



City & County of San Francisco

HEALTH SERVICE BOARD

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

Minutes

Regular Meeting

Thursday, September 12, 2013

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 Mark Farrell
Commissioner Sharon Ferrigno, arrived 1:12 p.m.
Commissioner Jean S. Fraser
Commissioner Randy Scott
Commissioner Jordan Shlain, M.D., arrived 1:12 p.m.

The Health Service Board's regular meetings are now being broadcast live on SFGTV, cable channels 26 and 78. The Board meetings are also recorded by SFGovTV for replay. The videotaped meeting link and all meeting materials are posted on the myhss.org website.

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

09122013-01

Action item

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

- Regular meeting of August 8, 2013

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 August 8, 2013.

Motion passed 5-0.

- 09122013-02 Discussion item **President's report** (President Breslin)
Documents provided to Board prior to meeting:
None.
 - President Breslin had nothing to report.Public comments: None.

- 09122013-03 Discussion item **Director's Report** (Lisa Ghotbi)
 - HSS Personnel
 - Finance, Operations, Data Analytics, 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, Data Analytics, Communications, Health Promotion and Wellness, and Employee Assistance Program.
 - Lisa Ghotbi, HSS Acting Director, presented the Director's Report, which may be viewed on the myhss.org website.
 - Ms. Ghotbi introduced Pamela Levin, new Chief Financial Officer, who joined HSS on September 3. Ms. Levin has been a CCSF employee since 2000 with positions in the Controller's Office, the Department of Public Health, and most recently in the Department of Building Inspection.
 - Ms. Ghotbi also reported on the recent passage of transparency legislation SB 746 sponsored by State Senator Mark Leno.
 - President Breslin asked if SB 746 will have a direct impact on HSS.
 - Ms. Ghotbi responded that SB 746 will be very important to all large group employers doing business in the State of California,

noting that three sections of the law have changed. Two sections deal with transparency on premium rate setting based on claims data. The other section deals with the transparency of health plans that do not base pricing on claims data. However, this law does not cover transparency of individual contracts with doctors and hospitals.

- Commissioner Scott asked for a high level report on the census survey on employer-sponsored health plans completed by HSS.
- Marina Coleridge, HSS Data Analytics Manager, responded that two surveys were received, one for actives and the other for retirees. The survey was relatively brief and sought information on demographics, premiums and associated cost shares.
- Commissioners Ferrigno and Shlain arrived during this agenda item.

Public comments: None.

□ 09122013-04 Discussion item [HSS Budget Update for FY 2013-14](#) (Pamela Levin)

Documents provided to Board prior to meeting:
Budget update memo.

- Pamela Levin, new HSS Chief Financial Officer, updated the Board on the general fund budget approved by the Board of Supervisors in July, since the preliminary year-end balances for the Trust Fund and the General Fund Administrative Budget were presented in August.
- Ms. Levin noted that the start date for several HSS positions has been changed to later in the fiscal year to conform with City rules and accurately reflect the time it takes to hire a position.
- HSS also requested approval from the offices of the Controller and Mayor to carry forward approximately \$200,000 from the 2012-2013 budget to the current year to cover professional services, materials and supplies, and capital. The balances will primarily be used to fund HSS tenant improvements and the implementation of the Affordable Care Act.

- The onsite audit conducted by KPMG began on September 9. The results will be presented at the November 14, 2013 meeting.
- Commissioner Lim welcomed Ms. Levin and noted that they previously worked together at the Department of Public Health.
- The detailed financial analysis may be viewed on myhss.org.

Public comments: None.

- 09122013-05 Discussion item Kaiser negotiations update regarding member rates with opportunity for input from members (Lisa Ghotbi)

Documents provided to Board prior to meeting:
Kaiser negotiations update prepared by HSS.

