

HEALTH SERVICE SYSTEM
CITY & COUNTY OF SAN FRANCISCO

MEMORANDUM

DATE: May 6, 2016
TO: Randy Scott, President, and Members of the Health Service Board
FROM: Catherine Dodd PhD, RN
Director HSS
RE: Board Report April 7, 2016 to May 5, 2016 (some items included from April report)

HSS Personnel

- 0923, Contracts Manager – list ready interviews to begin.
- 0931 Operations Manager position remains vacant. Job posted May 5.
- Graphic artist: Dana Lui started May 2, this is a much needed addition to the communications division.
- Edward Tang, a new 1210 Benefits Analyst started April 18. He previously worked with the Social Security Administration and most recently as a benefits analyst at City College.
- Research Assistant position: interviews complete awaiting DHR action.
- Wellness: 2593 position, Health Program Coordinator III, is filled. Irene Umipig, MPH will join the team on 5/16/16.
- 2 positions remain vacant per last year's budget for "attrition savings."
- Employee engagement work begun.

Operations

- All customer service levels were met in April.
- In April, HSS implemented Salesforce case management for our in person assistance. Members electronically sign in and the Salesforce queue monitors length of wait time and length of time with an analyst. Analysts complete the interaction in Salesforce by documenting the reason and resolution of the visit.
- Health Service Board requested HSS to prepare a cost analysis for implementation of the Affordable Care Act's informational reporting of the 1094 and 1095. Total cost of personnel time, software and postage was \$136,927.11 with total hours of 1867 dedicated to this project. Please see the two slides at the Operations slides.



Data Analytics:

- May 12th begins a system outage of eMerge until Monday morning while PeopleSoft is being upgraded to version 9.2. Plans are in place to ensure all the eligibility files sent to health plans will transmit according to normal schedules. Staff will have access to a read-only environment. While HSS will be unable to perform any data entry through the end of the week, we will still have access to information to be able to assist members. The most significant changes impact absence and leave management systems. For HSS staff, the functionality essentially remains the same although the look and feel will be different. And, of course, this upgrade puts HSS on the path to provide eBenefits.
- Included in the Data Analytics management report are the 2015 risk scores for the active and early retiree Blue Shield and Kaiser populations.
- Data Analytics Manager completed the coursework and passed an exam to be certified as a Certified HIPAA Privacy Security Expert (CHPSE).
- Work is underway for the Enterprise Content Management System. We have been getting hardware procured and servers configured. We anticipate having the vendor onsite the week of May 23rd for design sessions.

Finance

- Received continuing approval from the Civil Service Commission for HSS contracts.
- Selected vendor for developing an action plan to make the HSS website more modern and user friendly for members.
- Finalized contract for additional development and design of Wellness print and web-based promotional materials.

Communications

- Orienting new employee.
- Released Colorful Choices emails to retirees.
- Updated new retiree information packets in collaboration with Operations staff.
- Researching new hosting service for myhss.org.

Wellness

- 2,251 people registered for Colorful Choices (the 6-week nutrition program geared at increasing fruit and vegetable consumption).
 - This is 15% higher participation than in the Shape-Up Walking Challenge in 2015.
 - Retiree participation increased almost three times. This is most likely due to an email blast to retirees for whom we had email addresses on file (32% of retirees

registered on the day of the second email). Collecting retiree email addresses will be an important step in providing well-being resources to retirees.

- The January-March Wellness Center Activities Report is included.
 - Overall visits have increased by 1,811 compared to 2015.
 - The number of unique individuals visiting has decreased. Together this means that fewer people are coming more regularly.
 - EAP counseling clients are slightly lower than previous years. Efforts to update standard EAP training and seminar material, new staff training and collaboration, and a high cancelation rate may explain the differences.
- The 2014 and 2015 Well-being Assessment data are currently being analyzed. Early results indicate slight improvements in all areas of well-being among those who took the survey.

Director: Meetings/Presentations/Misc.

Meetings:

- Participated in two half-day management team trainings.
- Met with Wellness program sponsors for update.
- Weekly AON meetings.
- Monthly eMerge meetings.
- Participated in selection of vendor to develop HSS Branding guidelines.
- Participated in Key Messages for Open Enrollment meetings.
- Participated in Conference call with Senator Hernandez re: SB 932.
- Presented SB 932 at State Leg Committee urging CCSF support position (see attached).
- Attended ABL meeting with CMS Director for Program Integrity.
- Met with Kaiser Permanente regarding performance guarantees.
- Met with Kaiser Permanente and AON regarding renewal.
- Participated in PBGH Webinar on Infertility Benefits.
- Met with Blue Shield Wellvolution staff about new programming.
- Participated in Wellness Vendor meeting planning for Retiree wellness programming.
- Attended presentation regarding Kaiser Permanente's teleconferencing services
- Attended AON Well Being workshop.
- Attended Catalyst for Payment Reform's annual meeting. Many learnings.
- Met with Mayor's staff.

