

# San Francisco Health Service System Health Service Board

## Rates & Benefits

Aon Hewitt Health Value Initiative™

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# Aon Hewitt Health Value Initiative (HVI)<sup>TM</sup>

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- **The Aon Hewitt Health Value Initiative (HVI)<sup>TM</sup> Database**, launched in 1996, captures health care cost and benefit data for:
  - 9.3 million health plan participants
  - 383 organizations
  - 1,260 health plans
  - \$50.9 billion in health care expenditures\*
- **Aon Hewitt's Pharmacy Cost Database** provides prescription drug cost data for organizations nationwide.

*\* Total number of employers is dynamic and changes as clients are added or removed from the baseline.*

# Aon Hewitt Health Value Initiative (HVI)<sup>TM</sup>

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## **San Francisco Health Service System (HSS)**

HSS' costs are based on the employers actual premium rates for fully insured health plans; Self-insured plan costs are based on HSS' funding rates which reflect the projected claims and administrative costs

## **Public Sector Industry (Public)**

## **Organization Size (25,000+)**

## **Fortune 500**

## **Labor Market**

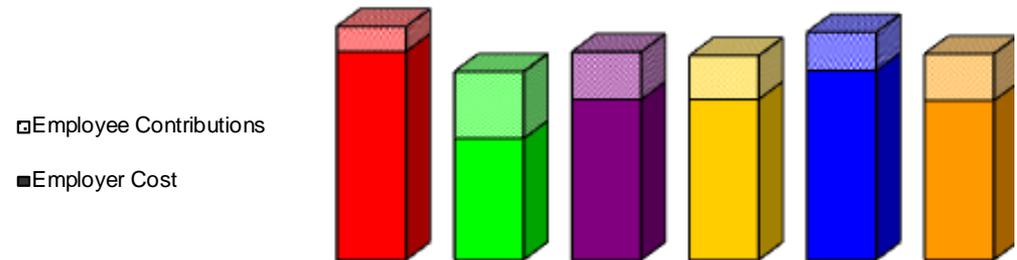
Labor market costs reflect a weighted average of other major organizations across your participant locations. In the detailed analysis, this comparison group is helpful in analyzing the impact of participant location on costs.

## **HVI**

# Annual Healthcare Costs

- HSS pays on average \$12,268 annually for healthcare premiums for its members, which is the highest within the peer group. This represents 86% of the total cost.
- HSS members pay 10.1% of the premium as compared to an average of 31.4% with the peer group
- HSS members pay less out-of-pocket for their care, \$612 versus an average of \$1,441

Health Plan Costs Per Employee—Overall

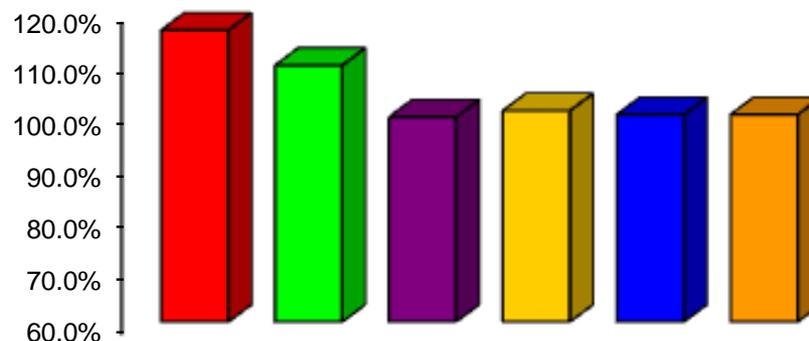


|                               | SFHSS           | Public          | 25,000+         | Fortune 500     | Labor Market    | HVI             |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Out-of-Pocket Costs           | \$612           | \$1,441         | \$2,152         | \$2,280         | \$1,632         | \$2,202         |
| Employee Contributions        | \$1,454         | \$3,928         | \$2,788         | \$2,561         | \$2,244         | \$2,748         |
| Employer Cost                 | \$12,268        | \$7,141         | \$9,444         | \$9,454         | \$11,146        | \$9,373         |
| <b>Total Health Plan Cost</b> | <b>\$14,334</b> | <b>\$12,510</b> | <b>\$14,384</b> | <b>\$14,295</b> | <b>\$15,022</b> | <b>\$14,323</b> |
| Employer Subsidy Percent      | 86%             | 57%             | 66%             | 66%             | 74%             | 65%             |

