

# **San Francisco Health Service System Health Service Board**

## **Rates & Benefits**

Review and Approve Kaiser Permanente (California)  
Medical/Rx Fully Insured HMO Plans 2026 Rates and  
Contributions

Presented by Mike Clarke, Lead Actuary

June 12, 2025

# Agenda

- **Rate Setting Methodology Preface**
- **Kaiser Permanente (Kaiser) California HMO 2026 Plan Rating — Renewal Summary for Non-Medicare and Medicare Plans**
- **2026 Monthly Rate Cards for Kaiser California HMO Plan**
  - Active Employees (93/93/83 and 100/96/83 contribution strategies)
  - Non-Medicare Retirees (per City Charter employer contribution guidance)
  - Medicare Retirees (per City Charter employer contribution guidance)
- **Recommendation for HSB Action**
- **Appendix — Additional Information**
  - Underwriting Premium Rate Build-Up
  - Kaiser Rate Card Footnotes
  - 2025 Kaiser California HMO Plans Monthly Rate Cards

# 1

## Rate Setting Methodology Preface

# Health Plan Funding

## Method Comparison by SFHSS Plan

Funding Method	Self-Funded	Flex-Funded	Fully Insured
<b>Funding Method Description</b>	Claim dollars based on services delivered to members are paid by the Trust, along with plan administrative fees to manage the plan (process claims, provide call center for members, etc.)	Insurance approach where most claim dollars based on services delivered to members are paid by the Trust, but with fixed costs for certain healthcare services ("capitation") as well as plan administrative fees and large claim reinsurance mechanism ("pooling") at \$1.25 million per participant annually	Health plan sets fixed dollar plan premiums to cover expected claim costs for healthcare services by members, as well as plan administrative fee costs
<b>Who Calculates the Recommended SFHSS Plan Rates That HSB Approves?</b>	Aon actuary using Aon-determined cost trend assumptions and health plan-determined administrative fees (and required legislative fees)	Aon actuary using plan-determined cost trend assumptions that are validated by Aon actuary, and health plan-determined administrative/large claim pooling fees (and required legislative fees)	Plan's actuary using plan-determined cost trend assumptions which are scrutinized by Aon actuary, and health plan-determined administrative fees/large claim pooling adjustments (and required legislative fees)
<b>SFHSS Plans by Funding Method</b>	<ul style="list-style-type: none"> <li>• Non-Medicare PPO</li> <li>• Delta Dental Active Employee PPO</li> </ul>	<ul style="list-style-type: none"> <li>• Blue Shield of CA Access+ HMO</li> <li>• Blue Shield of CA Trio HMO</li> <li>• Health Net CanopyCare HMO</li> </ul>	<div> <ul style="list-style-type: none"> <li>• <b>All Kaiser HMO plans</b></li> <li>• BSC Medicare Advantage PPO</li> <li>• Delta Dental Retiree PPO</li> <li>• DeltaCare Dental HMO</li> <li>• UHC Dental HMO</li> <li>• VSP Vision</li> </ul> </div>
<b>HSB Rate Stabilization Policy Applies?</b>	Yes	Yes	No

# Health Plan Rate Setting Process for Next Plan Year

## Determining Needed Plan Rate Changes For Next Year — Five Step Process

Completion of these five steps below produces an aggregate cost projection based on current plan enrollment for the next plan year (right now, the 2026 plan year)



Next, the Aon and plan actuaries compare these next-year cost projections to the total current-year dollars when multiplying rates times enrollment — and that leads to the needed percentage change in rates from this year to next year:

$$\frac{\text{2026 Total Projected Plan Cost}}{\text{2025 Rates x Enrollment}} = \text{Needed Rate Change Factor (2026 vs. 2025)}$$

# Non-Medicare Medical Plan 2026 Rate Renewal Summary

Below is a summary of total rate cost change recommendations for SFHSS Non-Medicare plans including those approved by the Health Service Board (HSB) on May 8, 2025, as well as the Kaiser California HMO renewal in this presentation.

Non-Medicare Health Plan	Before Rate Stabilization Adjustment	After Rate Stabilization Adjustment
BSC Access+ HMO <sup>1</sup>	8.4%	8.7%
BSC Trio HMO <sup>1</sup>	8.9%	9.2%
Health Net CanopyCare <sup>1</sup>	1.7%	-0.3%
Kaiser	9.9%	Does not apply (insured plan)
Non-Medicare PPO <sup>1,2</sup>	2.6%	0.5%

- 1 Rating action incorporates approved change to GLP-1 coverage as described in rating recommendation documents for BSC plans in May, as well as mandated infertility benefit levels (SB729) for HMO plans that are recommended to apply to PPO plan also.
- 2 Total rate increase for active employees with Non-Medicare PPO Choice Not Available pricing follows the total rate increase for the BSC Access+ HMO plan.

