



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

Thursday, May 24, 2018
11:30 AM - 1:00 PM
210 E. Hacienda Avenue
Campbell CA 95008
Cambrian

Via Teleconference:
Residence
1226 Crosby Crescent
Ann Arbor, MI 48103

Via Teleconference:
Residence
1985 Cowper Street
Palo Alto, CA 94301

AGENDA

- | | | | |
|--|---------|-------|-------|
| 1. Roll Call | Ms. Lew | 11:30 | 5 min |
| 2. Meeting Minutes
Review meeting minutes of the April 26, 2018 Executive/Finance Committee.
Possible Action: Approve April 26, 2018 Executive/Finance Committee Minutes | Ms. Lew | 11:35 | 5 min |
| 3. Public Comment
Members of the public may speak to any item not on the agenda; two minutes per speaker. The Executive/Finance Committee reserves the right to limit the duration of the public comment period to 30 minutes.

<u>Announcement Prior to Recessing into Closed Session</u>
Announcement that the Executive/Finance Committee will recess into closed session to discuss Item 4(a) below. | Ms. Lew | 11:40 | 5 min |
| 4. Adjourn to Closed Session | | | 11:45 |
| <ul style="list-style-type: none"> a. <u>Conference with Labor Negotiators</u> (Government Code Section 54957.6):
It is the intention of the Executive/Finance Committee to meet in Closed Session to confer with management representatives regarding negotiations with SEIU Local 521. | | | |

- Santa Clara County Health Authority Designated Representatives: Christine Tomcala, Dave Cameron, Sharon Valdez, and Richard Noack
- Employee Organization: SEIU Local 521

5. Report from Closed Session	Ms. Lew	12:15	5 min
6. March 2018 Financial Statements Review March 2018 Financial Statements. Possible Action: Approve March 2018 Financial Statements	Mr. Cameron	12:20	10 min
7. Fiscal Year 2017-2018 Donations and Sponsorships Annual Report Review FY'17-'18 Donations and Sponsorships. Possible Action: Accept FY'17-'18 Donations and Sponsorships Annual Report	Ms. Tomcala	12:30	5 min
8. Funding for Community Clinic PCMH Certification Consider providing funding for Primary Care Medical Home (PCMH) certification survey fees for Community Clinics (Gardner, Indian Health Center, & NEMS). Possible Action: Approve funding up to \$30,000 towards PCMH certification survey fees for Community Clinics	Ms. Tomcala	12:35	5 min
9. New Building Update Provide status of progress on new office build out.	Mr. Cameron	12:40	10 min
10. Network Detection and Prevention Report Review quarterly report on firewall intrusion, detection, and prevention efforts. Possible Action: Accept Network Detection and Prevention Report	Mr. Tamayo	12:50	5 min
11. CEO Update Discuss status of current topics and initiatives. Possible Action: Accept CEO Update	Ms. Tomcala	12:55	5 min
12. Adjournment	Ms. Lew	1:00	

Notice to the Public—Meeting Procedures

- Persons wishing to address the Committee on any item on the agenda are requested to advise the Recorder so that the Chairperson can call on them when the item comes up for discussion.
- The Executive/Finance Committee may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the possible action.
- In compliance with the Americans with Disabilities Act, those requiring accommodations in this meeting should notify Caroline Alexander 48 hours prior to the meeting at 408-874-1835.
- To obtain a copy of any supporting document that is available, contact Caroline Alexander at 408-874-1835. Agenda materials distributed less than 72 hours before a meeting can be inspected at the Santa Clara Family Health Plan offices at 210 E. Hacienda Avenue, Campbell.
- This agenda and meeting documents are available at www.scfhp.com



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

Thursday, April 26, 2018
11:30 AM - 1:00 PM
210 E. Hacienda Avenue
Campbell CA 95008
Cambrian Conference Room

Via Teleconference
Residence
1985 Cowper Street
Palo Alto, CA 94301

Minutes – DRAFT

Members Present

Michele Lew, Chair
Bob Brownstein
Liz Kniss (via telephone)

Members Absent

Dolores Alvarado
Linda Williams

Staff Present

Christine Tomcala, Chief Executive Officer
Dave Cameron, Chief Financial Officer
Neal Jarecki, Controller
Caroline Alexander, Administrative Assistant

Others Present

Janet Cory Sommers, Burke, Williams & Sorensen, LLP
(via telephone)

1. Roll Call

Michele Lew called the meeting to order at 11:40 am. Roll Call was taken and a quorum was not established.

2. Adjourn to Closed Session

a. Anticipated Litigation

The Committee met in Closed Session to confer with Legal Counsel regarding five potential cases of significant exposure to litigation.

3. Report from Closed Session

Ms. Lew reported the Committee met in Closed Session to confer with legal counsel regarding significant exposure to litigation and no action was taken.

4. Public Comment

There were no public comments.

5. Safety Net Project Proposals

Ms. Tomcala discussed a request received from Community Health Partnership and seven of its community clinics for grant funding in the amount of \$2.2 million for each of the next two fiscal years. Ms. Tomcala recommended consideration of the request in conjunction with the Board Discretionary Fund Committee discussion of criteria for funding special projects.

6. New Building Update

Mr. Cameron presented an update on the new building and noted that construction costs are still within the budget approved by the Board. The new move-in date is July 27th. The lease for the current space terminates at the end of August.

Lis Kniss joined the meeting at 12:10 p.m. via telephone and a quorum was established.

7. CEO Update

Ms. Tomcala invited Mr. Jarecki to provide an update on Misdirected Claims. For the quarter ended March 31, 2018, the Plan achieved compliance of 99.1%. The Plan expects to close the CAP at June 30, 2018, and will monitor and maintain ongoing compliance.

Ms. Tomcala provided an update on audits. The Health Plan participated in a DHCS audit the weeks of April 9 and April 16, with an exit conference on April 20, 2018. The closing conference will take place sometime in June or July. The auditors acknowledged the substantial improvements the Plan has made since the last audit period, and were complimentary of the team.

The Medicare Data Validation (MDV) audit also is remotely underway.

The DMHC audit is scheduled for June 11-15, 2018. Staff have been submitting information in response to pre-audit requests from DMHC. The focus during the audit will be on Grievance and Appeals, Claims, and Utilization Management CAPS.

Independent financial auditors return for the annual audit in early June.

Ms. Tomcala and Mr. Cameron noted that re-contracting with O'Connor and St. Louise for outpatient services was completed, such that both hospitals now are contracted for all Medi-Cal services. Regional Medical Center has expressed interest in contracting with Santa Clara Family Health Plan as part of Good Samaritan Health System (HCA).

It was moved, seconded, and unanimously approved to accept the CEO Update.

8. Meeting Minutes

The minutes of the February 22, 2018 Executive/Finance Committee were reviewed.

It was moved, seconded, and the February 22, 2018 Executive/Finance Committee Minutes were unanimously approved as presented.

9. February 2018 Financial Statements

Mr. Cameron presented the February 2018 financial statements. For the month, the Plan reported a net surplus of \$1.4 million, which was \$509 thousand unfavorable to budget. For the first eight months of the fiscal year, the Plan reported a net surplus of \$17.4 million, which was \$11.0 million favorable to budget.

Month-end enrollment of 264,808 members reflected an unfavorable budget variance of 7,665 members (2.8%) and a decline of 953 members from the prior month. Year-to-date member months of 2,150,811 trailed budget by 1.8%. This continues a downward trend in Medi-Cal enrollment that began in November 2016. Specific causes are thought to include member concerns regarding the Federal political climate, an improving economy, and relocations due to the high cost of local housing. While Medi-Cal enrollment continues to decline, enrollment in Cal Medi-Connect has increased slightly, reflecting the Plan's enrollment outreach efforts.

For the month, revenue favorably exceeded budget by \$1.4 million (1.6%). For the fiscal year-to-date, revenue favorably exceeded budget by \$3.5 million (<1%). The monthly variance resulted from by higher LTC member months and rates versus budget. As of January 2018, IHSS services are no longer included in either revenue or medical expense.

For the month, medical expense reflected an unfavorable budget variance of \$2.1 million (2.7%). For the fiscal year-to-date, medical expense reflected a favorable budget variance of \$6.1 million (<1%). Monthly results reflect increased prior period medical expense estimates and higher than budgeted inpatient expense partially offset by lower capitation expense reflecting reduced enrollment. For the month, the overall medical loss ratio (MLR) was 93.8% vs. budget of 92.9%. For the fiscal year-to-date, the overall MLR was 93.4% vs. budget of 94.7%.

For the month, administrative expense reflected an unfavorable budget variance of \$316 thousand (8.0%). For the fiscal year-to-date, administrative expense reflected an unfavorable budget variance of \$22 thousand (0.1%). Unfavorable monthly variances were noted in Consultants and Temp Staff, as the Plan addresses certain special projects while also attempting to hire additional staff. For the month, the administrative loss ratio (ALR) was 5.0% vs. budget of 4.7%. For the fiscal year-to-date, the ALR was 4.4% which equaled budget.

