

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

Thursday, August 27, 2020, 11:30 PM – 1:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Via Teleconference
(408) 638-0968
Meeting ID: 916 0108 5579
<https://zoom.us/j/91601085579>

AGENDA

- | | | | |
|---|--------------|-------|--------|
| 1. Roll Call | Ms. Alvarado | 11:30 | 5 min |
| 2. Public Comment
Members of the public may speak to any item not on the agenda; two minutes per speaker. The Executive/Finance Committee reserves the right to limit the duration of the public comment period to 30 minutes. | Ms. Alvarado | 11:35 | 5 min |
| <u>Announcement Prior to Recessing into Closed Session</u>
Announcement that the Governing Board will recess into closed session to discuss Item No. 3 below: | | | |
| 3. Adjourn to Closed Session | | 11:40 | |
| <ul style="list-style-type: none"> a. Contract Rates (Welfare and Institutions Code Section 14087.38(n)):
It is the intention of the Executive/Finance Committee to meet in Closed Session to discuss plan partner rates. | | | |
| 4. Report from Closed Session | Ms. Alvarado | 12:00 | 5 min |
| 5. 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 | Ms. Alvarado | 12:05 | 5 min |
| <ul style="list-style-type: none"> a. July 23, 2020 Executive/Finance Committee Minutes b. Quarterly Investment Compliance Report c. Network Detection and Prevention Update d. Fiscal Year 2020-2021 Plan Objectives | | | |
| 6. CEO Update
Discuss status of current topics and initiatives. | Ms. Tomcala | 12:10 | 10 min |
| 7. Partnering on Race & Health Disparities Initiative
Discuss efforts SCFHP is undertaking with community partners to reduce racial disparities in health care. | Mr. Haskell | 12:20 | 5 min |

<p>8. Government Relations Update Discuss local, state, and federal legislative and policy issues impacting the plan and its members.</p>	Mr. Haskell	12:25	10 min
<p>9. Compliance Update Discuss audit activity and corrective action plan progress.</p>	Mr. Haskell	12:35	5 min
<p>10. June 2020 Pre-Audit Financial Statements Review preliminary June 2020 financial statements. Possible Action: Approve Pre-Audit June 2020 Financial Statements</p>	Mr. Jarecki	12:40	10 min
<p>11. Fiscal Year 2019-2020 Team Incentive Compensation Review performance on FY '19-'20 Team Incentive metrics. Possible Action: Recommend Governing Board approval of FY '19-'20 Team Incentive payout</p>	Ms. Tomcala	12:50	10 min
<p>12. Fiscal Year 2020-2021 Team Incentive Compensation Consider Team Incentive Compensation program for FY '19-'21. Possible Action: Recommend Governing Board approval of FY '19-'21 Team Incentive Compensation program</p>	Ms. Tomcala	1:00	10 min
<p>13. COVID-19 Funding Request Review and discuss the East Side Access: Community Wireless Project funding request. Possible Action: Approve the East Side Access: Community Wireless Project funding request</p>	Ms. Tomcala	1:10	10 min
<p>14. Ballot Measure Support Proposal Consider proposal from Mr. Brownstein to support ballot measure Proposition 16, the Repeal Proposition 209 Affirmative Action Amendment. Possible Action: Recommend Governing Board support of ballot measure Proposition 16, the Repeal Proposition 209 Affirmative Action Amendment</p>	Mr. Brownstein	1:20	10 min
<p>15. Adjournment</p>		1:30	

Notice to the Public—Meeting Procedures

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

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Thursday, July 23, 2020, 11:30 PM – 1:30 PM
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6201 San Ignacio Ave, San Jose, CA 95119

Minutes

Members Present

Dolores Alvarado, Chair
Bob Brownstein
Dave Cameron
Sue Murphy

Members Absent

Liz Kniss

Staff Present

Christine Tomcala, Chief Executive Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, D.O., Chief Medical Officer
Chris Turner, Chief Operating Officer
Ngoc Bui-Tong, VP, Strategies & Analytics
Teresa Chapman, VP, Human Resources
Laura Watkins, VP, Marketing & Enrollment
Barbara Granieri, Controller
Tyler Haskell, Director, Government Relations
Johanna Liu, Director, Quality & Process Improvement
Jordan Yamashita, Compliance Officer
Jayne Giangreco, Manager, Administrative Services
Rita Zambrano, Executive Assistant

Others Present

Carlyn Obringer, Government & Community
Engagement Manager at Blue Shield of California

1. Roll Call

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

Ms. Alvarado left the meeting due to technical difficulties.

2. Compliance Update

Jordan Yamashita, Compliance Officer, discussed the Centers for Medicare and Medicaid Services (CMS) Program Audit, noting the Plan is underway with activities related to the CMS Program Audit Revalidation. There are two parts to the Revalidation Audit; the first part evaluated the Plan's deficiencies related to Coverage Determinations, Appeals and Grievances (CDAG) and Compliance Program Effectiveness (CPE). ATTAC, the consulting firm directing the audit activities on behalf of CMS, completed all fieldwork and provided a final audit report to the Plan on June 16, 2020. The report noted that the CPE audit resulted in no findings. The CDAG portion of the audit resulted in two new findings and one repeat finding. Supplemental documentation related to the CDAG findings was submitted on July 17, 2020. The second part of the Revalidation Audit is related to the Care Coordination and Quality Improvement Program Effectiveness (CCQIPE) Conditions. The Plan has been working to sustain full compliance with respect to the relevant tasks. The three-month audit "clean period" runs from May 1, 2020 through July 31, 2020. Monitoring reports indicate that the organization is well-situated to have a successful Revalidation Audit of these conditions. The Revalidation Audit fieldwork for the CCQIPE Conditions will

begin in August 2020, with ATTAC's Final Report for the CCQIPE Conditions due to CMS on or before September 25, 2020.

Ms. Yamashita also reported that the Plan's 2020 Medicare Data Validation (MDV) Audit for the Cal MediConnect (CMC) line of business just concluded. CMS reduced the 2020 MDV audit scope as a result of the COVID-19 pandemic. The MDV Audit validated Part C accuracy and completeness (inpatient and outpatient medical care) and Part D (prescription drug) data reported to CMS. On June 18, 2020, Advent, the organization conducting the audit on behalf of CMS, notified SCFHP that the Plan successfully passed the data validation audit.

Ms. Yamashita further reported on the Department of Health Care Services (DHCS) Medi-Cal Managed Care Audit, noting the Plan has completed all initial activities related to our 2020 annual DHCS audit for the Medi-Cal line of business. DHCS held an exit conference on July 21, 2020. The preliminary final report detailed seven findings, a 50% reduction from 14 findings in the 2019 audit. The Plan will work with DHCS to implement corrective actions to address the deficiencies.

Lastly, Ms. Yamashita reported on the Department of Managed Health Care (DMHC) Medi-Cal Managed Care Audit, noting DMHC scheduled the Plan's follow-up audit in March 2021.

Ms. Alvarado rejoined the meeting and resumed agenda item #1.

Ms. Alvarado administered the oath and affirmed Bob Brownstein's reappointment to the Santa Clara County Health Authority Board. Mr. Brownstein subsequently administered the oath to new Board member, Dave Cameron, and welcomed him to the Santa Clara County Health Authority Board and Executive/Finance Committee.

3. Public Comment

There was no public comment

4. Meeting Minutes

The Committee reviewed the meeting minutes of the May 28, 2020 Executive/Finance Committee.

It was moved, seconded and the May 28, 2020 Executive/Finance Committee Minutes were **unanimously approved**.

Motion: Ms. Murphy

Second: Mr. Brownstein

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Murphy

Absent: Ms. Kniss

5. CEO Update

Ms. Tomcala, CEO, presented the SCFHP COVID-19 Responses. Dr. Laurie Nakahira, Chief Medical Officer, discussed a cumulative snapshot of currently available COVID-19 data. Concern was raised regarding the incomplete data currently available.

Ms. Tomcala provided an update on Medi-Cal enrollment from DHCS, noting total enrollment is down from 2019. DHCS has indicated HHS would be extending the Public Health Emergency Order until October 24, which will extend the freeze on redeterminations.

Ms. Tomcala read excerpts of the thank you letters received from the Community Clinics in recognition of the \$2 million grant.

6. Government Relations Update

Tyler Haskell, Government Relations Director, presented an update on federal and state legislative activity and administrative developments.

SCFHP is tracking and working on positioning and amendments for a few key bills in the State Legislature, including a new bill to make permanent telehealth capabilities granted during the early part of the pandemic

response, a bill that would impose new reporting requirements on managed care plans relating to blood lead screenings, and a bill that would require health plans to provide live e-consults with psychiatrists for post-partum members.

It was reported that DHCS has a new Director, Will Lightbourne, a former Santa Clara County Social Services Director, and former Brown Administration department head, who previously served on the SCCHA Governing Board. DHCS is developing a new Long-Term Care-at-Home benefit, which seeks to provide skilled nursing services to members at their homes instead of in a Skilled Nursing Facility setting. On July 22, DHCS released its proposed 1115 waiver extension, which will be submitted to CMS on September 15, after public hearings in August. The Department is seeking a status quo extension, except for the PRIME hospital directed payment, which DHCS is proposing to move from the 1115 waiver into the 1915b (managed care) waiver.

On federal issues, Congress is focusing on passing a fourth COVID relief package. However, it is off to a rocky start, with Senate Republicans and the White House having trouble agreeing on an initial proposal. Under consideration for the bill are more stimulus checks, a payroll tax cut, liability protection for businesses, funding for COVID testing, funding for school reopening assistance, phasing out enhanced Unemployment Insurance benefits, and budget relief for state and local governments. There will likely be no other significant health legislation this year. Additionally, CMS is seeking to continue some telehealth payment modalities granted earlier this year, and the effort has tempered with the falling telehealth utilization.

7. May 2020 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the May 2020 financial statements, which reflected a current month net loss of \$174 thousand (\$806 thousand unfavorable to budget) and a fiscal year-to-date net surplus of \$2.1 million (\$5.1 million unfavorable to budget).

Enrollment increased by 5,719 members from the prior month to 249,493 members (11,740 favorable to the FY20 budget). The Plan has seen recent growth due to (1) new undocumented Medi-Cal Adult members beginning in February, and (2) DHCS directed the County to suspend Medi-Cal disenrollment's, which has increased enrollment by approximately 4,000 members per month beginning in March. CMC enrollment increased due to continued outreach efforts.

Revenue reflected a favorable current month variance of \$6.0 million (6.8%), due largely to a combination of higher enrollment, FY20 capitation rates in excess of budget, higher supplemental Medi-Cal revenues, and increased Prop 56 revenue (offset by higher Prop 56 medical expense).

Medical expense reflected an unfavorable current month variance of \$7.1 million (8.6%), due to a combination of higher enrollment, certain higher fee-for-service expenses versus budget, and increased Prop 56 expense (offsetting higher Prop 56 revenue).

Administrative expense reflected a favorable current month variance of \$392 thousand (7.2%) due largely to certain non-personnel expenses lower than budgeted.

The balance sheet reflected a current ratio of 1.25:1, versus the minimum required by DMHC of 1.0:1. Tangible Net Equity was \$204.2 million, which represented approximately two months of the Plan's total monthly expenses. Year-to-date capital investments of \$2.3 million were comprised largely of building improvements and I.T. hardware.

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

Motion: Mr. Brownstein

Second: Mr. Cameron

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Murphy

Absent: Ms. Kniss

8. Quality Update

Laurie Nakahira, D.O., Chief Medical Officer, provided an analysis on the four Medi-Cal CY'19 HEDIS measures below MPL. The analysis focused on health disparities and root causes. Dr. Nakahira spoke to the next steps, noting meetings with cultural champions in our community to identify additional barriers and opportunities, and initiating projects with appropriate clinics or groups to impact improvement. For the lower performing groups, we will look at additional trends to target interventions. The Committee offered advice and recommendations.

9. Fiscal Year 2020-2021 Plan Objectives

Ms. Tomcala noted the Board had questions on the proposed employee satisfaction objective and delegated final approval to the Executive/Finance Committee. Ms. Tomcala highlighted proposed revisions and shared a summary of the three overall metrics of Plan performance on the employee satisfaction survey. SCFHP scored at the norm for these three overall measures in 2019. The Plan did not field the employee satisfaction survey this year, as it was scheduled during the time staff were actively transitioning to work from home due to COVID. The full survey will be conducted again next March/April, with one or more spot surveys fielded during the year.

Ms. Tomcala discussed calculation of the proposed success measure for Committee feedback. Ms. Murphy suggested either meeting the California health plan norm or increasing performance by 1.5% if we are already hitting the California health plan norm. She also suggested assessing whether the staff feels safe and has the tools and equipment to do their jobs in the current environment.

Teresa Chapman, VP of Human Resources, reported she is looking into an Employee Wellness Enhancement System focusing on the workplace and working from home. The program helps engage and motivate employees, with a strong emphasis on overall well-being, and will target initiatives to foster support.

It was moved, seconded and the FY'21 Plan Objectives were **unanimously approved**, taking into consideration the comments and suggestions from the committee members

Motion: Ms. Murphy

Second: Mr. Cameron

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Ms. Murphy

Absent: Ms. Kniss

10. Adjournment

The meeting was adjourned at 1:28 pm.

Susan G. Murphy, Secretary

**Santa Clara Family Health Plan
Quarterly Investment Compliance Report
for the Quarter Ended June 30, 2020**

1. OVERVIEW

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

This quarterly report contains a listing of investments, fund balances, activity, and return on investments made by the Plan. Quarterly reports also reflect the current positions and past performance of a portfolio of investments for the period of time under consideration.

This quarterly report also includes 1) a statement of compliance with the investment policy or an explanation for non-compliance; and 2) a statement of SCFHP's ability to meet its expenditure requirements for the next six months (and an explanation of why sufficient money would not be available, if that were the case).

The Plan's investments and excess cash accounts currently include:

1. County of Santa Clara Comingled Investment Pool (County Pool)
2. Wells Fargo Investment Management Portfolio (Portfolio)
3. Wells Fargo Stagecoach Money Market Fund (Sweep)

2. COMPLIANCE WITH ANNUAL INVESTMENT POLICY

Based upon our independent compliance review of the quarterly investment reports prepared for the County Pool, and Portfolio investments and the Sweep account, all investments were in compliance with the Santa Clara Family Health Plan's 2020 Annual Investment Policy adopted April 23, 2020. Investments made by Wells Fargo Asset Management are made in keeping with the Annual Investment Policy and the California Government Code.

As required by the Code, the quarter end listing of the portfolio holdings is attached to this report.

