



Action: Motion was moved and seconded by the Board to approve the regular meeting minutes and special closed session minutes of October 8, 2009.

Motion passed 5-0.

□ 11122009-02 Discussion item

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

Documents provided to Board prior to meeting:  
None.

- President Heldfond commended the entire HSS staff and Interim Director, Catherine Dodd, for working well together through the department's transition and for the information compiled for today's meeting.

Public comments: None.

□ 11122009-03 Discussion item

**Interim Director's Report** (Catherine Dodd):

- HSS recruiting
  - Chief Financial Officer
  - Chief Operating Officer
- City College request for information
- Board of Supervisors – Supervisor Elsbernd's request – health reform
- Presentations
  - CCSF retirees
  - MEA
  - Protect Our Benefits PAC
- Communications (Rosemary Passantino)
  - Fourth Annual Health Fair
- Vendor Contracts and Performance (Robin Courtney)
  - Performance guarantees
  - Board of Supervisors – Supervisor Alioto-Pier's request – Blue Shield
  - Rates and Benefits
  - UHC performance audit
  - Medicare Secondary Payor
- Employee Assistance Program (Robin Courtney)
  - Update
- eMerge (Robin Courtney)
  - Go-Live Date
- Member Services (Mark Villares)

- Total number of clients served: calls/visits
- Timely issues: layoff preparation, Brown & Toland v. Hill Physicians
- Holdover certification mailing and follow-up
- Finance (Catherine Dodd)
  - Controller's Economic Barometer
  - City Budget forecast

Documents provided to Board prior to meeting:

1. Interim Director's report
2. Economic Barometer
3. Reports from Communications, Vendor Contracts and Member Services.
  - HSS Interim Director, Catherine Dodd, PhD, RN, made reference to her Director's Report previously posted on the myhss.org website and reported the following:
  - Robin Courtney, HSS Vendor Contracts and Performance Manager, interviewed for the Chief Financial Officer position and scored well above the other applicants. Ms. Courtney, who possesses an M.B.A. in Finance, was selected for the position and will assume the role of HSS Chief Financial Officer on November 16, 2009. Dr. Dodd presented a summary of Ms. Courtney's considerable qualifications and experience in the public and private sectors.
  - Ms. Courtney will continue working with the vendors and contract management in her new position.
  - Ms. Courtney thanked Dr. Dodd and the Board for the opportunity to serve as HSS Chief Financial Officer.
  - Dr. Dodd also reported that the Chief Operating Officer position is being rewritten based on staff's strengths and weaknesses and will be posted by the end of the month. Ms. Courtney's vacant position will also be posted as well as the IT position, if it becomes unfrozen.
  - A meeting was held recently with the San Francisco Community College District ("CCD") to discuss ongoing issues. A public records

request was also received from CCD and has been responded to.

- The response to Supervisor Elsbernd's inquiry on the impact of health care reform on the City's benefit plans and retirees has been submitted to the Board of Supervisors. Dr. Dodd's memo to the Board of Supervisors and the attached charts may be viewed in the Director's Report on the myhss.org website.
- Supervisor Alioto-Pier also submitted a Board of Supervisors' inquiry into member appeals and denials in the Blue Shield plan. Robin Courtney analyzed one year of data from August 2008 to August 2009, as well as reviewed the appeals process. The results of the inquiry did not indicate anything out of the ordinary for member appeals. Dr. Dodd's memo to the Board of Supervisors may be viewed in the Director's Report on the myhss.org website.
- Dr. Dodd made a presentation to the Retired Employees of the City and County of San Francisco yesterday and will be making a presentation to the Municipal Executive Association on November 16, 2009. She also met with the Protect Our Benefits PAC on November 9, 2009 and looks forward to meeting with other employee and retiree organizations.
- Rosemary Passantino, HSS Communications Manager reported the following on the fourth annual HSS Health Fair held on October 20-21, 2009 at the Hotel Whitcomb:
  - The Health Fair was a success with 2,785 attendees.
  - Flu shots were delivered to 1,606 members; 842 members received blood sugar and cholesterol tests; and 575 members received chair massages.
  - A crafts exhibit featuring UESF-Retired members was also on display to highlight member creativity and the importance of staying active in retirement.

