

**STATUS REPORT ON THE IMPLEMENTATION OF THE
SAN FRANCISCO
HEALTH CARE SECURITY ORDINANCE**

**A Joint Report of
the Department of Public Health and
the Office of Labor Standards Enforcement**

**Submitted to the
San Francisco Board of Supervisors**

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TABLE OF CONTENTS

Executive Summary	3
I. Employer Spending Requirement	5
II. Health Access Program	7

Attachments

- A Regulations Implementing the Employer Spending Requirement of the Health Care Security Ordinance
- B Employee Voluntary Waiver Form & Notice to Employee of Payment to the City (Spanish and Chinese versions)
- C Regulations Implementing Healthy San Francisco and Medical Reimbursement Account Provisions of the San Francisco Health Care Security Ordinance
- D List of Participating Healthy San Francisco Health Centers

EXECUTIVE SUMMARY

In June 2006, the San Francisco Board of Supervisors adopted the San Francisco Health Care Security Ordinance (Ordinance No. 218-06) which creates two new City and County programs, the Employer Spending Requirement (ESR) and the Health Access Program. In April 2007, the San Francisco Board of Supervisors amended the Ordinance (via Ordinance No. 69-07) to address certain programmatic issues. In April 2007, the Health Access Program name was changed to Healthy San Francisco (HSF).

Both program components of the Ordinance work in tandem and are designed to address the health needs of San Francisco's uninsured residents and workers. The Office of Labor Standards Enforcement (OLSE) oversees the implementation of the ESR while the Department of Public Health (DPH) oversees the implementation of HSF.

Since the submission of the July 2007 status report, significant progress has been made towards implementation of the Health Care Security Ordinance. Specifically:

- The Office of Labor Standards Enforcement has:
 - adopted final Regulations Implementing the Employer Spending Requirement of the Health Care Security Ordinance,
 - translated the Employee Voluntary Waiver Form and the Notice to Employee of Payment to the City into Spanish and Chinese and made these materials available on its website,
 - made presentations to temporary staffing agencies and employers, human resources consultants, and advocates, including the SF Chamber of Commerce and the Small Business Commission,
 - written a Request for Proposals for a professional services contract to provide media services and employer outreach on the HCSO,
 - finalized the HCSO Annual Reporting Form for registered San Francisco businesses and
 - worked with the Treasurer/Tax Collector and the Department of Telecommunications and Information Services to develop and budget for a procedure to electronically scan the Annual Reporting Forms.

- The Department of Public Health has:
 - adopted regulations governing Healthy San Francisco and Medical Reimbursement Accounts via the San Francisco Health Commission,
 - completed the debut of Healthy San Francisco at two health centers,
 - expanded Healthy San Francisco to a total of 22 health centers which included:
 1. launching a web-based eligibility and enrollment system called One-e-App,
 2. opening a Healthy San Francisco Customer Service Call Center,
 3. unveiling a new centralized Eligibility and Enrollment Unit and
 4. enhancing the program website.

In addition to DPH and OLSE, the Ordinance specifies that the City Controller's Office is tasked with:

- Ensuring that any required health care expenditures made by an employer to the City are kept separate and apart from general funds and limiting use of these funds to the expenditures to the Healthy San Francisco or to the establishment and maintenance of reimbursement accounts from which covered employees may obtain reimbursement of health care expenditures, and
- Coordinating with DPH and OLSE to prepare periodic reports.

The Ordinance states that submission of periodic reports on the implementation of the Ordinance shall begin on a quarterly basis starting July 1, 2007, and continuing through June 30, 2008. This report meets this mandated reporting requirement. Because the Employer Spending Requirement does not become effective until January 1, 2008, the City Controller's Office has received no required health care expenditures from employers and therefore did not have any reporting responsibility for this report period.

I. EMPLOYER SPENDING REQUIREMENT

Pursuant to Section 14.4(h) of the Ordinance, this section provides an update on the development of regulations for the enforcement and administration of the employer obligations under the HCSO.

