



**Joint San Francisco Health Authority/San Francisco Community Health Authority  
Governing Board  
September 6, 2017  
Meeting Minutes**

Chair: Steven Fugaro, MD  
Vice-Chair: Barbara Garcia  
Secretary-Treasurer: Reece Fawley

**Members**

Present: Dale Butler, Eddie Chan, Pharm D, Aneeka Chaudhry, Lawrence Cheung, MD, Irene Conway, Steven Fugaro, MD, Reece Fawley, Roland Pickens, Maria Luz Torre, Emily Webb, and David Woods, Pharm D.

**Members**

Absent: Edwin Batongbacal, Steve Fields, Barbara Garcia, and Brenda Yee

Steven Fugaro, MD, Chair, chaired the meeting and called the meeting to order. Dr. Fugaro asked if there was anyone from the public in attendance that wanted to make any comments.

In attendance from the public were Wendy Todd, Consultant, Heather Claus, Attorney, Daponde, Szabo, and Rowe, Beth Schecter, San Francisco Community Clinic Consortium (SFCCC), and Dina Lahn, SFCCC. There were no public comments.

John F. Grgurina, Jr., CEO, introduced a new Board member, Aneeka Chaudhry, Senior Advisor, Office of Mayor Edwin M. Lee. The Board welcomed Ms. Chaudhry to the Governing Board. Mr. Grgurina also reminded the Board about the upcoming Provider Recognition dinner on September 26, 2017. Lastly, Mr. Grgurina requested the Board members' shirt sizes for new polo shirts from San Francisco Health Plan (SFHP).

**1. Approval of Consent Calendar**

The following Board items were on the consent calendar for the Board's approval:  
a. Review and Approval of Minutes from June 7, 2017 Governing Board Meeting.

The Board unanimously approved the consent calendar without any issues.

**2. Review and Approval of Year-End 2016-17 and Year-To-Date July 2017 Unaudited Financial Statements and Investment Income Reports**

**Recommendation:** Review and approve year-end 2016-17 and year-to-date July 2017 unaudited financial statements and investment income reports.

John Gregoire, CFO, presented the year-end unaudited financial statements and investment income reports for the period ending June 30, 2017. (The narrative summary and financial documents were provided to the Finance Committee and are incorporated by reference.)

1. June 2017 results produced a loss of \$9,791,000 versus a budgeted margin of \$1,394,000. It is important to note that these results are pre-audit. Potential changes to the June results include adjustments to the reserve for Incurred But Not Reported (IBNR) claims reserve and adjustments to pension costs to comply with GASB 68 rules. Other potential adjustments include the recording of Adult Expansion revenue related to the AB 85 25% rate range, as well as additional revenue and medical expense related to AB 85 to cost funding earmarked for the public hospital. SFHP is in discussions with its independent auditors, Moss Adams, to determine the proper accounting treatment for these transactions as of June 30, 2017.
2. June 2017 results are below budget due to:
  - a. FY16-17 Strategic Use of Reserves (SUR) payment of \$7.9 million to SFGH paid through June capitation.
  - b. FY16-17 SUR payments of \$2.2 million to UCSF and Chinese Hospital.
  - c. FY16-17 SUR PIP accrual of \$625,000 for Professional Providers.
  - d. FY12-13 Provider Grant payment of \$500,000 to the San Francisco Health Network (SFHN).
3. Other significant items affecting the June results included:
  - a. SFHP paid \$146,000 to providers related to FY15-16 Strategic Use of Reserves (SUR) payments.
  - b. 107 maternity events versus 125 in May, 100 in April, 90 in March and 84 in February.
  - c. Effective January 1, 2017, providers received rate increases in their capitation to align with how SFHP is paid by DHCS. Provider rates were increased by an overall weighted average of 1.5%. The range for SFHP providers was a decrease of 0.4% to an increase of 5.9%. The range was due to differences in the distribution of membership by category of aid.
4. The following chart below highlights the key income statement categories with adjustments to show a margin from ongoing operations for the month of June and FY16-17 year to date.

