



City & County of San Francisco

# HEALTH SERVICE BOARD

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

## Minutes

Regular Meeting

Thursday, May 14, 2009

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 Claire Zvanski  
                         Commissioner Karen Breslin  
                         Supervisor Sean Elsbernd  
                         Commissioner Sharon Johnson, *excused*  
                         Commissioner Mitch Katz, M.D., *excused*

- 05142009-01    Action item            Approval (with possible modifications) of the minutes of the meetings set forth below:
  - Regular meeting of April 9, 2009
  - Special Closed Session of April 9, 2009

**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 regular and special meeting minutes of April 9, 2009.

Motion passed 4-0.

- 05142009-02 Discussion item

[President's report](#) (President Heldfond)

Documents provided to Board prior to meeting:  
None.

- President Heldfond announced that the Board will take a break in July and not hold its regularly scheduled meeting.

**Public comments:** None.

- 05142009-03 Action item

[Resolution commending James Deignan, Health Service Board Commissioner, for his outstanding service](#) (President Heldfond)

**Documents provided to Board prior to meeting:**  
Commissioner Deignan's letter of resignation;  
Resolution.

- President Heldfond read aloud a resolution commending Commissioner James Deignan for 22 years of outstanding service on the Health Service Board and wishing him well in future endeavors.

**Public comments:** None.

**Action:** Motion was moved and seconded by the Board to approve the resolution commending Health Service Board Commissioner James Deignan for 22 years of outstanding service.

Motion passed 4-0.

- 05142009-04 Discussion item

**Management team updates:**

- Introductory remarks (Bart Duncan)
- HSS Dashboard Summit update (Bart Duncan)
- Open enrollment update (Bart Duncan)
- Vendor contracting and performance management (Robin Courtney)
- eMerge project coordination (Robin Courtney)

**Documents provided to Board prior to meeting:**  
None.

- Bart Duncan, HSS Director, reiterated the Health Service System's Mission and Principles, which were originally presented to the Board and HSS members nearly four years ago, to highlight the continued commitment, focus and purpose of the

Health Service System at a time of uncertainty and change within the City.

- Mr. Duncan also reported the following:
- A successful vendor summit took place at Mercer a few weeks ago. Significant progress has been made regarding quality measures, disease and condition management, and the sharing of information.
- A dashboard update will be presented at the June 11, 2009 regular Board meeting.
- Due to a recent change in the HSS team, the recruitment of a new Chief Operating Officer will take place soon.
- Two hundred (200) MEA members have not yet completed the open enrollment process, which ended April 30. HSS has sent out e-mail notices to those members alerting them of the necessity to immediately allocate their flexible credits or be placed in the default plan. The EBS team has posted additional staff on the phones to make appointments for those members.
- The Kaiser team has been moving forward with keeping the electronic Medicare enrollment on track. Mr. Duncan thanked Angela Kohls, Kaiser's Senior Sales Manager, for her internal leadership on this project.
- Mark Villares, HSS Member Services Manager, reported the following Open Enrollment update:
  - HSS received approximately 12,000 applications during the open enrollment period, which ended April 30. This volume is due, in part, to PacifiCare members needing to make alternate healthcare selections.
  - During the last days of open enrollment, approximately 2,000 members visited HSS daily and approximately 500 telephone calls were received each day.
  - HSS is on track to meet next week's data entry deadline for completing the processing of all open enrollment applications.
  - Confirmation letters will be sent to members within the next few business days.

- Supervisor Elsbernd asked for a breakdown of the PacifiCare members who selected alternate health plans during the open enrollment period, as well as the specific health plans chosen and a comparison of those numbers to Health Net's discontinuance a couple of years ago, once that information becomes available.
- Robin Courtney, HSS Vendor Contracts and Performance Manager, reported the following updates:
  - The completion of the 2009-2010 vendor contracts is currently in progress with a deadline of June 30, 2009.
  - The riders for the medical vendors include new language regarding secondary Medicare payor, electronic Medicare submissions (Kaiser and Blue Shield), timing and premium payments (Kaiser and Blue Shield) and new requirements for HIPAA and COBRA as mandated in the stimulus package.
  - Mercer has been working with the medical vendors on disease management performance guarantees. A meeting with the vendors will be held next week to discuss proposals in this area, including new performance guarantees for Delta Dental (in accordance with the audit results) and EBS (related to the completion of the MEA open enrollment).
  - Negotiations have been finalized with UHC relating to its follow-up audit. The results will be presented at the June 11, 2009 Board meeting.
  - A meeting with Delta Dental regarding its audit has taken place. Those results will also be presented at the June 11, 2009 Board meeting.
  - Kaiser's vendor report card process is still being planned.
  - Ms. Courtney thanked the Kaiser team for their tremendous effort in assisting with setting up the electronic Medicare process.

