

James M. Illig
President

Sonia E. Melara
Vice President

Edward A. Chow, M.D.
Commissioner

Margine A. Sako
Commissioner

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

Steven Tierney, Ed.D.
Commissioner

Catherine M. Waters, R.N., Ph.D.
Commissioner

HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Gavin C. Newsom, Mayor

Department of Public Health



Mitchell H. Katz, M.D.
Director of Health

James M. Soos
Acting Executive Secretary

TEL (415) 554-2666
FAX (415) 554-2665

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

MINUTES

HEALTH COMMISSION MEETING

Tuesday, April 21, 2009

At

4:00 p.m.

101 GROVE STREET, ROOM 300 or ROOM 302

San Francisco, CA 94102

1) CALL TO ORDER

Commissioner Illig called the meeting to order at 4:05 p.m.

Present: Commissioner James M. Illig, President
Commissioner Sonia E. Melara, Vice-President
Commissioner Margine A. Sako
Commissioner David J. Sanchez, Jr., Ph.D.
Commissioner Steven Tierney, Ed.D.
Commissioner Catherine M. Waters, R.N., Ph.D.

Absent: Commissioner Edward A. Chow, M.D. (excused)

2) APPROVAL OF THE MINUTES OF THE HEALTH COMMISSION MEETING OF APRIL 7, 2009

Action Taken: The Commission (Illig, Melara, Sako, Sanchez, Tierney, Waters) approved the minutes of the April 7, 2009 meeting.

3) DIRECTOR'S REPORT

NACo Hearing on U.S. Health Reform

The National Association of Counties held a hearing in Sacramento April 16 to discuss health reform initiatives. This was the final of four hearings held around the country to help NACo

formulate policy recommendations and develop a national health reform platform. I was invited to speak on a panel about a potential model for health care reform - Healthy San Francisco. There was tremendous interest at the hearing from participants about adopting the HSF model in other counties around the United States.

Closure of Units K7

Reducing the overall census of Laguna Honda Hospital & Rehabilitation Center is one of many actions necessary to prepare residents and staff for the move into new buildings next year. This past week LHH marked another milestone when it closed K7, part of the Chronic Care/High Support Program, by successfully relocating all of the residents to other units.

The process of resident relocation is carefully planned and relocating even one resident requires many steps before the final move. When closing an entire unit, the process of assessing patient care needs, evaluating the capacity of other units to accommodate them, providing all of the necessary clinical information to the new care team, and, finally, supporting/evaluating the resident's adjustment after the relocation, occurs 20 or more times and is completed over many months. Relocation to another unit with new staff and new resident community members can be stressful to residents and to their families, so including them in the process is an essential part of a successful move. Closing a unit also means the dislocation of staff who may have worked together as a team for years. Many thanks to Drs.' Lydia Lukian, and September Williams and Nursing Manager Kathleen Maxwell and Nursing Director Mercy Devasconcellos, whose efforts over the past several months have helped residents and staff cope with the challenges of new beginnings.

LHH Anticipates State Visit

The state is expected to re-survey Laguna Honda by mid-June, not August 27 as previously expected. The reason for the earlier visit is that regulations require a re-survey within three months of a change in hospital administration. As usual, surveyors will focus on three key areas: quality of care, quality of life and safety. We anticipate that the good record and outcomes of the State's survey begun by John Kanaley and the LHH staff will continue and that the upcoming visit will result in one of which we will all take pride in reviewing.

New Investigator Award

Anne Hughes, RN, PhD, Advanced Practice Nurse in Palliative Care at LHH received the Hospice and Palliative Nursing Association's (HPNA) *New Investigator Award* at the Annual Assembly of HPNA and the American Academy of Hospice and Palliative Care Medicine in Austin, Texas last month. Ms. Hughes, who is just beginning her career as a researcher, was recognized for the work she has done on the urban poor at the end of life. She has received other awards recognizing the importance of her research—the Oncology Nursing Society 2008 Excellence in Cancer Nursing Research and UCSF School of Nursing 2008 Distinguished Dissertation Award.

