



**Joint San Francisco Health Authority/San Francisco Community Health Authority
Governing Board
January 6, 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, 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, Steve Fields, 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), Carolyn Orbinger, individual from the public, and Tiffany Washington, Anthem Blue Cross. There were no public comments.

John F. Grgurina, Jr., CEO, made a few announcements. Mr. Grgurina announced that Dr. Jim Glauber, MPH, would be taking on a new role as Health Plan Physician Advisor. Dr. Glauber will continue to report to Mr. Grgurina. In addition, Mr. Grgurina announced Dr. Fiona Donald as the new SFHP Chief Medical Officer (CMO).

Dr. Fugaro, Reece Fawley and other Board members thanked and acknowledged Dr. Glauber for his service as CMO and were glad he would be the new Health Plan Physician Advisor. The Board welcomed Dr. Fiona Donald as the new CMO.

1. Election of Officers for San Francisco Health Authority and San Francisco Community Health Authority

Recommendation: SFHP recommends the Governing Board conduct its annual election of its Governing Board officers.

Please note that according to the San Francisco Community Health Authority by-laws, the officers of the San Francisco Health Authority also function as the officers of the San Francisco Community Health Authority.

According to the bylaws there are four officers of the Board: Chair, Vice-Chair, Secretary, and Treasurer. The positions of Secretary and Treasurer are combined into Secretary/Treasurer and held by the same individual. All officers serve for one year or until their successor has been elected.

The current officers are:

Chair – Steven Fugaro, MD

Vice Chair – Roland Pickens, MHA, FACHE

Secretary & Treasurer – Reece Fawley

The following are nominations for the officers:

Chair – Steven Fugaro, MD

Vice-Chair – Roland Pickens, MHA, FACHE

Secretary & Treasurer – Reece Fawley

Dr. Fugaro opened the floor for nominations for the Board Chairperson. Reece Fawley nominated Dr. Fugaro to serve as Chair. His nomination was seconded by Sabra Matovsky and he was re-elected unanimously. Dr. Fugaro then opened the floor for nominations for the Vice-Chair. Dr. Fugaro nominated Roland Pickens. His nomination was seconded by Ms. Matovsky and was unanimously approved as well. Lastly, Dr. Fugaro opened the floor for nominations for the Secretary/Treasurer. Ms. Matovsky nominated Reece Fawley. His nomination was seconded by Greg Wagner, and he was re-elected unanimously.

2. Approval of Consent Calendar

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

- a. Minutes from November 4, 2020 Governing Board Meeting
- b. Quality Improvement Committee (QIC) Minutes
- c. Credentialing and Recredentialing Recommendations
- d. Updates to 2021 SFHP Employee Handbook Effective on January 1, 2021

The Board unanimously approved the consent calendar without any issues.

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.

Skip Bishop, CFO, reviewed the year-to-date unaudited financial statements for the period ending November 30, 2020.

1. November 2020 reported a margin of \$508,000 versus a budgeted margin of \$298,000. After removing Strategic Use of Reserves (SUR) activity, the actual margin from operations would remain \$508,000 versus a budgeted margin of \$714,000.

On a year-to-date basis, we have a loss of (\$1,323,000) versus a budgeted loss of (\$3,815,000). After removing SUR activity, the actual loss from operations is (\$1,311,000) versus a budgeted loss (\$1,586,000).

2. Variances between November actual results and the budget include:
 - a. A net increase in revenue of \$193,000 due to:
 - i. \$155,000 more in premium revenue. Member months were 1,358 less than budget projections, however the mix of overall membership resulted in net additional revenue. Adult, Child and Seniors and Persons with Disabilities (SPD) member months were 5,919 less than budget, however Adult Expansion member months were 4,842 more than budget. The more favorable Adult Expansion premium rate helped to offset less premium in the other categories of aid. Membership continues to be on an upward trend with new members coming in along with members not placed on hold. Due to the public health emergency (PHE) created by the COVID-19 pandemic, the Department of Health Care Services (DHCS) has discontinued negative actions, e.g., holds and disenrollments for Medi-Cal beneficiaries.
 - ii. \$88,000 more in Maternity revenue as the result of 10 more maternity events.
 - iii. \$50,000 less in Hepatitis C revenue as the result of 16 fewer treatment weeks.
 - b. A net increase in medical expense of \$891,000 due to:
 - i. \$445,000 more in capitation expense due to changes in membership mix. Although we saw fewer members months in November, the capitation associated with the growth in Adult Expansion members exceeded the capitation expected in the Adult and Child categories of aid. The additional revenue generated by increasing membership offset the additional capitation expense.
 - ii. \$403,000 more in fee-for-service claims. The two areas where costs exceeded the budget were Community-Based Adult Services claims and supplemental payments for qualifying Proposition 56

