[Joint Powers Agreement with the San Francisco Health Authority.]

Resolution approving Joint Powers Agreement with the San Francisco Health Authority to create a Joint Powers Authority to operate the Non-Medi-Cal health plans currently operated by the San Francisco Health Authority.

WHEREAS, In 1994, the Legislature authorized the San Francisco Board of Supervisors to establish a health authority as a separate legal entity to operate programs involving health care services, including the authority to contract with the State of California to serve as a health plan for Medi-Cal beneficiaries (Welfare and Institutions Code Section 14087.36); and

WHEREAS, In 1994, the Board of Supervisors established the San Francisco Health Authority pursuant to the State statute in order to provide access to comprehensive health care services for Medi-Cal beneficiaries and such other persons as the Health Authority deems appropriate (San Francisco Administrative Code Section 69.1 *et seq*); and

WHEREAS, The governing body of the San Francisco Health Authority consists of 19 persons, 14 of whom are appointed by the Board of Supervisors; and

WHEREAS, the governing body of the San Francisco Health Authority includes, among other members, the Director of Public Health, the Director of Mental Health, and appointees of the Mayor and the San Francisco Health Commission; and

WHEREAS, The San Francisco Health Authority serves as a Knox-Keene licensed HMO providing high quality health insurance to nearly 50,000 San Francisco residents and workers through Medi-Cal and other programs; and

WHEREAS, The San Francisco Health Authority insures nearly one-quarter of all San Francisco children, in part through the City-funded Healthy Kids and Young Adults program; and

WHEREAS, The San Francisco Health Authority insures over 6,000 San Francisco In-Home Supportive Services workers using City funding; and

WHEREAS, The State has passed legislation instituting a 6% tax on all of the operating revenue of Medi-Cal plans, such as those operated by the San Francisco Health Authority, which tax is called the Quality Improvement Fee (QIF) (Welfare and Institutions Code Section 14464.5); and

WHEREAS, If the QIF is applied to the San Francisco Health Authority, the result will be a transfer to the State of over \$500,000 in mainly City funds in the next fiscal year and even more in subsequent years, threatening the viability of the City-funded insurance programs; and

WHEREAS, The negative effects of the QIF can be mitigated if a separate legal entity is established to operate the San Francisco Health Authority's non-Medi-Cal programs such as the Healthy Kids and Young Adults and Healthy Workers programs; and

WHEREAS, The San Francisco Health Authority and the City and City and County of San Francisco may establish a separate Joint Powers Authority to operate the San Francisco Health Authority's non-Medi-Cal programs through the execution of a Joint Powers Agreement, pursuant to Government Code Section 6500 et seq.; and

WHEREAS, The proposed "Joint Powers Agreement Creating the San Francisco

Community Health Joint Powers Authority" (hereafter, "Agreement"), on file with the Clerk of
the Board of Supervisors in File No.

, which is hereby declared to be a part of
this resolution as if set forth fully herein, would create a joint exercise of powers authority

("Joint Powers Authority"), a separate legal entity that would operate the non-Medi-Cal programs currently operated by the San Francisco Health Authority, including the Healthy Families, Healthy Workers, and Healthy Kids and Young Adults programs, as well as any new programs or lines of business that the Joint Powers Authority may develop; and

WHEREAS, The San Francisco Health Authority approved the Agreement on March 2, 2005 in Resolution No. 2005-1; and

WHEREAS, The proposed Agreement further provides that:

- (i) The San Francisco Health Authority is designated as the party who will serve as administrator to execute the provisions of the Agreement;
- (ii) The City shall not provide any capital funds for the Joint Powers Authority, nor be responsible for any operational or administrative costs incurred in fulfilling its purposes under the Agreement;
- (iii) The debts, liabilities, and obligations of the Joint Powers Authority do not constitute the debts, liabilities, or obligations of any part to the Agreement, although the members may separately contract for or assume such responsibility; and
- (iv) The members of the governing body established to govern the San Francisco

  Health Authority serve ex officio as the members of the governing body established to govern
  the Joint Powers Authority; and
- (v) The Joint Powers Authority is required to acquire such insurance protection as the
   City's Risk Manager deems necessary to protect the interests of the members to the
   Agreement; and
- (vi) The Agreement may be terminated by the adoption of a resolution by either the City or the San Francisco Health Authority; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves the Joint Powers

Agreement with the San Francisco Health Authority to create a Joint Powers Authority to
operate the Non-Medi-Cal health plans currently operated by the San Francisco Health

Authority.



## City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

## Resolution

File Number:

050514

Date Passed:

Resolution approving Joint Powers Agreement with the San Francisco Health Authority to create a Joint Powers Authority to operate the Non-Medi-Cal health plans currently operated by the San Francisco Health Authority.

March 29, 2005 Board of Supervisors — ADOPTED

Ayes: 9 - Alioto-Pier, Ammiano, Dufty, Elsbernd, Ma, Maxwell, McGoldrick,

Mirkarimi, Peskin

Excused: 2 - Daly, Sandoval

File No. 050514

I hereby certify that the foregoing Resolution was ADOPTED on March 29, 2005 by the Board of Supervisors of the City and County of San Francisco.

04.01.05

**Date Approved** 

Mayor Gavin Newsom

Clerk of the Board