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HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

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Department of Public Health



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MINUTES

HEALTH COMMISSION FINANCE COMMITTEE

Tuesday, December 16, 2008

4:30 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 of the committee-of-the-whole to order at 5:10 PM.

Present: Commissioner Tierney, Commissioner Chow, Commission Illig, Commissioner Melara, Commissioner Sako, Commissioner Sanchez.

Absent: Commissioner Waters

2) APPROVAL OF THE DECEMBER 2, 2008 FINANCE COMMITTEE MINUTES

Action Taken: Approval of the minutes for the meeting of December 2, 2008 deferred to a future meeting.

3) **PERFORMANCE AND EFFICIENCY REVIEW: DEPARTMENT OF PUBLIC HEALTH, CONTROLLER'S OFFICE ANALYSIS 2005-2008**

Catherine Moller-Spaulding, City Performance Unit Director, presented the Performance and Efficiency Review for the Department of Public Health including the resulting recommendations.

Department of Public Health Analysis and Recommendations

Prepared by the City Services Auditor Division, Controller's Office, for the Health Commission Finance Committee, December 16, 2008

I. Controller's Office Healthcare Consultant Reports, 2005-2008

Revenue Management, Phase 2 Consulting, 2008

This revenue maximization analysis reviews the Department of Public Health's revenue cycle at San Francisco General Hospital and Trauma Center, Laguna Honda Hospital, Community Health Centers, and Behavioral Health Services. The report concludes that revenue cycle processes and procedures are among the most complete and effective as compared with other large public health systems in the nation. By implementing Phase 2's recommendations, the Department will save \$10 million in annual revenues and \$11 million in one-time gains.

Market Assessment and Benchmarking, Lewin Group, 2007

The market analysis summarizes the current healthcare environment in the City, makes projections of demand for healthcare services, and examines the Department of Public Health's role in providing direct healthcare to San Franciscans. The benchmarking analysis compares San Francisco General Hospital and Trauma Center with comparable Bay Area, California and national public healthcare delivery systems using industry measures of efficiency and effectiveness.

Healthy San Francisco Implementation Support, Lewin Group, 2007

The Lewin Group provided expert analysis, modeling and recommendations to assist with the Department of Public Health's planning and launch of Healthy San Francisco. This presentation projects demand for health services, analyzes the Department's capacity to take new patients and meet the service demands, models the impact of changes in fees for the safety-net population, and analyzes a 'one-stop' web-based eligibility and enrollment system.

Continuum of Acute and Long-term Healthcare, Health Management Associates, 2005

This report focuses on the effectiveness of the Department of Public Health in providing a continuum of acute and long-term healthcare services. It finds that the City needs to substantially improve the integration of its hospitals and community-based services. San Francisco can better meet the needs of its citizens and gain significant financial benefits by providing a mix of long-term, skilled nursing, in-home and community-based services.

II. Performance and Efficiency Review: Department of Public Health, Controller's Office Analysis 2005-2008 (June 2008)

This report analyzes the Department's provision of services, efficiency of operations, and patients and payer mix. It draws on multiple analyses planned and coordinated by the San Francisco Controller's Office from 2005-2008 (listed in section I above).

Recommendations

1. Maintain area hospital acute, trauma, and safety-net capacity, including rebuilding San Francisco General Hospital (p.8-9).
2. Continue to develop outpatient, community-based primary care services and maximize current medical provider and physical capacity through clinic re-design, renovation, and partnering with private providers as needed (p.15-18).
3. Further reduce inappropriate emergency department utilization at San Francisco General Hospital through measures such as expanding ambulatory care service capacity and utilization of urgent and primary care (p.23).
4. Increase non hospital alternatives for skilled nursing and long-term care, such as community-based and in-home services and smaller facilities (p.25-26).
5. Increase investments in information technology that improves client outcomes and provider coordination, such as integrated electronic medical records, automated physician referral, and computerized physician order entry (p.33).
6. Expand care delivery alternatives for lower acuity and medical and psychiatric services to allow expansion of hospital trauma volume and acute inpatient capacity (p.35-36).
7. Improve efficiency of Department's nonprofit contract management processes, such as by simplifying invoice procedures and clarifying policy concerning budget revisions for nonprofit service providers (p.36-37).
8. Continue to assess the Department of Public Health's readiness to provide services to the City's changing safety net population and the City's aging population (p.38-40).

