



City & County of San Francisco

# HEALTH SERVICE BOARD

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

## Minutes

Regular Meeting

Thursday, September 10, 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, *arrived 1:22 p.m.*  
                         Commissioner Sharon Johnson, *excused*  
                         Commissioner Mitch Katz, M.D.  
                         Commissioner Sharon Ferrigno
- 09102009-01    Action item            Approval (with possible modifications) of the minutes  
   of the meetings set forth below:
  - Regular meeting of June 11, 2009
  - Special Closed Session of August 13, 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 meeting minutes of June 11, 2009 and the special meeting minutes of August 13, 2009.

Motion passed 5-0.

□ 09102009-02 Action Item

Approval (with possible modifications) of the committee minutes as set forth below:

- Special Membership Rules Committee meeting of February 24, 2009
- Special Finance and Budget Committee meeting of June 11, 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 Membership Rules Committee meeting minutes of February 24, 2009 and Finance and Budget Committee meeting minutes of June 11, 2009.

Motion passed 5-0.

□ 09102009-03 Discussion item

**President's report** (President Heldfond)

Documents provided to Board prior to meeting:  
None.

- President Heldfond regretfully announced that Bart Duncan, HSS Director, has submitted his letter of resignation, effective October 2, 2009. He asked Mr. Duncan to address his decision.
- Mr. Duncan thanked everyone for the opportunity to serve as Executive Director of the Health Service System for the past four years. He noted some of the improvements in the department, such as member services and finance, the creation of the marketing and communications and vendor contracting and performance programs, as well as the addition of the annual health fair. He stated that he was grateful for the trust placed in him and that he was also grateful to the HSS staff and members for their support and hard work.

- President Heldfond stated that the Board has been working to resolve filling the three vacant executive positions at HSS (Executive Director, Chief Operating Officer, Chief Financial Officer). He also stated that, to Mr. Duncan's credit, the HSS management team is impressive, diligent and rock-solid. He also commended former Chief Financial Officer, Tess Navarro, for the reliable finance team currently at HSS.
- President Heldfond stated that the Board is committed to hiring an individual as talented as Mr. Duncan and who has HSS as his or her first priority. He stated that a special closed session will be held on September 14 to address filling the Executive Director position and that the process will be as transparent as possible.
- Commissioner Zvanski stated that she remembers Mr. Duncan's first role as City Attorney on the Health Service Board many years ago and that it was very exciting to bring him on as HSS' Executive Director. She commended Mr. Duncan for the foundation that he laid and how he rebuilt the department. She expressed appreciation for the strong, solid team assembled by Mr. Duncan that is highly committed to HSS, the members, colleagues and co-workers. She extended her best wishes to Mr. Duncan in his future endeavors.
- Commissioner Katz stated that it is a great tribute to Mr. Duncan's leadership that HSS is a much stronger department now than when he arrived.

**Public comments:** Leo Martinez, representing the San Francisco Retired Firefighters and Widows Association and retired city employees, stated that his organizations echo all of the sentiments previously expressed about Mr. Duncan and he personally thanked Mr. Duncan for his service.

Claire Dunn, Chair of Protect Our Benefits PAC, expressed appreciation to Mr. Duncan for the many improvements in the Health Service System and for laying a solid foundation in which the department can thrive, which is the sign of a great leader.

Gerry Meister, Chair of UESF-Retired Division, also expressed her appreciation to Mr. Duncan.

President Heldfond responded that the retirees are the most vocal and organized of the members, and that the Board needs their leadership abilities to carry the message to not worry about the replacement of Mr. Duncan. He stated that the recruitment process should happen rather quickly and that an interim director may be appointed as a first step.

Supervisor Elsbernd arrived during this segment.

□ 09102009-04 Discussion item Management team updates:

- Introductory remarks (Bart Duncan)
- Financial reports timeline (Bart Duncan)
- Annual report on member demographics as of July 1, 2009 (Rosemary Passantino)
- Transfer to HSS of Employee Assistance Program (Robin Courtney)
- Vendor contracting and performance management (Robin Courtney)
- eMerge project coordination (Robin Courtney)

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

Membership demographics.

