



City & County of San Francisco

HEALTH SERVICE BOARD

1145 Market Street ♦ Suite 300 ♦ San Francisco, CA 94103

Minutes

Regular Meeting

Thursday, January 8, 2015

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
 - Vice President Randy Scott, arrived 1:25 pm
 - Commissioner Karen Breslin
 - Supervisor Mark Farrell, excused
 - Commissioner Sharon Ferrigno
 - Commissioner Wilfredo Lim
 - Commissioner Jordan Shlain, M.D.

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

This meeting was called to order at 1:16 pm. by Commissioner Breslin.
- 01082015-01 Action item Approval (with possible modifications) of the minutes of the meeting set forth below:
 - Regular meeting of November 13, 2014

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 November 13, 2014.

Motion passed: 4-0.

- 01082015-02 Discussion item [General public comment on matters within the Board's jurisdiction not appearing on today's agenda](#)

Public comments: Diane Urlich, retired HSS member, asked the Board to consider including coverage for follow-up treatment in connection with the use of an oral appliance prescribed for treating sleep apnea in the next benefits package. Ms. Urlich is a Kaiser member diagnosed with sleep apnea. Because she cannot tolerate the CPAP machine, she uses an oral appliance. While Kaiser paid for the appliance and first year of treatment, it does not cover the cost of follow-up to ensure that the appliance continues to fit properly and no changes in the alignment of the jaw or teeth have occurred. The American Academy of Sleep Medicine recommends an annual check-up in its guidelines for the treatment of sleep apnea with an oral appliance. Her sleep doctor also recommends an annual check-up but it is not covered by insurance. There appears to be confusion whether follow-up services should be covered by medical or dental insurance, with each suggesting that the other is responsible for coverage. Ms. Urlich provided the Board with a copy of the American Academy of Sleep Medicine's guidelines through the Board Secretary (attached to these minutes).

- 01082015-05 Reordered Discussion item [Director's Report](#) (Director Dodd)

- HSS Personnel
- Finance, Operations, Data Analytics, Communications, Wellness/EAP, Vendor Contracts
- Meetings with Key Departments
- Final Open Enrollment report for 2015 plan year and analysis of Health Service Board interventions from 2011-2015 (Mitchell Griggs)
- Other additional updates

Documents provided to Board prior to meeting:

1. Director's report;

2. Reports from Operations, Data Analytics, Communications, Wellness and Employee Assistance Program;
3. Memo to Commissioner Scott regarding APCD vendor selection follow-up.
 - Director Dodd presented her Director's Report for the months of November and December, since the Board did not meet in December. This report may be viewed on myhss.org.
 - Director Dodd reported on her attendance at PBGH's "Choosing Wisely" orientation, which is comprised of several physician specialty organizations providing a consumer education program through Consumer Reports. She would like to invite them to present to the Health Service Board in the next contract year and ask HSS vendors to participate in the "Choosing Wisely" campaign.
 - President Scott arrived during this agenda item.
 - HSS Operations, Data Analytics and Wellness managers were asked to briefly present updates.
 - Mitchell Griggs, HSS Chief Operating Officer, presented a year-end and final Open Enrollment report. See Operations Update in the Director's Report.
 - Blue Shield gained in family coverage for the first time in approximately three years as a result of HSS' efforts to stabilize enrollment.
 - Mr. Griggs also noted that the entire project list from Open Enrollment was also included in his written update totaling approximately 165 separate items, for the Board's information.
 - Commissioner Breslin congratulated Mr. Griggs on doing a great job.
 - President Scott also congratulated Mr. Griggs on a successful Open Enrollment and his selection as Chief Operating Officer. He also commended Mr. Griggs on his hard work.

