

HEALTH SERVICE SYSTEM CITY & COUNTY OF SAN FRANCISCO

Memorandum

DATE: February 11, 2016

TO: Randy Scott, President and Members of the Health Service Board

FROM: Pamela Levin, Chief Financial Officer *Pamela J. Levin*
Health Service System

RE: Health Service System FY 2016-17 and FY 2017-18 General Fund
Administration Budget

This is the second meeting on the FY 2016-17 and FY 2017-18 Budget for the Health Service System (HSS). At the January 14, 2016 Health Service Board (Board) meeting, the Mayor's budget Instructions were presented along with their impact on HSS's General Fund Administration Budget. At today's meeting, the proposed budget will be presented for the Board's consideration and approval. This report includes recommendations for reductions pursuant to the Mayor's instructions. The reductions may not be accepted by the Mayor's Office. The report will include the proposed budget for each year that meets the Mayor's instructions and an augmentation request for FY 2016-17 and FY 2017-18 to meet the essential needs of the Department and meet the Mayor's priorities.

Overview of HSS Workload

Prior to the discussion of the HSS budget and associated changes, it is important to understand the HSS workload. HSS's core functions continue to be

- providing efficient and accurate benefits administration
- managing cost-effective health vendor contracts
- establishing annual rates and benefits via health vendor negotiations
- ensuring regulatory and legal compliance
- maintaining accurate financial and demographic records
- ensuring eligible members and dependents have access to quality healthcare
- educating employees and retirees about health and wellness benefits.

HSS serves the employees and retirees of four (4) employers; 1) City & County of San Francisco, 2) the San Francisco Unified School District, 3) City College of San Francisco and 4) the San Francisco Superior Court. HSS membership across these four employers increased from 110,000 lives in 2014 to 115,000 lives in 2016. HSS serves a multi-generational population, with enrollees that range from newborn to over 100 years old. As HSS membership numbers increased, the HSS Member Services



unit has continued to meet industry standards for phone and in-person wait times, answering 48,000 calls and meeting nearly 17,000 members in-person annually.

The aggregate benefits administered by HSS is projected to cost \$772 million in calendar year 2016, an increase of \$46 million over the previous fiscal year. Cumulatively, the contracts that HSS manages are considered to be within the highest contract values in the City. The FY 2015-16 administration budget increased from \$10.4 to \$10.7 million, which correlates to 1.4% of the annual contracts value.

Although the environment for the health care industry remains challenging and volatile, HSS continues to stay ahead of the trends. With nearly 115,000 members and dependents enrolled in HSS-administered health plans, HSS' aggregate insurance premium increase for 2016 was only two (2) percent which was two (3) percent lower than the national average of five (5) percent to seven (7) percent. The low rates have resulted in the City's Other Post-Employment Benefits (OPEB) liability. According to the City's Controller's March 2015 report, the unfunded liability estimate decreased by 10% or \$437 million from the prior study performed two years ago. This reduction is largely due to lower than previous projected medical inflation, likely due in part to cost containment efforts pursued by the City's Health Service System.

The greatest cost driver of premium increases is specialty drug pharmacy expense. New specialty classes of drugs can save lives, and ease discomfort, but at a high financial impact. The price of specialty pharmaceuticals for cancer, HIV, Hepatitis C, rheumatoid arthritis, psoriasis and other conditions are anticipated to increase exponentially. It is projected that by 2020 specialty drugs will makeup as much as 50% of health care expenditures. HSS and the Board continue to work diligently to gain expertise on the impact of specialty drugs upon patient care and insurance pricing. Within a couple of years HSS hopes that members will make their insurance choices based on cost and quality data.

Transparency remains a high priority. It drive quality improvements and empower patients. In 2015, HSS invested in an All Payer Claims Database to track cost, quality metrics and identify areas for improvements. The collection of the data requires a considerable investment of financial and human resources.

A significant amount of effort is performed by the HSS Executive Management and the Contracts unit to encourage contracted insurers, medical groups and hospitals to provide care that is integrated, coordinated, and to avoid unnecessary and/or duplicative services. HSS employee benefit contracts include vendor performance guarantees and Accountable Care Organization goals to incentivize HSS health plan partners to focus on cost effective patient-centered care. Monitoring the adherence to the contractual provisions requires significant effort by HSS staff.

Implementation and continuing adherence of the federal Patient Protection and Affordable Care Act (ACA) requires additional effort on behalf of HSS staff. The new fees and taxes require accumulation of data, along with analysis and payment activities. The ACA fees cost \$18.6 million, out of the total \$772 million spent on health benefits. The ACA excise tax, also called the Cadillac tax, will apply a

40% fee on insurance premiums priced above federal benchmarks. Originally mandated to begin in 2018, the excise tax has been delayed for two more years (2020). We must continue to be mindful of the benchmarks even if they are modestly increased because our rate trend will drive our crossing of the benchmarks. Additional taxes are also being considered by the State of California, to make up for a MediCal shortfall. If approved, these state taxes will put additional upward pressure on the cost of insurance premiums. HSS is monitoring this state proposal and working with the Mayor's Office and the Pacific Business Group on Health to contribute and advocate for alternative taxes or alternative ways to calculating and applying the tax.

