

SAN FRANCISCO
HEALTH SERVICE SYSTEM

Annual Report 25





Table of Contents

Message from Executive Director	3
Who We Serve	4
Mission and Values	5
Key Accomplishments & Highlights	6
Financial Summary	12
General Fund and Healthcare Sustainability Fund	13
Thank You to Abbie Yant, RN, MA	14
Looking Ahead	15
Executive Leadership & Contacts	19
Health Service Board Message	20

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Message from Executive Director



2025 was a year of significant change and transition at the San Francisco Health Service System (SFHSS). We bid farewell to former Executive Director, Abbie Yant, and the Health Service Board (HSB) bestowed upon me the great honor to take the helm at SFHSS as its new Executive Director. I then had to find my replacement to serve as Chief Operating and Experience Officer to reinforce our commitment to continually improve our member experience, as well as a new Chief Financial and Affordability Officer to help me minimize the impact the City's \$936.6 million budget shortfall will have on SFHSS.

In my first several months as Executive Director, I continued to be inspired by the dedication of our team and the impact that our programs have on the lives of San Francisco public servants whom it is our mission to serve.

This past year, we were able to make several accomplishments towards elevating our member experience, including:

- Re-opening our offices for full business day in-person member support.
- Enabling new Blue Shield HMO members to pre-select a Primary Care Provider (PCP) during enrollment.
- Implementing a new Life & Disability administrator in a manner that increased enrollment for Supplemental Life Insurance by 69%.
- Supporting our Retiree stakeholders through the Medicare Advantage Prescriptions Drug (MAPD) PPO plan transition to Blue Shield of California.

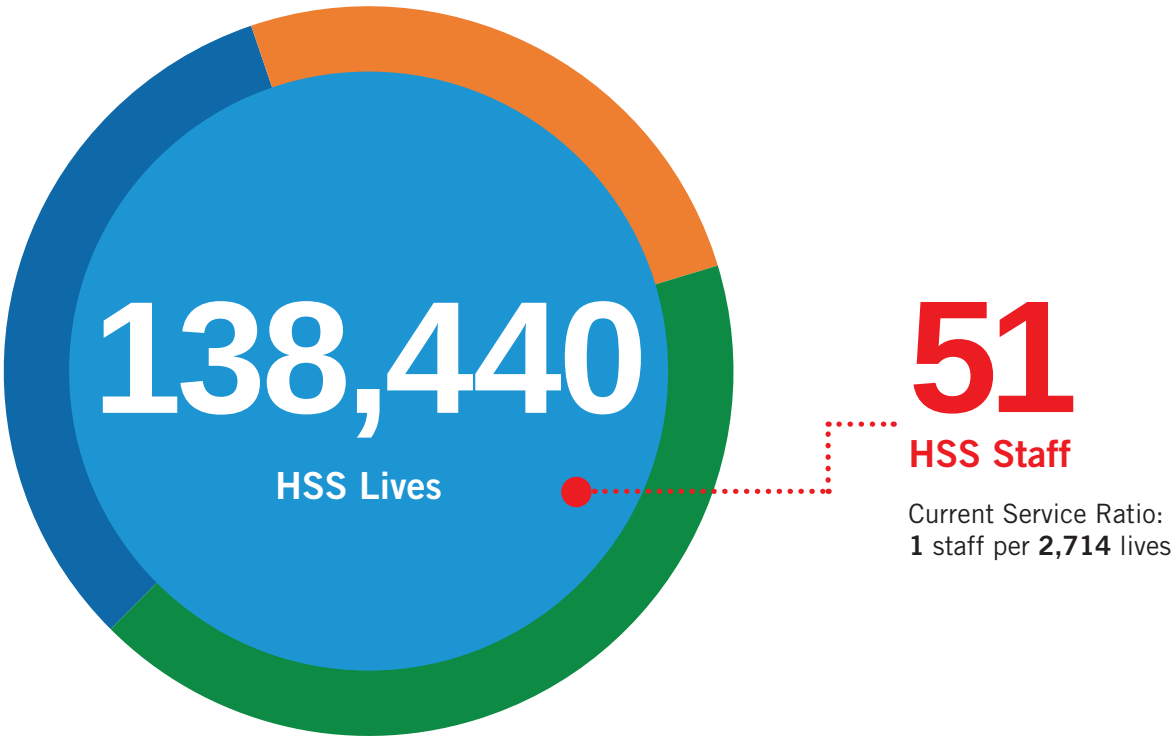
As we enter 2026, my focus will be on areas where we can move the needle with clinically grounded, data-informed measures that demonstrate tangible impacts on costs and health outcome, ensuring we continue to provide equitable, sustainable, and quality benefits that enhance the well-being of our members and their families.

