



Minutes

Regular Meeting

Thursday, June 8, 2017

1:00 PM

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94103

Call to order

Pledge of allegiance

Roll call President Randy Scott
Vice President Wilfredo Lim
Commissioner Karen Breslin
Supervisor Mark Farrell, arrived 1:07 pm
Commissioner Sharon Ferrigno, arrived 1:27 pm
Commissioner Stephen Follansbee, M.D.
Commissioner Gregg Sass

This Health Service Board meeting was recorded live by SFGovTV. Links to videotaped meetings and related materials are posted on the myhss.org website.

This meeting was called to order at 1:03 pm.

- 06082017-01 Action item Approval (with possible modifications) of the minutes of the meeting set forth below:
- Regular meeting of May 11, 2017
- Staff recommendation: Approve minutes.
- Documents provided to Board prior to meeting:
Draft minutes.
- Commissioner Breslin moved to approve the regular meeting minutes of May 11, 2017.

- Commissioner Sass seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the regular meeting minutes of May 11, 2107.

Motion passed 5-0.

- 06082017-02 Discussion item General public comment on matters within the Board's jurisdiction not appearing on today's agenda

Public comments: None.

- 06082017-11 Discussion item
(Re-Ordered)

President's Report (President Scott)

- Update on HSS Executive Director Search

Documents provided to Board prior to meeting: None.

- President Scott moved this item up on the agenda. He noted that additional items would be addressed later during the regular agenda to continue the President's report.
- Christina Brusaca, DHR representative, introduced Heather Renschler from Ralph Andersen & Associates.
- Ms. Renschler briefly outlined the timeline for the HSS Executive Director search, which she would be conducting.
- A brochure will be developed within the next 10 days to provide additional information for candidates, and sent to President Scott for approval.
- An aggressive outreach will be conducted in July and it was anticipated that the Board will be able to screen candidates in August.
- A public meeting with active employees and retirees will also be held in July for input on the leadership expectations of the next HSS Executive Director.
- The usual outreach period is approximately 90 days. However, the transition period could take up to 120 days or longer depending upon the selected candidate's situation.

- President Scott stated that Ralph Andersen & Associates' executed contract with the Department of Human Resources excluded any reference to the Health Service Board as the hiring authority for the HSS Executive Director position. He wanted to make clear that the Board will make the final determination of the candidates to be screened and ultimately select the new Executive Director of the Health Service System.
- President Scott requested that he also receive the weekly updates to be provided to the Department of Human Resources. He will then send to the Board Secretary to distribute to all Board members. All Board communications to Ms. Renschler should be channeled through Ms. Brusaca. President Scott stated that he wanted to be advised if any Board member violated that process so that he could follow up with the individual.
- While it was expected that the Board would approve canceling its July 13 meeting, President Scott requested that members make themselves available on that date to meet separately with Ms. Renschler to discuss criteria for the HSS Executive Director search.
- Ms. Renschler answered questions from the Board members such as possible challenges to the search and the anticipated posting date of the position on DHR's website (which would link to Ralph Andersen & Associates website). She stated that the housing market in the Bay Area (rental and purchase) is an overwhelming challenge in candidates' considering a move to San Francisco.
- As of this meeting, the position had not yet been posted on DHR's website; however, it was expected to be posted following this meeting. There will be a link on DHR's jobs app redirecting applicants to Ralph Andersen's website. CCSF staff will not have access to the applicants.

- Supervisor Farrell and Commissioner Ferrigno arrived during this agenda item.

Public comments: None.

RATES AND BENEFITS

06082017-03 Action item

Review 2018 Vision Service Plan Renewal—with Costco frame allowance increase (Aon Hewitt)

Staff recommendation: Confirm the 2018 VSP plan premiums and status quo frame allowance approved in the May meeting.

Documents provided to Board prior to meeting:
Report prepared by Aon Hewitt.

- Tom Ricks, Aon Hewitt actuary, followed up on a question from last month's meeting regarding the difference in cost of Costco frames versus non-Costco frames.
- Costco's frames are lower than non-Costco frames because it buys in bulk and adds very little markup. For example, an \$80 Costco frame allowance is equivalent to a \$150 frame allowance elsewhere.
- Increasing Costco's frame allowance from \$80 to \$150 would increase VSP's overall rates by 4.5% in the current plan. See page 2 of report for monthly premiums.
- Increasing Costco's frame allowance to \$300 would increase VSP's overall rates by 8.5% in the buy-up plan. See page 3 of report for monthly premiums.
- In the buy-up plan, employees will pay the difference in the premium increase.
- In response to questions from the Board, Jennifer Carlson, VSP representative, stated that VSP pays the full allowance, \$80 or \$150 (typically members use the entire amount allowed). If the allowance were increased to \$150, there would be a risk that members would spend that amount.

