

SAN FRANCISCO HEALTH SERVICE SYSTEM
Health Service Board
TERMS OF REFERENCE

Introduction

- 1) The San Francisco Health Service System has established the following mission statement:

The San Francisco Health Service System is dedicated to providing outstanding health and other employee benefits to its members while adhering to the highest standards of customer service.
- 2) In order to carry out its mission and the responsibilities of the System set out in the City Charter and Administrative Code, the Board believes it must establish clear roles and responsibilities for itself and all other parties involved in the governance and management of the Health Service System. The Board has established these terms of reference to confirm and build upon the Board's statutory duties.
- 3) In the event of a conflict between the City Charter or the Administrative Code and the terms of reference or governance policies adopted by the Board, the City Charter and Administrative Code will prevail.

Duties and Responsibilities

- 4) Consistent with section 12.201 of the City Charter, the Board and each committee of the Board shall confine its activities to policy matters and to matters coming before it as an appeals Board.
- 5) The Board's duties fall into two broad categories:
 - a) Designing benefit plans and benefit changes, and determining rates in connection with the provisions of section A8.422 of the City Charter, subject to final approval by the Board of Supervisors; and
 - b) Health and welfare plan and fund administration in connection with:
 - i) The Health System Trust Fund, pursuant to section 12.203;
 - ii) Benefit plans adopted pursuant to A8.422; and
 - iii) Benefit plans administered by the Board pursuant to section 4.102.

Plan Adoption and Benefit Design

- 6) In accordance with section A8.422 of the City Charter, the Board has an important role to play in designing health benefit plans and amendments thereto for adoption by the Board of Supervisors:
 - a) The Board shall have power and it shall be its duty by a two-thirds vote of the entire membership of the Board to adopt a plan or plans for rendering medical care to members of the System, or for obtaining and carrying insurance against such costs or for such care. Such plan or plans as may be adopted, shall not become effective until approved by ordinance of the Board of Supervisors, adopted by three-fourths of its members; [A8.422] and
 - b) In January of each year, at a public meeting, the Health Service Board shall review and determine the adequacy of health care provided for members of the System and the adequacy of fee schedules and the compensation paid for all services rendered and it may make such revisions therein as it deems equitable, but such revisions shall not become effective until approved by ordinance of the Board of Supervisors adopted by three-fourths of its members.
- 7) To facilitate carrying out the duties set out in paragraph 6 above, the Health Service Board will approve:
 - a) the annual benefit and rate setting process; and
 - b) a benefit design policy, which shall set out the goals or objectives that will guide the Board in carrying out the review referred to in paragraph 6 b) above.

Plan and Fund Administration

Board Governance

- 8) The Health Service Board is responsible for ensuring effective governance practices in respect of the Board.
- 9) The Board will approve, and amend, as necessary:
 - a) An Annual Statement of Purpose (sec.4.102);
 - b) Rules and regulations consistent with the City Charter and Ordinances¹ at least annually and as ~~necessary~~necessary;

¹ As per City Charter, Article IV, s.4.104(1).

- c) Terms of reference describing the roles and responsibilities of the Board, Board committees, officers, the Director, and if applicable the Medical Director; and
 - d) Any governance-related policies necessary to help ensure appropriate governance practices at HSS such as, for example, a Board training policy [C1].
- 10) The Board will:
- a) Elect a President and Vice-President of the Board on an **annual** basis;
 - b) Establish standing or ad hoc committees or task forces as necessary;
 - c) Appoint Board members and a chair to each standing committee, ad hoc committee and task force, upon the recommendation of the President;
 - d) Ensure that a Board training-orientation program is in place and educational materials are provided to assist Board members in securing the knowledge they require to properly execute their duties;
 - e) Annually conduct a Board performance evaluation, in which the members of the Health Service Board may evaluate the performance and practices of the Board during the prior year and suggest opportunities for improvement;
 - f) When budget permits Approve travel requests by Board members for education or other business purposes pertaining to HSS; and
 - g) Ensure that a record of the proceedings of Health Service Board and Committee meetings is maintained.²

Benefit Administration

- 11) The Board shall administer health and welfare plans adopted by the Board of Supervisors pursuant to A8.422, and health and welfare plans established by the Mayor and the Board of Supervisors pursuant to section 4.102
- 12) The Board will approve benefit administration policies intended to ensure efficient and effective administration of all benefit plans it administers, addressing for example such things as membership rules, service quality standards, member communications, open enrolment rules, confidentiality of member data, and performance evaluation of vendors.

² As per The *San Francisco Sunshine Ordinance*, Administrative Code, Chapter 67.

Investment Administration

- 13) The Board shall administer the Health System Trust Fund in accordance with the provisions of the City Charter solely for the benefit of the active and retired members of the Health Service System and their covered dependents. [Sec. 12.203]
- 14) The Health Service Board shall have control of the administration and investment of the Health System Trust Fund, provided that all investments shall be of the character legal for insurance companies in California. [A8.429]
- 15) In order to help ensure the prudent administration of the Health System Trust Fund, the Health Service Board will develop and approve a written investment policy statement, and review, confirm, or amend such policy at least every three years.

Funding and Accounting

- 16) The Health Service Board shall adopt a funding policy to ensure the financial health and integrity of each self-funded plan, and shall annually review and, when necessary, amend said policy. The funding policy shall also address any other reserves to be held in the Health System Trust Fund. The policy may address, among other things, appropriate reserve targets for unanticipated needs and claims that are incurred but not reported (IBNR), the actuarial methodologies and assumptions to be used in determining reserves, and subsidies.
- 17) The Health Service Board will ensure, prior to the second Monday in January of each year, a survey is conducted of the 10 largest counties in California, other than the City and County of San Francisco, to determine the average contribution made by each employee of such county. In accordance with said survey, the Health Service Board shall determine the average contribution made with respect to each employee by said 10 counties toward the health care plans provided for their employees and on or before the second Monday in January of each year, the Health Service Board shall certify to the Board of Supervisors the amount of such average contribution. [A8.423]
- 18) The Board will:
 - a) Ensure that management implements mechanisms to collect all required contributions to the Health System Trust Fund ~~are collected~~ and to make all distributions ~~are made~~ in a timely manner;
 - b) Ensure ~~detailed~~ historical records on costs ~~for medical and hospital care~~ are maintained;
 - c) Ensure appropriate financial and operational controls are established by management;
 - d) Ensure that funding is in place to provide for the financial audit by the City Controller [C2];

- e) Approve significant accounting policies, as required; and
- f) Review and accept the annual audited financial statements and external auditors' management letter, and take corrective action if required.

Organizational Planning

- 19) The Health Service Board will annually approve:
 - a) A strategic plan, which may include a mission statement for the System, the broad direction and goals of the System, and the specific projects that must be completed in order to fulfill the broad direction and goals of the System;
 - b) An annual administrative department operating budget;
 - c) The basic organizational structure of the System; and
 - d) Outsourcing strategies with respect to cores services of the System (i.e. whether certain activities will be performed by an outside agent rather than HSS staff).

Personnel Management

- 20) The Health Service Board shall:
 - a) Appoint a Director and determine the duties and responsibilities of the position;
 - b) Establish a process for evaluating the performance of the Director, and annually evaluate the Director accordingly; and
 - c) Establish and annually review the compensation of the Director within the ranges of the classification set for the position.

Communications

- 21) The Health Service Board will:
 - a) Ensure that an annual report is prepared describing its activities, and shall file such report with the Mayor and the Clerk of the Board of Supervisors; [Sec. 4.103]
 - b) Hold meetings open to the public and encourage the participation of interested persons; [Sec. 4.104.2]
 - c) Conduct its meetings in accordance with the *San Francisco Sunshine Ordinance* (San Francisco Administrative Code, Chapter 67), and the public meeting laws set out in the *Ralph M. Brown Act* (California Government Code Section 54950 et seq.);

- d) Ensure that information is obtained and disseminated to the members of the System with regard to plan benefits and costs thereof; [A8.423] and
- e) Working with the Director, ensure other mechanisms and procedures are in place to enable accurate, co-ordinated, and effective communications between the Health Services System and its stakeholders, including plan members, the City, employers, and employee groups.

Legislation and Litigation

- 22) The Health Service Board may consider and approve recommendations made by the Director or legal counsel concerning settlements or other legal actions involving HSS.

Appointment of Vendors

- 23) The Health Service Board will establish appropriate policies to help ensure effective and prudent selection of service providers.
- 24) The Health Service Board recognizes that it is neither effective nor efficient for the Board to be involved in the selection of all service providers. Accordingly, the Health Service Board shall be responsible for selecting and/or ratifying the service providers it deems to be the primary service providers of the System, which are named below:
 - a) Actuary;
 - b) Insurance carriers;
 - c) Third party administrators retained for services in connection with non-charter benefits and with a contract value in excess of \$200,000 annually;
 - d) External information technology consultants retained for services with a value in excess of \$100,000;
 - e) Medical Director; and
 - f) Other service providers, as may be determined by the Board.
- 25) It is recognized and understood that the following services are provided or co-ordinated by various departments within the City:
 - a) Financial and operational audit services;
 - b) Custody services [C3];
 - c) Legal services;

- d) Investment Management^(C4) and advisory services; and
 - e) Information technology services.
- 26) The Health Services Board will communicate to the Director in policy form, the secondary service providers or classes of services providers, which the Director shall be authorized to select; and the Board shall determine the controls to be put in place with respect to such authority; such as, for example, dollar limits on expenditure authority.

Monitoring

- 27) The Board will ensure that appropriate monitoring and reporting practices are established and documented within HSS.
- 28) The Board will periodically monitor compliance with, and review the continued appropriateness of, any policies adopted by the Board in the following areas:
- a) Governance policies and terms of reference;
 - b) Benefit design policy;
 - c) Funding policy;
 - d) Investment policy^(C5)
 - e) Benefit administration policy; and
 - f) Accounting policy.
- 29) The Board will monitor periodically:
- a) The levels of the reserves on not less than a quarterly basis;
 - b) The adequacy of rates, including a retrospective review of rate-setting;
 - c) The performance of insurance carriers relative to pre-established performance measures; and
 - d) The investment performance of the Health System Trust Fund.
- 30) The Board will periodically monitor the usage and participation levels by members within the health plans, and the general affordability of the plans it administers.
- 31) The Board will monitor the levels of service quality provided by the health plans and other benefit plans sponsored by the System, developing over time the methodologies necessary to do so.
- 32) The Health Service Board will monitor:

- a) Implementation of the Strategic Plan; and
 - b) Compliance with the Operating Budget of the System.
- 33) At least annually, the Health Service Board will review the performance of:
- a) The Director; and
 - b) The Board itself.

History

- 34) These terms of reference were adopted by the Board on February 22, 2007.

Review

- 35) The Board shall review these terms of reference at least every three years.

