

Health Service Board City & County of San Francisco

Rates & Benefits

Sutter Health Plus Proposed Rates and Premium
Contributions for Actives and Early Retirees for 2017 Plan
Year

May 12, 2016

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Introduction

- Sutter Health Plus (SHP) provided medical and pharmacy (medical/Rx) quotes for the City and County of San Francisco Health Service System's (HSS') medical/Rx plans effective January 1, 2017.
- Sutter Health Plus partners with MedImpact for pharmacy benefits administration. Details on this network were not made available.
- The following slides summarize SHP's plan designs, network analysis, disruption analysis and financial proposal.
 - HMO ML31 which is compared to Blue Shield of California (BSC)
 - HMO "Custom Match" which is compared to Kaiser Permanente (Kaiser)
 - HMO ML19 which is compared to City Plan PPO administered by UnitedHealthcare (UHC)

High Level Plan Design Comparison

Blue Shield of California HMO vs. Proposed Sutter Health Plus HMO ML31

PLAN Network	BSC HMO Access + In-Network Only	SHP HMO ML31 Sutter Network
Choice of Physician	Access + plan network only (Primary Care Physician assignment required)	Sutter Health Plan Network only
Deductible	No deductible	No deductible
Out-of-Pocket Maximum (does not include premium contributions)	\$2,000 per individual \$4,000 per family	\$2,500 per individual \$5,000 per family
General Care and Urgent Care		
Routine Physical / Well Woman Exam	No charge	No charge
Office Visit	\$25 copay	\$25 copay
Urgent Care Visit	\$25 copay	\$25 copay
Family Planning	No charge	No charge
Immunizations	No charge	No charge
Lab and X-ray	No charge	\$25 copay
Provider's Hospital Visit	No charge	\$25 copay
Hospital Outpatient and Inpatient		
Hospital Outpatient	\$100 copay per surgery	No charge
Hospital Inpatient	\$200 copay per admission	\$500 per day up to 5 days
Emergency Room	\$100 copay—waived if hospitalized	\$150 copay—waived if hospitalized
Skilled Nursing Facility	No charge—100 days per plan year	\$250 per day up to 5 days
Hospice	No charge—authorization required	No charge—authorization required

High Level Plan Design Comparison

Blue Shield of California HMO vs. Proposed Sutter Health Plus HMO ML31

PLAN Network	BSC HMO Access + In-Network Only	SHP HMO ML31 Sutter Network
Other		
Hearing Aids <i>(1 aid per ear every 36 months, evaluation no charge)</i>	Up to \$2,500 each	Up to \$2,500 each
Medical Equipment, Prosthetics and Orthotics	No charge as authorized by PCP	No charge as authorized by PCP
Physical and Occupational Therapy	\$25 copay	\$25 copay
Acupuncture	\$15 copay <i>(30 visits maximum per plan year; ASH network)</i>	Match Rider
Chiropractic	\$15 copay <i>(30 visits maximum per plan year; ASH network)</i>	Match Rider
Transgender <i>(office visits and outpatient surgery)</i>	Copays apply—authorization required	Copays apply—authorization required

High Level Plan Design Comparison

Blue Shield of California HMO vs. Proposed Sutter Health Plus HMO ML31

PLAN Network	BSC HMO Access + In-Network Only	SHP HMO ML31 Sutter Network
Prescription Drugs ⁽¹⁾		
Pharmacy: Generic	\$10 copay	\$10 copay
Pharmacy: Brand Name	\$25 copay	\$30 copay
Pharmacy: Non-Formulary	\$50 copay	\$60 copay
Mail Order: Generic	\$20 copay	\$20 copay
Mail Order: Brand Name	\$50 copay	\$60 copay
Mail Order: Non-Formulary	\$100 copay	\$120 copay
Specialty (30-day supply)	20% up to \$100 copay	20% up to \$100 copay

(1) Pharmacy 30-day supply; Mail Order 90-day supply, unless otherwise indicated.

High Level Plan Design Comparison

Kaiser Permanente HMO vs. Proposed Sutter Health Plus HMO (Kaiser Custom HMO Match)

PLAN Network	KAISER HMO (CUSTOM SHP MATCH) Traditional Plan In-Network Only	SHP HMO (Kaiser Custom HMO Match) Sutter Network
Choice of Physician	Kaiser network only <i>(Primary Care Physician assignment required)</i>	Sutter Health Plan Network only
Deductible	No deductible	No deductible
Out-of-Pocket Maximum <i>(does not include premium contributions)</i>	\$1,500 per individual \$3,000 per family	\$1,500 per individual \$3,000 per family
General Care and Urgent Care		
Routine Physical / Well Woman Exam	No charge	No charge
Office Visit	\$20 copay	\$20 copay
Urgent Care Visit	\$20 copay	\$20 copay
Family Planning	No charge	No charge
Immunizations	No charge	No charge
Lab and X-ray	No charge	No charge
Provider's Hospital Visit	No charge	No charge
Hospital Outpatient and Inpatient		
Hospital Outpatient	\$35 copay	\$100 copay
Hospital Inpatient	\$100 copay per admission	\$250 per day up to 3 days
Emergency Room	\$100 copay—waived if hospitalized	\$100 copay—waived if hospitalized
Skilled Nursing Facility	No charge—100 days per benefit period	\$200 per day—100 days per plan year
Hospice	No charge when medically necessary	No charge when medically necessary

