



HEALTH SERVICE BOARD

CITY & COUNTY OF SAN FRANCISCO

Mary Hao
Vice President

Jack Cremen
Commissioner

Supervisor Matt Dorsey
District 6
Commissioner

Stephen Follansbee, M.D
Commissioner

Art Howard
Commissioner

Gregg Sass
Commissioner

Claire Zvanski
Commissioner

Abbie Yant, MA, RN
Executive Director
Health Service System

Holly Lopez
Executive Secretary

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HEALTH SERVICE BOARD

REGULAR MEETING MINUTES **DRAFT**

Thursday, June 13, 2024, 1:00 p.m.
City Hall, Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

and

VIRTUAL PRESENTATION BY SFGOV TV and Webex

Remote Meeting Access

The Health Service Board welcomes public participation during public comment periods. There will be an opportunity for the general public to comment at the beginning of the meeting and on each discussion or action item on the agenda. Each comment is limited to 3 minutes. For those attending remotely, the Commission will hear up to 30 minutes of remote public comment total for each agenda item. Remote public comment from people who have received an accommodation due to disability will not count toward the 30-minute limit. Remote viewing may not be available due to technology outages.

Watch at 1:00 p.m. on June 13, 2024 (via [SFGovTV schedule](#))

Click the link to join the meeting – [June 13, 2024, HSB Regular Meeting WebEx link](#)

Public Comment Call-In: 415-655-0001 / Access Code: 2668 614 8973 Webinar Password: 1145

Listening to the meeting via phone

1. Dial into **415-655-0001** and then enter **access code** 2668 614 8973, then #
2. Enter Webinar Password: 1145 then press #
3. Press *3 to enter the Public Comment queue, and you will hear the prompt, “You have raised your hand to ask a question; please wait to speak until the host calls on you.” When the system message says, “Your line has been unmuted,” - **THIS IS YOUR TIME TO SPEAK.**
4. You will be muted when your time to speak has expired.

Watching the meeting on WebEx

1. Join via hyperlink [June 13, 2024 HSB Regular Meeting WebEx link](#)
2. **Click on the Raise Hand Icon** to be placed in the queue to speak. A raised hand will appear next to your name. When you are unmuted in the system, a request to unmute will appear on your screen, please select unmute to speak.
3. When you are unmuted in the system, a request to unmute will appear on your screen, please select unmute to speak. Once you hear me say “Welcome Caller,” you can begin speaking.
4. When your time has expired, you will be muted. Please click on the Raise Hand Icon to lower your hand.

Members of the public are encouraged to state their name clearly, although you may remain anonymous. You will hear an audible warning when you have 30 seconds remaining. When your 3 minutes have ended, you will be placed back on mute.

Best Practices when Calling in for Public Comment:

- Call from a quiet location
- Speak slowly and clearly
- Turn down any televisions or radios around you
- Address the Commission as a whole; do not address individual Commissioners

Written Public Comment

Persons unable to attend the meeting may submit written public comments regarding an agenda item. These comments will be made part of the official public record and shall be brought to the attention of the Health Service Board. Written public comments expected to be part of the official record should be submitted to the Board email, health.service.board@sfgov.org, and **received by 5 p.m. on Wednesday, June 12, 2024**, before the meeting. Members can also call 628-652-4646 with any questions.

All comments received by the deadline will be forwarded to Board members, summarized and read aloud by the Board Secretary during the specific agenda item, and included in the meeting minutes. In the body of your email, indicate the meeting date and the particular agenda item number. If you do not specify an agenda item, your emailed public comment will be read under general comment.

The Health Service Board meeting recording is available on the [June 13, 2024, HSB Regular Meeting webpage](#). Recorded archives of regular board meetings are available on the [SFGovTV Health Service Board meeting webpage](#).

1. **CALL TO ORDER:**

2. **ROLL CALL:**

Vice President Mary Hao- Present
Commissioner Jack Cremen- Present
Supervisor Matt Dorsey- Present
Commissioner Stephen Follansbee, MD- Excused
Commissioner Art Howard- Present
Commissioner Gregg Sass- Present
Commissioner Claire Zvanski- Present

3. **GENERAL PUBLIC COMMENT – An opportunity for members of the public to comment on any matter within the Board’s jurisdiction that is not on the agenda, including requesting that the Board place a matter on a future agenda.**

PUBLIC COMMENT:

Karen Breslin, Retiree: Wished Board Secretary Holly Lopez a happy birthday and thanked her for her extraordinary work.

