

July 14, 2005

Minutes

Regular Meeting

Thursday, July 14, 2005

1:00 PM

City Hall, Room 416

1 Dr. Carlton B. Goodlett Place

San Francisco, CA 94103

Call to Order		
Pledge of Allegiance		
Roll Call	President, Scott Heldfond Vice President James Deignan Commissioner Karen Breslin Supervisor Sean Elsbernd Commissioner Sharon Johnson Commissioner Mitch Katz, M.D., Arrived 1:05 pm Commissioner Claire Zvanski	
	<ul style="list-style-type: none">• President Heldfond gave special welcome to five new changes for the fiscal year 2005-2006:<ol style="list-style-type: none">1. First HSB meeting for Fiscal Year 20062. As a result of the passing of Proposition C, the Health Service System is now a new department with a new department number (66).3. Bart Duncan, the new Director of the Health Service System, is present for his first HSB meeting.4. The Health Service Board membership is now complete with the appointment of Supervisor Sean Elsbernd, who is also present for his first HSB meeting.5. Welcome was also extended to the HSB's new Deputy City Attorney, Gina Roccanova.	
07142005-01	Action Item	Approval (with possible modifications) of the Minutes of the Following Meetings: <ul style="list-style-type: none">• <i>The Board received the Draft HSB Regular Meeting Minutes of June 9, 2005.</i> Staff Recommendation: Approve minutes. Public Comments: None Action: Motion was moved and seconded by the Board to approve the draft minutes of the HSB Regular Meeting of June 9, 2005. Motion passed 7 to 0.
07142005-02	Discussion Item	Reports of Health Service System Staff and Legal Counsel Regarding the Following Matters:

Director's Report (Bart Duncan)

- Bart Duncan expressed his pleasure to be back at the Health Service System and proceeded to give an outline of the changes that have taken place at HSS since his return after four-years:

Where We Are

1. Mr. Duncan stated that HSS has made incredible strides forward which included major changes in City Plan 1, implementation of the People Soft system, staff organization and contract changes that effects the relationship with the vendors and HMO's.

Challenges Ahead

1. Changes caused by the reduction of the staff and City finances and its impact on HSS operations. Expanding upon a set of expectations for new members and the type of service that they currently receive in comparison to what they should be receiving (i.e. increase flexibility of the HSS staff).
2. Progress in relationship with the vendors (i.e. written contracts) and the improvement of these contracts by the focus and enforcement of recommendations from the Controller's Office that will contribute to the enhancement of the performance and expectation of the vendors and the Health Service System.
3. Rising health care funds with diminishing City finances. The GASB standards and its impact on the trends for future benefits and the aging population.

HSS Team

1. Still heavily dependant upon other departments, relationship with members, and vendors. It is time for HSS staff to pull together and use its immense amount of resources to progress forward as a team. The HSS team includes a network of participants: all of the members of the HSB, Deputy City Attorney, and the Department of Human Resources (a key component), vendors, HMOs and all members of the system.
2. Mr. Duncan stated that he was very impressed with the clean KPMG Management Letter and thanked Jamie Austin for making it possible.

HSS Mission Statement and Principles

- The Board received the Health Service System Mission Statement, which is attached as **Schedule #1**. The HSS Mission Statement: *The San Francisco Health Service System is dedicated to providing outstanding health and other employee benefits to its members while adhering to the highest standards of customer service.* The HSS Principles outlined by Mr. Duncan are as follows:
 - Commitment to HSS Mission and Goals
 - Professionalism

