

**Joint Meeting of the San Francisco Health Authority  
and the San Francisco Community Health Authority**

**Governing Board Agenda**

Wednesday, May 5, 2021, 12 p.m. - 2 p.m.

**SPECIAL NOTICE: Coronavirus COVID-19**

Due to the COVID-19 public health emergency and in accordance with Governor Newsom's Executive Order N-29-20, San Francisco Health Authority (SFHA) and San Francisco Community Health Authority (SFCHA) Governing Board Members will be attending this meeting via video conference. The meeting will be closed to in-person public attendance. This precaution is being taken to protect members of the Governing Board, staff and the public. All of the Board members will attend the meeting by video conference and will participate in the meeting to the same extent as if they were present.

Members of the Governing Board and public may connect to the meeting with the following link:

- **TIME: 12pm to 2pm**
- **LINK: [Click here to join the meeting](#) on Microsoft Teams**

\*\*\*\*\*OPEN SESSION\*\*\*\*\*

Call to Order and Public Comment on any matters within SFHA/SFCHA purview

1. (V) Approval of Consent Calendar
  - a. Review and Approval of Minutes from March 3, 2021 Board Meeting
  - b. Review and Approval of Quality Improvement Committee Minutes
  - c. Review and Approval of Provider Credentialing and Recredentialing Recommendations
2. (V) Review and Approval of FY 2021-22 Employee Health Benefit Contracts and Rates (Shawn Paxson, Consultant, Lockton and Brian Gentner)
3. (D) Federal Updates and State Budget and Policy Updates (Sumi Sousa)
4. (V) Review and Approval of Year-to-Date Unaudited Financial Statements and Investment Income Reports (Skip Bishop and Rand Takeuchi)
5. (D) Member Advisory Committee (MAC) Report (Maria Luz Torre & Irene Conway)
6. Chief Medical Officer's Report (Fiona Donald, MD)
  - (D) a. COVID-19 Vaccine Updates
  - (D) b. CalAIM and Medi-Cal Rx Updates

- (D) c. Strategic Use of Reserves (SUR) Update from Addiction Medicine Consulting Services (Guest: Marlene Martin, MD)
- 7. (D) CEO Report (John F. Grgurina, Jr.)  
Highlighted Items – Operational Updates, State Audits, ITS/Security, and Interoperability Rule
- 8. Adjourn

**The San Francisco Health Authority and San Francisco Community Health Authority will meet concurrently.**

***(V) Denotes An Action Item Requiring A Vote      (D) Denotes A Discussion Item***

**NOTE: NEXT GOVERNING BOARD MEETING IS June 9, 2021**

**Please Note These Up Coming SFHA/SFCHA Meetings:**

- Finance Committee: June 9, 2021 (10:30 a.m. – 12:00 p.m.)
- Governing Board: June 9, 2021 (12:00 p.m. – 2:00 p.m.)
- Quality Improvement Committee: June 10, 2021 (7:30 a.m. – 9:00 a.m.)
- Member Advisory Committee: June 11, 2021 (1:00 p.m. – 3:00 p.m.)
- Member Advisory Committee August 13, 2021 (1:00pm – 3:00pm)

Please note that members of the public will be allowed to make public comments. If a person wishes to make a public comment during the meeting, they may either 1) use Microsoft Teams and will have the option to notify San Francisco Health Plan (SFHP) staff by alerting them via the “Chat” function or they can 2) contact SFHP staff via email at [vhuggins@sfhp.org](mailto:vhuggins@sfhp.org), in which staff would read the comment aloud during the public comment period. Public comments will be limited to two (2) minutes per comment.

If you plan to attend, please contact Valerie Huggins at (415) 615-4235.

If you plan to attend and need to request disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting, please contact Valerie Huggins at (415) 615-4235.

# Agenda Item 1

## Action Item

### Approval of Consent Calendar:

- a. Minutes from March 3, 2021 Meeting
- b. Minutes from Quality Improvement Committee
- c. Credentialing and Recredentialing Recommendations



## MEMO

**Date:** April 27, 2021

<b>To</b>	<b>SFHP Governing Board</b>
<b>From</b>	<b>John F. Grgurina, Jr., CEO</b>
<b>Regarding</b>	<b>Consent Calendar Items for Approval</b>

### **Consent Calendar**

All matters listed hereunder constitute a Consent Calendar and are considered to be routine by the Governing Board of the San Francisco Health Authority and San Francisco Community Health Authority Board and will be acted upon by a single vote of the Board. There will be no separate discussion of these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

#### **Item 1a. Recommendation to Approve Board Minutes**

It is recommended that the Governing Board approve the minutes from the Governing Board meeting held on March 3, 2021. The minutes are attached for review.

#### **Item 1b. Recommendation to Approve Quality Improvement Committee Minutes**

It is recommended that the Governing Board approve the minutes from the Quality Improvement Committee meeting. The minutes are attached for review.

#### **Item 1c. Recommendation of Credentialed and Recredentialed Providers**

It is recommended that the Governing Board approve the attached lists of providers that have been approved for credentialing and recredentialing by the Physician Advisory and Peer Review Committee.



# Agenda Item 1

## Action Item

### Approval of Consent Calendar:

- a. Minutes from  
March 3, 2021 Meeting





**Joint San Francisco Health Authority/San Francisco Community Health Authority  
Governing Board  
March 3, 2021  
Meeting Minutes**

Chair: Steven Fugaro, MD  
Vice-Chair: Roland Pickens  
Secretary-Treasurer: Reece Fawley

**Members**

Present: Edwin Batongbacal, Eddie Chan, PharmD, Lawrence Cheung, MD, Irene Conway, Reece Fawley, Steve Fields, Steven Fugaro, MD, Sabra Matovsky, Roland Pickens, MHA, FACHE, Maria Luz Torre, Emily Webb, Greg Wagner and Jian Zhang, DNP, MS, FNP-BC

**Members**

Absent: Dale Butler and David Woods, PharmD.

Due to the ongoing COVID-19 public health emergency and in accordance with Governor Newsom's Executive Order N-29-20, San Francisco Health Authority and San Francisco Community Health Authority Governing Board Members attended this meeting via teleconference. The meeting was closed to in-person public attendance, but the conference line information was provided on the publicly-posted agenda. This precaution was taken to protect members of the Governing Board, staff, and the public. All Board members, staff members and public attended the meeting via video conference.

Steven Fugaro, MD, Chair, called the meeting to order. He asked if there was anyone from the public in attendance and if there were any public comments. In attendance from the public was Eunice Majam-Simpson, DSR Health Law, the law firm for San Francisco Health Plan (SFHP), Hayson Chiu, Medical Assistant for Dr. Lawrence Cheung, and Tiffany Washington, Anthem Blue Cross. There were no public comments.

John F. Grgurina, Jr., CEO, announced that there were three promotions. Kaliki Kantheti has been promoted to Chief Operations Officer, Nina Maruyama has been promoted to Chief Compliance and Regulatory Affairs Officer, and Sumi Sousa has been promoted to Chief Policy Development and Coverage Programs Officer. The Board congratulated all three on their promotions. In addition, John mentioned that Valerie Huggins birthday was coming up on March 8<sup>th</sup>. The Board wished Ms. Huggins a happy birthday. Lastly, Dr. Fugaro announced it was Mr. Grgurina's 13<sup>th</sup> work anniversary. The Board congratulated Mr. Grgurina.

## **1. Approval of Consent Calendar**

The following Board items were on the consent calendar for the Board's approval:

- a. Minutes from January 6, 2021 Governing Board Meeting
- b. Credentialing and Recredentialing Recommendations

The Board unanimously approved the consent calendar without any issues.

## **2. Federal Updates and State Budget Updates**

Sumi Sousa, Chief Policy Development and Coverage Programs Officer, provided the Board with Federal updates and State budget updates. (Detailed PowerPoint slides were provided in the Board packet.)

Ms. Sousa reviewed the \$1.9 trillion Federal stimulus bill that is mostly intact as it is now in budget reconciliation in the Senate. It would provide aid to state, local and tribal governments. California would receive \$26 billion, of which California cities and counties would receive \$14.5 billion. She also reviewed how individuals would benefit as well. There would be \$1,400 payments to people with individual incomes under \$75,000 and \$2,800 for couples with incomes under \$150,000. The federal stimulus broadens the child tax credit for one year to \$3,600 for kids aged 0 to 5 years old and to \$3,000 for children aged 6 to 17 years old. The \$300 weekly unemployment payments would continue through September 6, 2021. Health insurance subsidies were also included, which includes backfills for existing California-funded Covered CA subsidies for two years. There would also be a 100% subsidy for COBRA coverage for premiums from April 1 to September 30, 2021.

Ms. Sousa then reviewed the Golden State Opportunity, a state-based stimulus package that was signed on February 23, 2021. This provides a one-time \$600 (\$1,200 for a household) payment to 5.7 million Californians. Low-wage workers eligible for Earned Income Tax Credit in 2020 (earning about \$30,000 annually) qualify for the payment. In addition, undocumented Californians filing state taxes that were ineligible for prior federal stimulus payments and individuals on CalWorks, SSI/SSP, and Cash Assistance Program for Immigrants (CAPI) also qualify. The Golden State Opportunity also provides additional childcare stipends of \$525 per child. It includes \$2 billion in grants of up to \$25,000 for small business relief and fee waivers for restaurants, bars, salons, etc. impacted due to COVID. The stimulus provides additional support to state food banks and funds for CalFresh outreach. Finally, it restores funding for higher education and courts that was reduced in the last budget.

Ms. Sousa stated that the effort to recall Governor Newsom will likely qualify. The signature gathering continues, with a March 17 deadline to submit 1.5 million valid signatures of California voters. Supporters have gained more momentum and money since last fall. If signature gathering is successful, the recall and

election could be on the ballot in November 2021.

Ms. Sousa was asked if the Affordable Care Act appears to be safe for two years and she responded that it would be safe for two and maybe four years.

### 3. **Review and Approval of Year-To-Date Unaudited Financial Statements and Investment Reports**

**Recommendation:** Review and Approval of Year-To-Date Unaudited Financial Statements and Investment Reports.

Rand Takeuchi, Director, Accounting, reviewed the year-to-date unaudited financial statements for the period ending January 31, 2021.

1. January 2021 reported a margin of \$1,656,000 versus a budgeted loss of (\$3,000). After removing Strategic Use of Reserves (SUR) activity, the actual margin from operations remained \$1,656,000 versus a budgeted margin of \$414,000.

On a year-to-date basis, we have a loss of (\$1,154,000) versus a budgeted loss of (\$6,137,000). After removing SUR activity, the actual loss from operations is (\$912,000) versus a budgeted loss (\$2,389,000).

2. Variances between January actual results and the budget include:
  - a. A net increase in revenue of \$10.0 million due to:
    - i. \$7.9 million more in premium revenue due to the delay of the Medi-Cal pharmacy carve-out to April 1, 2021. The budget assumed the pharmacy carve-out would be effective January 1, 2021, therefore we projected lower revenue due to the transfer of the pharmacy benefit to the State. DHCS built a new pharmacy component into the CY 2021 rates to cover this benefit for the period of January through March 2021.
    - ii. \$1.7 million more in premium revenue due to the Medi-Cal rate increases effective January 1, 2021. Member months were 4,615 less than budget projections, however the rate increases more than offset the shortfall in member months and drove extra revenue. Adult, Child and Seniors and Persons with Disability (SPD) member months were 9,207 less than budget, however Adult Expansion member months were 4,702 more than budget. Membership continues to be on an upward trend with new members coming in, however, we are not adding members at quite the same rate as expected per the budget. Due to the public health emergency (PHE) created by the COVID-19 pandemic, members are not being placed on hold for purposes of redetermination.
    - iii. \$252,000 more in Hepatitis C revenue. The budget did not assume any Hepatitis C revenue for January as the pharmacy carve-out was expected to happen January 1, 2021.
    - iv. \$167,000 more in administrative revenue, mostly due to revenue

related to the Behavioral Health Integration (BHI) Incentive program.

- b. A net increase in medical expense of \$8.7 million primarily due to:
- i. \$7.0 million more in pharmacy expense. Much like on the revenue side, the budget assumed the pharmacy carve-out would be effective January 1, 2021, therefore we projected lower medical expense due to the transfer of the pharmacy benefit to the State.
  - ii. \$1.2 million more in hospital fee-for-service claims. This increase was due to two reasons – 1) December claims volume was lighter due to the holidays pushing more claims into January; and 2) two large inpatient claims totaling \$524,000 were received in January (one in the amount of \$357,000 from Stanford Medical Center and another in the amount of \$167,000 from UCSF Medical Center).
  - iii. \$309,000 more in Community-Based Adult Services (CBAS) expense. This increase is due to claims lag along with an increase in utilization resulting from the implementation of Temporary Alternative Services (TAS) which allows the CBAS centers to submit claims for telephonic and telehealth CBAS provided to Medi-Cal members during the PHE.
  - iv. \$279,000 more in Hepatitis C drug expense. The budget did not assume any Hepatitis C revenue for January as the pharmacy carve-out was expected to happen January 1, 2021.
  - v. \$217,000 more in Healthy Workers pharmacy expense. The actual cost was \$83.68 pmpm while the budgeted cost was \$65.18 pmpm. It is important to note that SFHP receives only \$57.67 pmpm in the Healthy Workers rate making the true loss \$304,000. SFHP is working with the Human Services Agency (HSA) to secure a rate increase for the pharmacy benefit effective April 1, 2021.
  - vi. \$103,000 more in Non-Specialty Mental Health (NSMH) expense. This additional cost is due to increasing utilization.
  - vii. \$381,000 less in Health Education expenses. This difference is due to timing. Actual costs are expected to align with the budget in the upcoming months.
- c. A net decrease in administrative expenses of \$433,000 due to:
- i. \$289,000 less in Compensation and Benefits due to discontinuing the bonus accrual (the accrual is fully funded for FY 20-21) and not implementing merit increases in FY 20-21.
  - ii. \$215,000 less in Professional Fees and Consulting. Anticipated external costs related to major projects such as CalAIM and CMS Interoperability have yet to be incurred.
  - iii. \$135,000 more in Pharmacy Benefits Manager (PBM) fees due to the delay in the Medi-Cal pharmacy carve-out.

Mr. Takeuchi reviewed the following chart, highlighting the key income statement categories for January with adjustments for SUR activity to show margin or loss from ongoing operations.

CATEGORY	-----JAN 2021-----				-----FYTD 20-21 THRU JAN-----			
	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)
MEMBER MONTHS	151,548	156,163	(4,615)	-3.0%	1,041,683	1,037,119	4,564	0.4%
REVENUE	\$ 54,216,000	\$ 44,241,000	\$ 9,975,000	22.5%	\$ 490,826,000	\$ 462,947,000	\$ 27,879,000	6.0%
MEDICAL EXPENSE	\$ 48,427,000	\$ 39,715,000	\$ (8,712,000)	-21.9%	\$ 464,296,000	\$ 436,639,000	\$ (27,657,000)	-6.3%
MLR	90.8%	91.2%			95.5%	95.3%		
ADMINISTRATIVE EXPENSE	\$ 4,138,000	\$ 4,571,000	\$ 433,000	9.5%	\$ 27,966,000	\$ 32,737,000	\$ 4,771,000	14.6%
ADMINISTRATIVE RATIO	6.1%	8.9%			4.7%	6.1%		
INVESTMENT INCOME	\$ 5,000	\$ 42,000	\$ (37,000)	-88.1%	\$ 282,000	\$ 292,000	\$ (10,000)	-3.4%
MARGIN (LOSS)	\$ 1,656,000	\$ (3,000)	\$ 1,659,000		\$ (1,154,000)	\$ (6,137,000)	\$ 4,983,000	
ADD BACK: SUR ACTIVITY	\$ -	\$ 417,000			\$ 242,000	\$ 3,748,000		
MARGIN (LOSS) FROM OPERATIONS	\$ 1,656,000	\$ 414,000	\$ 1,242,000	300.0%	\$ (912,000)	\$ (2,389,000)	\$ 1,477,000	

On a year-to-date basis through January and after the removal of SUR activity, SFHP is \$1,477,000 ahead of budget expectations.

- After removing the Directed Payments funding, premium revenue is above budget by \$14.5 million. This is due to:
  - \$7.9 million in pharmacy revenue that was not expected as the pharmacy benefit was to be carved out January 1, 2021.
  - A net increase of 4,564 member months. Adult Expansion member months are 34,301 above budget which has a favorable impact on revenue due to the fact that the premium rate for this category of aid is \$388 pmpm compared to \$293 pmpm for the Adult 19 category and \$112 pmpm for the Child 18 category.
- After removing SUR activity and Directed Payments funding, medical expense is above budget by \$17.8 million. This increase can be accounted for as follows:
  - Medi-Cal pharmacy costs are up \$9.0 million
  - Capitation and FFS expenses are up \$5.7 million
  - Prop 56 supplemental payments are up \$2.4 million
  - Healthy Workers pharmacy costs are up \$1.3 million
  - CBAS expenses are up \$1.1 million
  - Health Education costs are down (\$1.7 million)

Medi-Cal pharmacy costs are up due to the delay in the carve-out. Capitation and FFS expenses are up due to increasing membership, as well as some high dollar inpatient hospital claims. Healthy Workers pharmacy costs are higher as the reimbursement rate established in early 2018 has not been sufficient to cover current drug costs and associated utilization. Proposition 56 supplemental payment activity is higher than anticipated, however this is not an issue as SFHP has received more than enough funding to cover these costs. CBAS costs are up due to greater utilization caused by the ongoing public health emergency. As stated previously, SFHP was working with the San Francisco HSA to secure a rate increase for April 1, 2021. Mr. Bishop thanked Greg Wagner for his assistance with securing the rate increase for Healthy Workers. This will

increase the pmpm rate for pharmacy services for SFHP, as well as the hospital pmpm for ZSFG.

- Overall administrative expense is below budget by \$4.8 million. Most of this decrease is due to the elimination of the monthly bonus accrual, not implementing merit increases and lower costs in the areas of professional services and information technology services. In addition, the budget included dollars for major projects which have not been incurred yet, i.e., CalAIM and the CMS Interoperability Rule.

## **PROJECTIONS**

Mr. Takeuchi reviewed the following financial projections through July 2021:

1. Due to the impact of the COVID-19 pandemic, SFHP anticipates continued increases in Medi-Cal membership over the next six months. We projected an increase of approximately 22,000 new members during FY 20-21. Through January, we have added 11,500 new members. These new members have been spread across the Adult, Child, and Adult Expansion categories of aid. We will continue to watch membership growth very closely as we begin to develop projections for FY 21-22.
2. In response to the COVID-19 pandemic and the effect it is having on state of California finances, the State Legislature approved the implementation of a 1.5% rate reduction retroactive to July 2019. This rate reduction was effective for the entire Bridge Period which ran through December 2020. The rate reduction applied to all categories of aid except dual eligible members. SFHP estimated the impact of this rate reduction to be \$3.3 million for the period of July through December 2020. This revenue loss was built into the FY 20-21 budget. SFHP does not expect DHCS to implement a similar reduction for January through June 2021.
3. The pharmacy benefit carve-out scheduled for January 2021 was delayed until April 2021 and then delayed again to an unspecified date. DHCS will provide an update in May 2021. When implemented, the State would take on the pharmacy benefit through the selected vendor, Magellan, as its Pharmacy Benefits Manager (PBM). With an April 2021 transition, DHCS planned to continue to pay MCPs for pharmacy services. With the April date, SFHP will receive \$8 million dollars in additional revenue per month for February and March along with a similar amount for the associated pharmacy expense. With the indefinite postponement, DHCS will continue payments to MCPs until the transition occurs.
4. In December, SFHP received final rates for CY 2021. Overall, SFHP received an increase of approximately 4.3% plus the return of the 1.5% Bridge Period rate reduction (1.3% actual). As SFHP looks ahead to future changes coming to Medi-Cal Managed Care, we recognize the need for the health plan to rebuild its reserves that have been reduced by several Strategic Use of Reserves (SUR)

programs along with retroactive adjustments implemented by DHCS totaling \$12.7 million.

5. Proposition 56 – This program will continue for the remainder of this fiscal year as well as FY 21-22. Proposition 56 provides enhanced payments to medical groups for qualifying physician services, supplemental payments for developmental screenings, adverse childhood experiences screenings, trauma screenings, family planning services and value-based payments related to a variety of health care quality measures.

**HIGHLIGHTED IMPACTS TO THE HEALTH PLAN AND/OR PROVIDERS**  
**RECAP OF STRATEGIC USE OF RESERVES (SUR) PROGRAMS**

Since FY 2004-05, SFHP has committed to a total of \$124.4 million in provider distributions and SURs. Prior to implementing a formal SUR program, SFHP’s Governing Board approved annual provider distributions. From FY 2004-2005 through FY 2013-2014, provider distributions totaled \$34.7 million. In the last five fiscal years, the Governing Board approved six SUR programs for FY 15-16, FY 16-17, FY 17-18, CY 2018, FY 18-19, and FY 19-20. These distributions total \$89.7 million.

The table below is a summary of SUR funding remaining to be disbursed. The remaining Practice Improvement Program (PIP) SUR amount of \$2,028,030 has been accrued. The SUR balance of \$6,183,099 will be recorded as medical expense when paid. Although SFHP excludes this SUR activity when tracking ongoing financial performance, it is important to note that SFHP will most likely continue to report losses overall until all SUR funding commitments have been disbursed. The projected timing of disbursements for the \$6.2 million is as follows:

- FY 20-21 \$1.4 million
- FY 21-22 \$2.4 million
- FY 22-23 \$2.4 million

CATEGORY	-----REMAINING BALANCE-----		
	PIP SUR	SUR	TOTAL
<b>MEDICAL GROUP</b>	<b>FY17-18 &amp; FY18-19</b>	<b>FY17-18 &amp; FY18-19</b>	<b>TOTAL</b>
CHINESE COMMUNITY HEALTH CARE ASSN	\$ 747,635	\$ -	\$ 747,635
BROWN & TOLAND MEDICAL GROUP	\$ 496,761	\$ 3,252	\$ 500,013
SFHN - PRIMARY CARE	\$ 273,084	\$ 162,676	\$ 435,760
HILL PHYSICIANS	\$ 313,688	\$ -	\$ 313,688
HEALTHRIGHT 360	\$ 108,490	\$ -	\$ 108,490
UCSF MEDICAL GROUP	\$ 79,281	\$ -	\$ 79,281
BAART COMMUNITY HEALTHCARE	\$ 5,676	\$ -	\$ 5,676
ST. ANTHONY MEDICAL CLINIC	\$ 2,726	\$ -	\$ 2,726
SOUTH OF MARKET HEALTH CENTER	\$ 689	\$ -	\$ 689
	\$ 2,028,030	\$ 165,928	\$ 2,193,958
<b>HOSPITALS</b>			
ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL	\$ -	\$ 502,872	\$ 502,872
CALIFORNIA PACIFIC MED CTR & CPMC MISSION BERNAL	\$ -	\$ 409,669	\$ 409,669
UCSF MEDICAL CENTER	\$ -	\$ 129,679	\$ 129,679
CHINESE HOSPITAL	\$ -	\$ 35,006	\$ 35,006
DIGNITY-ST. MARY'S MEDICAL CENTER	\$ -	\$ 10,000	\$ 10,000
DIGNITY-ST. FRANCIS HOSPITAL	\$ -	\$ 10,000	\$ 10,000
	\$ -	\$ 1,097,226	\$ 1,097,226
<b>RETENTION/TARGETED INTERVENTIONS</b>			
CHIROPRACTIC/MEMBER INCENTIVES	\$ -	\$ 2,469,945	\$ 2,469,945
HOME BASED CARE (ADVANCED PRIMARY CARE-MEDZED)	\$ -	\$ 2,000,000	\$ 2,000,000
PROJECT OPEN HAND -MEDICALLY TAILORED MEALS	\$ -	\$ 400,000	\$ 400,000
DOULA PROGRAM WITH DPH	\$ -	\$ 50,000	\$ 50,000
	\$ -	\$ 4,919,945	\$ 4,919,945
	\$ 2,028,030	\$ 6,183,099	\$ 8,211,129



## Investment Reports

Mr. Takeuchi reviewed the investment reports that were provided to the Finance Committee in the packet. Returns on investment are low as expected due to the conservative investments.

Mr. Fawley, Chair of the Finance Committee, stated the Committee reviewed the finances in detail and the expenses and revenues are tracking together as expected. He commented that the finances are showing very good year-to-date results and that the 4.7% administration rate is remarkable. He stated this was a significant added value to providers, which is a big difference when compared to for-profit health plans. He reported that the Finance Committee recommends approval of the year-to-date unaudited financial statements and investment reports.

With the Finance Committee's recommendation for approval, the Board unanimously approved the year-to-date unaudited financial statements and investment reports without any issues.

#### **4. Review and Approval of Proposed Revisions to FY 20-21 Organizational Goal's Success Criteria**

**Recommendation:** SFHP recommends the Governing Board approve a change from "Primary Care Utilization" to "Outpatient Utilization" in the Organization Goal 3.2, but leave the baseline, outcome period and success measures unchanged. Outpatient utilization would include primary care, specialty care, urgent care, and telemedicine.

Fiona Donald, MD, Chief Medical Officer, reviewed the background with the Board. The FY 2020-21 organizational goals included one to address the pandemic's impact to reduce primary care visits, despite increased flexibilities afforded for telehealth care. The following is the goal as originally approved at the June 2020 Governing Board meeting and the proposed revision that is shown with a strikethrough and underlined font changes:

1) Restore primary care outpatient utilization to pre-pandemic levels:

Goal: By Q2 2021, restore overall primary care outpatient utilization (visits/1000mm) to pre-pandemic level in Q2 2019

Minimum (**3 points**): ~~PCP~~ Outpatient visits/1000mm >80%-90% of Q2 2019 rate  
Meets (**4 points**): ~~PCP~~ Outpatient visits/1000mm >90%-100% of Q2 2019 rate  
Stretch (**5 points**): ~~PCP~~ Outpatient visits/1000mm equal to or greater than Q2 2019 rate

Over the course of this fiscal year, our business analytics team has updated the data model which reports SFHP utilization data. One of the goals of this update is to be able to report telemedicine visits as a discrete category of utilization,

given its widespread adoption during the COVID pandemic. We also have seen a large increase in telemedicine visits during the pandemic. Many of these visits are billed by providers not flagged as primary care physicians in QNXT, our claims/encounter adjudication system. SFHP defines primary care providers as those providers who are credentialed for members to choose (or be assigned to) as their PCP.

We believe the pandemic and related public health emergency, which affords greater flexibility for who can provide physician services to members, has changed the scope of practice of some physicians and expanded the pool of physicians providing services. This makes it difficult to determine whether a telemedicine visit or in-person visit rendered by a physician not flagged in our system as a “PCP” represents utilization of primary care or specialty care.

Dr. Donald explained that the purpose of the organizational goal is to mitigate the potential harm to members, if sustained, by the significant decrease in physician utilization that occurred in the quarter immediately following the March 2020 shelter-in-place restrictions. Primary care utilization dropped 18.0% in Q2-2020 compared to Q2-2019 and non-PCP/specialist utilization dropped 40.5 % in Q2-2020 compared to Q2-2019. A decline of this magnitude risks our ability to maintain or improve quality of care, as measured by HEDIS, and jeopardizes the health of members with serious chronic diseases. Recent reports of the 2020 all-cause excess mortality rate in California shows this where there are more excess deaths than previous years above what can strictly be attributed to COVID-19.

The overriding intent of this organizational goal is to support our providers and encourage our members to utilize medically indicated care, whether it be in-person or via telemedicine. While some of this care undoubtedly must be in person with one’s PCP, some will be with a specialist or either a PCP or specialist via telemedicine modalities.

Given the aforementioned challenges with trending primary care utilization from the 2019 baseline period to the 2021 outcome period, we believe that a more inclusive measure of “outpatient utilization” for the organizational goal encompasses all the modalities via which members may receive care from physicians, physician assistants, and nurse practitioners. This change in the goal definition remains consistent with the intent of the original primary care measure. The expanded outpatient utilization definition allows accurate comparison between the baseline and outcome period since there will be no need to separately report primary care discrete from non-PCP/specialist, urgent care, and telemedicine utilization. This recommendation is made solely based on methodologic considerations since we have not seen reporting of Q3 or Q4 2020 utilization and thus cannot assess whether the original or proposed goal definition better ensures success in meeting the success targets.

The Board unanimously approved a change from “Primary Care Utilization” to “Outpatient Utilization” in the Organization Goal 3.2, but leave the baseline, outcome period and success measures unchanged. Outpatient utilization would

include primary care, non-PCP/specialist care, urgent care, and telemedicine.

## **5. Member Advisory Committee (MAC) Report**

**Recommendation:** MAC recommends the SFHP Governing Board approve the Member Advisory Committee Goals for Calendar Year 2021.

Maria Luz Torre and Irene Conway, Co-Chairs of MAC, reviewed the MAC 2021 goals with the Board. Due to the pandemic, MAC was not able to meet all goals and proposes to carry the 2020 goals to 2021. The Board unanimously approved the Committee's 2021 goals.

Ms. Torre and Ms. Conway provided the Board with a MAC report. The Committee hosted their meetings virtually via Zoom. Ms. Torre stated that the Committee met in January and February 2021. At the January meeting, the Committee did a wellness check and expressed gratitude and finalized their 2021 goals for approval by the Governing Board.

At the February meeting, SFHP staff attended the meeting to discuss the SFHP's member incentive program and provided updates on redesigning the existing programs and a plan to discontinue programs based on data and needs of members. Mr. Grgurina attended both meetings and provided the MAC with State updates and answered questions about the COVID-19 vaccines.

