SAN FRANCISCO HEALTH PLAN
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Joint San Francisco Health Authority &
San Francisco Community Health Authority
Finance Committee Minutes
November 1, 2023
(11:00 pm to 12:00 pm)

1. **Attendance.** In attendance were Steven Fugaro, MD, Deneen Hadley, Greg Wagner, and Emily Webb
   Absent: Eddie Chan, Pharm.D
   Guest: Chris Pritchard and Rianne Suico, Moss Adams Consultants

2. **Welcome.** Emily Webb, Chair, opened the meeting and welcomed committee members, staff, and Chris Pritchard and Rianne Suico, Moss Adams Consultants, LLP. They attended as guests to present the Independent Audit Report. She announced that this was Chief Financial Officer Skip Bishop's last Finance Committee meeting. She thanked him for his 13 years of leadership and service and wished him well with his retirement.

3. **Review and Approval of Minutes from September 6, 2023**
   Motion to approve the Finance Committee minutes from September 6, 2023:
   Steven Fugaro, MD.
   Second: Deneen Hadley
   Unanimous vote to approve.

4. **Review and Approval of the Annual Independent Audit Report for FY 2022-23.** Chris Pritchard, Partner, and Rianne Suico, Partner, Moss Adams Consultants, the independent audit firm hired by San Francisco Health Plan (SFHP), presented the FY 22-23 independent financial audit report. The auditors gave SFHP an "Unmodified Opinion," which is the highest opinion available (also known as a "clean opinion"). There were no significant or material comments in the document, "Communication to the Governing Board." There were no required or recommended adjustments to the journal entries. (A detailed audit report was provided in the Finance Committee packet.)
   The consultants discussed that the audit went well. The Finance Committee and audit consultants then met without SFHP staff. Upon returning, Ms. Webb shared that the auditors stated the audit went well. The auditors recommended that the Finance Committee and Governing Board receive reports on SFHP's security and cybersecurity assessments on a periodic basis since ransomware and other cybersecurity threat levels for health care organizations are high. Ms. Webb thanked the auditors and SFHP management.
   Motion to approve the Independent Audit Report for FY 2022-23:
   Steven Fugaro, MD.
   Second: Greg Wagner
   Unanimous vote to approve.

5. **Review and Approval of Year-to-Date Unaudited Financial Statements and Investment Income Reports.** Anne Price, Chief Financial and Strategy Officer, Skip Bishop, Chief Financial Officer, and Rand Takeuchi, Director, Accounting, reviewed the financial results and investment reports for the period ending September 30, 2023.
   September 2023 reported an overall margin of $3.9 million versus a budgeted margin of $3.0 million. On a year-to-date basis through September, SFHP is reporting a margin of $15.9 million which is $5.5 million more than budget expectations. Detailed financial memo and statements were included the packet. There were no significant issues identified.
   Motion to approve the year-to-date and year-end unaudited financial and investment reports: Greg Wagner
   Second: Deneen Hadley
   Unanimous vote to approve for forwarding to the full Governing Board for approval.

6. **Review and Approval of the Payment of CalPERS Unfunded Accrued Liability.** Ms. Price reviewed the recommendation to pay the CalPERS unfunded liability in full since SFHP is in a solid financial position to do so. Finance Committee agreed with and supported the recommendation to pay the projected liability in full.
   Motion to approve the recommendation to pay the unfunded CalPERS liability in full: Steven Fugaro, MD
   Second: Deneen Hadley
   Unanimous vote to approve.

7. **Semi-Annual Program Integrity Report.** Nina Maruyama, Chief Officer, Compliance and Regulatory Affairs, provided an overview of the semi-annual program integrity report, which included an overview of the staff training, investigation of potential fraud and abuse cases, security and cybersecurity assessments and information risk management efforts.

8. **Adjourn.** Ms. Webb adjourned the meeting.

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Secretary/Treasurer