



Regular Meeting of the
Santa Clara County Health Authority
Governing Board

Thursday, March 25, 2021, 12:00 PM – 2:30 PM
 Santa Clara Family Health Plan - Teleconference
 6201 San Ignacio Ave, San Jose, CA 95119

MINUTES - Approved

Members Present

Bob Brownstein, Chair
 Dolores Alvarado
 Dave Cameron
 Darrell Evora
 Kathleen King
 Liz Kniss
 Michele Lew
 Sue Murphy
 Ria Paul, M.D.
 Debra Porchia-Usher
 Sherri Sager
 Jolene Smith

Members Absent

Alma Burrell

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
 Johanna Liu, Director, Quality & Process Improvement
 Khanh Pham, Director, Financial Reporting &
 Budgeting
 Mike Gonzalez, Manager, Community Resource Center
 Rita Zambrano, Executive Assistant
 Nancy Aguirre, Administrative Assistant
 Amy O'Brien, Administrative Assistant

Others Present

Rafael Gomez, Pacific Health Consulting Group
 Bobbie Wunsch, Pacific Health Consulting Group
 Carlyn Obringer, Government & Community
 Engagement Manager at Blue Shield of California
 Christine Rutherford-Stuart, County of Santa Clara
 Tiffany Washington, Program Manager for Anthem
 Blue Cross

1. Roll Call

Bob Brownstein, Chair, called the meeting to order at 12:03 PM. 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

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

- a. Approve minutes of the December 17, 2020 **Governing Board** Meeting
- b. Approve minutes of the March 11, 2021 **Special Governing Board** Meeting
- c. Accept minutes of the January 28, 2021 **Executive/Finance Committee** Meeting
 - Ratify approval of Claims Policies

- CL.07 Emergency Room Services
- CL.13 Processing of Family Planning Claims
- CL.22 Processing of Abortion Claims
- CL.27 Non-Medical Transportation Services
- Ratify approval of the November 2020 Financial Statements
- Review Quality Updates
 - CY'19 Med-Cal HEDIS Network Comparison Rates
 - CMC 2019 Population Health Management Impact Analysis
- d. Accept minutes of the February 25, 2021 **Executive/Finance Committee** Meeting
 - Ratify approval of Claims Policies
 - CL.01 Interest on the Late Payment of Claims
 - CL.02 Misdirected Claims
 - CL.03 Notice of Denial of Payment
 - CL.09 Claims Timeframes Turn-Around-Time
 - CL.21 Claims Processing & Adjudication
 - Ratify acceptance of the Network Detection and Prevention Update
 - Review Quality Update: Discuss CMC 2020 CAHPS results and Strategy
 - Ratify approval of the December 2020 Financial Statements
- e. Accept minutes of the February 25, 2021 **Compliance Committee** Meeting
- f. Accept minutes of the February 9, 2021 **Quality Improvement Committee** Meeting
 - Ratify approval of the Assessment of Network Adequacy MY2020
 - Ratify approval of the Quality Improvement (QI) Program Description 2021
 - Ratify approval of the Health Education (HE) Program Description 2021, Work Plan 2021, and Evaluation 2020
 - Ratify approval of the Cultural and Linguistics (C&L) Program Description 2021, Work Plan 2021, and Evaluation 2020
 - Ratify approval of the Population Health Assessment
 - Ratify approval of the Clinical, Behavioral, and Medical Preventative Practice Guidelines
 - Ratify approval of QI Policies:
 - QI.05 Potential Quality of Care Issues
 - QI.07 Physical Access Compliance
 - QI.10 Initial Health Assessment (IHA) and Staying Healthy Assessment (SHA)
 - QI.13 Comprehensive CM
 - QI.29 Nurse Advice Line
 - Ratify approval of the Grievance and Appeals Reports Q4 2020
 - Ratify acceptance of Committee Reports
 - Pharmacy and Therapeutics (P&T) Committee Minutes – September 17, 2020
 - P&T Committee Minutes – December 17, 2020
 - Utilization Management Committee - October 14, 2020
 - Credentialing Committee – December 2, 2020
- g. Accept minutes of the February 10, 2021 **Provider Advisory Council Committee** Meeting
- h. Accept minutes of the March 9, 2021 **Consumer Advisory Committee** Meeting
- i. Approve **Publicly Available Salary Schedule**
- j. Approve **Quarterly Investment Compliance Report**

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

Motion: Ms. Alvarado

Second: Ms. Kniss

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Debra Porchia-Usher, Ms. Sager, Ms. Smith

Absent: Ms. Burrell

4. Strategic Plan Update

Bobbie Wunsch, Pacific Health Consulting Group, shared feedback received from the Board, noting there was a clear commitment to and accountability for equity as addressed in the vision, mission, values, and strategic plan. Ms. Wunsch presented the vision, mission, and values with new text highlighted in yellow. A discussion ensued, and Ngoc Bui-Tong, Vice President, Strategies and Analytics, made changes as suggested to the vision, mission, and values statements.

