

San Francisco Health Service System Health Service Board

Rates & Benefits

Blue Shield of California 2021 Flex Funded HMO Rates
and Premium Contributions—Active Employees and
Early Retirees

May 28, 2020

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Health Solutions



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Rate Setting Methodology Preface

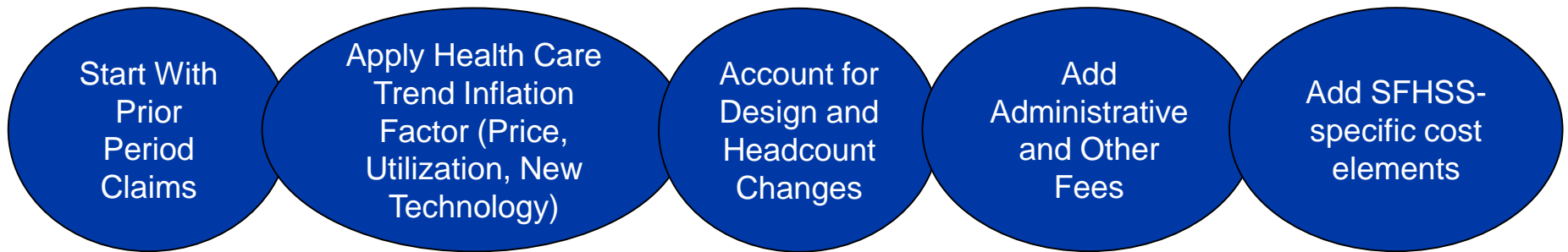
Health Plan Funding—Method Comparison by SFHSS Plan

Funding Method	Self-Funded	Flex-Funded	Fully Insured
Funding Method Description	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.
Who sets the recommended SFHSS plan rates?	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)
SFHSS plans by Funding Method	UHC PPO "City Plan" Delta Dental Active Employee PPO	Blue Shield of CA Access+ HMO Blue Shield of CA Trio HMO	All Kaiser HMO plans UHC Medicare Advantage PPO Delta Dental Retiree PPO DeltaCare Dental HMO UHC Dental HMO VSP Vision
HSB Rate Stabilization Policy Applies?	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 2021 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:

$$\frac{\text{2021 Total Projected Plan Cost}}{\text{2020 Rates times Enrollment}} = \text{Needed Rate Change Factor (2021 vs. 2020)}$$

Non-Medicare Medical Plan 2021 Rate Renewal Summary

- 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 summary of total rate cost increase recommendations that are being presented today—with each rating action calculated by individual plan based on the process reviewed on the prior page:

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%

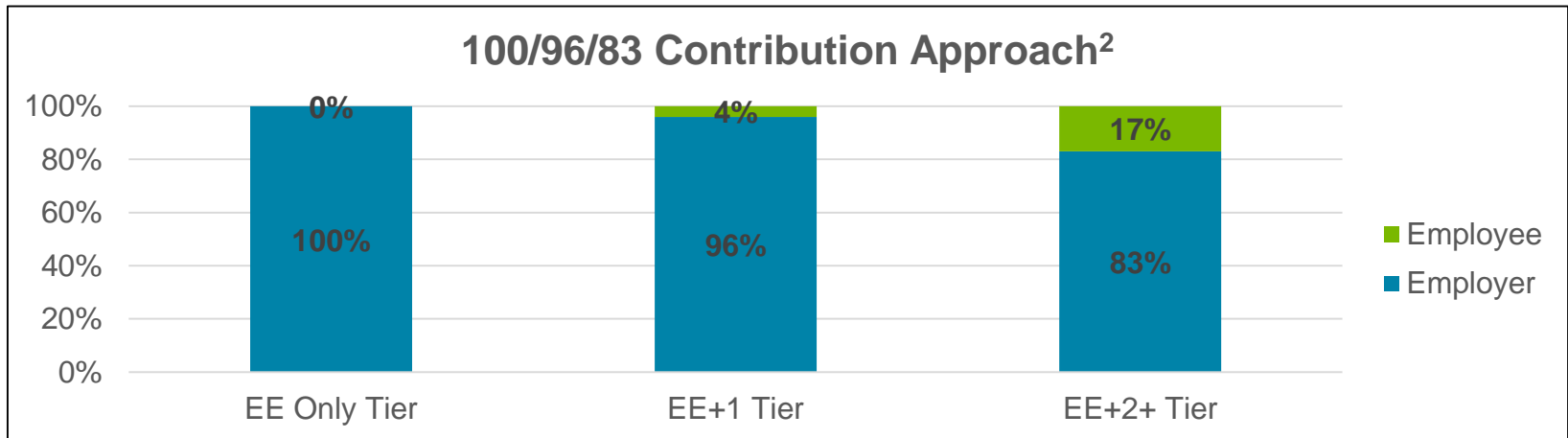
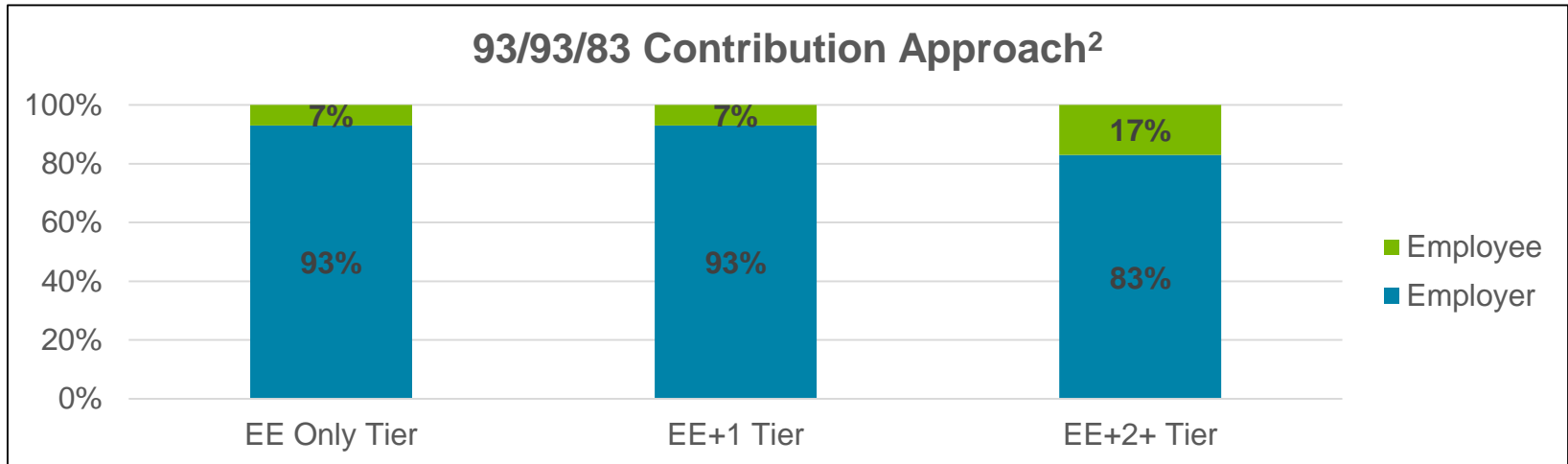
[1] For Kaiser, the calculated increase shown above incorporates a 0.9% offset due to permanent elimination of the federal Affordable Care Act health insurer tax into the 2021 plan year (the increase would be 6.7% otherwise).

