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**MINUTES
HEALTH COMMISSION
FINANCE AND PLANNING COMMITTEE
TUESDAY, AUGUST 4, 2015 2p.m.
101 Grove Street, Room 302 or 300
San Francisco, CA 94102**

1) CALL TO ORDER

Present: Commissioner Cecilia Chung, Chair
Commissioner Edward Chow, MD, Member
Commissioner David Singer, Member

The meeting was called to order at 2:13pm.

2) APPROVAL OF THE MINUTES OF THE HEALTH COMMISSION FINANCE AND PLANNING COMMITTEE MEETING OF JULY 7, 2015.

Action Taken: The Committee unanimously approved the July 7, 2015 minutes.

3) DRAFT CHARITY CARE FY 2013 AND FY 2014 REPORT

Mavis-Asiedu-Frimpong, Assistant Director of Policy and Planning, reviewed the draft report.

Commissioner Comments/Follow-Up:

Commissioner Singer asked if the mandated and voluntary hospitals reported the same data. Ms. Asiedu-Frimpong stated that all hospitals reported the same type of data. Colleen Chawla, Deputy Director of Health and Director of Policy and Planning, noted that due to different fiscal cycles, some hospitals' data only includes 6 months of ACA implementation at their hospitals for FY 2014, while the other hospitals submitted 12 months-worth of this data. Ms. Asiedu-Frimpong also stated that within each hospital, the number of unduplicated clients is valid. However, it is possible for an individual to be included in Charity Care data for more than one hospital if he/she accessed services at multiple hospitals.

Ms. Asiedu-Frimpong noted that the number of traditional charity care patients had been decreasing over time, but that the expenditures for that group had increased in FY 2014, suggesting that the health needs of traditional charity care patients were becoming more complex. Commissioner Chow pointed out that the increase for FY 2014 actually raised spending levels to those of previous years, and that an expenditure per patient analysis would help to determine whether the original conclusion was accurate.

Commissioner Chow asked for clarification on the Chinese Hospital data. Ms. Asiedu-Frimpong stated that Chinese Hospital had increases in its Charity Care expenditures and its Medi-Cal Shortfall.

Commissioner Singer inquired about the medical care inflation rate for San Francisco. Greg Wagner, SFDPH CFO, stated that he would get this information to the Health Commission.

Commissioner Chow stated that he is appreciative that Sutter continues to report the St. Luke's and CPMC data separately. He noted that he is concerned that the St. Luke's campus data shows less Charity Care patients served without a significant increase in Medi-Cal Shortfall. Emily Webb, Sutter, stated that the St. Luke's subacute unit has experienced a decline in its census and that the unit delivered high cost services predominantly utilized by Medi-Cal patients, which impacted the data. She also stated that if the St. Luke's and CPMC campus Charity Data are combined, the data shows little change from previous years. Commissioner Chow stated that breaking out the data by campus helps in better understanding where Charity Care patients are accessing care.

Commissioner Singer asked for the reason UCSF and CPMC data shows them to be outliers as compared to the other hospitals. Colleen Chawla stated that UCSF primarily provides more costly tertiary care, which may have led to the significant increase in the hospital's expenditures in FY 2014. She noted that the relationship between CPMC and Brown and Toland, a physician's group, had recently changed, which may impact the number of Healthy San Francisco patients being routed to this hospital in the future

Commissioner Singer suggested that the SFDPH request Charity Care data in 6 month batches so that each hospital's data can be more accurately compared. Jim Illig, Kaiser, stated that Charity Care data is reported to the IRS and OSHPD annually. He added that it would be cost prohibitive to break down the data in 6 month batches. Commissioner Chow suggested that an asterisk be used to identify hospitals reporting on the same timeline.

Commissioner Chung asked if Charity Care patients always access care through the emergency room. Barry Lawlor, Dignity Health, stated that that was not always the case, since it depended on hospital. He added that each hospital has its own Charity Care procedures and cost for services.

Abbie Yant, Dignity Health, suggested that the Charity Care Ordinance should be discontinued because much of its original purpose is covered by the Affordable Care Act. She also stated that Dignity Health has created a system to record and track Charity Care data solely for this report at great cost to its hospitals.

Commissioner Chow noted that the comments will help improve the final report which will be reviewed by the full Health Commission.

Commissioner Chow asked for the SFDPH to provide a reason why the number of outpatient visits dropped at St. Francis Hospital.

