Regular Meeting of the

Santa Clara County Health Authority Governing Board

Thursday, March 27, 2025, 11:00 AM – 1:30 PM
Santa Clara Family Health Plan
6201 San Ignacio Ave, San Jose, CA 95119

MINUTES

Members Present
Sherri Sager, Chair
Alma Burrell
Dave Cameron
Jennifer Cloyd
Lisa Hernandez, M.D.
Sara Jeevanjee, M.D.
Kathleen King
Liz Kniss
Michele Lew
Sue Murphy
Eva Terrazas

Members Absent
Dolores Alvarado
Sarita Kohli

Staff Present
Christine Tomcala, Chief Executive Officer
Manish Nautiyal, Chief Information Officer
Ria Paul, M.D., Chief Medical Officer
Jonathan Tamayo, Chief Information Officer
Chris Turner, Chief Operating Officer
Chelsea Byom, VP, Marketing, Communications & Outreach
Tyler Haskell, VP, Government Relations and Compliance
Barbara Granieri, Controller
Daniel Quan, Compliance Officer
Lynne Silva, Controller
Eric McKeeman, Director, Analytics & Risk Adjustment
Khanh Pham, Director, Financial Reporting & Budgets
Ashley Kerner, Manager, Administrative Services
Kris Cameron, Strategic Planning Project Manager

Others Present
Doug Peterson, Aggrigator
Michael Daponde, DSR Health Law
Jennifer McLoone, Shook Hardy & Bacon
Mariah Handcock, SEIU Union Steward
Stacy Renteria, SEIU Union Steward
Juan Rivera, SEIU Union Steward

1. Roll Call

Sherri Sager, Acting Chair, called the meeting to order at 11:02 am. Roll call was taken and a quorum was established.

Christine Tomcala, Chief Executive Officer, introduced Manish Nautiyal who has accepted the role of Chief Information Officer. Ms. Sager thanked Jonathan Tamayo for his work and congratulated him on his retirement.

2. Public Comment

Stacy Renteria and Juan Rivera, SEIU Union Stewards, requested the Plan consider a wage increase for Union represented Plan staff.

Doug Peterson, Aggrigator, requested that the Plan correspond with his agency regarding the reason for the termination of his organization's contract with the Plan.

Eva Terrazas joined the meeting in-person at 11:06 am.

3. Approve Consent Calendar and Changes to the Agenda

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

a. Accept minutes of the December 19, 2024, **Governing Board** Meeting
b. Accept minutes of the January 16, 2025, **Executive/Finance Committee** Meeting
   - Ratify approval of the Pacific Hearing Connection request for $129,987 to fund the Hearing Heroes: A Training, Education, and Mobile Screening Initiative from the Board-Designated Special Project Fund for CBOs
   - Ratify approval of the November 2024 Financial Statements
c. Accept minutes of the February 27, 2025, **Executive/Finance Committee** Meeting
   - Ratify approval of Governance & Organizational Structure Policy
     - GO.04 v5 Donations and Sponsorships
   - Ratify approval of Network Detection and Prevention Update
   - Ratify approval of Symplr System additional funding expenditure
   - Ratify approval of the Santa Clara Valley Healthcare, Office for Health Equity and Improvement request for $66,350 to fund the My Voice, My Community project from the Board-Designated Innovation Fund
   - Ratify approval of the December 2024 Financial Statements
   - Ratify approval of the Student Behavioral Health Incentive Program Update
d. Accept minutes of the February 27, 2025, **Compliance Committee** Meeting
   - Ratify approval of the 2025 Risk Assessment and Audit Work Plan
e. Accept minutes of the January 14, 2024, **Quality Improvement and Health Equity Committee** Meeting
   - Ratify approval of Case Management Policies
     - CM.50 v5 Coverage and Coordination of Mental Health Services
     - CM.51 v1 Coverage for Early and Periodic Screening, Diagnostic, and Treatment Services (EPSDT)
     - CM.52 v1 Coverage for Behavioral Health Treatment (BHT) Services
     - CM.53 v6 Informing Members of Behavioral Health Services
     - CM.54 v6 Alcohol and Drug Screening, Assessment, Brief Interventions, and Referral to Treatment (SABIRT)
     - CM.55 v1 Standardized Behavioral Health Screening
     - CM.57 v5 Information Sharing with San Andreas Regional Center
   - Approve Quality Improvement Policies
     - QI.01 v5 Conflict of Interest
     - QI.02 v6 Clinical Practice Guidelines and Shared Decision Making Aids
     - QI.03 v5 Distribution of Quality Improvement Information
     - QI.04 v5 Peer Review Process
     - QI.06 v5 Quality Improvement Study Design / Performance Improvement Program Reporting
     - QI.07 v5 Physical Access Compliance
     - QI.09 v6 Health Education Program and Delivery System
     - QI.10 v6 Initial Heath Appointment (IHA)
     - QI.11 v4 Member Non-Monetary Incentives
     - QI.14 v4 Disease Surveillance
     - QI.35 v2 Quality Improvement and Health Equity Transformation Program Oversight
     - QI.36 v2 Quality Improvement and Health Equity Committee