- For example, the wholesale amount of a \$150 frame is \$80. A \$300 frame would provide an allowance of \$165. VSP would pay the claim and charge \$80 or \$165 to HSS according to the contract. The member would be responsible for paying the remaining costs, minus 20%. VSP does not match Costco's in-network allowances because frame costs would double and the rate would increase. VSP's intent was to add retail value without rate impact.
- Aon Hewitt recommended that the Health Service Board confirm the rates approved on May 11, 2017.
- Commissioner Sass moved to remain with the vision plan approved on May 11, 2017 without Costco adjustments.
- Commissioner Breslin seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to remain with the vision plan approved on May 11, 2017 without Costco adjustments.

Motion passed 7-0.

□ 06082017-04 Action item

Approve UHC (City Plan) self-insured rates and premium contributions for actives and early retirees for 2018 plan year (Aon Hewitt)

Staff recommendation: Approve 2018 rates and premium contributions.

Documents provided to Board prior to meeting:
Report prepared by Aon Hewitt.

- Anil Kochhar, Aon Hewitt actuary, reported on the City Plan's 2018 self-insured PPO renewal for non-Medicare retirees and active employees.
- City Plan's membership has increased over the past several years. Its current membership stands at 1,732, which includes active employees and early retirees. Its combined membership was 1,350 one year ago.

- The increase in membership is due to the Board's previous decisions to subsidize City Plan's rates from the stabilization reserve.
- As of January 1, 2017, City Plan active employee membership increased to 993 (from 748 in 2016). Its early retiree membership increased to 739 (from 602 in 2016).
- Aon presented three 2018 renewal options for the Board's review:
 - Status quo renewal for active employees and early retirees. This renewal applies the required \$1,510,000 across actives and early retirees.
 - Option 1: Additional buy-down which applies an extra \$1,510,000 (or 50% of remaining January 1, 2017 claims stabilization reserve of \$3,019,000) to the active and early retiree rates. This option would leave a balance of \$1,509,000 in the stabilization reserve for the 2019 plan year and beyond.
 - Option 2: Apply 50% (\$1,510,000) of the remaining stabilization funds after Option 1 to active employees only. This option would exhaust all of the funds in the stabilization reserve.
- Aon Hewitt recommended that the Board approve buy-down Option 2 for the self-funded UHC City Plan for 2018. This option maximizes the use of available claims stabilization funds while minimizing the impact on employee contributions. See report for rate cards.
- Mr. Kochhar stated that there was \$5M in the contingency reserve to absorb any overages the 2018 plan year.
- Commissioner Sass expressed concern about depleting the stabilization and contingency reserve funds. He suggested that it may make sense to offer a medical plan with a

higher deductible or an alternative for members who can no longer afford City Plan.

- Commissioner Breslin stated opposition to using all of the stabilization reserve since this is the only plan for early retirees living outside the Bay Area. She noted that Option 2 increased rates for early retirees with families and expressed doubt that the recommendation would encourage members to enroll in City Plan.
- Commissioner Lim asked what to expect next year when the rates increase.
- Mr. Kochhar recommended exploring bringing City Plan into a large pool in 2019 for rating purposes.
- Commissioner Breslin moved to approve Option 1, which would leave a remaining claims stabilization reserve balance of \$1.5M (50%).
- Commissioner Follansbee seconded the motion.

Public comments: Claire Zvanski, RECCSF representative, stated that Option 1 would double members' costs. She understood the reservations about spending down half of the stabilization reserve, but suggested that HSS do as much as possible to increase the number of City Plan members and provide benefits to keep them in this plan. She stated that part of the issues were related to Charter limitations on the plans offered, but Option 2 seemed the best opportunity to blend in the future and perhaps bring down the experience to have better rates next year. She stated that Option 1 was too expensive and urged the Board to approve Option 2.

Action #1: Motion was moved and seconded by the Board to approve City Plan Option #1, which would apply an additional \$1.5M (or 50% of the 2017 remaining claims stabilization reserve) to active and early retiree rates for the 2018 plan year.

