Joint San Francisco Health Authority/San Francisco Community Health Authority Governing Board
March 3, 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, Steve Fields, 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 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), Hayson Chiu, Medical Assistant for Dr. Lawrence Cheung, and Tiffany Washington, Anthem Blue Cross. There were no public comments.

John F. Grgurina, Jr., CEO, announced that there were three promotions. Kaliki Kantheti has been promoted to Chief Operations Officer, Nina Maruyama has been promoted to Chief Compliance and Regulatory Affairs Officer, and Sumi Sousa has been promoted to Chief Policy Development and Coverage Programs Officer. The Board congratulated all three on their promotions. In addition, John mentioned that Valerie Huggins birthday was coming up on March 8th. The Board wished Ms. Huggins a happy birthday. Lastly, Dr. Fugaro announced it was Mr. Grgurina's 13th work anniversary. The Board congratulated Mr. Grgurina.

1. Approval of Consent Calendar

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

a. Minutes from January 6, 2021 Governing Board Meeting
b. Credentialing and Recredentialing Recommendations

The Board unanimously approved the consent calendar without any issues.

2. Federal Updates and State Budget Updates

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

Ms. Sousa reviewed the $1.9 trillion Federal stimulus bill that is mostly intact as it is now in budget reconciliation in the Senate. It would provide aid to state, local and tribal governments. California would receive $26 billion, of which California cities and counties would receive $14.5 billion. She also reviewed how individuals would benefit as well. There would be $1,400 payments to people with individual incomes under $75,000 and $2,800 for couples with incomes under $150,000. The federal stimulus broadens the child tax credit for one year to $3,600 for kids aged 0 to 5 years old and to $3,000 for children aged 6 to 17 years old. The $300 weekly unemployment payments would continue through September 6, 2021. Health insurance subsidies were also included, which includes backfills for existing California-funded Covered CA subsidies for two years. There would also be a 100% subsidy for COBRA coverage for premiums from April 1 to September 30, 2021.

Ms. Sousa then reviewed the Golden State Opportunity, a state-based stimulus package that was signed on February 23, 2021. This provides a one-time $600 ($1,200 for a household) payment to 5.7 million Californians. Low-wage workers eligible for Earned Income Tax Credit in 2020 (earning about $30,000 annually) qualify for the payment. In addition, undocumented Californians filing state taxes that were ineligible for prior federal stimulus payments and individuals on CalWorks, SSI/SSP, and Cash Assistance Program for Immigrants (CAPI) also qualify. The Golden State Opportunity also provides additional childcare stipends of $525 per child. It includes $2 billion in grants of up to $25,000 for small business relief and fee waivers for restaurants, bars, salons, etc. impacted due to COVID. The stimulus provides additional support to state food banks and funds for CalFresh outreach. Finally, it restores funding for higher education and courts that was reduced in the last budget.

Ms. Sousa stated that the effort to recall Governor Newsom will likely qualify. The signature gathering continues, with a March 17 deadline to submit 1.5 million valid signatures of California voters. Supporters have gained more momentum and money since last fall. If signature gathering is successful, the recall and election could be on the ballot in November 2021.

Ms. Sousa was asked if the Affordable Care Act appears to be safe for two years and she responded that it would be safe for two and maybe four years.

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.

Rand Takeuchi, Director, Accounting, reviewed the year-to-date unaudited financial statements for the period ending January 31, 2021.

1. January 2021 reported a margin of $1,656,000 versus a budgeted loss of ($3,000). After removing Strategic Use of Reserves (SUR) activity, the actual margin from operations remained $1,656,000 versus a budgeted margin of $414,000.

   On a year-to-date basis, we have a loss of ($1,154,000) versus a budgeted loss of ($6,137,000). After removing SUR activity, the actual loss from operations is ($912,000) versus a budgeted loss ($2,389,000).