Rey Guillen, *Executive Director*

Who We Serve

Established in 1937 by Charter Amendment No. 3, the San Francisco Health Service System (SFHSS) was created to provide medical care for municipal employees. Today, SFHSS administers medical, dental, vision, flexible spending accounts (FSA), and voluntary benefits to eligible employees and retirees of the City and County of San Francisco, Superior Court of San Francisco, San Francisco Unified School District, and City College of San Francisco.

HSS Lives Served Relative to Staff



Number of Members Eligible for Medical Coverage in 2025

	Count	Percent
Active Members	44,694	32%
Retiree Members	35,364	26%
Dependents	58,382	42%
Total Members	138,440	100%

Mission & Values



MISSION

Ensuring equitable, sustainable, and quality benefits that enhance the well-being of our members and their families throughout their lifecycle.



VALUES

- Inclusion
- Compassion
- Operational Excellence
- Collaboration
- Alignment
- Accountability



Key Accomplishments & Highlights

Enhanced Financial Protection: SFHSS Partners with New York Life

For years, the San Francisco Health Service System recognized that our life insurance benefit was an underutilized benefit even though it provides important financial protections for our members and their families. When it came time to issue a Request for Proposal for our Life and Disability business, we leveraged this opportunity to increase enrollment in Supplemental Life Insurance. Through the RFP process, we negotiated a Guaranteed Issue amount twice the previous level and launched a broad communications campaign to raise awareness.

In 2025, SFHSS selected New York Life (NYL) as the City’s new administrator for Life Insurance, Accidental Death & Dismemberment (AD&D), and Disability Insurance, effective January 1, 2026. This transition not only saved the City nearly \$2 million for employer-paid life and disability policies, it also strengthened coverage options and streamlined the experience for members.



“Nearly \$2 million saved—while strengthening benefits and expanding protections for our members.”

Key Improvements include:

- Higher Guaranteed Issue Amount: Voluntary Supplemental Life Insurance increased from \$100,000 to \$200,000 during Open Enrollment, with no Evidence of insurability required.
- New AD&D Offering: Up to \$500,000 Guaranteed Issue.
- Simplified Administration: Life, Short-Term Disability, Long-Term Disability, and AD&D now managed by a single carrier.
- Additional Member Resources: Estate guidance and will preparation at no cost for eligible employees.

During the special Guaranteed Issue period, SFHSS launched a communications campaign promoting how employees could elect up to \$200,000 in coverage for themselves and \$50,000 for a spouse or domestic partner without additional requirements. This provided new opportunities for members previously unable to access coverage.

The impact was substantial:

- Employee enrollment increased by 69%.
- Dependent enrollment increased by 89%.

These changes reflect SFHSS’s ongoing commitment to helping members protect their financial wellbeing and support their families’ security.

69% ↑

Employee Enrollment Increased

89% ↑

Dependent Enrollment Increased

No More Waiting to be Assigned a Primary Care Physician

For the 2025 Open Enrollment, SFHSS introduced a long-requested improvement that gives members more choice and convenience. For the first time, new Blue Shield HMO members are able to select their preferred Primary Care Physician (PCP) during enrollment—eliminating the wait and avoiding automatic assignments to unfamiliar doctors.

