

# San Francisco Health Service System Health Service Board

## Rates & Benefits

UnitedHealthcare City Plan PPO 2021 Rates and Premium  
Contributions—Active Employees and Early Retirees

May 14, 2020

Prepared by:  
Health Solutions



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# UHC City Plan PPO 2021 Plan Rating—Recommendation

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

- 1) The UHC City Plan PPO and City Plan—Choice Not Available renewal proposal; and
- 2) 2021 monthly rate cards presented in this material

**The resulting aggregate overall rate increase for the combination of UHC PPO “City Plan” and “City Plan—Choice Not Available” including stabilization adjustment for 2021 is 9%.**

# UHC City Plan PPO 2021 Plan Rating—Recommendation

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- Commentary regarding the rating and design change proposals for 2021 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).

# UHC PPO “City Plan” Renewal Summary

# UHC PPO 2021 Plan Rating—Renewal Summary

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- Recommended rate increases for the UHC PPO are based on 2019 claim experience trended to 2021, previously approved UHC 2021 administrative fees (from March 2020 HSB meeting), and previously approved changes in rate stabilization amortization applied in rates between 2020 and 2021 (from February 2020 HSB meeting).
- This report also includes the impact from the design change proposal that is reviewed in this presentation.
- The 2021 UHC PPO plan rate cards rates include all of the following cost components:
  - Projected 2021 medical and pharmacy (net of rebates) claim costs;
  - UHC 2021 fees (administrative and shared savings programs);
  - Buy-up for rate stabilization deficit amortization (\$744,000 buy-up in 2021, versus \$117,000 buy-up in 2020);
  - VSP Basic Plan vision premiums; and
  - The SFHSS Healthcare Sustainability Fund charge (\$3.00 per employee / retiree per month, unchanged from 2020).

# UHC PPO 2021 Plan Rating—Renewal Summary

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## Commentary on Rate Increase Recommendations

- Overall plan experience for 2019 in the UHC PPO was similar to national trend expectations—approximately 5% increase on a per employee / retiree per month (PEPM) basis over 2018 claim experience.
- UHC plan claim forecasts are based on 2019 claims trended to 2021, using Aon’s annual trend factors of 5.5% for medical and 6.0% for prescription drugs.
- The difference in application of rate stabilization reserve amortization in 2020 rating (\$117,000 buy-up) and 2021 rating (\$744,000 buy-up) adds about 1.5% to the overall rate increase.
- Rating now also incorporates an overall average of rate weighting for the UHC PPO plan segmented between “City Plan” and “City Plan—Choice Not Available”, given the first year of “City Plan—Choice Not Available” experience is available in the data baseline for plan year 2019 (first year offered).

# UHC PPO 2021 Plan Rating—Renewal Summary

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## Commentary on Rate Increase Recommendations (Continued)

- Early retiree UHC PPO rating incorporates the third and final year of a three-year family rate ratio adjustment approved in May 2018 by the HSB, to achieve rate tier ratio alignment for UHC PPO early retiree families by 2021 to ratios for the BSC plans.
- In total, the aggregate rate increase projection for combination of City Plan and City Plan—Choice Not Available is a 9% increase for 2021 on a status quo design basis.
  - For active employees, this segments into approximately 10% increase for City Plan rates and 3.6% increase for City Plan—Choice Not Available rates (which matches the proposed BSC Access+ rate increase).



# UHC PPO 2021 Plan Rating—Renewal Summary

## City Plan—Choice Not Available

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### Refresher—Criteria for Availability and Rate Determination

- Participants are assigned to **City Plan—Choice Not Available** as a plan they enroll in when they live in a zip code where the following occurs:
  - City Plan is the only plan choice available;
  - City Plan and Kaiser Permanente are available plan choices, but not Blue Shield of California Access+; or
  - City Plan and Blue Shield of California Access+ are available plan choices, but not Kaiser Permanente.

# UHC PPO 2021 Plan Rating—Renewal Summary

## City Plan—Choice Not Available

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### Refresher—Criteria for Availability and Rate Determination

- Rate determination for **City Plan—Choice Not Available**:
  - **Active Employees**—Same premium rates (including all rate card elements) and contributions as Blue Shield of California Access+ plan.
  - **Early Retirees**—Same premium rates (including all rate card elements) as City Plan—leads to higher contributions (and lower retiree contributions) relative to City Plan.
- This approach provides contribution relief primarily to active employees in the Hetch Hetchy / Moccasin areas, and early retirees living outside of the Bay Area / Northern California.