		<ul style="list-style-type: none"> ○ Teamwork ○ Mutual Respect & Support ○ Taking Responsibility ○ Sharing Information and Insights ○ Seeking Out & Welcoming Opportunities for Individual and Departmental Growth & Change ○ Positive Focus ○ Sense of Humor <p>A Promising Future</p> <ul style="list-style-type: none"> • Improvements on staff, members, and vendor relationships, customer service, written contracts, financial reporting, and procedures and policies that will contribute to positive enhancements in the forward progress of HSS. <p>Assistant Director’s Report (Jeffrey Hildebrant)</p> <ul style="list-style-type: none"> • The Board received the Claims Report for July 2004-May 2005. This report is attached as Schedule #2. Commissioner Zvanski requested a 12- month view of this report so that she might be able to get a better overview and do a comparison of the flow of the data. • Open Enrollment statistics are complete and show that there is a small increase in City Plan, with total lives covered; small increase in Kaiser, with total lives covered; a significant increase in the Blue Shield plan and a decrease in enrollment in the Health Net plan. A detailed report will be presented at the next meeting. • Budget committee hearings are over, however the City budget meetings are ongoing; therefore, approval of the HSS budget is pending. An update on the status of the budget will be presented at the next meeting. <p>Legal update (Gina Roccanova) - No report.</p> <p>Public Comments: Diane Hermann of the SF Retirees Association welcomed Bart Duncan back as the new Director of HSS.</p> <p>Reminder of a 3 Minute Public Comment</p> <ul style="list-style-type: none"> • President Heldfond reminded everyone that the 3- minute time allotment for public comments is in effect.
<p>07142005-03</p>	<p>Action Item</p>	<p>Presentation and Acceptance (with possible modifications) of Regular Financial Report of HSS Supervising Fiscal Officer (Tess Navarro).</p> <ul style="list-style-type: none"> • The Board received the Health Service System Trust fund report for July 2004-May 2005. This report is attached as Schedule No. 3. They also received the <i>HSS Report for May 2005</i>, which is attached as Schedule No. 4. <p>Staff Recommendation: Accept report.</p> <p>Public Comments: None</p> <p>Action: Motion was moved and seconded to accept the financial report. Motion passed 7 to 0.</p>

07142005-04	Discussion Item	<p>Health Service Board Committee Reports:</p> <p>Budget & Finance Committee</p> <ul style="list-style-type: none"> • No Report • Rates & Benefits Committee <p>Rules Committee</p> <ul style="list-style-type: none"> • No report. Next scheduled meeting is cancelled (July 26, 2005). <p>Public Comments: None</p>
07142005-05	Discussion Item	<p>Reports On Network and Health Plan Issues (Network and Health Plan Representatives).</p> <p>United Health Care (Uniprise) (City Plan)- Kathy Hajopoulos</p> <ul style="list-style-type: none"> • The Board received the <i>2005 Prescription Drug List Consumer Reference Guide</i>. This report is attached as Schedule #5. • Ms. Hajopoulos announced that United Health Care has acquired Pacific Care. <p>Health Net, Marshon Thorsen</p> <ul style="list-style-type: none"> • Marshon Thorsen apologized to the Board for the alarming report made at the June HSB meeting, regarding the transition of members from Heath Net’s direct network without considering the needs of the members. As a result of the protests by the HSB and members of this untimely announcement, the commissioners was assured by Ms. Thorsen that all CCSF members will continue to see their same PCP and their same specialty physicians for the remainder of the 2005-2006 plan year. The only change is that some members will get a new ID card reflecting their medical group affiliation other than the direct network. There will be no interruptions to the patient- physician relationship. <p>Public Comments:</p> <ul style="list-style-type: none"> • Nancy Gin stated that she hopes that the merger between Pacific Care and United Health Care does not end up with City Plan 1 getting lost in the shuffle. She thanked President Heldfond for taking charge of the Health Net issue. • Claire Dunn stated that she was happy with progress of Plan 1 in its forward move and the outcome of the Health Net issue so that it will be a pleasure to write about it in the Retiree’s newspaper.
07142005-06	Discussion Item	<p>Medicare Part D Status Report</p> <ul style="list-style-type: none"> • Bart Duncan stated that he has been working with Michael Hilton and has approved preliminary work that they have completed on the out-station phase and they are currently working on data needed to complete

