

# San Francisco Health Service System Health Service Board

## **Rates & Benefits**

UnitedHealthcare 2019 City Plan Rates and  
Premium Contributions—Active Employees and  
Early Retirees

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Health & Benefits



# Contents—UnitedHealthcare 2019 City Plan Rating

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# Call to Action

## **Recommended 2019 Sustainability Possible Actions**

# City Plan—Promoting Long-Term Sustainability

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**Our Goal**—Promote long-term sustainability and viability of the City Plan for the active employee and early retiree populations, in keeping with the requirements of the City Charter.

**Call to Action**—Without meaningful changes and modifications, the City Plan will continue to erode and accelerate into a “death spiral”.

- A complex set of issues are creating this scenario and multiple strategies over multiple years are suggested for consideration.
- A “death spiral” occurs when cost rapidly increases and the lower risk population leaves the plan creating adverse selection in the remaining population.

# City Plan—Promoting Long-Term Sustainability

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A **multi-pronged, multi-year** plan is necessary to positively impact the City Plan's long-term viability.

Today we present several recommendations for possible action by the Health Service Board (HSB) which we believe can be enacted for the **2019 plan year**.

We also encourage further dialogue into the **2020 and future plan years** on continued evaluation of ideas to help preserve City Plan sustainability into the future. This topic will be part of the HSB's strategic planning discussion in the coming months.

# City Plan—Promoting Long-Term Sustainability

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Reasons we are addressing the future of the City Plan include:

- **Depletion of City Plan rate stabilization reserve funds:** Rate buy-downs have been helping to maintain the City Plan since 2014 when the rate stabilization reserve approached \$26 million—but only \$1,661,000 presently exists for 2019 and beyond application to City Plan rate buy-downs (see recent history chart in Appendix).
- **Escalating cost of prescription drugs, while City Plan copayments are less than Blue Shield plan copayments:** Prescription drugs are the highest inflating component of health care overall.
- **Maintaining City Plan affordability for members who have limited plan choice:** To preserve the SFHSS mission to make affordable health care available to all members.

# City Plan—Active Employees

## Focus on Members With Limited Plan Choice

- Based on latest census, 73 active employees live in a zip code where there is limited plan choice (e.g., Kaiser and/or Blue Shield plans are not available in their geography).
- The majority of these 73 employees live in Hetch Hetchy / Moccasin geographies.

City Plan Active Employee Home Geography	Employee Count
Live in areas where BSC and/or KP plans not available	73
Live in areas with choice among all UHC/BSC/KP plans	976
Total Active Employees in City Plan	1,049

# City Plan—Early Retirees

## Focus on Members With Limited Plan Choice

- Based on latest census, 436 early retirees live in a zip code where there is limited plan choice (e.g., Kaiser and/or Blue Shield plans are not available in their geography).
- Of these 436 retirees—over half of City Plan early retirees—are spread across parts of California, other states in the U.S., and other countries.

City Plan Early Retiree Home Geography	Early Retiree Count
Live in California—BSC and/or KP plans not available	68
Live in United States—outside California	321
Live outside United States	47
Subtotal—BSC and/or KP plans not available	436
Live in California—choice among all UHC/BSC/KP plans	344
Total Early Retirees in City Plan	780



# City Plan

## Four Recommendations for All Populations

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Four of our City Plan change recommendations would apply to **both active employees and early retirees** for the 2019 plan year:

- A. Create a separate plan for City Plan enrollees who have limited plan choice due to geography (“City Plan—Choice Not Available”).
- B. Lower overall plan cost through a change in UnitedHealthcare (UHC) provider network that has no adverse impact on members.
- C. Change prescription drug copayments in City Plan to match those in BSC Access+ and Trio plans.
- D. Increase out-of-network deductibles in City Plan.

# Recommendation A—Active Employees and Early Retirees

## City Plan—Choice Not Available (Delivered Through UHC)

Recommendation	Rationale and Comments	Member Impact	Projected 2019 Cost Impact
<p><b>A.</b></p> <ul style="list-style-type: none"> <li>▪ Create a separate plan for active employees and early retirees without access to BSC and/or KP plans due to geography</li> <li>▪ Would apply to 73 City Plan active employees and 436 early retirees (based on February 2018 census)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creates equity in active employee contributions and early retiree for members who do not have access to all BSC and KP plans</li> <li>▪ New plan adds a small administrative impact</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creates lower contributions for many City Plan—Choice Not Available active employees and all City Plan—Choice Not Available early retirees relative to members taking City Plan who do have access to all BSC and KP plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Additional SFHSS cost of \$270,000 for active employees and \$620,000* for early retirees (equivalent reduction in participant contributions)</li> </ul>

\* Updated forecast from April 12 HSB presentation where cost estimate of \$250,000 to \$500,000 was presented

# Recommendation B—Active Employees and Early Retirees

## Migration to UHC Select Plus Network

Recommendation	Rationale and Comments	Member Impact	Projected 2019 Cost Impact
<p><b>B.</b></p> <ul style="list-style-type: none"><li>Change current City Plan provider network to UHC's Select Plus Network in California (same providers as current)</li></ul>	<ul style="list-style-type: none"><li>Takes advantage of better pricing due to UHC's recently completed provider re-contracting without provider disruption in California</li></ul>	<ul style="list-style-type: none"><li>No disruption in network provider relationships for members</li><li>Communication is needed</li></ul>	<ul style="list-style-type: none"><li>Overall savings of \$485,000 for active employees and \$200,000 for early retirees based on UHC's analysis (shared with participants based on SFHSS subsidy provisions)</li></ul>

# Recommendation C—Active Employees and Early Retirees

## Increase Pharmacy Copayments

Recommendation	Rationale and Comments	Member Impact	Projected 2019 Cost Impact
<p><b>C.</b></p> <ul style="list-style-type: none"> <li>▪ Increase pharmacy copayments to match BSC plan levels                             <ul style="list-style-type: none"> <li>▪ Retail (30-day) copayments increase by \$5 per prescription</li> <li>▪ Mail order (90-day) copayments increase by \$10 per prescription</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Aligns with benchmarks presented in February HSB meeting as cost continues to increase rapidly</li> <li>▪ Promotes consistency in prescription drug copayments between City Plan and BSC plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increases out-of-pocket cost to members at point of purchase of prescription drugs</li> <li>▪ No change to current specialty prescription drug cost sharing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Overall savings of \$150,000 for active employees and \$140,000 for early retirees (shared with participants based on SFHSS contribution sharing formulas)</li> </ul>

