

MEMORANDUM

DATE: April 9, 2026

TO: Mary Hao, President, and Members of the Health Service Board

FROM: Rey Guillen, SFHSS Executive Director

RE: April 9, 2026, Director's Report

BOARD OF SUPERVISORS HEARING ON BLUE SHIELD OF CA CARE DENIALS

The Health Service Board (HSB) received a request from the Board of Supervisors' Budget and Finance Committee to attend and present at a hearing on the denial of healthcare by Blue Shield of California. On April 8, 2026, I attended the hearing to represent the HSB and the San Francisco Health Service System (SFHSS) and shared SFHSS' limited role in the claims denial process.

HEALTH VALUE INITIATIVE ("HVI") BENCHMARKING STUDY (SEE ATTACHED STUDY)

1. From an employee perspective, for plan cost-sharing benchmarking:
 - a. SFHSS employees pay substantially less on average than employees of other benchmark organizations for member plan design cost-sharing amounts at time of service (e.g., deductibles, copayments, and coinsurance).
 - b. SFHSS employees pay slightly higher premium contributions on average than other benchmarks in this study.

2. Overall medical/prescription drug spend per employee is higher for SFHSS than for average benchmarked organizations — three key factors drive this result:
 - a. Higher average population age for SFHSS than other benchmarks (though similar to Public Sector benchmark average age)—SFHSS population is 2.6 years older on average than the overall study employee average age.
 - b. Higher cost of health care overall in the Bay Area versus U.S. averages.
 - c. Higher percentage of allowed costs paid by SFHSS plans versus other benchmarks after applying member plan design elements (e.g., SFHSS plan deductibles and copayments are less, on average, than those for plan designs of benchmark employers).

COMMISSION STREAMLINING TASK FORCE SUBMITS FINAL RECOMMENDATIONS TO IMPROVE CITY BOARDS AND COMMISSIONS

The Commission Streamlining Task Force submitted its final report and proposed legislation to the Board of Supervisors. The Board of Supervisors held a meeting on Tuesday, March 17, 2026. By July 2026, the Board of Supervisors will decide whether to place a Charter amendment on the November 2026 Ballot. The links to the submitted report and legislation are below.

[Commission Streamlining Charter Amendment](#)

[Commission Streamlining Ordinance](#)

[Commission Streamlining Final Report](#)

[The Mayor's Charter Amendment](#)

Additional information and updates are available on the Task Force's work on the [Commission Streamlining Task Force webpage](#) on sf.gov

BLACK-OUT PERIODS CONTINUE (see attachment)

1. Black-Out Period notification to the Health Service Board began on August 14, 2025, and extends through both:
 - The completion of the San Francisco Health Service System (“SFHSS”) formal request for proposal for COBRA, Healthcare Flexible Spending Account (FSA), Dependent Care Spending Account (DCSA), and AB 528 administration, and the presentation of the results of this 2026-2027 COBRA, FSA, DCSA & AB 528 RFP to the Board, and
 - The completion of the SFHSS Annual Rates and Benefits process for the 2027 plan year.

During this time, Board members are prohibited from unauthorized communications and other prohibited activities in connection with the 2026-2027 COBRA, FSA, DCSA & AB 528 RFP through the annual SFHSS Rates and Benefits process for plan year 2027.

2. Black-Out Period notification to the Health Service Board began November 13, 2025, and extend through both:
 - The completion of the San Francisco Health Service System (“SFHSS”) formal request for proposal for the Active (non-Retiree) Administrative Services Only PPO (ASO-PPO) Dental plan administration beginning Plan Year 2027 (the “Active ASO-PPO Dental RFP”) and the presentation of the results and SFHSS recommendation to the Board, and
 - The completion of the SFHSS Annual Rates and Benefits process for the 2027 plan year.

During this time, Board members are prohibited from unauthorized communications and other prohibited activities in connection with Active ASO-PPO Dental RFP and the SFHSS Annual Rates and Benefits Process.

FOLLOW-UP FROM THE PRIOR HEALTH SERVICE BOARD REGULAR MEETING

Public Comment:

At a previous Health Service Board meeting, a member requested that SFHSS receive monthly data of placements of SFHSS members who reside in San Francisco and are place in a SNF in and outside of San Francisco.

Blue Shield of CA: Blue Shield is continuing to review SFHSS' request for a monthly report of San Francisco members referred to Skilled Nursing Facilities both inside and outside of the City

Kaiser Permanente: Kaiser has responded that they are unable to provide the data requested. Instead, Kaiser provided a link to their [available SNFs](#) and the following response:

Kaiser shares SFHSS' belief in placing members needing SNF care in a facility that is best for their needs and is most conveniently located relative to their or their family's city of residence when possible. While we make every effort to connect patients to SNFs in the most comfortable geographic location, we also share the concerns noted by Blue Shield of CA in their presentation regarding the national shortage of available beds in SNFs. This issue and/or

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HEALTH SERVICE SYSTEM**

Affordable, Quality Benefits & Well-Being

specific requirements for the patient's level of care may necessitate the need to place the patient in a facility in a location farther from home.

63% of SFHSS' commercial population and 68% of SFHSS' Medicare population live outside of the city of San Francisco. This membership distribution is reflected in our practice patterns described above when connecting these patients to SNFs in locations relative to their or their families' homes.

**SAN FRANCISCO HEALTH SERVICE SYSTEM
DIVISION REPORTS: April 2026**

PERSONNEL UPDATES (see attachment)

Member Services division:

- 1813 Senior Benefits Analyst position – backfill for Sonali Shenoy. Interviews completed, but position approval was rescinded as part of the citywide position approval rescission. We have requested MBO reactivation of the position so we can move forward with selection.
- 1210 Benefits Analysts – 2 positions, backfill for Lisa Brown Kang and Henry Cornejo. Requested MBO to approve both positions, once approved, will prepare for the job posting.

Resignation:

- Henry Cornejo transferred to RET 3/14.

