



Regular Meeting of the
Santa Clara County Health Authority
Governing Board

Thursday, June 24, 2021, 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
Alma Burrell
Dave Cameron
Darrell Evora
Kathleen King
Liz Kniss
Sue Murphy
Debra Porchia-Usher
Sherri Sager
Jolene Smith

Members Absent

Michele Lew
Ria Paul M.D.

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
Jayne Giangreco, Manager, Administrative Services
Rita Zambrano, Executive Assistant

Others Present

Dolores Alvarado, CEO, Community Health Partnership
Zulma Maciel, Director, Office of Racial Equity, San Jose
Jessica Ho, Government Affairs & Community Manager, NEMS
Richard Noack, Hopkins & Carley
Melanie Daralo, Chief Program Officer, FIRST 5
Thanh Do, Deputy Chief of Community Health & Wellness, FIRST 5
Alex Briscoe, Principal, The California Children's Trust, UCFS
Kathryn Margolis, Associate Clinical Professor, UCFS Department of Psychiatry & Pediatrics
Christine Rutherford-Stuart, Board Aide to Susan Ellenberg
Tiffany Washington, Program Manager for Anthem Blue Cross



1. Roll Call and Board Member Recognition

Bob Brownstein, Chair, called the meeting to order at 12:03 pm. Roll call was taken and quorum was established.

Christine Tomcala, Chief Executive Officer, acknowledged outgoing board members Dolores Alvarado, Kathleen King, Liz Kniss, and Jolene Smith, and thanked them for their years of service.

2. Public Comment

Dolores Alvarado, CEO, Community Health Partnership, and former board member, expressed her gratitude to Ms. Tomcala and team for a fantastic journey over the last eight years serving on the Santa Clara County Health Authority Governing Board.

Zulma Maciel, Director for San Jose's Racial Equity and Office of Immigration Affairs, and member of the Blanca Alvarado Community Resource Center (CRC) Advisory Board, thanked the Governing Board and staff for their time, and commended the community-led planning process for the CRC. She stated that engaging system partners like the city and residents, and the inclusion of community voices, would help shape the core identity of the CRC and ultimately result in a space of service within San Jose.

Jessica Ho, Government and Community Affairs Manager for North East Medical Services (NEMS), also serves on the Blanca Alvarado Community Resource Center (CRC) Advisory Board. Ms. Ho noted that the new Blanca Alvarado CRC would play a unique role in serving health plan members and community residents, and that their unique perspectives and experiences will help inform the process of identifying barriers and gaps impacting the health of our most marginalized communities, and inform the future of the CRC role in breaking down those barriers and filling gaps. She thanked Mike Gonzalez and the Santa Clara Family Health Plan leadership for investing in a community-led process for the new Center, and looks forward to serving as a partner with the Plan.

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.

4. Report from Closed Session

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

5. Tentative Agreement with SEIU Local 521

Mr. Brownstein reported that during Closed Session, the health plan's negotiation team apprised the Board of a new three-year memorandum of understanding (MOU) with SEIU to be effective July 1, 2021.

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

Motion: Ms. Murphy

Second: Ms. King

Ayes: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Murphy, Ms. Porchia-Usher, Ms. Sager, Ms. Smith

Absent: Ms. Lew, Dr. Paul

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 25, 2020 **Governing Board Meeting**
- b. Approve minutes of the May 20, 2021 **Special Governing Board Meeting**
- c. Accept amended minutes of the April 22, 2021 **Executive/Finance Committee Meeting**
 - Ratify acceptance of 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
 - Ratify approval of the Provider Solution Vendor Selection
 - Ratify approval of the Trizetto NetworX Pricer and Modeler
 - Ratify approval of the February 2021 Financial Statements
 - Ratify approval of the Annual Investment Policy FA.07 v3: Investments, and accept Investment Policy Annual Review
 - Ratify approval of the Policy GO.04 v2: Donations and Sponsorships
- d. Accept minutes of the May 27, 2021 **Executive/Finance Committee Meeting**
 - Ratify approval of 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.24 Timely Processing of Non-Clean Claims
 - CL.25 Direct Members Reimbursement
 - CL.26 Claims Development of Non-Clean Non-Contracted Medicare Claims
 - CL.27 Non-Medical Transportation Services
 - Ratify approval of 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 & Reporting
 - FA.09 Financial Close & Reporting
 - FA.10 Medical Expense & Incurred-But-Not Paid (IBNR)
 - FA.11 Healthcare Economics
 - Ratify approval of the Quarterly Investment Compliance Report