## **6. Chief Medical Officer's Report**

### **a. COVID -19 Vaccine Update and SFHP Activities**

Dr. Donald provided the Board with COVID-19 vaccine updates and SFHP activities. (Detailed PowerPoint slides were provided in the Board packets.) Dr. Donald reviewed the COVID-19 vaccine effort in San Francisco by priority tiers. Focus has been on outreach to SFHP Healthy Workers and other In-Home Support Services (IHSS) workers, which are in Tier 1a. Efforts have expanded to Tier 1B, individuals over 65 years old. SFHP has been working in close collaboration with the San Francisco Department of Health, San Francisco Health Network, Public Authority for IHSS, Human Service Agency, pharmacies, North East Medical Services, San Francisco Community Clinic Consortium leadership and the City's COVID Command Center (C3). SFHP has provided key support by contracting with Tactical Telesolutions to provide call center support in English, Spanish, Cantonese, Russian and Vietnamese. Other languages are supported using telephonic interpreters. The call center provides COVID-19 vaccine appointment assistance. The call center number is provided in letters, texts and robocalls sent to targeted population at the direction of the collaborative group. SFHP has also translated materials and provided support to texting and robocall campaigns (SFHP ensured its compliance with requirements of the Telephone Consumer Protection Act).

SFHP has updated its member and provider web pages to provide links to information sources and vaccine locations. SFHP has also been developing

a database and dashboard to be able to monitor and analyze vaccine data as the data are made available by the California Immunization Registry (CAIR) and DHCS. Several SFHP staff have also started to volunteer at DPH vaccine sites as line managers and vaccinators.

**b. Medi-Cal Rx Update**

Dr. Donald informed the Board of the DHCS delay to transition the Medi-Cal pharmacy benefit to Magellan, which was scheduled for April 1, 2021. The new implementation date has not been established. The key issue is the conflict of interest caused the proposed merger of Magellan and Centene, which is a Medi-Cal managed care plan, along with its subsidiary health plans, Health Net and California Health and Wellness. DHCS will provide an update in May regarding a new timeline. SFHP will continue to provide pharmacy benefits to Medi-Cal members until the transition to Medi-Cal Rx. Along with other health plans, SFHP as asked DHCS for at least a six-month notice.

**c. Department of Health Care Services' Updated CalAIM Proposal**

Dr. Donald provided the Board with an update on DHCS' CalAIM proposal. (Detailed PowerPoint slides were provided in the Board packets.) She reviewed the high-level summary of the multi-year CalAIM plan, which is a road map for the Medi-Cal program through 2027. She reviewed CalAIM's three primary goals:

- Identify and manage member risk and need through Whole Person Care Approaches and addressing Social Determinants of Health.
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility.
- Improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform.

The first deadline is the transition of Health Homes and Whole Person Care programs into the new Enhanced Care Management program and implementation of a program for In Lieu of Services (ILOS), which are non-Medi-Cal services intended to help Medi-Cal members with housing, addiction, nutrition, and other needs. Utilization of these services is intended to support optimal use of health care services and promote wellness. Plans are not required to implement all ILOS. Funding for these services is still to be determined. These have an implementation date of January 1, 2022. SFHP is working with the County and other interested organizations. Another CalAIM program is the carve-in of major organ transplants. SFHP is currently only responsible for kidney only and corneal transplants. With CalAIM, effective January 1, 2022, SFHP will be responsible for all major organ transplants, e.g., lung, heart, combined kidney and lung, etc.

Sabra Matovsky stated that SFCCC clinics are ramping up their vaccine efforts and would appreciate messaging help from SFHP regarding concerns that the Johnson and Johnson vaccine was not as effective as the Pfizer or Moderna vaccines. Dr. Donald responded that they are working with SFCCC

clinic leadership and looks forward to working with them to help schedule appointments. Eddie Chan mentioned the importance of the Johnson and Johnson vaccine since it is a single dose vaccine. He stated that NEMS is currently vaccinating about 3,000 people per week.

## **7. Annual Review of SFHP Administrative Contracts**

The following is presented to the Finance Committee and Governing Board for discussion only. No action is required.

Kaliki Kantheti, Chief Operations Officer, provided the Board with a history of the SFHP administrative contracts. At the March 4, 2015 Governing Board meeting, the Board approved a policy to require Board approval for administrative contracts with a value of \$1 million or more. Additionally, with the approval of this policy, SFHP staff agreed to provide the Governing Board with a list of contracts valued at over \$100,000 on an annual basis. In keeping with this policy, Ms. Kantheti provided the Board with a review the 48 contracts from calendar year 2020 that were valued at \$100,000 or greater.

- In 2020, there were ten contracts whose total spend was over \$1 million. All contracts complied with the Governing Board-approved SFHP Contract Approval policy.
- The contracts were either approved by the Governing Board or were grandfathered, i.e., existed prior to the March 2015 policy:
  - SFHP Employee Benefits:
    - Aetna Life Insurance for Health Benefits
    - Kaiser Permanente Health Benefits
    - CalPERS Defined Pension Plan
    - CalPERS 457
    - 401(a) pension plan through Great-West Life
  - RSC Insurance Brokerage – stop-loss premiums
  - 50 Beale St., LLC – main office rent agreement
  - KP, LLC – vendor for printed member material mailings. (KP, LLC is the company's name, and it is NOT Kaiser Permanente, nor related to Kaiser.)
  - Perform Rx – pharmacy benefits manager administrative fees
  - Edifecs, Inc.

In addition to presenting new contracts valued above \$1 million to the Board for approval, SFHP staff also determines if a contract previously valued under \$1 million approaches actual costs above \$1 million that will require Board approval. Ms. Kantheti stated are currently no contracts to bring to the Board for approval.

She noted, however, that in January 2021 SFHP implemented a new contract amendment with Tactical Telesolutions to conduct inbound and outbound call center functions as Dr. Donald explained. If the call center is needed through the end of the calendar year, this contract may cost close to \$800,000, but it

depends on the number of agents used. We will provide the Board with an update on the cost of this contract at the May Board meeting.

**8. CEO Report – Highlighted Items- Updates on SFHP Operations Updates, Work from Home Extension and Form 700**

Mr. Grgurina highlighted the Statement of Economic, Form 700. Mr. Grgurina reminded the Board to make sure to file by the April 1<sup>st</sup> deadline, or there will be penalties. He also stated that Board members who do not complete the form would not be allowed to vote in future meetings until the form has been submitted.

Mr. Grgurina mentioned that SFHP will not mandate a return to the office for any employee before January 1, 2022. (Details are included in the CEO report.)

The Board Adjourned to Closed Session.

**9. Review and Approval of No Changes to Med-Cal Rate Provider Rates**

This item was discussed in closed session.

The Board Resumed to Open Session

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

Dr. Fugaro reported on the closed session. He reported that the Board approved the recommendation not to take any action to change provider rates.

**11. Adjourn**

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Reece Fawley, Secretary/Treasurer

**Joint San Francisco Health Authority/San Francisco Community Health Authority  
Governing Board  
March 3, 2021  
Closed Session Meeting Minutes**

**1. Review and Approval of No Changes to Medi-Cal Provider Rates**

**Recommendation:** San Francisco Health Plan (SFHP) is recommending to not change provider capitation and fee-for-service rates at this time. SFHP believes the best course of action is to rebuild reserves that have been reduced by several Strategic Use of Reserves (SUR) programs as well as retroactive revenue adjustments implemented by DHCS. In addition, SFHP must also be prepared to handle upcoming changes in the risk for San Francisco Community Clinic Consortium (SFCCC) member hospital services and new programs coming into Medi-Cal managed care in 2022 through 2025.

**Background:**

Beginning with calendar year 2021, DHCS has transitioned its Medi-Cal rate-setting cycle from a fiscal year basis to a calendar year basis. In December 2020, SFHP received final rates for CY 2021. Overall, SFHP received an increase of approximately 4.3% plus the return of the 1.5% Bridge Period rate reduction (1.3% actual).

SFHP must rebuild its reserves as we prepare to take on the risk for SFCCC member hospital services effective July 1, 2021 and prepare for new Medi-Cal managed care programs. SFHP reserves have been reduced since May 2018 due to the following retroactive adjustments implemented by DHCS, which were absorbed by SFHP:

- |   |                      |
|---|----------------------|
| • 1.5% rate reduction (July 2019 through December 2020) | \$9.3 million        |
| • Adult Expansion Duals take-back (May 2018)            | \$2.4 million        |
| • Deceased members take-back (March 2020)               | <u>\$1.0 million</u> |
|   | \$12.7 million       |

In each of these three circumstances SFHP recommended and the Finance Committee and Governing Board approved not to make retroactive recoveries from providers.

The following are the important upcoming changes to the Medi-Cal Managed Care program, as well as changes within the SFHP network:

- Transitioning hospital risk for the SFCCC from Zuckerberg San Francisco General (ZSFG) to SFHP effective July 1, 2021.
- Continued responsibility for the Medi-Cal pharmacy benefit until further notice from DHCS. The original date for implementation was January 1, 2021, which was delayed until April 1, 2021. Then on February 17, 2021, we were notified that the implementation would be delayed with no new implementation date.
- Continued responsibility for the Healthy Workers pharmacy benefit. Currently SFHP is losing approximately \$300,000 per month on this benefit. SFHP is awaiting news on a potential rate increase to be effective April 1, 2021.

- Implementing California Advancing and Innovating Medi-Cal (CalAIM) initiatives that include Enhanced Care Management and In Lieu Of Services (ECM/ILOS) and carve-in of major organ transplants (MOT), effective January 1, 2022, carve-in of Long-Term Care (LTC) services, effective January 1, 2023, and implementation of a D-SNP in 2025.

Reece Fawley, Chair, Finance Committee stated that the Finance Committee reviewed and discussed proposal and was comfortable with the recommendation not to make any changes to the provider rates at this time, particularly since SFHP absorbed the costs in the previous health plan rate reductions. He also stated it was important that SFHP build its reserves in the coming years. He stated the Finance Committee recommends approval by the Governing Board.

With the support and recommendation of the Finance Committee, the Governing Board unanimously approved the recommendation not to make any provider rate changes at this time.



# Agenda Item 1

## Action Item

### Approval of Consent Calendar:

#### b. Minutes from Quality Improvement Committee





**Date:** December 10, 2020

**Meeting Place:** Join Microsoft Teams Meeting  
+1 323-475-1528 : Conference ID: 275 544 35#

**Meeting Time:** 7:30AM - 9:00 AM

**Members Present:** James Glauber, MD, MPH (Chief Medical Officer, SFHP); Kenneth Tai, MD; Edward Evans; Jackie Lam, MD; Ann Valdes, MD; Lukejohn Day, MD; Irene Conway; Albert Yu, MD; Ellen Chen, MD; Idell Wilson

**Staff Present:** Fiona Donald, MD *Senior Medical Director*; Ravid Avraham, MD *Associate Medical Director*; Sean Dongre *Manager, Provider Relations*; Abby Ealy *Provider Credentialing Coordinator*; Yves Gibbons *Sr. Manager, Access & Care Experience*; Jessica Shost, PharmD *Care Coordination Pharmacist*; Elizabeth Sekera, RN *Manager, Population Health*; Edward Cho *Provider Relations Specialist*; Se Chung *Health Services Administrative Specialist*; Laura Grossman (Beacon Health Options); Alicia English, PhD *Behavioral Health Manager*; Subhpreet Kaur (Beacon Health Options); Paul Velasco *Sr. Manager, Systems Administration ITS*

Topic		Follow-up [if Quality Issue identified, Include Corrective Action]	Resolution, or Closed Date [for Quality Issue, add plan for Tracking after Resolution]
<b>Call to Order</b>	Meeting called to order at 7:29 AM with a quorum. <ul style="list-style-type: none"> <li>• Dr. Glauber: verbal roll call</li> </ul>		
<b>Follow Up Items</b>	Announcements: <ul style="list-style-type: none"> <li>• Medi-Cal Rx delayed until April 1, 2021.</li> <li>• NCQA re-accreditation survey completed. SFHP received high marks. SFHP to receive formal re-certification shortly.</li> </ul>	None.	n/a

	<ul style="list-style-type: none"> <li>• Fiona Donald, MD new SFHP Chief Medical Officer effective January 2021.</li> <li>• Jim Glauber, MD to stay with SFHP as Health Plan Physician Advisor.</li> </ul>		
<b>Consent Calendar</b>	All in favor.		<p>Approved:</p> <ul style="list-style-type: none"> <li>• Review of October 2020 Minutes</li> <li>• P&amp;P / Criteria List</li> <li>• Q2 2020 ED Report</li> <li>• UM Committee Minutes (July, August 2020); No September meeting</li> <li>• UM Criteria: -(CO-57) Clinical Criteria Policy -EPSDT Private Duty Nursing Criteria) -Non-Genital Gender Confirmation Services Criteria -Genital Gender Confirmation Services Criteria</li> <li>• Q3 2020 Grievances Report</li> <li>• Q3 2020 Appeals Report</li> <li>• Q3 2020 PQI Report</li> <li>• UM Program Evaluation and Program Description</li> </ul>
<b>Quality Improvement</b>	<p><u>Health Homes Interim Evaluation</u></p> <ul style="list-style-type: none"> <li>• Fiona Donald, MD, Senior Medical Director, presented.</li> </ul> <p><i>Health Homes Overview</i></p> <p>- Program launched in July 2018 for intensive multi-disciplinary holistic care management activities available because of Affordable Act Section 2703.</p> <p>-States had to option to participate to receive Federal funds to do innovate care coordination activities with high risk members.</p>		

-SFHP worked with Anthem Blue Cross to identify individuals who would be eligible that is consistent with ‘triple aim’ – “better care, better health, and reducing avoidable health care costs”

-Approximately 5,000 members identified.

*Interim Evaluation Summary*

- UCLA Center for Health Policy Research was selected by DHCS to evaluate the Health Homes Program (HHP).

-Data from 07/2018-09/2019: 724 members enrolled in San Francisco County.

- SFHP enrolled 642 out 724 members; eligible 5,265.
- SFHP enrolled 12.2% of TEL (Targeted Engagement List)
- Length of engagement in program: approximately 9 months – medical; 5 months- behavior health
- Enrollee Demographics (enrolled in Medi-Cal approximately 1 year): leading percentages in ages 18-64; Males. Enrollee Health Status: leading percentages: Hypertension 66.4%, Tobacco use 35.3%, Depression 79.1%

*Evaluation Data Results*

- Metrics used to evaluate HHP program: ER visits, inpatient admissions, length of stay, prevention quality indicators, and readmissions.

-Metrics Outcomes: Drop in Emergency Department Visits, inpatient admissions. Slight increase in readmissions and length of stay.

*Current SFHP HH Snapshot*

- 500 enrollees in HHPA.

- Positive trends of utilization of program to support on-going financial support.

- Next set of evaluations to include more quality metrics but reporting has currently been stalled due to COVID-19.

	<p>-Program to continue through 2021.</p> <p>-State to roll out ECM (Enhanced Care Management) that will target high risk individuals with medical and behavioral health chronic conditions, pediatric populations, post incarceration populations and individuals who are at risk of long term care or institutionalized care who may be able to stay in the community.</p> <p>-SFHP involved at State level to support program efforts.</p> <p><u>2020 QI Evaluation and 2021 QI Plan</u></p> <ul style="list-style-type: none"> <li>• Yves Gibbons, Senior Program Manager Access &amp; Care Experience, presented.</li> </ul> <p><i>2020 Highlights</i></p> <p>-Quality of Service &amp; Access to Care: launched Cultural and Linguistic Services (CLS); promoted Teledoc; provided funding for access improvement through Strategic Use of Reserves (SUR) grant. SUR grants may not continue in 2021.</p> <p>-Clinical Quality &amp; Patient Safety: exceeded target of 12% for increasing the percent of members with Opioid Use Disorder with at least one buprenorphine prescription, increased by 6.3% members completing treatment for chronic Hepatitis C infection, exceeded target of 40.5% for Chlamydia screening.</p> <p>-Utilization of Services: promoted telehealth services, incentivized providers to increase percentage primary care visits through Pay for Performance program, funded SUR grants for improved appointment scheduling options.</p> <p>-Care Coordination: attained high member satisfaction with care management services and exceed target of 70% for member clinical depression follow up.</p> <p><i>2021 Quality Improvement Program Description &amp; Work Plan</i></p> <p>2021 Measures</p> <p>-Clinical Quality Domain has been split into 3 areas:</p>		
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	<ul style="list-style-type: none"> <li>• Keeping Members Healthy: Chlamydia Screening, Well-Child Visits in First 30 Months of Life, Child and Adolescent Well-Care Visits, Breast Cancer Screening</li> <li>• Managing Members with Emerging Risk: % of Members who completed Hepatitis C treatment, Diabetes Prevention Program – weight loss, Diabetes Prevention Program- Do 150 Mins of Physical Activity Per week, Diabetes Prevention Program – Satisfaction</li> <li>• Patient Safety or Outcomes Across Settings: Medication Therapy Management, Opioid Safety – Buprenorphine Prescription, opioid Safety – Opioid and Benzodiazepine co-prescribing; Medi-Cal Rx transition</li> </ul> <p>-Managing Multiple Chronic Illnesses (same domain as Care Coordination): Care Management- Client perception of Health, Screening for Clinical Depression, Follow up on Clinical Depression, Care Management Client Satisfaction, Health Homes CB-CME Conference Rate (NEW measure)</p> <p>-Quality of Service and Access to Care: Health Plan Consumer Assessment of Healthcare Providers and Systems (HP-CAHPS) focus on specialty care, Provider Appointment Availability Survey (PAAS) focus on specialty care, Cultural and Linguistics Services (CLS) provider data (NEW measure)</p> <p>-Utilization of Services: Primary Care Utilization Rates, Percentage of Primary care visits by telehealth modalities, Percentage of Member Utilization the Non Specialty Mental Health (NSMH) benefit with more than 2 NSMH visits.</p> <p>-Motion to approve.</p> <ul style="list-style-type: none"> <li>• Approved.</li> </ul> <p><u>Beacon 2020 Quality Program Evaluation</u></p>		
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	<ul style="list-style-type: none"> <li>• Subhpreet Kaur, Director of Quality in California and Laura Grossman AVP, Account Partnerships, West, Beacon Health Options, presented.</li> </ul> <p><i>Clinical Quality Improvement Initiatives</i></p> <p>2020 Clinical Practice Guidelines (CPG) Interventions</p> <ul style="list-style-type: none"> <li>- Early 2020 retired CPG on depression, ADHD, and alcohol and drug abuse. Adopted: suicide risk, psychiatric evaluation of adults, and reactive attachment disorder and disinhibited social engagement disorder.</li> <li>- Changes to Beacon reporting due to changes health plans' medical and pharmacy claims data.</li> <li>-Clinical Practice Guidelines (2020 Results) <ul style="list-style-type: none"> <li>• Suicide Prevention: goal: 100% (percentage of medical charts where there was evidence that member was asked about thought of suicide or self-harm)</li> <li>• Psychiatric Evaluation of Adults: goal: 80% (percentage of medical charts where there was documentation of a substance use assessment)</li> <li>• Assessment and Treatment of Children/Adolescent with Reactive Attachment Disorder (RAD) and Disinhibited Social Engagement Disorder (DSED): no results. NCQA requirement to have one clinical guideline around children.</li> </ul> </li> </ul> <p><i>Service Improvement Activities</i></p> <ul style="list-style-type: none"> <li>-Telephone rates: goals met - Speed to answer = within 30 seconds. Abandonment rates = were below 5%.</li> <li>-Access and Availability: goals met - Emergent = zero requests. Urgent =100%. Routine initial (within 10 business days) = 87%.</li> <li>-As of June 2020, Beacon to provide appointment assistance to SFHP members.</li> <li>-Beacon's three telehealth vendors: Teladoc, Empathy Behavioral Health, and Bright Heart Health.</li> </ul>		
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	<p><i>Patient Safety Activities</i></p> <p>-Member complaints: i.e. access, attitude/service, billing/finance = 100% resolved.</p> <p>-Adverse incidents: zero for past 3 years, also NCQA requirement. Some examples: absence without authorization (AWA) of unstable/at risk member; illegal activity; medication/treatment errors, etc.</p> <p><i>Priorities Quality Program in 2021</i></p> <p>-Member Experience: conduct quarterly Access &amp; Availability surveys. Coordination of Care: Beacon's Quality team to work with health plan partners to identify opportunities to improve coordination of care, conducting a local coordination of care workgroup with target intervention.</p> <p>-Appointment Accessibility: Beacon's goal to increase its network by another 5%.</p> <p>-2021 NCQA added new telehealth measures.</p> <p>-Motion to approve.</p> <ul style="list-style-type: none"> <li>• Approved.</li> </ul>		
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QI Committee Chair's Signature & Date       *Fara Daraki, MD*             4/8/21      

Minutes are considered final only with approval by the QIC at its next meeting.



# Agenda Item 1

## Action Item

### Approval of Consent Calendar:

#### c. Credentialing and Recredentialing Recommendations





## MEMO

**Date:** April 27, 2021

<b>To</b>	Governing Board
<b>From</b>	Fiona Donald, MD Chair, Physician Advisory/Peer Review/Credentialing Committee
<b>CC</b>	Sean Dongre, Manager, Provider Network Operations
<b>Regarding</b>	Summary of SFHP Credentialing and Recredentialing Activities (February 2021 to April 2021)

### Recommendation:

San Francisco Health Plan (SFHP) completed the credentialing and recredentialing of the following practitioners and ancillary providers. SFHP's CMO, Dr. Fiona Donald, recommends the Governing Board approve the following providers for participation in the SFHP provider network.

### PRACTITIONERS

NAME	DEGREE	BOARD	INITIAL / RECD	LICENSE
Ann Valdes	MD	ABFM	Recrd	A63357
Michael Safir	MD	ABU	Recrd	G83654
Shannon Piercy	LAc	N/A	Recrd	15811
Marci Bowers	MD	ABOG	Recrd	G88634

### ANCILLARY

ORGANIZATION NAME	# OF SITES	TYPE OF SERVICE	INITIAL / RECD
Advanced Diabetes Supply	1	DME Provider	Initial
CardioNet	1	Independent Diagnostic Testing Facility	Initial

Mills Dialysis	1	Dialysis Center	Initial
East West Integrative Medical Center <ul style="list-style-type: none"> <li>• Bernal Heights</li> <li>• Glen Park</li> </ul>	2	Acupuncture Clinic	Initial
East West Integrative Medical Center <ul style="list-style-type: none"> <li>• Noe Valley</li> </ul>	1	Acupuncture Clinic	Recred
Mini Pharmacy	1	DME Provider	Initial
Windsor SNFs <ul style="list-style-type: none"> <li>• Windsor Care Center of Petaluma</li> <li>• Windsor Country Drive Care Center</li> <li>• Windsor Elmhaven Care Center</li> <li>• Windsor Gardens Care Center of Hayward</li> <li>• Windsor Gardens Rehabilitation Center of Salinas</li> <li>• Windsor Manor Rehabilitation Center of Concord</li> <li>• Windsor Park Care Center of Fremont</li> <li>• Windsor Post-Acute Care Center of Hayward</li> <li>• Windsor Rosewood Care Center</li> </ul> Windsor Vallejo Nursing and Rehabilitation Center	10	Skilled Nursing Facility	Initial

# Agenda Item 2

## Action Item

- Review and Approval of  
FY 2021-22 Employee Health  
Benefit Contracts and Rates





## MEMO

**Date:** April 27, 2021

<b>To</b>	<b>Governing Board</b>
<b>From</b>	<b>Kate Gormley, Chief Human Resources Officer John F. Grgurina, Jr., Chief Executive Officer</b>
<b>Regarding</b>	<b>Review and Approval Employee Benefit Package for FY 2021-2022</b>

### Recommendation

San Francisco Health Plan (SFHP) recommends the Governing Board approve the following employee benefit changes for benefit year 2021-2022:

- Renew Kaiser HMO at a 4.9% increase.
- Renew Aetna HMO at 11.8% increase with no plan changes. The Aetna OAMC plan (the PPO-type plan) renews at 1.5% increase and the Aetna/Sutter OAMC JV plan (the PPO-type plan) is a 4.6% decrease. Both OAMC plans include minor plan changes.
- Principal Dental is a 7% decrease after negotiations and guaranteed for 24 months.
- VSP is in the 3<sup>rd</sup> year of a 48-month rate guarantee.
- Principal Life/AD&D increased 9.2% and LTD increased 11.1%.

Initial gross increase was 15.1% or an increase of \$841,677, but after negotiations and plan changes, the total renewal increase will be 6.1% or \$340,245.

### Overview

The proposed rate increases are reasonable given the size of SFHP's participation in Kaiser HMO and Aetna. Our insurance broker was able to save SFHP a total of 9% or \$501,452 through additional negotiations.

### Future Concerns

Our ability to maintain a non-Kaiser option remains in serious jeopardy as the majority of our employee population continues to select Kaiser as their provider of choice despite the employee cost (\$0) being equal for both HMO products. Currently, we have an almost 60/40 split between Kaiser/Aetna. Most medical insurance providers are not interested in quoting us because they would like to either have our entire population or a large majority (60%+). We are considering the following options if we are unable to maintain a non-Kaiser option:

- Health Care Savings Account (HSA)
- CalPERS health insurance pool (they have no minimum participation requirements)

If you have any questions, please contact feel free to contact Kate Gormley.

# 2021/2022 San Francisco Health Plan Finalized Renewal

May 5, 2021

**July 2021-22 Benefits Renewal:  
Board Presentation**



# *Executive Summary*

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## **Current Employee Benefit Program**

- Medical: Aetna OAMC; Aetna HMO; and Kaiser HMO
- Dental: Principal POS/PPO High Plan and Low Plan
- Vision: VSP
- Basic Life/AD&D: Principal
- Employer Paid LTD: Principal
- Voluntary Life and Voluntary STD: Principal
- EAP: Claremont EAP
- FSA/Commuter/COBRA Administration: Navia
- Employee Contributions
  - Based on Salary Tiers: Tier 1 – Below \$75,000; Tier 2 - \$75,000 and above
  - Aetna and Kaiser HMO: SFHP covers 100% for employee only coverage
  - Overall breakdown is:
    - ▲ Below \$75,000 SFHP covers 98.77%
    - ▲ \$75,000 and above SFHP covers 93.73%



# Executive Summary

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The below exhibit shows is a cost summary of the final renewal for SFHP after plan changes to the Aetna OAMC Plans

- Overall initial gross increase was .... But was negotiated down to Gross increase is 6.1% or a \$340,245. Following is a breakdown by coverage:
  - Medical
    - Aetna initially came in with a 24.9% increase based on 4 large claims including one claim over \$780k. After negotiations on all plans and plan changes to the OAMC plan, the overall Aetna increase is 8.7%
    - Kaiser renewal is 4.9%
    - Please note that Lockton looked at self-funded options with Cigna. Initial quote was competitive. However, after disclosure of large claims, Cigna rescinded their quote.
  - Ancillary Lines
    - Principal initially issued a rate pass on the Dental, 15.3% increase on Basic Life/AD&D, and a 16.7% on LTD. Lockton negotiated these renewals to a 7% decrease on the Dental, 9.2% increase on Basic Life/AD&D, and 11.1% on LTD.
    - VSP is in year 3 of a 4-year rate guarantee
    - EAP renewed at a rate pass (0% increase)
- Employee contributions will increase according to the renewal (i.e. same percentage)
- Last page includes information comparing finalized renewal to current 2021 CalPers plans.

