



City & County of San Francisco

# HEALTH SERVICE BOARD

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

## Minutes

### Regular Meeting

Thursday, March 8, 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 Claire Zvanski
  - Vice President Karen Breslin
  - Supervisor Carmen Chu
  - Commissioner Sharon Ferrigno, arrived 2:04 p.m.
  - Commissioner Jean S. Fraser
  - Commissioner Wilfredo Lim, excused
  - Commissioner Jordan Shlain, M.D.

All Health Service Board regular meetings are recorded and videotaped. Meeting audio links and YouTube videos are posted on the myhss.org website.
- 03082012-01 Action item
  - Approval (with possible modifications) of the minutes of the meeting set forth below:
    - Regular meeting of February 9, 2012
  - 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 February 9, 2012.
  - Motion passed 5-0.

- 03082012-02 Discussion item **President's Report** (President Zvanski)
- Documents provided to Board prior to meeting:  
None.
- President Zvanski had nothing new to report.
- Public comments: None.
- 03082012-03 Discussion item **Director's Report** (Catherine Dodd)
- HSS Personnel
  - Finance, Operations, Communications, Wellness/EAP, Vendor Contracts
  - Meetings with Key Departments
  - Other additional updates
- Documents provided to Board prior to meeting:
1. Director's report;
  2. Reports from Operations, Communications, Health Promotion and Wellness Plan and Employee Assistance Program;
  3. Revised Health Service Board calendar of reports and agenda items for 2012.
- Catherine Dodd, HSS Director, reported on her written Director's report, as well as the following:
    - In response to members' concerns regarding the absence of this year's annual HSS health fair, Margaret O'Sullivan, HSS Wellness Coordinator, is working with Kaiser to schedule member flu shots at three sites during the October Open Enrollment period.
    - HSS has reviewed member utilization with Delta Dental and discovered that the plan has not been well managed. Specifically, 77% of members use Delta Dental's out-of-network providers. This will be discussed in detail at next month's meeting, including recommended small plan design changes.
    - In response to network questions from Commissioners Zvanski and Breslin, Dr. Dodd asked Raymond Lee, Delta Dental representative, to address the Board.
    - Mr. Lee reported that Delta Dental has two networks, PPO and Premier. In the PPO Network, members pay lower out-of-pocket

costs because those dentists accept higher discounts. Members' out-of-pocket fees for Premier Network dentists (or non-PPO) are higher. In addition, the employer pays higher claims reimbursements for members' use of out-of-network services.

- The City covers all but approximately \$5 per month for members' out-of-network Delta Dental services.
- The complete written Director's Report and Management Team updates may be viewed on the Health Service System's website at [www.myhss.org](http://www.myhss.org).

Public comments: None.

- 03082012-04 Discussion item **Update on Financial Reporting as of January 31, 2012** (Tracey Loveridge)

Documents provided to Board prior to meeting:

1. Statement of Revenues and Expenses – FY 2011-2012 (summary and detail);
  2. Annual Administrative Budget – FY-2011-2012.
- Tracey Loveridge, HSS Chief Financial Officer, reviewed items with a significant difference in the monthly financial report, "Statement of Revenues and Expenses FY 2011-2012" as of January 31, 2012.
  - Ms. Loveridge also reviewed the report "Administration Statement of Revenues and Expenditures as of January 31, 2012," which reflected the annual projection, budget, variance and variance percentages in the HSS administrative budget.
  - The financial reports may be viewed on the Health Service System's website at [www.myhss.org](http://www.myhss.org).

Public comments: None.

- 03082012-05 Action item Approval of proposed administrative budget for fiscal year 2012-2013 (Tracey Loveridge)

Documents provided to Board prior to meeting:  
Administrative Budget memo for FY 2012-2013.

- Tracey Loveridge stated that this year's budget instructions required HSS to submit administrative budgets for the next two fiscal years, 2012-13 and 2013-14.
- HSS must determine a 5% budget cut for the 2012-13 fiscal year (\$90,000) and a 10% decrease for the 2013-14 fiscal year (\$180,000) against HSS' existing base budget.
- In addition, HSS was requested to determine a 1% FTE cut for each of the next two fiscal years and a 2.5% contingency reduction.
- The two largest decreases to expenditures for fiscal years 2012-13 and 2013-14 are to consulting services and attorney's fees.
- HSS does not plan to submit the 1% FTE cut or 2.5% contingency due to the two open enrollments scheduled for this calendar year. HSS is working with the Mayor's Budget Office to complete the narrative portion of its budget submission, which is due next week.
- The administrative budget memo to the Health Service Board from HSS' CFO may be found on the Health Service System's website at [www.myhss.org](http://www.myhss.org).

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the Health Service System's proposed administrative budget for fiscal years 2012-2013 and 2013-14, as presented.

Motion passed 5-0.

- 03082012-06 Discussion item Strategic Plan Status Update (Catherine Dodd)

Documents provided to Board prior to meeting:  
Memo from Catherine Dodd.