- Ratify approval of the March 2021 Financial Statements
- Ratify approval of the COVID-19 Funding Request for the YMCA
- e. Accept minutes of the May 27, 2021 **Compliance Committee** Meeting
 - Ratify approval of Compliance Policy
 - DE.09 v3 Delegation Revocation
- f. Accept minutes of the April 14, 2021 **Quality Improvement Committee** Meeting
 - Ratify approval of the Quality Improvement (QI) Program Evaluation 2020
 - Ratify approval of the QI Work Plan 2021
 - 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.12 BIRT for Misuse of Alcohol
 - QI.13 Comprehensive Case Management
 - QI.15 Transitions of Care
 - QI.16 Managed Long Term Services and Support Care Coordination
 - QI.19 Care Coordination Staff Education and Training
 - QI.28 Health Home Program
 - QI.30 Health Risk Assessment
 - QI.31 Individual Care Plan
 - QI.32 Interdisciplinary Care Team
 - Ratify approval of the Grievance and Appeals Report Q4 2020
 - Ratify approval of the Utilization Management Committee (UMC) – January 20, 2021
 - Ratify acceptance of the Consumer Advisory Board (CAB) – March 4, 2021
 - Ratify acceptance of the Pharmacy and Therapeutics (P&T) Committee Minutes – March 8, 2021
 - Ratify acceptance of the Credentialing Committee Report – February 3, 2021
- g. Accept minutes of the June 9, 2021 **Quality Improvement Committee** Meeting
 - Ratify approval of the Assessment of Member Cultural and Linguistic Needs and Preferences
 - Ratify approval of the 2020 Impact Analysis
 - Ratify approval of the 2021 Population Health Management (PHM) Strategy and Activities and Resource Grid
 - Ratify approval of QI Policies
 - QI.17 Behavioral Health Care Coordination
 - QI.18 Sensitive Services, Confidentiality, Rights of Adults and Minors
 - QI.20 Information Sharing with San Andreas Regional Center (SARC)
 - QI.21 Information Exchange Between SCFHP & Health Services Dept.
 - QI.22 Early Start Program (Early Intervention Services)
 - QI.23 Alcohol Misuse: Screening and Behavioral Counseling Interventions in Primary Care
 - QI.24 Outpatient Mental Health Services: Mental Health Parity
 - QI.25 Intensive Outpatient Health Services: Mental Health Services
 - QI.27 Informing Members of Behavioral Health Services
 - Ratify approval of the Grievance and Appeals Report Q1 2021
 - Ratify approval of the Utilization Management Committee (UMC) – April 21, 2021
 - Ratify approval of the Credentialing Committee Report – April 7, 2021
- h. Accept minutes of the May 12, 2021 **Provider Advisory Council Committee** Meeting
- i. Accept minutes of the June 8, 2021 **Consumer Advisory Committee** Meeting
- j. Approve **Publicly Available Salary Schedule**
- k. Accept **Compliance Report**

