

San Francisco Health Service System Health Service Board

Rates & Benefits

Kaiser Permanente Active Employee and Early Retiree HMO
Plan 2021 Claims and Utilization Experience

April 14, 2022

Kaiser Permanente Active Employee and Early Retiree HMO Plan 2021 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 2021 Claims and Utilization Experience

Introduction

Kaiser Non-Medicare HMO Plan 2021 Experience

Introduction

This presentation captures information on calendar year 2021 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 2023 plan year. The 2023 rate recommendations for the Kaiser non-Medicare HMO plan will be presented by the Health Service Board (HSB) on May 12, 2022.

Kaiser Non-Medicare HMO Plan 2021 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 2021 plan experience.

Total 2021 premiums for Kaiser HMO plans were \$414M for non-Medicare members (active employees/early retirees) and \$57M for Medicare members. Overall, Kaiser HMO represents about 47.5% of total SFHSS health and welfare plan spend in 2021.

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 2021 Experience

Introduction (continued)

COVID-19 Impacts on 2020/2021 Plan Year 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. Prescription drug experience during the height of “stay-at-home/shelter-in-place” orders in Spring/Summer 2020 remained similar to pre-pandemic levels, as members continued utilization of needed prescription drugs.

Utilization generally returned to levels similar to those experienced prior to the COVID-19 pandemic in 2021. As a result, the 2020 to 2021 claim and utilization experience increases presented in this document are reflective of a suppressed baseline in 2020. Per member claim experience from the 2019 plan year is also included for comparison.

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Kaiser Permanente Active Employee and Early Retiree HMO Plan 2021 Claims and Utilization Experience Insights

Kaiser HMO Plan 2021 Experience — Insights

Medical and Prescription Drug Claims

- Total paid per member¹ per month (PMPM) claims increased in 2021 vs. 2020 after substantial pandemic-caused reductions from 2019 to 2020—hence the change data in the table below assesses for 2019, 2020, and 2021 experience:

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
2021 Plan Year	51,337	\$514.34	\$54.16	\$568.50	4,404	\$886.57	\$87.76	\$974.33
2020 Plan Year	51,670	\$421.41	\$56.81	\$478.22	4,479	\$732.50	\$86.25	\$818.75
2019 Plan Year	50,936	\$454.09	\$54.76	\$508.85	4,481	\$878.14	\$97.85	\$975.99
Annualized Change — 2021 vs. 2019								
Lives/Dollars: 2021 vs. 2019	401	\$60.25	(\$0.60)	\$59.65	(77)	\$8.43	(\$10.09)	(\$1.66)
Annualized % Change	0.4%	6.6%	(0.5%)	5.8%	(0.8%)	0.5%	(5.1%)	(0.1%)

- Active employee medical claims PMPM are generally trending at expected levels when comparing 2019 data to 2021 data, while prescription drug PMPM costs are generally flat over the entire three-year period.
- Early retiree medical and prescription drug claim levels in aggregate are similar for the 2021 plan year to pre-pandemic 2019 claim levels on a PMPM basis.

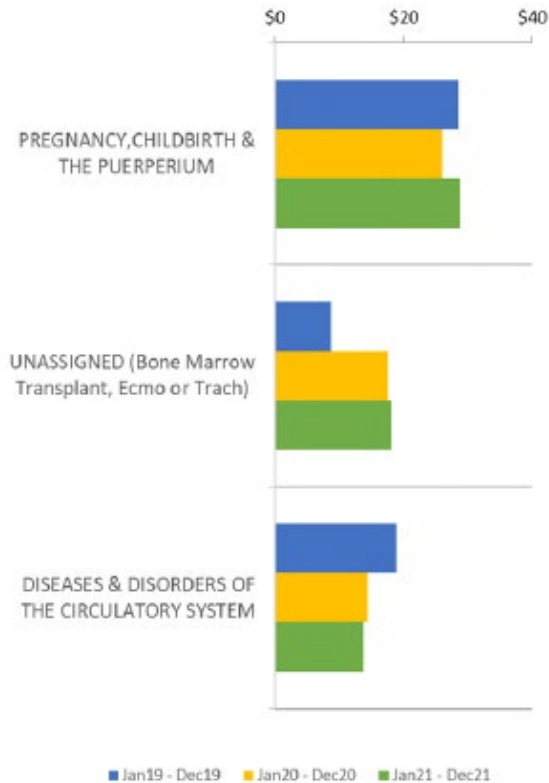
¹ “Member” = covered life (e.g., employees, early retirees, and dependents)

