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

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

TEL (415) 554-2666

FAX (415) 554-2665

Web Site: <http://www.sfdph.org>

**MINUTES  
HEALTH COMMISSION  
FINANCE AND PLANNING COMMITTEE  
TUESDAY, JANUARY 5, 2016 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

**2) APPROVAL OF THE MINUTES OF THE HEALTH COMMISSION FINANCE AND PLANNING COMMITTEE MEETING OF DECEMBER 1, 2015.**

Action Taken: The Committee unanimously approved the minutes.

**3) SITE APPROVAL REQUEST FOR RAMS (PROP. I)**

Tom Mesa, SFDPH Business Office, presented the item.

Commissioner Comments/Follow-Up:

Commissioner Chung asked if the requested site was previously used as the Western Dental building. Mr. Mesa stated that the building was previously used as the Western Dental building.

Commissioner Chow asked for clarification of the services to be offered onsite. Mr. Mesa stated that the program will be a drop-in center for activity groups and referral to other services; the program will not offer treatment and therefore will not keep files on individual clients.

Commissioner Singer asked how the SFDPH will determine if the contractor is doing a good job. Ms. Ruggels stated that the contract for this service will be coming to the Committee in near future; the contract will contain deliverables that will be measured as benchmarks of achieving the contract goals.

Commissioner Singer asked for information regarding the last case of the SFDPH defunding a vendor for performance-related issues. Michelle Long, Director of Contract and Technical Assistance, stated that the DPH generally provides technical assistance when there are performance issues. She added that corrective action plans are used to assist with monitoring contractor issues. Ms. Ruggels added that as part of the

general RFP process, some contractors will not be defunded due to previous performance or the quality of their response to the RFP.

Action Taken: The Committee recommended that the full Health Commission approve the site addition request.

#### **4) MONTHLY CONTRACTS REPORT**

Michelle Ruggels, Director of the SFDPH Business Office, presented the report.

##### Commissioner Comments/Follow-Up:

Regarding the MedImpact Healthcare Systems contract, Commissioner Chow asked if this contract is being extended due to the length of time it has taken to finalize the contract with Walgreens, which will take over this service once the new contract is finalized. Swati Patel, San Francisco Health Network Pharmacy, stated that the Walgreens negotiation has taken quite a while and confirmed that this contract extension is related.

Commissioner Singer asked if the Walgreens contract amount and term will be reduced because the MedImpact Healthcare Systems contract will be extended. Mr. Wagner stated that the Walgreens contract term and amount will remain the same but it is expected that the DPH will not utilize the full amount due to the additional time it has taken to negotiate the contract which includes the extension of the MedImpact Healthcare Systems contract.

Commissioner Singer asked if reducing the MedImpact Healthcare Systems contract to six months would assist in completing the Walgreens contract. Mr. Wagner stated that he is unsure if this strategy would be effective to encourage Walgreens to complete the contract negotiation. Commissioner Chow suggested a nine month contract.

Commissioner Singer noted that the Helios and Mercy Housing contracts are both funded through reallocation of funds. He asked for more clarification on the method used to determine how the reallocation of funds is decided. Mr. Wagner stated that through the DPH fiscal management systems, the amount of funding to be reallocated is determined as well as the amount to be put into each contract.

Commissioner Singer asked if quality measures for these contractors is considered. Ms. Long stated that the priority is determining the client populations' needs; as they change, the funding amounts for various services may change. Margot Antonetty, Interim Director of Housing and Urban Health, stated that temporary housing funds were moved into permanent housing funds for the Mercy Housing contract; this will provide permanent stable housing options.

Commissioner Chung encouraged the SFDPH to continue striving to create processes that ensure that the DPH has the best contractors providing the highest quality of service provision.

Commissioner Chow asked why there is only one roofing company in the DPH vendor pool. Ms. Ruggels stated that only one vendor has responded to RFPs. Director Garcia noted that due to the high volume of construction in the Bay area, any type of construction vendor is difficult to find. Mr. Wagner stated that the DPH has requested assistance from the Controller's Office to improve the contracting process to encourage more responses in the future.

Commissioner Chung encouraged the SFDPH to work with the LBE program administrator to find local businesses for future contracting efforts.

Action Taken: The Committee recommended that the full Health Commission approve the Contract Report with the MedImpact Healthcare Systems contract term of nine months.

**5) UPDATE TO PROPOSED CHANGES TO CONTRACT REVIEW CRITERIA**

Greg Wagner, CFO, presented the item and reviewed the December 1, 2015 Finance and Planning Committee discussion on this topic.

Commissioner Comments/Follow-Up:

Commissioner Chow requested that SFDPH present its grants to the Committee annually.

Commissioner Singer stated that the positive aspect of streamlining the contract review process is that the Committee has been able to focus on the largest and most impactful contracts; he added that the Committee's receipt of the information for the smaller contracts every six months ensures that the Committee maintains responsible oversight over all SFDPH contracts.

Commissioner Singer stated that he would prefer that the SFDPH reduce the overall number of contracts and the number of smaller contracts.

Commissioner Chung noted that some of the smaller contracts are with large vendors; she asked if it is possible to merge the smaller contracts into other existing contracts to reduce the work for SFDPH staff. Ms. Ruggels stated that the Business Office is working to strategize how to streamline its contracting process through a Lean-type of paradigm.

**6) SFDPH CONTRACTOR PERFORMANCE AND OUTCOMES**

Michelle Ruggels, Director of the SFDPH Business Office, presented the item which is an outline of discussion topics on SFDPH contracting processes that will be brought to the Committee in 2016.

Commissioner Comments/Follow-Up:

Commissioner Singer requested that the presentations include information to help the Committee members understand service models proposed by potential contractors but ultimately rejected by the SFDPH.

Commissioner Chung suggested that the presentations should include the RFP process since it directly impacts which programs are funded through contracts. She added that it would be ideal to better understand if there are ways to provide technical assistance to potential contractors who proposed effective models but whose proposals were not funded.

Ms. Ruggels stated that most of the SFDPH contractors are now fiscally stable and more experienced; she noted that in the past decade many of the agencies with fiscal issues closed or merged. She added that the most common contractor problems involve the impact of the current economy including difficulty hiring and maintaining staff. Director Garcia stated that there are contractors who are fiscally dependent on the City and/or SFDPH; this poses a problem in leaner economic times when budget cuts are necessary.

Commissioner Chow stated that board governance is an issue for many agencies dependent on the SFDPH or City and suggested a technical assistance be provided to these agencies' board of directors.

Commissioner Singer asked whether the SFDPH has different contract reporting requirements for vendors who are fiscally dependent on the SFDPH or City funding. Director Garcia stated that contract reporting requirements are not determined by level of City or SFDPH funding to the agency.

Commissioner Singer requested that best practices from other City governments be presented. Ms. Ruggels stated that the Controller has compared CCSF processes with other counties. She indicated that some of the input is helpful but noted that each city or county has very different bureaucracies.

Commissioner Chow stated that the SFDPH should utilize clear client outcomes. Deborah Sherwood, Director of Research, Evaluation, and Quality Management, stated that the SFDPH contractors are trained to develop SMART quality objectives.

Commissioners Chung and Singer stated that the SFDPH funding decisions should be based on the service model and strength of the vendor not on simply because of past contracting history with the SFDPH.

**7) EMERGING ISSUES**

Director Garcia stated that two corrective action plans will be brought to the Committee in the near future. She noted that both involve agency staff not following MediCal requirements. She also stated that board governance is an issue.

**8) PUBLIC COMMENT**

There was no public comment.

**9) ADJOURNMENT**

The meeting was adjourned at 3:51pm.