Motion failed 4-3.

Commissioners Breslin, Ferrigno and Follansbee voted in favor of the motion.

Commissioners Scott, Lim, Farrell and Sass dissented.

Commissioner Lim moved to adopt Option #2.

Supervisor Farrell seconded the motion.

Action #2: Motion was moved and seconded by the Board to approve City Plan Option 2, which would apply 100% of the stabilization reserve funds to the 2018 rates.

Motion passed 5-2.

Commissioners Scott, Lim, Farrell, Follansbee and Sass voted in favor of the motion.

Commissioners Breslin and Ferrigno dissented.

□ 06082017-05 Action item

Approve UHC Medicare Advantage PPO (New City Plan) fully-insured retiree rates and premium contributions for 2018 plan year (Aon Hewitt)

Staff recommendation: Approve 2018 rates and premium contributions.

Documents provided to Board prior to meeting:
Report prepared by Aon Hewitt.

- Anil Kochhar, Aon Hewitt actuary, reported that the 2018 rate increase for UHC's Medicare Advantage PPO (New City Plan) is 4% over the 2017 rates plus the HIT tax of \$38.16.
- UHC's 2017 rate for its Medicare Advantage PPO (New City Plan) is \$320.83 per retiree per month ("PRMP").
- UHC's 2018 rate increase is \$53.33 or a total of \$374.16 PRPM (\$38.16 HIT plus \$15.17 PRPM based on initial claims experience). Enrollment in the New City Plan (over 14,000) triggered a 2018 rate cap of 4% or \$336.00 per retiree per month.
- The difference of \$38.16 PRPM is the result of the HIT deferred in 2017 but is in effect in 2018.
- Joe Altman, UHC Chief Actuary of Retirement Services, was in attendance in case members had questions.
- See Aon Hewitt report.

- Commissioner Lim moved to approve UHC's Medicare Advantage PPO fully-insured retiree rates and premium contributions for the 2018 plan year as presented.
- Commissioner Follansbee seconded the motion.

Public comments: Dennis Kruger, representative for active, retired firefighters, widows and significant others, asked about the split family rates because he did not see them reflected in the materials.

Mr. Kochhar stated that the mixed Medicare rates (Medicare and non-Medicare families) were indicated on page 7, column 4 of Aon's report. The retiree and family rate implies two Medicare members and two Blue Shield or non-Medicare dependents in Access+.

President Scott asked that the rate card columns indicating split families (two Medicare retirees and two non-Medicare dependents) be identified as such instead of the general "Retiree and Family" designation.

Mr. Kochhar clarified that since the Board approved Option 2 in the prior agenda item, the corresponding rate card for 2018 rates was on page 14 of Aon Hewitt's report.

Action: Motion was moved and seconded by the Board to approve UHC's Medicare Advantage PPO fully-insured retiree rates and premium contributions for the 2018 plan year as presented.

Motion passed 7-0.

□ 06082017-06 Action item

Approve Kaiser Permanente's Senior Advantage fully-insured retiree rates and premium contributions for 2018 plan year (Aon Hewitt)

Staff recommendation: Approve 2018 rates and premium contributions.

Documents provided to Board prior to meeting:
Report prepared by Aon Hewitt.

- Anil Kochhar, Aon Hewitt actuary, reported that Kaiser Permanente's initial 2017 rate (provided in 2016) was \$331.00 PRPM. However, the final 2017 rate released in the fall of 2016 was \$344.18, which created a

negative discrepancy of \$13.18 PRPM. This difference will be built into Kaiser Permanente's proposed 2018 rates.

- Kaiser's initial 2018 Medicare Advantage rate is \$364.24 PRPM. The 2018 rate is \$375.39 when factoring in the \$13.18 negative variance. See pages 3 and 4 of report.
- Sean Noelle, Kaiser Permanente Underwriting Director, reported that the principle difference between Kaiser's 2017 preliminary rate versus actual was related to its Medicare population's risk profile. One unknown was the risk adjustment based on diagnoses and pharmacy utilization.
- Commissioner Follansbee moved to accept Kaiser Permanente's 2018 Senior Advantage rates and premium contributions.
- Commissioner Breslin seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve Kaiser Permanente's Senior Advantage fully-insured retiree rates and premium contributions for the 2018 plan year.

Motion passed 7-0.

□ 06082017-07 Action item

[Approve Delta Dental Stabilization Reserve](#) (Aon Hewitt)

Staff recommendation: Approve stabilization reserve.