After holding two public rulemaking hearings on the Regulations Implementing the Employer Spending Requirement (ESR) of the Health Care Security Ordinance in June of 2007 and considering all public comments submitted by June 29, 2007, the OLSE released Final Regulations on July 12, 2007 (see Attachment A).

The OLSE continues to provide assistance to members of the public through a multi-lingual dedicated phone line (554-7892), an e-mail address (HCSO@sfgov.org), and a dedicated page on its website (<http://www.sfgov.org/olse/hcso>). During the debut and expansion phases of Healthy San Francisco, the OLSE is also responding to all employer inquiries regarding both the ESR and Healthy San Francisco, i.e. employers who call the City's 311 system or Healthy San Francisco's Inquiry Call Center at 415.615.4500 are referred to the OLSE's HCSO line.

In addition to responding to telephone and e-mail inquiries, the OLSE has also made several presentations to temporary staffing agencies and employers, human resources consultants, and advocates, including the SF Chamber of Commerce and the Small Business Commission.

To address the language needs of the City's multilingual residents, the OLSE has translated the Employee Voluntary Waiver Form and the Notice to Employee of Payment to the City into Spanish and Chinese. Both sets of forms have been posted on the web site for public access (see Attachment B).

In conjunction with the Department of Public Health and the Mayor's Office of Economic and Workforce Development, the OLSE will release this month a Request for Proposals for a professional services contract to provide media services and employer outreach on the HCSO. The multilingual campaign will be accessible to all San Francisco residents, include a targeted education and technical assistance program for employers, and focus on the requirements of the HCSO, the Paid Sick Leave Ordinance, and the Minimum Wage Ordinance.

The OLSE has finalized the Annual Reporting Form, which OLSE proposes (assuming that funding is approved) to mail in December 2007 to all registered San Francisco businesses. (The mailing will include the Minimum Wage and Paid Sick Leave Notices for 2008.) The OLSE has worked out an agreement with the Treasurer/Tax Collector (TTX) and the Department of Telecommunications and Information Services (DTIS) to develop and to budget for a procedure to scan the Annual Reporting Forms, which will allow the data reported by employers annually to be collected and readily analyzed for compliance and enforcement.

The OLSE continues to partner with the Department of Public Health on implementation of *Healthy San Francisco*. The OLSE has a seat on the HAP Advisory Committee and regularly attends the meetings of the Committee.

II. HEALTHY SAN FRANCISCO

This section provides an update on the development of regulations for the Healthy San Francisco (HSF) and Medical Reimbursement Account (MRA) components of the Health Care Security Ordinance and other aspects of program implementation. The Department of Public Health (DPH) is responsible for implementing and administering these components.

A. Healthy San Francisco and Medical Reimbursement Account Regulations

On July 17, 2007, the San Francisco Health Commission adopted the “Regulations Implementing the Healthy San Francisco and Medical Reimbursement Account Provisions of the San Francisco Health Care Security Ordinance” (see Attachment C). The regulations were adopted after a public process that involved noticing the regulations, seeking public comment and holding a public meeting.

These regulations cover program definitions, eligibility, fee structure, services, service provision, delivery network, covered employer participation, public information, administration and reporting of Healthy San Francisco and the Medical Reimbursement Account program. They set forth the parameters for the administration of HSF and the MRA provision and will be used to develop appropriate public information materials regarding program eligibility, services, fees, provider network and other information useful for applicants and program participants.

The San Francisco Health Commission also adopted the HSF program fee structure in July. Under the HSF fee structure, participants would pay: (1) a participation fee to maintain enrollment in program and (2) point-of-service fees when accessing services. The Department recognizes that affordability impacts access; thus, the HSF fee structure takes a participant’s annual income and family size into account. The fee structure, in effect, provides a subsidy to eligible participants seeking care such that the program participant is not responsible for paying the full cost of the care received. The fee structure adopted by the Health Commission is in HSF program materials and on the program’s website to ensure the applicants and participants are fully aware of this program feature.

