

San Francisco Health Service System Health Service Board

Review Process and Findings Regarding Market for
Medicare Advantage Plans Including the Most Recent
Request for Information

December 9, 2021

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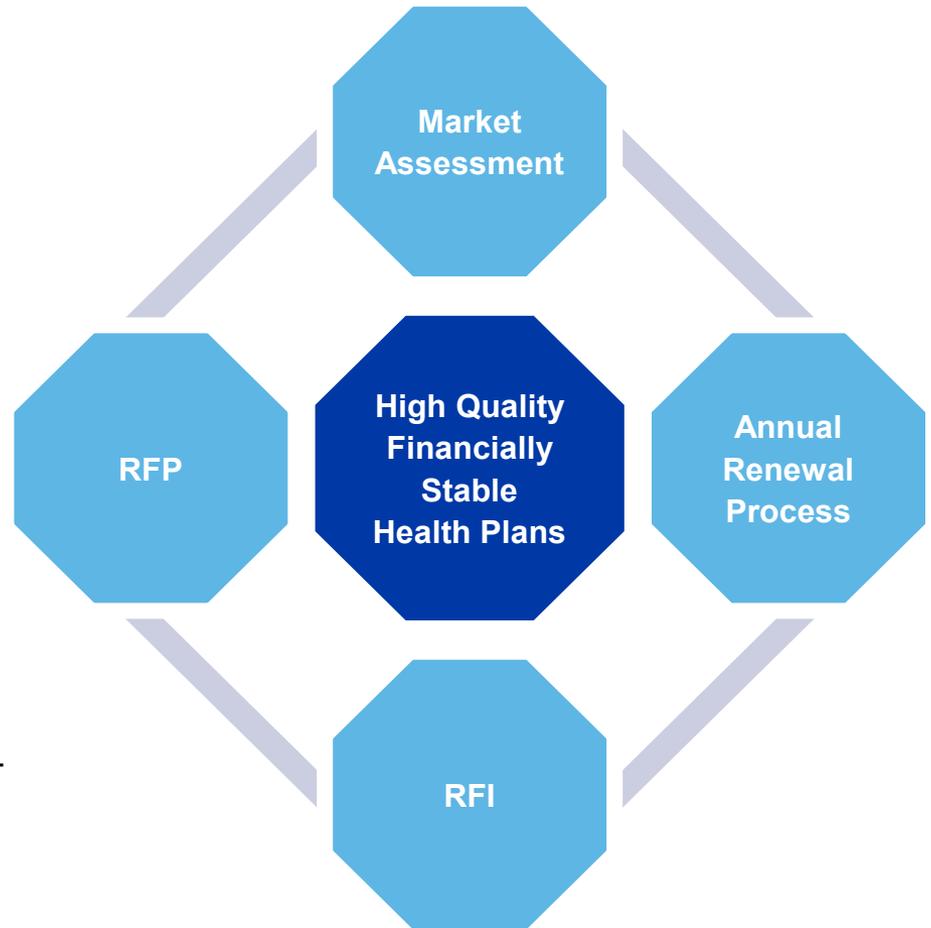


Medicare Plans Discussion

- The goals of today's meeting are to inform the HSB of:
 - Summary of findings and conclusion of RFI process
 - Financial perspectives overview
 - Conclusion of market for Medicare Advantage Plans review process

Medicare Advantage Plans—Market Process Overview

- The HSB and SFHSS perform many ongoing due diligence activities to ensure members have options for high quality, financially sustainable health plans.
- For the Medicare Advantage plans, the HSB and SFHSS have completed the following:
 - Medicare Market Update—November 2020
 - HSB Input on RFP Goals to SFHSS—June 2021
 - HSB Input on Consolidated RFP Goals and Review of RFI Process—August 2021
 - HSB Input on RFI Final Timeline and Review of Potential Respondents—September 2021



Medicare Advantage Plans—Market Process Overview

- As a result of the RFI process:
 - SFHSS is satisfied the current Medicare Advantage plans are industry leaders and support SFHSS' goals and objectives
 - As such, this report will close out the Medicare Advantage Plans RFI process
- Overall market process:
 - SFHSS recommends reconsidering a market evaluation in the next 3-5 years
 - As such, this report will close out the overall Medicare Advantage Plans market process