Documents provided to Board prior to meeting:
Report prepared by Aon Hewitt.

- Tom Ricks, Aon Hewitt actuary, reported that the 2016 Delta Dental self-funded PPO plan created a surplus of \$3.5M instead of a \$1.28M deficit as previously projected.
- The \$3.5M surplus created a net gain of \$4.8M to be added to the stabilization reserve balance of approximately \$4.8M or a total of approximately \$9.6M. See pages 2 and 4 of report for Delta Dental 2016 reconciliation.

- Aon Hewitt recommended applying \$3,194,254 to the 2018 rates (33% of total stabilization reserve) per the stabilization policy.
- The remaining carry-forward in the stabilization reserve for 2018 is \$6,388,509.
- Supervisor Farrell moved to apply \$3,194,254 to reduce the 2018 self-funded dental PPO premiums per the stabilization policy.
- Commissioner Lim seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to apply \$3,194,254 to reduce the 2018 self-funded dental PPO premiums per the stabilization policy.

Motion passed 7-0.

□ 06082017-08 Action item

Approve Dental contract renewals for all plans for 2018 plan year (Aon Hewitt)

Staff recommendation: Approve dental renewal option 2: increase annual maximum to \$1250.

Documents provided to Board prior to meeting: Report prepared by Aon Hewitt.

- Tom Ricks, Aon Hewitt actuary, reported on the 2018 dental plan renewals.
- HSS offers six dental plans:
 - Delta Dental self-insured PPO for actives
 - Delta Dental fully-insured PPO for retirees
 - DeltaCare fully-insured HMO for actives
 - DeltaCare fully-insured HMO for retirees
 - Pacific Union fully-insured HMO for actives
 - Pacific Union fully-insured HMO for retirees

- Due to claims experience and case specific trend in the self-insured Delta Dental PPO for actives, Aon Hewitt recommended a rate decrease of 2.3% for the 2018 plan year.
- The administrative fee for the active PPO plan is currently \$4.35 per employee per month and is guaranteed through December 31, 2018.
- A 3% premium increase was proposed in the Delta Dental fully-insured PPO for retirees for the 2018 plan year.
- For the remaining dental plans, current rates are guaranteed through December 31, 2018.
- The retiree PPO plan is not subsidized and, therefore, 100% retiree paid. In response to requests for design enhancements, the following options were offered in addition to the 3% retiree premium increase:
 - Option 1 – Offer both the existing retiree PPO (low plan) and the active employees’ PPO plan (high plan) to retirees;
 - Option 2 – Increase retiree benefit maximum from \$1,000 to \$1,250 (diagnostic and preventive procedures excluded).
 - Option 3 – Increase retiree benefit maximum from \$1,000 to \$1,500 (diagnostic and preventive procedures excluded).
 - See report pages 13-16, 19.
- Aon Hewitt recommended that in addition to the 3% premium increase, to raise the retiree dental maximum by \$250 from \$1,000 to \$1,250 annually.
- Commissioner Lim moved to approve Delta Dental’s 2018 renewal of a 2.3% rate decrease for active employees and retiree Option 2 increasing the maximum allowance from \$1,000 to \$1,250.
- Commissioner Follansbee seconded the motion.

Public comments: Dennis Kruger, representative for active and retired firefighters and significant others, asked for confirmation that the two guaranteed cleanings under the current dental plan are not part of the additional \$250 benefit.

Mr. Ricks confirmed and stated that excluding the preventive services was similar to adding another \$250 to \$500 to the benefit.

Action: Motion was moved and seconded by the Board to approve Delta Dental's 2.3% rate decrease for active employees and increase the retiree maximum allowance from \$1,000 to \$1,250 in addition to a 3% premium increase.

Motion passed 7-0.

□ 06082017-09 Action item

Approve Kaiser Permanente's multi-region plan to cover early retirees and Medicare retirees in Oregon, Washington and Hawaii (Kaiser Permanente & Aon Hewitt)

Staff recommendation: Approve Kaiser Permanente's multi-region plan and rates.

Documents provided to Board prior to meeting: Report prepared by Aon Hewitt.

