



HEALTH SERVICE BOARD

CITY & COUNTY OF SAN FRANCISCO

Mary Hao
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John 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

SPECIAL MEETING MINUTES DRAFT

Friday, June 7, 2024, 2:00 p.m.

City Hall, Room 408

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 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.

Watch at 1:00 p.m. on June 7, 2024 (via [SFGovTV schedule](#))

Click the link to join the meeting – [June 7, 2024, HSB Regular Meeting WebEx link](#)

Public Comment Call-In: 415-655-0001 / Access Code: 2662 907 7069 Webinar Password: 1145

Listening to the meeting via phone

1. Dial **415-655-0001** and then enter **access code** 2662 907 7069, 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 7, 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 Thursday, June 6, 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 7, 2024, HSB Special Meeting webpage](#). Recorded archives of regular board meetings are available on the [SFGovTV Health Service Board meeting webpage](#).

1. **CALL TO ORDER:** 2:07 p.m.

2. **ROLL CALL:**

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

Vice President Hao welcomed two newly elected Commissioners, Howard and Cremen, to the Health Service Board. She noted that the Board would take action on the Controller's nomination seat and welcomed Gregg Sass as the nominee.

Vice President Hao said that Agenda Item 4 Staff Recommendation for the Medicare Advantage PPO plan item was tabled from last month's meeting to ensure a fuller Board attendance. The discussion has been ongoing since 2020, beginning with insights from our actuaries at Aon about the Medicare plan market. We received updates and trends through 2021 and then started considering an RFP for our Medicare Advantage Plans. After evaluation and Board discussions, SFHSS issued an RFI and, later, in 2023, an RFP. Although it may seem sudden, it has been a long, thoughtful process with many questions and concerns expressed and discussed. Vice President Hao said due to the expected robust discussion, public comment was limited to one minute per person, with a total of 30 minutes for virtual comments, to ensure we could get through the presentation and hear from all public comments.

3. **APPROVAL OF CONTROLLER'S NOMINEE, GREGG SASS, TO THE HEALTH SERVICE BOARD TO COMPLETE THE REMAINING 5-YEAR TERM ENDING MAY 15, 2025: (Action)**
[See the pdf of Controller's Nomination letter for Gregg Sass](#)

Pursuant to Administrative Code Section 12.200 Health Service Board, the Controller shall transmit a written notice of nomination to the Health Service Board. The Controller's nominee shall be subject to the Health Service Board's approval. The current Controller's appointed seat is open and will end on May 15, 2025. The Health Service Board will review and approve the nomination of Gregg Sass to complete the remaining term.

Commissioner Follansbee moved to approve the Controller's nomination to appoint Gregg Sass to the Health Service Board. Commissioner Zvanski seconded the motion.

PUBLIC COMMENT:

Karen Breslin, Retiree: Urged the Board to uphold their fiduciary responsibilities.

Lois Scott, Retiree: Vice President of Protect our Benefits: Expressed gratitude for Commissioner Scott and welcomed Commissioners Jack Cremen and Art Howard. Expressed appreciation for remote access to Board meetings.

Anonymous Speaker: Asked the Board to reinstate the 3-minute public comment limit.

VOTE:

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

ACTION: The Health Service Board unanimously approved the Controller’s appointee, Gregg Sass, to the Health Service Board.

Commissioner Sass thanked everyone for their support and votes. He expressed his sorrow for the passing of Commissioner Randy Scott. Commissioner Sass recalled that in 2016, United Healthcare was selected as the Medicare Advantage contractor and remembered the Board selection process, including the significant public comment it attracted. Commissioner Sass said that after Commissioner Scott’s passing, the Controller’s Office quickly appointed a successor to ensure an entire board, especially during the rates and benefits period. He received the agenda item information on May 3 and met with Executive Director Yant, Iftikhar Hussian, SFHSS Chief Financial Officer, and several members of the Aon actuarial team. They walked him through the entire presentation and answered all his questions, providing valuable insights. Commissioner Sass said that although these were his first minutes back on the Commission, he had over a month to review the information and believed he was qualified and prepared to vote on this issue.

