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THE EMPLOYER'S HEALTH CARE CHOICE

SF Covered MRA Update

Presentation to the Finance and Planning Committee,
San Francisco Health Commission

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San Francisco Health Plan

December 6, 2016

SF City Option – One Way to Meet HCSO

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- The Health Care Security Ordinance (HCSO) requires that employers make health care expenditures on behalf of employees who work in San Francisco. The law applies to:
  - For-profit employers with 20+ employees and non-profit employers with 50+ employees
  - Employees employed for at least 90 days and working at least 8 hours per week in San Francisco
- Employers may satisfy the Employer Spending Requirement in any of the following ways:
  - Provide health insurance
  - Contribute to a health savings account or certain reimbursement accounts
  - Contribute on their employee's behalf into SF City Option
- The HCSO is enforced by the San Francisco Office of Labor Standards Enforcement. SFHP administers SF City Option.

How Employer Contributions Support Employee Health

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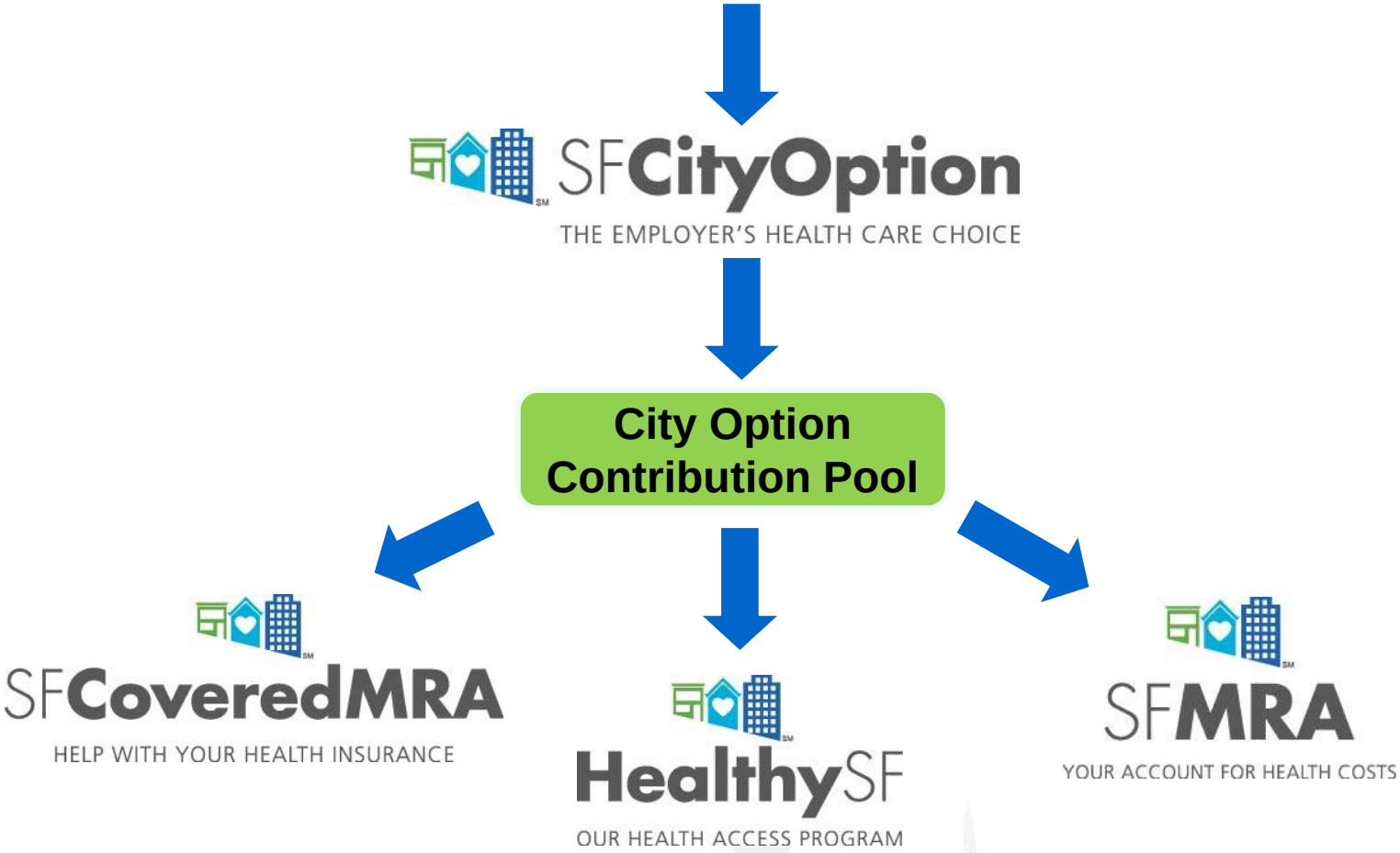
Employer Contribution ($$)



City Option will assign the employer's contribution when the employee enrolls in one of the three programs: SF Covered MRA, HSF, or SF MRA.

