

MINUTES

Regular Meeting

Thursday, September 8, 2005
1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94103

□ **CALL TO ORDER**

□ **PLEDGE OF ALLEGIANCE**

□ **ROLL CALL** President Scott Heldfond
Vice President James Deignan
Commissioner Karen Breslin
Supervisor Sean Elsbernd, *Excused*
Commissioner Sharon Johnson
Commissioner Mitch Katz, M.D., *Excused*
Commissioner Claire Zvanski

□ **09082005-01** **ACTION ITEM** **APPROVAL (WITH POSSIBLE MODIFICATIONS) OF THE MINUTES OF THE FOLLOWING MEETINGS:**

- Regular Meeting of August 11, 2005

STAFF RECOMMENDATION: Approve Minutes.
Documents provided to Board prior to meeting: Draft minutes.

PUBLIC COMMENTS: None

ACTION: Motion was moved and seconded by the Board to approve the draft minutes for August 11, 2005. Motion passed 5 to 0.

□ **09082005-02** **DISCUSSION ITEM** **PRESIDENT'S REPORT** (Scott Heldfond):

- President Heldfond and the Board complimented Bart Duncan and his staff for delivering the Commissioners' binders complete with the vendors' agenda documents in a timely fashion.

PUBLIC COMMENTS: None

□ **09082005-03** **DISCUSSION ITEM** **DIRECTOR'S REPORT** (Bart Duncan):

- Bart Duncan presented an overview of the progress of the Health Service System in the following areas:
 1. Health Service System

2. Deactivation of IVR System
3. Three's a Crowd Policy
4. Enhanced Metrics and Reporting for Customer Service
5. Recent Hiring to Bolster Customer Service
6. Upcoming Web Enhancements-Documents provided to Board prior to meeting: Preliminary draft of redesigned home page (**Schedule #1**).
7. Accolades for HSS Staff
8. Major Progress on Vendor Reconciliations
9. Major Progress on Events Processing
10. Focus on Filling Inter-Departmental and Inter-Agency Gaps to Provide Seamless Interfaces and Smooth Transitions for Members.

PUBLIC COMMENTS: Claire Dunn, of Retired Teachers Association, stated that she is pleased with the progress with customer service at HSS and most of the complaints that she has received have been regarding VSP.

□ 09082005-04 ACTION ITEM

AMENDMENT TO RULES AND REGULATIONS TO STRUCTURE THE FOLLOWING COMMITTEES AS COMMITTEES OF THE WHOLE, PENDING FURTHER BOARD ACTION (*President Heldfond*):

- Rates and Benefits Committee
- Rules Committee

STAFF RECOMMENDATION: Adopt the amendment.

- The Board received a draft amendment to Part I, Article A, Section 4 prior to the meeting (**Schedule # 2**). The Board agreed with Commissioner Breslin's recommendation that b. Rates and Benefits Committee Rube be amended by deleting the word "consist" so that the sentence reads: "The Rates and Benefits Committee shall be a committee of the whole."

Motion

Motion was made to approve the amendment to Part I, Article A, Section 4.

PUBLIC COMMENTS: NONE

ACTION: Motion was moved and seconded by the Board to accept draft amendment to Part I, Article A, Section 4. Motion passed 5 to 0.

□ 09082005-05 DISCUSSION ITEM

REPORT ON STATUS OF EFFORTS TO RETAIN CONSULTANT TO RECOMMEND AND FACILITATE THE DEVELOPMENT OF GOVERNANCE BEST PRACTICES FOR THE BOARD (*Bart Duncan*)

- Brenda Roberts and Esther Reyes of the Controller's Office met with Bart Duncan earlier during the week and presented to him a new and final RFQ, which was prepared by them. The RFQ provides a pool of consultants that would provide a governance of best practices for the Board. Mr. Duncan stated that his goal is to be able to present to the Board during the November meeting present a selection of consultants from the pool for the Board to

- review and make a final selection.
- The funding for this contract is from the Controller's Office.

PUBLIC COMMENTS: None

□ 09082005-06 **DISCUSSION ITEM** **REPORT ON STATUS OF AUDIT FOR FISCAL YEAR 2004-2005** (*Jamie Austin*)

- Pre-meeting with KMPG auditors will start on Monday and Tess Navarro and the Finance staff has been preparing documents for them. The auditors' reporting and testing process takes several weeks. A management letter and report is developed at the conclusion of the process, which is usually at the end of December.

PUBLIC COMMENTS: Jean Thomas recommended that the auditors should deliver the management letter to the Board in a better timeframe than in the past years so that recommendations and results of operation can be known in advance.

President Heldfond stated that, for the record, the Board has made repeated requests to the KMPG auditors every year to distribute draft copies of the management letter simultaneously to the HSB and the Controller's Office.

□ 09082005-07 **ACTION ITEM** **APPROVAL OF FINANCIAL REPORTS FOR JULY 2005 AND UPDATE ON FUTURE IMPROVEMENTS TO THE REPORTS FOR THE CHARTER BENEFITS FUND AND THE NON-CHARTER BENEFITS FUND** (*Tess Navarro*):

STAFF RECOMMENDATION: Approve Reports.