Tier	Retail Prescription Copayment		Mail Order Prescription Copayment	
	Current	Proposed	Current	Proposed
Generic	\$5	\$10	\$10	\$20
Brand	\$20	\$25	\$40	\$50
Non-Formulary	\$45	\$50	\$90	\$100

# Recommendation D—Active Employees and Early Retirees

## Increase Out-of-Network Deductibles

Recommendation	Rationale and Comments	Member Impact	Projected 2019 Cost Impact
<p><b>D.</b></p> <ul style="list-style-type: none"> <li>▪ Increase to out-of-network deductible (currently \$250 single tier / \$500 in + 1 tier / \$750 in + 2+ tier both in and out-of-network)</li> <li>▪ New out-of-network deductibles would double for 2019</li> <li>▪ Current in-network deductible levels would remain same as current for 2019</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aligns with benchmarks presented in February HSB meeting</li> <li>▪ Promotes use of in-network providers in City Plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increases out-of-pocket cost to members using out-of-network providers at point of service (1,127 unique members in 2017)</li> <li>▪ 5% of current dollars went out-of-network in 2017</li> </ul>	<ul style="list-style-type: none"> <li>▪ Overall savings of \$17,000 for active employees and \$16,000 for early retirees (shared with participants based on SFHSS contribution sharing formulas)</li> </ul>

## Additional Early Retiree Only Specific Recommendation

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This additional recommendation applies to **early retirees only**:

- E. Year 1 change to balance rate tier ratios for City Plan early retirees in 2019 to be consistent with family tier ratios for BSC early retiree plans over the next three renewal cycles (2019, 2020, and 2021)—this change benefits **early retiree families** in City Plan without any adverse impact to other early retirees.

# Recommendation E—Early Retirees Only Year 1 Change

## Balance City Plan Family Rate Tier Ratios for Early Retirees

Recommendation	Rationale and Comments	Early Retiree Impact	Projected 2019 Cost Impact
<p><b>E.</b></p> <ul style="list-style-type: none"> <li>▪ Balance City Plan rate ratios for family tiers relative to single tier, over three rating periods, to approximate those for BSC plans</li> <li>▪ Current rate ratios for plans (Retiree Only / Retiree + 1 / Retiree + 2+) compared to Retiree Only rates are:               <ul style="list-style-type: none"> <li>▪ UHC City Plan: 1.00 / 1.96 / 2.67</li> <li>▪ BSC plans: 1.00 / 1.45 / 1.81</li> <li>▪ KP plan: 1.00 / 1.50 / 1.91</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ This change has no negative impact on BSC, KP, or Retiree Only tier City Plan enrollees</li> <li>▪ Supports affordability and promotes fairness in setting of City Plan early retiree family tier (Retiree + 1, Retiree + 2+) rates and contributions compared with BSC and KP plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lowers City Plan early retiree contributions for the Retiree + 1 (168 retirees) and Retiree + 2+ (23 retirees) tiers in 2019 than they otherwise would have been without this change</li> </ul>	<ul style="list-style-type: none"> <li>▪ Additional SFHSS cost of \$175,000* in 2019 as first year of three-year phase in (equivalent reduction in early retiree contributions)</li> </ul>

\* Updated forecast from April 12 HSB presentation where cost estimate of \$200,000 to \$300,000 was presented

# Summary of 2019 Recommended Actions

## Active Employees (“Actives”) and Early Retirees (“ERs”)

- Possible actions **A – D** apply to all City Plan members; **E** applies to early retirees only
- Savings from **B – D** would reflect in 2019 rate cards (3% reduction in total)
- Employer cost for **A** and **E** would be covered by remaining 2/3 balance in rate stabilization reserve (using \$1,065,000 of remaining \$1,107,000—leaving \$42,000 in carry forward balance)—in order to accomplish this, HSB will need to suspend the Self-Funded Stabilization Policy for City Plan

Recommended 2019 Possible Action		2019 Employer Cost / (Savings)	2019 Member Cost / (Savings)	Notes (SFHSS = Employer)
<b>A.</b>	Introduce City Plan: Choice Not Available	\$270,000 actives / \$620,000 ERs	(\$270,000) actives / (\$620,000) ERs	<ul style="list-style-type: none"> <li>▪ Net zero cost impact overall</li> </ul>
<b>B.</b>	Change UHC Network from Choice Plus to Select Plus	(\$485,000) actives / (\$200,000) ERs		<ul style="list-style-type: none"> <li>▪ SFHSS/members share savings based on subsidy formulas</li> <li>▪ Same providers in network</li> </ul>
<b>C.</b>	Prescription drug copay changes	(\$150,000) actives / (\$140,000) ERs		<ul style="list-style-type: none"> <li>▪ SFHSS/members share savings based on subsidy formulas</li> </ul>
<b>D.</b>	Out-of-network deductible changes	(\$17,000) actives / (\$16,000) ERs		<ul style="list-style-type: none"> <li>▪ SFHSS/members share savings based on subsidy formulas</li> </ul>
<b>E.</b>	Early retiree family tier rate ratio rebalance	\$175,000 ERs	(\$175,000) ERs	<ul style="list-style-type: none"> <li>▪ Net zero cost impact overall</li> <li>▪ 2019 is first of 3-year phase-in</li> </ul>



# City Plan

## HSB Request on Five Recommendations

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We ask the HSB to consider possible action to approve the five change recommendations presented today:

- A. Create a separate plan for City Plan enrollees who have limited plan choice due to geography (“City Plan—Choice Not Available”).
- B. Lower overall plan cost through a change in UnitedHealthcare (UHC) provider network that has no adverse impact on members.
- C. Change prescription drug copayments in City Plan to match those in BSC Access+ and Trio plans.
- D. Increase out-of-network deductibles in City Plan.
- E. Year 1 change to balance rate tier ratios for City Plan early retirees in 2019 to be consistent with family tier ratios for BSC early retiree plans over the next three renewal cycles (2019, 2020, and 2021)—this change benefits **early retiree families** in City Plan without any adverse impact to other early retirees.

