

San Francisco Health Service System Health Service Board

Rates & Benefits

Blue Shield of California 2019 Flex Funded HMO
Rates and Premium Contributions—Active
Employees and Early Retirees

May 10, 2018

Prepared by:
Health & Benefits



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BSC 2019 Plan Rating—Renewal Summary

- BSC provided renewals for the two flex-funded HMO plans now offered to San Francisco Health Service System's (SFHSS) active employees and early retirees—Access+ and Trio.
- The aggregate calculated rate increases across all populations and rating tiers for the BSC plans are:
 - Access+: +10.5%
 - Trio: +5.6%
 - Overall (for both plans combined): +8.8%
- These increases include all cost components in the BSC plan rate cards—including medical and pharmacy (net of rebates) claim costs, capitation charges, BSC fees (administrative and large claim pooling), Managed Care Organization (MCO) tax, buy-up for rate stabilization deficit amortization (\$3,162,000 total), core vision premiums, Healthcare Sustainability fee, and Best Doctors fee.

BSC 2019 Plan Rating—Recommendation

- Aon recommends that the Health Service Board (HSB) approve the BSC plan renewal proposal and 2019 monthly rate cards presented in this material for the Access+ and Trio plans.
- Commentary regarding the rating proposals for 2019 follows to support our recommendations and display the resulting recommended 2019 BSC plan rate cards.

BSC 2019 Plan Rating—Renewal Summary

Aon Commentary on Rate Increase Recommendations

- Access+ plan experience in 2017 was 1.4% higher than that predicted by 2017 rates (see March 2018 HSB presentation)—this is a factor that enters into our 2019 rating forecast.
- Per the April 2018 SFHSS presentation, health risk scores increased by 1% to 2% for the BSC active employee/early retiree population.
- BSC provided inputs for population health risk and provider pricing differences between Access+ and Trio—these two elements are more favorable for Trio, less favorable for Access+.

BSC 2019 Plan Rating—Renewal Summary

Aon Commentary on Rate Increase Recommendations

- Large claims in 2017 were significantly higher in BSC experience than prior years—this also factors into the 2019 rating projection.
- BSC fee increases: +2% administrative fees, +9.9% large claim pooling charge.
- The dependent-to-subscriber ratio is less for Trio (0.85 dependents per subscriber) than for Access+ (1.23 dependents per subscriber).
- We are also reflecting a reduction in Best Doctors fee from \$1.40 per subscriber per month (PSPM) in 2018 to \$1.15 PSPM in 2019.

Rate / Contribution Change, 2019 Versus 2018

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 2018	\$55.30	\$110.30	\$378.73	\$70.44	\$478.92	\$1,131.01
	PY 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$551.65	\$1,272.27
	\$ Difference	+\$5.78	+\$11.60	+\$39.89	+\$29.82	+\$72.73	+\$141.26
	% Difference	+10.5%	+10.5%	+10.5%	+42.3%	+15.2%	+12.5%
Monthly Employer Contributions	PY 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,750.74	\$2,159.21	\$2,159.21
	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,911.82	\$2,363.20	\$2,363.20
	\$ Difference	+\$76.77	+\$154.04	+\$194.79	+\$161.08	+\$203.99	+\$203.99
	% Difference	+10.4%	+10.5%	+10.5%	+9.2%	+9.4%	+9.4%
Monthly Total Rate	PY 2018	\$790.06	\$1,575.75	\$2,227.82	\$1,821.18	\$2,638.13	\$3,290.22
	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47
	\$ Difference	+\$82.55	+\$165.64	+\$234.68	+\$190.90	+\$276.72	+\$345.25
	% Difference	+10.4%	+10.5%	+10.5%	+10.4%	+10.5%	+10.5%

