



ANNUAL REPORT 2012–2013

Health Service System

CITY & COUNTY OF SAN FRANCISCO

MYHSS.ORG

Mission Statement

The Health Service System of the City & County of San Francisco is dedicated to preserving and improving sustainable, quality health benefits and to enhancing the well-being of employees, retirees and their families.

HSS continues to effectively manage employee and retiree health benefits in a time of volatility and change.

The Health Service System (HSS) administers employee and retiree health benefits for the City & County of San Francisco, the San Francisco Unified School District, the San Francisco Community College District and the San Francisco Superior Court. In 2012-2013 HSS offered medical, dental, vision and other insurance plans to cover 111,895 lives, with 108,027 enrolled in medical plans. The Health Service Board oversees HSS, which has a \$7M operating budget. The Board members are also fiduciaries of the Health Service Trust, which in FY 2012-2013 paid \$748M in health insurance premiums funded by employers, employees and retirees.

HSS continues to collaborate with the Board, elected officials and City employers to implement ground-breaking innovations that will support sustainable benefits for employees and retirees over the long term. This work is paying off. In FY 2012-2013 the total premium increase for HSS medical plans was 4%.

As part of this effort, the Health Service Board voted to change the Blue Shield non-Medicare plan from fully insured to a flex-funded model effective 2013. After careful consideration, including analysis by a consulting actuary, the Board determined that flex-funding of this plan would help contain premium costs. Flex-funding brings premiums more in line with the actual cost of delivering care, but requires that HSS share insurance risk with Blue Shield.

Two ACOs were launched in 2011. One consists of Brown & Toland Medical Group and Sutter Health San Francisco hospitals. The second includes Hill Physicians Medical Group, UCSEF, and Dignity's San Francisco hospitals. Analysis from both ACOs during April 2012 through March 2013 showed a 12.7% decrease in claims, lower hospital admission rates, shorter lengths of hospital stay and improved generic drug utilization. This helped stabilize Blue Shield's insurance premiums, reducing the migration of members from Blue Shield to Kaise.

In FY 2012-2013 the federal Patient Protection and Affordable Care Act (PPACA) mandated additional communication with members as well as reporting of employer health care contributions on W2 forms. Under PPACA HSS also received funding through the federal Early Retiree Reinsurance Program (ERRP). Under this program employers who subsidized pre-Medicare retiree health benefits were able to apply for federal reimbursements.

Per PPACA, HSS changed City Plan Medicare Part D prescription coverage to an Employer Group Waiver Plan. This allowed HSS to take advantage of tax and expense savings. Unfortunately implementation errors by UnitedHealthcare caused a significant number of member complaints at the beginning of January 2013. HSS Member Services, Finance and Operations teams made a significant effort, quickly collaborating with UnitedHealthcare to resolve the issues.

Effective January 2013 HSS transitioned from a fiscal year plan year to a calendar-based plan year, which saved \$17M. This required HSS to conduct two Open Enrollments in twelve months, doubling the work of the entire department.

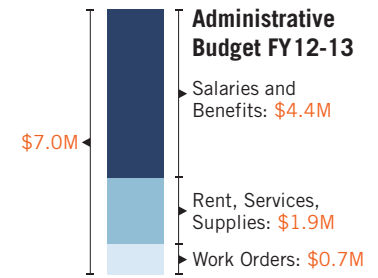
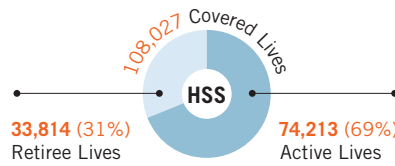
In addition, during FY 2012-2013 HSS Operations faced the challenge of converting to PeopleSoft 9.0. This change made health benefits enrollment processes more complex, slowed processing times and increased opportunities for data entry errors. The need for significant programming changes was identified and HSS collaborated with eMerge on PeopleSoft improvements.

Setting the stage for the future, HSS participated in the Joint Labor Management Wellness Committee. This was part of the City Controller's initiative to create a wellness program for City & County employees and retirees.

Containing healthcare costs while providing quality health benefits is an ongoing challenge for all employers. The Health Service Board and HSS continue to actively identify, analyze and implement creative and effective solutions.

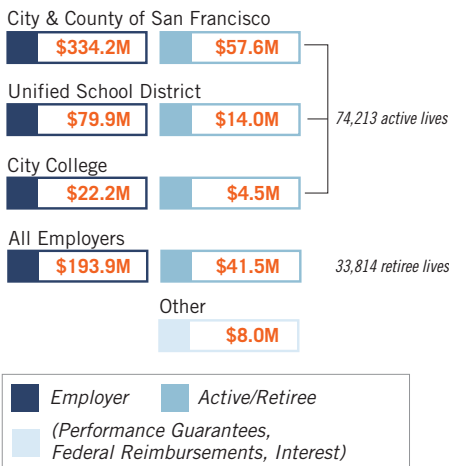
Catherine Dodd, PhD, RN
Director, Health Service System

Governed by the Health Service Board, the Health Service System designs quality health benefit plans for employees, retirees, and their families, works to contain premium costs, and encourages employees and retirees to choose healthy lifestyles.



