

# **San Francisco Health Service System Health Service Board**

## **Rates & Benefits**

Review and Approve Blue Shield of California  
Non-Medicare Flex-Funded HMO Medical/Rx Plans  
2027 Rates and Contributions

Presented by Mike Clarke, Lead Actuary, Aon

June 11, 2026

# Agenda

- **Recommendation for HSB Action**
- **Blue Shield of California (BSC) HMO Plans 2027 Rating Work-Up and Recent Renewals History**
- **2027 Monthly Rate Cards for Blue Shield of California (BSC) Access+ HMO and BSC Trio HMO Plans**
  - Active Employees (93/93/83 and 100/96/83 contribution strategies)
  - Non-Medicare Retirees (per City Charter employer contribution guidance)
- **Recommendation for HSB Action**

# 1

## Recommendation for HSB Action

BSC HMO Plans

# BSC HMO 2027 Plans Rating — Recommendation

## Recommendation for HSB Action

Staff recommends that the HSB accept the 2027 rate cards as presented today, which includes a 17.6% increase for the BSC Access+ HMO Plan, and a 10.7% increase for the BSC Trio HMO Plan.

# 2

## BSC HMO Plans 2027 Rating Work-Up, Recent Renewals History, and Renewal Summary

# Blue Shield Non-Medicare HMO Plans: Recent Renewals History

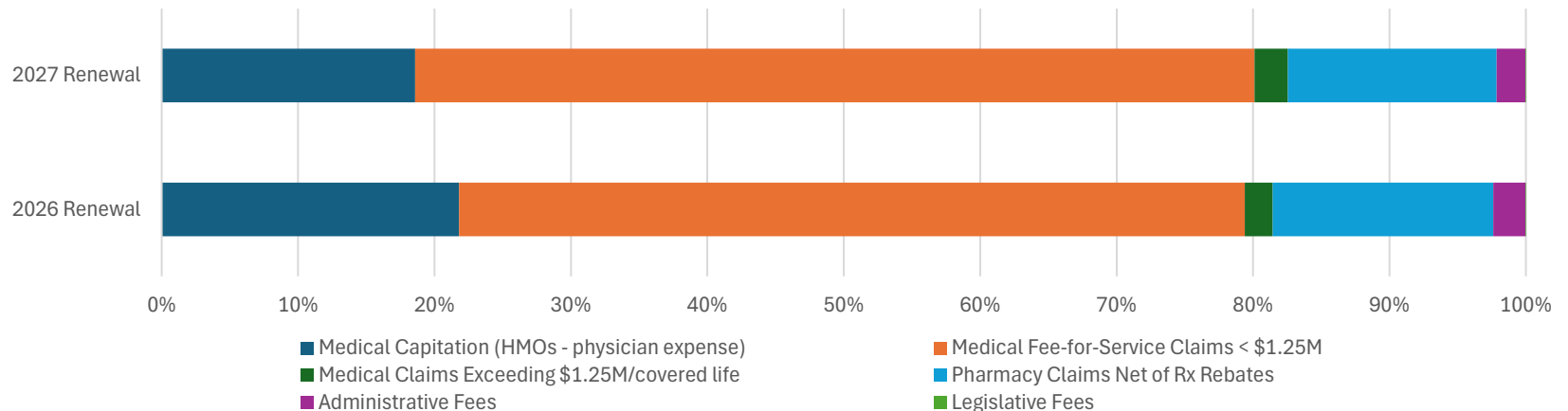
Below is a 5-year summary of total rate cost increase for San Francisco Health Service System (SFHSS) Blue Shield of California (BSC) Non-Medicare HMO health plans – Access+ and Trio. The figures below incorporate all rating elements including plan costs, the SFHSS sustainability fund charge, VSP Basic Vision plan costs, and rate stabilization amounts.

	2023	2024	2025	2026	2027 (Proposed)
<b>BSC Trio HMO</b>	5.3%	2.9%	11.8%	9.2%	10.7%
<b>BSC Access+ HMO</b>	0.5%	14.4%	8.7%	8.7%	17.6%

# Blue Shield Non-Medicare HMO Plan – Access+

Plan Renewal Cost Elements, 2026 and 2027 (per employee/per retiree per month basis)	2026	2027 (Proposed)
Medical Capitation (HMOs - physician expense)	\$535.61	\$528.44
Medical Fee-for-Service Claims < \$1.25M	\$1,414.52	\$1,749.88
Medical Claims Exceeding \$1.25M/covered life	\$49.98	\$69.47
Pharmacy Claims Net of Rx Rebates	\$397.35	\$435.59
Administrative Fees	\$57.54	\$59.79
Legislative Fees	\$1.03	\$1.04
<b>TOTAL</b>	<b>\$2,456.03</b>	<b>\$2,844.21</b>