# 2021 UHC Monthly Rate Cards

# 2021 UHC Monthly Rate Cards

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- UHC plan 2021 rate cards are presented on the following pages for these population segments:
  - City Plan active employees and early retirees—including two employer contribution models for active employees (93 / 93 / 83 and 100 / 96 / 83).
  - City Plan—Choice Not Available 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 2020 to 2021 are included in the tables that follow.
  - The monthly employer contribution increase for active employees paying member contributions is +3.6%, matching the employer contribution increase for the second highest cost plan offered overall (BSC Access+).
  - Early retiree family tier rates incorporate the final year of the three-year migration of City Plan retiree rate ratios to the Retiree Only tier to match the ratios in 2021 of those for the BSC plans.

# UHC PPO—City Plan

## Rate / Contribution Change—2021 versus 2020

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 2020	\$355.66	\$638.70	\$1,141.53	\$239.59	\$684.20	\$1,369.33
	PY 2021	\$439.37	\$802.67	\$1,392.63	\$284.61	\$678.28	\$1,306.86
	\$ Difference	+\$83.71	+\$163.97	+\$251.10	+\$45.02	-\$5.92	-\$62.47
	% Difference	+23.5%	+25.7%	+22.0%	+18.8%	-0.9%	-4.6%
Monthly Employer Contributions	PY 2020	\$829.45	\$1,656.31	\$2,090.68	\$1,271.25	\$1,715.85	\$1,715.85
	PY 2021	\$859.05	\$1,715.21	\$2,165.00	\$1,463.11	\$1,856.77	\$1,856.77
	\$ Difference	+\$29.60	+\$58.90	+\$74.32	+\$191.86	+\$140.92	+\$140.92
	% Difference	+3.6%	+3.6%	+3.6%	+15.1%	+8.2%	+8.2%
Monthly Total Rate	PY 2020	\$1,185.11	\$2,295.01	\$3,232.21	\$1,510.84	\$2,400.05	\$3,085.18
	PY 2021	\$1,298.42	\$2,517.88	\$3,557.63	\$1,747.72	\$2,535.05	\$3,163.63
	\$ Difference	+\$113.31	+\$222.87	+\$325.42	+\$236.88	+\$135.00	+\$78.45
	% Difference	+9.6%	+9.7%	+10.1%	+15.7%	+5.6%	+2.5%

# UHC PPO—City Plan

## Rate / Contribution Change—2021 versus 2020

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+
<b>Monthly Employee / Retiree Contributions</b>	<b>PY 2020</b>	<b>\$0.00</b>	<b>\$585.27</b>	<b>\$1,141.53</b>	<b>\$239.59</b>	<b>\$684.20</b>	<b>\$1,369.33</b>
	<b>PY 2021</b>	<b>\$0.00</b>	<b>\$747.34</b>	<b>\$1,392.63</b>	<b>\$284.61</b>	<b>\$678.28</b>	<b>\$1,306.86</b>
	<i>\$ Difference</i>	<i>+\$0.00</i>	<i>+\$162.07</i>	<i>+\$251.10</i>	<i>+\$45.02</i>	<i>-\$5.92</i>	<i>-\$62.47</i>
	<i>% Difference</i>	<i>-</i>	<i>+27.7%</i>	<i>+22.0%</i>	<i>+18.8%</i>	<i>-0.9%</i>	<i>-4.6%</i>
<b>Monthly Employer Contributions</b>	<b>PY 2020</b>	<b>\$1,185.11</b>	<b>\$1,709.74</b>	<b>\$2,090.68</b>	<b>\$1,271.25</b>	<b>\$1,715.85</b>	<b>\$1,715.85</b>
	<b>PY 2021</b>	<b>\$1,298.42</b>	<b>\$1,770.54</b>	<b>\$2,165.00</b>	<b>\$1,463.11</b>	<b>\$1,856.77</b>	<b>\$1,856.77</b>
	<i>\$ Difference</i>	<i>+\$113.31</i>	<i>+\$60.80</i>	<i>+\$74.32</i>	<i>+\$191.86</i>	<i>+\$140.92</i>	<i>+\$140.92</i>
	<i>% Difference</i>	<i>+9.6%</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+15.1%</i>	<i>+8.2%</i>	<i>+8.2%</i>
<b>Monthly Total Rate</b>	<b>PY 2020</b>	<b>\$1,185.11</b>	<b>\$2,295.01</b>	<b>\$3,232.21</b>	<b>\$1,510.84</b>	<b>\$2,400.05</b>	<b>\$3,085.18</b>
	<b>PY 2021</b>	<b>\$1,298.42</b>	<b>\$2,517.88</b>	<b>\$3,557.63</b>	<b>\$1,747.72</b>	<b>\$2,535.05</b>	<b>\$3,163.63</b>
	<i>\$ Difference</i>	<i>+\$113.31</i>	<i>+\$222.87</i>	<i>+\$325.42</i>	<i>+\$236.88</i>	<i>+\$135.00</i>	<i>+\$78.45</i>
	<i>% Difference</i>	<i>+9.6%</i>	<i>+9.7%</i>	<i>+10.1%</i>	<i>+15.7%</i>	<i>+5.6%</i>	<i>+2.5%</i>

