



**Joint San Francisco Health Authority/San Francisco Community Health Authority
Governing Board
September 1, 2021
Meeting Minutes**

Chair: Steven Fugaro, MD
Vice-Chair: Roland Pickens, MHA, FACHE
Secretary-Treasurer: Reece Fawley

Members

Present: Dale Butler, Eddie Chan, PharmD, Lawrence Cheung, MD, Irene Conway, Reece Fawley, Steven Fugaro, MD, Roland Pickens, MHA, FACHE, Maria Luz Torre, Emily Webb, David Woods, PharmD, Greg Wagner, and Jian Zhang, DNP, MS, FNP-BC

Members

Absent: Steve Fields

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 Lisa Mayberry, SFHP's counsel with DSR Health Law, and Deena Lahn, with the San Francisco Community Clinic Consortium (SFCCC). There were no other members of the public and no public comments.

John F. Grgurina, Jr., CEO, announced his retirement. His last day will be April 2, 2022. He stated the search process will begin after the September 1st Board meeting. There are almost eight months until his departure, which allows time for the Board to identify and hire the next SFHP CEO and for him to support the organization in this change.

Dr. Fugaro complimented how well Mr. Grgurina has shepherded the organization so that it is in excellent shape and running well. He stated that the Board will be discussing the search process in Closed Session today, but that the organization would be attractive to potential candidates. Dr. Fugaro stated the health plan is in a remarkably good place, with a good Executive Team. He also mentioned that Kate Gormley, Chief

Human Resources Officer, and Nicole Lambrou, Consultant, will be working with the Board for the CEO search process.

1. Approval of Consent Calendar

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

- a. Approval of minutes from June 9, 2021 Governing Board Meeting
- b. Quality Improvement Committee (QIC) Minutes
- c. Year-End 2020-21 Unaudited Financial Statements and Investments Reports
- d. Year-to-Date July 2021 Unaudited Financial Statements and Investment Reports
- e. Credentialing and Recredentialing of Providers
- f. Pharmacy & Therapeutics Committee Appointment
- g. Juneteenth Holiday

Due to the length of the agenda, the unaudited financial statements and investment reports were included on the Consent Calendar for the September meeting. Reece Fawley, Chair, Finance Committee stated the committee had a full review and discussion of the unaudited financials and investment reports. He stated there were no issues and recommended approval by the full Board.

The Board unanimously approved the consent calendar without any issues.

2. Member Advisory Committee (MAC) Report

Maria Luz Torre and Irene Conway, co-chairs of the MAC, reported the Committee met in June and August 2021. There was no meeting in July. Ms. Torre mentioned that at the August meeting, John announced his retirement and discussed the search process for the new CEO. The Committee expressed their gratitude and thanked John for his leadership at the health plan and how he will be missed. They wished him happiness in retirement.

3. Review and Approval of the Organization Score for the Board-Approved FY 20-21 Organizational Goals and FY 20-21 Year-End Staff Bonus

Recommendation: SFHP completed FY 20-21 successfully by achieving an organization score of 100% for all success criteria approved by the Governing Board. Mr. Grgurina recommended that the Governing Board consider approval of the following items:

- 1) With the FY 20-21 financial position meeting the sufficient requirement to pay the staff bonus and bonus funds were budgeted in the year-end statements, approve the distribution of staff bonuses, according to the organizational score and individual performance scores.
- 2) Approve the organization score of 100% (Details were provided in the Board packet.)

Mr. Grgurina stated that the Finance Committee recommended approval of the SFHP FY 20-21 financial position, which met the requirement to pay the year-end staff bonus.

Based on the financial position of SFHP and the organizational result of achieving a score of 100% for the success criteria for the organizational goals in FY 20-21, Mr. Grgurina stated his recommendation the Board approve the following:

- 1) FY 20-21 financial position meets the sufficient requirement to pay the staff bonuses that were budgeted for FY 20-21; and
- 2) Distribution of staff bonuses, according to the organization score of 100% and individual and mandate score performances.

