

# San Francisco Health Service System Health Service Board

## **Rates & Benefits**

Kaiser Permanente 2021 HMO Rates and Premium  
Contributions—Active Employees and Early Retirees

May 28, 2020

Prepared by:  
Health Solutions



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# Rate Setting Methodology Preface

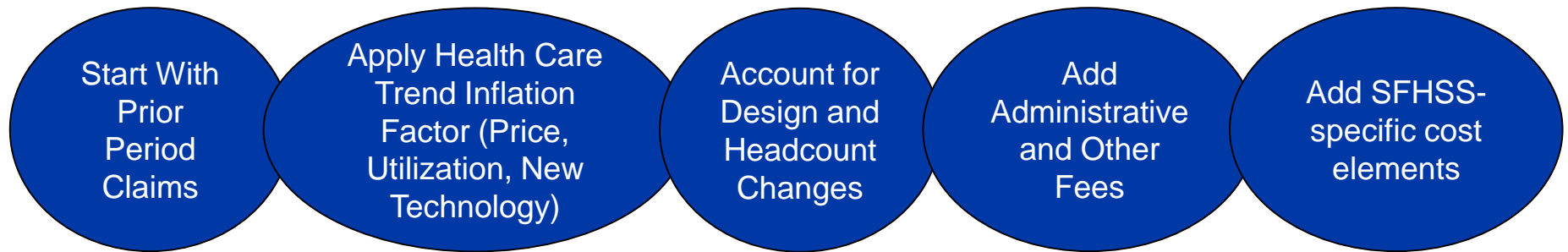
# Health Plan Funding—Method Comparison by SFHSS Plan

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>	UHC PPO "City Plan" Delta Dental Active Employee PPO	Blue Shield of CA Access+ HMO Blue Shield of CA Trio HMO	<b>All Kaiser HMO plans</b> 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 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%	<b>3.6%</b>
BSC Trio	7.1%	<b>6.3%</b>
Kaiser <sup>[1]</sup>	<b>5.8%</b>	(does not apply)
UHC City Plan and City Plan—C.N.A. PPO	7.5%	<b>9.0%</b>

