



HEALTH SERVICE BOARD

CITY & COUNTY OF SAN FRANCISCO

Mary Hao
President

Jack Cremen
Commissioner

Supervisor Matt Dorsey
District 6
Commissioner

Diana Guevara
Commissioner

Art Howard
Commissioner

Gus Vallejo
Commissioner

Fiona Wilson, MD
Commissioner

Rey Guillen
Executive Director
Health Service System

Holly Lopez
Executive Secretary

TEL (628) 652-4646
<http://www.sfhss.org/>

HEALTH SERVICE BOARD

REGULAR MEETING MINUTES

Thursday, June 12, 2025, 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, and the Chair may, at their discretion, limit public comment to less than 3 minutes per member of the public. 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 12, 2025 (via [SFGovTV schedule](#))

Click the link to join the meeting – [June 12, 2025 HSB Regular Meeting WebEx link](#)

Public Comment Call-In: 415-655-0001 / Access Code: 2662 023 3162 Webinar Password: 1145

Listening to the meeting via phone

1. Dial into **415-655-0001** and then enter **access code** 2662 023 3162#, then # again
2. 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.**
3. You will be muted when your time to speak has expired.

Watching the meeting on WebEx

1. Join via hyperlink [June 12, 2025 HSB Regular Meeting WebEx link](#)
2. Webinar Password: 1145
3. **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.
4. 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.
5. 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 11, 2025**, 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, and the Board Secretary will note on the record during the specific agenda item that the Board received written public comment on that item and will include that note 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.

1. **CALL TO ORDER:** 1:04 P.M

2. **ROLL CALL:**

President Mary Hao- Present
Commissioner Jack Cremen- Present
Supervisor Matt Dorsey- Excused
Commissioner Diana Guevara- Present
Commissioner Art Howard- Present
Commissioner Gus Vallejo- Present
Commissioner Fiona Wilson, MD.- Present

3. **GENERAL PUBLIC COMMENT - This is 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: Shared difficulties in reaching customer service and issues with UCSF appointment availability due to negotiations affecting insurance coverage with Blue Shield.

Fred Sanchez, President of Protect Our Benefits, Expressed strong support for Gus Vallejo's election to the Board. He emphasized the importance of collaboration between UCSF and Blue Shield, urging both parties to find common ground to maintain a positive relationship.

Tim O'Brien from the Retired Firefighters and Spouses Association Congratulated Commissioner Gus Vallejo as a new Board member.

Deborah Grabel, Executive Director of IFPTE Local 21, expressed gratitude to Gus for his service to the Health Service Board. Deborah Grabel highlighted Kaiser Permanente's substantial profits and urged the commission to advocate for members and retirees to prevent rising premiums.

Rudy Faltus, United Educators of San Francisco Retired: Congratulated Commissioner Gus Vallejo as a new Board member.

Ray Quesada: addressed the ongoing contract negotiations between Blue Shield and UCSF and urged access to UCSF care should still be accessible even without an agreement.

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

[See pdf of the May 8, 2025, Health Service Board Regular Meeting Minutes Draft to be Approved](#)

Supervisor Wilson moved to approve the May 8, 2025 meeting minutes. Commissioner Howard seconded the motion.

PUBLIC COMMENT: None

VOTE: Ayes: Cremen, Hao, Howard, Guevara, Vallejo, and Wilson

Noes: None

ACTION: The Health Service Board unanimously approved the May 8, 2204 Health Service Board Regular Meeting Minutes.

5. **RESOLUTION FOR COMMISSIONER CLAIRE ZVANSKI: (Action)**

[See pdf of the Health Service Board Resolution for Commissioner Claire Zvanski](#)

President Hao noted the Board bid Claire Zvanski farewell at the last Board meeting, and the Board can take action to approve the resolution for Commissioner Zvanski. President Hao reflected that

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she had learned a great deal from Claire, noting Claire's deep knowledge of history and strong passion. She expressed hope that the Board could honor Claire by emulating her admirable traits and qualities.

