

# San Francisco Health Service System Health Service Board

## **Rates & Benefits**

Blue Shield of California Medical/Rx Flex-Funded Non-Medicare HMO Plans 2022 Rates and Contributions

May 13, 2021

Prepared by:  
Health Solutions



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# Rate Setting Methodology Preface

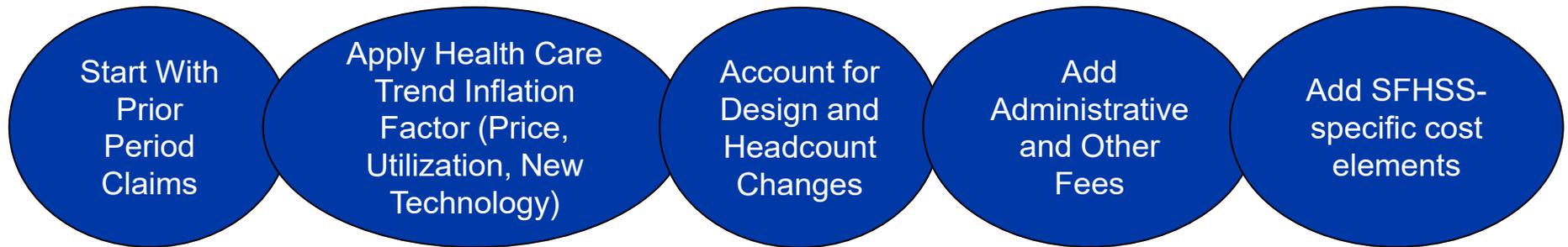
# Health Plan Funding—Method Comparison by SFHSS Plan

Funding Method	Self-Funded	Flex-Funded	Fully Insured
<b>Funding Method Description</b>	Claim dollars based on services delivered to members are paid by the Trust, along with plan administrative fees to manage the plan (process claims, provide call center for members, etc.)	Insurance approach where most claim dollars based on services delivered to members are paid by the Trust, but with fixed costs for certain health care services ("capitation") as well as plan admin fees and large claim reinsurance mechanism ("pooling") at \$1 million per participant annually	Health plan sets fixed dollar plan premiums to cover expected claim costs for health care services by members, as well as plan administrative fee costs.
<b>Who sets the recommended SFHSS plan rates?</b>	Aon actuary using Aon-determined cost trend assumptions and health plan-determined administrative fees (and required legislative fees)	Aon actuary using plan-determined cost trend assumptions that are validated by Aon actuary, and health plan-determined administrative/large claim pooling fees (and required legislative fees)	Plan's actuary using plan-determined cost trend assumptions which are scrutinized by Aon actuary, and health plan-determined admin fees/large claim pooling adjustments (and required legislative fees)
<b>SFHSS plans by Funding Method</b>	BSC PPO—Accolade Delta Dental Active Employee PPO	<b>Blue Shield of CA Access+ HMO</b> <b>Blue Shield of CA Trio HMO</b> Health Net CanopyCare HMO (new in 2022)	All Kaiser HMO plans UHC Medicare Advantage PPO Delta Dental Retiree PPO DeltaCare Dental HMO UHC Dental HMO VSP Vision
<b>HSB Rate Stabilization Policy Applies?</b>	Yes	Yes	No

# Health Plan Rate Setting Process for Next Plan Year

## Determining Needed Plan Rate Changes For Next Year—Five Step Process

- Completion of these five steps below produces an aggregate cost projection based on current plan enrollment for the next plan year (right now, the 2022 plan year)



- Next, the Aon and plan actuaries compare these next-year cost projections to the total current-year dollars when multiplying rates times enrollment—and that leads to the needed percentage change in rates from this year to next year:

$$\frac{\text{2022 Total Projected Plan Cost}}{\text{2021 Rates times Enrollment}} = \text{Needed Rate Change Factor (2022 vs. 2021)}$$

# Non-Medicare Medical Plan 2022 Rate Renewal Summary

- Below is a summary of total rate cost increase recommendations that are being presented today for San Francisco Health Service System (SFHSS) Non-Medicare health plans—with each rating action calculated by individual plan based on the process reviewed on the prior page.
  - Health Net CanopyCare rates, as a new SFHSS plan, are based on financial information submitted to SFHSS by Health Net as part of the recently completed Request for Proposal process.