The balance sheet continues to reflect significant receivables and payables with the State of California including several estimates for the Coordinated Care Initiative (CCI). The Plan is actively seeking reconciliation and finalization of prior year CCI amounts due to DHCS. DHCS continues to recoup prior year overpayments by approximately \$18 million per month and the Plan anticipates completion of the MCE rate recoupments by approximately April 2018. The current ratio (the ratio of current assets to current liabilities) of 1.3 exceeds the DMHC minimum of 1.0.

Capital assets of \$10.6 million have been acquired during the fiscal year-to-date, largely the 50 Great Oaks building. The Capital Budget includes total annual expenditures of \$17.3 million.

It was moved, seconded and the February 2018 Financial Statements were unanimously approved as presented.

10. Annual Investment Activity and Policy Review

Mr. Cameron noted that Sperry Capital was engaged to conduct an annual review of the Plan's investment policy, as done in previous years. Mr. Jarecki noted that Sperry's report concludes that SCFHP is in compliance with all aspects of its investment policy. Sperry recommended certain enhancements to the policy. These enhancements were all incorporated into the revised investment policy.

It was moved, seconded and the revised Investment Policy was unanimously approved as presented.

11. Adjournment

The meeting was adjourned at 12:40 pm.

Michele Lew, Chair



Santa Clara
Family Health Plan

The Spirit of Care

Unaudited Financial Statements
For Nine Months Ended March 2018

Agenda

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Financial Highlights

	<u>MTD</u>		<u>YTD</u>	
Revenue	\$92 M		\$856 M	
Medical Expense	\$88 M		\$802 M	
Medical Expense Ratio	95.8%		93.7%	
Administrative Expense (% Rev)	\$4.2 M	4.6%	\$37.7 M	4.4%
Other Income/Expense	\$351,685		\$1,179,862	
Net Surplus (Loss)	\$48,641		\$17,483,645	
Cash on Hand			\$238 M	
Net Cash Available to SCFHP			\$218 M	
Receivables			\$501 M	
Current Liabilities			\$591 M	
Tangible Net Equity			\$176 M	
% of DMHC Requirements			508.5%	

Financial Highlights

- Net Surplus
 - Month: Surplus of \$48.6K is \$-1.6M or -97.1% unfavorable to budget of \$1.7M.
 - YTD: Surplus of \$17.5M is \$9.3M or 114.6% favorable to budget of \$8.1M.
- Enrollment
 - Month: Membership was 263,849 (-7,677 or -2.8% unfavorable budget of 271,526).
 - YTD: Member months was 2.4M (-46.8K or -1.9% unfavorable budget of 2.5M).
- Revenue
 - Month: \$91.7M (\$8.6M or 10.3% favorable to budget)
 - YTD: \$855.8M (\$12.1M or 1.4% favorable to budget)
- Medical Expense
 - Month: \$87.8M (\$10.6M or 13.8% unfavorable to budget)
 - YTD: \$801.7M (\$4.5M or 0.6% unfavorable to budget)
- Administrative Expense
 - Month: \$4.2M (\$31.8K or 0.8% unfavorable to budget)
 - YTD: \$37.7M (\$54.2K or 0.1% unfavorable to budget)
- Tangible Net Equity
 - March 2018 TNE was \$175.9M (508.5% of minimum DMHC requirements - \$34.6M)
- Capital Expenditures
 - YTD Capital Investment = \$11.2M vs. \$17.3 annual budget was primarily due to building purchase.

Risks & Opportunities

- Risks
 - YTD enrollment is below budget. Medi-Cal enrollment has been declining since November 2016.
 - Retroactive provider rate adjustments are still causing volatility in claims payments and in estimation of total monthly medical expenses.
 - Revenue recordation requires significant estimation and accruals, particularly those for the Coordinated Care Initiative (CCI).
 - Declining enrollment and revenue capitation rates are expected in FY19.
- Opportunities
 - YTD Net Surplus continues to exceed budget.
 - Continued growth in CCI membership.
 - Continue to fill open positions to replace temporary staff and consultant usage.
 - With convergence of claims processing to QNXT, all claims are processed on one system, which allows for increased auto-adjudication rates and better efficiency.
 - Utilization management with in-house staffing for previously outsourced Health Risk Assessments and Individualized Care Management Plans yields better outcomes for members.



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Details

Enrollment

- Medi-Cal membership has declined since November 2016, while CMC membership has generally stabilized over the past few months.
- As detailed on page 15, much of the Medi-Cal enrollment decline has been in the Medicaid Expansion (MCE), Adult and Child categories of aid.
- FY18 YTD Membership Trends
 - Medi-Cal membership has decreased since the beginning of the fiscal year by -4.8%.
 - Healthy Kids membership increased since the beginning of the fiscal year by 25%.
 - CMC membership decreased since the beginning of the fiscal year by -1.8%.

Santa Clara Family Health Plan Enrollment Summary								
	For the Month of Mar 2018			For Nine Months Ending Mar 31 2018			Δ	
	Actual	Budget	Variance	Actual	Budget	Variance	Prior Year Actuals	FY17 vs. FY18
Medi-Cal	253,025	261,226	-(3.1%)	2,323,540	2,368,701	-(1.9%)	2,418,613	-(3.9%)
Healthy Kids	3,415	2,800	22.0%	24,424	25,200	-(3.1%)	27,384	-(10.8%)
Medicare	7,409	7,500	-(1.2%)	66,592	67,500	-(1.3%)	69,719	-(4.5%)
Total	263,849	271,526	-(2.8%)	2,414,556	2,461,401	-(1.9%)	2,515,716	-(4.0%)

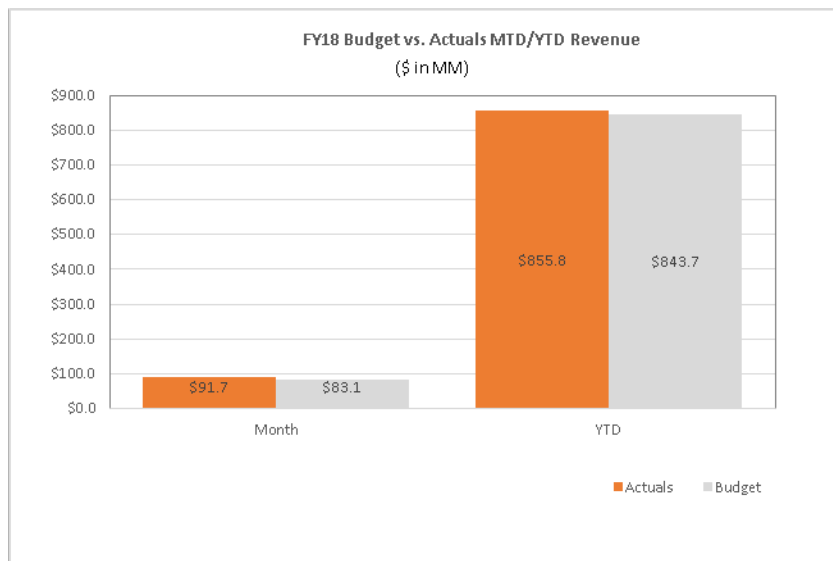
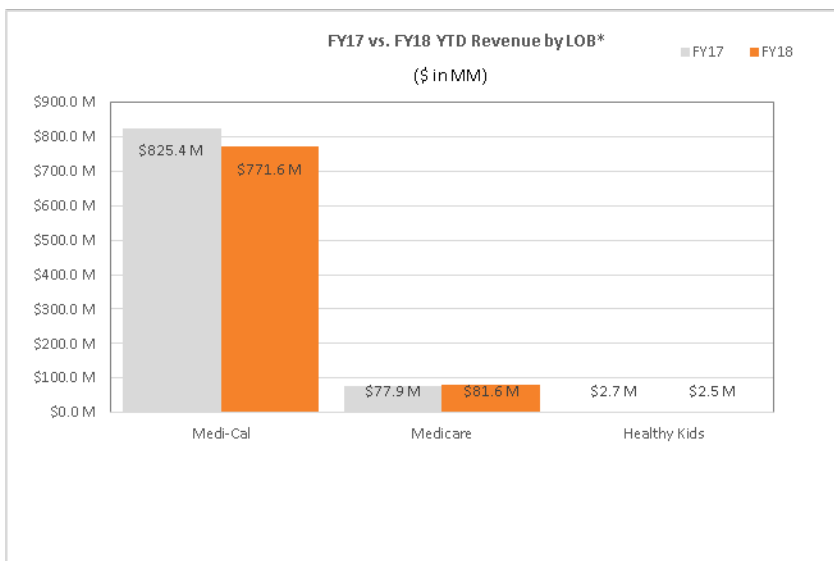
Santa Clara Family Health Plan Enrollment By Network March 2018								
Network	Medi-Cal		Healthy Kids		CMC		Total	
	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total	Enrollment	% of Total
Direct Contract Physicians	28,881	11%	381	11%	7,409	100%	36,671	14%
SCVHHS1, Safety Net Clinics, FQHC2 Clinics	128,178	51%	1,592	47%	-	0%	129,770	49%
Palo Alto Medical Foundation	7,290	3%	89	3%	-	0%	7,379	3%
Physicians Medical Group	46,748	18%	1,120	33%	-	0%	47,868	18%
Premier Care	15,762	6%	233	7%	-	0%	15,995	6%
Kaiser	26,166	10%	-	0%	-	0%	26,166	10%
Total	253,025	100%	3,415	100%	7,409	100%	263,849	100%

Enrollment at June 30, 2017	265,753	2,732	7,543	276,028
Net Δ from Beginning of FY18	-4.8%	25.0%	-1.8%	-4.4%

1 SCVHHS = Santa Clara Valley Health & Hospital System
2 FQHC = Federally Qualified Health Center

Revenue

- Current month revenue of \$91.7M is \$8.6M or 10.3% favorable to budget of \$83.1M. YTD revenue of \$855.8M is \$12.1M or 1.4% favorable to budget of \$843.7M.
 - MLTSS revenue was recast by DHCS for FY16 and forward, resulting in a favorable revenue variance of \$5.2M.
 - Long Term Care (LTC) revenue was up in March to \$4.5M and favorable to budget by \$1.7M due to higher member months and rate differentials.
 - Revenue and medical expense both reflect \$5.4M of Prop 56 funds received for which reconciliation is in process.



