



**Joint San Francisco Health Authority/San Francisco Community Health Authority  
Governing Board  
September 7, 2022  
Meeting Minutes**

Chair: Steven Fugaro, MD  
Vice-Chair: Roland Pickens, MHA, FACHE  
Secretary-Treasurer: Emily Webb

**Members**

Present: Irene Conway, Steve Fields, Steven Fugaro, MD, Deneen Hadley, Johanna Liu, PharmD, Roland Pickens, MHA, FACHE, Maria Luz Torre, Greg Wagner, Emily Webb, Joseph Woo, MD, Jian Zhang, DNP, MS, FNP-BC

**Members**

Absent: Eddie Chan, PharmD

Guests: Linnea Koopmans and Eunice Majam-Simpson

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, counsel with DSR Health Law, contracted with San Francisco Health Plan (SFHP), and Linnea Koopman, CEO, Local Health Plans of California. There were no public comments.

Dr. Fugaro then welcomed Johanna Liu and Deneen Hadley to their first regular Board meeting.

**1. Review and Approve Nomination for Secretary/Treasurer and Appointment to the Finance Committee (Chair)**

**Recommendation:** We recommend that the Governing Board of the San Francisco Health Authority and San Francisco Community Health Authority take the following actions:

1. Nominate and elect the Secretary and Treasurer of the Board; and

## 2. Appoint a member of the Governing Board to the Finance Committee.

Dr. Fugaro stated that with Reece Fawley's retirement as a Board member in June 2022, the offices of Secretary and Treasurer and a seat on the Finance Committee are vacant.

According to the Bylaws of the Board, the positions of Secretary and Treasurer may be combined into Secretary/Treasurer and held by the same individual and the Secretary/Treasurer also serves as the Chair of the Finance Committee.

During the Finance Committee meeting on September 7, 2022, the Committee approved the recommendation to the full Board to nominate Emily Webb to be the Secretary/Treasurer. Dr. Fugaro opened the floor for nominations. With the recommendation from the Finance Committee Steve Fields nominated Ms. Webb to be the Secretary/Treasurer. The nomination was seconded by Roland Pickens. The Board unanimously approved Ms. Webb to be the new Secretary/Treasurer. Ms. Webb expressed her gratitude and stated that she started her career at San Francisco Health Plan in Provider Relations and that it was an honor to now serve as the Secretary/Treasurer.

Dr. Fugaro stated that the Finance Committee approved the nomination of Deneen Hadley to fill the vacant seat on the Finance Committee. Dr. Fugaro opened the floor for nominations. Mr. Fields nominated Ms. Hadley and Ms. Webb seconded the motion. The Board unanimously approved Ms. Hadley's recommendation to the Finance Committee. Ms. Hadley stated she was very honored for the opportunity and looked forward to working with everyone.

## 2. Approval of Consent Calendar

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

- a. Approval of minutes from the Special Board Meetings on June 1, 2022, July 8, 2022, and August 8, 2022 Governing Board meetings.
- b. Review and approval of minutes from June 8, 2022.
- c. Findings and Resolution 2022-12 that establish the state of emergency continues to impact the ability of Governing Board and Committee members to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing.
- d. Quality improvement Committee (QIC) Minutes from February 24, 2022 and June 9, 2022
- e. Year-End 2021-22 July Unaudited Financial Statement and investment Reports
- f. Year-To-Date July 2022 Unaudited Financial Statements and investment Reports
- g. Credentialing and Recredentialing of Providers

The Board unanimously approved the consent calendar without any issues.

## 3. CEO Report

Yolanda R. Richardson, CEO, presented her CEO report to the Board. (Detailed memo provided in the Board packet.) Ms. Richardson expressed the sad news of her

hometown Weed, CA impacted by wild fires. She stated the town where she grew up and many family members still live was destroyed in the Mills fire. She stated everyone escaped safely, but they lost everything. She was grateful for her family's safety and for the support she has received from staff and the Board.

Ms. Richardson stated that as mentioned at the June Board meeting, we conducted our annual Employee Survey in April 2022. The results were provided as Attachment 1 in the Board packet. The employee survey was conducted by Business Research Lab (BRL), which has been contracted with SFHP for several years and they conduct similar employee surveys for five other Local Health Plans and hundreds of companies each year. Norms for SFHP are calculated based on approximately 70 companies throughout the United States and encompassing over 23,000 employees. She reviewed the following key results from the survey:

- We had an 80% response rate, which largely eliminates the possibility of a non-response bias. 272 out of 340 employees completed the survey.
- Employees' average ratings peaked at high levels in 2021. The average agreement level on all 14 categories measured in the survey declined this year. However, this overall decline was mostly due to just one business unit, Health Services. Although most of the category declines were one to three percentage points, of those, three were statistically significant:
  - Teamwork and cooperation (down eight percentage points),
  - Organizational communications (down eight percentage points),
  - Executive Team (down ten percentage points).