4. **SFHSS STAFF REQUEST FOR PROPOSAL (RFP) RECOMMENDATION FOR THE MEDICARE PLAN MAPD (MEDICARE ADVANTAGE PRESCRIPTION DRUG) PASSIVE PPO FOR THE 2025 PLAN YEAR: ADD THE BLUE SHIELD OF CALIFORNIA (BSC) MEDICARE ADVANTAGE PRESCRIPTION DRUG (MAPD) PASSIVE PPO PLAN FOR MEDICARE MEMBERS, AND OFFER THE EXISTING BSC HMO (ACCESS+/TRIO) AND PPO PLANS TO NON-MEDICARE “SPLIT FAMILY” COVERED LIVES IN FAMILIES WITH AT LEAST ONE COVERED MAPD PASSIVE PPO PLAN COVERED LIFE-WITH THE 2025 PLAN YEAR RATE CARDS CONTAINED IN THIS MATERIAL; AND DISCONTINUE THE UNITEDHEALTHCARE (UHC) MAPD PASSIVE PPO PLAN, UHC NON-MEDICARE SELECT EPO PLAN, UHC NON-MEDICARE DOCTORS EPO PLAN, AND UHC NON-MEDICARE PPO PLAN.: (ACTION)**
[See pdf of the June 7, 2024, SFHSS Staff Recommendation for RFP MAPD Passive PPO for the 2025 Plan Year presentation](#)

Abbie Yant, SFHSS Executive Director, Michael Visconti, SFHSS Contract Administration Manager, and Mike Clarke, Aon, presented the following items:

- Staff Recommendation
- RFP Process: History, Framework, Objectives and Scope
- Development of Scoring and RFP Elements
- Evaluation Panel and Subject-Matter Expertise and Support
- Why We Recommend Blue Shield of California: RFP Scoring and Framework
 - Scoring
 - Financial Elements
 - Non-Financial Elements (Member Experience)
- 2025 Plan Year Rate Cards for Recommended Plans
- Implementation and Member Outreach Strategy

Executive Director Yant recognized that the recommendation represents a change for our members and conjures up fear and anxiety for many members who want to keep the same physician, hospital, and pharmacy. A core objective in the process was that we required bidders to bid on the same plan design we have today. We are committed to addressing all member concerns, and upon Health Service Board approval today, we will expand our outreach to inform and educate members.

Executive Director Yant said the plan consideration began almost four years ago when we completed a marketplace assessment and affirmed that we should stay with the Medicare Advantage Plans for our retirees. Then, we issued a request for information where we learned about market conditions, products, benchmarks, etc. We realized that the pandemic recovery and the runaway inflation could cause our benefits to be unsustainable. We issued a Request for Proposal for our Medicare Advantage prescription drug plan passive PPO. We have also shared updates with this Board no less than seven times to keep our members and the Board apprised of our progress. She said securing competitive bids is the strongest tool for containing the rising health premiums. One of the primary roles of this Board is to approve those rates and act prudently when savings are available. Executive Director Yant reminded the Board of the February Health Service Board meeting, and all employers presented how they were experiencing extreme budget shortfalls. In addition, tremendous inflationary increases are compounding healthcare costs. Healthcare benefits are a significant funding obligation; not capturing the savings now could adversely impact our members through higher copays and deductibles or reduced benefits. By adopting our recommendations, we would save the City and our members millions of dollars over the next three years by moderating the growth of our healthcare costs while maintaining the care and excellent experience for our members. Executive Director Yant further explained that the RFP focused on member experience, and required the plan to be a Medicare PPO plan with a national reach.

Commissioner Follansbee asked how the scoring rubric (slide 19) was developed and if there is an industry-standard for rubric scoring. Michael Visconti said industry standards were implemented with over 100 subcategories, and 66 were member non-financial elements. Michael Visconti said panelists discussed all categories. Commissioner Follansbee asked when the scoring rubric was established. Michael Visconti said every category was finalized before receiving the proposals. Commissioner Follansbee asked if the applicants knew the scoring rubric before they submitted their proposals. Michael Visconti said the overall categories for the scoring criteria were publicly posted on December 12, 2023, before the submission deadline.

Commissioner Follansbee noted the Non-premium financial elements titled "Caveats" (slide 26) and asked if applicants were aware that no points were that although there were no points to caveats, the caveats could lead to a decrease in points. Michael Visconti said applicants were aware. He said the RFP asked for specific responses to ensure sustainability, predictability, and reliability. RFP processes need an objective decision without giving any respondent the benefit of the doubt. Caveats could allow changes in rates or conditions, which we cannot accept in our RFP process due to our current environment and budget constraints, so applicants are contractually obligated to meet all commitments made in their proposals.

Commissioner Follansbee asked for clarification on the performance guarantees with a request for a 2% fee-at-risk. Mike Clarke said the RFP set standards for member service expectations, including primary care access, mental health access, reporting, and transparency. Carriers must meet these service standards for both members and SFHSS. If a carrier fails to meet performance guarantees, up to 2% of premiums can be deducted. Mike Clarke stated Chief Financial Officer Hussain reports on any performance guarantee repayments in his monthly financial updates. Mike Clarke said these requirements cover operational and administrative standards and member service metrics like call response speed and abandonment rates. Carriers have 2% of their fees at risk for not meeting these expectations.

