

SAN FRANCISCO  
HEALTH SERVICE SYSTEM

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# ANNUAL REPORT

# 2023

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# Who We Are

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The San Francisco Health Service System (SFHSS) was established in 1937 as the employee benefits administrator for municipal employees and executes all phases of health benefits administration, including medical, dental, vision, flexible spending accounts (FSA), and a wide array of voluntary benefits for the employees, retirees, and covered dependents of the City and County of San Francisco, San Francisco Unified School District, City College of San Francisco, and Superior Court of San Francisco.



## SFHSS Mission

SFHSS is dedicated to ensuring equitable, sustainable, and quality benefits that enhance the whole-person health and well-being of our members and their families throughout their lifecycles.

We lead with equity to support our members in accessing the care they need when they need it, regardless of personal characteristics such as gender, ethnicity, geographic location, and socioeconomic status. We also strive to engage members in personalized care that centers on disease prevention and equitable services for optimal health.

## Our Values

- Inclusion
- Compassion
- Operational Excellence
- Collaboration
- Alignment
- Accountability

# SFHSS 2023-25 Strategic Plan

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**Foster Equity** through intentional organizational culture, accessibility, inclusion, and belonging.



**Advance Primary Care Practice** and member engagement to ensure the right care, at the right time and place.



**Provide Affordable and Sustainable** healthcare and high-quality well-being services through value-driven decisions and program design.



**Support the Mental Health and Well-Being** of our membership by reducing stigma and addressing barriers to care in partnership with key stakeholders.



**Optimize Service** to maintain and advance exceptional member engagement.

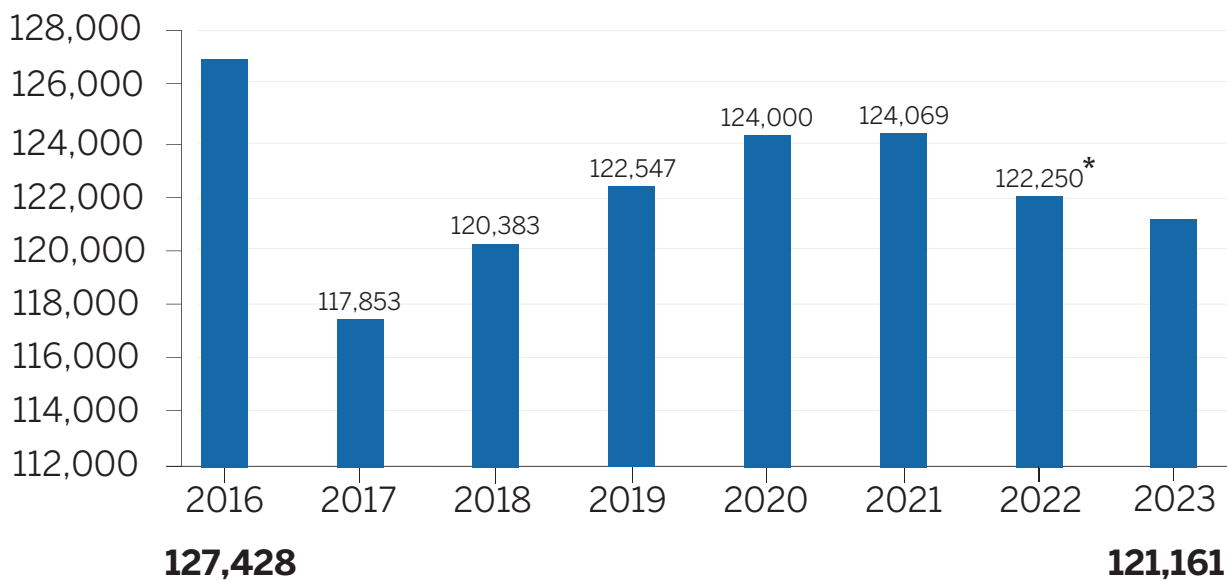
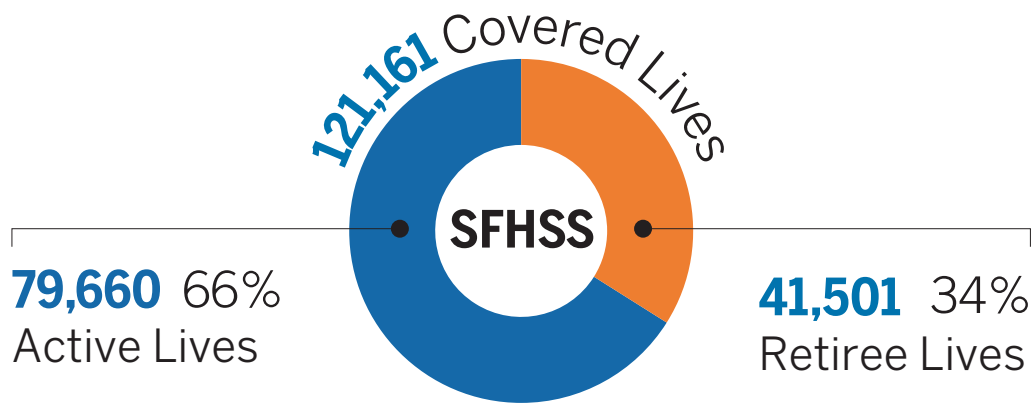
For the full SFHSS 2023-2025 Strategic Plan and Progress Report:

- <https://sfhss.org/resource/sfhss-strategic-plan-2023-2025>
- <https://sfhss.org/resource/january-11-2024-sfhss-strategic-plan-2023-2025-annual-progress-report-health-service-board>

