

San Francisco Health Service System Health Service Board

Rates & Benefits

Blue Shield of California 2020 Flex Funded HMO Rates
and Premium Contributions—Active Employees and
Early Retirees

May 9, 2019

Prepared by:
Health Solutions



Contents

- **Blue Shield of California (BSC) 2020 Plan Rating—Renewal Summary**
- **Recommended Plan Design Change for 2020**
- **2020 Monthly Rate Cards for Access+ and Trio plans**
 - Active Employees (93 / 93 / 83 and 100 / 96 / 83 contribution strategies)
 - Early Retirees (per City Charter employer contribution guidance)
- **Recommendation for HSB Action**
- **Appendix—Additional Information**
 - Rate Card Footnotes
 - Glossary of Terms
 - 2019 Access+ and Trio Monthly Rate Cards

BSC 2020 Plan Rating—Recommendation

- Staff recommends that the Health Service Board (HSB) approve:
 1. The BSC plan renewal proposal for a combined rate increase of 1.9% (+2.3% for Access+, and +0.9% for Trio); and
 2. The resulting 2020 monthly rate cards presented in this material for the BSC plans.
 - This includes **two** recommended plan design enhancements:
 - A. Expand availability of certain vaccinations at retail pharmacies (details described in this material)—this is expected to deliver \$125,000 annual savings; and
 - B. Introduce availability of up to four annual nutritional counseling visits per member, without linkage to any specific diagnosis, as a covered service within the Access+ and Trio plans—this is expected to have only nominal aggregate financial impact (modest additional service cost, but some potential modest claim reduction resulting from utilizing member health improvement).

BSC 2020 Plan Rating—Recommendation

- Commentary regarding the rating and design change proposals for 2020 is presented in this document to support the recommendations.
- 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/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).

BSC Plan Renewal Summary and Design Change Recommendation Description

BSC 2020 Plan Rating—Renewal Summary

- BSC provided renewals for the two flex-funded HMO plans (Access+ and Trio) offered to SFHSS active employees and early retirees.
- The aggregate calculated rate increases across all populations and rating tiers for the BSC plans **on a status quo basis** (no plan design changes) are:
 - Access+: +2.3%
 - Trio: +0.9%
 - Overall (for both plans combined): +1.9%
- These increases include all cost components in the 2020 BSC plan rate cards—including medical/pharmacy (net of rebates) claim costs, capitation charges, BSC administrative and large claim pooling fees, buy-up for rate stabilization deficit amortization (\$1,896,000 total), VSP Basic Plan vision premiums, and the SFHSS Healthcare Sustainability Fund charge (\$3.00 per employee/retiree per month, unchanged from 2019).
- Two elements in 2019 rate cards no longer apply—the California Managed Care Organization (MCO) tax is set to expire June 30, 2019, and Best Doctors expert medical opinion fees no longer apply given the recommendation to non-renew this service after existing contract expiration on December 31, 2019.

BSC 2020 Plan Rating—Renewal Summary

Trio Specifics

- SFHSS exposure for Trio is capped at a lower level than for Access+.
 - For Trio, BSC is responsible for claim amounts that are more than 115% of projected claims (versus 125% of projected claims for Access+).
 - This provides added risk protection to SFHSS for Trio financial performance.
- Trio has a not-to-exceed premium increase cap of 8.5% for 2020.

BSC 2020 Plan Rating—Renewal Summary

Commentary on Rate Increase Recommendations

- Overall plan experience for 2018 was favorable for the Access+ and Trio plans—which reflects in the relatively low rate increase recommendations from 2019 to 2020.
- The aggregate 1.9% rate increase for BSC plans on a status quo plan design basis compares to an 8.8% aggregate rate increase for BSC plans into the 2019 plan year.
- Plan-specific dependent-to-employee/early retiree ratios remained similar from 2018 to 2019:
 - Trio: 0.81 dependents per employee/early retiree.
 - Access+: 1.21 dependents per employee/early retiree.