FUNDING and GOVERNANCE

\$756M TRUST FUND CONTRIBUTIONS FY12-13



HEALTH SERVICE SYSTEM FY12-13

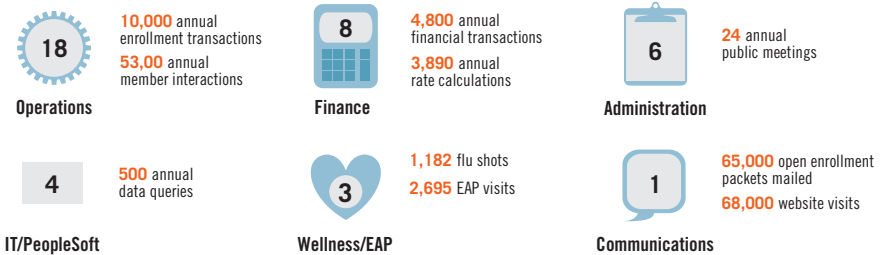
Health Service Board

- 7 Commissioners:
 - 3 Elected Members
 - 3 Appointees
 - 1 City Supervisor

28 Plans From 10 Vendors

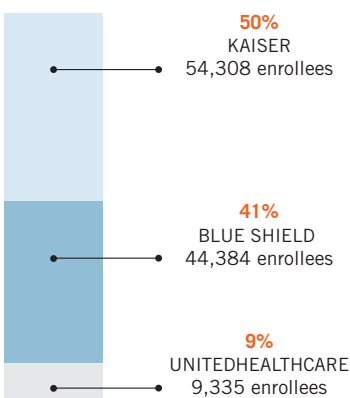
- Medical: 6 HMO; 4 PPO
- Dental: 2 DMO; 2 DPO
- Vision: 1
- FSA: 2
- Group Life: 6
- Long-Term Disability: 2
- Flex Credits: 2
- COBRA: 1

Health Service Staff

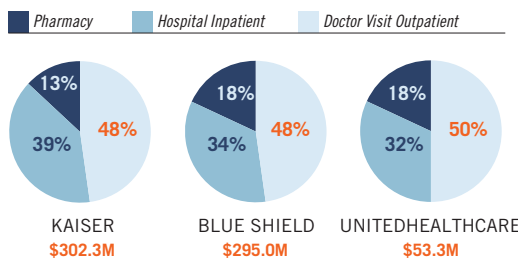


HEALTH PLANS

MEDICAL PLAN ENROLLMENT FY12-13



HEALTH PREMIUM COSTS BY VENDOR FY 12-13



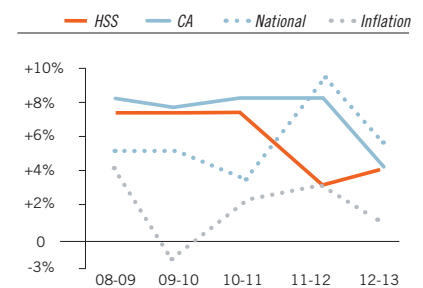
Dental and Vision

- Delta Dental: \$56.0M
- Pacific Union Dental: \$0.35M
- Vision Service Plan: \$4.4M

Other

- WageWorks (FSA and COBRA): \$5.8M
- LTD: \$7.0M
- Group Life Insurance: \$0.27M
- EBS (Flex Credits): \$4.7M

YEAR-OVER-YEAR HEALTH PREMIUM BENCHMARKING



	08-09	09-10	10-11	11-12	12-13
HSS Premiums	+7%	+7%	+7%	+3%	+4%
CA Premiums	+8%	+7.5%	+8%	+8%	+4%
Ntl Premiums	+5%	+5%	+3%	+9%	+6%
Ntl Inflation	+4%	-2%	+2%	+3%	+1.5%

SUSTAINABLE BENEFITS

Accountable Care

- a. Contract for coordinated care, quality, efficiency
- b. Collaboratively track data to ensure success
- c. Patient-accessible quality/cost information

Data Transparency

- a. Provider cost and billing data
- b. Flex-fund HMO for access to claims data
- a. Electronic medical records

Employee/Retiree Wellness

- a. Risk scores based on clinical data
- b. Wellness incentives
- c. Patient engagement

Overview

Health Service System

Per the San Francisco City Charter, the Health Service System (HSS) administers health benefits for over 108,000 employees, retirees and their eligible family members. Participating employers include the City & County of San Francisco, the San Francisco Unified School District, the San Francisco Community College District, and San Francisco Superior Court. Benefits include:

- Medical Plans
- Dental Plans
- Vision Plan
- Flexible Spending Accounts
- Long Term Disability
- Group Life Insurance
- Municipal Executive Flex Credits
- COBRA

HSS core functions are providing efficient and accurate benefits administration, managing cost-effective health vendor contracts, establishing annual rates and benefits via health vendor negotiations, upholding legal compliance, maintaining accurate financial and demographic records, ensuring eligible members and dependents have access to quality healthcare, and educating employees and retirees about health and wellness benefits. In a rapidly evolving healthcare industry, the HSS Director and Chief Operating Officer work with a consulting actuary to develop and recommend strategies to the Health Service Board regarding improving quality of care and maintaining affordable premiums while ensuring legal compliance.

Health Service Board

Per the San Francisco City Charter, the Health Service System Board consists of seven members. Three of the Board Commissioners are HSS members elected by HSS members. The four appointed Commissioners are comprised of one member of the San Francisco Board of Supervisors, two individuals selected by the Mayor and one individual selected by the City Controller. (One mayoral appointee must be a physician and the other must be an individual who regularly

consults in the healthcare field.) Board commissioners are fiduciaries of the Health Service Trust. Per the City Charter, the Health Service Board conducts an annual review of health benefit costs, ensures benefits are applied without favor or privilege, and administers the business of the Health Service System. Board meetings are regularly scheduled each month in San Francisco City Hall. The Health Service System Director report to the Health Service Board.

Finance

The benefits which HSS administers cost \$729 million in fiscal year 2012–2013. The HSS departmental administration budget of \$7.0 million represents less than one percent of the annual benefits costs. The finance division processes approximately 4,500 financial transactions annually, including timely vendor payments for all administered benefits, over-the-counter premium payments and departmental work orders. Finance participates in the annual rate setting process by conducting the Charter-mandated 10-County Survey of public employer contributions to employee health premiums, and calculating over 3,890 employee and retiree premium rates. Finance is also responsible for the annual external Trust Fund audit, the results of which are incorporated into the CAFR (City Comprehensive Annual Financial Report). Working with the Mayor's office, Controller, and Budget Analyst's office, Finance develops the annual HSS administration budget. In addition to these accounting responsibilities, Finance administers a vendor oversight program with performance guarantees tied to penalties, oversees annual contract renewals and facilitates vendor Request for Proposal (RFP) processes. Interfacing with the Center for Medicare Services (CMS) regarding eligible membership and claims, Finance oversees receipt of annual reimbursements from the federal government. Finance also coordinates with other employers and City departments, providing financial analyses pertaining to HSS benefits.

