



MAY 15, 2024 BOARD MINUTES



AGENDA ITEM 2A: GOVERNING BOARD MINUTES

Joint San Francisco Health Authority & San Francisco Community Health Authority Governing Board Minutes

May 15, 2024
(12:00 pm to 2:00 pm)

Board Attendance. In attendance were the following board members:
Abigail Alderson, Juthaporn Chaloeicheep, Eddie Chan, PharmD, Norlissa Cooper, PhD, MSN, MBS, RN, Steven Fugaro, MD, Deneen Hadley, Adina Safer, and Joseph Woo, MD

Absent: Johanna Liu, PharmD, Roland Pickens, MHA, FACHE, and Jian Zhang, DNP, MS, FNP-BC

1. **Welcome.** Steven Fugaro, MD, Chair, opened the meeting and welcomed everyone.
2. **Board Business**
 - a. Appoint the Co-Chairs of the Member Advisory Committee (MAC) to the Governing Board.

Dr. Fugaro informed the Board that the MAC Co-Chairs serve on the Governing Board. At the April 25, 2024 MAC meeting, MAC selected the following two MAC members to be the MAC Co-Chairs:

1. Abigail Alderson
2. Juthaporn Chaloeicheep

Motion to approve Abigail Alderson and Juthaporn Chaloeicheep to become SFHP Governing Board members: Adina Safer
2nd: Deneen Hadley
The motion passed unanimously.

Dr. Fugaro welcomed Ms. Alderson and Ms. Chaloeicheep to the Board.

3. **Consent Calendar.** Dr. Fugaro introduced the Consent Calendar. Under the Consent Calendar, he stated the Board is requested to approve the following items:
 - a. Review and Approval of Minutes from March 27, 2024, Board Meeting
 - b. Review and Approval of Credentialing & Recredentialing Recommendations

Motion to approve Consent Calendar: Adina Safer
Second: Joseph Woo, MD
The motion passed unanimously.

4. **Review and Approval of Year-End 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, the 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%. A detailed financial memo and statements were included in the packet.

Dr. Fugaro invited Deneen Hadley to provide comments from the Finance Committee. Ms. Hadley stated that the Finance Committee reviewed the financials in detail and did not find any significant issues. She complimented the staff on their work and stated the Finance Committee recommends the financials and investment report for approval by the Board.

Motion to approve the year-to-date and year-end unaudited financial and investment reports: Adina Safer

Second: Joseph Woo, MD

The motion passed unanimously.

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. Mr. Takeuchi reviewed the policy with the Finance Committee, which suggested looking at the cost of increasing the coverage to \$3 million, from the current \$2 million.
6. **Chief Executive Officer's (CEO) Report.** Yolanda R. Richardson provided the Board with the highlights from her CEO Report.

She participated in the Racial Equity Commission community meeting in Delano, California and expressed her pleasure at meeting Delores Huerta and hearing about the work she did with Cesar Chavez in Delano, which was inspirational. She attended the Office of Health Care Affordability (OHCA) advisory committee on behalf of the Local Health Plans of California (LHPC) and began to participate in the small CEO group that meets with Secretary Ghaly and Michelle Baas. The small workgroup of CEOs discussed the issues:

- Managed Care Organization (MCO) Tax/Targeted Rate Increase (TRI) Rate Policy
- Enhanced Case Management (ECM) Rates
- Community Reinvestment Policy

Ms. Richardson introduced new Executive staff, Dr. Stephen (Steve) O'Brien, new Chief Medical Officer (CMO), and Jenn Moore, the new Chief Operating Officer (COO). Dr. O'Brien has almost 30 years of leadership experience in health plans and medical systems throughout the Bay Area, including the Alameda Alliance for Health. Dr. O'Brien is also a new San Francisco resident. Ms. Moore has well over 20 years of leadership experience as a director, officer, vice president, consultant, and executive, working at Health Net, Centene and most recently at Virtical.

Emily Webb has also joined SFHP as the External Affairs Officer. She reports into the office of the CEO and her focus will be on developing a strategy for stakeholders and partner engagement. Ms. Richardson also informed the Board that Darin Moore and Kaliki Kantheti's last day will be May 31st.

Ms. Richardson then reviewed the status of the strategic planning process for the FY 24-25 organizational goals, which will be presented to the Board for approval at the June meeting. She then reviewed the Governor's May Revise state budget, which will be reviewed and negotiated with the State legislature. The final budget must be finalized and approved by June 15, 2024.

Ms. Richardson introduced Serena Kirk, Director, Policy, who reviewed the following bills, which the Local Health Plans of California (LHPC) current opposes:

- AB 2466 (Carrillo) Medi-Cal Managed Care: Network Adequacy Standards:
- AB 236 (Holden) Health Care Coverage: Provider Directories
- AB 3275 (Soria) Health Care Coverage: Claim Reimbursement

Ms. Chin Kirk also reviewed the recently passed Proposition 1, Mental Health & Housing, which does not impact SFHP directly, but impacts the county mental health system. Community-based groups focused on mental health, substance abuse and homelessness have been divided given how the initiative changes current law around how mental health is paid for and provided in California.

Ms. Richardson then introduced Gunilla Bergensten, Director, Marketing and Communications, who reviewed options for re-branding SFHP. Ms. Bergensten presented five options to the Board. After explaining the concepts for each, she asked the Board to complete a ballot to vote for their top two choices. The ballots were collected, and the Board's contribution will be combined with the choices of the leadership team of SFHP. Marketing will then narrow the choices and engage focus groups of key stakeholders and make final recommendations to the Board in the September Board meeting.

7. Adjourned

Dr. Fugaro adjourned the meeting.

Secretary/Treasurer