

SFHSS Medical Plan Competitive Bid for Medical Plans SFHSS Members (non-Medicare) Plan Year 2022

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Update September 5/2020

Agenda



Overview



Market Assessment



Objectives



Vendor Procurement Policy, Rules and Regulations



Timelines and Process



Panelists qualifications in the evaluation process



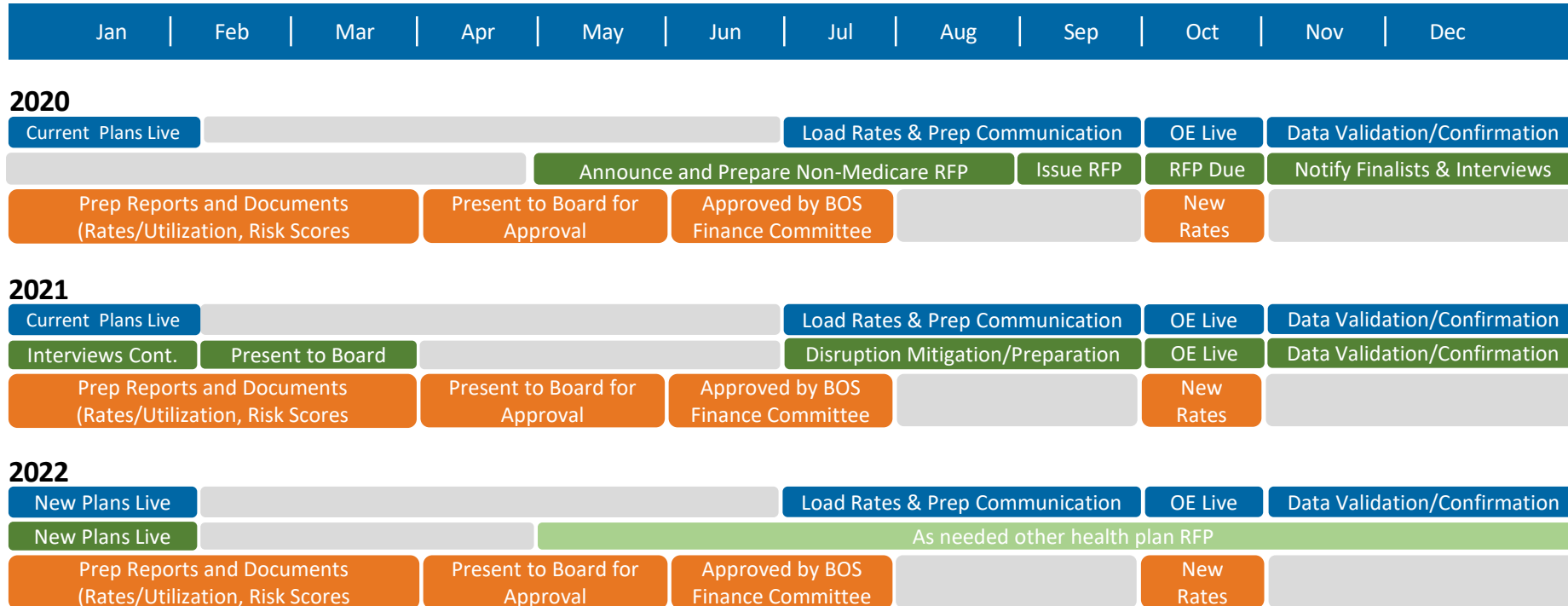
High-level outline of key elements



Minimum vendor requirements

Overview

Overview of Plan Year 2020-2022



Legend: ■ Open Enrollment ■ Non-Medicare RFP ■ Rates and Benefits ■ Future RFP

Leading up to the RFP

- 2018 Strategic planning – Innovation Day June 2018
- Adopted Strategic Plan – October 2018
- July 2019 Market Assessment – Decision to delay RFP
- December 2019 – Member Engagement Report
- June 2020 – RFP announced to Health Service Board
- August 2020 – Health Service Board discusses RFP process
- Governance Meeting – September 2020