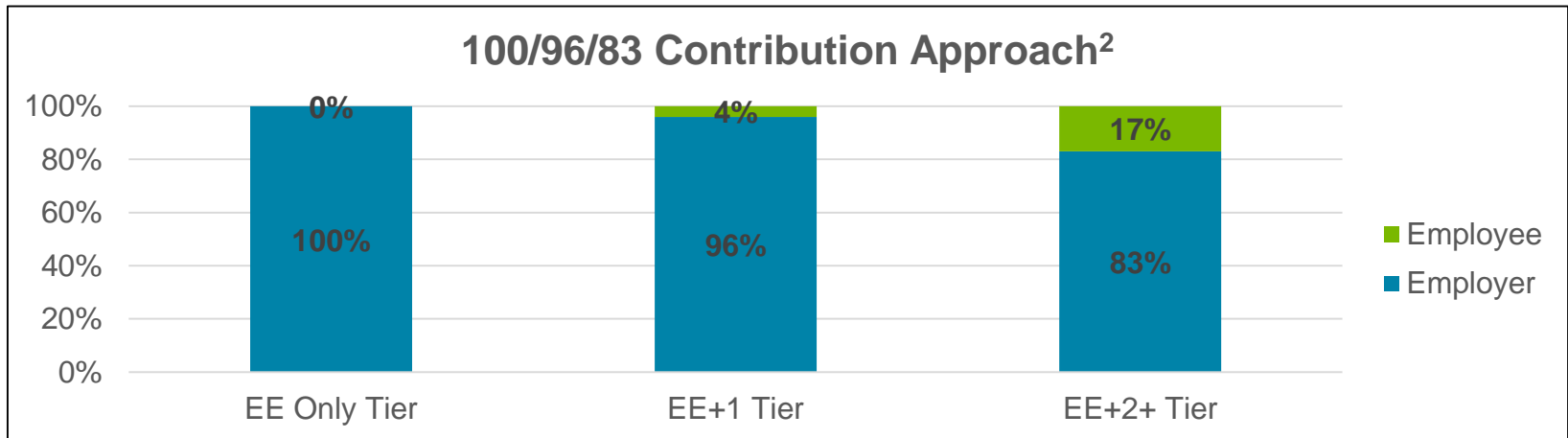
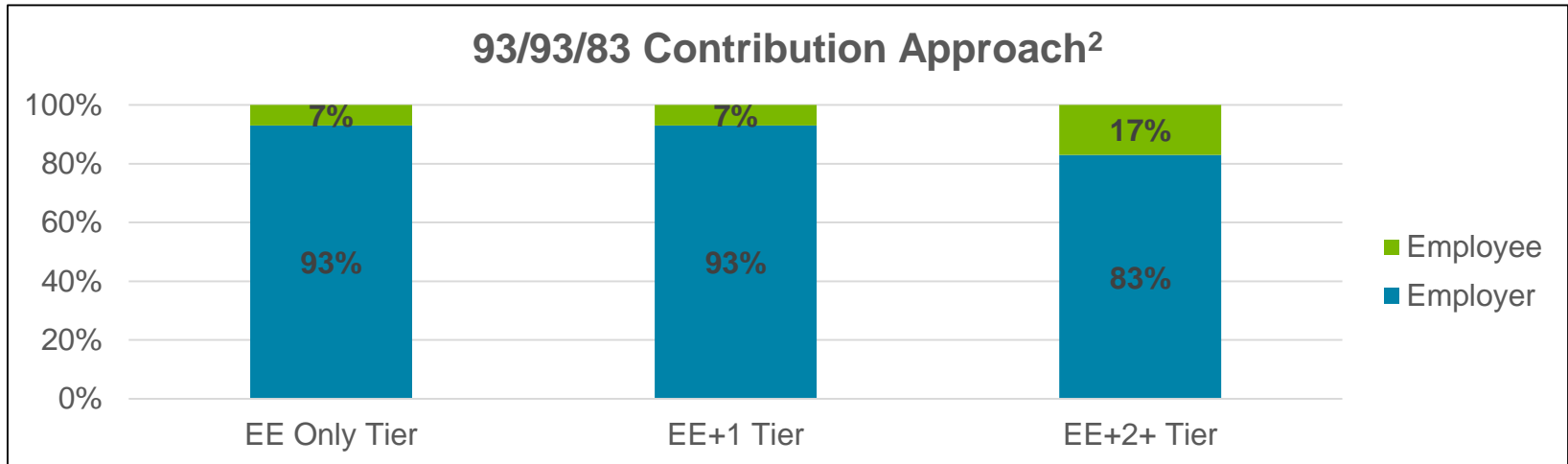
[1] For Kaiser, the calculated increase shown above incorporates a 0.9% offset due to permanent elimination of the federal Affordable Care Act health insurer tax into the 2021 plan year (the increase would be 6.7% otherwise).

# 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 (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 (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.