# City Plan

## Action to Suspend Stabilization Reserve Policy

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We ask the HSB to vote to suspend the self-funded stabilization reserve policy on a one time basis and spend the remaining 2/3 balance in rate stabilization reserve (using \$1,065,000 of remaining \$1,107,000—leaving \$42,000 in carry forward balance).

# Status Quo City Plan Renewal Summary

# UHC 2019 City Plan Rating

## Status Quo Renewal Summary

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- The aggregate calculated rate increases across all populations and rating tiers for the UHC City Plan on a Status Quo basis (e.g., no design or network changes) are:
  - Active employees: +3.7%
  - Early retirees: +4.0%
  - Combined City Plan population: +3.8%
- These increases include all cost components in the UHC City Plan rate cards before stabilization adjustments—including medical and pharmacy (net of rebates) claim costs, UHC fees (administrative and three shared savings programs), core vision premiums (unchanged from 2018), Healthcare Sustainability fee (unchanged from 2018), and Best Doctors fee (lowered from \$1.40 per subscriber per month, or PSPM, in 2018 to \$1.15 PSPM in 2019).

# UHC 2019 City Plan Rating

## Status Quo Renewal Summary

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### Aon Commentary on Rate Increase Recommendations

- UHC City Plan actual 2017 claim experience was lower than predicted during our 2016 Rates & Benefits cycle—that helps to drive a lower-than-trend percentage increase forecast for 2019 rates **before** stabilization reserve adjustments are considered.
  - A key factor was a 25% increase in active employee City Plan enrollment from 2016 to 2017—lowering overall health risk in the plan (see SFHSS 2017 Risk Scores report from April HSB meeting) and generating favorable 2017 claim experience to original forecast.
  - This drove the creation of \$1,661,000 in new rate stabilization funds into 2019 when the expectation was no available funds after 2018—monies generated by favorable experience and influence of new plan participants in 2017.

# Impact of Rate Stabilization Reserve Applied to Projected 2019 City Plan Total Rate Development

- The difference between 2018 actual and 2019 proposed application of City Plan rate stabilization reserves into total cost rates is outlined below.
  - 2018 included special decision to apply all remaining rate stabilization reserve monies after 1/3 “per policy” application to active employees.

	Active Employees	Early Retirees	Total
<b>2018 Rating</b>			
Original 1/3 per Policy	\$880,000	\$630,000	\$1,510,000
Additional: One-Time Decision	<u>\$3,019,000</u>	<u>N/A</u>	<u>\$3,019,000</u>
<b>Total Applied in Rating</b>	<b>\$3,899,000</b>	<b>\$630,000</b>	<b>\$4,529,000</b>
<b>Proposed 2019 Rating</b>			
Original 1/3 per Policy	\$293,000	\$261,000	\$554,000

# Impact of Rate Stabilization Reserve Applied to Projected 2019 City Plan Total Rate Development

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- The HSB does have the option to apply the remaining 2/3 of the December 31, 2017 City Plan rate stabilization reserve balance (\$1,107,000) to funding of 2019 proposed initiatives, but this would require the HSB to suspend the Self-Funded Stabilization Policy for City Plan.
  - Our recommendation is \$1,065,000 of the remaining \$1,107,000 be used to fund our recommendations **A** and **E** which were outlined earlier with \$42,000 carry forward.

## Subsidy Development Background—Active Employees

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- **Active employees in Blue Shield and Kaiser plans**—apply MOU-based cost sharing formulas (essentially, the applicable percentages based on MOUs)
  - We illustrate the 100 / 96 / 83 and 93 / 93 / 83 rate cards to the HSB as the most prevalent active employee MOUs
  - Percentages apply to all plans except the highest cost plan (which is the UHC City Plan)
  - Thus, the percentage increase in the overall rate card from one year to the next for each plan becomes the percentage increase for that plan to employee contributions



# Subsidy Development Background—Active Employees

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- **Active employees in UHC City Plan**—Dollar subsidies for each coverage tier are same as those for “second highest cost plan” (which is BSC Access+)
  - Does not impact those taking Employee Only tier with 100 / 96 / 83 subsidy MOU (they pay \$0 for coverage, with a higher SFHSS subsidy than for Access+)
  - However, every dollar of difference in total cost rates between Access+ and City Plan for most other employees taking City Plan is directly passed to those plan participants (exception: a few employees with special subsidy agreements, such as those in Hetch Hetchy/Moccasin)

# Subsidy Development Background—Early Retirees

- **Early retirees in all plans**—Apply the three elements of the Charter-defined subsidy formula (10-County amount, “Actuarial Difference”, and Prop. E subsidy):
  - 2019 10-County amount monthly figure is \$672.08—or 3.5% increase to the \$649.17 amount used in 2018 rating (applies to every plan)
  - “Actuarial Difference”—for each plan, this is the difference between total cost rate for early retiree only coverage tier and total cost rate for active employee only coverage tier
  - Prop. E subsidy—for each plan, this is 50% of what’s left when taking the early retiree total cost rate minus the two elements above
    - Retiree Only and Retiree + 1 Tiers: calculation above applies
    - Retiree + 2+ Tier: uses Retiree + 1 Prop. E subsidy amount

# Change Recommendations Impact Summary

# Impact of Recommended Changes

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We have outlined two sets of projected 2019 member contributions (and 2019 rate cards in the Appendix) in the pages that follow. The first set is for existing **City Plan**. The second set is for **City Plan—Choice Not Available (CNA)**. Each of these rate cards incorporates the following changes:

- Lower overall plan cost through a change in the UHC provider network that has no adverse impact on members.
- Change prescription drug copayments in City Plan to match those in BSC Access+ and Trio plans.
- Increase out-of-network deductibles in City Plan.
- Year 1 change to balance rate tier ratios for City Plan early retirees in 2019 to be consistent with family tier ratios for BSC early retiree plans over the next three renewal cycles (2019, 2020, and 2021)—this change benefits **early retiree families** in City Plan without any adverse impact to other early retirees.