# Who We Serve

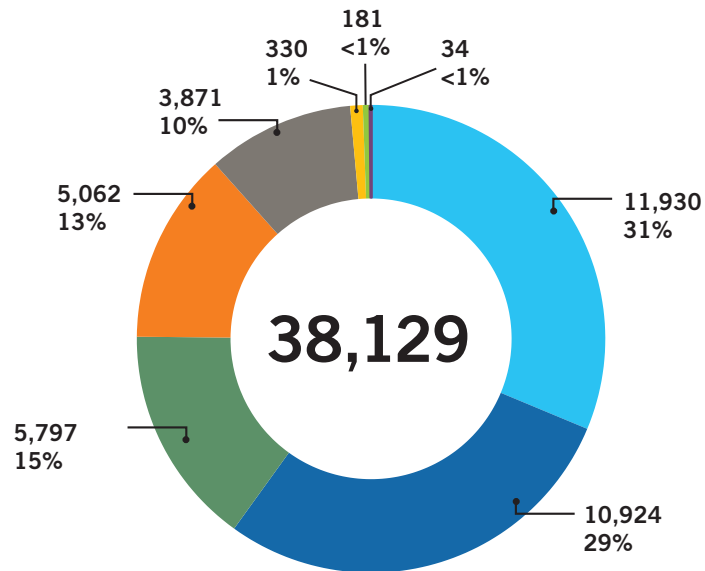
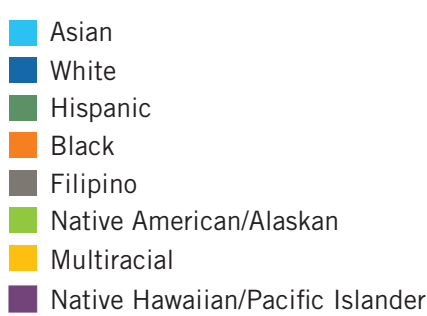


Governed by the Health Service Board, the San Francisco Health Service System designs quality health benefits for employees, retirees, and their families, works to contain premium costs, and encourages employees and retirees to maintain a healthy life.



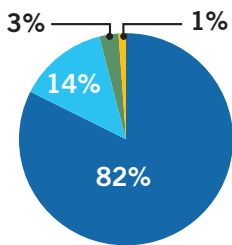
\*Drop in membership reflects employees who left City employment.

## Employees by Race/Ethnicity\*



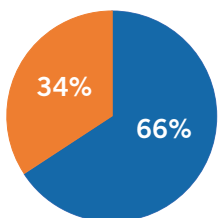
\*Race data was not available for 1,849 enrolled employees.

## Total Enrolled Lives



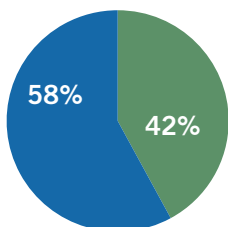
### Total Enrolled Lives by Employer

<span style="color: #0056B3;">■</span> City and County of San Francisco	99,846	82%
<span style="color: #00AEEF;">■</span> San Francisco Unified School District	16,458	14%
<span style="color: #548235;">■</span> City College of San Francisco	3,506	3%
<span style="color: #FFD700;">■</span> Superior Court of San Francisco	1,351	1%
<b>Total</b>	<b>121,161</b>	<b>100%</b>



### Total Enrolled Lives—Active vs. Retiree

<span style="color: #0056B3;">■</span> Active	79,660	66%
<span style="color: #E67E22;">■</span> Retiree	41,501	34%
<b>Total</b>	<b>121,161</b>	<b>100%</b>



### Total Enrolled Lives—Member vs. Dependent

<span style="color: #0056B3;">■</span> Member	70,184	58%
<span style="color: #548235;">■</span> Dependent	50,977	42%
<b>Total</b>	<b>121,161</b>	<b>100%</b>

For the full SFHSS 2023 Demographic Report:  
<https://sfhss.org/resource/2023-sfhss-demographic-report>

# Executive Director's Message

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I'm a big fan of the three-year strategic goal cycle, because we start with our vision for what we want our future to look like. Then, we put a stake in the ground with the BHAGs, Big Hairy Audacious Goals, we want to tackle. Finally, we share our progress with our annual reports. Annual reporting requires we take the time to pause, reflect, and celebrate what we have accomplished, the challenges we have overcome, and any lessons learned from any failures we encountered. Annual reporting helps us track our progress and determine if we need to pivot to move forward.



Last year was the first year of the SFHSS 2023-2025 Strategic Plan. Our 2023 Annual Report reflects our relentless efforts to make a difference. While everyone was ready to move on from the pandemic, it was clear the pandemic was not entirely done with us.

We found ourselves wading through the aftermath of the Great Resignation, where we had to fill open positions in a system that averaged 255 days to hire a City employee. Our partners at the Department of Human Resources diligently worked to reduce the time to hire while also implementing an equitable, fair, and more efficient hiring process. However, we created several pathways to meet our members' needs for Open Enrollment and were able to open our doors for members to receive in-person support.

As the team was furiously working to extend member support, we learned our healthcare premiums were rising unexpectedly, much like the cost of eggs and gasoline. This was unwelcome news that did not reflect our current claims experience or risk score report.

I'm proud to share what we've been able to accomplish despite these challenges. In just one short year, we went from being severely understaffed with a 48% vacancy rate that caused long wait times for members who called in for support to opening our doors for in-person support for the first time since the pandemic shut our doors.

We're partnering closely with our health plan vendors to ensure we advance the practice of primary care to improve the health of our population and improve the availability of Mental Health Services. These system enhancements should help stabilize premiums down the road.

In the face of increasing challenges and healthcare market volatility, I'm proud to share that our staff rose to the occasion by staying true to our mission and values and laying a solid foundation to bring stability that we can build upon. I'm looking forward to further tackling our BHAGS in 2024.

Be Well,

Abbie Yant, RN, MA

# Overview

## Rolling into 2023

SFHSS Operations was excited to start the new three-year strategic goal cycle in 2023 by focusing on ways we were going to Optimize Service for our members. Key amongst this was reopening our office for in-person support, which we were able to accomplish in September. However, just like the ever-evolving COVID-19 virus, we were not immune to the post-pandemic market conditions that brought about the Great Resignation.