# UHC PPO—City Plan

## Proposed 2021 Monthly 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	\$1,008.22	\$2,016.44	\$2,944.85	\$1,297.75	\$1,908.37	\$2,395.79
Pharmacy	\$187.14	\$374.28	\$465.17	\$339.49	\$499.23	\$626.74
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$77.68	\$77.68	\$77.68	\$77.68	\$77.68	\$77.68
Claims Stabilization Amount / Self-Funded Policy	\$21.43	\$41.56	\$58.73	\$28.85	\$41.85	\$52.22
<b>Total</b>	<b>\$1,298.42</b>	<b>\$2,517.88</b>	<b>\$3,557.63</b>	<b>\$1,747.72</b>	<b>\$2,535.05</b>	<b>\$3,163.63</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	\$449.30	\$449.30	\$449.30
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$284.62	\$678.28	\$678.28
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,463.11	\$1,856.77	\$1,856.77
<b>2021 Non-Bargained Contribution Rate</b>	<b>\$1,298.42</b>	<b>\$2,517.88</b>	<b>\$3,557.63</b>	<b>\$284.61</b>	<b>\$678.28</b>	<b>\$1,306.86</b>

MOU Negotiated Pickup <sup>6</sup>	\$859.05	\$1,715.21	\$2,165.00			
<b>2021 Typical Bargained Member Contribution</b>	<b>\$439.37</b>	<b>\$802.67</b>	<b>\$1,392.63</b>			

<b>Final Member Contribution 2020</b>	<b>\$355.66</b>	<b>\$638.70</b>	<b>\$1,141.53</b>	<b>\$239.59</b>	<b>\$684.20</b>	<b>\$1,369.33</b>
<b>Difference—2021 versus 2020</b>	<b>\$83.71</b>	<b>\$163.97</b>	<b>\$251.10</b>	<b>\$45.02</b>	<b>-\$5.92</b>	<b>-\$62.47</b>

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

# UHC PPO—City Plan

## Proposed 2021 Monthly 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	\$1,008.22	\$2,016.44	\$2,944.85	\$1,297.75	\$1,908.37	\$2,395.79
Pharmacy	\$187.14	\$374.28	\$465.17	\$339.49	\$499.23	\$626.74
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$77.68	\$77.68	\$77.68	\$77.68	\$77.68	\$77.68
Claims Stabilization Amount / Self-Funded Policy	\$21.43	\$41.56	\$58.73	\$28.85	\$41.85	\$52.22
<b>Total</b>	<b>\$1,298.42</b>	<b>\$2,517.88</b>	<b>\$3,557.63</b>	<b>\$1,747.72</b>	<b>\$2,535.05</b>	<b>\$3,163.63</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	\$449.30	\$449.30	\$449.30
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$284.62	\$678.28	\$678.28
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,463.11	\$1,856.77	\$1,856.77
<b>2021 Non-Bargained Contribution Rate</b>	<b>\$1,298.42</b>	<b>\$2,517.88</b>	<b>\$3,557.63</b>	<b>\$284.61</b>	<b>\$678.28</b>	<b>\$1,306.86</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,298.42	\$1,770.54	\$2,165.00			
<b>2021 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$747.34</b>	<b>\$1,392.63</b>			