BSC 2020 Plan Rating—Renewal Summary

Commentary on Rate Increase Recommendations

- BSC fee changes on a per employee/retiree per month (PEPM) basis:

BSC Fee Component	2019	2020	Change
Fixed Fees (Total)	\$87.97	\$89.58	+1.3%
<i>BSC Administration</i>	<i>\$60.89</i>	<i>\$62.11</i>	<i>+2.0%</i>
<i>BSC Large Claim Pooling @ \$1M / individual</i>	<i>\$24.71</i>	<i>\$27.47</i>	<i>+11.2%</i>
<i>California MCO Tax</i>	<i>\$2.37</i>	<i>\$0.00</i>	<i>-100.0%</i>

BSC 2020 Plan Rating—Design Change Recommendation

Plan Design Change Proposal A—Expand Vaccination Access at Retail Pharmacies

- BSC has proposed an expansion of vaccination coverage available at \$0 preventive copay through select retail pharmacies.
 - Select flu vaccines are presently available under the BSC prescription drug benefit at participating pharmacies at \$0 preventive cost-share.
 - BSC can also administer coverage of additional select vaccines at participating pharmacies at \$0 preventive cost-share—this prioritizes access to vaccines.
 - No prescription is required for coverage of vaccines at retail network pharmacies.
 - Vaccines are covered in accordance with guidelines established by the Advisory Committee on Immunization Practices (ACIP) of the Centers for Disease Control and Prevention (CDC).
- Should SFHSS elect to implement the expanded vaccine coverage at retail pharmacies, BSC estimates the cost avoidance is \$125,000 in 2020 (assuming a 25% shift in applicable vaccine utilization from the medical to the pharmacy benefit).

BSC 2020 Plan Rating—Design Change Recommendation

Plan Design Change Proposal A—Expand Vaccination Access at Retail Pharmacies

- Below is the list of vaccinations that would be delivered at select retail pharmacies under this design change proposal (including influenza which is currently available):

Vaccine	Age Limits
Human papillomavirus, HPV (warts, cervical cancer)	9 years and older
Influenza (flu)	6 months and older
Meningococcal (Meningitis)	Varies based on ACIP recommendations
Pneumococcal (Pneumonia)	Varies based on ACIP recommendations
Tdap booster (tetanus, diphtheria, whooping cough)	7 years and older
Zoster (shingles)	
• Zostavax	60 years and older; one fill per lifetime
• Shingrix	50 years and older; 2 fills per lifetime

BSC 2020 Plan Rating—Design Change Recommendation

Plan Design Change Proposal B—Up to Four Annual Nutrition Counseling Visits

- BSC has proposed making up to four nutritional counseling visits per member available annually, without any requirement for specific diagnoses to access this benefit.
- This design change recommendation is consistent with similar recent changes to other SFHSS plans to cover these nutritional counseling visits (up to four annually without a specific qualifying diagnosis).
- The expected financial impact from introduction of this benefit to be modest.
 - Added cost comes from the coverage of these services for those who choose to utilize these visits.
 - Claim savings potential exists as utilizing members experience health improvement upon taking action from nutritional counseling sessions.

2020 BSC Monthly Rate Cards

2020 BSC Monthly Rate Cards

- BSC plan 2020 rate cards are presented on the following pages for these population segments:
 - Access+ active employees and early retirees—including two employer contribution models for active employees (93/93/83 and 100/96/83)
 - Trio active employees and early retirees—including two employer contribution models for active employees (93/93/83 and 100/96/83)
- Rate cards presume adoption of the expansion of vaccine availability to retail pharmacies as described earlier in this material, as well as expansion of nutritional counseling benefits to include up to four covered visits per member annually without a specific diagnosis.
- **Comparisons of member contributions from 2019 to 2020 are included in the tables that follow.**

