

# **San Francisco Health Service System Health Service Board**

## **Rates & Benefits**

Kaiser Permanente Active Employee and Early Retiree  
HMO Plan 2022 Claims and Utilization Experience

April 13, 2023

# Kaiser Permanente Active Employee and Early Retiree HMO Plan 2022 Claims and Utilization Experience

## Agenda

- Introduction
- Insights
- Appendix
  - Detailed Active Employee/Early Retiree Monthly Claims and Member Counts

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## Kaiser Permanente Active Employee and Early Retiree HMO Plan 2022 Claims and Utilization Experience

### Introduction

# Kaiser Non-Medicare HMO Plan 2022 Experience

## Introduction

This presentation captures information on calendar year 2022 medical/prescription drug claims, plan utilization, and quality indicators for the Kaiser Permanente (Kaiser) non-Medicare, fully insured HMO plans offered by the San Francisco Health Service System (SFHSS). Most of the information in this document relates to covered active employee and early retiree populations (with one slide documenting certain prevalence statistics for the SFHSS Medicare population in KPSA).

The active employee and early retiree experience presented today will serve as the basis of plan experience to be utilized by Kaiser to develop fully insured premium rates for the 2024 plan year. The 2024 rate recommendations for the Kaiser non-Medicare HMO plan will be presented by the Health Service Board (HSB) on May 11, 2023.

# Kaiser Non-Medicare HMO Plan 2022 Experience

## Introduction (continued)

The following pages summarize key observations captured from experience reporting provided by Kaiser to SFHSS leadership and Aon. All data provided by Kaiser for this presentation was based upon 2022 plan experience.

Total 2022 premiums for Kaiser HMO plans were \$427M for non-Medicare members (active employees/early retirees) and \$52M for Medicare members. Overall, Kaiser HMO represents about 48% of total SFHSS plan spend in 2022.

Detailed monthly paid claim and member count information is contained in the Appendix to this document for active employees and early retirees.

# Kaiser Non-Medicare HMO Plan 2022 Experience

Introduction (continued)

## COVID-19 Impacts on Recent Claim Experience

Similar to other SFHSS health plans, the Kaiser HMO plan exhibited substantial suppression of medical claim levels during the second quarter of calendar year 2020. In the 2021 plan year Kaiser experience report presented to the HSB at the April 14, 2022 meeting, the key theme was return to care during 2021 from suppressed 2020 levels especially for medical services.

Though there has been a reduction in direct cost for COVID-19 care from 2021 (\$10.2M for combined active/early retiree populations) to 2022 (\$6.5M) in the Kaiser HMO plan for SFHSS, COVID-19 is still an influencer on member care needs into the 2022 plan year. Detailed information on COVID-19 care spend by month in 2022 is contained in this material.

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## Kaiser Permanente Active Employee and Early Retiree HMO Plan 2022 Claims and Utilization Experience Insights

# Kaiser HMO Plan 2022 Experience – Insights

## Medical and Prescription Drug Claims

- Total paid per member<sup>1</sup> per month (PMPM) claims increased for the active employee population in 2022 vs. 2021, but decreased for the early retiree population:

MEDICAL AND PRESCRIPTION DRUG CLAIMS	ACTIVE EMPLOYEES				EARLY RETIREES			
	Covered Lives	PMPM Paid Claims			Covered Lives	PMPM Paid Claims		
		Medical	Prescription Drug	All Medical/Rx		Medical	Prescription Drug	All Medical/Rx
2022 Plan Year	50,037	\$538.27	\$55.06	\$593.33	4,397	\$862.17	\$98.02	\$960.19
2021 Plan Year	51,313	\$514.59	\$54.18	\$568.77	4,407	\$885.98	\$87.70	\$973.68
<b>Change – 2022 vs. 2021</b>								
Lives/Dollars: 2022 vs. 2021	(1,276)	\$23.68	\$0.88	\$24.56	(10)	(\$23.81)	\$10.32	(\$13.49)
% Change	(2.5%)	4.6%	1.6%	4.3%	(0.2%)	(2.7%)	11.8%	(1.4%)

- Active employee medical claims PMPM are generally trending at expected levels when comparing 2022 data to 2021 data, while prescription drug PMPM costs for the active employee population are increasing lower than expected pharmacy trend.
- Early retiree medical claims decreased from 2021 to 2022, while prescription drug costs increased at a higher rate (11.8%) than expected pharmacy trend.