Fred Sanchez, President of Protect Our Benefits: Thanked the SFHSS staff for all the work on the Medicare MAPD Request for Proposal (RFP)

Herb Weiner, Retiree: Thanked the Board for being one of the friendliest Boards in the City and being so responsive to the member’s needs.

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

[See the pdf of the May 9, 2024, Health Service Board Regular Meeting Minutes Draft](#)

Commissioner Follansbee submitted non-substantial edits and grammatical edits to the minutes.

Commissioner Sass moved to approve the May 9, 2024, Health Service Board Regular Meeting Minutes draft. Commissioner Zvanski seconded the motion.

PUBLIC COMMENT: None

VOTE:

Ayes: Cremen, Dorsey, Hao, Howard, Sass, Zvanski **Noes:** None

ACTION: The Health Service Board unanimously approved the May 9, 2024, Health Service Board Regular Meeting Minutes.

5. **RESOLUTION FOR COMMISSIONER RANDY SCOTT: (Action)**

Executive Director Yant and Board Secretary Holly Lopez presented the resolution at Randy Scott’s memorial service.

Commissioner Zvanski moved to approve the Resolution for Commissioner Randy Scott.

PUBLIC COMMENT: None.

VOTE:

Ayes: Cremen, Dorsey, Hao, Howard, Sass, Zvanski **Noes:** None

ACTION: The Health Service Board unanimously approved the resolution for Commissioner Randy Scott.

6. ELECTION OF HEALTH SERVICE BOARD PRESIDENT OFFICERS (PRESIDENT AND VICE PRESIDENT) FOR FISCAL YEAR 2024-2025: (Action)

Vice President Hao said the Health Service Board Terms of Reference Sections 102 and 103 require the Board to elect a Board President and a Vice President. Traditionally, members serve in these roles for two years and typically have one elected member and one appointed member in these positions.

Vice President Hao nominated and moved Commissioner Zvanski to be the Vice President of the Health Service Board, starting July 2024. Supervisor Dorsey seconded the motion.

Commissioner Sass nominated and moved for Commissioner Mary Hao to be the President of the Health Service Board, starting July 2024. Supervisor Dorsey seconded the motion.

PUBLIC COMMENT: None.

VOTE:

Ayes: Cremen, Dorsey, Hao, Howard, Sass, Zvanski **Noes:** None

ACTION: The Health Service Board unanimously elected Commissioner Mary Hao as the Health Service Board President and Commissioner Claire Zvanski as the Health Service Board Vice President for the July 2024 to June 2024 term.

7. PRESIDENT'S REPORT: (Discussion)

Vice President Hao thanked everyone, especially the staff led by SFHSS Executive Director Abbie Yant Michael Visconti from SFHSS Contracts Administration Manager, along with Mike Clark, Anne Thompson, and Maridale Goff from Aon, for their hard work on the RFP. She appreciated the efforts over the months to ensure our members receive the highest quality benefits.

PUBLIC COMMENT: None.

8. DIRECTOR'S REPORT: (Discussion)

[See the pdf of the June 13, 2024 Director's Report](#)

Abbie Yant, SFHSS Executive Director, said the Health Service System presented its fiscal year ending 26-27 Departmental budget to the Board of Supervisors Budget and Appropriations Committee yesterday. Chair Supervisor Chan asked why the Health Service Board did not approve the HSS staff recommendation to award the Medicare MAPD contract to Blue Shield of California. Executive Director Yant explained what occurred at the June 7th Health Service Board meeting. Supervisor Chan, Dorsey, and other members expressed that the resulting cost to the City was unacceptable and asked for a solution. Executive Director Yant informed them that we have a regular Health Service Board meeting this week, are consulting with the City Attorney's Office, and will report to the Chair next week as requested.

PUBLIC COMMENT:

Fred Sanchez, President of Protect Our Benefits: Expressed his concern that prioritizing cost over providing the best healthcare to retired senior city workers is ethically wrong, and those workers should not bear the burden of balancing the City's budget.