Commissioner Follansbee asked if new drugs, such as GLP-1s, would be included in the caveats category. He wondered if changes due to the Inflation Reduction Act, including Medicare's ability to negotiate prices, would be part of the Medicare gain-sharing agreement or covered under the

caveat provisions. Mike Clarke said that would fall under the caveat category.

Commissioner Follansbee said the rates look very good for the next three years and understood the rates for plan year 2025 but expressed concern about the guarantee for plan years 2026 and beyond. Mike Clarke said the actuarial team ensures the plan upholds what they quoted for 2026 and 2027.

Commissioner Sass said the rate caps offer a savings of \$67 million and wondered what savings would be if the rate caps weren't implemented. Mike Clarke noted the potential savings are up to \$67 million, assuming rate caps apply. The quoted RFP rates (slide 24) for United Healthcare in 2025 are \$586.82 for Parts A and B and \$1023.64 for Part B only. These rates would apply, and premiums for 2026 and 2027 are shown as if the not-to-exceed premium increase caps were in place. UnitedHealthcare might offer lower rates during the 2025 renewal, but for the RFP, we must score based on the quoted not-to-exceed rates. Commissioner Zvanski asked if the plan could request more in the renewal process. Mike Clarke said the plan could not come back for more than the maximum rate increase caps for 2026 and 2027 offered in their proposal.

Commissioner Follansbee asked if the Board accepts the staff recommendation for Blue Shield of California, another plan like UnitedHealthcare or Anthem cannot bid in 2026 or 2027. Mike Clarke said that is correct because the RFP proposals asked for multiyear agreements with one health plan.

Mike Clarke stated part of their RFP included medical provider utilization analysis considerations. The considerations included: 1. Members have access to contracted and non-contracted providers. 2. Non-contracted providers who accept Medicare Advantage Members receive the same reimbursement as they would receive under Original/Traditional Medicare, and 3. Contracted providers receive the rate they negotiate with the plan and must abide by their contract terms. Applicants were asked to use 2022 and 2023 claims data to identify whether a provider being seen was a contracted provider in their network, non-contracted but has a history of accepting Medicare within the last 12 months, or non-contracted and doesn't have that history of accepting Medicare in the last 12 months. Commissioner Zvanski asked if the provider accepts Medicare, and if so, the plan has to accept the reimbursement rates. Mike Clarke said that is correct. Commissioner Follansbee said that individual providers or medical group providers could choose to accept or not accept Medicare, and if the provider does not accept Medicare, the patient may get a low rate, but the provider would bill the difference to the patient. Mike Clarke said that could be true. Mike Clarke emphasized a critical distinction is that the provider's decision to accept Medicare patients as a member of a physician group or an individual practitioner is independent of the insurer or plan administrator. If a provider accepts Medicare, the cost would be the same to the patient, whether it's UHC, Anthem, or Blue Shield as the administrator. Mike Clarke stressed that if a physician or other provider accepts Medicare, they're going to accept Medicare under any plan administrator. Commissioner Sass explained that physicians decide which payments to accept, but retirees typically look for providers that accept Medicare. Commissioner Zvanski said if members choose to see a provider that does not accept Medicare, the member may pay more for the service. Mike Clarke said yes. Commissioner Follansbee noted that it has always been the case that if members go to a provider who doesn't take Medicare, then they are subject to pay more.

Commissioner Follansbee asked for clarity on the Carrier Medical Claims Dollars analysis (slide 36). Mike Clarke said the two columns show the percentage of medical claims dollars in 2023 and another for 2023 with ongoing review. He said after completing the scoring, we discovered that Blue Shield's contracted provider percentage was the same as contracted plus non-contracted providers (82% for each) but had a history of treating Medicare patients. After the recommendation was

publicly posted on May 3 for the May 9 meeting, the RFP team asked Blue Shield to confirm the percentage of claim dollars for providers accepting Medicare. Blue Shield has since confirmed that up to 94% of providers have a history of treating Medicare patients, whether contracted or non-contracted. Commissioner Follansbee asked all the applicants to verify the data analysis of the claims. Mike Clarke said United Healthcare was always 100% contracted and non-contracted but had a history of accepting the plan in the last 12 months.

Commissioner Follansbee asked what accounted for such a difference in the premium bids. He noted that all three applicants had similar medical networks, pharmacy disruption, and formulary disruption. He also noted that Blue Shield of California is a not-for-profit and Anthem and United Healthcare are for-profit companies, but he wasn't sure if that made a difference in the premium bids. Mike Clarke said that recent federal legislation, the Inflation Reduction Act, transformed the elements of what goes into Medicare government funding. The federal government funds the majority of Medicare products through subsidies. The new legislation may impact plan projections for financing based on what they will receive and what premium they need after government funding to pass to the plan's sponsors. Commissioner Follansbee expressed his anxiety over the massive differential without a clear explanation.