3. PORTFOLIO SUMMARY

As of June 30, 2020, the market values of the investments of the SCFHP in the County Pool, the Wells' managed portfolio and the Wells' Stagecoach Money Market Fund (Sweep Account) are as follows:

County Commingled Investment Pool (County Pool)	Wells Fargo Asset Management Portfolio (Portfolio)	Wells Fargo Stagecoach Money Market Fund (Sweep Account)	Total
\$105,759,086	\$199,883,355	\$38,477,647	\$344,120,088

4. SIX MONTH CASH SUFFICIENCY

The Plan's CFO confirmed to Sperry Capital that the Plan has sufficient cash on-hand plus projected revenues to meet its operating expenditure requirements for at least the next six months.

5. DIVERSIFICATION COMPLIANCE

As of June 30, 2020, the investment composition of the Wells Portfolio and Sweep accounts is compliant with the SCFHP Annual Investment Policy 2020.

The published Quarterly Investment Report as of June 30, 2020 for the Commingled Investment Pool indicates compliance with the County Treasurer's Investment Policy and Diversification parameters. There is no maximum percentage requirement for investment in the Commingled Investment Pool.

6. ACTUAL VS. DIVERSIFICATION REQUIREMENTS

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements	Portfolio As of 06-30-2020	Compliance
Wells Stagecoach MMF	N/A	20%	**	38,477,647	Yes
Wells Govt MMF	N/A	20%	**	142,239	Yes
Commingled Investment Pool	N/A	None	None	105,759,086	Yes
U.S. Treasury Obligations	5 years	None	None	42,050,788	Yes
U.S. Agency Obligations	5 years	None	None	108,434,027	Yes
Commercial Paper	270 days	25% of the agency's money	Highest letter and number rating by a national rating agency	10,995,235	Yes
CA Local Agency Obligations	5 years	None	None	5,003,748	Yes
CA State Obligation	5 years	None	None for CA	4,015,022	
Medium-Term Notes	5 years	30% (with not more than 20% in any 1 institution)	"A" rating or better	34,790,027	Yes
Asset-Backed Securities	5 years	20%	"AA" rating or better	1,203,170	Yes
Cash		None		-6,750,901	Yes

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

7. PERFORMANCE

For the quarter ended June 30, 2020

Wells Fargo Asset Managed Portfolio

Annualized Yield = 0.56%* (0.14% = quarter-end; net of fees)

Primary Benchmark: ICE BofA Merrill Lynch 3-Month T-Bill: 0.02%

Average Duration: 0.31 years*

Average Effective Maturity: 0.31 years*

*provided by Wells Fargo Asset Management

Santa Clara County Commingled Investment Pool

Annualized Yield = 1.61%

Weighted average life = 1.39 years (508 days)

Benchmark: LAIF = 1.41%; weighted average life = 0.52 years (190 days)

Benchmark: 2-year T-Note = 0.17%

Stagecoach Sweep Account (Wells Money Market Mutual Fund)

Annualized Yield = 0.051%



ATTACHMENT

Portfolio listing of the Wells Fargo Asset Managed Portfolio as of June 30, 2020

Sperry Capital Inc. Disclaimer: *Sperry Capital provides this Investment Summary Report for the sole use by the Santa Clara Family Health Plan and is not intended for distribution other than to members of the Board and Financial Committees of the Santa Clara Family Health Plan. This report is based on information prepared and distributed by and market valuations provided by Wells Fargo Asset Management and the Santa Clara County Treasurer's Pool, for those funds held by those entities respectively. Sperry Capital does not provide investment advice or profess an opinion as to asset allocation, appropriateness of investment or recommend alternative investment strategies. Sources for the material contained herein are deemed reliable but cannot be guaranteed*



Portfolio Holdings

US Dollar
As of 30 June 2020

WC-Santa Clara Family HealthPI
Account: XXXX5000
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO

Asset
Management

Cash

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
CCYUSD Cash	0.08 0.08	0.00 AAA	06/30/2020 06/30/2020	0.08	1.0000 0.00	0.00 0.00	0.08 0.08
CCYUSD Payable	-6,750,961.94 -6,750,961.94	0.00 AAA	06/30/2020 06/30/2020	-6,750,961.94	1.0000 0.00	0.00 0.00	-6,750,961.94 -6,750,961.94
CCYUSD Receivable	60.51 60.51	0.00 AAA	06/30/2020 06/30/2020	60.51	1.0000 0.00	0.00 0.00	60.51 60.51
CCYUSD ---	-6,750,901.35 -6,750,901.35	0.00 AAA	06/30/2020 06/30/2020	-6,750,901.35	1.0000 0.00	0.00 0.00	-6,750,901.35 -6,750,901.35

MMFund

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
94975P405 WELLSFARGO:GOVT MM I	142,239.52 142,239.52	0.05 AAA	06/30/2020 06/30/2020	142,239.52	1.0000 2.54	0.00 0.00	142,239.52 142,239.52
94975P405 WELLSFARGO:GOVT MM I	142,239.52 142,239.52	0.05 AAA	06/30/2020 06/30/2020	142,239.52	1.0000 2.54	0.00 0.00	142,239.52 142,239.52

Fixed Income

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
06051GFT1 BANK OF AMERICA CORP	3,000,000.00 3,000,000.00	2.63 A	10/19/2020 10/19/2020	3,005,940.03	100.6797 0.38	15,750.00 14,450.22	3,020,390.25 3,036,140.25
06406HDD8 BANK OF NEW YORK MELLON CORP	2,000,000.00 2,000,000.00	2.60 A+	08/17/2020 07/17/2020	2,000,588.49	100.0893 0.72	19,355.56 1,198.39	2,001,786.88 2,021,142.44
06406FAA1 BANK OF NEW YORK MELLON CORP	760,000.00 760,000.00	2.50 A+	04/15/2021 03/15/2021	770,708.66	101.5245 0.34	4,011.11 877.38	771,586.05 775,597.16
13017HAF3 CALIFORNIA EARTHQUAKE AUTH REV	4,000,000.00 4,000,000.00	1.30 A-1+	07/01/2020 07/01/2020	4,000,000.00	100.0000 1.30	15,022.22 0.00	4,000,000.00 4,015,022.22
17325FAQ1 CITIBANK NA	3,050,000.00 3,050,000.00	3.40 A+	07/23/2021 06/23/2021	3,141,500.00	102.9822 0.35	45,512.78 -542.66	3,140,957.34 3,186,470.12
30229ALP2 Exxon Mobil Corporation	2,000,000.00 2,000,000.00	0.00 A-1+	11/23/2020 11/23/2020	1,997,180.55	99.8856 0.29	0.00 532.11	1,997,712.66 1,997,712.66
3133EJYY9 FEDERAL FARM CREDIT BANKS FUNDING CORP	2,000,000.00 2,000,000.00	2.69 AAA	09/04/2020 09/04/2020	2,002,887.86	100.4532 0.14	17,485.00 6,176.62	2,009,064.48 2,026,549.48
313312ZY9 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00 5,000,000.00	0.00 A-1+	07/28/2020 07/28/2020	4,992,934.86	99.9910 0.12	0.00 6,615.14	4,999,550.00 4,999,550.00
313312N97 FEDERAL FARM CREDIT BANKS FUNDING CORP	1,000,000.00 1,000,000.00	0.00 A-1+	11/10/2020 11/10/2020	994,102.95	99.9377 0.17	0.00 5,273.72	999,376.67 999,376.67

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement.

Portfolio Holdings

US Dollar
As of 30 June 2020

WC-Santa Clara Family HealthPI
Account: XXXX5000
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO

Asset
Management

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
313313DU9 FEDERAL FARM CREDIT BANKS FUNDING CORP	1,000,000.00 1,000,000.00	0.00 A-1+	04/01/2021 04/01/2021	997,715.81	99.8706 0.17	0.00 990.30	998,706.11 998,706.11
313312L65 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00 5,000,000.00	0.00 A-1+	10/22/2020 10/22/2020	4,997,959.52	99.9529 0.15	0.00 -313.67	4,997,645.85 4,997,645.85
313312Q60 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00 5,000,000.00	0.00 A-1+	11/23/2020 11/23/2020	4,997,180.26	99.9315 0.17	0.00 -603.86	4,996,576.40 4,996,576.40
313313CA4 FEDERAL FARM CREDIT BANKS FUNDING CORP	5,000,000.00 5,000,000.00	0.00 A-1+	02/18/2021 02/18/2021	4,994,199.27	99.8904 0.17	0.00 322.93	4,994,522.20 4,994,522.20
313384G86 FEDERAL HOME LOAN BANKS	1,900,000.00 1,900,000.00	0.00 A-1+	09/22/2020 09/22/2020	1,899,342.88	99.9677 0.14	0.00 43.84	1,899,386.72 1,899,386.72
313385BM7 FEDERAL HOME LOAN BANKS	5,000,000.00 5,000,000.00	0.00 A-1+	02/05/2021 02/05/2021	4,954,542.21	99.8966 0.17	0.00 40,286.94	4,994,829.15 4,994,829.15
313384D71 FEDERAL HOME LOAN BANKS	14,000,000.00 14,000,000.00	0.00 A-1+	08/28/2020 08/28/2020	13,996,729.25	99.9758 0.15	0.00 -112.63	13,996,616.62 13,996,616.62
313384M97 FEDERAL HOME LOAN BANKS	15,200,000.00 15,200,000.00	0.00 A-1+	11/02/2020 11/02/2020	15,195,714.71	99.9414 0.17	0.00 -4,615.23	15,191,099.49 15,191,099.49
313385AN6 FEDERAL HOME LOAN BANKS	5,000,000.00 5,000,000.00	0.00 A-1+	01/13/2021 01/13/2021	4,994,826.80	99.9020 0.18	0.00 273.20	4,995,100.00 4,995,100.00
313384ZR3 FEDERAL HOME LOAN BANKS	20,000,000.00 20,000,000.00	0.00 A-1+	07/21/2020 07/21/2020	19,998,833.24	99.9933 0.12	0.00 -166.64	19,998,666.60 19,998,666.60
313384D63 FEDERAL HOME LOAN BANKS	5,000,000.00 5,000,000.00	0.00 A-1+	08/27/2020 08/27/2020	4,998,852.02	99.9762 0.15	0.00 -39.52	4,998,812.50 4,998,812.50
313396A60 FEDERAL HOME LOAN MORTGAGE CORP	10,000,000.00 10,000,000.00	0.00 A-1+	08/03/2020 08/03/2020	9,985,904.16	99.9862 0.14	0.00 12,720.84	9,998,625.00 9,998,625.00
313396C68 FEDERAL HOME LOAN MORTGAGE CORP	250,000.00 250,000.00	0.00 A-1+	08/19/2020 08/19/2020	249,959.16	99.9796 0.15	0.00 -10.20	249,948.96 249,948.96
313588E43 FEDERAL NATIONAL MORTGAGE ASSOCIATION	8,100,000.00 8,100,000.00	0.00 A-1+	09/02/2020 09/02/2020	8,097,944.52	99.9755 0.14	0.00 70.98	8,098,015.50 8,098,015.50
4042Q1AE7 HSBC BANK USA NA	2,000,000.00 2,000,000.00	4.88 A	08/24/2020 08/24/2020	2,008,081.32	100.6340 0.63	34,395.83 4,598.68	2,012,680.00 2,047,075.83
44932HAK9 IBM CREDIT LLC	1,150,000.00 1,150,000.00	3.45 A	11/30/2020 11/30/2020	1,163,393.35	101.2761 0.38	3,416.46 1,281.70	1,164,675.05 1,168,091.50
458140AQ3 INTEL CORP	3,000,000.00 3,000,000.00	2.45 A+	07/29/2020 07/29/2020	3,001,055.05	100.1651 0.40	31,033.33 3,897.62	3,004,952.67 3,035,986.00
24422ESL4 JOHN DEERE CAPITAL CORP	500,000.00 500,000.00	2.80 A	03/04/2021 03/04/2021	503,504.87	101.6700 0.33	4,550.00 4,845.33	508,350.21 512,900.21
24422EUN7 JOHN DEERE CAPITAL CORP	1,731,000.00 1,731,000.00	1.73 A	07/10/2020 07/10/2020	1,731,135.16	100.0060 1.52	6,493.54 -31.60	1,731,103.57 1,737,597.11
24422EUV9 JOHN DEERE CAPITAL CORP	1,500,000.00 1,500,000.00	2.30 A	06/07/2021 06/07/2021	1,527,795.00	101.7069 0.47	2,395.83 -2,190.97	1,525,604.02 1,527,999.86
46625HNX4 JPMORGAN CHASE & CO	3,000,000.00 3,000,000.00	2.55 A	10/29/2020 09/29/2020	3,003,340.27	100.5101 0.48	13,175.00 11,961.32	3,015,301.59 3,028,476.59
50000DJ15 Koch Industries, Inc.	4,000,000.00 4,000,000.00	0.00 A-1+	09/01/2020 09/01/2020	3,998,553.33	99.9767 0.14	0.00 515.67	3,999,069.00 3,999,069.00

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Portfolio Holdings

US Dollar
As of 30 June 2020

WC-Santa Clara Family HealthPI
Account: XXXX5000
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index