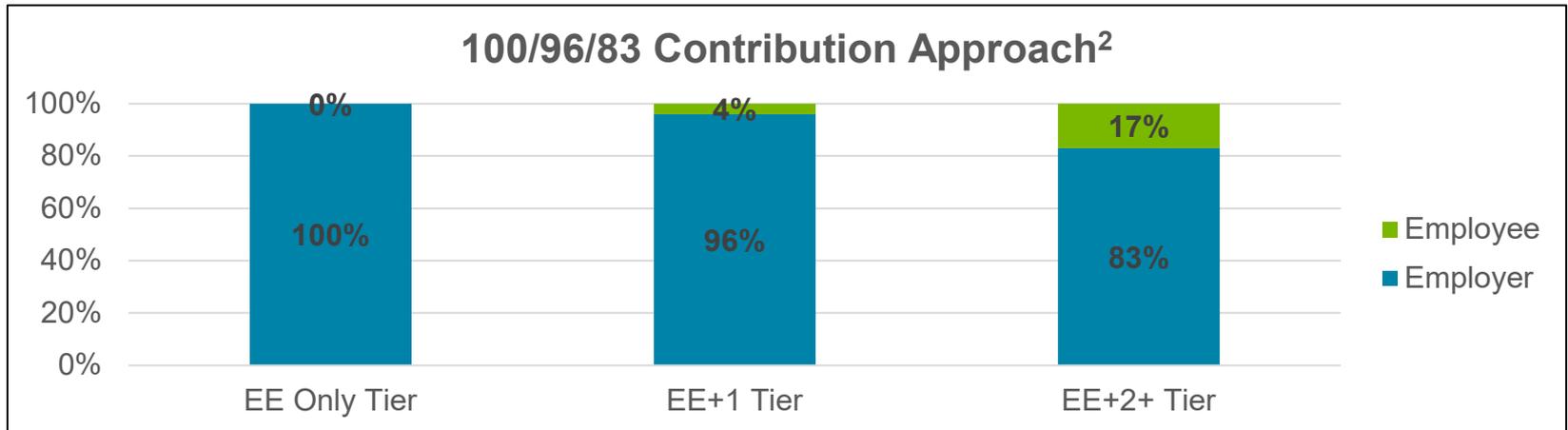
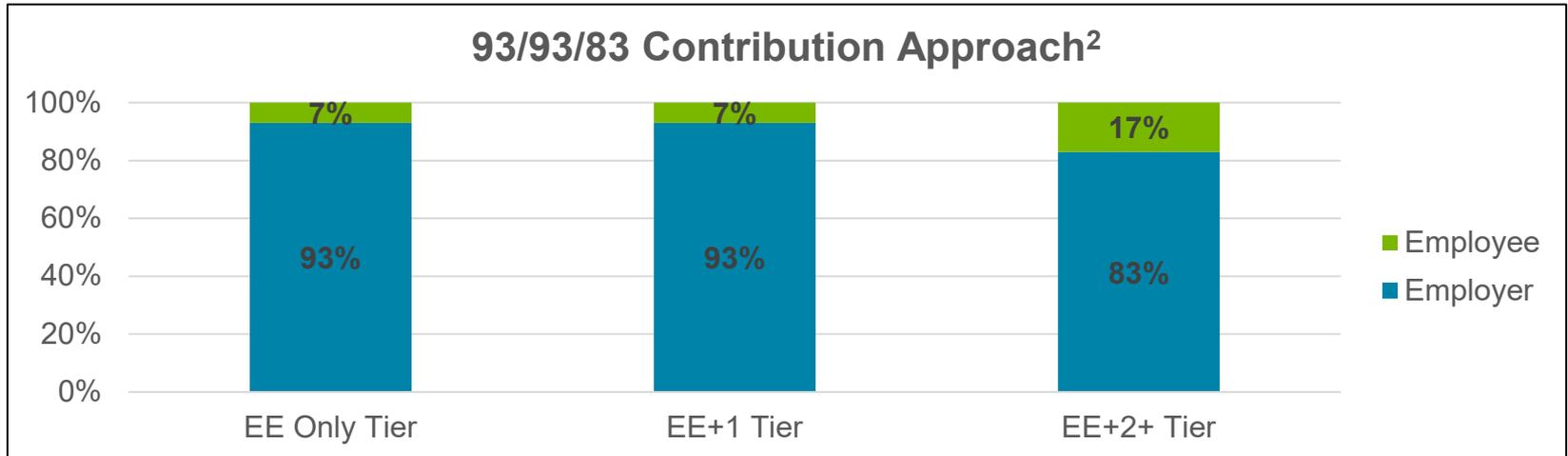
Non-Medicare Health Plan	Before Rate Stabilization Adjustment	After Rate Stabilization Adjustment
BSC Access+	1.5%	<b>0.8%</b>
BSC Trio	2.7%	<b>2.0%</b>
Health Net CanopyCare	Rated between Access+ and Trio	(n/a for 2022 – new plan)
Kaiser	<b>4.96%</b>	(does not apply – insured plan)
BSC PPO–Accolade (including Choice Not Available)	3.4%	<b>2.7%</b>

# Non-Medicare Medical Plan 2022 Proposed Total Rates

- Recommended 2022 **monthly** total cost rates for each SFHSS non-Medicare health plan are shown below (all rate card elements included):

SFHSS Health Plan	Plan Year	Active Employees			Early Retirees		
		EE Only	EE + 1	EE + 2+	RET Only	RET + 1	RET + 2+
Kaiser HMO	PY 2021	\$682.48	\$1,361.98	\$1,925.95	\$1,370.10	\$2,049.60	\$2,613.57
	PY 2022	\$715.97	\$1,428.96	\$2,020.73	\$1,437.79	\$2,150.78	\$2,742.55
	% Difference	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
BSC Access+	PY 2021	\$923.71	\$1,844.31	\$2,608.43	\$2,133.09	\$3,090.39	\$3,854.54
	PY 2022	\$931.44	\$1,859.91	\$2,630.54	\$2,151.00	\$3,116.47	\$3,887.09
	% Difference	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
BSC Trio	PY 2021	\$800.83	\$1,598.55	\$2,260.67	\$1,848.11	\$2,677.60	\$3,339.74
	PY 2022	\$816.90	\$1,630.81	\$2,306.36	\$1,885.34	\$2,731.68	\$3,407.20
	% Difference	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Health Net CanopyCare	PY 2021	n/a	n/a	n/a	n/a	n/a	n/a
	PY 2022	\$859.02	\$1,715.06	\$2,425.56	\$1,983.02	\$2,873.17	\$3,583.65
	% Difference	n/a	n/a	n/a	n/a	n/a	n/a
BSC PPO–Accolade	PY 2021	\$1,298.42	\$2,517.88	\$3,557.63	\$1,747.72	\$2,535.05	\$3,163.63
	PY 2022	\$1,337.19	\$2,586.45	\$3,651.62	\$1,797.54	\$2,604.04	\$3,247.93
	% Difference	3.0%	2.7%	2.6%	2.9%	2.7%	2.7%
BSC PPO–Accolade (Choice Not Available)	PY 2021	\$923.71	\$1,844.31	\$2,608.43	\$1,747.72	\$2,535.05	\$3,163.63
	PY 2022	\$931.44	\$1,859.91	\$2,630.54	\$1,797.54	\$2,604.04	\$3,247.93
	% Difference	0.8%	0.8%	0.8%	2.9%	2.7%	2.7%

