



# HEALTH SERVICE BOARD

## CITY & COUNTY OF SAN FRANCISCO

### Minutes

#### Regular Meeting

Thursday, June 9, 2016

1:00 PM

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

Call to order

Pledge of allegiance

Roll call      President Randy Scott  
Vice President Wilfredo Lim, excused  
Commissioner Karen Breslin  
Supervisor Mark Farrell, arrived 2:08 pm  
Commissioner Sharon Ferrigno  
Commissioner Stephen Follansbee, M.D.  
Commissioner Gregg Sass, excused

This Health Service Board meeting was recorded by SFGovTV. Links to videotaped meetings and related materials are posted on the myhss.org website.

This meeting was called to order at 1:05 pm.

- 06092016-01      Action item      [Approval \(with possible modifications\) of the minutes of the meeting set forth below:](#)
- Regular meeting of May 12, 2016
- Staff recommendation: Approve minutes.
- Documents provided to Board prior to meeting:  
Draft minutes.
- Commissioner Follansbee moved to approve the regular meeting minutes of May 12, 2016.

- Commissioner Breslin seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the regular meeting minutes of May 12, 2016.

Motion passed 4-0.

- 06092016-02 Discussion item General public comment on matters within the Board’s jurisdiction not appearing on today’s agenda  
Public comments: None.

## RATES AND BENEFITS

- 06092016-03 Action item Approve Kaiser Permanente Senior Advantage fully-insured retiree rates and premium contributions for 2017 plan year (Aon Hewitt)  
Staff recommendation: Approve Kaiser Permanente Senior Advantage fully-insured premiums and contributions.  
Documents provided to Board prior to meeting:  
Report prepared by Aon Hewitt.
  - Anil Kochhar, Aon Hewitt actuary, presented Kaiser Permanente’s Medicare Advantage Prescription Drug Retiree (“MAPD”) HMO renewal for the 2016 plan year.
  - Mr. Kochhar also summarized Kaiser’s process for calculating the rates for Medicare retirees.
  - Kaiser’s 2017 rate is \$340.76 PMPM. This amount factors in a \$9.76 negative variance from the 2016 rates. See page 3 of report.
  - See page 5 of Aon’s report for Kaiser Permanente’s 2017 MAPD monthly rate card.
  - Aon recommended Health Service Board approval of Kaiser Permanente’s Medicare retiree rates as presented.
  - Commissioner Breslin moved to approve Kaiser Permanente’s Medicare Advantage Plan for the 2017 plan year.

- Commissioner Follansbee seconded the motion.

Public comments: Claire Zvanski, RECCSF representative, questioned the completeness of the decks. She stated that it appeared that the rate cards were missing information for the Medicare member plus the non-Medicare member. The rates presented were very good but without the information on Medicare retirees with non-Medicare dependents, the member impact could not be determined.

Anil Kochhar responded that the information on the Medicare member with non-Medicare dependents was reflected in the fourth column (“Retiree & Family”) of the rate card on page 5 of Aon’s presentation. The family rate assumed two non-Medicare dependents.

Cindy Striegel, Kaiser Permanente representative, reported on two additions to Kaiser’s Senior Advantage Plan. An acupuncture provision was added to Kaiser’s current chiropractic rider to allow a combined benefit of 30 visits in total of either chiropractic, acupuncture or both with a \$50 per visit copay.

The second benefit is the addition of Kaiser’s Silver and Fit Program. This program allows a member to join a Silver and Fit participating gym at no cost or receive a home fitness package for walking dancing or Pilates.

Action: Motion was moved and seconded by the Board to approve Kaiser Permanente’s Senior Advantage fully-insured retiree rates and premium contributions for the 2017 plan year.

Motion passed: 4-0.

President Scott welcomed Cecilia Mangoba, colleague of Erik Rapoport’s in the City Attorney’s Office, who attended the meeting in Mr. Rapoport’s absence.

## REGULAR BOARD MEETING MATTERS

- 06092016-04 Discussion item **President's Report** (President Scott)

Documents provided to Board prior to meeting:  
Charter sections governing Health Service Board.

- President Scott reported that Erik Rapoport, Deputy City Attorney, distributed relevant Charter sections to Board members prior to the meeting. He stated that a chronology of changes in the Charter over the years to its current state will be presented at another meeting. This Charter information was requested at a recent Governance Committee meeting.
- Mr. Rapoport will conduct an analysis of the Charter changes throughout the years. President Scott suggested starting the Charter chronology with sections that currently govern the work of the Health Service Board followed by previous versions. He noted, however, that the red-lined version of the Charter revisions in 2000 would need to be located. This has slightly delayed Mr. Rapoport's analysis, which will be presented at another meeting.
- President Scott also reported on a luncheon that he attended the previous day sponsored by the Retired Employees of the City and County of San Francisco ("RECCSF"). He thanked the retirees for their service to the City and County of San Francisco and congratulated the new officers of the association who were installed at the luncheon. Commissioner Breslin also attended the event.
- President Scott called the Board's attention to an annual study received that morning conducted by the California Health Care Foundation on health benefits and enrollment data, including types of coverage across California for employers. He stated that he would ask the Board Secretary to distribute the study electronically to Board members.