- services.
- iii. \$54,000 more in Healthy Workers pharmacy expense. The actual cost was \$69 pmpm while the budgeted cost was \$65 pmpm. It is important to note that SFHP receives only \$58 pmpm in the Healthy Workers rate. SFHP is working with the San Francisco Department of Public Health (SF DPH) and the Human Services Agency (HSA) to secure a rate increase for the pharmacy benefit.
 - iv. \$122,000 more in Medi-Cal non-Hepatitis C pharmacy expense. This increase is due to slightly higher utilization.
 - v. \$347,000 more in Non-Specialty Mental Health claims. This increase is due to a lag in claims submission. Total claims for October were \$137,000 less than budget. When combining both October and November, the average per month cost is in line with FY 20-21 trending.
 - vi. \$480,000 less in health education expenses. An invoice from Milliman Care Guidelines (MCG) for \$255,000 was reclassified from medical expense to prepaid expense. SFHP made a one-year commitment to use MCG technology for utilization management decision-making. The remaining 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 \$888,000 due to:
- i. \$200,000 reduction in monthly administrative costs as the result of discontinuing the bonus accrual. As no bonus was paid for FY 19-20, the bonus accrual is fully funded for FY 20-21.
 - ii. \$159,000 less in areas such as telecommunications, software licensing, software support and maintenance as well as other infrastructure costs.
 - iii. \$70,000 less in costs related to seminars and education, meetings and travel.
 - iv. Anticipated external costs related to major projects such as CalAIM and CMS Interoperability have yet to be incurred.

Mr. Bishop reviewed the chart highlighting the key income statement categories for November with adjustments for SUR activity in order to show margin or loss from ongoing operations (see chart on next page).

CATEGORY	NOV 2020				FYTD 20-21 THRU NOV			
	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)
MEMBER MONTHS	149,315	150,673	(1,358)	-0.9%	738,790	726,996	11,794	1.6%
REVENUE	\$ 50,752,000	\$ 50,559,000	\$ 193,000	0.4%	\$ 385,472,000	\$ 367,410,000	\$ 18,062,000	4.9%
MEDICAL EXPENSE	\$ 46,428,000	\$ 45,537,000	\$ (891,000)	-2.0%	\$ 367,353,000	\$ 348,123,000	\$ (19,230,000)	-5.5%
MLR	92.7%	91.3%			96.1%	95.6%		
ADMINISTRATIVE EXPENSE	\$ 3,878,000	\$ 4,766,000	\$ 888,000	18.6%	\$ 19,670,000	\$ 23,310,000	\$ 3,640,000	15.6%
ADMINISTRATIVE RATIO	6.4%	8.2%			4.3%	5.5%		
INVESTMENT INCOME	\$ 62,000	\$ 42,000	\$ 20,000	47.6%	\$ 228,000	\$ 208,000	\$ 20,000	9.6%
MARGIN (LOSS)	\$ 508,000	\$ 298,000	\$ 210,000		\$ (1,323,000)	\$ (3,815,000)	\$ 2,492,000	
ADD BACK: SUR ACTIVITY	\$ -	\$ 416,000			\$ 12,000	\$ 2,229,000		
MARGIN (LOSS) FROM OPERATIONS	\$ 508,000	\$ 714,000	\$ (206,000)	-28.9%	\$ (1,311,000)	\$ (1,586,000)	\$ 275,000	

On a year-to-date basis through November and after the removal of SUR activity, SFHP is \$275,000 ahead versus budget expectations. Although a margin is reported for November, we remain cautious due to the uncertainty around membership and rates for CY 2021.

