Agenda Item 1:

Action Item

Approval of Consent Calendar:

a. Minutes from May 6, 2015 Meeting
b. Credentialing and Recredentialing Recommendations

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MEMO

Date: June 1, 2015

To	**SFHP Governing Board**
From	**John F. Grgurina, Jr.**
Regarding	**Consent Calendar Items for Approval**

Consent Calendar

All matters listed hereunder constitute a Consent Calendar and are considered to be routine by the Governing Board of the San Francisco Health Authority and San Francisco Community Health Authority Board and will be acted upon by a single vote of the Board. There will be no separate discussion of these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

Item 1a

Recommendation to Approve Board Minutes:
It is recommended to approve the minutes from the Governing Board meeting held on May 6, 2015.

Item 1b

Recommendation to Approve Credentialing and Recredentialing Recommendations:
It is recommended to approve the credentialing and recredentialing recommendations from the Peer Advisory Committee.

Agenda Item 1:

Action Item

Approval of Consent Calendar:

a. Minutes from March 6, 2015 Meeting

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Joint San Francisco Health Authority/San Francisco Community Health Authority
Governing Board
May 6, 2015
Meeting Minutes

Chair:	Susan Currin, RN
Vice-Chair:	Steven Fugaro, MD
Secretary-Treasurer:	Reece Fawley

Members Present: Dale Butler, Edwin Batongbacal, Lawrence Cheung, MD, Sue Currin, RN, Irene Conway, Reece Fawley, Steven Fugaro, MD, John Gressman, and Emily Webb

Members Absent: Eddie Chan, PharmD, Steve Fields, Barbara Garcia, Belle Taylor-McGhee, Elena Tinloy, PharmD, Maria Luz Torre, and Brenda Yee

Sue Currin, chaired the meeting and called the meeting to order. Ms. Currin asked if there was anyone from the public in attendance that wanted to make any comments. There were none.

John F. Grgurina, Jr., CEO, welcomed Dr. Lawrence Cheung from the San Francisco Medical Society and Emily Webb from California Pacific Medical Center to the Board.

1. Approval of Consent Calendar

The following Board items were on the consent calendar for the Board's approval:

a. Review and Approval of Minutes from March 4, 2015 Governing Board Meeting
b. Review and Approval of Quality Improvement Committee Minutes

The Board unanimously approved the consent calendar as presented without any issues.

The Governing Board adjourned to Closed Session.

2. a. Review and Approval of 2015-16 Employee Benefit Rates

This item was discussed in closed session.

b. Approval of Year-To-Date Unaudited Financial Statements and Investment Income Reports

This item was discussed in closed session.

c. Review and Approval of Medi-Cal Expansion Rate Change
This item was discussed in closed session.

d. Finance Items that Impact Provider Rates and Administrative Expenses
This item was discussed in closed session.

3. Review of Succession Plan – Long Term Plan
This item was discussed in closed session.

The Governing Board resumed in Open Session.

4. Report on Closed Session
Sue Currin reported that the Board approved the following action items.
a. Approved the 2015-16 Employee Benefit Rates.
b. Approved the Year-To-Date Unaudited Financial Statements and Investment Reports.
c. Approved the Medi-Cal Expansion Rate Change.

5. Review and Approval of 2015-16 Employee Benefit Contracts
Recommendation: San Francisco Health Plan (SFHP) recommends the following employee benefits for benefit year 2015-16 for Governing Board approval:

- Replace Blue Shield of CA HMO and PPO with Aetna HMO and PPO.
- Renew Kaiser HMO, with an ER copay increase to $100 (matches Aetna HMO).
- $0 contribution for employees with a salary of $75,000 or more, for either Kaiser or Aetna, to meet the requirement to have at least 50% participation in the non-Kaiser option. (Employees with a salary under $75,000 already pay $0 for Kaiser HMO and the non-Kaiser option.)
- Renew with Principal Dental.
- Replace Blue Shield Basic Life/ Accidental Death & Dismemberment (AD&D)
- with Principal Basic Life/AD&D.
- Change vision plan from EyeMed to VSP.
- Renew existing Employee Assistance Program (EAP), Voluntary Life, Short-Term Disability and Long-Term Disability.

John F. Grgurina, Jr., CEO, and Shawn Paxson, Consultant from Lockton, reviewed the proposal with the Board. SFHP proposes changes to the employee benefits for benefit year 2015-16 to provide savings and overall improvements for employees' benefits. The change to Aetna HMO and PPO is proposed because the Aetna network would be a 99% match to the Blue Shield of CA HMO network and Aetna's PPO network would be a very close to the PPO network, with all major hospitals being in-network. There would also be premium savings compared to Blue Shield premiums. Although there would be an HMO $35 copay for urgent care and $15 copay for chiropractic care, there would be no deductibles for prescriptions. For the PPO network, there would be a 20% cost share after meeting the deductible and an additional inpatient copay of $150, but there would be better coverage for specialty drugs.

SFHP recommends approval of the employee benefits contracts, as stated above, for benefit year 2015-16.

With the Finance Committee's recommendation, the Board unanimously approved the 2015-16 Employee Benefit Contracts.

6. Review and Approval of Payment of CalPERS Unfunded Liability

Recommendation: San Francisco Health Plan (SFHP) recommends approval to pay the entire amount of SFHP's CalPERS pension unfunded accrued liability of $2,659,313 by June 30, 2015.

John Gregoire, CFO, briefly reviewed the background to the Board. The Government Accounting Standards Board (GASB) Statement number 27 (GASB 27) is an accounting standard for State and Local Government pensions. It specifies that an employer's fiscal year ending in 2015 must begin accruing for unfunded pension liability.

SFHP is a government employer in the CalPERS Miscellaneous Pooled Plans for the defined benefit pension plan known as 2% @ 55 for employees with hire dates prior to January 1, 2013 and 2% @ 62 for employees with hire dates after December 31, 2012. According to the most recent CalPERS statement in October 2014, SFHP's unfunded accrued liability as of June 30, 2014 is $2,659,313.

SFHP has "booked" the unfunded accrued liability amount of $2,659,313 in the February/March 2015 monthly financials statements. This means that it counted as an administrative cost to SFHP in the current year, FY14-15. To comply with GASB 27, the SFHP has the following options for the unfunded accrued liability:

1) Pay it back over a 30-year period with annual interest payments of 7.5% (this is the assumed annual investment rate of return CalPERS is using for all pension funds). This would mean total payments of $7,122,049 over 30 years (interest payments would be $4.5 million of this total amount).
2) Pay it back over a 25-year or 20-year period, or whatever shortened time period the organization selects.
3) Pay it all back now.

SFHP recommended to the Finance Committee and the Governing Board that SFHP pays off the entire amount now for the following reasons:

1) It would be financially advantageous to pay the entire amount to avoid the annual 7.5% interest payments (totaling $4.5 Million over 30 years) versus keeping the cash at our current annual investment return of 1.32%.
2) Because of SFHP's strong financial balance sheet, we currently have the cash to pay off the entire amount now.
3) Paying off the unfunded accrued liability would place SFHP's CalPERS pension funding level at approximately 100% (currently at 84%).

Included in the "Additional Background Information" section of the Board materials, is the letter from the CalPERS actuarial office on this issue.

With the Finance Committee recommendation, the Board unanimously approved the full payment of CalPERS Unfunded Liability.

7. **Review and Approval of FY15-16 Organizational Goals and Success Criteria**

Recommendation: San Francisco Health Plan (SFHP) recommends the Board approve the annual organizational performance goals and success criteria for FY 2015-16. Depending on the financial results at the end of the fiscal year 2016, the Board will determine whether staff bonuses are appropriate, and if so, will use the performance criteria and results to determine the bonus amount. In addition, as suggested by the Finance Committee and Governing Board, we recommend approval to require staff to complete four mandatory training sessions during the fiscal year in order to be eligible for a staff bonus.

Mr. Grgurina reviewed the previous goals FY 14-15 to the Governing Board and the proposal for FY15-16. After several years of establishing organizational goals and success criteria, it has become clear that SFHP will continue to be an organization with priorities that are heavily dictated by the Medi-Cal contract with the Department of Health Care Services, regulatory requirements as a health plan, and programmatic requirements of its third party administrative agreements, as well as grant agreements. In order to manage workload and resources effectively and realistically, SFHP proposes that the organizational goal to "Strengthen our Core," continue in FY15-16 and be measured in the following structure:

1. Strategic Priorities - 30% (30 points)
2. External Mandates – 70% (70 points)
3. Fundamental health plan functions to "keep the lights on" that are measured through department metrics

Proposed FY15-16 Goals

Strategic Priorities – 30% (30 points)
Goal 1: Access (15 points)
With the recent increase in health plan membership, SFHP identified a need to focus attention on improving access to services for our plan membership. The access improvement strategy includes an Access to Care Committee to oversee the monitoring of access and the development of provider interventions, ensuring network compliance with timely access requirements, and implementation of corrective actions, either directly as a Committee or through designated subgroups.

Goal 2: NCQA Interim Medicaid Accreditation (15 points)
As a continuation of the FY14-15 goal, SFHP will strengthen our ability to serve our members and providers through achieving NCQA Interim Medicaid accreditation status by July 2016.

Goal 3: External Mandates – 70%
SFHP is a mandate-driven organization. SFHP is required by the Department of Health Care Services, Department of Managed Health Care, City and County of San Francisco and grant program to complete many projects related to regulatory, contractual, programmatic, or grant requirements. As of today there are close to forty projects that we will be expected to completed in FY15-16 related to this category of external mandates. Failure to complete the projects timely or accurately may result in monetary or administrative fines and penalties, including termination of the grant or contracts.

Each project will be measured against deadlines and completion of project success criteria.

Goal 4: Department metrics – 0%
Each department is responsible for implementing and monitoring measurable and effective metrics for the key functions of the department that ensure health plan operations are meeting the needs and expectations of the members, providers, and external agencies. The staff will be measured against their department metrics, as well as individual goals. Department metrics will not have an additional organizational score to avoid double counting toward the staff bonus, as the metrics will be counted toward the department score.

In addition, as recommended by the Governing Board and Finance Committee, we recommend that starting in FY15-16, in order to qualify to receive a staff bonus, employees will be required to complete the following four online compliance training courses that are either mandated by state law or regulatory agencies:

- HIPAA Privacy & Security Overview
- Health Care Fraud & Abuse Awareness
- Effective Cross-Cultural Communication
- California Harassment Prevention for Supervisors

All of these online courses will be available to the employee at any time during the fiscal year to ensure ample opportunity to reach our 100% completion rate, with the expectation that the courses will be completed by June 30 of the fiscal year. Employees will be reminded of due dates and that non-compliance will disqualify them for bonus payments and may also result in disciplinary action up to and including termination. The training requirements may change depending on new legislation. The Board and employees will be notified annually of any changes. (Detailed memo with the proposed organizational goals and success criteria for FY 15-16 is provided in the Board packet for reference.)

The Board unanimously approved the FY15-16 Organizational Goals and Success Criteria. The Board also asked that the list of mandates for FY15-16 be provided at a future Board meeting.

8. <u>Member Advisory Committee Report</u>

Due to time constraints, the Member Advisory Committee was not discussed. The materials were provided to the Board for their review. No action items were required at this time.

9. <u>Chief Medical Officer's Report</u>

a. Review and Approval of 2015 Quality Improvement Work Plan

Recommendation: San Francisco Health Plan (SFHP) recommends the Governing Board approve the proposed 2015 Quality Improvement Work Plan. While there are a total of 57 measures or indicators, only 10 are new measures or indicators. We believe that of these 10 new measures, only two will have a significant impact on our provider network.

Dr. Glauber briefly reviewed the 2015 Quality Improvement Work Plan. (Detailed memo outlining the work plan was provided in the Board packet.)

The Governing Board unanimously approved the 2015 Quality Improvement Work Plan.

b. 2014 Practice Improvement Program Preliminary Summary
Due to time constraint, the 2014 PIP Preliminary Summary was not discussed. The materials were provided to the Board for review.

10. CEO Report
Due to time constraint the CEO Report was not discussed. (Please see the May 2015 CEO Report, incorporated as a reference document.) Mr. Grgurina reminded the Board that our next Board meeting will be held at our new office located at 50 Beale Street, details to follow.

11. Adjourn
The meeting was adjourned.

_____
Reece Fawley, Secretary

Agenda Item 1:

Action Item

Approval of Consent Calendar:

b. Credentialing and Recredentialing Recommendations

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MEMO

Date: June 1, 2015

To	Governing Board
From	James Glauber, MD, Chair, and Physician Advisory/Peer Review/Credentialing Committee
CC	
Regarding	Summary of SFHP Credentialing Activities from 06-2014 to 02-2015

Recommendation: SFHP completed the credentialing of the following practitioners. No issues were found during the credentialing process, therefore these files are considered clean. SFHP would like to recommend their approval to participate in the SFHP provider network.

