



HEALTH SERVICE BOARD

CITY & COUNTY OF SAN FRANCISCO

Minutes

Regular Meeting

Thursday, September 8, 2016

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, excused
 Supervisor Mark Farrell, excused
 Commissioner Sharon Ferrigno
 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 1:04 pm.

□ 09082016-01 Action item Approval (with possible modifications) of the minutes of the meeting set forth below:

- Regular meeting of August 11, 2016

Staff recommendation: Approve minutes.

Documents provided to Board prior to meeting:
Draft minutes.

- Commissioner Follansbee moved to approve the regular meeting minutes of August 11, 2016.
- Commissioner Lim seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the regular meeting minutes of August 11, 2016.

Motion passed 5-0.

□ 09082016-02 Discussion item

General public comment on matters within the Board's jurisdiction not appearing on today's agenda

- Emma Erbach, Local 21 representative, expressed appreciation to the Board for the voluntary benefits to be offered to all CCSF employees in the next plan year. She stated that the union had received an overwhelming response of support from its members conveying thankfulness. This is the first time that many Local 21 members will have access to the types of voluntary benefits being offered. Also, having these benefits administered by an approved HSS vendor assures members that the programs have been vetted.
- Richard Rothman, retired City employee, stated that as the second largest group in Kaiser, HSS should be provided a dedicated member services line and/or nurse advice line. He also noted that Kaiser's secure email system was a great convenience that allows members to communicate with their doctor, pharmacy or other medical professional. However, he has noticed lately that Kaiser used its secure email system for non-medical issues such as invitations or the completion of other non-confidential forms. He suggested that Kaiser use regular email for non-medical matters as the secure email system requires extra steps to log in as well as creates unnecessary anxiety in members who fear they are being contacted for serious medically-sensitive reasons.

- Mr. Rothman also asked about the existence of a traffic management plan now that Kaiser has opened in Mission Bay. He expressed concern that traffic issues during sporting events may impact members' access.

Public comments: None.

□ 09082016-03 Discussion item [President's Report](#) (President Scott)

Documents provided to Board prior to meeting: None.

- President Scott called the Board's attention to a series of certification programs sponsored by the International Foundation of Employee Benefits Plans ("IFEBP") recently published for 2016-2017. He noted that a course on healthcare cost management will be held in San Jose, California in October 2017. He suggested that Board members view IFEBP's website for additional information if they had not already received a pamphlet in the mail.
- President Scott also expressed concern regarding Covered California's recent announcement of plan increases for 2017. He suggested including this topic in the Board's educational forum on November 10 as the Board reviews trends that impact its work.

Public comments: None.

□ 09082016-04 Discussion item [Director's Report](#) (Director Dodd)

- HSS Personnel
- Operations, Data Analytics, Communications, Finance, Contracts, Wellness/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, Finance and Contracts, Wellness and Employee Assistance Program;

3. Report on the number of grandfathered HSS members with no Medicare A and B so that they know no changes will occur in their current plans.
4. Update on the New City Plan and Kaiser Permanente Medicare retiree benefits educational sessions.
 - Catherine Dodd reported on her Director's report, which may be viewed in its entirety, along with HSS managers' reports, on the myhss.org website.
 - Director Dodd noted that the retiree guides were being hand stuffed due to an irregular size and would be mailed by September 20 in advance of Open Enrollment (October 1-31).
 - Invitations to all of the retiree forums on the New City Plan will be mailed tomorrow.
 - As a follow-up to an inquiry at the last meeting, 18 Medicare A-only retirees (out of approximately 30,000) were grandfathered into in the self-funded PPO City Plan and will remain. There are also two such members who will remain in the Blue Shield COB Plan.
 - President Scott asked whether there had been further progress in allowing HSS staff access to the PeopleSoft system during payroll processing in the month of October for Open Enrollment.
 - Director Dodd stated that HSS will continue to be unable to process benefits on the two Wednesdays prior to pay day. She was appreciative of President Scott's past requests and will pass along his inquiry to the Controller's office.