- HSS and the eMerge team have been working collaboratively over the past month and have had several accomplishments, including a review of the Phase 1 project plan.
- HSS and the eMerge team continue to work on the conversion to a monthly coverage period. HSS has met with the San Francisco Unified School District and the Community College District to assist in the conversion process.
- A comprehensive list on the eMerge Project's design workshop was received today, which will assist with the planning of resources. The MEA design workshop has been postponed until open enrollment has been completed.
- Mr. Duncan reported that, as part of the discussion with Kaiser regarding payment timing, it was brought to HSS' attention that the federal government has a most favored nation provision its contracts with vendors. Since Kaiser's contract and HSS' purchases are similar in size as the federal government's purchases in Northern California, a provision will be included in all vendor contracts and purchasing to ensure that HSS is in accordance with best practices of similarly sized purchasers.

**Public comments:** None.

□ 05142009-05 Discussion item

**Agenda item order change: Moved to follow Item 6.**

**Update on Project eMerge** (Project eMerge Representative)

**Documents provided to Board prior to meeting:**  
None.

- Jack Wood, an eMerge Project Manager, thanked the HSS team for its diligent work and reported the following:
- There has been open communication and consistent collaboration between HSS and the eMerge Project team.
- Phase 1 of the project replaces the current citywide human resources, benefits administration and payroll system. It is expected to go live on February 20, 2010.

- Recent activities with the HSS team include product design. Approximately 10 working processes have identified and will be reviewed with HSS in detail to confirm and ensure that they work.
- Commissioner Zvanski inquired about the eMerge Project's funding to maintain the City's structure in light of the current budget crisis.
- Mr. Wood responded that the eMerge Project, which is divided into three phases, is fully funded. Phase 1 is scheduled to go live in the first quarter of the 2010 calendar year. Phases 2 and 3 will go live in the third quarter of the 2010 calendar year. The eMerge Project team has been working closely with the Controller's Office and DHR to ensure appropriate staffing and funding and at this point, there are no issues.
- Supervisor Elsbernd asked for an update on the impact of the Board of Supervisors' Budget Committee denying the eMerge Project's move from One Market to another location.
- Mr. Wood responded that he manages the functional, day-to-day design aspects of the project and cannot address the details to Supervisor Elsbernd's question. He offered to confer with his manager, Shelley Thompson, and provide an update to the Board.
- President Heldfond asked if Phase 1 of the project is sufficient to support the necessary operations should the future phases become restricted due to budget constraints.
- Mr. Wood stated that the most critical pieces were included in Phase 1 (DHR, payroll and benefits), and that the other modules (phases 2 and 3) attach onto it. Therefore, the critical functions should be sufficient to support the necessary processes.

**Public comments:** None.

- 05142009-06 Discussion item Report on Health Service System information technology, including:
- Department of Technology's (DT) assessment of the ongoing support needed by the Health Service System by DT in light of HSS not having an IS administrator;
  - The move from a server shared with DHR to an HSS server; and
  - The development of a long-term technology plan.

(Department of Technology Representative)

**Documents provided to Board prior to meeting:**

None.

- David German, Director of Customer Services at the Department of Technology, reported the following:
- As an aside, he is the Vice President of the MEA, so he will investigate the reason why 200 MEA members did not complete their open enrollment benefits selections during the appropriate time.
- As of today, the DT Help Desk has been completely reorganized and its service hours have been extended.
- The HSS server previously shared with DHR was switched to an exclusive Health Service System server when DHR moved to its new location. That project is complete.
- Once HSS hires a new IS person, the Department of Technology will continue to provide support to HSS in such areas as the installation and set up of new PCs and general server maintenance.
- President Heldfond inquired about the location of the HSS server.
- Bart Duncan responded that the server resides at HSS, but there is no internal staff allocated to maintain it. HSS relies on work order funding and colleagues in other departments to service, maintain, install and replace equipment.