- QI.52 v1 SCFHP Accreditation Policy

- Ratify approval of 2025 Quality Improvement and Health Equity Transformation Program Description
- Ratify approval of 2025 Health Education Program Description
- Ratify approval of 2025 Cultural and Linguistics Program Description
- Ratify approval of 2024 Annual Quality and Accuracy of Information to Members via Web and Phone Analysis
- Ratify approval of Provider and Member Outreach for Behavioral Health Services
- Ratify approval of the 2024 Availability of Practitioners Report

f. Accept minutes of the February 12, 2025, **Provider Advisory Council** Meeting
g. Accept minutes of the March 4, 2025, **Consumer Advisory Committee** Meeting
h. Approve **Quarterly Investment Performance and Compliance Report –** December 2024
i. Approve the **Santa Clara Family Health Plan (SCFHP)** request for $1,000,000 to fund the Blue Zones Ignite San Jose Project from the Board-Designated **Innovation Fund**
j. Accept **Board-Designated Fund Request Denials**
k. Approve **Ushur Inc. Contract Renewal** expenditure

Kathleen King, requested the removal of Consent Calendar items 3.i. and 3.j. for additional discussion.

It was moved, seconded, and the Consent Calendar with items i. and j. removed was **unanimously approved.**

Motion: Ms. King
Second: Ms. Kniss
Ayes: Ms. Burrell, Mr. Cameron, Ms. Cloyd, Dr. Hernandez, Dr. Jeevanjee, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Ms. Sager, Ms. Terrazas
Absent: Ms. Alvarado, Ms. Kohli

Ms. King requested clarification on the Plan's request to fund the Blue Zones Ignite San Jose Project from the Board-Designated Innovation Fund. Members of the Board voiced their support for the concept of the project but expressed their hesitancy to approve funding for the project without assurance that the project would be: sustainable, that the Plan would be included in discussions, that the project could successfully secure additional funding, and that Blue Zones would conduct a Community Needs Assessment. Additionally, members expressed their desire for transparency regarding the zip codes in which the project would confine its operations. Ms. Sager suggested that the Plan invite Blue Zones representatives to speak with the Board regarding their concerns.

It was moved, seconded, and Consent Calendar item 3.i. was **not approved**.

Motion: Ms. Cloyd
Second: Ms. Murphy
Ayes: Mr. Cameron, Dr. Hernandez, Ms. King, Ms. Lew
Nays: Ms. Burrell, Ms. Cloyd, Dr. Jeevanjee, Ms. Kniss, Ms. Murphy, Ms. Sager, Ms. Terrazas
Absent: Ms. Alvarado, Ms. Kohli

Ms. Sager indicated that further consideration of the Blue Zones project would be deferred to allow Blue Zones representatives the opportunity to address the Board's concerns at a future meeting.

Sue Murphy requested that the Plan share short biographies of the Board Fund Advisory Committee (BFAC) members at a future Governing Board meeting.

