

Health Service Board City & County of San Francisco

Rates & Benefits

Aon Hewitt Health Value Initiative™

April 14, 2016

Prepared by:


Aon | Aon Hewitt | Health & Benefits





Aon Hewitt Health Value Initiative (HVI)TM

- **The Aon Hewitt Health Value Initiative (HVI)TM Database**, launched in 1996, captures health care cost and benefit data for:
 - 7.3 million health plan participants
 - 375 organizations
 - 1,260 health plans
 - \$38.2 billion in health care expenditures*
- **Aon Hewitt's Pharmacy Cost Database** provides prescription drug cost data for organizations nationwide.
- **Aon Hewitt's Plan Design Database (PDD)** allows analysis of prevalence of plan design features.

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

 **City and County of 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

 **Government / Education Industry (Gov / Edu)**

 **Organization Size (25,000+)**
Client size reflects a weighted average of other employers that are a similar size in terms of enrollment

 **Fortune 500**

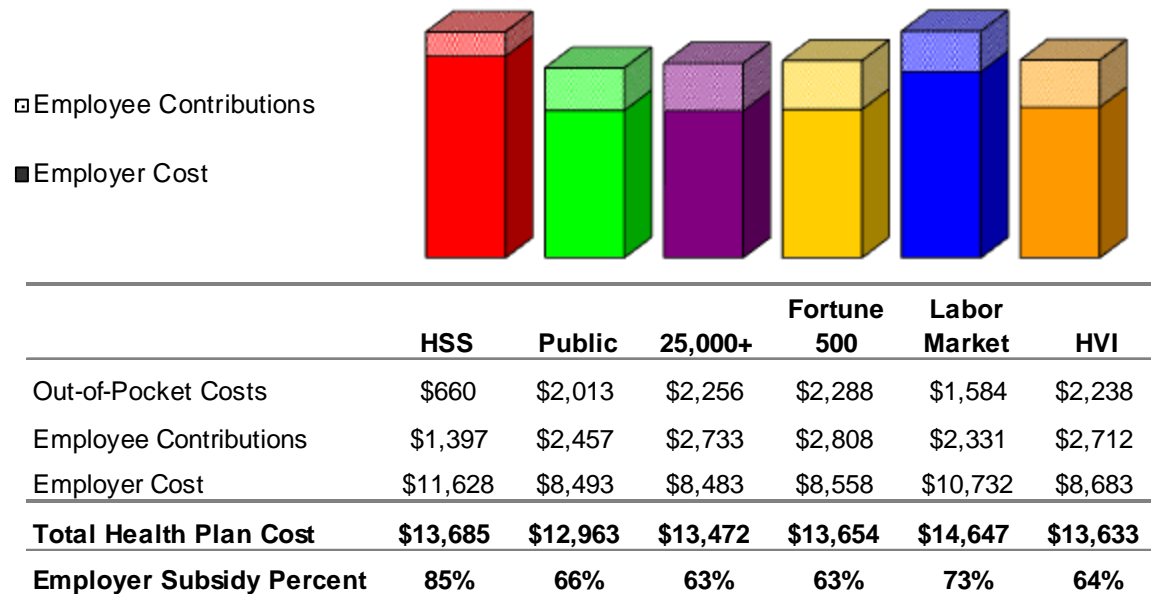
 **Labor Market**

 **HVI**

Annual Healthcare Costs

- HSS pays on average \$11,628 annually for healthcare premiums for its members, which is the highest within the peer group. This represents 85% of the total cost.
- HSS members pay 10.2% of the premium as compared to an average of 19.0% with the peer group
- HSS members pay less out-of-pocket for their care, \$660 versus an average of \$2,013

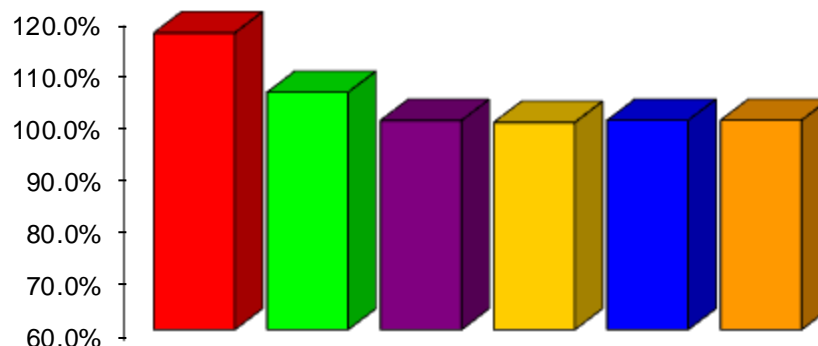
Health Plan Costs Per Employee—Overall



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. A FI greater than 100% reflects better-than-average financial efficiency.
- The HSS FI exceeds the peer group.