Non-Medicare Medical Plan 2021 Proposed Total Rates

- Recommended 2021 **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 2020	\$645.71	\$1,288.45	\$1,821.90	\$1,295.75	\$1,938.49	\$2,471.97
	PY 2021	\$682.48	\$1,361.98	\$1,925.95	\$1,370.10	\$2,049.60	\$2,613.57
	\$ Difference	\$36.77	\$73.53	\$104.05	\$74.35	\$111.11	\$141.60
	% Difference	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
BSC Access+	PY 2020	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72
	PY 2021	\$923.71	\$1,844.31	\$2,608.43	\$2,133.09	\$3,090.39	\$3,854.54
	\$ Difference	\$31.83	\$63.33	\$89.54	\$73.87	\$106.64	\$132.82
	% Difference	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
BSC Trio	PY 2020	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67
	PY 2021	\$800.83	\$1,598.55	\$2,260.67	\$1,848.11	\$2,677.60	\$3,339.74
	\$ Difference	\$47.17	\$94.02	\$132.95	\$109.44	\$158.16	\$197.07
	% Difference	6.3%	6.2%	6.2%	6.3%	6.3%	6.3%
UHC PPO "City Plan"	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-Choice Not Available"	PY 2020	\$891.88	\$1,780.98	\$2,518.89	\$1,510.84	\$2,400.05	\$3,085.18
	PY 2021	\$923.71	\$1,844.31	\$2,608.43	\$1,747.72	\$2,535.05	\$3,163.63
	\$ Difference	\$31.83	\$63.33	\$89.54	\$236.88	\$135.00	\$78.45
	% Difference	3.6%	3.6%	3.6%	15.7%	5.6%	2.5%

Segmenting Total Cost Rates Into Employer and Member Contributions—Active Employees (CCSF¹)



¹ 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.