2. Variances between January actual results and the budget include:

   a. A net increase in revenue of $10.0 million due to:
      i. $7.9 million more in premium revenue due to the delay of the Medi-Cal pharmacy carve-out to April 1, 2021. The budget assumed the pharmacy carve-out would be effective January 1, 2021, therefore we projected lower revenue due to the transfer of the pharmacy benefit to the State. DHCS built a new pharmacy component into the CY 2021 rates to cover this benefit for the period of January through March 2021.
      ii. $1.7 million more in premium revenue due to the Medi-Cal rate increases effective January 1, 2021. Member months were 4,615 less than budget projections, however the rate increases more than offset the shortfall in member months and drove extra revenue. Adult, Child and Seniors and Persons with Disability (SPD) member months were 9,207 less than budget, however Adult Expansion member months were 4,702 more than budget. Membership continues to be on an upward trend with new members coming in, however, we are not adding members at quite the same rate as expected per the budget. Due to the public health emergency (PHE) created by the COVID-19 pandemic, members are not being placed on hold for purposes of redetermination.
      iii. $252,000 more in Hepatitis C revenue. The budget did not assume any Hepatitis C revenue for January as the pharmacy carve-out was expected to happen January 1, 2021.
      iv. $167,000 more in administrative revenue, mostly due to revenue

related to the Behavioral Health Integration (BHI) Incentive program.

b. A net increase in medical expense of $8.7 million primarily due to:

i. $7.0 million more in pharmacy expense. Much like on the revenue side, the budget assumed the pharmacy carve-out would be effective January 1, 2021, therefore we projected lower medical expense due to the transfer of the pharmacy benefit to the State.

ii. $1.2 million more in hospital fee-for-service claims. This increase was due to two reasons – 1) December claims volume was lighter due to the holidays pushing more claims into January; and 2) two large inpatient claims totaling $524,000 were received in January (one in the amount of $357,000 from Stanford Medical Center and another in the amount of $167,000 from UCSF Medical Center).

iii. $309,000 more in Community-Based Adult Services (CBAS) expense. This increase is due to claims lag along with an increase in utilization resulting from the implementation of Temporary Alternative Services (TAS) which allows the CBAS centers to submit claims for telephonic and telehealth CBAS provided to Medi-Cal members during the PHE.

iv. $279,000 more in Hepatitis C drug expense. The budget did not assume any Hepatitis C revenue for January as the pharmacy carve-out was expected to happen January 1, 2021.

v. $217,000 more in Healthy Workers pharmacy expense. The actual cost was $83.68 pmpm while the budgeted cost was $65.18 pmpm. It is important to note that SFHP receives only $57.67 pmpm in the Healthy Workers rate making the true loss $304,000. SFHP is working with the Human Services Agency (HSA) to secure a rate increase for the pharmacy benefit effective April 1, 2021.

vi. $103,000 more in Non-Specialty Mental Health (NSMH) expense. This additional cost is due to increasing utilization.

vii. $381,000 less in Health Education expenses. This 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 $433,000 due to:

i. $289,000 less in Compensation and Benefits due to discontinuing the bonus accrual (the accrual is fully funded for FY 20-21) and not implementing merit increases in FY 20-21.

ii. $215,000 less in Professional Fees and Consulting. Anticipated external costs related to major projects such as CalAIM and CMS Interoperability have yet to be incurred.

iii. $135,000 more in Pharmacy Benefits Manager (PBM) fees due to the delay in the Medi-Cal pharmacy carve-out.

Mr. Takeuchi reviewed the following chart, highlighting the key income statement categories for January with adjustments for SUR activity to show margin or loss from ongoing operations.

