



ANNUAL REPORT

2018

**SAN FRANCISCO
HEALTH SERVICE SYSTEM**

Affordable, Quality Benefits & Well-Being

SFHSS.ORG

MISSION STATEMENT

The San Francisco Health Service System is dedicated to preserving and improving sustainable, quality health benefits and to enhancing the well-being of employees, retirees and their families.

MESSAGE FROM THE DIRECTOR

Aiming high to enhance and improve member engagement with health and well-being services provided by the San Francisco Health Service System (SFHSS).

Building on past successes, SFHSS has embraced a refreshed strategic direction to support system enhancements that will ensure excellence in the delivery of health service benefits to our members.

Strategic Goals

Challenged by the rising costs of health care, SFHSS recognizes that partnering with health plans, our Well-Being program and individual members, offers the best opportunities to engage our members in supporting their well-being thereby slowing down the onset and progression of certain disease states and improving the overall quality of life for our active, retired and dependent members.

Our 2020-2022 Strategic Plan outlines and defines strategic goals for SFHSS to maintain: *Affordable and Sustainable* healthcare, *Reduce Complexity and Fragmentation* in the healthcare delivery system, *Engage and Support* members throughout their entire health cycle, provide *Choice and Flexibility* by offering a spectrum of services, and supporting *Whole Person Health and Well-Being* to foster an environment and culture of well-being to increase overall quality of life among our members and their families.

Overview

SFHSS membership continues to grow reaching 120,383 lives in 2018. SFHSS serves four employers: the City and County of San Francisco with 97,838 members, San Francisco United School District with 16,927 members, City College of San Francisco with 4,154 members, and the Superior Court of San Francisco with 1,464 members.

Membership is split across three medical plans: Blue Shield of California with 30%, Kaiser Permanente with 55%, and UnitedHealthcare at 15%. The total Trust Fund contribution was \$904 million in FY 2017-18.

Medical Plan Design

The new Blue Shield of California Trio HMO plan rolled out, creating an additional sustainable health plan that offers healthy competition in the marketplace. Trio HMO follows a similar plan design as the other Blue Shield of California plan available to our members, but at a lower premium rate.

With physician networks Brown & Toland, John Muir, Meritage, Hill Physicians, and Santa Clara Independent Physician Association as partners, and access to premier Bay Area hospitals including University of California San Francisco (UCSF) and Dignity Health, Trio HMO sets an example of how quality and affordability can correlate with one another.

Member Service Enhancements - Innovating through Technology

The *eBenefits* online Open Enrollment/self-service Rollout Phase I was a success! With 13,253 members making their annual enrollment elections *online* for the first time, we are poised to move forward in 2019 to reach out to more active and retiree members inviting them to enroll online via *eBenefits*.

Membership events and health fairs were still a huge part of our benefits communications strategy – 25 off-site events, 4,131 off-site consultations and 4,349 flu shots given. We look forward to continued partnership with our employers throughout the City and are excited to meet our members *in the field* and to listen to you directly.

Our offices have expanded with a remodeled lobby and two additional private consultation rooms offering members more accommodation and personalized attention while getting benefits questions answered.

Security and Compliance

In 2018, we completed annual HIPPA compliance audits and continued increasing our cybersecurity internal processes including setting new standards with our vendors. We also completed our first Dependent Eligibility Verification Audit (DEVA) and removed upwards of 700 enrollees who no longer met eligibility requirements, saving millions of dollars for our members and employers alike. We will be conducting these audits in a more routine fashion going forward.

Operations, Enterprise Systems & Analytics, Finance Divisions

Looking forward to 2019, we plan to install a new telephone system and launch a new website that will help us serve our members. Our Operations, Enterprise Systems & Analytics and Finance teams have a long list of improvements to better serve our members including developing *LEAN* process improvements and comprehensive review and planning for communications strategies that help us customize and tailor communications for our diverse membership.

Well-Being

Our Well-Being program celebrated five years! The Well-Being program has expanded its reach to 35 City departments and agencies. Well-Being staff completed a research project, in collaboration with Kaiser Permanente, on the *Diabetes Prevention Program (DPP)*, resulting in the rollout of the *DPP* program at six sites throughout the City in PY2019.

In addition to overseeing five to six active campaigns and managing on-site classes at the Wellness Center, the Well-Being staff conducted the first ever *Retiree Assessment Well-Being Survey*. As a result, we anticipate new campaigns to address our retirees in 2019.

Looking Forward

SFHSS is looking forward to enhancing the delivery of healthcare services to our members. Please contact us with your questions and suggestions as we continue to improve and enhance our services and those that are provided to you by our vendors.

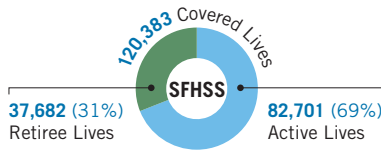
Abbie Yant

Executive Director

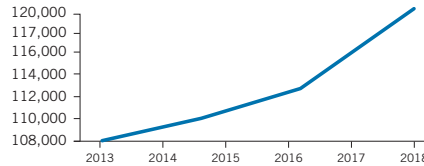
San Francisco Health Service System

OVERVIEW

Governed by the Health Service Board, the San Francisco Health Service System designs quality health benefit plans for employees, retirees, and their families, works to contain premium costs, and encourages employees and retirees to choose healthy lifestyles.