Rate / Contribution Change, 2019 Versus 2018

Early Retirees, and **100 / 96 / 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 2018	\$0.00	\$63.03	\$378.73	\$70.44	\$478.92	\$1,131.01
	PY 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$551.65	\$1,272.27
	\$ Difference	+\$0.00	+\$6.63	+\$39.89	+\$29.82	+\$72.73	+\$141.26
	% Difference	—	+10.5%	+10.5%	+42.3%	+15.2%	+12.5%
Monthly Employer Contributions	PY 2018	\$790.06	\$1,512.72	\$1,849.09	\$1,750.74	\$2,159.21	\$2,159.21
	PY 2019	\$872.61	\$1,671.73	\$2,043.88	\$1,911.82	\$2,363.20	\$2,363.20
	\$ Difference	+\$82.55	+\$159.01	+\$194.79	+\$161.08	+\$203.99	+\$203.99
	% Difference	+10.4%	+10.5%	+10.5%	+9.2%	+9.4%	+9.4%
Monthly Total Rate	PY 2018	\$790.06	\$1,575.75	\$2,227.82	\$1,821.18	\$2,638.13	\$3,290.22
	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47
	\$ Difference	+\$82.55	+\$165.64	+\$234.68	+\$190.90	+\$276.72	+\$345.25
	% Difference	+10.4%	+10.5%	+10.5%	+10.4%	+10.5%	+10.5%

Proposed 2019 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	\$857.03	\$1,714.10	\$2,425.43	\$1,987.60	\$2,878.95	\$3,590.29
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
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Claims Stabilization Amount / Self-Funded Policy	\$7.48	\$15.22	\$21.72	\$16.38	\$23.83	\$29.83
Total	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47

10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$1,139.47	\$1,139.47	\$1,139.47
Retiree Prop. E Subsidy ⁶	\$0.00	\$0.00	\$0.00	\$100.27	\$551.65	\$551.65
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,911.82	\$2,363.20	\$2,363.20
2019 Non-Bargained Contribution Rate	\$872.61	\$1,741.39	\$2,462.50	\$100.26	\$551.65	\$1,272.27

MOU Negotiated Pickup ⁷	\$811.53	\$1,619.49	\$2,043.88			
2019 Typical Bargained Member / Retiree Contribution	\$61.08	\$121.90	\$418.62	\$100.26	\$551.65	\$1,272.27

Final Member Contribution 2018	\$55.30	\$110.30	\$378.73	\$70.44	\$478.92	\$1,131.01
Difference, 2019 versus 2018	\$5.78	\$11.60	\$39.89	\$29.82	\$72.73	\$141.26

NOTE—Footnotes 1 – 7 defined in Appendix

Proposed 2019 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	\$857.03	\$1,714.10	\$2,425.43	\$1,987.60	\$2,878.95	\$3,590.29
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
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Claims Stabilization Amount / Self-Funded Policy	\$7.48	\$15.22	\$21.72	\$16.38	\$23.83	\$29.83
Total	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47

10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$1,139.47	\$1,139.47	\$1,139.47
Retiree Prop. E Subsidy ⁶	\$0.00	\$0.00	\$0.00	\$100.27	\$551.65	\$551.65
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,911.82	\$2,363.20	\$2,363.20
2019 Non-Bargained Contribution Rate	\$872.61	\$1,741.39	\$2,462.50	\$100.26	\$551.65	\$1,272.27

MOU Negotiated Pickup ⁷	\$872.61	\$1,671.73	\$2,043.88			
2019 Typical Bargained Member / Retiree Contribution	\$0.00	\$69.66	\$418.62	\$100.26	\$551.65	\$1,272.27

Final Member Contribution 2018	\$0.00	\$63.03	\$378.73	\$70.44	\$478.92	\$1,131.01
Difference, 2019 versus 2018	\$0.00	\$6.63	\$39.89	\$29.82	\$72.73	\$141.26

NOTE—Footnotes 1 – 7 defined in Appendix

BSC 2019 Plan Rating—Trio Specifics

- SFHSS exposure for Trio is capped at a lower level than for Access+.
 - For Trio, BSC is responsible for claim amounts that are more than 103.21% of projected claims (versus 125% of projected claims for Access+).
 - This provides added risk protection to SFHSS for Trio financial performance.
- Trio has a not-to-exceed premium increase cap of 5.9% for 2019 and 8.5% for 2020.
 - A minimum of a three year time horizon is essential in programs that support dramatic changes in program delivery and cost.
 - This allows BSC to make any needed adjustments to maintain long term sustainability of Trio while minimizing the financial impact to SFHSS.

