

May 9, 2019

TO: Karen Breslin, President, and Members of the Health Service Board
FROM: Abbie Yant, RN, MA Executive Director SFHSS
RE: April 2019 Board Report

Each Mind Matters

In recognition Mental Health Awareness Month – May 2019, SFHSS would like to recognize our Employee Assistance Counselors who do an awesome job serving active employees with their mental health needs. Providing in house or on-site counseling services along with group training throughout the year. The EAP counselors are often a bridge to the health plan's mental health providers. They are actively engaged in working with the plans to ensure that the needs of our members are met.

Our EAP Team

Jeff Lintner, LMFT #27326, CEAP

Sr. Employee Assistance Counselor

Kathy Knudson, LMFT #38737, NCC, MAC, LAADC

Employee Assistance Counselor

Jeannette Longtin, MBA, LMFT #20579

Employee Assistance Counselor

<https://www.eachmindmatters.org/>

Mid-year Special Enrollment for Voluntary Benefits

As you will recall, SFHSS worked with Employee Benefits Specialists (now Workterra) and selected seven voluntary benefits to expand offerings to all active City and County employees beginning in plan year 2017. These post-tax benefits are supplemental life, short term disability, pet insurance, etc. Every year since 2017 we have continued the partnership with Workterra to improve these benefits and have offered enrollment during our annual October open enrollment. This year we have planned a mid-year special enrollment for these benefits beginning on May 13th and ending May 31st. Workterra will be sponsoring a Webinar on May 9th that will cover all the benefits available to eligible employees and will include representatives from each plan. The Webinar will be recorded and available after the event for those who could not attend. Voluntary benefits are individual plans and paid through post-tax payroll deductions. This special enrollment does not include our medical, dental and flexible spending accounts as these benefits are pre-tax and can only be offered during our October annual open enrollment.

Tax Updates

We have included a Legislative Update report on the excise, and healthcare insurance taxes along with CMS Proposed Rules.

Vendor Negotiations and Black Out Period – Reminder

The HSB approved the vendor Black Out period commencing November 9, 2018.

We are pleased to present for your approval today the health plan proposals and rates for our medical and dental plans. In June we will present the Medical Advantage Medicare Plans (MAPD) for approval.

Therefore, this blackout period is still in effect. The current version of the ***Rates and Benefits Calendar*** is in your meeting packet.

Verity Bankruptcy

I have attached the press release from Verity Health along with the member notice from Blue Shield of California. These have been tumultuous times for the Seton Hospital and Seton Coastside. SFHSS appreciates the plans working with our members to navigate their care.

Fertility Benefit

Infertility and Assisted Reproductive Technology Benefits Update

SFHSS is in the process of gathering input from subject matter experts, network health plans, and clinical research to ensure that current infertility and assisted reproductive technology benefits coverage supports best practice approaches for our membership. The current state of coverage provided in our medical plans is based on:

Rationale

- Relevancy to all kinds of families regardless of sexual orientation, single or partnered.
- Medical treatment that is supported by evidence-based research to ensure a healthy live birth
- Responsible stewardship of the resources needed to provide this benefit
- Recognition of infertility as a disease of the reproductive system that impairs the body's ability to perform the basic function of reproduction (American Society of Reproductive Medicine, 2019).
- Recognition of Assisted Reproductive Technology (ART) as a fertility treatment option(s) by definition of the Center for Disease Control (2017).
- Studying benefit design based on disease diagnosis (infertility) vs. fertility benefits (ART) that are designed to treat an individual(s) who fail to conceive after a prescribed time period.
- Acknowledgment of State Infertility Insurance Laws for California in relation to infertility and assisted reproductive technology benefits coverage
- Alignment to the SFHSS Strategic Goals

SFHSS recognizes the increasing complexity involved in navigating healthcare systems, including the arena of infertility and assisted reproductive technology. To address this SFHSS is staying on top of changes in the market and getting inspired by how leaders in the field respond to the evolving benefits landscape associated with infertility and ART coverage. SFHSS is researching the tax implications involved in removing the requirement for a diagnosis of infertility. A policy review and data analysis are also underway to discern utilization, mitigate benefit abuse, ensure equal access, and address perceived barriers for all kinds of families regardless of sexual orientation, single or partnered. SFHSS remains committed to inclusivity as a Guiding Principle engrained in our Strategic Plan.

SFHSS Strategic Plan – A Quick Look at Cascade

All 52 Initiatives in the SFHSS 2020-2022 Strategic Plan are now organized in Cascade under the following categories with % distribution as follows: Affordable and Sustainable (13%), Reduce Complexity and Fragmentation (8%), Engage and Support (21%), Choice and Flexibility (12%), Whole Person Health and Well Being (17%), Organizational Excellence (12%) and Key Performance Indicators (17%). Cascade can produce actionable dashboards and reports using widgets, graphs, and data integrations that SFHSS will use to report operational metrics and key performance indicators (KPIs). SFHSS Divisions are continually developing Key Performance Indicators (KPIs) – measurable values that show our organization's progress toward tracking Strategic Plan Initiatives. Cascade captures the progress of the Strategic Plan Initiatives by tracking the activities, developing baselines, and setting benchmarks that define success for an initiative. All reports and data values shown in accompanying slides are for reference purposes only. SFHSS-specific Cascade reports are currently in progress and will be reported in full later in the year.

Unified School District

We have recently agreed to include USD members in our ebenefits rollout with this year's Open Enrollment. We are also in conversation with them about administrating their dental benefit.

Follow-up from Prior Board Meetings

Risk Scores Report

During the presentation of the 2019 SFHSS risk scores during the April Health Service Board meetings, questions were asked regarding the rate adjusted calculations. The Management Report contains a piece of information explaining the steps for calculating the risk adjusted value.

The rationale for why the UHC City Plan administrative fee is lower for Medicare eligible but not enrolled members, relative to other City Plan members

The Medicare eligible but not enrolled group in City Plan is processed as if they are secondary to Medicare – since they are supposed to have Medicare. Thus, their ASO fee is lower because there is less required to process their claims given, they are treated as City Plan is secondary to Medicare.

Delta Dental

At the April HSB meeting, there was a robust discussion about the Delta Dental benefit. Questions regarding utilization, plan's design changes over the years and understanding how the new Smileyway benefit is being rolled out. These questions are addressed in attachments to this report.

Tracking List of Issues from Prior Board Meetings

- SFHSS Risk Management Policy
- Relationship with Workers Compensation
- Other Postemployment Health Care Benefits (OPEB)
- Plan Comparisons
 - Opioid Epidemic – Impact on Chronic Pain patients

Attachments: April 2019

Management Reports
Verity Health Press Release
BSC Member Notice
Legislation Update Report
Delta Dental:
 Contract Changes PPT
 Question Follow Up
 Utilization Data
A Quick Look at Cascade

SFHSS DIVISION REPORTS –April 2019

PERSONNEL

Welcome to Raida Aldosari who started on 4/23 as one of two 9910 Interns in our Wellbeing Division

- 0931 Well Being Manager – recruitment underway
- 0931 Contracts Manager – recruitment underway
- 2820 Sr. Health Planner – applications closed and under review
- 1209 – 1 Benefits Technician position open -recruitment underway
- 1813 – 1 Senior Benefits Analyst position open –recruitment underway
- 1210 – Benefits Analyst position open – recruitment underway
- 1844 –Operations Executive Assistant –candidate selected and will begin May 20

OPERATIONS

- Callers wait time increased in April compared to last year. However, all service levels were met.
- Member Services staff met with Performance Analysts from the Controller's office to kick off our LEAN process improvement partnership. Problem areas that are reflected in call volume will be the focus of our partnership.

