Art Howard
President

Fiona Wilson, MD
Vice President

Jack Cremen
Commissioner

Supervisor Matt Dorsey
District 6
Commissioner

Diana Guevara
Commissioner

Mary Hao
Commissioner

Gus Vallejo
Commissioner

Rey Guillen
Executive Director
Health Service System

Holly Lopez
Executive Secretary

TEL (628) 652-4646
http://www.sfhss.org/

HEALTH SERVICE BOARD

MEETING MINUTES DRAFT

Thursday, November 12, 2026, 3:00 p.m.
City Hall, Room 408
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

and

VIRTUAL PRESENTATION BY SFGOV TV and Webex

Remote Meeting Access

The Health Service Board welcomes public participation during public comment periods. There will be an opportunity for the public to comment at the beginning of the meeting and on each discussion or action item on the agenda. Each comment is limited to 3 minutes, and the Chair may, at their discretion, limit public comment to less than 3 minutes per member of the public. For those attending remotely, the Commission will hear up to 30 minutes of remote public comment total for each agenda item. Remote public comment from people who have received an accommodation due to disability will not count toward the 30-minute limit. Remote viewing may not be available due to technology outages.

Watch at 3:00 p.m. on November 12, 2026 (via SFGovTV schedule)
Click the link to join the meeting – November 12, 2026 HSB Regular Meeting WebEx link
Public Comment Call-In: 415-655-0001 **/ Access Code:** 2664 089 4165 **Webinar Password**: 1145

Listening to the meeting via phone

1. Dial **415-655-0001** and then enter **access code** 2664 089 4165#, then # again
2. Press *3 to enter the Public Comment queue, and you will hear the prompt, "You have raised your hand to ask a question; please wait to speak until the host calls on you." When the system message says, "Your line has been unmuted," - **THIS IS YOUR TIME TO SPEAK.**
3. You will be muted when your time to speak has expired.

Watching the meeting on WebEx

1. Join via hyperlink November 12, 2026 HSB Regular Meeting WebEx link
2. Webinar Password: 1145
3. **Click on the Raise Hand Icon** to be placed in the queue to speak. A raised hand will appear next to your name. When you are unmuted in the system, a request to unmute will appear on your screen, please select unmute to speak.
4. When you are unmuted in the system, a request to unmute will appear on your screen, please select unmute to speak. Once you hear me say "Welcome Caller," you can begin speaking.
5. When your time has expired, you will be muted. Please click on the Raise Hand Icon to lower your hand.

Members of the public are encouraged to state their name clearly, although you may remain anonymous. You will hear an audible warning when you have 30 seconds remaining. When your 3 minutes have ended, you will be placed back on mute.

Best Practices when Calling in for Public Comment:

- Call from a quiet location
- Speak slowly and clearly
- Turn down any televisions or radios around you
- Address the Commission as a whole; do not address individual Commissioners

Written Public Comment

Persons unable to attend the meeting may submit written public comments regarding an agenda item. These comments will be made part of the official public record and shall be brought to the attention of the Health Service Board. Written public comments expected to be part of the official record should be submitted to the Board email, health.service.board@sfgov.org and **received by 4 p.m. on Wednesday, November 11, 2026,** before the meeting. Members can also call 628-652-4646 with any questions.

All comments received by the deadline will be forwarded to Board members, and the Board Secretary will note on the record during the specific agenda item that the Board received written public comment on that item and will include that note in the meeting minutes. In the body of your email, indicate the meeting date and the particular agenda item number. If you do not specify an agenda item, your emailed public comment will be read under general comment.

1. **CALL TO ORDER:** 3:01 p.m.

2. **ROLL CALL:**

   President Art Howard- Present
   Vice President Fiona Wilson- Present
   Commissioner John Cremen- Present
   Supervisor Matt Dorsey- Present
   Commissioner Diana Guevara- Excused
   Commissioner Mary Hao- Excused
   Commissioner Gus Vallejo- Present

3. **GENERAL PUBLIC COMMENT - This is an opportunity for members of the public to comment on any matter within the Board's jurisdiction that is not on the agenda, including requesting that the Board place a matter on a future agenda.**

   PUBLIC COMMENT:
   John Ellis, member of the Supportive Housing Providers Network Advisory Board, mentioned that he has a background in healthcare and technology. He raised concerns about communication and maintaining accurate contact information. He asked how members could communicate their needs and arrange appointments more efficiently. He recommended better data analysis, service improvements, clear responsibility, and continued accountability.
   Fred Sanchez, President Protect Our Benefits, reported progress between Blue Shield and retiree groups. He noted that the groups had agreed to meet quarterly under a flexible meeting charter. He praised their educational efforts, responsiveness, and work to streamline processes.

