

San Francisco Health Service System Health Service Board

Rates & Benefits

Review Kaiser Permanente HMO Plans 2025 Experience

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Kaiser Permanente HMO Plans 2025 Experience

Agenda

- Introduction
- Insights
- **Appendix**—Detailed Active Employee/Non-Medicare Retiree Monthly Claims and Member Counts

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Kaiser Permanente HMO Plans 2025 Experience Introduction

Kaiser Permanente HMO Plans 2025 Experience

Introduction

This presentation captures information on calendar year 2025 medical and prescription drug claims, plan utilization, and quality indicators for the Kaiser Permanente (Kaiser) non-Medicare, fully insured HMO plans offered by the San Francisco Health Service System (SFHSS). The information in this document relates to covered active employee and non-Medicare retiree populations.

The active employee and non-Medicare retiree experience presented today will combine with 2024 plan experience to be utilized by Kaiser to develop fully insured premium rates for the 2027 plan year (for underwriting, Kaiser will utilize the most recent 24-months experience available at time of renewal release to SFHSS and Aon, from February 2024 through January 2026).

The 2027 rate recommendations for the Kaiser HMO plans will be presented to the Health Service Board (HSB) on June 11, 2026.

Kaiser Permanente HMO Plans 2025 Experience

Introduction (continued)

The following pages summarize key observations captured from experience reporting provided by Kaiser to SFHSS leadership and Aon. All data provided by Kaiser for this presentation was based upon 2025 plan experience.

Total 2025 premiums for Kaiser HMO plans were \$525M for non-Medicare members (active employees/non-Medicare retirees) in California, \$60M for Medicare members in California, and \$2M for retirees in “multi-region” plans (Washington, Northwest, and Hawaii). Overall, Kaiser HMO represented about 47% of total SFHSS plan spend in 2025.

Kaiser Permanente HMO Plans 2025 Experience

Introduction (continued)

The Kaiser experience data in this presentation for active employees and non-Medicare retirees reflects a 5.1% increase in per covered life (or PMPM) claim experience from 2024 to 2025, after a 15.9% from 2023 to 2024. The 5.1% per covered life claim increase is consistent with Kaiser's 5.4% premium increase into 2025.

Exhibits follow that illustrate drivers of the Kaiser plan experience for 2025, including leading diagnostic areas. Also included are updates on preventive care utilization rates and health risk indicators for the SFHSS populations covered in the Kaiser health plans, including Medicare retirees.

Detailed monthly paid claim and member count information is contained in the Appendix to this document for active employees and non-Medicare retirees.

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Kaiser Permanente HMO Plans 2025 Experience Insights

Kaiser HMO Plans 2025 Experience — Insights

Active/Non-Medicare Retiree Medical and Prescription Drug Claims

- Total paid per member¹ per month (PMPM) claims increased 5.1% in 2025 vs. 2024 for the combination of the active employee and non-Medicare retiree populations (compared to +15.9% from 2023 to 2024):
 - 7.5% increase for active employee PMPM expenses, 2024 to 2025
 - 9.5% decrease for non-Medicare retiree PMPM expenses, 2024 to 2025
 - 5.1% overall PMPM expense increase, 2024 to 2025
- The reduction in per covered life spend from 2024 to 2025 for non-Medicare retirees was influenced by a reduction in high large claims paid.
- Across the total population, 16 claimants exceeded \$1 million in claims during 2025, accounting for 5.4% of total 2025 medical/Rx claims.

¹ “Member” = covered life (e.g., employees, non-Medicare retirees, and dependents)

Kaiser HMO Plans 2025 Experience — Insights

Active/Non-Medicare Retiree Medical and Prescription Drug Claims

MEDICAL AND PHARMACY CLAIMS	ACTIVE EMPLOYEES				NON-MEDICARE RETIREES			
	Average Members	Paid Claims PMPM			Average Members	Paid Claims PMPM		
		Medical	Pharmacy	Total		Medical	Pharmacy	Total
2025 Plan Year	50,268	\$689.73	\$78.54	\$768.27	4,326	\$1,000.79	\$160.80	\$1,161.59
2024 Plan Year	50,264	\$644.15	\$70.65	\$714.80	4,420	\$1,131.91	\$151.88	\$1,283.79
Change - 2025 vs. 2024								
Members/Dollars: 2025 vs. 2024	4	\$45.58	\$7.89	\$53.47	-94	-\$131.12	\$8.92	-\$122.20
% Change	0.0%	7.1%	11.2%	7.5%	-2.1%	-11.6%	5.9%	-9.5%