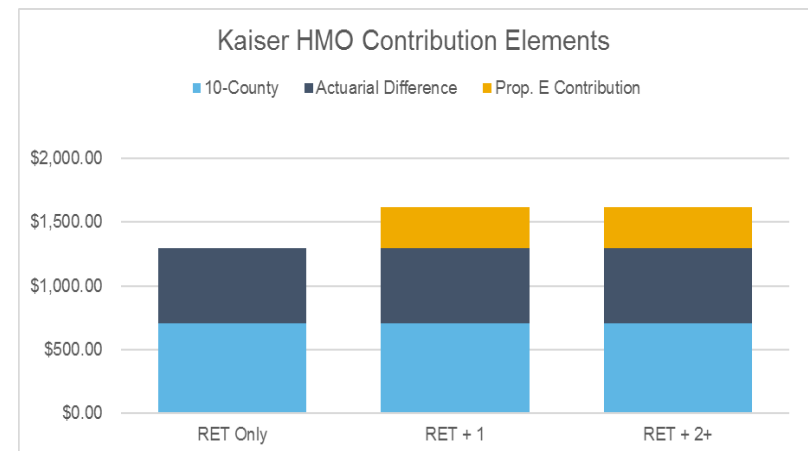
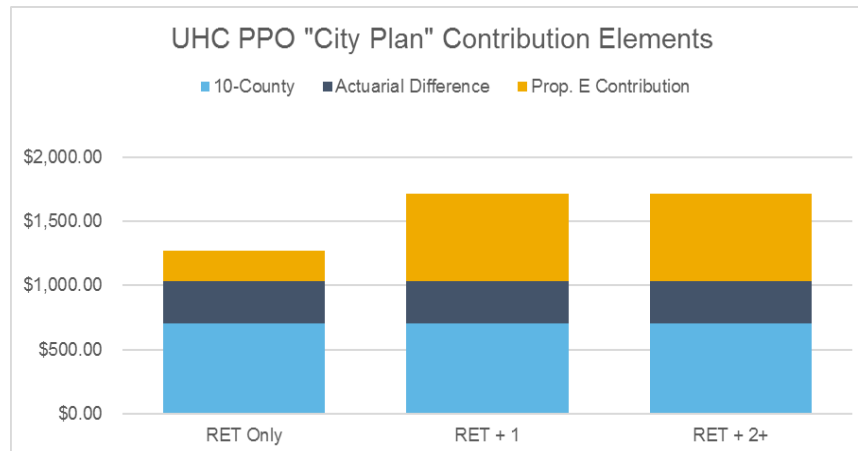
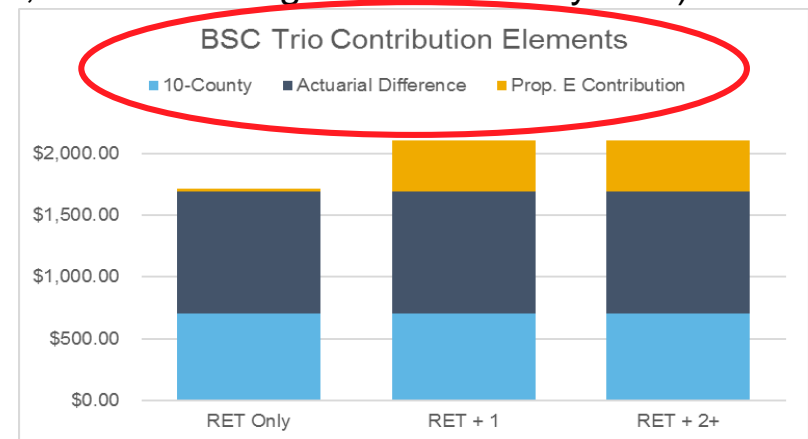
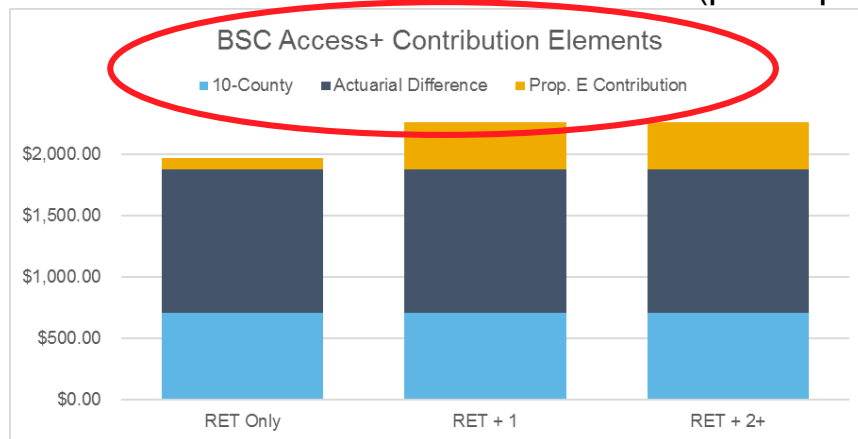
² For the highest cost plan (UHC PPO "City Plan"), based on MOU the employer contribution dollar amounts are set to equal the employer contribution dollar amounts for the second highest-cost plan (which is BSC Access+ HMO), except for the Employee Only tier in the 100/96/83 contribution approach where 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—2020 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 2021 Plan Rating—Recommendation

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

- 1) The BSC Access+ plan renewal proposal for a 3.6% rate increase from 2020 to 2021;
- 2) The BSC Trio plan renewal proposal for a 6.3% rate increase from 2020 to 2021; and
- 3) The resulting 2021 monthly rate cards presented in this material for the BSC Access+ and Trio HMO plans.

BSC 2021 Plan Rating—Recommendation

- Commentary regarding the rating proposal 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).
- 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 2021 Plan Rating—Renewal Summary

BSC 2021 Plan Rating—Renewal Summary

- 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 plans into the 2021 plan year.
- The aggregate calculated rate increases across all populations and rating tiers for the BSC plans are:
 - Access+ plan: +3.6%
 - Trio plan: +6.3%
 - Overall (for both plans combined): +4.4%
- The 2021 BSC plan rate cards include the following cost components:
 - Projected 2021 medical / pharmacy (net of rebates) claim costs;
 - Projected 2021 capitation charges for certain medical services including physicians;
 - BSC 2021 fees (including ASO, large claim pooling fees, and ACA PCORI fees);
 - Rate stabilization surplus buy-down (\$2,562,000 total across both plans);
 - VSP Basic Plan vision premiums (unchanged from 2020 levels); and
 - The SFHSS Healthcare Sustainability Fund charge of \$3.00 per employee / retiree per month (PEPM), which is unchanged from the 2020 fee.