In the past, members were assigned a primary care provider (PCP) at random after enrolling, leading to frustration and delays in receiving care. People who preferred a different doctor or already had a trusted physician had to wait for their ID card before requesting a change, which wasted valuable time.

Thanks to SFHSS’s partnership with Blue Shield, 402 individuals chose their PCP upfront out of 1,440 eligible members—an impressive 28% participation in the first year of this feature. While acceptance still depends on availability, this change empowers members to plan ahead and avoid unnecessary delays.

This enhancement reflects what members have consistently asked for: *more control, more clarity, and faster access to care.*



402

Individuals Chose Their PCP During Open Enrollment

28%

Participation out of 1,440 eligible members in the first year of this feature

"Expanded hours mean expanded access—for our members and our community."

Expanded Walk-In Lobby Hours

Since the pandemic, the San Francisco Health Service System (SFHSS) experienced staffing level challenges that prevented us from re-opening our office to the full business day for in-person support. With Mayor Lurie's initiative to revitalize the Civic Center area, SFHSS worked to return to in-person services for the full business day. This shift not only enhances our member experience and desire for greater in-person support, it also increases foot traffic, strengthens daytime activity, and contributes to a more vibrant, welcoming Civic Center community.

In September 2025, SFHSS took a step forward to improve member experience and reopened our office for the full business day—remaining open until 4:30 p.m. daily. This enhancement arrived just in time for the annual Open Enrollment period, offering members expanded access, greater flexibility, and more opportunities to receive personalized support.

Extended in-person hours mean individuals can seek guidance when it works best for their schedules—whether they need help understanding benefit options or want clarity on coverage. It also provides more visibility to the wonderful shops and restaurants along the Civic Center corridor outside our office. Plus, our expanded hours support the City's goal of boosting economic and civic vitality in the neighborhood.



7,603

Number of Walk-Ins



Our weekday hours are 9:00 a.m. to 4:30 p.m., with a 10:00 a.m. opening on Thursdays.

A Year of Progress for Reducing Mental Health Stigma

In 2025, SFHSS continued building a more supportive and informed approach to mental health and well-being. Through thoughtful programs, practical tools, and community engagement, we worked to reduce stigma around mental health and make resources easier to access and conversations easier to start.

Sharing Knowledge and Support

During Mental Health Awareness Month, we introduced the Mental Health Awareness Toolkit with practical tips and guidance to help leaders, managers, and supervisors make mental health conversations more routine and approachable.

Training That Builds Confidence

We launched the Mental Health First Aid (MHFA) Intro course—a 90 minute self-paced training focused on recognizing and responding to mental health or substance use challenges. With 530+ registrations and more than 200 completions, many employees took an important step toward supporting colleagues with greater understanding and care.

Resources That Are Easy to Access

The new EAP Pocket Guide provided managers with quick access to essential contacts, psychological first aid tips, and clear response steps on providing compassionate support when employees need it most.

Connecting Employees to Support

Our first Employee Well-Being Resource Fair brought together 208 employees and 17 organizations, offering free resources for health, financial wellness, and career growth.



"Together, we're building a workplace where support, understanding, and healthy habits thrive."

Encouraging positive daily habits, *Good Nurtured*, our four-week well-being challenge, inspired employees to focus on kindness, connection, and self-care. With 1,027 participants, the challenge showed how small, daily actions can strengthen resilience and community.

As we look ahead, we remain committed to reducing the stigma that often prevents individuals from seeking mental health care—and to encouraging employees to move more for their well-being and long-term health. Together, we will continue building a workplace where support, understanding, and healthy habits thrive.