OPERATIONS: (see attachments)

FINANCE AND BUDGET:

- In late February, SFHSS submitted the proposed FY 2026–27 and FY 2027–28 General Fund budget that was approved by the HSB, which identified the elimination of one (1) position.
- In mid-March, the Mayor's Budget Office (MBO) requested SFHSS identify two (2) additional positions for elimination following their instructions to consider core, mandated, and discretionary services in that determination. This brings SFHSS's total reduction to three (3) positions, which is a loss of more than 6,000 hours of programs and services.
- The MBO may request HSS respond to additional inquiries through May 2026.

WELL-BEING: (see attachment)

ATTACHMENTS:

- Health Value Initiative ("HVI") Benchmarking Study
- Blackout Notice through June 2026 - COBRA, FSA, DCSA & AB528
- Blackout Notice through June 2026 RFP Dental
- Personnel - SFHSS Org Chart
- Operations Monthly Dashboards for February
- Well-Being Monthly Dashboards for February

San Francisco Health Service System Health Service Board

Rates & Benefits

Review 2026 Plan Year Health Value Initiative (HVI)
Benchmarking Study

(Included Within April 2026 Director's Report)

April 9, 2026

Aon Health Value Initiative (HVI)™

The Aon Health Value Initiative (HVI)™ Database, launched in 1996, captures active employee medical and prescription drug cost and benefit data on health plans for:

- 7.3 million health plan employees;
- 1,027 employer organizations; [1]
- 4,000+ health plans; and
- \$125.1 billion in health care expenditures.

This benchmarking study captures medical and prescription drug data for **active employees** only.

- Dental and vision plans are not measured in the study.
- Retirees are not measured in this study.

[1] *Total number of employers is dynamic and changes as clients are added or removed from the baseline.*

Aon HVI Benchmarking for SFHSS

Executive Summary

Similar to prior years, San Francisco Health Service System (SFHSS) active employee health plans demonstrate a purchasing efficiency score that remains among the best in our study — SFHSS receives a higher level of value for every dollar spent in health care than most other employers participating in Aon’s HVI study.

Financial efficiency is gauged by normalizing plan cost differences caused by plan design, demographic, and geographic differences among populations.

Aon HVI Benchmarking for SFHSS

Executive Summary

Overall medical/prescription drug spend per employee is higher for SFHSS than for average benchmarked organizations — three key factors drive this result:

- Higher average population age for SFHSS than other benchmarks (though similar to Public Sector benchmark average age) — SFHSS population is 2.6 years older on average than overall study employee average age.
- Higher cost of health care overall in Bay Area versus U.S. averages.
- Higher percentage of allowed costs paid by SFHSS plans versus other benchmarks after applying member plan design elements (e.g., SFHSS plan deductibles and copayments are less, on average, than those for plan designs of benchmark employers).







Aon HVI Benchmarking for SFHSS

Executive Summary (continued)

From the **employee** perspective for plan cost sharing benchmarking:

- SFHSS employees pay slightly higher contributions on average than other benchmarks in this study.
- SFHSS employees pay substantially less on average than employees of other benchmark organizations for member plan design cost sharing amounts at time of service (e.g., deductibles, copayments, and coinsurance).

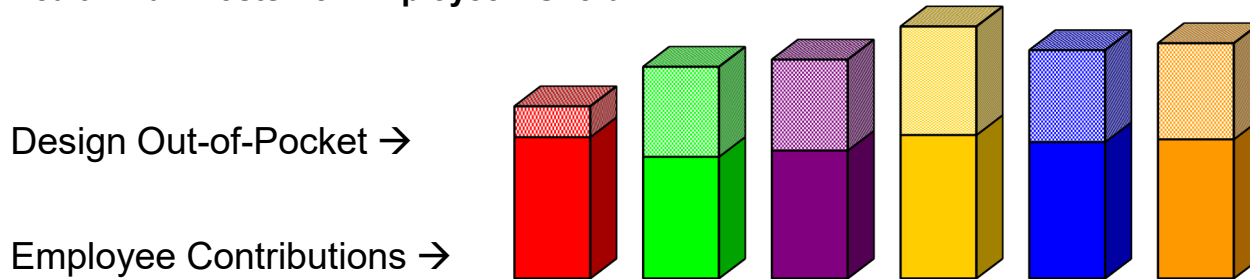
Aon Health Value Initiative (HVI)™ Benchmarks

-  **San Francisco Health Service System (SFHSS)**
SFHSS fully-insured plan costs are based on actual 2026 premium rates; SFHSS self-insured/flex-funded plan costs are based on the medical, prescription drug, and administrative cost portions of total cost rates; all costs exclude Basic Vision rates, SFHSS sustainability fees, and rate stabilization adjustments.
-  **Public Sector Industry (Public) — 72 Organizations**
Public employer subset (primarily states, municipalities, and universities).
-  **Organization Size (25,000+) — 60 Organizations**
Subset of study employers with 25,000 and more employees covered by plans.
-  **Fortune 500 Subset in Database — 64 Organizations**
Subset of study employers that are in the Fortune 500.
-  **Labor Market — 1,020 Organizations**
Weighted average of all participating organizations operating in same geographies as SFHSS employees. This comparison group is helpful in analyzing the impact of employee location on costs.
-  **HVI Entire Database — 1,027 Organizations**
Entire Aon database of 1,027 participating organizations.

2026 Annual Health Plan Costs Per Employee

- SFHSS employers pay 83% of overall health care spend (allowed charges plus fees), compared to a range of 71% to 77% for benchmark averages.
- Member design out-of-pocket cost in SFHSS plans (for deductibles, copayments, coinsurance, etc.) is substantially lower than for other benchmarks, including public sector.