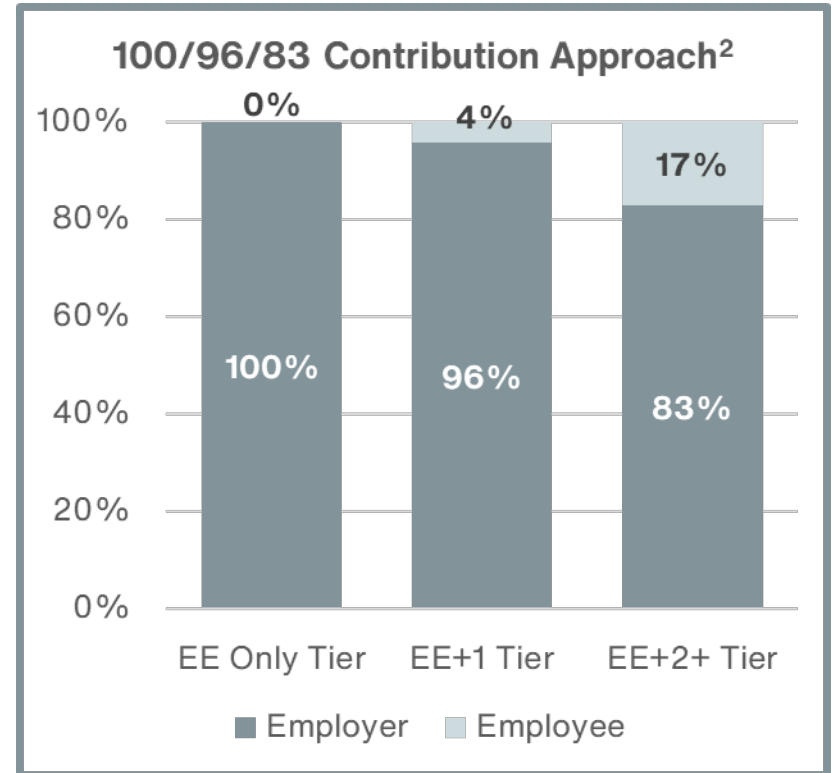
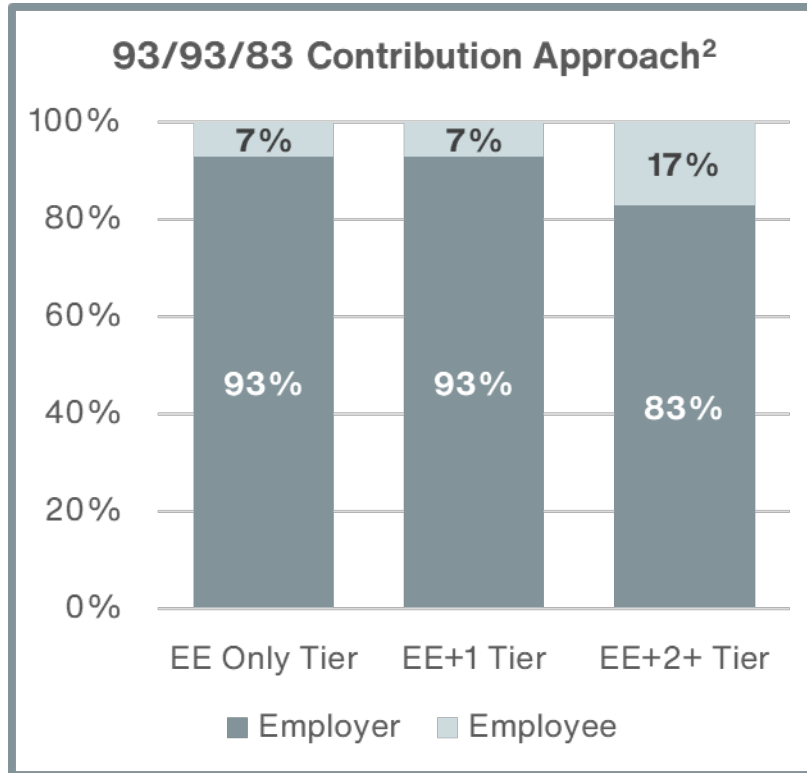
# Non-Medicare Medical Plan 2026 Proposed Total Rates

Recommended 2026 **monthly** total cost rates for each SFHSS non-Medicare health plan are shown below (all rate card elements included):