International Delegations Focus on New Laguna Honda Hospital & Rehabilitation Center

Laguna Honda staff recently hosted a delegation of health care technology experts from the innovation research unit at the Institute of Technology in Helsinki, Finland. As the opening of the new facility nears, the hospital has begun to attract international attention for its integration of computerized health care management systems. Visits such as this one are a part of the hospital's strategic plan to become a world class center of excellence in long term care and rehabilitation.

Staff Distributes 72hours.org Brochures

On Friday, March 27, staff from Community Programs distributed **72hours.org** brochures to nearly 7000 clients at 83 sites located throughout the City. Community Programs worked with the

Department of Emergency Management to help hard to reach and underserved populations become aware of the need to plan for personal emergency preparedness. Clients in every clinic, program and building within Community Programs had the opportunity to learn how to be prepared to survive on their own for 72 hours following a major disaster. I am especially proud of the efforts behind this outreach program because it showed how staff is resourceful and sensitive to our clients on a number of levels. There were group meetings and one-on-one instruction, depending on the clients' needs and their specific situation, such as individuals who live in our supportive housing sites. The brochures were available in five different languages. During the one-day blitz to impress upon clients the importance of personal preparedness, lots of good work by many dedicated staff demonstrated what an organized, focused group with a clear goal can accomplish.

This is the third time we have distributed the personal preparedness information to our clients. We will continue to participate in this exercise throughout the year. The next **72hours.org** brochure day is planned for mid-June. The information contained in the brochures is also available at www.72hours.org.

Treasure Island Community Transportation Plan Published

DPH and the San Francisco Bicycle Coalition (SFBC) have released the Community Based Transportation Plan for a Walkable and Bikeable Treasure Island. Supported by funding from Caltrans, the plan outlines numerous recommendations for transportation infrastructure and policies for the development of San Francisco's newest neighborhood. The plan was based on extensive outreach efforts over the past two years. The authors of the plan held community workshops, bike tours and conducted interviews with individuals and groups who have an interest in Treasure Island. The Treasure Island Community Transportation Plan will help ensure an active and healthy community and equitable access for residents, commuters and visitors on and to Treasure Island. To access the report, please visit SFBC website <http://www.sfbike.org/?treasureisland> or DPH's Program on Health, Equity and Sustainability's website at http://www.sfpbes.org/comm_ti_bicycle_ped.htm.

SFUSD Policy on School Meals

Earlier this month the San Francisco Board of Education unanimously passed a resolution entitled: *Feeding Every Hungry Child in the San Francisco Unified School District*. This resolution was a result of many years of research, outreach, advocacy and pilots to improve school meals at SFUSD. DPH has been a partner in improving the school nutrition environment as a member of the SFUSD Nutrition Committee since its inception in 2002.

The school meal program at SFUSD is the largest public food service program in San Francisco serving over 31,000 meals daily, making it one of the most vital programs to address health inequities and improve the nutrition of San Francisco's most vulnerable children. Since the school meals program operates in 104 school sites, financial drains to the program are often a result of problems at school sites, and are not under the control of the SNS department. The resolution mandates that all school sites take specific steps to strengthen the school meal program, and affirms SFUSD commitment to addressing childhood hunger.

Commissioners Participate in National Public Health Week Event

Many thanks to Commissioners Illig and Chow for participating in LHH's salute to Public Health Week on April 8th. Jill LeCount, Michael Mikolasek and Shannon C. Smith presented LHH's two-time award winning Culturally Effective Health Care Program Development project. Commissioner Illig dedicated the program to the memory of John Kanaley and honored John for his leadership of LHH's cultural competency program.

The program grew out of strategic planning goals for improving communication and evolved into an award winning model. The team believes the state and national awards for the program affirm that LHH is very much on the right track, yet are aware that much more needs to be done to achieve the vision of eliminating disparities. Commissioner Chow delivered closing remarks at the event, complimenting LHH on making significant progress and inspired participants to continue to support cultural competency initiatives, particularly during these troubled economic times.