Commissioner Cremen moved to approve the resolution for Claire Zvanski. Commissioner Wilson seconded the motion.

PUBLIC COMMENT:

Fred Sanchez, President of Protect Our Benefits, praised Claire Zvanski, reflecting on her remarkable career and contributions. He described her as brilliant, deeply knowledgeable, and well-loved. He noted her 31 years of service, her role as former President of RECCSF, and her long-standing influence in District 11 and across the city over nearly five decades.

Dennis Kruger, representing Active and Retired Firefighters and Spouses, reflected on serving alongside Claire Zvanski for over 31 years, describing it as a continuous education, emphasizing her deep knowledge of the Health Service System and the inner workings of San Francisco. He also congratulated to Rey Guillen for his appointment as Executive Director.

VOTE: Ayes: Cremen, Hao, Howard, Guevara, Vallejo, and Wilson Noes: None

ACTION: The Health Service Board unanimously approved the resolution for Claire Zvanski.

6. ELECTION OF HEALTH SERVICE BOARD OFFICERS (PRESIDENT AND VICE PRESIDENT) FOR FISCAL YEAR 2025-2026: (Action)

President Hao said in June of every year, the Board selects officers to serve for the next fiscal year. 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 Commissioner Howard to serve as Vice President for the upcoming year. Commissioner Cremen seconded the motion. Commissioner Howard accepted the nomination.

Commissioner Cremen nominated Commissioner Ha to serve as the President for the upcoming year. Commissioner Wilson seconded the motion. Commissioner Hao accepted the nomination.

PUBLIC COMMENT:

VOTE: Ayes: Cremen, Hao, Howard, Guevara, Vallejo, and Wilson Noes: None

ACTION: The Health Service Board unanimously elected Commissioner Mary Hao as the Health Service Board President and Commissioner Art Howard as the Health Service Board Vice President for the July 2025 to June 2026 fiscal year term.

7. PRESIDENT'S REPORT: (Discussion)

President Hao took a moment to thank the staff for their hard work over the past fiscal year, acknowledging that it had been challenging with many changes, including the introduction of Blue Shield for the Medicare population. She expressed gratitude for the staff's efforts in ensuring a smooth transition. President Hao also welcomed the new members of the Commission, Commissioner Guevara and Commissioner Vallejo, and looked forward to collaborating with them to provide high-quality, sustainable, and affordable benefits. She thanked everyone for their participation, feedback, and contributions to being continuous learning organization.

PUBLIC COMMENT: None

8. DIRECTOR'S REPORT: (Discussion)

Presented by Rey Guillen, SFHSS Executive Director

[See pdf of the June 12, 2025, Director's Report](#)

Rey Guillen, SFHSS Executive Director presented the following items:

- June is Pride Month
- Department Response to Prop E Submitted
- Blue Shield of California Contract Negotiations with the UC System
- Blue Shield of California Meritage Update
- Black Out Notice Continues
- Health Service Board Election
- HSS Executive Leadership Job Title Changes
- Divisional Updates:

Amy DeHart, Vice President for Blue Shield of California shared the following update about Blue Shield of California. Despite months of negotiation, the University of California Health System administrators have decided to end their contract with Blue Shield of California on July 10th, 2025, unless a new agreement is reached with higher reimbursement rates. It is Blue Shield's desire to reach an agreement that ensures members continue to have access to UC Health hospitals and providers at a reasonable cost that are sustainably affordable for all of our customers and members. We will continue to negotiate with UC Health System administrators in good faith.

All Blue Shield members can continue to access UC Health as an in-network provider through July 9th of 2025 under the existing agreement.

Amy shared how this termination impacts SFHSS specifically. This potential termination does impact the active and pre-65 retiree PPO plan, but the impacts for the HMO and Medicare Advantage plans are different. Here in San Francisco, the Blue Shield of California HMO members both in TRIO and Access Plus who have access to UCSF PCPs through Hill Physicians Medical Group will remain the same and members can continue to see their providers. This includes members who have PCPs with one medical group. However, referrals to UCSF specialists and hospitals may be impacted and could be considered out of network.

