

San Francisco Health Service System Health Service Board

Rates & Benefits

Health Plan 2023 Rate Summary — Active Employee/ Early
Retiree Health Plans

May 12, 2022

Health Plan 2023 Rate Summary

Active Employee/Early Retiree Health Plans

- This material summarizes what will be presented 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 rating efforts into the 2023 plan year focused on understanding how plan costs in 2021 are impacting 2023 rating actions.
- Below is a high-level summary of total rate cost increases that we will present today:

Non-Medicare Health Plan	Before Rate Stabilization Adjustment	After Rate Stabilization Adjustment
BSC Access+	1.2%	0.5%
BSC Trio	6.1%	5.3%
Health Net CanopyCare	-10.4%	N/A for 2023 (new plan in 2022)
Kaiser	3.88%	N/A (insured plan)
BSC PPO–Accolade (including Choice Not Available)	6.0%	7.5%

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2023 Proposed Rate Actions — Commentary by Plan

- **BSC HMOs (+0.5% Access+ / +5.3% Trio)** — 2023 plan year rating increases are below cost trend expectations for both plans, especially for Access+; both plans are aided by an increase in stabilization buy-down applied in 2023 rating versus 2022.
- **Health Net CanopyCare (-10.4%)** — The 2023 rate reduction from initial year 2022 levels is attributable to substantially lower projected costs for medical capitation (most of medical costs in the Health Net CanopyCare Plan), relative to initial forecasts from Health Net for 2022 based on Fall 2020 RFP submission information.
- **Kaiser (+3.88%)** — After a 4.96% rate increase for 2022, Kaiser's rate increase is lower for 2023 — reflecting favorability in Kaiser's underlying trend assumption for health plan costs compared to prior years.

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2023 Proposed Rate Actions — Commentary by Plan

- **BSC PPO–Accolade (+7.5%)** — After a lower-than-trend 2022 rating action (+2.7%) driven largely by lower administrative fees and improved Rx rebate sharing for SFHSS coming out of the Fall 2020 RFP process, the 2023 rate increase incorporates +6.0% for changes in expected claim experience (pandemic-normalized) plus +1.5% for rate stabilization change impacts (shift from buy-down in 2022 rating to buy-up in 2023 rating).

Membership Distribution by Plan

- Below is the current distribution of active employees and early retirees by plan (based on the SFHSS 2022 Demographics Report presented to the HSB in February 2022).
 - Figures in parentheses: percentage distribution across plans by enrolled person type

Non-Medicare Health Plan	Active Employees	Early Retirees
BSC Access+	8,988 (22.4%)	1,159 (21.3%)
BSC Trio	4,898 (12.2%)	783 (14.4%)
Kaiser	24,951 (62.3%)	2,631 (48.3%)
Health Net CanopyCare	157 (0.4%)	(less than 26)
Non-Medicare PPO Plan (including Choice Not Available)	1,080 (2.7%)	872 (16.0%)
Total—Non-Medicare Plans	40,074 (100.0%)	5,445 (100.0%)

Projected Monthly Rates — 2023 Plan Year

Shown to the nearest dollar monthly (actual rates are to nearest cent) — light grey shading illustrates where same figures apply across multiple 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
Total Plan Rates									
BSC PPO–Accolade	\$1,435	\$2,785	\$3,935	\$1,435	\$2,785	\$3,935	\$1,933	\$2,804	\$3,499
BSC PPO–Accolade (CNA)	\$936	\$1,869	\$2,643	\$936	\$1,869	\$2,643	\$1,933	\$2,804	\$3,499
BSC Access+	\$936	\$1,869	\$2,643	\$936	\$1,869	\$2,643	\$2,161	\$3,131	\$3,905
BSC Trio	\$860	\$1,718	\$2,429	\$860	\$1,718	\$2,429	\$1,986	\$2,877	\$3,589
Health Net CanopyCare	\$770	\$1,538	\$2,174	\$770	\$1,538	\$2,174	\$1,777	\$2,575	\$3,212
Kaiser California	\$744	\$1,484	\$2,099	\$744	\$1,484	\$2,099	\$1,493	\$2,234	\$2,849
Employer Contribution									
BSC PPO–Accolade	\$870	\$1,738	\$2,194	\$1,435	\$1,794	\$2,194	\$1,606	\$2,041	\$2,041
BSC PPO–Accolade (CNA)	\$870	\$1,738	\$2,194	\$936	\$1,794	\$2,194	\$1,855	\$2,291	\$2,290
BSC Access+	\$870	\$1,738	\$2,194	\$936	\$1,794	\$2,194	\$2,083	\$2,568	\$2,568
BSC Trio	\$800	\$1,598	\$2,016	\$860	\$1,649	\$2,016	\$1,946	\$2,392	\$2,392
Health Net CanopyCare	\$716	\$1,430	\$1,804	\$770	\$1,476	\$1,804	\$1,777	\$2,176	\$2,176
Kaiser California	\$692	\$1,380	\$1,742	\$744	\$1,425	\$1,742	\$1,493	\$1,864	\$1,864
Member Contribution									
BSC PPO–Accolade	\$565	\$1,047	\$1,742	\$0	\$991	\$1,742	\$327	\$763	\$1,458
BSC PPO–Accolade (CNA)	\$66	\$131	\$449	\$0	\$75	\$449	\$78	\$513	\$1,209
BSC Access+	\$66	\$131	\$449	\$0	\$75	\$449	\$78	\$563	\$1,337
BSC Trio	\$60	\$120	\$413	\$0	\$69	\$413	\$40	\$485	\$1,197
Health Net CanopyCare	\$54	\$108	\$370	\$0	\$62	\$370	\$0	\$399	\$1,036
Kaiser California	\$52	\$104	\$357	\$0	\$59	\$357	\$0	\$370	\$985

NOTE: CNA = Choice Not Available

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Looking Ahead to June HSB Meeting — Potential Non-Medicare Split Family Plan Administrator Realignment Consideration

SFHSS is exploring the potential to realign the plan administrator for Non-Medicare Split Family covered lives (e.g., retirees and dependents in families where one or more family member is not yet Medicare eligible, and one or more family member is Medicare eligible enrolled in the UnitedHealthcare Medicare Advantage PPO Plan — UHC MAPD) to be UnitedHealthcare (UHC) for each plan option.

- Currently, these Non-Medicare Split Family individuals have the choice of the UHC PPO, BSC Access+ and BSC Trio plans.
- Given the administrative complexity of splitting family enrollment across two plan administrators, SFHSS is currently evaluating the potential to align all three Non-Medicare plan options with UHC.

More information as well as a potential recommendation will be discussed with the HSB at the June 9, 2022 meeting.