

San Francisco Health Service System

Custom Contract Discussion Kaiser Permanente

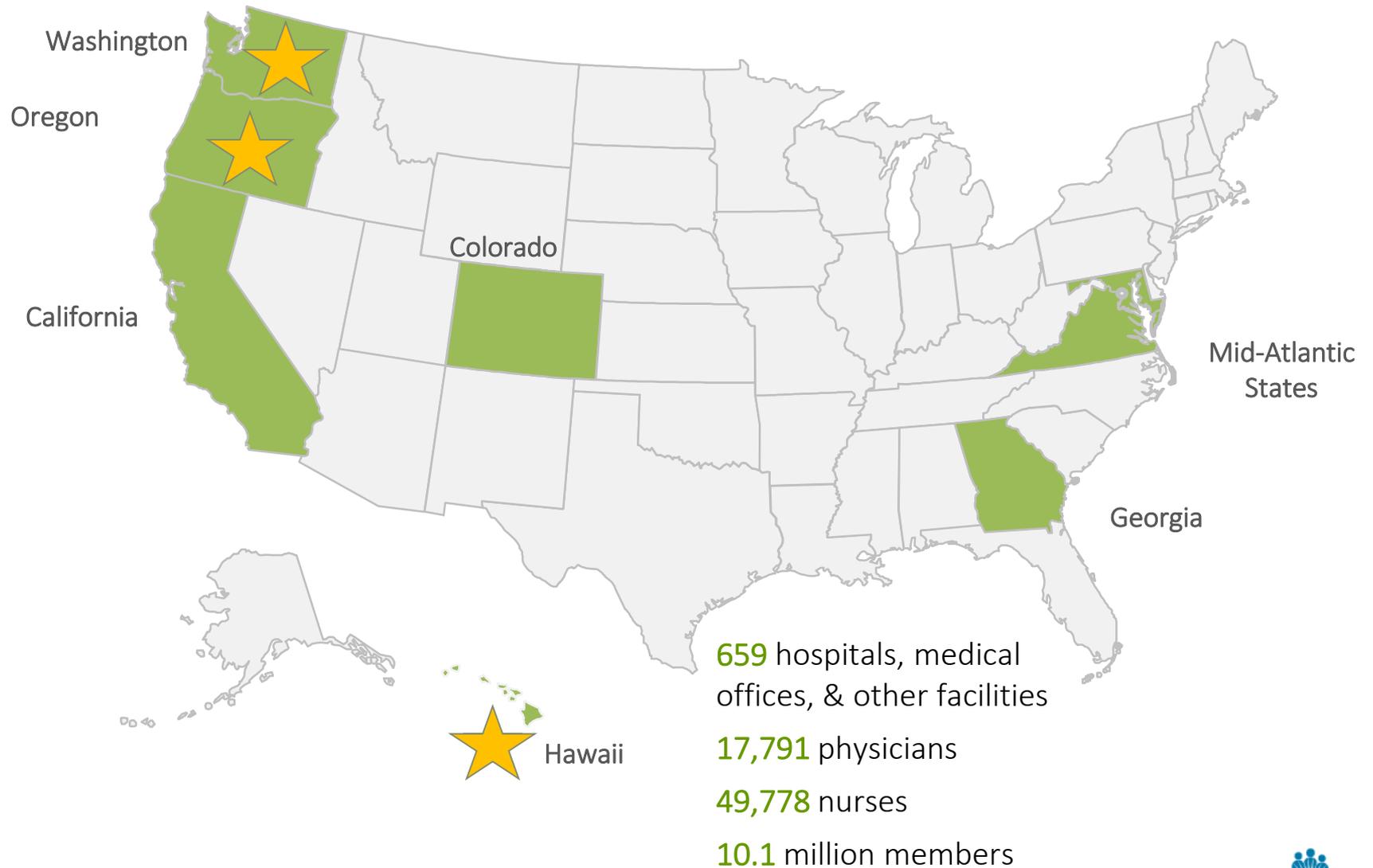


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Background

- At the May Board meeting we discussed Kaiser Permanente's (KP) capability to cover early retirees and Medicare eligible retirees outside of CA who move to another KP region.
- SFHSS receives many requests from existing Kaiser Permanente members who upon retirement move out of California and want to maintain the ability to keep Kaiser Permanente as a health care offering.
- To offer Kaiser Permanente outside of California, SFHSS is evaluating contracting with three Kaiser Permanente regions; Oregon, Washington and Hawaii.