Blue Shield recommends that members speak with their Hill Physicians PCP to confirm the referral status of those of in-network specialists and hospitals within Blue Shield of California for services after July 9th or alternatively, and this is very important, request continuity of care from Blue Shield by calling the number on their ID card. She noted that UCSF Medical Center and UCSF Benioff Children's Hospitals in San Francisco and Oakland will be out of network for hospital services after July 9th, but it is important to note that St. Francis and St. Mary's remain in network and are not impacted by this termination.

Next, Amy shared about the Medicare Advantage PPO because as it is different. The current Medicare Advantage PPO plan members covered under the benefits provided by Blue Shield to SFHSS, since that plan offers the same cost share for in and out of network, as long as those UC providers continue to accept Medicare and continue to bill Blue Shield, for services, there will be no impact to members because of this potential termination. This also includes services from One Medical. Members should call the Blue Shield concierge services number on their ID cards and the concierge staff will be able to educate the providers and the members directly.

Amy Dehart said if this new agreement is not reached, it remains our commitment as Blue Shield of California to work with each member to ensure that they have uninterrupted access to care, including, continuity of care options with their current care team or helping them find other in-network providers in their community. She said Blue Shield of California understands that this situation causes stress and anxiety for members and we want to do everything we can to make it as easy as possible to continue to access affordable healthcare. Members are always welcome and encouraged to contact Blue Shield customer service at the number on their ID card. In closing, Amy DeHart said, as a non-profit health plan, Blue Shield remains committed to working with our network providers to offer members and customers access to quality affordable healthcare

Commissioner Cremen asked if any medical groups would be impacted. Amy DeHart said that members using Hill Physicians or Brown and Toland would not be affected by the UCSF contract termination. Amy assured him that both provider groups were not impacted. Cremen then asked about UCSF's billing practices under Medicare Advantage. Amy explained to stay in network, two actions need to happen, UCSF must accept Medicare and bill Blue Shield directly, which they currently do. She noted that confusion among UCSF office staff might arise due to the complexity of the situation, but no reimbursement changes were expected. Cremen questioned whether UCSF understood they were still obligated to provide services through July 9. Amy responded that there should be no confusion and that they were actively working with UCSF and Hill Physicians to ensure they understood the contract remained valid until that date.

Commissioner Wilson thanked the speaker for addressing the issue and expressed frustration that health systems, like UC—and previously Sutter—placed patients in the middle of contract negotiations. She emphasized the importance of providing clear, accessible information to employees and retirees during these situations. She suggested creating an FAQ to help explain the complex issues and demonstrate that the Health Service System was actively engaged, not simply waiting for the problem to resolve itself.

Director Rey Guillen informed the Commissioners that staff, led by Communications Director Jessica Shih, was actively developing an FAQ document to be posted on the website. He acknowledged that this was likely the most confusing contract negotiation they had encountered, with details varying depending on the health plan and medical group involved. He emphasized the importance of thoroughly vetting the information before posting and expressed hope that the FAQ would be available by the end of the week.

Commissioner Howard asked for clarification on the continuity of care process. Amy DeHart explained that it applied to specific situations such as pregnancy, inpatient stays, or ongoing treatment for serious health conditions. She stated that members who believe they qualify should work with Blue Shield and their provider to apply. If approved, services would continue at the in-network rate for the duration of treatment, with timelines determined case by case.

Commissioner Howard also expressed concern about public messaging. He noted that some people had already received calls suggesting coverage had ended immediately, even though the termination date was not until July 9 and negotiations were ongoing. He emphasized the urgency of getting accurate messaging out quickly and expressed confidence that Jessica would handle it well.

