



December 5, 2017

SF City Option & SF Covered MRA Program Update

 **SF City Option**
THE EMPLOYER'S HEALTH CARE CHOICE

Recap of 2016 Program Changes

- **Launched SF Covered MRA in November 2016:** Created local subsidy program to make Covered CA more affordable for SF City Option employees
- **Updated Employer Contribution Process:** Redesigned handling of employer contributions to enhance program efficiency and ensure financial viability of SF City Option
- **Closed Inactive SF MRA Accounts:** Closed inactive SF MRA accounts older than 2 years to support program activities on an ongoing basis. Closed accounts are re-opened upon employee request
- **Conducted Extensive Education and Outreach Effort:** Informed employers, employees, City partners, vendors, and internal staff on SF City Option program changes
- **Enhanced Customer Service and Communications:** Developed a new phone line for SF City Option employees, redesigned the SF City Option Website, and developed new employee communications to improve consumer experience

SF City Option Process

Employer Contribution (\$\$)



SF 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.

SF City Option Stats

Program-to-Date (2008-present)

- \$706M in contributions made on behalf of 344K employees
 - 20% assigned to HSF
 - 64% assigned to SF MRA
 - <1% assigned to SF Covered MRA
 - 16% assigned to employer contribution pool (since October 2016)
- 1,889 employers made at least one contribution within the past year
- **HSF:** Approximately 654 HSF Participants in the last year have received SF City Option contributions from employers
- **SF MRA:** 189,237 SF MRAs opened, \$260M in SF MRA funds paid out
- **SF Covered MRA:** 459 participants enrolled, \$1.14M in subsidies distributed to program participants

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;
- Subject to the individual mandate and has purchased health insurance through Covered California; and
- Has 2 contributions in SF City Option within the past 6 months



SF Covered MRA Benefit

- **Total Benefit = Premium Subsidy + Cost Sharing Subsidy**
- Premium subsidy and cost sharing subsidy are calculated for the plan year based on:
 - The employee's income
 - The portion of the calendar year they are enrolled in insurance through Covered CA
- Subsidy is calculated independently of the payments made on behalf of the employee
- Total amount is deposited into an MRA after the employee enrolls
 - SF Covered MRA 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 forfeited



