

## HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 2-93

### RESOLUTION ENDORSING PRINCIPLES FOR THE DEVELOPMENT OF A MANAGED CARE SYSTEM IN SAN FRANCISCO

WHEREAS, the State Department of Health Services is committed to the rapid expansion of managed care within the Medi-Cal program as a means of improving beneficiary access to quality preventive and primary health care services in a cost effective manner, consistent with directions from the Legislature and the Governor, as embodied in Senate Bill 485, and;

WHEREAS, the State Department of Health Services released their Draft Strategic Plan "Protecting Vulnerable Populations: California's Strategic Plan for the Transition of Medi-Cal to Managed Care" on 1-13-93, held five regional public hearings to receive comment on the plan on 1-27-93 and 1-28-93, and will release a final plan in the near future, and;

WHEREAS, San Francisco is designated in the State's plan as one of eleven Priority A counties, providing the County Board of Supervisors with the option of participating in the development of an organized health care consortium, to begin operating in FY 1993-94, or, if the County Board of Supervisors elects not to participate, providing other interested parties the option to develop the consortium, or, if there is insufficient interest in the county in creating a consortium, providing the State with the authority to implement Geographic Managed Care, and;

WHEREAS, the primary providers of care to San Francisco's growing uninsured and underinsured populations, the Department of Public Health and other traditional San Francisco Medi-Cal and safety net providers, are deeply concerned that the State's proposed changes in services to the Medi-Cal population could threaten access to care for those who rely on our local health system, particularly in light of the state budget crisis, the impending state cuts in the Governor's FY 93-94 budget, and;

WHEREAS, in the Fall of 1992 the traditional providers of care for Medi-Cal beneficiaries and the uninsured in San Francisco took the initiative to form a local leadership group made up of the Department of Public Health, the West Bay Hospital Conference, the San Francisco Medical Society, and the San Francisco Community Clinic Consortium to guide our planning efforts, and committed to work collectively to identify an approach to managed care that would best meet the needs of San Franciscans, now, therefore; be it

## HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 2-93

RESOLVED, that the Health Commission endorse the following principles to serve as a guide to the State Department of Health Services in transitioning Medi-Cal clients to managed care:

1. Medi-Cal managed care should focus on expansion of proven networks of Medi-Cal providers and should proceed cautiously with providers who do not currently serve the Medi-Cal population.
2. Managed care systems should be utilized primarily to expand access to Medi-Cal beneficiaries. Cost savings that accrue from more appropriate utilization of services should be a secondary and longer-term objective.
3. Managed care service delivery mechanisms should require coordination of primary care by an identified provider, should build on principles of utilization management which identify both under and over utilization, and should focus on preventive services.
4. Contracting mechanisms should permit flexibility in reimbursement mechanisms, including traditional fee-for-service models, as well as partial capitation models, and; be it

FURTHER RESOLVED, that the Health Commission endorse the following principles to serve as a guide to the Department of Public Health in its collaborative efforts with the West Bay Hospital Conference, the San Francisco Medical Society, and the San Francisco Community Clinic Consortium in transitioning Medi-Cal clients to managed care:

The development of managed care should:

1. Be consistent with the Department of Public Health's mission of providing a comprehensive array of services to targeted populations;
2. Be consistent with the Department's commitment to conserving scarce resources;
3. Enhance the Department's commitment to primary care-driven health services, both public and private, by providing broad access to public health and primary health care services that function as the entry point to the entire health system in San Francisco;
4. Maintain essential Medi-Cal revenues that the traditional Medi-Cal providers, both public and private, could lose if a managed care model is not adopted;

## HEALTH COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 2-93

5. Enhance the Department's commitment to providing quality care that is overseen by a rigorous quality assurance mechanism for continuous quality assurance, and; be it

FURTHER RESOLVED, that the Health Commission directs the Department of Public Health to ensure, in any system that is developed to transition Medi-Cal clients to managed care, that:

1. The inextricable link between providing services for Medi-Cal clients and the ability to provide services for indigent and unsponsored populations is maintained by requiring that plans who contract to provide managed care services for the Medi-Cal population also serve indigent and unsponsored populations;
2. The managed care services to be developed and provided by the Department of Public Health for Medi-Cal clients, including improved access to quality primary and preventive care, should also be made available to all clients served by the Department, and not solely those on Medi-Cal;
3. The Department of Public Health will identify means to preserve and protect current revenues, including those that are the result of being a disproportionate share provider, so that the transition of clients to managed care does not jeopardize the viability of public health services in San Francisco;
4. Other managed care models, such as a County Organized Health System, will be explored for their feasibility and applicability to the principles guiding the development of a managed care system for San Franciscans;
5. The Department of Public Health will identify the implications of implementing a managed care model on the general operations and structure of the Department in relation to the City and County of San Francisco's requirements;
6. The Department of Public Health will provide periodic reports to the Health Commission on the progress of the above directives, and; be it

**HEALTH COMMISSION**

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 2-93

FURTHER RESOLVED, that the Health Commission directs the Director of Public Health to take a leadership position in advocating for these principles in conjunction with previously approved principles for health system reform, and participate, in collaboration with other safety net providers, in developing a managed care system that is consistent with these principles, and; be it

FURTHER RESOLVED, that the Health Commission supports the efforts of the Director of Public Health in taking a leadership position in working collaboratively in a public-private partnership with the West Bay Hospital Conference, the San Francisco Medical Society, and the San Francisco Community Clinic Consortium in transitioning Medi-Cal clients to managed care, and; be it

FURTHER RESOLVED, that the Health Commission urges the Board of Supervisors to stay informed of the developments in the transition of Medi-Cal to managed care, and to support San Francisco's efforts where opportunity arises on the the State level.

I hereby certify that the foregoing Resolution was adopted by the Health Commission at its meeting of February 16, 1993.



-----  
Sandy Ouye Mori

Executive Secretary to the Health Commission