

San Francisco Health Service System Health Service Board

Rates & Benefits

Review and Approve 2027 Fully Insured Active and Retiree Dental Plans Rates and Contributions (Delta Dental Retiree PPO Plan, DeltaCare USA HMO Plans, and UnitedHealthcare HMO Plans)

Presented by Mike Clarke, Lead Actuary, Aon

April 9, 2026

Agenda

- **Rate Setting Methodology Preface**
- **2027 Fully Insured Active and Retiree Dental Plans Rates and Contributions — Renewal Summary and Rating Details**
 - Delta Dental Retiree PPO
 - DeltaCare USA Dental HMO (actives and retirees)
 - UnitedHealthcare (UHC) Dental HMO (actives and retirees)
- **Recommendation for Health Service Board (HSB) Action**
- **Appendix: SFHSS Fully Insured Dental Plan Designs**

The Active Dental PPO Plan Request for Proposal (RFP) and 2027 Rating Recommendations Will Be Part of the May 14, 2026, HSB Meeting

Recommendation for HSB Action

2027 Fully Insured Active and Retiree Dental Plans

Today's Recommendations

Staff recommends to the HSB approval of the following 2027 SFHSS fully insured dental plans rating actions (and retiree plan contribution actions) — with specific information on each recommendation provided earlier in this document:

1. Approve the following Delta Dental Retiree Fully Insured PPO Plan rating action:
3.19% increase in insured rates for current plan design from 2026 to 2027.
2. Approve the following DeltaCare USA Fully Insured Dental HMO Plan rating action:
no change in insured rates from 2026 to 2027 for actives and retirees.
3. Approve the following UnitedHealthcare (UHC) Insured Dental HMO Plan rating action:
no change in insured rates from 2026 to 2027 for actives and retirees.

1

Rate Setting Methodology Preface

Health Plan Funding

Method Comparison by SFHSS Plan

Funding Method	Self-Funded	Flex-Funded	Fully Insured
Funding Method Description	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 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
Who Calculates the Recommended SFHSS Plan Rates That HSB Approves?	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)
SFHSS Plans by Funding Method	<ul style="list-style-type: none"> • Non-Medicare PPO • Delta Dental Active Employee PPO 	<ul style="list-style-type: none"> • Blue Shield of CA Access+ HMO • Blue Shield of CA Trio HMO • Health Net CanopyCare HMO 	<ul style="list-style-type: none"> • All Kaiser HMO plans • BSC Medicare Advantage PPO • Delta Dental Retiree PPO • DeltaCare Dental HMO • UHC Dental HMO • VSP Vision
HSB Rate Stabilization Policy Applies?	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 2027 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:

$$\frac{\text{2027 Total Projected Plan Cost}}{\text{2026 Rates x Enrollment}} = \text{Needed Rate Change Factor (2027 vs. 2026)}$$

2

Active Employee 2027 Fully Insured Dental HMO Plans Rate Recommendations

Active Employee 2027 Fully Insured Dental HMO Rates

The active employee dental HMO plans offered through the San Francisco Health Service System (SFHSS) are fully insured, and therefore the recommendation includes the insured rates for action by the Health Service Board (HSB) for those plans today.

No contributions are required for CCSF, CCSF MEA and MTA MEA employees selecting the DeltaCare USA HMO and UnitedHealthcare (UHC) HMO dental plans.

San Francisco Unified School District (SFUSD) and City College of San Francisco (CCD) do not elect to offer dental coverage for their active employees through SFHSS.

Active Employee 2027 Fully Insured Dental HMO Rates

Proposed 2027 Rate Actions for Fully Insured Active Employee Dental HMO Plans

- DeltaCare USA HMO (1,085 enrolled employees):
 - No change in rates from 2026 plan year to 2027 plan year as part of their 2027-2029 three-year renewal rating commitment.
- UnitedHealthcare (UHC) HMO (532 enrolled employees):
 - No change in rates from 2026 plan year to 2027 plan year as part of their 2026-2027 two-year renewal rating commitment.