- President Scott acknowledged eMerge's accommodation during Open Enrollment allowing HSS staff partial access to PeopleSoft during payroll processing. He requested that another letter to eMerge be drafted noting the adjustments but also the impact on the process. He asked Mr. Griggs to keep this on his to do list.
- Marina Coleridge, Data Analytics Manager, presented an update on the contract entered into with Truven Health Analytics for an All Payer Claims Database ("APCD"), in response to President Scott's request for additional information on the evaluation process, panelists, and vendor qualifications. The memo may be viewed on the myhss.org website.
- Stephanie Fisher, HSS Wellness Manager, presented the early and final results of the Well-being Assessment participation, noting the following participation: 3% in the Unified School District, 3% in City College, 7% in the courts and 22% in the City and County of San Francisco.
- Ms. Fisher also presented the final statistics on the flu shot clinics (a total of 19 clinics and 3,174 shots). She stated that she was working on a detailed 2014 report that will be presented to the Board at a later date.
- Director Dodd stated that because of a substantial change in Blue Shield's network relationship with Sutter Hospital, she asked Blue Shield to send high level representatives to this meeting to address the Board and answer questions regarding Blue Shield's terminated contract with Sutter Health, which expired at midnight December 31, 2014. She expressed confidence that Blue Shield was doing everything possible to communicate with HSS members that there would be no gap in coverage.
- President Scott stated that when Blue Shield's representatives arrived, he would reorder the agenda to allow them to immediately address the Board.

- President Scott claimed privilege of the chair to go backwards on the agenda to the President's Report (item 3).

Public comments: None.

- 01082015-03 Reordered Discussion item [President's Report](#) (Commissioner Scott)

Documents provided to Board prior to meeting: None.

- President Scott reported that he invited Jean Fraser, former Health Service Board President, to attend this meeting but she was unable due to her schedule. She had indicated at the November meeting that she wanted to make parting comments to the Board at the December meeting but it was cancelled.
- President Scott commended Jean Fraser's service on the Health Service Board, and noted that she was thorough, diligent, candid and exceedingly probing in her questions, observations and concerns regarding the matters under the Board's jurisdiction. He expressed gratitude and wished her well in all future endeavors.
- Director Dodd stated that she has known Ms. Fraser since the beginning of the San Francisco Health Plan, where Ms. Fraser adeptly brought the best Medi-Cal managed care plan in the State of California.
- Dr. Shlain noted that Ms. Fraser was an incredibly thoughtful and experienced commissioner with great expertise. He expressed gratitude her for contributions.
- Commissioner Lim echoed the previous comments stating that Ms. Fraser's insights and thorough knowledge, especially during rates and benefits, provided good questions. He thanked Ms. Fraser for her service on the Board.
- Commissioner Breslin agreed with all of the prior comments.
- Commissioner Ferrigno also thanked Ms. Fraser for her service on the Board and stated that she will be missed.

Public comments: Claire Zvanski, former Health Service Board member, stated that Ms. Fraser served previously on the Health Service Board as a representative from the City Attorney's office, which was also a commissioner seat at that time. Ms. Fraser left the City Attorney position to run the San Francisco Health Plan and has since expanded her knowledge and expertise through her unique work experience. Ms. Zvanski also expressed appreciation for Ms. Fraser's service on the Board and wished her well in her future endeavors.

- 01082015-17 Reordered Discussion item Report on network and health plan issues (if any) (Respective plan representatives)
 - President Scott invited Blue Shield's representatives to address the Board regarding its failed negotiations with Sutter Health resulting in the termination of its contract with Sutter, effective January 1, 2015.
 - President Scott asked Director Dodd to first identify the impact of the contract termination on HSS members currently participating in Blue Shield' plan.
 - Director Dodd stated that the number of Blue Shield members are as follows:
 - 11,000 – San Francisco
 - 5,000 – San Mateo
 - 2,200 – Alameda
 - 2,000 – Contra Costa
 - Director Dodd also reported that Brown and Toland Medical Group is not affected by the contract expiration because it is not affiliated with Sutter. Therefore, members in that medical group will be able to retain their doctor.
 - The Alta Bates Medical Group in the East Bay is a subsidiary of Brown and Toland. Therefore, members in that medical group will also be able to retain their doctor.
 - Alameda County is the most bare hospital network.

