defined practitioners of their appeal rights.
- C. SCFHP’s Chief Medical Officer has responsibility to initiate the fair hearing processes to defined practitioners, when requested.
- D. SCFHP’s Hearing Officer has responsibility to conduct the fair hearing process.
- E. The Credentialing department reports negative determinations to applicable authorities.

IV. References

T28 CCR § 1300.74.16(e) and § 1300.67.60
 National Committee for Quality Assurance (NCQA)
 California Business and Professions Code § 805 and 809
 DHCS Contract, Exhibit A, Attachment 4, Provisions 6, 10, and 12
 MMCD Policy Letter 02-03
 DMHC Regulation LS-34-01
 3-Way Contract between SCFHP, CMS, DHCS
 CA Health and Safety Code § 1367(a-c) and § 1374.16
 T22 CCR § 53100, 53280
 T42 CFR § 422.504(i)(4-5)
 MMC Manual, Chapter 6, §§ 20.2, 30, 50, 60.2, 60.3
 T16 CCR Divisions 4,10,11,13-18,25,39-40

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Operations <hr/> Date		Christine Turner Chief Operating Officer <hr/> Date		
Version Number	Change (Original/ Reviewed/ Revised)	Reviewing Committee (if applicable)	Committee Action/Date (Recommend or Approve)	Board Action/Date (Approve or Ratify)
1	Reviewed	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4-2022	

POLICY

Policy Title:	Delegation of Credentialing and Recredentialing	Policy No.:	CR.05 v1
Replaces Policy Title (if applicable):		Replaces Policy No. (if applicable):	CROOS, CR006, CR-07-09, CR-07-08, QM-CR-04-02
Issuing Department:	Provider Network Operations - Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

The purpose of this policy is to establish processes for Santa Clara Family Health Plan (SCFHP) to oversee certain delegated credentialing responsibilities to its delegated provider groups

II. Policy

A. SCFHP permits certain defined entities to be delegated for credentialing and recredentialing decisions with the ability to conduct timely verification of information to ensure that the delegated entity's contracted practitioners who serve SCFHP members have the legal authority, relevant training and experience, and applicable supervision to provide quality care to SCFHP members, on behalf of SCFHP. SCFHP retains ultimate accountability and authority for the credentialing and recredentialing of all practitioners in all networks. SCFHP conducts oversight of the delegated entity's credentialing and recredentialing processes. SCFHP maintains the authority to over-turn or reject any credentialing decision made by a delegated entity.

III. Responsibilities

A. The Credentialing department is responsible for coordinating the terms of this policy with Quality Improvement, Delegation & Oversight, and Grievance & Appeals departments. The Grievance & Appeals department has responsibility to collect and review all delegated practitioner related grievance and appeals. SCFHP's Credentialing Committee has responsibility to use a peer review process to make recommendations regarding credentialing decisions across all networks. The Delegation & Oversight department has responsibility to oversee delegated credentialing.

POLICY

IV. References

T28 CCR§ 1300.74.16(e) and § 1300.67.60
 National Committee for Quality Assurance (NCQA)
 California Business and Professions Code § 805 and 809
 DHCS Contract, Exhibit A, Attachment 4, Provisions 6, 10, and 12
 MMCD Policy Letter 02-03
 DM HC Regulation LS-34-01
 3-Way Contract between SCFHP, CMS, DHCS
 CA Health and Safety Code § 1367(a-c) and § 1374.16
 T22 CCR§ 53100, 53280
 T42 CFR § 422.504(i)(4-5)
 MMC Manual, Chapter 6, §§ 20.2, 30, 50, 60.2, 60.3
 T16 CCR Divisions 4,10,11,13-18,25,39-40

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Operations		Christine Turner Chief Operating 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)
1	Reviewed	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4-2022	

POLICY

Policy Title:	Ongoing Monitoring and Interventions	Policy No.:	CR.06 v1
Replaces Policy Title (if applicable):	Ongoing Monitoring of Practitioners	Replaces Policy No. (if applicable):	CR008, CR-07-01, QM-CR-04-01
Issuing Department:	Provider Network Operations - Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

The purpose of this policy is to monitor, on an ongoing basis, Santa Clara Family Health Plan’s (SCFHP) practitioners who are contracted with the network.

II. Policy

- A. SCFHP implements processes for ongoing monitoring of practitioner sanctions, complaints and quality issues between recredentialing cycles and takes appropriate action against practitioners when it identified occurrences of poor quality.
- B. SCFHP reports certain defined findings to the Credentialing Committee for review, decision, action and practitioner appeal rights.

III. Responsibilities

The Credentialing department is responsible to conduct ongoing monitoring and take appropriate interventions by collecting and reviewing:

- Medicare and Medicaid sanctions;
- Sanctions or limitations on licensure;

Complaints;

Information from identified adverse events; and

Implementing appropriate interventions and review by the Credentials Committee when instances of poor quality related to the above is identified.

The Credentialing department is responsible for coordinating the terms of this policy with Quality Improvement, Delegation & Oversight, and Grievance & Appeals departments.

The Delegation & Oversight department has responsibility to oversee ongoing monitoring of providers in a delegated network.

The Credentialing department has responsibility to report ongoing monitoring findings to SCFHP’s Credentialing Committee for review, recommendation, and decision.

POLICY

The Credentialing department has responsibility to report SCFHP’s Credentialing Committee actions to SCFHP’s Quality Committee.

For practitioners who receive a negative determination by the Credentialing Committee, the Credentialing department notifies defined practitioners of their appeal rights.

The Credentialing department reports practitioner suspensions or terminations to applicable authorities.

IV. References

- T28 CCR § 1300.74.16(e) and § 1300.67.60
- National Committee for Quality Assurance (NCQA)
- California Business and Professions Code § 805 and 809
- DHCS Contract, Exhibit A, Attachment 4, Provisions 6, 10, and 12
- MMCD Policy Letter 02-03
- DMHC Regulation LS-34-01
- 3-Way Contract between SCFHP, CMS, DHCS
- CA Health and Safety Code § 1367(a-c) and § 1374.16
- T22 CCR § 53100, 53280
- T42 CFR § 422.504(i)(4-5)
- MMC Manual, Chapter 6, §§ 20.2, 30, 50, 60.2, 60.3
- T16 CCR Divisions 4,10,11,13-18,25,39-40

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Operations		Christine Turner Chief Operating 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)
1	Reviewed	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4-2022	

POLICY

Policy Title:	Assessment of Organizational Providers	Policy No.:	CR.07 v2
Replaces Policy Title (if applicable):	Credentialing of Institutional Providers	Replaces Policy No. (if applicable):	CR009, CR-07-06, HA-06-06
Issuing Department:	Provider Network Operations - Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

The purpose of this policy is to establish a process to credential organizational providers in accordance with applicable regulations.

II. Policy

SCFHP conducts timely verification of information, in accordance with all applicable regulatory and accrediting requirements, to ensure that organizational providers and their facility settings have the legal authority and relevant training and experience to provide quality care to SCFHP members.

SCFHP does not delegate the credentialing of organizational providers.

The scope of this policy applies to the following contracted organizational facilities*, and those facilities applying to become contracted:

1. Hospitals
2. Home Health Agencies (HHA)
3. Hospices
4. Clinical Laboratories
5. Skilled Nursing Facilities (SNF)
6. Comprehensive Outpatient Rehabilitation Facilities (CORF)
7. Outpatient Physical Therapy (PT) and Speech Pathology (SP/ST) Providers
8. Free-standing/Ambulatory Surgical Centers (ASC)
9. Providers of End-Stage Renal Disease (ESRD) Services
10. Portable X-Ray Suppliers
11. Durable Medical Equipment (DME)
12. Behavioral Health (BH) Inpatient
13. BH Residential
14. BH Ambulatory
15. Other Ancillary or Allied Health Professionals, as applicable

* This policy does not apply to providers who exclusively practice within the inpatient hospital setting, also known as "Hospitalists", including but not limited to radiologists, pathologists, etc.

POLICY

III. Responsibilities

- A. The Credentialing department is responsible for coordinating the terms of this policy with Quality Improvement, Delegation & Oversight, and Grievance & Appeals departments.
- B. The Grievance & Appeals department has responsibility to collect and review all organizational related grievance and appeals complaints.
- C. SCFHP's Credentialing Committee has responsibility to use a peer review process to make recommendations of organization regarding organizations who do not meet pre-established criteria.

IV. References

T28 CCR § 1300.74.16(e) and § 1300.67.60
 National Committee for Quality Assurance (NCQA)
 California Business and Professions Code § 805 and 809
 DHCS Contract, Exhibit A, Attachment 4, Provisions 6, 10, and 12
 MMCD Policy Letter 02-03
 DMHC Regulation LS-34-01
 3-Way Contract between SCFHP, CMS, DHCS
 CA Health and Safety Code § 1367(a-c) and § 1374.16
 T22 CCR § 53100, 53280
 T42 CFR § 422.504(i)(4-5)
 MMC Manual, Chapter 6, §§ 20.2, 30, 50, 60.2, 60.3
 T16 CCR Divisions 4,10,11,13-18,25,39-40

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Operations		Christine Turner Chief Operating 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)
V2 on 12/14/2021	Changed 'Provider Network Management' to 'Provider Network Operations' in several places	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4/2022	

POLICY

Approval

POLICY

Policy Title:	Credentialing Committee	Policy No.:	CR.08 v1
Replaces Policy Title (if applicable):	Credentialing Committee; and Credentialing Committee Confidentiality and Conflict of Interest Agreement	Replaces Policy No. (if applicable):	CR010, CR-07-04, CR007, CR-07-07
Issuing Department:	Provider Network Operations - Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

The purpose of this policy is for Santa Clara Family Health Plan (SCFHP) to establish a Credentialing Committee, which also serves as the Peer Review Committee when requested by the Quality Improvement Committee (QIC), in order to obtain meaningful advice and expertise using peer review from participating practitioners; and to identify the scope and responsibility of the Committee.

II. Policy

In accordance with applicable regulatory requirements, SCFHP designates its Credentialing Committee to use a peer review process to make decisions regarding health plan credentialing of its contracted practitioners and those applying to contract with the Plan; and to also serve as the Peer Review Committee when quality review is requested by the QIC; and to use a peer review process for Quality of Care and Quality of Service matters that fall outside of the credentialing process; and make associated recommendations.

SCFHP requires all Credentialing Committee participants to adhere to SCFHP's Credentialing Committee Charter.

SCFHP requires all Credentialing Committee participants to adhere to SCFHP's Credentialing Committee Conflict of Interest and Confidentiality Agreements.

The Credentialing Committee shall document discussions and provide de-identified reports of both the Credentialing Committee, and the Peer Review Committee when they meet, to the QIC. The Credentialing Committee discussions, activities and documents shall remain confidential in accordance with the California Evidence Code, Division 9, Chapter 3 § 1157.

III. Responsibilities

- A. The Credentialing staff within the Provider Network Operations department is responsible for coordinating the terms of this policy with the Credentialing Committee and its participants.

POLICY

- B. The Credentialing Committee has responsibility to define the Committee Charter.
- C. The Committee participants have the responsibility to follow the Committee Charter.
- D. SCFHP’s Compliance department has responsibility to define Conflict of Interest Agreement.
- E. The Committee participants have the responsibility to follow the Conflict of Interest Agreement.

IV. References

T28 CCR § 1300.74.16(e) and § 1300.67.60
 National Committee for Quality Assurance (NCQA)
 California Business and Professions Code § 805 and 809
 DHCS Contract, Exhibit A, Attachment 4, Provisions 6, 10, and 12
 MMCD Policy Letter 02-03
 DMHC Regulation LS-34-01
 3-Way Contract between SCFHP, CMS, DHCS
 CA Health and Safety Code § 1367(a-c) and § 1374.16
 T22 CCR § 53100, 53280
 T42 CFR § 422.504(i)(4-5)
 MMC Manual, Chapter 6, §§ 20.2, 30, 50, 60.2, 60.3
 T16 CCR Divisions 4,10,11,13-18,25,39-40

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Operations		ChristineTurner Chief Operating 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)
1	Reviewed	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4-2022	

POLICY

Policy Title:	Credentialing System Controls	Policy No.:	CR.10 v2
Replaces Policy Title (if applicable):		Replaces Policy No. (if applicable):	CR.10 v1
Issuing Department:	Provider Network Operations - Credentialing	Policy Review Frequency:	Annual
Lines of Business (check all that apply):	<input checked="" type="checkbox"/> Medi-Cal	<input checked="" type="checkbox"/> CMC	

I. Purpose

The purpose of this policy is to standardize the process for system controls specific to Credentialing primary source verification, how it is received, stored, and tracked and dated.

II. Policy

Santa Clara Family Health Plan (SCFHP) conducts timely verification of information, in accordance with all applicable regulatory and accrediting requirements, to ensure that the credentialing system processes comply with all applicable state and federal laws, and NCQA standards.

III. Responsibilities

- A. The Credentialing Verification Organization (CVO) is contracted to perform primary source verifications.
- B. The Credentialing Coordinator will download the primary source verifications from the CVO website and ensure all required information has been verified by the CVO.
- C. Credentialing files may not be reproduced except for confidential peer review and within federal and state regulations as it pertains to credentialing practices.
- D. The Director of Provider Network Operations grants access to users who will be allowed to access the database of the CVO and SCFHP's Credentialing (CR) network files.
- E. The Director of Provider Network Operations will work with the HIPAA Security Officer to change or delete user access when a staff member is terminated, transitions from the CR department, or voluntarily terminates their relationship with SCFHP.
- F. Annually, all users with access to credentialing data will be reviewed by the Director Provider Network Operations to identify users who no longer require access, as well as the level of access to current users.
- G. The Director of Provider Network Operations will receive reports semi-annually of all system modifications that did not meet the CVO's/delegate's policies and procedures. If inappropriate or inaccurate changes are identified, a quarterly monitoring process will be implemented. Monitoring will continue until improvement is demonstrated in at least one finding over three consecutive quarters.

IV. References

POLICY

HI-IT.07 v1, Workforce Security
 HI-IT.08 v1, Workforce Authorization and Supervision Policy
 HI-IT.10 v1, Termination
 IT.13 User IDs and Passwords

V. Approval/Revision History

First Level Approval		Second Level Approval		
Janet Gambatese, Director Provider Network Operations		Christine Turner Chief Operating 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)
2	Reviewed	Credential Committee Quality Improvement Committee	Approve/8-3-2022 Recommend/10-4-2022	



Santa Clara Family Health Plan™

Grievance and Appeals Report Q2 2022

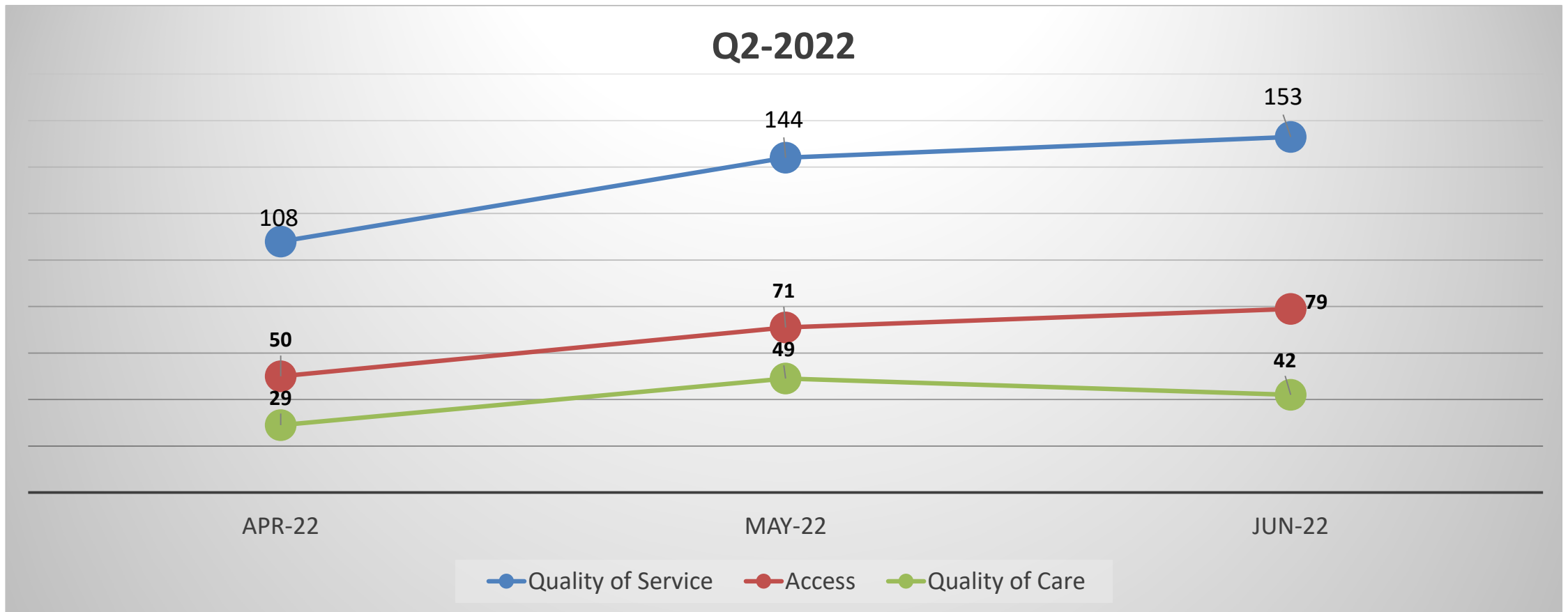
Quality Improvement Committee Meeting October 11, 2022

Total Grievances & Appeals

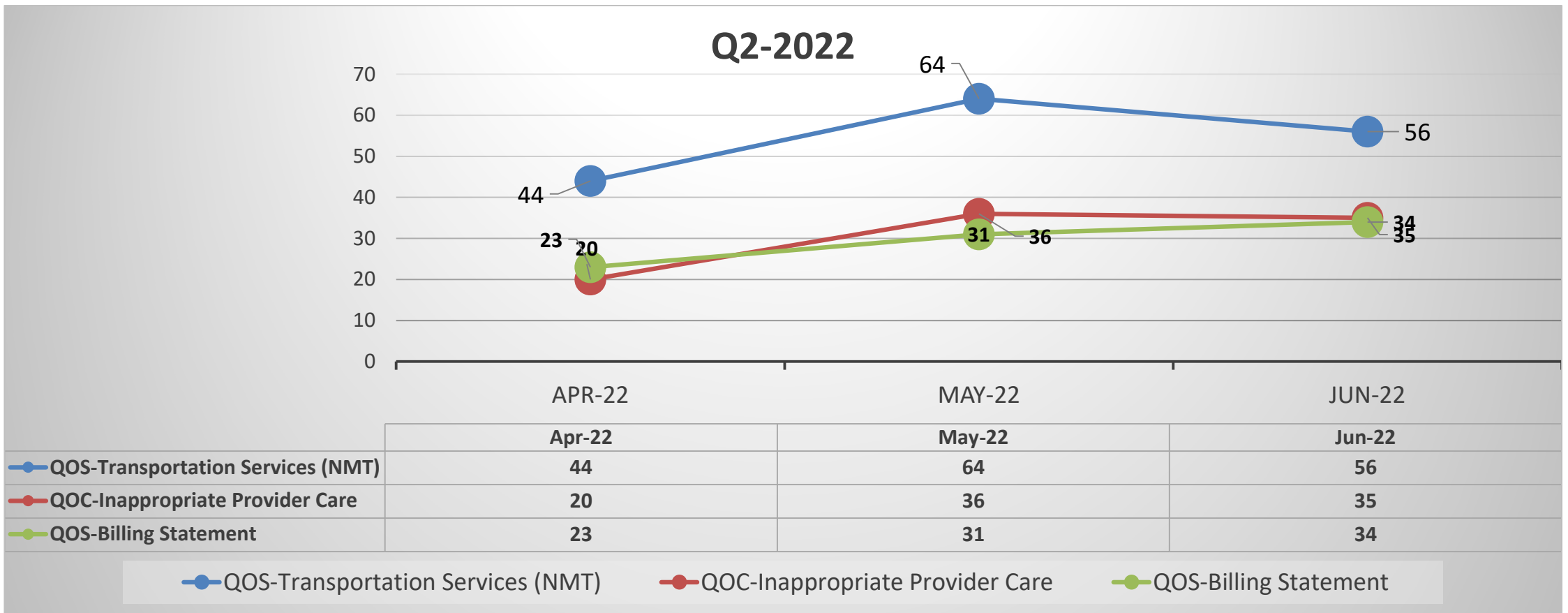
(Rate per 1000 Members)

	Apr-21	May-21	Jun-21	Apr-22	May-22	Jun-22
Total Appeals	89	58	60	51	45	46
CMC Total Membership	9,924	9,989	10,080	10,333	10,334	10,332
Rate per 1,000	8.96816	5.80639	5.95238	4.93564	4.35455	4.45218
Total Grievances	128	101	99	107	102	142
CMC Total Membership	9,924	9,989	10,080	10,333	10,334	10,332
Rate per 1,000	12.8980	10.1111	9.82143	10.3551	9.87033	13.7437
	Apr-21	May-21	Jun-21	Apr-22	May-22	Jun-22
Total Appeals	92	87	124	61	48	34
MC Total Membership	269,043	271,246	272,590	288,485	290,928	296,050
Rate per 1,000	0.34195	0.32074	0.45490	0.21144	0.16498	0.11484
Total Grievances	199	147	196	238	301	316
MC Total Membership	269,043	271,246	272,590	288,485	290,928	296,050
Rate per 1,000	0.73966	0.54194	0.71903	0.82499	1.03462	1.06738

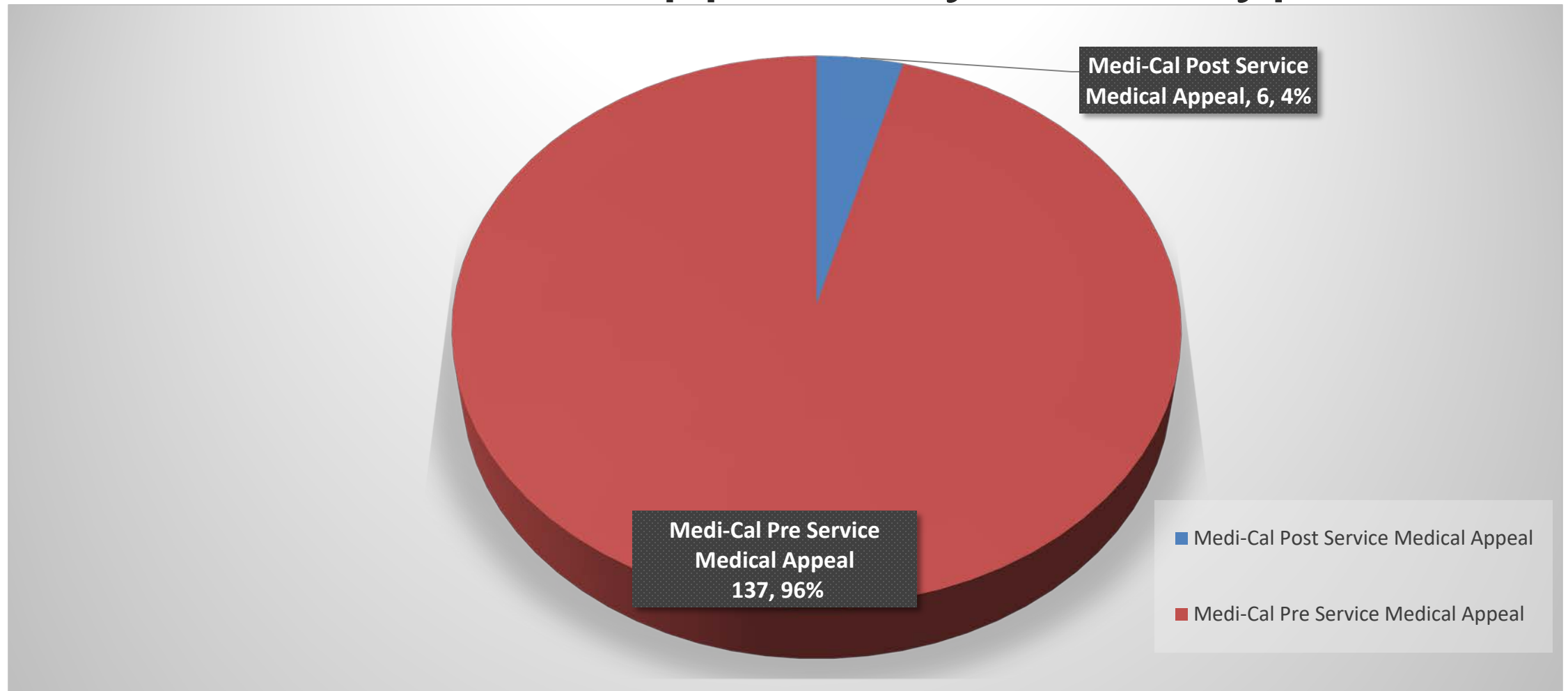
Q2 2022: Top 3 Medi-Cal Grievance Categories



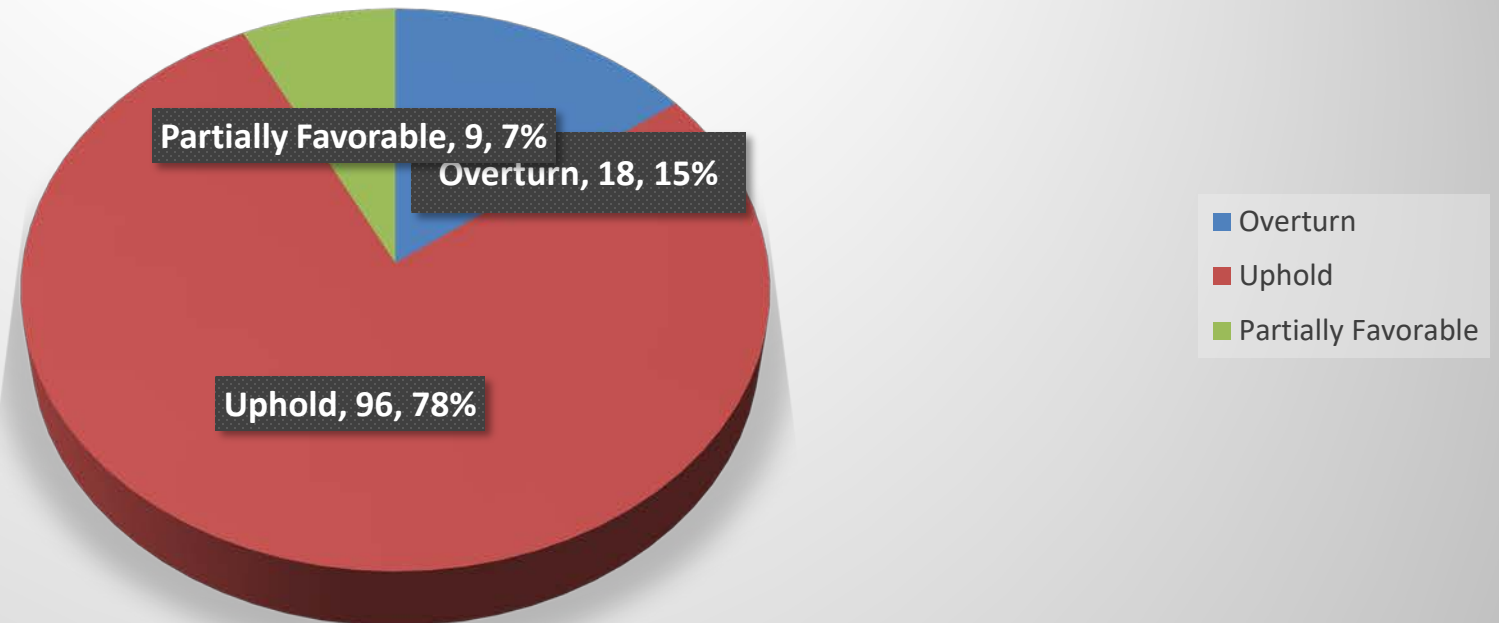
Q2 2022: Top 3 Medi-Cal Grievance Subcategories



