

San Francisco Health Service System

Health Service Board

Rates & Benefits

Health Plan 2026 Rate Summary —
Active Employee/ Non-Medicare Retiree Health Plans

Presented by Mike Clarke, Lead Actuary, Aon

May 8, 2025

Health Plan 2026 Rate Summary

Active Employee/Non-Medicare 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 non-Medicare retirees by the San Francisco Health Service System (SFHSS). Kaiser CA HMO will be presented at the June 12, 2025, HSB meeting.
- This cycle's rating efforts into the 2026 plan year focused on understanding how plan costs in 2024 along with present-state health cost escalators are impacting 2026 rating actions.
- Aon projects 9% health care cost trend for US medical and prescription drug plans into the 2026 plan year—see weblink: [Key Trends in U.S. Benefits for 2025 and Beyond](#)

Non-Medicare Health Plan	Before Rate Stabilization Adjustment	After Rate Stabilization Adjustment
Blue Shield of CA Access+ HMO ¹	8.4%	8.7%
Blue Shield of CA Trio HMO ¹	8.9%	9.2%
Health Net CanopyCare HMO ¹	1.7%	-0.3%
Kaiser HMO	TBD (June 12 HSB meeting)	Does not apply (insured plan)
Non-Medicare PPO ^{1,2}	2.6%	0.5%

- 1 Rating action incorporates proposed change to GLP-1 coverage as described in rating recommendation documents for BSC plans, 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 will follow the total rate increase for the BSC Access+ HMO plan.

Health Plan 2026 Rate Summary

Active Employee/Non-Medicare Retiree Health Plans

2026 Proposed Rate Actions In Today's HSB Meeting — Commentary by Plan

- **Blue Shield of California (BSC) HMOs (+8.7% BSC Access+ / +9.2% BSC Trio)** — underlying plan experience increased consistent with higher current medical and prescription drug current cost trends in 2024 relative to 2023. Though there is a slightly lower rate stabilization buy-up amount in 2026 rating versus 2025 rating, the Sutter Legal Settlement buy-down used in 2024-2025 rating has now expired. BSC's large claim pooling level is shifted from \$1 million per individual to \$1.25 million per individual into 2025 and will remain at \$1.25 million for 2026. The rating actions incorporate the recommendation to restrict weight loss medications to individuals with BMI at or above 40 (approximately 100 current BSC HMO and PPO enrollees would be impacted).
- **Health Net Canopy Care HMO (-0.3%)** — The medical capitation rate (which covers most medical service costs in this plan) is forecast by Health Net to be similar in 2026 versus 2025. Medical fee-for-service claims are projected to decrease, but prescription drug costs are estimated to increase significantly into 2026. These factors, combined with an increase in the rate stabilization buy-down amount from 2025 rating to 2026, create the slight reduction in overall rates for 2026.

Health Plan 2026 Rate Summary

Active Employee/Non-Medicare Retiree Health Plans (Continued)

2026 Proposed Rate Actions In Today's HSB Meeting — Commentary by Plan

- **Non-Medicare PPO (+0.5%)** — Experience from 2023 to 2024 was favorable, largely due to continued enrollment growth by active employees. The Sutter Legal Settlement buy-downs used in 2024-2025 rating have now expired. However, current surplus in rate stabilization amount for the PPO plan has increased from 2025 rating to 2026 rating.

Membership Distribution by Plan

- Below is the current distribution of active employees and non-Medicare retirees by plan (based on the SFHSS 2025 Demographics Report presented to the HSB in February 2025).
- Figures in parentheses: percentage distribution across plans by enrolled person type

Non-Medicare Health Plan	Active Employees	Non-Medicare Retirees
BSC Access+ HMO	9,204 (22%)	1,064 (20%)
BSC Trio HMO	4,051 (10%)	632 (12%)
Kaiser HMO	25,397 (62%)	2,439 (47%)
Health Net CanopyCare HMO	850 (2%)	89 (2%)
Non-Medicare PPO Plan (including Choice Not Available)	1,722 (4%)	974 (19%)
Total—Non-Medicare Plans	41,224 (100%)	5,198 (100%)

Projected Monthly Rates — 2026 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. Kaiser rates will be presented at the June 12, 2025, HSB meeting.