<sup>1</sup> “Member” = covered life (e.g., employees, early retirees, and dependents)

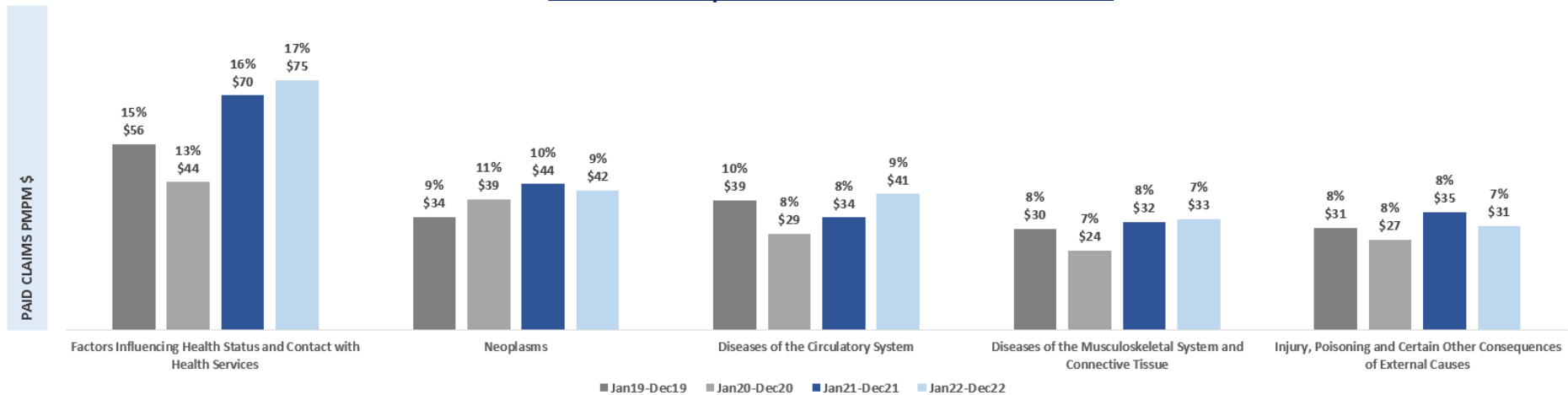


# Kaiser HMO Plan 2022 Experience – Insights

## Active Employees: Top 5 Diagnostic SFHSS Spend Categories

- 2022 (light blue) compared to each of three prior years
- Factors Influencing Health Status was top medical spend category in 2022

### Active Population Medical Claims

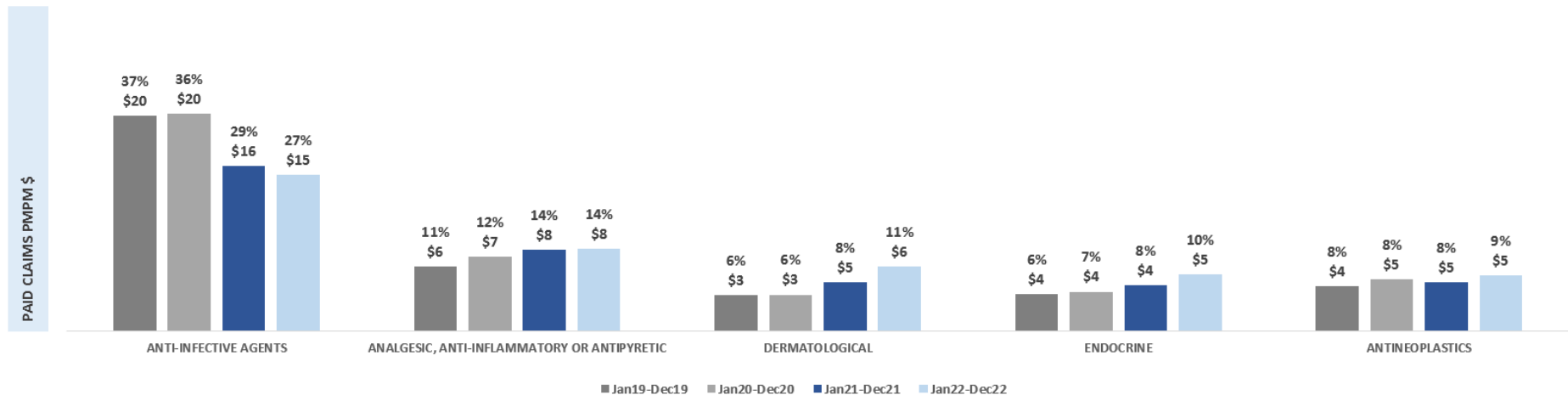


# Kaiser HMO Plan 2022 Experience – Insights

## Active Employees: Top 5 Diagnostic SFHSS Spend Categories

- 2022 (light blue) compared to each of three prior years
- Anti-Infective Agents was top pharmacy spend category in 2022