- Attended Mayor's Women's summit kick off.
- News continues about pharma increases: Johnson & Johnson raised its prices for the leukemia drug Imbruvica, the diabetes treatment Invokana, and Xarelto, an anti-clotting drug, according to a research note published last week by an analyst for Leerink, an investment bank. Other major companies that have raised prices this year include Amgen, Gilead and Celgene, the analyst reported.
(Thomas, 4/26)



**STATE LEGISLATION COMMITTEE
Legislative Proposal Form**

This form should be used to submit legislative proposals for consideration by the State Legislation Committee. Before submission, proposals must be reviewed and approved by the Department Head or Commission.

Please send completed forms to Andrew Dayton in the Mayor's Office at andrew.dayton@sfgov.org

SUBMITTING DEPARTMENT	Health Service System
CONTACT PERSON E-mail and Phone #	Catherine Dodd Catherine.dodd@sfgov.org 415-554-1703
Bill Number (Sponsor)	SB 932 Senator Ed Hernandez
EXISTING ISSUE & PRESENT STATE LAW	<p>Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires every nonprofit health care service plan applying to restructure, as defined, or convert its activities to secure the approval of the Director of the Department of Managed Health Care. Existing law requires the Director of the Department of Managed Health Care to provide the public notice of, reasonable access to, and an opportunity to comment on, public records relating to the restructuring or conversion of a health care service plan. Existing law requires any nonprofit health care service plan that is formed under, or subject to, either the Nonprofit Public Benefit Corporation Law or the Nonprofit Mutual Benefit Corporation Law to secure the written consent of the Director of the Department of Managed Health Care prior to any merger. If a health care service plan proposes a merger, consolidation, acquisition of a controlling interest, or sale of the plan or all or substantially all of the assets of the plan, existing law requires the plan to file a notice of material modification with the Director of the Department of Managed Health Care, who shall, within 20 business days or additional time as the plan may specify, approve, disapprove, suspend, or postpone the effectiveness of the change, subject to specified procedural requirements.</p> <p>Consolidation in the health care market through mergers and acquisitions and anti-competitive policies and practices have been increasing during the last decade thus creating reduced competition in the health services sector without sufficient state oversight and the risk of higher prices and lower quality for consumers and less accountability.</p>
RECOMMENDED PROPOSAL	<p>This proposal prohibits specific anti-competitive provisions from contracts, including or impacting the following: 1) exclusivity clauses; 2) tiered network plans; 3) set rates for emergency services; 4) conflicts of interest; 5) mandatory binding arbitration clauses; 6) disincentives to access alternative health care services; and 7) provisions that prohibit the disclosure of contracted health care service rates. It also requires the Director of the Office of Managed Care to approve Mergers and Acquisitions of health care plans and risk based organizations.</p>



<p>DISCUSSION/ ANALYSIS OF RECOMMENDED PROPOSAL</p>	<p>While there are many factors that contribute to rising health care costs it is clear that two are increased concentration of health care providers and the use of anti-competitive practices by providers that raise costs in the healthcare marketplace. A 2014 study in the <i>Journal of the American Medical Association</i> found that, “...total expenditures per patient were 10% higher in physician organizations that were owned by a local hospital and 20% higher in organizations owned by multihospital systems than in organizations owned by participating physicians...” (p. 5) The California Labor Federation writing in support of the bill cites a 2015 study showing that “...hospital prices in monopoly market are 15.2% higher than in more competitive markets” (p. 8). (bill analysis). This bill in section 1399.65 extends oversight of competition so that notice of approval must be acquired when “[a]ny person intends to merge, with consolidate, acquire purchase, or control, <i>directly or indirectly</i>, any health services plan or risk-bearing organization...” In addition, under 1399.66 prior to approving any transaction the DMHC must hold a public hearing and find the proposal meets several criteria including that it does not “adversely affect” competition.</p> <p>Currently the Health Care Costs are higher in Northern California than anywhere else in the state. The Board of Supervisors has held hearings on this issue and the lack of price and quality transparency available to assist in negotiating coverage for employees and retirees. The Health Service System is unable to lower premium rates because of lack of competition in Alameda county. One health system continues to employ anticompetitive practices which this legislation would prohibit.</p> <p>SB 932 deserves our support</p>
<p>RECOMMENDED POSITION Please mark appropriate box</p>	<p><input type="checkbox"/> SPONSOR <input checked="" type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSE <input type="checkbox"/> OTHER & Describe</p>
<p>FISCAL IMPACT Including impacts to the City’s General Fund</p>	<p>This bill has not been analyzed by a fiscal committee; however, Section 5 of the Amendments notes that no reimbursement is required by this act from the State of California to local agencies, pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by local agencies will be because the act: (i) creates new infractions, and, (ii) changes the meaning of definitions of crimes, within the California Constitution and Section 17556 of the Government Code.</p>



IMPACT TO OTHER DEPARTMENTS	none
REVIEWED & APPROVED BY DEPARTMENT HEAD	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
OTHER ITEMS OF NOTE	
DATE SUMITTED	April 28, 2016