CATEGORY	-----JUN 2017-----				-----FYTD 16-17 THRU JUN-----			
	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)
REVENUE	\$ 47,719,000	\$ 54,649,000	\$ (6,930,000)	-12.7%	\$ 571,517,000	\$ 643,191,000	\$ (71,674,000)	-11.1%
MLR	112.5%	90.9%			94.7%	90.7%		
ADMINISTRATIVE RATIO	8.5%	6.6%			6.9%	6.7%		
MARGIN (LOSS)	\$ (9,791,000)	\$ 1,394,000	\$ (11,185,000)	-802.4%	\$ (7,891,000)	\$ 16,771,000	\$ (24,662,000)	-147.1%
OPERATING ADJUSTMENTS:								
FY15-16 SUR PMTS	\$ 146,000				\$ 9,871,000			
FY16-17 SUR PMTS	\$ 10,793,000				\$ 21,418,000			
MARGIN FROM OPERATIONS	\$ 1,148,000				\$ 23,398,000			
MLR W/O SUR PMTS	89.0%				89.1%			

## PROJECTIONS

Financial projections through December 2017:

1. As of June 30, 2017, SFHP has recorded \$7,500,000 (50% of \$15,000,000) for the medical groups related to the FY16-17 Strategic Use of Reserves. Also as of June 30, 2017, 50% of the remaining \$7,500,000 has been added to the PIP program covering the months of January through June 2017. A monthly amount of \$625,000 will continue to be added to the PIP program for the period of July through December 2017 for a grand total of \$7,500,000.
2. As of June 30, 2017, \$3,750,000 was added to the Practice Improvement Program (PIP) covering the months of January through June 2017. A monthly amount of \$625,000 will continue to be added to the PIP program for the period of July through December 2017 for a grand total of \$7,500,000.
3. A proposal to disburse an additional \$15,000,000 Strategic Use of Reserves to the hospitals was approved by the Governing Board at the May 2017 meeting. As of June 30, 2017, a total of \$10,168,000 (68%) was disbursed to the hospitals.
4. SFHP received final Medi-Cal rates from DHCS. These rates will be effective for SFHP as of July 2017. The overall impact is an increase of 1.0%. The rate for the Medi-Cal Expansion category of aid decreased by 0.9% which is an extremely favorable development for the health plan and its Providers.
5. SFHP expects to receive \$38.2 million in September 2017 related to AB85 funding intended to bring the public hospital (SFGH) up to cost for services provided to the Medi-Cal Expansion population during FY15-16. For budget purposes, we assumed \$38.2 million in revenue and a similar amount in medical expense.

Mr. Gregoire then presented the year-to-date unaudited financial statements and investment reports for the period ending July 31, 2017. (The narrative summary and financial documents were provided to the Finance Committee and are incorporated by reference.)

1. July 2017 results produced a loss of \$1,442,000 versus a budgeted margin of \$982,000.
2. July 2017 results are below budget due to:
  - a. FY16-17 Strategic Use of Reserves (SUR) accrual of \$4.2 million for CPMC and St. Luke's hospitals.
  - b. \$787,000 less in administrative expenses. The month of July followed the typical pattern for administrative expenses, i.e., carryover of expenses from June was virtually eliminated and expenses tend to be budgeted a little heavier in the early months of the fiscal year.

3. Below is a chart highlighting the key income statement categories with adjustments to show margin from ongoing operations for the month of July.

CATEGORY	-----JUL 2017-----				-----FYTD 17-18 THRU JUL-----			
	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)
REVENUE	\$ 48,556,000	\$ 48,260,000	\$ 296,000	0.6%	\$ 48,556,000	\$48,260,000	\$ 296,000	0.6%
MLR	97.0%	90.3%			97.0%	90.3%		
ADMINISTRATIVE RATIO	6.3%	7.9%			6.3%	7.9%		
MARGIN (LOSS)	\$ (1,442,000)	\$ 982,000	\$ (2,424,000)	-246.8%	\$ (1,442,000)	\$ 982,000	\$ (2,424,000)	-246.8%
OPERATING ADJUSTMENTS:								
FY15-16 SUR PMTS	\$ 625,000	\$ 625,000			\$ 625,000	\$ 625,000		
FY16-17 SUR PMTS/ACCRUALS	\$ 4,127,000	\$ -			\$ 4,127,000	\$ -		
MARGIN FROM OPERATIONS	\$ 3,310,000	\$ 1,607,000			\$ 3,310,000	\$ 1,607,000		
MLR W/O SUR PMTS	83.9%	92.5%			83.9%	92.5%		

### PROJECTIONS

Financial projections through January 2018:

- As of July 31, 2017, SFHP has recorded \$7,500,000 (50% of \$15,000,000) for the medical groups related to the FY16-17 Strategic Use of Reserves. Also as of July 31, 2017, 58% of the remaining \$7,500,000 has been added to the Practice Improvement Program (PIP) covering the months of January through July 2017. A monthly amount of \$625,000 will continue to be added to the PIP program for the period of August through December 2017 for a grand total of \$7,500,000.
- As of July 31, 2017, \$14,295,000 was either paid to or accrued for the hospitals related to the FY16-17 Strategic Use of Reserves. It is anticipated another \$705,000 will be paid or accrued over the next six months.
- SFHP received final Medi-Cal rates from the Department of Health Care Services (DHCS). These rates were effective for SFHP as of July 2017. The overall impact was an increase of 0.7%. The rate for the Medi-Cal Expansion category of aid decreased by 0.9%, which was an extremely favorable development for the health plan and its providers.
- Based on the DHCS rates, SFHP anticipates increasing provider capitation and fee-for-service rates, effective January 1, 2018. The FY17-18 budget included \$13.2 million to cover these increases. A rate change proposal will be presented to the Finance Committee and Governing Board at the September meeting.
- SFHP expects to receive \$38.2 million in September related to Assembly Bill (AB) 85 funding intended to bring the public hospital, Zuckerberg San Francisco General Hospital (ZSFG), up to cost for services provided to the Medi-Cal Expansion population during FY15-16. For budget purposes, we assumed \$38.2 million in revenue and a similar amount in medical expense.

## **HIGHLIGHTED IMPACTS TO THE HEALTH PLAN AND/OR PROVIDERS**

### **Medicaid “Mega” Regulations**

In May 2016, the Centers for Medicare and Medicaid Services (CMS) released a series of regulations meant to modernize the Medicaid program and provide a single set of standards for Medicaid programs across all states, commonly referred to as the “Mega Regs.” The regulations span a broad array of subjects and have required a series of changes to the San Francisco Health Plan (SFHP) contract with the Department of Health Care Services (DHCS). Over the course of the past several months, DHCS has begun to issue guidance to the health plans on the new Final Rule requirements that are in addition to, or different from, current Medi-Cal requirements. DHCS guidance may be provided to SFHP through DHCS All-Plan Letters (APL), Contract Amendments, Deliverable Guidance Documents, Topic Workgroup, or other DHCS material documents or correspondence.

The Mega Regs will also mean changes to the current DHCS contract. DHCS has submitted a new contract for Medi-Cal managed care plans to the CMS and is waiting for CMS approval. Currently, the DHCS has issued requirements on the following 12 Mega Reg areas, which have operational impact to SFHP:

- Medicare Coordination of Benefits Agreement with CMS
- Medi-Cal Fee-For-Service Data for PCPs
- Member Written Materials
- Member Evaluation Tool (MET)/Health Information Form (HIF)
- Network Adequacy & Availability
- Credentialing
- Program Integrity-Data Certification
- Subcontracts
- Pharmacy Drug Utilization Reviews (DUR)
- Medical Loss Ratio (MLR)/Management Information System (MIS)
- Overpayment Recoveries

At the time of preparing the FY17-18 budget, we did not have many specifics as to what would be required to meet these new regulations. The FY17-18 budget includes \$1,359,000, which is related to \$677,000 for internal and external resources, and \$682,000 to cover costs related to revising and distributing new member materials. All of these budgeted costs are included in administrative expenses. Additional costs estimates will be prepared as more requirements for the Mega Regs become available.

Reece Fawley, Chair of the Finance Committee, stated the Finance Committee reviewed and discussed the financials in detail at the Finance Committee meeting. Mr. Fawley recommended the Board approve the year-end unaudited financial statements and investment income reports for the period ending June 30, 2017 and the year-to-date unaudited financial statements and investment reports for the period ending July 31, 2017.

The Board unanimously approved the year-end unaudited financial statements and investment income reports for the period ending June 30, 2017 and the year-to-date unaudited financial statements and investment reports for the period ending July 31, 2017, as presented.