### Active Population Pharmacy Claims

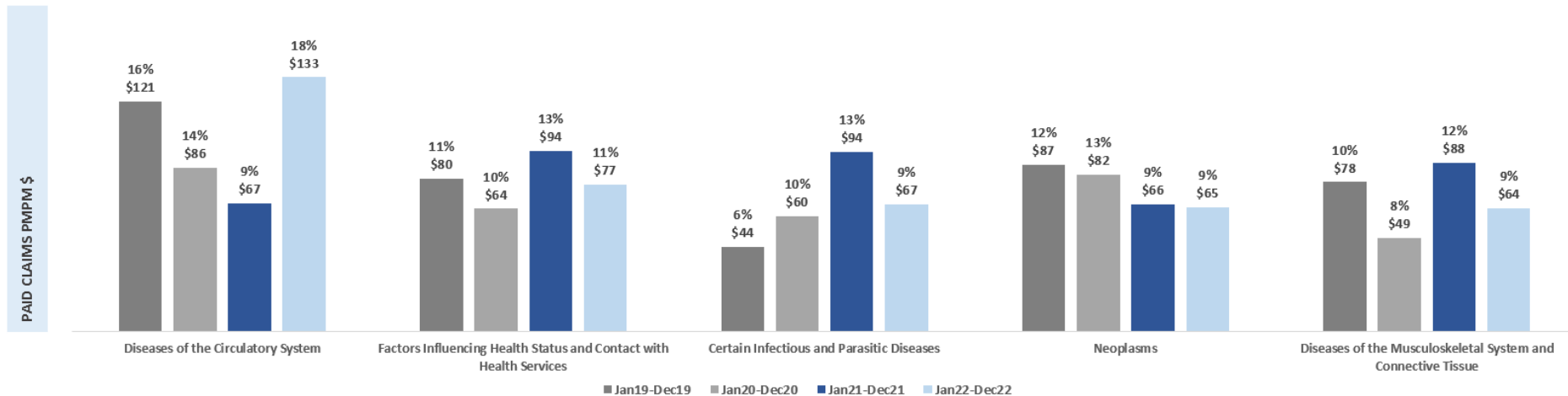


# Kaiser HMO Plan 2022 Experience – Insights

## Early Retirees: Top 5 Diagnostic SFHSS Spend Categories

- 2022 (light blue) compared to each of three prior years
- Circulatory was top medical spend category in 2022

### Early Retiree Population Medical Claims

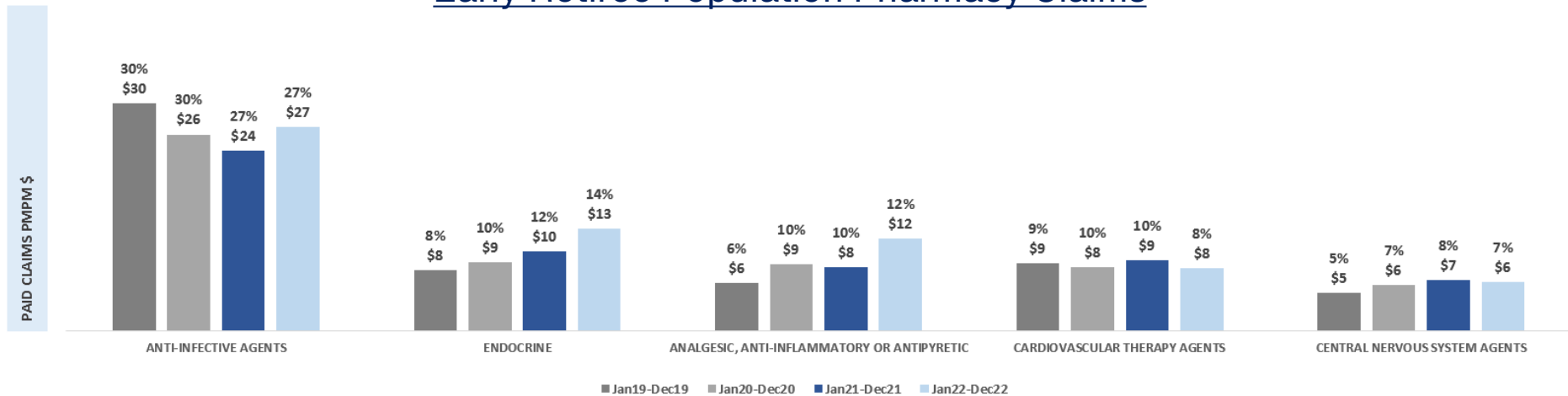


# Kaiser HMO Plan 2022 Experience – Insights

## Early Retirees: Top 5 Diagnostic SFHSS Spend Categories

- 2022 (light blue) compared to each of three prior years
- Anti-Infective Agents was top pharmacy spend category in 2022