High Level Plan Design Comparison

Kaiser Permanente HMO vs. Proposed Sutter Health Plus HMO (Kaiser Custom HMO Match)

PLAN Network	KAISER HMO (CUSTOM SHP MATCH)	SHP HMO (Kaiser Custom HMO Match)
	Traditional Plan In-Network Only	Sutter Network
Other		
Hearing aids <i>(1 aid per ear every 36 months, evaluation no charge)</i>	Up to \$2,500 each	Up to \$2,500 each
Medical Equipment, Prosthetics and Orthotics	No charge as authorized by PCP	No charge as authorized by PCP
Physical and Occupational Therapy	\$20 copay—authorization required	\$20 copay—authorization required
Acupuncture	Not covered <i>(25% discount at kp.org/choosehealthy)</i>	Match Rider
Chiropractic	\$15 copay <i>(30 visits maximum per plan year; ASH network)</i>	Match Rider
Transgender <i>(office visits and outpatient surgery)</i>	Copays apply—authorization required	Copays apply—authorization required

High Level Plan Design Comparison

Kaiser Permanente HMO vs. Proposed Sutter Health Plus HMO (Kaiser Custom HMO Match)

PLAN Network	KAISER HMO (CUSTOM SHP MATCH)		SHP HMO (Kaiser Custom HMO Match)
	Traditional	Plan In-Network Only	Sutter Network
Prescription Drugs ⁽¹⁾			
Pharmacy: Generic	\$5 copay		\$10 copay
Pharmacy: Brand Name	\$15 copay		\$30 copay
Pharmacy: Non-Formulary	Physician authorized only		\$60 copay
Mail Order: Generic	\$10 copay—100-day supply		\$20 copay
Mail Order: Brand Name	\$30 copay—100-day supply		\$60 copay
Mail Order: Non-Formulary	Physician authorized only		\$120 copay
Specialty (30-day supply)	Same as all above <i>(limitations apply; see EOC)</i>		20% up to \$100 copay

(1) Pharmacy 30-day supply; Mail Order 90-day supply, unless otherwise indicated.

High Level Plan Design Comparison

UnitedHealthcare PPO vs. Proposed Sutter Health Plus HMO ML19

PLAN Network	CITY PLAN PPO UnitedHealthcare Choice Plus		SHP HMO ML19 Sutter Network <i>(will not customize)</i>
	In-Network	Out-of-Network	
	You may use any licensed provider <i>(You receive a higher level of benefit and pay lower out-of-pocket costs when choosing in-network providers)</i>		Sutter Health Plan Network only
Choice of Physician			
Deductible	\$250 EE only / \$500 EE + 1 / \$750 EE + 2 or more		\$250 Individual / \$500 family <i>(certain medical services)</i>
Out-of-Pocket Maximum <i>(does not include premium contributions)</i>	\$3,750 per individual \$12,700 per family	\$7,500 per individual \$12,700 per family	\$3,000 per individual \$6,000 per family
General Care and Urgent Care			
Routine Physical / Well Woman Exam	100% covered—no deductible	50% covered—no deductible	No charge
Office Visit	85% covered—no deductible	50% covered—no deductible	\$10 copay
Urgent Care Visit	85% covered—no deductible	50% covered—no deductible	\$10 copay
Family Planning	100% covered—no deductible	50% covered—no deductible	No charge
Immunizations	100% covered—no deductible	50% covered—no deductible	No charge
Lab and X-ray	85% covered after deductible <i>(prior notification deductible)</i>	50% covered after deductible <i>(prior notification deductible)</i>	\$10 copay
Provider's Hospital Visit	85% covered after deductible	50% covered after deductible	\$10 copay

High Level Plan Design Comparison

UnitedHealthcare PPO vs. Proposed Sutter Health Plus HMO ML19

PLAN Network	CITY PLAN PPO UnitedHealthcare Choice Plus		SHP HMO ML19 Sutter Network <i>(will not customize)</i>
	In-Network	Out-of-Network	
Hospital Outpatient and Inpatient			
Hospital Outpatient	85% covered after deductible	50% covered after deductible	90% covered after deductible
Hospital Inpatient	85% covered after deductible <i>(may require prior notification)</i>	50% covered after deductible <i>(may require prior notification)</i>	90% covered after deductible
Emergency Room	85% covered after deductible if non emergency / 50% after deductible	85% covered after deductible if non emergency / 50% after deductible	90% covered after deductible
Skilled Nursing Facility	85% covered after deductible <i>(120 days per plan year; limits apply)</i>	50% covered after deductible <i>(120 days per plan year; limits apply)</i>	90% covered after deductible <i>(100 days per plan year; limits apply)</i>
Hospice	85% covered after deductible <i>(prior notification)</i>	50% covered after deductible <i>(prior notification)</i>	No charge when medically necessary