PUBLIC COMMENT: None

9. SFHSS FINANCIAL REPORT AS OF APRIL 30, 2025: (Discussion)

[See pdf of the SFHSS Financial Report as of April 30, 2025, memo](#)

[See pdf of the SFHSS Financial Report as of April 30, 2025, presentation](#)

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

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

President Hao asked how the city's budget situation was affecting the Health Service System (HSS), referencing recent *Chronicle* coverage that included a department-by-department breakdown. Iftikhar Hussain responded that HSS had done relatively well. He explained that the initial proposed budget presented in February met the Mayor's targets by cutting four vacant positions. In a second round of cuts requested later, HSS was able to comply without major impact. He added that media reports were often confusing or inaccurate. For example, some of the eliminated positions were already held for attrition and couldn't have been filled, so their removal had no real operational effect.

Director Rey Guillen emphasized that, although HSS met the Mayor's budget target by eliminating four positions, the department was operating with very limited staff after years of holding positions vacant. He acknowledged Iftikhar Hussain's hard work in managing the budget process and noted that while they did the best they could, the lack of additional staffing made it difficult to fulfill their mission of providing quality customer support—especially as membership continues to grow. He explained that the member services team was doing its best under the circumstances, but staffing levels were insufficient to meet the service expectations of members. To improve efficiency, HSS brought on a consultant to explore ways to automate certain manual tasks through the payroll system, PeopleSoft.

Guillen pointed out that the department had to make tough decisions, including potentially cutting some services, which would be discussed in an upcoming presentation. He concluded by reiterating that, while they presented a strong budget and passed through the Budget and Appropriations Committee without major issues, the overall budget constraints were significantly affecting HSS operations, as they were across all city departments.

PUBLIC COMMENT: None

10. REVISED SFHSS GENERAL FUND ADMINISTRATIVE BUDGET FISCAL YEAR END 2026 AND 2027: (Discussion)

[See pdf of the Revised SFHSS General Fund Administrative Budget Fiscal Year End 2026 and 2027 presentation](#)

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

- Budget Process Overall
- Summary of Changes to Meet the Mayor's General Fund Budget Targets
- SFHSS General Fund Budget FTE History
- Budget with Mayor's Changes (\$ in thousands)

President Hao observed that the number of full-time equivalents (FTEs) had fallen below 40. Iftikhar

Hussain confirmed this, stating that the General Fund supported 39 FTEs, and an additional 13 FTEs were funded through the Health Sustainability Trust.

PUBLIC COMMENT: None

11. REVISED SFHSS HEALTHCARE SUSTAINABILITY FUND BUDGET FISCAL YEAR END 2026 AND 2027: (Action)

[See pdf of the Revised SFHSS Healthcare Sustainability Fund Budget for Fiscal Year End 2026 and 2027 presentation](#)

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

- Staff Recommendation
- Background
- HSF Budget Revisions from Mayor's Budget Instructions
- HSF Budget and 5-Year Forecast (\$ in Thousands)
- Health Service Board Action

No discussion from the Board on this item.

Commissioner Wilson moved to approve the revised Health Service System for the Sustainability Fund for fiscal year 2026 and fiscal year 2027, as presented. Commissioner Cremen seconded the motion.

PUBLIC COMMENT:

Fred Sanchez, President of Protect Our Benefits, asked for clarification on the total budget for HSS to better understand the impact of a 15% reduction, which he noted amounted to \$600,000.

Iftikhar Hussain responded that the General Fund budget was \$12.2 million.

VOTE: Ayes: Cremen, Hao, Howard, Guevara, Vallejo, and Wilson

Noes: None

ACTION: The Health Service Board approved the revised Health Service System for the Sustainability Fund for fiscal year 2026 and fiscal year 2027.

BREAK: 2:02- 2:13 p.m.

RATES AND BENEFITS

12. PRESENTATION OF THE RATES AND BENEFITS CALENDAR FOR THE PLAN YEAR 2026: (Discussion)

[See pdf of the HSB Rates and Benefits Calendar for the Plan Year 2026](#)

Rey Guillen, Executive Director of the Health Service System, began by thanking and congratulating the Board for their work on the rates and benefits process for plan year 2026. He noted that this meeting would be the final one requiring Board action on those matters. He outlined the final agenda items, which included a final review of the 2026 Medicare health plan rates from AON, covering Blue Shield's fully insured retiree Medicare Advantage prescription drug plan and the Kaiser Permanente HMO plan for active and retired California members. The Board would also take action on staff's recommendation to discontinue Kaiser's multi-region retiree HMO plans after 2025 and, if needed,

address the Kaiser multi-region Medicare plans for members in Washington, Oregon, and Hawaii.