RFI Process, Findings and Conclusion

Medicare Advantage Plans—RFI Process Overview

- At the August 12, 2021, HSB meeting, Staff shared the decision to move forward with an RFI as a precursor to a possible RFP
- An RFI is an opportunity to educate and inform SFHSS prior to an RFP to:
 - Allow for additional fact-finding
 - Ask more open-ended questions than an RFP
 - Allow vendors to fully explain their current and future offerings
 - Affirm or negate the goals and objectives stated earlier and thus affirm or negate the need to perform an RFP
- An RFI approach also allows for broader contribution in the process, including:
 - SFHSS Executive Director, COO, CFO, Senior Health Program Planner
 - Aon
 - HSB Commissioner (elected member)—Commissioner Zvanski
 - HSB Commissioner (appointed member)—Commissioner Scott

Medicare Advantage Plans—RFI Process Overview

- The timeline of the RFI is as follows:

Activity	Timeline
Establish Participation Panel	September 17, 2021
Release RFI to the Market	September 27, 2021
Carrier Responses to RFI Due	October 22, 2021
Review of RFI Responses by Participation Panel	October 25 – November 19, 2021
Health Service Board Presentation	December 9, 2021

Medicare Advantage Plans—RFI Process Overview

- SFHSS posted the available Medicare Advantage RFI on its website on September 27, 2021—interested parties were invited to contact Michael Visconti to receive a copy of the questionnaire
 - All interested parties were provided an electronic copy of the RFI
- Responses were due on October 22, 2021—responses were received from:

HMO	PPO
Kaiser*	UHC*
Aetna	Aetna
Alignment	Alignment
BSC	Anthem
Health Net	BSC

* Incumbent MAPD plans

Medicare Advantage Plans—RFI Process Overview

- The panel met on three occasions: November 8, November 9, and November 16
- Due to the nature of an RFI (vs. RFP), the panelists can be named:
 - Commissioner Claire Zvanski
 - Commissioner Randy Scott
 - Dr. Lance Lang—retired Chief Medical Officer of Covered California
 - SFHSS staff: Executive Director—Abbie Yant, COO—Mitchell Griggs, CFO—Larry Loo, and Senior Health Policy Analyst—Leticia Pagan
 - Aon retiree medical expert—Pamela Kirklin
- Attendees included: Contracts Manager—Michael Visconti, Aon staff—Anne Thompson and Mike Clarke
- The following slides outline the summary of the learnings from the RFI process
 - In summary these learnings informed the staff recommendation to **not go to market for the Medicare Advantage plans (i.e., RFP)** for plan year 2023, the RFI more fully informed that decision

Medicare Advantage Plans—RFI Findings

- Use of predictive modeling to identify individuals who are likely to need intensive health care services is standard industry practice
- Many offer “value-add” programs such as meal delivery, transportation, over-the-counter allowance, dental, exercise/fitness programs etc.
- Carrier specific callouts:
 - Kaiser and UHC plans currently offered by SFHSS are rated 5.0 Stars for 2022 and were the only two respondents with a 5.0 rating
 - Kaiser leveraged inpatient hospitalization data to create and implement a predictive modeling tool that proactively identifies those with a high risk of deterioration to enhance hospital safety, patient-centered care, and clinical outcomes
 - UHC provides the greatest coverage areas, based on Zip Codes of current Medicare retirees, as compared to respondents who provided a Zip Code file
 - Kaiser offers a robust 12-month educational program on transitioning to Medicare
 - Health Net partners with CanopyCare to provide HMO plans that support advanced primary care models

Medicare Advantage Plans—RFI Findings

- Disease Management programs that stratify retirees based on clinical profile is standard industry practice
- Industry-leading programs, such as HouseCalls, Healthy at Home, and Point of Care Assist, are examples of meaningful solutions that strive to improve member health and mitigation of SDoH factors
- National carriers are leveraging robust Open Access PPO network which provides access to any Medicare providers nationwide
- Carrier specific callouts:
 - For split families, most proposed about utilizing third-party vendors to support SFHSS' administration, UHC offered up to \$300,000 for programming costs (over two years)
 - Kaiser also offers plans in areas that SFHSS has retirees—Colorado, Mid-Atlantic, and Georgia

