

SFHSS Announcement of Active Self-Funded Dental PPO Request for Proposal for Plan Year 2027

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Presenter:

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Agenda

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- Non-Financial Evaluation Categories
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- Minimum Qualifications
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Introduction

SFHSS is issuing a competitive procurement (formal Request for Proposal or “RFP”) for our self-funded Active Dental PPO plan (ASO-PPO).¹

- The RFP will be issued by or before mid-December 2025 and proceed through April 2025.
- SFHSS expects to present the RFP results and our recommendation to the Health Service Board (Board) at the regular meeting on April 9, 2026 or May 14, 2026 as part of the Board’s Annual Rates and Benefits Cycle.²

The RFP will be posted publicly to <https://sfhss.org/RFPs> along with any addenda containing answers to all written questions submitted to SFHSS.

All communications must be conducted according to SFHSS rules regarding Permitted Communications (<https://sfhss.org/RFPs>)

¹ ASO = Administrative Services Only

² <https://sfhss.org/board-annual-rates-and-benefits-cycle>

Goals and Objectives

- Maintain existing plan design and member shares of cost
- Ensure ongoing network breadth and adequacy to support our 71,000+ member population
- Ensure ongoing value and high-level member and administrative support
- Support informed out-of-network (OON) choice
- Ensuring long-term stability through a predictable reimbursement structure
- Secure a multi-year rate guarantee (3 – 5 years)
- Prioritize long-term partnerships between carrier and providers
- Support SFHSS's strategic priorities of fiscal responsibility, operational excellence, stability, and member well-being and support
- Continue the Board's ongoing commitment to responsible stewardship of benefit plans, the Trust and member contributions

Non-Financial Evaluation Categories

Categories	Goals, Objectives and RFP Requirements
Network Strength & Stability	- Robust Bay Area provider access - Maintain continuity for current members - Carrier partnerships that retain and grow dentists within network
Claims Accuracy & Administration	- Transparent reporting - Measurable performance guarantees - Timely, accurate and transparent claims processes
Member Experience, Service and Preventative Care	- Excellent customer service and multilingual support - Digital tools that enhance usability and satisfaction - Address chronic conditions, tie-ins to health plan partners
Reporting & Analytics	- Improve visibility into service utilization and trend drivers - Trust-fund cost transparency through timely data feeds and dashboards
Implementation & Account Management	Partner with an experienced public-sector account team to ensure a seamless transition and sustained operational performance

Scope of Procurement

- Covers **self-funded Active (ASO) Dental PPO plan** for active employees and dependents.
- **Excludes retiree dental plans**, which are fully insured and member-paid¹
- Requires Qualified Respondents to:
 - Administer plan benefits **identical to the current PPO plan design**
 - Use a **Maximum Allowable Charge (MAC)/Maximum Plan Allowance (MPA)** reimbursement methodology for out-of-network (OON) claims
 - Provide **robust reporting, member communication, and implementation support.**
- Evaluation based on **financial (25%) and non-financial (75%) scoring** to align with SFHSS' fiduciary and operational priorities and member service and support needs

¹ Appendix "Retiree Dental PPO RFP – Additional Considerations"

Summary of Dental Benefit Enrollment (2024 to 2025)¹

	2024		2025		2025 Total Enrollment Increase (Decrease)	2025 Total Enrollment Increase (Decrease) %
	Enrolled	% of Total Dental Enrollment	Enrolled	% of Total Dental Enrollment		
Delta PPO Employees	31,085	96.4%	32,061	96.2%	1,923	2.7%
Delta PPO Dependents	39,410		40,357			
Delta PPO Subtotal	70,495		72,418			
Delta Care Employees	1,035	2.2%	1,207	2.5%	279	17.1%
Delta Care Dependents	595		702			
Delta Care Subtotal	1,630		1,909			
UHC Dental Employees	565	1.3%	593	1.3%	(6)	-0.6%
UHC Dental Dependents	404		370			
UHC Dental Subtotal	969		963			
Subtotal All Dental Plans	73,094	100%	75,290	100%	2,196	3.0%
Waived Employee	1,914	% Waived of Total	1,881	% Waived of Total	836	-
Waived Dependent	504		1373			
Waived Subtotal	2,418	3.2%	3,254	4.1%		
Total Enrolled and Waived	75,512		78,544		3,032	4.0%

