

San Francisco Health Service System Health Service Board

Rates & Benefits

Health Plan 2021 Renewal Summary
Active Employees and Early Retirees

May 14, 2020

Prepared by:
Health Solutions



Non-Medicare Medical Plan 2021 Renewal Summary

- This material summarizes what we are about to present for Health Service Board (HSB) approval today—as well as an overview of member contribution comparisons among health plans offered to active employees and early retirees by the San Francisco Health Service System (SFHSS).
- This cycle’s renewal efforts into the 2021 plan year have focused on understanding how plan costs in 2019 are impacting 2021 rating actions, as well as seeking opportunities to enhance member support from SFHSS health plan partners.
- Below is a high-level summary of total rate cost increases that we will present today:

Non-Medicare Health Plan	Before Rate Stabilization Adjustment	After Rate Stabilization Adjustment
BSC Access+	4.4%	3.6%
BSC Trio	7.1%	6.3%
Kaiser ^[1]	5.8%	(does not apply)
UHC City Plan and City Plan—C.N.A. PPO	7.5%	9.0%

[1] For Kaiser, the calculated increase shown above incorporates a 0.9% offset due to permanent elimination of the federal Affordable Care Act health insurer tax into the 2021 plan year (the increase would be 6.7% otherwise).

Non-Medicare Medical Plan 2021 Renewal Summary

2021 Proposed Rate Actions—Commentary by Plan

- **BSC Plans (+3.6% Access+ / +6.3% Trio)**—After lower rate increases into 2020 (+2% overall), the 2021 increases are below cost trend expectations for Access+ and consistent with cost trend expectations for Trio.
- **Kaiser (+5.8%)**—After a 5.9% rate increase for 2020 which included 1% for the 2020 return of the ACA health insurer tax, the underlying 6.7% rate increase is slightly higher than national trend expectations due to increases in member plan utilization experienced in 2019—but the final increase is helped by a 0.9% reduction to the otherwise calculated rate increase for the permanent elimination of the ACA health insurer tax into 2021.
 - In today’s Kaiser presentation, we will present an alternative design renewal for HSB consideration—changing two elements of the Kaiser plan design to match copayment levels now in the BSC HMO plans (inpatient hospital and outpatient surgery copayments). This alternative results in a 5.6% rate increase for 2021, or overall projected premium savings of \$699,000.
- **UHC PPO (+9.0%)**—The increase reflects underlying typical trend claim increases from 2018 to 2019, adjustment to reflect rating favorability for City Plan—Choice Not Available coming out of its first year of offering (2019), and an additional 1.5% for increase in stabilization buy-up in rates from 2020 to 2021.

Membership Distribution by Plan

- Below is the current distribution of active employees and early retirees by plan (based on the SFHSS 2020 Demographics Report presented to the HSB in February 2020).
 - Figures in parentheses: percentage distribution across plans by enrolled person type

Non-Medicare Health Plan	Active Employees	Early Retirees
BSC Access+	9,434 (22.7%)	1,215 (21.5%)
BSC Trio	5,453 (13.1%)	855 (15.2%)
Kaiser	25,686 (61.7%)	2,766 (49.1%)
UHC City Plan and City Plan—C.N.A. PPO	1,056 (2.5%)	801 (14.2%)
Total—Non-Medicare Plans	41,629 (100.0%)	5,637 (100.0%)

Projected Monthly Rates—2021 Plan Year

- This table shows 2021 projected total cost monthly rates for each plan (shown to the nearest dollar monthly—actual rates are to nearest cent), as well as employer and member contributions for two City and County of San Francisco active employee formulas and for early retirees receiving the full City Charter formula employer contributions.
 - Blue shading illustrates where same figures apply across multiple plans

	Active Employees (93 / 93 / 83)			Active Employees (100 / 96 / 83)			Early Retirees (Full ER Contribution)		
	EE Only	EE+1 Dep	EE+2+ Deps	EE Only	EE+1 Dep	EE+2+ Deps	RET Only	RET+1 Dep	RET+2+ Deps
Total Plan Rates									
UHC City Plan PPO	\$1,298	\$2,518	\$3,558	\$1,298	\$2,518	\$3,558	\$1,748	\$2,535	\$3,164
UHC CP-C.N.A.	\$924	\$1,844	\$2,608	\$924	\$1,844	\$2,608	\$1,748	\$2,535	\$3,164
BSC Access+	\$924	\$1,844	\$2,608	\$924	\$1,844	\$2,608	\$2,133	\$3,090	\$3,855
BSC Trio	\$801	\$1,599	\$2,261	\$801	\$1,599	\$2,261	\$1,848	\$2,678	\$3,340
Kaiser CA	\$682	\$1,362	\$1,926	\$682	\$1,362	\$1,926	\$1,370	\$2,050	\$2,614
Employer Contribution									
UHC City Plan PPO	\$859	\$1,715	\$2,165	\$1,298	\$1,771	\$2,165	\$1,463	\$1,857	\$1,857
UHC CP-C.N.A.	\$859	\$1,715	\$2,165	\$924	\$1,771	\$2,165	\$1,650	\$2,044	\$2,044
BSC Access+	\$859	\$1,715	\$2,165	\$924	\$1,771	\$2,165	\$2,036	\$2,514	\$2,514
BSC Trio	\$745	\$1,487	\$1,876	\$801	\$1,535	\$1,876	\$1,812	\$2,227	\$2,227
Kaiser CA	\$635	\$1,265	\$1,599	\$682	\$1,308	\$1,599	\$1,370	\$1,710	\$1,710
Member Contribution									
UHC City Plan PPO	\$439	\$803	\$1,393	\$0	\$747	\$1,393	\$285	\$678	\$1,307
UHC CP-C.N.A.	\$65	\$129	\$443	\$0	\$74	\$443	\$97	\$491	\$1,120
BSC Access+	\$65	\$129	\$443	\$0	\$74	\$443	\$97	\$576	\$1,340
BSC Trio	\$56	\$112	\$384	\$0	\$64	\$384	\$36	\$451	\$1,113
Kaiser CA	\$48	\$95	\$327	\$0	\$54	\$327	\$0	\$340	\$904

NOTES: CP-C.N.A. = City Plan—Choice Not Available; Kaiser rates/contributions above are for “status quo” design