

# San Francisco Health Service System Health Service Board

## **Rates & Benefits**

Health Plan 2020 Renewal Summary—  
Active Employees and Early Retirees

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# Medical Plan 2020 Renewal Summary

- This material summarizes what we are about to present for Health Service Board (HSB) approval today—as well as an overview of member contribution comparisons among health plans offered to active employees and early retirees by the San Francisco Health Service System (SFHSS).
- This cycle’s renewal efforts into the 2020 plan year have focused on understanding how plan costs in 2018 are impacting 2020 rating actions, as well as seeking opportunities to enhance member support from SFHSS health plan partners.
  - Today’s recommendations will include a few plan design change suggestions within the Blue Shield of California (BSC) and UnitedHealthcare (UHC) plans.
- Below is a high-level summary of total rate cost increases that we will present today:

<b>Health Plan</b>	<b>Before Rate Stabilization Adjustment</b>	<b>After Rate Stabilization Adjustment</b>
BSC Access+	2.9%	<b>2.3%</b>
BSC Trio	1.5%	<b>0.9%</b>
Kaiser*	<b>5.9%</b>	(does not apply)
UHC City Plan PPO	5.0%	<b>10.0%</b>

\* For Kaiser, 1% of the 5.9% increase is due to return of federal Affordable Care Act health insurer tax for 2020.

# Medical Plan 2020 Renewal Summary

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## 2020 Proposed Rate Actions—Commentary by Plan

- **BSC plans (+2.3% Access+, +0.9% Trio)**—after higher rate increases into 2019 (about 9% overall), the 2020 increases are substantially lower than cost trend expectations.
- **Kaiser (+5.9%)**—after a 0.3% rate decrease for 2019, the underlying 5.9% rate increase is reflective of national trend expectations—with 1% of the 5.9% due to the return in 2020 of the federal Accountable Care Act (ACA) health insurer tax.
- **UHC PPO (+10.0%)**—depletion of rate stabilization reserves into 2020 rating creates a higher increase, but otherwise the base increase is matching cost trend expectations.

## Membership Distribution by Plan

- Below is the current distribution of active employees and early retirees by plan (based on the SFHSS 2019 Demographics Report presented to the HSB in February 2019).
  - Figures in parentheses: percentage distribution across plans by enrolled person type

<b>Health Plan</b>	<b>Active Employees</b>	<b>Early Retirees</b>
BSC Access+	9,417 (22.8%)	1,268 (22.4%)
BSC Trio	5,631 (13.6%)	856 (15.1%)
Kaiser	25,211 (61.0%)	2,754 (48.6%)
UHC City Plan PPO	1,090 (2.6%)	788 (13.9%)
<b>Total—All Plans</b>	<b>41,349 (100.0%)</b>	<b>5,666 (100.0%)</b>

## Projected Monthly Rates—2020 Plan Year

- The table below shows projected total cost monthly rates for each plan in 2020 (shown to the nearest dollar monthly—actual rates are to nearest cent)—as well as employer and member contributions for two City/County of San Francisco active employee formulas and for early retirees receiving the full City Charter formula employer contributions.
  - Blue shading illustrates where same figures apply across plans

	Active Employees (93/93/83)			Active Employees (100/96/83)			Early Retirees (Full ER Contribution)		
	EE Only	EE+1 Dep	EE+2+ Deps	EE Only	EE+1 Dep	EE+2+ Deps	RET Only	RET+1 Dep	RET+2+ Deps
<b>Total Plan Rates</b>									
o UHC City Plan PPO	\$1,185	\$2,295	\$3,232	\$1,185	\$2,295	\$3,232	\$1,511	\$2,400	\$3,085
o UHC CP-C.N.A.	\$892	\$1,781	\$2,519	\$892	\$1,781	\$2,519	\$1,511	\$2,400	\$3,085
o BSC Access+	\$892	\$1,781	\$2,519	\$892	\$1,781	\$2,519	\$2,059	\$2,984	\$3,722
o BSC Trio	\$754	\$1,505	\$2,128	\$754	\$1,505	\$2,128	\$1,739	\$2,519	\$3,143
o Kaiser CA	\$646	\$1,288	\$1,822	\$646	\$1,288	\$1,822	\$1,296	\$1,938	\$2,472
<b>Employer Contribution</b>									
o UHC City Plan PPO	\$829	\$1,656	\$2,091	\$1,185	\$1,710	\$2,091	\$1,271	\$1,716	\$1,716
o UHC CP-C.N.A.	\$829	\$1,656	\$2,091	\$892	\$1,710	\$2,091	\$1,418	\$1,862	\$1,862
o BSC Access+	\$829	\$1,656	\$2,091	\$892	\$1,710	\$2,091	\$1,966	\$2,429	\$2,429
o BSC Trio	\$701	\$1,399	\$1,766	\$754	\$1,444	\$1,766	\$1,715	\$2,105	\$2,105
o Kaiser CA	\$601	\$1,198	\$1,512	\$646	\$1,237	\$1,512	\$1,296	\$1,617	\$1,617
<b>Member Contribution</b>									
o UHC City Plan PPO	\$356	\$639	\$1,142	\$0	\$585	\$1,142	\$240	\$684	\$1,369
o UHC CP-C.N.A.	\$62	\$125	\$428	\$0	\$71	\$428	\$93	\$538	\$1,223
o BSC Access+	\$62	\$125	\$428	\$0	\$71	\$428	\$93	\$555	\$1,293
o BSC Trio	\$53	\$105	\$362	\$0	\$60	\$362	\$24	\$414	\$1,037
o Kaiser CA	\$45	\$90	\$310	\$0	\$52	\$310	\$0	\$321	\$855

### NOTES:

- CP-C.N.A. = City Plan—Choice Not Available
- Effective January 1, 2020, a service fee of 2.25% of the value of the transaction (minimum \$2.49) will be charged on all credit card transactions used to pay member health plan contributions. There is no service charge for use of eChecks.

# Recommended Plan Design Changes Overview

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## 2020 Plan Design Change Ideas

- **UHC PPO**—lower the in-network family out-of-pocket maximum to twice the single tier amount.
- **BSC plans**—expand access for certain vaccines to selected retail pharmacies, offer up to four nutritional counseling visits per member annually without a specific diagnosis.
- **Kaiser**—implement required change in infertility benefit coverage.

**We are not recommending changes to prescription drug tiering in the UHC and BSC plans (an idea discussed at the April HSB meeting).**

- Though re-tiering would generating cost savings to the plan, there is concern about tiering changes could have on members taking impacted medications.
- We believe more education on prescription drug alternatives is needed within the provider community, so that medications targeted by re-tiering initiatives (especially higher-cost generics discussed in the April HSB meeting) are prescribed less, in favor of alternative and effective medications in the same treatment class.