BSC 2021 Plan Rating—Renewal Summary

Commentary on Rate Increase Recommendations

- As reviewed in the March HSB meeting, overall BSC plan expenses per employee/retiree per month (PEPM) increased about 7% from 2018 to 2019.
 - This percentage is slightly higher than forecasted health care cost trend of 6%.
- The projected rate increase for the Trio plan (+6.3%) is higher than for the Access+ plan (+3.6%) going into the 2021 plan year.
 - A key factor in this result: Trio saw a substantially higher increase in large claim experience in 2019 than Access+.
- The stabilization adjustment in rates changed from a buy-up in 2020 rates (\$1,896,000 total for both plans), to a buy-down in 2021 rates (\$2,562,000 total for both plans)
 - The application of the stabilization fund in the 2021 rating further suppresses the calculated pre-stabilization fund adjusted rate increase by 1.4%.
- The aggregate 4.4% rate increase for BSC plans on a status quo plan design basis is greater than the 2020 aggregate rate increase of 1.9%.

BSC 2021 Plan Rating—Renewal Summary

Commentary on BSC Fee Changes From 2020 to 2021

- BSC fee changes on a per employee / retiree per month (PEPM) basis.
- BSC’s administrative fee is increasing by 2% into the 2021 plan year.
- BSC’s large claim pooling fee is increasing by 18% into the 2021 plan year, given a substantial increase in claims over \$1 million per individual reimbursed back to SFHSS in 2019 (\$9.3 million) versus in 2018 (\$3.7 million).
- The Affordable Care Act (ACA) Patient Centered Outcomes Research Institute (PCORI) fee was expected to sunset after 2019 (hence not part of 2020 fees), but has now returned through 2029 as part of the federal SECURE Act passed in December 2019.

BSC Fee Component	2020	2021	Change
Fixed Fees (Total)	\$89.58	\$96.21	+7.4%
<i>BSC Administration</i>	<i>\$62.11</i>	<i>\$63.35</i>	<i>+2.0%</i>
<i>BSC Large Claim Pooling @ \$1M / individual</i>	<i>\$27.47</i>	<i>\$32.41</i>	<i>+18.0%</i>
<i>Federal ACA PCORI Fee</i>	<i>n/a</i>	<i>\$0.45</i>	<i>n/a</i>

2021 Monthly Rate Cards for Access+ and Trio plans

2021 BSC Monthly Rate Cards

- BSC plan 2021 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 2020 to 2021 are included in the tables that follow.

Monthly 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	\$62.43	\$124.67	\$428.21	\$92.98	\$555.24	\$1,293.21
	PY 2021	\$64.66	\$129.10	\$443.43	\$97.26	\$575.91	\$1,340.06
	\$ Difference	+\$2.23	+\$4.43	+\$15.22	+\$4.28	+\$20.67	+\$46.85
	% Difference	+3.6%	+3.6%	+3.6%	+4.6%	+3.7%	+3.6%
Monthly Employer Contributions	PY 2020	\$829.45	\$1,656.31	\$2,090.68	\$1,966.24	\$2,428.51	\$2,428.51
	PY 2021	\$859.05	\$1,715.21	\$2,165.00	\$2,035.83	\$2,514.48	\$2,514.48
	\$ Difference	+\$29.60	+\$58.90	+\$74.32	+\$69.59	+\$85.97	+\$85.97
	% Difference	+3.6%	+3.6%	+3.6%	+3.5%	+3.5%	+3.5%
Monthly Total Rate	PY 2020	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72
	PY 2021	\$923.71	\$1,844.31	\$2,608.43	\$2,133.09	\$3,090.39	\$3,854.54
	\$ Difference	+\$31.83	+\$63.33	+\$89.54	+\$73.87	+\$106.64	+\$132.82
	% Difference	+3.6%	+3.6%	+3.6%	+3.6%	+3.6%	+3.6%