# City Plan—Choice Not Available

## Criteria for Availability

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

# City Plan—Choice Not Available

## Rating Basis

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- Rate basis for **City Plan—Choice Not Available**:
  - **Active Employees**—Same total cost rates (including all rate card elements) and contributions as BSC Access+ plan.
  - **Early Retirees**—Additional subsidy for City Plan—Choice Not Available generated by lower active employee rate basis than regular City Plan (early retiree total rates are same as for regular City Plan).
- This approach provides contribution relief to 73 active employees and 436 early retirees—which includes those in the Hetch Hetchy / Moccasin areas.

# City Plan Member Contributions

## Comparison of 2018 and All 2019 Scenarios

Early Retirees, and **93 / 93 / 83** Contribution Strategy for Employees

<i>PY = Plan Year</i> <i>SQ = Status Quo</i> <i>CNA = Choice Not Available</i>		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	2019 SQ	\$326.16	\$584.17	\$1,054.43	\$232.80	\$835.78	\$1,730.43
	2019 w/Chg.	\$297.52	\$526.89	\$971.87	\$218.48	\$740.11	\$1,527.83
	2019 CP-CNA	\$61.08	\$121.90	\$418.62	\$100.26	\$621.89	\$1,409.61
\$ Difference in Employee / Retiree Contributions vs. 2018	PY 2018	—	—	—	—	—	—
	2019 SQ	+\$176.46	+\$322.83	+\$468.59	+\$115.16	+\$148.20	+\$194.67
	2019 w/Chg.	+\$147.82	+\$265.55	+\$386.03	+\$100.84	+\$52.53	-\$7.93
	2019 CP-CNA	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$65.69	-\$126.15
% Difference in Employee / Retiree Contributions vs. 2018	PY 2018	—	—	—	—	—	—
	2019 SQ	+117.9%	+123.5%	+80.0%	+97.9%	+21.6%	+12.7%
	2019 w/Chg.	+98.7%	+101.6%	+65.9%	+85.7%	+7.6%	-0.5%
	2019 CP-CNA	-59.2%	-53.4%	-28.5%	-14.8%	-9.6%	-8.2%

# City Plan Member Contributions

## Comparison of 2018 and All 2019 Scenarios

Early Retirees, and **100 / 96 / 83** Contribution Strategy for Employees

<i>PY = Plan Year</i> <i>SQ = Status Quo</i> <i>CNA = Choice Not Available</i>		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	2019 SQ	\$0.00	\$531.93	\$1,054.43	\$232.80	\$835.78	\$1,730.43
	2019 w/Chg.	\$0.00	\$474.65	\$971.87	\$218.48	\$740.11	\$1,527.83
	2019 CP-CNA	\$0.00	\$69.66	\$418.62	\$100.26	\$621.89	\$1,409.61
\$ Difference in Employee / Retiree Contributions vs. 2018	PY 2018	—	—	—	—	—	—
	2019 SQ	+\$0.00	+\$317.86	+\$468.59	+\$115.16	+\$148.20	+\$194.67
	2019 w/Chg.	+\$0.00	+\$260.58	+\$386.03	+\$100.84	+\$52.53	-\$7.93
	2019 CP-CNA	+\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$65.69	-\$126.15
% Difference in Employee / Retiree Contributions vs. 2018	PY 2018	—	—	—	—	—	—
	2019 SQ	—	+148.5%	+80.0%	+97.9%	+21.6%	+12.7%
	2019 w/Chg.	—	+121.7%	+65.9%	+85.7%	+7.6%	-0.5%
	2019 CP-CNA	—	-67.5%	-28.5%	-14.8%	-9.6%	-8.2%



## City Plan Proposed 2019 Possible Actions—Summary

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- The five recommended changes in 2019 for the City Plan is the first of a multi-year strategy to preserve the City Plan option for active employees and early retirees. These changes accomplish the following:
  - Creates a more affordable plan for 73 active employees and 436 early retirees who have no other plan options due to where they live;
  - Provides more affordable contributions for early retirees in the family coverage tiers; and
  - Mutes the overall impact of total cost given the depletion of rate stabilization funds.
- Further dialogue is required if we are to stabilize City Plan beyond 2019. We anticipate these discussions will include deeper review of rating methodologies, risk pool management, subsidy application and network/vendor construct during strategic planning process.

# Possible Action Items for Today

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- SFHSS staff leadership and Aon recommend:
  - HSB approve each of the five recommended changes for 2019 outlined earlier in this presentation (**A** through **E**)
  - HSB approve the 2019 UHC City Plan and City Plan—Choice Not Available rate cards that include the five recommended changes for 2019 outlined earlier in this presentation (**A** through **E**).
  - HSB vote to approve suspending the self-funded stabilization reserve policy on a one time basis and spend the additional funds.

# Appendix

### 2019 Status Quo to 2018 (All Populations)

- Figures below are shown on a per subscriber per month (PSPM) basis.
- 2019 claim forecasts are based on 2017 claims trended to 2019 (Aon's annual trend factors: 5.5% medical, 8.4% prescription drugs).
- 2019 fees shown are those approved by HSB in April (increase is due to higher dollars flowing through UHC Shared Savings programs in 2017).

**Table 1—City Plan Underwriting Rate Comparison Detail (PSPM Basis)**

Cost Component	2018	2019	Change
Projected Medical Claims	\$1,359.32	\$1,384.14	+1.8%
Projected Prescription Drug Claims	\$355.40	\$369.87	+4.1%
Total Fixed Fees (UHC and SFHSS Sustain.)	\$51.16	\$71.61	+40.0%
<b>Subtotal—Projected PSPM Cost, City Plan</b>	<b>\$1,765.88</b>	<b>\$1,825.62</b>	<b>+3.4%</b>
Claims Stabilization Reserve Deficit Buy-Down	-\$206.35	-\$22.35	-89.2%
<b>Total—Projected PSPM Cost, City Plan</b>	<b>\$1,559.53</b>	<b>\$1,803.27</b>	<b>+15.6%</b>

## 2019 UHC City Plan Rate Cards

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- Following four pages—for **Status Quo** scenario (no design/network changes)
  - 2019 versus 2018 rate comparison: early retirees, and 93 / 93 / 83 active employees
  - 2019 versus 2018 rate comparison: early retirees, and 100 / 96 / 83 active employees
  - 2019 rate card: early retirees, and 93 / 93 / 83 active employees
  - 2019 rate card: early retirees, and 100 / 96 / 83 active employees