SAN FRANCISCO HEALTH SERVICE SYSTEM
President of the Health Service Board
TERMS OF REFERENCE

Introduction

- 1) Unless otherwise agreed by the Board, at its regular meeting in June of each year, the Board shall elect one Board member to serve as President. The President so elected shall take office at the regular meeting in the month of July immediately following election and the President's term shall continue until assumption of office by the next President at the regular meeting in the month of July of the following year. [Rules and [Procedures](#)^[C6]]

Duties and Responsibilities

- 2) The President will exercise the powers and will perform the duties and functions as specified herein:
 - a) Preside at all Board meetings, ensuring that such meetings are conducted efficiently and in accordance with the *San Francisco Sunshine Ordinance* (Administrative Code, Chapter 67), the public meeting laws set out in the *Ralph M. Brown Act* (California Government Code Section 54950 et seq.), and the policies of the Board;
 - b) Recommend to the Board the creation of task forces or ad hoc committees of the Board, and the appointment of members and a chair to each standing committee, ad hoc committee, and task force. Recommendations concerning membership and chairs of standing committees are generally to be made by the President at the Board meeting following the meeting at which the President is elected;
 - c) Authenticate by his or her signature when necessary, or when required by law, all documents authorized by the Board;
 - d) Call special meetings (Note that special meetings may be called by the President, and that they must be called by the President upon the written request of a majority of the members of the Board [or authorization by majority of the Board at prior meeting](#). This provision must be implemented in a manner consistent with applicable open meeting laws);
 - e) In situations that call for a spokesperson to speak on behalf of the HSS, consult with the Director and determine whether the President, Director, or other individual should serve as spokesperson in the situation in question;
 - f) Review the agenda of each Board meeting with the Director prior to the meeting;
 - g) Be available to assist committee chairs in carrying out their duties; and

h) Be available to assist the Director in the orientation process for new Board members.

History

- 3) These terms of reference were adopted by the Board on February 22, 2007.

Review

- 4) The Board shall review these terms of reference at least every three years.

SAN FRANCISCO HEALTH SERVICE SYSTEM
Vice President of the Health Service Board
Terms of Reference

Introduction

- 1) Unless otherwise agreed by the Board, at its regular meeting in June of each year, the Board shall elect one Board member to serve as Vice President. The Vice President so elected shall take office at the regular meeting in the month of July immediately following election and the Vice President's term shall continue until assumption of office by the next Vice President at the regular meeting in the month of July of the following year. [Rules and Procedures]

Duties and Responsibilities

- 2) The Vice-President will assume the duties of the President when the President is absent, or when the President shall designate the Vice-President to act. In the event of death, resignation, removal from office or permanent disability of the President, the Vice-President shall temporarily act for the President until such time as an election shall be held. [Rules and Procedures]

History

- 3) These terms of reference were adopted by the Board on February 22, 2007.

Review

- 4) These terms of reference shall be reviewed by the Board at least every three years.

SAN FRANCISCO HEALTH SERVICE SYSTEM

Director

TERMS OF REFERENCE

Introduction

- 1) The Director shall hold office at the pleasure of the Board, and shall be responsible to the Board as a Board, but not to any individual member or committee thereof. [Section 12.201]
- 2) The Director will provide leadership for the HSS in implementing the programs necessary to achieve the mission, goals and objectives established by the Board; and will manage the day-to-day affairs of HSS in accordance with the provisions of the Charter.
- 3) The Director is the executive ultimately responsible for the entire operations of HSS. The Director will ensure proper delegation of duties to senior management and staff so as to maximize the efficiency and effectiveness of the HSS.
- 4) The Director will provide support to the Board and its committees in establishing all policies of the Board including identifying and analyzing issues requiring Board policy, and providing policy options and clear, well-supported policy recommendations for consideration by the Board or its committees.

Governance

- 5) The Director will assist the Board in its governance function by:
 - a) Recommending terms of reference and other policies to ensure appropriate governance practices;
 - b) Coordinating new Board member education and training and additional education within budget limitations in accordance with the Board Education Policy; and
 - c) Coordinating Board member travel within budget limitations.

Benefit Administration and Operations

- 6) The Director will direct and oversee all administrative and operational activities of the System including, but not limited to:
 - a) Developing and recommending implementing to the Board all policies necessary to ensure effective administration of member benefits and reporting to the Board;

- b) Directing administrative staff involved in the delivery of service to plan members and in the operations of the System;
- c) Developing and recommending a strategic plan to the Health Service Board;
- d) Developing an annual operating budget, as well as applicable departmental budgets, and presenting them to the Health Service Board for approval as part of the City's budget process;
- e) Ensuring sound records and data management and security;
- f) Ensuring prudent fiscal management, oversight, and reporting of HSS;
- g) Executing agreements and authorizing payments related to the administration of HSS and the appointment of all service providers, consistent with the operating budget and internal controls of HSS;
- h) Ensuring effective and timely communications with members and stakeholders on matters relating to the administration of HSS; and
- i) Representing the System at the Board of Supervisors and other City departments on the budget and other matters affecting the System.

Human Resources

- 7) Consistent with applicable civil service rules, the operating budget, and collective bargaining agreements, the Director will hire, direct, supervise and may terminate senior executives of the System, and will oversee the hiring, management, and termination of staff. The Director will manage the employee grievance process relating to HSS staff in accordance with the City Charter, Administrative Code, and the collective bargaining agreements; and will inform the Board of any issues as appropriate.
- 8) The Director will ensure ongoing assessment of the human resource needs of HSS and the development of appropriate human resource programs and procedures, co-ordinating with other City departments as necessary.

Legislation and Litigation

- 9) The Director will carry out the following duties with the advice of legal counsel as necessary:
 - a) Monitor trends regarding legislation that may have a significant impact on HSS;

- b) Report to the Board on any legislative proposals that could significantly affect the System, and recommend whether the Board should take any action;
- c) Manage and coordinate, with legal counsel, all legal proceedings involving HSS;
- d) Provide recommendations to the Board concerning member appeals, settlement or other legal action involving HSS;
- e) Make recommendations or proposals to the Board on a proactive basis regarding Charter amendments that are consistent with the Mission of the System; and
- f) Recommend to the Board that obsolete provisions of the Administrative Code be eliminated, or that various provisions of the Administrative Code be amended to reflect Charter amendments and/or new or revised State legislation.

Service Providers

- 10) The Director will:
 - a) ~~Ensure a Serve as the~~ primary point of contact or gatekeeper for all service providers working with or seeking to work with the System;
 - ~~b) Recommend the appointment of primary service providers in accordance with the Service Provider Selection Policy;~~
 - ~~e)b)~~ Appoint those service providers for which the Board has delegated appointing authority to the Director, in accordance with the Service Provider Selection Policy or other action of the Board; and
 - ~~e)c)~~ Regularly monitor the performance of all service providers, and report regularly to the Health Service Board on all such monitoring efforts.

Monitoring and Reporting

- 11) The Director will ensure that monitoring and control mechanisms are in place to ensure that policies and procedures are properly implemented and that the operations of the System are effective.
- 12) The Director will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight responsibilities. Furthermore, the Director will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to HSS, and provide recommended courses of action as appropriate.

History

- 13) These terms of reference were adopted by the Board on February 22, 2007.

Review

- 14) The Board shall review these terms of reference at least every three years.

SAN FRANCISCO HEALTH SERVICE SYSTEM
Budget and Finance Committee
TERMS OF REFERENCE

Introduction

- 1) The Budget and Finance Committee has been established by the Health Service Board to assist the Board in the financial oversight of the System, including oversight of all audits of the System and the budgeting process. This may be done as a committee of the whole.

Composition

- 2) The Budget and Finance Committee will be comprised of three Board members, including the Committee Chair, all of whom shall be appointed by the Health Service Board, upon the recommendation of the President.
- 3) The Director shall designate a staff member to provide administrative support to the Budget and Finance Committee.

Operational Rules

- 4) The Budget and Finance Committee will adhere to the following operational rules:
 - a) The presence of a majority shall constitute a quorum;
 - b) All actions of the Budget and Finance Committee shall be by a vote of the majority of the members present at a meeting of the Finance Committee, provided a quorum is present;
 - c) To be effective, all actions of the Budget and Finance Committee shall be approved by the Health Service Board; and
 - d) The Budget and Finance Committee shall meet semi-annually, or more often if it deems necessary.
- 5) The Budget and Finance Committee may establish other operational rules, procedures, calendars and agendas for the Committee, as necessary, provided they are consistent with the City Charter and Ordinances, and the policies of the Board.
- 6) The Budget and Finance Committee shall periodically review its terms of reference, and advise the Governance Committee with respect to modifications, as appropriate.

Duties and Responsibilities

Audits and Examinations

- 7) The Budget and Finance Committee will:
 - a) Work to ensure a clear understanding within HSS that external financial auditors report to and are accountable to the Board;
 - b) Oversee periodic audits performed by internal or external auditors and monitor the development of any recommended actions resulting from these audits;
 - c) Receive presentations from management or the financial auditor regarding the annual audited financial statements, review any responses of management, and recommend any appropriate actions to the Board;
 - d) Meet with the financial auditor to review any management letters that may be submitted by the financial auditor, review management's responses thereto, and provide recommendations to the Board, as appropriate; and
 - e) Serve as the liaison and provide the appropriate forum for handling all policy-related matters with respect to audits, examinations, investigations or inquiries by any appropriate local, state or federal agencies.

Annual Budgeting Process

- 8) The Budget and Finance Committee will:
 - a) Review the annual Operating Budget for the Health Service System and all requested modifications and supplements thereto;
 - ~~b) Adopt a "two reading" process for requests to approve the Operating Budget. This process will ensure that the Mayor, Board of Supervisors, Controller, members and other interested parties have an opportunity to provide input into the budget being recommended by the Budget and Finance Committee;~~
 - ~~e)b) _____ Recommend [c8] the Operating Budget to the Board for approval;~~
 - ~~e)c) _____ Review and approve revisions to the current year Operating Budget recommended by the Director;~~
 - ~~e)d) _____ Monitor HSS' budget variance reports on a quarterly basis, and recommend appropriate action to the Board and the Director, if necessary; and~~

~~f)e)~~ Review the timeliness of collections due to the HSS Fund by employers.

Other

- 9) The Budget and Finance Committee will:
- a) Review any significant changes in accounting practices or policies that may have an impact on the financial status of the System;

~~b) Review the appointment and termination of the internal auditor, should such a position be established; rReview(c) the Director's annual performance evaluation of such individual; and bring any concerns the Committee may have to the attention of the Director and the Board;~~

~~e)b)~~ Report regularly to the Board on its activities; and

~~e)c)~~ Perform any other duties that are assigned to it by the Board.

History

- 10) These terms of reference were adopted by the Board on February 22, 2007.

Review

- 11) The Board shall review these terms of reference at least every three years.

SAN FRANCISCO HEALTH SERVICE SYSTEM
Rates and Benefits Committee
TERMS OF REFERENCE

Introduction

- 1) The Rates and Benefits Committee has been established by the Health Service Board to assist the Board in overseeing the design of the benefits administered by the System and the associated rates. ~~The Committee may conduct business as a Committee of the Whole.~~

Composition

- 2) The Rates and Benefits Committee will be comprised of ~~all~~3 members of the Board.
- 3) The Director shall designate a staff member to provide administrative support to the Rates and Benefits Committee.

