



HEALTH SERVICE BOARD

CITY & COUNTY OF SAN FRANCISCO

Abbie Yant, MA, RN
Executive Director
Health Service System

Natalie Ekberg, M.P.A.
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HEALTH SERVICE BOARD MEETING

MINUTES

Thursday, January 9, 2020, 1:00 p.m.
City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94103

1. **CALL TO ORDER: 1:00 pm**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLE CALL**

President Karen Breslin – Present
Vice President Stephen Follansbee, M.D -- Present
Commissioner Mary Hao -- Present
Commissioner Wilfredo Lim -- Present
Commissioner Randy Scott -- Present
Commissioner Chris Canning – Present
Supervisor Dean Preston – Excused

4. **APPROVAL (with possible modifications) OF THE MINUTES OF THE MEETINGS SET FORTH BELOW: (Action)**

DOCUMENTS ATTACHED: The Regular Meeting Minutes from December 12, 2019, are located on the SFHSS website at: <https://bit.ly/2swq7q1>

President Breslin affirmed that the Commissioners reviewed the regular meeting minutes from December 12, 2019. President Breslin asked if there were any corrections to the minutes. There were no corrections offered to the meeting minutes presented.

PUBLIC COMMENTS: None.

ACTION TAKEN: The Health Service Board unanimously approved the December 12, 2019 meeting minutes.

5. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION: (Discussion)

PUBLIC COMMENTS:

Erica Maybaum, SFHSS Member, asked the SFHSS team to work with the health plans on sharing information regarding the Infertility Navigation Specialist contact information. Ms. Maybaum noted that she was given this information because she came to the Board meetings and shared her story. The concern she has now is that now all SFHSS members will have the opportunity to work with the Infertility Navigation Specialists. Ms. Maybaum asked how the SFHSS members will know how to connect with the plan's Infertility specialist, or how the health plan's staff will know how to connect the SFHSS member to the Infertility Specialist. Ms. Maybaum noted that this process is confusing and can be made more complicated if the right services and the right medical plan staff are not made available to the SFHSS membership.

Ms. Maybaum also asked if the SFHSS team is considering a navigation service for the Infertility Benefits, and if this service will be sent to the Mayor's office for budgetary approval. Ms. Maybaum was curious if any updates or recommendations were being made to the Mayor's Office.

Richard Rothman, a retiree, stated that he was still experiencing difficulties with Delta Dental's billing system and the current issues he is having with his bills being updated with the correct service charges. Mr. Rothman also shared that he was concerned about the shingles vaccine availability. Mr. Rothman shared that he was on the list to receive the vaccine, but it was unclear to the Kaiser staff where he was on the list due to Kaiser facilities collecting multiple records. Mr. Rothman noted that this was disappointing to hear, and he was concerned that he and his wife both needed this vaccine. Mr. Rothman shared that he was able to have the vaccination this month. However, his wife is still waiting for her vaccine.

6. PRESIDENT'S REPORT: (Discussion)

DOCUMENTS ATTACHED: None.

President Breslin stated that she had nothing to report this month; and she wished all the members present at the meeting a Happy New Year.

PUBLIC COMMENTS: None.

7. DIRECTOR'S REPORT: (Discussion)

DOCUMENTS ATTACHED: The Director's Report is located on the SFHSS website at: <https://bit.ly/3agIAZd>

Abbie Yant, Executive Director, presented her report to the Board. Executive Director Yant covered the following topics in her report:

- The Health Service Board Election – the formal processes for the Election began on January 10, 2020. Nomination Forms/Sponsor forms are available on the SFHSS website, in the SFHSS office, or can be emailed to any interested parties.
- The Sutter Anti-Trust Case Update
- Federal Tax Update
- The Excise Tax, Advanced Medical Device Tax, and the Health Insurer Tax Update
- An Expiring ACA-Based fee: The Patient-Centered Outcomes Research Institute Fee (PCORI Fee)

- Operations update with a focus on the OE Update, the VOIP installation that is planning for February 2020.

President Breslin asked if there was an update on the First Responder's RFP for mental health services. Executive Director Yant stated that she is meeting with the agency staff who are involved in the planning of the RFP, as well as conducting informational interviews for best practices throughout the Bay Area for first responders, and EAP services mainly.

President Breslin asked if this RFP is specific to EAP services. Executive Director Yant stated that this RFP is being done to support the Fire Department in developing a type of EAP services for the firefighters while partnering with the other first responder groups so that services for those departments can be made available.

