



HEALTH SERVICE BOARD

CITY & COUNTY OF SAN FRANCISCO

Stephen Follansbee, M.D.
President

Chris Canning
Vice President

Connie Chan
Supervisor (District 1)
Commissioner

Karen Breslin
Commissioner

Mary Hao
Commissioner

Randy Scott
Commissioner

Claire Zvanski
Commissioner

Abbie Yant, MA, RN
Executive Director
Health Service System

Holly Lopez
Executive Secretary

TEL (628) 652-4646
FAX (628) 652-4703
<http://www.sfhss.org/>

HEALTH SERVICE BOARD **GOVERNANCE COMMITTEE**

MEETING MINUTES **DRAFT**

Thursday, December 2, 2021

REGULAR MEETING AT

1:00pm

VIRTUAL PRESENTATION AVAILABLE VIA WEBEX

Due to the COVID-19 health emergency and to protect our Board Members, SFHSS staff, and members of the public, the Board's Meeting Room (Room 416) is closed.

Remote Meeting Access

Watch online at 1:00 pm on December 2, 2021, via the Webex online platform

Click the link to join the meeting - <https://bit.ly/3oLGPvg>

Public Comment Call-In: 415-655-0001 / **Access Code:** **2494 493 5372**

Providing Public Comment:

1. Dial **415-655-0001** and then enter access code **2494 493 5372** then #
2. **Press #** again to enter the meeting as an ATTENDEE
3. You will hear a beep when you join the meeting as a participant.
 - a. Stop and LISTEN
 - b. Wait for Public Comment to be announced.
4. When Public Comment is called, dial * then **3** to be added to the speaker line.
5. You will then hear "You have raised your hand to ask a question, please wait to speak until the host calls on you." Callers will hear silence when waiting for their turn to speak.
6. To withdraw your question, press * then **3**. – you will hear: "You have lowered your hand."
7. When the system message says "Your line has been unmuted" - **THIS IS YOUR TIME TO SPEAK.**
8. When the President or Commission Secretary states "Welcome Caller," you are encouraged to state your name clearly. As soon as you speak, you will have **3 minutes** to provide your comments.
9. Once your 3 minutes have expired, you will be moved out of the speaker line and back as a participant in the meeting. You will hear "Your line has been muted."
10. Participants who wish to speak on other public comment periods can stay on the meeting line and listen for the next public comment opportunity.

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 comment expected to be part of the official record should be submitted to the Board email, health.service.board@sfgov.org, and **received by 5 pm on Wednesday, December 1st** 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, summarized and read aloud by the Board Secretary during the specific agenda item, and included in the meeting minutes. In the body 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.

1. **CALL TO ORDER:** 1:02 pm

2. **ROLL CALL:**

Commissioner Randy Scott, Chair-Present
President Stephen Follansbee, M.D.-Present
Commissioner Claire Zvanski-Present
Commissioner Breslin-present, departed at 12:20pm

3. **GENERAL PUBLIC COMMENT – 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: None

4. **REVIEW AND EDIT HEALTH SERVICE BOARD GOVERNANCE POLICIES AND TERMS OF REFERENCE: (Action)**

The Summary of Changes and Redlined Governance Terms of Reference and Policies documents are available on the SFHSS webpages:

Governance Chair Scott outlined the process of the page-by-page review to discuss any specific questions for each policy. Chair Scott noted Erik Rapoport, City Attorney, and Larry Loo, SFHSS Chief Financial Officer, also reviewed the document, shared editorial changes, and prepared to discuss any substantive suggestions. Larry Loo said he consulted with Aon Actuarial staff on three policies 210- Contingency Reserve Policy and Methodology, 211-Self-Funded Plans’ Rate Stabilization Policy, and 212-IBNR Reserve Policy and Methodology to confirm the suggested edits presented today. Erik Rapoport offered grammar, typos, formatting corrections to be incorporated into a final unified document, and overall, he said the Governance Terms of Reference and Policies have worked well the last ten years.

Commissioner Follansbee suggested in the future substantive edits be submitted and sent to the Committee before the meeting to prepare for the meeting discussion. Commissioner Zvanski agreed. Commissioner Follansbee also noted depending on the number of substantive changes another meeting may be needed. Chair Scott concurred and noted that suggestions from Erik Rapoport and Larry Loo were more editorial comments than substantive, to be explained and discussed today. Commissioner Scott also said if more time is needed to review and approve changes, another meeting will be scheduled.

The Committee discussed the following Terms of Reference (TOR) and Policies (POL). Please refer to the redlined document for page numbers.