# Segmenting Total Cost Rates Into Employer and Member Contributions—Active Employees (CCSF<sup>1</sup>)



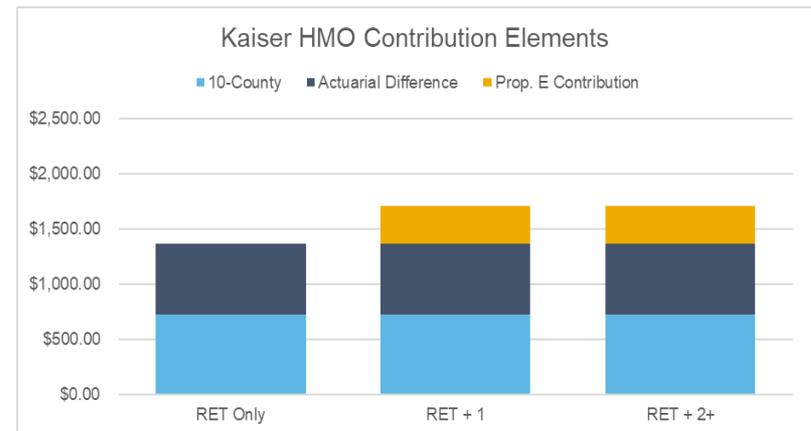
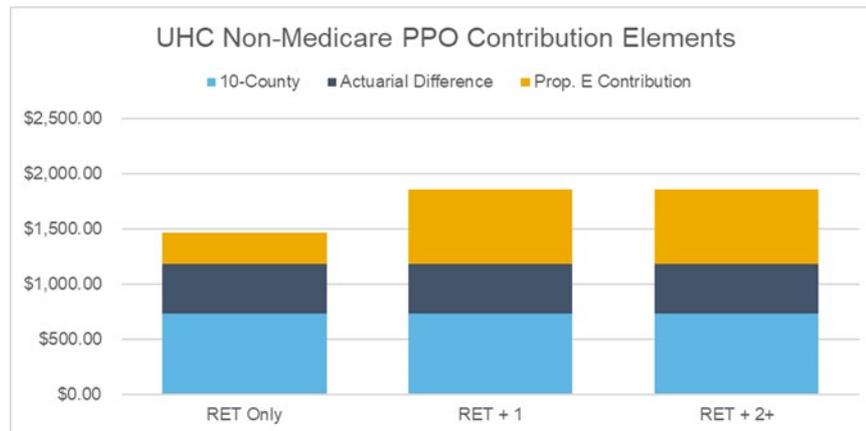
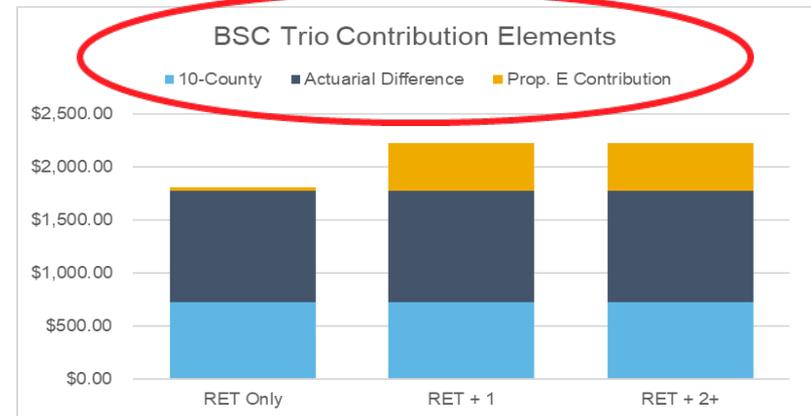
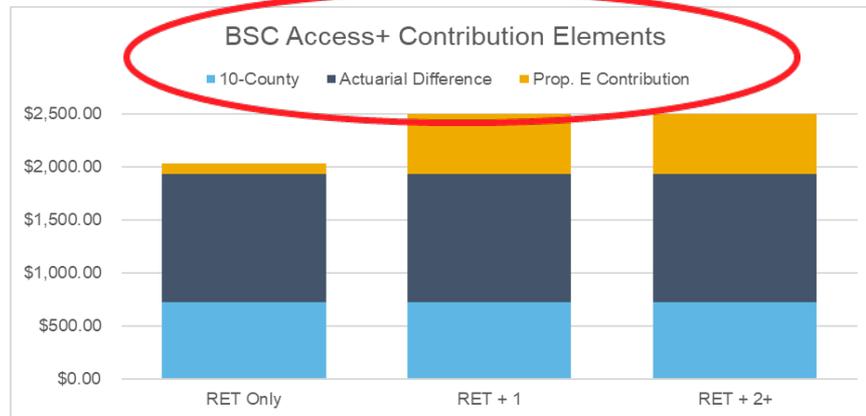
<sup>1</sup> City and County of San Francisco (CCSF) MOU contribution sharing approaches shown above; other employers in SFHSS plans have their employer-specific contribution sharing methodologies for active employees.

<sup>2</sup> For the highest cost plan (BSC PPO—Accolade Plan), based on MOU the employer contribution dollar amounts are set to equal the employer contribution dollar amounts for the second highest-cost plan (which is BSC Access+ HMO), except for the Employee Only tier in the 100/96/83 contribution approach where the member pays no contribution for any plan.