PUBLIC COMMENT:

Dennis Kruger, a representative for Active and Retired Fire Fighters Association, stated that this RFP has come out of the Fire Department's contract negotiations. Mr. Kruger noted that he spoke to the President of the Fire Fighter's Union and that these services would be helpful for firefighters who have retired up to the first five years of their retirement. Mr. Kruger stated that the trauma endured by the fire department is cumulative, and the retirement services/benefits the firefighters can treat on the job injuries are currently available the first five years of retirement. Mr. Kruger hopes that this RFP would include a similar timeframe so retired firefighters would have this support the first five years of their retirement.

8. SFHSS POST OPEN ENROLLMENT 2019 SURVEY REPORT OUT: (Discussion)

DOCUMENTS ATTACHED: The OE Survey Report is located on the SFHSS website at: <https://bit.ly/2QU9XAP>

Mitchell Griggs, Chief Operating Officer, presented the Open Enrollment surveys that were given to both the SFHSS staff and SFHSS membership to exam both groups experience during the Open Enrollment period. This OE Survey for the SFHSS Member Services team designed as a follow up to the Employment Engagement Survey that took place in the Fall of 2019. Mr. Griggs noted that the OE surveys for the Members Services team were not included in the presentation.

Mr. Griggs reviewed the following categories in more details through his presentation:

- SFHSS Member Services Staff: OE Preparedness Survey
- SFHSS Membership 2019 Open Enrollment Survey
- SFHSS Membership OE Survey: Questions and Scores
- 2019 Open Enrollment Survey Appendix—Member Responses: 937 members

Mr. Griggs reviewed a few of the open-ended questions that Member Services staff responded to in more detail from both the pre and post-survey. Vice President Follansbee thanked the SFHSS team for the work that the staff put into the Member Services Open Enrollment surveys. Vice President Follansbee asked how many staff contributed to both the pre and post-surveys. Mr. Griggs noted that there were approximately 24 Member Service staff who were invited to participate, and for the pre-survey, 16 staff responded. 9 staff responded to the post-survey.

Commissioner Scott asked if the Member Services staff have received the updates from the pre and the post-survey. Mr. Griggs noted that there would be a meeting to debrief on the results at a later date.

Mr. Griggs noted that the SFHSS Member survey had a good number of participants, 937 members responded, and the majority of members had positive feedback regarding the EBenefits experience and suggestions were offered improvement. Commissioner Scott asked if there was a standard score for each metric used that was comparable to a benchmark from other organizations on customer satisfaction score or customer efforts score. Mr. Griggs noted that this level of information and data could be made available at a later meeting date.

Commissioner Hao wondered if the benchmarks were collected and used from local, or national organizations, and what the size of the customer base is in comparison to the Health Service Systems. Executive Director Yant stated that this survey was a starting place for our customer service assessments and that this practice will continue as the areas for improvement are remedied before the next OE season begins. Executive Director Yant commended the Member Service team and Operations Managers for conducting this survey, and for sharing the results publicly.

Vice President Follansbee thanked all of the Member Services staff and Operations staff for all of their participation and their work on this survey. Commissioner Lim also commended the Operations team and the SFHSS team for creating the SFHSS Member experience survey. Commissioner Lim asked about the Net Promoter Skill score question, and if this question could be phrased differently since the customer service is only available to the SFHSS membership and not the public. Mr. Griggs agreed that this question was in debate and at the same time the survey was planned. Mr. Griggs hopes that moving into the next round of survey planning that the team could utilize a different benchmark or question to assess a member's want to refer another SFHSS member to the Member Services team call center.

PUBLIC COMMENT: None.

9. HSS FINANCIAL REPORTING AS OF October 31, 2019: (Discussion)

DOCUMENTS ATTACHED: The Financial Report YTD October 31, 2019 located on the SFHSS website at: <https://bit.ly/30qkhU4>

Ms. Levin, Chief Financial Officer, reviewed the Financial Report year to date October 31, 2019 with the Board. Ms. Levin stated that this report summarizes revenues and expenses of the Employee Benefit Trust Fund (Trust Fund) and the General Fund Administration Budget for the first four months of FY 2019-20, as well as fiscal year-end projections through June 30, 2020.

Ms. Levin stated that as of June 30, 2019, the audited Trust Fund balance was \$92.2 million. Ms. Levin also noted that based on activity through October 2019, the fund balance is projected to be \$90.6 million as of June 30, 2020. There is a projected \$1.6million fund increase in FY 2019-2020.

