



City & County of San Francisco

# HEALTH SERVICE BOARD

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

## Minutes

### Regular Meeting

Thursday, August 9, 2012

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 Karen Breslin  
Vice President Wilfredo Lim  
Supervisor Carmen Chu, excused  
Commissioner Sharon Ferrigno, arrived 2:21 p.m.  
Commissioner Jean S. Fraser  
Commissioner Jordan Shlain, M.D., arrived 1:24 p.m.  
Commissioner Claire Zvanski

All Health Service Board meetings are recorded and videotaped.  
Meeting audio links, YouTube videos and all meeting materials are  
posted on the myhss.org website.

08092012-01

Action item

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

- Regular meeting of June 14, 2012 combined  
with Rates and Benefits Committee
- Special meeting of July 3, 2012 combined  
with Rates and Benefits Committee

Staff recommendation: Approve minutes.

Documents provided to Board prior to meeting:  
Draft minutes.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the regular meeting minutes of June 14, 2012 combined with Rates and Benefits Committee and special meeting minutes of July 3, 2012 combined with Rates and Benefits Committee.  
Motion passed 4-0.

- 08092012-02 Discussion item **President's report** (President Breslin)  
Documents provided to Board prior to meeting:  
None.
  - President Breslin stated that she had nothing new to report.Public comments: None.
  
- 08092012-03 Discussion item **Director's Report** (Catherine Dodd)
  - HSS Personnel
  - Finance, Operations, Communications, Wellness/EAP, Vendor Contracts
  - Meetings with Key Departments
  - Other additional updatesDocuments provided to Board prior to meeting:
  1. Director's report;
  2. Reports from Operations, Communications, Health Promotion and Wellness and Employee Assistance Program.
  3. Board of Supervisors presentation.
    - Catherine Dodd, RN, PhD., HSS Director, presented her Director's report, which may be viewed on the myhss.org website.Public comments: None.
  
- 08092012-04 Discussion item **Update on Financial Reporting as of May 31, 2012** (Tracey Loveridge)  
Documents provided to Board prior to meeting:
  1. Statement of Revenues and Expenses – FY 2011-2012 (summary and detail); and
  2. Annual Administrative Budget – FY 2011-2012.
    - Tracey Loveridge, HSS CFO, presented the monthly financial reports and noted the following:

- All of the health plans are in good shape for 2012.
- In the Statement of Revenues and Expenses, the shortage of approximately \$36,500 in the Administration and Support category will decrease slightly at year end. However, this is an anomaly for this year and not expected to continue in the following year.
- The Performance Guarantees and Forfeitures in the Administration and Support category are approximately half the amount of last year. However, more were received in June and will be reflected on the final yearend report at slightly less than the prior year.
- In the summary of administrative services under Non-Personnel Services and Services of Other Departments, there is a total of \$387,000 in unspent funds that HSS is seeking to carry forward. HSS will know by the end of September if the carry forward request will be allowed.
- The final financial report for fiscal year 2011-2012 ending June 30, 2012 will be presented at the next Board meeting.
- The first financial report for fiscal year 2012-2013 for July will also be presented at the next Board meeting.
- The second financial report for fiscal year 2012-2013 and the final report for June 30 will be presented in October.
- Commissioner Shlain arrived during this agenda item.

Public comments: None.

□ 08092012-05 Discussion item

[Refresher on Affordable Care Act and Overview of California Health Benefit Insurance Exchange](#)  
(Catherine Dodd and Aon Hewitt)

Documents provided to Board prior to meeting:  
Reports prepared by Catherine Dodd and Aon Hewitt.

- Dr. Dodd presented an overview of The Patient Protection and Affordable Care Act (PPACA), which was signed into law on March 23, 2010 by President Barak Obama.

- Dr. Dodd's presentation included revised material from the Kaiser Family Foundation originally presented at Congresswoman Nancy Pelosi's town hall on healthcare reform.
- Dr. Dodd's presentation, "Refresher: The Patient Protection and Affordable Care Act (PPACA, ACA, Obamacare)" may be viewed on the myhss.org website.
- Paige Sipes-Metzler, Aon Hewitt actuary, presented an overview on the implications of the Supreme Court decision regarding health care reform as it relates to the employer.
- The Supreme Court Decision requires all U.S. citizens and legal residents to buy qualifying health insurance unless certain requirements are met. Beginning 2014, individuals without coverage will be required to pay a penalty or tax; this individual mandate does not pertain to HSS.
- Anil Kochhar, Aon Hewitt actuary, reported that effective January 1, 2018, an excise tax will be imposed on insurers of employer-sponsored health plans with aggregate expenses exceeding \$10,200 for individual coverage and \$27,500 for family coverage.
- Aon Hewitt's plan-specific projections on the excise tax thresholds beginning in January 2018 may be found on pages 21 and 22 of its report, "Health Care Reform Update," dated August 9, 2012. Aon Hewitt's entire report may be found on the myhss.org website.
- Commissioner Ferrigno arrived during this agenda item.

Public comments: None.