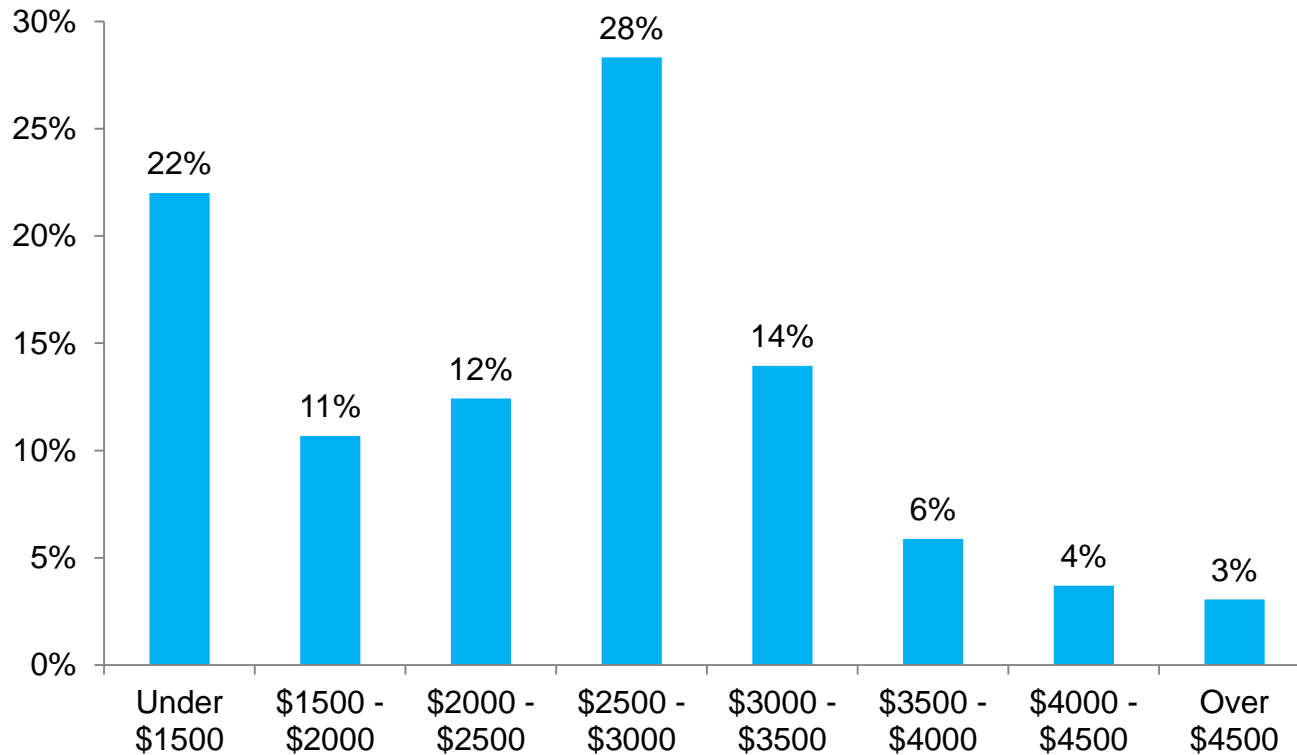
SF Covered MRA Enrollment

Enrollment Summary for 2017 Plan Year

- In-person enrollments at the SFHP Service Center
- 459 participants enrolled as of 11/28
 - \$1.1M in subsidies distributed to program participants
 - \$1.6M in employer contributions assigned to SF Covered MRA
 - Surplus of \$500K+
 - Average subsidy amount of \$2,476.51
- \$682K in claims paid through October
 - 36% of claims applied towards premiums