Health Plan Costs Per Employee—Overall

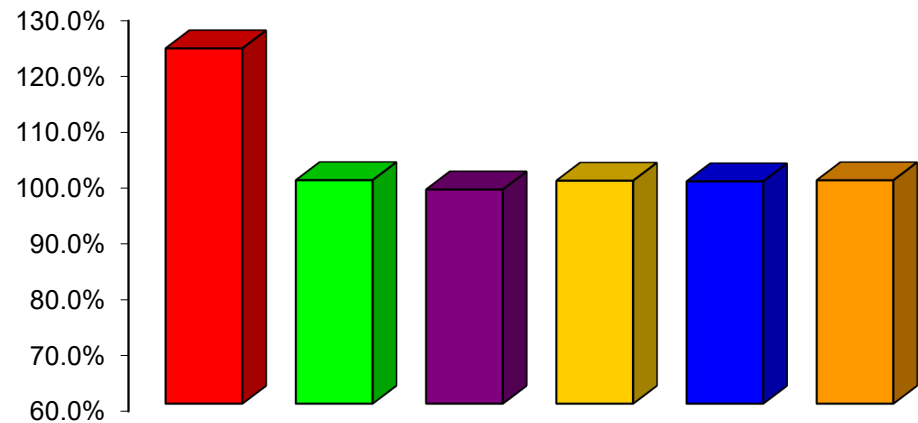


	SFHSS	Public Sector	Jumbo (>25k)	Fortune 500	Labor Market	HVI
Employee Contributions	\$3,131	\$2,696	\$2,835	\$3,178	\$3,023	\$3,083
Employee Design Out-of-Pocket	\$682	\$1,991	\$2,010	\$2,397	\$2,029	\$2,124
Employer Cost	\$18,773	\$15,441	\$14,346	\$13,926	\$14,108	\$14,139
Total Health Plan Cost	\$22,586	\$20,127	\$19,191	\$19,502	\$19,161	\$19,346
Employer Portion Percent	83%	77%	75%	71%	74%	73%

2026 Health Plan Financial Purchasing Efficiency

- The Financial Index (FI) is a measure of financial efficiency of plans offered by SFHSS and other database organizations. It normalizes for cost differences driven by demographic, geographic, and plan design variations among organizations. Plan administrative costs and care management is reflected in the FI measure.
- An FI greater than 100% reflects better-than-average financial efficiency.
- The SFHSS FI exceeds all comparators at 123.6%.
- Thus, SFHSS health plan purchasing efficiency significantly exceeds averages for other benchmarks in the study.

Financial Efficiency—Overall



	SFHSS	Public Sector	Jumbo (>25k)	Fortune 500	Labor Market	HVI
Financial Index	123.6%	100.0%	98.4%	99.9%	99.8%	100.0%
Employees	40,890	802,650	3,834,196	1,703,939	4,008,950	7,265,327

Detailed Profile — 2026 Costs and Demographics

Annual Amounts (Page 1 of 2)

Category	SFHSS	Public Sector	25,000+	Fortune 500	Labor Market	HVI
Number of Employees	40,890	802,650	3,834,196	1,703,939	4,008,950	7,265,327
Total Health Plan Costs (\$B) ^[1]	\$0.9B	\$14.6B	\$65.9B	\$29.1B	\$68.7B	\$125.1B
Total Employer Health Plan Costs (\$B)	\$0.8B	\$12.4B	\$55.0B	\$23.7B	\$56.6B	\$102.7B
Average Age	46.6	47.1	43.8	44.1	44.0	44.0
Average Family Size	2.0	2.0	1.9	2.0	2.0	2.0
Percent Females	47.8%	64.5%	55.8%	49.4%	50.9%	50.9%

[1] Net of plan design cost sharing by plan participants (deductibles, copayments, coinsurance, etc.)

Detailed Profile — 2026 Costs and Demographics

Annual Amounts (Page 2 of 2)

Category	SFHSS	Public Sector	25,000+	Fortune 500	Labor Market	HVI
Total Health Plan Costs Per Employee ^[1]	\$21,904	\$18,137	\$17,181	\$17,105	\$17,131	\$17,222
Employer Health Plan Costs Per Employee	\$18,773	\$15,441	\$14,346	\$13,926	\$14,108	\$14,139
Financial Index	123.6%	100.0%	98.4%	99.9%	99.8%	100.0%
Member Medical/Prescription Drug Active Employee Cost Sharing Benchmarks						
Employee Contribution	\$3,131	\$2,696	\$2,835	\$3,178	\$3,023	\$3,083
Plan Design Out-of-Pocket Expense	\$682	\$1,991	\$2,010	\$2,397	\$2,029	\$2,124

[1] Net of plan design cost sharing by plan participants (deductibles, copayments, coinsurance, etc.)

MEMORANDUM

DATE: August 14, 2025
TO: Mary Hao, President, and Members of the Health Service Board
FROM: Rey Guillen, Executive Director, SFHSS
RE: Black-Out Period Notice, August 14, 2025 through June 2026

This memorandum shall serve as the Black-Out Period notification to the Health Service Board (“Board”) that will begin today, August 14, 2025, and extend through the completion of the San Francisco Health Service System (“SFHSS”) formal request for proposal for COBRA, Healthcare Flexible Spending Account (FSA), Dependent Care Spending Account (DCSA) and AB 528 administration and the presentation of the results of this 2026-2027 COBRA, FSA, DCSA & AB 528 RFP to the Board.

During this time, Board members are prohibited from unauthorized communications and other prohibited activities in connection with the 2026-2027 COBRA, FSA, DCSA & AB 528 RFP.

Pursuant to the [Board's Policies](#) (page p. 46 “External Communications – Service Providers”, p. 48 “Black-Out Periods”, p. 49 “Contracts”), the Board must be notified of the start of this Black-Out Period prior to the release of any solicitation for the selection of a primary service provider, as well as prior to the beginning of the annual SFHSS Rates and Benefits process. Such notice is now given.

