



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

Thursday, June 23, 2022, 12:00 PM – 2:30 PM
Santa Clara Family Health Plan - Teleconference
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present

Bob Brownstein, Chair
Dave Cameron
Kathleen King
Liz Kniss
Sarita Kohli
Michele Lew
Sue Murphy
Ria Paul
Debra Porchia-Usher
Sherri Sager
Eva Terrazas

Members Absent

Alma Burrell
Darrell Evora

Staff Present

Christine Tomcala, Chief Executive Officer
Neal Jarecki, Chief Financial Officer
Laurie Nakahira, D.O., Chief Medical Officer
Jonathan Tamayo, Chief Information Officer
Chris Turner, Chief Operations Officer
Ngoc Bui-Tong, VP, Strategies and Analytics
Chelsea Byom, VP, Marketing, Communications & Outreach
Teresa Chapman, VP, Human Resources
Tyler Haskell, Interim Compliance Officer
Laura Watkins, VP, Marketing & Enrollment
Barbara Granieri, Controller
Mike Gonzalez, Director, Community Engagement
Khanh Pham, Director, Financial Reporting & Budgeting
Ashley Kerner, Manager, Administrative Services
Lloyd Alaban, Copy Writer & Content Strategist
Magaly Fernandez, Temp Community Health Worker
Robyn Esparza, Administrative Assistant
Rita Zambrano, Executive Assistant

Others Present

Lucy Navarro, Community Leader in Gilroy
Patty Pena, Community Leader in Gilroy
Richard Noack, Hopkins & Carley
Dolores Alvarado, Community Health Partnership
Reymundo Espinoza, Gardner Family Health Network
Elena Guzman, Community Health Partnership
Sonya Tetnowski, Indian Health Center
Laura Clendaniel, Healthier Kids Foundation
Laura Champion, Healthier Kids Foundation
Christine Rutherford-Stuart, Office of County Supervisor
Susan Ellenberg
Tiffany Washington, Valley Health Plan



1. Roll Call and Board Member Recognition

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

Christine Tomcala, Chief Executive Officer, acknowledged outgoing board members Bob Brownstein, Darrell Evora, and Debra Porchia-Usher, and thanked them for their years of service.

2. Public Comment

Ria Paul arrived at 12:03 pm.

Patty Pena and Lucy Navarro, Gilroy Community Leaders, asked how SCFHP can help recreate the benefits of a Community Resource Center (CRC) in Gilroy.

Mr. Brownstein acknowledged their comments, noting the Board may not respond to their request at the meeting, as it was not an agenda topic.

3. Adjourn to Closed Session

a. Conference with Labor Negotiators

The Governing Board met in Closed Session to confer with its management representatives regarding negotiations with SEIU Local 521.

b. Contract Rates

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

Ms. Porchia-Usher arrived at 12:45 pm.

4. Report from Closed Session

Mr. Brownstein reported the Governing Board met in Closed Session to discuss labor negotiations and contract rates.

5. Tentative Agreement with SEIU Local 521

Mr. Brownstein reported that during Closed Session, the health plan's negotiating team apprised the Board of a request to approve the agreement with SEIU Local 521.

It was moved, seconded, and the agreement with SEIU Local 521 was unanimously approved.

Motion: Ms. Terrazas

Second: Ms. King

Ayes: Mr. Brownstein, Mr. Cameron, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager, Ms. Terrazas

Absent: Ms. Burrell, Mr. Evora

6. Approve Consent Calendar and Changes to the Agenda

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

- a. Approve minutes of the March 24, 2022 **Governing Board Meeting**
- b. Accept minutes of the April 25, 2022 **Special Executive/Finance Committee Meeting**
 - Ratify approval to continue use of teleconferencing
- c. Accept minutes of the April 28, 2022 **Executive/Finance Committee Minutes**
 - Ratify approval of Finance Policies
 - FA.01 v3 Finance - General
 - FA.02 v3 Cash & Cash Receipts
 - FA.03 v3 Cash Disbursements