Each insured dental plan has based its 2027 dental HMO plan renewal upon recent plan experience projected to the 2027 plan year, as underwritten by the actuaries of each dental plan organization.

Active Employee 2027 Fully Insured Dental HMO Rates

Dental HMO Plan Monthly Rates for 2027 Plan Year (same rates as 2026)

DeltaCare USA HMO	2026	2027	Rate Change
Employee Only	\$26.48	\$26.48	No Change
Employee + 1	\$43.68	\$43.68	No Change
Employee + 2+	\$64.61	\$64.61	No Change

UHC Dental HMO	2026	2027	Rate Change
Employee Only	\$24.99	\$24.99	No Change
Employee + 1	\$41.27	\$41.27	No Change
Employee + 2+	\$61.02	\$61.02	No Change

3

Retiree 2027 Fully Insured Dental PPO and HMO Plans Rate Recommendations

Retiree Dental Plans 2027 Renewal Rates

Recommendation Summary

It is recommended that the Health Service Board (HSB) approve the 2027 retiree dental plan rates presented in this document.

This presentation also includes plan cost and utilization information for the Delta Dental Retiree PPO plan — by far the highest enrolled of the three retiree dental plans offered by SFHSS to retirees, as shown below (from the SFHSS 2026 Demographics Report):

Retiree Dental Plan	Enrolled Retirees
Retiree Delta Dental PPO	25,445
Retiree DeltaCare USA HMO	782
Retiree UHC Dental HMO	665

Retiree Dental Plans 2027 Renewal Rates

Recommendation Summary (continued)

Specific information on each of the retiree dental plan renewal recommendations below are described in this document:

- **Delta Dental Retiree PPO:**

- Insured rate increase of 3.19% from 2026 to 2027 (as part of a new three-year renewal rating commitment for annual 3.19% increases through the 2029 plan year).

- **DeltaCare USA Fully Insured Dental HMO:**

- Insured plan rates remain same from 2026 to 2027 (as part of a new three-year renewal rating commitment for no change in rates through the 2029 plan year).

- **UnitedHealthcare (UHC) Insured Dental HMO:**

- Insured plan rates remain same from 2026 to 2027 (as part of a two-year renewal rating commitment delivered last year by UHC for no change in rates into the 2027 plan year).

Current (2026) Retiree Dental Plans Monthly Rates

- This presentation proposes 2027 rating recommendations for the retiree dental plans offered by San Francisco Health Service System (SFHSS). Retirees of all employers participating in SFHSS (including SFUSD and CCD retirees) are offered dental plan coverage in retirement through SFHSS.
- Each of the three dental plans that SFHSS offers to retirees are **fully insured** — meaning the dental plans set the rates for these plans.
- Retiree members pay the full premium rates as member contributions, as there are no employer contributions for SFHSS retiree dental plans. Plan Year 2026 monthly premium rates and retiree contributions are:

2026 Monthly Premium Rates and Contributions	Delta Dental Retiree PPO			DeltaCare USA Dental HMO			UHC Dental HMO		
	RET Only	RET + 1	RET + 2+	RET Only	RET + 1	RET + 2+	RET Only	RET + 1	RET + 2+
Premium Rates	\$52.29	\$103.97	\$155.16	\$32.22	\$53.17	\$78.65	\$14.38	\$23.74	\$35.11
Employer Contributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Retiree Contributions	\$52.29	\$103.97	\$155.16	\$32.22	\$53.17	\$78.65	\$14.38	\$23.74	\$35.11

Current (2026) Retiree Dental Plans Monthly Rates

Background — 2024-2026 Fully Insured Dental Plans Rating Actions

- 2024 plan year was the first year of a three-year rating agreement with Delta Dental (for the 2024 through 2026 plan years), while UHC rates are quoted on an annual basis.
- Delta Dental's Retiree PPO rates increased by 2.0% from 2023 to 2024, as part of a three-year rating commitment for further 2.0% rate increases into each of the 2025 and 2026 plan years.
- DeltaCare USA HMO rates were held level through the 2024-2026 rating commitment.
- UHC dental HMO rates were held level through the 2024-2026 rating periods with a two-year commitment offered by UHC to hold rates level into 2027 also.