Public comments: Claire Zvanski, RECCSF representative, asked for clarification on the life care planning sessions scheduled on September 15 and 29 for Kaiser and Blue Shield, and whether these presentations would be extended to UHC members. She also asked for additional information on the 18 retirees with Medicare A who were grandfathered into City Plan and the two retirees who will remain in Blue Shield.

Director Dodd clarified that all members (including retirees) in each plan were invited to advanced care planning workshops.

Director Dodd stated that she did not have specific information on the grandfathered Medicare A-only members. However, she was unable to discuss it because the number was less than 30 individuals and the information was HIPAA protected.

Commissioner Follansbee recommended that individuals not attend Kaiser's Life Care Planning session alone. He suggested that the invitations encourage members to bring along someone who could assist in understanding very complicated information.

Director Dodd stated that a recommendation will be made at the September 15 Kaiser meeting for members to bring someone to the September 29 meeting where a notary will be in attendance.

Ms. Zvanski volunteered to send an email blast to retirees on the Life Care Planning presentation on September 15 and 29.

Ms. Zvanski also strongly urged Board members to take advantage of the IFEBP programs, stating that they were the most beneficial training seminars and conferences when she served as a member on the Health Service Board. She also suggested that as many HSS staff attend IFEBP conferences as the department can afford to send.

□ 09082016-05 Action item

Approval of HSS Adoption and Surrogacy Benefit Plan (Director Dodd)

Documents provided to Board prior to meeting:
Adoption and Surrogacy Assistance Plan summary and policy.

- Director Dodd referenced the adoption and surrogacy plan summary as well as the track changes from the policy's previous version discussed at the prior Board meeting.
- Commissioner Sass suggested setting a cap on reimbursements in Section 7 of the Adoption and Surrogacy Assistance Plan, particularly since it was expanded to include retirees. He noted that baseline information had not yet been obtained on the existing

29,000 CCSF active employees and there was no way to gauge potential interest or participation. He considered a \$300,000 cap as a reasonable amount to devote to the adoption and surrogacy plan.

- Director Dodd confirmed that HSS had no idea how many members would participate in this new plan and that it would take a couple of years' worth of data to determine an appropriate cap. She suggested starting small.
- Pamela Levin, HSS CFO, reported that the funds for this new plan would come from vendor performance guarantees. There were sufficient funds in the trust to finance \$300,000, and up to \$500,000. She suggested starting the program with a certain dollar amount and offered to report back to the Board monthly on the degree of participation.
- Commissioner Sass moved to approve the proposed HSS Adoption and Surrogacy benefit plan for the 2017 plan year with a cap of \$300,000.
- Commissioner Ferrigno seconded the motion.

Public comments: Andreas Power, active City employee, stated that his daughter was born four months ago via a surrogate who was a close family friend. He expressed gratitude for the efforts of many people who contributed to this process and that it was even an option. However, the cost was nearly \$100,000, which he borrowed. He stated that for many, surrogacy and/or adoption are simply a financial impossibility. Providing a modest one-time benefit as proposed by this policy is a great first step but by no means should it be considered an end solution. He urged the Board to be on the right side of history and support the proposal.

Action: Motion was moved and seconded by the Board to approve the proposed HSS Adoption and Surrogacy benefit plan for the 2017 plan year with the addition of a cap of \$300,000 in Section 7 of the Plan.

Motion passed 5-0.

- 09082016-06 Action item

[Approval of Section 125 Cafeteria Plan Revisions](#)
(Director Dodd)

Staff Recommendation: Approve revisions.

Documents provided to Board prior to meeting:
Summary of changes and draft Section 125 Cafeteria Plan revisions. Updating voluntary benefit vendors and clarifying that if a Medicare vendor is no longer contracting with HSS, members must change coverage.

- Director Dodd reported that Section 125 is part of the IRS Code, and requires amending when rules changes are made. She stated that the rules had already been approved by the Board and the document reflected operational policy.
- Commissioner Lim moved to approve the Section 125 Cafeteria plan revisions for the 2017 plan year.
- Commissioner Sass seconded the motion.

Public comments: None.