**3. Review and Approval of Organization Score for the Board-Approved FY16-17 Organizational Goals and FY 16-17 Year-End Staff Bonus**

**Recommendation:** SFHP finished FY16-17 successfully by achieving an organization score of 92% for the success criteria approved by the Governing Board. It is recommended that the Governing Board approve the following items:

- 1) With the FY16-17 financial position meeting the sufficient requirement to pay the staff bonus and bonus funds were budgeted in the year-end statements, approval of distribution of staff bonuses, according to the organizational score and individual performance.
- 2) Approval of organization score of 92% (details provided in the table below and on subsequent pages).

**Background**

The following table summarizes the Governing Board-approved goals and success criteria and results for FY16-17:

Goal and Success Criteria	Possible Points	Score
<p><b>Goal 1: Access: Improve Member Experience</b> - Establish an access improvement strategy that includes monitoring access, development of provider interventions, ensure network compliance with timely access requirements and implement corrective actions as appropriate. (25 points)</p>	25	21
<p><b>Improvement of CAHPS Access Domain (10 points)</b>            One of our goals in this area will be to achieve improvement in the access domain of the Consumer Assessment of Health Plans Survey (CAHPS) from the 2016 baseline results. The following will be the targets for improving our CAHPS score in two Access Domains.</p> <p>Access Domain #1: Getting Care Quickly (2016 score 65%)            Stretch goal: 3% improvement – 5 points            Meets goal: 2% improvement – 4 points            Minimum goal: 1% improvement – 3 points</p> <p>Access Domain #2: Getting Needed Care (2016 score 66%)            Stretch goal: 3% improvement – 5 points            Meets goal: 2% improvement – 4 points            Minimum goal: 1% improvement – 3 points</p> <p><b>Results:</b></p> <ul style="list-style-type: none"> <li>• Achieved 3% improvement in “Getting Care Right Away” and 2% increase in “Getting Routing Appointments When Needed.”</li> </ul> <p>This resulted in a composite score of 2.5% – <b>4 points</b></p>	10	8

Goal and Success Criteria	Possible Points	Score
<ul style="list-style-type: none"> <li>Achieved 8% increase “Getting care, tests, or treatment,” and 3% decrease in “Ease of Seeing a Specialist When Needed.” This resulted in a composite score of 2.5% – <b>4 points</b></li> </ul> <p><b>Total Score : 8 points out of 10 points</b></p>		
<p><b>SFHP established Access Monitoring and Improvement Projects (15 points)</b></p> <ol style="list-style-type: none"> <li>Implement telemedicine to expand network of services for members. Implement telemedicine program by the agreed upon timeline or within two months of regulatory approval. If approval is received later than the original timeline (Pass/fail – 6 points).</li> <li>Increase the adult non-specialty mental health penetration rate from the baseline measure of 1.28%. Measurement period: 4/1/2016 to 3/31/2017: <ul style="list-style-type: none"> <li>Stretch goal: Increase penetration rate to 3.5% – 6 points</li> <li>Meets goal: Increase penetration to 2.5% – 4 points</li> <li>Minimum goal: Increase penetration to 2% improvement – 2 points</li> </ul> </li> <li>Develop benchmark and determine best practices for high-performing Medicaid managed care plans on CAHPS access (meets/does not meet) – 1.5 points</li> <li>Develop and implement three actionable measures for access dashboard. (meets/does not meet) – 1.5 points</li> </ol> <p><b>Results:</b> Achieved the following results for the four Access Monitoring and Improvement Projects:</p> <ol style="list-style-type: none"> <li>Implemented telemedicine network – <b>6 points</b></li> <li>Increased adult non-specialty mental health penetration rate by 3.2% – <b>4 points</b></li> <li>Developed benchmarks and identified best practices</li> </ol>	15	13

