

San Francisco Health Service System Health Service Board

Rates & Benefits

Health Plan 2023 Rate Summary — Medicare Retiree and
Kaiser Multi-Region Retiree Health Plans

June 9, 2022

Overview

Today's Medical Medicare Plan 2023 Renewals

Today's Focus — Medicare Retirees (and Kaiser “Multi-Region” Retiree HMOs)

- This material summarizes what will be presented for Health Service Board (HSB) approval today — as well as an overview of member contribution comparisons among the two predominant health plans offered to Medicare retirees by the San Francisco Health Service System (SFHSS), known as **Medicare Advantage (MA)** plans.
- All retiree health plans presented today are fully insured plans, meaning the plans set the rates with scrutiny by the Aon actuary and SFHSS staff.
- SFHSS offers these medical and prescription drug plans to Medicare retirees:
 - Regional **Kaiser Permanente (Kaiser)** Medicare Advantage plans in four regions: California (CA)¹, Washington (WA), Northwest (NW)², and Hawaii (HI); and
 - National **UnitedHealthcare (UHC)** Medicare Advantage Prescription Drug (MAPD) Preferred Provider Organization (PPO) plan (known as “UHC MAPD”).
- The Kaiser WA, NW, and HI plans are labeled as “multi-region HMOs” — Kaiser HMO plans in these regions are also offered to non-Medicare retirees.
- Today's recommendation is to renew the current plans noted above

1. Kaiser Medicare plan in California is known as “Kaiser Permanente Senior Advantage”, or KPSA.

2. Kaiser Northwest region is Oregon and southwest Washington.

SFHSS Medicare Plans — Current Covered Lives

- The predominant focus today is the Medicare plan renewals for KPSA and UHC MAPD, given these are the plans covering almost all SFHSS Medicare lives (e.g., retirees and dependents in Medicare).

SFHSS Medicare Health Plan	Current Covered Medicare Lives
UHC MAPD (national)	17,432 (52.8%)
KPSA (California)	15,452 (46.8%)
Kaiser Multi-Region (WA/NW/HI)	114 (0.4%)
Total — All Members in Medicare Plans	32,998 (100.0%)

- There are also 52 early retirees enrolled in Kaiser non-Medicare “multi-region” HMOs in Washington, Northwest and Hawaii.
- The remainder of this renewal overview document focuses on two plans — KPSA offered in California and UHC MAPD offered nationally.
 - Information on Kaiser retiree “multi-region” HMO renewals will be presented in a separate renewal recommendation document later today.

SFHSS Medicare Plans — Linkage to Strategic Plan



Affordable and Sustainable

We aspire to transform health care purchasing and care delivery to provide quality, affordable and sustainable health care for our current and future members through value driven decisions, programs, designs and services.

- ▶ **Medicare Advantage plans offer the greatest ability for SFHSS to sustain affordable plans for Medicare retirees and dependents.**



Reduce Complexity and Fragmentation

We believe in moving toward an integrated delivery system, focusing on primary care and prevention, and targeting and personalizing care.

- ▶ **SFHSS Medicare Advantage plans guide members in partnership with patient advocates within the KPSA and UHC MAPD models to encourage preventive care and seek appropriate care alternatives when needs arise.**



Engage and Support

We aim to activate programs, services and resources that address the entire cycle of health, elevating engagement, and strengthening member knowledge and confidence in accessing and using health and benefit plans.

- ▶ **Medicare Advantage plans allow for “value-added” benefits that go beyond core health plan coverage — such as enhanced nutritional counseling, post-discharge meal services, care-related transportation services, fitness programs, and more.**

SFHSS Medicare Plans — Linkage to Strategic Plan



Choice and Flexibility

We believe in offering a spectrum of designs, costs and services and collaborating with our stakeholder organizations, agencies, and departments to deliver on the whole person perspective.

- ▶ **SFHSS Medicare Advantage plans offer two high-value choices for most of our Medicare retirees — KPSA’s local HMO model in Northern California, and UHC MAPD’s national PPO model. Even for those living outside of KPSA service areas, the UHC MAPD model meets retiree plan needs as a geographically comprehensive plan.**



Whole Person Health and Well-being

We believe an organization that values and holistically supports members and their families’ lives holistically and that fosters an environment and culture of well-being will have a happier, healthier and more engaged population.

- ▶ **Medicare Advantage plans are designed to support members across their spectrum of health needs — from preventive care emphasis all the way through coordinated care across multiple touchpoints when needing care.**

For more information on Medicare Advantage plans, please refer to Aon’s November 2020 presentation to the HSB titled “Medicare Plan Market Update”, available for review on sfhss.org

SFHSS Medicare Plans — 2023 Renewal Overview

- All Medicare plans are fully insured — thus rate stabilization does not apply.
- After favorable rate actions on each Medicare plan for the 2022 plan year (decrease for KPSA, nominal increase for UHC MAPD), rating actions for the 2023 plan year include a slight rate decrease for KPSA and a trend-like increase for UHC MAPD:

Health Plan	2022 Rating Action	2023 “Status Quo” Rating Action
KPSA (California)	10.8% decrease	1.9% decrease
UHC MAPD (National)	1.2% increase	4.7% increase

- The individual rating presentations that follow today document the proposed rating changes outlined above for the 2023 plan year.

Projected 2023 Medicare Plan Monthly Rates

- The table below shows projected 2023 total cost monthly rates for the two Medicare plans, as well as employer and member contributions for Medicare retirees receiving the full City Charter formula employer contributions¹.
- Tiers shown below assume all Medicare lives (rating exhibits in upcoming presentations will show additional retiree mixed Medicare family tier combinations).
- Retiree Only member contributions are \$0 for both plans since the total MA plan rates with all rate card elements included are less than the 2023 monthly 10-County Amount (\$780.76).

	Medicare Retirees and Dependents (Full ER Contribution)		
Monthly 2023 Rates	RET Only	RET+1 Dependent	RET+2+ Dependents
Total Plan Rates			
KPSA (California)	\$311.15	\$619.32	\$926.39
UHC MAPD (National)	\$454.37	\$905.76	\$1,356.42
Employer Contributions			
KPSA (California)	\$311.15	\$465.24	\$465.24
UHC MAPD (National)	\$454.37	\$680.07	\$680.07
Member Contributions			
KPSA (California)	\$0	\$154.08	\$461.15
UHC MAPD (National)	\$0	\$225.69	\$676.35

1. Approximately 103 retirees receive less than the full City Contribution presently — hired on or after January 10, 2009. This compares to 50 retirees at this time last year.