Access+

Rate / Contribution Change—2020 versus 2019

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 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$551.65	\$1,272.27
	PY 2020	\$62.43	\$124.67	\$428.21	\$92.98	\$555.24	\$1,293.21
	\$ Difference	+\$1.35	+\$2.77	+\$9.59	-\$7.28	+\$3.59	+\$20.94
	% Difference	+2.2%	+2.3%	+2.3%	-7.3%	+0.7%	+1.6%
Monthly Employer Contributions	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,911.82	\$2,363.20	\$2,363.20
	PY 2020	\$829.45	\$1,656.31	\$2,090.68	\$1,966.24	\$2,428.51	\$2,428.51
	\$ Difference	+\$17.92	+\$36.82	+\$46.80	+\$54.42	+\$65.31	+\$65.31
	% Difference	+2.2%	+2.3%	+2.3%	+2.8%	+2.8%	+2.8%
Monthly Total Rate	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47
	PY 2020	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72
	\$ Difference	+\$19.27	+\$39.59	+\$56.39	+\$47.14	+\$68.90	+\$86.25
	% Difference	+2.2%	+2.3%	+2.3%	+2.3%	+2.4%	+2.4%

Access+

Rate / Contribution Change—2020 Versus 2019

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 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$551.65	\$1,272.27
	PY 2020	\$0.00	\$71.24	\$428.21	\$92.98	\$555.24	\$1,293.21
	\$ Difference	+\$0.00	+\$1.58	+\$9.59	-\$7.28	+\$3.59	+\$20.94
	% Difference	-	+2.3%	+2.3%	-7.3%	+0.7%	+1.6%
Monthly Employer Contributions	PY 2019	\$872.61	\$1,671.73	\$2,043.88	\$1,911.82	\$2,363.20	\$2,363.20
	PY 2020	\$891.88	\$1,709.74	\$2,090.68	\$1,966.24	\$2,428.51	\$2,428.51
	\$ Difference	+\$19.27	+\$38.01	+\$46.80	+\$54.42	+\$65.31	+\$65.31
	% Difference	+2.2%	+2.3%	+2.3%	+2.8%	+2.8%	+2.8%
Monthly Total Rate	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47
	PY 2020	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72
	\$ Difference	+\$19.27	+\$39.59	+\$56.39	+\$47.14	+\$68.90	+\$86.25
	% Difference	+2.2%	+2.3%	+2.3%	+2.3%	+2.4%	+2.4%

Access+

Proposed Monthly 2020 Rate Card

93 / 93 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$880.25	\$1,760.53	\$2,491.13	\$2,041.44	\$2,956.94	\$3,687.55
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	\$4.68	\$9.53	\$13.56	\$10.83	\$15.89	\$19.97
Total	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72
10-County Amount ²	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,167.34	\$1,167.34	\$1,167.34
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$92.98	\$555.25	\$555.25
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,966.24	\$2,428.51	\$2,428.51
2020 Non-Bargained Contribution Rate	\$891.88	\$1,780.98	\$2,518.89	\$92.98	\$555.24	\$1,293.21
MOU Negotiated Pickup ⁶	\$829.45	\$1,656.31	\$2,090.68			
2020 Typical Bargained Member Contribution	\$62.43	\$124.67	\$428.21			
Final Member Contribution 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$551.65	\$1,272.27
Difference—2020 versus 2019	\$1.35	\$2.77	\$9.59	-\$7.28	\$3.59	\$20.94

NOTE—Footnotes 1 – 6 defined in Appendix

Access+

Proposed Monthly 2020 Rate Card

100 / 96 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$880.25	\$1,760.53	\$2,491.13	\$2,041.44	\$2,956.94	\$3,687.55
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	\$4.68	\$9.53	\$13.56	\$10.83	\$15.89	\$19.97
Total	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72

10-County Amount ²	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,167.34	\$1,167.34	\$1,167.34
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$92.98	\$555.25	\$555.25
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,966.24	\$2,428.51	\$2,428.51
2020 Non-Bargained Contribution Rate	\$891.88	\$1,780.98	\$2,518.89	\$92.98	\$555.24	\$1,293.21

MOU Negotiated Pickup ⁶	\$891.88	\$1,709.74	\$2,090.68			
2020 Typical Bargained Member Contribution	\$0.00	\$71.24	\$428.21			

Final Member Contribution 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$551.65	\$1,272.27
Difference—2020 versus 2019	\$0.00	\$1.58	\$9.59	-\$7.28	\$3.59	\$20.94