¹ Source: SFHSS Information Systems (fka Enterprise Systems & Analytics); San Francisco's Open Data Portal; <https://sfhss.org/resource/february-8-2024-sfhss-2024-demographic-report/download> (11/4/2025)

Minimum Qualifications

- Must provide a self-funded (ASO) administrative services arrangement
- Must **replicate current PPO plan design** (benefit structure and network design)
- Must utilize **MAC/MPA reimbursement** methodology
- Must demonstrate ability to **serve 70,000+ dental ASO-PPO covered lives** across the Bay Area and California.
- Must have **established network** and **administrative experience** with **large, complex public-sector or multi-employer groups**.
- Must maintain compliance with all applicable City and County contracting requirements (including Insurance, City Ordinances, data security).

2025 SFHSS Active Dental PPO Survey | Member Feedback

- **2,500+ responses** received
- **97% received dental care** in the past 24 months
- **Higher satisfaction with in-network care** (PPO, Premier) **than out-of-network:**
 - 87.0% of PPO and 85.3% of Premier (Quality of Care as “Good” or “Excellent”)
 - 64.2% of PPO and 60.6% of Premier (Overall “Good” or “Excellent”)
 - Only 18.3% of Out-of-Network respondents (Overall “Good” or “Excellent”)
- **Priorities for Active PPO respondents** (*ranked from most to least important*):

1. Broad network of dentists	6. Digital Tools
2. Access to dental specialists	7. Provider Search Tool
3. Ease of getting appointments	8. Cost Estimator Tool
4. Current dentist is in-network	9. Timely processing of claims
5. Customer service from plan	10. Interpreter/Language Assistance

See Appendix for additional survey details

Evaluation Panel

The non-technical components of the RFP will be analyzed and scored confidentially and independently by panel using preset scoring criteria. The panel will be asked to prioritize areas members have identified as important to them in a dental PPO plan:

- No changes to Member shares of cost
- Choice and flexibility for Members
- Continuity of service and care
- Network stability and provider relationships
- Administrative excellence and experience with similar complex entities
- Clarity for Members, including with OON providers and claims
- Transparent and robust reporting, service standards, and performance metrics and thresholds

Technical and Financial Analysis

Technical evaluation to include:

- Actuarial claim evaluation of SFHSS-specific use experience from dates of service during September 2024 to August 2025, incorporating bidder in-network fee schedules as well as out-of-network MAC/MPA reimbursement methodology
- Evaluation of quoted per employee per month Administrative Service (ASO) fees for requested multi-year period
- Dental provider disruption report analysis
- Technical and financial components of Respondent Questionnaire
- Network access report evaluation
- Confirmation of Access Criteria

Technical and Financial Analysis (cont.)

Evaluation of **Maximum Allowable Charge (MAC)/Maximum Plan Allowance (MPA)** Methodology:

- require all respondents to quote out-of-network reimbursement method on a MAC/MPA basis
- **aligns reimbursement** for OON dentists with the predictable fee schedules used for in-network providers
- **promotes fiscal stability** for Trust by controlling claim volatility
- **supports network strength** by rewarding carriers who **maintain and grow robust, high-quality provider participation**
- **maintains member flexibility** – members may continue to see any dentist but with clear cost expectations
- Preserves our fiduciary duty to ensure sustainable, transparent, and equitable benefits under the Charter

Scoring

Scoring Categories	Weight (100)
Network Strength and Access, Stability and Pricing	25
Claims Accuracy & Service Guarantees	15
Member Experience and No-cost/value-added Services and Tools	5
Reporting & Analytics	8
Implementation and Account Management	12
Oral Interview	10
Financial	25