Universal healthcare has also imposed administrative requirements. In 2015, HSS began offering health insurance to all employees working 20 or more hours per week. In 2015, tax payers will be required to document to the IRS that they have health insurance or pay a penalty. HSS is required to issue IRS form 1095-C to all enrolled members in the first quarter of 2016, as well as provide enrollment data to the federal government. Over 50,000 1095-C forms were created, printed and distributed to employees in the first week of February. These steps are in addition to compliance measures already taken by HSS during the first five years of the ACA, such as timely remittance of federal taxes and fees, distribution of federally mandated benefits summaries and notifying members about state insurance exchanges. A significant investment of time is required to meet these requirements.

Technology will continue to boost improvements in the HSS Member Service and Communications units. In 2015, HSS funded the implementation of a Customer Relationship Management (CRM) system, which will coordinate with eMerge eBenefits and an Enterprise Content Management (ECM) System, allowing digitization of paper records. We will be working with the Mayor's Office to get temporary clerical staff. A new phone system will also integrate with the CRM, improving member service issue tracking and workflow. In 2015, communications moved to a new bulk email platform which can also integrate with the CRM, allowing for targeted distributions based on PeopleSoft eMerge events. With funding secured, HSS can expect these technology projects, as well as internal change management for the HSS team, to begin implementation in 2016.

In 2015, the Wellness Program entered its second year. The focus of the program was on building an infrastructure to promote, deliver, and support a culture of well-being among HSS members. This included administering the Well-Being Assessment that was completed by 7,000 employees. It will provide data from which to measure future needs. Over 200 Wellness Champions (Champions) in City departments now promote work-site wellness programming such as annual flu shot clinics. The clinics expanded in 2015 to 26 sites, delivering 3,739 flu shots.

Mayor's Budget Instructions for FY 2016-17 and FY 2017-18

The two year budget instructions are as follows:

1. Implement a Two Year Fixed Budget

The Mayor's original instructions required HSS to submit a two year fixed budget. This would require development of the budget with the understanding that the second year budget will not be changed beyond existing administrative rules for transfers between expenditure categories and position substitutions without the approval of the Board of Supervisors. On February 3, 2016 the Board of Supervisor's Budget and Finance Committee decided not to put HSS on a fixed two year budget. We will continue on a rolling budget basis.

2. Propose Reductions

The budget instructions require departments to submit ongoing reductions. In both FY 2016-17 and FY 2017-18, departments will need to propose ongoing reductions and/or revenues equal to 1.5% of the GF support. The value of the HSS reduction for FY 2016-17 is \$48,467 and an additional \$48,467 for FY 2017-18; the two year value of the reductions is \$96,934. Overall in FY 2016-17 a total of \$73,081 was cut due to the additional requests required to meet HSS workloads and in FY 2017-18 a total of \$138,531 was cut.

3. Adhere to Policy Instructions

The Mayor's budget should also incorporate the following policies:

- Reflect the priorities and programmatic goals identified in each department's proposed five year strategic plan
- Support the development of a modern, responsive and engaged government through public trust and civic engagement, public experience of City services, performance, accountability, investing in what works, and in giving employees the tools to do their best work
- Minimize service impacts
- Identify and pursue opportunities for cross-departmental collaboration

Overarching Principles Used in Development of the Budget

In addition to meeting the Mayor's budget instructions, HSS took the 2015-2017 Strategic Plan, approved by the Health Service Board at the December 10, 2015 Health Service Board meeting, into account when developing the budget requests. The Strategic Plan guides decisions on how best to apply financial and human resources.

The five Strategic Goals in the 2015-2017 Strategic Plan are as follows:

1. Department Operational Excellence

- Strive for excellence in member interactions and exceed industry standards
- Maintain high accounting standards
- Maximize staff effectiveness

- Comply with regulatory and legislative updates
- Automate benefits administration via PeopleSoft 9.2 to create eServices: online enrollment
- Improve member records retention policies
- Develop and implement internal reporting environment (HSSDATA):

2. Affordable Quality Healthcare

- Effectively prepare Health Service Board for Charter-mandated annual rates and benefits review
- Manage contracted health plans to improve care and reduce costs including monitoring and advocating for effective Accountable Care Organizations (ACO's)
- Enhance dashboard reporting and informatics including implementation of the All Payer Claims Database
- Continue to seek out innovative solutions for possible implementation

3. Informed, Transparent, Effective Governance

- Enable Health Service Board effectiveness
- Heighten members' awareness of Board activities and fiduciary responsibility
- Continue enhancing education and communication of Board activities

4. Educated and Empowered HSS Members

- Ensure consistency and accuracy of employee and retiree health benefits communications

5. Engage members in making well-being a priority

- Upgrade HSS website
- Increase digital communications with members
- Engage departments in creating a culture of wellness

High Level View of FY 2016-17 and FY 2017-18 Proposed Budgets

In order to provide a context for a discussion of the FY 2016-17 and the FY 2017-18 Budget requests, it is important to see a high level summary of the funding and positions. Additional detail will be presented in the following pages.

	FY 2015-16 Original Budget	FY 2016-17 Base	FY 2016-17 Request	FY 2017-18 Base	FY 2017-18 Request
HSS Administration	\$9,036,739	\$9,495,134	\$9,476,162	\$9,539,838	\$9,509,714
Enterprise Content Management	\$290,000				
EAP	\$392,834	\$440,596	\$446,629	\$454,490	\$461,780
Wellness	\$1,007,047	\$1,067,610	\$1,032,082	\$1,079,787	\$1,005,687
	FY 2015-16 Original Budget	FY 2016-17 Base	FY 2016-17 Request	FY 2017-18 Base	FY 2017-18 Request
Grand Total	\$10,726,620	\$11,003,340	\$10,954,873	\$11,074,115	\$10,977,181
Percentage Change		2.58%	-0.44%	1.09%	-0.88%

	FY 2015-16 Original Budget	FY 2016-17 Base	FY 2016-17 Request	FY 2017-18 Base	FY 2017-18 Request
Authorized Positions	55.65	56.12	56.08	53.12	55.08
Attrition	-2.08	-1.63	-1.63	-1.63	-1.63
Funded Positions	53.57	54.49	54.54	51.49	53.45

FY 2016-17 AND FY 2017-18 PROPOSED BUDGETS

Table 1 - on the following page details the changes between the FY 2014-15 Approved Budget, FY 2015-16 Budget Request and the FY 2016-17 Budget Request.

