

James M. Illig
President

Sonia E. Melara, MSW
Vice President

Edward A. Chow, M.D.
Commissioner

Margine A. Sako
Commissioner

David J. Sanchez, Jr., Ph.D.
Commissioner

Steven Tierney, Ed.D.
Commissioner

Catherine M. Waters, R.N., Ph.D.
Commissioner

HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Gavin C. Newsom, Mayor

Department of Public Health



Mitchell H. Katz, M.D.
Director of Health

Michele M. Seaton
Executive Secretary

TEL (415) 554-2666
FAX (415) 554-2665

Web Site: <http://www.sfdph.org>

MINUTES

HEALTH COMMISSION FINANCE COMMITTEE

Tuesday, June 3, 2008

2:00 p.m.

**Laguna Honda Hospital, 3rd Floor Library
375 Laguna Honda Boulevard
San Francisco, CA 94116**

1) CALL TO ORDER

Commissioner Tierney called the meeting to order at 2:05 p.m.

Present: Commissioner Steven Tierney, Ed.D., Chair
Commissioner Edward A. Chow, M.D., Member
Commissioner Sonia Melara, MSW, Member
Commissioner James M. Illig

Attendees: Dave Counter, Information Systems, Gregg Sass, Chief Financial Officer,
Barbara Garcia, Community Programs, Michelle Ruggels, Community
Programs, Jacquie Hale, Contracts Office, Anne Okubo, DPH Finance.

2) APPROVAL OF THE MAY 6, 2008 FINANCE COMMITTEE MINUTES

Action Taken: The Committee approved the minutes of the May 6, 2008 Finance
Committee.

3) **CONTRACT UPDATE AND APPROVAL**

3a) PHP-Community Programs – Request for approval of a new software license and maintenance agreement with Netsmart New York, Inc., in the amount of \$9,968,000, which includes a 12% contingency in the amount of \$1,068,000, to provide a new billing and integrated clinical system for the Community Behavioral Health section of the Department of Public Health, for the term of July 1, 2008 through June 30, 2013 (5 yrs.).

Dave Counter, Director of Information Services, presented the Netsmart software license and maintenance agreement.

Follow-Up Actions

- The Finance Committee will review the Health Department's IT Plan at a future meeting.

Action Taken: The Committee approved the new software license and maintenance agreement with Netsmart New York, Inc.

3b) Approval of May 2008 Health Commission Contracts Report

Jacquie Hale, Contracts Manager, presented the May 2008 Contracts Report. The Committee discussed whether there should be additional information on the report regarding monitoring scores. The committee agreed that the contractors on the list are getting good monitoring scores, so there is no need to indicate scores on the monthly report. If a contractor is performing poorly, this contractor will be brought forward to the Commission separately.

Action Taken: The Committee approved May 2008 Contracts Report.

4) **UPDATE ON THE MAYOR'S PROPOSED BUDGET**

Gregg Sass, Chief Financial Officer, presented an update on the Mayor's Budget, detailing how the Mayor's budget differs from what was submitted by the Health Commission and Health Department.

Public Comment

Hosea Thomas, M.D., Chief of Medical Staff, expressed concern about additional budget reductions to Laguna Honda. The medical staff understands the budget needs as well the census reductions, and supported the reduction of 7 FTEs. Then they heard that an addition 3 FTEs would be cut, and this is causing major concerns. He submitted a packet of letters from physicians.

Monica Banchemo, M.D., Vice Chief of Medical Staff, spoke against the budget cut of three physician positions.

Maria Rivero, M.D., said the proposed budget cuts are going to double the workload of physicians at Laguna Honda Hospital and prevent them from providing adequate care.

Derek Kerr, M.D., said the hospice chaplain received a layoff notice. He urged the Commission to restore spiritual care services to hospice patients.

Alexandra Kutik said that the contractors, who provide the majority of service, are not receiving cost of doing business and are being starved.

Comments/Follow Up Action

- Commissioner Chow referred the subject of the three FTE physicians to the Laguna Honda Hospital Joint Conference Committee for study, and the JCC to inform the Commission about the implications of this additional cut.

5) **LETTER TO MAYOR AND BOARD OF SUPERVISORS REGARDING THE HEALTH DEPARTMENT BUDGET**

The Committee discussed a draft of the letter that was to be sent to the Mayor and the Board of Supervisors regarding the proposed budget. The idea of the letter was to ask the Mayor's Office to find a better, more humane way to develop the budget.

Follow Up Actions

- The letter will include the Commission's restoration priorities.
- The letter will be sent to all supervisors and the Mayor.
- The letter will incorporate the new planning process that the Commission is embarking upon, and how this will complement the budget planning process.

Action Taken: The Committee authorized the Health Commission President to send a letter to the Mayor and Board of Supervisors regarding the FY 2008-2009 budget.

6) **DISCUSSION OF BUDGET PROCESS FOR FY 2008- 2009 BUDGET**

Mitchell H. Katz, M.D., said this year the budget process was a lot longer than previous years and included much more data, but was still ultimately unsatisfactory. He and his staff would like to develop with the Commission a budget process that will lead to a more satisfactory outcome and work creatively with the Commission to truly change the process. This is particularly important in light of the fact that the budget will likely not be any better next year and departments will face additional cuts.

Commissioner Tierney suggested convening key folks in the community, provider network and Department early in the process to discuss how we would do things differently, how we would achieve budget cuts. Ms. Garcia told the Commission she is doing just that on the Community Programs side, and this process will convene sometime in July, after the current budget process is complete.

Commissioner Illig suggested reinforcing three things: Health Commission budget principles; a full discussion of underlying values of the principles as well as options that were considered and discarded; and to look at the budget in tiers so that the Commission and Department are never surprised by last minute requests from the Mayor's Office.

Commissioner Melara wants input from Dr. Katz because he and his staff have the expertise and knowledge to guide the Commission in the process. In addition she would like to see, to the extent possible, the logic for each of the cuts and the backup plans for trying to mitigate cuts.

Commissioner Chow said the Commission needs principles and targets around which to hold discussions. The Department could potentially look at doing a zero-based budgeting process where we build the budget rather than cut from the existing budget.

Two items of consensus

1. Prepare the budget differently next year, in a more humane manner.
2. Dedicate the majority of the agenda at the next meeting to looking at the principles upon which the budget is built.

7) **APPROVAL OF ENVIRONMENTAL HEALTH FEES FOR APARTMENT INSPECTIONS**

Gregg Sass, Chief Financial Officer, presented an ordinance that amends the San Francisco Health Code to establish the "Vector Control and Healthy Housing Inspection Program Fee." This fee applies to apartments and hotels. Fee proceeds will be used to defray the program and other costs of the vector control, lead hazards, asbestos hazards, and other inspections for health violations and the regulation of these buildings by the Department of Public Health.

Action Taken: The Committee approved the Vector Control and Healthy Housing Inspection Program Fee.

8) **EMERGING ISSUES**

Commissioner Illig asked Dr. Katz to give a status report at the Health Commission meeting on the Hospital Council's donation to the Urgent Care Center.

9) **PUBLIC COMMENT**

None.

10) **ADJOURNMENT**

The meeting was adjourned at 3:55 p.m.

Michele M. Seaton
Health Commission Executive Secretary