# City Plan—Rate / Contribution Change

### 2019 vs 2018 for Status Quo Scenario (no design/network changes)

Early Retirees, and **93 / 93 / 83** Contribution Strategy for Employees

<i>PY = Plan Year</i>		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
<b>Monthly Employee / Retiree Contributions</b>	<b>PY 2018</b>	<b>\$149.70</b>	<b>\$261.34</b>	<b>\$585.84</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
	<b>PY 2019</b>	<b>\$326.16</b>	<b>\$584.17</b>	<b>\$1,054.43</b>	<b>\$232.80</b>	<b>\$835.78</b>	<b>\$1,730.43</b>
	<i>\$ Difference</i>	+\$176.46	+\$322.83	+\$468.59	+\$115.16	+\$148.20	+\$194.67
	<i>% Difference</i>	+117.9%	+123.5%	+80.0%	+97.9%	+21.6%	+12.7%
<b>Monthly Employer Contributions</b>	<b>PY 2018</b>	<b>\$734.76</b>	<b>\$1,465.45</b>	<b>\$1,849.09</b>	<b>\$1,072.43</b>	<b>\$1,642.37</b>	<b>\$1,642.37</b>
	<b>PY 2019</b>	<b>\$811.53</b>	<b>\$1,619.49</b>	<b>\$2,043.88</b>	<b>\$1,044.88</b>	<b>\$1,647.85</b>	<b>\$1,647.85</b>
	<i>\$ Difference</i>	+\$76.77	+\$154.04	+\$194.79	-\$27.55	+\$5.48	+\$5.48
	<i>% Difference</i>	+10.4%	+10.5%	+10.5%	-2.6%	+0.3%	+0.3%
<b>Monthly Total Rate</b>	<b>PY 2018</b>	<b>\$884.46</b>	<b>\$1,726.79</b>	<b>\$2,434.93</b>	<b>\$1,190.07</b>	<b>\$2,329.95</b>	<b>\$3,178.13</b>
	<b>PY 2019</b>	<b>\$1,137.69</b>	<b>\$2,203.66</b>	<b>\$3,098.31</b>	<b>\$1,277.68</b>	<b>\$2,483.63</b>	<b>\$3,378.28</b>
	<i>\$ Difference</i>	+\$253.23	+\$476.87	+\$663.38	+\$87.61	+\$153.68	+\$200.25
	<i>% Difference</i>	+28.6%	+27.6%	+27.2%	+7.4%	+6.6%	+6.3%

# City Plan—Rate / Contribution Change

### 2019 vs 2018 for Status Quo Scenario (no design/network changes)

#### 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	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$0.00	\$531.93	\$1,054.43	\$232.80	\$835.78	\$1,730.43
	\$ Difference	+\$0.00	+\$317.86	+\$468.59	+\$115.16	+\$148.20	+\$194.67
	% Difference	—	+148.5%	+80.0%	+97.9%	+21.6%	+12.7%
Monthly Employer Contributions	PY 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$1,137.69	\$1,671.73	\$2,043.88	\$1,044.88	\$1,647.85	\$1,647.85
	\$ Difference	+\$253.23	+\$159.01	+\$194.79	-\$27.55	+\$5.48	+\$5.48
	% Difference	+28.6%	+10.5%	+10.5%	-2.6%	+0.3%	+0.3%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,137.69	\$2,203.66	\$3,098.31	\$1,277.68	\$2,483.63	\$3,378.28
	\$ Difference	+\$253.23	+\$476.87	+\$663.38	+\$87.61	+\$153.68	+\$200.25
	% Difference	+28.6%	+27.6%	+27.2%	+7.4%	+6.6%	+6.3%

# City Plan—2019 Monthly Rate Card

### Status Quo Scenario (no design / network changes)

#### 93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$875.17	\$1,750.35	\$2,556.22	\$914.98	\$1,829.96	\$2,635.83
Pharmacy	\$201.68	\$403.37	\$501.32	\$303.84	\$607.67	\$705.63
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors <sup>2</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$1,137.69</b>	<b>\$2,203.66</b>	<b>\$3,098.31</b>	<b>\$1,277.68</b>	<b>\$2,483.63</b>	<b>\$3,378.28</b>
10-County Amount <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$139.99	\$139.99	\$139.99
Retiree Prop. E Subsidy <sup>6</sup>	\$0.00	\$0.00	\$0.00	\$232.81	\$835.78	\$835.78
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,044.88	\$1,647.85	\$1,647.85
<b>2019 Non-Bargained Contribution Rate</b>	<b>\$1,137.69</b>	<b>\$2,203.66</b>	<b>\$3,098.31</b>	<b>\$232.80</b>	<b>\$835.78</b>	<b>\$1,730.43</b>
MOU Negotiated Pickup <sup>7</sup>	\$811.53	\$1,619.49	\$2,043.88			
<b>2019 Typical Bargained Member Contribution</b>	<b>\$326.16</b>	<b>\$584.17</b>	<b>\$1,054.43</b>	<b>\$232.80</b>	<b>\$835.78</b>	<b>\$1,730.43</b>
<b>Final Member Contribution 2018</b>	<b>\$149.70</b>	<b>\$261.34</b>	<b>\$585.84</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
<b>Difference, 2019 versus 2018</b>	<b>\$176.46</b>	<b>\$322.83</b>	<b>\$468.59</b>	<b>\$115.16</b>	<b>\$148.20</b>	<b>\$194.67</b>