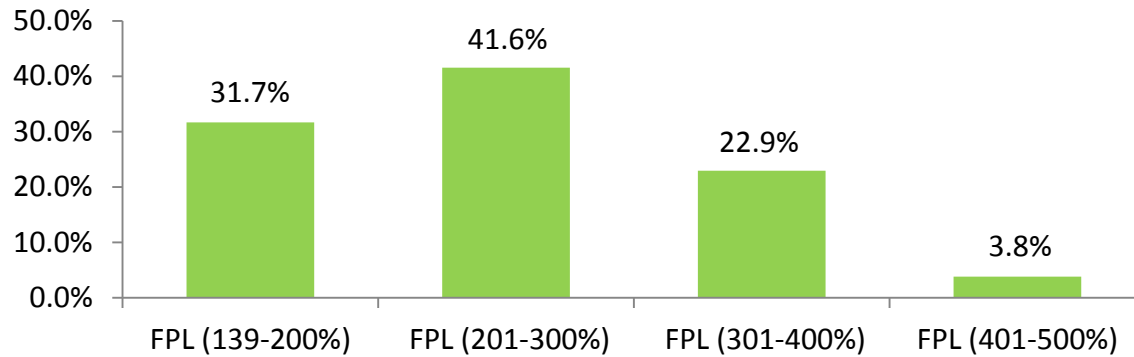
SF Covered MRA Enrollment

Subsidy Amount Distribution for SF Covered MRA Participants, Program-to-Date

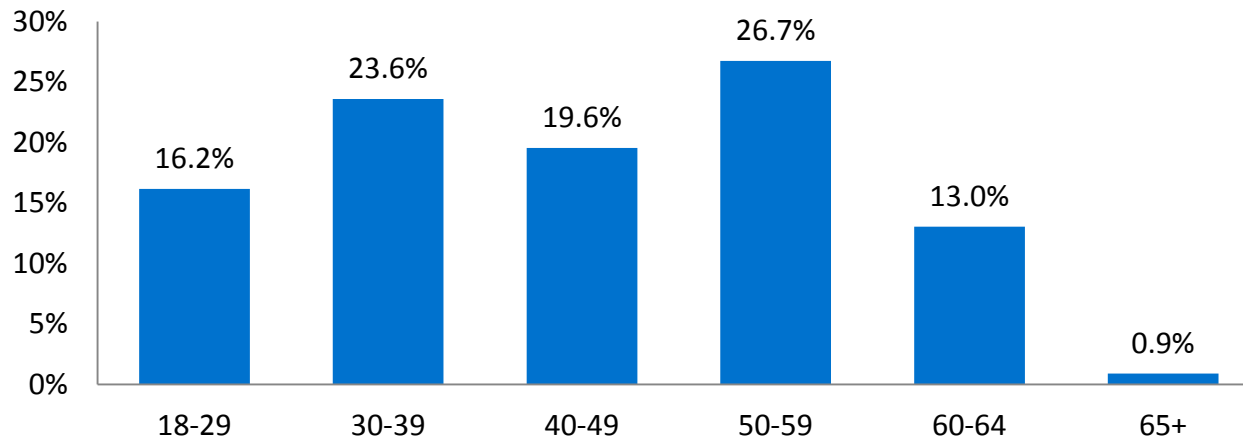


SF Covered MRA Enrollment

Income Distribution of SF Covered MRA Participants, Program-to-Date

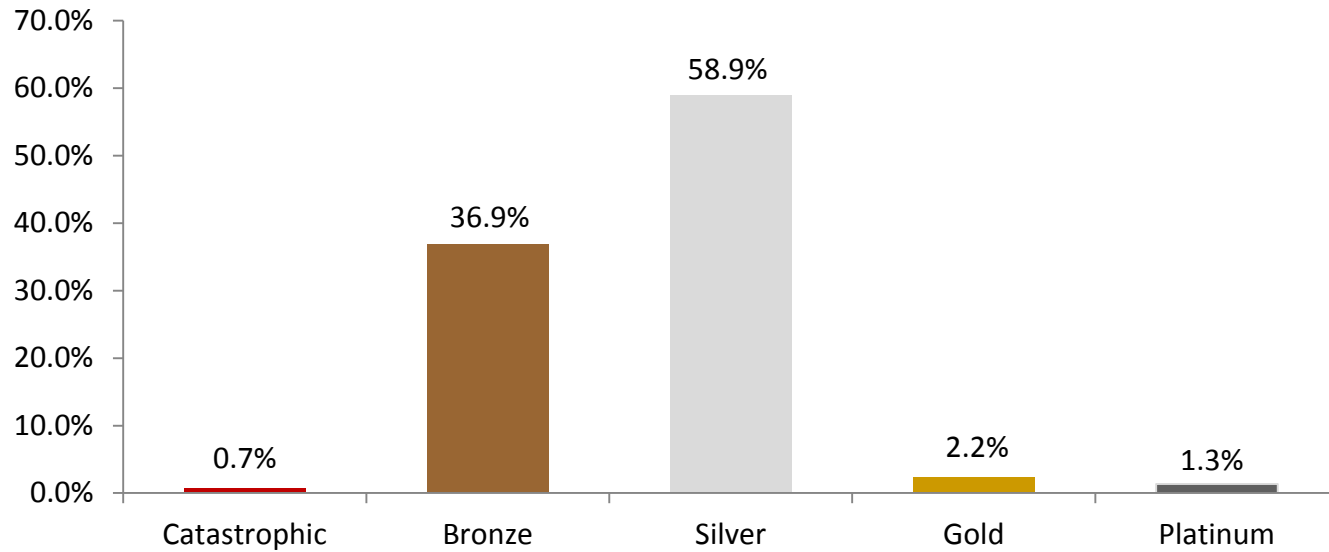


Age Distribution of SF Covered MRA Participants, Program-to-Date



SF Covered MRA Enrollment

Covered California Plan Tier Purchased by Participants, Program-to-Date



SF Covered MRA Renewals

- Eligibility for SF Covered MRA is re-determined every year
 - Subsidy is recalculated every year based on the employee's reported income to Covered CA
- Streamlined renewal process
 - Participants may renew by online form
 - No in-person appointment needed
- Renewal and reminder communications
 - Includes information about the renewal process and reminds participants to spend the funds in their accounts
 - Notices sent to participants in early November
 - Reminder notices to be sent in January

Considerations for 2019 Plan Year

Full Year of Data for First Year of SF Covered MRA

- In April 2018, the final account usage, claim submission, and forfeiture data for the 2017 SF Covered MRA plan year will be available
- SFHP will use this data to evaluate the program and determine program improvements in the following areas:
 - Communications
 - Operations
 - Evaluation of the use and effectiveness of the benefit