Medicare Advantage Plans—RFI Findings

- Carriers identify and collect social determinants of health (SDOH) information through programs such as:
 - HouseCalls
 - Advocate4Me / Navigate4Me
 - Care and Disease Management programs
 - Health Risk Assessments
 - Traditional claims data
 - Telephonic nurse support
 - Aunt Bertha (social care network)
- Several carriers site participation (through their individual plans) in a disease specific value-based insurance design model. While results are favorable, most carriers are still in the beta phase and have not expanded programs nationally
- Most offer incentives to encourage appropriate wellness care
- Carrier specific call outs:
 - UHC’s Healthy at Home program reduces readmission risk and social determinants of health prevention delivering needed support, care
 - Health Net reports 80%+ of members successfully complete annual wellness visit

Medicare Advantage Plans—RFI Conclusion

In conclusion, SFHSS is satisfied the current MA plans are industry leaders and support SFHSS' goals and objectives.

- Kaiser Permanente:
 - 5.0 CMS Star rating: indicates high quality care and member satisfaction
 - Robust transition program for retirees moving into the MA plan
 - Value add programs: meals, transportation, fitness
- UnitedHealthcare:
 - 5.0 CMS Star rating (UHC is only national PPO with 5.0 Stars): indicates high quality care and member satisfaction
 - Robust care programs such as including HouseCalls and Healthy at Home
 - Value-add programs: meals, transportation, fitness
 - Ongoing innovation development through pilots across the U.S.
 - Most robust network covering all counties in which retirees live

Financial Perspectives Overview

Medicare Advantage Plans—Financial Perspectives

The RFI Process Is Not Designed to Capture Rate Quotations—still, there is confidence that SFHSS is quoted best-in-market MA Plan insured premium rates by Kaiser and UHC

- Each annual renewal cycle, SFHSS and Aon perform a thorough review of Kaiser and UHC rate quotations for SFHSS MA plans—including review of how prior plan cost experience and changes in CMS funding impact influence future year rate quotations
- In recent years, SFHSS MA Plan rate renewals have been favorable—in fact, 2022 rates for both plans are lower than 2020 rates—and UHC separately provided \$1M in premium refund due to COVID pandemic-influenced suppression in mid-2020*

	Kaiser KPSA (CA) HMO	UHC MA PPO
Monthly Premium Per Individual		
2020 Plan Year	\$365.76	\$434.87
2021 Plan Year	\$347.37	\$422.22
2022 Plan Year	\$309.76	\$427.22
Percentage Rate Change		
2020 to 2021	-5.0%	-2.9%
2021 to 2022	-10.8%	1.2%

- While a pattern of rate reductions would not be expected in the long run, both Kaiser and UHC are well positioned to deliver best-in-market rates to SFHSS into the near term given both plans now have a 5.0 CMS Star Rating

