

Health Service Board City & County of San Francisco

Rates & Benefits

Cost Impact of Adjusting Early Retiree Rate Relativities

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Executive Summary

- The Health Service Board (HSB) requested at the February 11, 2016 Board meeting that the actuary provide an independent financial assessment of the cost impact of changing the early retiree rate relativities to mirror the same rate relativities as the active membership rates for the three Medical plans offered—Blue Shield, Kaiser, and UnitedHealthcare (UHC).
- This request was the result of a presentation by the Health Service System (HSS) where the difference was clearly outlined between the rate relativities for active membership rates versus early retiree membership rates. HSS requested that the Board consider making the rate relativities consistent with those utilized for the active membership base. This report will present the revised early retiree rates based on changes in rate relativities, the financial impact and the revised rates cards for 2016 Board approved rates.

Financial Impact Analysis—Approach

- HSS presented at the February 11, 2016 Board meeting that the rate relativities could be adjusted over a three year period or all at once.
- Under the three year adjustment method the active and post 65 rate relativities would be held at the current relationship. However the early retiree rate relativities would be adjusted over three years. Blue Shield is cited as an example of how this would work.

Blue Shield

Three year grade approach adjusting early retire rate relativities to Actives

PLAN	ACTIVES			EARLY RETIREES		
	E	E+ 1	E+ 2	E	E+ 1	E+ 2
Blue Shield 2016	1.00	2.00	2.82	1.00	1.45	1.81
Blue Shield 2017	1.00	2.00	2.82	1.00	1.61	2.10
Blue Shield 2018	1.00	2.00	2.82	1.00	1.79	2.44
Blue Shield 2019	1.00	2.00	2.82	1.00	2.00	2.82

- Under the immediate rate relativity approach (full reset) the rate relativities would equal actives at 1 to 2 to 2.82 in 2017.

Employee Contribution Impact of Proposed Adjustment to Rate Relativities

Blue Shield Early Retiree Rate Relativity Contribution Comparison

Comparison of early retiree contributions status quo versus graded versus full reset

PLAN	EARLY RETIREES		
	E	E+ 1	E+ 2
Blue Shield Status Quo	\$71.14	\$445.00	\$1,042.17
Blue Shield 33% Grade	\$71.14	\$547.21	\$1,321.81
Blue Shield 66% Grade	\$71.14	\$649.40	\$1,601.44
Blue Shield Full Reset	\$71.14	\$751.60	\$1,881.07

Kaiser Early Retiree Rate Relativity Contribution Comparison

Comparison of early retiree contributions status quo versus graded versus full reset

PLAN	EARLY RETIREES		
	E	E+ 1	E+ 2
Kaiser Status Quo	\$0.00	\$276.00	\$734.15
Kaiser 33% Grade	\$0.00	\$343.31	\$913.22
Kaiser 66% Grade	\$0.00	\$410.63	\$1,092.28
Kaiser Full Reset	\$0.00	\$477.95	\$1,271.35

City Plan Early Retiree Rate Relativity Contribution Comparison

Comparison of early retiree contributions status quo versus graded versus full reset

PLAN	EARLY RETIREES		
	E	E+ 1	E+ 2
City Plan Status Quo	\$88.71	\$540.88	\$1,161.83
City Plan 33% Grade	\$88.71	\$541.11	\$1,199.44
City Plan 66% Grade	\$88.71	\$541.32	\$1,237.03
City Plan Full Reset	\$88.71	\$541.55	\$1,274.64

Comments on Employee Contribution Impact

- The single early retiree contribution remains the same.
- The dependent early retiree contribution increases with the most significant change experienced for those enrolled in Kaiser and Blue Shield family coverage due to the earlier adjustment of the City Plan rate relativity to 1:2:2.84 (2007 / 08 plan year).
- The graded approach implementing this change over three years is less aggressive than the full reset approach in one year.

Financial Impact Slides

- In the following slides there are three tables for each Plan (BSC, Kaiser and UHC) that display the revised rates based on the proposed rate relativities for early retirees.
- Additionally the aggregate spend based on the provided enrollment counts is determined for the revised rates.
- The three tables are as follows:
 - 33% grade
 - 66% grade
 - Full reset to existing active rate relativities

Blue Shield

33% Grade versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals

Blue Shield Flex Funded—93/93/83 Contribution Strategy—Revised Rate Relativities, 3 Year Amortized—Year 1

Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.61 / 2.10]

Rates: January 1, 2017 – December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	7,038	4,370	4,378	1,470	708	259
Status quo rate vision and sustainability fee included	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
Employee	\$50.51	\$100.87	\$346.50	\$71.14	\$445.00	\$1,042.17
Employer	\$671.02	\$1,340.20	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
Annual spend employee	\$4,265,627	\$5,289,880	\$18,203,777	\$1,254,910	\$3,780,720	\$3,239,064
Annual spend employer	\$56,671,902	\$70,279,831	\$88,877,266	\$28,104,930	\$16,712,582	\$6,113,788
Total	\$60,937,529	\$75,569,711	\$107,081,043	\$29,359,840	\$20,493,302	\$9,352,853

