

**MEMORANDUM**

**DATE:** April 13, 2023  
**TO:** Randy Scott, HSB President, and Members of the Health Service Board  
**FROM:** Abbie Yant, RN, MA Executive Director SFHSS  
**RE:** April 13, 2023, Director's Report

---

**BUDGET UPDATE**

The Mayor's Budget Office informed us that due to worsening revenue projections, the SFHSS cost reduction target has increased to \$400K from \$200K. We are negotiating the final numbers.

**SFUSD- EMERGENCY STATUS**

Abbie Yant, Executive Director shared the Health Service Board's concerns with SFUSD Superintendent regarding the ongoing SFUSD HRIS problems that continue to impact SFHSS members. The SFUSD Human Resources Director has reached out to SFHSS. SFUSD staff updated SFHSS on Thursday, April 6<sup>th</sup>, and provided updates on a number of ongoing concerns. SFUSD and SFHSS continue to meet to address system and process issues. SFUSD is determined to resolve all payroll-related issues by October 2023. SFUSD and SFHSS continue to meet to address system and process issues.

**BLACK OUT NOTICE REMINDER (see attached slides)**

**Blackout Period Timeframe**

- The Blackout Period Competitive bid process for actuarial services and associated health benefit consulting services will commence on December 8, 2022, and conclude after the Health Service Board's final approval of the contract award in June 2023.
- The Blackout Period Annual Rates and Benefits for the 2024 plan year will commence on December 8, 2022, and will conclude after the Board of Supervisors' final approval of the health plan rates and benefits in July 2023.

**HEALTH VALUE INITIATIVE ("HVI") BENCHMARKING STUDY (see attached study)**

1. From an employee perspective for plan cost-sharing benchmarking:
  - SFHSS is substantially lower than other benchmarks for average member plan design cost-sharing at the time of service (e.g., deductibles, copayments, and coinsurance).
  - SFHSS is slightly lower than other benchmarks for average out-of-paycheck contribution amounts.
2. Overall medical/prescription drug spend per employee is higher for SFHSS than for average benchmarked organizations — three key factors drive this result:
  - Higher average population age for SFHSS than other benchmarks (though similar to Public Sector benchmark average age)—SFHSS population is 3 years older on average than the overall study employee average age.
  - Higher cost of health care overall in the Bay Area versus U.S. averages.
  - Higher percentage of allowed costs paid by SFHSS plans versus other benchmarks after applying member plan design elements (e.g., SFHSS plan deductibles and copayments are less, on average, than those for plan designs of benchmark employers).

### **RACIAL EQUITY, DIVERSITY & CULTURAL HERITAGE CELEBRATIONS**

In this month's equity update, I'd like to recognize how recent events of mass violence and shootings have challenged us all. Safety and equity are invariably linked both in the workplace and other community settings. Although people are resilient and often bounce back after difficult times, these events can disrupt our sense of order and safety. The impact often extends to individuals who live far outside of the affected area with no personal connections to the event. This is especially true when the event is human-caused with the intent of harming others (American Counseling Association, 2023). We encourage our citywide family to tap into Employee Assistance Program [support resources](#) and [diverse activities](#) offered through SFHSS Well-Being to prioritize self-care and whole-person health in these dynamic times.

The World Health Organization (WHO) resounds the call for safety in international promotion of [World Health Day](#). In 1948, countries around the world came together and founded WHO to promote health, keep the world safe and serve the vulnerable – so everyone, everywhere can attain the highest level of health and well-being. WHO's 75th anniversary year is an opportunity to look back at public health successes that have improved the quality of life during the last seven decades. It is also an opportunity to motivate action to tackle the health challenges of tomorrow.

The U.S. Department of Health and Human Services also uplifts April as [National Minority Health Month \(NMHN\)](#), a time to raise awareness about the importance of improving the health of racial and ethnic minority communities and reducing health disparities. The origin of National Minority Health Month was the 1915 establishment of National Negro Health Week by Booker T. Washington, with U.S. Congress support being officiated in 2002. For 2023, the NMHM theme, *Better Health Through Better Understanding*, shares resources to address health literacy, language access, and other recognized barriers to care. In leading with equity, SFHSS maintains our commitment to action-oriented planning and will continue to elevate efforts to create lasting health equity and inclusion for all.