High Level Plan Design Comparison

UnitedHealthcare PPO vs. Proposed Sutter Health Plus HMO ML19

PLAN Network	CITY PLAN PPO UnitedHealthcare Choice Plus		SHP HMO ML19 Sutter Network <i>(will not customize)</i>
	In-Network	Out-of-Network	
Other			
Hearing aids <i>(1 aid per ear every 36 months, evaluation no charge)</i>	85% covered after deductible up to \$2,500 each	50% covered after deductible up to \$2,500 each	Up to \$2,500 each
Medical Equipment, Prosthetics and Orthotics	85% covered after deductible <i>(prior notification)</i>	50% covered after deductible <i>(prior notification)</i>	No charge as authorized by PCP
Physical and Occupational Therapy	85% covered after deductible <i>(60 visits maximum per plan year)</i>	50% covered after deductible <i>(60 visits maximum per plan year)</i>	\$10 copay
Acupuncture	50% covered after deductible <i>(\$1,000 maximum per plan year)</i>	50% covered after deductible <i>(\$1,000 maximum per plan year)</i>	Match Rider
Chiropractic	50% covered after deductible <i>(\$1,000 maximum)</i>	50% covered after deductible; <i>(\$1,000 maximum)</i>	Match Rider
Transgender <i>(office visits and outpatient surgery)</i>	85% covered after deductible <i>(prior notification)</i>	50% covered after deductible <i>(prior notification)</i>	Copays apply—authorization required

High Level Plan Design Comparison

UnitedHealthcare PPO vs. Proposed Sutter Health Plus HMO ML19

PLAN Network	CITY PLAN PPO		SHP HMO ML19
	UnitedHealthcare Choice Plus		Sutter Network
	In-Network	Out-of-Network	<i>(will not customize)</i>
Prescription Drugs ⁽¹⁾			
Pharmacy: Generic	\$5 copay	50% covered after \$5 copay	\$10 copay
Pharmacy: Brand Name	\$20 copay	50% covered after \$20 copay	\$30 copay
Pharmacy: Non-Formulary	\$45 copay	50% covered after \$45 copay	\$60 copay
Mail Order: Generic	\$10 copay	Not covered	\$20 copay
Mail Order: Brand Name	\$40 copay	Not covered	\$60 copay
Mail Order: Non-Formulary	\$90 copay	Not covered	\$120 copay
Specialty (30-day supply)	Same as 30-day above <i>(limitations apply; see EOC)</i>	Same as 30-day above <i>(limitations apply; see EOC)</i>	10% up to \$100 copay

(1) Pharmacy 30-day supply; Mail Order 90-day supply, unless otherwise indicated.

Sutter Health Plus Disruption Analysis

The following table, provided by Blue Shield, lists members by medical group in the Blue Shield Flex-funded plan. Thirty seven percent (37%) or 13,442 members will need to move to City Plan if they want to keep their Sutter doctors.

Provider Name	Member Count	%
Sutter		
BROWN AND TOLAND MED GRP	16,575	45%
PAMF MILLS PENINSULA DIVISION	3,203	9%
ALTA BATES MED GRP	1,131	3%
PALO ALTO MED FOUNDATION	741	2%
SUTTER EAST BAY MED FOUND	387	1%
SUTTER MED GRP REDWOODS SUTTER CONNECT	229	1%
SUTTER EAST BAY MED FOUND DIABLO DIVISION	212	1%
SUTTER MED GRP SOLANO DIVISION	207	1%
SUTTER MED GRP SAC PLACER DIVISION	126	0%
SUTTER GOULD MED FOUNDATION SUTTER CONNECT	122	0%
PALO ALTO MED FOUNDATION CAMINO	111	0%
PALO ALTO MED FOUNDATION SANTA CRUZ	62	0%
SUTTER MED GRP YOLO DIVISION	41	0%
SUTTER INDEPENDENT PHYSICIAN SUTTER CONNECT	35	0%
Sutter Total	23,182	63%
Non-Sutter Total	13,442	37%
Grand Total	36,624	100%

Sutter Health Plus Disruption Analysis

Active / Early Retiree—Inpatient

The following lists the top 10 inpatient facilities used by BSC membership, by number of claims that would be excluded under SHP.

