

SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

MEMORANDUM

January 10, 2019

TO: Karen Breslin, President, and Members of the Health Service Board
FROM: Abbie Yant, RN, MA Executive Director SFHSS
RE: January 2019 Board Report

Introduction

Happy New Year! SFHSS staff celebrated with a Holiday party on December 20th. We are gearing up to commence the Rates and Benefits cycle. Staff with Aon's assistance contributed to the significant work to create the renewal letters that have gone to the providers.

Vendor Black Out Period – Reminder

The HSB approved the vendor Black Out period commencing November 9, 2018. As a reminder, this black out period is still in effect. We have received response to the Request for Information for the Expert Opinion, Navigation, Concierge and Musculoskeletal services that we can vet and subsequently require be part of the medical plan design. Medical, Dental and Vision vendor renewal meeting notices and renewal letters were sent out and renewal letters were mailed. The current version of the Rates and Benefits Calendar is in your meeting packet.

Strategic Plan: Accountability Tool

SFHSS purchased Cascade, a software platform for strategic planning, goal management and operational reporting. Cascade can produce actionable dashboards and reports using widgets, graphs, and data integrations that SFHSS will use to report operational metrics and key performance indicators (KPIs). SFHSS staff have loaded into Cascade the strategic plan goals and objectives on both plan year (2020-2022) and phase (Action, Discovery, Implementation). Staff are working to refine the business initiatives within the strategic plan to better integrate and align within the tracking management software. High level administrative training was completed for Cascade Champions (internal cascade experts that other users can go to for support.) The SFHSS Leadership Team will participate in a Cascade User training in late January. Brian Rodriguez, Project Manager who will coordinate internal onboarding and management timelines. Leticia Pagan, Sr. Health Planner and Cascade System Administrator will support ongoing management of users, settings and feature selection.

Dependent Eligibility Verification Audit (slides attached)

SFHSS has concluded the DEVA, conducted debriefings with 3rd party vendor, internal SFHSS staff and the City Auditors office. The results are addressed in the attachment.

2019 Health Service Board Elections (slides attached)

The Health Service Board election will take place during the month of May 2019. The Department of Elections (DOE) is conducting this election. The Board Secretary is collaborating with the City Attorney's office and the DOE. The 2019 election will include two members elected by the active and retired members of the HSS for the term from June 2019-May 2024. The official election practices will begin January 11, 2019, when the nomination forms are available for all SFHSS members to pick up from our offices or download from our website. Completed nomination forms are due back to the SFHSS offices no later than February 14, 2019 at 4:00pm. Once this piece of the election process is complete the confirmed nominees will be contacted directly. We are looking forward to having a very busy and fruitful election over the coming months.

SFHSS has created a special email address for the election, HSB.Elections@sfgov.org. This new email address allows our members to contact us at any time if they have any questions about the nomination process, the voting process, or any general questions that may arise during this election season. The Board Secretary will manage communications for the election, and coordinate with the DOE. The Operations Team is also aware of this communications plan, so if people call or walk into the office for election needs they will be directed to the Board Secretary.

Express Dashboard Q3 (slides attached)

The attached dashboard is for Incurred Claims dated Jul 2017 – Jun 2018 as well as Paid Claims through Sep 2018. Health characteristics of the SFHSS population have remained consistent.

- Diabetes continues to be the costliest chronic condition.
- The least 1.9% of the Non-Medicare population are responsible for 40.1% of costs (as compared to 1.8% accounting for 37.7% of costs one year prior).
- Specialty drugs continue to comprise 14 of our 15 top drugs by cost and 13 of those were in our top 15 a year ago. As previously reported, 8 of the top 15 drugs are used for HIV infections and account for 18% of the total drug spend. These medications also account for 55% of the cost of the top 15 drugs.
- In comparison to the same period for the previous year, High Cost Claimants have increased from 2,201 to 2,218 with associated med and Rx costs per patient increasing from \$129,137 to \$131,385.
- Lastly, we had previously reported an issue with the under-reporting of scripts per 1000 Rx for the Kaiser Medicare population. The scripts were not being counted because the allowed amount was zero (we do not receive the financials for Kaiser Medicare Rx). We are implementing a fix with the Q4 dashboard.

CalPERS Health Policy Committee Changes Geographic Regions

Senior Health Program Planner Leticia Pagán attended the December 13th, 2018 CalPERS Quarterly Health Policy Discussion in Sacramento which provided a high-level overview of the development of CalPERS health care premiums as well as contracting agency regions and regional pricing. At this quarterly meeting, CalPERS Health Regions and Regional Factors were announced as action items for the upcoming December 18th, 2018 CalPERS Pension & Health Benefits Committee Meeting. I observed the December 18th Committee Meeting on line to capture results of the recommendations put forth by the CalPERS Health Policy Benefits team for approval. Final outcomes are shared below with context drawn from committee discussion, research and presentation facilitated by the CalPERS Health Policy Benefits team:

1. Health Regions for Public Agencies and Schools Decision: A1 Scenario has been approved to take effect January 1, 2020.
2. HMO Regional Factor Decision: Approval granted for CalPERS to internally create a range for HMO Regional Factors as part of the rate development process for 2020.
3. Adoption of new naming convention for current geographically-based regions.

Follow up from prior Board Meetings

Matters brought before the Health Services Board – tracked until completed.

These matters currently include:

- SFHSS Risk Management Policy
- Kaiser Home care services
- MAPD Cost savings accrual
- Cataract Surgery benefit coverage
- Relationship with Workers Compensation
- Other Postemployment Health Care Benefits (OPEB)

Attachments:

DEVA Report

Election Report

Express Dashboards (2)

CalPERS Meeting Memo and Materials (3)

SFHSS Divisions Report – December 2018

OPS Report

ESA Report

Communications Report

Well Being Report

SFHSS DIVISION REPORTS – DECEMBER 2018

PERSONNEL

- 0931 Well Being Manager – recruitment underway
- 2593 Well-Being Coordinator – recruitment underway
- 9910 Interns - recruiting for next round
- 1052 – IS Business Analyst - recruitment underway
- 1209 - Benefits Technician - recruitment beginning
- 1823 - Senior Admin Analyst – recruitment underway
- 1813 Senior Benefits Analyst – recruitment underway
- 0931 Contracts Manager – recruitment underway
- Received Mayor’s Office Approval for 2 of the 4 new positions identified in the mid-year budget adjustment
 - 2820 Sr. Health Planner – recruitment underway
 - 1824 Principle Admin Analyses – recruitment underway

OPERATIONS (slides attached)

- December call volume up slightly over last year due to DEVA follow up questions
- Confirmation letter call volume in line with prior years
- Overall team performance met demand in 2018

Enterprise Systems and Analytics

- Year-end regulatory reporting is on track. We have completed the IRS W-2 Box 10, Box 12DD and 1099 reporting. Testing of modifications required for 1095-C reporting is underway and we are on track to release 1095s mid-January
- The website redesign is nearing completion. Content migration is finished, and user testing commenced on January 4th. The new website will go live in early February
- Our continued rollout of ebenefits with a user-friendly layer, duplicating what was done for open enrollment, is in jeopardy. The City’s PeopleSoft systems will be undergoing a major upgrade in 2019 which will result in a system code freeze for the majority of the year.

Communications

- Continuous work supporting website team on design, content and layout of new website; oversee selection and preparation of images and graphics with graphic designer for February 2019 launch.
- Prepare and execute member communications including SFUSD Confirmation Correction, Domestic Partner Declaration, Imputed Income mailings.
- Prepare and update 2019 Plan Year suite of enrollment forms, applications and presentations for Member Services/Operations.

WELL BEING

Employee Assistance Program

YTD 2018 (compared to YTD 2017)

- Counseling
 - 16% increase in counseling hours (1425 vs. 1229)
 - 19% increase in total clients/month (1020 vs. 858)
 - 2% increase in new clients (444 vs. 437)
- Organizational Services
 - 16% decrease in organizational services provided (292 vs. 339)

December 2018 (compared to December 2017)

- Counseling
 - 123 counseling hours – 3% higher than this year’s monthly average (119)
 - 103 total clients – 27% higher than this year’s monthly average (81)
 - 36 new clients – this year’s monthly average (37)
- Organizational Services
 - 17 organizational services
 - 41% lower than the monthly average this year (24)
 - 37% were organizational consultations
 - 35% were trainings

Wellness Center YTD 2018

- 7900 total visits
- 263 average unique visitors/month
- 5048 group exercise visits

Maintain Don’t Gain Campaign

- 6 week email campaign focused on healthy habits during the holiday season
- Total participation – 1490

FINANCE DEPARTMENT

Budget and Procurement

- Began FY 2019-20 and FY 2020-21 budget development, proposed budget will be presented to the HSB on February 14, 2019
- Attended training on the Budget System

Finance and Accounting

- Continued working with KPMG to finalize Financial Statements, the audit report pending information from the Controller's Office

Contracts

- Fully executed dental agreement with Delta Dental of California (PPO)
- Fully executed Group Agreement with Blue Shield of California
- Fully executed Dental Agreement with Delta Dental of California (DeltaCare DHMO)
- Assisted with the Plan Year 2020 renewal letters for:
 - Best Doctors (Teladoc Health, Inc.)
 - Blue Shield of California
 - Delta Dental of California
 - Kaiser Permanente
 - The Hartford (Aetna Group Insurance)
 - UnitedHealthcare
 - Vision Service Plan

Dependent Verification Audit Update

January 10, 2019

Dependent Audit -

Audit began in April 2018 and included 26,319 employees and retirees who have an enrolled legal spouse or domestic partner

Audit was performed by Alight Solutions Dependent Verification Center

The audit consisted of the following mailings;

4/10/2018 - Alert Notice Sent

4/20/2018 -Verification Request Notice Sent

4/30/2018 & 5/15/2018 - Reminder notices sent

6/01/2018 - Final reminder notice sent.

6/16/2018 - End of audit notice – sent to those who had not responded to verification

7/15/2018 -Grace Period end date/final audit close

7/28/2018 - Final Results Notice – sent to those with unverified dependents remaining on the plan

8/27/2018 - Special notice sent directly from SFHSS to all non-respondents

10/1/2018 – October Open Enrollment notices received by membership included current enrolled, verified spouses and domestic partners

Audit Results

Total Audited Dependents:	26,319	Spouses - 24,796 Domestic Partners – 1,523
Dependents Verified:	25,511	
Employee / Retiree Opt Out	129	
Dependents Not Verified:	808 or 3% (expected 2-5%)	
Total annual savings	\$2,800,000 (based on 2018 rates)	
Received Documents	64,929 (Alight) 1,800 (HSS)	
Received Phone Calls	12,517 (Alight) 2,955 (HSS) 641 in person at (HSS)	
Verified at HSS	800	

Enrollment by Plan for DEVA Population

	BLSACC	BLSHLD	CTYPLN	DELINQ	KAISER	Grand Total
Active	119	74	16	10	361	578
Non Medicare Retiree	9	6		2	28	47
Medicare Retiree			76		74	150
						775
	BLSACC	BLSHLD	CTYPLN	DELINQ	KAISER	Grand Total
CCD			2		7	9
CRT			1			1
CSF	115	63	13	10	321	522
USD	4	8	1		33	46
						578

Audit Challenges and Next Steps

Challenges –

- Communications
- Member services preparedness
- Timing of Audit

Next Steps –

- Future audits
- Timing and frequency of audit
- Audit performed by HSS or a collaborative effort

Health Service Board 2019 Elections

What Documents are Attached to 2019 Health Service Board Election Document?

- 2019 Health Service Board Resolution (3 pages)
- 2019 Department of Elections Notice (Exhibit A - 1 page)
- 2019 Member Notice (Exhibit B – 1 page)
- Member Notice (2 pages)
- 2019 Election Schedule (2 pages)
- Nomination Form with Sponsor Page (3 pages)

Important Dates Moving into the Election:

- January 11, 2019 SFHSS members may start nominating candidates for the election that will take place during the month of May.
- February 14, 2019 at 4:00pm nomination forms are due back to the Health Service System office for review.
- February 21, 2019 nominees will be notified directly of their status.
- February 28, 2019 candidates who have been notified of their nomination will meet at the Department of Elections for an orientation, that is tentatively planned from 2:00pm-4:00pm
- March 27, 2019 deadline for candidates to submit their Election Statements with the Department of Elections by close of business day.
- April 30, 2019 ballots are mailed out to the SFHSS members.
- May 9- May 29, 2019 election is live! Ballots should be mailed to the Department of Elections directly with a pre-paid envelope that is included with your ballot and ballot instructions.
- May 30, 2019 ballots are counted, and the winners are announced.
- June 13, 2019 Elected members begin their new term on the Health Service Board.

Nomination Forms and Submitting the forms to SFHSS

1. Nomination forms can be emailed to candidates at the candidate's email request, the forms can be downloaded from the SFHSS website, or the forms can be picked up from our office at 1145 Market Street, 3rd Floor, San Francisco CA 94103.
2. Nomination forms must be received and reviewed for membership status by the Board Secretary no later than February 14, 2019 at 4pm.
3. Completed Nomination forms can be mailed in, or dropped off in person by 4:00pm on February 14, 2019.
4. Each nominee must have at least 20 signatures of sponsorship from the SFHSS member pool. These signatures can include any SFHSS active members, retired members, surviving spouses and surviving domestic partners.

Next Steps after the Nominees are Confirmed:

1. Once the Board Secretary confirms the eligibility of the nominee and verifies the sponsor signatures, the Nominees will be notified of their eligible status.
2. At that time there will be a confirmed location and time for the Nominees to meet with the Department of Elections for orientation. At this meeting the Nominees will begin drafting their statements, and these statements will be mailed to the SFHSS members with their ballots.
3. The Ballots will be mailed to the SFHSS member's homes beginning April 30, 2019.
4. SFHSS members can begin to mail back their ballots once they are completed. *The official election is held from May 9th-May 29th, however, the Department of Elections will be collecting ballots and holding them once ballots are being returned.
5. The counting of ballots will take place at the Department of Elections on May 30, 2019– this is live streamed on their website so members can watch the results in real time.

Contact Information

Please Contact the HSB Board Secretary, Natalie Ekberg, for any questions or if you need documentation regarding the elections.

**The best contact method is via email HSB.Elections@sfgov.org or the Office line at (415) 554-1727.

**Alternatively members can walk into our offices to pick up nomination forms drop off nomination forms, or ask a question in person.

Thank you!

CCSF Medicare Dashboard

November 21, 2018

Previous Period: Jul 2016 - Jun 2017 (Incurred)

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Financial

Previous Period: Jul 2016 - Jun 2017 (Incurred)

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Demographics

	Blue Shield	City Plan	Kaiser	Total
Employees	1	12,084	10,274	22,358
Members	2	15,144	12,758	27,904
Family Size	2.2	1.3	1.2	1.2
Average Employee Age	62.0	74.6	75.0	74.8
Average Member Age	59.8	74.1	74.5	74.3
Employees % Male	100.0%	47.5%	49.2%	48.3%
Members % Male	57.1%	44.3%	45.4%	44.8%
Risk Score	477.1	281.0	250.2	266.8

Cost and Utilization Trends

	Blue Shield	City Plan	Kaiser	Total
Admits Per 1000 Acute		193.9	164.9	180.7
Days LOS Admit Acute		5.37	4.89	5.17
Days Per 1000 Adm Acute		1,041.6	806.8	934.3
Svcs Per 1000 OP Med	177,333.3	79,220.0	39,729.0	61,166.2
Visits Per 1000 ER		473.6	454.3	464.8
Scripts Per 1000 Rx	13,333.3	24,918.0	18.3	13,532.8
Days Supply PMPY Rx	720.00	1,250.66	1,304.68	1,275.34

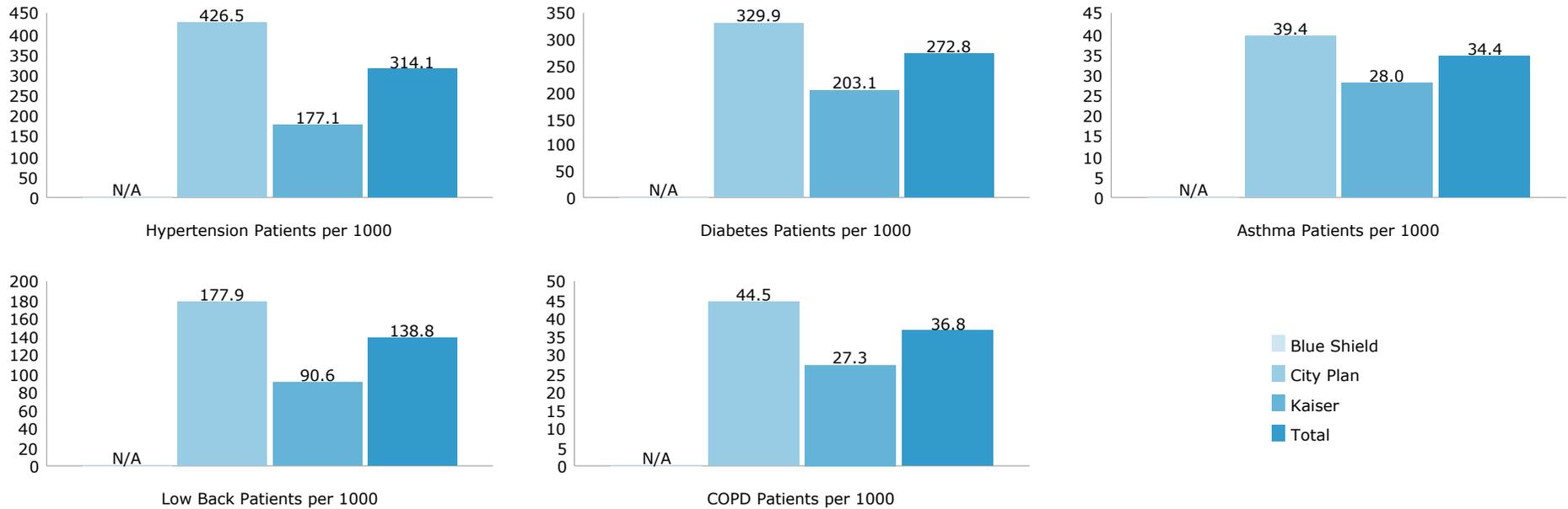
Clinical

Previous Period: Jul 2016 - Jun 2017 (Incurred)

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Chronic Condition Prevalence



Quality Markers

Utilization Metrics (per 1000 enrollees)

	City Plan	Kaiser	Total
Emergency Room	474	454	465
% Admit	31.7%	4.6%	19.5%
% Ambulatory	68.3%	95.4%	80.5%
Readmissions	13.7	14.0	13.8
Avoidable Admissions	29.6	20.7	25.6
Complications	68.7	38.6	55.2

Well Care and Preventive Visits

	Previous	Current	% Change
Visits Preventive Adult	8,599	10,027	16.6%
Visits Per 1000 Prevent Adult	318.6	359.3	12.8%

