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**MINUTES**

**HEALTH COMMISSION FINANCE AND PLANNING COMMITTEE MEETING**

**Tuesday January 3, 2023 2:00 p.m.**

**Remote Meeting via Webex Event**

**1) CALL TO ORDER**

Present: Commissioner Cecilia Chung, Chair  
Commissioner Edward Chow, MD, Member  
Commissioner Tessie Guillermo, Member

The meeting was called to order at 2:07pm.

**2) APPROVAL OF THE MINUTES OF THE HEALTH COMMISSION FINANCE AND PLANNING COMMITTEE MEETING OF NOVEMBER 1, 2022**

**Public Comment:**

Patrick Monette Shaw made verbal comments and submitted the following summary:

The 11/1 Finance Committee meeting included the \$2 million contract amendment awarded to HMA. Commissioner Chow asked whether there would be additional contract modifications; Baljeet Sangha — an SFGH manager lacking nursing home experience and expertise — replied there would. Sangha misinformed Chow by claiming Phase 3 regulations became effective 10/24/22 adding significant hours to HMA's contract. Sangha wrongly asserted Phase 3 requirements weren't known when HMA's initial contract was issued (5/22). Phase 3 regulations aren't new; adopted in 2016, they took effect in 2019. Nursing homes were subject to Phase 3 regulations since 11/28/19. The only thing new is missing interpretive guidelines limiting state Survey Agency's (SA) assessment of Phase 3 requirements noncompliance has been developed and incorporated into California's State Operations Manual survey process. Surveyors began using the new guidance on 10/24/22. Sangha's misinformation exemplifies the types of LHH mismanagement that should be documented in the Root Cause Analysis report.

**Action Taken:** The Committee unanimously approved the November 1, 2022 minutes.

### 3) **MONTHLY CONTRACTS REPORT**

Dean Goodwin, SFDPH Business Office, presented the item.

#### Public Comment:

Patrick Monette Shaw made verbal comments and submitted the following summary:

Regarding this Chinese Hospital contract, how many of the 23 beds are dedicated to regular SNF patients? How many are dedicated to sub-acute SNF patients? I believe regulations prohibit “flexing” regular SNF beds to sub-acute SNF beds, and vice versa. Why wasn’t this Chinese Hospital contract made available for public inspection prior to being presented to the Health Commission? Are the sub-acute SNF beds only for SFGH patients, or will they be available to all San Franciscans? What happened to Chinese Hospitals previous intention to host a Citywide sub-acute unit? Are the sub-acute beds in this particular contract part of the City’s larger efforts to find and open up to 90 sub-acute beds to replace the sub-acute unit CPMC shut down at St. Luke’s Hospital in 2017? If not, when will this Commission begin identifying and funding another sub-acute unit, since the City now has zero sub-acute beds anywhere?

#### Commissioner Comments:

Regarding the RAMs contract, Commissioner Chung stated that she appreciates the clear reason for this contract modification.

Commissioner Guillermo asked for more information regarding the reason for the funding change of the peer services modality. Mr. Goodwin stated that the one-time MHS funding increase from last year was removed. Michelle Ruggels, Director of the Business Office, stated that \$55,000 was moved from this contract to the organization’s other peer-based contract so all of their peer services are contained in one contract.

Regarding the second RAMS contract, Commissioner Chow asked for more information regarding this contract’s performance evaluations. Min Tam, DPH Director of School Based Mental Health Services, stated that this program sends clinicians to childcare centers, helping providers’ ability to understand young children’s issues. Per the RFQ that provided funding, there needs to be a consumer survey to measure contract objectives. Instead, the pandemic interrupted the new work and evaluation. Starting in the fiscal year 2021-2022, new contract objectives were added. She noted that providers are now providing in-services and there is an evaluation effort funded which will guide the future RFP for these services. There is also a quantitative evaluation being planned.

Regarding the Booker T. Washington contract, Commissioner Guillermo noted that it does not seem that an evaluation was conducted of the contract. Mr. Goodwin stated that services just began this fiscal year and have not yet been evaluated.