- Lisa Ghotbi presented an update on HSS' negotiations with Kaiser resulting from the Board of Supervisors Resolution approved in July 2013. She stated that input from everyone is welcome in terms of the effectiveness of the updates and soliciting feedback.
- To date, HSS and Kaiser have participated in four high level meetings, which have included discussions regarding structure and goals of the negotiations. These negotiation meetings will take place every two weeks and should be completed by December 31, 2013. A final update will be presented to the Board at the January 9, 2014 meeting.
- It is also anticipated that Kaiser's 2014 contract renewal will be completed and signed by October 1, 2013.
- The goals of the Kaiser negotiations include evaluating the following:
 - Funding structures (self-insured, risk-sharing or flex-funding, fully-insured, risk-adjusted premiums);
 - **Alternatives to ICM (Integrated Care Management) charges;**
 - Options for a profit pledge cap for the fully-insured funding structure;

- Improved Performance Guarantees that ensure all obligations and expectations of HSS;
 - Options for an incentive program targeting opportunities to improve care and control costs;
 - Fee schedule and charge master changes over time and develop contractual assurances to fee schedule stability.
- Commissioner Shlain stated that as a physician, he has spent a lot of time on incentives, noting that often money is not the right incentive. He suggested considering benefit design changes and how doctors are paid.
 - Ms. Ghotbi responded that discussions with Kaiser's clinicians will soon begin regarding performance guarantees, clinical outcomes and incentives.
 - Commissioner Scott stated that he has been participating in the Kaiser meetings, and that the meeting objectives have caused Kaiser to begin thinking ahead to the renewal process. He encouraged members to address the Board with questions and ideas.
 - See the HSS update for details of the meetings with Kaiser, which may be viewed on the myhss.org website.

Public comments: Larry Bradshaw, SEIU 1021 representative, stated that labor welcomes the briefings on the Kaiser meetings since members are focused on and concerned about the rising costs of healthcare, and would like input.

Mr. Bradshaw asked if HSS anticipates requiring Kaiser to report utilization attributable to defects in quality and safety. As a paramedic, he has encountered patients discharged from Kaiser three hours earlier only to return to the emergency room for the same issue.

Mr. Bradshaw also asked if HSS has a bottom line on what is considered a reasonable profit cap or limit on fee increases, including full transparency on how Kaiser sets its rates.

Richard Rothman, retired City worker, asked that all acronyms be spelled out since members may be unfamiliar with them. He also reported that when his wife was hospitalized several times in the spring, it appeared that she received the same care; however, he noticed a difference in the amounts charged. When he questioned the disparity, he was told that the fees were for “hospitalization” and “observation” charges, but he was unable to get clarity on the distinction between the two. He asked that Kaiser provide a written report on the difference between “hospitalization” and “observation.”

Commissioner Fraser responded that “observation hospitalization” is a Medicare issue and is not limited to Kaiser. If Kaiser is asked to provide the information, then all Medicare plans should be required to do so as well.

Ana Guzina, Local 21 representative, thanked the Board for engaging in the conversation of transparency and accountability as it relates to Kaiser.

Claire Zvanski, former Health Service Board member representing Protect Our Benefits, read the following statement to the Health Service Board:

“On behalf of POB and a beneficiary of health care benefits, thank you for providing retirees an opportunity to comment on Kaiser negotiations with HSS regarding member rates. We appreciate your willingness to listen and consider our comments as the Rates and Benefits Committee proceeds with its important work.

“POB believes that the Health Service Board and staff work diligently to ensure the best possible rates in the current environment for the members of the system. Further, we firmly believe it is the mandate and jurisdiction of the Health Service Board solely as authorized by our City Charter to negotiate on rates and benefits for members of the system. San Francisco taxpayers will save more than \$52.6 million over the next two years as a result of innovative, forward thinking and prudent choices by the Health Service Board and staff.

“While the Board of Supervisors resolution was well meaning, POB firmly believes the tact of holding

approval of negotiated rates and benefits hostage was unnecessary and irresponsible. That ill-advised tactic and possible delay caused tremendous anxiety, doubt, and fear among POB members and other retirees reliant on Kaiser doctors and medical care.