Operations

The operations division handles day-to-day enrollment transactions, provides benefits decision support, coordinates premium contribution transactions with finance, and acts as a liaison between members and healthcare vendors, if needed.

Overview

Operations staff answer member calls and provide in-person member assistance from 8:00AM to 5:00PM, Monday through Friday. During 2012–2013 Operations staff answered 41,619 calls and assisted 9,883 members in person. During Open Enrollment Operations staff answered 6,771 calls and assisted 1,464 members in person. Operations staff manually entered data from 5,237 open enrollment forms into the PeopleSoft system in order to meet deadlines for data transfer linked to the start of a new plan year..

Communications

The communications division, financed by the HSS Trust Fund, provides employees and retirees with accurate and timely benefits information, so they can make knowledgeable decisions about their health coverage. This includes designing and supervising production of print, online and email materials, organizing events, and coordinating information with human resources professionals, unions and other groups. In addition, this division ensures that information relating to benefits, Health Service Board proceedings, finance and operations are made available to HSS members, elected officials, the media and the public, so the department adheres to high standards of government accessibility and transparency. This division also oversees HSS member communications issued by healthcare vendors and assists the employers served by HSS with benefits-related information as needed.

Wellness

Funded by the HSS Trust Fund with the approval of the Health Service Board, this employee and retiree wellness division was created in 2009 to bring HSS into alignment with industry best practices in employee/retiree wellness and health premium cost savings. Using existing contracted vendor resources, this division works with City employers and departments, retirees and health plan vendors to improve employee and retiree health, and is establishing baseline data to measure the effectiveness of pilot projects related to physical and mental health, disease prevention, early detection, chronic condition management, smoking cessation, and stress reduction. The City's Employee Assistance Program

(EAP), which provides confidential, no-cost counselling and behavioral health workshops to employees and their families, is overseen by this division.



Demographics

As of July 2012, 108,027 member and dependent lives were covered on Health Service System medical plans.

Medical Plans

As of July 1, 2012, there was an increase of 1,271 in total covered lives under HSS medical plans. This reflects an increase in employee covered lives of 392 and an increase in retiree covered lives of 879. Blue Shield lost 225 lives and City Plan lost 356 lives year over year. Kaiser lives increased by 1,852 in plan year 2012.

Total Lives—Medical	July 1, 2011	July 1, 2012	Change
Blue Shield HMO	44,609	44,384	(225)
Kaiser HMO	52,456	54,308	1,852
City Health Plan PPO	9,601	9,335	(356)
Total Lives	106,756	108,027	1,271

Employee Lives—Medical	July 1, 2011	July 1, 2012	Change
Blue Shield HMO	34,729	33,922	(807)
Kaiser HMO	37,611	39,035	1,424
City Health Plan PPO	1,481	1,256	(225)
Total Lives	73,821	74,213	392

Retiree Lives—Medical	July 1, 2011	July 1, 2012	Change
Blue Shield HMO	9,880	10,462	582
Kaiser HMO	14,845	15,273	428
City Health Plan PPO	8,210	8,079	(131)
Total Lives	32,935	33,814	879

Demographics

Dental Plans

HSS administers dental plans for City & County of San Francisco and Superior Court employees and dependents. The Unified School District and Community College District administer dental benefits for their employees. Since our last report of July 1, 2011, HSS experienced an increase of 1,158 in total lives covered under our dental plans. Retiree enrollment was the primary driver for this increase.

Employee Dental Plans	July 1, 2011	July 1, 2012	Change
Employee Lives	66,250	66,175	(75)

Retiree Dental Plans	July 1, 2011	July 1, 2012	Change
Retiree Lives	24,494	25,727	1,233

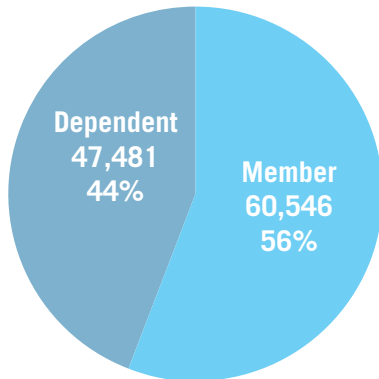
Flexible Spending Accounts

A Flexible Spending Account (FSA) is a tax-favored benefit that allows City & County of San Francisco employees to pay for certain dependent care and healthcare expenses pre-tax. The level of participation in the FSA program shows a decline of 941 members (26%) since our last report of July 1, 2011.

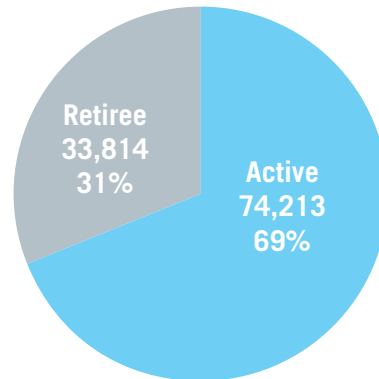
Flexible Spending Accounts	July 1, 2011	July 1, 2012	Change
Health Care FSA	2,715	1,922	(793)
Dependent Care FSA	845	697	(148)
Total FSA	3,560	2,619	(941)

