Background — Health Service Board Education Plan 2023

The Health Service Board (HSB) Education Policy 202 outlines educational practices and reporting expectations for Commissioners throughout each calendar year. Commissioners complete an annual Education Survey to request education topics. The Commissioners and San Francisco Health Service System (SFHSS) leadership work in partnership to provide educational opportunities that enhance continuous learning to effectively carry out their duties in alignment with the Strategic Plan years 2023-2025.

The requested 2023 Board Education topics are

- Healthcare Cost Trends (Active and Retirees);
- Equity Data Reporting; and
- Data Transparency.

Education sessions are open to the public and members are encouraged to attend. Commissioners complete an education evaluation after every session to be completed within one week of the session.
San Francisco Health Service System
Health Service Board

Board Education
Market and Health System Innovation Review

Anne Thompson, Senior Account Executive

September 14, 2023
Market and Health System Innovation Review—Agenda

• Background and Board Education Modules — August Through December

• Market and Health System Innovation:
  o Five Forces Shaping Healthcare
  o Employee/Member Expectations
  o Mental Health and Wellbeing
  o Health Equity
  o Affordability
  o Market Innovation

• SFHSS Strategic Focus Around Innovation

• Future Education Modules (November & December)
## HSB Board Education Modules — August Through

Incorporate Strategic Goals Throughout: Foster Equity, Advance Primary Care, Affordable/Sustainable, Support Mental Health and Well-Being, Optimize Service

<table>
<thead>
<tr>
<th>August HSB</th>
<th>September HSB</th>
<th>November HSB</th>
<th>December HSB</th>
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</table>
| • Holistic health ecosystem overview & outline September to December education modules  
  ○ “U.S. Healthcare 101” — our complex ecosystem  
  ○ Health system merger/acquisition (M&A) impacts  
  ○ Vendor market: current state, notable innovation  
  ○ SFHSS considers any RFI/RFP for vendors  
  ○ HSB control vs. influence  
  ○ Outline education modules | • Module 1: Market/ Health System innovation  
  ○ Vendor innovation  
  ○ Health system innovation  
  ○ New research on health care/behavior/ outcomes  
  • SFHSS announces any RFI or RFP and timelines | • Module 2: Benefit design benchmarking and plan design influence on member plan use behavior  
  ○ Impact of design components on plan utilization  
  ○ HMO plan design competitive landscape (Aon HVI data, 10-County)  
  ○ Plan design/program incentives to drive optimized health behaviors | • Module 3: Future state opportunities for SFHSS  
  ○ Harmonizing design features across Non-Medicare HMO plans and between the two MAPD plans  
  ○ Ideal state of design/vendors/network/etc. |
# Market and Health System Innovation—Five Forces

The Market Is Rapidly Evolving Post-Pandemic

<table>
<thead>
<tr>
<th></th>
<th>Employee Expectations Expanding</th>
<th>Mental Health &amp; Wellbeing Elevating</th>
<th>Health Equity Importance Increasing</th>
<th>Affordability Pressure Mounting</th>
<th>Market Innovation Accelerating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Align with new work models and employee expectations that employers support their entire life</td>
<td>Focus on building workforce resilience through better supporting mental health and improving overall wellbeing</td>
<td>Deliver inclusive, equitable, measurable value to all members of a diverse workforce</td>
<td>Find creative solutions to reduce healthcare cost pressure for the business and employees</td>
<td>Embrace the shift to digital first and solutions offering innovative ways to control cost while also addressing expanding employee expectations</td>
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</table>

- **57%** of employees want benefits their employer doesn’t offer<br>
- **52%** of employees would change jobs for better benefits<br>
- **40%** of employees have positive perception of wellbeing, down 9% overall from pre-Covid<br>
- **90%** of CEOs aspire for their company to be an industry leader in DEI<br>
- **50%** increase in employee premiums and contributions as a % of income since 2008<br>
- **$14.7B** Funding in digital health companies in 1H21, eclipsing the amount seen in all of 2020