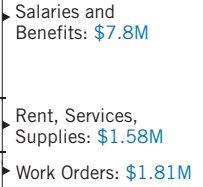


YEAR-OVER-YEAR COVERED LIVES



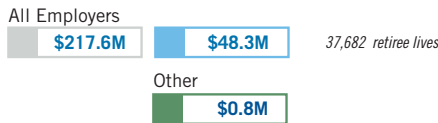
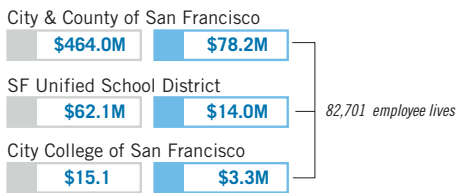
\$11.9M

Administrative Budget FY17-18



FUNDING and GOVERNANCE

\$904M TRUST FUND CONTRIBUTIONS FY 17-18



- Employer Contributions
- Employee/Retiree Member Contributions
- Performance Guarantees, Federal Reimbursements, Interest

HEALTH SERVICE SYSTEM FY 17-18

Health Service Board

- 7 Commissioners:
- 3 Elected Members
- 3 Appointees
- 1 City Supervisor

29 Plans From 10 Vendors

- Medical: 7 HMO; 3 PPO
- Dental: 3 DHMO; 2 DPPO
- Vision: 2
- FSA: 2
- Group Life: 6
- Long-Term Disability: 2
- COBRA: 1
- Expert Opinion Services: 1

Health Service Staff: 56



Operations

- 63,395 Annual member call-intakes.
- 14,782 Annual in-person consultations.
- 11,918 Calls answered during Open Enrollment.
- 11,173 Open Enrollment applications processed, a 14% increase from 2017.
- 4,131 In-person consultations provided during Open Enrollment.



Communications

- 75,552 Open Enrollment packets mailed.
- 75,510 Confirmation Letters mailed.
- 31,379 Website visits during Open Enrollment.
- 171,359 Unique website visitors in 2018.



Administration

- 25 Public Meetings and Member Outreach events.
- 120,000+ Member files maintained.



Enterprises Systems & Analytics

- 114,496,552 Eligibility records transmitted.
- 49,531 IRS forms calculated and distributed.
- 13,253 Employees and retirees provided with eBenefits (online Open Enrollment/self-service).



Well-Being/EAP

- 8,230 Wellness Center visits.
- 4,349 Flu Shots.
- 1,577 Employees served by EAP.
- 215 Well-Being Champions.

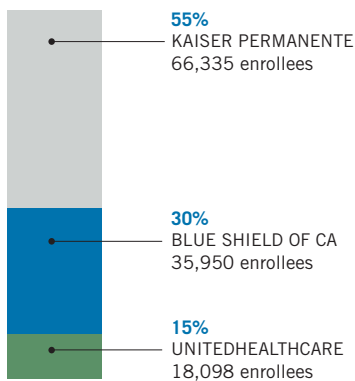


Finance

- 4,900 Annual financial transactions.
- 3,100 Annual rate calculations.

HEALTH PLANS

MEDICAL PLAN ENROLLMENT as of January 1, 2018



HEALTH PREMIUM COSTS BY VENDOR FY 17-18

Medical Total Spend

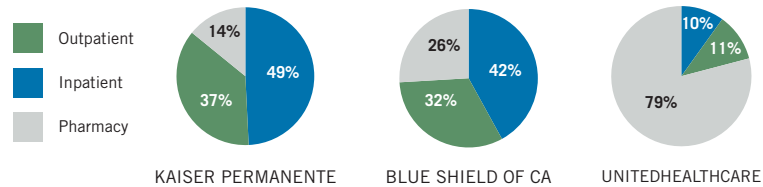
KAISER PERMANENTE: **\$404.9M** BLUE SHIELD OF CA: **\$302.1M** UNITEDHEALTHCARE: **\$100.5M**

Dental and Vision Total Spend

Delta Dental PPO: \$59.9M
 UHC Dental DHMO: \$0.4M
 Vision Service Plans: \$6.1M

Other
 P&A (FSA): \$11.3M
 Long-Term Disability Insurance (LTD): \$7.3M
 Group Life Insurance: \$1.1M
 WorkTerra (Flex Credits): \$2.2M

Non-Medicare Spend by Category



SUSTAINABLE BENEFITS



Accountable Care

- Contract for coordinated care, quality, efficiency
- Monitor accountable care organizations
- Patient-accessible quality and cost information



Data Transparency

- Transparency in provider cost and billing data
- All Payer Claims Database
- Risk score analysis year-over-year



Member Well-Being

- Employee Assistance Program (EAP)
- Healthy behavior challenges
- Health plan Well-Being services

San Francisco Health Service System

Per the San Francisco City Charter, the San Francisco Health Service System (SFHSS) administers health benefits for 120,383 employees, retirees and their eligible family members. Participating employers are the City and County of San Francisco, the San Francisco Unified School District, the City College of San Francisco, and San Francisco Superior Court.

Benefits include:

- Medical Plans
- Dental Plans
- Vision Plans
- Expert Medical Case Review
- Flexible Spending Accounts (FSA)
- Long-Term Disability Insurance
- Group Life Insurance
- Municipal Executive Flex Credits
- COBRA
- Voluntary Benefits
- Well-Being Programs
- Employee Assistance Program (EAP)



SFHSS' core mandate is to provide efficient and accurate benefits administration, manage cost-effective health vendor contracts, establish annual rates and benefits via health vendor negotiations, ensure legal compliance, maintain accurate financial and demographic records, ensure eligible members and dependents have access to quality healthcare, and educate employees and retirees about health and well-being benefits.

The SFHSS executive team, comprised of the Executive Director, Chief Operating Officer and Chief Financial Officer, work diligently with our actuarial consultants to develop and recommend effective planning and implementation strategies to the Health Service Board.

We remain steadfast in our commitment to constantly improve the quality of health care available to our members that are affordable, sustainable and in compliance with the legal requirements of the City and County of San Francisco.

