

SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

MEMORANDUM

DATE: May 10, 2018
TO: Randy Scott, President, and Members of the Health Service Board
FROM: Abbie Yant, RN, MA Executive Director SFHSS
RE: April 2018 Board Report

Introduction

We are moving through the rates and benefits process rather smoothly at this point. These matters are complex and do require deep knowledge of the history, rules and definitions as described in the Charter and the employers' labor agreements. The process has raised several strategic questions which are to be addressed as we move into the strategic planning process beginning with our kick off meeting on June 22, 2018.

Actuarial and Consulting Services Selection Process

I wish to commend the Finance Team and particularly Michael Visconti for guiding us through a highly professional and rigorous selection to process get us to this point where we are recommending to the Board an actuarial consulting service. You will see details of this process in the package and at the meeting.

Strategic Plan

We are kicking off the SFHSS Strategic Planning process on June 22, 2018, details to follow. The process begins with "Blue Sky" presentations by subject matter experts who will help open our minds to new ways of thinking about the services we provide. This will be followed by assessments of our current capacity to manage change going forward and finally result in both a strategy plan and an implementation plan. We will conclude the process with a full report to the Board in September 2018. Thank you to each of you who are able to attend and participate in the process.

Personnel

Our Board Secretary Laini Scott has given her notice that she will be retiring as of June 30, 2019. She has served this Board since March 2006 when she joined the City family. She has served the Board through many transitions. Without exception, everyone recognizes Laini's excellent communications skills and her calm demeanor under all circumstances. We know she will enjoy her retirement.

Also Vince McEnerney retired on May 4th after 23 years of services and 13 years with SFHSS. Vince has held a variety of positions from Analyst to Senior Analyst to Business Analyst. Vince has fulfilled a key production support role that bridges technical acumen with a deep operational expertise. We wish Vince all the best and looking forward to his periodic return as a Prop F employee.

We are working closely with the Department of Human Resources to fill these roles along with a number of other positions that are now open as well.

UHC/City Plan

As you are aware, the stabilization funds for the City Plan have greatly diminished. Therefore, we have dug in deeply to fully understand the drivers of the costs and develop recommendations to promote the long-term sustainability and viability of the City Plan for the active employee and early retiree populations. At the April HSB meeting, you heard Part 1 which focused on the early retirees with a recognition of the special populations that utilize this plan. Today you will hear Part II that will review what you learned last month and will focus on the active employee population. Today you will also consider for possible action a set of design changes recommendations, recommendations to spend down stabilization funds and approval of the 2019 rates and benefits.

Best Doctors

As directed by the HSB, SFHSS staff successfully negotiated a reduced rate with Best Doctors for the 2019 plan year. We will also continue to work with them to increase appropriate utilization of their services. We are also in discussion with our plans regarding their ability to work with Best Doctors and/or to provide like services within their provider networks.

Dependent Eligibility Verification Audit – update on timeline of audit

4/09/2018 - Alert Notice Sent

4/23/2018 - Verification Request Notice Sent

4/30/2018 & 5/15/2018 - Reminder notices

6/01/2018 - Final reminder notice

6/16/2018 - End of audit notice – sent to subscribers who have not responded to verification. Will summarize the possible ramifications for dependents not verified within the next 30-day grace period.

7/15/2018 - Grace Period end date/final audit close.

7/28/2018 - Final Results Notice – sent to subscribers with unverified dependents remaining on the plan.

Follow up from prior Board Meetings

We are tracking several matters brought before the Board last month and will report out at a later date. These matters include:

- Impact of Medicare Advantage programs
- Relationship with Workers Compensation
- Other Postemployment Health Care Benefits (OPEB)

SFHSS Division Reports – April 2018

Operations

- **Dependent Verification:**
 - Verification Request Notice was mailed the week of April 23rd
 - Call volume and in-office consultation impacted, as members seek clarity and verify the validity of the 3rd party vendor. Calls are usually short and not impacting service levels overall
 - 1,029 dependents verified, 3.87% verified to date
 - 47 dependents opted out by the employee due to ineligibility during the amnesty period in April
- Retirement Season has commenced. Currently there are about 240 June 2018 retirement applications in queue. We anticipate at least 700 retirements at the end of June
- HSS/USD will begin planning for hiring season at USD, anticipate 700-900 new hires beginning August 2018

Enterprise Systems & Analytics

- The key initiatives for the team are the website redesign and online open enrollment. Both of these initiatives are in full swing with vendors engaged and requirement meetings in flight. This will be a non-stop fast paced effort on both of these fronts to complete the work in time for open enrollment.

Communications

- Continue to work with SFHSS management team on Dependent Verification Audit (DEVA) communications and coordination with Alight (Aon).
- Work on New Hire and Pre-Retiree videos with Vendor.
- Work with Project Manager on preparing for 2019 Open Enrollment.
- Continue working on new website development with SFHSS team and vendor.
- Review campaign materials, prepare communications and website content for Well-Being campaigns including *RECHARGE*, *Play Your Way*.

Well-being

- Eat Better, Feel Better, the annual healthy eating initiative that encourages all members to consume at least 5 servings of fruits and vegetables daily launched in April. Part of that initiative includes the 6-week Colorful Choices Challenge. There are currently over 1400 employees and retirees registered.

