

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

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

Minutes - Approved

Members Present

Dolores Alvarado, Chair
Bob Brownstein
Liz Kniss
Sue Murphy
Linda Williams

Staff Present

Christine Tomcala, Chief Executive Officer
Dave Cameron, Chief Financial Officer
Robin Larmer, Chief Compliance and Regulatory
Affairs Officer
Laurie Nakahira, D.O., Chief Medical officer
Jonathan Tamayo, Chief Information Officer
Neal Jarecki, Controller
Laura Watkins, Vice President, Marketing and
Enrollment
Ngoc Bui-Tong, Vice President, Strategies & Analysis
Tyler Haskell, Director, Government Relations
Jordan Yamashita, Director, Compliance
Jayne Giangreco, Manager, Administrative Services
Rita Zambrano, Executive Assistant

Other Present

Daphne Annett, Burke, Williams & Sorenson, LLP
(*via telephone*)

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:32 am. Roll call was taken and a quorum was established.

2. Public Comments

There were no public comments.

3. Ms. Alvarado recommended addressing Agenda Items No. 8. Quarterly Investment Compliance Report; 10. Network/Voice Circuit Proposal; and 12. Network Detection and Prevention Update as consent items.

It was moved, seconded, and Agenda Items 8, 10, & 12 were unanimously approved.

4. Adjourn to Closed Session

a. Existing Litigation

The Executive/Finance Committee met in Closed Session to confer with Legal Counsel regarding consolidated Cases" CalPERS Case No. 2017-1114; OAH No. 2018051223 and CalPERS Case No. 2017-1115; OAH No. 2018051029.

b. Anticipated Litigation

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

c. Contract Rates

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

Liz Kniss arrived at 12:17 pm.

5. Report from Closed Session

Ms. Alvarado reported the Executive/Finance Committee met in Closed Session to discuss Items 3 (a), (b), and (c).

6. Meeting Minutes

The minutes of the January 23, 2020 Executive/Finance Committee Minutes were reviewed.

It was moved, seconded, and the January 23, 2020 Executive/Finance Committee Minutes were **unanimously approved** with an amendment to reflect the request for future discussion of the hospital utilization management program.

The Committee took time to acknowledge Mr. Cameron, noting his expertise, integrity, and communication ability, which engendered the confidence of the Board.

7. December 2019 Financial Statements

Dave Cameron, Chief Financial Officer, presented the December 2019 financial statements, which reflected a current month net loss of \$2.5 million (\$2.8 million unfavorable to budget) and a fiscal year-to-date net surplus of \$1.1 million (\$3.0 million unfavorable to budget). Enrollment decreased by 1,216 members from the prior month to 242,425 members (54 favorable to budget). Medi-Cal enrollment has generally declined since October 2016 while CMC enrollment is growing due to continued outreach efforts. Revenue reflected an unfavorable current month variance of \$4.0 million (4.5%) largely due to retroactive CY19 CCI rate adjustments. Medical expense reflected a favorable current month variance of \$299 thousand (0.4%) due to retroactive CY19 CCI provider rate adjustments and increased Prop 56 expense offset by certain higher fee-for-service expenses versus budget. Administrative expense reflected a favorable current month variance of \$618 thousand (11.0%) due largely to the timing of certain non-personnel expenses. The balance sheet reflected a Current Ratio of 1.24:1, versus the minimum required by DMHC of 1.0:1. Tangible Net Equity was \$203.2 million, which represented approximately two months of the Plan's total monthly expenses. Year-to-date capital investments of \$1.4 million were made, largely comprised of building improvements and I.T. hardware.

It was moved, seconded, and the December 2019 Financial Statements were **unanimously approved**.

8. Rate Development Process

Ngoc Bui-Tong, Vice President, Strategies and Analytics, and Neal Jarecki, Controller, gave a presentation on the rate-setting processes for the Medi-Cal and Medicare programs, noting the many estimates, delays in receiving rates, and volatility of the processes.

9. Innovation Fund Expenditures

Christine Tomcala, Chief Executive Officer, presented the Committee with two Innovation Fund requests.