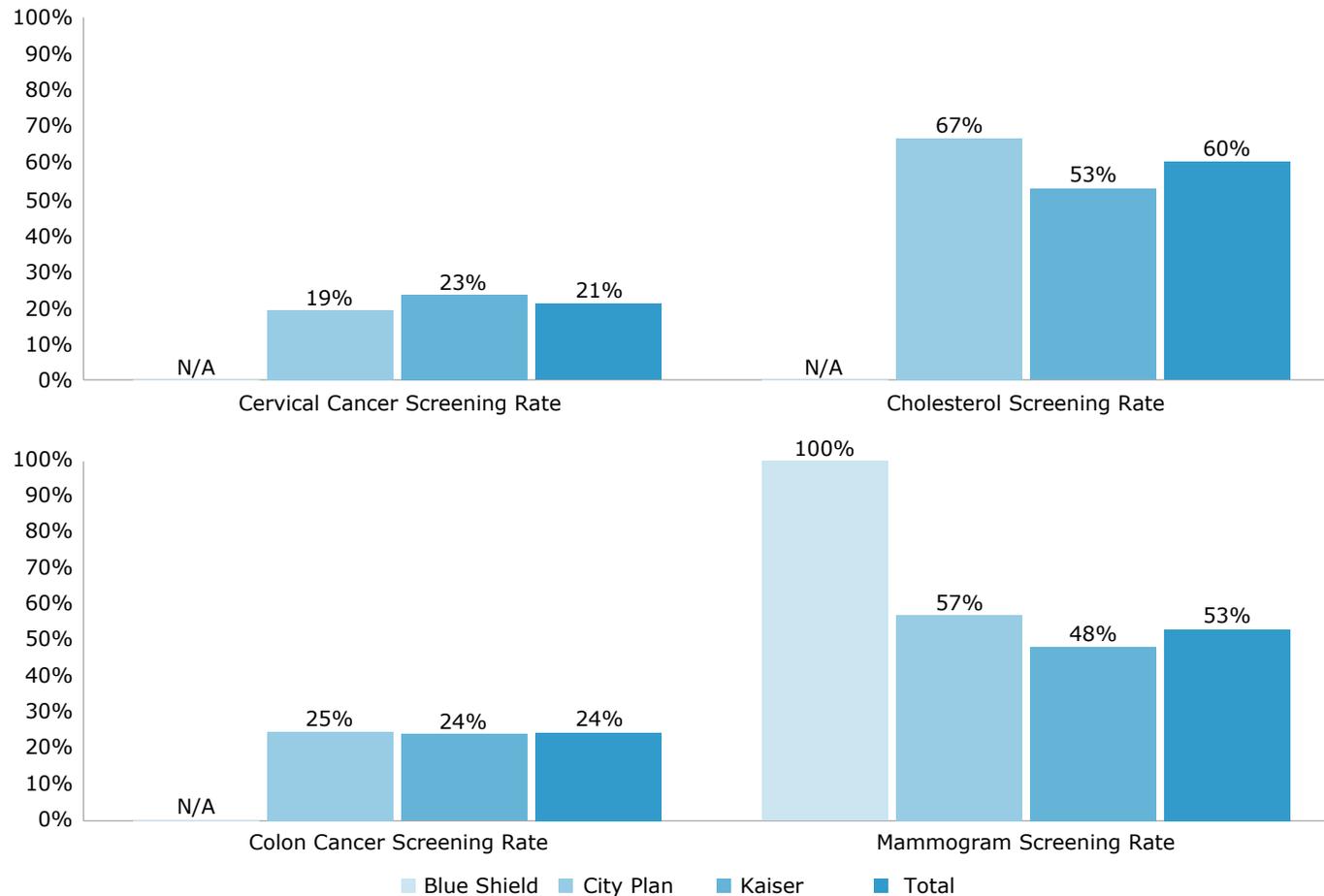
Clinical

Previous Period: Jul 2016 - Jun 2017 (Incurred)

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Preventive Screening Rates



Clinical

Time Period: 2017 (Previous Complete Incurred Calendar Year)

Paid Through: Sep 2018

Top 10 Episode Summary Groups*

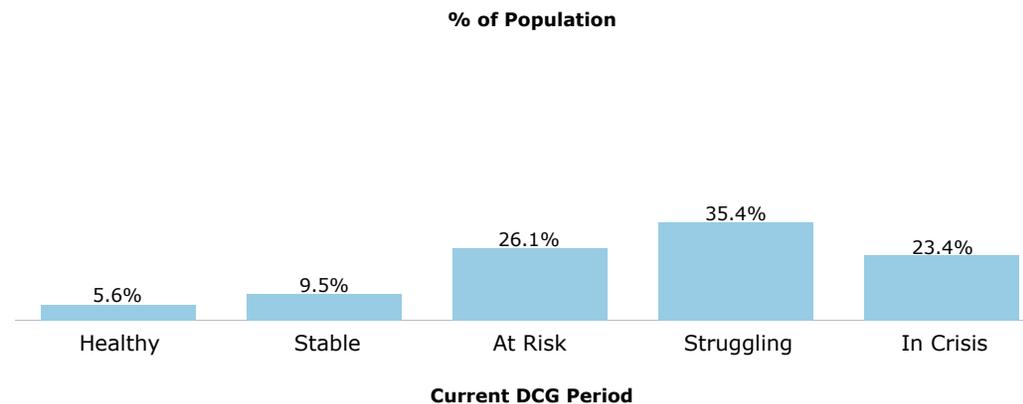
	Current Complete Year	
	Episodes	Patients
Diabetes	4,698	4,483
HIV Infection	185	185
Cancer - Leukemia	193	188
Cancer - Lung	248	248
Prevent/Admin Hlth Encounters	19,113	17,394
Hypertension, Essential	6,736	6,676
Hepatitis, Viral	224	222
Cancer - Prostate	623	623
Gastroint Disord, NEC	1,894	1,702
Cardiac Arrhythmias	2,580	2,027
Top 10 Subtotal	36,494	21,954
All Episode Summary Groups	144,412	27,262

Episode Type*

	Episodes
Acute Conditions	86,455
Chronic, Acute Flare-ups	1,684
Chronic, Maintenance	13,547
Chronic, Non-Stratified	26,076
Well Care	16,650
Total	144,412

*Episodes are based on the most recent complete incurred calendar year 2017.

Risk Band Profiles



Drug

Previous Period: Jul 2016 - Jun 2017 (Incurred)

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Specialty Drug Metrics

	Scripts Rx			Days Supply PMPY Rx			Claims Paid		
	Previous	Current	% Change	Previous	Current	% Change	Previous	Current	% Change
Non-Specialty Drugs	387,738	367,353	-5.3%	1,295.37	1,251.93	-3.4%	640,333	617,915	-3.5%
Specialty Drugs									
Prescription Specialty Drugs	9,739	10,472	7.5%	22.64	23.84	5.3%	14,193	15,039	6.0%
Professional Specialty Drugs							9,088	8,774	-3.5%
Facility Outpatient Specialty Drugs							1,089	1,683	54.5%
Specialty Total	9,739	10,472	7.5%	22.64	23.84	5.3%	24,370	25,496	57.1%
Total	397,477	377,825	-4.9%	1,318.01	1,275.77	-3.2%	664,644	643,408	-3.2%

Key Drug Metrics

	Blue Shield	City Plan	Kaiser	Total
Scripts Per 1000 Rx	13,333.33	24,917.96	18.26	13,532.78
Days Supply PMPY Rx	720.00	1,250.66	1,304.68	1,275.34
Scripts Generic Efficiency Rx	100.0%	98.1%	95.3%	98.1%
% Scripts Dispensed as Generic	80.0%	81.5%	77.7%	81.5%

CCSF Non Medicare Dashboard

November 26, 2018

Previous Period: Jul 2016 - Jun 2017 (Incurred)

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Financial

Previous Period: Jul 2016 - Jun 2017 (Incurred)

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Financial Summary

	Previous	Current	% Change
Allowed Amount Med and Rx	\$615,007,076	\$623,279,457	1.3%
Third Party Amt Med and Rx	\$5,025,718	\$5,965,544	18.7%
Out of Pocket Med and Rx	\$19,894,613	\$19,473,022	-2.1%
Allow Amt PMPY Med and Rx	\$6,763.64	\$6,713.24	-0.7%
Allow Amt PEPY Med and Rx	\$13,437.44	\$13,376.20	-0.5%
Allowed Amount IP Acute	\$192,056,591	\$188,753,734	-1.7%
Allowed Amount OP Med	\$306,776,191	\$325,794,767	6.2%
Allowed Amount Rx	\$103,223,904	\$105,271,095	2.0%

Demographics

	Blue Shield	City Plan	Kaiser	Total
Employees	17,514	1,817	27,264	46,596
Members	36,112	2,902	53,829	92,843
Family Size	2.1	1.6	2.0	2.0
Average Employee Age	49.7	53.8	46.5	48.0
Average Member Age	38.5	47.5	36.7	37.7
Employees % Male	51.7%	55.7%	51.6%	51.8%
Members % Male	47.7%	49.1%	48.5%	48.2%
Risk Score	109.8	196.7	84.3	97.3

Current Allowed Amount PMPM Med and Rx



High Cost Claimants Overview

	Blue Shield	City Plan	Kaiser	Total
High Cost Claimants	1,100	193	961	2,218
HCC Allow Amt Per Pat Med and Rx	\$132,218	\$126,849	\$127,460	\$131,835
HCC Allow Amt Pay Per Pat Med IP	\$108,436	\$97,089	\$117,026	\$111,964
HCC Allow Amt Per Pat Med OP	\$47,851	\$64,754	\$36,608	\$45,170
HCC Allow Amt Per Pat Rx	\$21,405	\$20,800	\$13,405	\$18,207
HCC Percent of Total Allowed Amount	49.4%	57.0%	43.9%	47.4%
HCC Allowed Amount	\$145,439,344	\$24,481,946	\$122,488,862	\$292,410,152
Total Allowed Amount	\$294,534,012	\$42,917,999	\$278,902,238	\$616,354,249
Allow Amt PMPY with HCC	\$8,156.20	\$14,786.99	\$5,181.25	\$6,638.65
Allowed Amount PMPY without HCC	\$4,128.71	\$6,351.97	\$2,905.74	\$3,489.15

A High Cost Claimant is defined as a member with greater than or equal to \$50,000 in spending for the time period.

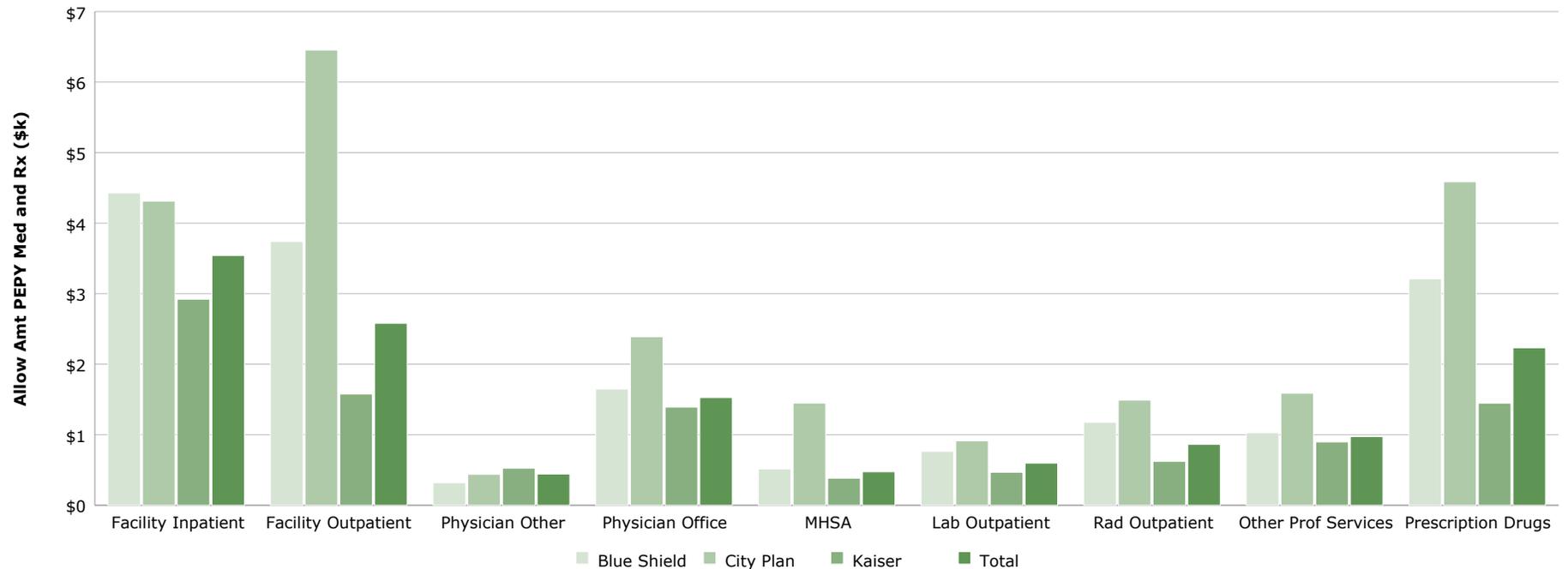
Financial

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Cost Per Employee Per Year (PEPY)

	Blue Shield	City Plan	Kaiser	Total
Facility Inpatient	\$4,426.73	\$4,310.95	\$2,921.13	\$3,541.26
Facility Outpatient	\$3,738.16	\$6,454.72	\$1,575.73	\$2,578.83
Physician Other	\$317.18	\$437.75	\$524.39	\$443.13
Physician Office	\$1,646.33	\$2,388.87	\$1,390.95	\$1,525.86
MHSA	\$513.77	\$1,448.81	\$383.91	\$474.26
Lab Outpatient	\$763.31	\$912.47	\$467.86	\$596.25
Rad Outpatient	\$1,174.29	\$1,489.75	\$621.27	\$863.01
Other Prof Services	\$1,027.70	\$1,587.53	\$896.70	\$972.89
Prescription Drugs	\$3,209.10	\$4,585.07	\$1,447.62	\$2,232.09
Total Allowed Amount	\$16,816.58	\$23,615.92	\$10,229.56	\$13,227.57



Financial

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Cost and Utilization Trends

	Blue Shield	City Plan	Kaiser	Total	West Norm
Allow Amt PEPY Med and Rx	\$16,816.58	\$23,615.92	\$10,229.56	\$13,227.57	\$12,093.50
Admits Per 1000 Acute	46.8	86.1	34.2	40.7	51.6
Days LOS Admit Acute	4.73	5.79	4.37	4.63	4.82
Days Per 1000 Adm Acute	221.7	498.9	149.6	188.6	211.6
Svcs Per 1000 OP Med	26,909.4	48,147.1	15,409.1	20,905.6	26,101.9
Visits Per 1000 ER	191.2	265.6	182.6	188.6	178.1
Scripts Per 1000 Rx	11,962.6	16,907.6	5,596.9	8,426.5	9,473.0
Days Supply PMPY Rx	341.48	520.94	298.91	322.41	345.07
Allow Amt Per Adm Acute	\$49,653	\$35,662	\$51,452	\$49,604	\$34,676
Allow Amt Per Svc OP Med	\$157	\$177	\$174	\$166	\$128
Allow Amt Per Script Rx	\$130	\$170	\$131	\$133	\$122

Plan Performance*

	Blue Shield	City Plan	Kaiser	Total
Relative Risk Score Concurrent	109.8	196.7	84.3	97.3
Members Avg Med	34,650	2,399	51,154	88,203
Allowed Amount PMPM Med and Rx	\$667.65	\$1,135.34	\$395.68	\$522.64
Health Service System Ratio to the Average	1.2	1.1	0.9	1.0

*Plan Performance is based on the current DCG time period.

Premium Contributions

	Blue Shield	City Plan	Kaiser	Total
Employer Premium Contribution Med	\$254,734,815	\$33,870,705	\$312,714,246	\$601,319,766
Employee Premium Contribution Med	\$42,217,344	\$23,032	\$42,286,842	\$84,527,218
Total Medical Premium Amount	\$296,952,159	\$33,893,737	\$355,001,088	\$685,846,984

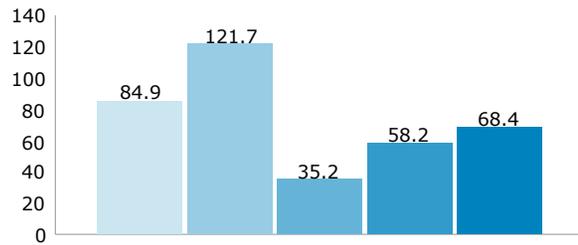
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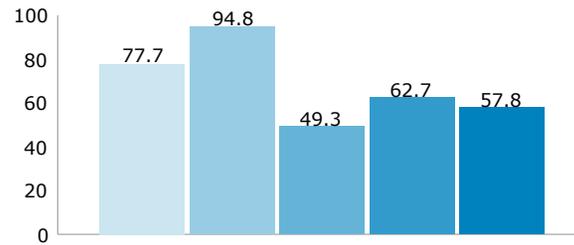
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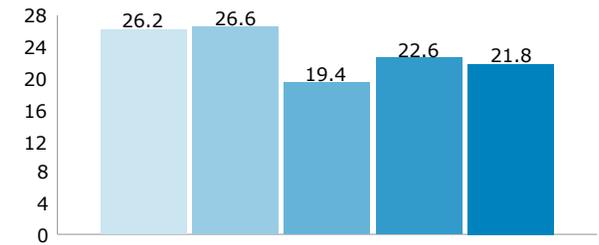
Chronic Condition Prevalence



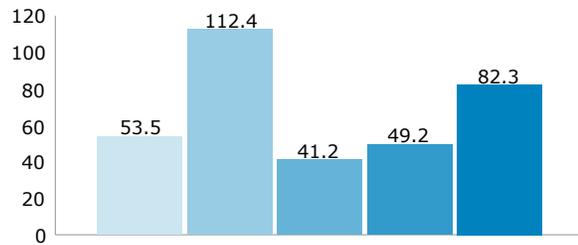
Hypertension Patients per 1000



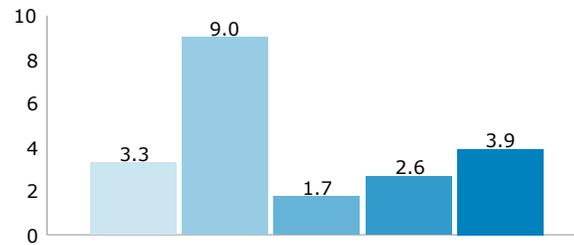
Diabetes Patients per 1000



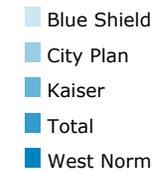
Asthma Patients per 1000



Low Back Patients per 1000



COPD Patients per 1000



Quality Markers

Utilization Metrics (per 1000 enrollees)