Rate / Contribution Change, 2019 Versus 2018

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 2018	\$49.56	\$98.82	\$339.27	\$29.44	\$395.26	\$979.28
	PY 2019	\$52.34	\$104.40	\$358.50	\$37.78	\$424.18	\$1,041.07
	\$ Difference	+\$2.78	+\$5.58	+\$19.23	+\$8.34	+\$28.92	+\$61.79
	% Difference	+5.6%	+5.7%	+5.7%	+28.3%	+7.3%	+6.3%
Monthly Employer Contributions	PY 2018	\$658.49	\$1,312.90	\$1,656.45	\$1,601.54	\$1,967.37	\$1,967.37
	PY 2019	\$695.31	\$1,387.05	\$1,750.34	\$1,684.49	\$2,070.89	\$2,070.89
	\$ Difference	+\$36.82	+\$74.15	+\$93.89	+\$82.95	+\$103.52	+\$103.52
	% Difference	+5.6%	+5.6%	+5.7%	+5.2%	+5.3%	+5.3%
Monthly Total Rate	PY 2018	\$708.05	\$1,411.72	\$1,995.72	\$1,630.98	\$2,362.63	\$2,946.65
	PY 2019	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96
	\$ Difference	+\$39.60	+\$79.73	+\$113.12	+\$91.29	+\$132.44	+\$165.31
	% Difference	+5.6%	+5.6%	+5.7%	+5.6%	+5.6%	+5.6%

Rate / Contribution Change, 2019 Versus 2018

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 2018	\$0.00	\$56.47	\$339.27	\$29.44	\$395.26	\$979.28
	PY 2019	\$0.00	\$59.66	\$358.50	\$37.78	\$424.18	\$1,041.07
	<i>\$ Difference</i>	<i>+\$0.00</i>	<i>+\$3.19</i>	<i>+\$19.23</i>	<i>+\$8.34</i>	<i>+\$28.92</i>	<i>+\$61.79</i>
	<i>% Difference</i>	<i>—</i>	<i>+5.6%</i>	<i>+5.7%</i>	<i>+28.3%</i>	<i>+7.3%</i>	<i>+6.3%</i>
Monthly Employer Contributions	PY 2018	\$708.05	\$1,355.25	\$1,656.45	\$1,601.54	\$1,967.37	\$1,967.37
	PY 2019	\$747.65	\$1,431.79	\$1,750.34	\$1,684.49	\$2,070.89	\$2,070.89
	<i>\$ Difference</i>	<i>+\$39.60</i>	<i>+\$76.54</i>	<i>+\$93.89</i>	<i>+\$82.95</i>	<i>+\$103.52</i>	<i>+\$103.52</i>
	<i>% Difference</i>	<i>+5.6%</i>	<i>+5.6%</i>	<i>+5.7%</i>	<i>+5.2%</i>	<i>+5.3%</i>	<i>+5.3%</i>
Monthly Total Rate	PY 2018	\$708.05	\$1,411.72	\$1,995.72	\$1,630.98	\$2,362.63	\$2,946.65
	PY 2019	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96
	<i>\$ Difference</i>	<i>+\$39.60</i>	<i>+\$79.73</i>	<i>+\$113.12</i>	<i>+\$91.29</i>	<i>+\$132.44</i>	<i>+\$165.31</i>
	<i>% Difference</i>	<i>+5.6%</i>	<i>+5.6%</i>	<i>+5.7%</i>	<i>+5.6%</i>	<i>+5.6%</i>	<i>+5.6%</i>

Trio: Proposed 2019 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	\$732.07	\$1,464.16	\$2,071.77	\$1,697.79	\$2,459.17	\$3,066.78
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
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Claims Stabilization Amount / Self-Funded Policy	\$7.48	\$15.22	\$21.72	\$16.38	\$23.83	\$29.83
Total	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96

10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$974.62	\$974.62	\$974.62
Retiree Prop. E Subsidy ⁶	\$0.00	\$0.00	\$0.00	\$37.79	\$424.19	\$424.19
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,684.49	\$2,070.89	\$2,070.89
2019 Non-Bargained Contribution Rate	\$747.65	\$1,491.45	\$2,108.84	\$37.78	\$424.18	\$1,041.07

MOU Negotiated Pickup ⁷	\$695.31	\$1,387.05	\$1,750.34			
2019 Typical Bargained Member / Retiree Contribution	\$52.34	\$104.40	\$358.50	\$37.78	\$424.18	\$1,041.07

Final Member Contribution 2018	\$49.56	\$98.82	\$339.27	\$29.44	\$395.26	\$979.28
Difference, 2019 versus 2018	\$2.78	\$5.58	\$19.23	\$8.34	\$28.92	\$61.79

