



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

Thursday, December 15, 2016
2:45 PM – 5:00 PM
210 E. Hacienda Avenue
Campbell, CA 95008

Minutes – APPROVED

Members Present

Bob Brownstein, Chair
Michele Lew, Vice-Chair
Brian Darrow
Darrell Evora
Kathleen King
Liz Kniss
Paul Murphy
Jolene Smith
Brenda Taussig
Wally Wenner
Linda Williams

Members Absent

Dolores Alvarado
Chris Dawes

Staff Present

Christine Tomcala, Chief Executive Officer
Dave Cameron, Chief Financial Officer
Dr. Jeff Robertson, Chief Medical Officer
Jonathan Tamayo, Chief Information Officer
Chris Turner, Interim Operations Officer
Beth Paige, Compliance Officer
Neal Jarecki, Controller
Rita Zambrano, Executive Assistant

Others Present

Stacy Renteria, SEIU Representative
Elizabeth Pianca, Secretary
Janet Cory Sommer, Burke Williams & Sorenson LLP
John Kennedy, Nossaman LLP (via Phone)

1. Roll Call

Bob Brownstein, Chair, called the meeting to order at 2:51 pm. Roll call was taken and a quorum was established.

2. Public Comment

There were no public comments.

Announcement Prior to Recessing into Closed Session

Kathleen King excused herself.

3. Adjourn to Closed Session

a. Anticipated Litigation

The Board conferred with legal counsel regarding a CalPERS administrative claim for damages.

4. Report from Closed Session

Mr. Brownstein reported that the Board discussed item 3(a), and 3(b) was to be continued later in the agenda.

Kathleen King rejoined the meeting.

5. Approve Consent Calendar and Changes to the Agenda

Mr. Brownstein presented the Consent Calendar and indicated all items would be approved in one motion.

- a. Approve minutes of the September 22, 2016 **Regular Board Meeting**.
- b. Accept minutes of the June 16, 2016 **Bylaws Committee Meeting**.
- c. Accept minutes of the November 29, 2016 **Bylaws Committee Meeting**.
- d. Accept minutes of the October 27, 2016 **Executive/Finance Committee Meeting** and:
 - Ratify acceptance of the FY'2015-16 External Audit Report
 - Ratify approval of the August & September 2016 Financial Statements
 - Ratify acceptance of the DMHC Financial Audit Report and Management Response
 - Ratify authorization of the CEO to contract with selected Care Management System vendor in an amount not to exceed \$550K
- e. Accept minutes of the November 9, 2016 **Quality Improvement Committee Meeting** and:
 - Ratify approval of three Quality Improvement Policies
 - Ratify acceptance of Credentialing, Pharmacy & Therapeutics, and Utilization Management Committee Reports
- f. Accept minutes of the October 6, 2016 **Provider Advisory Council Meeting**.
- g. Accept minutes of the December 13, 2016 **Consumer Affairs Committee Meeting**.

It was moved, seconded, and the Consent Calendar was unanimously approved.

6. CEO Update

Ms. Tomcala noted SCFHP will celebrate its 20th Anniversary in 2017. In recognition, activities are being planned, including an event that includes a community benefit.

Ms. Tomcala reported on upgrade and implementation of the QNXT system, noting the organization is on track for a Medi-Cal go-live target of June 2017.

Outreach, the vendor that provides transportation scheduling, was shut down by the FBI. Calls are now being handled in-house, with rides continuing to be provided by Yellow Cab and Green Cab. Stretcher service is uninterrupted.

Ms. Tomcala provided an update on the transition of Healthy Kids enrollees to full-scope Medi-Cal, and the influx of children enrolling in C-CHIP.

Discussion took place regarding post-election uncertainties regarding the future of the Affordable Care Act, as well as uncertainty with the anticipated State budget and implications for the CCI program. Ms. Tomcala noted the Plan is filing a Notice of Intent to Apply for a Duals Special Needs Plan (D-SNP), which is not binding, but gives the Plan an opportunity to submit an application in February as a means to continue serving CMC members should the CMC program be discontinued by the State.

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

7. Joint Strategic Planning Committee Update

Mr. Brownstein discussed the Joint Strategic Planning Preparation meeting with the County on November 2, 2016 and presented a document summarizing the proposed planning approach. The Planning process will be facilitated by Bobbie Wunsch, Pacific Health Consulting Group. Ms. Tomcala noted dates have been identified in March and April for the first two meetings.

It was moved, seconded, and unanimously approved to appoint a temporary ad hoc Collaborative Planning Committee composed of Bob Brownstein, Kathleen King, Michele Lew, Linda Williams, and Wally Wenner, M.D. that will exist until December 14, 2017, to engage in a collaborative planning process with Valley Health Plan.

8. Annual Report to the County Board of Supervisors

Ms. Tomcala presented a draft report regarding the activities of the Santa Clara County Health Authority.

It was moved, seconded, and the Annual Report to be submitted to the County Board of Supervisors was unanimously approved.

9. Adjourn to Closed Session

Pending Litigation

The Board conferred with legal counsel regarding the matter of Guillen v. Department of Health Care Services, et al.; Santa Clara County Superior Court, and Guillen v. Sylvia Mathews Burwell, et al.; United States District Court, Northern California.

10. Report from Closed Session

Mr. Brownstein reported that the Board discussed item 9.

11. Compliance Report

Beth Paige, Compliance Officer, presented the October - November 2016 Compliance Report and noted the table reflecting the status of Corrective Action Plans (CAPs). DMHC has not yet issued a report with regard to its portion of the joint audit. Although the Plan was told it did not pass the CMS Data Validation Audit, no written notice or CAP request has been received. However, work is underway to correct noted issues prior to the next Data Validation Audit in early 2017.