	Blue Shield	City Plan	Kaiser	Total
Emergency Room	191	266	183	189
% Admit	11.9%	18.8%	3.1%	7.3%
% Ambulatory	88.1%	81.2%	96.9%	92.7%
Readmissions	2.7	6.2	1.7	2.3
Avoidable Admissions	2.9	5.5	1.9	2.4
Complications	15.0	28.7	8.2	11.7

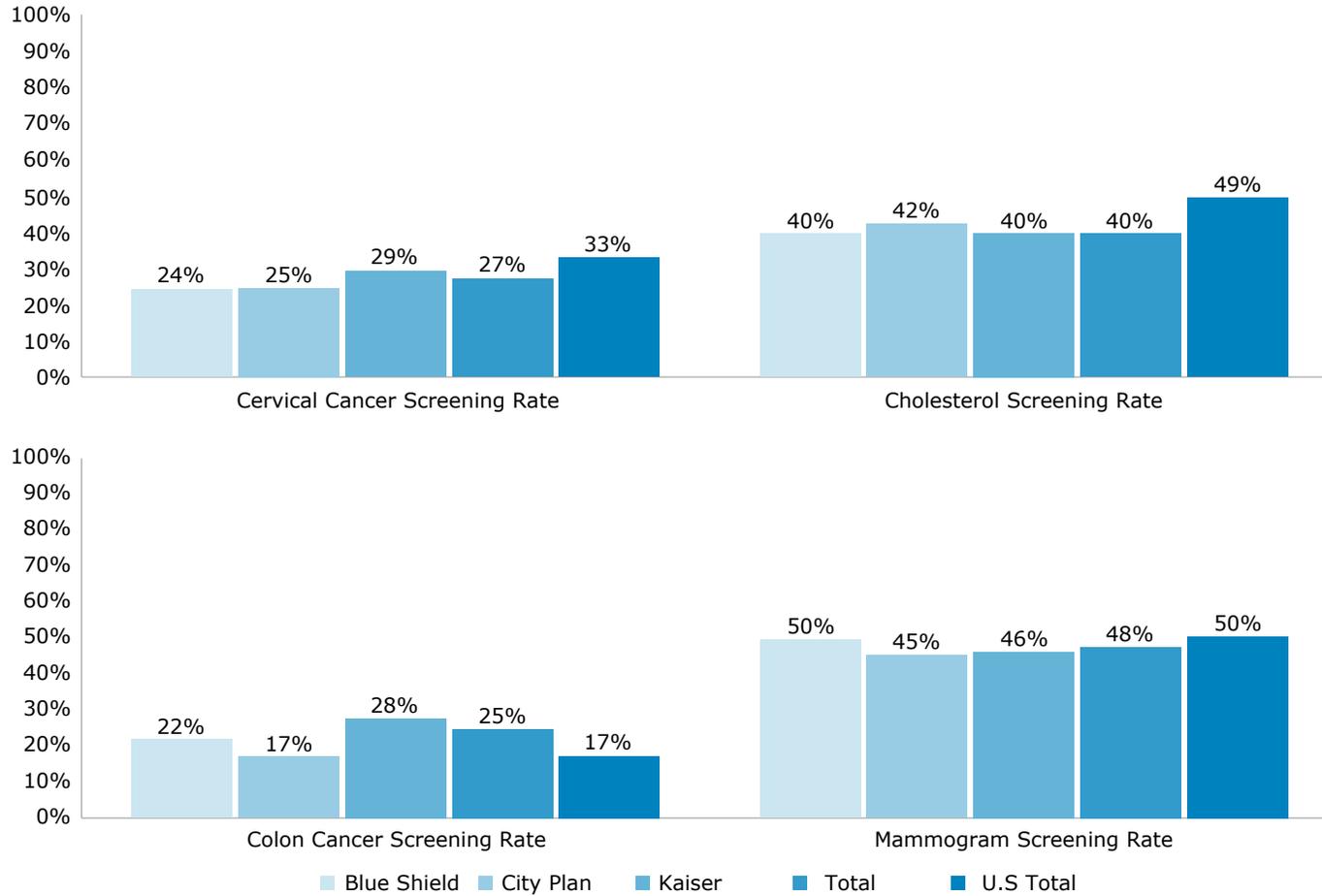
Well Care and Preventive Visits

	Previous	Current	% Change
Visits Well Baby	4,944	5,033	1.8%
Visits Well Child	3,371	3,355	-0.5%
Visits Preventive Adult	19,229	23,159	20.4%
Visits Per 1000 Well Baby	4,556.7	4,415.9	-3.1%
Visits Per 1000 Well Child	947.6	909.4	-4.0%
Visits Per 1000 Prevent Adult	264.4	312.6	18.3%

Clinical

Current Period: Jul 2017 - Jun 2018 (Incurred)
Paid Through: Sep 2018

Preventive Screening Rates



Express Dashboard

Time Period: 2017 (Previous Complete Incurred Calendar Year)

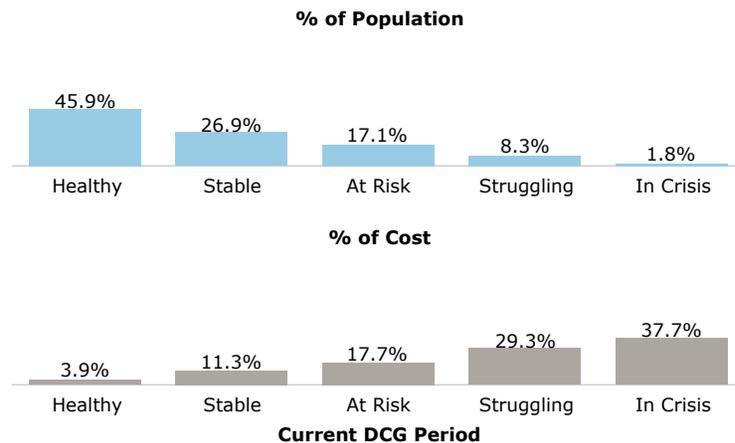
Paid Through: Sep 2018

Top 10 Episode Summary Groups*

	Current Complete Year		
	Allowed Amount Per Epis West Region	Episodes	Patients
Prevent/Admin Hlth Encounters	\$632	53,224	49,448
Pregnancy w Vaginal Delivery	\$17,625	690	690
Diabetes	\$4,731	3,891	3,795
Osteoarthritis	\$7,051	2,859	2,717
HIV Infection	\$25,443	442	442
Pregnancy w Cesarean Section	\$25,149	255	255
Cerebrovascular Disease	\$23,140	349	277
Cancer - Breast	\$21,202	589	589
Signs/Symptoms/Oth Cond, NEC	\$642	9,089	7,921
Coronary Artery Disease	\$13,882	692	612
Top 10 Subtotal	\$1,915	72,080	55,352
All Episode Summary Groups	\$1,905	240,334	77,701

*Episodes are based on the most recent complete incurred calendar year 2017.

Risk Band Profiles



- 1) The healthiest 45.9% of the population accounts for 3.9% of the total cost.
- 2) The least healthy 1.8% of the population accounts for 37.7% of the total cost.

Episode Type*

	Allowed Amount Epis Total	Episodes	Allowed Amount Per Epis Total	% of Total
Acute Conditions	\$293,248,835	161,697	\$1,814	52.3%
Chronic, Acute Flare-ups	\$23,596,117	600	\$39,327	4.2%
Chronic, Maintenance	\$32,775,404	11,117	\$2,948	5.8%
Chronic, Non-Stratified	\$176,386,780	19,491	\$9,050	31.5%
Well Care	\$34,468,857	47,429	\$727	6.1%
Total	\$560,475,993	240,334	\$2,332	100.0%

Top 11 Mental Health Episodes

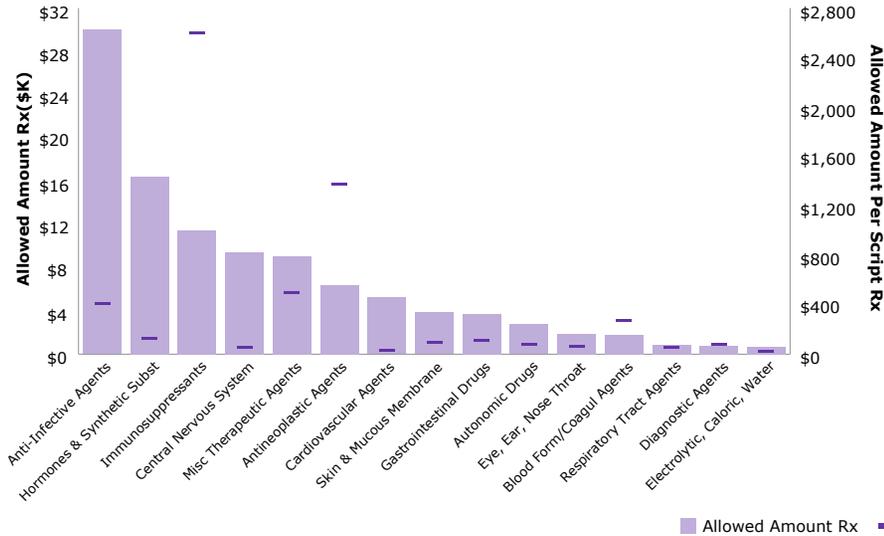
	Current Complete Year				
	Allowed Amount Per Epis Total	Allowed Amount Per Epis West Region	Episodes	Patients	Visits
Eating Disorders	\$15,809	\$11,871	41	38	598
Autism	\$15,515	\$7,499	214	214	13,096
Schizophrenia	\$8,997	\$9,701	95	95	1,652
Substance Abuse	\$5,632	\$7,753	1,054	850	7,861
Bipolar Disorder	\$4,704	\$3,870	397	363	6,108
Antisocial Behav	\$3,858	\$1,873	50	50	375
Obsess-Compulsiv	\$2,633	\$1,166	64	58	819
Depression	\$2,240	\$1,533	3,805	3,578	44,341
Psychoses, NEC	\$2,114	\$1,009	116	101	698
Neuroses, NEC	\$1,758	\$973	1,787	1,684	12,041
Anxiety Disorder	\$1,059	\$691	2,531	2,375	18,020

Drug

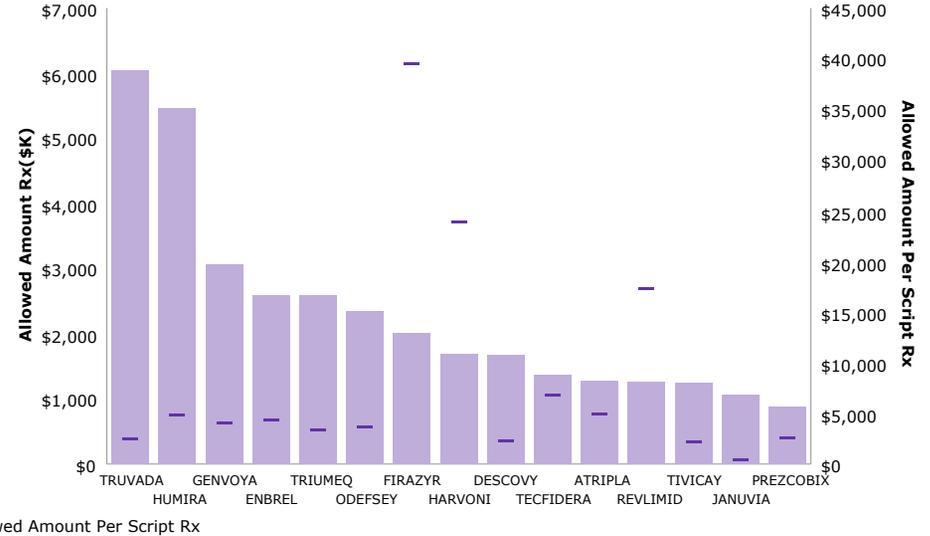
Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Top 15 Therapeutic Classes



Top 15 Drugs



	Allowed Amount Rx	Percent of Total	Scripts Rx	Allowed Amount Per Script Rx
Anti-Infective Agents	\$29,988,573	28.5%	73,155	\$409.93
Hormones & Synthetic Subst	\$16,404,378	15.6%	125,923	\$130.27
Immunosuppressants	\$11,432,733	10.9%	4,403	\$2,596.58
Central Nervous System	\$9,455,653	9.0%	167,172	\$56.56
Misc Therapeutic Agents	\$9,038,845	8.6%	18,269	\$494.76
Antineoplastic Agents	\$6,378,650	6.1%	4,626	\$1,378.87
Cardiovascular Agents	\$5,232,947	5.0%	181,231	\$28.87
Skin & Mucous Membrane	\$3,858,515	3.7%	41,776	\$92.36
Gastrointestinal Drugs	\$3,709,148	3.5%	33,011	\$112.36
Autonomic Drugs	\$2,758,862	2.6%	35,483	\$77.75
Eye, Ear, Nose Throat	\$1,851,688	1.8%	29,508	\$62.75
Blood Form/Coagul Agents	\$1,807,871	1.7%	6,604	\$273.75
Respiratory Tract Agents	\$848,178	0.8%	16,094	\$52.70
Diagnostic Agents	\$742,037	0.7%	9,347	\$79.39
Electrolytic, Caloric, Water	\$656,305	0.6%	24,430	\$26.86
Top 15 Subtotal	\$104,164,383	98.9%	771,032	\$135.10
All Therapeutic Classes	\$105,271,095	100.0%	789,756	\$133.30

	Allowed Amount Rx	Percent of Total	Scripts Rx	Allowed Amount Per Script Rx
TRUVADA	\$6,041,855	5.7%	2,465	\$2,451.06
HUMIRA	\$5,468,105	5.2%	1,118	\$4,890.97
GENVOYA	\$3,058,685	2.9%	752	\$4,067.40
ENBREL	\$2,590,900	2.5%	593	\$4,369.14
TRIUMEQ	\$2,585,778	2.5%	763	\$3,388.96
ODEFSEY	\$2,346,054	2.2%	643	\$3,648.61
FIRAZYR	\$2,015,076	1.9%	51	\$39,511.30
HARVONI	\$1,693,324	1.6%	71	\$23,849.64
DESCOVY	\$1,670,878	1.6%	722	\$2,314.24
TECFIDERA	\$1,368,849	1.3%	202	\$6,776.48
ATRIPLA	\$1,276,502	1.2%	260	\$4,909.62
REVLIMID	\$1,264,852	1.2%	73	\$17,326.74
TIVICAY	\$1,242,699	1.2%	579	\$2,146.29
JANUVIA	\$1,065,872	1.0%	2,375	\$448.79
PREZCOBIX	\$875,614	0.8%	333	\$2,629.47
Top 15 Subtotal	\$34,565,044	32.8%	11,000	\$3,142.28
All Drugs	\$105,271,095	100.0%	789,756	\$133.30

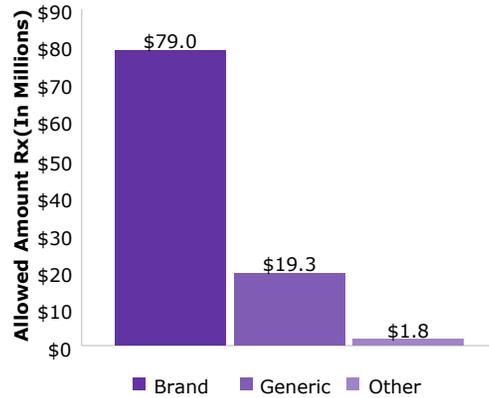
Drug

Previous Period: Jul 2016 - Jun 2017 (Incurred)

Current Period: Jul 2017 - Jun 2018 (Incurred)

Paid Through: Sep 2018

Brand & Generic Cost



Specialty Drug Metrics

	Allowed Amount Med and Rx			Allow Amt PMPY Med and Rx		
	Previous	Current	% Change	Previous	Current	% Change
Non-Specialty Drugs	\$46,938,505	\$45,193,651	-3.7%	\$516.21	\$486.77	-5.7%
Specialty Drugs						
Prescription Specialty Drugs	\$56,285,398	\$60,077,444	6.7%	\$619.01	\$647.08	4.5%
Professional Specialty Drugs	\$12,321,329	\$14,849,142	20.5%	\$135.51	\$159.94	18.0%
Facility Outpatient Specialty Drugs	\$1,467,938	\$2,245,381	53.0%	\$16.14	\$24.18	49.8%
Specialty Total	\$70,074,665	\$77,171,967	10.1%	\$770.66	\$831.21	7.9%
Total	\$117,013,171	\$122,365,618	4.6%	\$1,286.87	\$1,317.98	2.4%

Key Drug Metrics

	Blue Shield	City Plan	Kaiser	Total
Allow Amt PMPY Rx	\$1,556.45	\$2,870.92	\$733.21	\$1,120.24
Scripts Per 1000 Rx	11,962.64	16,907.63	5,596.89	8,426.46
Allow Amt Per Script Rx	\$130.11	\$169.80	\$131.00	\$132.94
Days Supply PMPY Rx	341.48	520.94	298.91	322.41
Scripts Generic Efficiency Rx	97.7%	96.3%	97.7%	97.6%
% Scripts Dispensed as Generic	84.5%	81.4%	81.8%	83.3%

MEMORANDUM

DATE: January 10, 2019
TO: Karen Breslin, President, and Members of the Health Service Board
FROM: Leticia Pagán, MS Senior Health Program Planner SFHSS
RE: CalPERS Health Regions and Regional Factors Policy Update

Introduction

Senior Health Program Planner Leticia Pagán represented SFHSS at the December 13th, 2018 CalPERS Quarterly Health Policy Discussion in Sacramento which provided a high-level overview of the development of CalPERS health care premiums as well as contracting agency regions and regional pricing. At this quarterly meeting, CalPERS Health Regions and Regional Factors were announced as action items for the upcoming December 18th, 2018 CalPERS Pension & Health Benefits Committee Meeting. The Committee Meeting was observed online to capture results of the recommendations put forth by the CalPERS Health Policy Benefits team for approval. Final outcomes are shared below with context drawn from committee discussion, research and presentation facilitated by the CalPERS Health Policy Benefits team:

1. Health Regions for Public Agencies and Schools Decision: A1 Scenario has been approved to take effect January 1, 2020.
2. HMO Regional Factor Decision: Approval granted for CalPERS to internally create a range for HMO Regional Factors as part of the rate development process for 2020.
3. Adoption of new naming convention for current geographically-based regions

Background

Regions enable CalPERS to provide high quality health plans to public agency and school contracting employers with rates that are competitively priced and in alignment with the cost of care in the market. Over the last six months, the Health Policy Benefits team performed an extensive evaluation of CalPERS specific data to examine and measure the costs of care in the regions as they compare to the statewide average. The analysis on regions included new information on the cost of care by both county and three-digit zip code. The goal of the evaluation was to assess costs throughout the state, scan the market, hear from employers and stakeholders, and determine if any changes to the regions were warranted. CalPERS surveyed and met with employers as well as the associations for retirees, employer, and labor, representing members. The primary areas of concern included:

- The current geographically-based names used for regions
- Premium volatility from year to year that significantly impacts local agency budgets more than estimated.
- Premiums in the Bay Area and Other Northern regions, where the cost of healthcare is greater compared to Southern California areas.