- I. Accept **FY'20-'21 Donations & Sponsorships Annual Report and Board Designated Project Funding Report**
- m. Accept **2021 Employee Satisfaction Survey Highlights**
- n. Accept **resignation of Dolores Alvarado**
- o. **Elect Officers** to a two-year term:
 - Chairperson – Bob Brownstein
 - Vice-Chairperson – Sue Murphy
 - Secretary – Michele Lew
 - Treasurer – Neal Jarecki
- p. Appoint **Alma Burrell and Michele Lew to the Executive/Finance Committee**
- q. Appoint **Sue Murphy, Bob Brownstein, Darrell Evora, and Sherri Sager to a temporary, ad-hoc subcommittee to conduct the annual evaluation of the CEO**
- r. Approve changing meeting times of the **Executive/Finance Committee to 10:30 am–12:30 pm**, and the **Quality Improvement Committee to Tuesday evening**

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

Motion: Ms. King

Second: Ms. Murphy

Ayes: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Murphy, Ms. Porchia-Usher, Ms. Sager, Ms. Smith

Absent: Ms. Lew, Dr. Paul

7. CEO Update

Ms. Tomcala presented the COVID-19 Summary and noted updated vaccination data has not been received from the State in over a month. She stated the Plan has hosted five vaccination clinics at the Blanca Alvarado Community Resource Center (CRC), providing more than 1,000 shots and fully vaccinating 855 individuals. Ms. Tomcala gave a brief overview of employee vaccination status, noting there was an 88% response rate to the survey and, of the 303 respondents, 71% are fully vaccinated.

Ms. Tomcala briefly referred to the 2021 Employee Satisfaction Survey Highlights included as Item 6.m. in the Consent Calendar. She noted that all survey measures improved compared to 2019, with two-thirds of those improvements being statistically significant.

Ms. Tomcala presented a fiscal year-end Community Engagement and Collaboration summary, noting these community activities and support continued throughout the pandemic, along with advocacy and letters of support for various issues. She also reported the Plan has launched New Member Orientations to welcome and educate new members and improve member experience. Additional language options, and an in-person option, will be added over coming months,

Lastly, Ms. Tomcala encouraged Board members to respond to the diversity survey sent to all Board and committee members, which will assist the Plan with understanding how the background of our governing body members reflect the member populations that we serve.

8. Government Relations Update

Tyler Haskell, Director of Government Relations, provided an update on relevant federal and state government actions. He discussed several health care legislative provisions being debated in Congress and their potential for enactment this year. Mr. Haskell discussed the status of the State budget and highlighted some of its changes to Medi-Cal and other health programs. He also gave an update on other state legislation and the multi-year Medi-Cal reform plan known as CalAIM.

Debra Porchia-Usher left the meeting at 1:57 pm.



9. April 2021 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the April 2021 financial statements, which reflected a current month net surplus of \$6.3 million (\$8.9 million favorable to budget) and a fiscal year-to-date net surplus of \$22.7 million (\$30.5 million favorable to budget).

Enrollment increased by 2,125 members from the prior month to 278,967 members (7,994 members favorable to budget). Year-to-date membership growth due to COVID-19 has exceeded budget due to the extended duration of the pandemic due to the continued public health emergency.

Revenue reflected a favorable current month variance of \$5.1 million (5.8%) 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, (3) higher capitation rates than budgeted, offset by (4) updated estimates for certain items having an unfavorable impact.

Medical Expense reflected an unfavorable current month variance of \$5.1 million (5.8%) 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) of \$11.9M, partially offset by (2) lower than planned FFS utilization reflected in reductions in incurred-but-not-reported (IBNP) reserve estimates, (3) lower than planned Long Term Care (LTC) enrollment and utilization, and (4) increased capitation expense due to increased enrollment.

Administrative Expense reflected a favorable current month variance of \$457 thousand (8.2%) due largely lower headcount than budgeted and timing of certain non-personnel expenses.

The balance sheet reflected a Current Ratio of 1.21:1, versus the minimum required by DMHC of 1.00:1.

Tangible Net Equity of \$231.3 million, which represented approximately two months of the Plan's total expenses, included unrestricted net assets of \$186 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 April 2021 Financial Statements were unanimously approved.

