



City & County of San Francisco

HEALTH SERVICE BOARD

1145 Market Street ♦ Suite 200 ♦ San Francisco, CA 94103

Minutes

Special Meeting
(in lieu of regular meeting)

Thursday, January 10, 2008

2:00 PM

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

- Call to order
- Pledge of allegiance
- Roll call
 - President Karen Breslin
 - Vice President Claire Zvanski
 - Commissioner James Deignan
 - Supervisor Sean Elsbernd
 - Commissioner Scott Heldfond
 - Commissioner Sharon Johnson
 - Commissioner Mitch Katz, M.D.

This meeting began at 2:33 p.m.
- 01102008-01 Action item Approval (with possible modifications) of the minutes of the meeting set forth below:
 - Regular meeting of December 13, 2007

Staff recommendation: approve minutes.

Documents provided to Board prior to meeting: draft minutes.

Public comments: None.

- Commissioner Zvanski suggested revisions to Item 7 in the December 13, 2007 draft minutes to clarify the update on GASB Statement 45.

Action: Motion was moved and seconded by the Board to approve the revised meeting minutes of December 13, 2007. Motion passed 7-0.

□ 01102008-02 Discussion item

President's report, including followup (as requested at Rates and Benefits Committee meeting of December 27, 2007) regarding the written disclosures by health plan vendors described below (President Breslin)

Documents provided to Board prior to meeting: written itemized disclosure for each health plan vendor listed below, of donations or contributions by such vendor or its affiliates (including associated foundations funded in whole or in part by such vendor or affiliates) to the City or other HSS participating employers or to programs sponsored by the City or other HSS participating employers:

1. Blue Shield
 2. Delta Dental/DeltaCare USA
 3. Kaiser
 4. PacifiCare
 5. Pacific Union Dental
 6. United HealthCare
 7. VSP
- President Breslin reported that at the last meeting, she requested written disclosure of vendor donations to various City projects be presented today in response to the reference of a large donation made to the Shape Up Program. She stated that some members are concerned about the influence of this donation on the Board's decisions.
 - **Blue Shield** – Tom Epstein of Blue Shield presented a revised document which included Blue Shield's Foundation and corporate contributions in the Bay Area. He noted that over \$20 million dollars has been donated to non-profit organizations in the last two years.

- **Delta Dental** – Valerie Layne of Delta Dental presented an exhibit outlining its donations in the Bay Area. Approximately one-third of their donations are for actual dental education through grants and sponsored programs.
- **Kaiser** – Joanne Haggerty, Kaiser representative, presented a revision to the document distributed at last month’s Board meeting which added two items in the Healthy Eating Active Living Program for the San Francisco Bay Area.
- **PacifiCare** - Mike Saavedra, United HealthCare representative, distributed written material for United HealthCare Group, which includes Uniprise, PacifiCare and Pacific Union Dental, on charitable contributions given to agencies and non-profits in the State of California.
- **VSP** – Bart Duncan reported that written material disclosing VSP’s charitable contributions was received prior to today’s meeting and has been distributed. A presentation was made to the Board on December 27, 2008 by Mike Carlson.

Public comments: Judy Teracina, retired City employee, questioned the donations given to charities by the vendors while members’ costs of the plans have not been reduced. She stated that a Google search on Blue Shield revealed that it not only has a foundation but a political action committee (“PAC”) as well. Its website disclosed the PAC’s 2005-2006 political contributions to Dianne Feinstein and Nancy Pelosi.

Tom Epstein, Blue Shield representative, responded that the political action committee does not use corporate money for its contributions; those funds are donated by individual employees. It is illegal for corporations to make donations to federal candidates.

□ 01102008-03 Discussion item Management team updates:

- Open enrollment preparations and timeline (Rosemary Passantino)
- Vendor contracting and performance management highlights (Robin Courtney)

Documents provided to Board prior to meeting: none.