# Executive Summary

Final

Total Cost Summary		2020-2021		2021-2022				2021-2022				Final 2021-2022			
Coverage	Lives	Current Cost	PEPY	Initial Renewal	PEPY	\$	%	Negotiated Renewal	PEPY	\$	%	OAMC Plan Changes	PEPY	\$	%
Aetna HMO Plan	96	\$1,977,324	\$20,597	\$2,469,742	\$25,726	\$492,418	24.9%	\$2,210,834	\$23,030	\$233,510	11.8%	\$2,210,834	\$23,030	\$233,510	11.8%
Aetna OAMC POS Plan	33	\$733,447	\$22,226	\$916,097	\$27,761	\$182,650	24.9%	\$819,947	\$24,847	\$86,501	11.8%	\$744,659	\$22,565	\$11,213	1.5%
Aetna/Sutter JV OAMC POS Plan	3	\$56,596	\$18,865	\$70,691	\$23,564	\$14,094	24.9%	\$63,276	\$21,092	\$6,679	11.8%	\$53,993	\$17,998	-\$2,604	-4.6%
Kaiser Plan	191	\$2,281,771	\$11,946	\$2,417,830	\$12,659	\$136,059	6.0%	\$2,392,648	\$12,527	\$110,877	4.9%	\$2,392,648	\$12,527	\$110,877	4.9%
Kaiser HI Plan	2	\$13,863	\$6,932	\$14,113	\$7,056	\$249	1.8%	\$14,113	\$7,056	\$249	1.8%	\$14,113	\$7,056	\$249	1.8%
Principal Low Plan B	164	\$153,022	\$933	\$153,022	\$933	\$0	0.0%	\$142,321	\$868	-\$10,702	-7.0%	\$142,321	\$868	-\$10,702	-7.0%
Principal High Plan A	149	\$181,143	\$1,216	\$181,143	\$1,216	\$0	0.0%	\$168,465	\$1,131	-\$12,678	-7.0%	\$168,465	\$1,131	-\$12,678	-7.0%
VSP Vision Plan	327	\$52,575	\$161	\$52,575	\$161	\$0	0.0%	\$52,575	\$161	\$0	0.0%	\$52,575	\$161	\$0	0.0%
Life / AD&D Plan	349	\$41,643	\$119	\$48,017	\$138	\$6,374	15.3%	\$45,468	\$130	\$3,824	9.2%	\$45,468	\$130	\$3,824	9.2%
LTD	349	\$58,989	\$169	\$68,821	\$197	\$9,832	16.7%	\$65,544	\$188	\$6,554	11.1%	\$65,544	\$188	\$6,554	11.1%
Claremont EAP	349	\$13,820	\$40	\$13,820	\$40	\$0	0.0%	\$13,820	\$40	\$0	0.0%	\$13,820	\$40	\$0	0.0%
Annual Total - All Premiums		\$5,564,195		\$6,405,871		\$5,989,010		\$5,989,010		\$5,904,439		\$5,904,439			
Annual \$ Difference - All Premiums				\$841,677		\$424,816		\$424,816		\$340,245		\$340,245			
Annual % Difference - All Premiums				15.1%		7.6%		7.6%		6.1%		6.1%			
EE Contributions (Annual, Static %)	349	\$505,446				\$535,392		\$535,392		\$536,167		\$536,167			
Net Employer Cost - All Benefits		\$5,058,748	\$14,495			\$5,453,618		\$5,453,618		\$5,368,272	\$15,382	\$5,368,272	\$15,382		
Annual % Difference						7.8%		7.8%		6.1%		6.1%			
Annual \$ Difference						\$394,870		\$394,870		\$309,524		\$309,524			

# Medical Rates effective July 1, 2021



Aetna			Aetna Options	
<b>Aetna HMO Plan</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Negotiated Rate</b>	<b>No Change</b>
Employee	48	\$995.64	\$1,113.22	\$1,113.22
Employee + Spouse	16	\$2,190.37	\$2,449.04	\$2,449.04
Employee + Child(ren)	13	\$1,792.14	\$2,003.78	\$2,003.78
Employee + Family	19	<u>\$3,086.45</u>	<u>\$3,450.94</u>	<u>\$3,450.94</u>
Annual Total	96	\$1,977,324	\$2,210,834	\$2,210,834
% Increase		-	11.8%	11.8%
<b>Aetna OAMC POS Plan</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Negotiated Rate</b>	<b>\$500 Ded</b>
Employee	15	\$1,127.69	\$1,260.69	\$1,144.93
Employee + Spouse	4	\$2,480.90	\$2,773.49	\$2,518.81
Employee + Child(ren)	10	\$2,029.84	\$2,269.23	\$2,060.87
Employee + Family	4	<u>\$3,495.80</u>	<u>\$3,908.08</u>	<u>\$3,549.26</u>
Annual Total	33	\$733,447	\$819,947	\$744,659
% Increase		-	11.8%	1.5%
<b>Aetna/Sutter JV OAMC POS Plan</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Negotiated Rate</b>	<b>\$500 Ded</b>
Employee	1	\$1,025.30	\$1,146.30	\$978.13
Employee + Spouse	0	\$2,255.64	\$2,521.84	\$2,151.86
Employee + Child(ren)	2	\$1,845.53	\$2,063.33	\$1,760.63
Employee + Family	0	<u>\$3,178.38</u>	<u>\$3,553.47</u>	<u>\$3,032.18</u>
Annual Total	3	\$56,596	\$63,276	\$53,993
% Increase		-	11.8%	-4.6%
<b>Medical Total - Annual</b>	<b>132</b>	<b>\$2,767,367</b>	<b>\$3,094,057</b>	<b>\$3,009,486</b>
<b>Medical Total \$ Difference</b>			<b>\$326,690</b>	<b>\$242,119</b>
<b>Medical Total % Difference</b>			<b>11.8%</b>	<b>8.7%</b>
<b>Kaiser Plan</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Negotiated Rate</b>	<b>Kaiser</b>
Employee	123	\$655.23	\$687.07	\$687.07
Employee + Spouse	26	\$1,441.50	\$1,511.55	\$1,511.55
Employee + Child(ren)	16	\$1,310.46	\$1,374.14	\$1,374.14
Employee + Family	26	<u>\$1,965.69</u>	<u>\$2,061.20</u>	<u>\$2,061.20</u>
Annual Total	191	\$2,281,771	\$2,392,648	\$2,392,648
% Increase		-	4.9%	4.9%
<b>Kaiser HI Plan</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Negotiated Rate</b>	<b>Kaiser</b>
Employee	2	\$577.64	\$588.03	\$588.03
Employee + Spouse	0	\$1,155.28	\$1,176.06	\$1,176.06
Employee + Child(ren)	0	\$1,039.76	\$1,058.45	\$1,058.45
Employee + Family	0	<u>\$1,732.91</u>	<u>\$1,764.07</u>	<u>\$1,764.07</u>
Annual Total	2	\$13,863	\$14,113	\$14,113
% Increase		-	1.8%	1.8%
<b>Medical Total - Annual</b>	<b>323</b>	<b>\$5,049,138</b>	<b>\$5,486,705</b>	<b>\$5,402,134</b>
<b>Medical Total \$ Difference</b>			<b>\$437,567</b>	<b>\$352,996</b>
<b>Medical Total % Difference</b>			<b>8.7%</b>	<b>7.0%</b>

# Ancillary Rates

2021-2022 Ancillary Renewals				
<b>Principal Low Plan B</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Renewal Rate</b>	<b>Negotiated Rate</b>
Employee	98	\$48.49	\$48.49	\$45.10
Employee + Spouse	25	\$96.92	\$96.92	\$90.14
Employee + Child(ren)	13	\$99.47	\$99.47	\$92.51
Employee + Family	<u>28</u>	<u>\$152.99</u>	<u>\$152.99</u>	<u>\$142.29</u>
Annual Total	164	\$153,022	\$153,022	\$142,321
<b>Principal High Plan A</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Renewal Rate</b>	<b>Negotiated Rate</b>
Employee	81	\$58.16	\$58.16	\$54.09
Employee + Spouse	21	\$116.04	\$116.04	\$107.92
Employee + Child(ren)	19	\$130.30	\$130.30	\$121.18
Employee + Family	<u>28</u>	<u>\$195.42</u>	<u>\$195.42</u>	<u>\$181.74</u>
Annual Total	149	\$181,143	\$181,143	\$168,465
<b>Dental Total Annual</b>	<b>313</b>	<b>\$334,165</b>	<b>\$334,165</b>	<b>\$310,786</b>
<b>Dental Total \$ Increase</b>			<b>\$0</b>	<b>(\$23,380)</b>
<b>Dental Total % Increase</b>			<b>0.0%</b>	<b>-7.0%</b>
<b>VSP Vision Plan</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Renewal Rate</b>	<b>Negotiated Rate</b>
Employee	193	\$9.00	\$9.00	\$9.00
Employee + Spouse	51	\$15.43	\$15.43	\$15.43
Employee + Child(ren)	26	\$15.75	\$15.75	\$15.75
Employee + Family	<u>57</u>	<u>\$25.40</u>	<u>\$25.40</u>	<u>\$25.40</u>
Annual Total	327	\$52,575	\$52,575	\$52,575
<b>Vision Total Annual</b>	<b>327</b>	<b>\$52,575</b>	<b>\$52,575</b>	<b>\$52,575</b>
<b>Vision Total \$ Increase</b>			<b>\$0</b>	<b>\$0</b>
<b>Vision Total % Increase</b>			<b>0.0%</b>	<b>0.0%</b>
<b>Claremont EAP</b>	<b>Lives</b>	<b>Current Rate</b>	<b>Renewal Rate</b>	<b>Negotiated Rate</b>
Employee	349	\$3.30	\$3.30	\$3.30
<b>EAP Total Annual</b>		<b>\$13,820</b>	<b>\$13,820</b>	<b>\$13,820</b>
<b>EAP Total \$ Increase</b>			<b>\$0</b>	<b>\$0</b>
<b>Life / AD&amp;D Plan</b>	<b>Volume</b>	<b>Current Rate</b>	<b>Renewal Rate</b>	<b>Negotiated Rate</b>
Life Rate per \$1,000	\$35,411,000	\$0.073	\$0.088	\$0.082
AD&D Rate per \$1,000		<u>\$0.025</u>	<u>\$0.025</u>	<u>\$0.025</u>
Annual Total	349	\$41,643	\$48,017	\$45,468
<b>Life Total Annual</b>		<b>\$41,643</b>	<b>\$48,017</b>	<b>\$45,468</b>
<b>Life Total \$ Increase</b>			<b>\$6,374</b>	<b>\$3,824</b>
<b>Life Total % Increase</b>			<b>15.3%</b>	<b>9.2%</b>
<b>LTD</b>	<b>Volume</b>	<b>Current Rate</b>	<b>Renewal Rate</b>	<b>Negotiated Rate</b>
LTD Rate per \$100	\$2,730,983	\$0.180	\$0.210	\$0.200
Annual Total	349	\$58,989	\$68,821	\$65,544
<b>LTD Total Annual</b>		<b>\$58,989</b>	<b>\$68,821</b>	<b>\$65,544</b>
<b>LTD Total \$ Increase</b>			<b>\$9,832</b>	<b>\$6,554</b>
<b>LTD Total % Increase</b>			<b>16.7%</b>	<b>11.1%</b>
<b>Total Annual Premium All Coverages</b>		<b>\$5,564,195</b>	<b>\$6,405,871</b>	<b>\$5,989,010</b>
<b>\$ Increase All Coverages Combined</b>			<b>\$841,677</b>	<b>\$424,816</b>
<b>Cost Per Employee Per Year All Coverages</b>		<b>\$15,943</b>	<b>\$18,355</b>	<b>\$17,160</b>
<b>% Increase (All Coverages Combined)</b>			<b>15.1%</b>	<b>7.6%</b>

# PPO Medical Comparison

	Current		Option	
	Aetna OAMC		Aetna OAMC	
Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Annual Deductible</b>				
Individual	\$250	\$250	\$500	\$1,500
Family	\$500	\$500	\$1,000	\$3,000
<b>Annual Out-of-Pocket Maximum</b>				
Individual	\$3,250	\$10,500	\$3,000	\$6,000
Family	\$6,500	\$21,000	\$6,000	\$12,000
<b>Preventive Services</b>				
As Required By Law	No Charge	40% after deductible	No Charge	40% after deductible
<b>Physician Services</b>				
Primary Care Physician	\$20 copay	40% after deductible	\$15 copay	40% after deductible
Specialist			\$30 copay	
<b>Diagnostic Services</b>				
Lab & X-Ray	20% after deductible	40% after deductible	20% after deductible	40% after deductible
MRI & PETScans	30% after deductible	40% after deductible	20% after deductible	40% after deductible
<b>Emergency Services</b>				
Emergency Room	20% after \$100 copay; deductible waived		20% after \$250 copay	
<b>Hospital Care</b>				
Inpatient	20% after \$150 copay; after deductible	40% after \$300 copay; after deductible	20% after deductible	40% after \$300 copay; after deductible
Outpatient	20% after deductible	40% after deductible		40% after deductible
<b>Prescription Drugs</b>				
Retail - Tier 1	\$10	40% of submitted cost after the applicable preferred copay	\$10	40% of submitted cost after the applicable preferred copay
Retail - Tier 2	\$25		\$30	
Retail - Tier 3	\$40		\$50	
Mail Order - Tier 1	\$20	Not Covered	\$20	Not Covered
Mail Order - Tier 2	\$50	Not Covered	\$60	Not Covered
Mail Order - Tier 3	\$80	Not Covered	\$100	Not Covered
Specialty Medication	20% formulary and nonformulary drugs; max copay of \$150 per script	Not Covered	30% formulary and nonformulary drugs; max copay of \$250 per script	Not Covered

# Agenda Item 3

## Discussion Item

- Federal Updates and State Budget and Policy Updates



# Federal and State Updates

Sumi Sousa

# Unprecedented Time, Unprecedented Opportunity

- The pandemic and national racial reckoning has sparked an urgency and approach to addressing fundamental policy challenges
- Biden Administration making use of narrow window of opportunity for broader, less incremental proposals than expected: American Rescue Plan Act (ARPA); American Jobs Plan; American Families Plan
  - Historic levels of federal and state resources being rapidly poured into domestic programs, including public health insurance, and related programs impacting SFHP's members and providers



# \$1.9T American Rescue Plan (ARP)

- Direct State & Local Aid:
  - California's share: \$26.3B
  - San Francisco's share: \$636M
- Major Investments to Help People Gain/Retain Health Insurance
  - Expanded eligibility and amount of Marketplace premium subsidies
    - Person earning \$19,140 paid \$792 (4.14% of income) annually for a silver plan – now, \$12 annual premium under ARPA
    - Person earning \$51,040 paid \$4,941 (9.68% of income) annually for a silver plan – now \$4,338 annually (8.5% of income) under ARPA
    - Covered CA enrollees will save an average of \$119/month (\$1.5B total)<sup>45</sup>

# ARPA Investments in Health Insurance

- Special Treatment for the Unemployed
  - If drawing unemployment at any time in 2021 – income in excess of 133% is disregarded and eligible for zero premium silver benchmark plan
  - First \$10,200 of 2020 UI payments are exempt from income tax
- Excess Premium Tax Credit Repayment Waived
  - For 2020, given significant economic uncertainty and swings in income, repayment for excess premium tax credit received is waived
- 100% Coverage of COBRA Costs for April to September 2021
  - May assist 20+ members in Healthy Workers on COBRA

# More Federal Proposals to Come

- American Jobs Plan (Infrastructure): \$2T
  - Physical, intellectual and human capital
    - Transportation system; power systems; drinking water; broadband; supply chains; research and development; public buildings, including schools, community colleges, VA facilities, federal housing and federal office buildings
    - \$400B for expanding Home and Community Based Services through Medicaid
  - Paid for by increase in federal taxes
- American Families Plan: coming end of April
  - Child care, paid family leave, education

- Public Charge Proposal Goes Away
  - Would have made enrollment and use of Medi-Cal as a factor when determining legal residency status
  - Actual impact was more in the chilling effect on enrollment and service utilization
    - Most immigrants thought it applied to them, when it largely applied only to those seeking green card status
- *California v. Texas* decision likely released in June

# CA Experiencing Large, One-Time Cash Influx

- Cash receipts as of March are \$16.7B *above* the Governor's January budget projection
- California's system of taxation has helped state withstand severe economic disruption of COVID
  - Californian's earning over \$1M pay ~40% of all personal income tax in CA
  - Unemployment declines to 8.3% in March 2021
    - March 2020: 4.5%
    - April 2020: 16%

# Governor's May Revision

- May Revision will reflect CA's improving economy and huge influx of federal funding and one time cash
  - Potentially ambitious proposals and spending in all areas of state government, but particularly health, human services, housing, education, climate change, income inequality
    - For SFHP, these would be in addition to Governor's January proposals, including CalAIM which expands Medi-Cal benefits for high cost, fragile populations, further streamlines and expands managed care role for benefit delivery and behavioral health integration

# Agenda Item 4

## Action Item

- Review and Approval of Year-to-Date Unaudited Financial Statements and Investment Income Reports





## **FINANCIAL RESULTS – MARCH 2021**

1. March 2021 reported a margin of \$987,000 versus a budgeted loss of (\$938,000). After removing Strategic Use of Reserves (SUR) activity, the actual margin from operations was \$1,008,000 versus a budgeted loss of (\$522,000).

On a year-to-date basis, we have a margin of \$1,302,000 versus a budgeted loss of (\$6,498,000). After removing SUR activity, the actual margin from operations is \$2,535,000 versus a budgeted loss (\$1,917,000).

In March, we received \$61.7 million in Directed Payments funding related to the periods of January through June 2019 and July through December 2019. The FY 20-21 budget projected Directed Payments funding of \$16.4 million for March. Total Directed Payments funding for FY 20-21 is \$195.6 million versus a budget expectation of \$137.0 million. The variance is due to the fact that SFHP did not anticipate receiving Directed Payments related to the first half of FY 19-20. Directed Payments represent pass-through funding for Zuckerberg San Francisco General (ZSFG), University of California San Francisco (UCSF) and private hospitals. The Department of Health Care Services (DHCS) and the Department of Managed Health Care (DMHC) allow Directed Payments funding to be treated as revenue and medical expense.

2. Variances between March actual results and the budget include:
  - a. A net increase in revenue of \$57.0 million due to:
    - i. \$45.2 million in Directed Payments funding related to FY 18-19 and Bridge Period July through December 2019. The additional funding for July through December 2019 was not anticipated to be received during FY 20-21.
    - ii. \$8.0 million more in premium revenue due to the delay of the Medi-Cal pharmacy carve-out to April 1, 2021. The budget assumed the pharmacy carve-out would be effective January 1, 2021, therefore we projected lower revenue due to the transfer of the pharmacy benefit to the State. DHCS built a new pharmacy component into the CY 2021 rates to cover this benefit for the period of January through March 2021.
    - iii. \$2.0 million more in premium revenue due to the Medi-Cal rate increases effective January 1, 2021. Member months were 4,553 less than budget projections, however the rate increases more than offset the shortfall in member months and drove extra revenue. Adult, Child and SPD member months were 10,962 less than budget, however Adult Expansion member months were 6,386 more than budget. Membership continues to be on an upward trend with new members coming in, however we are not adding members at quite the same rate as expected per the budget. Due to the Public Health Emergency (PHE) created by the COVID-19 pandemic, members are not being placed on hold for purposes of redetermination.



- DHCS has allowed Medi-Cal beneficiaries additional time to requalify for continued eligibility in the Medi-Cal program.
- iv. \$1.3 million more in premium revenue related to DHCS member reclassification adjustments retroactive to January 2014.
  - v. \$439,000 more in Hepatitis C revenue. The budget did not assume any Hepatitis C revenue as the pharmacy carve-out was expected to happen January 1, 2021.
  - vi. \$76,000 more in Maternity revenue due to 9 more maternity events.
- b. A net increase in medical expense of \$54.7 million primarily due to:
- i. \$45.2 million in Directed Payments funding related to FY 18-19 and Bridge Period July through December 2019. The additional funding for July through December 2019 was not anticipated to be received during FY 20-21.
  - ii. \$7.8 million more in Medi-Cal non-Hepatitis C pharmacy expense. Much like on the revenue side, the budget assumed the pharmacy carve-out would be effective January 1, 2021, therefore we projected lower medical expense due to the transfer of the pharmacy benefit to the State.
  - iii. \$1.4 million more in capitation and hospital fee-for-service claims. This increase was due to 1) heavy claims volume as there were five claims payment cycles in March and 2) higher capitation expense due to membership mix, i.e., more Adult Expansion members and fewer Adult and Child members.
  - iv. \$463,000 more in Hepatitis C drug expense. The budget did not assume any Hepatitis C expense for March as the pharmacy carve-out was expected to happen January 1, 2021.
  - v. \$383,000 more in Healthy Workers pharmacy expense. The actual cost was \$97.47 pmpm while the budgeted cost was \$65.18 pmpm. It is important to note that SFHP received only \$57.67 pmpm in the Healthy Workers rate making the true loss \$472,000. There is a new pharmacy rate effective April 1, 2021 which should eliminate the monthly loss on this benefit.
  - vi. \$256,000 more in Non-Specialty Mental Health (NSMH) expense. This additional cost is due to higher than expected utilization.
  - vii. \$148,000 more in Community-Based Adult Services (CBAS) expense. This increase is due to higher utilization resulting from the implementation of Temporary Alternative Services (TAS) which allows the CBAS centers to submit claims for telephonic and telehealth services provided to Medi-Cal members during the Public Health Emergency (PHE).
  - viii. \$973,000 less in Health Education and Stop Loss expenses. This majority of this savings is related to \$750,000 in stop loss recoveries received for CY 2018.
- c. A net increase in administrative expenses of \$242,000 primarily due to:
- i. \$212,000 more in TPA services. We incurred Pharmacy Benefits Manager (PBM) fees due to the delay in the Medi-Cal pharmacy carve-out. We also experienced higher non-specialty mental health administrative fees due to increases in membership.
  - ii. \$161,000 more in Professional Fees and Consulting related to projects with Seller Dorsey (CalAIM assistance for SF DPH), Visions, Inc. (diversity, equity and inclusion) and Three Tenants (leadership development).
  - iii. \$95,000 less in Compensation and Benefits due to adjustments related to the recording of pension expense in accordance with GASB 68 rules which were offset by discontinuing the bonus accrual (the accrual is fully funded for FY 20-21) and not implementing merit increases in FY 20-21.

Below is a chart highlighting the key income statement categories for March with adjustments for SUR activity in order to show margin or loss from ongoing operations.

CATEGORY	-----MAR 2021-----				-----FYTD 20-21 THRU MAR-----			
	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)
MEMBER MONTHS	156,018	160,571	(4,553)	-2.8%	1,351,391	1,356,057	(4,666)	-0.3%
REVENUE	\$ 118,527,000	\$ 61,549,000	\$ 56,978,000	92.6%	\$ 664,001,000	\$ 569,171,000	\$ 94,830,000	16.7%
MEDICAL EXPENSE	\$ 112,603,000	\$ 57,868,000	\$ (54,735,000)	-94.6%	\$ 625,739,000	\$ 534,290,000	\$ (91,449,000)	-17.1%
MLR	95.6%	95.1%			95.1%	94.9%		
ADMINISTRATIVE EXPENSE	\$ 4,903,000	\$ 4,661,000	\$ (242,000)	-5.2%	\$ 37,107,000	\$ 41,754,000	\$ 4,647,000	11.1%
ADMINISTRATIVE RATIO	3.6%	6.5%			4.7%	6.3%		
INVESTMENT INCOME	\$ (34,000)	\$ 42,000	\$ (76,000)		\$ 147,000	\$ 375,000	\$ (228,000)	-60.8%
<b>MARGIN (LOSS)</b>	<b>\$ 987,000</b>	<b>\$ (938,000)</b>	<b>\$ 1,925,000</b>		<b>\$ 1,302,000</b>	<b>\$ (6,498,000)</b>	<b>\$ 7,800,000</b>	
ADD BACK: SUR ACTIVITY	\$ 21,000	\$ 416,000			\$ 1,233,000	\$ 4,581,000		
<b>MARGIN (LOSS) FROM OPERATIONS</b>	<b>\$ 1,008,000</b>	<b>\$ (522,000)</b>	<b>\$ 1,530,000</b>		<b>\$ 2,535,000</b>	<b>\$ (1,917,000)</b>	<b>\$ 4,452,000</b>	

On a year-to-date basis through March and after the removal of SUR activity, SFHP is \$2,535,000 ahead of budget expectations.

- After removing the Directed Payments funding, premium revenue is above budget by \$36.3 million. This is due to:
  - \$24.0 million in pharmacy revenue that was not expected as the pharmacy benefit was to be carved out January 1, 2021.
  - Although we have seen an overall net decrease of 4,666 member months, Adult Expansion member months are 46,282 above budget which has a favorable impact on revenue due to the fact that the premium rate for this category of aid is \$388 pmpm compared to \$293 pmpm for the Adult 19 category and \$112 pmpm for the Child 18 category.
  - A Medi-Cal rate increase effective January 1, 2021.
- After removing SUR activity and Directed Payments funding, medical expense is above budget by \$36.2 million. This increase can be accounted for as follows:
  - Medi-Cal pharmacy costs are up \$22.7 million
  - Capitation and FFS expenses are up \$7.9 million
  - Prop 56 supplemental payments are up \$5.3 million
  - Healthy Workers pharmacy costs are up \$1.8 million
  - CBAS expenses are up \$1.3 million
  - Health Education costs are down (\$2.8 million)

Medi-Cal pharmacy costs are up due to the delay in the carve-out. Capitation and FFS expenses are up due to increasing membership as well as some high dollar inpatient hospital claims that we incurred in January. Healthy Workers pharmacy costs are higher as the reimbursement rate established in early 2018 is not sufficient to cover current drug costs and associated utilization. SFHP worked with the San Francisco Department of Public Health and the San Francisco Human Services Agency to secure a pharmacy rate increase for April 1, 2021. The rate increases from \$57.67 pmpm to \$93.61 pmpm. Proposition 56 supplemental payment activity is higher than anticipated, however, this is

not an issue as SFHP has received more than enough funding to cover these costs. CBAS costs are up due to greater utilization caused by the ongoing public health emergency.

- Overall administrative expense is below budget by \$4.6 million. The majority of this decrease is due to the elimination of the monthly bonus accrual, not implementing merit increases and lower costs in the areas of professional services and information technology services. In addition, the budget included dollars for major projects which have not been incurred yet, i.e., CalAIM and CMS Interoperability.

## **PROJECTIONS**

Financial projections through September 2021:

1. Due to the ongoing COVID-19 pandemic, SFHP anticipates continued increases in Medi-Cal membership over the next six months. We projected an increase of approximately 22,000 new members during FY 20-21. Through March, we have added 13,700 new members. These new members have been spread across the Adult, Child and Adult Expansion categories of aid. We will continue to watch membership growth very closely as we develop the budget for FY 21-22.
2. In response to the COVID-19 pandemic and the effect it is having on state of California finances, the State Legislature approved the implementation of a 1.5% rate reduction retroactive to July 2019. This rate reduction was effective for the entire Bridge Period which ran through December 2020. The rate reduction applied to all categories of aid except dual eligible members. SFHP estimated the impact of this rate reduction to be \$3.3 million for the period of July through December 2020. This revenue loss was built into the FY 20-21 budget. SFHP does not expect DHCS to implement a similar reduction for January through June 2021.
3. The Medi-Cal pharmacy benefit carve-out scheduled for January 2021 has been delayed with no transition date established at this point in time. The plan is for the State to take on this benefit and has selected Magellan as its Pharmacy Benefits Manager (PBM). SFHP will see approximately \$8 million dollars of revenue per month along with a similar amount for the associated pharmacy expense for each month that SFHP continues to have responsibility for the benefit.
4. In December 2020, SFHP received final rates for CY 2021. Overall, SFHP received an increase of approximately 4.3% plus the return of the 1.5% Bridge Period rate reduction (1.3% actual). As SFHP looks ahead to future changes coming to Medi-Cal Managed Care, we recognize the need for the health plan to rebuild its reserves that have been reduced by several Strategic Use of Reserves (SUR) programs along with retroactive adjustments implemented by DHCS totaling \$12.7 million.
5. Beginning in July 2021, hospital risk for 16,000 members enrolled with the San Francisco Community Clinic Consortium (SFCCC) will transfer from Zuckerberg San Francisco General (ZSFG) to SFHP. SFHP will no longer pay capitation to ZSFG for these members. SFHP will be responsible for all in-network and out-of-network hospital services under a fee-for-service arrangement – All Patient Refined Diagnosis Related Groups (APR-DRG) for inpatient services and 140% of the Medi-Cal Fee Schedule (MCFS) for outpatient facility services. Primary care and specialty care services will remain under capitation. It is estimated that this new risk will cost SFHP approximately \$16-\$20 million per year. This additional cost will be included in the FY 21-22 budget.

6. Proposition 56 – this program will continue for the remainder of this fiscal year as well as FY 21-22. Proposition 56 provides enhanced payments to medical groups for qualifying physician services, supplemental payments for developmental screenings, adverse childhood experiences screenings, trauma screenings, family planning services and value-based payments related to a variety of health care quality measures.
7. See income statement charts on subsequent pages. Due to the impact that pass-through funding and the disbursement of Strategic Use of Reserves have on projections, we have included graphs with and without this activity.

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

### **PHARMACY MAXIMUM ALLOWABLE COST ADJUSTMENTS**

DHCS and its actuary, Mercer, have the ability to adjust premium rates if it is determined that a Medi-Cal Managed Care Plan is not effectively managing pharmacy costs. DHCS and Mercer analyze the effectiveness of each plan's pharmacy cost management through a Maximum Allowable Cost (MAC) avoidable cost analysis. To identify potentially avoidable costs due to reimbursement inefficiencies, DHCS and Mercer utilize the plan's pharmacy data and review the reimbursement contracting for generic products. Each pharmacy claim is compared against a benchmark Medicaid MAC list for the same timeframe to create a cost savings amount for each claim. To calculate the cost savings amount, a derived paid amount which utilizes the unit price from the benchmark MAC list is calculated for each claim and subtracted from the actual paid amount on each claim. The total cost savings for each claim is then combined and aggregated for each plan to calculate the total cost savings for each plan. In instances where the actual paid amount is less than the derived paid amount (negative cost savings), the negative amount is counted against the cost savings amount.

For the last three rate cycles which include July 2018 through June 2019, July 2019 through December 2020 and CY 2021, DHCS and Mercer did not apply a pharmacy MAC adjustment which means our rates were not reduced due to inefficient pharmacy cost management. Our Pharmacy department employs several strategies to ensure effective pharmacy cost management:

- We have PBM contractual obligations requiring aggressive generic pricing.
- We ensure that our MAC list, which is the number of generics managed through MAC reimbursement, is as broad as possible.
- We monitor monthly MAC changes by the PBM and investigate changes that are beyond a 10% increase.

Our actuary, Edrington Health Consulting, estimates that our ability to avoid MAC adjustments would be worth \$3 million to \$5 million annually. This estimate is derived by taking the average range of MAC adjustments for other Medi-Cal plans.

The charts on the next pages show MAC adjustments by Medi-Cal plan for the last three rate cycles. As you can see, SFHP is the only Medi-Cal plan to **not** have its rates reduced due to MAC adjustments.

