

San Francisco Health Service System Health Service Board

Rates & Benefits

UnitedHealthcare (UHC) Medicare Advantage PPO
Fully Insured Medicare Retiree 2022 Rates and Contributions

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Staff Recommendation

Staff recommends the Health Service Board (HSB) accept the UHC MAPD Medicare Retiree rate card as presented today, which includes a 1.2% insured premium increase into the 2022 plan year.

This recommendation follows a commitment by UHC last year for a \$427.22 per member per month (PMPM) rate quotation for the 2022 plan year.

Introduction and Aon Renewal Commentary

Introduction

This report provides the Health Service Board (HSB) with the recommendations for the fully insured 2022 UnitedHealthcare (UHC) Medicare Advantage Prescription Drug (MAPD) PPO plan. There are 17,092 Medicare-eligible retirees and dependents enrolled in the UHC MA PPO plan.

UHC's 2022 rate on a per member per month (PMPM) basis for the MAPD plan is \$427.22 PMPM on a **status quo (no design or program changes)** basis.¹ This represents a 1.2% increase versus the 2021 rate—following a 2.9% decrease in PMPM rate from 2020 to 2021. This UHC renewal reflects 2022 rates quoted last year at this time for the second year of a two-year rating commitment. The 2022 rate commitment leveraged 2020 underwriting surplus generated by elective service claim suppression due to the COVID-19 pandemic for use in 2021 and 2022 rates.

¹ The Part B Only plan rate for 2022 is \$760.12 PMPM, also a 1.2% increase from the 2021 rate (\$751.19 PMPM). The Part B Only plan is for members who have not qualified during their working years for Medicare Part A based on work requirements (40+ quarters paying Medicare taxes) and choose not to pay the Part A premium in lieu. Presently 144 SFHSS participants are in the UHC MAPD Part B Only plan.

Introduction

For Non-Medicare dependents of retirees enrolled in the UHC MAPD plan, as well as Non-Medicare retirees and dependents where at least one family member is Medicare eligible and enrolled in the UHC MAPD plan, UHC will continue to be the plan administrator into the 2022 plan year for the PPO plan available to Non-Medicare family members in these “split family” (or Mixed Medicare) family situations where at least one family member is enrolled in the UHC MAPD plan.

Thus, Non-Medicare family members of a retiree where at least one family member is enrolled in the UHC MAPD plan will continue to have the same plan choices for Non-Medicare family member enrollment as current:

- Blue Shield of California (BSC) Access+ plan;
- BSC Trio plan; and
- UHC Non-Medicare PPO plan (and Choice Not Available PPO plan).

Aon Commentary on UHC MAPD 2022 Rates

The UHC MAPD plan includes these innovation benefits first introduced to the plan in 2019 that support enrolled members—all at no additional plan premium for the 2022 plan year:

- Silver Sneakers: fitness and gym membership program (3,101 enrolled lives with 1,435 of these actively participating during 2020).
- Routine and post-discharge transportation service (459 total trips in 2020).
- Post-discharge meal delivery of up to 84 meals consecutively (11,056 meals delivered in 2020).

When setting the total UHC MAPD plan premiums, the following SFHSS costs are included in rate cards:

- VSP Basic Plan vision premiums (unchanged from 2021 levels); and
- The SFHSS Healthcare Sustainability Fund charge of \$3.00 per retiree per month, which is unchanged from the 2021 fee.

Proposed 2022 UHC MAPD Plan Monthly Rate Card



Proposed 2022 UHC MAPD Plan Monthly Rate Card

Following are the recommended UHC MAPD plan monthly rate card for the 2022 plan year.

The UHC MAPD plan rate card has distinct mixed Medicare family columns for each of these variations of non-Medicare dependent plan enrollment:

- UHC Non-Medicare PPO (and City Plan—Choice Not Available);
- BSC Access+; and
- BSC Trio.