Strategic Goals

- 1) Affordable and Sustainable Health Care Plans:
Acknowledge member costs (both through contributions and plan design) as well as the long-term financial sustainability of the overall program.
- 2) Reduce Plan Complexity and Fragmentation:
Select vendor partner(s) who provide comprehensive and integrated delivery systems.
- 3) Engage and Support SFHSS Members:
Identify vendor partner(s) who will promote health literacy and provide member advocacy, care coordination and addresses racial equity and other social determinants of health (SDoH.)
- 4) Choice and Flexibility:
Appreciate the various needs of members and providing meaningful opportunity in the areas of health plan, plan design, and network/health systems.
- 5) Whole Person Health and Well-Being:
Seek vendor partners who will support SFHSS' ongoing health and well-being activities, looks to shift from sick care to health care and reduces barriers to care e.g. SDoH.

Market Assessment

Market Assessment Findings – July 2019

- Vendor and provider consolidation is happening at a fast pace
 - National carriers are aligning with pharmacy benefit managers
 - Consolidation of point solution vendors into larger, broader organizations
- Broader market consolidation and evolution continues to evolve as the spectrum of health care evolves – focus was on financial arrangements in the 1980s; today's focus is on value-based care delivery
- Current landscape is focused on managing costs, improving health, improving the member experience and health equity.
- New vendors enter the market every day, most focused on modular/narrow point of service solutions.

Recap of Member Engagement

SFHSS discussed potential modifications to the current health benefits with the full and informed participation, of SFHSS Members.

Purpose of Engagement

- Understanding members' experiences with current healthcare delivery and insurance plans
- Gathering members' questions and concerns regarding possible future healthcare models

Targeted Members

- Active employees and Retirees not yet eligible for Medicare
- Diversity represented across employment status, workplace, home location, health plan, and demographic factors

Participation

- 162 members total: 9 focus groups with attention to a variety of locations and times + additional online survey input
- Select forums for vulnerable populations: Rural employees, LGBTQ members and Police (SFPD)

System Competition Model

- Members liked the possible availability of more integrated healthcare systems, in addition to Kaiser.

RFP Aims in Relation to Member Asks of SFHSS

How will proposed changes impact cost of care?



RFP Aims

As a result of this RFP, SFHSS seeks more transparent, sustainable, high-value, cost-effective care choices. SFHSS is advocating for health plan providers to leverage alternative payment models that deliver higher quality care and improved health outcomes.

How will proposed changes impact quality of service?



RFP Aims

SFHSS seeks proposed medical benefits and coverage solutions that enforce transparency in reporting and maintaining quality of care metrics. Leveraging high performing networks and centers of excellence, integrated delivery systems and varied sites of care.

What are expectations for service standards and accountability?



RFP Aims

SFHSS seeks solutions that optimize member experience through convenient, coordinated, and tailed care management. Coordination, advocacy and navigation of systems, benefits and third-party/partner support through person-centric, culturally competent care systems.