The Health Service Board

Pursuant to the San Francisco City Charter, the Health Service System Board (HSB) consists of seven members. Three of the Commissioners are SFHSS members elected by the SFHSS membership. The four appointed Commissioners are comprised of one member from the San Francisco Board of Supervisors, two individuals selected by the Mayor and one individual selected by the City Controller (one mayoral appointee must be a physician and the other must be an individual who regularly consults in the field of health care).

Board commissioners are fiduciaries of the Health Service Trust. Per the City Charter, the San Francisco Health Service Board conducts an annual review of health benefit costs, ensures benefits are applied without favor or privilege, and administers the business of the San Francisco Health Service System. Board meetings are regularly scheduled each month in San Francisco City Hall and broadcast on SFGovTV. The Executive Director of SFHSS reports to the Health Service Board.

Finance

The benefits administered by SFHSS cost \$904 million in fiscal year 2017-2018, an increase of \$55 million over the previous fiscal year. The SFHSS departmental administration budget decreased by \$0.21 million to \$11.9 million, which correlates to 1.2% of the annual benefits costs.

The Finance Division processes approximately 4,900 financial transactions annually, including timely vendor payments for all administered benefits, over-the-counter premium payments and departmental work orders. Working with the actuary and the Enterprise Systems & Analytics team, Finance is responsible for calculating 3,100 employee and retiree premium rates.

Finance participates in the annual rate setting process by conducting the Charter-mandated 10-County Survey of public employer contributions to employee health premiums, and participating in rate review and negotiations. The average monthly employer contribution for employee-only coverage under each of the county's medical plans for plan year 2019 was calculated at 3.53% above the 10-County average for plan year 2018.

Finance also cooperates in the annual external Trust Fund audit, the results of which are incorporated into the CAFR (City Comprehensive Annual Financial Report). SFHSS had another clean audit. Working with the Mayor's office, City Controller, and Budget Analyst's office, Finance develops the annual SFHSS administration budget.

In addition to these accounting responsibilities, Finance administers a vendor oversight program with performance guarantees tied to penalties, oversees annual contract renewals and facilitates vendor Request for Proposal (RFP) processes.

Interfacing with the Centers for Medicare & Medicaid Services (CMS) regarding eligible membership and claims, Finance oversees receipt of annual reimbursements from the federal government.

Finance also coordinates with other employers and City departments, providing financial analyses pertaining to SFHSS benefits.

Member Services

The Member Services Team provides benefits information and issue resolution to all active and retired members, processes benefits elections and status changes, coordinates premium contribution and liaises between members and healthcare vendors.

Member Services provides New Employee Orientations to 2,200 employees and Pre-Retirement Seminars to 750 members annually.

The Member Services team answered 63,395 calls in 2018, a 14% increase over 2017, and conducted 14,782 in-person consultations.

Member Services also leads the Open Enrollment member election process annually in October.

In October, the call volume was 52% higher over the next busiest month, December. Member Services provided Benefits Analysts at 25 off-site benefits fairs across the City as well as on-site consultations and assisting employees with manual and online *eBenefits*/self-service open enrollment.

The Member Services team processes an average of 12,000 open enrollment elections into the PeopleSoft system by early November each year, in order to meet deadlines for eligibility file upload for the start of the new plan year.

Member Services maintains and ensures compliance with city, state and federal regulations regarding protected health information privacy, benefits administration, member eligibility, records retention and advises the HSB on the rules that govern membership for the San Francisco Health Service System.

Enterprise Systems & Analytics (ESA)

The Enterprise Systems & Analytics (ESA) division supports all the technical infrastructure for the San Francisco Health Service System from IT support to systems configuration and development, implementation of cybersecurity safeguards and project management.

This division annually configures all the system modifications required to administer benefits for the plan year, which includes the financial, benefit plan and enrollment components. ESA also provides production support for the benefits administration system and the eligibility and payment interfaces.

ESA leverages the All Payer Claims Database (APCD) to conduct analyses of the member population to evaluate quality of care, trend cost and utilization, and support plan design and population health considerations.

Additionally, this division fulfills internal and external data and report requests. ESA provides data to support rate setting, budgeting, and both internal and external audits.

Communications

The Communications division, financed by the SFHSS Trust Fund, provides employees and retirees with comprehensive, accurate and timely benefits information, empowering members to make knowledgeable decisions about their health coverage. This includes designing and supervising the production of all publications, website and electronic materials and ensuring efficient and cost-effective use of resources, as well as disseminating information among different City and County agencies, unions and other key stakeholders.

In addition, Communications ensures that information relating to benefits, Health Service Board proceedings, Finance, Member Services and Operations are made available to SFHSS members, elected officials and the public, in a timely manner, while adhering to high standards of government accessibility and transparency. Communications also oversees member correspondence and mailings.

Communications reviews and approves SFHSS member communications issued by healthcare vendors and assists employers served by SFHSS with benefits-related information.



Communications supported the 2018 Open Enrollment campaign, the largest one to date, which included dozens of communications pieces, mailings, enrollment materials and outreach content designed to ensure a successful enrollment process. Highlights include six Benefits Guides, four Benefits Booklets, customized suite of enrollment materials, web page content, Citywide emails, electronic newsletters, and production of original artwork and graphics promoting open enrollment/outreach events.

Well-Being

We help our members (employees, retirees, and family members) *feel, live, and be Better Every Day*. We encourage and facilitate well-being by raising awareness, providing programs, services and tools and striving to create a supportive workplace culture.

The Well-Being division has several core functions: the *Employee Assistance Program (EAP)*, *Well-Being@Work*, retiree services, healthy behavior campaigns and challenges, targeted interventions, and the management of the Wellness Center. The Well-Being team strives to transform the workplace into one that supports employee well-being.

When we focus on Well-Being...

Today we feel immediate benefits, like more energy and more happiness. We are more engaged and productive at work and home.