Action: Motion was moved and seconded by the Board to approve the Section 125 Cafeteria plan revisions for the 2017 plan year.

Motion passed 5-0.

- 09082016-07 Discussion item

[Update on Voluntary Benefits](#) (Employee Benefits Specialists)

Documents provided to Board prior to meeting:
HSS update on voluntary benefits.

- Lisa Garon, Employee Benefits Specialists' representative, reported on the following voluntary benefits to be offered to HSS members for plan year 2017:
 - Aetna Life group term life insurance – guaranteed issue of \$100,000;
 - Kansas City Life short term disability insurance;
 - Voya Financial accident insurance;
 - Voya Financial critical illness insurance;

- LifeLock identity theft protection;
- LegalShield legal plan;
- Pets Best pet insurance (cats and dogs only).
- Director Dodd stated that it was important to note that the guaranteed issue life insurance meant no evidence of insurability or medical exam would be required to enroll.
- Ms. Garon also reported on the online Workterra system that members will use to enroll in the voluntary benefits program. EBS will have a call center with a dedicated toll-free number to answer members' questions as well as assist with the enrollment process.
- President Scott commended the work of EBS and asked Ms. Garon to relay a message to staff from the Board that its diligence, accuracy and member support were profoundly appreciated.

Public comments: None.

□ 09082016-08 Discussion item

Update on the process to determine the sustainability of City Plan for actives and early retirees (Aon Hewitt)

Documents provided to Board prior to meeting: None.

- President Scott reported that this item was a process update to a question on the sustainability of City Plan asked at a previous Board meeting.
- Anil Kochhar, Aon Hewitt actuary, reported on the process to determine City Plan's sustainability for actives and early retirees. He noted that actives and early retirees are pooled together in this plan.
- In May 2015, the Board approved reducing City Plan's 2016 rates for actives and early retirees by subsidizing with its stabilization reserve. One reason for this action was in preparation for implementation of the 2018 excise tax, which has since been delayed.

The excise tax would have created extremely high rates for the early retirees.

- In 2015, the monthly rate for City Plan E-Only members was \$400. The E-Only rate in 2016 is \$85.
- In 2015, the monthly family rate for City Plan members was \$1,200. The family rate in 2016 is \$414.
- City Plan's enrollment grew by 300 active members and families in the first eight months of the 2016 plan year.
- While the interim report is encouraging (6 months of data), a complete account of the 2016 plan year will be made after the normal rating cycle.
- In June 2016, the Board approved the use of City Plan's stabilization reserve for the 2017 plan year. At the end of the normal rating cycle, Aon will review the financial position of City Plan, review the demographics of 2017, determine the rate and recommend steps to the Board to continue to increase the member pool and reduce the risk profile leading to long term sustainability.

Public comments: Claire Zvanski, RECCSF representative, stated that Mr. Kochhar's report was very uplifting as she has long been an advocate of City Plan. She reminded the Board that City Plan belongs to HSS and the Board and is primary over and above all the other plans offered because it is the original Charter mandate to provide a program for all City and County employees and retirees. She stated that retirees are very encouraged by City Plan and she hoped that the new UHC City Plan will continue to save money. She expressed continued concern for the Hetch Hetchy members and stated that most of City Plan's families are in that area because they have no alternative or more affordable health plan. She urged the Board to do whatever it can to sustain City Plan and provide good quality and affordable healthcare for HSS members who have no other options. She thanked the actuaries for their creativity and Commissioner Lim for his suggestion during the rates and benefits process.