Commissioner Howard asked about care approvals and wondered if Blue Shield or UnitedHealthcare is making those approvals for the different treatments or if Medicare is making the approvals. Micheal Visconti said it is a highly regulated process and approved considering Medicare coverage guidelines.

Commissioner Follansbee pointed out the oral interview scores that align with the member needs, strategic plan goals and objectives, and the support for HSS- noting United Healthcare ranked 81.27 and Blue Shield of California ranked 71.76. Follansbee wondered if UnitedHealthcare called for a higher premium because they had more experience with our membership population. In contrast, Blue Shield of California hasn't had the experience with our Medicare population. Michael Visconti said all applicants had to execute mutual confidentiality agreements to receive the SFHSS population census data. Mike Clarke noted that every applicant received the same information, and each applicant had the opportunity to quote premium prices they felt were needed to cover the overall expenses for the plan. Commissioner Sass said he wasn't concerned with the oral interview score differential. He noted that an organization with seven years of experience with us would naturally perform better in an oral interview because they would understand our program and could anticipate questions. He wasn't surprised that a new contractor scored lower than an existing one. Blue Shield scored higher financially because they offered a lower price. Despite being a large, for-profit provider, United Healthcare submitted higher premiums, likely due to its overhead and profit margins. They did not provide a competitive bid, whereas Blue Shield did. Thus, UHC's higher costs led to their lower score, which is no fault for Blue Shield. Commissioner Follansbee said a 10% differential is concerning. Commissioner Follansbee also expressed concern that the panelists set the rubric and used it to score the oral interviews. Executive Director Yant clarified that the panelists did not create the scoring rubric. SFHSS staff and the Aon actuarial team created the rubric. Mike Clarke added that the panelists rated the oral interviews.

Commissioner Follansbee said the Board received many emails about the impact on access for out-of-state members and if there was a plan for member outreach. Rey Guillen, Chief Operations Officer, said Blue Shield offers nationwide coverage, and SFHSS will do targeted outreach and communications. Commissioner Howard said members also expressed concern about the quality of care and the availability of the Blue Shield Blue Card system. Commissioner Zvanski said members are concerned about the cost difference. Rey Guillen reiterated that if a provider is a contracted provider or a non-contracted provider anywhere in the county, they accept Medicare payment and

see a patient if they bill the Blue Shield of California plan, they will be paid the Medicare rate just like every other provider.

Commissioner Howard asked if this recommendation would affect the active employees and early retirees with United Healthcare PPO and HMO plans. Rey Guillen said our United Healthcare PPO and HMO plans are strictly for those split families with a Medicare member and at least one non-Medicare member. There is limited enrollment for a very small subset of the population. The RFP recommendation will not affect the active and early retiree plans.

Greg Wagner, City Controller, shared updates on the economic climate of the three city government offices- the Controller's Office, the Mayor's Budget Office, and the Board of Supervisors Budget and Legislative Analysts. Greg Wagner said the economy has significantly changed since the pandemic, mainly due to reduced office occupancy in downtown San Francisco. This decline has led to lower rent and decreased property values, impacting city finances through reduced property taxes and fewer property transactions. The City also sees fewer tourists and business travelers, which affects sales tax, hotel tax, and other revenue sources. Despite an early 2020s rebound, office occupancy and tourism rates have flattened, leading to projected flat revenues. Costs are rising, creating a deficit projected to exceed \$1.3 billion over the next four years. The Mayor and Board of Supervisors must balance these budgets, likely through expenditure containment or reductions. Addressing this challenge will require collective effort, competitive solicitation processes, and careful consideration of the financial implications of decisions.

Ardis Graham, Employer Relations director for the Department of Human Resources, shared a brief overview of the bargaining cycle that concluded on June 6. Ardis Graham said negotiations began in December with 27 unions representing 80% of city employees. The outcome was positive, with most unions agreeing to a 13% general wage increase over three years. The team can answer questions regarding the negotiation process or Memorandums of Understanding. The Board's leadership and Director Yant's team ensured no additional healthcare costs for employees. Healthcare is crucial for maintaining a competitive job market in San Francisco, and the Board's support in this area is greatly appreciated.