- After removing the Directed Payments funding, premium revenue is above budget by \$4.7 million. This is due to a net increase of 11,794 member months. Adult Expansion member months are 24,140 above budget which is a positive development due to the fact that the premium rate for this category of aid is \$381 pmpm compared to \$257 pmpm for the Adult 19 category and \$113 pmpm for the Child 18 category.
- After removing SUR activity and Directed Payments funding, medical expense is above budget by \$8.1 million. This increase can be accounted for as follows:
 - Capitation expenses are up \$4,559,000
 - Medi-Cal non-Hep C pharmacy costs are up \$1,445,000
 - Prop 56 supplemental payments are up \$1,284,000
 - Healthy Workers pharmacy costs are up \$ 872,000
 - CBAS expenses are up \$ 772,000
 - Health Education costs are down (\$ 832,000)
- Overall administrative expense is below budget by \$3.6 million. The majority of this decrease is due to the elimination of the monthly bonus accrual 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

Mr. Takeuchi reviewed the following financial projections through May 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 project an

increase of approximately 22,000 new members during FY 20-21. Through November, we have added 10,000 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 the finances of the State of California, the State Legislature approved the implementation of a 1.5% rate reduction retroactive to July 2019. This rate reduction is effective for the entire Bridge Period, which runs through December 2020. The rate reduction applies to all categories of aid except dual eligible members. SFHP estimates 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.
3. The pharmacy benefit carve-out scheduled for January 2021 has been delayed until April 2021. The State will take on this benefit and has selected Magellan as its Pharmacy Benefits Manager (PBM). For the period of April through June 2021, SFHP will see a revenue reduction of \$22 million and an expense reduction of \$21 million. This carve-out of the pharmacy benefit was projected to happen on January 1, 2021 and the impact was built into the FY 20-21 budget.
4. In September, SFHP received preliminary rates for CY 2021. Although these rates look promising, the rates do not include risk adjustment and the population acuity adjustment. These adjustments will reduce the preliminary rates. Our actuary believes that after these adjustments are incorporated into the rate-setting process, we may see an overall 3.2% increase, however this is only an estimate. SFHP does not expect to see final rates until late December.
5. Proposition 56 – This program will continue for FY 20-21 and will provide 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

Future Medi-Cal Rates

Beginning with calendar year 2021, DHCS has transitioned its Medi-Cal rate-setting cycle from a fiscal year basis to a calendar year basis. New rates are effective on January 1, 2021. Although the preliminary rates shared with SFHP appear to be favorable, DHCS still needs to apply a risk adjustment as well as a population acuity adjustment which will decrease the rates. DHCS has stated it will release final CY 2021 rates at the end of December.

Due to the COVID-19 pandemic and its impact on the State of California finances, the Administration and State Legislature passed a budget that included a 1.5% retroactive

rate reduction for the Bridge Period of July 2019 through December 2020. This retroactive rate reduction decreased SFHP's Medi-Cal revenue by \$9.3 million.

Given that there is the possibility for another retroactive rate reduction in the FY 21-22 state budget, we will propose to the Finance Committee and Governing Board at the March 2021 meeting to set aside 1.5% of the potential rate increase and place this amount into a reserve to cover the potential claw back by DHCS. If State finances improve and DHCS does not implement a 1.5% rate reduction, SFHP will release the reserve into income by June 30, 2021.

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 retroactive adjustments implemented by DHCS. In recent years, SFHP has absorbed the following:

- | | |
|---|----------------------|
| • 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 |

As you will recall, in each of these three circumstances SFHP recommended and the Finance Committee and Governing Board approved not to make retroactive recoveries from providers. The table on the next page shows how providers would have been impacted had SFHP not absorbed these take-backs by DHCS.