SFHSS Health Plan	Plan Year	Active Employees			Non-Medicare Retirees		
		EE Only	EE + 1	EE + 2+	RET Only	RET + 1	RET + 2+
Kaiser HMO	PY 2025	\$881.38	\$1,758.78	\$2,487.00	\$1,770.88	\$2,648.28	\$3,376.50
	PY 2026	\$969.62	\$1,933.26	\$2,733.06	\$969.62	\$1,933.26	\$2,733.06
	% Difference	10.0%	9.9%	9.9%	10.0%	9.9%	9.9%
BSC Access+ HMO	PY 2025	\$1,163.91	\$2,323.84	\$3,286.60	\$2,688.54	\$3,894.74	\$4,857.48
	PY 2026	\$1,265.37	\$2,524.76	\$3,570.07	\$2,921.19	\$4,230.84	\$5,276.12
	% Difference	8.7%	8.6%	8.6%	8.7%	8.6%	8.6%
BSC Trio HMO	PY 2025	\$989.72	\$1,975.47	\$2,793.63	\$2,284.58	\$3,309.61	\$4,127.75
	PY 2026	\$1,081.36	\$2,156.74	\$3,049.31	\$2,494.45	\$3,612.72	\$4,505.25
	% Difference	9.3%	9.2%	9.2%	9.2%	9.2%	9.1%
Health Net CanopyCare	PY 2025	\$791.41	\$1,578.85	\$2,232.40	\$1,824.65	\$2,643.43	\$3,296.97
	PY 2026	\$789.90	\$1,573.83	\$2,224.46	\$1,818.52	\$2,633.64	\$3,284.27
	% Difference	-0.2%	-0.3%	-0.4%	-0.3%	-0.4%	-0.4%
Non-Medicare PPO	PY 2025	\$1,478.50	\$2,867.91	\$4,052.53	\$1,990.63	\$2,887.46	\$3,603.48
	PY 2026	\$1,487.03	\$2,882.83	\$4,072.88	\$2,001.54	\$2,902.47	\$3,621.75
	% Difference	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
Non-Medicare PPO (Choice Not Available)	PY 2025	\$1,163.91	\$2,323.84	\$3,286.60	\$1,990.63	\$2,887.46	\$3,603.48
	PY 2026	\$1,265.37	\$2,524.76	\$3,570.07	\$2,001.54	\$2,902.47	\$3,621.75
	% Difference	8.7%	8.6%	8.6%	0.5%	0.5%	0.5%

# Active Employees (CCSF<sup>1</sup>)

## Segmenting Total Cost Rates into Employer and Member Contributions



<sup>1</sup> City and County of San Francisco (CCSF) MOU contribution sharing approaches shown above; other employers in SFHSS plans have their employer-specific contribution sharing methodologies for active employees.

<sup>2</sup> For the highest cost plan (Non-Medicare PPO Plan), based on MOU the employer contribution dollar amounts are set to equal the employer contribution dollar amounts for the second highest-cost plan (which is BSC Access+ HMO), except for the Employee Only tier in the 100/96/83 contribution approach where the member pays no contribution for any plan.



# Non-Medicare Retirees (based on City Charter)

## Segmenting Total Cost Rates into Employer and Member Contributions

Non-Medicare Retirees — **2025** Employer Contribution Components (HMO Plans)

- Light Blue — 10-County Amount (same amount for all plans)
- Dark Blue — “Actuarial Difference” (plan-specific, same amount for all tiers)
- Gold — Retiree Prop. E Contribution (plan-specific, varies for Single tier vs. Family tiers)



# Recommendation for HSB Action

Kaiser California HMO Plans

# Kaiser California HMO 2026 Plan Rating

## Recommendation for HSB Action

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

- 1) A 9.88% insured plan premium increase from 2025 to 2026 for active employees (actives) and non-Medicare retirees in California enrolled in Kaiser Permanente (Kaiser);
- 2) A 9.33% insured plan premium increase from 2025 to 2026 for Medicare retirees in California enrolled in Kaiser Permanente Senior Advantage (KPSA); and
- 3) The resulting 2026 plan year rate cards for the Kaiser California HMO plans contained in this presentation.

# Kaiser California HMO 2026 Plan Rating (continued)

## Recommendation for HSB Action

- The Kaiser rates and premium contributions for actives and retirees are included in this presentation, with detailed exhibits to follow.
  - This presentation includes exhibits in the Appendix which illustrates Kaiser's underwriting premium rate build-ups for the 2026 plan year.
- Active employee rate cards in this presentation are shown for the two most common employer contribution strategies as of the start of this year for City and County of San Francisco (93/93/83 and 100/96/83).
  - There are multiple employer contribution strategies for active employees across the employers participating in the San Francisco Health Service System (SFHSS).
- Retiree rate cards in this presentation are shown for Retirees who earn the maximum City contribution levels based on dates of hire and length of service — with employer contributions determined based on formulas outlined in the City Charter.

# 2

## Kaiser 2026 HMO Plan Rating — Renewal Summary

# Kaiser HMO 2026 Rates and Contributions

## Non-Medicare Lives Renewal Summary

- 2026 Kaiser total rate card premiums for active employees and non-Medicare retirees on a “status quo” design basis are increasing by 9.88% for medical and pharmacy coverage (see Appendix for derivation of this figure).
  - This follows a 5.4% rate increase that occurred for the 2025 plan year, and 12.5% rate increase into the 2024 plan year.
- Rating development for the 2026 plan year reflects primarily the increase in plan experience from the 2023 to 2024 which was reviewed with the HSB at the April 10 meeting (noting the high experience increase from 2023 to 2024 was anticipated in the 2024 plan year renewal), combined with Kaiser’s projected cost to deliver care to SFHSS members for the 2026 plan year.

