AGENDA ITEM 1A: MAY FINANCE COMMITTEE MINUTES

Joint San Francisco Health Authority &
San Francisco Community Health Authority
Finance Committee Minutes
May 15, 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.

   Absent: Jian Zhang, DNP, MS, FNP-BC

2. **Welcome.** Deneen Hadley, Chair, Finance Committee opened the meeting and welcomed committee members.

3. **Finance Committee Business**

   a. Review and Approval of Minutes from March 27, 2024
   The committee reviewed the minutes from the March 27, 2024 Finance Committee meeting for approval.
   Motion to approve the Finance Committee minutes: Steven Fugaro, MD
   2nd: Eddie Chan, PharmD
   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, Controller, reviewed the financial results and investment reports for the period ending March 31, 2024.

   For the month of March, margin was $3.7 million favorable to budget with a reported margin of $5.7 million versus a budgeted margin of $2.0 million. Drivers contributing to the favorable variance were medical expenses of $10.8 million offset by premium revenue of ($8.7) million, net interest and investment income of $1.9 million, and net administrative expense of ($0.3) million. Excluding pass-throughs, the Medical Loss Ratio (MLR) came in favorable at 90.1% compared to budget of 92.3%.
   Detailed financial memo and statements were included in 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 forwarding to the full Governing Board for approval.

5. **Review of SFHP Governing Board Directors and Officers Insurance Liability Policy and Options.** Rand Takeuchi, Controller, reviewed the SFHP Directors and Officers (D&O) insurance policy that is purchased to protect directors, officers, executives, and employees from liability arising from wrongful acts or mismanagement in the performance of their corporate duties. SFHP's current deductible and coverage levels were reviewed. While the levels were found to be appropriate in comparison to similar health plans in the area, the Finance Committee suggested looking at the cost of increasing the coverage to $3 million, from the current $2 million.

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

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Secretary/Treasurer