Detailed Summaries

The following table present details on

1. Changes in budget between FY 2015-16, FY 2016-17 and FY 2017-18
2. Training
3. Licenses
4. Summary of impacts of budget changes

TABLE ONE - CHANGES IN BUDGET

CHARACTER TITLE	FY 2015-16 APPROVED BUDGET	FY 2016-17 REQUEST	CHANGE FY 2016-17 VS FY 2015-16	NOTES	FY 2017-18 REQUEST	CHANGE FY 2017-18 VS FY 2016-17	NOTES
HSS ADMINISTRATION							
SALARIES	4,175,361	4,396,927	221,566	ANNUALIZATION OF POSITIONS	4,362,225	(34,702)	SUBSTITUTION
MANDATORY FRINGE BENEFITS	1,961,927	2,107,970	146,043	CHANGE IN RETIREMENT AND OTHER FRINGES	2,196,254	88,284	CHANGE IN RETIREMENT AND OTHER FRINGES
NON-PERSONNEL SERVICES	1,308,396	1,325,427	17,031	REDUCTION IN CONTRACTS, TRAVEL AND TRAINING AND SOFTWARE LICENSE	1,303,969	(21,458)	REDUCTION IN CONTRACTS AND TRAVEL AND TRAINING
MATERIALS & SUPPLIES	21,600	28,372	6,772	NEW ERGONOMICS PROGRAM, ADDITIONAL OFFICE SUPPLIES	29,800	1,428	REDUCTION IN ERGONOMICS REQUIRMENTS
SERVICES OF OTHER DEPARTMENTS	1,569,455	1,617,466	48,011	REFLECTS BASE BUDGET	1,617,466	-	REFLECTS BASE BUDGET
HSS ADMINISTRATION TOTAL	9,036,739	9,476,162	439,423		9,509,714	33,552	

CHARACTER TITLE	FY 2015-16 APPROVED BUDGET	FY 2016-17 REQUEST	CHANGE FY 2016-17 VS FY 2015-16	NOTES	FY 2017-18 REQUEST	CHANGE FY 2017-18 VS FY 2016-17	NOTES
EAP TOTAL	392,834	446,629	53,795		461,780	15,151	
HSS WELLNESS							
SALARIES	431,253	447,288	16,035	ANNUALIZAION OF POSITIONS	456,892	9,604	
MANDATORY FRINGE BENEFITS	170,654	179,182	8,528	ANNUALIZAION OF POSITONS	189,882	10,700	CHANGE IN RETIREMENT AND OTHER FRINGES
NON-PERSONNEL SERVICES	394,040	383,812	(10,228)	REFLECTS NEW FUNDING STRATEGY AND REQUIRED REDUCTIONS TO MEET TARGETS, PRINTING (GENERAL FUND 1)	340,623	(43,189)	
MATERIALS & SUPPLIES	11,100	21,800	10,700	EQUIPMENT FOR WELLNESS CENTER ADA SCALE, REPLACEMENT OF EXERCISE EQIPMENT, SUPPLIES FOR CHAMPION PROGRAM (GENERAL FUND 2)	18,290	(3,510)	
HSS WELLNESS TOTAL	1,007,047	1,032,082	25,035		1,005,687	(26,395)	
ENTERPRISE CONTENT MANAGEMENT	290,000			THIS WAS A ONE TIME PROJECT FUNDED BY COIT			
GRAND TOTAL	10,726,620	10,954,873	518,253		10,977,181	22,308	

TABLE TWO - TRAINING			
DIVISION	PURPOSE	FY 2016-17 REQUEST	FY 2017-18 REQUEST
TRAVEL			-
DATA ANALYTICS	SKILLSOFT TRAINING	-	-
DATA ANALYTICS	ORACLE TRAINING (CARRYFORWARD)	-	-
DATA ANALYTICS	PMI CERTIFICATION	200	200
DATA ANALYTICS	HIPAA TRAINING	1,000	800
CFO, COO, DATA ANALYTICS MANAGER	CERTIFIED EMPLOYEE BENEFIT SPECIALIST (CES) CERTIFICATIONS	-	-
FINANCE	AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS	-	-
EAP	TRAINING IN NON-VIOLENT CRISIS INTERVENTION AND TO MAINTAIN EXISTING LICENSES	-	-
EAP	CEUs	300	300
OPERATIONS/DEPARTMENT WIDE	CUSTOMER SERVICE TRAINING FOR ALL STAFF FROM DHR	3,400	5,112
OPERATIONS/DEPARTMENT WIDE	ERGO "SWEEP"	-	-
OPERATIONS/DEPARTMENT WIDE	AED & CPR BI-ANNUAL TRAINING	1,390	1,390
WELLNESS	TRAINING IN TOBACCO CESSATION AND MAINTAIN CERTIFICATIONS	-	3,500
WELLNESS	TRAINING IN DIABETES PREVENTION AND TO MAINTAIN CERTIFICATIONS	500	500
WELLNESS	TRAVEL - LOCAL FIELD EXPENSE	1,000	1,000
WELLNESS	INTRO EXCEL TRAINING	150	150
WELLNESS	PROJECT MANAGEMENT TRAINING	340	340
WELLNESS	AEROBICS AND FITNESS ASSOCIATION OF AMERICA GROUP EXERCISE CERTIFICATION	598	598
HEALTH SERVICE BOARD	EDUCATION	10,000	10,000
TOTAL		18,878	23,890