   NOTE: The city, as well as the nation, is experiencing a nationwide Microsoft outage (11/12/2026). If a member of the public sent an email today, it would not have been received. If an email is received when Microsoft is restored, that email will be forwarded to the Board.

4. **APPROVAL (with possible modifications) OF THE MINUTES OF THE MEETINGS SET FORTH BELOW: (Action)**
   See pdf of October 8, 2026 HSB Regular Meeting Minutes Approved
   See pdf of October 26, 2026, HSB Governance Committee Meeting Minutes Approved

   Commissioner Cremen moved to approve the October 8, 2026 HSB Regular Meeting Minutes and the October 26, 2026, HSB Governance Committee Meeting Minutes. Commissioner Vallejo seconded the motion.

   PUBLIC COMMENT:

   VOTE: Ayes: Cremen, Dorsey, Howard, Vallejo, and Wilson Noes: None

   ACTION: The Health Service Board unanimously approved the October 8, 2026 HSB Regular Meeting Minutes and the October 26, 2026, HSB Governance Committee Meeting Minutes.

5. **PRESIDENT'S REPORT: (Discussion)**
No report this month.

PUBLIC COMMENT: None

6. **DIRECTOR'S REPORT: (Discussion)**
See pdf of November 12, 2026, Director's Report
See pdf of November 12, 2026, Director's Report Presentation

Rey Guillen, SFHSS Executive Director presented the following items:

- SFHSS 2027-2031 Strategic Plan
- HealthNet Market Exit and Member Transition
- BSC Medicare Advantage PPO Plan – Star Rating and Plan Year 2028 Procurement Planning Update
- International Foundation of Employee Benefit Plan (IFEBP) Annual Conference
- Open Enrollment
- November 3, 2026 Election Update: Prop A and F
- Review of Admin Code Requirements for Trustee Elections
- HSB Follow-up from the October 2026 Regular Meeting
- Personnel Updates

President Howard asked whether any changes from the administrative review of trustee elections were anticipated before the Health Service Board May 2029 election. Executive Director Guillen said none were anticipated yet because the upcoming legislation required further review. Executive Director Guillen added that any necessary changes would be incorporated into the Board's rules and processes.

PUBLIC COMMENT:
John Ellis, member of the Supportive Housing Providers Network Advisory Board, asked what quality-assurance requirements were included in the city's health plan contracts. He questioned how plans used data to improve care, prevent unnecessary emergency room visits, and ensure follow-up. He requested that HSS report examples showing what the data revealed, who took responsibility, and how patient care improved.
Teresa Palmer, retiree, Laguna Honda, expressed concern that two proposed legislative measures did not provide sufficient oversight for boards managing retiree election funds. Separately, she asked whether HSS could offer both a Medicare PPO and a Medicare Supplement plan with Part D.

Executive Director Guillen responded that HSS planned to offer only one replacement plan because it lacked the staff and resources to administer additional options. He said HSS would continue reviewing members' needs and operational efficiencies but could not expand the plan lineup at that time.

7. **SFHSS FINANCIAL REPORT AS OF SEPTEMBER 30, 2026: (Discussion)**
See pdf of SFHSS Financial Report as of September, 2026, memo
See pdf of SFHSS Financial Report as of September 30, 2026, presentation

Teresa Tan, SFHSS Chief Financial and Affordability Officer presented the following items:

- Employee Benefit Trust Fund
- Healthcare Sustainability Fund
- General Fund Administrative Budget

No Board discussion

PUBLIC COMMENT: None

8. **ANNUAL REPORT ON THE AUDIT OF THE SFHSS FINANCIAL STATEMENTS RELATED TO ITS OTHER EMPLOYEE BENEFIT TRUST FUND (THE TRUST): (Action)**
See pdf of Audit Results OEB Trust Fund Presentation FYE 2026
See pdf of Audit Results OEB Trust Fund Financial Statements FYE 6-2026
See pdf of Audit Results OEB Trust Fund Required Communication FYE 6-2026

Teresa Tan shared According to the Controller's Office, SFHSS was one of the earliest departments to issue the financial statements, and we received a clean audit opinion with no material findings. She thanked the SFHSS finance, information systems, and staff for their hard work and contributions throughout the year in achieving these clean audit results. She introduced our external auditors from Macias Gini & O'Connell, MGO: Craig Harner, audit partner, and Xia Yang, audit supervisor.