<b>Final Member Contribution 2020</b>	<b>\$0.00</b>	<b>\$585.27</b>	<b>\$1,141.53</b>	<b>\$239.59</b>	<b>\$684.20</b>	<b>\$1,369.33</b>
<b>Difference—2021 versus 2020</b>	<b>\$0.00</b>	<b>\$162.07</b>	<b>\$251.10</b>	<b>\$45.02</b>	<b>-\$5.92</b>	<b>-\$62.47</b>

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



# UHC PPO—City Plan—Choice Not Available

## Rate / Contribution Change—2021 versus 2020

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+
<b>Monthly Employee / Retiree Contributions</b>	<b>PY 2020</b>	<b>\$62.43</b>	<b>\$124.67</b>	<b>\$428.21</b>	<b>\$92.98</b>	<b>\$537.58</b>	<b>\$1,222.71</b>
	<b>PY 2021</b>	<b>\$64.66</b>	<b>\$129.10</b>	<b>\$443.43</b>	<b>\$97.26</b>	<b>\$490.92</b>	<b>\$1,119.50</b>
	<i>\$ Difference</i>	<i>+\$2.23</i>	<i>+\$4.43</i>	<i>+\$15.22</i>	<i>+\$4.28</i>	<i>-\$46.66</i>	<i>-\$103.21</i>
	<i>% Difference</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+4.6%</i>	<i>-8.7%</i>	<i>-8.4%</i>
<b>Monthly Employer Contributions</b>	<b>PY 2020</b>	<b>\$829.45</b>	<b>\$1,656.31</b>	<b>\$2,090.68</b>	<b>\$1,417.86</b>	<b>\$1,862.47</b>	<b>\$1,862.47</b>
	<b>PY 2021</b>	<b>\$859.05</b>	<b>\$1,715.21</b>	<b>\$2,165.00</b>	<b>\$1,650.46</b>	<b>\$2,044.13</b>	<b>\$2,044.13</b>
	<i>\$ Difference</i>	<i>+\$29.60</i>	<i>+\$58.90</i>	<i>+\$74.32</i>	<i>+\$232.60</i>	<i>+\$181.66</i>	<i>+\$181.66</i>
	<i>% Difference</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+16.4%</i>	<i>+9.8%</i>	<i>+9.8%</i>
<b>Monthly Total Rate</b>	<b>PY 2020</b>	<b>\$891.88</b>	<b>\$1,780.98</b>	<b>\$2,518.89</b>	<b>\$1,510.84</b>	<b>\$2,400.05</b>	<b>\$3,085.18</b>
	<b>PY 2021</b>	<b>\$923.71</b>	<b>\$1,844.31</b>	<b>\$2,608.43</b>	<b>\$1,747.72</b>	<b>\$2,535.05</b>	<b>\$3,163.63</b>
	<i>\$ Difference</i>	<i>+\$31.83</i>	<i>+\$63.33</i>	<i>+\$89.54</i>	<i>+\$236.88</i>	<i>+\$135.00</i>	<i>+\$78.45</i>
	<i>% Difference</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+15.7%</i>	<i>+5.6%</i>	<i>+2.5%</i>