Monthly 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+
Monthly Employee / Retiree Contributions	PY 2020	\$0.00	\$71.24	\$428.21	\$92.98	\$555.24	\$1,293.21
	PY 2021	\$0.00	\$73.77	\$443.43	\$97.26	\$575.91	\$1,340.06
	\$ Difference	+\$0.00	+\$2.53	+\$15.22	+\$4.28	+\$20.67	+\$46.85
	% Difference	-	+3.6%	+3.6%	+4.6%	+3.7%	+3.6%
Monthly Employer Contributions	PY 2020	\$891.88	\$1,709.74	\$2,090.68	\$1,966.24	\$2,428.51	\$2,428.51
	PY 2021	\$923.71	\$1,770.54	\$2,165.00	\$2,035.83	\$2,514.48	\$2,514.48
	\$ Difference	+\$31.83	+\$60.80	+\$74.32	+\$69.59	+\$85.97	+\$85.97
	% Difference	+3.6%	+3.6%	+3.6%	+3.5%	+3.5%	+3.5%
Monthly Total Rate	PY 2020	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72
	PY 2021	\$923.71	\$1,844.31	\$2,608.43	\$2,133.09	\$3,090.39	\$3,854.54
	\$ Difference	+\$31.83	+\$63.33	+\$89.54	+\$73.87	+\$106.64	+\$132.82
	% Difference	+3.6%	+3.6%	+3.6%	+3.6%	+3.6%	+3.6%

Proposed 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 ¹	\$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
Total	\$923.71	\$1,844.31	\$2,608.43	\$2,133.09	\$3,090.39	\$3,854.54

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$729.19	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$729.19	\$729.19
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,209.38	\$1,209.38	\$1,209.38
Retiree Prop. E Employer Contribution ⁵	\$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
2021 Non-Bargained Contribution Rate	\$923.71	\$1,844.31	\$2,608.43	\$97.26	\$575.91	\$1,340.06

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

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

NOTE—Footnotes 1 – 6 defined in Appendix

Proposed 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 ¹	\$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
Total	\$923.71	\$1,844.31	\$2,608.43	\$2,133.09	\$3,090.39	\$3,854.54

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$729.19	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$729.19	\$729.19
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,209.38	\$1,209.38	\$1,209.38
Retiree Prop. E Employer Contribution ⁵	\$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
2021 Non-Bargained Contribution Rate	\$923.71	\$1,844.31	\$2,608.43	\$97.26	\$575.91	\$1,340.06

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

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

NOTE—Footnotes 1 – 6 defined in Appendix

Monthly 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+
Monthly Employee / Retiree Contributions	PY 2020	\$52.76	\$105.32	\$361.71	\$23.87	\$414.25	\$1,037.48
	PY 2021	\$56.06	\$111.90	\$384.31	\$35.82	\$450.56	\$1,112.70
	\$ Difference	+\$3.30	+\$6.58	+\$22.60	+\$11.95	+\$36.31	+\$75.22
	% Difference	+6.3%	+6.2%	+6.2%	+50.1%	+8.8%	+7.3%
Monthly Employer Contributions	PY 2020	\$700.90	\$1,399.21	\$1,766.01	\$1,714.80	\$2,105.19	\$2,105.19
	PY 2021	\$744.77	\$1,486.65	\$1,876.36	\$1,812.29	\$2,227.04	\$2,227.04
	\$ Difference	+\$43.87	+\$87.44	+\$110.35	+\$97.49	+\$121.85	+\$121.85
	% Difference	+6.3%	+6.2%	+6.2%	+5.7%	+5.8%	+5.8%
Monthly Total Rate	PY 2020	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67
	PY 2021	\$800.83	\$1,598.55	\$2,260.67	\$1,848.11	\$2,677.60	\$3,339.74
	\$ Difference	+\$47.17	+\$94.02	+\$132.95	+\$109.44	+\$158.16	+\$197.07
	% Difference	+6.3%	+6.2%	+6.2%	+6.3%	+6.3%	+6.3%