- We host a variety of onsite events at departments across the City. In Q1 2018, 68 onsite programs were offered which resulted in 2240 member contacts.
- The Wellness Center offers two donation events annually. These events draw new members into the Wellness Center and allow members to give to the community. This year's shoe donation resulted in 322 pairs of shoes (135 more pairs than 2017).

Finance Department

Budget and Procurement

- Working with Mayor's Office on FY 2018-19 and FY 2019-20 budget request

Finance and Accounting

- Preparing for FY 2017-18 year-end close
- Paid \$14,696.83 reimbursement under Adoption and Surrogacy Assistance Plan
- Attended Governmental Accounting Refresher Training
- Attended Controller's Disaster Response Training

Financial System Project

- Completed F\$P Conversion Data Cleanup Project
- Beginning cash balance for Trust has been delayed
- Attended training:
 - Year-End Cancelling, Closing, and Finalizing Purchase Orders and Requisitions
 - PO Year End Workshop
 - Managing Expenses for Staff
 - Expense Reports
 - Creating Requisitions
 - Creating Sourcing Events (Contracting)
 - Reports and Analytics

Contracting and Vendor Management

- Fully executed Amendment to Agreement with P&A Group to increase the budget
- Fully executed Agreement with Blue Shield of California
- Completed and confirmed setup of \$50,000 employer-paid life insurance plan for the Union of American Physicians and Dentists through Aetna, effective July 1, 2018
- Completed oral interview phase of RFP for Actuarial and Consulting Services