- Tom Epstein, Blue Shield Vice President of Public Affairs, was also joined by Paul Brown, Blue Shield's account manager for HSS.
- A handout entitled "Sutter Health Analysis" was distributed, which may be viewed on the myhss.org website. A Blue Shield of California and Sutter Health Termination Fact Sheet dated January 5, 2015 detailing the affected medical groups and hospitals as well as the transition plan for members was also made available.
- Mr. Epstein stated that Blue Shield had negotiated in good faith with Sutter Health for many months and he sincerely regretted the uncertainty the situation with Sutter Health had caused. He stated that Blue Shield's negotiations with Sutter will continue.
- Mr. Epstein reported that the reason Blue Shield did not come to an agreement with Sutter was twofold.
- First, Blue Shield was attempting to keep care affordable for its members and avoid paying excessive costs for medical care.
- Secondly, Blue Shield did not want to deny access to court for any of its customers, including CCSF. There is currently a pending class action lawsuit against Sutter filed by UEFT Trust, which is affiliated with UFCW challenging the practices of Sutter Health regarding its lack of transparency. UEFT won the first round in court and Sutter is appealing.
- Sutter approached Blue Shield with a new contract provision requiring all lawsuits by its customers to be arbitrated and not permitted to go to open court. Blue Shield deemed such requirement as unacceptable.
- Mr. Epstein noted that Sutter facilities are as much as 30% higher than other Northern California hospitals. In the last four years Sutter's physician expense has risen three times the rate as other physicians statewide resulting in substantial double-digit profit margins for Sutter.

- Paul Brown, Blue Shield Area Vice President for Premier Accounts, reported on the potential impact of its terminated contract with Sutter Health on HSS members.
- Blue Shield's contract termination with Sutter Health was effective at midnight on December 31, 2014. A transitional period has now begun which allows Blue Shield members to continue to seek care from Sutter facilities and Sutter primary care physicians until April 1, 2015.
- The California Department of Managed Health Care requires that Blue Shield give its members a 60-day notice of the need to change primary care physicians. Blue Shield's intent was to send the member letters on January 15 or 16, 2015.
- Should Blue Shield be unable to reach an agreement with Sutter, the effective date for members required to change primary care physicians will be April 1, 2015.
- There were also approximately 25,000 members with non-Sutter primary care physicians who admit to a Sutter facility, such as Brown and Toland. Those members would receive a letter notifying them that they may keep their primary care physician, however, the Sutter facilities would no longer be a part of the Blue Shield network.
- Mr. Brown stated that a precedent had been set because CPMC was not in Blue Shield's Covered California market and Brown and Toland referred to other non-Sutter hospitals in San Francisco, St. Francis, St. Mary's and UCSF.
- There is far less competition in the Berkeley, Oakland area as Sutter is very dominant. Alta Bates Medical Group is affiliated with Brown and Toland, not Sutter, however.
- Commissioner Ferrigno inquired about Sutter hospitals in Marin County, and Mr. Brown referred her to the termination fact sheet.
- Mr. Brown stated that Blue Shield intended to provide information on members affected by the Sutter termination by county, as well as

those affected by a primary care physician change or a potential hospital redirect. He added that the California Department of Managed Health Care approved the network transition plan.

Public comments: Claire Zvanski, President of Retired Employees of the City and County of San Francisco (“RECCSF”) and Vice President of SEIU 1021 West Bay Retirees, reported that the phones had been ringing off the hook regarding the impact of Sutter’s termination. She stated that Sutter’s termination was very distressing and she wanted to invite a Blue Shield representative to attend a meeting the following week to address the membership because they were very concerned. There are many retirees who are Blue Shield members. She also stated that having to change physicians is very traumatic and many members are urging Blue Shield to do whatever it can to settle with Sutter so that they may maintain continuity of care, which is significant. Retirees were in a panic.

Dennis Kruger, active and retired firefighters’ representative, stated that some of the alternative hospitals identified to pick up members if Blue Shield and Sutter could not reach an agreement were also for sale. He asked if those hospitals would be eliminated as alternative choices for members if they were sold.

Mr. Kruger also asked about hospitals in the San Mateo area that were for sale and whether Blue Shield had taken into consideration if they would still be considered alternatives after being sold.

Paul Brown, Blue Shield representative, stated that Blue Shield did not anticipate any change in the rest of its network configuration as a result of the sale of Daughters of Charity to Prime, should it happen. Blue Shield will continue to negotiate with all of its providers.

Mr. Brown added that he would welcome the opportunity to present to any constituency within the retiree organizations or any of the unions.

□ 01082015-04 Action item

Election of Health Service Board President

(Commissioner Scott)

Documents provided to Board prior to meeting:
None.

- Vice President Scott vacated the chair in favor of Commissioner Breslin who took nominations for President of the Health Service Board.

Public comments: None.

Action: Motion was moved and seconded by the Board to nominate Vice President Randy Scott as President of the Health Service Board.

Motion passed 5-0.

