



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

Thursday, April 22, 2021, 11:30 AM – 1:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

Minutes - Approved

Members Present

Dolores Alvarado
Bob Brownstein
Dave Cameron
Liz Kniss
Sue Murphy

Staff Present

Christine Tomcala, Chief Executive Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, DO, Chief Medical Officer
Jonathan Tamayo, Chief Information Officer
Chris Turner, Chief Operating Officer
Ngoc Bui-Tong, VP, Strategies & Analytics
Teresa Chapman, VP, Human Resources
Laura Watkins, VP, Marketing & Enrollment
Barbara Granieri, Controller
Tyler Haskell, Director, Government Relations
Khanh Pham, Director, Financial Reporting & Budgeting
Rita Zambrano, Executive Assistant

Others Present

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

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:31 am. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

3. Approve Consent Calendar and Changes to the Agenda

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

- a. Approve minutes of the February 25, 2021 **Executive/Finance Committee** Meeting
- b. Approve **Claims Policies**
 - CL.04 Skilled Nursing Facility
 - CL.05 Long Term Care
 - CL.08 General Physician/Professional Services
 - CL.11 Ambulatory Surgery Center
 - CL.14 Processing of Radiology Claims
 - CL.15 Processing of Anesthesia Claims
 - CL.16 Processing of Drugs & Biologicals Claims



- CL.17 Processing of Durable Medical Equipment, Orthotics, and Prosthetics Claims
- CL.18 Processing of Home Health Claims
- CL.28 Other Health Coverage Cost Avoidance and Post-Payment Recovery

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

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

4. CEO Update

Christine Tomcala, Chief Executive Officer, presented the updated SCFHP COVID-19 Summary, noting SCFHP is holding vaccine clinics for the community at our Blanca Alvarado Community Resource Center in collaboration with the County. She presented data on the percentage of SCFHP members by age band who received at least one COVAX dose compared to the County, as well as a breakdown of the percentage of members who received a vaccine by ethnicity. She noted the groups with lower than average vaccine uptake include the Hispanic, African Ancestry, and American Indian communities. Ms. Tomcala further noted we inquire about vaccine hesitancy concerns when making outreach calls to members to assist with scheduling vaccine appointments. Discussion ensued regarding potential opportunities to assist members in overcoming vaccine hesitancy.

5. Government Relations Update

Tyler Haskell, Director, Government Relations, provided an update on relevant state, federal and local government activity. He first gave an overview of the recently-enacted American Rescue Plan, specifically mentioning the inclusion of local government budget relief. He then gave an overview of the status of the state budget and state legislation that would impact the Plan. Mr. Haskell also discussed the President's new infrastructure plan and health care provisions it may contain, including sweeping reforms to prescription drug laws.

6. Provider Payment Solution Vendor Selection

Chris Turner, Chief Operating Officer, provided an overview of the selection process for a Provider Payment Solution vendor. The highest scoring vendor responding to the RFP was PaySpan, and their pricing was comparable to the current vendor.

It was moved, seconded and unanimously approved to authorize the Chief Executive Officer to negotiate, execute, amend, and terminate a contract with Payspan based on RFP pricing.

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

7. Trizetto NetworX Pricer and Modeler

Jonathan Tamayo, Chief Information Officer, presented a proposal for the Cognizant NetworX claims pricing and modeling tool, designed to allow payers to compare and implement complex contract terms.

It was moved, seconded and unanimously approved to authorize the Chief Executive Officer to negotiate, execute, amend, and terminate a contract amendment with Cognizant at a cost of \$377,000 for the perpetual license fee and implementation, plus \$50,000 for annual maintenance.

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



8. February 2021 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the February 2021 financial statements, which reflected a current month net surplus of \$4.8 million (\$6.6 million favorable to budget) and a fiscal year-to-date net surplus of \$11.9 million (\$14.7 million favorable to budget). Enrollment increased by 2,088 members from the prior month to 274,988 members (2,720 members favorable to budget). The year-to-date membership growth due to COVID-19 has exceeded budget due to the extended duration of the pandemic versus budgeted enrollment and will be sustained for a longer period of time due to the continued public health emergency. Revenue reflected a favorable current month variance of \$19.5 million (17.5%) largely due to (1) additional capitation received due to the delayed carve-out of Medi-Cal pharmacy from managed care, and (2) unanticipated DHCS capitation payments for fiscal years 2014-2017. Medical Expense reflected an unfavorable current month variance of \$12.6 million (14.4%) largely due to (1) additional expenses due to the delayed carve-out of Medi-Cal pharmacy from managed care (offsetting the associated Pharmacy revenue), and (2) certain fee-for-service expenses in excess of budget, some of which are related to COVID. Administrative Expense reflected an unfavorable current month variance of \$417 thousand (7.8%) due largely to the timing of certain non-personnel expenses. The balance sheet reflected a Current Ratio of 1.23:1, versus the minimum required by DMHC of 1.00:1. Tangible Net Equity of \$220.6 million, which represented approximately two months of the Plan's total expenses, included unrestricted net assets of \$175 million. Year-to-date capital investments of \$3.7 million were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

It was moved, seconded, and the February 2021 Financial Statements were **unanimously approved.**

Motion: Mr. Cameron

Second: Mr. Brownstein

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

9. Annual Investment Policy Review

Mr. Jarecki presented updates to the Investment Policy, as recommended following an annual review by Sperry Capital.

It was moved, seconded, and the updated Investment Policy FA.07 v3 was **unanimously approved.**

Motion: Mr. Cameron

Second: Ms. Murphy

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

Dave Cameron and Liz Kniss left the meeting at 12:57 pm.

10. Donations and Sponsorships Policy

Laura Watkins, VP, Marketing & Enrollment, presented the Donations and Sponsorships Policy, noting a change in the annual limit from \$150,000 to \$200,000.

It was moved, seconded and the updated Donations & Sponsorships Policy GO.04 v2 was **unanimously approved.**

Motion: Ms. Murphy

Second: Mr. Brownstein

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

Absent: Mr. Cameron, Ms Kniss



11. Adjournment

The meeting was adjourned at 1:00 pm.

DocuSigned by:

Sue Murphy

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Susan G. Murphy, Secretary