Enterprise Systems & Analytics (ESA)

- On April 25th, all SFHSS underwent the required annual HIPAA training
- The City is embarking on a cybersecurity risk assessment conducted for each City department. Members of the ESA team attended a Cybersecurity Risk Assessment workshop on April 30 to begin the assessment
- The work to expand benefits continues. Expectations are to have online open enrollment available to all City and County and SF Superior Court employees and to expand the number of retirees who can access services online. Hot off the press, SFHSS and SFUSD are working towards offering a small pilot to school district employees.

Communications

- Assist vendor Workterra with campaign materials and launch of Spring Voluntary Benefits Special Enrollment in May including website and social media channels.
- Communications team continues to prepare designs and new materials for PY2020; prepare materials for 2019 Open Enrollment.

FINANCE DEPARTMENT

Budget and Procurement

- Working with Mayor's Office on FY 2019-20 and FY 2020-21 Budget Requests
- Preparing for new General Fund Administration Budget close process in the Financial System to avoid delays that occurred last fiscal year
 - Year End Close Citywide Workshop I, April 29, 2019
 - "Cash and Bank Reconciliation" lessons learned workshop 4/2/19 3:30pm.

Accounting

- Preparing for new Trust Fund Administration Budget close process in the Financial System to avoid delays that occurred last fiscal year
- Building Skills
 - Attended DataScienceSF presentation
 - Attended CCSF Chief Economist presentation on regression analysis

Contracts

- Drafting RFP with Aon for Medical and Coverage for the 2021 Plan Year
- Drafting RFP for EAP Software
- Drafting RFP for Open Enrollment Videos (Benefit Navigation)
- Completed review of Life and Accidental Deal/Personal loss material for special enrollment opportunity with Aetna
- Analyzed and delivered feedback on Blue Shield and UnitedHealthcare proposals for Rx re-tiering
- Finalized Q12019 report on vendor account management performance, scorecards and performance guarantees.

WELL BEING

- Launched healthy eating challenge (focused on produce consumption) – Colorful Choices
- Partnered with Mayor's Office on Disability for Walk to Work Day – SF
- 150 pairs of shoes were collected for the St. Anthony's Foundation Free Clothing Program
- 83% increase (YTD) in critical incidents compared to 2018 for EAP organizational services
- 46% of Champions attended the Well-Being@Work Overview training

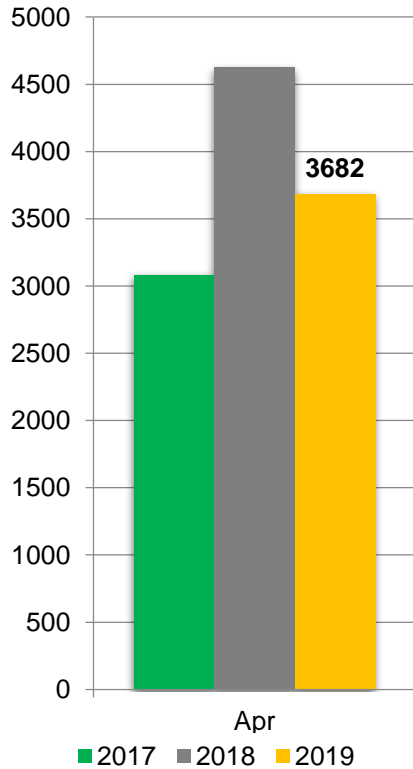
Management Report

HEALTH SERVICE BOARD MEETING | May 9, 2019

Calls and Office Visits: April 2019

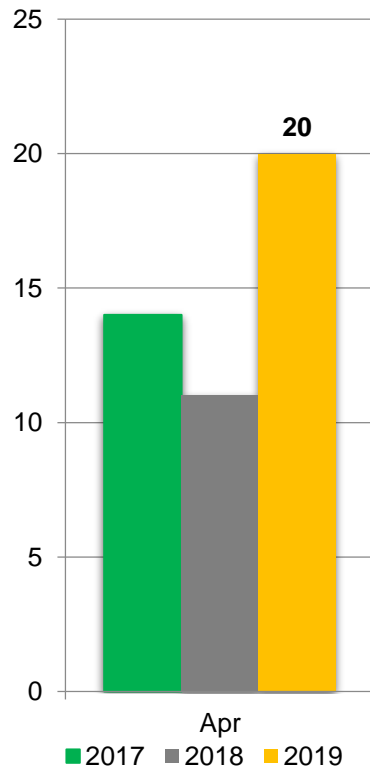
Inbound calls:

3,682 answered calls
(20.4% ↓ from 2018)



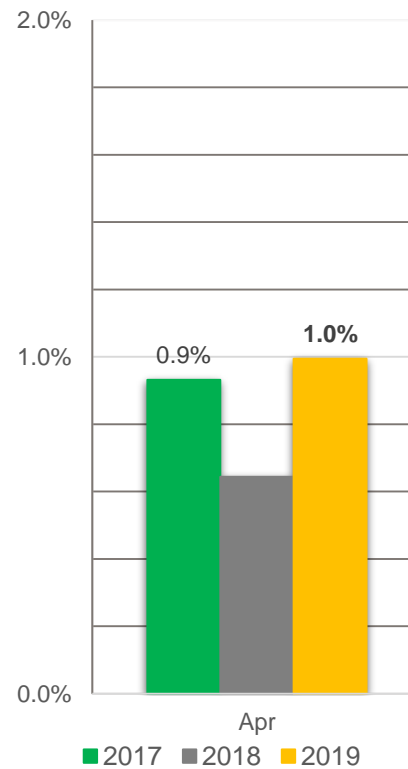
Speed of answer:

20 seconds
(81.8% ↑ from 2018)



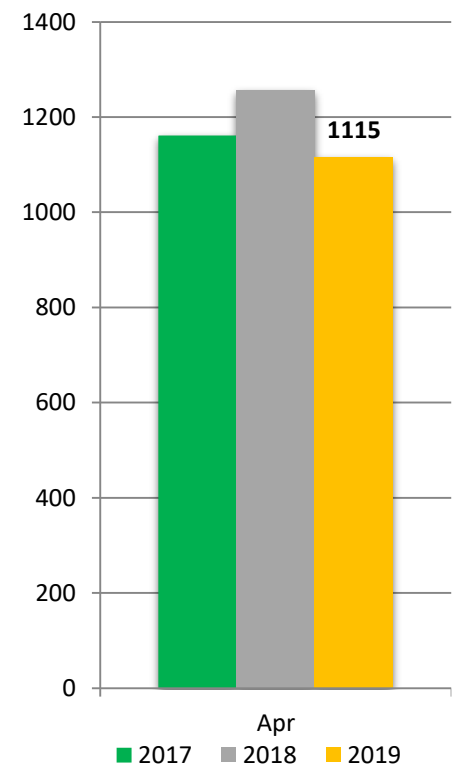
Abandonment rate:

1.0%
(37 calls)



In-person assistance:

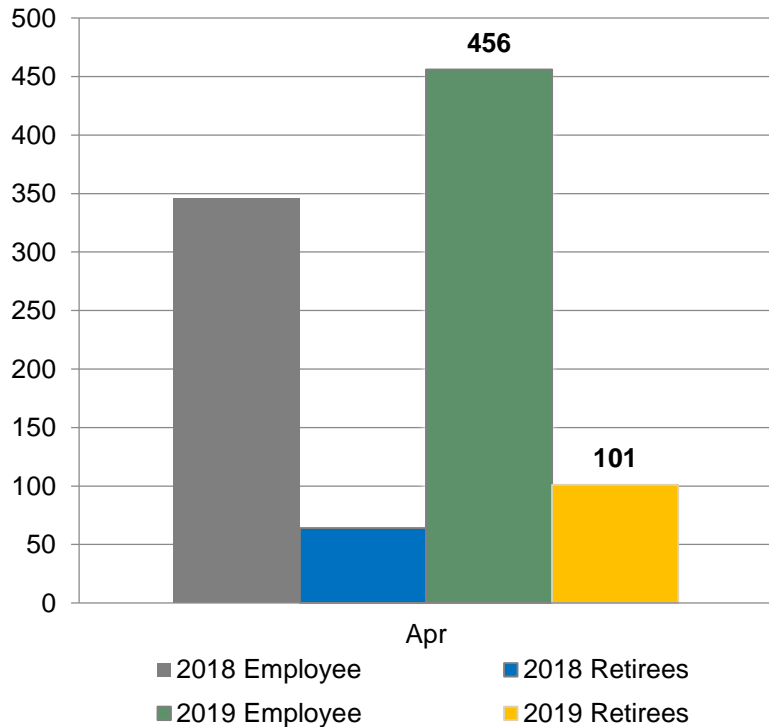
1,115 members
(11% ↓ from 2018)