Motion: Ms. Kniss

Second: Ms. King

Ayes: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Murphy, Ms. Sager, Ms. Smith

Absent: Ms. Lew, Dr. Paul, Ms. Porchia-Usher

10. Fiscal Year 2021-2022 Budget

Mr. Jarecki presented the proposed 2021-2022 operating and capital budgets. Revenue is projected to increase to \$1.4 billion due a combination of increasing enrollment and capitation rates. The budget assumes the pharmacy carve-out from managed care does not occur during the fiscal year. Medical expense is projected to increase to \$1.3 billion due to increasing enrollment and cost trends in certain categories of service.

Administrative expense is projected to increase to \$79 million due to increased headcount and certain increased non-personnel expenses. The fiscal year 2022 operating budget projects a net surplus of \$6 million, with significant COVID uncertainties remaining throughout the year. The proposed capital budget of \$3.3 million includes necessary enhancements to the Plan's facilities and information technology infrastructure.

It was moved, seconded, and the Fiscal Year 2021-2022 Operating and Capital Budgets were unanimously approved.

Motion: Mr. Cameron

Second: Ms. Kniss

Ayes: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Murphy, Ms. Sager, Ms. Smith

Absent: Ms. Lew, Dr. Paul, Ms. Porchia-Usher

11. Innovation Fund Expenditures

Ms. Tomcala presented an Innovation Fund request for \$115,000 to formalize the Health Equity Agenda Steering Committee, which would launch a comprehensive, multi-year Santa Clara County plan to address systemic racial health disparities and build health equity in our community. The goal is to see reductions in racial health disparities and long-term health care costs, and to track progress in short-term deliverables and long-term health outcomes. The Health Trust and the County of Santa Clara are each being asked to contribute equal amounts toward the project budget.

It was moved, seconded, and an expenditure of \$115,000 from the Board Designated Innovation Fund for the Health Equity Agenda project was **unanimously approved**, with the amendment that the diversity of the Steering Committee and leadership of this project should be reflective of the Community.

Motion: Ms. King

Second: Ms. Smith

Ayes: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Murphy, Ms. Sager, Ms. Smith

Absent: Ms. Lew, Dr. Paul, Ms. Porchia-Usher

Ms. Tomcala presented an additional Innovation Fund request from FIRST 5 Santa Clara County (FIRST 5) for \$500,000 (\$250,000 per year for two years). The Integrated Behavioral Health Pilot Project would sustainably integrate early childhood/dyadic behavioral health services into 7 to 10 of the highest volume primary care clinics serving young children on Medi-Cal in Santa Clara County. This initiative would be developed in partnership with the University of California-San Francisco (UCSF) and the California Children's Trust, and representatives from these organizations discussed the project in more detail.

It was moved, seconded, and an expenditure for 500,000 from the Board Designated Innovation Fund for the FIRST 5 Integrated Behavioral Health Pilot Project was **unanimously approved**, with the conditions that outreach be conducted to pediatric healthcare providers at Lucile Packard Children's Hospital to gauge their interest to partner on this pilot project, and to meet with SCFHP at least quarterly to discuss project progress.

Motion: Mr. Brownstein

Second: Mr. Evora

Ayes: Mr. Brownstein, Ms. Burrell, Mr. Cameron, Mr. Evora, Ms. King, Ms. Kniss, Ms. Murphy, Ms. Sager, Ms. Smith

Absent: Ms. Lew, Dr. Paul, Ms. Porchia-Usher

Liz Kniss left the meeting at 2:54 pm.

Darrell Evora left the meeting at 3:00 pm.

12. Preliminary Fiscal Year 2020-2021 Year in Review

Ms. Tomcala reviewed preliminary year-end performance on the FY '20-'21 Plan Objectives. A status summary of the seven Plan Objectives was provided.

13. Fiscal Year 2021-2022 Plan Objectives

This topic was deferred to the next Board meeting.

14. Adjournment

The meeting was adjourned at 3:12 pm.



DocuSigned by:

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Susan G. Murphy, Secretary