

June 2021

SF City Option Program Simplification

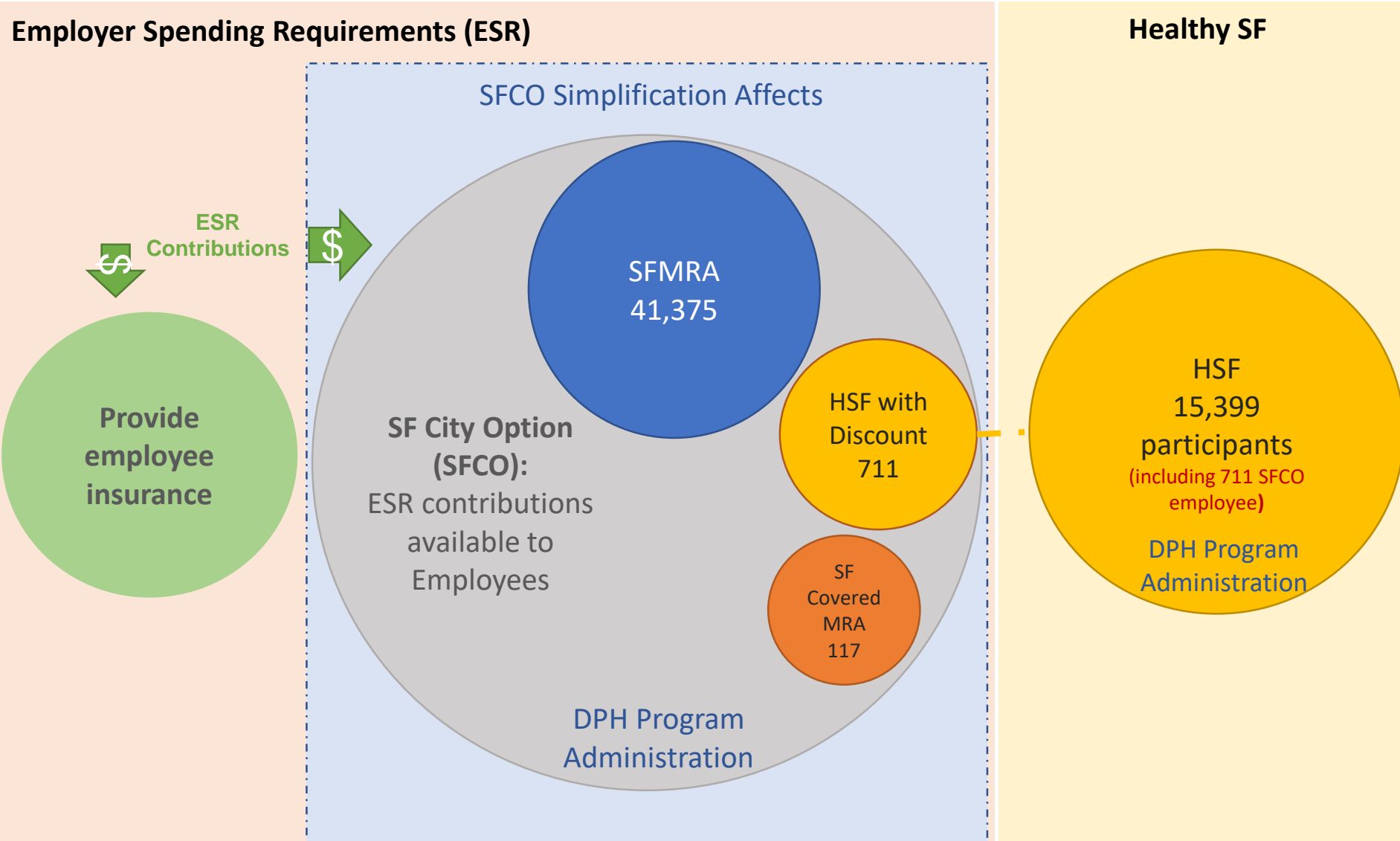
Agenda

1. Program Background
2. SF City Option Program (SFCO) Today
3. SFCO Simplification Goals, Rationale and Key Components
4. SFCO Before and After Recap
5. SFCO Simplification Schedule
6. Other Measures to Improve SFCO Utilization



1. Program Background

The Health Care Security Ordinance (HCSO) created the Employer Spending Requirement and Healthy SF