NAME	DEGREE	BOARD	INITIAL / RECREDENTIAL
Sona Aggarwal	MD	Am Board of IM	Initial
Rebecca Guzman	NP	n/a	Initial
John Mendelson	MD	Am Board of IM	Initial
Shikata Mudakha	MD	Am Board of ID	Initial
Nicky Shah	MD	Am Board of IM	Initial
Raluca Ioanid	NP	n/a	Initial
Lisa Mihaly	FNP	n/a	Initial
Cassondra Lopez	FNP	n/a	Initial
Ann Valdes	MD	Am Board of FM	Initial
Robert Bradley Willams	MD	Am Board of IM	Recredential

Am = American
IM = Internal Medicine
ID = Infectious Diseases
FM = Family Medicine

Agenda Item 4

Discussion Item

Chair Report on Closed Session Items (verbal report)

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Agenda Item 6:
Discussion Item

Member Advisory Committee Report

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San Francisco, CA 94119
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1(415) 547-7821 FAX
www.sfhp.org

MEMO

Date: May 27, 2015

To	**Governing Board**
From	Valerie Huggins (415) 615-4235 Fax: (415) 615-6435 Email: vhuggins@sfhp.org
Regarding	Member Advisory Committee Materials

Enclosed are the minutes and agenda for the May 2015 Member Advisory Committee meeting.

Please direct any questions to Maria Luz Torre and Irene Conway, co-chairs of the Members Advisory Committee.

May 8, 2015
Member Advisory Committee
Meeting Minutes

Members Present: Lourdes Alarcon, Ed Evans, Raquel Cárdenas, Irene Conway, Charles Conway, Elia Fernandez, Starr Gul, June Lynn Kealoha-Hall, Diana Jerome, Vivian Lee, Ching Suk Lam, Chin Hong Lou, Un Un Che, Liu Zhong Chen, Anh Le, Shaowei Luo, Diane Maluia, Gene Porfido, Lee Rogers, Linda Ross, Libah Sheppard, Maria Luz Torre, Kwai Fong Tsui, James Walker, and Idell Wilson

Members Absent: A. Jon Martinelli, Willow Lancaster, Merlin Nw, Nancy Rodríguez, and Stacey Robledo

Excused: None

Guests: Elena Cardenas

Staff: Valerie Huggins and John F. Grgurina, Jr. CEO

1. **Welcome, Introductions and Roll Call:**
   The meeting was called to order at 1:00pm.

2. **Approval of Agenda & Minutes:**
   The agenda was approved and the minutes of the April 3rd were approved as written.

3. **Committee Reports:**
   Chair & Governing Board Report-Maria Luz Torre
   Irene Conway gave a few highlights of the Governing Board report. Ms. Conway mentioned an outside vendor attended to report on the San Francisco Health Plan (SFHP) Employee Benefits. Ms. Conway also mentioned that the Health Plan have a new Associate Medical Director, Fiona Donald. Ms. Donald will attend the June Committee meeting to discuss Gout.

   Lastly, Ms. Conway reported that she received training on the Brown Act presented by Sumi Sousa, SFHP Officer of Policy Development & Healthy San Francisco Program. Under the Brown Act an agency must post notices and agendas for any regular meeting and observe State law governing local government and the requirement that these meetings be open and accessible to the public.

   Maria Luz Torre gave a few updates on the State level. Ms. Torre mentioned that the May Revised Budget will be coming out and there will be a rally at the Capitol on May 14th.

Quality Improvement Committee Report-Ed Evans and Irene Conway
Irene Conway reported that the Quality Improvement Committee (QIC) met on April 9, 2015. Ms. Conway reported that Committee discussed staying within your medical group if you have an urgent care, and if you do go outside your

medical group you will need a prior authorization. The Committee also discussed grievances. You can file a grievance for any reason at all and it must be within in 180 days of the incident. The next scheduled meeting is June 11, 2015.

Staff Report-John F. Grgurina, Jr., CEO
John F. Grgurina, Jr., CEO, gave a few highlights from the Board meeting. The Governing Board approved two main topics; FY15-16 Employee Benefit rate and Medi-Cal Expansion rate changes.

Mr. Grgurina briefly mentioned San Francisco Health Plan's (SFHP) currently provides the following employee benefits:

- Medical: Blue Shield of CA PPO; Blue Shield of CA HMO; and Kaiser HMO
- Dental: Principal PPO/POS High Plan and Low Plan
- Vision: EyeMed
- Employee Assistance Program (EAP): Claremont EAP
- Basic Life/ AD&D: Blue Shield of CA – 1x salary to $250,000
- Voluntary Life/AD&D: Principal
- STD & LTD (Voluntary – employee paid): Principal
- Employee Contributions

Prior to negotiations, the initial renewal package was proposed at an overall 6.9% increase of nearly $238,000. Our insurance broker, Lockton, negotiated an overall program renewal of -0.3%, or an annual decrease of nearly $11,000, with the following breakdown:

- Medical: 0.6% decrease with Kaiser and no rate change from Blue Shield
- Dental: 3% increase, but after an initial increase of 5% from Principal
- Life: 0% from Blue Shield of CA
- Vision: 0% from EyeMed (in the middle of a rate guarantee)
- EAP: 0% from Claremont;
- Voluntary Life, STD, and LTD: 0% from Principal

Lastly, Mr. Grgurina mentioned the Medi-Cal Expansion rate reductions for providers will match the expected rate reductions to SFHP's rate from the Department of Health Care Services that will be effective July 1, 2015.

Anna LeMon, Project Manager, HECLS
Ms. LeMon was not present as she is currently on maternity leave.

4. **Discussion:**
Staff members at our Service Center gave the Committee a tour of their new location at 7 Spring Street.

5. **Public Comment**
   The Co-Chairs continue to remind the Committee to arrive on time and stay for the full two hours to receive a stipend. In addition to this, the Co-Chairs also went over some housekeeping items, clean-up after the meetings and lunch.

6. **Calendar Items for Next Meeting**
   The presentation topic for the June 5, 2015 meeting is information about gout. Mental Health will be in August. Libah Sheppard will be arranging for a guest speaker. In addition to this is the regular scheduled goal six, "Program to address and reduce obesity" – example free access to exercise programs. In order to accommodate these two goals, Ms. Sheppard and Ms. Conway have agreed to make it brief. Goal six will consist mostly of handouts for free exercise and other programs.

7. **Prospective Members**
   There were no prospective members in the audience at this time.

8. **Announcements**
   Maria Luz Torre announced that she and other MAC Members attended the Stand for Children Rally on May 6th in Sacramento and she asked to be excused from the Governing Board meeting. Several other announcements were made by members, i.e., the Committee meetings are public and wheelchair accessible. The Committee requests accommodations for those with allergies or chemical sensitivity. Please refrain from the wearing of scented products. Also, during the meeting please make sure all cell phones and pagers are off. Thank you for your cooperation.

9. **Adjournment**
   The meeting adjourned at 2.30pm.

Date Approved _____

_____
Maria Luz Torre and Irene Conway, Co-Chairs

Agenda Item 7:
Discussion Item

CEO Report

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MEMO

Date: **June 1, 2015**

To: **Governing Board**

From: **John F. Grgurina, Jr., Chief Executive Officer**

Regarding: **CEO Report for June 2015 Governing Board Meeting**

STATE & FEDERAL UPDATE

May Revision Released: Governor's Updated FY 15-16 State Budget Reflects State's Economic Recovery

On May 14, Governor Brown released his updated proposed State budget, known as the "May Revision," for the 2015-16 fiscal year. The May Revision reflects California's continued economic recovery, with unemployment falling to 6.5% and State General Fund (GF) revenues increasing $6.7 billion *above* the Governor's January budget proposal. The State constitution requires passage of the budget by the Legislature by June 15, with the new fiscal year beginning July 1. The release of the May Revision sets off a flurry of budget related work and actions by the State Legislature to meet these deadlines.

The Governor's $169 billion ($115 billion state GF) spending plan largely adheres to the budget he proposed in January, with few new expenditure proposals. (*For more information, refer to the summary of the* ***Governor's January proposal*** provided to the Board in January.) As expected, and as required under the state constitution, new revenues are largely dedicated to education per the Proposition 98 constitutional guarantee. The Governor's May Revision proposes additional overall General Fund spending of $5.5 billion for K-12 and community colleges. Proposition 2, the state's constitutional Rainy Day Fund, requires an additional $633 million to pay down debts and liabilities as well as $633 million that must be transferred to the Rainy Day Fund.

Aside from this increased spending required by the state's constitution, the Governor commits to 3 new spending proposals in the May Revision:

- **New Tax Credit for Low Income Californians.** The Governor proposes a state only Earned Income Tax Credit (EITC) to partially align with the federal EITC for certain low income workers. This proposal would provide an 85% match to the federal EITC for households with incomes of less than $6,580 if there are no dependents or $13,870 with three or more dependents.
- **Increased Funding for University of California (UC).** The Governor includes increased funding of $96 million in 15-16 and $170 million for two subsequent years of Proposition 2 funding to pay down UC pension liabilities, contingent upon a two year tuition freeze and the adoption by the UC Regents of a cap on pensionable earnings, similar to the state's Public Employees' Pension Reform Act of 2013.
- **Recognition of State Medi-Cal Costs for Previously Undocumented Immigrants.** The May Revision includes $62 million in state GF for FY 15-16 for the partial year Medi-Cal and IHSS costs associated with President Obama's executive actions related to certain undocumented immigrants which would provide them Permanent Residents Under Color of Law (PRUCOL) status. Moving to PRUCOL status would provide full scope Medi-Cal coverage and IHSS benefits to this population. While the President's executive action has been enjoined by a federal district court, the Governor assumes that the Obama administration will prevail. The annualized cost for the state of California for the President's executive action is estimated by the Governor at $200 million GF.

Health Care Budget Highlights

There are few changes in the May Revision from the Governor's January proposals related to health care.

- **Medi-Caseload Increases.** The statewide Medi-Cal caseload estimate is slightly revised upward to 12.4 million from 12.2 million in January. **1/3 of the entire population of California is projected to be enrolled in Medi-Cal by the 15-16 fiscal year.**
- **More Money for County Eligibility Work.** An additional $150 million ($48.8 million GF) is provided to counties for ACA related eligibility determination workload.
- **Funding for Executive Action on Immigration.** Partial year state GF costs of $62m for undocumented immigrants gaining PRUCOL status under President Obama's executive order on immigration are included in the May Revision.
- **Application Assistance for Immigrants Granted PRUCOL Status.** $5 million GF is allocated to the Department of Social Services for contracting with non-profit organizations to provide application assistance to undocumented immigrants affected by the President's executive order for Medi-Cal, IHSS and certain social service cash assistance payments.
- **High Cost Drug Funding Reduced.** Reduces the $300 million from the Governor's January budget proposal ($100 million for 14-15 and $200 million for 15-16) for high cost drugs (such as Sovaldi) to $228 million over the 2 year period. The Governor proposes convening workgroups to gain consensus

around clinical and procurement strategies for purposes of inclusion in the Governor's 16-17 budget.

- **CHIP Revenues Moved to State GF.** Absorbs $381 million in additional Children's Health Insurance Program (CHIP) reauthorization revenues that came as a result of President Obama's signature of the CHIP reauthorization act in April 2015 into the state General Fund.
- **Health Homes.** Includes $61.6 million in federal funds for the Health Homes Program authorized under Section 2703 of the ACA. The Health Homes Program would provide comprehensive case management and coordination for Medi-Cal beneficiaries with complex needs through managed care, and is consistent with SFHP's CHAMP grant/Care Support program.
- **No Changes to MCO Tax Proposal or Duals Pilots.** The Governor makes no adjustment to his January proposal regarding the MCO tax and does not propose any changes to the Coordinated Care Initiative (duals pilot) which is reliant on the extension of the MCO tax and the need to reduce the current high opt out rates.
- **No Changes for DMHC from January.** No changes were proposed for the Department of Managed Health Care in the Governor's summary of the May Revision.

Next Steps: Legislative Action

The Senate and Assembly Budget Subcommittees have begun taking action on the Governor's May Revision. To date, the Assembly and Senate budget subcommittees on health and human services have approved the Governor's Medi-Cal enrollment adjustments, movement of CHIP funds to the General Fund, and reduction in high cost drug expenditures. Both have approved a non-Administration proposal that restores most of the Medi-Cal optional benefits that were eliminated as a result of prior budget reductions in 2009. Acupuncture, audiology, incontinence cream and washes, optician/optical lab, podiatry and speech therapy services may be restored as Medi-Cal benefits. Chiropractic services were not restored, and adult dental was partially restored in 13-14 and the associated costs are fully restored in 14-15 and 15-16. Both budget subcommittees have approved the Governor's proposal related to PRUCOL eligibility, and the Senate budget subcommittee has additionally provided $40 million GF for Senator Lara's proposal to provide state only Medi-Cal benefits to undocumented immigrants. Both budget subcommittees have, as in prior years, rejected the Administration's proposal for an annual open enrollment period for Medi-Cal beneficiaries.

