

January 13, 2005

Health Service Board

Minutes

Thursday, January 13, 2005
10:00 AM
City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94103

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| Call to Order | | |
| Pledge of Allegiance | | |
| Roll Call | President, Scott Heldfond Vice President Karen Breslin Commissioner James Deignan, <i>Excused</i> Commissioner Aleeta Van Runkle Commissioner Claire Zvanski | |
| 01132005-01 | Action Item | Approval (with possible modifications) of the minutes of the following meetings: President Heldfond reminded everyone that the HSB Regular Meeting scheduled for December 13, 2004 was cancelled and a Special Meeting was given just to certify the 10 County Survey Amount. The following draft minutes was given to the Board for review prior to the meeting: · Regular Meeting of November 16, 2004 · Special Meeting of December 20, 2004 Staff Recommendation: Approve draft minutes Public Comments: None Action: Motion was moved and seconded by the Board to approve the Regular Meeting minutes of November 16, 2004 with amendments and the Special Meeting Minutes of December 20, 2004. Motion passed 4 to 0. |
| 01132005-02 | Discussion Item | Reports of Health Service System Staff and Legal Counsel Regarding the Following Matters: Administration • President Heldfond announced that Jeffrey Hildebrant is on a scheduled vacation. Legal Update - No report |

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| | | <p>HSB President's Update</p> <p>President Helffond stated that his statements would be covered under the agenda items.</p> <p>Public Comments: None</p> |
| 01132005-03 | Discussion Item | <p>Health Service Board Committee Reports</p> <p>Budget & Finance Committee (Jim Deignan)</p> <ul style="list-style-type: none"> • Commissioner Jim Deignan (excused absence) will schedule a Budget & Finance Committee meeting. <p>Rules Committee (Aleeta Van Runkle)</p> <ul style="list-style-type: none"> • A Notice have been distributed to the public announcing the first Rules Committee meeting, which will be held on Friday, January 28, 2005 at 12:30 PM. <p>Rates & Benefits Committee (Claire Zvanski)</p> <ul style="list-style-type: none"> • Chair Zvanski gave an overview of the last Rates and Benefits Committee meeting: <ul style="list-style-type: none"> - Ben Rosenfield, of the Mayor's Budget Office, gave a report regarding the status the City's budget. As a result of the failures of Propositions K & J at the November polls, and the failure of the revenues to increase, the City's deficit suffered a short fall of approximately \$230 million. - Review of Towers Perrin's July 1, 2005 Renewals Update as of January 11, 2005, which included discussions regarding approved plan design changes for 2004-05, HMO rate renewals, HMO rate re-alignment, Health Net Seniority Plus quote, guaranteed rates for 2005-06, Kaiser VSP carve out, Medicare deductible etc. <p>Public Comments: None</p> |
| 01132005-04 | Action Item | <p>Presentation and Acceptance (With Possible Modifications) of Regular Financial Report of HSS Finance (Erik Mezack).</p> <ul style="list-style-type: none"> • The Board received the (revised) Financial Reports for Health Service System, dated October 2004, which is attached as Schedule #1. This report includes detail for the medical sub fund and the estimated change in total net assets available for the entire Health Service system: <ul style="list-style-type: none"> - Estimated changes in net assets available for the month ended October 31, 2004 (revised). - Fiscal year-to-date: October 31, 2004 (revised) |

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| | | <ul style="list-style-type: none"> - Month ended October 31, 2004 - Estimated changes in net assets available for the month ended November 30, 2004. - Fiscal year to date: November 30, 2004 - Month ended November 30, 2004 <ul style="list-style-type: none"> • President Heldfond requested that a representative from the Treasurer/Tax Collector/Investment Division be invited to the next Finance and Budget Committee meeting and make a presentation regarding investment policies and procedures for the Trust Fund. <p>Public Comments: None</p> <p>Action: Motion moved and seconded by the Board to approve the HSS financial report. Motion passed 4 to 0.</p> |
| 01132005-05 | Discussion Item | <p>Discussion of 2003-04 Audited Financial Statements (KPMG).</p> <ul style="list-style-type: none"> • Jamie Austin congratulated Erik Mezack and the HSS staff for contributing to the success of the audit report. Mr. Austin stated that it is a huge point that there aren't any negative statements in the KPMG's Management Letter and that this is a big success. Results of the audit was presented by Tiffany Ann Rasmussen, of KPMG, and Thomas Bull, Manager of the KPMG Audit. The Board received the following financial documents, which are attached as Schedule #2, prior to the meeting: <ul style="list-style-type: none"> • Audit Results, dated January 13, 2005, which is a Power Point report, was presented to the Board by Tiffany Ann Rasmussen. Contents of this report are as follows: Scope of Audit, Auditor's Required Communications, and Management Letter Comments. • KPMG Management Letter to Edward Harrington, Controller, dated November 29, 2004. • The Financial Statements for June 30, 2004-2003 was presented by Erik Mezack. • Jamie Austin presented the Health Service System Financial Statements for FY 2003-2004, which included a memo to the Health Service Board, dated December 6, 2004. • President Heldfond and the Board congratulated Jamie Austin, Erik Mezack and KPMG for the success of the audit and financial reports. <p>Public Comments: None</p> |
| 01132005-06 | Discussion Item | <p>Proposition C-Policy, Planning and Implementation, and Staff Transition Update.</p> <ul style="list-style-type: none"> • President Heldfond stated that the passing of Proposition C (November, 2004) mandates the reorganization of the financial systems to reflect the Health Service System as a separate department. It affects the budget, purchasing, annual financial reports, and payroll records. The Department of Human Resources and the Health Service System plan to submit |

