



Regular Meeting of the
Santa Clara County Health Authority
Governing Board

Thursday, September 24, 2020, 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
 Dolores Alvarado
 Dave Cameron
 Darrell Evora
 Kathleen King
 Liz Kniss
 Michele Lew
 Sue Murphy
 Ria Paul, M.D.
 Sherri Sager
 Jolene Smith

Members Absent

Alma Burrell
 Debra Porchia-Usher

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
 Tyler Haskell, Director, Government Relations
 Johanna Liu, Director, Quality & Process
 Improvement
 Khanh Pham, Director, Financial Reporting &
 Budgeting
 Jayne Giangreco, Manager, Administrative Services

Others Present

Tiffany Washington, Anthem Blue Cross Medi-Cal
 Plan
 Christine Rutherford-Stuart, County of Santa Clara
 Carlyn Obringer, Government & Community
 Engagement Manager at Blue Shield of California

1. Roll Call and Board Member Recognition

Bob Brownstein, Chair, called the meeting to order at 12:00 pm. Mr. Brownstein administered the Oath and affirmed Darrell Evora and Dr. Ria Paul's reappointments, and Michele Lew's appointment to the Governing Board. 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

Kathleen King, Board Member, requested that Items 3.e.—2019 Population Health Management Impact Report, and 3.i., 401(a) Resolution, be removed from the Consent Calendar for further discussion.

- a. Approve minutes of the June 25, 2020 **Governor Board Meeting**
- b. Accept minutes of the July 23, 2020 **Executive/Finance Committee Meeting**
 - Ratify approval of the May 2020 Financial Statements

- c. Accept minutes of the August 27, 2020 **Executive/Finance Committee Meeting**
 - Ratify acceptance of the Consent Calendar
 - Quarterly Investment Compliance Report
 - Network Detection and Prevention Update
 - Fiscal Year 2020-2021 Plan Objectives
 - Ratify approval of the June 2020 Pre-Audit Financial Statements
 - Ratify the approval of the East Side Access: Community Wireless Project funding request
 - Ratify approval of the resolution to endorse ballot measure Proposition 16
- d. Accept minutes of the September 4, 2020 **Compliance Committee Meeting**
- e. Accept minutes of the August 12, 2020 **Quality Improvement Committee Meeting**
 - Ratify acceptance of the Cal MediConnect (CMC) Availability of Practitioners Evaluation
 - Ratify acceptance of Committee Reports
 - Utilization Management Committee April 15, 2020
 - Pharmacy & Therapeutics Committee Minutes – April 30, 2020
 - Credentialing Committee – June 3, 2020
- f. Accept minutes of the August 12, 2020 **Provider Advisory Council Committee Meeting**
- g. Accept minutes of the September 8, 2020 **Consumer Advisory Committee Meeting**
- h. Approve **Publicly Available Salary Schedule**
- k. Approve **2021 Board & Committee Meeting Calendar**

It was moved, seconded and the Consent Calendar was **unanimously approved**, with the exception of Items 3.e.—2019 Population Management Impact Report and 3.i., 401(a) Resolution.

Motion: Ms. King

Second: Ms. Lew

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

Absent: Ms. Burrell, Ms. Kniss, Ms. Porchia-Usher

Ms. King thought the Population Management Impact Report was positive, interesting data and referred to the CMC Emergency Department Visits graph, asking for more detail. Laurie Nakahira, D.O., Chief Medical Officer, explained the graph, noting the reduction in the Complex & Moderate Case Management population who experienced three+ Emergency Department (ED) visits from CY 2017-2019. Upon discussion, Dr. Nakahira indicated she could bring the topic back to the Board with additional information.

It was moved, seconded, and Item 3.e.—2019 Population Management Impact Report was **unanimously accepted**.

Motion: Ms. King

Second: Ms. Murphy

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

Absent: Ms. Burrell, Ms. Kniss, Ms. Porchia-Usher

Ms. King requested additional information on Item 3.i., 401(a) Resolution. Neal Jarecki, Chief Financial Officer, responded that discussions with our attorneys and the IRS determined the necessary technical corrections. These corrections do not change the function of the documentation. The IRS has reviewed these documents and has determined the changes will ensure that our Plan will remain compliant.