MEDICAL AND PHARMACY CLAIMS	SFHSS			
	Average Members	Paid Claims PMPM		
		Medical	Pharmacy	Total
2025 Plan Year	54,594	\$714.38	\$85.06	\$799.44
2024 Plan Year	54,683	\$683.56	\$77.22	\$760.78
Change - 2025 vs. 2024				
Members/Dollars: 2025 vs. 2024	-89	\$30.82	\$7.84	\$38.66
% Change	-0.2%	4.5%	10.2%	5.1%

Kaiser HMO Plans 2025 Experience — Insights

Active Employees: Top Diagnostic SFHSS Spend Categories

Highest Medical Spend Diagnoses

Diagnostic Category	2025 PMPM Medical
Factors Influencing Health Status ¹	\$83
Cancer	\$58
Injury/Poisoning	\$54
Circulatory	\$49
Mental/Behavioral	\$48

Highest Rx Spend Categories

Diagnostic Class	2025 PMPM Rx
Anti-Infective	\$17
Endocrine (incl. GLP-1)	\$16
Anti-Cancer	\$11
Dermatologic	\$10
Anti-Inflammatory	\$6

¹ Incorporates medical visits that aren't for diseases or injuries, including routine check-ups, vaccinations, and preventive care; infectious disease care; cancer-related care such as chemotherapy.

Kaiser HMO Plans 2025 Experience — Insights

Non-Medicare Retirees: Top Diagnostic SFHSS Spend Categories

Highest Medical Spend Diagnoses

Diagnostic Category	2025 PMPM Medical
Cancer	\$123
Factors Influencing Health Status ¹	\$98
Circulatory	\$97
Injury/Poisoning	\$86
Musculoskeletal	\$77

Highest Rx Spend Categories

Diagnostic Class	2025 PMPM Rx
Anti-Cancer	\$43
Anti-Infective	\$40
Endocrine (incl. GLP-1)	\$32
Dermatologic	\$11
Anti-Inflammatory	\$7

¹ Incorporates medical visits that aren't for diseases or injuries, including routine check-ups, vaccinations, and preventive care; infectious disease care; cancer-related care such as chemotherapy.

Kaiser HMO Plans 2025 Experience — Insights

Inpatient Admissions—Active Employees (per 1,000 Plan Members)

- Inpatient admission rates slightly decreased for actives, but high-cost claimants resulted in a large increase in the inpatient days rate for 2025 versus 2024:

Admissions

Inpatient Admits/1000			
<u>Service Category</u>	<u>Jan24 – Dec24</u>	<u>Change</u>	<u>Jan25 – Dec25</u>
Medical	13.6	(6.6)%	12.7
Surgical	6.6	12.1%	7.4
Maternity	9.7	(10.3)%	8.7
Mental Health	2.3	17.4%	2.7
Substance Abuse	1.3	15.4%	1.5
SNF	0.8	0.0%	0.8
Total Inpatient Admits/10	34.2	(1.2)%	33.8

Days

Inpatient Days/1000			
<u>Service Category</u>	<u>Jan24 – Dec24</u>	<u>Change</u>	<u>Jan25 – Dec25</u>
Medical	60.9	15.8%	70.5
Surgical	30.5	19.7%	36.5
Maternity	26.1	(10.3)%	23.4
Mental Health	24.8	66.1%	41.2
Substance Abuse	27.1	15.5%	31.3
SNF	12.8	10.9%	14.2
Total Inpatient Days/10	182.4	19.0%	217.0

Kaiser HMO Plans 2025 Experience — Insights

Inpatient Admissions—Non-Medicare Retirees (per 1,000 Plan Members)

- Inpatient admission rates and days per 1,000 both decreased significantly for the non-Medicare retiree population from 2024 to 2025:

Admissions

Inpatient Admits/1000			
<u>Service Category</u>	<u>Jan24 – Dec24</u>	<u>Change</u>	<u>Jan25 – Dec25</u>
Medical	38.2	(12.8)%	33.3
Surgical	14.9	(14.8)%	12.7
Maternity	0.2	250.0%	0.7
Mental Health	2.0	40.0%	2.8
Substance Abuse	3.4	(38.2)%	2.1
SNF	4.1	(39.0)%	2.5
Total Inpatient Admits/10	62.9	(14.0)%	54.1