Management Report

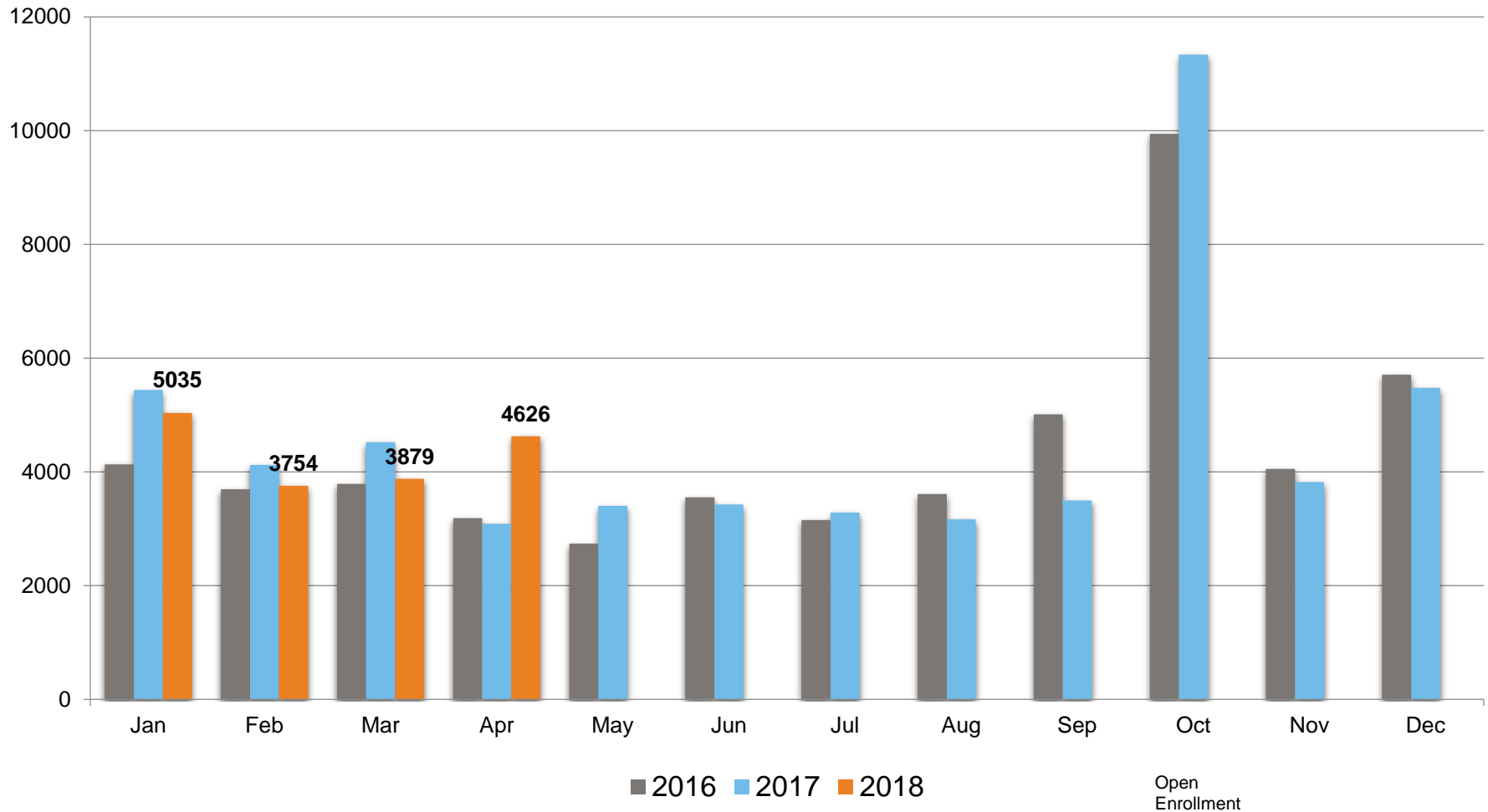
OPERATIONS UPDATE | May 2018

Calls and Office Visits: April 2018

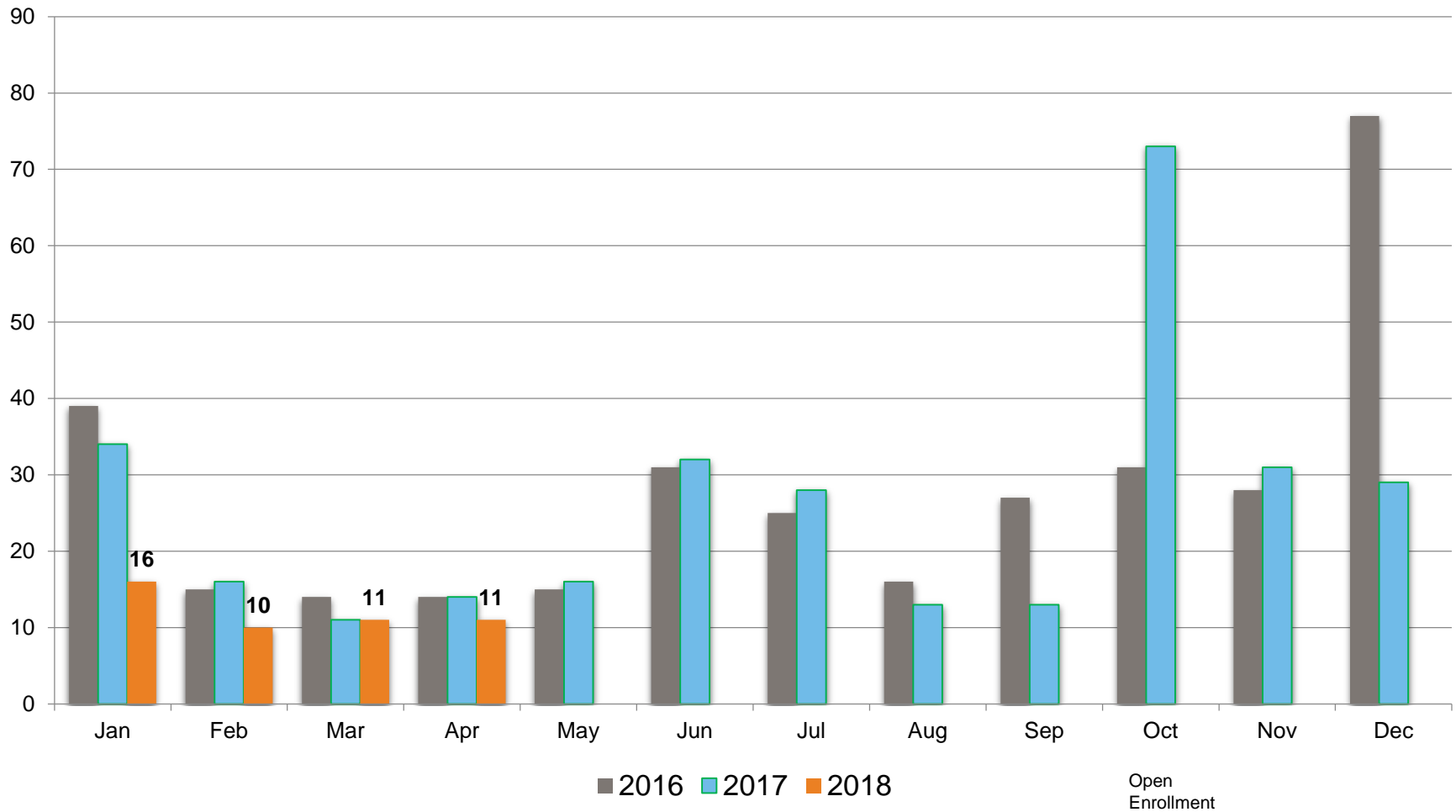
Calls and In-person Assistance total:

- Inbound calls: 4,626 answered calls (50% ↑ from 2017)
- Speed of answer: 11 seconds (21.4% ↓ from 2017)
- Abandonment rate: 0.6% (30 calls)
- In-person assistance: 1,256 members (8% ↑ from 2017)

