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MINUTES

HEALTH COMMISSION FINANCE AND PLANNING COMMITTEE MEETING

**Tuesday July 5, 2022 2:00 p.m.
Remote Meeting via Webex Event**

1) CALL TO ORDER

Present:

Commissioner Edward Chow, MD, Member
Commissioner Tessie Guillermo, Member

Excused: Commissioner Cecilia Chung, Chair

The meeting was called to order at 2:04pm.

2) APPROVAL OF THE MINUTES OF THE HEALTH COMMISSION FINANCE AND PLANNING COMMITTEE MEETING OF JUNE 7, 2022

Action Taken: The Committee unanimously approved the June 7, 2022 minutes.

3) MONTHLY CONTRACTS REPORT

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

Commissioner Comments:

Regarding the Glide Memorial Foundation contract, Commissioner Chow asked for clarification regarding the client population. Ms. Ruggels stated that individuals experiencing chronic homelessness are the targeted population.

Commissioner Guillermo asked for more information regarding Glide's poor performance ratings on an existing DPH contract. Nikole Trainor, DPH Community Health Equity and Promotion Branch, stated that the organization faced significant challenges due to COVID-19. She noted that they are slowly improving performance on achieving their contracted units of service; staffing issue impacted their ability to meet contract targets. Commissioner Guillermo requested a 6-month update on this contract and other contracts that performed poorly due to COVID-19, adding that it is important for the committee to receive this information in order to perform its oversight duties.

Commissioner Chow asked for clarification regarding how staff issues impacted poor contract performance. Ms. Trainor stated that during the pandemic, many DPH contractor staff hired to conduct community outreach were deployed by the DPH for contact tracing and investigation activities. This left a vacuum for community outreach activities.

Commissioner Chow requested that future reports include a “no corrective action” option to ensure the Commissioners understand if there are performance issues with an organization.

Regarding the San Francisco Study Center contract, Commissioner Guillermo asked if the DPH has contracted with the organization previously and is there confidence that the organization can manage DPH contacts. Dr. Ayanna Bennett, Director of the Office of Health Equity, stated that the organization scored highest on the RFP process and has successfully completed DPH contract requirements in the past.

Commissioner Guillermo requested an update on the paradigm contained in the contract prior to the end of the contract.

Commissioner Chow requested that Dr. Bennett include reporting on this contract during her quarterly Office of Health Equity updates to the full Health Commission.

Regarding the Community Youth Center contract, Commissioner Guillermo noted that the organization did not meet its units of service goals.

Regarding the Crestwood contract, Commissioner Chow asked if the DPH has other contracts with the organization. Ms. Ruggels noted that the DPH contracts with Helios, a sister organization, but does not have other contracts with Crestwood.

Regarding the Jamestown Community Center contract, Commissioner Guillermo asked for clarification regarding the program’s performance issues. Chris Lovoy, DPH Manager of Children and Youth System of Care, stated that the organization’s new program launch occurred during the pandemic, so performance goals were waived. He noted that the fiscal compliance issues are separate and the DPH has been providing technical assistance, with noted improvement in the organization’s performance in this area. Commissioner Guillermo noted that this type of information is important to include on the contract documents.

Regarding the Westside contract, Commissioner Chow asked if any contract services are also covered by Medi-Cal. Jose Luis Guzan, DPH Program Manager, stated that there is a carve-out for Medi-Cal services. The DPH pays the contractor and then bills Drug Medi-Cal for reimbursement.

Regarding the Special Services for Groups contact, Commissioner Chow asked if the services will go out to bid before the end of the 5-year contract. Ms. Ruggels stated that generally with a 10 year contract, the DPH will begin the RFP process after 5 years.

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

4) REQUEST FOR APPROVAL OF TWELVE NEW CONTRACTS FOR AS-NEEDED FACILITIES MAINTENANCE SERVICES IN THE FOLLOWING AREAS: FOR LOW VOLTAGE SERVICES WITH MCCLURE ELECTRIC AND WPCS INTERNATIONAL; FOR PAINTING SERVICE WITH KLW AND MIGALE; FOR MECHANICAL SERVICES WITH ABCO MECHANICAL CONTRACTORS AND EMCOR SERVICES; FOR FIRE CURTAINS WITH UNION DOOR; FOR GENERAL CONTRACTING WITH RODAN, KLW AND CITY BUILDING; FOR ROOFING SERVICES WITH PIONEER CONTRACTORS; AND FOR CONCRETE SERVICES WITH YERBA BUENA ENGINEERING; FOR TERMS OF JUNE 1, 2022 – MAY 30, 2025.

