



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

Thursday, July 23, 2020, 11:30 PM – 1:30 PM
 Santa Clara Family Health Plan - Teleconference
 6201 San Ignacio Ave, San Jose, CA 95119

Minutes

Members Present

Dolores Alvarado, Chair
 Bob Brownstein
 Dave Cameron
 Sue Murphy

Members Absent

Liz Kniss

Staff Present

Christine Tomcala, Chief Executive Officer
 Neal Jarecki, Chief Financial Officer
 Laurie Nakahira, D.O., Chief Medical 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
 Jordan Yamashita, Compliance Officer
 Jayne Giangreco, Manager, Administrative Services
 Rita Zambrano, Executive Assistant

Others Present

Carlyn Obringer, Government & Community
 Engagement Manager at Blue Shield of California

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:33 am. Roll call was taken and a quorum was established.

Ms. Alvarado left the meeting due to technical difficulties.

2. Compliance Update

Jordan Yamashita, Compliance Officer, discussed the Centers for Medicare and Medicaid Services (CMS) Program Audit, noting the Plan is underway with activities related to the CMS Program Audit Revalidation. There are two parts to the Revalidation Audit; the first part evaluated the Plan's deficiencies related to Coverage Determinations, Appeals and Grievances (CDAG) and Compliance Program Effectiveness (CPE). ATTAC, the consulting firm directing the audit activities on behalf of CMS, completed all fieldwork and provided a final audit report to the Plan on June 16, 2020. The report noted that the CPE audit resulted in no findings. The CDAG portion of the audit resulted in two new findings and one repeat finding. Supplemental documentation related to the CDAG findings was submitted on July 17, 2020. The second part of the Revalidation Audit is related to the Care Coordination and Quality Improvement Program Effectiveness (CCQIPE) Conditions. The Plan has been working to sustain full compliance with respect to the relevant tasks. The three-month audit "clean period" runs from May 1, 2020 through July 31, 2020. Monitoring reports indicate that the organization is well-situated to have a successful Revalidation Audit of these conditions. The Revalidation Audit fieldwork for the CCQIPE Conditions will



begin in August 2020, with ATTAC's Final Report for the CCQIPE Conditions due to CMS on or before September 25, 2020.

Ms. Yamashita also reported that the Plan's 2020 Medicare Data Validation (MDV) Audit for the Cal MediConnect (CMC) line of business just concluded. CMS reduced the 2020 MDV audit scope as a result of the COVID-19 pandemic. The MDV Audit validated Part C accuracy and completeness (inpatient and outpatient medical care) and Part D (prescription drug) data reported to CMS. On June 18, 2020, Advent, the organization conducting the audit on behalf of CMS, notified SCFHP that the Plan successfully passed the data validation audit.

Ms. Yamashita further reported on the Department of Health Care Services (DHCS) Medi-Cal Managed Care Audit, noting the Plan has completed all initial activities related to our 2020 annual DHCS audit for the Medi-Cal line of business. DHCS held an exit conference on July 21, 2020. The preliminary final report detailed seven findings, a 50% reduction from 14 findings in the 2019 audit. The Plan will work with DHCS to implement corrective actions to address the deficiencies.

Lastly, Ms. Yamashita reported on the Department of Managed Health Care (DMHC) Medi-Cal Managed Care Audit, noting DMHC scheduled the Plan's follow-up audit in March 2021.

Ms. Alvarado rejoined the meeting and resumed agenda item #1.

Ms. Alvarado administered the oath and affirmed Bob Brownstein's reappointment to the Santa Clara County Health Authority Board. Mr. Brownstein subsequently administered the oath to new Board member, Dave Cameron, and welcomed him to the Santa Clara County Health Authority Board and Executive/Finance Committee.

3. Public Comment

There was no public comment

4. Meeting Minutes

The Committee reviewed the meeting minutes of the May 28, 2020 Executive/Finance Committee.

It was moved, seconded and the May 28, 2020 Executive/Finance Committee Minutes were unanimously approved.

Motion: Ms. Murphy

Second: Mr. Brownstein

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

Absent: Ms. Kniss

5. CEO Update

Ms. Tomcala, CEO, presented the SCFHP COVID-19 Responses. Dr. Laurie Nakahira, Chief Medical Officer, discussed a cumulative snapshot of currently available COVID-19 data. Concern was raised regarding the incomplete data currently available.

Ms. Tomcala provided an update on Medi-Cal enrollment from DHCS, noting total enrollment is down from 2019. DHCS has indicated HHS would be extending the Public Health Emergency Order until October 24, which will extend the freeze on redeterminations.

Ms. Tomcala read excerpts of the thank you letters received from the Community Clinics in recognition of the \$2 million grant.

6. Government Relations Update

Tyler Haskell, Government Relations Director, presented an update on federal and state legislative activity and administrative developments.

SCFHP is tracking and working on positioning and amendments for a few key bills in the State Legislature, including a new bill to make permanent telehealth capabilities granted during the early part of the pandemic



response, a bill that would impose new reporting requirements on managed care plans relating to blood lead screenings, and a bill that would require health plans to provide live e-consults with psychiatrists for post-partum members.