# Segmenting Total Cost Rates Into Employer and Member Contributions—Early Retirees (Based on City Charter)

## Early Retirees—2021 Employer Contribution Components—All Offered Plans

- Light Blue—10-County Amount (same amount for all plans)
- Dark Blue—”Actuarial Difference” (plan-specific, same amount for all tiers)
- Gold—Retiree Prop. E Contribution (plan-specific, varies for Single tier vs. Family tiers)



# Recommendation to HSB

# BSC HMO 2022 Plan Rating—Recommendation

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**Staff recommends that the Health Service Board (HSB) approve:**

- 1) The BSC Access+ plan renewal proposal for a 0.8% rate increase from 2021 to 2022;
- 2) The BSC Trio plan renewal proposal for a 2.0% rate increase from 2021 to 2022; and
- 3) The resulting 2022 monthly rate cards presented in this material for the BSC Access+ and Trio HMO plans.

# BSC HMO 2022 Plan Rating—Recommendation

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- Commentary regarding the rating proposal for 2022 is presented in this document to support the recommendations.
- Active employee rate cards in this presentation are shown for the two most common employer contribution strategies as of the start of this year for City and County of San Francisco (93 / 93 / 83 and 100 / 96 / 83).
  - There are multiple employer contribution strategies for active employees across the employers participating in the San Francisco Health Service System (SFHSS).
- Early retiree rate cards in this presentation are shown for early retirees who earn the full City contribution levels based on dates of hire and length of service—with employer contributions determined based on formulas outlined in the City Charter.

# BSC 2022 HMO Plan Rating—Renewal Summary

# BSC 2022 HMO Plan Rating—Renewal Summary

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- BSC provided renewals for the two flex-funded HMO plans (Access+ and Trio) offered to SFHSS active employees and early retirees.
- No plan design changes are proposed for the BSC HMO plans into the 2022 plan year.
- The aggregate calculated rate increases across all populations and rating tiers for the BSC plans are:
  - Access+ plan: +0.8%
  - Trio plan: +2.0%
  - Overall (for both plans combined): +1.2%
- The 2022 BSC HMO plan rate cards include the following cost components:
  - Projected 2022 medical / pharmacy (net of rebates) claim costs;
  - Projected 2022 capitation charges for certain medical services including physicians;
  - BSC 2022 fees (including ASO, large claim pooling fees, and ACA PCORI fees);
  - Rate stabilization surplus buy-down (\$4,856,000 total across both plans);
  - VSP Basic Plan vision premiums (unchanged from 2021 levels); and
  - The SFHSS Healthcare Sustainability Fund charge of \$3.00 per employee / retiree per month (PEPM), which is unchanged from the 2021 fee.

# BSC HMO 2022 Plan Rating—Renewal Summary

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## Commentary on Rate Increase Recommendations

- As reviewed in the March HSB meeting, overall BSC HMO plan expenses per employee/retiree per month (PEPM) increased only 2% from 2019 to 2020.
  - Medical claims decreased by 2% inclusive of large claim pooling reimbursements—reflecting claim suppression primarily in Q2-2020 resulting from pandemic-driven reductions in plan utilization.
  - Prescription drug claims net of rebates did not show evidence of suppression due to the pandemic—with PEPM claims increasing by 10% from 2019 to 2020.
- The projected rate increase for the Trio plan (+2.0%) is higher than for the Access+ plan (+0.8%) going into the 2022 plan year—though both increases are well below expected national health plan cost trend levels (approximately 6%).
  - The increase in stabilization buy-down from 2021 rating (\$2,562,000) to 2022 rating (\$4,856,000) contributes favorably to the renewal increase—increases would be 0.7% higher in absence of change in stabilization adjustments in rating.
  - The 2022 renewal is favorably impacted by RFP-driven actions including reduced administrative fees and move to full pass-through of Rx rebates to SFHSS.
- The aggregate 1.2% rate increase for BSC HMO plans for 2022 compares favorably to the 2021 aggregate rate increase of 4.4%.

# BSC HMO 2022 Plan Rating—Renewal Summary

## Commentary on BSC HMO Fee Changes From 2021 to 2022

- BSC’s administrative fee is decreasing significantly into the 2022 plan year.
- BSC’s large claim pooling fee is increasing by 5% into the 2022 plan year after an 18% increase for the 2021 plan year rate—after a reduction from a very high 2019 (\$9.3 million) into 2020 (\$3.4 million) for claims over \$1 million per individual reimbursed back to SFHSS.
- The California Managed Care Organization (MCO) tax has returned, after it had previously expired in June 2019.

<b>BSC Fee Component</b>	<b>2021</b>	<b>2022</b>	<b>Change</b>
<b>Fixed Fees (Total)</b>	<b>\$96.21</b>	<b>\$84.34</b>	<b>-12.3%</b>
<i>BSC Administration</i>	\$63.35	\$49.50	-21.9%
<i>BSC Large Claim Pooling @ \$1M / individual</i>	\$32.41	\$34.03	+5.0%
<i>Federal ACA PCORI Fee</i>	\$0.45	\$0.48	+6.7%
<i>CA MCO Tax</i>	n/a	\$0.33	n/a

# 2022 Monthly Rate Cards for Access+ and Trio plans



# 2022 BSC HMO Monthly Rate Cards

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- BSC plan 2022 rate cards are presented on the following pages for these population segments:
  - Access+ active employees and early retirees—including two employer contribution models for active employees (93 / 93 / 83 and 100 / 96 / 83)
  - Trio active employees and early retirees—including two employer contribution models for active employees (93 / 93 / 83 and 100 / 96 / 83)
- Comparisons of member contributions from 2021 to 2022 are included in the tables that follow.

