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**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

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## MINUTES

### HEALTH COMMISSION FINANCE COMMITTEE

**Tuesday, September 9, 2008**

**2:00 p.m.**

**101 Grove Street, Room 302**

**San Francisco, CA 94102**

#### 1) CALL TO ORDER

Commissioner Tierney called the meeting to order at 2:00 p.m.

Present: Commissioner Steven Tierney, Ed.D.  
Commissioner Edward Chow, M.D.  
Commissioner James Illig  
Commissioner Margine Sako (arrived at 3:00 p.m.)

Absent: Commissioner Sonia Melara, MSW (excused)

Staff: Anne Kronenberg, Marc Trotz, Rebekah Varela, Alicia Neumann, Bob Cabaj, M.D., Jacquie Hale, Anne Okubo, Michelle Ruggels, Jack Rabin, Edwin Batonbacal, Michelle Long, Scott Nakamura, John Grimes, Marshia Herring and Duane Einhorn.

#### 2) APPROVAL OF THE AUGUST 5, 2008 FINANCE COMMITTEE MINUTES

Action Taken: The Committee approved the minutes of the August 5, 2008 Finance Committee.

3) **APPROVAL OF THE AUGUST 26, 2008 SPECIAL FINANCE COMMITTEE MINUTES**

Action Taken: The Committee approved the minutes of the August 26, 2008 Finance Committee.

4) **CONTRACT UPDATE AND APPROVAL**

4.1) Approval of the September 2008 Health Commission Contracts Report

Action Taken: The Committee approved the September 2008 Contracts Report.

4.2) **BHS-Mental Health** – Request for approval of a retroactive new contract with Andrew J. Wong, Inc., in the amount of \$110,000 per year for a total contract amount of \$492,800, which includes a 12% contingency, to provide web-based database development, maintenance and technical support for Children’s Mental Health Services, for the period of July 1, 2008 through June 30, 2012. (4 years)

Action Taken: The Committee approved the contract with Andrew J. Wong.

4.3) **PHP-Central Admin.** – Request for approval of a new contract with The Lewin Group, in the amount of \$300,000, plus a 12% contingency in the amount of \$36,000 for a total contract amount of \$336,000, to provide as-needed consulting services to review Institutional Master Plans submitted by hospitals for review, for the term of September 1, 2008 through August 31, 2012. (4 years)

Follow-Up/Next Steps

- Commissioner Illig said the Commission is expecting to review the reports prior to them being heard at the Planning Commission.

Action Taken: The Committee approved the contract with The Lewin Group.

4.4) **Central Admin.-Planning** – Request for approval of a retroactive new sole source contract with State of California Dept. of Health Care Services, in the amount of \$362,880, which includes a 12% contingency, to provide AB2968 workload support services, for the period of January 1, 2008 through June 30, 2009. (18 months)

Action Taken: The Committee approved the contract with State of California Department of Health Care Services.

4.5) **PHP-BEHM** – Request for approval of a new contract with 21<sup>st</sup> Century Environmental Management of California, LP, in the amount of \$1,209,600, which includes an initial term of 3 years and 10 months, with 3 options to renew of two, two-year options and one, one-year option each in the amount of \$120,000 per year, and a 12% contingency in the amount of \$129,600, to provide hazardous waste transportation and disposal services for the Department of Public Health, for the term of September 1, 2008 through June 30, 2017. (up to 8.83 years)

Action Taken: The Committee approved the contract with 21<sup>st</sup> Century Environmental Management of California.

**4.6) BHS – Request approval for site relocation of Oakes Children Center, Inc.**

From: 1348 Tenth Avenue  
San Francisco, CA 94122

To: 1550 Treat Avenue  
San Francisco, CA 94110

Action Taken: The Committee approved the site relocation for Oakes Children’s Center.

