

**SAN LUIS OBISPO COUNTY
HEALTH COMMISSION**

Minutes of Meeting

Monday, August 10, 2009 (Board of Supervisors Chambers)

Members Present: Pam Heatherington (Chair), Jesse Arnold, Penny Chamousis, Lynn Enns, Ed Guerena, Gina Kirk, David Odell, Susan Warren, Dawn Williams

Members Absent: Martin Craven, DDS, MD (excused), Pamela Munson (excused)

Staff Present: Penny Borenstein, MD, Health Officer, Jean White (Recorder)

Speakers: Walter Heath, Morro Bay, Chapter Co-leader for Health Care For All

Agenda Item	Discussion	Action	Who/When
1. Call to Order	Meeting called to order by Chair Heatherington at 6:00 p.m.	<i>Call to order</i>	<i>Chair Heatherington</i>
2. Approval of Minutes	Minutes of June 8, 2009 and July 15, 2009 were approved as written.	<i>June/July minutes approved.</i>	<i>Enns /Chamousis/ All</i>
3. Public Comment	<p>Edie Kahn, Executive Director, AIDS Support Network SLO, talked about some of the repercussions from the severe State budget cuts to HIV and AIDS programs. Vital prevention programs and HIV testing will essentially be dismantled throughout the State. The AIDS case management program will incur huge cuts, making it necessary to severely alter service provisions, and eliminate the ability of the State to access competitive federal funding. All State funded HIV prevention programs in our County will be officially ending and with the elimination of accessible free testing, there will be fewer ways to identify new cases of HIV in our community. She asked for commission support by talking to legislators, supporting the legal challenge to the State budget and by creatively helping to find solutions to continue to educate and test in our County.</p> <p>Eric Greening seconded all of Edie Kahn’s concerns and announced that the Board of Supervisors will be reviewing the impacts of the State budget cuts at their August 25 meeting. Mr. Greening also encouraged the commission to agendize “Swine Flu” next month, to educate the community on vaccination and planning efforts that are taking place throughout the community.</p> <p>Larry Bacus, representing Community Health Centers of the Central Coast, provided data on number of clients that are cared for through CHC clinics (1 out of 5 residents in SLO County). When the Board of Supervisors closed General Hospital in 2003, they partnered with CHC to operate the County’s five outpatient clinics. Within the last two years of this partnership, the County has reduced its funding by 42%. Mr. Bacus concluded by saying that in a partnership, partners need to help one another when it comes to people’s well being.</p>		
4. Presentation: State Senate Bill 810	Walter Heath, Morro Bay, resident of Morro Bay and the Co-Chair for the San Luis Obispo County Chapter of Health Care For All California stated that Health Care For All has 28 chapters throughout the State and is seeking to have State Senate Bill 810 passed and enacted. SB 810 is a single payer health care system, where all residents in California would pay into a health insurance system that is publically financed, yet privately delivered. The bill passed legislature in 2006 and 2008, but was vetoed both times by the Governor. Mr. Heath	<u>Handout:</u> <i>Example of what City of Merced’s cost savings would be, if SB 810 were enacted.</i>	

presented numbers showing advantages of single payer, using numbers from the City of Merced as an example. Coverage under this bill would cover all medical, hospitalization, prescriptions drugs, dental benefits, vision, mental health, and durable medical equipment, with no deductibles or co-pays. If the bill were enacted today, workers would be paying 3.78% of their top line income above \$7,000 and employers would be paying 8.17% of payroll, without the \$7,000 exclusion. Mr. Heath offered to come back with more hard #'s for San Luis Obispo County, for further review by the commission, and possible recommendation to the Board of Supervisors for their endorsement of State Senate Bill 810 and asking they forward their endorsement to representatives in Sacramento.

Commissioner Comments/Questions:

Commissioner Guerena asked if all employers would be included. *(Mr. Heath explained as the bill is written right now, it would include all employers. At some point through State legislature this could change, whereby employers with (say) 10 or fewer employers would not have to participate. Some small employers believe they would be able to provide for their entire workforce for less than what they are currently paying for their own individual plan.)*

Commissioner Guerena and Commissioner Williams asked questions about how the plan would be administered. *(It will be administered by the California Health Insurance Trust, an agency that will be set up to perform the role that insurance companies perform now. In place of 1600 different private insurance plans, there would be one payer and the savings to be realized from the administrative economies of scale, would be tremendous. The cost of system administration would be capped at 5%. People who are not making \$7,000 per year would not pay into the system. Children would be automatically covered, as well as stay at home spouses without an income of \$7,000 per year or more.)*