Monthly 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+
Monthly Employee / Retiree Contributions	PY 2020	\$0.00	\$60.18	\$361.71	\$23.87	\$414.25	\$1,037.48
	PY 2021	\$0.00	\$63.94	\$384.31	\$35.82	\$450.56	\$1,112.70
	<i>\$ Difference</i>	<i>+\$0.00</i>	<i>+\$3.76</i>	<i>+\$22.60</i>	<i>+\$11.95</i>	<i>+\$36.31</i>	<i>+\$75.22</i>
	<i>% Difference</i>	<i>-</i>	<i>+6.2%</i>	<i>+6.2%</i>	<i>+50.1%</i>	<i>+8.8%</i>	<i>+7.3%</i>
Monthly Employer Contributions	PY 2020	\$753.66	\$1,444.35	\$1,766.01	\$1,714.80	\$2,105.19	\$2,105.19
	PY 2021	\$800.83	\$1,534.61	\$1,876.36	\$1,812.29	\$2,227.04	\$2,227.04
	<i>\$ Difference</i>	<i>+\$47.17</i>	<i>+\$90.26</i>	<i>+\$110.35</i>	<i>+\$97.49</i>	<i>+\$121.85</i>	<i>+\$121.85</i>
	<i>% Difference</i>	<i>+6.3%</i>	<i>+6.2%</i>	<i>+6.2%</i>	<i>+5.7%</i>	<i>+5.8%</i>	<i>+5.8%</i>
Monthly Total Rate	PY 2020	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67
	PY 2021	\$800.83	\$1,598.55	\$2,260.67	\$1,848.11	\$2,677.60	\$3,339.74
	<i>\$ Difference</i>	<i>+\$47.17</i>	<i>+\$94.02</i>	<i>+\$132.95</i>	<i>+\$109.44</i>	<i>+\$158.16</i>	<i>+\$197.07</i>
	<i>% Difference</i>	<i>+6.3%</i>	<i>+6.2%</i>	<i>+6.2%</i>	<i>+6.3%</i>	<i>+6.3%</i>	<i>+6.3%</i>

Proposed 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 ¹	\$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
Total	\$800.83	\$1,598.55	\$2,260.67	\$1,848.11	\$2,677.60	\$3,339.74

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$729.19	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$729.19	\$729.19
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,047.28	\$1,047.28	\$1,047.28
Retiree Prop. E Employer Contribution ⁵	\$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
2021 Non-Bargained Contribution Rate	\$800.83	\$1,598.55	\$2,260.67	\$35.82	\$450.56	\$1,112.70

MOU Negotiated Pickup ⁶	\$744.77	\$1,486.65	\$1,876.36			
2021 Typical Bargained Member Contribution	\$56.06	\$111.90	\$384.31			

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

NOTE—Footnotes 1 – 6 defined in Appendix

Proposed 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 ¹	\$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
Total	\$800.83	\$1,598.55	\$2,260.67	\$1,848.11	\$2,677.60	\$3,339.74

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$729.19	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$729.19	\$729.19
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,047.28	\$1,047.28	\$1,047.28
Retiree Prop. E Employer Contribution ⁵	\$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
2021 Non-Bargained Contribution Rate	\$800.83	\$1,598.55	\$2,260.67	\$35.82	\$450.56	\$1,112.70

MOU Negotiated Pickup ⁶	\$800.83	\$1,534.61	\$1,876.36			
2021 Typical Bargained Member Contribution	\$0.00	\$63.94	\$384.31			

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

NOTE—Footnotes 1 – 6 defined in Appendix

Recommendations for HSB Action

Recommendations for HSB Action

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

- 1) The BSC Access+ plan renewal proposal for a 3.6% rate increase from 2020 to 2021;
- 2) The BSC Trio plan renewal proposal for a 6.3% rate increase from 2020 to 2021; and
- 3) The resulting 2021 monthly rate cards presented in this material for the BSC Access+ and Trio HMO plans.