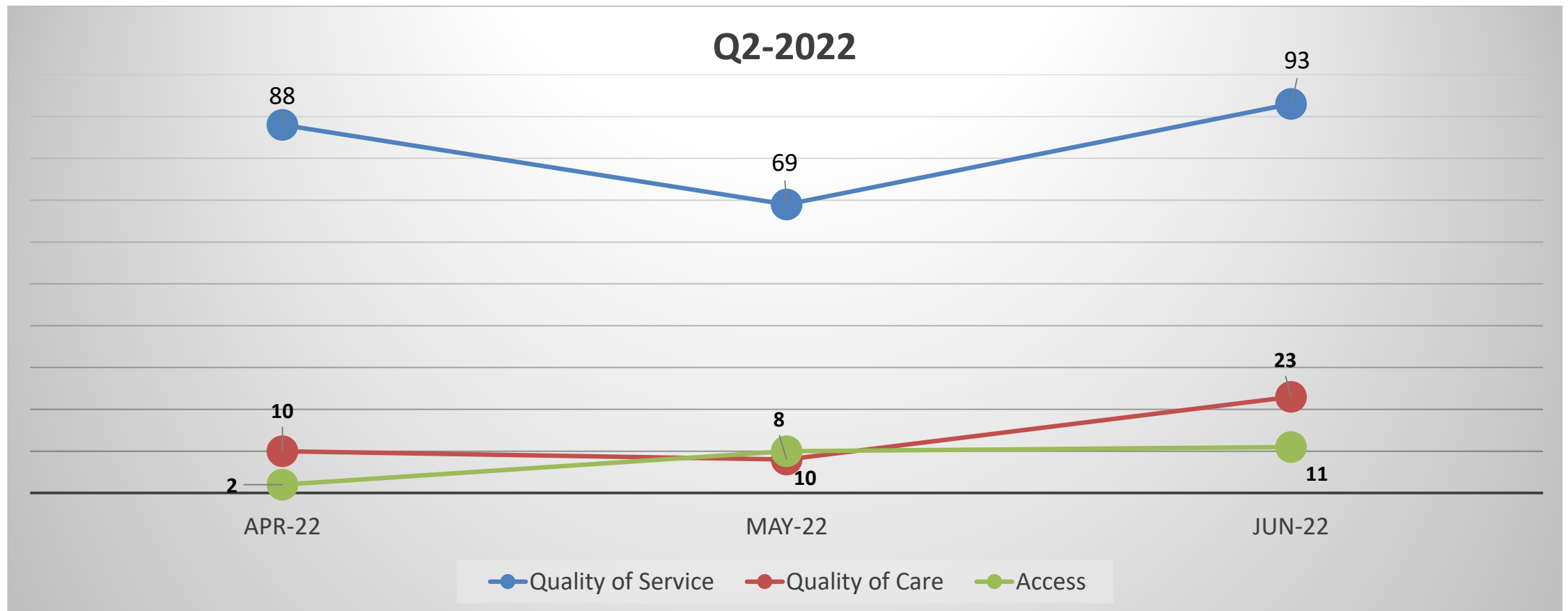
Q2 2022 Medi-Cal Appeals by Case Type



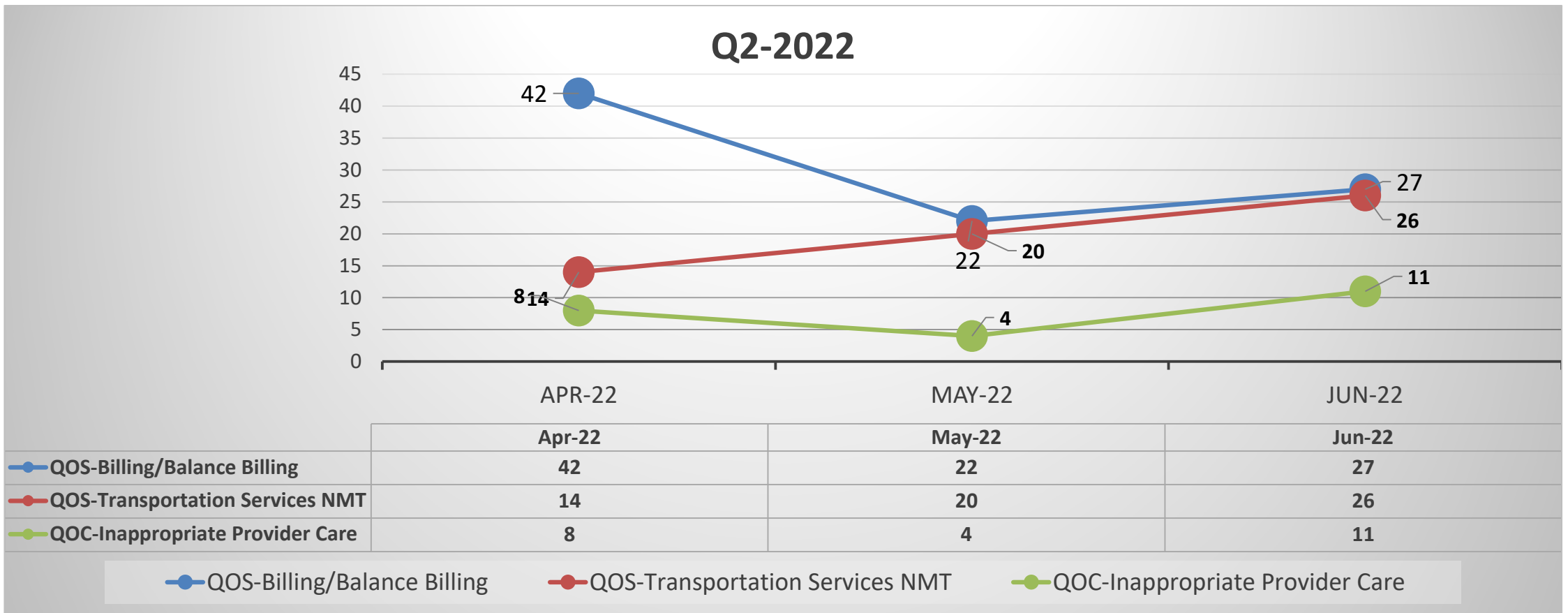
Q2 2022 MC Appeals by Disposition



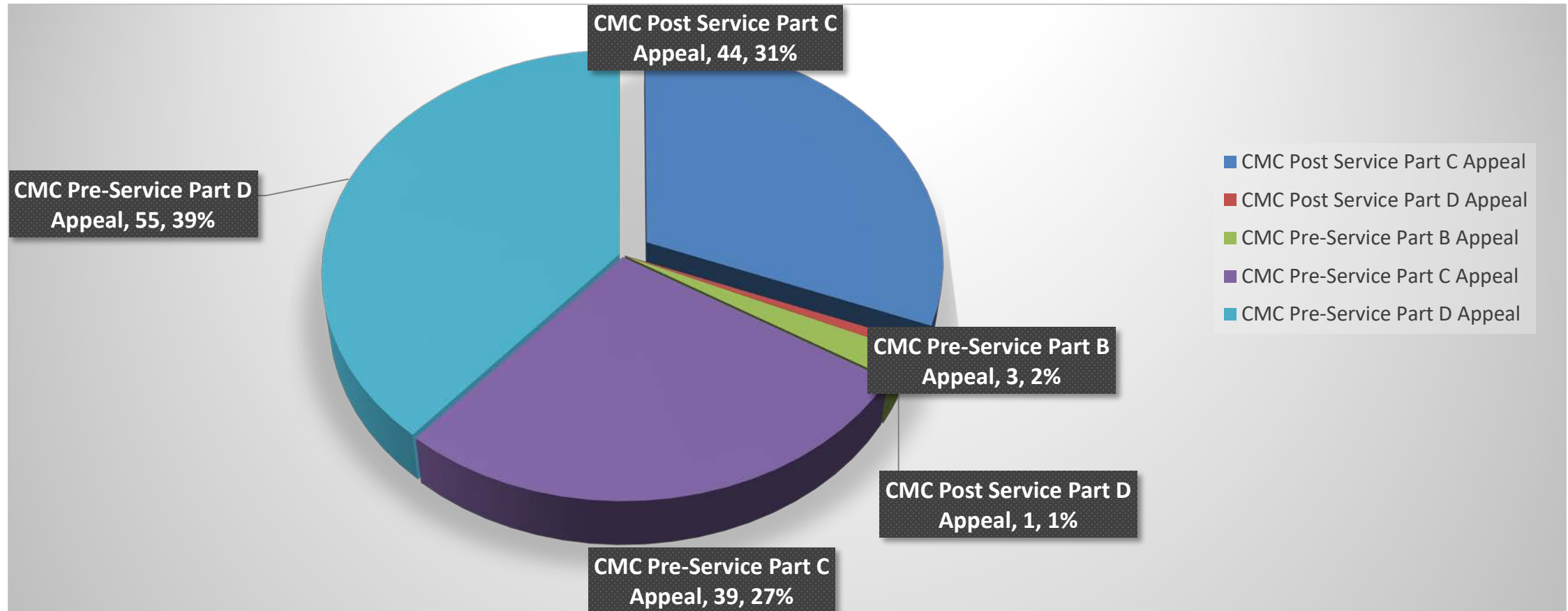
Q2 2022: Top 3 Cal MediConnect Grievance Categories



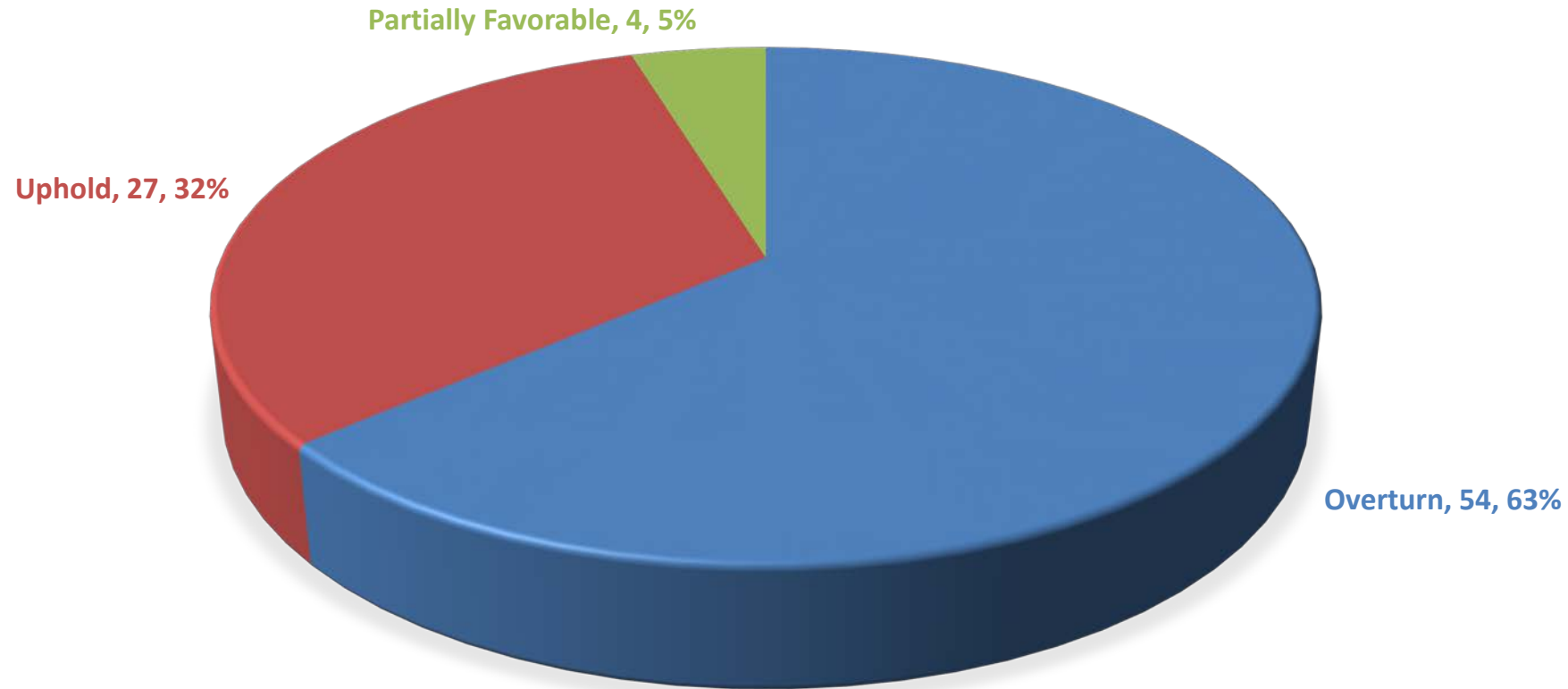
Q2 2022: Top 3 Cal MediConnect Grievance Subcategories



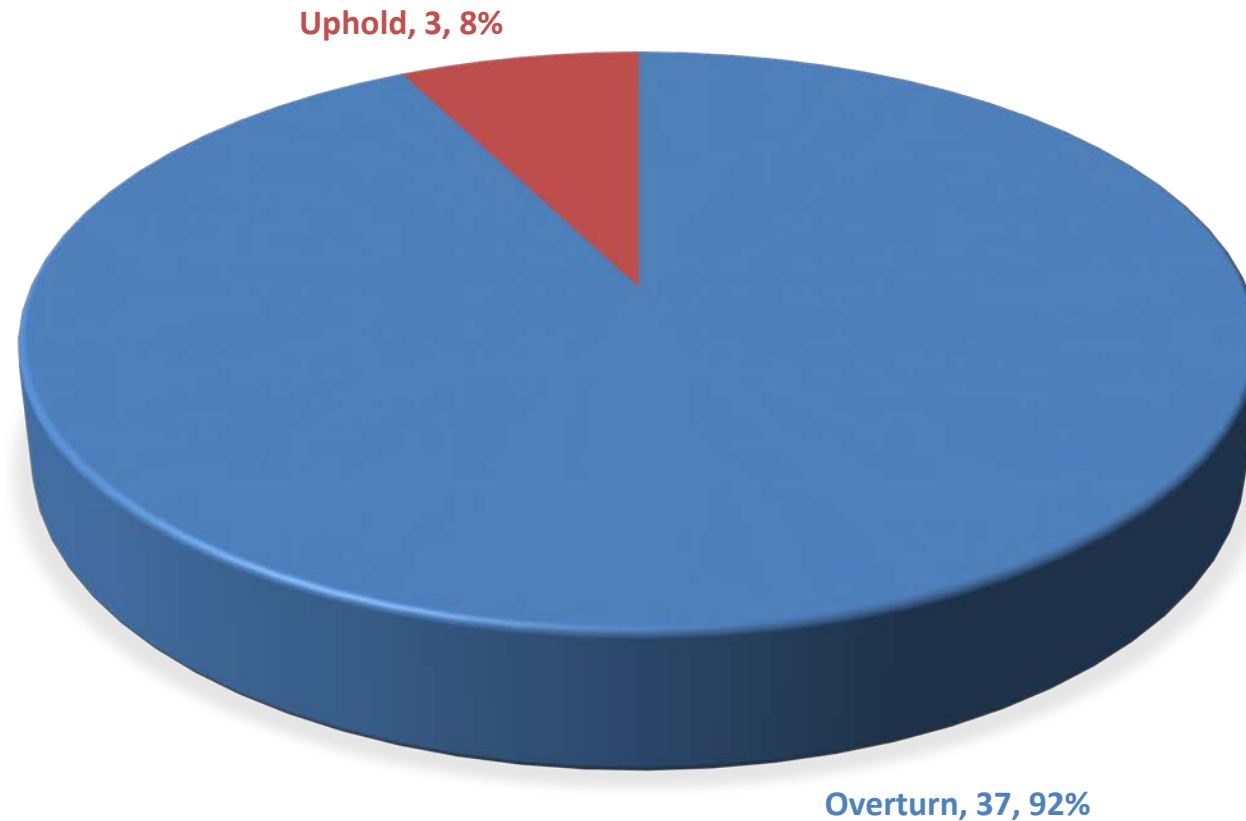
Q2 2022 CMC Appeals by Case Type



Q4 2022 CMC Pre-Service Appeals by Disposition



Q2 2022 CMC Post-Service Appeals by Disposition





**Santa Clara Family
Health Plan™**

Credentialing Committee Report - August 3, 2022

Quality Improvement Committee Meeting October 11, 2022

QUALITY IMPROVEMENT
COMMITTEE or ACTIVITY REPORT

Name of Reporting Committee or Activity:

Monitoring or Meeting Period:

Credentialing Committee

08/03/2022

Areas of Review or Committee Activity

Credentialing of new applicants and recredentialing of existing network practitioners

Findings and Analysis

DIRECT NETWORK		
Initial Credentialing		
Number initial practitioners credentialed	21	
Initial practitioners credentialed within 180 days of attestation signature	100%	100%
Recredentialing		
Number practitioners due to be recredentialled	22	
Number practitioners recredentialled within 36-month timeline	22	
% recredentialled 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 <u>07/31/2022</u>	684	

DELEGATED NETWORKS							
(For Quality of Care ONLY)	Stanford	LPCH	VHP	PAMF	PMG	PCNC	NEMS
Total # of Suspension	0	0	0	0	0	0	0
Total # of Terminations	0	0	0	0	1	0	0
Total # of Resignations	0	0	0	0	0	0	0
Total # of practitioners	1418	852	1126	811	1212	481	1027

Total counts for some Networks have increased due to Provider Adds for Full Delegate Network Reporting.

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)

Wednesday, November 9, 2022, 12:15 – 1:45 PM
Santa Clara Family Health Plan – Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES - Draft

Members Present

Thad Padua, MD, Chair
Clara Adams, LCSW
Dolly Goel, MD
Ghislaine Guez, MD
Jimmy Lin, MD
David Mineta
Peter L. Nguyen, DO
Sherri Sager

Members Absent

Pedro Alvarez, MD
Bridget Harrison, MD
Jack Pollack, MD
Meg Tabaka, MD
Hien Truong, MD

Staff Present

Christine Tomcala, Chief Executive Officer
Christine Turner, Chief Operating Officer
Laurie Nakahira, DO, Chief Medical Officer
Janet Gambatase, Director, Provider Network
Operations
Dang Huynh, Vice President, Health Services
Mai Chang, Director, Quality & Process Improvement
Karen Fadley, Manager, Provider Data, Credentialing
& Reporting
Amy O'Brien, Administrative Assistant
Robyn Esparza, Administrative Assistant

1. **Roll Call/Establish Quorum**

Thad Padua, MD, **Chair**, called the meeting to order at 12:17 pm. Roll call was taken and a quorum was established.

2. **Public Comment**

There was no public comment.

3. **Meeting Minutes**

The minutes of the August 10, 2022, Provider Advisory Council (PAC) meeting were reviewed.

It was moved, seconded, and the August 10, 2022, Provider Advisory Council (PAC) minutes were unanimously approved.

Motion: Dr. Lin

Second: Ms. Sager

Ayes: Ms. Adams, Dr. Goel, MD, Dr. Guez, Dr. Lin, Dr. Nguyen, Dr. Padua, Ms. Sager.

4. Chief Executive Officer Update

Christine Tomcala, CEO, presented the November 2022 Enrollment Summary and noted a total enrollment of 320,686, with 10,495 members in Cal MediConnect (CMC) line of business and 310,191 members in Medi-Cal (MC) line of business.

Ms. Tomcala noted that the ten thousand members in the CMC line of business will be losing that coverage the first of the year and it is hoped that all members will make the transition to our new DSNP product. The Health Plan is actively communicating with all of its members, as well as its providers, about this transition in hopes that it assists all of them in making the transition to the new program.

Ms. Tomcala also shared that the Health Plan went through its DMHC audit and, to the best of the Plan's knowledge, the audit went fine. There is no specific feedback yet, but we do not think that there are any major issues. We are happy to have that routine audit in the rearview and will stay tuned for feedback from the State.

5. Provider Network Operations

a. Update on Provider Satisfaction Survey

Ms. Janet Gambatese, Director, Provider Network Operations (PNO) reminded the council she has been providing updates on the Provider Satisfaction Survey (PSS) at the last couple of meetings. She noted that last Spring, PNO decided to undertake a new type of PSS, which goes beyond the one done for regulatory purposes every year. We really wanted to delve into provider satisfaction and see what is working and what is not, and identify any areas for improvement. PNO collaborated with a vendor to conduct an online survey via Survey Monkey, followed by in-person focus groups and interviews. Ms. Gambatese provided a recap of the survey results and the interventions that have been taking place. She noted 58% of respondents to the survey report SCFHP as either "somewhat above average" or "well above average" when compared to other contracted health plans. The most effective services of SCFHP include provider relations, access to non-emergency health services, and utilization management. Strengths identified include patient access to care, communication with providers, and care and commitment shown to community. She noted that opportunities for improvement included utilization management, care management services and the need for additional network specialists. Ms. Gambatese noted that interventions for contracting include pursuing contracts with additional mentioned specialists such as mental health practitioners for both adult and children, pediatrics specialists, physical therapists, dermatologists, and gastroenterologists. Finally, it was noted that the PSS and strategy includes developing a year round provider engagement strategy to keep pulse on provider satisfaction.

b. Electronic Visit Verification

Ms. Janet Gambatese, Director, Provider Network Operations (PNO) informed the council that SCFHP Medi-Cal providers of home and community based personal care services must be registered, trained, and using the State-provided Electronic Visit Verification (EVV) system as outlined in APL 22-014. She noted that there is an upcoming webinar from the State on this. If there are any questions, please do not hesitate to reach out to PNO for assistance.

c. Update on DSNP Network Adequacy

Ms. Karen Fadley, Manager, Provider Data, Credentialing & Reporting, Provider Network Operations (PNO) provided an update on DSNP Network Adequacy for SCFHP. She noted that CMS holds the plan accountable to a network of providers that meet member addresses to provider addresses in the miles to minutes, along with a provider ratio for the county. The membership file used to hold SCFHP's DSNP accountable by CMS is a census sample membership file. She reminded council that back in August, she presented as to where DSNP stood at that point and time for the sample member and there were some gaps in care identified for podiatry, facility surgical services, and facility occupational therapy. Ms. Fadley noted that as of November SCFHP is meeting and exceeding the network adequacy, as well as for CMC membership network adequacy, for DSNP. She noted the next steps are continuing with our contracting efforts with getting all the CMC specialists and PCPs contracted on the DSNP product.

6. Population Health Management

Dr. Dang Huynh, Vice President, Health Services, provided an overview of Population Health Management (PHM) on behalf of Angela Chen. He noted PHM is the cornerstone of CalAIM and will begin on January 1, 2023. It focuses on preventative care and providing services to the members before their health gets worse. It is identifying how can we use data, and how can we identify members and provide care with the services we have available. He noted that one of the requirements of DHCS is that our PHM program needs to meet NCQA standards. He highlighted the statewide database (PHM Service) launching in July 2023 with member data from different sources to share with the managed care plans for risk stratification and care coordination. Dr. Huynh reviewed the key takeaways and the implementation timeline. Next steps include submitting the PHM Program Readiness Deliverables on 10/21/22, and establishing internal cross-departmental workgroups to gather information and on members before implementation of services.

7. Quality

a. HEDIS Post-Partum Follow-up

Ms. Mai Chang, Director of Quality & Process Improvement, noted that as a follow-up to Dr. Goel's inquiry from a previous meeting for information about telehealth visits for a postpartum visit. She confirmed that HEDIS specifications do allow postpartum visits to be completed via telephone, e-visit, or virtual check-in. If PCPs conduct a visit with the member virtually, and they discuss breastfeeding or they complete a postpartum depression screening, etc., and it is documented in the medical record, the CPT code with the postpartum diagnosis is billed on the encounter or the claim that would count towards the postpartum visit.

8. Utilization Management Updates

a. CBAS Emergency Remote Services (ERS)

Dr. Huynh noted that ERS is in effect and has received notification from CBAS centers regarding ERS. He indicated that the plan has been working with CBAS centers to ensure compliance with the Department of Aging and identification of additional case management needs from the plan.

b. Intermediate Care Facilities

Dr. Huynh discussed the Long-Term Care (LTC), also known as custodial level of care, carve into Medi-Cal managed care plans effective 1/1/2023. Since the plan is a CCI county, LTC has been a plan responsibility. Intermediate care facilities will also be carved in our UM Department is working collaboratively with the PNO Department to get contracts with these intermediate care facilities.

c. Non-Emergency Medical Transportation PCS Form Update

Dr. Huynh noted the Non-Emergency Medical Transportation (NEMT) Physician Certification Statement (PCS) Form is now updated due to review of the DHCS APL for transportation. The plan will make it a requirement that all transportation requests for any NEMT be on the new form. Marketing is finalizing the DHCS approved PCS form provider communication. He noted that existing authorization on file does not require a new request with the form change, as it is only for new requests.

9. Pharmacy Updates

a. Medi-Cal Rx Updates

Dr. Huynh noted the pharmacy benefit transition for Medi-Cal and over-the-counter drugs from CMC to D-SNP starting 1/1/2023. Currently, the plan is covering these drugs through the plan's PBM, but will transition to Medi-Cal Rx via Magellan. The plan is working with DHCS and Magellan on providing claims history so that can help with the transition for OTC and MC products through the pharmacy benefit along with test claims for point-of-sale messaging

- **Mitigating Pharmacy Costs**

Medi-Cal: With Medi-Cal Rx being carved out to the State, the plan does not have direct financial responsibility for the payment of the drugs, but still has responsibility for care coordination and disease management relating to prescription drugs.

Medicare: The plan has been working to minimize increase of drug cost by negotiating our PBM administrative cost, pricing guarantees, and increase of rebates our CMC/D-SNP LOB. Dr. noted that our D-SNP LOB will have a \$0 copay for prescription drugs through the VBID. Formulary brands and generics will have a \$0 copay. The plan is also working on increasing mail order and 90-day supply utilization. This may result in better adherence and ultimately any potential hospitalization or worse health outcomes. In addition to lower processing fees. The plan's pharmacy department will also be focusing on STAR measures.

- **Non-therapeutic Continuous Glucose Monitors**

Non-therapeutic continuous glucose monitors (CGMs) are now a Medi-Cal Rx benefit. Both therapeutic and non-therapeutic are now a benefit through Medi-Cal Rx.

- b. D-SNP OTC Supplemental Benefit**

Dr. Huynh noted the health plan's DSNP OTC supplemental benefit is going to be a new add-on benefit. The allowance is \$135 every three months. Members will get a catalog with OTC products to choose from including OTC drugs and supplies.

10. Old Business

- a. Nurse Advice Line and MD Live Utilization**

Dr. Huynh reviewed the Nurse Advise Line and MD Live Utilization data for Q1-Q3. He noted there has been a slow increase of a few hundred between the quarters. Since the beginning of this year, there have been roughly 6.057 for our Nurse Advice Line with specified dispositions. He discussed utilization by network and noted VHP has a larger utilization, but also represents a larger proportion of the plan's membership.

11. New Business

- a. 2023 Meeting Dates**

Ms. Gambatese stated that the 2023 Meeting Calendar is in the meeting packet, and noted that the PAC meeting PAC will continue to convene on a standing quarterly cadence, on the 2nd Wednesday of the month in February, May, August and November, from 12:15 to 1:45.

12. Discussion / Recommendations

There were no further discussions and/or recommendations.

13. Adjournment

The meeting adjourned at 1:35 p.m. The next meeting scheduled for Wednesday, February 8, 2023.

Thad Padua, MD, Chair

Date

Regular Meeting of the

Santa Clara County Health Authority Consumer Advisory Committee

Tuesday, December 6, 2022, 6:00 PM – 7:00 PM
Santa Clara Family Health Plan – Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes - Draft

Members Present

Rebecca Everett
Blanca Ezquerro
Rachel Hart
Jadelynn Pettyplace
Timothy Pollard
Ajit Raina
Ishendra Sinha
Sandra Schaad
Hoang Truong

Members Absent

Sherri Sager, Chair
Barifara (Bebe) Barife
Vishnu Karnataki
Maria Cristela Trejo Ramirez
Tran Vu

Guests

Carmen Garcia
Martha Gonzalez
Robin Vecchio

Staff Present

Chris Turner, Chief Operating Officer
Chelsea Byom, Vice President, Marketing,
Communications and Outreach
Mai Chang, Director, Quality and Process
Improvement
Mike Gonzalez, Director, Community
Engagement
Carole Ruvalcaba, Director, Marketing and
Communications
Cristina Hernandez, Manager, Marketing and
Public Relations
Jocelyn Ma, Manager, Community Outreach
Jenny Arellano, Marketing Project Manager
Zara Ernst, Health Educator
Amy O'Brien, Administrative Assistant

1. Roll Call/Establish Quorum

Chris Turner, Chief Operating Officer, and acting Chair on behalf of Sherri Sager, called the meeting to order at 6:02 p.m. Roll call was taken and a quorum was established.

2. Public Comment

Robin Vecchio expressed interest in an expansion of the Plan's provider network to expand choices and options for doctors and overall medical care.

3. Meeting Minutes

The minutes of the September 6, 2022 Consumer Advisory Committee meeting were reviewed.

It was moved, seconded, and the minutes of the September 6, 2022 Consumer Advisory Committee meeting were **unanimously approved.**

Motion: Mr. Sinha
Second: Ms. Ezquerro
Ayes: Ms. Everett, Ms. Ezquerro, Ms. Hart, Ms. Pettyplace, Mr. Pollard, Mr. Raina, Ms. Schaad, Mr. Sinha, Mr. Truong, Ms. Turner
Absent: Ms. Barife, Mr. Karnataki, Ms. Ramirez, Ms. Sager

4. Health Plan Update

Ms. Turner presented an enrollment update. She noted the Plan's total membership population of 320,686 members, an increase of 10.9% since November 2021, the current Medi-Cal (MC) membership of 310,191 has increased by 11.2% and CMC membership of 10,495 members has increased 0.8%.

Ms. Turner shared a summary of Plan updates, highlighting SCFHP's plans to assess the medical transportation benefit and provide a report at the next meeting. She stated the Federal COVID-19 public health emergency will likely be extended until mid-April 2023. She stated the plan is awaiting the results of the Department of Managed Health Care Services (DMHC) audit completed in October 2022. Ms. Turner said the initial audit results from the March 2022 Department of Health Care Services (DHCS) audit were received in November 2022. The Plan is preparing to receive the final DHCS audit report.

5. 2023 Member Incentive Program

Zara Ernst, Health Educator, gave an overview of the Member Incentive Program for 2023. She discussed the 2023 Wellness Rewards Proposal program. She requested feedback from the committee as to the screenings that are recommended and the incentives that are available. Ms. Ezquerro suggested that the disparity focus for cervical cancer screenings be expanded to include the Hispanic population. Ms. Ernst replied that Health Education will take a closer look at the number of completed cervical cancer screenings for this population group. Mr. Sinha requested a breakdown of how much money in gift cards has already been dispersed and how many screenings have been completed. Ms. Ernst responded that the Health Education team will do some research on each of these items and bring the results to the March 7, 2023 meeting.

Ms. Ernst thanked the committee for their suggestions. There was no additional feedback or further comments from the committee.

6. Community Engagement and Outreach Overview

Ms. Ma presented an overview of the Plan's community engagement and outreach strategies. Fiscal Year (FY) 2022 runs from July through June. Ms. Ma highlighted the Plan's FY 2022 Accomplishments. She also shared the outreach and sponsorship events, activities, and accomplishments for FYs 2021, 2022, and 2023. Ms. Ma discussed the differences between outreach and engagement. In addition, she announced the creation of the Community Engagement (CE) Department and the details of the Plan's CE and Outreach Plan for FY 23. The implementation of the CE and Outreach Plan will help to prioritize member engagement within the top 10 zip codes where our members live.

Ms. Ma and Mike Gonzalez, Director, Community Engagement, asked for the committees' feedback on SCFHP's CE plans. Ms. Hart asked if the plan includes outreach and engagement with the homeless community. Mr. Gonzalez replied that it is the CE team's hope that they engage all members, regardless of their housing situation. Ms. Vecchio suggested that the Next Door app may help to encourage engagement within communities and neighborhoods. Ms. Hart also suggested that the Plan establish relationships with our

local community centers. At this time, there was no additional feedback or further suggestions from the committee.

7. Blanca Alvarado Community Resource Center

Mike Gonzalez presented an overview of the recent activities at the Blanca Alvarado Community Resource Center (CRC). Mr. Gonzalez shared the details and accomplishments of the SCFHP 25th Anniversary Event, which was a big success and a great opportunity for community engagement. This event was an example of how to establish trust within our membership population, and was a demonstration of health equity for all.

Mr. Gonzalez discussed the hours of operation and the monthly calendar of activities. He also shared the link to the CRC website and the Plan's social media account @CRC_SCFHP. Mr. Gonzalez highlighted the services, programs, and events available at the Center, and the number of visitors to the Center from July 2022 through October 2022. The CRC offered 2,421 core services during that timeframe, and approximately 70% of these services were rendered to members. Mr. Gonzalez encouraged committee members to mark their calendars and plan to attend the SCFHP Lunar New Year Celebration on February 4, 2023. He encouraged all committee members to reach out with feedback or suggestions. At this time, there were no suggestions from the committee.

8. YMCA of Silicon Valley Membership

Chelsea Byom, Vice-President, Marketing, Communications, and Outreach presented an overview of the YMCA of Silicon Valley membership benefit. YMCA fitness and wellness programs are available to SCFHP members at no-cost through a standard YMCA membership. To complete their YMCA membership, members can either show their member ID card at one of the YMCA Of Silicon Valley locations, or they can complete the pre-form online and receive their membership card when they arrive. Ms. Byom also shared the YMCA locations. The member communications in regards to this benefit will roll-out after the first of the year, and will be included in our newsletter and through social media.

Ms. Byom continued with a discussion on swim lessons, which are currently offered through the City of San Jose. The YMCA offers year-round swim lessons at 6 locations throughout Santa Clara County. The Plan is considering whether or not to include swim lessons as part of the no-cost YMCA membership. She asked the committee which factors are the most important to them in deciding to enroll in swim lessons. The committee members added that providing fall and winter classes with quality instruction, warm water, and a sense of community would keep people coming back.

9. SCFHP Member Communications

Ms. Byom highlighted the member communications completed since the September 2022 meeting. Member communications included the fall newsletter, the SCFHP 2023 calendar, and information on the transition to DualConnect. The SCFHP website remains a great resource for materials such as the Formulary, the Provider directory, newsletters, and board and committee meeting agendas, agenda packets, and minutes. The flu shot webpage is updated with 2022-2023 information, with a message about the flu on the homepage carousel.

10. Future Agenda Items

Ms. Turner asked for suggestions on future agenda items for the March 2023 meeting. Ms. Turner suggested an overview of the state of California Housing and Homelessness Incentive Program (HHIP) as an agenda topic. Ms. Turner also suggested a discussion topic on the school-based mental health programs.

11. Adjournment

The next meeting is on Tuesday, March 7, 2023 at 6:00 p.m. It is likely that this meeting will be virtual via Zoom. The meeting adjourned at 7:06 p.m.

Chris Turner, Chief Operating Officer
Consumer Advisory Committee

**Santa Clara County Health Authority
Updates to Pay Schedule
December 15, 2022**

Job Title	Pay Rate	Minimum	Midpoint	Maximum
Community Health Worker Program Manager	Annually	99,315	126,626	153,938
Community Outreach Specialist	Annually	53,702	65,785	77,868
Housing Services Program Manager	Annually	99,315	126,626	153,938
Human Resources Business Partner	Annually	99,315	126,626	153,938
Manager, Provider Contracting	Annually	116,695	148,786	180,877
Risk Adjustment Coding Analyst	Annually	99,315	126,626	153,938
Talent Acquisition Specialist	Annually	76,598	95,747	114,897
Vice President, Government Relations and Compliance	Annually	227,539	295,801	364,062

**Santa Clara County Health Authority
Job Titles Removed from Pay Schedule
December 15, 2022**

Job Title	Pay Rate	Minimum	Midpoint	Maximum
N/A				

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 Health 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-filing 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 15, 2022** by the following vote:

AYES:
NOES:
ABSENT:

Signed: _____
Michele Lew, Chair

Attest: _____
Sarita U. Kohli, 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	1
Chief Operating Officer	1
Director, Facilities	1
Chief Medical Officer	8
Chief Information Officer	8
*Chief Health Equity & Strategies Officer	8
*Vice President, Government Relations and Compliance	8
*Vice President, Health Services	8
Vice President, Marketing, Communications & Outreach	8
Director, Community Engagement	8
Director, Provider Network Operations	8
Director, Infrastructure and System Support	8
Director, Long Term Services and Supports	8
Director, Operations	8
Director, Quality and Process Improvement	8
Medical Director	8
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.