Program Information & Eligibility Requirements

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	HealthySF OUR HEALTH ACCESS PROGRAM	SFMRA YOUR ACCOUNT FOR HEALTH COSTS	SFCoveredMRA HELP WITH YOUR HEALTH INSURANCE
Eligibility Requirements	Employees who are uninsured, not eligible for Medi-Cal or Medicare, and live in San Francisco Currently 14,263 enrolled in the program	Employees who get their health insurance through their employer, spouse or parent's plan, Medi-Cal, Medicare, are under 18, or live outside of San Francisco	Employees over 18, at or below 500% FPL, who live in San Francisco and purchase health insurance through Covered California
Benefits	Access to health care services at certain health care providers in San Francisco	Funds in a reimbursement account to spend on eligible health care expenses (e.g, doctor's visits, prescription drugs)	Funds in a reimbursement account to spend on health insurance premiums purchased through Covered California and other eligible health care expenses

City Option Stats

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Program to date (2008-present):

- $533M in contributions made on behalf of 261,104 employees
  - 25% has gone to support HSF
  - 74% has gone to MRAs
  - 1% in new employer pool (since mid-October)
- 1,821 employers made at least one contribution within the past year
- **HSF:** Approximately 621 HSF Participants in the last year have received City Option contributions from employers.
- **SF MRA:** 180,921 SF MRAs opened, $199.5M in SF MRA funds paid out

City Option Employer/Employee Stats

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- Employers (1,821 active)
  - **61.3% have 100+ employees**
  - **90.3% are for profit**
  - **Top industry types include:**
    - Accommodation and Food Services
    - Retail
    - Professional, Scientific & Technical
    - Health Care and Social Assistance
- Employees
  - **58.8% of SF MRA participants are under 40 yrs .**
    - 54.8% live outside of San Francisco
  - **49.2% of City Option HSF participants are under 40 yrs.**

SF Covered MRA Background and Goals

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- Previously referred to as "Bridge to Coverage," created upon request of the Board of Supervisors and the Department of Public Health, approved by the Health Commission in August of 2015
- Intended to help make health insurance purchased through Covered California more affordable for eligible City Option employees while moving more individuals into full comprehensive health insurance
- Program provides a premium assistance and cost sharing subsidy to eligible City Option employees through a Medical Reimbursement Account
- The SF Covered MRA subsidy is designed to complement the federal subsidy

SF Covered MRA Eligibility

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- An employee may qualify for SF Covered MRA if the employee meets all of the following requirements:
  - San Francisco resident;
  - Age 18 or over;
  - Income at or below 500% Federal Poverty Level (FPL);
  - Not eligible for Medi-Cal or Medicare;
  - Purchased health insurance through Covered California; and
  - Has 2 employer contributions into the SF City Option within the past 6 months

SF Covered MRA Benefit

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- **Total $ = Premium Assistance + Cost Sharing Subsidy**
  - **Premium Assistance**: Approximates 60% of the premium cost to the individual for the second-lowest cost Silver plan on Covered California, after federal subsidies are applied, based on income
  - **Cost Sharing Subsidy**: Flat amount (between $124 - $1,312 based on income) that reduces maximum out-of-pocket cost sharing to ~5% of income
- The total amount is deposited into a Medical Reimbursement Account after the employee enrolls in SF Covered MRA

