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MINUTES

HEALTH COMMISSION FINANCE COMMITTEE

Tuesday, October 7, 2008

2:00 p.m.

101 Grove Street, Room 220

San Francisco, CA 94102

1) CALL TO ORDER

Commissioner Tierney called the meeting to order at 2:05 p.m.

Present: Commissioner Steven Tierney, Ed.D., Chair
Commissioner Edward A. Chow, M.D., Member
Commissioner Sonia Melara, MSW, Member, arrived at 2:10 p.m.
Commissioner James M. Illig, Ex Officio, arrived at 2:10 p.m.

Attendees: Edwin Batongbacal, CBHS, Bob Cabaj, CBHS, James Dilley, M.D., SFGHTC, Liz Gray, Long Term Care Director, Jacquie Hale, Contracts Manager, Mark Leary, M.D., SFGHTC, Sharon McCole Wicher, SFGHTC, Gene O'Connell, SFGHTC Executive Administrator, Marti Paschal, SFGHTC, Gregg Sass, Chief Financial Officer, Kanwar Singh, CBHS, Barbara Garcia, Community Programs, Anne Okubo, Deputy Finance Director and Ginger Smyly, Director, CHPP.

2) APPROVAL OF THE SEPTEMBER 9, 2008 FINANCE COMMITTEE MINUTES

Action Taken: The Committee (Chow and Tierney) approved the minutes of the September 9, 2008 Finance Committee meeting.

3) **CONTRACT UPDATE AND APPROVAL**

3.1) Approval of the October 2008 Health Commission Contracts Report

Action Taken: The Committee (Chow and Tierney) approved the October 2008 Health Commission Contracts Report.

3.2) **BHS-Mental Health** – Request for approval of a retroactive contract renewal with A Better Way, Inc., in the amount of \$1,310,000 per year, for a total contract amount of \$5,868,800, which includes a 12% contingency, to provide mental health treatment and skill-building services to children and families involved with, or at risk for becoming involved with the foster care system in San Francisco, for the period of July 1, 2008 through June 30, 2012 (4 years).

Action Taken: The Committee approved the approval of a retroactive contract renewal with A Better Way, Inc.

4) **DISCUSSION OF THE CONTINUUM OF BEHAVIORAL HEALTH SERVICES**

Bob Cabaj, M.D., gave an overview of the San Francisco system of care for mental health services. Gregg Sass gave a high level financial overview of DPH's behavioral health services. Bob Cabaj said there is a long-term, shared goal of community rather than institutional services. Ms. O'Connell said more than two thirds of patients in her SNF have dementia and require a significantly higher level of care. Ms. Gray said they have community programs for people with mild to moderate dementia but not severe dementia. Ms. Gray said it is a growing population, due to a number of factors: aging community, substance abuse, traumatic brain injuries, chronic alcoholic, and other factors. More than any other county, San Francisco has a younger population of people with dementia. Commissioner Tierney asked the process for getting more people in community placements. Ms. Garcia said Community Programs has identified 260 high users and has identified several programs that are going to help focus on this population, who cost the Department \$25-30 million. Her staff works closely with Liz Gray's shop to look at option for these people and getting clients into lower levels of care. Staff is still challenged by the group of patients that no one else will take. Ms. Gray said she has placed staff in SFGH's emergency room to deal with patients at this level.

Steve Fields said it is legitimate to look at outliers, but the bulk of people in beds had a much clearer community potential and there were systemic issues that led to the backlog. Most were awaiting placement, not un-placeable. There are a lot of other things we need to do before only focusing on the problem placements. We could use a more clearly articulated community placement team.

Commissioner Illig asked if it would be useful to look at lengths of stay at places and put some limits on them. Ms. Garcia said this is helpful and they are looking at lengths of stay from a multiple approach. There will be additional requirements when the RFPs are rolled out. Ms. O'Connell noted that a lot of patients that need placement have behavioral and complex medical problems. This population takes up a lot of money, and the steps that have been taken so far are in the positive direction.

5) **REPORT FROM THE OFFICE OF THE CONTROLLER REGARDING THE MONITORING OF NONPROFIT ORGANIZATIONS AWARDED FEDERAL FUNDS BY DPH IN FY 2006-2007**

Anne Okubo, Deputy Finance Director, said DPH is required to monitor agencies that received federal funds. DPH requested that the Controller's Office perform the monitoring, paid for with Proposition C funds, and DPH does the follow up. Monique Zmuda, Deputy Controller summarized the monitoring of single audits for public health non-profits in FY 06-07.

Controller Recommendations

- Health Department should follow up with agencies with findings or management letter comments.
- Health Department should obtain all management letters and responses.
- Health Commission should consider the results of this study at a hearing.

Next Steps

- Controller will continue to perform audit reviews and report repeated findings.
- Health Department will monitor progress of corrective action plans.
- Health Department should identify non-profit agency performance to Controller's audit staff for additional audits/technical assistance.
- Controller will continue to work with non-profits to improve financial performance through training and technical assistance.

Commissioner Melara asked who the management letter is sent to. Ms. Zmuda said management letters are generally addressed to the Agency's CEO, who should then send the letter to the agency Board of Directors. Commissioner Melara said it should be mandatory that the management letters should go to the Board of Directors. Commissioner Melara also encouraged staff to undertake training for Boards of Directors.

The Committee accepted the report.

6) **HEALTH COMMISSION BUDGET PRINCIPLES**

The Committee continued the discussion of the FY 2009-2010 budget principles. Commissioner Melara said that one of her primary goals with the principles is working across systems and with our partners.

Gregory Cross, SEIU 1021, said budget principle #14 is one of the union's primary concerns, primarily because it is counterproductive to the organization as a whole and probably illegal. Further, the union believes that they are one of the community partners.

Steve Fields submitted written testimony in advance of the meeting, at the request of the Health Commission. He said that the dilemma is that if it weren't for the Board of Supervisors this year community based programs would have been disproportionately hit by budget cuts, so it is important to have a discussion about the budget being proportionate as it goes forward.

Dick Hodgson, San Francisco Community Clinic Consortium, said that "partner" needs to be more clearly defined.

Commissioner Illig said his intention was to emphasize to the people in City Hall who negotiate contracts that they must take health impacts into consideration, if they are giving away more than we are expected to take in. He is willing to withdraw Principle #14. He suggested a change to the overarching principles to clarify that the Health Department is committed to alternatives to institutional placements, and well as long-term placements.

The Committee continued discussion of the principles to the October 21, 2008 Citywide Health Planning and Effectiveness Committee meeting.

7) **EMERGING ISSUES**

None.

8) **PUBLIC COMMENT**

None.

9) **ADJOURNMENT**

The meeting was adjourned at 4:00 p.m.

Michele M. Seaton
Health Commission Executive Secretary