# Kaiser HMO 2026 Rates and Contributions (continued)

## Medicare Lives Renewal Summary

After an 8.65% rate increase from 2024 to 2025, the KPSA premium rate on a “status quo” design basis is increasing by 9.33% from 2025 to 2026. Rate change elements are outlined in this table:

KPSA Medicare Plan Rate Change Drivers — 2025 to 2026 (Kaiser premium only — not including SFHSS rate loads)	PMPM Rate Element
Early 2026 KPSA rate projection before added programs	\$376.82
CMS prior year reconciliation applied in 2026 rate	(\$1.64)
Rate for added programs for members <sup>1</sup>	\$8.28
2026 KPSA Medicare member premium rate (sum of figures above)	\$383.46
2025 billed KPSA rate	\$350.75
Percentage change in KPSA rate — 2026 vs. 2025	9.33%

<sup>1</sup> Includes chiropractic benefit, enhanced transportation rider including wheelchair and gurney transport, and post-discharge meal delivery rider (up to 84 meals once per year after hospital discharge).

# Kaiser HMO 2026 Rates and Contributions (continued)

## Rate Card Information

- When setting the total rate card premiums for Kaiser active employee and retiree plans, the following SFHSS costs are included:
  - Kaiser fully insured medical/prescription drug premiums;
  - VSP Basic Plan vision premiums which remain at 2025 levels; and
  - The SFHSS Healthcare Sustainability Fund charge of \$6.00 per employee/ retiree per month (PEPM), which is \$2 higher than the 2025 fee.
- Retiree rate cards include employer contribution amounts based upon City Charter provisions, including:
  - The monthly 10-County Average;
  - “Actuarial Difference”; and
  - Prop. E employer contribution components.



# Kaiser HMO 2026 Rates and Contributions (continued)

## Rate Card Information

- Kaiser plan 2026 rate cards are presented on the following pages for these population segments:
  - Active employee rate cards in this presentation are shown for the two most common employer contribution strategies as of the start of this year for the City and County of San Francisco (93/93/83 and 100/96/83).
  - Retiree rate cards in this presentation are shown for retirees who earn the maximum City contribution levels based on dates of hire and length of service — with employer contributions determined based on formulas outlined in the City Charter.
- Comparisons of member contributions from 2025 to 2026 are included in the tables that follow.

# Kaiser HMO 2026 Rates and Contributions (continued)

## Rate Card Information

### Retiree Medical Contributions in Rate Cards

- The retiree rate cards presented in this document reflect the maximum employer contributions for retiree medical coverage presently available to:
  - Retired employees eligible for health benefits hired on or before January 9, 2009;
  - Retired persons who retired for disability; and
  - Surviving spouses or surviving domestic partners of active employees who died in the line of duty.
- Retiree medical coverage — but no employer contribution — is available to retired employees hired on or after January 10, 2009, with at least 5 but less than 10 years of Credited Service with the Employers, and their surviving spouses or surviving domestic partners.

# Kaiser HMO 2026 Rates and Contributions (continued)

## Rate Card Information

### Retiree Medical Contributions in Rate Cards

- Retiree medical coverage at the 50% employer Charter-contribution rate is available to retired employees hired on or after January 10, 2009, with greater than 10 years but less than 15 years of Credited Service with the Employers.
  - This segment of retirees will receive 50% of the maximum employer Charter contribution for each retiree medical plan and coverage tier as reflected in the following rate cards.
- Retiree medical coverage at the 75% employer Charter-contribution rate is available to retired employees hired on or after January 10, 2009, with greater than 15 years but less than 20 years of Credited Service with the Employers.
  - This segment of retirees will receive 75% of the maximum employer Charter contribution for each retiree medical plan and coverage tier as reflected in the following rate cards.

# 3

## 2026 Monthly Rate Cards for Kaiser California HMO Plans

# Kaiser California Non-Medicare HMO Plan

## Monthly Renewal Premiums/Contributions — 2026 versus 2025

Non-Medicare Retirees and **93/93/83** Contribution Strategy for Actives

<i>PY = Plan Year</i>		Active Employees			Non-Medicare Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee/ Retiree Contributions	<b>PY 2025</b>	<b>\$61.70</b>	<b>\$123.11</b>	<b>\$422.79</b>	<b>\$0.00</b>	<b>\$438.70</b>	<b>\$1,166.92</b>
	<b>PY 2026</b>	<b>\$67.87</b>	<b>\$135.33</b>	<b>\$464.62</b>	<b>\$13.74</b>	<b>\$495.56</b>	<b>\$1,295.36</b>
	<i>\$ Difference</i>	\$6.17	\$12.22	\$41.83	\$13.74	\$56.86	\$128.44
	<i>% Difference</i>	10.0%	9.9%	9.9%	--	13.0%	11.0%
Monthly Employer Contributions	<b>PY 2025</b>	<b>\$819.68</b>	<b>\$1,635.67</b>	<b>\$2,064.21</b>	<b>\$1,770.88</b>	<b>\$2,209.58</b>	<b>\$2,209.58</b>
	<b>PY 2026</b>	<b>\$901.75</b>	<b>\$1,797.93</b>	<b>\$2,268.44</b>	<b>\$1,933.46</b>	<b>\$2,415.28</b>	<b>\$2,415.28</b>
	<i>\$ Difference</i>	\$82.07	\$162.26	\$204.23	\$162.58	\$205.70	\$205.70
	<i>% Difference</i>	10.0%	9.9%	9.9%	9.2%	9.3%	9.3%
Monthly Total Rate	<b>PY 2025</b>	<b>\$881.38</b>	<b>\$1,758.78</b>	<b>\$2,487.00</b>	<b>\$1,770.88</b>	<b>\$2,648.28</b>	<b>\$3,376.50</b>
	<b>PY 2026</b>	<b>\$969.62</b>	<b>\$1,933.26</b>	<b>\$2,733.06</b>	<b>\$1,947.20</b>	<b>\$2,910.84</b>	<b>\$3,710.64</b>
	<i>\$ Difference</i>	\$88.24	\$174.48	\$246.06	\$176.32	\$262.56	\$334.14
	<i>% Difference</i>	10.0%	9.9%	9.9%	10.0%	9.9%	9.9%