Craig Harner explained that the financial statements received an unmodified opinion, the highest level of assurance, and were fairly presented in accordance with GAAP. The audit was completed on schedule and found no material misstatements or errors. Under Government Auditing Standards, the auditors also reviewed internal controls and compliance. They found no material weaknesses, significant deficiencies, or noncompliance with applicable laws, the City Charter, or fiduciary requirements.

The required audit communication did not identify adverse findings. Management's accounting policies complied with GAAP, no new policies were adopted, and none lacked authoritative guidance. The most significant estimate was the reserve for claims under self-funded plans. An independent actuarial specialist recalculated the estimate using the same information provided to Aon and found Aon's results reasonable.

The auditors reported no difficulties or disagreements with management, no corrected or uncorrected misstatements, and no concerns about management seeking alternative accounting guidance. Management also provided all required written representations. The auditors concluded that the organization had sound financial reporting practices and completed another clean, timely audit.

President Howard asked whether clean audits were common among the organizations the auditors served. Craig Harner explained that some organizations required more assistance and additional audit work, although qualified opinions were uncommon. He said SFHSS had a strong structure and provided requested information promptly, which helped the auditors complete and issue the audit on time.

Commissioner Cremen moved to approve the annual audit results for the San Francisco Health Service System Financial Statements Related to its Other Employee Trust Fund (the Trust). Vice President Wilson seconded the motion.

PUBLIC COMMENT: None

VOTE: Ayes: Cremen, Dorsey, Howard, Vallejo, and Wilson Noes: None

ACTION: The Health Service Board unanimously approved the annual audit results for the San Francisco Health Service System Financial Statements Related to its Other Employee Trust Fund (the Trust).

GOVERNANCE COMMITTEE MEETING MATTERS

The Governance Committee met on October 26, 2026. The Committee will give a brief update on matters discussed and/or recommendations made in this committee. The committee reviews, develops, and oversees governance policies and practices of the Health Service Board. The Committee members include Chair Hao, Commissioner Vallejo and Vice President Wilson

9. **REVIEW AND APPROVE THE SFHSS RULES AND SECTION 125 CAFETERIA PLAN FOR PLAN YEAR 2026 REVISIONS: (Action)**
   See pdf of SFHSS Rules and Section 125 Cafeteria Plan PY2027 Revisions Presentation
   See pdf of SFHSS Rules and Section 125 Cafeteria Plan PY2027 Revisions Summary
   See pdf of SFHSS Rules PY2027 Revisions Redlined
   See pdf of SFHSS Section 125 Cafeteria Plan PY2027 Revisions Redlined

   Vice President Wilson highlighted changes extending the deadline for reporting the birth of a child or the death of a spouse from 30 to 60 days. She said these HSS-supported changes gave members more time during major life events. She noted that the remaining edits were minor and primarily updated dates from 2026 to 2027.

   Commissioner Vallejo moved to approve the proposed language revisions and rule changes within the Health Service System Rules and Cafeteria Plan for plan year 2027. Commissioner Cremen seconded the motion.

   PUBLIC COMMENT:
   Teresa Palmer, retiree, Laguna Honda, supported extending the notification period from 30 to 60 days for members experiencing major life events and thanked the Board for making the change.

   VOTE: Ayes: Cremen, Dorsey, Howard, Vallejo, and Wilson Noes: None

   ACTION: The Health Service Board unanimously approved the proposed language revisions and rule changes within the Health Service System Rules and Cafeteria Plan for plan year 2027.