In November, the Health Policy Benefits team presented five scenarios to the CalPERS Pension & Health Benefits Committee. To assess how the proposed scenarios compared to the status quo, each was evaluated by:

- The estimated change to members' 2019 premiums
- Alignment to the cost of care in the region, which CalPERS refers to as marketability*

**Marketability = the percentage of Total Covered Lives (TCLs) that are paying within 97 percent of the cost of care in their particular area. The higher the marketability percentage, the more members with premiums in alignment with their cost of care.*

Health Regions for Public Agencies and Schools Decision: Adoption of A1 Scenario Approved

The Health Policy Benefits team was tasked in November with taking a more granular look at Scenario A to create a modified recommendation option referred to as Scenario A1. In Scenario A1, Southern California is divided into two regions, by grouping together the counties with the lowest costs of care in the state: Los Angeles, Riverside, and San Bernardino counties. These three counties were segmented out because they have a substantial difference in relativity (almost 10%) that would be most competitive for attracting and retaining public agencies in comparison to the rest of Southern California. One of the guiding principles for this study of regions was to remain competitive so that CalPERS could retain the public agencies currently in place and also attract new ones. The marketability factor of Scenario A1 at 38% is not the highest marketability factor of all of the options but it is a significant increase over the current five-region structure that has a marketability factor of 22%. Another guiding principle was to provide the greatest good for the greatest number of people. With Scenario A1, the disruption factor caused by estimated premium increases to members is minimized with only 79,315 total covered lives being affected, nearly half of those affected by Scenario A (153,592) and significantly less than Scenarios B (171,493), C (175,388), and D (173,493). The estimated number of members falling within the 3% change threshold is also maximized (approx. 216,000). A consensus was reached that this new A1 region model will increase the number of total covered lives with premiums more closely aligned to their cost of care, which will benefit members and employers, reduce premium volatility, and improve the overall competitiveness of the health program. A new naming convention that numbers regions from north to south will also take effect alongside this new A1 region model to alleviate confusion and to create ease for stakeholders and employers.

HMO Regional Factor Decision: CalPERS to internally create a Range for HMO Regional Factors Approved

Regional factors are used along with the state premium to determine regional rates for public agencies and school employers. To avoid extreme regional factors and to create consistency among the health plans calculations for the future, the Pension & Health Benefits Committee has approved the recommendation for the CalPERS Health Policy Benefits team to internally create a range for HMO regional factors that the health plans must stay within. This gives CalPERS greater control but also provides plans with latitude to respond to trends and to the particular enrollment that they have.

It's important to note that the decision-making process and criteria for how the upper and lower levels of this anticipated range for HMO regional factors has yet to be established and would be under consideration moving forward as part of the rate development process for 2020. The A1 region decision will also be incorporated into the 2020 rate development process to take effect January 1 of 2020. Early notice will be provided to employers and stakeholders in consideration of budgeting and administrative processes.

Health Regions and Regional Factors

Pension and Health Benefits
Committee

Shari Little, Chief
Health Policy and Research Division

Gary McCollum, Retired Health Actuary

December 18, 2018

Regions Journey



Objectives for Regions



Create Stable
Public Agency
Risk Pools



Reflect Cost of
Health Care
Regionally



Retain and
Attract Public
Agencies

Opportunity to Improve Cost Alignment

Status Quo

22%

Alignment to cost
of care in the region



A New Region Model

38 – 50%

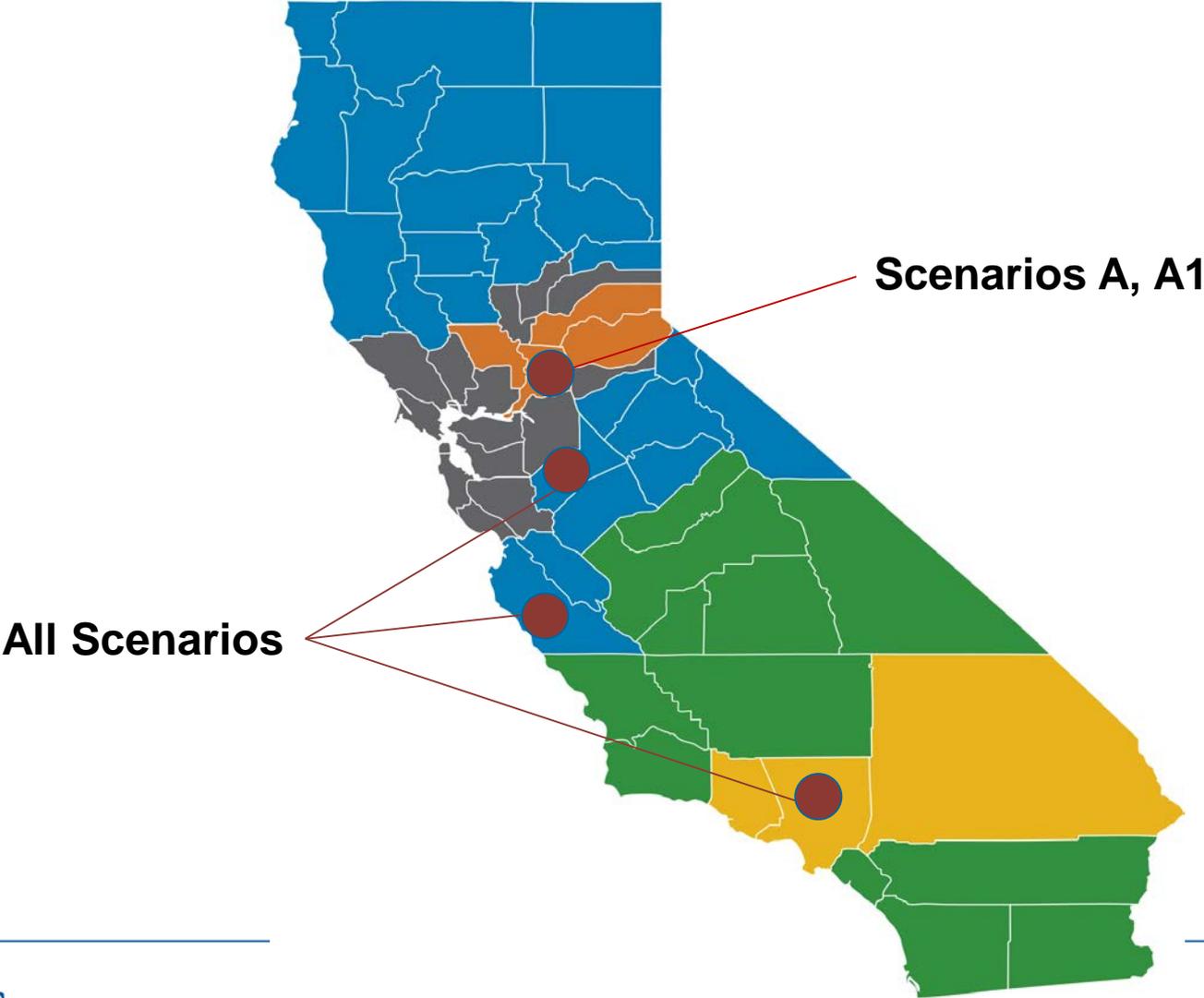
Alignment to cost of
care in the region

Recommendation Scenario A1



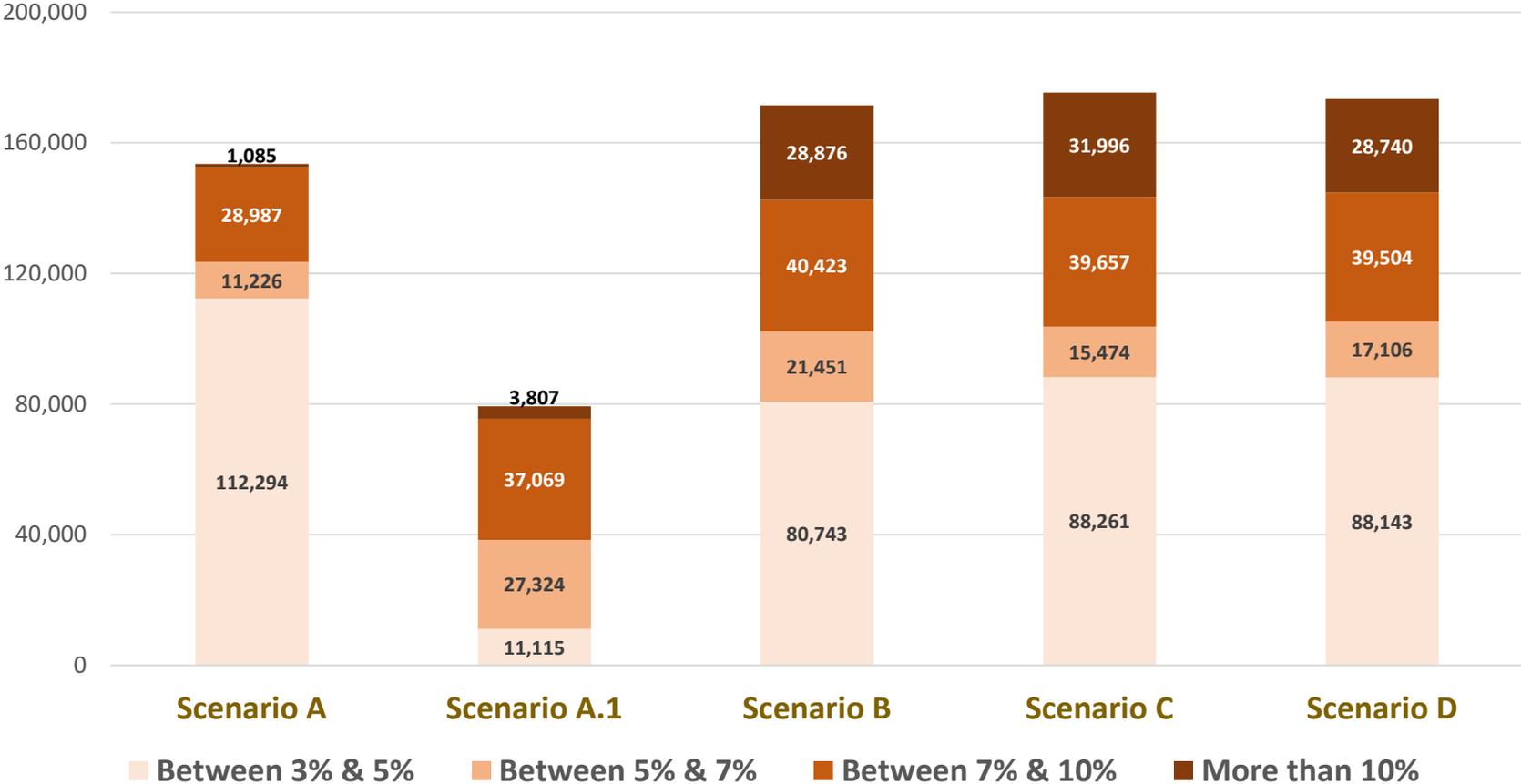
Estimated Premium Impact	Total Covered Lives (TCLs)
Increase more than 3%	79,000
Decrease more than 3%	173,000
Change within 3%	216,000
Average PMPM Increase of \$41	79,315
Average PMPM Decrease of \$25	173,086
Cost Relativities	
Region 1	1.166
Region 2	.914
Region 3	.821
Marketability	38%

Disruption Hot Spots



Scenario Comparison

Estimated Premium Increases for Rating Regions: Total Covered Lives



Scorecard: Scenario Comparison View

Regional Scenario	TCLs with Premiums Increasing					Estimate of Average Premium Increase PMPM	TCLs Decreasing More than 3%	Average Decrease PMPM	Marketability (Paying within 97% of the cost of care)
	3-5%	5-7%	7-10%	>10%	Total				
Status Quo					0	0	0	0	22%
Scenario A	112,294	11,226	28,987	1,085	153,592	\$ 27.07	193,169	\$ (24.85)	40%
Scenario A1	11,115	27,324	37,069	3,807	79,315	\$ 41.00	173,086	\$ (25.20)	38%
Scenario B	80,743	21,451	40,423	28,876	171,493	\$ 36.64	187,156	\$ (38.99)	48%
Scenario C	88,261	15,474	39,657	31,996	175,388	\$ 36.89	183,132	\$ (40.34)	50%
Scenario D	88,143	17,106	39,504	28,740	173,493	\$ 36.52	182,823	\$ (40.25)	49%



HMO Regional Factor Decision

Three Options

Status Quo

Plans interpret directions for calculating factors

CalPERS

Provides prescriptive definition to plans for calculating factors

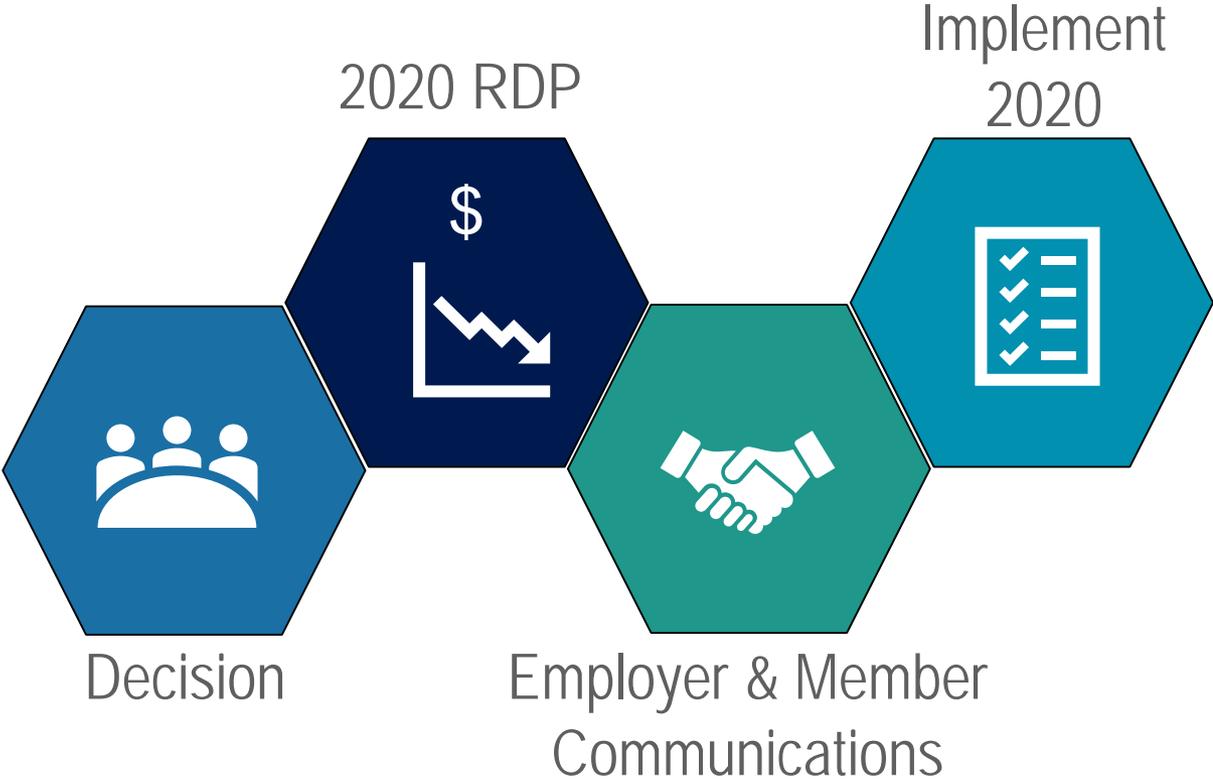
Recommendation

CalPERS

sets a range for regional factors for plans to be within

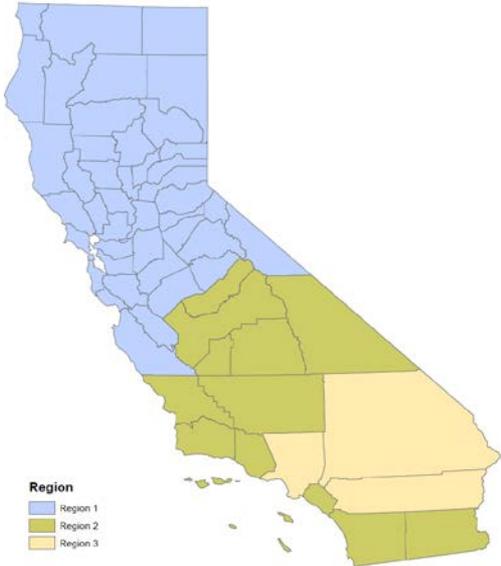


Next Steps



Two Decisions

Regions



Regional Factors



Current CalPERS Regions for Public Agencies and Schools

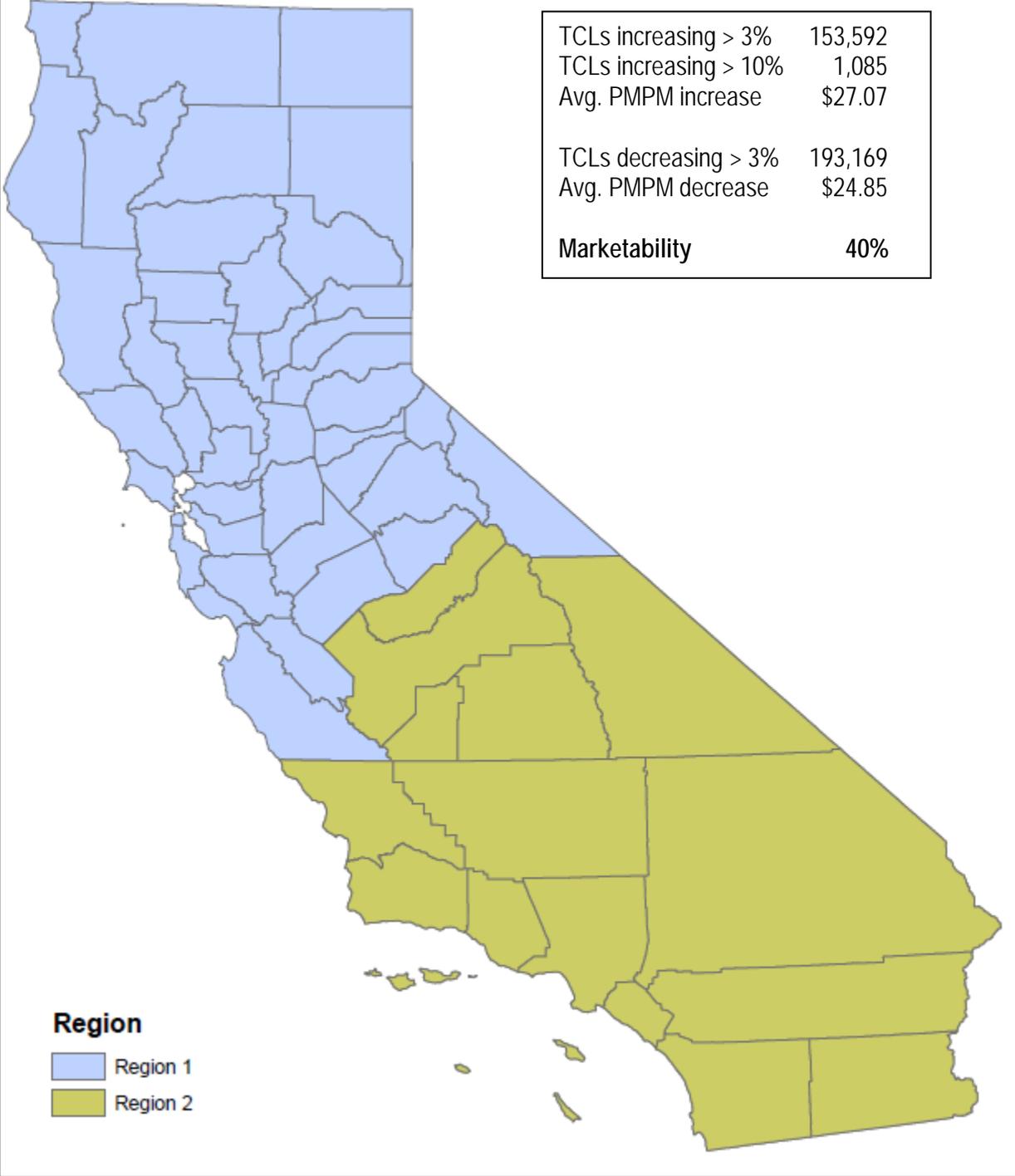


Status Quo: Five (5) Regions – Summary Metrics

Current Location	Total Covered Lives (TCL)	Percentage of Total Covered Lives
Bay Area	183,734	39%
Other Northern CA	34,986	7%
Sacramento Area	38,873	8%
Los Angeles Area	140,704	30%
Other Southern CA	69,725	15%
Total	468,022	100%

