

Health Service Board City & County of San Francisco

City Plan (UHC) Administrative Fees Presentation

February 11, 2016

Introduction

This presentation will outline the components of the administrative services only (ASO) fees used in the rate setting process for the City Plan. These components are:

- UnitedHealthcare (UHC) ASO Fees
- HSS' Communications and Healthcare Sustainability Expense

Additionally, the EGWP premium for 2017 will be reviewed when it becomes available.

Administrative Fees—UHC ASO

For the 2017 administrative fee, UHC has proposed a 3% increase to the 2016 fee. The proposed fees are as follows:

Year	Actives	Early Retirees	Medicare
2016	\$40.73	\$40.73	\$24.90
2017	\$41.95	\$41.95	\$25.65
% Change	3%	3%	3%

Aon has also worked with UHC to reflect several savings initiatives including the Shared Savings, Value Based Pricing, and Facility Reasonable and Customary (R&C) programs. The fees are shown on the following page along with the total administrative fee for HSS.

Administrative Fees—Total

In addition to the UHC ASO fee, the following fees have been built into the administrative portion of the rates:

Year	HSS Administrative	Shared Savings	Reasonable & Customary	Value Based Pricing
2016	\$2.05	\$2.23	\$1.16	\$1.48
2017	\$2.05	\$1.89	\$1.16	\$1.48
% Change	0%	-15%	0%	0%

Combined with the ASO fees, the total administrative fees are:

Year	Actives	Early Retirees	Medicare
2016	\$47.65	\$47.65	\$31.82
2017	\$48.53	\$48.53	\$32.23
% Change	2%	2%	1%

Employer Group Waiver Plan (EGWP) Premium

- In 2015, the EGWP premium was \$156.96 per member per month (PMPM).
- In 2016, the EGWP premium was \$171.09 PMPM which was a 9% increase over 2015.
- At this time, we do not have the 2017 EGWP renewal from UHC.

Recommendations

- Aon recommends the Health Service Board (HSB) accept the proposed administrative fees for 2016.
- Aon recommends reviewing the EGWP premium renewal when it becomes available.