# Financial Index

- The financial efficiency of the HSS plan may be a better comparative measure than per member costs. The Aon Hewitt Financial Index (FI) removes the cost differences caused by three main factors: population demographics, richness of plan design, and geographic location.
- The FI reflects administrative costs and care management effectiveness. An FI greater than 100% reflects better-than-average financial efficiency.
- The HSS FI exceeds the peer group.

Financial Efficiency—Overall



|                 | SFHSS  | Public  | 25,000+   | Fortune 500 | Labor Market | HVI       |
|-----------------|--------|---------|-----------|-------------|--------------|-----------|
| Financial Index | 116.3% | 109.5%  | 99.5%     | 100.8%      | 100.0%       | 100.0%    |
| Enrollment      | 39,903 | 332,980 | 2,548,479 | 2,030,619   | 368,398      | 4,202,705 |

# Annual Coverage Election Profile

| Category                                | SFHSS    | Public   | 25,000+  | Fortune 500 | Labor Market | HVI      |
|---|----------|----------|----------|-------------|--------------|----------|
| <b>Total</b>                            |          |          |          |             |              |          |
| Health Plan Costs per Employee          | \$13,722 | \$11,068 | \$12,232 | \$12,015    | \$13,390     | \$12,121 |
| Employer Health Plan Costs per Employee | \$12,268 | \$7,141  | \$9,444  | \$9,454     | \$11,146     | \$9,373  |
| Employee Contributions                  | \$1,454  | \$3,928  | \$2,788  | \$2,561     | \$2,244      | \$2,748  |
| Employer Subsidy                        | 89.4%    | 64.5%    | 77.2%    | 78.7%       | 83.2%        | 77.3%    |
| Total/Average Enrollment                | 39,903   | 13,874   | 62,158   | 31,728      | 368,398      | 10,973   |

# Annual Coverage Election Profile (continued)

| Category                                | SFHSS    | Public   | 25,000+  | Fortune 500 | Labor Market | HVI      |
|---|----------|----------|----------|-------------|--------------|----------|
| <b>Employee Only</b>                    |          |          |          |             |              |          |
| Health Plan Costs per Employee          | \$8,102  | \$6,626  | \$6,277  | \$6,156     | \$6,742      | \$6,191  |
| Employer Health Plan Costs per Employee | \$7,696  | \$3,918  | \$4,809  | \$4,957     | \$5,792      | \$4,765  |
| Employee Contributions                  | \$406    | \$2,708  | \$1,468  | \$1,199     | \$950        | \$1,426  |
| Employer Subsidy                        | 95.0%    | 59.1%    | 76.6%    | 80.5%       | 85.9%        | 77.0%    |
| Employee Only Enrollment                | 18,802   | —        | —        | —           | —            | —        |
| <b>Employee + Spouse</b>                |          |          |          |             |              |          |
| Health Plan Costs per Employee          | \$17,085 | \$16,720 | \$17,304 | \$16,810    | \$17,968     | \$16,939 |
| Employer Health Plan Costs per Employee | \$16,132 | \$12,556 | \$13,837 | \$13,518    | \$15,644     | \$13,544 |
| Employee Contributions                  | \$953    | \$4,164  | \$3,467  | \$3,292     | \$2,324      | \$3,395  |
| Employer Subsidy                        | 94.4%    | 75.1%    | 80.0%    | 80.4%       | 87.1%        | 80.0%    |
| Employee + Spouse Enrollment            | 10,332   | —        | —        | —           | —            | —        |
| <b>Employee + Family</b>                |          |          |          |             |              |          |
| Health Plan Costs per Employee          | \$20,307 | \$18,042 | \$19,423 | \$18,694    | \$20,848     | \$19,118 |
| Employer Health Plan Costs per Employee | \$16,541 | \$12,162 | \$14,930 | \$14,462    | \$16,785     | \$14,708 |
| Employee Contributions                  | \$3,766  | \$5,880  | \$4,493  | \$4,232     | \$4,063      | \$4,410  |
| Employer Subsidy                        | 81.5%    | 67.4%    | 76.9%    | 77.4%       | 80.5%        | 76.9%    |
| Employee + Family Enrollment            | 10,769   | —        | —        | —           | —            | —        |