		DECEASED MEMBER	ADULT EXPANSION	
	1.5% RATE REDUCTION	AUDIT	DUALS TAKE-BACK	
PROVIDER	JUL 2019 - DEC 2020	MAR 2020	MAY 2018	TOTAL
HOSPITALS				
ZUCKERBERG SAN FRANCISCO GENERAL	\$ 1,991,442	\$ 418,055	\$ 173,122	\$ 2,582,619
UCSF MEDICAL CENTER	\$ 757,563	\$ -	\$ -	\$ 757,563
CPMC	\$ 679,370	\$ 34,014	\$ 19,852	\$ 733,236
CHINESE HOSPITAL	\$ 221,421	\$ 12,200	\$ 13,878	\$ 247,499
CPMC MISSION BERNAL	\$ 195,700	\$ -	\$ -	\$ 195,700
	\$ 3,845,496	\$ 464,269	\$ 206,852	\$ 4,516,617
MEDICAL GROUPS				
NORTH EAST MEDICAL SERVICES	\$ 1,106,095	\$ 23,431	\$ 33,108	\$ 1,162,634
CLINICAL PRACTICE GROUP	\$ 847,700	\$ 83,885	\$ 75,896	\$ 1,007,481
UCSF MEDICAL GROUP	\$ 298,756	\$ 32,260	\$ -	\$ 331,016
CHINESE COMMUNITY HEALTHCARE ASSOCIATION	\$ 97,984	\$ 10,850	\$ 10,604	\$ 119,438
JADE MEDICAL GROUP	\$ 76,363	\$ -	\$ -	\$ 76,363
BROWN & TOLAND MEDICAL GROUP	\$ 31,756	\$ 8,468	\$ 4,973	\$ 45,197
HILL PHYSICIANS	\$ 29,717	\$ 1,798	\$ 5,386	\$ 36,901
	\$ 2,488,370	\$ 160,692	\$ 129,967	\$ 2,779,029
SFCCC				
MISSION NEIGHBORHOOD HEALTH CENTER	\$ 61,118	\$ 2,284	\$ 2,450	\$ 65,852
HEALTHRIGHT 360	\$ 41,445	\$ 3,121	\$ 4,480	\$ 49,046
SOUTH OF MARKET HEALTH CENTER	\$ 26,290	\$ 4,018	\$ 1,236	\$ 31,544
ST. ANTHONY MEDICAL CLINIC	\$ 7,476	\$ 717	\$ 309	\$ 8,502
SAN FRANCISCO COMMUNITY HEALTH CENTER	\$ 7,256	\$ -	\$ 222	\$ 7,478
NATIVE AMERICAN HEALTH CENTER	\$ 5,797	\$ 356	\$ 444	\$ 6,597
BAART	\$ 3,115	\$ 40	\$ 239	\$ 3,394
	\$ 152,498	\$ 10,536	\$ 9,380	\$ 172,414
UNAFFILIATED				
DR. TRAN	\$ 3,502	\$ 132	\$ 194	\$ 3,828
DR. KHONG	\$ -	\$ 496	\$ 71	\$ 567
MARIN CITY HEALTH AND WELLNESS	\$ 3,439	\$ -	\$ -	\$ 3,439
	\$ 6,941	\$ 628	\$ 265	\$ 7,834
TOTAL	\$ 6,493,305	\$ 636,125	\$ 346,464	\$ 7,475,894

Investment Reports

Rand Takeuchi, Director, Accounting, reviewed the investment reports that were provided to the Finance Committee in the packet.

Mr. Fawley stated the Finance Committee reviewed the finances in detail and the expenses and revenues are tracking together as expected. He stated 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 \$150,000 Grant to San Francisco Community Clinic Consortium (SFCCC) to Purchase Personal Protective Equipment for the SFCCC Network

Recommendation: SFHP recommends the approval of a \$150,000 grant to the San Francisco Community Clinic Consortium (SFCCC) to purchase Personal Protect Equipment (PPE) and other related needs during the COVID-19 public health emergency for the SFCCC providers.

John F. Grgurina, Jr., CEO, reviewed the background to the Board. (Detailed attachments were provided in memo to the Board.)

To provide ongoing support to the SFHP provider network as the public health emergency continues, SFHP recommends an additional \$150,000 grant to the SFCCC. SFCCC would be responsible for purchasing and distributing the items to the SFCCC network and other SFHP providers. Of the grant funds, SFCCC would be allowed up to \$30,000 for administrative expenses.