	------------------------JAN 2021------------------------------				--------------------FYTD 20-21 THRU JAN--------------------------			
CATEGORY	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)	ACTUAL	BUDGET	FAV (UNFAV)	% FAV (UNFAV)
MEMBER MONTHS	151,548	156,163	(4,615)	-3.0%	1,041,683	1,037,119	4,564	0.4%
REVENUE	$ 54,216,000	$ 44,241,000	$ 9,975,000	22.5%	$ 490,826,000	$ 462,947,000	$ 27,879,000	6.0%
MEDICAL EXPENSE	$ 48,427,000	$ 39,715,000	$ (8,712,000)	-21.9%	$ 464,296,000	$ 436,639,000	$ (27,657,000)	-6.3%
MLR	90.8%	91.2%			95.5%	95.3%		
ADMINISTRATIVE EXPENSE	$ 4,138,000	$ 4,571,000	$ 433,000	9.5%	$ 27,966,000	$ 32,737,000	$ 4,771,000	14.6%
ADMINISTRATIVE RATIO	6.1%	8.9%			4.7%	6.1%		
INVESTMENT INCOME	$ 5,000	$ 42,000	$ (37,000)	-88.1%	$ 282,000	$ 292,000	$ (10,000)	-3.4%
MARGIN (LOSS)	$ 1,656,000	$ (3,000)	$ 1,659,000		$ (1,154,000)	$ (6,137,000)	$ 4,983,000	
ADD BACK: SUR ACTIVITY	$ -	$ 417,000			$ 242,000	$ 3,748,000		
MARGIN (LOSS) FROM OPERATIONS	$ 1,656,000	$ 414,000	$ 1,242,000	300.0%	$ (912,000)	$ (2,389,000)	$ 1,477,000	

On a year-to-date basis through January and after the removal of SUR activity, SFHP is $1,477,000 ahead of budget expectations.

- After removing the Directed Payments funding, premium revenue is above budget by $14.5 million. This is due to:
    - $7.9 million in pharmacy revenue that was not expected as the pharmacy benefit was to be carved out January 1, 2021.
    - A net increase of 4,564 member months. Adult Expansion member months are 34,301 above budget which has a favorable impact on revenue due to the fact that the premium rate for this category of aid is $388 pmpm compared to $293 pmpm for the Adult 19 category and $112 pmpm for the Child 18 category.
- After removing SUR activity and Directed Payments funding, medical expense is above budget by $17.8 million. This increase can be accounted for as follows:
    - Medi-Cal pharmacy costs are up $9.0 million
    - Capitation and FFS expenses are up $5.7 million
    - Prop 56 supplemental payments are up $2.4 million
    - Healthy Workers pharmacy costs are up $1.3 million
    - CBAS expenses are up $1.1 million
    - Health Education costs are down ($1.7 million)

  Medi-Cal pharmacy costs are up due to the delay in the carve-out. Capitation and FFS expenses are up due to increasing membership, as well as some high dollar inpatient hospital claims. Healthy Workers pharmacy costs are higher as the reimbursement rate established in early 2018 has not been sufficient to cover current drug costs and associated utilization. Proposition 56 supplemental payment activity is higher than anticipated, however this is not an issue as SFHP has received more than enough funding to cover these costs. CBAS costs are up due to greater utilization caused by the ongoing public health emergency. As stated previously, SFHP was working with the San Francisco HSA to secure a rate increase for April 1, 2021. Mr. Bishop thanked Greg Wagner for his assistance with securing the rate increase for Healthy Workers. This will increase the pmpm rate for pharmacy services for SFHP, as well as the hospital pmpm for ZSFG.

- Overall administrative expense is below budget by $4.8 million. Most of this decrease is due to the elimination of the monthly bonus accrual, not implementing merit increases 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 the CMS Interoperability Rule.

PROJECTIONS

Mr. Takeuchi reviewed the following financial projections through July 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 projected an increase of approximately 22,000 new members during FY 20-21. Through January, we have added 11,500 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 state of California finances, the State Legislature approved the implementation of a 1.5% rate reduction retroactive to July 2019. This rate reduction was effective for the entire Bridge Period which ran through December 2020. The rate reduction applied to all categories of aid except dual eligible members. SFHP estimated 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. SFHP does not expect DHCS to implement a similar reduction for January through June 2021.

3. The pharmacy benefit carve-out scheduled for January 2021 was delayed until April 2021 and then delayed again to an unspecified date. DHCS will provide an update in May 2021. When implemented, the State would take on the pharmacy benefit through the selected vendor, Magellan, as its Pharmacy Benefits Manager (PBM). With an April 2021 transition, DHCS planned to continue to pay MCPs for pharmacy services. With the April date, SFHP will receive $8 million dollars in additional revenue per month for February and March along with a similar amount for the associated pharmacy expense. With the indefinite postponement, DHCS will continue payments to MCPs until the transition occurs.