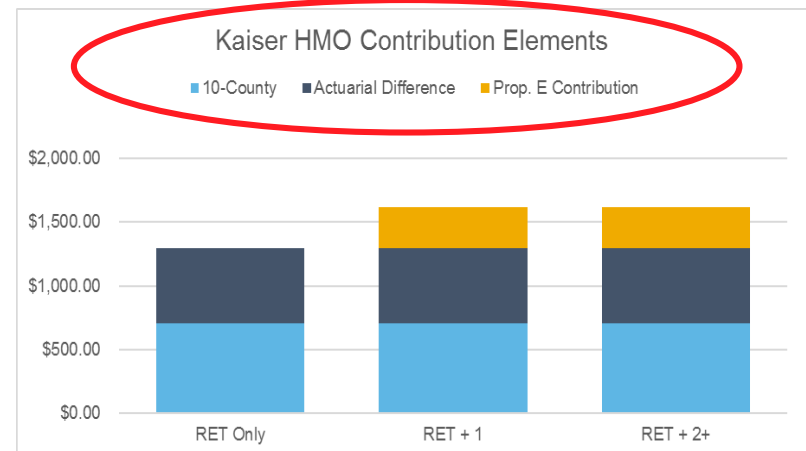
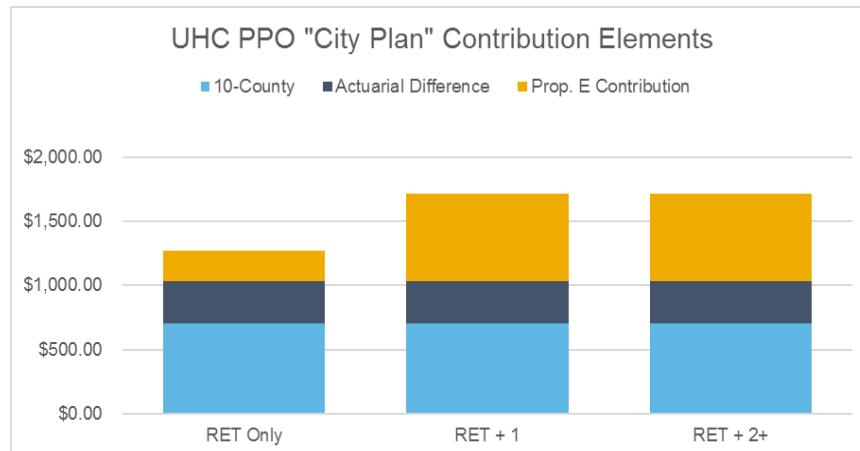
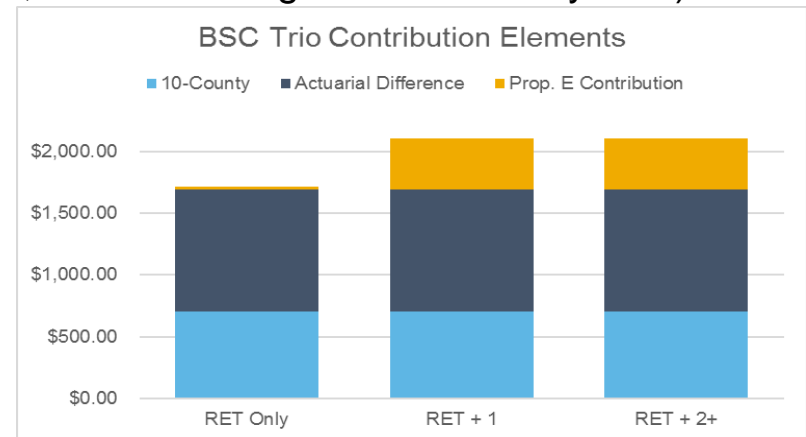
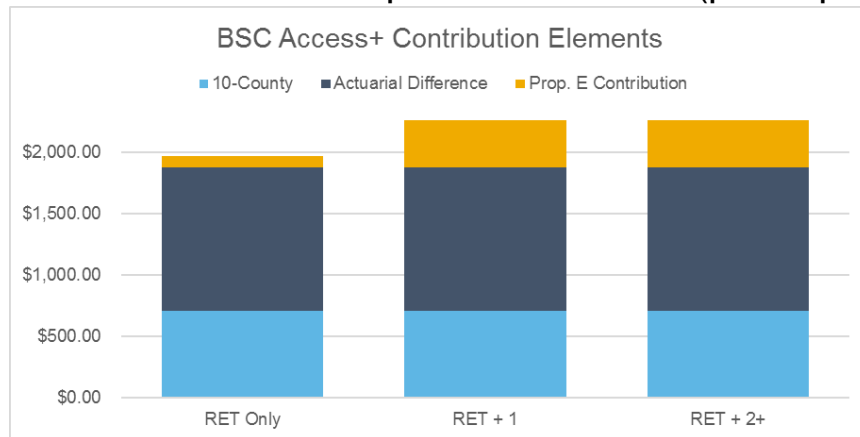




# Segmenting Total Cost Rates Into Employer and Member Contributions—Early Retirees (Based on City Charter)

## 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

# Kaiser 2021 Plan Rating—Recommendation

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

- 1) A 5.8% insured plan premium increase from 2020 to 2021 for active employees (actives) and early retirees in California enrolled in Kaiser Permanente (Kaiser), based on fully insured plan rates proposed by Kaiser for the 2021 plan year.
- 2) The resulting 2021 plan year rate cards for the Kaiser California HMO plan for active employees and early retirees contained in this presentation.

