

**SAN FRANCISCO  
HEALTH SERVICE SYSTEM**

**September 14, 2023**

**Summary of Proposed Policy Changes  
Health Service System Rules Plan Year 2024**

The section and page numbers in this document refer to the draft rules document- “2024 San Francisco Health Service System Rules Draft” located behind this summary.

Throughout the document changes are made to dates to reflect that the Rules be updated for the 2024 Plan Year and also to replace the gendered pronouns he/him and she /her with the gender-neutral they/them. In addition, minor modifications to the document have been made to improve the documents readability, including removal of duplicative information, updating of terms, and adjustment of section numbering.

All substantive policy changes are listed below.

| Section      | Policy Change   | Rationale   |
|--------------|---|---|
| Section A(3) | Updated the list of Boards and Commissions whose members are eligible to participate in the SFHSS provided benefits. <ul style="list-style-type: none"> <li>• Added Homeless Oversight Commission</li> <li>• Removed the Concourse Authority</li> </ul> | Updates reflect the eligible Boards and Commissions as outline in the current version of San Francisco Administrative Code Section 16.700.<br><br>Concourse Authority is being disbanded effective 12/23/2023.  |
| Section B(5) | Reinserted section related to Subsidy for Surviving Dependents of an Employee or Retiree Member.  | This section was added in 2011 but removed some time later. Although each of the paragraphs included in this section exist elsewhere in the Member Rules, staff is proposing its reinsertion because (1) it helps clarify the subsidies provided to surviving dependents and (2) Section B(5) is still referenced in the following sections of the SFHSS Rules (Q(6)(a) & (b)). |
| Section B(4) | Clarified application of California Labor Code Section 4856.  | The California Labor Code was inserted to provide clarity for benefit and subsidy eligibility as it relates to the surviving spouse, or surviving domestic partner, of a firefighter or peace officer who died in the line of duty, and lump-sum pension distributions. Policy also aligns with Section Q(3) of the SFHSS Rules.  |

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| Section C(5) | Section added.  | Race/Ethnicity Data Optional. To comply with CMS requirements, Medicare enrolled members and/or dependents will be requested to provide race/ethnicity data on a voluntary basis. SFHSS will properly store and transmit this data as required by law. Health plans will transmit the data to CMS through their normal enrollment processes.   |
| Section D    | Correction made to the IRS look-back period for dependency status of registered domestic partners.        | This section was corrected to reflect the member's obligation to report changes in dependency status to SFHSS and that the treatment of that status is anticipated for the full calendar year. This could result in coverage provided being treated as taxable to the member for the entire year.  |
| Section I    | Updated SFHSS Rules to comply with HIPAA Special Enrollment Rights.                                       | This section was previously missing from the SFHSS Rules. Health Insurance Portability and Accountability Act of 1996 (HIPAA) created special enrollment rights, requiring employers expand some qualifying life events enrollment opportunities available under IRS qualifying life event rules. HIPAA special enrollment rights arise regardless of a plan's open enrollment period and members, in a small number of situations, to make plan changes outside of Open Enrollment. |
| Section F    | Changed to allow (but not require) shorter Open Enrollment periods.                                       | Flexibility in the duration of the Open Enrollment (OE) period would allow SFHSS to try different methods of conducting OE. The goal is to ensure a better member experience in understanding and enrolling in the offered benefits.   |
| Section F(6) | Changed to allow HSB to designate any Open Enrollment period as requiring "Active Enrollment" by members. | Flexibility with permitting an "Active Enrollment" would allow SFHSS to promote enhanced participation by the membership in the offered benefits.  |
| Section M(3) | Section removed.  | The requirement for members to report other health coverage enrollment was needed when SFHSS used to administer its own claims. This section is no longer needed since our contracted carriers administer claims. This practice is no longer applicable.   |

**September 14, 2023**

**Summary of Proposed Policy Changes  
Cafeteria Plan Document Plan Year 2024**

The section and page numbers in this document refer to the draft Cafeteria Plan Document for 2024.

Throughout the document changes are made to dates to reflect that the Rules be updated for the 2024 Plan Year and also to replace the gendered pronouns he/him and she /her with the gender-neutral they/them. In addition, minor modifications to the document have been made to improve the documents readability, including removal of duplicative information, updating of terms, and adjustment of section numbering.

All substantive policy changes are listed below.

| Section                   | Policy Change   | Rationale   |
|---------------------------|---|---|
| Section 4.6               | Added language to notify members of HIPAA special enrollment rights.  | Health Insurance Portability and Accountability Act of 1996 (HIPAA) created special enrollment rights, requiring employers expand some qualifying life events enrollment opportunities available under IRS qualifying life event rules. |
| Section B.3.a.1 and B.3.6 | Updated to reflect increase the FSA limits to \$3,050 per year, up from \$2,850 in 2022, and increase the carryover amounts to \$610 per year, up from \$570. | In Revenue Procedure 2022-38, the Internal Revenue Service (IRS) released updated flexible spending account (FSA) limits for 2023.  |
| Section B.3.a.2           | Removed section.  | This provision requires a member’s contribution to the Medical FSA be prorated when they are hired mid-year. There is no requirement that such contributions be prorated, and we are currently not administering to this provision.     |
| Section D.4.2.b           | Updated 2024 Flexible Credits dollar values for CCSF and Superior Court employees.  | 2023 Benefit Program Update due to M.O.U. compliance.   |