Delta Dental 2027 Retiree PPO Plan Renewal

Recent Plan Utilization Patterns

- Overall, 70% of retiree PPO plan covered lives had at least one dental cleaning during 2025—similar to 2024.
- About 7 out of every 10 dental services received by retired PPO plan participants are for diagnostic and preventive services.

Diagnostic & Preventive (D&P) Services	Basic Services	Major Services
Cleanings, Exams, X-rays	Fillings, Oral Surgery, Root Canals	Crowns, Inlays, Implants, Dentures, Bridges
71% of services	21% of services	8% of services

Delta Dental 2027 Retiree PPO Plan Renewal

Recent Plan Utilization Patterns

- **Network Dentist Utilization** — overall use of Delta Dental network dentists is slightly lower in 2025 than in immediate prior years at 85% of approved plan procedures. Delta Dental does not assign benefits for use of out-of-network providers (e.g., members need to submit claims to be reimbursed for plan-paid portions of service costs for Non-Contracted dentists).
- There has been an increase in the proportion of total services delivered by non-contracted (e.g., out-of-network) dentists over the past few years.
- Below is the service distribution by network dentist type (PPO, Premier, and Non-Contracted) for SFHSS retirees in 2023, 2024, and 2025:

Network Provider Type	2023 Service Dates	2024 Service Dates	2025 Service Dates
PPO Network	41%	41%	42%
Premier Network	47%	45%	43%
Non-Contracted	12%	14%	15%
Total	100%	100%	100%

NOTE: See next page for 2025 County-specific dentist type utilization detail

Delta Dental Retiree PPO Plan

2025 Member Dentist Utilization by Type of Network Dentist

Delta Dental Dentist Network Utilization — Three Benefit Levels

- Retiree service utilization across the three dentist network categories (PPO dentists, Premier dentists, and non-contracted dentists) varies by county (top 21 counties by retiree procedure counts listed):

County	State of County	2025 Procedure Count	Distribution of Procedures		
			PPO Dentists	Premier Dentists	Non-Contracted Dentists
San Francisco	CA	78,343	31%	52%	16%
San Mateo	CA	44,200	42%	48%	10%
Contra Costa	CA	21,756	48%	43%	9%
Alameda	CA	18,833	44%	40%	16%
Marin	CA	10,016	28%	28%	44%
Sonoma	CA	8,401	32%	37%	31%
Solano	CA	7,578	56%	39%	5%
Sacramento	CA	5,194	63%	33%	4%
Santa Clara	CA	3,901	35%	48%	17%
Placer	CA	2,780	61%	34%	5%
Clark	NV	2,098	88%	9%	2%
San Joaquin	CA	1,848	62%	32%	5%
Napa	CA	1,662	39%	49%	13%
Riverside	CA	1,378	75%	16%	8%
Los Angeles	CA	1,280	61%	30%	8%
San Diego	CA	1,209	64%	23%	13%
Maricopa	AZ	953	82%	13%	5%
Tuolumne	CA	857	36%	40%	24%
Orange	CA	813	68%	22%	10%
Stanislaus	CA	807	68%	26%	6%
Washoe	NV	698	67%	11%	22%

NOTE: Figures are rounded to nearest whole % so may not add to 100%

Delta Dental 2027 Retiree PPO Plan Renewal

Retiree PPO SmileWay Wellness Program Membership Continues to

~~Increase~~ membership in SmileWay—providing added covered services each year for members with certain identified chronic conditions—increased 7.4% from 2024 to 2025.

About 7 out of 10 of eligible covered SmileWay lives are utilizing the dental plan—the goal is to increase utilization of the additional covered benefits available to SmileWay members.