COMMUNITY HEALTH NETWORK
SAN FRANCISCO GENERAL HOSPITAL & TRAUMA CENTER
APRIL 2009
Health Commission - Director of Health Report
 (04/13/09 MEC)

	04/09	07/08 to 06/09
New Appointments	8	212
Reinstatements		1
Reappointments	44	366
Delinquencies:	0	0
Reappointment Denials:	0	0
Resigned/Retired:	24	194
Disciplinary Actions	0	0
Restriction/Limitation-Privileges	0	0
Deceased	1	2
Changes in Privileges		
Additions	2	57
Voluntary Relinquishments	1	30
Proctorship Completed	20	195
Proctorship Extension	0	0

Current Statistics – as of 03/17/09	
Active Staff	496
Courtesy Staff	591
Affiliate Professionals (non-physicians)	249
TOTAL MEMBERS	1336

Applications In Process	15
Applications Withdrawn Month of March 2009	0
SFGH Reappointments in Process 05/2009 to 08/2009	217

Dr. Katz added two announcements to the report that was previously sent to the Commission:

He announced his appointment of Mivac Hirose as Administrator of Laguna Honda Hospital (LHH). He noted that Ms. Hirose had immediately taken a leadership role at a very turbulent time when John Kanaley’s sudden death was announced. He also noted that she has been a nurse since 1985, worked at LHH since 1999, and had been the Chief Operating Nurse since 2005. In addition, he noted that Mr. Kanaley had been grooming Ms. Hirose as a successor to him when he retired at a future date.

Secondly, Dr. Katz announced that Sue Currin went through Joint Commission Stroke Certification yesterday at SFGH and passed with flying colors.

Commissioner Comments/Requests for Follow-up:

Commissioner Illig congratulated Ms. Hirose on her appointment, and noted that as a Commissioner who sits on the LHH Joint Conference Committee, he was well aware of Ms. Hirose’s leadership ability.

Commissioner Sanchez noted that in challenging times, the commitment and vision of leadership within the Department has continued to rise to the top. He added that two clinical leaders have risen to positions of running the Department’s two largest institutions, which reflects well on the Department.

Commissioner Illig asked about the Board’s budget principles and how DPH had input into those principles and how they will be implemented. Dr. Katz replied that on Saturday, Supervisor Avalos will hold an open house on the budget in District 11, which all Department heads have been asked to attend and present on their departments’ budgets. Dr. Katz will be attending and invited any interested commissioner to attend with him.

4) GENERAL PUBLIC COMMENT

None.

5) CITYWIDE HEALTH PLANNING & EFFECTIVENESS COMMITTEE REPORT

Commissioner Sonia E. Melara reported on the actions of the Citywide Health Planning & Effectiveness Committee.

Commissioner Comments/Requests for Follow-up:

Commissioner Illig expressed his concern that in the California Pacific Medical Center (CPMC) Institutional Master Plan, all psychiatric beds will be eliminated and there will be significant cuts to skilled nursing beds.

Commissioner Melara expressed her concern that the St. Luke's rebuild is being tied to approval of the Cathedral Hill campus. Dr. Katz responded that the City has its own considerations on the need for acute hospital care apart from CPMC's consideration. He did explain that CPMC has been clear that Cathedral Hill is necessary to make St. Luke's financially viable.

6) FY 2009-10 BUDGET UPDATE & STATUS REPORT

Gregg Sass, Chief Financial Officer, provided an update and status report on the FY 2009-10 DPH Budget. A copy of his presentation is attached and incorporated into these minutes.

Commissioner Comments/Requests for Follow-up

Commissioner Tierney asked about the CBHS change. He also asked about the revenue loss. Barbara Garcia responded that she has been combing the budget for unmatched General Fund and found \$1 million in the Westside crisis contract.

Commissioner Illig asked about programs that don't bill Medi-Cal and whether they would be willing to do so. Ms. Garcia responded that she was unable to find an agency that was willing to take the financial risk that would be required under Medi-Cal.

Commissioner Illig asked about the cuts to methamphetamine treatment programs. Ms. Garcia responded that she has not cut all methamphetamine programs, but that there is duplication in methamphetamine treatment across the various Community Programs, so she was able to leverage additional savings and services by integrating methamphetamine services across programs within Community Programs.

Commissioner Illig asked about the changes to the nursing ratios at SFGH. Sue Currin responded that the State nursing ratio is higher than what existed in the MOU. She reported that she was able to renegotiate the MOU to be in line with the State ratio, resulting in cost savings.