- **1%** increase in profit for every 4% increase in wellbeing performance<br>
- **1%** lower employee perception of wellbeing when feel their workplace is not diverse, equitable and inclusive<br>
- **60%** of employees delay or avoid care due to unexpected cost

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1. Metlife Employee Benefits Trends Survey  
2. Prudential Financial Employee Survey  
3. Alight Consumer Health Mindset Survey  
4. Aon Global Wellbeing Survey  
5. Deloitte CEO Survey  
6. The Commonwealth Fund  
7. Rock Health
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<td><strong>Prevalent</strong></td>
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<tr>
<td>Caregiving benefits</td>
<td>Virtual mental health visits</td>
<td>Family-friendly benefits</td>
<td>Plan design changes</td>
<td>Point solutions for MSK, diabetes, obesity, etc.</td>
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<td>Voluntary benefits</td>
<td>Member wellbeing programs</td>
<td>Alignment with Human Rights Campaign Corporate Equality Index</td>
<td>to drive consumerism</td>
<td>Telemedicine to improve access to care</td>
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<td><strong>Emerging</strong></td>
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<td>On-demand urgent care to reduce ER utilization</td>
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<td>Adaptive benefits</td>
<td>Member engagement to reduce stigma and timely care</td>
<td>Specialized support benefits (BIPOC, LGBTQIA+, family forming, etc.)</td>
<td>Integrated, narrow and high-performance networks</td>
<td>Expanded virtual care (primary care, specialists, mental health)</td>
</tr>
<tr>
<td>Digital platform with personalized recommendations and communications</td>
<td>Organizational strategy to foster workforce resilience</td>
<td>Programs addressing health disparities</td>
<td>Navigation services to drive care to highly efficient providers</td>
<td>Artificial Intelligence improving care setting productivity</td>
</tr>
<tr>
<td>Employer sponsored caregiver program</td>
<td>Holistic total wellbeing strategy</td>
<td>Benefits audits for DE&amp;I alignment</td>
<td>Member engagement in wellbeing to reduce total cost of care</td>
<td>Closing care gaps through advanced engagement tools</td>
</tr>
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</table>

Solutions and Programs Are Evolving

- Caregiving benefits
- Voluntary benefits
- Virtual mental health visits
- Member wellbeing programs
- Member engagement to reduce stigma and timely care
- Organizational strategy to foster workforce resilience
- Holistic total wellbeing strategy
- Family-friendly benefits
- Alignment with Human Rights Campaign Corporate Equality Index
- Specialized support benefits (BIPOC, LGBTQIA+, family forming, etc.)
- Programs addressing health disparities
- Benefits audits for DE&I alignment
- Plan design changes to drive consumerism
- Narrow and high-performance networks to support lower costs
- Integrated, narrow and high-performance networks
- Navigation services to drive care to highly efficient providers
- Member engagement in wellbeing to reduce total cost of care
- Point solutions for MSK, diabetes, obesity, etc.
- Telemedicine to improve access to care
- On-demand urgent care to reduce ER utilization
- Expanded virtual care (primary care, specialists, mental health)
- Artificial Intelligence improving care setting productivity
- Closing care gaps through advanced engagement tools
Employee Experience—Navigation
Creating Personalized Experiences To Drive Right Care, Right Time, Right Place

**Growing Adoption of Point Solutions**
Employers adding resources to address a variety of challenges

**Low Use of Tools and Resources**
Members often don’t know the resources available to them in the moment of need

**Patients Aren’t Consumers**
Consumer tools are less effective in supporting complex health situations

**Complexity Creates Waste**
Employees struggle to navigate the system, leading to unnecessary spend

**Experience Impacts Perception**
Enhancing the experience increases perceived value of benefits package

**How Employers Are Responding**
- Upgrading to enhanced member services support through carrier(s)
- Implementing carve-out navigation vendors
- Adding resources to support most complex needs
- Re-evaluating advocacy services with low utilization
- Evaluating digital resources for retiree populations

**Emerging Approaches**
- Live support delivered primarily through digital platform
- Navigation support built around virtual primary care service
- Digital front door for health care programs
- Advanced tools based on new data/technology
Mental Health & Wellbeing—Vendor Trends
Trends Are Led By Digital Solutions to Support Access & Outcomes