# UHC PPO—City Plan—Choice Not Available

## Rate / Contribution Change—2021 versus 2020

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+
<b>Monthly Employee / Retiree Contributions</b>	<b>PY 2020</b>	<b>\$0.00</b>	<b>\$71.24</b>	<b>\$428.21</b>	<b>\$92.98</b>	<b>\$537.58</b>	<b>\$1,222.71</b>
	<b>PY 2021</b>	<b>\$0.00</b>	<b>\$73.77</b>	<b>\$443.43</b>	<b>\$97.26</b>	<b>\$490.92</b>	<b>\$1,119.50</b>
	<i>\$ Difference</i>	<i>+\$0.00</i>	<i>+\$2.53</i>	<i>+\$15.22</i>	<i>+\$4.28</i>	<i>-\$46.66</i>	<i>-\$103.21</i>
	<i>% Difference</i>	<i>-</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+4.6%</i>	<i>-8.7%</i>	<i>-8.4%</i>
<b>Monthly Employer Contributions</b>	<b>PY 2020</b>	<b>\$891.88</b>	<b>\$1,709.74</b>	<b>\$2,090.68</b>	<b>\$1,417.86</b>	<b>\$1,862.47</b>	<b>\$1,862.47</b>
	<b>PY 2021</b>	<b>\$923.71</b>	<b>\$1,770.54</b>	<b>\$2,165.00</b>	<b>\$1,650.46</b>	<b>\$2,044.13</b>	<b>\$2,044.13</b>
	<i>\$ Difference</i>	<i>+\$31.83</i>	<i>+\$60.80</i>	<i>+\$74.32</i>	<i>+\$232.60</i>	<i>+\$181.66</i>	<i>+\$181.66</i>
	<i>% Difference</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+16.4%</i>	<i>+9.8%</i>	<i>+9.8%</i>
<b>Monthly Total Rate</b>	<b>PY 2020</b>	<b>\$891.88</b>	<b>\$1,780.98</b>	<b>\$2,518.89</b>	<b>\$1,510.84</b>	<b>\$2,400.05</b>	<b>\$3,085.18</b>
	<b>PY 2021</b>	<b>\$923.71</b>	<b>\$1,844.31</b>	<b>\$2,608.43</b>	<b>\$1,747.72</b>	<b>\$2,535.05</b>	<b>\$3,163.63</b>
	<i>\$ Difference</i>	<i>+\$31.83</i>	<i>+\$63.33</i>	<i>+\$89.54</i>	<i>+\$236.88</i>	<i>+\$135.00</i>	<i>+\$78.45</i>
	<i>% Difference</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+3.6%</i>	<i>+15.7%</i>	<i>+5.6%</i>	<i>+2.5%</i>

# UHC PPO—City Plan—Choice Not Available

## Proposed 2021 Monthly 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	\$666.95	\$1,395.55	\$1,999.94	\$1,297.75	\$1,908.37	\$2,395.79
Pharmacy	\$153.70	\$321.60	\$460.88	\$339.49	\$499.23	\$626.74
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$77.68	\$77.68	\$77.68	\$77.68	\$77.68	\$77.68
Claims Stabilization Amount / Self-Funded Policy	\$21.43	\$41.56	\$58.73	\$28.85	\$41.85	\$52.22
<b>Total</b>	<b>\$923.71</b>	<b>\$1,844.31</b>	<b>\$2,608.43</b>	<b>\$1,747.72</b>	<b>\$2,535.05</b>	<b>\$3,163.63</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	\$824.01	\$824.01	\$824.01
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$97.26	\$490.93	\$490.93
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,650.46	\$2,044.13	\$2,044.13
<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>\$490.92</b>	<b>\$1,119.50</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>\$537.58</b>	<b>\$1,222.71</b>
<b>Difference—2021 versus 2020</b>	<b>\$2.23</b>	<b>\$4.43</b>	<b>\$15.22</b>	<b>\$4.28</b>	<b>-\$46.66</b>	<b>-\$103.21</b>

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

# UHC PPO—City Plan—Choice Not Available

## Proposed 2021 Monthly 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	\$666.95	\$1,395.55	\$1,999.94	\$1,297.75	\$1,908.37	\$2,395.79
Pharmacy	\$153.70	\$321.60	\$460.88	\$339.49	\$499.23	\$626.74
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$77.68	\$77.68	\$77.68	\$77.68	\$77.68	\$77.68
Claims Stabilization Amount / Self-Funded Policy	\$21.43	\$41.56	\$58.73	\$28.85	\$41.85	\$52.22
<b>Total</b>	<b>\$923.71</b>	<b>\$1,844.31</b>	<b>\$2,608.43</b>	<b>\$1,747.72</b>	<b>\$2,535.05</b>	<b>\$3,163.63</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	\$824.01	\$824.01	\$824.01
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$97.26	\$490.93	\$490.93
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,650.46	\$2,044.13	\$2,044.13
<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>\$490.92</b>	<b>\$1,119.50</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>\$537.58</b>	<b>\$1,222.71</b>
<b>Difference—2021 versus 2020</b>	<b>\$0.00</b>	<b>\$2.53</b>	<b>\$15.22</b>	<b>\$4.28</b>	<b>-\$46.66</b>	<b>-\$103.21</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 UHC City Plan PPO and City Plan—Choice Not Available renewal proposal as presented in this material (overall average 9% increase to City Plan and City Plan—Choice Not Available rates); and
- 2) The resulting 2021 monthly rate cards presented in this material.