4. In December, SFHP received final rates for CY 2021. Overall, SFHP received an increase of approximately 4.3% plus the return of the 1.5% Bridge Period rate reduction (1.3% actual). 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 several Strategic Use of Reserves (SUR)

programs along with retroactive adjustments implemented by DHCS totaling $12.7 million.

5. Proposition 56 – This program will continue for the remainder of this fiscal year as well as FY 21-22. Proposition 56 provides 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
RECAP OF STRATEGIC USE OF RESERVES (SUR) PROGRAMS

Since FY 2004-05, SFHP has committed to a total of $124.4 million in provider distributions and SURs. Prior to implementing a formal SUR program, SFHP's Governing Board approved annual provider distributions. From FY 2004-2005 through FY 2013-2014, provider distributions totaled $34.7 million. In the last five fiscal years, the Governing Board approved six SUR programs for FY 15-16, FY 16-17, FY 17-18, CY 2018, FY 18-19, and FY 19-20. These distributions total $89.7 million.

The table below is a summary of SUR funding remaining to be disbursed. The remaining Practice Improvement Program (PIP) SUR amount of $2,028,030 has been accrued. The SUR balance of $6,183,099 will be recorded as medical expense when paid. Although SFHP excludes this SUR activity when tracking ongoing financial performance, it is important to note that SFHP will most likely continue to report losses overall until all SUR funding commitments have been disbursed. The projected timing of disbursements for the $6.2 million is as follows:

- FY 20-21 $1.4 million
- FY 21-22 $2.4 million
- FY 22-23 $2.4 million

	---------------------REMAINING BALANCE---------------------		
CATEGORY	PIP SUR	SUR	
MEDICAL GROUP	FY17-18 & FY18-19	FY17-18 & FY18-19	TOTAL
CHINESE COMMUNITY HEALTH CARE ASSN	$ 747,635	$ -	$ 747,635
BROWN & TOLAND MEDICAL GROUP	$ 496,761	$ 3,252	$ 500,013
SFHN - PRIMARY CARE	$ 273,084	$ 162,676	$ 435,760
HILL PHYSICIANS	$ 313,688	$ -	$ 313,688
HEALTHRIGHT 360	$ 108,490	$ -	$ 108,490
UCSF MEDICAL GROUP	$ 79,281	$ -	$ 79,281
BAART COMMUNITY HEALTHCARE	$ 5,676	$ -	$ 5,676
ST. ANTHONY MEDICAL CLINIC	$ 2,726	$ -	$ 2,726
SOUTH OF MARKET HEALTH CENTER	$ 689	$ -	$ 689
	$ 2,028,030	$ 165,928	$ 2,193,958
HOSPITALS			
ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL	$ -	$ 502,872	$ 502,872
CALIFORNIA PACIFIC MED CTR & CPMC MISSION BERNAL	$ -	$ 409,669	$ 409,669
UCSF MEDICAL CENTER	$ -	$ 129,679	$ 129,679
CHINESE HOSPITAL	$ -	$ 35,006	$ 35,006
DIGNITY-ST. MARY'S MEDICAL CENTER	$ -	$ 10,000	$ 10,000
DIGNITY-ST. FRANCIS HOSPITAL	$ -	$ 10,000	$ 10,000
	$ -	$ 1,097,226	$ 1,097,226
RETENTION/TARGETED INTERVENTIONS			
CHIROPRACTIC/MEMBER INCENTIVES	$ -	$ 2,469,945	$ 2,469,945
HOME BASED CARE (ADVANCED PRIMARY CARE-MEDZED)	$ -	$ 2,000,000	$ 2,000,000
PROJECT OPEN HAND -MEDICALLY TAILORED MEALS	$ -	$ 400,000	$ 400,000
DOULA PROGRAM WITH DPH	$ -	$ 50,000	$ 50,000
	$ -	$ 4,919,945	$ 4,919,945
	$ 2,028,030	**$ 6,183,099**	**$ 8,211,129**

Investment Reports

Mr. Takeuchi reviewed the investment reports that were provided to the Finance Committee in the packet. Returns on investment are low as expected due to the conservative investments.