Tomorrow the daily benefits accumulate to improve our health by helping us avoid chronic conditions and injury.

In the future, the quality of our life in retirement is improved.

To be *Better Every Day*, we support members to *Live Healthy, Feel Good and Get Care*.

DEMOGRAPHICS

120,383 member and dependent lives were covered on San Francisco Health Service System medical plans.

Medical Plans

As of January 1, 2018, there was an increase of 2,530 total covered lives under SFHSS medical plans year-over-year. This increase was driven largely by hiring. Employee lives increased by 1,552 and retiree lives by 978.

The most significant changes for the 2018 plan year were the addition of an alternative HMO in the Blue Shield of California Trio HMO plan and the addition of a voluntary enhanced vision plan – VSP Vision Premier. 14,068 lives migrated into the new Blue Shield Trio HMO plan primarily from the existing Blue Shield Access+ HMO plan.

Kaiser Permanente increased its overall share, gaining 1,911 total lives in 2018. With 64,335 covered lives, Kaiser Permanente enrolled 55% of the total population electing coverage. Blue Shield Access+ HMO enrolled 18% and Trio HMO enrolled 12% of the population electing coverage.

For the second consecutive year, UnitedHealthcare City Plan PPO experienced an increase in membership.

All Lives–Medical	2017	2018	Change
Kaiser Permanente HMO	64,424	66,335	1,911
Blue Shield Access+ HMO	36,292	21,882	(14,410)
Blue Shield Trio HMO	n/a	14,068	14,068
UHC City Plan PPO	2,465	2,719	254
UHC Medicare Advantage PPO	14,672	15,379	707
Total Lives	117,853	120,383	2,530

Employee Lives–Medical	2017	2018	Change
Kaiser Permanente HMO	47,298	48,899	1,601
Blue Shield Access+ HMO	32,294	19,796	(12,498)
Blue Shield Trio HMO	n/a	12,267	12,267
UHC City Plan PPO	1,530	1,716	186
UHC Medicare Advantage PPO	27	23	4
Total Lives	81,149	82,701	1,552

Retiree Lives–Medical	2017	2018	Change
Kaiser Permanente HMO	17,126	17,436	310
Blue Shield Access+ HMO	3,998	2,086	(1,912)
Blue Shield Trio HMO	n/a	1,801	1,801
UHC City Plan PPO	935	1,003	68
UHC Medicare Advantage PPO	14,645	15,356	711
Total Lives	36,704	37,682	978

104,028 member and dependent lives were covered on San Francisco Health Service System dental plans.

Dental Plans

SFHSS administers dental plans for employees and dependents of the City and County of San Francisco and the Superior Court of San Francisco, as well as retirees from all employers. Dental benefits for employees are employer-subsidized. Retiree dental plans do not receive employer subsidy and are self-funded.

All Lives–Dental	2017	2018	Change
Employee	72,183	73,607	1,424
Retiree	29,507	30,421	914
Total Lives	101,690	104,028	2,338

Voluntary Benefits

Voluntary benefits offered by SFHSS to City and County of San Francisco and Superior Court of San Francisco employees provide quality coverage at group discounted rates. The premiums for the voluntary benefits are 100% paid for by the employee and are deducted from employee's paychecks.

Voluntary Benefits	2018 Enrollment
Voya Accident Insurance	715
Voya Critical Illness Insurance	547
Abacus Short-Term Disability Insurance	589
Aetna Group Supplemental Life Insurance	1,683
LegalShield Legal Plan	548
LifeLock Identify Theft Protection	382
Pets Best Pet Insurance	241

Flexible Spending Accounts

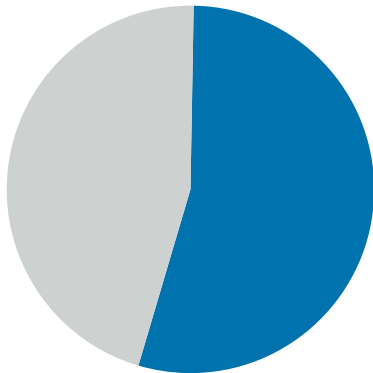
A Flexible Spending Account (FSA) is a tax-favored benefit that allows City and County of San Francisco employees to pay for certain dependent care and healthcare expenses pre-tax. SFHSS members are required to renew their FSA enrollment elections on an annual basis. The level of participation in the FSA program shows an increase of 1,058 members year-over-year.

Flexible Spending Accounts	2017	2018	Change
Healthcare FSA	4,313	5,213	900
Dependent Care FSA	1,197	1,355	158
Total FSA	5,510	6,568	1,058

Medical Plan Enrollment as of January 2018

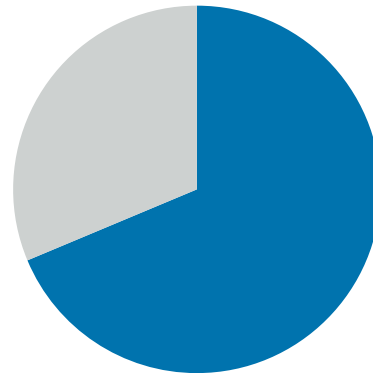
The San Francisco Health Service System administered medical benefits for employees, retirees and dependents of the City and County of San Francisco, the San Francisco Superior Court, the San Francisco Unified School District and City College of San Francisco.

As of January 2018, 120,383 lives were enrolled in SFHSS-administered medical plans.