Guillen explained that following the meeting, staff would submit the Board's actions to the Board of Supervisors for final approval. The target timeline included introduction to the Supervisors and assignment to the Budget and Finance Committee on June 24, committee review on July 9, a first reading by the full Board on July 15, and a second reading on July 22, just before the summer recess. He concluded by emphasizing the urgency of the timeline and thanking the Board for their progress

PUBLIC COMMENT: None

13. 2026 MEDICAL/RX HEALTH PLANS RATES SUMMARY: (Discussion)

[See pdf of the 2026 Medical/Rx Health Plans Rates Summary](#)

Mike Clarke, Aon – Lead Actuary, presented the following items:

- Overview—Health Plans 2026 Rates Summary
- Health Plans 2026 Rates Summary Active Employee and Non-Medicare Retiree Health Plans
- Membership Distribution by Plan
- Projected Monthly Rates — 2026 Plan Year
- For Comparison — 2025 Plan Year Monthly Rates
- SFHSS Medicare Plans — Current Covered Lives
- SFHSS Medicare Plans — 2026 Renewal Overview
- Projected 2026 Medicare Plan Monthly Rates

No discussion from the Board on this item.

PUBLIC COMMENT: None

14. REVIEW AND APPROVE BLUE SHIELD OF CALIFORNIA MEDICAL/RX FULLY INSURED RETIREE MEDICARE ADVANTAGE PRESCRIPTION DRUG (MAPD) PPO PLAN 2026 RATES AND CONTRIBUTIONS: (Action)

[See pdf of the Blue Shield of California Medical/Rx Fully Insured Retiree Medicare Advantage Prescription Drug \(MAPD\) PPO Plan 2026 Rates and Contributions](#)

Mike Clarke, Aon – Lead Actuary, presented the following items:

- Staff Recommendation
- Introduction
- Retiree Medical Contributions in Rate Card
- Proposed 2026 BSC MAPD Plan Monthly Rate Card
- BSC MAPD Plan Monthly Rates and Contributions 2026 vs. 2025
- Recommendation

No discussion from the Board on this item.

Commissioner Cremen moved to approve the plan year 2026, Blue Shield of California, MAPD Medicare retiree rate card for status quo plan design as presented today, which includes a 4.5% insured premium renewal increase into the 2026 plan year. Commissioner Wilson second the motion.

PUBLIC COMMENT: None

VOTE: Ayes: Cremen, Hao, Howard, Guevara, Vallejo, and Wilson

Noes: None

ACTION: The Health Service Board unanimously approved the plan year 2026, Blue Shield of California, MAPD Medicare retiree rate card for status quo plan design as presented today, Which includes a 4.5% insured premium renewal increase into the 2026 plan year.

15. REVIEW AND APPROVE KAISER PERMANENTE (CALIFORNIA) MEDICAL/RX FULLY INSURED HMO PLAN 2026 RATES AND CONTRIBUTIONS: (Action)

[See the pdf of the Kaiser Permanente \(California\) Medical/Rx Flex-Funded HMO Plan 2026 Rates and Contributions](#)

Mike Clarke, Aon – Lead Actuary, presented the following items:

- Health Plan Funding Method Comparison by SFHSS Plan
- Health Plan Rate Setting Process for Next Plan Year
- Non-Medicare Medical Plan 2026 Rate Renewal Summary
- Non-Medicare Medical Plan 2026 Proposed Total Rates
- Active Employees (CCSF1)
- Non-Medicare Retirees (based on City Charter)
- Kaiser California HMO 2026 Plan Rating Recommendation for HSB Action
- Kaiser HMO 2026 Rates and Contributions
- Kaiser California Non-Medicare HMO Plan
- KPSCA CA Monthly Premiums and Contributions
- Kaiser California Non-Medicare HMO Plan Proposed 2026 Monthly Rate Card
- Kaiser California HMO 2026 Plan Rating Recommendation for HSB Action