A legislative budget conference committee to resolve those items where the Senate and Assembly actions differed will commence action in the coming week in order to meet the June 15 budget deadline. Those items proposed by the Governor but rejected by both houses of the Legislature will not come before the budget conference committee, and unless raised by the Governor as a part of the final negotiations, will not move forward.

The legislative leaders and the Governor will engage in negotiations over the coming week to come to a budget agreement. Given the current cordial relationship between the Governor and the Legislature, the Legislature is unlikely to pass a budget

unacceptable to the Governor and will approve a budget that can be signed by Governor Brown. Once the Legislature passes the budget and the accompanying budget trailer bills, the Governor will likely then sign the budget prior to the July 1 beginning of the fiscal year. The Governor has line item veto authority over the budget that is passed by the Legislature.

Once the Governor has approved the budget, we will provide you a summary of the major actions.

SAN FRANCISCO HEALTH PLAN STRATEGIC ANCHORS

Goal 1: Universal Coverage

Healthy San Francisco Program Enrollment as of April 30, 2015

Total Enrollment

A total of 15,992 participants were enrolled in Healthy San Francisco as of April 30, 2015.

City Option Program Enrollment as of April 30, 2015

Employers can choose to meet the employer spending requirement of the San Francisco Health Care Security Ordinance (HCSO) by participating in the City Option Program. Employees of participating employers may enroll in the Healthy San Francisco Program if they meet HSF eligibility requirements, or are provided a Medical Reimbursement Account (MRA) to pay for eligible health care expenses if they do not qualify for HSF.

The City Option Program continues to grow and recent DPH policy and HCSO changes will spur further growth. April is typically a high dollar volume month for employers participating in the City Option program, as it is the end of a quarter.

City Option Program Data – As of April 30, 2015

	Program-to-Date (PTD)	April 2015
Employers		
Employers Participating in City Option Program	2,325	
Employers with Contributions Within the Past 12 Months	n/a	1,554
New Participating Employers	n/a	85
Total City Option Program Contributions	$345.6M	$8.5M
Contributions Assigned to HSF	$115.6M	$2.0M
Contributions Assigned to MRA	$230.0M	$6.4M

	Program-to-Date (PTD)	April 2015
Employees		
Employees Receiving City Option Employer Contributions	168,368	
Employees Enrolled in HSF	15,188	1,483
Number of Medical Reimbursement Accounts with Deposits	113,481	7,314
MRA Claims Paid	$104.2M	$3.1M
MRA Dollars Available	$108.9M	

SFHP MEMBERSHIP UPDATE

In May 2015, the total SFHP enrollment for all lines of health plan business was 135,602 members. Global membership was relatively flat, with a small increase of 0.85% (an increase of 1,140 members) from April 2015, but increased by 30% (31,486 members) since May 2014.

Overall Medi-Cal membership increased slightly in May from April 2015, by nearly 1% (1,199 members) from April to May 2015. Compared to May 2014, Medi-Cal enrollment increased by 35% (31,486 members). **Please see Attachment 1** for SFHP Membership and HSF Participant reports.

Medi-Cal Expansion Updates

As of May 1, 2015, SFHP active enrollment in the Medi-Cal expansion-related aid codes, L1, M1, and 7U, is 46,171 members. SFHP remains compliant with the requirement mandated by AB 85 to default 75% of non-choosing M1 and L1 aid code members to primary care providers within the public hospital system.

Month of Enrollment	L1 Aid Code (SF PATH transition members)	M1 Aid Code (Optional Expansion members)	7U Aid Code (CalFresh-related Optional Expansion members)	AB 85 Default Requirement to Public Hospital System (M1 and 7U only)
January	10,795 members	101 members; 88 did not choose a PCP	n/a	66 members (75%) were defaulted to DPH clinics
February	53 members	977 members; 580 did not choose a PCP	n/a	440 members (75.9%) were defaulted to DPH clinics

Month of Enrollment	L1 Aid Code (SF PATH transition members)	M1 Aid Code (Optional Expansion members)	7U Aid Code (CalFresh-related Optional Expansion members)	AB 85 Default Requirement to Public Hospital System (M1 and 7U only)
March	239 members	1,802 members	597 members	
		1,489 did not choose a PCP (combined M1 and new 7U aid codes)		1,119 members (75.15% were defaulted to DPH clinics)
April	462 members	1,671 members; 1,159 members did not choose a PCP	759 members; 570 did not choose a PCP	1,306 members (75.5%) were defaulted to DPH clinics
May	252 members	1,709 members; 997 did not choose	367 members; 299 did not choose	972 members of 1,296 non-choosers (75%) were defaulted to DPH
June	171 members	3,588 members; 1,949 did not choose	169 members; 132 did not choose	1,559 members of 2,079 non-choosers (75%) were defaulted to DPH
July	149 members	3,421 members; 2,195 did not choose	231 members; 213 did not choose	1,808 members of 2,411 non-choosers (75.8%) were defaulted to DPH
August	114 members	3,529 members; 2,200 did not choose	85 members; 74 did not choose	1,703 members of 2,272 non-choosers (75%) were defaulted to DPH
September	1,500 members	5,393 members; 3,833 did not choose	105 members 59 did not choose	2,917 members of 3,892 non-choosers (75%) were defaulted to DPH
October	1,082 members	2,987 members; 2,240 did not choose	116 members 79 did not choose	2,319 members of 3,103 non-choosers (75%) were defaulted to DPH
November	28 members	2,365 members; 2,264 did not choose	109 members; 105 did not choose	2,369 Of 3,158 non-choosers (75%)
December	30 members	1,616 members; 1,563 did not choose	85 members; 84 did not choose	1,647 members of 2,084 non-choosers (79%) were defaulted to DPH
January	30 members	2,176 M1 members; 1,357 did not choose	220 members; 139 did not choose	1,495 members of 1,993 non-choosers (75%) were defaulted to DPH
February	22 members	1,916 M1 members; 1,510 did not choose	149 members; 143 did not choose	1,240 members of 1,653 non-choosers (75%) were defaulted to DPH
March	21 members	2,273 M1 members; 1,315 did not choose	126 members; 100 did not choose	1,415 members of 1,887 non-choosers (75%) were defaulted to DPH
April	10 members	2,268 M1 members;	126 L1 members;	1,457 members of 1,887

Month of Enrollment	L1 Aid Code (SF PATH transition members)	M1 Aid Code (Optional Expansion members)	7U Aid Code (CalFresh-related Optional Expansion members)	AB 85 Default Requirement to Public Hospital System (M1 and 7U only)
		1,769 did not choose	116 did not choose	non-choosers (75%) were defaulted to DPH
May	13 members	1,843 M1 members; 1,488 did not choose	69 L1 members; 66 did not choose	1,166 members of 1,554 non-choosers (75%) were defaulted to the DPH

STRATEGIC ANCHOR 2: QUALITY CARE & ACCESS

HEALTH SERVICES

The Health Services department includes the departments Health Improvement, Utilization Management and Pharmacy. The following are updates from these departments.

Health Improvement

Practice Improvement Program (PIP)
In addition to the increased emphasis on primary care access, the 2016 SFHP PIP will include measures that address SFHP's low member satisfaction with specialty care access. All of the delegated medical groups will participate in these additional measures which will include specialty appointment availability, patient experience accessing specialty care, and documentation of deferred care.

HEDIS
Last fall SFHP received the 2014 HEDIS Bronze Quality Award from the Department of Health Care Services (DHCS) based on its HEDIS Measurement Year (MY) 2012 results. As a result of this HEDIS performance, SFHP's auto assignment default rates increased as of February 2015 to the highest rates in the state, with 100% for Seniors and Persons with Disabilities, and 95% for all others.

On May 15th, SFHP completed data collection for MY 2014. Preliminary results indicate that of the 16 hybrid (claims/encounter data plus chart review) HEDIS measures in the DHCS External Accountability Set, SFHP has reached the national Medicaid 90th percentile in 11. One of these hybrid measures in the 90th percentile is the Controlling High Blood Pressure measure, which became a DHCS auto assignment measure in 2014. SFHP attributes some of its success in this measure (and 9% point improvement from MY13) to the new member incentive program for members with hypertension launched in November 2014. SFHP has also reached the 90th percentile in two of the 11 administrative (claims/encounter and supplemental data only) measures required by

DHCS. HEDIS results will be finalized in July once the auditors complete a validation review.

Population Health Management
Currently SFHP is finalizing the development of its new Disease Management (DM) program, one of the NCQA accreditation requirements. SFHP has identified asthma and diabetes as the two chronic conditions highly prevalent in its membership and in need of improved quality based on MY2013 HEDIS rates. The program stratifies members into four disease categories based on diagnosis, acuity and encounter history. Each stratified group will receive targeted interventions appropriate for its level of disease acuity. A suite of new health education material has also been developed for both chronic conditions. SFHP is contracting with CareNet Healthcare Services to provide live outreach and assessment calls to members in the program. Additionally SFHP will hire a disease management nurse case manager to work with members in the highest severity strata. The DM program is projected to launch March 2016 and will manage the care of over 2,000 Members with Asthma and over 6,000 members with Diabetes.

Health Disparities
Anna Jaffe, Director of Health Improvement, and Cassandra Caravello, Project Manager, Clinical Quality, have been selected to participate in a year-long executive leadership program designed to tackle racial and ethnic disparities in health care. Anna and Cassie are two of only 60 individuals from 21 health care organizations from around the United States to be selected for the Disparities Leadership Program 2015-2016. SFHP, represented by Anna and Cassie, will join a cohort of over 120 other organizations who have participated in the Disparities Leadership Program from 2007-2015.

The Disparities Leadership Program is the first program of its kind in the nation, and is designed for leaders from hospitals, health insurance plans, and other health care organizations who are seeking to develop practical strategies to eliminate racial and ethnic disparities in health care. The program is led by the Disparities Solutions Center at Massachusetts General Hospital (MGH) in Boston, Massachusetts.

Utilization Management (UM)

With several ongoing initiatives, UM has updated operational processes to support improvements and changes in the healthcare landscape. The authorization process continues to be assessed and amended based on the needs of our members and providers. The San Francisco General hospital, home hospital to our SFHN membership, is experiencing an unprecedented high census which directly impacts SFHP's repatriation process. In collaboration with SFGH leadership, a workflow was developed to prioritize daily the members who could be repatriated to SFGH from out-of-medical group or out-of-network hospitals. Since the majority are not repatriated due to census constraints the number of concurrent reviews that UM manages increases. However this emphasis on concurrent review alleviates the heavy administrative burden

of the referring and receiving hospitals involved with repatriation. SFHP and SFGH will continue to monitor the census and will reevaluate processes as required.

In March, SFHP underwent a joint DHCS/DMHC Medical Audit and identified several opportunities for improvement. In 2014, SFHP completed a DHCS-only audit and subsequently improved UM reports, relationships with providers and community partners, and authorization practices. UM's focus will be to enhance accessibility of services to members in and out of medical group, greater coordination and evaluation of services rendered by delegated medical group and community partners, review of the prior authorization process, and building of an internal infrastructure to support quality management and care coordination activities. SFHP and DHCS will be meeting on June 4th on the draft report.

The NCQA Interim-Accreditation initiative is underway and SFHP will be submitting the appropriate policies and procedures to a consultant for a mock-audit to identify process gaps. These results will then be analyzed and remediated for formal submission to NCQA in 2016. The UM department is confident that the required standards are reflected in its policies and once consultant feedback is provided, will amend any processes to ensure NCQA compliance.

Pharmacy

SFHP total cost of new Hepatitis C drugs (Harvoni, Solvaldi and Olysio) to date is $6.6M and $2.3M (35.8%) of which is from January 1, 2015 – April 30, 2015. Hepatitis C continues to drive our pharmacy spending and operation workload. From January 1 to April 30 2015, 193 prior authorizations have been received for the new Hepatitis C drugs for 93 unique members. SFHP have received 101 appeals for Hepatitis C treatment from January 1, 2014 – April 30, 2015. Supplemental reimbursement, or "kick-payment," from DHCS has helped alleviate some of the financial burden of these agents to the plan.

SFHP has been partnering with OutcomesMTM since November 1, 2014 to provide a medication therapy management program for Medi-Cal SPD members. Since implementation, we have provided MTM services to 348 members.

The SFHP post-graduate year one (PGY1) managed care pharmacy residency program is in American Society of Health Systems Pharmacists (ASHP) pre-accreditation status. ASHP informed SFHP that our accreditation survey dates have been moved to Oct 22-23, 2015.

Health Services Staff Updates

On April 15, 2015, Fiona Donald, MD, started as SFHP's new Associate Medical Director. She was the Medical Director at the Health Plan of San Mateo for the past two years and its Associate Medical Director for six years prior to that period. We are thrilled she is joining SFHP with her years of Medi-Cal managed care experience. Prior

to the Health Plan of San Mateo, Dr. Donald was a reviewer and Associate Medical Director at Lumetra. She is Board Certified in Internal Medicine and eligible for re-certification in rheumatology.