NOTE—Footnotes 1 – 7 defined in Appendix

Trio: Proposed 2019 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	\$732.07	\$1,464.16	\$2,071.77	\$1,697.79	\$2,459.17	\$3,066.78
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
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Claims Stabilization Amount / Self-Funded Policy	\$7.48	\$15.22	\$21.72	\$16.38	\$23.83	\$29.83
Total	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96

10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$974.62	\$974.62	\$974.62
Retiree Prop. E Subsidy ⁶	\$0.00	\$0.00	\$0.00	\$37.79	\$424.19	\$424.19
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,684.49	\$2,070.89	\$2,070.89
2019 Non-Bargained Contribution Rate	\$747.65	\$1,491.45	\$2,108.84	\$37.78	\$424.18	\$1,041.07

MOU Negotiated Pickup ⁷	\$747.65	\$1,431.79	\$1,750.34			
2019 Typical Bargained Member / Retiree Contribution	\$0.00	\$59.66	\$358.50	\$37.78	\$424.18	\$1,041.07

Final Member Contribution 2018	\$0.00	\$56.47	\$339.27	\$29.44	\$395.26	\$979.28
Difference, 2019 versus 2018	\$0.00	\$3.19	\$19.23	\$8.34	\$28.92	\$61.79

NOTE—Footnotes 1 – 7 defined in Appendix

Recommendation

- SFHSS staff leadership and Aon recommend that the HSB approve the BSC plan renewal proposal and 2019 monthly rate cards presented in this material for the Access+ and Trio plans.

Appendix

BSC Flex Funded Premium Equivalent Underwriting Comparison, 2019 to 2018—Access+

- Figures below are shown on a per subscriber per month (PSPM) basis
- 2019 claim forecast is based on 2017 claims trended to 2019, with BSC inputs for factors related to population spread between Access+ and Trio
- 2018 claim forecast and all capitation/fixed fee costs provided by BSC
- Higher Access+ increase on PSPM basis driven by higher dependent content

Table 1—Access+ Underwriting Rate Comparison Detail (PSPM Basis)

Cost Component	2018	2019	Change
Projected Medical/Prescription Drug Claims	\$1,010.77	\$1,195.60	+18.3%
Capitation Fees	\$367.89	\$413.98	+12.5%
Fixed Fees	\$87.03	\$88.39	+1.6%
<i>BSC Administration</i>	<i>\$59.69</i>	<i>\$60.89</i>	<i>+2.0%</i>
<i>BSC Large Claim Pooling @ \$1M/individual</i>	<i>\$22.48</i>	<i>\$24.71</i>	<i>+9.9%</i>
<i>California MCO Tax (plus PCORI in 2018 only)</i>	<i>\$4.86</i>	<i>\$2.79</i>	<i>-42.6%</i>
Subtotal—Projected PSPM Cost, Access+	\$1,465.69	\$1,697.97	+15.8%
Claims Stabilization Reserve Deficit Buy-Up	\$16.22	\$14.52	-10.5%
Total—Projected PSPM Cost, Access+	\$1,481.91	\$1,712.49	+15.6%

BSC Flex Funded Premium Equivalent Underwriting Comparison, 2019 to 2018—Trio

- Figures below are shown on a per subscriber per month (PSPM) basis
- 2019 claim forecast is based on 2017 claims trended to 2019, with BSC inputs for factors related to population spread between Access+ and Trio
- 2018 claim forecast and all capitation/fixed fee costs provided by BSC
- Lower Trio increase on PSPM basis driven by lower dependent content

Table 2—Trio Underwriting Rate Comparison Detail (PSPM Basis)

Cost Component	2018	2019	Change
Projected Medical/Prescription Drug Claims	\$1,223.20	\$889.18	-0.3%
Capitation Fees	(incl. Cap.)	\$330.56	
Fixed Fees	\$87.03	\$87.97	+1.1%
<i>BSC Administration</i>	<i>\$59.69</i>	<i>\$60.89</i>	<i>+2.0%</i>
<i>BSC Large Claim Pooling @ \$1M/individual</i>	<i>\$22.48</i>	<i>\$24.71</i>	<i>+9.9%</i>
<i>California MCO Tax (plus PCORI in 2018 only)</i>	<i>\$4.86</i>	<i>\$2.37</i>	<i>-51.2%</i>
Subtotal—Projected PSPM Cost, Trio	\$1,310.23	\$1,307.71	-0.2%
Claims Stabilization Reserve Deficit Buy-Up	\$16.22	\$13.25	-18.3%
Total—Projected PSPM Cost, Trio	\$1,326.45	\$1,320.96	-0.4%