WELLS
FARGO

Asset
Management

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
542424WH5 LONG BEACH CALIF HBR REV	1,500,000.00 1,500,000.00	4.00 AA	07/15/2021 07/15/2021	1,547,116.44	103.4540 0.57	7,000.00 4,693.56	1,551,810.00 1,558,810.00
544647BY5 LOS ANGELES CALIF UNI SCH DIST	1,675,000.00 1,675,000.00	2.38 AA+	07/01/2020 07/01/2020	1,675,000.00	100.0000 2.37	6,740.71 0.00	1,675,000.00 1,681,740.71
637432NF8 NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2,909,000.00 2,909,000.00	2.30 A+	11/01/2020 10/01/2020	2,911,563.06	100.4591 0.48	11,151.17 10,793.44	2,922,356.50 2,933,507.67
69371RN85 PACCAR FINANCIAL CORP	1,000,000.00 1,000,000.00	2.05 A+	11/13/2020 11/13/2020	1,000,946.01	100.6251 0.35	2,733.33 5,304.79	1,006,250.80 1,008,984.13
69371RP26 PACCAR FINANCIAL CORP	2,000,000.00 2,000,000.00	3.10 A+	05/10/2021 05/10/2021	2,044,866.15	102.3043 0.42	8,783.33 1,219.81	2,046,085.96 2,054,869.29
79730CJD7 SAN DIEGO CALIF PUB FACS FING AUTH WTR REV	1,000,000.00 1,000,000.00	1.03 AA	08/01/2020 08/01/2020	1,000,000.00	100.0290 0.69	1,431.94 290.00	1,000,290.00 1,001,721.94
857477AV5 STATE STREET CORP	2,000,000.00 2,000,000.00	1.95 A+	05/19/2021 05/19/2021	2,029,100.00	101.4354 0.33	4,658.33 -392.14	2,028,707.86 2,033,366.19
89238TAD5 TAOT 2018-B A3	1,400,000.00 1,183,575.59	2.96 AAA	09/15/2022 12/26/2020	1,202,073.15	101.5240 -0.14	1,557.06 -460.22	1,201,612.93 1,203,169.99
88602TJF1 Thunder Bay Funding, LLC	3,000,000.00 3,000,000.00	0.00 A-1+	09/15/2020 09/15/2020	2,998,670.00	99.9609 0.19	0.00 155.74	2,998,825.74 2,998,825.74
89236TCZ6 TOYOTA MOTOR CREDIT CORP	2,625,000.00 2,625,000.00	1.90 A+	04/08/2021 04/08/2021	2,647,384.78	101.1455 0.41	11,498.96 7,684.99	2,655,069.77 2,666,568.73
89233GHC3 Toyota Motor Credit Corporation	2,000,000.00 2,000,000.00	0.00 A-1+	08/12/2020 08/12/2020	1,997,666.67	99.9814 0.16	0.00 1,960.67	1,999,627.34 1,999,627.34
912828NT3 UNITED STATES TREASURY	5,500,000.00 5,500,000.00	2.63 AAA	08/15/2020 08/15/2020	5,506,657.59	100.3020 0.23	54,338.94 9,952.41	5,516,610.00 5,570,948.94
912828B58 UNITED STATES TREASURY	1,700,000.00 1,700,000.00	2.13 AAA	01/31/2021 01/31/2021	1,704,350.45	101.1211 0.21	15,085.16 14,708.25	1,719,058.70 1,734,143.86
912828Z2 UNITED STATES TREASURY	5,000,000.00 5,000,000.00	1.63 AAA	10/15/2020 10/15/2020	4,997,086.37	100.4152 0.20	17,093.58 23,673.63	5,020,760.00 5,037,853.58
9128286V7 UNITED STATES TREASURY	5,900,000.00 5,900,000.00	2.13 AAA	05/31/2021 05/31/2021	5,992,497.27	101.7812 0.18	10,619.19 12,593.53	6,005,090.80 6,015,709.99
912796XG9 UNITED STATES TREASURY	12,700,000.00 12,700,000.00	0.00 A-1+	08/27/2020 08/27/2020	12,697,788.08	99.9778 0.14	0.00 -607.48	12,697,180.60 12,697,180.60
9127964K2 UNITED STATES TREASURY	11,000,000.00 11,000,000.00	0.00 A-1+	10/27/2020 10/27/2020	10,994,050.83	99.9541 0.14	0.00 900.17	10,994,951.00 10,994,951.00
92826CAB8 VISA INC	2,000,000.00 2,000,000.00	2.20 AA-	12/14/2020 11/14/2020	2,002,459.07	100.6588 0.42	2,077.78 10,716.91	2,013,175.98 2,015,253.76
9523472A9 WEST CONTRA COSTA CALIF UNI SCH DIST	760,000.00 760,000.00	1.18 A+	08/01/2020 08/01/2020	760,000.00	100.0330 0.80	1,224.78 250.80	760,250.80 761,475.58
---	205,810,000.00	0.76	10/22/2020	205,911,681.48	100.2633	368,590.95	206,123,426.30
---	205,593,575.59	AA+	10/17/2020		0.26	211,744.82	206,492,017.25

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Portfolio Holdings

US Dollar
As of 30 June 2020

WC-Santa Clara Family HealthPI
Account: XXXX5000
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofA 3-Month US Treasury Bill Index



Asset
Management

Summary

Identifier, Description	Base Original Units, Base Current Units	Coupon, Rating	Final Maturity, Effective Maturity	Base Book Value	Market Price, Yield	Base Accrued Balance, Base Net Total Unrealized Gain/Loss	Base Market Value, Base Market Value + Accrued
---	199,201,338.17	0.79	10/26/2020	199,303,019.65	103.5452	368,590.95	199,514,764.47
---	198,984,913.76	AA+	10/20/2020		0.27	211,744.82	199,883,355.42

* Grouped by: Asset Class. * Groups Sorted by: Asset Class. * Weighted by: Base Market Value + Accrued. * Holdings Displayed by: Position.

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**Santa Clara Family
Health Plan™**

Network Detection and Prevention Report

August 2020

Executive/Finance Committee Meeting

Firewall Background

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

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

The attempts have been categorized in three severity levels:

Critical/High

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

Medium

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

Low/Informational

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

Attack Statistics Combined

April/May/June/July

Severity Level	Number of Different Types of Attacks				Total Number of Attempts				Percent of Attempts			
	Apr	May	June	July	Apr	May	June	July	Apr	May	June	July
Critical	16	12	16	13	329	228	124	111	0.10	0.032	0.018	0.017
High	10	11	15	15	217	698	1,204	1,820	0.07	0.098	0.18	0.28
Medium	24	13	16	13	24,355	21,482	17,599	16,605	7.62	3.03	2.61	2.54
Low	5	6	5	6	689	427	553	636	0.21	0.06	0.082	0.098
Informational	20	19	23	19	296,002	684,306	655,524	632,234	92.04	96.77	97.11	97.05

Summary – Compare July to previous month of June 2020

- Critical Severity Level – number of threat attempts is **11.7%** lower
- High Severity Level - number of threat attempts is **33.8%** higher
- Medium Severity Level - number of threat attempts **5.9%** lower
- Low Severity Level - number of threat attempts is **13%** higher

Top 5 Events for May, June and July

Critical Events – total 351 events

Top 5 Critical vulnerability events

- 218 events for “Draytek Vigor Remote Command Execution Vulnerability” (code-execution)
- 49 events for “Zyxel Multiple Products Command Injection Vulnerability” (code-execution)
- 34 events for “UDP Flood” (Botnet)
- 33 events for “CobaltStrike.Gen Command and Control Traffic” (code-execution)
- 17 events for “NJRat.Gen Command and Control Traffic” (code-execution)

High Events – total 3,494 events

Top 5 High vulnerability events

- 2,146 events for “SIP INVITE Method Request Flood Attempt” (Brute Force)
- 1,174 events for “SIP Bye Message Brute Force Attack” (brute-force)
- 120 events for “HTTP Unix Shell IFS Remote Code Execution Detection” (code-execution)
- 38 events for “MVPower DVR TV Shell Unauthenticated Command Execution Vulnerability” (code-execution)
- 16 events for “Netis/Netcore Router Default Credential Remote Code Execution Vulnerability” (code-execution)

Medium Events – total 92602 events

Top 5 Medium vulnerability events

- 84,877 events for “SIPVicious Scanner Detection” (Info-Leak)
- 3,698 events for “Metasploit VxWorks WDB Agent Scanner Detection” (Info-Leak)
- 2,961 events for “RPC Portmapper DUMP Request Detected” (Info-Leak)
- 995 events for “ZGrab Application Layer Scanner Detection” (Info-Leak)
- 71 events for “Masscan Port Scanning Tool Detection” (Info-Leak)

Attack Attempts Definitions

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

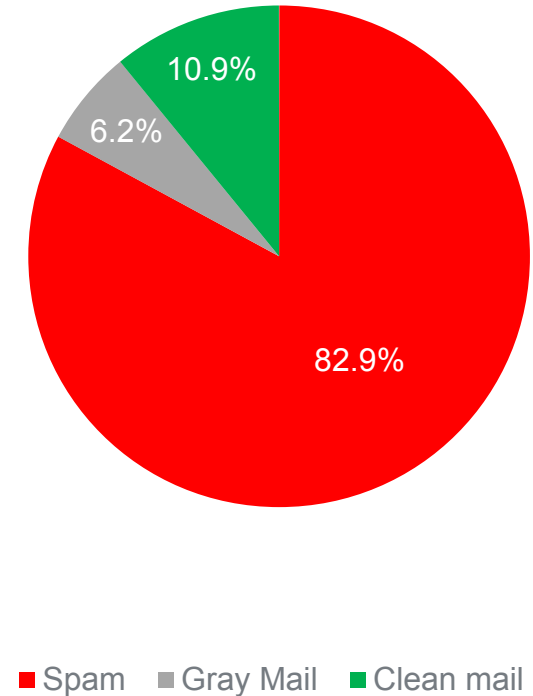
Brute Force – Vulnerability attempt to obtain user credentials.

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 – July Statistics

Overview > Incoming Mail Summary		
Message Category	%	Messages
Stopped by Reputation Filtering	72.9%	476.0k
Stopped as Invalid Recipients	0.0%	2
Spam Detected	10.0%	65.6k
Virus Detected	0.0%	1
Detected by Advanced Malware Protection	0.0%	3
Messages with Malicious URLs	0.1%	414
Stopped by Content Filter	0.0%	267
Stopped by DMARC	0.0%	0
S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:	82.9%	541.9k
Marketing Messages	3.7%	23.9k
Social Networking Messages	0.1%	612
Bulk Messages	2.4%	15.9k
Total Graymails:	6.2%	40.4k
S/MIME Verification/Decryption Successful	0.0%	0
Clean Messages	10.9%	71.1k
Total Attempted Messages:		653.4k



July

During the month.

- 82.9% of threat messages had been blocked.
- 6.2% were Graymails (*Graymail is solicited bulk email messages that don't fit the definition of email spam*).
- 10.9% were clean messages that delivered.
- Additionally there were about 9 suspicious spam/phishing messages manually added to the Blacklist of our Cisco Email Security Appliance for this month.

Questions

FY 2020-21 FOCUS

Drive Quality Improvement & Achieve Operational Excellence

DRAFT

	Plan Objectives	Success Measures
1	Pursue benchmark quality performance	<ul style="list-style-type: none"> • Increase screenings to $\geq 11,000$ developmental, $\geq 5,000$ trauma, and $\geq 9,500$ blood lead (children 0-3) • Achieve HEDIS average performance score of 2.52 for Medi-Cal and 2.02 for Cal MediConnect • Reduce Medi-Cal Plan All-Cause Readmissions (PCR) to 7.48% • Achieve 75% of points required for Medi-Cal NCQA Interim Accreditation
2	Enhance compliance program and delegation oversight	<ul style="list-style-type: none"> • $\geq 95\%$ of metrics on Compliance Dashboard in compliance • Implement delegate oversight dashboard by December 2020
3	Improve IT infrastructure	<ul style="list-style-type: none"> • Add Pharmacy, Case Management, and G&A data to Enterprise Data Warehouse; produce reports • Implement vendor solution for Fast Healthcare Interoperability Resource (FHIR) by March 2021 • Develop authorization submission capability in provider portal by March 2021
4	Foster membership growth and retention	<ul style="list-style-type: none"> • Increase Medi-Cal market share to 80% • Achieve net increase of 600 CMC members • Expand provider network in accordance with DHCS standards at network level • Implement new provider payment transaction vendor by March 2021 to improve provider satisfaction • Develop Dual Eligible Special Needs Plan (D-SNP) implementation plan for 2023 by January 2021
5	Collaborate with Community Partners to Strengthen the Safety Net	<ul style="list-style-type: none"> • Open Community Resource Center; partner with CBOs on health education & fitness programming • Implement YMCA membership benefit for Medi-Cal and CMC members
6	Achieve budgeted financial performance	<ul style="list-style-type: none"> • FY 2020-21 Net Deficit \leq \$14 million (1.2% of revenue) • Maintain administrative loss ratio \leq 7% of revenue
7	Increase Employee Satisfaction	<ul style="list-style-type: none"> • Achieve weighted average of three overall ratings on 2021 employee satisfaction survey that is 2% above the norm of California health plans surveyed

Critical Priority



EMPLOYEE SATISFACTION SURVEY

Ref	Metric	CA Health Plans Surveyed 2019 Norm	SCFHP Survey 2019	Weighting
1	Overall Satisfaction - Highly Satisfied	55%	52%	50%
2	High Engagement	54%	57%	25%
3	Would Recommend SCFHP	71%	70%	25%
	Total/Average	60.00%	59.67%	

NOTE: SCFHP results for the three overall ratings showed no statistically significant difference from 2018 survey results or the 2019 norm for California health plans surveyed.