Kaiser HMO Plan 2021 Experience — Insights

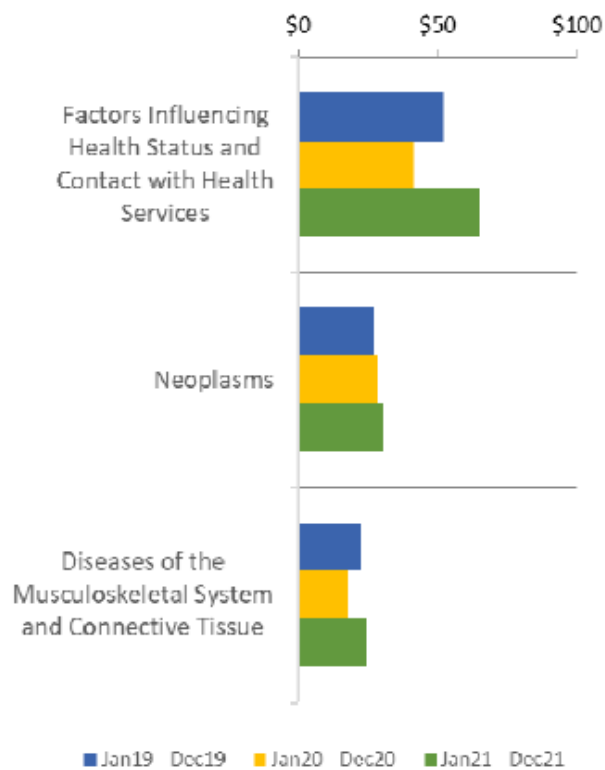
Active Employees: Top Diagnostic Categories for SFHSS Member Spend

- Top diagnostic categories for plan spend comparing 2019 (blue), 2020 (yellow), and 2021 (green) for the active employee population are:

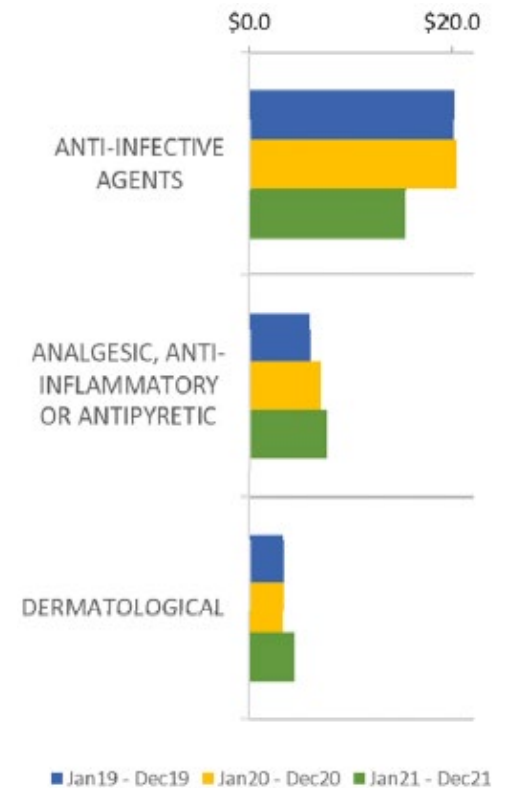
TOP INPATIENT



TOP OUTPATIENT



TOP PRESCRIPTION DRUGS

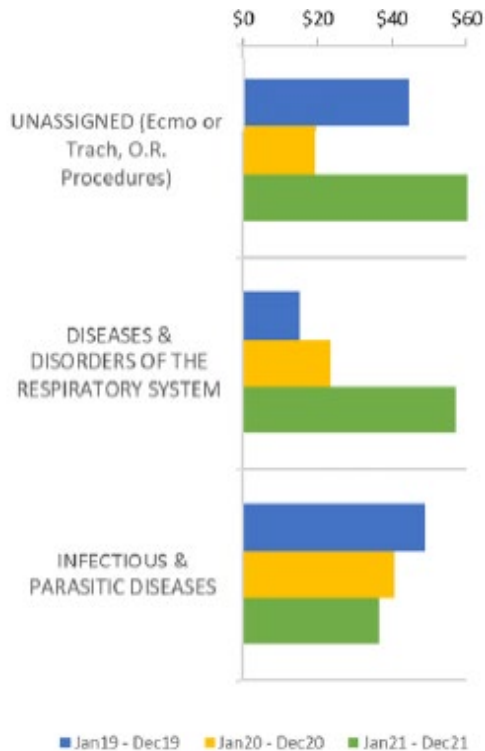


Kaiser HMO Plan 2021 Experience — Insights

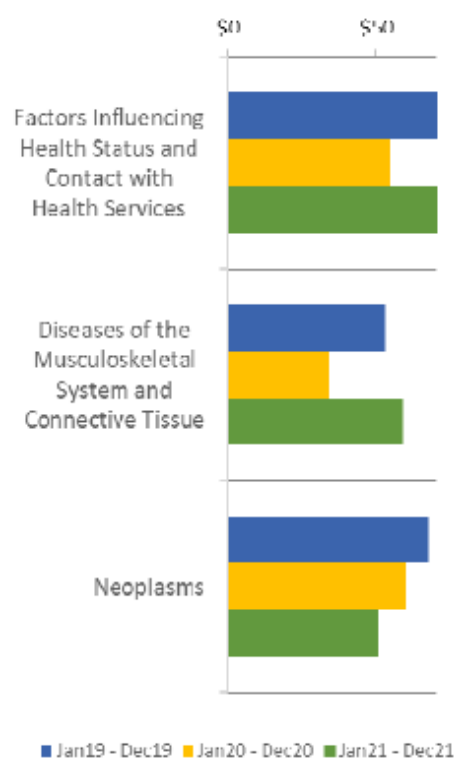
Early Retirees: Top Diagnostic Categories for SFHSS Member Spend

- Top diagnostic categories for plan spend comparing 2019 (blue), 2020 (yellow), and 2021 (green) for the early retiree population are:

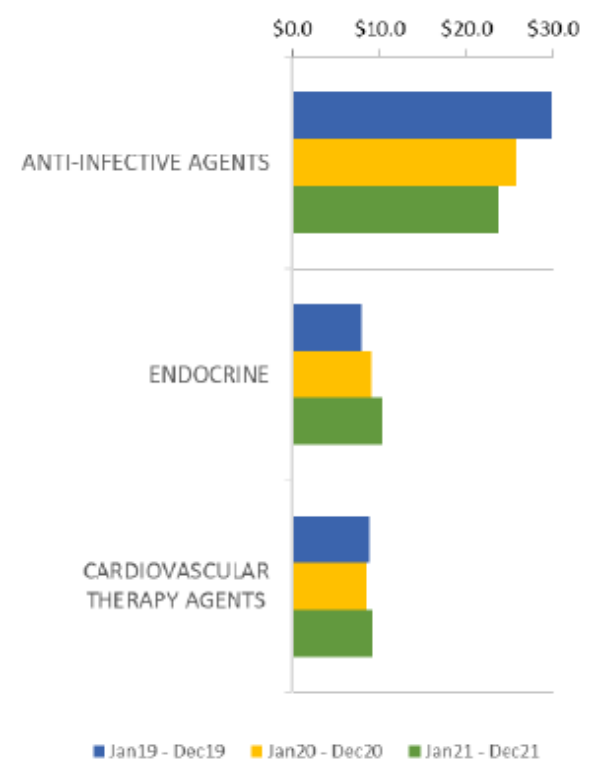
TOP INPATIENT



TOP OUTPATIENT



TOP PRESCRIPTION DRUGS

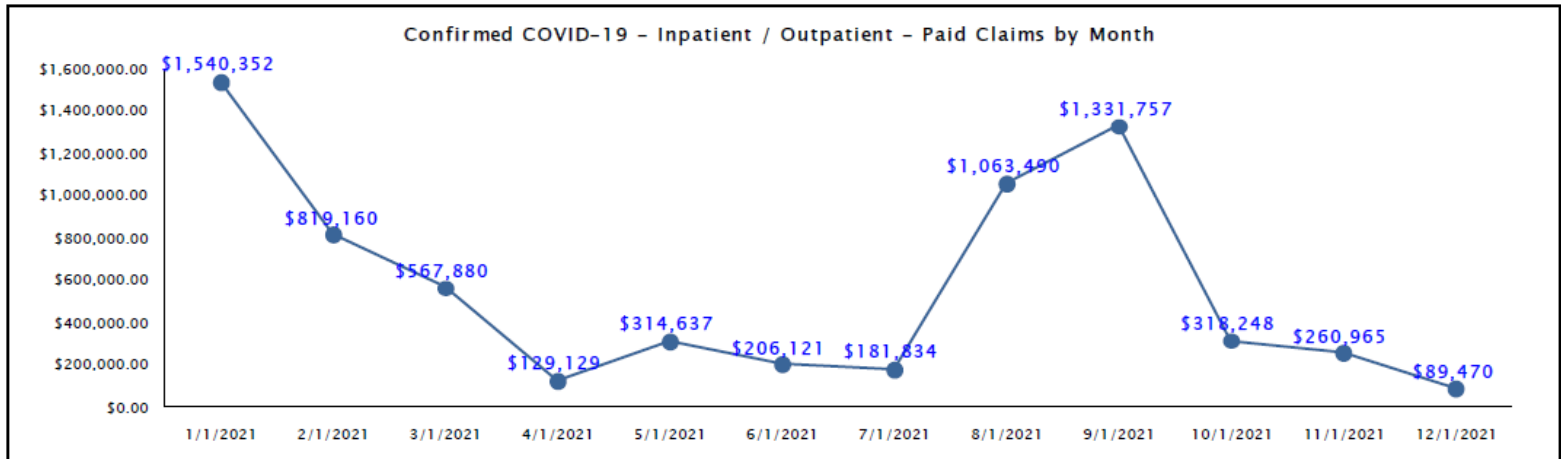


Kaiser HMO Plan 2021 Experience — Insights

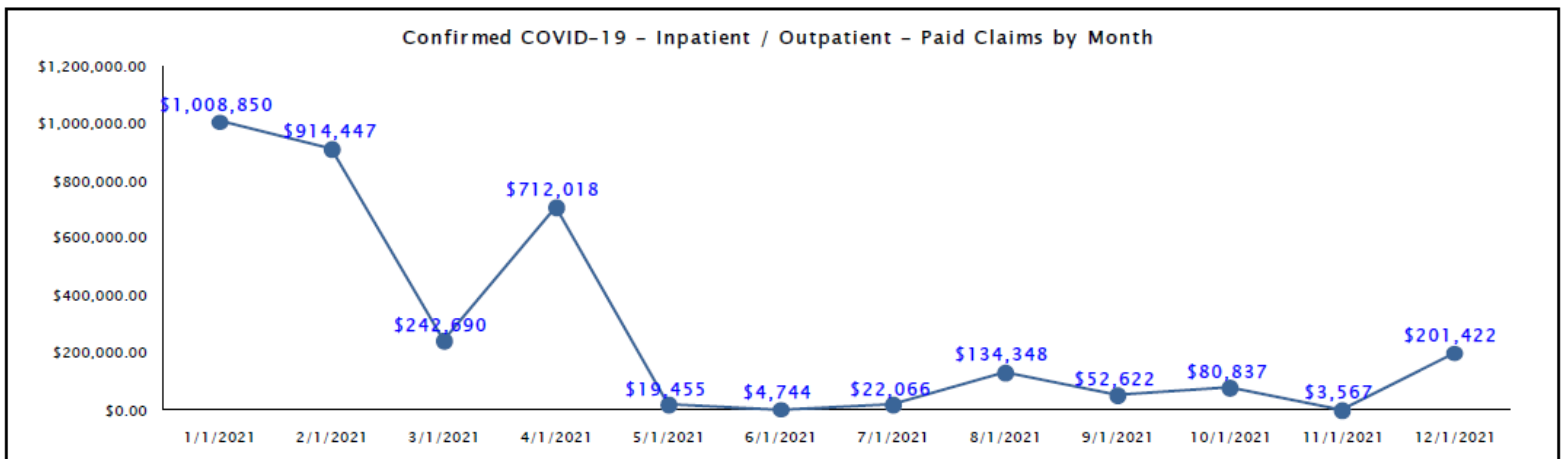
COVID-19 Expense — Active Employees (\$6.8M) and Early Retirees (\$3.4M)