Commissioner Guillermo noted that it seems some contract evaluations were suspended due to the pandemic. She asked if routine contract evaluations will be implemented this fiscal year. Mr. Goodwin stated that administrative evaluations were conducted during the pandemic, including reviews of units of services and unduplicated clients, but no scores were given. He added that the DPH will look to begin the full monitoring process again later this year. Ms. Ruggels stated that individual parts of contract were reviewed but overall monitoring scores were not given. Contract monitorings will be conducted onsite this year.

Regarding the Heluna Health Contract, Commissioner Chow asked why the DPH is choosing to use this vendor instead of funding its own services. Joshua Cristantiello, Interpretation Services, stated that it is more expeditious to use this vendor to hire quickly, in an attempt to provide necessary services and meet the requirements of the DPH Racial Equity Action Plan.

Commissioner Chow asked if there are plans for the DPH to transfer these positions to city workers. Mr. Crantiello stated that the DPH ideally would like to absorb the positions. Ms. Ruggels stated that the City's priority is to have civil service staff hired instead of vendors. When there are grant funded contracts with short-term funding, hiring staff through vendors is more conducive to shorter timeline for the grant.

Commissioner Guillermo suggested a cost evaluation on these types of shorter term hires through vendors.

Regarding the Chinese Hospital contract, Commissioner Chow noted he has a conflict and will not participate during the discussion of this item.

Commissioner Guillermo asked for clarification of whether there is an increase or decrease of the overall contract amount, noting there seems to be a discrepancy on the report. Kelly Hiramoto, Acting PCS Coordinator, stated that the contract term has been changed to one year.

Regarding the San Francisco AIDS Foundation contract, Commissioner Chow asked for the justification for extending a 2-year contract to a 10-year contract. Ms. Goodwin stated that the DPH is preparing budget documents for the Board of Supervisor budget analysis due to the level of funding. The DPH will be requesting funding allocation for the full 10 years but may not utilize the full amount of the contract term. Ms. Ruggels stated that because the vendor has a history of strong performance and compliance, the decision was made to move it to the 10-year contract term. Commissioner Guillermo requested that changes in practice be flagged on future reports with a justification for the change.

Commissioner Chung stated that the services provided by the contract are straight forward; most funds go directly into subsidies.

Action Taken: The Committee unanimously voted to extract the Chinese Hospital Contract from the report for a separate vote. ~~recommended the full Health Commission approve the report.~~

Action Taken: Commissioners Chung and Guillermo voted to recommend that the full Health Commission approve the Chinese Hospital Contract.

Action Taken: The Committee unanimously voted to recommend that the full Health Commission approve the report, with the Chinese Hospital contract extracted.

**4) REQUEST FOR APPROVAL OF A NEW CONTRACT WITH HEALTH SERVICES ADVISORY GROUP, INC. TO PERFORM ADDITIONAL CONSULTING SERVICES THAT BUILD UPON PREVIOUSLY COMPLETED SERVICES AND ADDITIONAL PERFORMANCE IMPROVEMENT SERVICES IN SUPPORT OF THE LAGUNA HONDA RECERTIFICATION PROJECT**  
**THE TOTAL PROPOSED CONTRACT AMOUNT IS \$7,675,539 WHICH INCLUDES A 8% CONTINGENCY FOR THE TERM OF JANUARY 1, 2023 THROUGH DECEMBER 31, 2023 (12 MONTHS).**

Public Comment:

Patrick Monette Shaw made verbal comments and submitted the following summary:

Between HSAG's first contract (May), its first contract first amendment (July), its QIE contract (November), and this new contract, HSAG has been awarded \$17.3 million to assist SFDPH's quest to obtain full CMS recertification for LHH. HSAG's hourly rate increases since June have padded \$1,081,864 into this new contract. Between the first contract's first amendment and this new contract, SFDPH is essentially "renting" HSAG consultant staff to perform roles as LHH's new Nursing Home Administrator (NHA) and Assistant NHA positions at a combined cost of \$3,175,120 — according to Units of Service itemized in the first amendment and the new Contract Request form. LHH should have just hired these two NHA's, which likely would have cost under half a million dollars! This

Commission should expedite a nationwide search and rapidly hire NHA staff at LHH to save money by not using \$485 per hour HSAG staff to fill these two positions.