Mixed Medicare family enrollment will not be available in the 2022 plan year for the non-Medicare Health Net CanopyCare plan.

Retiree Medical Contributions in Rate Card

- The rate card presented in this document reflect the full employer contributions for retiree medical coverage presently available to:
 - Retired employees hired on or before January 9, 2009;
 - Retired persons who retired for disability; and
 - Surviving spouses or surviving domestic partners of active employees who died in the line of duty.
- Retiree medical coverage—but no employer contribution—is available to retired employees hired on or after January 10, 2009, with at least 5 but less than 10 years of Credited Services with the Employers.
- Retiree medical coverage at the 50% employer Charter-contribution rate is available to retired employees hired on or after January 10, 2009, with greater than 10 years but less than 15 years of Credited Service with the Employers.
 - This segment of retirees will receive 50% of the full employer Charter contribution for each retiree medical plan and coverage tier as reflected in the following rate card.

2022 UHC MAPD Plan Monthly Rate Card

C.N.A. = Choice Not Available

	All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree + 2+	1+ Non- Medicare in UHC PPO / C.N.A.	1+ Non- Medicare in BSC Access+	1+ Non- Medicare in BSC Trio
Premium	\$427.22	\$854.44	\$1,281.66	\$1,495.05	\$1,621.78	\$1,526.68
Vision	\$3.95	\$7.92	\$11.20	\$11.20	\$11.20	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Total	\$434.17	\$865.36	\$1,295.86	\$1,509.25	\$1,635.98	\$1,540.88

10-County Amount (or single tier premium, if less) ²	\$434.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$434.17	\$434.17	\$434.17	\$434.17	\$434.17
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution ⁵	\$0.00	\$215.60	\$215.60	\$215.60	\$215.60	\$215.60
Subtotal City Contributions	\$434.17	\$649.77	\$649.77	\$649.77	\$649.77	\$649.77
Non-Bargained Contribution Rate 2022	\$0.00	\$215.59	\$646.09	\$859.48	\$986.21	\$891.11

Final Member Contribution 2022	\$0.00	\$215.59	\$646.09	\$859.48	\$986.21	\$891.11
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Final Member Contribution 2021	\$0.00	\$213.09	\$638.59	\$841.67	\$977.24	\$875.23
Difference—2022 vs. 2021 Contribution	\$0.00	\$2.50	\$7.50	\$17.81	\$8.97	\$15.88

NOTE—Footnotes 1 – 5 defined in Appendix

UHC MAPD Plan Monthly Rates and Contributions

PY = Plan Year C.N.A. = Choice Not Available		All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
		Retiree Only	Retiree + 1	Retiree + 2+	1+ Non-Medicare in UHC PPO / C.N.A. ¹	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
Monthly Retiree Contributions	PY 2021	\$0.00	\$213.09	\$638.59	\$841.67	\$977.24	\$875.23
	PY 2022	\$0.00	\$215.59	\$646.09	\$859.48	\$986.21	\$891.11
	<i>\$ Change</i>	<i>\$0.00</i>	<i>\$2.50</i>	<i>\$7.50</i>	<i>\$17.81</i>	<i>\$8.97</i>	<i>\$15.88</i>
	<i>% Change</i>	<i>-</i>	<i>1.2%</i>	<i>1.2%</i>	<i>2.1%</i>	<i>0.9%</i>	<i>1.8%</i>
Monthly Employer Contributions	PY 2021	\$429.17	\$642.27	\$642.27	\$642.27	\$642.27	\$642.27
	PY 2022	\$434.17	\$649.77	\$649.77	\$649.77	\$649.77	\$649.77
	<i>\$ Change</i>	<i>\$5.00</i>	<i>\$7.50</i>	<i>\$7.50</i>	<i>\$7.50</i>	<i>\$7.50</i>	<i>\$7.50</i>
	<i>% Change</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.2%</i>
Monthly Total Rate	PY 2021	\$429.17	\$855.36	\$1,280.86	\$1,483.94	\$1,619.51	\$1,517.50
	PY 2022	\$434.17	\$865.36	\$1,295.86	\$1,509.25	\$1,635.98	\$1,540.88
	<i>\$ Change</i>	<i>\$5.00</i>	<i>\$10.00</i>	<i>\$15.00</i>	<i>\$25.31</i>	<i>\$16.47</i>	<i>\$23.38</i>
	<i>% Change</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.7%</i>	<i>1.0%</i>	<i>1.5%</i>