REGULAR MEETING MATTERS

10. **2027 STAR RATING PERFORMANCE REVIEW AND IMPROVEMENT PLAN FOR THE BLUE SHIELD MEDICARE PPO: (Discussion)**
    Introduced by SFHSS Executive Director Rey Guillen, presented by Amy Dehart, BSC Area Vice President of Premier Accounts, and Alex Uhm, BSC Vice President/General Manager for Medicare

    See pdf of 2027 Start Rating Performance Review and Improvement Plan for the Blue Shield Medicare PPO presentation

SFHSS Executive Director Rey Guillen introduced the presentation:

- Understanding Medicare Star Ratings
- Star Ratings for SFHSS Medicare Plans
- Why Star Ratings Matter to SFHSS

Amy Dehart, BSC Area Vice President of Premier Accounts, and Alex Uhm, BSC Vice President/General Manager for Medicare presented the following items:

- 2027 Star Rating Medicare Contract Performance
- Medicare Stars are a quality report card
- Three factors had the greatest impact on the 2027 result
- We are already seeing improvements

Vice President Wilson said Blue Shield's 2.5-star rating was unacceptable. She noted that the rating had improved from 2.5 to 3.5 stars before falling back to 2.5. She said the presentation did not adequately address Blue Shield's accountability, customer service, clinical performance, or how it would prevent future surprises. She was not reassured by the improvement plan and criticized the limited explanation of the many individual measures, especially prevention, chronic care, member satisfaction, and provider attribution. She emphasized that the results affected the plan's solvency and did not reflect the high-quality care promised to members. Vice President Wilson specifically requested that Blue Shield return in December with a more detailed improvement plan to include measure-level information, a clearer explanation of accountability, specific corrective actions, and details about how progress would be monitored. Amy DeHart acknowledged that the presentation may not have provided enough detail. She offered to explain the individual Medicare Star measures, distinguish customer-experience factors from other performance areas, and provide more frequent updates to the Board or HSS staff. She apologized and agreed to return with additional details about the improvement efforts already underway.

Commissioner Cremen acknowledged that Medicare Star Ratings were difficult and that the standards had changed but noted that Kaiser continued to perform well and suggested that Blue Shield consider following its approach. He said Blue Shield had not fulfilled the commitments it made during the 2025 transition, when it promised additional staffing, a strong implementation team, and a smooth experience. He said Blue Shield had "dropped the ball" and now needed to regain the Board's confidence. He also cited customer-service problems, including members having to make multiple calls to reach the right person. Although he recognized that many members were satisfied, he remained uncertain that Blue Shield's new goals would succeed and said the Board would continue monitoring its performance because members came first. Amy DeHart said Blue Shield had been working directly with retiree advocates, incorporating their feedback, and making significant improvements that members were beginning to experience. She explained that the rating reflected an earlier measurement year, so those improvements were not yet visible in the results. She acknowledged Blue Shield's obligation to the Board and members, committed to accountability, and offered to provide additional follow-up information.

President Howard asked how HSS would ensure that it received appropriate value when a lower-rated contract could result in higher costs. Executive Director Guillen explained that the 2027 Star Rating reflected 2025 performance, while the financial impact would occur in 2028, when the plan was already expected to face substantial cost increases. He said the upcoming request for proposals would comprehensively evaluate each carrier's clinical performance, member care, administrative services, and overall value.

President Howard asked whether Blue Shield could remain under consideration if it improved its ratings and member satisfaction. Executive Director Guillen confirmed that Blue Shield could

compete and that HSS hoped it would submit a proposal. However, he distinguished ordinary transition difficulties from Blue Shield's preventable administrative failures, including incorrect eligibility records and benefit configurations that caused members to appear uninsured or pay incorrect amounts. He said HSS would closely examine both clinical and administrative capabilities when evaluating proposals. He also noted that the health insurance market had few carriers, making continued improvement important regardless of whether Blue Shield received the next contract.

PUBLIC COMMENT:
John Ellis, member of the Supportive Housing Providers Network Advisory Board, requested that SFHSS and Blue Shield conduct a root-cause analysis to determine why members' phone numbers and email addresses were missing despite having been provided. He emphasized identifying where the process failed, assigning responsibility, implementing corrections, and confirming that the corrections worked. He also suggested giving the Board a more current dashboard showing measures such as timely medication access, delays, and affected members to strengthen oversight and accountability.
Teresa Palmer, retiree, Laguna Honda, recalled the chaotic transition and the fear that she might face substantial out-of-pocket costs for expensive specialty medications. She noted that both changing plans and keeping the existing plan carried costs.