- Kate Kessler, Kaiser Permanente Area Vice President, presented an update on Kaiser Permanente's multi-region plan for the States of Oregon, Washington and Hawaii previously introduced at the May Board meeting for early retirees and Medicare retirees for the 2018 plan year.
- While Kaiser Permanente's service regions are in several states, the largest number of retirees reside in Oregon, followed by Washington State and then Hawaii. (See pages 3 and 4 of Kaiser's report for service regions, hospitals and physician information.)
- The rates presented at this meeting were early release rates and will follow the same reconciliation process for Kaiser California, which compares the difference between the current year and subsequent year's billed rates.
- See pages 8 and 9 of Kaiser's report for the multi-region Medicare retiree benefits.

- Kaiser Permanente is evaluating the future possibility of providing a blended rate across the three states. However, a blended rate is not available for the 2018 plan year.
- Ms. Kessler reported that early retirees and Medicare retirees will need to complete a new enrollment form for the multi-region plan.
- Commissioner Follansbee asked for clarification of Kaiser's specific service areas in Oregon, noting that Medford was not included. He stated that it would be useful to see the actual service areas as opposed to the state, which can be misleading.
- Ms. Kessler confirmed that not all of Oregon would be included in Kaiser's service area. She stated that even within California there are areas that are not included in Kaiser's plan. She stated that she would provide additional service area information as a follow-up.
- Anil Kochhar, Aon Hewitt actuary, recommended that the Board to approve the early retiree and Medicare rates as presented for the States of Oregon, Washington and Hawaii.
- Commissioner Sass noted that the rates in Oregon and Washington for a retiree and spouse without Medicare or a retiree and family were significantly higher than the California rate (approximately two and one-half times in total).
- Commissioner Lim moved to approve Kaiser Permanente's multi-region plan and rates for early retirees and Medicare retirees for the 2018 plan year as presented.
- Commissioner Sass seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve Kaiser Permanente's multi-region plan and rates for the States of Oregon, Washington and Hawaii for early retirees and Medicare retirees for the 2018 plan year.

Motion passed 7-0.

- 06082017-10 Discussion item Discussion regarding Kaiser Permanente's fertility preservation benefit and impact on 2018 rates (Kaiser Permanente)
Documents provided to Board prior to meeting: None.
 - Kate Kessler, Kaiser Permanente Area Vice President, reported that as a follow up to the fertility benefits discussion at the May Board meeting, an additional cycle and 12 months of storage were included in Kaiser's fertility benefit. These benefits were incorporated into the rates.
 - Kaiser has not yet received approval from the Permanente Medical Group on the addition of fertility preservation benefits, which are not included in the rates.
 - Kaiser is moving forward with filing for approval with the DMHC. Pending approval, Kaiser will offer fertility preservation benefits for 2018. This will not impact the 2018 rates.

Public comments: None.

- Meeting Break Recess from 2:46 to 2:53 pm
Supervisor Farrell departed the meeting during the break.

REGULAR BOARD MEETING MATTERS

- 06082017-14 Re-Ordered Action item Consider signing Resolution in Support of California Senate Bill 538 Hospital Contracts (Acting Executive Director Griggs)
Staff recommendation: Sign Resolution.
Documents provided to Board prior to meeting: Resolution and background materials.
 - Mitchell Griggs, HSS Acting Executive Director, reported that this matter was brought to the Board's attention at the last

meeting during public comment by the previous HSS Director, Catherine Dodd.

- SB 538 seeks to level the playing field in hospital contracting by preventing dominant provider systems from engaging in coercive and unfair practices.
- This bill has passed the State Senate and is now with the State Assembly.
- Kristof Stemikis, Associate Director of Policy at the Pacific Business Group on Health (“PBGH”), presented an overview of SB 538.
- SB 538 prohibits dominant provider systems. It does not break up those large dominant providers; however, it establishes guardrails to prevent them from using market power and the leverage gained in the marketplace to drive up costs to purchasers such as HSS or patients paying out-of-pocket for services. It increases transparency by prohibiting gag clauses. It also prevents tiering restrictions by large systems.
- SB 538 prevents “all or nothing” contracting, which is anticompetitive and monopolistic as identified by the Antitrust Division of the California Attorney General. It prohibits forced arbitration in an antitrust dispute as a condition of contract.
- SB 538 has received wide support from the business community (including PBGH), the California Labor Federation, the Nurses Association and labor groups, such as UFCW.
- There are two main sources of opposition to SB 538, the Chamber of Commerce and the Hospital Association.
- The Chamber of Commerce is opposed to SB 538 because of its prohibition to mandatory arbitration of antitrust claims, and has labeled it as a jobs killer.
- The Hospital Association believes the all or nothing provision would interfere with some systems’ ability to become larger and inhibit the integration and coordination of better care.