Ms. King expressed concern regarding the large number of Board-Designated Fund Request Denials evidenced in Consent Calendar item 3.j. and recommended that the Plan expand the list of exclusions on its website to discourage organizations that would not qualify for funding from applying. Ms. Tomcala shared that the Plan will continue to update its website to provide clear information so that organizations who would not qualify for funding would be discouraged from submitting an application.

It was moved, seconded, and Consent Calendar item 3.j. was **unanimously approved.**

Motion: Ms. Kniss
Second: Ms. King
Ayes: Ms. Burrell, Mr. Cameron, Ms. Cloyd, Dr. Hernandez, Dr. Jeevanjee, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Ms. Sager, Ms. Terrazas
Absent: Ms. Alvarado, Ms. Kohli

4. January 2025 Financial Statements

Barbara Granieri, Controller, presented the January 2025 unaudited financial statements (representing the seventh month of the fiscal year) which reflected a current month net surplus of $7.0 million (a favorable variance of $5.8 million to budget). For the year-to-date, the Plan attained a net surplus of $11.9 million (a favorable variance of $11.0 million to budget).

Enrollment increased from the prior month by 99 members to 294,441 (9,094 members higher than budget, largely attributable to growth in Medi-Cal members with Unsatisfactory Immigration Status. DualConnect enrollment increased from the prior month by 172 members and slightly trails budget.

Revenue reflected an unfavorable current month variance of $102.9 million to budget. This variance is attributable to: (1) an unfavorable variance of $118.8 million due to the timing of hospital directed payments, partly offset by (2) a favorable variance of $17.0 million in program revenues largely attributable to: (a) retroactive upward revision to CY24 Medi-Cal rates, (b) higher Medi-Cal enrollment versus budget, (c) higher Medi-Cal maternity deliveries, (d) higher CY25 Medicare rates, offset by lower DualConnect enrollment versus budget.

Medical Expense reflected an unfavorable current month variance of $107.6 million to budget. This variance is attributable to: (1) a favorable variance of $118.7 million due to the timing of hospital directed payments, partly offset by (2) an unfavorable variance of $11.1 million in program medical expenses largely attributable to: (a) higher fee-for service (FFS) expense in certain categories of service coupled with higher FFS enrollment, and (b) higher capitation expense due to higher blended capitation rates and higher enrollment.

Administrative Expense reflected a slightly favorable current month variance of $45 thousand (due to (1) higher headcount versus budget more than offset by (2) the favorable timing of certain non-personnel expenses.

The balance sheet reflected a current ratio of 1.48:1, a key measure of Plan liquidity, versus the minimum required by DMHC of 1.0:1. Tangible Net Equity of $413.1 million represented approximately two to three months of the Plan's average total monthly expenses. For the year-to-date, capital investments of $942 thousand were made, largely computer hardware and facilities investments.

Dave Cameron, congratulated Ms. Granieri on her retirement.

It was moved, seconded, and the January 2025 Financial Statements were **unanimously approved.**

Motion: Ms. Cloyd
Second: Ms. Lew
Ayes: Ms. Burrell, Mr. Cameron, Ms. Cloyd, Dr. Hernandez, Dr. Jeevanjee, Ms. King, Ms. Kniss, Ms. Lew, Ms. Murphy, Ms. Sager, Ms. Terrazas
Absent: Ms. Alvarado, Ms. Kohli

5. CY 2024 Quality Performance Analysis

Ria Paul, M.D., Chief Medical Officer, presented the quality performance trends and reduction of outcome disparities. She shared the overall 2024 year-to-date projected Composite Score for the Medi-Cal line of business was 2.44 and listed measures showing improvement in 2024. The overall 2026 year-to-date projected Star Rating for the D-SNP line of business is 3.02.

Ms. Murphy requested that in future reports the Plan include color-coded directional graphics illustrating if the Plan is showing improvement in measures over time.

6. CEO Update

Christine Tomcala, Chief Executive Officer, shared that Chief People Officer Theresa Chapman was named to the Silicon Valley Business Journal's Power 100 list.

Ms. Tomcala shared an upcoming community event being held in coordination with the Rapid Response Network to address immigration rights and resources.