Days

Inpatient Days/1000			
<u>Service Category</u>	<u>Jan24 – Dec24</u>	<u>Change</u>	<u>Jan25 – Dec25</u>
Medical	223.6	(20.9)%	176.8
Surgical	63.6	0.6%	64.0
Maternity	0.7	128.6%	1.6
Mental Health	14.7	16.3%	17.1
Substance Abuse	56.1	(32.8)%	37.7
SNF	162.9	(47.8)%	85.1
Total Inpatient Days/10	521.6	(26.7)%	382.3

Kaiser HMO Plans 2025 Experience — Insights

Outpatient Visits—Active Employees (per 1,000 Plan Members)

- Mental health and substance abuse outpatient visit rates increased significantly from 2024 to 2025, while other visit rates of change were modest.

Outpatient Visits/1000 *			
<u>Service Category</u>	<u>Jan24 - Dec24</u>	<u>Change</u>	<u>Jan25 - Dec25</u>
Outpatient Visits	4,905.3	0.1%	4,911.1
Outpatient Mental Health	1,548.0	12.4%	1739.3
Outpatient Substance Abuse	55.3	22.1%	67.5
Emergency Room			
Emergency Room KP	183.5	2.3%	187.8
Emergency Room Non-KP	21.6	(0.9)%	21.4
Surgeries and Hospital Outpatient Other			
Hospital Outpatient Surgery	53.4	(3.4)%	51.6
Hospital Outpatient Other	125.6	3.5%	130.0
Lab	3,360.4	2.9%	3,457.4
Radiology	1,273.3	0.3%	1,277.2
Total Outpatient Visits/10	11,526.4	2.8%	11,843.5

Kaiser HMO Plans 2025 Experience — Insights

Outpatient Visits—Pre-Medicare Retirees (per 1,000 Plan Members)

- Rates of outpatient visits for the non-Medicare retiree population generally decreased from 2024 to 2025.

Outpatient Visits/1000 *			
<u>Service Category</u>	<u>Jan24 - Dec24</u>	<u>Change</u>	<u>Jan25 - Dec25</u>
Outpatient Visits	6,449.8	(4.3)%	6,169.4
Outpatient Mental Health	1,010.5	(5.8)%	951.7
Outpatient Substance Abuse	48.2	(7.1)%	44.8
Emergency Room			
Emergency Room KP	214.3	3.8%	222.4
Emergency Room Non-KP	34.8	(7.8)%	32.1
Surgeries and Hospital Outpatient Other			
Hospital Outpatient Surgery	97.3	(10.5)%	87.1
Hospital Outpatient Other	305.2	1.9%	311.1
Lab	4,601.0	1.5%	4,669.5
Radiology	2,170.4	(1.8)%	2,130.8
Total Outpatient Visits/10	14,931.6	(2.1)%	14,618.9

Kaiser HMO Plans 2025 Experience — Insights

Health Status/Immunization/Preventive Care Rates by Population

ACTIVE EMPLOYEES AND NON-MEDICARE RETIREES — SFHSS member preventive screening rates are higher than KP regional averages; health risk indicator metrics are generally favorable to KP benchmarks, but some are higher for non-Medicare retirees.

	SFHSS Active Employee Population	SFHSS Non-Medicare Retiree Population	KP Regional Average
Health Risk Indicators — Percentage of Population			
Adult Weight — Obese BMI 30.0 or higher	34.5%	31.4%	38.7%
Adult Sedentary — Weekly Minutes <30	48.8%	48.2%	50.8%
Total Cholesterol — High \geq 240	11.2%	17.3%	10.6%
Blood Pressure — Undesirable \geq 140/90	10.2%	13.0%	11.4%
Smoking Status — Yes	5.5%	5.6%	5.9%
Blood Sugar Poor Control — HbA1c $>$ 9% (% among diabetics)	18.6%	14.6%	20.3%
Covered Lives With Chronic Condition(s)	26.1%	37.2%	28.0%
Preventive Screening and Immunization Rates — Percentage of Eligible Population			
Flu Immunization Rate	36.7%	44.6%	29.4%
Childhood Immunization Rate	69.7%	n/a	59.3%
Breast Cancer Screening Rate	84.0%	85.5%	81.8%
Cervical Cancer Screening Rate	87.3%	88.5%	81.4%
Colorectal Cancer Screening Rate	76.3%	83.7%	72.0%

Kaiser HMO Plans 2025 Experience — Insights

Health Status/Immunization/Preventive Care Rates by Population

MEDICARE RETIREES — SFHSS Medicare member breast and colorectal screening rates are lower than KP regional averages; health risk indicator metrics are mostly favorable to KP benchmarks.