Emily Coriale, Pharm.D., who recently joined SFHP as the new Director, Pharmacy Services, will be leaving SFHP effective June 12, 2015. The challenging housing market has made it difficult for her to relocate her family. SFHP has begun its recruiting effort for a new Director, Pharmacy Services.

STRATEGIC ANCHOR 3: EXEMPLARY SERVICE

OPERATIONS UPDATE

Operations is comprised of the following departments: Claims, Customer Service, Member Eligibility Management (MEM), Performance and Process Improvement (composed of Business Solutions, Continuous Improvement, Enterprise Project Management, Training and Analysis), and Provider Network Operations (PNO). These departments continue to work collaboratively across the organization to improve health plan operations and to implement initiatives and mandates, such as ICD10 implementation and NCQA. Below are updates from Operations on key initiatives:

- Non-specialty mental health services: Beacon Health Strategies implemented as SFHP's NSMH vendor effective June 1, 2015.
- Network Contracting: Continuing efforts to provide sufficient Skilled Nursing Facilities within the SFHP network.
- Member Eligibility (MEM) – improve data accuracy: Continuing to establish MEM department policies and procedures; collaborating with ITS to streamline eligibility processing and improve accuracy. The MEM team successfully assisted 438 SFHP members in enrolling in the Medicare program.
- Member Assistance: All Customer Service representatives submitted required enroller documents to Covered CA and will be trained to use Covered CA enrollment software application.
- Provider Claims: Claims Department met or exceeded operational measures for turnaround times. Performance and Process Improvement (PPI) team continues to improve processes and systems to streamline claims processing and provider payment. Core system (QNXT) training continues.
- Audits: Claims Team is working with Compliance to prepare for the upcoming (August) DHCS audit and with Finance to provide information in preparation for the Moss Adams financial audit.

STRATEGIC ANCHOR 4: FINANCIAL VIABILITY

ENCOUNTER MODERNIZATION & QUALITY MEASURE FOR ENCOUNTER DATA (QMED)

As reported in the previous board meetings, DHCS required that all Managed Care Plans (MCPs) transition from monthly submission of Medi-Cal Encounter data in the DHCS Proprietary format to HIPAA 5010 compliant format effective October 1, 2014.

SFHP has successfully submitted in the new format since January 2, 2015. For the first quarter of 2015, SFHP's average acceptance rate for all file types (institutional, professional and pharmacy) was 95.9%. Process improvements were made to increase the current quarter's average acceptance rate to 99.7%.

DHCS will be distributing the first quarter Quality Measure for Encounter Data (QMED) scorecard sometime next month. QMED scorecard has 4 key domains:

1. Timeliness: Data are timely when the span of time between the occurrence of a real world event and the appearance in the data is short enough that the occurrence can be included in data analysis and reports.
2. Reasonableness: The individual data are valid. The data set taken as a whole is plausible.
3. Accuracy: Data are accurate when they correctly depict the real world events and entities that they purport to represent. The medical records of the Medi-Cal beneficiaries will be the standard against which encounter data will be measured.
4. Completeness: Data are complete when all real world events (in this case, an encounter between a Medi-Cal beneficiary and a managed care provider) are represented in the data and only real world events are represented in the data.

Once we review the results of the scorecard, SFHP will continue to enhance our existing claims/encounter monitoring & processing to ensure we receive a score of Acceptable in all domains. Currently, SFHP is focusing on remediating known completeness gaps which are Kaiser pharmacy encounters and Brown & Toland's professional encounters.

CAQH COMMITTEE ON OPERATING RULES FOR INFORMATION EXCHANGE (CORE)

CAQH CORE is a federal mandate for all health plans to provide timely electronic responses to our trading partners as it relates to eligibility & benefit inquiries, claims status and EFT/ERA transmission. All health plans must be certified by December 31, 2015, in order to avoid substantial financial penalties on a per member per day basis. Since the last Board update, SFHP has led the effort in a negotiation consortium with Edifecs for five California sister health plans. Edifecs is the only Core rules testing organization certified by CAQH. Pursuing a hosted CAQH Core solution with Edifecs, along with our sister plans, will allow SFHP to be more efficient in obtaining CORE certification status and a lower cost. At the conclusion of our pricing and contract negotiations in late May, the five-plan consortium was able to reduce the total cost of this project by two-thirds of Edifecs' original proposal. In June, we plan to finalize our scope of work, as well as SFHP-specific terms with Edifecs, and initiate our implementation work in July.

TECHNOLOGY MOVE PROJECT:

The Technology Move Project consisted of three major parts.

1. The move of SFHP's Enrollment staff to the new facility, now known as the Service Center, located at Kearny and Spring Streets- completed on March 31, 2015.

2. The Data Center Move which is the move of SFHP's computing infrastructure to a dedicated data center facility located in Santa Clara- completed April 13, 2015.
3. The move to the new SFHP headquarters location at 50 Beale Street.

The third and final part of the Technology Move Project was successfully completed over the Memorial Day weekend. All of SFHP's remaining technology including desktops, printers, telephone lines, fax services and other Information Technology support services were relocated to SFHP's new headquarters at 50 Beale Street. All systems were tested over the Memorial Day weekend and then made available for the opening of the new offices on Tuesday morning, May 26th as planned.

DEPARTMENT OF HEALTH CARE SERVICES (DHCS) AND DEPARTMENT OF MANAGED HEALTH CARE AUDITS

As noted above in the Health Services, Utilization Management, section, SFHP will be meeting with the DHCS on June 4, 2015, for the Exit Conference for the March 2015 routine medical audit. The meeting will only include DHCS. DMHC will not have an exit conference. After the Exit Conference, SFHP will have 15 days to provide additional information for the audit report. DHCS will then finalize its audit report and provide it to SFHP, perhaps within two months (based upon the 2014 audit). Upon receipt of the final report, SFHP will have 30 days to submit a Corrective Action Plan to DHCS. The DHCS has confirmed that health plans will be audited on an annual basis.

DMHC has stated it does not have a set timeframe by which it will release its medical review report. We will provide an update on the reports and corrective action plans at the September or November Board meeting.

The DMHC will begin its routine administrative and fiscal review of SFHP on August 24, 2015. This is a routine audit that occurs every three years.

FY15-16 External Mandates

At the May Board meeting, the Governing Board approved the FY15-16 Organizational Goals and Success Criteria, which included completion of external mandates. The mandates may be from DHCS, DMHC, grants, or programs like Healthy Kids, Healthy Workers or Healthy San Francisco. The number of projects associated with the mandates may be one large projects, or several projects within one project. At this time we estimate there are over 40 projects related to mandates in FY15-16. This number will likely increase over the course of the year. The current list of known projects is attached as Attachment 2. Some are lacking specific due dates or other details, likely due to lack of information from the external party.

MEDIA ROUNDUP

Please see **Attachment 3** for the Media Roundup with articles related to coverage of transgender services, Covered CA, coverage for the undocumented and Medi-Cal expansion.

REMINDER: JUNE BOARD MEETING LOCATION

We are excited to host the June 10, 2015 Finance Committee and Board meetings at our new Main Office at 50 Beale Street. For detailed directions and parking instructions, please contact Valerie Huggins, (415) 615-4235, or vhuggins@sfhp.org.

For any Board members interested, we will be offering a tour of the new facility after the meeting on June 10th.

Additional Background:

1. CEO Report Attachment 1
   Membership Reports
   HSF Participant Reports
2. CEO Report Attachment 2, External Mandates for FY15-16
3. CEO Report Attachment 3,
   Media Roundup

SAN FRANCISCO HEALTH PLAN™
Here for you

Additional Background:

CEO Report Attachment 1, Membership Reports HSF Participant Reports

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Membership Report - May 2015

Department: Marketing & Communications

Global membership increased by 0.85% (1140 members) from April 2015 to May 2015; and increased by 30% (30,951 members) since May 2014. The rise in year-to-year membership growth is due in large part to Medi-Cal expansion. Global membership is 5.60% above goal (7,194 members).

Medi-Cal (MC): Membership increased by 0.99% (1,199 members) from April 2015 to May 2015, and increased by 35.0% (31,486 members) since April 2014. SFHP retains 84.4% (120,384 members) of MC market share in SF County.

Healthy Workers (HW): HW membership decreased 0.25% (49 member) from April 2015 to May 2015, and decreased 3.53% (431 members) since May 2014. Membership is below goal by 0.24% (79 members).

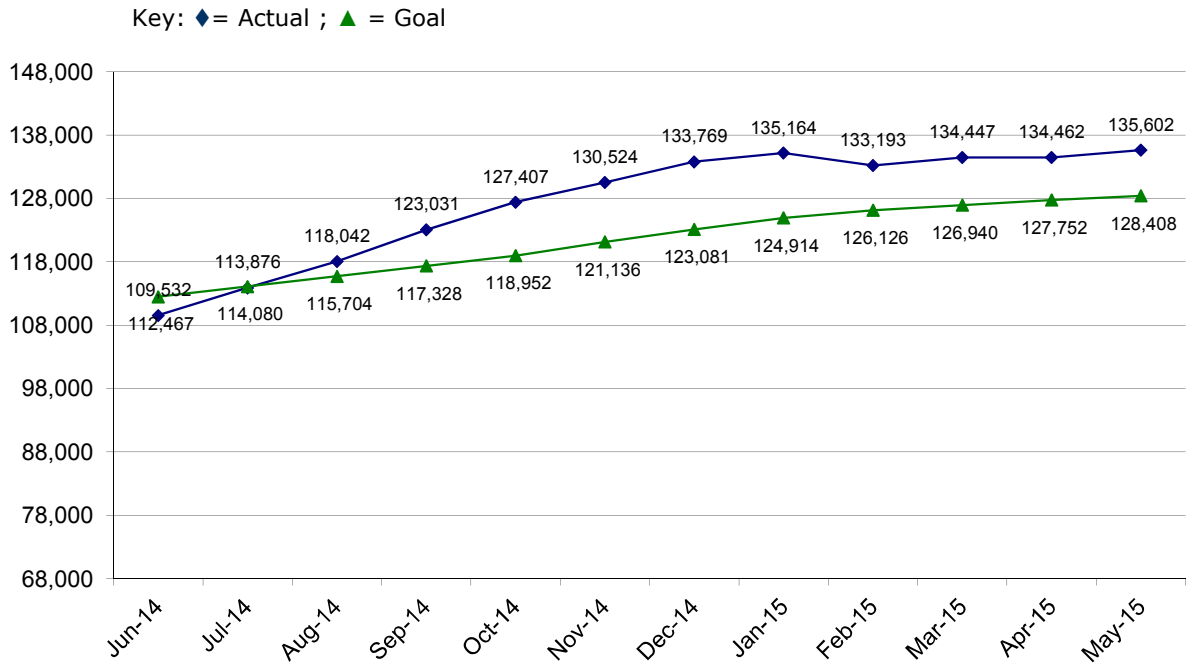
Healthy Kids (HK): Membership decreased by 1.15% (24 members) from April 2015 to May 2015, and decreased by 4.22% (91 members) since May 2014. Membership is below goal by 8.13% (183 members). San Francisco continues to have a small and decreasing population of families and children which reflects in the low overall numbers. SFHP is developing a marketing/outreach strategy for new ways to reach out to potential members and increase the annual renewal rates of existing members through internal outreach efforts.