At the start of 2023, the Health Service System was experiencing a 48% vacancy rate, which was further compounded by the fact the City of San Francisco was undergoing a huge hiring spree to fill the multitude of vacancies across all City departments. Members were experiencing long wait times on average of nine minutes and 20 seconds where they would have to leave a voicemail, because there wasn't enough Member Services staff to answer their calls.

In times of change and uncertainty, we always turn to our Mission and Values to guide our direction forward. We knew we had to act with compassion and that we would be able to accomplish more through securing alignment and collaboration. Our priority was to meet the needs of our members, so we developed a two-pronged approach to turn the tide.



**Aggressive  
Hiring**

**1. Aggressive hiring** – We collaborated closely with DHR to get our open positions prioritized for posting and hiring. When we started, DHR was averaging 255 days to hire a new employee. The San Francisco Controller's Office, City Administrator, and Department of Human Resources worked together to streamline the hiring process, and they have been able to successfully reduce their hiring process to 150 days.



**Alleviate Call  
Volume**

**2. Alleviate Call Volume** – The team worked to secure as-needed call center support. We knew we had to protect our trained staff's time for more complex issue resolutions and enrollment processing. Every Open Enrollment, we experience a surge in call volume from our members. 75% of those calls do not require the expertise of a benefit analyst. You will see how we collaborated to secure an as-needed call center under the Collaboration Section of our report.

2023 started out as an extremely challenging year. By the end of 2023, we were able to reduce our vacancy rate to 26% and reduce our wait time to two minutes and 24 seconds, which is a 74% improvement.

We are the San Francisco Health Service System, and we are mission-driven to ensure equitable, sustainable, and quality benefits that enhance the well-being of our members and their families. With our San Francisco DNA, we were always destined to innovate our way to a better reality.



# 2023 by the Numbers



## Member Services & Operations

**40,576**

Calls efficiently handled.

**27,711**

Paper enrollments that require manual analyst entry. Not all transactions can be done online.

**10,840**

Enrollments facilitated through eBenefits online system.

**74%**

Improvement on Speed to Answer.



## ESA

**676**

IT support tickets solved.



## Finance

**\$1B**

Premium payment collection and management from both employers and employees.

**\$13.6M**

Operating budget for Finance.

**4,000+**

Premium detailed rates calculated.



## Well-Being & EAP

**5,700+**

Responses to employee Well-Being survey.

**3,394**

Calls to the Employee Assistance Program (EAP).

**2,088**

Flu vaccines were administered at 24 SFHSS-sponsored worksite flu clinics.

**10**

In-person health and benefit fairs to support members during Open Enrollment.



## Communications

**198,659**

Users visited sfhss.org in 2023.

**419**

sfhss.org webpages audited for Digital Accessibility and Inclusion Standards project.

**12,621**

Pounds of paper waste avoided for Open Enrollment mailers.



## Contracts

**134**

Executed agreements for Benefits Administration, Professional Services, and other (NDA, LOA, BAA, MOU, DSA, etc.)

# Collaborative Accomplishments

## Premium Rate Calculator Application

Annually, SFHSS must calculate over 4,000 premium detail rate which are loaded into the benefit administration system to apply correct premium deductions and health plan payments. Each rate has 43 data elements. Processes have been primarily manual and prone to error, and the work effort takes months to complete by staff from both Finance and ESA.

Validation of these rates is also primarily manual, involving multiple staff members from Finance, Contracts, Member Services and ESA.

In 2023, HSS partnered with a vendor to develop a software application to automate the calculation and validation of the rates. The contracts team was essential in the procurement process. Finance and ESA drafted the scope of work and partnered with the vendor on implementation and testing.

### Anticipated benefits from this initiative are:

- Once inputs have been updated with new plan year amounts, rates can be calculated in minutes versus months freeing up resources as well as improving upon other processes that would benefit from having rates available.
- Increased accuracy of rates which alleviates future error corrections and ensures accounting accuracy.
- The Rate Calculator application stores rates over multiple years and allows advanced analysis and modeling.



**4,000+**

Calculated premium detail rate annually.

## Extending Member Support

The SFHSS Member Services division experienced a 48% vacancy rate for a large portion of 2023. In anticipation of the increase in workload and call volume during Open Enrollment, Operations worked with the Contracts division on an expedited RFP for a personal services contract for as-needed call center services to support our Member Services unit during the high-volume call months for Open Enrollment.

Member Services and ESA collaborated to train and enable the vendor call center agents to answer a variety of inbound calls. ESA helped to integrate call systems for routing and escalation of member issues. ESA enabled the vendor to access certain HSS systems by creating new roles and administrative controls.

ESA developed first-time protocols for the vendor to access production systems such as PeopleSoft and Salesforce where case flows for escalation and communication between the vendor and HSS Member Services could be tracked.

The contracted as-need call center services allowed our HSS benefit analysts to focus on more complex member issue resolutions and the time needed to process open enrollment transactions more efficiently.

**48%**

SFHSS Vacancy rate reduced to

**26%**



## Digital Accessibility and Inclusion Standards Mandate

The Committee on Information Technology (COIT) issued a Citywide mandate to adopt a new Digital Accessibility and Inclusion Standards (DAIS). Every department could either transition website management to the Department of Technology (DT) or they could choose to do the work to comply. After conducting an accessibility audit on the sfhss.org website, we made the decision to retain control and management of our site. This path allowed us to maintain or expand the functionality of existing tools, and develop new tools that our members value, such as our calendar of events or retiree cost calculator.

Every division within SFHSS has participated in this project. As the project lead, the Communications Team collaborated with ESA to define the project scope and provide a project manager to keep the project on track. They worked with Finance and Contracts to secure a vendor to support the project by conducting an accessibility audit to identify areas we need to improve to meet the mandate.

The vendor also made recommendations and implemented global site changes to improve user experience. Content owners, including Well-Being, EAP, Board Secretary, Communications, and Contracts, are responsible for reviewing and updating the content on each of their division pages to be at the appropriate reading level and to meet the best practices defined in the DAIS.