Commissioner Cremen asked whether the team had been prepared for the most recent rate increase, as they had been for the 2024 and 2025 increases. Mike Clarke responded that although the latest increase was higher than initially projected, he, Executive Director Guillen, and CFAO Hussain had been thorough and diligent in reviewing all the underwriting factors and cost drivers behind Kaiser's renewal request. Commissioner Cremen acknowledged their efforts and expressed appreciation for their advocacy on behalf of members.

Commissioner Howard asked whether there would be messaging for retirees who had no out-of-pocket contribution costs in 2025 but would see contributions in 2026, to help them understand the change. Director Rey Guillen confirmed that there would be communication and explained that, similar to 2024, the contribution charges were a result of the 10-County Survey methodology. Executive Guillen noted that Kaiser's large enrollment across public agencies heavily influences the survey, which sets employer contribution levels based on premiums from the previous year. In 2024, retirees saw their first out-of-pocket contributions due to a 12.5% premium increase. In 2025, when the survey caught up with those increases, retiree contributions dropped back to zero. Guillen anticipated a similar pattern going forward, with other counties likely experiencing the same premium hikes, which would help normalize the contribution levels again next year. In the meantime, HSS would ensure members receive clear communication, though he acknowledged it would be a difficult message to deliver.

Commissioner Wilson commented on the uncertainty in healthcare, referencing upcoming national changes to coverage recommendations—such as for COVID vaccines in pregnant patients. She noted that in a full-risk model, like the one with Kaiser, the financial responsibility lies with the provider. She used the example of Kaiser potentially choosing to cover a vaccine to avoid more

expensive hospitalization, a decision supported by established research. She questioned whether the changing environment posed concerns for the Health Service System or if they were somewhat protected due to Kaiser's structure.

In response, Mike Clarke explained that ongoing discussions with Kaiser help monitor these issues. He mentioned that they engage in clinical deep dives throughout the year to understand Kaiser's approach to prevention and risk management. He pointed out that SFHSS members generally outperform Kaiser's overall book of business in preventive care metrics, such as screenings, which correlates with slightly lower health risk indicators. These regular conversations help anticipate changes and better prepare for renewal periods.

Commissioner Cremen emphasized the importance of timely communication with members, urging that efforts be made to inform them well in advance of any changes to their healthcare coverage. He noted that members sometimes receive notice only a few days before changes take effect, which leads to confusion and frustration. While he acknowledged the challenges and past attempts to improve communication, he stressed that proactively informing members would provide better service.

Commissioner Guevara added concerns about changes in federal recommendations, particularly from agencies like the FDA, and how these could affect Medicare plans. She pointed out that Medicare only covers approved drugs or services, and changes could significantly impact members under the Blue Shield Medicare Advantage plan. She urged ongoing monitoring of federal decisions to ensure members are not caught off guard.

Mike Clarke agreed with both commissioners and acknowledged that these Medicare Advantage plans are closely regulated by the federal government. He assured the Board that they would maintain close communication with both Kaiser and Blue Shield to stay ahead of any changes in federal coverage protocols, with the goal of minimizing or preventing impacts to members.

Commissioner Howard moved to approve (1) a 9.88% insurance plan premium increase from 2025 to 2026 for active employees and non-Medicare retirees in California enrolled in Kaiser Permanente, (2) a 9.33% insured plan premium increase from 2025 to 2026 for Medicare retirees in California enrolled in Kaiser Permanente Senior Advantage, and (3) the resulting 2026 plan year rate cards for the Kaiser California HMO plans contained in this presentation. Commissioner Wilson seconded the motion.

