

Annual Consideration of SFHSS Competitive Bids for Benefits

Michael Visconti, SFHSS Contracts Manager

August 10, 2023

Overview

- ❑ Routine competitive procurements
- ❑ Comparing RFIs to RFPs
- ❑ SFHSS RFI and RFP history
- ❑ Considerations for SFHSS Benefit RFPs
- ❑ Next Steps - Health Service Board Meeting: September 14, 2023

Routine Competitive Procurements

- SFHSS and the Health Service Board have a responsibility to:
 - regularly review whether available services and benefits continue to meet the current and future needs of our Members and remain affordable and sustainable to Members and participating employers, including the City;
 - evaluate opportunities, services and partnerships that may benefit our Members, and whether these benefits are likely to be available to SFHSS and Members following a competitive bid or RFP;
 - weigh the time, effort, cost and current rates against the potential benefits of an RFP;
 - balance potential disruption against improved benefits, choices and flexibility for Members.

Comparing RFIs and RFPs

	RFI	RFP
Scope	Broad, forward-looking	Narrowly-tailored
Schedule	Two (2) to Three (3) Months	Six (6) to Nine (9) Months
Financial Component	Voluntary	Mandatory
Process	Fact-finding, discussion by SFHSS, Board and subject-matter experts	Evaluation panel, subject-matter expert analysis, ranking, recommendation by SFHSS to the Board
Binding	No	Yes
Result	RFP, delaying an RFP until a future year, or a future-year RFI and/or market assessment	Executed plan year agreement; possible multiple-year benefit and/or rate commitments

SFHSS RFP and RFI history and results (subject to market conditions)

Medical RFP (Fall 2020): flex-funded and self-funded medical and Rx plans

- Reducing plan administrative fees by as much as 25%;
- Achieving 100% pass-through of pharmacy rebates
- Generating savings through realignment of primary Non-Medicare PPO plan administrator to Blue Shield of California; and
- Adding a new plan choice for members (Health Net CanopyCare HMO).
- Approved plan in use for three (3) years

Medicare RFI (Fall 2021): SFHSS Medicare Advantage plans

- SFHSS Medicare Advantage plans remain industry leaders
- Robust geographic coverage
- Alignment with and transition support from SFHSS non-Medicare plans
- Disease management and value-add programs
- Wellness support and addressing Social Determinants of Health
- Confidence in best-in-market Medicare Advantage plan insured premium rates
- December 9, 2021: SFHSS recommended a Medicare Advantage market evaluation in three to five years

Dental, Vision, Life & LTD, FSA & COBRA Administration

Possible RFI and RFP Timelines

- RFI
 - two (2) to three (3) months prior to an RFP
- RFP
 - Non-Medicare health benefits for PY2025 (six months, no prior RFI)
 - September 2023 – February 2024 (recommendation and Board approval)
 - Health Service Board approval May 2024
 - Board of Supervisors approval June/July 2024
 - Medicare for PY2025 (six months)
 - December 2023 – May 2024
 - Health Service Board approval May/June 2024
 - Board of Supervisors approval June/July 2024
- October 2024: Open Enrollment
- January 1, 2025: Plan Year Start

Considerations

Considerations for SFHSS benefit RFPs in the near term:

- **Non-Medicare medical/Rx plans:**
 - assure SFHSS is aligned with the best health plan partners to meet SFHSS strategic goals
 - assess higher discounts/lower unit cost spend for broad HMO network providers (e.g., Sutter Health and Stanford Health Care)
 - maintain reasonable administrative fees for the near term

- **Medicare Advantage Medical/Rx plans:**
 - optimize plan premiums through well-positioned industry leaders
 - improvements in disease management, member support
 - stabilize network contracting relationships with key providers

- **Dental and Vision plans:** maximize network access while minimizing plan spend/insurance premiums

September 14, 2023 Health Service Board Meeting

On September 14, 2023, SFHSS will present to the Board on any competitive procurement (RFP) or market assessment (including an RFI) that would be released this calendar year and affect the plan year 2025 benefits.