Goal and Success Criteria	Possible Points	Score
<p align="center">– 1.5 points</p> <p>4. Implemented three actionable measures – 1.5 points</p>		
<b>Goal 2: First Year NCQA Accreditation</b>	25	25
<p>Strengthen our ability to serve our members and providers through achieving First Year NCQA Medicaid accreditation status by November 2017.</p> <ul style="list-style-type: none"> <li>- Since onsite survey will be December 4-5, results for 1st Year survey will not be known until January 2018. First Year survey will be completed in FY17-18.</li> </ul> <p>For FY16-17, the score will be pass/fail for passing the 1st Year Mock Survey (32.5/50 points required to pass the Mock Survey) – 25 points</p> <p><b>Result:</b> Passed 1<sup>st</sup> Year Mock Survey with 38.965 points – 25 points</p>		
<b>Goal 3: Process Improvement - Comprehensive approaches to strengthen our core operations and processes. (50 points)</b>	50	46
<p><b>QNXT Improvements (reconfiguration)</b> Reduction in manual labor hours (administrative time) related to authorization entry, authorization and claim edit workflows, and time required to make changes to QNXT application to support business needs. The reduction in hours is tied to the specific QNXT improvements and specific roles leveraging those improvements. Baseline to be established by 03/31/2017. (10 points)</p> <p>Measure Formula (not applicable for qualitative measures): Numerator: total # of labor hours for staff after QNXT improvements, Denominator: total # of labor hours for staff before QNXT improvements. *Hours are specific to the areas where improvements are made.</p> <p>Reduction in labor hours (10 points):</p> <ul style="list-style-type: none"> <li>Stretch goal: 30% reduction – 10 points</li> <li>Meets goal: 25% reduction – 9 points</li> <li>Minimum goal: 20% reduction – 8 points</li> </ul> <p>% Milestones (5 points):</p> <ul style="list-style-type: none"> <li>Stretch goal: &gt;90% of project milestones – 5 points</li> <li>Meets goal: 85-89.9% of project milestones – 4 points</li> </ul>	15	13

Goal and Success Criteria	Possible Points	Score
<p>Minimum goal: 80-84.9% of project milestones – 3 points</p> <p><b>Results:</b></p> <ul style="list-style-type: none"> <li>• Reduced manual labor hours for the about projects by 45.9%.</li> <li>– <b>10 points</b></li> <li>• Met 8 out of 10 milestones.</li> <li>– <b>3 points</b></li> </ul>		
<p><b>Analytic Data Warehouse (ADW) (EDW upgrade)</b></p> <ul style="list-style-type: none"> <li>• Publish RFP and make a final selection and present the financial pro forma to the SFHP Board for approval. (10 Points)</li> <li>• Conclude contract negotiations with the selected Implementation Vendor and start the official kick-off meeting for the Implementation. (5 Points)</li> </ul> <p><b>Results:</b></p> <ul style="list-style-type: none"> <li>• Completed RFP, selection and presented pro forma to the Board</li> <li>– <b>10 points</b></li> <li>• Concluded kick-off by July 30, 2017</li> <li>– <b>5 points</b></li> </ul>	15	<b>15</b>
<p><b>Member/Provider Portal</b></p> <p>Ensure the launch of three new business tools targeted at our members and providers. (1) Provider Online Search Tool (SB-137 Mandate); (2) Member Portal (NCQA Compliant); (3) Provider Portal (replacement of existing tool) (10 points)</p> <p>Stretch goal: 10 points  Meets goal: 8 points  Minimum goal: 5 points</p> <p><b>Results:</b></p> <p>Project team met the “Meets” criteria of this overall goal.</p> <ul style="list-style-type: none"> <li>• Provider Online Search Tool (POST) and Member Portal were successfully completed and launched in January 2017.</li> <li>• Provider Portal successfully launched with minimal</li> </ul>	10	<b>8</b>

Goal and Success Criteria	Possible Points	Score
<p>functionality on 4/10/17.</p> <ul style="list-style-type: none"> <li>• Provider communication and staff training completed launched on 4/10/17.</li> <li>• Member portal staff training launched and completed in January 2017.</li> <li>• Member communication plan launched in March 2017.</li> </ul> <p>– <b>8 points</b></p>		
<p><b>Eligibility Inbound Processing and Updates</b>  Inbound Eligibility: Implement improvements to end-to-end Eligibility Processes by 6/30/2017 based on root cause analysis.  Stretch goal: Implement improvements for three identified root causes by 6/30/2017 – 3 points  Meets goal: Implement improvements for two identified root causes by 6/30/2017 – 2 points  Minimum goal: Implement improvements for one identified root cause by 6/30/2017 – 1 point</p> <p><b>Result:</b>  Implemented 5 improvements identified by root causes.  – <b>3 points</b></p> <p>Medi-Cal Enrollment GPS: Implementation of a vendor solution to monitor the enrollment pipeline for Medi-Cal LOB by 12/1/2016.  Implementation by 12/1/2016 – 2 points  Implementation after 12/1/2016 – 0 points</p> <p><b>Result:</b>  Implemented by 12/1/2016.  – <b>2 points</b></p> <p>Daily Eligibility Process Assessment: Completion of analysis and action plan recommendation to ET, to include project schedule, time &amp; resource requirements by 6/30/2017.</p> <p>Analysis and recommendation completed by 6/30/17 – 1 points  Analysis and recommendation completed after 6/30/2017–0 points</p> <p><b>Result:</b>  Analysis and recommendation completed by 6/30/2017.  – <b>1 point</b></p>	6	6

