



## Medallion Holders Association

P.O. Box 883533 San Francisco, CA 94188

Voicemail: 888-474-0840 Fax: 888-474-0841

Web: [www.medallionholders.com](http://www.medallionholders.com)

San Francisco's Taxi Owner / Operators

### **Proposed Free Healthcare Plan for Taxicab Drivers**

#### **1.) What is the Healthcare Plan?**

The Taxi Driver Healthcare Plan is a basic limited benefits package, such as the plan presented to the Healthcare Committee by American All Risk Benefit Insurance Services (AARBIS). Other vendors ought to be invited to present similar proposals. Ideally the SF Health Department will present a comparable plan offering access to City clinics.

#### **2.) Who is covered?**

Enrollment would be open to all taxicab drivers at no cost to the driver. Alternately, interested drivers would pay for the plan themselves, in part or in total, from additional revenues generated by a small fare increase (see #4 below.) In either case, eligibility would be based on possession of an A-card without any further verification. There would be no minimum number of shifts and no documentation of shifts required, and thus no paperwork or administrative costs associated with determining eligibility.

We estimate that there will be approximately 4,000 participants. There are some 7000 A-card holders, of whom 5-6,000 are active drivers. However, the 2007 Health Survey revealed that more than 50% of drivers already have some kind of healthcare coverage. (2308 responded that they have some form of insurance, while 1675 responded that they have no insurance.) If this result is anywhere near accurate, then it is safe to assume that many drivers will not enroll in the Taxi Driver Healthcare Plan.

Thus we believe that 4,000 participants is a reasonable estimate.

#### **3.) How much does it cost?**

Based on the plan submitted by AARBIS, the cost is expected to be about \$75 per month per enrollee, or about \$900 per year per enrollee. The estimated total annual cost is about \$3.6 million per year. (\$75 per person per month, times 12 months, times 4000 participants = \$3,600,000 per year)

#### **4.) Where do the funds come from?**

The funding source is the passenger. Twenty-five cents is added to each taxi fare as part of the initial amount on the meter. The increase should generate at least \$3.50 in additional revenue each shift. (14 fares times 25-cents equals \$3.50 per shift) That is a sufficient amount to allow drivers to pay all or part of the cost of the Taxi Driver Healthcare Plan.

In the free version of the Plan, the meter increase is passed through to cab companies as a \$3.50 per shift gate increase that is earmarked for healthcare. In the course of a year, the gate increase earmarked for healthcare should equal more than \$3.6 million. (1431 cabs times 2 shifts per day, times 365 days, times \$3.50 per shift = \$3,656,205 per year)

March 6, 2007