* Source:
www.dhcs.ca.gov/dataandstats/reports

SAN FRANCISCO HEALTH PLAN
Here for you

Global Membership

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
MC	95,119	99,413	103,588	108,577	112,968	116,154	119,412	121,166	119,265	120,514	120,544	121,743
HW	12,242	12,283	12,283	12,283	12,265	12,192	12,191	11,876	11,837	11,839	11,821	11,792
HK	2,171	2,180	2,171	2,171	2,174	2,178	2,166	2,122	2,091	2,094	2,097	2,067
Total	**109,532**	**113,876**	**118,042**	**123,031**	**127,407**	**130,524**	**133,769**	**135,164**	**133,193**	**134,447**	**134,462**	**135,602**
Net New	4,881	4,344	4,166	4,989	4,376	3,117	3,245	1,395	-1,971	1,254	15	1,140
% New	4.66%	3.97%	3.66%	4.23%	3.56%	2.45%	2.49%	1.04%	-1.46%	0.94%	0.01%	0.85%



Annual Growth		
May-15	135,602	
May-14	104,651	
Change	**30,951**	**29.6%**

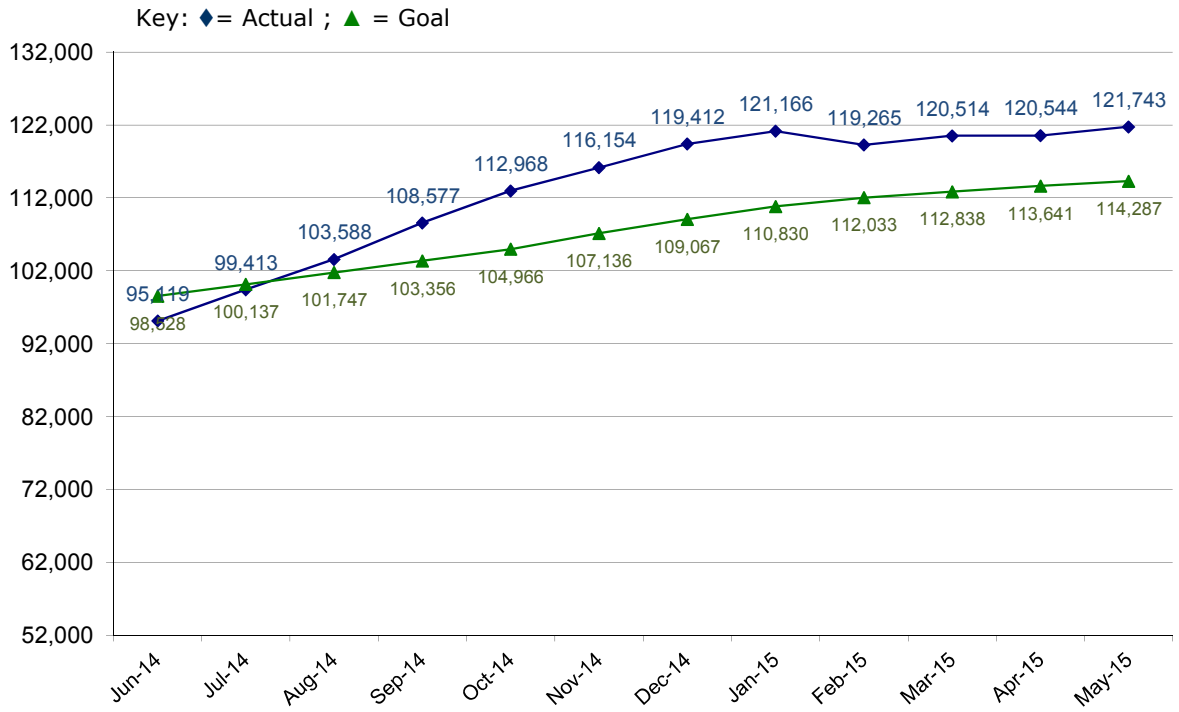
Medical Group	#	%
SFCCC + DPH	65,690	48.4%
NEMS	31,261	23.1%
NMS	1,152	0.8%
CCHCA	10,748	7.9%
UCSF	10,438	7.7%
HILL	4,644	3.4%
KAISER	7,402	5.5%
BTP	4,265	3.1%
Unassigned	2	0.0%
Total	**135,602**	**100.0%**

Language	#	%
English	64,294	47.4%
Chinese	43,728	32.2%
Spanish	18,204	13.4%
Other	3,901	2.9%
Russian	2,431	1.8%
Vietnamese	3,044	2.2%
Total	**135,602**	**100.0%**

Medi-Cal

Medi-Cal (MC) Membership

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
	95,119	99,413	103,588	108,577	112,968	116,154	119,412	121,166	119,265	120,514	120,544	121,743
Net New	4,862	4,294	4,175	4,989	4,391	3,186	3,258	1,754	-1,901	1,249	30	1,199
% New	5.39%	4.51%	4.20%	4.82%	4.04%	2.82%	2.80%	1.47%	-1.57%	1.05%	0.02%	0.99%



Annual Growth		
May-15	121,743	
May-14	90,257	
Change	31,486	34.9%

Medical Group	#	%
SFCCC+ DPH (aka CHN)	52,455	43.09%
NEMS	31,100	25.55%
NMS	1,148	0.94%
CCHCA (aka CHI)	10,636	8.74%
UCSF	10,360	8.51%
Hill	4,469	3.67%
Kaiser	7,402	6.08%
BTP	4,171	3.43%
Unassigned	2	0.00%
Total	121,743	100.0%

Language	#	%
English	61,554	50.56%
Chinese	38,377	31.52%
Spanish	15,877	13.04%
Other	2,505	2.06%
Vietnamese	2,890	2.37%
Russian	540	0.44%
Total	121,743	100.0%

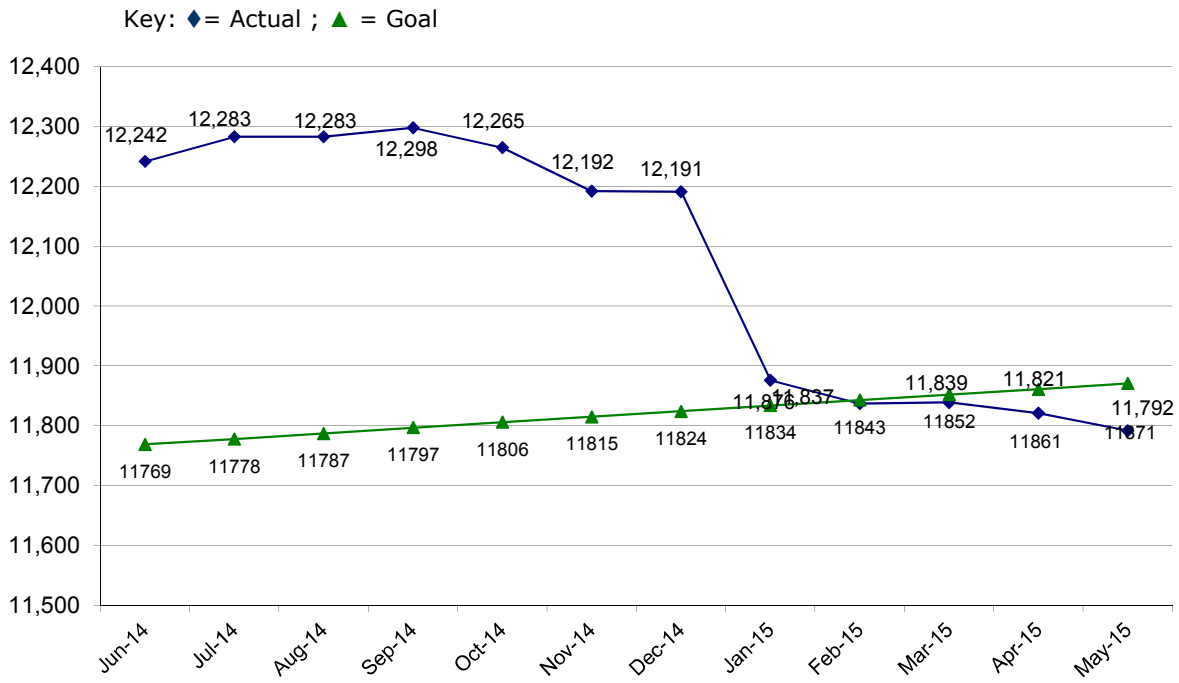
	Market Share*	
	#	%
SFHP	120,384	84.4%
Anthem Blue Cross	22,274	15.6%
Total	142,658	100.0%

** Source: http://www.dhcs.ca.gov/dataandstats/reports (http://www.dhcs.ca.gov/dataandstats/reports/Documents/MMCD_Enrollment_Reports/MMCEnrollRptApr2015.pdf)*

HealthyWorkers

Healthy Workers (HW) Membership

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
	12,242	12,283	12,283	12,298	12,265	12,192	12,191	11,876	11,837	11,839	11,821	11,792
Net New	19	41	0	15	-33	-73	-1	-315	-39	2	-18	-29
% New	0.16%	0.33%	0.00%	0.12%	-0.27%	-0.60%	-0.01%	-2.58%	-0.33%	0.02%	-0.15%	0.25%



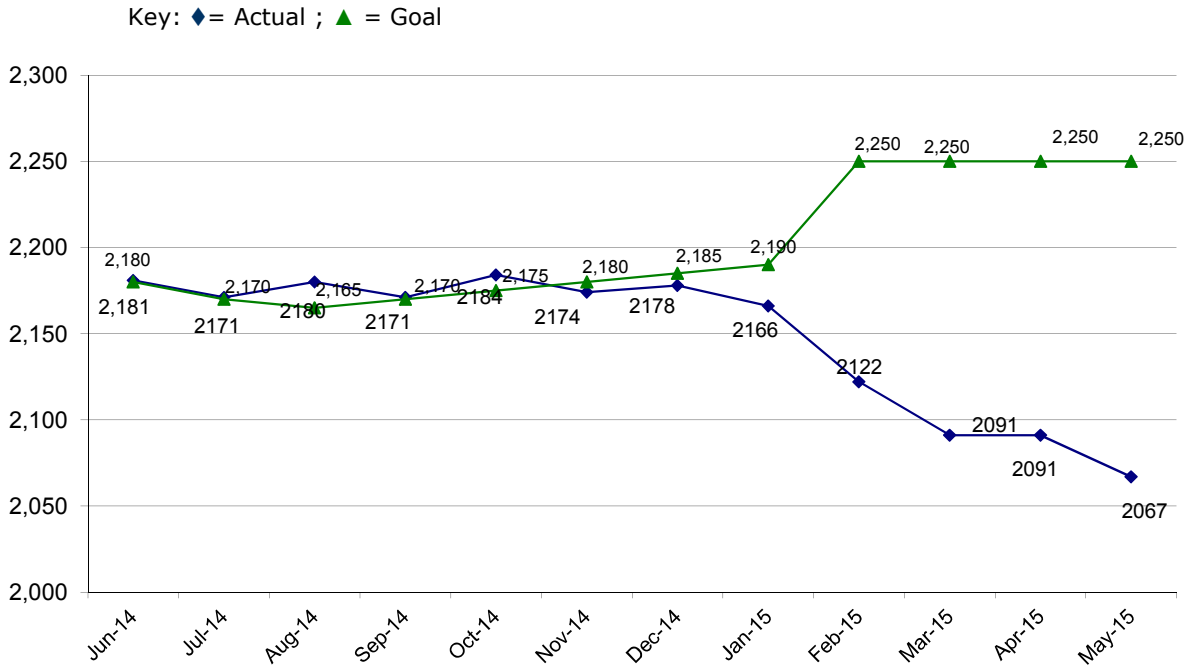
Annual Growth		
May-15	11,792	
May-14	12,223	
Change	**-431**	**-3.53%**

Medical Group	#	%
SFCCC + DPH	11,792	100.0%
Total	**11,792**	**100.0%**

Language	#	%
Chinese	5,147	43.6%
English	2,595	22.0%
Russian	1,887	16.0%
Other	1,377	11.7%
Spanish	636	5.4%
Vietnamese	150	1.3%
Unassigned	0	0.0%
Total	**11,792**	**100.0%**

Healthy Kids (HK) Membership

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15
	2,181	2171	2180	2171	2184	2174	2178	2166	2122	2091	2091	2067
Net New	23	-10	9	-9	13	-10	4	-12	-44	-31	6	-24
% New	1.07%	-0.46%	0.41%	-0.41%	0.60%	-0.46%	0.18%	-0.55%	-2.03%	-1.46%	29.00%	-1.15%



Annual Growth		
Apr-15	2,067	
Apr-14	2,158	
Change	**-91**	**-4.22%**

Medical Group	#	%
SFCCC + DPH	1,443	69.81%
HILL	175	8.47%
CCHCA	112	5.42%
NEMS	161	7.79%
NMS	4	0.19%
UCSF	78	3.77%
BTP	94	4.55%
Unassigned	0	0.00%
Total	**2,067**	**100.00%**

Language	#	%
Spanish	1,691	81.81%
Chinese	204	9.87%
English	145	7.01%
Vietnamese	4	0.19%
Other	19	0.92%
Russian	4	0.19%
Total	**2,067**	**100.00%**

Issued by: Marketing Communications
6/1/2015

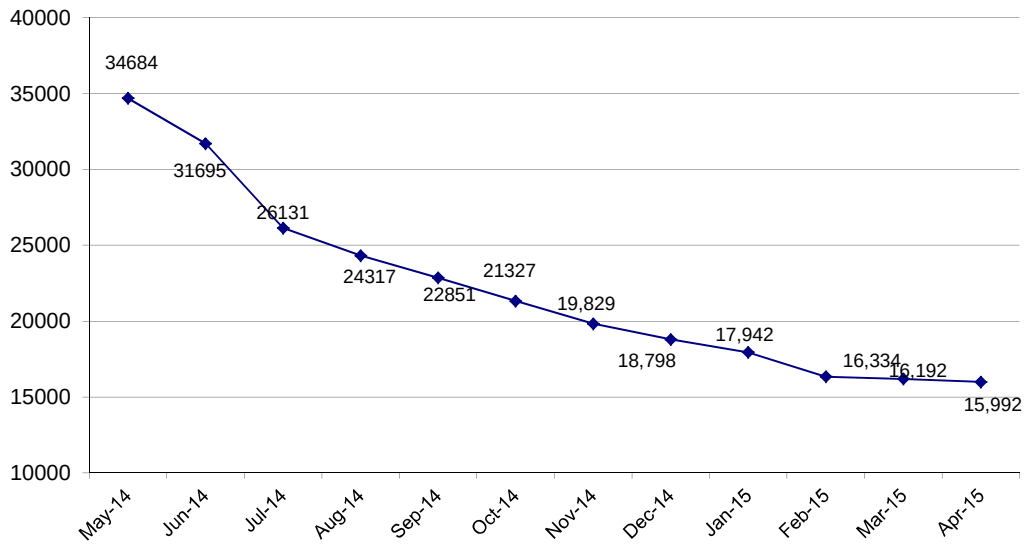
Participant Report - May 2015

Department: Marketing & Communications

Global membership decreased by 1.24% (200 members) from March 2015 to April 2015; and decreased by 57.8% (21,931 members) since April 2014.