- FA.04 v3 Accounts Receivable & Revenue
- FA.05 v3 Payroll & Employee Expenses
- FA.06 v3 Fixed Assets & Depreciation Expense
- FA.08 v3 Treasury & Debt
- FA.09 v3 Financial Close & Reporting
- FA.10 v3 Medical Expenses & Incurred-But-Not-Paid (IBNP)
- FA.11 v2 Healthcare Economics
- FA.12 v2 Employee Recognition Gift Cards
- Approve Microsoft License Renewal
- Ratify approval of the February 2022 Financial Statements
- Ratify approval of Investment Policy FA.07v4
- Ratify approval of an extension to the Institute on Aging Contract for Assisted Living Services
- Ratify approval of funding for the Alum Rock Counseling Center Clinic Renovations Project from the Board Designated Innovation Fund
- d. Accept minutes of the May 26, 2022 Executive/Finance Committee Meeting**
 - Ratify acceptance of the Network Detection & Prevention Update
 - Ratify approval of Finance Policy
 - FA.14 Board Committee Stipends
 - Ratify approval of the Dynamic Module for D-SNP revenue reconciliation
 - Ratify approval of the Healthcare Fraud Shield software solution
 - Ratify approval to continue use of teleconferencing
 - Ratify approval of the March 2022 Financial Statements
- e. Accept minutes of the May 26, 2022 Compliance Committee Meeting**
 - Ratify approval of Compliance Policies
 - CP.01 Regulatory Reporting
 - CP.02 Fraud Waste and Abuse
 - CP.04 Data Mining to Detect, Correct and Prevent FWA
 - CP.05 Record Retention
 - CP.06 False Claims Act
 - CP.07 Corrective Actions
 - CP.08 Compliance Reporting Mechanisms
 - CP.09 Exclusion Screening
 - CP.10 Compliance Training
 - CP.11 Effective Communications
 - CP.12 Annual Compliance Program Effectiveness Audit
 - CP.15 Standard of Conduct
 - CP.16 Vendor and FDR Contracting
 - CP.17 Risk Assessment and Audit Work Plan
 - CP.18 Protection of HIV AIDS Information
 - CP.26 Compliance Hotline
 - CP.30 Subcontracting Terminations and Block Transfer Filings
 - CP.31 Conducting Internal Investigations
 - CP.32 Conflict of Interest
 - CP.33 Well-Publicized Disciplinary Standards
 - CP.35 Key Personnel Filing
 - CP.37 DMHC Independent Medical Review (IMR)
 - DE.01 Delegation Oversight
 - DE.02 Pre-Delegation Audit
 - DE.03 Delegation Agreement
 - DE.05 Joint Operation Committee Meetings Between SCFHP and FDRs/Delegated Entities
 - DE.07 Delegation Corrective Action
- f. Accept minutes of the April 12, 2022 Quality Improvement Committee Meeting**