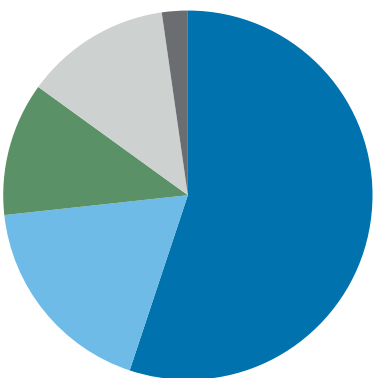
Medical Plans: Total Enrolled Lives Member vs. Dependent

Member	68,976	57%
Dependent	51,407	43%



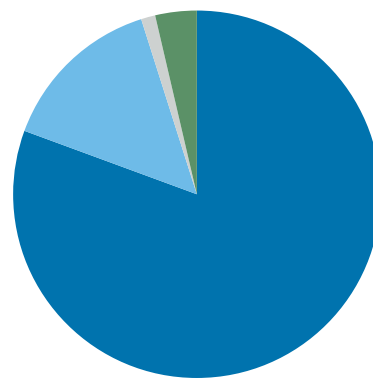
Medical Plans: Total Enrolled Lives Active vs. Retiree

Active	82,701	69%
Retiree	37,682	31%



Total Enrolled Lives By Medical Plan

Kaiser Permanente HMO	66,335	55%
Blue Shield Access+ HMO	21,882	18%
Blue Shield Trio HMO	14,068	12%
UHC Medicare Advantage PPO	15,379	13%
UHC City Plan PPO	2,719	2%



Total Medical Plan Enrollment by Employer

City and County of San Francisco	97,838	81%
San Francisco Unified School District	16,927	14%
City College of San Francisco	4,154	4%
Superior Court of San Francisco	1,464	1%

Dental Plan Enrollment as of January 2018

SFHSS administered dental benefits for employees and dependents of the City and County of San Francisco, the San Francisco Superior Court and retirees. The San Francisco Unified School District and City College of San Francisco administer their own dental benefit programs for their active employees. The City makes a significant contribution to employee dental premiums. Retiree dental plans are not subsidized by the employer.

EMPLOYEES			
City and County of San Francisco Employees Lives by Dental Plan	2017	2018	Change
Delta Dental PPO	69,097	70,545	1,668
DeltaCare USA DHMO	1,414	1,337	(77)
UnitedHealthcare Dental DHMO	666	752	86
Total Lives	71,177	72,634	1,457

RETIREES			
Enrollment Retirees vs. Dependents	2017	2018	Change
Retirees	20,583	21,276	693
Dependents	8,924	9,145	221
Total Lives	29,507	30,421	914

Retiree Lives by Dental Plans	2017	2018	Change
Delta Dental PPO	26,849	27,855	1,006
DeltaCare USA DHMO	1,642	1,542	(100)
UnitedHealthcare Dental DHMO	1,016	1,024	8
Total Lives	29,507	30,421	914

Retiree Members by Dental Plan	2017	2018	Change
Delta Dental PPO	18,620	19,391	771
DeltaCare USA DHMO	1,194	1,119	(75)
UnitedHealthcare Dental DHMO	769	766	(3)
Total Lives	20,583	21,276	693

Dental Plans: Total Enrolled Lives Active vs. Retiree



Active	73,607	71%
Retiree	30,421	29%

Employee Enrolled Lives By Dental Plan



Delta Dental PPO	71,485	97%
DeltaCare USA DHMO	1,360	2%
UHC Dental DHMO	762	1%

Retiree Enrolled By Dental Plan



Delta Dental PPO	27,855	92%
DeltaCare USA DHMO	1,542	5%
UHC Dental DHMO	1,024	3%

ACHIEVEMENTS

Sustainable Health Benefits

The delivery of healthcare is characterized by systemic complexity and the need to maintain affordability. SFHSS works diligently with local medical groups, hospitals and insurers, to seek the highest quality patient care and services while providing affordable and sustainable coverage.

SFHSS prides itself as a leader in advocacy and quality healthcare administration on behalf of our members and their families. We remain a pioneer at the forefront of working on new and innovative ways to provide collaborative health plans and benefits that support our members good health and pursuing a high quality of life into retirement. Our health plans and benefits continue to serve as examples of how health benefits can provide sustainable quality and affordability by constantly innovating and leveraging resources that allow for a collaborative healthcare system for all.

Fiscal Accountability and Operational Excellence

The San Francisco Health Service System is committed to maintaining the highest accounting standards and providing outstanding member customer service. This commitment extends to all areas of Finance and Operations, which comprises complex back office administrative functions as well as direct member support via the SFHSS Call Center and in-person consultations. Metrics are tracked on an ongoing basis to ensure that SFHSS member transactions are handled with a high level of quality, customer service and privacy to ensure that members consistently receive accurate and knowledgeable guidance regarding the health and well-being benefits available to them.

Key Achievements 2018

- SFHSS Paid \$878 million in health premiums.
- Conducted comprehensive Dependent Employee Verification Audit (DEVA) of membership to ensure adherence to eligibility rules resulting in \$3 million+ savings.
- Enhanced SFHSS lobby to provide greater customer service and reduced wait times including expanding to five private member counseling rooms, providing four new stations for *eBenefits*/self-service Open Enrollment and installation of digital signage.
- From January through December 2018, Member Services staff answered 63,395 member calls, a 14% increase over 2017, and provided in-person member assistance to 14,782 members, not including Open Enrollment.
- During Open Enrollment, Member Services provided 2,158 in-person consultations and 1,973 off-site consultations. The division processed 11,173 applications, answered 11,918 calls with an average answer time of .28 seconds and 1.8 second abandonment rate (less than 2% hung-up before call answered). 25% of annual call volume occurs in October.
- The Finance division administered non-health plan contracts worth \$850 million, including managing 41 contracts and 33 vendors.
- Maintained 33 inter-departmental work orders worth \$2.3 million.
- Processed 373 payments from the operating budget worth \$1.8 million, 1,500 payments from the Health Service System Trust fund, and 2,500 checks for over-the-counter payments.
- Issued 139 Purchase Orders.
- Issued six Requests for Proposals.
- Received an unqualified opinion from KPMG finding no deficiencies in internal controls.
- Managed annual budget of \$11.19 million.
- Ensured compliance with local, state and federal laws relating to benefits administration.
- Finance maintained up-to-date member rules and Section 125 plan documents.
- Enterprise Systems & Analytics (ESA) delivered *eBenefits* (online Open Enrollment/self-service) to 13,253 employees and retirees achieving a 20.21% submission rate by eligible participants.
- Onboarded 4,500 retirees to Identity Access Manager (prerequisite for accessing *eBenefits*).
- Achieved 100% department completion of cybersecurity training.
- Generated 75,552 Open Enrollment notification letters and 75,510 benefits Confirmation Letters.
- Programmed, processed and distributed 49,531 IRS Form 1095-C to all employees by the federally mandated deadline.
- Delivered demographic report, risk scores, quarterly express dashboards.