Commissioner Follansbee said on slide 65, titled "Medical Provider Disruption Scoring," there is a section for Blue Shield of California. The second line shows "Blue Shield of California Provider" with a final percent score of 74.60%. He said the number stood out and asked how it was calculated. He wondered why this score is relatively low, especially considering the provider groups and other issues seem identical. Michael Visconti said at the time of the RFP, Blue Shield could only present contracted providers, and we counted the rest as non-contracted with no history. Since then, additional outreach has been done; as Mike Clarke explained earlier, the score went from 74.6% to 94%.

Commissioner Follansbee asked to clarify the performance guarantee scores on page 79 of the appendix. Michael Visconti said Blue Shield was unaware of the 2% standard and included only 1%, which resulted in a lower numerical score. Despite their commitment to the Strategic Plan, the 1% vs. 2% discrepancy led to an automatic deduction. The scoring process is mathematical and objective, with no opportunity for reclarification, ensuring fairness and transparency for all respondents.

Commissioner Howard acknowledged the members who wrote about how much they appreciate the quality of care with UnitedHealthcare and said they don't want the quality to change. Commissioner Howard was cautious about taking a lower bid price and emphasized the importance of considering the bid amount and the guarantees offered. He used the analogy of selecting two

contractors for your house, one with a high bid who guarantees their work thoroughly and another with a low bid who only partially guarantees their work. Commissioner Howard said guarantees and quality assurances are crucial factors to consider alongside cost. Executive Director Yant said we constantly prioritize quality, and when we compare these plans, it's important to note that they involve the same doctors, hospitals, and pharmacies. Therefore, the quality of care our members currently enjoy will remain unchanged. Commissioner Howard said the unknown is scary for members. Executive Director Yant said as a nurse, it pains her to see the fear and anxiety created recently. She said she was concerned about comparing this situation to hiring a contractor for personal reasons; unlike the private sector, strict city regulations and compliance issues prevent us from going back to a lower bid in our contracting process.

Commissioner Sass noted members said they had Blue Shield in the past and didn't like the plan. Commissioner Sass pointed out that comparing the previous Blue Shield of California HMO with the Medicare Advantage passive PPO plan is not equal. He considered that the anxiety is more about change and less based on the facts of the PPO plan.

Commissioner Cremen asked how split family coverage will change if UnitedHealthcare is no longer available. Mike Clarke said about 1,000 non-Medicare lives within families have at least one Medicare member covered by the MAPD PPO plan. These non-Medicare members can choose from a PPO plan and two HMO plans. Before 2023, non-Medicare members in an HMO plan were covered by Blue Shield's Access+ or Trio. In 2023, these HMO members transitioned to similar EPO products through United Healthcare. For 2023 and 2024, these members have had the same three choices: PPO, broader network HMO, and narrow-network HMO. With the new recommendation, if you are a Medicare retiree with a non-Medicare spouse, your spouse can stay in a PPO plan now administered by Blue Shield instead of United Healthcare or revert to a Blue Shield-administered HMO plan as it was before January 2023.

PUBLIC COMMENT:

Lois Scott, Vice President of Protect our Benefits: Opposed the staff RFP recommendation

Linda Costa: Opposed the staff RFP recommendation

David Williams: Opposed the staff RFP recommendation

Karen Breslin: Opposed the staff RFP recommendation

Mike, Welfare Officer for the San Francisco Police Officers Association: Opposed the staff RFP recommendation

Teresa Palmer: Opposed the staff RFP recommendation

Norm Deggelman: Opposed the staff RFP recommendation

Maureen O'Shay: Opposed the staff RFP recommendation

Chad Urtola: Opposed the staff RFP recommendation

Dennis Kruger, Retired Fire Fighters and Spouses: Opposed the staff RFP recommendation

Alice Rogoff: Opposed the staff RFP recommendation

Tim O'Brien, Retired Fire Fighters and Spouses: Opposed the staff RFP recommendation

Rich Costa, Protect Our Benefits: Opposed the staff RFP recommendation

Herber Weiner: Opposed the staff RFP recommendation

REMOTE PUBLIC COMMENT:

Joseph Asaro: Opposed the staff RFP recommendation

Anonymous: Opposed the staff RFP recommendation

Olga Ryerson: Expressed concern for change but trusted the recommendation.

