RESOLUTION NO.

1	[Joint Powers Agreement with the San Francisco Health Authority.]
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3	Resolution approving Joint Powers Agreement with the San Francisco Health Authority
4	to create a Joint Powers Authority to operate the Non-Medi-Cal health plans currently
5	operated by the San Francisco Health Authority.
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7	WHEREAS, In 1994, the Legislature authorized the San Francisco Board of
8	Supervisors to establish a health authority as a separate legal entity to operate programs
9	involving health care services, including the authority to contract with the State of California to
10	serve as a health plan for Medi-Cal beneficiaries (Welfare and Institutions Code Section
11	14087.36); and
12	WHEREAS, In 1994, the Board of Supervisors established the San Francisco Health
13	Authority pursuant to the State statute in order to provide access to comprehensive health
14	care services for Medi-Cal beneficiaries and such other persons as the Health Authority
15	deems appropriate (San Francisco Administrative Code Section 69.1 et seq); and
16	WHEREAS, The governing body of the San Francisco Health Authority consists of 19
17	persons, 14 of whom are appointed by the Board of Supervisors; and
18	WHEREAS, the governing body of the San Francisco Health Authority includes, among
19	other members, the Director of Public Health, the Director of Mental Health, and appointees of
20	the Mayor and the San Francisco Health Commission; and
21	WHEREAS, The San Francisco Health Authority serves as a Knox-Keene licensed
22	HMO providing high quality health insurance to nearly 50,000 San Francisco residents and
23	workers through Medi-Cal and other programs; and
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WHEREAS, The San Francisco Health Authority insures nearly one-quarter of all San 1 2 Francisco children, in part through the City-funded Healthy Kids and Young Adults program; 3 and 4 WHEREAS, The San Francisco Health Authority insures over 6,000 San Francisco In-Home Supportive Services workers using City funding; and 5 WHEREAS, The State has passed legislation instituting a 6% tax on all of the operating 6 revenue of Medi-Cal plans, such as those operated by the San Francisco Health Authority, 7 8 which tax is called the Quality Improvement Fee (QIF) (Welfare and Institutions Code Section 9 14464.5); and 10 WHEREAS, If the QIF is applied to the San Francisco Health Authority, the result will 11 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 12 13 programs; and 14 WHEREAS, The negative effects of the QIF can be mitigated if a separate legal entity 15 is established to operate the San Francisco Health Authority's non-Medi-Cal programs such 16 as the Healthy Kids and Young Adults and Healthy Workers programs; and 17 WHEREAS, The San Francisco Health Authority and the City and City and County of 18 San Francisco may establish a separate Joint Powers Authority to operate the San Francisco 19 Health Authority's non-Medi-Cal programs through the execution of a Joint Powers Agreement, pursuant to Government Code Section 6500 et seq.; and 20 WHEREAS, The proposed "Joint Powers Agreement Creating the San Francisco 21 22 Community Health Joint Powers Authority" (hereafter, "Agreement"), on file with the Clerk of 23 the Board of Supervisors in File No. , which is hereby declared to be a part of 24 this resolution as if set forth fully herein, would create a joint exercise of powers authority 25

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1	("Joint Powers Authority"), a separate legal entity that would operate the non-Medi-Cal
2	programs currently operated by the San Francisco Health Authority, including the Healthy
3	Families, Healthy Workers, and Healthy Kids and Young Adults programs, as well as any new
4	programs or lines of business that the Joint Powers Authority may develop; and
5	WHEREAS, The San Francisco Health Authority approved the Agreement on March 2,
6	2005 in Resolution No. 2005-1; and
7	WHEREAS, The proposed Agreement further provides that:
8	(i) The San Francisco Health Authority is designated as the party who will serve as
9	administrator to execute the provisions of the Agreement;
10	(ii) The City shall not provide any capital funds for the Joint Powers Authority, nor be
11	responsible for any operational or administrative costs incurred in fulfilling its purposes under
12	the Agreement;
13	(iii) The debts, liabilities, and obligations of the Joint Powers Authority do not constitute
14	the debts, liabilities, or obligations of any part to the Agreement, although the members may
15	separately contract for or assume such responsibility; and
16	(iv) The members of the governing body established to govern the San Francisco
17	Health Authority serve ex officio as the members of the governing body established to govern
18	the Joint Powers Authority; and
19	(v) The Joint Powers Authority is required to acquire such insurance protection as the
20	City's Risk Manager deems necessary to protect the interests of the members to the
21	Agreement; and
22	(vi) The Agreement may be terminated by the adoption of a resolution by either the
23	City or the San Francisco Health Authority; now, therefore, be it
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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. Authority. Authority.	1	RESOLVED, That the Board of Supervisors hereby approves the Joint Powers
4 Authority. 5	2	Agreement with the San Francisco Health Authority to create a Joint Powers Authority to
5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	3	operate the non-Medi-Cal health plans currently operated by the San Francisco Health
6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	4	Authority.
7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 24 14 15 16 17 18 19 20 21 22 23 24 24 14 15 15 16 16 17 18 19 20 21 24 24 14 15 14 15 15 16 16 17 18 19 10	5	
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