TO: Santa Clara County Board of Supervisors

FROM: Santa Clara County Health Authority Governing Board

DATE: December 2022

SUBJECT: Annual Report

Santa Clara County Health Authority, doing business as Santa Clara Family Health Plan (SCFHP), serves more than 320,000 low-income residents of Santa Clara County through the Medi-Cal and Cal MediConnect programs. Medi-Cal enrollment has continued to increase due to the federal moratorium on Medicaid eligibility redeterminations related to the COVID-19 public health emergency. SCFHP membership continued to grow this year, while maintaining a consistent 78% Medi-Cal market share. We are working in partnership with the State, County, and other local organizations, to prepare for the resumption of eligibility redeterminations once the federal public health emergency is ended. Attached is a summary of SCFHP 2021-2022 Financial Highlights.

We continued to focus on preventing and mitigating the impacts of COVID-19 on our members including implementing targeted interventions for groups that experienced disparity in vaccinations. As we returned our focus to providing core services and meeting expanding quality requirements, we have enhanced these efforts through the health disparity and health equity lens, especially in the areas of women's health and diabetes management. Organizationally, we implemented equity councils to promote health equity for our members and inclusion among our staff. Recognizing the key role of providers in health equity, we provided practice transformation, care coordination tools, and direct education to practices to increase the provision of standard of care and a positive patient experience. And we are working to increase the use of community health workers, whose services are a new Medi-Cal benefit, to assist our members with health education and navigation.

As you know, this year saw the first program implementations under the State's multi-year CalAIM plan, beginning with the transitions of Health Homes Program and Whole Person Care to new services known as Enhanced Care Management (ECM) and Community Supports. We will continue to expand ECM services to new populations and introduce new Community Supports services every six months through 2023. Other noteworthy 2023 CalAIM implementations include Population Health Management and the transition from the Cal MediConnect demonstration pilot to a new Dual Eligible Special Needs Plan for members who choose SCFHP for both Medi-Cal *and* Medicare coverage (Dual Connect).

The concept of prevention in health care is expanding beyond its traditional understanding as services provided by health care professionals. This is why we are collaborating with other organizations to increase health equity for marginalized populations. It is why we are working to house our homeless members through increased coordination with the local Continuum of Care under the Housing and Homelessness Incentive Program. And it is why we opened the SCFHP Blanca Alvarado Community Resource Center in East San Jose, where we continue to develop new programming and explore creative uses to manifest our vision of a hub for community health engagement.



Santa Clara Family Health Plan™

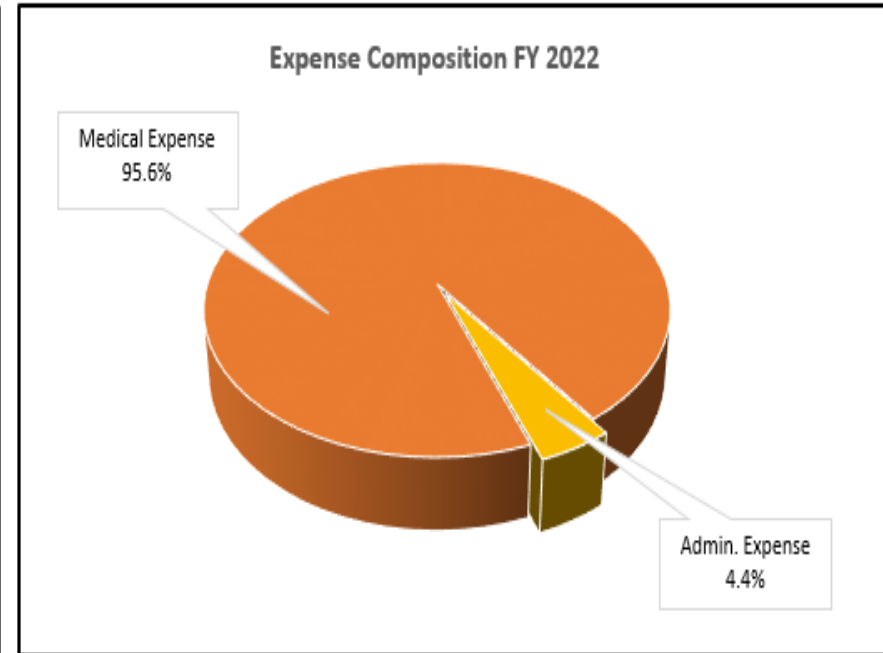
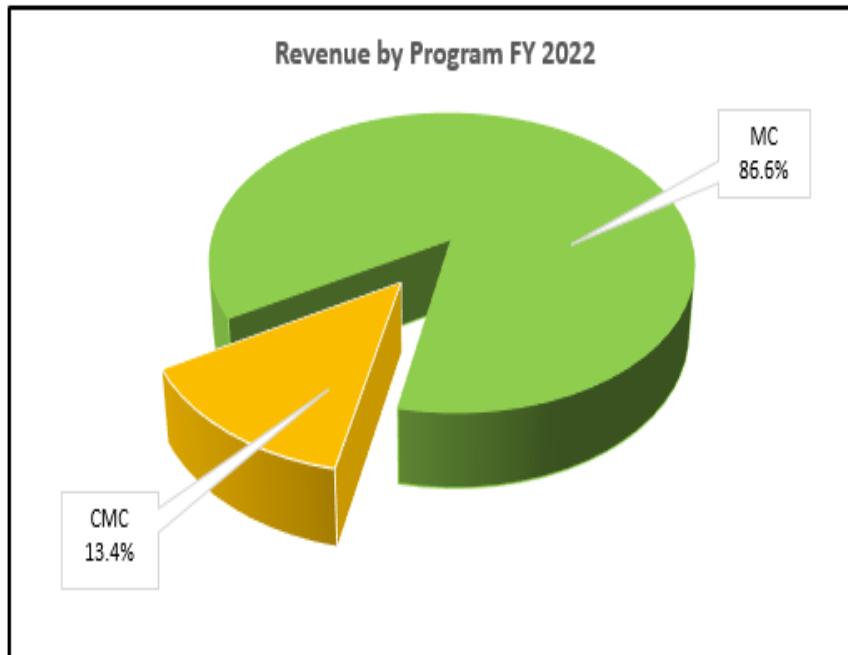
Financial Highlights Fiscal Year 2021-2022

SCFHP Financial Highlights for Fiscal Year 2021-22

- Total enrollment increased 8.4% to 306,000 members at June 30, 2022.
- Net position increased by \$35 million to \$290 million for the fiscal year ended June 30, 2022 due to operating income of \$33 million and non-operating income of \$2 million.
- Total assets and deferred outflows of resources increased to \$1.3 billion as of June 30, 2022 from \$966 million as of June 30, 2021.
- Total liabilities and deferred inflows of resources increased to \$1 billion at June 30, 2022 from \$711 million at June 30, 2021.
- The current ratio (current assets divided by current liabilities) of 1.24 as of June 30, 2022 reflected a decrease from 1.31 at June 30, 2021.

SCFHP Financial Highlights for Fiscal Year 2021-2022

- Fiscal Year 2021-2022 Revenue and Expense Composition:



- For FY 21-22, of every dollar of expense, SCFHP distributes approximately 96% to providers and retained approximately 4% for administrative expenses.

MEMORANDUM

Date: December 9, 2022

From: Tyler Haskell, Vice President, Government Relations and Compliance

To: SCFHP Governing Board

Re. AB 361 compliance

Background

Because the Governor's executive order suspending certain Brown Act requirements expired at the end of September 2021, the Legislature passed, and the Governor signed, AB 361. AB 361 amended Government Code §54953 to permit teleconferencing by local agencies during a declared state of emergency without providing public access to each individual teleconference location. In order to do so, a local agency must make the following findings by majority vote every 30 days:

- The local agency has reconsidered the circumstances of the state of emergency.
- Any of the following circumstances exist:
 - o The state of emergency continues to directly impact the ability of the members to meet safely in person.
 - o State or local officials continue to impose or recommend measures to promote social distancing.

The Executive/Finance Committee met and made the above findings in November, and the Governing Board needs to do so again in order for the Governing Board and committees to continue meeting remotely during the ongoing declared state of emergency.

Recommended Action

Make the following findings and approve continued use of teleconferencing without providing public access to each teleconference location:

- Santa Clara Family Health Plan has reconsidered the circumstances of the state of emergency.
- Any of the following circumstances exist:
 - o The state of emergency continues to directly impact the ability of the members to meet safely in person.
 - o State or local officials continue to impose or recommend measures to promote social distancing.



Santa Clara Family
Health Plan™

Unaudited Financial Statements

For Four Months Ended October 31, 2022

Agenda

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Financial Highlights



	MTD		YTD	
Revenue	\$119.0 M		\$462.5 M	
Medical Expense (MLR)	\$112.0 M	94.1%	\$427.3 M	92.4%
Administrative Expense (% Rev)	\$7.1 M	6.0%	\$25.0 M	5.4%
Non-Operating Income	\$944K		\$2.9 M	
Net Surplus (Net Loss)	\$899K		\$13.1 M	
Cash and Investments			\$518 M	
Receivables			\$586 M	
Total Current Assets			\$1.13 B	
Current Liabilities			\$861 M	
Current Ratio			1.31	
Tangible Net Equity			\$303 M	
% of DMHC Requirement			621.0%	

Financial Highlights

Net Surplus (Net Loss)	<ul style="list-style-type: none"> ▶ Month: Surplus of \$899K is \$585K or 186.0% favorable to budget of \$314K surplus. ▶ YTD: Surplus of \$13.1M is \$11.1M or 563.1% favorable to budget of \$2.0M surplus.
Enrollment	<ul style="list-style-type: none"> ▶ Month: Membership was 317,959 (6,401 or 2.1% higher than budget of 311,558). ▶ YTD: Member Months YTD was 1,263,664 (29,255 or 2.4% higher than budget of 1,234,409).
Revenue	<ul style="list-style-type: none"> ▶ Month: \$119.0M (\$5.3M or 4.6% favorable to budget of \$113.7M). ▶ YTD: \$462.5M (\$11.0M or 2.4% favorable to budget of \$451.6M).
Medical Expenses	<ul style="list-style-type: none"> ▶ Month: \$112.0M (\$5.8M or 5.4% unfavorable to budget of \$106.2M). ▶ YTD: \$427.3M (\$6.1M or 1.4% unfavorable to budget of \$421.2M).
Administrative Expenses	<ul style="list-style-type: none"> ▶ Month: \$7.1M (\$278K or 3.8% favorable to budget of \$7.4M). ▶ YTD: \$25.0M (\$3.9M or 13.6% favorable to budget of \$29.0M).
Non-Operating Income	<ul style="list-style-type: none"> ▶ Month: \$944K (\$791K or 516.0% favorable to budget of \$153K). ▶ YTD: \$2.9M (\$2.3M or 377.2% favorable to budget of \$613K).
Tangible Net Equity	<ul style="list-style-type: none"> ▶ TNE was \$303.2M (represents approximately three months of total expenses).
Capital Expenditures	<ul style="list-style-type: none"> ▶ YTD Capital Investments of \$450K vs. \$6.2M annual budget, primarily computer software.



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Detail Analyses

Enrollment Summary



- Total enrollment of 317,959 members is 6,401 or 2.1% higher than budget. Since the beginning of the fiscal year, total enrollment has increased by 11,577 members or 3.8%, which largely represents suspended disenrollments and newly-eligible Medi-Cal undocumented adults.
- Medi-Cal & CMC enrollment have been increasing since March 2020 largely due to COVID. Beginning in March 2020, annual eligibility redeterminations were suspended and, as a result, enrollment continues to increase.
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 4.1%, Medi-Cal Dual enrollment has increased 1.5%, and CMC enrollment has grown 1.3%.

	For the Month October 2022				For Four Months Ending October 31, 2022				Prior Year Actuals	Δ FY23 vs. FY22
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)		
Medi-Cal	307,490	301,054	6,436	2.1%	1,221,947	1,192,693	29,254	2.5%	825,484	48.0%
Cal Medi-Connect	10,469	10,504	(35)	(0.3%)	41,717	41,716	1	0.0%	30,718	35.8%
Total	317,959	311,558	6,401	2.1%	1,263,664	1,234,409	29,255	2.4%	856,202	47.6%

Santa Clara Family Health Plan Enrollment By Network
October 2022

Network	Medi-Cal		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	38,750	13%	10,469	100%	49,219	15%
SCVHHS ¹ , Safety Net Clinics, FQHC ² Clinics	158,322	51%	-	0%	158,322	50%
North East Medical Services	3,473	1%	-	0%	3,473	1%
Palo Alto Medical Foundation	7,431	2%	-	0%	7,431	2%
Physicians Medical Group	46,111	15%	-	0%	46,111	15%
Premier Care	16,544	5%	-	0%	16,544	5%
Kaiser	36,859	12%	-	0%	36,859	12%
Total	307,490	100%	10,469	100%	317,959	100%
Enrollment at June 30, 2022	296,050		10,332		306,382	
Net Δ from Beginning of FY22	3.9%		1.3%		3.8%	

¹ SCVHHS = Santa Clara Valley Health & Hospital System

² FQHC = Federally Qualified Health Center

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD OCTOBER - 2022

		2021-10	2021-11	2021-12	2022-01	2022-02	2022-03	2022-04	2022-05	2022-06	2022-07	2022-08	2022-09	2022-10	FYTD var	%
NON DUAL	Adult (over 19)	33,809	34,245	34,653	35,652	35,761	36,104	36,529	37,033	37,861	39,310	39,644	40,012	40,326	2,465	6.5%
	Child (under 19)	101,125	101,411	101,722	102,516	102,519	102,740	103,211	103,765	103,621	103,866	103,987	104,097	104,183	562	0.5%
	SPD	22,381	22,463	22,537	22,740	22,731	22,749	22,751	22,836	24,200	25,130	25,189	25,311	25,357	1,157	4.8%
	Adult Expansion	92,393	93,186	94,092	95,819	96,366	97,386	98,130	99,249	102,198	106,715	107,599	108,216	108,974	6,776	6.6%
	Long Term Care	391	385	392	391	403	395	393	397	398	412	432	434	450	52	13.1%
	Total Non-Duals	250,099	251,690	253,396	257,118	257,780	259,374	261,014	263,280	268,278	275,433	276,851	278,070	279,290	11,012	4.1%

DUAL	Adult (over 21)	396	398	408	410	403	407	412	431	423	424	422	421	416	-7	(1.7%)
	SPD	24,244	24,307	24,320	24,330	24,350	24,378	24,282	24,352	24,384	24,491	24,518	24,579	24,600	216	0.9%
	Long Term Care	1,083	1,106	1,111	1,085	1,107	1,102	1,111	1,126	1,148	1,159	1,153	1,151	1,144	-4	(0.3%)
	SPD OE	1,308	1,372	1,431	1,496	1,531	1,612	1,666	1,739	1,817	1,868	1,923	1,994	2,040	223	12.3%
	Total Duals	27,031	27,183	27,270	27,321	27,391	27,499	27,471	27,648	27,772	27,942	28,016	28,145	28,200	428	1.5%

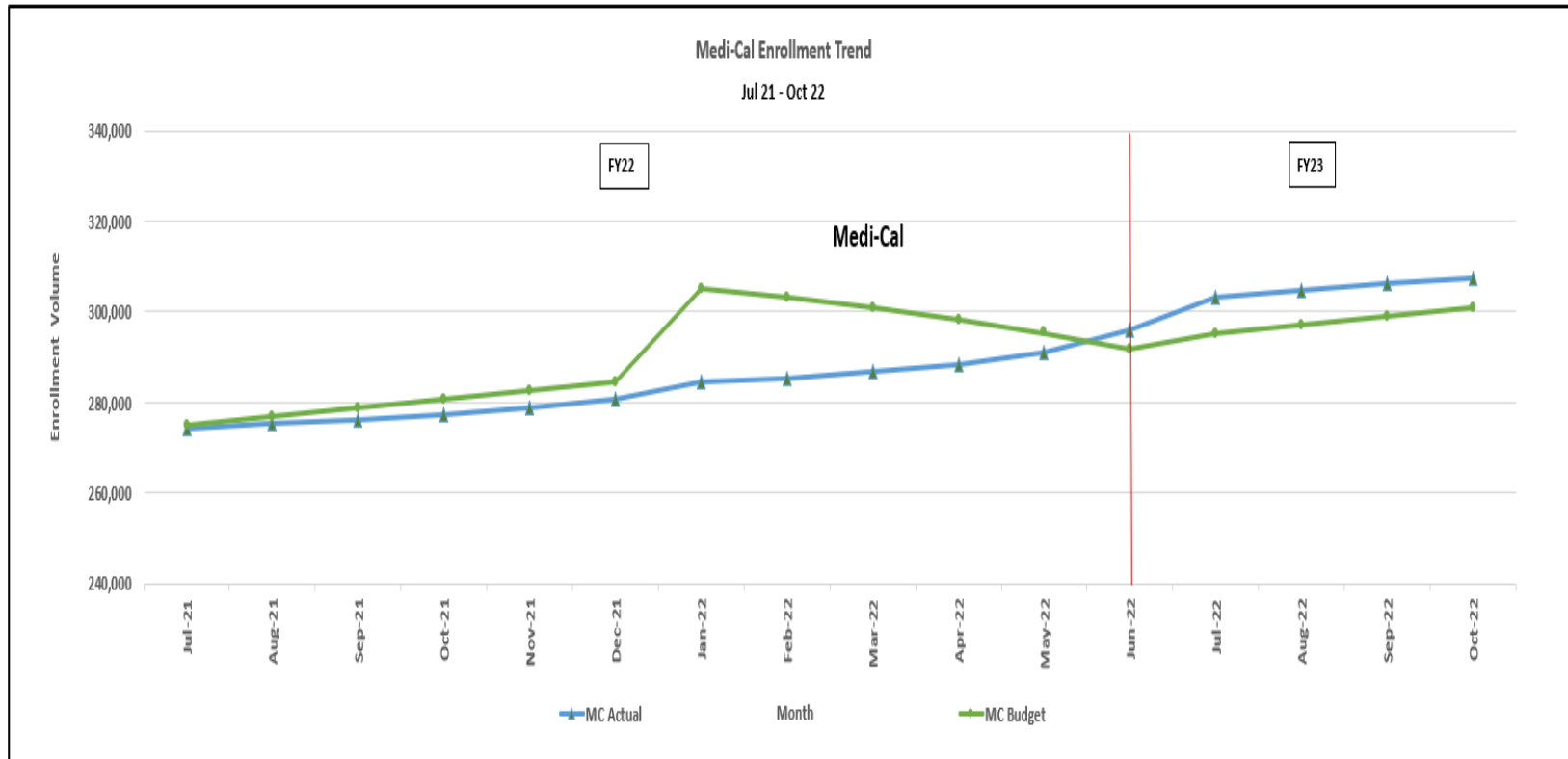
Total Medi-Cal	277,130	278,873	280,666	284,439	285,171	286,873	288,485	290,928	296,050	303,375	304,867	306,215	307,490	11,440	3.9%
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CMC	CMC Non-Long Term Care	10,160	10,211	10,221	10,017	10,038	10,084	10,127	10,128	10,127	10,146	10,200	10,278	10,271	144	1.4%
	CMC - Long Term Care	208	204	210	202	213	215	206	206	205	208	214	202	198	-7	(3.4%)
	Total CMC	10,368	10,415	10,431	10,219	10,251	10,299	10,333	10,334	10,332	10,354	10,414	10,480	10,469	137	1.3%

Total Enrollment	287,498	289,288	291,097	294,658	295,422	297,172	298,818	301,262	306,382	313,729	315,281	316,695	317,959	11,577	3.8%
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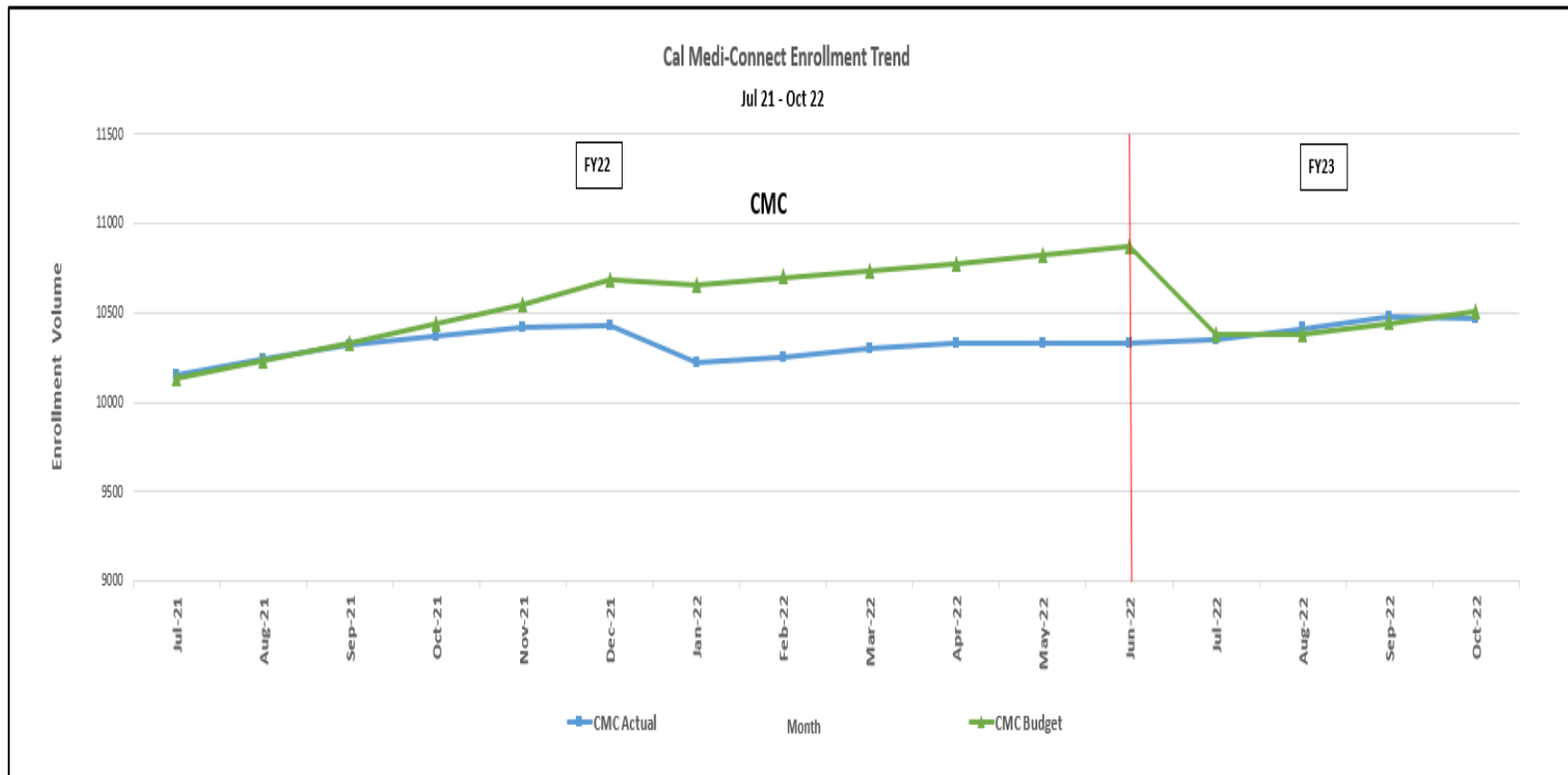
- From September to October 2022, total enrollment increased by 1,264 members largely due to newly-eligible Medi-Cal undocumented adults and continued suspended disenrollments due to COVID.

Medi-Cal Enrollment Trend



- Actual enrollment, represented by the blue line, showed a continued COVID enrollment growth through FY22 primarily due to public health emergency (PHE). Newly undocumented members started July 22.
- Budgeted enrollment, represented by the green line, was presumed to decrease in late FY22 but continues to increase due to sustained public health emergency. The FY22 budget included a higher projection of new mandatory Medi-Cal population having Other Health Coverage (OHC) starting Jan 2022. The FY23 budget assumed (1) the PHE continued through October 2022 & (2) lower estimated Undocumented Adult enrollment.

Cal Medi-Connect Enrollment Trend

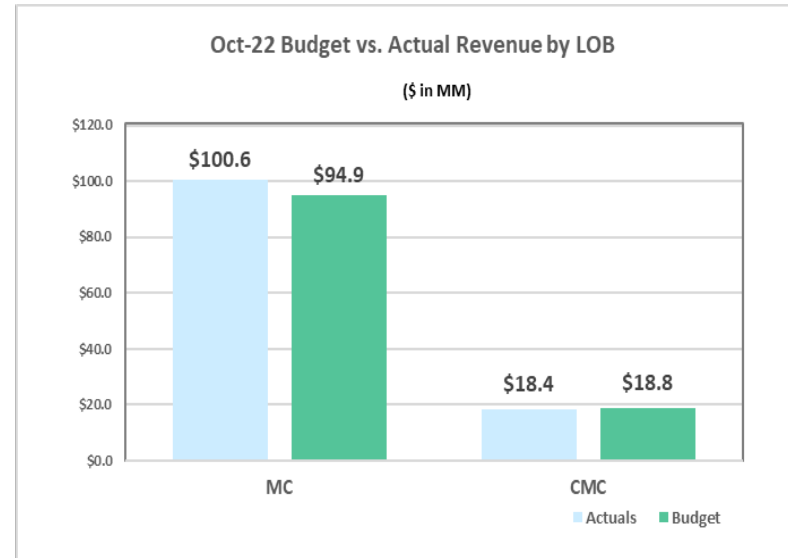
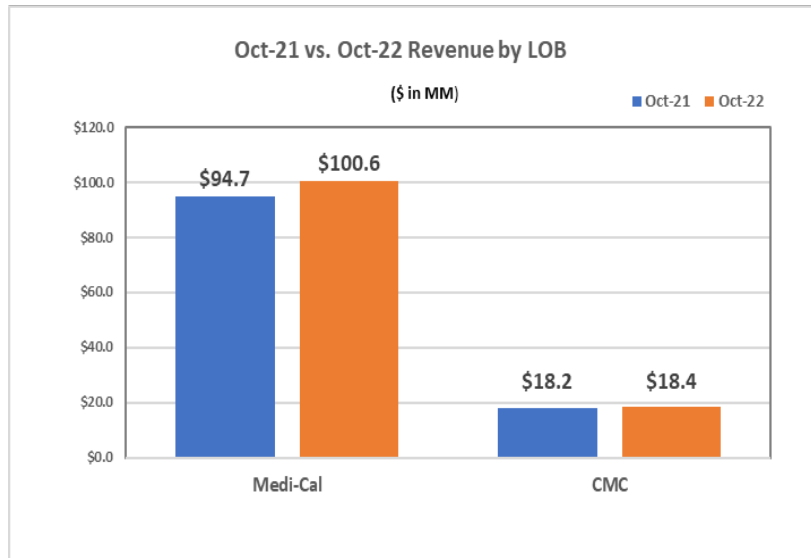


- Actual enrollment, represented by the blue line, showed a continued COVID enrollment growth through FY22 primarily due to public health emergency (PHE).
- Budgeted enrollment, represented by the green line, was presumed to plateau in late FY22 but continues to increase due to the sustained public health emergency. Beginning Jan 23, projections for D-SNP program (Dual Connect) replace projections for CMC.

Current Month Revenue

Current month revenue of \$119.0M was \$5.3M or 4.6% favorable to budget of \$113.7M. The current month variance was primarily due to the following:

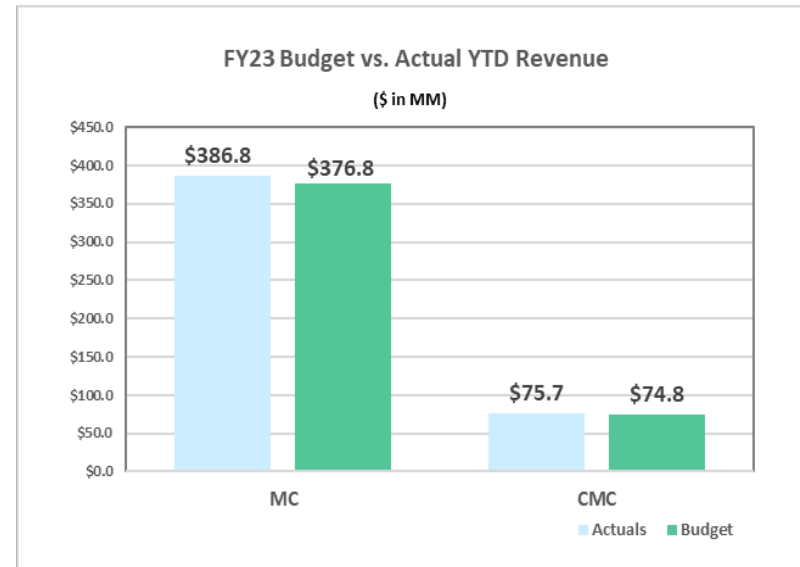
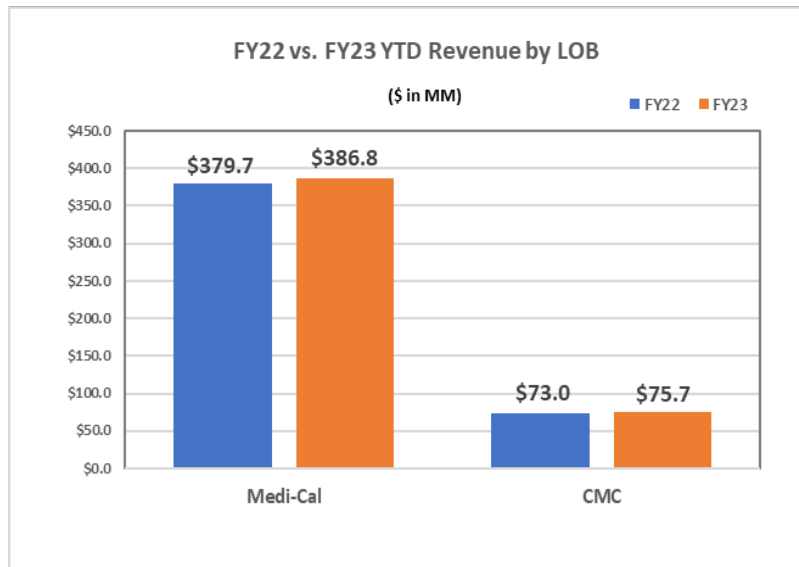
- Medi-Cal revenue was \$5.7M or 6.0% favorable to budget due primarily to (1) higher enrollment versus budget due to newly Undocumented Adults and extended PHE (\$3.9M favorable), (2) timing of DHCS incentive program revenue (\$1.6M favorable), (3) higher supplemental revenue due to increased BHT utilization and higher maternity deliveries (\$773K favorable), partly offset by (4) discontinued Prop 56 Value Base Payment program (\$623K unfavorable). Many of the revenue variances have offsetting medical expense variances.
- CMC revenue was \$413K or 2.2% unfavorable to budget due to (1) lower Part C rate, (2) lower enrollment versus budget, and (3) revised mix corridor estimate.



