COMMITTEE/BORAD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee ____________________________ Date ___________

Board of Supervisors Meeting Date July 23, 2013

Cmte Board

☐ ☐ Motion
☐ ☑ Resolution
☐ ☐ Ordinance
☐ ☐ Legislative Digest
☐ ☐ Budget Analyst Report
☐ ☐ Legislative Analyst Report
☐ ☐ Introduction Form (for hearings)
☐ ☐ Department/Agency-Cover Letter and/or Report
☐ ☐ MOU
☐ ☐ Grant Information Form
☐ ☐ Grant Budget
☐ ☐ Subcontract Budget
☐ ☐ Contract/Agreement
☐ ☐ Award Letter
☐ ☐ Application
☐ ☐ Public Correspondence

OTHER (Use back side if additional space is needed)

☐ ☐
☐ ☐
☐ ☐

Completed by: Joy Lamug Date July 18, 2013
Completed by: _________ Date _________

An asterisked item represents the cover sheet to a document that exceeds 20 pages. The complete document is in the file.
[Greater Transparency for the Kaiser Healthcare Rate Increase]

Resolution urging Kaiser to immediately begin negotiating with the Health Service System toward a fair and transparent pricing model that provides fee schedule transparency and requesting the Health Service System to report back to the Board of Supervisors on the progress of negotiations.

WHEREAS, Utilization of healthcare by City HHS Members enrolled in Kaiser has dropped every year for the past seven years, yet Kaiser has increased their prices each year; and

WHEREAS, Hospitalizations for HSS Members enrolled in Kaiser dropped by more than a third over the last seven years, whereas the Kaiser charges per hospitalization increased by nearly 90% without presenting statistics to support these increases; and

WHEREAS, many public employees covered by Kaiser have made many concessions over the years and the rate increases by Kaiser come at a time when many are just beginning to recover from the economic recession; and

WHEREAS, Kaiser has a record of excellent quality care and better health outcomes, which should translate into lower costs. Kaiser pricing is equivalent to other HMO plans on a risk-adjusted basis; and

WHEREAS, Kaiser reports that price is based on 'competing in the marketplace' and is not tied to utilization of services or the actual cost of care. Kaiser justifies this pricing strategy by saying that Kaiser remains the lowest cost and highest quality health plan in the marketplace; and

WHEREAS, Kaiser has enjoyed profit increases year-after-year; and
WHEREAS, Kaiser is making a profit of 15% or more from the City and County of San Francisco. Kaiser acknowledged that they use one pricing model for all large group business, so this 15% profit margin is likely also being made off all other large San Francisco employers with employee families enrolled in Kaiser; and

WHEREAS, Blue Shield, the other large non-profit health plan in California committed to a 2% profit pledge in 2010, returning nearly $20 million to the Health Service System over the past 2 years; and

WHEREAS, The Health Service System, under the guidance of the Health Service Board, has worked diligently for many years with the goal of engaging in fair and forthcoming business relationships with local insurers and providers to offer plans and to negotiate rates for City employees and retirees. These plans and rates are under the approval authority of the Board of Supervisors; now, therefore, be it

RESOLVED, That Kaiser immediately begin negotiating with the Health Service System toward a fair and transparent pricing model that provides fee schedule transparency and reflects the utilization of our members; and, be it

FURTHER RESOLVED, That Kaiser provide documentation on the actual drivers of healthcare costs and trends and commit to a plan on controlling healthcare drivers and leads to cost reductions; and, be it

FURTHER RESOLVED, the Health Service System pursue negotiations with Kaiser toward a fair and transparent pricing and further, that the Health Service System pursue other cost effective alternatives for City employees in the event negotiations with Kaiser do not produce; and, be it

FURTHER RESOLVED, That pursuant to the foregoing, the Health Service System report back to the Board of Supervisors on the progress of negotiations.
Introduction Form
By a Member of the Board of Supervisors or the Mayor

I hereby submit the following item for introduction (select only one):

☐ 1. For reference to Committee.
   An ordinance, resolution, motion, or charter amendment.
☒ 2. Request for next printed agenda without reference to Committee.
☐ 3. Request for hearing on a subject matter at Committee.
☐ 4. Request for letter beginning "Supervisor [ ] inquires"
☐ 5. City Attorney request.
☐ 6. Call File No. [ ] from Committee.
☐ 7. Budget Analyst request (attach written motion).
☐ 9. Request for Closed Session (attach written motion).
☐ 10. Board to Sit as A Committee of the Whole.
☐ 11. Question(s) submitted for Mayoral Appearance before the BOS on [ ].

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

Farrell, Avalos, Breed, Campos, Cohen, Farrell, King, Mar, Tang, Wiener, Yee

Subject:
Greater Transparency for the Kaiser Health Care Rate Increase

The text is listed below or attached:

Signature of Sponsoring Supervisor: [Signature]

For Clerk's Use Only:

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