NOTE—Footnotes 1 – 6 defined in Appendix

Trio

Rate / Contribution Change—2020 versus 2019

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 2019	\$52.34	\$104.40	\$358.50	\$37.78	\$424.18	\$1,041.07
	PY 2020	\$52.76	\$105.32	\$361.71	\$23.87	\$414.25	\$1,037.48
	\$ Difference	+\$0.42	+\$0.92	+\$3.21	-\$13.91	-\$9.93	-\$3.59
	% Difference	+0.8%	+0.9%	+0.9%	-36.8%	-2.3%	-0.3%
Monthly Employer Contributions	PY 2019	\$695.31	\$1,387.05	\$1,750.34	\$1,684.49	\$2,070.89	\$2,070.89
	PY 2020	\$700.90	\$1,399.21	\$1,766.01	\$1,714.80	\$2,105.19	\$2,105.19
	\$ Difference	+\$5.59	+\$12.16	+\$15.67	+\$30.31	+\$34.30	+\$34.30
	% Difference	+0.8%	+0.9%	+0.9%	+1.8%	+1.7%	+1.7%
Monthly Total Rate	PY 2019	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96
	PY 2020	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67
	\$ Difference	+\$6.01	+\$13.08	+\$18.88	+\$16.40	+\$24.37	+\$30.71
	% Difference	+0.8%	+0.9%	+0.9%	+1.0%	+1.0%	+1.0%

Trio

Rate / Contribution Change—2020 Versus 2019

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

<i>PY = Plan Year</i>		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2019	\$0.00	\$59.66	\$358.50	\$37.78	\$424.18	\$1,041.07
	PY 2020	\$0.00	\$60.18	\$361.71	\$23.87	\$414.25	\$1,037.48
	<i>\$ Difference</i>	<i>+\$0.00</i>	<i>+\$0.52</i>	<i>+\$3.21</i>	<i>-\$13.91</i>	<i>-\$9.93</i>	<i>-\$3.59</i>
	<i>% Difference</i>	<i>-</i>	<i>+0.9%</i>	<i>+0.9%</i>	<i>-36.8%</i>	<i>-2.3%</i>	<i>-0.3%</i>
Monthly Employer Contributions	PY 2019	\$747.65	\$1,431.79	\$1,750.34	\$1,684.49	\$2,070.89	\$2,070.89
	PY 2020	\$753.66	\$1,444.35	\$1,766.01	\$1,714.80	\$2,105.19	\$2,105.19
	<i>\$ Difference</i>	<i>+\$6.01</i>	<i>+\$12.56</i>	<i>+\$15.67</i>	<i>+\$30.31</i>	<i>+\$34.30</i>	<i>+\$34.30</i>
	<i>% Difference</i>	<i>+0.8%</i>	<i>+0.9%</i>	<i>+0.9%</i>	<i>+1.8%</i>	<i>+1.7%</i>	<i>+1.7%</i>
Monthly Total Rate	PY 2019	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96
	PY 2020	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67
	<i>\$ Difference</i>	<i>+\$6.01</i>	<i>+\$13.08</i>	<i>+\$18.88</i>	<i>+\$16.40</i>	<i>+\$24.37</i>	<i>+\$30.71</i>
	<i>% Difference</i>	<i>+0.8%</i>	<i>+0.9%</i>	<i>+0.9%</i>	<i>+1.0%</i>	<i>+1.0%</i>	<i>+1.0%</i>

Proposed Monthly 2020 Rate Card

93 / 93 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$742.03	\$1,484.08	\$2,099.96	\$1,720.89	\$2,492.63	\$3,108.50
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	\$4.68	\$9.53	\$13.56	\$10.83	\$15.89	\$19.97
Total	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67
10-County Amount ²	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$985.01	\$985.01	\$985.01
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$23.87	\$414.26	\$414.26
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,714.80	\$2,105.19	\$2,105.19
2020 Non-Bargained Contribution Rate	\$753.66	\$1,504.53	\$2,127.72	\$23.87	\$414.25	\$1,037.48
MOU Negotiated Pickup ⁶	\$700.90	\$1,399.21	\$1,766.01			
2020 Typical Bargained Member Contribution	\$52.76	\$105.32	\$361.71			
Final Member Contribution 2019	\$52.34	\$104.40	\$358.50	\$37.78	\$424.18	\$1,041.07
Difference—2020 versus 2019	\$0.42	\$0.92	\$3.21	-\$13.91	-\$9.93	-\$3.59