- Bart Duncan, HSS Director, reported that the KPMG auditors will be arriving on Monday, September 14, to begin a three-week audit process. The audit schedule remains the same as previous years and the report will be presented to the Board in November, along with the updates on the trust fund and trust fund projections.
- Rosemary Passantino, HSS Marketing and Communications Manager, presented a demographics report which included the following information:
  - The HSS IT and Finance teams compiled the data for this report as of July 1, 2009.
  - Since the last demographics report (July 1, 2008), there has been a decrease total of 703 members in the medical plans.
  - The elimination of the PacifiCare plan resulted in a migration of 4,519 members to other medical plans. The majority of

members (4,156) moved to Blue Shield, 208 members moved to Kaiser and 155 members moved to the City Plan. There were 59 default elections to the City Plan.

- From the PacifiCare migration, Blue Shield now covers 42% of HSS members, Kaiser covers 44% and City Plan covers 14%.
- The dental plan has increased by 222 members.
- The entire demographics report may be viewed on the myhss.org website.
- Robin Courtney, HSS Vendor Contracts and Performance Manager, reported the following Employee Assistance Program (“EAP”) update:
  - HSS and DHR are working together on the details to transfer the EAP from DHR to HSS. The EAP will move to the HSS location on October 1, 2009. The EAP will remain located at DHR until that date.
  - DHR will fund the move to HSS.
  - The EAP will remain status quo under HSS until additional funding is received.
  - Commissioner Breslin asked if the Mayor’s Office had the ability to override the Board’s vote to reject the addition of the EAP to the HSS budget if the Chief Operating Officer (“COO”) position was not restored.
  - President Heldfond stated that there has been movement on the COO requisition and that the position may be funded after all.
  - Supervisor Elsbernd clarified that, once a budget is approved by the Mayor’s Office and the Board of Supervisors, a department cannot refuse to comply.
- Ms. Courtney reported the following regarding vendor contracting and performance:
  - All of the 2009-2010 vendor contracts have been fully executed.
  - Ms. Courtney thanked Mercer for their significant effort in helping to establish the new disease management performance guarantees. Blue Shield and UHC have agreed to client-specific disease

management measures.

- Kaiser's electronic Medicare process has been successfully implemented and is running smoothly.
- Kaiser's vendor report card process has resumed. Participating panel members will be notified shortly.
- Mercer has completed UHC's second follow-up audit. UHC has received the draft report and will respond to Mercer by September 21, 2009.
- Ms. Courtney reported the following Project eMerge update:
  - While open issues remain, such as the go-live date for monthly coverage, HSS and the eMerge team have been moving forward. To date, four design workshops have been completed. A fifth design workshop is scheduled for next week covering deduction reconciliation processing.
  - A more in-depth report will be presented today by Project eMerge's project manager.

**Public comments:** None.

□ 09102009-05 Discussion item

Report on recruitment for the positions set forth below (DHR Representative)

- Chief Financial Officer
- Chief Operating Officer

Documents provided to Board prior to meeting:  
None.

- Paul Greene, DHR representative, presented the following recruitment overview:
- The Chief Financial Officer's job announcement was posted August 28, 2009 on the City's job site, Craig's List and Bayareajobs.com. Recruitment will be open-ended until a selection is made.
- Applications are currently being accepted and candidates are being screened for minimum qualifications. The interview process will be determined shortly.

- Recruitment for the Chief Operating Officer position has not begun because the requisition has not yet been approved. Once approved, the job announcement will be posted.
- Commissioner Zvanski expressed an interest in reviewing the entire applicant pool for screening and asked that all applications be made available for the Board's review.

**Public comments:** Herbert Weiner, retired City worker, expressed concern about filling the vacant executive positions and the Board's prior vote on accepting the EAP.

□ 09102009-06 Discussion item

Update on Project eMerge, including:

- Updated timetable for eMerge phases and HSS go-live date
- Freeze on PeopleSoft development and impact on HSS initiatives
- Timing and communication plans for eMerge-initiated change in HSS coverage periods (current January 1, 2010 date was based on a February 1 go-live commitment from eMerge)
- Impact of budget or time restrictions on currently-defined HSS requirements
- Plans for data cleanup and other pre-rollout projects requiring HSS resources
- Projected resource commitments requested from HSS vendors
- Plans for training HSS staff on the new system

(Shelley Thompson, DHR)

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

None.