Healthy San Francisco (HSF) Participants

	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
	34684	31695	26131	24317	22851	21327	19,829	18,798	17,942	16,334	16,192	15,992
Net New	-406	-2,989	-5,564	-1,814	-1,466	-1,524	-1,498	-1,031	-856	-1,608	-142	-200
% New	-0.86%	-8.62%	-17.55%	-6.94%	-6.03%	-6.67%	-7.02%	-5.20%	-4.55%	-8.96%	-0.87%	-1.24%



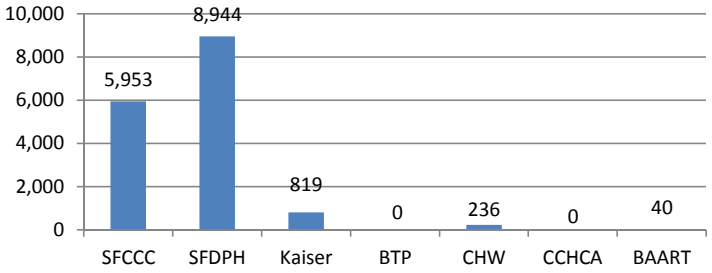
Annual Growth		
Apr-15	15,992	
Apr-14	37,923	
Change	-21,931	-57.8%

Med Home Type	#	%
SFCCC	5,953	37.22%
SFDPH	8,944	55.93%
Kaiser	819	5.12%
BTP	0	0.00%
CHW	236	1.48%
CCHCA	0	0.00%
BAART	40	0.25%
Total	15,992	100.0%

FPL	#	%
0-100	9,487	59.32%
100.01-138	1,771	11.07%
138.01-200	2,608	16.31%
200.01-300	1,598	9.99%
300.01-400	419	2.62%
400.01-500	95	0.59%
501+	15	0.09%
Total	15,993	100.0%

Healthy San Francisco Participants by Medical Home (Overview)

Med Home Type	#	%
SFCCC	5,953	37.2%
SFDPH	8,944	55.9%
Kaiser	819	5.1%
BTP	0	0.0%
CHW	236	1.5%
CCHCA	0	0.0%
BAART	40	0.3%
Total	**15,992**	**100.0%**



Healthy San Francisco Participants by Medical Home (Detail)

SFDPH	#	% DPH	% TOTAL
Family Health Center	2,790	31.2%	17.4%
Castro Mission Health Center	1,110	12.4%	6.9%
General Medicine Clinic	1,336	14.9%	8.4%
Silver Avenue Family Health	1,044	11.7%	6.5%
Ocean Park Health Center	208	2.3%	1.3%
Chinatown Public Health Center	158	1.8%	1.0%
Potrero Hill Health Center	803	9.0%	5.0%
Maxine Hall Health Center	465	5.2%	2.9%
Southeast Health Center	404	4.5%	2.5%
Positive Health	178	2.0%	1.1%
Housing and Urban Health Clinic	-	0.0%	0.0%
Tom Waddell Health Center	301	3.4%	1.9%
Young Adult / Teen Health Center	112	1.3%	0.7%
Curry Senior Center	19	0.2%	0.1%
Larkin Street Clinic	14	0.2%	0.1%
Cole Street Clinic	2	0.0%	0.0%
Not Provided	-	0.0%	0.0%
TOTAL SFDPH	**8,944**	**100.0%**	55.9%

SFCCC	#	% SFCCC	% TOTAL
NEMS - Portola	127	2.2%	0.8%
NEMS - Sunset (Noriega)	158	2.7%	1.0%
NEMS - Chinatown North Beach	248	4.2%	1.6%
Mission Neighborhood	1,537	26.1%	9.6%
Sourth of Market Senior Center	5	0.1%	0.0%
St. Anthony Medical Clinic	1,045	17.7%	6.5%
Glide Health Services	472	8.0%	3.0%
Haight Ashbury Free Medical Clinic	462	7.8%	2.9%
Haight Ashbury Integrated Care Center	462	7.8%	2.9%
Lyon-Martin	72	1.2%	0.5%
Mission Neighborhood Resource Ctr	219	3.7%	1.4%
Native American Health Center	140	2.4%	0.9%
Mission Neighborhood-Excelsior	408	6.9%	2.6%
NEMS - Visitation	27	0.5%	0.2%
South of Market Health Center	514	8.7%	3.2%
TOTAL SFCCC	**5,896**	**100.0%**	36.9%

CCHCA	#	% CCHCA	% TOTAL
CCHCA/Chinese Hosp	0	#DIV/0!	0.0%
TOTAL CCHCA	**0**	**#DIV/0!**	0.0%

Kaiser	#	% KP	% TOTAL
Kaiser	819	100.0%	5.1%
TOTAL KP	**819**	**100.0%**	5.1%

BAART	#	% CHW	% TOTAL
BAART Comm Hlth Ctr	40	100.0%	0.3%
TOTAL BAART	**40**	**100.0%**	0.3%

CHW	#	% CHW	% TOTAL
Sr Mary Philippa Hlth Cntr	236	100.0%	1.5%
TOTAL CHW	**236**	**100.0%**	1.5%

BTP	#	% CHW	% TOTAL
Brown & Toland Physicians	0	#DIV/0!	0.0%
TOTAL BTP	**0**	**#DIV/0!**	0.0%

Additional Background:

CEO Report Attachment 3, Media Roundup

SAN FRANCISCO HEALTH PLAN™

Here for you

CEO MEDIA SUMMARY REPORT

April 2015 to May 2015

Contents

News Presence by Categories

SAN FRANCISCO HEALTH PLAN

Trans People Face High Costs to Transition

BAY AREA REPORTER

By Sasha Lekach | April 16, 2015

Jaclyn Mae came out of the closet when she was 21. When she told her family in Indiana that she was a transgender woman, she quickly realized they were not receptive to the idea and decided she had to get out of what she called an "abusive environment" at her mother's home. A year after telling her family, she moved to New York and then followed her girlfriend, who is also a trans woman, to the Bay Area less than a year ago.

"I haven't looked back," she said. "I'm not going to let them in my life again."

Now 26, the San Jose resident has turned to the Internet and the goodwill of strangers in hopes of funding her decision to go through with gender reassignment surgery. Although the state's Medi-Cal insurance will cover most of the costs of major surgery, she is seeking $8,000 for ancillary procedures to make her transition complete.

But even with growing government support, far from everything is covered.

Mae's appeal is just one of dozens of online pleas for money to help support trans men and women with the medical and other costs of their transition so they can physically present themselves, not as the gender they were born into, but as the gender with which they identify. For Mae and others who decide to undergo surgery as part of their transition, this is less a cosmetic change than a life-saving procedure. Despite insurance, total costs quickly reach into many thousands of dollars.

Gender reassignment surgery can reach into six figures without insurance coverage. For women becoming transmen, the basic procedures include surgical removal of the vagina (vaginectomy) and construction of a penis (phalloplasty), which can total $100,000. For men becoming transwomen, there is surgery to remove testicles (orchiectomy) and create female genitals (labiaplasty), which may total $75,000.

Although such basic surgeries are increasingly covered by insurance, that doesn't include other procedures for transwomen like breast augmentation, tracheal shaves to smooth the Adam's apple, or lengthy and painful electrolysis to remove hair in unwanted places. Transmen often also choose top surgery to transform breasts into a chest. These out-of-pocket costs can run an additional $10,000 to $40,000. Advocates for the trans community are lobbying for some of these things to be covered as well.

"I'm pretty much doing everything I can or raising the money I need," said Mae, adding, "I don't like taking money from others."

Changes in health care law have helped assuage the mounting costs of transitioning for both transmen and

transwomen. Through the Affordable Care Act, many people have become eligible for coverage and can no longer be excluded for transgender care.

Lyon-Martin Health Services' Dr. Dawn Harbatkin. *Photo: Jane Philomen Cleland*

That sounds like a boon for the transgender community. But the benefits may still be more theoretical than practical, said Dr. Dawn Harbatkin, the medical director of San Francisco's Lyon-Martin Health Services, which sees trans patients.

"The reality of it is there just isn't sufficient medical capacity to accommodate the number of people who want care," she said.

San Francisco's Health Plan, the local program for Medi-Cal recipients, is lauded as one of the most progressive health coverage programs. But to qualify, patients have to meet stringent financial criteria, such as living as a single city resident at or below the poverty line. At that point, proceeding with a major surgery, such as gender reassignment, is more difficult to organize.

For some, the magnitude of costs means making some hard financial choices. Home builder Erin P., of Davis, California, decided to buy a house first, which required putting some of her surgeries on hold.

"I could have gotten facial feminization surgery and that would have been nice," said Erin, 28, who asked that her last name not be published for privacy reasons.

"I do have bad days where people 'sir' me in the market, and that's no fun," she added.

Erin came out to her family in 2011, and later on the job "because it reached a point where I could no longer keep up a charade."

She is calculating the costs of additional surgeries not covered by her Kaiser insurance and is keeping tabs on other costs in her transition. She called the expensive electrolysis hair removal "its own private nightmare." She already has invested about $600 for laser hair removal on her face, but the more effective electrolysis costs about $70 an hour and totals thousands of dollars. Facial hair removal can take up to 30 hours, and genital hair removal takes an additional 20 hours. Years of weekly appointments may be required.

The costs don't end at the surgeon's office. In Arizona, where Erin's reassignment surgery is scheduled, she'll foot the bill for a hotel stay during the six weeks of recommended recovery time. Incidental expenses, from a new wardrobe and pricier hair care, to cosmetics and epilation, are other costs she didn't initially tally. But

there are trade-offs: she no longer has to wear a suit, which she calls, "the grossest thing."

Document costs

Transforming appearance is just part of transitioning. It also involves selecting a new name and changing one's gender identity on a host of legal documents.

Before July 2014, Erin was one of many transgender community members who spent hundreds of dollars on name and gender change costs. Name change petitioners had to put an announcement in a newspaper for $100. A court order and appearance followed for $425. For various agencies, such as the Department of Motor Vehicles or Social Security Administration, there were countless forms, which totaled about $100 in change fees.

Then California law changed with the passage of Assembly Bill 1121, which removed court requirements and fees and public notification in a newspaper in an effort to make identity changes easier and cheaper for the transgender community.

"California has one of the most progressive policies in the country," said Anand Kalra, program manager at the Oakland-based Transgender Law Center. Other states are more restrictive and costly, but it varies based on county filing fees, he said. Many states continue to require a publication notice and some states even require reassignment surgery before a gender change on documents, he said.

Erin has yet to tackle her birth certificate and passport, but she is proud of the changes to her driver's license, Social Security card, college diploma, and professional engineering certification.

Delicate issues

There's also the delicate matter of deciding whether to provide for a possible biological legacy. Before surgery, Erin took the extra step of saving her sperm samples. She paid $1,200 for an initial setup and for the past three years has paid a $350 annual storage fee.

"Once those samples are gone, you can never bring them back," she said of her decision to preserve the opportunity to pass on her genes.

For Mae, Erin, and others like them, planning surgery may require traveling long distances to find surgeons and health care providers. Another hurdle is getting the few specialist surgeons in California to contract with insurance plans that accept trans men and women's insurance, Harbatkin from Lyon-Martin said.

"It's not that it's not covered," she said. "It's about finding a surgeon who is contracted with the plan." She said there are about a handful of surgeons who perform phalloplasty, or penis reconstruction, while there are many more options for top surgery.

Most doctors and surgeons in this field follow the guidelines set by the World Professional Association for Transgender Health, a professional association advocating evidenced based care for those in transition. WPATH asks for two letters of recommendation for major genital surgery.

In Marin County, Dr. Curtis Crane, of Brownstein & Crane Surgical Services, said it is "nearly impossible" for a

trans person to pay for all necessary surgeries. He said his office is always working to get insurance companies to cooperate, even in states where there is a no exclusion mandate for those identifying as transgender.

"The transgender movement is medical, social, and political," he said. "Finally the community is being recognized as needing medically necessary surgery."

Crane's patients hail from 40 states and 15 countries. Since opening the surgical practice two and a half years ago, Crane said 99.8 percent of his patients are transgender. The practice, with two surgeons and a third arriving this summer, books out about six months to a year.