Inpatient Provider	Number of Claims
MED CTR AT UCSF	206
JOHN MUIR MED CTR WALNUT	62
SETON MED CTR	39
MED CTR AT UCSF	38
ST MARYS MED CTR	32
MARIN GENERAL HOSP	26
JOHN MUIR MED CTR CONCORD	22
ST MARYS MED CTR SAN	21
WASHINGTON HOSP	17
STANFORD HLTH CARE	16

Sutter Health Plus Disruption Analysis

Active / Early Retiree—Inpatient

- The table to the right lists the top 10 inpatient facilities used by BSC membership, by total claims dollars, that would be excluded under SHP.
- The claims shown total \$26.48M.

Inpatient Provider	Total Claims (\$)
MED CTR AT UCSF	10,709,231
LUCILE SALTER PACKARD	3,557,040
STANFORD HLTH CARE	2,597,909
JOHN MUIR MED CTR WALNUT	1,867,446
SETON MED CTR	1,689,594
ST FRANCIS MEMORIAL HOSP	1,619,724
MARIN GENERAL HOSP	1,429,168
ST MARYS MED CTR	1,130,631
JOHN MUIR MED CTR CONCORD	1,041,705
NORTHBAY MED CTR	838,445

Sutter Health Plus Disruption Analysis

Active / Early Retiree—Outpatient

The following table lists the top 12 outpatient providers by number of claims that would be excluded under SHP.

Outpatient Provider	Number of Claims
MED CTR AT UCSF	1,033
SAN FRANCISCO ENDOSCOPY CTR	439
GOLDEN GATE ENDOSCOPY	351
SETON MED CTR	307
MED CTR AT UCSF	272
JOHN MUIR MED CTR WALNUT	208
ST MARYS MED CTR	206
MARIN GENERAL HOSP	183
SAN FRANCISCO ENDOSCOPY CTR	130
JOHN MUIR MED CTR CONCORD	113
ST FRANCIS MEMORIAL HOSP	111
SETON MED CTR	105

Sutter Health Plus Disruption Analysis

Active / Early Retiree Outpatient

- The table to the right lists the top 11 outpatient provider groups, by claims dollars, that would be excluded under SHP.
- The claims shown total \$18.3M.

Outpatient Provider	Total Claims (\$)
MED CTR AT UCSF	6,266,507
MARIN GENERAL HOSP	1,961,320
SETON MED CTR	1,858,092
JOHN MUIR MED CTR WALNUT	1,499,833
STANFORD HLTH CARE	1,402,678
SAN FRANCISCO ENDOSCOPY CTR	1,147,645
ST MARYS MED CTR	947,263
NORTHBAY MED CTR	904,757
GOLDEN GATE ENDOSCOPY	868,324
ST FRANCIS MEMORIAL HOSP	783,313
JOHN MUIR MED CTR CONCORD	649,725

Sutter Health Plus Premium Rates

- SHP proposed a 24-month rate guarantee effective January 1, 2017 through December 31, 2018 as well as a rate cap of 5% for 2019.
- Rate cards by contribution strategy are presented based on a comparison of 2016 Blue Shield Flex-Funded Rates and 2017 SHP proposed rates for each of the SHP proposed plans.

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—93 / 93 / 83 Contribution Strategy

City and County of San Francisco - 2017 Health Plan Renewals
SHP LG Standard \$25 - \$0- 93/93/83 Contribution Strategy
 Rates for January 1, 2017 - December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree & Family
Premium	\$632.78	\$1,263.83	\$1,787.54	\$1,107.37	\$1,661.05	\$2,115.07
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors ¹	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total	\$641.13	\$1,276.15	\$1,803.14	\$1,115.72	\$1,673.37	\$2,130.67
10-County Amount (Early Retirees & Retirees Only) ²	\$0.00	\$0.00	\$0.00	\$604.84	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$604.84	\$604.84
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$474.59	\$474.59	\$474.59
Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$18.15	\$296.98	\$296.98
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,097.58	\$1,376.41	\$1,376.41
Non-Bargained Contribution Rate	\$641.13	\$1,276.15	\$1,803.14	\$18.14	\$296.96	\$754.26
MOU Negotiated Pickup ⁶	\$596.25	\$1,186.82	\$1,496.61			
Typical Bargained Member Contribution	\$44.88	\$89.33	\$306.53			
Final Member Contribution 2017	\$44.88	\$89.33	\$306.53	\$18.14	\$296.96	\$754.26
Final Member Contribution 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
Difference	\$44.88	\$31.69	-\$39.97	-\$53.00	-\$148.04	-\$287.91

NOTE—Footnotes are defined on page 31

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—93 / 93 / 83 Contribution Strategy