# Kaiser California Non-Medicare HMO Plan

## Monthly Renewal Premiums/Contributions — 2026 versus 2025

Non-Medicare Retirees and **100/96/83** Contribution Strategy for Actives

*PY = Plan Year*

		Active Employees			Non-Medicare Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee/ Retiree Contributions	PY 2025	\$0.00	\$70.35	\$422.79	\$0.00	\$438.70	\$1,166.92
	PY 2026	\$0.00	\$77.33	\$464.62	\$13.74	\$495.56	\$1,295.36
	\$ Difference	\$0.00	\$6.98	\$41.83	\$13.74	\$56.86	\$128.44
	% Difference	--	9.9%	9.9%	--	13.0%	11.0%
Monthly Employer Contributions	PY 2025	\$881.38	\$1,688.43	\$2,064.21	\$1,770.88	\$2,209.58	\$2,209.58
	PY 2026	\$969.62	\$1,855.93	\$2,268.44	\$1,933.46	\$2,415.28	\$2,415.28
	\$ Difference	\$88.24	\$167.50	\$204.23	\$162.58	\$205.70	\$205.70
	% Difference	10.0%	9.9%	9.9%	9.2%	9.3%	9.3%
Monthly Total Rate	PY 2025	\$881.38	\$1,758.78	\$2,487.00	\$1,770.88	\$2,648.28	\$3,376.50
	PY 2026	\$969.62	\$1,933.26	\$2,733.06	\$1,947.20	\$2,910.84	\$3,710.64
	\$ Difference	\$88.24	\$174.48	\$246.06	\$176.32	\$262.56	\$334.14
	% Difference	10.0%	9.9%	9.9%	10.0%	9.9%	9.9%

# KPSA CA Monthly Premiums and Contributions

## Monthly Renewal Premiums/Contributions — 2026 versus 2025

		KPSA—Medicare Retirees			
		Medicare Retiree Only	Retiree + 1 (All Medicare)	Retiree + 2+ (All Medicare)	Retiree + 2+ (2 Medicare, 1+ Non-Medicare)
Monthly Retiree Contributions	Plan Year 2025	\$0.00	\$177.46	\$531.28	\$905.68
	Plan Year 2026	\$0.00	\$193.81	\$580.34	\$993.61
	\$ Change	\$0.00	\$16.35	\$49.06	\$87.93
	% Change	-	9.2%	9.2%	9.7%
Monthly Employer Contributions	Plan Year 2025	\$358.90	\$536.36	\$536.36	\$536.36
	Plan Year 2026	\$393.61	\$587.43	\$587.43	\$587.43
	\$ Change	\$34.71	\$51.07	\$51.07	\$51.07
	% Change	9.7%	9.5%	9.5%	9.5%
Monthly Total Rate	Plan Year 2025	\$358.90	\$713.82	\$1,067.64	\$1,442.04
	Plan Year 2026	\$393.61	\$781.24	\$1,167.77	\$1,581.04
	\$ Change	\$34.71	\$67.42	\$100.13	\$139.00
	% Change	9.7%	9.4%	9.4%	9.6%

# Kaiser California Non-Medicare HMO Plan

## Proposed 2026 Monthly Rate Card

Non-Medicare Retirees and **93/93/83**  
Contribution Strategy for Actives

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Premium	\$959.47	\$1,918.94	\$2,715.30	\$1,937.05	\$2,896.52	\$3,692.88
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
<b>Total</b>	<b>\$969.62</b>	<b>\$1,933.26</b>	<b>\$2,733.06</b>	<b>\$1,947.20</b>	<b>\$2,910.84</b>	<b>\$3,710.64</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$942.14	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$942.14	\$942.14
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$977.58	\$977.58	\$977.58
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$13.74	\$495.56	\$495.56
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,933.46	\$2,415.28	\$2,415.28
<b>2026 Non-Bargained Contribution Rate</b>	<b>\$969.62</b>	<b>\$1,933.26</b>	<b>\$2,733.06</b>	<b>\$13.74</b>	<b>\$495.56</b>	<b>\$1,295.36</b>