1. Page 1, Cover Page: Committee Chair Scott corrected the spelling of the word “reference” on the title page and should be corrected throughout the document. Chair Scott also called for the Board Secretary's name to be deleted. Committee members agreed to the change.
2. Page 3, TOR 101: Plan Adoption and Benefit Design 6) b): Larry Loo, Chief Financial Officer SFHSS, clarified that the term “fee schedule” be changed to “rates and benefits”. Larry Loo clarified the term “fee schedule” for health plans or health insurance industry, which refers to what you specifically pay providers at a unit cost relative to the claims they submit, and the Health Service Board does not determine the adequacy of the fee schedule, instead, the Health Service Board determines the rates and benefits. Committee members agreed to the change.

3. Page 5, TOR 101: Investment Administration 16) a): Larry Loo, CFO pointed out this section references the investment policy statement and he suggested adding a note to the specific policy number (209).
4. Page 5, TOR 101: Rates and Accounting 17): Larry Loo suggested adding two terms, the first is “flex-funded” because many of the policies apply to self and flex-funded plans; the second term is “contingency” to clarify specific reserve targets.
5. Page 6, TOR 101: Rates and Accounting 18): Larry Loo said the City Ordinance states when to conduct the annual 10-County survey and he suggested adding language from the Ordinance. Commissioner Scott suggested starting the section with the language “As outlined in the City Ordinance, prior to the second Monday in January in the year, or such”.
6. Page 6, TOR 101: Rates and Accounting 19): Larry Loo, CFO suggested changing “external financial audit” to “annual independent audit” so the time (annual) and specific type (independent) is clear. Larry Loo also suggested removing “cost” and inserting “rates”. Commissioner Zvanski understood that the Board does monitor the costs and that historical costs are maintained. Larry Loo said the overall costs and annual costs are shared with the Board in the annual statements. Commissioner Scott said the Board receives the monthly finance reports, annual audit, and the rates during the annual rates and benefits cycle, thus it would be accurate to say, “rates and costs”. All Committee members agreed.
7. Page 6, TOR 101: Organizational Planning and Risk Management 20) b): Larry Loo suggested replacing “administrative operating budget” with “General Fund and the Healthcare Sustainability Fund Budget” to specify the precise budgets.
8. Page 8, TOR 101: Selection of Vendors 26) b): Larry Loo, CFO noted that HSS uses plan administrators for the self and flex-funded plans, so the correct language is “plan administrators” not “insurance carriers”.
9. Page 16, TOR 104 Audits and Examinations 7): Larry Loo, CFO wondered if the audit report needs to go to the Finance Committee before the full Board approval or if this step can be removed. Chair Scott understood the current policy outlines the Finance Committee will provide clear direction and ensure the audit report is delivered to the full Board. Committee Chair Scott recalled good reason for the Finance Committee to review the report before the full Board but could see the option to review and recommend the report without having to meet as a Committee. Commissioner Follansbee agreed with Chair Scott that if the report presented areas of concern then the Finance Committee would be appropriate to discuss and respond before going to the full Board. Commissioner Follansbee suggested operationalizing this step. Commissioner Zvanski said the section needs to be maintained and new language can be added to offer an option to present or not present to the Committee. Erik Rapoport said language would be inserted to say the step may be bypassed if appropriate. Commissioner Follansbee suggested first consulting with the Chair of the Finance Committee, Chair Scott suggested consulting with the President of the Board and the CFO, and Erik Rapoport suggested also consulting with the Executive Director. Commissioner Scott summarized by saying, “The Budget and Finance Committee Chair, in consultation with the Board President, Executive Director, and CFO, will make a recommendation for the report to be submitted directly to the Board. Committee Members agreed to this change.
10. Page 20-21, POL 201: Board Composition 2): Commissioner Follansbee and Zvanski both said the organization of this section is confusing and it’s difficult to understand the appointments and the elected roles. Erik Rapoport suggested listing all seven members in the second paragraph. Commissioner Zvanski asked why the Health Service Board needs to confirm the appointment by the Controller and noted the Board doesn’t approve the Mayor or Board of Supervisor appointee. Commissioner Scott asked Erik to confirm if a 2/3 is needed by the Health Service Board. All Committee members agreed to the changes.

