

San Francisco Health Service System Health Service Board

Rates & Benefits

Review and Approve Blue Shield of California
Medical/Rx Fully Insured Retiree Medicare Advantage
Prescription Drug (MAPD) Passive PPO Plan 2026
Rates and Contributions

Presented by Mike Clarke, Lead Actuary

June 12, 2025

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 - Member Contribution Change Exhibits for All Retiree Tiers — 2026 vs. 2025

Staff Recommendation

Staff recommends the Health Service Board (HSB) accept the plan year 2026 BSC MAPD Medicare Retiree rate card for status quo plan design as presented today, which includes a 4.5% insured premium renewal increase into the 2026 plan year.

Introduction

This report provides the HSB with the recommendations for the fully insured 2026 Blue Shield of California (BSC) Medicare Advantage Prescription Drug (MAPD) PPO plan. There are 18,683 Medicare retirees and dependents enrolled in the BSC MAPD PPO plan, per the February 2025 Demographic Report produced by the San Francisco Health Service System (SFHSS).

BSC's 2026 renewal rate on a per member per month (PMPM) basis for the MAPD plan is \$558.41 PMPM on a status quo (no design changes) basis. This represents a 4.5% increase versus the 2025 rate — following a 3.9% increase in PMPM rate from 2024 (with UnitedHealthcare as MAPD PPO plan insurer) to 2025 (with the transition to BSC as MAPD PPO plan insurer) resulting from the Request for Proposal process completed in June 2024.

The above rates apply for both retirees who are eligible for Medicare Parts A and B, as those eligible for Part B only. BSC will be fully filed for Part B Only MAPD effective January 1, 2026.

Introduction (continued)

For Non-Medicare retirees and/or dependents where at least one family member is Medicare eligible and enrolled in the BSC MAPD plan, BSC is the administrator for all plans available to Non-Medicare family covered lives in these “split family” (or “mixed Medicare”) family situations where at least one family covered life is enrolled in the BSC MAPD plan.

Non-Medicare family covered lives in “split families” where at least one family covered life is enrolled in the BSC MAPD plan have the following plan choices:

- BSC Access+ HMO plan;
- BSC Trio HMO plan; and
- BSC Non-Medicare PPO plan (including Choice Not Available PPO plan¹).

Rates for Non-Medicare covered lives as part of the “mixed Medicare” rating tiers in 2026 rate cards in this document were approved by the HSB on May 8, 2025.

¹ See Appendix for Choice Not Available, or C.N.A., definition.

Retiree Medical Contributions in Rate Card

The rate card presented in this document reflects 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 Services with the Employers, and their surviving spouses or surviving domestic partners.

Retiree Medical Contributions in Rate Card (continued)

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 card.

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 card.

Proposed 2026 BSC MAPD Plan Monthly Rate Card

When setting the total BSC MAPD plan premiums in the recommended 2025 BSC MAPD plan monthly rate card, the following SFHSS costs are included:

- VSP Basic Plan vision premiums (2026 vision rates remain at 2025 levels); and
- The SFHSS Healthcare Sustainability Fund charge of \$6.00 per retiree per month, which is \$2 higher than the 2025 fee.

The BSC MAPD plan rate card has distinct mixed Medicare family columns for each of these variations of non-Medicare dependent plan enrollment:

- BSC Non-Medicare PPO (and City Plan—Choice Not Available);
- BSC Access+ HMO; and
- BSC Trio HMO.

As in prior years, Mixed Medicare family enrollment will not be available in the 2026 plan year for the non-Medicare Health Net CanopyCare plan.

Proposed 2026 BSC MAPD Plan Monthly Rate Card

C.N.A. = Choice Not Available

	All Members in Medicare			Full Family — 2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree + 2+	1+ Non- Medicare in BSC PPO/C.N.A.	1+ Non- Medicare in BSC Access+	1+ Non- Medicare in BSC Trio
Premium	\$558.41	\$1,116.82	\$1,675.23	\$1,832.66	\$2,158.66	\$2,005.91
Vision	\$4.15	\$8.32	\$11.76	\$11.76	\$11.76	\$11.76
Expense ¹	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Total	\$568.56	\$1,131.14	\$1,692.99	\$1,850.42	\$2,176.42	\$2,023.67
10-County Amount (or single tier premium, if less) ²	\$568.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$568.56	\$568.56	\$568.56	\$568.56	\$568.56
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution ⁵	\$0.00	\$281.29	\$281.29	\$281.29	\$281.29	\$281.29
Subtotal City Contributions	\$568.56	\$849.85	\$849.85	\$849.85	\$849.85	\$849.85
Non-Bargained Contribution Rate 2026	\$0.00	\$281.29	\$843.14	\$1,000.57	\$1,326.57	\$1,173.82
Final Member Contribution 2026	\$0.00	\$281.29	\$843.14	\$1,000.57	\$1,326.57	\$1,173.82
Final Member Contribution 2025	\$0.00	\$269.27	\$807.08	\$985.29	\$1,232.01	\$1,087.41
Difference — 2026 vs. 2025 Contribution	\$0.00	\$12.02	\$36.06	\$15.28	\$94.56	\$86.41