Anonymous Speaker: Opposed the staff RFP recommendation

Fred Sanchez, President of Protect our Benefits: Opposed the staff RFP recommendation

Anonymous Speaker: Opposed the staff RFP recommendation

Martha Hawthorn: Opposed the staff RFP recommendation
Anonymous Speaker: Opposed the staff RFP recommendation

WRITTEN PUBLIC COMMENT:

Michael Paganini: Agreed with the staff RFP recommendation

Alex Tokoha: Agreed with the staff RFP recommendation

Patrick Monette-Shaw: AON's presentation stated between Plan Years 2025– 2027 Blue Cross costs will increase by \$13 million to \$127.9 million, compared to the United Healthcare increase to \$32.2 million, a difference between the two companies of \$19.2 million in annual HSS "savings" by Plan Year 2027. Because Blue Shield didn't include its rate increase caps for Plan Years 2026 and 2027, HSS has no guarantee our healthcare system expenses will really save \$19.2 million in costs by 2027. To the extent Blue Shield increases its rates beginning in Plan Year 2026, that \$19.2 million in assumed "savings" may evaporate entirely! If you award Blue Shield this contract again — clearly a false low bid — it's likely in 2025 BSC will suddenly increase its Plan Year 2026 rates with an unjustified and excessive 10.2% or more, like it did in 2017, wiping out any "projected savings" to HSS. BSC is doing a bait-and-switch.

Jacquelyne Damato: Opposed the staff RFP recommendation

Irene Burns: Opposed the staff RFP recommendation

Janet Pond: Opposed the staff RFP recommendation

Karan Held: Opposed the staff RFP recommendation

William O'Neil: Opposed the staff RFP recommendation

Loretta Najera: Opposed the staff RFP recommendation

Howard Blonsky: Opposed the staff RFP recommendation

Larry P Barsetti: Opposed the staff RFP recommendation

William Welch: Opposed the staff RFP recommendation

Armond Pelissetti: Opposed the staff RFP recommendation

Bob Faenzi: Opposed the staff RFP recommendation

Charles Pistoia: Opposed the staff RFP recommendation

John Beckerley: Opposed the staff RFP recommendation

Nadim P Totah, Jr: Opposed the staff RFP recommendation

Michele Lane Mcdonough: Opposed the staff RFP recommendation

Leanna M. Dawydiak: Opposed the staff RFP recommendation

Louette Colombano: Opposed the staff RFP recommendation

Lynette A Hogue: Opposed the staff RFP recommendation

Charles J Keohane: Opposed the staff RFP recommendation

George & Hilary Alboff: Opposed the staff RFP recommendation

Lois Perillo: Opposed the staff RFP recommendation

John A. Murphy: Opposed the staff RFP recommendation

John B. Skance: Opposed the staff RFP recommendation

George C. Carrington: Opposed the staff RFP recommendation

Agustin LaRue: Opposed the staff RFP recommendation

Lawrence J. Wright: Opposed the staff RFP recommendation

Patricia White Fogarty: Opposed the staff RFP recommendation

Brian M. D'Arcy: Opposed the staff RFP recommendation

Jim Castro: Opposed the staff RFP recommendation

Patrick Sabia: Opposed the staff RFP recommendation

John L. Rogers: Opposed the staff RFP recommendation

Theresa Adkins: Opposed the staff RFP recommendation

Donald R Scheppler: Opposed the staff RFP recommendation

Dave Britt: Opposed the staff RFP recommendation

Mark Mahoney: Opposed the staff RFP recommendation

Roger J. Battaglia: Opposed the staff RFP recommendation
Gary Wilson: Opposed the staff RFP recommendation
William E. Bigarani: Opposed the staff RFP recommendation
Michael S. Becker: Opposed the staff RFP recommendation
Anna Brown: Opposed the staff RFP recommendation
Tim Shanahan: Opposed the staff RFP recommendation
Kenneth Cereghino: Opposed the staff RFP recommendation
Laurie Warner: Opposed the staff RFP recommendation
Joe Collins: Opposed the staff RFP recommendation
Richard Warner: Opposed the staff RFP recommendation
Gary Massetani: Opposed the staff RFP recommendation
Lorraine Loo: Opposed the staff RFP recommendation
Sandra Fuentes: Opposed the staff RFP recommendation
Gerald and Ramona Kilroy: Opposed the staff RFP recommendation
Tom and Sarah Harvey: Opposed the staff RFP recommendation
Vicki Quinn: Opposed the staff RFP recommendation
Raymond A and Victoria L Carlson: Opposed the staff RFP recommendation
Edmund Garcia: Opposed the staff RFP recommendation
Ronald J Artale: Opposed the staff RFP recommendation
David and Phyllis Sieber: Opposed the staff RFP recommendation
David Berti: Opposed the staff RFP recommendation
Brian Boyd: Opposed the staff RFP recommendation
Elmer Carr: Opposed the staff RFP recommendation
John Goldberg: Opposed the staff RFP recommendation
George Gaskins: Opposed the staff RFP recommendation
James Guerrero: Opposed the staff RFP recommendation
Charles L. Terry: Opposed the staff RFP recommendation
Steve Lynch: Opposed the staff RFP recommendation
Robert Lopez: Opposed the staff RFP recommendation
Concha M. Castro: Opposed the staff RFP recommendation
William Carle: Opposed the staff RFP recommendation
Bob Massola: Opposed the staff RFP recommendation
John J Grizzel: Opposed the staff RFP recommendation
Rene Laprevotte: Opposed the staff RFP recommendation
Robert F. Quinn: Opposed the staff RFP recommendation
James B. Taylor: Opposed the staff RFP recommendation
Frank Lutticken: Opposed the staff RFP recommendation
Eugene Kalinin: Opposed the staff RFP recommendation
John M Shine: Opposed the staff RFP recommendation
Maureen D'Amico: Opposed the staff RFP recommendation
William Forrest Boniface: Opposed the staff RFP recommendation
James Harrington: Opposed the staff RFP recommendation
Jim Balsham: Opposed the staff RFP recommendation
Julia Hallisy: Opposed the staff RFP recommendation
Lewis Bronfeld: Opposed the staff RFP recommendation
Joe McCloskey: Opposed the staff RFP recommendation
Mark Solomon: Opposed the staff RFP recommendation
David Pollitt: Opposed the staff RFP recommendation
William M. Moe: Opposed the staff RFP recommendation
Brian Delahunty: Opposed the staff RFP recommendation
Richard W Barber: Opposed the staff RFP recommendation