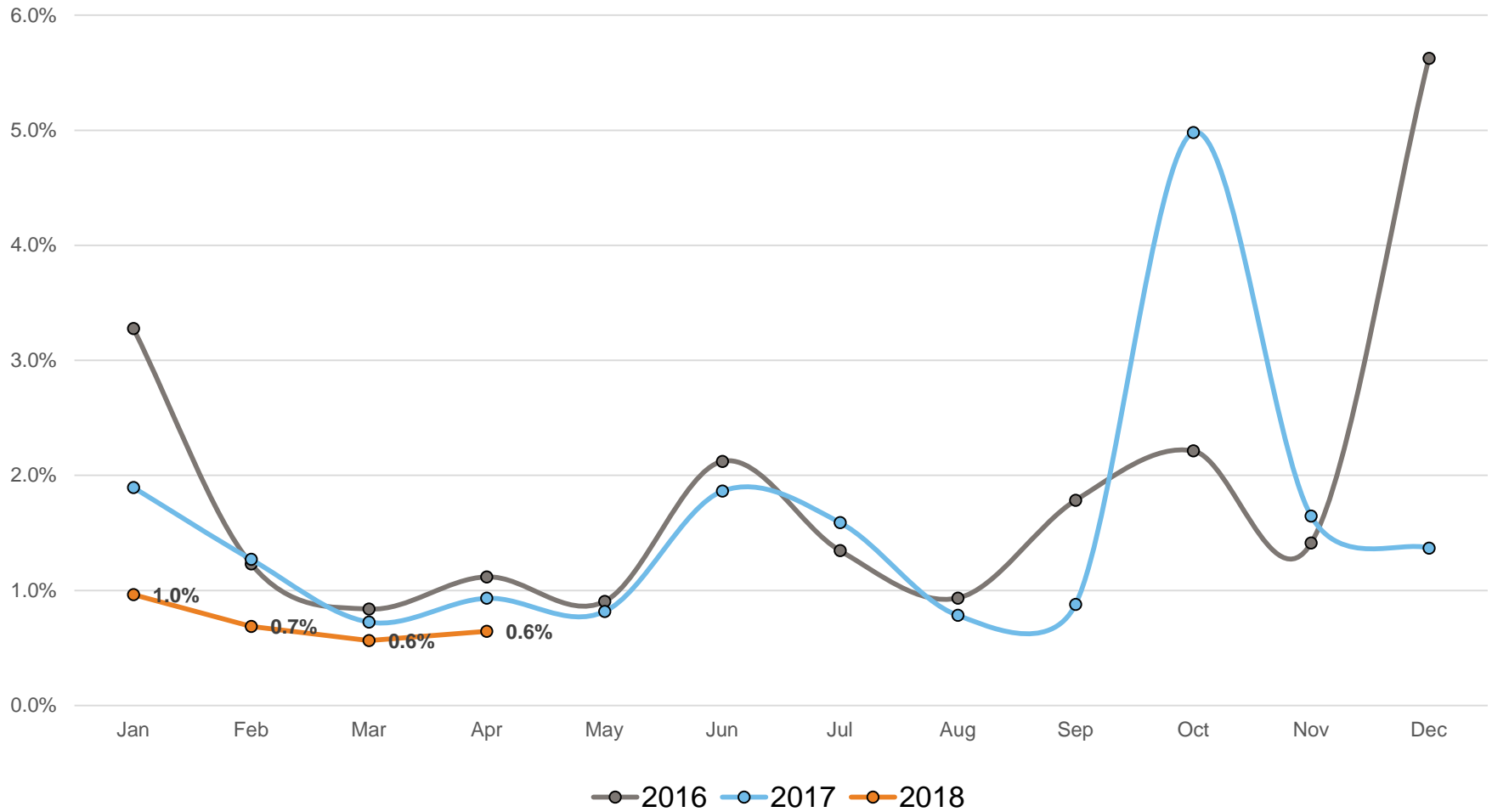
Inbound Calls: April 2018



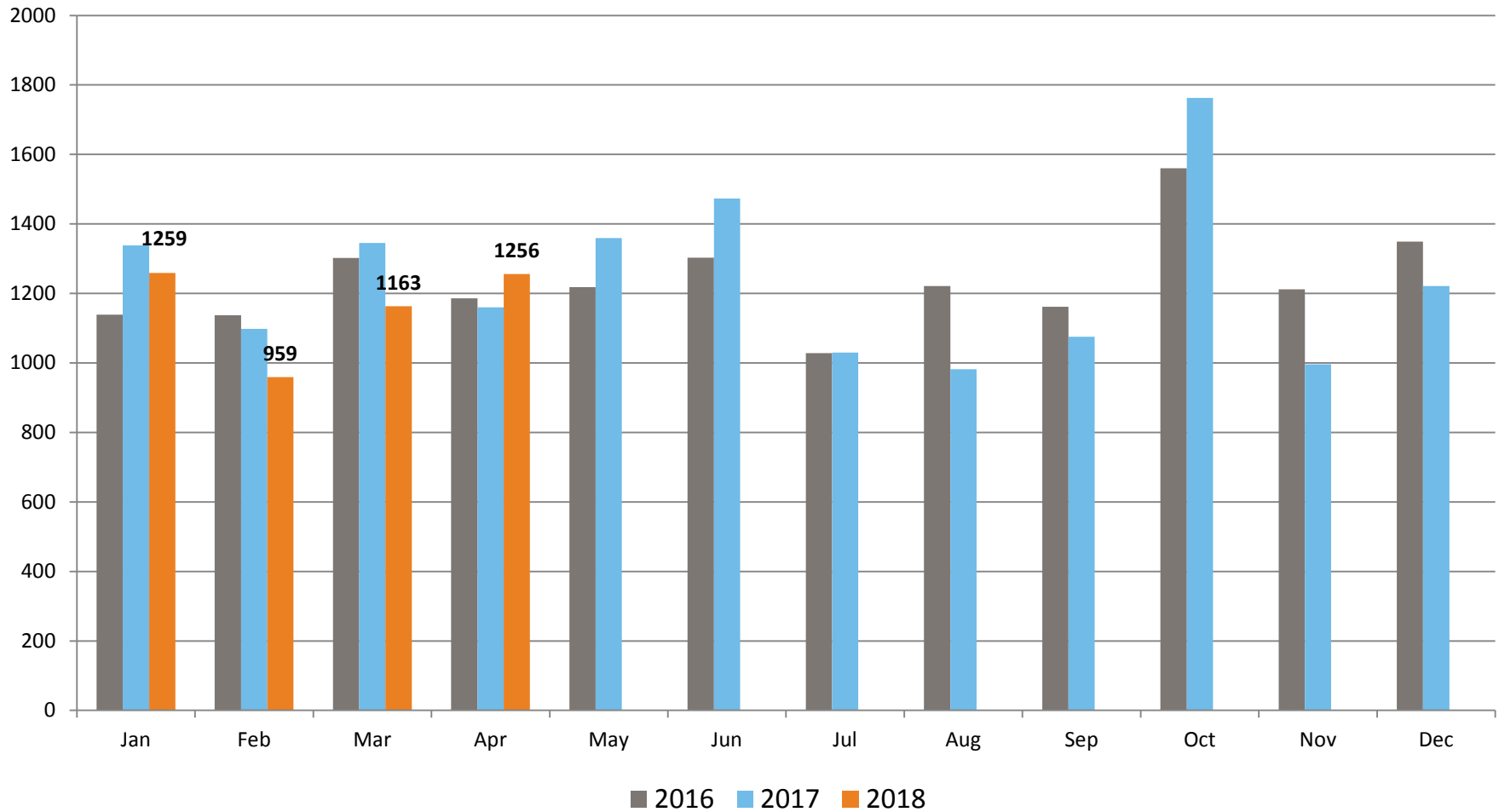
Average Speed of Answer: April 2018



