

**Edward A. Chow, M.D.**  
President

**David B. Singer**  
Vice President

**Cecilia Chung**  
Commissioner

**Judith Karshmer, Ph.D., PMHCNS-BC.**  
Commissioner

**James Loyce, Jr., M.S.**  
Commissioner

**David Pating, M.D.**  
Commissioner

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

**HEALTH COMMISSION  
CITY AND COUNTY OF SAN  
FRANCISCO**

**Edwin M. Lee, Mayor**  
**Department of Public Health**



**Barbara A. Garcia, M.P.A.**  
Director of Health

**Mark Morewitz, M.S.W.**  
Executive Secretary

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**MINUTES**

**HEALTH COMMISSION MEETING**

**Tuesday, October 4, 2016, 2:00 p.m.**

**101 Grove Street, Room 220**

**San Francisco, CA 94102**

**1) CALL TO ORDER**

Present: Commissioner Edward A. Chow M.D., President  
Commissioner Judith Karshmer, Ph.D., PMHCNS-BC (arrived 2:36pm)  
Commissioner James Loyce, Jr., M.S.  
Commissioner David Pating, M.D.  
Commissioner David J. Sanchez Jr., Ph.D.  
Commissioner David B. Singer, Vice President

Excused: Commissioner Cecilia Chung Commissioner

The meeting was called to order at 2:10pm. Commissioner Chow stated that Commissioner Sanchez will take on the role of LHH JCC chair and that Commissioner Loyce will be a member of the Community and Public Health Committee.

**2) APPROVAL OF THE MINUTES OF THE HEALTH COMMISSION MEETING OF SEPTEMBER 20, 2016**

**Commissioner Comments:**

Commissioner Chow noted that the final language of tenth "Whereas" in resolution 16-10, "Resolution Endorsing the Recommendations from the Health Impact Assessment Report Titled, "Single Room Occupancy Hotels in San Francisco: A Health Impact Assessment," differs from the suggested language discussed at the September 20, 2016 Health Commission meeting. The suggested language was, "Deaths from drug overdose remain high and substance use disorder is a continued health issue." The final language is, "Rates of drug related drug related deaths are higher in neighborhoods where SROs are concentrated and substance use disorder continues to be a relevant health issue."

Director Garcia stated that the SFDPH reviewed date on deaths in SROs and determined the final language was the most appropriate.

**Action Taken:** The minutes were unanimously unaninously.

**3) DIRECTORS REPORT**

Barbara Garcia, Director of Health, gave the report. The full report can be viewed at:  
<http://www.sfdph.org/dph/comupg/aboutdph/insideDept/dirRpts/default.asp>

Commissioner Comments:

Director Garcia stated that she had just come from a press conference with Mayor Lee to announce that some SFDPH staff will be trained to accompany San Francisco Police when needed. She noted the information is included as an addendum to the Director's Report.

Commissioner Chow asked if the staff will be SFDPH employees. Director Garcia stated that the staff will be SFDPH and will receive special training.

Commissioner Sanchez stated that the plan is excellent. He noted that in the past, there used to be a similar model but funding was not stable so it did not last.

Commissioner Loyce stated that in an earlier stage of his career, he was clinician who worked with families or shooting victims and perpetrators; he lauded the new model.

**4) GENERAL PUBLIC COMMENT**

There was no public comment.

**5) DEPARTMENT OF PUBLIC HEALTH 5-YEAR FINANCIAL OUTLOOK**

Greg Wagner, SFDPH CFO, presented the item.

Commissioner Comments:

Commissioner Chow stated that the item is intended to provide the Commissioners an opportunity for additional understanding of SFDPH financial issues and related City and County of San Francisco (CCSF) financial planning.