### Early Retiree Population Pharmacy Claims

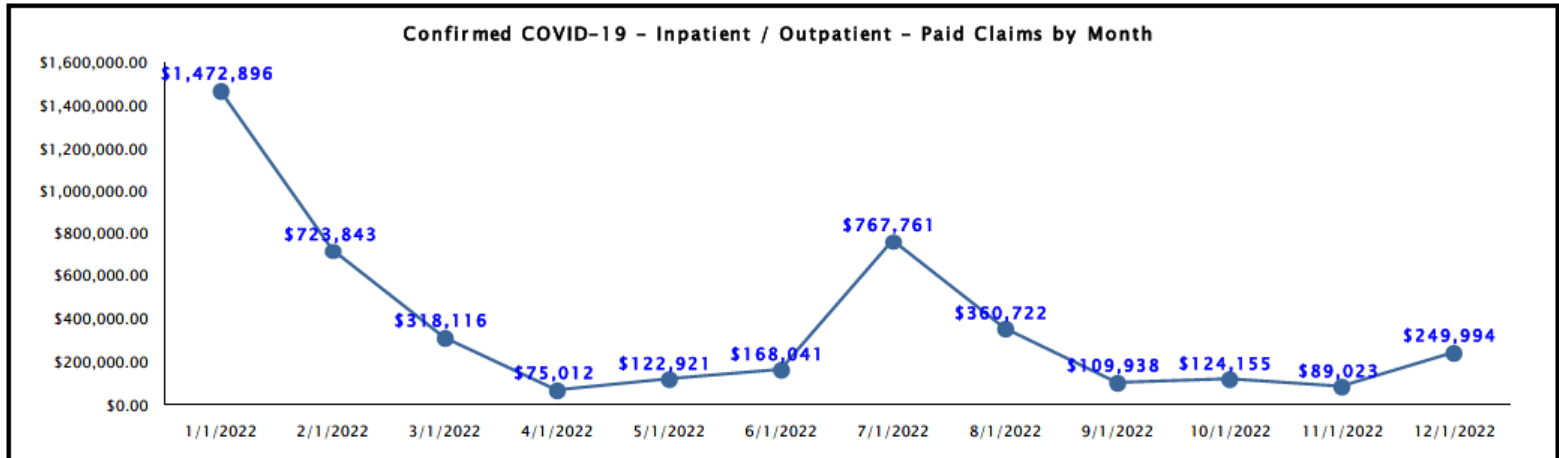


# Kaiser HMO Plan 2022 Experience – Insights

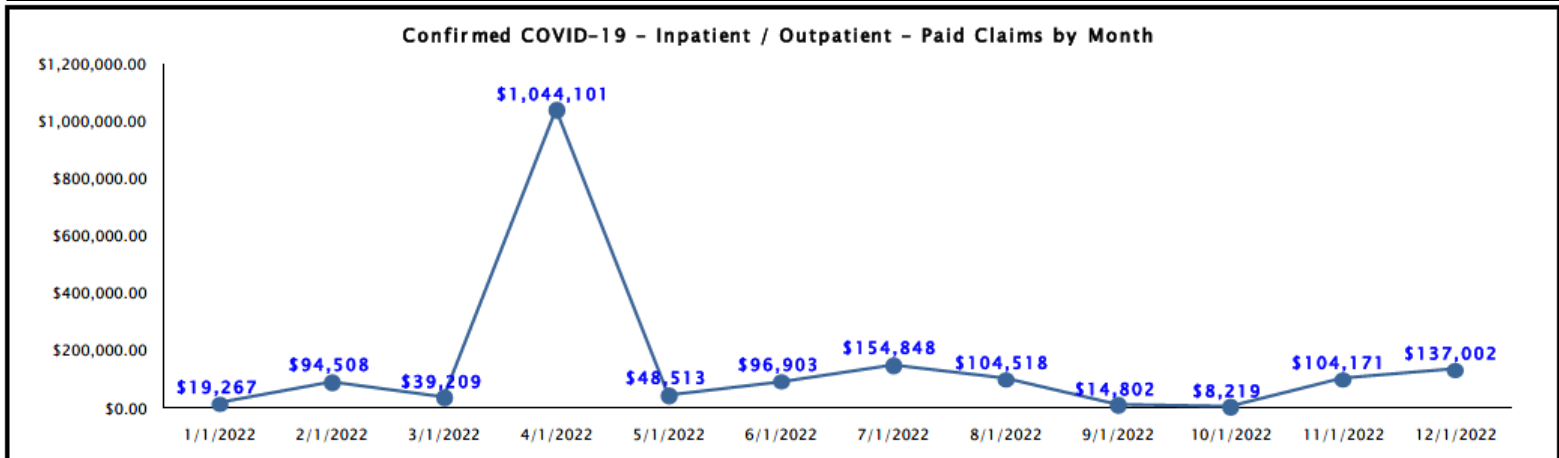
COVID-19 Expense – Active Employees (\$4.6M) and Early Retirees (\$1.9M)