	SFHSS Medicare Retiree	KP Regional
Health Risk Indicators — Percentage of Population		
Adult Weight — Obese BMI 30.0 or higher	20.6%	38.2%
Adult Sedentary — Weekly Minutes <30	22.5%	39.7%
Total Cholesterol — High \geq 240	7.8%	7.8%
Blood Pressure — Undesirable \geq 140/90	14.6%	15.3%
Smoking Status — Yes	2.4%	4.2%
Blood Sugar Poor Control — HbA1c >9% (% among diabetics)	11.5%	10.2%
Preventive Screening and Immunization Rates — Percentage of Eligible Population		
Flu Immunization Rate	73.0%	66.1%
Breast Cancer Screening Rate	82.7%	86.4%
Colorectal Cancer Screening Rate	83.8%	87.6%

Kaiser Permanente HMO Plans 2025 Experience

In Closing

The 2025 Kaiser experience data in this presentation for active employees and non-Medicare retirees reflects a moderated increase relative to the sizable increase experienced both in SFHSS data and Kaiser book of business data from 2023 to 2024. The 5.1% experience increase into 2025 is consistent with the 2025 Kaiser rating action (+5.4%) presented at the June 13, 2024, HSB meeting.

For reference, the Kaiser HMO premium increase for SFHSS was 9.88% for the 2026 plan year.

Aon will present the 2027 Kaiser HMO plans renewal during the June 11, 2026, HSB meeting.

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Appendix—Detailed Active Employee and Non-Medicare Retiree Monthly Claims and Member Counts

Detailed Monthly Claims and Member Counts

Active Employee Group—2024 and 2025 Plan Years

	Medical Claims			Total Medical Claims	Rx Claims	Total Claims	PMPM Claims	Members
	Inpatient	Outpatient	Other					
Current Year								
Jan 25	\$8,687,507	\$16,166,094	\$6,067,002	\$30,920,603	\$3,832,425	\$34,753,028	\$684.56	50,767
Feb 25	7,836,672	16,347,512	6,219,415	30,403,599	3,486,905	33,890,504	667.94	50,739
Mar 25	10,571,690	19,060,189	6,705,043	36,336,922	3,675,562	40,012,484	788.78	50,727
Apr 25	5,693,465	13,890,086	5,568,670	25,152,221	3,830,898	28,983,120	571.82	50,686
May 25	9,504,318	22,062,072	6,767,825	38,334,215	3,782,469	42,116,684	830.65	50,703
Jun 25	10,215,747	20,914,462	6,668,308	37,798,517	4,084,825	41,883,343	827.67	50,604
Jul 25	11,198,747	19,738,090	6,580,909	37,517,746	4,305,733	41,823,479	840.59	49,755
Aug 25	11,759,750	17,501,254	6,692,100	35,953,104	4,055,173	40,008,277	802.64	49,846
Sep 25	10,983,355	17,933,139	6,562,222	35,478,716	4,335,532	39,814,247	797.26	49,939
Oct 25	9,060,821	19,891,211	6,572,628	35,524,660	3,974,314	39,498,974	791.02	49,934
Nov 25	11,589,242	19,617,321	6,535,083	37,741,646	3,638,965	41,380,611	830.87	49,804
Dec 25	8,877,019	19,344,095	6,673,279	34,894,393	4,372,730	39,267,123	789.89	49,712
Total:	\$115,978,333	\$222,465,526	\$77,612,484	\$416,056,343	\$47,375,530	\$463,431,873	\$768.27	603,216
Prior Year								
Jan 24	\$5,895,648	\$16,108,379	\$5,598,947	\$27,602,974	\$3,534,426	\$31,137,399	\$615.49	50,590
Feb 24	6,796,783	15,953,000	5,979,078	28,728,861	3,358,530	32,087,391	635.47	50,494
Mar 24	7,897,129	17,513,410	5,904,481	31,315,020	3,375,362	34,690,382	688.42	50,391
Apr 24	6,675,902	18,163,958	5,993,080	30,832,940	3,464,475	34,297,415	680.91	50,370
May 24	7,791,433	18,634,881	6,374,366	32,800,680	3,439,169	36,239,848	718.50	50,438
Jun 24	9,000,518	16,210,248	6,027,295	31,238,061	3,508,347	34,746,409	690.22	50,341
Jul 24	5,924,359	17,915,371	5,876,025	29,715,755	3,771,882	33,487,638	671.28	49,886
Aug 24	7,838,546	17,403,950	5,939,001	31,181,497	3,867,545	35,049,042	700.18	50,057
Sep 24	9,279,917	17,711,459	6,124,423	33,115,799	3,541,707	36,657,506	732.15	50,068
Oct 24	16,786,278	19,687,415	6,508,294	42,981,987	3,518,837	46,500,823	926.85	50,171
Nov 24	10,991,649	19,939,471	6,231,421	37,162,541	3,373,904	40,536,444	807.61	50,193
Dec 24	9,797,884	16,159,113	5,891,776	31,848,773	3,860,358	35,709,130	711.82	50,166
Total:	\$104,676,046	\$211,400,655	\$72,448,186	\$388,524,888	\$42,614,541	\$431,139,428	\$714.80	603,165