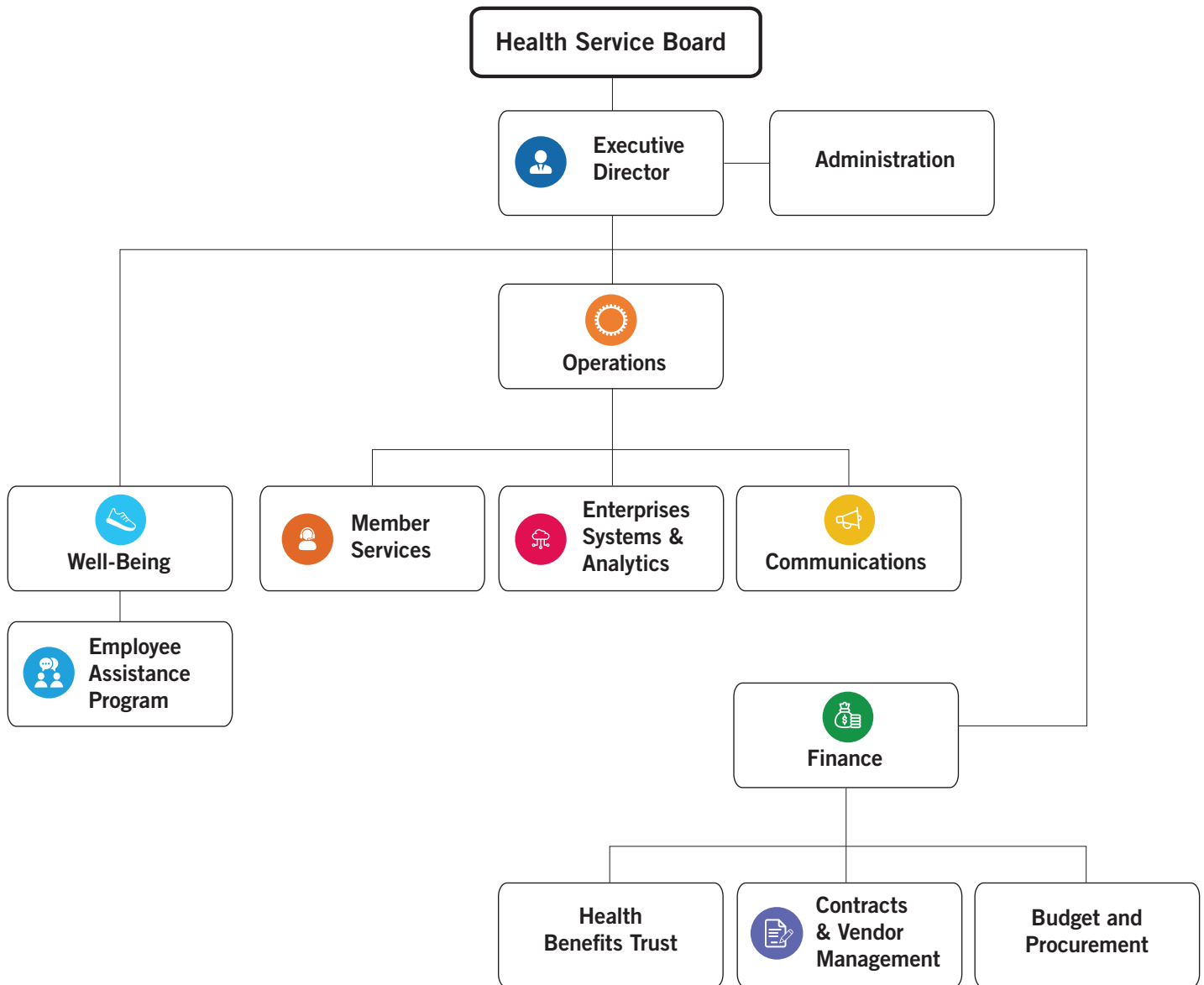
# 419

Web pages on sfhss.org that need to be reviewed and updated to be compliant with DAIS.



Every division within SFHSS has participated in this project.

# SFHSS Divisions



# Division Roles

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## Executive Support

### Board Secretary & Assistant to Executive Director

Manages the affairs and operations of the Board. Ensures that the Commission operates in accordance with the City Charter, Administrative Code, Brown Act, Sunshine Ordinance, and City policies. Prepares Commission agendas and assists in preparation of staff reports. Administers annual Board Self Evaluation and assists Commissioners in achieving their goals. Coordinates Board Education schedule and required annual trainings. Supports annual rates and benefits package submission to the Board of Supervisors. Coordinates Board Election.

### Senior Health Program Planner & Equity Lead

Supports the Executive Director with the strategic plan and special projects. Leverages Citywide Racial Equity Framework to apply in policy, practice, program, and budget decisions, regional and national best practices, and strategies to institutionalize racial equity, and leadership development tactics focused on complex, changing environments.

## Well-Being

The SFHSS Well-Being Team helps our members to feel, live, and be Better Every Day. We support our members in focusing on healthy behaviors, emotional well-being, and condition and prevention management. The SFHSS Well-Being Division has several core functions: the Employee Assistance Program (EAP), Well-Being@Work, retiree services, healthy behavior campaigns and challenges, and targeted intervention programs.

### Employee Assistance Program (EAP)

The SFHSS Employee Assistance Program (EAP) offers free, confidential & voluntary services for employees at all levels, including individual counseling, leadership consultations and coaching, workplace mediation services, organizational consults, workshops, or training on topics such as managing stress, effective communication, dealing with difficult people, and Critical Incident Response.

## Member Services

The Member Services division, through an on-site call center, assists members with navigating their healthcare benefits and services. The primary objectives are to provide support and guidance to members in understanding their coverage options, accessing healthcare resources, and resolving any issues or concerns they may encounter.