- Mr. Stemikis stated that nothing prohibits systems from providing integrated coordinated care or growing as large as possible. However, SB 538 prevents them from engaging in anticompetitive behavior because of their size. They cannot hide prices or force HSS to take an entire system if there are other facilities that members prefer to use nor undermine consumer cost sharing tiers.
- A Resolution in support of California Senate Bill 538 was presented for Board approval.
- Commissioner Breslin moved to support the SB 538 Resolution.
- Commissioner Lim seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the Resolution supporting California Senate Bill 538 regarding hospital contracts.

Motion passed 6-0.

- 06082017-15 Action item
Re-Ordered

Election of Health Service Board Officers (President and Vice President) for fiscal year 2017-2018
(President Scott)

Documents provided to Board prior to meeting:
None.

- At President Scott's request, Commissioner Breslin presided over this agenda item as Chair of the Governance Committee.
- Commissioner Breslin recommended suspension of the Board's Governance rules for one year to provide continuity in the selection process of a new HSS Executive Director. She acknowledged President Scott's extensive work in that regard.
- Commissioner Breslin moved to suspend the Health Service Board's Governance rules for one year only, that the President and Vice President may not hold such office for more than two consecutive one-year terms, and

that the current officers are retained until the election of June 2018.

- Commissioner Follansbee seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to suspend its Governance rules for one year only, and retain the current officers until June 2018.

Motion passed 6-0.

President Scott continued his comments from his earlier report after the vote. He thanked the members of the Board for supporting his continued role as President and stated his commitment in the coming months to finding the best qualified person to serve as Executive Director of HSS. He also thanked Commissioner Lim for his willingness to continue to serve as Vice President.

- 06082017-16 Action item
Re-Ordered

[Vote on whether to cancel July 2017 Health Service Board meeting](#) (Acting Executive Director Griggs)

Documents provided to Board prior to meeting:
None.

- President Scott amended the staff recommendation to cancel the Board's July 13, 2017 meeting and reiterated his earlier request that members meet with Heather Renschler from Ralph Andersen & Associates on that day to discuss the HSS Executive Director search criteria.
- Commissioner Breslin moved to cancel the Board's July 13, 2017 meeting.
- Commissioner Ferrigno seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to cancel its July 13, 2017 meeting.

Motion passed 6-0.

□ 06082017-12 Discussion item Director's Report (Acting Executive Director Griggs)

- HSS Personnel
- Operations, Data Analytics, Finance/ Contracting, Communications, Well-Being/EAP
- Meetings with Key Departments
- Other additional updates

Documents provided to Board prior to meeting:

1. Director's report;
 2. Reports from Operations, Data Analytics, Communications, Well-Being and Employee Assistance Program;
 3. Revised rates and benefits calendar;
 4. Commissioner Breslin report on medical plans' responses regarding current nutrition counseling coverage;
 5. Commissioner Follansbee report on medical plans' responses regarding 2015 DMHC Timely Access Report.
- Mitchell Griggs, HSS Acting Executive Director, reported on the Director's Report which, may be viewed in its entirety on the myhss.org website. He introduced Michael Johnson, HSS 1209 Benefits Technician, who was in the audience.
 - Acting Director Griggs noted the higher volume in retirements this year than last. He stated that despite the increased activity, all customer service levels were met.
 - Acting Director Griggs asked Pamela Levin, HSS Chief Financial Officer, to report on a change in financial services or how bills are paid.
 - Ms. Levin reported that training for the Financial System Project ("FSP") was rolled out on June 2. There were a total of 126 mandatory training sessions for the finance staff to complete. As of this morning, 19% of the trainings had been accomplished. The new system will go live on July 3.

- Acting Director Griggs stated that HSS would update the Board on the FSP rollout in August.
- The distribution of HSS' eNews was delayed due to software licensing renewal issues. HSS was in the process of procuring and installing new software and expected the eNews to be sent out soon.
- Stephanie Fisher, HSS Well-being Manager, welcomed a new baby boy on June 3, 2017.
- HSS was recognized at the Mayor's budget meeting with department heads for lower than projected rates for 2018.
- The Wellness Center celebrated its third anniversary on May 19, 2017 and was re-named in honor of Catherine Dodd, former HSS Executive Director. The event was attended by 106 members as well as Commissioner Follansbee, who represented the Board.
- Commissioner Follansbee reported on his attendance at the HSS Wellness Center dedication and gave a shout out to the Employee Assistance Program. He stated that he had a narrow understanding of the program but gained additional knowledge from the brochures and talking with EAP personnel. He commended HSS in providing EAP services to employees.
- President Scott also thanked Commissioner Follansbee for representing the Board at the dedication ceremony and transmitting a letter on its behalf.