Ms. Levin shared that Healthcare Sustainability Fund has a projected balance of \$1.99 million by the end of FY 2019-20. Ms. Levin stated that based on the financial results for the first four months of FY 2019-20, the General Fund Administration budget is projected to utilized all of its budgeted funds.

The fiscal year-end projections were reviewed, and a chart was presented to the Board documenting each health plan's cumulative expenses vs. the budgeted premiums.

Ms. Levin presented a table that reflected the year to date actuals within the Healthcare Sustainability Fund through October 31, 2019. Ms. Levin noted that these numbers reflect four months of actuals,

and this fund has a projected balance of \$1.99 million as a year-end balance for FY 2019-20. The annual revenues are expected to be \$173,558 more than the annual expenditures.

Ms. Levin noted that no Performance Guarantees had been received in FY 2019-20. Ms. Levin further stated that the Performance Guarantees are used to fund the Adoption and Surrogacy Assistance Plan. As of September 30, 2019, \$44,900 has been reimbursed to members, and the year-end projection is \$185,000.

Ms. Levin concluded her presentation with the status of the pharmacy rebates. The FY 2019-20 pharmacy rebates as of October 31, 2019, are at \$2.0 million. The year-end projection is \$8.0 million.

PUBLIC COMMENT: None.

10. MAYOR'S BUDGET INSTRUCTIONS FOR THE SAN FRANCISCO HEALTH SERVICE SYSTEM FOR FISCAL YEAR 2019-20 and FY 2020-21 GENERAL FUND ADMINISTRATIVE BUDGET: (Discussion)

DOCUMENTS ATTACHED: The Mayor's Budget Instructions Memo is located on the SFHSS website at: <https://bit.ly/2Ri9wPG>

Pamela Levin, Chief Financial Officer, presented the San Francisco Health Service System Mayoral Budget instructions to the Board. Ms. Levin noted that on December 16, 2019, Mayor Breed issued the FY 2020-21 and FY 2021-22 budget instructions. These instructions apply to the San Francisco Health Service System (SFHSS) General Fund Administration Budget. Ms. Levin stated that this report summarized the assumptions used by the Mayor's Office to develop the FY 2020-21 and FY 2021- 22 budget instructions, Mayor's budget instructions, and budget schedules.

The Presentation included the following sections:

- Assumptions used by the Mayor's Office for FY 2020-2021 and FY 2021-2022
 - Five Year Financial Plan for the FY 2020-2021 through FY 2024-2025
 - ➔ Mayoral Priorities
- Mayor's Budget Instructions for FY 2020-2021 and FY 2021-2022
 - Key Budget Instruction Themes
 - Mayor's Budget Instructions
- The Budget Schedule

Commissioner Lim asked whether the Mayor's Budget Instructions asked for any savings in the salaries portion of the budgets. Ms. Levin noted that there would be no layoffs required, and the alternative is that some departments can choose to leave positions vacant. Commissioner Lim also asked about the savings that the Health Service System is awarding the city through health benefit rate negotiations, and how the agency's outcomes are over-performing compared to other departments. Commissioner Lim noted that the budget cuts to the Health Service System have a much more significant impact than larger agency who can absorb the cuts much more comfortably.

PUBLIC COMMENTS: None.

11. PRESENTATION OF AUDITED FINANCIAL STATEMENTS – June 30, 2019:(Action)

DOCUMENTS ATTACHED:

1145 MARKET STREET 3RD FLOOR, SAN FRANCISCO, CA 94102

1. The Presentation of Audit Results prepared by KPMG LLP is located on the SFHSS website at: <https://bit.ly/30pblyp>
2. Memo re Financial Statements – June 30, 2019 is located on the SFHSS website at: <https://bit.ly/2NxBVjQ>
3. Financial Statement – June 30, 2019 is located on the SFHSS website at: <https://bit.ly/2QXdmyU>

Jie Hua Lee, KPMG, presented the audit report to the Board. The presentation consisted of the following items:

- Audit Results required Communications and other Matters Summary
- Required Inquiries
- Significant Accounting Policies and Practices
- Significant Accounting Estimates
- Significant Financial Statement Disclosures
- Significant Risks and Other Significant Audit matters
- Newly Effective Accounting Standards
- Internal Control Related Matters

Ms. Lee noted that the SFHSS statements were “clean” with no corrected misstatements or internal control difficulties. Ms. Lee stated that there were no matters to report to the Board. Ms. Lee stated that the SFHSS team followed the newly implemented audit requirements set forth by the San Francisco Controller’s Office. Ms. Lee shared that the SFHSS management team is still reviewing the GASB Statement No. 84, Fiduciary Activities.