Detailed Monthly Claims and Member Counts

Non-Medicare Retiree Group—2024 and 2025 Plan Years

	Medical Claims			Total Medical Claims	Rx Claims	Total Claims	PMPM Claims	Members
	Inpatient	Outpatient	Other					
Current Year								
Jan 25	\$1,655,203	\$2,017,673	\$854,105	\$4,526,981	\$717,517	\$5,244,497	\$1,212.60	4,325
Feb 25	2,711,723	1,835,187	802,381	5,349,291	684,308	6,033,598	1,394.41	4,327
Mar 25	1,109,277	2,876,456	895,937	4,881,670	732,272	5,613,942	1,305.26	4,301
Apr 25	1,031,421	1,613,730	757,031	3,402,182	731,391	4,133,573	972.15	4,252
May 25	10,323	2,678,223	853,330	3,541,876	592,509	4,134,385	981.81	4,211
Jun 25	1,286,895	2,234,036	869,326	4,390,257	777,193	5,167,450	1,230.93	4,198
Jul 25	908,425	2,190,925	800,616	3,899,966	777,647	4,677,614	1,041.78	4,490
Aug 25	846,168	2,308,451	819,802	3,974,421	702,804	4,677,224	1,058.43	4,419
Sep 25	1,697,424	2,518,473	936,281	5,152,178	636,725	5,788,902	1,318.36	4,391
Oct 25	1,022,166	3,246,688	891,032	5,159,886	659,168	5,819,053	1,340.49	4,341
Nov 25	600,625	2,388,164	774,812	3,763,601	658,795	4,422,396	1,020.87	4,332
Dec 25	952,002	2,162,574	798,090	3,912,666	677,340	4,590,006	1,060.78	4,327
Total:	\$13,831,651	\$28,070,579	\$10,052,741	\$51,954,971	\$8,347,668	\$60,302,639	\$1,161.59	51,914
Prior Year								
Jan 24	\$1,066,703	\$2,213,341	\$933,865	\$4,213,909	\$678,970	\$4,892,879	\$1,084.90	4,510
Feb 24	1,385,268	2,575,722	1,056,082	5,017,072	568,305	5,585,377	1,242.85	4,494
Mar 24	877,777	2,379,342	868,920	4,126,039	573,316	4,699,355	1,052.25	4,466
Apr 24	2,632,796	2,365,500	1,044,604	6,042,900	767,145	6,810,045	1,527.94	4,457
May 24	1,410,116	2,569,078	1,021,607	5,000,801	680,825	5,681,627	1,285.73	4,419
Jun 24	1,200,010	2,271,096	908,513	4,379,619	626,468	5,006,088	1,139.30	4,394
Jul 24	1,082,031	2,378,301	879,858	4,340,190	785,474	5,125,663	1,132.49	4,526
Aug 24	3,330,843	2,395,259	1,038,671	6,764,773	770,605	7,535,378	1,679.38	4,487
Sep 24	1,391,393	2,594,302	933,634	4,919,329	624,602	5,543,931	1,244.71	4,454
Oct 24	3,640,489	2,410,611	875,498	6,926,598	690,202	7,616,799	1,766.83	4,311
Nov 24	1,394,551	2,226,348	818,050	4,438,949	684,887	5,123,836	1,201.65	4,264
Dec 24	1,240,592	1,888,529	730,645	3,859,766	603,863	4,463,629	1,049.77	4,252
Total:	\$20,652,567	\$28,267,430	\$11,109,946	\$60,029,944	\$8,054,662	\$68,084,606	\$1,283.79	53,034