Operational Rules

- 4) The Rates and Benefits Committee will adhere to the following operational rules:
 - a) The presence of a majority shall constitute a quorum;
 - b) All actions of the Rates and Benefits Committee shall be by a vote of the majority of the members present at a meeting of the Rates and Benefits Committee, provided a quorum is present;
 - c) To be effective, all actions of the Rates and Benefits Committee shall be approved by the Health Service Board; and
 - d) The Rates and Benefits Committee shall meet semi-annually, or more often if it deems necessary.
- 5) The Rates and Benefits Committee may establish other operational rules, procedures, calendars and agendas for the Committee, as necessary, provided they are consistent with the City Charter and Ordinances, and the policies of the Board.
- 6) The Rates and Benefits Committee shall periodically review its terms of reference, and advise the Governance Committee with respect to modifications, as appropriate.

Duties and Responsibilities

- 7) The Rates and Benefits Committee will be responsible for reviewing and making recommendations to the Board on all matters relating to benefit program structure, annual rate setting, actuarial studies, and administrative policy.
- 8) More specifically, the Rates and Benefits Committee will:
 - a) Make recommendations to the Board on:
 - i. A Benefit Design policy, setting out the goals and objectives that will guide the Board in designing benefits for the System;
 - ii. The adoption of new plans for rendering health care to members of the System or for obtaining and carrying insurance against such costs or for such care;
 - iii. The Annual Benefit and Rate Setting Process;
 - iv. Other administration policies intended to ensure efficient and effective administration of all benefit plans administered by the Board and addressing such issues as service quality standards, member communications, confidentiality of member data, and performance evaluation of service providers; and
 - v. The Funding Policy of the System.
 - b) Assist the Board in its monitoring and oversight responsibilities by:
 - i. Annually reviewing the adequacy of health care provided to members of the System and the adequacy of fee schedules and the compensation paid for all such services rendered;
 - ii. Reviewing the results of the annual 10 County Survey and recommend to the Board the resulting average contribution;
 - iii. Periodically reviewing the benefit design policy, funding policy, and other benefit administration policies that may be established by the Board;
 - iv. Periodically reviewing the adequacy of rates, including a retrospective review of rate-setting;
 - v. Periodically reviewing the performance of insurance carriers and other vendors;
 - vi. Monitoring the usage and participation levels by members within health plans, and the general affordability of the plans administered by the System; and
 - vii. Monitoring the levels of service quality provided to plan members and overseeing the development of methods for measuring service quality.
 - c) Perform any other duties assigned to it by the Board.

History

- 9) These terms of reference were adopted by the Board on February 22, 2007.

Review

- 10) The Board shall review these terms of reference at least every three years.

SAN FRANCISCO HEALTH SERVICE SYSTEM
Membership Rules Committee
TERMS OF REFERENCE

Introduction

- 1) The Membership Rules Committee has been established by the Health Service Board to assist the Board in reviewing and maintaining the rules established to guide member participation in the System. The Board may meet as the Rules Committee as a Committee of the Whole.

Composition

- 2) The Membership Rules Committee will be comprised of three Board members, including the committee chair, all of whom shall be appointed by the Health Service Board, upon the recommendation of the President.
- 3) The Director shall designate a staff member to provide administrative support to the Membership Rules Committee.

Operational Rules

- 4) The Membership Rules Committee will adhere to the following operational rules:
 - a) The presence of a majority shall constitute a quorum;
 - b) All actions of the Membership Rules Committee shall be by a vote of the majority of the members present at a meeting of the Finance Committee, provided a quorum is present;
 - c) To be effective, all actions of the Membership Rules Committee shall be approved by the Health Service Board; and
 - d) The Membership Rules Committee shall meet semi-annually, or more often if it deems necessary.
- 5) The Membership Rules Committee may establish other operational rules, procedures, calendars and agendas for the Committee, as necessary, provided they are consistent with the City Charter and Ordinances, and Board policies.
- 6) The Membership Rules Committee shall periodically review its terms of reference, and advise the Governance Committee with respect to modifications, as appropriate.

Duties and Responsibilities

- 7) The Membership Rules Committee will be responsible for reviewing at least annually HSS Rules and Regulations and making recommendations to the Board for enhancing, clarifying, or otherwise improving the Rules and Regulations.

History

- 8) These terms of reference were adopted by the Board on February 22, 2007.

Review

- 9) The Board shall review these terms of reference at least every three years.

SAN FRANCISCO HEALTH SERVICE SYSTEM
Governance Committee
TERMS OF REFERENCE

Introduction

- 1) The Governance Committee has been established by the Health Service Board to assist the Board in developing and overseeing the governance policies and practices of the Board and its committees.
- 2) The Governance Committee will be comprised of three Board members, including the committee chair, all of whom shall be appointed by the Health Service Board, upon the recommendation of the President.
- 3) The Director shall designate a staff member to provide administrative support to the Governance Committee.

Operational Rules

- 4) The Governance Committee will adhere to the following operational rules:
 - a) The presence of a majority shall constitute a quorum;
 - b) All actions of the Governance Committee shall be by a vote of the majority of the members present at a meeting of the Committee, provided a quorum is present;
 - c) All actions of the Governance Committee shall be approved by the Health Service Board to be effective, unless otherwise provided herein; and
 - d) The Governance Committee shall meet at least annually.
- 5) The Governance Committee shall establish other operational rules, procedures, calendars and agendas for the Committee, as necessary, provided they are consistent with the City Charter and Ordinances, and Board policies.

Duties and Responsibilities

- 6) The Governance Committee will:
 - a) In consultation with the Director, develop and recommend to the Board terms of reference for the:
 - i. Health Service Board;

- ii. Committees of the Board;
 - iii. President and Vice President of the Board; and
 - iv. Director.
- b) Periodically recommend to the Board such amendments to the terms of reference as may be necessary or advisable;
 - c) Recommend to the Board any modifications to the committee structure of the Board (i.e. the addition or elimination of any committees);
 - d) Review, develop and recommend to the Board for approval, new governance policies as may be necessary, and review existing governance policies in accordance with the schedule for review established within each policy;
 - e) Co-ordinate the implementation of the annual Board performance evaluation policy, including approving and amending as necessary any surveys or similar forms used in the evaluation;
 - f) Co-ordinate the implementation of the annual director performance evaluation policy, including approving and amending as necessary any surveys or similar forms used in the evaluation;
 - g) Monitor compliance with governance-related policies, rules, and legislation; and address any alleged violations;
 - h) Report regularly to the Board on its activities; and
 - i) At the request of the Board, undertake such other governance-related initiatives as may be necessary or desirable to contribute to the success of HSS.

History

- 7) These terms of reference were adopted by the Board on February 22, 2007.

Review

- 8) The Board shall review these terms of reference at least every three years.

SAN FRANCISCO HEALTH SERVICE SYSTEM
Board Operations Policy

Purpose

- 1) This Board Operations Policy is intended to set out the manner in which the Board will conduct its business, and includes guidelines addressing, among other things, the appointment of officers, the establishment of committees, and the conduct of meetings.

Policy Guidelines

Board Composition

- 2) The Health Service Board shall, in accordance with Charter Section 12.200, consist of seven members: one member of the Board of Supervisors appointed by the President of the Board of Supervisors, two members to be appointed by the Mayor, and four members elected from the active and retired members of the System from among their number. [Charter Section 12,200]
- 3) The two members appointed by the Mayor shall be appointed in accordance with the requirements set forth in Charter Section 3.100 and Charter Sections 12.100 –12.103. [Charter Section 12.200]
- 4) The term of office of each member, except the member of the Board of Supervisors, shall be five years.
- 5) A vacancy on the Board appointed by the Mayor shall be filled by the Mayor. A vacancy in an elective office on the Board shall be filled by a special election within 90 days after the vacancy occurs unless a regular election is to be held within six months after such vacancy shall have occurred. [Charter Section 12.200]

Election of President and Vice President

- 6) There shall be a President and Vice President of the Board each of whom shall be a Board member. [HSS Membership Rules and Regulations, A3]
- 7) At its regular meeting in June of each year, the Board shall elect one Board member to serve as President and one Board member to serve as Vice President. The President and Vice President so elected shall take office at the regular meeting in the month of July immediately following election and their terms shall continue until assumption of office by the next President and Vice President at the regular meeting in the month of July of the following year. [HSS Membership Rules and Regulations, A3(a)]

- 8) In electing a President and Vice-President, it is expected that, at a minimum, the following criteria will be considered:
 - a) Demonstrated leadership abilities;
 - b) Committee and committee chairperson experience; and
 - c) Time availability.
- 9) If an officer vacates his office prior to the end of his term, an election shall be held at the next regular meeting of the Board to select a new officer, who shall take office immediately upon election and shall hold office for the unexpired term. Notwithstanding the foregoing, so long as there is no President, the Vice President shall act as President until a new President is elected and takes office. [HSS Membership Rules and Regulations, A3(b)]
- 10) Neither President nor Vice President may hold such office for more than two consecutive one-year terms. Said two-term limit shall not include service in such office for any unexpired term pursuant to paragraph 9 herein. [HSS Membership Rules and Regulations, A3(c)]

Board Committees

- 11) Based on the recommendations of the President, the Board will:
 - a) approve the establishment of standing and ad hoc committees; and
 - b) annually approve the members and chairs of standing and ad hoc committees.
- 12) Effective February 22, 2007 the standing committees of the Board shall be as follows:
 - a) Budget and Finance Committee
 - b) Governance Committee
 - c) Membership Rules Committee
 - d) Rates and Benefits Committee
- 13) The Governance Committee shall be responsible for recommending to the Board terms of reference for each standing committee of the Board.
- 14) With the exception of committees of the whole, committees shall be comprised of not more than three Board members, one of whom shall be the committee chair.
- 15) In the event of a vacancy on any standing or ad hoc committee, the President shall at the next Board meeting recommend to the Board for approval a replacement to hold office for the balance of the unexpired term.
- 16) The term of office for chairs of standing committees shall be one year. No chair of a standing committee may hold such office for more than two consecutive one-year terms. This two-term limit shall not include service in such office for any unexpired term pursuant to paragraph 15 above.

- 17) Members and chairs of ad hoc committees shall serve until the dissolution of the committee, or until the Board determines otherwise.
- 18) In the absence of a committee chair, the committee chair may designate in advance another committee member to act as chair for a particular meeting, failing which the remaining committee members shall designate one of themselves to act as chair for such meeting.
- 19) The Director shall designate a staff member to provide administrative support to each committee.