Membership	7,038	4,370	4,378	1,470	708	259
33% ER Grade rate vision and sustainability fee included	\$721.53	\$1,441.07	\$2,038.24	\$1,563.88	\$2,516.00	\$3,290.60
Employee	\$50.51	\$100.87	\$346.50	\$71.14	\$547.21	\$1,321.81
Employer	\$671.02	\$1,340.20	\$1,691.74	\$1,492.74	\$1,968.79	\$1,968.79
Annual spend employee	\$4,265,627	\$5,289,880	\$18,203,777	\$1,254,910	\$4,649,096	\$4,108,185
Annual spend employer	\$56,671,902	\$70,279,831	\$88,877,266	\$26,331,947	\$16,726,824	\$6,119,007
Total	\$60,937,529	\$75,569,711	\$107,081,043	\$27,586,857	\$21,375,920	\$10,227,192

Blue Shield

66% Grade versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals

Blue Shield Flex Funded—93/93/83 Contribution Strategy—Revised Rate Relativities, 3 Year Amortized—Year 2

Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.79 / 2.44]

Rates: January 1, 2018 – December 31, 2018

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	7,038	4,370	4,378	1,470	708	259
Status quo rate vision and sustainability fee included	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
Employee	\$50.51	\$100.87	\$346.50	\$71.14	\$445.00	\$1,042.17
Employer	\$671.02	\$1,340.20	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
Annual spend employee	\$4,265,627	\$5,289,880	\$18,203,777	\$1,254,910	\$3,780,720	\$3,239,064
Annual spend employer	\$56,671,902	\$70,279,831	\$88,877,266	\$28,104,930	\$16,712,582	\$6,113,788
Total	\$60,937,529	\$75,569,711	\$107,081,043	\$29,359,840	\$20,493,302	\$9,352,853

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	7,038	4,370	4,378	1,470	708	259
66% ER Grade rate vision and sustainability fee included	\$721.53	\$1,441.07	\$2,038.24	\$1,463.37	\$2,619.88	\$3,571.92
Employee	\$50.51	\$100.87	\$346.50	\$71.14	\$649.40	\$1,601.44
Employer	\$671.02	\$1,340.20	\$1,691.74	\$1,392.23	\$1,970.48	\$1,970.48
Annual spend employee	\$4,265,627	\$5,289,880	\$18,203,777	\$1,254,910	\$5,517,302	\$4,977,276
Annual spend employer	\$56,671,902	\$70,279,831	\$88,877,266	\$24,558,967	\$16,741,237	\$6,124,256
Total	\$60,937,529	\$75,569,711	\$107,081,043	\$25,813,876	\$22,258,539	\$11,101,532

Blue Shield

Full Reset versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals
Blue Shield Flex Funded—93/93/83 Contribution Strategy—Revised Rate Relativities
Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 2.00 / 2.83]
Rates: January 1, 2017 – December 31, 2017 (full reset basis or completed by 2019 graded)

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	7,038	4,370	4,378	1,470	708	259
Status quo rate vision and sustainability fee included	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
Employee	\$50.51	\$100.87	\$346.50	\$71.14	\$445.00	\$1,042.17
Employer	\$671.02	\$1,340.20	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
Annual spend employee	\$4,265,627	\$5,289,880	\$18,203,777	\$1,254,910	\$3,780,720	\$3,239,064
Annual spend employer	\$56,671,902	\$70,279,831	\$88,877,266	\$28,104,930	\$16,712,582	\$6,113,788
Total	\$60,937,529	\$75,569,711	\$107,081,043	\$29,359,840	\$20,493,302	\$9,352,853

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	7,038	4,370	4,378	1,470	708	259
Full ER Grade rate vision and sustainability fee included	\$721.53	\$1,441.07	\$2,038.24	\$1,362.86	\$2,723.77	\$3,853.24
Employee	\$50.51	\$100.87	\$346.50	\$71.14	\$751.60	\$1,881.07
Employer	\$671.02	\$1,340.20	\$1,691.74	\$1,291.72	\$1,972.17	\$1,972.17
Annual spend employee	\$4,265,627	\$5,289,880	\$18,203,777	\$1,254,910	\$6,385,594	\$5,846,366
Annual spend employer	\$56,671,902	\$70,279,831	\$88,877,266	\$22,785,986	\$16,755,564	\$6,129,506
Total	\$60,937,529	\$75,569,711	\$107,081,043	\$24,040,895	\$23,141,158	\$11,975,871

33% Grade versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals
Kaiser—93/93/83 Contribution Strategy—2nd Year of 2-Year Rate Guarantee
Revised Rate Relativities, 3 Year Amortized—Year 1
Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.65 / 2.18]
Rates: January 1, 2017 – December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	10,462	5,695	5,985	1,779	732	158
Status quo rate vision and sustainability fee included	\$554.02	\$1,106.01	\$1,564.16	\$1,112.19	\$1,664.18	\$2,122.33
Employee	\$38.78	\$77.42	\$265.91	\$0.00	\$276.00	\$734.15
Employer	\$515.24	\$1,028.59	\$1,298.26	\$1,112.19	\$1,388.18	\$1,388.18
Annual spend employee	\$4,868,771	\$5,290,931	\$19,097,494	\$0	\$2,424,341	\$1,391,945
Annual spend employer	\$64,685,103	\$70,293,793	\$93,240,707	\$23,743,030	\$12,193,817	\$2,631,999
Total	\$69,553,874	\$75,584,723	\$112,338,201	\$23,743,030	\$14,618,157	\$4,023,944