III. Controller's Office Current Technical Assistance Projects with the Health Department

- Substance Abuse Treatment Evaluation – evaluation will focus on system-wide service configuration, evidence-based best practices utilization, and long-term client outcomes
- Community Programs Re-engineering – includes strategic planning, primary care/behavioral health integration, and revenue enhancement
- Laguna Honda Transition Assistance – includes support services workflow, transition and budget planning, housekeeping, communications, and culture change
- Chargemaster Review – analysis and recommendations to ensure accurate capturing and recording of charges at San Francisco General Hospital
- SFCCC Data Sharing – improved sharing of services data and patient tracking between the Health Department and Community Consortium clinics participating in HSF.
- Design and implementation of §1915(c) Medicaid Home and Community-based Services waivers
- Long-term care community alternatives – evaluation of City efforts and financing as well as nonprofit training and technical assistance in this area (tentative)

For more information and access to all of the above listed reports, please visit the Controller's Office website: www.sfgov.org/controller - select "healthcare analysis" under "frequently requested"

Comments:

- Commissioner Illig asked Ms. Moller-Spaulding how to implement the recommendation to establish service partnerships with private providers. She responded that the consultants recommended continued communications with private providers. Commissioner Sako stated that she sees future problems related to bed reductions that can not be addressed by continued communications.
- Commissioner Illig asked if Primary Care and SFGH were coordinating efforts to reduce admissions of ambulatory care sensitive conditions and when we would begin to see a reduction in these admissions due to the Healthy SF program. Sue Currin, SFGH, added that there are programs that are coordinated with SFGH and Primary Care with chronic care management. Dr. Katz added that it is currently unknown when the anticipated 10 to 15% drop in these admissions will be seen due to multiple variables including patient enrollment duration.
- Commissioner Tierney asked if any of the recommendations can help solve the budget crisis. Ms. Moller-Spaulding stated that when the analysis was done the budget situation was very different. Peg Stevens, Controller's Office, added that this report was focused on the healthcare market, data compilation and the SFGH rebuild.
- Commissioner Illig stated that there were a few items in the recommendations that could save money, including for example, the possibility of combining LHH and SFGH administration and addressing the high ratio of physician care at LHH related to traditional SNF levels of care.
- Commissioner Chow stated that he would like to look at contracts, particularly the duplicative nature of contracting with several organizations for similar services.
- Commissioner Tierney asked Ms. Moller-Spaulding the timeline for the Substance Abuse/Mental Health Assessment. Ms. Moller-Spaulding stated that the RFP can take several months and the contract work itself may take up to 3 years. Barbara Garcia, Deputy Director, added that the RFP may need to be delayed due to streamlining and up to a 30% staff reduction in administration.
- Commissioner Illig stated that the recommendations are to invest in community care and to reduce acute care, but that community programs are taking the biggest cuts. Barbara Garcia stated that there are additional efficiencies that have not been achieved including control over all bed space and focus on keeping SFGH acute. Commissioner Illig urged the DPH administration to turn to the Commission for policy support.
- Commissioner Melara stated concern over the service silos. She urged collaboration between service providers. Barbara Garcia recommended the approach of neighborhood collaboration and also the use of data for focusing services, such as concentrating health services in the Bayview. Commissioner Tierney stated that the request for coordinating services citywide needs to be brought to the Mayor for an interdepartmental policy directive. Catherine Dodd, Mayor's Office, stated that this has been done with Communities of Opportunities in the Bayview and that data is needed on where people are getting services.
- Barbara Garcia reviewed operational and collaborative options for reducing service duplication.
- Gregg Sass reviewed the limitations to licensing and payment options, particularly with the idea of combining SFGH and LHH.
- Commissioner Tierney asked Ms. Stevenson if the Controller's Office can assist DPH with strategic planning. Ms. Stevenson stated that Prop C was structured to assist departments with these types of issues and that the Controller's Office was willing to assist.

4) **EMERGING ISSUES**

No emerging issues.

5) **PUBLIC COMMENT**

No public comment.

6) **ADJOURNMENT**

The Committee adjourned at 6:27 PM.