		Active			Early Retiree		
		EE	EE + 1	EE + 2	EE	EE + 1	EE + 2
Employee Contributions	(BSC) Plan Year 2016	\$50.51	\$100.87	\$346.50	\$71.14	\$445.00	\$1,042.17
	(SHP) PlanYear2017	\$44.16	\$87.89	\$301.58	\$13.02	\$287.31	\$737.18
	\$ Increase	-\$6.35	-\$12.98	-\$44.92	-\$58.12	-\$157.69	-\$304.99
	% Increase	-12.57%	-12.87%	-12.96%	-81.70%	-35.44%	-29.26%
Employer Contributions	(BSC) Plan Year 2016	\$671.02	\$1,340.20	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
	(SHP) PlanYear2017	\$596.97	\$1,188.26	\$1,501.56	\$1,102.70	\$1,386.06	\$1,393.49
	\$ Increase	-\$74.05	-\$151.94	-\$190.18	-\$490.55	-\$581.05	-\$573.62
	% Increase	-11.04%	-11.34%	-11.24%	-30.79%	-29.54%	-29.16%
Total Rate	(BSC) Plan Year 2016	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
	(SHP) PlanYear2017	\$641.13	\$1,276.15	\$1,803.14	\$1,115.72	\$1,673.37	\$2,130.67
	\$ Increase	-\$80.40	-\$164.92	-\$235.10	-\$548.67	-\$738.74	-\$878.61
	% Increase	-11.14%	-11.44%	-11.53%	-32.97%	-30.63%	-29.20%

* The above table is a comparison to the 2016 Blue Shield of California flex-funded program.

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—100 / 96 / 83 Contribution Strategy

City and County of San Francisco - 2017 Health Plan Renewals
SHP LG Standard \$25 - \$0 - 100/96/83 Contribution Strategy
 Rates for January 1, 2017 - December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree & Family
Premium	\$632.78	\$1,263.83	\$1,787.54	\$1,107.37	\$1,661.05	\$2,115.07
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors ¹	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total	\$641.13	\$1,276.15	\$1,803.14	\$1,115.72	\$1,673.37	\$2,130.67
10-County Amount (Early Retirees & Retirees Only) ²	\$0.00	\$0.00	\$0.00	\$604.84	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$604.84	\$604.84
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$474.59	\$474.59	\$474.59
Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$18.15	\$296.98	\$296.98
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,097.58	\$1,376.41	\$1,376.41
Non-Bargained Contribution Rate	\$641.13	\$1,276.15	\$1,803.14	\$18.14	\$296.96	\$754.26
MOU Negotiated Pickup ⁶	\$641.13	\$1,225.10	\$1,496.61			
Typical Bargained Member Contribution	\$0.00	\$51.05	\$306.53			
Final Member Contribution 2017	\$0.00	\$51.05	\$306.53	\$18.14	\$296.96	\$754.26
Final Member Contribution 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
Difference	\$0.00	-\$6.59	-\$39.97	-\$53.00	-\$148.04	-\$287.91

NOTE—Footnotes are defined on page 31

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—100 / 96 / 83 Contribution Strategy

		Active			Early Retiree		
		EE	EE + 1	EE + 2	EE	EE + 1	EE + 2
Employee Contributions	(BSC) Plan Year 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
	(SHP) PlanYear2017	\$0.00	\$50.22	\$301.58	\$13.02	\$287.31	\$737.18
	\$ Increase	+\$0.00	-\$7.42	-\$44.92	-\$58.12	-\$157.69	-\$304.99
	% Increase	-	-12.87%	-12.96%	-81.70%	-35.44%	-29.26%
Employer Contributions	(BSC) Plan Year 2016	\$721.53	\$1,383.43	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
	(SHP) PlanYear2017	\$641.13	\$1,225.93	\$1,501.56	\$1,102.70	\$1,386.06	\$1,393.49
	\$ Increase	-\$80.40	-\$157.50	-\$190.18	-\$490.55	-\$581.05	-\$573.62
	% Increase	-11.14%	-11.38%	-11.24%	-30.79%	-29.54%	-29.16%
Total Rate	(BSC) Plan Year 2016	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
	(SHP) PlanYear2017	\$641.13	\$1,276.15	\$1,803.14	\$1,115.72	\$1,673.37	\$2,130.67
	\$ Increase	-\$80.40	-\$164.92	-\$235.10	-\$548.67	-\$738.74	-\$878.61
	% Increase	-11.14%	-11.44%	-11.53%	-32.97%	-30.63%	-29.20%

* The above table is a comparison to the 2016 Blue Shield of California flex-funded program.