Commissioner Comments:

Commissioner Chow noted that the contract term is only for one year and asked if the DPH intends on imbedding expertise within its own LHH structure during this time. He also asked if the contract is fee-for-service. Mr. Sanjha stated that the contract is billed as services are provided. The vendor is assisting with developing job descriptions for key position so DPH staff can be hired for appropriate positions. Once these staff are hired, there will be some overlap to ensure adequate training.

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

**5) REQUEST FOR APPROVAL OF A NEW CONTRACT WITH HEALTH SERVICES ADVISORY GROUP, INC. TO PERFORM SERVICES AS THE QUALITY IMPROVEMENT EXPERTS (QIE) IN SUPPORT OF THE LAGUNA HONDA RECERTIFICATION PROJECT THE TOTAL PROPOSED CONTRACT AMOUNT IS \$2,685,107 WHICH INCLUDES A 10% CONTINGENCY FOR THE TERM OF NOVEMBER 8, 2022 THROUGH DECEMBER 31, 2023 (14 MONTHS).**

Public Comment:

Patrick Monette Shaw made verbal comments and submitted the following summary:

The QIE contract requires producing a *Root Cause Analysis* (RCA) report and an *Action Plan* due for submission to CMS three days from now on January 6. The RCA's purpose was to determine factors precluding LHH from achieving and maintaining substantial compliance with Federal reimbursement participation requirements and to ensure long-term substantial compliance in the future. Did the RCA report record that LHH CEO Roland Pickens admitted to this Commission last August LHH had been following the wrong regulatory guidelines by using California's Title 22 "*Acute Care Hospital Guidelines*," not using CMS' "*Skilled Nursing Facility Regulatory Guidelines*," thereby causing substantial noncompliance? If Pickens' admission wasn't included in the RCA report, then HSAG did a terrible job writing it because following wrong regulations was a substantial contributing factor. HSAG should have provided a copy of the RCA to SFDPH. Members of the public deserve to see the RCA; release it now!

Commissioner Comments:

Commissioner Guillermo asked if there is overlap in the two HSAG contracts. Ms. Sangha stated that there is no overlap; there are distinct scopes of work in each HSAG contract.

Commissioner Chow started that the contract funds the vendor to develop the root cause analysis and submit it directly to CMS. Ms. Sangha stated that all work conducted through this contract is delivered by the vendor to CMS; once CMS approves the various documents, they are sent to DPH.

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

- 6) REQUEST FOR APPROVAL OF A NEW CONTRACT WITH TRYFACTA TO PERFORM FOR TEMPORARY AS-NEEDED RADIOLOGY REGISTRY SERVICES IN SUPPORT OF THE DEPARTMENT'S ONGOING OPERATIONAL AND EMERGENCY RESPONSE NEEDS IN THE SAN FRANCISCO HEALTH NETWORK, ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL & TRAUMA CENTER (ZSFG), LAGUNA HONDA HOSPITAL (LHH) AND OTHER SAN FRANCISCO HEALTH NETWORK FACILITIES, THE TOTAL PROPOSED CONTRACT AMOUNT IS \$5,000,000 WHICH INCLUDES A 12% CONTINGENCY FOR THE TERM OF JANUARY 1, 2023 THROUGH DECEMBER 31, 2025

Valerie Williams, DPH staff, presented the contract.

Commissioner Comments:

There were no commissioner comments.