1,027

Employees participated in *Good Nurtured*, our four-week well-being challenge

530+

Registered for Mental Health First Aid training

208

Employees and 17 Organizations joined our First Well-Being Resource Fair



Celebrating a City United in Well-Being: Building Champions, Growing Culture

On November 19, 2025, the Well-Being Division proudly hosted its biennial **Well-Being@Work** Award Ceremony, a vibrant celebration of progress and purpose. This inspiring event honored the extraordinary strides made in creating a culture of well-being across the City and County of San Francisco (CCSF)—led by a dedicated Well-Being team of just *three* people.

Over the past two years, this small but mighty team built a dynamic Champion Network that engaged more departments than ever before, sparking higher levels of commitment to department well-being plans. Through collaboration, creativity, and relentless focus, they transformed vision into action—empowering leaders and employees to prioritize health, belonging, and resilience in the workplace.

From opening remarks by SFHSS Executive Director Rey Guillen to keynote addresses by Dr. Todd May (Health Net), Assessor-Recorder Joaquín Torres, and Dr. Fiona Wilson (CCSF Chief Physician), the ceremony echoed this year’s theme: *“Thriving Together: Building a Culture of Community and Caring.”*

This theme reflects the heart of the Well-Being team’s work: *well-being is not just a goal—it’s a shared journey.* And the results speak volumes: 32 departments were recognized for outstanding achievements, celebrated across five levels of distinction that demonstrate growing commitment to sustainable well-being practices. In 2023, only three (3) departments were awarded the Platinum distinction for department Well-Being. That number more than tripled to ten (10) departments that earned the Platinum distinction in 2025.

With only three staff members, the Well-Being Division has united a city around a common purpose—proving that when passion meets partnership, culture change is possible.

WELL-BEING@WORK



3

Dedicated Well-Being Team Members Leading the Effort

224

Well-Being Champions Supporting Members Across City Departments

12.5%

Growth in the Well-Being Champions Network Across City Departments

Improving Member Experience Through Data Driven Insights

One of the cornerstone pillars of the SFHSS Strategic Plan is to *“Optimize service to maintain and advance exceptional member engagement.”*

Serving our members is our top priority.

To ensure we’re delivering on this promise, SFHSS launched its first-ever Member Satisfaction Survey in summer 2024, setting the benchmark for our goal to improve member satisfaction by 2% year-over-year. This was the foundation for building upon our training for Member Services by listening, learning, and acting on what matters most to our members.

Fast forward to June 2025, and the results are in. Member satisfaction improved by 3% year-over-year, surpassing expectations and proving that our dedication to exceptional service is making a real difference.

This achievement is a celebration of our talented staff, whose unwavering commitment and hard work have transformed feedback into action and vision into reality. It’s a testament to the power of collaboration, transparency, and focus on member experience.

This success fuels our momentum to keep innovating, keep improving, and keep delivering the outstanding experience our members deserve.



33,683

Calls Handled in 2025 by Member Services

7:32 mins

Average Handle Time

5:37 mins

Average Speed of Answer

14.66%

Abandonment Rate

69%

First Contact Resolution



Financial Summary



General Fund (GF) Operating Budget

For FY2024–25, the operating budget decreased by \$1.60 million to \$12.26 million. During the fiscal year, 260 operating budget payments totaling \$2.3 million were processed, and \$2.1 million inter-department orders processed across 23 City departments. Finance also implemented a Direct IT Purchase Order Process to streamline IT procurement, improve operational efficiency, and achieve faster turnaround times for issuing IT purchase orders in FY2024–25.

Healthcare Sustainability Fund (HSF)

HSF was established under San Francisco City Charter Section A8.423 to support member communications, programs to reduce healthcare costs, and member well-being programs. This is funded by a per-member-per-month (PMPM) fee added to the rates. For FY2024-25, the rate was \$4 per member per month. On the next page, is the Budget vs. Actual for FY2024-25.

Health Benefits Trust

Benefits Trust was established under San Francisco City Charter Section A8.428 to administer medical, dental, vision, life insurance, and long-term disability insurance benefits as well as medical and dependent care flexible spending accounts.