# Kaiser 2021 Plan Rating—Recommendation

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- The Kaiser rates and premium contributions for actives and early retirees are included in this presentation, with detailed exhibits to follow.
  - This presentation includes an exhibit in the Appendix which illustrates Kaiser’s underwriting premium rate build-up for the 2021 plan year.
- 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.

# Renewal Summary—Kaiser Premiums for 2021 Plan Year

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- 2021 Kaiser premiums for actives and early retirees on a “status quo” design basis are increasing by 5.8% for the medical and pharmacy coverage.
  - No plan design changes are being considered in the Kaiser plan for the 2021 plan year.
  - This follows a 5.9% rate increase that occurred for the 2020 plan year.
- The driver of the rate increase for 2021 is a higher increase in Kaiser’s claim forecast per member per month (PMPM) from 2020 plan year underwriting to 2021 plan year, than has been experienced in prior years.
  - This is resulting from higher increases in Kaiser plan utilization by SFHSS members from 2018 to 2019, than has been seen historically in Kaiser’s data for SFHSS.
- The 2021 rate increase is helped by the permanent elimination of the Affordable Care Act (ACA) Health Insurance Tax (HIT) into 2021, after it applied in 2020 rating.
  - This creates a 0.9% rating offset to the overall renewal increase for 2021.
  - The rate increase before consideration of the ACA HIT elimination is 6.7%.
- An exhibit showing the derivation of the 5.8% rate increase for Kaiser is shown in the Appendix to this presentation.

# Kaiser Plan—Rate Card Information

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- When setting the total rate card premiums for Kaiser active employee and early retiree plans, the following SFHSS costs are included:
  - Kaiser fully insured medical / prescription drug premiums;
  - 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.
- Early retiree rate cards include employer contribution amounts based upon City Charter provisions, including:
  - The monthly 10-County Average;
  - “Actuarial Difference”; and
  - Prop. E employer contribution components.

# Kaiser Plan—Rate Card Information

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- Kaiser plan 2021 rate cards are presented on the following pages for these population segments:
  - 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).
  - 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.
- Comparisons of member contributions from 2020 to 2021 are included in the tables that follow.

# 2021 Monthly Rate Cards For Kaiser California



# Kaiser Permanente—2020 to 2021 Rate Changes

## Monthly Renewal Premiums and Contributions

Early Retirees and 93 / 93 / 83 Contribution Strategy for Actives

<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>\$45.20</b>	<b>\$90.19</b>	<b>\$309.72</b>	<b>\$0.00</b>	<b>\$321.37</b>	<b>\$854.85</b>
	<b>PY 2021</b>	<b>\$47.77</b>	<b>\$95.34</b>	<b>\$327.41</b>	<b>\$0.00</b>	<b>\$339.75</b>	<b>\$903.72</b>
	<i>\$ Difference</i>	<i>+\$2.57</i>	<i>+\$5.15</i>	<i>+\$17.69</i>	<i>+\$0.00</i>	<i>+\$18.38</i>	<i>+\$48.87</i>
	<i>% Difference</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>-</i>	<i>+5.7%</i>	<i>+5.7%</i>
<b>Monthly Employer Contributions</b>	<b>PY 2020</b>	<b>\$600.51</b>	<b>\$1,198.26</b>	<b>\$1,512.18</b>	<b>\$1,295.75</b>	<b>\$1,617.12</b>	<b>\$1,617.12</b>
	<b>PY 2021</b>	<b>\$634.71</b>	<b>\$1,266.64</b>	<b>\$1,598.54</b>	<b>\$1,370.10</b>	<b>\$1,709.85</b>	<b>\$1,709.85</b>
	<i>\$ Difference</i>	<i>+\$34.20</i>	<i>+\$68.38</i>	<i>+\$86.36</i>	<i>+\$74.35</i>	<i>+\$92.73</i>	<i>+\$92.73</i>
	<i>% Difference</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>
<b>Monthly Total Rate</b>	<b>PY 2020</b>	<b>\$645.71</b>	<b>\$1,288.45</b>	<b>\$1,821.90</b>	<b>\$1,295.75</b>	<b>\$1,938.49</b>	<b>\$2,471.97</b>
	<b>PY 2021</b>	<b>\$682.48</b>	<b>\$1,361.98</b>	<b>\$1,925.95</b>	<b>\$1,370.10</b>	<b>\$2,049.60</b>	<b>\$2,613.57</b>
	<i>\$ Difference</i>	<i>+\$36.77</i>	<i>+\$73.53</i>	<i>+\$104.05</i>	<i>+\$74.35</i>	<i>+\$111.11</i>	<i>+\$141.60</i>
	<i>% Difference</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>