Ms. Tomcala also noted that Community Advisory Committee and Resident Leadership Group member Hoang Truong was featured by multiple news outlets following the Medicaid Day of Action Press Conference hosted by Representative Sam Liccardo. Mr. Truong spoke about the importance of Medi-Cal for his family.

Ms. Tomcala concluded her comments by noting the Quarterly Board Dashboard was available in the meeting packet, and encouraged Board Members to reach out to her with any questions.

7. Compliance Report

Daniel Quan, Compliance Officer, discussed the status of regulatory audits, related corrective action plans (CAPs), and other compliance issues.

Mr. Quan highlighted regulatory enforcement and sanctions including an enforcement matter issued by Centers for Medicare and Medicaid Services (CMS) for not meeting administrative and management requirements to maintain at least a 3-star Part C rating for calendar year 2025. In February, CMS issued the Plan a notice for not meeting 2024 call center standards for interpreter availability due to calls being dropped prior to a representative answering, resulting from a system malfunction which has been addressed.

Mr. Quan summarized the corrective actions and status of two audits, sharing that the Plan has completed the corrective actions and is awaiting follow-up from regulators.

8. Government Relations Update

Tyler Haskell, VP, of Government Relations and Compliance, presented updates on federal issues of note.

Mr. Haskell began his report by addressing the member's concerns regarding possible cuts to Federal Medicaid funding. Mr. Haskell shared that currently both chambers of Congress are not in agreement regarding Medicaid funding cuts so no concrete details regarding possible cuts are available to share at this time.

Mr. Haskell shared the Centers for Medicare and Medicaid Services (CMS) have rescinded guidance relating to Community Support programs, putting into question the State's ability to renew its Section 1115 Medicaid demonstration waivers set to expire after 2026.

He shared that the federal Department of Health and Human Services has announced they will cut 10,000 jobs and CMS plans to cut 300 positions as part of a major restructuring plan.

Mr. Haskell stated the State is six billion dollars over budget for the current fiscal year for Medi-Cal. He shared that there will likely be cuts to Medi-Cal eligibility and/or benefits addressed in the May Revision of the budget.

He presented a state legislation update on six bills. AB 1041 would standardize credentialing requirements and require a 90-day time limit on physician credentialing. SB 363 would require Plans to report denials annually and would penalize Plans if more than half of the independent medical reviews filed result in the overturning of denials. AB 280 would require Plans to verify their provider directories annually requiring 95% accuracy by 2029.

AB 543 would provide automatic eligibility for unhoused individuals requiring the Plan to accept and pay all claims from street medicine providers. SB 530 would codify established time and distance and appointment time standards for Medi-Cal covered services. SB 324 enhances support for vulnerable populations by requiring Plans to prioritize contracting with community providers when implementing Enhanced Care Management and Community Supports services.

Eva Terrazas requested clarification on the Plans position on SB 324. Mr. Haskell shared that the Plan as not taken a position but is working with Local Health Plans of California to provide advice on language. Ms. Terrazas shared the Pacific Clinics has co-sponsored the bill introduced as an effort to draw attention to the number of out-of-state contracts being awarded for Enhanced Care Management and Community Supports services.

9. Adjourn to Closed Session

a. <u>Existing Litigation</u>
The Governing Board met in Closed Session to confer with Legal Counsel regarding litigation.

Sara Jeevanjee, M.D., and Jennifer Cloyd left the meeting at 1:05 pm.

b. <u>Anticipated Litigation</u>
The Governing Board to meet in Closed Session to confer with Legal Counsel regarding significant exposure to litigation.

Lisa Hernandez, M.D., left the meeting at 1:14 pm.

Alma Burrell and Eva Terrazas left the meeting at 1:27 pm.

c. <u>Contract Rates</u>
The Governing Board met in Closed Session to discuss Plan partner rates.

10. Report from Closed Session

Ms. Sager reported the Governing Board met in Closed Session to discuss existing litigation, anticipated litigation, and contract rates. No actions were taken.

11. Adjournment

The meeting was adjourned at 1:42 pm.

Signed by:
Michele Lew
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Michele Lew, Secretary