Membership	10,462	5,695	5,985	1,779	732	158
33% ER Grade rate vision and sustainability fee included	\$554.02	\$1,106.01	\$1,564.16	\$1,060.77	\$1,747.39	\$2,317.30
Employee	\$38.78	\$77.42	\$265.91	\$0.00	\$343.31	\$913.22
Employer	\$515.24	\$1,028.59	\$1,298.26	\$1,060.77	\$1,404.08	\$1,404.08
Annual spend employee	\$4,868,771	\$5,290,931	\$19,097,494	\$0	\$3,015,659	\$1,731,457
Annual spend employer	\$64,685,103	\$70,293,793	\$93,240,707	\$22,645,287	\$12,333,450	\$2,662,138
Total	\$69,553,874	\$75,584,723	\$112,338,201	\$22,645,287	\$15,349,109	\$4,393,595

66% Grade versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals
Kaiser—93/93/83 Contribution Strategy—2nd Year of 2-Year Rate Guarantee
Revised Rate Relativities, 3 Year Amortized—Year 2
Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.81 / 2.49]
Rates: January 1, 2018 – December 31, 2018

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	10,462	5,695	5,985	1,779	732	158
Status quo rate vision and sustainability fee included	\$554.02	\$1,106.01	\$1,564.16	\$1,112.19	\$1,664.18	\$2,122.33
Employee	\$38.78	\$77.42	\$265.91	\$0.00	\$276.00	\$734.15
Employer	\$515.24	\$1,028.59	\$1,298.26	\$1,112.19	\$1,388.18	\$1,388.18
Annual spend employee	\$4,868,771	\$5,290,931	\$19,097,494	\$0	\$2,424,341	\$1,391,945
Annual spend employer	\$64,685,103	\$70,293,793	\$93,240,707	\$23,743,030	\$12,193,817	\$2,631,999
Total	\$69,553,874	\$75,584,723	\$112,338,201	\$23,743,030	\$14,618,157	\$4,023,944

Membership	10,462	5,695	5,985	1,779	732	158
66% ER Grade rate vision and sustainability fee included	\$554.02	\$1,106.01	\$1,564.16	\$1,009.35	\$1,830.61	\$2,512.26
Employee	\$38.78	\$77.42	\$265.91	\$0.00	\$410.63	\$1,092.28
Employer	\$515.24	\$1,028.59	\$1,298.26	\$1,009.35	\$1,419.98	\$1,419.98
Annual spend employee	\$4,868,771	\$5,290,931	\$19,097,494	\$0	\$3,606,977	\$2,070,969
Annual spend employer	\$64,685,103	\$70,293,793	\$93,240,707	\$21,547,544	\$12,473,083	\$2,692,277
Total	\$69,553,874	\$75,584,723	\$112,338,201	\$21,547,544	\$16,080,060	\$4,763,246

Full Reset versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals

Kaiser—93/93/83 Contribution Strategy—2nd Year of 2-Year Rate Guarantee—Revised Rate Relativities

Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 2.00 / 2.83]

Rates: January 1, 2017 – December 31, 2017 (full reset basis or completed by 2019 graded)

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	10,462	5,695	5,985	1,779	732	158
Status quo rate vision and sustainability fee included	\$554.02	\$1,106.01	\$1,564.16	\$1,112.19	\$1,664.18	\$2,122.33
Employee	\$38.78	\$77.42	\$265.91	\$0.00	\$276.00	\$734.15
Employer	\$515.24	\$1,028.59	\$1,298.26	\$1,112.19	\$1,388.18	\$1,388.18
Annual spend employee	\$4,868,771	\$5,290,931	\$19,097,494	\$0	\$2,424,341	\$1,391,945
Annual spend employer	\$64,685,103	\$70,293,793	\$93,240,707	\$23,743,030	\$12,193,817	\$2,631,999
Total	\$69,553,874	\$75,584,723	\$112,338,201	\$23,743,030	\$14,618,157	\$4,023,944

Membership	10,462	5,695	5,985	1,779	732	158
Full ER Grade rate vision and sustainability fee included	\$554.02	\$1,106.01	\$1,564.16	\$957.93	\$1,913.82	\$2,707.22
Employee	\$38.78	\$77.42	\$265.91	\$0.00	\$477.95	\$1,271.35
Employer	\$515.24	\$1,028.59	\$1,298.26	\$957.93	\$1,435.87	\$1,435.87
Annual spend employee	\$4,868,771	\$5,290,931	\$19,097,494	\$0	\$4,198,295	\$2,410,480
Annual spend employer	\$64,685,103	\$70,293,793	\$93,240,707	\$20,449,801	\$12,612,716	\$2,722,417
Total	\$69,553,874	\$75,584,723	\$112,338,201	\$20,449,801	\$16,811,012	\$5,132,897

City Plan

33% Grade versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals

The City Plan—93/93/83 Contribution Strategy—Revised Rate Relativities, 3 Year Amortized—Year 1

Rate Relativities: [Active – 1.00 / 1.96 / 2.78] [Early Retiree – 1.00 / 1.97 / 2.67]

Rates: January 1, 2017 – December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	539	99	69	441	131	11
Status quo rate vision and sustainability fee included	\$756.67	\$1,484.92	\$2,105.87	\$934.45	\$1,838.78	\$2,459.73
Employee	\$85.65	\$144.72	\$414.13	\$88.71	\$540.88	\$1,161.83
Employer	\$671.02	\$1,340.20	\$1,691.74	\$845.74	\$1,297.90	\$1,297.90
Annual spend employee	\$553,966	\$171,933	\$342,901	\$469,453	\$850,264	\$153,362
Annual spend employer	\$4,340,176	\$1,592,152	\$1,400,761	\$4,475,656	\$2,040,299	\$171,323
Total	\$4,894,142	\$1,764,085	\$1,743,662	\$4,945,109	\$2,890,563	\$324,684