Delinquencies & Terminations: April 2019

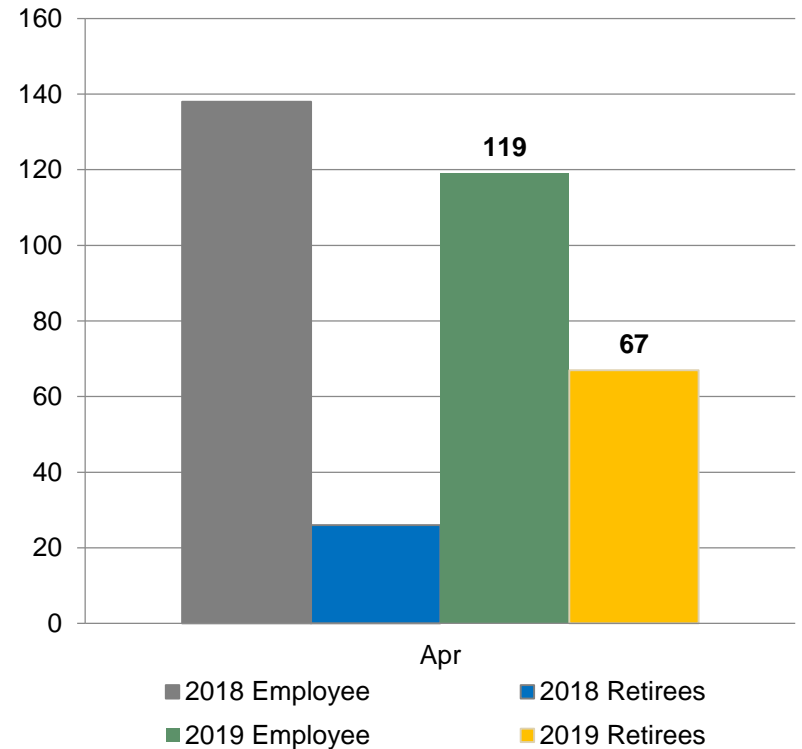
Delinquency Notices Sent.

- Employees: 456
- Retirees: 101










Termination Notices Sent.


- Employees: 119
- Retirees: 67




Key Initiatives

| Project | Status | Key Accomplishments |
|--|---|---|
| Cybersecurity |  | <ul style="list-style-type: none"> Attended Cybersecurity Risk Assessment workshop hosted by the Department of Technology (DT). Beginning risk assessment activities Completed annual HIPAA training of all staff |
| eBenefits |  | <ul style="list-style-type: none"> Requirements provided to vendor Analysis and design phase underway – to mitigate constraints due to the PeopleSoft upgrade which is implementing a code freeze, Open Enrollment workflow modifications will be coded first and then new hire and life event workflows will be addressed. |
| VOIP telephony upgrade |  | <ul style="list-style-type: none"> No updates – project is pending procurement of telephone hardware |
| Payment Gateway: Member facing payments |  | <ul style="list-style-type: none"> Meeting scheduled with Citybase for 5/15 Functional requirements |
| Enterprise Content Management System (ECM) Business Insights |  | <ul style="list-style-type: none"> Pending contract update |
| Salesforce upgrade to Lightning |  | <ul style="list-style-type: none"> 50% of staff trained and migrated to new experience Continued |

 On Schedule, Adequate Resources, Within Budget, Risks in Control

 Potential issues with schedule /budget can be saved with corrective actions

 Serious issues. Project most likely delayed or significant budget overrun

How is the Dynamic Adjustment amount calculated?

Background

During the presentation of the 2019 SFHSS risk scores during the April 11, 2019 Health Service Board meeting, questions arose regarding how rate adjusted values (dynamic adjustment) were calculated.

The following slide explains the calculation.

Additionally, there was some concern regarding characterizing one plan as more "efficient" or less "efficient" over another. The conclusion to be drawn from dynamically adjusting is whether a plan is performing as expected when the risk profile is considered. A better characterization would be "expected plan performance" instead of "efficient".

How is the Dynamic Adjustment amount calculated?

STEP 1

Divide the Risk score for a plan by the total population risk score to get to the adjuster for the plan. Example for Blue Shield Access+: $1.015 / .891$

| ACTIVES | | | | |
|---------------------|---------------|-----------------------|--------------------|--------------------|
| | Lives | Risk Score Concurrent | Allow Amt PMPM Med | Dynamic Adjustment |
| Current | | | | |
| Blue Shield Access+ | 19,626 | 1.015 | \$472.28 | \$443.96 |
| Blue Shield Trio | 16,227 | 1.006 | \$444.39 | \$440.17 |
| UHC PPO (City Plan) | 1,678 | 1.546 | \$768.95 | \$676.84 |
| Kaiser Permanente | 48,044 | 0.792 | \$331.82 | \$346.58 |
| TOTAL | 80,667 | 0.891 | 389.18 | 390.04 |

STEP 2

Multiply the Total Allowed Amt PMPM Med by a plan's adjuster. Example for Blue Shield Access+: $\$389.18 * 1.139 = \443.96

Analysis

Given a risk profile, are the plans performing better than expected?

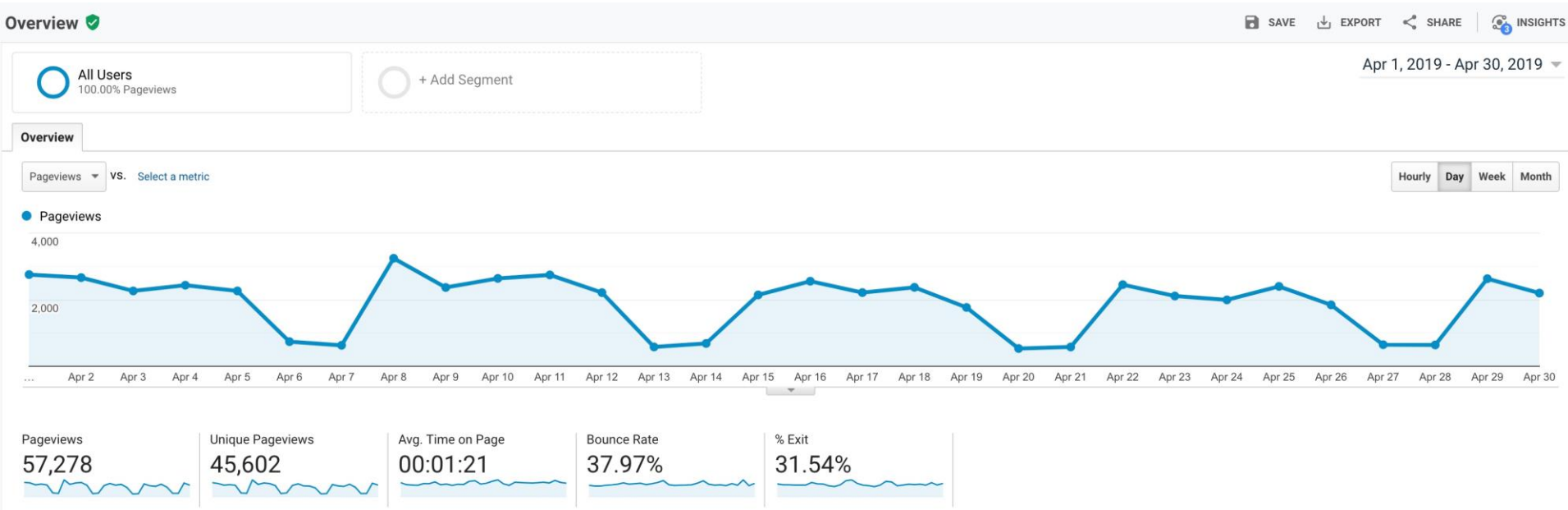
Example for Blue Shield Access+:

$$\$472.28 - \$443.96 = \$28.32$$

The average BSC Access+ PMPM was \$28.32 higher than expected after adjusting for differences in the underlying demographics and health risks across plans.