# Kaiser Permanente—2020 to 2021 Rate Changes

## Monthly Renewal Premiums and Contributions

Early Retirees and 100 / 96 / 83 Contribution Strategy for Actives

<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>\$51.54</b>	<b>\$309.72</b>	<b>\$0.00</b>	<b>\$321.37</b>	<b>\$854.85</b>
	<b>PY 2021</b>	<b>\$0.00</b>	<b>\$54.48</b>	<b>\$327.41</b>	<b>\$0.00</b>	<b>\$339.75</b>	<b>\$903.72</b>
	<i>\$ Difference</i>	<i>+\$0.00</i>	<i>+\$2.94</i>	<i>+\$17.69</i>	<i>+\$0.00</i>	<i>+\$18.38</i>	<i>+\$48.87</i>
	<i>% Difference</i>	<i>-</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>-</i>	<i>+5.7%</i>	<i>+5.7%</i>
<b>Monthly Employer Contributions</b>	<b>PY 2020</b>	<b>\$645.71</b>	<b>\$1,236.91</b>	<b>\$1,512.18</b>	<b>\$1,295.75</b>	<b>\$1,617.12</b>	<b>\$1,617.12</b>
	<b>PY 2021</b>	<b>\$682.48</b>	<b>\$1,307.50</b>	<b>\$1,598.54</b>	<b>\$1,370.10</b>	<b>\$1,709.85</b>	<b>\$1,709.85</b>
	<i>\$ Difference</i>	<i>+\$36.77</i>	<i>+\$70.59</i>	<i>+\$86.36</i>	<i>+\$74.35</i>	<i>+\$92.73</i>	<i>+\$92.73</i>
	<i>% Difference</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>
<b>Monthly Total Rate</b>	<b>PY 2020</b>	<b>\$645.71</b>	<b>\$1,288.45</b>	<b>\$1,821.90</b>	<b>\$1,295.75</b>	<b>\$1,938.49</b>	<b>\$2,471.97</b>
	<b>PY 2021</b>	<b>\$682.48</b>	<b>\$1,361.98</b>	<b>\$1,925.95</b>	<b>\$1,370.10</b>	<b>\$2,049.60</b>	<b>\$2,613.57</b>
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	<i>% Difference</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>	<i>+5.7%</i>

# 2021 Kaiser Permanente Monthly Rate Card

## Early Retirees and 93 / 93 / 83 Contribution Strategy for Actives

	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
Premium	\$675.53	\$1,351.06	\$1,911.75	\$1,363.15	\$2,038.68	\$2,599.37
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
<b>Total</b>	<b>\$682.48</b>	<b>\$1,361.98</b>	<b>\$1,925.95</b>	<b>\$1,370.10</b>	<b>\$2,049.60</b>	<b>\$2,613.57</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	\$640.91	\$640.91	\$640.91
Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$339.75	\$339.75
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,370.10	\$1,709.85	\$1,709.85
<b>2021 Non-Bargained Contribution Rate</b>	<b>\$682.48</b>	<b>\$1,361.98</b>	<b>\$1,925.95</b>	<b>\$0.00</b>	<b>\$339.75</b>	<b>\$903.72</b>

MOU Negotiated Pickup <sup>6</sup>	\$634.71	\$1,266.64	\$1,598.54			
<b>2021 Typical Bargained Member Contribution</b>	<b>\$47.77</b>	<b>\$95.34</b>	<b>\$327.41</b>			