MOU Negotiated Pickup <sup>6</sup>	\$901.75	\$1,797.93	\$2,268.44			
<b>2026 Typical Bargained Member Contribution</b>	<b>\$67.87</b>	<b>\$135.33</b>	<b>\$464.62</b>			

<b>Final Member Contribution 2025</b>	<b>\$61.70</b>	<b>\$123.11</b>	<b>\$422.79</b>	<b>\$0.00</b>	<b>\$438.70</b>	<b>\$1,166.92</b>
<b>Difference — 2026 versus 2025</b>	<b>\$6.17</b>	<b>\$12.22</b>	<b>\$41.83</b>	<b>\$13.74</b>	<b>\$56.86</b>	<b>\$128.44</b>



# Kaiser California Non-Medicare HMO Plan

## Proposed 2026 Monthly Rate Card

Non-Medicare Retirees and **100/96/83** Contribution  
Strategy for Actives

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Premium	\$959.47	\$1,918.94	\$2,715.30	\$1,937.05	\$2,896.52	\$3,692.88
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
<b>Total</b>	<b>\$969.62</b>	<b>\$1,933.26</b>	<b>\$2,733.06</b>	<b>\$1,947.20</b>	<b>\$2,910.84</b>	<b>\$3,710.64</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$942.14	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$942.14	\$942.14
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$977.58	\$977.58	\$977.58
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$13.74	\$495.56	\$495.56
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,933.46	\$2,415.28	\$2,415.28
<b>2026 Non-Bargained Contribution Rate</b>	<b>\$969.62</b>	<b>\$1,933.26</b>	<b>\$2,733.06</b>	<b>\$13.74</b>	<b>\$495.56</b>	<b>\$1,295.36</b>

MOU Negotiated Pickup <sup>6</sup>	\$969.62	\$1,855.93	\$2,268.44			
<b>2026 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$77.33</b>	<b>\$464.62</b>			

<b>Final Member Contribution 2025</b>	<b>\$0.00</b>	<b>\$70.35</b>	<b>\$422.79</b>	<b>\$0.00</b>	<b>\$438.70</b>	<b>\$1,166.92</b>
<b>Difference — 2026 versus 2025</b>	<b>\$0.00</b>	<b>\$6.98</b>	<b>\$41.83</b>	<b>\$13.74</b>	<b>\$56.86</b>	<b>\$128.44</b>

# Proposed 2026 KPSA CA Monthly Rate Card

	KPSA — Medicare Retirees			
	Medicare Retiree Only	Retiree + 1 (All Medicare)	Retiree + 2+ (All Medicare)	Retiree + 2+ (2 Medicare, 1+ Non-Medicare)
Premium	\$383.46	\$766.92	\$1,150.01	\$1,563.28
Vision	\$4.15	\$8.32	\$11.76	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00
<b>Total</b>	<b>\$393.61</b>	<b>\$781.24</b>	<b>\$1,167.77</b>	<b>\$1,581.04</b>

10-County Amount (single tier premium, if less) <sup>2</sup>	\$393.61	\$0.00	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$393.61	\$393.61	\$393.61
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution <sup>5</sup>	\$0.00	\$193.82	\$193.82	\$193.82
Subtotal Employer Contributions	\$393.61	\$587.43	\$587.43	\$587.43
<b>Non-Bargained Contribution Rate 2026</b>	<b>\$0.00</b>	<b>\$193.81</b>	<b>\$580.34</b>	<b>\$993.61</b>

<b>Final Member Contribution 2026</b>	<b>\$0.00</b>	<b>\$193.81</b>	<b>\$580.34</b>	<b>\$993.61</b>
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<b>Final Member Contribution 2025</b>	<b>\$0.00</b>	<b>\$177.46</b>	<b>\$531.28</b>	<b>\$905.68</b>
<b>Difference — 2026 vs. 2025 Contribution</b>	<b>\$0.00</b>	<b>\$16.35</b>	<b>\$49.06</b>	<b>\$87.93</b>

# 4

## Recommendation for HSB Action

Kaiser California HMO Plans

# Kaiser California HMO 2026 Plan Rating

## Recommendation for HSB Action

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

- 1) A 9.88% insured plan premium increase from 2025 to 2026 for active employees (actives) and non-Medicare retirees in California enrolled in Kaiser Permanente (Kaiser);
- 2) A 9.33% insured plan premium increase from 2025 to 2026 for Medicare retirees in California enrolled in Kaiser Permanente Senior Advantage (KPSA); and
- 3) The resulting 2026 plan year rate cards for the Kaiser California HMO plans contained in this presentation.