SmileWay Wellness Benefits - Retiree		
	2024	2025
Total SmileWay Wellness Benefits Members	12,655	13,594
Total Unique SmileWay Wellness Benefits Utilizers	8,968	9,665
% of Unique Member Utilization	70.9%	71.1%
Procedure Count	18,899	20,279

Delta Dental Retiree PPO Plan

Finding a Network Dentist

Delta Dental Dentist Network Utilization — Three Benefit Levels

- Members are encouraged to consider seeking Delta Dental PPO dentists for services
- Member coinsurance requirements will be less for many services when using a PPO dentist
- Overall service costs are generally less for PPO dentists given higher discounts for PPO network dentists versus Premier network dentists

SFHSS members can search for PPO network dentists (and Premier network dentists) at this weblink:

<https://www1.deltadentalins.com/group-sites/ccsf/find-a-dentist.html>

Weblink for SFHSS member Delta Dental group site:

<https://www1.deltadentalins.com/group-sites/ccsf.html>

Delta Dental 2027 Retiree PPO Plan Renewal Rates

Proposed 3.19% Increase to Premium Rates

Rate Tier	January 2026 Enrollment	Monthly Rates	
		2026 Plan Year	2027 Plan Year
Retiree Only	15,841	\$52.29	\$53.96
Retiree + 1	8,701	\$103.97	\$107.29
Retiree + 2+	903	\$155.16	\$160.11
Total/Annual	25,445	\$22,476,940	\$23,194,680

DeltaCare USA HMO and UnitedHealthcare (UHC) HMO

Retiree Fully Insured Dental Plans — 2027 Rates

Proposed 2027 Rate Actions for Fully Insured Retiree Dental HMO Plans

- DeltaCare USA HMO (1,085 enrolled employees):
 - No change in rates from 2026 plan year to 2027 plan year as part of their 2027-2029 three-year renewal rating commitment.
- UnitedHealthcare (UHC) HMO (532 enrolled employees):
 - No change in rates from 2026 plan year to 2027 plan year as part of their 2026-2027 two-year renewal rating commitment.

Each insured dental plan has based its 2027 dental HMO plan renewal upon recent plan experience projected to the 2027 plan year, as underwritten by the actuaries of each dental plan organization.

DeltaCare USA HMO and UnitedHealthcare (UHC) HMO

Retiree Fully Insured Dental Plans — 2027 Rates

Dental HMO Plan Monthly Rates for 2027 Plan Year (same rates as 2026)

DeltaCare USA HMO	2026	2027	Rate Change
Retiree Only	\$32.22	\$32.22	No Change
Retiree + 1	\$53.17	\$53.17	No Change
Retiree + 2+	\$78.65	\$78.65	No Change

UHC Dental HMO	2026	2027	Rate Change
Retiree Only	\$14.38	\$14.38	No Change
Retiree + 1	\$23.74	\$23.74	No Change
Retiree + 2+	\$35.11	\$35.11	No Change

4

Recommendation for HSB Action

2027 Fully Insured Active and Retiree Dental Plans Rates and Contributions

Recommendation for HSB Action

2027 Fully Insured Active and Retiree Dental Plans

Today's Recommendations

Staff recommends to the HSB approval of the following 2027 SFHSS fully insured dental plans rating actions (and retiree plan contribution actions) — with specific information on each recommendation provided earlier in this document:

1. Approve the following Delta Dental Retiree Fully Insured PPO Plan rating action:
3.19% increase in insured rates for current plan design from 2026 to 2027.
2. Approve the following DeltaCare USA Fully Insured Dental HMO Plan rating action:
no change in insured rates from 2026 to 2027 for actives and retirees.
3. Approve the following UnitedHealthcare (UHC) Insured Dental HMO Plan rating action:
no change in insured rates from 2026 to 2027 for actives and retirees.