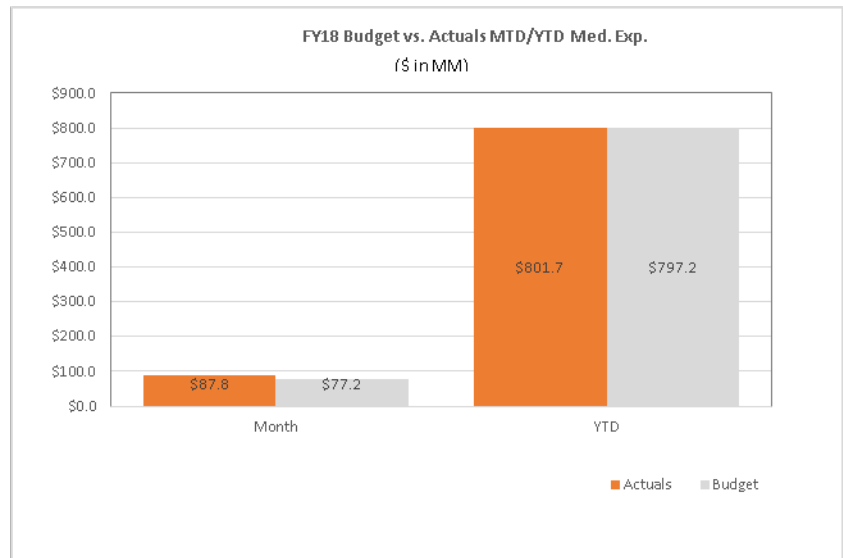
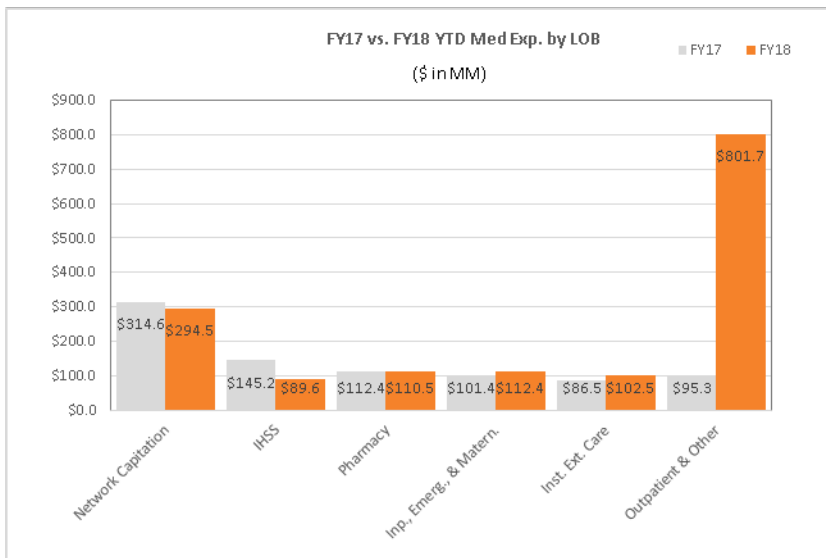
	FY17 vs. FY18 YTD Revenue by LOB			
	FY17	FY18	Variance	
Medi-Cal	\$825.4 M	\$771.6 M	(\$53.8 M)	-6.5%
Medicare	\$77.9 M	\$81.6 M	\$3.8 M	4.8%
Healthy Kids	\$2.7 M	\$2.5 M	(\$0.1 M)	-5.2%
Total Medical Expenses	\$906.0 M	\$855.8 M	(\$50.2 M)	-5.5%

	FY18 Budget vs. Actuals MTD/YTD Revenue			
	Actuals	Budget	Variance	
Month	\$91.7	\$83.1	\$8.6	10.3%
YTD	\$855.8	\$843.7	\$12.1	1.4%

*IHSS was included in revenue through 12/31/17

Medical Expense

- Current month medical expense of \$87.8M is \$10.6M or 13.8% unfavorable to budget of \$77.2M. YTD medical expense of \$801.7M is \$4.5M or 0.6% unfavorable to budget of \$797.2M.
 - Estimates of prior period medical expenses were increased in Inpatient (\$3.0M) and LTC (\$3.3M) to reflect recent claims payment activity.
 - March network capitation expense was favorable by \$1.8M due to fewer member months.
 - Revenue and medical expense both reflect \$5.4M of Prop 56 funds received for which reconciliation is in process.



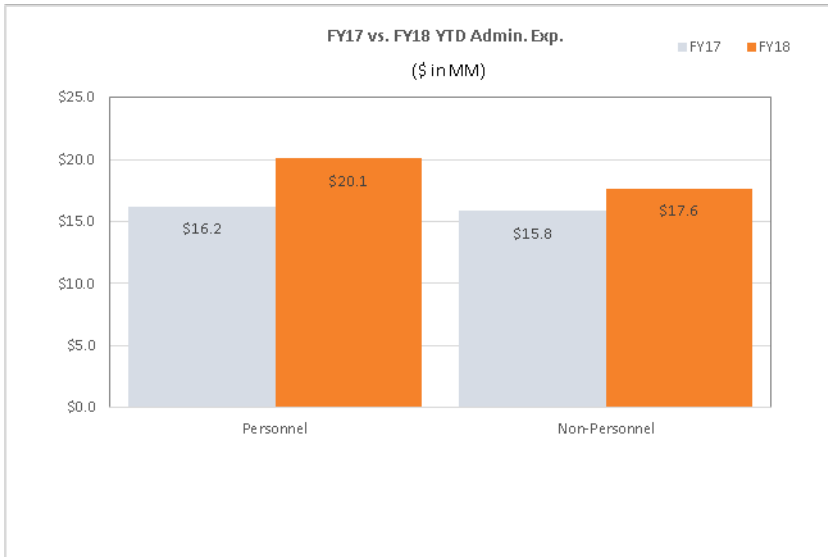
	FY17 vs. FY18 YTD Med Exp. by LOB			
	FY17	FY18	Variance	
Network Capitation	\$314.6	\$294.5	-\$20.2	-6.4%
IHSS	\$145.2	\$89.6	-\$55.6	-38.3%
Pharmacy	\$112.4	\$110.5	-\$1.9	-1.7%
Inp., Emerg., & Matern.	\$101.4	\$112.4	\$11.0	10.8%
Inst. Ext. Care	\$86.5	\$102.5	\$16.0	18.5%
Outpatient & Other	\$95.3	\$801.7	-\$53.6	741.5%
Total Medical Expenses	\$855.4	\$801.7	-\$53.6	-6.3%

	FY18 Budget vs. Actuals MTD/YTD Med. Exp.			
	Actuals	Budget	Variance	
Month	\$87.8	\$77.2	\$10.6	13.8%
YTD	\$801.7	\$797.2	\$4.5	0.6%

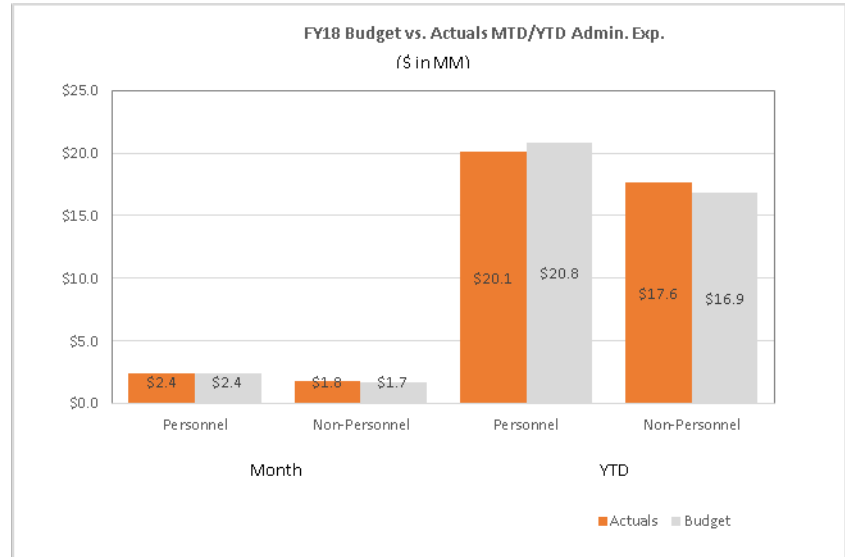
**IHSS was included in medical expense through 12/31/17*

Administrative Expense

- Current month admin expense of \$4.2M is \$31.8K or 0.8% unfavorable to budget of \$4.2M. YTD admin expense of \$37.7M is \$54.2K or 0.1% unfavorable to budget of \$37.7M.
 - Current month expenses are all running at budget.
 - For the YTD, Personnel expenses are -3.5% under budget due to delayed hiring while consultants are \$2.7M over budget both to delayed hiring and special projects. Printing and postage are favorable to the YTD budget due to timing of expenses.