- Shelley Thompson, project manager for Project eMerge, thanked Bart Duncan for his support and participation in the eMerge Project steering committee, making the benefits portion the most outstanding achiever so far. She also reported the following restructuring and timeline issues:

- None of the issues to date have affected any of the commitments for the benefits program.
- The eMerge and HSS teams are working closely on the existing data to identify inconsistencies in the data conversion process.
- The customization process includes the design sessions which identify the defined benefits requirements and coding of those requirements in the new system. Session five is currently underway; there are three or four sessions to be completed, continuing with the financials and the reporting requirements.
- The development process has been streamlined to include monthly testing cycles by employees who will work on the new system. The testing should begin in October.
- Seven of HSS' HIPAA-compliant vendors have agreed on a single HIPAA-compliant interface. A separate vendor interface development and testing will occur over the next six months for the remainder of the vendors.
- Design sessions have been scheduled with HSS to review the financial reporting requirements. An entire team will be dedicated to reporting.
- Functionality enhancements will be deferred until the go-live date.
- The timing to change to a monthly coverage period is being reevaluated. The original notice to the unions indicated that the new monthly coverage period would become effective in January 2010, based on a February 2010 go-live date for the system. The project schedule is being reevaluated in terms of restructuring the model, and it is anticipated that the go-live date will begin with the new plan year, July 1, 2010.
- The proposal to change the effective date of the monthly coverage period to July 1, 2010 will require noticing the unions. The Board will need to decide whether to change the effective date.

- Training for HSS staff will occur over the next six to eight months as development occurs. A schedule has not yet been established but the executive steering committee anticipates providing a schedule to the Board by the end of the month.
- President Heldfond asked for clarification in changing the go-live date to July 1, 2010.
- Ms. Thompson responded that the go-live date would not take place in February, as originally anticipated, and that it may occur later even than July 2010.
- Mr. Duncan recommended changing the effective date for monthly coverage to coincide with the new plan year. This would allow additional time to determine how to fill any possible gaps before the go-live date. Also, there would be no need to change processes or revise member communications in the middle of the plan year.
- President Heldfond asked what the Board needs to do to change the effective date.
- Mr. Duncan responded that a Membership Rules Committee meeting should be scheduled to change the monthly coverage effective date to July 1, 2010 instead of January 1, 2010.
- Ms. Thompson also stated that the unions will need to be notified of the effective date change, since the January 1, 2010 date has already been approved.

**Public comments:** None.

□ 09102009-07      Action item

Approval of annual member communications plan and budget for fiscal year 2009-2010 (Rosemary Passantino)

**Staff recommendation:** Approve plan and budget

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

Draft member communication plan and budget

- Rosemary Passantino reported that the proposed communications plan continues to build on the strengths of HSS' initiatives, which are based on a balanced program of print, digital and in-person member interactions.

- The total communications budget for fiscal year 2009-2010 is \$202,000, which amounts to \$1.88 annually per member and is \$3,000 less than last year's allocation.
- Ms. Passantino thanked Bart Duncan for his support and guidance on member communication initiatives over the past years.
- The entire communications plan and budget may be viewed on the myhss.org website.
- Commissioner Zvanski asked for the date of the HSS Health Fair and whether the H1N1 vaccine will be administered along with the seasonal flu shot.
- Ms. Passantino responded that the annual health fair will be held on October 20 and 21, 2009, at the Hotel Whitcomb from 9:00 a.m. to 4:00 p.m. She stated that only the seasonal flu shot will be available to members at the Health Fair. However, there will be vendor exhibits explaining the symptoms of the H1N1 virus and how to receive vaccinations through the health plans.
- Dr. Katz expressed appreciation for informing members at the Health Fair of the H1N1 virus symptoms and vaccinations. He also noted that the Department of Public Health will provide H1N1 vaccinations to members at no charge beginning approximately October 20, depending upon the availability of the vaccine.

**Public comments:** None.

**Action:** Motion was moved and seconded by the Board to approve the proposed communications plan for fiscal year 2009-2010.

Motion passed 6-0.

□ 09102009-08      Action Item

**Appointment of Chair and members of the following committees:** (President Heldfond)

- Rates and Benefits (committee of the whole)
- Finance and Budget
- Membership Rules
- Governance

**Staff recommendation:** None.

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

Board committee structure chart.

- President Heldfond stated that he has asked all of the commissioners to retain their current committee memberships and chair positions, with the exception of Commissioner Ferrigno, who will assume former Commissioner Deignan's committee responsibilities. All of the commissioners have agreed.
- President Heldfond made reference to the Health Service Board's chart listing all committee members, which can be viewed on the myhss.org website.

**Public Comments:** None.

**Action:** Motion was moved and seconded by the Board to approve the revised Health Service Board committee chart.

Motion passed 6-0.

- 09102009-09 Discussion item [Overview of renewal timing and process](#) (Mercer Team)

Documents provided to Board prior to meeting:

None.