In Foster City, Dr. Joel Beck specializes in feminization surgeries, such as body contouring, breast augmentation, and facial reconstruction. These procedures are typically not covered by insurance despite advances in transgender law, according to a spokeswoman for Beck's office who asked not to be named. By the time many transgender patients can afford these additional surgeries, many are in their 50s, 60s or older, the staff person said.

Luca S. also has turned to online fundraising (http://www.gofundme.com/surgeryforluca). The 25-year-old San Francisco man, who asked that his last name be withheld to protect his medical privacy, said he has scheduled his top surgery before his 26th birthday in August so he can stay on his parents' insurance.

"It will only be possible if I make the money," Luca said. "If I don't have enough by the surgery date, I will either postpone it or see if I can pay the rest with credit."

Luca's transitioning costs started with $600 for five sessions with a gender therapist. Once he was able to get a letter from his therapist, he could begin testosterone injections, which he started in October. His insurance doesn't cover the $120 10-milliliter vials of the male hormone, which each last him about six months.

Crowdfunding seemed like the best option. "I have no other way of making the money in a timely manner," Luca said. "With the amount of money I make, it would take years and years to save enough." He is still waiting to see if his insurance will foot the bill for top surgery, but historically this procedure hasn't been covered. As of early April, he had raised just over $1,000 toward his $10,000 goal.

http://www.ebar.com/news/article.php?sec=news&article=70515

MEDI-CAL

Immigrant Health Care Bill Passes Hurdle

Courthouse News Service

By Nick Cahill | April 16, 2015

SACRAMENTO (CN) - Despite concerns over funding, a bill extending health care to more than a million undocumented immigrants passed its first test Wednesday, clearing the California Senate Health Committee.

For the second straight year, Sen. Ricardo Lara, D-Bell Gardens, introduced legislation that would allow undocumented immigrants to qualify for health care through Medi-Cal or the California Health Benefit Exchange.

Last year's version stalled because of a $1 billion price tag, but the committee on Wednesday approved Lara's bill unanimously, setting up a crucial financial hearing on the Senate Appropriations Committee.

Lara testified that SB 4 is an improved version of his 2014 bill, trimmed down to reflect concerns about the cost of adding a million people to California's health care system by eliminating some subsidies already provided to undocumented immigrants.

The cost of SB 4 will be between $400 million and 800 million, Lara said.

"We have made efforts to further reduce the costly impact of this proposal by making the difficult decision to cut state subsidies from the exchange for this vulnerable population," Lara said.

The two Republican members of the committee abstained, voicing concerns over the price of SB 4 and whether the state's health care system could handle an influx of patients.

Sen. Janet Nguyen, R-Garden Grove, said there is already a shortage of doctors accepting Medi-Cal patients, and that senior citizens in her district are struggling to receive preventive care.

"I have concerns about the sustainability of our public health care system," Nguyen said. "Today there are not enough Medi-Cal providers in the system to serve the current 12-plus million people."

Lara acknowledged the added pressure that a million undocumented immigrants could have on California's health care system, but assured the committee that the same coalition looking at ways to improve the Medi-Cal system is also supporting and working on SB 4.

If SB 4 is voted through, California will have to ask the federal government for a waiver to allow undocumented immigrants to purchase health care through Covered California, Lara testified. Taxpayers are spending $1.4 billion per year on limited health care for Californians living illegally in the state, $690 million coming directly from the state's general fund.

"Enrolling people in comprehensive coverage is not only a more humanitarian approach, it is also more cost-effective to ensure people have access to preventative care," Lara said.

http://www.courthousenews.com/2015/04/16/immigrant-health-care-bill-passes-hurdle.htm

Democratic Lawmakers Unveil Bills to Protect, Insure Unauthorized Immigrants

THE SACRAMENTO BEE

By Christopher Cadelago | April 7, 2015

Continuing California's reputation as a pacesetter on immigration, state lawmakers unveiled a package of bills Tuesday that would expand the rights of people who are in the country illegally.

Senate President Pro Tem Kevin de León, D-Los Angeles, and Assembly Speaker Toni Atkins, D-San Diego, contrasted their actions with the political intransigence in Washington, D.C., where the two major parties have been at loggerheads over comprehensive solutions.

"This is a reflection of the dereliction of duty of these members of Congress," de León said. "Either their intellectual laziness, or lack of work ethic on this issue."

Democratic Gov. Jerry Brown in recent years has signed several landmark pieces of immigration legislation, including bills to allow undocumented immigrants to obtain driver's licenses and practice law. Massive interest in the driver's licenses – nearly 500,000 applications were received so far – surprised state officials and supporters, some of whom openly fretted that eligible drivers would abstain from the process because of deportation fears.

Other bills Brown signed into law protect the foreign-born from labor discrimination and ban jails from detaining immigrants who commit nonserious crimes.

Senate Republican leader Bob Huff, R-Diamond Bar, said Republicans here have called repeatedly for comprehensive immigration reform at the national level.

"The federal government's failure to act has unfairly shifted the burden to the states, and California is taking the brunt of it," Huff said. "We understand the burdens facing immigrants who want to go to work and raise their families in safe neighborhoods, and the rationale behind these bills is admirable. But without money from Congress and President (Barack) Obama it will be very difficult and costly for California taxpayers to fund all of these bill proposals."

Democratic leaders here cast the latest round of legislation as part of a broader effort to embrace the contributions of unauthorized immigrants, including the jobs they work and taxes they pay. The centerpiece of the package is a renewed push to expand access to health insurance coverage.

Senate Bill 4 by Sen. Ricardo Lara, D-Bell Gardens, would extend Medi-Cal to unauthorized families based on their income. It also could open Covered California, the state's health insurance exchange, to undocumented immigrants, though they would not qualify for subsidies. A more ambitious and costly version of the bill was shelved last year to give supporters time to identify a funding source.

While counties currently provide health care to undocumented immigrants, the coverage varies greatly. Under Lara's latest offering, state officials would be directed to seek federal permission to allow undocumented residents to buy their own coverage through the exchange. Advocates believe many families, particularly those with mixed-immigration status, would benefit by being on the same insurance policy.

http://www.sacbee.com/news/politics-government/capitol-alert/article17662343.html

SAFETY NET HEALTH CARE

UCSF Partners with San Francisco Community to Address Oral Health Epidemic

By Scott Maier | May 12, 2015

A UCSF dental resident gives a free dental screening to a child during a Sunday Streets fair in the Bayview, one of several annual outreach events for the local community. *Photo by Cindy Chew*

In San Francisco, nearly 40 percent of children have experienced tooth decay by the time they reach kindergarten, and low-income kindergartners are eight times more likely to have untreated tooth decay, reports the San Francisco Children's Oral Health Collaborative (SF COH).

Oral health disparities are specific to local neighborhoods, with the highest rates in Chinatown, where more than 50 percent of all kindergarteners suffer from cavities.

To inform and elicit community feedback about the importance of children's oral health – and continue to learn why some ethnicities are more at-risk – the SF COH, which includes UC San Francisco, the SF Department of Public Health and community health providers and advocates, hosted a community stakeholder meeting on April 30 in Chinatown.

Attendees at the two-hour meeting at the Chinatown YMCA included City and County of San Francisco Supervisors Julie Christensen and Scott Wiener, and Health Commissioner Ed Chow.

Lisa Chung, DDS, MPH, gives a presentation during an April 30 meeting of the San Francisco Children's Oral Health Collaborative. *Photo by Laura Lane*

"Good oral health is critical to the well-being of our city, and we need to expand access to dental care as well as healthy and nutritious food, particularly in our low-income communities," Wiener said. Similar stakeholder meetings are planned for Latino and African American communities in San Francisco.

"Because of this meeting, we were able to raise the level of awareness of children's dental caries that is disproportionately affecting the Chinatown neighborhood," said Lisa Chung, DDS, MPH, associate professor in the UCSF School of Dentistry Department of Preventive and Restorative Dental Sciences and SF COH co-director. "We were able to bring together local health and child care providers and organizations and engage in a spirited discussion about what could be causing these Chinatown disparities, existing barriers to addressing them, and how we can collaborate and move forward."

A Silent Epidemic

Tooth decay and periodontal disease are the two biggest threats to oral health and among the most common chronic diseases in the United States. In fact, former U.S. Surgeon General Regina Benjamin called oral diseases a "silent epidemic."

Children with untreated cavities may experience pain, dysfunction, school absences, difficulty concentrating and low self-esteem, according to the SF COH.

"It is better to prevent tooth decay than to provide extensive dental treatment for a very young child," said Dr. Steven Ambrose, director of Dental Services for the San Francisco Department of Public Health, a co-leading agency of the Children's Oral Health Collaborative. "If we can help parents understand how to keep their babies' teeth healthy, we can prevent unnecessary disease and pain, and promote and protect our children's oral health in a far easier and cost effective manner."

Dental caries is largely preventable through dental sealants, fluoride varnish, healthy eating habits, daily oral care at home and routine dental visits. However, many parents, medical providers and even dental providers do not fully understand their critical roles in preventing this disease.

Plan to Make San Francisco Cavity-Free

A cross-sector initiative designed to improve the health and wellness of all San Franciscans, the San Francisco Children's Oral Health Collaborative coordinated the San Francisco Children's Oral Health Strategic Plan 2014-2017 toward making the city cavity-free. The plan identifies the most effective, evidence-based actions each group can take to make the most impact. Target groups are children under 10, pregnant women, low-income communities of color, recent immigrants and other populations most at risk.

"Involving the community and collaborating with its members are essential in efforts to improve public health, and is at the core of SF HIP's Children's Oral Health Collaborative," Chung said. "We prioritized this first meeting in Chinatown on public and private health professionals and Chinatown program planners, community leaders, and school administrators as they are working closest with the target population – young children and their caregivers. We look forward to working to have similar community briefings throughout San Francisco."

The San Francisco Children's Oral Health Collaborative is supported by the Hellman Foundation. The Chinatown community stakeholder meeting was sponsored by the Chinatown YMCA, the Asian Pacific Islander Health Parity Coalition, APA Family Support Services, NICOS Chinese Health Coalition and API Council.

http://www.ucsf.edu/news/2015/05/127266/ucsf-partners-san-francisco-community-address-oral-health-epidemic

L.A. Care Covered Becomes First ACA Health Plan to Offer Cash Payment Option

April 20, 2015

Technology Partnership With PayNearMe Fills Void for Unbanked Consumers Who Need to Maintain Mandated Health Insurance Coverage but Have No Credit or Debit Account

SUNNYVALE, CA and LOS ANGELES, CA--(Marketwired - April 20, 2015) –

Twenty-eight percent of Americans have little or no relationship with a bank, leaving them with limited options when paying for health insurance because most insurance carriers require payment through credit cards, check or ACH transfer.

L.A. Care Health Plan is partnering withPayNearMe so that its L.A. Care Covered plan members can take advantage of subsidies on the Covered California health insurance exchange and pay with cash at 683 convenient locations throughout Los Angeles County.

L.A. Care Covered plan members simply print or send their unique PayNearMe payment code to their smartphone, walk into a 7-Eleven or other participating store, and hand both the code and cash to the cashier as if they are making a regular purchase.

The transaction is free; L.A. Care Covered is automatically notified of a payment as soon as the cashier collects it, and the funds are guaranteed. Members receive receipts as proof of their transactions.

"Almost everyone is now required to have health insurance, but for people who have limited or no access to a bank account, it can be difficult to pay monthly premiums, until now," said L.A. Care Chief Executive Officer John Baackes. "L.A. Care exists to provide access to quality health care for Los Angeles County's vulnerable residents, and this partnership with PayNearMe enables us to do exactly that, in a way that is convenient and easy for our members."

Many of the stores are open 24 hours a day, seven days a week, making it easy and convenient for members with even the latest night work shifts to maintain their health coverage. Members who are traveling can take advantage of the 17,000 retail payment locations in PayNearMe's nationwide network. There are 1,953

PayNearMe retail payment locations in California.

"Why should it be harder to pay for necessities just because you don't use credit cards or bank accounts?" asked Danny Shader, PayNearMe's founder and CEO. "We give businesses a way to provide payment options for *all* of their consumers. Maintaining health coverage is now a federal requirement, and we are working to ensure that consumers are not penalized for their preference of payment methods."

http://www.marketwired.com/press-release/la-care-covered-becomes-first-aca-health-plan-to-offer-cash-payment-option-2011445.htm

Good Birth Outcomes More Prevalent in Some of California's Less Expensive Neighborhoods

peninsula|press

A project of Stanford_Journalism

By Laura Forman | April 13, 2015

The best fetal maternal outcomes for new moms are in some of the least expensive neighborhoods within California's major cities, an analysis of data in a recent study by the California HealthCare Foundation shows.

The statewide trend is illustrated locally across the Bay Area and in San Francisco, where the best hospital labor and delivery metrics are often in areas where median housing prices are some of the lowest. The study looked at cesarean sections, breast-feeding, episiotomy and vaginal birth after cesarean section.