Earlier this year, the Governing Board approved two grants of \$300,000 to SFCCC to assist with the purchase PPE for SFCCC clinics, as well as other SFHP providers outside of SFCCC. The PPE purchased and distribute by SFCCC included over 300,000 gloves of various sizes and 50,000 N95 masks that were distributed to all SFCCC clinics and other SFHP providers including Chinese Community Health Care Association, Jade Medical Group, Brown and Toland, Hill Physicians and Chinese Hospital.

In addition to PPE, the proposed grant to SFCCC would give SFCCC the discretion to purchase the items below to enhance the providers' clinical management of COVID-19 suspected and COVID-19 infected patients:

- 1) Purchase of point-of-care rapid COVID tests that can be administered in a physician's office or at home; and
- 2) Purchase of home pulse-oximeters to give to selected patients diagnosed with COVID to enhance self-monitoring and communication to providers of potential clinical deterioration.

SFHP recognizes the COVID-19 pandemic has caused financial and other resource constraints throughout our network and recommends approval of the \$150,000 grant and allow SFCCC the flexibility to purchase PPE and the other COVID-19 tests and pulse-oximeters needed by SFCCC providers to serve SFHP members during the public health emergency. SFCCC would also like to fund health centers' expansion and implementation of nutrition programs for patients with food insecurity and identified health conditions that place them at risk for adverse health events. Up to \$50,000 would be allowed for the food insecurity program.

Sabra Matovsky, CEO, SFCCC, expressed her gratitude and thanked the leadership at SFHP and the Board. Ms. Matovsky mentioned things are going well, and food and security was just in time.

With the Finance Committee recommendation, the Board unanimously approved the recommendation of \$150,000 grant to the SFCCC to purchase PPE and other related needs, including the expansion of the nutrition program, during the COVID-19 public health emergency for the SFCCC providers. Ms. Matovsky and Eddie Chan, President and CEO, NEMS abstained from voting.

5. Review and Approval of Reinsurance Vendor Contract

Recommendation: SFHP presented a contract with the current reinsurance vendor, RGA, to be renewed for CY 2021.

Mr. Bishop reviewed the background to the Board and reviewed the memo that was emailed with the vendor's proposal, which was not available at the time the packet was sent in advance of the Board meeting.

As background, Mr. Bishop stated that SFHP purchases reinsurance to protect from losses due to high-cost professional, hospital and pharmacy claims and encounters. SFHP's current broker, Re-Solutions, requested quotes from several carriers offering reinsurance coverage. SFHP received quotations from Odyssey Re (Connecticut), Berkley Re (Connecticut) and Ironshore (Massachusetts). The quotations were not competitive. When compared to the current rates with RGA, Berkley Re was 77% higher, Odyssey Re was 69% higher and Ironshore was 65% higher. Re-Solutions contacted an additional nine carriers, but all declined to submit a quote.

The total CY 2020 premiums are estimated to be approximately \$4.2 million. For Hospital services, SFHP and participating providers will see a 3.1% decrease in premiums for the SPD and Dual populations. Premiums for the Adult, Child, Adult Expansion and Healthy Workers members will remain the same as CY 2020. For Professional services, SFHP and participating providers will see a 36.9% decrease in premiums for the SPD and Dual populations. Premiums for the Adult, Child, Adult Expansion and Healthy Workers members will increase by 2.4%.

Mr. Bishop stated requested approval of the recommendation to renew the contract with RGA Reinsurance Company for CY 2021. The overall premium will decrease as a result of the Medi-Cal pharmacy benefit transitioning to the State effective April 1, 2021. Deductible levels will remain the same - \$110,000 for Professional services and \$375,000 for Hospital services.

With the Finance Committee recommendation, the Board unanimously approved the contract with a reinsurance vendor for calendar year 2021.

6. Federal and State Updates

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

Ms. Sousa spoke about the Georgia election results. Democrats gained the Senate majority by winning both of Georgia's January 5th runoff elections. Democrats now have 50 Senate seats and control with Vice President-elect Kamala Harris acting as the tie-breaker. A signature recall of California Governor Gavin Newsom was launched on June 10, 2020. Supporters of the recall have until March 17, 2021, to collect approximately 1.5 million valid signatures needed for a recall election.

On November 6, 2020, Superior Court extended the signature deadline for the recall from November 17, 2020, to March 17, 2021. Supporters of the recall argued that the signature deadline should be extended by 120 days because the COVID-19 pandemic inhibited their ability to circulate petitions.