Twenty Two Percent (22%) paying within 97% of the cost of care in their region

Scenario A: Two (2) Rating Regions



Scenario A: Two (2) Rating Regions – Summary Metrics

Single Party Premium Equivalent Impact

Estimated Premium Impact	Total Covered Lives	Percentage of Total Covered Lives
Increase more than 3%	154,000	33%
Decrease more than 3%	193,000	41%
Change within 3%	121,000	26%

Forty Percent (40%) paying within 97% of the cost of care in their region

Estimated Premium Increase for Rating Regions

Region	Cost Relativity	Current CalPERS Region	Total Covered Lives	Number of Covered Lives: Estimated Premium Increase				
				Between 3% and 5%	Between 5% and 7%	Between 7% and 10%	More than 10%	Total: More than 3%
1	1.166	Bay Area	183,734	5,701				5,701
		Other Northern CA	34,986				1,085	1,085
		Sacramento Area	38,873		3,369	28,987		32,356
2	0.854	Los Angeles Area	140,704	106,593	7,857			114,450
		Other Southern CA	69,725					0
TOTAL			468,022	112,294	11,226	28,987	1,085	153,592

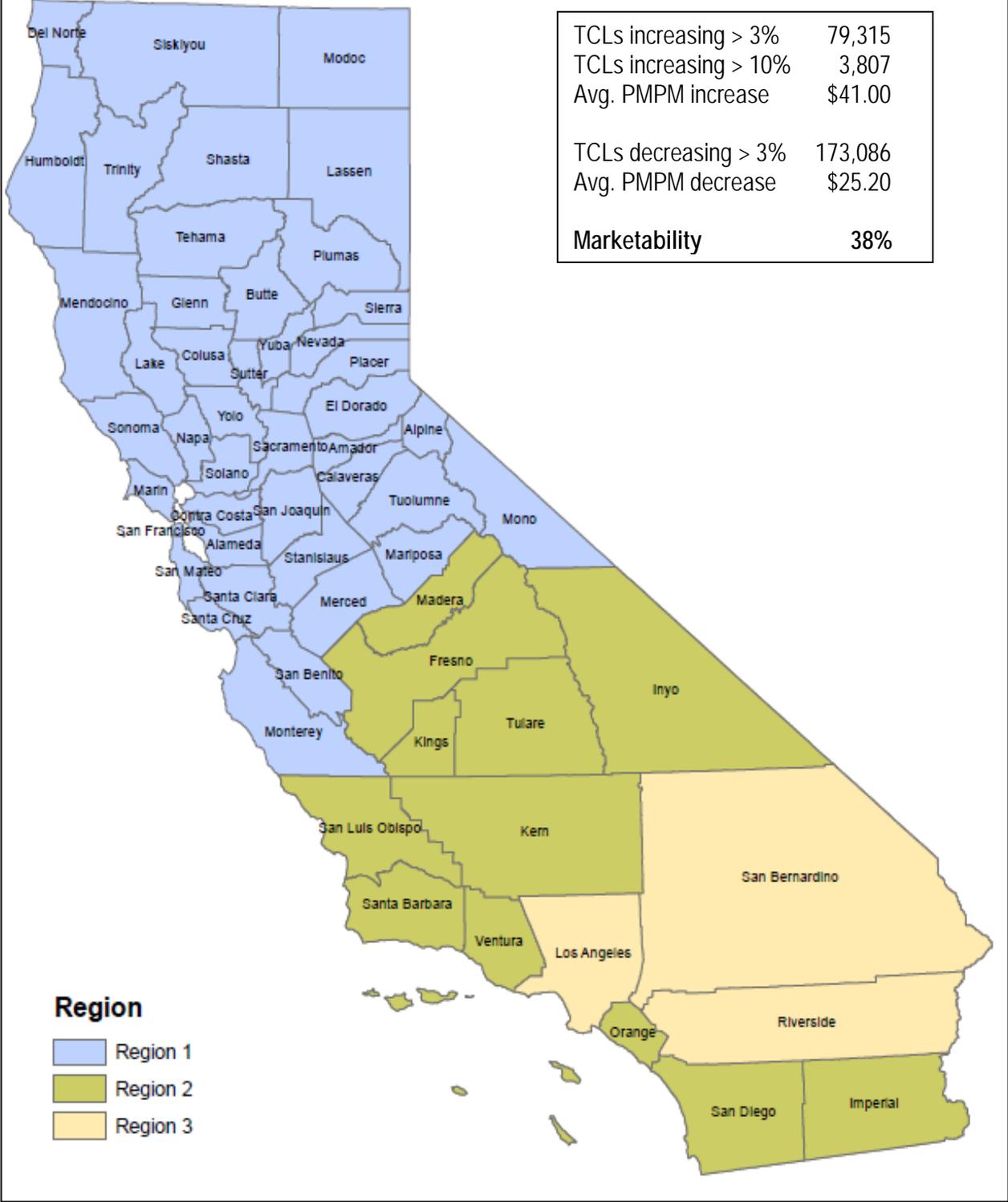
Average Increase (PMPM) = \$27.07

Rating Region Counties

Rating Region 1: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, San Mateo, San Francisco, San Joaquin, Sutter, Tehama, Trinity, Tuolumne, Yolo, Yuba

Rating Region 2: Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Tulare, Ventura

Scenario A1: Three (3) Rating Regions



Scenario A1: Three Rating Regions – Summary Metrics

Single Party Premium Equivalent Impact

Estimated Premium Impact	Total Covered Lives	Percentage of Total Covered Lives
Increase more than 3%	79,000	17%
Decrease more than 3%	173,000	37%
Change within 3%	216,000	46%

Thirty-Eight Percent (38%) paying within 97% of the cost of care in their region.

Estimated Premium Increase for Rating Regions

Region	Cost Relativity	Current CalPERS Region	Total Covered Lives	Number of Covered Lives: Estimated Premium Increase				
				Between 3% and 5%	Between 5% and 7%	Between 7% and 10%	More than 10%	Total: More than 3%
1	1.166	Bay Area	183,734	5,701				5,701
		Other Northern CA	34,986				1,085	1,085
		Sacramento Area	38,873		3,369	28,987		32,356
2	0.914	Los Angeles Area	12,481		1,737	7,129	2,722	11,588
		Other Southern CA	49,983	1,908	22,218	953		25,079
3	0.821	Los Angeles Area	128,223	3,506				3,506
		Other Southern CA	19,742					0
TOTAL			468,022	11,115	27,324	37,069	3,807	79,315

Average Increase (PMPM) = \$41.00

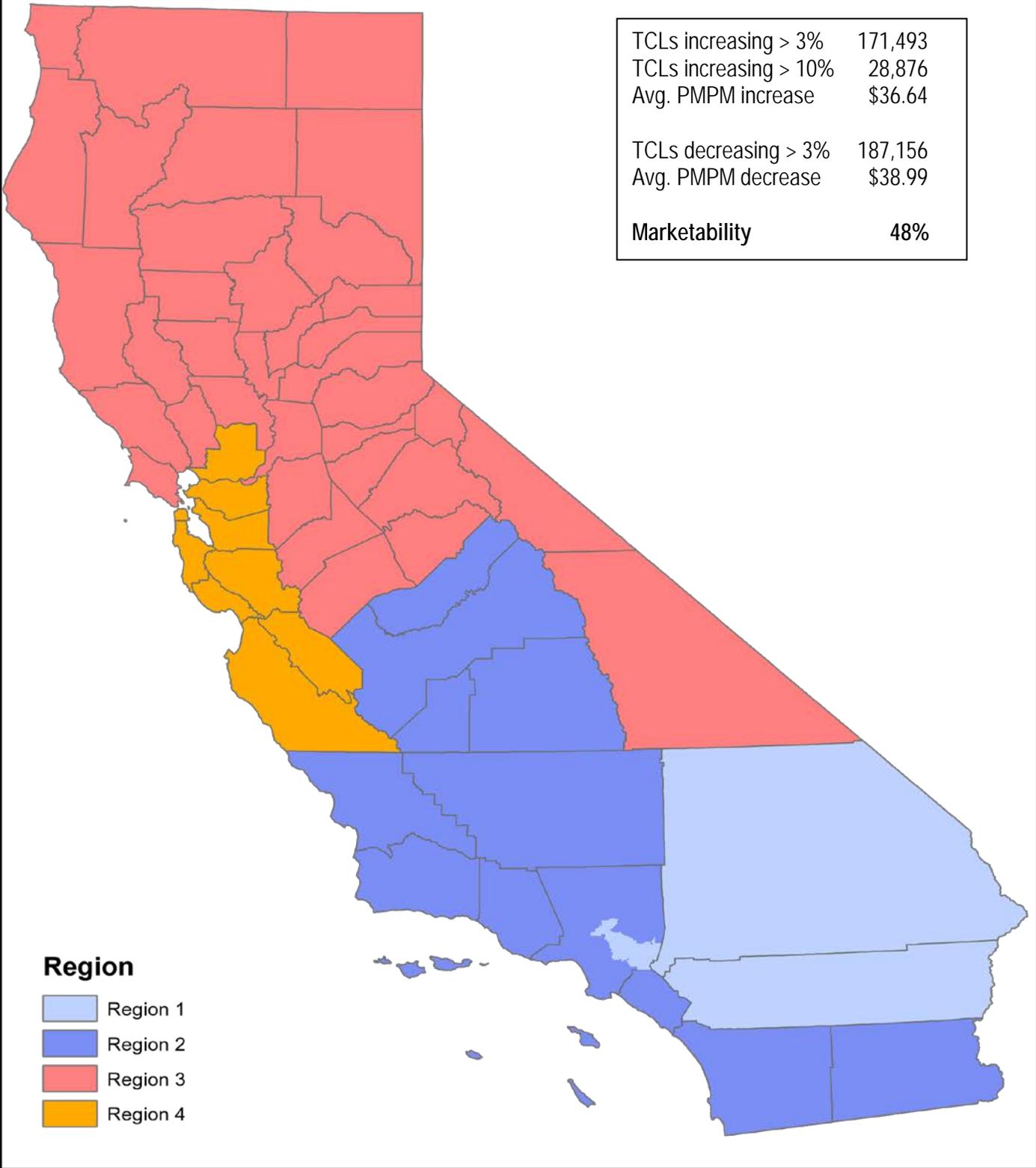
Rating Region Counties/Zip Codes

Rating Region 1: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, San Mateo, San Francisco, San Joaquin, Sutter, Tehama, Trinity, Tuolumne, Yolo, Yuba

Rating Region 2: Fresno, Imperial, Inyo, Kern, Kings, Madera, Orange, San Diego, San Luis Obispo, Santa Barbara, Tulare, Ventura

Rating Region 3: Los Angeles, Riverside, San Bernardino

Scenario B: Four (4) Rating Regions



Scenario B: Four (4) Rating Regions – Summary Metrics

Single Party Premium Equivalent Impact

Estimated Premium Impact	Total Covered Lives	Percentage of Total Covered Lives
Increase more than 3%	171,000	37%
Decrease more than 3%	187,000	40%
Change within 3%	109,000	23%

Forty-Eight Percent (48%) paying within 97% of the cost of care in their region.

Estimated Premium Increase for Rating Regions

Region	Cost Relativity	Current CalPERS Region	Total Covered Lives	Number of Covered Lives: Estimated Premium Increase				
				Between 3% and 5%	Between 5% and 7%	Between 7% and 10%	More than 10%	Total: More than 3%
1	0.754	Los Angeles Area	47,725					0
		Other Southern CA	19,742					0
2	0.892	Los Angeles Area	92,979	38,809	9,468	37,243	1,987	87,507
		Other Southern CA	48,738	22,218	953			23,171
3	1.091	Bay Area	37,512					0
		Other Northern CA	21,779				307	307
		Other Southern CA	1,245		153	919	173	1,245
		Sacramento Area	38,873		5,832		23,155	28,987
4	1.229	Bay Area	146,222	9,664	5,045	2,261	186	17,156
		Other Northern CA	13,207	10,052			3,068	13,120
TOTAL			468,022	80,743	21,451	40,423	28,876	171,493

Average Increase (PMPM) = \$36.64

Rating Region Counties/Zip Codes

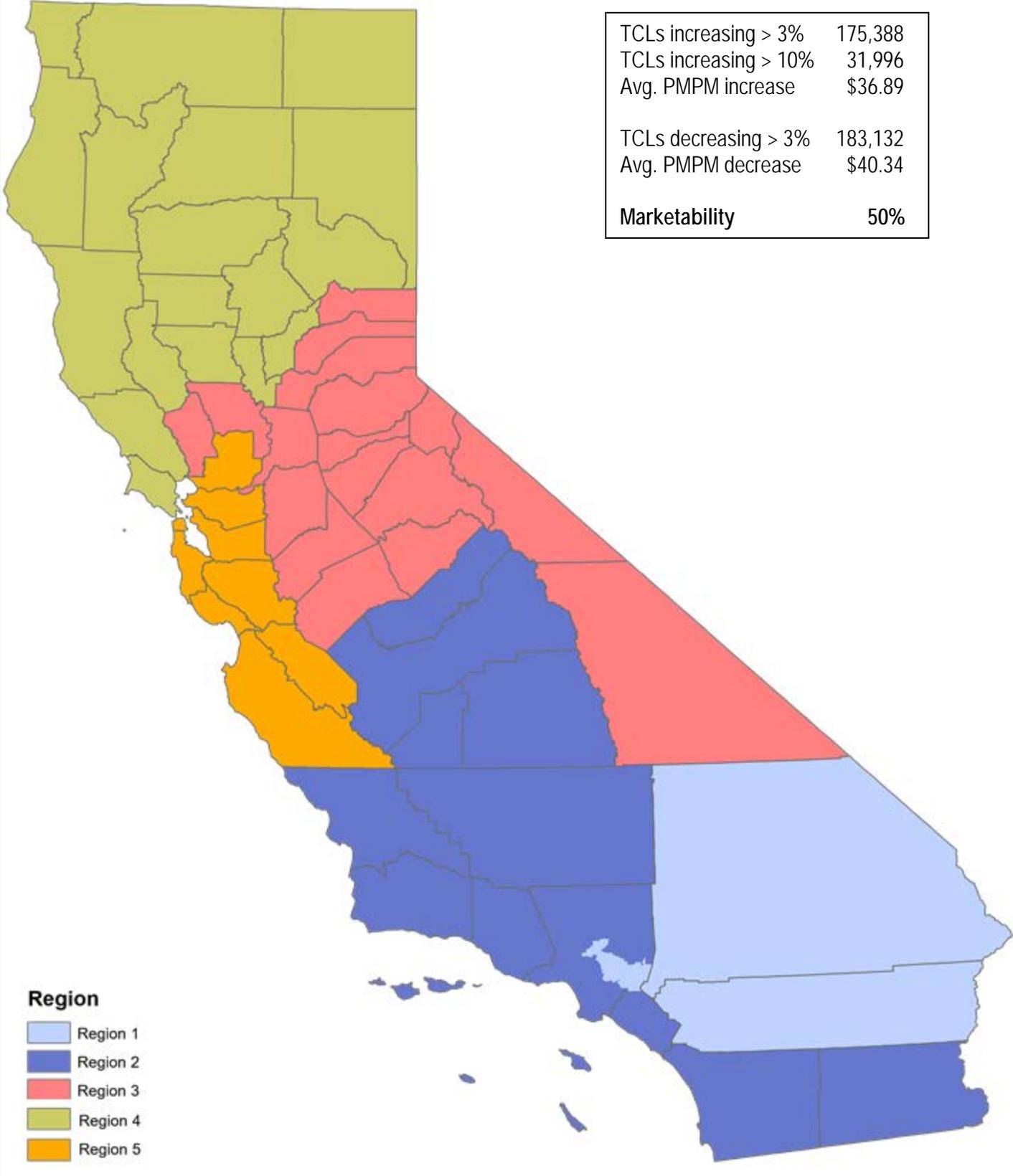
Rating Region 1: Los Angeles (zip codes starting with 910, 911, 917, 918), Riverside, San Bernardino

Rating Region 2: Fresno, Imperial, Kern, Kings, Los Angeles (Zip code not listed above), Madera, Orange, San Diego, San Luis Obispo, Santa Barbara, Tulare, Ventura

Rating Region 3: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Inyo, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo, Yuba

Rating Region 4: Alameda, Contra Costa, Monterey, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano

Scenario C: Five (5) Rating Regions



Scenario C: Five (5) Rating Regions – Summary Metrics

Single Party Premium Equivalent Impact

Estimated Premium Impact	Total Covered Lives	Percentage of Total Covered Lives
Increase more than 3%	175,000	37%
Decrease more than 3%	183,000	39%
Change within 3%	110,000	23%