Commissioner Chow requested that the definitions of the San Francisco neighborhoods be corrected in the final version of the report.

Commissioner Chow noted that, even in the era of health reform, charity care would remain a critical part of healthcare services delivery into the future. He also added that the Commissioners would be interested in hearing the hospitals' perspectives on how to effectively plan for this need. Commissioner Chow encouraged the hospitals to also give input on how they would like to see the Charity Care Ordinance modified in response to the ACA's impact on charity care. He noted that last year, the Health Commission said it would wait until full ACA implementation to determine why Charity Care data is needed for a report.

He added that the Health Commission is open to finding the most valuable manner to collect and review this data.

Commissioner Singer requested that the Charity Care Report look at 5 years of past data to increase the ability to understand trends.

4) MONTHLY CONTRACTS REPORT

Greg Wagner, SFDPH CFO, reviewed the report. He noted that the “Medical Contracting Services” and the “The Registry Network” contracts listed on the report had clerical errors in the manner in which the contracts were listed. He stated that these contracts will be taken off the report and brought back in September with the corrected language.

Commissioner Comments/Follow-Up:

Winona Mindolovich, SFDPH IT, reviewed the EClinicalWorks contract. She stated that the SFDPH will continue to increase the number of users to the system until a unified electronic health record (EHR) will be implemented. She also noted that the SFDPH negotiated a substantial discount on the contract rates.

Commissioner Singer asked if the SFDPH used the EClinicalWorks system more than projected. Ms. Mindolovich stated that the SFDPH did use the system more than projected. She added that the system is now in both hospitals, most health centers, and mental health clinics.

Commissioner Chow asked the amount of Meaningful-Use payments that the SFDPH receives in relation to its use of this system. Mr. Wagner stated that he would provide that information to the Commissioners at a later time. Commissioner Singer noted that Meaningful Use payments will end soon. Albert Yu, MD, SFDPH Ambulatory Care Director, stated that because some sites started use of EClinicalWorks later, the Meaningful Use payments will continue for several years.

Commissioner Chow asked which SFDPH clinics are not currently using EClinicalWorks. Dr. Yu stated that the following SFDPH clinics are not yet using the system: TB Clinic, City Clinic, Travel Clinic and the Balboa Teen clinic. Director Garcia acknowledged the hard work of thousands of SFDPH employees who have learned to use the system.

John Applegarth, SFDPH IT, and Jeff Jorgenson, SFDPH IT, introduced the Dataway contract.

Commissioner Singer asked how long Dataway has been a SFDPH vendor. Mr. Applegarth stated that the SFDPH had contracted with the vendor for approximately twenty years.

Commissioner Singer asked if the SFDPH continues to have confidence that the vendor can effectively deal with the next wave of possible security breach issues. Mr. Applegarth stated that the vendor has been continued to be successful and also to work with other SFDPH colleagues (e.g UCSF) to design successful security systems.

Commissioner Singer asked if the SFDPH hires consultants to attempt to breach its system as security measure. Mr. Jorgenson stated that the SFDPH did this two years ago and is working with the Controller’s Office to hire a consultant to attempt to breach the system.

Terry Dentoni, SFGH Nursing, presented the Cross Country Staffing contract. She noted that the SFDPH and other major hospitals in San Francisco use this agency because it is reliable. She added that it is not uncommon for some of the temporary nurses to use this agency as a way to see if San Francisco is affordable; some decide to take permanent SFGH positions.

Action Taken: The Committee recommended that the full Health Commission approve the Contracts Report.

- 5) **REQUEST FOR APPROVAL OF TWO EQUIPMENT LEASES WITH SOFTWARE LICENSING ADDENDUMS, AND CORRESPONDING EQUIPMENT MAINTENANCE AGREEMENTS, FOR PHARMACY AND SUPPLY CABINETS, WITH OMNICELL TECHNOLOGIES, INC., FOR SAN FRANCISCO GENERAL HOSPITAL AND LAGUNA HONDA HOSPITAL, OF THE SAN FRANCISCO HEALTH NETWORK, OF THE DEPARTMENT OF PUBLIC HEALTH IN THE AMOUNT OF \$9,807,573 FOR THE PHARMACY LEASE AGREEMENT, \$1,356,690 FOR THE SUPPLY LEASE AGREEMENT, AND \$1,596,014 FOR THE CORRESPONDING PHARMACY EQUIPMENT MAINTENANCE AGREEMENT, \$215,044 FOR THE CORRESPONDING SUPPLY MAINTENANCE AGREEMENT. BOTH LEASES AND MAINTENANCE AGREEMENTS WILL BE COTERMINOUS, WITH A TERM OF 60 MONTHS (5 YEARS), AND WILL COMMENCE ONCE ALL EQUIPMENT IS DELIVERED, INSTALLED AND ACCEPTED BY HOSPITAL STAFF (ANTICIPATED TO BE COMPLETE IN OCTOBER 2015).**