Meetings of the Board and Committees

- 20) The time and location of Board meetings shall be as follows:
 - a) Regular meetings of the Board shall be held at 1:00 p.m. on the second Thursday of the month at room 416 City Hall, San Francisco, or at such other time or place as the Board, at a prior regular meeting, may designate. In the event this day is a holiday, the meeting shall be held on the third Thursday, unless otherwise determined by the Board. [HSS Membership Rules and Regulations, A1(a)]
 - b) Special meetings of the Board may be called at any time by the President or by a majority of the Board. However, special meetings of the Board for closed sessions with legal counsel may precede, follow or be scheduled at time certain, during regular Board meetings ~~the regular meeting of the Board~~ and shall be attempted to be held at 12:00 P.M. immediately preceding the regular Board meeting. [HSS Membership Rules and Regulations, A1(b)]
- 21) All meetings shall be open and public and all persons shall be permitted to attend any meetings of the Board. Notwithstanding the foregoing, the Board may meet in closed session when authorized by the Ralph M. Brown Act of the State of California (the "Brown Act"), the San Francisco Sunshine Ordinance, Chapter 67 of the San Francisco Administrative Code, and Section 4.104 (2) of the Charter. [HSS Membership Rules and Regulations, A1(c)]

Committee Meetings

- 22) Standing committees shall meet at times and places agreed to by the committee. Ad hoc committees shall meet as required.
- 23) Committee meetings shall take place at City Hall, San Francisco. To assist committee members in planning ahead to attend meetings, each standing committee shall, if feasible, establish an annual forward agenda or meeting schedule.

Teleconferencing

- 24) Board members may not participate by teleconference in Board or committee meetings, except as provided for by law.
- 25) Advisors and other vendors may participate by teleconference at Board and committee meetings, but only during open session agenda items.

Calendar, Meeting Materials, Minutes

- 26) The agenda for Board and committee meetings will be prepared by the Director and, if time permits, reviewed and approved by the President or committee chair respectively. Board and committee members may request that the Director, President, or committee chair calendar any item for a Board or committee meeting, and such requests may be made at or outside a Board or committee meeting. All such requests shall be calendared within a reasonable period of time.
- 27) Consent agendas may be used to address items that staff considers to be routine and non-controversial. The consent agenda may be approved by one motion if no member of the Board or public wishes to comment or ask questions about any item on the consent agenda. If comment or discussion on any item is desired by anyone, the item will be removed from the consent agenda and will be considered separately by the Board.
- 28) The Board shall receive an advance calendar and the related meeting materials no later than the Friday preceding the next scheduled meeting.
- 29) Only items that have been calendared will be heard by the Board at any meeting. The Board may consider emergency items provided they have been noticed in writing at least 24 hours in advance of the Board meeting, consistent with the Ralph M. Brown Act.
- 30) A request that a calendared item be heard out of order shall be presented at the start of the meeting to the President. The President shall decide if the request shall be granted based on the reason for the request.
- 31) All calendared matters to be postponed shall be announced at the start of the meeting. During the course of a meeting any Board member or any interested party may request postponement of an action. The President shall approve or reject any request to postpone an action being considered by the Board at its meeting.
- 32) With respect to minutes:
 - a) The Secretary to the Board shall record in the minutes the time and place of each Board and committee meeting, the names of the Board members present, all official acts of the Board or committee, and the votes of the members; and

- b) The minutes shall be written and presented for correction and approval within a reasonable time. The minutes, or a true copy thereof, shall be certified by the Secretary to the Board.

Resolutions

- 33) The term "resolution" shall mean any action of the Board which prescribes or defines in written form a Board policy or decision.
- 34) The Board shall enact and adopt resolutions in accordance with the following procedures:
 - a) At any regular or special Board meeting, any Board member may move the adoption of a resolution which may be stated orally or in writing;
 - b) The Director will be responsible for performing, or causing to be performed, all necessary research and analysis to support resolutions prior to their adoption by the Board;
 - c) Prior to its adoption, the proposed resolution shall be prepared by the Director in proper format and the Director may if he deems necessary forward the resolution to the City Attorney's Office for approval as to format and legality. The proposed resolution shall thereafter be presented to the Board for action; and
 - d) An adopted resolution shall be signed and dated by the President and the Director.
- 35) All adopted resolutions shall be numbered in orderly sequence and shall be retained in the office of the Director. Said resolutions shall be readily accessible to members of the System and the public-at-large.
- 36) The Director shall notify the Board of any legislative or court action which would require the rescinding, amending, or modifying of Board resolutions.

Quorum, Rules of Order, and Voting

- 37) The presence of a majority of the members of an appointive Board, commission or other unit of government shall constitute a quorum for the transaction of business by such body. Unless otherwise required by the Charter, the affirmative vote of a majority of the members shall be required for the approval of any matter, except that the Operations Policy or Membership Rules may provide that, with respect to matters of procedure, the body may act by the affirmative vote of a majority of the members present, so long as the members present constitute a quorum. [Charter Section 4.104.]

- 38) The majority of the members of each committee shall constitute a quorum, and committees may act by a majority of the members present at a committee meeting, provided a quorum is in attendance.
- 39) Board and committee members may not vote by proxy, but must be present at a meeting in order to vote.
- 40) Except as otherwise provided in this Operations Policy, Robert's Rules of Order, in its latest revision, shall guide the Board as to rules of order in the event of a dispute among Board members.
- 41) When a Board member desires to address the Board, he shall seek recognition by addressing the presiding officer. When recognized, the Board member shall proceed to speak, confining his remarks to the question before the Board. No discussion shall take place until a resolution or motion has been moved and seconded, or until a calendared item has been introduced. [HSS Membership Rules and Regulations, A6]
- 42) The Board may take action only upon a motion by a Board member, which has been seconded by another Board member.
- 43) Each member of the Board present at a regular or special meeting must vote "yes" or "no" when a question is put, unless excused from voting by a motion adopted by a majority of the members present. [Charter Section 4.104]
- 44) Tie votes will be handled as follows:
 - a) A tie vote on an affirmative motion shall be deemed to be a failure to adopt such motion, and the matter or request before the Board is denied; and
 - b) A tie vote on a negative motion shall be deemed to be a failure to adopt such motion, but the matter or request remains before the Board for action.
- 45) Nothing in this policy shall prohibit the President or a committee chair from making or seconding a motion, voting on a motion, and otherwise participating as a Board member.
- 46) A motion to reconsider a Board action can only be proposed by a Board member who voted with the prevailing side. However, a Board member who is not eligible to move to reconsider may briefly state their reasons for reconsideration. A request for reconsideration can only be made at the same meeting the vote to be reconsidered was taken. Motions for reconsideration cannot be renewed. If the Board does not consent to hear the matter, the request is denied, and the previous action is final.
- 47) Requests for rulings on moot or hypothetical questions will not be permitted by the Board.

Attendance

- 48) Except in the event of a notified absence (defined below), each member of the Board is expected to attend each regular or special meeting of the Board and each meeting of any

committees on which they serve. The Commission Secretary shall maintain a record of members' attendance.

- 49) A Board member's absence shall constitute a notified absence where the Board member, in advance of the meeting, informs the President, Director, or Commission Secretary that the member will be absent. An absence due to unforeseen circumstances such as illness or emergency shall also qualify as a notified absence where the member reports such absence to one of the above mentioned parties as soon as reasonably possible. The Commission Secretary shall record as non-notified all absences involving neither advance notice nor unforeseen circumstances.
- 50) The Commission Secretary shall report all instances of non-notified absences as well as any instance of three consecutive absences of a member from Board or committee meetings in a fiscal year to the member's appointing authority.
- 51) At the end of each fiscal year, the Commission Secretary shall submit a written report to the appointing authorities of the Board detailing each Board member's attendance at all meetings of the Board and its committees for that fiscal year.

Public Comment

- 52) Before taking a vote on any action item, the Board shall ask for public comment. Each speaker shall be limited to three (3) minutes of comments with respect to each action item. This rule may be waived at the discretion of the presiding officer or by vote of a majority of the Board members present. Staff may be asked to time each speaker and to notify such speaker when the time limit has expired. Notwithstanding the foregoing, when a large number of speakers wish to comment on a particular action item, a reasonable overall time limit may be placed on public comment for such action item, and each speaker may thereby be limited to a period of comment that is less than **three minutes**. [HSS Membership Rules and Regulations, A5]
- 53) Speakers who wish to make public comment shall be requested to fill out a speaker card in advance, provided that a speaker may nevertheless choose to remain anonymous. [HSS Membership Rules and Regulations, A5]
- 54) Each speaker's comments must be pertinent to the item under consideration by the Board. The presiding officer of the meeting shall be the sole judge of such pertinence and may limit comments to the extent they do not pertain to the item under consideration or are duplicative of points made by previous speakers. Members of the Board need not respond after each speaker's comments. [HSS Membership Rules and Regulations, A5]
- 55) Members of the public may address the Board on any matter within the Board's jurisdiction during the "Other Business" item on the agenda. No formal action shall be taken on any matter raised during such agenda item unless such action is permitted under the Brown Act and the Sunshine Ordinance. [HSS Membership Rules and Regulations, A5]

- 56) If an agenda item is continued from one meeting to another, any member of the public who commented on such item at the initial meeting need not be permitted to comment on such item at the next meeting. This rule shall not apply, however, if the agenda item is modified in any manner after the initial meeting. [HSS Membership Rules and Regulations, A5]
- 57) Members of the public who disrupt a meeting by making noise, speaking out of turn, or otherwise refusing to comply with these Rules shall be given warning and an opportunity to correct his or her behavior. Thereafter, the Board may take action to have any such member removed from the meeting. [HSS Membership Rules and Regulations, A5]

Policy Review

- 58) The Board shall review this policy at least every three years to ensure that it remains relevant and appropriate.

Policy History

- 59) This policy was adopted by the Board on February 22, 2007.

SAN FRANCISCO HEALTH SERVICE SYSTEM

Board Education Policy

Policy Objectives

- 1) The Board recognizes that Board members come to the Board with varying levels of knowledge and experience in the health and other employee benefits areas, and that all Board members can benefit from a formal Board education program. Furthermore, a well-designed Board education program will benefit HSS and its members and therefore justifies prudent budgeting for, and expenditure of, administrative funds or resources of the System.
- 2) The objectives of this policy are to establish policy guidelines to help ensure:
 - a) That Board members have adequate opportunity and assistance to acquire the knowledge they need to effectively carry out their duties;¹ and
 - b) That any expenditure of System funds or resources is prudent, cost-effective, and consistent with the best interests of the System and its beneficiaries.

Assumptions

- 3) This policy sets out various expectations concerning the efforts Board members should make to educate themselves on matters pertaining to health and other employee benefits. It is understood that any actual efforts undertaken by the Board or individual Board members shall be contingent on the availability of budget resources.
- 4) Though there currently ~~are limited~~no resources available to fund attendance at educational conferences, a Board education policy is nevertheless necessary to define and guide other approaches to education available to the Board.
- 5) No single method of educating Board members is optimal; therefore, a Board education program should include a variety of educational methods and tools.

¹ The scope of this policy is limited to the education of the members of the Health Service Board.