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	539	99	69	441	131	11
33% ER Grade rate vision and sustainability fee included	\$756.67	\$1,484.92	\$2,105.87	\$933.88	\$1,838.65	\$2,496.98
Employee	\$85.65	\$144.72	\$414.13	\$88.71	\$541.11	\$1,199.44
Employer	\$671.02	\$1,340.20	\$1,691.74	\$845.17	\$1,297.55	\$1,297.55
Annual spend employee	\$553,966	\$171,933	\$342,901	\$469,453	\$850,617	\$158,326
Annual spend employer	\$4,340,176	\$1,592,152	\$1,400,761	\$4,472,623	\$2,039,744	\$171,276
Total	\$4,894,142	\$1,764,085	\$1,743,662	\$4,942,076	\$2,890,361	\$329,602

City Plan

66% Grade versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals

The City Plan—93/93/83 Contribution Strategy—Revised Rate Relativities, 3 Year Amortized—Year 2

Rate Relativities: [Active – 1.00 / 1.96 / 2.78] [Early Retiree – 1.00 / 1.97 / 2.72]

Rates: January 1, 2018 – December 31, 2018

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	539	99	69	441	131	11
Status quo rate vision and sustainability fee included	\$756.67	\$1,484.92	\$2,105.87	\$934.45	\$1,838.78	\$2,459.73
Employee	\$85.65	\$144.72	\$414.13	\$88.71	\$540.88	\$1,161.83
Employer	\$671.02	\$1,340.20	\$1,691.74	\$845.74	\$1,297.90	\$1,297.90
Annual spend employee	\$553,966	\$171,933	\$342,901	\$469,453	\$850,264	\$153,362
Annual spend employer	\$4,340,176	\$1,592,152	\$1,400,761	\$4,475,656	\$2,040,299	\$171,323
Total	\$4,894,142	\$1,764,085	\$1,743,662	\$4,945,109	\$2,890,563	\$324,684

Membership	539	99	69	441	131	11
66% ER Grade rate vision and sustainability fee included	\$756.67	\$1,484.92	\$2,105.87	\$933.30	\$1,838.52	\$2,534.24
Employee	\$85.65	\$144.72	\$414.13	\$88.71	\$541.32	\$1,237.03
Employer	\$671.02	\$1,340.20	\$1,691.74	\$844.59	\$1,297.20	\$1,297.20
Annual spend employee	\$553,966	\$171,933	\$342,901	\$469,453	\$850,955	\$163,289
Annual spend employer	\$4,340,176	\$1,592,152	\$1,400,761	\$4,469,589	\$2,039,204	\$171,231
Total	\$4,894,142	\$1,764,085	\$1,743,662	\$4,939,043	\$2,890,159	\$334,519

City Plan

Full Reset versus Status Quo

City and County of San Francisco—2016 Health Plan Renewals

The City Plan—93/93/83 Contribution Strategy—Revised Rate Relativities

Rate Relativities: [Active – 1.00 / 1.96 / 2.78] [Early Retiree – 1.00 / 1.97 / 2.76]

Rates: January 1, 2017 – December 31, 2017 (full reset basis or completed by 2019 graded)

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Membership	539	99	69	441	131	11
Status quo rate vision and sustainability fee included	\$756.67	\$1,484.92	\$2,105.87	\$934.45	\$1,838.78	\$2,459.73
Employee	\$85.65	\$144.72	\$414.13	\$88.71	\$540.88	\$1,161.83
Employer	\$671.02	\$1,340.20	\$1,691.74	\$845.74	\$1,297.90	\$1,297.90
Annual spend employee	\$553,966	\$171,933	\$342,901	\$469,453	\$850,264	\$153,362
Annual spend employer	\$4,340,176	\$1,592,152	\$1,400,761	\$4,475,656	\$2,040,299	\$171,323
Total	\$4,894,142	\$1,764,085	\$1,743,662	\$4,945,109	\$2,890,563	\$324,684

Membership	539	99	69	441	131	11
Full ER Grade rate vision and sustainability fee included	\$756.67	\$1,484.92	\$2,105.87	\$932.73	\$1,838.40	\$2,571.49
Employee	\$85.65	\$144.72	\$414.13	\$88.71	\$541.55	\$1,274.64
Employer	\$671.02	\$1,340.20	\$1,691.74	\$844.02	\$1,296.85	\$1,296.85
Annual spend employee	\$553,966	\$171,933	\$342,901	\$469,453	\$851,309	\$168,253
Annual spend employer	\$4,340,176	\$1,592,152	\$1,400,761	\$4,466,556	\$2,038,649	\$171,184
Total	\$4,894,142	\$1,764,085	\$1,743,662	\$4,936,009	\$2,889,958	\$339,437

Recommendation

- Aon is neutral as to which approach graded versus full reset should be taken should the Health Services Board decide to revise the rate relativities for early retirees so that they are equal with those of the actives.
- Aon appreciates the opportunity to present comprehensive analytics to help HSB make an informed decision.