Note: Slight variance exists due to rounding. To calculate the values, the system uses all decimal points for each number. For example instead of 1.015, the numerator is 1.01450548890613.

April 2019 Web Traffic



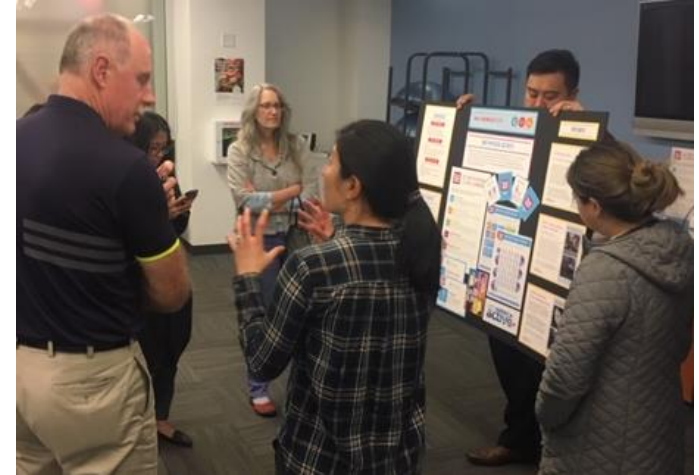
Well-Being@Work

Overview Training:

- 97 Key Players attended (91% were Champions)
- Training Content:
 - ✓ Overview of Well-Being@Work
 - ✓ Annual planning preparation
 - ✓ Resources
 - ✓ Recognition
 - ✓ Team brainstorming and discussion

Updates/Changes:

- Annual Plans will align with a fiscal year
- Departments will need an annual plan in place by June to apply for grant funds.
 - ✓ Grant Applications due 8/16/2019
- Departments will focus on one Well-Being Topics throughout the entire year
- Spotlights will focus on programs only



Well-Being@Work: Onsite Activities

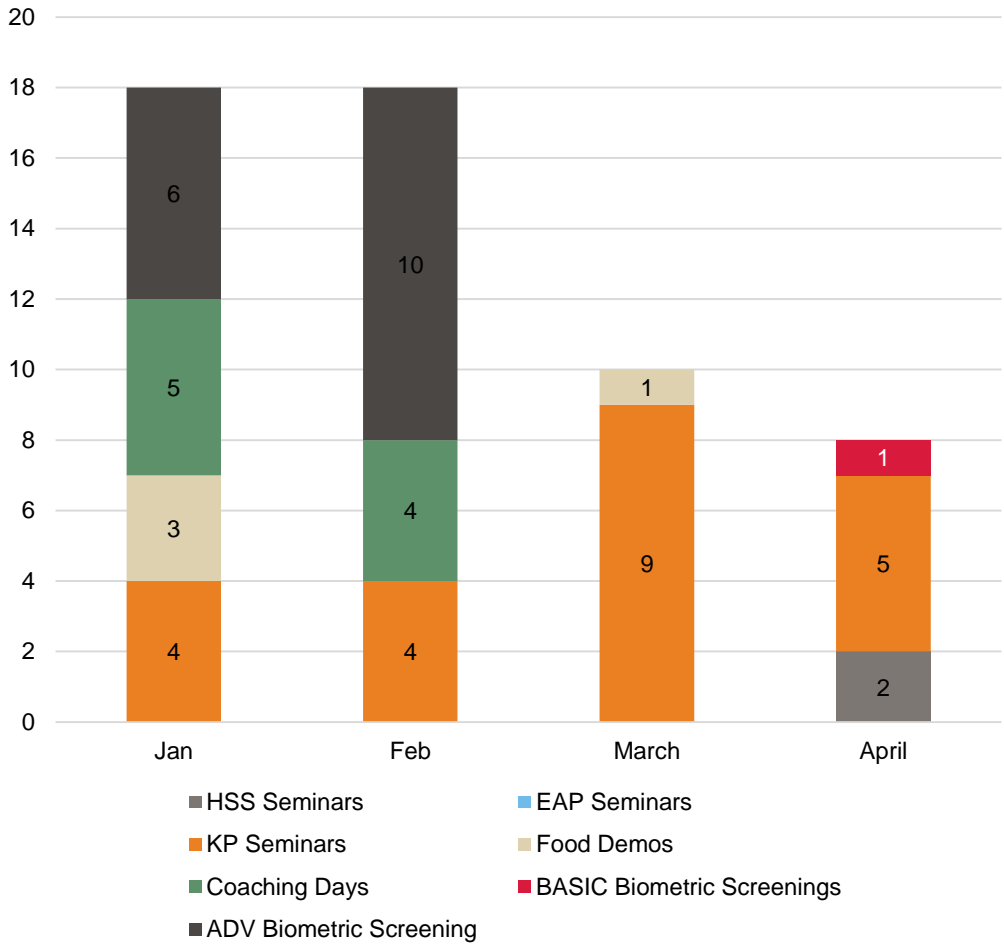
Number of Services

- 46 onsite activities (YTD)

2018 vs. 2019 Comparison (April)

- 54% decrease in onsite activities compared to 2018 due to staffing limitations that enable SFHSS Well-Being from providing offsite presentations. KP has provided 100% of our offsite offerings to date.

2019 Onsite Activities



Wellness Center

Shoe Donation: April 1 - 30

- A total of 150 pairs of shoes were collected for the St. Anthony's Foundation Free Clothing Program.



Walk to work Day: April 10

- Partnered with Mayor's Office on Disability
- Offered table at pit stop outside 1155 Market Street
- Approximately 25 CCSF employees engaged



Employee Assistance Program

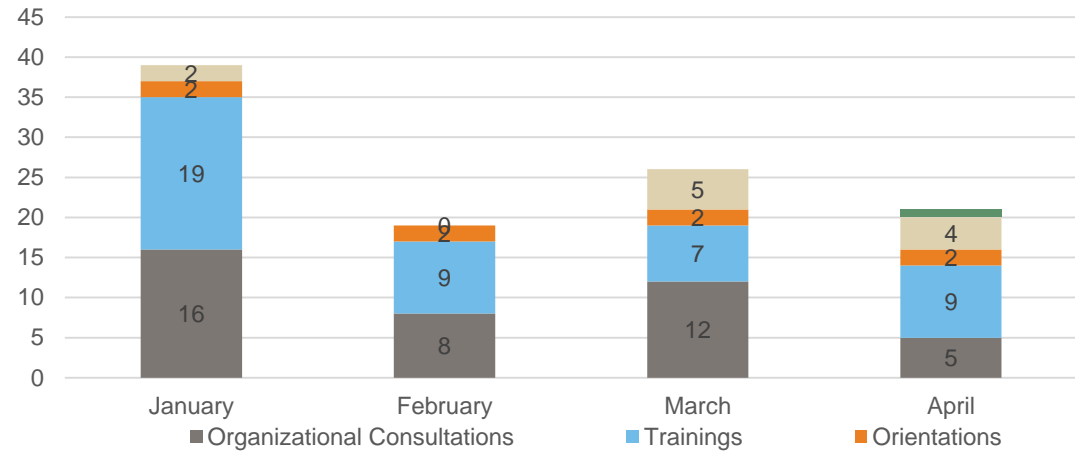
Organizational Services:

- 83% increase (YTD) in critical incidents compared to 2018
- 26% increase (YTD) in department trainings compared to 2018
- 927 serviced (April) for OD services

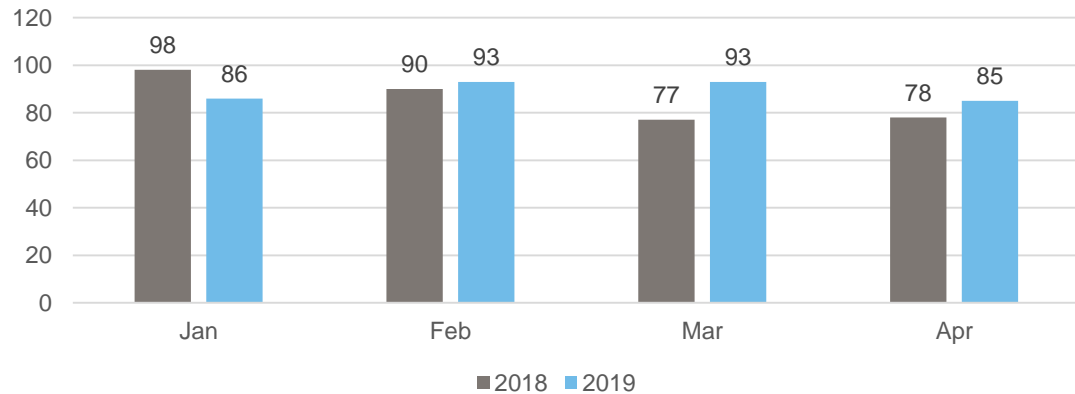
Client Services:

- 4% increase (YTD) in clients served

Number of Organizational Services by Type and Month



Number of Clients by Month 2018 vs 2019





Verity Health System Receives Court Approval of Stalking Horse Agreement for Sale to The KPC Group

- *Agreement includes St. Francis and St. Vincent Medical Centers in Southern California and Seton Medical Center and Seton Coastside in Northern California to The KPC Group for \$610 million*
- *The KPC Group is committed to continuing operations at all four hospitals in the future and serving local communities*
- *Operations and services will continue uninterrupted at all facilities during a smooth and efficient transition process*
- *These remaining four hospitals in the Verity Health System now have an approved buyer, marking an important milestone in the Chapter 11 process for patients, employees and communities*

LOS ANGELES – April 17, 2019 – Verity Health System of California, Inc. ("Verity Health"), a nonprofit healthcare system, today announced that it has received approval of its previously announced "Stalking Horse" agreement with The KPC Group from the U.S. Bankruptcy Court.

Under the agreement, The KPC Group will acquire substantially all assets related to St. Francis Medical Center in Lynwood, St. Vincent Medical Center in Los Angeles, Seton Medical Center in Daly City and Seton Coastside in Moss Beach for \$610 million (\$610,000,000). Also, as part of the agreement, The KPC Group has agreed to make offers of employment to substantially all employees at these facilities.

The sale was conducted through a Court-supervised process under Section 363 of the Bankruptcy Code and is subject to review by the California Attorney General.

"Today's court approval of the sale means we are one step closer to finalizing a smooth and orderly transition for Verity's remaining hospitals and assets to a buyer who will maintain Verity's core mission," said Rich Adcock, CEO of Verity Health. "We're pleased that these important institutions will continue providing local communities with the high-quality care they need and deserve."

"The KPC Group is focused on enhancing the health and welfare of communities," said Dr. Kali Chaudhuri, Chairman of The KPC Group. "We're looking forward to continuing Verity's track record of providing high-quality healthcare in Los Angeles and San Mateo Counties."

Verity Health System

Verity Health is a nonprofit healthcare system. Verity's remaining hospitals include two Southern California hospitals, St. Francis Medical Center in Lynwood and St. Vincent Medical Center in Los Angeles and in Northern California, Seton Medical Center in Daly City and Seton Coastside in Moss Beach.

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Media Contact

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Allison McLarty

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323-761-6642

646-270-6797

Date

Blue Shield of California Member
<Address Line 1 & Line 2>
<City State Zip >

Dear Blue Shield of California Member:

Your Blue Shield personal physician is affiliated with **Provider IPA/MG** a network of physicians providing medical care to Blue Shield of California ("Blue Shield") members. We regret to inform you that effective **Date1**, **Provider IPA/MG** will no longer be a participating medical group in the Blue Shield network.

There is nothing you need to do. We understand the importance of maintaining the patient/doctor relationship. Every effort will be made to keep you assigned with your current physician if he or she practices with another Blue Shield participating medical group in your network.

A new Blue Shield identification (ID) card will be mailed to you no later than five days before the **Date1** effective date, which will reflect the name of your personal physician and new medical group. We encourage you to contact the new medical group once you receive your new ID card to familiarize yourself with them. Once you receive your new ID card, if you wish to choose a different physician or medical group, you can use the "Find a Doctor" feature available at **blueshieldca.com**, or contact us using the toll-free number on your ID card.

Specialist and Hospital Services

Effective **Date1**, it will be necessary to obtain specialty care from the specialists affiliated with your new medical group. In addition, the hospitals to which the physicians admit patients may be different than your current medical group. If you are currently being treated for a condition, illness, or injury, then we encourage you to contact your new personal physician after receiving your new ID card to coordinate your health care needs. If you are currently under a specialist's care who is not affiliated with your new medical group, and you want to continue treatment with this specialist, please call our Customer Service Department using the toll-free telephone number on your Blue Shield ID card. A Customer Service Representative will make every effort to reassign you to a medical group with which your specialist is affiliated. However, this may require you to be re-assigned to a different personal physician.

POS Members

Effective **Date1**, because **Provider IPA/MG** will no longer be in the HMO Blue Shield provider network, you will no longer be able to access care from a physician affiliated with this medical group for the HMO [level 1] benefit level of your POS benefit plan. The individual providers continue to participate in the Plan's PPO [level 2] network. For this reason, should you elect to continue accessing care from these providers (for

other than emergency services or under the circumstances discussed below), your costs will now be higher as the services will be payable under the PPO participating benefit level of your POS benefit plan.

Right to Continued Care

We realize that when you are in a course of treatment, it is important not to interrupt that care. To request continuation of covered services for an ongoing course of treatment with the non-contracted physician, please call the Customer Service telephone number on your Blue Shield ID card. A Representative can assist you. You can also access our Continuity of Care Policy at:

<https://www.blueshieldca.com/bsca/find-a-provider/continuity-of-care.sp>.

Blue Shield is required by law to provide you with the following information:

If you have been receiving care from a health care provider, you may have a right to keep your provider for a designated time period. Please contact Blue Shield's customer service department, and if you have further questions, you are encouraged to contact the Department of Managed Health Care, which protects consumers, by telephone at its toll-free number 1-888-HMO-2219, or at a TDD number for the hearing impaired at 1-877-688-9891, or online at www.hmohelp.ca.gov.

Emergency Services

Blue Shield members who need emergency services should call 911 or seek care at the nearest emergency room. Blue Shield will provide the full emergency care level of benefits for these services. Please contact your new Personal Physician as soon as possible after receiving emergency services so that he/she may coordinate your follow-up care.

We encourage members to make informed decisions about when to use urgent care as opposed to emergency room care. Urgent care is appropriate when a member needs a physician's attention for a condition that is non-life threatening. Any member needing urgent care, but whose physician or network provider is unavailable, should go to the nearest urgent care facility. Members can access a list of nearby urgent care facilities using the "Find a Doctor" tool on **blueshieldca.com**.