Demographics

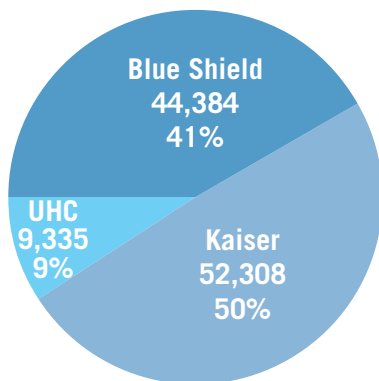
Medical Plan Enrollment as of July 2012



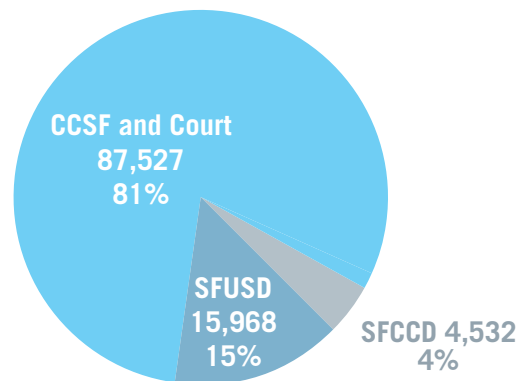
Medical Plans: Total Enrolled Lives
Member vs. Dependent



Medical Plans: Total Enrolled Lives
Active vs. Retiree



Total Enrolled Lives
By Medical Plan

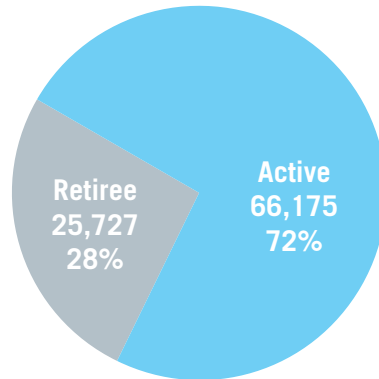


Total Medical Plan
Enrollment by Employer

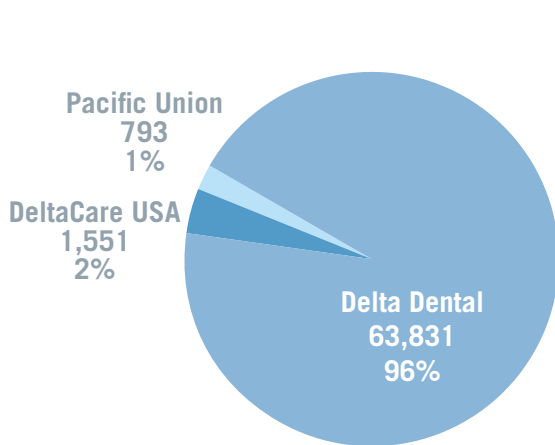
The Health Service System administered medical benefits for employees, retirees and dependents of the City & County of San Francisco, the San Francisco Superior Court, the San Francisco Unified School District and the San Francisco Community College District. Since 2008, there has been a migration trend away from Blue Shield and City Plan to the Kaiser plan. HSS continues working to balance membership in the HMO plans to maintain competition in the regional healthcare market.

Demographics

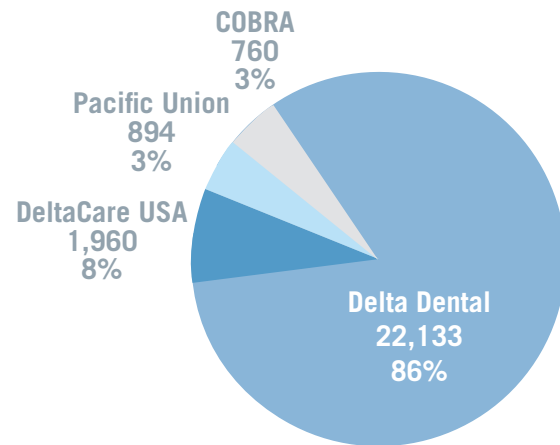
Dental Plan Enrollment as of July 2012



Dental Plans: Total Enrolled Lives
Active vs. Retiree



Active Enrolled Lives
By Dental Plan



Retiree Enrolled Lives
By Dental Plan

The Health Service System administered dental benefits for employees and dependents of the City & County of San Francisco, the San Francisco Superior Court and retirees. (The San Francisco Unified School District and San Francisco Community College District administer their own dental benefit programs for their active employees.) The City makes a significant contribution to employee dental premiums. Retiree dental plans are not subsidized by the employer. As of July 2012 91,092 individuals were enrolled in HSS-administered dental plans.

Achievements

Sustainable Health Benefits

The delivery of healthcare is characterized by systemic complexity and a crisis in affordability. As a major purchaser of healthcare in the Bay area, the Health Service System has the opportunity to work with local medical groups, hospitals and insurers in devising innovative ways to improve the quality of patient care and containing costs. By taking a leadership role, HSS is at the forefront of collaborative programs that will have a positive, long term effect on member health, as well as the fiscal well-being of City employers. These programs also have the potential to serve as a model for maintaining sustainable, quality health benefits for other large private and public employers in our region who are facing similar challenges.

2012–2013 Key Achievements

- Implemented flex-funding of the Blue Shield plan beginning in January 2013.
- Continued involvement with two San Francisco-based Accountable Care Organizations (ACOs) designed to improve quality of care and reduce cost within the Blue Shield provider network.
- Contracted with new vendor (Aetna) for group life and long-term disability insurance.
- Participated in collaborative planning meetings with key City departments and labor organizations regarding a City-wide employee wellness plan.



Achievements

Fiscal Accountability and Operational Excellence

The Health Service System is committed to maintaining the highest accounting standards and providing outstanding member service. This commitment extends to all areas of finance and operations, which comprises complex back office administrative tasks as well as direct member support via the HSS call center and our in-person front desk. Metrics are tracked on an ongoing basis, to ensure that HSS member transactions are handled with a high level of quality and privacy, while members consistently receive accurate and knowledgeable counselling about health and wellness benefits.