- The medical exhibitors were prepared to answer questions regarding the UCSF Medical Group-Brown & Toland transition and the H1N1 flu.
- Robin Courtney, HSS Vendor Contracts and Performance Manager, provided the following vendor update:
  - First quarter performance guarantee results have been received from all of the vendors with generally satisfactory results. There were two minor issues regarding FBMC and VSP. Both vendors have submitted plans for correction.
  - Kaiser's 120-day data lag continues. There is currently a performance guarantee in place but no efforts have been indicated to close the gap. This issue will be addressed on today's agenda.
  - Rate proposals were submitted to Mercer in October and initial vendor meetings have been held.
  - There will be minor plan design adjustments next year to accommodate the Federal Mental Health Parity and Addiction Equity Act, which requires that coverage for mental health and substance abuse must be at least equal to the coverage provided for physical health benefits.
  - The initial 10-County survey results reflect an estimated 4.5% average increase in the employer contributions (seven out of ten counties have been surveyed).
  - HSS and Mercer met to review the results of UHC's second follow-on audit, which will be presented to the Board at a future meeting.
  - The Employee Assistance Program continues to be integrated into HSS. Staff is conducting mediations, workshops, EAP orientations for new employees, and daily counseling sessions.
  - eMerge has announced November 2010 as its new go-live date. HSS continues to participate in the Design Workshops.

- Mark Villares, HSS Member Services Manager, presented the following update:
- The Member Services call center has received 34,802 incoming calls to date this year.
- The average time for Member Services staff to answer the telephone is 27.2 seconds; the industry standard is 30 seconds.
- Approximately 10,000 members have visited HSS this year, which does not include open enrollment.
- HSS has identified ten employees on the holdover list with benefits for over five years. These employees were notified that their benefits were cancelled effective November 1, 2009.
- HSS has been working with the Department of Human Resources to coordinate layoff information and processes.
- HSS Member Services and Communications have coordinated information with Blue Shield to ensure the clarity and accuracy of member materials regarding the Brown & Toland-Hills Physicians transition.
- Dr. Dodd presented the City's economic barometer for July and August 2009 to illustrate the City's economic climate in relation to the overall budget. The September economic barometer will be released by the Controller's Office in a day or so.
- Greg Wagner, Budget Director in the Mayor's Office, has been invited to address the Rates and Benefits Committee today on how the City budget is impacted by the rates.
- The Interim Director's Report, the City's July/August economic barometer and reports from Communications, Vendor Contracts and Member Services may be viewed on the myhss.org website.

Public comments: Ruth Liu, Kaiser's Senior Director of Policy in the Legal and Government Relations Department, reported that the Senate Finance Committee has proposed an additional fee on insurers in the amount of \$6.7 billion per year to

help fund health reform. This fee is assessed only on fully-insured plans, such as the City and County of San Francisco, and exempts self-insured plans. Kaiser estimates that this provision will add approximately 2% to the City's premium costs. Premium costs would increase by approximately 1%, if the fee was assessed more equitably across all plans. She urged members and the Board to contact the Board of Supervisors regarding the implications of the proposed fee, as well as Senators Boxer and Feinstein. If approved, this fee will be assessed in 2010 on all insurers.

□ 11122009-04 Action Item

Presentation of composite results of the Kaiser vendor performance appraisal; and approval of vendor report card regarding vendor performance (Robin Courtney)

Documents provided to Board prior to meeting:

Vendor report card

- Robin Courtney presented Kaiser's vendor performance appraisal for the period July 1, 2007 through June 30, 2009 and reported the following:
- Six panel members provided the ratings, including Health Service Board Commissioner Karen Breslin, and HSS Interim Director, Catherine Dodd.
- The ratings (1-5) covered the categories of quality and value, responsiveness to HSS and contracting and performance guarantees.
- Kaiser's composite scores in quality and value ranged from 4.4 to 4.7.
- Kaiser's composite score in responsiveness to HSS needs and concerns was 4.1 due to the data lag issue that continues to persist. There was no indication by Kaiser that steps have been taken to resolve this issue.
- In the last two years, Kaiser has had difficulty delivering on the initiatives important to HSS, while the other vendors have complied.
- Kaiser's composite rating was 4.2 in the areas of contracting and performance guarantees.
- Overall, Kaiser's ratings were good but there are also significant areas needing improvement.

- Raul Monares, Kaiser Executive Account Manager, thanked the HSS staff and Commissioner Breslin for participating in the vendor report card process. He stated that while he is proud of the results of the report card, he acknowledged that improvement is necessary in specific areas, such as the data lag issue, which will be addressed today.
- David Schweppe, Kaiser's Executive Director for Customer Analytics and Reporting, stated that Kaiser intends to begin delivering the data for the dashboard to Mercer in 90 days instead of 120-days.
- Commissioner Zvanski asked Mercer what is considered timely for delivering data for the dashboard.
- Jim Dell, Mercer team, responded that United Healthcare delivers its data within 30 days and Blue Shield delivers its data within 45 days. PacifiCare also delivered its data within 45 days, when it was one of the HSS benefit plans.
- Commissioners Zvanski and Breslin stated that they would prefer Kaiser's 90-day goal to become more in line with the other plans and closer to 45 days.
- Mr. Schweppe responded that Kaiser is committed to the 90-day data delivery to Mercer and will try to improve further.
- Commissioner Zvanski also expressed concern in the area of Kaiser's geriatric care and stated that improvement in this area needs to be made.
- Kaiser's entire vendor report card may be viewed on the myhss.org website.