Abandonment Rate: April 2018



In-person Assistance: April 2018



Delinquencies & Terminations: April 2018

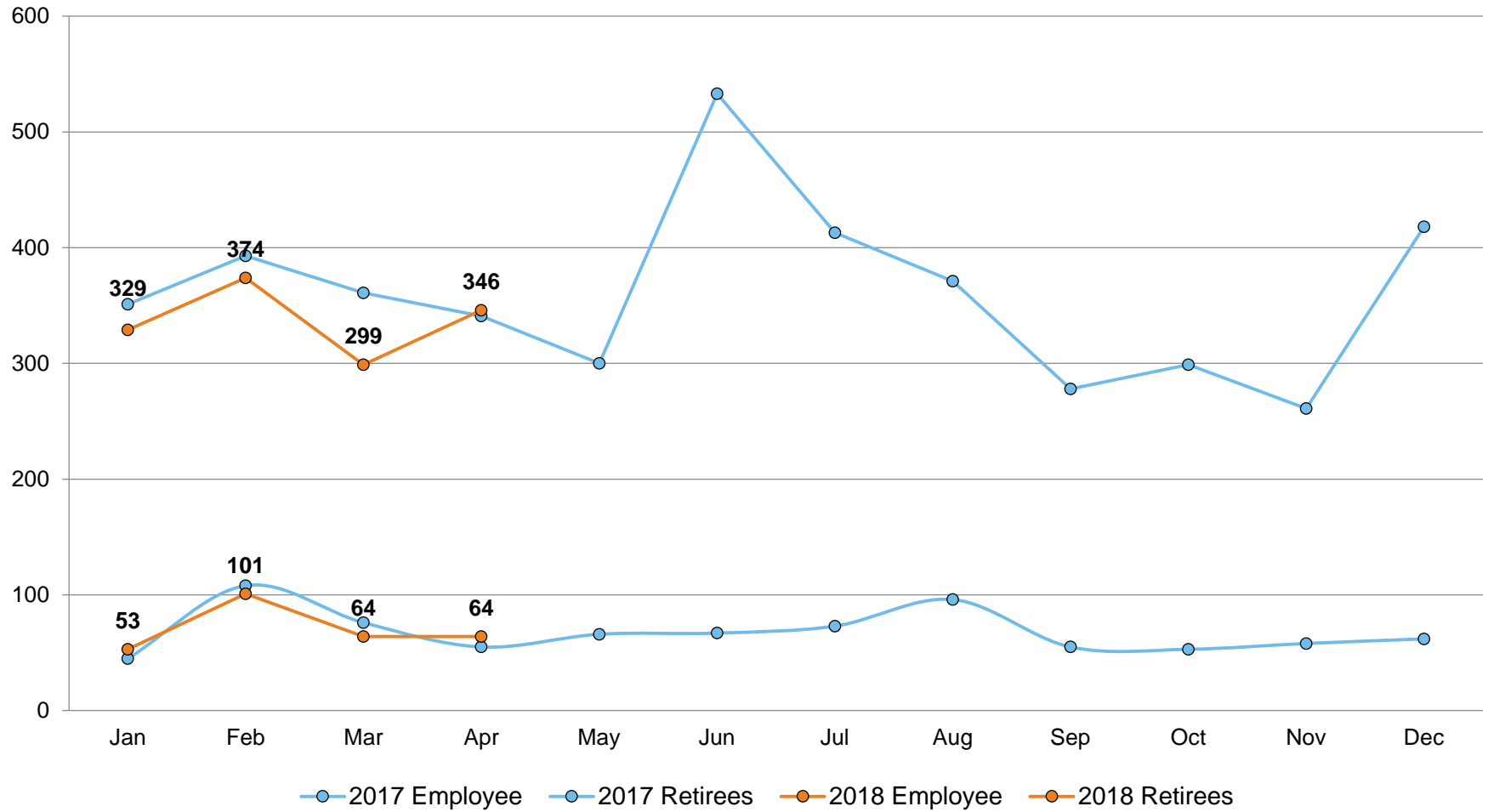
Delinquency Notices Sent.