The first, from Santa Clara County Office of Education (SCCOE), requested \$589K for Child Health and Wellness Coordination. The proposal is to provide a centralized place for hospitals, doctors, parents, and schools to access information, coordinate care plans, and implement best practices for students returning to school from home/hospital. Upon discussion, the Committee identified questions to be addressed prior to further consideration.

The second, from the Healthier Kids Foundation (HKF), requested \$47K to assist with developing a roadmap for planning, implementing, and evaluating a collaborative effort to implement mental health screening and

referrals, and improve mental health outcomes, for children and youth in Santa Clara County public schools. The Committee discussed questions and recommendations for consideration in development of this program.

It was moved, seconded, and the Board Discretionary Innovation Fund expenditure for development of the HKF My HealthFirst program was **unanimously approved**, with an adjustment to overhead to be determined by the CEO and Board Chair.

10. Compliance Update

Robin Larmer, Chief Compliance and Regulatory Affairs Officer, discussed audit activity and corrective action plan progress. She noted that the Plan requested and CMS granted an extension of time to complete the Revalidation Audit for the Care Coordination and Quality Improvement Program Effectiveness (CCQIPE) Conditions. The primary purpose for the extension is to allow the Plan to recruit and train additional staff to achieve and sustain full compliance with respect to the relevant tasks. Audit field of work for the CCQIPE Conditions will begin August 2020. The auditors will evaluate data reflecting the Plan's performance between May 1, 2020 and July 31, 2020. The Revalidation Audit for the Coverage Determinations, Appeals and Grievances (CDAG) and Compliance Program Effectiveness (CPE) Conditions is not affected by this extension. Field work for those Conditions will begin in March 2020 and May 2020, respectively.

The Plan is preparing for the 2020 Medicare Data Validation Audit (MDV), which begins this spring. The CMC Contract Management Team (CMT) previously directed several California plans, including SCFHP, to submit a Performance Improvement Plan (PIP) demonstrating how the Plan will improve performance related to HRAs. SCFHP submitted a PIP addressing how we will bolster timely completion rates for ICPs. The PIP was accepted by the CMT, and SCFHP is submitting monthly status reports demonstrating progress on the measure.

Ms. Alvarado and Ms. Williams expressed gratitude for the service that Ms. Larmer has provided to the Plan.

It was moved, seconded, and unanimously approved to accept the Compliance Update.

Sue Murphy & Liz Kniss left the meeting at 1:48 pm.

11. CEO Update

Ms. Tomcala reported the Plan provided Community Clinics with a Provider Performance Program payment of approximately \$1 million dollars.

Tyler Haskell, Director, Government Relations, and Ms. Tomcala will be meeting with Cindy Chavez, President of the Santa Clara County Board of Supervisors, regarding the Community Resource Center (CRC).

Concerning the CRC, the Plan received a Kaiser grant commitment of \$1 million dollars, with half received and the remainder payable upon completion. Currently work is being done on lead and asbestos abatement, with the goal of moving in July 15. Community Health Partnership will be subletting space for their office.

Ms. Tomcala noted the Plan is working on a collaboration with the YMCA to offer YMCA benefits to members and assist with fitness classes at the CRC.

The Behavioral Health Integration Incentive Program was mentioned, with an update that five applications have been received, scored, and sent to the State.

Ms. Tomcala reported on the Navigator Grant Project, noting the plan offered a letter of support for Healthier Kids Foundation, The Health Trust, Community Health Partnership, and CCHI coming together to seek funding for outreach, enrollment, retention, & navigation services for eligible unenrolled individuals.

It was also reported that the contract termination of Foothill Community Health Center has been rescinded, subject to certain conditions.

Ms. Tomcala acknowledged several Leadership changes, noting Neal Jarecki will replace Mr. Cameron as Chief Financial Officer and Ngoc Bui-Tong will be Vice President, Strategies and Analytics. Ms. Tomcala also

stated that Jordan Yamashita will be the Compliance Officer and Teresa Chapman will be replacing Sharon Valdez as VP of Human Resources.

It was moved, seconded, and unanimously approved to accept the CEO Update.

12. Adjournment

The meeting was adjourned at 2:00 pm.



Dolores Alvarado, Chair