Public comments: None.

- 06082017-13 Discussion item [HSS Financial Reporting as of April 30, 2017](#) (Pamela Levin)

Documents provided to Board prior to meeting:

1. Financial update memo;
2. Report for the Trust Fund;
3. Report for the General Fund Administration Budget.

- Pamela Levin, HSS Chief Financial Officer, reported on HSS' trust fund and general fund through April 2017.
- As of June 30, 2017, the projected trust fund balance was \$73.6M, which was an increase of \$200,000. This increase was due to favorable claims experience in City Plan and Delta Dental self-funded plans.
- The second reimbursement in the surrogacy and adoption plan has been made. The year-to-date total is \$22,710.
- The year-to-date revenues for performance guarantees is \$47,269.
- An additional \$1.1M in pharmacy rebates has been received. The year-to-date total is \$2.5M.
- Based on the first 10 months, the general fund year-end balance is still projected at \$126,000.

Public comments: None.

□ 06082017-17 Discussion item

Discussion of online pilot program for SimpleTherapy musculoskeletal pain recovery through personalized exercise therapy (Stephanie Fisher)

Documents provided to Board prior to meeting:
Report prepared by SimpleTherapy.

- Marina Coleridge, HSS Enterprise Systems & Analytics Manager, presented an overview of a proposed SimpleTherapy pilot program, which would be funded through HSS' Well-Being program.
- HSS will identify the needs of employees by department and retirees by analyzing its 2016 APCD claims. Outcomes for measurement of success will also be identified, which will require the engagement of stakeholders and various individuals in targeted groups.
- A fall and fracture prevention program for the retiree population will be developed in the pilot. Analysis to identify episodes related to falls and fractures will be conducted.

- In response to President Scott's inquiry on costs associated with the pilot, Acting Executive Director Griggs stated that HSS would work with SimpleTherapy to negotiate a rate. The funds will come from money currently set aside for well-being projects.
- Commissioner Follansbee asked whether medical providers would have access to SimpleTherapy's videos in case patients ask their doctors for advice on the exercises.
- Helena Plater-Zyberk, SimpleTherapy CEO, stated that there is a selection within the SimpleTherapy program to allow participants to print and/or make a PDF report to forward to providers. The report shows each individual exercise, its rating and the participant's performance.

Public comments: None.

□ 06082017-18 Discussion item

Report on network and health plan issues (if any)
(Respective plan representatives)

- Shannon Haas, UnitedHealthcare Account Manager, announced that UHC will include Real Appeal, its clinical weight management program, in the 2018 benefits.
- Commissioner Breslin asked about a member's issue with the Mayo Clinic. She also inquired about a physical therapy issue in which she was told a doctor's referral was required.
- Ms. Haas stated that she was aware of the member's issue and as of that morning, UHC had confirmed that the Mayo Clinic was willing to accept the patient.
- Ms. Haas will look into Commissioner Breslin's physical therapy referral issue since she was able to confirm that referral was unnecessary. She asked Commissioner Breslin for a copy of the form or the name of the provider.
- President Scott asked all health plan representatives in the audience to stand. He thanked them all for working closely with HSS staff as represented by Acting Executive

Director Griggs and the actuaries to conclude this rates and benefits cycle. He expressed gratitude for everyone's diligence and hard work on behalf of HSS members.

- Commissioner Follansbee followed up on issues raised at the last meeting regarding family planning in Blue Shield's Trio option. He was unable to determine whether Dignity Hospital provided elective services such as vasectomies and tubal ligations at the time of delivery for members.
- Paul Brown, Blue Shield Vice President, stated that a colleague was researching the question but he did not have an answer for the Board at that time. He suggested delivering the information to HSS since there would be no July meeting.
- Acting Director Griggs stated that a significant presentation on the Trio plan was planned for the August meeting.

Public comments: None.

- 06082017-19 Discussion item Opportunity to place items on future agendas

Public comments: None.