# 5

## Appendix — Additional Information

- Underwriting Premium Rate Build-Up for Non-Medicare Plan
- Kaiser Rate Card Footnotes
- 2025 Kaiser California HMO Plan Monthly Rate Cards

# Non-Medicare Underwriting Premium Rate Build-Up

Active Employees and Non-Medicare Retirees Combined (PMPM<sup>1</sup> Basis)

	2025 Renewal	2026 Renewal	% Change
<b>Rating Members</b>	<b>55,100</b>	<b>54,870</b>	<b>- 0.4%</b>
<b>Experience Period Adjusted Incurred Claims</b>	<b>\$658.05</b>	<b>\$769.59</b>	<b>+ 17.0%</b>
Midpoint Trend Rate <sup>2</sup>	1.161	1.099	
<b>Projected Incurred Claims</b>	<b>\$763.72</b>	<b>\$845.78</b>	<b>+ 10.7%</b>
<b>Administration and ACA Fees</b>			
Administration Fees	\$30.98	\$32.36	+ 4.5%
ACA PCORI Fees <sup>3</sup>	\$0.30	\$0.00	---
Other Benefits (Hearing)	\$1.80	\$1.80	No change
<b>PMPM Revenue Requirement</b>	<b>\$796.80</b>	<b>\$879.94</b>	<b>+ 10.4%</b>
<b>In-Force 2025 Premium</b>	<b>\$800.82</b>		
<b>Proposed 2026 Premium</b>		<b>\$879.94</b>	<b>+ 9.9%</b>

## NOTES:

- 1 PMPM = Per Member Per Month
- 2 23 months trend used in underwriting; Kaiser's annual trend rate for each renewal is targeted to produce required following year revenue
- 3 ACA PCORI = Affordable Care Act Patient Centered Outcomes Research Institute

# Non-Medicare Underwriting Premium Rate Build-Up Notes

- February 2024 – January 2025 claims experience was used to set 2026 premium rates.
- Notes on underwriting elements:
  - **Adjusted Incurred Claims** — Paid claims net of large claims in excess of the pooling point (\$1,700,000 for 2026 renewal) plus the large claim pooling charge.
  - **Midpoint Trend** — Trend factor used by Kaiser for the 23-month period between experience period and projection period.
  - **Administration Fees** — The amount included in the premium for the administration of the program not related to claims expense (infrastructure cost such as claims processing, customer service, programing cost, etc.).
  - **Affordable Care Act (ACA) Fees** — Required fees or taxes that support the cost of federal health care reform. Specifically, this reflects the Patient Centered Outcomes Research Institute (PCORI) fee, which applies through 2029.

# Kaiser California HMO Plans

## Rate Card Footnotes

- 1) **Expense** — SFHSS Healthcare Sustainability Fund charge.
- 2) **"10-County" Employer Contribution** — Per Charter Section A8.423, the employer contribution must equal the average of the employer contribution to health premiums of the 10 most populous counties in California, not including San Francisco. The monthly amount for 2026 rating is \$942.14 (per March 2025 HSB action).
- 3) **"Single Retiree Offset"** — Per Charter Section A8.428; for Retirees, this is equal to the 10-County Amount.
- 4) **Retiree "Actuarial Difference"** — Per Charter Section A8.428, employer contributes the difference between a single active Employee and a single non-Medicare Retiree cost of premium. Calculated for non-Medicare retiree only.
- 5) **Prop. E Employer Contribution (passed in November 2000 Election)** — Per Charter A8.428, the Prop. E employer contribution for Retiree (R) and R+1 =  $50\% \times [\text{Total Rate Cost} - 10 \text{ County} - \text{Actuarial Difference}]$ .
- 6) **Currently, the two most common employer contribution formulas** in MOU agreements follow are 93% Single/93% E+1/83% E+2+ and 100% Single/96% E+1/83% E+2+.



# Kaiser California Non-Medicare HMO Plan

## 2025 Monthly Rate Card

Non-Medicare Retirees and **93/93/83**  
Contribution Strategy for Actives

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Premium	\$873.23	\$1,746.46	\$2,471.24	\$1,762.73	\$2,635.96	\$3,360.74
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
<b>Total</b>	<b>\$881.38</b>	<b>\$1,758.78</b>	<b>\$2,487.00</b>	<b>\$1,770.88</b>	<b>\$2,648.28</b>	<b>\$3,376.50</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$882.05	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$882.05	\$882.05
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$888.83	\$888.83	\$888.83
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$438.70	\$438.70
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,770.88	\$2,209.58	\$2,209.58
<b>2025 Non-Bargained Contribution Rate</b>	<b>\$881.38</b>	<b>\$1,758.78</b>	<b>\$2,487.00</b>	<b>\$0.00</b>	<b>\$438.70</b>	<b>\$1,166.92</b>

MOU Negotiated Pickup <sup>6</sup>	\$819.68	\$1,635.67	\$2,064.21			
<b>2025 Typical Bargained Member Contribution</b>	<b>\$61.70</b>	<b>\$123.11</b>	<b>\$422.79</b>			

<b>Final Member Contribution 2024</b>	<b>\$58.50</b>	<b>\$116.78</b>	<b>\$401.11</b>	<b>\$14.90</b>	<b>\$431.24</b>	<b>\$1,122.35</b>
<b>Difference — 2025 versus 2024</b>	<b>\$3.20</b>	<b>\$6.33</b>	<b>\$21.68</b>	<b>(\$14.90)</b>	<b>\$7.46</b>	<b>\$44.57</b>