### **ADMINISTRATION UPDATES:**

Health Service Board Email Outcome Report for January-March 2023 (**See attached slide**)

---

## **SAN FRANCISCO HEALTH SERVICE SYSTEM DIVISION REPORTS: April 2023**

### **HUMAN RESOURCES:**

At our request, DHR has added another analyst to our team to assist with recruitment and hiring.

#### **Position Control:**

<b># of active employees</b>	<b>45</b>
<b># of vacancies</b>	<b>22</b>
• # of departures	1
• # of active recruitment	*6
• # of pre-recruitment analysis	15

(\*Sync ups with approved vacancy report)

## **PERSONNEL**

### **Welcome:**

- 1209 Benefits Technician: Monina “Mo” Tingzon – 3/20/23
- 1210 Benefits Analyst: Elizabeth Tek – 4/3/23
- 1210 Benefits Analyst: Joleen Russo – 4/3/23

### **Resignation/Retirements:**

- 1210 Benefits Analyst-1

### **Recruitments:**

- 1210 Benefit Analyst (Regular Recruitment): SQ completed 33 responded.
- 2822 Health Educator
- 2594 EAP Counselor

## **OPERATIONS:**

- Member Services staff handled 4,692 calls in March 2023. (March 2022 – 4,306/ March 2021 – 4,707 calls)
- 164 virtual retirement consultations were conducted in March 2023.
- Member Services presented at DHR’s March New Hire Orientation with 90 attendees to ensure new hires can get their questions addressed.
- Member Services conducted a Retirement seminar for 30 SFPD members on March 16<sup>th</sup>, 2023.
- Member Services staff worked more than 126 hours of mandatory overtime in March to reduce the delay in processing member enrollments during this time of low staffing.
- Operations is launching the new Retiree Benefits Premium Calculator on the sfhss.org website.
- Operations is working to improve navigation, search, and other vital functions of the sfhss.org homepage to improve our members’ self-service experience.
- Operations and Finance completed testing to ensure a seamless transition to the new payment network used to accept member payments.
- Communications designed collateral (poster, flyer, wallpaper, web images) to promote Well-Being’s Mental Health Awareness Month.
- ESA completed the regulatory electronic filing of the IRS 1095-C forms with the IRS by the required deadline.
- ESA completed fixes to the inbound deduction interface file from SFERS wherein some transactions were not balancing correctly and causing errors that required monthly manual fixes.

## **FINANCE AND BUDGET**

### **Budget**

- Responded to Mayor’s budget analyst questions about the HSS budget.

### **Accounting**

- Coordinated banking transition with the controller office.

## **CONTRACTS**

- Executed workforce health agreement for employee health and wellness activities and HMO benefits agreement with Kaiser Permanente.
- Executed agreement with Health Net for HMO benefits (CanopyCare HMO).
- Executed first amendment to agreement with Delta Dental (DeltaCare DHMO benefits).

# SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

## WELL-BEING

- Working on DAIS project – updating images, website, content, etc.
- MHN/ComPsych transition includes contract updates, contacting specialty providers, and working on several communications for members, departments, and specialty providers – the go-live date on the transition is still slated for 5/1.
- Gearing up for a physical activity challenge for departments who opt in – creating a champion tool kit, training for champions, a checklist to work with the vendor to get the website developed, and marketing materials including emails, posters, and flyers.
- RFP for EAP software
- Reviewing results from the Mental Health Forum and pulling together a potential list of action items, prioritizing
- Pulling together annual spending for well-being dollars from 2019 – 2022, looking at what services to maintain and outline new services based on forum results, strategy, and prioritization of services/resources to support mental health
- Wrapping up 2022 PPARs
- Updating NEO slide deck in prep for a dept. NEO request in April and for future requests
- Prepping for a meeting with ORE around city ERGs and department requests for well-being

## Attachments:

- Black Out Notice
- Health Value Initiative (“HVI”) Benchmarking Study
- Health Service Board Email Outcome Report for January-March 2023

## MEMORANDUM

**DATE:** December 8, 2022  
**TO:** Randy Scott, President, and Members of the Health Service Board  
**FROM:** Abbie Yant, RN, MA Executive Director SFHSS  
**RE:** Notice of the Black-Out Periods