Herb Weiner, Retiree: Stated that budget cuts should not sacrifice the benefits of seniors or other beneficiaries of the Health Service System, as budget forecasts are speculative and not guaranteed.

9. SFHSS FINANCIAL REPORT AS OF APRIL 30, 2024: (Discussion)

[See the pdf of the SFHSS Financial Report as of April 30, 2024, memo](#)

[See the pdf of the SFHSS Financial Report as of April 30, 2024 presentation](#)

Iftikhar Hussain, SFHSS Chief Financial Officer, presented the following items:

- SFHSS Financial Report Highlights
 - Employee Benefit Trust Fund
 - Healthcare Sustainability Fund
 - General Fund Administrative Budget
 - Audit Updates

Iftikhar pointed out that the patterns are consistent with those of previous months. The Trust Fund is projected to decline due to the stabilization built into our rates. The month-by-month report shows stable claim experience for flex-funded plans. The Board was concerned about the historical underuse of dental services. There has been improvement, with dental utilization increasing monthly. Iftikhar Hussain said the audit is proceeding as planned. There was a large increase in pharmacy expenses earlier this year, driving our claims up, but the higher rebates mitigate some of the cost. Despite the rebates, there is still a significant net increase in pharmacy expenses.

PUBLIC COMMENT: None.

10. APPROVE SFHSS REVISED GENERAL FUND ADMINISTRATIVE BUDGET FISCAL YEAR 2024-2025 AND FISCAL YEAR 2025-2026: (Discussion)

[See the pdf of the SFHSS Revised General Fund Administrative Budget Fiscal Year 2024-2025 and Fiscal Year 2025-2026 presentation.](#)

Iftikhar Hussain, SFHSS Chief Financial Officer, presented the following items:

- Budget Overview Process
- Summary of Mayor's General Fund Budget Changes
- Budget with Mayor's Changes (\$ in thousands)

Iftikhar Hussain said the Health Service Board approved the budget for the General Fund and the Health Sustainability Fund in February. Today's presentation includes the Mayor's review and changes. Iftikhar Hussain said this item is a discussion because the Mayor's changes are final.

Iftikhar Hussain said despite meeting the Mayor's initial budget target, additional reductions were made to the General Fund, specifically eliminating funding for the Wellness Program from the General Fund. SFHSS revised the Sustainability Fund budget to cover these services. Funding for the EAP program has been retained in the General Fund. Additionally, rent negotiations for the

department lease renewal resulted in some savings reflected in the budget changes presented today.

Commissioner Zvanski asked why the Wellness Program funding was removed. Iftikhar Hussain said it was a matter of finding reductions to meet the overall targets facing the general fund. Executive Director Yant said the Health Service Board approved increased funding for the Sustainability Fund, which allowed the Wellness Program to remain intact. The Mayor's Office knew the Sustainability Fund could support those increased services.

Commissioner Cremen asked what the Wellness Program budget is. Iftikhar Hussain said the budget is \$600,000. Commissioner Cremen asked if more reductions could come after SFHSS receives a Budget Legislative Analyst (BLA) report. Executive Director Yant said there is no BLA report for the SFHSS budget this year. Iftikhar Hussain said the Mayor's Office did not ask for further reductions. Vice President Hao asked if the budget had already gone to the Board of Supervisors. Iftikhar Hussain said yes, and the SFHSS presented the budget to the Board of Supervisor Budget and Appropriations Committee on June 12.

PUBLIC COMMENT: (meant for agenda item 10)

Fred Sanchez, President of Protect Our Benefits: Asked what happens to the projected decrease of \$6 million.

Iftikhar Husain said the Benefit Trust Fund is only for benefits. The Benefit Trust balances include money coming in as we collect premiums and money going out to pay claims and premiums of insured products. Those balances change from year to year, and we have a rate buydown in any year. This year, we are planning for a reduction in that fund of \$6 million due to the \$14.9 million rate stabilization and use of the Sutter Settlement to buy down rates and favorable claims.