## Enterprises Systems & Analytics (ESA)

The Enterprise Systems & Analytics Division (ESA) provides support for technology key to delivering mission critical services. These enterprise systems enable HSS staff to support our members effectively and include Cisco Contact Center for our call center, Hyland Perceptive Content for digital member files, Salesforce Service Cloud to track and manage member issue resolution, and Peoplesoft Human Capital Management for benefit administration.

The extremely versatile ESA team provides a range of services from application programming, configuration, design, and process monitoring to cybersecurity protection and response to systems procurement and integration, and compliance reporting.

## Communications

The benefits and services SFHSS provides to its members are often broad, complex, and nuanced. The Communications team develops creative solutions to educate and inform members about their benefit options, costs, critical deadlines, and changes to their benefits.

We work to advance the mission of SFHSS by engaging members in preventative care services and promoting healthy lifestyles.

## Finance

SFHSS Finance manages the administration of contracts for benefits that cover the lives of 121,161 SFHSS members including active employees, retirees and their dependents. Finance manages the health benefit trust, prepares financial statements, monitors the claims trend, supports the external and internal audits, performs renewal calculations, collects the premiums, pays invoices to both operations and health plan vendors, including health, vision, dental, life, long-term disability, flex benefits, and COBRA.

## Contracts

The Contracts Administration unit manages the negotiation and execution of department contractual agreements, all procurements and competitive solicitations requiring an agreement with the City, vendor contract disputes, and contract performance evaluation programs, compliance and monitoring, and review of annual plan materials (i.e., Evidence of Coverages, Summaries of Benefits, Annual Notices of Change).

# Divisions Accomplishments



## Executive Support

### Board Secretary & Assistant to Executive Director

- Prepared agendas and materials for 13 Board meetings.
- Assisted preparation for 8 Board Education presentations.
- Welcomed new Board member and oversaw orientation and training.
- Presented 2022 Board Self-Evaluation.
- Initiated the 2023 Board Self-Evaluation.
- Introduced procedures for the 2024 Board elections. Two seats available in May 2024.
- Assisted Board in updating the Board's Governance Policies and Terms of Reference.

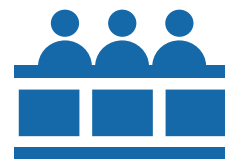


13

Prepared agendas and materials for Board Meetings.

7

Health Service Board Commissioners



8

Board of Education Presentations were assisted and prepared.



### Senior Health Program Planner & Equity Lead

- Served as an SFHSS representative at the California Department of Managed Health Care (DMHC), Health Equity and Quality Committee Meetings.
- Appointed as a Purchaser Business Group on Health (PBGH) Member Advisor in support of health equity policy analysis and development.
- Monitored the department's progress towards achieving our 2023-2025 strategic goals.
- Collaborated with U.C. Berkeley study on the efficacy of Accountable Care Organization.

## Well-Being

- Hosted the biennial Well-Being@Work Award Ceremony with 140 attendees across 28 City departments with 16 Executive Directors who championed for the health and well-being of their staff. The event recognized Key Players for their excellence in engagement and execution of their department’s well-being strategic plan.
- Supported a network of 200+ Well-Being Key Players across 39 out of 55 City departments.
- Conducted 4 Key Player trainings on topics including Offering Programs at the Workplace, Supporting Employee Mental Health, Well-Being@Work Overview, and Flu Prevention and Open Enrollment.
- 2,088 flu vaccines were administered at 24 SFHSS sponsored worksite flu clinics.
- Provided a 6-week physical activity challenge, *Well Traveled*.
- Planned and hosted 10 in-person health and benefits fairs to support members during Open Enrollment.
- Facilitated Retiree focus groups with panelists that included current retirees, various department representatives and internal stakeholders to obtain feedback on vendor programs and learn what type of program or support services are desirable for our retiree population.



**5,700+**

Responses secured from a Well-Being survey that will inform future programs for employee well-being.

## Employee Assistance Program

### Mental Health Awareness Month

- Offered 9 Webinars on resiliency, managing stress, and general mental health.
- Hosted 18 group exercise classes ranging from meditation and yoga to tai chi.

### CredibleMind Engagement

- 3,040 users accessed CredibleMind.

#### Audience Behavior:

- 49% used a resource
- 20% read something
- 13% completed an assessment

### First Responder Support

- 44 first responders from SFFD and SFPD attended a Mental Health First Aid pilot that focused on specific training tracks for the first responder population.
- Expanded First Responder EAP services to 4 City Departments (Department of Emergency Management, Fire, Police, and Sheriff’s Office which included access to a culturally competent clinician network.
- Transitioned to a new first responder wellness app, *Lighthouse*.



**117**

Organizational consults.

**1,319**

Cases resulted out of EAP call representing a 27% increase from prior year.

**19%**

Achieved a increase in program engagement compared to prior year.

## Member Services

- Successfully documented and implemented a standardized operating procedure for new retirees, streamlining the compliance process and ensuring a smoother transition into retirement for members.
- Implemented a personal services contract with VSA to provide additional support to manage the heavy volume of Open Enrollment calls.
- Recruited and hired a Senior Benefits Analyst dedicated to overseeing the documentation of standard operating procedures for the Member Services Division to ensure consistency, compliance, and quality assurance in service delivery.
- Supported City College of San Francisco, San Francisco Police Department (SFPD), and San Francisco Fire Department (SFFD) through presentations on the benefits enrollment process for their new retirees.
- Participated in all SFDHR hosted New Employee Orientations to departments by conducting presentations for newly hired employees on enrolling for health benefits, empowering employees to make informed decisions about their healthcare coverage and ensuring a smooth onboarding process.



**48,618**

Total calls to the Member Services in 2023.

**1,437**

Number of in-person visits during SFHSS office hours.



## Enterprises Systems & Analytics

### Vendor System Integration

- Modified Blue Shield HIPAA EDI files to better identify and resolve enrollment discrepancies.
- Implemented KP inter-regional plans within our benefits administration system and in the EDI files HSS transmits to reduce enrollment discrepancies for members disenrolling from one region and enrolling into another region.
- Modified the ComPsych eligibility file to enhance EAP counseling offerings for first responders.