Mr. Fawley, Chair of the Finance Committee, stated the Committee reviewed the finances in detail and the expenses and revenues are tracking together as expected. He commented that the finances are showing very good year-to-date results and that the 4.7% administration rate is remarkable. He stated this was a significant added value to providers, which is a big difference when compared to for-profit health plans. He reported that 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 Proposed Revisions to FY 20-21 Organizational Goal's Success Criteria

Recommendation: SFHP recommends the Governing Board approve a change from "Primary Care Utilization" to "Outpatient Utilization" in the Organization Goal 3.2, but leave the baseline, outcome period and success measures unchanged. Outpatient utilization would include primary care, specialty care, urgent care, and telemedicine.

Fiona Donald, MD, Chief Medical Officer, reviewed the background with the Board. The FY 2020-21 organizational goals included one to address the pandemic's impact to reduce primary care visits, despite increased flexibilities afforded for telehealth care. The following is the goal as originally approved at the June 2020 Governing Board meeting and the proposed revision that is shown with a strikethrough and underlined font changes:

1) Restore primary care outpatient utilization to pre-pandemic levels:

Goal: By Q2 2021, restore overall primary care outpatient utilization (visits/1000mm) to pre-pandemic level in Q2 2019

Minimum (**3 points**): ~~PCP~~ Outpatient visits/1000mm >80%-90% of Q2 2019 rate
Meets (**4 points**): ~~PCP~~ Outpatient visits/1000mm >90%-100% of Q2 2019 rate
Stretch (**5 points**): ~~PCP~~ Outpatient visits/1000mm equal to or greater than Q2 2019 rate

Over the course of this fiscal year, our business analytics team has updated the data model which reports SFHP utilization data. One of the goals of this update is to be able to report telemedicine visits as a discrete category of utilization, given its widespread adoption during the COVID pandemic. We also have seen a large increase in telemedicine visits during the pandemic. Many of these visits are billed by providers not flagged as primary care physicians in QNXT, our claims/encounter adjudication system. SFHP defines primary care providers as those providers who are credentialed for members to choose (or be assigned to) as their PCP.

We believe the pandemic and related public health emergency, which affords greater flexibility for who can provide physician services to members, has changed the scope of practice of some physicians and expanded the pool of physicians providing services. This makes it difficult to determine whether a telemedicine visit or in-person visit rendered by a physician not flagged in our system as a “PCP” represents utilization of primary care or specialty care.

Dr. Donald explained that the purpose of the organizational goal is to mitigate the potential harm to members, if sustained, by the significant decrease in physician utilization that occurred in the quarter immediately following the March 2020 shelter-in-place restrictions. Primary care utilization dropped 18.0% in Q2-2020 compared to Q2-2019 and non-PCP/specialist utilization dropped 40.5 % in Q2-2020 compared to Q2-2019. A decline of this magnitude risks our ability to maintain or improve quality of care, as measured by HEDIS, and jeopardizes the health of members with serious chronic diseases. Recent reports of the 2020 all-cause excess mortality rate in California shows this where there are more excess deaths than previous years above what can strictly be attributed to COVID-19.

The overriding intent of this organizational goal is to support our providers and encourage our members to utilize medically indicated care, whether it be in-person or via telemedicine. While some of this care undoubtedly must be in person with one’s PCP, some will be with a specialist or either a PCP or specialist via telemedicine modalities.

Given the aforementioned challenges with trending primary care utilization from the 2019 baseline period to the 2021 outcome period, we believe that a more inclusive measure of “outpatient utilization” for the organizational goal encompasses all the modalities via which members may receive care from physicians, physician assistants, and nurse practitioners. This change in the goal definition remains consistent with the intent of the original primary care measure. The expanded outpatient utilization definition allows accurate comparison between the baseline and outcome period since there will be no need to separately report primary care discrete from non-PCP/specialist, urgent care, and telemedicine utilization. This recommendation is made solely based on methodologic considerations since we have not seen reporting of Q3 or Q4 2020 utilization and thus cannot assess whether the original or proposed goal definition better ensures success in meeting the success targets.