Fifty Percent (50%) paying within 97% of the cost of care in their region

Estimated Premium Increase for Rating Regions

Region	Cost Relativity	Current CalPERS Region	Total Covered Lives	Number of Covered Lives: Estimated Premium Increase				
				Between 3% and 5%	Between 5% and 7%	Between 7% and 10%	More than 10%	Total: More than 3%
1	0.754	Los Angeles Area	47,725					0
		Other Southern CA	19,742					0
2	0.892	Los Angeles Area	92,979	38,809	9,468	37,243	1,987	87,507
		Other Southern CA	48,738	22,218	953			23,171
3	1.075	Bay Area	26,395					0
		Other Northern CA	9,907				307	307
		Other Southern CA	1,245			153	1,092	1,245
		Sacramento Area	38,873				23,155	23,155
4	1.125	Bay Area	11,117	7,518			965	8,483
		Other Northern CA	11,872		8		1,236	1,244
5	1.229	Bay Area	146,222	9,664	5,045	2,261	186	17,156
		Other Northern CA	13,207	10,052			3,068	13,120
TOTAL			468,022	88,261	15,474	39,657	31,996	175,388

Average Increase (PMPM) = \$36.89

Rating Region Counties/Zip Codes

Rating Region 1: Los Angeles (zip codes starting with 910, 911, 917, 918), Riverside, San Bernardino,

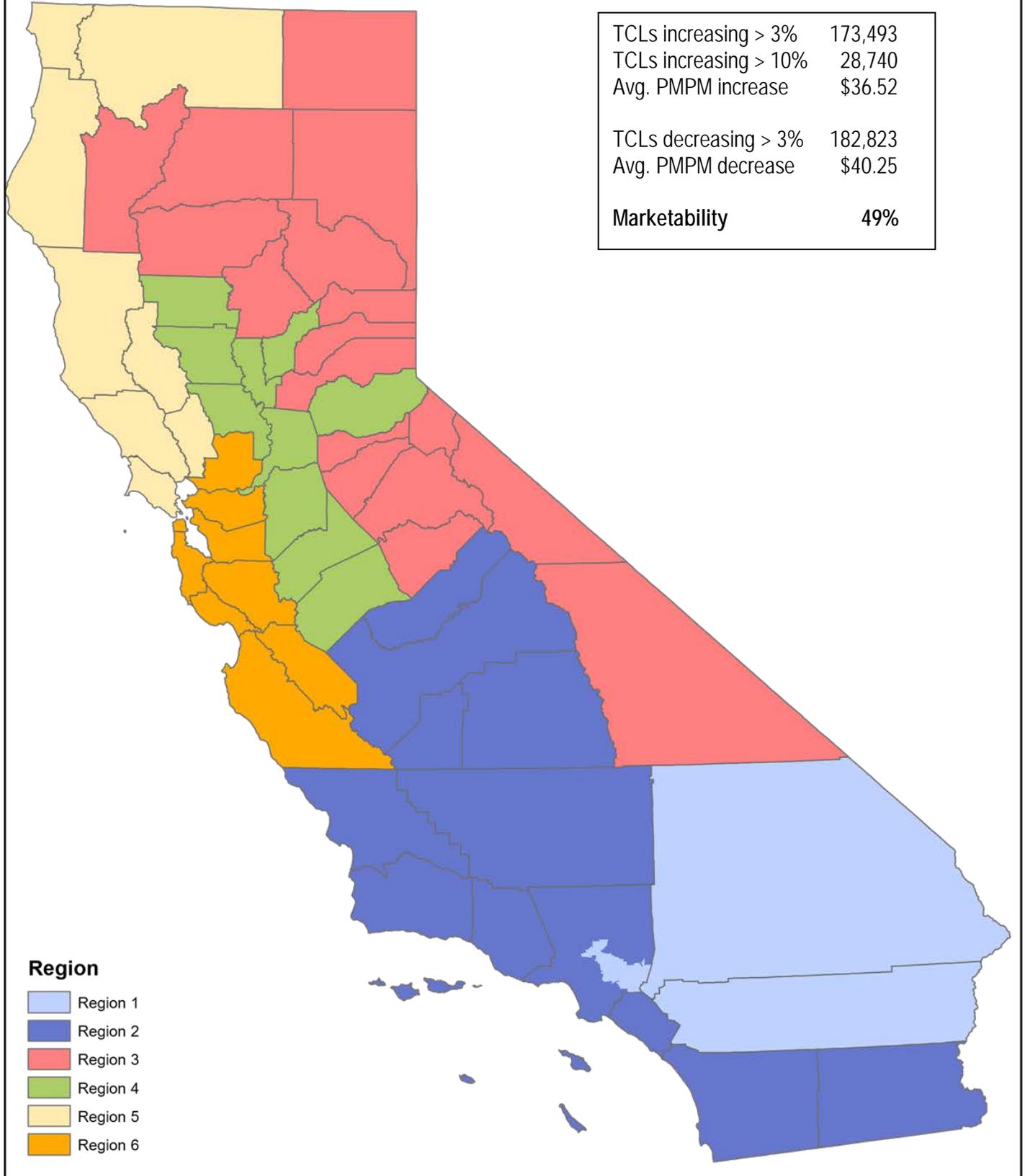
Rating Region 2: Fresno, Imperial, Kern, Kings, Los Angeles (all zip code in area not listed above), Madera, Orange, San Diego, San Luis Obispo, Santa Barbara, Tulare, Ventura

Rating Region 3: Alpine, Amador, Calaveras, El Dorado, Inyo, Mariposa, Merced, Mono, Napa, Nevada, Placer, Sacramento, San Joaquin, Sierra, Stanislaus, Tuolumne, Yolo

Rating Region 4: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Plumas, Shasta, Siskiyou, Sonoma, Sutter, Tehama, Trinity, Yuba

Rating Region 5: Alameda, Contra Costa, Monterey, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano

Scenario D: Six (6) Rating Regions



Scenario D: Six (6) Rating Regions – Summary Metrics

Single Party Premium Equivalent Impact

Estimated Premium Impact	Total Covered Lives	Percentage of Total Covered Lives
Increase more than 3%	173,000	37%
Decrease more than 3%	183,000	39%
Change within 3%	112,000	24%

Forty Nine Percent (49%) paying within 97% of the cost of care in their region

Estimated Premium Increase for Rating Regions

Region	Cost Relativity	Current CalPERS Region	Total Covered Lives	Number of Covered Lives: Estimated Premium Increase				
				Between 3% and 5%	Between 5% and 7%	Between 7% and 10%	More than 10%	Total: More than 3%
1	0.754	Los Angeles Area	47,725					0
		Other Southern CA	19,742					0
2	0.892	Los Angeles Area	92,979	38,809	9,468	37,243	1,987	87,507
		Other Southern CA	48,738	22,218	953			23,171
3	1.057	Bay Area	3,255	139				139
		Other Northern CA	8,935			1	1	
		Other Southern CA	1,245	919	173		1,092	
		Sacramento Area	14,109	2,446		7,958	10,404	
4	1.093	Bay Area	18,311					0
		Other Northern CA	8,359			306	306	
		Sacramento Area	24,764	3,386	506	15,197	19,089	
5	1.172	Bay Area	15,946	242	961		1,203	
		Other Northern CA	4,485	268		37	305	
6	1.229	Bay Area	146,222	9,664	5,045	2,261	186	17,156
		Other Northern CA	13,207	10,052		3,068	13,120	
TOTAL			468,022	88,143	17,106	39,504	28,740	173,493

Average Increase (PMPM) = \$36.52

Rating Region Counties/Zip Codes

Rating Region 1: Los Angeles (zip codes starting with 910, 911, 917, 918), Riverside, San Bernardino,

Rating Region 2: Fresno, Imperial, Kern, Kings, Los Angeles (all zip code in area not listed above), Madera, Orange, San Diego, San Luis Obispo, Santa Barbara, Tulare, Ventura

Rating Region 3: Alpine, Amador, Butte, Calaveras, Inyo, Lassen, Mariposa, Modoc, Mono, Nevada, Placer, Plumas, Shasta, Sierra, Tehama, Trinity, Tuolumne

Rating Region 4: Colusa, El Dorado, Glenn, Merced, Sacramento, San Joaquin, Stanislaus, Sutter, Yolo, Yuba

Rating Region 5: Del Norte, Humboldt, Lake, Marin, Mendocino, Napa, Siskiyou, Sonoma,

Rating Region 6: Alameda, Contra Costa, Monterey, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano

Management Report

OPERATIONS UPDATE | January 2019

Calls and Office Visits: December 2018

Inbound calls:

5,837 answered calls
(6.6% ↑ from 2017)

Speed of answer:

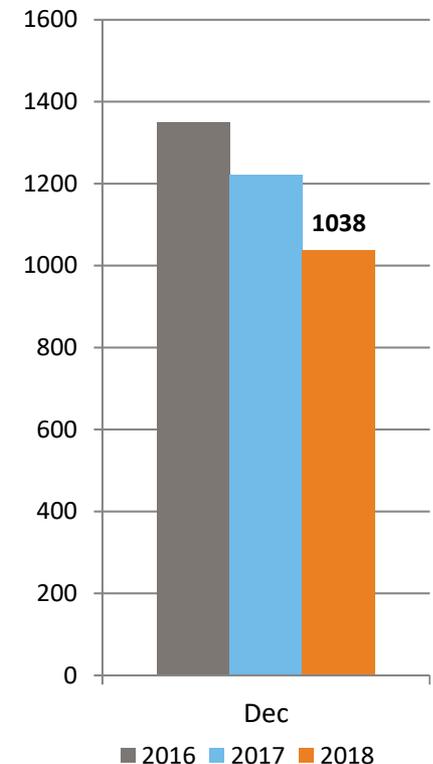
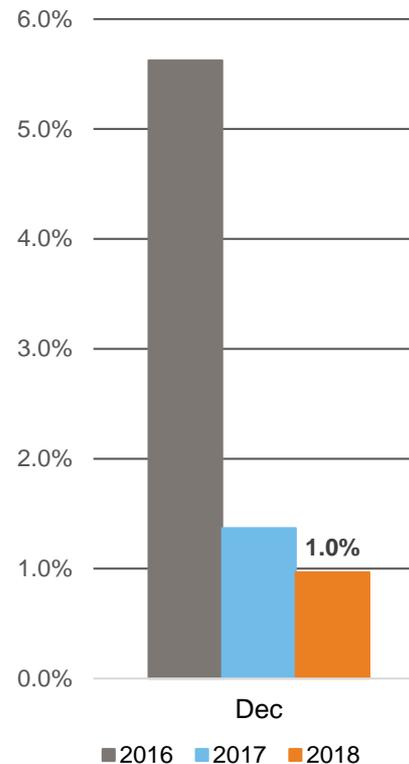
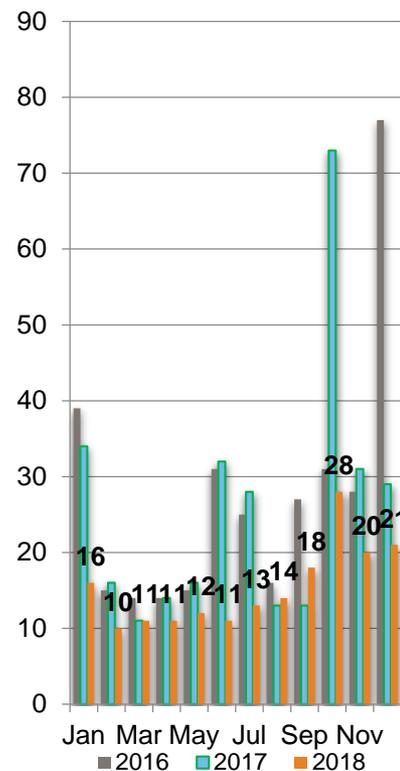
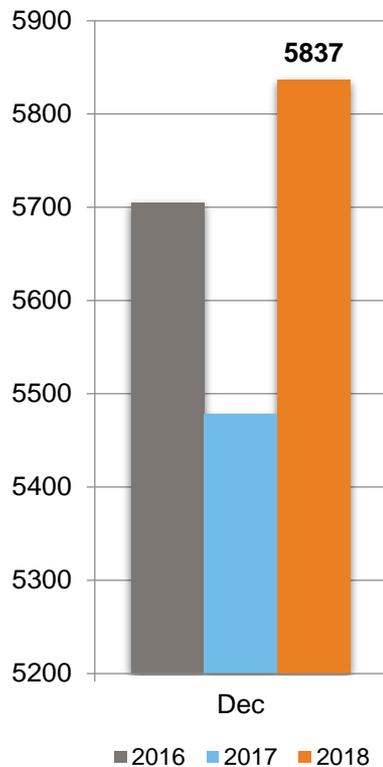
21 seconds
(27.6% ↓ from 2017)

Abandonment rate:

1.0%
(57 calls)

In-person assistance:

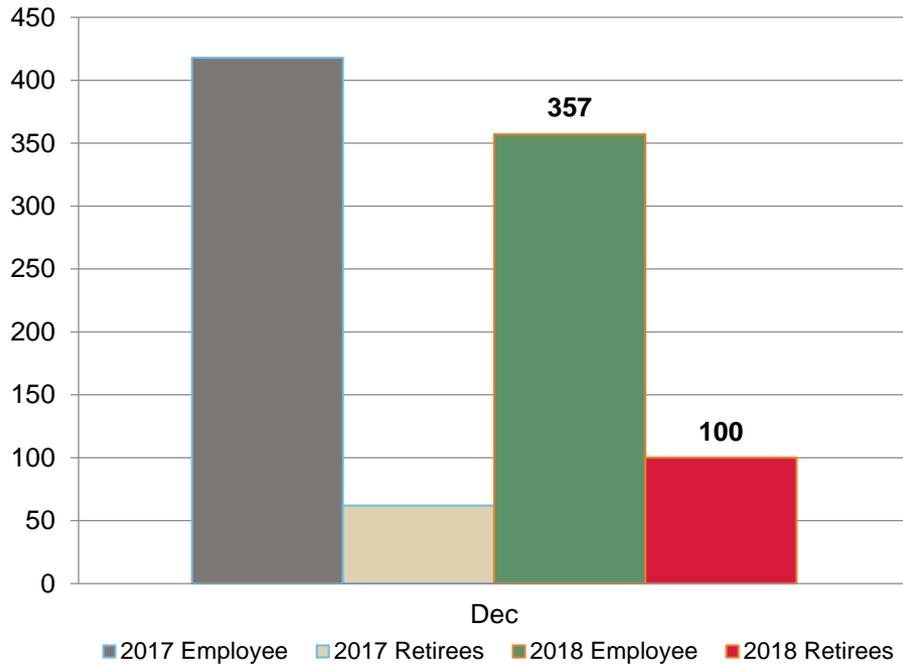
1038 members
(15% ↓ from 2017)



Delinquencies & Terminations: December 2018

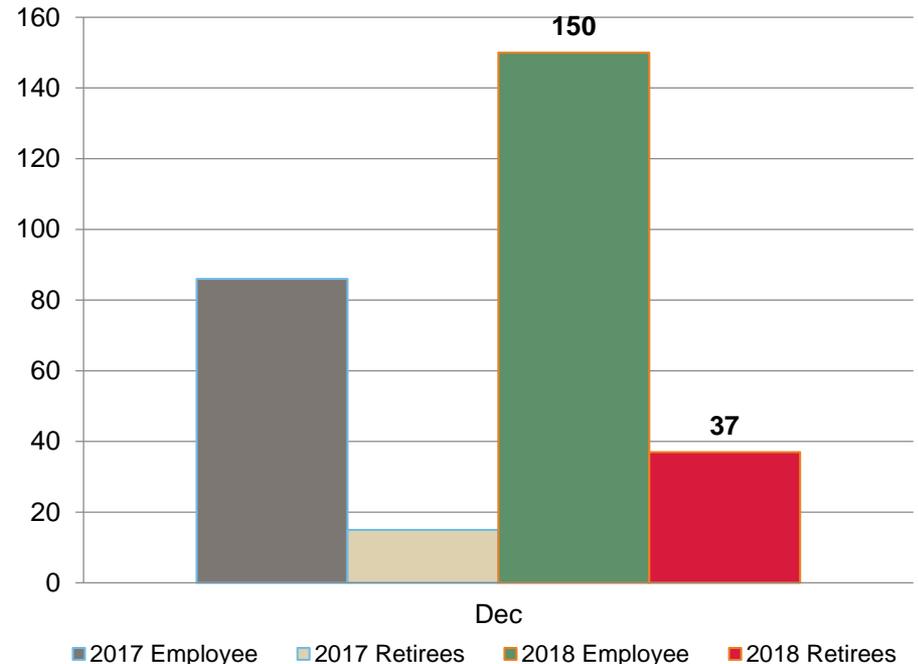
Delinquency Notices Sent.

- Employees: 357
- Retirees: 100



Termination Notices Sent.

- Employees: 150
- Retirees: 37



Enterprise Systems & Analytics Report

January 10, 2019

Key Initiatives

Project	Status	Key Accomplishments
Cybersecurity		<ul style="list-style-type: none"> Acquired Encryption software for PCs and portable media 100% SFHSS completed annual training
eBenefits		<ul style="list-style-type: none"> Intent to proceed with online enrollment for new hires in jeopardy due to PeopleSoft upgrade which is the Controller's priority
VOIP telephony upgrade		<ul style="list-style-type: none"> Met with DT on 3 occasions in Evaluated equipment, selection underway DT validating readiness of SFHSS' network
Payment Gateway: Phase 2 recurring payments		<ul style="list-style-type: none"> Drafting development requirements
Web Site Redesign		<ul style="list-style-type: none"> Content migration completed User testing commenced on 1/3/19
Regulatory Year-End Reporting		<ul style="list-style-type: none"> W2 Box 10 and Box 12DD completed 1099 Reporting completed 1095 testing of modifications in progress

 On Schedule, Adequate Resources, Within Budget, Risks in Control

 Potential issues with schedule /budget can be saved with corrective actions

 Serious issues. Project most likely delayed or significant budget overrun

Management Report

Communications | January 10, 2019

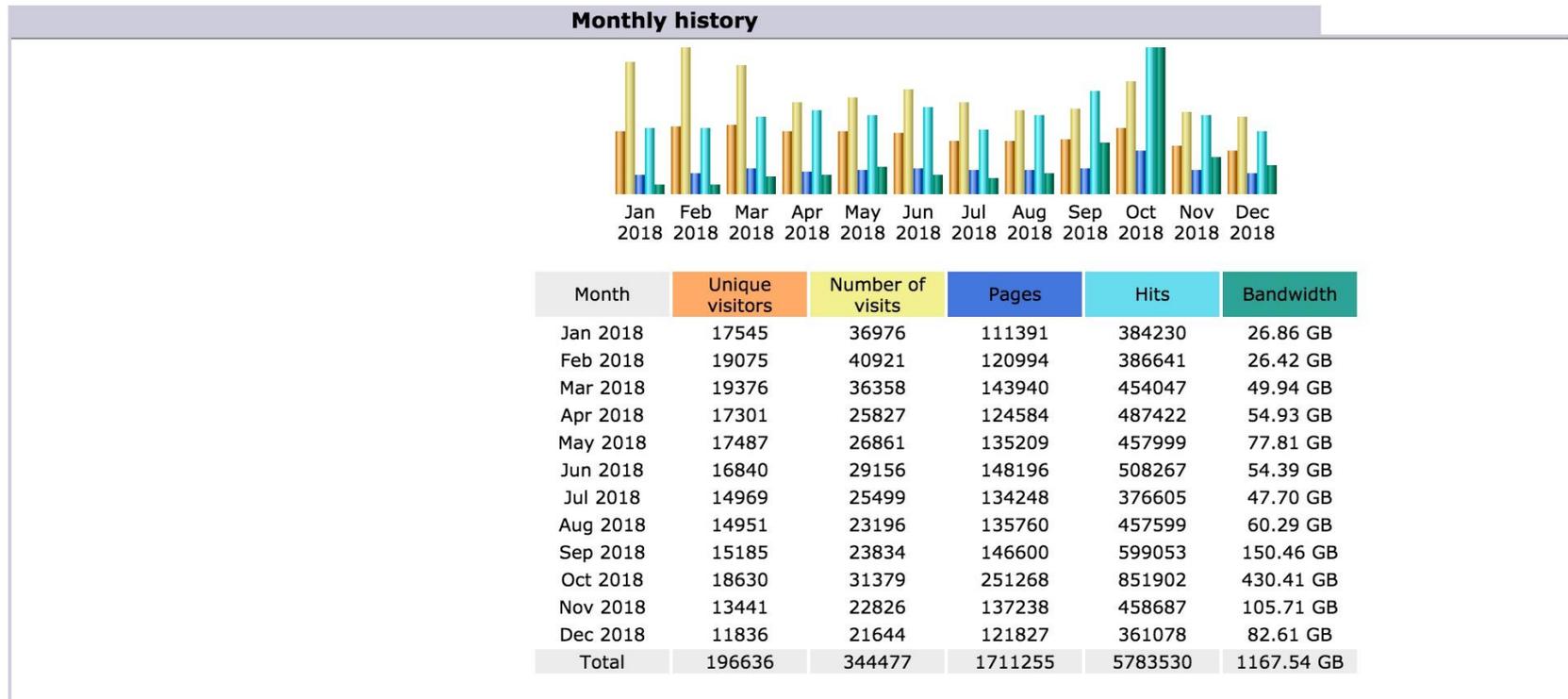
Communications Update

- Continuous work supporting website team on design, content and layout of new website; oversee selection and preparation of images and graphics with graphic designer for February 2019 launch.
- Prepare and execute member communications including SFUSD Confirmation Correction, Domestic Partner Declaration, Imputed Income mailings.
- Prepare and update 2019 Plan Year suite of enrollment forms, applications and presentations for Member Services/Operations.
- Provide ongoing communications management and support for all SFHSS Divisions.