TABLE THREE - LICENSES

DESCRIPTION	JUSTIFICATION	FY 2016-17 REVISED REQUEST	FY 2017-18 REVISED REQUEST
50 SYMANTEC GOVT 12MO ENDPOINT	ANTI-VIRUS DESKTOP	1,300	1,300
15 GOV ENDPT PROTEC 12.1 PU LIC A ESS 12M	ANTI-VIRUS DESKTOP	600	600
ACROBATE PRO	1 BOARD LICENSE, WELLNESS IN \$2.05	38	38
ENTERPRISE CONTENT MANAGEMENT	ADDITIONAL LICENSES - 5	11,500	11,500
ZENDESK 2 USERS	USED TO MANAGE DEPT INFO SYSTEMS REQUESTS	598	598
SMEAD - MAINTENANCE LICENSE OF LABEL PRINTER	REQUIRED FOR OPS FILE ROOM PRINTING	110	110
BACKUPEXEC MAINTENANCE	REQUIRED FOR BACKUP SERVER SUPPORT	300	300
SERVER HARDWARE MAINTENANCE	REQUIRED FOR FILE SERVER HARDWARE SUPPORT	2,100	2,100
STREAM FAX SERVER MAINTENANCE	REQUIRED FOR FAX SERVER HARDWARE AND SOFTWARE SUPPORT	3,000	3,000
TABLEAU ANNUAL MAINTENANCE 2 USER DESKTOP	TOOL FOR REPORTS SUPPORT IS ANY OF THIS WELLNESS?	800	1,200
TABLEAU LICENSE		2,400	2,400
EAP	EAPISOFT	4,355	4,355
DREAMWEAVER		168	168
TOTAL		27,269	27,669

TABLE 4 - SUMMARY OF CHANGES									
	FY 2015-16 ORIGINAL BUDGET	FY 2016-17 BASE APPROVED BY BOS	FY 2016-17 REQUEST	CHANGE	NOTES	FY 2017-18 BASE APPROVED BY BOS	FY 2017-18	CHANGE	NOTES
CONTRACTS									
ACTUARIAL CONSULTANT	716,292	816,006	737,781	(78,225)	FUNDING WILL NOT BE AVAILABLE FOR NON-CORE ACTIVITIES	816,006	759,914	(56,092)	FUNDING WILL NOT BE AVAILABLE FOR NON-CORE ACTIVITIES
ENGAGEMENT SURVEY	-	-	10,000	10,000	REQUESTED BY BOARD	-	10,000	10,000	REQUESTED BY BOARD
BENEFITS ADMINISTRATION	35,314	45,000	35,000	(10,000)	BASED ON ACTUALS	45,000	36,750	(8,250)	BASED ON ACTUALS
OUTSIDE AUDITOR	86,804	86,804	76,804	(10,000)	CONTROLLER'S OFFICE MAY REQUEST MORE FUNDING	86,804	70,097	(16,707)	CONTROLLER'S OFFICE MAY REQUEST MORE FUNDING
WELLNESS	390,040	426,040	371,194	(54,846)	SEE WELLNES ANALYSIS	426,040	323,327	(102,713)	SEE WELLNESS ANALYSIS
TEAM BUILDING	15,000	40	-	(40)	NO IMPACT	-	-	-	NO IMPACT
FSA/COBRA ADMINISTRATION	270,940	250,397	250,869	472	IF INCREASE IN SELECTION OF HEALTHCARE OR DEPENDENT CARE EXCEEDS BUDGET NO FUNDING WILL BE AVAILABLE	250,397	250,633	236	IF INCREASE IN SELECTION OF HEALTHCARE OR DEPENDENT CARE EXCEEDS BUDGET NO FUNDING WILL BE AVAILABLE
PILOT PROJECTS	14,592	-	-	-	WITH LOSS OF KAISER PERMANENTE (KP) FUNDING NO RESEARCH ON PRE-DISEASE STATES CAN BE DONE				WITH LOSS OF KAISER PERMANENTE (KP) FUNDING NO RESEARCH ON PRE-DISEASE STATES CAN BE DONE
BOARD EVALUATION	-	-	10,000	10,000	REQUESTED BY BOARD	-	10,000	10,000	REQUESTED BY BOARD
CUSTOMER RELATIONSHIP MANAGEMENT MAINTENANCE	58,502	47,062	47,062	-	NO IMPACT	47,062	47,062		NO IMPACT
ENTERPRISE CONTENT MANAGEMENT (ECM) MAINTENANCE	-	11,400	17,289	5,889	WHEN BUDGET WAS DEVELOPED ONLY AN ESTIMATE WAS AVAILABLE. AMOUNT BASED ON CONTRACT	11,400	17,289	5,889	WHEN BUDGET WAS DEVELOPED ONLY AN ESTIMATE WAS AVAILABLE. AMOUNT BASED ON CONTRACT
ENTERPRISE CONTENT MANAGEMENT INTEGRATION	-	-	26,230	26,230	ONE-TIME INTEGRATION BETWEEN ECM AND PEOPLESOFT ALLOW BENEFIT ANALYST TO ACCESS RECORDS IN ECM BASED ON MEMBER ACCESSING IN PEOPLESOFT	-	-	-	ONE-TIME PROJECT
ECM PROJECT	146,000		-	-	ONE TIME PROJECT	-	-	-	ONE TIME PROJECT
ENTERPRISE CONTENT MANAGEMENT IMPLEMENTATION									
	1,733,484	1,682,749	1,582,229	(100,520)		1,682,709	1,525,072	(157,637)	