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

- 7) REQUEST FOR APPROVAL OF A NEW CONTRACT WITH MAXIM HEALTHCARE STAFFING SERVICES, INC. TO PERFORM FOR TEMPORARY AS-NEEDED RADIOLOGY REGISTRY SERVICES IN SUPPORT OF THE DEPARTMENT'S ONGOING OPERATIONAL AND EMERGENCY RESPONSE NEEDS IN THE SAN FRANCISCO HEALTH NETWORK, ZUCKERBERG SAN FRANCISCO GENERAL HOSPITAL & TRAUMA CENTER (ZSFG), LAGUNA HONDA HOSPITAL (LHH) AND OTHER SAN FRANCISCO HEALTH NETWORK FACILITIES, THE TOTAL PROPOSED CONTRACT AMOUNT IS \$5,000,000 WHICH INCLUDES A 12% CONTINGENCY FOR THE TERM OF JANUARY 1, 2023 THROUGH DECEMBER 31, 2025 (3 YEARS).

Valerie Williams, DPH staff, presented the contract.

Commissioner Comments:

There were no commissioner comments.

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

- 8) REQUEST FOR APPROVAL OF A NEW PROFESSIONAL SERVICES AGREEMENT WITH NETSMART TECHNOLOGIES INC. TO PERFORM SPECIALIZED INFORMATION TECHNOLOGY PROFESSIONAL SERVICES FOR AVATAR ELECTRONIC HEALTH RECORDS SYSTEM, IN SUPPORT OF MENTAL HEALTH SAN FRANCISCO. THE TOTAL PROPOSED CONTRACT AMOUNT IS \$1,364,907 WHICH INCLUDES A 12% CONTINGENCY FOR THE TERM OF JANUARY 1, 2023 THROUGH DECEMBER 31, 2026 (3 YEARS).

Kimberly Voedlker, Ambulatory Care Applications Manager, presented the contract.

Commissioner Comments:

There were no commissioner comments.

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

- 9) DPH REVENUE AND EXPENDITURE PROJECTION REPORT: FIRST QUARTER FY22-23

This item was deferred due to lack of time. *(Note, the item was presented to the full Health Commission at its January 17, 2023 meeting.*

Public Comment:

Patrick Monette Shaw made verbal comments and submitted the following summary:

As an Emerging Issue, the *First Quarter Report* (7/1 to 9/30/22) notes fully \$23.9 million — 86.6% — of LHH's \$27.6 million first quarter budget deficit was attributable to Medi-Cal revenue shortfalls caused by

the Denial of Payment for New Admissions (DPNA). The remaining \$3.6 million of the \$27.6 million deficit was unbudgeted non-labor expenses related to LHH's recertification. The Second Quarter (10/1 to 12/31/22) just ended and will probably have a similar revenue shortfall. New admissions to LHH stopped 1/14/22, four quarters ago. This report notes LHH admissions probably won't resume before the end of the Third Quarter (1/1/23 to 30/30/23). That suggests five quarters of lost Medi-Cal revenue, possibly over \$100 million. It should have been a priority of SFDPH and this Commission to get LHH re-certified before the end of December 2022, as first planned, so the DPNA would end, and admissions resume to protect this crucial funding stream.

**10) EMERGING ISSUES**

This item was not discussed.

**11) PUBLIC COMMENT**

Patrick Monette Shaw made verbal comments and submitted the following summary:

Costs of five contracts to rescue LHH across three consultants now total \$26.7 million. That's not counting the \$100 million in lost Medi-Cal funding due to the DPNA. The five contracts include HMA's initial contract and first amendment (and probably an upcoming second amendment), Tyrfacta's contract, HSAG's first contract and amendment, the HSAG contract to be LHH's Quality Improvement Expert (QIE), and now HSAG's second contract. The \$17.3 million awarded to HSAG to date includes \$1 million in hourly billing rate increases of up to 23% that has occurred in the six months between July 2022 and now, with some of the fees reaching \$485 per hour. Of interest, during your November 1 Finance Committee meeting, Mr. Sangha didn't tell Commissioner Chow HSAG's new second contract was coming before this Commission today. The Board of Supervisor Budget and Legislative Analyst was told LHH hoped to gain recertification by December 2022.

**2) ADJOURNMENT**

The meeting was adjourned at 3:46pm.