- After the vote, President Scott stated that he wanted to ask the former Vice President of the Board to be the Vice President yet again at the next meeting. He also noted that he wanted to be available both formally and informally to the commissioners on the Health Service Board as they do their work. He stated his intention to find a way to be a part of the meetings or gatherings of other constituencies and memberships of the System. He reiterated his statement at the beginning of his tenure to find other opportunities to meet than the regular Board meeting.

□ 01082015-06 Discussion item

HSS Financial Reporting as of November 30, 2014

(Pamela Levin)

Documents provided to Board prior to meeting:

1. Financial update memos (Nov. 30 and Oct. 31, 2014 for reference);
 2. Report for the General Administrative Fund;
 3. Report for the Trust Fund;
 4. Finance and Contracting activities update.
- Pamela Levin, HSS Chief Financial Officer, provided a brief summary of revenues and expenses of the HSS Trust Fund and General Fund Administrative budget through November 30, 2014. See financial update memorandum, dated January 8, 2015.

- Ms. Levin also reported on the finance and contracting activities. See update.
- Commissioner Breslin asked how the All Payer Claims Database (“APCD”) connects with the present dashboard.
- Ms. Levin asked Marina Coleridge, HSS Data Analytics Manager, to respond to the question.
- President Scott asked since there is a wide audience who does not always know what is being discussed, that acronyms not be used.
- Ms. Coleridge stated that the dashboard reporting will be migrated over to the APCD, which will allow a holistic view across all of the health plans. Not only will utilization and cost metrics be available but other quality indicators as well such as gaps in care and other benchmarks that have traditionally not been accessible.

Public comments: None.

- 01082015-07 Discussion item [Health Service System FY 2015-16 and FY 2016-17 Budget Instructions](#) (Pamela Levin)

Documents provided to Board prior to meeting:
Budget memorandum.

- Ms. Levin reported that the budget process was beginning for FY 2015-16 and FY 2016-17. She prepared a memorandum on the Mayor’s instructions for the General Fund, the next steps and the budget schedule, which may be viewed on the myhss.org website.
- Ms. Levin noted that new reporting on the Healthcare Sustainability Fund (or the “\$2.05 Budget”) will be presented to the Board, which has not been done in the past.
- Ms. Levin stated that because the General Fund Budget and the \$2.05 Budget are tied together, she wanted to discuss them at the same time. For instance, Wellness ties together with expenses paid for in the General Fund and out of the Trust Fund (\$2.05 Budget). The same situation exists with data analytics and the communications budget.

- The \$2.05 Budget will be developed in a fiscal year rather than a plan year. It is very difficult to make reconciliations or comparisons or for the Board to make policy decisions if the General Fund Budget and the \$2.05 Budget are not tied together.
- Additional details on the \$2.05 Budget will be presented in February.
- Ms. Levin noted that the Mayor's budget instructions apply only to the General Fund Administration Budget. In December, the projected General Fund deficit was \$15.9M in 2015-16 and \$88.3M in 2016-17 based on current operations, staffing levels and estimated revenues.
- Due to stronger year-over-year local tax revenue growth, low unemployment rate and the negotiation of affordable and fair three-year contracts, the deficit was reduced.
- As a result of the reduced General Fund deficit, HSS does not have to implement the contingency plan discussed in August.
- The two-year budget instructions are as follows:
 - In 2015-16, HSS will need to stay within the budget approved by the Board of Supervisors with partial year positions annualized to the full year.
 - In 2016-2-17, HSS will need to propose ongoing reductions equal to 1% or \$31,531.
 - HSS staff will present a Proposed Departmental Budget to the Board in February.
- Commissioner Breslin asked if the \$2.05 is in the regular monthly financial report.
- Ms. Levin confirmed that the \$2.05 is in the monthly financial reports but is difficult to locate and that she will work on a better depiction of the expenditures.
- Commissioner Breslin requested that the \$2.05 be presented as a separate item on an ongoing basis.

- President Scott concurred stating that it would be useful to review the status of the \$2.05 items going forward.
- Commissioner Ferrigno departed the meeting during this agenda item.

Public comments: None.

□ Meeting Break

Recess from 2:50 to 3:00 pm.

□ Reordering of Agenda Items

President Scott announced that due to the imminent departure of one of the Commissioners, and the loss of a quorum, he was exercising the prerogative of the chair to reorder agenda and called for action items.