- Ratify approval of the Medi-Cal (MC) & Cal MediConnect (CMC) Quality Improvement (QI) Work Plan 2022
- Ratify approval of the MC & CMC QI Program Evaluation 2021
- Ratify approval of the Pharmacy Benefit Information Analysis
- Ratify approval of QI Policies
 - QI.03 Distribution of QI Information
 - QI.04 Peer Review Process
 - QI.06 QI Study Design/Performance Improvement Program Reporting
 - QI.08 Cultural and Linguistically Competent Services
 - QI.09 Health Education Program and Delivery System
 - QI.11 Member Non-Monetary Incentives
 - QI.15 Transitions of Care
 - QI.16 Managed Long Term Services and Support Care Coordination
 - QI.19 Care Coordination Staff Education and Training
 - QI.23 SABIRT Misuse of Alcohol and Substances
 - QI.28 Health Homes Program
 - QI.30 Health Risk Assessment
 - QI.31 Community Supports (CS)
 - QI.32 Enhanced Care Management (ECM)
- Ratify acceptance of Committee Reports
 - Consumer Advisory Board– March 3, 2022
 - Pharmacy and Therapeutics Committee – March 17, 2022
 - Credentialing Committee Report – February 23, 2022
- g. Accept minutes of the June 14, 2022 Quality Improvement Committee Meeting**
 - Ratify approval of the Cal MediConnect Cultural & Linguistics Provider
 - Ratify approval of the CMC Population Health Assessment 2022
 - Ratify approval of the CMC Population Health Management Impact Analysis
 - Ratify approval of the CMC and Medi-Cal PHM Strategy 2022
 - Ratify approval of the Activities and Resources Grid
 - Ratify approval of QI Policies
 - QI.08 Cultural and Linguistically Competent Services
 - QI.20 Information Sharing with San Andreas Regional Center (SARC)
 - QI.22 Early Start Program (Early Intervention Services)
 - QI.33 SCFHP ECM Denial & Disenrollment
 - Ratify approval of the Grievance & Appeals Report Q1 2022
 - Ratify acceptance of Committee Reports
 - Utilization Management Committee– April 20, 2022
 - Consumer Advisory Board– June 2, 2022
 - Credentialing Committee Report – April 6, 2022
- h. Accept minutes of the May 11, 2022 Provider Advisory Council Meeting**
- i. Accept minutes of the June 3, 2022 Consumer Advisory Committee Meeting**
- j. Approve Publicly Available Salary Schedule**
- k. Approve March 2022 Quarterly Investment Performance & Compliance Report**
- l. Approve Cisco Phone System 3-Year Subscription Maintenance**
- m. Accept FY'21-'22 Donations & Sponsorships Annual Report**
- n. Accept Board Designated Project Funding Report**
- o. Accept FY'21-'22 Employee Gift Card Report**
- p. Accept 2022 Employee Satisfaction Survey Highlights**
- q. Elect Officers** to a two-year term:
Chairperson – Michele Lew
Secretary – Sarita Kohli
- r. Appoint Sarita Kohli to the Executive/Finance Committee**

- s. Appoint **Sherri Sager to chair the Consumer Advisory Committee**
- t. Appoint **Sherri Sager, Sue Murphy, Michele Lew, Sarita Kohli, and Eva Terrazas to a temporary, ad-hoc subcommittee to conduct the annual evaluation of the CEO**
- u. Approve **continued use of teleconferencing** without providing public access to each teleconference location pursuant to Government Code Section 54953

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

Motion: Ms. Murphy

Second: Ms. King

Ayes: Mr. Brownstein, Mr. Cameron, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager, Ms. Terrazas

Absent: Ms. Burrell, Mr. Evora

7. April 2022 Financial Statements

Mr. Cameron left the meeting at 1:00 pm.

Mr. Jarecki presented the unaudited financial statements for April 2022, which reflected a current month net surplus of \$7.9 million (\$7.7 million favorable to budget) and a year-to-date net surplus of \$24.3 million (\$15.7 million favorable to budget) through ten months of the fiscal year.

Enrollment increased by 1,646 members from the prior month to 298,818 members (10,382 members or 3.4% lower than budget, largely due to fewer newly-eligible members having Other Health Coverage (OHC) than budgeted. Membership continues to grow due to the extended duration of the COVID public health emergency during which member disenrollments have been suspended. YTD member months trailed budget by 80,355 member months or 2.7%.

Revenue reflected a net favorable current month variance of \$529 thousand (0.4%) due to several factors. Unfavorable variances resulted from: (1) the inclusion of Medi-Cal pharmacy throughout FY22 in the budget (pharmacy was carved-out of managed care effective January 1, 2022, which significantly reduced revenue (with a corresponding reduction to medical expense), (2) lower enrollment, predominately fewer OHC members (with a corresponding reduction to medical expense), and (3) additional CMC medical loss ratio accruals payable to DHCS. Positive variances resulted from: (1) favorable calendar year 2022 Medi-Cal non-dual CCI rates versus budget, (2) CY20 Medicare quality withhold earned in excess of accrual, (3) Enhanced Care Management (ECM) incentive payment earned in excess of accrual, (4) increased Prop 56 revenue and unbudgeted COVID vaccine program revenue.