Goal and Success Criteria	Possible Points	Score
<p><b>Customer Relationship Management (CRM) Request for Proposal</b>            Feasibility Study completion by 2/1/2017. Outcome of study will determine if SFHP moves forward with an RFI/RFP for a CRM/workflow system. If the outcome favors a CRM, an RFI/RFP will be issued before 6/30/2017</p> <p>Complete both milestones by 6/3/17 (pass/fail)</p> <p><b>Result:</b>            Completed both milestones ahead of schedule.            – 2 points</p>	2	2
<p><b>Capitation Process Improvement</b>            Reduce the number of business days for Finance to review and finalize the capitation reports. Use baseline and benchmark data to set targets.            Reduce by <math>\geq 2</math> days (pass/fail)</p> <p><b>Result:</b>            Reduced by 8 days.            – 2 points</p>	2	2
<b>Total</b>	100	<b>92 points</b>

With the Finance Committee recommendation, the Board unanimously approved the organization score of 92% and the FY16-17 distribution of staff bonuses according to the organizational score and individual performance.

**4. Review and Approval of SFHP FY 17-18 Organizational Goals and Success Criteria Measures**

SFHP recommended Board approval for the annual organizational performance goals and success criteria for FY 17-18.

Depending on the financial results at the end of the FY17-18, the Board will determine whether staff bonuses are appropriate, and if so, these performance criteria and results would be used to determine the bonus amount.

**Proposed FY17-18 Goals**

As we outlined last year, SFHP set multi-year goals to become more efficient and effective in serving our members and providers under the over-arching organizational goal: “Getting Better Together - Access, Accreditation, and Process Improvement.” Our organizational goals and success criteria for FY17-18 continue with this multi-year effort, but we propose to structure our FY17-18 organizational goals around our existing four strategic anchors.

### **Strategic Anchor 1: Universal Coverage – 15 points (15%)**

We believe every adult and child in San Francisco should have health coverage. Our strategic anchor of universal coverage recognizes that the health plan alone cannot provide coverage for everyone. Therefore, we work in partnership with the public health system, San Francisco Health Network (SFHN), San Francisco Community Clinic Consortium (SFCCC), other community providers and our trade associations to support the Medi-Cal program and health care coverage for all.

1. Ensure SFHP readiness for local, state and federal mandates, including major program changes that may come about due to the American Health Care Act, and meet established or negotiated deadlines. – **(10 points)**

Please note that depending on the details of the AHCA that is passed, if passed, the organizational goals for SFHP may need to be revised. If the AHCA does not pass, the 10 points will be split with 5 points each allocated to the Department of Public Health (DPH) measure and adult non-specialty mental health penetration rate measures.

2. Meet or exceed annual Department of Public Health (DPH) End-of-Fiscal Year Monitoring measures that evaluate SFHP service level metrics for the Healthy San Francisco, Healthy Kids and City Option programs that fill in health insurance coverage gaps. Scores are determined by the DPH and are from a score of “1” to “4” (“4” is the highest score). – **(5 points)**

### **Strategic Anchor 2:**

#### **Quality Care and Access for Members and Participants – 25 points (25%)**

We recognize that our members and program participants must have excellent access to care to achieve positive health outcomes. We support a range of efforts to improve access to high-quality health care. SFHP will establish a work plan for improving our members’ experience with our health plan and their access to health care services.

This goal will be split into the following three areas:

- 1) Increase percentage of continuously-enrolled members with a primary care visit in the past year by the following absolute increase over the baseline measure of 66%:

Stretch: 3% - 10 points  
Meets: 2% - 8 points  
Minimum: 1% - 6 points (Below 1% would be "0" points)

In other words, to achieve the Stretch goal, the percentage of continuously-enrolled members with a primary care visit would have to be 69%, a three percentage increase over 66%.