He encouraged the Board to take time to read the link as there were several charts that accompanied the information. He recommended it as reading for the month of July during the Board's recess.

Public comments: None.

□ 06092016-05 Discussion item **Director's Report** (Director Dodd)

- HSS Personnel
- Operations & Voluntary Benefits update, Data Analytics & Retiree Dashboard, Communications, Finance/Contracts, Wellness/EAP
- Meetings with Key Departments
- Other additional updates
- Legislative actions & other additional updates

Documents provided to Board prior to meeting:

1. Director's report;
2. Legislative summaries SB 932 and SB 1010, reports from Operations including voluntary benefits survey results to date, Data Analytics, including retiree dashboard, Communications, Finance/Contracts, Wellness and Employee Assistance Program;
3. Revised Rates and Benefits calendar.
  - Catherine Dodd, HSS Executive Director, reported on her Director's Report, which may be viewed in its entirety on the myhss.org website.
  - Director Dodd reported that HSS received the Board of Supervisors' budget analyst's recommendations late yesterday, which contained significant cuts to the department. One recommendation doubled the department's attrition savings, which would mean laying off two employees or not filing two positions that had been offered to two individuals.
  - Director Dodd opted to not specify the other budget analyst's recommendations, stating that she did not want HSS employees

viewing the meeting to become concerned about the discussions since negotiations were not yet finalized. She noted, however, that if the budget proposals were implemented, the outcome would result in at least two staff layoffs.

- Director Dodd requested that the Health Service Board members individually email the BOS Budget and Finance Committee regarding the good job HSS continues to do in keeping the rates low, meeting member service goals, innovations in wellness, All Payer Claims Database analyses, voluntary benefits, etc. She also encouraged HSS members to contact the Board of Supervisors in support of HSS as well.
- President Scott stated that HSS saved the City \$20M in the previous year. He also instructed the Board Secretary to distribute the names and telephone numbers of the members of the BOS Budget and Finance Committee.
- Director Dodd reported that HSS had begun administering the employee engagement survey, which will be available from June 7 through June 17, 2016. Employee responses will be confidential and not disclosed to ensure anonymity. A high level discussion of the survey results will be presented at the August 11, 2016 Board meeting.
- President Scott, on behalf of the Board, encouraged all HSS staff to complete the survey, which would allow the department's management team to gain a better understanding of how to engage and respond to employees' needs.
- Commissioner Breslin asked how much the voluntary benefits for the 2017 plan year would cost the System.
- Director Dodd stated that Employee Benefits Specialists, who currently administer CCSF MEA benefits, will administer the voluntary benefits program as well. The costs to the

System will be minimal in terms of payroll and will not require extra staff time.

- Director Dodd highlighted the Data Analytics report, which included the Q4 2015 Dashboard Summary for Medicare retirees. This was the first Medicare dashboard since 2010.
- Commissioner Follansbee asked if the department's goal was to post various dashboards online to allow members to understand from a consumer comparison standpoint what they are buying and the potential risks.
- Director Dodd stated that HSS was looking into redesigning its website and that it was a good time to make suggestions for improvement.
- President Scott suggested that as more dashboards and other reports are being created, it may be helpful to add links to these items on the HSS website.
- Commissioner Breslin inquired if the \$1.40 amount attributed to Best Doctors on the Kaiser MAPD monthly rate card was the final rate. She expected the final rate to be approved first by the Health Service Board.
- Director Dodd confirmed that Best Doctors' \$1.40 PMPM amount was the final rate and was included in the actives' rate cards previously approved by the Board.
- Director Dodd also provided a legislative update on two Senate bills, SB 932 and SB 1010.
- SB 932 was drafted to prevent anti-competitive contracting within the health systems. Unfortunately, it did not move out of its second policy committee. There will be no further action on this bill during this legislative year. It may be re-introduced if there is a special session.
- SB 1010 attempts to add transparency to pharmaceutical pricing. It is still alive in the Legislative Committee. The bill requires

pharma to report employers' increases over 10% in pharmaceutical costs or prescriptions more than \$10,000 for the course of that prescription. There would be a very small financial impact. This bill will most likely pass through the State Legislature through the Budget Committee and then move on to the State Assembly.

- Director Dodd will continue to provide updates on State legislation to the Health Service Board.
- Commissioner Follansbee stated that SB 1010 was a small but positive step and that it was an issue that concerned all HSS members. He noted that SB 1010 had received wide support, including from the California Medical Association. He noted that it should also be distinguished from a measure that may be placed on the November ballot attempting to tie pricing to a complicated formula with the VA Medical Center.