11. **REPORTS AND UPDATES FROM CONTRACTED HEALTH PLAN REPRESENTATIVES: (Discussion)**

No reports this month.

PUBLIC COMMENT: None

12. **ADJOURNMENT:** 4:30 p.m.

Health Service Board and Health Service System Website: https://www.sfhss.org/

Summary of Health Service Board Rules Regarding Public Comment

1. There will be an opportunity for public comment at the beginning of the meeting, and there will be an opportunity to comment on each discussion or action item on the agenda. A member may comment on any matter within the Board's jurisdiction as designated on the agenda.
2. A member of the public has up to three (3) minutes to make pertinent public comments; the Chair has the discretion to limit public comment to less than 3 minutes per member of the public.
3. Public Comment can be given in-person, remotely, or written.
4. Members may submit their comments by email to health.service.board@sfgov.org by 5 p.m. the day before the meeting start time. These comments will be made part of the official public record and shall be brought to the attention of the Health Service Board. All comments received by the deadline will be forwarded to Board members and the Board Secretary will note on the record during the specific agenda item that the Board received written public comment on that item and will include that note in the meeting minutes. In the subject line of your email, indicate the meeting date and the specific agenda item number. If you do not specify an agenda item, your emailed public comment will be read under general comment.
5. Remote public comment from people who have received accommodation due to disability will not count toward the 30-minute limit.

Knowing Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils, and other agencies of the City and County of San Francisco exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, visit the Sunshine Ordinance Task Force website at http://www.sfgov.org/sunshine.

Summary of Health Service Board Rules Regarding Cell Phones and Pagers

The ringing and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at Health Service Board and committee meetings. The Chair of the meeting may order the removal of any person(s) in violation of this rule from the meeting room. The Chair of the meeting may allow an expelled person to return to the meeting following an agreement to comply with this rule. The complete rules are outlined in Chapter 67A of the San Francisco Administrative Code.

Disability Access and Accommodation

Regular Health Service Board meetings are held at City Hall, 1 Dr. Carlton B. Goodlett Place, in Hearing Room 416 at 1:00 PM on the second Thursday of each month. The closest accessible BART station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are #42 Downtown Loop and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. To obtain a disability-related modification or accommodation, including auxiliary aids or services, to participate in the meeting, please contact Holly Lopez, at 628-652-4646 at least 48 hours before the meeting, except for Monday meetings, for which the deadline is 4:00 pm the previous Friday. City Hall Room 416 is wheelchair accessible. There are elevators and accessible restrooms located on every floor. Wheelchair-accessible entrances are located on Van Ness Avenue and Grove Street.

This meeting will be broadcast and captioned on SFGovTV. Remote public participation is available upon request for individuals who cannot attend in person due to disability. Making a request to participate remotely no later than one (1) hour prior to the start of the meeting helps ensure the availability of the meeting link. Sign Language Interpretation is also available upon request. If requesting remote Sign Language Interpretation, please submit an accommodation request a minimum of 4 business hours prior to the start of the meeting. Allowing a minimum of 48 business hours for all other accommodation requests (for example, for other auxiliary aids and services) helps ensure availability. To request an accommodation, please contact Holly Lopez, holly.lopez@sfgov.org, 628-652-4646.

To access the meeting remotely as an accommodation, please use November 12, 2026 HSB Regular Meeting WebEx link or call 415-655- 0001. Please find instructions at the beginning of this agenda for how to use WebEx for the purposes of remote public comment.

Sensitivity to Chemical-based Products

To assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity, or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Location of Materials

If any materials related to an item on this agenda have been distributed to the Health Service Board after the distribution of the agenda packet, those materials are available for public inspection at the Health Service System during normal office hours. For more information, please contact Holly Lopez at 628-652-4646 or email holly.lopez@sfgov.org. The following email has been established to contact all members of the Health Service Board: health.service.board@sfgov.org.

Lobbyist Registration and Reporting Requirements

Individuals and entities influencing or attempting to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code § 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site https://sfethics.org/

ChatGPT and Microsoft CoPilot AI were used to summarize and clarify discussion points in the agenda.