This fund holds the premiums paid to the carriers for the fully insured plans and the funds to pay claims for the flex-funded/self-funded plans. This Trust is funded by the premium deductions from employers and members. The annual compliance audit is conducted by Macias Gini & O’Connell LLP, a CPA firm and FY24–25 marks another year of a clean, independent audit.

The benefits administered by SFHSS totaled \$1.3 billion in fiscal year 2024–2025, an increase of \$120.8 million over the previous fiscal year. During the year, 1,270 payments were processed, 20,485 over-the-counter premium payments were received, and 4,000 premium rate calculations were completed.

Premium Dollars Paid Annually for Health Benefits (Medical, Dental, Vision)



2021	2022	2023	2024	2025
\$1,013,639,887	\$1,054,687,666	\$1,077,772,448	\$1,147,584,712	\$1,268,396,163

Premium expenditures have grown 25% since 2021 per audited financial statements.

General Fund

	FY 2024-25 Budget		FY 2024-25 Actuals	
REVENUES				
Non-Operating Revenue	\$	2,478	\$	2,478
Operating Work Order Recovery		10,735,782		10,663,357
Other Revenue		2,068,410		1,450,000
General Fund Carryforward		539,346		539,346
TOTAL REVENUES	\$	13,346,015	\$	12,655,181
EXPENDITURES				
Personnel Services	\$	5,820,949	\$	5,381,052
Mandatory Fringe Benefits		2,440,791		2,302,374
Non-Personnel Services		2,684,592		2,149,847
Materials & Supplies		94,447		84,681
Services of Other Departments		2,302,759		2,024,906
TOTAL EXPENDITURES	\$	13,343,538	\$	11,942,860
BALANCE	\$	2,477	\$	712,321

Healthcare and Sustainability Fund

	FY 2024-25 Budget		FY 2024-25 Actuals	
REVENUE SOURCES				
Annual Revenues	\$	3,404,857	\$	3,027,230
Carryforward from Fund Balance		6,614,082		6,614,082
TOTAL	\$	10,018,939	\$	9,641,312
EXPENDITURE USES				
Personnel	\$	2,776,489	\$	1,879,270
Administrative		66,880		30,096
Member Communications		813,826		598,026
Communications - Other		1,195,981		177,456
Well-Being		738,187		164,184
Initiatives to Reduce Healthcare Costs		409,071		379,073
TOTAL	\$	6,000,433	\$	3,228,104
REVENUE - EXP (excl. carryforward bal.)		(2,595,576)		(200,874)
BALANCE	\$	4,018,506	\$	6,413,208

Thank You, Abbie!

It is with deep gratitude, we honor Executive Director Abbie Yant, RN, MA, for her extraordinary service to the San Francisco Health Service System (SFHSS) and the City and County of San Francisco. Yant's storied career spans 35+ years in health care service to San Francisco—including the past seven years where she guided SFHSS. She led with vision, fairness, and compassion, always placing members first. A collaborative communicator and attentive listener, she grounded decisions in data and championed whole person care. She forged strong partnerships, advanced health equity, and insisted that quality, access, and affordability move forward together.

She represented SFHSS and our city in regional and statewide forums, sharing our experience and learning from peers—such as the Pacific Business Group on Health's Annual Summit—to anticipate trends and advocate for our members.

Executive Director Yant continually advocated for our members to receive *“the right care, in the right place, at the right time”* at sustainable costs. She encouraged staff to challenge the status quo, measure outcomes, and use evidence to drive action. She developed a shared vision and empowered managers to advance it. Her work leveraged SFHSS's purchasing power to benefit our members and improve the healthcare delivery system for all.

As she retires to Sonoma to spend quality time with her husband and travel more to visit their family and friends, we celebrate a legacy of service that endures through healthier outcomes, stronger partnerships, and a kinder, more inclusive workplace.

Thank you, Abbie Yant, for setting a standard we are proud to carry forward.



Looking Ahead



Strategic Procurement to Deliver Member Value

The San Francisco Health Service System (SFHSS) is positioned to deliver even greater value to members and the City through strategic procurements.