- Dr. Dodd presented an update on the Health Service System's strategic plan originally submitted to the Board and approved in August 2011. She reviewed the key strengths and challenges facing the Health

Service System in 2012 as well as ongoing and new initiatives, and threats to the success of some departmental goals.

- The four strategic goals are:
  - Departmental operational excellence
  - Affordable, quality healthcare
  - Informed, transparent, effective governance
  - Educated and empowered HSS members
- The Health Service System's key strengths include innovative leadership amongst the executive staff and an extremely dedicated staff.
- One key challenge continues to be the increasing cost of healthcare. Other challenges include continued budget cuts and technology issues.
- The "HSS Strategic Plan Mid-Year Status Update" may be viewed on the Health Service System's website at [www.myhss.org](http://www.myhss.org).

Public comments: Herbert Weiner, retired City employee, stressed the importance of incorporating physical activity into the work day by getting away from one's desk. He also stressed the importance of proper ventilation in the work place.

Richard Rothman, retired City employee, commented on the strategic goal of affordable, quality healthcare. He suggested that the Board conduct a brainstorming session to develop innovative approaches to affordable healthcare for HSS members, especially for retirees living outside the Bay Area.

- 03082012-07 Discussion item [Blue Shield Dashboard Update](#) (Aon Hewitt Team)

Documents provided to Board prior to meeting:  
Report prepared by Aon Hewitt.

- Monica Hirning, Aon Hewitt actuary, presented Blue Shield's dashboard update on behalf of Anil Kochhar.
- The dashboard report included the following:
- Utilization and unit cost metrics for inpatient surgical, medical and maternity services;

- Utilization and unit cost metrics for outpatient office visits, laboratory, imaging, urgent care and emergency, and surgical procedures;
- Pharmacy generic utilization; and
- Impact of high cost claimants data provided by Blue Shield as part of the annual utilization review report.
- Aon Hewitt’s report “Q2 2011 Dashboard Summary Report, a Review of Blue Shield Actives Inpatient and Outpatient Trends,” dated March 8, 2012 may be viewed on the Health Service System’s website at [www.myhss.org](http://www.myhss.org).

Public comments: Herbert Weiner, retired City employee, inquired into Blue Shield’s profits and its ability to absorb increased costs.

□ 03082012-08 Discussion item

**Review of Rates and Benefits calendar for 2013 Plan Year** (Committee Chair Breslin)

Documents provided to Board prior to meeting: Rates and Benefits calendar (April – June 2012).

- Commissioner Breslin reviewed the upcoming rates and benefits schedule beginning in April for the 2013 Plan Year.
- President Zvanski asked if sufficient information would be available to determine the new 10-County amount for January 2013 since the Board is looking so far in advance.
- Tracey Loveridge responded that HSS will ask its actuary to create a methodology to accommodate the lag time in obtaining sufficient information from all 10 counties in order to determine the new 10-County amount. HSS will bring a proposed new methodology to the Board for approval.
- Dr. Shlain departed at the end of this agenda item.
- The “Rates and Benefits Committee and Health Service Board Meeting Agendas for 2012” may be viewed on the Health Service System’s website at [www.myhss.org](http://www.myhss.org).

Public comments: None.

□ 03082012-09 Action item

Approval of draft Resolution adopting the City and County of San Francisco Cafeteria Plan document and adoption of the proposed redlined revisions to the HSS Membership Rules, effective July 1, 2012 (Membership Rules Committee Chair Ferrigno)

Staff recommendation: Approve draft resolution adopting Cafeteria Plan and HSS Membership Rules.

Documents provided to Board prior to meeting:

1. Resolution adopting City and County of San Francisco Section 125 Cafeteria Plan;
2. Section 125 Cafeteria Plan document; and
3. Draft redlined HSS Membership Rules.
  - Committee Chair Ferrigno reviewed the two revisions in the revised HSS Membership Rules that were not included in the previous draft, Section G4, page 19 (clarifying allowed changes in benefits election) and Section P.2(a), page 33 (adding 2011 Prop. C language in Charter Section A8.428(c) regarding pensioners' Prop. E 50% subsidy effective January 6, 2012).
  - The Resolution, Section 125 Cafeteria Plan and HSS Membership Rules may be viewed on the Health Service System's website at [www.myhss.org](http://www.myhss.org).

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the draft Resolution, Section 125 Cafeteria Plan and HSS Membership Rules, effective July 1, 2012, as presented.

Motion passed 5-0.

□ 03082012-10 Discussion item

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

- Heather Chianello, United Healthcare representative, introduced Dan Rosenthal, CEO of Northern California. Mr. Rosenthal has been employed by United Healthcare for approximately 10 years and in the industry for nearly 30 years.

Public comments: None.

- 03082012-11 Discussion item Opportunity to place items on future agendas  
Public comments: None.
  
- 03082012-12 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction  
Public comments: Gerry Meister, Chair of UESF Retired Division, announced the retiree Arts and Crafts Fair on March 18 in Golden Gate Park.

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>**

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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.

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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

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- 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).