Public comments: None.

- 06092016-06      Discussion item      [HSS Financial Reporting as of April 30, 2016 and FY 2016-17 and FY 2017-18 Mayor's Budget Report for HSS](#) (Pamela Levin)

Documents provided to Board prior to meeting:

1. Financial update memo;
  2. Report for the Trust Fund;
  3. Report for the General Fund Administration Budget
  4. FY 2016-17 and FY 2017 Mayor's Budget Report for HSS.
- Pamela Levin, HSS Deputy Director and Chief Operating Officer, reported on HSS financials as of April 30, 2016.
  - Based on activity through April 2016, the trust fund balance projection is \$71.8M as of June 30, 2016.

- Decreases in the trust fund balance were due to unfavorable claims experiences in City Plan and Blue Shield.
- Increases in the trust fund were due to favorable claims experiences from Delta Dental (\$100,000) and forfeitures from the healthcare and dependent care FSAs (\$300,000).
- See memo and financial reports.
- Ms. Levin stated that she was doing everything possible to ensure that HSS remained whole as a department. The Mayor's Office accepted HSS' budget proposal, which included a 1.5% decrease over two years. A copy of the applicable pages from the Mayor's proposed budget related to HSS had been distributed to the Board. She stressed that the Mayor's Office's proposal was preliminary and that they were willing to work with HSS.
- Ms. Levin noted that for those wanting to contact the BOS Budget and Finance Committee, the members were Supervisors Mark Farrell, Katy Tang, Norman Yee, Jane Kim and Scott Wiener.
- President Scott reiterated that the Board Secretary would distribute the BOS Budget and Finance Committee's contact information.
- Ms. Levin stated that the first BOS Budget and Finance Committee meeting would be held the following week and that HSS would make a presentation.

Public comments: Claire Zvanski, RECCSF representative, commended Ms. Levin and the accounting staff on their good work. She offered to mobilize the retirees and show up at City Hall, noting that they were willing to do whatever was necessary to express support for HSS and its fight for health benefits. She stated that she would send an email blast to all retired members to contact the BOS Budget and Finance Committee members regarding HSS' budget.

- 06092016-07      Action item      Based on the May 10th Governance Committee’s review of survey questions and discussion of the Employee Engagement Survey, instruct Director to proceed with Confidential Employee Engagement Survey. Summary of findings, but not individual employee responses, to be reviewed in open session (Director Dodd)

Documents provided to Board prior to meeting:  
None.

- Commissioner Breslin moved to accept this item as described in the agenda heading.
- Commissioner Follansbee seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to proceed with conducting a confidential HSS employee engagement survey and provide a summary of responses in open session at a subsequent date.

Motion passed 4-0.

- 06092016-08      Action item      Consider urging the San Francisco Board of Supervisors to sign on to the Campaign for Sustainable Rx (Drug) Pricing (Director Dodd)

Documents provided to Board prior to meeting:  
Resolution and background materials.

- President Scott noted that the link to the relevant documents on the Board’s iPad was broken. The Board Secretary said that the issue was brought to her attention earlier that day and that she had requested to have it corrected.
- Director Dodd referenced the Resolution accompanying this agenda item in support of the National Coalition on Health Care’s educational efforts regarding sustainable drug pricing. This is a national coalition to educate the public, physicians and hospitals on the importance of sustainable drug pricing. She was alerted to the campaign through the Pacific Business Group on Health.

- Director Dodd was advised by legal counsel that the Health Service Board could not take a position on matters being lobbied by outside organizations since that was the domain of the Board of Supervisors. The National Coalition on Health Care, which does not lobby, has created another organization, the Campaign for Sustainable Drug Pricing.
- This resolution signified the Health Service Board's support of the educational efforts of the National Coalition on Health Care through its Campaign for Sustainable Rx (Drug) Pricing, a non-partisan national campaign. It also urged the Board of Supervisors to ask the California State Association of Counties and the National Association of County Supervisors to sign on to the Campaign for Sustainable Rx (Drug) Pricing.
- Commissioner Follansbee moved to approve the resolution urging the Board of Supervisors' support of the National Coalition on Health Care's Campaign for Sustainable Rx (Drug) Pricing.
- Commissioner Ferrigno seconded the motion.
- Supervisor Farrell arrived during this agenda item.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the Resolution urging the Board of Supervisors to ask the California State Association of Counties and the National Association of County Supervisors to sign on to the Campaign for Sustainable Rx (Drug) Pricing.

Motion passed 5-0.

□ 06092016-09      Action item

Election of Health Service Board Officers (President and Vice President) for fiscal year 2016-2017  
(President Scott)

Documents provided to Board prior to meeting:  
None.