- COVID-19 spend continued in 2022, including several large claimant spikes

Active Population



Early Retiree Population



# Kaiser HMO Plan 2022 Experience – Insights

## Inpatient Admission Categories (per 1,000 Plan Members)

- Inpatient utilization rates decreased for both populations from 2021 to 2022:

### Active Population

Inpatient Admits/1000 *			
<u>Service Category</u>	<u>Jan21 – Dec21</u>	<u>Change</u>	<u>Jan22 – Dec22</u>
Medical	13.0	(1.5)%	12.8
Surgical	7.3	0.0%	7.3
Maternity	12.0	(10.0)%	10.8
Mental Health	3.0	(10.0)%	2.7
Substance Abuse	1.0	30.0%	1.3
SNF	0.6	0.0%	0.6
<b>Total Inpatient Admits/1000</b>	<b>36.9</b>	<b>(4.1)%</b>	<b>35.4</b>

### Early Retiree Population

Inpatient Admits/1000			
<u>Service Category</u>	<u>Jan21 – Dec21</u>	<u>Change</u>	<u>Jan22 – Dec22</u>
Medical	30.9	9.1%	33.7
Surgical	14.3	(14.0)%	12.3
Maternity	0.7	(28.6)%	0.5
Mental Health	7.9	(68.4)%	2.5
Substance Abuse	0.9	177.8%	2.5
SNF	5.2	(25.0)%	3.9
<b>Total Inpatient Admits/1000</b>	<b>59.9</b>	<b>(7.7)%</b>	<b>55.3</b>

# Kaiser HMO Plan 2022 Experience – Insights

Outpatient Visit Categories (per 1,000 Plan Members)

**ACTIVE EMPLOYEES** – overall outpatient visits increased 10%, led by outpatient mental health and emergency room categories:

Outpatient Visits/1000 *			
<u>Service Category</u>	<u>Jan21 - Dec21</u>	<u>Change</u>	<u>Jan22 - Dec22</u>
Outpatient Visits	5,098.9	2.4%	5,222.6
Outpatient Mental Health	728.6	40.2%	1021.5
Outpatient Substance Abuse	43.9	(5.9)%	41.3
Emergency Room			
Emergency Room KP	143.0	24.3%	177.7
Emergency Room Non-KP	17.6	5.7%	18.6
Surgeries, Procedures, and Outpatient Facility	186.8	(10.0)%	168.1
Lab	3,688.3	15.7%	4,268.4
Radiology	1,076.0	8.3%	1,165.5
<b>Total Outpatient Visits/1000</b>	<b>10,983.1</b>	<b>10.0%</b>	<b>12,083.6</b>

# Kaiser HMO Plan 2022 Experience – Insights

Outpatient Visit Categories (per 1,000 Plan Members)

**EARLY RETIREES** – overall outpatient utilization decreased slightly, though increases were observed in mental health and emergency room categories:

Outpatient Visits/1000			
<u>Service Category</u>	<u>Jan21 – Dec21</u>	<u>Change</u>	<u>Jan22 – Dec22</u>
Outpatient Visits	6,653.4	(2.6)%	6,481.0
Outpatient Mental Health	513.5	10.8%	569.0
Outpatient Substance Abuse	52.6	(21.7)%	41.2
Emergency Room			
Emergency Room KP	179.9	18.1%	212.4
Emergency Room Non-KP	28.8	21.5%	35.0
Surgeries, Procedures, and Outpatient Facility	415.5	(18.5)%	338.6
Lab	4,421.2	(3.0)%	4,286.6
Radiology	1,911.3	1.3%	1,935.6
<b>Total Outpatient Visits/1000</b>	<b>14,176.4</b>	<b>(2.0)%</b>	<b>13,899.5</b>