- Rosemary Passantino, Marketing and Communications Manager, reported the following:
- Open Enrollment preparations are actively underway and the focus is on three key components: 2008-2009 Benefit Guides, events planning and website features.
- She has been working with Robin Courtney to determine the feasibility of hiring a research firm in time to include a professionally conducted comprehensive member survey in this year's packets.
- February 12, 2008 is the deadline to close any content changes to the member materials.
- Robin Courtney, Vendor Contracts and Performance Manager, reported the following highlights:
- HSS and Mercer are currently working to develop the Fiscal Year 2008-2009 performance guarantees for the health care vendors.
- Progress is being made on the vendor report cards. All of the completed DeltaCare USA surveys have been received from the participants and the results will be presented at the next Board meeting.
- The spot audit program of the vendor self-reported results is progressing. Updates will be presented in the future.
- Since October 2007, HSS has responded to numerous requests from the Budget Analyst's Office in connection with the Wellness Program audit. The report is targeted to be released mid-January 2008.

Public comments: Judith Levy-Sender, a retired teacher, asked why members are not given more than one month to evaluate plan options. She also suggested that members have more input regarding the vendor materials included in the packets.

Richard Rothman, SEIU 1021 representative, requested that HSS staff conduct open enrollment at departments outside the vicinity of Civic Center, especially if a change in vendors is anticipated. He also suggested that a healthy worker program be established.

Bart Duncan, Director, commented that, while the idea of conducting open enrollment at remote locations is a good one, the Health Service System is facing the possibility of laying off 10% of staff due to the budget directive received this year. He asked for help in keeping staff intact.

RATES AND BENEFITS COMMITTEE MATTERS

(2/3 approval required)

- 01102008-04 Action item Resolution approving the 10-County survey results for Fiscal Year 2008-2009 and resolution certifying the 10-County amount to the Board of Supervisors (Committee Chair Deignan)

Committee recommendation: approve survey results as presented at Rates and Benefits Committee meeting of December 27, 2007.

Documents provided to Board prior to meeting: draft form of resolution.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the 10-County Survey results for Fiscal Year 2008-2009 in the amount of \$418.80. Motion passed 7-0.

- 01102008-05 Action item Determination of Kaiser HMO rates and benefits for Plan Year 2008-2009 (Committee Chair Deignan)

Committee recommendation: approve renewal proposal described in Mercer report presented at Rates and Benefits Committee meeting of December 27, 2007, subject to term sheet agreed to between

Kaiser and HSS, including (1) financial performance guarantee; and (2) a plan to address transparency and timing issues described in such Mercer report.

Documents provided to Board prior to meeting: term sheet described above.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the Kaiser HMO rates and benefits for Plan Year 2008-2009. Motion passed 7-0.

□ 01102008-06 Discussion item

Determination of non-Kaiser HMO rates and benefits for active employees and retirees for Plan Year 2008-2009 (Committee Chair Deignan)

Documents provided to Board prior to meeting: see Rates and Benefits Committee agenda of January 10, 2008.

- Committee Chair Deignan reported that this item has been continued to January 22, 2008.

Public comments: Kay Walker, retiree, questioned Kaiser's transparency regarding its profits and asked if the Board reviews the profits of the HMOs before the rates are approved.

Bart Duncan responded that progress is being made regarding transparency and that he would like to see a public sector discount reflected in the rates from every provider.

□ 01102008-07 Discussion item

Determination of City Health Plan (PPO) rates and benefits for active employees and retirees for Plan Year 2008-2009 (Committee Chair Deignan)

Documents provided to Board prior to meeting: see Rates and Benefits Committee agenda of January 10, 2008.

- Committee Chair Deignan reported that this item has been continued to January 22, 2008.

Public comments: None.