December 2018 Web Traffic

Summary				
Reported period	Month Dec 2018			
First visit	01 Dec 2018 - 00:00			
Last visit	31 Dec 2018 - 23:57			
	Unique visitors	Number of visits	Pages	Hits
Viewed traffic *	11836	21644 (1.82 visits/visitor)	121827 (5.62 Pages/Visit)	361078 (16.68 Hits/Visit)
Not viewed traffic *			99726	121661

* Not viewed traffic includes traffic generated by robots, worms, or replies with special HTTP status codes.



WELL-BEING MONTHLY REPORT

December 2018 REPORT

Provided at the January 2019 Health Service Board Meeting

Employee Assistance Program: Counseling Update

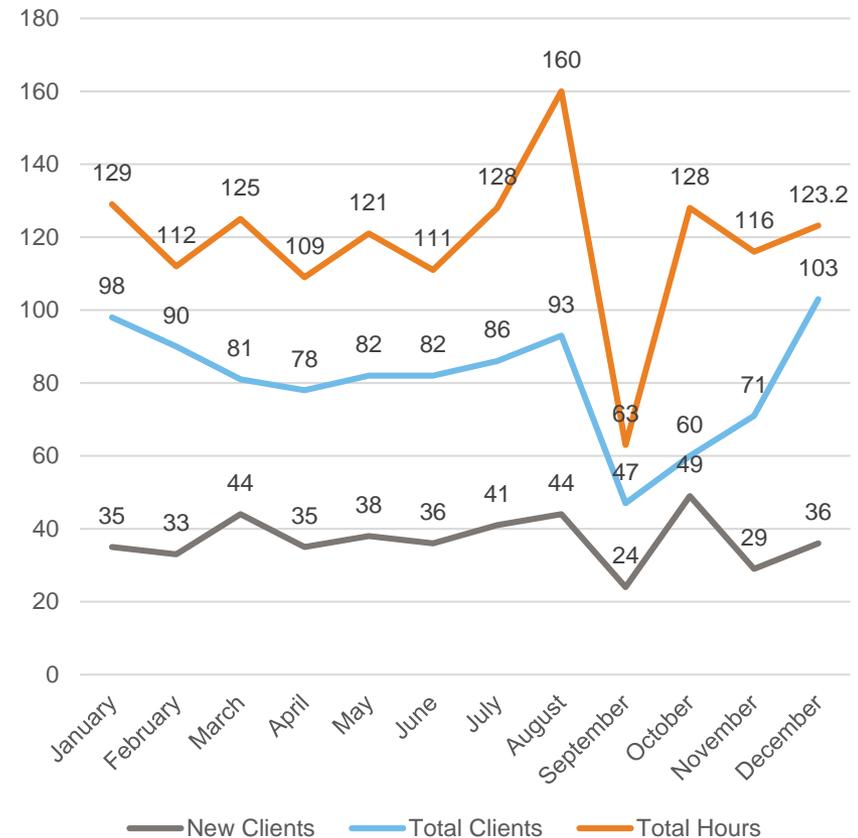
December 2018:

- 123 counseling hours – 3% higher than this year’s monthly average (119)
- 103 total clients – 27% higher than this year’s monthly average (81)
- 36 new clients – this year’s monthly average (37)

YTD (2018 vs. 2017):

- 16% increase in counseling hours (1425 vs. 1229)
- 19% increase in total clients/month (1020 vs. 858)
- 2% increase in new clients (444 vs. 437)

EAP Counseling Clients and Hours by Month, YTD 2018



Employee Assistance Program: Number of Organizational Well-Being Services

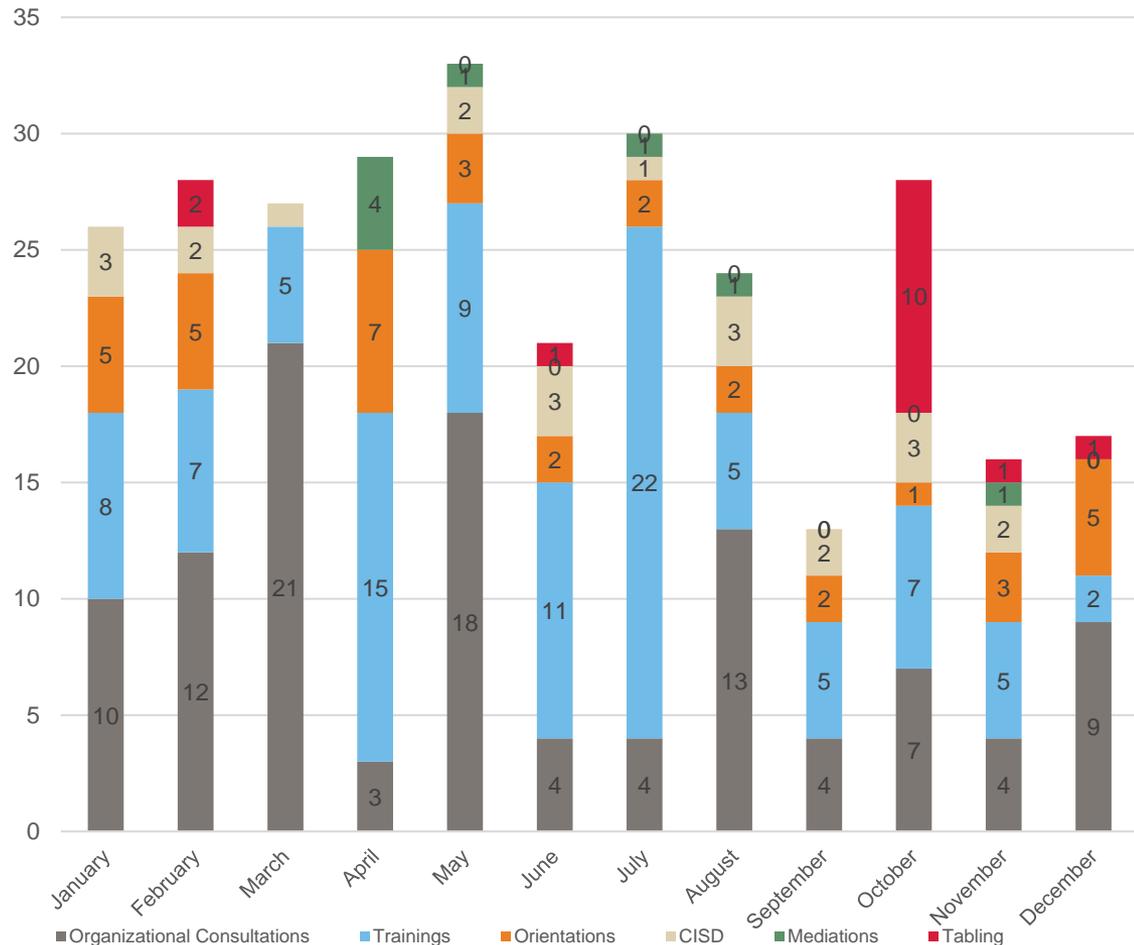
Organizational Services (n) by Type and Month, YTD 2018

December 2018:

- 17 organizational services
- 41% lower than the monthly average this year (24)
- 37% were organizational consultations
- 35% were trainings

YTD (2018 vs. 2017):

- 16% decrease in organizational services provided (292 vs. 339)



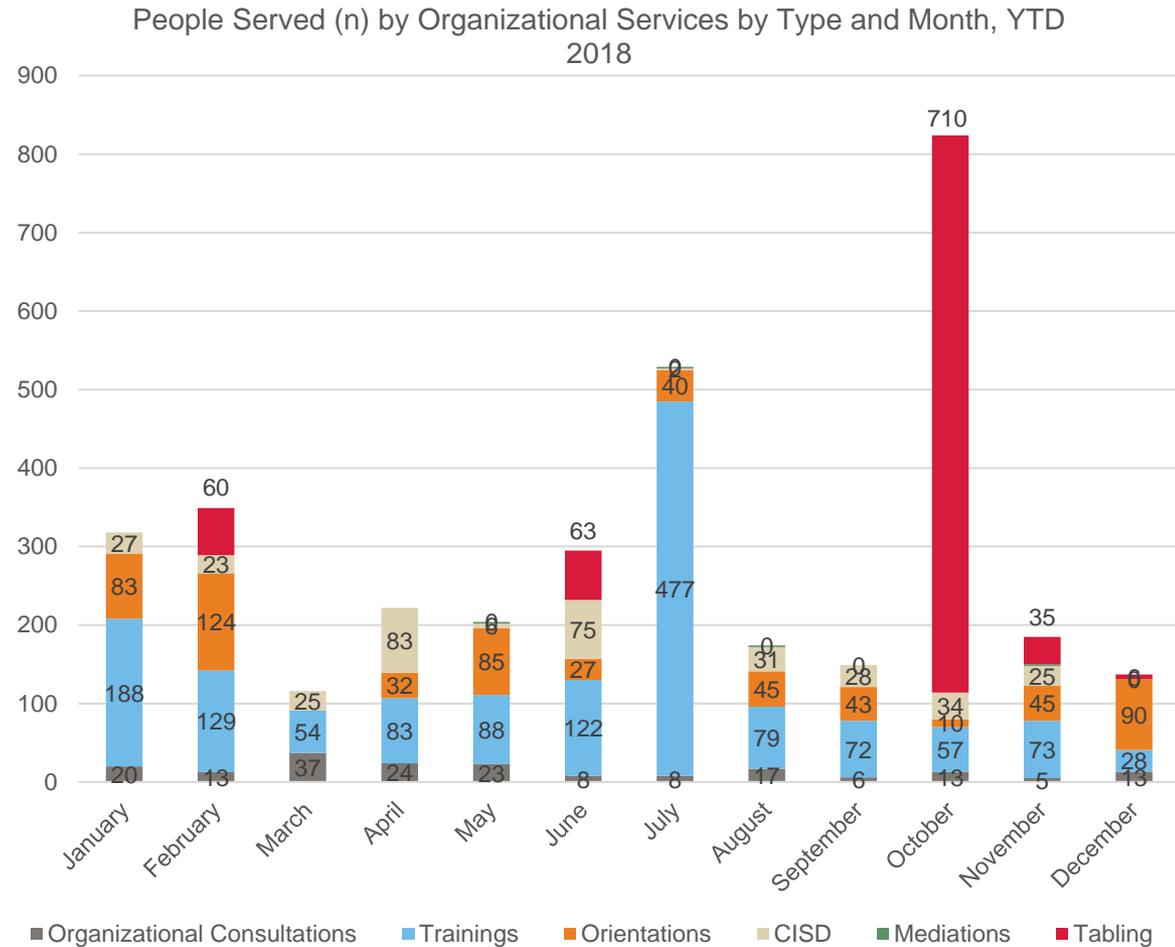
Employee Assistance Program: People Served by Organizational Well-Being Services

December 2018

- 137 people served by organizational services
- Trainings served the most people (41%)

YTD (2018 vs. 2017)

- 15% decrease in people served by organizational services (3495 vs. 4019)



Campaigns & Challenges

Maintain, Don't Gain is a campaign to help participants create healthy habits they can practice throughout the holidays. This is a culmination campaign that revisits messages from Eat Better, Feel Better (healthy eating) and Play Your Way (physical activity).

- Key focus areas:
 - Fitting in fitness – engaging in physical activity
 - Making smart choices – making healthy eating choices
- Challenge dates: 11/19 – 12/30
- End of the Program survey collection: Through 1/9
- Total registered participants: 1490

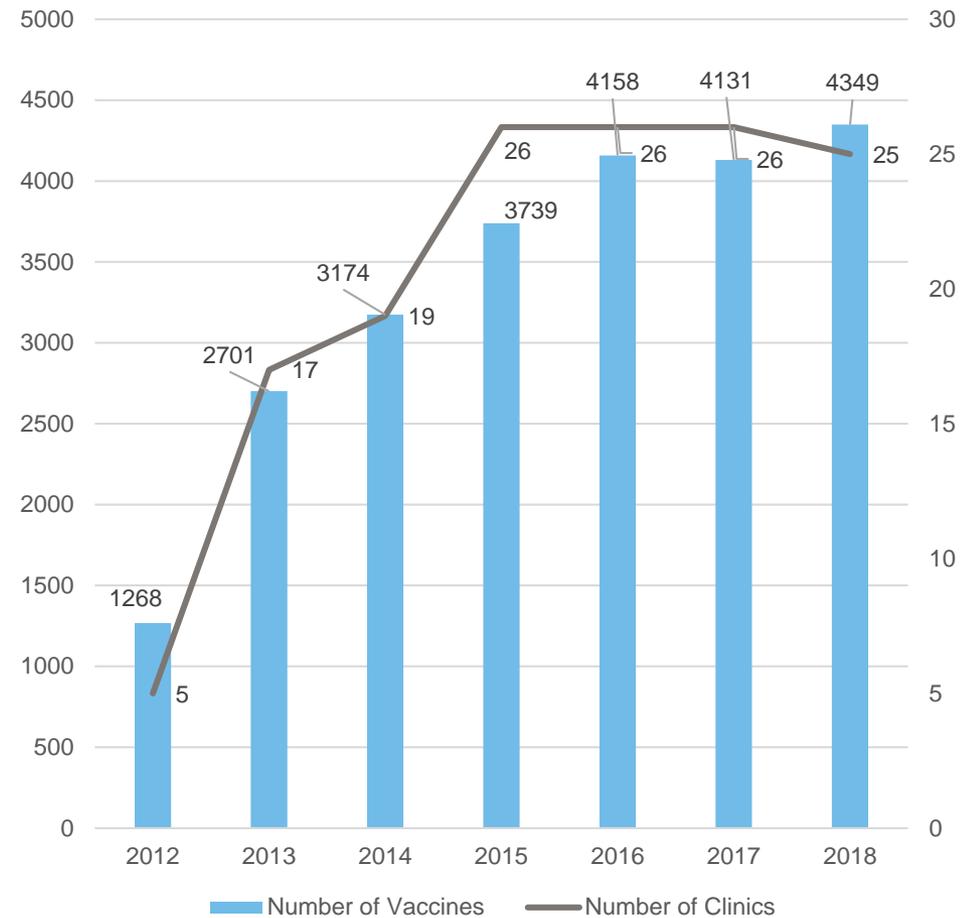
Maintain.
Don't Gain

Well-Being@ Work: Flu Shot Program

2018 Clinic Stats (compared to 2017)

- 25 clinics (1 less clinic)
- 4349 vaccinations (5% more)
- 174 average people/clinic (9% more)
- 13 events combined with Open Enrollment

Flu Shot Clinic Total Vaccines and Number of Clinics 2012-2018



Well-Being@Work: Flu Shot Program

Participant Characteristics

- 6% high dose (65+ years old)
- 49% Blue Shield members
- 40% Kaiser Permanente members
- 6% United Healthcare members

Don't let the flu bring you down...
Get your *free flu shot!*

If you're over 65, you're at greater risk.
 Getting a flu vaccine is an important step to protecting yourself. If you are 65 years or older, or have asthma, diabetes, or chronic lung disease, you are at a higher risk for developing complications from the flu, like *pneumococcal pneumonia*.

We're all in it together.
 When you get a flu shot, you're not just protecting yourself, you're also protecting your family and friends.

Everybody needs a flu shot. Every year.
 You cannot get the flu from the flu shot, but it does take 2 weeks for the flu vaccine to reach full protection. If you are 65 or older, you should also talk to your healthcare provider about the *pneumococcal* shot.

Wash your hands and cover your cough.
 While a seasonal vaccine is the best way to protect yourself against the flu, it is also important to wash your hands often, use alcohol-based hand sanitizer, and sneeze into your sleeve instead of your hands.