“Health care benefits are not a political trading chip. 108,000 lives depend on having timely access to their earned health care benefits—over half, 55,000 of those lives, are enrolled in Kaiser.

“We remain concerned that political forces and special interests will continue to insert themselves into this process. Doing so undermines the structure, duties and responsibilities of HSS and violates the Charter.

“Competition between insurance providers is key to better rates and stronger packages. We support the Rates and Benefits Committee and staff and the Board of Supervisors in their desire for transparency.

“As you negotiate, please bear in mind that POB supports ideas and innovations that improve quality, increase efficiency, and lower the costs of care. Cost containment and affordable premiums are vital to our retirees, coupled with access to quality and consistent health care services.

“We hope you can better harness data to benefit local health policymaking, and work to access, analyze, package, and visualize the vast amount of data that can be tapped to better inform local health policymaking and the beneficiaries of the HSS system. There is a great need for that type of information to help local officials translate health data into actionable information that is helpful, not harmful, to provider negotiations and rate packages. Thank you for your time and consideration of our comments.”

Sally Covington, speaking on behalf of SEIU 1021, asked if Kaiser will be asked to report on preventable utilization by improving quality and safety in the coordination of care and attach performance guarantees related to specific and measurable reductions.

Lisa Ghotbi responded affirmatively to Ms. Covington's question stating that member feedback enables HSS to prioritize issues in terms of importance to members.

□ 09122013-06 Discussion item [Presentation of Blue Shield's Dashboard](#) (Aon Hewitt)

Documents provided to Board prior to meeting: Aon Hewitt report.

- Dr. Paige Sipes-Metzler, Aon Hewitt representative, and Marina Coleridge, HSS Data Analytics Manager, presented Blue Shield's dashboard report, which summarized the emerging costs and utilization trends for HSS' active Blue Shield HMO plan. The report also detailed inpatient and outpatient pharmacy utilization and cost trends for the plan.
- The dashboard highlighted the impact of the ACOs and the resulting cost trends.
- Implementation of flex-funding has provided the opportunity to synchronize data sources for the dashboard with information that is utilized in other areas such as rate setting and risk assessments.
- Blue Shield's dashboard report included:
 - Utilization and cost metrics for inpatient surgical, medical and maternity services;
 - Utilization and unit cost metrics for outpatient office visits, laboratory, radiology, urgent care and emergency, and surgical procedures;
 - Pharmacy generic utilization; and
 - The impact of high cost claimants' data provided by Blue Shield as part of the annual utilization review report.
- The dashboard report and video discussion may be viewed on the myhss.org website.

Public comments: Larry Bradshaw, SEIU 1021 representative, asked if HSS has the ability to determine the types of services that could have been prevented if better, safer care had been provided by Blue Shield.

Lisa Ghotbi responded that the ACO focus of the last year and a half has been on the coordination of care, reducing unnecessary utilization of services and ensuring that communications are set up correctly. HSS is just beginning to discuss quality metrics for the 2014 plan year in terms of goals and will mention Mr. Bradshaw's suggestion as possible a guarantee.

□ 09122013-07 Action item

Presentation of Communications Strategic Plan
(Rosemary Passantino)

Staff Recommendation: Approve Communications Strategic Plan.

Documents provided to Board prior to meeting:
Communications Strategic Plan.

- Rosemary Passantino, Communications Manager, presented the communications strategic plan which includes bringing in Benz Communications to obtain an outside perspective on HSS communications.
- Benz Communications is a San Francisco-based firm specializing in strategic employee benefits communications. Some of its clients include American Greetings, Electronic Arts, Clorox and Pitney Bowes.
- The purpose of retaining Benz Communications is to evaluate HSS' communications with regard to industry trends and best practices, as well as identify areas of opportunity to grow and improve. Benz Communications has determined that HSS has a high quality basic communications program.
- HSS and Benz Communications have identified opportunities in communications and healthcare using new tools to engage HSS members. One area in particular, is launching online enrollment for the 2015 plan year, which will allow members to self-enroll in benefit selections online.
- Providing information in more varied formats such as video and online courses coordinated with plan vendors on common campaigns throughout the year are also possible tools to consider, as well as onsite seminars.

