

San Francisco Health Service System Health Service Board

Rates & Benefits

Health Plan 2024 Rate Summary – Active Employee/
Early Retiree Health Plans

May 25, 2023

Health Plan 2024 Rate Summary

Active Employee/Early Retiree Health Plans

- This material summarizes what will be presented for Health Service Board (HSB) approval today (Health Net CanopyCare was approved at the May 11 HSB meeting) – 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 rating efforts into the 2024 plan year focused on understanding how plan costs in 2022 along with present-state health cost escalators are impacting 2024 rating actions.
- Below is a high-level summary of recommended total rate cost increases:

Non-Medicare Health Plan	Before Rate Stabilization Adjustment	After Rate Stabilization Adjustment ²
BSC Access+/UHC Select EPO	14.7%	14.4%
BSC Trio/UHC Doctors EPO	3.3%	2.9%
Health Net CanopyCare	5.5%	3.7%
Kaiser (same design as 2023; information only)	12.5%	Does not apply (insured plan)
Kaiser (match major BSC/HN HMO design features--recommended)	10.8%	Does not apply (insured plan)
Non-Medicare PPO ¹	6.9%	1.7%

¹ Total rate increase for active employees with Non-Medicare PPO Choice Not Available pricing will follow the total rate increase for BSC Access+/UHC Select EPO plan.

² In 2024, the “After Rate Stabilization Adjustment” column also reflects one-time buy-downs in the BSC Access+/UHC Select EPO, BSC Trio/UHC Doctors EPO, and Non-Medicare PPO plans attributable to the Sutter Legal Settlement buy-downs approved for 2024 plan rating at the April 13, 2023, HSB meeting.

Health Plan 2024 Rate Summary

Active Employee/Early Retiree Health Plans

2024 Proposed Rate Actions In Today's HSB Meeting – Commentary by Plan

- **BSC HMOs (which also include UHC EPOs available to Non-Medicare split family covered lives¹) (+14.4% BSC Access+ / +2.9% BSC Trio)** – substantial difference in 2022 cost experience between Access+ and Trio leads to differentiated renewal actions; the rate stabilization adjustment changed from buy-down (surplus) in 2023 rating to buy-up (deficit) in 2024 rating, but renewals are helped by one-time Sutter Legal Settlement buy-down in 2024 rating.
- **Kaiser (+12.5% for same design as 2023 / +10.8% for design changes to align major features with BSC/HN CC HMO plans)** – After a 3.9% rate increase for 2023, Kaiser's rate increase mostly reflects escalated cost trend factors discussed in the May 11 HSB discussion on healthcare cost trends—these include labor shortages, inflation and supply chain disruptions, increasing demand for care, increasing prescription drug costs, and provider challenges (approximate split of renewal influences: 4% experience, 8.5% expense escalation factors). Design changes are recommended to mitigate the Kaiser rate renewal increase for the 2024 plan year.

¹ The UHC Select Network EPO is the "Access+" broad network plan equivalent for Non-Medicare split family covered lives where one or more family member is Medicare and enrolled in the UHC MAPD plan; the UHC Doctors EPO is the "Trio" narrow network plan equivalent for Non-Medicare split family covered lives where one or more family member is Medicare and enrolled in the UHC MAPD plan

Health Plan 2024 Rate Summary

Active Employee/Early Retiree Health Plans (Continued)

2024 Proposed Rate Actions In Today's HSB Meeting – Commentary by Plan

- **Non-Medicare PPO (+1.7%)** – Experience from 2021 to 2022 would have led to an approximate 7% rate increase from 2023 to 2024, but the one-time Sutter Legal Settlement for the PPO plan in 2024 rating brings the recommended rate increase to 1.7%.

Membership Distribution by Plan

- Below is the current distribution of active employees and early retirees by plan (based on the SFHSS 2023 Demographics Report presented to the HSB in February 2023).
 - Figures in parentheses: percentage distribution across plans by enrolled person type

Non-Medicare Health Plan	Active Employees	Early Retirees
BSC Access+ / UHC Select	8,808 (22.4%)	1,134 (20.9%)
BSC Trio / UHC Doctors	4,434 (11.2%)	708 (13.1%)
Kaiser	24,644 (62.5%)	2,627 (48.5%)
Health Net CanopyCare	377 (1.0%)	47 (0.9%)
Non-Medicare PPO Plan (including Choice Not Available)	1,153 (2.9%)	901 (16.6%)
Total—Non-Medicare Plans	39,416 (100.0%)	5,417 (100.0%)

Projected Monthly Rates – 2024 Plan Year (If No Design Changes for Kaiser)

Shown to the nearest dollar monthly (actual rates are to nearest cent) – light grey shading illustrates where same figures apply across multiple plans. Kaiser rates are shown on a status quo design basis versus 2023.