FY'21 PLAN OBJECTIVE

Increase Employee Satisfaction

SUCCESS MEASURE

Achieve weighted average of three overall ratings on 2021 employee satisfaction survey that is 2% above the norm of California health plans surveyed



Santa Clara Family Health Plan™

Executive Finance Committee
COVID-19 Data

August 27, 2020

COVID-19 Data Overview

- **DHCS request:**
 - Managed Care Plans need to begin daily reporting on March 11, 2020
 - Reporting Elements
 - Number of new positive COVID-19 tests among members (new from previous reporting)
 - Number of cumulative positive COVID-19 tests among members
 - Number of new hospital admissions associated with COVID-19 among members (new from previous reporting)
 - Number of cumulative hospital admissions associated with COVID-19 among members/beneficiaries
- **SCFHP request for DHCS reporting elements to:**
 - Networks: Valley Health Plan (VHP), Kaiser (KP), Physician Medical Group (PMG), Premier Care (PCNC)
 - County of Santa Clara Health System Hospitals
 - Santa Clara County Emergency Operations Center

Status of Data Requests

- **Network data submission for DHCS reporting elements**
 - VHP: No data other than claims/encounters; meeting scheduled to request a more robust response.
 - KP: Daily submission, however, no member-level data. Currently the overall numbers have higher rates than county and KP is researching issues.
 - PCNC and PMG: Sporadic submissions and are inconsistent in member-level vs. aggregate numbers.
- **County of Santa Clara Health System Hospitals**
 - 5/15/20 - Submitted Data Access Request for SCFHP members seen for COVID-19
 - 8/17/20 - Data received similar to DHCS's request
 - 8/27/20- Meeting to review first draft of COVID-19 data beyond state's request, e.g., deaths, ICU days, outpatient services
- **Santa Clara County Emergency Operations Center**
 - County free testing sites: Unknown since insurance is not checked
 - 5/14/2020- Submitted request for SCFHP member data paralleling the county's COVID-19 dashboard
 - 6/1/2020- County Counsel denied request, citing HIPAA; SCFHP clarified that aggregate level data requested
 - 6/15/20- County Counsel denied request at aggregate level due to lack of resources

COVID Positive and Hospitalization

- Data Sources with Member-Level Details (all lines of business), as of August 2020
 - SCFHP Data: Clinical Functions (UM, CM, SNF, Pharmacy, Advice Nurse) and Customer Service
 - Labs: Quest, LabCorp, Bio Reference
 - Hospitals: County of Santa Clara Health System Hospitals
 - Networks: PCNC, PMG
 - Claims and Encounters using CDC billing guidelines: all Networks

	SCFHP (from sources with member level details)	Santa Clara County (COVID-19 dashboard, 8/27/20)
Enrollment/Population	260,270 (13% of county)	1,940,000
Positives	1,834 (0.7% of membership)	16,393 (0.85%)
Hospitalized	298 (0.11% of membership)	NA
Deaths	32* (13% of county's deaths) <small>*known to staff</small>	237

SCFHP's COVID-19 Responses – August 26, 2020

Group	Focus Area	Activities and Metrics
Members	Statistics	<p>Data as of 8/11; note that SCFHP does <u>not</u> have complete information about members tested, diagnosed, hospitalized, deceased</p> <ul style="list-style-type: none"> • Cumulatively 328 members hospitalized • 30 deceased, representing approximately 13% of County-reported total (total membership equals about 12% of the County population)
	Call Center	<ul style="list-style-type: none"> • Call volume down 15% week of 8/1 vs prior year average • Average wait time of 26 seconds for CMC and 145 seconds for Medi-Cal
	Nurse Advice Line	<ul style="list-style-type: none"> • 253 calls regarding coronavirus as of 8/10 • 371 members identified for transfer to a physician consult as of 8/13 • MD Live visits 300 as of 8/13
	Grievance and Appeals	<ul style="list-style-type: none"> • 35 COVID-19 related grievances (Rx access due to provider office closed; transportation safety concerns, employment concerns) as of 8/11.
	Outreach to Vulnerable Populations	<ul style="list-style-type: none"> • Mailed flyer telling members we are here for them, to visit our website for information on resources and support, reiterate CDC's guidelines to stay safe, to call the nurse advice line for health questions, and call Customer Service for all other help. • Robo-calls to high risk members telling them they may be more vulnerable to COVID-19, reiterate CDC's guidelines to stay safe, call doctor for health questions or call nurse advice line, visit our website for more information on resources and support, and call Customer Service for questions. • Outbound calls: <ul style="list-style-type: none"> ○ To pregnant & post-partum population, asking how they are doing and if they need any help. ○ To members age 65+ with multiple chronic conditions, asking how they are doing and if they need any help. ○ To Health Homes Program (HHP) members

Group	Focus Area	Activities and Metrics
		<ul style="list-style-type: none"> ▪ HHP Community-Based Care Management Entities (CB-CMEs) outreached 3,067 members ○ To newly enrolled members: <ul style="list-style-type: none"> ▪ Case Management (CM) outreached and informed 1,302 members about COVID resources ○ To annual re-assessed members: <ul style="list-style-type: none"> ▪ CM outreached and informed 2,003 members about COVID resources ○ To members recently discharged after COVID hospitalizations: <ul style="list-style-type: none"> ▪ CM outreached 15 members recently discharged after COVID hospitalizations ○ To Behavioral Health/SMI members: <ul style="list-style-type: none"> ▪ Behavioral Health outreached 207 members
	Pharmacy	<ul style="list-style-type: none"> • Refills available via mail-order for 90 day fills; pharmacy overrides to allow early refills • Formulary expanded to include disinfectant and gloves
	Transportation	<ul style="list-style-type: none"> • Lifted requirement to provide Customer Service notice 3-5 business days before medical appointment to arrange transportation (NMT and NEMT). Reinstated in early July for non-COVID-related appointments. • Amended agreements with two vendors to make special accommodations and cleaning relating to transporting suspected or confirmed COVID members
	Communications to Members	<ul style="list-style-type: none"> • Developed new webpage; published 31 member news updates • April newsletter includes infographics on do's and don'ts of coronavirus and five steps to clean hands • July newsletter includes telehealth and our commitment to member's health and safety (including a reminder to follow CDC guidelines to prevent the spread of coronavirus) • Facebook posts in April through August to include more information on coronavirus precautions and getting preventive care • Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey for Cal MediConnect has been discontinued for 2020. Surveys have already been mailed out but no additional phone outreach will be conducted by the vendor.
	Eligibility Redetermination	<ul style="list-style-type: none"> • State and counties have paused redeterminations from mid-March through August for beneficiaries with a change in status (affects approximately 3-5k SCFHP members each month who otherwise would have lost their eligibility), so these members will not lose eligibility • SCFHP enrollment will be temporarily elevated April – October, and will fall as the pause is lifted

Group	Focus Area	Activities and Metrics																			
Providers	Prior Authorizations	<ul style="list-style-type: none"> • Suspended SCFHP requirement for all prior authorizations for network providers to decrease burden on providers; resumed authorizations on 5/1 • Delegates are following their own prior authorization guidelines 																			
	Telehealth	<ul style="list-style-type: none"> • Regulations during state of emergency allow provider reimbursement, with specific coding and documentation requirements • Added capability for Nurse Advice Line to offer members telephonic physician consultation • Communication sent to BHT providers with guidelines 																			
	CBAS centers	<ul style="list-style-type: none"> • All five contracted CBAS centers have submitted operations plans to the State outlining Temporary Alternative Services (TAS) they have been providing. • Since 4/30 CDA has been providing health plans with approved versions of the operational plans. All of the CBAS centers has had their operational plans approved by CDA. Internal monitoring of these TAS indicate successful implementation of the plans. 																			
	Skilled Nursing Facilities	<ul style="list-style-type: none"> • Continued outreach to SNFs regarding diagnosed residents; 27 facilities are reporting no COVID cases; one SNF reporting one positive member COVID case • SCFHP has requested that hospitals divert non-LTC and non-COVID-positive members away from facilities with three or more COVID positives. <table border="1" data-bbox="1008 948 1713 1253"> <thead> <tr> <th>LTC</th> <th># Positive</th> <th>Expired</th> <th>Total Beds</th> <th>STAR Rating</th> </tr> </thead> <tbody> <tr> <td>Canyon Springs</td> <td>0</td> <td>9</td> <td>185</td> <td>3</td> </tr> <tr> <td>Grant Cuesta</td> <td>1</td> <td>0</td> <td>102</td> <td>5</td> </tr> <tr> <td>Mount Pleasant</td> <td>0</td> <td>1</td> <td>54</td> <td>5</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • SCFHP identified and reached out to three of the contracted SNFs hart-hit by COVID patients asking what staff support would be helpful. In response, a meal was delivered for all staff at two SNFs. • Public Health Dept. now saying SNFs cannot unilaterally refuse to admit patients who test positive for COVID-19 	LTC	# Positive	Expired	Total Beds	STAR Rating	Canyon Springs	0	9	185	3	Grant Cuesta	1	0	102	5	Mount Pleasant	0	1	54
LTC	# Positive	Expired	Total Beds	STAR Rating																	
Canyon Springs	0	9	185	3																	
Grant Cuesta	1	0	102	5																	
Mount Pleasant	0	1	54	5																	

Group	Focus Area	Activities and Metrics
		<ul style="list-style-type: none"> Produced “Healthcare Heroes” flyers for contracted SNFs to thank them for caring for our members
	Clinics/Providers	<ul style="list-style-type: none"> By measure of outreach completed to community clinics, direct contracts, and IPA practice locations: <ul style="list-style-type: none"> PCPs: <ul style="list-style-type: none"> 133 locations are open to in-person visits, member walk-ins included. 9 are open to in-person visits, appointments only. 21 locations are telehealth only. 0 locations anticipate any future change in their operations. Specialists: <ul style="list-style-type: none"> 162 are open to in-person visits, member walk-ins included. 13 are open to in-person visits, appointments only. 7 locations are telehealth only. 0 locations anticipate any future change in their operations. HEDIS Medical Record Review outreach has stopped for the Cal MediConnect line of business. The vendor will no longer call/fax/email/visit providers to obtain medical records. For Medi-Cal line of business, vendor is only reviewing records they can access electronically.
Staff	Working from home	<ul style="list-style-type: none"> 97% of staff working remotely (10 regularly on site) Planning has begun for certain staff to return to the office following shelter-in-place Implemented relaxed telecommuting agreement Staff onsite only for work that cannot be performed remotely PTO/leave emergency policies implemented consistent with federal legislation
Community	Communications	<ul style="list-style-type: none"> Informed CBOs and general community of SCFHP operational status via email and social media posts: still working and providing services for members and providers, most staff remote, lobby closed to visitors, how to contact us Prepared a press release to announce telehealth integration with nurse advice line
	Partnerships with CBOs	<ul style="list-style-type: none"> SCFHP staff donated \$10,250 in cash to Second Harvest of Silicon Valley Supported meal distribution programs by providing SCFHP’s reusable bags to Veggielution, Santa Clara County’s Senior Nutrition Program and Gilroy Compassion Center Provided financial support for Community Health Partnership Diaper Drive, FIRST 5 certified infant formula distribution, and meal distribution to providers working in hospital settings

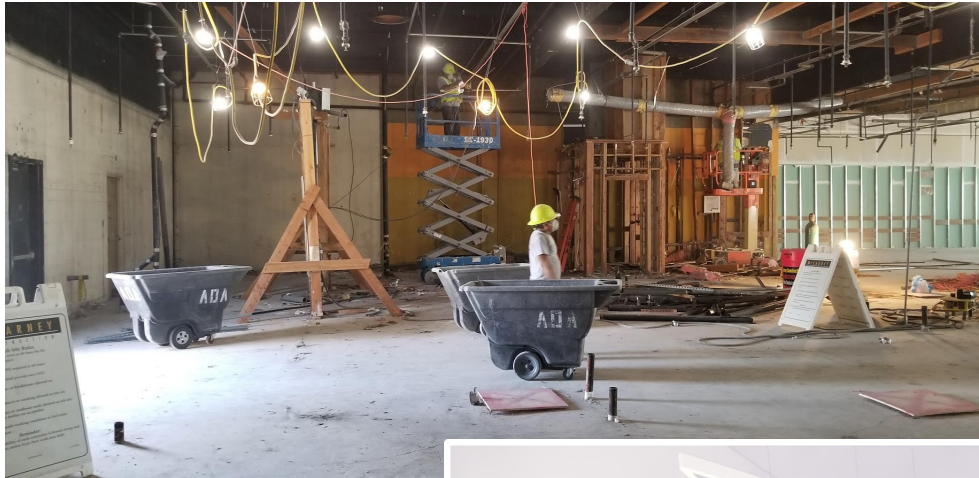
Group	Focus Area	Activities and Metrics
		<ul style="list-style-type: none">• Provided individual hand sanitizers to Community Clinics for distribution to patients and to the Gilroy Compassion Center for distribution to the homeless population in South County• Donated reusable bags and toothbrushes to Next Door Solutions' pantry for individuals experiencing domestic violence during pandemic• Participated in County assessment of food access needs for seniors to inform use of federal dollars• Continued documentation and sharing of community resources available to support members during COVID

Community Resource Center

Update

- Finishes finalized and furnishings ordered
- CRC Manager hiring progressing
- Program planning in process internally and with Community Based Organizations
- Occupancy projected for mid-October

Community Resource Center



Compliance Report

August 27, 2020

AUDIT UPDATE

- **Centers for Medicare & Medicaid Services (CMS) Program Audit**

The Plan is in the final stages of the portion of the Revalidation Audit relating to the Care Coordination and Quality Improvement Program Effectiveness (CCQIPE) Conditions. The Plan has been working to sustain full compliance with respect to the relevant tasks and we completed our 3-month audit “clean period” at the end of July. The Revalidation Audit field work for the CCQIPE Conditions began in early August, and ATTAC—the consulting firm conducting the Revalidation Audit—will issue its Final Report for the CCQIPE Conditions to CMS on or before 9/25/2020.

The other portion of the audit evaluates the Plan’s deficiencies related to Coverage Determinations, Appeals and Grievances (CDAG). We will close out the one-month “clean period” at the end of August and begin field work with ATTAC in September.

- **Department of Health Care Services (DHCS) Medi-Cal Managed Care Audit**

DHCS issued its final report for our 2020 annual Medi-Cal audit, which includes a total of six findings, which is a 57% reduction from the 14 findings in the 2019 audit. The Plan will continue to work with the DHCS to implement corrective actions to address the six deficiencies.

- **Department of Managed Health Care (DMHC) Medi-Cal Managed Care Audit**

The DMHC has indicated that the Plan is scheduled for a follow-up audit in March 2021.



**Santa Clara Family
Health Plan™**

Unaudited Financial Statements
For Twelve Months Ended June 30, 2020

Agenda

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Financial Highlights



	MTD		YTD	
Revenue	\$88 M		\$1,100 M	
Medical Expense (MLR)	\$76 M	86.1%	\$1,035 M	94.1%
Administrative Expense (% Rev)	\$5.7 M	6.5%	\$60.5 M	5.5%
Other Income/Expense	(\$1.6 M)		\$2.8 M	
Net Surplus (Loss)	\$5.0 M		\$7.1 M	
Cash and Investments			\$334 M	
Receivables			\$538 M	
Total Current Assets			\$881 M	
Current Liabilities			\$704 M	
Current Ratio			1.25	
Tangible Net Equity			\$209 M	

Financial Highlights

Net Surplus (Loss)	<ul style="list-style-type: none"> ▶ Month: Surplus of \$5.0M is \$4.5M or 843.2% favorable to budget of \$529K. ▶ YTD: Surplus of \$7.1M is \$627K or 8.1% unfavorable to budget of \$7.7M.
Enrollment	<ul style="list-style-type: none"> ▶ Month: Membership was 253,875 (17,030 or 7.2% favorable budget of 236,845). ▶ YTD: Membership was 2,941,609 (38,411 or 1.3% favorable budget of 2,903,198).
Revenue	<ul style="list-style-type: none"> ▶ Month: \$87.8M (\$610K or 0.7% unfavorable to budget of \$88.4M). ▶ YTD: \$1,099.7M (\$33.5M or 3.1% favorable to budget of \$1,066.2M).
Medical Expenses	<ul style="list-style-type: none"> ▶ Month: \$75.6M (\$7.0M or 8.5% favorable to budget of \$82.6M). ▶ YTD: \$1,035.0M (\$37.3M or 3.7% unfavorable to budget of \$997.7M).
Administrative Expenses	<ul style="list-style-type: none"> ▶ Month: \$5.7M (\$160K or 2.9% unfavorable to budget of \$5.5M). ▶ YTD: \$60.5M (\$3.3M or 5.2% favorable to budget of \$63.8M).
Tangible Net Equity	<ul style="list-style-type: none"> ▶ TNE was \$209.2M (represents approximately two months of total expenses).
Capital Expenditures	<ul style="list-style-type: none"> ▶ YTD Capital Investments of \$2.5M vs. \$4.8M annual budget, primarily building improvements and hardware.