Online Self-Directed
• Access to information, resources and tools to help people cope with life (mindfulness, positive psychology, stress reduction techniques etc.) and keep the emotionally fit, healthy

EAP

EAP and Work/Life
• Employee sponsored programs that provide therapy sessions for life events/conditions, in the moment problem solving, guidance to work-life resources and all benefits

E-Therapy
• Programs that use mobile devices (or the internet) to deliver interactive interventions for preventing and treating depression, anxiety and other mental health conditions.
• E-therapies most commonly employ Cognitive Behavioral Therapy (CBT) and include modules or exercises for users to complete while providing feedback on their progress over several weeks or months

Blended Care
• A combination of face-to-face treatment with e-therapy and/or self-directed intervention. Increasingly, these face-to-face sessions are becoming virtual via the use of tele-psychology and tele-psychiatry, often enabled by videoconferencing
# Health Equity—Ecosystem

Acknowledging Equity Within The Health Ecosystem Is Imperative

## In Person and Virtual

<table>
<thead>
<tr>
<th>Health Behaviors</th>
<th>Community Resources</th>
<th>Food Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronic condition management</td>
<td>Medication management</td>
<td>Remote monitoring</td>
</tr>
<tr>
<td>Medication management</td>
<td>Culturally-competent support</td>
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## Primary Care Access

<table>
<thead>
<tr>
<th>Affordability: Referral to Culturally Responsive, High Quality, Low-Cost Care</th>
<th>Affordability: Insurance</th>
<th>Mental Health Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imaging</td>
<td>Specialty care</td>
<td>Surgery/COE</td>
</tr>
<tr>
<td>Specialty care</td>
<td>Cost not a barrier to care</td>
<td>Marketplace coverage</td>
</tr>
<tr>
<td>Virtual clinical care</td>
<td>Sub-clinical tools</td>
<td></td>
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</tbody>
</table>
## Health Equity—Opportunities
Understanding Current Challenges Informs Future Solutions

<table>
<thead>
<tr>
<th>Example Dimensions</th>
<th>Current Challenges</th>
<th>Opportunities</th>
</tr>
</thead>
</table>
| LGBTQIA+           | • Greater need for mental health care; but lack of access to culturally competent providers particularly in rural areas  
• LGBTQIA+ patients report experiencing discrimination in healthcare settings | • Implement a dedicated, LGBTQIA+ focused mental health vendor  
• Offer virtual programs for LGBTQIA+ in geographically isolated areas  
• Request carriers/networks identify LGBTQIA+ providers or LGBTQIA+ friendly providers in network searches |
| Race & Ethnicity   | • Gaps in health status by race/ethnicity varies  
• Less likely to use and receive quality behavioral healthcare  
• Less likely to have a PCP  
• Less access to affordable providers | • Influence vendor partners to evaluate equity in clinical guidelines and care management programs (e.g., obesity, diabetes, hypertension)  
• Ability to select providers based on race, ethnicity, languages spoken  
• Provide a resource for finding culturally sensitive behavioral health specialists e.g.; Hurdle, Included Health  
• Virtual care options |
| Age               | • Focus on family building, but lack of menopause/low testosterone support for older individuals  
• Greater need for care management programs as population age increases  
• Limited, one-size-fits all mental health support | • Tailoring benefits toward specific health issues based on population age and needs  
• Care management programs (cancer, diabetes/hypertension, MSK, etc.)  
• Alternative modalities of care for engagement (in-person, virtual, digital) |
Affordability—Access To Care

Mounting Affordability Pressures Drive Plan Sponsors To Think Differently

- Low-cost primary care, such as copay design
- Virtual primary care
- Population focused access — maternity care for women of color; pediatric care for children with unique needs

- Care management programs that improve clinical outcomes at no cost to member
- Low/no cost maintenance Rx
- Expand benefits coverage for medical devices (e.g., hearing aids, vision care, assistive devices)
- Care navigation service

- Consumer directed solutions that steer members to lowest cost clinically appropriate drug
- Biosimilar specialty drug strategy focused on driving cost down without compromising clinical outcomes
- Manufacture assistance coupons leveraged to drive affordability for members and lower plan costs
- Narrow the formulary for deeper discounts

- EAP: onsite, third-party
- Lower cost sharing for therapy
- Virtual mental health and substance use services
- Low/no cost Rx for mental health conditions
- Digital support tools
- Mental health navigation service
Virtual Care Vendors Are Competing Directly with Health Systems

**Vendors**
Vendors are expanding beyond urgent care to offer primary care, specialty care, behavioral health and chronic condition management.