Informed, Transparent, Effective Governance

The Health Service Board (HSB) and SFHSS maintain a high standard for open, responsible governance. Members of the Health Service Board are fiduciaries of a substantial financial trust fund, and the principal negotiators of health vendor contracts totaling \$878 million in health premiums in 2018. In an atmosphere where public employee benefits are under intense scrutiny, the Health Service Board is committed to information transparency, ethical conduct and accountability.

Key Achievements 2018

- All Board and Committee meeting agendas and associated documents were made available to the public on paper and online within 72 hours of meetings.
- Health Service Board meetings are broadcast live on SFGovTV.
- A digital video archive of Health Service Board meetings is available on SFGovTV. On-demand videos are available within 72 hours after the live meetings.
- Health Service Board maintains an email address for members to send inquiries regarding policy issues.



Educated and Empowered SFHSS Members

Members that are informed make better decisions for themselves and their families about selecting the best benefits for their needs. SFHSS Communications produces, manages and designs all publications and materials supporting annual Open Enrollment and day-to-day business needs including undertaking special projects for Finance, Enterprise System & Analytics, Member Services, and Executive leadership as well as producing promotional materials for Well-Being.

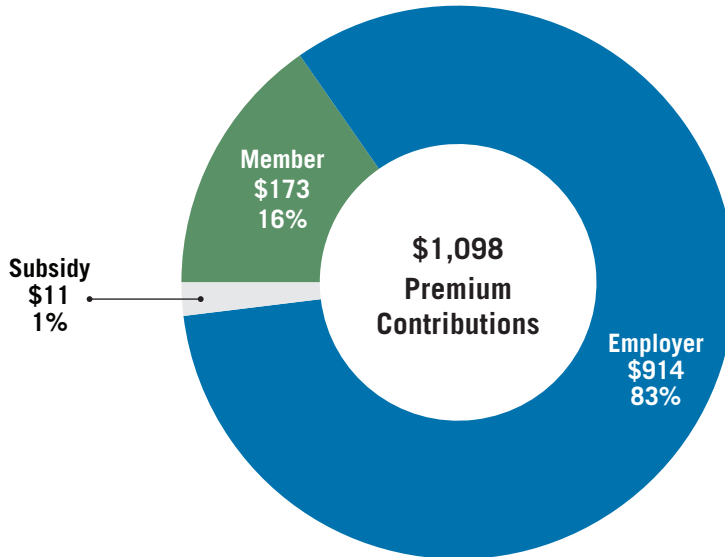
Well-Being offered and implemented six campaigns and four challenges in 2018 providing resources *year-round* support members to: *set goals* for healthy weight, healthy blood pressure and healthy habits (*Live Feel Be Better*); *consume* at least five daily servings of fruits and vegetables (*Eat Better, Feel Better* and *Colorful Choices* challenge); *encourage* members to increase physical activity and/or meet the healthy recommendations (*Play Your Way* and *Keep America Active* challenge); *support* members to create a daily routine of breathing and stretching to manage stress (*RECHARGE* and *Create a RECHARGE Routine Challenge*); *educate* members on the importance of getting a flu shot and empowering members with tools on how to maintain healthy habits during the holiday season (*Maintain, Don't Gain* campaign and challenge).

Key Achievements 2018

- Communications oversaw the design and mailing of over 75,552 Open Enrollment packets and 75,510 Confirmation Letters.
- Produced six Benefits Guides, four Booklets, 26 custom Open Enrollment Letter templates, Enrollment Forms, events calendars, posters, website banners, flu clinic campaign materials, custom envelope artwork, digital signage, brochures and promotional materials.
- Collaborated with Enterprise Systems & Analytics division to support *eBenefits* online Open Enrollment/self-service rollout to retiree population overseeing two-part mailing of registration information to 7,000 retirees.
- Produced new employee-focused campaign featuring original photography and original artwork and design featuring dozens of City employees from 16 agencies photographed at 25 worksites.
- Oversaw production of New Hire Orientation and Pre-Retirement videos in support of Member Services.
- 171,359 unique visitors to website and 300,007 total website visits in 2018.
- 5,782 employees participated in organizational Well-Being services.
- Employee Assistance Program (EAP) provided 23 trauma responses that served 315 people.
- EAP offered 95 trainings and served 1,665 people.
- 4,349 flu vaccinations were administered at 25 worksite and health fair-based clinics.
- 1,545 individuals participated in the *Colorful Choices* challenge, of which 51% joined a team.
- 1,540 individuals participated in the *Keep America Active* challenge. 22% increase in participants who moved five or more days/wk by the end of the challenge.
- 1,737 individuals participated in the *Create a RECHARGE Routine Challenge* with 85% of participants indicating they would participate again.
- 1,232 participants engaged in *Maintain, Don't Gain* with 69% of participants indicating the challenge improved their ability to maintain their weight during the holiday season.
- The Healthy Weight Program (in partnership with Kaiser Permanente) was offered 12 times at 12 different work locations. 159 people registered with 43% attending the final session.
- *Well-Being@Work* Grants were provided to 20 departments.
- 113 Spotlights were awarded to 17 individuals and 32 departments.
- 8,230 visits to the Wellness Center in 2018. 1,420 unique individuals visiting the facility throughout the year for an average of 283 unique visitors per month.
- 215 Well-Being Champions across 45 departments.
- SFHSS (in partnership with the Department of Recreation and Parks) sponsored 960 group exercise classes with 11,355 visits at 28 worksites.
- 1,571 individuals participated in *Live, Feel Be Better* in 2018. The campaign included 18 health screening events at different worksites that screened 979 individuals.
- Conducted first *Retiree Needs Assessment Survey* to 26,000+ retirees.
- Completed research project in collaboration with Kaiser Permanente for the *Diabetes Prevention Program (DPP)* resulting in planned rollout of DPP program at six City sites for PY 2019.