Appendix

Rate Cards

Twelve tables four for each Plan (Blue Shield, Kaiser and UHC) follow that display the full rate cards all based on 2016 Board approved rates for the following scenarios:

- Status Quo
- 33% grade
- 66% grade
- Full reset to existing active rate relativities

Blue Shield

City and County of San Francisco—2016 Health Plan Renewals
Blue Shield Flex Funded—93/93/83 Contribution Strategy—2016 Status Quo
Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.45 / 1.81]
Rates: January 1, 2016 – December 31, 2016

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$704.82	\$1,409.68	\$1,994.68	\$1,634.61	\$2,367.65	\$2,952.65
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense ¹	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05
Claims Stabilization Amount / Self-Funded Policy	\$10.63	\$21.26	\$30.08	\$23.70	\$34.33	\$43.15
Total	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
10-County Amount (Early Retirees and Retirees only) ²	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$942.86	\$942.86	\$942.86
Retiree Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$71.14	\$445.01	\$445.01
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,593.24	\$1,967.11	\$1,967.11
2016 Non-Bargained Contribution Rate	\$721.53	\$1,441.07	\$2,038.24	\$71.15	\$445.00	\$1,042.17
MOU Negotiated Pickup ⁶	\$671.02	\$1,340.20	\$1,691.74			
2016 Typical Bargained Member / Retiree Contribution	\$50.51	\$100.87	\$346.50	\$71.15	\$445.00	\$1,042.17
Final Member Contribution 2015	\$45.32	\$90.49	\$310.82	\$39.78	\$375.29	\$932.22
Difference	\$5.19	\$10.38	\$35.68	\$31.37	\$69.71	\$109.95

Blue Shield

City and County of San Francisco—2016 Health Plan Renewals

Blue Shield Flex Funded—93/93/83 Contribution Strategy—Revised Rate Relativities, 3 Year Amortized—Year 1

Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.61 / 2.10]

Rates: January 1, 2017 – December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$704.82	\$1,409.68	\$1,994.68	\$1,535.53	\$2,470.04	\$3,230.04
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense ¹	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05
Claims Stabilization Amount / Self-Funded Policy	\$10.63	\$21.26	\$30.08	\$22.27	\$35.83	\$47.08
Total	\$721.53	\$1,441.07	\$2,038.24	\$1,563.88	\$2,516.00	\$3,290.60
10-County Amount (Early Retirees and Retirees only) ²	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$842.35	\$842.35	\$842.35
Retiree Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$71.14	\$547.20	\$547.20
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,492.74	\$1,968.79	\$1,968.79
2016 Non-Bargained Contribution Rate	\$721.53	\$1,441.07	\$2,038.24	\$71.14	\$547.21	\$1,321.81
MOU Negotiated Pickup ⁶	\$671.02	\$1,340.20	\$1,691.74			
2016 Typical Bargained Member / Retiree Contribution	\$50.51	\$100.87	\$346.50	\$71.14	\$547.21	\$1,321.81
Final Member Contribution 2015	\$45.32	\$90.49	\$310.82	\$39.78	\$375.29	\$932.22
Difference	\$5.19	\$10.38	\$35.68	\$31.36	\$171.92	\$389.59

Blue Shield

City and County of San Francisco—2016 Health Plan Renewals

Blue Shield Flex Funded—93/93/83 Contribution Strategy—Revised Rate Relativities, 3 Year Amortized—Year 2

Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.79 / 2.44]

Rates: January 1, 2018 – December 31, 2018

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$704.82	\$1,409.68	\$1,994.68	\$1,436.45	\$2,572.42	\$3,507.43
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense ¹	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05
Claims Stabilization Amount / Self-Funded Policy	\$10.63	\$21.26	\$30.08	\$20.84	\$37.33	\$51.01
Total	\$721.53	\$1,441.07	\$2,038.24	\$1,463.37	\$2,619.88	\$3,571.92
10-County Amount (Early Retirees and Retirees only) ²	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$741.84	\$741.84	\$741.84
Retiree Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$71.14	\$649.40	\$649.40
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,392.23	\$1,970.48	\$1,970.48
2016 Non-Bargained Contribution Rate	\$721.53	\$1,441.07	\$2,038.24	\$71.14	\$649.40	\$1,601.44
MOU Negotiated Pickup ⁶	\$671.02	\$1,340.20	\$1,691.74			
2016 Typical Bargained Member / Retiree Contribution	\$50.51	\$100.87	\$346.50	\$71.14	\$649.40	\$1,601.44
Final Member Contribution 2015	\$45.32	\$90.49	\$310.82	\$39.78	\$375.29	\$932.22
Difference	\$5.19	\$10.38	\$35.68	\$31.36	\$274.11	\$669.22

Blue Shield

City and County of San Francisco—2016 Health Plan Renewals

Blue Shield Flex Funded—93/93/83 Contribution Strategy—Revised Rate Relativities

Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 2.00 / 2.83]

Rates: January 1, 2017 – December 31, 2017 (full reset basis or completed by 2019 graded)

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$704.82	\$1,409.68	\$1,994.68	\$1,337.37	\$2,674.81	\$3,784.82
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense ¹	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05
Claims Stabilization Amount / Self-Funded Policy	\$10.63	\$21.26	\$30.08	\$19.41	\$38.84	\$54.94
Total	\$721.53	\$1,441.07	\$2,038.24	\$1,362.86	\$2,723.77	\$3,853.24
10-County Amount (Early Retirees and Retirees only) ²	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$641.33	\$641.33	\$641.33
Retiree Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$71.14	\$751.60	\$751.60
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,291.72	\$1,972.17	\$1,972.17
2016 Non-Bargained Contribution Rate	\$721.53	\$1,441.07	\$2,038.24	\$71.14	\$751.60	\$1,881.07
MOU Negotiated Pickup ⁶	\$671.02	\$1,340.20	\$1,691.74			
2016 Typical Bargained Member / Retiree Contribution	\$50.51	\$100.87	\$346.50	\$71.14	\$751.60	\$1,881.07
Final Member Contribution 2015	\$45.32	\$90.49	\$310.82	\$39.78	\$375.29	\$932.22
Difference	\$5.19	\$10.38	\$35.68	\$31.36	\$376.31	\$948.85

