



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

Thursday, January 28, 2021, 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
Liz Kniss
Sue Murphy

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 Operating Officer
Ngoc Bui-Tong, VP, Strategies & Analytics
Teresa Chapman, VP, Human Resources
Laura Watkins, VP, Marketing & Enrollment
Barbara Granieri, Controller
Chelsea Byom, Director, Marketing & Communications
Tyler Haskell, Director, Government Relations
Johanna Liu, Director, Quality & Process Improvement
Khanh Pham, Director of Finance Reporting & Budgeting
Jayne Giangreco, Manager, Administrative Services
Rita Zambrano, Executive Assistant

Others Present

Mike Daponte, Daponte, Simpson, Rowe PC
Rafael Gomez, Pacific Health Consulting Group
Bobbie Wunsch, Pacific Health Consulting Group

1. Roll Call

Dolores Alvarado, Chair, called the meeting to order at 11:30 am. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

3. Adjourn to Closed Session

a. Pending Litigation

The Executive/Finance Committee met in Closed Session to confer with Legal Counsel regarding Kindred Hospital - San Francisco Bay Area v. Santa Clara Family Health Plan; Superior Court of the State of California for the County of Alameda Case No.: RG20076644



4. Report from Closed Session

Ms. Alvarado reported the Executive/Finance Committee met in Closed Session to discuss Item 3.a. Pending Litigation.

5. Approve Consent Calendar and Changes to the Agenda

Ms. Alvarado presented the Consent Calendar and indicated all agenda items would be approved in one motion. Sue Murphy, Board Member, requested a correction to the meeting minutes in Item 5.a. Ms. Alvarado removed Item 5.a. from the Consent Calendar.

a. Approve minutes of the November 19, 2020 **Executive/Finance Committee Meeting**

b. Approve 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

It was moved, seconded, and Item 5.b. of the Consent Calendar was **unanimously approved.**

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

Ms. Murphy requested that her statement in Item 7. Quality Update of the November 19, 2020 meeting minutes be corrected to state "single standard of care" instead of "good basic care."

It was moved, seconded, and the minutes of the November 19, 2020 Executive/Finance Committee Meeting **were unanimously approved** with the corrected reference to "single standard of care."

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

6. CEO Update

Christine Tomcala, Chief Executive Officer, presented the SCFHP COVID-19 Summary, noting cumulative members affected as of January 27, 2021.

Ms. Tomcala reported that negotiations with Kaiser Permanente have concluded, with an extension of their lease through December 2023. At that time their subleased space will become available for alternate use.

Ms. Tomcala noted that Valley Health Plan requested an extension of the proposed contract amendment through calendar year 2021. Discussion ensued.

7. Government Relations Update

Tyler Haskell, Director of Government Relations, provided an update on the proposed State Budget for the upcoming fiscal year and the related re-launch of CalAIM. Mr. Haskell described the Governor's proposals to spend the State's one-time surplus, and provided some detail on the proposed Medi-Cal budget and CalAIM implementation timeline.

8. November 2020 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the November 2020 financial statements, which reflected a current month net surplus of \$135 thousand (\$286 thousand favorable to budget) and a fiscal year to date net surplus of \$5.5 million (\$3.9 million favorable to budget). Enrollment increased by 2,821 members from the prior month to 268,881 members (2,534 members below budget). Year-to-date membership growth due to COVID-19 has not been as pronounced initially as budgeted, but will be sustained for a longer period of time than planned. Revenue reflected a favorable current month variance of \$2.9 million (2.9%) largely due to (1) increased utilization of supplemental behavioral health and maternity services, coupled with (2) higher CY20 full-dual Medi-Cal CMC & MLTSS capitation rates versus budgeted. Medical expense reflected an unfavorable current month variance of \$2.0 million largely due to (1) Medi-Cal capitation expenses in excess of budget related to the retroactive capitation rate updates from DHCS, (2) higher payments for utilization of



supplemental behavioral health and maternity services, and (3) certain fee-for-service expenses in excess of budget, some of which are related to COVID. Administrative expense reflected an unfavorable current month variance of \$161 thousand (2.9%) due higher personnel expenses offset by the timing of certain non-personnel expenses. The balance sheet reflected a Current Ratio of 1.27:1, versus the minimum required by DMHC of 1.00:1. Tangible Net Equity of \$214 million, of which \$168 million is unrestricted, represented approximately two months of the Plan's total expenses. Year-to-date capital investments of \$2.9 million were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

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

Motion: Ms. Kniss

Second: Mr. Cameron

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

9. Quality Update

Laurie Nakahira, D.O., Chief Medical Officer, reported on the CMC 2019 Population Health Management (PHM) Impact Analysis. Dr. Nakahira noted that at a previous Board meeting, she was asked to review the interventions that were done during this time. The historical data were discussed, and the Case Management strategy for 2020-2021 was reviewed.

Dr. Nakahira also presented the CY 2019 Medi-Cal HEDIS Network Comparison Rates Update. Discussion ensued regarding the Measure Percentiles by Network (admin rates only), which were color coded by percentile performance. Ms. Murphy inquired if there are actionable remediation plans for each network to improve the performance of measures below the 50th percentile within a specified timeframe. If networks are unable to produce such a plan, are we confident in what we will do to help them get there?

Laurie Nakahira noted we monitor those below the 50th percentile, and discussed actions underway to:

1. To work with Kaiser and other delegates for supplemental data on the CDC H9 measure.
2. Train providers on billing/coding as well as chart documentation.
3. Offer practice transformation to assist clinics/providers with increasing efficiency on coding, billing, and supplemental data.
4. Work on gaps in care with incentives (outreach calls and PPP).

Staff will provide updates at a future meeting. Ms. Alvarado requested that the CEO and Quality Update agenda items be at the beginning of future meeting agendas to allow sufficient time for review.

10. Strategic Planning Update

Rafael Gomez and Bobbie Wunsch, Pacific Health Consulting Group, presented draft options for a Vision Statement, Mission Statement, and Organizational Values. Discussion ensued regarding preferences and suggested edits. Due to time constraints, Mr. Gomez offered to edit the options based on the Committee's feedback, and send a survey for additional input.

11. Adjournment

The meeting was adjourned at 1:28 pm.

DocuSigned by:

A handwritten signature in black ink, appearing to read "Susan G. Murphy", is written over a blue DocuSign signature line.

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Susan G. Murphy, Secretary