2012–2013 Key Achievements

- Successfully transitioned to a calendar plan year by implementing a short plan year for the period 7/1/2012 – 12/31/2012. This involved administering two open enrolments, held in April 2012 and October 2012.
- Successfully made the change to a calendar-based plan year beginning in January 2013.
- Transitioned to PeopleSoft 9.0 in September 2012 while at the same time implementing the October open enrollment for HSS' first calendar-based plan year in 2013.
- Developed a PeopleSoft 9.0 user enhancement project to communicate issues and collaborated on improvements with the Controller's Office eMerge group.
- Implemented an Employer Group Waiver Plan, a Medicare sponsored prescription drug plan, effective January 1, 2013, for City Plan Medicare eligible enrollees members. Implementation of this plan produced the highest call volume and member visits for HSS Member Services of any month outside of open enrollment.
- Successfully transitioned to a new Life and Long Term Disability vendor as of January 1, 2103.
- Successfully implemented complex annual open enrollment rate change calculations for all employer bargaining units and retirees for two open enrollments.
- Achieved error-free independent audit of Health Service System trust fund financial statements.
- Operations met or exceeded department operations goals, including speed and accuracy of member service, per the Controller's performance audit.
- Operations conducted in-person presentations to over 1,000 members at new hire orientations and pre-retirement seminars.

Achievements

Informed, Transparent, Effective Governance

By setting a high standard for open, responsible governance, the Health Service Board and HSS support the fundamental principles of a society ruled by law. The members of the Health Service Board are fiduciaries of a substantial financial trust fund, and the principal negotiators of health vendor contracts totalling over \$700 million annually. In an atmosphere where public employee benefits are under intense scrutiny, the Health Service Board is committed to information transparency, ethical conduct and accountability.

2012–2013 Key Achievements

- Successfully documented and implemented Board governance policies.
- All Board and Committee meeting agendas and associated documents were made available to the public on paper and online within 72 hours of meetings.
- Digital audio and video of board meetings made available on HSS website within 72 hours after meetings.
- Assisted in the orientation of new Commissioner appointed by the Mayor in 2011.
- Successfully responded to all public information requests within 24 hours, including numerous inquiries regarding San Francisco Proposition C.
- Presented before the San Francisco Board of Supervisors upon request.



Achievements

Educated and Empowered HSS Members

A well-informed member is positioned to make wiser decisions about benefits, as well as behaviors that impact health. To succeed in its efforts to improve quality of care and drive down costs, HSS is working to actively engage members as participants in new wellness and costs saving initiatives. HSS communications is shifting from an inform-as-needed model to a paradigm that incites beneficial personal change in our members.

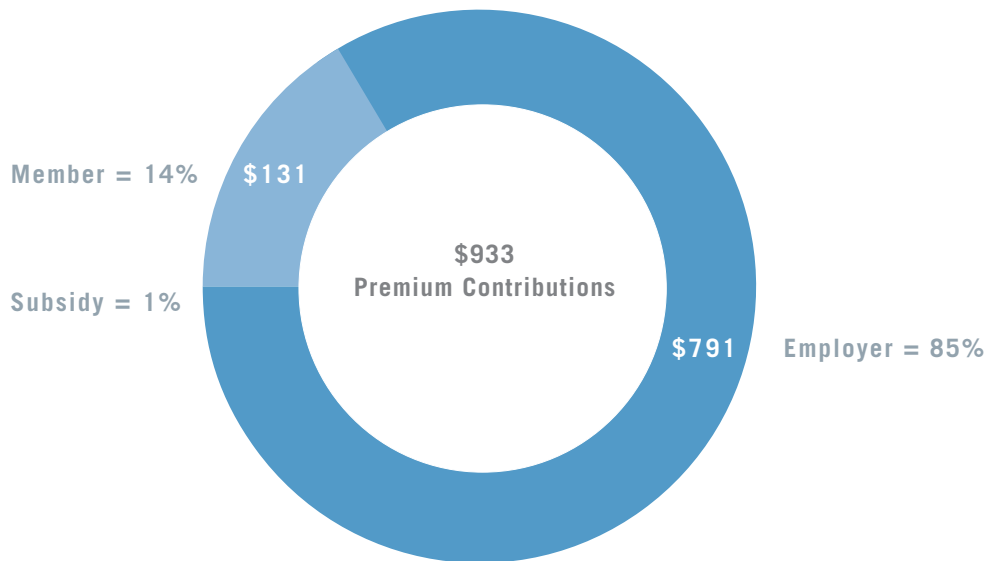
2012–2013 Key Achievements

- Effectively delivered timely, consistent, accurate benefits information via print, web, monthly eNewsletter, phone and in-person member contact to over 108,000 members.
- Successfully coordinated communications for two Open Enrollments in one 12-month period. Over 130,000 complete and accurate member open enrollment packets mailed by necessary deadlines.
- Coordinated HSS role in research project on patient education funded by NIH, with HSS, Columbia University, Blue Shield and NunaHealth.
- Launched HSS Facebook page and YouTube channel; developed in-house demographic infographic capabilities using Tableau.
- Launched free worksite flu shot program for employees and retirees, vaccinating 1,182 employees and retirees.
- Provided biometric health screenings to 459 employees at four worksites.
- Helped support employee Wellness Councils at six City departments.
- Provided free counseling and workshops to over 2,600 employees through the Employee Assistance Program (EAP).



