



City & County of San Francisco

HEALTH SERVICE BOARD

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

Minutes

Regular Meeting

Thursday, December 9, 2010

Revised Time

1:30 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94103

- Call to order
- Pledge of allegiance
- Roll call
 - President Claire Zvanski
 - Vice President Karen Breslin
 - Supervisor Carmen Chu
 - Commissioner Sharon Ferrigno
 - Commissioner Scott Heldfond
 - Commissioner Wilfredo Lim
 - Commissioner Jordan Shlain, M.D., excused

This meeting was called to order at 2:21 p.m.
- 12092010-01 Action item
 - Approval (with possible modifications) of the minutes of the meeting set forth below:
 - Regular meeting of November 18, 2010
 - Staff recommendation: Approve minutes.
 - Documents provided to Board prior to meeting:
Draft minutes.
 - President Zvanski noted two corrections in minutes. The last paragraph on page 8 regarding the savings to the Health Service

System due to the passage of Prop. F should read, "The cost of two elections at approximately \$75,000 per year over five years would save the Health Service System approximately \$30,000 per election."

- The second correction was to clarify that the meeting was adjourned in honor of James Deignan, Sr., who was the father of former Health Service Board Commissioner, James Deignan.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the regular meeting minutes of December 9, 2010, as corrected.

Motion passed 6-0.

□ 12092010-02 Discussion item **President's Report** (President Zvanski)

Documents provided to Board prior to meeting: None.

- President Zvanski reported that discussions and negotiations are ongoing regarding the preparation of another Prop B initiative for the November election. She is unclear if the new proposition will include health benefits.

Public comments: None.

□ 12092010-03 Discussion item **Director's Report** (Lisa Ghotbi):

- HSS Personnel
- Meetings
- Additional updates
 - Member Services Report (Mark Villares)
 - Communications Report (Rosemary Passantino)
 - Vendor Contracts Report (Robin Courtney)
 - Health Promotion and Wellness Plan Report (Margaret O'Sullivan)

Documents provided to Board prior to meeting:

1. Director's report;
2. Reports from Member Services, Communications, Vendor Contracts, Health Promotion and Wellness Plan and Employee Assistance Program.

- Lisa Ghotbi, HSS Chief Operating Officer, reported the following:
- She is filling in for Catherine Dodd, HSS Director, who is out of the office due to an injury. Everyone wishes Dr. Dodd a speedy recovery.
- The General Fund deficit is now estimated at approximately \$380M. The City is also anticipating a \$30M loss in State cuts.
- All departments, including HSS, must submit a 2.5% budget reduction by December 21, 2010 plus an additional 7.5% reduction for the 2011-2012 Fiscal Year. A 10% contingency fund plan must also be prepared.
- HSS is moving forward to fill the clerical and IT positions, which are critical. The clerical position should be filled in approximately three to four weeks. The IT position will be posted tomorrow and is expected to be filled in approximately two to three months due to the testing process.
- The Vendor Contracts Manager position is currently posted and is expected to be filled approximately in March due to the testing process.
- HSS is working on an auto-pay solution through eMerge implementation for members making over the counter payments with credit cards. After re-hosting of the current application in January, HSS will be able to move forward with the solution. It is still uncertain how long it will take to get up and running.
- Meetings attended by the HSS Director over the last month included:
 - An eMerge Steering Committee meeting, which reported the eMerge system is still on track for September 2011 go live;
 - A meeting with FBMC executives regarding the transition to Wage Works due to its acquisition of FBMC.
 - HSS has been working with Mercer on the RFP;

- HSS has been working with union representatives on a meet and confer process regarding its attendance policy for vacation, sick leave, and tardy.
- HSS had a very productive year-end and review meeting with SFUSD on December 6.
- HSS and its vendors are scheduled to meet with CCD at 4:00p.m. today to discuss the data exchange previously requested by CCD.
- HSS has received notice from CCD's attorney that they will charge HSS 10 cents per page for producing its public records request.
- HSS has concluded its audit season for this year, which has resulted in at least \$500,000 in savings.
- **Report on Member Services**
- Mark Villares, Member Services Manager reported the following update:
- November was a busy month in making operational changes and preparations for open enrollment.
- There were 3,337 answered calls, which is a 14% increase from 2009.
- The average time to answer calls was 40 seconds.
- The telephone abandonment rate was 2.4% (82 calls).
- There were 802 in-person office visits, which is a 15% decrease from 2009.
- Delinquencies for the month of November included 435 active employees and 73 retirees.
- Forty-one (41) employees and 21 retirees were terminated in November.
- The eligibility audits have been completed and the results are as follows:
- IRS Dependent Audit:
 - 348 members did not respond or were found ineligible;
 - 318 dependents were terminated on September 1, 2010; and