Medical Expense reflected a net favorable current month variance of \$7.7 million (6.8%) largely due to the favorable offsets of key revenue items above (pharmacy carve-out and reduced OHC enrollment). Additionally, certain fee-for-service expense categories reflected favorable variances due to reduced enrollment and lower utilization than budgeted. Increased Prop 56 expenses exceeded budget, offsetting increased Prop 56 revenue). The Plan received an unbudgeted pharmacy guarantee payment. Capitation expense was unfavorable to budget due to higher CY22 capitation rates paid vs. budget partially offset by lower enrollment vs. budget.

Administrative Expense was \$246 thousand (3.6%) unfavorable to budget for the month largely due to the net effect of (1) lower headcount than budgeted and (2) an unfavorable variance in non-personnel expense due to the timing of certain expenses vs. in the budget.

The **Balance Sheet** reflected a Current Ratio, a key measure of liquidity, of 1.31:1 versus the DMHC minimum current ratio requirement of 1.00:1.

Tangible Net Equity of \$279.1 million, which represented approximately three months of the Plan's total expenses, included unrestricted net assets of \$237.8 million.

Capital Investments of \$1.0 million have been made year-to-date, predominately computer software licenses, versus the annual capital budget of \$3.25 million.

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

Motion: Ms. King

Second: Ms. Kniss

Ayes: Mr. Brownstein, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager, Ms. Terrazas

Absent: Ms. Burrell, Mr. Cameron, Mr. Evora

8. Fiscal Year 2022-2023 Budget

Mr. Jarecki presented the proposed 2022-2023 operating and capital budgets. Due to the extended Public Health Emergency (PHE), enrollment is projected to peak at 320,000 members by mid-year and decline thereafter as member disenrollments resume. Revenue is projected to decrease to \$1.4 billion due largely to declining enrollment. Medical expense is projected to decrease to \$1.3 billion also due largely to declining enrollment. Administrative expense is projected to increase to \$90 million due to increased headcount (reflecting new programs, compliance requirements and addition complexities) and increased non-personnel expenses. The proposed operating budget projects a net surplus of \$11.8 million (representing 0.9% of revenue) with many significant uncertainties throughout the year. The proposed capital budget of \$6.1 million largely reflects enhancements to the Plan's information technology infrastructure.

It was moved, seconded, and the Fiscal Year 2022-20'23 Operating and Capital Budgets were **unanimously approved.**

Motion: Ms. Kohli

Second: Ms. Porchia-Usher

Ayes: Mr. Brownstein, Ms. King, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager, Ms. Terrazas

Absent: Ms. Burrell, Mr. Cameron, Mr. Evora

9. Innovation Fund Expenditure Requests

Ngoc Bui-Tong, VP, Strategies and Analytics, presented the Committee with two Innovation Fund requests. The first, from Community Health Partnership for Community Health Centers' OCHIN Epic Implementation, is for an electronic medical record system customized for FQHC operations. The funding request for \$503,329 reflects costs associated with the following: roster management, CalAIM ECM, laboratory and radiology Interface, and quality improvement.

It was moved, seconded, and the Community Health Partnership request for \$503,329 to fund Community Health Centers' OCHIN Epic Implementation was **unanimously approved.**

Motion: Ms. Lew

Second: Ms. King

Ayes: Mr. Brownstein, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager, Ms. Terrazas

Abstain: Ms. Kohli

Absent: Ms. Burrell, Mr. Cameron, Mr. Evora

The second, from the Healthier Kids Foundation for My HealthFirst Rescreening, requested funding in the amount of \$250,000 to rescreen 5th graders who are now 6th graders to assess their status, as well as to screen new 6th grade students at Luther Burbank, Franklin-McKinley, and Alum Rock Union School Districts. This is the third SCFHP funding request for this project. The initial amount of \$41,710 funded in February 2020, was used to develop a roadmap for planning, implementing, and evaluating a collective action to implement mental health screening and referrals, and improve mental health outcomes, for children and youth in Santa Clara County public schools. The second amount of \$42,000 funded in December 2020, was used to pilot the screening in Franklin McKinley School District.

It was moved, seconded, and the Healthier Kids Foundation request for \$250,000 to fund My HealthFirst expansion was **unanimously approved**.