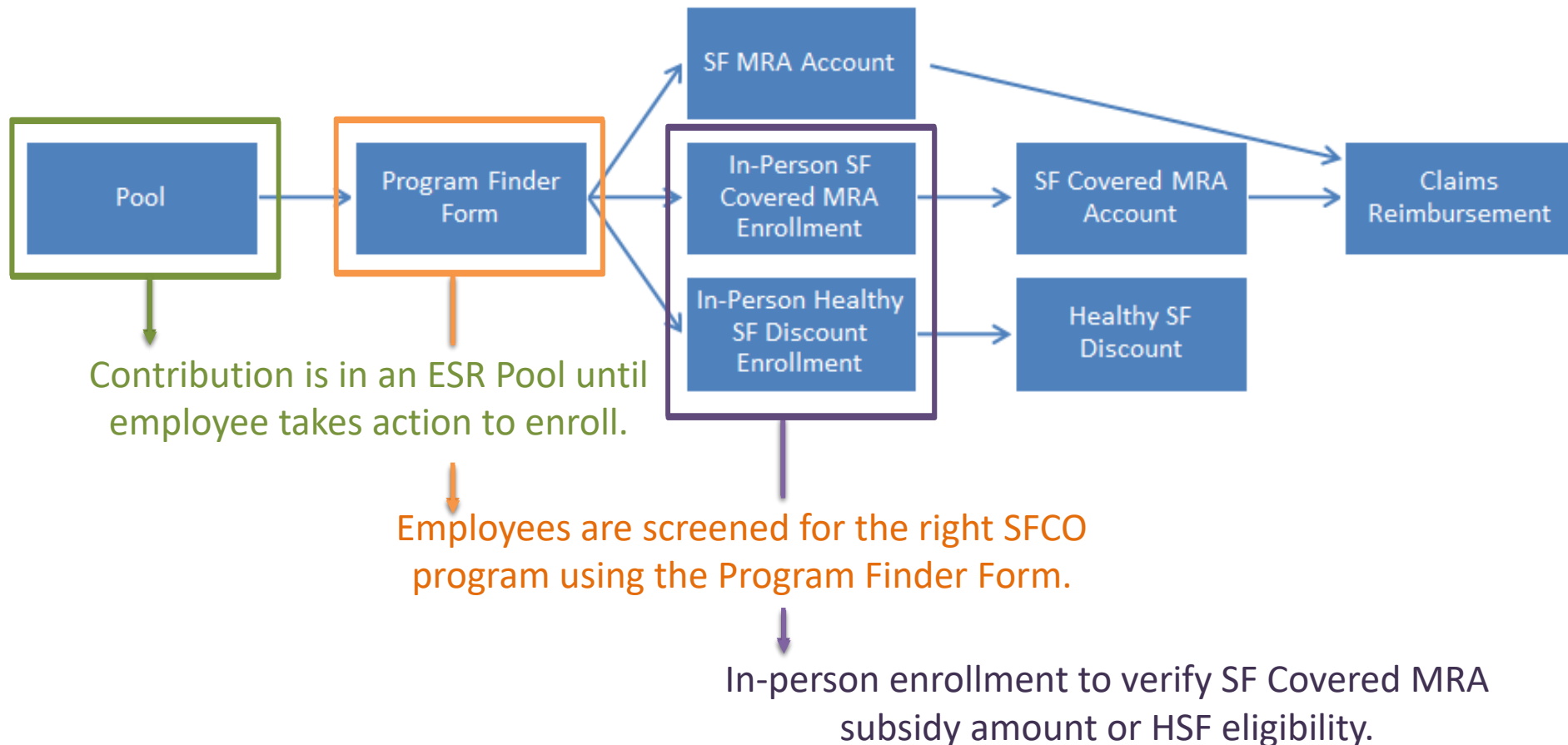


1. Program Background (continued)

- In 2015, DPH was tasked to create an affordability program to provide additional subsidy to those facing cost barrier to insurance.
- Program goals
 - Encourage enrollment into insurance and support ACA
 - Ensure employees enrolled into the right SFCO program
- Through SF City Option Modernization, DPH
 - Launched SF Covered MRA (SFCMRA) in October 2015
 - Implemented SFMRA Deactivation policy in July 2016
 - Redesigned enrollment process to:
 - Include the new SFCMRA program
 - Screen employees for the right SFCO program

2. SFCO Today

Resulting enrollment process is complicated due to need to screen everyone for the right SFCO program.



2. SFCO Today (Continued)

Multi-step enrollment process

- is required to ensure that SFCO participants are eligible for HSF and receive their calculated SF Covered MRA subsidy
- has become overburdensome and is unnecessary to provide individuals with an MRA, which 98% of participants are ultimately determined eligible for
- has become major barrier to participation and utilization