**NOTE—Footnotes 1 – 7 defined in Appendix**



# City Plan—2019 Monthly Rate Card

### Status Quo Scenario (no design / network changes)

#### 100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$875.17	\$1,750.35	\$2,556.22	\$914.98	\$1,829.96	\$2,635.83
Pharmacy	\$201.68	\$403.37	\$501.32	\$303.84	\$607.67	\$705.63
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors <sup>2</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$1,137.69</b>	<b>\$2,203.66</b>	<b>\$3,098.31</b>	<b>\$1,277.68</b>	<b>\$2,483.63</b>	<b>\$3,378.28</b>
10-County Amount <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$139.99	\$139.99	\$139.99
Retiree Prop. E Subsidy <sup>6</sup>	\$0.00	\$0.00	\$0.00	\$232.81	\$835.78	\$835.78
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,044.88	\$1,647.85	\$1,647.85
<b>2019 Non-Bargained Contribution Rate</b>	<b>\$1,137.69</b>	<b>\$2,203.66</b>	<b>\$3,098.31</b>	<b>\$232.80</b>	<b>\$835.78</b>	<b>\$1,730.43</b>
MOU Negotiated Pickup <sup>7</sup>	\$1,137.69	\$1,671.73	\$2,043.88			
<b>2019 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$531.93</b>	<b>\$1,054.43</b>	<b>\$232.80</b>	<b>\$835.78</b>	<b>\$1,730.43</b>
<b>Final Member Contribution 2018</b>	<b>\$0.00</b>	<b>\$214.07</b>	<b>\$585.84</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
<b>Difference, 2019 versus 2018</b>	<b>\$0.00</b>	<b>\$317.86</b>	<b>\$468.59</b>	<b>\$115.16</b>	<b>\$148.20</b>	<b>\$194.67</b>

**NOTE—Footnotes 1 – 7 defined in Appendix**

## 2019 UHC City Plan Rate Cards

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- Following four pages—for **City Plan with design/network changes** proposed for 2019 (recommendations **B** through **E**)
  - 2019 versus 2018 rate comparison: early retirees, and 93 / 93 / 83 active employees
  - 2019 versus 2018 rate comparison: early retirees, and 100 / 96 / 83 active employees
  - 2019 rate card: early retirees, and 93 / 93 / 83 active employees
  - 2019 rate card: early retirees, and 100 / 96 / 83 active employees

# City Plan—Rate / Contribution Change

## 2019 Versus 2018 With All Change Recommendations

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	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$297.52	\$526.89	\$971.87	\$218.48	\$740.11	\$1,527.83
	\$ Difference	+\$147.82	+\$265.55	+\$386.03	+\$100.84	+\$52.53	-\$7.93
	% Difference	+98.7%	+101.6%	+65.9%	+85.7%	+7.6%	-0.5%
Monthly Employer Contributions	PY 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,105.10	\$1,626.73	\$1,626.73
	\$ Difference	+\$76.77	+\$154.04	+\$194.79	+\$32.67	-\$15.64	-\$15.64
	% Difference	+10.4%	+10.5%	+10.5%	+3.0%	-1.0%	-1.0%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,109.05	\$2,146.38	\$3,015.75	\$1,323.58	\$2,366.84	\$3,154.56
	\$ Difference	+\$224.59	+\$419.59	+\$580.82	+\$133.51	+\$36.89	-\$23.57
	% Difference	+25.4%	+24.3%	+23.9%	+11.2%	+1.6%	-0.7%

# City Plan—Rate / Contribution Change

### 2019 Versus 2018 With All Change Recommendations

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	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$0.00	\$474.65	\$971.87	\$218.48	\$740.11	\$1,527.83
	\$ Difference	+\$0.00	+\$260.58	+\$386.03	+\$100.84	+\$52.53	-\$7.93
	% Difference	—	+121.7%	+65.9%	+85.7%	+7.6%	-0.5%
Monthly Employer Contributions	PY 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$1,109.30	\$1,671.73	\$2,043.88	\$1,105.10	\$1,626.73	\$1,626.73
	\$ Difference	+\$224.84	+\$159.01	+\$194.79	+\$32.67	-\$15.64	-\$15.64
	% Difference	+25.4%	+10.5%	+10.5%	+3.0%	-1.0%	-1.0%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,109.05	\$2,146.38	\$3,015.75	\$1,323.58	\$2,366.84	\$3,154.56
	\$ Difference	+\$224.59	+\$419.59	+\$580.82	+\$133.51	+\$36.89	-\$23.57
	% Difference	+25.4%	+24.3%	+23.9%	+11.2%	+1.6%	-0.7%

# City Plan—2019 Monthly Rate Card

### With All Change Recommendations

#### 93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$849.03	\$1,698.08	\$2,479.88	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$199.18	\$398.36	\$495.10	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors <sup>2</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$1,109.05</b>	<b>\$2,146.38</b>	<b>\$3,015.75</b>	<b>\$1,323.58</b>	<b>\$2,366.84</b>	<b>\$3,154.56</b>
10-County Amount <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$214.53	\$214.53	\$214.53
Retiree Prop. E Subsidy <sup>6</sup>	\$0.00	\$0.00	\$0.00	\$218.49	\$740.12	\$740.12
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,105.10	\$1,626.73	\$1,626.73
<b>2019 Non-Bargained Contribution Rate</b>	<b>\$1,109.05</b>	<b>\$2,146.38</b>	<b>\$3,015.75</b>	<b>\$218.48</b>	<b>\$740.11</b>	<b>\$1,527.83</b>
MOU Negotiated Pickup <sup>7</sup>	\$811.53	\$1,619.49	\$2,043.88			
<b>2019 Typical Bargained Member Contribution</b>	<b>\$297.52</b>	<b>\$526.89</b>	<b>\$971.87</b>	<b>\$218.48</b>	<b>\$740.11</b>	<b>\$1,527.83</b>
<b>Final Member Contribution 2018</b>	<b>\$149.70</b>	<b>\$261.34</b>	<b>\$585.84</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
<b>Difference, 2019 versus 2018</b>	<b>\$147.82</b>	<b>\$265.55</b>	<b>\$386.03</b>	<b>\$100.84</b>	<b>\$52.53</b>	<b>-\$7.93</b>

**NOTE—Footnotes 1 – 7 defined in Appendix**

# City Plan—2019 Monthly Rate Card

### With All Change Recommendations

#### 100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$849.03	\$1,698.08	\$2,479.88	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$199.18	\$398.36	\$495.10	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors <sup>2</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$1,109.05</b>	<b>\$2,146.38</b>	<b>\$3,015.75</b>	<b>\$1,323.58</b>	<b>\$2,366.84</b>	<b>\$3,154.56</b>
10-County Amount <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$214.53	\$214.53	\$214.53
Retiree Prop. E Subsidy <sup>6</sup>	\$0.00	\$0.00	\$0.00	\$218.49	\$740.12	\$740.12
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,105.10	\$1,626.73	\$1,626.73
<b>2019 Non-Bargained Contribution Rate</b>	<b>\$1,109.05</b>	<b>\$2,146.38</b>	<b>\$3,015.75</b>	<b>\$218.48</b>	<b>\$740.11</b>	<b>\$1,527.83</b>
MOU Negotiated Pickup <sup>7</sup>	\$1,109.05	\$1,671.73	\$2,043.88			
<b>2019 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$474.65</b>	<b>\$971.87</b>	<b>\$218.48</b>	<b>\$740.11</b>	<b>\$1,527.83</b>
Final Member Contribution 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$0.00	\$260.58	\$386.03	\$100.84	\$52.53	-\$7.93

