SF Covered MRA Update

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

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December 6, 2016
SF City Option – One Way to Meet HCSO

• 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.
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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<th>Eligibility Requirements</th>
<th>HealthySF</th>
<th>SFMRA</th>
<th>SF CoveredMRA</th>
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<td>Employees who are uninsured, not eligible for Medi-Cal or Medicare, and live in San Francisco</td>
<td>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</td>
<td>Employees over 18, at or below 500% FPL, who live in San Francisco and purchase health insurance through Covered California</td>
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<td>Currently 14,263 enrolled in the program</td>
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| 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

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

• 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

• 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

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

- **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

Monthly Premium Costs

- Age 40, Household Income of $35,640 (300% FPL):
  - Individual Cost: $156.98
  - SF Covered MRA Subsidy: $231.97
  - Total: $443.88

- Age 25, Household Income of $47,520 (400% FPL):
  - Individual Cost: $108.86
  - SF Covered MRA Subsidy: $239.85
  - Total: $348.71

- Age 30, Household Income of $59,400 (500% FPL):
  - Individual Cost: $96.98
  - SF Covered MRA Subsidy: $297.23
  - Total: $394.21

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

• 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

• 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

- **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

- **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