## MAC Pricing % Adjustment by Year

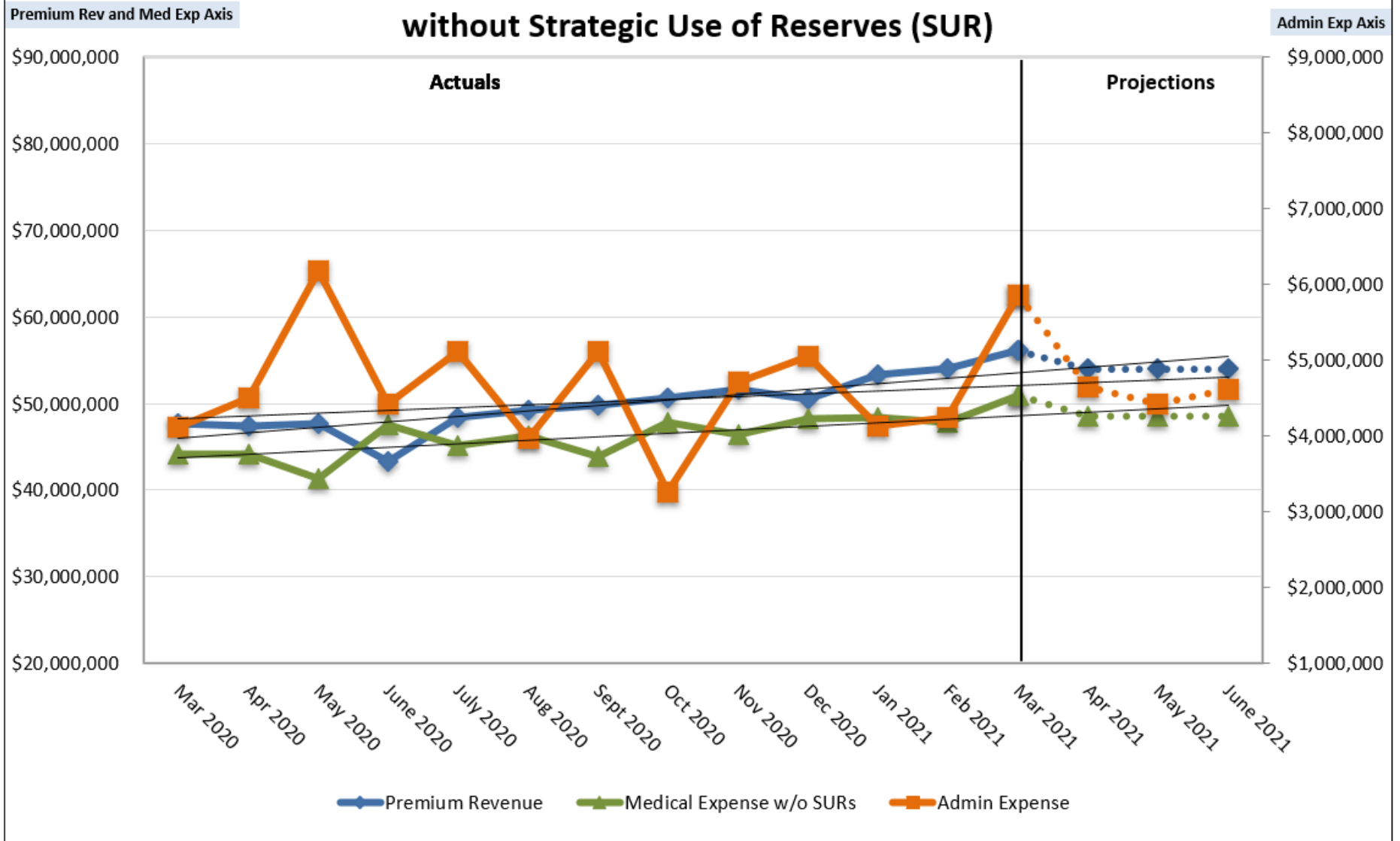
Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>San Francisco Health Plan</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.0%	0.0%	0.0%
	Adult	0.0%	0.0%	0.0%
	SPD	0.0%	0.0%	0.0%
	MCE	0.0%	0.0%	0.0%
<b>Health Plan 1</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.1%	5.3%	9.7%
	Adult	3.0%	6.1%	8.9%
	SPD	1.8%	4.8%	6.7%
	MCE	2.2%	5.8%	7.5%
<b>Health Plan 2</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	2.7%	10.3%	35.8%
	Adult	4.8%	8.0%	18.9%
	SPD	5.2%	8.5%	16.3%
	MCE	5.0%	7.8%	15.6%
<b>Health Plan 3</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	1.0%	8.0%	16.0%
	Adult	2.0%	4.0%	7.0%
	SPD	1.0%	6.0%	8.0%
	MCE	2.0%	4.0%	7.0%
<b>Health Plan 4</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	2.0%	10.0%	19.0%
	Adult	2.0%	4.0%	7.0%
	SPD	2.0%	4.0%	8.0%
	MCE	2.0%	4.0%	7.0%

Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Health Plan 5</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.00%	0.00%	0.00%
	Adult	0.00%	0.00%	0.70%
	SPD	0.00%	0.00%	0.00%
	MCE	0.00%	0.00%	0.40%
Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Health Plan 6</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.0%	0.0%	0.0%
	Adult	2.3%	3.6%	7.0%
	SPD	1.4%	2.9%	5.1%
	MCE	1.9%	3.4%	5.6%
Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Health Plan 7</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.0%	0.0%	0.0%
	Adult	0.7%	0.0%	0.0%
	SPD	0.4%	0.0%	0.3%
	MCE	0.9%	0.0%	0.0%
Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Health Plan 8</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.0%	6.1%	8.8%
	Adult	0.0%	2.9%	6.3%
	SPD	0.0%	2.0%	3.9%
	MCE	0.0%	3.0%	4.4%
Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Health Plan 9</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.00%	0.80%	3.00%
	Adult	3.80%	3.80%	5.60%
	SPD	0.10%	0.70%	4.20%
	MCE	1.70%	2.50%	3.40%

Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Health Plan 10</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	3.8%	9.2%	13.0%
	Adult	3.1%	6.3%	8.1%
	SPD	2.2%	5.4%	7.3%
	MCE	2.8%	6.0%	7.5%
Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Health Plan 11</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child		0.4%	5.3%
	Adult		2.2%	4.2%
	SPD		0.9%	3.6%
	MCE		2.1%	4.2%
Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Health Plan 12</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.0%	0.1%	5.4%
	Adult	1.0%	2.2%	3.3%
	SPD	1.4%	2.7%	3.9%
	MCE	1.3%	2.6%	3.2%
Plan	Rate Period	SFY 18/19	BP 19/20	CY 21
<b>Unweighted Average</b>	Base Data	CY 16 RDT	CY 17 RDT	CY 18 RDT
COA	Child	0.8%	3.9%	8.9%
	Adult	1.9%	3.3%	5.9%
	SPD	1.3%	2.9%	5.2%
	MCE	1.7%	3.2%	5.1%

## SFHP - March 2021

### Rolling 12 Month Income Statement & 3 Month Projection without Strategic Use of Reserves (SUR)



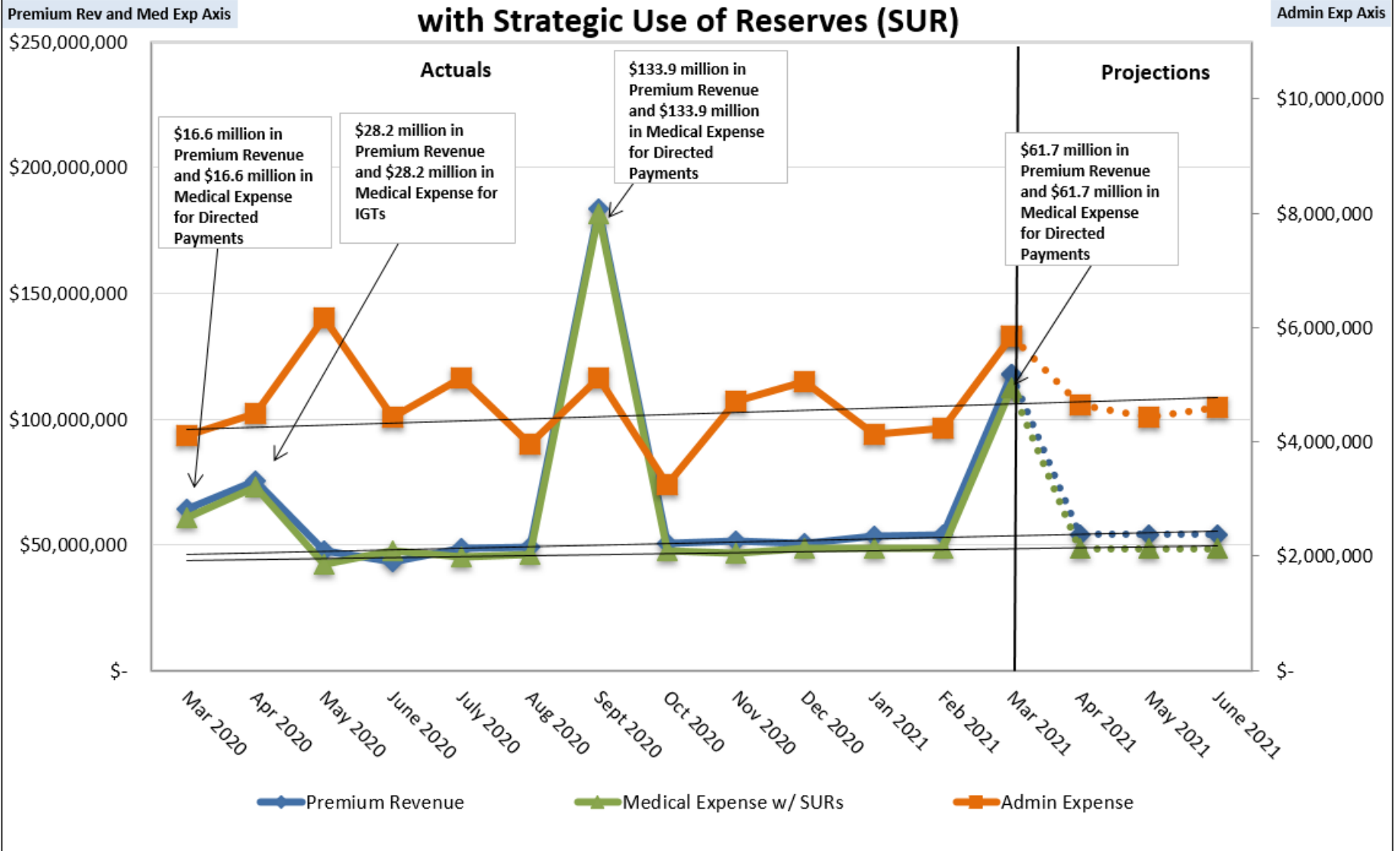
- 1) Medical Expense **without** Strategic Use of Reserves (SUR)
- 2) Dual axis chart
- 3) Trend line **without** impact of Strategic Use of Reserves (SUR) or pass-throughs

7



## SFHP - March 2021

### Rolling 12 Month Income Statement & 3 Month Projection with Strategic Use of Reserves (SUR)



- 1) Medical Expense **with** Strategic Use of Reserves (SUR) and pass-throughs
- 2) Dual axis chart
- 3) Trend line **without** impact of Strategic Use of Reserves (SUR) or pass-throughs

## San Francisco Health Plan Finance Big Picture Dashboard - March 2021

	Mar-21			Mar-20	Fiscal Year to Date (20/21)			FY 19/20
	MTD	MTD	MTD	MTD	FYTD	FYTD	FYTD	FYTD
	Actual	Budget	Fav (Unfav)	Actual	Actual	Budget	Fav (Unfav)	Actual
<b>FINANCIAL POSITION:</b>								
Net Profit/Loss w/o HSF (\$)	986,799	(938,036)	1,924,835	(631,279)	1,302,289	(6,497,739)	7,800,027	(1,650,558)
Total Medical Loss Ratio_All LOB	95.6%	95.1%	-0.4%	95.8%	95.1%	94.9%	-0.2%	95.2%
Admin Expense Ratio	3.6%	6.5%	2.9%	5.5%	4.7%	6.3%	1.6%	5.4%
Number of FTE's	351			351				
Premium Revenue (\$)	117,842,525	60,831,632	57,010,892	63,662,914	657,753,019	562,933,578	94,819,440	562,260,379
Medical Expenses (\$)	112,602,909	57,867,979	(54,734,930)	61,003,661	625,739,342	534,290,290	(91,449,052)	535,473,149
Administration Expenses w/o HSF (\$)	4,902,978	4,660,831	(242,148)	4,107,884	37,107,365	41,753,875	4,646,509	36,954,473
Member Months	156,018	160,571	(4,553)	136,691	1,351,391	1,356,057	(4,666)	1,244,238
Cash on Hand (Days)	31			39				

<b>RESERVES:</b>	March-2021	Budget @ 6/30/21	June-2020	June-2019	June-2018	June-2017	June-2016	June-2015
	Reserves (\$)	92,848,702	86,253,212	91,960,120	97,935,725	108,542,472	120,761,132	112,637,840
SUR carry-over balance from prior years	(2,707,719)	(1,800,000)	(4,145,463)	(6,046,189)	(15,567,350)			
FY18-19 SUR for Medical Groups and Targeted Interv.	(2,945,000)	-	(2,945,000)	(6,558,333)	0			
Adjusted Reserve Balance	87,195,983	84,453,212	84,869,657	85,331,203	92,975,122			
Reserve Policy 2x Premium Rev (Rolling 12 month avg)	112,339,067	90,000,000	86,669,751	93,747,256	93,684,010	94,325,464	100,027,410	51,400,000
Reserves Over (Under) 2 x Premium Revenue	(25,143,084)	(5,546,788)	(1,800,095)	(8,416,053)	(708,888)			
DMHC Required TNE	13,155,490	13,500,000	13,951,203	12,597,375	11,960,363	11,818,641	10,744,461	8,673,851
TNE Multiple	6.6	6.4	6.1	6.8	7.8	10.2	10.5	10.1

<b>FINANCIAL TREND:</b>	FY 20/21								
	Original Budget	Change	March-2021	June-2019	June-2018	June-2017	June-2016	June-2015	June-2014
Premium Revenue (\$)	562,933,578	94,819,440							
Medical Expenses (\$)	534,290,290	(91,449,052)							
Administration Expenses w/o HSF (\$)	41,753,875	4,646,509							
Member Months	156,018		156,018	140,765	143,096	149,348	146,289	137,427	111,590
Average Monthly Enrollment	147,819		147,819	142,038	146,847	148,354	144,347	130,240	91,587

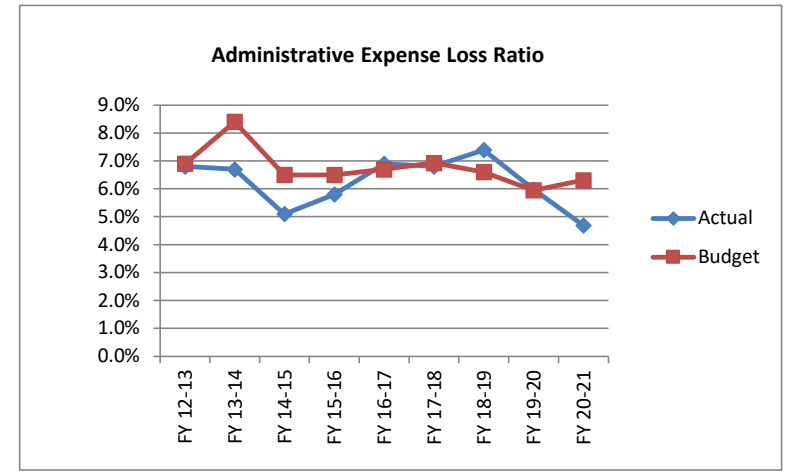
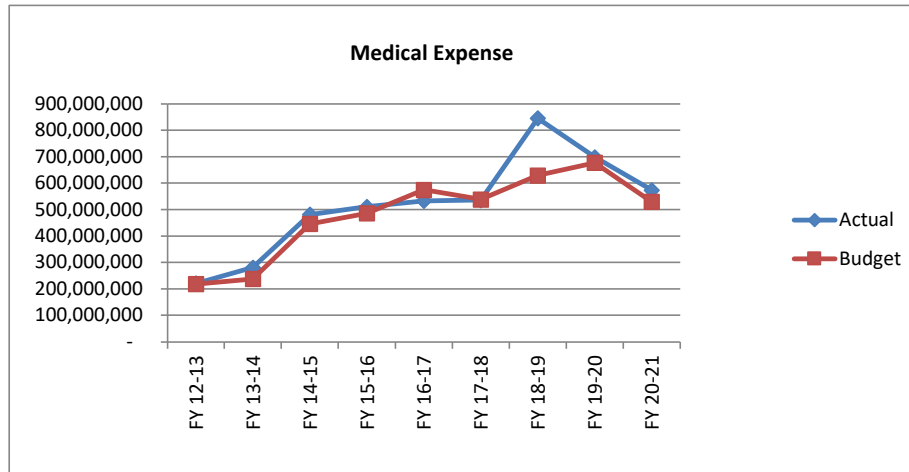
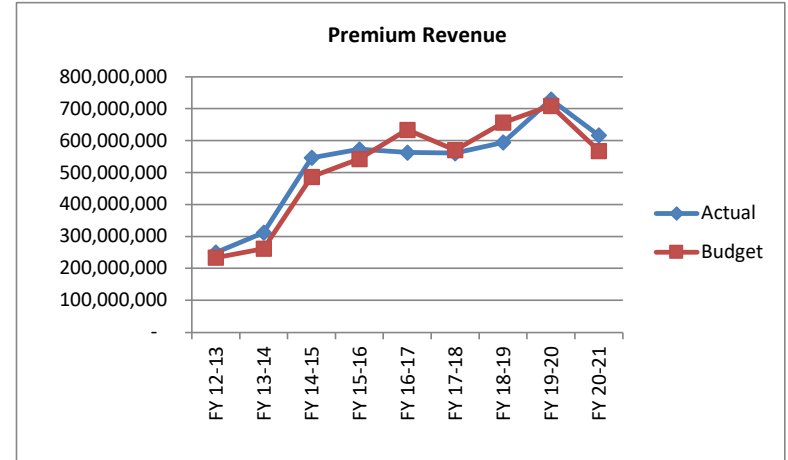
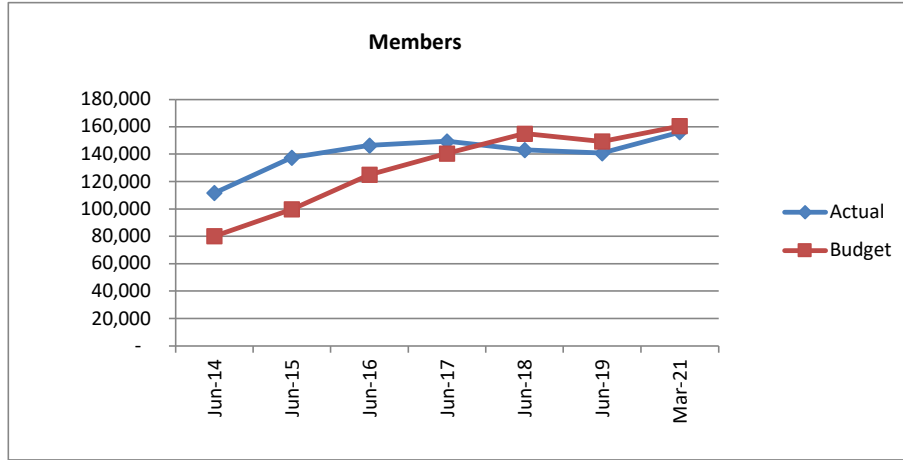
Membership for the Month

Rolling 12 Month Average

# San Francisco Health Plan

## Finance Big Picture Dashboard - March 2021

**FINANCIAL TREND:**  
(Rolling 12 months)



## San Francisco Health Plan

### Finance Dashboard Metrics - March 2021

	Mar-21			Mar-20	Fiscal Year to Date (20/21)			FY 19/20
	Actual	Budget	Fav (Unfav)	Actual	Actual	Budget	Fav (Unfav)	Actual
<b>Member Months</b>	156,018	160,571	(4,553) -2.8%	136,691	1,351,391	1,356,057	(4,666) -0.3%	1,244,238
<b>Premium Revenue (\$)</b>	117,842,525	60,831,632	57,010,892 93.7%	63,662,914	657,753,019	562,933,578	94,819,440 16.8%	562,260,379
<b>Administration Expenses w/o HSF (\$)</b>	4,902,978	4,660,831	(242,148)	4,107,884	37,107,365	41,753,875	4,646,509	36,954,473
<b>Admin Expense Ratio</b>	3.6%	6.5%		5.5%	4.7%	6.3%		5.4%
<b>Medical Expenses (\$)</b>	112,602,909	57,867,979	(54,734,930)	61,003,661	625,739,342	534,290,290	(91,449,052)	535,473,149
<b>Total Medical Loss Ratio</b>	95.6%	95.1%		95.8%	95.1%	94.9%		95.2%
<b>MC Medical Loss Ratio</b>	91.5%	88.2%		91.3%	89.8%	87.7%		90.1%
<b>MC SPD Medical Loss Ratio</b>	91.9%	100.5%		100.1%	94.6%	99.2%		97.6%
<b>MC Expansion</b>	99.2%	95.7%		94.5%	97.0%	96.0%		96.1%
<b>HW Medical Loss Ratio</b>	105.1%	100.3%		101.5%	102.3%	99.8%		99.4%
<b>HSF + SFCMRA - TPA Fee (\$)</b>	948,958	1,170,227	(221,269) -18.9%	831,710	7,983,318	9,854,004	(1,870,686) -19.0%	6,953,115
<b>Cash on Hand (Days)</b>	31			39				
<b>Maternity Reimb. Performance (\$)</b> (per case pymt, actual vs. budget)	824,946	783,132	41,814 5.3%	827,129	7,013,934	7,048,191	(34,257) -0.5%	7,027,847
<b>Number of Births</b>	98	89	9	94	808	801	7	804
<b>Hep-C Revenue (\$)</b>	439,222	-		486,282	3,461,251	3,335,442	125,809	4,804,800
<b>Hep-C Expense w/rebates (FFS + Cap) (\$)</b>	462,794	-		458,419	3,522,305	3,335,442	186,863	4,586,893
<b>Net Margin (\$)</b>	(23,572)	-		27,863	(61,054)	-	(61,054)	217,907
<b>Total Hep-C Treatments</b>	214	-		192	1,475	1,320	155	1,900
<b>Net Profit/Loss w/o HSF (\$)</b>	986,799	(938,036)	1,924,835	(631,279)	1,302,289	(6,497,739)	7,800,027	(1,650,558)

**San Francisco Health Plan  
Consolidated Balance Sheet for SFHA and SFCHA  
As of March 31, 2021**

	SFHA	HSF	3/31/2021 Total	3/31/2020 Total	Variance
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
(1) SFHP Cash, Cash Equivalents and Short Term Investments	157,611,015		157,611,015	106,620,333	50,990,682
HSF Cash and Cash Equivalents		648,053,906	648,053,906	575,759,342	72,294,564
Petty Cash	1,000		1,000	1,000	-
Other Receivables	6,797,324		6,797,324	3,170,417	3,626,907
Interest Receivable	174,122		174,122	157,921	16,201
Grant Funds Receivable	-		-	1,471,675	(1,471,675)
(2) Capitation Receivable	60,282,607		60,282,607	62,181,272	(1,898,665)
HSF Operation Receivable	8,016,766		8,016,766	11,126,966	(3,110,199)
HSF Provider Payment & Advance		2,205,706	2,205,706	1,882,053	323,652
(3) HSF Receivables		17,772,122	17,772,122	626,984	17,145,138
Prepaid Insurance	106,082		106,082	129,467	(23,384)
HSF Prepaid Insurance	5,050		5,050	4,570	480
Prepaid Rent	336,637		336,637	329,083	7,554
Prepaid Expenses	3,181,195		3,181,195	3,166,007	15,187
HSF Prepaid Expenses	8,213		8,213	8,213	-
CalPERS Deferred Outflow Fund	7,743,117		7,743,117	7,590,457	152,660
Deposits	79,874		79,874	79,874	-
<b>Total Current Assets</b>	<b>244,343,000</b>	<b>668,031,733</b>	<b>912,374,734</b>	<b>774,305,632</b>	<b>138,069,102</b>
<b>OTHER ASSETS</b>					
Long Term Investments	24,848,967		24,848,967	22,023,034	2,825,932
Restricted Funds Required by DMHC	300,000		300,000	300,000	-
<b>Total Other Assets</b>	<b>25,148,967</b>	<b>-</b>	<b>25,148,967</b>	<b>22,323,034</b>	<b>2,825,932</b>
<b>FIXED ASSETS</b>					
Furniture & Equipment	15,420,811		15,420,811	14,787,576	633,235
Accumulated Depreciation	(12,091,704)		(12,091,704)	(10,384,878)	(1,706,826)
<b>Net Fixed Assets</b>	<b>3,329,107</b>	<b>-</b>	<b>3,329,107</b>	<b>4,402,698</b>	<b>(1,073,590)</b>
<b>TOTAL ASSETS</b>	<b>272,821,074</b>	<b>668,031,733</b>	<b>940,852,808</b>	<b>801,031,364</b>	<b>139,821,444</b>

**San Francisco Health Plan  
Consolidated Balance Sheet for SFHA and SFCHA  
As of March 31, 2021**

	SFHA	HSF	3/31/2021 Total	3/31/2020 Total	Variance
<b>LIABILITIES &amp; FUND BALANCE</b>					
<b>CURRENT LIABILITIES</b>					
Accounts Payable	22,638,093		22,638,093	20,364,427	2,273,666
HSF Accounts Payable		1,776,511	1,776,511	911,329	865,182
Deferred Rent	1,849,742		1,849,742	1,995,979	(146,237)
Salaries/Benefits/PERS Payable	8,360,460		8,360,460	7,509,731	850,729
CalPERS Unfunded Pension	41,309		41,309	(1,279,513)	1,320,822
CalPERS Pension Deferred Inflow	180,387		180,387	227,213	(46,826)
Notes Payable - Lease Equipment	38,985		38,985	129,451	(90,466)
Unearned Premium Revenue	-		-	1,771,518	(1,771,518)
<b>(4) Due to DHCS including Provider Pass-throughs</b>	<b>92,912,299</b>		<b>92,912,299</b>	<b>32,670,240</b>	<b>60,242,059</b>
HSF Earned Premium - Due to DPH		58,033,006	58,033,006	61,561,245	(3,528,240)
Waiver, Discount, and Account Write-off		(132,988)	(132,988)	(647,727)	514,739
HSF Unearned Participant Fees		676,710	676,710	1,991,931	(1,315,221)
ESR due to DPH		444,844,417	444,844,417	364,822,300	80,022,118
HSF MRA Fund Payable (Claim & Fee)		162,834,077	162,834,077	149,629,300	13,204,777
Capitation Payable	47,141,908		47,141,908	52,315,306	(5,173,398)
Claims Payable	3,471,524		3,471,524	2,400,172	1,071,352
Claims IBNR	3,337,666		3,337,666	5,805,829	(2,468,163)
<b>TOTAL LIABILITIES</b>	<b>179,972,372</b>	<b>668,031,733</b>	<b>848,004,106</b>	<b>702,178,731</b>	<b>145,825,374</b>
<b>FUND BALANCE</b>					
Contributed Capital	1,516,840		1,516,840	1,516,840	-
Accumulated Surplus Revenue	90,029,573		90,029,573	98,986,350	(8,956,777)
Current Year Surplus / Deficit	1,302,289		1,302,289	(1,650,558)	2,952,846
<b>Fund Balance</b>	<b>92,848,702</b>	<b>-</b>	<b>92,848,702</b>	<b>98,852,633</b>	<b>(6,003,930)</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b>272,821,074</b>	<b>668,031,733</b>	<b>940,852,808</b>	<b>801,031,364</b>	<b>139,821,444</b>

**San Francisco Health Plan  
Consolidated Balance Sheet for SFHA and SFCHA  
As of March 31, 2021**

Notes:

- (1) SFHP Cash, Cash Equivalents and Short Term Investments had a combined balance of \$157.6 million at 3/31/21 as compared to \$106.6 million at 3/31/20. This increase is due to Directed Payments funding received in March 2021 and paid in April 2021.

The days cash on hand as of 3/31/21 was 31 days compared to 31 days at 1/31/21. There is no change from January 2021. Directed Payments funding is excluded as these funds are a direct pass-through to providers and therefore not available to fund ongoing operations.

- Capitation Receivable is a combination of Medi-Cal premiums totaling \$57.0 million along with \$3.3 million of receivables for the Healthy Workers program. SFHP and the SF Department of Human Resources are engaged in a weekly dialogue on the payment of the HW receivable. We have a verbal confirmation that this amount will be paid as soon as the new contract is executed. The new contract should be signed in early May.
- (2)
- (3) The majority of this increase is related to the \$500 grants disbursed to SF City Option MRA holders. These funds will come back into the HSF SF City Option program at a later date.

- The additional \$60.2 million is related to Directed Payments funding received in March 2021 and paid in April 2021. This funding is disbursed
- (4) to Zuckerberg San Francisco General (ZSFG) hospital, University of California San Francisco (UCSF) Medical Center and other contracted private hospitals in the SFHP network.

All other asset and liability account balances appear to be reasonable.