TABLE 4 - SUMMARY OF CHANGES

	FY 2015-16 ORIGINAL BUDGET	FY 2016-17 BASE APPROVED BY BOS	FY 2016-17 REQUEST	CHANGE	NOTES	FY 2017-18 BASE APPROVED BY BOS	FY 2017-18	CHANGE	NOTES
TRAVEL AND TRAINING									
CERTIFIED EMPLOYEE BENEFIT SPECIALIST (CES) CERTIFICATIONS		2,579	-	(2,579)	WILL NOT BE ABLE TO TRAIN KEY STAFF ON NEW TRENDS IN BENEFIT ADMINISTRATION	2,579		(2,579)	WILL NOT BE ABLE TO TRAIN KEY STAFF ON NEW TRENDS IN BENEFIT ADMINISTRATION
HIPAA TRAINING	4,223	1,023	1,000	(23)	FY 2015-16 CONSISTED OF TRAINING THE PRIVACY OFFICER TO TRAIN DEPARTMENT, FY 2016-17 AND FY 2017-18 FOR ONGOING UPDATES	1,023	800	(223)	ONCE PRIVACY OFFICER IS TRAINED, ONLY REFRESHER CLASSES ARE NEEDED
SKILLSOFT TRAINING	148	148	-	(148)	NO IMPACT	148	-	(148)	NO IMPACT
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS	2,000	2,000	-	(2,000)	TRAINING REQUIRED TO MAINTAIN LICENCES	2,000	-	(2,000)	TRAINING REQUIRED TO MAINTAIN LICENCES
PROJECT MANAGEMENT CERTIFICATION	-	-	200	200	CONTINUING EDUCATION TO MAINTAIN CERTIFICATION	-	200	200	
BOARD EDUCATION	-	-	10,000	10,000	REQUEST BY BOARD	-	10,000	10,000	
TRAINING IN NON-VIOLENT CRISIS INTERVENTION AND TO MAINTAIN EXISTING LICENSES	1,000	5,000	-	(5,000)	ONLY ONE EAP COUNSELOR WILL BE CERTIFIED WHICH IMPACTS THE NUMBER OF CLASSES. THIS IS A POPULAR CLASS	5,000	-	(5,000)	ONLY ONE EAP COUNSELOR WILL BE CERTIFIED WHICH IMPACTS THE NUMBER OF CLASSES. THIS IS A POPULAR CLASS
CONTINUING EDUCATION UNITS TO MAINTAIN CERTIFICATION FOR EAP	-	-	300	300	CERTIFICATIONS FOR EAP COUNSELORS - ONE ADDITIONAL POSITION WAS ADDED IN FY 2015-16	-	300	300	CERTIFICATIONS FOR EAP COUNSELORS - ONE ADDITIONAL POSITION WAS ADDED IN FY 2015-16
CUSTOMER SERVICE TRAINING FOR ALL STAFF FROM DHR	3,400	3,400	3,400	-	NO IMPACT	3,400	5,112	1,712	NO IMPACT
AED & CPR BI-ANNUAL TRAINING	-	-	1,390	1,390	REQUIRED ANNUALLY FOR CITY STAFF	-	1,390	1,390	REQUIRED ANNUALLY FOR CITY STAFF
TRAINING IN TOBACCO CESSATION AND MAINTAIN CERTIFICATIONS	1,079	5,000	-	(5,000)	TRAINING WILL HAVE TO BE DELAYED UNTIL FY 2017-18	5,000	3,500	(1,500)	REDUCTION IN NUMBER OF PEOPLE TO BE TRAINED
TRAINING IN DIABETES PREVENTION AND TO MAINTAIN CERTIFICATIONS	1,880	-	500	500	CERTIFICATIONS FOR EAP COUNSELORS - ONE ADDITIONAL POSITION WAS ADDED IN FY 2015-16	-	500	500	REQUIRED TO MAINTAIN KNOWLEDGE OF CURRENT TRENDS IN PRE-DISEASE STATE
TRAVEL - LOCAL FIELD EXPENSE	-	-	1,000	1,000	SEE WELLNESS	-	1,000	1,000	SEE WELLNESS
INTRO EXCEL TRAINING/PROJECT MANAGEMENT	-	-	490	490	SEE WELLNESS	-	490	490	SEE WELLNESS
AEROBICS AND FITNESS ASSOCIATION OF AMERICA GROUP EXERCISE CERTIFICATION	-	-	598	598	SEE WELLNESS	-	598	598	SEE WELLNESS
	13,730	19,150	18,878	(272)		-	19,150	23,890	4,740