11. APPROVE SFHSS REVISED HEALTHCARE SUSTAINABILITY FUND BUDGET FISCAL YEAR 2024-2025 AND FISCAL YEAR 2025-2026: (Action)

[See the pdf of the SFHSS Revised Healthcare Sustainability Fund Budget for Fiscal Year 2024-2025 and Fiscal Year 2025-2026 presentation](#)

Iftikhar Hussain, SFHSS Chief Financial Officer, presented the following items:

- Background and Board Action
- Healthcare Sustainability Fund (HSF)
- HSF Budget and 5-year Forecast

Iftikhar Hussain said the changes to the Health Sustainability Fund were in response to the General Fund adjustments. These included absorbing \$600,000 in expenses for two wellness positions and wellness activities to continue the program. The revisions also included an updated five-year forecast, showing that the fund remains sustainable through the 2027 fiscal year.

Commissioner Hao asked if the per-employee-per-month contribution from \$3 to \$4 would still be pulled from the Health Sustainability Fund and if the fund could sustain that request. Iftikhar Hussain confirmed the per employee per month \$4 was approved in February, and the fund can support that request.

Commissioner Sass moved to approve the revised SFHSS Revised Healthcare Sustainability Fund Budget for Fiscal Year 2024-2025 and Fiscal Year 2025-2026. Commissioner Cremen seconded the motion.

PUBLIC COMMENT: None.

VOTE:

Ayes: Cremen, Dorsey, Hao, Howard, Sass, Zvanski **Noes:** None

ACTION: The Health Service Board unanimously approved the revised SFHSS Revised Healthcare Sustainability Fund Budget for Fiscal Years 2024-2025 and 2025-2026.

RATES AND BENEFITS

12. PRESENTATION OF THE 2024 RATES AND BENEFITS CALENDAR FOR THE PLAN YEAR 2025: (Discussion)

[See the pdf of the 2024 Rates and Benefits Calendar for the Plan Year 2025](#)

Abbie Yant, SFHSS Executive Director, released the June 14, 2024 meeting hold.

PUBLIC COMMENT: None.

13. REVIEW HEALTH PLANS 2025 MEDICAL/RX PLANS RATES SUMMARY: (Discussion)

[See the pdf for the Health Plans 2025 Medical/Rx Plans Rates Summary presentation](#)

Mike Clarke, Aon presented the following items:

- Overview—Health Plans 2025 Rate Summary
- Health Plan 2025 Rate Summary
- Non-Medicare Plans Membership Distribution
- Projected 2025 Non-Medicare Monthly Rates
- For Comparison — 2024 Non-Medicare Monthly Rates
- SFHSS Medicare Plans — Current Covered Lives
- Projected 2025 Medicare Plan Monthly Rates

Vice President Hao was glad to see Kaiser HMO experience from 2022 to 2023 increase by 5% overall for active employees and early retirees.

PUBLIC COMMENT: None

14. REVIEW AND APPROVE KAISER PERMANENTE (CALIFORNIA) MEDICAL/RX FULLY INSURED HMO PLANS 2025 RATES AND CONTRIBUTIONS: (Action)

[See the pdf of the Kaiser Permanente \(California\) Medical/Rx Fully Insured HMO Plans 2025 Rates and Contributions presentation.](#)

Mike Clarke, Aon presented the following items:

- Rate Setting Methodology Preface
- Recommendation for HSB Action- Kaiser Non-Medicare HMO 2025 Plan Rating
- Kaiser Permanente (Kaiser) California HMO 2025 Plan Rating — Renewal Summary for Non-Medicare and Medicare Plans
- 2025 Monthly Rate Cards for Kaiser California HMO Plan

- Active Employees (93/93/83 and 100/96/83 contribution strategies)
- Early Retirees (per City Charter employer contribution guidance)
- Medicare Retirees (per City Charter employer contribution guidance)
- Recommendation for HSB Action

Vice President Hao asked for more information on the prior reconciliation of the Centers for Medicare and Medicaid Services (CMS). Mike Clarke said that CMS finalizes its funding for the next year in August every year. SFHSS Medicare plans, however, complete their approvals by mid-June, basing their rates on their best estimate of the final CMS funding when renewals are released to SFHSS and Aon in the second half of April. CMS provides an early funding notice in February and an updated one in April for MAPD plans. SFHSS MAPD plans released their rates to SFHSS and Aon after the April notice, but before the final notice in August. Historically, any differences between the anticipated April funding and the actual final funding are reflected in next year's renewal.