**San Francisco Health Plan  
Income Statement w/o HSF  
Consolidated Statement for SFHA and SFCHA  
For the Month Ending March 31, 2021**

	Current Month		Fav (Unfav)			Year to Date		Fav (Unfav)	
	Actual	Budget	Amount (\$)	%		Actual	Budget	(\$)	%
<b>Member Month</b>									
(1)	72,378	82,430	(10,052)	(12.2%)	Medi-Cal	626,928	675,584	(48,656)	(7.2%)
	13,182	14,092	(910)	(6.5%)	Medi-Cal SPD	120,497	125,820	(5,323)	(4.2%)
	58,600	52,214	6,386	12.2%	Medi-Cal Expansion	494,816	448,534	46,282	10.3%
	11,858	11,835	23	0.2%	Healthy Workers	109,150	106,119	3,031	2.9%
	156,018	160,571	(4,553)	(2.8%)	<b>TOTAL MEMBER MONTH</b>	1,351,391	1,356,057	(4,666)	(0.3%)
<b>REVENUE</b>									
(2)	25,071,196	16,402,340	8,668,856	52.9%	Medi-Cal	147,130,118	143,316,087	3,814,031	2.7%
	36,544,217	13,908,162	22,636,055	162.8%	Medi-Cal SPD	171,151,298	137,325,421	33,825,877	24.6%
	50,715,955	24,995,854	25,720,101	102.9%	Medi-Cal Expansion	288,332,855	232,745,572	55,587,283	23.9%
	95,000	116,090	(21,090)	(18.2%)	MC Health Homes	1,284,404	1,044,810	239,594	22.9%
	5,416,157	5,409,187	6,970	0.1%	Healthy Workers	49,854,344	48,501,689	1,352,655	2.8%
	117,842,525	60,831,632	57,010,892	93.7%	<b>Total Capitation Revenue</b>	657,753,019	562,933,578	94,819,440	16.8%
	684,647	717,475	(32,828)	(4.6%)	Other Income - Admin Svc & TPL	6,048,271	6,237,848	(189,576)	(3.0%)
	-	-	-		Other Income - BHI	200,000	-	200,000	
	684,647	717,475	(32,828)	(4.6%)	<b>Total Other Income</b>	6,248,271	6,237,848	10,424	0.2%
	<b>118,527,172</b>	<b>61,549,107</b>	<b>56,978,064</b>	<b>92.6%</b>	<b>TOTAL REVENUE</b>	<b>664,001,290</b>	<b>569,171,426</b>	<b>94,829,864</b>	<b>16.7%</b>



**San Francisco Health Plan  
Income Statement w/o HSF  
Consolidated Statement for SFHA and SFCHA  
For the Month Ending March 31, 2021**

	<b>Current Month Actual</b>	<b>Current Month Budget</b>	<b>Fav (Unfav) Amount (\$)</b>	<b>Fav (Unfav) %</b>		<b>Year to Date Actual</b>	<b>Year to Date Budget</b>	<b>Fav (Unfav) (\$)</b>	<b>Fav (Unfav) %</b>
<b>EXPENSES</b>									
Medical Expenses									
(3)	17,032,906	15,945,575	(1,087,331)	(6.8%)	Professional	146,849,678	137,869,789	(8,979,889)	(6.5%)
	22,657,354	22,161,999	(495,355)	(2.2%)	Hospital	190,355,696	188,710,231	(1,645,465)	(0.9%)
	9,493,847	813,717	(8,680,130)	(1,066.7%)	Pharmacy	73,875,097	49,387,016	(24,488,081)	(49.6%)
	18,436	45,333	26,897	59.3%	Immunizations	247,339	386,316	138,977	36.0%
	1,031,344	792,034	(239,310)	(30.2%)	Vision and Mental Health	7,212,352	6,484,092	(728,259)	(11.2%)
(4)	62,369,022	18,109,321	(44,259,701)	(244.4%)	Health Ed & Stop Loss & Other	207,199,181	151,452,846	(55,746,335)	(36.8%)
	<b>112,602,909</b>	<b>57,867,979</b>	<b>(54,734,930)</b>	<b>(94.6%)</b>	<b>Total Medical Expenses</b>	<b>625,739,342</b>	<b>534,290,290</b>	<b>(91,449,052)</b>	<b>(17.1%)</b>
	95.6%	95.1%			Medical Cost Ratio %	95.1%	94.9%		
Operating Expenses									
(5)	2,313,184	2,560,733	247,549	9.7%	Compensation & Benefits	20,229,309	21,449,884	1,220,576	5.7%
	217,993	65,412	(152,581)	(233.3%)	GASB-68 CalPERS Contribution	92,997	563,764	470,767	83.5%
	469,970	485,373	15,403	3.2%	Lease, Insurance, D & A	4,062,286	4,223,016	160,730	3.8%
	81,997	56,689	(25,308)	(44.6%)	Marketing & Outreach	698,892	826,380	127,488	15.4%
	330,535	118,678	(211,857)	(178.5%)	PBM and Mental Health TPA Fees	2,815,365	2,064,866	(750,499)	(36.3%)
	575,722	414,626	(161,096)	(38.9%)	Professional Fees & Consulting	2,189,104	3,759,136	1,570,032	41.8%
	913,577	959,319	45,742	4.8%	Other Expenses	7,019,413	8,866,829	1,847,416	20.8%
	4,902,978	4,660,831	(242,148)	(5.2%)	Total Operating Expenses	37,107,365	41,753,875	4,646,509	11.1%
	3.6%	6.5%			Administrative Cost Ratio %	4.7%	6.3%		
	<b>117,505,888</b>	<b>62,528,810</b>	<b>(54,977,078)</b>	<b>(87.9%)</b>	<b>TOTAL EXPENSES</b>	<b>662,846,707</b>	<b>576,044,165</b>	<b>(86,802,542)</b>	<b>(15.1%)</b>
	<b>1,021,284</b>	<b>(979,702)</b>	<b>2,000,987</b>		<b>Operating Surplus / Deficit</b>	<b>1,154,583</b>	<b>(6,872,739)</b>	<b>8,027,321</b>	
	46,809	41,667	5,142	12.3%	Interest Income & Realized G/L on Investment	596,387	375,000	221,387	59.0%
	(81,294)	-	(81,294)		Unrealized Gain / Loss on Investment	(448,681)	-	(448,681)	
	(34,485)	41,667	(76,152)		Total Interest Income & Realized G/L on Investment	147,706	375,000	(227,294)	(60.6%)
	<b>986,799</b>	<b>(938,036)</b>	<b>1,924,835</b>		<b>SURPLUS / DEFICIT</b>	<b>1,302,289</b>	<b>(6,497,739)</b>	<b>7,800,027</b>	

**San Francisco Health Plan**  
**Income Statement w/o HSF**  
**Consolidated Statement for SFHA and SFCHA**  
**For the Month Ending March 31, 2021**

Notes:

Following are key points that impacted our financial performance during March 2021. For a more detailed discussion of each of these points, please refer to the attached FINANCIAL RESULTS-MARCH 2021 memo.

(1) March member months were 2.8% below budget. When preparing the FY 20-21 budget, SFHP assumed there would be stronger growth during the middle part of the fiscal year due to the COVID-19 pandemic. Although Adult and Child member months were short of budget projections, Adult Expansion member months came in 6,386 ahead of budget which helped drive additional revenue for SFHP and additional capitation for providers. SFHP expects continued growth in membership, however the growth will not be as robust and will fall short of budget expectations. On a year-to-date basis, member months are 0.3% below budget. It is expected that member months will fall slightly short of the full fiscal year target, however membership mix will help us achieve revenue projections.

(2) Premium revenue for the month of March was \$57.0 million higher than the budget due to a combination of Directed Payments funding, additional pharmacy revenue that was expected to end 12/31/20 and the Medi-Cal rate increase that was effective 1/1/21. Year-to-date revenue included \$195.6 million in Directed Payments funding related to FY 18-19 as well as July through December 2019. The FY 20-21 budget projected \$137.0 million. This funding is a direct pass-through to hospital providers. DHCS and DMHC allow health plans to treat this funding as revenue and medical expense. On a year-to-date basis and excluding Directed Payments funding, premium revenue is \$36.3 million above budget. This is due to \$24.0 million in unanticipated pharmacy revenue, a rate increase effective January 2021 and favorable membership mix.

(3) Additional professional and hospital expense was driven by increased capitation due to more Adult Expansion membership as well as some high dollar inpatient hospital claims. SFHP has also seen increases in CBAS and Prop 56 claims expense. SFHP did not budget for pharmacy costs in March as the pharmacy carve-out was expected to occur January 2021. On a year-to-date basis and excluding Directed Payments and Strategic Use of Reserves activity, medical expense is \$36.2 million above budget. This is due to \$22.7 million in unanticipated pharmacy expense, higher capitation due to membership mix, higher than expected fee-for-service costs and increases in CBAS, non-specialty mental health and Proposition 56 services.

(4) The Health Education, Stop Loss and Other Medical Expenses line item includes Directed Payment funding. For March, SFHP received \$61.7 million versus a budget of \$16.5 million. On a year-to-date basis, SFHP received \$195.6 million versus a projected amount of \$137.0 million.

(5) The Compensation and Benefits line item is lower than budget due to discontinuing the monthly bonus accrual as well as not implementing the annual merit increase. As no bonus was paid for FY 19-20, the bonus accrual is fully funded for FY 20-21. GASB 68 expense reflects a pension expense adjustment as required by GASB rules. Pharmacy Benefit Manager (PBM) costs are higher as we expected the Medi-Cal pharmacy benefit to be carved out effective January 2021. Professional Fees and Consulting expense is higher than the budget due to project costs related to CalAIM assistance for the San Francisco Department of Public Health, a diversity, equity and inclusion initiative and a leadership development program. Other Expenses such as telecommunications, systems maintenance and systems support costs have come in lower than expected. This is related to timing issues as it is expected that actual spending and budget projections will align more closely during the final quarter of the fiscal year.

San Francisco Health Plan  
Income Statement w/o HSF  
Consolidated Statement for SFHA and SFCHA  
For the Month Ending March 31, 2021  
(\$ PMPM)

Current Month Actual	Current Month Budget	Fav (Unfav) Amount (\$)	Fav (Unfav) %		Year to Date Actual	Year to Date Budget	Fav (Unfav) Amount (\$)	Fav (Unfav) %
<b>REVENUE</b>								
346.39	198.99	147.41	74.1%	Medi-Cal	234.68	212.14	22.55	10.6%
2,772.28	986.95	1,785.33	180.9%	Medi-Cal SPD	1,420.38	1,091.44	328.93	30.1%
865.46	478.72	386.74	80.8%	Medi-Cal Expansion	582.71	518.90	63.80	12.3%
456.75	457.05	(0.30)	(0.1%)	Healthy Workers	456.75	457.05	(0.30)	(0.1%)
<b>754.70</b>	<b>378.85</b>	<b>375.86</b>	<b>99.2%</b>	<b>Total Capitation Revenue</b>	<b>485.77</b>	<b>415.13</b>	<b>70.65</b>	<b>17.0%</b>
4.39	4.47	(0.08)	(1.8%)	Other Income - Admin Svc & TPL	4.48	4.60	(0.12)	(2.7%)
-	-	-		Other Income - BHI	0.15	-	0.15	
<b>4.39</b>	<b>4.47</b>	<b>(0.08)</b>	<b>(1.8%)</b>	<b>Total Other Income</b>	<b>4.62</b>	<b>4.60</b>	<b>0.02</b>	<b>0.5%</b>
<b>759.09</b>	<b>383.31</b>	<b>375.78</b>	<b>98.0%</b>	<b>TOTAL REVENUE</b>	<b>490.40</b>	<b>419.73</b>	<b>70.67</b>	<b>16.8%</b>

**San Francisco Health Plan  
Income Statement w/o HSF  
Consolidated Statement for SFHA and SFCHA  
For the Month Ending March 31, 2021  
(\$ PMPM)**

Current Month Actual	Current Month Budget	Fav (Unfav) Amount (\$)	Fav (Unfav) %		Year to Date Actual	Year to Date Budget	Fav (Unfav) Amount (\$)	Fav (Unfav) %	
<b>EXPENSES</b>									
Medical Expenses									
109.17	99.31	(9.87)	(9.9%)	Professional	108.67	101.67	(7.00)	(6.9%)	
145.22	138.02	(7.20)	(5.2%)	Hospital	140.86	139.16	(1.70)	(1.2%)	
60.85	5.07	(55.78)	(1,100.8%)	Pharmacy	54.67	36.42	(18.25)	(50.1%)	
0.12	0.28	0.16	58.1%	Immunizations	0.18	0.28	0.10	35.8%	
6.61	4.93	(1.68)	(34.0%)	Vision and Mental Health	5.34	4.78	(0.56)	(11.6%)	
399.76	112.78	(286.97)	(254.5%)	Health Ed & Stop Loss & Other	153.32	111.69	(41.64)	(37.3%)	
<b>721.73</b>	<b>360.39</b>	<b>(361.34)</b>	<b>(100.3%)</b>	<b>Total Medical Expenses</b>	<b>463.03</b>	<b>394.00</b>	<b>(69.03)</b>	<b>(17.5%)</b>	
95.6%	95.1%			Medical Cost Ratio %	95.3%	94.9%			
Operating Expenses									
14.83	15.95	1.12	7.0%	Compensation & Benefits	14.97	15.82	0.85	5.4%	
1.40	0.41	(0.99)	(243.0%)	GASB-68 CalPERS Contribution	0.07	0.42	0.35	83.4%	
3.01	3.02	0.01	0.3%	Lease, Depreciation & Amortization	3.01	3.11	0.11	3.5%	
0.53	0.35	(0.17)	(48.9%)	Marketing & Outreach	0.52	0.61	0.09	15.1%	
2.12	0.74	(1.38)	(186.6%)	PBM and Mental Health TPA Fees	2.08	1.52	(0.56)	(36.8%)	
3.69	2.58	(1.11)	(42.9%)	Professional Fees & Consulting	1.62	2.77	1.15	41.6%	
5.86	5.97	0.12	2.0%	Other Expenses	5.19	6.54	1.34	20.6%	
<b>31.43</b>	<b>29.03</b>	<b>(2.40)</b>	<b>(8.3%)</b>	<b>Total Operating Expenses</b>	<b>27.46</b>	<b>30.79</b>	<b>3.33</b>	<b>10.8%</b>	
3.6%	6.5%			Administrative Cost Ratio %	4.7%	6.3%			
<b>753.16</b>	<b>389.42</b>	<b>(363.74)</b>	<b>(93.4%)</b>	<b>TOTAL EXPENSES</b>	<b>490.49</b>	<b>424.79</b>	<b>(65.70)</b>	<b>(15.5%)</b>	
<b>5.94</b>	<b>(6.10)</b>	<b>12.04</b>		<b>Operating Surplus / Deficit</b>	<b>(0.10)</b>	<b>(5.07)</b>	<b>4.97</b>		
0.30	0.26	0.04	15.6%	Interest Income & Realized G/(L) on Investmer	0.44	0.28	0.16	59.6%	
(0.52)	-	(0.52)	-	Unrealized Gain / (Loss) on Investment	(0.33)	-	(0.33)	-	
(0.22)	0.26	(0.48)			0.11	0.28	(0.17)		
<b>5.72</b>	<b>(5.84)</b>	<b>11.56</b>		<b>SURPLUS / DEFICIT</b>	<b>0.01</b>	<b>(4.79)</b>	<b>4.80</b>		

**San Francisco Health Plan  
Income Statement  
Healthy San Francisco & SF Covered MRA  
For the Month Ending March 31, 2021**

<b>Current Month Actual</b>	<b>Current Month Budget</b>	<b>Fav (Unfav) Amount (\$)</b>	<b>Fav (Unfav) %</b>		<b>Year to Date Actual</b>	<b>Year to Date Budget</b>	<b>Fav (Unfav) (\$)</b>	<b>Fav (Unfav) %</b>
<b>REVENUE</b>								
<b>948,958</b>	<b>1,170,227</b>	<b>(221,269)</b>	<b>-18.9%</b>	<b>TPA Fee - HSF + SFCMRA</b>	<b>7,983,318</b>	<b>9,854,004</b>	<b>(1,870,686)</b>	<b>(19.0%)</b>
<b>EXPENSES</b>								
806,935	847,835	40,900	4.8%	Compensation & Benefits	6,467,663	6,952,475	484,812	7.0%
88,581	121,564	32,982	27.1%	Lease, Insurance, D & A	797,230	1,094,073	296,842	27.1%
548	36,921	36,373	98.5%	Marketing & Outreach	101,361	332,292	230,931	69.5%
-	69,250	69,250	100.0%	Professional Fees & Consulting	222,464	623,250	400,786	64.3%
52,894	94,657	41,763	44.1%	Other Expenses	394,600	851,914	457,314	53.7%
<b>948,958</b>	<b>1,170,227</b>	<b>221,269</b>	<b>18.9%</b>	<b>TOTAL EXPENSES</b>	<b>7,983,318</b>	<b>9,854,004</b>	<b>1,870,686</b>	<b>19.0%</b>
100.0%	100.0%			Administrative Cost Ratio %	100.0%	100.0%		
<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	<b>SURPLUS / DEFICIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

San Francisco Health Plan

Investment Performance

(excludes balances in SFHA operating accounts)

March 31, 2021

	Purchase Date	Quantity	Purchase Price	3/31/21 Price	Market Value 3/31/21	Amortized Prem / Disc	Remaining Cost	Unrealized Gain (Loss)	Estimated Annual Income	
<b>Fixed Income Securities</b>										
Local Agency Investment Fund (LAIF) - rate @ .540%			\$ 1,217,594		\$ 1,217,594	\$ -	\$ 1,217,594	\$ -	\$ 6,575	
<b>Principal Cash</b>										
Principal Cash			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CNB Deposit Sweep (TBSCNBM) - Variable Rate 0.01%		37,312	\$ 37,312	\$ 1,000	\$ 37,312	\$ -	\$ 37,312	\$ -	\$ 4	
<b>Total Cash and Cash Equivalents</b>		<b>\$ 37,312</b>	<b>\$ 37,312</b>		<b>\$ 37,312</b>	<b>\$ -</b>	<b>\$ 37,312</b>	<b>\$ -</b>	<b>\$ 4</b>	
<b>U.S. Govt Bonds, Notes, &amp; U.S. Agencies</b>										
US Treasury Note - 2.375% - Mat 03/15/2022	6/8/20	160,000	\$ 166,131	\$ 102,168	\$ 163,469	\$ (2,813)	\$ 163,318	\$ 151	\$ 3,800	
US Treasury Note - 1.75% - Mat 04/30/2022	10/5/18	825,000	\$ 790,453	\$ 101,770	\$ 839,603	\$ 24,053	\$ 814,506	\$ 25,096	\$ 14,438	
US Treasury Note - 1.875% - Mat 05/31/2022	6/23/17	710,000	\$ 713,605	\$ 102,059	\$ 724,619	\$ (3,549)	\$ 710,057	\$ 14,562	\$ 13,313	
US Treasury Note - 2.000% - Mat 11/30/2022	6/17/19	715,000	\$ 720,019	\$ 103,078	\$ 737,008	\$ (2,713)	\$ 717,306	\$ 19,702	\$ 14,300	
US Treasury Note - 1.500% - Mat 01/15/2023	5/7/20	600,000	\$ 620,273	\$ 102,398	\$ 614,388	\$ (6,654)	\$ 613,620	\$ 768	\$ 9,000	
US Treasury Note - 2.750% - Mat 04/30/2023	10/30/19	575,000	\$ 596,428	\$ 105,309	\$ 605,527	\$ (8,692)	\$ 587,736	\$ 17,791	\$ 15,813	
US Treasury Note - 0.125% - Mat 07/15/2023	12/23/20	970,000	\$ 969,621	\$ 99,793	\$ 967,992	\$ 39	\$ 969,660	\$ (1,668)	\$ 1,213	
US Treasury Note - 2.750% - Mat 11/15/2023	5/7/20	680,000	\$ 738,517	\$ 106,484	\$ 724,091	\$ (14,723)	\$ 723,794	\$ 297	\$ 18,700	
US Treasury Note - 2.375% - Mat 02/29/2024	12/23/20	125,000	\$ 133,691	\$ 105,891	\$ 132,364	\$ (733)	\$ 132,958	\$ (594)	\$ 2,969	
US Treasury Note - 2.125% - Mat 03/31/2024	6/8/20	585,000	\$ 624,945	\$ 105,242	\$ 615,666	\$ (8,725)	\$ 616,219	\$ (553)	\$ 12,431	
US Treasury Note - 2.375% - Mat 08/15/2024	5/7/20	570,000	\$ 619,229	\$ 106,398	\$ 606,469	\$ (10,236)	\$ 608,994	\$ (2,525)	\$ 13,538	
US Treasury Note - 1.250% - Mat 08/31/2024	3/15/21	615,000	\$ 631,216	\$ 102,574	\$ 630,830	\$ (201)	\$ 631,014	\$ (184)	\$ 7,688	
US Treasury Note - 2.250% - Mat 12/31/2024	6/2/20	685,000	\$ 745,553	\$ 106,203	\$ 727,491	\$ (11,013)	\$ 734,540	\$ (7,050)	\$ 15,413	
US Treasury Note - 0.375% - Mat 04/30/2025	6/2/20	625,000	\$ 626,904	\$ 98,707	\$ 616,919	\$ (323)	\$ 626,581	\$ (9,663)	\$ 2,344	
US Treasury Note - 2.875% - Mat 05/31/2025	6/2/20	670,000	\$ 754,430	\$ 108,902	\$ 729,643	\$ (14,076)	\$ 740,355	\$ (10,711)	\$ 19,263	
US Treasury Note - 2.750% - Mat 06/30/2025	7/17/20	225,000	\$ 252,211	\$ 108,453	\$ 244,019	\$ (4,583)	\$ 247,628	\$ (3,608)	\$ 6,188	
US Treasury Note - 0.250% - Mat 07/31/2025	11/3/20	520,000	\$ 516,913	\$ 97,777	\$ 508,440	\$ 264	\$ 517,177	\$ (8,736)	\$ 1,300	
US Treasury Note - 2.00% - Mat 08/15/2025	9/10/20	150,000	\$ 162,604	\$ 105,324	\$ 157,986	\$ (1,414)	\$ 161,189	\$ (3,203)	\$ 3,000	
US Treasury Note - 0.375% - Mat 11/30/2025	12/23/20	250,000	\$ 250,127	\$ 97,770	\$ 244,425	\$ (7)	\$ 250,120	\$ (5,695)	\$ 938	
US Treasury Note - 0.375% - Mat 01/31/2026	2/16/21	505,000	\$ 502,574	\$ 97,469	\$ 492,218	\$ 60	\$ 502,633	\$ (10,415)	\$ 1,894	
Federal National Mortgage Assn - 1.875% Mat 04/05/2022	7/25/19	675,000	\$ 675,745	\$ 101,768	\$ 686,934	\$ (453)	\$ 675,292	\$ 11,642	\$ 12,656	
Federal National Mortgage Assn - 2.375% Mat - 01/19/2023	4/5/18	815,000	\$ 803,016	\$ 103,979	\$ 847,430	\$ 7,491	\$ 810,507	\$ 36,922	\$ 19,356	
Federal National Mortgage Assn - 2.75% Mat - 06/19/2023	7/11/18	575,000	\$ 572,033	\$ 105,809	\$ 607,252	\$ 1,624	\$ 573,657	\$ 33,594	\$ 15,813	
Federal National Mortgage Assn - 2.875% Mat - 09/12/2023	1/18/19	685,000	\$ 695,533	\$ 106,402	\$ 728,854	\$ (5,201)	\$ 690,332	\$ 38,522	\$ 19,694	
Federal Farm Credit Bank - 0.200% Mat - 10/02/2023	10/2/20	750,000	\$ 749,123	\$ 99,826	\$ 748,695	\$ 144	\$ 749,267	\$ (572)	\$ 1,500	
Federal National Mortgage Assn - 2.5% Mat 02/05/2024	3/5/19	695,000	\$ 695,078	\$ 106,214	\$ 738,187	\$ (146)	\$ 694,932	\$ 43,255	\$ 17,375	
Federal National Mortgage Assn - 2.625% Mat 09/06/2024	10/30/19	790,000	\$ 824,357	\$ 107,461	\$ 848,942	\$ (10,451)	\$ 813,906	\$ 35,036	\$ 20,738	
<b>Total U.S. Govt Bonds, Notes, &amp; U.S. Agencies</b>		<b>\$ 15,745,000</b>	<b>\$ 16,150,328</b>		<b>\$ 16,289,459</b>	<b>\$ (73,031)</b>	<b>\$ 16,077,297</b>	<b>\$ 212,162</b>	<b>\$ 284,669</b>	
<b>Corporate Bonds</b>										
Goldman Sachs Group - 3.625% Mat 01/22/2023	7/25/19	705,000	\$ 733,188	\$ 105,438	\$ 743,338	\$ (14,875)	\$ 718,313	\$ 25,025	\$ 25,556	
Wells Fargo & Company - 3.750% Mat - 01/24/2024	4/22/19	685,000	\$ 701,500	\$ 108,129	\$ 740,684	\$ (6,526)	\$ 694,523	\$ 46,160	\$ 25,688	
Morgan Stanley - Variable rate 3.737% Mat 04/24/2024	7/25/19	575,000	\$ 599,121	\$ 106,306	\$ 611,260	\$ (8,525)	\$ 590,596	\$ 20,663	\$ 21,488	
United Health Group Inc - 2.375% Mat 08/15/2024	2/17/21	320,000	\$ 341,024	\$ 105,370	\$ 337,184	\$ -	\$ 341,024	\$ (3,840)	\$ 7,600	
Paccar Financial Corp - 1.800% Mat - 02/06/2025	5/18/20	375,000	\$ 380,438	\$ 102,243	\$ 383,411	\$ (986)	\$ 379,451	\$ 3,960	\$ 6,750	
Bank of America Corp - Variable rate 3.458% Mat 03/15/2025	5/12/20	695,000	\$ 742,031	\$ 107,369	\$ 746,215	\$ (8,510)	\$ 733,521	\$ 12,694	\$ 24,033	
3M Company - 2.650% Mat 04/15/2025	5/19/20	360,000	\$ 382,644	\$ 106,174	\$ 382,226	\$ (3,958)	\$ 378,686	\$ 3,541	\$ 9,540	
Citigroup Inc - Variable Rate 3.352% Mat 04/24/2025	5/19/20	480,000	\$ 505,618	\$ 106,871	\$ 512,981	\$ (4,478)	\$ 501,140	\$ 11,841	\$ 16,090	
Chevron USA INC - .687% Mat 08/12/2025	2/17/21	505,000	\$ 504,753	\$ 98,046	\$ 495,132	\$ 7	\$ 504,759	\$ (9,627)	\$ 3,469	
Comcast Corp - 3.95% Mat 10/15/2025	2/17/21	440,000	\$ 501,675	\$ 111,547	\$ 490,807	\$ (1,561)	\$ 500,114	\$ (9,307)	\$ 17,380	
Apple Inc - .700% Mat 02/08/2026	2/17/21	630,000	\$ 629,049	\$ 98,057	\$ 617,759	\$ 22	\$ 629,071	\$ (11,312)	\$ 4,410	
<b>Total Corporate Bonds</b>		<b>5,770,000</b>	<b>6,020,588</b>		<b>6,060,996</b>	<b>(49,391)</b>	<b>5,971,198</b>	<b>89,798</b>	<b>162,004</b>	
<b>Foreign Bonds</b>										
BK Montreal Mtn. 3.3% Mat - 02/05/2024	3/29/19	700,000	\$ 709,618	\$ 107,133	\$ 749,931	\$ (3,922)	\$ 705,696	\$ 44,235	\$ 23,100	
Santander UK PLC. 4% Mat - 03/13/2024	10/31/19	565,000	\$ 603,606	\$ 109,111	\$ 616,477	\$ (12,399)	\$ 591,207	\$ 25,270	\$ 22,600	
<b>Total Foreign Bonds</b>		<b>1,265,000</b>	<b>\$ 1,313,224</b>		<b>\$ 1,366,408</b>	<b>\$ (16,321)</b>	<b>\$ 1,296,903</b>	<b>\$ 69,505</b>	<b>\$ 45,700</b>	
<b>Municipal Bonds</b>										
Wisconsin State - 0.361% Mat-05/01/2024	3/17/2021	545,000	\$ 545,000	\$ 99,754	\$ 543,659	\$ -	\$ 545,000	\$ (1,341)	\$ 1,967	
Florida State Brd Admin - 1.258% Mat-07/01/2025	9/16/20	745,000	\$ 747,776	\$ 100,928	\$ 751,914	\$ (341)	\$ 747,435	\$ 4,479	\$ 9,372	
<b>Total Municipal Bonds</b>		<b>1,290,000</b>	<b>1,292,776</b>		<b>1,295,573</b>	<b>(341)</b>	<b>1,292,435</b>	<b>3,138</b>	<b>11,340</b>	
<b>Municipal Zero Coupon Bonds</b>										
<b>Total Zero Coupon Bonds</b>		<b>-</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total of City National Investments</b>		<b>24,070,000</b>	<b>24,776,917</b>		<b>25,012,437</b>	<b>(139,084)</b>	<b>24,637,832</b>	<b>374,604</b>	<b>503,712</b>	
<b>Total City National Holdings</b>		<b>24,107,312</b>	<b>\$ 24,814,229</b>		<b>\$ 25,049,748</b>	<b>(139,084)</b>	<b>\$ 24,675,144</b>	<b>\$ 374,604</b>	<b>\$ 503,716</b>	
<b>Estimated Accrued Income</b>					\$ 118,448.26					
<b>Total of City National Investments</b>					<b>\$ 25,168,196.74</b>					
								<b>Unrealized G/L of Market Value</b>	<b>\$ 235,520</b>	<b>\$ (0)</b>
<b>Mandatory 3 CDs - Assigned to DMHC</b>										
Banc of California - # 3030018015 - Mat 08/3/2020 - 1.40%	8/3/19	1	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,400	
City National Bank - # 432928519 - Mat - 10/16/2020 - 0.10%	10/16/19	1	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 100	
Beacon Business Bank # 1507785 - Mat 09/21/20 - 0.30%	9/22/19	1	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 300	
<b>Total of Time Deposits</b>			<b>\$ 300,000</b>		<b>\$ 300,000</b>				<b>\$ 1,800</b>	
<b>Total of Investments</b>			<b>\$ 26,331,823</b>		<b>\$ 26,567,343</b>			<b>\$ 374,604</b>	<b>\$ 512,091</b>	

## SFHA – Short Intermediate Portfolio Review Snapshot as of 3/31/2021

Estimated MV + Accrued as of: 2/28/2021	3/31/2021	Change
\$25,214,225	\$25,168,196	-\$46,029

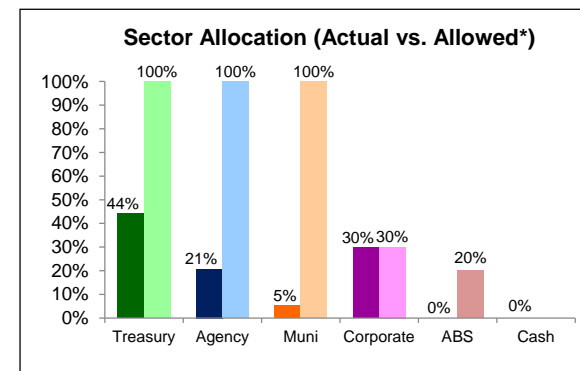
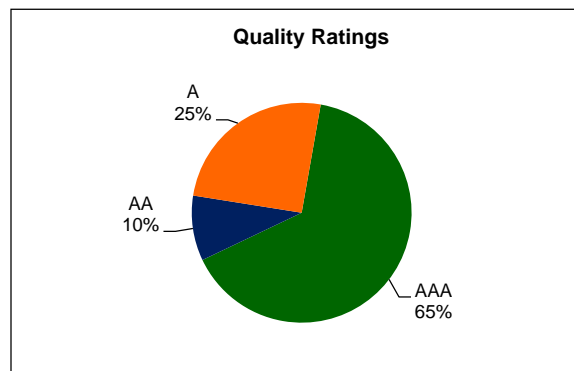
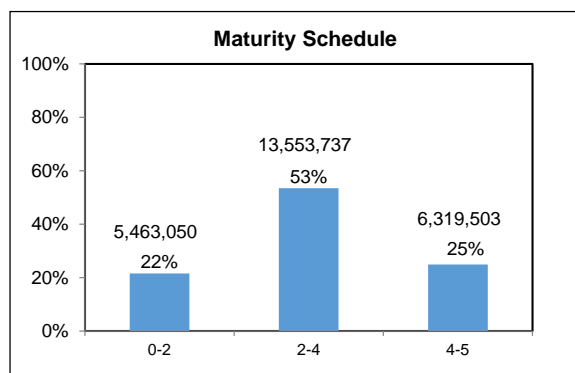
Portfolio Structure	
Yield to Maturity	0.54%
Yield to Cost	1.37%
Average Maturity	2.98 Years
Average Credit Quality	AAA-

### Fiscal Year Accounting Estimates 6/30/2020 through 3/31/2021:

Beginning Balance (6/30/2020)	\$25,063,094
Contributions	\$0
Withdrawals	\$0
Interest & Dividends Received	\$426,740
Accrued Interest Sold	\$57,728
Accrued Interest Purchased	-\$9,330
Accrued Interest	\$118,448
Fees	-\$60,997
<b>Value Before Market Changes</b>	<b>\$25,595,683</b>
Change in Market Value	-\$427,487
<b>Ending Balance (3/31/2021)</b>	<b>\$25,168,196</b>

### Historical Total Return Performance as of 3/31/2021:

Time Period	Portfolio	Barclays 1-5 Year Gov't/Credit
Fiscal YTD (6/30/20 – 3/31/2021)	0.01%	0.12%
March 2021	-0.16%	-0.24%
Inception to Date (5/31/12 – 3/31/2021)	2.37%	1.93%



\*At time of purchase

### Credit Issues

There were no credit issues for the month of March.