documentation of these changes on or before tomorrow. Ongoing issues regarding these changes and reorganization will be through the Mayor and the Controller. The FY 2005-2006 budget process will review the Health Service System (HSS) as a separate department and in the process. The HSS department will have their own budget instructions, target presentations and performance scores. The Mayor's Budget Office has assigned William Bass, a Fiscal Policy Analyst, to work with HSS. The Board of Supervisors and the Controller's Office will also assign an analyst to work with the department. The deadline for HSS budget instructions is February 22, 2005 and the HSS finance staff is working with the Controller's Office and Mr. Bass on the budget submission. The Charter mandates that when functions of a department are transferred within another department, (HSS) employees performing that function are also transferred. Therefore, there will be an alignment process outlining the functions of the employees from the old system to the new system (separate department). As a result of Proposition C, there will be an election to replace the HSB seat held by Deputy City Attorney, Aleeta Van Runkle. This election will cost the HSS budget \$45,000

- The Board received the Opinion No. 2003-01 which is regarding the "Roles of the Commission, Individual Commissioners and the Department Head, this document is attached as Schedule #3. Molly Stump, Deputy City Attorney, gave an overview of the highlights of this report:

- Analysis-the Role of the Commission
The Role of Individual Commissioners
The Role of the Department Head
The Budget Process
Hiring Process

- Ms. Stump informed the Commissioners that this report is a published City Attorney's opinion which can be found on the City Attorney's website as well as a general training video which incorporates information regarding the roles of the Commission, individual commissioners and the department head, which is per the San Francisco's Charter and Administrative Code.
- Jamie Austin confirmed the deadline for submitting the proposed HSS budget is as follows: (1) February 22, 2004- Controller's Office, (2) March 1, 2005- Mayor's Office, (3) June 1, 2005-Budget Analyst/Board of Supervisor, (4) July 1, 2005-interim budget is adopted by the BOS, and (5) End of July-second reading of the budget and approval.
- President Heldfond requested that Commission Secretary inform the HSS staff that the HSB is very appreciative of their work and that the staff changes and issues are related to the City's budget deficit; rather than the misconceptions formed by the passing of Proposition C. Commissioner Zvanski stated that the HSB understand the emotions that the HSS employees feel as a result of losing so many of their staff and the difficulty of working under such shortages conditions. Commission Secretary, Arnetta Brown stated that some of the HSS staff

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| | | <p>wanted to attend the HSB meeting and give a report but they were unable to attend because of the shortage of staff.</p> <p>Public Comments: None</p> |
| 01132005-07 | Action Item | <p>Resolution Regarding the 2005 Election for Member of the Health Service Board.</p> <ul style="list-style-type: none"> The Board received the Resolution ordering the 2005 Health Service Board election; setting dates for the election; ratifying actions taken by the HSS staff to initiate the election and the authorizing staff to proceed with the election. This resolution and attachments are attached as Schedule #4. <p>Public Comments: Nancy Gin, of POB, expressed concern and regret for the staff reductions at HSS. Request a change in the timeline for the HSB election. Molly Stump confirmed that the date and deadline of the timeline for the election was given by Jeffrey Hildebrant at the HSB Regular Meeting on November 16, 2004 and the timeline process is the same as in the past.</p> <p>Action: Motion was moved and seconded by the Board to accept the resolution for the 2005 HSB election. Motion passed 4 to 0.</p> |
| 01132005-08 | Discussion Item | <p>Reports On Network and Health Plan Issues (Network and Health Plan Representatives).</p> <ul style="list-style-type: none"> A special request was made by Commissioner Breslin for a report from United Health Care; however, no representative was present. <p>Public Comments:</p> <ul style="list-style-type: none"> Nancy Gin expressed problems with notifications from United Health Care with Medicare. Dave Meir stated that United Health Care is very cooperative and helpful in explaining issues and that contact information can be located on form. Claire Dunn stated that she still have problems regarding the United Health Care form and the 140 employees that receive Medicare. |
| 01132005-09 | Discussion Item | <p>Opportunity To Place Items On Future Agendas.</p> <ul style="list-style-type: none"> Commissioner Zvanski stated it is very important that agenda items not only be turned in prior to the meetings, but early enough for the commissioners to review them. <p>Public Comments: None</p> |
| 01132005-10 Adjourn: 3:05 PM | Discussion Item | <p>Opportunity For The Public To Comment On Any Matters Within The Board's Jurisdiction.</p> <p>Public Comments: None</p> |

SUMMARY OF HEALTH SERVICE SYSTEM RULES REGARDING PUBLIC COMMENT

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item.
- A member may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting. The complete rules are set forth in Section A(6) of the Health Service System Rules and Regulations. A copy of these Rules and Regulations is available at any time upon request. Call the Commission Secretary, Arnetta Brown, for further assistance at (415) 554-1727.

HEALTH SERVICE BOARD AND THE HEALTH SERVICE SYSTEM WEB SITE

<http://hss.sfgov.org>

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 is prohibited at Health Service Board meetings and its' committee meetings.
- The chair of the meeting may order the removal from the meeting room of any person(s) in violation of this rule.
- 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 set forth in Chapter 67A of the San Francisco Administrative Code and in the Rules and Regulations of the Health Service System.

DISABILITY ACCESS

The meeting will be held at City Hall, #1 Dr. Carlton B. Goodlett Place, Room 416. 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 at 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.

The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Arnetta Brown at (415) 554-1727 at least 72 hours prior to the meeting.

In order 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.

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 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, contact Adele Destro by mail to Interim Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Ms. Destro or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt 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 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics.