



City & County of San Francisco

HEALTH SERVICE BOARD

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

Minutes

Regular Meeting

Thursday, February 14, 2008

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 Karen Breslin
 - Vice President Claire Zvanski
 - Commissioner James Deignan, *excused*
 - Supervisor Sean Elsbernd
 - Commissioner Scott Heldfond
 - Commissioner Sharon Johnson
 - Commissioner Mitch Katz, M.D., *excused*

This meeting began at 1:10 p.m.
- 02142008-01 Action item Approval (with possible modifications) of the minutes of the meeting set forth below:
 - Special meeting (in lieu of regular meeting) of January 10, 2008
 - Closed Session of January 25, 2008
 - Special Meeting of January 25, 2008

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 special meeting minutes of January 10, 2008 and the closed session and special meeting minutes of January 25, 2008. Motion passed 5-0.

- 02142008-02 Discussion item

President's report (President Breslin)

Documents provided to Board prior to meeting: none.

- President Breslin reported that the rates and benefits were approved by the Board on February 12, 2008 and that the current vendors will remain. She noted that the rates were reduced by \$3.5M, thanks to Bart Duncan, Director, and staff.
- She thanked the Mercer team, HSS staff, Commissioner Deignan as Rates and Benefits Chair, the Commission Secretary and all of the members who supported the Board during the rates and benefits process.

Public comments: None.

- 02142008-03 Discussion with possible action

Discussion and possible action regarding recruitment plan and criteria for the position of Executive Director, Health Service System, including whether to recruit an interim Executive Director (President Breslin)

Documents provided to Board prior to meeting: none.

Public comments: None.

Action: Motion was moved and seconded by the Board to continue this item to the next Board meeting. Motion passed 5-0.

- 02142008-04 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: Member handouts: (1) Pre-Open Enrollment Seminars and (2) Choosing a Medical Plan

- Bart Duncan reported that the Health Service Board election process has begun. He noted that Commissioner Zvanski's term expires in May and she is running for re-election to the

Board. Charles Perl, an Airport employee, is also a candidate for the Board position.

- Rosemary Passantino, Marketing and Communications Manager, reported the following:
 - The open enrollment materials are quickly being finalized for mailing and will be sent to over 63,000 primary members.
 - She thanked the vendors who have assisted in updating the benefit details of the benefit guides.
 - This year's guides will include recommendations and resources to assist members in their election decision process.
 - Event planning is underway and includes an upgrade of the HSS member area, which will provide optimum flexibility for Open Enrollment and other membership events.
 - The first membership events will be two pre-Open Enrollment seminars on the first two Tuesdays in March. The first guest speaker will be from the California State Office of the Patient Advocate.
 - Robin Courtney's vendor report card process has highlighted needed improvement in the vendor materials, particularly enhanced communication regarding flexible spending reimbursement criteria. Ms. Courtney is working with the vendor to have the improvements in place for Open Enrollment.
- Robin Courtney, Vendor Contracts and Performance Manager, reported the following:
 - Contract renewals for Fiscal Year 2008-2009 will begin in a few weeks. The goal is to have all contracts fully executed by the start of the fiscal year, July 1, 2008.
 - HSS and Mercer have been working together to develop and negotiate Fiscal Year 2008-2009 performance guarantees for the healthcare vendors.
 - Substantial agreement has been reached with Kaiser on its 2008-2009 performance guarantees, which include such enhancements as claims accuracy and first call

resolution performance guarantees. The claims processing performance guarantee has been revised and is now based on all claims rather than clean claims, which is an industry standard.

- Performance guarantees for United Healthcare are currently being developed for the 2008-2009 plan year, many of which will result from recommendations in the claims audit.
- HSS has reviewed and responded to the draft Budget Analyst's report regarding the wellness program audit conducted by that office. A final report will be distributed soon.

Public comments: None.

□ 02142008-05 Discussion item

Presentation of composite results of the vendor performance appraisal of DeltaCare USA
(Robin Courtney, HSS and Lois Cannon, Delta Dental)

Documents provided to Board prior to meeting:
DeltaCare USA Vendor Report Card.