Consistent with the past several years, the individual employee goals achievement, department score and organization score are used to determine the employee's bonus payment, if any, as follows:

Weights	Executives	Directors	Managers	Staff- Individual Contributors
Organization score	50%	40%	34%	25%
Mandate score	25%	35%	33%	25%
Individual Goals score:	25%	25%	33%	50%
Total	100%	100%	100%	100%

The Board was informed that this was the first year SFHP has achieved 100% on the organizational score. In addition, SFHP also achieved 100% on the Mandate score for the first time. For reference, the Board was provided a list of SFHP's past organizational and mandate scores in the Board packet.

With the Finance Committee's recommendation, the Board unanimously approved the financial position of the organization meets the requirement to pay the budgeted staff bonuses, the organizational score of 100% for the Board-approved FY 20-21 organizational goals, and the distribution of the FY 20-21 year-end staff bonus. Irene Conway stated the results are very strong, particularly in a pandemic. She stated this shows the staff are doing well working from home. Mr. Fawley also commented that the results are remarkable and said, "well done." Dr. Fugaro also offered his congratulations to the 400+ employees responsible for the results. He stated the Board is very happy to approve the recommendation, especially since a bonus could not be approved last year due to the financial position of SFHP, which was the result of an unexpected retroactive rate reduction from DHCS.

4. Chief Medical Officer's (CMO) Report

a. CalAIM Updates

Fiona Donald, MD, CMO, provided the Board with CalAIM updates. (Detailed PowerPoint slides were provided in the Board packet.) Dr. Donald stated that the CalAIM Major Organ Transplants (MOT) carve-in, Enhanced Care Management (ECM) and In-Lieu of Services (ILOS), and Medi-Cal Rx Pharmacy transition are on track for a January 1, 2022 implementation. Dr. Donald also stated that SFHP's transition to Magellan PBM was effective July 1, 2021 for the rest of the 2021 calendar year for Medi-Cal and Healthy Workers and Healthy San Francisco programs on an ongoing basis.

Mr. Fawley asked if MOT referrals would occur in the same way as they are in Medi-Cal fee-for-service, which Dr. Donald confirmed.

Eddie Chan asked if pharmacies would be audited and Dr. Donald stated that audits would occur, but not directly by Magellan.

b. COVID-19 Vaccination Strategy Updates

Dr. Donald informed the Board that the Department of Health Care Services (DHCS) provides a list of all plans in Medi-Cal and their vaccination rates. As of late July 2021, San Francisco remains in 1st place in the state for Medi-Cal vaccination rates. Among the health plans, SFHP shares first place with Anthem Blue Cross San Francisco at about 64%. Dr. Donald expressed her appreciation for the County's and providers' efforts to vaccinate the residents of San Francisco, including SFHP members.

Maria Luz Torre mentioned that MAC members asked about the third vaccine shot/booster and for children. Dr. Donald stated that when information is provided by state and local public health, SFHP would provide information to SFHP members.

Ms. Conway asked about pharmacy issues with the transition to Magellan on January 1, 2022. If a member has an issue, would they call SFHP? Dr. Donald responded that if the question is about medication management SFHP staff would be able to assist, but other pharmacy and prescription issues would be handled by Magellan's customer service.

5. Review SFHP Return to Office Status

This item was presented to the Governing Board for discussion only. No action was needed at this time.

Kate Gormley, Chief Human Resources Officer, provided the Board with a return-to-office update.

Ms. Gormley stated that SFHP has been operating remotely since the City and County of San Francisco's Shelter-In-Place ("SIP") order became effective on March 17, 2020. At the beginning of the SIP, we had a very small number of employees (approximately 15) going into the office on a limited basis to handle critical functions, such as check runs, mail, member mail communications, office equipment shipments to employees, etc. As time progressed, we converted all processes, except for a few, to a virtual environment. We currently have three employees going into the office on a weekly basis to handle mail and check runs, as well as system and building maintenance. As we have reported, SFHP continues to operate very successfully and efficiently on a remote basis.

Employees were notified on July 10, 2020 that the earliest possible return to the office would be July 1, 2021. On January 27, 2021, we extended the earliest possible return date to January 1, 2022. These lead times provided employees some stability in this uncertain and unprecedented environment, as well as time to plan for a return to the office.

