



Edwin M. Lee,  
Mayor


Greg Wagner,  
Chief Financial Officer

## MEMORANDUM

April 28, 2014

TO: President Ed Chow, M.D.,  
and Honorable Members of the Health Commission

THROUGH: Barbara Garcia, Director, Department of Public Health

FROM: Greg Wagner, Chief Financial Officer 

RE: Discussion of Commission Review Process for DPH Contracts

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Several months ago, the Health Commission Finance and Planning Committee requested that staff re-evaluate the process for review of contracts and suggest modifications based on committee comments and feedback. In response, we have drafted the following proposal for discussion calendared for the May 5 Finance and Planning Committee meeting.

### 1. Goals

Based on our understanding of the comments made by Commissioners, we have tried to design our proposal to address the following goals and/or issues with the current process:

- Add policy or programmatic context to the discussions so that contract approvals can be evaluated in context, rather than as individual one-off items
- Ensure the right staff is present to answer questions, without needless over-attendance of hearings
- Ensure Commissioners have timely information in response to questions or concerns, to avoid unnecessary delays in approvals or time pressure for Commissioners to approve contracts before their questions are answered fully

### 2. Proposed Changes

The general concept we would like to discuss with the Commissioners is:

- Instead of reviewing every proposed contract in detail each month, focus our time and energy on items of particular interest to Commissioners
- Use the time saved through this more focused approach to add higher-level presentations and discussions about our contracting approach and expenditures in different program areas.

We believe this change will allow continued oversight of individual contracts, but also give Commissioners improved opportunity for broader policy-based discussions, which will in turn inform decision making on individual contract approvals.

## **A. Review of New Contracts and Modifications**

### *Current Process*

- Documents are distributed on Thursday/Friday before the hearing
- Each item on the list is discussed individually
- Program staff are present for each contract
- Contract review is generally the first item on the agenda

### *Proposed Process*

- Documents will be distributed one week earlier than the current schedule
- Commissioners will be asked to identify items of particular interest that they would like to discuss in greater detail at the meeting, or specific questions they would like answered
- For those items identified program staff will be present and prepared to answer detailed questions
- For routine items and those not singled out by committee members, contracts and finance staff will be available to discuss, but program staff will not attend or make presentations
- Contract review will be moved to the end of the agenda so that programmatic discussions (see below) can happen first and provide context for individual contract approvals.

## **B. Higher-Level Program Discussions**

### *Current Process*

- Discussions do not occur systematically unless there is a particular planning document scheduled for review by Commission

### *Proposed Process*

- At 5-6 meetings per year staff will prepare presentations and discussion about contracts and contracting issues in a particular program area (e.g., substance abuse, facilities, HIV prevention). These presentations will give an overview of how we allocate resources and measure outcomes. To the extent possible, we will try to coordinate these meetings so they coincide with individual contracts coming before the Commission for approval. Examples of contents could include:
  - What is our total contract spending in this area?
  - How many contracts do we currently have, and of what size?
  - What are the funding sources for the contracts?
  - How do we measure contractor performance?
  - What are some of the policy issues we need to address via our contracting process – e.g., availability of services, design of contracts to improve outcomes
  - What changes do we anticipate seeing over the next year or two such as RFPs, funding changes
- Other topics for these meetings could include: program planning related to upcoming RFPs; contract monitoring issues and corrective action plans; contract administrative issues such as the use of LBEs; cultural competency in contracting.

## **3. Logistics**

- Proposed start date: June meeting
- Staff will submit a proposed calendar of program-level topics for hearings