

Universal Access to Care: Lessons from San Francisco

**Testimony to the Assembly Select Committee on Health Care
Delivery Systems and Universal Coverage**

December 11, 2017

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San Francisco's Universal Healthcare Model

- **Health Care Security Ordinance (2006)**
 - Healthy San Francisco
 - Employer spending requirement
- **Shared responsibility**
 - Individuals
 - Employers
 - The public
 - Providers

Healthy San Francisco

- **Comprehensive health services**
 - Medical home for primary and preventive services
 - Designated site for specialty care and emergency services
 - Primarily through the safety net system
 - Access not insurance
- **Eligibility**
 - Uninsured residents of San Francisco
 - Ineligible for other programs
 - Family income under 500% of the Federal Poverty Level
 - \$60,300 for a single individual, \$102,100 for a family of 3 (2017)
 - Age 18 or older

Healthy San Francisco Financing

- **Individuals**

- Quarterly fees based on income

0-100% FPL	101-200%	201-300%	301-400%	401-500%
\$0	\$60	\$150	\$300	\$150

- Point of service fees, sliding scale (0-\$200)

- **Public**

- County General Fund
- Emergency Medi-Cal

- **Employers**

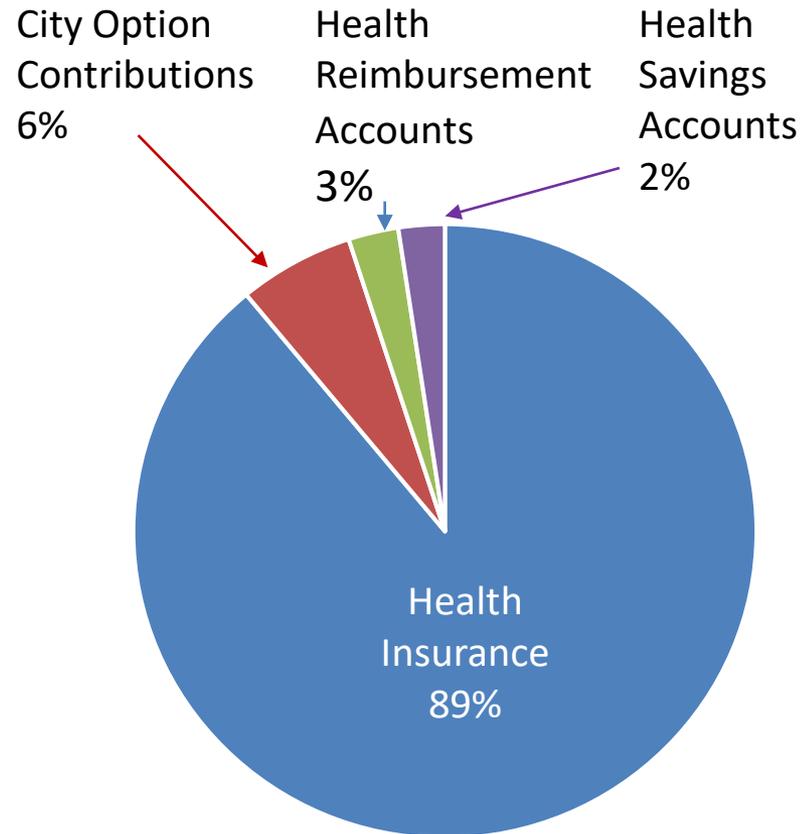
- **Providers**

Employer Health Spending Requirement

- **Hourly spending requirement on health services (2018):**
 - \$2.83 for firms with 100 or more employees
 - \$1.89 for firms with 20-99 employees
- **Applies to employees working 8 hour or more hours a week**
- **Can meet through a variety of means including:**
 - Providing health insurance, and
 - Paying into the City Option
- **If an employer pays into the City Option, the employee may receive:**
 - Healthy San Francisco if eligible
 - A city run Medical Reimbursement Account (MRA) if not eligible for Healthy San Francisco

The vast majority of employers provide insurance directly

Reported Employer Spending by Health Care Expenditure



Source: Preliminary Annual Reporting Form Subsidies 2016, San Francisco Office of Labor Standards Enforcement.

Employer requirement increased and improved job-based coverage

- Increased proportion of firms offering coverage
- Increased share of workers with health coverage
- Majority of employers offering coverage expanded benefits
- Premium increases for job-based coverage similar to surrounding counties, but smaller growth in employee contributions
- No evidence of employers dropping coverage in response to Healthy San Francisco
- No evidence of job-reduction

Source: Colla CH, Dow WH, and Dube A, San Francisco's 'Pay Or Play' Employer Mandate Expanded Private Coverage By Local Firms And A Public Care Program, *Health Affairs* 32, No. 1 (2013).

San Francisco's Universal Health Care Program post ACA

- **ACA successfully implemented in San Francisco**
 - 108,000 San Franciscans enrolled in ACA coverage
 - Uninsured fell 63% from 2013 to 2016
- **Continued need for Healthy San Francisco for those not covered under the ACA**
 - Enrollment pre-ACA: 65,650
 - Current enrollment: 13,209
- **Continued employer spending requirement**
- **Modified City Option to address affordability**
 - Covered SF MRA started in November 2016

Post ACA affordability remains a barrier to enrollment and utilization

- **For California uninsured citizens ages 19-64 in 2016 the top reason for lacking insurance was cost**
- **People with high medical use may still face significant costs under the ACA**
- **Affordability remains a barrier to timely & appropriate use of care, even among insured**

Source: California Health Interview Survey 2016.

San Francisco & other California regions have higher cost of living than U.S.

- **ACA premium subsidies are calculated on sliding scale based on federal poverty level (FPL)**
- **400% FPL threshold for ACA premium subsidies equivalent to ~500% FPL statewide & ~600% FPL in San Francisco**
 - 500% FPL=\$60,300 for a single individual, \$102,100 for a family of 3.
 - 600% FPL=\$72,360 for a single individual, \$122,520 for a family of 3.
 - Equivalent estimated using the California Poverty Measure (CPM), an unofficial measure that accounts for cost of living & a range of family needs & resources
 - CPM is 25% higher than the FPL for the state and 52% higher for San Francisco

Source: [California Poverty Measure](#), produced by Public Policy Institute of California and the Stanford Center on Poverty and Inequality

SF City Option Process

Employer Contribution (\$\$)



SF City Option will assign the employer's contribution when the employee enrolls in one of the three programs: SF Covered MRA, HSF, or SF MRA.

Covered San Francisco MRA

(Started 2016)

Eligibility

- San Francisco resident
- Age 18 or over
- Purchased health insurance through Covered California and subject to mandate
- Annual income at or below 500% of the Federal Poverty Level
- Not eligible for Medi-Cal or Medicare
- Employer made 2 contributions to City Option within last 6 months

Benefit

- **Premium assistance:** 60% of cost of 2nd lowest cost Silver plan after federal subsidies
+
- **Cost sharing assistance:** keeping plan deductible below 5% of income
- Total amount deposited into an MRA after the employee enrolls
 - Claims reimbursable to 3/31 of the following year

Conclusions and Considerations

- **San Francisco is a successful model for providing universal health access and addressing affordability**
- **Specific design elements in San Francisco were based on local constraints: more options are available for statewide programs at a larger scale**
 - Expand state-only Medi-Cal eligibility
 - Provide premium subsidies through state income tax system
 - Pay insurers directly for cost sharing subsidies