□ 01082015-12 Reordered Action item

Approval of Resolution ordering the 2015 Health Service Board election for one expiring term and authorizing staff to initiate and proceed with the election (Director Dodd)

Staff recommendation: Adopt resolution to proceed with 2015 Health Service Board election.

Documents provided to Board prior to meeting: 2015 Resolution and accompanying election materials.

- Director Dodd read the “Resolved” of the Resolution to hold an election to fill an expiring elected seat on the Health Service Board effective May 15, 2015.

Public comments: None.

Action: Motion was moved and seconded by the Board to adopt the Resolution to proceed with the 2015 Health Service Board election.

Motion passed 4-0.

□ 01082015-15 Reordered Action Item

Notification and approval of Kaiser’s Investigational Review Board (“IRB”) regarding diabetic education (Director Dodd)

Documents provided to Board prior to meeting: Wellness Research Study: A Partnership with Kaiser Permanente.

- Director Dodd reported that HSS has been working with Kaiser for nearly a year on identifying potential research projects. She asked Stephanie Fisher, HSS Wellness Manager to provide additional information.

- Ms. Fisher reported that Appendix D in Kaiser Permanente’s contract contain additional commitments to HSS on transparency, accountability and wellness.
- Kaiser will collaborate with HSS in a Kaiser-funded research study evaluating the effectiveness of wellness for members.
- Approximately 6.5% of HSS members with Kaiser insurance have diabetes.
- Diabetes is the number three cost driver in therapeutic drugs for Blue Shield members.
- HSS and Kaiser are looking at preventing diabetes through a wellness study and building on a diabetes prevention program originally partnered between NIH and CDC.
- The diabetes prevention program goals for the HSS study are
 - 7% reduction in weight, and
 - At least 150 minutes of physical activity each week.
- The HSS study goals also include evaluating the impact of a worksite-based program, engagement and outcomes.
- The research questions are:
 - Which of the two diabetes prevention-based lifestyle preventions (one worksite-based and one non-worksite) results in greater weight loss, attainment of physical activity and patient engagement?
 - What differences are observed based on work setting?
- HSS is seeking approval of the Board to move forward with the diabetes research project as well as approval through the Kaiser Permanente Northern California Institutional Review Board (“IRB”), which provides ethical protections for members.

Public comments: Claire Zvanski, RECCSF President, expressed support for the study, stating that there are several departments with employees who have very high rates of pre-diabetes and diabetes. She stated that part of the problem is getting the

departments to cooperate and encourage hourly activity breaks of three to five minutes. She stated that her colleagues had terrible side effects from the diabetes drug Metformin and hoped that an effective drug with less side effects can be found. The retirees support this study for the workforce and would like to be included in future studies.

Action: Motion was moved and seconded by the Board to approve the diabetic research study through Kaiser's Investigational Review Board.

Motion passed 4-0.

- 01082015-16 Action Item
Reordered

Presentation of HSS Strategic Plan (Director Dodd)

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

- Director Dodd reported that the HSS Strategic Plan will include additional detail related to the new wellness and data analytics sections as discussed at the Governance Committee meeting the previous day. She noted that much of the plan has budget dependencies related to the funding of technology.
- Goal 1 – HSS Operational Excellence: Ongoing initiatives are continuing. New initiatives are highlighted in the document. HSS hopes to be able to automate benefits administration in PeopleSoft 9.2; however, it has been postponed. It might not happen until the second year.
- Goal 2 – Affordable, Quality Healthcare: Ongoing initiatives are continuing. New initiatives would be to identify ways to mitigate the City's exposure to the excise tax, to implement the All Payer Claims Database, and enhance opportunities to participate in research projects, which will improve the wellbeing of HSS members.
- Goal 3 – Informed, Transparent and Effective Governance: Ongoing initiatives are continuing. New initiatives include considering implementing digital distribution of Health Service Board materials, and funding for a commissioner to attend one conference per year, as well as ensure that the IFEBP courses and updates are available to Board members.

- Goal 4 – Educated and Empowered HSS Members: Ongoing initiatives are continuing. New initiatives include upgrading the HSS website and increasing digital communication with members as well as continuing to engage departments at a greater level and a culture of wellness.
- Also outlined in each category are the threats to success and opportunities.
- President Scott stated that Director Dodd will quantify the milestones for 2015-2016 and 2016-2017 for the Board, which was discussed the previous day at the Board’s Governance Committee meeting.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve HSS’ 2015-2017 Strategic Plan.