It was moved, seconded, and Item 3.i., 401(a) Resolution, was **unanimously approved**.

Motion: Ms. King

Second: Ms. Lew

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

Absent: Ms. Burrell, Ms. Liz Kniss, Ms. Porchia-Usher

4. CEO Update

Christine Tomcala, Chief Executive Officer, presented the Board with the updated SCFHP COVID-19 Responses noting 2,174 members have tested positive, cumulatively 707 members have been hospitalized, and 40 members were deceased, representing 15% of County-reported deaths, while total membership equals about 12% of the County population.

Ms. Tomcala shared that due to COVID, wildfires, and civil unrest, an Employee Support Survey was fielded. She noted there was a 61% response rate with 93% indicating SCFHP is doing what it can to keep staff safe. Many responded that the Plan has been supportive during this uncertain time. However, of those respondents who are caregivers, 31% indicated they were struggling or feeling completely overwhelmed. Sue Murphy, Board Member, inquired if there was anything we could do as an organization to help those individuals who are caregivers. Teresa Chapman, VP, Human Resources, responded that the Plan is looking at ways to roll out a communications campaign focused on resources that are available during COVID-19, as well as rolling out an online Employee Wellness platform.

Ms. Tomcala shared a status update on the Blanca Alvarado Community Resource Center, noting occupancy is projected for mid-to-late October. Mr. Brownstein inquired if there was a special ventilation system and Neal Jarecki, Chief Financial Officer, indicated he would check the status and report back to the Board.

5. Quality Update

Dr. Nakahira summarized preventative care outreach activities, noting changes added since COVID-19. She also stated the focus on children throughout the year is for well visits and preventive care, and Board Members Jolene Smith and Kathleen King offered to assist with getting the word out for children to receive visits and immunizations.

Dr. Nakahira reported collaborating with the Santa Clara County Public Health Department on the Black Infant Health Program and Diabetes Prevention Initiative, and with the American Heart Association for Target Blood Pressure. SCFHP is participating in a new Emergency Operation Center Immunization Task Force (EOC) sharing initiatives taken on flu immunizations for the upcoming flu season. She presented a wellness rewards program and Health Education Classes and resources available to our members during the pandemic.

6. Compliance Report

Tyler Haskell, Interim Compliance Officer, presented an update on recent compliance audits and other related activity. He informed the Board that the Plan recently completed the CMS re-validation audit and received a final report with no findings. He also announced that the Plan recently received the final annual DHCS audit report, which showed a total of six findings, which is down from 14 findings in last year's audit. Additionally, Mr. Haskell announced that Daniel Quan has recently joined the Plan as Medicare Compliance Manager. He further informed the Board that the Compliance Department, in partnership with the Plan's data analytics team, was bringing the Fraud, Waste, and Abuse program in-house.

Liz Kniss joined the meeting at 12:51 pm.

7. Government Relations Update

Tyler Haskell, Government Relations Director, presented an update on federal and state legislative and policy developments. Mr. Haskell discussed the status of a small number of bills that would impact Medi-Cal managed care plans, should the Governor sign them into law before the deadline of September 30th. He gave an update on the carve-out of the pharmacy benefit, stating that some complications are arising that may disrupt the January 1, 2021 implementation schedule. He also discussed the submission by DHCS to CMS of a request to extend California's 1115 Medicaid waiver, which expires at the end of 2020, for an additional year. Mr. Haskell informed the Board that CMS has recently withdrawn its proposed Medicaid Fiscal Accountability Regulation, which would have severely limited Medicaid reimbursement for public health systems. He provided an update about ongoing efforts in Congress to pass a COVID relief bill that includes state and local government budget relief. He further discussed the risk associated with the effort to appoint a new Justice to the U.S. Supreme



Court before the Texas v. Azar case is heard starting on November 10th. That case threatens to nullify the Affordable Care Act, which could significantly impact Medi-Cal enrollment.