5

Appendix: SFHSS Fully Insured Dental Plan Designs

Active Employee Dental HMO Plan Design Elements

Plan Feature	DeltaCare USA	UHC Dental HMO
Choice of Dentist	DeltaCare USA network only	UHC DHMO network only
Annual Deductible	No deductible	No deductible
Annual Plan Year Maximum	None	None

Covered Services		
Cleanings and Exams	100% covered	100% covered
X-rays	100% covered	100% covered
Extractions	100% covered	100% covered
Fillings	100% covered	100% covered
Crowns	100% covered	100% covered
Dentures/Pontics/Bridges	100% covered	100% covered
Endodontic/Root Canals	100% covered	100% covered
Oral Surgery	100% covered	100% covered
Implants	Not covered	Covered (see copay schedule)
Orthodontia	Employee pays: \$1,600 per child and \$1,800 per adult (\$350 start-up fee; limitations apply)	Employee pays: \$1,250 per child and \$1,250 per adult (\$350 start-up fee; limitations apply)
Night Guards	\$100 copay	100% covered

NOTE: This exhibit contains plan summary information only. For a more detailed description of benefits and exclusions for each plan, please review the plan's Evidence of Coverage (EOC), available on sfhss.org

Retiree Dental PPO Plan Design Elements

Plan Feature	PPO Dentists	Premier Dentists	Out-of-Network
Choice of Dentist	You may choose any licensed dentist. You will receive a higher level of benefit and lower out-of-pocket costs when using a Delta Dental PPO network dentist.		
Annual Deductible	No deductible	\$50 per person; \$100 for family (excluding diagnostic and preventive care)	
Annual Plan Year Maximum	\$1,250 per person (excluding preventive cleanings and exams)		
Covered Services			
Cleanings and Exams	100% covered	100% covered	80% covered
X-rays	100% covered	100% covered	80% covered
Nitrous Oxide/Non-IV Sedation	80% covered	80% covered	80% covered
Extractions	80% covered	80% covered	80% covered
Fillings	80% covered	80% covered	80% covered
Crowns	60% covered	50% covered	50% covered
Dentures/Pontics/Bridges	60% covered	50% covered	50% covered
Endodontic/Root Canals	60% covered	50% covered	50% covered
Oral Surgery	80% covered	80% covered	80% covered
Implants	60% covered	50% covered	50% covered
Orthodontia	Not covered	Not covered	Not covered
Night Guards	80% covered (1x3yr)	80% covered (1x3yr)	80% covered (1x3yr)

NOTE: This exhibit contains plan summary information only. For a more detailed description of benefits and exclusions for each plan, please review the plan's Evidence of Coverage (EOC), available on sfhss.org

Retiree Dental HMO Plan Design Elements

Plan Feature		DeltaCare USA	UHC Dental HMO
Choice of Dentist		DeltaCare USA DHMO network only	UHC DHMO network only
Annual Deductible		No deductible	No deductible
Annual Plan Year Maximum		None	None
Covered Services			
Cleanings and Exams		100% covered	100% covered
X-rays		100% covered	100% covered
Extractions		100% covered	\$5 to \$25 copay (varies by service)
Fillings		100% covered	\$5 to \$25 copay (varies by service)
Crowns		\$0 to \$250 copay (varies by service)	100% covered
Dentures/Pontics/Bridges		100% covered	\$90 to \$100 copay (varies by service)
Endodontic/Root Canals		100% covered	\$15 to \$60 copay (varies by service)
Oral Surgery		100% covered	\$0 to \$30 copay (varies by service)
Implants		Not covered	Covered (see copay schedule)
Orthodontia	Retiree Pays:	\$1,600 per child/\$1,800 per adult \$350 start-up fee; limitations apply	\$2,000 per child/\$2,000 per adult \$350 start-up fee; limitations apply
Night Guards		\$100 copay	100% covered

NOTE: This exhibit contains plan summary information only. For a more detailed description of benefits and exclusions for each plan, please review the plan's Evidence of Coverage (EOC), available on sfhss.org