Motion: Ms. Kniss

Second: Ms. Porchia-Usher

Ayes: Mr. Brownstein, Ms. Kniss, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager, Ms. Terrazas

Abstain: Ms. King

Absent: Ms. Burrell, Mr. Cameron, Mr. Evora

Mr. Brownstein left the meeting at 1:45 pm.

10. Preliminary Fiscal Year 2021-2022 Year in Review

Ms. Tomcala reviewed preliminary year-end performance on the FY'21-'22 Plan Objectives. A status summary of the Plan Objectives was provided.

Ms. Porchia-Usher left the meeting at 1:55 pm.

11. Fiscal Year 2022-2023 Plan Objectives

Ms. Tomcala presented the Fiscal Year 2022-2023 Plan Objectives, which focus on quality improvement, and reducing health disparities. She identified specific objectives in seven areas: Lead improvement in the health of communities impacted by disparities, Pursue benchmark quality and health equity, Implement CalAIM deliverables and new benefits, Enhance compliance program and delegation oversight, Foster membership retention, Achieve budgeted financial performance, and Seek to be an Employer of Choice.

Ms. Kniss left the meeting at 2:00 pm.

It was moved, seconded, and the FY'23 Plan Objectives were **unanimously approved**.

Motion: Ms. Murphy

Second: Ms. Kohli

Ayes: Ms. King, Ms. Kohli, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Sager, Ms. Terrazas

Absent: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Mr. Evora, Ms. Kniss, Ms. Porchia-Usher

12. CEO Update

Ms. Tomcala presented the updated COVID vaccination graphs including data by age group, ethnicity, and booster status. Ms. Tomcala shared there is currently a 17% gap between eligible SCFHP members age 5+ (73%) and overall Santa Clara County residents (90%), who have received at a minimum of one COVID vaccine dose. She noted the zero to 5-year-olds are now eligible for vaccinations. Ms. Tomcala said 41% of the SCFHP membership population has received a COVID booster.

Ms. Tomcala provided an update on the ongoing efforts at the Blanca Alvarado Community Resource Center (CRC). She noted that SCFHP has administered over 2,500 shots and continues to offer COVID-19 vaccine clinics with a \$50 incentive for SCFHP Medi-Cal members, and is focused on grassroots efforts to reach the remaining unvaccinated and unboosted members. Ms. Tomcala stated SCFHP maintains our partnership in these efforts with the Bay Area Community Health (BACH), the County of Santa Clara Mobile Vaccine Unit, COVID-19 Black, and Roots Community Health Center.

Ms. Tomcala communicated that SCFHP is in the process of returning staff to the office. Approximately 20% of staff work in the office full time, 43% are fully remote, and the remaining staff will maintain a hybrid work schedule.

Ms. Tomcala shared that it is SCFHPs 25th anniversary. We currently serve over 300,000 members, or 15% of the residents in Santa Clara County.

Ms. Tomcala concluded her presentation by sharing the Board Dashboard.



13. Compliance Report

Tyler Haskell, Interim Compliance Officer, provided updates on current compliance activity, beginning with the annual Medicare Data Validation Audit, for which our 2021 data has just been 100% validated by an outside auditor and will be submitted to CMS soon. The Plan is undergoing a triennial DMHC financial audit and is preparing for an October full-scope DMHC audit. Mr. Haskell discussed the DHCS 2024 contract operational readiness project, in which the Plan will submit a series of deliverables to demonstrate 2024 readiness over the next several months. He informed the Board that the Plan has not yet received official results from the 2022 DHCS audit.

14. Government Relations Update

Tyler Haskell, Director of Government Relations, provided updates on federal and state governmental actions affecting health plan operations. He discussed the decreasing likelihood of Congress approving further federal COVID-19 funding, the remaining possibility of Medicaid legislation as part of a reconciliation bill, a new bipartisan bill to regulate insulin pricing, and developing mental health legislation among Senate Finance Committee members. Mr. Haskell also discussed the particulars of the recently-passed state budget and other relevant legislation, including a bill to make Kaiser a directly-contracted Medi-Cal managed care plan.

15. Adjournment

The meeting was adjourned at 2:35 pm.

DocuSigned by:
Sarita Kohli
EA04943B190D415...
Sarita Kohli, Secretary