Schedule

Month(s)	Key Milestones and Deadlines
June - November 2025	- RFP Research, Board Presentations 2025 Active PPO Dental Survey (HSS)
November - December 2025	RFP Release, finalize evaluation panel
December 2025 – January 2026	- Notices of Intent to Bid/MCAs and NDAs - Financial and Non-Financial Q&A process
February – March 2026	- Proposals received, MQs and RFC process - Financial (Aon) & Non-Financial Evaluation (Panel) - Oral Interviews (Panel)
April – May 2026	Presentation of results and recommendation Board (Action)
May – September 2026	Implementation
October 2026	Open Enrollment
January 1, 2027	Benefits Start Date
January – December 2027	Ongoing transition support, reporting and account management

SFHSS Notice to the Health Service Board

The San Francisco Health Service System will issue a competitive procurement (formal Request for Proposal or “RFP”) for our self-funded Active Dental PPO plan (ASO-PPO) in 2025 with benefits beginning January 1, 2027.

Board Discussion

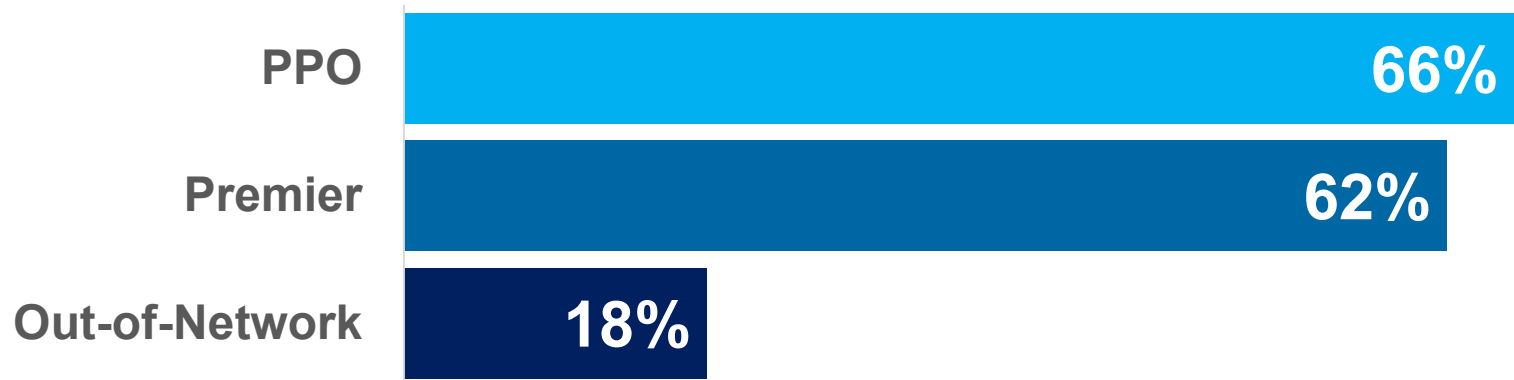
Appendix

SFHSS Active Dental PPO Member Satisfaction Survey

- Target population: SFHSS Active Employee Members enrolled in the Delta Dental PPO Plan
- Released on August 25, 2025 (for 31 days)
- Themes and findings can contribute to RFP development
- Over 2,500 responses received
- 95% confidence level with a 2% margin of error on the results
- 97% indicated they have received dental care in the past 24 months