The Board unanimously approved a change from “Primary Care Utilization” to “Outpatient Utilization” in the Organization Goal 3.2, but leave the baseline, outcome period and success measures unchanged. Outpatient utilization would include primary care, non-PCP/specialist care, urgent care, and telemedicine.

5. Member Advisory Committee (MAC) Report

Recommendation: MAC recommends the SFHP Governing Board approve the Member Advisory Committee Goals for Calendar Year 2021.

Maria Luz Torre and Irene Conway, Co-Chairs of MAC, reviewed the MAC 2021 goals with the Board. Due to the pandemic, MAC was not able to meet all goals and proposes to carry the 2020 goals to 2021. The Board unanimously approved the Committee's 2021 goals.

Ms. Torre and Ms. Conway provided the Board with a MAC report. The Committee hosted their meetings virtually via Zoom. Ms. Torre stated that the Committee met in January and February 2021. At the January meeting, the Committee did a wellness check and expressed gratitude and finalized their 2021 goals for approval by the Governing Board.

At the February meeting, SFHP staff attended the meeting to discuss the SFHP's member incentive program and provided updates on redesigning the existing programs and a plan to discontinue programs based on data and needs of members. Mr. Grgurina attended both meetings and provided the MAC with State updates and answered questions about the COVID-19 vaccines.

6. Chief Medical Officer's Report

a. COVID -19 Vaccine Update and SFHP Activities

Dr. Donald provided the Board with COVID-19 vaccine updates and SFHP activities. (Detailed PowerPoint slides were provided in the Board packets.) Dr. Donald reviewed the COVID-19 vaccine effort in San Francisco by priority tiers. Focus has been on outreach to SFHP Healthy Workers and other In-Home Support Services (IHSS) workers, which are in Tier 1a. Efforts have expanded to Tier 1B, individuals over 65 years old. SFHP has been working in close collaboration with the San Francisco Department of Health, San Francisco Health Network, Public Authority for IHSS, Human Service Agency, pharmacies, North East Medical Services, San Francisco Community Clinic Consortium leadership and the City's COVID Command Center (C3). SFHP has provided key support by contracting with Tactical Telesolutions to provide call center support in English, Spanish, Cantonese, Russian and Vietnamese. Other languages are supported using telephonic interpreters. The call center provides COVID-19 vaccine appointment assistance. The call center number is provided in letters, texts and robocalls sent to targeted population at the direction of the collaborative group. SFHP has also translated materials and provided support to texting and robocall campaigns (SFHP ensured its compliance with requirements of the Telephone Consumer Protection Act).

SFHP has updated its member and provider web pages to provide links to information sources and vaccine locations. SFHP has also been developing a database and dashboard to be able to monitor and analyze vaccine data as the data are made available by the California Immunization Registry (CAIR) and DHCS. Several SFHP staff have also started to volunteer at DPH vaccine sites as line managers and vaccinators.

b. Medi-Cal Rx Update

Dr. Donald informed the Board of the DHCS delay to transition the Medi-Cal pharmacy benefit to Magellan, which was scheduled for April 1, 2021. The new implementation date has not been established. The key issue is the conflict of interest caused the proposed merger of Magellan and Centene, which is a Medi-Cal managed care plan, along with its subsidiary health plans, Health Net and California Health and Wellness. DHCS will provide an update in May regarding a new timeline. SFHP will continue to provide pharmacy benefits to Medi-Cal members until the transition to Medi-Cal Rx. Along with other health plans, SFHP as asked DHCS for at least a six-month notice.

c. Department of Health Care Services' Updated CalAIM Proposal

Dr. Donald provided the Board with an update on DHCS' CalAIM proposal. (Detailed PowerPoint slides were provided in the Board packets.) She reviewed the high-level summary of the multi-year CalAIM plan, which is a road map for the Medi-Cal program through 2027. She reviewed CalAIM's three primary goals:

- Identify and manage member risk and need through Whole Person Care Approaches and addressing Social Determinants of Health.
- Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility.
- Improve quality outcomes and drive delivery system transformation through value-based initiatives, modernization of systems and payment reform.