Michael Yalon: Opposed the staff RFP recommendation
Patrick Loughran: Opposed the staff RFP recommendation
Margaret Parenti: Opposed the staff RFP recommendation
Greg Lynch: Opposed the staff RFP recommendation
James Hall: Opposed the staff RFP recommendation
Rich Dalton: Opposed the staff RFP recommendation
Stephen Gudelj: Opposed the staff RFP recommendation
Juanita Stockwell: Opposed the staff RFP recommendation
William Koenig: Opposed the staff RFP recommendation
Phil Fitting: Opposed the staff RFP recommendation
Lawrence Zammarchi: Opposed the staff RFP recommendation
Marta Bayol: Opposed the staff RFP recommendation
John Harrington: Opposed the staff RFP recommendation
Bob C. Davis: Opposed the staff RFP recommendation
Vicki Gross: Opposed the staff RFP recommendation
Stephen N Bosshard: Opposed the staff RFP recommendation
Marie-Jose T. Hosea: Opposed the staff RFP recommendation
Margie Favro: Opposed the staff RFP recommendation
Kelvin Woo: Opposed the staff RFP recommendation
Daniel Jacobsmeyer: Opposed the staff RFP recommendation
David Sager: Opposed the staff RFP recommendation
Ron Barney: Opposed the staff RFP recommendation
Michael Hebel: Opposed the staff RFP recommendation
Gerald P. Kennealy & Shirley C. Kennealy: Opposed the staff RFP recommendation
Donna Loftus: Opposed the staff RFP recommendation
Garry Esget: Opposed the staff RFP recommendation
Patricia Kannisto: Opposed the staff RFP recommendation
Robert J. McAllister: Opposed the staff RFP recommendation
Gale R. Gough: Opposed the staff RFP recommendation
Dennis Bianchi: Opposed the staff RFP recommendation
Christopher Olocco: Opposed the staff RFP recommendation
Carolyn Lucas: Opposed the staff RFP recommendation
Edmund J. Cota: Opposed the staff RFP recommendation
Melvin Maunu: Opposed the staff RFP recommendation
Sally DeHaven: Opposed the staff RFP recommendation
Cynthia Marcopulos: Opposed the staff RFP recommendation
Joseph Peralde: Opposed the staff RFP recommendation
Richard Tong: Opposed the staff RFP recommendation
Valerie McGrew: Opposed the staff RFP recommendation
Elena Simonian: Opposed the staff RFP recommendation
Mike Favetti: Opposed the staff RFP recommendation
Lotus Jew: Opposed the staff RFP recommendation
Pete Mario Busalacchi: Opposed the staff RFP recommendation
Joe Cuff: Opposed the staff RFP recommendation
Patricia A. Keller: Opposed the staff RFP recommendation
Susan Manheimer: Opposed the staff RFP recommendation
Maura Baldocchi: Opposed the staff RFP recommendation
Mary Ann Scanlan: Opposed the staff RFP recommendation
Marilou Reyes: Opposed the staff RFP recommendation
Philip Busalacchi: Opposed the staff RFP recommendation
Louis Voccia: Opposed the staff RFP recommendation