Commissioner Odell asked why this bill now, when there is discussion at the national level. *(Mr. Heath believes the savings to be realized under this plan will be greater than a Federal Government plan.)*

Commissioner Enns asked for more information on how this bill works with regard to reimbursements to hospitals, physicians, and during downturn in economy. She also asked about timeframe for implementation. *(Mr. Heath explained the bill is written as fee-for-service for providers and “capitated global budgets” for operation of hospitals, similar to the way Medicare works now. Cost assumptions include building up a reserve that would be financed and administered separately. Mr. Heath explained that SB 810 is really a “concept bill” and there is a second bill that finances the system, SB 1014, that would require 2/3 passage to finance. SB810 gives the persons who are hired two years to put the system together and from that point, 4 years to implement. Money initially will come from general fund and then will get paid back once the system starts collecting premiums.)*

Commissioner Enns asked if insurance companies would be phased out. *(Eventually, but there is financing for 5 years for retraining/education for anyone who is displaced.)*

Commissioner Enns asked how Medi-Cal & Medicare fit in. *(Medi-Cal would be eliminated and the Medicare/Medi-Cal money that now gets paid as a block grant to the State would get paid into the State of California Insurance Trust fund.)*

Commissioner Chamousis asked who the CA Health Insurance Trust is accountable to. *(The State Health Commissioner would be referred by State legislators, and appointed by the Governor. The commission would have members appointed by the Assembly and the State Senate. In addition, there would be 10 regions throughout the State consisting of local stakeholders, who are providers of healthcare and consumers of care, who would provide input to the State board)*

Commissioner Chamousis asked how reimbursement rates will be determined. *(Much the same as now, based on Medicare reimbursement schedules, but receiving input from the 10 regions throughout California.)*

Commissioner Arnold asked what the bill will do to control cost of drugs. *(They foresee a favorable outcome because the California Insurance Trust Fund will be able to negotiate bulk drug prices for California.)*

Commissioner Arnold asked about provisions that would “encourage prevention.” *(Mr. Heath answered that there are ways to provide incentives to providers that could be built into the system.)*

Commissioner Kirk asked about individuals who are neither employees or employers (self-employed) and how they would contribute. *(Mr. Heath answered that this is something yet to be resolved in the legislation – not certain if it will be a combination of what the employer is contributing, plus what the employee is contributing – or somewhere in between.)*

Commissioner Kirk asked about retiree supplemental premiums. *(Mr. Heath explained that seniors making over \$7,000 per year will no longer have to pay for supplemental insurance policies, and payment will be dependent their income. (\$20,000 income = 4% on \$13,000 or approx. \$520/yr)*

Commissioner Warren asked if substance abuse treatment is included. *(Yes; regional boards will have input on how health care dollars are spent.)*

Commissioner Odell asked about cost control/containment. *(There will be some cost containment through administrative savings and having a single entity. The current system has private health insurance companies sitting atop.)* **Commissioner Odell** commented that utilization and duplication of services need to be addressed or health care costs will continue to go up, regardless of administrative savings.

Mr. Heath referred to their website at www.healthcareforall.org for a copy of the bill.

Public Comment:

Eric Greening thanked Mr. Heath for his presentation. Mr. Greening believes single payer has a huge advantage over other health care delivery systems in that “it doesn’t carry insurance companies on its back; insurance companies do not provide healthcare and that’s where the savings come from,” and recommended supporting single payer in concept. Mr. Greening also supports what Mr. Heath is asking for relative to communicating with State representatives, but would also include advising the Board of Supervisors to communicate with Washington by 1) asking for an up or down vote in both houses of Congress on a single payer option (to know where everyone stands); and 2) support language in both houses that would prevent states from implementing their own single payer system. He believes Representative Kucinich has introduced language in the House of Representatives.

Sherri Stoddard, RN and on the Board of Directors for the Nurses Association, expressed their strong support for single payer. She noted that with single payer, there will be no denying of healthcare for pre-existing conditions, no dropping people from insurance, and no one will have to go bankrupt to pay for healthcare.

Professor David Hurt provided an analogy, using defense and industrial engineering techniques as an example, of “should cost” compared to “what “somebody wants to charge” and encouraged “should cost” as a way of determining what hospitals should receive. Professor Hurt also asked about reimbursement rates to providers who use “telemedicine” to provide care to patients. Professor Hurt will email Mr. Heath more information on the use of telemedicine (high-grade video conferencing), and Mr. Heath will follow-up.

