FINANCE COMMITTEE MEETING MINUTES

SAN FRANCISCO HEALTH PLAN
Here for you

Joint San Francisco Health Authority &
San Francisco Community Health Authority
Finance Committee Minutes
June 28, 2023 (10:30 am to 12:00 pm)

1. **Attendance**

   In attendance were Eddie Chan, PharmD, Steven Fugaro, MD, Deneen Hadley, and Greg Wagner
   Absent: Emily Webb
   Guest: None

2. **Welcome.** Steven Fugaro, MD, chaired the meeting for Emily Webb, who was absent due to her maternity leave.

3. **Review and Approval of Minutes from May 3, 2023**

   Motion to approve the Finance Committee minutes from May 3, 2023: Greg Wagner
   Second: Deneen Hadley
   Unanimous vote to approve.

4. **Review and Approval of CalPERS Salary Schedule for FY 2023-2024**

   Brian Gentner, Director, Human Resources presented the FY 2023-2024 staff salary ranges as required by CalPERS.

   Committee members discussed the difficulties recruiting in the health care industry. There were no issues identified with the recommendations.

   Motion to approve the CalPERS Salary Schedule for FY 2023-2024: Eddie Chan
   Second: Greg Wagner
   Unanimous vote to approve for forwarding to the full Governing Board for approval.

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

   Skip Bishop, Chief Financial Officer, and Rand Takeuchi, Director, Accounting, reviewed the financial results and investment reports for the period ending May 31, 2023.

   Committee members discussed the positive results for the year to date. There was discussion regarding the incurred but not reported (IBNR) estimate and the challenges posed by SFHP taking on the new fee-for-service risks for dual eligibles and long-term care. Mr. Bishop explained the assumptions made for these new risk populations in adjusted the IBNR. Committee members also discussed the reserve levels and tangible net equity. With the increased fee-for-service risk for

SFHP, the TNE requirement will increase. Committee members did not have any issues with the unaudited financials or investment reports as presented.

Motion to approve the year-to-date unaudited financial and investment reports: Eddie Chan, Pharm.D
Second: Deneen Hadley
Unanimous vote to approve for forwarding to the full Governing Board for approval.

6. **Review and Approval of Combined Budget for San Francisco Health Authority and San Francisco Community Health Authority for FY 2023-2024**

Mr. Bishop, Mr. Takeuchi and Yolanda Richardson, CEO, discussed the proposed budget for FY 2023-24. With the resumption of Medi-Cal redetermination and the carve out of members with Kaiser, the membership is expected to decrease by 18.8%.

SFHP proposed initial funding of $3.0 million to support special projects for providers to promote new ways to deliver health care services to SFHP members to improve access and outcomes.

Motion to approve the proposed Combined Budget for FY 2023-2024: Greg Wagner
Second: Eddie Chan, Pharm.D
Unanimous vote to approve for forwarding to the full Governing Board for approval.

7. **Reserve Policy**

This was a discussion topic only. Mr. Bishop reviewed the changing Medi-Cal landscape with many new programs, new benefits, and significant additional risk SFHP has assumed since January 1, 2023. Mr. Bishop explained the need to consider changes to the existing reserve policy, which was last revised in January 2016. He stated a revision to the reserve policy would be presented to the Finance Committee and Board at the September meetings.

8. **Semi-Annual Compliance Report**

Due to time limitations, Nina Maruyama, Chief Compliance and Regulatory Affairs Officer, referred the Committee members to the Semi-Annual Compliance Report in their packets for their review.

9. **Adjourn.** Dr. Fugaro adjourned the meeting.