PREMIUM TRENDS

Employer and Member Premiums



Year-over-year aggregate average employer contributions to premiums remained at 83%. Overall member contributions were 16% year-over-year.

Average Monthly Premium Contributions	FY 11–12	FY 12–13	FY 13–14	FY 14–15	FY 15–16	FY 16–17	FY 17–18
Average Monthly Member Premium Contribution	\$ 123	\$ 131	\$ 159	\$ 158	\$ 158	\$163	\$173
Average Monthly Employer Premium Contribution	\$ 769	\$ 791	\$ 866	\$ 861	\$ 854	\$877	\$914
Monthly Trust Fund Premium Subsidy Contribution		\$11	\$10	\$ 17	\$ 20	\$15	\$11
Average Monthly Total Premium Contribution	\$ 892	\$ 933	\$ 1,035	\$ 1,036	\$ 1,032	\$1,055	\$1,098

Data based on total contribution for FY 17-18 divided by total members on January 1, 2018.

COST TRENDS

	FY 09–10	FY 10–11	FY 11–12	FY 12–13	FY 13–14	FY 14–15	FY 15–16	FY 16–17	FY 17–18
Combined Contributions (in millions)	\$ 658 +7%	\$ 703 +7%	\$ 722 +3%	\$ 748 +4%	\$ 763 +2%	\$ 777 +2%	\$ 799 +3%	\$ 846 +6%	\$ 903 +7%

Data includes total premium costs for Medical, Dental, Vision, Long-Term Disability Insurance, and Voluntary Benefits, as well as Flex Credits and Flexible Spending Accounts (FSA).

STATEMENT OF NET POSITIONS AVAILABLE FOR HEALTH BENEFITS

June 30, 2018 and 2017

	2018	2017
Assets:		
Cash and investments held with City and County Treasurer	\$86,994,405	\$36,767,019
Contributions receivable from:		
Employer	18,973,554	17,624,855
Employees	4,334,167	3,376,821
Interest receivable	295,784	80,385
Prepaid and other assets:		
Prepayments to health plans	33,110	41,517,601
Other assets	2,454,792	3,884,182
Total prepaid and other assets	2,487,902	45,401,783
Total assets	\$113,085,812	\$103,250,862
Liabilities:		
Reserves for claims – medical, prescription drugs and dental	27,824,832	27,754,866
Health Maintenance Organization, dental, and disability premiums payable	4,871,229	314,004
Unearned contributions	2,940,928	2,655,911
Total liabilities	35,636,989	30,724,781
Net assets available for health benefits	\$77,448,823	\$72,526,082

To see the accompanying notes, which are an integral part of these financial statements, please visit sfhss.org.

June 30, 2018 and 2017

	2018	2017
Additions:		
Employee and retiree contributions	\$143,907,158	\$132,331,766
Employer contributions for:		
Active employees	541,163,186	512,445,674
Retired employees	217,619,350	201,463,797
Total contributions	\$902,689,694	\$ 846,241,237
Plan providers penalties and forfeitures	107,541	711,440
Investment earnings:		
Net increase (decrease) in fair value of investments	(474,067)	(28,722)
Interest income	1,190,759	474,095
Total investment earnings	716,692	445,373
Total additions	\$903,513,927	\$ 847,398,050
Deductions:		
City Health Plan health benefits	100,978,374	75,024,440
Health Maintenance Organization health benefits	709,437,783	686,775,756
Vision benefits	6,123,424	5,070,479
Dental benefits	61,231,760	58,524,013
Disability and Flexible benefits	20,819,844	18,080,479
Total deductions	\$898,591,185	\$843,475,167
Change in net assets available for health benefits	4,922,742	3,922,883
Net position:		
Beginning of year	72,526,081	68,603,198
End of year	\$77,448,823	\$72,526,081

To see the accompanying notes, which are an integral part of these financial statements, please visit sfhss.org.

GOVERNANCE

Health Service Board

Per the San Francisco City Charter, the Health Service Board is responsible for conducting an annual review of health benefit costs, ensures benefits are applied without favor or privilege, and administers the business of the San Francisco Health Service System. Three elected members serve a five-year term. Of the other four commissioners, one is a member of the Board of Supervisors, two commissioners are appointed by the Mayor and one is appointed by the City Controller.