Marilyn Armstrong asked about the possibility of incorporating worker’s comp into the bill. *(Mr. Heath noted worker’s comp is not included in the bill, because there is already a lot “to be ironed out” in reforming the health care payment system, but the medical component of worker’s comp could be looked at after a system is in place.)*

Wes Armstrong, dentist and business owner in San Luis Obispo, talked about the “nightmare of what is happening with insurance companies,” and as an employer, stated this bill would provide a savings over what he is currently paying for health insurance for their employees. He believes this bill is a step in the right direction and the only direction we can afford to go.

Commission Discussion/Possible Action:

Commissioner Chamousis believes the commission may already be on record in support of single payer, and stated it is increasingly important to take a stand and be heard.

Commissioner Odell is hesitant to support SB 810 until the commission receives more information on this bill and what is happening at the federal level.

Commissioner Enns doesn’t recall any previous action by the commission in support of single payer. She would like to review more information on this bill, including talking points.

Commissioner Guerena believes the commission needs to promote single payer in this State, no matter what, whether it is this bill or another bill, and stated “If we don’t make a sound now,

	<p>nobody is going to hear us.”</p> <p>Commissioner Williams believes it is important to take the first step NOW and support single payer.</p> <p>Commissioner Kirk strongly supports the concept of a single payer system, but not necessarily this bill, as she is not personally informed enough on this bill.</p> <p>Commissioner Arnold understands reasons why some commissioners are not ready to support SB 810 tonight, but would like for the commission to take vote tonight on supporting a single payer system, and at a later date, vote on SB 810, after more info is received.</p> <p>Chair Heatherington stated her support for SB 810, and would fully support a motion in support of a single payer health care system.</p> <p><i>Commissioner Chamousis made a motion to support a single payer health care system by forwarding a letter to the County Board of Supervisors and State legislators. Motion seconded by Commissioner Kirk. (Discussion: Commissioner Odell clarified that the motion is supporting single payer and not SB 810. Chair Heatherington is sorry the commission is not supporting SB 810 right now, but fully supports this motion in support of a single payer health care system). (8 in favor; with one abstention from Commissioner Enns).</i></p> <p>There was further discussion about Mr. Greening’s recommendations. Consensus was that the commission couldn’t really ask Congress to vote “up or down” when there isn’t a bill to vote on. Mr. Heath explained that HR 676 is a single payer bill that will be voted on in the House and that SB 7300 is the Senate version, but there has been no movement on that. He explained the Kucinich amendment to HR 3200, giving States the rights for their own single payer system, and the importance of keeping that amendment in the bill, throughout the process, so that States have the right to bypass statutes for their own single payer systems.</p> <p><i>Commissioner Arnold made a motion to support the Kucinich Amendment to HR 3200, that would prevent preemption of a state single payer system, by forwarding a letter to the County Board of Supervisors and our representatives. Motion seconded by Commissioner Enns. All in favor.</i></p>	<p><i>Motion made & approved in support of a single payer health care system</i></p> <p><i>Motion made & approved to support Kucinich Amendment to HR 3200</i></p>	<p><i>Chamousis/Kirk</i></p> <p><i>Arnold/Enns</i></p>
<p>5. Health Agency / Public Health Report</p>	<p>Penny Borenstein, M.D., Health Officer reported on the two new divisions that were created as part of a recent Public Health reorganization and announced that Kathleen Karle was promoted to Division Manager for the Health Promotion Division and Marsha Bollinger was promoted to Division Manager for the Health Care Services Division. The Health Promotion Division includes the Tobacco Control Program, Childhood Obesity Prevention, WIC, and HIV/AIDS. The Health Care Services Division includes CMSP, Jail/Juvenile Services Center Medical, and oversees the contracts with CHC and EMSA, Inc.</p> <p>Jeff Hamm, Health Agency Director, provided background on the \$700,000 of excess salary and benefit appropriations (one-time funds) and a list of proposed expenditures, that included: Interim Biosolids Ordinance EIR (\$250,000); Consolidation of two north County MH outpatient clinics to Atascadero and renovation of Health Campus annex building (\$175,000); Overhead costs to programs (HIV/AIDS, Prop 36, MCH) that will no longer be reimbursed by</p>		

the State (\$80,000); Behavioral Health Electronic Health Record (BHEHR) project (\$195,000); adjustment to CHC contract (\$135,000). Mr. Hamm welcomed input from the commission on the relative priority of these items.

Jeff Hamm also advised that they have concluded negotiations with CHC on modifications to the County/CHC contract that were necessary due to the 1.4 million dollar grant reduction to CHC for fiscal year 2009-10. The revised contract will be going to Board of Supervisors on August 25th. Contract modifications include elimination of the requirement that CHC must maintain contracts with specialists for referral of unsponsored patients to specialty care. And, elimination of the requirement for CHC to pay for the first visit when they refer a CMSP eligible patient to an outside specialist (this will increase County's CMSP costs by \$35,000). CHC will be compensated \$100,000 because of the delay in contract negotiations to August (\$135,000 is included as part of the proposed expenditures from the \$700,000).