Kaiser Permanente Service Regions



KP Facts by Region

NORTHWEST

552,651	Members
2	Hospitals
55	Medical offices
1,127	Physicians
11,623	KP employees

HAWAII

249,867	Members
1	Hospital*
29	Medical offices
27	Outpatient surgery centers
448	Physicians
4,389	KP employees

WASHINGTON

651,000	Members
25	Medical offices**
5	Urgent Care Clinics
4	Outpatient surgery centers
1,097	Physicians
6,730	KP employees

*Kaiser Permanente Hawaii is headquartered on Honolulu with local markets in Kauai, Hawaii, Maui and Oahu. In January 2016, Kaiser Permanente took over Maui hospitals' operations to provide and expand healthcare services in Maui, Kula and Lanai.

**Kaiser Permanente's has officially expanded access to integrated care and coverage across the state of Washington — from Seattle to Spokane and Everett to Olympia — with its Group Health acquisition. Kaiser Permanente has committed to invest \$800 million to support the communities throughout Washington over the next decade and to invest \$1 billion over the next 10 years to expand and modernize facilities and technology and improve both care and service.

Eligible Employees Inside a KP Region Residing Outside of CA

Subscriber Count	NorthWest	Washington	Hawaii
Early Retirees	38	32	15
Medicare Retirees	160	139	40
Total	198	171	55

Waived Early Retirees	36	20	14
Waived Medicare Retirees	18	16	7
Total	54	36	21

Early Retiree Benefits

	Home Region	Northwest	Hawaii	Washington
Deductible	No deductible	No deductible	No deductible	No deductible
Out-Of-Pocket Maximum: Individual/ Family	\$1,500/\$3,000	\$1,500/\$3,000	\$2,500/\$7,500	\$1,500/\$3,000
Office Visit	\$20 co-pay	\$20 co-pay	\$20 co-pay	\$20 co-pay
X-rays and Lab tests	No Charge	No Charge	\$10 per encounter	No Charge
Hospital Outpatient	\$35 co-pay per procedure	\$35 co-pay per procedure	10% coinsurance	\$50 co-pay per procedure
Hospital Inpatient	\$100 co-pay per admit	\$100 co-pay per admit	10% coinsurance	\$100 co-pay per admit
Hospital Emergency Room	\$100 co-pay per admit	\$100 co-pay per admit	\$100 co-pay per admit	\$100 co-pay per admit
Ambulance services	No Charge	No Charge	20% coinsurance	20% coinsurance
Infertility Services	50% coinsurance; see EOC	50% coinsurance; see EOC	n/a	n/a
Pharmacy: generic	\$5 co-pay (30-day supply)	\$15 co-pay (30-day supply)	\$15 co-pay (30-day supply)	\$10 co-pay (30-day supply)
Pharmacy: brand-name	\$15 co-pay (30-day supply)	\$30 co-pay (30-day supply)	\$50 co-pay (30-day supply)	\$20 co-pay (30-day supply)
Pharmacy: specialty	20% Coinsurance (not to exceed \$100) for up to a 100-day supply	n/a	\$200 co-pay (90-day supply)	n/a
Mail order: generic	\$10 co-pay (100-day supply)	\$30 co-pay (90-day supply)	\$30 co-pay (90-day supply)	\$20 co-pay (90-day supply)
Mail order: Brand	\$30 co-pay (100-day supply)	\$60 co-pay (90-day supply)	\$100 co-pay (90-day supply)	\$40 co-pay (90-day supply)
Hearing aids 1 aid per ear every 36 months	Up to \$2,500	Up to \$2,500	60% coinsurance	Not covered
Chiropractic	\$15 per visit up to 30 combined visits per 12-month period	\$20 per visit up to 20 visits per 12-month period	\$20 per visit up to 20 visits per 12-month period	\$20 per visit up to 20 visits per 12-month period
Acupuncture	\$15 per visit up to 30 combined visits per 12-month period	\$20 per visit up to 12 visits per 12-month period	\$20 per visit up to 12 visits per 12-month period	\$15 per visit up to 8 visits per 12-month period