Federal COVID-19 Stimulus Update

Long-delayed federal stimulus package was proposed, which includes about \$900 billion (B) for the following:

- One-time \$600 per person payments to individuals with 2019 incomes up to \$75,000 and families with incomes up to \$150,000.
- Unemployment Insurance (UI) Extension: extra 11 weeks of benefits and \$300 supplemental payment on top of state UI benefit.
- \$275B for Paycheck Protection Program for small businesses relief.
- \$25B in rental assistance and 1-month extension for eviction moratorium.
- \$13B in food stamp funding; \$82B for schools, \$20B for vaccine distribution.

Key President-Elect Biden Appointment to Health and Human Services

California Attorney General (AG) Xavier Becerra nominated for U.S. Secretary of Health and Human Services (HHS). Governor Newsom will make at least two appointments:

- U.S. Senate seat vacated by Vice-President-Elect Kamala Harris will be appointed prior to January 20 when Vice-President-Elect Harris will be sworn into office.
- The replacement for Mr. Becerra will be needed if he is confirmed by the U.S. Senate.

CA v. Texas Update

Ms. Sousa reviewed the oral arguments for CA v. Texas, which were heard on November 10th. Arguments appeared encouraging that U.S. Supreme Court justices may be willing to leave the Affordable Care Act (ACA) mostly intact, even if the individual mandate is found unconstitutional but it is impossible to predict. Ms. Sousa reviewed multiple potential scenarios, ranging from rulings with no

impact to the ACA to a full repeal of the ACA. The U.S. Supreme Court will issue its decision by June 10, 2021.

State Updates

Ms. Sousa mentioned the Medi-Cal Rx implementation will be delayed until April 2021. The Department of Health Care Services (DHCS) announced that COVID-19 vaccine administration fees will be carved out of Medi-Cal managed care.

A new Legislature was sworn in on December 7, 2020 and will return to session on January 11, 2021 (delay of one week due to COVID-19 concerns). The Governor's proposed FY 21-22 State budget will be released by January 10th.

State revenues are significantly higher than projected. The Legislative Analyst Office projects a one-time \$26 billion windfall due to lower caseloads levels and higher income tax receipts. The Governor will likely revive the CalAIM proposal that would significantly integrate and coordinate more benefits through Medi-Cal managed care.

7. City National Bank Presentation on the Market and Economic Landscape in 2021

Robert Harder from City National Bank presented a Market and Economic Landscape in 2021. (Detailed slides were provided in the Board packet.)

8. Chief Medical Officer's Report

a. Review and Approval of Evaluation of SFHP's 2020 Quality Improvement Program

Recommendation: Review and approval of the Evaluation of SFHP's 2020 Quality Improvement Program.

Dr. Jim Glauber provided an overview of the evaluation of SFHP's 2020 Quality Improvement Program to the Board. (Detailed PowerPoint slides were provided in the Board packet.) He highlighted the following successes and recommendations:

Quality of Service & Access to Care

- Promoted Teladoc benefit to members. An additional 861 SFHP members registered for Teladoc in FY 19-20.
- Provided Strategic Use of Reserves (SUR) grants program to implement or scale electronic member communication platforms (appointment scheduling, lab result notifications).
- Invested in appointment scheduling improvements and telehealth infrastructure through Strategic Use of Reserves grant funds.

- Incentivized clinics and provider groups to improve access under SFHP's Pay-for-Performance program, and Practice Improvement Program/Strategic Use of Reserves grants.
- Conducted member focus groups to understand member perception regarding access to specialty care, as specialty care is a key driver of improvement of member experience.

Clinical Quality & Patient Safety

- Exceeded target (12%) for percent of members with Opioid Use Disorder with at least one buprenorphine prescription (final result of 12.3%).
- Increased by 6.3% over baseline total members with chronic Hepatitis C infection completing chronic Hepatitis C treatment (final result of 37.3%).
- Exceeded target (40.5%) for increasing members receiving recommended Chlamydia screening (final result of 58.1%).
- Expanded eligible age range and restructure incentive report for SFHP children and adolescent incentives to identify members who have not had a preventive care visit in greater than nine months; send incentive three months before next birthday.
- Offered Diabetes Prevention Program (DPP) virtual classes to pre-diabetic (in addition to the existing in-person classes).

