

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

June 21, 2021

TO: Budget and Appropriations Committee

FROM: Budget and Legislative Analyst



SUBJECT: June 23, 2021 Budget and Appropriations Committee Meeting

TABLE OF CONTENTS

Item	File	Page
4	21-0667 Agreement - Retroactive - San Francisco Community Health Authority - Medical Reimbursement Accounts Cash Grant Program - Not to Exceed \$14,903,500	1

Item 4 Files 21-0667	Department: Department of Public Health
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution approves a \$14,903,500 retroactive agreement between the Department of Public Health (DPH) and San Francisco Community Health Authority for a term July 1, 2020 through December 31, 2021. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The San Francisco Community Health Authority administers the City’s Medical Reimbursement program, which provides health care accounts funded through employer contributions; individual accounts are set up for covered employees where the funds in the account can be used toward eligible health care expenses. • In June 2020, the Mayor’s seventeenth supplement to her original emergency proclamation directed DPH to establish a program to make cash grants of up to \$500 to persons with Medical Reimbursement Accounts to cover COVID-19 related expenses that were not covered by insurance or other means. • The San Francisco Community Health Authority determined that a total of 46,448 persons are eligible for these grants under the Mayor’s emergency order. The Authority made efforts to conduct outreach to all eligible participants through mailings. In total, 29,807 people submitted the applications for the program, resulting in \$14,903,500 that was disbursed between July 2020 and February 2021. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The Department of Public Health will utilize FY 2020-21 General Fund savings to pay for the \$14.9 million in grants. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

San Francisco Community Health Authority

The Board of Supervisors established the San Francisco Community Health Authority as a separate legal entity in 2005 through a Joint Powers Agreement between the City and the San Francisco Health Authority to administer non-Medi-Cal health programs. After the establishment of the Health Care Security Ordinance in 2006, the Department of Public Health began contracting with the San Francisco Community Health Authority to administer Healthy SF and Medical Reimbursement Account program operations.

Medical Reimbursement Account Programs

The Health Care Security Ordinance mandates covered employers make required health care expenditures on behalf of their employees. Employers covered by the Health Care Security Ordinance can meet their spending requirements to support their employees' access to health care in one of three ways: (1) Provide health insurance up to the level required by the Health Care Security Ordinance, (2) Contribute to the SF City Option Program, including Healthy SF and Medical Reimbursement Account programs, or (3) Contribute to an allowable Health Reimbursement account for employees. Medical Reimbursement Accounts are health care accounts funded through employer contributions; individual accounts are set up for covered employees where the funds in the account can be used toward eligible health care expenses.^{1, 2}

Under an agreement with the Department of Public Health, the San Francisco Community Health Authority is the Third-Party Administrator of the San Francisco City Option Program and administers the Medical Reimbursement Account programs.

Mayor's Emergency Proclamation & Medical Reimbursement Accounts Cash Grant Program

On February 25, 2020, Mayor Breed issued an emergency proclamation to respond to the outbreak of COVID-19, and to assist City Departments in carrying out essential government and public health functions. The seventeenth amendment to the initial emergency proclamation was

¹ To be eligible for a Medical Reimbursement Account, employers must make contributions for their employees and the employee must live outside San Francisco or have health insurance or be under age 18.

² To be eligible for a Covered Medical Reimbursement Account, employers must make contributions to the City Option, and the employee must be a San Francisco resident, be age 18 or older, have income no more than 500% of the federal poverty level, required by law to purchase insurance, not be eligible for Medi-Cal or Medicare, and purchase health insurance through Covered California.

issued on June 2, 2020, which authorized the Director of Public Health to establish the San Francisco Medical Reimbursement Accounts Cash Grant Program. The purpose of this program was to make grants not to exceed \$500 to qualifying individuals³ to cover COVID-19 related expenses that were not otherwise compensated by insurance coverage or other means. The term of the program will last through the COVID emergency unless ended by the Mayor of the Board of Supervisors. According to the DPH, grants were issued between July 2020 and February 2021.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves a \$14,903,500 retroactive agreement between the Department of Public Health and San Francisco Community Health Authority for a term July 1, 2020 through December 31, 2021.

The purpose of the agreement is to make grants of up to \$500 to persons with Medical Reimbursement Accounts. The San Francisco Community Health Authority determined that a total of 46,448 persons are eligible for these grants under the Mayor’s emergency order. The Authority made efforts to conduct outreach to all eligible participants through mailings. As shown below in Exhibit 1, 29,807 people submitted the applications, resulting in \$14,903,500 that was disbursed, as seen in Exhibit 1.

Exhibit 1: Eligibility and Disbursement

Persons Eligible	Applications	Total Disbursement
46,448	29,807	\$14,903,500

Source: Public Health

Note: Total disbursement = 29,807 applicants x \$500 per grant

Administrative expenses for the Medical Reimbursement Program and for this grant program are covered by an existing agreement between Public Health and San Francisco Community Health Authority.

FISCAL IMPACT

The Department of Public Health will utilize FY 2020-21 General Fund savings to pay for the \$14.9 million in grants.

RECOMMENDATION

Approve the proposed resolution.

³ Grants may be made to people who have Medical Reimbursement Accounts with a remaining balance of at least \$100 as of June 2, 2020.