Premium Trends

Employer and Member Medical Premiums



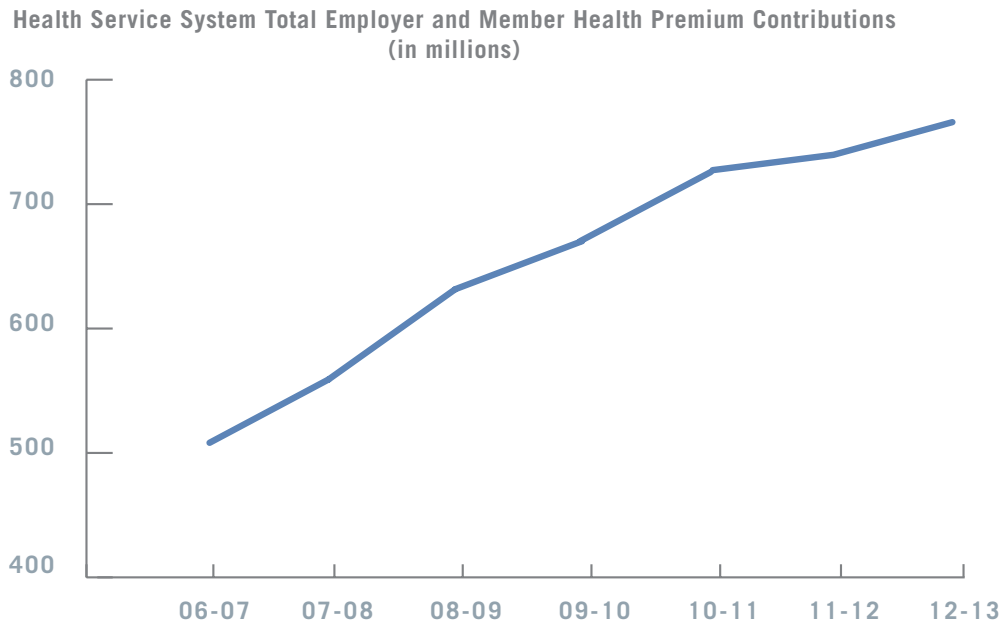
Year-over-year aggregate average employer contributions (including premium subsidy) to medical premiums decreased by 1%, from 86% to 85%. Overall member contributions remained at 14% year-over-year.

Average Monthly Premium Contributions	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Average Monthly Member Premium Contribution	\$ 115	\$ 117	\$ 113	\$ 123	\$ 131
Average Monthly Employer Premium Contribution	\$ 641	\$ 717	\$ 735	\$ 769	\$ 791
Monthly Trust Fund Premium Subsidy Contribution	\$ 9	-	-	-	\$ 11
Average Monthly Total Premium Contribution	\$ 765	\$ 834	\$ 878	\$ 892	\$ 933

Data from HSS finance.

Cost Trends

Year-Over-Year HSS Health Premium Costs



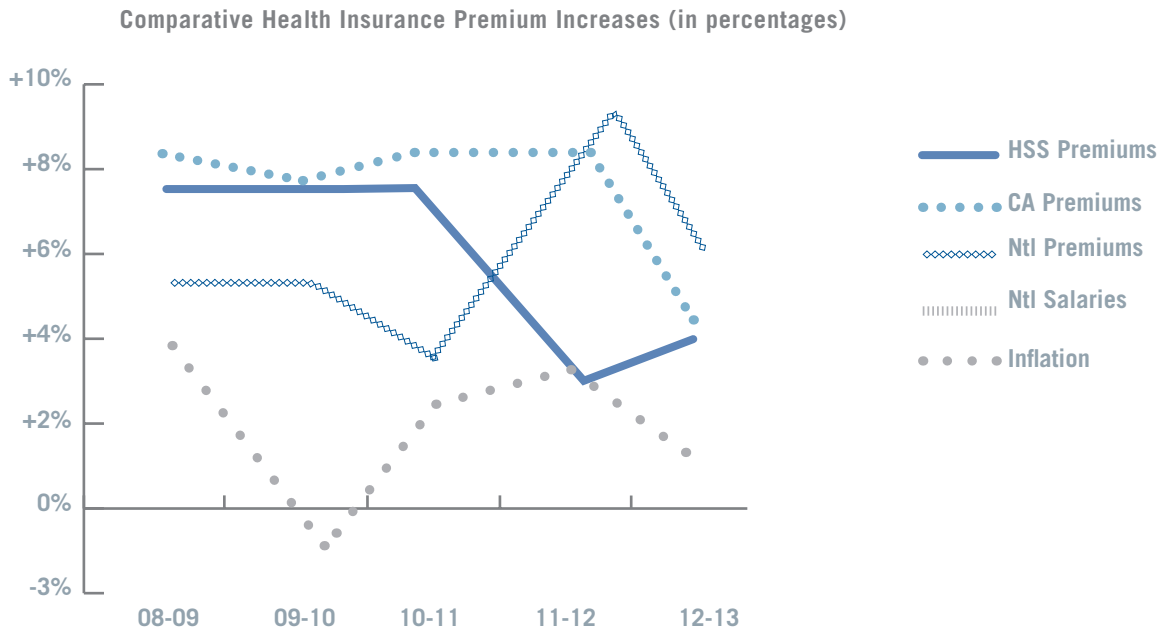
In 2012-13, HSS' 4% aggregate premium increase was significantly lower than regional, state and national trends. The Health Service Board remains committed to improving care and managing costs through innovative plan design, Accountable Care Organizations, price competition between plans and employee wellness programs.

	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Total Combined Contributions (in millions)	\$ 519 +10%	\$ 558 +10%	\$ 615 +7%	\$ 658 +7%	\$ 703 +7%	\$ 722 +3%	\$ 748 +4%

Data from HSS finance; includes total premium costs for medical, dental, vision, and long term disability coverage, as well as flex credits and flexible spending accounts.

Cost Trends

Year-Over-Year Comparative Cost Increases



The rising cost of healthcare is affecting the local, state and national economy. In general it is outpacing inflation, and having a negative impact on employers’ ability to manage budgets and maintain jobs and wages.