	FY17 vs. FY18 YTD Admin. Exp.			Variance	
	FY17	FY18			
Personnel	\$16.2	\$20.1	\$3.9	19.3%	
Non-Personnel	\$15.8	\$17.6	\$1.8	10.2%	
Total Admin Expenses	\$32.1	\$37.7	\$5.7	15.0%	



		FY18 Budget vs. Actuals MTD/YTD Admin. Exp.			
		Actuals	Budget	Variance	
Month	Personnel	\$2.4	\$2.4	\$0.0	-1.9%
	Non-Personnel	\$1.8	\$1.7	\$0.1	4.6%
	MTD Total	\$4.2	\$4.2	\$0.0	0.8%
YTD	Personnel	\$20.1	\$20.8	-\$0.7	-3.5%
	Non-Personnel	\$17.6	\$16.9	\$0.8	4.7%
	YTD Total	\$37.7	\$37.7	\$0.1	0.1%

Balance Sheet

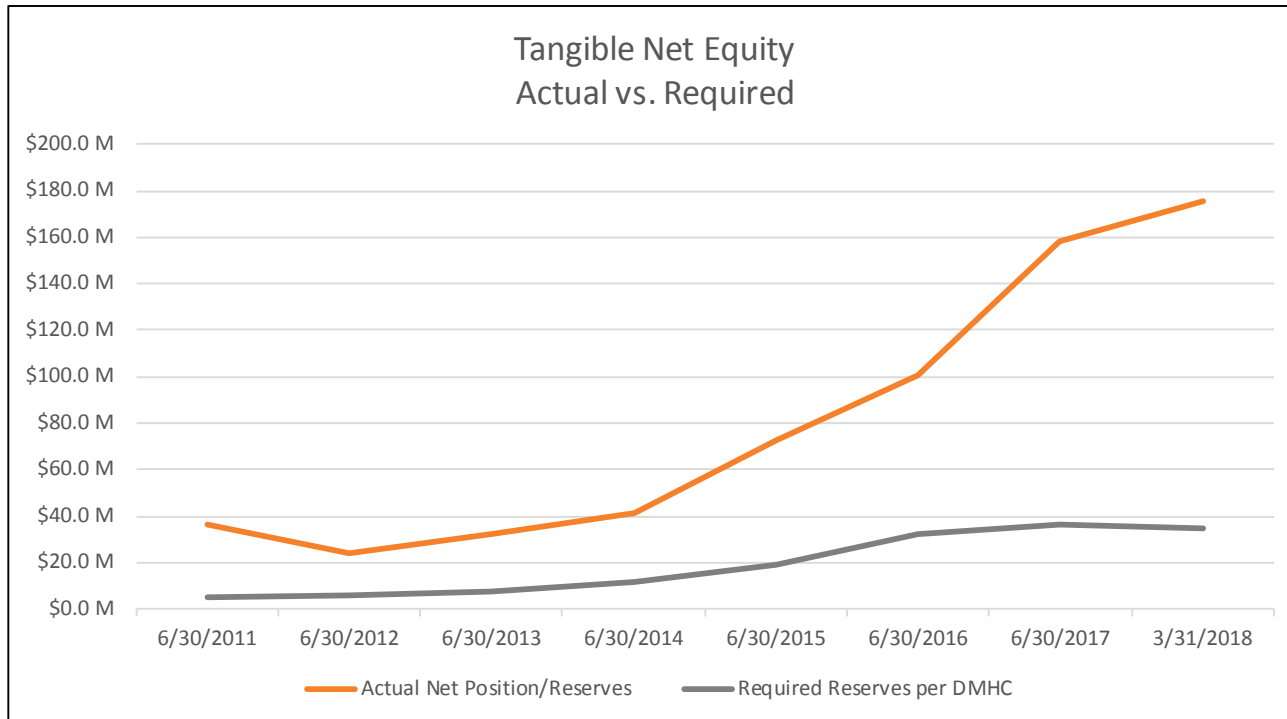
- Current assets totaled \$747.4M compared to current liabilities of \$591.1M, yielding a current ratio (Current Assets/Current Liabilities) of 1.3 vs. the DMHC minimum requirement of 1.0.
- Working capital (Current Assets Less Current Liabilities) increased by \$11.7M for the nine months of the fiscal year.
- Cash as of March 31, 2018 decreased by \$181.4M compared to the cash balance as of year-end June 30, 2017. The overall cash position decreased largely due to timing of receipt of revenues, largely paid in arrears, along with the recoupment of prior year overpayments for the MCE membership.

Tangible Net Equity

- TNE was \$175.9M in March 2018 or 508.5% of the most recent quarterly DMHC minimum requirement of \$34.6M. TNE trends for SCFHP are shown below.

Santa Clara Health Authority
Tangible Net Equity - Actual vs. Required
As of : March 31, 2018

	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	3/31/2018
Actual Net Position/Reserves	\$36.1 M	\$24.2 M	\$32.6 M	\$40.9 M	\$72.6 M	\$100.3 M	\$158.4 M	\$175.9 M
Required Reserves per DMHC	\$5.0 M	\$5.9 M	\$7.8 M	\$11.4 M	\$19.3 M	\$32.4 M	\$35.9 M	\$34.6 M
200% of Required Reserve	\$10.0 M	\$11.8 M	\$15.6 M	\$22.9 M	\$38.5 M	\$64.8 M	\$71.8 M	\$69.2 M
Actual as % Required	722.5%	410.2%	418.5%	357.5%	376.9%	309.8%	441.2%	508.5%



Reserves Analysis

- At the September 2016 Governing Board meeting, a policy was adopted for targeting the organization's capital reserves to include:
 - a) An Equity Target of 350-500% of DMHC required TNE percentage and
 - b) A Liquidity Target of 45-60 days of total operating expenses in available cash.

SCFHP RESERVES ANALYSIS MARCH 2018	
Financial Reserve Target #1: Tangible Net Equity	
Actual TNE	175,864,205
Current Required TNE	<u>34,582,875</u>
Excess TNE	141,281,330
Required TNE %	508.5%
SCFHP Target TNE Range:	
350% of Required TNE (Low)	121,040,063
500% of Required TNE (High)	<u>172,914,376</u>
TNE Above/(Below) SCFHP Low Target	<u>\$54,824,142</u>
TNE Above/(Below) High Target	<u>\$2,949,829</u>
Financial Reserve Target #2: Liquidity	
Cash & Cash Equivalents	238,428,566
Less Pass-Through Liabilities	
Payable to State of CA (1)	-
Other Pass-Through Liabilities	<u>(20,155,837)</u>
Total Pass-Through Liabilities	<u>(\$20,155,837)</u>
Net Cash Available to SCFHP	<u>\$218,272,729</u>
SCFHP Target Liability	
45 Days of Total Operating Expense	(120,210,934)
60 Days of Total Operating Expense	<u>(160,281,245)</u>
Liquidity Above/(Below) SCFHP Low Target	<u>\$98,061,795</u>
Liquidity Above/(Below) High Target	<u>\$57,991,484</u>
(1) Pass-Through from State of CA (excludes IHSS)	
Receivables Due to SCFHP	125,626,314
Payables Due to SCFHP	<u>(61,295,156)</u>
Net Receivables/(Payables)	<u>\$64,331,158</u>

Capital Expenditure

- Capital investments of \$11.2M were made in the nine months ending March 2018, largely due to the purchase and renovation of a new building (in order to lower the long term occupancy costs in an ever increasing rental rate situation in the current location).
- YTD capital expenditure includes the following and we expect to incur the bulk of the remaining expenditures later in FY 2018.

Expenditure	YTD Actual	Annual Budget
New Building*	\$9,953,025	\$14,300,000
Systems	269,881	1,595,000
Hardware	394,796	611,500
Software	369,192	587,000
Furniture and Fixtures	135,935	173,515
Automobile	29,248	33,000
Leasehold Improvements	0	10,000
TOTAL	\$11,152,076	\$17,310,015

⁽¹⁾ Budget includes \$4.5 million of renovation expend associated with 50 Great Oaks building increased to \$12M by governing board in March 2018.