### Audits & Assessments

- Conducted annual maturity assessments and business impact analyses.
- Successfully completed the first annual IT audit component of the HSS annual audit.

### Systems Enhancement

- Modified the design of the Citybase member online payment program to eliminate recurring costs related to required file changes.
- Modified PeopleSoft program logic for improved processing of delinquency calculations for the split pay period.
- Modified the KP payment file layout to improve financial reconciliation efforts.



**676**

IT support tickets solved.

**62%**

First touch resolution.

**31%**

Of all IT support responded to within first hour.



## Communications

### Open Enrollment

- Overhauled all four 2024 plan year Benefits Guides to improve clarity and provide more consistency in the content. Combined the City and County of San Francisco benefit guide with the Superior Court of San Francisco, and Municipal Executives guides.
- Developed 87 new Open Enrollment letter templates to ensure members received custom rates.
- Organized vendor office hours to support members with plan questions and reduce Member Services call volume.
- Educated members on increase in premium rates and how they could switch to a more affordable plan.

### SFHSS.org Improvements

- Completed phase two of the 3-year Digital Accessibility and Inclusion Standards mandate, where we audited our website to identify areas for improvement and worked with our vendor to develop and implement global changes to improve accessibility across our website, such as translation of our web content to 4 key languages, improving screen reader experience.
- Launched the Retiree Health Benefits Premium Calculator to help prospective retirees plan for the cost of health benefits in retirement.
- Revamped the sfhss.org homepage with improved navigation and search functionalities.

### Dashboards Reports and Presentations

- Updated all member facing presentations, including New Employee Benefits and New Retiree benefits presentations.
- Developed new Operations Dashboard for monthly Director's Report to the board.
- Developed SFHSS Annual Report and design and/or content support for Demographics Report, SFHSS Risk Score Report, 10-County, Racial Equity, and Strategic Report.



**15**

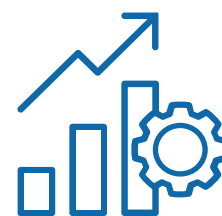
Vendor-led Webinars Organized.

## Finance

- Outstanding trust management as evidenced by clean independent audit report.
- Built a long-term forecast of the Health Sustainability Fund to ensure the long-term solvency of the fund.
- Implemented an online budget template using One Drive to streamline department manager review and achieve a faster turnaround for budget reports.
- Enhanced reporting for position control and labor budget.

**\$1B**

Managed benefits costs in the fiscal year 2022-23.



**\$13.6M**

Directed operating budget in 2022-23.

**\$1.9M**

Interdepartmental work orders maintained across 22 departments.



## Contracts

- Aligned performance guarantees and equity reporting across our health and dental plans.
- Met compliance reporting for SFHSS' City ordinance.
- Completed annual renewal of health plans, including the review of annual health plan materials (i.e., Evidence of Coverages, Summaries of Benefits, Annual Notices of Change).
- Initiated Request for proposal for Medicare Advantage PPO plan.
- Reduced time to renew plan year benefit contracts by 19 days compared to calendar year (CY) 2022).
- Improved average length of request for proposal/ competitive bid process (RFP issuance notice of award) from 71 days (CY2022) to 64 days (CY2023).
- Negotiated with legacy EAP vendor for the provision of behavioral counseling and critical incident response services for first responders following the announcement by the incumbent vendor of plans to exit the EAP marketplace.
- Completed expedited RFP for as-needed Call-Center Services to mitigate impact of vacancies during Open Enrollment high volume call months.
- Developed and executed benefit exceptions and in-network agreements for mental health and substance use disorder benefit and access to International Association of Firefighters (IAFF) Center of Excellence for first responders enrolled in health plans through SFHSS.
- Supported the SFHSS Well-Being Division in the expansion of mental health, EAP, and well-being support for First Responders.



**38**

Health Plans from 10 vendors.

Medical: **11** HMO; **7** PPO  
 Dental: **3** HMO; **2** PPO  
 Vision: **2**  
 FSA: **2**  
 Group Life Insurance: **5**  
 Long-Term Disability Insurance: **5**  
 COBRA: **1**

Total Health Benefits and Benefits Administration Agreements	<b>13</b>
Total Professional Services (including technology) Agreements	<b>20</b>
Total Additional/Miscellaneous Agreements (e.g., NDA, MOU, BAA, Assignment, LOA, DSA, letter agreements)	<b>101</b>

# Premium Rate Increase

The SFHSS Finance team has always taken pride in providing prudent forecasting of premium costs to the Controller's Office based on thorough research of our actual past year claims data, risk score report, national healthcare costs, and the 10-County Report on healthcare cost for the 10 largest counties in California. Despite our best efforts, we experienced higher-than-anticipated increases in healthcare premiums of three to 15%, and we were not alone. All our benchmark top 10-counties and the CalPERS health system had to mitigate the rate increases with their stakeholders and members.

There were three main healthcare cost trend influencers driving healthcare premiums higher:

- 1. Rising general inflation** – Just like all of us feeling the pinch at the gas pump, grocery store, and our utility bills, our healthcare providers, hospital systems, and prescription pharmaceuticals are facing inflationary pressures as well.
- 2. Aging workforce** – The older we get, the more care we will need, and City's workforce is aging.
- 3. Worsening health of the workforce** – More and more younger adults are getting chronic conditions.

The economy-wide inflation will likely drive wages up in the healthcare sector, which may, in turn, drive negotiated prices up with health plans. Group medical plans often see a delay in price increases appearing in medical claims because provider contracts are renegotiated every two to four years.

Understanding this dynamic, HSS worked diligently to align with similar government employers in California to understand how they were managing the increase in the cost of care with their membership. We modified our Open Enrollment materials to inform the most impacted members about the rate increases and educate them on other plan choices that may save them money.

As we reflect on the cost drivers influencing the premiums, we believe we have the right strategic goals in place to stem the tide. Working to **advance the primary care practice** and **support the mental health and well-being** of our membership will pay dividends in future negotiations. Our path to maintaining **affordable and sustainable health benefits** will always be through equitably improving the health and access to quality care for our membership.