Commissioner Sass moved to approve the Kaiser Permanente (California) Medical/Rx Fully Insured HMO Plans 2025 Rates and Contributions. Supervisor Dorsey seconded the motion.

PUBLIC COMMENT:

Dennis Kruger, Retired and Active Firefighters and Spouses: Requested the Board consider changing the terminology “early retirees” to “pre-Medicare retirees” in future documentation.

VOTE:

Ayes: Cremen, Dorsey, Hao, Howard, Sass, Zvanski **Noes:** None

ACTION: The Health Service Board unanimously approved the Kaiser Permanente (California) Medical/Rx Fully Insured HMO Plans 2025 Rates and Contributions.

15. REVIEW AND APPROVE KAISER PERMANENTE MULTI-REGION MEDICAL/RX FULLY INSURED RETIREE HMO PLANS 2025 RATES AND CONTRIBUTIONS: (Action)

[See the pdf of the Kaiser Permanente Multi-Region Medical/Rx Fully Insured Retiree HMO Plans 2025 Rates and Contributions presentation.](#)

Mike Clarke, Aon presented the following items:

- Introduction
- Kaiser Permanente (Kaiser) Retiree HMO Multi-Region 2025 Rating Commentary
- 2025 Kaiser Multi-State Region Monthly Rate Cards — 2025 vs. 2024 Rates Comparison
 - Washington State Rates and Contributions
 - Northwest (Oregon/Southwest Washington) Rates and Contributions
 - Hawaii Rates and Contributions
- Recommendation

Commissioner Hao asked about planned outreach to members about the Medicare prescription drug plan formulary changes for the Kaiser Washington Medicare plan. Rey Guillen, SFHSS Chief Operations Officer, said SFHSS will communicate individually with impacted members, similar to our custom communication for Kaiser out-of-state regions, to inform them of how the change will affect them.

Commissioner Cremen moved to approve the Kaiser 2025 rates and premium contributions for multi-region HMO plans for early retirees and Medicare retirees for the Washington, Northwest,

and Hawaii regions as presented in this material, including a shift in Kaiser Washington Medicare model to Medicare Advantage Prescription Drug (MAPD). Commissioner Howard seconded the motion.

Commissioner Zvanski asked if SFHSS had heard from members about the hardships regarding the increases. Executive Director Yant said it's usual and customary for the rates to be approved in public meetings, and then SFHSS provides information to members.

PUBLIC COMMENT: None

VOTE:

Ayes: Cremen, Dorsey, Hao, Howard, Sass, Zvanski **Noes:** None

ACTION: The Health Service Board unanimously approved the Kaiser 2025 rates and premium contributions for multi-region HMO plans for early retirees and Medicare retirees for the Washington, Northwest, and Hawaii regions as presented in this material, including a shift in Kaiser Washington Medicare model to Medicare Advantage Prescription Drug (MAPD).

16. REVIEW AND APPROVE UNITEDHEALTHCARE MEDICAL/RX FULLY INSURED MEDICARE ADVANTAGE PRESCRIPTIONS DRUG (MAPD) PASSIVE PPO PLAN 2025 RATES AND CONTRIBUTIONS: (Action)

[See the pdf of the UHC Medical/Rx Fully Insured MAPD PPO Plan 2025 Rates and Contributions presentation.](#)

Mike Clarke, Aon presented the following items:

- Staff Recommendation
- Introduction
- Retiree Medical Contributions in Rate Card
- Proposed 2025 UHC MAPD Plan Monthly Rate Card
- Recommendation

Vice President Hao asked if the UnitedHealthcare renewal offers any rate guarantees for future years. Mike Clarke said the renewal includes rate increase caps for 2026 and 2027. The RFP process involved bidders submitting rates, which were scored based on their RFP responses. SFHSS also ran a concurrent renewal process with incumbents to cover contingencies around RFP processes. The document represents the final renewal submission from United Healthcare, submitted after the May 9 HSB meeting, which includes rate increase caps for 2026 and 2027.