# Kaiser California Non-Medicare HMO Plan

## 2025 Monthly Rate Card

Non-Medicare Retirees and **100/96/83**  
Contribution Strategy for Actives

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Premium	\$873.23	\$1,746.46	\$2,471.24	\$1,762.73	\$2,635.96	\$3,360.74
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
<b>Total</b>	<b>\$881.38</b>	<b>\$1,758.78</b>	<b>\$2,487.00</b>	<b>\$1,770.88</b>	<b>\$2,648.28</b>	<b>\$3,376.50</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$882.05	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$882.05	\$882.05
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$888.83	\$888.83	\$888.83
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$438.70	\$438.70
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,770.88	\$2,209.58	\$2,209.58
<b>2025 Non-Bargained Contribution Rate</b>	<b>\$881.38</b>	<b>\$1,758.78</b>	<b>\$2,487.00</b>	<b>\$0.00</b>	<b>\$438.70</b>	<b>\$1,166.92</b>

MOU Negotiated Pickup <sup>6</sup>	\$881.38	\$1,688.43	\$2,064.21			
<b>2025 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$70.35</b>	<b>\$422.79</b>			

<b>Final Member Contribution 2024</b>	<b>\$0.00</b>	<b>\$66.73</b>	<b>\$401.11</b>	<b>\$14.90</b>	<b>\$431.24</b>	<b>\$1,122.35</b>
<b>Difference — 2025 versus 2024</b>	<b>\$0.00</b>	<b>\$3.62</b>	<b>\$21.68</b>	<b>(\$14.90)</b>	<b>\$7.46</b>	<b>\$44.57</b>

# 2025 KPSA California (Medicare) Monthly Rate Card

	KPSA — Medicare Retirees			
	Medicare Retiree Only	Retiree + 1 (All Medicare)	Retiree + 2+ (All Medicare)	Retiree + 2+ (2 Medicare, 1+ Non-Medicare)
Premium	\$350.75	\$701.50	\$1,051.88	\$1,426.28
Vision	\$4.15	\$8.32	\$11.76	\$11.76
Expense <sup>1</sup>	\$4.00	\$4.00	\$4.00	\$4.00
<b>Total</b>	<b>\$358.90</b>	<b>\$713.82</b>	<b>\$1,067.64</b>	<b>\$1,442.04</b>
10-County Amount (single tier premium, if less) <sup>2</sup>	\$358.90	\$0.00	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$358.90	\$358.90	\$358.90
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution <sup>5</sup>	\$0.00	\$177.46	\$177.46	\$177.46
Subtotal Employer Contributions	\$358.90	\$536.36	\$536.36	\$536.36
<b>Non-Bargained Contribution Rate 2025</b>	<b>\$0.00</b>	<b>\$177.46</b>	<b>\$531.28</b>	<b>\$905.68</b>
<b>Final Member Contribution 2025</b>	<b>\$0.00</b>	<b>\$177.46</b>	<b>\$531.28</b>	<b>\$905.68</b>
<b>Final Member Contribution 2024</b>	<b>\$0.00</b>	<b>\$163.50</b>	<b>\$489.40</b>	<b>\$854.61</b>
<b>Difference — 2025 vs. 2024 Contribution</b>	<b>\$0.00</b>	<b>\$13.96</b>	<b>\$41.88</b>	<b>\$51.07</b>

# Kaiser Member Contributions for All Retiree Tiers

		Monthly Member Contribution <sup>1</sup>			
Overall Coverage Tier	Non-Medicare and Medicare Statuses	2025	2026	\$ Change	% Change
Retiree Only	Medicare Retiree	\$0.00	\$0.00	\$0.00	--
Retiree + 1 Dependent	Medicare Retiree/Non-Medicare Dependent	\$438.70	\$481.82	\$43.12	9.8%
	Medicare Retiree/Medicare Dependent	\$177.46	\$193.81	\$16.35	9.2%
Retiree + 2+ Dependents	Medicare Retiree/Non-Medicare Dependents	\$1,166.92	\$1,281.62	\$114.70	9.8%
	Medicare Retiree/Medicare Dependent/Non-Medicare 2nd+ Dependent(s)	\$905.68	\$993.61	\$87.93	9.7%
	Medicare Retiree/Medicare Dependents	\$531.28	\$580.34	\$49.06	9.2%

<sup>1</sup> For members receiving maximum City Charter employer contribution amounts.

# MAPD Plan Definition

## **Medicare Advantage Prescription Drug Plan (MAPD):**

MAPD includes Medicare Part D and is available to beneficiaries enrolled in Medicare Part A and Part B. SFHSS offers only MAPD plans in which the Center for Medicare and Medicaid Services (CMS) pays a Managed Care Organization a per member per month premium. SFHSS negotiates additional benefits not covered by MAPD plans alone. Kaiser's Medicare Advantage Plan is called Kaiser Permanente Senior Advantage, or KPSA.