Commissioner Warren expressed her concern and frustration over loss of funding to CHC and the loss of specialty care for unsponsored patients. When the County contracted with CHC, many people who had ongoing problems for years were finally able to get help.

Commissioner Warren asked about cost savings from consolidation of two north county clinics. Mr. Hamm explained that cost savings would not be significant, because they are not substantially reducing treatment capacity.

Commissioner Kirk asked about the BHEHR project. Mr. Hamm explained the local share of the project is 1 million dollars, with 3 million from MHSA. If they can't finance the 1 million, they will lose the 3 million. Commissioner Kirk believes that putting money toward this project would provide the greatest leverage in terms of \$\$s that would be lost.

Commissioner Guerena suggested looking at which citizens would be affected most by these decisions.

Public Comment:

Eric Greening commented that is shameful that certain departments are considered public safety and have not had to make the level of cuts that other departments have. He emphasized again that Public Health should be considered public safety -- lives are at stake -- and this needs to be "shouted out" to the Board of Supervisors. He also noted that the commission does not receive a written staff report with charts and figures in advance of meetings, which would be helpful as a matrix for weighing and prioritizing these items. But, a big concern is that there is a lot of desperation out there, particularly people with health issues, and he recommends anything that can be done to ease the suffering and to help people get through the next year is what is needed most. It is clear to him that the sludge EIR is not urgent. He asked the commission to communicate to the Board now that the Public Health Department is a Public Safety Department and should be insulated from cuts as much as possible.

Regina Whittaker believes the reasons have been spelled out tonight why we need a single payer health care system, with equitable care. She urged the commission to take the time to read bills, call representatives, and push for what is fair and equitable in our community.

	<p>Kena Burke, Children’s Health Initiative SLO County, talked about their goal to expand health insurance throughout California, and noted how that has been coming to a halt with last year’s reductions. While working on a regional grant with Santa Barbara’s Children’s Health Initiative, there was discussion about the loss of the WIC clinic in San Miguel and the huge need for those services in that area. They are seeking one time funding that may be available, while looking for a long-term source.</p> <p><u>Commissioner Discussion/Possible Action:</u> Chair Heatherington recommended removing the sludge EIR from the list. Commissioner Enns, Arnold and Chamousis concur – perhaps the \$\$’s could go toward providing direct services. There was a lot of discussion about the Behavioral Health Electronic Records System. Commissioner Odell weighed in as a member of the Mental Health Board on the need for the system and the millions of dollars that would be lost by not going forward. Without the system, Behavioral Health cannot measure outcomes. Commissioner Guerena does not believe the commission is in a position to make a recommendation on the electronic records system without all the facts, i.e., are there patient issues with not having the computer system?” Commissioner Warren asked about timeframe for recommendation to the Board of Supervisors. Mr. Hamm still has some time to develop his recommendation.</p> <p>Chair Heatherington recommended that the budget committee meet with Mr. Hamm and come back with recommendations for further discussion next month.</p>		
6. Health Commissioner Updates	<p>Chair Heatherington: No report.</p> <p>Commissioner Warren: Attended the last Drug & Alcohol Advisory Board where there was discussion about cuts and loss of resources: Drug & Alcohol Services will no longer be able to contract with Mental Health Service to see Prop 36 clients. And, earlier in the year, Casa De Vida lost their state contract.</p> <p>Commissioner Guerena attended the HEAL SLO meeting where there was a presentation on preliminary data from a re-survey of preschool children, showing higher percentages of overweight preschoolers in the past 3 years. Commissioner Guerena will bring back more info on upcoming meetings in October, including Hands on Health, by COPE, a Cal Poly organization.</p> <p>Commissioner Arnold attended the last HIV Care Consortium meeting. He referred to Edie Kahn’s public comment about the severe cuts to HIV/AIDS programs. Mr. Arnold also distributed an article on Genetically Modified Foods.</p>		
7. Committee Reports	No committee reports. Legislative/budget committees will meet prior to next month.		
8. Prospective Future Items	<p><u>September 14, 2009:</u> Child Abuse Prevention Month – Lisa Fraser, Beginnings Dental Presentation – Kathy Phipps Particulate Matter – APCD H1N1 “Swine” Flu – Dr. Borenstein</p> <p><u>October 2009:</u> Domestic Violence Awareness Month – Beth Raub / Women’s Shelter – 15-20 minutes.</p>		
9. Adjournment	Motion to adjourn at 8:51 pm	<i>Meeting adjourned</i>	