Santa Clara
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Statements

Enrollment By Aid Category

		2017-03	2017-04	2017-05	2017-06	2017-07	2017-08	2017-09	2017-10	2017-11	2017-12	2018-01	2018-02	2018-03
NON DUAL	Adult (over 19)	30,750	30,468	30,028	29,745	29,019	29,307	29,056	28,726	28,256	28,075	27,528	27,365	27,365
	Adult (under 19)	106,935	106,784	106,137	106,200	104,714	105,182	104,375	103,846	103,273	103,084	101,222	101,314	101,314
	Aged - Medi-Cal Only	10,400	10,520	10,538	10,674	10,776	10,693	10,722	10,801	10,778	10,782	10,892	10,906	10,906
	Disabled - Medi-Cal Only	11,074	11,089	11,081	10,923	10,913	10,862	10,845	10,850	10,863	10,821	10,792	10,759	10,759
	Adult Expansion	82,618	82,751	82,420	82,349	80,300	80,741	80,470	79,998	79,232	79,207	76,923	76,985	76,985
	BCCTP	16	17	16	18	17	17	17	17	16	16	15	15	15
	Long Term Care	311	309	320	332	344	355	366	369	370	377	375	363	363
	Total Non-Duals	242,104	241,938	240,540	240,241	236,083	237,157	235,851	234,607	232,788	232,362	227,747	227,707	227,707
DUAL	Adult (21 Over)	479	479	467	463	464	450	447	444	427	433	421	416	416
	Aged (21 Over)	16,087	16,222	16,217	16,401	16,329	16,709	16,813	16,832	16,829	16,721	16,716	16,707	16,707
	Disabled (21 Over)	6,506	6,507	6,458	6,518	6,474	6,502	6,522	6,547	6,555	6,552	6,545	6,526	6,526
	Adult Expansion	1,141	947	921	906	806	784	793	789	717	709	474	470	470
	BCCTP	1	1	1	1	1	1	1	0	0	0	1	2	2
	Long Term Care	1,222	1,210	1,214	1,223	1,234	1,250	1,246	1,255	1,251	1,253	1,248	1,197	1,197
		Total Duals	25,436	25,366	25,278	25,512	25,308	25,696	25,822	25,867	25,779	25,668	25,405	25,318
	Total Medi-Cal	267,540	267,304	265,818	265,753	261,391	262,853	261,673	260,474	258,567	258,030	253,152	253,025	253,025
	Healthy Kids	2,752	2,794	2,757	2,732	2,633	2,618	2,243	2,288	2,321	2,447	3,209	3,415	3,415
CMC	CMC Non-Long Term Care	7,332	7,276	7,255	7,260	7,252	7,139	7,124	7,070	7,095	7,132	7,135	7,168	7,168
	CMC - Long Term Care	290	291	290	283	273	266	259	256	254	257	254	241	241
	Total CMC	7,622	7,567	7,545	7,543	7,525	7,405	7,383	7,326	7,349	7,389	7,389	7,409	7,409
	Total Enrollment	277,914	277,665	276,120	276,028	271,549	272,876	271,299	270,088	268,237	267,866	263,750	263,849	263,849

Income Statement

Santa Clara County Health Authority
Income Statement for Nine Months Ending March 31, 2018

	For the Month of Mar 2018						For Nine Months Ending Mar 31, 2018					
	Actual	% of Rev	Budget	% of Rev	Variance	% Var	Actual	% of Rev	Budget	% of Rev	Variance	% Var
	REVENUES											
MEDI-CAL	\$ 82,425,047	89.9%	\$ 74,198,724	89.3%	\$ 8,226,323	11.1%	\$771,622,612	90.2%	\$763,642,629	90.5%	\$ 7,979,983	1.0%
HEALTHY KIDS	360,677	0.4%	252,000	0.3%	108,677	43.1%	2,535,302	0.3%	2,268,000	0.3%	267,302	11.8%
MEDICARE	8,900,511	9.7%	8,637,957	10.4%	262,554	3.0%	81,626,678	9.5%	77,741,617	9.2%	3,885,061	5.0%
TOTAL REVENUE	\$ 91,686,235	100.0%	\$ 83,088,681	100.0%	\$ 8,597,554	10.3%	\$855,784,592	100.0%	\$843,652,246	100.0%	\$ 12,132,346	1.4%
MEDICAL EXPENSES												
MEDI-CAL	\$ 76,099,742	83.0%	\$ 68,660,818	82.6%	\$ 7,438,923	10.8%	\$724,981,952	84.7%	\$720,626,643	85.4%	\$ 4,355,310	0.6%
HEALTHY KIDS	264,368	0.3%	240,242	0.3%	24,126	10.0%	2,231,762	0.3%	2,162,177	0.3%	69,585	3.2%
MEDICARE	11,438,499	12.5%	8,267,243	9.9%	3,171,256	38.4%	74,529,266	8.7%	74,405,189	8.8%	124,077	0.2%
TOTAL MEDICAL EXPENSES	\$ 87,802,608	95.8%	\$ 77,168,304	92.9%	\$ 10,634,305	13.8%	\$801,742,980	93.7%	\$797,194,008	94.5%	\$ 4,548,971	0.6%
MEDICAL OPERATING MARGIN												
ADMINISTRATIVE EXPENSES												
SALARIES AND BENEFITS	\$ 2,394,226	2.6%	\$ 2,441,356	2.9%	\$ (47,130)	-1.9%	\$ 20,096,014	2.3%	\$ 20,832,194	2.5%	\$ (736,180)	-3.5%
RENTS AND UTILITIES	112,505	0.1%	110,738	0.1%	1,766	1.6%	1,147,178	0.1%	1,048,947	0.1%	98,231	9.4%
PRINTING AND ADVERTISING	20,711	0.0%	66,900	0.1%	(46,189)	-69.0%	400,640	0.0%	821,250	0.1%	(420,610)	-51.2%
INFORMATION SYSTEMS	49,435	0.1%	208,714	0.3%	(159,279)	-76.3%	1,373,383	0.2%	1,932,425	0.2%	(559,042)	-28.9%
PROF FEES / CONSULTING / TEMP STAFFING	1,103,160	1.2%	748,976	0.9%	354,184	47.3%	10,378,537	1.2%	7,668,021	0.9%	2,710,517	35.3%
DEPRECIATION / INSURANCE / EQUIPMENT	344,075	0.4%	364,610	0.4%	(20,535)	-5.6%	3,049,849	0.4%	3,164,328	0.4%	(114,478)	-3.6%
OFFICE SUPPLIES / POSTAGE / TELEPHONE	59,918	0.1%	115,411	0.1%	(55,494)	-48.1%	490,724	0.1%	1,253,302	0.1%	(762,578)	-60.8%
MEETINGS / TRAVEL / DUES	94,641	0.1%	93,464	0.1%	1,177	1.3%	733,007	0.1%	852,690	0.1%	(119,683)	-14.0%
OTHER	8,000	0.0%	4,720	0.0%	3,280	69.5%	68,495	0.0%	110,476	0.0%	(41,981)	-38.0%
TOTAL ADMINISTRATIVE EXPENSES	\$ 4,186,671	4.6%	\$ 4,154,889	5.0%	\$ 31,782	0.8%	\$ 37,737,829	4.4%	\$ 37,683,633	4.5%	\$ 54,196	0.1%
OPERATING SURPLUS (LOSS)	\$ (303,044)	-0.3%	\$ 1,765,489	2.1%	\$ (2,068,534)	-117.2%	\$ 16,303,783	1.9%	\$ 8,774,605	1.0%	\$ 7,529,178	85.8%
GASB 45 - POST EMPLOYMENT BENEFITS EXPENSE	(59,780)	-0.1%	(59,780)	-0.1%	-	0.0%	(538,017)	-0.1%	(538,017)	-0.1%	-	0.0%
GASB 68 - UNFUNDED PENSION LIABILITY	(75,000)	-0.1%	(75,000)	-0.1%	-	0.0%	(675,000)	-0.1%	(675,000)	-0.1%	-	0.0%
INTEREST & OTHER INCOME	486,465	0.5%	65,153	0.1%	421,312	646.7%	2,392,879	0.3%	586,374	0.1%	1,806,505	308.1%
NET SURPLUS (LOSS)	\$ 48,641	0.1%	\$ 1,695,862	2.0%	\$ (1,647,221)	-97.1%	\$ 17,483,645	2.0%	\$ 8,147,962	1.0%	\$ 9,335,683	114.6%

