

# San Francisco Health Service System Health Service Board

## Rates & Benefits

Background and Context to Blue Shield of California's Renewal Options for 2018 HMO Rates and Premium Contributions Presentation—Active Employees and Early Retirees

May 11, 2017

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# Background

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- The Bay Area health care system is unique in that it is comprised of a few key provider and hospital groups and a few health plans that dominate in the area. This has suppressed competition and new entrants into the market place
- The Health Service Board (HSB), over the past several years, has encouraged its vendor partners to innovate and bring more competitive forces into the market to offer San Francisco Health Service System (SFHSS) membership alternatives to the current Blue Shield of California (BSC) and Kaiser Permanente HMO programs
  - ▶ At the June 14, 2012 a fully insured, aggressively priced Sutter Narrow Network was presented. The HSB rejected the proposal, however they adopted flex funding which allowed the HSS Trust to realize the impact of positive claims experience driven by the Accountable Care Organization (ACO) initiatives

# Background

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- ▶ During the May and June 2016 meetings, as part of the 2017 Rates and Benefits cycle, the HSB discussed an option from Sutter Health Plan
- ▶ UnitedHealthcare provided a financially favorable plan alternative for Medicare retirees

BSC, in their 2018 renewal proposal, is offering an additional HMO option to offer alongside the current Access + program called Trio. This option leverages the Accountable Care Organization (ACO) providers that HSS' members currently use today

# Summary of Renewal Options

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- BSC is offering:
  - ▶ Current Access + HMO program and
  - ▶ New option called Trio
  - ▶ SFHSS members will have the option to choose Access + or Trio programs at open enrollment
- The key objective of this new offering is to provide:
  - ▶ An alternative non-Kaiser HMO option to the SFHSS membership that is more affordable than the current Access + program

# Summary of Renewal Options

- Outlined below is a high level overview of Access + and Trio. BSC will provide a more detailed description of the program

| Program Components | Access +   | Trio   |
|--------------------|--|--|
| Plan Design/Copays | No change from current                                   | Matches Access + plan / No change from current           |
| Hospital Network   | <u>Includes</u> California Pacific Medical Center (CPMC) | <u>Excludes</u> California Pacific Medical Center (CPMC) |
| Physician Network  | No change from current; members can keep their doctors   | Excludes Sutter Health                                   |
| 2018 Premium Rates | 5% increase over 2017 premiums                           | 10% less than 2018 Access + premiums                     |