Action Taken: The Commission (Illig, Melara, Sako, Sanchez, Tierney, Waters) approved the resolution Approving Revisions to the Department of Public Health's FY 2009-2010 Base Budget.

7) 3rd QUARTER FINANCIAL REPORT

Gregg Sass, Chief Financial Officer, provided the 3rd quarter financial report. A copy of his presentation is attached and incorporated into these minutes.

Commissioner Comments/Requests for Follow-up:

Commissioner Illig asked about the underspending in Primary Care despite clinics being closed to new patients. Mr. Sass responded that this is primarily due to the federal Health Care Coverage Initiative of the Hospital Waiver, which was not budgeted, but is replacing General Fund, which was budgeted, and due to salary and fringe benefit savings. Dr. Katz responded that we don't want to close any clinics to new patients, but that personnel requisitions for Primary Care are being held, which has made it impossible to hire for positions in that section.

Commissioner Illig asked about budgeting of the surplus. Mr. Sass responded that much of the surplus is related to the increase in the Federal Medical Assistance Percentage (FMAP) payments

under the American Recover and Reinvestment Act (ARRA), which has provided more funding than he had originally anticipated.

Commissioner Sako commented about the flow of funds to private providers under Healthy San Francisco. Dr. Katz responded that funds are flowing to the Community Clinic Consortium, Chinese Health Plan and St. Mary's for primary care, and to North East Medical Services (NEMS) for specialty care, but not to any hospital for inpatient care. Commissioner Sako requested that in future presentations, it be made clear what funds are flowing out of the Department to other providers under Healthy San Francisco.

Commissioner Tierney asked whether funding under the LHH transition to the new building could be reported at the next Finance Committee. Mr. Sass responded in the affirmative.

8) CLOSED SESSION

Public Comments on All Matters Pertaining to the Closed Session

None

Vote on Whether to Hold a Closed Session (San Francisco Administrative Code Section 67.11)

Action Taken: The Commission (Illig, Melara, Sako, Sanchez, Tierney, Waters) voted to hold a closed session.

The Commission went into closed session at 5:15 p.m.

Closed Session Pursuant to Government Code Section 54956.9 and San Francisco Administrative Code Section 67.10(d)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION, DIRECTOR OF HEALTH, MITCHELL H. KATZ, M.D.

Reconvene in Open Session

Possible Report on Action Taken in Closed Session (Government Code Section 54957.1(a)2 and San Francisco Administrative Code Section 67.12(b)(2).)

The Commission reconvened in open session at 6:30 p.m.

Vote to Elect Whether to Disclose Any or All Discussions Held in Closed Session. (San Francisco Administrative Code Section 67.12(a).)

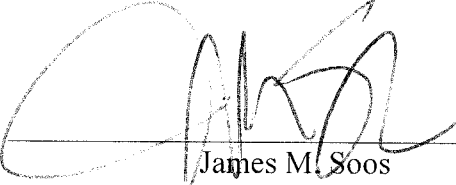
Action Taken: The Commission (Illig, Melara, Sako, Sanchez, Tierney, Waters) voted not to disclose any discussions held in closed session.

9) OTHER BUSINESS

None

10) **ADJOURNMENT**

The Commission adjourned at 6:30 p.m.



James M. Soos
Acting Health Commission Executive Secretary

Attachments (2)

San Francisco
Department of Public Health
Budget Update
FY 2009-2010

Budget Process – Status

We had anticipated that we would be able to bring a final budget presentation to the Health Commission for this third budget hearing but are not able to do so at this time.

- The City-wide budget is not in balance
- Outcome of discussions with labor, and other initiatives under consideration may increase the projected deficit
- General Fund reduction targets may increase
- Department targets are secondary to and dependent upon the City's need to achieve a balanced budget

Revisions

We are however taking this opportunity to clean up certain reduction initiatives that have been previously presented and approved.