It was moved, seconded, and the Vision, Mission, Values were **unanimously approved** as amended.

Motion: Ms. Lew

Second: Mr. Evora

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager, Ms. Smith

Absent: Ms. Burrell

Ms. Wunsch presented the 2021-2023 Strategic Plan and discussion ensued. Ngoc Bui-Tong, VP, Strategies and Analytics, made changes as suggested to the strategic plan.

Board Members inquired if they provided Ms. Tomcala with realistic perspectives for setting strategic goals and noted they did not want to set the organization up for failure due to their overly ambitious expectations. The Board indicated it counts on Ms. Tomcala to balance the suggested discussion points with budget implications when setting direction. Ms. Tomcala stated the Board's input was directionally appropriate and the strategies were sound, and she believes progress could be made on each of the goals. She emphasized that the Plan is a very lean staffed organization, and we always seek to find the right balance of resource investment and goals.

Ms. Wunsch noted there would be some wordsmithing to the second success measure in goal two, and the updated version would be sent for final review.

It was moved, seconded, and the 2021-2023 Strategic Plan was **unanimously approved** as amended, with direction for staff to wordsmith the second success measure in the second goal.

Motion: Ms. Porchia-Usher

Second: Ms. King

Ayes: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Ms. Porchia-Usher, Ms. Sager, Ms. Smith

Absent: Ms. Burrell

5. CEO Update

Ms. Tomcala presented the updated SCFHP COVID-19 Summary, and shared the percentage of Plan members age 65 and over by ethnicity, noting 57.3% are Asian. Ms. Tomcala reported the percentage of these members who received at least one COVAX dose (60%) compared to the County (65%), broken out by the top four ethnicities reflected in County data. She further shared Plan data on nine Asian sub-groups.

Ms. Tomcala also presented the March 2021 Board Dashboard and At a Glance.

Lastly, she invited Board members to join an event hosted by the SCFHP Diversity Committee celebrating Cesar Chavez Day, Wednesday, March 31, noting Blanca Alvarado would be speaking, with the assistance of Dolores Alvarado.

6. Compliance Report

Tyler Haskell, Interim Compliance Officer, provided an update on the status of various audits. Included were the Medicare compliance program effectiveness audit, annual Department of Health Care Services Medi-Cal audit, and Department of Managed Health Care follow-up to our 2019 audit. Mr. Haskell also described the upcoming Medicare data validation audit, which will take place in April and May.



7. Government Relations Update

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

Dolores Alvarado left the meeting at 2:00 pm.

8. January 2021 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the January 2021 financial statements, which reflected a current month net surplus of \$2.3 million (\$4.8 million favorable to budget) and a fiscal year to date net surplus of \$7.1 million (\$8.1 million favorable to budget). Enrollment increased by 1,793 members from the prior month to 272,900 members (483 members favorable to budget). Year-to-date membership growth due to COVID-19 has not been as initially-pronounced as budgeted, but will be sustained for a longer period of time due to the continued public health emergency. Revenue reflected a favorable current month variance of \$15.9 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) other net favorable capitation rates and enrolment variances. Medical Expense reflected an unfavorable current month variance of \$11.4 million largely due to (1) additional expenses due to the delayed carve-out of Medi-Cal pharmacy from managed care, and (2) certain fee-for-service expenses in excess of budget, some of which are related to COVID. Administrative Expense reflected a favorable current month variance of \$256 thousand (4.5%) due largely to the timing of certain non-personnel expenses. The balance sheet reflected a Current Ratio of 1.26:1, versus the minimum required by DMHC of 1.00:1. Tangible Net Equity of \$215.9 million, which represented approximately two months of the Plan's total expenses, included unrestricted net assets of \$170 million. Year-to-date capital investments of \$3.3 million were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

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

Motion: Mr. Cameron

Second: Ms. Murphy

Ayes: Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Dr. Paul, Debra Porchia-Usher, Ms. Sager, Ms. Smith


Absent: Ms. Alvarado, Ms. Burrell

9. Fiscal Year 2020-21 Budget Update

Mr. Jarecki provided an update to the fiscal year 2020-21 budget. He noted that Board-approved budget of June 2020, which was based in-part on data from early in the pandemic, envisioned an annual net deficit of \$14M and an overall medical loss ratio (MLR) of 96.5%. The updated forecast is based on fiscal year-to-date results through January 2021 with updated projections the remaining five months of the fiscal year (February 2021 through June 2021). Many budget assumptions have changed as the COVID pandemic has unfolded. Enrollment is expected to increase as Medi-Cal disenrollments are suspended through at least the end of the fiscal year. Revenue projections have been updated to reflected revised enrollment and capitation rate changes. Medical expenses have been revised and include certain COVID-related cost and trend changes. Administrative expenses remain largely as budgeted. The current forecast reflects a net surplus of \$5.9 million an overall MLR of 94.4%. Mr. Jarecki cautioned that significant budget uncertainties will continue.

10. Adjournment

The meeting was adjourned at 2:30 PM.

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Susan G. Murphy, Secretary