**Santa Clara Family
Health Plan™**

Detail Analyses

Enrollment



- Total enrollment of 253,875 members is higher than budget by 17,030 or 7.2%. Since June 30, 2019, total enrollment has slightly increased by 4,670 members or 1.9%.
- Medi-Cal enrollment has been increasing since January, reflecting newly-eligible and COVID enrollment (beginning in March annual redeterminations of eligibility was suspended). In October 2019, approximately 3,500 Healthy Kids members transitioned to Medi-Cal.
- Since the beginning of the fiscal year, Medi-Cal Non-Dual enrollment has increased 3.1%, Dual enrollment has increased 2.1%, and CMC enrollment has grown 12.0%.

	For the Month June 2020				For Twelve Months Ending June 30, 2020				Prior Year Actuals	Δ FY19 vs. FY20
	Actual	Budget	Variance	Variance (%)	Actual	Budget	Variance	Variance (%)		
Medi-Cal	244,888	228,302	16,586	7.3%	2,829,690	2,793,614	36,076	1.3%	2,904,820	(2.6%)
Cal Medi-Connect	8,987	8,543	444	5.2%	101,391	99,540	1,851	1.9%	92,838	9.2%
Healthy Kids	0	0	0	0.0%	10,528	10,044	484	4.8%	40,083	(73.7%)
Total	253,875	236,845	17,030	7.2%	2,941,609	2,903,198	38,411	1.3%	3,037,741	(3.2%)

Santa Clara Family Health Plan Enrollment By Network June 2020

Network	Medi-Cal		CMC		Healthy Kids		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	31,263	13%	8,987	100%	-	0%	40,250	16%
SCVHHS ¹ , Safety Net Clinics, FQHC ² Clinics	122,808	50%	-	0%	-	0%	122,808	48%
Palo Alto Medical Foundation	6,633	3%	-	0%	-	0%	6,633	3%
Physicians Medical Group	42,632	17%	-	0%	-	0%	42,632	17%
Premier Care	15,011	6%	-	0%	-	0%	15,011	6%
Kaiser	26,541	11%	-	0%	-	0%	26,541	10%
Total	244,888	100%	8,987	100%	-	0%	253,875	100%
Enrollment at June 30, 2019	237,697		8,022		3,486		249,205	
Net Δ from Beginning of FY20	3.0%		12.0%		(100.0%)		1.9%	

¹ SCVHHS = Santa Clara Valley Health & Hospital System

² FQHC = Federally Qualified Health Center

Enrollment By Aid Category

SCFHP TRENDED ENROLLMENT BY COA YTD JUNE-2020

		2019-06	2019-07	2019-08	2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06	FYTD var	%
NON DUAL	Adult (over 19)	25,204	24,989	24,888	24,689	24,492	24,207	23,999	23,620	23,604	23,873	24,051	25,253	26,299	1,095	4.3%
	Child (under 19)	94,026	93,536	92,668	92,092	95,000	93,829	93,477	92,339	92,248	92,843	93,374	95,145	96,173	2,147	2.3%
	Aged - Medi-Cal Only	10,995	10,948	10,958	10,855	10,850	10,897	10,903	10,904	10,831	10,753	10,801	11,044	11,207	213	1.9%
	Disabled - Medi-Cal Only	10,819	10,774	10,833	10,814	10,836	10,865	10,839	10,845	10,854	10,882	10,851	10,902	10,922	104	1.0%
	Adult Expansion	71,465	71,082	70,635	70,418	70,285	69,889	69,069	68,130	68,372	69,272	70,458	72,546	74,553	3,088	4.3%
	BCCTP	11	10	10	10	10	12	11	11	11	11	11	11	11	0	0.0%
	Long Term Care	372	372	364	366	372	371	373	379	373	367	380	398	405	33	8.9%
	Total Non-Duals	212,891	211,711	210,356	209,244	211,845	210,070	208,671	206,228	206,293	208,001	209,926	215,299	219,570	6,679	3.1%

DUAL	Adult (21 Over)	352	351	345	351	341	350	341	330	328	320	311	320	321	(31)	(8.8%)
	SPD (21 Over)	22,988	23,087	23,230	23,445	23,531	23,577	23,498	23,472	23,540	23,541	23,443	23,595	23,508	520	2.3%
	Adult Expansion	253	209	226	201	122	82	177	139	130	136	134	190	241	(12)	(4.7%)
	BCCTP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0%
	Long Term Care	1,213	1,220	1,232	1,237	1,256	1,271	1,308	1,266	1,257	1,231	1,235	1,252	1,248	35	2.9%
	Total Duals	24,806	24,867	25,033	25,234	25,250	25,280	25,324	25,207	25,255	25,228	25,123	25,357	25,318	512	2.1%

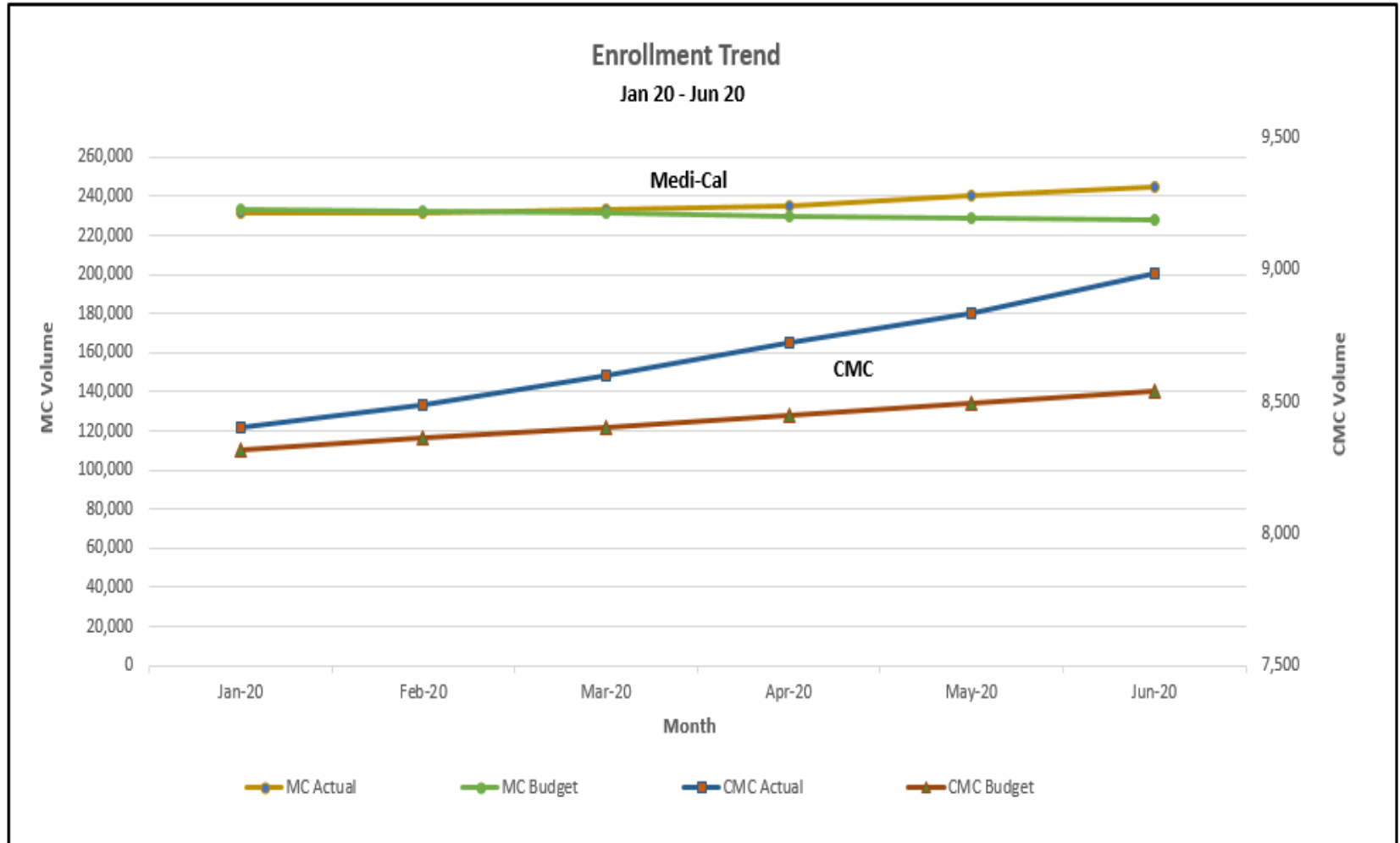
Total Medi-Cal	237,697	236,578	235,389	234,478	237,095	235,350	233,995	231,435	231,548	233,229	235,049	240,656	244,888	7,191	3.0%
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Healthy Kids	3,486	3,501	3,509	3,512	2	2	2	0	0	0	0	0	0	-3,486	(100.0%)
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CMC	CMC Non-Long Term Care	7,815	7,869	7,921	7,982	8,016	8,069	8,206	8,177	8,261	8,388	8,511	8,625	8,775	960	12.3%
	CMC - Long Term Care	207	207	213	212	217	220	222	224	225	213	214	212	212	5	2.4%
	Total CMC	8,022	8,076	8,134	8,194	8,233	8,289	8,428	8,401	8,486	8,601	8,725	8,837	8,987	965	12.0%

Total Enrollment	249,205	248,155	247,032	246,184	245,330	243,641	242,425	239,836	240,034	241,830	243,774	249,493	253,875	4,670	1.9%
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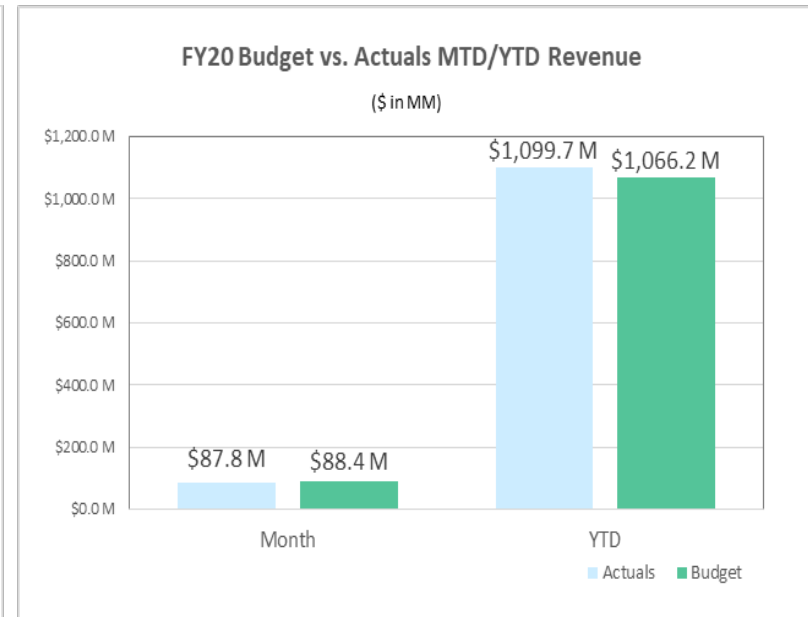
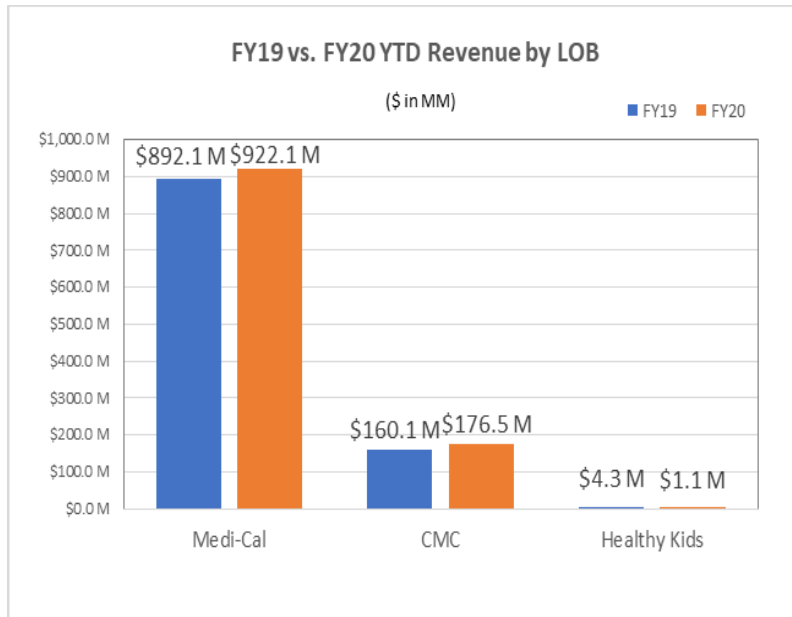
Enrollment Trend



Revenue

Current month revenue of \$87.8M is \$610K or 0.7% unfavorable to budget of \$88.4M. The current month variance was primarily due to the following:

- CMC Medicare CY19 Part-C and Part-D RA Reconciliation, net favorable of \$4.9M.
- Higher FY20 MC Dual base rate and enrollment than budget, net favorable of \$1.1M.
- Increased Prop 56 revenue accrual of \$756K due to rate increase (with an offsetting increase to medical expense).
- 1.5% MC Non-Dual base rate reduction retro actively to July 2019 and CMC Medi-Cal prior year retro adjustments; combined with higher enrollment than budget, net unfavorable of \$7.4M.