Billing Information

Please note that providers who participate in Blue Shield's network cannot balance bill you for covered services. If you receive a balance due bill for covered services that exceeds the amount indicated as your responsibility on the *Explanation of Benefits* that you receive from Blue Shield, please contact our Customer Service Department immediately at the toll-free telephone number on your Blue Shield ID card.

Your health care needs are important to us; and we are committed to providing you with exceptional service. We regret any inconvenience you may experience during this transition. This change will not affect your current Blue Shield benefits or your ability to receive necessary medical care. In the event you experience any difficulties in getting an appointment, receiving appropriate care, or have any additional questions; please contact our Customer Service Department Monday through Friday using the toll-free telephone number on your ID card. Blue Shield also has statewide Customer Service telephone access for hearing impaired members at 1-800-241-1823.

Sincerely,

Blue Shield of California

Blue Shield of California complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability or sex.

Blue Shield of California cumple con las leyes federales de derechos civiles aplicables y no discrimina por motivos de raza, color, nacionalidad, edad, discapacidad o sexo.

Blue Shield of California 遵守適用的聯邦民權法律規定，不因種族、膚色、民族血統、年齡、殘障或性別而歧視任何人。



Status of Legislation

| | Tax | Bill Number | Activity | Comments |
|-------|------------|--------------------|--|--|
| State | MCO tax | N/A | Not in the Governor’s Budget but recommended in the 2019-20 Budget, Legislative Analysts’ Analysis of the Med-Cal Budget | <p>Current MCO tax package took effect in 2016 and expires 7/1/2019. It leverages significant federal funding. Extending the MCO tax package past 2018-19 would require statutory reauthorization from the Legislature and approval from the federal government. Based on the recent federal approval of a similar tax in Michigan, federal approval of a reauthorized California MCO tax package appears likely.</p> <p>The Governor’s budget does not propose an extension of the MCO tax package in 2019-20. The Legislative Analyst reports that allowing the MCO tax package to expire would forego a significant General Fund benefit and they recommend that the Legislature seriously consider renewal of the MCO tax package and explore the trade-offs of renewing the MCO tax package in its current or a modified form.</p> <p>https://lao.ca.gov/reports/2019/3935/med-cal-021319.pdf</p> |

| | Tax | Bill Number | Activity | Comments |
|---------|---|---|---|--|
| Federal | Excise tax on high-cost employer-sponsored health plans | H.R. 748 Middle Class Health Benefits Tax Repeal of 2019 | 1/24/2019 – Introduced in House and referred to the House Committee on Ways and Means | To repeal the excise tax on employer-sponsored health care coverage for which there is an excess benefit (high-cost plans). The repeal applies to taxable years beginning after December 31, 2019. https://www.congress.gov/bill/116th-congress/house-bill/748/all-actions |
| Federal | Excise tax on high-cost employer-sponsored health plans | S.684 Middle Class Health Benefits Tax Repeal Act of 2019 | 3/6/2019 Introduced in Senate | To repeal the excise tax on employer-sponsored health care coverage for which there is an excess benefit (high-cost plans). The repeal applies to taxable years beginning after 12/31/2019 https://www.congress.gov/bill/116th-congress/senate-bill/684/actions |
| Federal | Healthcare Insurance Tax | H.R. 2447 Jobs and Premium Protection Act | 5/1/2019 Referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. | To repeal the annual fee on health insurance providers enacted by the Patient Protection and Affordable Care Act. (no details on date available) https://www.congress.gov/bill/116th-congress/house-bill/2447/all-actions |
| Federal | Healthcare Insurance Tax | S. 172 Health Insurance Tax Relief Act of 2019 | 1/16/2019 Read twice and referred to the Committee on Finance. | To delay the reimposition of the annual fee on health insurance providers until after 2021. https://www.congress.gov/bill/116th-congress/senate-bill/172/actions |

| | Subject | Bill Number | Activity | Comments |
|---------|----------------|--|--|--|
| Federal | Medicare | CMS proposed Rule to Eliminate Prescription Drug Rebates on Medicare Advantage Beneficiaries | Proposed rules issues on 1/31/2019, In comment phase | CMS proposed rule to amend the federal anti-kickback statute, would transition toward a system of point-of-sale reductions in price on prescription pharmaceuticals, beginning in 2020. The Better Medicare Alliance states: The proposed changes reflect the Administration's focus on reducing patient out-of-pocket (OOP) costs and addressing certain potentially anticompetitive aspects of the current manufacturer rebating system. Yet, these changes would likely have the consequence of increasing beneficiary premiums and reducing benefit offerings by Medicare Advantage-Prescription Drug (MA-PD)." plans. https://www.bettermedicarealliance.org/policy-research/resource-library/impact-proposed-rule-eliminate-prescription-drug-rebates-medicare |



San Francisco Health Service System Plan Design Changes 2011 to 2019

May 9, 2019

Plan Design Changes

Active PPO Plan (Group #: 09502)

2011 ~ **Additional Benefits during Pregnancy:** added

Prosthodontic Benefits: coinsurance changed to 50%

Periodontal Prophylaxes: to be covered as a Basic Benefit

2012 ~ None

2013 ~ **Diagnostic & Preventive:** 100% for PPO and Premier Dentists. 80% for Non-Delta Dental Dentists

Basic Benefits: 90% for PPO, 80% for Premier and 60% for Non-Delta Dental Dentists

Crowns, Inlays, Onlays & Cast Restoration: 90% for PPO, 80% for Premier and 50% for Non-Delta Dental Dentists

Prosthodontic Benefits: 50% for PPO, 50% for Premier and for Non-Delta Dental Dentists

Orthodontic Rider: 50% with Lifetime Maximums:

Dependent Children

\$2,500 PPO Dentist

\$2,000 Premier Dentist

\$1,500 Non-Delta Dental Dentist

Adults

\$1,500 PPO Dentist

\$1,000 Premier Dentist

\$500 Non-Delta Dental Dentist

Plan Design Changes continued...

Active PPO Plan (Group #: 09502)

2014 ~ None

2015 ~ None

2016 ~ **Anesthesia – IV Sedation coverage:** 90% for PPO, 80% for Premier and 60% for Non-Delta Dental Dentists

2017 ~ None

2018 ~ **Group Name Change:** San Francisco Health Service System

2019 ~ **Orthodontic Rider:** Increased Lifetime Maximums for Adults to match Dep.

Children:

\$2,500 PPO Dentist

\$2,000 Premier Dentist

\$1,500 Non-Delta Dental Dentist

Eliminated the 6 Month Waiting Period: Prosthodontics & Orthodontics

Accident Benefit Rider added

Cost Estimator Tool added

SmileWay Program added

Plan Design Changes

Retiree PPO Plan (Group #: 01673)

2011 ~ None

2012 ~ None

2013 ~ None

2014 ~ None

2015 ~ **Waive the Calendar Year Maximum on Diagnostic & Preventative Benefits**

2016 ~ None

2017 ~ None

2018 ~ **Calendar Year Maximum increased to \$1,250**

2019 ~ **SmileWay Program added**

Plan Design Changes

DeltaCare DHMO Plan (Group #:71797)

Current Dental Terminology (CDT) procedure codes, descriptors or nomenclature may change per the American Dental Association, which are then incorporated into the plan in the year of the change.

No additional plan design changes have been applied to the DeltaCare DHMO Plan in the following years.