Early Retiree Rates

	Home Region	Northwest	Hawaii	Washington
Subscriber Only	\$1,220.85	\$1,375.66	\$836.83	\$1,224.21
Subscriber and 1 Dependent	\$1,826.03	\$2,751.32	\$1,673.65	\$2,448.42
Subscriber and 2 or more Dependents	\$2,328.35	\$3,893.12	\$2,368.22	\$3,464.52

Medicare Retiree Benefits

	Home Region	Northwest	Hawaii	Washington
Deductible	No deductible	No deductible	No deductible	No deductible
Out-Of-Pocket Maximum: Individual	\$1,500	\$1,500	\$2,500	\$2,500
Office Visit	\$20 co-pay	\$20 co-pay	\$20 co-pay	\$15 co-pay
X-rays and Lab tests	No charge	No charge	No charge	No charge
Hospital Outpatient surgery	\$35 co-pay per procedure	\$35 co-pay per procedure	\$50 co-pay per procedure	\$50 co-pay per procedure
Hospital Inpatient	\$100 co-pay per admit	\$100 co-pay per admit	\$50 co-pay per admit	\$100 co-pay per admit
Hospital Emergency Room	\$50 co-pay per admit	\$50 co-pay per admit	\$75 co-pay per admit	\$75 co-pay per admit
Ambulance services	No charge	No charge	20% coinsurance	\$0-\$150 depending upon service
Pharmacy: generic	\$5 co-pay (30-day supply)	\$10 co-pay (30-day supply)	\$15 co-pay (30-day supply)	\$15 co-pay (30-day supply)
Pharmacy: brand-name	\$15 co-pay (100-day supply)	\$20 co-pay (90-day supply)	\$50 co-pay (90-day supply)	\$30 co-pay (90-day supply)
Pharmacy: specialty	20% Coinsurance (not to exceed \$100) for up to a 100-day supply	n/a	\$200 co-pay (90-day supply)	n/a
Mail order: generic	\$10 co-pay (100-day supply)	\$20 co-pay (90-day supply)	\$30 co-pay (90-day supply)	\$30 co-pay (90-day supply)
Mail order: Brand	\$30 co-pay (100-day supply)	\$40 co-pay (30-day supply)	\$100 co-pay (30-day supply)	\$60 co-pay (30-day supply)
Hearing aids 1 aid per ear every 36 months	Up to \$2,500	Up to \$2,500	60% coinsurance	Not covered
Chiropractic	\$15 per visit up to 30 visits per 12-month period	\$20 per visit up to 20 visits per 12-month period	\$20 per visit up to 20 visits per 12-month period	\$15 per visit up to 10 visits per 12-month period
Acupuncture	\$15 per visit up to 30 combined visits per 12-month period	\$20 per visit (visits TBD) per 12-month period	\$20 per visit up to 12 visits per 12-month period	\$15 per visit up to 8 visits per 12-month period

Medicare Retiree Rates

	Home Region	Northwest	Hawaii	Washington
Retiree with Medicare	\$375.39	\$382.86	\$350.68	\$389.17
Retiree & Spouse with Medicare	\$750.78	\$765.72	\$701.36	\$778.34
Retiree & Spouse all Medicare	\$1,125.79	\$1,148.58	\$1,052.04	\$1,167.51
Retiree + Spouse (Medicare + Medicare and Child(ren) Non-Medicare)	\$1,253.10	\$2,024.45	\$1,538.19	\$1,794.44

Considerations

- Allows members who had KP insurance as an active employee to keep a KP plan if inside another KP region (Hawaii, Oregon, Washington)
- Allows another choice for retirees when moving out of state if within a KP region
- KP account team would provide training for SFHSS Operations staff on eligibility and administrative process prior to OE if custom contracts implemented
- Evaluating possibility to develop one blended rate for all three regions
- Aligning benefits to match home region as close as possible
- Retiree would need to complete new enrollment form upon moving to new Region
- KP and SFHSS will evaluate administrative impact of additional contracts on SFHSS team

Thank you