Description	April 21 General Fund	February 14 General Fund	Net Change
Continuation of Acute Psych Unit for Nine-Months Trial	(1,023,077)	(1,310,896)	(112,581)
Consolidation in disease control program	(632,803)	(706,600)	(112,205)
Leverage Short-Day La Mead-Cal at 3 Supportive Housing Sites	(380,764)	(357,260)	(23,004)
Behavioral Health Contractor Reductions	(3,592,317)	(4,672,514)	1,080,197
Noting Administration vs. Position Changes	(35,759)	(52,355)	16,596
Additional GF Positions Transferred to Cover MHSA Activities	(2,067,493)	(1,571,274)	(491,220)
Total	(8,730,242)	(8,326,413)	403,829

Summary

Assuming that the revisions above are accepted, the table below summarizes the status of our budget work at this time.

Total General Fund Reductions – February 14	\$60,733,776
Revisions	403,829
Total General Fund Reductions – April 21	60,396,291
General Fund Base Reduction Target	100,160,000
Difference	\$39,763,708

Next Steps

A draft resolution approving the Base Budget submission is included for your consideration and approval.

We are continuing to work on additional initiatives and hope to bring a final presentation to the next scheduled meeting of the Health Commission.

**Department of Public Health
Preliminary Financial Results
Nine month Projection**

Division	REVENUES			EXPENDITURES			TOTALS
	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	
Department of Public Health							
Office	\$ 754,226,000	\$ 779,922,000	\$ 23,296,000	\$ 768,336,000	\$ 764,324,000	\$ 7,688,000	\$ 10,264,000
Laguna Honda	172,984,000	176,889,000	7,716,000	173,844,000	169,849,000	4,995,000	(4,150,000)
Primary Care	92,112,000	87,191,000	4,921,000	83,112,000	80,588,000	2,524,000	4,492,000
Health at Home	2,801,000	2,891,000	(90,000)	2,861,000	2,892,000	(31,000)	612,000
Jail Health	20,107,000	24,896,000	(4,789,000)	20,107,000	20,647,000	(540,000)	319,000
Public Health	134,824,000	136,241,000	(1,417,000)	134,824,000	131,490,000	3,334,000	5,041,000
Mental Health	247,148,000	271,439,000	(24,291,000)	267,148,000	262,623,000	4,525,000	8,767,000
Substance Abuse	79,742,000	75,742,000	4,000,000	75,742,000	73,823,000	1,919,000	2,817,000
TOTAL DPH	\$ 1,569,476,000	\$ 1,645,312,000	(75,836,000)	\$ 1,569,476,000	\$ 1,511,323,000	(58,153,000)	\$ 4,488,000

The Revised Budget in the table above includes Annual Appropriation, Ordinance for DPH Salary Forecasts from prior year, User Development Transfer (UDT), Transfer In, and Fiscal Restated expenses.

Projections include a revenue surplus of \$36.3 million and expenditure deficit of \$1.8 million for an overall surplus of \$34.5 million. Financial projections includes mid-year reductions of \$19 million, (including \$2M in additional revenues), and \$22 million in FMAP revenue increases that were effective October 1, 2008.

**Department of Public Health
Preliminary Financial Results**

San Francisco General Hospital: surplus of \$15.3 million.

- Revenues are projected to be \$23.3 million more than budget. This is comprised of:
 - \$22.55 million favorable variance in net patient service revenue (\$17.65 million surplus in patient service revenue plus \$4.7 million surplus in the Safety Net Care Post). Includes \$9.1 million in additional FMAP revenues and \$5.7 million in prior year settlements
 - \$7 million favorable variance in capitation revenues
 - \$7 million shortfall in Revenue from the Health Care Coverage Initiative (HCCI) that funds a portion of Health's San Francisco program
 - 100% loss of State Tobacco Tax revenues budgeted at \$1.121 million but cut from the State Budget, and
 - \$2 million favorable variance in MAA TCM revenue.
- The average daily census in the acute medical / surgical units through March of this year exceeds the budgeted census by 4.9%.
- Expenditures are projected to be over budget by \$8 million due to unfavorable variances in Personal Services and Fringe Benefits. The unfavorable variance in our salary projections are partly a result of under-funding of structural costs. The final approved budget did not include \$3.8 million in requested funding for structural needs that occurred in 2007-08.

**Department of Public Health
Preliminary Financial Results**

Laguna Honda Hospital: Year-end projections show a \$4.1 million deficit.