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—93 / 93 / 83 Contribution Strategy

City and County of San Francisco - 2017 Health Plan Renewals
SHP LG Custom \$20 - \$0- 93/93/83 Contribution Strategy
 Rates for January 1, 2017 - December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree & Family
Premium	\$645.01	\$1,288.26	\$1,822.09	\$1,228.77	\$1,693.15	\$2,155.95
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors ¹	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total	\$653.36	\$1,300.58	\$1,837.69	\$1,237.12	\$1,705.47	\$2,171.55
10-County Amount (Early Retirees & Retirees Only) ²	\$0.00	\$0.00	\$0.00	\$604.84	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$604.84	\$604.84
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$583.76	\$583.76	\$583.76
Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$24.26	\$258.44	\$258.44
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,212.86	\$1,447.04	\$1,447.04
Non-Bargained Contribution Rate	\$653.36	\$1,300.58	\$1,837.69	\$24.26	\$258.43	\$724.51
MOU Negotiated Pickup ⁶	\$607.62	\$1,209.54	\$1,525.28			
Typical Bargained Member Contribution	\$45.74	\$91.04	\$312.41			
Final Member Contribution 2017	\$45.74	\$91.04	\$312.41	\$24.26	\$258.43	\$724.51
Final Member Contribution 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
Difference	\$45.74	\$33.40	-\$34.09	-\$46.88	-\$186.57	-\$317.66

NOTE—Footnotes are defined on page 31

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—93 / 93 / 83 Contribution Strategy

		Active			Early Retiree		
		EE	EE + 1	EE + 2	EE	EE + 1	EE + 2
Employee Contributions	(BSC) Plan Year 2016	\$50.51	\$100.87	\$346.50	\$71.14	\$445.00	\$1,042.17
	(SHP) PlanYear2017	\$45.74	\$91.05	\$312.42	\$24.31	\$258.48	\$724.56
	\$ Increase	-\$4.77	-\$9.82	-\$34.08	-\$46.83	-\$186.52	-\$317.61
	% Increase	-9.44%	-9.74%	-9.84%	-65.83%	-41.91%	-30.48%
Employer Contributions	(BSC) Plan Year 2016	\$671.02	\$1,340.20	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
	(SHP) PlanYear2017	\$607.62	\$1,209.53	\$1,525.27	\$1,212.81	\$1,446.99	\$1,446.99
	\$ Increase	-\$63.40	-\$130.67	-\$166.47	-\$380.44	-\$520.12	-\$520.12
	% Increase	-9.45%	-9.75%	-9.84%	-23.88%	-26.44%	-26.44%
Total Rate	(BSC) Plan Year 2016	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
	(SHP) PlanYear2017	\$653.36	\$1,300.58	\$1,837.69	\$1,237.12	\$1,705.47	\$2,171.55
	\$ Increase	-\$68.17	-\$140.49	-\$200.55	-\$427.27	-\$706.64	-\$837.73
	% Increase	-9.45%	-9.75%	-9.84%	-25.67%	-29.30%	-27.84%

* The above table is a comparison to the 2016 Blue Shield of California flex-funded program.

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—100 / 96 / 83 Contribution Strategy

City and County of San Francisco - 2017 Health Plan Renewals
SHP LG Custom \$20 - \$0 - 100/96/83 Contribution Strategy
 Rates for January 1, 2017 - December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree & Family
Premium	\$645.01	\$1,288.26	\$1,822.09	\$1,228.77	\$1,693.15	\$2,155.95
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors ¹	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total	\$653.36	\$1,300.58	\$1,837.69	\$1,237.12	\$1,705.47	\$2,171.55
10-County Amount (Early Retirees & Retirees Only) ²	\$0.00	\$0.00	\$0.00	\$604.84	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$604.84	\$604.84
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$583.76	\$583.76	\$583.76
Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$24.26	\$258.44	\$258.44
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,212.86	\$1,447.04	\$1,447.04
Non-Bargained Contribution Rate	\$653.36	\$1,300.58	\$1,837.69	\$24.26	\$258.43	\$724.51
MOU Negotiated Pickup ⁶	\$653.36	\$1,248.56	\$1,525.28			
Typical Bargained Member Contribution	\$0.00	\$52.02	\$312.41			
Final Member Contribution 2017	\$0.00	\$52.02	\$312.41	\$24.26	\$258.43	\$724.51
Final Member Contribution 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
Difference	\$0.00	-\$5.62	-\$34.09	-\$46.88	-\$186.57	-\$317.66

NOTE—Footnotes are defined on page 31

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—100 / 96 / 83 Contribution Strategy

		Active			Early Retiree		
		EE	EE + 1	EE + 2	EE	EE + 1	EE + 2
Employee Contributions	(BSC) Plan Year 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
	(SHP) PlanYear2017	\$0.00	\$52.03	\$312.42	\$24.31	\$258.48	\$724.56
	\$ Increase	+\$0.00	-\$5.61	-\$34.08	-\$46.83	-\$186.52	-\$317.61
	% Increase	-	-9.73%	-9.84%	-65.83%	-41.91%	-30.48%
Employer Contributions	(BSC) Plan Year 2016	\$721.53	\$1,383.43	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
	(SHP) PlanYear2017	\$653.36	\$1,248.55	\$1,525.27	\$1,212.81	\$1,446.99	\$1,446.99
	\$ Increase	-\$68.17	-\$134.88	-\$166.47	-\$380.44	-\$520.12	-\$520.12
	% Increase	-9.45%	-9.75%	-9.84%	-23.88%	-26.44%	-26.44%
Total Rate	(BSC) Plan Year 2016	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
	(SHP) PlanYear2017	\$653.36	\$1,300.58	\$1,837.69	\$1,237.12	\$1,705.47	\$2,171.55
	\$ Increase	-\$68.17	-\$140.49	-\$200.55	-\$427.27	-\$706.64	-\$837.73
	% Increase	-9.45%	-9.75%	-9.84%	-25.67%	-29.30%	-27.84%