11. Page 22, POL 201 Meeting of the Board and Committee: Commissioner Zvanski asked if the room number needs to be designated for meetings. Erik Rapoport said under the Brown Act, for regular meetings a specific location is required. (No change or edits, discussion only.)
12. Page 22, POL 201: Teleconferencing: Chair Scott asked Erik Rapoport if the policy needs to be updated since teleconferencing has been allowed throughout the pandemic. Erik Rapoport said he would draft language that says teleconferencing can be suspended during a global pandemic by State and Local law can be suspended. Chair Scott suggested the language would include any emergency. Erik Rapoport said the language could say due to emergency teleconferencing may be suspended by State and Local law. Commissioner Follansbee agreed to clarify the terminology, so the current practice is described in the policy. All Committee members agreed to changes Erik Rapoport will provide.
13. Page 25, POL 201: Public Comment 51): Commissioner Zvanski noted that public comment is only required on action items but stated it's a good idea to keep public comment on all agenda items. Commissioner Scott recalled the Board's practice to take public comment on all action items on agendas and discussion items to offer public comment to allow the opportunity for public participation. Erik Rapoport said it's been the Board's general practice to allow public comment on all agenda items. President Follansbee said he would like to continue the same practice. (No changes or edits, discussion only.)
14. Page 32, POL: Appendix 1- International Foundation for Employee Benefits Plans: Larry Loo, explained that the International Foundation of Employee Benefit Plans (IFBP) resides in Wisconsin, which is a banned state under the [City Administrative Section Code 12x \(Chapter 12x\)](#). Executive Director Yant said the Finance and Contracts teamed informed her that a waiver can be submitted to continue the IFBP membership for Board members but she wanted to bring the discussion before the full Board. Commissioner Zvanski asked for further clarification on the 12x Admin Code. Commissioner Scott also asked how travel is affected by 12x. Michael Visconti, SFHSS Contracts Manager, said 12X.5 is within the City Charter and concerns states that have discriminatory practices against either or both LGBT individuals or with regards to restrictions on abortion laws. Michael Visconti also said this list of banned states is updated periodically with states either being removed as they become less restrictive or states are added to the list as they become more restrictive and Wisconsin recently was added to the banned state list. Michael Visconti also said 12X.4 restricts travel to the banned states. Commissioner said IFBP provides conferences, webinars, training, and monthly magazines and he asked if 12X if restricts any kind of service for an organization just because they are based in Wisconsin. Michael Visconti said that the City shall not enter into any contract with a contractor that has its headquarters in a state on the covered list and there are rare occasions circumstances a service from a banned state is used, for example when there is no substitute service of a comparable nature. Commissioner Zvanski said it's a difficult situation because she respects the discriminatory restrictions and yet this organization does provide significant information although she wasn't sure if there was a comparable service. Commissioner Follansbee said further discussion may be needed and suggested the appendix remain as is. Executive Director Yant said the actual utilization of this service could aid in the decision and the Board Education survey due in early January will offer data. Executive Director Yant also said the last conference that she and President Follansbee attended was geared more toward retirement and not the quality she was accustomed to. Executive Director Yant found more use from webinars from organizations like Pacific Business Group on Health (PBGH) and Catalyst for Payment Reform (CPR). Commissioner Scott said was inclined to remove IFBP, leaving the page blank until a final decision. Commissioner Follansbee concurred with Executive Director Yant, that the conference did not focus on government agencies and geared more toward self-funded health plans and thus considered leaving the organization in for now until a final decision is reached. Executive Director Yant also pointed out this page is an appendix and not an official policy. Erik Rapoport reminded the Committee

that today they can go through as many small details as possible and then bring one to two substantive changes to the full Board for approval. Commissioner Follansbee recommended leaving the appendix as is and changes can be made after the utilization process is complete with updated organizations for Board reference. Commissioner Zvanski concurred with Commissioner Follansbee. Commissioner Scott agreed. Chair Scott also requested if a member of the public questioned the use of the organization that it be explained the document is under review and the Board is pending an outcome to continue membership of IFEBP. Executive Director Yant reiterated that utilization rates may inform the Board's and the Board's decision to continue a membership is very much based on being compliant with the City Charter.