- Aligned with priorities of fiscal responsibility, operational excellence, and member well-being, In 2025, SFHSS successfully issued two major competitive bids—including a Flexible Spending Account (FSA) and COBRA administrator and a self-funded Dental PPO plan for over 70,000 active employees and their dependents—aligned with priorities of fiscal responsibility, operational excellence, and member well-being.
- These procurements ensure long-term stability and cost control, while expanding access to comprehensive benefits.

Proven Growth and Impact

- **Healthcare FSA Enrollment:** Increased 40% from 2020 to 2025, reaching 8,920 employees—with annual elections growing to \$16.1M.
- **Dependent Care FSA Enrollment:** Rose 10% over the same period, now at 1,651 employees, with elections climbing to \$6.5M.
- **Citywide Savings:** Nearly \$12.5 million in payroll tax savings from 2016–2025, thanks to pre-tax benefit programs.
- **Recent Momentum:** Plan Year 2025 achieved the highest enrollment in a decade, exceeding the 10-year average by 35.8%.

\$12.5M

Payroll Tax Savings

40%

Growth in Healthcare FSA Enrollment Over 5 Years

70,000+

Members and Dependents Covered by Dental PPO

Future Goals

Building on this momentum, SFHSS will:

- **Enhance** digital tools for seamless enrollment and personalized member experiences.
- **Strengthen** benefit offerings to meet evolving needs—ensuring choice, flexibility, and affordability.

Unlocking More Potential of PeopleSoft to Improve Member Experience

SFHSS is entering an exciting new chapter in its modernization journey with the PeopleSoft Optimization Project—an initiative designed to transform how benefits are delivered and elevate the member experience. Building on the successful completion of Phase I in 2025, the organization is now poised to move into implementation, where innovation can translate into meaningful impact.

This initiative centers on four major components:

<p>1</p> <h3>Benefits Optimization</h3> <p><i>Streamlining processes to make benefits easier for members to access and manage.</i></p>	<p>2</p> <h3>Benefits Automation</h3> <p><i>Reducing manual steps to improve accuracy, speed, and overall efficiency.</i></p>
<p>3</p> <h3>Benefits Modernization</h3> <p><i>Enhancing and updating the member experience through improved tools and interfaces.</i></p>	<p>4</p> <h3>Arrears Processing</h3> <p><i>Leveraging advanced technology to handle complex retroactive transactions seamlessly.</i></p>

The long-term vision is clear. However, realizing the full promise of this modernization effort requires something essential: the funding and resources needed to unlock more PeopleSoft capabilities. With proper investment, these improvements can:

- **Accelerate** enrollment and processing times, reducing delays for members.
- **Enhance** digital self-service options, giving members greater control over their benefits. Ensure operational excellence aligned with SFHSS’s strategic priorities.

Looking ahead, SFHSS’s goal is for its technology to work smarter and more seamlessly. With the right support and resources, the PeopleSoft Optimization Project has the potential to deliver transformative, lasting improvements across the organization.

Driving Efficiency: A Future of Seamless Member Support

SFHSS is preparing to improve the way members access information and support by unlocking more capabilities for case management and call center systems. Starting in 2026, new efficiency initiatives will leverage underutilized features and advanced tools—within WebEx, Salesforce, and sfhss.org—to create a more connected, self-service experience for every member.

With funding secured through a matching grant from the Committee on Information Technology, these projects will enable SFHSS to:

- **Streamline** response systems for faster, more accurate assistance.
- **Empower** members with intuitive self-service options, reducing wait times and improving satisfaction.
- **Integrate** technology for smarter workflows, ensuring staff can focus on high-value interactions.
- **Enhance** engagement through digital platforms that make benefits information accessible anytime, anywhere.

SFHSS is committed to operational excellence and member convenience.



“Efficiency designed around the member—delivering smarter, seamless support.”