B. Debut of Healthy San Francisco

From July 2, 2007 to September 13, 2007, HSF debuted at two health centers -- Chinatown Public Health Center and North East Medical Services.

The purpose of the debut was to test critical aspects of the program before expanding HSF more widely in September 2007. This strategy was consistent with the incremental and targeted phase-in approach for the program. An incremental approach was necessary given the complexity of the implementation and to provide an opportunity to make appropriate adjustments and modifications in the program as necessary.

For the debut, the program enrolled clinic patients (existing and new) who had an annual income at or below 100% federal poverty level (FPL) into HSF (for one person this is no more than \$10,200 and for a family of four it is no more than \$20,650). The enrollment focused on those persons scheduling clinical appointments at Chinatown Public Health Center and North East Medical Services. A total of 1,802 San Francisco residents applied for, were found eligible and became Healthy San Francisco participants during the debut period. These residents received a temporary HSF participant identification card and a quick guide on how to access services and were scheduled for clinical appointments. The enrollment exceeded the anticipated enrollment of 600 – 1,000 participants.

C. HSF Expansion

On September 17, 2007, Healthy San Francisco expanded from 2 health centers to 22 health centers at 27 different sites (see Attachment D). Of the 27 sites, 14 are public health centers and 13 are non-profit health centers. The provider network further documents the strong public/non-profit sector partnership that has characterized this program. Each of these health centers will serve as primary care medical homes for HSF participants.

As of September 25, 2007, there were 2,202 San Francisco residents enrolled in the program (this includes residents enrolled during the debut period). For this expansion, HSF enrollment will continue to focus on persons scheduling clinical appointments who have an annual income at or below 100% FPL. Participants must meet all HSF eligibility criteria (i.e., be uninsured, live in San Francisco, between the ages of 18 – 64, and be willing to apply for publicly-funded health insurance). HSF makes significant improvements for clients by:

- ensuring that uninsured residents receive a designated primary care medical home,
- streamlining the eligibility and enrollment process,
- making information on services and the costs clearer and more accessible,
- providing uninsured residents with an organized health care delivery system and
- issuing program participants a HSF identification card to make access to services easier.

In addition to expanding HSF to 20 additional health centers, this phase also included:

1. Launching a Web-based Eligibility and Enrollment System: San Francisco uses a web-based eligibility and enrollment system (One-e-App) to enroll uninsured residents into Healthy San Francisco. The system will also determine if a person applying for HSF is eligible for public health insurance programs (Medi-Cal, Healthy Families, Healthy Kids/Young Adults, etc.) before determining if they are eligible for HSF. One-e-App provides a cost-effective, one-stop approach that improves the efficiency and user-friendliness for individuals and families seeking access to health care. One-E-App increases the probability of finding a payer for services provided to low-income persons, reduces time to process multiple applications for benefits and creates a county-wide database of the number of uninsured residents. All HSF primary care medical homes have access to One-

e-App and staff who have been trained to assist individuals in the application process. One-e-App is not an electronic medical record and does not contain clinical information.

2. Opening a Customer Service Call Center: Healthy San Francisco participants have access to a customer service center that can provide information on how HSF works, send participants program information, address participant billing issues and/or assist participants with a complaint or problem. All participants receive a Health San Francisco Participant Handbook which outlines the program and provides information on how to contact customer service. The customer service center is operated by the Department's HSF third-party administrator, the San Francisco Health Plan.
3. Unveiling a DPH Eligibility and Enrollment Unit: In addition to eligibility staff working at the various primary care medical homes, a new centralized unit was developed to better streamline the eligibility and enrollment process for Department clients enrolling in Healthy San Francisco. This unit will help transition clients on the Department's existing sliding scale program to HSF as the person's eligibility for sliding scale expires. This unit will also process the eligibility and enrollment of new individuals into the system. The unit is near the campus of San Francisco General Hospital.
4. Enhancing the Program's Website: The website for the program (www.healthysanfrancisco.org) was improved and updated for the September expansion. In addition to the website, the public can continue to receive information about the program through with the City's 311 system or the Inquiry Call Center at 415.615.4500.