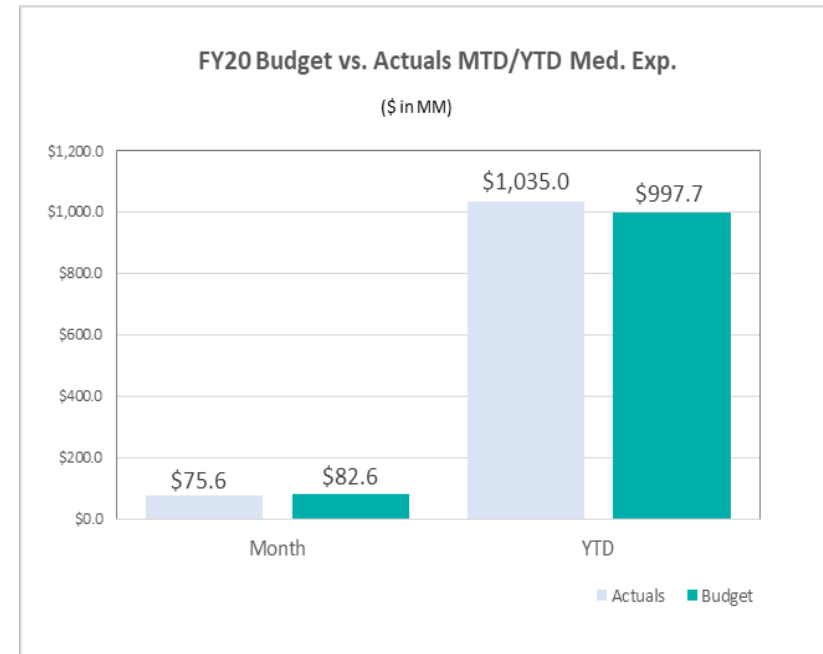
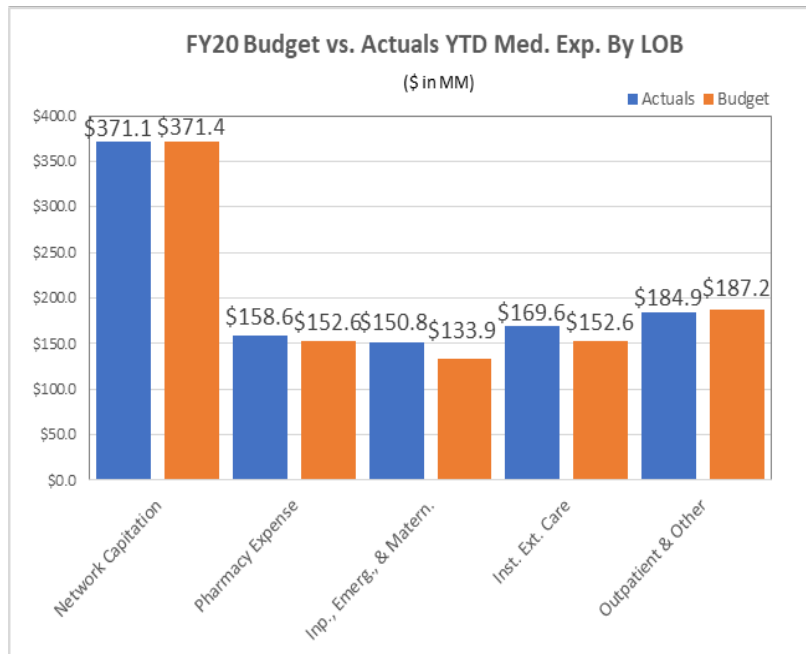


Medical Expense

Current month medical expense of \$75.6M is \$7.0M or 8.5% favorable to budget of \$82.6M.

The current month variance was due largely to:

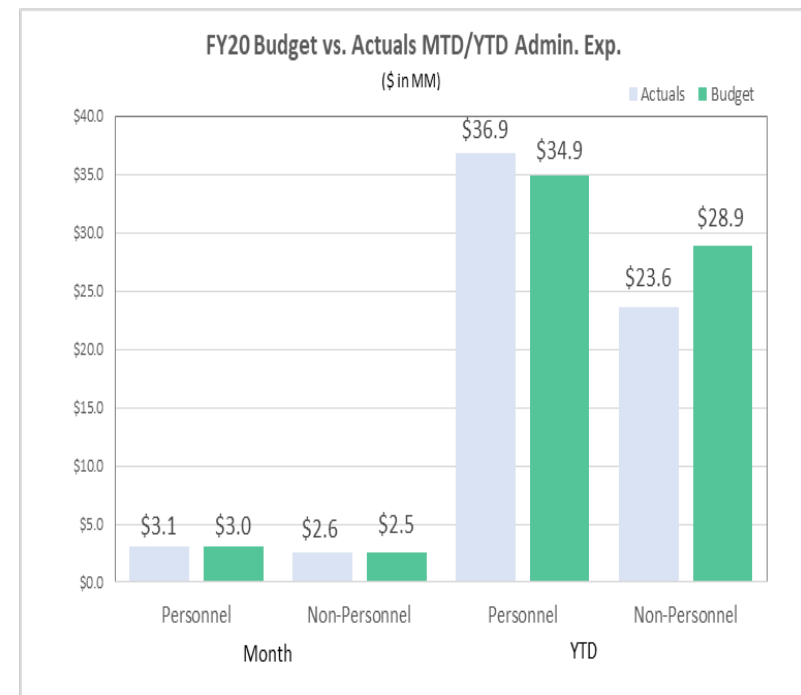
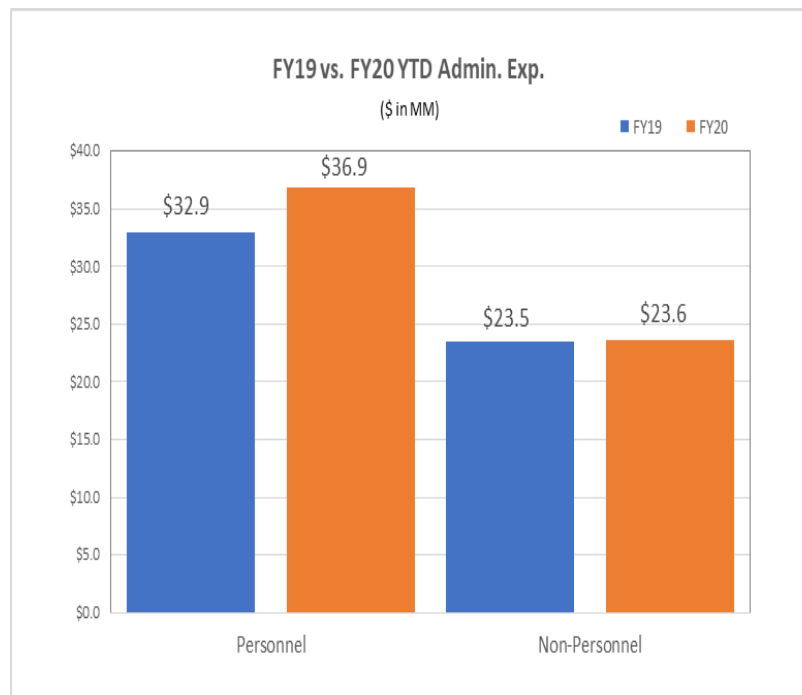
- Certain higher fee-for-service expenses, including Inpatient Hospital and Long-Term-Care (LTC), were \$7.3M unfavorable to budget.
- Increased BHT utilization of \$533K is unfavorable to budget (with offsetting increase to revenue).
- Favorable FY20 Prop 56 expense accrual of \$3.1M due to year-end reconciliation.
- Estimated member incentive and quality accruals adjusted to actuals.



Administrative Expense

Current month admin expense of \$5.7M is \$160K or 2.9% unfavorable to budget of \$5.5M. The current month variances were primarily due to the following:

- Personnel expenses were \$57K or 1.9% unfavorable to budget due to slightly higher average salaries partially offset by a lower head count.
- Non-Personnel expenses were \$103K or 4.1% unfavorable to budget due to year-end accruals of member incentives, netted with reductions in contract services and lower pharmacy administrative fees than budgeted (dispensing fees are now recorded as medical expense).



Balance Sheet



- Current assets totaled \$881.3M compared to current liabilities of \$704.0M, yielding a current ratio (Current Assets/Current Liabilities) of 1.25:1 vs. the DMHC minimum requirement of 1.0:1.
- Cash balance increased by \$34.5M compared to the cash balance as of year-end June 30, 2019 due to timing of payments received and paid.
- Current Cash & Equivalents components and yields were as follows:

Description	Cash & Investments	Current Yield %	Interest Income	
			Month	YTD
Short-Term Investments				
County of Santa Clara Comingled Pool	\$105,759,086	1.54%	\$437,140	\$1,801,408
Wells Fargo Investments	\$199,883,355	0.70%	\$41,966	\$2,668,685
	<u>\$305,642,441</u>		<u>\$479,106</u>	<u>\$4,470,093</u>
Cash & Equivalents				
Bank of the West Money Market	\$283,287	0.07%	\$173	\$66,221
Wells Fargo Bank Accounts	\$27,727,892	0.05%	\$1,828	\$1,339,739
	<u>\$28,011,179</u>		<u>\$2,000</u>	<u>\$1,405,960</u>
Assets Pledged to DMHC				
Restricted Cash	\$305,350	0.42%	\$107	\$1,473
Petty Cash	\$500	0.00%	\$0	\$0
Month-End Balance	<u>\$333,959,470</u>		<u>\$481,213</u>	<u>\$5,877,526</u>

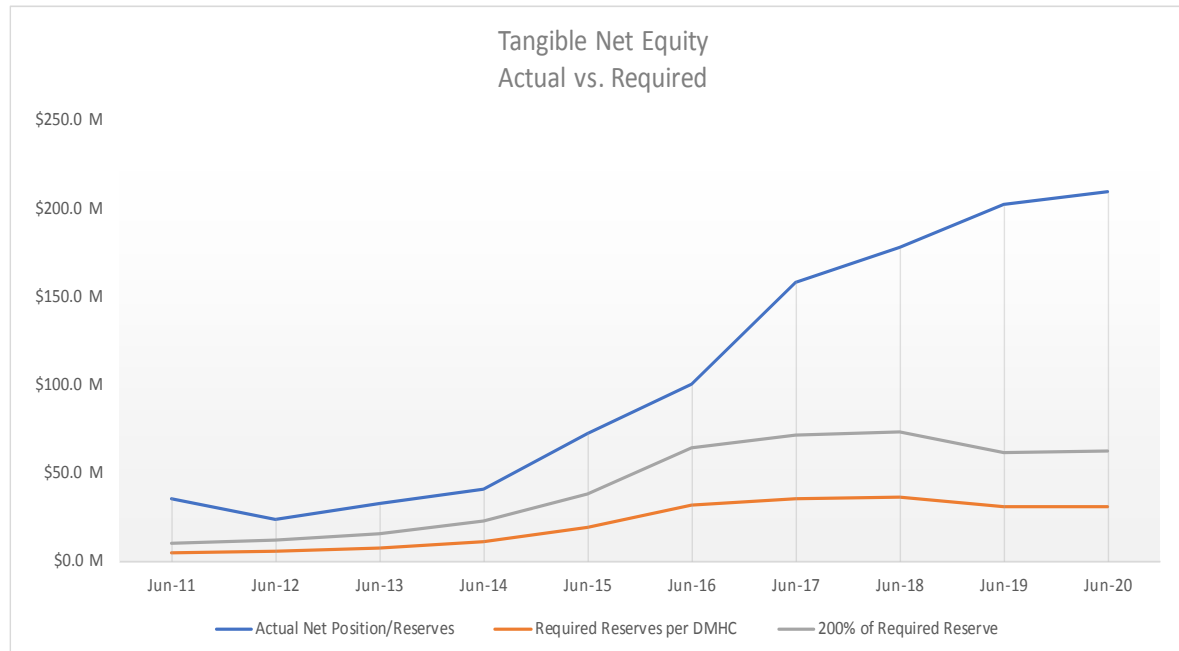
- County of Santa Clara Comingled Pool funds have longer term investments which are currently yielding a higher rate than WFB investments.
- Overall cash and investment yield is lower than budget (0.91% actual vs. 1.4% budgeted).

Tangible Net Equity

- TNE was \$209.2M - representing approximately two months of the Plan's total expenses.

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

	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20
Actual Net Position/Reserves	\$36.1 M	\$24.2 M	\$32.6 M	\$40.9 M	\$72.6 M	\$100.3 M	\$158.4 M	\$178.0 M	\$202.1 M	\$209.2 M
Required Reserves per DMHC	\$5.0 M	\$5.9 M	\$7.8 M	\$11.4 M	\$19.3 M	\$32.4 M	\$35.9 M	\$36.8 M	\$30.9 M	\$31.3 M
200% of Required Reserve	\$10.0 M	\$11.8 M	\$15.6 M	\$22.9 M	\$38.5 M	\$64.8 M	\$71.8 M	\$73.6 M	\$61.8 M	\$62.6 M
Actual as % Required	722.5%	410.2%	418.5%	357.5%	376.9%	309.8%	441.2%	483.4%	654.4%	668.7%



Reserves Analysis

SCFHP RESERVES ANALYSIS JUNE 2020			
Financial Reserve Target #1: Tangible Net Equity			
	Approved	Expended	Balance
Unrestricted Net Assets			\$ 165,074,404 *
Board Designated Funds (Note 1):			
Special Project Funding for CBOs	\$4,000,000	\$540,726	\$3,459,274
Innovation & COVID-19 Fund	\$16,000,000	\$2,119,999	\$13,880,001
Subtotal	\$20,000,000	\$2,660,725	\$17,339,275
Net Book Value of Fixed Assets			\$26,484,767
Restricted Under Knox-Keene Agreement			\$305,350
Total Tangible Net Equity (TNE)			\$209,203,795
Current Required TNE			\$31,286,384
TNE %			668.7%
SCFHP Target TNE Range:			
350% of Required TNE (Low)			\$109,502,344
500% of Required TNE (High)			\$156,431,920
Total TNE Above/(Below) SCFHP Low Target			\$99,701,451
Total TNE Above/(Below) High Target			\$52,771,875
Financial Reserve Target #2: Liquidity			
Cash & Investments			\$333,959,470
Less Pass-Through Liabilities			
MCO Tax Payable to State of CA			(48,615,420)
Whole Person Care / Prop 56			(34,895,049)
Other Pass-Through Liabilities (Note 2)			(801,274)
Total Pass-Through Liabilities			(84,311,743)
Net Cash Available to SCFHP			249,647,726
SCFHP Target Liquidity (Note 3)			
45 Days of Total Operating Expense			(132,228,017)
60 Days of Total Operating Expense			(176,304,023)
Liquidity Above/(Below) SCFHP Low Target			117,419,709
Liquidity Above/(Below) High Target			\$73,343,703

* Unrestricted Net Assets represents less than two months of total expenses.

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

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

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

Capital Expenditures

- Majority of the capital variances are building improvements and software due to timing of certain projects having been postponed.

Expenditure	YTD Actual	Annual Budget
Hardware	\$527,086	\$620,000
Software	\$271,300	\$1,029,000
Building Improvements	\$1,664,409	\$3,149,500
TOTAL	\$2,462,795	\$4,798,500

Postponed / Ongoing Projects:

- Building Improvements: Trash enclosure, solar system, AV installations, sound proofing, new roof hatch access, and building directional signage.
- Software: EDI process improvement, portal enhancement, network security enhancement, HEDIS vendor implementation, payable process improvement, and email encryption solution.