**5) WESTSIDE CORRECTIVE ACTION PLAN**

Bob Cabaj, M.D., presented the Corrective Action Plan for Westside Community Services. The agency has contracts with CBHS and HIV Health Services. Areas of concern included staffing and organization of Finance Department, financial position of the agency and operations. Marshia Herring, HIV Health Services, talked about improvements the agency has made with it HHS contract. She has worked very diligently with Westside to get this program on track. The staff has honesty and integrity and is submitting required documents on time. Robert Rybicki, Executive Director, Westside Community Services, introduced his management team and addressed the Committee. Commissioner Tierney said Westside has \$13 million in public contracts and he was dismayed to read that the agency failed to comply with a number of DPH requirements. He asked DPH staff if they have confidence that the services are being delivered, and that the problems are just with reporting the performance. Dr. Cabaj said they did have concerns about performance but there have been major steps forward and he is much more confident in the direction the organization is taking. Commissioner Illig asked if the agency is fundraising. Mr. Rybicki said fund raising is in the budget for the upcoming year. The board now realizes that fundraising must be emphasized. Commissioner Illig said this is critical.

Action Taken: The Finance Committee accepted the report and asked for an update at the December meeting.

Action Taken: The Committee accepted the Corrective Action Plan for Westside Community Mental Health Services and requested an update at the December Finance Committee meeting.

**6) HEALTH COMMISSION BUDGET PRINCIPLES**

The committee discussed the revised budget principles that were developed by Dr. Katz. Commissioner Illig said the Commission wants the context of these discussions to be that neither the Commission nor the Department wants any cuts to happen, but if the Mayor asks for budget reductions, then this is what they would look like. He still wants to push for a principle that reflects the idea that level of cuts should be proportional to the level of the problem caused by guaranteed increases in civil service salaries and benefits. There needs to be recognition that there have been disproportionate cuts to community based programs that have not contributed to the budget increase.

Public Comment

Steven Fields, Executive Director of Progress Foundation, appreciates the statements of support from Commissioners for community-based organizations. We need to look at ways to actualize this

rhetoric. Also, he disagrees with staff suggesting in the principles specific priorities for each principle. The City has to address the fact that we continue to send the same number of clients to IMD beds as we did last year. The proposed principles do not leave room for an interactive discussion of levels of care. Also missing is a principle about measuring the outcomes we are looking for. We don't have data on supportive housing, yet it is stated as a priority. Commissioner Tierney asked Mr. Fields to put some of his recommendations in writing.

Jonathan Vernick, Executive Director of Baker Places, said there is not an active forum to take on systemic issues. Many in the non-profit community are willing to enter into conversations about a smaller system, but this conversation never happens. Yearly budget cut decisions negatively impact clients.

Alexandra Kutak, former boardmember of Conard House, said non-profit agencies are living through another year of no increase to cost of doing business, staff receiving no salary increases, and the number of clients served being reduced. She anticipates that more agencies will need to undergo corrective action plans because of the negative impacts of these cuts on services.

Commissioner Tierney said the Commission has reorganized itself and is really looking at the system issue, which includes the department and its community partners. Barbara Garcia pulling together of the planning group represents a response to this. The issue is to move more thoughtfully and quickly to change the budget process.

Commissioner Illig said in terms of outcomes, the Commission should start with a focus on the psychiatric and long-term care systems, analyzing both outcomes and costs. Commissioner Illig suggested three additional principles, which will be incorporated into the revised draft.

Commissioner Sako said the Department must focus on getting the census of our two institutions down. So she would like to add SFGH senior Medi-Cal population be added to the principle regarding outcome measures and she would like to start looking at those levels of care within the system and the Community Benefits Partnership's asset mapping.

Commissioner Tierney said the Finance Committee will begin these discussions by looking specifically at behavioral health services at the October meeting and talk about budget principles specific to the scenario of this system being smaller. The Commission will invite the appropriate people to be at the table. The Finance Committee can focus on long-term care at the November meeting, unless the Planning Committee wants to take this issue.

#### Next Steps/Follow-Up

- Commissioners will send editorial comments to Ms. Seaton who will prepare and circulate a revised draft. The Finance Committee and possible the planning committee will look at specific services and understand with our partners different scenarios. The goal is to have the budget principles approved on October 7<sup>th</sup> at both the Finance Committee and the Health Commission.

#### 7) **EMERGING ISSUES**

None.

8) **PUBLIC COMMENT**

None.

9) **ADJOURNMENT**

The meeting was adjourned at 3:50 p.m.

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Michele M. Seaton  
Health Commission Executive Secretary