	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
HSS Health Premiums	+7%	+7%	+7%	+3%	+4%
California Health Premiums	+8%	+7.5%	+8%	+8%	+4%
National Health Premiums	+5%	+5%	+3%	+9%	+6%
National Worker Salaries	+4%	+3%	+2%	+2%	+3%
National Inflation	+4%	-2%	+2%	+3%	+1.5%

Data from HSS finance; includes total premium cost for medical, dental, and vision coverage. Other data is from the California Healthcare Foundation, California Employer Benefits Survey, Kaiser Family Foundation and Society for Human Resource Management.

Statement of Net Assets Available for Health Benefits

Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and investments held with City & County Treasurer	\$ 135,134,626	\$ 106,969,056
Contributions receivable from:		
Employer	32,198,473	30,886,077
Employees	6,019,361	5,049,448
Interest receivable	34,632	48,169
Other assets	5,160,379	3,504,627
Total assets	<u>\$ 178,547,471</u>	<u>\$ 146,457,377</u>
Liabilities:		
Reserves for claims—medical, prescription drugs and dental Health Maintenance Organization, dental and disability premiums payable	\$ 25,593,339	\$ 9,358,125
Health Maintenance Organization, dental and disability premiums payable	16,993,705	26,570,119
Unearned contributions	58,596,070	57,310,124
Total liabilities	<u>101,183,114</u>	<u>93,238,368</u>
Net assets available for health benefits	<u>\$ 77,364,357</u>	<u>\$ 53,219,009</u>

To see the accompanying notes, which are an integral part of these financial statements, please visit:
www.myhss.org/finance.html.

Statement of Net Assets Available for Health Benefits

Years Ended June 30, 2013 and 2012

	2013	2012
Additions:		
Employer and retiree contributions	\$ 117,632,354	\$ 109,735,070
Employer contributions for:		
Active employees	436,263,609	423,573,655
Retired employees	193,864,759	189,169,302
Total contributions	<u>747,760,722</u>	<u>722,478,027</u>
Plan providers penalties and forfeitures	424,085	1,166,491
Investment earnings:		
Net increase (decrease) in fair value of investments	(996,814)	667,004
Interest income	749,290	716,497
Total investment earnings	<u>(247,524)</u>	<u>1,383,501</u>
Total additions	<u>747,937,283</u>	<u>725,028,019</u>
Deductions:		
City Health Plan health benefits	45,499,105	62,070,269
Health Maintenance Organization health benefits	600,425,904	559,852,122
Vision benefits	4,408,106	4,342,912
Dental benefits	56,237,508	53,224,967
Disability and flexible benefits	17,221,312	19,805,168
Total deductions	<u>723,791,935</u>	<u>699,295,438</u>
Change in net assets available for health benefits	24,145,348	25,732,581
Net assets available for health benefits:		
Beginning of year	<u>53,219,009</u>	<u>27,486,428</u>
End of year	<u><u>77,364,357</u></u>	<u><u>53,219,009</u></u>

To see the accompanying notes, which are an integral part of these financial statements, please visit:
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Sustainable Benefits

Align City Resources

A concerted effort to lower healthcare costs, and achieve sustainable benefits, is required to achieve success. Per current governance, responsibilities for healthcare costs are shared among a wide number of City entities. HSS has been facilitating collaborative efforts, in order to bring about significant change.

<p>Voters define 71% of City Contribution via the City Charter</p> <ul style="list-style-type: none"> • Establishes minimum health premium contribution City must contribute for employees and retirees. • Defines eligibility rules for employees, retirees and surviving dependents. 	<p>Elected Officials Exert Legislative Influence and Approve Aggregate Health Plan Costs</p> <ul style="list-style-type: none"> • Board of Supervisors reviews and approves annual rates and benefits for medical, dental, vision plans. • Legislates to ensure vendor pricing transparency and a thriving, competitive marketplace. • Board of Supervisors determines eligibility for coverage beyond the City Charter, via the Administrative Code.
<p>Health Service Board Negotiates Aggregate Annual Health Plan Costs</p> <ul style="list-style-type: none"> • Directs competitive health vendor RFP processes. • Conducts annual rates and benefits negotiations (medical, dental, vision). • Determines plan design* (benefits and co-pays). • Recommends annual medical, dental and vision plan vendors, rates and benefits to the Board of Supervisors. • Ensures benefits are applied without favor or privilege. • Creates innovative programs to improve quality and maintain affordable benefits. 	<p>CCSF Department of Human Resources Negotiates 29% of Contribution for City Employees</p> <ul style="list-style-type: none"> • Negotiates labor contracts, which determine employer/employee premium contributions and benefits strategies beyond the Charter mandate. • Works in partnership to promote a healthy and productive workforce.
<p>Unified School District Adds 16,000 Lives to the Membership Pool</p> <ul style="list-style-type: none"> • Defines eligibility for USD employees. • Negotiates labor contracts which determine employer/employee premium contributions for USD. 	<p>Community College District Adds 5,000 Lives to the Membership Pool</p> <ul style="list-style-type: none"> • Defines eligibility for CCD employees. • Negotiates labor contracts which determine employer/employee premium contributions for CCD.
<p>Labor Unions Negotiate Contracts and Influence Employee Engagement</p> <ul style="list-style-type: none"> • Negotiate contracts, including premium contributions and health incentives. • Advocates for employee engagement in managing health and healthcare decision making. 	<p>Civil Service Commission Defines Employee Holdover Benefits</p> <ul style="list-style-type: none"> • Defines employee holdover health benefits and eligibility. (Holdover employees currently retain HSS health coverage eligibility for 5 years).

*HMO plans, per State of California regulation, are required to provide a certain array of benefits. The Health Service Board has no authority to change state requirements.

Governance

Health Service Board

Per the San Francisco City Charter, the Health Service Board is responsible for conducting an annual review of health benefit costs, ensures benefits are applied without favor or privilege, and administers the business of the Health Service System. Per Proposition C, the Board's seven-commissioner composition changed on May 15, 2013, reducing the number of elected commissioners from four to three. Elected members serve a five-year term. Of the other four commissioners, one is a member of the Board of Supervisors. two commissioners are appointed by the Mayor and one is appointed by the City Controller.