Commissioner Scott asked how this Statement 84 impacts the SFHSS management or would the GASB 84 impact how the Health Service Board conducts its business as “fiduciaries of the Health Service System.” Ms. Lee noted that the GASB 84 only pertains to the SFHSS Management team, and they act as a set of rules in audit reporting. Commissioner Lim affirmed that the GASB 84 will be used for reporting purposes and that this statement serves as a guideline for the city agencies.

Vice President Follansbee asked if there is anything that the Board members can pay attention to moving into the next year in terms of budgeting and financial matters. Ms. Lee stated that there is nothing more the Board should or could be doing in terms of oversight. Ms. Lee noted that the SFHSS Financial team is doing all that they can to conduct business in an ethical and “clean” manner.

Ms. Lee stated that working with Ms. Levin and her entire team was extremely easy, and there are no concerns from the KPMG team in terms of the financial processes currently in place.

PUBLIC COMMENT: None.

ACTION TAKEN: The Health Service Board unanimously approved the KPMG Audit Report and Financial Report as it was presented, with commendation to the financial team and all their efforts this past year.

12. APPROVE RESOLUTION ORDERING 2020 HEALTH SERVICE BOARD ELECTION FOR ONE EXPIRING TERMS AND AUTHORIZING STAFF TO INITIATE AND PROCEED WITH THE ELECTION: (Action)

DOCUMENTS ATTACHED:

1. The 2020 Health Service Board Election Resolution packet is located on the SFHSS website at: <https://bit.ly/3abymcE>
2. The SFHSS Election fact sheet is located on the SFHSS website at: <https://bit.ly/35WTct9>

Executive Director Yant presented the Health Service Board 2020 Election Resolution packet. Within the election resolution packet were the following documents: the SF Department of Elections notice, the SFHSS member notice, the SFHSS member letter, the 2020 election schedule, and the SFHSS nomination form with the sponsor pages. Executive Director Yant noted that this health Service Board election is being conducted because one member Commissioner Seat is expiring in May 2020.

Executive Director Yant stated that the Election process officially begins January 10, 2020 and concludes at the end of May 2020. The election will close on May 28, 2020, after the Department of Elections collects the ballots.

Executive Director Yant mentioned that the Health Service Board Secretary, Natalie Ekberg, will be maintaining, collecting, and processing all Nomination Forms submitted by SFHSS membership. Please contact, Natalie Ekberg, if there are any questions or comments regarding the election processes.

PUBLIC COMMENT: None.

ACTION TAKEN: The Health Service Board unanimously approved the Health Service Board Election Resolution and the initiation of the 2020 HSB Election Processes.

RATES AND BENEFITS

13. PRESENTATION OF 2019 RATES AND BENEFITS CALENDAR FOR PLAN YEAR 2021: (Discussion)

DOCUMENTS ATTACHED: The draft Rates and Benefits meeting schedule for 2021 is located on the SFHSS website at: <https://bit.ly/2Nudaop>

Executive Director Yant presented and reviewed the 2021 Rates and Benefits Calendar with the Health Service Board. Executive Director Yant shared that the Health Service Board Secretary has added additional meetings to the Board Calendar as “placeholders” in the anticipation that we may need to have a second meeting during the Rates and Benefits Cycle this year.

President Breslin, Commissioner Lim, and Vice President Follansbee agreed that the Board Secretary should plan the Rates and Benefits board meeting times at earlier times if it is required. The start times will be decided at each Board meeting for the following months. The start times will be planned according to the needs of the agenda items and their presentation content. Board Secretary, Natalie Ekberg, stated that she would edit the Rates and Benefits Calendar to reflect a 1 pm start time for all regular meetings that are currently planned throughout June 2020. At this time, the February 13, 2020 Board meeting is tentatively scheduled to begin at 1:00 pm and is anticipated to end at 4:30 pm.

PUBLIC COMMENTS: None.

14. APPROVE THE JUNE 30, 2019 INCURRED BUT NOT REPORTED (IBNR) and THE CONTINGENCY RESERVES AMOUNT: (Action)

DOCUMENTS ATTACHED: The IBNR and the Contingency Reserve Report is located on the SFHSS website at: <https://bit.ly/2TnH2a1>

Tom Ricks, Aon, presented this report to the Board. Mr. Ricks gave some of the histories of the SFHSS health plan reserve policies and the three distinct reserves that help to maintain each self-funded/flex-funded health plan. Mr. Ricks' presentation focused on two of the three reserve items; these two reserves are the Incurred But Not Reported (IBNR) (reserve) and the Contingency reserves.

