



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

Thursday, May 27, 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

Bob Brownstein
 Dolores Alvarado
 Dave Cameron
 Liz Kniss
 Sue Murphy

Staff Present

Christine Tomcala, Chief Executive Officer
 Neal Jarecki, Chief Financial Officer
 Laurie Nakahira D.O, Chief Medical Officer
 Jonathan Tamayo, Chief Information Officer
 Chris Turner, Chief Operating Officer
 Ngoc Bui-Tong, VP, Strategies & Analytics
 Teresa Chapman, VP, Human Resources
 Laura Watkins, VP, Marketing & Enrollment
 Barbara Granieri, Controller
 Lori Andersen, Director, Long Term Services & Supports
 Tyler Haskell, Director, Government Relations
 Johanna Liu, Director, Quality & Process Improvement
 Khanh Pham, Director, Financial Reporting & Budgeting
 Rita Zambrano, Executive Assistant

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:36 am. Roll Call was taken and a quorum was established.

Ms. Alvarado asked the Committee and staff to take a moment of silence to honor those in the community who were severely impacted by the VTA shooting tragedy.

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 items would be approved in one motion.

a. Approve minutes of the April 22, 2021 **Executive/Finance Committee** Meeting

b. Approve **Claims Policies**

- CL.06 Inpatient Admission
- CL.10 Provider Dispute Resolution
- CL.12 Coordination of Benefits and Medicare-Medi-Cal Crossover Claims
- CL.19 Processing of Rehabilitation Therapies Claims
- CL.20 Processing of Inpatient Psychiatric Facility and Outpatient Behavioral Mental Health Claims
- CL.23 Overpayment Recovery
- CL.24 Timely Processing of Non-Clean Claims

- CL.25 Direct Member Reimbursement
- CL.26 Claim Development of Non-Clean Non-Contracted Medicare Claims
- CL.27 Non-Medical Transportation Services

c. Approve Finance Policies

- FA.01 Finance-General
- FA.02 Cash & Cash Receipts
- FA.03 Cash Disbursements
- FA.04 Accounts Receivable & Revenue
- FA.05 Payroll & Employee Expenses
- FA.06 Fixed Assets & Depreciation Expense
- FA.07 Investments
- FA.08 Treasury & Debt
- FA.09 Financial Close & Reporting
- FA.10 Medical Expense & Incurred-But-Not Paid (IBNR)
- FA.11 Healthcare Economics

d. Approve Quarterly Investment Compliance Report

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

Motion: Ms. Kniss

Second: Mr. Brownstein

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 6,333 members have tested positive, 1,781 were hospitalized, and 191 are deceased. In addition, she presented data on the percentage of SCFHP members by age band who received at least one COVAX dose compared to the county, and a breakdown of the percentage of members who received a vaccine by ethnicity. It was noted that the Hispanic, African Ancestry, and American Indian communities had lower COVAX percentages than the 47% Plan average for members age twelve and up. Ms. Tomcala further reported that 841 individuals had been vaccinated at the Blanca Alvarado Community Resource Center (CRC), and noted we started offering a gift card incentive to encourage people to get vaccinated. She also reported staff are actively conducting robocalls and direct outreach to encourage individuals to get their vaccine and to provide assistance with scheduling appointments and transportation. Discussion ensued regarding potential opportunities to assist members in overcoming vaccine hesitancy.

Ms. Tomcala noted a tentative plan to reopen the office after Labor Day. She also reported that the Plan participated with Supervisor Ellenberg in a press conference supporting her proposal on Black Infant Health, which the Board of Supervisors subsequently approved.

5. Government Relations Update

Tyler Haskell, Director of Government Relations, provided an update on federal and state issues affecting the Plan and related advocacy actions. He discussed the infrastructure legislation being debated in Congress, which could contain provisions relating to telehealth and prescription drug pricing. Mr. Haskell also gave an update on the State budget, which was recently modified to include significant enhancements to the Medi-Cal program. Finally, Mr. Haskell discussed other, non-budget legislation relating to CalAIM, COVID-related provider payments, and a statewide health information exchange.

6. March 2021 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the March 2021 financial statements, which reflected a current month net surplus of \$4.5 million (\$7.0 million favorable to budget) and a fiscal year-to-date net surplus of \$16.4 million (\$21.6 million favorable to budget). Enrollment increased by 1,854 members from the prior month to 276,842 members (4,683 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 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 \$16.9 million (18.6%) largely due to (1) additional capitation received due to the delayed carve-out of Medi-Cal pharmacy from managed care, and (2) increased enrollment due to the suspension of disenrollment's, and (3) higher capitation rates than budgeted. Medical Expense reflected an unfavorable current month variance of \$11.0 million (12.54%) largely due to (1) additional expenses due to the delayed carve-out of Medi-Cal pharmacy from managed care (offsetting the associated increased pharmacy revenue), (2) lower than planned FFS utilization reflected in reductions in incurred-but-not-reported (IBNP) reserves, (3) lower than planned Long Term Care (LTC) enrollment and utilization, and (4) retroactive adjustments to capitation expense. Administrative Expense reflected a favorable current month variance of \$1.1 million (19.3%) due largely to the one-time release of an accrual. 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 \$225.1million, which represented approximately two months of the Plan's total expenses, included unrestricted net assets of \$180 million. Year-to-date capital investments of \$3.8 million were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

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

Motion: Mr. Cameron

Second: Ms. Kniss

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

7. COVID-19 Funding Request

Ms. Tomcala presented a funding request for \$100,000 from the YMCA of Silicon Valley to support their Expanded Summer Nutrition Program for Children and Families in the lowest-income neighborhoods. The program would coordinate the distribution of approximately 155,880 meals and snacks to children, and they partner with Second Harvest Food Bank to provide meals for adults in those families.

It was moved, seconded and the YMCA funding request for \$100,000 to support the Expanded Summer Nutrition Program was **unanimously approved**.

Motion: Ms. Murphy

Second: Ms. Kniss

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

8. Adjourn to Closed Session

a. **Contract Rates** (Welfare and Institutions Code Section 14087.38(n)):

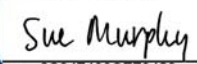
The Executive/Finance Committee met in Closed Session to discuss plan partner rates.

9. Report from Closed Session

Ms. Alvarado reported the Executive/Finance Committee met in Closed Session to discuss plan partner rates.

10. Adjournment

The meeting was adjourned at 1:15 pm.

DocuSigned by:

 Susan G. Murphy, Secretary