



FOR IMMEDIATE RELEASE:

Monday, January 6, 2014

Contact: Mayor's Office of Communications, 415-554-6131

***** PRESS RELEASE *****

**MAYOR LEE RECEIVES RECOMMENDATIONS OF UNIVERSAL
HEALTHCARE COUNCIL**

*Recommendations Will Help City Implement Federal Affordable Care Act & Ensure Access to Quality Health
Care for City's Uninsured Residents*

San Francisco, CA — Mayor Edwin M. Lee today received recommendations from the Universal Healthcare Council (UHC), a 41-member group of local government, business, health and labor representatives who examined how San Francisco could best implement the Federal Affordable Care Act (ACA). Department of Public Health Director Barbara Garcia and California Health Care Foundation President & CEO Dr. Sandra Hernandez led the three-month study and evaluation.

The recommendations included an analysis of how the City's local Health Care Security Ordinance (HCSO), including its local spending requirement, interacts with the Affordable Care Act and federal health reform. Notably, the Council found that HCSO should continue to exist in its current form, and that San Francisco's local requirements should complement the ACA by helping to make health coverage more affordable for low income San Franciscans and families. Alongside the critically important expansion of Medi-Cal, the HCSO will continue to serve an important purpose for individuals facing a mandate to buy insurance.

Mayor Lee supports the recommendation of the UHC that the HCSO continue largely unchanged, specifically because of the HCSO's demonstrated success in getting more San Franciscans insured.

"Federal health care reform means that more than 30,000 previously uninsured San Franciscans will now have affordable, quality health coverage," said Mayor Lee. "The Council came to an important conclusion that the City's local ordinance should remain in place, helping low-income San Franciscans afford coverage and making progress toward our top priority which is, and has always been, enrolling everyone into health insurance. I thank Lieutenant Governor Gavin Newsom for his work in 2007 to make sure San Francisco is a leader in providing affordable health care to its residents, and I thank Director Garcia, Dr. Hernandez and the 39 other members of the Council for participating in this data-driven process so that we can make informed policy decisions that will lead to better health outcomes for our residents."

"We've always said, getting people enrolled in health insurance is our main goal," said Dr. Hernandez. "The ACA makes tremendous leaps forward in providing affordable coverage for the previously uninsured and underinsured, specifically through Medi-Cal expansion and subsidies on Covered California. Our task now, as the UHC made clear, is working together to enroll all San Franciscans in whatever insurance product is most appropriate for them."

“Due to the success of the HCSO and Healthy San Francisco, San Francisco is ahead of the curve on ACA implementation – we have been providing coordinated and comprehensive health care services for uninsured San Franciscans since 2007,” said Director Garcia. “Now that full implementation of the ACA is upon us, our focus is making sure that every uninsured San Franciscan who is now eligible for health insurance gets enrolled. Health insurance is better than Healthy San Francisco, but Healthy San Francisco and the Department of Public Health will continue to be here to care for those who do not have health insurance options.”

The UHC adopted six guiding principles, which Mayor Lee shares:

- Support the Affordable Care Act
- Maximize Enrollment into Health Insurance
- Leverage State and Federal Funding
- Maintain Healthy San Francisco
- Maximize Affordability
- Shared Responsibility for Ensuring Access to Care

The UHC also identified categories of people and entities to address different affordability concerns. Since 2007, San Francisco businesses have spent \$1.2 billion on health care and coverage for their employees, benefitting an average of 235,000 employees per year. Businesses, some that face affordability concerns, have traditionally used three primary methods for complying with the HCSO. The first compliance strategy, used by 90 percent of City employers is Group Health Insurance, which is the best kind of benefit for employees. The second compliance method is the City Option. This includes Healthy San Francisco, which is a health access program for uninsured San Francisco residents, and a Medical Reimbursement Account (MRA), which provides reimbursement to employees for eligible health care expenses. This option is used by 3.5 percent of employers. The final compliance method is Health Reimbursement Accounts (HRAs). HRAs allow employers to recoup funds not used by employees after 24 months. This option is used by 4.5 percent of employers.

Under health reform the Group Health Insurance and City Option remain valid employer compliance strategies. Moreover, workers receiving MRAs can now use this benefit to purchase health insurance on the exchange and access available subsidies. Healthy San Francisco will also remain intact to support those not covered by health reform, most notably undocumented workers.

“The Small Business community in San Francisco believes that providing meaningful health care to employees is a valuable benefit and simply the right thing to do,” said San Francisco Small Business Commission President Steve Adams. “In fulfilling our health care spending mandates, we strive to ensure affordability for both our small business owners and operators and the people they employ.”

The employer mandate provisions of the ACA take effect January 1, 2015, and Mayor Lee has directed departments to closely monitor health insurance enrollment rates, Medi-Cal enrollment numbers, and business’s HCSO compliance strategies and reimbursement rates. Mayor Lee has also directed the City’s Office of Labor Standards Enforcement to immediately undertake a formal rulemaking process to update regulations on HSCO compliance strategies, including receiving input from business owners, employees, and other health care professionals.

For more information on the recommendations of the Universal Healthcare Council, go to:
<http://www.sfdph.org/dph/comupg/knowlcol/uhc/default.asp>.

###