General Provisions

- 6) As fiduciaries, Board members are required to be knowledgeable of all matters concerning health and employee benefit policy and oversight. Accordingly, and within the constraints of available resources:
 - a) Board members agree to develop and maintain an adequate level of knowledge and understanding of relevant issues pertaining to HSS oversight and policy-setting throughout their terms on the Board; and
 - b) Board members agree to pursue appropriate education across a range of employee-benefit related areas, including:
 - i) Governance and fiduciary duty;
 - ii) Health and welfare plan design;
 - iii) Funding of health and welfare plans;
 - iv) Actuarial science;
 - v) Benefits administration; and
 - vi) Regulatory and legal environment of HSS.
- 7) In addition to technical knowledge, the Board recognizes that the Board training program should provide Board members with an understanding of the environment in which HSS operates, including the System's relationship to the Board of Supervisors, the employers participating in the System, and other departments within the City.
- 8) The Board considers the following types of vehicles to be appropriate for training its Board members and encourages Board members to take advantage of them, where budget resources permit:
 - a) External conferences, seminars, workshops, roundtables, and similar events (henceforth referred to as conferences);
 - b) Meetings of associations or other similar bodies within the health and welfare industry;
 - c) In-house educational seminars or briefings by staff, City Administration, the Board's service providers, or other special advisors;
 - d) Relevant periodicals, journals, textbooks, or similar materials; and
 - e) Electronic media.

- 9) Where budget resources permit, the Director will, on an ongoing basis, identify appropriate educational conferences and include details of such in Board meeting packages for Board members' consideration. Board members are also encouraged to suggest educational programs that may provide value to the Health Service Board. Conferences requiring overnight lodging or other significant travel-related expenses should include an average of at least 5 hours of substantive educational content per day.
- 10) Board members will attempt to meet the following minimum goals, provided sufficient budget resources are available:
 - a) To secure, over time, a useful level of understanding in each of the topic areas listed in paragraph 6b) herein;
 - b) To attend at least one conference annually, which includes at least 5 hours of substantive educational content per day of the conference; (Recommended conferences are listed in Appendix 1 of this policy) and
 - c) Participate in any in-house educational seminars or briefings that may be organized from time to time.
- 11) Board members will annually complete the City training program on the Sunshine Ordinance and any other training programs mandated by the City. Attendance at such programs will be documented and reported to the Board on an annual basis.

Orientation Program

- 12) A formal orientation program, covering the general topic areas outlined in paragraphs 6 b) and 7 above, will be developed by the Director for new Board members. The aim of the orientation program will be to ensure that new Board members are in a position to contribute fully to Board and committee deliberations, and effectively carry out their duties as soon as possible after joining the Board.
- 13) As part of the orientation process, new Board members will, within 45 days of their election or appointment to the Health Service Board:
 - a) Be briefed by the Director on the history, background, and structure of HSS;
 - b) Be oriented by the President on current issues before the Health Service Board;
 - c) Be provided an overview of the current health plans and benefits, and the benefit and funding policies of the Board;

- d) Be introduced to members of senior management;
 - e) Be provided a tour of HSS offices;
 - f) Be briefed on their fiduciary duties, conflict of interest guidelines, *The Brown Act*, the *Sunshine Ordinance* and other pertinent legislation; and
 - g) Be provided with:
 - i) A Board Member Reference Manual (the contents of which are listed in Appendix 2 of this policy);
 - ii) A listing of recommended educational programs; and
 - iii) Other relevant information and documentation deemed appropriate by the Director.
- 14) Within 30 days of being appointed or elected to the Health Service Board or leaving the Board, Board members must complete a *Statement of Economic Interest and any other disclosure forms required by law*. The Director will provide new Board members with any necessary assistance. Thereafter, Board members will complete and file said disclosure forms on an annual basis or consistent with the requirements of applicable laws.
- 15) The Director will organize ~~an series of~~ in-house orientation seminars for the benefit of new Board members generally within 4 months of their election or appointment to the Board. Seminars will be scheduled in consultation with the Board member(s) in question and may immediately precede or follow Board or committee meetings or be scheduled as separate sessions. Although intended for new Board members, any Board member may attend. The seminars will cover basic health and welfare-related topics including health plan design, actuarial policy, plan operations, legislation, and trust/fiduciary law.
- 16) The Director will review and update the Board Reference Manual as needed. A master copy of the Board Member Reference Manual will be available for use by Board members at the HSS offices.

In-house educational seminars

- 17) Annually, the Director will, after seeking Board input, identify at least two (2) topics of relevance to the Health Service Board, and will organize one or more in-house educational seminars on these topics. Such seminars may be appended to regular Board or committee meetings or be organized as stand-alone sessions.

Attendance at Conferences & Association Meetings

- 18) Approval for attendance and reimbursement of travel expenses in connection with educational conferences or association meetings will be in accordance with the provisions set out in the HSS Board Travel Policy.

Reporting

- 19) Board members will inform the Director, for information purposes, of all health and welfare-related conferences attended, whether funded by HSS or not.
- 20) Attendees will complete a brief written assessment of the quality and relevance of each conference attended (see Conference Attendance Form). The Director will review these assessments and update the list of recommended conferences as appropriate.
- 21) Upon returning from a conference, attendees may report to the Health Service Board on information or knowledge attained at the conference for the benefit of Board members who did not attend.
- 22) On an annual basis, the Director will submit a report to the Board on the educational activities of the Board completed in the prior year. At a minimum, the report will summarize:
 - a) Attendance by Board members at conferences during the year;
 - b) In-house educational sessions held during the year; and
 - c) Other educational activities undertaken during the year.

Policy Review

- 23) The Board will review this policy every year to ensure that it remains relevant and appropriate.

Policy History

- 24) The Board adopted this policy on February 22, 2007.

APPENDIX 1

Suggested Conferences and Seminars

The following associations or conference organizers have been found to provide informative educational conferences, which typically also contain the five (5) hours of substantive educational content per day, as required by this policy. Board members are encouraged to visit their websites as a first step in identifying potential conferences to attend.

International Foundation of Employee Benefit Plans

Organizes an annual conference and other conferences and seminars throughout the year

Contact:

P.O. Box 69
Brookfield, WI 53008-0069
(888) 334-3327
<http://www.ifebp.org/>

APPENDIX 2

BOARD MEMBER REFERENCE MANUAL

A Board Member Reference Manual will include the following materials:

- a. Most recent plan descriptions or member handbooks
- b. Most recent Annual Report
- c. Organizational chart
- d. Contact information for the Director and Board members
- e. Listing of current committee assignments
- f. Relevant charter provisions
- g. Terms of reference and Board policies
- h. Glossary of key health and welfare administration terms and definitions
- i. HSS Membership Rules and Regulations

Appendix 3 Travel Policy

Travel Authorization

- 1) Each Board member is generally limited to one seminar or conference that requires travel outside of San Francisco County and/or overnight lodging per fiscal year. No more than one conference per year may involve travel to a destination outside the United States.
- 2) Attendance by Board members at seminars and conferences requiring travel outside of San Francisco County and/or overnight lodging requires prior approval of the Board, and is subject to the limits set out in paragraphs 1.
- 3) Attendance by Board members at association meetings, due diligence visits or other Board business requiring travel outside of San Francisco County and/or overnight lodging also requires prior approval of the Board.
- 4) Travel within San Francisco County which will require only modest expenses (e.g. mileage, parking or taxi) does not require Board approval. If other expenses are involved, the same rules are applicable as for travel outside San Francisco County.
- 5) The acceptance of any gifts which enable Board members to attend seminars and conferences requires prior approval of the Board in strict compliance with section 18944.2 of Fair Political Practices Commission Regulations.
- 6) Review and approval of educational travel will depend on the cost, substance and quality of the seminar or conference. As a general rule, travel to a conference or seminar outside of San Francisco County and/or requiring overnight lodging should only be approved if the conference/seminar agenda contains an average of five (5) hours of substantive educational content per day. The Board may waive this requirement if the best interests of HSS would be served by such a waiver.
- 7) The Board recognizes that Board members are often considered experts in their professional fields or as having considerable experience as a Board member. As such, they may often be asked to speak at conferences. While HSS encourages the exchange of professional information, it must be evident that such speaking engagements would provide value to HSS, before attendance is authorized on HSS' behalf.

Cost of Administration

- 8) Travel expenses of Board members shall be direct costs of administration to HSS and may not be paid through third party contracts or otherwise without express approval of

the Board or the Director. Board members shall comply with applicable requirements for expenses paid or reimbursed by third parties.

Authorized Expenses

- 9) Board members shall make best efforts to comply with the guidelines established by the City Controller concerning authorized expenses.

Limitation On Allowance Of Time And Expenses

- 10) Allowance for time and expense shall not exceed that which is usual and reasonable as claimed by others to that precise destination. Normally when meeting, conference, or seminar agendas calendar substantive content prior to 9:30 a.m., travel and arrival the evening before is authorized. When substantive content continues after 5:00 p.m., lodging for that night is authorized. Reasonable additional expenses (i.e. lodging and per diem for extra days either before or after a conference) will be reimbursed if such extension results in lower overall trip costs.

Limitation On Car Rental

- 11) Normally, Board members will be expected to use airport shuttle service to metropolitan destinations unless it is more economical to rent a car, pay for parking, fuel, etc. Reimbursement of alternative modes of transportation will be limited to the cost of the airport shuttle service unless otherwise justified (e.g. for reasons of personal safety or scheduling conflicts). Payment for collision and personal property insurance will be reimbursed in cases where car rental is appropriate.

Cancellation Of Travel And Lodging Arrangements

- 12) Normally, Board members are responsible for timely cancellation of travel and lodging arrangements made on his/her behalf which will not be used so that no costs will be incurred by HSS.

Transportation Expense In Lieu Of Airfare

- 13) Reimbursement for transportation expense in lieu of airfare will be limited to an amount equal to the standard fare as deemed to be usual, reasonable and available at the time that travel is approved or as claimed by others to that precise destination.

Filing Claims

- 14) Claims for reimbursement of travel expenses shall be submitted within 10 days following completion of the travel for which expenses are claimed. Mileage claim forms shall be submitted at least once each quarter if expenses are claimed.

Cash Advances

- 15) Cash advances will not be allowed unless specifically approved by the Board.

Expenses For Spouses

- 16) Expenses of travel companions, including spouses, are not reimbursable by HSS.

Semi-Annual Travel Reports

- 17) A semi-annual travel expenditure report covering Board member travel outside San Francisco County shall be provided to the Board. Such report shall identify the Board member, location, cost, and purpose of travel.

SAN FRANCISCO HEALTH SERVICE SYSTEM

Board Performance Evaluation Process

Objectives

- 1) The Board recognizes that annual Board evaluation has become an accepted best practice in the area of Board governance. Accordingly, in keeping with the Board's desire to reflect best practice in all of its operations, the Board has adopted this Board Performance Evaluation Policy.
- 2) The objective of this policy is to set out a process by which the Board may engage in periodic self-assessment for the purposes of continuously developing and improving its own effectiveness as a governing body.

Principles

- 3) The Board performance evaluation process should include the participation of all Board members, and be consistent with the provisions of *The Sunshine Ordinance* and *The Brown Act*.¹
- 4) The scope of the Board performance evaluation and any resulting actions should be limited to the activities and decision-making practices of the Board and Board members. Separate policies or practices will be used to evaluate the performance of the Director.

Guidelines

Roles & Responsibilities

- 5) The Governance Committee will be responsible for coordinating the implementation of this policy, including the approval of any survey forms or similar instruments to be used in the evaluation process, and the making of recommendations to the Board for addressing issues arising out of the evaluation.