- Employees: 346
- Retirees: 64

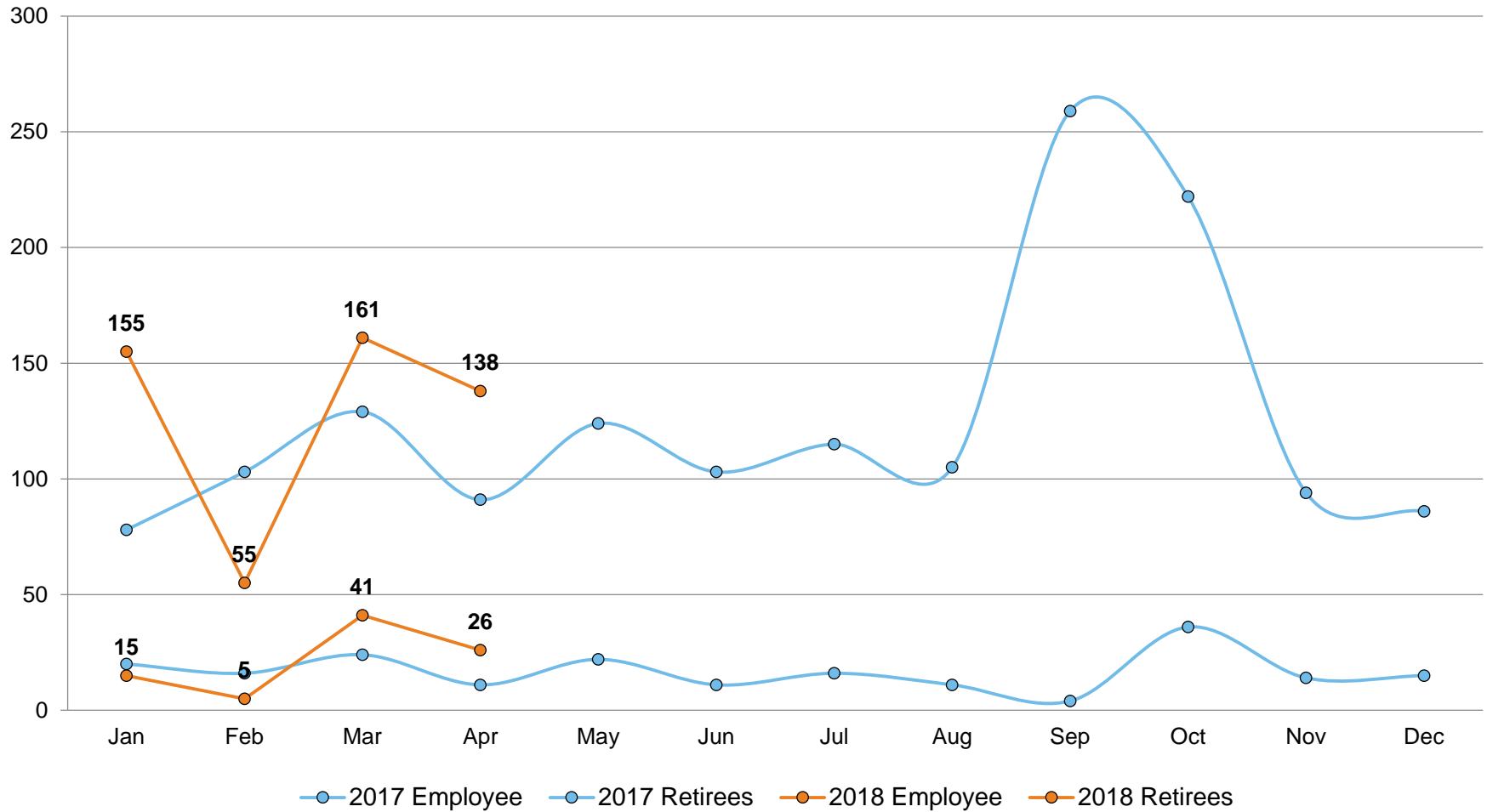
Termination Notices Sent.