Ms. Gormley stated that the first and foremost concern and consideration continues to be the safety and health of our employees. SFHP will return to the office only when it is safe for employees to do so. She stated that SFHP is targeting January 4, 2022 to reopen the Service Center and March 1, 2022 to reopen the Beale Street office. When we do reopen, employees in specific jobs that require in-person work (e.g., enrollment, facilities, facility site reviews, community care coordinators) will have to return to the office since the jobs cannot be done remotely.

The majority of SFHP staff continue to be extremely concerned about returning to the office, citing not only the uptick in COVID cases with the Delta and other variants and transportation safety (e.g., BART), but also hate crimes directed at the Asian American and Pacific Islander communities and other personal safety concerns. Given these factors, we will be notifying staff at our September 3rd All Staff meeting of the target dates for reopening the Service Center and Beale Street. We will inform employees who are able to continue to do their job on a full-time remote basis that they will be allowed to continue to work remotely through June 30, 2022. We will provide as much notice as possible on return dates and detailed return plans, but the environment remains uncertain at this time due to the virus and shifting recommendations from public health.

Extending the work-from-home option to those employees who can do so will allow time for a better understanding of what the future holds in terms of the virus, the future of remote work, and will also allow the incoming CEO to have time to assess the situation and decide what the long-term remote work policy should be for SFHP. We will continue to report our status to the Board at each of the upcoming Board meetings.

Lawrence Cheung, MD, asked if SFHP requires employees to be vaccinated.

Ms. Gormley responded that SFHP currently does not require vaccination.

Dr. Cheung asked if we knew the rate of vaccination among staff. Ms. Gormley stated that we did not know the vaccination rate among our staff at this time.

6. Federal and State Updates

Sumi Sousa, Chief Officer of Policy Development and Coverage Programs, provided the Board with an overview of Governor's State budget. (Detailed PowerPoint slides were provided in the Board packet.)

Ms. Sousa stated that the June 15th budget was a placeholder. The Governor signed the budget on July 27th. The final budget was \$262.6 billion, with \$196.4 billion in General Fund spending.

Ms. Sousa provided the following FY 21-22 State budget highlights:

- \$12 billion over two years are dedicated to reduce homelessness.
- \$8.1 billion are earmarked for State stimulus payments of \$500 and \$600 to lower income workers, families, and individuals earning \$75,000 or less.
- \$4.4 billion over five years are earmarked for multiple programs to improve child and young adult behavioral health (largely federal funds).
- \$1.6 billion are earmarked for CalAIM initiatives, including \$187.5 million to support the implementation of the Enhanced Care Management (ECM) benefit.
- \$300 million are earmarked to support ECM and In Lieu of Services (ILOS) incentive payments to managed care plans.

Ms. Sousa shared the following Medi-Cal Highlights, which became effective on July 1, 2021:

- Over-the-counter cough and cold medications, acetaminophen will be made permanent benefits.
- Medication therapy management services for specialty drugs will be provided through fee-for-service Medi-Cal.
- Medi-Cal optional benefits will no longer be suspended.
- Proposition 56 programs will no longer be suspended.

Effective January 1, 2022:

- Doula benefit will be provided (still in development, with no details to health plans).
- Continuous glucose monitors for adults with Type 1 diabetes will be covered (SFHP already covers this).
- Whole genome sequencing for infants will be covered (no details have been provided to plans).
- Community Health Workers allowable for billing (still in development, with no details to health plans).
- School/Medi-Cal managed care plan capacity building grants for behavioral health services to children and youth (still in development).

Effective April 1, 2022:

- Extends post-partum coverage from 60 days to 12 months (in effect for five years – federal funds).

Effective no sooner than May 1, 2022:

- State only Medi-Cal will be provided for undocumented adults 50 years and older.
- Gap remains for low-income undocumented individuals in CA is 26-year-old to 49-year-old adults.

Effective July 1, 2022:

- Dyadic Services will be provided.
- Eliminates the asset test for non-Medi-Cal expansion populations (seniors, disabled) with assets of \$2,000 or more.