	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									
Non-Medicare PPO	\$1,459	\$2,832	\$4,002	\$1,459	\$2,832	\$4,002	\$1,965	\$2,851	\$3,558
Non-Medicare PPO (CNA)	\$1,070	\$2,138	\$3,024	\$1,070	\$2,138	\$3,024	\$1,965	\$2,851	\$3,558
BSC Access+ / UHC Select	\$1,070	\$2,138	\$3,024	\$1,070	\$2,138	\$3,024	\$2,473	\$3,583	\$4,469
BSC Trio / UHC Doctors	\$885	\$1,766	\$2,498	\$885	\$1,766	\$2,498	\$2,042	\$2,959	\$3,691
Health Net CanopyCare	\$799	\$1,594	\$2,254	\$799	\$1,594	\$2,254	\$1,842	\$2,670	\$3,330
Kaiser (status quo design)	\$836	\$1,668	\$2,359	\$836	\$1,668	\$2,359	\$1,680	\$2,512	\$3,203
Employer Contribution									
Non-Medicare PPO	\$995	\$1,988	\$2,510	\$1,459	\$2,052	\$2,510	\$1,638	\$2,081	\$2,081
Non-Medicare PPO (CNA)	\$995	\$1,988	\$2,510	\$1,070	\$2,052	\$2,510	\$1,833	\$2,276	\$2,276
BSC Access+ / UHC Select	\$995	\$1,988	\$2,510	\$1,070	\$2,052	\$2,510	\$2,341	\$2,896	\$2,896
BSC Trio / UHC Doctors	\$823	\$1,643	\$2,074	\$885	\$1,696	\$2,074	\$2,003	\$2,461	\$2,461
Health Net CanopyCare	\$743	\$1,482	\$1,871	\$799	\$1,530	\$1,871	\$1,842	\$2,256	\$2,256
Kaiser (status quo design)	\$777	\$1,552	\$1,958	\$836	\$1,602	\$1,958	\$1,665	\$2,081	\$2,081
Member Contribution									
Non-Medicare PPO	\$464	\$844	\$1,492	\$0	\$779	\$1,492	\$327	\$770	\$1,477
Non-Medicare PPO (CNA)	\$75	\$150	\$514	\$0	\$86	\$514	\$132	\$575	\$1,282
BSC Access+ / UHC Select	\$75	\$150	\$514	\$0	\$86	\$514	\$132	\$687	\$1,573
BSC Trio / UHC Doctors	\$62	\$124	\$425	\$0	\$71	\$425	\$39	\$498	\$1,230
Health Net CanopyCare	\$56	\$112	\$383	\$0	\$64	\$383	\$0	\$414	\$1,074
Kaiser (status quo design)	\$59	\$117	\$401	\$0	\$67	\$401	\$15	\$431	\$1,122

NOTE: CNA = Choice Not Available

Projected Monthly Rates – 2024 Plan Year (With Recommended Design Changes for Kaiser)

Shown to the nearest dollar monthly (actual rates are to nearest cent) – light grey shading illustrates where same figures apply across multiple plans. Kaiser rates are shown based on recommended design changes.