Commissioner Sass compared the rate cards for Blue Shield and UHC and noticed a 5.4% difference in premiums. However, during the RFP process, the difference between their bids was 10.7%. Commissioner Sass asked why the rate cards do not show the 10.7% difference. He wondered if this relates to the 10-County average or the difference between UHC's original proposal and their rate caps on the bid. Mike Clarke said the difference is between the rates submitted by United Healthcare in the RFP and the final rates from the renewal process, which continued into May. The RFP process involves rate submissions as best and final offers, but the renewal process continues beyond that, causing the differential. Commissioner Sass asked if the rate increase caps continued in the renewal process. Mike Clarke said rate increase caps were included in UHC's MAPD PPO plan final renewal submission, and those 2026 and 2027 rate increase caps were lower than in UHC's RFP rate submissions. Mike Clarke said the overall

aggregated three-year cost under United Healthcare remains higher than what Blue Shield submitted in their RFP response. Commissioner Sass requested further clarification on the economic difference between the two since costs could increase to the rate increase caps set in the renewal, which may differ from the RFP rate increase caps. He asked for the dollar amounts of the rate increase caps and how much higher they could go. Mike Clarke said that for the RFP process for United Healthcare, the rate increase in the not-to-exceed cap was \$75 per member per month for 2026 and \$75 for 2027. Under the final renewal quotation, UHC's rate increase caps were \$60 per member per month for 2026 and \$45 per member per month for 2027. Executive Director Yant said the same question was asked by the Board of Supervisor Budget and Appropriations Committee Chair Connie Chan yesterday. She asked about the financial impact of not approving Blue Shield of California at the Health Service Board June 7 Special meeting. The impact is projected at \$67 million over the course of three years. Should the HSB accept the United Healthcare renewal, the budget shortfall would be \$43 million. There is some reduction from the RFP financial difference, but it is still a sizable budget increase for SFHSS rates.

Supervisor Dorsey said he does not support the staff recommendation for the UHC renewal because he believes in honoring the integrity of the detailed and meticulous competitive bidding process. He said his fiduciary duty is to support the best bidder identified through this process. Unless evidence shows the process lacked integrity or care, which he did not see, Supervisor Dorsey cannot justify a different conclusion. Additionally, he expressed his concern about the precedent this sets for future competitive bidding. He said the Board's leverage is in these bidding processes, with healthcare inflation outpacing other sectors. If the Board doesn't go with the best bidder, it undermines the incentive to submit strong bids. Supervisor Dorsey restated that he could not support the staff UHC renewal recommendation.

Commissioner Sass said that after receiving the package last Friday, he researched why the Blue Shield bid was significantly lower than UHC's because there were suggestions for a lowball attempt to get the contract. Commissioner Sass found some notable differences between the two companies. He said data from the most recent year, the CEO of UnitedHealth Group made \$23.5 million in one year, equating to \$1,958,000 per month, \$451,900 per week, and \$90,000 per day. This figure doesn't include the compensation for the CFO, CIO, or other high-level executives and presidents of UHC's subsidiaries, such as Optum. Last year, UnitedHealthcare Group's net income was \$20 billion, with \$5.7 billion paid in federal income taxes. The net income means their revenue was \$320 million more than needed, reflecting their profit margin. In comparison, Blue Shield's figures are much smaller. To explain the 16.7% differential in the RFP, consider UHC's profit, taxes, and executive compensation. These numbers, consistent over the past four years, illustrate the disparity. Commissioner Sass said that given these figures, he could not support using an organization that prices healthcare so high to achieve such profits and pay exorbitant executive fees; therefore, he cannot vote to approve this rate card.

Vice President Hao said she cannot support the UHC renewal recommendation. She reflected on the Board's duty as trustees and settlers to create and amend plans. Considering the duty of prudence to rely on our experts, she believed the Board did not adequately consider the package presented by our experts last week. For these reasons, Vice President Hao said she cannot support this proposal.

Commissioner Cremen said we also have a duty to our membership. The members expressed their strong preferences last Thursday, and the Board should consider their opinions when making this decision.

Commissioner Howard said his main concern is the coverage issues raised, especially for out-of-state members regarding the availability of providers with Blue Shield and United Healthcare. Specifically, he's worried about members who may struggle to find providers for their dependents without Medicare coverage. Commissioner Howard asked if there was any information to confirm coverage. Executive Director Abbie Yant said SFHSS conducted the annual demographic analysis of our membership, capturing data on residency, including out-of-state and international members across our plans. The report allows us to tailor precise outreach efforts to ensure continuity of care, which is crucial for maintaining good health. Over the years, SFHSS outreach strategies have become increasingly sophisticated. Our communications team, led by Jessica Shih, excels in developing targeted campaigns to support members during transitions and ensure they receive optimal healthcare.