2011

2012

2013

2014

2015

2016

2017

2018

2019

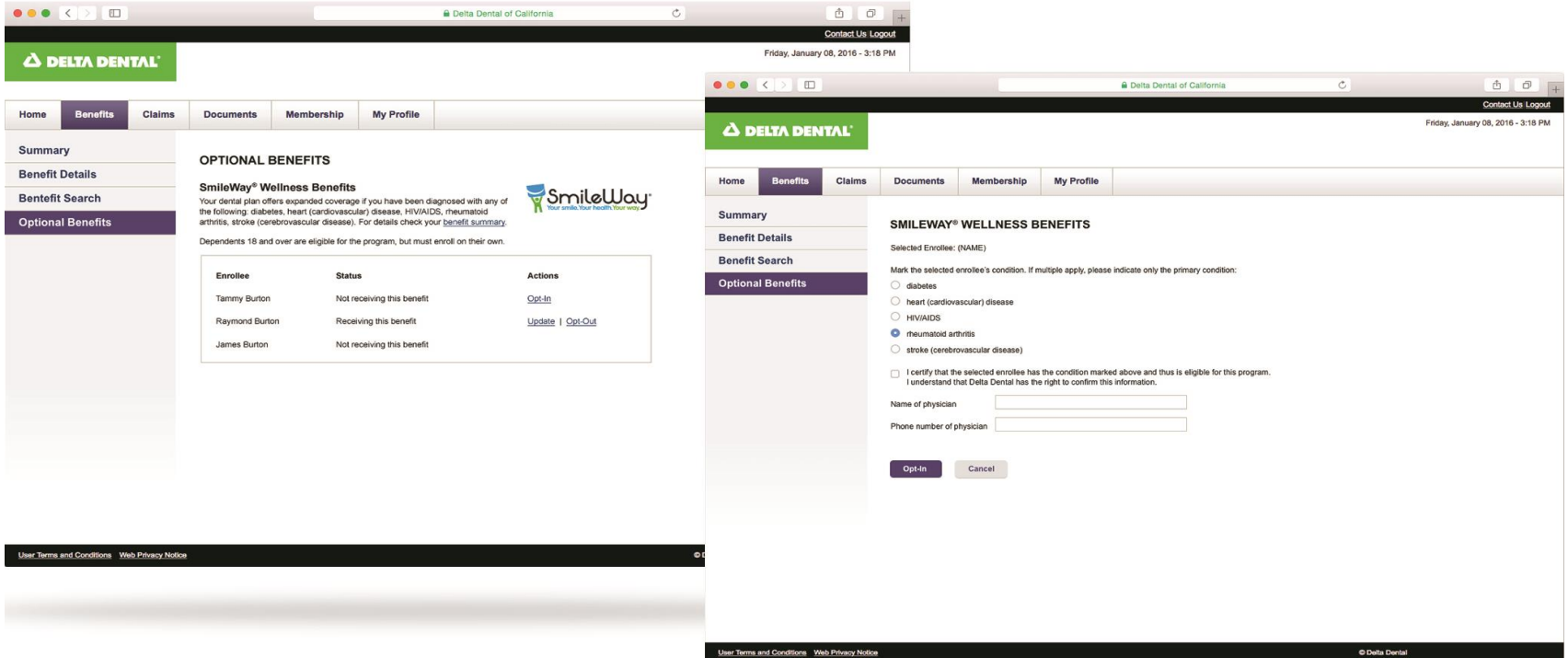
SMILEWAY WELLNESS BENEFITS

Enhanced coverage for higher risk enrollee

- Requires diagnosis of diabetes, heart disease, HIV/AIDS, rheumatoid arthritis or stroke
- Expanded coverage includes cleanings, gum maintenance and scaling and root planing
- Opt in online or by phone



SMILEWAY WELLNESS BENEFITS



Group Numbers: 09502, 01673

Period: January 1, 2019 – April 10, 2019

| Group | Primary Enrollees | Adult Dependents | Child Dependents | Total Members |
|-------|-------------------|------------------|------------------|---------------|
| 09502 | 42 | 5 | 0 | 47 |
| 01673 | 182 | 36 | 0 | 218 |

Delta Dental Follow Ups for SFHSS (May 1, 2019)

1. How did you determine the applicable ICD-10 codes for SmileWay eligibility (**SFHSS team: see next page for list**)?

Delta Dental's Response: We used the ADA ICD-10 crosswalk guidance as our reference for what ICD-10 codes would be used in dentistry designing the SmileWay Program using these basic root codes. The other ICD-10 Codes for disease conditions in the same category are converted to the basic code, if they are submitted.

2. What is the outreach that Delta would conduct for potential members that become eligible for SmileWay, once they are identified based on your review of data from the medical carriers? Letter? Email? Call? Frequency? Do you have any sample materials you can share?

Delta Dental's Response: Currently, there is not a direct communication piece sent to these members who have been identified by the medical carrier and passed to Delta Dental. The member is entered as a participant into the SmileWay Program and at their next dental visit the dentist will see additional/expanded coverage for this member.

3. Can you please advise what if any plan design changes have been made over the last 7 years by SFHSS (copays, OOPM, etc.)?

Delta Dental's Response: Please reference attached document, "SFHSS –Contract Changes" outlining these changes. I am sending it in Power Point vs. PDF in case you need to extract the information into another presentation.

4. April HSB Follow-Ups (first two items captured in attached Excel file that we are looking for you/your team to complete):
 - Confirm preventative screenings rates over last six years?
 - Confirm number of members who met the annual max?
 - Understand potential coverage of anesthesia for cleanings?

Delta Dental's Response: Please find attached, "Delta Dental SFHSS 2013 to 2018 Utilization Overview 05012019".

Following are the ICD-10-CM Medical Diagnosis Codes that Delta Dental has identified as the ones correlating to the SmileWay program.

Diabetes Mellitus

E11.9 Type 2 Diabetes mellitus without complications (ADA)

Cardiovascular Disease (Chronic Eschemic Heart Disease)

I25.10 Atherosclerotic heart disease of native coronary artery without angina pectoris (ADA)

Z86.74 Personal history of sudden cardiac arrest

Z86.79 Personal history of other diseases of the circulatory system

Cerebrovascular Disease

I63.9 Cerebral infarction, unspecified

I67.9 Cerebrovascular disease, unspecified

Z86.73 Personal history of transient ischemic attack (TIA), and cerebral infraction without residual deficits

HIV/AIDS

B20 Human Immunodeficiency Virus

Rheumatoid Arthritis

M05.9 Rheumatoid Arthritis with rheumatoid factor, unspecified

M06.0 Rheumatoid Arthritis, unspecified

Pregnancy

Z33.1 Pregnant state, incidental

SFHSS Dental PPO Utilization Statistics, 2013-2018

Segmented for Active Employee group and Retiree group

ACTIVE EMPLOYEE GROUP (09502)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------|-------|-------|-------|-------|-------|
| Member Distribution by Number of Submitted Cleaning Procedures | | | | | | |
| o None | 31.1% | 31.8% | 32.3% | 32.7% | 32.2% | 32.4% |
| o One | 26.7% | 26.9% | 26.5% | 26.5% | 26.4% | 26.8% |
| o Two | 36.3% | 35.7% | 35.7% | 35.5% | 36.4% | 36.2% |
| o Three | 4.5% | 4.3% | 4.2% | 4.1% | 3.9% | 3.7% |
| o Four or More | 1.4% | 1.3% | 1.3% | 1.2% | 1.1% | 0.9% |
| Percentage of All Members Who Incurred At Least One Basic Level Service | 36.1% | 36.0% | 35.8% | 35.2% | 34.7% | 34.3% |
| Percentage of All Members Who Incurred At Least One Major Level Service | 12.7% | 12.6% | 12.4% | 12.4% | 12.3% | 11.7% |
| Percentage of All Members Who Incurred At Least One Orthodontic Service | 3.0% | 3.0% | 3.1% | 3.2% | 3.0% | 2.7% |
| Percentage of Members Utilizing the Plan Who Achieved \$2,500 Annual Benefit Maximum (excludes orthodontia) | 3.3% | 3.4% | 3.7% | 4.9% | 4.9% | 5.0% |
| Network Utilization Distribution by Procedure Counts (excluding orthodontia) | | | | | | |
| o PPO dentist | 31.4% | 34.6% | 35.7% | 37.0% | 36.6% | 37.1% |
| o Premier dentist | 65.0% | 63.3% | 62.2% | 60.9% | 60.1% | 59.7% |
| o Non-contracted | 3.6% | 2.0% | 2.2% | 2.1% | 3.3% | 3.1% |