- 06082017-20 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction

Public comments: Claire Zvanski, RECCSF representative, stated that she had included information on SimpleTherapy in the retiree newsletter and a significant number of members responded positively to the flexibility the program provides 24/7. She also noted the importance of a fall prevention program for retirees. She stated that retirees strongly support a plan that helps them with continued good health, whether it is this plan or one similar.

Dennis Kruger, representative for active, retired firefighters, widows and significant others, urged the Board to adopt SimpleTherapy as a pilot program or a similar plan.

President Scott thanked HSS staff for their steadfastness during the department's transition. He commended Acting Executive Director Griggs and

HSS CFO, Pamela Levin, for their leadership. He thanked Laini Scott, Board Secretary, for her diligent work this season with grace and great cheer. He also thanked Erik Rapoport, Deputy City Attorney, for his guidance on a variety of topics both inside and outside this forum. He intends to write a letter of commendation to Mr. Rapoport's superiors.

□ 06082017-21 Action item

Vote on whether to hold closed session for member appeal (President Scott)

Staff recommendation: Hold closed session.

Public comment on all matters pertaining to the closed session: None.

- Commissioner Breslin moved to hold a closed session to hear a member appeal.
- Commissioner Ferrigno seconded the motion.

Action: Motion was moved and seconded by the Board to hold a closed session to hear a member appeal.

Motion passed 6-0.

Closed session pursuant to: California Constitution Article I, Section 1; the Confidentiality of Medical Information Act, California Civil Code §§56 et seq; and the Health Insurance Portability and Accountability Act, 42 U.S.C. §§1320d et seq.

□ 06082017-22 Action Item

Member appeal (President Scott)

Documents provided to Board prior to meeting:

1. Memo from HSS;
2. Member documentation.

Staff recommendation: Uphold HSS decision.

Reconvene in Open Session

- 06082017-23 Action item Vote to elect whether to disclose any or all discussion held in Closed Session (San Francisco Administrative Code Section 67.12) (President Scott)
Public Comments: None.
 - Commissioner Breslin moved to not disclose any of the discussion held in closed session.
 - Commissioner Ferrigno seconded the motion.Action: Motion was moved and seconded by the Board to not disclose any of the discussion held in closed session.
Motion passed 6-0.

- 06082017-24 Action item Possible report on action taken in closed session (Government Code Section 54957.1(a)(5) and San Francisco Administrative Code Section 67.12) (President Scott)
Public Comments: None.
 - Commissioner Lim moved to not report on action taken in closed session.
 - Commissioner Ferrigno seconded the motion.Action: Motion was moved and seconded by the Board to not report on action taken in closed session.
Motion passed 6-0.

- Adjourn 4:31 pm

Summary of Health Service Board Rules Regarding Public Comment

- Speakers are urged to fill out a speaker card in advance, but may remain anonymous if so desired.
- A member of the public has up to three (3) minutes to make pertinent public comments before action is taken on any agenda item.
- A member may comment on any matter within the Board's jurisdiction as designated on the agenda.

Health Service Board and Health Service System Web Site: <http://www.myhss.org>

Disability Access

Regular Health Service Board meetings are held at City Hall, 1 Dr. Carlton B. Goodlett Place, in Hearing Room 416 at 1:00 PM on the second Thursday of each month. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

Accessible seating for persons with disabilities (including those using wheelchairs) will be available.

In order to assist the City's effort to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Knowing Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County of San Francisco exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, visit the Sunshine Ordinance Task Force website at <http://www.sfgov.org/sunshine>.

Lobbyist Registration and Reporting Requirements

Individuals and entities influencing or attempting to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code § 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; web site www.sfgov.org/ethics.

Summary of Health Service Board Rules Regarding Cell Phones and Pagers

- The ringing and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at Health Service Board and committee meetings.
- The Chair of the meeting may order the removal of any person(s) in violation of this rule from the meeting room.
- The Chair of the meeting may allow an expelled person to return to the meeting following an agreement to comply with this rule.

The complete rules are set forth in Chapter 67A of the San Francisco Administrative Code.

If any materials related to an item on this agenda have been distributed to the Health Service Board after distribution of the agenda packet, those materials are available for public inspection at the Health Service System during normal office hours. For more information, please contact Laini K. Scott at (415) 554-0662 or email at laini.scott@sfgov.org.

The following email has been established to contact all members of the Health Service Board:
health.service.board@sfgov.org.

Health Service Board telephone number: (415) 554-0662