- Paid claims by month during 2021 for direct COVID-19 care:

**ACTIVE
EMPLOYEES**



**EARLY
RETIREES**



Kaiser HMO Plan 2021 Experience — Insights

- Inpatient utilization increased 6.6% for active employees, reduced slightly for early retirees:

ACTIVE EMPLOYEES

Inpatient Admits/1000 *			
<u>Service Category</u>	<u>Jan20 – Dec20</u>	<u>Change</u>	<u>Jan21 – Dec21</u>
Medical	11.4	14.0%	13.0
Surgical	7.5	(2.7)%	7.3
Maternity	11.4	5.3%	12.0
Mental Health	2.8	7.1%	3.0
Substance Abuse	0.9	11.1%	1.0
SNF	0.6	0.0%	0.6
Total Inpatient Admits/1000	34.6	6.6%	36.9

EARLY RETIREES

Inpatient Admits/1000 *			
<u>Service Category</u>	<u>Jan20 – Dec20</u>	<u>Change</u>	<u>Jan21 – Dec21</u>
Medical	39.3	(21.4)%	30.9
Surgical	11.6	23.3%	14.3
Maternity	0.2	250.0%	0.7
Mental Health	4.0	97.5%	7.9
Substance Abuse	2.5	(64.0)%	0.9
SNF	2.7	92.6%	5.2
Total Inpatient Admits/1000	60.3	(0.7)%	59.9

Kaiser HMO Plan 2021 Experience — Insights

Outpatient Visit Categories (per 1,000 Plan Members) — Care Returned

ACTIVE EMPLOYEES — 40% overall outpatient visit utilization from suppressed 2020 levels:

Outpatient Visits/1000 *

<u>Service Category</u>	<u>Jan20 - Dec20</u>	<u>Change</u>	<u>Jan21 - Dec21</u>
Outpatient Visits	3,793.2	34.4%	5,096.5
Outpatient Mental Health	580.1	25.5%	728.3
Outpatient Substance Abuse	28.5	54.0%	43.9
Emergency Room			
Emergency Room KP	129.4	10.4%	142.9
Emergency Room Non-KP	14.0	25.7%	17.6
Surgeries, Procedures, and Outpatient Facility	141.7	31.8%	186.7
Lab	2,337.3	57.7%	3,686.5
Radiology	835.5	28.7%	1,075.5
Total Outpatient Visits/1000	7,859.8	39.7%	10,977.8

Kaiser HMO Plan 2021 Experience — Insights

Outpatient Visit Categories (per 1,000 Plan Members) — Care Returned

EARLY RETIREES — 38% overall outpatient visit utilization from suppressed 2020 levels:

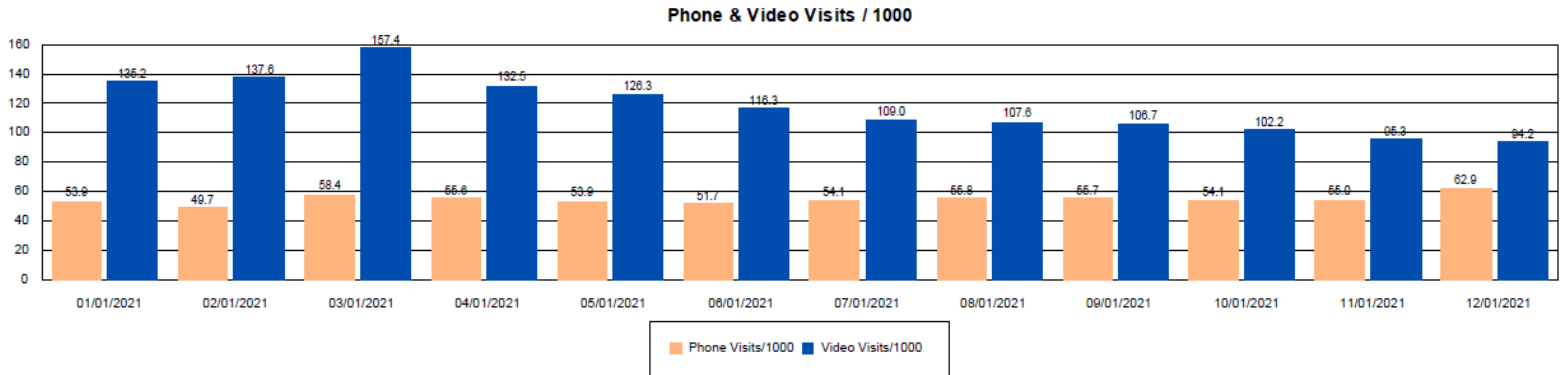
Outpatient Visits/1000 *			
<u>Service Category</u>	<u>Jan20 – Dec20</u>	<u>Change</u>	<u>Jan21 – Dec21</u>
Outpatient Visits	4,592.6	45.0%	6,657.6
Outpatient Mental Health	448.1	14.7%	513.8
Outpatient Substance Abuse	41.1	28.2%	52.7
Emergency Room			
Emergency Room KP	184.0	(2.1)%	180.1
Emergency Room Non-KP	19.2	50.0%	28.8
Surgeries, Procedures, and Outpatient Facility	362.6	14.6%	415.7
Lab	3,173.7	39.4%	4,424.0
Radiology	1,444.2	32.4%	1,912.5
Total Outpatient Visits/1000	10,265.4	38.2%	14,185.2

Kaiser HMO Plan 2021 Experience — Insights

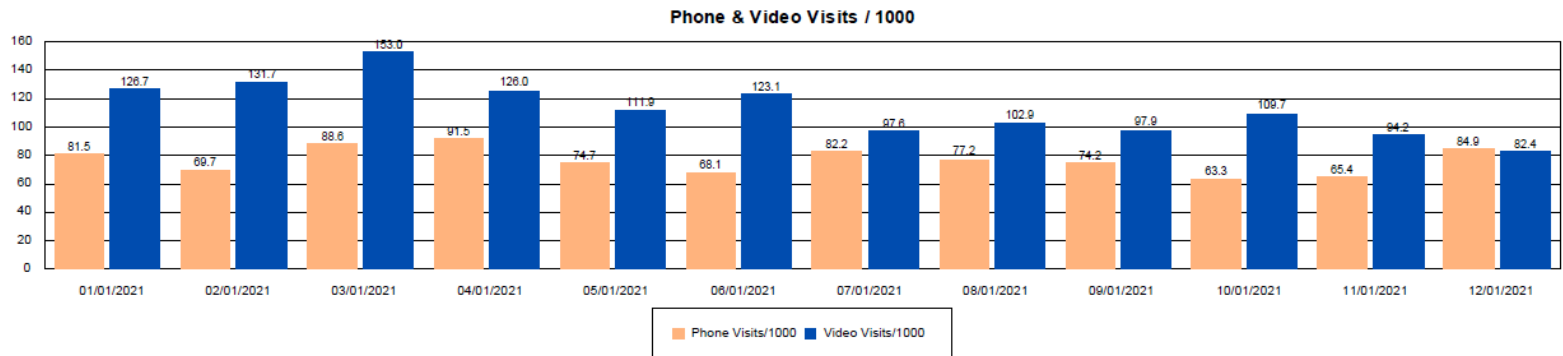
Outpatient Care Drill-Down — Telehealth Visits (per 1,000 Members)

- Overall, telehealth represented about one-third of all non-lab/radiology outpatient visits in 2021 for SFHSS KP members.
- Members tended to utilize video visits (blue) more than phone visits (orange) as shown by 2021 visits per 1,000 members data by month:

**ACTIVE
EMPLOYEES**



**EARLY
RETIREES**



Kaiser HMO Plan 2021 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
Health Risk Indicators — Percentage of Population			
Adult Weight — Obese BMI 30.0 or higher	33.2%	34.0%	37.5%
Adult Sedentary — Weekly Minutes <30	53.3%	52.6%	55.2%
Total Cholesterol — High \geq 240	10.7%	14.8%	10.4%
Blood Pressure — Undesirable \geq 140/90	12.7%	16.7%	13.7%
Smoking Status — Yes	7.3%	7.4%	8.1%
Blood Sugar Poor Control — HbA1c >9% (% among diabetics)	21.7%	18.4%	25.4%
At Least 1 Major Chronic Condition	15.4%	26.1%	16.1%
Preventive Screening and Immunization Rates — Percentage of Eligible Population			
Flu Immunization Rate	41.5%	50.4%	34.6%
Childhood Immunization Rate	78.7%	n/a	73.2%
Breast Cancer Screening Rate	73.9%	77.0%	74.4%
Cervical Cancer Screening Rate	90.0%	88.8%	86.2%
Colorectal Cancer Screening Rate	79.6%	80.7%	75.6%

Kaiser HMO Plan 2021 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
Health Risk Indicators — Percentage of Population		
Adult Weight — Obese BMI 30.0 or higher	31.9%	35.8%
Adult Sedentary — Weekly Minutes <30	58.9%	62.4%
Total Cholesterol — High \geq 240	11.0%	11.0%
Blood Pressure — Undesirable \geq 140/90	20.4%	21.1%
Smoking Status — Yes	3.7%	5.0%
Blood Sugar Poor Control — HbA1c >9% (% among diabetics)	10.9%	11.7%
At Least 1 Major Chronic Condition	58.2%	58.6%
Preventive Screening and Immunization Rates — Percentage of Eligible Population		
Flu Immunization Rate	72.9%	69.2%
Breast Cancer Screening Rate	82.0%	80.5%
Cervical Cancer Screening Rate	90.6%	83.1%
Colorectal Cancer Screening Rate	87.6%	86.1%

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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					
Current Year								
Jan 21	\$6,558,057	\$10,793,277	\$4,791,844	\$22,143,178	\$2,847,445	\$24,990,623	\$482.88	51,753
Feb 21	6,050,651	10,310,685	4,579,320	20,940,656	2,593,071	23,533,728	455.70	51,643
Mar 21	8,995,173	13,216,731	5,218,989	27,430,893	3,074,318	30,505,210	590.63	51,649
Apr 21	8,870,487	13,878,744	5,187,055	27,936,286	2,913,208	30,849,494	597.37	51,642
May 21	8,096,591	13,915,601	5,219,629	27,231,821	2,701,216	29,933,037	580.11	51,599
Jun 21	8,570,648	13,635,415	5,122,165	27,328,228	2,709,167	30,037,395	582.37	51,578
Jul 21	8,210,912	13,060,507	5,027,647	26,299,066	2,512,855	28,811,921	566.61	50,850
Aug 21	7,952,315	14,187,652	5,178,476	27,318,443	2,808,564	30,127,007	590.42	51,026
Sep 21	8,217,236	12,990,379	5,190,226	26,397,841	2,818,009	29,215,849	571.16	51,152
Oct 21	8,334,413	14,075,874	5,120,510	27,530,797	2,665,989	30,196,786	589.56	51,219
Nov 21	8,899,002	15,095,914	5,369,571	29,364,487	2,753,708	32,118,195	629.35	51,034
Dec 21	8,068,701	13,609,548	5,256,868	26,935,117	2,965,986	29,901,103	587.44	50,901
Total:	\$96,824,186	\$158,770,327	\$61,262,301	\$316,856,814	\$38,363,535	\$350,220,349	\$568.50	616,046
Prior Year								
Jan 20	\$9,435,021	\$11,726,534	\$4,693,978	\$25,855,533	\$2,815,282	\$28,670,814	\$553.41	51,808
Feb 20	6,647,056	11,627,817	4,406,112	22,680,985	2,621,886	25,302,871	487.83	51,868
Mar 20	6,863,399	12,117,275	4,602,575	23,583,249	3,245,862	26,829,111	516.93	51,901
Apr 20	5,014,274	4,842,600	3,572,130	13,429,004	3,602,131	17,031,135	328.30	51,877
May 20	4,984,627	5,714,683	3,513,757	14,213,067	2,832,767	17,045,835	328.36	51,912
Jun 20	8,360,984	10,364,242	4,369,835	23,095,061	2,603,968	25,699,029	495.13	51,904
Jul 20	7,181,965	9,453,111	4,220,108	20,855,184	3,006,557	23,861,741	464.22	51,402
Aug 20	7,202,881	11,195,833	4,407,589	22,806,303	2,879,163	25,685,465	500.05	51,366
Sep 20	6,352,405	9,675,953	4,163,937	20,192,295	2,971,326	23,163,621	449.88	51,488
Oct 20	7,737,794	12,438,532	4,545,672	24,721,998	3,064,627	27,786,625	538.91	51,561
Nov 20	9,239,456	11,728,307	4,553,451	25,521,214	2,714,773	28,235,987	548.85	51,446
Dec 20	8,764,840	11,105,316	4,464,676	24,334,832	2,868,580	27,203,412	528.21	51,501
Total:	\$87,784,704	\$121,990,203	\$51,513,817	\$261,288,724	\$35,226,923	\$296,515,647	\$478.22	620,034