Measurement parameters:

- 1) Baseline Time Period: 4/1/16-3/31/17
- 2) FY 17-18 Measurement Period: 4/1/17-3/31/18
- 3) Baseline analysis includes both PCP and Urgent Care visits
- 4) Analysis for FY17-18 includes PCP, Urgent Care and Teladoc visits
- 5) Include all ages
- 6) For Medi-Cal Only

- 2) Two Access Domains: 1) Getting Care Quickly; and 2) Getting Needed Care

Access Domain #1: Getting Care Quickly – Achieve increase over 2017 score of 68.10%. **(5 points)**

Stretch goal: 3% improvement – 5 points  
Meets goal: 2% improvement – 4 points  
Minimum goal: 1% improvement – 3 points

Access Domain #2: Getting Needed Care – Achieve increase over 2017 score of 68.52%. **(5 points)**

Stretch goal: 3% improvement – 5 points  
Meets goal: 2% improvement – 4 points  
Minimum goal: 1% improvement – 3 points

- 3) Increase the adult non-specialty mental health penetration rate from the baseline measure of 3.20%, measured from 4/1/17 to 3/31/18, calculated using paid claims through 6/30/18. (Medi-Cal non-dual members only) – **(5 points)**

Stretch goal: Increase penetration to 4.5% – 5 points  
Meets goal: Increase penetration to 4.0% – 4 points  
Minimum goal: Increase penetration to 3.5% – 2 points

### **Strategic Anchor 3:**

#### **Exemplary Service to Members and Stakeholders – 30 points (30%)**

We are committed to providing exemplary service and support to our members, participants, purchasers, physicians and other health care providers, and each other.

- 1) Achieve First Year Accreditation with National Committee for Quality Assurance (NCQA) – Pass/Fail **(10 points)**  
Achieve First Year accreditation by January 31, 2018 and implement the appropriate organizational infrastructure to obtain renewal accreditation with NCQA in 2020-21 and going forward.

- 2a) The Analytic Data Warehouse (ADW) Project – **(5 points)**  
Success will be based on outcomes that focus on 4 topic areas: 1) Increase adoption of ADW via a BI Tool that will enhance decision-making; 2) Shorten report development TAT (Turn Around Time); 3) Create standardization; and 4) Improve accuracy and completeness of data available in ADW.

Each topic area will have specific measures with equal weights across all measurements.

Stretch goal: Meet  $\geq$  90% of project success criteria (5 pts)

Meets goal: Meet 85% of project success criteria (4 pts)

Minimum goal: Meet 80% of project success criteria (3 pts)

- 2b) QNXT Improvements – **(5 points)**  
Reduction in manual interventions related to authorization and claims matching, available units for medical services and/ or supplies and benefits requiring authorization. Manual administrative hours relating to these activities will be reduced by 75 to 120 hours per month.  
Stretch goal: Reduce claim lines firing UM edits to reduce manual hours by 120 hours each month (5 points)  
Meets goal: Reduce claims lines firing UM edits to reduce manual hours by 100 hours each month (4 points)  
Minimum goal: Reduce claim lines firing UM edits to reduce manual hours by 75 hours each month (3 points)

- 3) Continuous Improvement (CI) projects – **(10 points)**  
Complete two CI projects - Operationalize and achieve the efficiency targets for both.

3.2.2a - CI #1: Process of APR-DRG Grouper Pricing of Inpatient Claims. Streamline the pricing process. Currently, impacted claims are processed manually. **(5 points)**

- Goal 1: Document the current process map using the Process Management Model. Apply CI methodology and make recommendations to streamline the process. Compare the differences between the 3M and State pricing tools and make a recommendation of which tool to use for pricing all impacted inpatient claims. Calculate the potential savings of the proposed streamlined process. Complete by December 15, 2017. (2.5 points)
- Goal 2: To be determined based on the findings from the CI process in Goal 1. This may include automation of the pricing process. Document the future state of the process. Additional details will be presented for approval at the January 2018 Board meeting. (2.5 points)

3.2.2b - CI #2: Benefit Exception Handling Process. Ensure SFHP uses a consistent process for pricing approved services that are not covered by

Medi-Cal to enable faster turnaround time for providing the medical service and for claims processing. **(5 points)**

- Goal 1: Document the current process map using the Process Management Model. Apply CI methodology and make recommendations to streamline the process. Calculate the potential savings of the proposed streamlined process. (2.5 points)
- Goal 2: To be determined based on the findings from the CI process in Goal 1. Document the future state of the process. Additional details will be presented for approval at the January 2018 Board meeting. (2.5 points)

#### **Strategic Anchor 4: Financial Viability for Plan and Safety Net – 30 points (30%)**

The fiscal environment in which we and our safety net providers operate is often in flux. Therefore, we maintain a strategic focus on the organization's financial viability and the economic sustainability of our safety net provider partners.