Employees noted SFHP's key strengths which include:

- Employees remain proud to work for SFHP and their department.
- Employees feel they are contributing to SFHP's mission and are willing to work above and beyond the call of duty for SFHP.
- Employees gave high marks to their supervisors: handles work-related issues well, cares about me as a person and treats me with respect.
- As in the past many years, SFHP remains above the "industry norm" in many of the ratings (overall satisfaction, department leadership, department communications, knowing what's expected of me, working conditions, immediate supervisor, training programs).

Key opportunities for improvement include:

- Increase Accountability
  - Need an organizational framework that outlines the roles and responsibilities of various groups, including ET and mechanisms by which we evaluate results against performance.
- Improve Leadership
  - Need to explore tools to develop better decision making, innovation, managing conflict, team building and effective communication.
- Greater Transparency
  - Need to design and implement a practice of fostering trust and open communication and collaboration.
- Improve Change Management
  - Need to develop a communication strategy that encompasses clear goals,

stakeholder buy-in and staff empowerment.

Ms. Richardson stated that she and the Executive Team take these results seriously and that they will work with our Management Team and department units to create action plans to address the areas of concern and opportunities for improvement. She stated that feedback is a gift and that SFHP will take concrete steps to address our employees' feedback.

Ms. Richardson thanked board member, Johanna Liu, for inviting her to the August San Francisco Community Clinic Consortium (SFCCC) Board meeting where she enjoyed meeting the SFCCC clinic leaders.

Ms. Richardson stated that SFHP received good news that the Department of Health Care Services (DHCS) announced their intent to contract with Blue Cross of California Partnership Plan, Inc., aka Anthem Blue Cross, in San Francisco. This was among the commercial plans that DHCS intends to contract with throughout the state.

Anthem Blue Cross has the current contract with 22,284 members which represents 12% of the Medicaid members in San Francisco. For those plans with unsuccessful bids, they have until September 1 to appeal. If finalized, no change in the commercial plan for San Francisco would mean less disruption to the network and avoid possible confusion to the Medi-Cal beneficiaries. Local initiatives, regardless of county, currently hold most of the Medi-Cal membership versus the commercial plans. SFHP is no different and has held 87%-88% of the market share for many years. She stated that SFHP will continue to work hard to serve our members and support our provider community and we appreciate the Board's help in this effort.

Eddy Ang, MD, MPH, was welcomed as the new Interim CMO. Ms. Richardson stated he joined SFHP as Senior Medical Director and quickly demonstrated his leadership in Clinical Operations. He accepted this new role with the departure of Ellen Piernot, MD, who left SFHP for a full-time position in another organization earlier this month.

Ms. Richardson let the Board know of the passing of long-time and dedicated Board member, Dale M. Butler, who passed away in May after a long illness. Due to COVID-19 protocols, SFHP was unable to attend the services, but sent flowers on behalf of SFHP and the Board. Mr. Butler's widow expressed her appreciation. He will be missed by us, his family, friends, and colleagues.

Ms. Richardson then reviewed with the Board that over the course of the next several Board meetings she and staff will review the significant, upcoming changes in the Medi-Cal program in more detail, especially those that will impact the work with the Board.

The key purpose of the State's California Advancing and Innovating Medi-Cal (CalAIM) is a long-term commitment to transform and strengthen Medi-Cal with a more equitable, coordinated, and person-centered approach.

As we have informed you over the past two years, several components, particularly Enhanced Care Management, Community Supports, and Major Organ Transplants have already been implemented. The Department of Health Care Services (DHCS) included other significant changes in the 2024 Contract that SFHP will be required to execute. The following is a summary of key differences from our work with Medi-Cal today, and the new contract, outlining our responsibilities for assisting with transforming Medi-Cal.

#### *New Board Requirements*

- Change the Quality Improvement Committee to the Quality Improvement and Health Equity Transformation Committee (QIHETC)
- Establish a Compliance and Oversight Committee that meets no less than twice a year, and approves the compliance program, standards of conduct and provider training.
- Approve credentialing policies.
- Significantly restructure the Member Advisory Committee roles, responsibilities, and composition.