## MEMBERSHIP RULES COMMITTEE

- 08092012-06      Action item      Approve updated Membership Rules for 2013 calendar year, effective January 1, 2013 (Committee Chair Ferrigno)
- Staff Recommendation: Approve updates to Membership Rules.
- Documents provided to Board prior to meeting:  
Draft HSS Membership Rules.
- Lisa Ghotbi, HSS COO, presented the few changes to the HSS Membership Rules made in preparation for the 2013 plan year.
  - One change included clarification of eligibility requirements and rules regarding surviving dependents of firefighters or police officers killed in the line of duty.
  - Other revisions included correcting the dates under Other Public Agencies on page 42, updating the deduction periods for the 2013 plan year and the inclusion of the Treasure Island Development Authority Board in the Health Service System as new members.
- Public comments: None.
- Action: Motion was moved and seconded by the Board to approve the revised Membership Rules as presented.
- Motion passed 6-0.
- 08092012-07      Action item      Approve revised Section 125 Cafeteria Plan for 2013 calendar year, effective January 1, 2013 (Committee Chair Ferrigno)
- Staff Recommendation: Approve changes to Section 125 Cafeteria Plan.
- Documents provided to Board prior to meeting:  
Draft Section 125 Cafeteria Plan.
- Lisa Ghotbi presented updates to the Section 125 Cafeteria Plan for the 2013 plan year.
  - The Transportation Authority was eliminated because it was determined that they were not covered under the plan document. A separate document will be created for them.

- Other revisions included the addition of a paragraph outlining the benefits of the plan, a Charter reference regarding the Health Service Board's oversight of plan benefits, date changes for the new calendar plan year and correcting the FSA minimum contribution amount. Aetna was also added to replace UNUM as the vendor for long term disability and life insurance benefits.

Public comments: Brook Demmerle, SEIU 1021 representative, asked about the possibility of extending life insurance benefits to all employees under the new plan.

Catherine Dodd responded that HSS had requested a quote to extend long term disability and life insurance benefits in the RFP. While the quote was provided, HSS cannot spend the City's funds and extend the benefit. The unions will need to request the benefits or DHR will need to offer them.

Action: Motion was moved and seconded by the Board to approve the revisions to the Section 125 Cafeteria Plan as presented.

Motion passed 6-0.

## REGULAR BOARD MEETING MATTERS

- 08092012-08    Action item    Approve Updated HSS Mission Statement and Strategic Plan for fiscal year 2012-2013 (Catherine Dodd)
  - Documents provided to Board prior to meeting: Draft HSS Strategic Plan.
  - Staff Recommendation: Approve HSS Strategic Plan
    - Catherine Dodd reported that HSS is proposing to change its Mission Statement to the following: "The Health Service System of the City and County of San Francisco is dedicated to preserving and improving sustainable, quality health benefits and to enhancing the well-being of employees, retirees and their families."
    - There were very few revisions to the Strategic Plan from the previous version. Some items were eliminated due to lack of funding.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the HSS Mission Statement and Strategic Plan.

Motion passed 6-0.

□ 08092012-09 Action item

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

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

Staff recommendation: None.

- President Breslin recommended the following committee assignments:
  - Rates and Benefits Committee (committee of the whole):  
Chair – Commissioner Zvanski.
  - Finance and Budget Committee:  
Chair – Supervisor Chu  
Members – Commissioner Lim and Commissioner Zvanski.
  - Membership Rules Committee:  
Chair – Commissioner Ferrigno  
Members – Commissioner Lim and Commissioner Zvanski.
  - Governance Committee:  
Chair – Commissioner Lim  
Members – Commissioner Breslin and Commissioner Fraser.

Documents provided to Board prior to meeting:  
None.

Public Comments: None.

Action: Motion was moved and seconded by the Board to approve the committee appointments as presented.

Motion passed 6-0.

- 08092012-10 Discussion item Report on network and health plan issues (if any)  
(Respective plan representatives)

  - Kris Perreras introduced herself to the Board as Blue Shield's new account manager for HSS. She reported that Blue Shield has reached an agreement with each of the UC campuses and executed a long term contract extending to 2015. UCLA will also return to the network effective September 1.
  - Catherine Dodd also noted that Blue Shield providers, UC and Dignity Health, have established an affiliation, which will improve service to HSS members.

Public comments: None.
  
- 08092012-11 Discussion item Opportunity to place items on future agendas

Public comments: None.
  
- 08092012-12 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction

Public comments: Brooke Demmerle, SEIU 1021 representative, stated that SEIU 1021 is working with a consultant in an effort to reduce healthcare costs and hoped that the Health Service Board would be interested in working with them as well.

Catherine Dodd responded that she has a meeting scheduled with one of the consultants in September.
  
- 08092012-13 Action item Vote on whether to hold closed session to discuss member's appeal. (California Constitution Article I, Section 1; the Confidentiality of Medical Information Act, Cal. Civ. Code §§56 et seq; and the Health Insurance Portability and Accountability Act, 42 U.S.C. §§1320d et seq.) (President Breslin)

Staff recommendation: Hold closed session.

Public comment on all matters pertaining to the closed session: None.

Action: Motion was moved and seconded by the Board to hold a closed session to discuss member's appeal.

Motion passed 6-0.



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

- 08092012-14 Action item Vote on member's appeal continued from May 10, 2012 (Catherine Dodd)  
Documents provided to Board prior to meeting:
  1. Memo from Director to Health Service Board, dated May 3, 2012.
  2. Questionnaire completed by member;
  3. Questionnaire completed by HSS.
    - Dr. Shlain departed the meeting after this agenda item.

### Reconvene in Open Session

- 08092012-15 Action item Possible report on action taken in closed session (President Breslin)  
Public Comments: None.  
Action: Motion was moved and seconded by the Board not to report on action taken in closed session.  
Motion passed 5-0.
- 08092012-16 Action item Vote to elect whether to disclose any or all discussion held in Closed Session (President Breslin)  
Public Comments: None.  
Action: Motion was moved and seconded by the Board not to disclose any of the discussion held in closed session.  
Motion passed 5-0.

Adjourn: 3:26 pm.

## 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

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

The following services are available upon request:

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

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

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

### Knowing Your Rights Under the Sunshine Ordinance

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

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

### Lobbyist Registration and Reporting Requirements

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

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

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

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

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