---

Pursuant to the Board's Policies, the Board must be notified of Blackout Periods. This memorandum shall notify the Health Service Board ("Board") of the San Francisco Health Service System ("SFHSS") Blackout Period in connection with:

1. The competitive bid process for actuarial services and associated health benefit consulting services and the
2. The Annual Rates and Benefits for the 2024 plan year

### Prohibited Communications

During these concurrent Blackout Periods, the Board is prohibited from any communications with potential SFHSS service providers on matters relating to SFHSS contracting for actuarial services or health plan benefits and administration, except communications on SFHSS matters during public meets of the Board or Board Committee Meetings.

Communications include face-to-face conversations, telephone conversations, emails, text messages, letters, faxes, or any other social media, written or electronic communications. Any communications with service providers for reasons unrelated to SFHSS during the Blackout Period must be immediately disclosed in writing to the Executive Director and the Board.

### Blackout Period Timeframe

The two blackout periods will overlap.

1. The Blackout Period **Competitive bid process for actuarial services** and associated health benefit consulting services will commence on December 8, 2022, and conclude after the Health Service Board's final approval in June 2023.
2. The Blackout Period **Annual Rates and Benefits** for the 2024 plan year will commence on December 8, 2022, and conclude after the Board of Supervisors' final approval of the health plan rates and benefits in July 2023.

# **San Francisco Health Service System Health Service Board**

## **Rates & Benefits**

Health Value Initiative (“HVI”) Benchmarking Study

April 13, 2023

# Aon Health Value Initiative (HVI)<sup>™</sup>

**The Aon Health Value Initiative (HVI)<sup>™</sup> Database**, launched in 1996, captures active employee medical and prescription drug cost and benefit data on health plans for:

- 4.8 million health plan employees;
- 715 employer organizations; <sup>[1]</sup>
- 2,500+ health plans; and
- \$64.9 billion in health care expenditures.

This benchmarking study captures medical and prescription drug data for active employees only.

- Dental and vision plans are not measured in the study.
- Retirees are not measured in this study.

*[1] Total number of employers is dynamic and changes as clients are added or removed from the baseline.*

# Aon HVI Benchmarking for SFHSS

## Executive Summary

Similar to prior years, San Francisco Health Service System (SFHSS) active employee health plans demonstrate a purchasing efficiency score that remains among the best in our study – SFHSS receives a higher level of value for every dollar spent in health care than most other employers participating in Aon’s HVI study.

Financial efficiency is gauged by normalizing plan cost differences caused by plan design, demographic, and geographic differences among populations.

# Aon HVI Benchmarking for SFHSS

## Executive Summary

Overall medical/prescription drug spend per employee is higher for SFHSS than for average benchmarked organizations – three key factors drive this result:

- Higher average population age for SFHSS than other benchmarks (though similar to Public Sector benchmark average age) – SFHSS population is 3 years older on average than overall study employee average age.
- Higher cost of health care overall in Bay Area versus U.S. averages.
- Higher percentage of allowed costs paid by SFHSS plans versus other benchmarks after applying member plan design elements (e.g., SFHSS plan deductibles and copayments are less, on average, than those for plan designs of benchmark employers).

# Aon HVI Benchmarking for SFHSS

## Executive Summary (continued)

From the **employee** perspective for plan cost sharing benchmarking:

- SFHSS employees on average pay slightly less than employees of other benchmark organizations for out-of-paycheck contribution amounts.
- SFHSS employees on average pay substantially less than employees of other benchmark organizations for member plan design cost sharing amounts at time of service (e.g., deductibles, copayments, and coinsurance).