Financial Efficiency—Overall



	HSS	Public	25,000+	Fortune 500	Labor Market	HVI
Financial Index	116.7%	105.3%	100.0%	99.6%	100.0%	100.0%
Enrollment	38,754	596,539	1,760,395	1,602,657	424,955	3,429,275

Annual Coverage Election Profile

Category	HSS	Public	25,000+	Fortune 500	HVI
Total					
Health Plan Costs per Employee	\$13,025	\$10,950	\$11,216	\$11,367	\$11,395
Employer Health Plan Costs per Employee	\$11,628	\$8,493	\$8,483	\$8,558	\$8,683
Employee Contributions	\$1,397	\$2,457	\$2,733	\$2,808	\$2,712
Employer Subsidy	89.3%	77.6%	75.6%	75.3%	76.2%
Total / Average Enrollment	38,754	13,873	58,680	25,439	8,793
Employee Only					
Health Plan Costs per Employee	\$7,734	\$6,323	\$6,059	\$5,938	\$6,053
Employer Health Plan Costs per Employee	\$7,344	\$5,216	\$4,750	\$4,563	\$4,716
Employee Contributions	\$390	\$1,107	\$1,309	\$1,375	\$1,337
Employer Subsidy	95.0%	82.5%	78.4%	76.8%	77.9%
Employee Only Enrollment	18,120	—	—	—	—
Employee + Spouse					
Health Plan Costs per Employee	\$16,128	\$15,476	\$15,663	\$15,757	\$15,833
Employer Health Plan Costs per Employee	\$15,220	\$12,383	\$12,176	\$12,200	\$12,408
Employee Contributions	\$908	\$3,093	\$3,487	\$3,557	\$3,425
Employer Subsidy	94.4%	80.0%	77.7%	77.4%	78.4%
Employee + Spouse Enrollment	10,144	—	—	—	—
Employee + Family					
Health Plan Costs per Employee	\$19,165	\$16,941	\$17,750	\$17,922	\$17,973
Employer Health Plan Costs per Employee	\$15,556	\$12,546	\$13,035	\$13,273	\$13,458
Employee Contributions	\$3,609	\$4,395	\$4,715	\$4,649	\$4,515
Employer Subsidy	81.2%	74.1%	73.4%	74.1%	74.9%
Employee + Family Enrollment	10,490	—	—	—	—

Annual Employer Profile

Category	2016					
	HSS	Public	25,000+	Fortune 500	Labor Market	HVI
Overall Profile						
Number of Employees	38,754	596,539	1,760,395	1,602,657	424,955	3,429,275
Total Health Plan Cost	\$504,770,205	\$6,531,925,655	\$19,744,771,606	\$18,216,862,209	\$5,551,221,963	\$39,076,067,957
Total Employer Health Plan Costs	\$450,639,067	\$5,066,478,054	\$14,934,203,880	\$13,715,835,554	\$4,560,816,507	\$29,777,076,078
Average Age	47.2	44.6	43.1	43.0	43.9	43.4
Adult Cost Factor	1.86	1.85	2.00	2.08	2.08	2.05
Percent Females	48%	63%	51%	45%	43%	48%
Competitive Cost Benchmarks						
Total Health Plan Costs	\$13,025	\$10,950	\$11,216	\$11,367	\$13,063	\$11,395
Employer Health Plan Costs	\$11,628	\$8,493	\$8,483	\$8,558	\$10,732	\$8,683
Financial Index	116.7%	105.3%	100.0%	99.6%	100.0%	100.0%
Annual Rate of Cost Increase	3.4%	6.0%	6.0%	6.0%	3.0%	7.0%
Cost Sharing & Design Index						
Employee Contribution	\$1,397	\$2,457	\$2,733	\$2,808	\$2,331	\$2,712
Out-of-Pocket Expense	\$660	\$2,013	\$2,256	\$2,288	\$1,584	\$2,238
Total Value of Coverage	115%	102%	100%	99%	107%	100%
Net ER Provided Benefit Value	117%	102%	99%	99%	108%	100%
Enrollment						
Traditional HMO / EPO	38,038	241,625	382,064	234,347	183,923	612,291
Traditional PPO / POS	716	153,598	784,544	862,303	144,326	1,696,596
Account-Based HMO / EPO	—	—	4,050	4,119	7,358	8,861
Account-Based PPO / POS	—	199,357	585,193	501,472	88,504	1,102,575
Indemnity	—	1,959	4,544	416	844	8,952