During this Black-Out Period, Board members are prohibited from any communications or activities with current or potential future service providers or their representatives, agents, employees, or officers on matters relating to SFHSS competitive bid processes for the selection of the service providers for life and disability benefits, including, but not limited to, COBRA, Healthcare Flexible Spending Account (FSA), Dependent Care Spending Account (DCSA) and AB 528 administration and/or the 2026-2027 COBRA, FSA, DCSA & AB 528 RFP (collectively, “Unauthorized RFP Communications and Other Prohibited Activities”), except for communications related to SFHSS matters occurring during public meetings of the Board, the Board of Supervisors, or committees thereof.

Unauthorized RFP Communications and Other Prohibited Activities include communications and activities prohibited by state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III (Conduct of Government Officials and Employees), Chapter 2 (Conflict of Interest and Other Prohibited Activities) of City's Campaign and Governmental Conduct Code, Section 1.126 of the San Francisco Campaign and Governmental Conduct Code (Campaign Reform Ordinance), and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California.

Communications and activities include face-to-face conversations, conversations through one or more third parties or intermediaries, telephone conversations, emails, text messages, letters, faxes, or any other social media, written or electronic communications.

Any communications with current or potential future service providers for reasons unrelated to SFHSS during this period must be immediately disclosed in writing to the Executive Director and the Board.

CC: Members, Health Service Board
Members, San Francisco Board of Supervisors
Jennifer Donnellan, City Attorney

MEMORANDUM

DATE: November 13, 2025
TO: Mary Hao, President, and Members of the Health Service Board
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Pursuant to the [Board's Policies](#) (Governance Policies and Terms of Reference, p. 46 “External Communications – Service Providers”, p. 48 “Black-Out Periods”, p. 49 “Contracts” and section 207: SFHSS Service Provider and Vendor Selection Policy), the Board must be notified of the start of this Black-Out Period prior to the release of any solicitation for the selection of a primary service provider, as well as prior to the beginning of the annual SFHSS Rates and Benefits process. Such notice is now given.

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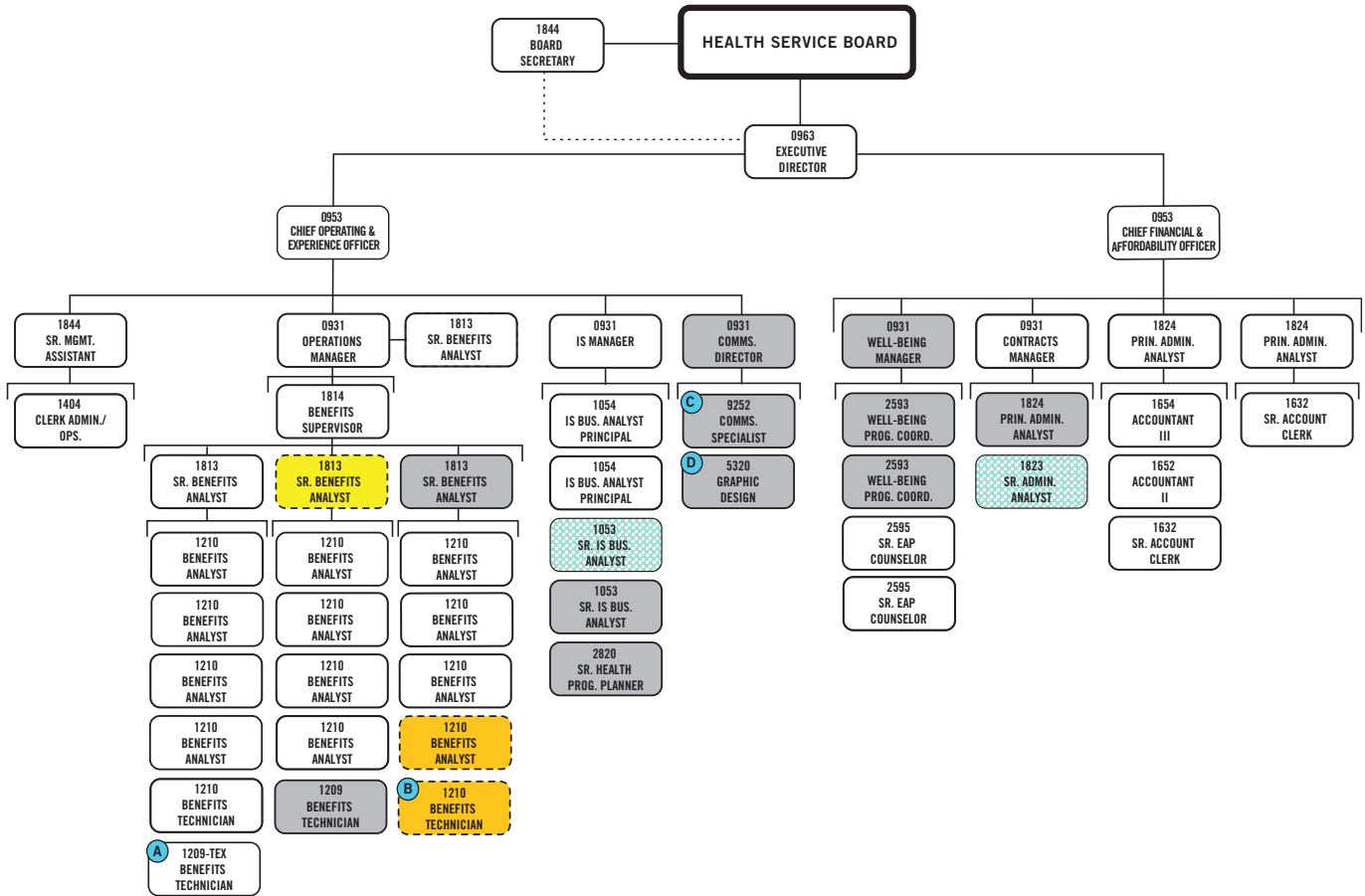
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CC: Members, Health Service Board