It was reported that DHCS has a new Director, Will Lightbourne, a former Santa Clara County Social Services Director, and former Brown Administration department head, who previously served on the SCCHA Governing Board. DHCS is developing a new Long-Term Care-at-Home benefit, which seeks to provide skilled nursing services to members at their homes instead of in a Skilled Nursing Facility setting. On July 22, DHCS released its proposed 1115 waiver extension, which will be submitted to CMS on September 15, after public hearings in August. The Department is seeking a status quo extension, except for the PRIME hospital directed payment, which DHCS is proposing to move from the 1115 waiver into the 1915b (managed care) waiver.

On federal issues, Congress is focusing on passing a fourth COVID relief package. However, it is off to a rocky start, with Senate Republicans and the White House having trouble agreeing on an initial proposal. Under consideration for the bill are more stimulus checks, a payroll tax cut, liability protection for businesses, funding for COVID testing, funding for school reopening assistance, phasing out enhanced Unemployment Insurance benefits, and budget relief for state and local governments. There will likely be no other significant health legislation this year. Additionally, CMS is seeking to continue some telehealth payment modalities granted earlier this year, and the effort has tempered with the falling telehealth utilization.

7. May 2020 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the May 2020 financial statements, which reflected a current month net loss of \$174 thousand (\$806 thousand unfavorable to budget) and a fiscal year-to-date net surplus of \$2.1 million (\$5.1 million unfavorable to budget).

Enrollment increased by 5,719 members from the prior month to 249,493 members (11,740 favorable to the FY20 budget). The Plan has seen recent growth due to (1) new undocumented Medi-Cal Adult members beginning in February, and (2) DHCS directed the County to suspend Medi-Cal disenrollment's, which has increased enrollment by approximately 4,000 members per month beginning in March. CMC enrollment increased due to continued outreach efforts.

Revenue reflected a favorable current month variance of \$6.0 million (6.8%), due largely to a combination of higher enrollment, FY20 capitation rates in excess of budget, higher supplemental Medi-Cal revenues, and increased Prop 56 revenue (offset by higher Prop 56 medical expense).

Medical expense reflected an unfavorable current month variance of \$7.1 million (8.6%), due to a combination of higher enrollment, certain higher fee-for-service expenses versus budget, and increased Prop 56 expense (offsetting higher Prop 56 revenue).

Administrative expense reflected a favorable current month variance of \$392 thousand (7.2%) due largely to certain non-personnel expenses lower than budgeted.

The balance sheet reflected a current ratio of 1.25:1, versus the minimum required by DMHC of 1.0:1. Tangible Net Equity was \$204.2 million, which represented approximately two months of the Plan's total monthly expenses. Year-to-date capital investments of \$2.3 million were comprised largely of building improvements and I.T. hardware.

It was moved, seconded and the May 2020 Financial Statements were unanimously approved.

Motion: Mr. Brownstein

Second: Mr. Cameron

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

Absent: Ms. Kniss

8. Quality Update

Laurie Nakahira, D.O., Chief Medical Officer, provided an analysis on the four Medi-Cal CY'19 HEDIS measures below MPL. The analysis focused on health disparities and root causes. Dr. Nakahira spoke to the next steps, noting meetings with cultural champions in our community to identify additional barriers and opportunities, and initiating projects with appropriate clinics or groups to impact improvement. For the lower performing groups, we will look at additional trends to target interventions. The Committee offered advice and recommendations.

9. Fiscal Year 2020-2021 Plan Objectives

Ms. Tomcala noted the Board had questions on the proposed employee satisfaction objective and delegated final approval to the Executive/Finance Committee. Ms. Tomcala highlighted proposed revisions and shared a summary of the three overall metrics of Plan performance on the employee satisfaction survey. SCFHP scored at the norm for these three overall measures in 2019. The Plan did not field the employee satisfaction survey this year, as it was scheduled during the time staff were actively transitioning to work from home due to COVID. The full survey will be conducted again next March/April, with one or more spot surveys fielded during the year.

Ms. Tomcala discussed calculation of the proposed success measure for Committee feedback. Ms. Murphy suggested either meeting the California health plan norm or increasing performance by 1.5% if we are already hitting the California health plan norm. She also suggested assessing whether the staff feels safe and has the tools and equipment to do their jobs in the current environment.

Teresa Chapman, VP of Human Resources, reported she is looking into an Employee Wellness Enhancement System focusing on the workplace and working from home. The program helps engage and motivate employees, with a strong emphasis on overall well-being, and will target initiatives to foster support.

It was moved, seconded and the FY'21 Plan Objectives were **unanimously approved**, taking into consideration the comments and suggestions from the committee members

Motion: Ms. Murphy

Second: Mr. Cameron

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

Absent: Ms. Kniss

10. Adjournment

The meeting was adjourned at 1:28 pm.

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Sue Murphy

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Susan G. Murphy, Secretary