NOTE: Footnotes defined in Appendix

BSC MAPD Plan Monthly Rates and Contributions

2026 vs. 2025

PY = Plan Year
C.N.A. = Choice Not Available

		All Members in Medicare			Full Family — 2 in Medicare, 1+ Non-Medicare		
		Retiree Only	Retiree + 1	Retiree + 2+	1+ Non-Medicare in BSC PPO/C.N.A.	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
Monthly Retiree Contributions	PY 2025	\$0.00	\$269.27	\$807.08	\$985.29	\$1,232.01	\$1,087.41
	PY 2026	\$0.00	\$281.29	\$843.14	\$1,000.57	\$1,326.57	\$1,173.82
	\$ Change	\$0.00	\$12.02	\$36.06	\$15.28	\$94.56	\$86.41
	% Change	—	4.5%	4.5%	1.6%	7.7%	7.9%
Monthly Employer Contributions	PY 2025	\$542.52	\$811.79	\$811.79	\$811.79	\$811.79	\$811.79
	PY 2026	\$568.56	\$849.85	\$849.85	\$849.85	\$849.85	\$849.85
	\$ Change	\$26.04	\$38.06	\$38.06	\$38.06	\$38.06	\$38.06
	% Change	4.8%	4.7%	4.7%	4.7%	4.7%	4.7%
Monthly Total Rate	PY 2025	\$542.52	\$1,081.06	\$1,618.87	\$1,797.08	\$2,043.80	\$1,899.20
	PY 2026	\$568.56	\$1,131.14	\$1,692.99	\$1,850.42	\$2,176.42	\$2,023.67
	\$ Change	\$26.04	\$50.08	\$74.12	\$53.34	\$132.62	\$124.47
	% Change	4.8%	4.6%	4.6%	3.0%	6.5%	6.6%

Recommendation

Staff recommends the Health Service Board (HSB) accept the plan year 2026 BSC MAPD Medicare Retiree rate card for status quo plan design as presented today, which includes a 4.5% insured premium renewal increase into the 2026 plan year.

Appendix

- 2025 BSC MAPD Medicare HMO Monthly Rate Card
- BSC MAPD Rate Card Footnotes
- MAPD Plan Definition
- Non-Medicare PPO Plan—Choice Not Available (C.N.A.) Definition
- Member Contribution Change Exhibits for All Retiree Tiers — 2026 vs. 2025

2025 BSC MAPD Plan Monthly Rate Card

C.N.A. = Choice Not Available

	All Members in Medicare			Full Family — 2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree + 2+	1+ Non- Medicare in BSC PPO/C.N.A.	1+ Non- Medicare in BSC Access+	1+ Non- Medicare in BSC Trio
Premium	\$534.37	\$1,068.74	\$1,603.11	\$1,781.32	\$2,028.04	\$1,883.44
Vision	\$4.15	\$8.32	\$11.76	\$11.76	\$11.76	\$11.76
Expense ¹	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Total	\$542.52	\$1,081.06	\$1,618.87	\$1,797.08	\$2,043.80	\$1,899.20
10-County Amount (or single tier premium, if less) ²	\$542.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset ³	\$0.00	\$542.52	\$542.52	\$542.52	\$542.52	\$542.52
"Actuarial Difference" ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution ⁵	\$0.00	\$269.27	\$269.27	\$269.27	\$269.27	\$269.27
Subtotal City Contributions	\$542.52	\$811.79	\$811.79	\$811.79	\$811.79	\$811.79
Non-Bargained Contribution Rate 2025	\$0.00	\$269.27	\$807.08	\$985.29	\$1,232.01	\$1,087.41
Final Member Contribution 2025	\$0.00	\$269.27	\$807.08	\$985.29	\$1,232.01	\$1,087.41
Final Member Contribution 2024	\$0.00	\$259.24	\$776.99	\$966.49	\$1,145.16	\$991.03
Difference — 2025 vs. 2024 Contribution	\$0.00	\$10.03	\$30.09	\$18.80	\$86.85	\$96.38