- Documents provided to Board prior to meeting:

(1) *Draft Report for the General Administrative Fund, in the format presented at the meeting of August 11, 2005 (Schedule #3)* Report for the month ending in July 2005 and update information of the following categories: expenses, budget, month of July 2005, year to date (YTD) data, and % of fiscal year elapsed- 8% YTD actual to budget %.

(2) *Draft Report for the Charter Benefits and the Non-Charter Benefits in the combined format in use for the prior fiscal year (Schedule #4).*

(3) *City Health Plan Claims Activity Report (Schedule #5)* Report of the employment status for active and retirees, Medicare status and the grand total payments data for (1) year/month, (2) medical payments, and (3) managed pharmacy payments.

PUBLIC COMMENTS: None

ACTION: Motion was moved and seconded by the Board to approve the financial report. Motion was approved 5 to 0.

□ 09082005-08 **DISCUSSION ITEM** **EVALUATION AND REVIEW OF RATE CALCULATION FOR CITY HEALTH PLAN FOR THE FOLLOWING FISCAL YEARS** (MIKE KRAMER).

- Documents provided to Board prior to meeting: Report prepared by Towers Perrin are as follows:
 - 2001-2002 and 2002-2003 (**Schedule #6**)
 - 2003-2004 and 2004-2005 (**Schedule #7**)
 - President Heldfond and the Board recommended having this complicated report reviewed by the Finance & Budget Committee.

PUBLIC COMMENTS: NONE

- **09082005-09** **DISCUSSION ITEM** **UPDATE ON PLAN TO PROVIDE OVERVIEW OF THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONER'S RISK-BASED CAPITAL (RBC) METHOD RECENTLY UTILIZED BY CALPERS TO REVISE ITS RESERVE POLICY AND THE POTENTIAL IMPACT OF SUCH METHODOLOGY ON THE CALCULATION OF FUTURE RESERVES** (Mike Kramer)

- *Documents provided to Board prior to meeting: Update prepared by Towers Perrin. (Schedule #8).* This update report regarding risk based capital includes information regarding the background and proposed approach.

PUBLIC COMMENTS: NONE

- **09082005-10** **DISCUSSION ITEM** **UPDATE ON EFFORTS TO OBTAIN AND PRESENT CONSOLIDATED UTILIZATION DATA FOR THE MEDICAL PLANS FOR FISCAL YEAR 2004-2005** (Mike Kramer)

Documents provided to Board prior to meeting: Proposed form of consolidated utilization report, prepared by Towers Perrin. (Schedule #9). This sixty page report regarding the proposed medical plan utilization report is separated into five categories: (1) Utilization Summary, (2) Inpatient Utilization, (3) Outpatient Utilization, (4) Lifestyle, and (5) Prescription Drugs.

PUBLIC COMMENTS: NONE

- **09082005-11** **DISCUSSION ITEM** **REPORT ON STATUS OF APPLICATION FOR MEDICARE PART D REIMBURSEMENT** (Jeffrey Hildebrant)

- Process of completing the online application with the assistance of Towers Perrin. CMS has extended the application deadline from September 30th to October 31, 2005.
- HSS staff and Towers Perrin met with the four medical plans last week to discuss operational procedures involved with submitting applications for Medicare Part D reimbursement. Blue Shield and Health Net stated that they are able to file reimbursement for HSS and they will have enhanced Medicare Part D plans available in January 2006. Prior to November 16, 2005, notices of credible coverage will be sent out to retirees that will detail the steps they should or should not take in regards to filing for Medicare Part D.

- Mike Kramer stated that the City and County of San Francisco is ahead of other agencies in its handling and clarifying to the retirees the Medicare Part D reimbursement process and complimented Jeffrey Hildebrant and staff for doing such a good job.

PUBLIC COMMENTS: Jean Thomas stated that she will make sure that the retirees are aware and informed of the Medicare Part D process through the Retirees Bulletin.

□ 09082005-12 **DISCUSSION ITEM** **UPDATED STATUS REPORT ON CONTRACTS FOR CURRENT VENDORS TO THE HEALTH SERVICE SYSTEM (Gina Roccanova)**

- *Documents provided to Board prior to meeting: Chart prepared by HSS staff outlining status of each contract (Schedule #10).* This *HSS Contracts Update* report is separated into four categories: (1) vendor, (2) contract, (3) rider to contract, and (4) contract term. Ms. Roccanova stated that by the next HSB meeting she will be able to report that most of these contracts will be complete and signed.

PUBLIC COMMENTS: Faye Rowe, of SEIU Local 790, wanted to be sure that these contracts are the same ones that the union received copies of because the SEIU union will be reviewing them during their Meet and Confer meeting in reference to the effects of the contracts on the employees and their job. Bart Duncan assured her that the contracts will go through the Civil Service process.