Detailed Monthly Claims and Member Counts

Early Retiree Group

	Medical Claims			Total Medical Claims	Rx Claims	Total Claims	PMPM Claims	Members
	Inpatient	Outpatient	Other					
Current Year								
Jan 21	\$1,811,089	\$1,278,910	\$732,973	\$3,822,972	\$360,116	\$4,183,087	\$945.97	4,422
Feb 21	1,563,015	1,316,368	730,248	3,609,631	386,860	3,996,491	906.64	4,408
Mar 21	1,377,957	1,649,483	758,686	3,786,126	397,442	4,183,568	950.16	4,403
Apr 21	2,424,962	1,966,213	887,347	5,278,522	362,740	5,641,263	1,290.02	4,373
May 21	898,229	2,214,449	796,589	3,909,267	385,539	4,294,806	989.59	4,340
Jun 21	1,021,930	1,976,428	740,711	3,739,069	387,496	4,126,564	954.12	4,325
Jul 21	679,633	1,731,640	679,286	3,090,559	362,794	3,453,353	760.65	4,540
Aug 21	1,102,568	1,975,658	740,590	3,818,816	382,454	4,201,270	938.41	4,477
Sep 21	1,045,421	1,437,732	692,520	3,175,673	436,168	3,611,841	815.87	4,427
Oct 21	1,099,873	1,868,876	703,784	3,672,533	442,121	4,114,653	935.57	4,398
Nov 21	1,442,746	2,074,097	783,671	4,300,514	368,695	4,669,210	1,064.57	4,386
Dec 21	2,089,271	1,741,837	818,605	4,649,713	365,456	5,015,170	1,152.65	4,351
Total:	\$16,556,694	\$21,231,692	\$9,065,010	\$46,853,395	\$4,637,882	\$51,491,277	\$974.29	52,850
Prior Year								
Jan 20	\$1,321,488	\$2,008,499	\$793,292	\$4,123,279	\$343,301	\$4,466,580	\$990.37	4,510
Feb 20	1,700,959	1,888,810	766,567	4,356,336	388,355	4,744,691	1,054.61	4,499
Mar 20	1,394,569	1,668,850	767,593	3,831,012	451,174	4,282,186	952.23	4,497
Apr 20	823,995	812,217	625,270	2,261,482	530,355	2,791,837	624.43	4,471
May 20	752,864	870,607	538,137	2,161,608	392,666	2,554,275	574.90	4,443
Jun 20	2,271,729	1,616,576	732,348	4,620,653	357,092	4,977,746	1,130.79	4,402
Jul 20	1,144,156	1,336,192	650,383	3,130,731	352,014	3,482,745	762.42	4,568
Aug 20	864,553	1,516,087	648,820	3,029,460	420,858	3,450,318	761.49	4,531
Sep 20	1,040,703	1,561,274	712,007	3,313,984	314,342	3,628,326	807.19	4,495
Oct 20	666,702	1,619,970	683,275	2,969,947	380,757	3,350,704	750.94	4,462
Nov 20	872,354	1,354,023	605,244	2,831,621	349,486	3,181,106	714.21	4,454
Dec 20	598,579	1,498,872	643,096	2,740,547	355,148	3,095,695	700.38	4,420
Total:	\$13,452,651	\$17,751,977	\$8,166,032	\$39,370,661	\$4,635,548	\$44,006,208	\$818.69	53,752