Recommendation

Staff Recommendation

Staff recommends the Health Service Board (HSB) accept the UHC MAPD Medicare Retiree rate card as presented today, which includes a 1.2% insured premium increase into the 2022 plan year.

This recommendation follows a commitment by UHC last year for a \$427.22 per member per month (PMPM) rate quotation for the 2022 plan year.

Appendix

2021 UHC MAPD Plan Monthly Rate Card

C.N.A. = Choice Not Available

	All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree + 2+	1+ Non- Medicare in UHC PPO / C.N.A.	1+ Non- Medicare in BSC Access+	1+ Non- Medicare in BSC Trio
Premium	\$422.22	\$844.44	\$1,266.66	\$1,469.74	\$1,605.31	\$1,503.30
Vision	\$3.95	\$7.92	\$11.20	\$11.20	\$11.20	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Total	\$429.17	\$855.36	\$1,280.86	\$1,483.94	\$1,619.51	\$1,517.50

10-County Amount (or single tier premium, if less) ²	\$429.17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$429.17	\$429.17	\$429.17	\$429.17	\$429.17
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution ⁵	\$0.00	\$213.10	\$213.10	\$213.10	\$213.10	\$213.10
Subtotal City Contributions	\$429.17	\$642.27	\$642.27	\$642.27	\$642.27	\$642.27
Non-Bargained Contribution Rate 2021	\$0.00	\$213.09	\$638.59	\$841.67	\$977.24	\$875.23

Final Member Contribution 2021	\$0.00	\$213.09	\$638.59	\$841.67	\$977.24	\$875.23
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Final Member Contribution 2020	\$0.00	\$219.42	\$657.57	\$904.55	\$957.39	\$842.65
Difference—2021 vs. 2020 Contribution	\$0.00	(\$6.33)	(\$18.98)	(\$62.88)	\$19.85	\$32.58

NOTE—Footnotes 1 – 5 defined in Appendix

UHC MAPD Plan Rate Card Footnotes

- 1) **Expense:** SFHSS Healthcare Sustainability Fund charge of \$3.00 per employee or retiree per month.
- 2) **10-County Amount:** Amount derived from annual survey described in Charter Section A8.423 of contributions provided by 10 most populous counties in CA, not including San Francisco—called the “average contribution”. The 2022 10-County amount is \$757.31.
- 3) **Single Retiree Offset:** Under Charter Section A8.428(b)(2), the 10-County amount is the first of three Charter contribution elements used to calculate retiree rates. Employers are required to pay lesser of the 10-County amount or actual cost of coverage for each retiree member.

UHC MAPD Plan Rate Card Footnotes

- 4) **"Actuarial Difference"**: Under Charter Section A8.428(b)(3), the employers contribute the difference between Active Employee-Only premium and Early Retiree-Only premium. This is the second of three Charter contribution elements applied to the calculation of retiree rates.
- 5) **2000 Prop. E Contribution**: Under Charter Section A8.428(b)(3)(iii) and A8.428(c), employer contributions toward Retiree Only and Retiree +1 rates = $50\% \times [\text{Total Rate Cost} - 10\text{-County Amount} - \text{"Actuarial Difference"}]$. This is the third of three Charter contribution elements that applied to the calculation of retiree rates.