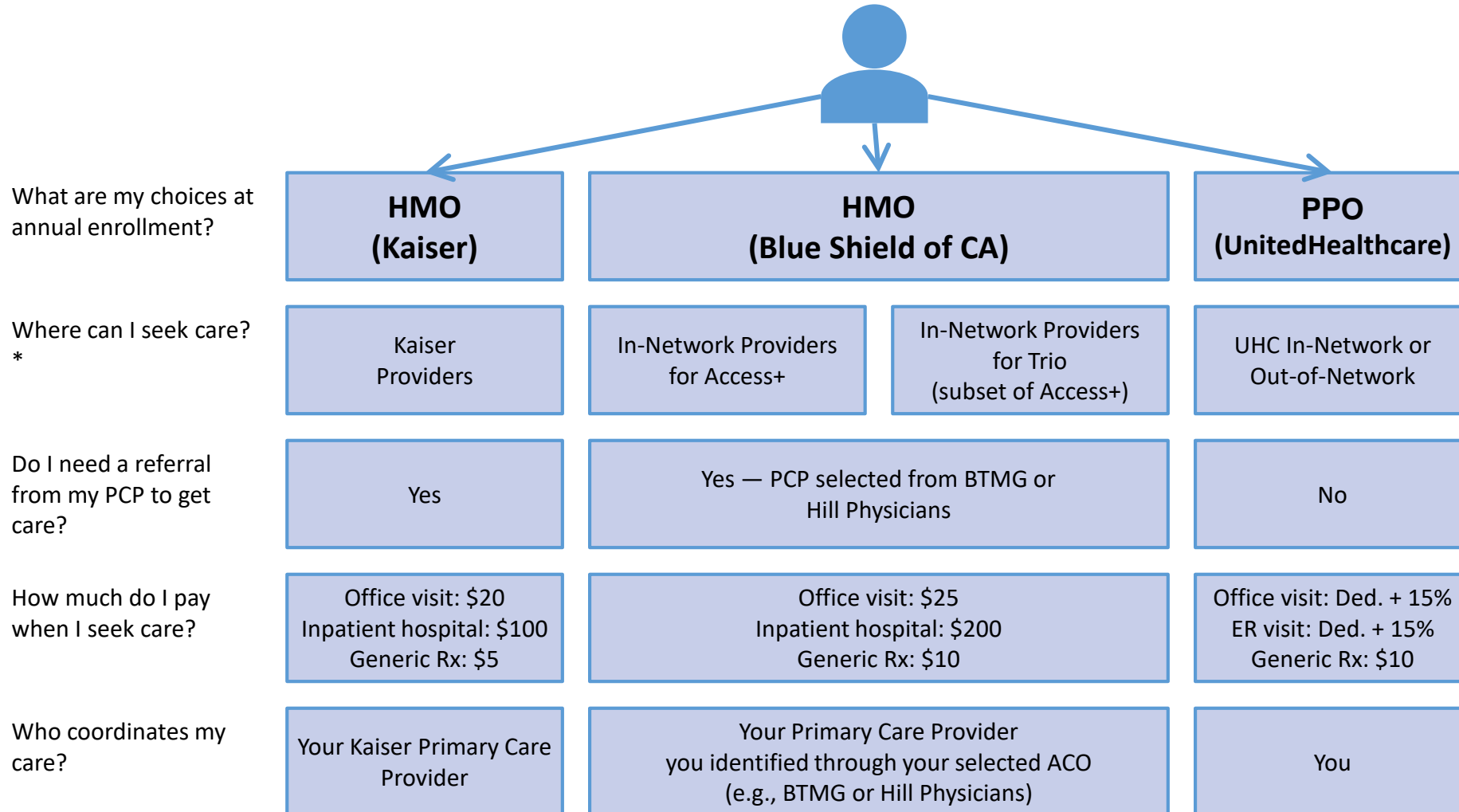
Will variations in what each plan offers impact coverage and ability to receive care?