	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									
Non-Medicare PPO	\$1,459	\$2,832	\$4,002	\$1,459	\$2,832	\$4,002	\$1,965	\$2,851	\$3,558
Non-Medicare PPO (CNA)	\$1,070	\$2,138	\$3,024	\$1,070	\$2,138	\$3,024	\$1,965	\$2,851	\$3,558
BSC Access+ / UHC Select	\$1,070	\$2,138	\$3,024	\$1,070	\$2,138	\$3,024	\$2,473	\$3,583	\$4,469
BSC Trio / UHC Doctors	\$885	\$1,766	\$2,498	\$885	\$1,766	\$2,498	\$2,042	\$2,959	\$3,691
Health Net CanopyCare	\$799	\$1,594	\$2,254	\$799	\$1,594	\$2,254	\$1,842	\$2,670	\$3,330
Kaiser (with design changes)	\$824	\$1,644	\$2,325	\$824	\$1,644	\$2,325	\$1,655	\$2,476	\$3,157
Employer Contribution									
Non-Medicare PPO	\$995	\$1,988	\$2,510	\$1,459	\$2,052	\$2,510	\$1,638	\$2,081	\$2,081
Non-Medicare PPO (CNA)	\$995	\$1,988	\$2,510	\$1,070	\$2,052	\$2,510	\$1,833	\$2,276	\$2,276
BSC Access+ / UHC Select	\$995	\$1,988	\$2,510	\$1,070	\$2,052	\$2,510	\$2,341	\$2,896	\$2,896
BSC Trio / UHC Doctors	\$823	\$1,643	\$2,074	\$885	\$1,696	\$2,074	\$2,003	\$2,461	\$2,461
Health Net CanopyCare	\$743	\$1,482	\$1,871	\$799	\$1,530	\$1,871	\$1,842	\$2,256	\$2,256
Kaiser (with design changes)	\$766	\$1,529	\$1,930	\$824	\$1,578	\$1,930	\$1,646	\$2,057	\$2,057
Member Contribution									
Non-Medicare PPO	\$464	\$844	\$1,492	\$0	\$779	\$1,492	\$327	\$770	\$1,477
Non-Medicare PPO (CNA)	\$75	\$150	\$514	\$0	\$86	\$514	\$132	\$575	\$1,282
BSC Access+ / UHC Select	\$75	\$150	\$514	\$0	\$86	\$514	\$132	\$687	\$1,573
BSC Trio / UHC Doctors	\$62	\$124	\$425	\$0	\$71	\$425	\$39	\$498	\$1,230
Health Net CanopyCare	\$56	\$112	\$383	\$0	\$64	\$383	\$0	\$414	\$1,074
Kaiser (with design changes)	\$58	\$115	\$395	\$0	\$66	\$395	\$9	\$419	\$1,100

NOTE: CNA = Choice Not Available

For Comparison – 2023 Plan Year Monthly Rates

Shown to the nearest dollar monthly (actual rates are to nearest cent) – light grey 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									
Non-Medicare PPO	\$1,435	\$2,785	\$3,935	\$1,435	\$2,785	\$3,935	\$1,933	\$2,804	\$3,499
Non-Medicare PPO (CNA)	\$936	\$1,869	\$2,643	\$936	\$1,869	\$2,643	\$1,933	\$2,804	\$3,499
BSC Access+ / UHC Select	\$936	\$1,869	\$2,643	\$936	\$1,869	\$2,643	\$2,161	\$3,131	\$3,905
BSC Trio / UHC Doctors	\$860	\$1,718	\$2,429	\$860	\$1,718	\$2,429	\$1,986	\$2,877	\$3,589
Health Net CanopyCare	\$770	\$1,538	\$2,174	\$770	\$1,538	\$2,174	\$1,777	\$2,575	\$3,212
Kaiser	\$744	\$1,484	\$2,099	\$744	\$1,484	\$2,099	\$1,493	\$2,234	\$2,849
Employer Contribution									
Non-Medicare PPO	\$870	\$1,738	\$2,194	\$1,435	\$1,794	\$2,194	\$1,606	\$2,041	\$2,041
Non-Medicare PPO (CNA)	\$870	\$1,738	\$2,194	\$936	\$1,794	\$2,194	\$1,855	\$2,291	\$2,290
BSC Access+ / UHC Select	\$870	\$1,738	\$2,194	\$936	\$1,794	\$2,194	\$2,083	\$2,568	\$2,568
BSC Trio / UHC Doctors	\$800	\$1,598	\$2,016	\$860	\$1,649	\$2,016	\$1,946	\$2,392	\$2,392
Health Net CanopyCare	\$716	\$1,430	\$1,804	\$770	\$1,476	\$1,804	\$1,777	\$2,176	\$2,176
Kaiser	\$692	\$1,380	\$1,742	\$744	\$1,425	\$1,742	\$1,493	\$1,864	\$1,864
Member Contribution									
Non-Medicare PPO	\$565	\$1,047	\$1,742	\$0	\$991	\$1,742	\$327	\$763	\$1,458
Non-Medicare PPO (CNA)	\$66	\$131	\$449	\$0	\$75	\$449	\$78	\$513	\$1,209
BSC Access+ / UHC Select	\$66	\$131	\$449	\$0	\$75	\$449	\$78	\$563	\$1,337
BSC Trio / UHC Doctors	\$60	\$120	\$413	\$0	\$69	\$413	\$40	\$485	\$1,197
Health Net CanopyCare	\$54	\$108	\$370	\$0	\$62	\$370	\$0	\$399	\$1,036
Kaiser	\$52	\$104	\$357	\$0	\$59	\$357	\$0	\$370	\$985

NOTE: CNA = Choice Not Available