YTD Revenue

YTD revenue of \$462.5M was \$11.0M or 2.4% favorable to budget of \$451.6M. The YTD variance was primarily due to the following:

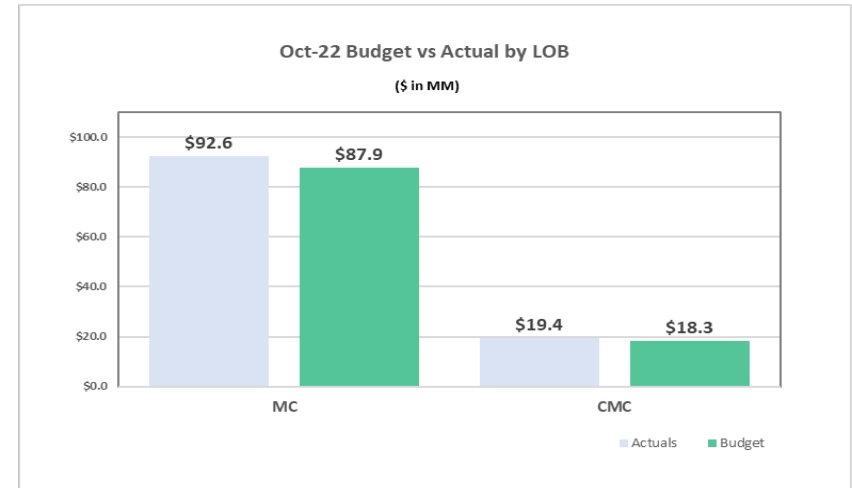
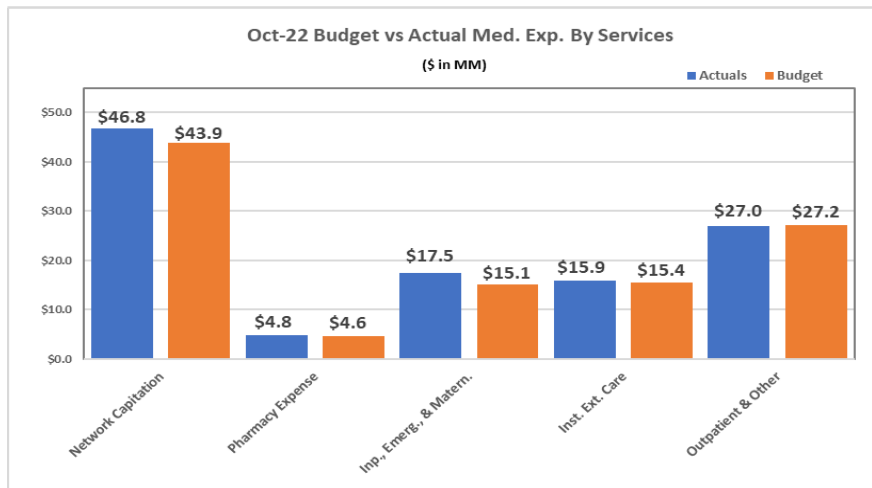
- Medi-Cal revenue was \$10.0M or 1.2% favorable to budget due primarily to (1) higher enrollment (\$14.6M favorable) due to newly undocumented Adults and extended PHE, (2) supplemental revenue (\$4.6M favorable) due to increased BHT utilization and higher maternity deliveries, (3) COVID incentive program (\$2.1M favorable), offset by (4) unfunded DHCS incentive programs (HH and ECM) (\$9.4M unfavorable), and (5) the Prop 56 Value Base Payment program was discontinued on June 30 (\$1.8M unfavorable). The unfavorable revenue variances and favorable medical expense variances pertaining to incentive payments offset, due to timing of receipt.
- CMC revenue was \$951K or 1.3% favorable to budget due to (1) higher Part C rate, (2) favorable mix corridor estimate and (3) higher enrollment versus budget.



Current Month Medical Expense

Current month medical expense of \$112.0M was \$5.8M or 5.4% unfavorable to budget of \$106.2M. The current month variance was due largely to:

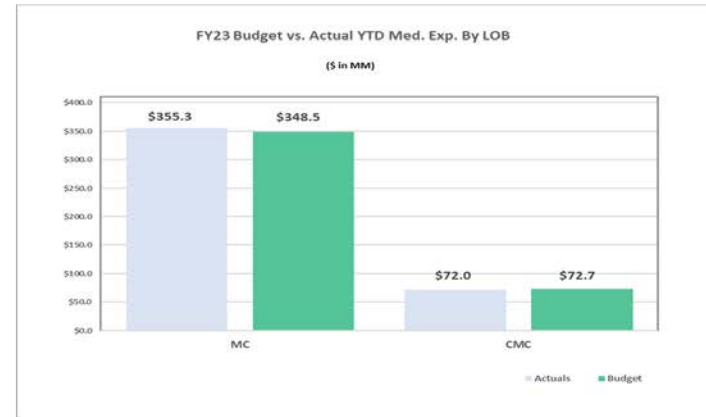
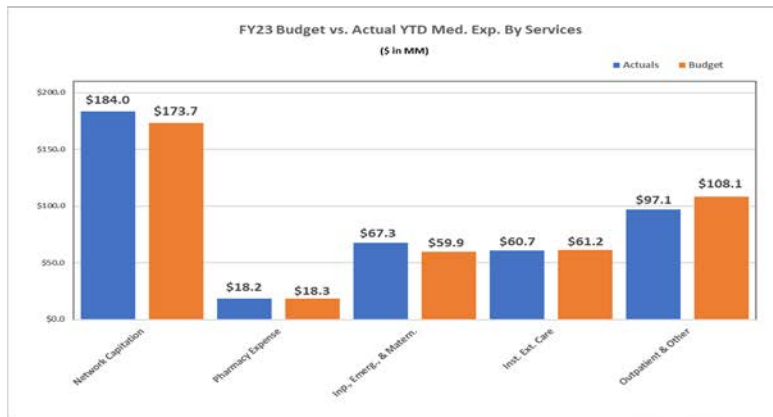
- Capitation expense was \$1.7M or 3.7% unfavorable to budget due to higher capitated enrollment than expected (\$1.1M unfavorable volume variance) and higher blended CY22 cap rate which is based on actual member mix (\$589K unfavorable rate variance), with offsetting revenue variance.
- Fee-For-Service expense was \$3.3M or 6.7% unfavorable to budget due to (1) increased unit cost versus budget for certain categories of service (\$2.0M unfavorable), (2) increased supplemental BHT utilization and maternity deliveries (\$839K unfavorable, with offsetting revenue variance) and (3) increased utilization in LTC and Community Support services (\$500K unfavorable).
- Reinsurance & Other expenses were \$552K or 8.0% unfavorable to budget due to (1) DHCS incentive programs (HH, ECM, and SBH) (\$1.2M unfavorable), (2) lower claim recoveries (\$155K unfavorable); partly offset by (3) Prop 56 expense (\$553K favorable) (4) timing of Board Designated Fund (\$250K favorable). Several medical expense variances have offsetting revenue variances.



YTD Medical Expense

YTD medical expense of \$427.3M was \$6.1M or 1.4% unfavorable to budget of \$421.2M. The YTD variance was due largely to:

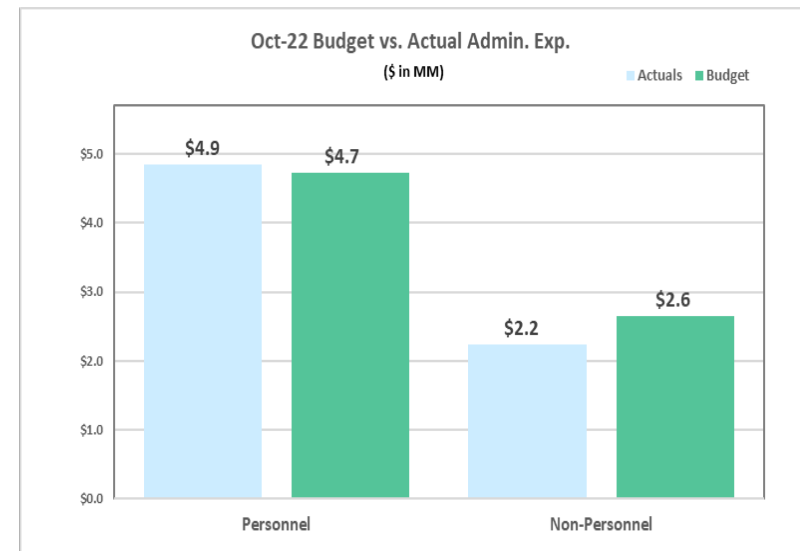
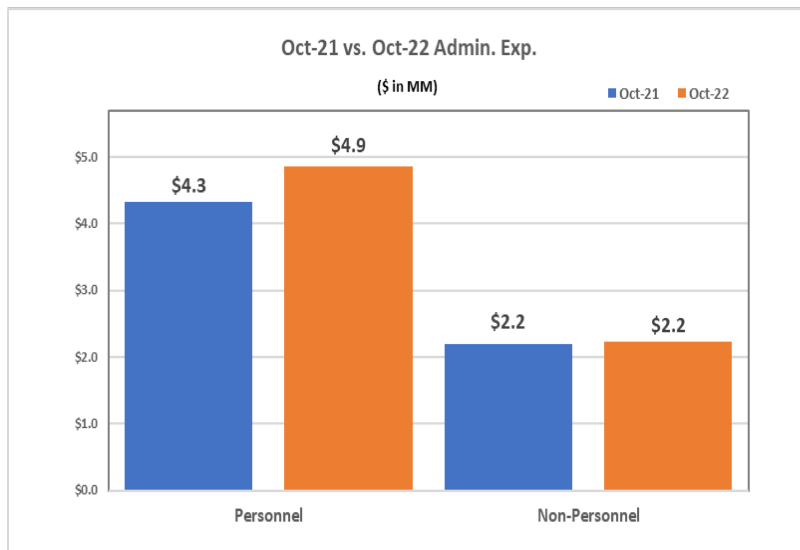
- Capitation expense was \$5.3M or 2.9% unfavorable to budget due to (1) higher capitated enrollment than expected (\$4.4M unfavorable volume variance) and (2) higher blended CY22 rate which is based on actual member mix (\$903K unfavorable rate variance).
- Fee-For-Service expense was \$10.9M or 5.5% unfavorable to budget due to (1) increased unit cost versus budget for Inpatient Hospital, Outpatient, LTC, PCP, Physician Specialty, and Transportation services (\$3.4M unfavorable), (2) increased supplemental BHT utilization and maternity deliveries (\$4.3M unfavorable) (offset with favorable revenue variance) and offset by (3) higher utilization in Long-Term-Care service (\$3.2M unfavorable).
- Reinsurance & Other expenses were \$10.2M or 37.1% favorable to budget due to unspent (1) Housing & Homelessness Incentive Program (\$4.9M favorable), (2) ECM Provider Incentive Program (\$3.8M favorable), (3) Prop 56 VBP program was discontinued on June 30 (\$1.9M favorable), (4) Board Designated Fund (\$534K favorable); offset by (5) School of Behavioral Incentive Program (\$470K unfavorable) and (6) lower claim recoveries (\$462K unfavorable). Several medical expense variances have offsetting revenue variances.



Current Month Administrative Expense

Current month expense of \$7.1M was \$278K or 3.8% favorable to budget of \$7.4M. The current month variances were primarily due to the following:

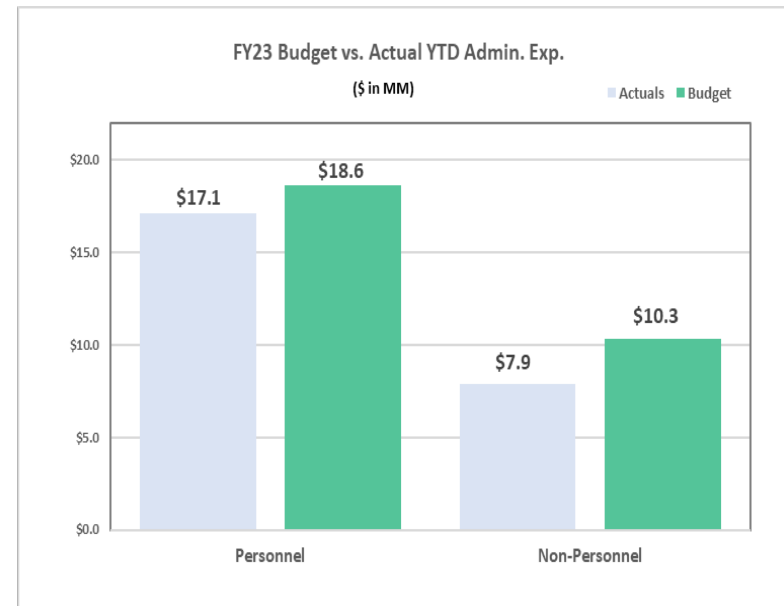
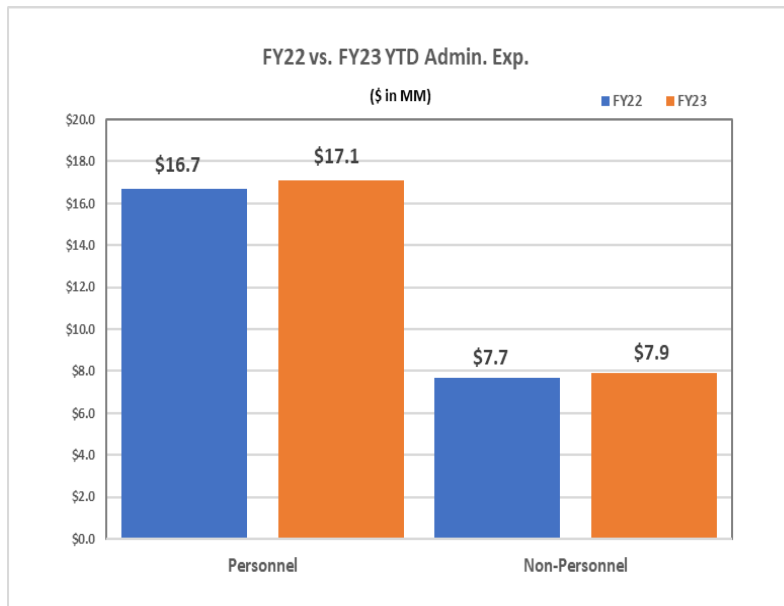
- Personnel expenses were \$128K or 2.7% unfavorable to budget due to recordation of retroactive salary update, offset by lower headcount than budget (which included payroll tax and benefit savings).
- Non-Personnel expenses were \$407K or 15.4% favorable to budget due to the timing of spending in certain expense categories (consulting, contract services, software licenses, translation, marketing and other expenses), which are expected to be incurred later in the fiscal year.



YTD Administrative Expense

YTD administrative expense of \$25.0M was \$4.0M or 13.6% favorable to budget of \$29.0M. The YTD variance was primarily due to the following:

- Personnel expenses were \$1.5M or 8.2% favorable to budget due to lower headcount than budget which included lower payroll tax and benefits.
- Non-Personnel expenses were \$2.4M or 23.3% favorable to budget due to the timing of budget spending in certain expenses (consulting, contract services, translation, printing & advertising, information systems, and other fees) which are expected to be incurred later in the fiscal year.



Balance Sheet



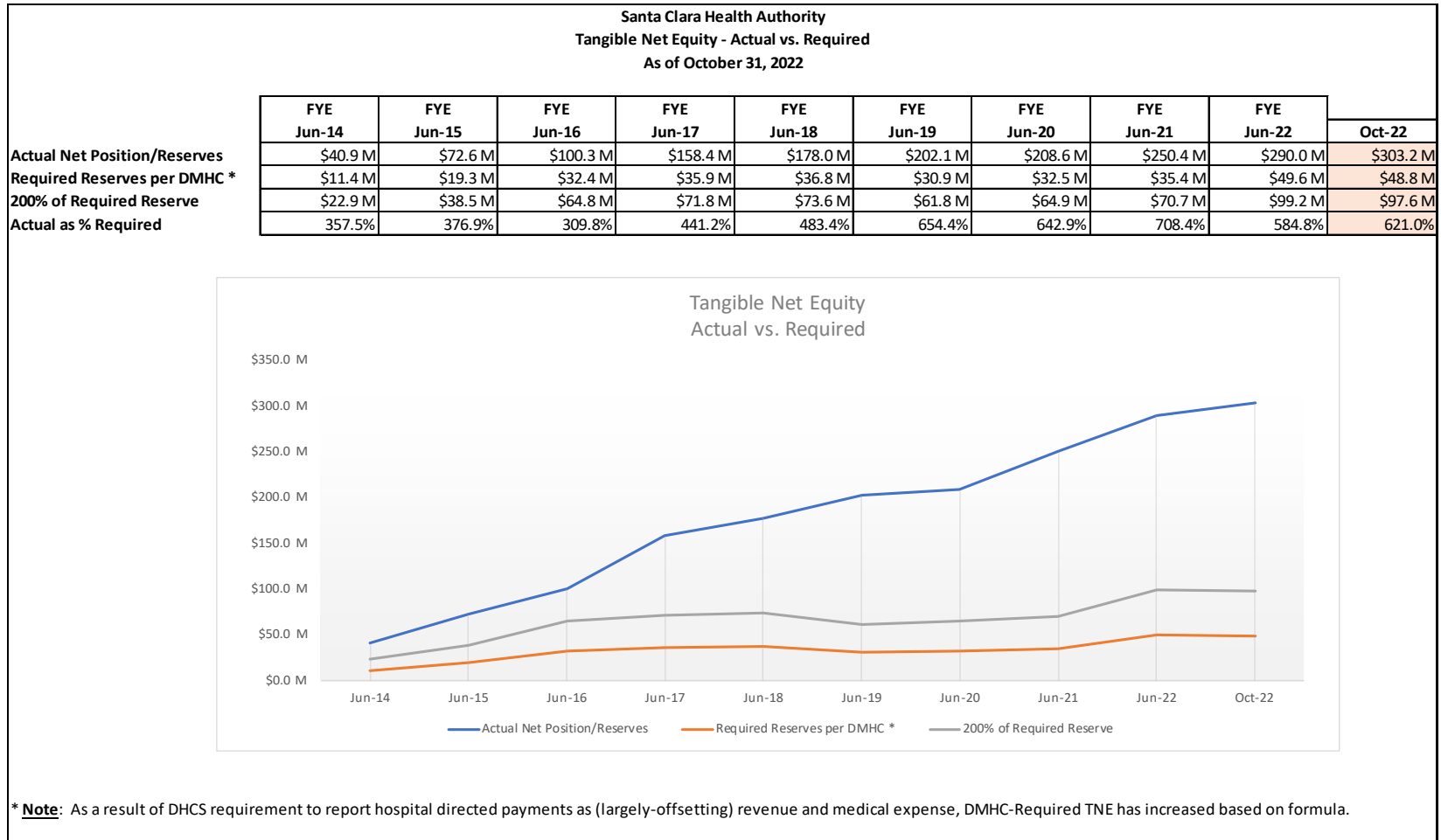
- Current assets totaled \$1.13B compared to current liabilities of \$860.6M, yielding a current ratio (Current Assets/Current Liabilities) of 1.31:1 vs. the DMHC minimum requirement of 1.0:1.
- On a YTD basis, the overall cash balance decreased by \$33.1M compared to the cash balance as of year-end June 30, 2022 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	\$184,114,157	1.70%	\$100,000	\$400,000
Wells Fargo Investments	-\$20	0.00%	\$0	\$0
City National Bank Investments	\$249,712,878	2.86%	\$792,793	\$2,359,560
	<u>\$433,827,014</u>		<u>\$892,793</u>	<u>\$2,759,560</u>
Cash & Equivalents				
City National Bank Accounts	\$79,234,967	0.01%	\$812	\$2,357
Wells Fargo Bank Accounts	\$4,679,611	2.87%	\$11,131	\$33,293
Chase HMS Lockbox	\$24,041	0.00%	\$0	\$0
	<u>\$83,938,619</u>		<u>\$11,943</u>	<u>\$35,649</u>
Assets Pledged to DMHC				
Restricted Cash	\$325,000	0.01%	\$3	\$11
Petty Cash				
	\$500	0.00%	\$0	\$0
Month-End Balance	<u>\$518,091,133</u>		<u>\$904,739</u>	<u>\$2,795,220</u>

- Investments & Cash balances include balances payable to the State of CA for certain large items.
- County of Santa Clara Comingled Pool funds have longer-term investments with a higher yield.
- Overall cash and investment yield is significantly higher than budget (2.01% actual vs. 0.3% budgeted).

Tangible Net Equity

- TNE was \$303.2M - representing approximately three months of the Plan's total expenses.



Reserves Analysis

SCFHP RESERVES ANALYSIS OCTOBER 2022				
Financial Reserve Target #1: Tangible Net Equity				
	Board Funds Committed	Approved Projects	Funds Expended	Balance
Unrestricted Net Assets				\$263,105,016 *
Board Designated Funds (Note 1):				
Special Project Funding for CBOs	\$4,000,000	\$774,995	\$529,995	\$3,470,005
Innovation & COVID-19 Fund	\$16,000,000	\$8,894,043	\$4,220,091	\$11,779,910
Subtotal	\$20,000,000	\$9,669,038	\$4,750,085	\$15,249,915
Net Book Value of Fixed Assets				\$24,491,313
Restricted Under Knox-Keene Agreement				\$325,000
Total Tangible Net Equity (TNE)				\$303,171,244
Current Required TNE				\$48,821,985
TNE %				621.0%
SCFHP Target TNE Range:				
350% of Required TNE (Low)				\$170,876,947
500% of Required TNE (High)				\$244,109,924
Total TNE Above/(Below) SCFHP Low Target				\$132,294,297
Total TNE Above/(Below) High Target				\$59,061,320
Financial Reserve Target #2: Liquidity				
Cash & Investments				\$518,091,133
Less Pass-Through Liabilities:				
Hospital Directed Payments				240,247
MCO Tax Payable to State of CA				(23,063,650)
Prop 56 / Whole Person Care				(1,654,180)
Other Pass-Through Liabilities (Note 2)				(135,452,990)
Total Pass-Through Liabilities				(159,930,573)
Net Cash Available to SCFHP				358,160,560
SCFHP Target Liquidity (Note 3)				
45 Days of Total Operating Expense				(170,367,687)
60 Days of Total Operating Expense				(227,156,917)
Liquidity Above/(Below) SCFHP Low Target				187,792,873
Liquidity Above/(Below) High Target				131,003,644

- **Unrestricted Net Assets represents approximately two months of total operating 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 & COVID-19 Fund.

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

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

Capital Expenditures

- YTD Capital investments of \$450K, largely computer software and hardware, were comprised of the following:

Expenditure	YTD Actual	Annual Budget
Community Resource Center	\$3,649	\$94,400
Hardware	\$141,430	\$2,205,000
Software	\$277,911	\$3,806,437
Building Improvements	\$0	\$30,650
Furniture & Equipment	\$27,221	\$36,000
TOTAL	\$450,210	\$6,172,487



Santa Clara Family
Health Plan™

Financial Statements

Income Statement



Santa Clara County Health Authority INCOME STATEMENT For Four Months Ending October 31, 2022

	Oct-2022	% of	Oct-2022	% of	Current Month Variance		YTD Oct-2022	% of	YTD Oct-2022	% of	YTD Variance	
	Actuals	Rev	Budget	Rev	\$	%	Actuals	Rev	Budget	Rev	\$	%
REVENUES												
MEDI-CAL	\$ 100,610,911	84.5%	\$ 94,911,425	83.4%	\$ 5,699,485	6.0%	\$ 386,792,564	83.6%	\$ 376,781,062	83.4%	\$ 10,011,502	2.7%
CMC MEDI-CAL	3,615,474	3.0%	3,814,993	3.4%	(199,519)	(5.2%)	15,239,594	3.3%	15,151,195	3.4%	88,399	0.6%
CMC MEDICARE	14,799,325	12.4%	15,013,052	13.2%	(213,727)	(1.4%)	60,486,427	13.1%	59,623,427	13.2%	863,000	1.4%
TOTAL CMC	18,414,799	15.5%	18,828,045	16.6%	(413,246)	(2.2%)	75,726,021	16.4%	74,774,622	16.6%	951,399	1.3%
TOTAL REVENUE	\$ 119,025,710	100.0%	\$ 113,739,471	100.0%	\$ 5,286,239	4.6%	\$ 462,518,585	100.0%	\$ 451,555,684	100.0%	\$ 10,962,901	2.4%
MEDICAL EXPENSES												
MEDI-CAL	\$ 92,602,940	77.8%	\$ 87,883,543	77.3%	\$ (4,719,397)	(5.4%)	\$ 355,299,668	76.8%	\$ 348,484,315	77.2%	\$ (6,815,352)	(2.0%)
CMC MEDI-CAL	3,650,697	3.1%	3,702,672	3.3%	51,974	1.4%	12,720,829	2.8%	14,672,851	3.2%	1,952,022	13.3%
CMC MEDICARE	15,729,004	13.2%	14,625,741	12.9%	(1,103,263)	(7.5%)	59,278,539	12.8%	58,071,756	12.9%	(1,206,784)	(2.1%)
TOTAL CMC	19,379,702	16.3%	18,328,413	16.1%	(1,051,289)	(5.7%)	71,999,368	15.6%	72,744,606	16.1%	745,238	1.0%
TOTAL MEDICAL EXPENSES	\$ 111,982,642	94.1%	\$ 106,211,956	93.4%	\$ (5,770,686)	(5.4%)	\$ 427,299,036	92.4%	\$ 421,228,922	93.3%	\$ (6,070,114)	(1.4%)
GROSS MARGIN	\$ 7,043,068	5.9%	\$ 7,527,515	6.6%	\$ (484,447)	(6.4%)	\$ 35,219,549	7.6%	\$ 30,326,762	6.7%	\$ 4,892,787	16.1%
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	\$ 4,850,773	4.1%	\$ 4,722,278	4.2%	\$ (128,495)	(2.7%)	\$ 17,107,327	3.7%	\$ 18,640,906	4.1%	\$ 1,533,579	8.2%
RENTS AND UTILITIES	59,078	0.0%	39,803	0.0%	(19,275)	(48.4%)	112,694	0.0%	159,213	0.0%	46,519	29.2%
PRINTING AND ADVERTISING	83,460	0.1%	88,975	0.1%	5,515	6.2%	47,996	0.0%	380,900	0.1%	332,904	87.4%
INFORMATION SYSTEMS	458,111	0.4%	506,230	0.4%	48,118	9.5%	1,548,406	0.3%	1,891,619	0.4%	343,212	18.1%
PROF FEES/CONSULTING/TEMP STAFFING	994,772	0.8%	1,113,432	1.0%	118,660	10.7%	3,572,066	0.8%	4,563,337	1.0%	991,271	21.7%
DEPRECIATION/INSURANCE/EQUIPMENT	334,798	0.3%	451,803	0.4%	117,005	25.9%	1,303,832	0.3%	1,793,324	0.4%	489,492	27.3%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	61,092	0.1%	65,361	0.1%	4,268	6.5%	234,300	0.1%	260,043	0.1%	25,743	9.9%
MEETINGS/TRAVEL/DUES	117,338	0.1%	238,587	0.2%	121,249	50.8%	448,599	0.1%	710,972	0.2%	262,373	36.9%
OTHER	128,905	0.1%	140,033	0.1%	11,129	7.9%	641,879	0.1%	559,733	0.1%	(82,145)	(14.7%)
TOTAL ADMINISTRATIVE EXPENSES	\$ 7,088,327	6.0%	\$ 7,366,502	6.5%	\$ 278,175	3.8%	\$ 25,017,099	5.4%	\$ 28,960,048	6.4%	\$ 3,942,950	13.6%
OPERATING SURPLUS/(LOSS)	\$ (45,259)	0.0%	\$ 161,013	0.1%	\$ (206,271)	(128.1%)	\$ 10,202,451	2.2%	\$ 1,366,714	0.3%	\$ 8,835,737	646.5%
INTEREST & INVESTMENT INCOME	\$ 904,739	0.8%	\$ 118,000	0.1%	\$ 786,739	666.7%	\$ 2,795,220	0.6%	\$ 472,000	0.1%	\$ 2,323,220	492.2%
OTHER INCOME	39,419	0.0%	35,284	0.0%	4,135	11.7%	130,671	0.0%	141,136	0.0%	(10,466)	(7.4%)
NON-OPERATING INCOME	\$ 944,158	0.8%	\$ 153,284	0.1%	\$ 790,874	516.0%	\$ 2,925,891	0.6%	\$ 613,136	0.1%	\$ 2,312,754	377.2%
NET SURPLUS (LOSS)	\$ 898,899	0.8%	\$ 314,297	0.3%	\$ 584,603	186.0%	\$ 13,128,342	2.8%	\$ 1,979,851	0.4%	\$ 11,148,491	563.1%

Balance Sheet



SANTA CLARA COUNTY HEALTH AUTHORITY				
As of October 31, 2022				
	Oct-2022	Sep-2022	Aug-2022	Oct-2021
Assets				
Current Assets				
Cash and Investments	\$ 518,091,133	\$ 665,814,575	\$ 522,630,806	\$ 419,572,935
Receivables	586,305,984	578,519,301	710,827,555	543,449,653
Prepaid Expenses and Other Current Assets	23,098,734	22,421,694	22,991,872	9,965,990
Total Current Assets	\$ 1,127,495,852	\$ 1,266,755,571	\$ 1,256,450,233	\$ 972,988,578
Long Term Assets				
Property and Equipment	\$ 54,619,868	\$ 54,436,903	\$ 54,317,567	\$ 52,379,458
Accumulated Depreciation	(30,128,555)	(29,865,079)	(29,612,560)	(25,843,393)
Total Long Term Assets	24,491,313	24,571,824	24,705,007	26,536,065
Total Assets	\$ 1,151,987,165	\$ 1,291,327,394	\$ 1,281,155,240	\$ 999,524,643
Deferred Outflow of Resources				
	\$ 13,178,679	\$ 13,178,679	\$ 13,178,679	\$ 6,939,744
Total Assets & Deferred Outflows	\$ 1,165,165,845	\$ 1,304,506,074	\$ 1,294,333,920	\$ 1,006,464,387
Liabilities and Net Assets:				
Current Liabilities				
Trade Payables	\$ 12,062,479	\$ 12,794,481	\$ 15,493,238	\$ 6,148,888
Deferred Rent	719,007	742,882	808,879	47,138
Employee Benefits	18,301,588	19,293,540	18,818,306	3,624,197
Retirement Obligation per GASB 75	5,191,796	5,191,796	5,191,796	2,058,287
Whole Person Care	1,654,180	1,666,180	1,666,180	1,771,180
Prop 56 Pass-Throughs	50,794,431	48,755,125	54,076,711	49,594,601
HQAF Payable to Hospitals	28,066	27,085	27,009	103,313
Hospital Directed Payment Payable	(268,314)	139,691,392	139,691,447	474,714
Pass-Throughs Payable	41,733,239	37,408,946	33,100,689	22,600,898
Due to Santa Clara County Valley Health Plan and Kaiser	61,675,747	56,249,101	49,356,406	29,394,756
MCO Tax Payable - State Board of Equalization	23,063,650	45,334,351	34,190,773	14,763,539
Due to DHCS	93,719,751	92,690,223	91,895,805	64,964,098
Liability for In Home Support Services (IHSS)	419,990,933	419,990,933	419,990,933	419,990,933
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
DHCS Incentive Programs	20,638,970	15,356,393	14,273,060	0
Medical Cost Reserves	102,550,712	96,875,469	106,736,487	106,913,541
Total Current Liabilities	\$ 860,577,280	\$ 1,000,816,409	\$ 994,093,699	\$ 730,744,108
Non-Current Liabilities				
Net Pension Liability GASB 68	-	-	-	455,000
Total Non-Current Liabilities	\$ -	\$ -	\$ -	\$ 455,000
Total Liabilities	\$ 860,577,280	\$ 1,000,816,409	\$ 994,093,699	\$ 731,199,108
Deferred Inflow of Resources				
	\$ 1,417,320	\$ 1,417,320	\$ 1,417,320	\$ 539,318
Net Assets				
Board Designated Fund: Special Project Funding for CBOs	\$ 3,470,005	\$ 3,470,005	\$ 3,505,005	\$ 3,337,274
Board Designated Fund: Innovation & COVID-19 Fund	11,779,910	11,779,910	11,899,910	13,432,004
Invested in Capital Assets (NBV)	24,491,313	24,571,824	24,705,007	26,536,065
Restricted under Knox-Keene agreement	325,000	325,000	325,000	325,000
Unrestricted Net Equity	249,976,674	249,896,164	249,607,980	211,220,259
Current YTD Income (Loss)	13,128,342	12,229,442	8,779,998	19,875,360
Total Net Assets / Reserves	\$ 303,171,244	\$ 302,272,345	\$ 298,822,900	\$ 274,725,961
Total Liabilities, Deferred Inflows and Net Assets	\$ 1,165,165,845	\$ 1,304,506,074	\$ 1,294,333,920	\$ 1,006,464,387

Cash Flow Statement



	Oct-2022	Year-to-date
Cash Flows from Operating Activities		
Premiums Received	\$ 89,997,854	\$ 559,082,451
Medical Expenses Paid	(100,880,753)	(449,062,498)
Administrative Expenses Paid	(137,601,736)	(145,634,676)
Net Cash from Operating Activities	\$ (148,484,635)	\$ (35,614,723)
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	\$ (182,965)	\$ (450,210)
Cash Flows from Investing Activities		
Interest Income and Other Income (Net)	944,158	2,925,891
Net Increase/(Decrease) in Cash & Cash Equivalents	\$ (147,723,442)	\$ (33,139,042)
Cash & Investments (Beginning)	665,814,575	551,230,175
Cash & Investments (Ending)	\$ 518,091,133	\$ 518,091,133
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Surplus/(Loss)	\$ (45,259)	\$ 10,202,451
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	263,476	1,047,789
Changes in Operating Assets/Liabilities		
Premiums Receivable	(7,786,683)	112,359,351
Prepays & Other Assets	(677,040)	(3,091,628)
Accounts Payable & Accrued Liabilities	(135,382,422)	(122,794,063)
State Payable	(21,241,173)	(15,795,485)
IGT, HQAF & Other Provider Payables	5,426,646	(18,836,238)
DHCS Incentive Programs	5,282,577	4,220,324
Medical Cost Reserves & PDR	5,675,243	(2,927,225)
Total Adjustments	\$ (148,439,376)	\$ (45,817,174)
Net Cash from Operating Activities	\$ (148,484,635)	\$ (35,614,723)