Commissioner Singer asked Mr. Wagner to expand on his explanation of how the SFDPH budget process has improved in recent years. Mr. Wagner stated that for decades, the SFDPH had a structural problem in its budget in which resulted in an ongoing deficit and need for the General Fund to patch it. The SFDPH budget was consistently underfunded with the expectation that revenue would be brought in by the Department. In addition, vacation, sick-leave, and floating holiday pay levels had not been increased for a decade while salaries were increased 2-3% annually. He added that the Mayor's Office fixed the structural issues which has enabled the SFDPH to budget more accurately.

Commissioner Pating asked if the budget improvements were a result of changing the SFDPH cost structure. Mr. Wagner stated that he and Director Garcia have focused on creating a realistic budget that pays for current initiatives before spending funds on new programs.

Commissioner Singer stated that until 2012, the SFDPH did not have an accounting structure that enabled its sections and divisions to account for spending. Mr. Wagner added that this lack of accountability included the hospitals; now systems are in place to track spending. This has increased the overall accountability of the SFDPH.

Commissioner Singer stated that he looked up the San Francisco Consumer Price Index for the past decade; it grew 10.7%. During the same time, the SFDPH General Fund requirement grew three times this amount.

Commissioner Pating asked for clarification on the largest non-General Fund source of revenue for the SFDPH. Mr. Wagner stated that Medical Waiver revenues are the second largest source of funding for the SFDPH.

Commissioner Singer asked how much variability is in the cost of living increase (COLA) for SFDPH wages. Mr. Wagner stated that the labor contracts contain the COLAs which are based on the local economy. He noted that the biggest diver of benefits costs is the City pension fund.

Commissioner Pating asked if MediCal is in alignment with the SFDPH COLAs and other budget elements. Mr. Wagner stated that the SFDPH submits costs, including COLAs, that impact the reimbursement levels received by MediCal; he noted that there is not a direct relationship between San Francisco labor agreements and the rates of MediCal reimbursement.

Commissioner Singer asked for input regarding areas where the SFDPH may have incorrect assumptions about cost structure or revenue projections. Mr. Wagner stated that sometimes when a waiver has ended, the SFDPH assumes it will continue to receive payments until a new waiver is implemented. This may be applicable to approximately \$86M in projections for ZSFG revenue. He also noted that the projected growth in professional services is likely too conservative and the COLA projections are likely not conservative enough because there will likely be an economic downturn which will result in a lowering of this rate.

Commissioner Chow asked if the current waiver is 5 years. Mr. Wagner stated that California is in its second year of the current five-year waiver.

Commissioner Chow asked for more information regarding issues related to the Population Health Division budget (PHD). Director Garcia reminded the Commissioners that much of the PHD budget is derived from fees for the services it provides (e.g. food establish inspections). Tomas Aragon, MD, Director of PHD, stated that the division accounts for only 4% of the overall SFDPH budget. He also stated that efforts are underway to maximize revenue at its specialty clinics (e.g. Adult Immunization and TB).

Commissioner Singer asked how changes in the census may impact SFDPH revenues. Mr. Wagner stated that the CCSF has funds tied to the census; the bulk of SFDPH revenues are tied to specific populations. He added that grant funds are usually connected to formulas that incorporate the incidence of specific diseases. He also stated that the bulk of SFDPH revenues are tied to the census in regard to residents' payer status when they may enter the San Francisco Health Network (SFHN).

Commissioner Pating noted that there was a budget surplus for the past two years. Mr. Wagner stated that there has been a budget surplus a little under \$100M for the past two years and that will continue for this budget cycle.

Commissioner Chow asked for more information about the impact of Medicare funding in the new waivers. Dr. Alice Chen, San Francisco Health Network Chief Medical Officer, stated that Medicare revenue in the PRIME waiver is a small amount. However, she noted that the model currently used by Medicare programs will eventually be expanded to MediCal.

Commissioner Pating asked for more information regarding the PRIME waiver. Dr. Chen stated that PRIME is a program through MediCaid and is a high stakes, pay for performance program.