#### *New Accountability for Quality*

- Combines Health Equity (HE) into Quality Improvement.
- Requires new Chief HE Officer.
- New QIHE requirements (TBD) to exceed DHCS-established quality benchmarks.
- Sanctions and possible surrender of margin for unmet benchmarks.
- Links payments and quality.
- New reports on primary care and integrated care spending.
- Requires NCQA Health Plan accreditation and Health Equity accreditation by January 1, 2026.

#### *New Population Health Management*

- Data-driven population health management, including at the subcontractor level
- Data gathering from many new sources, increased data analytics and integrated health care across the system
- Reduction of health disparities and health inequities
- Data sharing with California's Data Exchange Framework
- New risk stratification and tiering requirements
- Requires a new toll-free telephone referral assistance by the Plan for network providers
- Integration with mental health care

#### *New Requirements for Data, Services, and Relationships*

- Data analytics, reporting and management of data from multiple new sources, potential new formats and data exchange challenges with new entities
- Close working relationships with County agencies on a case management and systems, e.g., liaisons, and warm hand-offs

- New memoranda of understanding (MOUs) with jails/juvenile facilities/probation, IHSS, child welfare, social services, First 5, Home and Community-Based waiver agencies and Emergency Preparedness and Response Plan

Ms. Richardson stated she and staff look forward to the work with the Board in the coming year.

#### **4. Review and Approval of the Organizational Score for the Board-Approved FY 21-22 Organizational Goals and FY 21-22 Year-End Staff Bonus**

**Recommendation:** SFHP completed FY 21-22 successfully by achieving an organization score of 100% for all of the success criteria approved by the Governing Board. It is recommended that the Governing Board consider approval of the following items:

- 1) With the FY 21-22 financial position meeting the sufficient requirement to pay the staff bonus and bonus funds were budgeted in the year-end statements, approval of distribution of staff bonuses, according to the organizational score and individual performance.
- 2) Approval of organization score of 100% (details provided in tables on subsequent pages).

Ms. Richardson stated the Finance Committee approved the recommendation that SFHP achieved a year-end financial performance of a positive margin of \$26.9 million in operations, after removing the Strategic Use of Reserves (SUR) activity. The Finance Committee approved the recommendation that SFHP meets the sufficient requirement to pay the staff bonuses that were budgeted for FY 21-22.

Ms. Richardson stated that the organization achieved a score of 100% for the Board-approved organizational goals and success criteria. She stated that detailed results and scores for each of SFHP's goals were provided in the Board packet. She recommended the Board approve the score of 100 points and the distribution of the budgeted staff bonus for FY 21-22.

With the recommendation from the Finance Committee, the Board unanimously approved the recommendations that SFHP achieved the financial position to meet the sufficient requirement to pay the budgeted staff bonus and the organizational score of 100 points for FY 21-22.

#### **5. Review and Approval of the Medi-Cal CalAIM Housing and Homelessness Incentive Program (HHIP)**

**Recommendation:** SFHP recommends the Governing Board approve a \$25.0 million initial investment for targeted initiatives aimed at addressing housing and homelessness for SFHP members.

Skip Bishop, CFO, provided the Board with some background on the Medi-Cal CalAIM Housing and Homelessness Incentive Program. (A detailed memo was provided in the Board packet.) He explained that in January 2022, the DHCS

launched California Advancing and Innovating Medi-Cal (CalAIM), a multi-year plan to transform Medi-Cal. CalAIM seeks to improve outcomes for Medi-Cal beneficiaries, especially those with the most complex needs. CalAIM has several goals, one of which is to identify and manage member risks and needs through Whole Person Care approaches and addressing social determinants of health. To achieve this goal, SFHP is participating in the DHCS HHIP, a two-year incentive program for CY 2022 and CY 2023, that enables Medi-Cal Managed Care Plans (MCPs) to earn funding for improving health outcomes by addressing homelessness and housing insecurity as social drivers of health and health disparities. The program is intended to support delivery and coordination of health and housing services for Medi-Cal members by:

- Rewarding MCPs for developing the necessary capacity and partnerships to connect their members to needed housing services; and
- Incentivizing MCPs to take an active role in reducing and preventing homelessness.

DHCS has allocated a maximum of \$38.98 million in earnable dollars to SFHP, tied to four program deliverables and 48 measures. Payment for deliverables is contingent upon achieving the measures.

Mr. Bishop stated SFHP recommends the Board approve the initial investment that would support SFHP's achievement of metrics and ability to earn incentive dollars from DHCS. It is expected that incentive funding earned will cover 100% of HHIP Investment Plan expenditures. Additional investments may be requested in the future up to the full amount of \$38.98 million allocated by DHCS for SFHP.

As the County may be one of the recipients of the investment dollars, Roland Pickens and Greg Wagner abstained from the vote.