- 30 dependents were terminated on December 1, 2010 (after tax extension deadlines expired).
 - HSS placed telephone calls to members to ensure that no termination went unnoticed.
- Social Security Audit:
 - 37 members did not submit a Social Security number or an exemption of this requirement; their coverage will end on January 1, 2011.
- Holdover Eligibility Certification:
 - 56 members did not respond;
 - 28 have other coverage;
 - These accounts will be terminated on January 1, 2011.
- The estimated annualized audit savings for the City is over \$500,000.
- The 1209 Benefits Technician position has been restored and HSS has hired two employees to fill that position, Yock Chow, current HSS employee (formerly a 1406 position) and Matthias (a former HSS employee).
- **Report on Member Communications**
- Open Enrollment planning has begun.
- The bidding process for selecting a printer for Open Enrollment materials is underway and could take approximately four to six weeks through the City's official bidding process.
- The City Attorney's Office has been consulted to determine whether there is any legal prohibition in eliminating printed guides for 1,200 MEA/Unclassified Management members, in favor of providing online guides and whether prior consent must be received from those members.
- Blue Shield will provide an update on the Mills Peninsula Group change later at this meeting.
- President Zvanski inquired about the date of the next Rules Committee meeting.

- Ms. Ghotbi responded that the next Rules Committee meeting will be held on January 6, 2011.
- **Report on Vendor Contracts and Performance:**
- Robin Courtney, HSS Chief Financial Officer, reported the following updates:
- UHC's draft performance audit report was released by Mercer to UHC on November 19, 2010. UHC's response was due on December 8, 2010.
- Mercer and HSS will meet during the first part of 2011 to review UHC's audit results and agree on an implementation plan for any findings.
- FBMC notified HSS on November 23, 2010 that its Cobra and the FSA units are in the process of being acquired by Wage Works.
- HSS is completing the appropriate assignment documents to transfer its contract agreements from FBMC to Wage Works (currently a City approved vendor).
- The acquisition will be effective December 1, 2010.
- The HSS Management Team is in the process of compiling the First Quarter Vendor Scorecard Ratings. It is anticipated that the first quarter results will be provided to the vendors by December 10, 2010.
- On November 30, 2010, HSS submitted the aggregated Early Retiree Lists to the Early Retirement Reinsurance Program ("ERRP") for Plan Year 2009-2010 (the month of June). The submission included eligible Blue Shield, Kaiser and UHC retirees.
- **Report on HSS Health Promotion and Wellness Plan:**
- Margaret O'Sullivan, HSS Health Promotion and Wellness Plan Coordinator, reported the following project updates:
- Recent activities have focused on partnering with UCSF's School of Pharmacy to provide a stress management course to City College faculty. This stress management course will

take place in January 2011.

- The EAP staff will also attend the stress management course.
- The Department of Aging and Adult Services has started a new yoga class has on Thursday afternoons from 12:15 to 12:45 p.m. at 1640 Mission Street.
- HSS had an initial meeting with UCSF School of Medicine, Pharmacy and Nursing to develop and measure health and wellness outcomes.
- Ms. O'Sullivan is working with Mercer to define parity for substance abuse and smoking cessation programs among the City's health plans.
- **Report on EAP (Employee Assistance Program):**
 - The EAP provided individual services to 42 City employees; 21 were new clients and 21 were continuing clients.
 - 42% of new EAP cases were seen for family, marital or relationship problems;
 - 28% were seen for work-related concerns;
 - 15% received services for psychological problems; and
 - 15% received services for financial matters.
 - The EAP organizational stats provided contacts to 58 employees (management consultations, orientations and employee education/training).
 - Last month the EAP staff conducted a non-violent crisis intervention class for inspectors at the Department of Public Health. This course generated \$7,500 in revenue for HSS.
 - The EAP is currently developing a "Bullying at Work" workshop, which will be piloted in January 2011.
 - The above-referenced reports may be viewed on myhss.org.
 - The entire Board discussion may be viewed as a YouTube video on the myhss.org website.

Public comments: Gus Goldstein, AFT Local 2121

Vice President, requested printing additional copies of the PowerPoint presentations for the public because there have been none available when she arrived a few minutes late to the last two meetings. She also asked Ms. O’Sullivan about the expected audience for the CCSF stress management course.

Ms. O’Sullivan responded that the expected audience is the City College faculty.

Herbert Weiner, retired City employee, expressed support for the “Bullying in the Work Place” workshop in light of work stresses such as layoffs and reduced staffing, which can also lead to violence in the workplace.

□ 12092010-04 Action item

Financial reports as of October 31, 2010, forecast for Plan Year 2010-2011 and Budget Update (Robin Courtney)

Documents provided to Board prior to meeting:

1. Report for the General Administrative Fund; and
2. Report for the Trust Fund.
3. Report on the Budget.
 - Robin, Courtney, HSS CFO reported the following financial report updates through October:
 - In the Trust Fund, there is a shortage in the City Plan year-to-date of \$2.2 million; this excludes the Medicare Part D subsidy, which averages about \$2.6 million annually.
 - The General Administrative Fund financial statement presentation has been revised per Commissioner Lim’s request.
 - Regarding the budget update, the Mayor’s Budget Office initiated the annual budget process on December 1 by holding meetings with the department heads and the CFOs to review the new projection for the general fund deficit and to pass out the new budget instructions for the 2011-2012 fiscal year.
 - The current budget deficit projection is \$379.8 million. All departments are being asked to submit the following budget reductions:
 - a 2.5% budget reduction to the current year budget; and
 - an additional 7.5% cut in the 2011-

2012 budget, along with a 10% contingency.