Balance Sheet

	MAR 18	FEB 18	JAN 18	DEC 17
Assets				
Current Assets				
Cash and Marketable Securities	\$238,428,565.83	\$203,113,259.00	\$215,825,024.01	\$242,799,013.85
Receivables	501,305,520.83	557,171,775.15	541,831,443.77	537,483,583.29
Prepaid Expenses and Other Current Assets	7,713,020.33	7,139,640.01	7,645,951.52	7,417,269.43
Total Current Assets	747,447,106.99	767,424,674.16	765,302,419.30	787,699,866.57
Long Term Assets				
Property and Equipment	32,420,962.55	31,931,663.87	31,747,798.06	31,721,381.98
Less: Accumulated Depreciation	(13,420,154.92)	(13,123,688.86)	(12,834,924.64)	(12,546,389.82)
Total Long Term Assets	19,000,807.63	18,807,975.01	18,912,873.42	19,174,992.16
Total Assets	766,447,914.62	786,232,649.17	784,215,292.72	806,874,858.73
Deferred Outflow of Resources	14,405,010.00	14,405,010.00	14,405,010.00	14,405,010.00
Total Deferred Outflows and Assets	780,852,924.62	800,637,659.17	798,620,302.72	821,279,868.73
Liabilities and Net Assets				
Current Liabilities				
Trade Payables	5,641,340.41	4,669,231.14	4,171,876.49	6,515,939.81
Deferred Rent	35,907.84	42,206.64	48,505.44	54,804.24
Employee Benefits	1,541,056.51	1,506,845.00	1,446,790.10	1,386,016.90
Retirement Obligation per GASB 45	5,356,376.03	5,296,596.36	5,236,816.69	5,177,037.02
Advance Premium - Healthy Kids	66,817.59	56,873.79	58,428.58	54,640.50
Deferred Revenue - Medicare	8,501,088.50			
Whole Person Care	7,501,830.28	2,065,180.11	2,065,180.11	2,065,180.11
Payable to Hospitals (AB 85)	12,654,006.36	11,073,677.18	11,064,022.82	11,060,139.72
Due to Santa Clara County Valley Health Plan and Kaiser	6,052,150.50	4,748,302.51	5,669,466.65	4,837,596.86
MCO Tax Payable - State Board of Equalization	(219,630.46)	16,790,320.07	8,588,819.75	8,799,433.22
Due to DHCS	61,514,786.11	80,163,267.69	88,717,729.37	105,074,063.29
Liability for In Home Support Services (IHSS)	390,509,777.90	390,509,777.90	390,510,323.35	390,514,951.58
Current Premium Deficiency Reserve (PDR)	2,374,525.00	2,374,525.00	2,374,525.00	2,374,525.00
Medical Cost Reserves	89,521,487.91	91,663,092.64	90,446,393.85	95,712,093.41
Total Current Liabilities	591,051,520.48	610,959,896.03	610,398,878.20	633,626,421.66
Non-Current Liabilities				
Noncurrent Premium Deficiency Reserve (PDR)	5,919,500.00	5,919,500.00	5,919,500.00	5,919,500.00
Net Pension Liability GASB 68	7,532,370.00	7,457,370.00	7,382,370.00	7,307,370.00
Total Non-Current Liabilities	13,451,870.00	13,376,870.00	13,301,870.00	13,226,870.00
Total Liabilities	604,503,390.48	624,336,766.03	623,700,748.20	646,853,291.66
Deferred Inflow of Resources	485,329.00	485,329.00	485,329.00	485,329.00
Net Assets / Reserves				
Invested in Capital Assets	9,737,810.88	9,814,951.48	9,910,931.58	10,083,469.32
Restricted under Knox-Keene agreement	305,350.00	305,350.00	305,350.00	305,350.00
	158,380,559.77	158,380,559.77	158,380,559.77	158,380,559.77
Unrestricted Net Equity	148,337,398.89	148,260,258.29	148,164,278.19	147,991,740.45
Current YTD Income (Loss)	17,483,645.37	17,435,004.37	16,053,665.75	15,560,688.30
Total Net Assets / Reserves	175,864,205.14	175,815,564.14	174,434,225.52	173,941,248.07
Total Liabilities, Deferred Inflows, and Net Assets	780,852,924.62	800,637,659.17	798,620,302.72	821,279,868.73

Cash Flow – For the Nine Months Ending March 2018

Cash Flows from Operating Activities	
Premiums Received	649,116,098
Medical Expenses Paid	(716,258,664)
Administrative Expenses Paid	(49,705,539)
Net Cash from Operating Activities	<u>(<u>\$116,848,105</u>)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(11,152,076)
Cash Flows from Investing Activities	
Interest Income and Other Income (Net)	2,392,879
Net Increase/(Decrease) in Cash & Cash Equivalents	(125,607,302)
Cash & Cash Equivalents (Jun 17)	364,609,248
Cash & Cash Equivalents (Mar 18)	238,428,566
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating Income/(Loss)	17,483,645
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Depreciation	2,658,396
Changes in Operating Assets/Liabilities	
Premiums Receivable	(26,439,324)
Other Receivable	(2,392,879)
Due from Santa Clara Family Health Foundation	-
Prepays & Other Assets	(69,021)
Deferred Outflow of Resources	(5,117,497)
Accounts Payable & Accrued Liabilities	(8,901,572)
State Payable	(180,229,170)
Santa Clara Valley Health Plan & Kaiser Payable	(3,404,303)
Net Pension Liability	675,000
Medical Cost Reserves & PDR	(1,400,893)
Deferred Inflow of Resources	90,289,512
Total Adjustments	<u>(<u>\$136,990,147</u>)</u>
Net Cash from Operating Activities	<u>(<u>\$116,848,105</u>)</u>

Statement of Operations

Santa Clara County Health Authority Statement of Operations By Line of Business (Including Allocated Expenses) For Nine Months Ending Mar 31 2018				
	Medi-Cal	CMC	Healthy Kids	Grand Total
P&L (ALLOCATED BASIS)				
REVENUE	771,622,612	81,626,678.00	2,535,302	855,784,592
MEDICAL EXPENSES	724,981,952	74,529,266.00	2,231,762	801,742,980
(MLR)	94.0%	91.3%	88.0%	93.7%
GROSS MARGIN	46,640,660	7,097,412	303,540	54,041,612
ADMINISTRATIVE EXPENSES	34,026,509	3,599,520	111,800	37,737,829
(% of Revenue Allocation)				
OPERATING INCOME/(LOSS)	12,614,151	3,497,892	191,740	16,303,783
(% of Revenue Allocation)				
OTHER INCOME/(EXPENSE)	1,063,829	112,538	3,495	1,179,862
(% of Revenue Allocation)				
NET INCOME/(LOSS)	13,677,980	3,610,430	195,235	17,483,645
PMPM (ALLOCATED BASIS)				
REVENUE	\$332.09	\$1,225.77	\$103.80	\$354.43
MEDICAL EXPENSES	312.02	1,119.19	91.38	332.05
GROSS MARGIN	20.07	106.58	12.43	22.38
ADMINISTRATIVE EXPENSES	14.64	54.05	4.58	15.63
OPERATING INCOME/(LOSS)	5.43	52.53	7.85	6.75
OTHER INCOME/(EXPENSE)	0.46	1.69	0.14	0.49
NET INCOME/(LOSS)	5.89	54.22	7.99	7.24
ALLOCATION BASIS:				
MEMBER MONTHS - YTD	2,323,540	66,592	24,424	2,414,556
Revenue by LOB	90.2%	9.5%	0.3%	100.0%

Note: CMC includes Medi-Cal portion of the Coordinated Care Initiative (CCI) data.