TABLE 4 - SUMMARY OF CHANGES

	FY 2015-16 ORIGINAL BUDGET	FY 2016-17 BASE APPROVED BY BOS	FY 2016-17 REQUEST	CHANGE	NOTES	FY 2017-18 BASE APPROVED BY BOS	FY 2017-18	CHANGE	NOTES
SOFTWARE LICENSES	23,012	30,716	27,269	(3,447)	USING DT PRICING	30,716	27,669	(3,047)	USING DT PRICING
TOTAL	23,012	30,716	27,269	(3,447)	-	30,716	27,669	(3,047)	
OTHER OPERATING EXPENSES									
COPY MACHINE	26,000	26,000	30,080	4,080	OPEN ENROLLMENT REQUIRE ADDITIONAL COPIES OF BENEFIT GUIDES FOR REVIEW	26,000	26,000	-	MOVING TO E-BENEFITS FOR OPEN ENROLLMENT
MISCELLANEOUS FACILITES RENTAL	5,000	5,000	5,000	-	STORAGE OF RECORDS	5,000	5,000	-	
FREIGHT AND DELIVERY	3,000	3,000	-	(3,000)	PROVIDING BOARD PACKAGES THROUGH ELECTRONIC DEVICE RATHER THAN HARD COPIES	3,000	-	(3,000)	PROVIDING BOARD PACKAGES THROUGH ELECTRONIC DEVICE RATHER THAN HARD COPIES
PRINTING EAP	5,000	1,000	8,000	7,000	PRINTING BOCHURES IN ORDER TO INCREASE AWARENESS OF EAP PROGRAM	1,000	5,000	4,000	PRINTING BOCHURES IN ORDER TO INCREASE AWARENESS OF EAP PROGRAM
PRINTING WELLNESS	-	-	10,030	10,030	SEE WELLNESS	-	11,208	11,208	SEE WELLNESS
CREDIT CARD FEES	34,000	34,000	28,831	(5,169)	BASED ON FY 2014-15 ACTUALS	34,000	18,831	(15,169)	BASED ON FY 2014-15 ACTUALS
RENTS/LEASES EQUIPMENT, SUBSCRIPTIONS, OTHER CURRENT EXPENSES	4,150	4,150	2,876	(1,274)	BASED ON ACTUAL EXPENDITURES	4,150	2,876	(1,274)	BASED ON ACTUAL EXPENDITURES
CERTIFICATION TO BECOME A CERTIFIED EAP COUNSELOR	5,300	5,300	6,149	849	ADDITIONAL CERTIFICATION FOR NEW STAFF	5,300	5,998	698	ADDITIONAL CERTIFICATION FOR NEW STAFF
FIELD EXPENSES	280	280	1,535	1,255	REIMBURSE FOR TRANSPORTATION, PARKING ETC	280	2,640	2,360	REIMBURSE FOR TRANSPORTATION, PARKING ETC
OTHER MAINTENANCE AND EQUIPMENT	6,310	6,310	3,600	(2,710)	BASED ON ACTUAL EXPENDITURES	6,310	3,600	(2,710)	BASED ON ACTUAL EXPENDITURES
	89,040	85,040	96,101	11,061	-	85,040	81,153	(3,887)	
MATERIALS AND SUPPLIES									
ADMINISTRATION	21,600	20,600	23,372	2,772	BASED ON ACTUAL EXPENDITURES	20,600	24800	4,200	BASED ON ACTUAL EXPENDITURES
EAP BOOKS/SUPPLIES	4,000	4,000	5,625	1,625	BOOKS ARE REQUIRED FOR NON- VIOLENT CRISIS INTERVENTION TRAINING	4,000	8928	4,928	BOOKS ARE REQUIRED FORNON- VIOLENT CRISIS INTERVENTION TRAINING
WELLNESS EQUIPMENT	11,100	11,100	21,800	10,700	SEE WELLNESS	11,100	18290	7,190	SEE WELLNESS
PRINTER REFRESH	-	-	5,000	5,000	ONGOING PROGRAM FOR REPLACING PRINTERS	-	5000	5,000	ONGOING PROGRAM FOR REPLACING PRINTERS
ECM MATERIALS AND SUPPLIES	5,000	-	-	-	ONE TIME PROJECT	-	0	-	ONE TIME PROJECT
	41,700	35,700	55,797	20,097	-	35,700	57,018	21,318	
ECM EQUIPMENT	75,000	-	-	-	-	-	0	-	
	75,000	-	-	-	-	-	-	-	
GRAND TOTAL	1,975,966	1,853,355	1,780,274	(73,081)	-	1,853,315	1,714,802	(138,513)	

Wellness

Over the next two fiscal years, the focus of Wellness will be on continuing all of the existing programs while deepening the attention on creating a “well workplace”. Incentives will transition from being individual to departmental. The criteria for receiving the incentives will be establishing a baseline of wellness requirements at the workplace. HSS will work to individually support departments and Champions where they need it most. Specialized programs will begin to be offered based on challenges identified in the first years. For example, based on the Diabetes Prevention Program study, HSS will determine what interventions will be most effective in these years.

As part of a limited agreement to support wellness through the end of 2016, our health care vendors supported onsite activities such as an on-site health coach, one day a week, at the Wellness Center, over 25 biometric screening sessions across the City, material incentives for participants of challenges, materials and presenters for special events, and over 50 education seminars. To continue these services a request for onsite services and incentive supplies is in the budget request.