Statement of Operations by Line of Business - YTD



Santa Clara County Health Authority Statement of Operations By Line of Business (Including Allocated Expenses) For Four Months Ending October 31, 2022					
	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	\$386,792,564	\$15,239,594	\$60,486,427	\$75,726,021	\$462,518,585
MEDICAL EXPENSE (MLR)	\$355,299,668 91.9%	\$12,720,829 83.5%	\$59,278,539 98.0%	\$71,999,368 95.1%	\$427,299,036 92.4%
GROSS MARGIN	\$31,492,897	\$2,518,765	\$1,207,888	\$3,726,653	\$35,219,549
ADMINISTRATIVE EXPENSE (% of Revenue Allocation)	\$20,921,165	\$824,292	\$3,271,641	\$4,095,933	\$25,017,099
OPERATING SURPLUS/(LOSS) (% of Revenue Allocation)	\$10,571,731	\$1,694,473	(\$2,063,753)	(\$369,281)	\$10,202,451
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	\$2,446,848	\$96,406	\$382,637	\$479,043	\$2,925,891
NET SURPLUS/(LOSS)	\$13,018,580	\$1,790,878	(\$1,681,116)	\$109,762	\$13,128,342
PMPM (ALLOCATED BASIS)					
REVENUE	\$316.54	\$365.31	\$1,449.92	\$1,815.23	\$366.01
MEDICAL EXPENSES	\$290.77	\$304.93	\$1,420.97	\$1,725.90	\$338.14
GROSS MARGIN	\$25.77	\$60.38	\$28.95	\$89.33	\$27.87
ADMINISTRATIVE EXPENSES	\$17.12	\$19.76	\$78.42	\$98.18	\$19.80
OPERATING INCOME/(LOSS)	\$8.65	\$40.62	(\$49.47)	(\$8.85)	\$8.07
OTHER INCOME/(EXPENSE)	\$2.00	\$2.31	\$9.17	\$11.48	\$2.32
NET INCOME/(LOSS)	\$10.65	\$42.93	(\$40.30)	\$2.63	\$10.39
ALLOCATION BASIS:					
MEMBER MONTHS - YTD	1,221,947	41,717	41,717	41,717	1,263,664
REVENUE BY LOB	83.6%	3.3%	13.1%	16.4%	100.0%



Santa Clara Family
Health Plan™

Appendices

Statement of Operations by Line of Business – Current Month



Santa Clara County Health Authority Statement of Operations By Line of Business (Including Allocated Expenses) For the Month October 2022					
	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Grand Total
P&L (ALLOCATED BASIS)					
REVENUE	\$100,610,911	\$3,615,474	\$14,799,325	\$18,414,799	\$119,025,710
MEDICAL EXPENSE (MLR)	\$92,602,940 92.0%	\$3,650,697 101.0%	\$15,729,004 106.3%	\$19,379,702 105.2%	\$111,982,642 94.1%
GROSS MARGIN	\$8,007,971	(\$35,223)	(\$929,679)	(\$964,902)	\$7,043,068
ADMINISTRATIVE EXPENSE (% of Revenue Allocation)	\$5,991,673	\$215,312	\$881,343	\$1,096,655	\$7,088,327
OPERATING SURPLUS/(LOSS) (% of Revenue Allocation)	\$2,016,298	(\$250,535)	(\$1,811,022)	(\$2,061,557)	(\$45,259)
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	\$798,085	\$28,679	\$117,394	\$146,073	\$944,158
NET SURPLUS/(LOSS)	\$2,814,383	(\$221,856)	(\$1,693,628)	(\$1,915,484)	\$898,899
PMPM (ALLOCATED BASIS)					
REVENUE	\$327.20	\$345.35	\$1,413.63	\$1,758.98	\$374.34
MEDICAL EXPENSES	\$301.16	\$348.71	\$1,502.44	\$1,851.15	\$352.19
GROSS MARGIN	\$26.04	(\$3.36)	-\$88.80	(\$92.17)	\$22.15
ADMINISTRATIVE EXPENSES	\$19.49	\$20.57	\$84.19	\$104.75	\$22.29
OPERATING INCOME/(LOSS)	\$6.56	(\$23.93)	(\$172.99)	(\$196.92)	(\$0.14)
OTHER INCOME/(EXPENSE)	\$2.60	\$2.74	\$11.21	\$13.95	\$2.97
NET INCOME/(LOSS)	\$9.15	(\$21.19)	(\$161.78)	(\$182.97)	\$2.83
ALLOCATION BASIS:					
MEMBER MONTHS	307,490	10,469	10,469	10,469	317,959
REVENUE BY LOB	84.5%	3.0%	12.4%	15.5%	100.0%

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD NOVEMBER - 2022

		2021-11	2021-12	2022-01	2022-02	2022-03	2022-04	2022-05	2022-06	2022-07	2022-08	2022-09	2022-10	2022-11	FYTD var	%
NON DUAL	Adult (over 19)	34,245	34,653	35,652	35,761	36,104	36,529	37,033	37,861	39,310	39,644	40,012	40,326	41,351	3,490	9.2%
	Child (under 19)	101,411	101,722	102,516	102,519	102,740	103,211	103,765	103,621	103,866	103,987	104,097	104,183	104,594	973	0.9%
	SPD	22,463	22,537	22,740	22,731	22,749	22,751	22,836	24,200	25,130	25,189	25,311	25,357	25,459	1,259	5.2%
	Adult Expansion	93,186	94,092	95,819	96,366	97,386	98,130	99,249	102,198	106,715	107,599	108,216	108,974	109,990	7,792	7.6%
	Long Term Care	385	392	391	403	395	393	397	398	412	432	434	450	455	57	14.3%
	Total Non-Duals	251,690	253,396	257,118	257,780	259,374	261,014	263,280	268,278	275,433	276,851	278,070	279,290	281,849	13,571	5.1%
DUAL	Adult (over 21)	398	408	410	403	407	412	431	423	424	422	421	416	418	-5	(1.2%)
	SPD	24,307	24,320	24,330	24,350	24,378	24,282	24,352	24,384	24,491	24,518	24,579	24,600	24,687	303	1.2%
	Long Term Care	1,106	1,111	1,085	1,107	1,102	1,111	1,126	1,148	1,159	1,153	1,151	1,144	1,160	12	1.0%
	SPD OE	1,372	1,431	1,496	1,531	1,612	1,666	1,739	1,817	1,868	1,923	1,994	2,040	2,077	260	14.3%
	Total Duals	27,183	27,270	27,321	27,391	27,499	27,471	27,648	27,772	27,942	28,016	28,145	28,200	28,342	570	2.1%
Total Medi-Cal	278,873	280,666	284,439	285,171	286,873	288,485	290,928	296,050	303,375	304,867	306,215	307,490	310,191	14,141	4.8%	
CMC	CMC Non-Long Term Care	10,211	10,221	10,017	10,038	10,084	10,127	10,128	10,127	10,146	10,200	10,278	10,271	10,294	167	1.6%
	CMC - Long Term Care	204	210	202	213	215	206	206	205	208	214	202	198	201	-4	(2.0%)
	Total CMC	10,415	10,431	10,219	10,251	10,299	10,333	10,334	10,332	10,354	10,414	10,480	10,469	10,495	163	1.6%
Total Enrollment	289,288	291,097	294,658	295,422	297,172	298,818	301,262	306,382	313,729	315,281	316,695	317,959	320,686	14,304	4.7%	



**Santa Clara Family
Health Plan™**

CY2021 Quality Performance Analysis

Laurie Nakahira D.O., Chief Medical Officer

December 2022

CY21 Quality Performance Analysis

Overview:

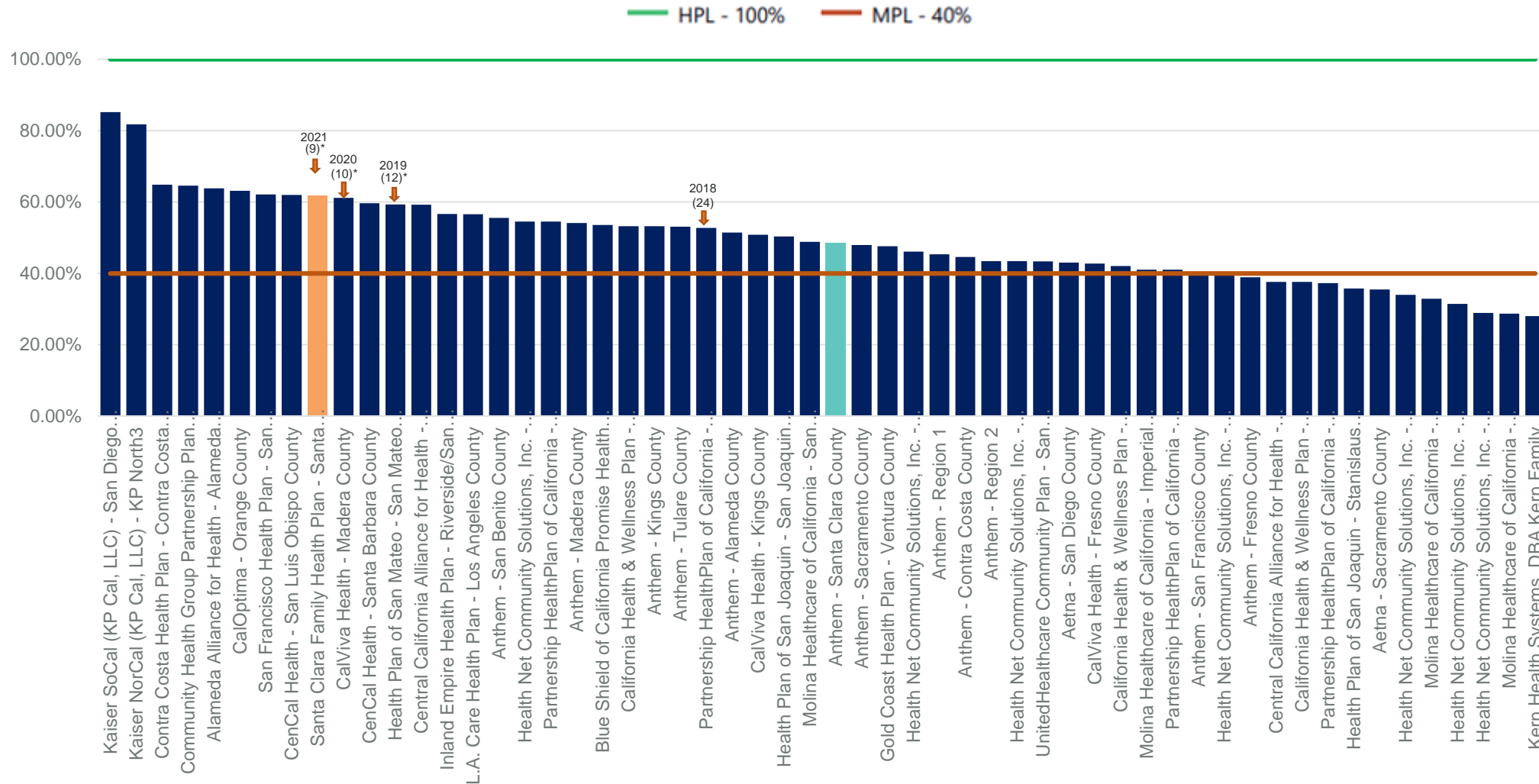
- Medi-Cal Managed Care Accountability Set (MCAS) and CMC Performance Trend
- Estimated Medi-Cal Aggregated Quality Factor Score (AQFS) CY2021
- Medi-Cal Managed Care Accountability Set (MCAS) Performance Trend
- Medi-CAL HEDIS Measure Percentiles by Network & Ethnicity
- Department of Health Care Services (DHCS) BOLD Goals 50x2025
- CMC HEDIS and Stars Rates

Medi-Cal Managed Care Accountability Set (MCAS) and Cal MediConnect (CMC) Performance Trend

Point Value	Medicaid HEDIS Percentile	Medi-Cal Measures Held to Minimum Performance Level (MPL)					Point Value	Medicare HEDIS Percentile	CMC Measures*				
		CY 2017	CY 2018	CY 2019	CY 2020	CY 2021			CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
4	≥ 90th	1	1	5	3	2	4	≥ 90th	2	2	7	12	5
3	75th	7	3	5	3	6	3	75th	10	7	9	2	3
2	50th	11	11	4	7	5	2	50th	5	11	10	11	14
1	25th	1	4	3	2	1	1	25th	15	13	14	6	12
0	< 25th	1	0	1	1	1	0	< 25th	21	15	11	17	13
Total Measures		21	19	18	16	15	Total Measures		53	48	51	48	47
Average Point Value		2.29	2.05	2.56	2.31	2.47	Average Point Value		1.19	1.33	1.75	1.71	1.47

* CMC measures used are non-utilization measures with benchmarks

Estimated Medi-Cal Aggregated Quality Factor Score (AQFS) by Health Plan CY2021



SCFHP – Rank 9
 Anthem – Rank 29
 Total # of MCPs = 56

Note: Only measures with available benchmarks were used to estimate the score
 * Estimated ranking

Medi-Cal Managed Care Accountability Set (MCAS) Measures CY2021

Measure	Measure Description	HEDIS CY 2019 Final Rate	HEDIS CY 2020 Final Rate	HEDIS CY 2021 Final Rate	Current Percentile	CY 2021 MPL
BCS ²	Breast Cancer Screening	66.72%	59.78% ↓	56.61% ↓	50th	53.93%
CBP*	Controlling High Blood Pressure	62.04%	57.42% ↓	57.18% ↓	50th	55.35%
CCS* ²	Cervical Cancer Screening	52.07%	59.85% ↑	60.10% ↑	50th	59.12%
CDC-H9* ¹	Diabetes Care HbA1c Poor Control (>9.0%)	31.14%	34.31% ↓	26.52% ↑	95th	43.19%
CHL	Chlamydia Screening in Women	59.19%	57.43% ↓	61.91% ↑	75th	54.91%
CIS10* ²	Childhood Immunization Status – Combo 10	66.91%	57.91% ↓	49.88% ↓	75th	38.20%
IMA-2* ²	Immunizations for Adolescents - Combo 2	46.72%	43.31% ↓	41.36% ↓	50th	36.74%
PPC-Post*	Postpartum Care	85.16%	84.67% ↓	79.81% ↓	75th	76.40%
PPC-Pre*	Timeliness of Prenatal Care	93.19%	92.70% ↓	90.75% ↓	75th	85.89%
W30A-6 ²	Well-Child Visits (0 to 15 Months) – 6 Visits	Did not report	33.89%	51.61% ↑	25th	54.92%
W30B-2 ²	Well-Child Visits (15 – 30 Months) – 2 Visits	Did not report	76.73%	64.94% ↓	10th	70.67%
WCC-BMI*	BMI Assessment	89.29%	80.54% ↓	84.91% ↑	75th	76.64%
WCC-N*	Counseling for Nutrition	Did not report	74.21%	81.51% ↑	75th	70.11%
WCC-PA*	Counseling for Physical Activity	Did not report	72.26%	79.32% ↑	90th	66.18%
WCV	Child and Adolescent Well-Care Visits	Did not report	43.92%	51.11% ↑	50th	45.31%

* Hybrid measure, both claims/encounter data and medical record review

¹ Reverse measure, lower is better

² Measure has a lookback period that spans multiple calendar years

Measure met MPL / Measure did not meet MPL

↑: Rate improved compared to prior year

↓: Rate declined compared to prior year

Note: MPL is determined based on the performance from the previous year (i.e. CY20 benchmarks based on CY19 performance)

Medi-Cal Measure Rankings (Measures with Benchmarks) Santa Clara Family Health Plan.

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

Measure	CY 2020 Ranking	CY 2021 Ranking	CY 2020 Percentile	CY 2021 Percentile
Comprehensive Diabetes Care—Hemoglobin A1c (HbA1c) Poor Control (>9.0 Percent)	5	2 ↑	50th	95th
Childhood Immunization Status—Combination 10	5	7 ↓	95th	75th
Well-Child Visits in the First 30 Months of Life—Well-Child Visits in the First 15 Months- 6 or More Well-Child Visits	35	11 ↑	-	25th
Child and Adolescent Well-Care Visits—Total	14	11 ↑	-	50th
Breast Cancer Screening	6	13 ↓	50th	50th
Well-Child Visits in the First 30 Months of Life—Well-Child Visits for Age 15 Months to 30 Months- 2 or More Well-Child Visits	7	13 ↓	-	10th
Immunizations for Adolescents—Combination 2	23	16 ↑	75th	50th
Prenatal and Postpartum Care—Timeliness of Prenatal Care	7	16 ↓	50th	75th
Cervical Cancer Screening	25	19 ↑	25th	50th
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents—BMI Percentile Documentation—Total	32	21 ↑	50th	75th
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents—Counseling for Nutrition—Total	24	21 ↑	50th	75th
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents—Counseling for Physical Activity—Total	23	23	50th	90th
Chlamydia Screening in Women	31	26 ↑	25th	75th
Controlling High Blood Pressure	25	32 ↓	25th	50th
Prenatal and Postpartum Care—Postpartum Care	13	35 ↓	90th	75th

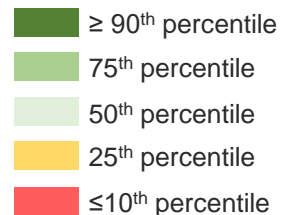
Medi-CAL HEDIS Administrative Measures Rates & Percentiles by Network CY2021

Administrative Measures	SCFHP Overall Final Rate	Administrative Rates [^]						
		SCFHP Direct	VHP	Kaiser	PMG	PCNC	PAMF	NEMS
Breast Cancer Screening	56.61%	51.32%	52.57%	69.61%	61.88%	53.00%	63.17%	61.60%
Chlamydia Screening in Women	61.91%	61.31%	63.39%	63.69%	55.79%	63.41%	55.17%	64.71%
Well-Child Visits (0 to 15 Months) – 6 Visits	51.61%	25.29%	64.05%	30.50%	44.30%	29.51%	63.89%	69.23%*
Well-Child Visits (15 – 30 Months) – 2 Visits	64.94%	52.82%	69.05%	45.91%	72.28%	77.37%	76.56%	74.29%
Child and Adolescent Well-Care Visits	51.11%	46.69%	45.56%	53.30%	59.81%	59.67%	57.54%	63.89%

[^] Based on claims/encounter data

* Small denominator (N < 30)

- 10 hybrid measures excluded from the table



Medi-Cal CY2021 Disparities by Ethnicity and Language

Ethnicity	Breast Cancer	Cervical Cancer	Chlamydia	Blood Pressure	Diabetes	Prenatal	Postpartum	Child Immunizations	Adolescent Immunizations	Well-Child First 15 Months	Well-Child 15-30 Months	Child/Adolescent Well-Care Visits	BMI Screening	Nutrition Counseling	Physical Activity	# Times Low Performer	# Times Highest Performer
	BCS	CCS	CHL	CBP	CDC-H9	PPC-Pre	PPC-Post	CIS10	IMA2	W30A-6	W30B-2	WCV	WCC-BMI	WCC-N	WCC-PA		
African American/Black			o		x			x	x			x		x		5	1
Asian Indian	x	x	x										x	x		5	0
Asian/Pacific/Filipino		x										x				2	0
Caucasian/White	x	x	x		x						x	x	x			7	0
Chinese	x			o	o			o	o			o	o	o	o	1	8
Hispanic					x											1	0
Other/Unknown											x					1	0
Vietnamese	o	o		x			o			x	o		x	x	x	5	4

Language	BCS	CCS	CHL	CBP	CDC-H9	PPC-Pre	PPC-Post	CIS10	IMA2	W30A-6	W30B-2	WCV	WCC-BMI	WCC-N	WCC-PA	# Times Low Performer	# Times Highest Performer
Chinese	x			o	o			o				o	o	o	o	1	7
English	x				x	x	x		x	x	x	x				8	0
Other/Unknown		x		x						o			x	x		4	1
Spanish					x		x									2	0
Tagalog		x										x				2	0
Vietnamese	o	o		x			o	x			o		x	x	x	5	4

x Lowest performer(s) (statistically significant)
o Highest performer (statistically significant)

Medi-Cal Three Year Comparison for Select¹ Focus Measures by Race and Ethnicity

Ethnicity	BCS			CCS			CHL			CDC2			W30A			W30B*			WCV**				
	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019 (AWC)	CY 2019 (W34)	CY 2020	CY 2021	
African American/Black																							
Asian Indian		x	x	x	x	x																	
Asian/Pacific/Filipino				x	x	x																	
Caucasian/White	x	x	x	x	x	x				x	x	x	x										
Chinese	x	x	x																				
Hispanic																							
Other/Unknown																							
Vietnamese	o	o	o	o	o	o																	

Language	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019	CY 2020	CY 2021	CY 2019 (AWC)	CY 2019 (W34)	CY 2020	CY 2021	
Chinese	x	x	x																				
English	x	x	x	x	x		o			x	x	x	x										
Other/Unknown						x																	
Spanish																							
Tagalog				x	x	x																	
Vietnamese	o	o	o	o	o	o																	

x Lowest performer(s) (statistically significant)
o Highest performer (statistically significant)

* Was a new measure in CY 2020 so no CY 2019 rates

** Was a new measure in CY 2020 so no CY 2019 rates, using similar measures as proxy

¹ Low-performing measures below or borderline MPL

Reducing Disparities

Actions taken to identify issues and root causes

- Focus group for DM management
 - 1 Hispanic-English;
 - 1 Hispanic-Spanish;
 - 1 Caucasian/White-English
- Focus Groups Conducted for Women's Health
 - 2 Asian-English
- Quality Outreach Calls Conducted for Women's Health
 - 29 Asian Indian
 - 178 Caucasian/White
- Implemented a Diabetes Care Management Program

Identified Issues and Root Causes

Low Breast Cancer Screenings (BCS) & Cervical Cancer Screenings (CCS)

- Provider did not recommend screening
 - Member is not sexually active
 - Member had an unpleasant or painful experience
 - Member has no family risk factors for the cancers
 - Provider Education and Training
 - Practice transformation
- Members has experienced difficulties with navigating the health system
 - Long wait times on the phones to make appt(s)
 - Limited Appointments times
 - Working with VMC/VHP on phone wait times and access to appointments
 - Increase telehealth access
 - Case management assisting with making appointments & navigating the health system

Identified Issues and Root Causes

Diabetes Mellitus - Uncontrolled

- Member is overwhelmed by the disease and the management (i.e. polymeds, frequent tests, appts, diet)
 - Member education (newsletters, classes, Nurse advise line, website/social media)
 - Peer support groups (by ethnicity and language)
- Member has a busy life with work long hours, taking care of other family members
 - Increase Telehealth availability
- Member experienced lack of sufficient time spent during the visits
 - Member education
 - Ancillary support (e.g. dietitian, pharmacist)
 - Practice transformation within clinics and providers offices

Department of Health Care Services (DHCS) BOLD Goals

**BOLD GOALS:
50x2025**

STATE LEVEL

-  Close racial/ethnic disparities in well-child visits and immunizations by 50%
-  Close maternity care disparity for Black and Native American persons by 50%
-  Improve maternal and adolescent depression screening by 50%
-  Improve follow up for mental health and substance use disorder by 50%
-  Ensure all health plans exceed the 50th percentile for all children's preventive care measures

DHCS Statewide BOLD Goal

1. Close racial/ethnic disparities in well-child visits and immunizations by 50%

Measure	CY 2021 SCFHP Rate	CY 2021 Disparities**	Interventions
Well-Child Visits (0 – 15 Months) – 6 Visits	51.61%	Vietnamese: 44.10%	<ul style="list-style-type: none"> Member Newsletter Website/Social media information Provider E-News QI meetings (delegates & providers) Incentives Child/Adolescent visits Incentives Well-Child Visits Practice transformation for templates/coding Gaps in Care outreach calls Vietnamese Gaps in Care provider notification CAIRs bi-directional EMR interface
Well-Child Visits (15 – 30 Months) – 2 Visits	64.94%	Caucasian/White: 57.21%	
Child and Adolescent Well-Care Visits (WCV)	51.11%	African American/Black: 46.06% Asian/Pacific/Filipino: 46.79% Caucasian/White: 46.40%	
Childhood Immunization Status - Combo 10^	Admin*: 24.27% Hybrid: 49.88%	African American/Black: 12.62%	
Immunizations for Adolescents - Combo 2^	Admin*: 41.61% Hybrid: 41.36%	African American/Black: 28.14%	

* Using admin rate for comparison due to hybrid^ data not reportable by ethnicity

** Disparities determined based on if an ethnicity was in the bottom three performers and was statistically significant or 10% lower than plan average

DHCS Statewide BOLD Goal

2. Close maternity care disparity for Black and Native American persons by 50%

Measure	CY 2021 SCFHP Admin Rate	CY 2021 Disparities
Prenatal & Postpartum Care - Timeliness of Prenatal Care	Admin*: 84.36% Hybrid: 90.75%	African American/Black: 74.39% (61/82) Native American: 100% (8/8)
Prenatal & Postpartum Care - Postpartum Care	Admin*: 74.84% Hybrid: 79.81%	African American/Black: 67.07% (55/82) Native American: 75.00% (6/8)

Interventions

- Member Newsletter
- Provider E-News/Memo
- JOC/QI meetings
- Website/Social media
- Healthy Mom Healthy Baby
- Incentives for prenatal & postpartum visits
- Baby Showers
- GIC outreach
- Partnership with Public Health
- Collaborating with clinics
- Well-women visit outreach

* Using admin rate for comparison due to small sample size of hybrid rate

DHCS Statewide BOLD Goal

3. Improve maternal and adolescent depression screening by 50%

Measure	CY 2021 SCFHP Final Rate
Prenatal Depression and Follow Up - Screening	22.42%
Postpartum Depression and Follow Up - Screening	14.38%
Screening for Depression and Follow-up - 12 - 17 years	5.12%

Interventions

- JOC/QI meeting
- Comprehensive Perinatal Services Program (CPSP) certification
- Developing Comprehensive Perinatal Services Program “like” programs for non-certified providers
- Scheduling M2M CME training for providers and staff
- BH telehealth
- BH Integrated Incentive Program (BHIIIP)

- No CY 2020 CA baselines due to being newly reported measures
- Mild to Moderate level of behavioral health (M2M)

DHCS Statewide BOLD Goal

4. Improve follow up for mental health and substance use disorder by 50%

Measure	CY 2021 SCFHP Final Rate
Follow-Up After Emergency Department Visit for Substance Use – 30 days	11.60%
Follow-Up After High-Intensity Care for Substance Use Disorder – 30 days	34.16%
Follow-Up After Emergency Department Visit for Mental Illness – 30 days	55.62%
Follow-Up After Hospitalization for Mental Illness – 30 days	46.94%

Interventions

- Expanding data source from hospitals
- Case management expanding transition of care

DHCS Plan-Specific BOLD Goal

5. Ensure all health plans exceed the 50th percentile for all children's preventive care measures

Measure	CY 2021 SCFHP Final Rate	CY 2021 50 th Percentile
Lead Screening in Children	63.26%	71.53% (-8.3%)
Developmental Screening in the First Three Years of Life	11.12%	TBD
Screening for Depression and Follow-Up Plan: Ages 12 to 17 (CDF-CH)	9.93%	TBD
Dental Fluoride Varnish	TBD	TBD

Interventions

- Member Newsletter
- Provider E-News/memos
- Website/Social Media
- JOC/QI meetings updates
- Standing orders (pilot of 30 providers)
- Workflows for Lead, trauma & developmental
- Partnership with Public Health with Lead workflows and CME*
- Exploring vendors for dental referrals
- Scheduling M2M CME training for providers and staff
- Student BH Incentive Program (SBHIP)
- BH Integrated Incentive Program (BHIIIP)

- CME Certified Medical Education
- Mild to Moderate level of behavioral health (M2M)

CMC HEDIS/Stars Rate Overview – CY 2021

Measure Abbreviation	Measure Description	CY 2020 Rate	CY 2021 Rate	CY 2021 Percentile (National)	Current STAR Rating
BCS	Breast Cancer Screening	65.01%	64.91% ↓	25th	★ ★ ★
COL	Colorectal Cancer Screening	60.34%	63.99% ↑	25th	★ ★ ★
COA-ACP	Care For Older Adults – Advanced Care Planning	20.92%	24.57% ↑	< 25th	Not STAR measure
COA-MR	Medication Review	84.67%	86.62% ↑	< 25th	★ ★ ★ ★
COA-FSA	Functional Status Assessment	43.07%	47.45% ↑	< 25th	No benchmarks
COA-PA	Pain Assessment	82.97%	84.91% ↑	< 25th	★ ★ ★
CBP	Controlling High Blood Pressure	59.85%	59.85% --	25th	No benchmarks
CDC-HT	Comprehensive Diabetes Care - HbA1c Testing	87.59%	91.97% ↑	25th	Not STAR measure
CDC-H9^	HbA1c Poor Control (>9%)	28.71%	20.19% ↑	50th	★ ★ ★ ★
CDC-H8	HbA1c Control (<8%)	62.53%	69.34% ↑	50th	Not STAR measure
CDC-E	Eye Exam	77.13%	73.72% ↓	50th	★ ★ ★ ★
CDC-N	Attention for Nephropathy	88.08%	91.73% ↑	< 25th	★ ★ ★
CDC-BP	BP Control (<140/90 mmHg)	55.96%	57.91% ↑	< 25th	Not STAR measure
OMW	Osteoporosis Management in Women Who Had a Fracture	42.86%	20.45% ↓	< 25th	★
SPC	Statin Therapy for Patients With Cardiovascular Disease	83.19%	89.35% ↑	90th	★ ★ ★ ★ ★
TRC-I	Transitions of Care - Notification of Inpatient Admission	54.26%	57.18% ↑	75th	No benchmarks
TRC-D	Receipt of Discharge Information	45.26%	53.04% ↑	90th	No benchmarks
TRC-E	Patient Engagement After Inpatient Discharge	83.94%	86.62% ↑	75th	No benchmarks
TRC-M	Medication Reconciliation	54.99%	68.86% ↑	50th	★ ★ ★
AAP	Adults' Access to Preventive/Ambulatory Health Services	91.26%	91.67% ↑	< 25th	Not STAR measure

Improved rates for all measures compared to CY20 except for BCS, CDC-E, CBP, and OMW

↑: Rate improved compared to prior year

↓: Rate declined compared to prior year

^: Inverse measure; lower is better

Metrics on this slide are STAR rating measures, Display measures, and metrics measuring overall Medicare health services access

Planned Interventions

FY23 activities

Health Equity and Health Disparity Focus

- Host peer support groups for Diabetes
- Continue & expand the SCFHP's Diabetes Care Management Program beyond uncontrolled members

All HEDIS Measure Focus

- Continue and expand Provider Performance Program and supplemental data pursuits
- Implement Quality withhold for VHP
- Continue member incentive for low performing metrics
- Identify root causes for network disparities through provider focus groups
- Requested VHP to expand contracts with Mammography network beyond VMC
- Fund practices to deploy dedicated resource for outreach, scheduling, and/or navigation for SCFHP members
- Provide targeted training, practice transformation support, and financial offset for the independent providers during clinic hours



Thank you

Aggregated Quality Factor Score (AQFS) Calculation

Health Effectiveness Data and Information Set (HEDIS®) Aggregated Quality Factor Score (AQFS)

The HEDIS® measures and specifications were developed by and are owned and copyrighted by the National Committee for Quality Assurance (“NCQA”). The HEDIS® AQFS is a single score that accounts for plan performance on all DHCS selected HEDIS® indicators. It is a composite rate calculated as percent of the National High Performance Level (HPL). The High Performance Level is 100%. The Minimum Performance Level is 40%. The State Population Weighted Average is calculated annually. A HEDIS® reporting unit is a combination of one health plan in a county or region.

AQFS Calculations: The AQFS listed on the MCQMD Dashboard is calculated by DHCS and is based on the audited HEDIS rates for each reporting year. The HEDIS indicators that DHCS holds MPLs (minimum performance levels) will be included in the calculation.