- 1a) No later than January 1, 2018, implement changes to provider reimbursement rates as approved by the Governing Board. – **(5 points)**
- 1b) Adhere to Board-approved reserve policy. Any additional reserves over the threshold amount will be tracked and managed as a Strategic Use of Reserves according to Board-approved distributions plans for SUR. – **(5 points)**
- 2) Ensure administrative expenses are: (1) at or below 6.9%, and (2) at or below \$52.5 million. Both will be on a pass/fail basis, worth 5 points each – **(10 points)**
- 3) At the January 2018 Governing Board meeting, present the Governing Board with a "go/no go" recommendation for a 2020 Medicare DSNP. – **(10 points)**

The attached table provides additional details for the FY17-18 success criteria measurements for each organizational goal.

#### **Mandatory Training Completion**

SFHP will continue to require 100% of staff to complete the following mandatory training courses in order to be eligible for staff bonuses:

1. Cultural and Linguistic Sensitivity
2. HIPAA
3. Fraud, Waste and Abuse
4. Sexual Harassment Awareness and Prevention (for managers only)

Staff bonuses are not guaranteed and are contingent upon Governing Board approval and SFHP's financial position that meets the sufficient requirement to pay the staff bonuses.

The Board unanimously approved the annual organizational performance goals and success criteria for FY 17-18.

The Governing Board adjourned to Closed Session. Guests from the public and staff members not involved in the Closed Session items left the room.

#### **5. Review and Approval of Medi-Cal and Healthy Kids Provider Rate Changes**

This item was discussed in closed session.

**6. Review and Approve Proposed Changes to Contracted Medical Group Reciprocity Rates for Contracted Hospitals**

This item was discussed in closed session.

**7. Review and Approve Payment Changes to Zuckerberg San Francisco General Hospital Related to AB 85 to Cost Funding**

This item was discussed in closed session.

**8. Review and Approval of Annual Performance Evaluation of CEO**

This item was discussed in closed session.

The Governing Board resumed in Open Session. Staff members and members of the public joined the meeting again.

**9. Report on Closed Session Action Items**

Dr. Fugaro reported on the following closed session action items:

- a. Approved the increases to Medi-Cal and Healthy Kids provider capitation and fee-for-service rates. The overall weighted average change is an increase of 6.2%. The range for SFHP providers is an increase of 5.4% to 7.9%. The effective date is January 1, 2018.
- b. Approved the proposed changes to contracted medical group reciprocity rates among SFHP's network facilities to 100% of Medi-Cal fee-for-service (FFS) rates, i.e., using All Patient Refined Diagnosis Related Group (APR-DRG) grouper methodology to pay inpatient services and 140% of Medi-Cal FFS rates to pay outpatient services, effective on January 1, 2018.
- c. Approved the disbursement of \$10,451,966 of excess Assembly Bill (AB) 85 to cost funding to Zuckerberg San Francisco General (ZSFG) Hospital, upon receipt of funds by SFHP, to cover uncompensated costs for providing care to its Adult Expansion (MCE) population during FY15-16.
- d. Approved the Annual Performance Evaluation of the CEO with a rating of Exemplary/Outstanding and a public announcement of the CEO's salary.

**10. Chief Medical Officer's (CMO) Report**

Due to time constraints the CMO report was not discussed.

**11. Federal and State Updates on Affordable Care Act (ACA) Repeal/Replace Activities**

Due to time constraints the Federal and State updates on ACA repeal/replace activities were not discussed.

**12. Member Advisory Committee (MAC) Report**

Due to time constraints the MAC report was not discussed.

**13. CEO Report**

Due to time constraints the CEO report was not discussed. The September 2017 CEO Report is incorporated as a reference document in Board packet.

**14. Adjourn**

The meeting was adjourned.

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Reece Fawley, Secretary