Motion passed 4-0.

- 01082015-10 Reordered Action item

Approve revised self-funded plans’ Stabilization Policy (Aon Hewitt)

Documents provided to Board prior to meeting:
Revised self-funded plans’ Stabilization Policy.

- Shuaiqing Liu, Aon Hewitt actuarial analyst, reported that the self-funded dental PPO plan was added to the existing policy. Aon Hewitt recommended the Board’s approval of the addition.
- In response to Commissioner Lim’s question regarding the change in the policy, Anil Kochhar responded that the excess premium amounts will be amortized over three years. The current policy is year-to-year.

Public comments: None.

Action: Motion was moved and seconded by the Board to adopt the Stabilization Policy changes to include the self-funded dental PPO.

Motion passed 4-0.

- 01082015-11 Reordered Action item

Reconciliation of the Early Retiree Reinsurance Program (“ERRP”) funds (Pamela Levin)

Documents provided to Board prior to meeting:
Report prepared by HSS, "Reconciliation of the Early Retiree Reinsurance Program Funds."

- Pamela Levin reported that as part of the Affordable Care Act, the Early Retiree Reinsurance Program ("ERRP") provided financial assistance to employer-based health plans that made coverage available to early retirees, their spouses, surviving spouses and dependents. The program has ended and it required that all funds be expended by January 1, 2015.
- Ms. Levin presented the final reconciliation and asked for Board approval in accordance with the process of preparing for an audit.
- Commissioner Lim asked if additional ERRP reporting was required or just subject to an audit.
- Ms. Levin stated that the reconciliation was being done subject to audit.
- Dr. Shlain departed the meeting after the Board vote.

Public comments: None.

Action: Motion was moved and seconded to approve the reconciliation of the Early Retiree Reinsurance Program.

Motion passed 4-0.

- 01082015-08 Discussion item [Health Service Board education budget](#) (Commissioner Scott)

Documents provided to Board prior to meeting:
None.

- President Scott referenced Pamela Levin's previous report on synchronizing the \$2.05 budget with the general budget process. He suggested that any discussions regarding Board member education or the Cortex contract be incorporated into the \$2.05 discussions. He requested that a Finance Committee meeting be convened to discuss these matters and work on a recommendation to share with the City Attorney's Office.

- Commissioner Breslin expressed agreement in discussing funding for Board members' education, and stated that when she first came on the Board, education was available to members through annual conferences. However, the opportunity has not been available in recent years. She also expressed interest in funds for retaining the consulting firm.
- President Scott requested that Director Dodd and Ms. Levin determine a date for the Finance Committee to convene.

Public comments: None.

- 01082015-09 Discussion item [Presentation of Rates and Benefits calendar for Plan Year 2015](#) (Director Dodd)

Documents provided to Board prior to meeting:
Rates and Benefits meeting schedule.

- Director Dodd presented the Rates and Benefits calendar, stating that the only potential additions would be contracts with the vision and dental vendors.
- HSS is looking at conducting RFPs for vision and dental, however, it is unclear when the process would take place.
- President Scott reminded everyone that rates and benefits is conducted as a committee of the whole. He noted that sometimes members (particularly the Chair of the Rates and Benefits Committee) are required to participate with staff in discussions with actuaries, vendors, health plan partners and their representatives. He anticipated accomplishing similar results as last year in working with the health plans, including the RFPs that are planned.

Public comments: None.

- 01082015-13 Discussion item [2014 Health Care Survey follow-up](#) (Aon Hewitt)

Documents provided to Board prior to meeting:
Report prepared by Aon Hewitt, "Follow Up from September 2014."

- Barbara Weaver Lloyd, Aon Hewitt Senior Vice President, followed up on the Board's questions regarding the survey data presented in September 2014. She noted that she was unable to compile the relevant data comparing year-over-year to review trend on certain materials that had been presented.
- Ms. Weaver Lloyd presented the concept of value based insurance design, which can be a strategy to minimize or eliminate out-of-pocket costs for high-value services in defined patient populations.
- Commissioner Lim thanked Ms. Weaver Lloyd for her presentation and stated that additional value based design research is needed to prepare for the 2018 excise tax.
- Ms. Weaver Lloyd agreed and stated that she wanted to make sure the audience understood the terminology being used.
- See Aon Hewitt's report.

