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MEMORANDUM

TO: Colleen Chawla, Deputy Director of Health/Director of Policy & Planning,
Department of Public Health

FROM: Jessie Rubin, Performance Analyst, City Performance Unit, City Services Auditor
Michael Wylie, Project Manager, City Performance Unit, City Services Auditor

DATE: June 30, 2014

SUBJECT: Department of Public Health Unified Strategic Plan

Three divisions from the Department of Public Health (DPH) have recently undergone strategic planning processes to prepare for the new healthcare landscape driven by federal health care reform: the San Francisco Health Network, Population Health, and Information Technology. DPH asked the City Performance Unit within the Controller's City Services Auditor Division ("CSA") to assist in conceptualizing how each of these strategic plans align with the Health Commission's five-year budget priorities: Integrated Delivery System, Public Health Accreditation, and Financial and Operational Efficiency. This memo describes the drivers behind DPH's current strategic planning processes, the methodology that CSA employed in unifying the plans of each division, and the resulting visual representation of DPH's unified strategic plan.

Background

The mission of DPH is to protect and promote the health of all San Franciscans. To achieve this, DPH must adapt to the changing healthcare operating environment brought about by the Affordable Care Act (ACA). The challenge for DPH is that the newly insured can choose to elect private providers or the traditional public system for their health care. At the same time, reimbursement for services is moving away from fee-for-service and toward capitation – instead of receiving reimbursement for every service provided (known as "fee for service"), systems are reimbursed a set amount per member per month (known as "capitation"). This change comes at a time of continuing cuts to state funding, pressures to reduce federal spending, and requirements to reduce dependence on the City's general fund. As a result, DPH must invest in prevention and use resources as efficiently as possible to keep patient costs down. The challenge is to move from being a "provider of last resort" to a "provider of choice," in order to compete with other providers for clients and revenue.

Recognizing these challenges, the Health Commission has established the following five-year budget priorities for DPH:

1. Integrated Delivery System¹

¹ A system of direct health care services that coordinates and collaborates seamlessly to facilitate beneficial, efficient, safe and high quality client experiences, prevent avoidable health care-related costs, and improve health and wellness outcomes for clients.

2. Public Health Accreditation²
3. Financial and Operational Efficiency

These priorities also align with the “Triple Aim,” a framework developed by the Institute for Healthcare Improvement (IHI) that describes an approach to optimizing health system performance. Within the current national healthcare context, IHI has found that healthier populations result when organizations are designed to simultaneously pursue three dimensions:

1. Improving the patient experience of care (including quality and satisfaction)
2. Improving the health of populations
3. Reducing the per capita cost of health care

In the recent past, three key divisions of DPH were tasked with conducting strategic planning to outline the ways in which they will each contribute to achieving DPH’s overall mission within the context created by health care reform. These divisions were:

1. San Francisco Health Network (DPH’s integrated delivery system)
2. Population Health
3. Information Technology

After financially supporting and participating in the planning for the Health Network, the Controller’s Office CSA staff was subsequently enlisted to review these separate plans and explore the ways in which they coincide with the Health Commission’s priorities. The remainder of this memo describes the methodology by which CSA conducted its analysis and developed a visual representation of the department’s unified strategic plan.

Methodology

- CSA conducted a thorough review and analysis of the following documents to determine where goals overlapped and how they aligned with the Health Commissions’ priorities: Population Health’s Strategic Plan and related documents
- Information Technology’s Health Information System Vision and Strategy PowerPoint presentation from May 2014
- Various documents highlighting the Health Network’s “Way Forward” strategies and performance measures, including a PowerPoint presented to the Health Commission in March 2014

Feedback was also solicited from the following representatives of DPH to clarify overarching goals and design the plan’s ultimate visual representation:

- Barbara Garcia, Director of Health
- Colleen Chawla, Deputy Director of Health/Director of Policy & Planning
- Tomás Aragón, Population Health Director
- Bill Kim, Chief Information Officer
- Roland Pickens, Health Network Director
- Sneha Patil, Health Program Planner³

² Established as the result of a project spearheaded by the Center for Disease Control and Prevention, the Public Health Accreditation Board (PHAB) was formed to implement and oversee national public health department accreditation. The goal of the voluntary national accreditation program is to improve and protect the health of the public by advancing the quality and performance of Tribal, state, local, and territorial public health departments.

Results

Each division's plans differ in terms of format, content, and the degree to which they focus on each of the Health Commission's priorities. The Health Network is primarily focused on establishing itself as a successful Integrated Delivery System, Population Health is primarily focused on achieving and maintaining accreditation, and Information Technology is focused on establishing high functioning and inter-operable information and knowledge management systems to support the goals of the entire department. There are several key areas in which each division's goals overlap, namely the ways in which they align with department-wide goals for achieving financial and operational efficiencies. CSA understands that financial and operational efficiency is also a stated priority of DPH's Director of Health.

³ CSA staff consulted directly with Colleen Chawla, Bill Kim, Tomás Aragón, and Sneha Patil. It is CSA's understanding that Ms. Chawla also obtained feedback from Barbara Garcia and Roland Pickens.