

Proposed SFHSS Healthcare Sustainability Fund Budget FYE 2023-2024 and FYE 2024-2025

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Background and Staff Recommendation

- Sustainability Fund was established under San Francisco City Charter Section A8.423
- The Sustainability budget covers annual activities and multiyear implementation of strategic initiatives to improve the member service experience, mitigate rising health care costs and invest in the Well-Being of all members.
- Accumulated funds are accessed for large one-time projects.
- Projects include:
 - An updated member communications plan
 - Self-service eBenefits
 - Telephony replacement including the integration with customer relationship management (CRM)
 - Software, operating the All-Payer Claims Database
- Recommendation to the Board
 - APPROVE SAN FRANCISCO HEALTH SERVICE SYSTEM FISCAL YEAR 2023-23=4 AND FISCAL YEAR 2024-2025 PROPOSED SUSTAINABILITY FUND BUDGET

SFHSS Impact on SF City and County Budget

SF City and County Non-Pension Benefits - \$845 M

- SFHSS Impact
 - Rates negotiation, RFPs
 - Manages self-insured plans
 - Wellness
 - EAP
 - Open enrollment

General Fund - \$15 M Ongoing Expenses

Sustainability Fund - \$3.5 M– this presentation

- Special projects
- Funded with \$3 pmpm charge in benefit costs
- Annual revenue of \$2.5 million.
- Amounts over \$2.5 million use up remaining balances from prior years

Sustainability Fund Budget Highlights

- The fund is sustainable at the current rate of contribution (\$3 pmpm) through FYE 25 with an ending balance of \$2.2 million
- FYE 24 and FYE 25 projects include"
 - Website improvements for member communication
 - Secure electronic document exchange used for DEVA and other communication
 - Salesforce automation.
- No FTE change from current year budget

Sustainability Fund Budget

(in thousands)

	FYE 2021-2022 Actual	FYE 2022-2023 Budget	FYE 2023-2024 Budget	FYE 2024-2025 Budget
Sources				
Premiums	2,545	2,552	2,554	2,554
Carryforward	4,527	4,437	3,840	2,845
Total Revenue Sources	7,072	6,990	6,394	5,399
Uses				
Personnel	1,550	1,473	1,377	1,445
Administrative	7	164	46	46
Member Communications	433	477	668	618
Communications- Other	244	355	697	323
Well-Being	114	281	450	450
Initiatives to Reduce Health Care Costs	288	399	313	313
Total Expenditures	2,635	3,149	3,549	3,195
Revenues Less Expenditures	4,437	3,840	2,845	2,204

Sustainability Fund Budget - FTEs

(in thousands)

	FYE 2021-2022 Actual	FYE 2022- 2023 Budget	FYE 2023- 2024 Budget	FYE 2024- 2025 Budget
FTE's	8.35	7.38	7.61	7.61
Personnel	1,549,921	1,325,990	1,376,559	1,514,215

FTE budget unchanged from Current year

Recommendation to the Board

APPROVE SAN FRANCISCO HEALTH SERVICE SYSTEM
FISCAL YEAR 2023-23=4 AND FISCAL YEAR 2024-2025
PROPOSED SUSTAINABILITY FUND BUDGET