## Definition of Terminology

### Portfolio Structure Terms

- a) **Yield to Maturity:** The annual return that an investor earns on a bond, if the investor purchases the bond today and holds it until maturity. It takes into account the cash flow the investor receives as well as the adjustment of a bond's premium or discount.

Definitions are cited from the CFA Institute's Program Curriculum.



## SFHA – Liquidity Portfolio Review Snapshot as of 3/31/2021

Estimated MV + Accrued as of: 2/28/2021	3/31/2021	Change
\$77,322,574	\$157,320,914	\$79,998,340

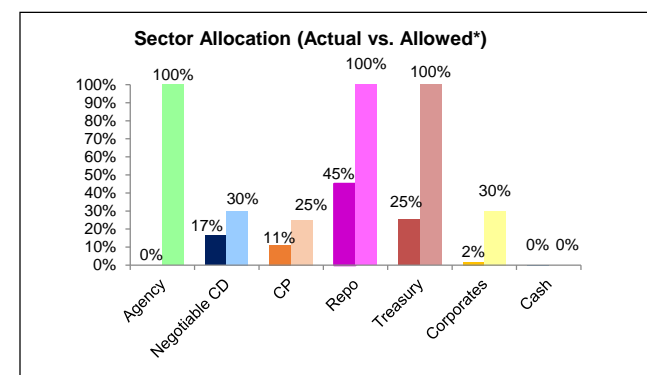
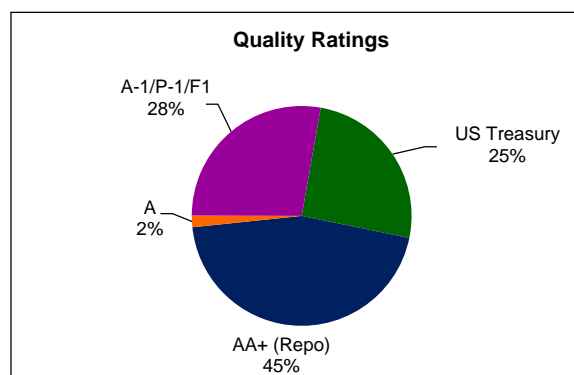
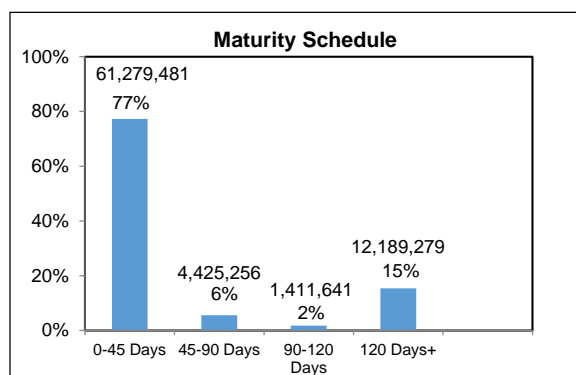
Portfolio Structure	
Yield to Maturity	0.05%
Yield to Cost	0.08%
Average Maturity	35 Days
Average Credit Quality	AAA-

### Fiscal Year Accounting Estimates 6/30/2020 through 3/31/2021:

<b>Beginning Balance (6/30/2020)</b>	<b>\$73,249,685</b>
Contributions	\$608,000,000
Withdrawals	-\$524,000,000
Interest & Dividends Received	\$111,899
Accrued Interest Sold	\$11,532
Accrued Interest Purchased	-\$9,265
Accrued Interest	\$43,066
Fees	-\$63,728
<b>Value Before Market Changes</b>	<b>\$157,343,189</b>
Change in Market Value	-\$22,275
<b>Ending Balance (3/31/2021)</b>	<b>\$157,320,914</b>

### Historical Total Return Performance as of 3/31/2021:

Time Period	Portfolio	Barclays US T-Bill 1-3 Month
Fiscal YTD (6/30/20 – 3/31/2021)	0.15%	0.07%
March 2021	0.01%	0.00%
Inception to Date (7/3/17 – 3/31/2021)	1.50%	1.36%



\*At time of purchase

### Credit Issues

There were no credit issues for the month of March. Strategy remains focused on improving yield while meeting cash flow estimates.

## Definition of Terminology

### Portfolio Structure Terms

- a) **Yield to Maturity:** The annual return that an investor earns on a bond, if the investor purchases the bond today and holds it until maturity. It takes into account the cash flow the investor receives as well as the adjustment of a bond's premium or discount.

Definitions are cited from the CFA Institute's Program Curriculum.

# Agenda Item 5

## Member Advisory Committee Discussion Item

## Member Advisory Committee Report





## MEMO

**Date:** April 27, 2021

<b>To</b>	<b>Governing Board</b>
<b>From</b>	Valerie Huggins (415) 615-4235 Fax: (415) 615-6435 Email: <a href="mailto:vhuggins@sfhp.org">vhuggins@sfhp.org</a>
<b>Regarding</b>	Member Advisory Committee Materials

Enclosed are the minutes and agenda for the April 2021 Member Advisory Committee meeting.

Please direct any questions to Maria Luz Torre and Irene Conway, Co-Chairs of the Members Advisory Committee.

**MEMBER ADVISORY COMMITTEE  
SAN FRANCISCO HEALTH AUTHORITY**

[www.sfhp.org](http://www.sfhp.org)

Valerie Huggins

Phone: (415) 615-4235 /Email: [vhuggins@sfhp.org](mailto:vhuggins@sfhp.org)

Maria Luz Torre (415) 722-6229 & Irene Conway, Co-Chairs

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**Meeting Agenda & Zoom Information**

**April 9, 2021**

**1:00PM- 3:00PM**

**Via Zoom Meeting**

**Meeting ID: 963 7237 3712**

**Passcode: 981557**

**By Mobile Phone**

**Number: 1-669-900-6833 - Meeting ID: 96372373712#**

To use the **LANGUAGE INTERPRETATION SERVICES**, you will need to **DOWNLOAD** and install the Zoom app either on a Windows or Mac computer **OR** download and install the Zoom app onto an Android or IOS device (**iPhone/iPad**). You will need to set up a free Zoom account to use this service. **PLEASE** do this the day **BEFORE** the meeting.

**LANGUAGE INTERPRETATION** will not work if you connect via a web browser or on a Chromebook.

**In addition, we ask if you could follow these simple ground rules during the meeting:**

1. Attend on time. Be engaged. Do not drift in and out of the meeting. And do not leave before meeting is adjourned.
2. Be patient while we are working out the technical issues.
3. Be courteous. Mute yourself and listen while others are talking.
4. Raise your hand to speak. (We will give instructions on how to do this on zoom).
5. Mute yourself unless you are recognized to speak and make sure you are in a quiet location.
6. Turn off TV, radio and other background noise.

\*\*\*\*\*

# AGENDA

1. Welcome, Introductions & Roll Call
2. Adopt Agenda/Approve Minutes
3. Reports-
  - Chairs & Governing Board: Maria Luz Torre & Irene Conway
  - Quality Improvement Committee: Edward Evans, Idell Wilson, and Irene Conway
  - Staff Report: John F. Grgurina, Jr., CEO
4. Discussion: Wellness Check
5. Discussion: COVID-19 Vaccines Update and SFHP Activities; Fiona Donald, MD, Chief Medical Officer
6. Discussion: Discussion of Developing a Chronic Conditions Incentive Program; SFHP Staff, Etecia Brown and Michelle Loya-Talamantes
7. Public Comment:
8. Calendar Items for Next Meeting:
9. Announcements:
10. Other:
11. Adjournment:

***Please Note These Upcoming SFHA Meetings:***

Finance Committee:	May 5, 2021 (11am-12pm)
Governing Board:	May 5, 2021 (12pm-2pm)
Member Advisory Committee:	May 14, 2021 (1pm-3pm)
Quality Improvement Committee:	June 10, 2021 (7:30am- 9:30am)

\*\*\*\*\*

**April 9, 2021  
Member Advisory Committee  
Meeting Minutes**

**Members Present:** redacted

**Members Absent:** none

**Excused:** None

**Guests:** Julie Yue (Interpreter)

**Staff:** Stephanie Boyce, Etecia Brown, Fiona Donald, MD, Valerie Huggins, and Michelle Loya-Talamantes

Due to the COVID-19 public health emergency and in accordance with Governor Newsom's Executive Order N-29-20, the Member Advisory Committee members attended this meeting via Zoom. The meeting was closed to in-person public attendance, but the Zoom information was provided on the publicly posted agenda. This precaution was taken to protect all members, staff, and the public. All the Committee members, staff and public attended the meeting virtually.

**1. Welcome, Introductions and Roll Call:**

The meeting was called to order shortly after 1:00pm.

**2. Approval of Agenda & Minutes:**

The agenda was approved, and the minutes from the March 2021 Committee meeting were approved as written.

**3. Committee Reports:**

**Chair & Governing Board Report-Maria Luz Torre & Irene Conway**

Ms. Torre and Ms. Conway both reported the Board did not meet. The next scheduled meeting is May 5, 2021.

**Quality Improvement Committee (QIC) Report-Ed Evans and Irene Conway**

Irene Conway reported that the QIC met on April 8, 2021. Ms. Conway presented a few highlights from the meeting. The Medi-Cal program and Initial Health assessment are on hold. Ed Evans mentioned Telehealth is utilized by the homeless population.

The next meeting is scheduled for June 10, 2021.

**Staff Report: John F. Grgurina, Jr., CEO**  
Mr. Grgurina was unable to attend the meeting.

**4. Discussion: Wellness Check**

The Committee continues to practice keeping themselves healthy and safe.

**5. Discussion: COVID -19 Vaccines Update and SFHP Activities: Fiona Donald, MD, Chief Medical Officer**

Dr. Fiona Donald, Chief Medical Officer attended the Committee meeting to discuss the work San Francisco Health Plan (SFHP) done around COVID-19 and outreach. SFHP has weekly meetings with key partners: SFDPH, SFCCC clinics, SFDPH COVID Command, other vaccine providers, and Public Authority to coordinate vaccination of high-priority populations.

Dr. Donald answered many questions and the Committee thanked her for attending their meeting.

**6. Discussion: Discussion on Developing a Chronic Conditions Incentive Program: Etecia Brown and Michelle Loya-Talamantes**

Etecia Brown and Michelle Loya-Talamantes attended the Committee meeting to discuss developing a Chronic Condition Incentive Program. Ms. Brown and Ms. Loya-Talamantes would like to understand how the Committee feels about the incentive form itself. And would also like to ensure that the language on the form are clear, understandable, and culturally appropriate to the members who receive it.

The Committee provided feedback and suggestions for the form.  
Ms. Brown and Ms. Loya-Talamantes thanked the Committee for their feedback.

**7. Public Comment:**

There were no public comments.

**8. Calendar Items for Next Meeting:**

There were no items calendared for the next meeting.

**9. Announcements:**

There were no announcements.

**10. Other:**

No other topics were discussed.

**11. Adjournment**

The meeting adjourned at 3.15pm.

Date Approved \_\_\_\_\_





# Agenda Item 6

## Discussion Item

### CMO Report

- COVID-19 Vaccine Updates
- CalAIM
- Medi-Cal Rx
- Strategic Use of Reserves (SUR)  
Update from Addiction Medicine  
Consulting Services



# SFHP COVID-19 Vaccine Efforts

May 5, 2021

SFHP Governing Board

# SFHP's Role in COVID-19 Vaccine

San Francisco Health Plan-  
1 in 6 San Franciscans



143,000 SFHP Medi-Cal



11,000 Healthy Workers



15,000 HSF and Coverage  
Programs

## Key Issues in Vaccine Distribution

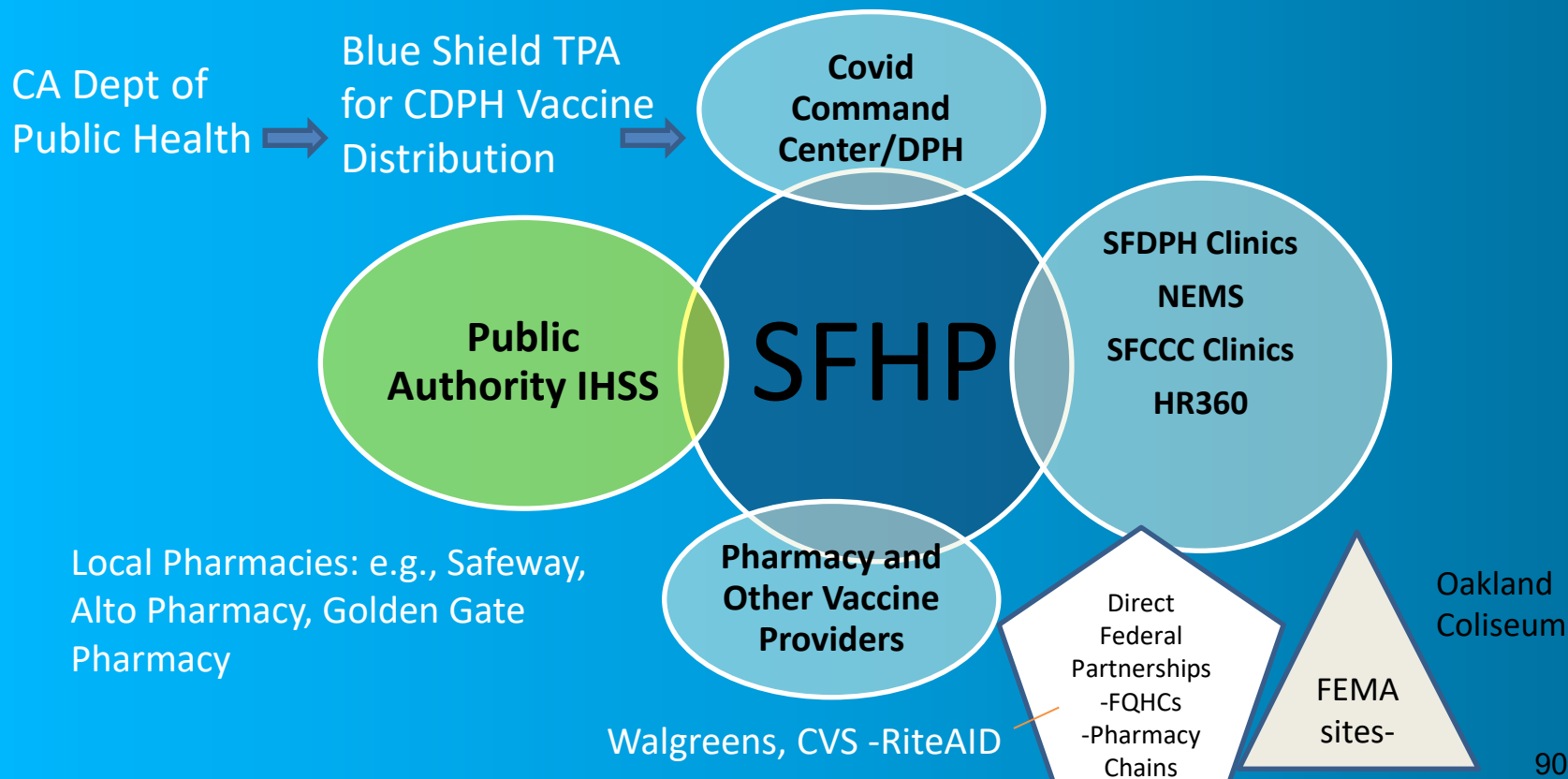
- Federal/State/Local roles
- Supply and Logistics
- Racial and Ethnic Disparities
- Communication and Trust

# SFHP and COVID-19 Vaccine

## Goals

- Support SFDPH goals of equitable vaccine access to impacted communities
- Align communication re: vaccine availability
- Support outreach and scheduling for SFHP members and populations served by our providers
- Address barriers to vaccine access and hesitancy

# SFHP Partnerships to Date - Focus on SFHP Populations



# What has SFHP done to date?

## Convenes weekly cross functional calls

- COVID Command Center, Public Authority for IHSS, Human Services Agency, Department of Public Health, San Francisco Health Network, HealthRight360, and California Children's Services (CCS)

## Outreach efforts to high-risk populations

- CCS, Community-Based Adult Services recipients, Homebound, Targeted Zip Codes

## Supported vaccine appointment scheduling

- Tactical Telesolutions call center, contracted by SFHP
- Outbound and inbound call capacity
- Texts/Robocalls/Letters to eligible populations
- Translation of materials in 10 languages

## Addressing barriers to vaccine

- Transportation – exploring options to expand access
- Vaccine hesitancy workgroups

## Development and Monitoring of Vaccine Data

- COVID-19 Vaccine Dashboard
  - Medical and pharmacy claims plus California Immunization Registry (CAIR) data
  - Monitoring by neighborhood, language, age and ethnicity



# Member Support and Education

## How to Get a Vaccine Appointment for SFHP Members

Updated 4/15/21

Medi-Cal	Healthy Workers HMO »	Healthy San Francisco »
<p><b>Medi-Cal 65+</b> Medi-Cal with at least one chronic condition</p> <p>Priority Group? (In an earlier eligible group) <b>Yes</b></p> <p>Eligible for the Vaccine? <b>Yes</b></p> <p>How to get an Appointment Call <b>1(415) 615-4519</b> Open weekdays from 8:30am - 5:00pm</p>	<p>Priority Group? (In an earlier eligible group) <b>Yes</b></p> <p>Eligible for the Vaccine? <b>Yes</b></p> <p>How to get an Appointment Call <b>1(415) 615-4519</b> Open weekdays from 8:30am - 5:00pm</p>	<p>Priority Group? (In an earlier eligible group) <b>Yes</b></p> <p>Eligible for the Vaccine? <b>Yes</b></p> <p>How to get an Appointment Call <b>1(415) 615-4519</b> Open weekdays from 8:30am - 5:00pm or call your medical home</p>
<p><b>Medi-Cal 16+**</b></p> <p>Priority Group? (In an earlier eligible group) <b>No***</b></p> <p>Eligible for the Vaccine? <b>Yes***</b></p> <p>How to get an Appointment Check back for more information soon****</p>		

\*If you are not sure if your chronic condition makes you eligible for the vaccine, call your Primary Care Provider. Your Primary Care Provider (PCP) is your main doctor, nurse practitioner, or physician's assistant. Members of California Children's Services (CCS) are eligible in the chronic condition group.

\*\*You may be prioritized based on job, age, or health status even if you are not in one of the green boxes. Check Here

\*\*\*Even if you are eligible, there may not be a dose available right now. The city is trying to schedule people who have been eligible for a while first. We expect more soon, so please keep checking.

If you think you are in one of the groups that was eligible before April 13th, and your PCP is in the San Francisco Health Network (SFHN), please call **1(415) 615-4519** to get scheduled. Open weekdays from 8:30am - 5:00pm.

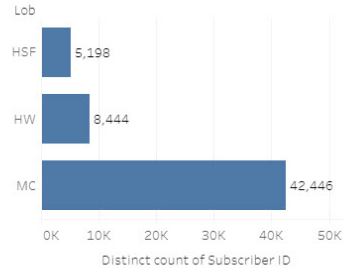
If you are not sure which SFHP program you are part of, or who your PCP is, you can check your ID card or the SFHP member portal. If you are still having issues, call customer service at **1(800) 288-5555**. Open weekdays from 8:30am - 5:30pm.

[Get More COVID-19 Vaccine Information »](#)

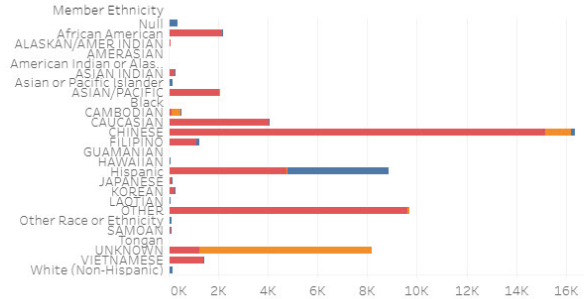
- **Source:** [www.sfhp.org](http://www.sfhp.org)
- Website support for members to get links to up-to-date information on vaccine safety, scheduling a vaccine, and videos from important local leaders & Center for Disease Control (CDC) educational videos.
- Members can also sign up for a notification when they are eligible for a vaccine.

## COVID Vaccination Summary Dashboard

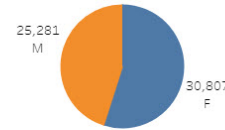
Line of Business Summary



Count of Members by Line of Business and Ethnicity



Count of Members by Gender



Dashboard Filters

Medical Procedure Code

LOB

Member Medical Group

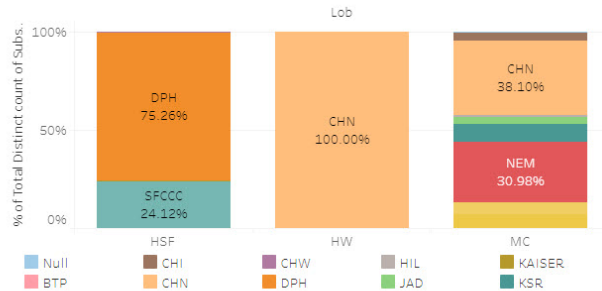
Adjudication Status

Member Ethnicity

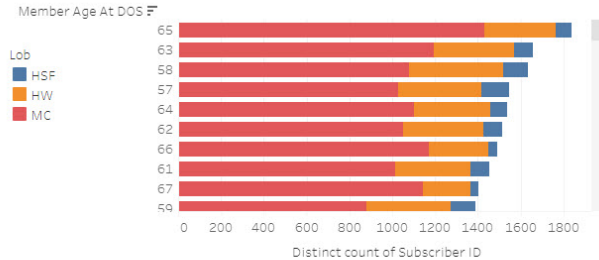
Member Gender

PCPSiteName

% of Members by LOB and Member Medical Group



Count of Members by Age (Color by LOB)



April 20, 2021

Dashboard Details



Filters available by line-of-Business, Medical Group & PCP site, Ethnicity, & Gender.

“Unknown” is largely our Healthy Worker population where ethnicity is not part of eligibility data.

Next step is to build a view that shows the percent vaccinated from each denominator population.



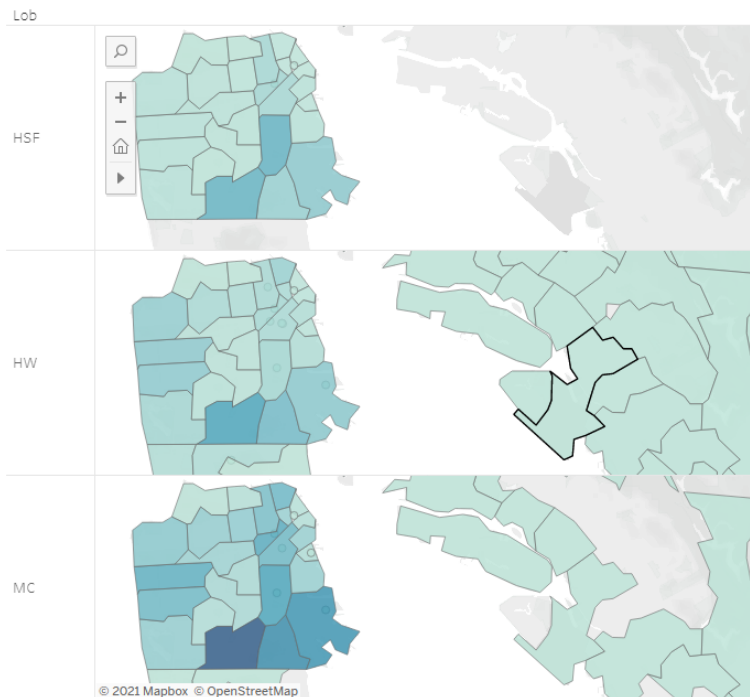
## COVID Vaccination Summary Dashboard

H

Count of Members by Physical Zip Code

MemberPhy..	Lob		
	HSF	HW	MC
94080		90	
94086		1	
94087		2	1
94089			1
94102	256	231	1,009
94103	237	198	799
94104	2	7	14
94105	8	38	106
94107	60	124	367
94108	21	198	378
94109	242	208	678
94110	903	252	1,121
94111	1	26	80
94112	891	1,118	2,285
94114	30	47	190
94115	42	174	465
94116	58	471	783
94117	49	41	317
94118	42	199	400
94121	69	412	513
94122	73	485	947
94123	3	9	85
94124	495	502	1,370
94127	15	57	121
94128		1	
94129	4	4	19
94130	16	12	39

Count of Members by Physical Zip Code



Views by Zip Code help ensure that we are monitoring access to vaccinations by neighborhood.

This helps in the planning for future vaccination sites.



# CalAIM Updates

# CalAIM Refresher: 1115 Waiver

- **CalAIM has three primary goals:**
  - Identify and manage member risk and need through Whole Person Care approaches and addressing Social Determinants of Health.
  - Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility.
  - Improve Quality Outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform.

# SFHP CalAIM Programs

## January 2022

- Major Organ Transplants
  - Carved in to SFHP
- Enhanced Care Management and In Lieu of Services
  - Replaces Whole Person Care (WPC) and Health Homes (HH)

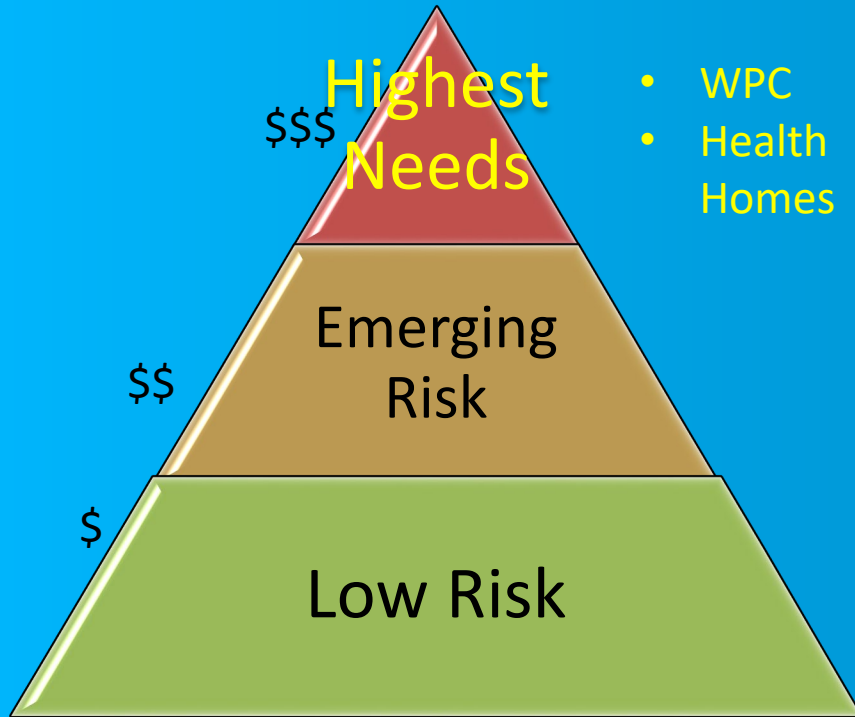
## January 2023 and beyond

- Dual eligible aid codes
- Long Term Care benefit
  - New partnerships
  - New opportunities to manage LTC population
- 2025-Dual Eligible Special Needs Plan (D-SNP)

# Other Upcoming Programs

- **Increased Access to Student Behavioral Health Services**
  - DHCS proposes incentive payments paid through health plans to build infrastructure, partnerships and capacity for school behavioral health services (K to 12).
  - Target start date is January 1, 2022.
- **CalAIM Foster Care Model of Care Workgroup**
  - Working to develop a long-term plan
  - No established target date for implementation of changes to foster care and Medi-Cal managed care, yet.
- **Regional health plan rates, potentially 2024 or 2025**

# Enhanced Care Management



## • ECM Populations

- January 2022
  - High Complexity/High Utilizers: Currently eligible for HH and WPC
  - Individuals experiencing Homelessness
  - SMI/SED/SUD
- Not earlier than July 2022
  - At risk of institutionalization
  - Individuals transitioning from Nursing Facilities
  - High-Needs Children and Youth
- Not earlier than July 2023
  - Post-Incarceration



# In Lieu of Services-Examples

- Housing Transition Navigation Services
- Housing Deposits
- Housing Tenancy and Sustaining Services
- Short-term Post-Hospitalization Housing
- Recuperative Care (Medical Respite)
- Respite Services
- Day Habilitation Programs
- Personal Care and Homemaker Services
- Environmental Accessibility Adaptations (Home Modifications)
- Meals/Medically Tailored Meals
- Sobering Centers
- Asthma Remediation
- Nursing Facility Transition/Diversion to Assisted Living Facilities, such as Residential Care Facilities for Elderly (RCFE) and Adult Residential Facilities (ARF)
- Community Transition Services/Nursing Facility Transition to a Home

# Progress to Date-ECM/ILOS

- Partnerships with current Health Homes providers and WPC as well as Anthem.
- Identify ILOS services to be offered.
- Develop and Implement ECM programs.
- Set up data systems/exchange of information for populations/services.