Commissioner Singer stated he is in agreement that MediCal will eventually adopt the model used by Medicare. He noted that in his opinion, where the SFDPH has had an opportunity, it has not done well with its quality measures. He is concerned that revenue is at risk unless the SFDPH improves its performance on its quality measures. He also added that an integrated electronic health record (EHR) is necessary. Roland Pickens, Director of the San Francisco Health Network, stated that the SFDPH has built upon the past two waivers; each

one has been preparation for the next one. He stated that he remains hopeful. He also noted that CMS is still developing its final quality measurements.

Commissioner Pating stated that it is not beneficial to line-staff to hear a message of doom and gloom because they need specific instruction and guidance regarding what they and their unit can do to improve metrics related to their work; this type of messaging gives individuals something to work towards with dedication and hope. He added that a message regarding overall poor performance is one to be discussed with Executive Staff to consider.

Commissioner Singer asked for more information on the “churning” of patients enrolling and dis-enrolling in the San Francisco Health Plan. Stella Cao, SFHN Manage Care Office, stated that the Health Plan is still in the process of understanding why some people are leaving; she noted that MediCal patients who have not chosen a health plan are automatically assigned to the SFHN. Director Garcia added that there is a cohort of people who already have a health plan but are erroneously assigned the SFHN; the analysis needs to take this into account.

Commissioner Pating asked for more information regarding the populations assigned to the SFHN. Dr. Chen stated that the SFHN has 42% of all MediCal patients in San Francisco.

Commissioner Singer asked for more information regarding the SFHN capacity. Dr. Chen stated that SFHN has been working to decrease new patient appointments but noted that there is a lag-time for follow-up appointments.

Commissioner Pating requested that the SFHN set goals for its managed-care targets. He also suggested considering expanding the Community Health Network into a health plan. Colleen Chawla, Deputy Director of Health and Director of Policy and Planning, stated that under MediCal, San Francisco has only two health plans. Commissioner Pating added that it may be useful for SFHN to create its own Covered California Plan. Director Garcia stated that there is a large financial risk involved in running a health plan.

Commissioner Singer asked if the SFDPH understands the cost changes for 5B managed care contracts. Mr. Wagner stated that the SFDPH is developing a cost accounting system that will give a nuanced cost system. Valerie Inouye, ZSFG Chief Financial Officer, stated that under the DISH waiver, the SFDPH had to submit costs but this will not be required in the future. She noted that when costs were submitted, data showed that the revenue losses for the managed care population were large except newly eligible single adults with no children; the SFDPH received 100% reimbursement of costs for this population.

Commissioner Singer asked if there is a risk adjustment applied as part of the process. Ms. Inouye stated that the reimbursement is determined by number of days and cost.

Commissioner Singer stated that his understanding is that the SFHN will likely lose money to maintain existing patients but may receive enough reimbursement for new single adult patients with no children to offset other loses. Mr. Wagner stated that if the SFHN loses a long term MediCal patient, it will lose more funds than if it cut its expenses for patient care.

Commissioner Chow stated that the idea of capitation mean that costs should be covered in full. He encouraged advocacy at the state level. Mr. Wagner stated that the state was more empathetic to the situation when the federal government was paying 100% of the MediCal reimbursement funds.

Commissioner Singer stated that he would like CCSF employees to have an option of choosing SFHN as its medical provider. Ms. Cao stated that the SFHN contract with Blue Shield is not finalized. Once approved, SFHN can move forward with a plan to enable CCSF employees to utilize the SFHN as its provider of choice. Mr.

Wagner stated that as the SFHN increases its infrastructure, it will analyze how to make itself more attractive to CCSF employees.

Commissioner Chow asked how much of the \$93M for UCSF “carve outs” are going to lab costs. Mr. Wagner stated that UCSF can provide this information to the Health Commission through Mr. Morewitz at a later date.

Commissioner Karshmer asked if the Affiliation Agreement with UCSF covers the cost of medical providers for LHH. Mr. Wagner stated that the SFDPH contracts separately with UCSF Clinical Practice Group for LHH medical providers.