- At President Scott's request, Commissioner Breslin presided over this agenda item.

Public comments: None.

Action: Motion was moved to nominate Commissioner Randy Scott as President and Commissioner Wilfredo Lim as Vice President of the Health Service Board for fiscal year 2016-17.

Motion passed 5-0.

President Scott reiterated his goal to use one of the fall meetings as an educational forum if re-elected as President of the Health Service Board. He wanted to go on record that he intended hold an educational forum in November as was done last year. He stated that it would be profoundly helpful to receive requests of specific topics from Board members and asked that suggestions be submitted to his attention or Director Dodd's.

President Scott also thanked the Health Service Board members for their diligent work on Board and Committee matters during the course of the year. He stated the importance of attending the June meetings (which conclude the rates and benefits process) and his intent impose a ban on vacations at that time.

Lastly, President Scott thanked Director Dodd, Aon Hewitt and Erik Rapoport for their advice and counsel.

Public comments: Herbert Wiener suggested the topic of how to be your own advocate for the Board's educational forum to be held in November.

□ 06092016-10      Action item

[Vote on whether to cancel July 2016 Health Service Board meeting](#) (Director Dodd)

Documents provided to Board prior to meeting:  
None.

- Commissioner Breslin moved to cancel the July Health Service Board meeting.
- Commissioner Ferrigno seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to cancel the July 14 Health Service Board meeting.

Motion passed 5-0.

□ 06092016-11 Discussion item Report on network and health plan issues (if any)  
(Respective plan representatives)

- Cindy Striegel, Kaiser Permanente representative, announced that Kaiser will be opening its own medical school in 2019. It will be located in Pasadena and will start with approximately 50 physician candidates.
- Commissioner Follansbee asked if the medical school was conceived in a format to encourage primary care development or rather educate more sub-specialists who clock in at 9:00 am and leave at 5:00 pm.
- Ms. Striegel stated that Kaiser's mission was to provide a different focus and approach to the physicians in the early stages of education and inspire a different way of thinking about how to deliver an integrated model holistic approach. The hope is to inspire more primary care physicians. Kaiser's goal is not to just funnel physicians back into Kaiser. In fact, it would be viewed as a disappointment if all 50 physician candidates chose to practice at Kaiser.

Public comments: Herbert Wiener, retired City employee, commended Kaiser Permanente for opening a medical school in Pasadena. He also suggested that Kaiser select a rural area if it is contemplating opening an additional medical school at some point, since those areas are underserved in the state.

Claire Zvanski, RECCSF representative, stated that she had received a number of complaints from retirees enrolled in Blue Shield regarding Medicare services. She had been working with Mitchell Griggs (HSS COO) and HSS staff but the issues remain unresolved. She stated concern regarding Blue Shield's rates for 2017 and her belief that it continues to overrate its premiums through their underwriters. She stated that she thought Blue Shield had miscoded services for a number of members. These members have had issues with being balanced billed and harassed over billing. Blue Shield's HMO members should not be balanced billed and Blue Shield has an obligation to provide Medicare services. She stated that more

competition needed to be reinstated because Blue Shield would be forced to consider different rates.

Ms. Zvanski also thanked HSS staff for their hard work on behalf of the retirees struggling with Blue Shield.

- 06092016-12      Discussion item      Opportunity to place items on future agendas
  - Commissioner Breslin stated her concern regarding nutrition counseling. It had been discussed at last month's meeting that nutrition counseling was unavailable for anyone who was not pre-diabetic. She has since learned that nutrition counseling is available through Brown and Toland by the provider's recommendation. The member does not need to be pre-diabetic. She stated that it was important to demand the inclusion of nutrition counseling in the benefits, since many health issues can be helped with diet. She suggested adding a discussion on nutrition counseling on the next meeting agenda.
  - Director Dodd stated that nutrition counseling would be included as a plan design change in next year's benefits.
  - Commissioner Breslin suggested adding the availability of nutrition counseling to the current member guides to make members aware of the benefit now.

Public comments: None.

- 06092016-13      Discussion item      Opportunity for the public to comment on any matters within the Board's jurisdiction

Public comments:

- Adjourn: 2:30 pm

## Summary of Health Service Board 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 (3) 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 as designated on the agenda.

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

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

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### Lobbyist Registration and Reporting Requirements

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

### Summary of Health Service Board Rules Regarding Cell Phones and Pagers

- The ringing and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at Health Service Board and committee meetings.
- The Chair of the meeting may order the removal of any person(s) in violation of this rule from the meeting room.
- 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.

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) 554-0662 or email at [laini.scott@sfgov.org](mailto:laini.scott@sfgov.org).

The following email has been established to contact all members of the Health Service Board:  
[health.service.board@sfgov.org](mailto:health.service.board@sfgov.org).

Health Service Board telephone number: (415) 554-0662