NOTE—Footnotes 1 – 6 defined in Appendix



Proposed Monthly 2020 Rate Card

100 / 96 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$742.03	\$1,484.08	\$2,099.96	\$1,720.89	\$2,492.63	\$3,108.50
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Claims Stabilization Amount / Self-Funded Policy	\$4.68	\$9.53	\$13.56	\$10.83	\$15.89	\$19.97
Total	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67
10-County Amount ²	\$0.00	\$0.00	\$0.00	\$705.92	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$705.92	\$705.92
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$985.01	\$985.01	\$985.01
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$23.87	\$414.26	\$414.26
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,714.80	\$2,105.19	\$2,105.19
2020 Non-Bargained Contribution Rate	\$753.66	\$1,504.53	\$2,127.72	\$23.87	\$414.25	\$1,037.48
MOU Negotiated Pickup ⁶	\$753.66	\$1,444.35	\$1,766.01			
2020 Typical Bargained Member Contribution	\$0.00	\$60.18	\$361.71			
Final Member Contribution 2019	\$0.00	\$59.66	\$358.50	\$37.78	\$424.18	\$1,041.07
Difference—2020 versus 2019	\$0.00	\$0.52	\$3.21	-\$13.91	-\$9.93	-\$3.59

NOTE—Footnotes 1 – 6 defined in Appendix

Recommendations for HSB Action

Recommendations for HSB Action

- Staff recommends that the Health Service Board (HSB) approve:
 1. The BSC plan renewal proposal for a combined rate increase of 1.9% (+2.3% for Access+, and +0.9% for Trio); and
 2. The 2020 monthly rate cards presented in this material for the BSC plans.
 - This includes **two** recommended plan design enhancements:
 - A. Expand availability of certain vaccinations at retail pharmacies (details described in this material)—this is expected to deliver \$125,000 annual savings; and
 - B. Introduce availability of up to four annual nutritional counseling visits per member, without linkage to any specific diagnosis, as a covered service within the Access+ and Trio plans—this is expected to have only nominal aggregate financial impact (modest additional service cost, but some potential modest claim reduction resulting from utilizing member health improvement).

Appendix—Additional Information

BSC 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 2020 rating is \$705.92 (per March 2019 HSB action).
- 3) **"Single Retiree Offset":** Per Charter Section A8.428; for Early 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+.

Glossary of Terms

- **Capitation:** Fixed per member cost that SFHSS pays to BSC for certain services, generally including services rendered in a provider's office and outpatient facility visits that do not result in a hospital admission.
- **Large Claim Pooling:** Insurance protection against catastrophic or unpredictable losses. Claims beyond the large claim pooling amount per individual in a year are transferred to the insurer, in consideration for a large claim pooling fee paid to the insurer.
- **MCO Tax:** Managed Care Organization (MCO) tax enacted by California Senate Bill X2-2 (Hernandez, Chapter 2, Statutes 2016) effective for a taxing period July 1, 2016 through June 30, 2019.
- **Risk Corridor:** the percentage of expected claims, beyond those expected claims, which the employer is responsible to fund before the insurer covers the remaining claims that exceed the risk corridor percentage.

Glossary of Terms

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

Access+ 2019 Monthly Rate Card

93 / 93 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$857.03	\$1,714.10	\$2,425.43	\$1,987.60	\$2,878.95	\$3,590.29
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors (Expert Opinion Service)	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Claims Stabilization Amount / Self-Funded Policy	\$7.48	\$15.22	\$21.72	\$16.38	\$23.83	\$29.83
Total	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47
10-County Amount ²	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,139.47	\$1,139.47	\$1,139.47
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$100.27	\$551.65	\$551.65
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,911.82	\$2,363.20	\$2,363.20
2019 Non-Bargained Contribution Rate	\$872.61	\$1,741.39	\$2,462.50	\$100.26	\$551.65	\$1,272.27
MOU Negotiated Pickup ⁶	\$811.53	\$1,619.49	\$2,043.88			
2019 Typical Bargained Member Contribution	\$61.08	\$121.90	\$418.62			
Final Member Contribution 2018	\$55.30	\$110.30	\$378.73	\$70.44	\$478.92	\$1,131.01
Difference—2019 versus 2018	\$5.78	\$11.60	\$39.89	\$29.82	\$72.73	\$141.26