Commissioner Comments/Follow-Up:

Commissioner Chung asked if the Omnicell units have been upgraded in the ten years SFDPH has been using them. Jessica Galens, SFGH Pharmacy, stated that the systems have continued to be updated and expanded. She noted that in the new SFGH hospital, there are four times as many medication rooms.

Commissioner Chow asked if the medications are located on each floor. Ms. Ganles stated that there are medication rooms on each floor. She added that a nurse inputs the medication order in Omnicell at the patient's bedside or the medication room; after a pharmacist reviews and approves the order, the medications may be retrieved. Before dispensing, the nurse scans the barcode on the medication.

Action Taken: The Committee recommended that the full Health Commission approve the leases.

- 6) **REQUEST FOR APPROVAL OF CONTRACT WITH WALGREEN CO. IN THE AMOUNT OF \$19,600,000 TO PROVIDE 340B PROGRAM SPECIALIZED SERVICES AND THIRD PARTY CLAIMS ADJUDICATION COORDINATION SERVICES FOR THE PERIOD OF JANUARY 1, 2016 THROUGH DECEMBER 31, 2020 (5 YEARS).**

Commissioner Comments/Follow-Up:

Commissioner Chow asked if the contract enables people to get prescriptions filled at any San Francisco Walgreens. Jessica Galens, SFGH Pharmacy, stated that any Walgreens in San Francisco will fill prescriptions for 340B program recipients. She noted that if a patient is out of the area, only those Walgreens listed on the HRSA website will honor the lower-priced prescriptions.

Commissioner Singer asked the SFDPH to conduct a deeper analysis to determine what actual financial benefit the 340B program allow when taking into consideration program administration costs, dispensing fees, and other program expenditures. Ms. Galens stated that the cost of the medication under the 340B program is approximately 60% less but this does not factor in the other associated program costs. Director Garcia stated that the SFDPH will conduct this analysis and will follow-up with the Committee at a future meeting.

Action Taken: The Committee recommended that the full Health Commission approve the contract.

- 7) **REQUEST FOR APPROVAL OF A NEW CONTRACT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, UCSE SCHOOL OF MEDICINE, IN THE AMOUNT OF \$457,901, FOR AN ON-SITE, COMPREHENSIVE DENTAL SERVICE PROGRAM FOR THE RESIDENTS OF LAGUNA HONDA HOSPITAL. FOR THE TERM OF AUGUST 17, 2015, TO AUGUST 31, 2016 (12 MONTHS).**

Commissioner Comments/Follow-Up:

Commissioner Chow asked for the number of dental services provided at LHH last year. Collen Riley, MD, LHH Medical Director, stated that LHH provided approximately 200 patients with dental care per month last year. She added that these services included annual exams, X-rays, extractions, bridge work, and some emergency dental work. She also stated that any dental issues that required significant sedation required that dental services were provided at another location; access to hospital based oral surgeries at SFGH.

Commissioner Chung asked if at the end of this contract term, LHH will have negotiated a permanent contract with a dental care provider. Dr. Riley confirmed that the intent of this contract is to provide a dental services while LHH determines a permanent dental provider and negotiates a contract with the vendor.

Action Taken: The Committee recommended that the full Health Commission approve the contract.

8) EMERGING ISSUES

Commissioner Chung stated that she is concerned about SF Health Network patients who may travel outside of San Francisco and are not near a Walgreen's associated with the 340B program. She noted that if one of these individuals loses their medication, he/she may not be able to afford to pay full price to replace it. She suggested that the SFDPH consider solutions to this issue. Director Garcia stated that the SFDPH will look into this and will follow-up with the Committee in the future on this issue.

9) PUBLIC COMMENT

There was no public comment.

10) ADJOURNMENT

The meeting was adjourned at 3:56pm.