2026: A Year of Opportunity and Momentum

The San Francisco Health Service System (SFHSS) 2026 Gap Year Strategic Plan serves as a bridge between multi-year strategies, this plan is far more than a placeholder—it is a launchpad for innovation, impact, and growth. With a clear vision and unwavering commitment, we are ready to turn challenges into opportunities and set the stage for long-term success.

In 2026, we will continue our ongoing mission through three core objectives:

- Deliver Affordable, Sustainable Healthcare and High-Quality Well-Being Services
- Champion Mental Health and Well-Being
- Elevate Member Engagement Through Exceptional Service

This transition-year plan builds on the momentum of our 2023–2025 Strategic Plan and sets the foundation for an ambitious new multi-year strategy beginning in 2027. It reflects our unwavering commitment to continuous improvement and to safeguarding the health and well-being of every member.

Three Goals of 2026

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Provide Affordable and Sustainable healthcare and high-quality well-being services through value-driven decisions and program design.



Support the Mental Health and Well-Being of our membership by reducing stigma and addressing barriers to care in partnership with key stakeholders.



Optimize Service to maintain and advance exceptional member engagement.



sfhss.org/sfhss-strategic-plan

Executive Leadership Team



Rey Guillen
Executive Director



Rin Coleridge
Chief Operating and
Experience Officer



Teresa Tan
Chief Finance and
Affordability Officer

Contact Us

SFHSS Mailing Address

San Francisco Health Service System
1145 Market Street, 3rd Floor
San Francisco, CA 94103

SFHSS Member Services

Main: (628) 652-4700
Fax: (628) 652-4701

Telephone Hours

Monday, Tuesday, Wednesday, and
Friday from 9 a.m. to noon and
1 p.m. to 4:30 p.m.

Thursday from 10 a.m. to noon and
1 p.m. to 4:30 p.m.

Member Service Walk-In

Monday, Tuesday, Wednesday and
Friday from 9 a.m. to 4:30 p.m.

Thursday from 10 a.m. to 4:30 p.m.

Board Contact Information

Members of the public can bring
policy comments to the Board at the
regular monthly meetings or via the
contact information below.

San Francisco Health Service System
1145 Market Street, 3rd Floor
San Francisco, CA 94103

health.service.board@sfgov.org
(628) 652-4646

Health Service Board Message



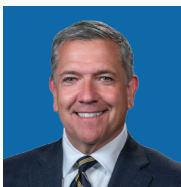
Mary Hao, *President*
Mayoral Appointee
5-Year Term: May 2023–May 2028



Art Howard, *Vice President*
Elected Commissioner
5-Year Term: June 2024–May 2029



Jack Cremen
Elected Commissioner
5-Year Term: June 2024–May 2029



Matt Dorsey
Board of Supervisors Appointee
5-Year Term: May 2023–May 2028
District 6 Supervisor
San Francisco Board of Supervisors



Diana Guevara
Elected Commissioner
5-year Term: June 2024–May 2025



Gus Vallejo
Elected Commissioner
5-year Term: May 2025–May 2030



Fiona Wilson, M.D.
Mayoral Appointee
5-Year Term: June 2025–May 2030



Holly Lopez
Health Service Board
Secretary

The San Francisco Health Service System Board (Board) is dedicated to making available to SFHSS members high-quality and affordable medical, dental, and vision care benefits that are consistent with our charge to administer the Trust in accordance with the City Charter solely for the benefit of SFHSS Members.

This 2025 Annual Report again demonstrates the commitment of the SFHSS team to be a continuously learning organization. On behalf of the Board, I thank the entire SFHSS team, led by Executive Director Rey Guillen, appointed in 2025, for maintaining its steadfast commitment to our members.

We look forward to 2026 and the vision and goals that the new leadership team will establish for the entire SFHSS Team to serve our members.

We, as a Board, are grateful for the SFHSS staff's diligence and dedication and we remain steadfast in our commitment to support the team in embracing whatever challenges and opportunities may come our way.

Mary Hao, *President*