REGULAR MATTERS

- 01102008-08 Discussion item Financial reports and forecast for Plan Year 2007-2008, as of November 30, 2007 (Tess Navarro)
- Documents provided to Board prior to meeting:
(1) report for the General Administrative Fund; and
(2) report for the Trust Fund.*
- Tess Navarro, Chief Financial Officer, reported the following on the General Administrative Fund, as of November 30, 2007:
 - At this time, the projection is there will be no significant overspending or underspending in the General Fund budget.
 - While there may be year-to-date savings, new or additional equivalent usages have been identified, so it will be a wash for 2007-2008. This information has been provided to the Controller's Office, in reponse to a request for a six-month projection for the end of the fiscal year.
 - The projected 2007-2008 annual net for the trust fund has not changed from the last report--\$11.6M. The projected annual net is based on five months' actual results and seven months' assumptions, which hinge significantly on the two self-insured plans (City Plan and dental).
 - And, assuming no significant variations in the PacifiCare flex-funded plan (target premiums versus actual claims), there are no significant changes in year-end activities, including IBNR and fair value of investments.
 - Bart Duncan commended Ms. Navarro and her team for their good work.
 - Dr. Katz departed the meeting after this agenda item.

Public comments: None.

- 01102008-09 Action item Resolution ordering the 2008 Health Service Board election and authorizing staff to initiate and proceed with the election (Bart Duncan)
- Staff recommendation: adopt resolution.
- Documents provided to Board prior to meeting:*
draft resolution
- Bart Duncan reported that Commissioner Zvanski's term is expiring in June and staff recommends passage of the resolution and commencement of the election activities.
- Public comments:**
- Action:** Motion was moved and seconded by the Board to adopt the resolution authorizing staff to initiate and proceed with the election. Motion passed 6-0.
- 01102008-10 Discussion item Update on activities of citywide committee created pursuant to MOUs to develop recommendations on how to fund retiree health benefits in light of GASB Statement 45 (Employee Relations Division representative)
- Documents provided to Board prior to meeting:*
none.
- Ileana Samanc, Employee Relations Division representative, reported that she will not repeat the review of the draft amendments presented at last month's meeting but noted that talks continue with the City's labor organizations. She stated that the sticking point is cost, especially in light of the proposal for miscellaneous retirement improvements. All parties remain committed to reaching an agreement.
- Public comments:** None.
- 01102008-11 Discussion item Report on network and health plan issues (if any) (Respective plan representatives)
- Joanne Haggerty, Kaiser Permanente representative, announced that after 11 years, she will no longer be the Kaiser representative for the Health Service System due to an increased workload. She thanked the Board and acknowledged many positive changes. She also introduced HSS' new

Executive Account Manager, Mark Frey.

- Jeff Hermosillo, Blue Shield representative, announced the termination of Palm Drive Hospital in Sebastopol, effective January 1, 2008. Since Santa Rosa Memorial Hospital is the primary admitting facility in that area, no disruptions should occur.

Public comments: None.

- 01102008-12 Discussion item

Opportunity to place items on future agendas

- President Breslin stated that she would like a follow up on the well-being report by the Budget Analyst's Office.

Public comments: None.

- 01102008-13 Discussion item

Opportunity for the public to comment on any matters within the Board's jurisdiction

Public comments: Dennis Kruger, San Francisco Fire Fighters representative, asked Bart Duncan to clarify what a 10% cut in staff would mean to the department, and if such cuts would affect the customer service telephone hours. He stated that to reduce the telephone hours by any amount is an injustice to every employee and it is a cut that this department cannot make.

Mr. Duncan responded that a 10% cut means the potential lay off of four out of 37 employees, and confirmed that the telephone hours would be reduced 15 minutes for each 1210 or 1813 position lost.

Adjourn: 3:23 p.m.

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 Administrative Services Manager, Laini K. Scott for further assistance at (415) 554-1727.

Health Service Board and the Health Service System Web Site: <http://www.myhss.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 Administrative Services Manager, Laini K. Scott, at (415) 554-1727 or by email at laini.scott@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 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; 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.