Public Comments: None.

Action: Motion was moved and seconded by the Board to approve the composite results of Kaiser's vendor performance appraisal and report card.

Motion passed 5-0.

□ 11122009-05 Action item

Vote on whether to revise FY 2009-10 performance guarantee to require Kaiser to resolve the greater than 120-day delay in providing Dashboard data to Mercer (Kaiser Representative and Robin Courtney)

Documents provided to Board prior to meeting:  
None.

Staff recommendation: Revise FY 2009-2010 performance guarantee to reflect Kaiser's resolution of 120-day data delay after quarter end in providing Dashboard data to Mercer.

- Robin Courtney suggested that the revision of Kaiser's performance guarantee reflect the commitment stated earlier to provide data to Mercer within 90 days instead of the current 120-day lag, with a goal to improve even further.

Public comments: None.

Action: Motion was moved and seconded by the Board to revise Kaiser's FY 2009-2010 performance guarantee to reflect a 90-day data lag after quarter end in providing Dashboard data to Mercer, with a goal of 45 days in the next two quarters.

Motion passed 5-0.

□ 11122009-06 Discussion item

Presentation of Audited Financial Statements for Fiscal Year 2008-2009 (KPMG and Catherine Dodd)

Documents provided to Board prior to meeting:

1. Audited Financial Statements for Fiscal Year 2008-2009;
2. Presentation of Audit Results prepared by KPMG LLP.
  - Steve DeVetter, KPMG partner, reported that KPMG issued its standard unqualified audit report and a report on internal controls and compliance matters, under the government auditing standards. There were no matters included in either report, resulting in a clean audit for Fiscal Year 2008-2009.
  - The audited financial statements for Fiscal Year 2008-2009 and KPMG's presentation of audit results may be viewed on the myhss.org website.

Public comments: None.

- 11122009-07 Discussion item Report on network and health plan issues (if any)  
(Respective plan representatives)

  - Lori Taylor, Blue Shield representative, reported that the referral arrangement between Brown & Toland and UCSF may be completed by tomorrow. If so, Ms. Taylor will contact HSS and revise the talking points. Once the referral arrangement is complete, notification letters will be sent to members.

Public comments: Angeline Friedman, a retired member, asked for clarification on the proposed rates.

Commissioner Zvanski responded that the discussion on proposed rates will take place in the Rates and Benefits Committee meeting immediately following the regular Board meeting.

Diane Urlich, a UESF-Retired Division member, asked if Kaiser could supply Medicare cards to its members to allow senior discounts when traveling to other states.
  
- 11122009-08 Discussion item Opportunity to place items on future agendas

Public comments: None.
  
- 11122009-09 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction

Public comments: Richard Rothman, SEIU representative and retired member, alerted the Board and public to two state propositions that are circulating for signatures. These propositions would severely limit new employees' pensions after July 1, 2011 and also adversely affect new employees' health benefits.
  
- 11122009-10 Action item Vote on whether to hold closed session to hear resolution of Member's appeal of Health Service System decision, under Charter §12.200(5) (California Constitution Article I, Section 1; the Confidentiality of Medical Information Act, Cal. Civ. Code §§56 et seq; and the Health Insurance Portability and Accountability Act, 42 U.S.C. §§1320d et seq.) (President Heldfond)

Staff recommendation: Hold closed session.

Public comment on all matters pertaining to the closed session.

Action: Motion was moved and seconded by the Board to a hold closed session to hear the resolution of a member's appeal of a Health Service System decision.

Motion passed 5-0.

Closed session pursuant to California Constitution Article I, Section 1; the Confidentiality of Medical Information Act, California Civil Code §§56 et seq; and the Health Insurance Portability and Accountability Act, 42 U.S.C. §§1320d et seq.

- 11122009-11 Discussion item Report on resolution of Member's appeal regarding health insurance coverage issue, under Charter §12.200(5) (Catherine Dodd)  
  
Documents provided to Board prior to meeting:  
Letter from HSS to Member dated October 30, 2009.

### Reconvene in Open Session

- 11122009-12 Action item Report on action taken in closed session (President Heldfond)  
  
Public Comments: None.  
  
Action: Motion was moved and seconded by the Board not to report on action taken in closed session.  
  
Motion passed 5-0.
- 11122009-13 Action item Vote to elect whether to disclose any or all discussion held in Closed Session (President Heldfond)  
  
Public Comments: None.  
  
Action: Motion was moved and seconded by the Board not to disclose any of the discussion held in closed session.  
  
Motion passed 5-0.

Adjourn: 2:26 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.

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.

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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/>

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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).