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:
    - Five Forces Shaping Healthcare
    - Employee/Member Expectations
    - Mental Health and Wellbeing
    - Health Equity
    - Affordability
    - 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

August HSB

- **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

September HSB

- **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**

November HSB

- **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

December HSB

- **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

1 Employee Expectations Expanding

Align with new work models and employee expectations that employers support their entire life

57%
of employees want benefits their employer doesn't offer[1]

52%
of employees would change jobs for better benefits[2]

2 Mental Health & Wellbeing Elevating

Focus on building workforce resilience through better supporting mental health and improving overall wellbeing

40%
of employees have positive perception of wellbeing, down 9% overall from pre-Covid[3]

1%
increase in profit for every 4% increase in wellbeing performance[4]

3 Health Equity Importance Increasing

Deliver inclusive, equitable, measurable value to all members of a diverse workforce

90%
of CEOs aspire for their company to be an industry leader in DEI[5]

60%
Lower employee perception of wellbeing when feel their workplace is not diverse, equitable and inclusive[3]

4 Affordability Pressure Mounting

Find creative solutions to reduce healthcare cost pressure for the business and employees

50%
increase in employee premiums and contributions as a % of income since 2008[6]

64%
of employees delay or avoid care due to unexpected cost[6]

5 Market Innovation Accelerating

Embrace the shift to digital first and solutions offering innovative ways to control cost while also addressing expanding employee expectations

$14.7B
Funding in digital health companies in 1H21, eclipsing the amount seen in all of 2020[7]

[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

Market and Health System Innovation—Solutions

Solutions and Programs Are Evolving

1 Employee Expectations Expanding

Prevalent

- Caregiving benefits
- Voluntary benefits

Emerging

- Adaptive benefits
- Digital platform with personalized recommendations and communications
- Employer sponsored caregiver program

2 Mental Health & Wellbeing Elevating

Prevalent

- Virtual mental health visits
- Member wellbeing programs

Emerging

- Member engagement to reduce stigma and timely care
- Organizational strategy to foster workforce resilience
- Holistic total wellbeing strategy

3 Health Equity Importance Increasing

Prevalent

- Family-friendly benefits
- Alignment with Human Rights Campaign Corporate Equality Index

Emerging

- Specialized support benefits (BIPOC, LGBTQIA+, family forming, etc.)
- Programs addressing health disparities
- Benefits audits for DE&I alignment

4 Affordability Pressure Mounting

Prevalent

- Plan design changes to drive consumerism
- Narrow and high-performance networks to support lower costs

Emerging

- 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

5 Market Innovation Accelerating

Prevalent

- Point solutions for MSK, diabetes, obesity, etc.
- Telemedicine to improve access to care
- On-demand urgent care to reduce ER utilization

Emerging

- 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 and Work/Life

- Employee sponsored programs that provides 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 session 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

Primary Care Access

Primary care consultations	Culturally-competent PCPs	24/7 on-demand urgent care	Labs and testing	Immunizations	Rx optimization

Health Behaviors

Chronic condition management	Medication management	Remote monitoring	Culturally-competent support

Community Resources

SDOH assessment	Community Health Workers	Culturally-relevant support groups

Food Security

Food prescriptions	Healthy food availability

Affordability: Referral to Culturally Responsive, High Quality, Low-Cost Care

Imaging	Specialty care	Surgery/ COE	Hospital/ facility	Specialty pharmacy

Affordability: Insurance

Cost not a barrier to care	Marketplace coverage	Voluntary plans

Mental Health Access

Virtual clinical care	Sub-clinical tools

Health Equity—Opportunities

Understanding Current Challenges Informs Future Solutions

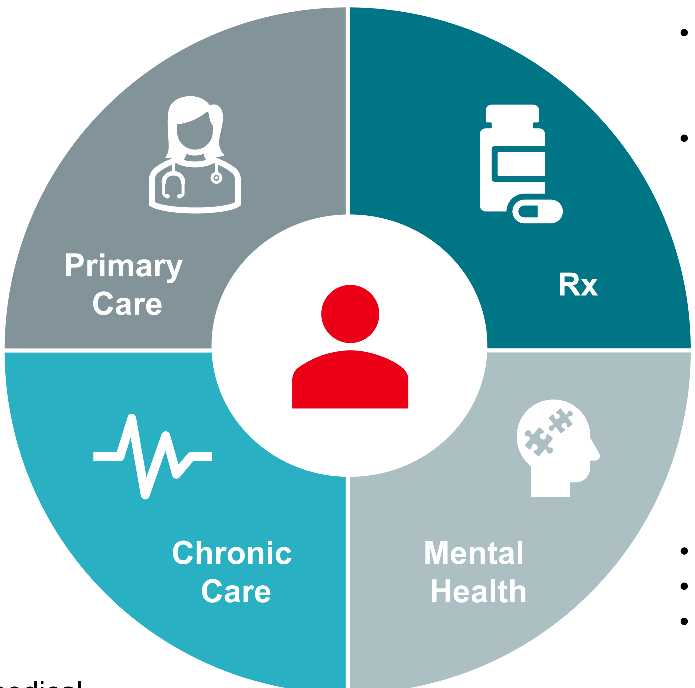
Example Dimensions	Current Challenges	Opportunities
LGBTQIA+	• Greater need for mental health care; but lack of access to culturally competent providers particularly in rural areas • LGBTQIA+ patients report experiencing discrimination in healthcare settings	• Implement a dedicated, LGBTQIA+ focused mental health vendor • Offer virtual programs for LGBTQIA+ in geographically isolated areas • Request carriers/networks identify LGTBQIA+ providers or LGTBQIA+ 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

- 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



- 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

- 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

Market Innovation—Care Delivery Is Evolving

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:

TELADOC.
MDLIVE
dr. on demand by Included Health
amwell
FSH first stop health

Text Centric:

galileo
98point6
CIRRUS MD

Carriers

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

UnitedHealthcare + Optum
Cigna + MDLIVE
aetna + TELADOC.
KAISER PERMANENTE
CVS Health

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.

one medical
crossover
Premise Health.
VillageMD
everside HEALTH
edenhealth

Brick-and-mortar providers are expanding virtual visit capabilities.

Navigation

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

Included HEALTH
Accolade
Quantum HEALTH + TELADOC.
vera WHOLE HEALTH + Castlight

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