Rate Card Footnotes

- 1) Expense:** SFHSS Healthcare Sustainability Fee for BSC (BSC-specific fees are captured in overall BSC medical cost row in rate cards).
- 2) Best Doctors:** Second opinion vendor fees of \$1.40 PSPM in 2018 and \$1.15 PSPM in 2019.
- 3) 10-County Amount:** Per Charter Section A8.423, employer contribution must equal the average of the employer contribution to health premium of the 10 most populous counties in CA, not including San Francisco. This is the first of three subsidy elements that applies to overall calculation of early retiree subsidies, and the 2019 10-County amount is \$672.08.
- 4) Single Retiree Offset:** Per Charter Section A8.428, this is the 10-County Amount for non-Medicare retirees who enroll dependents in coverage (same amount as (3) above).

Rate Card Footnotes

- 1) **"Actuarial Difference"**: Per Charter Section A8.428, employer contributes the difference between Active Employee Only tier total cost rates and Early Retiree Only tier total cost rates. This is the second of three subsidy elements that applies to overall calculation of early retiree subsidies.
- 2) **Prop. E Subsidy Passed in November 2000 Election**: Per Charter A8.428, employer subsidy for Retiree Only and Retiree +1 = $50\% \times [\text{Total Rate Cost} - 10\text{-County Amount} - \text{"Actuarial Difference"}]$. The Retiree + 1 calculated amount applies to the Retiree + 2+ tier. This is the third of three subsidy elements that applies to overall calculation of early retiree subsidies.
- 3) **MOU Negotiated Pickup**: Subsidy for active employee coverage based on specific MOU subsidy percentages. City Plan subsidies for those paying for coverage are set at dollar subsidies for second highest cost plan (BSC Access+).

Glossary of Terms

- **Capitation:** Components of capitation generally include the following:
 - Services rendered in a provider's office
 - Outpatient facility visits that do not result in a hospital admission
 - Emergency department
 - Dialysis
 - Group therapy at a facility
 - Lab work
 - Observation room
 - Surgeries
 - Radiology
 - Medical supplies and services

Glossary of Terms

- **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.
- **MCO Tax:** Managed Care Organization (MCO) tax enacted by California Senate Bill X2-2 (Hernandez, Chapter 2, Statutes 2016) effective for a taxing period July 1, 2016 through June 30, 2019
- **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.

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.
- **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.
- **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+ 2018 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	\$773.29	\$1,546.62	\$2,188.45	\$1,793.40	\$2,597.66	\$3,239.49
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
Best Doctors ²	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Claims Stabilization Amount / Self-Funded Policy	\$8.42	\$16.81	\$23.77	\$19.43	\$28.15	\$35.13
Total	\$790.06	\$1,575.75	\$2,227.82	\$1,821.18	\$2,638.13	\$3,290.22

10-County Amount ³	\$0.00	\$0.00	\$0.00	\$649.17	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$649.17	\$649.17
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$1,031.12	\$1,031.12	\$1,031.12
Retiree Prop. E Subsidy ⁶	\$0.00	\$0.00	\$0.00	\$70.45	\$478.92	\$478.92
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,750.74	\$2,159.21	\$2,159.21
2018 Non-Bargained Contribution Rate	\$790.06	\$1,575.75	\$2,227.82	\$70.44	\$478.92	\$1,131.01

MOU Negotiated Pickup ⁷	\$734.76	\$1,465.45	\$1,849.09			
2018 Typical Bargained Member / Retiree Contribution	\$55.30	\$110.30	\$378.73	\$70.44	\$478.92	\$1,131.01

Final Member Contribution 2017	\$52.66	\$105.01	\$360.53	\$73.70	\$462.50	\$1,083.17
Difference, 2018 versus 2017	\$2.64	\$5.29	\$18.20	-\$3.26	\$16.42	\$47.84

NOTE—Footnotes 1 – 7 defined in Appendix

Access+ 2018 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	\$773.29	\$1,546.62	\$2,188.45	\$1,793.40	\$2,597.66	\$3,239.49
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
Best Doctors ²	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Claims Stabilization Amount / Self-Funded Policy	\$8.42	\$16.81	\$23.77	\$19.43	\$28.15	\$35.13
Total	\$790.06	\$1,575.75	\$2,227.82	\$1,821.18	\$2,638.13	\$3,290.22