Glossary of Plan Terms

- **Medicare Advantage Prescription Drug (MAPD) Plan:** Medicare Advantage Prescription Drug Plan (MAPD) includes Medicare Part D and is available to beneficiaries enrolled in Medicare Part A and Part B. HSS offers only MAPD plans in which the Center for Medicare and Medicaid Services (CMS) pays a Managed Care Organization a per member per month premium. HSS negotiates additional benefits not covered by MAPD plans alone
- **PPO:** Preferred Provider Organization (PPO) benefit coverage is distinguished by a panel of preferred providers who contract with a health care vendor allowing the vendor to provide their services at a richer level of coverage. Non-preferred providers are covered at a much lower level thus the member is required to pay a much higher level of the cost

Member Contributions for All Retiree Tiers

Non-Medicare Dependents in Non-Medicare PPO (including Choice Not Available)

Overall Coverage Tier	Non-Medicare and Medicare Statuses	Monthly Member Contribution ¹		\$ Change	% Change
		2021	2022		
Retiree Only	Medicare Retiree	\$0.00	\$0.00	\$0.00	0.0%
Retiree + 1 Dependent	Medicare Retiree / Non-Medicare Dependent	\$393.67	\$403.25	\$9.58	2.4%
	Medicare Retiree / Medicare Dependent	\$213.09	\$215.59	\$2.50	1.2%
Retiree + 2+ Dependents	Medicare Retiree / Non-Medicare Dependents	\$1,022.25	\$1,047.14	\$24.89	2.4%
	Medicare Retiree / Medicare Dependent / Non-Medicare 2nd+ Dependent(s)	\$841.67	\$859.48	\$17.81	2.1%
	Medicare Retiree / Medicare Dependents	\$638.59	\$646.09	\$7.50	1.2%

¹ For members receiving full City Charter employer contribution amounts.

Member Contributions for All Retiree Tiers

Non-Medicare Dependents in Blue Shield of CA Access+ Plan

Overall Coverage Tier	Non-Medicare and Medicare Statuses	Monthly Member Contribution ¹		\$ Change	% Change
		2020	2021		
Retiree Only	Medicare Retiree	\$0.00	\$0.00	\$0.00	0.0%
Retiree + 1 Dependent	Medicare Retiree / Non-Medicare Dependent	\$478.65	\$482.74	\$4.09	0.9%
	Medicare Retiree / Medicare Dependent	\$213.09	\$215.59	\$2.50	1.2%
Retiree + 1 2+ Dependents	Medicare Retiree / Non-Medicare Dependents	\$1,242.80	\$1,253.36	\$10.56	0.8%
	Medicare Retiree / Medicare Dependent / Non-Medicare 2nd+ Dependent(s)	\$977.24	\$986.21	\$8.97	0.9%
	Medicare Retiree / Medicare Dependents	\$638.59	\$646.09	\$7.50	1.2%

¹ For members receiving full City Charter employer contribution amounts.

Member Contributions for All Retiree Tiers

Non-Medicare Dependents in Blue Shield of CA Trio Plan

Overall Coverage Tier	Non-Medicare and Medicare Statuses	Monthly Member Contribution ¹		\$ Change	% Change
		2020	2021		
Retiree Only	Medicare Retiree	\$0.00	\$0.00	\$0.00	0.0%
Retiree + 1 Dependent	Medicare Retiree / Non-Medicare Dependent	\$414.74	\$423.17	\$8.43	2.0%
	Medicare Retiree / Medicare Dependent	\$213.09	\$215.59	\$2.50	1.2%
Retiree + 2+ Dependents	Medicare Retiree / Non-Medicare Dependents	\$1,076.88	\$1,098.69	\$21.81	2.0%
	Medicare Retiree / Medicare Dependent / Non-Medicare 2nd+ Dependent(s)	\$875.23	\$891.11	\$15.88	1.8%
	Medicare Retiree / Medicare Dependents	\$638.59	\$646.09	\$7.50	1.2%

¹ For members receiving full City Charter employer contribution amounts.