Step 1: Calculate the Assigned Score - for each HEDIS indicator, assign a score to each plan at the county (or reporting unit) level according to its NCQA Medicaid benchmark (percentile) as shown below:

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

SCFHP 25th Anniversary Event

Held on Saturday, October 22, 2022 from 10am-3pm



Cultural Performances



Health Pavilion & Resource Fair



Free Health Screenings



Welcome Ceremony & Scholarship Program



Free Zumbathon

SCFHP 25th Anniversary Event



Impact Numbers

- **Number of Visitors: 1000+**
- **Number of Health Screenings Provided: 353**
 - COVID-19 & Flu Vaccinations
 - Dental Screenings
 - Blood Pressure Screenings
 - Healthy Skin Screenings
 - STI & HIV Testing
- **Number of organizations participating in the Resource Fair: 34 organizations**
- **SCFHP Departments engaging health plan members & community residents: 7**
 - Behavioral Health
 - Case Management
 - Community Engagement
 - Customer Service
 - Grievance & Appeals
 - Health Education & Quality Improvement
 - Medicare Outreach



Left to Right: Chris Turner, Chelsea Byom, Michele Lew, Daniel Cao, Dr. Harsha Ramchandani, Dr. Ria Paul, Christine Tomcala, Sarita Kohli, Mike González, Rhonda McClinton-Brown



**Santa Clara Family
Health Plan™**

Cal MediConnect Transition to DualConnect

December 15, 2022

Status of Key Milestones/Activities

Provider Contracting

- **Primary Care**
 - 529 out of 544 PCPs have executed agreements
 - 243 out of 10,507 members will have disruptions in primary care = 2.3% member disruption
 - SCFHP declined to re-contract with 1 PCP representing 51 members because of FWA concerns
 - Planned Parenthood accounts for 7 PCPs and 119 members
 - Remaining 7 PCPs are individual practitioners with small patient panels who opted not to contract for the DSNP
- **Specialists** – 2,483 out of 2,507 Specialists have executed agreements
- **Hospitals** - All contracted hospitals signed DSNP agreements
- **Ancillaries & Other Facilities** – Many signed agreements, still working on contracting efforts to close gaps

Status of Key Milestones/Activities

Operations

- **Enrollment**
 - Lift and shift of members from CMC to DSNP has been a little bumpy with CMS and DHCS
 - SCFHP enrollment team has done a great job of managing these challenges
- **Customer Service**
 - Implemented new vendor contract to support expanded customer service hours 8am – 8pm 7 days a week
 - Some challenges with member notices leading to increases in phone call volumes
 - SCFHP Customer Service team has really stepped up to the challenge

Category	Member Count
CMC rollover to DC	9,862
New to DC never enrolled with SCFHP	72
New to DC currently enrolled in MC	616
New to DC previously enrolled in CMC with a term date prior to 12/31/2022	55
New to DC previously enrolled in MC with a term date prior to 12/31/2022	16
Total	10,621

Status of Key Milestones/Activities

Systems Readiness

- Existing systems have been updated and are on track for January 1 go live
 - QNXT
 - Member & Provider Portals
 - Beacon
 - Essette
- New systems fully implemented and/or on track
 - Voyager – enrollment, revenue reconciliation/coordination of benefits
 - Engagent – broker management, commissions, leads management

Status of Key Milestones/Activities

Marketing/Communications & Medicare Outreach

- Materials & Notices on track and on time
 - Website
 - Member Informing Materials
 - Member Notices
 - Provider Materials

New DSNP Benefits Implemented

- YMCA Membership
- Over The Counter (OTC) \$135/quarter

Summary

- The transition from CMC to DSNP has been a heavy lift across the entire organization and we are ready!

DUALCONNECT

(HMO D-SNP) A Medicare Medi-Cal Plan



**Santa Clara Family
Health Plan™**

Questions?

New Brown Act Teleconferencing Rules

Traditional: members can teleconference if the agenda and meeting notice includes the address of their teleconference location, and the notice is visibly posted at the location, which shall be accessible to the public during the meeting

PHE rules: exempt from Traditional noticing/access requirements while under COVID State of Emergency if Board makes certain findings every 30 days

Post-pandemic: exempt from Traditional requirements only in cases of just cause and emergencies, but a quorum must be present at a single physical location



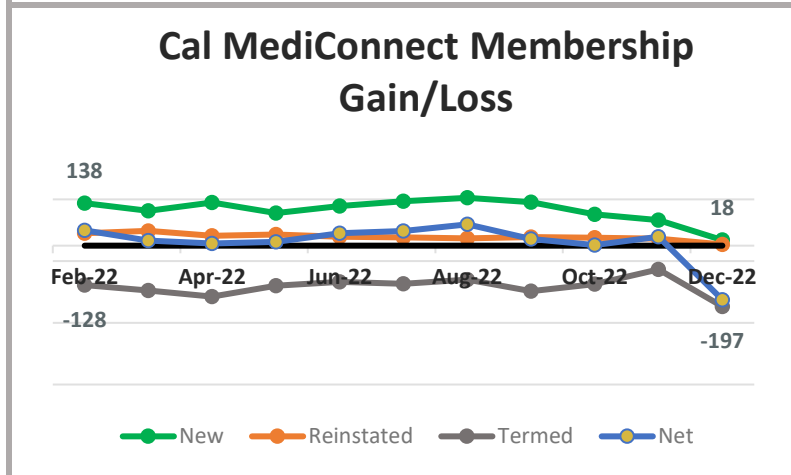
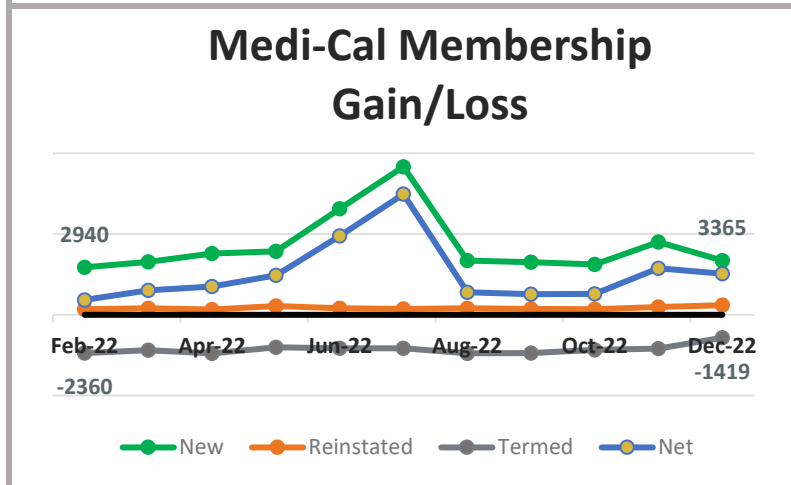
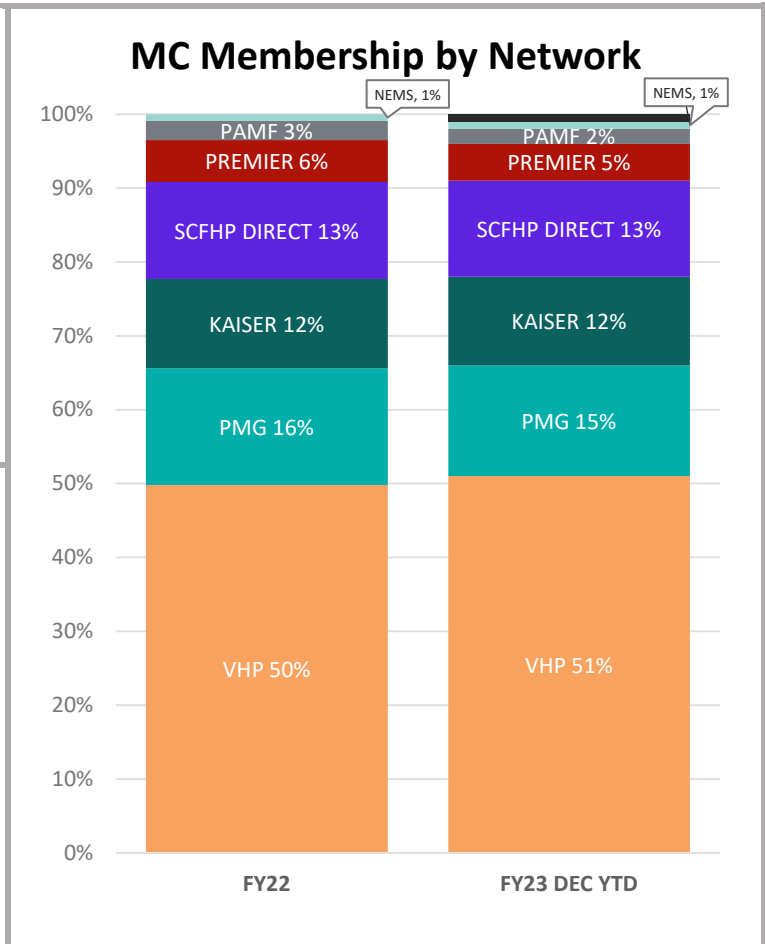
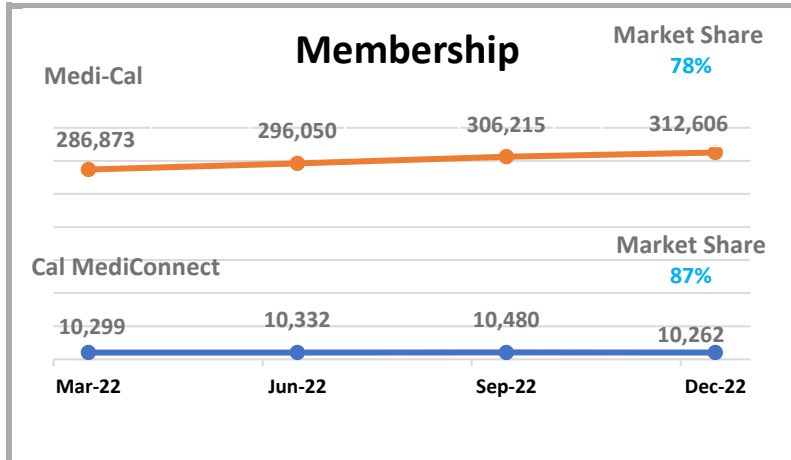
Until Feb 28,
2023

Mar 1, 2023-
Dec 31, 2025

Jan 1, 2026

Board Dashboard

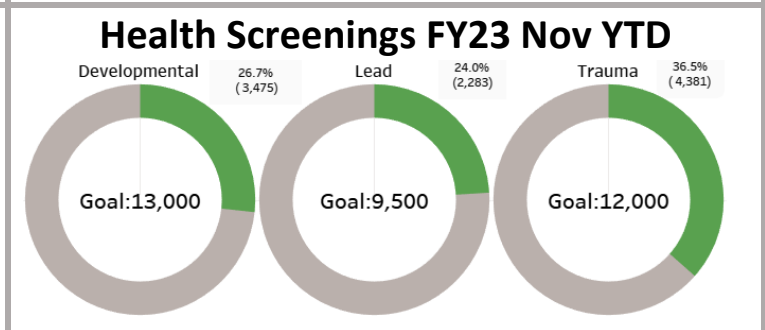
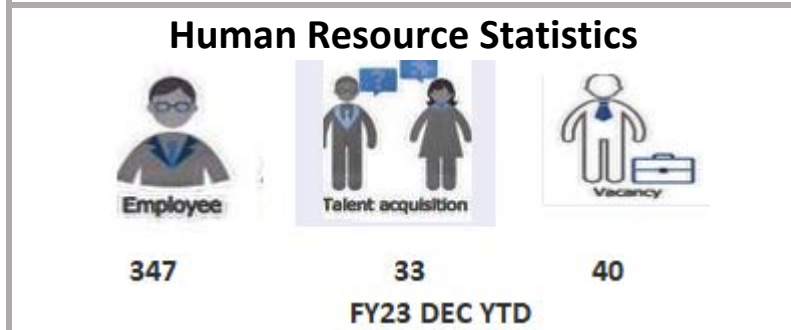
December 2022



Financial Highlights

	Sep-22	YTD
Revenue	\$115.8 M	\$343.5 M
Medical Expense (MLR)	92.4%	91.8%
Administrative Expense	5.3%	5.2%
Net Surplus (Loss)	\$3.4 M	\$12.2 M

favorable variance
unfavorable variance

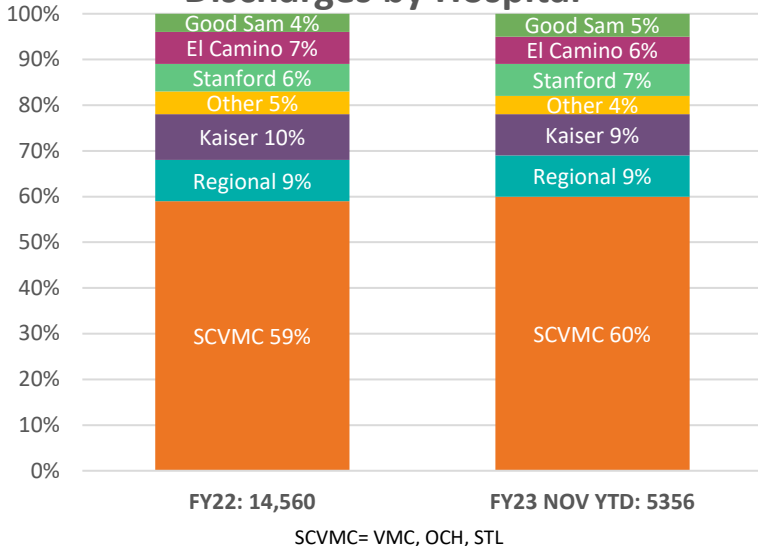


Board Dashboard

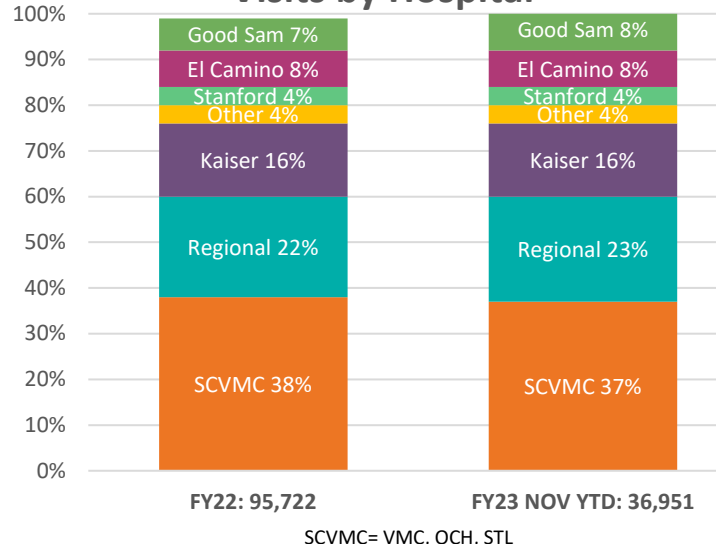
December 2022



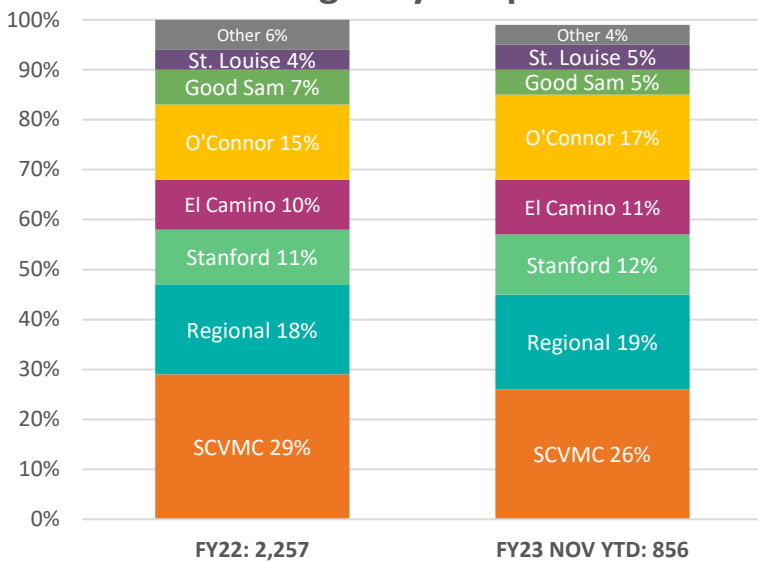
Medi-Cal Inpatient Discharges by Hospital



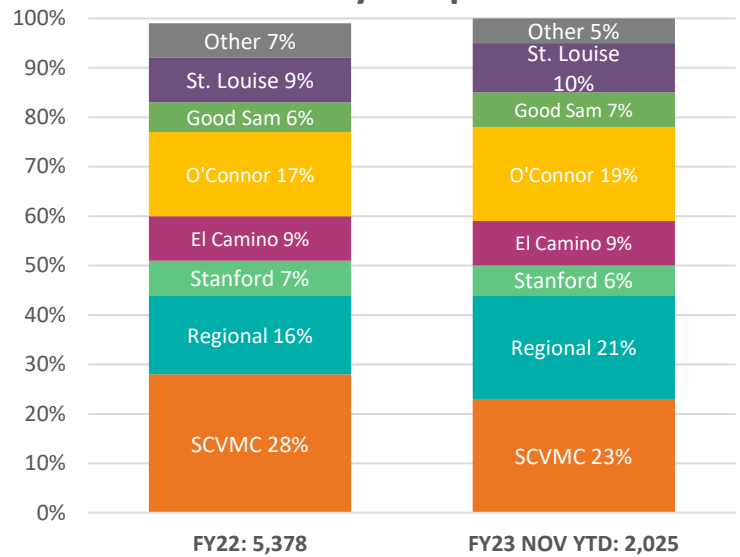
Medi-Cal Emergency Visits by Hospital



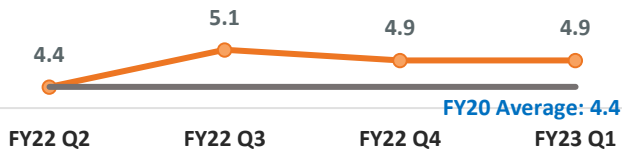
Cal MediConnect Inpatient Discharges by Hospital



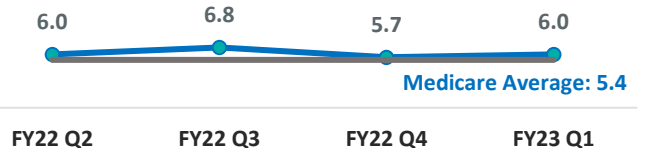
Cal MediConnect Emergency Visits by Hospital



Medi-Cal Inpatient Average Length of Stay (ALOS)



Cal MediConnect Inpatient Average Length of Stay (ALOS)

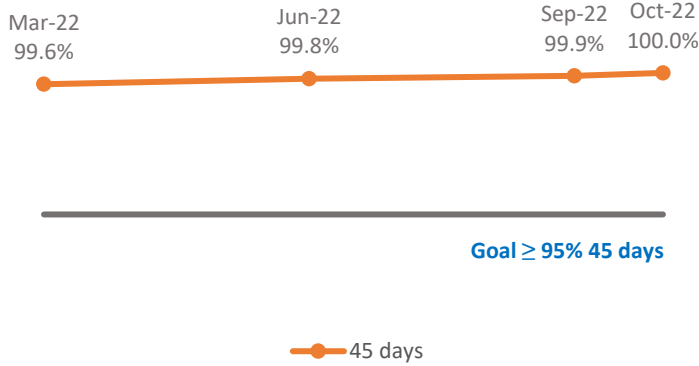


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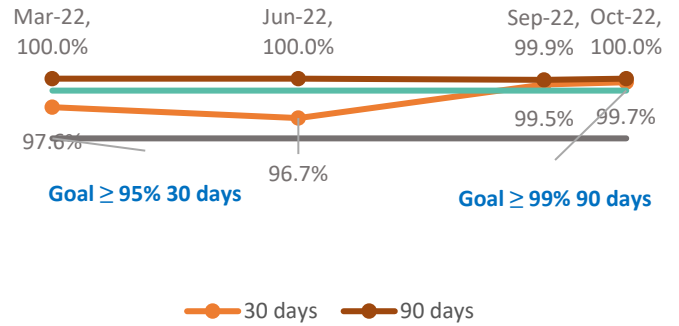
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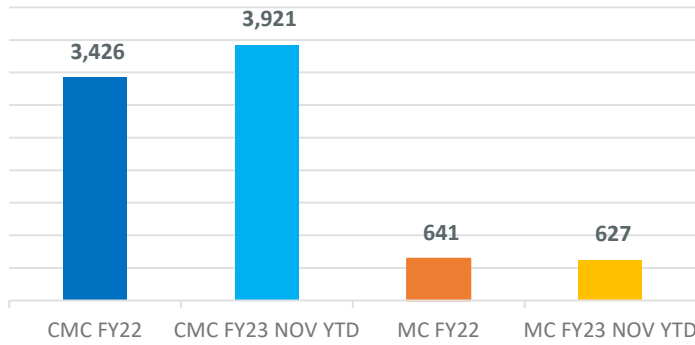
Medi-Cal Claims Processing



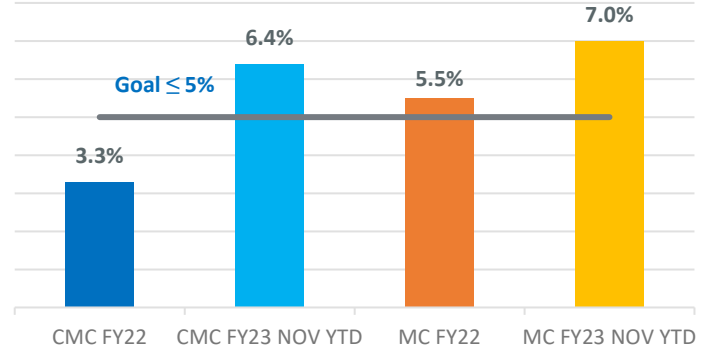
Cal MediConnect Claims Processing



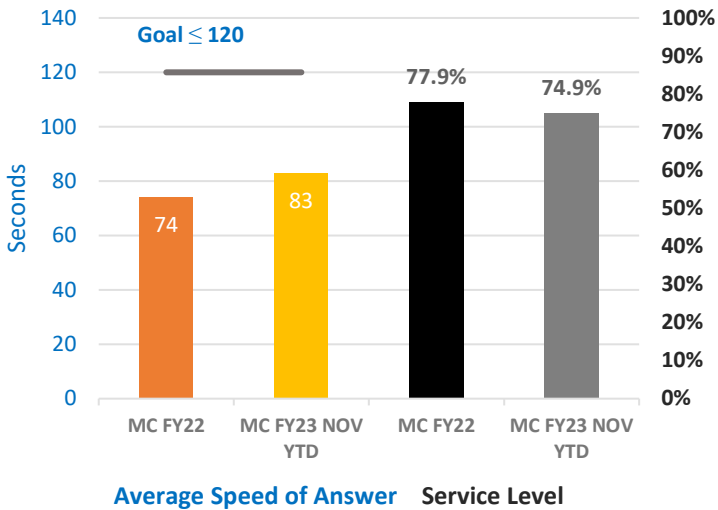
Member Calls Handled per 1,000 Members/Year



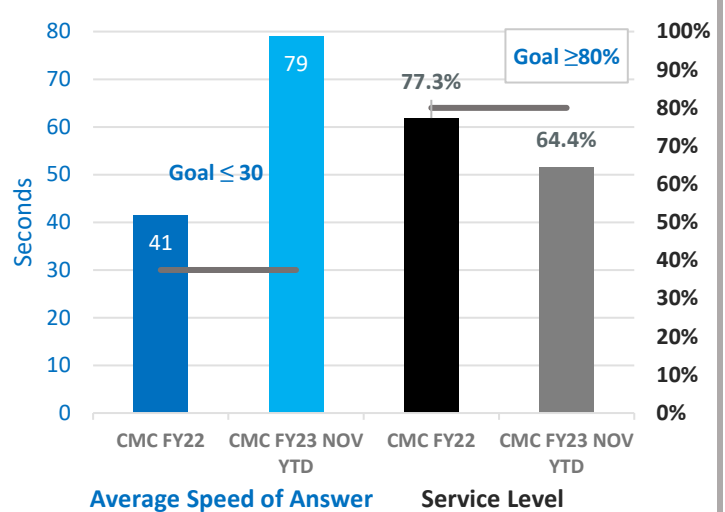
Abandoned Call Data



Medi-Cal Member Call Data



Cal MediConnect Member Call Data



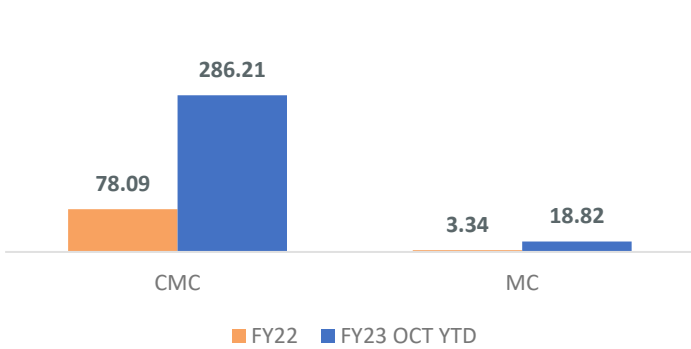
Board Dashboard

December 2022



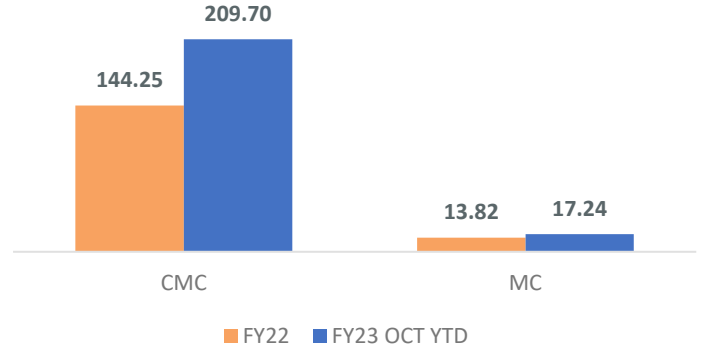
Appeals per 1,000 Members/Year

Appeal: request to change SCFHP coverage decision

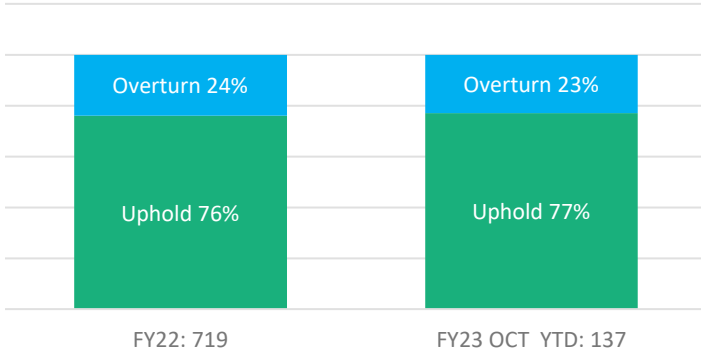


Grievances per 1,000 Members/Year

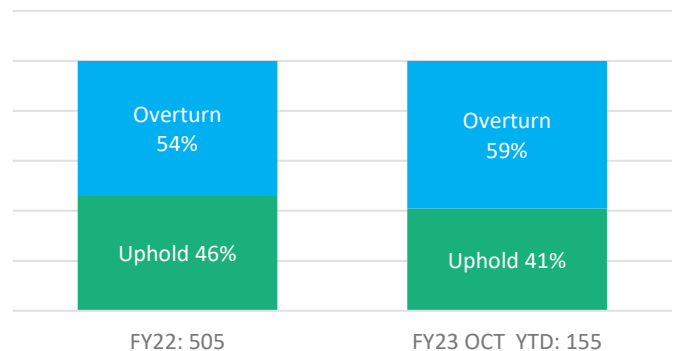
Grievance: member dissatisfaction with a service



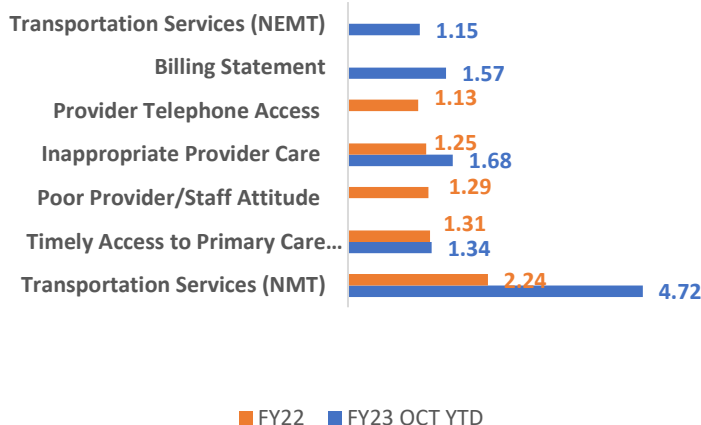
Medi-Cal Appeals by Outcome



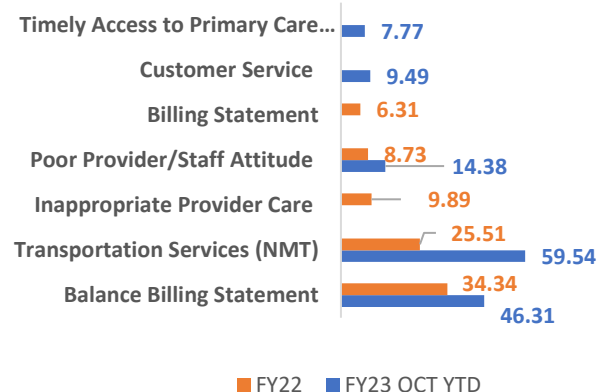
Cal MediConnect Appeals by Outcome



Medi-Cal Top Grievances per 1,000 Members/Year



Cal MediConnect Top Grievances per 1,000 Members/Year



Board Dashboard Annual Metrics

December 2022



PROVIDER NETWORK

Contracted Providers

SPECIALTY	Medi-Cal	Cal MediConnect
Primary Care Physicians	829	546
Specialists	5,530	3,434
Ancillaries	881	396

SCFHP is contracted with all hospitals in Santa Clara County.

Medi-Cal Network Gaps

SPECIALTY	CY2019	CY2020	CY2021
Adult PCP		X	
Cardiology		X	
Endocrinology		X	X
ENT-Otolaryngology		X	
HIV/AIDS Specialists/Infectious Disease	X	X	X
Neurology	X	X	
Physical Medicine and Rehabilitation	X	X	X
Pulmonology	X	X	

Source: DHCS Annual Network Certification

DHCS definitions: CY2019 and 2020 based on miles and minutes; CY2021 based on miles or minutes.