**NOTE—Footnotes 1 – 7 defined in Appendix**

## 2019 UHC City Plan Rate Cards

- Following four pages—for **City Plan—Choice Not Available** with design/network changes proposed for 2019 (recommendations **B** through **E**)
  - 2019 versus 2018 rate comparison: early retirees, and 93 / 93 / 83 active employees
  - 2019 versus 2018 rate comparison: early retirees, and 100 / 96 / 83 active employees
  - 2019 rate card: early retirees, and 93 / 93 / 83 active employees
  - 2019 rate card: early retirees, and 100 / 96 / 83 active employees

# City Plan—Choice Not Available: Rate / Contribution Change

## 2019 vs 2018 With All Change Recommendations

Appendix

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	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$621.89	\$1,409.61
	\$ Difference	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$65.69	-\$126.15
	% Difference	-59.2%	-53.4%	-28.5%	-14.8%	-9.6%	-8.2%
Monthly Employer Contributions	PY 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,223.32	\$1,744.95	\$1,744.95
	\$ Difference	+\$76.77	+\$154.04	+\$194.79	+\$150.89	+\$102.58	+\$102.58
	% Difference	+10.4%	+10.5%	+10.5%	+14.1%	+6.2%	+6.2%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$1,323.58	\$2,366.84	\$3,154.56
	\$ Difference	-\$11.85	+\$14.60	+\$27.57	+\$133.51	+\$36.89	-\$23.57
	% Difference	-1.3%	+0.8%	+1.1%	+11.2%	+1.6%	-0.7%



# City Plan—Choice Not Available: Rate / Contribution Change

## 2019 vs 2018 With All Change Recommendations

Appendix

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	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$621.89	\$1,409.61
	\$ Difference	+\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$65.69	-\$126.15
	% Difference	—	-67.5%	-28.5%	-14.8%	-9.6%	-8.2%
Monthly Employer Contributions	PY 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$872.61	\$1,671.73	\$2,043.88	\$1,223.32	\$1,744.95	\$1,744.95
	\$ Difference	-\$11.85	+\$159.01	+\$194.79	+\$150.89	+\$102.58	+\$102.58
	% Difference	-1.3%	+10.5%	+10.5%	+14.1%	+6.2%	+6.2%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$1,323.58	\$2,366.84	\$3,154.56
	\$ Difference	-\$11.85	+\$14.60	+\$27.57	+\$133.51	+\$36.89	-\$23.57
	% Difference	-1.3%	+0.8%	+1.1%	+11.2%	+1.6%	-0.7%

## 2019 Monthly Rate Card With All Change Recommendations

### 93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$659.73	\$1,374.64	\$1,968.14	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$152.04	\$316.81	\$453.59	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors <sup>2</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$872.61</b>	<b>\$1,741.39</b>	<b>\$2,462.50</b>	<b>\$1,323.58</b>	<b>\$2,366.84</b>	<b>\$3,154.56</b>
10-County Amount <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$450.97	\$450.97	\$450.97
Retiree Prop. E Subsidy <sup>6</sup>	\$0.00	\$0.00	\$0.00	\$100.27	\$621.90	\$621.90
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,223.32	\$1,744.95	\$1,744.95
<b>2019 Non-Bargained Contribution Rate</b>	<b>\$872.61</b>	<b>\$1,741.39</b>	<b>\$2,462.50</b>	<b>\$100.26</b>	<b>\$621.89</b>	<b>\$1,409.61</b>
MOU Negotiated Pickup <sup>7</sup>	\$811.53	\$1,619.49	\$2,043.88			
<b>2019 Typical Bargained Member Contribution</b>	<b>\$61.08</b>	<b>\$121.90</b>	<b>\$418.62</b>	<b>\$100.26</b>	<b>\$621.89</b>	<b>\$1,409.61</b>
<b>Final Member Contribution 2018</b>	<b>\$149.70</b>	<b>\$261.34</b>	<b>\$585.84</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
<b>Difference, 2019 versus 2018</b>	<b>-\$88.62</b>	<b>-\$139.44</b>	<b>-\$167.22</b>	<b>-\$17.38</b>	<b>-\$65.69</b>	<b>-\$126.15</b>

**NOTE—Footnotes 1 – 7 defined in Appendix**

### 2019 Monthly Rate Card With All Change Recommendations

#### 100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$659.73	\$1,374.64	\$1,968.14	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$152.04	\$316.81	\$453.59	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors <sup>2</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$872.61</b>	<b>\$1,741.39</b>	<b>\$2,462.50</b>	<b>\$1,323.58</b>	<b>\$2,366.84</b>	<b>\$3,154.56</b>
10-County Amount <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$450.97	\$450.97	\$450.97
Retiree Prop. E Subsidy <sup>6</sup>	\$0.00	\$0.00	\$0.00	\$100.27	\$621.90	\$621.90
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,223.32	\$1,744.95	\$1,744.95
<b>2019 Non-Bargained Contribution Rate</b>	<b>\$872.61</b>	<b>\$1,741.39</b>	<b>\$2,462.50</b>	<b>\$100.26</b>	<b>\$621.89</b>	<b>\$1,409.61</b>
MOU Negotiated Pickup <sup>7</sup>	\$872.61	\$1,671.73	\$2,043.88			
<b>2019 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$69.66</b>	<b>\$418.62</b>	<b>\$100.26</b>	<b>\$621.89</b>	<b>\$1,409.61</b>
Final Member Contribution 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$65.69	-\$126.15

