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
THE EMPLOYER’S HEALTH CARE CHOICE

SF Covered MRA
HELP WITH YOUR HEALTH INSURANCE

Healthy SF
OUR HEALTH ACCESS PROGRAM

SF MRA
YOUR ACCOUNT FOR HEALTH COSTS

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

- Under $1500: 22%
- $1500 - $2000: 11%
- $2000 - $2500: 12%
- $2500 - $3000: 28%
- $3000 - $3500: 14%
- $3500 - $4000: 6%
- $4000 - $4500: 4%
- Over $4500: 3%
SF Covered MRA Enrollment

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

- FPL (139-200%): 31.7%
- FPL (201-300%): 41.6%
- FPL (301-400%): 22.9%
- FPL (401-500%): 3.8%

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

- 18-29: 16.2%
- 30-39: 23.6%
- 40-49: 19.6%
- 50-59: 26.7%
- 60-64: 13.0%
- 65+: 0.9%
SF Covered MRA Enrollment

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

- Catastrophic: 0.7%
- Bronze: 36.9%
- Silver: 58.9%
- Gold: 2.2%
- Platinum: 1.3%
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