Ms. Tomcala added that a Compliance Dashboard is being developed and a Board-level Compliance Committee is being created where performance results on regulatory metrics will be reviewed.

Ms. Paige noted the Plan identified a compliance issue with Provider Dispute Resolutions (PDRs). This is being actively researched to identify the size, beneficiary impact, and root causes of the issue, which will be self-disclosed to CMS and DMHC. It was noted that status reports will be provided to the Executive/Finance Committee.

It was moved, seconded, and the Compliance Report was unanimously approved.

12. Committee Charters

Ms. Tomcala presented draft charters for the Compliance Committee and Provider Advisory Council, consistent with the previously approved Governing Board Committee Structure. Linda Williams expressed willingness to be the Board Representative for this Committee.

It was moved, seconded, and the Compliance Committee Charter, appointment of Linda Williams to the Compliance Committee, and the Provider Advisory Council Charter were unanimously approved.

13. October 2016 Financial Statements

Mr. Cameron presented the financial statements for the month and fiscal year to date ended October 31, 2016. For the month of October, the Plan recorded a net surplus of \$2.2 million and recorded a net surplus of \$5.9 million for the first four months of the fiscal year. Results for both the month and year to date are favorable to budget due largely to higher than planned enrollment and revenue coupled with favorable reductions to prior period medical expense estimates. Administrative expenses were higher than budget and included increased temporary staff to fill staff vacancies and to support projects such as the QNXT implementation. Higher use of temporary staff is expected to continue for the next 3-6 months. Mr. Cameron noted that the balance sheet included large receivables and payables to DHCS and that, at the end of October, the plan's net assets represented 311% of the minimum tangible net equity (TNE) required by DMHC.

It was moved, seconded, and the October 2016 Financial Statements were unanimously approved.

14. Space Planning

Ms. Tomcala and Mr. Cameron discussed approaches to the space needs of SCFHP. The Plan has experienced significant increases in staffing due to membership and program changes. By reducing workstation size, an additional 35 workstations could be added on the second floor.

SCFHP sought vendor proposals to provide 77 workstations and new furniture in the training room that would allow for multiple uses. The new cubes also would provide each employee with standing desk capabilities.

It was moved, seconded and unanimously approved to authorize the Chief Executive Officer to purchase cubes to expand Employee seating capacity at a cost up to \$275K.

15. Annual Benefit Review

Ms. Tomcala discussed the annual renewal of employee medical, dental, vision, and life insurance coverage, as well as the Flex Plan, for 2017. Premiums for medical and vision coverage increased 3%, and there was no increase for dental. Premiums for life insurance also remained constant.

The recommendation presented for consideration was to increase the life insurance benefit for all employees from a flat \$100,000, to 1x salary up to \$300,000, with a minimum of \$100,000. The financial impact of the increase in life insurance benefit would be \$935 annually.

It was moved, seconded, and unanimously approved to increase the employee life insurance benefit to 1x annual salary with a minimum of \$100,000 coverage, not to exceed \$300,000, for all employees.

16. CalPERS Medical Benefit Resolution

It was moved, seconded, and unanimously approved to defer the CalPERS Medical Benefit Resolution to the January 26, 2017 Executive/Finance Committee meeting.

17. Publicly Available Salary Schedule Ranges

Ms. Tomcala provided an update on the Publicly Available Salary Schedule, noting the positions that were added or removed since the last update.

It was moved, seconded, and the Publicly Available Salary Schedule was unanimously approved.

18. Fiscal Year 2016-2017 Team Incentive Compensation

Ms. Tomcala presented a proposed Fiscal Year 2016-2017 Team Incentive Compensation program, which provides a continued focus on Compliance, and adds achievement of two additional critical Plan Objectives—implementation of QNXT for Medi-Cal and NCQA accreditation. Ms. King expressed concern that the \$11 million minimum net operating surplus required as a gate to any incentive award consideration seemed high.

It was moved, seconded, and the Fiscal Year 2016-2017 Team Incentive Compensation Program was approved as presented. Kathleen King opposed.

19. Conflict of Interest Code

Elizabeth Pianca, Secretary, proposed revisions to the Conflict of Interest Code for the Board's consideration.

It was moved, seconded, and the Resolution approving the revised Conflict of Interest Code was unanimously approved.

20. 2017 Board Meeting Calendar

The proposed 2017 SCCHA Board and Committee Meeting Calendar was presented for consideration.

It was moved, seconded, and the 2017 SCCHA Governing Board and Committee Meeting Calendar was unanimously approved as presented.

21. Adjourn to Closed Session

a. Public Employee Performance Evaluation

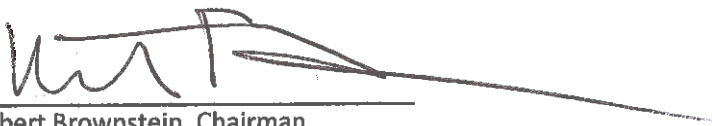
The Board met in Closed Session to consider the performance evaluation of the Chief Executive Officer.

22. Report from Closed Session

Mr. Brownstein reported that the Board met in Closed Session to discuss the performance evaluation of the Chief Executive Officer.

23. Adjournment

The meeting was adjourned at 5:20 pm.

A handwritten signature in black ink, appearing to read 'R. Brownstein', is written over a horizontal line. The signature is stylized and extends to the right with a long, thin stroke.

Robert Brownstein, Chairman