**NOTE—Footnotes 1 – 7 defined in Appendix**

## 2018 UHC City Plan Rate Cards

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- Following two pages—current 2018 City Plan rate cards
  - 2018 rate card: early retirees, and 93 / 93 / 83 active employees
  - 2018 rate card: early retirees, and 100 / 96 / 83 active employees

# 2018 City Plan Monthly Rate Card

## 93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$859.48	\$1,718.97	\$2,510.39	\$898.57	\$1,797.15	\$2,588.57
Pharmacy	\$193.79	\$387.59	\$481.71	\$291.95	\$583.90	\$678.02
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$51.16	\$51.16	\$51.16	\$51.16	\$51.16	\$51.16
Claims Stabilization Amount / Self-Funded Policy	-\$225.32	-\$440.25	-\$620.93	-\$56.96	-\$111.58	-\$152.22
Best Doctors <sup>2</sup>	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
<b>Total</b>	<b>\$884.46</b>	<b>\$1,726.79</b>	<b>\$2,434.93</b>	<b>\$1,190.07</b>	<b>\$2,329.95</b>	<b>\$3,178.13</b>
10-County Amount <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$649.17	\$0.00	\$0.00
Single Retiree Offset <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$649.17	\$649.17
"Actuarial Difference" <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$305.61	\$305.61	\$305.61
Retiree Prop. E Subsidy <sup>6</sup>	\$0.00	\$0.00	\$0.00	\$117.65	\$687.59	\$687.59
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,072.43	\$1,642.37	\$1,642.37
<b>2018 Non-Bargained Contribution Rate</b>	<b>\$884.46</b>	<b>\$1,726.79</b>	<b>\$2,434.93</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
MOU Negotiated Pickup <sup>7</sup>	\$734.76	\$1,465.45	\$1,849.09			
<b>2018 Typical Bargained Member Contribution</b>	<b>\$149.70</b>	<b>\$261.34</b>	<b>\$585.84</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
<b>Final Member Contribution 2017</b>	<b>\$102.81</b>	<b>\$166.01</b>	<b>\$430.34</b>	<b>\$98.78</b>	<b>\$648.15</b>	<b>\$1,426.75</b>
<b>Difference, 2018 versus 2017</b>	<b>\$46.89</b>	<b>\$95.33</b>	<b>\$155.50</b>	<b>\$18.86</b>	<b>\$39.43</b>	<b>\$109.01</b>

**NOTE—Footnotes 1 – 7 defined in Appendix**

# 2018 City Plan Monthly Rate Card

## 100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$859.48	\$1,718.97	\$2,510.39	\$898.57	\$1,797.15	\$2,588.57
Pharmacy	\$193.79	\$387.59	\$481.71	\$291.95	\$583.90	\$678.02
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense <sup>1</sup>	\$51.16	\$51.16	\$51.16	\$51.16	\$51.16	\$51.16
Claims Stabilization Amount / Self-Funded Policy	-\$225.32	-\$440.25	-\$620.93	-\$56.96	-\$111.58	-\$152.22
Best Doctors <sup>2</sup>	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
<b>Total</b>	<b>\$884.46</b>	<b>\$1,726.79</b>	<b>\$2,434.93</b>	<b>\$1,190.07</b>	<b>\$2,329.95</b>	<b>\$3,178.13</b>
10-County Amount <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$649.17	\$0.00	\$0.00
Single Retiree Offset <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$649.17	\$649.17
"Actuarial Difference" <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$305.61	\$305.61	\$305.61
Retiree Prop. E Subsidy <sup>6</sup>	\$0.00	\$0.00	\$0.00	\$117.65	\$687.59	\$687.59
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,072.43	\$1,642.37	\$1,642.37
<b>2018 Non-Bargained Contribution Rate</b>	<b>\$884.46</b>	<b>\$1,726.79</b>	<b>\$2,434.93</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
MOU Negotiated Pickup <sup>7</sup>	\$884.46	\$1,512.72	\$1,849.09			
<b>2018 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$214.07</b>	<b>\$585.84</b>	<b>\$117.64</b>	<b>\$687.58</b>	<b>\$1,535.76</b>
Final Member Contribution 2017	\$0.00	\$121.00	\$430.34	\$98.78	\$648.15	\$1,426.75
Difference, 2018 versus 2017	\$0.00	\$93.07	\$155.50	\$18.86	\$39.43	\$109.01

**NOTE—Footnotes 1 – 7 defined in Appendix**

## Rate Card Footnotes

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- 1) **Expense:** Includes UHC administrative fees, UHC program fees for shared savings / facility reasonable & customary / value-based contracting initiatives, and SFHSS Healthcare Sustainability Fee.
- 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

- 5) **"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.
- 6) **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.
- 7) **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

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- **Rate Stabilization Reserve:** HSB policy establishes use of a stabilization reserve to spread any underwriting gains or losses into the following year's premium calculation in a consistent manner to reduce volatility from year-over-year changes in premium. The underwriting gains or losses are added or subtracted from the premium amounts to adjust for previous losses or gains. Per HSB policy, each year's loss or gain is spread over the next three years.
- **Ten (10)-County Average Survey:** Per Charter Section A8.423, the employer contribution must equal the average of the employer contribution to health premiums of the ten most populous counties in California, not including San Francisco.

# City Plan Rate Stabilization Reserve History

**Headline: Rate stabilization reserves have benefited City Plan participants in recent years, but those funds are nearly depleted.**

## Rate Stabilization Reserve Surplus as of December 31

December 31, 2012	\$7,094,000
December 31, 2013	\$22,292,000
December 31, 2014	\$25,774,000
December 31, 2015	\$11,379,000
December 31, 2016	\$4,529,000
December 31, 2017	\$1,661,000

## Amount Applied to Rating

2014 Plan Year	\$2,365,000
2015 Plan Year	\$7,431,000
2016 Plan Year	\$13,991,000
2017 Plan Year	\$7,586,000
2018 Plan Year	\$4,529,000

## Percentage Buy-Down Applied in Rating

2014 Plan Year	4%
2015 Plan Year	14%
2016 Plan Year	40% actives / 37% early retiree
2017 Plan Year	36% actives / 20% early retiree
2018 Plan Year	20% actives / 5% early retiree

**NOTE:**

*The City Plan had a modest stabilization reserve deficit as of December 31, 2011 (\$76,000).*