¹ The *San Francisco Sunshine Ordinance* and The Ralph M. Brown Act, California Government Code Sections 54950 et seq.

Procedures

- 6) In about the fourth quarter of each fiscal year, the Governance Committee will review any survey tools to be used in the evaluation process and make modifications, as appropriate. Due to cost considerations, it is expected that the evaluation will normally be administered using a survey. The Governance Committee may however recommend to the Board that in certain years the survey be replaced or complemented by personal interviews in order to obtain more detailed or robust input from Board members.
- 7) The purpose of any survey instrument will be to provide Board members with a framework for reviewing the performance of the Board and for raising, in an anonymous manner if desired, any concerns or suggestions Board members may have to improve the Board's performance. Survey forms may take any format deemed appropriate, but must provide an opportunity for Board members to provide written comments or suggestions.
- 8) In about the fourth quarter of each year, copies of any surveys to be used will be distributed to each Board member with instructions for completing and submitting the survey.
- 9) Board members are required to complete and submit the survey within 14 days of receiving it. The Governance Committee will determine the method for distributing, submitting, and tabulating the Survey (e.g. mail, internet, etc.). Any summary report of findings will display the findings in ~~a confidential~~ an anonymous manner.
- 10) In the first quarter of the following year, the Governance Committee Chair will report to the Board on the discussions, conclusions, and any recommendations of the Governance Committee pertaining to the survey results.
- 11) The Health Service Board's discussions and any actions arising out of the evaluation will be summarized in the minutes of the Board meeting.

Policy Review

- 12) The Board will review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.

Policy History

- 13) The Board adopted this policy on February 22, 2007.

SAMPLE

San Francisco Health Service System BOARD PERFORMANCE EVALUATION SURVEY

**** Please note: This survey is for illustration purposes only, and is not intended to be approved by the Board.**

In accordance with the *Board Evaluation Policy*, Board members are required to annually complete the following survey.

INSTRUCTIONS

Please indicate the extent to which you agree with the statements made in this survey, using the following rating scale.

- 1 – Strongly Disagree
- 2 – Disagree
- 3 – Agree
- 4 – Strongly Agree
- UA – Unable to Assess

Please select “UA” only if you have recently joined the Board or if, for some reason, you were unavailable throughout much of [YEAR] (e.g. illness).

Policy and Oversight:

Please indicate the extent to which you agree with each of the following statements ; <u>indicate your assessment of the following board functions</u>	Strongly Disagree <u>POOR</u>	Disagree <u>Acceptable</u>	Agree <u>GO</u> <u>OD</u>	Strongly Agree <u>EX</u> <u>CELLENT</u>	Unable to Assess
THROUGHOUT [YEAR] . . .					
1) The Board was adequately focused on setting policy and providing oversight.	1	2	3	4	UA
2) The Board refrained from micro-managing the operations of HSS or engaging in activities that are better left to management or service providers.	1	2	3	4	UA
3) The Board took prompt and appropriate action when necessary to address critical issues or performance shortfalls.	1	2	3	4	UA
4) Overall, the Board made a meaningful contribution to furthering the goals and objectives of HSS.	1	2	3	4	UA

Please feel free to elaborate on any of your responses above. In particular, if you scored any item a 1 or 2, please suggest how the Board’s performance could be improved.

	Strongly Disagree <u>POOR</u>	Disagree <u>ACCEPTABLE</u>	Agree <u>GOOD</u>	Strongly Agree <u>EXCELLENT</u>	Unable to Assess
Please evaluate the effectiveness of the Board in the following areas:					
5) The rates and benefits setting process.	1	2	3	4	UA
6) Review of membership rules.	1	2	3	4	UA
7) The process of approving the strategic/business plan.	1	2	3	4	UA
8) The budget process.	1	2	3	4	UA
9) The oversight of the financial audit process and results	1	2	3	4	UA
10) The evaluation of primary service providers	1	2	3	4	UA
11) The evaluation of the performance of the Director.	1	2	3	4	UA
12) Oversight of the customer service function.	1	2	3	4	UA
13) Development/review of the benefit design policy.	1	2	3	4	UA
14) Development/review of the funding policy.	1	2	3	4	UA
15) Oversight of the <u>investment finance</u> management function.	1	2	3	4	UA

Board Meetings:

Please indicate the extent to which you agree with each of the following statements:	Strongly Disagree	Disagree	Agree	Strongly Agree	Unable to Assess
THROUGHOUT [YEAR] . . .					
16) Meetings were efficient and well organized:					
a) Board meetings	1	2	3	4	UA
b) Rates and Benefits Committee meetings	1	2	3	4	UA
c) Membership Rules Committee meetings	1	2	3	4	UA
d) Budget and Finance Committee meetings	1	2	3	4	UA
e) Governance Committee meetings	1	2	3	4	UA
17) Task forces and other committees established by the Board operated effectively.	1	2	3	4	UA

Please feel free to elaborate on any of your responses above. In particular, if you scored any item a 1 or 2, please suggest how the Board's performance could be improved.

Board Conduct and Relations:

Please indicate the extent to which you agree with each of the following statements:	Strongly Disagree	Disagree	Agree	Strongly Agree	Unable to Assess
THROUGHOUT [YEAR] . . .					
18) The Board demonstrated a high degree of professionalism and decorum when dealing with:					
a) Plan members	1	2	3	4	UA
b) Staff members	1	2	3	4	UA
c) Service providers	1	2	3	4	UA
d) The City	1	2	3	4	UA
19) Board members interacted effectively with one another.	1	2	3	4	UA
20) There was effective interaction between the Board and senior management.	1	2	3	4	UA
21) The Board, directly or through management, worked effectively with:					
a) The Board of Supervisors	1	2	3	4	UA
b) The Mayor	1	2	3	4	UA
c) City departments	1	2	3	4	UA
d) Employee groups	1	2	3	4	UA
e) Retiree groups	1	2	3	4	UA
22) Board members appeared to be familiar with the rules and policies of the Board.	1	2	3	4	UA
23) Board members appeared to comply with the rules and policies of the Board.	1	2	3	4	UA

Please feel free to elaborate on any of your responses above. In particular, if you scored any item a 1 or 2, please suggest how the Board's performance could be improved.

Board Committees:

Please indicate the extent to which you agree with each of the following statements:	Strongly Disagree	Disagree	Agree	Strongly Agree	Unable to Assess
24) The current number of Board committees is appropriate.	1	2	3	4	UA
25) The mandates of the current Board committees are appropriate.	1	2	3	4	UA
26) The current size and composition of the committees are appropriate.	1	2	3	4	UA
THROUGHOUT [YEAR] . . .					
27) The frequency of committee meetings was appropriate.	1	2	3	4	UA
28) The duration of committee meetings was appropriate.	1	2	3	4	UA

Please elaborate on any of your responses above. In particular, if you scored any item a 1 or 2, please suggest how the Board’s performance could be improved.

San Francisco Health Service System

Director Performance Evaluation Policy

Background and Purpose

- 1) The Board believes that selecting, directing, and evaluating the System's Director are some of its most important responsibilities. In keeping with this responsibility, the Board has adopted this policy, which sets out an annual process to be followed in assessing the Director's performance and communicating the results to the Director.

Policy Guidelines

- 2) The Governance Committee will be primarily responsible for coordinating the Director performance evaluation process.
- 3) The Governance Committee, in consultation with the Director, will develop the criteria to be used in performing the evaluation.
- 4) All members of the Board will have an opportunity to provide input into the evaluation of the Director, with the exception of any Board member who is also an employee of the System. To facilitate such input, at a minimum, a director evaluation survey will be developed that reflects the evaluation criteria developed by the Governance Committee.
- 5) Not later than July 15th of each year, Board members will be provided copies of the survey and will have two weeks to complete and return the survey. Accompanying the survey will be a report from the Director containing the Director's own assessment and any supporting information and documentation the Director believes may be of value to the Board members in completing the survey.
- 6) The Chair of the Governance Committee will ensure that the survey results are tabulated and summarized, and will review the results with the Governance Committee. Any summary of such results will indicate Board members' responses by name.
- 7) The Chair of the Governance Committee will present to the Board a summary of the evaluation results along with the Committee's findings and recommendations for Board discussion and approval. The Board's final assessment and any resulting actions will be recorded in the minutes of the meeting. The Chair of the Governance Committee will ensure that a summary of the minutes is prepared for adoption by the Board at a subsequent meeting. Said summary of minutes will serve as the official record of the Director's evaluation.
- 8) The Director will be allowed to attend any meetings of the Board or its committees at which the Director's performance is to be reviewed and discussed and the Director shall have an

opportunity to respond to any of the Board's findings. Such meetings will be held in closed session, as provided for by applicable open meeting laws.

- 9) The Director Evaluation Survey may be modified over time by the Governance Committee. The Governance Committee will seek input from the Board on the design of the survey, as appropriate.

Compensation and Bonuses

- 10) The Board annually will review the Director's compensation and consider changes that may be feasible under existing City policies or programs.

Policy Review

- 11) The Health Service Board will review this policy at least every 3 years to ensure that it remains relevant and appropriate.

Policy History

- 12) This policy was adopted by the Health Service Board on February 22, 2007.

SAMPLE

**San Francisco Health Service System
DIRECTOR PERFORMANCE EVALUATION
SAMPLE SURVEY**

**** Please note: This survey is for illustration purposes only, and is not intended to be approved by the Board.**

In accordance with the *Director Performance Evaluation Policy*, the Board is required to annually evaluate the Director.

INSTRUCTIONS

Please indicate the extent to which you believe the Director meets or possesses the following skills and abilities, by circling the number in the box that most closely describes your opinion.

