

Local Initiatives: San Francisco

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What Is It?

- NOT insurance - a health plan
- Two components:
 - Coordinated system of care and payments for the uninsured
 - Employers who do not provide benefits can opt to pay in

How did it start?

- February 2006: Mayor Newsom creates Universal Healthcare Council
- July 2006: Worker Health Security Ordinance passed, incorporating Health Access (now Healthy San Francisco).

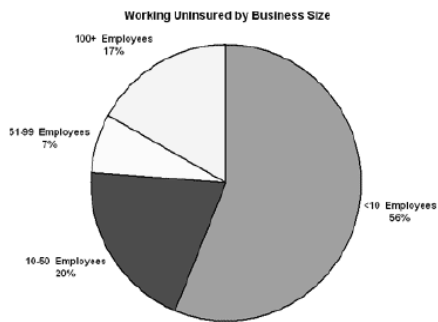
Uninsured in SF

82,000 uninsured:

- Of these, 46,000 are employed.
 - 36,000 work more than 20 hrs/wk
 - 16,000 in companies of +10 work more than 20 hrs/wk

Working Uninsured

(from 2006 Universal Health Council Report)

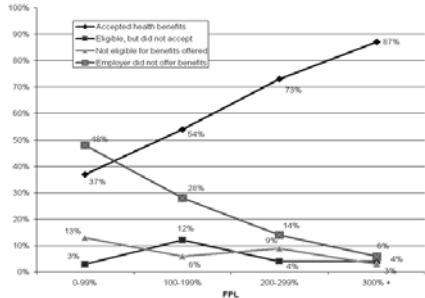


SF working uninsured

(2006 presentation by Jean Fraser, SF Health Plan)



Employer Benefit Eligibility/Acceptance by poverty level (2003)



Public coverage before...

- Kids, pregnant women and young adults to 300% poverty
- Disabled and parents to 100% poverty
- Workers of city contractors
- Patchwork of services for other 19-65 year olds

The patchwork

- Hospital emergency department treatment: People still got bills
- Government \$ to some hospitals/outpatient clinics
- Public health services
- Charitable clinics

Problems with patchwork

- No coordinated care
- No uniform eligibility guidelines
- Patients uncertain of costs
- Not well-known
- Not always timely

Healthy San Francisco

Coordinated care, 2007

What does it provide?

- Preventive, specialty, urgent, emergency, ambulance, hospital, lab, family planning, DME, alcohol and drug, mental health, alcohol and drug abuse, prescription drugs.
- Medical home

Examples of services NOT covered

- Dental
 - Vision
 - Long term care
 - Organ transplants
 - Allergy
 - Gastric by-pass
 - Services outside of San Francisco
- It is not insurance.

Who can get it?

- San Francisco residents:
- Income below 300% FPL (now)
 - Uninsured for 90 days +
 - Not eligible for public insurance
 - Age 18-64
 - Eligible regardless of immigration, employment status, preexisting conditions.

What do participants pay?

- Quarterly participant fees:
 - **Below poverty: \$0**
 - **101-200%: \$60**
 - **200-201% FPL: \$150**
 - **Top fee above 501% FPL: \$675**
- Copayments 101-500% FPL range from \$10/primary care to \$200 /hospital admission.

Financing

- Individuals
- County
- Employers

Employer requirements are in controversy.

San Francisco Health Care Security Ordinance

- Employers make "health care expenditures to or on behalf of employees"
- Amount: \$1.17/per hour
- Which employers?
 - For-profits with 20-99 employees; larger nonprofits pay \$1.76/hr
 - Nonprofits with 50+ employees

What counts as an expenditure?

- \$ to provide coverage or reimburse for health care services
 - Health Savings Account
 - Coverage
 - Direct delivery of health services
 - Payments to City for Healthy San Francisco

ERISA controversy

- Only the federal government can regulate employee benefit plans, though states regulate insurance.
 - Enables national, uniform administration.
- Can states/localities require an amount of employer spending for health?

Court allows law to go into effect, pending full appeal.

- US Court of Appeals, 9th Circuit:
 - Employers don't have to change or start an ERISA plan.
 - Employers can continue their plan or pay city.
 - Ordinance doesn't dictate what benefits employers provide.

(Court order continued)

- Accounting for payments doesn't change ERISA benefits
- Not implementing creates a public hardship.
 - Worse for city, public, uninsured than for employers.

Next steps in court:

- Full appeal likely to be heard in spring with decision about June.
- Meanwhile, law has gone into effect.

A few final thoughts

- Local initiatives offer major improvements in public and nonprofit health systems.
- Funding is a challenge. Employers can play an important role.
- Local care systems do not obviate the need for real insurance.

Strive for full coverage!

- People still need care and coverage when they travel or move or their circumstances change.
- People need full benefits and consumer protections.