The reduction in health plan vendor support, combined funding limitations in General Fund support will reduce the total on-site services budget \$230,000 to \$82,625. This means that only sixty four (64) percent of the services will be available to departments and the Wellness Center. At a time when the program is in its early stages this will limit growth and engagement. HSS will need to limit wellness coaching in the Wellness Center and only offer it at specific, prescheduled times of year. Screenings will need to be limited to departmental locations that that have not received them in the past and not exceed a fixed total number of screenings annually. In general, HSS will need to evaluate having screening at locations that will maximize overall City employee attendance, versus and smaller and/or more remote departments which are typically do not have regular access wellness resources.

The following table summarizes the Wellness Budget for FY 2016-17 and FY 2017-18.

WELLNESS							
CONTRACTS	FY 2015-16 BUDGET	FY 2016-17 BASE	FY 2016-17 REQUEST	NOTES	FY 2017-18 BASE	FY 2017-18 REQUEST	NOTES
WBA INCENTIVES FOR CCSF AND COURT	260,840	260,840		FUNDING FOR INCENTIVES IN FY 2014-15 AND FY 2015-16	260,840		
WBA INCENTIVE ADMIN FEES - CCSF, CRT (\$0.12)	50,160	50,160		ADMINISTRATION AND DISTRIBUTION OF INCENTIVE PAYMENTS TO PARTICIPANTS FY 2014-15 AND FY 2015-16	50,160		
WBA ADMIN FEE FOR WAIVED AND CRT (\$0.72)	12,960	12,960		ADMINISTERING WELLBEING ASSESSMENT AND DAILY CHALLENGE FY 2014-15 AND FY 2015-16	12,960	-	
DEPARTMENT INCENTIVES			169,716	INCENTIVES SHIFT FROM INDIVIDUAL TO DEPARTMENT FOR ACHIEVING GOALS TO CREATE A CULTURE OF WELL-BEING AND ADDRESS WELL BEING ASSESSMENT FINDINGS	-	178,202	INCENTIVES SHIFT FROM INDIVIDUAL TO DEPARTMENT FOR ACHIEVING GOALS TO CREATE A CULTURE OF WELL-BEING AND ADDRESS WELL BEING ASSESSMENT FINDINGS. AS MORE DEPARTMENTS PARTICIPATE, THERE WILL BE A NEED FOR INCREASED FUNDS
LEADERSHIP ENGAGEMENT			4,000	INCREASING ENGAGEMENT OF DEPARTMENT DIRECTORS, MANAGERS, AND SUPERVISORS		4,000	INCREASING ENGAGEMENT OF DEPARTMENT DIRECTORS, MANAGERS, AND SUPERVISORS
CHAMPION APPRECIATION EVENT SPEAKER			1,000	FUNDING FOR SPEAKERS WITH EXPERTISE IN WELLNESS ISSUES		1,000	FUNDING FOR SPEAKERS WITH EXPERTISE IN WELLNESS ISSUES
CHAMPION WEBSITE			15,000	TRANSITIONING THE CURRENT WEBPAGE WITH LINKS TO DOCUMENTS INTO A COMPREHENSIVE WEBSITE TO HOST ALL MATERIALS FOR CHAMPIONS, LEADERS, AND LABOR REGARDING THE WELL-BEING PROGRAM		5,000	TRANSITIONING THE CURRENT WEBPAGE WITH LINKS TO DOCUMENTS INTO A COMPREHENSIVE WEBSITE TO HOST ALL MATERIALS FOR CHAMPIONS, LEADERS, AND LABOR REGARDING THE WELL-BEING PROGRAM
SEMINARS, COACHING, BIOMETRIC SCREENING			144,632	ON-SITE WELL-BEING SERVICES TO FACILITATE ACCESS AND RAISE AWARENESS AND ACTION FOR THE SECOND HALF OF FY16-17. VENDORS HAVE SUPPORTING THESE EFFORTS THROUGH A LIMITED COMMITMENT THAT ENDS 12/2016.		82,625	ON-SITE WELL-BEING SERVICES TO FACILITATE ACCESS AND RAISE AWARENESS AND ACTION FOR THE SECOND HALF OF FY16-17. VENDORS HAVE SUPPORTING THESE EFFORTS THROUGH A LIMITED COMMITMENT THAT ENDS 12/2016.
SPECIALIZED PROGRAMS			34,346	EMPLOYEE WELLNESS SERVICES, SUCH AS STRESS AND RESILIENCY TRAINING, FOCUSED ON RESULTS OF WELLBEING ASSESSMENT		50,000	EMPLOYEE WELLNESS SERVICES, SUCH AS THE ONLINE DIABETES PREVENTION PROGRAM, FOCUSED ON RESULTS OF WELLBEING ASSESSMENT
WELLNESS CLASSES	2,080	2,080	2,500	EXTERNAL SPEAKERS AND INSTRUCTORS TO PRESENT AT THE WELLNESS CENTER	2,080	2,500	EXTERNAL SPEAKERS AND INSTRUCTORS TO PRESENT AT THE WELLNESS CENTER
ANNUAL WELLNESS CHALLENGE	64,000	100,000			100,000	-	
ANNUAL WALKING CHALLENGE					-	-	
	390,040	426,040	371,194		426,040	323,327	