- Robin Courtney reported the following regarding the vendor performance appraisal of DeltaCare USA:
- DeltaCare USA (previously known as PMI) is one of three dental plan choices available to members.
- Of the 42,429 members enrolled in the three dental plans, DeltaCare represents approximately 6%.
- This vendor report card period covers July 1, 2005 through June 30, 2007.
- Six members participated in the process, and provided individual ratings; the composite ratings represent an average of the scores.
- Overall, DeltaCare USA received very high composite scores in all rated areas. The average score was 4.6 out of 5.0; the lowest score was 4.2.
- Increasing DeltaCare USA's network is one area needing improvement. DeltaCare USA has 21,000 locations compared to Delta Dental, which has 104,000. Increasing this network would increase the overall value and flexibility for HSS members.

- Lois Cannon, Delta Dental representative, reported the following:
- The vendor report card is a good tool to evaluate where DeltaCare USA is strong and where improvements need to be made.
- The website has been updated specifically for City and County of San Francisco members. She will present a report on the number of members who have registered on the website at the end of the year.
- DeltaCare is promoting its brochures on oral health and wellness, and the connection between oral health and medical health.
- Regarding network expansion, DeltaCare's provider relations staff is constantly on the road educating providers and encouraging enrollment in its programs.

Public Comments: None.

- 02142008-06 Discussion item [Financial reports and forecast for Plan Year 2007-2008, as of December 31, 2007](#) (Tess Navarro)

Documents provided to Board prior to meeting:

1. Report for the General Administrative Fund;
2. Report for the Trust Fund; and
3. Fiscal Year 2008-2009 General Fund Budget Update.
 - Tess Navarro, Chief Financial Officer, presented the following status reports:
 - The actual expenses to date for the General Administrative Fund are on target. There is no significant status change; the full budget amount will be exhausted by the end of the fiscal year.
 - There is no significant status change in the Trust Fund's revenues and expenditures to date; this month's report is identical to last month's report.
 - It is anticipated that the PacifiCare flex-funded plan information will be presented at fiscal year-end in June (contingency margin and potential liability of target premiums).
 - February 21, 2008 is the deadline for budget submission to the Controller's Office.

- The Controller's Office will forward the budget to the Mayor's Budget Analyst's Office on March 3, 2008 for review.
- HSS will continue working with the Mayor's Budget Analyst's Office until the budget is presented to the Board of Supervisors' Budget Analyst's Office in May.
- There are no significant changes in the budget from the January 25, 2008 presentation to the Finance and Budget Committee.
- The following is a summary of that presentation:
 - The baseline 2008-2009 budget is \$6.1M and provides the following:
 - Retains current staffing level at 37 FTEs;
 - Allows citywide salary increases for all classifications resulting from different MOUs;
 - Does not provide for non-personnel cost increases in the amount of approximately \$120K;
 - One position will be eliminated if the budget is submitted at baseline and provisions are made for non-personnel cost increases;
 - A reduction in work orders is being considered. Discussions with various departments regarding all work order agreements are ongoing and will continue until next week;
 - The target budget reductions are as follows:
 - 5% ongoing
 - 3% one time
 - 5% contingency
- In order to meet the target reductions, three Operations staff positions will be eliminated.
- For the upcoming budget year, the Mayor's office is allowing savings from the current fiscal year to count toward target reductions. Currently, there is no expectation that there will be any savings to alleviate the baseline or target reduction.
- A meeting between the Mayor's Budget Analyst's Office, Mr. Duncan, Commissioner

Johnson and Ms. Navarro has been proposed to discuss budget considerations and the budget cut implications.

- A budget update will be presented to the Finance and Budget Committee on March 13, 2008.

Public comments: None.

□ 02142008-07 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.