- Employees: 138
- Retirees: 26

Delinquency Notices: April 2018



Termination Notices: April 2018



Enterprise Systems & Analytics Report

May 10, 2018

Initiatives

Web-Site Redesign in progress:

- Content inventory generated and reviewed
- Design audit reviewed and approved
- Sitemap defined
- Functional and technical specifications reviewed

Online Open Enrollment in progress:

- 5/2 kick off meeting with vendor to improve user experience
- Ongoing meetings with Department of Technology and PeopleSoft Systems Division to define scope of active / retired members
- Lobby construction completed
- Wrote and submitted functional requirements / specifications

Open Enrollment (OE)

- OE Schedule released
- Configuring additional scanners to work with our Enterprise Content Management system to support remote locations during OE

Initiatives

Payment Gateway vendor transition

- 5/3 kick off meeting with vendor to off board City from current service

Continuity of Operations Planning (COOP)

- Completed COOP templates and work sheets
- Completed COOP narrative
- Scheduled department training event
- Configured emergency notification system
- Created cloud based repository of key documents

PeopleSoft Product Support

- Completed system requests related to Dependent Eligibility Verification Audit
- Completed system modifications to support employer paid life insurance for Union of American Physicians and Dentists for July 1
- Wrapping up 2018 plan year programming changes
- Programming and testing pension system interface file improvements

Meetings attended by staff

- Attended Catalyst for Payment Reform (CPR) High-Value Health Care Collaborative meeting on 4/16
- Attended KP Patient Advisory Council – Cardiology Meeting 4/17
- Attended “Project HEADWAY: A Guide To Getting Started for the New PMO Manager” webinar on 4/19
- Attended monthly Multi-State Center for Internet Security webinar 4/24
- Attended Truven Public Sector User Group (PSUG) presentation on Opioid Abuse 4/25
- Attended service planning meeting with Truven/IBM Watson Health on 4/26

Management Report

FINANCE and CONTRACTS | May 10, 2018

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Management Report

Communications | May 10, 2018

WELL-BEING MONTHLY REPORT

January-April 2018 REPORT

Provided at the May 2018 Health Service Board Meeting

Initiatives & Challenges

Colorful Choices – 1494 participants

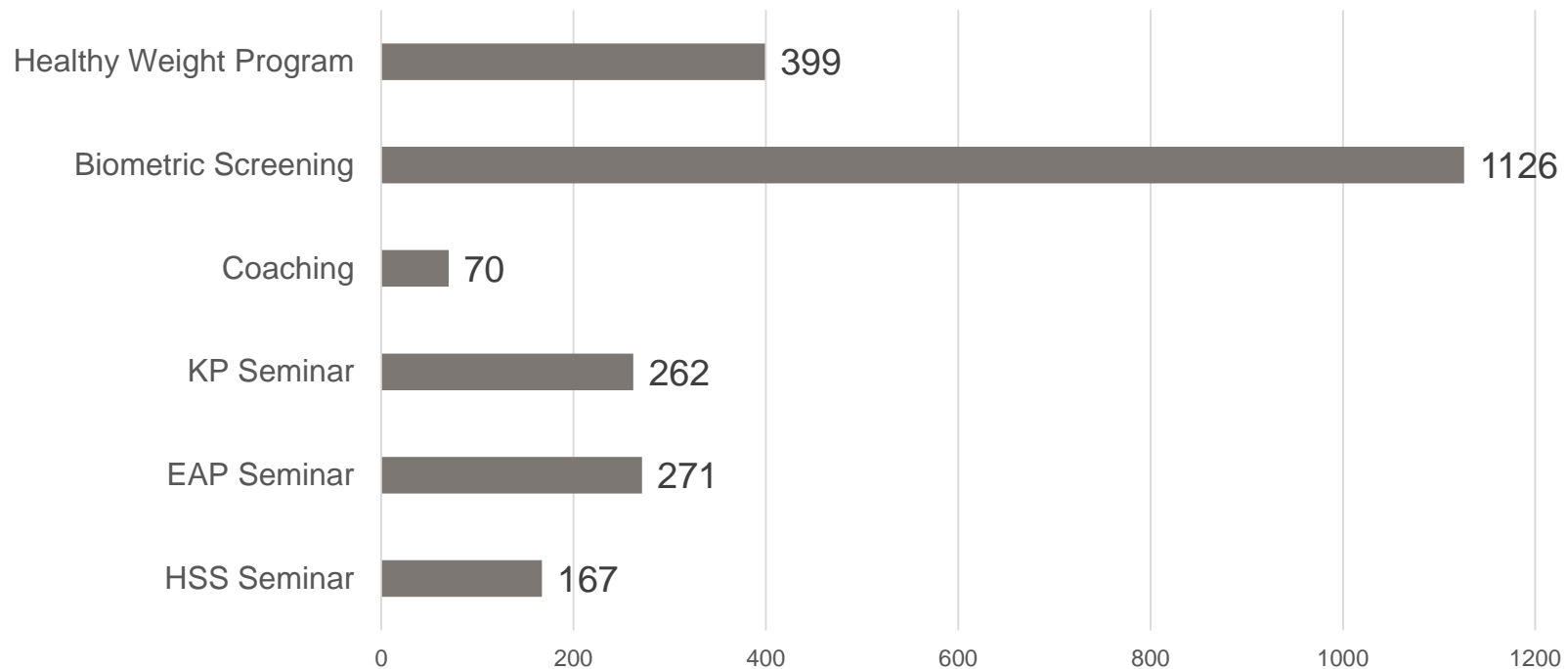
- Employees - 1410
- Retirees - 40
- Family Members - 44
- Number of Departments with Participants - 44
- Number of Teams - 125
 - 51% of all participants are on a team