* The above table is a comparison to the 2016 Blue Shield of California flex-funded program.

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—93 / 93 / 83 Contribution Strategy

City and County of San Francisco - 2017 Health Plan Renewals
SHP LG HSP \$10 - \$250 -10% - 93/93/83 Contribution Strategy
 Rates for January 1, 2017 - December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree & Family
Premium	\$622.43	\$1,243.15	\$1,758.29	\$1,089.25	\$1,633.87	\$2,080.46
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors ¹	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total	\$630.78	\$1,255.47	\$1,773.89	\$1,097.60	\$1,646.19	\$2,096.06
10-County Amount (Early Retirees & Retirees Only) ²	\$0.00	\$0.00	\$0.00	\$604.84	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$604.84	\$604.84
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$466.82	\$466.82	\$466.82
Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$12.97	\$287.27	\$287.27
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,084.63	\$1,358.93	\$1,358.93
Non-Bargained Contribution Rate	\$630.78	\$1,255.47	\$1,773.89	\$12.97	\$287.26	\$737.13
MOU Negotiated Pickup ⁶	\$586.63	\$1,167.59	\$1,472.33			
Typical Bargained Member Contribution	\$44.15	\$87.88	\$301.56			
Final Member Contribution 2017	\$44.15	\$87.88	\$301.56	\$12.97	\$287.26	\$737.13
Final Member Contribution 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
Difference	\$44.15	\$30.24	-\$44.94	-\$58.17	-\$157.74	-\$305.04

NOTE—Footnotes are defined on page 31

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—93 / 93 / 83 Contribution Strategy

		Active			Early Retiree		
		EE	EE + 1	EE + 2	EE	EE + 1	EE + 2
Employee Contributions	(BSC) Plan Year 2016	\$50.51	\$100.87	\$346.50	\$71.14	\$445.00	\$1,042.17
	(SHP) PlanYear2017	\$44.16	\$87.89	\$301.58	\$13.02	\$287.31	\$737.18
	\$ Increase	-\$6.35	-\$12.98	-\$44.92	-\$58.12	-\$157.69	-\$304.99
	% Increase	-12.57%	-12.87%	-12.96%	-81.70%	-35.44%	-29.26%
Employer Contributions	(BSC) Plan Year 2016	\$671.02	\$1,340.20	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
	(SHP) PlanYear2017	\$586.62	\$1,167.58	\$1,472.31	\$1,084.58	\$1,358.88	\$1,358.88
	\$ Increase	-\$84.40	-\$172.62	-\$219.43	-\$508.67	-\$608.23	-\$608.23
	% Increase	-12.58%	-12.88%	-12.97%	-31.93%	-30.92%	-30.92%
Total Rate	(BSC) Plan Year 2016	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
	(SHP) PlanYear2017	\$630.78	\$1,255.47	\$1,773.89	\$1,097.60	\$1,646.19	\$2,096.06
	\$ Increase	-\$90.75	-\$185.60	-\$264.35	-\$566.79	-\$765.92	-\$913.22
	% Increase	-12.58%	-12.88%	-12.97%	-34.05%	-31.75%	-30.35%

* The above table is a comparison to the 2016 Blue Shield of California flex-funded program.

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—100 / 96 / 83 Contribution Strategy

City and County of San Francisco - 2017 Health Plan Renewals
SHP LG HSP \$10 - \$250 -10% - 100/96/83 Contribution Strategy
 Rates for January 1, 2017 - December 31, 2017

	Actives			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree & Family
Premium	\$622.43	\$1,243.15	\$1,758.29	\$1,089.25	\$1,633.87	\$2,080.46
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors ¹	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total	\$630.78	\$1,255.47	\$1,773.89	\$1,097.60	\$1,646.19	\$2,096.06
10-County Amount (Early Retirees & Retirees Only) ²	\$0.00	\$0.00	\$0.00	\$604.84	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$604.84	\$604.84
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$466.82	\$466.82	\$466.82
Prop. E Subsidy ⁵	\$0.00	\$0.00	\$0.00	\$12.97	\$287.27	\$287.27
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,084.63	\$1,358.93	\$1,358.93
Non-Bargained Contribution Rate	\$630.78	\$1,255.47	\$1,773.89	\$12.97	\$287.26	\$737.13
MOU Negotiated Pickup ⁶	\$630.78	\$1,205.25	\$1,472.33			
Typical Bargained Member Contribution	\$0.00	\$50.22	\$301.56			
Final Member Contribution 2017	\$0.00	\$50.22	\$301.56	\$12.97	\$287.26	\$737.13
Final Member Contribution 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
Difference	\$0.00	-\$7.42	-\$44.94	-\$58.17	-\$157.74	-\$305.04