<b>Final Member Contribution 2020</b>	<b>\$45.20</b>	<b>\$90.19</b>	<b>\$309.72</b>	<b>\$0.00</b>	<b>\$321.37</b>	<b>\$854.85</b>
<b>Difference—2021 versus 2020</b>	<b>\$2.57</b>	<b>\$5.15</b>	<b>\$17.69</b>	<b>\$0.00</b>	<b>\$18.38</b>	<b>\$48.87</b>

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

# 2021 Kaiser Permanente Monthly Rate Card

## Early Retirees and 100 / 96 / 83 Contribution Strategy for Actives

	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
Premium	\$675.53	\$1,351.06	\$1,911.75	\$1,363.15	\$2,038.68	\$2,599.37
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
<b>Total</b>	<b>\$682.48</b>	<b>\$1,361.98</b>	<b>\$1,925.95</b>	<b>\$1,370.10</b>	<b>\$2,049.60</b>	<b>\$2,613.57</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	\$640.91	\$640.91	\$640.91
Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$339.75	\$339.75
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,370.10	\$1,709.85	\$1,709.85
<b>2021 Non-Bargained Contribution Rate</b>	<b>\$682.48</b>	<b>\$1,361.98</b>	<b>\$1,925.95</b>	<b>\$0.00</b>	<b>\$339.75</b>	<b>\$903.72</b>

MOU Negotiated Pickup <sup>6</sup>	\$682.48	\$1,307.50	\$1,598.54			
<b>2021 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$54.48</b>	<b>\$327.41</b>			

<b>Final Member Contribution 2020</b>	<b>\$0.00</b>	<b>\$51.54</b>	<b>\$309.72</b>	<b>\$0.00</b>	<b>\$321.37</b>	<b>\$854.85</b>
<b>Difference—2021 versus 2020</b>	<b>\$0.00</b>	<b>\$2.94</b>	<b>\$17.69</b>	<b>\$0.00</b>	<b>\$18.38</b>	<b>\$48.87</b>

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

# Recommendation to HSB

# Recommendations for HSB Action

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

- 1) A 5.8% insured plan premium increase from 2020 to 2021 for active employees (actives) and early retirees in California enrolled in Kaiser Permanente (Kaiser), based on fully insured plan rates proposed by Kaiser for the 2021 plan year.
- 2) The resulting 2021 plan year rate cards for the Kaiser California HMO plan for active employees and early retirees contained in this presentation.

# Statement From Kaiser Representative

# Appendix



# Underwriting Premium Rate Build-Up

## Active Employees and Early Retirees Combined (PMPM<sup>1</sup> Basis)

	2020 Renewal	2021 Renewal	% Change
<b>Rating Members</b>	<b>55,408</b>	<b>55,417</b>	<b>+ 0.0%</b>
<b>Experience Period Adjusted Incurred Claims</b>	<b>\$517.69</b>	<b>\$556.35</b>	<b>+ 7.5%</b>
Midpoint Trend Rate (24-month period)	1.065	1.059	- 0.6%
<b>Projected Incurred Claims</b>	<b>\$551.01</b>	<b>\$589.17</b>	<b>+ 6.9%</b>
<b>Administration and ACA Fees</b>			
Administration Fees	\$26.47	\$27.00	+ 2.0%
ACA Health Insurance Tax Fees <sup>2</sup>	\$5.38	\$0.22	- 95.9%
Group Specific Charge <sup>3</sup>	\$0.48	None	---
Other Benefits (Hearing, Infertility, SBO)	\$1.80	\$1.80	No change
<b>PMPM Revenue Requirement</b>	<b>\$585.14</b>	<b>\$618.19</b>	<b>+ 5.6%</b>
<b>In-Force 2020 Premium</b>	<b>\$584.52</b>		
<b>Proposed 2021 Premium</b>		<b>\$618.19</b>	<b>+ 5.8%</b>

### NOTES:

- 1 PMPM = Per Member Per Month
- 2 ACA Fees: Health Insurance Tax in 2020, PCORI Fee in 2021
- 3 For Medicare-eligible members not enrolled in KP Senior Advantage

## Underwriting Premium Rate Build-Up Notes

- 2018 claims experience was used to set 2020 premium rates, and
- 2019 claims experience was used to set 2021 premium rates.
  