PUBLIC COMMENT: None

VOTE: Ayes: Cremen, Hao, Howard, Guevara, Vallejo, and Wilson

Noes: None

ACTION: The Health Service Board unanimously approved

- **A 9.88% insured plan premium increase from 2025 to 2026 for active employees (actives) and non-Medicare retirees in California enrolled in Kaiser Permanente (Kaiser);**
- **A 9.33% insured plan premium increase from 2025 to 2026 for Medicare retirees in California enrolled in Kaiser Permanente Senior Advantage (KPSA); and**
- **The resulting 2026 plan year rate cards for the Kaiser California HMO plans contained in this presentation.**

16. REVIEW AND APPROVE RECOMMENDATION TO DISCONTINUE KAISER PERMANENTE MULTI-REGION MEDICAL/RX FULLY INSURED RETIREE HMO PLANS AFTER 2025: (Action)

[See pdf of Recommendation to Discontinue Kaiser Permanente Multi-Region Medical/Rx Fully Insured Retiree HMO Plans After 2025](#)

Mike Clarke, Aon – Lead Actuary, presented the following items:

- Staff Recommendation
- Introduction
- Results of Evaluation
- Rationale for Staff Recommendation to Discontinue Kaiser Multi-Region Plans after 2025
- Dedicated Support for Members Transitioning from Kaiser Multi-Region Plans to National PPO Plans
- Further Information in Appendix
- Staff Recommendation

President Hao asked about the reasons behind introducing the Kaiser multi-region plan in 2018 and whether enrollment had significantly declined since then. Mike Clarke explained that Kaiser had approached SFHSS to offer coverage for retirees who might relocate outside California to regions like Washington State, the Northwest, and Hawaii. Although most retirees remain in California, Kaiser's proposal led to approval of the multi-region plan offerings in Spring 2017. Clarke began working with HSS and the Board later that year and observed that enrollment in these plans has remained fairly steady since 2018. In Kaiser multi-region plan geographies, 61% of covered retirees enroll in Blue Shield PPO plans and 39% enroll in the Kaiser multi-region plans. He also noted that starting in 2019, staff began closely tracking member enrollment and staffing impacts, but the pandemic likely affected trends in ways that could not have been predicted when the plans were initially approved.

Commissioner Howard clarified that the multi-region Kaiser plan simply provided an additional option for retirees living in certain states, while retirees elsewhere only had one plan option. Mike Clarke confirmed this, explaining that retirees nationwide have Blue Shield PPO options, but those in specific zip codes where Kaiser operates also have access to Kaiser plans.

President Hao asked if there would be an outreach plan. Director Rey Guillen confirmed that there would be a very detailed outreach effort, drawing on lessons learned from previous communications during the UnitedHealthcare split family transition. He described a multifaceted approach including postcards, letters, outbound calls to each affected family, and resources on the website. President Hao acknowledged that the plan would primarily result in cost savings for HSS by reducing administrative complexity involved in managing multiple plans.

Director Rey Guillen explained that the recommendation to discontinue certain plans was made carefully, given the significant administrative support these plans require. He detailed the complexity involved, including differing union and retiree contributions, multiple employer groups, and the need to approve numerous contracts and set up thousands of rates annually. This process creates a heavy workload for staff, including preparing communications for members during open enrollment. He noted that despite this growing workload, staff levels had actually decreased due to budget cuts, making it difficult to continue administering all plans without sacrificing service quality. Given the limited enrollment in the affected plans, discontinuing them was seen as the option with the least impact on members. Guillen emphasized that budget cuts and staff reductions over several years, combined with increasing membership, had strained resources significantly. President Hao added that this challenge was compounded by the growth in membership.

Commissioner Wilson moved to approve the recommendation to discontinue offering the Kaiser multi-region HMO plan available to retirees currently living in Washington, Oregon and Hawaii after December 31st, 2025. And the transition, transition the impacted members from that plan to Blue Shield PPO and MAPD PPO for the beginning of 2026. Commissioner Vallejo seconded the motion.