10-County Amount ³	\$0.00	\$0.00	\$0.00	\$649.17	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$649.17	\$649.17
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$1,031.12	\$1,031.12	\$1,031.12
Retiree Prop. E Subsidy ⁶	\$0.00	\$0.00	\$0.00	\$70.45	\$478.92	\$478.92
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,750.74	\$2,159.21	\$2,159.21
2018 Non-Bargained Contribution Rate	\$790.06	\$1,575.75	\$2,227.82	\$70.44	\$478.92	\$1,131.01

MOU Negotiated Pickup ⁷	\$790.06	\$1,512.72	\$1,849.09			
2018 Typical Bargained Member / Retiree Contribution	\$0.00	\$63.03	\$378.73	\$70.44	\$478.92	\$1,131.01

Final Member Contribution 2017	\$0.00	\$60.00	\$360.53	\$73.70	\$462.50	\$1,083.17
Difference, 2018 versus 2017	\$0.00	\$3.03	\$18.20	-\$3.26	\$16.42	\$47.84

NOTE—Footnotes 1 – 7 defined in Appendix

Trio 2018 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	\$691.28	\$1,382.59	\$1,956.35	\$1,603.20	\$2,322.16	\$2,895.92
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
Best Doctors ²	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Claims Stabilization Amount / Self-Funded Policy	\$8.42	\$16.81	\$23.77	\$19.43	\$28.15	\$35.13
Total	\$708.05	\$1,411.72	\$1,995.72	\$1,630.98	\$2,362.63	\$2,946.65

10-County Amount ³	\$0.00	\$0.00	\$0.00	\$649.17	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$649.17	\$649.17
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$922.93	\$922.93	\$922.93
Retiree Prop. E Subsidy ⁶	\$0.00	\$0.00	\$0.00	\$29.44	\$395.27	\$395.27
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,601.54	\$1,967.37	\$1,967.37
2018 Non-Bargained Contribution Rate	\$708.05	\$1,411.72	\$1,995.72	\$29.44	\$395.26	\$979.28

MOU Negotiated Pickup ⁷	\$658.49	\$1,312.90	\$1,656.45			
2018 Typical Bargained Member / Retiree Contribution	\$49.56	\$98.82	\$339.27	\$29.44	\$395.26	\$979.28

Final Member Contribution 2017	\$52.66	\$105.01	\$360.53	\$73.70	\$462.50	\$1,083.17
Difference, 2018 versus 2017	-\$3.10	-\$6.19	-\$21.26	-\$44.26	-\$67.24	-\$103.89

NOTE—Footnotes 1 – 7 defined in Appendix

Trio 2018 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	\$691.28	\$1,382.59	\$1,956.35	\$1,603.20	\$2,322.16	\$2,895.92
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
Best Doctors ²	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Claims Stabilization Amount / Self-Funded Policy	\$8.42	\$16.81	\$23.77	\$19.43	\$28.15	\$35.13
Total	\$708.05	\$1,411.72	\$1,995.72	\$1,630.98	\$2,362.63	\$2,946.65

10-County Amount ³	\$0.00	\$0.00	\$0.00	\$649.17	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$649.17	\$649.17
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$922.93	\$922.93	\$922.93
Retiree Prop. E Subsidy ⁶	\$0.00	\$0.00	\$0.00	\$29.44	\$395.27	\$395.27
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,601.54	\$1,967.37	\$1,967.37
2018 Non-Bargained Contribution Rate	\$708.05	\$1,411.72	\$1,995.72	\$29.44	\$395.26	\$979.28

MOU Negotiated Pickup ⁷	\$708.05	\$1,355.25	\$1,656.45			
2018 Typical Bargained Member / Retiree Contribution	\$0.00	\$56.47	\$339.27	\$29.44	\$395.26	\$979.28

Final Member Contribution 2017	\$0.00	\$60.00	\$360.53	\$73.70	\$462.50	\$1,083.17
Difference, 2018 versus 2017	\$0.00	-\$3.53	-\$21.26	-\$44.26	-\$67.24	-\$103.89

NOTE—Footnotes 1 – 7 defined in Appendix