NOTE: Footnotes defined in Appendix

BSC MAPD Plan Rate Card Footnotes

- 1) **Expense:** SFHSS Healthcare Sustainability Fund charge of \$6.00 per employee or retiree per month in 2026.
- 2) **10-County Amount:** Amount derived from annual survey described in Charter Section A8.423 of contributions provided by 10 most populous counties in CA, not including San Francisco — called the “average contribution”. The 2026 10-County amount is \$942.14.
- 3) **Single Retiree Offset:** Under Charter Section A8.428(b)(2), the 10-County amount is the first of three Charter contribution elements used to calculate retiree rates. Employers are required to pay lesser of the 10-County amount or actual cost of coverage for each retiree member.
- 4) **"Actuarial Difference":** Under Charter Section A8.428(b)(3), the employers contribute the difference between Active Employee-Only premium and Non-Medicare Retiree-Only premium. This is the second of three Charter contribution elements applied to the calculation of retiree rates.
- 5) **2000 Prop. E Contribution:** Under Charter Section A8.428(b)(3)(iii) and A8.428(c), employer contributions toward Retiree Only and Retiree +1 rates = $50\% \times [\text{Total Rate Cost} - \text{10-County Amount} - \text{"Actuarial Difference"}]$. This is the third of three Charter contribution elements that applied to the calculation of retiree rates.

Glossary of Plan Terms

- **Medicare Advantage Prescription Drug (MAPD) Plan:** Medicare Advantage Prescription Drug Plan (MAPD) includes Medicare Part D and is available to beneficiaries enrolled in Medicare Part A and Part B. HSS 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. HSS negotiates additional benefits not covered by MAPD plans alone
- **PPO:** Preferred Provider Organization (PPO) benefit coverage is distinguished by a panel of preferred providers who contract with a health care vendor allowing the vendor to provide their services at a richer level of coverage. Non-preferred providers are covered at a much lower level thus the member is required to pay a much higher level of the cost

Non-Medicare PPO Plan—Choice Not Available (C.N.A.)

Criteria for Availability and Rate Determination

- Non-Medicare participants are assigned to the **Non-Medicare PPO Plan — Choice Not Available** as a plan they enroll in when they live in a zip code where the following occurs:
 - Non-Medicare PPO Plan is the only plan choice available;
 - Non-Medicare PPO Plan and Kaiser Permanente are available plan choices, but not BSC Select EPO; or
 - Non-Medicare PPO Plan and BSC Select EPO are available plan choices, but not Kaiser Permanente.
- Non-Medicare PPO Plan — Choice Not Available provides member contribution relief primarily to active employees in the Hetch Hetchy/Moccasin areas, and non-Medicare retirees living outside of the Bay Area of Northern California.

Member Contributions for All Retiree Tiers

Non-Medicare Dependents in Non-Medicare PPO (including Choice Not Available)

		Monthly Member Contribution ¹			
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	\$448.42	\$450.47	\$2.05	0.5%
	Medicare Retiree/Medicare Dependent	\$269.27	\$281.29	\$12.02	4.5%
Retiree + 2+ Dependents	Medicare Retiree/Non-Medicare Dependents	\$1,164.44	\$1,169.75	\$5.31	0.5%
	Medicare Retiree/Medicare Dependent/Non-Medicare 2nd+ Dependent(s)	\$985.29	\$1,000.57	\$15.28	1.6%
	Medicare Retiree/Medicare Dependents	\$807.08	\$843.14	\$36.06	4.5%

¹ For members receiving maximum City Charter employer contribution amounts.

Member Contributions for All Retiree Tiers

Non-Medicare Dependents in BSC Access+ HMO Plan

		Monthly Member Contribution ¹			
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	\$603.10	\$654.83	\$51.73	8.6%
	Medicare Retiree/Medicare Dependent	\$269.27	\$281.29	\$12.02	4.5%
Retiree + 2+ Dependents	Medicare Retiree/Non-Medicare Dependents	\$1,565.84	\$1,700.11	\$134.27	8.6%
	Medicare Retiree/Medicare Dependent/Non-Medicare 2nd+ Dependent(s)	\$1,232.01	\$1,326.57	\$94.56	7.7%
	Medicare Retiree/Medicare Dependents	\$807.08	\$843.14	\$36.06	4.5%

¹ For members receiving maximum City Charter employer contribution amounts.

Member Contributions for All Retiree Tiers

Non-Medicare Dependents in BSC Trio HMO Plan

		Monthly Member Contribution ¹			
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	\$512.52	\$559.13	\$46.61	9.1%
	Medicare Retiree/Medicare Dependent	\$269.27	\$281.29	\$12.02	4.5%
Retiree + 2+ Dependents	Medicare Retiree/Non-Medicare Dependents	\$1,330.66	\$1,451.66	\$121.00	9.1%
	Medicare Retiree/Medicare Dependent/Non-Medicare 2nd+ Dependent(s)	\$1,087.41	\$1,173.82	\$86.41	7.9%
	Medicare Retiree/Medicare Dependents	\$807.08	\$843.14	\$36.06	4.5%

¹ For members receiving maximum City Charter employer contribution amounts.