But why there is correlation between outcomes and the wealth of the surrounding neighborhood is an open question. Experts say looking at just the cost of living in an area doesn't provide a complete explanation for varying outcomes. There are many disparate factors within childbirth metrics, including the demographics of the patient population, as well as the values of the hospital's physicians and staff.

"It's local culture by and large," said Dr. Elliott Main, medical director of the California Maternal Quality Care Collaborative, and chairman of the Department of Obstetrics and Gynecology of California Pacific Medical Center. "Labor and delivery is driven by physicians, nurses and patients. Everyone contributes to that. It's [about] how people value normal birth … And that varies."

In San Francisco, the study by the California HealthCare Foundation gave the highest score for labor and delivery outcomes measured to San Francisco General, which had a cesarean section rate of 16 percent. San Francisco General is located on the east side of the city's Mission neighborhood, where the median home price around the hospital is about $675,000, according to Trulia's home pricing index.

California Pacific Medical Center, which handles nearly 44 percent of the city's births, was ranked third out of the four major hospitals in the city. Notably, one out of four new mothers there received a cesarean section, according to the San Francisco Department of Public Health. California Pacific Medical Center's California campus is located in Pacific Heights, one of San Francisco's most expensive neighborhoods, where the median home price is about $1.4 million. California Pacific Medical Center also offers a smaller volume labor and delivery center at its St. Luke's Campus, located in San Francisco's "Mission" neighborhood where the median home price is over $1.1 million.

According to the most recent regulations from the American College of Obstetricians and Gynecologists, cesarean sections are thought to be associated with less favorable outcomes, especially for future pregnancies.

Despite that, many patients and doctors still prefer to plan a caesarean section over having natural childbirth. Some women opt for cesarean section procedures to natural birth, avoiding pain and tearing, said Dr. Angie Jelin, a former maternal fetal medicine specialist at UCSF (University of California, San Francisco) Hospital. Scheduled cesarean sections also allow women to plan exact arrival dates for their babies, she added.

The ability to schedule births can also be attractive to hospitals and their physicians from an economic perspective, said Rachael Kagan, chief communications officer at San Francisco General.

“There is a notion of scheduling births, of scheduling cesarean sections … Sometimes you’ll see the [cesarean section] rate reflect scheduling priorities for physicians and the convenience for the provider team,” Kagan said.

San Francisco General is a public hospital, unlike the majority of California hospitals, including California Pacific Medical Center, which are private. Being a public hospital means physicians are salaried, “so there is no incentive for physicians to bill differently,” Kagan said.

Yet some hospitals also stand to make higher profits from cesarean section procedures versus natural births. The average total cost for a cesarean procedure is 67 percent higher than the cost of a traditional vaginal birth, according to a 2013 study by Truven Health Analytics. In the study, cost was defined as the amount that employers, Medicaid managed care plans, Medicaid programs and others pay hospitals, clinicians and other service providers.

Another factor in outcome measures may have to do with varying hospital policies with regard to patient care. Both San Francisco General and UCSF offer extensive midwifery services in addition to traditional delivery doctors. California Pacific Medical Center does offer midwifery services but to a lesser extent.

In general, midwives are trained to promote natural birth over surgical procedures. They are also heavy supporters of breast-feeding. Jelin says during the daytime hours at UCSF, almost all patients see a midwife during their care, unless they are classified as high-risk. Because midwives cannot perform cesarean sections themselves, she says, it stands to reason that procedures might be lower at hospitals that rely heavily on their services.

San Francisco General has midwives available to every patient 24 hours a day, as well as a volunteer doula program, Kagan said. “We have a commitment to providing many forms of complementary care, which [can] reduce extreme interventions.”

Main of California Pacific Medical Center cautions against evaluating hospitals based solely upon select metrics, such as cesarean section and vaginal birth after cesarean section. When evaluating hospital outcomes, consideration should be given to patient demographics, such as age, insurance type and race, he said.

“Our patients are much older than those at San Francisco General,” Main said in addressing the differences in cesarean section procedures between the two hospitals. “We have the oldest [patient] population in the state of California. Almost half our mothers are over 35.”

At San Francisco General, 54 percent of labor and delivery patients are between 20 and 29 years old, according to the San Francisco Department of Health. At California Pacific Medical Center, nearly 75 percent

of patients are between 30 and 39 years old.

Main also noted higher rates of cesarean procedures in privately insured patients and differences in insurance policies between patients at respective hospitals. Nearly 85 percent of patients at California Pacific Medical Center have private insurance, while nearly 95 percent of patients at San Francisco General Hospital have insurance through government-funded Medi-Cal.

Ultimately, Jelin attributes trends in hospital performance metrics to patient preferences.

“At UCSF, we wouldn’t give elective C-sections, but other hospitals will. So if you’re a patient who wants that, you’ll go [elsewhere]. The same is true for midwives. The patients who came to UCSF tended to want that service,” Jelin said. “Patient choices do dictate outcomes to some extent.”

http://peninsulapress.com/2015/04/13/good-birth-outcomes-california/

Emergency Departments See 13 Percent Rise in Non-injury Diagnoses: Study

DOTmed daily news

Lauren Dubinsky | April 8, 2015

More patients are visiting the emergency department for chronic conditions and fewer are visiting for injuries, according to a new University of California San Francisco study. The results were published in the April edition of Health Affairs.

"These findings emphasize the changing role of the ED in the U.S. health care system, and the increasing reliance that patients and providers place on the ED as a place for diagnosis and treatment of complex conditions," Dr. Renee Y. Hsia, lead author and professor of emergency medicine at UCSF and director of health policy studies in the UCSF Department of Emergency Medicine, told DOTmed News.

Other studies have found that the ED is crowded because of uninsured patients who come for "unnecessary care" but this study shows that many patients with access to primary care physicians still come to the ED and are actually often referred there for care, said Hsia. "This suggests that providers are also using the ED as a place to direct their patents for management of conditions that they may not be able to handle well in their own setting," she added.

The researchers analyzed all California ED visits from 2005 and 2011 and found that the rate of non-injury diagnoses rose by 13.4 percent. The diagnoses that experience the highest growth were nervous system disorders, symptoms of abdominal pain and gastrointestinal system diseases.

But on a positive note, the study did find that the overall ED visit rate decreased by 0.7 percent throughout the study's time frame.

Younger patients between ages five and 44 had more non-injury diagnoses than the 45 and older population, who experienced more injury-related diagnoses. Since the population is steadily aging, there is now a spike in falls and other trauma among older patients.

The study also found that mental health conditions were the main diagnoses among the uninsured, Medicaid and privately insured populations. That means that the ED is also becoming a place that cares for patients with mental illnesses.

The researchers believe that the findings of the study can assist policy makers and ED physicians to redesign the structure, staffing and funding of EDs. It also highlights the increasing importance of EDs for providing care for complex conditions and the "changing nature of illness in the population needing immediate medical attention."

"It reflects the reality of how central the ED is to our health care system," said Hsia. "We know that about half of hospital admissions come through the ED, so appropriately resourcing the ED is important so that we can treat all the sick patients with time-sensitive conditions with quality care."

http://www.dotmed.com/news/story/25487

COVERED CALIFORNIA

California's Obamacare Exchange to Slash Budget, 2016 Enrollment Projections

SAN FRANCISCO BUSINESS TIMES

Chris Rauber | May 13, 2015

Covered California plans to cut back on spending and enrollment expectations for 2016, after 2015 sign-ups failed to match goals.

The Obamacare exchange had hoped to enroll 1.7 million Californians this spring, but the final tally was 1.439 million, a slight increase from last year's 1.4 million tally. Now its board is considering a plan to cut spending next fiscal year by 15 percent — or $58 million — compared to the current fiscal year. It also plans to slash its significant marketing and outreach budget by 33 percent, to $121.5 million.

Covered California is also projecting enrollment next year of 1.48 million, a far cry from its earlier expectations, and roughly 410,000 more than the current total.

A final vote on the proposed $332.9 million budget, for the year beginning July 1, is expected next month.

Covered California has gone through roughly $900 million in federal subsidies and only has $100 million of the federal largesse left in the bank, officials say. It got an extension from the feds to use the remaining money in fiscal 2015-16, when it had been expecting to be fully self-sufficient.

The exchange expects to raise $233 million next fiscal year from its monthly $13.95 fee per policy, charged to health insurers including Anthem Blue Cross, Blue Shield of California, Health Net and Kaiser Permanente. Those four dominate enrollment on the exchange, representing roughly 95 percent of total Covered California enrollment.

Consumer advocates would like to see that monthly fee jump, while insurers say the exchange needs to keep its costs in control.

Covered California, headed by Executive Director Peter Lee, had aimed to enroll 1.7 million people during this year's open enrollment period, which ended Feb. 15 (with an extension for people who didn't understand tax implications).

In a May 13 statement, Lee said the budget reductions are due, in part, to reduced need for spending on IT and outreach, education and marketing expenses. But with enrollment growing more slowly than expected, a big cut in marketing might result in continued difficulties reaching target markets, including low-income black and Hispanic Californians.

Covered California said the proposed budget anticipates ending the 2015-16 budget year with "nearly $194 million" in unrestricted reserves, which officials described as representing more than six months of operating costs.

http://www.bizjournals.com/sanfrancisco/blog/2015/05/covered-california-obamacare-slashes-budget-2016.html

Advocates Concerned About Kids' Coverage in Calif. Exchange Plan

CaliforniaHealthline
The Daily Digest of News, Policy & Opinion

May 1, 2015

California advocacy groups have expressed concerns about whether children enrolled in Covered California plans are receiving adequate care, *HealthyCal* reports.

Several advocacy groups have sent a letter to Covered California requesting data on the estimated 77,000 exchange enrollees under age 18 (Schmitt, *HealthyCal*, 4/30). The letter was signed by:

- California Coverage & Health Initiatives;
- Children's Defense Fund - California;
- Children Now;
- The Children's Partnership;
- PICO California; and
- United Ways of California (Advocates' letter, 3/23).

The requested information included:

- Geographic data;
- How many children are receiving exchange coverage, broken down by age group;
- How many children are receiving subsidies; and
- The types of plans selected.

The groups also asked about how the board plans to determine the quality of those enrollees' health care experiences in the future.

The groups wrote, "Although children comprise less than 6% of the Covered California population, it is important that the California Health Benefit Exchange Board has the necessary information to understand how children are servd by the exchange."

The letter added, "It has been noted that some plans offered by Covered California may have narrow provider networks that may inhibit a child from seeing an appropriate provider or specialist in a timely manner."

Abbi Coursolle -- a staff attorney at the Los Angeles-based National Health Law Program, which was not involved in the letter -- said, "There are network adequacy issues overall with Covered California and pediatrics isn't immune."

Depending on the findings from the requested data, the advocacy groups say they plan to request specific pediatric benefit requirements for state exchange plans in the 2017 coverage year.

Michael Odeh, associate director of health policy for Children Now, said, "There will be opportunity to revisit the benchmarks and I think we'll see some legislation on the state level. The conversation is underway" (*HealthyCal*, 4/30).

http://www.californiahealthline.org/articles/2015/5/1/advocates-concerned-about-kids-coverage-in-calif-exchange-plans

33K New Covered California Enrollees Were Unaware of Tax Penaly

CaliforniaHealthline
The Daily Digest of News, Policy & Opinion

April 29, 2015

On Tuesday, Covered California officials announced that more than 33,000 individuals who signed up for a health plan during the exchange's special enrollment period had been unaware of the penalty for failing to obtain coverage, the *Merced Sun-Star* reports (Ibarra, *Merced Sun-Star*, 4/28).

Background

Under the Affordable Care Act's individual mandate, U.S. residents who did not have health coverage in 2014 must pay $95 or 1% of their incomes, whichever is higher, as they file their 2014 taxes. The penalties will increase to $325 or 2% of individuals' incomes, whichever is higher, for those who do not have insurance in 2015.

On Feb. 23, Covered California launched a special enrollment period for individuals who were not aware of the tax penalty for remaining uninsured. The special enrollment period ends April 30. Eligible consumers who wish to sign up during the period must indicate on their applications that they were unaware of the tax penalty for foregoing health insurance.

The extension does not exempt individuals from 2014 penalties, but it can help them avoid larger penalties that begin in 2015 (*California Healthline*, 4/24).

Details of Announcement

According to Covered California, the more than 33,000 consumers who were unaware of the penalty and recently enrolled in coverage were among more than 91,000 individuals who signed up during the special enrollment period (Gan, Riverside *Press Enterprise*, 4/28).

In a release, Covered California Executive Director Peter Lee said, "Many consumers who just finished their taxes learned there is a tax penalty for being uninsured." He added, "It is heartening to see consumers recognize the value in being covered and avoid the risks to their health and pocketbook that come from remaining uninsured" (Covered California release, 4/28).

http://www.californiahealthline.org/articles/2015/4/29/33k-new-covered-calif-enrollees--were-unaware-of-tax-penalty