CY2019 gaps: Gilroy, Morgan Hill

CY2020 gaps: Gilroy, San Martin, and Morgan Hill

CY2021 gaps: Gilroy, San Martin, and Morgan Hill

CY2022 gaps: awaiting results from DHCS

QUALITY SCORES

Medi-Cal Composite Quality Score

Point Value	Medicaid HEDIS Percentile			
		CY2019	CY2020	CY2021
4	≥90th	5	3	2
3	75th	5	3	6
2	50th	4	7	5
1	25th	3	2	1
0	< 25th	1	1	1
Total Measures		18	16	15
Average Point Value		2.56	2.31	2.47

Cal MediConnect Composite Quality Score

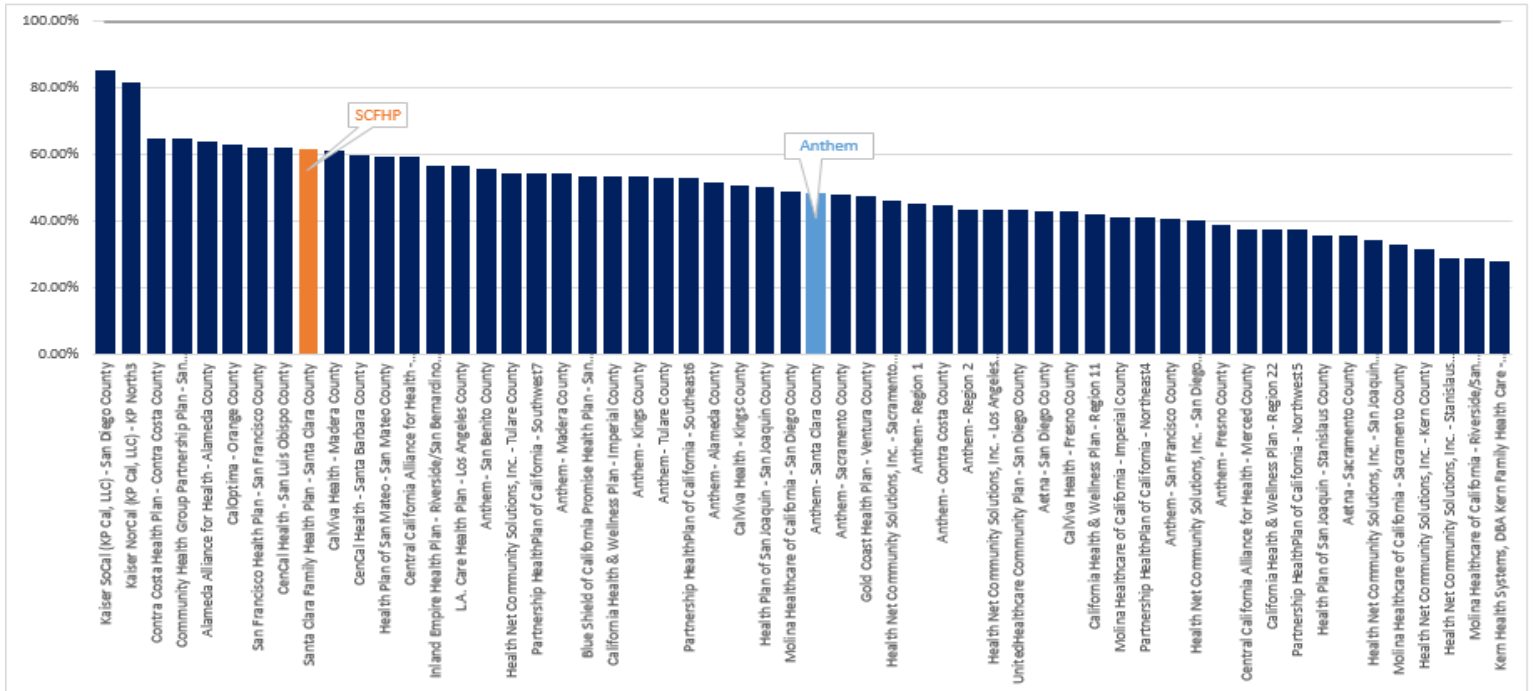
Point Value	Medicare Percentile			
		CY2019	CY2020	CY2021
4	≥90th	7	12	5
3	75th	9	2	3
2	50th	10	11	14
1	25th	14	6	12
0	< 25th	11	17	13
Total Measures		51	48	47
Average Point Value		1.75	1.71	1.47

Board Dashboard Annual Metrics

December 2022



Medi-Cal Aggregated Quality Factor Score (AQFS) by Health Plan CY2021



Rank	CY2018	CY2019	CY2020	CY2021
SCFHP	24	12	10	9
Anthem	28	35	43	29
# Plans	53	56	56	56

MEMBER SATISFACTION SURVEY

Medi-Cal Overall Ratings and Composites

	CY2019	CY2020
Rating of Health Plan	70.88%	71.18%
Rating of Health Care Quality	70.64%	79.8%

Cal MediConnect Overall Ratings and Composites

	CY2020	CY2021	CY2022
Rating of Health Plan	85.40%	82.40%	78.52%
Rating of Health Care Quality	76.39%	72.83%	73.63%
Rating of Drug Plan	87.24%	82.35%	81.87%

Source: Consumer Assessment of Healthcare Providers and Systems (CAHPS)
Scale rating 1-10; data reflects ratings 8-10

Board Dashboard Annual Metrics

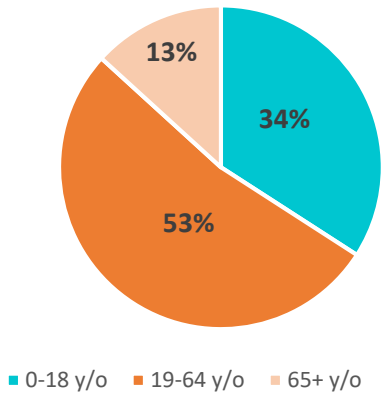
December 2022



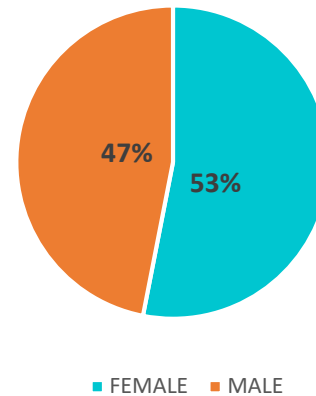
MEMBER DEMOGRAPHICS

Medi-Cal as of 12/2022

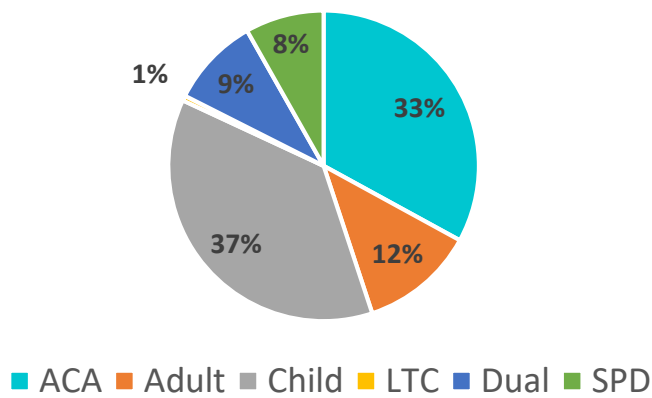
Membership by Age



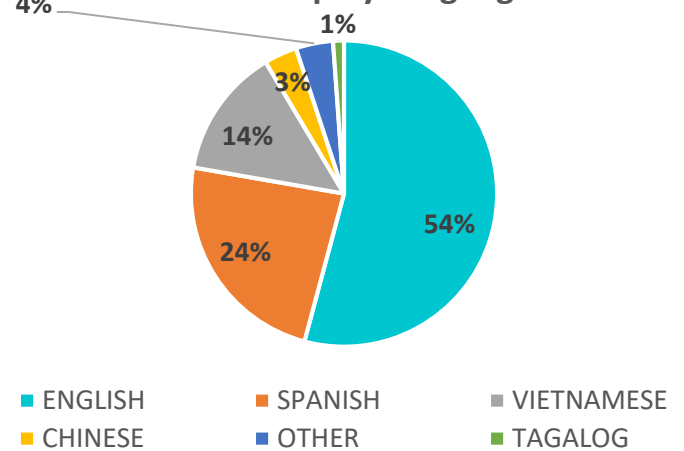
Membership by Gender



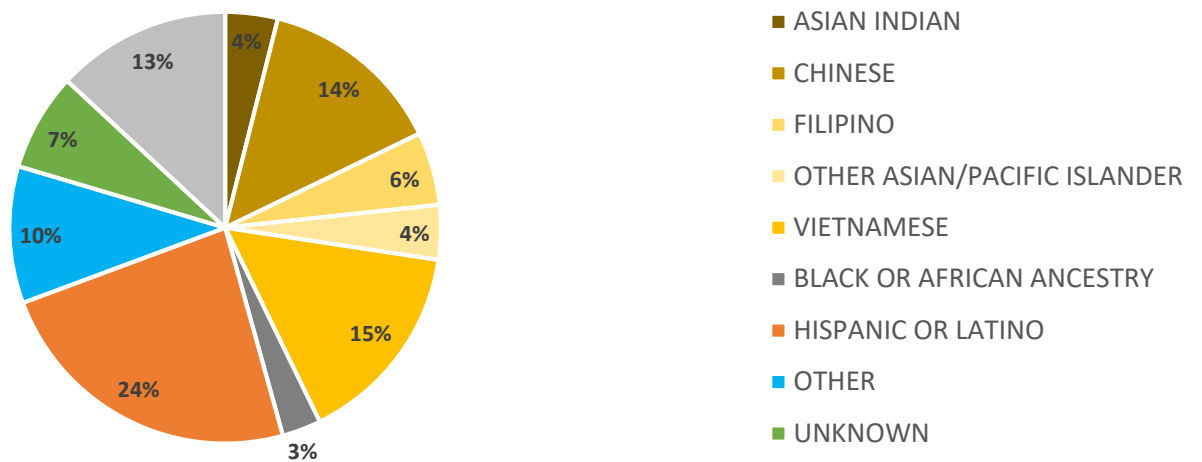
Membership by COA



Membership by Language



Membership by Ethnicity



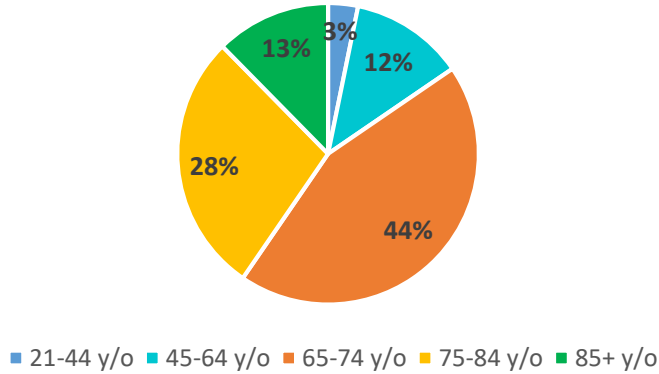
Board Dashboard Annual Metrics

December 2022

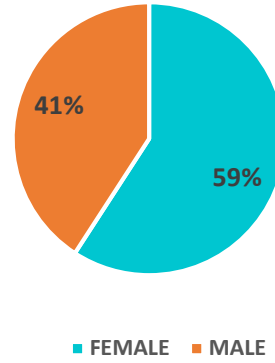


Cal MediConnect as 12/2022

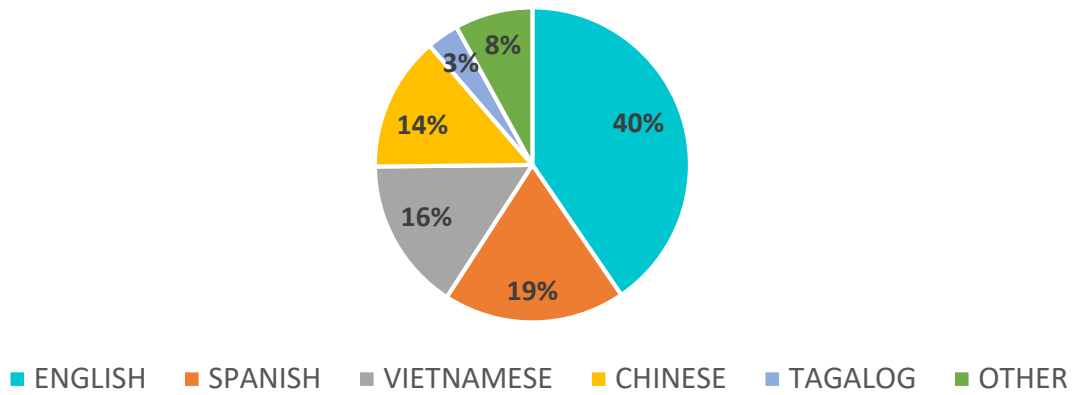
Membership by Age



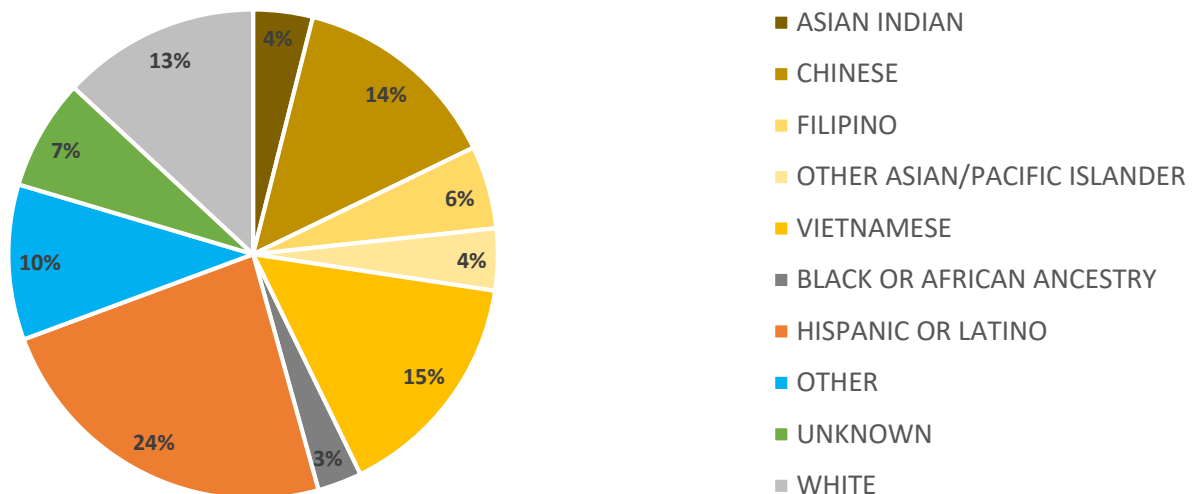
Membership by Gender



Membership by Language

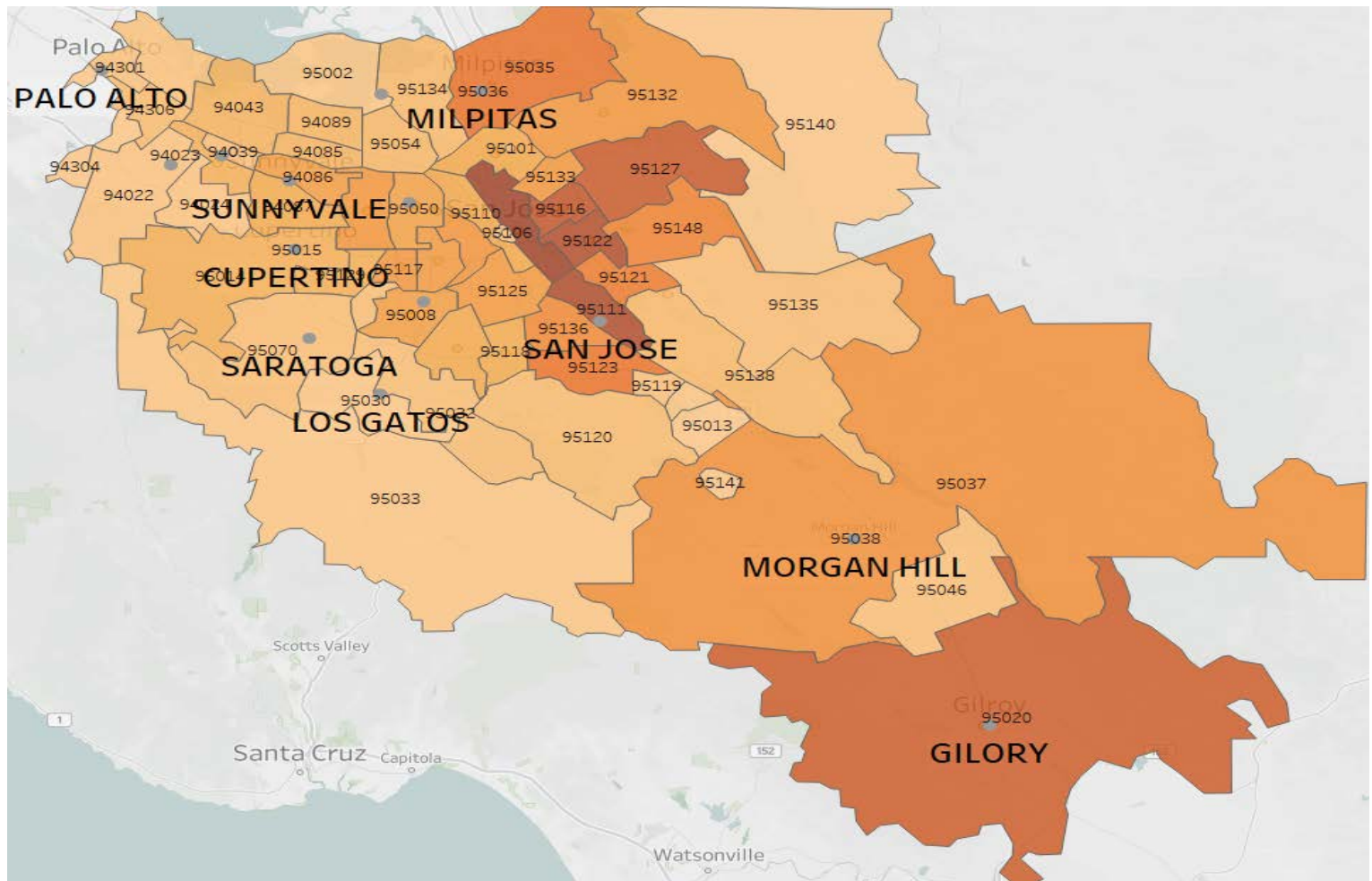


Membership by Ethnicity



Board Dashboard Annual Metrics

December 2022



Care Management Assisted Long-Term Care (LTC) Transitions

	FY21	FY22
Internal	24	36
Community Partners	7	0
Total	31	36

Audited Financial Metrics

	FY21	FY22
Premium Revenue (\$1,000)	\$1,380,376	\$1,833,329
Interest Income (\$1,000)	\$2,852	\$2,130
Total Revenue (\$1,000)	\$1,383,228	\$1,835,459
Admin Expense (\$1,000)	\$64,721	\$73,552
Admin %	4.7%	4.0%
Margin (\$1,000)	\$46,210	\$35,192
Margin %	3.3%	1.9%

Financial Statistics

	FY22
Amount Spent on Medical Care per \$1	94¢
Amount Spent on Administration per \$1	4.0¢
Amount Invested in Local Economy	>\$1.8B

Compliance Activity Report

December 15, 2022

- **Department of Managed Health Care (DMHC) Routine Audit**
During the week of October 17, the Plan underwent a routine DMHC survey covering the overall performance of the Plan against State health plan licensing regulations. No obvious compliance deficiencies arose during the course of the audit, and the Plan awaits a preliminary report.
- **DMHC Enforcement Penalty**
The DMHC sent the Plan a notification of an enforcement action related to a February 2019 enrollee complaint. Multiple back-and-forth correspondences took place between DMHC and the Plan over the course of eight calendar days, as is typical of these complaints. During this period, the Plan provided two incomplete responses to DMHC requests, one of which was also late. As a result, DMHC is assessing the Plan a \$5,000 penalty for violating California Code of Regulations Title 28 § 1300.68(h), which states that “the Department may require the plan and contracting providers to expedite the delivery of information.”
- **Department of Health Care Services (DHCS) Audit Update**
The Plan underwent its annual DHCS audit in March and received a draft report on November 18. The draft report includes 20 Medi-Cal findings and eight corresponding Cal MediConnect findings. As of this writing, the Plan is currently reviewing the draft report and preparing a written response disputing a number of the findings, which is due by December 14.
- **DHCS Focused Audits**
DHCS recently notified Medi-Cal managed care plans that it intends to conduct focused audits in the areas of transportation and behavioral health, with the goal of examining “operational issues that may hinder appropriate and timely member access to medically necessary care.” The focused audits will be scheduled concurrently with the Plan’s annual medical audit.



**Santa Clara Family
Health Plan™**

Government Relations Update

December 15, 2022

Federal Issues

- Lame duck update
- Senate duals request for information
- Draft HIPAA and Part 2 regulation
- Draft prior authorization regulation

State Issues

- Assembly budget blueprint

Santa Clara County Health Authority Board Designated Innovation Fund Request Summary

Organization Name:	Amigos de Guadalupe Center for Justice and Empowerment (Amigos)
Project Name:	Activating the Legacy of Cesar Chavez for Improved Health and Community Change
Contact Name and Title:	Stephanie Jayne, Director of Social Impact and Sustainability sjayne@amigosdeguadalupe.org 408.818.0215
Requested Amount:	\$1,500,000.00
Time Period for Project Expenditures:	05/01/2022-05/01/2025
Proposal Submitted to:	Governing Board, 12/15/2022
Date Proposal Submitted to SCFHP for Review:	09/14/2022

Summary of Proposal:

This proposal is for the renovation costs of Cesar Chavez’s home to transform the home into a community-focused center. This request encompasses Phase 2 and Phase 3 of this project, which include safety renovations, community feedback gathering, hiring of a Project Manager, construction, and permitting. Activation of programs, the official center launch, and ongoing operations will not begin until after Phase 2 and Phase 3. Amigos anticipates the house will become an essential partner in the safety net system by offering and connecting people of marginalized groups to resources and services and, through community empowerment, establishing a sense of agency among marginalized groups to advocate for themselves.

The proposal includes descriptions of the potential collaborations with SCFHP to help undocumented Santa Clara County residents connect to the Medi-Cal expansion in 2024, and inform SCFHP of the health and social needs of the community. Other possible uses of the Cesar Chavez Center include having healthy food available serving as a cooling center or respite center from “bad air” days for neighbors/community members with respiratory challenges, a small community garden, a space for mental health support groups, and a peaceful/ “zen” reflection meditation space. Amigos will build on its existing programs that addresses health disparities in its program planning at the home.

Summary of Projected Outcome/Impact:

- Phase 2: Community Visioning, Conceptual Design, and Critical Safety Renovations – In Process
 - Goal #1: Cesar Chavez Family Home is safe for staff and community members
 - Goal #2: Community ideas drive the visioning and planning process for how the Cesar Chavez Family Home can support a more just community
 - Goal #3: All phases of the Project are managed and completed successfully
- Phase 3: Planning and Permitting, Renovation and Construction 2023-2024
 - Goal #1: Renovations and Activation of Cesar Chavez Center is complete and ready for service to the community

Summary of Additional Funding and Funding Requests:

Amigos has sought and received \$1,226,000 in funding from multiple sources; including, Heising Simons Foundation, Sobrato Philanthropies, Sobrato Family Member, Leo M. Shortino Family Foundation, Silicon Valley Community Foundation, City of San Jose, and individual donors. Additionally, Amigos is in communication regarding the possibility of additional funding with Si Se Puede Collective, Cesar Chavez Foundation, Latinos in Heritage Conservation, Latino Community Foundation, Dolores Huerta Foundation, the California Association of Realtors, and local unions.

Evaluation Relative to SCFHP Innovation Funding Criteria

Criteria	Met/Not Met
1. Indicate if funding is being sought from other potential sources.	✓
2. Demonstrate alignment with SCFHP Strategic Plan.	X
3. Demonstrate the project addresses SDOH.	X
4. Demonstrate the project addresses health equity.	X
5. Demonstrate the project reduce health disparities for SCFHP members.	X
6. Indicate if the project promotes quality of care and cost efficiency.	X
7. Indicate if the project addresses issues that affect SCFHP regulatory compliance or accreditation.	X
8. Demonstrate focus on identified gaps in serving our members, potential members, and providers to better meet health needs, consistent with SCFHP's mission.	X
9. Demonstrate that project will enable SCFHP to address evolving state and federal health care policy and regulatory expectations.	X
10. Demonstrate ability to work in collaboration with community, as appropriate for the initiative.	✓

- ✓ Criteria met
- Criteria partially met
- X Criteria not met, or not applicable

Cesar Chavez Family Home Grant Request to Santa Clara Family Health Plan

“True wealth is not measured in money or status or power. It is measured in the legacy we leave behind for those we love and those we inspire.” ~ Cesar Chavez

Deep in East San Jose, the Mayfair neighborhood is rich in culture, community, and hope. Mayfair is also home to 17,630 of SCFHP’s 300,000 Medi-Cal and Cal MediConnect beneficiaries. Despite East San José’s vibrant history of diverse cultures and deep community roots, this part of the City and County has experienced long-time racial and systemic inequities. These inequities have resulted in East San José having the County’s highest concentration of poverty, violence, and community trauma – all of which ties to poor health outcomes, including heart disease, diabetes, substance abuse, depression, and other illnesses.

Amigos de Guadalupe Center for Justice and Empowerment recently purchased the Cesar Chavez family home located in the Mayfair neighborhood. We now have the opportunity to preserve this local treasure forever by transforming it into a community empowerment center - for organizing, learning, basic needs services and culture- to improve the quality of life for historically marginalized groups living in East San Jose. The new center will strengthen the safety-net system by creating space to foster self sufficiency programs and services uplifting communities out of poverty. Not only will we honor the legacy of Cesar and the entire Chavez family, but we’ll also work to improve our community’s health and well-being by inspiring the next generations of leaders and changemakers in San Jose and beyond.

These up and coming leaders and changemakers will be inspired to address critical community organizing issues, such as economic insecurity, housing insecurity, and inequities in our justice system - all of which are social determinants of health and require both grass-roots and systems-level change.

Cesar Chavez: Our most famous and beloved native son is Cesar Chavez, the co-founder of the United Farm Workers and an internally celebrated organizer and activist. His leadership emerged right here in this neighborhood when he began learning about organizing and social change from Father McDonnell at Our Lady of Guadalupe Catholic Church.

Cesar began to organize his neighbors, committed to transforming Mayfair from a place called Sal Si Puedes (Get Out if You Can) to a place where children and families believed Si Se Puede (Yes We Can). Many community and political meetings took place in his family’s home leading to the first grape boycott at a local grocery store a short distance away. The site of that grocery store is now the Mexican Heritage Plaza.

Cesar's story and family home are deeply treasured by local residents. Local students find hope, possibility, and healing in his model of humble and people-centered leadership and his dreams for this neighborhood. The social justice movements begun by Cesar and his allies have continued to shape movements for justice and equality for decades in Mayfair and across the world.

Why Amigos de Guadalupe?

Amigos de Guadalupe Center for Justice and Empowerment was started in 2012 by local resident Maritza Maldonado, to meet the needs of the community. Born out of the Our Lady of Guadalupe Church, Amigos provides holistic, wrap-around services to better address the many needs of the whole person. We focus on the health and wellness of people, families, and the community as a whole, investing in their basic needs, their education, their leadership, and their dreams. This includes afterschool programs, scholarships, housing, immigration, rapid response, and mutual aid services for our neighbors. The core values of Amigos, coupled with a team deeply committed to their community through their own lived experience, leads to results such as 54% of Amigos family program participants exiting unsheltered programs to permanent housing (in comparison to the County performance standard of 30%).

Now in our tenth year, our organization is poised for even greater impact by renovating and activating the Chavez Family Home. We are honored that the Chavez family recognized our organization as the best choice to become the new stewards of their home given our deep roots in the community and our commitment to preserving and celebrating the culture and history of our neighborhood and our people.

Amigos de Guadalupe has partnered with SCFHP and its new Blanca Alvarado Community Resource Center. Through the renovation and operation of the Chavez Family Home, we seek to continue to partner with SCFHP and its Community Engagement Department to offer services and resources at the center. As we begin to develop a more concrete vision for the Center in collaboration with community, the partnership may include but is not limited to Medi-Cal application assistance, SCFHP member orientations, and the fostering and mobilization of Community Health Workers/Promotores to improve access and navigation for low-income families.

The Chavez Family Home is located two miles from the Blanca Alvarado Community Resource Center. In alignment with the results of the community vision process, the new Chavez Center may include a satellite location for SCFHP services. This would expand on the concept of Amigos as a complementary, trusted community hub, offering additional services such as rental assistance that SCFHP might not provide and providing an environment where residents reluctant to seek "government help" might visit.

The Need

On September 6, 2022, Amigos de Guadalupe officially became the new owners of 53 Scharff Avenue. With two separate buildings on the site, its potential to become a community-owned asset and anchor is immense.

Yet, the real work is just beginning. To this end, we invite SCFHP to become an active partner in this multi-year process and consider a sustained commitment to this vitally important community pride work. Therefore, we request a grant of \$500,000 per year for the next two years from the Santa Clara Family Health Plan to invest in the preservation and activation of the space. Your contribution will ensure that the project proceeds; that the dream of uplifting the Cesar Chavez legacy moves forward; and that we are all working in partnership to create the conditions of a fair and just community where everyone lives with dignity and respect.

Phase 1: Acquire the Property, to Protect It on Behalf of Community - COMPLETED

With funding support of Sobrato Philanthropies, City of San Jose, Leo M. Shortino Family Foundation, Heising-Simons Foundation, Silicon Valley Community Foundation, and John Matthew and Andie Sobrato, Amigos de Guadalupe was able to purchase the home and protect it on behalf of the community.

Now that we have become official owners of the property and are moving into Phase 2 of the work, we are reaching out to SCFHP, as key community health leaders and funding partners, to help broaden the coalition of support and financial assistance for the next phases of this work.

Phase 2: Visioning and Critical Renovations:

Given the disrepair of the property, we need to immediately invest in upgrading the electrical system and performing critical repairs to make the site safe. We aim to hire qualified local community members to perform the work, and hope to complete the safety renovations by November 2022.

Our other short-term priority is to engage the local community in the next 3 months in visioning what the space will become. Amigos de Guadalupe will host community meetings and discussions for East San Jose neighbors and community members to imagine and prioritize the space and the programs that will be offered there. Amigos would also like to partner with SCFHP, its Community Engagement Department and its Blanca Alvarado Community Resource Center as we design and implement this community process, recognizing that we partnered with SCFHP and conducted a similar community engagement process related to the CRC. Amigos de Guadalupe was an active partner in the community-led planning process for the CRC, which resulted in a comprehensive community framework to advance health and social needs. We will leverage that process learning and best practices to support our community

engagement phase. As identified through the SCFHP community planning process and through its community framework for the CRC, social needs, including healthy food access, stable housing, and income stability, are crucial to advancing the health equity of East San Jose communities. The Chavez family project will uniquely contribute by fostering self-sufficiency programs and services uplifting communities out of poverty.

The Chavez Family will also be intimately involved in sharing their history and dreams for the space. We'll also collaborate with our Si Se Puede Collective partners and the local schools to engage additional community members and our neighborhood's students.

Phase 3: Planning, Design, and Permitting

Once we finish our community engagement process, we'll work with a leading architectural firm in San Jose to bring the community's vision to life. In 2023, we'll complete the architectural and programmatic plans for the space and secure the necessary permits and additional resources needed to execute them. To help guide this multi-faceted and ever-moving process and construction project, we also anticipate the need for additional staff resources.

Phase 4: Activation and Launch

Our target is to begin building out the space as soon as funding is identified and the community process is complete, with a goal of opening to the community in 2024. Our best estimate is that the renovation project will cost up to \$2M. We'll also have to hire new team members to staff the space and scale up operations.

Gracias

Thank you for considering this important investment. We are so inspired by the power and potential of this project to keep the spirit of Si Se Puede alive in Mayfair for generations to come. To learn more, please contact Maritza Maldonado, Founding Executive Director (amigos95116@gmail.com) and Stephanie Jayne, Director of Social Impact and Sustainability (sjayne@amigosdeguadalupe.org).



Board Funding Request

Organization Information

Organization Name:

Amigos de Guadalupe Center for Justice and Empowerment

Tax ID: **77-0555838**

Organization Type: **Non-profit organization**

**1897 Alum Rock Ave, Suite 35
San Jose, CA 95116**

Phone: **408-341-6080**

Web Address: **<https://www.amigoscenter.com/>**

Executive Director/Chief Executive Officer Contact Information:

Maritza Maldonado

Executive Director

408-341-6080

amigos95116@gmail.com

Request Primary Contact:

Stephanie Jayne

Director of Social Impact and Sustainability

408-818-0215

sjayne@amigosdeguadalupe.org

Funding Request Information

Project Title: **Activating the Legacy of Cesar Chavez for Improved Health and Community Change**

Project Summary (one paragraph description):

East San Jose has experienced many years of racial and systemic inequities that have resulted in high concentration of poverty, violence, and community trauma. The impact of these inequities is the root cause of health disparities in our community, contributing to poor health outcomes, including heart disease, diabetes, and other chronic illnesses. Despite

these challenges, the people of East San Jose are powerful, resourceful, and resilient, and include people such as Cesar Chavez who had only an 8th grade education but became a national leader and social justice hero. With this legacy, the Cesar Chavez Center will attract many members of this community and advance community quality of life and health outcomes by addressing the socio-economic factors contributing to health disparities, particularly in marginalized communities. The Center will become an essential partner in the safety net system by offering and connecting people of marginalized groups to resources and services and, through community empowerment, establishing a sense of agency among marginalized groups to advocate for themselves. The Center will work to empower communities enabling them to become major players in addressing factors impacting their lives, leading to improved quality of life - physically, emotionally, and economically - and improved social determinants of health and population health outcomes.