- Revenues are projected to be \$2.7 million more than budget. This is the result of an increase in our SNF per diem payment rate for Medi-Cal partially offset by a reduction in Medi-Cal payments. Medi-Cal payments for skilled nursing services are subject to a 10% reduction from August to February, and a 5% reduction for the balance of the year as approved in the State budget. However, the U.S. Court of Appeals recently granted an emergency request to stop these rate reductions effective April 9. If the court rules to overturn the entire reduction, which appears likely, we will see a \$4 million improvement in net revenues at Laguna Honda for the current year and a \$2 million improvement for 2009-10.
- Expenditures are projected to be \$6.9 million more than budget primarily due to unfavorable variances in Personnel Services. The unfavorable variance in our salary projections are partly a result of under-funding of structural costs. The final approved budget did not include \$2.336 million in requested funding for structural needs that occurred in 2007-08.

**Department of Public Health
Preliminary Financial Results**

- Primary Care:** Year-end projections show a surplus of \$6.5 million.
 - Revenue is projected to \$4.1 million over budget. This is primarily due to inclusion of HCCI revenues that were not budgeted for primary care.
 - Expenditures for Salaries and Fringe Benefits are projected to be \$2.4 million less than budget, based on a projection of our most recent year-to-date payroll.
- Health at Home:** Year-end projections show a surplus of \$0.6 million comprised of favorable variances in Salaries and Benefits and savings from mid year reductions taken in August. In a first round of mid year cuts taken in August, the Mayor reserved \$0.3 million in personnel expenditures which accounts for most of this variance. In addition, projections are reduced \$0.2 million for a mid year cut to the medical high utilizer program.
- Jail Health Services:** Year-end projections show a surplus of \$0.3 million comprised of a \$0.7M favorable variances in ADAP reimbursements offset by a \$0.4M projected overspending in materials and supplies also associated with the cost of ADAP pharmaceuticals.

**Department of Public Health
Preliminary Financial Results**

Public Health: We are projecting a \$5 million surplus in this division.

- Revenues are more than budget by \$1.5 million comprised of a transfer in for HCCI, Healthy San Francisco revenue and improvements in MAA/TCM reimbursements offset by State budget cuts to CCS.
- Expenditures are projected to be \$3.5 million less than budgeted. Salary and fringe benefits are projected to be \$0.7 million more than budget. Savings in Non-Personal Services reflects deferral of \$1.5 million in HUH scattered site housing costs to 2009/10. We are also projecting 2.8 million in savings from mid year cuts.

**Department of Public Health
Preliminary Financial Results**

- Mental Health:**
 - We are projecting an \$8.8 million surplus in Mental Health.
 - Revenues are projected to be \$4 million over budget. This is primarily due to additional Short-Doyle Medi-Cal revenue which includes an \$8 million FMAP increase offset by a \$3 million reduction based on results of prior audit settlements.
 - Expenditures are projected to be \$4.8 million less than budget. Salary and fringe benefits are \$0.7 million over budget. Non-Personal Services are \$0.2 million under budget reflecting savings for late start up of an adult diversion unit. We are also projecting \$5.3 million in savings from mid year cuts.
 - The unfavorable variance in salary projections is due to under-funding of structural costs. The final approved budget did not include \$2.8 million in requested funding for salary and fringe. The hiring freeze has offset a portion of this leaving a remaining unfavorable variance of \$0.7 million.
- Substance Abuse:**
 - Expenditures are projected to be \$2.1 million under budget related to savings from mid-year cuts.

**Department of Public Health
Preliminary Financial Results**

Conclusion:

The Department is projecting a large surplus, significantly resulting from the increase in FMAP flowing from the American Recovery and Reinvestment Act (ARRA), which also contributes to our General Fund reduction targets for next year.

While the Department is projecting an overall surplus of \$34.5 million, the two hospitals are projected to be overspent. This is, in part, related to structural issues that were not funded in the current year budget. The underfunding of expenses anticipated favorable revenue results which could support a supplemental appropriation. We are working with the Controller and Mayor's Budget Office on a non-general fund, revenue supplemental appropriation to address overspending.