Robert Ai Gillaspie Jr.: Opposed the staff RFP recommendation
James D Jones: Opposed the staff RFP recommendation
Helen Sorep-Matley: Opposed the staff RFP recommendation
Terry Ivy: Opposed the staff RFP recommendation
Ronald R. Martin: Opposed the staff RFP recommendation
Leslie F Adams: Opposed the staff RFP recommendation
Michele Zukor: Opposed the staff RFP recommendation
Frances Williams-Miller: Opposed the staff RFP recommendation
Mark and Rosalie Johnson: Opposed the staff RFP recommendation
George Pidge: Opposed the staff RFP recommendation
Joseph Guttman: Opposed the staff RFP recommendation
Daniel J. Linehan: Opposed the staff RFP recommendation
Terry Wallace: Opposed the staff RFP recommendation
Patricia O. Linehan: Opposed the staff RFP recommendation
Pat Guttman: Opposed the staff RFP recommendation
Jerome Polizzi: Opposed the staff RFP recommendation
William Long: Opposed the staff RFP recommendation
Kai Aspelin: Opposed the staff RFP recommendation
Sara Coe: Opposed the staff RFP recommendation
John (and Elaine) Mandas: Opposed the staff RFP recommendation
Eileen McCrystle Tellez: Opposed the staff RFP recommendation
John W. Skidmore: Opposed the staff RFP recommendation
Tim Nolan: Opposed the staff RFP recommendation
Lenard Pond: Opposed the staff RFP recommendation
George Pidge: Opposed the staff RFP recommendation
Margarette and James Novello: Opposed the staff RFP recommendation
Romelia Scott: Opposed the staff RFP recommendation
Noreen Ikeuye, Retiree: Opposed the staff RFP recommendation
Patrick McLaughlin: Opposed the staff RFP recommendation
Calvin L. Nutting: Opposed the staff RFP recommendation

Supervisor Dorsey thanked the staff for conducting the RFP, fellow Commissioners, all those who sent emails, and Fred Sanchez for expressing their concerns. Supervisor Dorsey spoke for himself, likely reflecting the Board of Supervisors sentiment, that he didn't believe any member expects the health system to balance our budget. While his role on the Board of Supervisors carries certain obligations, his duty in this Commission is fiduciary, prioritizing the trust. With an open mind informed by his career in the City Attorney's Office, he respects the RFP process. He considered the possibility of errors or oversights in the process. However, he did not find any significant issues that would lead him to vote against the staff recommendation. He appreciated the detailed explanation of the process, which aligns with his confidence in the San Francisco Health Service System's commitment to healthcare quality. Supervisor Dorsey expressed his satisfaction with the staff recommendation and supported the staff recommendation.

Commissioner Follansbee thanked the staff and actuarial team for completing a robust process. Commissioner Follansbee said he understood the RFP process but still had unanswered questions.

Vice President Hao said the RFP is a significant and complex topic that has involved years of careful and methodical discussions. Vice President Hao appreciated that the Board could have robust debates, even when we disagree, and still aim to make the best possible decision. Commissioner Sass acknowledged the members' concerns. Commissioner Sass restated his understanding of how a Medicare Advantage Plan works: Blue Shield of California will only

administer the plan, and they won't approve, disapprove, negotiate, or stall claims. Providers will submit claims to a different payer but will be reimbursed at the expected Medicare rates. Despite the anxiety about change, he said he supported this motion. Commissioner Sass respected the Department's process and, as a former CFO and Health Service Board Commissioner, has confidence in their ability to work with Blue Shield of California to address concerns and ensure a smooth transition over the next seven months.

Commissioner Follansbee moved to approve the staff recommendation to add Blue Shield of California Medicare Advantage Prescription Drug MAPD PPO plan for Medicare members and offer non-Medicare United Healthcare members the existing Blue Shield of California HMO Access Plus Trio, and PPO plans with a 2025 plan year rate cards contained in this material and discontinue the United Healthcare MAPD PPO Plan United Healthcare non-Medicare Select EPO Plan, United Healthcare non-Medicare Doctor's EPO Plan, and the UHC non-Medicare PPO Plan. Supervisor Dorsey seconded the motion.

VOTE:

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

ACTION: The Health Service Board did not approve the SFHSS Staff Recommendation for the Request for Proposal (RFP) to add Blue Shield of California Medicare Advantage Prescription Drug MAPD PPO plan for Medicare members and offer non-Medicare United Healthcare members the existing Blue Shield of California HMO Access Plus Trio, and PPO plans with a 2025 plan year rate cards contained in this material and discontinue the United Healthcare MAPD PPO Plan United Healthcare non-Medicare Select EPO Plan, United Healthcare non-Medicare Doctor's EPO Plan, and the UHC non-Medicare PPO Plan.

5. **ADJOURNMENT:** 5:30 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 public 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.
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 7, 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.