Request Amount: **\$500,000/year for 3 years = \$1,500,000**
 Total Project Budget Amount: **\$3,226,000**
 Project Start Date: **May 2022**
 Project End Date: **Early 2025 for opening/launch, then on-going operations**

- Has the project sought other funders? Please provide funder names and amounts.
- If so, what was the outcome?
- If not, please describe plans to seek other or additional funding.

Current funders for the Cesar Chavez Family Home Project are listed below.

Funder/Organization	Amount contributed
Heising Simons Foundation	\$100,000
Sobrato Philanthropies	\$250,000
Sobrato Family Member	\$150,000
Leo M. Shortino Family Foundation	\$100,000
Silicon Valley Community Foundation	\$100,000
City of San Jose	\$500,000
Individual Donors	\$26,000
Total	\$1,226,000

As we continue to move forward with the community design, vision, and programming for the Cesar Chavez Family Home, we will seek additional funding, starting with this request to our community partners at the Santa Clara Family Health Plan. To further fulfill our fundraising requirements, we are also in communication with partners and key decision-makers at local foundations, as well as the Si Se Puede Collective, local unions, Cesar Chavez Foundation, Latinos in Heritage Conservation, Latino Community Foundation, Dolores Huerta Foundation, and the California Association of Realtors. Once the planning process is complete, we also anticipate a very

grass-roots individual fund-raising strategy that will allow individuals at all income levels to be a part of this community change and activation project.

- If this project will require ongoing funding, what will be the source of that funding? Has this funding been secured?

We are envisioning this project in four distinct phases. For Phases 2 and 3, we are actively seeking funding support from SCFHP and other partners. Phase 4 will require on-going funding, which will require additional fundraising and will be integrated into our budget over the next 2 years, so that on-going operations are fully funded by launch in early 2025.

Phase 1: Acquire the Property, to Protect It on Behalf of Community - COMPLETED, \$1,000,000

Phase 2: Community Visioning and Critical Safety Renovations - CURRENT PHASE, IN PROCESS, \$360,000

Phase 3: Planning and Permitting, Renovation and Construction - PLANNED FOR 2023-2024, \$2,000,000 ESTIMATE

Phase 4: Activation and Launch, Ongoing Operations - PLANNED FOR 2025, COST TBD

Project Impact Areas

SCFHP's mission is to improve the well-being of our members by addressing their health and social needs in a culturally competent manner, and partnering with providers and organizations in our shared commitment to the health of our community. The questions in this section seek to understand your project's alignment with SCFHP's mission.

SCFHP's Strategic Plan focuses on three goals:

- **Community Health Leadership – Be a recognized local leader and collaborator in improving the health of communities impacted by disparities.**
 - **Quality, Access, and Equity – Deliver exceptional quality outcomes and health equity for all Plan members.**
 - **Organizational Excellence – Constantly demonstrate administrative and service excellence.**
- **How does this project align with SCFHP's Strategic Plan goals as listed above?**

This project aligns with all 3 SCFHP Strategic Plan goals, but primarily Community Health Leadership and Quality, Access, and Equity, particularly for the underserved immigrant community of East San Jose (ESJ).

Community Health Leadership

The Cesar Chavez Community Center Project (Project) is an opportunity for SCFHP to demonstrate its capacity for bold leadership and ability to act upon the interconnectedness of community change and health outcomes. While the Project is not a hospital or health clinic, healing will happen here. East San Jose has experienced many years of racial and systemic inequities that have resulted in high concentration of poverty, violence, and community trauma. Racial and systemic inequities contribute to poor health outcomes, including heart disease, diabetes, substance abuse, depression, and other chronic illnesses. The Project has the potential to support long-term systemic change towards community and individual health outcomes by addressing the socio economic factors that contribute to health disparities, particularly in marginalized communities. This Project aligns with the SCFHP Strategic Plan, by contributing to improving the health of communities impacted by disparities. This partnership will serve as an example that allows SCFHP to act as a responsible and actively recognized local leader and collaborator in serving a community heavily impacted by health disparities.

As a lead funding partner of this project aimed at Activating the Cesar Chavez Family Home for Improved Health and Community Change, SCFHP will demonstrate its vision of Health for All. This Project will improve the socioeconomic status (SES) and health status of communities that have been marginalized, including the immigrant community of East San Jose. Because of Cesar Chavez's legacy of community organizing and his beloved status in ESJ, this Center will more easily foster trust, rapport, and community organizing, resulting in an empowered community. Cesar Chavez worked to empower communities to overcome the burdens of poverty, discrimination, and powerlessness, which we know and recognize today as the social determinants of health and systemic oppression. Living up to Cesar Chavez's name, the Center will work with residents who have been marginalized to become active partners in improving their own lives through decision-making and establishing agency to advocate for themselves. Empowered residents will aid in addressing their health and social needs, including navigating the complex health and social service system that often leaves communities behind.

Community organizing plays a critical role in the advancement of health equity. For example, it was through a powerful community organizing initiative twenty-five years ago that ultimately resulted in the Children's Health Initiative Program (CHIP) and Santa Clara County committing to provide health insurance for all children. The community had identified a lack of health care, particularly for children, that existed in East San Jose. Children were coming to school with medical conditions that prohibited them from being successful in school, such as undiagnosed hearing difficulties, normal childhood diseases that went untreated, and learning issues that were not identified and supported by the medical profession due to lack of medical insurance. The community identified tobacco settlement funds that could be applied to buying insurance for families in need and ensuring that every child in Santa Clara County would be provided the health care they needed to be successful in school. After advocating and publicizing the need, we were successful in having these funds redirected to serving the needs of children. Many of the same strategies that Cesar Chavez used in organizing for the Farm Labor movement were employed to secure this funding. These strategies included: (1) 1:1 meetings with community members to identify the need, (2) research on the problem and potential solutions to the problem, (3) community action events that held elected officials accountable to solve the problem, and (4) obtaining promises from elected officials to create

the solution that employed using the identified funds to create this insurance initiative. These same organizing practices can be taught today at the Chavez Center to teach the community how to become self-empowered to solve the issues in their community.

The Center will become an essential partner in the safety net system, by connecting people of marginalized groups to resources and services and by community empowerment to improve the health and well-being of communities impacted by disparities.

Quality, Access, and Equity

While Amigos is an active partner with SCFHP and its Blanca Alvarado Community Resource Center in East San Jose, the Cesar Chavez Center is actually located in the heart of Mayfair. Over 17,000 SCFHP members call this neighborhood home. Because of the very nature of place-based work and the relationship-building inherent in community organizing, many SCFHP members will see the Cesar Chavez Center as a new safe space and will build trust with Amigos staff, such as Community Navigators, Case Managers, Promotores, and their own neighbors. We must acknowledge that those on Medi-Cal have historically been marginalized and that ESJ communities have higher rates of preexisting conditions and inequities to healthcare access. The Cesar Chavez Center will assist in improving community health equity by addressing the socio-economic status (SES) of groups that have been economically and socially marginalized. In addressing SDOH, we must recognize that basic human needs, such as shelter and food security, directly impact someone's health. To address health needs, we must first stabilize basic human needs. Addressing the social conditions of SCFHP members and groups that have been economically and socially marginalized has the greatest likelihood of moving the needle toward increased health equity.

Our organization provides holistic, wrap-around services to address the many needs of the whole person. We focus on the health and wellness of people, families, and the community, addressing their basic and educational needs. Our work includes afterschool programs, scholarships, housing, rental assistance, immigration legal services, the Rapid Response Network (a project developed to protect immigrant families from deportation and provides support during an arrest or detention), and mutual aid services for our neighbors. Our history of working in the community has built strong trust with residents, and this trust, coupled with a safe space at the Cesar Chavez Center, will also support the peer-to-peer outreach that often leads to increased access to health programs and services.

In addition, one of the primary tenets of the Cesar Chavez legacy is his commitment to non-violence. He was a student of Mahatma Gandhi, and these lessons will be part of the Cesar Chavez Center, specifically targeted to Mayfair/East San Jose young people and their families, and will likely be implemented through partnerships with local school districts in East San Jose. This is relevant because data clearly shows that East San Jose residents experience more violence and trauma than elsewhere in Santa Clara County. This community struggles with higher rates of hospitalizations due to assaults and firearms and higher incidents of violent crimes, such as domestic violence. Experiencing violence and trauma, especially multiple kinds of violence over a long period of time, results in poor health and life outcomes, ranging from heart disease, increased

risk for eating disorders, substance abuse, depression, and anxiety. In this way, the teaching of non-violence at the Cesar Chavez Center will be able to contribute to health equity for the 91,000 SCFHP members from East San Jose.

Innovation Fund

It is also important to highlight that the Cesar Chavez Center is also aligned with key principles of the Innovation Fund to support “potential high value strategic investments,” such as the Cesar Chavez Center.

1. *Focus investments on identified gaps in serving members:*

The Cesar Chavez Center (Center) will address community residents' health and social needs advancing their overall health and well-being. The Center will become an essential partner in the safety net system by connecting people of marginalized groups, including health plan members of SCFHP, to relevant resources and services, including housing, immigration services, health food access, and healthcare. With support from SCFHP, the Center will collaborate with healthcare partners to reach and engage existing and future SCFHP health plan members, especially during the unwinding of the public health emergency (PHE). We understand that thousands of existing Medi-Cal beneficiaries in East San Jose could lose their Medi-Cal coverage following the end of the PHE, which will further contribute to healthcare disparities for people of marginalized groups. Amigos de Guadalupe believes everyone should have access to affordable healthcare coverage. Through our community empowerment practices and trusted messengers, including our Community Navigators and Promotores at the Cesar Chavez Center, we will work to inform and empower Medi-Cal beneficiaries to navigate the healthcare system to attain and retain their healthcare coverage.

The Center will also partner with SCFHP and healthcare partners to support Medi-Cal expansion for adults who don't have satisfactory immigration status. We have partners to promote Medi-Cal expansion for adults 50 years and older, and the Center will work to continue the Medi-Cal expansion for adults 26- 49 in 2024. According to the Migration Policy Institute, an estimated 135,000-250,000 residents in Santa Clara County are without legal status (undocumented), many of whom are low-income and uninsured. The Center will ensure that all community members, regardless of immigration status, are aware and connected to healthcare programs. Last, the Center will be a place to inform SCFHP and other partners about the health and social needs of SCFHP members and residents living in East San Jose.

2. *Fund initiatives that enable SCFHP to address evolving state and federal health care policy:*

- The Amigos' Organizing and Policy team will be based at the Cesar Chavez Center and will be building community leaders, addressing emerging needs, and activating campaigns that directly impact East San Jose residents. This may include state and

federal health care policy/legislation, such as the successful community organizing that led to the passage and funding of the Children's Health Initiative Program (CHIP).

3. *Work in collaboration with organizations in the community, as appropriate for the initiative:*
 - As mentioned above, investing in the Cesar Chavez Center through Amigos de Guadalupe Center for Justice and Empowerment would be a strong collaboration with an organization committed to serving the ESJ / Mayfair community, and the Cesar Chavez Center is an innovative strategy for connecting with this particular community. Amigos De Guadalupe is part of the Si Se Puede Collective, composed of five established and respected organizations working in the Mayfair community. As a trusted organization in East San Jose, and through our collaborative partnerships, the new Center will be a place to connect and stay informed about the barriers impacting the health and well-being of residents, including SCFHP members and residents living in East San Jose. We plan to collaborate with East San Jose and countywide community organizations, government agencies, schools, and elected officials to advance residents' living conditions and health equity surrounding the Center.
4. *Strategic investments may span multiple years:*
 - We are requesting a SCFHP investment over 3 years.
- **Which SDOH domain is being addressed by this project? Please see the below SDOH domains and provide information on how this project will address one or more of the SDOH domains.**
 - **Economic Stability (such as employment, income, expenses, debt, medical bills, etc.):**
 - **Education Access and Quality (such as literacy, language, vocational training, higher education):**
 - **Health Care Access and Quality (such as health coverage, provider linguistic and cultural competency, quality of care):**
 - **Neighborhood and Built Environment (such as housing, transportation, safety, food insecurity):**
 - **Social and Community Context (such as social integration, social supports, community engagement, discrimination):**

The Cesar Chavez Center, as an Organizing and Leadership Development Center in the heart of an under-served East San Jose neighborhood, has the potential to address all Social Determinants of Health listed above and their root causes.

Needs of the East San Jose immigrant community that our team, including our Si Se Puede Collective partners, have recently mobilized to address include:

- Expansion of healthcare coverage for immigrants, including through the County's PCAP program and Medi-cal Expansion for undocumented adults (Healthcare Access and Quality)
- Tenant's rights (Neighborhood and Built Environment)

- Immigration reform / Papeles Para Todos (which impacts Economic Stability, Health Care Access, Neighborhood and Built Environment, and Social and Community Context)
- Universal Access to Broadband/ Digital inclusion in East San Jose (included in multiple SDOH)
- Closing of Reed-Hillview Airport (health impacts of Neighborhood and Built Environment)
- Community Opportunity to Purchase Act- COPA (housing as part of Neighborhood and Built Environment)
- Municipal Voting for non-citizens and passage of AB 2183 for farmworkers' voting protections (Social and Community Context)
- Creation of a Community Development Corporation to shift the gentrification forces (Neighborhood and Built Environment)
- Culturally competent Mental Health services (Health Care Access and Quality and Social and Community Context)
- Community Pride of East San Jose (Social and Community Context)

Other possible uses of the Cesar Chavez Center, that would relate directly to SDOH domains, include having healthy food available, serving as a cooling center or respite center from “bad air” days for neighbors/community members with respiratory challenges, a small community garden, a space for mental health support groups, and a peaceful/“zen” reflection meditation space. Some of these were community suggestions from our initial community input session on November 12, 2022 in which community members shared their vision and suggestions for the Cesar Chavez Center and community space.

In addition, our Community Navigators, some of whom will be based at the Cesar Chavez Center, are key linkages to Health Care access as they often serve as a referral source to SCFHP Certified Enrollers for Covered California and Medi-Cal at the Blanca Alvarado Community Resource Center. Their presence directly in the Mayfair neighborhood will only serve to enhance and increase connections to community members and thus referrals to SCFHP. Similarly, there is the potential for SCFHP’s Community Health Workers and/or Enhanced Case Managers to also utilize the Cesar Chavez Center.

- **Does this project address [health equity](#)? If so, how?**

The funding request for the Cesar Chavez Center will directly advance the health equity of residents who have been marginalized, including health plan members of SCFHP. The Center will improve the socioeconomic status (SES) and health status of communities that have been marginalized, including the immigrant community of East San Jose. Because of Cesar Chavez's legacy of community organizing, this Center will foster trust, rapport, and community organizing, resulting in an empowered community. Empowered communities will result in overcoming the burdens of poverty, discrimination, and powerlessness, which we know and recognize today as the social determinants of health and systemic oppression. The Center will become an essential partner in the safety net system by connecting people of marginalized groups to resources and services and, through community empowerment enabling residents to have agency to navigate the complex health and social service system resulting in the improvement of health equity of communities impacted by health disparities.

- **Will this project reduce health disparities for SCFHP members? If so, how?**

Yes, this Center will work to reduce health disparities for groups that have been economically/socially marginalized, including SCFHP members. The Cesar Chavez Center will serve a large portion of the under-served population with the greatest health disparities in the city and county. East San Jose is home to more than 91,000 SCFHP members and 17,630 in Mayfair. The Center will also create connections and service relationships, especially with the Latinx community, who see Cesar Chavez as a local hero.

According to the 2021 East San Jose Community Health Assessment conducted by SCFHP, 46% of the low-income residents surveyed said accessing health insurance was their number one concern. 43% of residents with Medi-Cal surveyed said navigating the healthcare system and utilizing the health services was extremely challenging. And 35% of residents surveyed said that more mental health support would improve overall health for them and their families. Given that there is real stigma associated with receiving mental health services and that there will be trusted staff at the Center, a neighborhood site to build trust and then link people to culturally appropriate mental health support will provide much needed services to this underserved community.

The Center will partner with residents, community organizations, and systems to support long-term systemic change resulting in improved community and individual health outcomes. The Center will address the root causes of health disparities, including socio-economic factors - poverty, homelessness, inadequate access to healthy foods, discrimination, and powerlessness, which we know and recognize today as the social determinants of health and systemic oppression. It will also address health disparities on a much larger scale, given the potential for systems change to come out of the community organizing that will be rooted in the Cesar Chavez Center. Our Center will advance the conditions for residents and families to meet their basic needs - only then will residents and families be able to attain their highest level of health. Also, the Center will address healthcare disparities by working with local health and healthcare partners to increase access to affordable health insurance coverage, especially during the unwinding of the public health emergency (PHE) and expanding Medi-Cal now and beyond.

- **Does this project promote quality of care and cost efficiency? If so, how?**

In partnership with SCFHP and local, trusted healthcare partners, the quality of care for existing and new Medi-Cal beneficiaries will improve. For example, through this partnership, we enhance referral and communication methods to connect existing and future SCHFP health plan members to the SCFHP Blanca Alvarado Community Resource Center or SCFHP Customer Service for questions and concerns related to their benefits and services. Also, the Center will address healthcare disparities by working with local health and healthcare partners to increase access to affordable health insurance coverage, especially during the unwinding of the public health emergency (PHE) and expanding Medi-Cal now and beyond.

- **Does this project address issues that affect SCFHP regulatory compliance or accreditation? If so, how?**

No, this project does not address issues that affect SCFHP regulatory compliance or accreditation.

- **Does this project work in collaboration with organizations in the community? If so, how?**

Yes, this project works in strong collaboration with Amigos de Guadalupe Center for Justice and Empowerment as Amigos is the driving force behind protecting the Cesar Chavez Family Home, working with local community members to envision and design how the space can best serve community, completing the required renovations, and then operating the Chavez Center in service to the Mayfair and East San Jose community.

Through the relationship with Amigos de Guadalupe and this project, there are also multiple additional collaboration opportunities through our partners with the Si Se Puede Collective, SCFHP Blanca Alvarado Community Resource Center, local unions, faith organizations, and others.

Project Narrative

Please provide a project narrative that includes the project goal, outcomes, and objectives. If helpful for requester, SMART objectives might be useful in this section.

“True wealth is not measured in money or status or power. It is measured in the legacy we leave behind for those we love and those we inspire.” ~ Cesar Chavez

Deep in East San Jose, the Mayfair neighborhood is rich in culture, community, and hope. Mayfair is also home to 17,630 of SCFHP’s 300,000 Medi-Cal and Cal MediConnect beneficiaries. Despite East San José’s vibrant history of diverse cultures and deep community roots, this part of the City and County has experienced long-time racial and systemic inequities. These inequities have resulted in East San José having the County’s highest concentration of covid infections, poverty, violence, and community trauma—all of which ties to poor health outcomes, including heart disease, diabetes, substance abuse, depression, and other illnesses.

Amigos de Guadalupe Center for Justice and Empowerment recently purchased the Cesar Chavez family home located in the Mayfair neighborhood. We now have the opportunity to transform it into a community empowerment center - for organizing, learning, basic needs services, and building pride in the Latinx culture- to improve the quality of life for historically marginalized families living in East San Jose. The new center will strengthen the safety-net system by creating space to foster self-sufficiency programs and services uplifting communities out of poverty, which is one of the primary determinants of negative health outcomes, as adults living in poverty are at a higher risk of adverse health effects from obesity, smoking, substance use, and chronic stress.

Not only will the Chavez Center honor the legacy of Cesar and the entire Chavez family, but it will also serve as a home base of critical community work to improve our community’s health and well-being by inspiring the next generations of leaders and changemakers in San Jose and beyond.

These up and coming leaders and changemakers will be inspired to address critical community organizing issues, such as economic insecurity, housing insecurity, health disparities, and inequities in our justice system - all of which are social determinants of health and require both grass-roots and systems-level change.

Cesar Chavez: In East San Jose, our most famous and beloved native son is Cesar Chavez, the co-founder of the United Farm Workers and an internationally celebrated organizer and activist. In the early 1950's, his leadership emerged right here in the Mayfair neighborhood when he began learning about organizing and social change at what is now Our Lady of Guadalupe Catholic Church. In the words of Cesar Chavez' grandson, "There is no Cesar Chavez without San Jose. It all started in San Jose."

According to the [Cesar Chavez Foundation](#):

Cesar's career in community organizing began in 1952 when he was recruited and trained by Fred Ross, a legendary community organizer who was forming the San Jose chapter of the Community Service Organization, the most prominent Latino civil rights group of its time. Cesar spent 10 years with the CSO, coordinating voter registration and get-out-the-vote drives, leading campaigns against racial and economic discrimination and organizing new CSO chapters across California.

Yet Cesar's dream was to organize a union that would protect and serve the farm workers whose poverty and powerlessness he had shared. He knew the history of farm worker organizing was one sad story after another of broken unions and strikes crushed by violence. He knew that for 100 years many others with much better educations and more resources than he possessed had tried, and failed, to organize farm workers. He knew the experts said organizing farm workers was impossible.

Cesar began to organize his neighbors, committed to transforming Mayfair from a place called Sal Si Puedes (Get Out if You Can) to a place where children and families believed Si Se Puede (Yes We Can). Many community and political meetings took place in his family's home, eventually leading to the grape boycott at a local grocery store a short distance away, before expanding nationally. The site of that grocery store is now the Mexican Heritage Plaza. That grape boycott grew and grew and after 5 years, it resulted in grape growers signing their first union contracts, granting workers better pay, health care benefits, and safety protections from pesticides. Nearly 2.5 million farm workers still benefit from that work today.

Cesar's family story and family home are deeply treasured by local residents. Local students find hope, possibility, and healing in his model of humble and people-centered leadership and his dreams for this neighborhood. Through the deep connection to Cesar Chavez as well as the healing and community pride coming from that, East San Jose youth and residents will benefit from the Cesar Chavez Center in both tangible and intangible ways.

The social justice movements begun by Cesar and his allies have continued to shape movements for justice and equality for decades in Mayfair and across the world. The same can continue to

happen if we invest in the young leaders and families of San Jose, by creating a space and a community ready to incubate new ideas and build their own power to make change - whether that change be related to housing, health, income, violence, or other issues experienced by Mayfair and East San Jose families.

Why Amigos de Guadalupe?

Amigos de Guadalupe Center for Justice and Empowerment was started in 2012 by resident, Maritza Maldonado, to meet the needs of the community. As a woman of color who grew up in the Mayfair neighborhood, she is deeply committed to serving her community. Born out of the Our Lady of Guadalupe Church, Amigos provides holistic, wrap-around services to better address the many needs of the whole person. Amigos focuses on the health and wellness of people, families, and the community as a whole, investing in their basic needs, their education, their leadership, and their dreams. This includes afterschool programs, scholarships, housing, immigration legal services, the Rapid Response Network, and community organizing groups. The core values of Amigos, coupled with a team deeply committed to their community through their own lived experience, leads to results such as 67% of Amigos family program participants exiting unhoused programs to permanent housing (in comparison to the County performance standard of 30%).

Amigos de Guadalupe has partnered with SCFHP and its new Blanca Alvarado Community Resource Center, and Maritza Maldonado, the Amigos' Executive Director, has served on the CRC System Advisory Board. Currently, Amigos' staff also engage in on-going partnership between our 2 agencies through regular collaboration on Medi-Cal enrollments and SCFHP events and community activities.

Through the renovation and operation of the Cesar Chavez Center, we seek to continue to partner with SCFHP and its Community Engagement Department to offer services and resources at the Center. As we begin to develop a more concrete vision for the Center in collaboration with community, the partnership may include but is not limited to Medi-Cal application assistance, SCFHP member orientations, and the fostering and mobilization of Community Health Workers/Promotores to improve access and navigation for low-income families.

The Chavez Family Home is located two miles from the Blanca Alvarado Community Resource Center. In alignment with the results of the community vision process, the new Chavez Center may include a satellite location for SCFHP services, which would expand on the concept of Amigos as a complementary, trusted community hub. This would allow for the opportunity to offer additional services such as rental assistance that SCFHP might not provide and would provide an environment in their own neighborhood where residents reluctant to seek "government help" might visit.

The Need

On September 6, 2022, Amigos de Guadalupe officially became the new owners of 53 Scharff Avenue. With two separate buildings on the site, its potential to become a community-owned asset and anchor is immense.

Yet, the real work is just beginning. To this end, we invite SCFHP to become a bold partner in this multi-year process and consider a sustained commitment to this vitally important community project, that will build community pride, provide needed services, and build advocacy and organizing strength for long-term systems change.

Therefore, we request a grant of \$500,000 per year for the next three years from the Santa Clara Family Health Plan to invest in the underserved East San Jose community that has been marginalized for generations and experiences negative health outcomes every day. Your contribution will ensure that the dream of uplifting the Cesar Chavez legacy moves forward and that we are all working in partnership to create the conditions of a fair and just community where everyone lives with dignity and respect.

More specifically, this funding request is focused on Phases 2 and 3 of the project, as described in more detail below.

Phase 1: Acquire the Property, to Protect It on Behalf of Community - COMPLETED, \$1,000,000

With funding support of Sobrato Philanthropies, City of San Jose, Leo M. Shortino Family Foundation, Heising-Simons Foundation, Silicon Valley Community Foundation, and John Matthew and Andie Sobrato, Amigos de Guadalupe was able to purchase the home and protect it on behalf of the community.

Goal #1: Acquire the Cesar Chavez Family Home at 53 Scharff Ave, for preservation and activation to best serve the East San Jose community.

Status: Complete

Goal #2: Secure volunteer architect for this project from Steinberg Hart.

Status: Complete

Phase 2: Community Visioning, Conceptual Design, and Critical Safety Renovations - CURRENT PHASE, IN PROCESS, \$360,000

Given the disrepair of the property, Amigos needs to immediately invest in upgrading the electrical system and performing critical repairs to make the site safe. We will work with local unions and qualified local community tradespeople to perform the work- much of it pro bono as in-kind services, and hope to complete the safety renovations by the end of 2022.

Our other short-term priority is to engage the local community in the next 3 months in visioning what the space will become. Amigos de Guadalupe will host community meetings and discussions, in collaboration with other partners such as SCFHP, for East San Jose neighbors and community members to imagine and prioritize the space and the programs that will be offered there. From this rich community input, our architect will complete a conceptual design.

To help guide this multi-faceted and ever-moving process and construction project, we also anticipate the need for additional staff resources for managing this project.

Goal #1: Cesar Chavez Family Home is safe for staff and community members

Outcome and Objectives:

- 1) Electrical repairs and upgrades are successfully permitted, completed, and inspected for safety.
 - a) All issues identified in the electrical inspection report are addressed and electric panel is upgraded.
 - b) House/electrical work passes electrical / building safety inspections by December 31, 2022.

Goal #2: Community ideas drive the visioning and planning process for how the Cesar Chavez Family Home can support a more just community.

Outcome and Objectives:

- 1) Amigos completes the community input process for Cesar Chavez Family Home renovation and activation.
- 2) East San Jose/Mayfair residents and community partners have the opportunity to contribute their ideas to the future of the Cesar Chavez Family Home.
- 3) The Conceptual Design for the Cesar Chavez Center is complete by April 27, 2023 and reflects community and partner visioning input.

Goal #3: All phases of the Project are managed and completed successfully.

Outcome and Objectives:

- 1) Project Manager is hired to manage the many aspects of the project - community engagement and input, partner engagement and input, facilities management, City permitting processes, construction management, volunteer coordination, budgeting, comprehensive tracking, and communication to stakeholders.
 - a) Project Manager job description is finalized and posted, once funding is identified.
 - b) Project Manager candidates are interviewed within 2 months of advertising position.
 - c) Successful Project Manager applicants are hired within 3 months.

Phase 3: Planning and Permitting, Renovation and Construction - PLANNED FOR 2023-2024, \$2,000,000 ESTIMATE

Once we finish our community engagement and visioning process, we will work with a leading architectural firm in San Jose to bring the community's vision to life. In 2023, in collaboration with our architects and general contractor, we will complete the architectural and programmatic plans for the space and secure the necessary permits and additional resources needed to execute them.

Our target is to begin the permitting/construction process as soon as funding is identified and the community process is complete, with a goal of opening to the community in early 2025. Our current estimate is that the renovation project will cost up to \$2M, but we will have more detailed cost plans once the community engagement process is complete and architectural plans are finalized.

Goal #1: Renovations and Activation of Cesar Chavez Center is complete and ready for service to the community.

Outcomes:

1. Schematic Design: Develop a schematic design for the project based upon input on the Conceptual Designs, approved program and budget. This package will define the project, and be suitable for submittal of the project for initial planning approvals and entitlements.
2. Design Development: The schematic design documents will be developed adding technical disciplines such as structural, Mechanical, Electrical, Plumbing etc.. Further refinement of the design and program will be developed, and further budgeting input at this phase to ensure that the project is tracking with the approved budget, scope and schedule.
3. Development: Funding estimate is updated at every stage and funding is secured.
4. Construction Documents: The approved design development documents will be developed into the permitting and construction bid documents for the Project with further coordination and development of the project with Amigos de Guadalupe, Design Team, and General Contractor as appropriate
5. Bidding and Permit Processing: Pricing of the bid documents and review and approval of the Construction Documents for permits will be completed.
6. Construction Phase: Construction of the project will commence and targeted for completion in 2025
7. Construction is complete for early 2025 opening/operations.

Objectives:

- a) Contractor is secured.
- b) Building and City use permits are submitted by September 2023.
- c) Construction documents are complete by February 2024 and building permits are submitted.
- d) Pending City permits, construction begins June 2024 and is complete by March 2025.
- e) Union partners provide tradeswork as in-kind services.

Phase 4: Activation and Launch, Ongoing Operations - PLANNED FOR 2025, COST TBD, not included in this funding request

Once programming / services are finalized based on the community input process in Phase 2, we will develop a staffing plan to meet the programming/service/coordination goals of the Cesar Chavez Family Center. While we envision developing strong service-related partnerships as part of how the site is used, we will also need to have staff members available for the necessary coordination and planning to operate a successful community space that meets the needs of East San Jose and the Mayfair community. We anticipate potential service deliverables such as:

- Leadership development and community organizing trainings
- Community engagement/advocacy on policies and legislation
- Housing supportive services offered
- Culturally competent mental health support and referrals
- Medi-Cal Application Assistance
- Healthy food access
- Immigration legal services
- Non-violence teachings for youth, including school field trips
- Referrals to community partners, such as SCFHP and SSPC

Project Budget

SCFHP Request Budget Narrative:

Please provide a budget narrative for the SCFHP request amount.

This Project is an opportunity for SCFHP to be bold, innovative, and think about health from the perspective of Latinx residents of East San Jose who see Cesar Chavez as a hero. We understand that we are asking you to dream with us, as the Cesar Chavez Family Home is a non-traditional health setting. But, we also know that addressing the root causes of the disparities and injustice faced by residents of East San Jose requires a radically different approach, deeply rooted in cultural connection. This is the opportunity that the Cesar Chavez Center will create for the future of East San Jose. For a commitment of \$500,000/year, SCFHP can be a bold community leader who is deeply committed to investing in East San Jose, equity, and building community, as well as honoring the SCFHP Guiding Principles of being stakeholder-centered and place-based while operating with a sense of humility and a healing focus. Si Se Puede!

As the budget below describes, we are requesting SCFHP funds for Phase 2 and Phase 3 of the Cesar Chavez Center project. Phase 2 will include a community engagement process and electrical/safety repairs at the site, as well as funding for a contract Project Manager for 2023 and 2024 to help insure timely and on-budget completion of the Cesar Chavez Center, that will also include City permitting processes and the coordination of multiple tradespeople who have offered services in-kind.

Phase 3 includes estimated costs for planning, permitting, renovation, and construction at the Cesar Chavez Center. While the current construction costs are estimated at \$2,000,000, we are

requesting only 45% of the total estimated costs. With an anchor supporter like SCFHP, we anticipate being able to raise the remaining funds from other sources.

SCFHP Request Budget Table:

Please fill out the Budget Table below, for the SCFHP request amount.

Item	Description	Percent of Request	Dollars
Phase 2 - Safety Repairs and Community Input/Engagement process	Electrical system and panel upgrade, community visioning process	3%	\$40,000
Phase 2 - Chavez Center Project Manager	\$160K annual cost for Project Manager x 2 years, to include general oversight, City permitting processes, and volunteer coordination	21%	\$320,000
Phase 3 - Estimated Construction Costs	Cost estimate is \$2M for construction. SCFHP request is less than 50% of the estimated construction cost.	61%	\$915,000
Indirect costs		15%	\$225,000
Total Request Amount	Multi-year request of \$500K/year for 3 years	100%	\$1,500,000