

**Health Commission  
Draft Resolution No. 14-7**

**SUPPORTING THE INTENTION OF THE HEALTH CARE ACCESS ASSISTANCE PROGRAM, COMMITTING TO ADDRESS AFFORDABILITY OF HEALTH INSURANCE FOR THE POPULATIONS IDENTIFIED BY THE 2013 UNIVERSAL HEALTHCARE COUNCIL, AND ENSURING THE AVAILABILITY OF HEALTHY SAN FRANCISCO UNTIL SUCH AN AFFORDABILITY SOLUTION IS DEVELOPED**

WHEREAS, San Francisco is committed to full implementation of the Affordable Care Act (ACA), which provides new health care coverage opportunities for San Franciscans; and

WHEREAS, Preparation and planning for ACA implementation over the past few years by many stakeholders in San Francisco has contributed to better than expected enrollment into ACA coverage options; to date, nearly 41,000 San Franciscans have enrolled in health insurance through Covered California during its first open enrollment period, and nearly 40,000 San Franciscans have enrolled in Medi-Cal; and

WHEREAS, Mayor Lee convened the Universal Healthcare Council in 2013 to examine the intersection of the ACA with local policies such as San Francisco's Health Care Security Ordinance (HCSO); and

WHEREAS, The 2013 Universal Healthcare Council adopted the following guiding principles:

- 1) Support the ACA;
- 2) Maximize enrollment into health insurance;
- 3) Leverage state and federal funding where available;
- 4) Maintain Healthy San Francisco;
- 5) Maximize affordability; and
- 6) Maintain shared responsibility; and

WHEREAS, During the 2013 Universal Healthcare Council's deliberations, two key findings emerged:

- 1) That the HCSO remains intact under the ACA; and
- 2) That some populations, including middle-income earners, part-time employees, and employees of small business, may face challenges in finding affordable health care coverage; and

WHEREAS, The San Francisco Department of Public Health (SFDPH) is committed to addressing issues of health care affordability and access for all San Franciscans; and

WHEREAS, SFDPH is already implementing some of the suggestions raised by the 2013 Universal Healthcare Council through policies and activities including:

- the extension of Healthy San Francisco eligibility through 2014;
- outreach to City medical reimbursement accountholders during Covered California open enrollment;
- analyzing health insurance affordability issues for populations identified by the 2013 Universal Healthcare Council;
- quantifying potential populations requiring assistance and estimating the level of need; and
- assessing the financial and programmatic feasibility of potential solutions; and

WHEREAS, on April 1, 2014, Supervisor Campos introduced legislation to amend the HCSO; and

WHEREAS, The proposed HCSO amendments would require employer health care expenditures to be irrevocable, and would create the Health Care Access Assistance Program (HCAAP) to be implemented by SFDPH by October 1<sup>st</sup>, 2014; and

WHEREAS, The HCAAP would comprise the following three programs, to be administered by SFDPH:

- Covered San Francisco, which would provide financial subsidies to those purchasing insurance on Covered California;
- Healthy San Francisco, which would continue as a health access program for the uninsured, but with changed eligibility guidelines; and
- Health Care Access Accounts, which would be available for persons not eligible for Covered San Francisco or Healthy San Francisco to reimburse for qualifying health care expenditures; and

WHEREAS, While supportive of the intention of the HCSO amendments to improve access to affordable health insurance, SFDPH believes it is premature to codify the design of a subsidy program;

WHEREAS, Full implementation of the ACA is still in the earliest stages, and it will take at least two years before health insurance utilization patterns emerge; and

WHEREAS, There continue to be moving parts in ACA implementation, including the employer mandate, which is not fully effective until 2016 and may impact how San Francisco employers comply with the HCSO; and

WHEREAS, A financial assistance subsidy program, such as Covered San Francisco, is just one method of addressing the affordability of health insurance, but there may be other options that warrant exploration; and

WHEREAS, Subsidizing health insurance is a logistically, financially, and programmatically complicated undertaking, which includes consideration of consumer costs and the long-term financial sustainability of such a program for SFDPH; and

WHEREAS, Plan rates for consumers in the insurance marketplace are expected to change from year to year and are affected by age, income, and place of residence; and

WHEREAS, SFDPH contacted Covered California and was advised that the soonest that they would be able to implement any type of program would be 2016; and

WHEREAS, In the coming weeks, SFDPH will be convening a meeting of the Covered California insurance plans in San Francisco to explore possible program solutions to improve the affordability of health insurance for San Franciscans; and

THEREFORE BE IT RESOLVED, The San Francisco Health Commission supports the intention of the HCAAP to promote access to affordable health insurance; and be it further

RESOLVED, That a program of the importance and magnitude of the proposed HCAAP merits a careful approach and due diligence, which cannot be done by the proposed October 1<sup>st</sup>, 2014 implementation date; and be it further

RESOLVED, That the San Francisco Health Commission finds that given the dynamic context of the current health care environment, it is premature to prescribe in statute a subsidy program, such as Covered San Francisco under the proposed HCAAP; and be it further

RESOLVED, That the San Francisco Health Commission requests SFDPH to continue its analysis of the affordability of health insurance for San Francisco residents and employees and its study of potential solutions that will address the intent of the proposed HCAAP and the principles outlined by the 2013 UHC; and be it further

RESOLVED, That while committed to the intention of the HCAAP to improve access to affordable health insurance, the San Francisco Health Commission opposes the inclusion of the HCAAP in the proposed legislation to avoid committing SFDPH to a specific program structure; and be it further

RESOLVED, That the San Francisco Health Commission would support language in the proposed legislation that would highlight the commitment of SFDPH to address the affordability of health insurance and direct SFDPH to present a financially, logistically, and administratively feasible solution to the Health Commission; and be it further

RESOLVED, That while SFDPH continues its work to develop a sustainable program to address the affordability of health insurance, Healthy San Francisco will continue to be available for those who do not have affordable health insurance options, and City medical reimbursement accounts will continue to reimburse for qualifying health care expenditures, including health insurance premiums.