Utilization of Services

- Promoted telehealth services to members and providers, including tele-behavioral health, through robo-calls and a registration incentive campaign.
- Incentivized providers to increase the percentage of members with primary care visits by including measure in SFHP's Pay-for-Performance Program.
- Funded Strategic Use of Reserves grants for medical groups to increase or improve appointment scheduling options.
- Communicated weekend and after-hours appointment access of mental health services for members.

Care Coordination

- Attained high member satisfaction with care management services provided by SFHP.
- Exceeded target of 70% for member clinical depression follow up with a final result of 77%.
- Provided staff coaching from Clinical Supervisors and Medical Director with the Care Management Nurses and Community Coordinators to assess for client barriers and gaps in health education and connection to PCP.

The Board unanimously approved the evaluation of SFHP's 2020 Quality Improvement Program.

b. Review and Approval of SFHP's 2021 Quality Improvement Program Workplan

Recommendation: Review and approval of SFHP's 2021 Quality Improvement Program description and workplan.

Dr. Glauber reviewed the 2021 Quality Improvement Program description and workplan. (Detailed PowerPoint slides were provided in the Board packet.)

The Board unanimously approved SFHP's 2021 Quality Improvement Program description and workplan.

9. Member Advisory Committee Report

Maria Luz Torre and Irene Conway both provided the Board with a Member Advisory Committee (MAC) report. The Committee hosted their meeting virtually, via Zoom.

Ms. Torre stated that the Committee met in November 2020 and implemented their 2020 goals and deferred them to 2021. In March, the Committee will have a SFHP staff come present to discuss the Medi-Cal transition from SFHP to State program for pharmacy benefits.

At the December 2020 meeting, the Committee celebrated their year-end annual holiday party via Zoom.

Lastly, both Ms. Torre and Ms. Conway stated that the Committee members expressed gratitude that despite COVID-19 MAC was doing something fun to take their minds off the pandemic.

10. CEO Report – Highlighted Items- Healthy San Francisco and City Option Updates, Operations Updates, NCQA Update and Security Updates

John F. Grgurina, Jr., CEO, highlighted SFHP successfully completed the FY 20-21 organizational goal to renew its NCQA accreditation. It was a marathon process that extended over two years and ended with file review interviews on December 8, 2020.

SFHP also appreciates the work of our delegates that submitted their files for the review, including North East Medical Services, Jade Medical Group and San Francisco Health Network.

Due to the pandemic, NCQA adjusted the health plan rating process and determined that HEDIS and CAHPS results will not be used to determine health plan ratings. Health plans must pass the evidence portion and file reviews to renew their accreditation. Multiple SFHP cross-functional teams worked closely

together to incorporate the NCQA standard requirements into day-to-day operations in the areas of 205 Clinical Operations, Pharmacy, Health Outcomes Improvement, Customer Service, Business Analytics, Care Management, Provider Network Operations and Compliance and Regulatory Affairs. These areas ensured compliance with 2019 and 2020 NCQA standards, produced all documents to demonstrate compliance and prepared for the mock and actual surveys. The teams worked diligently together to prepare cases for the presentations and interviews. The work spanned over two years and culminated in the production of over 150 documents that were submitted in October and preparation of 210 case files for the surveys on December 7th and 8th. Out of 145 points, the preliminary report received on December 15th from NCQA indicates a score of 144, or 99.3%. Although the final report will be released in mid-January 2021, we believe SFHP's NCQA accreditation will be renewed through December 2023.

The Board Adjourned to Closed Session

11. Review Future Med-Cal Rate Changes for Provider Contracts

This item was discussed in closed session.

12. Review Contract Change for Zuckerberg San Francisco General Hospital to Fee-for-Service Payments for SFCCC Clinic Members

This item was discussed in closed session.

13. Chinese Community Health Care Association Managed Service Organization Transition and Pre-Delegation Audit Update

This item was discussed in closed session.

14. Report on Closed Session Action Items

Dr. Fugaro reported on the closed session.

15. Adjourn

Reece Fawley, Secretary/Treasurer