Members, San Francisco Board of Supervisors
Jennifer Donnellan, City Attorney

SAN FRANCISCO HEALTH SERVICE SYSTEM

Organizational Chart – Recrutable Budgeted Positions



LEGEND



BUDGETED POSITIONS FILLED BY DIFFERENT WORKING CLASS

- (A) 1210 Benefits Analysts filled by 1209-TEX Benefits Technician
- (B) 1210 Benefits Analyst filled by 1209 Benefits Technician
- (C) 0923 Manager II filled by 9252 Communications Specialist
- (D) 2822 Health Educator filled by 5320 Graphic Designer

Operations Dashboard

Health Service Board Meeting • April 09, 2026

Reporting: March 2026

Operations Dashboard for the Month of March 2026

Call Center Support

Call Volume

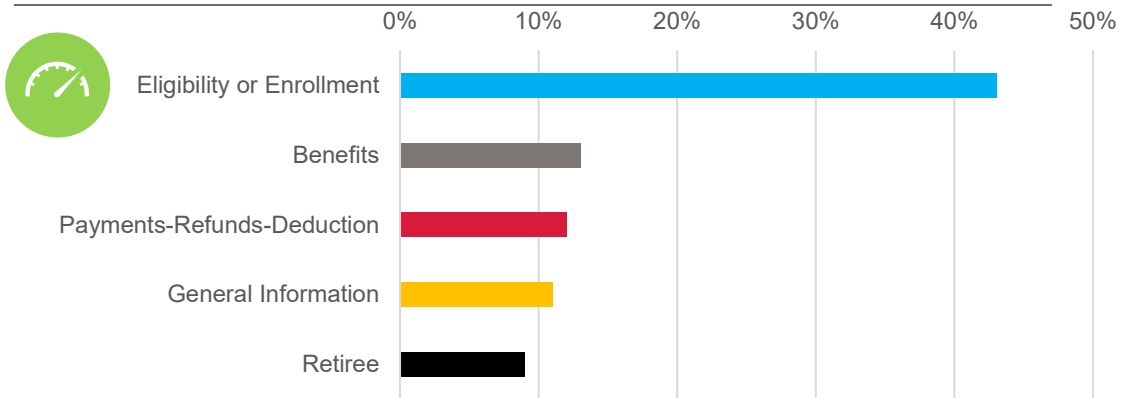


2,193
calls handled
March 2025

1,894
calls handled
March 2026

Call Drivers Metrics

% Call Drivers



Average Speed to Answer

Goal: <3 minutes



5 min 10 secs
March 2025

6 min 51 secs
March 2026

Abandonment Rate

Goal: <10%



12.51%
March 2025

20.89%
March 2026

Average Handle Time

Goal: <10 min



6 min 43 secs
March 2025

6 min 30 secs
March 2026

First Contact Resolution

Goal: >75%

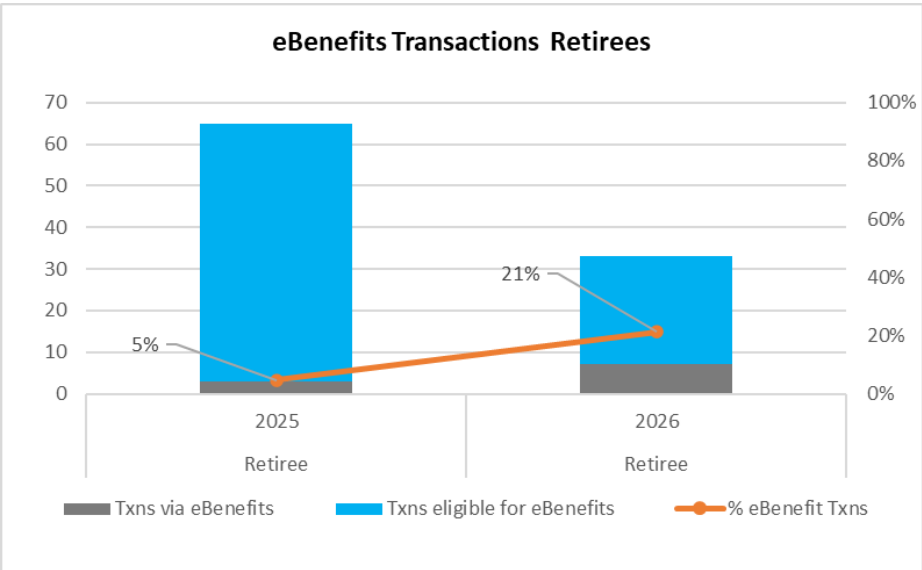
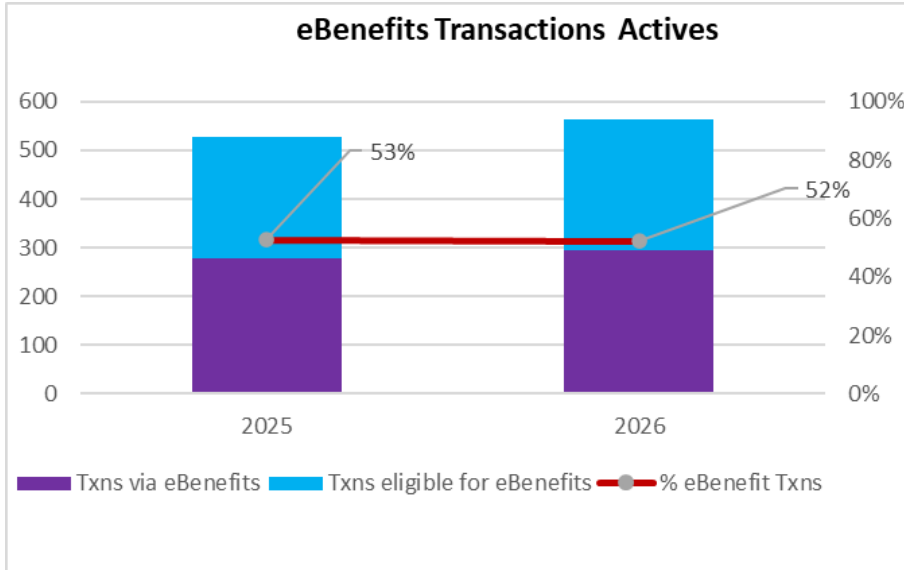