MATERIALS AND SUPPLIES	FY 2015-16 BUDGET	FY 2016-17 BASE	FY 2016-17 REQUEST	NOTES	FY 2017-18 BASE	FY 2017-18 REQUEST	
WHEELCHAIR SCALE			2,000	ADA ACCESSIBLE SCALE SO WHEELCHAIR BOUND MEMBERS CAN BE WEIGHED		-	
WELLNESS CENTER EQUIPMENT			2,000	MAINTAIN USABILITY AND SAFETY OF EQUIPMENT		2,000	MAINTAIN USABILITY AND SAFETY OF EQUIPMENT
4 IPADS			1,400	PURCHASE 2 IPADS FOR STAFF TO USE AT OFFSITE MEETINGS AND EVENTS TO HELP EMPLOYEES NAVIGATE WELLNESS RESOURCES		1,400	PURCHASE 2 IPADS FOR STAFF TO USE AT OFFSITE MEETINGS AND EVENTS TO HELP EMPLOYEES NAVIGATE WELLNESS RESOURCES
ANNUAL APPRECIATION EVENT			1,800	ENCOURAGE CHAMPION ENGAGEMENT		1,890	ENCOURAGE CHAMPION ENGAGEMENT
INCENTIVE SUPPLIES			7,600	MATERIAL INCENTIVES TO HELP PROMOTE EMPLOYEE PARTICIPATION IN WELLNESS PROGRAMS, PREVIOUSLY FUNDED BY VENDORS		9,000	MATERIAL INCENTIVES TO HELP PROMOTE EMPLOYEE PARTICIPATION IN WELLNESS PROGRAMS, PREVIOUSLY FUNDED BY VENDORS
WELLNESS OFFICE SUPPLIES			7,000	BASED ON FY 2015-16 BUDGET		4,000	
MATERIALS & SUPPLIES TOTAL	11,100	11,100	21,800		11,100	18,290	
	FY 2015-16 BUDGET	FY 2016-17 BASE	FY 2016-17 REQUEST		FY 2017-18 BASE	FY 2017-18 REQUEST	
TRAVEL AND TRAINING							
TRAINING IN TOBACCO CESSATION AND MAINTAIN CERTIFICATIONS		4,000	-				
TRAINING IN DIABETES PREVENTION AND TO MAINTAIN CERTIFICATIONS	4,000		500	CERTIFY AN ADDITIONAL STAFF MEMBER TO ADMINISTER THE DPP		500	CERTIFY AN ADDITIONAL STAFF MEMBER TO ADMINISTER THE DPP
TRAVEL - LOCAL FIELD EXPENSE			1,000	TRAVEL EXPENSES FOR STAFF GOING TO DEPARTMENTS OUTSIDE OF THE CIVIC CENTER AREA		1,000	TRAVEL EXPENSES FOR STAFF GOING TO DEPARTMENTS OUTSIDE OF THE CIVIC CENTER AREA
INTRO EXCEL TRAINING			150	INCREASE STAFF SKILLS		150	INCREASE STAFF SKILLS
PROJECT MANAGEMENT TRAINING			340	INCREASE STAFF SKILLS		340	INCREASE STAFF SKILLS
AFAA GROUP EXERCISE CERTIFICATION			598	CERTIFY TWO STAFF MEMBERS IN GROUP EXERCISE TO FACILITATE OVERSIGHT OF THE WELLNESS CENTER		598	CERTIFY TWO STAFF MEMBERS IN GROUP EXERCISE TO FACILITATE OVERSIGHT OF THE WELLNESS CENTER
TRAVEL AND TRAINING	4,000	4,000	2,588		4,000	2,588	
GRAND TOTAL	405,140	441,140	395,582		441,140	344,205	

Oher Funding Requests

We will be working with the Mayor's Office and Controller's Office to utilize FY 2015-16 balances to fund ergonomic equipment, temporary help for digitizing records for the Enterprise Content Management System and interns for Wellness.

Ergonomic Equipment

HSS has experienced an increase in Workers' Compensation claims and requests for ergonomic equipment by both existing and new staff. The requests are often associated with doctor's orders. In order to prevent Workers' Compensation claims, reductions in productivity and extended absences, HSS would like to develop a three (3) year ergonomic equipment purchasing cycle similar to the one we have for computers and printers.

The Materials and Supplies budget is not sufficient for the size of our department and cannot meet the demand. Even though the FY 2015-16 Materials and Supplies budget was not reduced by the Board of Supervisors, it has historically been impossible to get an increase through the Budget Analyst's process. The Department of Public Health provided training in January on Ergonomics, In February an Ergonomic consultant (because our workers' compensation claims are so high) will be doing an evaluation of each work station and provide additional recommendations on equipment we can purchase. We are seeking support in increasing the Materials and Supplies budget and getting the request through the Budget Analyst.

Temporary Help for Digitizing Records

HSS acquired an Enterprise Content Management System (ECM) in FY 2015-16. The ECM enhances information accessibility, organizes collaboration, secures content, improves efficiency and reduces risk from loss of member records or compliance issues. Once the ECM is fully implemented, HSS will need to digitize over 250,000 member paper files that contain multiple paper documents including 100,000 member files currently archived offsite. HSS will need temporary project personnel to scan and validate the documents as well as licenses for their access to the ECM. HSS does not have enough clerks to dedicate the time to this one time project.

Wellness Interns

Students that are working on their Masters in Public Health often are required to do an internship. The Wellness Center will provide excellent learning opportunities and provide necessary resources for the Wellness program.

Next Steps

Upon Board approval of the FY 2016-17 and FY 2017-18 Proposed Budgets, HSS staff will complete the budget entries and forms. HSS's Proposed Budget will then be presented to the Mayor on

February 21, 2016 and the budget transfers to the Mayor's domain. Budget negotiations will occur with the Mayor's Office to determine what will be included in the Mayor's budget proposal submitted to the Board of Supervisors. When possible, HSS staff will advise the Health Service Board on the changes that are made by the various entities.