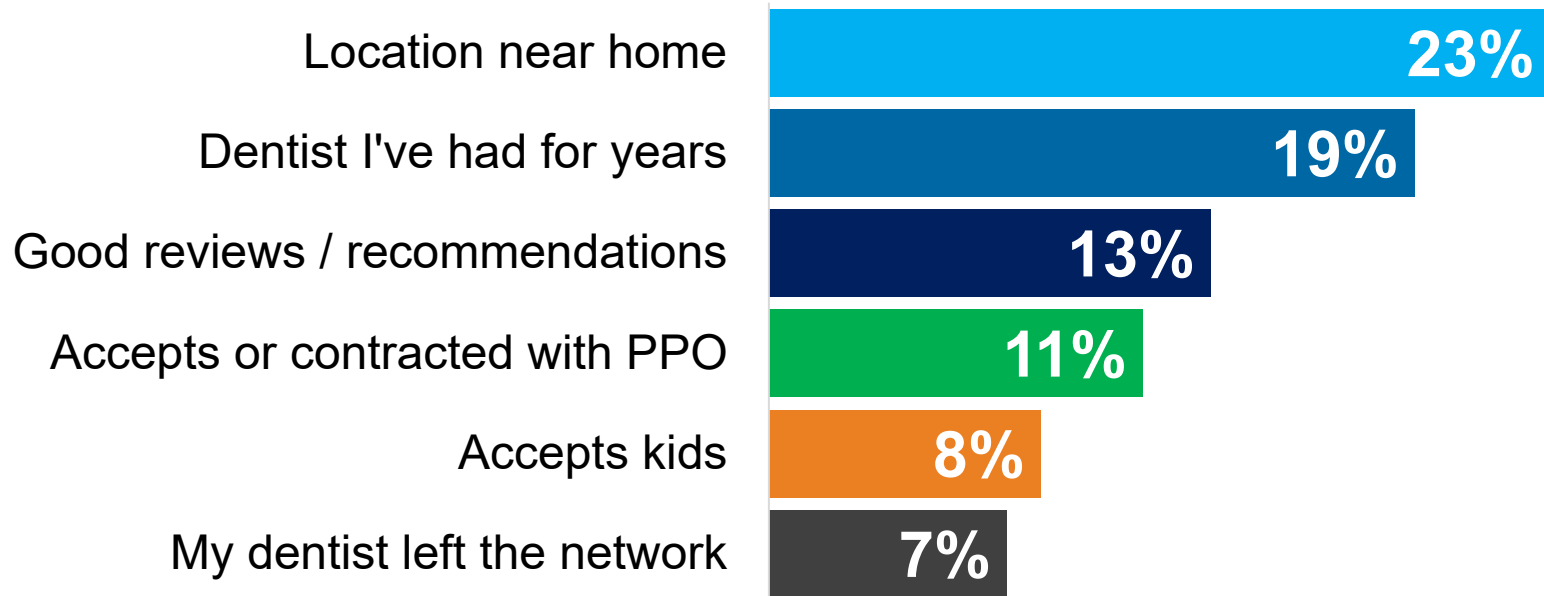
Appendix | SFHSS Active Dental PPO Member Satisfaction Survey – Preliminary Findings (*cont.*)

Survey respondents more likely to rate their experience of an in-network provider as either “Good” or “Excellent”.



Appendix | SFHSS Active Dental PPO Member Satisfaction Survey – Preliminary Findings (*cont.*)

Top reasons for selecting a general dentist or specialist



Appendix | SFHSS Active Dental PPO Member Satisfaction Survey – Preliminary Findings (*cont.*)

Ranked importance of plan features

1. Broad network of dentists
2. Access to dental specialists
3. Ease of getting appointments
4. Current dentist is in-network
5. Customer service from plan
6. Digital Tools
7. Provider Search Tool
8. Cost Estimator Tool
9. Timely processing of claims
10. Interpreter or Language Assistance

Appendix | Retiree Dental PPO RFP – Additional Considerations

- HSS will conduct a competitive bid (RFP) for Retiree PPO Dental in CY2026 with benefits beginning January 1, 2028.
 - The schedule and process will mirror that of the PY2027 Active Dental RFP
- RFP for Retiree dental benefit will have separate and distinct criteria from the PY2027 Active Dental PPO RFP.
- The Retiree Dental PPO RFP will have different financial implications as it is 100% Retiree-paid (no City contribution).
- The results of the PY2027 Active Dental PPO will have no impact on the criteria or selection process for the PY2028 Retiree RFP
- Comprehensive and sustained input from Retirees