- Notes on underwriting elements:
  - **Adjusted Incurred Claims**—Paid claims net of large claims in excess of the pooling point (\$1,075,000 for 2021 renewal) plus the large claim pooling charge.
  - **Midpoint Trend**—Trend factor used by Kaiser for the 24-month period between experience period and projection period.
  - **Administration Fees**—The amount included in the premium for the administration of the program not related to claims expense (infrastructure cost such as claims processing, customer service, programming cost, etc.).
  - **Affordable Care Act (ACA) Fees**—Required fees or taxes that support the cost of federal health care reform. This included the Affordable Care Act (ACA) Health Insurance Tax (HIT) in 2020, and the extension of the Patient Centered Outcomes Research Institute (PCORI) fee in 2021 rate development.

## Kaiser 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 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+.

# 2020 Kaiser Permanente Monthly Rate Card

### Early Retirees and 93 / 93 / 83 Contribution Strategy for Actives

	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
Premium	\$638.76	\$1,277.53	\$1,807.70	\$1,288.80	\$1,927.57	\$2,457.77
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
<b>Total</b>	<b>\$645.71</b>	<b>\$1,288.45</b>	<b>\$1,821.90</b>	<b>\$1,295.75</b>	<b>\$1,938.49</b>	<b>\$2,471.97</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	\$589.83	\$589.83	\$589.83
Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$321.37	\$321.37
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,295.75	\$1,617.12	\$1,617.12
<b>2020 Non-Bargained Contribution Rate</b>	<b>\$645.71</b>	<b>\$1,288.45</b>	<b>\$1,821.90</b>	<b>\$0.00</b>	<b>\$321.37</b>	<b>\$854.85</b>

MOU Negotiated Pickup <sup>6</sup>	\$600.51	\$1,198.26	\$1,512.18			
<b>2020 Typical Bargained Member Contribution</b>	<b>\$45.20</b>	<b>\$90.19</b>	<b>\$309.72</b>			

<b>Final Member Contribution 2019</b>	<b>\$42.80</b>	<b>\$85.31</b>	<b>\$292.88</b>	<b>\$0.00</b>	<b>\$303.66</b>	<b>\$807.74</b>
<b>Difference—2020 versus 2019</b>	<b>\$2.40</b>	<b>\$4.88</b>	<b>\$16.84</b>	<b>\$0.00</b>	<b>\$17.71</b>	<b>\$47.11</b>

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

# 2020 Kaiser Permanente Monthly Rate Card

### Early Retirees and 100 / 96 / 83 Contribution Strategy for Actives

	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
Premium	\$638.76	\$1,277.53	\$1,807.70	\$1,288.80	\$1,927.57	\$2,457.77
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
<b>Total</b>	<b>\$645.71</b>	<b>\$1,288.45</b>	<b>\$1,821.90</b>	<b>\$1,295.75</b>	<b>\$1,938.49</b>	<b>\$2,471.97</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	\$589.83	\$589.83	\$589.83
Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$321.37	\$321.37
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,295.75	\$1,617.12	\$1,617.12
<b>2020 Non-Bargained Contribution Rate</b>	<b>\$645.71</b>	<b>\$1,288.45</b>	<b>\$1,821.90</b>	<b>\$0.00</b>	<b>\$321.37</b>	<b>\$854.85</b>

MOU Negotiated Pickup <sup>6</sup>	\$645.71	\$1,236.91	\$1,512.18			
<b>2020 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$51.54</b>	<b>\$309.72</b>			

<b>Final Member Contribution 2019</b>	<b>\$0.00</b>	<b>\$48.75</b>	<b>\$292.88</b>	<b>\$0.00</b>	<b>\$303.66</b>	<b>\$807.74</b>
<b>Difference—2020 versus 2019</b>	<b>\$0.00</b>	<b>\$2.79</b>	<b>\$16.84</b>	<b>\$0.00</b>	<b>\$17.71</b>	<b>\$47.11</b>

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