72%
March 2025

74%
March 2026

Operations Dashboard for the Month of March 2026

Transactions

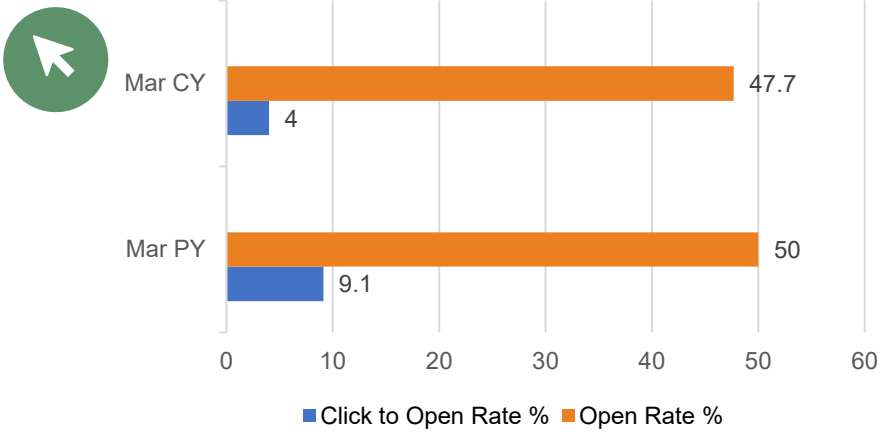


Communications Dashboard for the Month of March 2026

Member Engagement

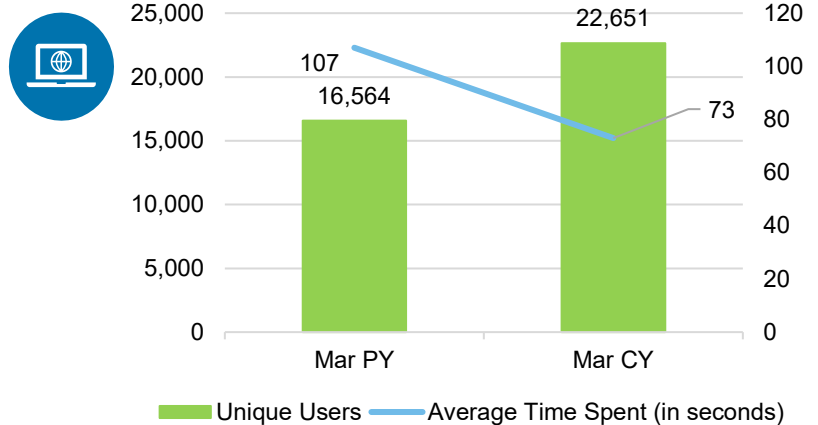
HSS Newsletter Engagement

Goal: >50% Open Rate / 6% Click to Open Rate

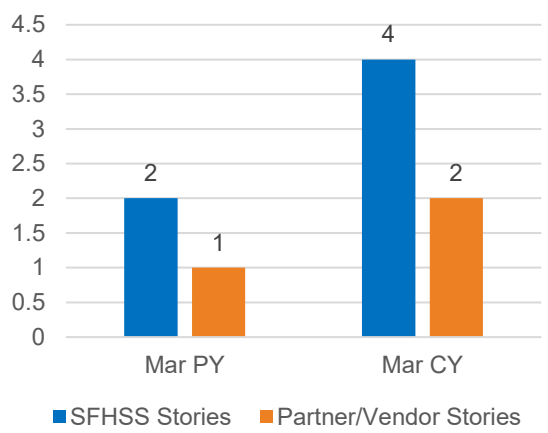


SFHSS Website Engagement