- HSS does not yet have a line item budget for the strategic communications plan, but Ms. Passantino is working with Pamela Levin, HSS CFO, to conduct an RFQ for a pool of qualified vendors.
- Lisa Ghotbi expressed appreciation for Ms. Passantino's work on this project and asked for feedback from the Board on whether HSS is moving in the right direction with this strategy.
- Commissioner Ferrigno commended Ms. Passantino on her efforts and stated an interest in the wellness component.
- Commissioner Scott asked that Board approval is obtained prior to implementation of any ideas.
- Ms. Passantino agreed, stating that her intention is to present all ideas to the Board before execution.
- Supervisor Farrell departed the meeting prior to the vote on this agenda item.
- Commissioner Shlain was absent for the vote and returned after it was taken.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the communications strategic plan as presented.

Motion passed 5-0.

□ 09122013-08 Action item

Vote on whether to cancel October 10, 2013 Health Service Board meeting due to Open Enrollment (Lisa Ghotbi)

Documents provided to Board prior to meeting:
None.

Staff Recommendation: Approve meeting cancellation.

- Lisa Ghotbi asked the Board to continue past practices again this year by cancelling its October 10, 2013 meeting to allow staff to focus on Open Enrollment, which is scheduled October 1 through October 31, 2013.

- Commissioner Scott suggested reserving October 10 to convene a listening forum for members to make general comments and convey ideas regarding the renewal process or issues for the 2015 plan year. This forum would take place at the same time and location of the regular meeting with one or two Health Service Board members in attendance.
- Ms. Ghotbi responded that HSS would support such a meeting as it does not require the same level of preparation as a regular meeting.
- Rosemary Passantino suggested reserving the conference room at HSS during Open Enrollment for members to meet with one or two Health Service Board members to discuss ideas since more members come to the office during that time than any other during the year.
- Commissioner Fraser recommended finding an alternative to a forum or meeting and suggested perhaps creating an online survey to solicit member comments. She expressed concern about one Board member receiving comments not heard by the remainder of the Board.
- Commissioner Lim expressed support for Board members coming to HSS during Open Enrollment to hear member comments and concerns.
- Commissioner Fraser reminded the Board of Brown Act issues arising from Board members gathering outside a meeting setting. Even a committee quorum constitutes an actual meeting and must be noticed as such. She recommended that the Board honor past practices and comply with the Brown Act stating member input can be obtained at another time.
- President Breslin concurred with Commissioner Fraser's comments stating members will have opportunities to address the Board at the November and December meetings, which will include updates on Kaiser and allow member feedback.

Public comments: Richard Rothman, retired City worker, suggested that since there may be member interactions with commissioners between now and the November Health Service Board meeting that any meeting notes are posted online to keep everyone up to date and solicit member feedback. He noted that the problem with Open Enrollment feedback is only members making changes to their benefits come into the office.

Action: Motion was moved and seconded by the Board to approve the cancellation of the Health Service Board's October 10, 2013 meeting due to Open Enrollment.

Motion passed 5-1.

Commissioners Breslin, Lim, Ferrigno, Fraser and Shlain voted in favor of the motion.

Commissioner Scott voted against the motion.

- 09122013-09 Discussion item Report on network and health plan issues (if any)
(Respective plan representatives)
Public comments: None.
- 09122013-10 Discussion item Opportunity to place items on future agendas
Public comments: None.
- 09122013-11 Discussion item Opportunity for the public to comment on any
matters within the Board's jurisdiction
Public comments: None.

Adjourn: 2:44 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

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 soff@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.