RFP Aims

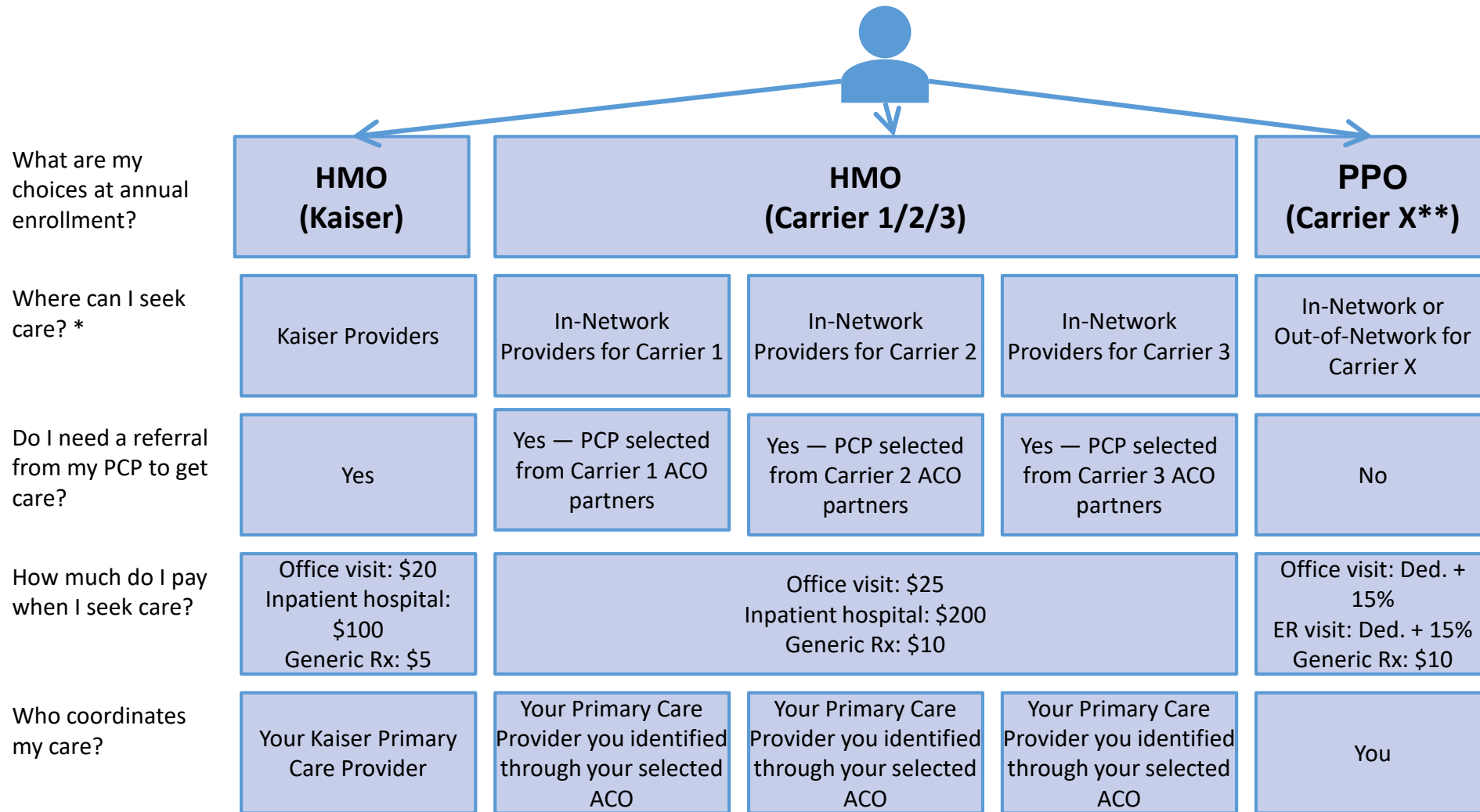
SFHSS seeks a robust partnership with qualified health care benefits providers offering a range of choices and plans that meet SFHSS members' diverse population-based needs. An ideal state in which members are partners in health care decision-making for short-term and long-term health.

Health Plan Models—Current State



* General information, does not address emergency care which can be sought anywhere

Health System Models—System Competition Scenario



* General information, does not address emergency care which can be sought anywhere ** May be offered one of the HMO carriers or a separate carrier

RFP Process

Subject to and abides by process governed by authorities listed and strict practices to ensure confidentiality and a level playing field throughout the process.

Process: Timeline

- Sept 2020 - RFP Issued
 - A defined question and answer period following a pre-proposal conference call with any prospective respondents or respondent partners.
- October 2020 - Submissions Due
 - A one-month evaluation period upon receipt of the proposals for Aon to provide an actuarial assessment report for the evaluation panel.
- December 1st - Panel review commences
 - Will occur between Tuesday, December 1st and Friday, December 18th
 - Final scoring submitted to SFHSS by or before Monday December 21st.
- January 2021 - Final Interviews
 - An oral interview process for RFP respondents in January.
- February 2021 – Presentation Results*
 - RFP results and recommendation presented to Health Service Board.