- Martin Gran, Employee Relations Director for the Department of Human Resources, reported the following:
- Today's presentation will be the last update.
- The Mayor and several supervisors, including Supervisors Elsbernd, Peskin, Mirkarimi, and Alioto-Pier, have submitted a package of reforms to the full Board of Supervisors to address the City's GASB liability for new employees hired on or after January 10, 2009.
- If the Board of Supervisors passes the legislation and it is approved by the voters on the June 2008 ballot, the vesting years will change from full vesting at five years to the following credited service rules:
 - 5 years – employee access to retiree healthcare with no employer contribution;
 - 10 years – employee access to retiree healthcare with 50% employer contribution;
 - 15 years – employee access to retiree healthcare with 75% employer contribution; and
 - 20 years – employee access to retiree healthcare with 100% employer contribution.
- Other amendments include:
 - Employees must retire within 180 days of separation;
 - A new retiree healthcare trust fund will be created which will receive contributions from

employees hired after January 10, 2009 and the City;

- Two major improvements to retiree benefits include changes to the COLA and the pension benefits schedule.
- This package of reforms is calendared for action by the full Board of Supervisors on February 26, 2008.

Public comments: Nancy Gin, Chair of the Protect Our Benefits Committee, questioned a statement allegedly made by Supervisor Elsbernd at the retirement Board meeting on February 12, 2008 that the Charter amendment is designed to phase out the Health Service System and asked for a response from the Health Service Board and Mr. Gran. She also questioned the purpose of creating a second trust fund which will begin to disburse funds in 2015.

Mr. Gran responded that he had no knowledge of the comment referred to by Ms. Gin.

Commissioner Zvanski clarified that the trust fund to be created will have a very limited and restricted purpose. It will be specifically for the employers' portion of the GASB liability for the retirement contribution toward health benefits. She stated that the rates would continue to be determined by the Health Service Board and the formula used to determine the rates is not being amended by the Charter amendment.

Supervisor Elsbernd responded that the statement attributed to him is completely inaccurate. He stated that his remarks at the Retirement Board meeting were that the Charter amendment is designed to provide funding for retiree healthcare into the future and would support the Health Service System well into the future. He also invited Ms. Gin to meet with him again to discuss the provisions of the Charter amendment.

Claire Dunn, retired teachers' and retired City employee representative, expressed concerns regarding the new Charter amendment and asked questions regarding vesting and various employment scenarios. She also questioned how the information will be monitored and by whom.

Sandra Mack, retired teacher, asked questions regarding several issues, such as the data

considered in the deliberations (federal versus state), the administrative impact of the Charter amendment, the retirement requirements and retroactive possibilities.

Gerry Meister, UESF representative, asked if the Charter amendment is now in final form or if there is a possibility of further amendment. The Board confirmed that the Charter amendment is in final form.

Herb Weiner, retired City employee, stated that he would like to see a written guarantee of the Health Service System's continued existence and that it should have been specifically addressed in the Charter amendment. He also expressed his objection to the percentage to be paid by employees (2%) for healthcare versus the percentage to be paid by the employers (1%) and suggested an equal contribution be made by both.

- 02142008-08 Discussion item **Report on network and health plan issues (if any)**
(Respective plan representatives)
 - Jeff Hermosillo, Blue Shield representative, provided two updates:
 - Palm Drive Hospital in Sebastopol was not dropped from Blue Shield's network as previously reported in December and continues to be in the network; and
 - On January 28, 2008, El Camino Hospital in Mountain View terminated its contract with Blue Shield, effective March 28, 2008. There is one CCSF member whose medical group has admitting privileges at El Camino Hospital. That member has been contacted.

Public comments: None.

- 02142008-09 Discussion item **Opportunity to place items on future agendas**
Public comments: None.

- 02142008-10 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction
Public comments: Herb Weiner, retired City employee, submitted several Los Angeles Times articles to the Board regarding Blue Cross and Blue Shield's record of terminating patients and canceling policies. He strongly recommended careful scrutiny of Blue Shield.
Marian O'Donnell, retired City employee with 42 years of service, reported on Medicare issues with United HealthCare that were not resolved until Bart Duncan became involved. She thanked Mr. Duncan for his efforts on behalf of all of the members and stated that his resignation is a catastrophe to the department.

Adjourn: 2:29 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.