Ms. Webb stated the Finance Committee approved the recommendation. With the Finance Committee recommendation, the Board unanimously approved the Medi-Cal CalAIM Housing and Homelessness Incentive Program (HHIP), with the two abstentions from Mr. Pickens and Mr. Wagner.

## **6. Interim Chief Medical Officer's Report**

### **a. CalAIM Update**

Dr. Eddy Ang, Interim CMO, provided the Board with CalAIM updates. (Detailed PowerPoint slides were provided in the Board packet.) Dr. Ang reviewed the progress with preparing for the long-term care integration, Enhanced Care Management and Community Supports.

### **b. COVID-19 and Monkey Pox Vaccine Update**

Dr. Ang also provided a summary of the monkeypox global health emergency declared by the World Health Organization on July 23, 2022. San Francisco followed with an announcement of a local public health emergency on July 28, 2022. As of August 26, 2022, there are 3,369 Monkey Pox cases statewide and

702 cases in San Francisco. Dr. Ang stated that specific number of cases among SFHP members was not known. Dr. Fugaro thanked Dr. Ang for his report.

## **7. Federal State Policy Report**

Sumi Sousa, Chief Officer, Policy and Coverage Programs, provided the Board with updates on federal and state policies, including more details about the Medi-Cal Managed Care Notices of Intent to Award from DHCS.

Ms. Sousa reviewed highlights of the Inflation Reduction Act (IRA) of 2022 that was recently signed into law. Key health provisions included:

- Extension of enhanced subsidies for Covered CA that would have expired at the end of 2022 for low-income enrollees at 150% federal poverty level (FPL).
- Caps on Covered CA premiums for middle income Californians at 8.5% of income.
- Permits CMS to negotiate pricing for high-cost drugs in Medicare Part D, starting in 2023. There will be caps on monthly insulin costs at \$35 and, starting in 2025, there will be caps on the annual out-of-pocket costs for Part D at \$2,000.
- Starting in 2024, expands Part D low-income subsidies to individuals with incomes up to 150% FPL.
- Requires rebates for drugs whose cost increases exceed inflation beginning in 2023 and eliminates cost sharing for Part D vaccines (e.g. shingles) beginning in 2023.

Ms. Sousa stated that the following Medicaid eligibility provisions were not, however, included in the IRA:

- Permanent 12-month continuous eligibility for kids
- Permanent 12-month continuous eligibility for post-partum individuals

Ms. Sousa then reviewed the DHCS Medi-Cal Manage Care procurement process and notices of intent to award contracts to commercial plans throughout the state. The contracts would become effective on January 1, 2024. DHCS announced that Anthem will continue to hold the contract in San Francisco. Plans have one week to appeal (September 1). Ms. Sousa reviewed that Alameda and Contra Costa counties are moving to a County Organized Health System (COHS), or One-Plan Model.

Detailed PowerPoint slides were provided in the Board packet. The Board thanked Ms. Sousa for her presentation and useful information.

## **8. Member Advisory Committee (MAC) Report**

Maria Luz Torre and Irene Conway provided the Board with a MAC report. Ms. Torre reported that the Committee met on June 10, 2022 and August 12, 2022. There was no meeting in July.

Ms. Conway stated, Ms. Richardson attended the June meeting and provided an update on SFHP staff. Ms. Richardson informed the MAC that Dr. Fiona Donald resigned from her position as Chief Medical Officer and that Dr. Ellen Piernot will be



joining SFHP as Interim Chief Medical Officer effective, June 13, 2022.

Ms. Richardson answered a few questions from the Committee questions and expressed her appreciation for being an engaged MAC.

Ms. Conway then reported that Sumi Sousa, Chief Policy Development and Coverage Programs Officer, attended the meeting and provided State and Federal updates. Lastly, Ms. Conway reported, the Compliance staff and Grievances and Appeals team attended the MAC and reviewed the Grievance and Appeals logs with the MAC.

Ms. Torre reported, the Committee did not have any agenda items for the August meeting.

Dr. Fugaro thanked Ms. Conway and Ms. Torre for their report.

The Board Adjourned to Closed Session

**9. Review and Approval of Annual Performance Evaluation of CEO**

This item was discussed in closed session.

The Board resumed in Open Session

**10. Report on Closed Session Action Items**

Dr. Fugaro stated the Board voted on the CEO annual performance evaluation and compensation.

**11. 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 the CEO with a rating of Exemplary/Outstanding and a public announcement of the CEO's salary.

**12. Adjourned**

Dr. Fugaro adjourned the meeting.

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Secretary/Treasurer