Statement From BSC Representative

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 2020 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

- **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 2021).

Glossary of Terms

- **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.

Access+ 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	\$880.25	\$1,760.53	\$2,491.13	\$2,041.44	\$2,956.94	\$3,687.55
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	\$4.68	\$9.53	\$13.56	\$10.83	\$15.89	\$19.97
Total	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,167.34	\$1,167.34	\$1,167.34
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$92.98	\$555.25	\$555.25
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,966.24	\$2,428.51	\$2,428.51
2020 Non-Bargained Contribution Rate	\$891.88	\$1,780.98	\$2,518.89	\$92.98	\$555.24	\$1,293.21

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

Final Member Contribution 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$551.65	\$1,272.27
Difference—2020 versus 2019	\$1.35	\$2.77	\$9.59	-\$7.28	\$3.59	\$20.94

NOTE—Footnotes 1 – 6 defined in Appendix

Access+ 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	\$880.25	\$1,760.53	\$2,491.13	\$2,041.44	\$2,956.94	\$3,687.55
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	\$4.68	\$9.53	\$13.56	\$10.83	\$15.89	\$19.97
Total	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,167.34	\$1,167.34	\$1,167.34
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$92.98	\$555.25	\$555.25
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,966.24	\$2,428.51	\$2,428.51
2020 Non-Bargained Contribution Rate	\$891.88	\$1,780.98	\$2,518.89	\$92.98	\$555.24	\$1,293.21

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

Final Member Contribution 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$551.65	\$1,272.27
Difference—2020 versus 2019	\$0.00	\$1.58	\$9.59	-\$7.28	\$3.59	\$20.94

NOTE—Footnotes 1 – 6 defined in Appendix

Trio 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	\$742.03	\$1,484.08	\$2,099.96	\$1,720.89	\$2,492.63	\$3,108.50
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	\$4.68	\$9.53	\$13.56	\$10.83	\$15.89	\$19.97
Total	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$985.01	\$985.01	\$985.01
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$23.87	\$414.26	\$414.26
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,714.80	\$2,105.19	\$2,105.19
2020 Non-Bargained Contribution Rate	\$753.66	\$1,504.53	\$2,127.72	\$23.87	\$414.25	\$1,037.48

MOU Negotiated Pickup ⁶	\$700.90	\$1,399.21	\$1,766.01			
2020 Typical Bargained Member Contribution	\$52.76	\$105.32	\$361.71			

Final Member Contribution 2019	\$52.34	\$104.40	\$358.50	\$37.78	\$424.18	\$1,041.07
Difference—2020 versus 2019	\$0.42	\$0.92	\$3.21	-\$13.91	-\$9.93	-\$3.59

NOTE—Footnotes 1 – 6 defined in Appendix

Trio 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	\$742.03	\$1,484.08	\$2,099.96	\$1,720.89	\$2,492.63	\$3,108.50
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	\$4.68	\$9.53	\$13.56	\$10.83	\$15.89	\$19.97
Total	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$985.01	\$985.01	\$985.01
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$23.87	\$414.26	\$414.26
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,714.80	\$2,105.19	\$2,105.19
2020 Non-Bargained Contribution Rate	\$753.66	\$1,504.53	\$2,127.72	\$23.87	\$414.25	\$1,037.48

MOU Negotiated Pickup ⁶	\$753.66	\$1,444.35	\$1,766.01			
2020 Typical Bargained Member Contribution	\$0.00	\$60.18	\$361.71			

Final Member Contribution 2019	\$0.00	\$59.66	\$358.50	\$37.78	\$424.18	\$1,041.07
Difference—2020 versus 2019	\$0.00	\$0.52	\$3.21	-\$13.91	-\$9.93	-\$3.59

NOTE—Footnotes 1 – 6 defined in Appendix