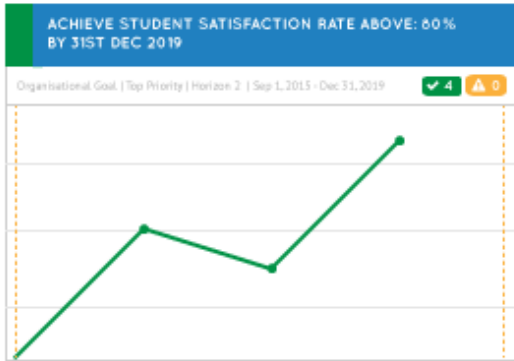
RETIREE GROUP (01673)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------|-------|-------|-------|-------|-------|
| Member Distribution by Number of Submitted Cleaning Procedures | | | | | | |
| o None | 30.4% | 29.7% | 28.8% | 29.6% | 29.2% | 29.2% |
| o One | 22.5% | 22.5% | 22.1% | 21.3% | 21.4% | 21.6% |
| o Two | 35.6% | 35.8% | 36.9% | 37.4% | 37.8% | 37.9% |
| o Three | 8.4% | 8.9% | 9.1% | 8.7% | 8.6% | 8.6% |
| o Four or More | 3.1% | 3.0% | 3.0% | 3.1% | 2.9% | 2.7% |
| Percentage of All Members Who Incurred At Least One Basic Level Service | 42.2% | 42.9% | 42.6% | 42.6% | 41.9% | 42.0% |
| Percentage of All Members Who Incurred At Least One Major Level Service | 22.6% | 23.4% | 23.9% | 23.1% | 22.8% | 23.8% |
| Percentage of Members Utilizing the Plan Who Achieve \$1,250 Annual Benefit Maximum (orthodontia not covered) PY2014 - 2017 Max was \$1,000 | 14.2% | 15.3% | 13.2% | 13.2% | 13.1% | 10.4% |
| Network Utilization Distribution by Procedure Counts | | | | | | |
| o PPO dentist | 35.3% | 37.2% | 37.7% | 39.2% | 40.0% | 41.0% |
| o Premier dentist | 60.5% | 58.5% | 57.6% | 56.2% | 55.3% | 54.2% |
| o Non-contracted | 4.2% | 4.3% | 4.6% | 4.7% | 4.7% | 4.9% |

All 52 Initiatives in the SFHSS 2020-2022 Strategic Plan are now organized in Cascade under the following categories:



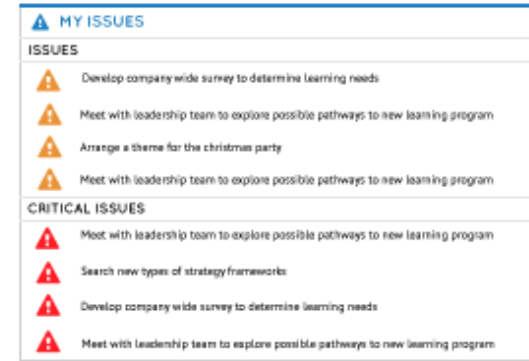
Cascade can produce actionable dashboards and reports using widgets, graphs, and data integrations that SFHSS will use to report operational metrics and key performance indicators (KPIs).



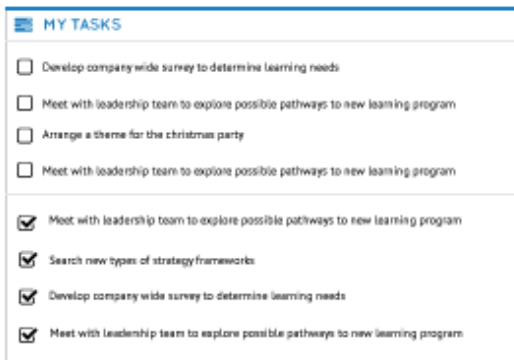
TASKS ⓘ



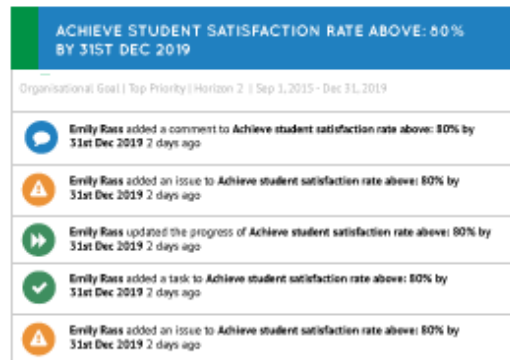
MULTI-TASKS ⓘ



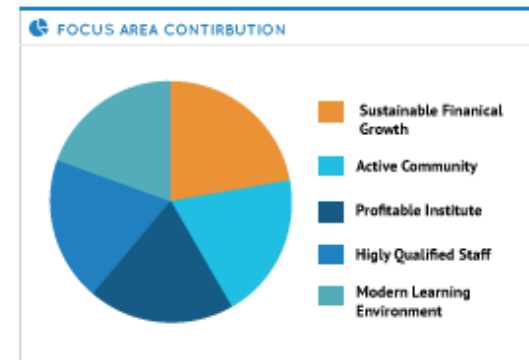
RISKS ⓘ



TASKS ⓘ



UPDATES ⓘ



CONTRIBUTION ⓘ

**Example shown for reference purposes only, SFHSS-specific Cascade reports currently in progress*

SFHSS Divisions are continually developing Key Performance Indicators (KPIs)* – measurable values that show our organization’s progress toward tracking Strategic Plan Initiatives.

SFHSS is tracking the rate at which Strategic Plan Initiative activities are currently being achieved, developing baselines, and researching benchmarks in the field that help to define successful rates of growth to strive for in each area.

SAN FRANCISCO HEALTH SERVICE SYSTEM (SFHSS) PLAN KEY PERFORMANCE INDICATORS

● Not started
 ● On Track
 ● Behind
 ● Overdue
 ● Complete

| Organization | Tasks | Current Completion |
|--------------------------------|---|-------------------------|
| Finance | Conduct Mega RFP for medical services by 1st Feb 2020 | On Track |
| Operations | Achieve 50% decrease in Delinquency Termination Notifications: 169 notifications to 161 notifications by 1st Jun 2020 | 169 / 161 notifications |
| Operations | Achieve 5% decrease in Member call counseling volume related to delinquency questions and payments: 628 calls to 597 calls by 31st Mar 2020 | 550 / 597 calls |
| Operations | Increase access to Self-Service eBenefits to approx. 40K members: 13k to 40k by 31st Oct 2019 | 30k / 40k |
| Communications | Achieve monthly mailing score of 9 for Emma E-Newsletters as a representation of marketing success: 8.3 mailing score to 9 mailing score by 31st Mar 2020 | 8.7 / 9 mailing score |
| Communications | Achieve click to open rate of 15% for Emma E-Newsletters: 8.9% to 15% by 31st Mar 2020 | 11 / 15% |
| Well-Being | Engage 168 participants in 12 Crisis Prevention Institute Trainings (CPI): 164 people by 31st Jul 2020 | 0 / 164 people |
| Well-Being | Engage 12 active participants at each of the 10 Diabetes Prevention Program cohort sites: 120 participants by 31st Dec 2019 | 48 / 120 participants |
| Enterprise Systems & Analytics | Identify disease prevalence, cost, and quality of care for SFHSS membership conditions: 100% by 30th Jun 2019 | 30 / 100% |
| Finance | Complete Invoice Payments to Vendors <10 days (average) for NET30: 10 unit to 10 unit by 30th Jun 2019 | 6.65 / 10 unit |
| Finance | Complete Invoice Payments to Vendors <4 days (average) for NET10: 4 unit to 4 unit by 30th Jun 2019 | 2.79 / 4 unit |

**Data values to be finalized, shown for reference purposes only*