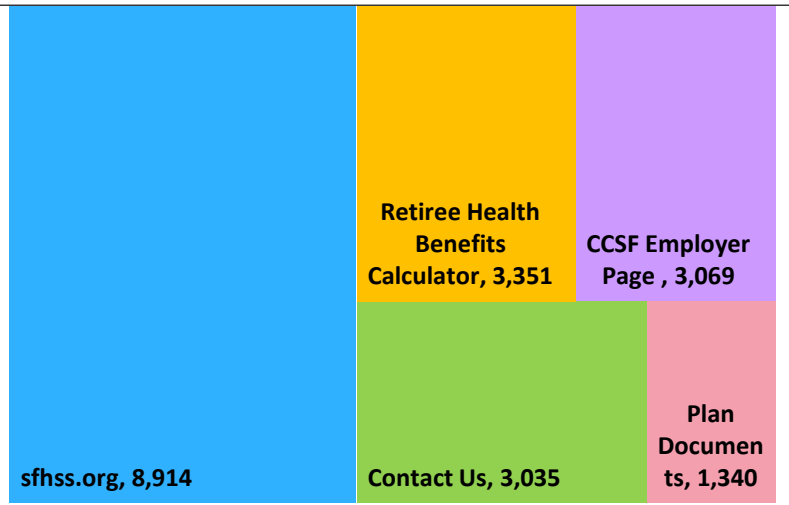
Goal: >100 seconds



Preventive Care Communications **Goal: > 3**



Top Visited Pages on sfhss.org



Well-Being Dashboard

Health Service Board Meeting – April 9, 2026

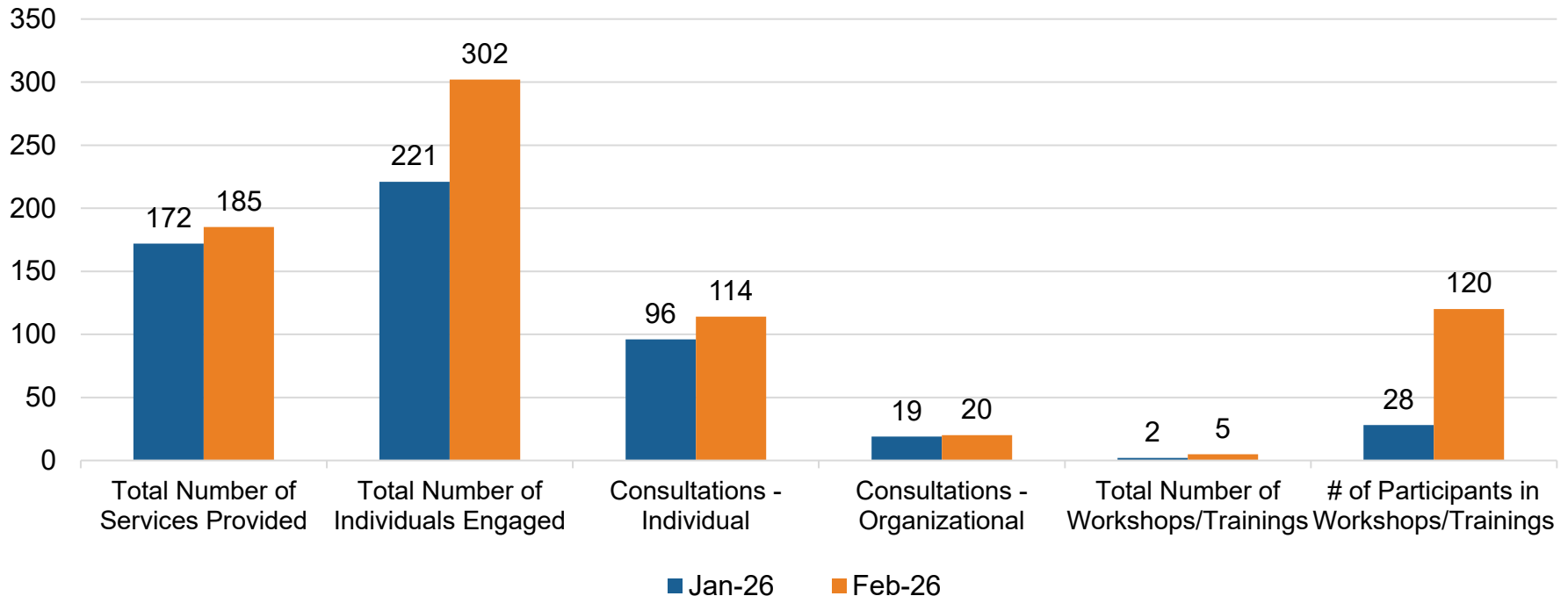
(Reporting: February 2026)

SFHSS Employee Assistance Program (EAP)

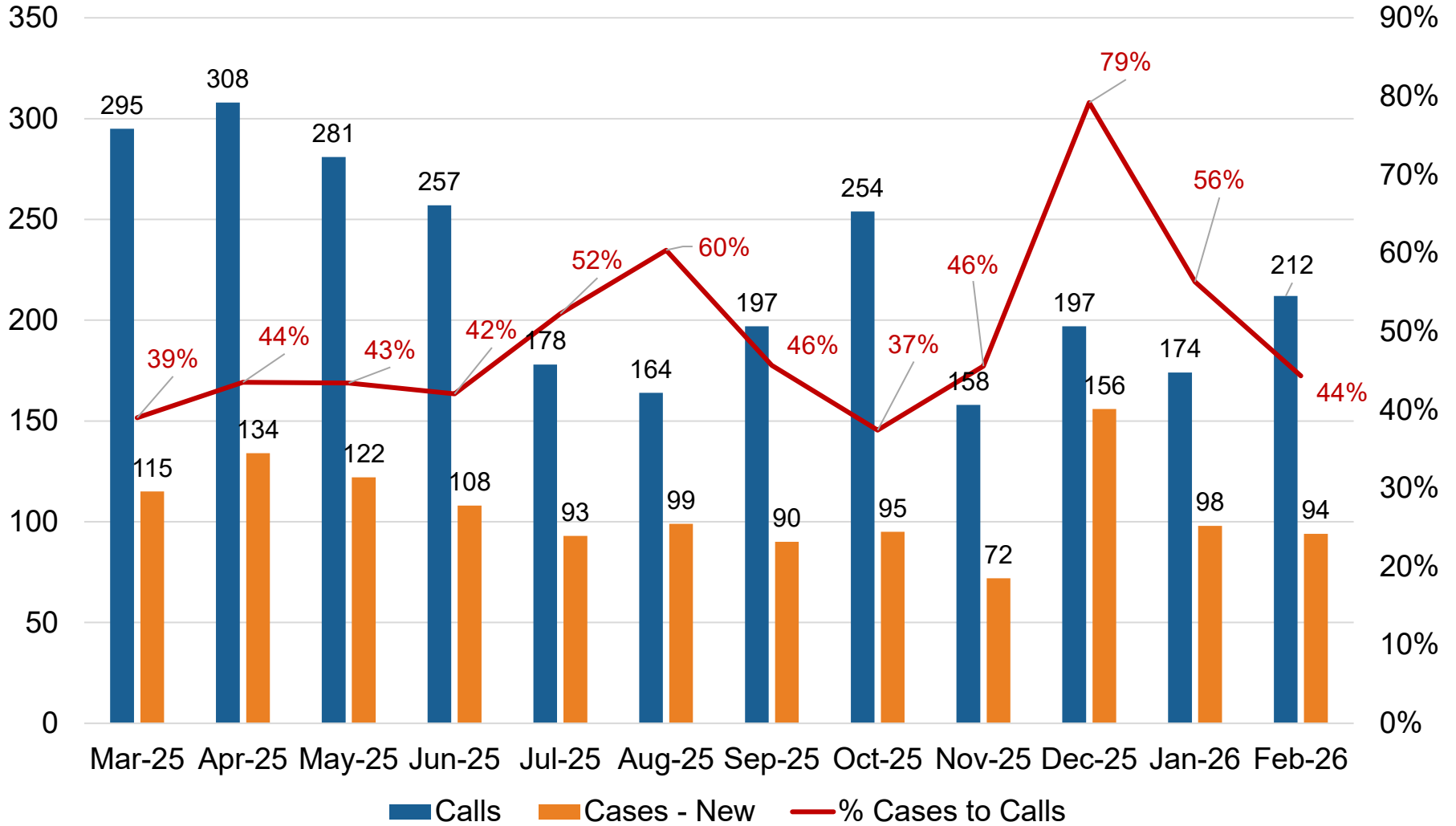
February 2026 Highlights:

- ✓ 185 services provided.
- ✓ 302 individuals engaged.
- ✓ 114 individual consultations.
- ✓ 20 leadership consultations provided.
- ✓ 5 trainings/workshops provided serving 120 individuals.

February 2026 Compared to January 2026: Total Number of Services and Individuals Served



Calls/Cases: 12-Month Period - Internal & External EAP



JANUARY: Calls/Cases - Internal & External EAP

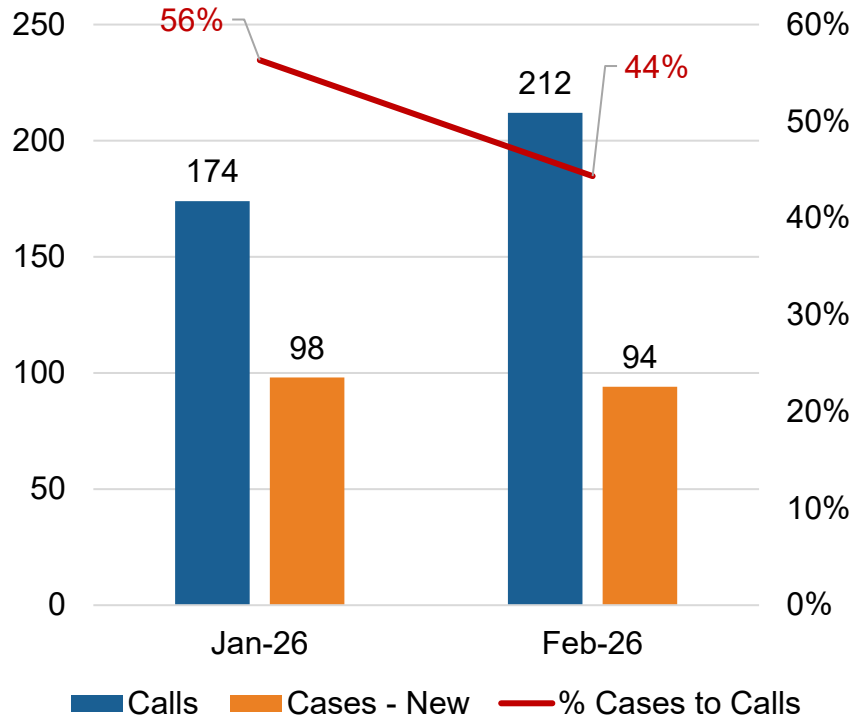
Highlights 2026

- ✓ 21.8% increase in calls and 4.1% decrease in cases from January.

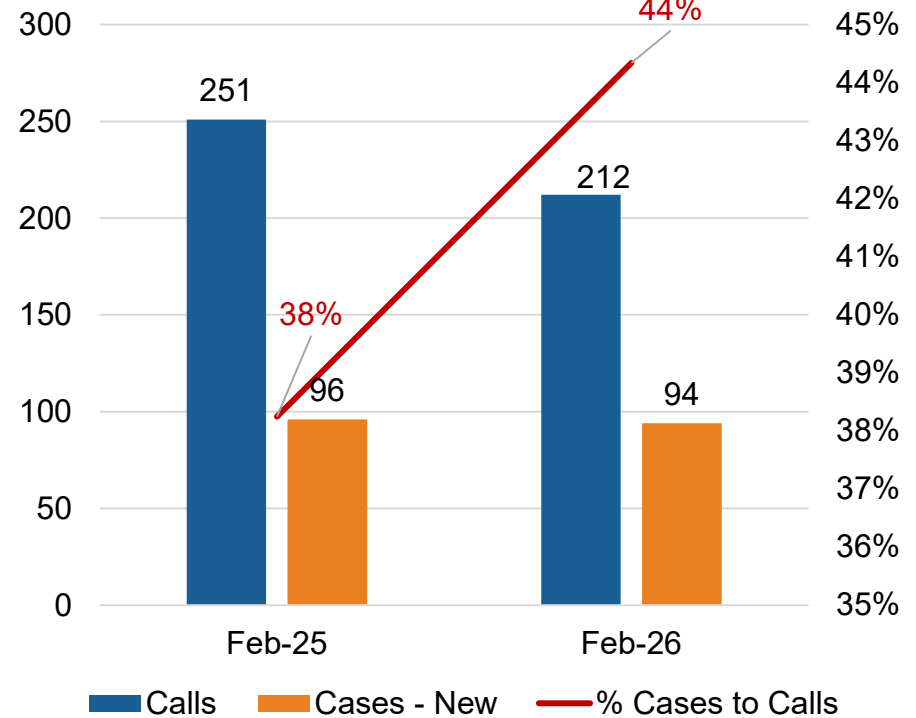
Highlights Year Over Year

- ✓ 15.5% decrease in calls and 2.1% decrease in cases compared to the same month, prior year.

February 2026 Compared to January 2026: Calls, Cases, and % of Calls that Led to a Case



February 2026 Compared to February 2025: Calls, Cases, and % of Calls that Led to a Case



NEW Cases: Year Over Year - Internal & External EAP