Medical Expense Line Item Detail

	Mar	% of	Mar	% of	Current Month Variance		YTD	% of	YTD	% of	YTD Variance		
	Actual	Rev	Budget	Rev	\$	%	Actual	Rev	Budget	Rev	\$	%	
HEALTH CARE EXPENSE													
NETWORK CAPITATION	31,893,555	35%	33,693,445	41%	(1,799,890)	-5%	294,467,079	34%	304,236,187	36%	(9,769,107)	-3%	
PCP SERVICES	795,196	1%	597,389	1%	197,807	33%	4,611,866	1%	5,405,283	1%	(793,418)	-15%	
SPECIALIST SERVICES	2,408,199	3%	1,202,628	1%	1,205,571	100%	15,825,174	2%	10,905,194	1%	4,919,980	45%	
RADIOLOGY SERVICES	405,054	0%	267,221	0%	137,834	52%	2,472,319	0%	2,424,015	0%	48,304	2%	
LABORATORY	127,512	0%	127,289	0%	223	0%	928,163	0%	1,153,212	0%	(225,048)	-20%	
PHARMACY EXPENSE	12,682,779	14%	12,523,936	15%	158,844	1%	110,530,548	13%	112,755,731	13%	(2,225,183)	-2%	
MATERNITY EXPENSE	646,741	1%	798,606	1%	(151,865)	-19%	7,113,127	1%	7,187,457	1%	(74,330)	-1%	
INPATIENT HOSPITAL	12,494,971	14%	9,461,532	11%	3,033,439	32%	94,674,551	11%	85,553,846	10%	9,120,705	11%	
OTHER PROFESSIONAL SERVICES	359,589	0%	277,165	0%	82,424	30%	2,008,560	0%	2,505,149	0%	(496,589)	-20%	
OUTPATIENT SERVICES	4,582,872	5%	3,289,502	4%	1,293,369	39%	33,425,151	4%	29,891,570	4%	3,533,581	12%	
EMERGENCY SERVICES - IN AREA	1,496,175	2%	1,132,357	1%	363,818	32%	10,575,264	1%	10,262,560	1%	312,704	3%	
OTHER MEDICAL SERVICES	394,491	0%	389,246	0%	5,245	1%	2,998,076	0%	3,521,560	0%	(523,484)	-15%	
VISION/DENTAL EXPENSE	244,607	0%	247,857	0%	(3,251)	-1%	2,076,425	0%	2,243,493	0%	(167,069)	-7%	
INSTITUTIONAL EXTENDED CARE	13,525,357	15%	10,189,744	12%	3,335,613	33%	102,545,606	12%	92,686,463	11%	9,859,142	11%	
OUT OF AREA SERVICES - PROFESSIONAL	936,212	1%	249,592	0%	686,620	275%	6,653,362	1%	2,261,060	0%	4,392,302	194%	
OUT OF AREA SERVICES - INPATIENT	991,105	1%	990,713	1%	392	0%	7,852,196	1%	8,980,983	1%	(1,128,787)	-13%	
OUT OF AREA SERVICES - EMERGENCY ROOM	60,044	0%	142,415	0%	(82,370)	-58%	535,638	0%	1,292,080	0%	(756,442)	-59%	
PROP 56 EXPENSE	5,436,650	6%		0%	5,436,650	0%	5,436,650	1%		0%	5,436,650	0%	
REALIGNMENT FEE (AB 85)	963	0%	1,213,182	1%	(1,212,219)	-100%	(288,967)	0%	10,882,626	1%	(11,171,593)	-103%	
IHSS EXPENSE	0	0%	0	0%	0	0%	89,593,269	10%	99,675,166	12%	(10,081,897)	-10%	
RISK & CCI RECAST POOL EXPENSE	(1,666,667)	-2%	333,333	0%	(2,000,000)	-600%	6,999,999	1%	3,000,000	0%	3,999,999	133%	
RE-INSURANCE & OTHER (RECOVERY)	(12,795)	0%	41,153	0%	(53,948)	-131%	708,925	0%	370,374	0%	338,551	91%	
TOTAL HEALTH CARE EXPENSE	87,802,608	96%	77,168,304	93%	10,634,305	14%	801,742,980	94%	797,194,008	94%	4,548,971	1%	
(Revenue used in % of REV Calculations)	91,686,235	100%	83,088,681	100%	8,597,554	10%	855,784,592	100%	843,652,246	100%	12,132,346	1%	

SCFHP DONATIONS/SPONSORSHIPS

Organization	Event Name	FY 2016			FY 2017			FY 2018			
		Check Date	Event Date	Amount	Check Date	Event Date	Amount	Check Date	Event Date	Amount	
Aging Services Collaborative	Annual Caregivers Conference	3/28/2016	4/16/2016	\$ 200	2/10/2017	5/6/2017	\$ 200	3/2/2018	5/19/2018	\$ 200	
Alum Rock Counseling Center	Annual Luncheon	12/10/2015	4/7/2016	\$ 500	12/2/2016	3/29/2017	\$ 500	2/16/2018	3/27/2018	\$ 1,000	
Silicon Valley Leadership Group	Silicon Valley Turkey Trot				11/3/2016	11/24/2016	\$ 2,000	2/2/2018	11/23/2017	\$ 5,000	
Asian Americans for Community Involvement	Annual Event	5/14/2015	10/10/2015	\$ 5,000	6/22/2016	9/10/2016	\$ 5,000	8/24/2017	10/7/2017	\$ 5,000	
	Annual Event							TBD	9/8/2018	\$ 5,000	
	Donation - Med Homes for Duals	7/1/2015		\$ 5,000							
California Association for Adult Day Services	Northern California Spring Conference: The Quality Imperative	3/17/2016	5/11/2016	\$ 250	1/30/2017	4/25/2017	\$ 350	3/2/2018	5/1/2018	\$ 350	
City of Mountain View	Senior Center 10th Anniversary				9/30/2016	10/26/2016	\$ 500				
Community Health Partnership	21st Anniversary Celebration							5/11/2018	9/20/2018	\$ 5,000	
Gardner Family Health	Annual Event	3/17/2016	4/16/2016	\$ 2,000				5/11/2018	9/15/2018	\$ 5,000	
	SCFHP 20th Anniversary community benefit - Dental equipment donation				7/13/2017		\$ 5,000				
Gilroy Downtown Business Association	South County Health Fair							3/23/2018	4/28/2018	\$ 500	
Health Plan Alliance	Support of Health Care Leadership Speaker Series							3/26/2018	3/26/2018	\$ 1,000	
The Health Trust	Donation - San Jose Flood Relief				3/6/2017	3/6/2017	\$ 2,575				
	World AIDS Day Benefit Dinner							11/9/2017	11/30/2017	\$ 5,000	
Healthier Kids Foundation	Annual Symposium on Status of Children's Health in Santa Clara County	5/12/2016	5/13/2016	\$ 5,000				3/30/2018	4/11/2018	\$ 150	
	Wine Tasting Benefit				8/11/2016	9/16/2016	\$ 5,000	8/11/2017	9/29/2017	\$ 5,000	
Hospice of the Valley	Compassion in Action Conference	2/25/2016	3/24/2016	\$ 1,000							
	Annual Gala										
Indian Health Center Santa Clara Valley	Annual Event	8/21/2015	10/17/2015	\$ 5,000							
	20th Anniversary community benefit - Wellness Center equipment				5/11/2017		\$ 5,000				
Justice in Aging	Take a Stand Against Senior Poverty - Event	3/3/2016	4/7/2016	\$ 2,500				2/16/2018	4/26/2018	\$ 2,500	
March of Dimes	March for Babies	12/10/2015	5/1/2016	\$ 5,000	1/20/2017	4/30/2017	\$ 5,000	1/26/2018	4/28/2018	\$ 5,000	
Momentum for Mental Health	Annual Shining Stars Benefit	10/22/2015	11/23/2016	\$ 1,500	9/29/2016	10/21/2016	\$ 5,000	10/6/2017	10/20/2017	\$ 5,000	
PACT	Leadership Luncheon							7/13/2017	11/9/2017	\$ 5,000	
Parents Helping Parents	Annual Gala							4/13/2018	4/28/2018	\$ 1,000	
Planned Parenthood	Contribution	6/16/2016		\$ 5,000							
Philippine Medical Society of Northern California	Health Fair							9/15/2017	10/15/2017	\$ 1,000	
Recovery Café	Closing the Gap Breakfast				4/21/2017	5/5/2017	\$ 2,500	4/13/2018	5/4/2018	\$ 2,500	
Santa Clara County Board of Supervisors	Day on the Bay							5/11/2017	10/8/2017	\$ 2,000	
Santa Clara County Social Services - Friends of Human Relations	Senior Resource and Wellness Fair							10/18/2017	10/16/2017	\$ 25	
Silicon Valley Council of Non Profits	Be Our Guest Annual Luncheon; Housing Summit	7/1/2015	11/16/2015	\$ 5,000	8/18/2016	10/27/2016	\$ 5,000	10/6/2017	10/26/2017	\$ 5,000	
Silicon Valley Independent Living Center	Disability Pride Parade										
	CCT Program Presentation										
	40th Anniversary Event				9/16/2016	9/24/2016	\$ 500				
Teatro Vision	Annual Play (tickets)				10/11/2016	10/15/2016	\$ 400	10/27/2017	10/15/2017	\$ 240	
Uplift Family Services	Silicon Valley Community Awards Luncheon				3/16/2017	4/28/2017	\$ 1,500	3/19/2018	4/27/2018	\$ 5,000	
Veggielution	Feast San Jose				4/28/2017	6/11/2017	\$ 2,500	TBD	6/10/2018	\$ 5,000	
VMC Foundation	Annual Gala	5/19/2016	9/24/2016	\$ 5,000	4/21/2017	9/23/2017	\$ 5,000	5/11/2018	10/6/2018	\$ 5,000	
Working Partnerships USA	20 Years in Action (tickets)	12/3/2015	12/10/2015	\$ 300							
	Champions for Change (tickets)							9/29/2017	9/27/2017	\$ 450	
YWCA Silicon Valley	Walk a Mile in Her Shoes							2/16/2018	6/20/2018	\$ 3,000	
TOTAL							\$ 48,250			\$ 53,525	\$ 85,915

Network Detection and Prevention Report

May 2018

Executive Finance Committee Meeting



Firewall Background

The following network intrusion reports show the malicious activities that were prevented from accessing SCFHP's network. It is important to note that these attempts are not specifically targeted at SCFHP, but rather are common attempts against entire areas of the Internet. The results are typical of many organizations.

None of the intrusion attempts on the SCFHP network were successful. The attempts have been categorized in three severity levels:

High

These attacks are the most dangerous. They can take down our entire network or disable servers, such as various Backdoor, DDoS(Distributed Denial of Service), and DOS(Denial of Service) attacks.

Medium

These attacks can cause disruption to the network, such as increased network traffic that slows down performance. For example, various DNS(Domain Naming Service), FTP(File Transfer Protocol), and Telnet attacks.

Low

These attacks are characterized more as informational events, such as various Scans (port and IP internet protocol address), RPC(Remote Procedure Call), and SMTP(Simple Mail Transfer Protocol) attacks.



