

Minutes  
Regular Meeting of the  
Santa Clara County Health Authority  
Governing Board

Thursday, April 23, 2015  
2:30 PM - 5:00 PM  
210 E. Hacienda Avenue  
Campbell CA 95008

**Board members present:**

Ms. Dolores Alvarado  
Ms. Laura Jones  
Ms. Michele Lew  
Ms. Linda Williams  
Ms. Liz Kniss  
Mr. Christopher Dawes  
Dr. Waldeman Wenner  
Mr. Paul Murphy

**Members not present:**

Ms. Kathleen King  
Mr. Robert Brownstein  
Ms. Jolene Smith  
Ms. Melinda Landau

**Staff present:**

Ms. Elizabeth Darrow, Chief Executive Officer  
Mr. Dave Cameron, Chief Financial Officer  
Dr. Jeff Robertson, Chief Medical Officer  
Mr. Tony Solem, Chief of Medicare Operations  
Ms. Pat McClelland, VP, Member and Medical  
Operations  
Ms. Sharon Valdez, VP of Human Resources  
Ms. Beth Paige, Compliance Officer  
Ms. Rita Zambrano, Executive Assistant

**Others present:**

Ms. Elizabeth Pianca, Secretary  
Mr. Rene Santiago, Deputy County Executive  
Mr. Peter Goll, CEO Excel Management Services  
Mr. Mark Pasos, Walgreens Co.

**1. Roll Call**

Chairman Lew called the meeting to order at 2:40PM. Roll call was taken, and a quorum was established

**2. Action Item: Review and approve minutes from the following meetings:**

- February 5, 2015 Regular Board Meeting
- March 19, 2015 Special Board Meeting
- March 30, 2015 Special Board meeting

**It was moved, seconded, and approved** to accept the meeting minutes as presented. Linda Williams abstained on all minutes presented.

**3. Public comment**

There were no public comments

**4. Action Item: Accepted Presentation by Rene Santiago on Unified Managed Care Strategy**

Mr. Santiago gave an overview of the Unified and Effective Managed Care Strategy and was directed by the Board of Supervisors to work with Santa Clara Family Health Plan and SCCHA Board of Directors in terms of evaluating and assessing Unified and Effective Managed Care Strategy for the county of Santa Clara. The first meeting was held with several of the SCCHA Board Members and it outlined some opportunities in terms of further collaboration. Quite a bit of progress has been made over the last 2-3 years in terms of working together and in that spirit a few things have been identified in terms of delivering more specific actions moving forward. A few things covered were changes that occurred in the external environment and the significance of Medi-Cal expansion. Mr. Dawes noted the one thing that hasn't changed is the chronic underfunding of Medi-Cal across the State of California which is a big legislative topic. Mr. Santiago anticipates that more meetings will be scheduled and updates will be provided to both the Board of Supervisors and the SCCHA Board.

**It was moved, seconded, and approved** to accept the presentation.

## **5. Action Item: Accept presentation on Important Issues for Governing Board Consideration**

Ms. Darrow gave a detailed overview on the important issues for the Governing Board to consider relating to Unified Managed Care Strategy.

**History:** Since 2000, consultants have offered advice on what the potential benefits of combining VHP and SCFHP. In the early assessments, the goals were: save money and eliminate duplication. Another discussion was started in 2009, but was abruptly stopped when the administration at VMC changed. Times were much simpler then and much has changed. Next review was in light of Health Care Reform and how to position the County delivery system to prepare, as described in the "North Star" document issued in January 2011. This was a document produced as a result of A&M's work. This was the birth of Unified Managed Care Strategy. Work focused next at VMC in consultation with A&M. In September 2012, A&M returned and the JPA discussion started. October 2013, JPA was put on hold and the concept of SCFHP becoming the MSO for VMC was proposed. HealthCare Consultant, SwiftCurrent, was engaged by VMC to review and advise on the MSO, a report with recommendations was released December 2013, however, there has been no movement on the MSO to date. March 2015, a Board of Supervisor's transmittal titled Unified and Effective Managed Care Strategy was approved. The work is to be done by the County Administrator for consideration by the Board of Supervisors and the Health Authority Governing Board.

**Directives in the memo include:** Maximize coverage opportunities for all residents in Santa Clara County. Improve access and integrate care for low-income and vulnerable populations. Eliminate redundancies and inefficiencies to reduce overall costs, including unified management and operational structures. Leverage information technology, care management duties, and responsibilities, and better manage risks in a more coordinated and aligned manner. Jointly pursue strategic, legislative, and other policies that further integrate and coordinate care across safety net providers. Provide for preventive care to avoid chronic illness and improve health. Through improved efficiency and effectiveness of administrative functions, maximize all available resources to deliver direct care, case management, health education and other healthcare support services to the covered populations. Ms. Darrow pointed out the following to the Board and prefaced that these were her opinions and advice:

**Thoughts:** First, both organizations should determine their short and long-term strategic goals. After strategic goals are approved determine where there are "Unified" opportunities. Each participant must be clear about their agenda and clearly state this up front. Don't be afraid that SCFHP is different and has different goals and objectives to pursue. Don't forget why SCFHP was created and why it was created as an independent agency