The first deadline is the transition of Health Homes and Whole Person Care programs into the new Enhanced Care Management program and implementation of a program for In Lieu of Services (ILOS), which are non-Medi-Cal services intended to help Medi-Cal members with housing, addiction, nutrition, and other needs. Utilization of these services is intended to support optimal use of health care services and promote wellness. Plans are not required to implement all ILOS. Funding for these services is still to be determined. These have an implementation date of January 1, 2022. SFHP is working with the County and other interested organizations. Another CalAIM program is the carve-in of major organ transplants. SFHP is currently only responsible for kidney only and corneal transplants. With CalAIM, effective January 1, 2022, SFHP will be responsible for all major organ transplants, e.g., lung, heart, combined kidney and lung, etc.

Sabra Matovsky stated that SFCCC clinics are ramping up their vaccine efforts and would appreciate messaging help from SFHP regarding concerns that the Johnson and Johnson vaccine was not as effective as the Pfizer or Moderna vaccines. Dr. Donald responded that they are working with SFCCC clinic leadership and looks forward to working with them to help schedule appointments. Eddie Chan mentioned the importance of the Johnson and Johnson vaccine since it is a single dose vaccine. He stated that NEMS is currently vaccinating about 3,000 people per week.

7. Annual Review of SFHP Administrative Contracts

The following is presented to the Finance Committee and Governing Board for discussion only. No action is required.

Kaliki Kantheti, Chief Operations Officer, provided the Board with a history of the SFHP administrative contracts. At the March 4, 2015 Governing Board meeting, the Board approved a policy to require Board approval for administrative contracts with a value of $1 million or more. Additionally, with the approval of this policy, SFHP staff agreed to provide the Governing Board with a list of contracts valued at over $100,000 on an annual basis. In keeping with this policy, Ms. Kantheti provided the Board with a review the 48 contracts from calendar year 2020 that were valued at $100,000 or greater.

- In 2020, there were ten contracts whose total spend was over $1 million. All contracts complied with the Governing Board-approved SFHP Contract Approval policy.
- The contracts were either approved by the Governing Board or were grandfathered, i.e., existed prior to the March 2015 policy:
    - SFHP Employee Benefits:
        - Aetna Life Insurance for Health Benefits
        - Kaiser Permanente Health Benefits
        - CalPERS Defined Pension Plan
        - CalPERS 457
        - 401(a) pension plan through Great-West Life
    - RSC Insurance Brokerage – stop-loss premiums
    - 50 Beale St., LLC – main office rent agreement
    - KP, LLC – vendor for printed member material mailings. (KP, LLC is the company's name, and it is NOT Kaiser Permanente, nor related to Kaiser.)
    - Perform Rx – pharmacy benefits manager administrative fees
    - Edifecs, Inc.

In addition to presenting new contracts valued above $1 million to the Board for approval, SFHP staff also determines if a contract previously valued under $1 million approaches actual costs above $1 million that will require Board approval. Ms. Kantheti stated are currently no contracts to bring to the Board for approval.

She noted, however, that in January 2021 SFHP implemented a new contract amendment with Tactical Telesolutions to conduct inbound and outbound call center functions as Dr. Donald explained. If the call center is needed through the end of the calendar year, this contract may cost close to $800,000, but it depends on the number of agents used. We will provide the Board with an update on the cost of this contract at the May Board meeting.

8. CEO Report – Highlighted Items- Updates on SFHP Operations Updates, Work from Home Extension and Form 700

Mr. Grgurina highlighted the Statement of Economic, Form 700. Mr. Grgurina reminded the Board to make sure to file by the April 1st deadline, or there will be penalties. He also stated that Board members who do not complete the form would not be allowed to vote in future meetings until the form has been submitted.

Mr. Grgurina mentioned that SFHP will not mandate a return to the office for any employee before January 1, 2022. (Details are included in the CEO report.)

The Board Adjourned to Closed Session.

9. Review and Approval of No Changes to Med-Cal Rate Provider Rates

This item was discussed in closed session.

The Board Resumed to Open Session

10. Report on Closed Session Action Items

Dr. Fugaro reported on the closed session. He reported that the Board approved the recommendation not to take any action to change provider rates.

11. Adjourn

____
Reece Fawley, Secretary/Treasurer