**Advance Primary Care Practice**



**Support the Mental Health and Well-Being**



**Affordable and Sustainable Health Benefits**

# Annual Expenditures

HSS annual expenditures increased in FY 2024 as we are filling in vacancies. Dollars are in thousands.

	FYE 22 Act.	FYE 23 Act.	FYE 24 Budget
General Fund FTE's	43.38	37.65	47.65
Healthcare Sustainability Fund FTE's	8.35	4.75	9.35
<b>Total FTE's</b>	<b>51.73</b>	<b>42.40</b>	<b>57.00</b>
<b>Operating Expenditures</b>			
Personnel Salaries	5,422	5,411	6,309
Mandatory Fringe Benefits	2,572	2,517	2,614
<b>Personnel Total</b>	<b>7,994</b>	<b>7,928</b>	<b>8,923</b>
<b>Non-Personnel Services</b>			
Training and Travel	1	26	30
Software Licenses	144	122	170
Contracts	1,847	2,125	2,273
Other	26	20	50
<b>Non-Personnel Total</b>	<b>2,017</b>	<b>2,293</b>	<b>2,523</b>
Materials & Supplies	47	35	44
Services of Other Departments	1,855	1,923	2,372
<b>Total Expenses</b>	<b>11,913</b>	<b>12,180</b>	<b>13,862</b>

# Financial Statement

## STATEMENTS OF NET POSITION AVAILABLE FOR HEALTH BENEFITS June 30, 2023 and 2022

	2023	2022
<b>Assets:</b>		
Cash and investments held with City and County Treasurer	<b>\$119,966,897</b>	<b>\$119,173,140</b>
Contributions Receivable from:		
Employer	22,449,347	21,379,614
Employees	5,093,079	4,701,877
Interest Receivable	990,281	137,285
Other assets	5,201,095	3,876,427
<b>Total assets</b>	<b>\$153,700,699</b>	<b>\$149,368,353</b>
<b>Liabilities:</b>		
Reserves for Claims – Medical, Prescription Drugs and Dental	28,152,248	32,604,739
Health Maintenance Organization, Dental, and Disability Premiums Payable	6,805,393	6,142,708
Unearned Contributions	3,998,587	3,805,264
Total Liabilities	48,956,228	42,552,711
<b>Net assets available for health benefits</b>	<b>\$104,774,471</b>	<b>\$106,715,642</b>

To see the accompanying notes, which are an integral part of these financial statements, please visit:

<https://sfhss.org/resource/november-9-2023-mgo-audit-results-financial-statements-fye-62023>

**STATEMENTS OF CHANGES IN NET POSITION AVAILABLE  
FOR HEALTH BENEFITS  
June 30, 2023 and 2022**

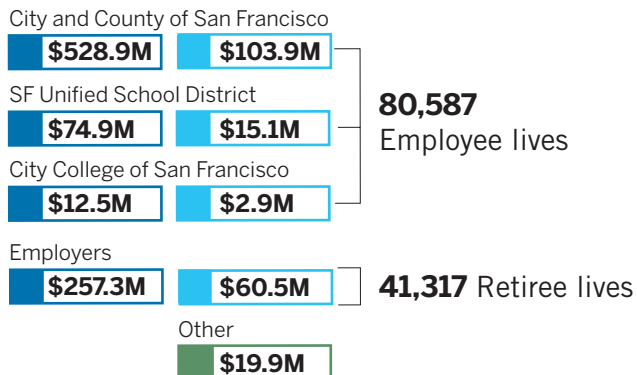
	2023	2022
<b>Additions:</b>		
Employee and Retiree Contributions	<b>\$182,342,541</b>	<b>\$176,214,171</b>
Employer Contributions for:		
Active Employees	616,358,924	607,990,137
Retired Employees	257,258,622	253,003,608
<b>Total contributions</b>	<b>\$1,055,942,087</b>	<b>\$1,037,207,916</b>
Plan Providers penalties and forfeitures	16,872,973	1,030,403
<b>Investment earnings:</b>		
Net increase (decrease) in Fair Value of Investments	(314,739)	(3,614,512)
Interest income	3,300,956	877,994
<b>Total investment earnings</b>	<b>2,986,217</b>	<b>(\$2,736,518)</b>
<b>Total additions</b>	<b>\$1,075,801,277</b>	<b>\$1,035,501,801</b>
<b>Deductions:</b>		
City Health Plan Health Benefits	146,875,014	133,857,182
Health Maintenance Organization Health Benefits	830,094,294	822,743,736
Vision Benefits	9,965,496	9,269,705
Dental Benefits	63,088,278	61,708,113
Disability and Flexible Benefits	27,749,366	27,108,930
<b>Total deductions</b>	<b>\$1,077,772,448</b>	<b>\$1,054,687,666</b>
<b>Change in net assets available for health benefits</b>	<b>(\$1,971,171)</b>	<b>(\$19,185,865)</b>
<b>Net position:</b>		
Beginning of year	106,715,642	125,907,507
End of year	<b>\$104,744,471</b>	<b>\$106,715,642</b>

To see the accompanying notes, which are an integral part of these financial statements, please visit:

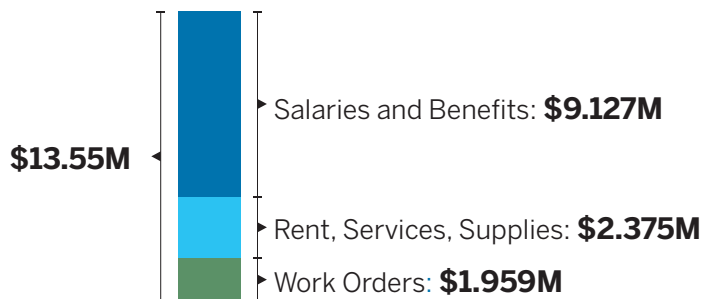
<https://sfhss.org/resource/november-9-2023-mgo-audit-results-financial-statements-fye-62023>