# Medi-Cal Rx Update

# Medi-Cal Rx Update - April 2021

- Delayed transition of the pharmacy benefit from SFHP to Medi-Cal FFS.
- DHCS to provide update in May 2021.
- DHCS requiring a Conflict Avoidance Plan by the first week of May from Centene/Magellan.
- DMHC determined the acquisition to be a major transaction requiring public meetings and independent analysis (*per H&S 1399.65*).
- SFHP to continue all pharmacy benefit administration activities.



# Strategic Use of Reserves (SUR) Update from Addiction Medicine Consulting Services

# Strategic Use of Reserves-Highlight

- Since 2015 SFHP has funded a Strategic Use of Reserves (SUR) program, with a total of \$89.7 million.
- The Board approved the SUR program to distribute funds to support key initiatives aligned with SFHP's mission and goals.
- In 2018, SFHP awarded SUR funding for Inpatient Addiction Medicine Treatment support.
- Grants received by three contracted SFHP hospitals: Zuckerberg San Francisco General Hospital (ZSFGH), University of California, San Francisco and California Pacific Medical Center.
- **Rationale:**
  - Almost half of emergency department (ED) visits are related to substance use disorders (SUD), yet EDs have been ill prepared to screen, assess, treat and refer for ongoing care.
  - Rates of SUD in inpatient 25-30%.
  - Initiation of treatment in ED and hospital settings is an opportunity to engage individuals in SUD treatment and connect to follow up (doubles rates of retention in treatment at 30 days).

# SUR Highlight- ZSFGH

- Inpatient Addiction Medicine Treatment Service
  - Dr. Marlene Martin

# Time to ACT:

## Implementing a Model of ED & Hospital-Based Addiction Care

Marlene Martín  
Director of Addiction Care Team  
Associate Professor of Clinical Medicine  
May 5, 2021



# ACT Mission & Vision

## Mission:

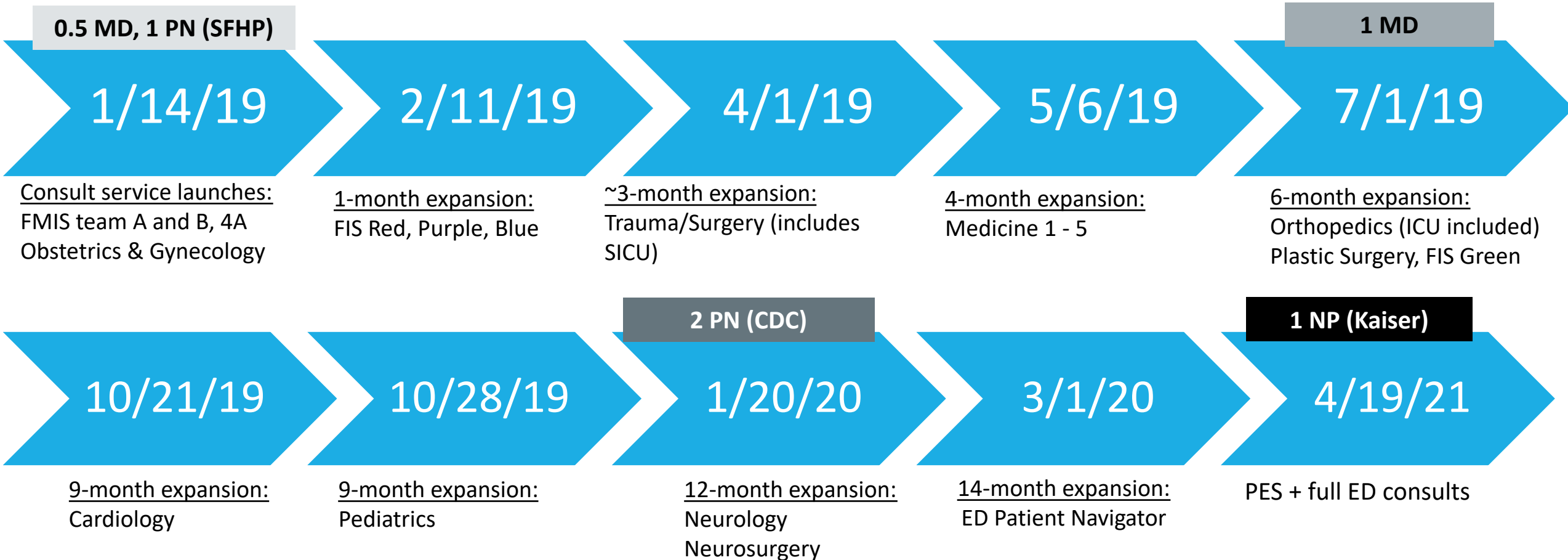
Provide compassionate and equitable care to people with unhealthy substance use via harm reduction, linkage to care, and evidenced-base treatment

## Vision:

Provide excellent, person-centered care to individuals who use substances and eliminate stigma



# ACT Roll-out and Current Availability:



?Inpatient psychiatry consults





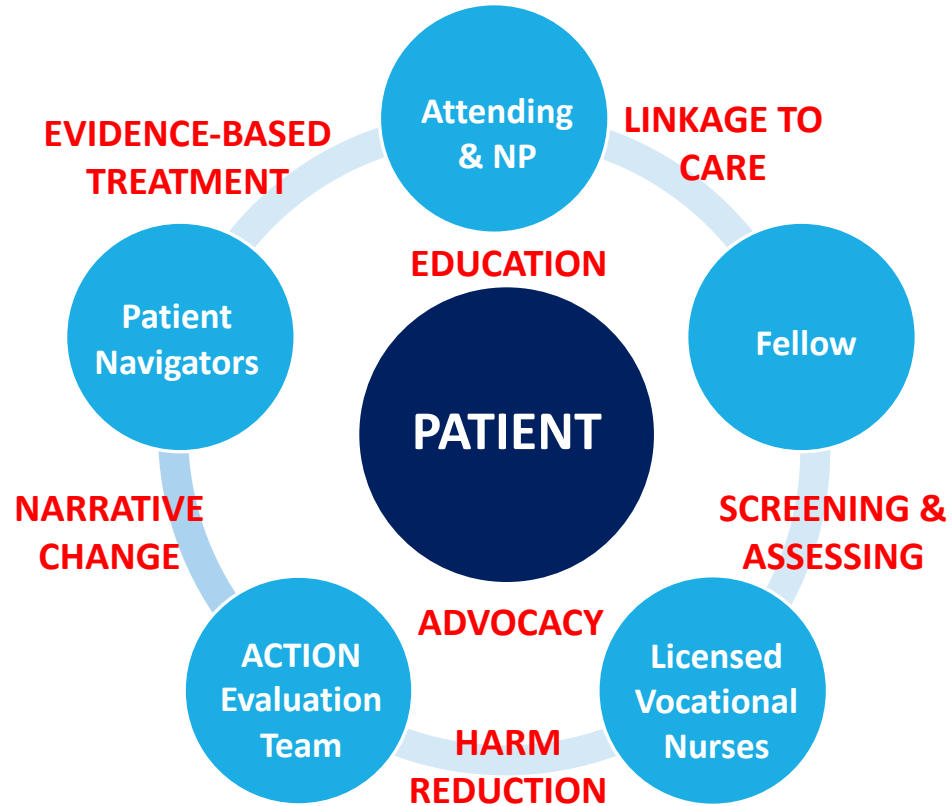
October 2020



**Pain Team**  
Ed Lor,  
Bob Brody

**Pharmacy  
Nursing,**  
Many others

# ACT Members & Services



**Addiction Med  
Fellowship**  
Paula Lum,  
Soraya Azari

**HOUDINI LINK**  
Andy Tompkins,  
Ali Haas

**Bridge Clinic**  
Hannah Snyder

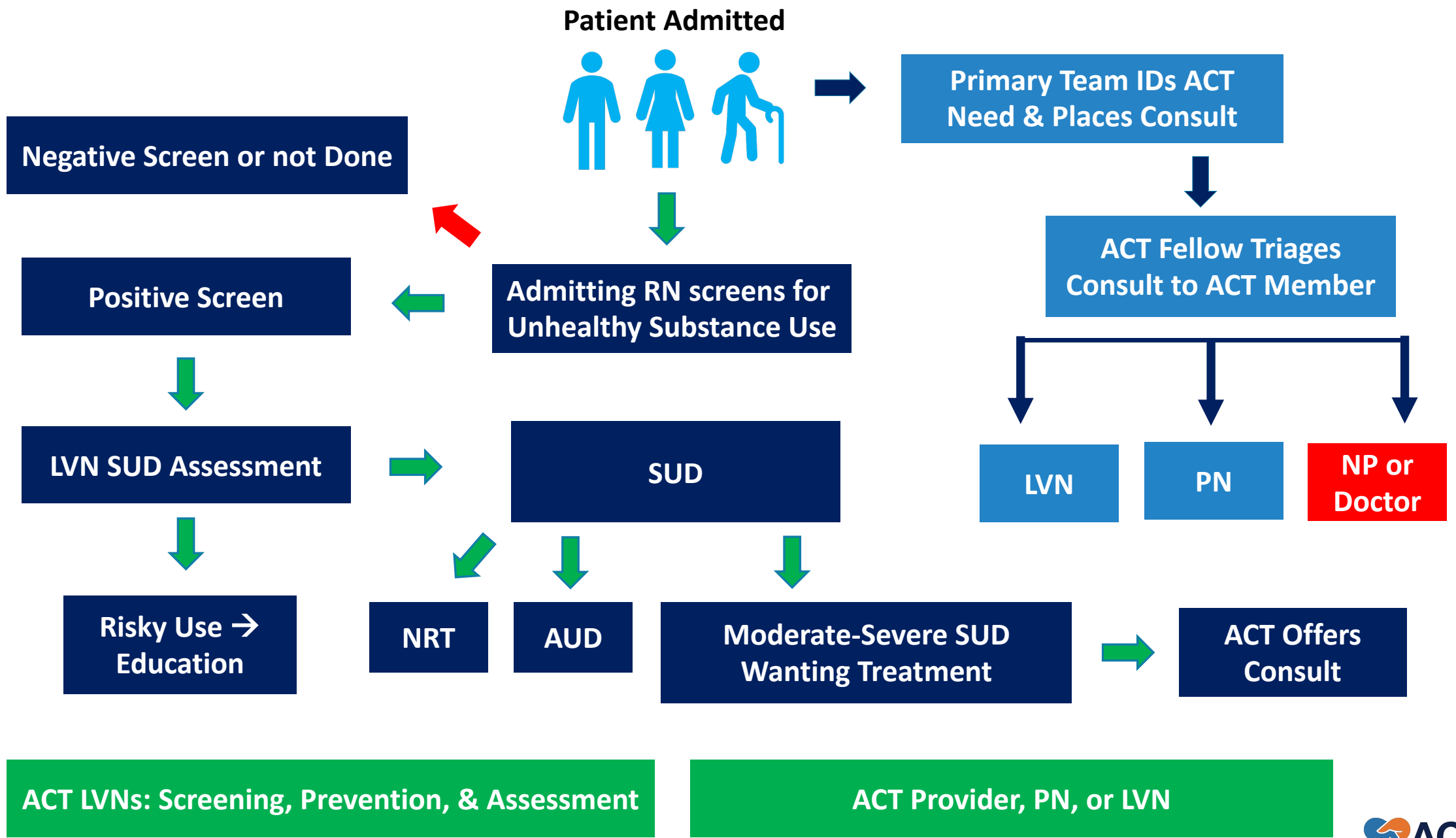
**ED ACT leads**  
Kathy LeSaint,  
Dan Replinger

**TAP**  
Michelle Truong

**OTOP**  
Brad Shapiro,  
Scott Steiger

**Social Medicine**  
Jenna Bilinski, Jack  
Chase, Hemal  
Kanzaria

# ACT Consultation



# Who from ACT should see patient?

## LVN

- Uncomplicated tobacco
- Uncomplicated alcohol
- Other substances on occasion
- Administer ER-Naltrexone
- Administer ER-Buprenorphine

## PN

- Motivational Interviewing
- Psychosocial Linkage
- Harm Reduction
- Medication for Addiction Treatment Linkage

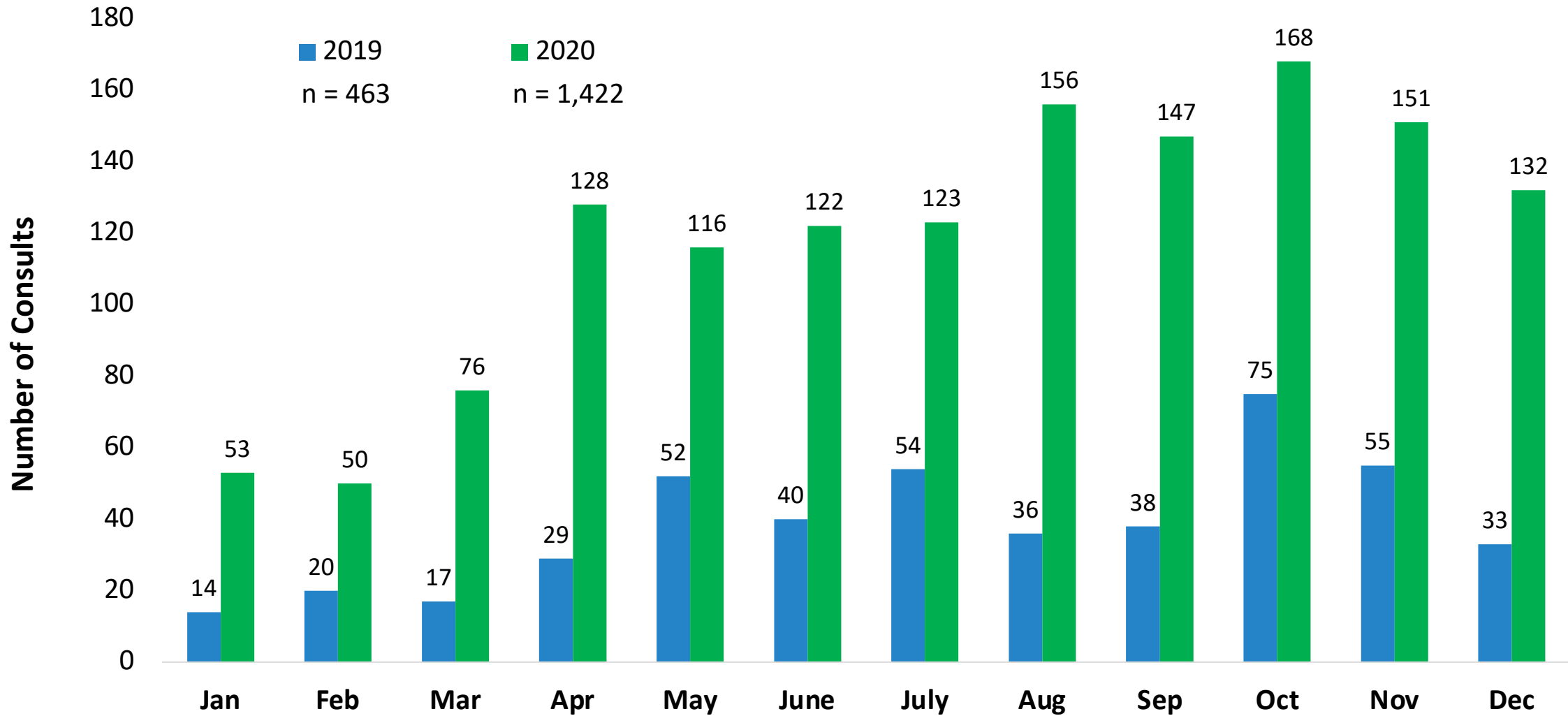
## NP

- Motivational Interviewing
- SUD Assessment and Diagnosis
- Withdrawal and Treatment Management
- Complex AUD medication or multiple AUD admissions

## Doctor

- Motivational Interviewing
- SUD Assessment and Diagnosis
- Withdrawal and Treatment Management
- Complex AUD medication or multiple AUD admissions

# ACT PN and Fellow/Attending Consults Seen



ACT Inpatient + Nurse + ED + Navigation Volume				
ACT Doctor and PN Consults	2019 Requested		2019 Staffed	
	630		463 (73%)	
	MD only	PN only	MD+PN	
	22%	41%	37%	
	2020 Inpatient Requested		2020 Inpatient Staffed	
	987 (57%↑ 2019)		<b>823 (84% requested &amp; 73%↑ 2019)</b>	
	MD only	Inpt PN only	MD+PN	ED PN only
	40%	21%	39%	<b>599</b>
ACT LVN Visits	2020			
	<b>2,031</b>			

# ACT Volume

ACT physicians and patient navigators saw 1,422 patients in 2020  
↑ 316%

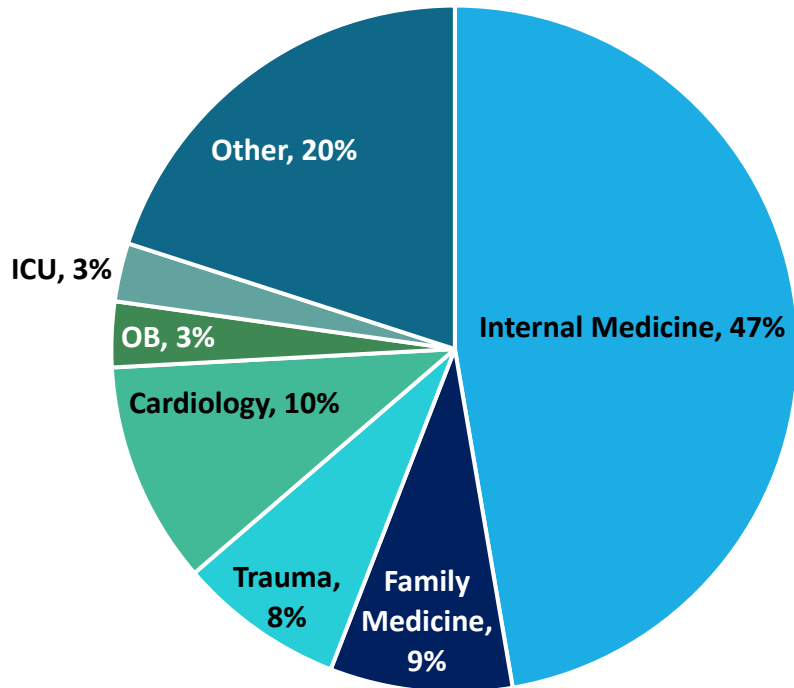


# Successful Discharges to Residential Treatment

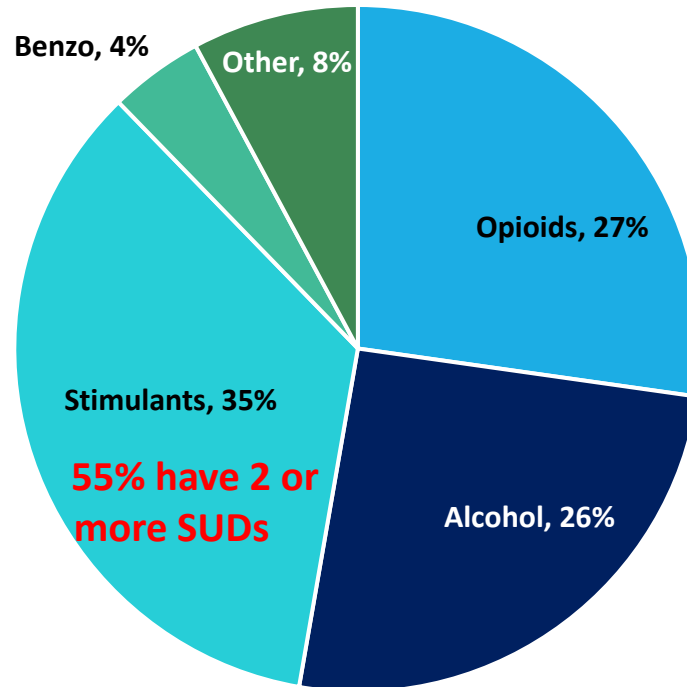
Month	2019	2020
January	1	0
February	1	3
March	1	8
April	2	5
May	2	3
June	1	5
July	3	5
August	6	8
September	3	4
October	0	11
November	0	7
December	0	15
<b>Total</b>	<b>22</b>	<b>74 (236%↑)</b>

# Consults

## Primary Services

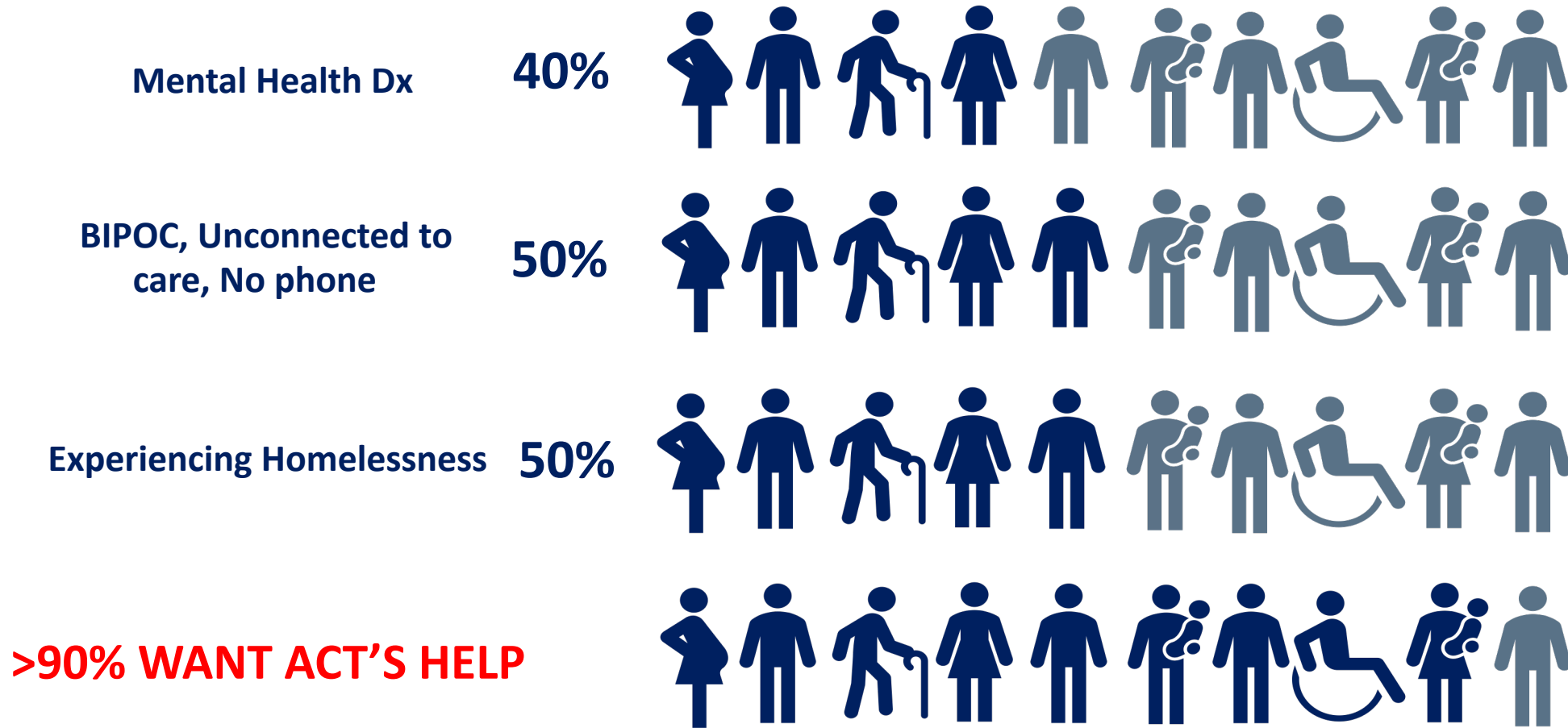


## Primary Substances

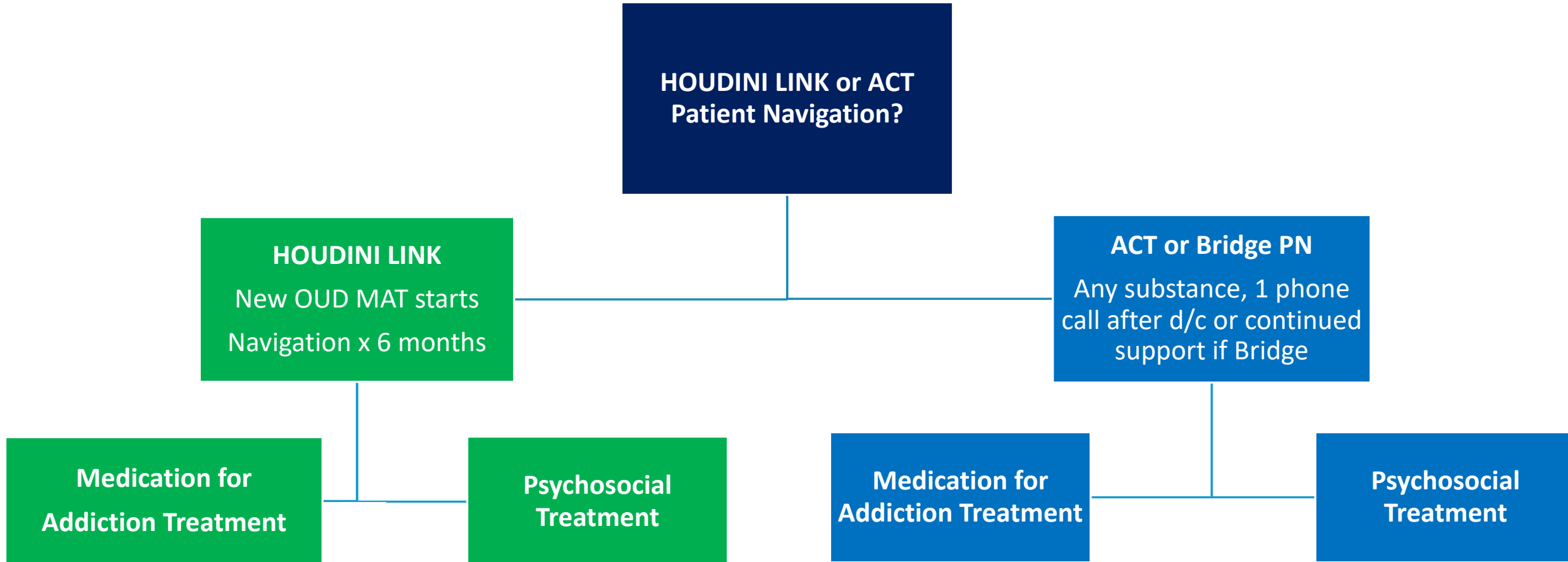


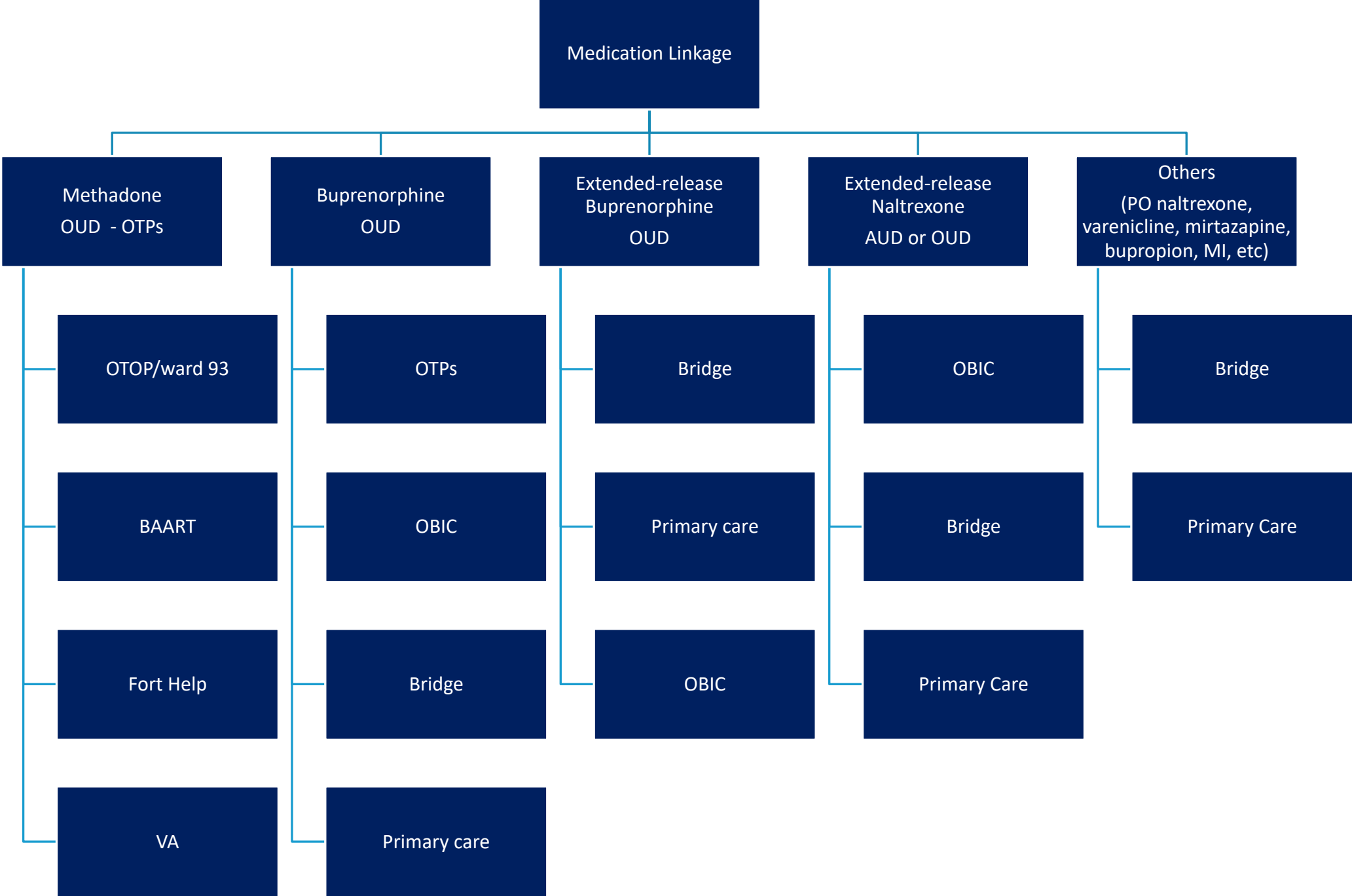
Primary Diagnosis	Percent
Alcohol Withdrawal	15%
SSTI	11%
Overdose	9%
Heart Failure	9%
SUD related (yes)	61%