- Since DT has lost significant staff in the account management area in the past 12 months, Mr. German reported that there are no resources to create technology plans for other departments. DT's customer service unit has been assisting departments in finding outside sources for their technology plans.
- The vendor previously selected to assist with HSS' technology plan does not have the health business expertise necessary to move forward, so the project was halted. Until there is more clarity on the scope of the project, Mr. German cannot comment further on the development of a HSS IT plan.
- Mr. Duncan responded that HSS will conduct a RFP process to secure a vendor to produce best practices around healthcare and benefits administration (i.e., HIPAA compliance), and address existing technology and long-term planning needs.
- Mr. Duncan thanked Mr. German for his offer to assist in the RFP process to identify an appropriate vendor.
- Commissioner Breslin asked if HSS will be able to hire its own IS person, which had previously been put on hold.
- Mr. Duncan stated that a requisition for a 1022 IT entry level position had been previously approved but has been put on hold due to the directive to freeze hiring. He asked Ms. Navarro to provide a brief update.
- Ms. Navarro stated that the requisition has been approved and she is currently working with DHR to have the position filled, possibly from the holdover list.
- Mr. German clarified that the 1022 IT position is intended to work on such issues as networking problems and PC desktop support. The DT staff will continue to work on server issues.
- Supervisor Elsbernd stated that in light of City's budget issues (which grew by \$65M yesterday) and the State of California's upcoming vote on the proposed ballot measures, there is a possibility that the

approved 1022 IT requisition could again be placed on hold.

**Public comments:** Judy Teracina, retired City worker, suggested using volunteer experts and student interns to assist with the workload, as was done when she worked for the City.

- 05142009-07 Discussion item Financial reports as of March 31, 2009 and forecast for Plan Year 2008-2009 (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, HSS Chief Financial Officer, reported the following:
  - Last-minute developments for the fiscal year 2009-2010 budget were presented this morning. She is not in a position to relay any information to the Board at this time (and has not yet presented it to HSS Director, Bart Duncan). She will request a special Finance and Budget Committee meeting, if necessary, to respond to the new budget mandate.
  - The appropriate Mercer staff will present the retrospective review of the self-funded plans at the June 11, 2009 Board meeting.
  - The report for the current fiscal year 2008-2009 budget indicates that \$45,000 is reserved for the midyear budget reduction plus an additional estimated savings in the City Attorney's work order of \$55,000 based on the first six months of actual charges.
  - Bart Duncan commended Ms. Navarro for her continued good work.

**Public comments:** None.

- 0514200908 Discussion item Report on network and health plan issues (if any) (Respective plan representatives)

- Janet Findlay, VSP Regional Vice President, reported the following;
- A notification process has been established to alert members of the doctors or practices who have left the VSP network.

- Any provider who has seen at least 10 HSS members in a 12-month period will be included in this notification process.
- VSP continues to have a very stable network with a 99.5% doctor retention rate in the State of California.
- The following two providers will be leaving the VSP network:
  - Dr. Chan has sold his practice on 24<sup>th</sup> Avenue in San Francisco to Dr. Bautista and Dr. Stout, who also worked in his practice. Notification letters were sent to Dr. Chan's patients, and no disruption is expected.
  - Dr. Leong in Oakland is retiring from her practice. She saw 19 HSS members in the past 12 months. Her patients will continue to be seen by two VSP network doctors. There are 10 providers within a 10-mile radius of her office, and approximately 57 providers in Oakland. Notification letters were sent to her patients and no disruption is anticipated.
- In the overall in-network utilization, 94% of HSS members have received services from VSP network doctors compared to 93% in the 2006-2007 plan year.
- Claims have been paid in 48 states, mostly in California but also including, Oregon, Nevada and Arizona.
- This type of data has not been reported in the past, but in the future, will be presented on a quarterly basis.
- Commissioner Zvanski asked about the number of doctors in Tuolumne County.
- Ms. Findlay responded that she did not have the number but would report back to the Board.
- Bart Duncan thanked the vendors for their attendance at the vendor summit, making internal improvements, the audit cooperation and partnering with HSS to continue offering the best products,

**Public comments:** None.

- 05142009-09 Discussion item Opportunity to place items on future agendas  
**Public comments:** None.
  
- 05142009-10 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction  
**Public comments:** Herbert Weiner, retired City employee and Blue Shield plan member, expressed concern regarding Blue Shield's coverage approval and cited a TV program wherein a Blue Shield patient was denied approval for a new brain treatment procedure recommended by her doctor but received approval for an older, less effective treatment instead.

**Adjourn:** 2:11 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>**

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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](mailto:laini.scott@sfgov.org) at least 72 hours prior to the meeting.

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- 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.

If any materials related to an item on this agenda have been distributed to the Health Service Board after distribution of the agenda packet, those materials are available for public inspection at the Health Service System during normal office hours. For more information, please contact Laini K. Scott at (415) 554-1727 or email at [laini.scott@sfgov.org](mailto:laini.scott@sfgov.org).