## Monthly Rate / Contribution Change—2022 versus 2021

Early Retirees, and 93 / 93 / 83 Contribution Strategy for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2021	\$64.66	\$129.10	\$443.43	\$97.26	\$575.91	\$1,340.06
	PY 2022	\$65.20	\$130.19	\$447.19	\$87.06	\$569.80	\$1,340.42
	\$ Difference	\$0.54	\$1.09	\$3.76	(\$10.20)	(\$6.11)	\$0.36
	% Difference	0.8%	0.8%	0.8%	-10.5%	-1.1%	0.0%
Monthly Employer Contributions	PY 2021	\$859.05	\$1,715.21	\$2,165.00	\$2,035.83	\$2,514.48	\$2,514.48
	PY 2022	\$866.24	\$1,729.72	\$2,183.35	\$2,063.94	\$2,546.67	\$2,546.67
	\$ Difference	\$7.19	\$14.51	\$18.35	\$28.11	\$32.19	\$32.19
	% Difference	0.8%	0.8%	0.8%	1.4%	1.3%	1.3%
Monthly Total Rate	PY 2021	\$923.71	\$1,844.31	\$2,608.43	\$2,133.09	\$3,090.39	\$3,854.54
	PY 2022	\$931.44	\$1,859.91	\$2,630.54	\$2,151.00	\$3,116.47	\$3,887.09
	\$ Difference	\$7.73	\$15.60	\$22.11	\$17.91	\$26.08	\$32.55
	% Difference	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%

## Monthly Rate / Contribution Change—2022 versus 2021

Early Retirees, and 100 / 96 / 83 Contribution Strategy for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2021	\$0.00	\$73.77	\$443.43	\$97.26	\$575.91	\$1,340.06
	PY 2022	\$0.00	\$74.40	\$447.19	\$87.06	\$569.80	\$1,340.42
	\$ Difference	\$0.00	\$0.63	\$3.76	(\$10.20)	(\$6.11)	\$0.36
	% Difference	-	0.9%	0.8%	-10.5%	-1.1%	0.0%
Monthly Employer Contributions	PY 2021	\$923.71	\$1,770.54	\$2,165.00	\$2,035.83	\$2,514.48	\$2,514.48
	PY 2022	\$931.44	\$1,785.51	\$2,183.35	\$2,063.94	\$2,546.67	\$2,546.67
	\$ Difference	\$7.73	\$14.97	\$18.35	\$28.11	\$32.19	\$32.19
	% Difference	0.8%	0.8%	0.8%	1.4%	1.3%	1.3%
Monthly Total Rate	PY 2021	\$923.71	\$1,844.31	\$2,608.43	\$2,133.09	\$3,090.39	\$3,854.54
	PY 2022	\$931.44	\$1,859.91	\$2,630.54	\$2,151.00	\$3,116.47	\$3,887.09
	\$ Difference	\$7.73	\$15.60	\$22.11	\$17.91	\$26.08	\$32.55
	% Difference	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%

## Proposed Monthly 2022 Rate Card

### 93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$936.84	\$1,873.69	\$2,651.29	\$2,172.69	\$3,147.04	\$3,924.63
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	(\$12.35)	(\$24.70)	(\$34.95)	(\$28.64)	(\$41.49)	(\$51.74)
<b>Total</b>	<b>\$931.44</b>	<b>\$1,859.91</b>	<b>\$2,630.54</b>	<b>\$2,151.00</b>	<b>\$3,116.47</b>	<b>\$3,887.09</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$757.31	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$757.31	\$757.31
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,219.56	\$1,219.56	\$1,219.56
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$87.07	\$569.80	\$569.80
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,063.94	\$2,546.67	\$2,546.67
<b>2022 Non-Bargained Contribution Rate</b>	<b>\$931.44</b>	<b>\$1,859.91</b>	<b>\$2,630.54</b>	<b>\$87.06</b>	<b>\$569.80</b>	<b>\$1,340.42</b>

MOU Negotiated Pickup <sup>6</sup>	\$866.24	\$1,729.72	\$2,183.35			
<b>2022 Typical Bargained Member Contribution</b>	<b>\$65.20</b>	<b>\$130.19</b>	<b>\$447.19</b>			

<b>Final Member Contribution 2021</b>	<b>\$64.66</b>	<b>\$129.10</b>	<b>\$443.43</b>	<b>\$97.26</b>	<b>\$575.91</b>	<b>\$1,340.06</b>
<b>Difference—2022 versus 2021</b>	<b>\$0.54</b>	<b>\$1.09</b>	<b>\$3.76</b>	<b>(\$10.20)</b>	<b>(\$6.11)</b>	<b>\$0.36</b>

**NOTE—Footnotes 1 – 6 defined in Appendix**

## Proposed Monthly 2022 Rate Card

### 100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$936.84	\$1,873.69	\$2,651.29	\$2,172.69	\$3,147.04	\$3,924.63
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	(\$12.35)	(\$24.70)	(\$34.95)	(\$28.64)	(\$41.49)	(\$51.74)
<b>Total</b>	<b>\$931.44</b>	<b>\$1,859.91</b>	<b>\$2,630.54</b>	<b>\$2,151.00</b>	<b>\$3,116.47</b>	<b>\$3,887.09</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$757.31	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$757.31	\$757.31
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,219.56	\$1,219.56	\$1,219.56
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$87.07	\$569.80	\$569.80
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,063.94	\$2,546.67	\$2,546.67
<b>2022 Non-Bargained Contribution Rate</b>	<b>\$931.44</b>	<b>\$1,859.91</b>	<b>\$2,630.54</b>	<b>\$87.06</b>	<b>\$569.80</b>	<b>\$1,340.42</b>