Ms. Sousa discussed the effort to recall of Governor Newsome, which is on the ballot for September 14, 2021 special election. She stated the ballot has two parts. The first is a vote whether the Governor should be recalled, which will be a yes or a no vote. The second part of the ballot is the vote for a replacement, which includes 46 candidates. If more than 50% of voters approve the recall, which is part 1, then the candidate receiving most votes on part 2 will serve out the remainder of Governor Newsom's term (through January 2, 2023).

Ms. Sousa then provided the Board with an update on President Biden's \$1.2 trillion infrastructure plan, which passed the Senate with a bipartisan vote (69 – 30). The Senate reduced the original \$2.2 trillion proposal and limited spending to traditional infrastructure spending such as transportation, roads, and bridges. The funding did not include any major health care provisions. There was, however, funding for Home and Community-Based Services and a permanent increase in subsidies for Affordable Care Act health insurance. The addition of hearing aids, vision, and dental benefits to Medicare was introduced in a separate \$3.2 trillion bill, which will need to be negotiated and may need to be passed with the budget reconciliation process. Republican support is not likely.

7. CEO Report – Brown Act Flexibility Update, Work-from-Home Department Updates, Security Updates, and Employee Satisfaction Survey

Mr. Grgurina highlighted information for the Board about Brown Act and flexibility for continuing meetings via teleconference. He stated that the Governor's executive order signed in July would end the flexibility currently allowed during the public health emergency. There is legislation that may be signed that would continue the teleconference flexibilities. We will update the Board with any developments. Teleconferencing is allowed by the Brown Act, but SFHP and Board members that attend the meeting via teleconference would have to comply with the following requirements, if flexibilities are not continued:

1. Post the agendas at all teleconference locations and conduct teleconference meetings.
2. Identify each teleconference location in the notice and agenda of the meeting or proceeding.
3. Ensure each teleconference location is accessible to the public.

4. Ensure at least a quorum of the members of the Board participate within the boundaries of San Francisco, except members who are outside San Francisco may be counted toward the a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within San Francisco and SFHP provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and that number and access codes are identified in the notice and agenda of the meeting; and
5. The agenda provides an opportunity for members of the public to address the legislative body at each teleconference location.

We will continue to keep the Board informed of any developments regarding the Brown Act flexibilities.

Mr. Grgurina also discussed the remote work for SFHP staff and that the SFHP departments and units are doing very well. Lastly, Mr. Grgurina briefly discussed the all-staff survey scores. SFHP conducted its annual employee satisfaction survey in April 2021. Due the pandemic starting in March 2020, SFHP did not conduct the survey in 2020. The response rate for the 2021 survey was 76% (lower than previous years). However, 71% were highly satisfied (higher than last year's 64%). This rate is the highest in SFHP's survey history. Details of the survey results were provided in the Board packet.

The Board Adjourned to Closed Session.

8. Review and Approval of Proposed Zuckerberg San Francisco General Hospital Contract Change to Include a Risk Corridor

This item was discussed in closed session.

9. Review and Approval of Annual Performance Evaluation of CEO

This Item was discussed in closed session.

10. Review and Approval of Board Member Appointments to the Search Committee and Discussion of Search Committee Process

This item was discussed in closed session.

The Board resumed in Open Session.

11. Report on Closed Session items

Dr. Fugaro reported on the following actions taken during Closed Session. He stated that the Board approved the proposed contract change with Zuckerberg San Francisco General Hospital to include a risk corridor. To avoid potential conflicts of interest, Roland Pickens, David Woods, and Greg Wagner recused themselves from the vote since they are employed by the Department of Public Health.

12. Oral Report and Vote on Governing Board's Annual CEO Performance Evaluation and Compensation Recommendation.

Dr. Fugaro reported that the Governing Board approved the Annual Performance Evaluation of CEO with a rating of Exemplary/Outstanding and a public announcement of the CEO's salary.

13. Adjourn

Dr. Fugaro adjourned the meeting.

Reece Fawley, Secretary/Treasurer