8. July 2020 Financial Statements

Neal Jarecki, Chief Financial Officer, presented the July 2020 financial statements, which reflected a current month net surplus of \$2.7 million (\$2.2 million favorable to budget). Enrollment increased by 3,161 members from the prior month to 257,036 members (4,475 unfavorable to budget). Membership growth due to COVID-19 has not been as pronounced initially as budgeted but will likely be sustained for a longer period of time than planned. Revenue reflected a favorable current month variance of \$64 thousand (0.1% favorable to budget) largely due to higher CY20 CMC Medicare rate versus budget. Medical expense reflected an unfavorable current month variance of \$2.5 million (2.7% favorable to budget) due to certain lower unit costs and lower utilization of supplemental services than budget. Administrative expense reflected a favorable current month variance of \$303 thousand (5.4% favorable to budget) due largely to the timing of headcount and certain other expenses. The balance sheet reflected a Current Ratio of 1.25:1, versus the minimum required by DMHC of 1.00:1. Tangible Net Equity of \$214.6 million represented approximately two months of the Plan's total expenses. Year-to-date capital investments of \$153 thousand were made, predominately construction expenses of the Blanca Alvarado Community Resource Center.

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

Motion: Mr. Cameron

Second: Ms. Lew

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

Absent: Ms. Burrell, Ms. Porchia-Usher

9. Fiscal Year 2020-2021 Budget Update

Mr. Jarecki presented an updated forecast of fiscal year 2020-2021 enrollment projections. While the budget envisioned a sharp initial increase in enrollment, followed by a flattening and a decline toward the end of the fiscal year, the current forecast reflects more sustained growth. He noted that the enrollment growth noted reflects the County's suspension of Medi-Cal and CMC disenrollment projections, which is likely to continue until the Public Health Emergency ends. He noted that enrollment growth in new members, which was budgeted to be a material source of growth, has not occurred throughout California. As a result, fiscal year 2020-21 enrollment is forecasted to continue growing at a sustained pace.

10. Fiscal Year 2019-2020 Team Incentive Compensation

Ms. Tomcala recapped the Fiscal Year 2019-2020 Team Incentive Compensation Program, designed to recognize employees for achieving critical Plan Objectives. She noted the Plan met the minimum payout level for compliance, the target payout level for Medi-Cal HEDIS, and the maximum payout level for CMC HEDIS and Medi-Cal Member Calls. Ms. Tomcala asked the Board to consider recognizing staff with a 3% incentive award.

It was moved, seconded and FY '19-'20 Team Incentive Compensation Payout of 3% for all staff (excluding the CEO) was unanimously approved, predicated on achieving a Net Operating Surplus on the audited financial statements.

Motion: Ms. Murphy

Second: Mr. Cameron

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

Absent: Ms. Burrell, Ms. Porchia-Usher

11. Fiscal Year 2020-2021 Team Incentive Compensation

Ms. Tomcala presented the proposed Fiscal Year 2020-2021 Team Incentive Compensation Program, designed to recognize employees for achieving critical Plan Objectives. Ms. Tomcala noted there would be a 3% Maximum



payout and that non-executive staff would be eligible to receive an Overall Percent Payout. The Team Incentive Compensation would be determined upon receipt of audited financial statements for the fiscal 2020-21 performance year. Ms. Murphy suggested consideration be given to not paying out at the maximum level for Compliance if there are repeat findings. Ms. King requested an additional vote that would include Executive Staff in the payout.

It was moved, seconded, and the FY '20-'21 Team Incentive Compensation Program payout was unanimously approved.

Motion: Ms. Murphy

Second: Mr. Cameron

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

Absent: Ms. Burrell, Ms. Porchia-Usher

It was moved, seconded, and a FY '20-'21 Team Incentive Compensation Program with eligibility of payout for all staff, including the Executive Staff, was not approved.

Motion: Ms. King

Second: Ms. Lew

Ayes: Ms. King, Ms. Lew, Ms. Sager, Ms. Smith

Nays: Ms. Alvarado, Mr. Brownstein, Mr. Cameron, Mr. Evora, Ms. Kniss, Ms. Murphy, Dr. Paul

Absent: Ms. Burrell, Ms. Porchia-Usher

12. Adjourn to Closed Session

a. Contract Rates

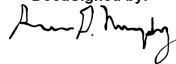
The Governing Board met in Closed Session to discuss Contract Rates.

13. Report from Closed Session

Mr. Brownstein reported the Governing Board met in Closed Session and discussed contract rates.

14. Adjournment

The meeting was adjourned at 2:33 pm.

DocuSigned by:

6C947488CF79429

Susan G. Murphy, Secretary