2018 Health Service Board



Karen Breslin
Elected Commissioner
Current Term:
June 2014–May 2019

*Retired Adult Probation Officer
San Francisco*



Rafael Mandelman
Board of Supervisors Appointee
Current Term:
July 2018–June 2019

*Board of Supervisors
City and County of San Francisco*



Sharon Ferrigno
Elected Commissioner
Current Term:
June 2014–May 2019

*Retired Deputy Chief
San Francisco Police Department*



Stephen Follansbee, MD
Mayoral Appointee
Current Term:
August 2015–May 2020

*Retired TPMG and Clinical Professor
UCSF*



Wilfredo Lim
Elected Commissioner
Current Term:
June 2015–May 2020

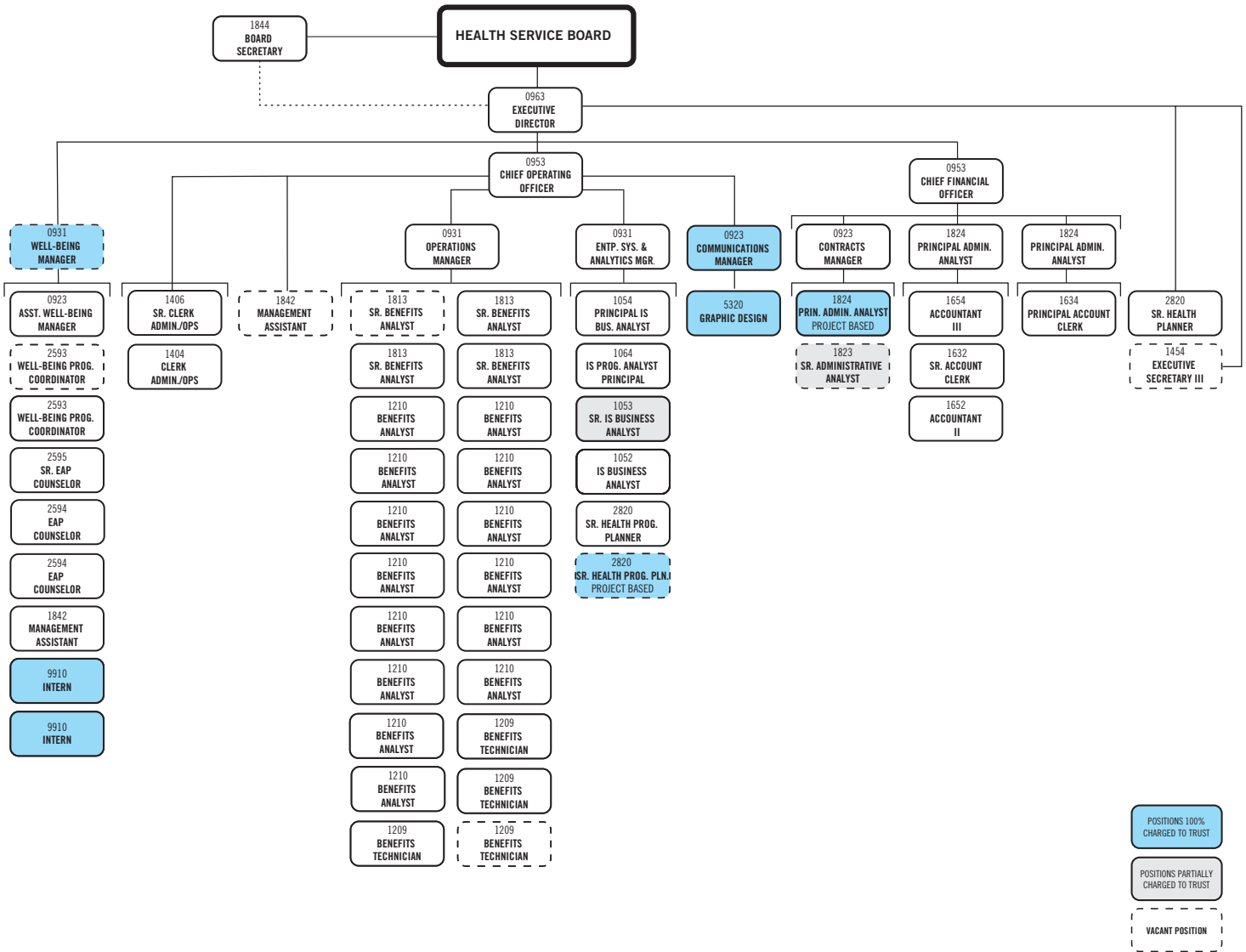
*Accounting Manager
San Francisco General Hospital*



Randy Scott
City Controller Appointee
Current Term:
May 2015–May 2020

*Chief Human Resources Officer
Institute on Aging*

Organization Chart



POSITIONS 100% CHARGED TO TRUST

POSITIONS PARTIALLY CHARGED TO TRUST

VACANT POSITION

CONTACT INFORMATION

Location and Management

San Francisco Health Service System Member Services

SFHSS Call Center:

(415) 554-1750

(800) 541-2266

Monday - Friday

8:00am–5:00pm

*(except every other Thursday of the month
when we open at 9:30am).*

SFHSS Office Drop-in:

1145 Market Street, 3rd Floor

San Francisco, CA 94103

8:00am–5:00pm

*(except every other Thursday of the month
when we open at 9:30am).*

San Francisco Health Service System Well-Being

SFHSS Well-Being:

(415) 554-0643

well-being@sfgov.org

SFHSS Employee Assistance Program (EAP):

(800) 795-2351

Call to schedule an appointment.

SFHSS Catherine Dodd Wellness Center:

Well-Being & EAP Offices

1145 Market Street, Suite 100

San Francisco, CA 94103

Visit us online at sfhss.org.

2018 San Francisco Health Service System Management Team

Abbie Yant

Executive Director

Mitchell Griggs

Chief Operating Officer

Pamela Levin, MPA

Chief Financial Officer

Marina Coleridge, MS, CHPSE

Enterprise Systems & Analytics Manager

Siobhan O'Connor

Member Services Manager

Michael Visconti

Contracts Manager

Carol Karimi, CMP, CFRE

Communications Manager

Carrie Beshears

Acting Well-Being Manager