The updated numbers for these two reserves were calculated as of June 30, 2019. Mr. Ricks stated that the IBNR reserves for the BSC plans, UHC City Plan, and Delta Dental PPO plan are currently fully funded. Blue Shield's year-end reserve balance is \$21,854,184, United Healthcare's year-end balance is \$3,220,254, Delta Dental's year-end balance is \$2,824,625. These reserve figures were reset as of June 30, 2019, after the close of the current fiscal year. Mr. Ricks also shared that the Contingency reserves for the BSC plans, UHC City Plan, and Delta Dental PPO plan are currently fully funded. Blue Shield's year-end reserve balance is \$13,977,799, United Healthcare's year-end balance is \$6,497,653, Delta Dental's year-end balance is \$3,017,539. These reserve figures were reset as of June 30, 2019, after the close of the current fiscal year.

Commissioner Lim asked if the two reserves are part of the rating and premium calculations. Mr. Ricks confirmed that the reserves are calculated as a line item.

PUBLIC COMMENT: None.

ACTION TAKEN: The Health Service Board unanimously approved the IBNR and the Contingency Reserve amounts as presented at the meeting.

REGULAR BOARD MEETING MATTERS

15. REPORTS AND UPDATES FROM CONTRACTED HEALTH PLAN REPRESENTATIVES: (Discussion)

PUBLIC COMMENT:

Sharen Stanek-Lowe, Delta Dental, reported that she is communicating with the member who reported issues with their billing and SmileWay program enrollment confirmation.

Commissioner Lim reported that he had received two calls from two separate members who have health plans outside of Blue Shield and had received Blue Shield medical ID cards the first week of January 2020. Commissioner Lim wanted to ensure that the members who received the incorrect cards were contacted to ensure that they are enrolled in their chosen plans.

Executive Director Yant confirmed that Mr. Griggs and the Member Services staff would connect with the members who received Blue Shield cards who are not Blue Shield plan members.

16. OPPORTUNITY FOR THE PUBLIC TO COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION: (Discussion)

PUBLIC COMMENT:

1145 MARKET STREET 3RD FLOOR, SAN FRANCISCO, CA 94102

Dennis Kruger, a retiree, stated that he and his wife also received Blue Shield medical cards even though they are enrolled in United Healthcare. Mr. Kruger noted that he called the Member Services staff, and they did confirm his enrollment with UHC, as well as sending him an updated benefits confirmation letter.

Mr. Kruger also asked the Board and the Medical Plan representatives about reimbursement policies for members who opt to enter a clinical trial – whether that is prescription-based, or service-based- would members be covered for any of the testing or the out of pocket costs.

Shawn Lovering, Blue Shield of California, stated that in many cases, these things are not covered by Blue Shield. Ms. Lovering noted that there would be a case by case review members who may qualify for a study, and that would be discussed with each person. Ms. Lovering stated that as a rule, many experimental studies and procedures are not covered under the plan.

President Follansbee stated that there might not be covered for the experimental study; however, if the member requires emergency or urgent care while taking part in the study, the member would not be denied care/coverage by the health plan. Vice President Follansbee stated that a majority of the studies require testing before the study begins that would most likely not be covered by the health plans.

President Follansbee requested that the SFHSS staff review the practices that took place and find the root cause of the incorrect health plans receiving information for members who are not enrolled in their program. Executive Director Yant stated that the SFHSS team would discuss this and that this is the time of the year where these types of errors do occur, so there is some work to be done to parse out what happened internally between SFHSS and Blue Shield.

17. OPPORTUNITY TO PLACE ITEMS WITHIN THE BOARD'S JURISDICTION ON FUTURE AGENDAS: (Discussion)

PUBLIC COMMENT: None.

18. ADJOURNMENT: 2:35 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.sfhss.org>

Disability Access

Regular Health Service Board meetings are held at City Hall, 1 Dr. Carlton B. Goodlett Place, in Hearing Room 416 at 1:00 PM on the second Thursday of each month. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call (415) 923-6142. There is accessible parking in the vicinity of City Hall at Civic Center Plaza adjacent to Davies Hall and the War Memorial Complex.

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.

Knowing Your Rights Under the Sunshine Ordinance

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 Natalie Ekberg at (415) 554-1727 or email Natale.Ekberg@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