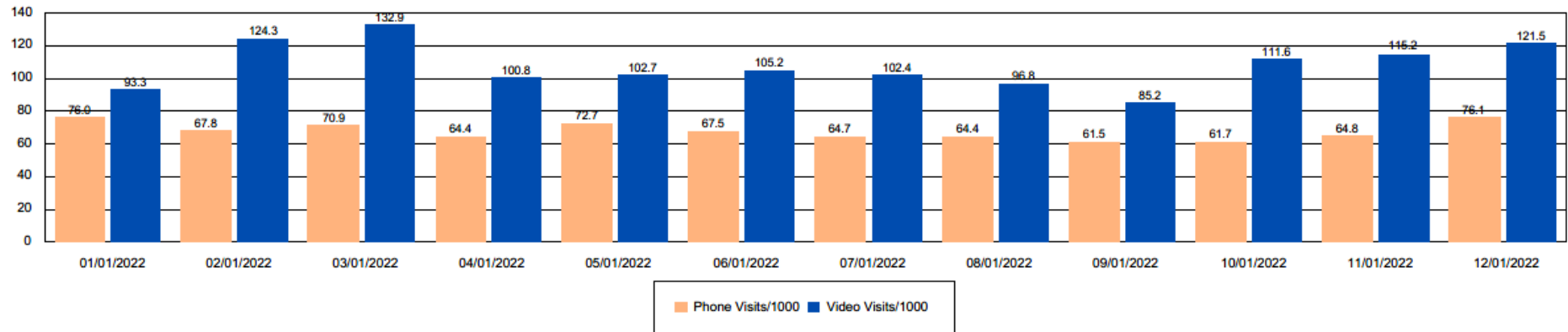


# Kaiser HMO Plan 2022 Experience – Insights

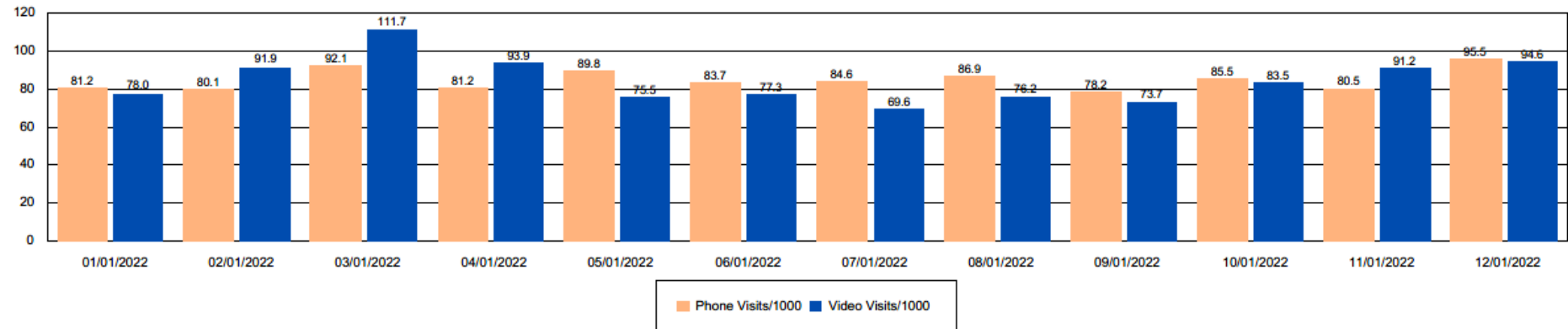
## Outpatient Care Drill-Down – Telehealth Visits (per 1,000 Members)

- Members continue to access KP telehealth in 2022—video (blue) more than phone (orange).

Active Population 2022 Telehealth Visit Rates by Month



Early Retiree Population 2022 Telehealth Visit Rates by Month



# Kaiser HMO Plan 2022 Experience – Insights

## Health Status/Immunization/Preventive Care Rates by Population

**ACTIVE EMPLOYEES AND EARLY RETIREES** – Population distribution for Health Risks, Immunizations, and Preventive Screenings are generally in line with KP Regional Averages for non-Medicare populations, but can be improved upon:

	SFHSS Active Employee Population	SFHSS Early Retiree Population	KP Regional Average
<b>Health Risk Indicators – Percentage of Population</b>			
Adult Weight – Obese BMI 30.0 or higher	33.7%	34.5%	38.0%
Adult Sedentary – Weekly Minutes <30	52.0%	50.3%	53.4%
Total Cholesterol – High $\geq$ 240	10.8%	15.9%	10.4%
Blood Pressure – Undesirable $\geq$ 140/90	12.6%	15.6%	13.4%
Smoking Status – Yes	6.9%	7.4%	7.7%
Blood Sugar Poor Control – HbA1c >9% (% among diabetics)	23.2%	20.0%	26.5%
Covered Lives With Chronic Condition(s)	21.3%	33.5%	22.5%
<b>Preventive Screening and Immunization Rates – Percentage of Eligible Population</b>			
Flu Immunization Rate	40.7%	50.8%	33.6%
Childhood Immunization Rate	75.9%	n/a	67.7%
Breast Cancer Screening Rate	81.6%	82.8%	80.8%
Cervical Cancer Screening Rate	88.3%	87.2%	84.1%
Colorectal Cancer Screening Rate	77.7%	79.6%	72.9%