Well-Being@Work: Activities at Department Location

- As of March 2018, there have been 2240 member contacts (at 68 services) through Well-Being@Work onsite activities

Members Contacts by Well-Being@Work in Q1-2018



Wellness Center: Shoe Donation in April

- A total of 322 pairs of shoes were collected for the St. Anthony's Foundation Free Clothing Program. 135 more pairs of shoes when compared to the shoe donation drive in 2017.
- 231 pairs were donated from Annetta Green (SFUSD Retiree).



April 2018 Web Traffic

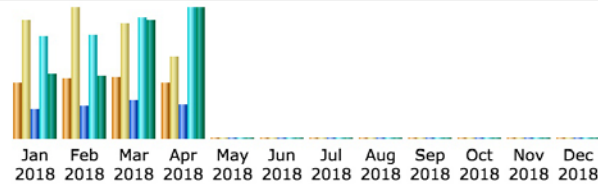
Summary

Month Apr 2018
01 Apr 2018 - 00:00
30 Apr 2018 - 23:59

Unique visitors	Number of visits (1.49 visits/visitor)	Pages (4.82 Pages/Visit)	Hits (18.87 Hits/Visit)
17301	25827	124584	487422
		105006	117166

robots, worms, or replies with special HTTP status codes.

Monthly history



Month	Unique visitors	Number of visits	Pages	Hits	Bandwidth
Jan 2018	17545	36976	111391	384230	26.86 GB
Feb 2018	19075	40921	120994	386641	26.42 GB
Mar 2018	19376	36358	143940	454047	49.94 GB
Apr 2018	17301	25827	124584	487422	54.93 GB
May 2018	0	0	0	0	0
Jun 2018	0	0	0	0	0
Jul 2018	0	0	0	0	0
Aug 2018	0	0	0	0	0
Sep 2018	0	0	0	0	0
Oct 2018	0	0	0	0	0
Nov 2018	0	0	0	0	0
Dec 2018	0	0	0	0	0
Total	73297	140082	500909	1712340	158.15 GB

April 2018 eNews

April 2018

Total Delivered	15,296	99%
Opened	6,590	43%
Clicked Links	663	10%

Rates and Benefits Calendar for Plan Year 2019

Meeting Date	Topics to be Addressed or Outcomes to be Achieved
February 8, 2018 1:00 pm Room 416, City Hall	<ul style="list-style-type: none"> • Black out Notice – Rates and Benefits • City Plan <ul style="list-style-type: none"> ○ Review of claims experience ○ Review of Stabilization Reserve • Copay benchmarking
March 8, 2018 1:00 pm Room 416, City Hall	<ul style="list-style-type: none"> • Presentation of 10-County amount • Stop loss recommendation for self-funded plans • Blue Shield Flex-Funded Non-Medicare review of claims experience, benefit design • Blue Shield Claims Stabilization Reserve • City Plan: Administrative fees
April 12, 2018 1:00 pm Room 416, City Hall	<ul style="list-style-type: none"> • Risk scores • UHC 2019 City Plan Admin. fees • Vision renewal • Best Doctors renewal • Long-term sustainability of City Plan – early retirees
May 10, 2018 1:00 pm Room 416, City Hall	<ul style="list-style-type: none"> • Best Doctors renewal • Delta stabilization reserve • Dental renewal • Blue Shield Flex-Funded Non-Medicare rates and premium contributions for 2019 • Kaiser Permanente Non-Medicare: review of claims experience, approve premium contributions for 2019 • UHC City Plan Non-Medicare rates and contributions for 2019 • Long-term sustainability of City Plan

<p>June 14, 2018 1:00 pm Room 416, City Hall</p>	<ul style="list-style-type: none"> • UHC Medicare Advantage (fully-insured) rates and premium contributions for 2019 • Long-term sustainability of City Plan contributions (if needed) • Kaiser Permanente Medicare Advantage (fully-insured rates and premium contributions for 2019 • Kaiser multi-region (fully-insured) plan rates and premium • Aetna renewal – life and disability
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END OF RATES AND BENEFITS PROCESS

Board of Supervisors (“BOS”) Schedule for 2019 Rates and Benefits

June 19, 2018 – 2019 Rates package introduced by Supervisor Sheehy to BOS and assigned to Budget and Finance Committee

July 12, 2018 – BOS Budget and Finance Committee review of rates package

July 17, 2018 – First reading by full BOS

July 24, 2018 – Second reading by full BOS