NOTE—Footnotes 1 – 6 defined in Appendix

Access+ 2019 Monthly Rate Card

100 / 96 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$857.03	\$1,714.10	\$2,425.43	\$1,987.60	\$2,878.95	\$3,590.29
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors (Expert Opinion Service)	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Claims Stabilization Amount / Self-Funded Policy	\$7.48	\$15.22	\$21.72	\$16.38	\$23.83	\$29.83
Total	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47
10-County Amount ²	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$1,139.47	\$1,139.47	\$1,139.47
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$100.27	\$551.65	\$551.65
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,911.82	\$2,363.20	\$2,363.20
2019 Non-Bargained Contribution Rate	\$872.61	\$1,741.39	\$2,462.50	\$100.26	\$551.65	\$1,272.27
MOU Negotiated Pickup ⁶	\$872.61	\$1,671.73	\$2,043.88			
2019 Typical Bargained Member Contribution	\$0.00	\$69.66	\$418.62			
Final Member Contribution 2018	\$0.00	\$63.03	\$378.73	\$70.44	\$478.92	\$1,131.01
Difference—2019 versus 2018	\$0.00	\$6.63	\$39.89	\$29.82	\$72.73	\$141.26

NOTE—Footnotes 1 – 6 defined in Appendix

Trio 2019 Monthly Rate Card

93 / 93 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$732.07	\$1,464.16	\$2,071.77	\$1,697.79	\$2,459.17	\$3,066.78
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors (Expert Opinion Service)	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Claims Stabilization Amount / Self-Funded Policy	\$7.48	\$15.22	\$21.72	\$16.38	\$23.83	\$29.83
Total	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96
10-County Amount ²	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$974.62	\$974.62	\$974.62
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$37.79	\$424.19	\$424.19
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,684.49	\$2,070.89	\$2,070.89
2019 Non-Bargained Contribution Rate	\$747.65	\$1,491.45	\$2,108.84	\$37.78	\$424.18	\$1,041.07
MOU Negotiated Pickup ⁶	\$695.31	\$1,387.05	\$1,750.34			
2019 Typical Bargained Member Contribution	\$52.34	\$104.40	\$358.50			
Final Member Contribution 2018	\$49.56	\$98.82	\$339.27	\$29.44	\$395.26	\$979.28
Difference—2019 versus 2018	\$2.78	\$5.58	\$19.23	\$8.34	\$28.92	\$61.79

NOTE—Footnotes 1 – 6 defined in Appendix

Trio 2019 Monthly Rate Card

100 / 96 / 83 Contribution (Active Employees)	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$732.07	\$1,464.16	\$2,071.77	\$1,697.79	\$2,459.17	\$3,066.78
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors (Expert Opinion Service)	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Claims Stabilization Amount / Self-Funded Policy	\$7.48	\$15.22	\$21.72	\$16.38	\$23.83	\$29.83
Total	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96
10-County Amount ²	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$974.62	\$974.62	\$974.62
Retiree Prop. E Employer Contribution ⁵	\$0.00	\$0.00	\$0.00	\$37.79	\$424.19	\$424.19
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,684.49	\$2,070.89	\$2,070.89
2019 Non-Bargained Contribution Rate	\$747.65	\$1,491.45	\$2,108.84	\$37.78	\$424.18	\$1,041.07
MOU Negotiated Pickup ⁶	\$747.65	\$1,431.79	\$1,750.34			
2019 Typical Bargained Member Contribution	\$0.00	\$59.66	\$358.50			
Final Member Contribution 2018	\$0.00	\$56.47	\$339.27	\$29.44	\$395.26	\$979.28
Difference—2019 versus 2018	\$0.00	\$3.19	\$19.23	\$8.34	\$28.92	\$61.79

NOTE—Footnotes 1 – 6 defined in Appendix