- 1 – UNACCEPTABLE**
- 2 – NEEDS SOME IMPROVEMENT**
- 3 – MEETS EXPECTATIONS**
- 4 – EXCEEDS EXPECTATIONS**
- 5 – UNABLE TO ASSESS**

	Unacceptable 1	Needs Some Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Unable to Assess
1. Policy Analysis: Provides thorough, well-supported policy analysis and recommendations for the Board's consideration. <u>WEIGHT 2</u>	1	2	3	4	UA
2. Planning: Develops realistic short and long range plans to meet System objectives and carry out the System's mission; sets appropriate priorities; anticipates and prepares for future requirements and develops contingencies. <u>WEIGHT 4</u>	1	2	3	4	UA
3. Budgeting And Financial Management: Prepares an appropriate budget and subsequently adheres to it; is focused on prudent fiscal management and accountability. <u>WEIGHT 4</u>	1	2	3	4	UA
4. Vision: Works to establish a meaningful and realistic vision for the future of the System; looks to and plans for the future; accepts new challenges, keeps an open mind. <u>WEIGHT 4</u>	1	2	3	4	UA
5. Ethics and Conduct: Provides for strong principled and ethical leadership; establishes and promotes high standards of conduct and job performances. <u>WEIGHT 4</u>	1	2	3	4	UA
6. Member Service Orientation: Is committed to continuous improvement in services provided, and is responsive to member needs and concerns. <u>WEIGHT 4</u>	1	2	3	4	UA
7. Professional/Technical Competence: Demonstrates excellent knowledge and competence of the health administration field and applies up-to-date technical/professional principles, practices, and standards. <u>WEIGHT 4</u>	1	2	3	4	UA
8. Problem Solving and Decision-Making: Identifies problems and acts to rectify them by employing analytical thinking and sound judgment. <u>WEIGHT 4</u>	1	2	3	4	UA

SAMPLE

	Unacceptable 1	Needs Some Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Unable to Assess
9. Flexibility: Adapts well to change, both internally and externally. <u>WEIGHT 2</u>	1	2	3	4	UA
10. Self- Development: Is not static; prepares for the future; has the courage to identify and address short-comings; is committed to self-improvement; manages personal stress in positive ways. <u>WEIGHT 2</u>	1	2	3	4	UA
11. Written and Oral Communication: Prepares organized, accurate and concise documents, including reports, letters and memos. Has the ability to effectively communicate with the Board and other stakeholders. <u>WEIGHT 3</u>	1	2	3	4	UA
12. Support to the Board: Provides all necessary information in advance; assures meetings are well planned and organized. <u>WEIGHT 4</u>	1	2	3	4	UA
13. Credibility: Through successful performance, instills a feeling of trust and dependability among the Board, members, and other stakeholders. <u>WEIGHT 4</u>	1	2	3	4	UA
14. Stakeholder Relations: Ensures effective working relations with: <u>WEIGHT 4</u>					
a) Plan members	1	2	3	4	UA
b) Employee and employer groups	1	2	3	4	UA
c) City departments	1	2	3	4	UA
d) Board of Supervisors	1	2	3	4	UA

SAMPLE

	Unacceptable 1	Needs Some Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Unable to Assess
15. Internal/Departmental Relations: Ensures full departmental compliance with all Civil Service Rules, MOUS (Memorandums of Understanding), CBAs (Collective Bargaining Agreements), and other employer/employee regulations and guidelines. Maintains appropriate relationships with all departmental staff. Provides a professionally supportive work environment, etc. Handles all discipline and grievances within the guidelines of MOUs, Civil Service Rules, CBAs, and other relevant City policies and procedures. <u>WEIGHT 4</u>	1	2	3	4	UA

COMMENTS:

Please provide any comments or suggestions you would like to share with the Governance Committee regarding the Director's performance (please attach additional pages if necessary):

Completed by: _____ **on (date)** _____

SAN FRANCISCO HEALTH SERVICE SYSTEM

Monitoring and Reporting Policy

Introduction

- 1) In carrying out its responsibility to monitor and oversee the operations of the System, the Board receives numerous reports on various topics, from different parties, and with different frequencies. While some of the reports are ad hoc in nature, many are routine. The Board has adopted this policy to help ensure that the system of routine reporting is clear and systematic, and will evolve over time to continue to meet the needs of the Board.

Policy Guidelines

- 2) The Health Service Board will be provided the routine reports including but not limited to those outlined in Appendix 1 of this policy with a frequency also set out in Appendix 1.
- 3) Requests by Board members for additional routine reports shall require Board approval and an amendment to Appendix 1 of this policy.

Policy Review

- 4) The Health Service Board will review this policy, along with Appendix 1 of the policy, at least once every three years to ensure that it remains relevant and appropriate.

Policy History

- 5) The Health Service Board adopted this policy on February 22, 2007.

[Appendix 1 is being reorganized](#)

Appendix 1

Governance Reports

Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report	Current Practice
1) Report on Review of Key Policies	Annually	Director	Director	An assessment of compliance with and continued appropriateness of key Board policies including at a minimum the Funding Policy, Benefit Design Policy, and Investment Policy Statement.	No
2) Governance Compliance Report	Annually	tbd ¹	Chair GHRG	An assessment of the extent to which the Board's terms of reference and governance policies were complied with during the prior year.	No
3) Report on Board Education	Annually	tbd	Chair GHRG	Summarizes the training and educational activities (both external and in-house) of the Board and individual Board members.	No
4) Board Performance Evaluation Report	Annually	tbd	Chair GHRG	Summarizes the results of the Health Service Board's self-evaluation process, including follow-up actions.	Yes
5) Conflict of Interest Disclosure Confirmation	Annually	Governance Committee	Chair of GC	Summary of confirmation by Board members that they have reviewed and complied with the conflict of interest policies of the Board.	No

¹ To be determined

Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report	Current Practice
6) Board Travel Expense Report	Semi-annually	CFO	Director	Summary of Board member travel expense re-imbusement and confirmation that such expenses are consistent with travel expenditure policies and guidelines.	No
7) Report to the Mayor	Annually	Director	Director	As required by Charter Section 4.103, the Board is required to file an annual report of its activities with the Mayor's office and the Clerk of the Board of Supervisors.	Yes

Investment Reports

Generic Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report	Current Practice
8) Investment Performance Report	Semi-annually	City Treasurer	CFO or Representative of the City	Report on the investment performance and investment management costs of all trust fund assets. <u>(Our funds are co-mingled at the City Treasury. However, I can get a report on the investment returns and will include that in my next months Board presentation. Currently the investment income is reported monthly to the Board.)</u>	No
9) Investment Policy Compliance Report	Semi-annually	City Treasurer	CFO	Report that confirms that the trust assets were managed in accordance with any investment policies established by the Board (e.g. asset allocation policy). <u>(I have not seen this policy. However, our assets are invested in accordance with the City's investment policies which are standard for government agencies and very conservative. I will find the specific allocation policy cited here.)</u>	No

Financial Reports

Generic Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report	Current Practice
10) Budget Variance Report	Monthly	CFO	CFO on behalf of Director	Report indicating extent to which actual budget expenditures are consistent with the operating budget (on both a year-to-date and annual basis), and explanations of any material variances. <u>(This is reported monthly to the Board.)</u>	Yes

Generic Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report	Current Practice
11) Audited Financial Statements	Annually	CFO	Auditor	Statements indicating the financial position of the System, including the Auditor's opinion and findings as to the statements' consistency with generally accepted accounting standards, and any management responses to the audit findings.	Yes
12) Report on the Health Service System Trust	Monthly	CFO	CFO on behalf of Director	Report indicating actual sources of funds (revenues) and actual uses of funds (expenditures) for each of the System's benefit plans, and the difference between them, which represents "gap dollars".	Yes
13) Ten County Report	Annually	Director	Director	Survey results of the employee contribution rates in the 10 largest counties in California, which will be used by the Board to determine rates for its plans in accordance with Charter Section A8.423.	Yes
14) Health Care Premium Trend Report	Annual	Director	Director	Tracks trends in premiums for each health plan and benchmarks premiums against a comparable peer group.	Yes

Human Resources

Generic Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report	Current Practice
15) Director Performance Evaluation Report	Annually	Governance Committee	Chair, Governance Committee	A summary of the Board's evaluation of the Director's performance in the prior year.	Yes

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Administrative Reports

Generic Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report	Current Practice
16) Rates and Benefits Report	Annually	RBC	Chair RBC	A report on the proposed benefits and associated rates to take effect for the coming year.	Yes
17) Business Strategic Plan Status Report	Periodically throughout year	Director	Director	Summarizes the status of each project contained in the Business Plan.	Yes
18) Consolidated Utilization Report	Semi-Annually	Director	Director	Consolidation of health plans' utilization rates for comparison purposes.	Yes
19) Vendor Report Cards	Vendors to be evaluated at least every 3 years on a staggered basis.	Evaluation Panel	Director	Summary of the results of an in-depth evaluation of the performance of each of the System's health insurance carriers, with input from staff and the Evaluation Panel comprised of representatives of the Board, staff, and the membership.	Yes
20) Member Service Report	Monthly	Director	Director	Report on established metrics relating to how we serve members.	Yes
21) Report on Member Communication & Marketing Plan	Annually	Director	Director	Report on the annual update to member communication and marketing plan.	In-progress

Committee & Staff Reports

Generic Report Name	Frequency	Prepared By	Presented By	Description and Purpose of Report	Current Practice
22) President's Report	Monthly	President	President	A general overview of and update on recent activities of interest to the Board.	Yes
23) Committee Reports	After each committee meeting	Committee Chairs	Committee Chairs	Report to the Board on the activities, actions, or recommendations arising out of each committee meeting.	Yes
24) Director's Report	Monthly	Staff	Director	Updates the Health Service Board on significant matters not reported in routine reports, or in other staff or committee reports.	Yes
25) City Attorney Report	Monthly	City Attorney	City Attorney	Updates the Health Service Board on significant legislative and legal developments, contract status, and on ongoing litigation affecting HSS.	Yes

SAN FRANCISCO HEALTH SERVICE SYSTEM

Board Communications Policy

Introduction & Objectives

- 1) Effective, coordinated, and accurate communication by the Board and Board members is essential to ensuring compliance with fiduciary obligations and to achieving operational effectiveness. To help achieve this, the Board has adopted this policy to guide Board member communications. The policy is intended to:
 - a) Ensure efficient and effective communications among Board members, staff, service providers, and stakeholders;
 - b) Serve and protect the interests of plan members and beneficiaries through consistent and accurate communication; and
 - c) Maintain a reputation of professionalism and integrity.

Principles

- 2) The Board is most effective when it communicates as a single body with a single voice.

Definitions

- 3) Throughout this policy, the term *communication* shall refer to all forms of communication including written, oral, or electronic communication.

Guidelines

Communication with Board Members and Staff

- 4) Board members shall communicate in a respectful, honest, and constructive manner during all Board and committee meetings, and in all interactions with staff and service providers.
- 5) Only the Board or a committee may request information from staff or assign work to the Director.

Spokesperson

- 6) The spokesperson for the Board shall normally be the President or the Director. The Board expects that the President and Director shall confer to determine which of them shall act as spokesperson on a case-by-case basis.
- 7) In carrying out their duties, spokespersons shall:
 - a) Confer with the Director, President, the Board, or City Attorney as appropriate prior to engaging in official communications;
 - b) Communicate only official positions of the Board, and not make unilateral commitments on the part of the Board; and
 - c) Report back to the Board on any communications undertaken in their capacity as spokesperson.

Supporting Board Decisions

- 8) If a Board member votes with the losing side on an issue, the member is expected to nevertheless respect and support the decision of the majority. Reconsideration of Board actions may occur consistent with the Board Operations Policy and Robert's Rules of Order. The Board recognizes that some Board members must function in capacities other than that of a Board member, and as such may believe they must express publicly their disagreement with a decision of the Board. In such instances, the Board expects that they shall do so in an open, constructive, and professional manner.

Communication with Members and Beneficiaries

- 9) The Board does not intend to unduly restrain communication by Board members with plan members and beneficiaries. The Board, however, also recognizes that Board members are generally not qualified to communicate technical details concerning the System and its numerous benefit plans, and that providing inaccurate or incomplete information to members may cause confusion.