Better Every Day. SAN FRANCISCO HEALTH SERVICE SYSTEM SFHSS.ORG

8 Benefit Fairs, Flu Clinics, and OE Events

WEDNESDAY	THURSDAY	FRIDAY
3 PUBLIC WORKS CESAR CHAVEZ YARD ▲ Health Fair 9am-1pm 2727 Cesar Chavez St.	4 SFPD HQ Open Enrollment & Flu Shot Clinic 9am-4:30pm 1250 3rd St., Room 1103.	5 HSA 1235 MISSION ST. Flu Shot Clinic 9am-1pm 850 Booker Room 9th Floor
10 RECCSF ▲ Benefits Fair & Flu Shot Clinic 10am-12pm 1500th Ave Mission Ct. 2983 19th Ave.	11 SFO Health Fair 11:30am-3:30pm Open Enrollment 9am-4pm Aviation Museum International Terminal	12 SFUSD ▲ Benefits Fair & Flu Shot Clinic 4pm-8pm James S. Lee Middle School Gymnasium 1200 New St.
17 ONE SOUTH VAN NESS Benefits Fair & Flu Shot Clinic 9am-4pm 2nd Floor Atrium	18 SFMTA-MIME ▲ Flu Shot Clinic 11am-4pm 401 25th St.	19 SF MAIN PUBLIC LIBRARY Open Enrollment & Flu Shot Clinic 9am-12pm 100 Larkin St. Latino Hispanic Room LAGUNA HONDA HOSPITAL Open Enrollment 9am-5pm 375 Laguna Honda Blvd. 5th Floor S, P112.
22 ZSRG Open Enrollment 9am-4pm 1001 Folsom Ave., Coliseum PUC HILLSIDE Flu Shot Clinic 7am-12pm 1000 E. Corona East 5th Floor Conference Room	23 REC & PARKS Health Fair & Flu Shot Clinic 10am-2pm 1350th Ave. Golden Gate Park County Fair Building	24 CITY HALL Benefits Fair & Flu Shot Clinic 9am-2:30pm 1 Dr. Carlton B. Goodlett Pl South Light Court
29 SFHSS Wellness Center Benefits Fair 9am-5pm 1145 Market St., 1st Floor 30 VAN NESS Flu Shot Clinic 10am-3pm 3rd Floor	30 SFHSS Wellness Center Benefits Fair 9am-5pm 1145 Market St., 1st Floor PUC PHELPS Flu Shot Clinic 8am-12pm 260 Phelan St. 821 Administration Annex.	31 SFMTA FLYNN ▲ Flu Shot Clinic 10am-3pm 1510 Harrison St. Open Enrollment applications are due today by 5:00pm.
		Nov. 1 H&A MEMORIAL Flu Shot Clinic 10am-2pm 601 Van Ness, Floor 302 PORT Flu Shot Clinic 7am-2pm Port 1, Embarkadero Baylock 3
		2 PUC NEWCOMB Flu Shot Clinic 7am-11am 1500 Newcomb Ave. Building 1 OOD Training floor

Free flu shot events are for adults only. First come, first served. Supplies are limited.

Well-Being@Work: SFHSS Benefits Fair Participation & Passport

Passports were given at three locations to provided members with the opportunity to explore their benefits options, meet with plan representatives, turn in enrollment forms, and make Open Enrollment changes.

- Locations: One South Van Ness, City Hall and SFHSS
- Number of Passports Collected:
 - One South Van Ness - 335
 - City Hall - 362
 - SFHSS (4 day event) - 578

Clinic Characteristics	2016 (n, %)	2017 (n, %)	2018 (n, %)	Change from 2017 to 2018
Well-Being Table	25, 96%	24, 92%	25, 100%	1 more clinic
Open Enrollment Table	13, 50%	13, 50%	13, 52%	2% increase
EAP Table	11, 44%	3, 12%	4, 16%	4% increase

Well-Being@Work: Key Players & Annual Planning

- There are currently 213 Champions
 - ✓ 1 new
 - ✓ 1 left
- There are 47 Departments with Champions
- There are currently 45 Department Leads
- 36 departments with Annual Plans
- 36 departments pursuing a 2018 Well-Being@Work Award
- 35 Department Meetings

Well-Being@Work: Activities at Department Location

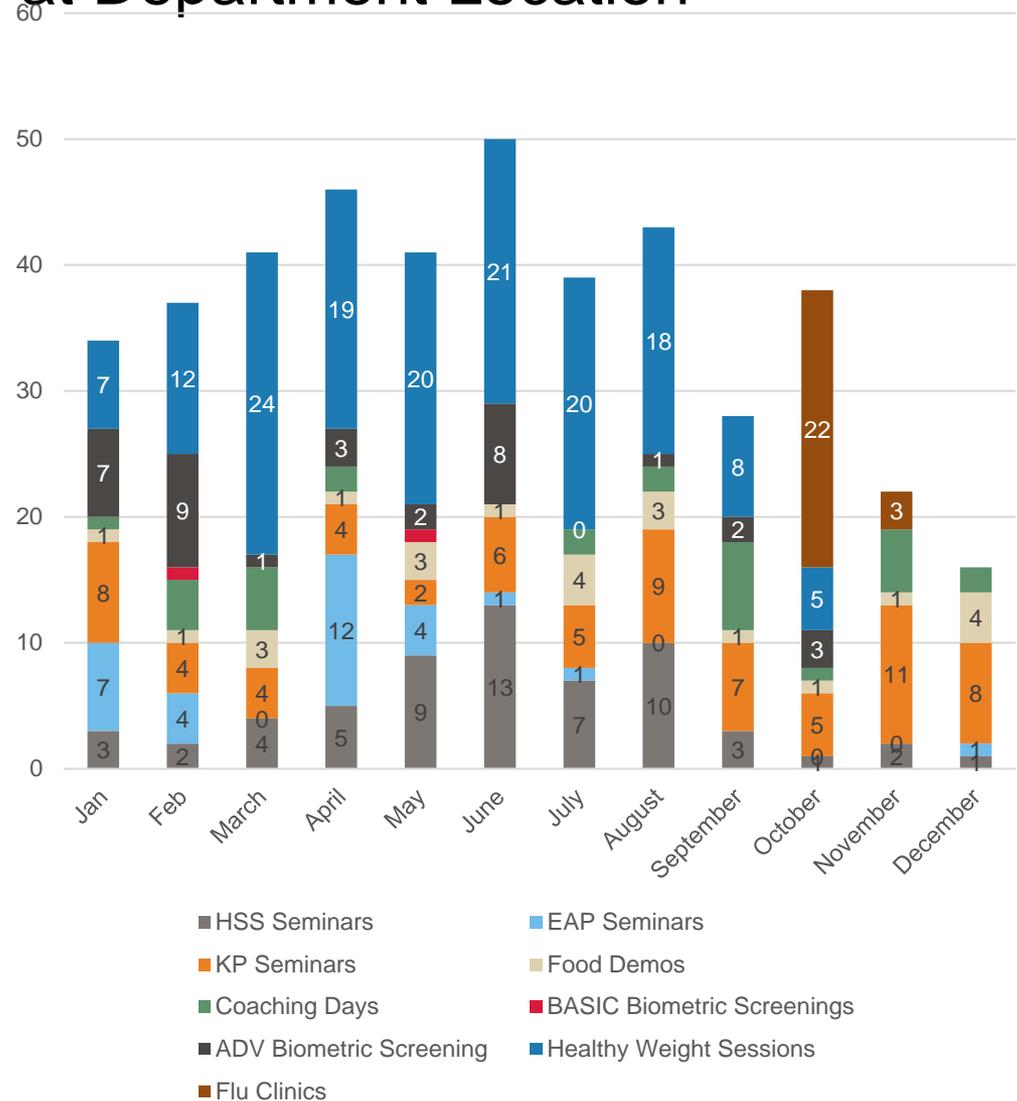
Number of Services

Jan-Dec 2018

- 435 onsite activities (YTD)
- 21% of YTD onsite activities were provided by HSS Well-Being staff.

Comparison to January-December 2017

- 15% more onsite activities have been offered in 2018



Well-Being@Work: Activities Update

Onsite Events:

- November: 22 onsite activities, 14% attended by Well-Being Staff (3 activities)
- December: 16 onsite activities

Highlights:

- November
 - Completion of the last Healthy Weight cohort (Total of 12 cohorts in 2018) and implementation of the a Healthy Weight graduate cohort for 30 Van Ness.
 - Tai Chi, Feldenkrais, and Healthy Mind, Healthy Body (Stress Management) were the topics in most demand for November.
- December
 - EAP and SFHSS Well-Being staff collaborated to provide a new employee orientation tailored for SHF on December 24, 2018. This presentation included an overview of EAP services, stress management workshop, and a breathe and stretch exercise.
 - To stay in theme with the Maintain, Don't Gain campaign– 5 healthy holiday food demos were brought to the workplace. Each food demo hosted 25-30 participants who learned healthy recipes to practice at home.

Catherine Dodd Wellness Center

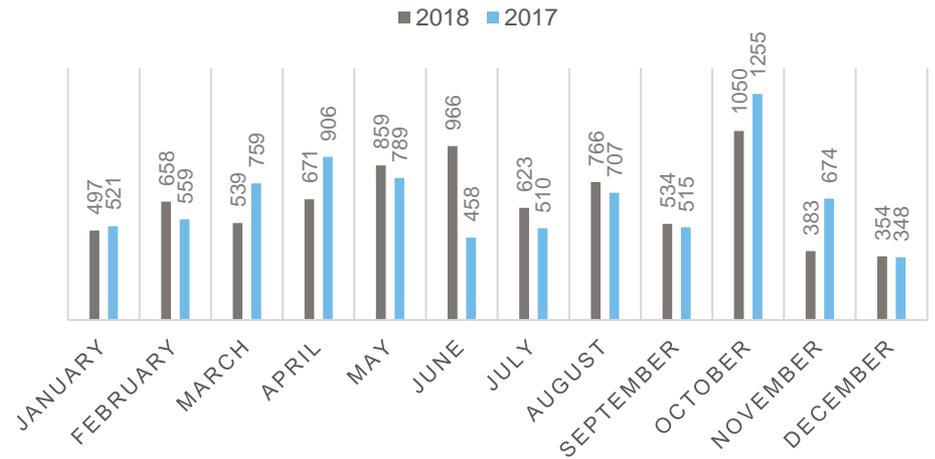
December Participation

- Total - 354
- Unique – 145

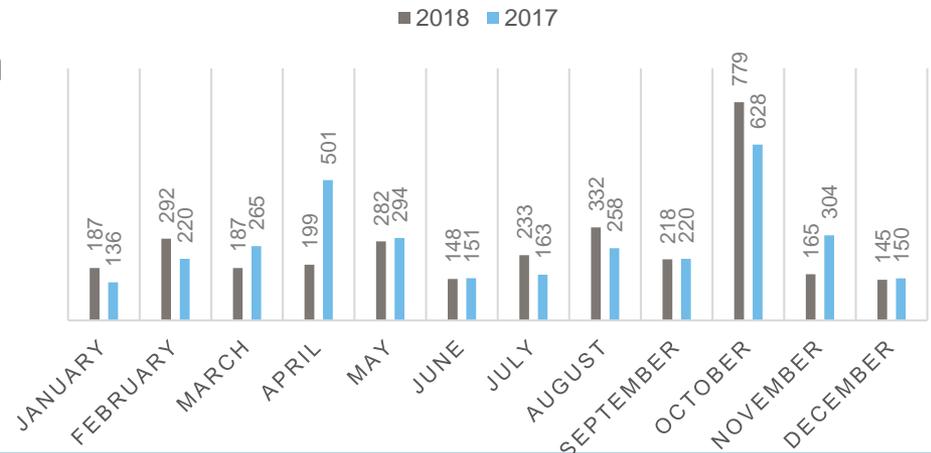
YTD Participation (Jan – Dec)

- Total – 7900
- Unique - 3167
 - Monthly average– 263/month

TOTAL PARTICIPATION



UNIQUE PARTICIPATION



Catherine Dodd Wellness Center: Group Exercise

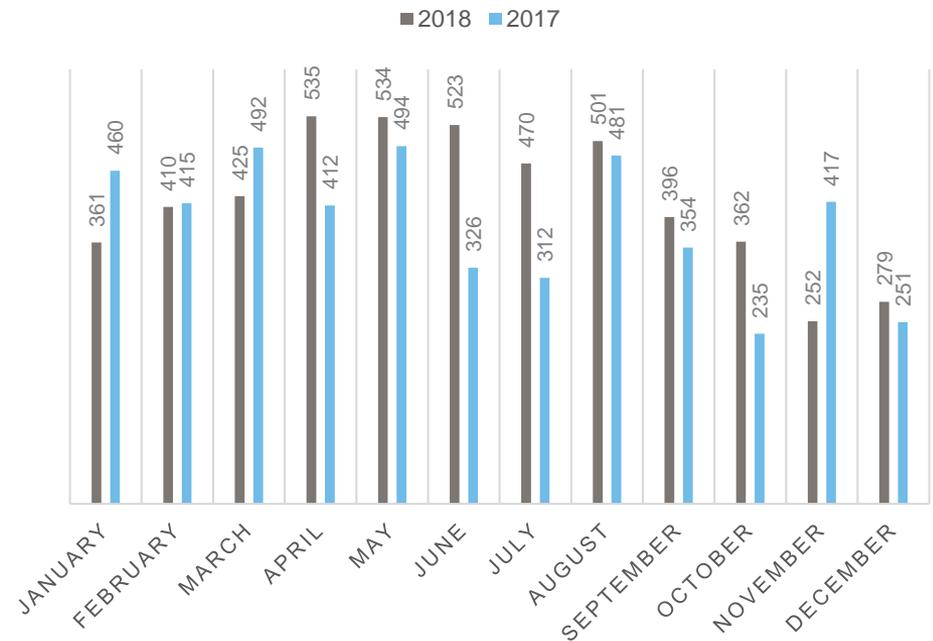
Participation

- December - 279
- YTD – 5048

Classes

- Highest participating classes
 - ✓ Zumba (12:10 on Wednesday's) - average of 31 participants per class
 - ✓ Total Body Conditioning (12:10 Tuesday's) – average of 23 participants per class

TOTAL GEX PARTICIPATION



Special Events in November & December at the Catherine Dodd Wellness Center

- 11/7 – Office Ergonomics Training
- 11/13 – Maintain Don't Gain Launch Event
- 11/16 – Wellness Coaching
- 12/3-12/28 – Coat Drive
- 12/4 – Office Ergonomics Training
- 12/7 – Chair Yoga
- 12/11 – Table Tennis Tournament
- 12/14 – Wellness Coaching

Come relax and learn and simple stretches

Chair Yoga

December 7, 2018 | 1:00 – 1:30pm



LOCATION:
Catherine Dodd Wellness Center
1145 Market Street, Suite 100
San Francisco, CA 94103

QUESTIONS? CONTACT:
wellness@dohsf.gov

Breathe, stretch, and improve your posture. This simple routine you can do in your chair routine is excellent for the employee who is a day or anyone with limited mobility. Strengthen your core to improve your posture, learn breathing techniques to release tension in 1 mind and body and stretch all your major

Better Every Day

Get set up for safety

Office Ergonomics



2018 CLASS DATES:

- January 15
- February 14
- March 20
- April 16
- May 15
- June 20
- July 16
- August 21
- September 17
- November 7
- December 10

All classes are from 1:00pm to 2:00pm. Employees should attend at time with supervisor.

PRESENTED BY: Department of Health, Occupational Safety and Health

Ergonomics is the science that studies how to best make the work environment fit the worker. The goal of ergonomics is to help prevent injury and increase comfort and productivity. When ergonomic principles are applied in the work environment, visual and musculoskeletal discomfort and fatigue can be significantly reduced. By making adjustments to your work area and personal practices, you can minimize the risk factors that can contribute to injuries.

REGISTRATION REG:
<https://ergotraining.net>

NEW LOCATION:
Catherine Dodd Well
1145 Market Street, 4
San Francisco, CA 94103
(415) 554-0643
wellness@dohsf.gov

Better Every Day



TABLE TENNIS TOURNAMENT

Tuesday, December 11 | 12:00 – 1:00PM

Play like a Champion!

Before the tournament against other players 1:00pm at the Wellness Center scud the competitive casual table tennis.

All tournament participants receive valuable prizes.

Sign up at the Wellness Center
wellness@dohsf.gov

Better Every Day



WELLNESS COACH

Schedule your free appointment today!

December 14, 2018
10:00am – 2:00pm

This holiday season meet with a Coach to help you establish healthy habits that meet your needs and lifestyle. Make an appointment to work with a Coach so you can avoid holiday temptations, manage your weight, quit smoking, eat healthier, exercise more, or reduce your stress. Free 20-minute appointments available with

LOCATION:
Wellness Center
1145 Market Street
Suite 100

Better Every Day

Give the Gift of Warmth - Donate Today!

COAT DRIVE

December 3rd to 28th

Monday – Friday | 8:00 a.m. – 4:00 p.m.

LOCATION:
Catherine Dodd Wellness Center
1145 Market Street, Suite 100
San Francisco, CA 94103
(415) 554-0643
wellness@dohsf.gov

The Wellness Center is collecting clean, reusable adult and children's coats. You can also donate online <http://www.onewarmcoat.org/donate/>. All coats collected will be donated to St. Anthony's Foundation <https://www.stanthonyof.org/>.

One Warm Coat

Better Every Day

Maintain. Don't Gain

Launch Event November 13, 2018, 12:00-2:00pm

The launch event provided resources for employees and retirees to stay healthy and make smart choices about food during the holidays. A total of 47 participants attended the event.

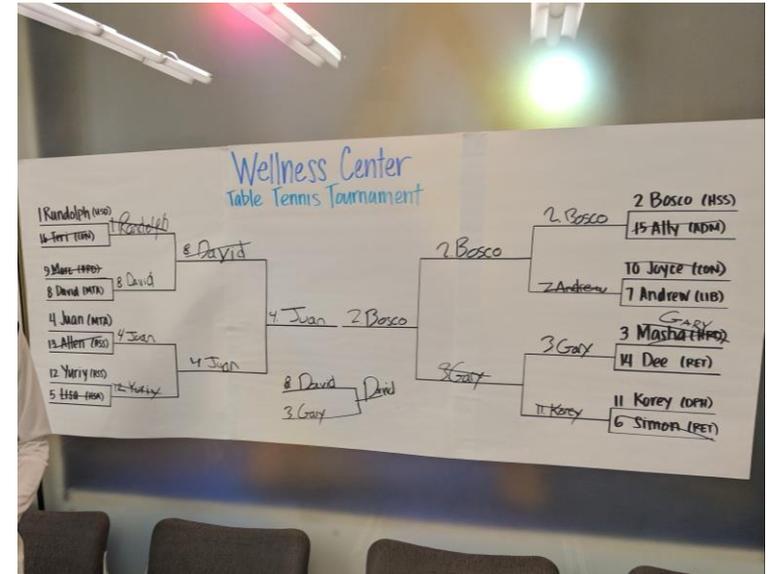
Activities to help engaged participants in the program consisted of:

- Signup and meet the Wellness Coach
- Self service BMI & Blood Pressure Machines
- Set a Goal and Gratitude stations
- Maintain, Don't Gain resource stations

Table Tennis Tournament

December 11, 2018, 12:00-1:00pm

Due to the popularity of the first table tennis tournament in September, we offered another event for members. A total of 19 participants attended the event and 14 employees signed up to compete in the tournament.



One Warm Coat Donations December 3-28, 2018

The event gave employees and retirees opportunity to give back to their community. All coats collected were donated to St. Anthony's Foundation, Free Clothing Program in San Francisco. The program provides warm clothes, employment apparel, and children's clothing to homeless individuals and low-income families in San Francisco.

- The coat donation drive was held from December 3-28, 2018 at Wellness Center.
- A total of 28 coats were collected.