**Video Centric:**
- 98point6
- amwell
- CIRRUS MD
- Frock
- MDLIVE
- Teladoc
- Telehealth

**Text Centric:**
- Galileo

**Hybrid**
Hybrid vendors offer in-person care (clinic or in the home) in select geographies along with virtual primary care, generally on a national basis.

- Crossover
- everside
- included health
- one medical
- Premise Health
- VillageMD
- edenhealth
- Vera

**Carriers**
Carriers are partnering with vendors or developing their own solutions, including expansion into virtual-first health plan offerings.

- Aetna
- Cigna
- CVS Health
- Optum
- UnitedHealthcare
- MDLIVE
- Teladoc

**Navigation**
Navigation vendors are starting to offer virtual primary care as part of their solution.

- Accolade
- Quantum Health
- TELADOC
- Castlight

Brick-and-mortar providers are expanding virtual visit capabilities.
Market Innovation—March to Integrated Systems
Rising Costs And Growing Competition Drives Consolidation

Current State:
• Market power via consolidation may allow insurer to negotiate lower prices with providers, but savings often not passed on to individuals or plan sponsors
• Limited data to demonstrate quality improvement through horizontal integration
• Ambiguous and variable results associated with quality and vertical integration

Future-State:
• Advanced primary care serves as foundation
• Drive care to high quality providers at optimal place of service
• Integrated support and coordination for chronic and complex members
• Navigation and advocacy support
• Data interoperability

In addition to oversight from Federal and State regulating agencies, plan sponsors serve as on-the-ground watchdogs for anti-competitive behaviors.
Market Innovation—Pharmacy
The Evolution Of Pharmacy Benefits Continues

Vertical Integration

- 3 largest PBMs account for 80% of prescription volume for 2021
- Carrier owned Rebate Aggregators accounts for 92% of prescription volume for 2021
- Re-emergence of carve in vs carve out debate

Innovation and New Market Entrants

- Discount pharmacies challenging traditional players (GoodRx)
- New partnerships emerge making retail organizations prime for health insurers (Amazon Pharmacy with Mark Cuban’s Cost Plus Drug Company)
- Consumer Solutions directing patients to cheaper alternatives through their benefit
- Redefining transparency — developing or applying different sources for pricing (Capital Rx)

Forces Shaping the Future of Pharmacy

- Specialty claims generally account for <2% of prescription volume yet account for >50% of prescription costs
- Pharmaceutical innovation through the rise of biosimilars and gene therapies
- Federal and state initiative to drive down pharmacy costs (CMS Top 10 Drugs)
## SFHSS Strategic Focus Around Innovation

### Equity
- Equity data collection and reporting (CMS)
- Working with vendors on data, programs (e.g., Mahmee) and communications

### Advanced Primary Care
- Use of integrated HMO care delivery systems (KP, Access+, Trio, CanopyCare)

### Affordability and Sustainability
- Focus on managed HMO plans and narrow networks (Trio and CanopyCare) with fixed copays for most services

### Mental Health and Wellbeing
- Programs: onsite EAP, Lighthouse/MHN EAP, etc., virtual/app-based tools through carriers (e.g., Ginger), CredibleMind landing page
- Mental Health and Wellbeing Forum and Strategy

### Optimize Service
- Vendors: simplified navigation via Shield Concierge for Trio and Access+ and Accolade for the PPO
Upcoming HSB Board Education Modules

Module #2:
• Benefit design and assessment tools — November 9, 2023

Module #3:
• Future state opportunities for SFHSS — December 14, 2023