* As reported in September 2020 HSB meeting

Medicare Advantage Market Process Conclusion

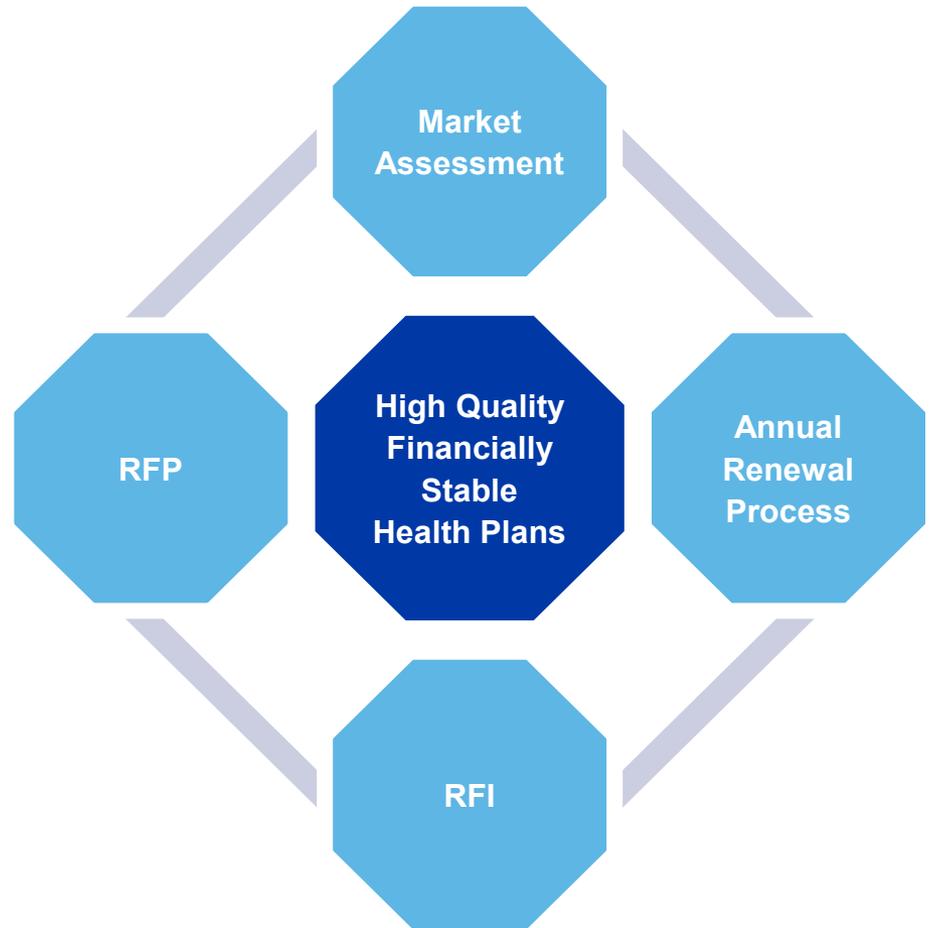
Medicare Advantage Plans—Market Process Conclusion

- With the completion of the RFI process and financial review, SFHSS recommends reconsidering a market evaluation in the next 3-5 years

Medicare Plans Discussion—Market Process Conclusion

In conclusion, SFHSS is satisfied the current Medicare Advantage plans are industry leaders and support SFHSS' goals and objectives. SFHSS recommends reconsidering a market evaluation in the next 3-5 years.

- As part of its due diligence process, SFHSS will incorporate learnings from the RFI into the 2023 plan year renewal process to engage current carriers in incorporating learnings into the current Medicare Advantage plan offerings.
- Additionally, SFHSS will continue to monitor the market and provide market updates to the HSB as needed



Appendix

Medicare Plans Discussion—Consolidated Goals and Objectives

Strategic Goal	Pillar(s)	Key Objectives
Affordable and sustainable	<p>Cost: SFHSS expects no increase to premiums</p> <p>Quality: SFHSS will prioritize plans with a CMS Star rating of 4.0 or higher</p>	<p>Support health plan models focused on sustainable, financially stable, high-quality, cost-effective health plan programs and options</p> <p>Leverage SFHSS purchasing power to enhance plan competition and reduce future Medicare plan premium cost trends</p>
Reduce complexity and fragmentation	<p>Administration: SFHSS expects superior customer service, plan design administration and program offering</p>	<p>Minimize member disruption by maintaining a similar balance of current copays and deductibles as well as network and pharmacy formulary</p>
Engage and support	<p>Quality: SFHSS will prioritize plans with a CMS Star rating of 4.0 or higher</p> <p>Administration: SFHSS expects superior customer service, plan design administration and program offering</p>	<p>Innovate for better care management of the drivers that affect risk scores</p>

Medicare Plans Discussion—Consolidated Goals and Objectives (cont.)

Strategic Goal	Pillar(s)	Key Objectives
Choice and flexibility	Administration: SFHSS expects superior customer service, plan design administration and program offering	Enhance diversity of choices geographically while maintaining balanced enrollment among offered plans Reduce administrative complexity of “split families” (retiree families with one or more Medicare individual and one or more non-Medicare individual)
Whole person health and well-being	Quality: SFHSS will prioritize plans with a CMS Star rating of 4.0 or higher	Partner with plans committed to the strategic goal of ongoing whole person health, well-being of Members and improved health equity

Underlying all activity are legal / policy guardrails, meaning:
SFHSS will work within the construct of the City Charter