- Ms. Courtney is seeking Board approval to use forfeitures to provide the current year budget reduction of 2.5%.
- HSS is in the process of determining solutions for the additional 7.5% budget reduction and the 10% contingency.
- Ms. Courtney thanked Commissioner Lim for suggesting enhancements to the financial statements.
- The above-referenced reports may be viewed on myhss.org.
- The entire Board discussion may be viewed as a YouTube video on the myhss.org website.

Public comments: None.

Action: Motion was moved and seconded by the Board to accept the financial reports as presented.

Motion passed: 6-0.

Action: Motion was moved and seconded by the Board to approve the use of forfeitures to meet the 2.5% current year reduction request.

Motion passed 6-0.

RATES AND BENEFITS COMMITTEE

□ 12092010-05 Action item

Determination of final Delta Dental plan premium rates and benefits for active and retired members and determine insured active dental plan changes and set premiums for Plan Year 2011-2012
(Committee Chair Breslin)

Documents provided to Board prior to meeting:
None.

- Committee Chair Breslin reported that this item is continued until the January 13, 2011 meeting to research adding implants and a third cleaning for pregnant women to the active plan and the associated costs.
- Commissioner Zvanski also noted that union negotiation issues should be researched regarding adding implants and a third

cleaning for pregnant women to the active plan.

Public comments: None.

Action: No action taken.

□ 12092010-06 Action item

Determination of final Vision Service Plan (VSP) rates and benefits for Plan Year 2011-2012 (Committee Chair Breslin)

Documents provided to Board prior to meeting:
Report prepared by Mercer.

- Committee Chair Breslin reported that this item is continued until the January 13, 2011 meeting to determine whether there is a duplication of services in Medicare coverage and the vision plan.

Public comments: None.

Action: No action taken.

REGULAR MATTERS

□ 12092010-07 Discussion item

Report on network and health plan issues (if any)
(Respective plan representatives)

- Lori Taylor, Blue Shield representative, reported that a verbal agreement has been reached with Sutter for the Mills Peninsula Medical Group. Final contracts still need to be completed. Blue Shield will be working with HSS to contact members who have previously received a letter regarding this issue.
- Kathy Rymer, senior retiree consultant with Kaiser Permanente, reported on a recent matter concerning Medicare retirees and reported the following:
 - In November 2010, the Social Security Administration sent advance notice to higher income beneficiaries of increases in their Medicare Part B premiums.
 - Health Care Reform legislation has also added a new annual adjustment for Medicare Part D premiums for prescription drugs. This new premium adjustment will affect all higher income Medicare members in individual and group plans; it is not plan-specific.

- The entire discussion may be viewed as a YouTube video on the myhss.org website.

Public comments: Gerry Meister, Chair of UESF-Retired Division, stated that she has received two telephone calls in the past few days inquiring about income increases and Part B. She stressed the importance of notifying members of any Medicare changes and also posting the information on the HSS website.

- 12092010-08 Discussion item Opportunity to place items on future agendas

Public comments:

- 12092010-09 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction

Public comments:

Adjourn: 3:25 p.m.

Summary of Health Service System Rules Regarding Public Comment

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three minutes to make pertinent public comments before action is taken on any agenda item.
- A member may comment on any matter within the Board's jurisdiction at the designated time at the end of the meeting. The complete rules are set forth in Section A(6) of the Health Service System Rules and Regulations. A copy of these Rules and Regulations is available at any time upon request. Call the Administrative Services Manager, Laini K. Scott for further assistance at (415) 554-1727.

Health Service Board and the Health Service System Web Site: <http://www.myhss.org>

Disability Access

The meeting will be held at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

The following services are available upon request:

- American Sign Language interpreters will be available upon request.
- A sound enhancement system will be available upon request at the meeting.
- Minutes of the meeting or hearing are available in alternative formats.

If you require the use of any of these services, please contact Administrative Services Manager, Laini K. Scott, at (415) 554-1727 or by email at laini.scott@sfgov.org at least 72 hours prior to the meeting.

In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

Knowing Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact Adele Destro by mail to Interim Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94103-4689; by phone at (415) 554-7724; by fax at (415) 554-7854; or by email at sotf@sfgov.org.

Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Ms. Destro or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, <http://www.sfgov.org/sunshine/>

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code § 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site www.sfgov.org/ethics.

Summary of Health Service Board Rules Regarding Cell Phones and Pagers

- The ringing and use of cell phones, pagers and similar sound-producing electronic devices is prohibited at Health Service Board meetings and its committee meetings.
- The chair of the meeting may order the removal from the meeting room of any person(s) in violation of this rule.
- The chair of the meeting may allow an expelled person to return to the meeting following an agreement to comply with this rule.

The complete rules are set forth in Chapter 67A of the San Francisco Administrative Code and in the Rules and Regulations of the Health Service System.

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