2012-2013 Health Service Board



Karen Breslin
Elected Commissioner
Current Term: June 2011–May 2015

Retired from San Francisco
Probation Department



Carmen Chu
Board of Supervisors Appointee

Board of Supervisors
City & County of San Francisco



Sharon Ferrigno
Elected Commissioner
Current Term: May 2009–May 2014

Captain, San Francisco
Police Department



Jean S. Fraser
Mayoral Appointee

Health System Chief,
San Mateo County Health System

(replaced Scott Heldfond in 2011)



Wilfredo Lim
Elected Commissioner
Current Term: May, 2010–May, 2015

Accounting Manager,
San Francisco General Hospital



Jordan Shlain, MD
Mayoral Appointee

Medical Director, SF Oncall;
Assistant Clinical Professor,
UCSF Medical Center



Claire Zvanski
Elected Commissioner
May 2008–May 2013

Retired from San Francisco
Municipal Transportation Authority



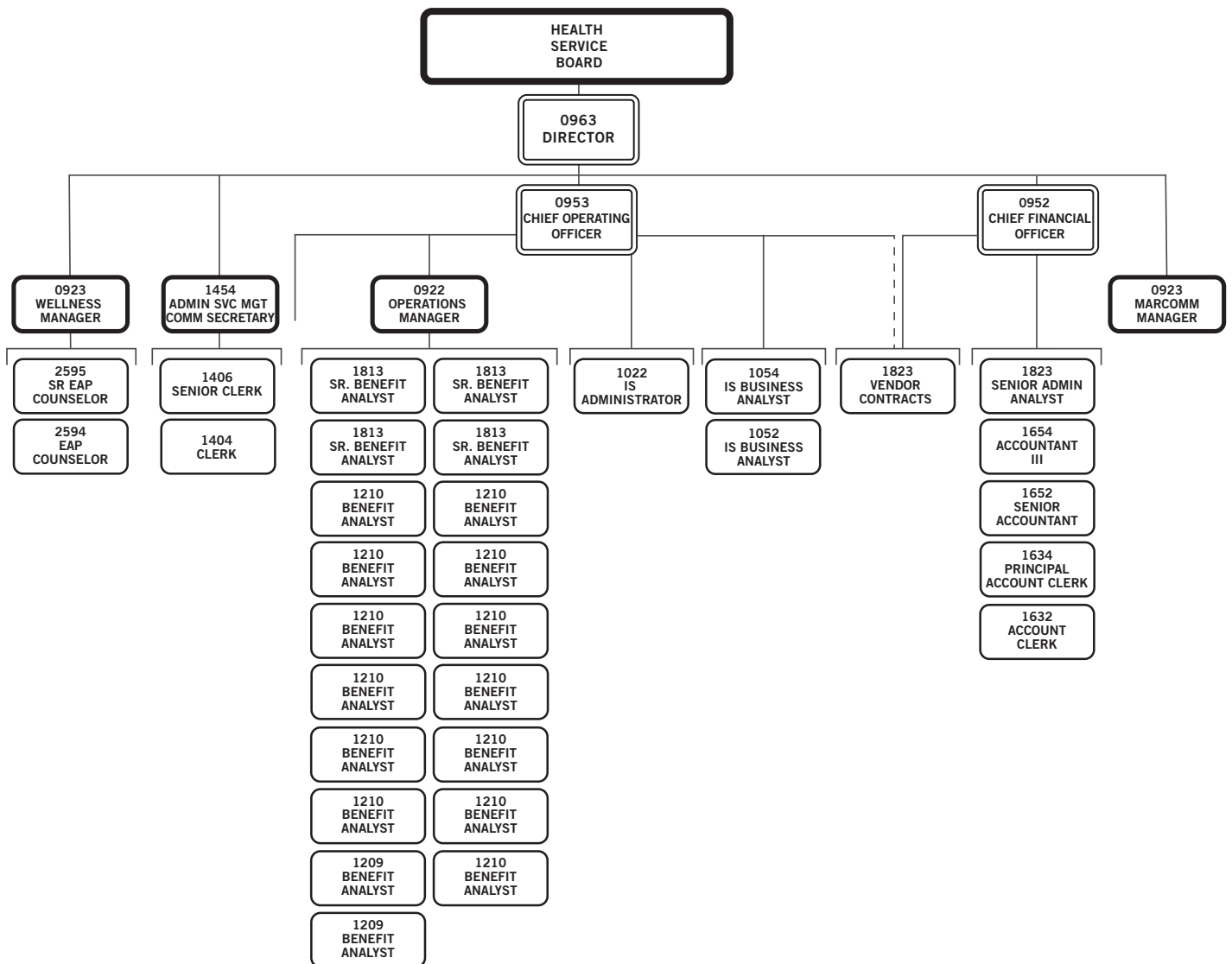
Randy Scott
City Controller Appointee

retired as Executive Director,
Human Resources, UC

(replaced Claire Zvanski in 2013)

Health Service System Organization

As of July 2012, the Health Service System employed 39 full-time staff members.



Location

Health Service System Member Services

HSS Call Center:

(415) 554-1750

(800) 541-2266

Monday - Friday

8:00AM–5:00PM

HSS Office Drop-in:

1145 Market Street

3rd Floor

San Francisco, CA 94103

8:00AM–5:00PM

HSS website:

www.myhss.org

2012-2013 Health Service System Management Team

Catherine Dodd, RN, PhD

Director

Lisa Ghotbi, PharmD

Chief Operating Officer

Tracey L. Loveridge

Chief Financial Officer

Margaret O'Sullivan, RN, MBA

Health Promotion and Wellness Plan Coordinator

Rosemary Passantino

Communications Manager

Laini Scott

Health Service Board Secretary