FINANCE COMMITTEE MINUTES

Joint San Francisco Health Authority &
San Francisco Community Health Authority Finance Committee Minutes
March 27, 2024
(11:00 pm to 12:00 pm)

1. **Attendance.** In attendance were Finance Committee members Eddie Chan, PharmD, Steven Fugaro, MD, and Deneen Hadley.

   Guest: Board member Jian Zhang, DNP, MS, FNP-BC, CEO, Chinese Hospital

2. **Welcome.** Steven Fugaro, MD, member of the Finance Committee and Chair of the Governing Board, opened the meeting and welcomed committee members. He also welcomed Jian Zhang, DNP, MS, FNP-BC, CEO, Chinese Hospital, and San Francisco Health Plan (SFHP) Board member.

3. **Finance Committee Business**

   a. Nomination of Deneen Hadley, Chief Contracting Officer, UCSF Health & VP, Health Plan Strategy, UCSF, for Secretary and Treasurer of the San Francisco Health Authority and San Francisco Community Health Authority Finance Committee

      Dr. Fugaro stated the Finance Committee needed to fill the offices of Secretary and Treasurer, which also serves as the Chair of the Finance Committee. Dr. Fugaro informed the Committee that Deneen Hadley, current Finance Committee member, has agreed to be nominated for the offices of Secretary and Treasurer.

      Motion to approve the Nomination of Deneen Hadley for Secretary and Treasure: Eddie Chan, Pharm.D.
      2nd: Steven Fugaro, MD

      Motion passed unanimously for forwarding to the full Board for approval and Dr. Fugaro thanked Ms. Hadley for taking on this expanded role.

   b. Nomination of Jian Zhang, DNP, MS, FNP-BC, CEO, Chinese Hospital, to San Francisco Health Authority and San Francisco Community Health Authority Finance Committee.

      Dr. Fugaro then stated the Committee needs to fill a vacancy on the Finance Committee. Jian Zhang, DNP, MS, FNP-BC, CEO, Chinese Hospital, has agreed to fill the vacant seat.

      Motion to approve the Nomination of Jian Zhang to the Finance Committee: Deneen Hadley
      2nd: Eddie Chan, PharmD

The motion passed unanimously for forwarding to the full Board. Dr. Fugaro thanked Dr. Zhang for her expanded role, too.

c. Review and Approval of Minutes from November 1, 2023
Due to a lack of a quorum the January 2024 Finance Committee was cancelled. The committee reviewed the minutes from the November 1, 2023 Finance Committee meeting for approval.

Motion to approve the Finance Committee minutes: Deneen Hadley
2nd: Steven Fugaro, MD
The motion passed unanimously.

4. **Review and Approval of Year-to-Date Unaudited Financial Statements and Investment Income Reports.** Anne Price, Chief Financial and Strategy Officer, and Rand Takeuchi, Director, Accounting, reviewed the financial results and investment reports for the period ending January 31, 2024.

For the month of January, margin was $1.0 million favorable to budget with a reported margin of $2.6 million versus a budgeted margin of $1.6 million. Excluding pass-throughs, the Medical Loss Ratio (MLR) came in at budget at 92.4%. Detailed financial memo and statements were included the packet. No significant issues were identified.

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

5. **Review and Approval of Medi-Cal Provider Rates.** Ms. Price reviewed the reimbursement from the Department of Health Care Services (DHCS) that increased calendar year 2024 rates to SFHP by 3.6%. A large driver of the 3.6% increase in the new 2024 revenue rates is the mandated Targeted Rate Increase (TRI) provider payments Managed Care Plans (MCPs). MCPs are expected to begin paying providers for selected services related to primary care, obstetric care, and non-specialty mental health. The FY 2023/2024 budget included a 5.0% rate increase to our contracted providers effective January 1, 2024. With the 2024 calendar rates now confirmed, Ms. Price recommended the board approve a rate increase to delegated and contracted fee-for-service providers worth 5.2% retroactive to January 1st.

SFHP is deciding upon final methodology for the increase that ensures delegated providers, federally qualified health centers and fee-for-service providers' rate increase is implemented appropriately and within guidelines provided by DHCS. Ms. Price will research the methodology further with other Local Health Plans and provide details on the final methodology decided upon in May.

Motion to approve the Medi-Cal Provider Rate increase: Eddie Chan, Pharm.D.
Second: Steven Fugaro, MD
Unanimous vote to approve.

6. **Annual Review of SFHP Administrative Contracts.**
Rand Takeuchi, Controller, reviewed the SFHP administrative contracts for discussion only. No action required.

7. **Review and Approval of the FY 2024-2025 Employee Benefit Package**
Eva Hilliard, Chief People Officer, presented the recommendations for the FY 2024-2025 employee benefits for health care plans, dental plan, vision plan, life and disability insurance, and employee assistance. The recommendation included rate increases for Kaiser and Blue Shield plans, but the increases were lower than the average increase in health care premiums of 13.5% to 15.5% in Northern California.

   Motion to approve the employee benefit packet for FY 2024-2025 as presented:
   Eddie Chan, Pharm.D.
   Second: Deneen Hadley
   Motion was approved unanimously to forward to the full Board for approval.

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

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Secretary/Treasurer