# Appendix—Additional Information

## 2021 UHC PPO Plan Administrative Fees

The 2021 fees below on a per employee / retiree per month basis (PEPM) were approved by the HSB in the March 2020 meeting.

<b>Fee Component</b>	<b>2020 Monthly PEPM Fees</b>	<b>2021 Monthly PEPM Fees</b>	<b>Percentage Change</b>
Base ASO Fee (Most Members) <sup>1</sup>	\$45.72	\$46.63	+2.0%
Shared Savings Program Fee	\$17.65	\$15.34	-13.1%
Facility R&C Program Fee	\$7.78	\$12.14	+56.0%
Value-Based Contracting Payments	\$0.89	\$0.57	-36.0%
SFHSS Healthcare Sustainability Fund Charge	\$3.00	\$3.00	No Change
<b>Total PEPM Expense for UHC PPO</b>	<b>\$75.04</b>	<b>\$77.68</b>	<b>+3.5%</b>

<sup>1</sup> Base ASO Fee for Medicare eligible but not enrolled members in 2021 is \$34.45 PEPM



## UHC PPO Rate Card Footnotes

- 1) **Expense:** UHC administrative fees, UHC shared savings fees, and 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 2021 rating is \$729.19 (per March 2020 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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- **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.

# UHC PPO City Plan 2020 Monthly 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	\$909.27	\$1,818.56	\$2,655.83	\$1,098.21	\$1,777.27	\$2,300.32
Pharmacy	\$193.47	\$386.94	\$480.91	\$329.33	\$532.97	\$689.82
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04
Claims Stabilization Amount / Self-Funded Policy	\$3.38	\$6.55	\$9.23	\$4.31	\$6.85	\$8.80
<b>Total</b>	<b>\$1,185.11</b>	<b>\$2,295.01</b>	<b>\$3,232.21</b>	<b>\$1,510.84</b>	<b>\$2,400.05</b>	<b>\$3,085.18</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$325.73	\$325.73	\$325.73
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$239.60	\$684.20	\$684.20
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,271.25	\$1,715.85	\$1,715.85
<b>2020 Non-Bargained Contribution Rate</b>	<b>\$1,185.11</b>	<b>\$2,295.01</b>	<b>\$3,232.21</b>	<b>\$239.59</b>	<b>\$684.20</b>	<b>\$1,369.33</b>

MOU Negotiated Pickup <sup>6</sup>	\$829.45	\$1,656.31	\$2,090.68			
<b>2020 Typical Bargained Member Contribution</b>	<b>\$355.66</b>	<b>\$638.70</b>	<b>\$1,141.53</b>			

<b>Final Member Contribution 2019</b>	<b>\$265.78</b>	<b>\$465.41</b>	<b>\$885.49</b>	<b>\$202.61</b>	<b>\$707.41</b>	<b>\$1,470.21</b>
<b>Difference—2020 versus 2019</b>	<b>\$89.88</b>	<b>\$173.29</b>	<b>\$256.04</b>	<b>\$36.98</b>	<b>-\$23.21</b>	<b>-\$100.88</b>

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

# UHC PPO City Plan 2020 Monthly 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	\$909.27	\$1,818.56	\$2,655.83	\$1,098.21	\$1,777.27	\$2,300.32
Pharmacy	\$193.47	\$386.94	\$480.91	\$329.33	\$532.97	\$689.82
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04
Claims Stabilization Amount / Self-Funded Policy	\$3.38	\$6.55	\$9.23	\$4.31	\$6.85	\$8.80
<b>Total</b>	<b>\$1,185.11</b>	<b>\$2,295.01</b>	<b>\$3,232.21</b>	<b>\$1,510.84</b>	<b>\$2,400.05</b>	<b>\$3,085.18</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$325.73	\$325.73	\$325.73
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$239.60	\$684.20	\$684.20
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,271.25	\$1,715.85	\$1,715.85
<b>2020 Non-Bargained Contribution Rate</b>	<b>\$1,185.11</b>	<b>\$2,295.01</b>	<b>\$3,232.21</b>	<b>\$239.59</b>	<b>\$684.20</b>	<b>\$1,369.33</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,185.11	\$1,709.74	\$2,090.68			
<b>2020 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$585.27</b>	<b>\$1,141.53</b>			