City and County of San Francisco—2016 Health Plan Renewals

Kaiser—93/93/83 Contribution Strategy—2nd Year of 2-Year Rate Guarantee—2016 Status Quo

Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.50 / 1.91]

Rates: January 1, 2016 – December 31, 2016

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Premium	\$547.94	\$1,095.88	\$1,550.68	\$1,106.11	\$1,654.05	\$2,108.85
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05
Total	\$554.02	\$1,106.01	\$1,564.16	\$1,112.19	\$1,664.18	\$2,122.33
10-County Amount (Early Retirees and Retirees only) ¹	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ²	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ³	\$0.00	\$0.00	\$0.00	\$532.95	\$532.95	\$532.95
Prop. E Subsidy ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$276.00	\$276.00
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,112.19	\$1,388.18	\$1,388.18
Non-Bargained Contribution Rate	\$554.02	\$1,106.01	\$1,564.16	\$0.00	\$276.00	\$734.15
MOU Negotiated Pickup ⁵	\$515.24	\$1,028.59	\$1,298.26			
2016 Typical Bargained Member / Retiree Contribution	\$38.78	\$77.42	\$265.91	\$0.00	\$276.00	\$734.15
Final Member Contribution 2015	\$38.78	\$77.42	\$265.89	\$0.00	\$275.97	\$734.09
Difference	\$0.00	\$0.00	\$0.02	\$0.00	\$0.03	\$0.06

City and County of San Francisco—2016 Health Plan Renewals
Kaiser—93/93/83 Contribution Strategy—2nd Year of 2-Year Rate Guarantee
Revised Rate Relativities, 3 Year Amortized—Year 1
Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.65 / 2.18]
Rates: January 1, 2017 – December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Premium	\$547.94	\$1,095.88	\$1,550.68	\$1,054.69	\$1,737.26	\$2,303.81
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05
Total	\$554.02	\$1,106.01	\$1,564.16	\$1,060.77	\$1,747.39	\$2,317.30
10-County Amount (Early Retirees and Retirees only) ¹	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ²	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ³	\$0.00	\$0.00	\$0.00	\$481.53	\$481.53	\$481.53
Prop. E Subsidy ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$343.31	\$343.31
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,060.77	\$1,404.08	\$1,404.08
Non-Bargained Contribution Rate	\$554.02	\$1,106.01	\$1,564.16	\$0.00	\$343.31	\$913.22
MOU Negotiated Pickup ⁵	\$515.24	\$1,028.59	\$1,298.26			
2016 Typical Bargained Member / Retiree Contribution	\$38.78	\$77.42	\$265.91	\$0.00	\$343.31	\$913.22
Final Member Contribution 2015	\$38.78	\$77.42	\$265.89	\$0.00	\$275.97	\$734.09
Difference	\$0.00	\$0.00	\$0.02	\$0.00	\$67.34	\$179.13

City and County of San Francisco—2016 Health Plan Renewals
Kaiser—93/93/83 Contribution Strategy—2nd Year of 2-Year Rate Guarantee
Revised Rate Relativities, 3 Year Amortized—Year 2
Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 1.81 / 2.49]
Rates: January 1, 2018 – December 31, 2018

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Premium	\$547.94	\$1,095.88	\$1,550.68	\$1,003.27	\$1,820.48	\$2,498.78
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05
Total	\$554.02	\$1,106.01	\$1,564.16	\$1,009.35	\$1,830.61	\$2,512.26
10-County Amount (Early Retirees and Retirees only) ¹	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ²	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ³	\$0.00	\$0.00	\$0.00	\$430.11	\$430.11	\$430.11
Prop. E Subsidy ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$410.63	\$410.63
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,009.35	\$1,419.98	\$1,419.98
Non-Bargained Contribution Rate	\$554.02	\$1,106.01	\$1,564.16	\$0.00	\$410.63	\$1,092.28
MOU Negotiated Pickup ⁵	\$515.24	\$1,028.59	\$1,298.26			
2016 Typical Bargained Member / Retiree Contribution	\$38.78	\$77.42	\$265.91	\$0.00	\$410.63	\$1,092.28
Final Member Contribution 2015	\$38.78	\$77.42	\$265.89	\$0.00	\$275.97	\$734.09
Difference	\$0.00	\$0.00	\$0.02	\$0.00	\$134.66	\$358.19

City and County of San Francisco—2016 Health Plan Renewals

Kaiser—93/93/83 Contribution Strategy—2nd Year of 2-Year Rate Guarantee—Revised Rate Relativities

Rate Relativities: [Active – 1.00 / 2.00 / 2.82] [Early Retiree – 1.00 / 2.00 / 2.83]

Rates: January 1, 2017 – December 31, 2017 (full reset basis or completed by 2019 graded)