MOU Negotiated Pickup <sup>6</sup>	\$931.44	\$1,785.51	\$2,183.35			
<b>2022 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$74.40</b>	<b>\$447.19</b>			

<b>Final Member Contribution 2021</b>	<b>\$0.00</b>	<b>\$73.77</b>	<b>\$443.43</b>	<b>\$97.26</b>	<b>\$575.91</b>	<b>\$1,340.06</b>
<b>Difference—2022 versus 2021</b>	<b>\$0.00</b>	<b>\$0.63</b>	<b>\$3.76</b>	<b>(\$10.20)</b>	<b>(\$6.11)</b>	<b>\$0.36</b>

**NOTE—Footnotes 1 – 6 defined in Appendix**

## Monthly Rate / Contribution Change—2022 versus 2021

Early Retirees, and **93 / 93 / 83** Contribution Strategy for Employees

<i>PY = Plan Year</i>		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2021	\$56.06	\$111.90	\$384.31	\$35.82	\$450.56	\$1,112.70
	PY 2022	\$57.18	\$114.16	\$392.08	\$29.79	\$452.96	\$1,128.48
	\$ Difference	\$1.12	\$2.26	\$7.77	(\$6.03)	\$2.40	\$15.78
	% Difference	2.0%	2.0%	2.0%	-16.8%	0.5%	1.4%
Monthly Employer Contributions	PY 2021	\$744.77	\$1,486.65	\$1,876.36	\$1,812.29	\$2,227.04	\$2,227.04
	PY 2022	\$759.72	\$1,516.65	\$1,914.28	\$1,855.55	\$2,278.72	\$2,278.72
	\$ Difference	\$14.95	\$30.00	\$37.92	\$43.26	\$51.68	\$51.68
	% Difference	2.0%	2.0%	2.0%	2.4%	2.3%	2.3%
Monthly Total Rate	PY 2021	\$800.83	\$1,598.55	\$2,260.67	\$1,848.11	\$2,677.60	\$3,339.74
	PY 2022	\$816.90	\$1,630.81	\$2,306.36	\$1,885.34	\$2,731.68	\$3,407.20
	\$ Difference	\$16.07	\$32.26	\$45.69	\$37.23	\$54.08	\$67.46
	% Difference	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

## Monthly Rate / Contribution Change—2022 versus 2021

Early Retirees, and 100 / 96 / 83 Contribution Strategy for Employees

<i>PY = Plan Year</i>		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2021	\$0.00	\$63.94	\$384.31	\$35.82	\$450.56	\$1,112.70
	PY 2022	\$0.00	\$65.23	\$392.08	\$29.79	\$452.96	\$1,128.48
	\$ Difference	\$0.00	\$1.29	\$7.77	(\$6.03)	\$2.40	\$15.78
	% Difference	-	2.0%	2.0%	-16.8%	0.5%	1.4%
Monthly Employer Contributions	PY 2021	\$800.83	\$1,534.61	\$1,876.36	\$1,812.29	\$2,227.04	\$2,227.04
	PY 2022	\$816.90	\$1,565.58	\$1,914.28	\$1,855.55	\$2,278.72	\$2,278.72
	\$ Difference	\$16.07	\$30.97	\$37.92	\$43.26	\$51.68	\$51.68
	% Difference	2.0%	2.0%	2.0%	2.4%	2.3%	2.3%
Monthly Total Rate	PY 2021	\$800.83	\$1,598.55	\$2,260.67	\$1,848.11	\$2,677.60	\$3,339.74
	PY 2022	\$816.90	\$1,630.81	\$2,306.36	\$1,885.34	\$2,731.68	\$3,407.20
	\$ Difference	\$16.07	\$32.26	\$45.69	\$37.23	\$54.08	\$67.46
	% Difference	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

## Proposed Monthly 2022 Rate Card

93 / 93 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$822.30	\$1,644.59	\$2,327.11	\$1,907.03	\$2,762.25	\$3,444.74
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	(\$12.35)	(\$24.70)	(\$34.95)	(\$28.64)	(\$41.49)	(\$51.74)
<b>Total</b>	<b>\$816.90</b>	<b>\$1,630.81</b>	<b>\$2,306.36</b>	<b>\$1,885.34</b>	<b>\$2,731.68</b>	<b>\$3,407.20</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$757.31	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$757.31	\$757.31
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,068.44	\$1,068.44	\$1,068.44
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$29.80	\$452.97	\$452.97
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,855.55	\$2,278.72	\$2,278.72
<b>2022 Non-Bargained Contribution Rate</b>	<b>\$816.90</b>	<b>\$1,630.81</b>	<b>\$2,306.36</b>	<b>\$29.79</b>	<b>\$452.96</b>	<b>\$1,128.48</b>

MOU Negotiated Pickup <sup>6</sup>	\$759.72	\$1,516.65	\$1,914.28			
<b>2022 Typical Bargained Member Contribution</b>	<b>\$57.18</b>	<b>\$114.16</b>	<b>\$392.08</b>			

<b>Final Member Contribution 2021</b>	<b>\$56.06</b>	<b>\$111.90</b>	<b>\$384.31</b>	<b>\$35.82</b>	<b>\$450.56</b>	<b>\$1,112.70</b>
<b>Difference—2022 versus 2021</b>	<b>\$1.12</b>	<b>\$2.26</b>	<b>\$7.77</b>	<b>(\$6.03)</b>	<b>\$2.40</b>	<b>\$15.78</b>