- Rhys Evans, Mercer team, wished Bart Duncan the very best in his future endeavors and stated that it was a pleasure working with him.
- Mr. Evans also presented a brief overview of the rates and benefits process for fiscal year 2010-2011. He reported the following:
  - The premium equivalent rates are set each year for the City Plan and the self-funded dental plan.
  - The current plan year is the last of a three-year rate guarantee schedule initiated with Delta Dental and Pacific Union Dental in the 2007-2008 plan year.
  - This is the Vision Service Plan's final year of a multi-year premium guarantee agreement. The contract will be up for renewal negotiation next year.

- The rates are negotiated yearly for the HMOs, the City Plan and the self-funded dental plan.
- Standardized renewal requests to the vendors have been issued. The responses are due to Mercer on September 23, 2009.
- HSS will ask Kaiser and Blue Shield to complete the standardized renewal request without adjustment and submit along with their standard renewal packages.
- For audit purposes, Mercer delivered the reserve estimate to HSS as of June 30, 2009. Mercer will begin working on the reconciliation experience for the 2008-2009 plan year to explain any differences from the expected. A report will be presented to the Board in October.
- President Heldfond suggested that rates and benefits be included as a part of the October regular board meeting, to be followed thereafter by separate Rates and Benefits Committee meetings. Commissioner Zvanski (Rates and Benefits Committee Chair) concurred.
- Commissioner Zvanski stated that, in addition to strong wellness and disease management in the standard renewal contracts, she would like to see smoking cessation highlighted as a part of wellness and will be specifically looking for the inclusion of that program.
- The entire Mercer report may be viewed on the myhss.org website.

**Public Comments:** None.

- 09102009-10 Discussion item **Report on significant network and health plan issues (if any)** (Respective plan representatives)
  - Jannine Seagall, Blue Shield Regional Network Manager, reported the following regarding the UCSF, Brown and Toland and Hill Physicians medical group transition:
  - The agreement between UCSF physicians and hospital and Brown and Toland Medical Group will terminate at the end of this year.

- As a result of this change, UCSF's primary care physicians will join Hill Physicians in San Francisco. Approximately 4,500 Blue Shield members will be impacted, which includes approximately 2,600 City and County of San Francisco members.
- Blue Shield intends to keep members with their UCSF primary care physicians, which will require members to join Hill Physicians Medical Group.
- In early October, Blue Shield will notify members currently assigned to a Brown and Toland primary care physician of the medical group change, effective January 1, 2010. Those members will be allowed to remain with their primary care physician and will be transitioned to Hill Physicians Medical Group in San Francisco.
- Members will also have the option to stay in the Brown and Toland Medical Group. The default plan is to keep the member with his/her primary care physician and change the medical group to Hills Physicians.
- Brown and Toland is currently negotiating with UCSF for referral arrangements and access to care, effective January 1, 2010.
- Blue Shield is working closely with UCSF, Hill Physicians and Brown and Toland on the negotiations. They are also working closely with Rosemary Passantino, HSS Communications Manager, regarding talking points and frequently asked questions to ensure that important points are covered for City and County members.
- Sandy Lynch, United Healthcare account executive recently assigned to HSS, introduced herself to the Board. She stated that United Healthcare members will not be impacted by the Brown and Toland-Hill Physicians transition because UHC is a PPO plan.

**Public comments:** Herbert Weiner, retired City employee and Blue Shield member, expressed his surprise regarding the amount of his pharmacy copay since he has an ongoing non-generic prescription refill order.

Commissioner Zvanski stated that the 90-day prescription limit was changed several years ago. She suggested that members refill prescriptions through the mail order option, which allows a 90-day supply for a 60-day cost.

- 09102009-11 Discussion item Opportunity to place items on future agendas
  - President Heldfond suggested scheduling a special closed session on October 8; the subject will be announced later.
  - President Heldfond also announced that a closed session has been scheduled on September 14, 2009 to address the recruitment of a new Executive Director.

**Public comments:** None.

- 09102009-12 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction

**Public comments:** Herbert Weiner, retired City employee, asked if the Board could pass a resolution endorsing the principles of a new public health plan, as outlined in President Obama's speech last evening.

Supervisor Elsbernd stated that before their recess, the Board of Supervisors and the Mayor unanimously passed a resolution in support of the new public health plan as the official position of the City and County of San Francisco.

**Adjourn: 2:59 p.m.** President Heldfond adjourned this meeting with a multitude of thanks and appreciation to Bart Duncan for his many years of service (as City Attorney and Executive Director, twice) and leaving a strong Health Service System.

## 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](mailto: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](mailto: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](http://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.

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).