- 09082016-09 Discussion item Presentation of Blue Shield of California audit (Aon Hewitt)

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

- Paige Sipes-Metzler, Aon Hewitt representative, reported on Blue Shield's post implementation audit. She thanked Blue Shield and HSS staff for all their support during this audit and stated that they were very open and forthcoming with information.
- In November 2015, Blue Shield of California migrated the claims processed from its legacy system to Facets. Aon's audit assessed the transition as it compared to prior claims processing capabilities as well as Facets' impact on customer service, claims processing and document flow in order to process HSS member claims within Blue Shield's system. See Executive Summary on page 2.
- Dr. Sipes-Metzler noted that during the implementation, Blue Shield was unable to maintain financial accuracy and payment accuracy objectives. Blue Shield also failed to meet claims processing time objectives for several months during this transition; however, customer service targets were met.
- Overall, Blue Shield demonstrated that processes are in place and after the first four months of the transition, it is now meeting claims administration objectives.
- Aon Hewitt recommended that HSS request a status report on payment and financial accuracy in November to ensure that Blue Shield of California is meeting HSS' business objectives. She also recommended that financial timeliness and human accuracy be checked at the end of the year to give Blue Shield 12 full months of review.
- Dr. Sipes-Metzler stated that claims adjustments are an important way to gauge performance. She noted that Blue Shield did

not have a formal objective to complete claims adjustments and did not track turnaround time for these transactions.

- Dr. Sipes-Metzler suggested that for future performance guarantees, HSS ask Blue Shield to consider adopting a target to complete 90-95% of claim adjustments within five business days or seven calendar days.
- Commissioner Sass stated that it would have been helpful to understand the implications of the data presented and the experience of members during this transition.
- Dr. Sipes-Metzler stated her preference to review the information and provide a formal written answer to the Board focusing on eligibility and claims processing.
- Commissioner Follansbee asked about the percentage of claims that Blue Shield deemed to be overpaid, noting that it appeared that after 45 days deductions were automatically made.
- Dr. Sipes-Metzler stated that she would research the answer on Blue Shield's overpayment and respond at a later time.
- Since this was a discussion item, President Scott requested, on behalf of the Board, to instruct HSS staff to work with Aon Hewitt to follow up on the recommendations made.

Public comments: Dennis Kruger, active and retired firefighters' and widows' representative, spoke of a personal billing issue with Blue Shield that continued over three months. He stated that he enlisted the help of Mitchell Griggs, HSS COO, who was able to resolve the matter and Mr. Kruger's financial obligation was reduced to the copay amount. He stated that he just received another bill for \$150 for a tetanus inoculation that Blue Shield also refused to pay after he thought that everything had been taken care of. This new issue has been brought to Mr. Griggs' attention.

Claire Zvanski, RECCSF representative, reported that she had also referred a member who had received a \$3,100 bill from Blue Shield to Mr. Griggs. Members continue to experience difficulties with Blue Shield

and she was hopeful that the issues would be resolved soon. She expressed support for continued monitoring and audits of Blue Shield.

□ 09082016-10 Discussion item

Palliative Care Presentation (Kaiser Permanente and Blue Shield of California)

Documents provided to Board prior to meeting:
Reports prepared by Kaiser Permanente and Blue Shield of California.

- Cindy Green, Kaiser Permanente senior account manager, presented basic information on palliative care, the difference between hospice and palliative care, as well as the two types of care provided by Kaiser Permanente.
- Hospice care is a Medicare sponsored program limited to patients with less than a six-month prognosis who do not want life prolonging or aggressive treatment. It employs a standardized disciplinary team, usually a physician, pharmacist and counselor.
- Palliative care is a counseling service that treats any patient with a serious advanced illness regardless of prognosis and may be provided in a hospital, clinic, nursing home or home setting. It is life-affirming as it supports patients and their families to live the best as possible with illness. The main objective is to help patients articulate their values
- Palliative care employs expertise from various disciplines and could include a larger team of providers depending upon the needs of the patient.
- Kaiser Permanente mainly provides palliative care in a hospital or clinic; however, it is piloting programs in nursing home and home settings.
- Kaiser provides two types of palliative care, specialty care and primary care. Specialty palliative care is transdisciplinary, which includes a team of individuals (i.e., doctors, nurses, social workers, specialists, clergy)

working together and involves a comprehensive process.