**NOTE—Footnotes 1 – 6 defined in Appendix**

## Proposed Monthly 2022 Rate Card

### 100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$822.30	\$1,644.59	\$2,327.11	\$1,907.03	\$2,762.25	\$3,444.74
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	(\$12.35)	(\$24.70)	(\$34.95)	(\$28.64)	(\$41.49)	(\$51.74)
<b>Total</b>	<b>\$816.90</b>	<b>\$1,630.81</b>	<b>\$2,306.36</b>	<b>\$1,885.34</b>	<b>\$2,731.68</b>	<b>\$3,407.20</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$757.31	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$757.31	\$757.31
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,068.44	\$1,068.44	\$1,068.44
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$29.80	\$452.97	\$452.97
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,855.55	\$2,278.72	\$2,278.72
<b>2022 Non-Bargained Contribution Rate</b>	<b>\$816.90</b>	<b>\$1,630.81</b>	<b>\$2,306.36</b>	<b>\$29.79</b>	<b>\$452.96</b>	<b>\$1,128.48</b>

MOU Negotiated Pickup <sup>6</sup>	\$816.90	\$1,565.58	\$1,914.28			
<b>2022 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$65.23</b>	<b>\$392.08</b>			

<b>Final Member Contribution 2021</b>	<b>\$0.00</b>	<b>\$63.94</b>	<b>\$384.31</b>	<b>\$35.82</b>	<b>\$450.56</b>	<b>\$1,112.70</b>
<b>Difference—2022 versus 2021</b>	<b>\$0.00</b>	<b>\$1.29</b>	<b>\$7.77</b>	<b>(\$6.03)</b>	<b>\$2.40</b>	<b>\$15.78</b>

**NOTE—Footnotes 1 – 6 defined in Appendix**

# Recommendations for HSB Action

# Recommendations for HSB Action

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**Staff recommends that the Health Service Board (HSB) approve:**

- 1) The BSC Access+ plan renewal proposal for a 0.8% rate increase from 2021 to 2022;
- 2) The BSC Trio plan renewal proposal for a 2.0% rate increase from 2021 to 2022; and
- 3) The resulting 2022 monthly rate cards presented in this material for the BSC Access+ and Trio HMO plans.

# Appendix—Additional Information

## BSC Rate Card Footnotes

- 1) **Expense:** SFHSS Healthcare Sustainability Fund charge.
- 2) **"10-County" Employer 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 California, not including San Francisco. The monthly amount for 2022 rating is \$757.31 (per March 2021 HSB action).
- 3) **"Single Retiree Offset":** Per Charter Section A8.428; for Early Retirees, this is equal to the 10-County Amount.
- 4) **Retiree "Actuarial Difference":** Per Charter Section A8.428, employer contributes the difference between a single active Employee and a single non-Medicare Retiree cost of premium. Calculated for non-Medicare retiree only.
- 5) **Prop. E Employer Contribution (passed in November 2000 Election):** Per Charter A8.428, the Prop. E employer contribution for Retiree (R) and R+1 =  $50\% \times [\text{Total Rate Cost} - 10 \text{ County} - \text{Actuarial Difference}]$ .
- 6) **Currently, the two most common employer contribution formulas** in MOU agreements follow are 93% Single / 93% E+1 / 83% E+2+ and 100% Single / 96% E+1 / 83% E+2+.

## Glossary of Terms

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- **ACA PCORI Fee:** The Affordable Care Act's Patient Centered Outcomes Research Institute fee that was extended beyond its original 2019 expiration to the year 2029 as part of the federal SECURE Act signed into law in December 2019.
- **Capitation:** Fixed per member cost that SFHSS pays to BSC for certain services, generally including services rendered in a provider's office and outpatient facility visits that do not result in a hospital admission.
- **Large Claim Pooling:** Insurance protection against catastrophic or unpredictable losses. Claims beyond the large claim pooling amount per individual in a year are transferred to the insurer, in consideration for a large claim pooling fee paid to the insurer.
- **Risk Corridor:** the percentage of expected claims, beyond those expected claims, which the employer is responsible to fund before the insurer covers the remaining claims that exceed the risk corridor percentage (this is set at 125% of expected claims for both Access+ and Trio in 2022).

## Glossary of Terms

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- **Rate Stabilization Reserve:** HSB policy establishes use of a stabilization reserve to spread any underwriting gains or losses into the following year's premium calculation in a consistent manner to reduce volatility from year-over-year changes in premium. The underwriting gains or losses are added or subtracted from the premium amounts to adjust for previous losses or gains. Per HSB policy, each year's loss or gain is spread over the next three years.
- **Ten (10)-County Average Survey:** Per Charter Section A8.423, the employer contribution must equal the average of the employer contribution to health premiums of the ten most populous counties in California, not including San Francisco.

Monthly 2021 Rate Card

93 / 93 / 83 Contribution  
(Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$923.22	\$1,846.44	\$2,612.73	\$2,141.09	\$3,101.28	\$3,867.56
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	-\$6.46	-\$13.05	-\$18.50	-\$14.95	-\$21.81	-\$27.22
<b>Total</b>	<b>\$923.71</b>	<b>\$1,844.31</b>	<b>\$2,608.43</b>	<b>\$2,133.09</b>	<b>\$3,090.39</b>	<b>\$3,854.54</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$729.19	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$729.19	\$729.19
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,209.38	\$1,209.38	\$1,209.38
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$97.26	\$575.91	\$575.91
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,035.83	\$2,514.48	\$2,514.48
<b>2021 Non-Bargained Contribution Rate</b>	<b>\$923.71</b>	<b>\$1,844.31</b>	<b>\$2,608.43</b>	<b>\$97.26</b>	<b>\$575.91</b>	<b>\$1,340.06</b>

MOU Negotiated Pickup <sup>6</sup>	\$859.05	\$1,715.21	\$2,165.00			
<b>2021 Typical Bargained Member Contribution</b>	<b>\$64.66</b>	<b>\$129.10</b>	<b>\$443.43</b>			