Terry Saltz, ZSFG Facility Services and Captial Planning, presented the item.

Commissioner Comments:

Commissioner Guillermo asked if the businesses on the list are also current DPH vendors. Mr. Saltz stated that all the businesses listed are current DPH vendors.

Commissioner Chow asked for clarification regarding the one business with a “Q2” categorization. Mr. Saltz stated that the business does not have required minimum years of experience working in a OSHPD facility, so the business is categorized to only conduct work outside of this type of environment.

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

5) REQUEST FOR APPROVAL OF A NEW CONTRACT WITH WEST-COM & TV INC., IN THE AMOUNT OF \$537,600, TO PROVIDE MAINTENANCE AND SUPPORT SERVICES FOR THE WEST-COM ODYSSEY NURSE CALL SYSTEM INSTALLED AT LAGUNA HONDA HOSPITAL FOR A TERM OF JULY 1, 2022 TO JUNE 30, 2025.

Diana Kenyon, LHH Director of Facility Services, presented the item.

Commissioner Comments:

Commissioner Chow noted that the system seems to be for acute health care facilities, noting that Laguna Honda Hospital (LHH) is a skilled nursing facility Ms. Kenyon stated that the system has been installed throughout LHH.

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

6) ANNUAL SOLE SOURCE CONTRACTS REPORT FOR SUBMISSION TO THE BOARD OF SUPERVISORS UNDER CHAPTER 68 OF THE SAN FRANCISCO ADMINISTRATIVE CODE

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

Commissioner Comments:

Commissioner Chow thanked Ms. Ruggels for the report.

7) FOLLOW-UP DISCUSSION REGARDING FINANCIAL STATUS OF BAKER PLACES/POSITIVE RESOURCE CENTER, A DPH CONTRACT VENDOR, AND REMEDIAL ACTIONS TAKEN BY THE DEPARTMENT TO ASSIST THE VENDOR IN RESPONSE TO ITS CASH FLOW ISSUES.

Greg Wagner, DPH COO, presented the item.

Commissioner Comments:

Commissioner Chow noted that the Contract Report contained a contract with the organization. Ms. Ruggels stated that the DPH recommends moving the contract forward because cutting the contract would impact the organization’s cashflow, which would directly impact their ability to provide services. She added that if, in the future, the contract would be moved to another agency, it would be important not to have interruption of services or issues with the licensed beds. Mr. Wagner added that the DPH is looking at whether it should make changes to service models and other accountability measure.

Commissioner Guillermo thanked Mr. Wagner for the update and noted concern for the fiscal viability of the organization. She asked if quality of care has been assessed during the review of the organization’s fiscal issues. Dr. Hillary Kunins, Director of Behavioral Health Services, stated that she is unaware of quality-of-care issues.

Commissioner Chow noted concern about the organization's cashflow issues in regard to paying its staff and bills. Mr. Wagner stated that the DPH concern is that the organization is not able to submit timely financial accountability reports, due in part to fiscal staff turnover. He added that the Controller's Office is assisting in this process by conducting a fiscal analysis. The organizations fiscal issues relate to under-production of units of service and some expenses that are higher than revenue. The DPH has changed the organization's contracts to a cost-reimbursement model. However, the organization's administration costs are higher than the allowed DPH rate. He noted that during the COVID-19 pandemic, the organization's fundraising levels substantially lowered.

Commissioner Chow voiced concern that the many organization mergers may have created entities that are "Too big to fail." Mr. Wagner stated that smaller organizations have a more difficult time fulfilling DPH contract process requirements. The City's annual cost-of-living increases do not keep up with inflation and the actual costs of running a business. Commissioner Guillermo stated that it is the DPH responsibility to monitor situations in which it is known that the DPH is a significant funder for organizations so that there are not scenarios in which agency fiscal issues become insurmountable.

9) EMERGING ISSUES

This item was not discussed.

10) PUBLIC COMMENT

There was no public comment.

11) ADJOURNMENT

The meeting was adjourned at 3:27pm.