- Primary palliative care is managed through the primary care physician. If a patient's condition becomes more complex, he or she may transition from primary care to specialty at any time.
- Kaiser Permanente members may access palliative care by referral from any member of their primary care or specialty care team. There is no additional cost, copay, deductible or any other kind of expense for palliative care services.
- See Kaiser Permanente's palliative care presentation on the myhss.org website.
- Torrie Fields, Blue Shield of California Senior Program Manager for palliative care, presented Blue Shield's approach to the delivery of palliative care. She first thanked Director Dodd for being one of the first employers in the country to address advanced care planning for employees. She stated that she works with the Center to Advance Palliative Care in New York.
- Ms. Fields reported that in a 2011 national opinion poll sponsored by the Center to Advance Palliative Care, it was revealed that 70% of the population expressed the desire to die at home. However, on national average, 70% of the population actually dies in the hospital.
- Surveys on palliative care have indicated that patients want to have or achieve a sense of control of their healthcare and not burden their family.
- Blue Shield's approach to palliative care is to create partnerships to educate and support palliative care providers throughout its system. It is starting with the accountable care organization ("ACO") Hill Physicians and will move to Brown and Toland.
- Blue Shield began a pilot program in March for in-home specialty palliative care with UCSF and Hospice by the Bay that focuses on

individuals with 12 months or less to live, cancer and multiple organ failure. This program will be expanded to CCSF.

- Blue Shield is working on policy and advocacy at state and local levels to remove barriers to accessing palliative care and services to support individuals with serious illnesses.
- Blue Shield is also working on changing its reimbursement structure for members who do not qualify for home-based palliative care to provide outpatient-based palliative care to all members.
- Commissioner Follansbee asked about the biggest obstacles to moving the program forward and recounted his experiences when each of his parents died.
- Ms. Fields responded that the biggest obstacle is getting primary care providers to refer to palliative care. Primary care providers also need to be educated on how to review their patients. Blue Shield is also working with the ACOs to incentivize primary care providers to receive primary palliative care training.
- See Blue Shield's palliative care presentation on the myhss.org website.
- Commissioner Ferrigno departed the meeting during this agenda item.

Public comments: None.

□ 09082016-11 Action item

Vote on whether to cancel October 13, 2016 regular Health Service Board meeting due to Open Enrollment (Director Dodd)

Documents provided to Board prior to meeting: None.

Public comments: None.

- Commissioner Sass moved to cancel the Board's regular October 13, 2016 meeting due to Open Enrollment.
- Commission Follansbee seconded the motion.

Action: Motion was moved and seconded by the Board to cancel the regular October 13, 2016 Health Service Board meeting due to Open Enrollment.

Motion passed 4-0.

□ 09082016-12 Action item

Vote on whether to cancel November 10, 2016 regular Health Service Board meeting and instead hold a Board educational forum (President Scott)

Documents provided to Board prior to meeting: None.

- President Scott suggested that, similar to last year, the Board hold an educational forum to address short term issues as well as longer term trends. This forum would be held in lieu of the Board's regular meeting on November 10, 2016. He asked the Commissioners to weigh in on topics to be presented at this forum.
- Commissioner Lim moved to cancel the Board's regular meeting on November 10, 2016 and instead hold a special Board educational forum.
- Commissioner Sass seconded the motion.

Public comments: Claire Zvanski, RECCSF representative, stated that while she supported the addition of an educational forum, she also expressed concern that the results of the KPMG audit would not be reported in November (the schedule for many years prior to last year's forum). She asked that the Board consider including regular business during the special forum, specifically the financial reports.

Action: Motion was moved and seconded by the Board to cancel its regular meeting on November 10, 2016 and instead hold a special Board educational forum.

Motion passed 4-0.

- 09082016-13 Discussion item Report on network and health plan issues (if any)
(Respective plan representatives)
 - Lisa Garon, Employee Benefits Specialists representative, reported that EBS had been acquired two days prior by Career Builders.

Public comments: Dennis Kruger, active and retired firefighters' and widows' representative, stated that one issue in dealing with Blue Shield's billing process is the threat of referral to a collection agency and the negative impact of on one's credit rating.
- 09082016-14 Discussion item Opportunity to place items on future agendas
Public comments: None.
- 09082016-15 Discussion item Opportunity for the public to comment on any matters within the Board's jurisdiction
Public comments: None.
- Adjourn: 3:34 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

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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.

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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