		<p>the process. Everything is on schedule and an updated report will be given at the next meeting.</p> <p>Public Comments: None</p>
07142005-07	Discussion Item	<p>Report of Health Service Board President (Scott Heldfond)</p> <ul style="list-style-type: none"> • President Heldfond requested that in lieu of using August as a (designated) vacation break for the HSB commissioners, that the next HSB meeting will be a strategic planning session. Bart Duncan will structure an agenda that will build a bridge between what the realities are in regards to the status of the Health Service System as it is now and how it should progress in the future. • President Heldfond stated that he and the HSB took the audit report from the Controller's Office personally and the basis of it unfounded; however, the Controller's audit report will be used as a challenge and as a great roadmap to use in getting professional assistance that will build the HSS into a great department. Dr. Mitch Katz agreed with President Heldfond and stated that the Board has done a great job in giving a good product and that most of the successes that were achieved in the past was made during a time of crisis, the Board never had the time and never had the staff to put in the infrastructure (i.e., the policies and procedures). The management review is not based upon how much progress you made in the last three or four years, but is about where you are now and where you have to go. He recommended that the Board use the review as a basis that will lead them to the next level. <p>Public Comments: Bernard Crotty, President of the Retirees Association, did not agree with the statements made by Dr. Katz and stated that the HSB lost their authority when the HSS was under the control of DHR.</p>
07142005-08	Discussion Item	<p>Presentation by the Controller's Office of Audit Report dated June 29, 2005, Regarding the Health Service System (Audit No. 04002P) Peg Stevenson/Brenda Roberts</p> <ul style="list-style-type: none"> • The Board received copy of the Controllers Office of Audit Report, dated June 29, 2005, and a Power Point outline, dated July 14, 2005 was presented at the meeting. This report is attached as Schedule No. 6. Topics included in the presentation regarding the Health Service System are as follows: <ul style="list-style-type: none"> • HSS Background • HSS Accomplishments • Performance Audits • HSS Audit Objectives • Recommendations <p>Proposed Changes to HSS Governance and Management</p> <ul style="list-style-type: none"> • Trust Fund/Trust Fund Reserves • Oversight and Review of City Plan/Consultants & Vendors • Define Roles and Responsibilities • Long Term Strategic Plan for HSS • Self Evaluation Process

		<ul style="list-style-type: none"> • Scope and Methodology <p>Public Comments:</p> <ul style="list-style-type: none"> • Bernard Crotty, President of Retirees’ Association, stated that the Controller’s audit is a late assessment and is irrelevant and that the passing of Proposition C was the retirees response to the need of HSS being a separate department and not under the authority of DHR and the authority be given to the HSB. • Jean Thomas, retiree, stated that she is against using the recommendation of the Controller’s audit of a specifically named outside consultant without using the RFP process. • Nancy Gin, Chair of POB, submitted a detailed report of two issues in the audit report that was of major concern and in conflict with certain Charter Sections (12.202, 12.203, A8.425 and A8.428c) and requested that the commissioners reject any audit recommendations that would be in conflict with their fiduciary relationship with the beneficiaries of the system. • Herbert Winer, member of POB, stated that he felt disappointed and betrayed because after meeting with the auditors on several occasions, their report did not contain recommendations from POB regarding HSS customer service and the role of the BOS as a member of the HSB. • Claire Dunn stated that the Controller’s audit did not mention new benefits, or closed meetings on appeals that require the advice/presence of a physician. • Diane Hermann explained why some things are in the Charter and not subject to ordinance by the BOS etc. She also stated that she is looking forward to working with the HSB Board and the HSS staff.
07142005-09	Discussion Item	<p>Opportunity To Place Items On Future Agendas.</p> <ul style="list-style-type: none"> • Items on this agenda will remain as part of the strategic planning agenda at the next meeting. <p>Public Comments: None</p>
07142005-10	Discussion Item	<p>Opportunity For The Public To Comment On Any Matters Within The Board’s Jurisdiction.</p> <p>Public Comments: None</p>
Adjourn 3:24 PM		

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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>

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 Commission Secretary, Arnetta Brown, at (415) 554-1727 or by email at arnetta.brown@sfgov.org 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 94103-4689; 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 94103; telephone (415) 581-2200; fax (415) 581-2317; web site www.sfgov.org/ethics.

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.