**Consider in your deliberations:** Flexibility is important for an organization like SCFHP, let history be your guide. The SCCHA Board is overseeing an organization with annual revenue of \$800m. That money comes from the state and federal government, requirements are extraordinarily stringent and getting more so as the organization grows. SCFHP has a good reputation in the market, be proud of its achievements. Protect the significant investments that have been made. Keep in mind there are threats to the two plan model. Strive for excellence and continue to raise the bar

**Finally:** Don't forget there are 238,222 members who count on Santa Clara Family Health Plan. Additionally, SCFHP has 136 employees who count on this health plan to support their families. Keep in mind; we have providers who count on us, especially the safety net. Regulatory agencies that fund SCFHP programs have a big stake in stability of SCFHP. Finally, the Board will appoint a new CEO today and the new CEO needs to be focused on the organization, they need to be dedicated to learning about the staff, the market and various programs, be mindful of not too many distractions at first.

**It was moved, seconded, and approved** to accept the presentation.

#### **6. Action Item: Approve January and February Financial Statements**

Mr. Cameron, Chief Financial Officer, reviewed the highlights for Fiscal year 2014-15. Mr. Cameron covered the financial results summary for the month and year to date as of February 2015; SCFHP recorded a net surplus of \$1.0m and YTD \$15.7m (\$0.2m unfavorable to budget). Revenue was over budget by \$61.5m, with Medical Expenses over budget by \$59.5m. Administrative Expenses were under budget by \$1.0m and other expenses were over budget by \$3.1m. February 2015 membership was at 229,789 (16.0% favorable to budget). February YTD: 1,722,423 member months (11.8% favorable to budget and 36% higher than February YTD last year), and continued growth in Medi-Cal Expansion membership (81% favorable to budget).

**It was moved, seconded, and approved** to accept Financial Statements.

#### **7. Action Item: Approve Revised Investment Policy**

SCFHP management proposes an update to the Investment Policy since the policy has not been updated formally since 2008. The summary from Sperry Capital (included in the Board packet) gave recommended changes and provided a Whitepaper to update and give background information. SCFHP should update the policy at least annually to explore if SCFHP should consider other investment vehicles.

**It was moved, seconded, and approved** to accept the Revised Investment Policy.

#### **8. Action Item: Approve Publicly Available Salary Schedule**

Ms. Valdez gave an update on the Publicly Available Salary Schedule, the positions that were added or deleted since the last update given to the SCCCHA Board of Directors on November 13, 2014.

**It was moved, seconded, and approved** to accept the Updated Publicly Available Salary Schedule.

#### **9. Action: Accept Cal MediConnect Update**

Anthony Solem, Chief of Medicare Operations, gave an update on Cal MediConnect. Mr. Solem pointed out that because of California's large Medicare population and dual eligible population it is currently the largest demonstration state. Effective January 1, 2015, SCFHP enrollment was 5,400, as of April enrollment is 6,300. Within California, SCFHP is one of only two plans that grew net membership in April. Clearly the biggest concern for the State and CMS is the number of beneficiaries opting out. LA County has the highest rate at 57%; Santa Clara County on average is at 42%. SCFHP average opt out rate is 38% and our goal is to be at 30% or less. Of further note, SCFHP has a larger market share than our competitor.

**It was moved, seconded, and approved** to accept the presentation.

#### 10. Committee Reports:

- a) Consumer Affairs Committee: A recap of December 9, 2014

Dr. Wenner gave a recap of December 9, 2014, Committee proceedings.

**It was moved, seconded, and approved** to accept the Consumer Affairs Committee updates

b) Provider Advisory Council: A recap of October 9, 2014 and

Dr. Robertson, Chief Medical Officer, gave a recap of the October 9, 2014, Provider Advisory Council proceedings.

**It was moved, seconded, and approved** to accept the Provider Advisory Council updates.

#### **11. Adjourn to closed session**

a) Public Employee Appointment (Government Code Section 54957(b)).

It is the intention of the Governing Board to meet in Closed Session to discuss the position of Chief Executive Officer.

b) Conference with Labor Negotiators (Government Code Section 54957.6).

It is the intention of the Governing Board to meet in Closed Session to confer with its Designated Representative(s):

Agency designated representative(s): Michele Lew and Chris Dawes  
Unrepresented Employee: Chief Executive Officer

#### **12. Report from closed session.**

No report from closed session.

#### **13. Action item: Appoint the Chief Executive Officer and approve the Employment Contract for the Chief Executive Officer**

Possible Action:

a) Appoint the Chief Executive Officer

**It was moved, seconded and approved** unanimously to appoint Christine Tomcala as the Chief Executive Officer, effective July 20, 2015.

b) Approve the Employment Contract for the Chief Executive Officer

**It was moved, seconded and approved** unanimously to approve the Employment Contract for Chief Executive Officer Christine Tomcala.

#### **14. Adjournment**

It was moved, seconded, and approved to adjourn the meeting at 4:00PM.

---

Elizabeth Pianca, Secretary to the Board