Santa Clara Family
Health Plan™

Financial Statements

Income Statement



Santa Clara County Health Authority INCOME STATEMENT For Twelve Months Ending June 30, 2020

	Jun-2020	% of	Jun-2020	% of	Current Month Variance		YTD Jun-2020	% of	YTD Jun-2020	% of	YTD Variance	
	Actuals	Rev	Budget	Rev	\$	%	Actuals	Rev	Budget	Rev	\$	%
REVENUES												
MEDI-CAL	\$ 69,146,324	78.7%	\$ 73,650,253	83.3%	\$ (4,503,929)	-6.1%	\$ 922,095,471	83.8%	\$ 895,160,703	84.0%	\$ 26,934,767	3.0%
CMC MEDI-CAL	1,944,580	2.2%	2,978,534	3.4%	(1,033,954)	-34.7%	34,839,582	3.2%	34,704,820	3.3%	134,762	0.4%
CMC MEDICARE	16,735,577	19.1%	11,807,964	13.4%	4,927,613	41.7%	141,653,148	12.9%	135,330,603	12.7%	6,322,545	4.7%
TOTAL CMC	18,680,158	21.3%	14,786,498	16.7%	3,893,660	26.3%	176,492,730	16.0%	170,035,423	15.9%	6,457,307	3.8%
HEALTHY KIDS	0	0.0%	0	0.0%	0	0.0%	1,123,789	0.1%	1,043,572	0.1%	80,218	7.7%
TOTAL REVENUE	\$ 87,826,482	100.0%	\$ 88,436,751	100.0%	\$ (610,269)	-0.7%	\$ 1,099,711,989	100.0%	\$ 1,066,239,698	100.0%	\$ 33,472,291	3.1%
MEDICAL EXPENSES												
MEDI-CAL	\$ 62,873,571	71.6%	\$ 68,930,209	77.9%	\$ 6,056,637	8.8%	\$ 871,882,743	79.3%	\$ 837,239,951	78.5%	\$ (34,642,791)	-4.1%
CMC MEDI-CAL	2,381,435	2.7%	3,138,083	3.5%	756,648	24.1%	33,172,647	3.0%	36,582,991	3.4%	3,410,344	9.3%
CMC MEDICARE	10,329,430	11.8%	10,548,282	11.9%	218,853	2.1%	129,050,874	11.7%	122,750,820	11.5%	(6,300,054)	-5.1%
TOTAL CMC	12,710,865	14.5%	13,686,366	15.5%	975,501	7.1%	162,223,521	14.8%	159,333,811	14.9%	(2,889,711)	-1.8%
HEALTHY KIDS	82	0.0%	0	0.0%	(82)	0.0%	872,284	0.1%	1,123,405	0.1%	251,121	22.4%
TOTAL MEDICAL EXPENSES	\$ 75,584,518	86.1%	\$ 82,616,574	93.4%	\$ 7,032,056	8.5%	\$ 1,034,978,548	94.1%	\$ 997,697,167	93.6%	\$ (37,281,380)	-3.7%
MEDICAL OPERATING MARGIN	\$ 12,241,963	13.9%	\$ 5,820,176	6.6%	\$ 6,421,787	110.3%	\$ 64,733,442	5.9%	\$ 68,542,531	6.4%	\$ (3,809,089)	-5.6%
ADMINISTRATIVE EXPENSE												
SALARIES AND BENEFITS	\$ 3,085,685	3.5%	\$ 3,028,759	3.4%	\$ (56,926)	-1.9%	\$ 36,878,224	3.4%	\$ 34,868,059	3.3%	\$ (2,010,165)	-5.8%
RENTS AND UTILITIES	43,867	0.0%	2,383	0.0%	(41,484)	-1740.8%	273,314	0.0%	133,000	0.0%	(140,314)	-105.5%
PRINTING AND ADVERTISING	36,640	0.0%	71,115	0.1%	34,475	48.5%	132,945	0.0%	886,358	0.1%	753,413	85.0%
INFORMATION SYSTEMS	287,960	0.3%	299,410	0.3%	11,450	3.8%	3,038,252	0.3%	3,649,920	0.3%	611,668	16.8%
PROF FEES/CONSULTING/TEMP STAFFING	1,228,965	1.4%	1,388,977	1.6%	160,012	11.5%	12,438,316	1.1%	15,210,953	1.4%	2,772,637	18.2%
DEPRECIATION/INSURANCE/EQUIPMENT	301,852	0.3%	347,736	0.4%	45,884	13.2%	3,896,041	0.4%	4,444,540	0.4%	548,499	12.3%
OFFICE SUPPLIES/POSTAGE/TELEPHONE	33,872	0.0%	84,740	0.1%	50,868	60.0%	682,647	0.1%	1,087,290	0.1%	404,643	37.2%
MEETINGS/TRAVEL/DUES	89,700	0.1%	112,067	0.1%	22,367	20.0%	1,087,601	0.1%	1,494,037	0.1%	406,436	27.2%
OTHER	587,308	0.7%	200,250	0.2%	(387,058)	-193.3%	2,044,448	0.2%	1,994,501	0.2%	(49,947)	-2.5%
TOTAL ADMINISTRATIVE EXPENSES	\$ 5,695,849	6.5%	\$ 5,535,437	6.3%	\$ (160,412)	-2.9%	\$ 60,471,786	5.5%	\$ 63,768,658	6.0%	\$ 3,296,871	5.2%
OPERATING SURPLUS (LOSS)	\$ 6,546,114	7.5%	\$ 284,739	0.3%	\$ 6,261,375	2199.0%	\$ 4,261,655	0.4%	\$ 4,773,873	0.4%	\$ (512,218)	-10.7%
ALLOWANCE FOR UNCOLLECTED PREMIUM	0	0.0%	0	0.0%	0	0.0%	42330	0.0%	0	0.0%	(42,330)	0.0%
GASB 75 - POST EMPLOYMENT BENEFITS EXPENSE	2,059,780	2.3%	60,000	0.1%	(1,999,780)	-3333.0%	2,732,576	0.2%	720,000	0.1%	(2,012,576)	-279.5%
GASB 68 - UNFUNDED PENSION LIABILITY	75,000	0.1%	75,000	0.1%	0	0.0%	884,780	0.1%	900,000	0.1%	15,220	1.7%
NON-OPERATING EXPENSES	\$ 2,134,780	2.4%	\$ 135,000	0.2%	\$ (1,999,780)	-1481.3%	\$ 3,659,686	0.3%	\$ 1,620,000	0.2%	\$ (2,039,686)	-125.9%
INTEREST & OTHER INCOME	578,012	0.7%	379,225	0.4%	198,787	52.4%	6,476,073	0.6%	4,550,701	0.4%	1,925,372	42.3%
NET NON-OPERATING ACTIVITIES	\$ (1,556,768)	-1.8%	\$ 244,225	0.3%	\$ (1,800,993)	-737.4%	\$ 2,816,387	0.3%	\$ 2,930,701	0.3%	\$ (114,314)	-3.9%
NET SURPLUS (LOSS)	\$ 4,989,346	5.7%	\$ 528,964	0.6%	\$ 4,460,382	843.2%	\$ 7,078,042	0.6%	\$ 7,704,574	0.7%	\$ (626,532)	-8.1%

Balance Sheet



SANTA CLARA COUNTY HEALTH AUTHORITY
For Twelve Months Ending June 30, 2020

	Jun-2020	May-2020	Apr-2020	Jun-2019
Assets				
Current Assets				
Cash and Investments	333,959,470	332,309,770	373,998,823	299,422,504
Receivables	537,525,765	514,792,547	512,264,590	751,066,126
Prepaid Expenses and Other Current Assets	9,794,696	9,197,248	10,805,210	12,140,087
Total Current Assets	881,279,930	856,299,565	897,068,624	1,062,628,716
Long Term Assets				
Property and Equipment	47,221,565	47,057,842	46,874,600	44,758,770
Accumulated Depreciation	(20,736,798)	(20,488,117)	(20,234,109)	(17,366,530)
Total Long Term Assets	26,484,767	26,569,725	26,640,491	27,392,239
Total Assets	907,764,697	882,869,290	923,709,114	1,090,020,956
Deferred Outflow of Resources	9,237,609	9,237,609	9,237,609	9,237,609
Total Assets & Deferred Outflows	917,002,306	892,106,899	932,946,723	1,099,258,565
Liabilities and Net Assets:				
Current Liabilities				
Trade Payables	10,184,853	8,754,864	11,118,630	6,205,578
Employee Benefits	2,174,389	2,236,330	2,013,844	1,821,153
Retirement Obligation per GASB 75	4,126,292	3,348,012	3,288,233	3,943,286
Advance Premium - Healthy Kids	0	0	0	91,917
Deferred Revenue - Medicare	191,510	262,932	262,932	0
Whole Person Care / Prop 56	34,895,049	36,230,332	35,440,767	17,810,066
Pass-Throughs Payable	801,274	2,779,005	39,857,332	279,667,432
Due to Santa Clara County Valley Health Plan and Kaiser	32,545,075	35,214,782	32,843,615	19,214,176
MCO Tax Payable - State Board of Equalization	48,615,420	40,512,850	32,410,280	26,353,889
Due to DHCS	48,513,577	31,650,545	38,041,327	26,789,199
Liability for In Home Support Services (IHSS)	419,268,582	416,092,527	416,092,527	416,092,527
Current Premium Deficiency Reserve (PDR)	8,294,025	8,294,025	8,294,025	8,294,025
Medical Cost Reserves	94,318,096	98,732,818	105,190,703	87,855,016
Total Current Liabilities	703,952,066	684,116,996	724,854,213	894,138,263
Non-Current Liabilities				
Net Pension Liability GASB 68	851,897	780,905.29	709,914	0
Total Non-Current Liabilities	851,897	780,905	709,914	0
Total Liabilities	704,803,963	684,897,902	725,564,127	894,138,263
Deferred Inflow of Resources	2,994,548	2,994,548	2,994,548	2,994,548
Net Assets				
Board Designated Fund: Special Project Funding for CBOs	3,459,274	3,459,274	3,459,274	2,200,000
Board Designated Fund: Innovation & COVID-19 Fund	13,880,001	13,950,001	13,950,001	0
Invested in Capital Assets (NBV)	26,484,767	26,569,725	26,640,491	27,392,239
Restricted under Knox-Keene agreement	305,350	305,350	305,350	305,350
Unrestricted Net Equity	157,996,362	157,841,404	157,770,638	148,118,273
Current YTD Income (Loss)	7,078,042	2,088,696	2,262,295	24,109,891
Total Net Assets / Reserves	209,203,795	204,214,449	204,388,048	202,125,753
Total Liabilities, Deferred Inflows and Net Assets	917,002,306	892,106,899	932,946,723	1,099,258,565

Cash Flow Statement



	<u>Jun-2020</u>	<u>Year-to-date</u>
Cash Flows from Operating Activities		
Premiums Received	\$90,058,866	\$1,357,238,260
Medical Expenses Paid	(79,492,891)	(1,012,008,514)
Administrative Expenses Paid	(9,330,563)	(314,706,057)
Net Cash from Operating Activities	\$1,235,412	\$30,523,689
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(163,723)	(2,462,795)
Cash Flows from Investing Activities		
Interest Income and Other Income (Net)	578,012	6,476,073
Net Increase/(Decrease) in Cash & Cash Equivalents	1,649,700	34,536,966
Cash & Investments (Beginning)	332,309,770	299,422,504
Cash & Investments (Ending)	\$333,959,470	\$333,959,470
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Income/(Loss)	\$4,411,334	\$601,969
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	248,682	3,370,268
Changes in Operating Assets/Liabilities		
Premiums Receivable	(22,733,217)	213,540,361
Prepays & Other Assets	(597,448)	2,345,391
Accounts Payable & Accrued Liabilities	(1,222,159)	(257,142,141)
State Payable	24,965,602	43,985,910
IGT, HQAF & Other Provider Payables	(2,669,707)	13,330,899
Net Pension Liability	70,991	851,897
Medical Cost Reserves & PDR	(4,414,722)	6,463,079
Total Adjustments	(3,175,923)	29,921,719
Net Cash from Operating Activities	\$1,235,412	\$30,523,689

Statement of Operations by Line of Business - YTD



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

	Medi-Cal	CMC Medi-Cal	CMC Medicare	Total CMC	Healthy Kids	Grand Total
P&L (ALLOCATED BASIS)						
REVENUE	\$922,095,471	\$34,839,582	\$141,653,148	\$176,492,730	\$1,123,789	\$1,099,711,989
MEDICAL EXPENSE (MLR)	\$871,882,743 94.6%	\$33,172,647 95.2%	\$129,050,874 91.1%	\$162,223,521 91.9%	\$872,284 77.6%	\$1,034,978,548 94.1%
GROSS MARGIN	\$50,212,728	\$1,666,935	\$12,602,274	\$14,269,208	\$251,505	\$64,733,442
ADMINISTRATIVE EXPENSE (% of Revenue Allocation)	\$50,704,876	\$1,915,785	\$7,789,329	\$9,705,114	\$61,796	\$60,471,786
OPERATING INCOME/(LOSS) (% of Revenue Allocation)	(\$492,148)	(\$248,850)	\$4,812,944	\$4,564,094	\$189,710	\$4,261,655
OTHER INCOME/(EXPENSE) (% of Revenue Allocation)	\$2,361,507	\$89,225	\$362,777	\$452,002	\$2,878	\$2,816,387
NET INCOME/(LOSS)	\$1,869,359	(\$159,625)	\$5,175,721	\$5,016,096	\$192,588	\$7,078,042
PMPM (ALLOCATED BASIS)						
REVENUE	\$325.86	\$343.62	\$1,397.10	\$1,740.71	\$106.74	\$373.85
MEDICAL EXPENSES	\$308.12	\$327.18	\$1,272.80	\$1,599.98	\$82.85	\$351.84
GROSS MARGIN	\$17.74	\$16.44	\$124.29	\$140.73	\$23.89	\$22.01
ADMINISTRATIVE EXPENSES	\$17.92	\$18.90	\$76.82	\$95.72	\$5.87	\$20.56
OPERATING INCOME/(LOSS)	-\$0.17	-\$2.45	\$47.47	\$45.01	\$18.02	\$1.45
OTHER INCOME/(EXPENSE)	\$0.83	\$0.88	\$3.58	\$4.46	\$0.27	\$0.96
NET INCOME/(LOSS)	\$0.66	-\$1.57	\$51.05	\$49.47	\$18.29	\$2.41
ALLOCATION BASIS:						
MEMBER MONTHS - YTD	2,829,690	101,391	101,391	101,391	10,528	2,941,609
REVENUE BY LOB	83.8%	3.2%	12.9%	16.0%	0.1%	100.0%

Fiscal Year 2019-2020 Team Incentive Compensation
June 27, 2019

Performance Level	Payout (% of salary/wages)	Medi-Cal HEDIS (measures below 50th percentile)	CMC HEDIS (composite average)	Medi-Cal Member Calls (average speed of answer in seconds)	Compliance Metrics (% of dashboard metrics in compliance)
<i>weighting</i>		20%	20%	20%	40%
Maximum	5%	≤ 3	62% - 100%	≤ 90	97% - 100%
Target	3%	4	60% - 61.9%	91 - 120	94% - 96.9%
Minimum	1%	5	58% - 59.9%	121 - 150	91% - 93.9%

Calculation:

- 0.20 (Medi-Cal HEDIS Payout %) + 0.20 (CMC HEDIS Payout %) + 0.20 (Service Level Payout %) + 0.40 (Compliance Metrics Payout %) = **Overall Percent Payout**
- All staff are eligible to receive the Overall Percent Payout multiplied by the salary/wages they were paid as a regular employee from July 2019 through June 2020. (Does not include PTO cash out.)