NOTE—Footnotes are defined on page 31

2017 SHP Premiums and Contributions

Active Employee and Early Retiree—100 / 96 / 83 Contribution Strategy

		Active			Early Retiree		
		EE	EE + 1	EE + 2	EE	EE + 1	EE + 2
Employee Contributions	(BSC) Plan Year 2016	\$0.00	\$57.64	\$346.50	\$71.14	\$445.00	\$1,042.17
	(SHP) PlanYear2017	\$0.00	\$50.22	\$301.58	\$13.02	\$287.31	\$737.18
	\$ Increase	+\$0.00	-\$7.42	-\$44.92	-\$58.12	-\$157.69	-\$304.99
	% Increase	-	-12.87%	-12.96%	-81.70%	-35.44%	-29.26%
Employer Contributions	(BSC) Plan Year 2016	\$721.53	\$1,383.43	\$1,691.74	\$1,593.25	\$1,967.11	\$1,967.11
	(SHP) PlanYear2017	\$630.78	\$1,205.25	\$1,472.31	\$1,084.58	\$1,358.88	\$1,358.88
	\$ Increase	-\$90.75	-\$178.18	-\$219.43	-\$508.67	-\$608.23	-\$608.23
	% Increase	-12.58%	-12.88%	-12.97%	-31.93%	-30.92%	-30.92%
Total Rate	(BSC) Plan Year 2016	\$721.53	\$1,441.07	\$2,038.24	\$1,664.39	\$2,412.11	\$3,009.28
	(SHP) PlanYear2017	\$630.78	\$1,255.47	\$1,773.89	\$1,097.60	\$1,646.19	\$2,096.06
	\$ Increase	-\$90.75	-\$185.60	-\$264.35	-\$566.79	-\$765.92	-\$913.22
	% Increase	-12.58%	-12.88%	-12.97%	-34.05%	-31.75%	-30.35%

* The above table is a comparison to the 2016 Blue Shield of California flex-funded program.

2017 SHP Premiums and Contributions

Contribution Strategy Footnotes

- 1) Best Doctors: Second opinion vendor that costs \$1.40 PEPM, including claims data intake to identify members for outreach.
- 2) "10-County" City Contribution: Per Charter Section A8.423, the employer contribution must equal the average of the employer contribution to health premiums of the 10 most populous counties in CA, not including San Francisco.
- 3) "Single Retiree Offset": Per Charter Section A8.428, for Retirees = 10-County Amount; for Medicare eligible Retirees = Medicare Premium (because it is lower than 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 Nov 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) The majority of MOU agreements follow one of the following formulas:
 - 93% of the 2016 Single, 93% of E+1, 83% of E+2
 - 100% of the 2016 Single, 96% of E+1, 83% of E+2

Recommendation

- Aon recognizes the commitment by Sutter Health Plus to bring affordable health care to the membership served by HSS which is exemplified by the level of the premium rate submission and the commitment to a two-year premium rate guarantee.
- However it is the opinion of the actuary that serves the Health Service Board that it is premature to vote to engage this proposal for 2017 for the following reasons:
 - It will cause major disruption in the overall population presently covered by Blue Shield of California which is 13,442 lives.
 - The largest portion of potential enrollees in SHP are presently in the Brown and Toland CPMC ACO, which to date has not been able attain the claims targets established as a metric of efficient medical management. Before considering this proposal a history of performance by the ACO at or below the claims target must be achieved before the HSB will consider the rate structure proposed by Sutter Health Plus.

Recommendation (continued)

- Reasons continued from the previous page:
 - The non Sutter Health Plus vendor community, when queried, were unable at this time to allow their programs to be positioned alongside the Sutter Health Plus proposal. The hesitancy or outright inability to offer their programs alongside the Sutter Health Plus proposal stems from an inability to determine what the election level would be into the Sutter Health Plus plan and what it would cost for the remaining potential subscribers that would elect their program.
- Therefore the actuary requests that the HSB table the proposal for at least one year which would allow for the development of a non-Sutter Health network that could be offered alongside Sutter Health Plus. This would provide time for a thoughtful plan offering to be developed that provides the HSS membership with stable quality, affordable, and accessible health plans. Additionally this would allow a time window for the Brown and Toland ACO to demonstrate that they can attain the present claims targets which would assure the stability of potential Sutter Health Plus program offerings.