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Premium	\$547.94	\$1,095.88	\$1,550.68	\$951.85	\$1,903.69	\$2,693.74
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05	\$2.05
Total	\$554.02	\$1,106.01	\$1,564.16	\$957.93	\$1,913.82	\$2,707.22
10-County Amount (Early Retirees and Retirees only) ¹	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ²	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ³	\$0.00	\$0.00	\$0.00	\$378.69	\$378.69	\$378.69
Prop. E Subsidy ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$477.95	\$477.95
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$957.93	\$1,435.87	\$1,435.87
Non-Bargained Contribution Rate	\$554.02	\$1,106.01	\$1,564.16	\$0.00	\$477.95	\$1,271.35
MOU Negotiated Pickup ⁵	\$515.24	\$1,028.59	\$1,298.26			
2016 Typical Bargained Member / Retiree Contribution	\$38.78	\$77.42	\$265.91	\$0.00	\$477.95	\$1,271.35
Final Member Contribution 2015	\$38.78	\$77.42	\$265.89	\$0.00	\$275.97	\$734.09
Difference	\$0.00	\$0.00	\$0.02	\$0.00	\$201.98	\$537.26

The City Plan (UHC)

City and County of San Francisco—2016 Health Plan Renewals

The City Plan—93/93/83 Contribution Strategy—2016 Status Quo

Rate Relativities: [Active – 1.00 / 1.96 / 2.78] [Early Retiree – 1.00 / 1.97 / 2.63]

Rates: January 1, 2016 – December 31, 2016

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$963.37	\$1,926.74	\$2,813.82	\$1,050.98	\$2,101.96	\$2,989.04
Pharmacy	\$247.25	\$494.54	\$614.63	\$372.51	\$745.02	\$865.11
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense ¹	\$47.65	\$47.65	\$47.65	\$47.65	\$47.65	\$47.65
EGWP Premium	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Claims Stabilization Amount / Self-Funded Policy	-\$508.13	-\$997.09	-\$1,403.86	-\$543.22	-\$1,068.93	-\$1,475.70
Transitional Reinsurance Fee	\$2.50	\$5.00	\$22.20	\$2.50	\$5.00	\$22.20
Total	\$756.67	\$1,484.92	\$2,105.87	\$934.45	\$1,838.78	\$2,459.73
10-County Amount (Early Retirees and Retirees only) ²	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$177.78	\$177.78	\$177.78
Retiree Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$88.72	\$540.88	\$540.88
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$845.74	\$1,297.90	\$1,297.90
2016 Non-Bargained Contribution Rate	\$756.67	\$1,484.92	\$2,105.87	\$88.71	\$540.88	\$1,161.83
MOU Negotiated Pickup ⁶	\$671.02	\$1,340.20	\$1,691.74			
2016 Typical Bargained Member / Retiree Contribution	\$85.65	\$144.72	\$414.13	\$88.71	\$540.88	\$1,161.83
Final Member Contribution 2015	\$410.36	\$785.11	\$1,282.28	\$222.30	\$796.37	\$1,608.85
Difference	-\$324.71	-\$640.39	-\$868.15	-\$133.59	-\$255.49	-\$447.02

The City Plan (UHC)

City and County of San Francisco—2016 Health Plan Renewals

The City Plan—93/93/83 Contribution Strategy—Revised Rate Relativities, 3 Year Amortized—Year 1

Rate Relativities: [Active – 1.00 / 1.96 / 2.78] [Early Retiree – 1.00 / 1.97 / 2.67]

Rates: January 1, 2017 – December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$963.37	\$1,926.74	\$2,813.82	\$1,050.71	\$2,101.42	\$3,015.14
Pharmacy	\$247.25	\$494.54	\$614.63	\$372.30	\$744.62	\$884.89
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense ¹	\$47.65	\$47.65	\$47.65	\$47.65	\$47.65	\$47.65
EGWP Premium	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Claims Stabilization Amount / Self-Funded Policy	-\$508.13	-\$997.09	-\$1,403.86	-\$543.32	-\$1,068.12	-\$1,484.33
Transitional Reinsurance Fee	\$2.50	\$5.00	\$22.20	\$2.50	\$5.00	\$22.20
Total	\$756.67	\$1,484.92	\$2,105.87	\$933.88	\$1,838.65	\$2,496.98
10-County Amount (Early Retirees and Retirees only) ²	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$177.21	\$177.21	\$177.21
Retiree Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$88.72	\$541.10	\$541.10
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$845.17	\$1,297.55	\$1,297.55
2016 Non-Bargained Contribution Rate	\$756.67	\$1,484.92	\$2,105.87	\$88.71	\$541.11	\$1,199.44
MOU Negotiated Pickup ⁶	\$671.02	\$1,340.20	\$1,691.74			
2016 Typical Bargained Member / Retiree Contribution	\$85.65	\$144.72	\$414.13	\$88.71	\$541.11	\$1,199.44
Final Member Contribution 2015	\$410.36	\$785.11	\$1,282.28	\$222.30	\$796.37	\$1,608.85
Difference	-\$324.71	-\$640.39	-\$868.15	-\$133.59	-\$255.26	-\$409.41

The City Plan (UHC)

City and County of San Francisco—2016 Health Plan Renewals

The City Plan—93/93/83 Contribution Strategy—Revised Rate Relativities, 3 Year Amortized—Year 2

Rate Relativities: [Active – 1.00 / 1.96 / 2.78] [Early Retiree – 1.00 / 1.97 / 2.72]