<b>Final Member Contribution 2019</b>	<b>\$0.00</b>	<b>\$413.17</b>	<b>\$885.49</b>	<b>\$202.61</b>	<b>\$707.41</b>	<b>\$1,470.21</b>
<b>Difference—2020 versus 2019</b>	<b>\$0.00</b>	<b>\$172.10</b>	<b>\$256.04</b>	<b>\$36.98</b>	<b>-\$23.21</b>	<b>-\$100.88</b>

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

# UHC PPO City Plan—Choice Not Available

## 2020 Monthly 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	\$657.90	\$1,374.68	\$1,969.54	\$1,098.21	\$1,777.27	\$2,300.32
Pharmacy	\$151.61	\$316.79	\$453.88	\$329.33	\$532.97	\$689.82
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04
Claims Stabilization Amount / Self-Funded Policy	\$3.38	\$6.55	\$9.23	\$4.31	\$6.85	\$8.80
<b>Total</b>	<b>\$891.88</b>	<b>\$1,780.98</b>	<b>\$2,518.89</b>	<b>\$1,510.84</b>	<b>\$2,400.05</b>	<b>\$3,085.18</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$618.96	\$618.96	\$618.96
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$92.98	\$537.59	\$537.59
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,417.86	\$1,862.47	\$1,862.47
<b>2020 Non-Bargained Contribution Rate</b>	<b>\$891.88</b>	<b>\$1,780.98</b>	<b>\$2,518.89</b>	<b>\$92.98</b>	<b>\$537.58</b>	<b>\$1,222.71</b>

MOU Negotiated Pickup <sup>6</sup>	\$829.45	\$1,656.31	\$2,090.68			
<b>2020 Typical Bargained Member Contribution</b>	<b>\$62.43</b>	<b>\$124.67</b>	<b>\$428.21</b>			

<b>Final Member Contribution 2019</b>	<b>\$61.08</b>	<b>\$121.90</b>	<b>\$418.62</b>	<b>\$100.26</b>	<b>\$605.06</b>	<b>\$1,367.86</b>
<b>Difference—2020 versus 2019</b>	<b>\$1.35</b>	<b>\$2.77</b>	<b>\$9.59</b>	<b>-\$7.28</b>	<b>-\$67.48</b>	<b>-\$145.15</b>

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

# UHC PPO City Plan—Choice Not Available

## 2020 Monthly 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	\$657.90	\$1,374.68	\$1,969.54	\$1,098.21	\$1,777.27	\$2,300.32
Pharmacy	\$151.61	\$316.79	\$453.88	\$329.33	\$532.97	\$689.82
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04
Claims Stabilization Amount / Self-Funded Policy	\$3.38	\$6.55	\$9.23	\$4.31	\$6.85	\$8.80
<b>Total</b>	<b>\$891.88</b>	<b>\$1,780.98</b>	<b>\$2,518.89</b>	<b>\$1,510.84</b>	<b>\$2,400.05</b>	<b>\$3,085.18</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$618.96	\$618.96	\$618.96
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$92.98	\$537.59	\$537.59
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,417.86	\$1,862.47	\$1,862.47
<b>2020 Non-Bargained Contribution Rate</b>	<b>\$891.88</b>	<b>\$1,780.98</b>	<b>\$2,518.89</b>	<b>\$92.98</b>	<b>\$537.58</b>	<b>\$1,222.71</b>

MOU Negotiated Pickup <sup>6</sup>	\$891.88	\$1,709.74	\$2,090.68			
<b>2020 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$71.24</b>	<b>\$428.21</b>			

<b>Final Member Contribution 2019</b>	<b>\$0.00</b>	<b>\$69.66</b>	<b>\$418.62</b>	<b>\$100.26</b>	<b>\$605.06</b>	<b>\$1,367.86</b>
<b>Difference—2020 versus 2019</b>	<b>\$0.00</b>	<b>\$1.58</b>	<b>\$9.59</b>	<b>-\$7.28</b>	<b>-\$67.48</b>	<b>-\$145.15</b>

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