Commissioner Cremen said many retirees on Medicare within our membership feel hesitant about transitioning to Blue Shield because they perceive it as a leap of faith into an unfamiliar system. Blue Shield hasn't previously offered plans that our members have trusted and enjoyed. This uncertainty about what to expect from an entirely new offering from Blue Shield has created fear and apprehension among our members. Executive Director Yant agreed with Commissioner Cremen's concerns about fear of the unknown and new experiences. Over the past four years, this Board has actively discussed managing the rising costs of Medicare. The competitive bidding process was designed with the awareness that it might replace the current provider. We've been preparing for this change for years. However, recent information has alarmed members even further. It's crucial to finalize this decision promptly so we can proactively address concerns and reassure members that their needs will be met.

Commissioner Howard said there's a significant perception regarding the quality of care between Blue Shield and UnitedHealthcare. He recalled the member feedback through email and public comments from last week, which indicates high satisfaction with UnitedHealthcare and lower satisfaction with Blue Shield, as reflected in emails and public comments. Executive Director Yant said We could all benefit from more education on the differences in plan experiences. She said concerns about Blue Shield often stem from the active member experience with an HMO, where authorizations are required to manage costs, regulated by the State of California's Department of Managed Care. However, our current United plan functions as a PPO, offering more flexibility to go in and out of the network without prior authorizations, which members appreciate. The carrier manages costs and coordinates care by fostering strong provider relationships. Blue Shield offers PPOS and will adopt our current plan design. Ultimately, the RFP was based on maintaining consistent plan designs, highlighting the importance of plan negotiations on behalf of our members.

Commissioner Cremen asked how the Trust would be affected if the UHC renewal did not pass. Iftikhar Hussian, SFHSS Chief Financial Officer, said the Trust and the Mayor's General Fund budget are based on the RFP rates. The RFP rates with Blue Shield over a three-year timespan are \$43 million lower than the UnitedHealthcare renewal rates. Commissioner Cremen asked if the Trust can support that rate increase. Iftikhar Hussain said the Trust is designed to be net neutral, meaning it is intended to handle fluctuations in claims and premiums from year to year rather than being a source of funds. The Trust smooths out differences between good and bad years in terms of claims experience. Ideally, premiums cover the costs of care provided, with any deviation due to unexpected experiences. The General Fund, not the Trust, is the primary source of funds. Mike Clarke added that the \$43 million total difference over three years is shared according to the City Charter contribution model. The City and other employers fund approximately 88% of the total Medicare plan costs, while members contribute about 12% through

dependent contributions. This breaks down to roughly \$4.5 million additional for members and \$38.5 million for the City and other employers.

Commissioner Zvanski asked what the Board would need to do if the UHC renewal was not approved. Vice President Hao said if the UHC renewal is not approved, the Board will need to call a Special Meeting to uphold its duty to provide a plan for retirees.

Commissioner Cremen moved to approve the UHC MAPD Medicare Retiree rate card for status quo plan design as presented today, which includes a 9.6% insured premium renewal increase into the 2025 plan year. Commissioner Howard seconded the motion.

PUBLIC COMMENT:

Lois Scott, Retiree: Urged the Board to retain their vote for United Healthcare Medicare Plan
Karen Breslin, Retiree: Urged the Board to retain their vote for United Healthcare Medicare Plan
Herbert Wiener, Retiree: Urged the Board to retain their vote for United Healthcare Medicare Plan
Rudy Faltis, Retiree: Urged the Board to retain their vote for United Healthcare Medicare Plan
Fred Sanchez, Protect Our Benefits, RECCSF member, CARA members: Urged the Board to retain their vote for United Healthcare Medicare Plan
Dennis Kruger, Retired and Active Firefighters and Spouses: Urged the Board to retain their vote for United Healthcare Medicare Plan
Sheila Bruce, Retiree: Urged the Board to retain their vote for United Healthcare Medicare Plan

VOTE:

Ayes: Cremen, Howard **Noes:** Dorsey, Hao, Sass, Zvanski

ACTION: The Health Service Board did not approve the UHC MAPD Medicare Retiree rate card for status quo plan design as presented today, which includes a 9.6% insured premium renewal increase into the 2025 plan year.