Rates: January 1, 2018 – December 31, 2018

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$963.37	\$1,926.74	\$2,813.82	\$1,050.44	\$2,100.88	\$3,041.24
Pharmacy	\$247.25	\$494.54	\$614.63	\$372.09	\$744.23	\$904.67
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense ¹	\$47.65	\$47.65	\$47.65	\$47.65	\$47.65	\$47.65
EGWP Premium	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Claims Stabilization Amount/ Self-Funded Policy	-\$508.13	-\$997.09	-\$1,403.86	-\$543.41	-\$1,067.31	-\$1,492.96
Transitional Reinsurance Fee	\$2.50	\$5.00	\$22.20	\$2.50	\$5.00	\$22.20
Total	\$756.67	\$1,484.92	\$2,105.87	\$933.30	\$1,838.52	\$2,534.24
10-County Amount (Early Retirees and Retirees only) ²	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$176.63	\$176.63	\$176.63
Retiree Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$88.72	\$541.33	\$541.33
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$844.59	\$1,297.20	\$1,297.20
2016 Non-Bargained Contribution Rate	\$756.67	\$1,484.92	\$2,105.87	\$88.71	\$541.32	\$1,237.03
MOU Negotiated Pickup ⁶	\$671.02	\$1,340.20	\$1,691.74			
2016 Typical Bargained Member/Retiree Contribution	\$85.65	\$144.72	\$414.13	\$88.71	\$541.32	\$1,237.03
Final Member Contribution 2015	\$410.36	\$785.11	\$1,282.28	\$222.30	\$796.37	\$1,608.85
Difference	-\$324.71	-\$640.39	-\$868.15	-\$133.59	-\$255.05	-\$371.82

The City Plan (UHC)

City and County of San Francisco—2016 Health Plan Renewals

The City Plan—93/93/83 Contribution Strategy—Revised Rate Relativities

Rate Relativities: [Active – 1.00 / 1.96 / 2.78] [Early Retiree – 1.00 / 1.97 / 2.76]

Rates: January 1, 2017 – December 31, 2017 (full reset basis or completed by 2019 graded)

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$963.37	\$1,926.74	\$2,813.82	\$1,050.17	\$2,100.34	\$3,067.35
Pharmacy	\$247.25	\$494.54	\$614.63	\$371.89	\$743.83	\$924.46
Vision	\$4.03	\$8.08	\$11.43	\$4.03	\$8.08	\$11.43
Expense ¹	\$47.65	\$47.65	\$47.65	\$47.65	\$47.65	\$47.65
EGWP Premium	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Claims Stabilization Amount/ Self-Funded Policy	-\$508.13	-\$997.09	-\$1,403.86	-\$543.51	-\$1,066.51	-\$1,501.59
Transitional Reinsurance Fee	\$2.50	\$5.00	\$22.20	\$2.50	\$5.00	\$22.20
Total	\$756.67	\$1,484.92	\$2,105.87	\$932.73	\$1,838.40	\$2,571.49

10-County Amount (Early Retirees and Retirees only) ²	\$0.00	\$0.00	\$0.00	\$579.24	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$579.24	\$579.24
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$176.06	\$176.06	\$176.06
Retiree Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$88.72	\$541.55	\$541.55
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$844.02	\$1,296.85	\$1,296.85
2016 Non-Bargained Contribution Rate	\$756.67	\$1,484.92	\$2,105.87	\$88.71	\$541.55	\$1,274.64

MOU Negotiated Pickup ⁶	\$671.02	\$1,340.20	\$1,691.74			
2016 Typical Bargained Member/Retiree Contribution	\$85.65	\$144.72	\$414.13	\$88.71	\$541.55	\$1,274.64

Final Member Contribution 2015	\$410.36	\$785.11	\$1,282.28	\$222.30	\$796.37	\$1,608.85
Difference	-\$324.71	-\$640.39	-\$868.15	-\$133.59	-\$254.82	-\$334.21

Rate Card Footnotes

- 1) For The City Plan (UHC) only—expenses consist of the ASO fee, Shared Savings accrual, Facility Reasonable & Customary accrual, and Value Base Pricing accrual. HSS Communications and Healthcare Sustainability Expense pertains to both Blue Shield and The City Plan (UHC).
- 2) "10-County" City Contribution: Per Charter Section A8.423, employer contribution must equal the average of the employer contribution to health premium of the 10 most populous counties in CA, not including San Francisco. Per the MOU, the 10-County offset does not apply to 93/93/83 for actives, and the 2016 10-County amount is \$579.24.
- 3) "Single Retiree Offset": Per Charter Section A8.428, for Early Retirees = 10-County Amount; for Medicare-Eligible Retirees = Medicare Premium (because it is the lower than the 10-County Amount).
- 4) Retiree "Actuarial Difference": Per Charter Section A8.428, employer contributes the difference between a single EE and a single non-Medicare Retiree cost of premium. Calculated for Non-Medicare Retiree only.
- 5) Prop. E Subsidy passed in November 2000 Election: Per Charter A8.428, employer subsidy for Retiree (R) and R+1 = $50\% \times [\text{Total Rate Cost} - 10\text{-County} - \text{Actuarial Difference}]$.
- 6) MOU Negotiated Pickup: The employer pickup at 93% of the Blue Shield EE Only, 93% of Blue Shield EE+1, 83% of Blue Shield EE+2. Blue Shield premium is the second highest cost plan and is the maximum the City contributes, as outlined in the MOU for applicable bargaining units.