# Funding and Affordability

## Trust Fund Contributions FY 22-23



## Administrative Budget FY 22-23



- Employer Contributions
- Employee/Retiree Member Contributions
- Performance Guarantees, Federal Reimbursements, Interest

## Health Premium Costs by Vendor FY 22-23

### Medical Total Spend

Kaiser Permanente HMO: **\$408.1M**  
 Blue Shield of CA HMOs: **\$343.6M**  
 Blue Shield and UnitedHealthcare PPO: **\$146.5M**  
 Health Net CanopyCare HMO: **\$4.3M**

### Other

P&A Group (FSA): **\$15.8M**  
 AETNA Long-Term Disability Insurance (LTD): **\$6.1M**  
 AETNA Group Life Insurance: **\$1.7M**  
 Workterra (Flex Credits): **\$4.2M**

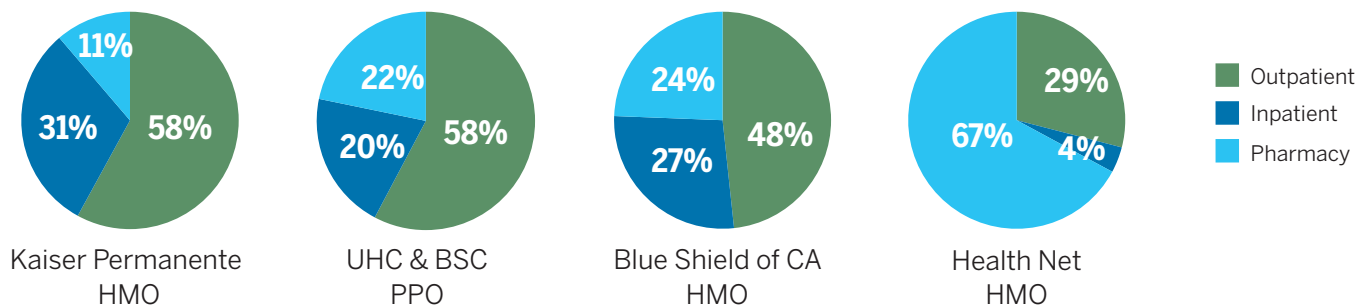
### Dental and Vision Total Spend

Delta Dental PPO: **\$62.7M**  
 UHC Dental DHMO: **\$4M**  
 VSP Vision Service Plans: **\$10.0M**

## 38 Plans from 10 Vendors

Medical: **11** HMO; **7** PPO  
 Dental: **3** HMO; **2** PPO  
 Vision: **2**  
 FSA: **2**  
 Group Life Insurance: **5**  
 Long-Term Disability Insurance: **5**  
 COBRA: **1**

## Non-Medicare Spend by Category



# Health Service Board President

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## Closing Statement on Behalf of the HSS Board



The San Francisco Health Service System Board (Board) is dedicated to making high-quality and affordable medical, dental, and vision care benefits available to SFHSS Members. We are also committed to administering the Trust in accordance with the City Charter solely for the benefit of SFHSS Members. The Mission, Vision, and Core Values of the 2023-2025 HSS Strategic Plan have framed our efforts for the results and accomplishments defined in this 2023 Annual Report.

On behalf of the HSS Board, I wish to commend HSS leadership and administrative staff under the outstanding leadership of Executive Director Abbie Yant for their continued commitment and unwavering dedication to providing quality customer service to HSS members despite Staff shortages. The Board renews its commitment to be active in the implementation, assessment, communication, and evaluation of the Health Service System Strategic Plan as we seek to better serve our members through responsible stewardship of HSS benefit administration processes and operational services.

### **Randolph R. Scott, President**

Mary Hao, Vice President  
Karen Breslin, Elected Commissioner  
Chris Canning, Elected Commissioner  
Matt Dorsey, Board of Supervisors Appointee, District 6  
Stephen Follansbee, MD, Mayoral Appointee  
Claire Zvanski, Elected Commissioner



# Health Service Board

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## 2023 Health Service Board Commissioners



### **Randolph Scott, President**

**City Controller Appointee**

Current Term: May 2020–May 2025

*Chief Human Resources Officer  
Institute on Aging*



### **Mary Hao, Vice President**

**Mayoral Appointee**

Current Term: May 2019–May 2024

*City of Oakland  
Director of Human Resources Management*



### **Karen Breslin**

**Elected Commissioner**

Current Term: May 2019–May 2024

*Retired Adult Probation Officer  
City and County of San Francisco*



### **Chris Canning**

**Elected Commissioner**

Current Term: May 2019–May 2024

*SFPD Captain  
San Francisco Police Department*



### **Matt Dorsey**

**Board of Supervisors Appointee**

Current Term: May 2023–May 2027

*District 6 Supervisor  
San Francisco Board of Supervisors*



### **Stephen Follansbee, MD**

**Mayoral Appointee**

Current Term: May 2020–May 2025

*Retired Physician*



### **Claire Zvanski**

**Elected Commissioner**

Current Term: May 2020–May 2025

*Retired  
Municipal Transportation Authority  
City and County of San Francisco*

# San Francisco Health Service System

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## 2023 Health Service System Executive Team



**Abbie Yant, RN, MA**

*Executive Director*



**Holly Lopez**

*Health Service Board  
Secretary*



**Rey Guillen**

*Chief Operating Officer*



**Iftikhar Hussain**

*Chief Finance Officer*

# Contact Us

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## **SAN FRANCISCO HEALTH SERVICE SYSTEM**

1145 Market Street, 3rd Floor  
San Francisco, CA 94103

### **Telephone Hours:**

Monday, Tuesday, Wednesday,  
and Friday from 9 a.m. to noon  
and 1 p.m. to 5 p.m.

**Main:** (628) 652-4700

**Fax:** (628) 652-4701

[sfhss.org](https://sfhss.org)