Attack Statistics Combined

January/February/March/April

Severity Level	Number of Different Types of Attacks				Total Number of Attempts				Percent of Attempts			
	JAN	FEB	MAR	APR	JAN	FEB	MAR	APR	JAN	FEB	MAR	APR
High	3	7	4	9	284	68	56	39	0.27	.09	.06	.05
Medium	25	11	8	15	440	171	33	121	0.42	.23	.03	.16
Low	27	29	24	26	104392	72739	95048	75582	99.31	99.68	99.91	99.79

For the month of January, the high and medium vulnerabilities are lower because the old provider portal to our network has been closed.

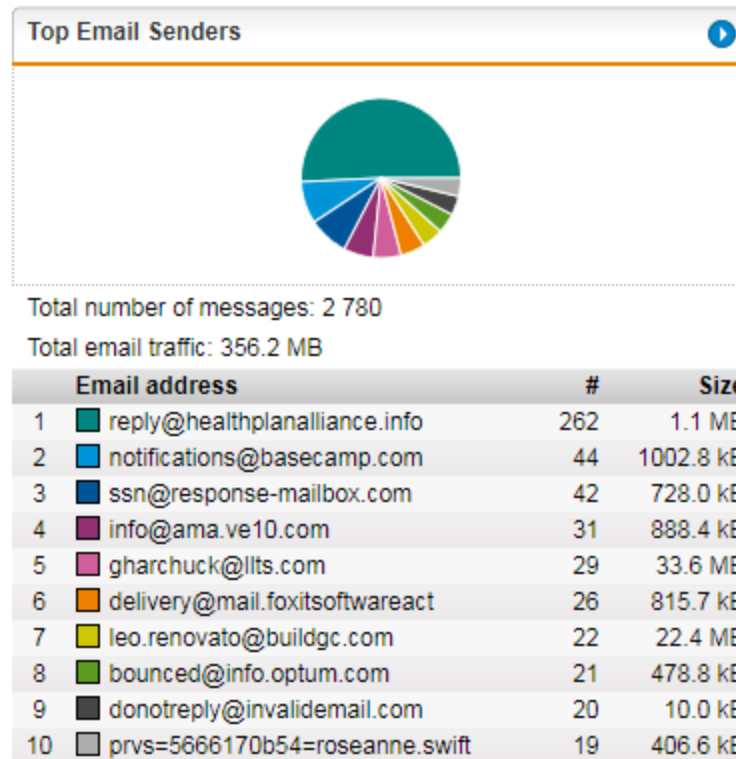


Email Background

For email protection SCFHP utilizes software that intercepts every incoming email and scans them for suspicious content, attachments or URLs (Uniform Resource Locator or address to the World Wide Web). The software has anti-malware and phishing-detection technology that is constantly being updated to detect the latest threats. It is configured to detect phishing attempts as well SPF (Sender Policy Framework) anti-spoofing. SPF is a simple technology that detects spoofing by providing a mechanism to validate the incoming mail against the sender's domain name. The software can check those records to make sure mail is coming from legitimate email addresses.



Email Security – Daily Statistics



Screenshot of daily top email senders reviewed by IT. Potential malicious or unknown email addresses are blacklisted.



Email Security - Daily Statistics

Top Spam Countries

Total number of spams: 771
Total spam mail size: 18.5 MB

			Spams	Traffic
1		United States	549	15.6 MB
2		Canada	55	1.6 MB
3		United Kingdom	37	403.5 kB
4		Germany	21	128.9 kB
5		Czech Republic	21	94.3 kB
6		Bulgaria	14	195.5 kB
7		India	13	2.0 kB
8		France	12	260.3 kB
9		Netherlands	9	115.4 kB
10		Japan	7	18.0 kB

Screenshot of daily top spam countries reviewed by IT. Malicious countries are blocked.



SCFHP Phishing Attacks

	INCIDENT 25 – 1/08/2018	INCIDENT 26 – 2/06/2018	INCIDENT 27 – 2/15/2018	INCIDENT 28 – 2/18/2018
TYPE OF ATTACK	Phishing	Phishing	Phishing	Phishing
SUMMARY	1 employee	1 employee	1 employee	2 employees
RESPONSE	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email Tturnage@arlingtonva.us Add expression for Subject line keyword – IT SUPPORT TEAM</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email annemary@interfree.it and mohit.g@pologifts.com Add expression for Subject line keyword – “Your incoming messages were placed on hold” and “Your email account will Expire today” blocked IP Address 172.93.148.201.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email and IP Address. Add expression for line keyword, “happy hhefe”.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email and IP Address. Add expression for line keyword, “Upgrade email quota”.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>



SCFHP Phishing Attacks

	INCIDENT 29 – 2/20/2018	INCIDENT 30 – 2/21/2018	INCIDENT 31 – 2/22/2018	INCIDENT 32 – 2/26/2018
TYPE OF ATTACK	Phishing	Phishing	Phishing	Phishing
SUMMARY	1 employee	1 employee	2 employees	1 employee
RESPONSE	Step 1. Analyze email and take appropriate action.	Step 1. Analyze email and take appropriate action.	Step 1. Analyze email and take appropriate action.	Step 1. Analyze email and take appropriate action.
	Step 2. Recipient confirmed from Source that this was not a valid email. Add Expression, “* has shared a Document”.	Step 2. Block FW from Source email michael@poolranger.com.au and IP Address. Add expression for line keyword, “Email Quota”.	Step 2. Block FW from Source email info@getresearchget.com and j0234cop@comcast.net Add expression for line keyword, “ In the city of Montgomery” and “Urgent Responds”.	Step 2. Block FW from Source email contato@pettransfusio.com.br Add expression for line keyword, “New Order”.
	Step 3. Recipient Deleted promptly.	Step 3. Remove threat by permanently deleting email.	Step 3. Remove threat by permanently deleting email.	Step 3. Remove threat by permanently deleting email.
	Step 4. Monitor email and user.	Step 4. Monitor email and user.	Step 4. Monitor email and user.	Step 4. Monitor email and user.



SCFHP Phishing Attacks

	INCIDENT 33 – 3/5/2018	INCIDENT 34 – 3/6/2018	INCIDENT 35 – 3/13/2018	INCIDENT 36 – 3/15/2018
TYPE OF ATTACK	Phishing	Phishing	Phishing	Phishing
SUMMARY	1 employee	1 employee	1 employee	1 employee
RESPONSE	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email davidwinecoff@tcomn.com Add expression for line keyword, “Help Desk Support Team”.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email OneDriv@qtarin.com and IP Addresses 52.135.193.28, 68.14.231.50. Add expression for line keyword, “OneDrive: Review Document”.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email bknight@smc.tas.edu.au Add expression for line keyword, “Your web-mail quota has exceeded the set quota”.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email cedricwilliams521@gmail.com Add expression for line keyword, “Re:Review”.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>



SCFHP Phishing Attacks

	INCIDENT 37 – 3/29/2018	INCIDENT 38 – 4/12/2018	INCIDENT 39 – 4/14/2018	INCIDENT 40 – 4/20/2018
TYPE OF ATTACK	Phishing	Phishing	Phishing	Phishing
SUMMARY	1 employee	1 employee	1 employee	1 employee
RESPONSE	Step 1. Analyze email and take appropriate action.	Step 1. Analyze email and take appropriate action.	Step 1. Analyze email and take appropriate action.	Step 1. Analyze email and take appropriate action.
	Step 2. Block FW from Source email forourrecords70@comcast.net Add expression for line keyword, “Request!”.	Step 2. Block FW from Source email info@syafaindustry.com Add expression for line keyword, “Your mailbox is full”.	Step 2. Block FW from Source email seful_banilor90@yahoo.com Add expression for line keyword, “Saturday’s weekend office plans”.	Step 2. Block FW from Source email mariandowdell@gmail.com Add expression for line keyword, “I went to Sweden for a few days”.
	Step 3. Remove threat by permanently deleting email.	Step 3. Remove threat by permanently deleting email.	Step 3. Remove threat by permanently deleting email.	Step 3. Remove threat by permanently deleting email.
	Step 4. Monitor email and user.	Step 4. Monitor email and user.	Step 4. Monitor email and user.	Step 4. Monitor email and user.



SCFHP Phishing Attacks

	INCIDENT 41 – 4/25/2018	INCIDENT 42 – 4/26/2018	INCIDENT 43 – 4/30/2018	
TYPE OF ATTACK	Phishing	Phishing	Phishing	
SUMMARY	1 employee	1 employee	3 employees	
RESPONSE	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email avrro10400@gmail.com and timwest120@gmail.com Add expression for line keyword, “Sales without profit” and “text 111”.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email angelapereira@cygnethhealth.co.uk Add expression for line keyword, “Email Verification”.</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	<p>Step 1. Analyze email and take appropriate action.</p> <p>Step 2. Block FW from Source email info@oyonalhejaz.com.sa Add expression for line keyword, “Re-Validate your Email Account or you loose it.” Blocked IP address 68.169.63.24 and 167.88.9.90</p> <p>Step 3. Remove threat by permanently deleting email.</p> <p>Step 4. Monitor email and user.</p>	



Questions