15. Page 37, POL 202 Appendix 4: Larry Loo suggested adding two educational resources organizations, Integrated Healthcare Association (IHA) and Employee Benefits Research Institute (EBRI).
16. Page 42, POL 204: SFHSS Executive Director Performance Evaluation Policy: Chair Scott recalled that the Executive Director Performance Survey Draft was included as it was being developed and has now been used for several years. Commissioner Scott also noted the Board's Self-Evaluation is not included so the Executive Director's Survey does not need to be included. Commissioner Follansbee agreed with deleting the draft and stated the policy is what is most important and drafts do not need to be included. Commissioner Zvanski concurred and said the surveys are reviewed and the Board needs the ability to change them so no need to include them in the document. Commissioner Zvanski asked if there is an opportunity for staff to evaluate the Executive Director. Commissioner Scott stated the Board reviews the survey each year and discusses the opportunity for staff to participate before the survey distribution and currently the CFO and COO are included in the process.
17. Page 45, POL 205 Appendix Scheduled Board Reports: Commissioner Scott asked Executive Director for any updates or additions to the appendix. Executive Director considered adding an annual report on contracting activity and is deciding what would be reported. Executive Director Yant said will ensure staff is informed of scheduled reports. Executive Director Yant also noted as an appendix, the document isn't evergreen and may need to be updated. Commissioner Scott recommended leaving the appendix as is and Executive Director Yant will submit changes at a later date. All Committee Members agreed to the changes at a later date.
18. Page 50, POL 2017 Roles and Responsibilities 2) ii): Larry Loo, CFO noted that HSS uses plan administrators for the self and flex-funded plans, so the correct terminology is "plan administrators" not "insurance carriers". iv) and v): Executive Director Yant suggested removing the cap for item ii) and v) or setting a higher cap of \$500,000 to accommodate higher costs. Commissioner Zvanski believed a cap was necessary and couldn't recall the decision for the \$200,000. Commissioner Scott said the number has gradually increased over the years and suggested doubling the current cap. Commissioner Zvanski agreed with Executive Director Yant to set the new cap at \$500,000. All Committee Members agreed to the change. The Committee discussed v): Commissioner Follansbee asked for clarification on the Medical Director role and the Executive Director role. Commissioner Scott said the roles are in the City Charter (section [12.200](#) and [12.201](#)). Commissioner Zvanski added that the Board has the authority to appoint a Medical Director, but we have not needed one.
19. Page 65-68, POL 211 SFHSS Self-Funded Plans' Rate Stabilization Policy: Larry Loo suggested standardized terminology consistent with City terminology for this section: change "gains" to "surpluses", change "losses" to "shortfalls". Larry also consulted with Aon and Mike Clarke suggested reordering the list of plans to match the magnitude of the membership so the new order would be HMO, PPO, and then Dental. Larry Loo also pointed out the City does not refer to stabilization by itself, instead, it is referred to as rate stabilization so adding "rate" where necessary. Larry Loo recommended deleting the reference to the Contingency Reserve and IBNR in this section since there are self-standing policies for these items and it may be

confusing to reference those policies here. Larry Loo explained that Rate Stabilization applies to flex-funded and self-funded plans so “flex” needs to be added to this description. Larry also said within the five components of setting rates there are fixed components, like capitation, administrative costs, etc., so the policy needs to read “fixed components” not fully insured. Larry suggested removing the reference about the EGWP premium because EGWP is the employer group waiver program for Medicare and Medicare plans are not self or flex-funded. Commissioner Follansbee wanted to be sure there are no changes to operations or methodology. Commissioner Zvanski asked to clarify the terms “surplus” and shortfall”. Larry Loo confirmed the suggestions do not change the policy operations or methodology. Larry Loo also explained that the terminology is to be consistent with City terms; in terms of revenue the City refers to the difference between your allotted funds and expenditures as a “surplus” and there were not sufficient funds for your expenditures then there is a shortfall. These terms are now used throughout the regular financial reports to the Board and would be advised to list them in the policy as well.

20. Page 69-70, POL 212 SFHSS IBNR Reserve Policy and Methodology: Larry consulted with Aon and Mike Clarke suggested reordering the list of plans to match the magnitude of the membership so the new order would be HMO, PPO, and then Dental. Larry Loo suggested adding “submitted” to clarify that a claim is submitted and then fully settled as opposed to just a full settlement-this recognizes claims coming in need to be submitted and then fully settled.
21. City Charter and Admin Code: Erik Rapoport said there were no substantial changes to the Admin Codes although he would check to see if any new Commissions were added.
22. SFHSS Membership Rules: Commissioner Scott stated the Membership Rules are updated annually and the most current Rules will be added to the document.

Erik Rapoport suggested all the changes discussed today be incorporated into a single redlined document. Commissioner Scott requested the redlined document be circulated to the Committee before the full Board Meeting.

Commissioner Zvanski moved to accept the edits discussed today to be reviewed in a final redlined documents that will be circulated for review to the Committee before the January full Board meeting. Commissioner Follansbee seconded the motion.

PUBLIC COMMENT: None

ACTION: The Governance Committee unanimously approved the edits discussed today to be reviewed in a final redlined documents that will be circulated for review to the Committee before the January Full Board meeting.

5. ADJOURNMENT: 3:12 pm

Health Service Board and Health Service System Web Site: <http://www.sfhss.org>

Summary of Health Service Board Rules Regarding Public Comment

1. A member of the public has up to three (3) minutes to make pertinent public comments before action is taken on any agenda item.
2. A member may comment on any matter within the Board’s jurisdiction as designated on the agenda.
3. Members may submit their comments by email to health.service.board@sfgov.org by 5 pm 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, summarized and read aloud by the Board Secretary during the specific agenda item, and included 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.

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, 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.

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 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. Health Service Board telephone number: 628-652-4646

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 www.sfgov.org/ethics.