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

No updates from contracted health plan representatives.

PUBLIC COMMENT: None

18. VOTE ON WHETHER TO CANCEL THE JULY 2024 HEALTH SERVICE BOARD REGULAR MEETING: (Action)

Vice President Hao recommended keeping the July meeting in case the Board needs to discuss more rates and benefits topics. Executive Director Yant said the Rates and Benefits package will be heard at the Board of Supervisors Budget and Finance Committee on July 10, 2024.

Commissioner Howard suggested we cancel the July 11 meeting, and if another meeting is needed after the Committee meets, then the Health Service Board could hold a special meeting.

Commissioner Howard moved to cancel the Health Service Board regular meeting in July. Commissioner Zvanski seconded the motion.

PUBLIC COMMENT:

Fred Sanchez, President of Protect Our Benefits: Requested ample notice for the special meeting.
Karen Breslin, Retiree: Requested Commissioner Follansbee be present for the meeting and asked what the requirements are for notifying the public of special meetings.
Herb Weiner, Retiree: Requested all Board members be present for the special meeting.

VOTE:

Ayes: Cremen, Dorsey, Hao, Howard, Sass, Zvanski **Noes:** None

ACTION: The Health Service Board approved to cancel the July Health Service Board Regular meeting.

19. ADJOURNMENT: 3:19 p.m.

Health Service Board and Health Service System Website: <http://www.sfhss.org>

Summary of Health Service Board Rules Regarding Public Comment

1. There will be an opportunity for general public comment at the beginning of the meeting, and there will be an opportunity to comment on each discussion or action item on the agenda. A member may comment on any matter within the Board's jurisdiction as designated on the agenda.
2. A member of the public has up to three (3) minutes to make pertinent public comments.
3. Public Comment can be given in-person, remotely, or written. Remote viewing may not be available due to technology outages.
4. Members may submit their comments by email to health.service.board@sfgov.org by 5 pm the day before the meeting start time. These comments will be made part of the official public record and shall be brought to the attention of the Health Service Board. All comments received by the deadline will be forwarded to Board members, summarized and read aloud by the Board Secretary during the specific agenda item, and included in the meeting minutes. In the subject line of your email, indicate the meeting date and the specific agenda item number. If you do not specify an agenda item, your emailed public comment will be read under general comment.
5. For those attending remotely, the Commission will hear up to 30 minutes of remote public comment total for each agenda item. Remote public comment from people who have received an accommodation due to disability will not count toward the 30-minute limit.

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>.

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 outlined in Chapter 67A of the San Francisco Administrative Code.

Disability Access and Accommodation

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 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. To obtain a disability-related modification or accommodation, including auxiliary aids or services, to participate in the meeting, please contact Holly Lopez, at 628-652-4646 at least 48 hours before the meeting, except for Monday meetings, for which the deadline is 4:00 pm the previous Friday.

City Hall Room 416 is wheelchair accessible. This meeting will be broadcast and captioned on SFGovTV. Remote public participation is available upon request for individuals who cannot attend in person due to disability. Making a request to participate remotely no later than one (1) hour prior to the start of the meeting helps ensure the availability of the meeting link. Sign Language Interpretation is also available upon request. If requesting remote Sign Language Interpretation, please submit an accommodation request a minimum of 4 business hours prior to the start of the meeting. Allowing a minimum of 48 business hours for all other accommodation requests (for example, for other auxiliary aids and services) helps ensure availability. To request an accommodation, please contact Holly Lopez, holly.lopez@sfgov.org 628-652-4646.

To access the meeting remotely as an accommodation, please use [June 13, 2024 HSB Regular Meeting WebEx link](#) or call 415-655-0001. Please find instructions at the beginning of this agenda for how to use WebEx for the purposes of remote public comment.

Sensitivity to Chemical-based Products

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.

Location of Materials

If any materials related to an item on this agenda have been distributed to the Health Service Board after the 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 Holly Lopez at 628-652-4646 or email holly.lopez@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: 628-652-4646

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.

Generative AI was used to summarize and clarify discussion points in the meeting minutes.