Public comments: None.

- 01082015-14 Discussion item [Report on 2018 Excise Tax](#) (Aon Hewitt)

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

- Tom Ricks, Aon Hewitt actuary, reported on the Excise Tax to be imposed on employer health care benefits, effective 2018 (also known as the "Cadillac Tax").
- The Excise Tax is one of the last big items from the Affordable Care Act that has yet to be implemented.
- Effective 2018, a 40% Excise Tax will be imposed on employer healthcare benefits if premiums are above preset thresholds. This tax will be charged to the insurer but passed on to the employers for their participants.

- Premiums include employer contributions and employee pre-tax contributions under cafeteria plans.
- At this time, regulations have not been promulgated on the actual implementation of the tax. Further guidance has not been received.
- See Aon Hewitt's report at myhss.org.

Public comments: Dennis Kruger, active and retired firefighters' representative, stated that he hoped Aon Hewitt had more tools than just recommending reducing benefits and increasing copays. If not, people need to get together in this country and do something to stop this tax from going forward.

□ 01082015-17 Discussion item **Report on network and health plan issues (if any)**
(Respective plan representatives)

- Kate Kessler, Kaiser Permanente Area Vice President for Strategic Accounts, alerted the Board to a strike notice received from the National Union of Healthcare Workers scheduled to take place from January 12-19, 2015. This union represents approximately 2,600 of Kaiser's mental health clinicians. Kaiser Permanente also anticipates that 700 of its optical center workers will also strike in support. Kaiser has a contingency plan in place and all medical facilities will remain open.
- Commissioner Breslin reported that she is still working with UHC regarding urgent care facilities. She said that there are a few matters not quite resolved but they are getting close.
- Jackie Cienfuegos, UHC representative addressed the Board on behalf of Heather Chianello and Jennifer Magoon regarding Commissioner Breslin's concerns expressed at previous meetings. She reported that UHC is working with Director Dodd on a postcard intended to be sent to UHC members on urgent care locations. She also noted that there will be changes to remove the prompts in its telephone system to allow members to simply say, "Representative" in order to speak with a live person. She reported that the 24-hour nurse line will be able to refer members

to an urgent care center near the members' home or workplace.

Public comments:

- 01082015-18 Discussion item Opportunity to place items on future agendas
Public comments: None.
- 01082015-19 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction
Public comments: None.
- 01082015-20 Action Item Vote on whether to hold closed session for employee evaluation (President Scott)
Staff recommendation: Hold closed session.
Public comment on all matters pertaining to the closed session.
Action: Continued to February 12, 2015.

Closed Session Pursuant to Government Code Section 54957(b)(1) and San Francisco Administrative Code Section 67.10(B): Public Employee Performance Evaluation

- 01082015-21 Action Item Public Employee Performance Evaluation (Governance Committee Chair Breslin)
 - Position: Executive Director
 - Name of Employee: Catherine DoddDocuments provided to Board prior to meeting: Results of Board survey conducted by Cortex Applied Research Inc.
Action: Continued to February 12, 2015.
- 01082015-22 Action Item Review and revise compensation of the Director within the ranges of the classification set for that position (Governance Committee Chair Breslin)
Documents provided to Board prior to meeting: Classification ranges for position of Director.
Action: Continued to February 12, 2015.

Reconvene in Open Session

- 01082015-23 Action item Possible report on action taken in closed session (Government Code Section 54957.1(a)(5) and San Francisco Administrative Code Section 67.12 (Commissioner Scott)
Public Comments:
Action: Continued to February 12, 2015
- 01082015-24 Action item Vote to elect whether to disclose any or all discussion held in Closed Session (San Francisco Administrative Code Section 67.12) (Commissioner Scott)
Public Comments:
Action: Continued to February 12, 2015.
- Adjourn: 4:25 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 at the designated time at the end of the meeting.

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

Disability Access

Regular Health Service Board meetings are held at City Hall, 1 Dr. Carlton B. Goodlett Place, in Hearing Room 416 at 1:00 PM on the second Thursday of each month. 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 Health Service Board Secretary, Laini K. Scott, at (415) 554-1722 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 of San Francisco 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, visit the Sunshine Ordinance Task Force website at <http://www.sfgov.org/sunshine>.

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.

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 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.

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) 554-1722 or email at laini.scott@sfgov.org.