Enrollment in SFCO as of March 2021

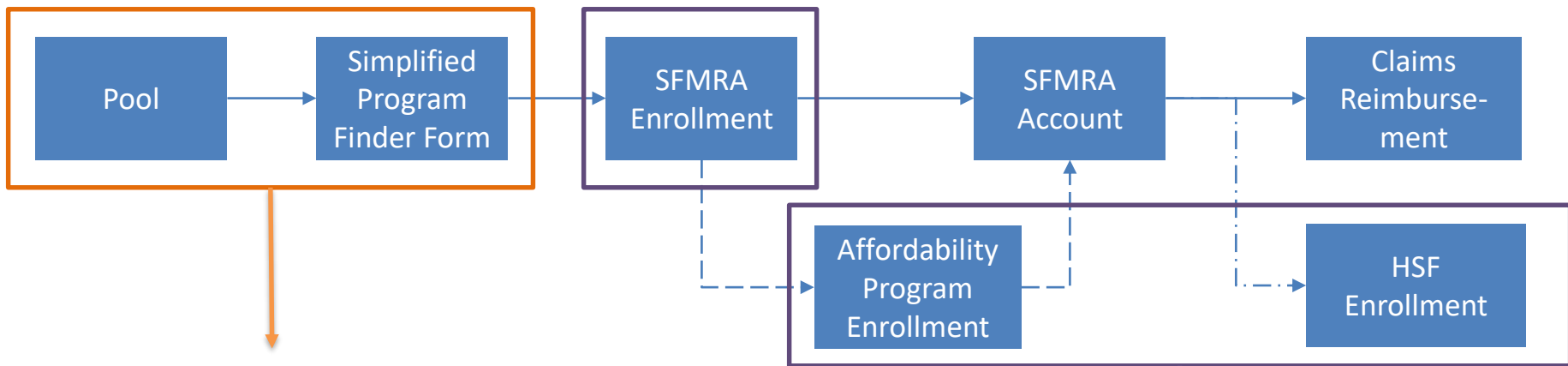
- SFMRA: 41,375 active users
- HSF: 711 HSF enrollees are also SFCO employees (out of total enrollment of 15,399)
- SF Covered MRA: 117 SFCO employees receive additional employer subsidies to help pay for Covered CA health insurance

3. SFCO Simplification: Goals and Rationale

- Improve employee experience and participation
- Original SF Covered MRA projection was 3,000 but actual enrollment ranged between 117 and 489
- Consistent feedback from employees and employers
 - “Make it easier to enroll”
 - “Make it easier to use the benefit”
- SFCO Simplification will drive greater participation and utilization of employer contributions

3. SFCO Simplification: Three Key Components

- (a) Transition to one benefit : SFMRA
- (b) Provide transition period for employees currently enrolled in HSF Discount and SF Covered MRA
- (c) Relaunch Affordability Program for Plan Year 2023



Contributions remain in an ESR (Employer Spending Requirement) pool until employee takes action to enroll. Program Finder Form now is for identity verification instead of screening for eligibility of programs.

All SFCO employees enrolled in SFMRA can also enroll in Affordability Program or HSF depending on individual eligibility.

3. Key Component (a): Transition to MRA Only Benefit

(eff. 09/2021)

Goals and Rationale

- Transition from three benefits options to one--SFMRA
- Simplified and streamlined new enrollment process with no in-person interaction requirement
- Removing barriers to participation in the SFCO program

Participant Impacts

- No impact to 98% of employees currently enrolled in a SFCO program who are already enrolled in SFMRA
- All employees will have a simpler process to enroll
- Same enrollment experience for all employees

3. Key Component (b): Provide Transition Period to Employees with Current HSF Discount (eff. 09/2021)

Goals and Rationale

- Allow employees access to their full contribution in lieu of an HSF Discount to pay for any HSF participant fees
- Reduce complexity and increase the flexibility and value of program benefits

Participant Impacts

- 711 participants currently receive an HSF Discount will be
 - auto-enrolled in SFMRA
 - able to use SFMRA funds to pay for HSF fees
- >95% will receive larger benefit from SFMRA than HSF Discount.

3. Key Component (b): Provide Transition Period to Current Employees in SF Covered MRA (eff. 09/2021)

Goals and Rationale

- Allow employees access to their full contribution in-lieu of calculated SF Covered MRA benefit amount
- Provide employees greater flexibility to use their contribution

Participant Impacts

- 117 participants currently enrolled in SF Covered MRA
 - Will be auto-enrolled in SFMRA
 - Shift to SFMRA means ~60% will have more contribution available
 - Will be held harmless, receiving subsidy in 2022 equivalent to 2021 benefit amount while program is transitioning
 - Who need additional support can apply for new affordability program (planned launch in June 2022)

