Healthy San Francisco: Local Model for Universal Coverage

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Category: Expanding Coverage

Overview

This summary is from the September/October 2007 issue of the newsletter States in Action.

Healthy San Francisco (HSF) is a new program that provides medical homes to the city's uninsured adults. It was launched in July at two health centers, expanded to 20 additional clinics September 17, and is expected to go citywide on January 2, 2008. Early enrollment exceeded expectations—there were 1,900 members as of late September—and the program could eventually enroll all of the city's estimated 82,000 uninsured adults. [1]

Championed by San Francisco Mayor Gavin Newsom, HSF is based on recommendations by a Universal Healthcare Council comprised of local stakeholders including health care industry, business, labor, philanthropy, and research representatives. It is administered by the city's Department of Public Health. According to program director Tangerine Brigham, "In the absence of federal reform, we're looking at what works best given our local health needs, public resources, and political will. But aspects of what we're doing are certainly replicable elsewhere."

HSF does not offer insurance, but rather gives members a medical home that emphasizes preventive care. It also provides specialty care, urgent and emergency care, mental health care, substance abuse services, laboratory services, inpatient hospitalization, radiology, and pharmaceuticals. Members are given a HSF participant identification card, can select a primary care clinic as their medical home, and are encouraged to get regular screenings and check-ups. The services are provided by a network of local providers, primarily public health department providers and community health clinics as well as San Francisco General Hospital. The city plans to monitor the capacity of its provider network over the coming year.

Membership fees and copayments are based on a sliding scale. Those below the federal poverty level (FPL) pay nothing, while member contributions for those above the poverty level range from $20/month to $225/month (for those with income above 500 percent of the FPL). Copayments range from $10 to $20 per clinic visit, and $200 to $350 per inpatient stay.

To be eligible for HSF, a person must be 18 to 64 years old, uninsured, live within city limits, and be ineligible for other public coverage programs. Initially, enrollment is also limited to people with income under 100 percent of the FPL. In November, it will be expanded to include all residents, regardless of income or immigration status.
HSF will also be open to workers whose employers select the program as part of a minimum employer health care spending requirement. Beginning in 2008, employers with at least 20 employees must make required "Health Care Expenditures" to or on behalf of their local employees. [2] Employers who are not contributing to insurance, health savings accounts, or medical expenses must pay a fee of $1.17 per hour per employee, equivalent to about $200/month for a full-time worker. Employers with at least 100 workers must pay $1.76/hour per worker, equivalent to about $300/month. [3] If an employer selects HSF, their employees would then be given information about how to enroll, and would receive a discount on the participation fee. [4]

A local restaurant association is challenging the employer health care spending requirement, claiming that it violates ERISA, a law governing employer health benefits. A hearing is scheduled for November.

HSF is expected to cost about $200 million the first year. This will be financed by redirecting some of the $110 to $115 million city funds currently spent on treatment and services for the uninsured, supplemented with federal funds of $24 million per year for three years, together with members' fees and copayments and fees from participating businesses. [5]

References
[1] Nearly 70 percent (about 57,000 people) of the 82,000 are already in the county's safety net system receiving services though an existing network of providers.
[2] Based on the San Francisco Health Care Security Ordinance, passed in 2006. Beginning January 1, 2008, employers with at least 50 workers must comply; starting April 1, 2008, the spending requirement extends to firms with at least 20 workers. Firms with fewer than 20 workers are exempt. Employees working at least 10 hours per week are eligible. For more information, see http://www.sfgov.org/site/olse_index.asp?id=45168
[3] The required contribution will increase by 5 percent annually through 2009, and thereafter will be based on the average contribution for a full-time employee to the City Health Service System.
[4] Non-resident employees are not eligible for HSF; instead, they are given medical reimbursement accounts of value equivalent to their employer's contribution.
[5] San Francisco is one of 10 counties selected for federal funds under California's Health Care Coverage Initiative, a five-year 1115 Medicaid Demonstration waiver.

For More Information
See: Healthy San Francisco Web Site.