□ 09082005-13 **ACTION ITEM** **AUTHORIZATION OF STAFF TO SEEK SPECIAL CLASSIFICATION AND DEVELOP COSTING FOR THE FOLLOWING NEW STAFF POSITION TO BE FUNDED FROM THE CHARTER BENEFITS TRUST FUND PURSUANT TO CHARTER SECTION A8.423 (OBTAINING AND DISSEMINATING INFORMATION REGARDING PLAN BENEFITS) (Bart Duncan):**

- Health Service System Communications Manager

STAFF RECOMMENDATION: Grant Authorization.

- *Documents provided to Board prior to meeting: Draft job description for the above position (Schedule #11).* Additional information and justification for this position is outlined in the position description, which includes the summary and essential duties and qualifications. The Board agreed that this position would benefit them most by saving the Board costs incurred during decision crises as well as the ability to use the best practices approach which is primarily based upon communications.

MOTION

Motion was made to support Bart Duncan and DHR in moving forward with the process of establishing the position of the Health Service System Communications Manager.

PUBLIC COMMENTS: None

ACTION: Motion was moved and seconded by the Board to grant authorization for moving forward with the process of establishing the position of the HSS Communications Manager. Motion passed 5

to 0.

□ 09082005-14

**Discussion
item**

**REPORT ON DISCUSSIONS WITH THE DEPARTMENT OF
TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY
(DTIS) TO BROADCAST REGULAR BOARD MEETINGS, WITH
FUNDING TO BE PROVIDED FROM THE CHARTER BENEFITS
TRUST FUND PURSUANT TO CHARTER SECTION A8.423**

(Bart Duncan)

- President Heldfond requested everyone to participate by coming forward during public comments to give input and ideas regarding this discussion item
- Documents provided to Board prior to meeting: *Summary of information provide by DTIS and available options (Schedule #12)*. A memorandum to the Health Service Board members, dated September 2, 2005, regarding the Broadcast of the Regular HSB meetings on SFGTV (Channel 26).
- Commissioner Breslin stated that she did not like the idea of televising the meetings on SFGTV because she did not believe the members would watch it late at night, the Board should not pay trust fund money for the benefit of the general public (non-members), and that televising the meetings would politicize the Board and attract unwanted attention politically. She recommended that the Board wait until the new communications position is filled, at which time the Board would be advised professionally. Commissioner Zvanski stated that this is an administrative expense and the funding should not come out of the trust fund because it is a broadcast that would be for the general public. Both Commissioners agreed that it would be more beneficial to the members and the Board if the Rates and Benefits meetings were televised, not the regular meetings.
- Commissioner Deignan stated that he was for televising the meetings, but against the expenditures being taken from the trust fund.

PUBLIC COMMENTS:

- Diane Hermann stated that she would not recommend televising any of the meetings and that there are a lot of reasons why judges do not allow cameras in the courtrooms. The Retirees Bulletin is a good source for information in regards to the HSB meetings.
- Clare Dunn stated that she did not like the idea of the trust fund being used to finance this project and the Board should wait until the communications person is hired.

ACTION: NONE. Bart Duncan stated that the “Action Item” is an error and that this item is for “Discussion” only and he appreciated the feedback. President Heldfond recommended waiting several months for further discussion of this item.

□ 09082005-15

ACTION ITEM

**APPROVAL (WITH POSSIBLE MODIFICATIONS) OF THE FORMAT
AND PROCESS FOR FUTURE PERFORMANCE REVIEWS OF
VENDORS** *(Bart Duncan)*

STAFF RECOMMENDATION: Approve proposed format and process.

Documents provided to Board prior to meeting: (1) Draft format (Vendor Report Card) and (2) Description of proposed process. (Schedule #13).

Bart Duncan presented an overview of the proposed format and process for issuance of the vendor report cards. The vendor report card consisted of three parts (1) Criterion, Overall Ratings, and rating standards, (2) Criterion, Detailed Ratings and Comments, and (3) General Comments from the Full Board. If approved, the first vendor that will be reviewed in November will be Uniprise. The review should be complete and ready to be presented to the Board in December.

PUBLIC COMMENTS: NONE

ACTION: Motion was moved and seconded by the Board to approve the format and process for future performance reviews of vendors. Motion passed 5 to 0.

- 09082005-16** **DISCUSSION ITEM** **REPORT ON NETWORK AND HEALTH PLAN ISSUES (IF ANY)**
(Respective Plan Representatives):
 - No reportPUBLIC COMMENTS: NONE

- 09082005-17** **DISCUSSION ITEM** **OPPORTUNITY TO PLACE ITEMS ON FUTURE AGENDAS**
PUBLIC COMMENTS: NONE

- 09082005-18** **DISCUSSION ITEM** **OPPORTUNITY FOR THE PUBLIC TO COMMENT ON ANY MATTERS WITHIN THE BOARD'S JURISDICTION**
PUBLIC COMMENTS: NONE

- ADJOURN 3:12 PM**

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 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.