Objectives

1. Enhance value-based payment models for sustainable, financially stable, high-quality, cost-effective health plan programs and options.
2. Address long term financial stability for PPO (or “non-HMO”) plans.
3. Enhance diversity of choices of plans, models and integrated delivery systems for SFHSS Members and balanced enrollment between plans.
4. Partner with plans committed to the strategic goal of ongoing whole person health, well-being of Members and reduced health disparities.
5. Innovate for better management of the drivers of risk scores through comprehensive data analytics and integrated care and delivery models.
6. Minimize member disruption by maintaining a similar balance of current copays and deductibles.

Minimum Qualifications

- Respondent is a Corporation, Limited Liability Company or Non-Profit entity in Good Standing with the State of California (or Respondent's state of formation.)
- Respondent is licensed to do business in California.
- Respondent is licensed with the California Department of Insurance (CDI) and/or the California Department of Managed Health Care (DMHC.)
- Respondent maintains a business presence within the state of California.
- Respondent is experienced with providing the proposed insurance and claims administration services in the State of California.
- Respondent is currently in compliance with all state and federal privacy and security laws, statues and regulations for protecting Enrollee data, including HIPAA and HIPAA Security, Privacy, and Breach Notification Rules.
- Respondent is currently able to comply with the SFHSS Data Sharing and Respondent possesses the minimum City-required insurance coverages.
- Respondent meets a Moody's, Standard and Poor's, or AM Best financial rating of A- at the time of Proposal submittal.
- Respondent has reviewed the conditions of becoming an Approved City Supplier including, but not limited to, San Francisco Administrative Code Chapter 12B and Chapter 12X, and agrees to become an Approved City Supplier by or before July 1, 2021.

Key Areas of Evaluation

- Comply with all state and federal privacy and security laws, statutes and regulations for protecting Member data, including HIPAA
- Organization financial stability
- Core administrative functions: customer service, claims payment, etc.
- Provider and pharmacy network: disruption, GeoAccess, continuity of care
- Pharmacy formulary: disruption
- Reporting: APCD, ongoing and ad hoc support
- Onshoring of Data/Data Security provisions
- Strategic alignment
- Special topics: health equity, special populations, innovation, complex care coordination, support of social determinants of health, behavioral health
- Financials: discounts, fees, premiums, pay-for-performance provider contracts, performance guarantees

Process: Advisors, Panelists

- Scope
 - SFHSS has engaged a core group of RFP contributors to establish the RFP scope, evaluation criteria and legal procedures, terms and conditions including SFHSS management and executive level staff, our actuary and consultant Aon, and our City Attorneys.
- Evaluation Panel
 - The evaluation panel will formally engage for review in December. SFHSS has identified benefit subject-matter expertise from within SFHSS, from similarly-situated public agencies, from our consultant Aon, and from within other key stakeholder departments within the City for a panel of seven to nine.

HSB Governance Policy- Vendors

101: HEALTH SERVICE BOARD TERMS OF REFERENCE

Selection of Vendors

- 25) The Board shall establish appropriate policies to help ensure effective and prudent selection of service providers.
- 26) The Board recognizes that it is neither effective nor efficient for the Board to be involved in the selection of all service providers. Accordingly, the Board shall be responsible for approving the awarding of final contracts for the following primary service providers named below:
 - b) Insurance carriers;

207: SFHSS SERVICE PROVIDER AND VENDOR SELECTION POLICY

Roles and Responsibilities

- 2) The role of the Board with respect to the selection of service providers is to: a) Establish appropriate policies to help ensure prudent and sound selection decisions are made including, but not limited to, providing input to management about broad policy directions or specific goals and guidelines, prior to the drafting of a Request for Proposals (“RFP”);

Authorities

- HSB Governance Policy <https://bit.ly/2YVsVuo>
- The City and County of San Francisco Charter §§ 12.200-12.203 and A8.420-A8.432
- San Francisco Administrative Code §§ 16.700-16.703, 16.902
- San Francisco Administrative Code Chapter 21, 14B.