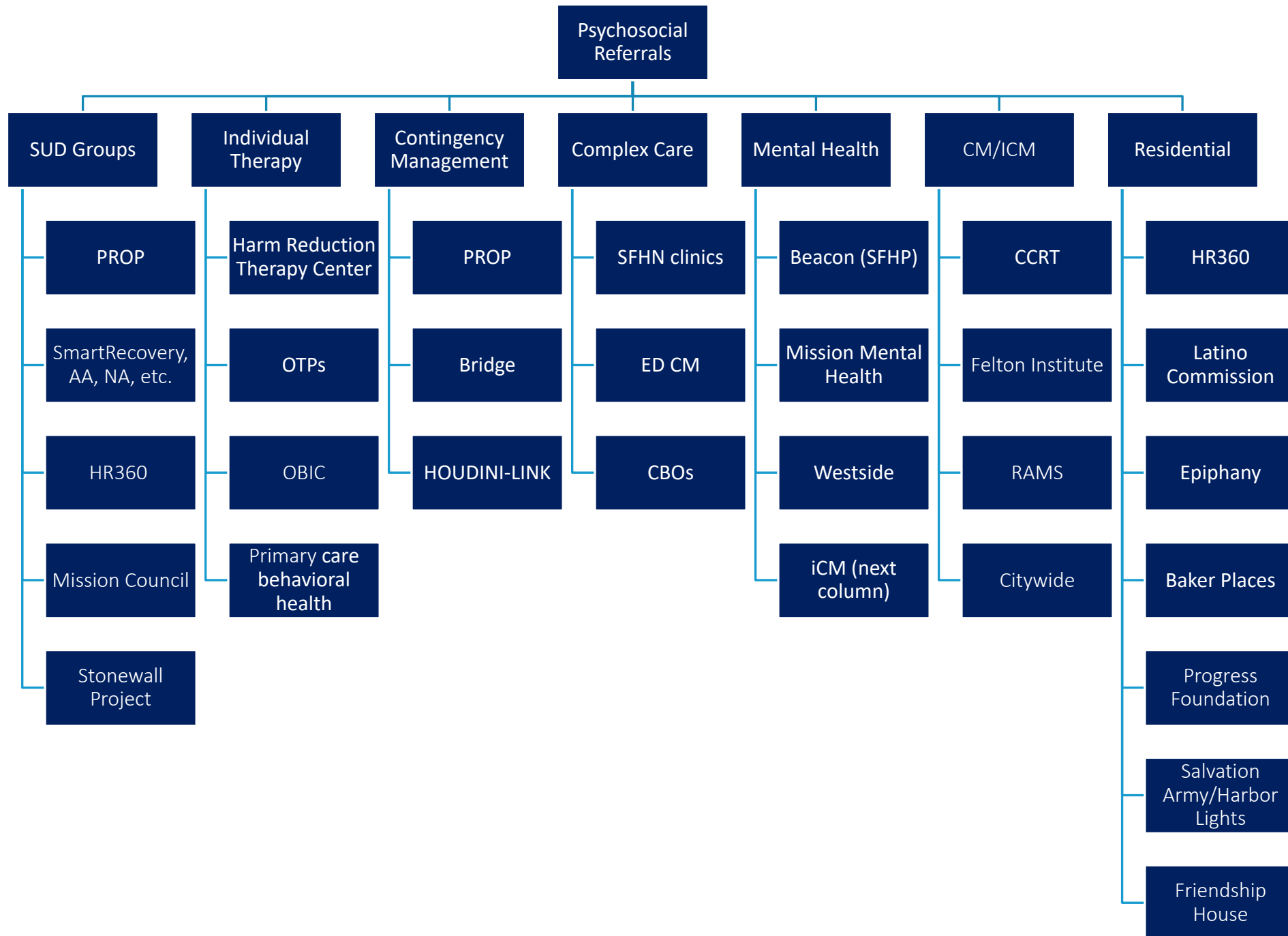
# Our Patients



# Care Transitions







# 2020-2021 ACT Priorities

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## Expand

and sustain capacity to consult on ED and psychiatry patients → 4/2021

---

## Support

persons with SUD experiencing homelessness and mental health diagnosis → TAP/Michelle Truong, HOUDINI-LINK, CCRT, respite, Hummingbird, Social Medicine, Street Medicine → Various timelines

---

## Report

outcome data → Summer 2021, Oanh Nguyen & Team

---

## Obtain

sustainable funding and focus funding efforts on innovation and growth to ED, PES and Psychiatry → Continuous

---





# Thank You! Questions?

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[marlene.martin@ucsf.edu](mailto:marlene.martin@ucsf.edu)

 [@MarleneMartinMD](https://twitter.com/MarleneMartinMD)



# Agenda Item 7

## Discussion Item

### CEO Report

- Healthy San Francisco Updates
- Operations Updates
- State Audits
- Security and ITS Updates





## MEMO

**Date:** April 27, 2021  
**To:** Governing Board  
**From:** John F. Grgurina, Jr., Chief Executive Officer  
**Regarding:** CEO Report for May 5, 2021 Meeting

### **SAN FRANCISCO HEALTH PLAN STRATEGIC ANCHORS**

#### ***STRATEGIC ANCHOR: UNIVERSAL COVERAGE***

#### **Healthy San Francisco Program Enrollment as of March 31, 2021**

*Total Enrollment: 15,399*

A total of 15,399 participants were enrolled in Healthy San Francisco (HSF) as of March 31, 2021. Enrollment continues to grow due to the temporary policy of extending HSF eligibility due to COVID-19. The last round of extensions means that no renewals will need to be done by most enrollees through June 2021. The San Francisco Department of Public Health (DPH) is currently circulating a proposal to extend HSF enrollment through December 2021, similar to Medi-Cal and in alignment with the continuation of the federal public health emergency.

#### *SF City Option Program Enrollment as of March 2021*

Employers in San Francisco can choose to meet the employer spending requirement of the San Francisco Health Care Security Ordinance (HCSO) by participating in the SF City Option Program. Employees of participating employers may enroll in one of three programs depending on which eligibility requirements they meet: the Healthy San Francisco Program, which provides health care coverage to uninsured San Francisco residents; SF Covered MRA, which provides premium subsidies and cost sharing reductions for certain San Francisco residents purchasing health insurance through Covered CA; or SF MRA, which provides a medical reimbursement account (MRA) to pay for eligible health care expenses.

Employer contributions are held in a contribution pool until the employee enrolls in an SF City Option health care program, at which point the eligible contributions are

transferred to the particular program and continue to be assigned to the program while the employee is enrolled.

### San Francisco City Option Program Data – March 2021

	Program-to-Date (PTD)	March 2021
<b>Employers</b>		
Employers Participating in SF City Option	4,163	
Employers with Contributions Within the Past 12 Months	n/a	1,917
Total SF City Option Program Contributions	\$1.282B	\$14.9M
Contributions Assigned to the Contribution Pool	\$444M	\$11.1M
Contributions Assigned to Healthy San Francisco	\$145.3M	\$.04M
Contributions Assigned to San Francisco Medical Reimbursement Account	\$687.2M	\$3.7M
Contributions Assigned to San Francisco Covered Medical Reimbursement Account	\$6.4M	\$.02M
<b>Employees</b>		
Employees Receiving SF City Option Employer Contributions	485,482	
<b>SF MRA</b>		
Number of SF MRAs with Deposits	222,140	3,306
SF MRA Claims Paid	\$472.3M	\$5.2M
SF MRA Dollars Available	\$160M	
<b>SF Covered MRA</b>		
SF Covered MRA Participants	904	
SF Covered MRA Subsidy Deposits	\$5.4M	\$0.1M
SF Covered MRA Claims Paid	\$3.4M	\$0.1M
SF Covered MRA Dollars Available	\$.6M	
<b>HSF</b>		
HSF Participants with Employer Contributions	21,762	42

## SFHP MEMBERSHIP UPDATE

SFHP membership as of April 1, 2021 is 157,083 members. **Attachment 1** includes the membership reports for April 2021. On page 2 of the report, Medi-Cal membership is 145,308 members, which is an increase of 15.2% increase compared to April 2020. The total number of members on hold (page 4) is 2,006 and the total number disenrolled is 929 members. These numbers are significantly lower than pre-COVID-19 because of Governor Newsom’s Executive Order to discontinue negative actions on Medi-Cal eligibility as of March 19, 2020. The Governor’s order has been extended until the COVID-19 public health emergency is considered over. Most Medi-Cal beneficiaries are not put on hold or disenrolled during this time, unless their cases were under review prior to mid-March 2020, or the members move out of the county. This is expected to continue through December 2021, with a potential 12-month clean-up period to follow, which would allow Counties time to clear the accumulated pended actions. Beneficiaries in the SSI/SSP aid categories are still placed on hold or disenrolled.

## MEDI-CAL EXPANSION UPDATES

Please see the table below for the SFHP Medi-Cal expansion default assignments of non-choosers to the public hospital system. SFHP was compliant with the requirements of AB 85 to default the 50% of non-choosers to the public hospital system through March, but due to five County clinics reaching capacity enrollment, the 50% default rate in April fell short by 53 members. We will default the additional 53 members to the County before the end of the fiscal year if capacity allows.

Month of Enrollment	M1 Aid Code (Optional Expansion members)	7U Aid Code (CalFresh-related Optional Expansion members)	AB 85 Default Requirement to Public Hospital System (M1 and 7U only)
<b>2021</b>			
January	1,326 M1 members, 1,314 did not choose	0 7U members	657 of 1,314 members (50%) were defaulted to DPH
February	1,400 M1 members, 1,385 did not choose	0 7U members	692 of 1,385 members (50%) were defaulted to DPH
March	1,418 M1 members, 1,410 did not choose	0 7U members	705 of 1,410 members (50%) were defaulted to DPH
April	1,550 M1 members, 1,530 did not choose	0 7U members	712 of 1,530 members (46.5%) were defaulted to DPH

## STRATEGIC ANCHOR 2: QUALITY CARE AND ACCESS

### Department of Managed Health Care (DMHC) Timely Access Report (TAR) Filing

SFHP submitted the annual DMHC TAR filing on time on April 1, 2021. The TAR filing is required of all DMHC-licensed health plans and measures health plans’ compliance with the timely access regulations, e.g., provider appointment accessibility and network

adequacy. One of the requirements is to contract with an external validator to review and audit the data, methodology, and reports prior to submission to DMHC. TAR applies to primary care providers, specialists, ancillary providers, and mental health providers. This year the audit report showed that all components of SFHP's submission had no data or methodology issues. The final results from DMHC will be provided later this year. DMHC will determine whether any corrective actions will be needed regarding the TAR filing.

### **Early Start Program**

At a recent meeting with managed care plans (MCPs), the DHCS included a representative from the State to discuss the Early Start Program for children with developmental delay. There has been a noticeable decline in referrals to the program so DHCS wanted to ensure that MCPs were aware of the program's referral process and to have MCPs communicate with their provider networks. The following are highlights from the presentation:

- Anyone can make a referral to the program. Most referrals are from pediatricians.
- The window of time between the age 0-3 years is crucial. Referrals to Early Start between 0-3 years may prevent the need for life-long services with early intervention.
- There are 21 Regional Centers throughout California.
- There has been an alarming decline of children being assessed for Early Start starting in March 2020. Even though there has been an increase recently, the level has not returned to pre-pandemic levels.
- MCPs are asked to remind providers that Regional Centers are taking referrals.
- DHCS shared the following Early Start Program outreach materials:
  - [Physician's referral flyer \(in 10 languages\)](#)
  - [Early Start Healthcare Provider Brochure \(in 10 languages\)](#)
  - [PSA \(CC in Spanish & English\): A Message from California's Surgeon General, Dr. Nadine Burke Harris about Free Early Start Services - YouTube](#)
  - [Community Resources Infographic \(in 10 languages\)](#)
  - [Early Start page on the DDS website](#)

## **STRATEGIC ANCHOR 3: EXEMPLARY SERVICE**

### **SFHP Operations**

Operations is comprised of the following departments: Claims, Customer Service, Member Eligibility Management (MEM), Enterprise Project Management Office (EPMO), Business Solutions (composed of Configuration, Quality Assurance, Business Systems Analysis, and Continuous Improvement), and Provider Network Operations (PNO) (composed of Provider Relations, Contracting, Credentialing, and Facility Site Review). We continually strive to streamline processes to strengthen our core operations.

### *Customer Service (CS)*

The CS department has seen a considerable improvement in performance on service level goals in response to the implementation of our new operating model. This model allocates ad hoc projects to specified individuals, while having dedicated staff for incoming member calls. This greatly improved the efficiency of the department with reduced task switching and improved overall operations.

The CS team also trained dedicated staff members to complete daily quality assurance review of incoming calls. This is a critical function ensuring appropriate review of phone calls and was expanded to include a wider range of languages - English, Cantonese, Mandarin and Spanish. With the additional samples reviewed, new quality improvement opportunities were identified including team refresher trainings and improved onboarding trainings for new hires.

### *Claims*

In partnership with Compliance and other teams, the Claims department successfully completed a DHCS audit in March. The auditors reviewed claims related to emergency, family planning, and state special services. There were no issues noted with Claims functions in the preliminary findings which is a testament to staff efforts in maintaining consistent quality and adherence to regulatory requirements.

As a part of our ongoing efforts to streamline processing and improve auto adjudication, Claims implemented two automated processes to pay taxable codes and deny invalid combinations of bill type and revenue code. These efforts ensure our staff are spending valuable time on complex claims processing requiring manual review.

We continued to achieve our timeliness goal by processing 99.8% of claims within 19 workdays in March. The average number of claims per day increased 28.2% vs. March 2020 and increased 6.4% vs. Feb 2021.

### *Member Eligibility Management (MEM)*

The MEM team collaborated with ITS to successfully complete testing the audit and logging functionality in our core processing system, QNXT. This critical functionality provides a documentation log of data changes by user and will be beneficial in addressing data discrepancies.

The MEM team continued to achieve our monthly turnaround time goal of two days on identifying and applying proper corrections to incoming eligibility data files.

### *Business Solutions*

The Business Solutions department continued to collaborate with ITS and various business units to deploy a variety of configurations and features in March and April to prepare for the bifurcation of the Community Health Network in our core systems. This is to support the upcoming move from capitation to fee for service of hospital services

provided to Plan members assigned to SF Consortium Clinic members, effective July 1, 2021.

The team implemented enhancements to use provider taxonomies to facilitate network adequacy analysis by DHCS. CalAIM Enhanced Care Management and In-Lieu-Of Services work is in flight with a cross-functional team to design system infrastructure.

### *Provider Network Operations*

The annual provider satisfaction survey commenced on March 29, 2021. The 2020 survey was distributed in early March 2020 but subsequently suspended due to limited provider and provider staff availability at the onset of the pandemic.

We assisted San Francisco Health Network (SFHN) and UCSF Medical Group (UCSF) with facilitation of a memo detailing the new OB pilot project, effective April 1, 2021, which allows SFHP members assigned to UCSF the option to deliver at Zuckerberg San Francisco General Hospital (ZSFGH).

The Contracting team is continuing re-contracting efforts with ZSFGH, Clinical Practice Group (CPG), and all the San Francisco Community Clinic Consortium (SFCCC) clinics impacted by the transition to fee-for-service for hospital services provided to SFHP members assigned to SFCCC clinics.

### *Enterprise Project Management Office (EPMO)*

Several organization-wide projects related to state or federal mandates, which are managed with EPM project managers and led by the appropriate business units, e.g., Finance, Compliance, ITS, Health Services, etc., will be closing over the next few months:

- Prop 56 Behavioral Health Integration (BHI) Incentive Program – working with providers to apply for and implement behavioral health integration programs supporting SFHP members.
- SB 260 Covered CA Opt-Outs and Healthy Worker Terminations – addressing regulatory requirement to provide Covered CA with contact information of newly disenrolled HW members, as well as managing those members' rights to opt out of such disclosure.
- DMHC APL 19-016 Amendment to Risk-Based Organizations Regulations – implementing internal operational and reporting changes to meet this DMHC requirement aimed at ensuring organizations comply with financial solvency standards.
- DHCS APL 21-002 (20-010) Cost Avoidance and Post Payment Recovery – implementing internal operational and reporting changes to meet this DHCS requirement which clarifies guidelines for when a Medi-Cal plan member has other health coverage (OHC).
- CMS Interoperability Mandate Phase 1 – leveraging a third-party vendor to manage data transactions enabling patients to access their electronic health information.

- PBM Implementation – transitioning management of pharmacy benefits from Perform Rx to Magellan. Scope of work was initially for Healthy Workers and Healthy San Francisco lines of business only, since Medi-Cal line of business was transitioning to statewide management (Medi-Cal Rx transition). As a result of the recent DHCS decision to hold the Medi-Cal Rx transition, the Medi-Cal line of business has been added to the scope of the new PBM implementation. Work on this effort is progressing on track with a July 1, 2021 target implementation date.
- FY21-22 Project Portfolio Planning – evaluation, prioritization, and capacity planning of projects proposed for next fiscal year is underway. The proposed portfolio includes upgrades to both primary business systems, QNXT (Claims) and Essette (Clinical Management), as well as other projects supporting internal operational efficiency and regulatory mandates.

### Members’ Rights to State Fair Hearings, Consumer Complaints, and Independent Medical Reviews

Compliance and Regulatory Affairs ensures members’ rights to request State Fair Hearings (SFH), Consumer Complaints (CC) and Independent Medical Reviews (DMHC) are respected and cases are handled timely. The table below provides a summary of FY 20-21 Quarters 1, 2 and 3 cases (July 2020 through March 2021). Quarter 3 (Q3) had only five cases. Of these cases in the Q3, none of SFHP’s decisions were overturned by the State Fair Hearing process or DMHC; one case is still open.

Complaint Type	Case Result	Q1	Q2	Q3	FY Total
SFH	Withdrawn	0	1	1	2
SFH	Dismissed	1	2	0	3
SFH	Denied / SFHP Acted in Compliance	0	1	0	1
SFH	Granted in Part	1	0	0	1
IMR	Return to Plan Approved	0	1	0	1
IMR	SFHP Acted in Compliance	2	0	0	2
IMR	Unable to Process Case due to Missing Information	1	0	0	1
IMR	DMHC Overturned Plan Decision	0	1	0	1
CC	Return to Plan Approved	0	0	2	2
CC	SFHP Acted in Compliance	3	3	0	6
CC	SFHP Overturned Denial upon Review	0	1	0	1
CC	Outside of DMHC Jurisdiction	0	0	1	1
CC	DMHC Overturned Plan Decision	0	0	0	0
CC	Case Still Open	1	0	1	2
<b>TOTALS</b>		<b>9</b>	<b>10</b>	<b>5</b>	<b>24</b>






## STRATEGIC ANCHOR 4: FINANCIAL VIABILITY

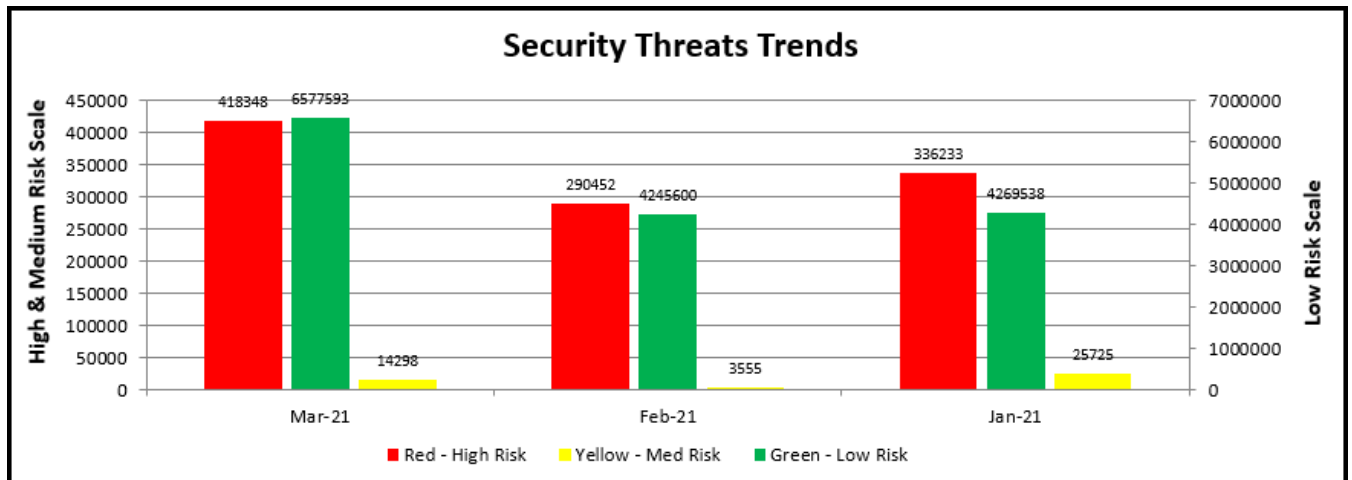
### Information Technology Services (ITS)

#### ITS Security Metrics Report

#### Threats

- Number of Attacks Detected and Thwarted at the Network Perimeter

Risk Category	January	February	March
 <b>High/Critical</b> – Attempts to exploit various vulnerabilities, including repeated brute force attempts	336,233	290,452	418,348
 <b>Medium</b> - Malware, ransomware, and virus attempts	25,725	3,555	142,98
 <b>Low/Informational</b> – Authentication failures, login failures, HTTP Errors	4,269,538	4,245,600	6,577,593



## Security Trends

Despite the increasing number of attacks on SFHP's technology systems we continue to improve our security and maintain a resilient security posture. What follows is SFHP's quarterly assessment from our primary security vendors.



Security Score

90%



Open Ports

Services in your network that are visible to the Internet.

31



Vulnerabilities

Security risks identified by Arctic Wolf scanning.

0

LOW

13

MED

0

HIGH

0

CRIT



Observations

Number of data points ingested by the sensor.

3.39 G



Investigations

Number of potential incidents that your CST ran to ground.

2.13 K



Reported Incidents

Security incidents that were brought to your attention.

82



Reported Incident Breakdown

- Duo Alert (32)
- Admin Account Lockout (14)
- Authentication Failed (13)
- Firewall Change (5)
- Restricted Country Login (3)
- AD Security Group Additions (3)
- Snort (2)
- User Locked Out (2)
- High Number of AD Security Group Modifications (2)
- User Added/Deleted (1)
- Other (5)



## Malware

We experienced zero malware infections during the period from January 1, 2021 through March 31, 2021.

## Email

The volume of legitimate emails into SFHP has remained about the same over time. On average approximately half of the emails sent to SFHP are blocked as either spam or viruses.

Rejected emails included blocked senders, viruses, spam and other unwanted communications. Rejecting suspicious emails before they enter SFHP's internal systems reduces the threat attack surface.

Month-Year	Total Inbound Email	Rejections (includes viruses & spam)	Legit Inbound Email	% Rejections	Total Outbound Email	Total Internal Email
Apr - 2020	230,763	138,667	92,096	60.09 %	33,195	713,459
May - 2020	186,026	100,474	85,552	54.01 %	31,337	683,066
June - 2020	187,156	98,109	89,047	52.42 %	31,376	652,250
July - 2020	173,417	86,343	87,074	49.79 %	57,572	683,283
Aug - 2020	162,068	82,314	79,754	50.79 %	259,461	492,483
Sep - 2020	161,012	78,381	82,631	48.68 %	388,597	495,658
Oct - 2020	200,614	107,945	92,669	53.81 %	337,695	618,459
Nov - 2020	157,880	74,780	83,100	47.37 %	212,754	488,059
Dec - 2020	173,610	83,088	90,522	47.86 %	333,733	576,841
Jan - 2021	165,264	79,834	85,430	48.31 %	367,377	618,233
Feb - 2021	168,085	85,230	82,855	50.71 %	222,402	541,250
Mar - 2021	191,270	94,399	96,871	49.35 %	353,111	657,371
<b>Total</b>	<b>2,157,165</b>	<b>1,109,564</b>	<b>1,047,601</b>	<b>N/A</b>	<b>2,628,610</b>	<b>7,220,412</b>
<b>Mean</b>	<b>179,763.75</b>	<b>92,463.66</b>	<b>87,300.09</b>	<b>51.1 %</b>	<b>219,050.83</b>	<b>601,701</b>

## Penetration Testing

Penetration testing is the process of identifying security gaps in our infrastructure by mimicking an attacker. SFHP's ITS department conducted an internal and external penetration test in June 2020. SFHP addressed the findings from the June 2020 test. SFHP is scheduled to start the 2021 penetration test on May 5th. Once the test has concluded and the findings are presented, we will address any findings that result from the May 2021 test.

## CMS Interoperability Solution

In early 2019 the Center for Medicare and Medicaid Services (CMS) introduced the CMS Interoperability and Patient Access Proposed Rule. The intent of the CMS Interoperability Rule is to expand access to health information and improve the seamless exchange of data in health care.

The CMS Interoperability Rule introduces new technologies and standards that SFHP will have to acquire in order to be compliant. The current deadline for implementation of the capabilities outlined in the CMS Interoperability Rule was extended to July 1, 2021.

Internal and external file testing as well as Process Workflow testing is underway. Mapping validation is being done. SFHP is also testing the Member Access Portal, which will be a key interoperability interface for SFHP Medi-Cal members.

CMS expects and requires all states to enforce the CMS Interoperability rule. California DHCS is still planning their approach to CMS Interoperability and trying to determine enforcement. However, since the state is not ready, the state has asked CMS for a one-year extension. Despite the uncertainty at the state level, SFHP is still planning to implement its interoperability solution and meet the July 1, 2021 date.

The project is on track and scheduled to meet the July 1, 2021 deadline as planned.

### **Compliance and Delegate Oversight**

Compliance and Delegate Oversight is responsible for several areas including auditing and monitoring for fraud, waste and abuse and compliance with HIPAA, DHCS and DMHC requirements, both within SFHP and with delegated entities. The following are highlights related to requirements from DHCS and DMHC.

#### DHCS All Plan Letter (APL) 21-004, Standards for Determining Threshold Languages, Nondiscrimination Requirements, and Language Assistance Services

APL 21-004 is the first update in four years to DHCS' requirements for providing translations and interpreter services in threshold languages. The new APL informs all Medi-Cal managed care health plans (MCPs) of the dataset for threshold and concentration languages and clarifies the threshold and concentration standards specified in state and federal law and MCP contracts. This dataset identifies the threshold and concentration languages in which, at a minimum, MCPs must provide written translated member information. This APL provides the updated threshold languages for each county. Since the inception of SFHP's work in Medi-Cal managed care, the threshold languages have been English, Spanish, Chinese and Vietnamese. With this update, Russian has been added as a threshold language. In addition to updated threshold languages in every county, the APL clarifies, revises or introduces the following requirements:

- Updates the non-discrimination notice to include instructions for filing discrimination grievances directly with DHCS and the Office of Civil Rights (OCR).
- Updates where and how the notice must be posted and distributed by MCPs.
- Provides several new requirements for MCPs in handling grievances related to discrimination. There are specific responsibilities that must be assigned to a designated discrimination grievance coordinator. There are new requirements for investigating and reporting such grievances.
- DHCS' required "taglines" that inform members that language assistance is available is required to be included various member communication, e.g., notices of action, grievance and appeal resolutions and other communication.

Previously 15 languages were included on the template. Mien, Laotian and Ukrainian have been added.

- Provides additional specific requirements regarding the use of qualified interpreters and translators.
- Requires MCPs to provide appropriate auxiliary aids and services to members with impaired sensory, manual, or speaking skills, including the provision of qualified interpreters and written materials in alternative formats, free of charge and in a timely manner.
- Upon request by members, MCPs must make member information available in the following alternative format: Braille, audio format, large print (at least 20-point font), and accessible electronic format (such as a CD).
- MCPs must ensure their subcontractors and network providers comply with all requirements as well, in line with their contracts and delegated responsibilities.

SFHP is required to submit documents and policies and procedures for compliance with the APL to DHCS for review and approval by October 5, 2021. As part of the project to identify all areas that will need to be revised for compliance with the APL, SFHP will be reaching out to network providers and delegated medical groups to inform them about the new requirements. **See Attachment 3** for APL 21-004 and its attachments.

#### DHCS Annual Medical Audit

Completed the annual DHCS medical audit. While the auditors were actively auditing SFHP with interviews from March 8, 2021 through March 19, 2021, document requests continued through the month of April. The audit evaluated SFHP's compliance with DMHCS contract requirements in the areas of utilization management, case management and coordination of care, availability and accessibility, member's rights, quality management, oversight of delegated medical groups, and administrative and organizational capacity. The exit conference to discuss the draft report is expected to be scheduled in early June 2021.

#### DMHC Medical Survey

Department of Managed Health Care (DMHC) will conduct a virtual, two-week, Routine Survey of SFHP starting on August 9, 2021. Work has already begun, with responses to DMHC's pre-survey document requests. SFHP's staff across several departments, delegated medical groups, Beacon and San Francisco Behavioral Health Services have been pulling together the documents, reports and logs needed by the end of April. This audit will include both Medi-Cal and Healthy Workers lines of business.

#### **MEDIA ROUNDUP**

Please see **Attachment 3** for the Media Roundup with articles related to Medi-Cal, COVID-19, and the Affordable Care Act. We also have a special article from the New England Journal of Medicine Catalyst, authored by clinical leadership from SFHN, with a mention of SFHP, regarding SFHN's efforts to ensure equity in the vaccination program (**Attachment 4**).