Commissioner Pating stated that the UCSF Affiliation agreement is a good example of two organizations working together towards a common good. He asked if it is possible to use the model in mental health. Mr. Wagner stated that the SFDPH is analyzing its behavioral health contracts from its “mega-RFP” and noted that these contracts will end soon.

Commissioner Chow asked if the Health Commission will receive updates on the 2016 Public Bond. Mr. Wagner stated that after an upcoming SFDPH staff retreat focusing on the bond, updates will be forthcoming.

Commissioner Chow stated that he appreciated the depth of the presentation for the next five year period and requested more information about the subsequent five year period including scenarios that include personnel expenses.

## **6) COMMUNICATIONS BETWEEN INDIVIDUAL HEALTH COMMISSIONERS AND SFDPH STAFF**

Commissioner Edward Chow, MD, introduced the item.

### Commissioner Comments:

Commissioner Singer asked what problem is proposed to be solved by the policy. Commissioner Chow stated that historically, there have been issues of how Commissioners should interact with SFDPH staff. The policy was drafted with the intention of clarifying the process for individual Commissioners communicating with SFDPH staff.

Commissioner Singer stated that the City Charter is clear that Health Commissioners do not interfere in administrative matters of the SFDPH. He also stated that the SFDPH already has a policy in place for its employees that specific a process for communication with individual Health Commissioners. He stated that he is therefore unclear on why the Health Commission policy is necessary.

Commissioner Karshmer stated that she had been oriented to the City Charter but that the policy is helpful as clarifying how to communicate with SFDPH staff. She noted that when she has questions regarding her role, she has been able to seek assistance from Mr. Morewitz. She also felt the policy can be a helpful tool in orientation for new Commissioners.

Commissioner Sanchez stated that he has mixed feelings about the draft policy because the City Charter is clear on the role of Commissioners. He added that Director Garcia already has instituted a policy giving direction to SFDPH staff communicating with individual Health Commissioners; this policy is in adherence to City Charter Section 4.102

Director Garcia stated that she will revise the existing SFDPH policy on staff communications with individual Health Commissioners based on the final version of the Health Commission Policy.

Commissioner Loyce stated that the draft policy clarifies the roles and enhances the ability of all the Health Commissioners to do their work. He added that some Commissioners may sometimes veer from the appropriate path of communication with SFDPH staff. He noted that when he was a SFDPH staff member, he encountered this situation many times. Commissioner Sanchez noted that this perspective is from Commissioner's experience as a SFDPH employee and may not be relevant to the Commission.

Commissioner Chow suggested that he would like to see a review of all Health Commission policies to bring them up-to-date; therefore the item should be tabled at this time.

Action Taken: The Commissioners voted to table the item (Yes: Chow, Pating, Singer, Sanchez, Karshmer; No: Loyce).

**7) OTHER BUSINESS:**

This item was not discussed.

**8) COMMITTEE AGENDA SETTING**

This item was not discussed.

**9) CLOSED SESSION**

- A) Public comments on all matters pertaining to the closed session
- B) Vote on whether to hold a closed session (San Francisco Administrative Code Section 67.11) and to invoke the attorney-client privilege (San Francisco Administrative Code Section 67.10(d))
- C). Closed Session pursuant to Cal. Government Code Sec. 54957(b) and S.F. Adm. Code Sec. 67.10(b):

PUBLIC EMPLOYEE PERFORMANCE EVALUATION: DIRECTOR OF HEALTH – Barbara Garcia (ACTION)

- E) Reconvene in Open Session: Motions and vote on whether to disclose any or all of the closed session discussions, San Francisco Administrative Code Section 67.12(a)

Action Taken: The Commissioners unanimously voted not to disclose discussions held in closed session.

**10) ADJOURNMENT**

The meeting was adjourned at 6:36pm.