# Kaiser HMO Plan 2022 Experience – Insights

## Health Status/Immunization/Preventive Care Rates by Population

**MEDICARE RETIREES** – Population distribution for Health Risks, Immunizations, and Preventive Screenings are generally better than KP Regional Averages for Medicare eligible populations:

	SFHSS Medicare Retiree Population	KP Regional Average
<b>Health Risk Indicators – Percentage of Population</b>		
Adult Weight – Obese BMI 30.0 or higher	30.5%	35.0%
Adult Sedentary – Weekly Minutes <30	55.4%	58.4%
Total Cholesterol – High >= 240	10.4%	10.8%
Blood Pressure – Undesirable >=140/90	19.4%	19.8%
Smoking Status – Yes	3.4%	4.8%
Blood Sugar Poor Control – HbA1c >9% (% among diabetics)	12.4%	13.3%
Covered Lives With Chronic Condition(s)	79.3%	78.7%
<b>Preventive Screening and Immunization Rates – Percentage of Eligible Population</b>		
Flu Immunization Rate	73.8%	70.1%
Breast Cancer Screening Rate	n/a	n/a
Cervical Cancer Screening Rate	86.9%	85.3%
Colorectal Cancer Screening Rate	92.4%	81.4%

# 3

## Appendix

- Detailed Active Employee/Early Retiree Monthly Claims and Member Counts

# Detailed Monthly Claims and Member Counts

## Active Employee Group

	Medical Claims			Total Medical Claims	Rx Claims	Total Claims	PMPM Claims	Members
	Inpatient	Outpatient	Other					
<b>Current Year</b>								
Jan 22	\$7,039,089	\$13,216,989	\$4,954,534	\$25,210,612	\$2,754,363	\$27,964,975	\$552.47	50,618
Feb 22	7,324,282	14,234,383	5,245,632	26,804,297	2,408,934	29,213,232	579.00	50,455
Mar 22	7,436,312	16,545,924	5,583,632	29,565,868	3,074,382	32,640,249	647.77	50,389
Apr 22	7,338,841	14,052,558	5,099,583	26,490,982	2,648,109	29,139,091	576.66	50,531
May 22	7,665,608	15,221,609	5,282,899	28,170,116	2,874,105	31,044,221	617.89	50,242
Jun 22	6,255,869	13,683,702	5,017,914	24,957,485	2,885,900	27,843,385	555.14	50,156
Jul 22	9,139,384	13,773,689	5,181,450	28,094,523	2,556,093	30,650,616	616.66	49,704
Aug 22	7,040,544	14,529,157	5,125,528	26,695,229	3,009,310	29,704,539	597.26	49,735
Sep 22	8,906,561	12,681,029	5,050,110	26,637,700	2,707,353	29,345,054	591.81	49,585
Oct 22	8,264,531	15,083,772	5,121,342	28,469,645	2,619,965	31,089,610	625.38	49,713
Nov 22	5,625,221	14,438,339	4,900,573	24,964,133	2,736,657	27,700,790	557.23	49,712
Dec 22	7,730,471	14,260,730	5,152,039	27,143,240	2,786,553	29,929,793	603.36	49,605
<b>Total:</b>	<b>\$89,766,713</b>	<b>\$171,721,880</b>	<b>\$61,715,237</b>	<b>\$323,203,830</b>	<b>\$33,061,725</b>	<b>\$356,265,555</b>	<b>\$593.34</b>	<b>600,445</b>
<b>Prior Year</b>								
Jan 21	\$6,558,057	\$10,793,277	\$4,791,844	\$22,143,178	\$2,847,445	\$24,990,623	\$482.90	51,751
Feb 21	6,050,651	10,310,685	4,579,320	20,940,656	2,593,071	23,533,728	455.76	51,636
Mar 21	8,995,173	13,216,731	5,218,989	27,430,893	3,074,318	30,505,210	590.66	51,646
Apr 21	8,870,487	13,878,744	5,187,055	27,936,286	2,913,208	30,849,494	597.38	51,641
May 21	8,096,591	13,915,601	5,219,629	27,231,821	2,701,216	29,933,037	580.14	51,596
Jun 21	8,570,648	13,635,415	5,122,165	27,328,228	2,709,167	30,037,395	582.42	51,573
Jul 21	8,210,912	13,060,507	5,027,647	26,299,066	2,512,855	28,811,921	566.63	50,848
Aug 21	7,952,315	14,187,652	5,178,476	27,318,443	2,808,564	30,127,007	590.59	51,012
Sep 21	8,217,236	12,990,379	5,190,226	26,397,841	2,818,009	29,215,849	571.75	51,099
Oct 21	8,334,413	14,075,874	5,120,510	27,530,797	2,665,989	30,196,786	590.29	51,156
Nov 21	8,899,002	15,095,914	5,369,571	29,364,487	2,753,708	32,118,195	630.57	50,935
Dec 21	8,068,701	13,609,548	5,256,868	26,935,117	2,965,986	29,901,103	587.92	50,859
<b>Total:</b>	<b>\$96,824,186</b>	<b>\$158,770,327</b>	<b>\$61,262,301</b>	<b>\$316,856,814</b>	<b>\$33,363,535</b>	<b>\$350,220,349</b>	<b>\$568.77</b>	<b>615,752</b>

