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## HEALTH COMMISSION

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## MINUTES

### HEALTH COMMISSION FINANCE COMMITTEE

**Tuesday, December 2, 2008**  
**2:00 p.m.**

**101 Grove Street, Room 302**  
**San Francisco, CA 94102**

Commissioner Steven Tierney, Ed.D., Chair  
Commissioner Edward A. Chow, M.D., Member  
Commissioner Sonia E. Melara, MSW, Member  
Commissioner James M. Illig, Ex Officio

#### 1) CALL TO ORDER

Commissioner Tierney called the meeting to order at 2:04 p.m.

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

Attendees: Anne Okubo, Jacquie Hale, Jenny Louie, Gregg Sass, Barbara Garcia

#### 2) APPROVAL OF THE NOVEMBER 18, 2008 FINANCE COMMITTEE MINUTES

Action Taken: The Committee (Tierney, Chow, Melara) voted to approve the minutes of the November 18, 2008 Finance Committee meeting.

### 3) **CONTRACT UPDATE AND APPROVAL**

#### 3.1) Approval of the December 2008 Health Commission Contracts Report

Commissioner Chow requested that the reporting format be changed to encompass more of the information that used to be contained on the contract face sheet. Anne Okubo and Jacquie Hale responded that they would work with the Committee members to develop a format that was most useful for the Committee.

Action Taken: The Committee (Tierney, Chow, Melara) voted to approve the December 2008 Health Commission Contracts Report.

### 4) **BUDGET PLANNING, INCLUDING LONG-TERM POSSIBLE ACTION: VISION AND ADMINISTRATIVE CONSOLIDATIONS & REDUCTIONS**

Commissioner Tierney introduced this item by noting that after two additional hearings related to the mid-year budget cuts, the Commissions needs to take on bigger issues, including where significant cost savings can be found department-wide. Also, the Request for Proposal (RFP) process needs to be looked at. He also asked how DPH can engage with the Mayor's Office and community partners to look at major restructuring, including a need to look to measurement and outcomes.

Commissioner Tierney also asked about how the budget process was considered in light of Proposition T. Barbara Garcia responded that per the City Attorney, Proposition cannot override City Charter. Ms. Garcia added that the Department has tried to honor the spirit of Proposition T when considering the mid-year cuts.

Action Requested: Commissioner Tierney requested that he work with staff to develop Treatment on Demand guidelines. Ms. Garcia responded that she and her staff would be happy to work with him.

Regarding program consolidation, Ms. Garcia reported that she is attempting to consolidate behavioral health and primary care, and to reduce overhead from 52 buildings currently in use under Community Programs. Three building leases coming up in the near term allowing for consolidation: Team Two will be collocated into the Castro-Mission Health Center, Southeast Children's Mental Health is moving into Silver Avenue Family Health Center, and the Center for Special Problems (CSP) will be put into Tom Waddell Health Center. They are working to collocate as well as to care coordinate the programs. The first two program collocations will not be difficult to accomplish. However, moving CSP into Tom Waddell is more difficult due to space constraints in 101 Grove St., and will be the last of the three to be accomplished due to the number of moves that need to happen at 101 Grove St. Ms. Garcia is working with Maria Martinez on care coordination piece, which is more complex than collocation. In addition, Bob Cabaj and Michael Drennan working closely together.

### 5) **COMMUNITY INVOLVEMENT IN THE BUDGET PROCESS**

Not discussed due to time constraints.

6) **QUESTIONS & ANSWERS WITH CATHERINE DODD, MAYOR'S OFFICE**

Commissioner Tierney asked Catherine Dodd, the Mayor's Deputy Chief of Staff for her advice on the Department's response to the mid-year budget cuts. Ms. Dodd responded that first, DPH should look to what the outside experts (e.g., HMA, Lewin) have suggested Department should be doing. Second, she noted the need for coordination of service providers like has come about with the San Francisco Community Clinic Consortium. She suggested that this model could work for HIV providers and other "like" services.

Commissioner Melara noted the need to develop a model of contracting, including contract monitoring, that is consistent with what other departments are doing. She added that multiple departments within the City shouldn't be paying for the same service being provided by a contractor.

Ms. Garcia added that she had put her staff through a budget exercise about where cuts can come from. She proposing central planner who is responsible for program and contract managers. She is also proposing \$50 million cut to her division, which will inevitably result in the collapsing and merging of units within the division. Behavioral Health being merged into Primary Care, for example, but she noted that she doesn't have months to do this. Sixty-five percent of budget goes to contracted services. Merging among contractor won't happen until the cuts begin.

Ms. Dodd stated that the Mayor wants an 18-month plan rather than piecemeal approach to budget reductions. She recommended suggesting what should be done between now and June 2010.

Commissioner Tierney added that the service delivery systems shouldn't be based on tradition, but should instead be based on service outcomes. He noted that the Commission and the Department need to expect that there will be push-back from providers.

Ms. Garcia suggested that the Department could do zero-based budgeting.

Commissioner Chow added that he doesn't understand how current contracting and budgeting system works to bring us to our core functions. The Department needs to look at its core vision.

Commissioner Melara asked why we need four agencies to provide one service. The Department needs to ensure that one agency can be culturally competent to deliver services to anyone who walks through door.

Gregg Sass distributed a summary of DPH State and federal funding, which includes maintenance of effort requirements in order to draw down those State and federal funds. He noted that there is essentially only \$220 million in General Fund in the Department that is truly discretionary (i.e., not required for maintenance of effort).

Action Requested: Commissioner Tierney asked that the Controller's Office be invited to report on four consultant reports (HMA, Phase 2, and two Lewin) that the Committee get a list of FY 2000-099 RFPs that have gone out or that are going out for the next Finance Committee meeting to be held on January 13, 2009.

7) **EMERGING ISSUES**

None.

8) **PUBLIC COMMENT**

None.

9) **ADJOURNMENT**

The meeting was adjourned at 3:26 p.m.

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James M. Soos  
Acting Health Commission Executive Secretary