SF Covered MRA Enrollment

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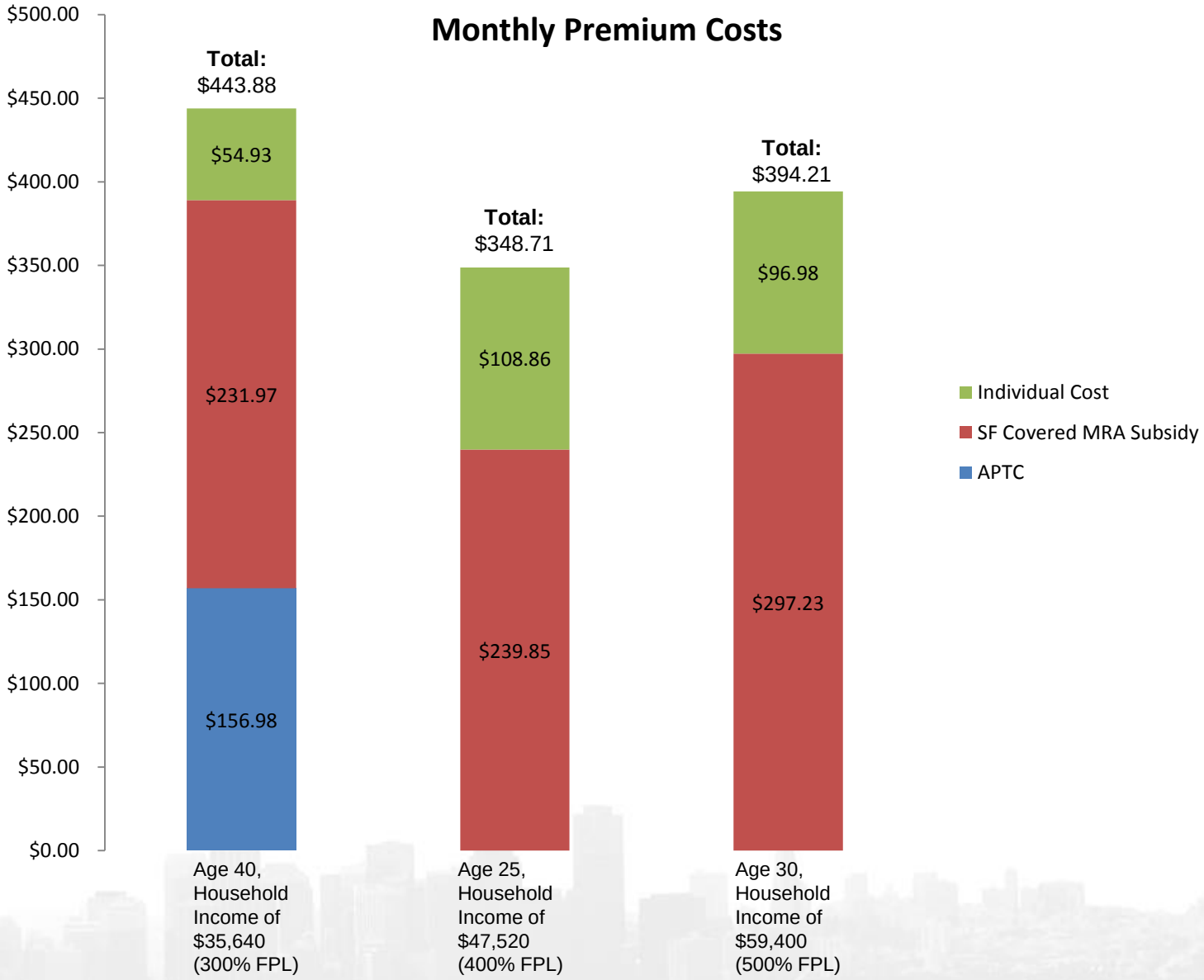

Note: Total premium examples assume the person selected the 2nd lowest cost Silver plan in Covered California

SF Covered MRA Benefit

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- Benefit delivered through a Medical Reimbursement Account
  - Eligible expenses include premiums and co-payments as well as other eligible medical expenses
  - Employee submits proof of payment and eligible claims for health expenses are reimbursed
  - SF Covered Plan Year is the employee's Covered California Plan Year, generally 1/1 – 12/31
  - Claims reimbursable through 3/31 of the following year, then funds are no longer available to the employee

SF Covered MRA Enrollment

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- In the first year, enrollment will be in-person at the SFHP Service Center
  - If an employee needs to be enrolled in Covered California, SFHP Enrollment Services will do this as the first step in an SF Covered MRA appointment
  - They will also verify the employee's identity and employer contributions, determine eligibility, calculate the subsidy amount, and enroll individuals into SF Covered MRA
- Eligibility for SF Covered MRA is re-determined every year
  - Employees must renew or be enrolled in Covered California to be eligible
  - The subsidy is recalculated every year based on the employee's reported income to Covered CA

SF Covered MRA As of 11/30

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- **Enrollment:** SFHP has enrolled a total of 23 individuals
- **Subsidies:** The program has provided subsidies totaling $43,602 to SF Covered MRA participants
- **Financial Monitoring:**
  - Close monitoring of the financial viability of the pool
    - Factors in 2017 rate increases in Covered California
      - Kaiser: 35% share of SF market in 2016, 5.3% average increase for 2017 vs. statewide average of 13.2%
    - Deactivation of inactive MRA accounts provides financial support for program
    - Ongoing monitoring of impact of Covered California rate increases on SF Covered MRA participants
  - Monthly reporting to the DPH on program performance
  - DPH retains ability to close enrollment in the event financial viability of program is unsustainable

Recap & Summary of 2016 Program Changes

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- **Closed Inactive MRA Accounts:** Closed inactive MRA accounts older than 2 years to support program activities on an ongoing basis
- **Updated Employer Contribution Process:** Redesigned handling of employer contributions to enhance program efficiency and ensure financial viability of City Option
- **Launched SF Covered MRA:** Created local subsidy program to make Covered CA more affordable for City Option employees
- **Conducted Extensive Education and Outreach Effort:** Informed employers, employees, City partners, vendors, and internal staff on City Option program changes
- **Enhanced Customer Service and Communications:** Developed a new phone line for City Option Employees, redesigned the City Option Website, and developed new employee communications to improve consumer experience