# Detailed Monthly Claims and Member Counts

## Early Retiree Group

	Medical Claims			Total Medical Claims	Rx Claims	Total Claims	PMPM Claims	Members
	Inpatient	Outpatient	Other					
<b>Current Year</b>								
Jan 22	\$652,437	\$1,457,471	\$685,739	\$2,795,647	\$487,787	\$3,283,435	\$748.62	4,386
Feb 22	1,593,628	1,571,034	770,983	3,935,645	336,214	4,271,859	969.55	4,406
Mar 22	1,199,238	2,281,478	778,963	4,259,679	408,012	4,667,690	1,059.39	4,406
Apr 22	2,370,613	1,665,224	857,319	4,893,156	436,594	5,329,749	1,217.67	4,377
May 22	1,854,197	1,705,700	835,473	4,395,370	456,769	4,852,139	1,112.37	4,362
Jun 22	1,583,781	1,695,999	764,881	4,044,661	404,573	4,449,234	1,019.76	4,363
Jul 22	487,931	1,884,073	714,640	3,086,644	466,536	3,553,181	785.58	4,523
Aug 22	750,687	1,995,881	711,927	3,458,495	430,500	3,888,994	871.78	4,461
Sep 22	1,430,780	1,655,384	817,004	3,903,168	455,551	4,358,720	985.69	4,422
Oct 22	1,196,289	1,978,711	808,351	3,983,351	452,282	4,435,633	1,009.02	4,396
Nov 22	1,020,625	1,697,232	743,079	3,460,936	425,629	3,886,565	895.32	4,341
Dec 22	923,442	1,561,846	789,640	3,274,928	411,610	3,686,538	853.17	4,321
<b>Total:</b>	<b>\$15,063,648</b>	<b>\$21,150,034</b>	<b>\$9,277,999</b>	<b>\$45,491,681</b>	<b>\$5,172,056</b>	<b>\$50,663,737</b>	<b>\$960.20</b>	<b>52,764</b>
<b>Prior Year</b>								
Jan 21	\$1,811,089	\$1,278,910	\$732,973	\$3,822,972	\$360,116	\$4,183,087	\$945.54	4,424
Feb 21	1,563,015	1,316,368	730,248	3,609,631	386,860	3,996,491	906.44	4,409
Mar 21	1,377,957	1,649,483	758,686	3,786,126	397,442	4,183,568	951.03	4,399
Apr 21	2,424,962	1,966,213	887,347	5,278,522	362,740	5,641,263	1,291.20	4,369
May 21	898,229	2,214,449	796,589	3,909,267	385,539	4,294,806	990.50	4,336
Jun 21	1,021,930	1,976,428	740,711	3,739,069	387,496	4,126,564	954.78	4,322
Jul 21	679,633	1,731,640	679,286	3,090,559	362,794	3,453,353	761.15	4,537
Aug 21	1,102,568	1,975,658	740,590	3,818,816	382,454	4,201,270	939.04	4,474
Sep 21	1,045,421	1,437,732	692,520	3,175,673	436,168	3,611,841	816.42	4,424
Oct 21	1,099,873	1,868,876	703,784	3,672,533	442,121	4,114,653	934.51	4,403
Nov 21	1,442,746	2,074,097	783,671	4,300,514	368,695	4,669,210	1,062.15	4,396
Dec 21	2,089,271	1,741,837	818,605	4,649,713	365,456	5,015,170	1,142.41	4,390
<b>Total:</b>	<b>\$16,556,694</b>	<b>\$21,231,692</b>	<b>\$9,065,010</b>	<b>\$46,853,395</b>	<b>\$4,637,882</b>	<b>\$51,491,277</b>	<b>\$973.68</b>	<b>52,883</b>