Accordingly, Board members shall exercise judgement and discretion whenever communicating with plan members and beneficiaries, and shall be aware of and comply with the following guidelines, intended to protect the System, Board members, and, most importantly, plan members and beneficiaries:

- a) Board members may communicate general information or simple, factual, information to members and beneficiaries only where there is no risk of communicating inaccurate or conflicting information;
- b) Board members may not provide plan members or beneficiaries with education, advice, or technical information pertaining to the benefit provisions of HSS. Instead, Board members agree to refer such members or beneficiaries to the HSS website, the HSS Member Services Department, or the Director, as appropriate;
- c) Board members who, in their capacity as members of the Board, wish to meet with groups of two or more plan members, beneficiaries, or stakeholders for the purposes of conducting a meeting, presentation, or similar exchange shall exercise discretion and may:
 - i. Inform the Director and, when possible, arrange for a HSS staff person to be present at the meeting in order to help ensure all communications accurately reflect the policies, positions, or benefit provisions of HSS; or
 - ii. Provide the Director copies of any written materials the Board member intends to distribute at the meeting.
- d) To help ensure the accuracy of material prepared by Board members for oral, electronic, or written communication or publication purposes, and thereby help to maintain HSS' reputation of integrity and professionalism, Board members shall exercise discretion and may submit all such materials to the Director prior to communicating them or submitting them for publication.

External Communications – Service Providers

- 10) Board members agree to abide by the black-out period provisions pertaining to service providers, as specified in the Service Provider Selection Policy.
- 11) Individual Board members shall not direct or otherwise assign work to service providers. Instead, all direction or requests to service providers shall be channelled through the Director. Furthermore, Board members shall not direct members to contact service providers directly, but rather HSS staff.

External Communications – Conferences

- 12) When speaking at a conference, seminar, panel discussion or similar event, Board members are expected to:
 - a) Communicate honestly, professionally, and with decorum;

- b) Accurately reflect the practices, policies, and positions of HSS;
- c) Refrain from stating or implying any position or policy on the part of HSS that has not been officially adopted by the Board; and
- d) Clearly disclose when stating a personal opinion or position.

External Communications – Other Capacities

- 13) The Board recognizes that Board members may from time-to-time need to communicate with service providers or constituency groups of HSS in a capacity other than that of a member of the Health Service Board (for example, in their capacity as a member of the Board of Supervisors, a member of an employee group, or as someone working in the health benefit industry). Nothing in this policy shall prevent such communication. In such situations, however, Board members are expected to:
- a) Clearly disclose to their audience that they are communicating in a capacity other than that of a Board member;
 - b) Communicate in a professional manner; and clearly and fairly represent the official positions or actions of the Board; and
 - c) Where relevant and to the extent practical, keep the Board and Director apprised of such communications.

Policy Review

- 14) This policy shall be reviewed by the Board at least every three years.

History

- 15) This policy was adopted by the Board on February 22, 2007.

SAN FRANCISCO HEALTH SERVICE SYSTEM

Service Provider Selection Policy

Purpose

- 1) The Service Provider Selection Policy is intended to establish general guidelines by which service providers will be selected, evaluated, or terminated by HSS.

Roles and Responsibilities

- 2) The role of the Health Service Board with respect to the selection of service providers is to:
 - a) Establish appropriate policies to help ensure prudent and sound selection decisions are made;
 - b) Monitor compliance with such policies;
 - c) Approve the appointment of the following primary service providers:
 - i. Actuary;
 - ii. Insurance carriers;
 - iii. Hearing officers or firms providing the services of hearing officers;
 - iv. Third party administrators retained for services in connection with non-charter benefits and with a contract value in excess of \$200,000 annually;
 - v. Information technology consultants retained for services with a value in excess of \$100,000;
 - vi. Medical Director; and
 - vii. Other service providers, as may be determined by the Board.
- 3) It is recognized and understood that the following services are provided or coordinated by various departments within the City:
 - a) Financial and operational audit services;
 - b) Custody services[C10];
 - c) Legal services;
 - d) ~~Investment management~~ManagmentManagement and[C11] advisory services; and
 - e) Information technology services.

- 4) The Director will be responsible for appointing service providers other than the above primary service providers, consistent with the operating budget and other applicable policies of the Health Service Board and the City and County of San Francisco, and for keeping the Health Service Board apprised of such appointments, when material.
- 5) Notwithstanding paragraph 4 above, if the Director determines that specific circumstances suggest that it would be prudent for the Board to appoint a particular service provider that is not a primary service provider, the Director may elect instead to recommend a candidate to the Board for its approval.
- 6) The Director will be responsible for ensuring that all necessary search and due diligence activities are carried out, with assistance from external advisors or experts as required.

The Search Process

General Guidelines

- 7) The appointment of all service providers will be made in the best interests of the members and beneficiaries of HSS, in keeping with the fiduciary responsibilities of the Health Service Board and staff, and will be consistent with the policies of the HSS and the City and County of San Francisco.
- 8) The Health Service Board and the Director will make a good faith effort to retain and utilize the services of disadvantaged business enterprises, on a primary or sub-contract basis, when those services or products are provided consistent with the fiduciary responsibilities of the Health Service Board and staff.

Black-Out Periods

- 9) The Board will initiate a “black-out period” when the Board initiates a search process resulting in the release of a request for proposals for the appointment of a primary service provider or the expansion of a relationship with an existing primary service provider.
- 10) Black- out periods will be instituted at a Board or committee meeting. Written notification will be issued to all Board members not present at said meeting. A black-out period may also be instituted between Board meetings at the discretion of a committee of the Board or the Director, subject to ratification by the Board at its next meeting. The Director will provide written notification to all Board members of all black-out periods instituted between Board or committee meetings as soon as

possible, and Board members will comply with the black-out period restrictions upon receipt of the Director's notification.

- 11) The initiation of a black-out period, and to the extent possible, the service providers or types of providers to which it applies, will be specified in the minutes of the Board meeting at which it was approved or ratified by the Board. Where it is not possible to specifically define the service providers or types of service providers to which the black-out period applies, Board members will make a good faith effort to comply with the intent of the black-out period provisions by taking all reasonable efforts to determine if service providers they may communicate with are potential candidates in a HSS search process.
- 12) During black-out periods, Board members shall not communicate with the specified service providers on matters pertaining to HSS, except during Board or committee meetings. Board members who need to communicate with such service providers for reasons unrelated to HSS business agree to disclose such need in writing to the Director and the Board prior to undertaking such communications. Disclosure to the Board shall be made at a meeting of the Board. If time does not permit timely disclosure to the Board, the Board member shall then provide written disclosure of the intended communication to the President, or to the Vice President if the Board member in question is the President.
- 13) During black-out periods, service providers participating in or considering participating in an HSS search process shall not communicate with board members except during Board or committee meetings. This requirement shall be included in all RFPs issued by HSS. Any service provider found to be in violation of the black-out provision may be subject to disqualification from the search process by the Board.
- 14) Board members that are found to have knowingly violated the black-out provisions may be subject to any penalties or other actions of the Board as set out in the HSS Statement of Incompatible Activities [or the Code of Conduct].
- 15) For the purpose of black-out period provisions, communications include telephone conversations, letters, and e-mail.
- 16) A black-out period will cease when a successful bidder enters into a contractual arrangement with the City and County of San Francisco or the search process is otherwise ended by the Board.

Contracts

- 17) The Director will negotiate and execute all agreements approved in connection with service providers. In negotiating contracts or contract renewals, the Director may seek the assistance of Board members as appropriate.
- 18) All contracts and similar arrangements for the engagement of service providers shall comply with applicable laws and regulations,
- 19) Annually, the Director will provide the Health Service Board a schedule of the contracts involving primary service providers due for renewal in the coming year.

Monitoring and Reporting

- 20) All service providers will be subject to regular monitoring of performance and periodic reviews, as appropriate, throughout the term of their contract. Criteria for review may include performance, staff satisfaction, competitiveness of fees, quality of reporting, and accuracy of assumptions and forecasts.
- 21) The Director will report regularly to the Health Service Board on all monitoring efforts involving service providers, identifying any material issues or actions taken in a timely fashion.
- 22) All monitoring and reporting provisions contained in this policy serve as minimum requirements. If more stringent requirements are established within other policies of HSS, such requirements will prevail.
- 23) The Director will report to the Board any material failures by named service providers to comply with the terms of their contract.

Policy Review

- 24) The Health Service Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

- 25) The Health Service Board adopted this policy on February 22, 2007.

SAN FRANCISCO HEALTH SERVICE SYSTEM

Strategic Planning Policy

Introduction

- 1) Like every complex organization, HSS continually faces new challenges and opportunities, and has limited resources with which to address them. Organizational success requires that HSS have an effective planning process that allows it to set the strategic direction of the System, identify specific business priorities, effectively allocate resources to such priorities, and plan for their successful completion. The Board has established this Strategic Planning Policy to provide guidance to the System's planning process.

Objectives

- 2) The objectives of the Strategic Planning Policy are to:
 - a) Ensure HSS actively and systematically plans for the future needs of the System; and
 - b) Facilitate consensus by the Board and the Director on the direction, needs, and priorities of the System.

Principles

- 3) An effective planning process should strike an appropriate balance between ensuring a systematic approach to planning, encouraging creativity in identifying business issues and solutions, and ensuring sufficient flexibility to respond to changing circumstances.

Policy Guidelines

Roles and Responsibilities

- 4) The Director will be responsible for:
 - a) Identifying risks, opportunities, and needs of the System;
 - b) Identifying and prioritizing business initiatives; and
 - c) Recommending a Strategic Plan to the Health Service Board for its consideration.

- 5) The Health Service Board will be responsible for playing a policy and oversight role in the planning process, which will include:
 - a) Approving the Strategic Planning Policy and any amendments thereto;
 - b) Providing the Director with input into the broad direction of the System and possible initiatives to be included in the Strategic Plan;
 - c) Approving the Strategic Plan and ensuring adequate resources are in place to successfully implement it; and
 - d) Monitoring the implementation of the Strategic Plan.

The Annual Planning Process

- 6) In approximately the third quarter of each calendar year, the Director will present and discuss the following issues with the Board:
 - a) The status of the previous year's Strategic Plan;
 - b) Current business needs, risks, or opportunities of the System; and
 - c) A prioritized list of proposed business initiatives with supporting rationale.
- 7) On the basis of the above review and discussions, the Director will prepare a draft Strategic Plan. The Director will have discretion in determining the most effective or appropriate format for the Strategic Plan but it is expected that the plan will generally include the following components:
 - a) The mission statement of HSS and any necessary detail or elaboration;
 - b) A discussion of current business needs, risks, and opportunities;
 - c) Proposed business initiatives accompanied by appropriate analysis, data, and parameters including for example:
 - i. Expected impact or benefits of each initiative,
 - ii. Timelines for completion;
 - iii. Assignment of responsibilities for implementation;
 - iv. Budget implications;
 - v. Criteria for assessing the success of the initiative; and

vi. Provisions for reporting to the Board.

- 8) In the third quarter of each year, the Director will present the draft Strategic Plan to the Board for its consideration and approval.
- 9) Should the Director determine that changing circumstances will not allow him to meet a particular parameter associated with a Strategic Plan initiative, the Board will be informed in a timely manner

Review of Strategic Plan Status

- 10) The Director will review the status of each initiative in the Strategic Plan periodically throughout the year

Policy Review

- 11) The Health Service Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Policy History

- 12) The Health Service Board adopted this policy on February 22, 2007.