Process:

- Santa Clara Family Health Plan must achieve a **Net Operating Surplus** as a gate to any incentive award consideration.
- Incentive compensation will be determined upon receipt of the audited financial statements for the fiscal 2019-20 performance year.
- **Medi-Cal HEDIS** will be calculated as the number of measures with scores below the HEDIS 50th percentile.
- **CMC HEDIS** will be calculated as the overall average of the percentage performance on each HEDIS measure.
- **Medi-Cal Member Calls** will be calculated as the average number of seconds a member waits on the line before a Customer Service representative answers the call (July 2019 – June 2020).
- **Compliance Metrics** will be calculated as the percent of compliance dashboard measures that meet or exceed regulatory requirements (July 2019 – June 2020).
- To be eligible to receive a payout, an employee must be employed by Santa Clara Family Health Plan in a regular position at the time of distribution.

DRAFT

Fiscal Year 2020-2021 Team Incentive Compensation
August 27, 2020

Performance Level	Payout (% of salary/wages)	Medi-Cal HEDIS (average performance score)	CMC HEDIS (average performance score)	Compliance Metrics (% of dashboard metrics in compliance)
<i>weighting</i>		30%	30%	40%
Maximum	3%	≥ 2.70	≥ 2.25	98% - 100%
Target	2%	2.50-2.69	2.00-2.24	95% - 97.9%
Minimum	1%	2.30-2.49	1.75-1.99	93% - 94.9%

Calculation:

- 0.30 (Medi-Cal HEDIS Payout %) + 0.30 (CMC HEDIS Payout %) + 0.40 (Compliance Metrics Payout %) = **Overall Percent Payout**
- All non-executive staff are eligible to receive the Overall Percent Payout multiplied by the salary/wages they were paid as a regular employee from July 2020 through June 2021. (Does not include PTO cash out.)

Process:

- Santa Clara Family Health Plan must **meet or exceed budgeted financial performance** as a gate to any incentive award consideration.
- Incentive compensation will be determined upon receipt of the audited financial statements for the fiscal 2020-21 performance year.
- **Medi-Cal HEDIS** will be calculated as the average point value of all measures held to the minimum performance level (MPL), based on a four-point scale.
- **CMC HEDIS** will be calculated as the average point value of all measures, based on a four-point scale.
- **Compliance Metrics** will be calculated as the percent of compliance dashboard measures that meet or exceed regulatory requirements (July 2020 – June 2021).
- To be eligible to receive a payout, an employee must be employed by Santa Clara Family Health Plan in a regular position at the time of distribution.

Santa Clara County Health Authority COVID-19 Funding Request Summary

Organization Name:	East Side Union High School District
Project Name:	East Side Access: Community Wireless Project
Contact Name and Title:	Chris D. Funk, Superintendent
Requested Amount:	\$150,000 (\$50,000/year for three years)
Time Period for Project Expenditures:	September 2020 – September 2022
Proposal Submitted to:	Executive/Finance Committee
Date Proposal Submitted for Review:	August 27, 2020

Summary of Proposal:

The East Side Access: Community Wireless Project, led by East Side Union High School District (ESUHSD) and the City of San Jose, is building a Wi-Fi infrastructure to provide free broadband access to East Side families and community members.

There is an opportunity gap between homes that have internet access versus homes that do not. The digital gap further increases the persistent achievement gap that exists in schools that serve a large population of students of color and students living in poverty. These underserved and under-resourced communities are being hit the hardest by COVID-19. Families that do not have access to the internet struggle with the move to “distance learning” that includes interacting through the use of computer and communication technology. They also struggle to meet basic needs such as scheduling a medical appointment, searching for employment, and completing job applications on-line.

Summary of Projected Outcome/Impact:

There are approximately 80,000 residents living in the neighborhoods where wireless access points are being installed. Approximately 15% of these residents do not currently have access to the internet, and will gain access through this project. There are 38,000 students (kindergarten through high school), in the participating school districts. Approximately 7,000 do not currently have access to the internet, and will gain access through this project.

Evaluation Relative to SCFHP COVID-19 Funding Criteria

Criteria	Met/Not Met
1. Demonstrate the need is directly related to the COVID-19 pandemic.	Met
2. Demonstrate the project targets those in the most acute need.	Met
3. Indicate if a one-time need; if longer-term program, how will the need be sustained with resources other than SCFHP.	Met (for the first three years)
4. Demonstrate the applicant is making maximum use of own resources, including reserves and emergency funds.	Met
5. Indicate if funding is being sought from other potential sources.	Met (bond funding being sought)
6. Indicate if a loan/advance could meet the need.	Met (bond funding being sought)
7. Indicate if the request is health care-related (e.g., provider network stabilization).	Indirectly related (access to telehealth, electronic appointment scheduling)
8. Funds are not to be used for other expenses and may not supplant normal recurring funding.	Met
9. Funds are to be used exclusively for direct service provision and not for indirect overhead.	Met



Preparing every student to thrive in a global society.

August 12, 2020

Ms. Christine Tomcala
CEO SCFHP
6201 San Ignacio Avenue
San Jose, CA 95119

Re: Grant Funding - Access Eastside Community Wireless Project

Dear Ms. Tomcala,

Thank you all for your consideration in supporting the East Side Access: Community Wireless Project. As you are aware, East Side Union High School District (ESUHSD) and the City of San Jose have come up with a unique solution. Together, we are building one of the nation's first school district-funded municipal Wi-Fi infrastructures, bringing free broadband access to hundreds of families and thousands of community members.

How does it work? Installing Wireless Access Points to 200 or more light posts and traffic lights per neighborhood, we access the City of San Jose's digital network. Our students join the district's digital platform using our filters while the community accesses the City's open internet.

Funding Expectations: ESUHSD and the City fund the infrastructure and the first two years of operations and maintenance through our technology bond. Members of the East Side Alliance (ESA) provide operations and maintenance costs for years 3, 4, 5. We engineer the wireless based on where our families live. We study the home addresses and then create the network where people are located. The ESA is comprised of ESUHSD, Alum Rock Union School District, Berryessa Union School District, Evergreen School District, Franklin-McKinley School District, Mt. Pleasant Elementary School District, Oak Grove School District and Orchard School District.

Participating districts can utilize ESUHSD's Identity Management system or we can work with the districts to direct their user traffic to their Identity Management system. We have attempted to create a simplified formula that is fair and based on the participation level for each district.

As we add additional sites/neighborhoods, the costs will be adjusted for the districts that are served by those areas. The average maintenance cost at this time is projected to be \$50,000 per neighborhood. Each District would pay their pro rata share.

High School				Total Contribution Over Three-Year Period by Feeder District	
Andrew Hill	Franklin-McKinley SD	Oak Grove SD		Alum Rock Contribution	\$313,000
Evergreen Valley	Evergreen SD			Berryessa Contribution	\$119,054
Independence	Berryessa Union SD	Alum Rock Union SD	Orchard SD	Oak Grove Contribution	\$156,650
James Lick	Alum Rock Union SD			Evergreen Contribution	\$156,650
Oak Grove	Oak Grove SD			Franklin-McKinley Contribution	\$344,630
Wm. C. Overfelt	Alum Rock Union SD	Evergreen SD		Orchard Contribution	\$28,197
Yerba Buena	Franklin-McKinley SD				

The City has identified fiber issues or vacancies that we will mitigate and resolve in the Silver Creek High School and Mt. Pleasant High School neighborhoods. We do not know those costs and have not yet factored them. We can assume that the neighborhoods will cost \$50,000 per year for operations & maintenance, but the installation costs for the fiber have not been developed to the degree that we have a timetable for installation.

Why is the project so important? COVID-19 effectively shut down schools in California and across the nation since last March. This fall, over 90% of school districts in California are starting with distance learning.

There is a clear opportunity gap that exists in homes that have internet versus homes that do not. The digital gap further increases the persistent achievement gap that exists in schools that serve a large population of students of color and students living in poverty. These underserved and under-resourced communities are being hit the hardest by the Novel Coronavirus.

The transition from modern classroom to online learning creates costs and shifts in structure, training and mindset. The unknown is always the infrastructure at home. Our classrooms are modern, well lit, safe and equipped with power and robust internet connections. Our students' homes are too often not equipped to be adequate learning spaces

Ms. Tomcala
Grant Funding - Access Eastside Community Wireless Project
August 12, 2020

Page 3

The California Department of Education defines “distance learning” as instruction in which the student and instructor are in different locations. This may include interacting through the use of computer and communications technology, as well as delivering instruction and check-in time with their teacher. Distance learning may include video or audio instruction in which the primary mode of communication between the student and instructor is online interaction, instructional television, video, telecourses, or other instruction that relies on computer or communications technology. It may also include the use of print materials incorporating assignments that are the subject of written or oral feedback.

Even though we are tasked to prepare our students to be active community members in this digital world, public schools are least prepared for this requirement because, as a state and a nation, we do not fund technology in schools. In addition, families that do not have access to the internet struggle to meet basic needs such as scheduling a medical appointment, avoiding COVID-19, searching for employment and completing job applications online.

Our request is for **\$50,000** per year for three years (**\$150,000**) to support the ongoing maintenance and operations cost for the East Side Alliance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris D. Funk". The signature is stylized with a large initial "C" and "F".

Chris D. Funk
Superintendent

cc: Bob Brownstein, Chair SCFHP Board of Directors

Santa Clara County Health Authority COVID-19 Funding Request

Organization Name: East Side Union High School District (ESUHSD)
Project Name: East Side Access: Community Wireless Project

Supplemental information provided by Chris Funk, Superintendent, ESUHSD, in support of ESUHSD's grant request.

1. Implementation timeline and neighborhoods served

Implementation	Neighborhood	Associated School Districts
October 2018 (students) April 2019 (community)	James Lick	ESUHSD, Alum Rock
June 2020	Overfelt	ESUHSD, Alum Rock
December 2020	Yerba Buena	ESUHSD, Franklin-McKinley
June 2021	Independence, Andrew Hill, Oak Grove	ESUHSD, Alum Rock, Franklin-McKinley, Oak Grove
December 2021	Mt Pleasant, Silver Creek	ESUHSD, Mt Pleasant, Evergreen Valley

2. Installation costs and funding

\$8.3 million, with City of San Jose contributing \$3.4 million and ESUHSD contributing the balance.

3. Operations and maintenance costs and funding

Annual maintenance and operations costs project to be \$50k per neighborhood, with pro rata funding coming from School Districts.

School District	Pro Rata Amount for Operations and Maintenance for Three Years	Funding Status
Alum Rock	\$313,000	Not committed
Berryessa	\$119,054	Committed
Evergreen	156,650	Committed (bond on November ballot)
Franklin-McKinley	344,630	Committed
Mt Pleasant	78,325	Committed (bond on November ballot)
Oak Grove	156,650	Committed
Orchard	28,197	Not committed (small district, no funds)
Total	\$1,196,506	\$620,334 committed with funding source \$234,975 committed with bond on Nov ballot \$341,197 not committed

4. Projected outcome/impact (estimates)

- Residents
 - 80,000 residents living in neighborhoods to be covered by access points
 - 12,000 residents (15%) do not currently have internet access (12,000)
- Students
 - 38,000 students (kindergarten through high school)
 - 7,000 do not currently have internet access
- \$150,000 for operations and maintenance for three years funds approximately 12.5% of projected three-year operations and maintenance costs, providing internet access for residents and students who do not currently have access:
 - 12.5% of 12,000 residents = 1,500 residents
 - 12.5% of 7,000 students = 875 students

Proposition 16

August 27, 2020

SUMMARY

In 1996, California voters passed Proposition 209, a constitutional amendment stating that discrimination and preferential treatment on the basis of a person's or group's race, sex, color, ethnicity, or national origin were prohibited in public employment, public education, and public contracting. The California Supreme Court subsequently defined "discrimination" in this context to mean making "distinctions in treatment; [showing] partiality (in favor of) or prejudice (against)" and defined "preferential" as "giving priority or advantage to one person...over others." Therefore, Prop 209 effectively prohibited the use of affirmative action in California.

In 2020, the California Legislature passed legislation resulting in Proposition 16, which will be on the November 2020 ballot. Proposition 16 would repeal Proposition 209 (1996), removing the ban on affirmative action from the California Constitution. If passed, federal law would become the controlling authority on affirmative action in California. Federal courts have ruled that racial quotas and point systems in higher education admissions are unconstitutional, but have upheld narrowly tailored programs designed serve a compelling state interest (such as educational diversity).

ARGUMENTS IN SUPPORT

- Prop 16 will allow California to have more effective policies aimed at eliminating discrimination in state contracts, hiring, and college admissions.
- These policies could help remedy gender bias and racism, leading to a more accurate reflection of our shared values.
- Repealing Prop 209 would remove a barrier to equal opportunity policies that only eight states have, thus increasing California's ability to level the playing field.

ARGUMENTS IN OPPOSITION

- Because Asian-Americans are overrepresented in the University of California system, with 40% of enrollees versus 15% of the State's population, efforts to increase enrollment among underrepresented populations will come at their expense.
- California could implement policies that violate the 14th Amendment.
- Prop 16 would de-prioritize comprehensive education reform as a solution to racial inequality, and lead to government-sanctioned racism and sexism.