<b>Final Member Contribution 2020</b>	<b>\$62.43</b>	<b>\$124.67</b>	<b>\$428.21</b>	<b>\$92.98</b>	<b>\$555.24</b>	<b>\$1,293.21</b>
<b>Difference—2021 versus 2020</b>	<b>\$2.23</b>	<b>\$4.43</b>	<b>\$15.22</b>	<b>\$4.28</b>	<b>\$20.67</b>	<b>\$46.85</b>

NOTE—Footnotes 1 – 6 defined in Appendix

Monthly 2021 Rate Card

100 / 96 / 83 Contribution  
(Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$923.22	\$1,846.44	\$2,612.73	\$2,141.09	\$3,101.28	\$3,867.56
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	-\$6.46	-\$13.05	-\$18.50	-\$14.95	-\$21.81	-\$27.22
<b>Total</b>	<b>\$923.71</b>	<b>\$1,844.31</b>	<b>\$2,608.43</b>	<b>\$2,133.09</b>	<b>\$3,090.39</b>	<b>\$3,854.54</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$729.19	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$729.19	\$729.19
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,209.38	\$1,209.38	\$1,209.38
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$97.26	\$575.91	\$575.91
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,035.83	\$2,514.48	\$2,514.48
<b>2021 Non-Bargained Contribution Rate</b>	<b>\$923.71</b>	<b>\$1,844.31</b>	<b>\$2,608.43</b>	<b>\$97.26</b>	<b>\$575.91</b>	<b>\$1,340.06</b>

MOU Negotiated Pickup <sup>6</sup>	\$923.71	\$1,770.54	\$2,165.00			
<b>2021 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$73.77</b>	<b>\$443.43</b>			

<b>Final Member Contribution 2020</b>	<b>\$0.00</b>	<b>\$71.24</b>	<b>\$428.21</b>	<b>\$92.98</b>	<b>\$555.24</b>	<b>\$1,293.21</b>
<b>Difference—2021 versus 2020</b>	<b>\$0.00</b>	<b>\$2.53</b>	<b>\$15.22</b>	<b>\$4.28</b>	<b>\$20.67</b>	<b>\$46.85</b>

NOTE—Footnotes 1 – 6 defined in Appendix

Monthly 2021 Rate Card

93 / 93 / 83 Contribution  
(Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$800.34	\$1,600.68	\$2,264.97	\$1,856.11	\$2,688.49	\$3,352.76
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	-\$6.46	-\$13.05	-\$18.50	-\$14.95	-\$21.81	-\$27.22
<b>Total</b>	<b>\$800.83</b>	<b>\$1,598.55</b>	<b>\$2,260.67</b>	<b>\$1,848.11</b>	<b>\$2,677.60</b>	<b>\$3,339.74</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$729.19	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$729.19	\$729.19
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,047.28	\$1,047.28	\$1,047.28
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$35.82	\$450.57	\$450.57
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,812.29	\$2,227.04	\$2,227.04
<b>2021 Non-Bargained Contribution Rate</b>	<b>\$800.83</b>	<b>\$1,598.55</b>	<b>\$2,260.67</b>	<b>\$35.82</b>	<b>\$450.56</b>	<b>\$1,112.70</b>

MOU Negotiated Pickup <sup>6</sup>	\$744.77	\$1,486.65	\$1,876.36			
<b>2021 Typical Bargained Member Contribution</b>	<b>\$56.06</b>	<b>\$111.90</b>	<b>\$384.31</b>			

<b>Final Member Contribution 2020</b>	<b>\$52.76</b>	<b>\$105.32</b>	<b>\$361.71</b>	<b>\$23.87</b>	<b>\$414.25</b>	<b>\$1,037.48</b>
<b>Difference—2021 versus 2020</b>	<b>\$3.30</b>	<b>\$6.58</b>	<b>\$22.60</b>	<b>\$11.95</b>	<b>\$36.31</b>	<b>\$75.22</b>

NOTE—Footnotes 1 – 6 defined in Appendix

## Monthly 2021 Rate Card

### 100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$800.34	\$1,600.68	\$2,264.97	\$1,856.11	\$2,688.49	\$3,352.76
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	-\$6.46	-\$13.05	-\$18.50	-\$14.95	-\$21.81	-\$27.22
<b>Total</b>	<b>\$800.83</b>	<b>\$1,598.55</b>	<b>\$2,260.67</b>	<b>\$1,848.11</b>	<b>\$2,677.60</b>	<b>\$3,339.74</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$729.19	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$729.19	\$729.19
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,047.28	\$1,047.28	\$1,047.28
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$35.82	\$450.57	\$450.57
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,812.29	\$2,227.04	\$2,227.04
<b>2021 Non-Bargained Contribution Rate</b>	<b>\$800.83</b>	<b>\$1,598.55</b>	<b>\$2,260.67</b>	<b>\$35.82</b>	<b>\$450.56</b>	<b>\$1,112.70</b>

MOU Negotiated Pickup <sup>6</sup>	\$800.83	\$1,534.61	\$1,876.36			
<b>2021 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$63.94</b>	<b>\$384.31</b>			

<b>Final Member Contribution 2020</b>	<b>\$0.00</b>	<b>\$60.18</b>	<b>\$361.71</b>	<b>\$23.87</b>	<b>\$414.25</b>	<b>\$1,037.48</b>
<b>Difference—2021 versus 2020</b>	<b>\$0.00</b>	<b>\$3.76</b>	<b>\$22.60</b>	<b>\$11.95</b>	<b>\$36.31</b>	<b>\$75.22</b>

**NOTE—Footnotes 1 – 6 defined in Appendix**