3. Key Component (c): Relaunch Health Insurance Affordability Program (eff. Plan Year 2023)

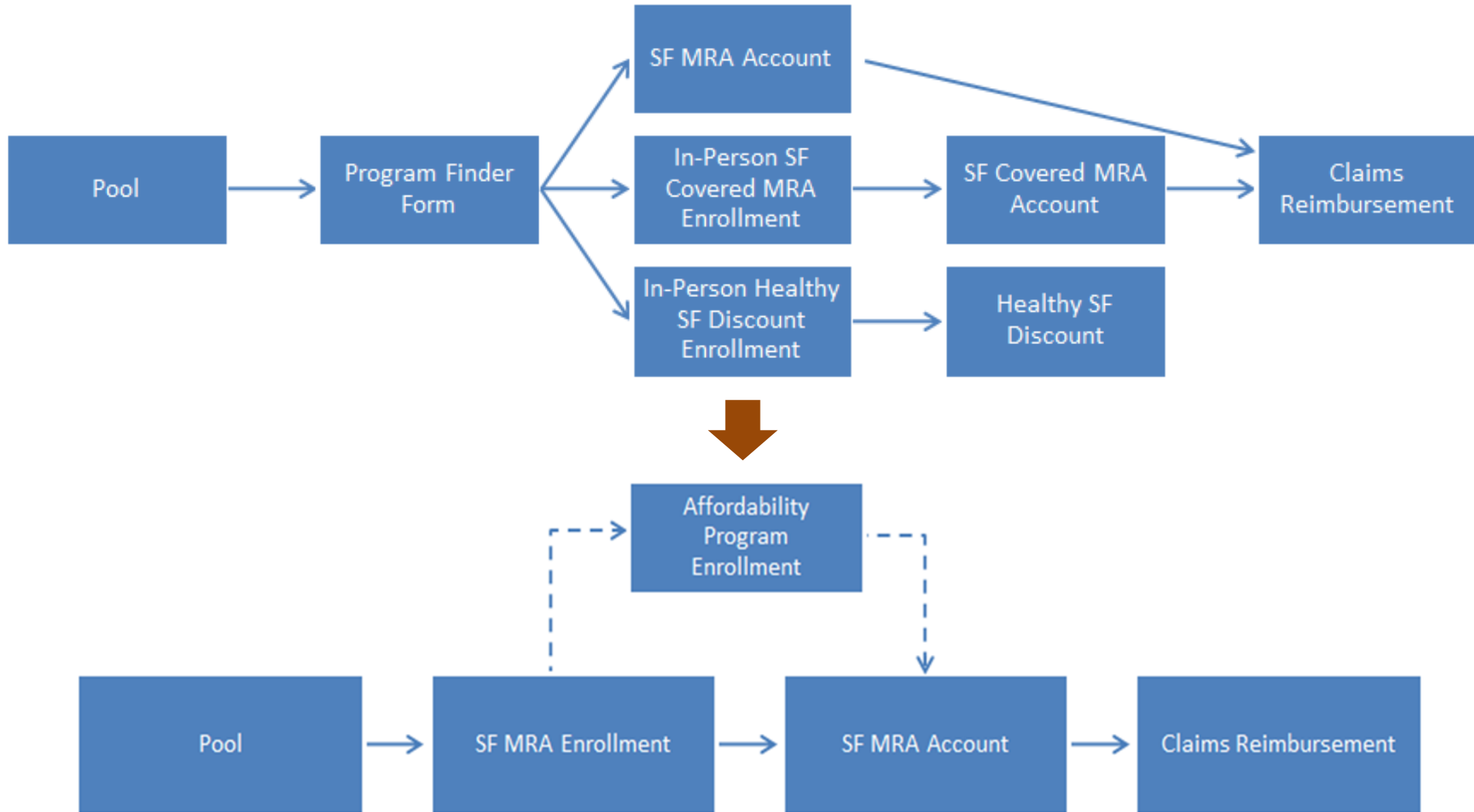
Goals and Rationale

- Relaunch an affordability program to continue meeting the requirements of the HCSO
- Support employees who continue to face cost barriers to enroll in health insurance

Participant Impacts

- Simplified health insurance Affordability Program enrollment process, program eligibility and benefit rules

4. SFCO Before and After Recap



5. SFCO Simplification Schedule



- Message/outreach to employers, employees, OLSE (Office of Labor and Standards Enforcement) on changes
 - Collateral
 - Website
 - Stakeholder engagement

- Launch SFCO Program Simplification: all participants who enroll get SFMRA
- Auto-transition current HSF participants into SFMRA
- Bridge current SF Covered MRA participants for Plan Year 2022
- Launch new enrollment process

- Relaunch Affordability Program and prepare for Open Enrollment

6. Other Measures to Improve SFCO Utilization

Develop Dashboards to Monitor Progress & Outcomes

- Develop metrics to gauge effectiveness of SFCO Simplification and adjust if necessary. Examples include conversion of pool funds, enrollment into SFMRA
- Improve data quality to support DPH decision-making
- Set goals commensurate with other similar products while considering uniqueness of SFCO program.
- Shorten turnaround time to information requests from various stakeholders

Other Program Improvements

- Communication and outreach: Procure email & texting vendor, and develop & implement outreach plan
- Information systems improvements
- MRA claim process to include debit cards