# Annual Employer Profile

| Category                             | 2017          |               |                 |                  |                  |                 |                  |
|--------------------------------------|---------------|---------------|-----------------|------------------|------------------|-----------------|------------------|
|                                      | 2016 SFHSS    | SFHSS         | Public          | 25,000+          | Fortune 500      | Labor Market    | HVI              |
| <b>Overall Profile</b>               |               |               |                 |                  |                  |                 |                  |
| Number of Employees                  | 38,754        | 39,903        | 332,980         | 2,548,479        | 2,030,619        | 368,398         | 4,202,705        |
| Total Health Plan Cost               | \$504,771,629 | \$547,549,557 | \$3,685,521,672 | \$31,172,024,345 | \$24,398,209,639 | \$4,932,980,155 | \$50,940,452,101 |
| Total Employer Health Plan Co        | \$450,640,491 | \$489,519,950 | \$2,377,655,012 | \$24,066,738,944 | \$19,196,896,169 | \$4,106,113,347 | \$39,392,168,866 |
| Average Age                          | 47.2          | 47.0          | 44.8            | 43.2             | 43.5             | 44.0            | 43.5             |
| Adult Cost Factor                    | 1.86          | 1.86          | 1.80            | 2.10             | 2.11             | 2.09            | 2.12             |
| Percent Females                      | 48%           | 48%           | 59%             | 44%              | 42%              | 40%             | 43%              |
| <b>Competitive Cost Benchmarks</b>   |               |               |                 |                  |                  |                 |                  |
| Total Health Plan Costs              | \$13,025      | \$13,722      | \$11,068        | \$12,232         | \$12,015         | \$13,390        | \$12,121         |
| Employer Health Plan Costs           | \$11,628      | \$12,268      | \$7,141         | \$9,444          | \$9,454          | \$11,146        | \$9,373          |
| Financial Index                      | 115.9%        | 116.3%        | 109.5%          | 99.5%            | 100.8%           | 100.0%          | 100.0%           |
| Annual Rate of Cost Increase         |               | 5.4%          | 6.0%            | 6.0%             | 4.0%             | 4.0%            | 5.0%             |
| <b>Cost Sharing and Design Index</b> |               |               |                 |                  |                  |                 |                  |
| Employee Contribution                | \$1,397       | \$1,454       | \$3,928         | \$2,788          | \$2,561          | \$2,244         | \$2,748          |
| Out-of-Pocket Expense                | \$580         | \$612         | \$1,441         | \$2,152          | \$2,280          | \$1,632         | \$2,202          |
| Total Value of Coverage              | 114%          | 115%          | 105%            | 101%             | 99%              | 106%            | 100%             |
| Net ER Provided Benefit Value        | 116%          | 116%          | 83%             | 100%             | 102%             | 108%            | 100%             |
| <b>Enrollment</b>                    |               |               |                 |                  |                  |                 |                  |
| Traditional HMO/EPO                  | 38,038        | 38,951        | 145,895         | 409,649          | 297,039          | 174,777         | 602,615          |
| Traditional PPO/POS                  | 716           | 952           | 145,656         | 1,190,706        | 914,828          | 101,876         | 1,967,135        |
| Account-Based HMO/EPO                | —             | —             | 91              | 5,217            | 8,485            | 9,569           | 13,372           |
| Account-Based PPO/POS                | —             | —             | 39,840          | 933,415          | 809,222          | 81,423          | 1,607,605        |
| Indemnity                            | —             | —             | 1,498           | 9,492            | 1,045            | 753             | 11,978           |