	Active Employees (93/93/83)			Active Employees (100/96/83)			Non-Medicare 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									
Non-Medicare PPO	\$1,487	\$2,883	\$4,073	\$1,487	\$2,883	\$4,073	\$2,002	\$2,902	\$3,622
Non-Medicare PPO (CNA)	\$1,265	\$2,525	\$3,570	\$1,265	\$2,525	\$3,570	\$2,002	\$2,902	\$3,622
BSC Access+	\$1,265	\$2,525	\$3,570	\$1,265	\$2,525	\$3,570	\$2,921	\$4,231	\$5,276
BSC Trio	\$1,081	\$2,157	\$3,049	\$1,081	\$2,157	\$3,049	\$2,494	\$3,613	\$4,505
Health Net CanopyCare	\$790	\$1,574	\$2,224	\$790	\$1,574	\$2,224	\$1,819	\$2,634	\$3,284
Kaiser	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Employer Contribution									
Non-Medicare PPO	\$1,177	\$2,348	\$2,963	\$1,487	\$2,424	\$2,963	\$1,703	\$2,156	\$2,159
Non-Medicare PPO (CNA)	\$1,177	\$2,348	\$2,963	\$1,265	\$2,424	\$2,963	\$1,840	\$2,290	\$2,290
BSC Access+	\$1,177	\$2,348	\$2,963	\$1,265	\$2,424	\$2,963	\$2,760	\$3,414	\$3,414
BSC Trio	\$1,006	\$2,006	\$2,531	\$1,081	\$2,070	\$2,531	\$2,425	\$2,984	\$2,984
Health Net CanopyCare	\$735	\$1,464	\$1,846	\$790	\$1,511	\$1,846	\$1,819	\$2,226	\$2,226
Kaiser	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Member Contribution									
Non-Medicare PPO	\$310	\$535	\$1,110	\$0	\$459	\$1,110	\$298	\$747	\$1,463
Non-Medicare PPO (CNA)	\$89	\$177	\$607	\$0	\$101	\$607	\$162	\$612	\$1,331
BSC Access+	\$89	\$177	\$607	\$0	\$101	\$607	\$162	\$816	\$1,862
BSC Trio	\$76	\$151	\$518	\$0	\$86	\$518	\$70	\$629	\$1,521
Health Net CanopyCare	\$55	\$110	\$378	\$0	\$63	\$378	\$0	\$408	\$1,058
Kaiser	TBD	TBD	TBD	\$0	TBD	TBD	TBD	TBD	TBD

NOTE: CNA = Choice Not Available

For Comparison — 2025 Plan Year Monthly Rates

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)			Non-Medicare 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									
Non-Medicare PPO	\$1,479	\$2,868	\$4,053	\$1,479	\$2,868	\$4,053	\$1,991	\$2,887	\$3,603
Non-Medicare PPO (CNA)	\$1,164	\$2,324	\$3,287	\$1,164	\$2,324	\$3,287	\$1,991	\$2,887	\$3,603
BSC Access+	\$1,164	\$2,324	\$3,287	\$1,164	\$2,324	\$3,287	\$2,689	\$3,895	\$4,857
BSC Trio	\$990	\$1,975	\$2,794	\$990	\$1,975	\$2,794	\$2,285	\$3,310	\$4,128
Health Net CanopyCare	\$791	\$1,579	\$2,232	\$791	\$1,579	\$2,232	\$1,825	\$2,643	\$3,297
Kaiser	\$881	\$1,759	\$2,487	\$881	\$1,759	\$2,487	\$1,771	\$2,648	\$3,377
Employer Contribution									
Non-Medicare PPO	\$1,082	\$2,161	\$2,728	\$1,479	\$2,231	\$2,728	\$1,692	\$2,141	\$2,141
Non-Medicare PPO (CNA)	\$1,082	\$2,161	\$2,728	\$1,164	\$2,231	\$2,728	\$1,850	\$2,298	\$2,298
BSC Access+	\$1,082	\$2,161	\$2,728	\$1,164	\$2,231	\$2,728	\$2,548	\$3,151	\$3,151
BSC Trio	\$920	\$1,837	\$2,319	\$990	\$1,896	\$2,319	\$2,231	\$2,743	\$2,743
Health Net CanopyCare	\$736	\$1,468	\$1,853	\$791	\$1,516	\$1,853	\$1,825	\$2,234	\$2,234
Kaiser	\$820	\$1,636	\$2,064	\$881	\$1,688	\$2,064	\$1,771	\$2,210	\$2,210
Member Contribution									
Non-Medicare PPO	\$396	\$707	\$1,325	\$0	\$637	\$1,325	\$298	\$747	\$1,463
Non-Medicare PPO (CNA)	\$81	\$163	\$559	\$0	\$93	\$559	\$141	\$589	\$1,305
BSC Access+	\$81	\$163	\$559	\$0	\$93	\$559	\$141	\$744	\$1,707
BSC Trio	\$69	\$138	\$475	\$0	\$79	\$475	\$54	\$566	\$1,384
Health Net CanopyCare	\$55	\$111	\$380	\$0	\$63	\$380	\$0	\$409	\$1,063
Kaiser	\$62	\$123	\$423	\$0	\$70	\$423	\$0	\$439	\$1,167

NOTE: CNA = Choice Not Available