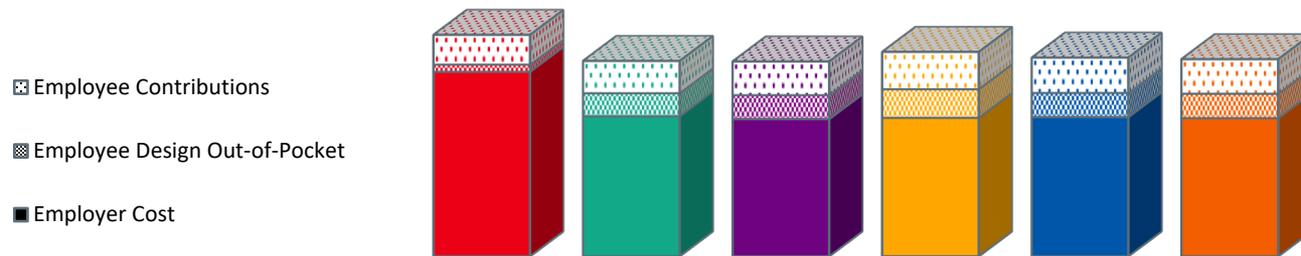
# Aon Health Value Initiative (HVI)<sup>TM</sup> Benchmarks

-  **San Francisco Health Service System (SFHSS)**  
SFHSS fully-insured plan costs are based on actual 2023 premium rates; SFHSS self-insured/flex-funded plan costs are based on the medical, prescription drug, and administrative cost portions of total cost rates; all costs exclude Basic Vision rates, SFHSS sustainability fees, and rate stabilization adjustments.
-  **Public Sector Industry (Public) – 53 Organizations**  
Public employer subset (primarily states, municipalities, and universities).
-  **Organization Size (25,000+) – 40 Organizations**  
Subset of study employers with 25,000 and more employees covered by plans.
-  **Fortune 500 Subset in Database – 46 Organizations**  
Subset of study employers that are in the Fortune 500.
-  **Labor Market – 713 Organizations**  
Weighted average of all participating organizations operating in same geographies as SFHSS employees. This comparison group is helpful in analyzing the impact of employee location on costs.
-  **HVI Entire Database – 715 Organizations**  
Entire Aon database of 715 participating organizations.

# 2023 Annual Health Plan Costs Per Employee

- SFHSS employers pay 83% of overall health care spend (allowed charges plus fees), compared to a range of 69% to 72% for benchmark averages.
- Member design out-of-pocket cost in SFHSS plans (for deductibles, copayments, coinsurance, etc.) is substantially lower than for other benchmarks, including public sector.

## Health Plan Costs Per Employee—Overall

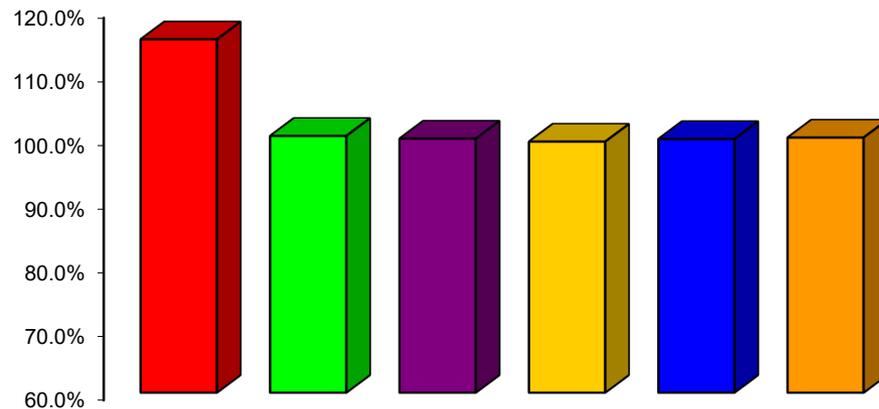


	SFHSS	Public Sector	Jumbo (>25k)	Fortune 500	Labor Market	HVI
Employee Contributions	\$2,416	\$2,672	\$2,424	\$2,894	\$2,652	\$2,689
Employee Design Out-of-Pocket	\$608	\$2,057	\$1,778	\$2,167	\$1,847	\$1,901
Employer Cost	\$14,730	\$12,166	\$10,549	\$11,247	\$10,827	\$10,850
Total Health Plan Cost	\$17,754	\$16,895	\$14,751	\$16,308	\$15,326	\$15,440
Employer Portion Percent	83%	72%	72%	69%	71%	70%

# 2023 Health Plan Financial Purchasing Efficiency

- The Financial Index (FI) is a measure of financial efficiency of plans offered by SFHSS and other database organizations. It normalizes for cost differences driven by demographic, geographic, and plan design variations among organizations. Plan administrative costs and care management is reflected in the FI measure.
- An FI greater than 100% reflects better-than-average financial efficiency.
- The SFHSS FI exceeds all comparators at 115.4%.
- Thus, SFHSS health plan purchasing efficiency significantly exceeds averages for other benchmarks in the study.