PUBLIC COMMENT:

Tim O'Brien, Retired Fire Fighters and Spouses Association, urged the Board to vote no on this item. Dennis Kruger, Active and Retired Fire Fighters Spouses Association, urged the Board to vote no on this item. He asked does Kaiser still cover about 95% of all the people in Hawaii? Does Blue Shield have any real presence in Hawaii?

Through the Chair, Mike Clarke responded that specifically in Hawaii, about 60% of covered lives are in Kaiser today and 40% are in Blue Shield PPO plans.

VOTE: Ayes: Hao and Wilson Noes: Cremen, Howard, Guevara, Vallejo

ACTION: The Health Service Board did not approve the staff recommendation to discontinue Kaiser multi-region HMO plan available to retirees currently living in Washington, Oregon and Hawaii after December 31st, 2025.

17. REVIEW AND APPROVE KAISER PERMANENTE MULTI-REGION MEDICAL/RX FULLY INSURED RETIREE HMO PLANS 2026 RATES AND CONTRIBUTIONS: (Action)

[See pdf of the Kaiser Permanente Multi-Region Medical/RX Fully Insured HMO Plans 2026 Rates and Contributions](#)

Mike Clarke, Aon – Lead Actuary, presented the following items:

- Introduction
- Staff Recommendation
- Kaiser Retiree HMO Multi-Region 2026 Rate Cards
- Kaiser Rate Card Information
- 2026 Kaiser Monthly Rate Cards
- Staff Recommendation

No discussion on this item by the Board.

Commissioner Vallejo moved to approve the retiree Kaiser Multi-Region HMO plans plan year 2026 rate cards as presented in this material. Commissioner Cremen seconded the action.

PUBLIC COMMENT:

Dennis Kruger, Active and Retired Fire Fighters Spouses Association, urged the Board to vote yes on this item.

VOTE: Ayes: Cremen, Hao, Howard, Guevara, Vallejo, and Wilson Noes: None

ACTION: The Health Service Board approve the retiree Kaiser Multi-Region HMO plans plan year 2026 rate cards as presented in this material.

REGULAR MEETING MATTERS

18. **SFHSS UPDATE ON STRATEGIC PLAN: (Discussion)**

[See pdf of the SFHSS Update on Strategic Plan](#)

Rey Guillen, SFHSS Executive Director presented the following items:

- Background
- Development of the Next Strategic Plan
- 2023-2025 SFHSS Strategic Plan
- Development of the Next Strategic Plan

No discussion on this item by the Board.

PUBLIC COMMENT: None

19. **VOTE ON WHETHER TO CANCEL THE JULY 2025 HEALTH SERVICE BOARD REGULAR MEETING: (Action)**

President Hao recommended keeping the July meeting in case the Board needs to discuss more rates and benefits topics.

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

PUBLIC COMMENT: None

VOTE: Ayes: Cremen, Hao, Howard, Guevara, Vallejo, and Wilson Noes: None

ACTION:

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

No updates from contracted health plan representatives.

PUBLIC COMMENT: None

21. **ADJOURNMENT:** 3:39 p.m.

Health Service Board and Health Service System Website: <https://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; the Chair has the discretion to limit public comment to less than 3 minutes per member of the public.
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 p.m. 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 and the Board Secretary will note on the record during the specific agenda item that the Board received written public comment on that item, and will include that note 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. Remote public comment from people who have received 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. There are elevators and accessible restrooms located on every floor. **Wheelchair-accessible entrances are located on Van Ness Avenue and Grove Street. Please note the wheelchair lift at the Goodlett Place/Polk Street is temporarily not available.** After multiple repairs that were followed by additional breakdowns, the wheelchair lift at the Goodlett/Polk entrance is being replaced for improved operation and reliability. We anticipate having a functioning lift after the completion of construction in May 2025.

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 12, 2025 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.

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 <https://sfethics.org/>

Chat GPT, Perplexity Generative, and Microsoft CoPilot AI were used to summarize and clarify discussion points in the meeting minutes.