**Financial Efficiency—Overall**



	SFHSS	Public Sector	Jumbo (>25k)	Fortune 500	Labor Market	HVI
Financial Index	115.4%	100.3%	99.8%	99.4%	99.8%	100.0%
Enrollment	39,471	449,950	2,330,556	885,349	2,339,073	4,796,828

# Detailed Profile – 2023 Costs and Demographics

Annual Amounts (Page 1 of 2)

Category	SFHSS	Public Sector	25,000+	Fortune 500	Labor Market	HVI
<b>Overall Profile</b>						
<b>Number of Employees</b>	39,471	449,950	2,330,556	885,349	2,339,073	4,796,828
<b>Total Health Plan Costs (\$B) [1]</b>	\$0.7B	\$6.7B	\$30.2B	\$12.5B	\$31.5B	\$64.9B
<b>Total Employer Health Plan Costs (\$B)</b>	\$0.6B	\$5.5B	\$24.6B	\$10.0B	\$25.3B	\$52.0B
<b>Average Age</b>	46.7	46.6	42.6	44.3	43.3	43.4
<b>Average Family Size</b>	2.1	2.0	1.9	2.1	1.9	2.0
<b>Percent Females</b>	49%	67%	54%	47%	49%	49%

[1] Net of plan design cost sharing by plan participants (deductibles, copayments, coinsurance, etc.)

# Detailed Profile – 2023 Costs and Demographics

Annual Amounts (Page 2 of 2)

Category	SFHSS	Public Sector	25,000+	Fortune 500	Labor Market	HVI
<b>Competitive Medical/Prescription Drug Active Employee Cost Benchmarks</b>						
<b>Total Health Plan Costs Per Employee [1]</b>	\$17,146	\$14,838	\$12,973	\$14,141	\$13,479	\$13,539
<b>Employer Health Plan Costs Per Employee</b>	\$14,730	\$12,166	\$10,549	\$11,247	\$10,827	\$10,850
<b>Financial Index</b>	115.4%	100.3%	99.8%	99.4%	99.8%	100.0%
<b>Member Medical/Prescription Drug Active Employee Cost Sharing Benchmarks</b>						
<b>Employee Contribution</b>	\$2,416	\$2,672	\$2,424	\$2,894	\$2,652	\$2,689
<b>Plan Design Out-of-Pocket Expense</b>	\$608	\$2,057	\$1,778	\$2,167	\$1,847	\$1,901

[1] Net of plan design cost sharing by plan participants (deductibles, copayments, coinsurance, etc.)

**MEMORANDUM**

**DATE:** April 13, 2023  
**TO:** Randy Scott, President of the Health Service Board  
**FROM:** Abbie Yant, Executive Director of the San Francisco Health Service System  
**RE:** Health Service Board Email Outcome Report for January-March 2023

---

**Health Service Board Future Email Outcome Reports:**

The following email activities were tracked and categorized under the email policy with the following categories:

- Member Services Experience (General Information, Feedback)
- Benefits Inquiry (Open Enrollment, Eligibility/Enrollment, Payments, Provider Information)
- Policy Questions (Rates & Benefits, Plan/Provider changes)
- Board Meeting Questions (Time of the meeting, Public Comment Instructions, Agenda)
- Miscellaneous Inquiry (Unrelated Board matters or questions)

In total, 18 emails were received between January through March. The SFHSS Member Service team responded, addressed, or had conversations with members who contacted the Health Service Board by email about benefits inquiries and member service experience. Five of the policy questions were members expressing concern about the number of dentists available in the Delta Dental network (3 active member/2 retiree members).

<b>Health Service Board Email Outcome Report May-July</b>		
<b>Member Need</b>	<b>Monthly Total</b>	<b>Action</b>
Member Services	3	Closed
Benefits Inquiry	6	Closed
Policy Questions	8	Closed
Board Meeting Questions	0	Closed
Miscellaneous	1	Closed

<b>Month</b>	<b>Emails</b>
January	4
February	6
March	8