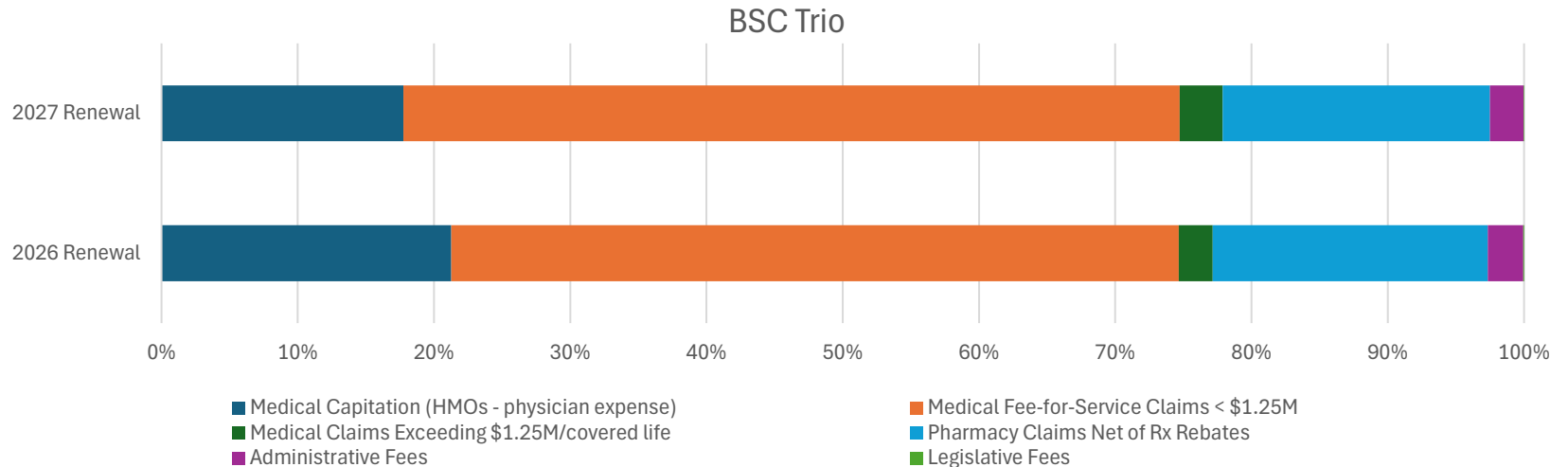
BSC Access+



- 1 Behavioral health claims shifted from capitation basis for 2026 renewal to fee-for-service medical claims for 2027 renewal
- 2 \$1.25M large claim threshold chosen for exhibit as it is the large claim pooling amount in the BSC HMO plans (for BSC HMO plans, this is the large claim pooling fee)

# Blue Shield Non-Medicare HMO Plan – Trio

Plan Renewal Cost Elements, 2026 and 2027 (per employee/per retiree per month basis)	2026	2027 (Proposed)
Medical Capitation (HMOs - physician expense)	\$426.33	\$392.55
Medical Fee-for-Service Claims < \$1.25M	\$1,069.91	\$1,259.03
Medical Claims Exceeding \$1.25M/covered life	\$49.98	\$69.47
Pharmacy Claims Net of Rx Rebates	\$404.74	\$433.79
Administrative Fees	\$52.26	\$54.30
Legislative Fees	\$0.94	\$0.94
<b>TOTAL</b>	<b>\$2,004.16</b>	<b>\$2,210.08</b>



- 1 Behavioral health claims shifted from capitation basis for 2026 renewal to fee-for-service medical claims for 2027 renewal
- 2 \$1.25M large claim threshold chosen for exhibit as it is the large claim pooling amount in the BSC HMO plans (for BSC HMO plans, this is the large claim pooling fee)

# Comparing Access+ and Trio: Difference is Provider Network

## Network Differences Drive Higher Cost in Access+ Than Trio

Plan design is the same between Access+ and Trio. The differences are network composition and physician case management. The network differences illustrated below, which leads to higher costs in Access+ than Trio. There is a \$600 per month, per member, cost difference between the plans.

IPA / Medical Group Name	Access+ HMO	% of SFHSS Access+ Mbrs	Trio HMO	% of SFHSS Trio Mbrs
Brown And Toland Physicians	x	31%	x	40%
Sutter Medical Foundation <sup>1</sup>	x	29%		--
Hill Physicians Medical Group <sup>2</sup>	x	24%	x	44%
John Muir Physician Network	x	5%	x	10%
Affinity Medical Group (Stanford)	x	3%		--
Providence Medical Network	x	1%		--
All American Medical Group	x	1%		--
Dignity Health Medical Network	x	<1%	x	<1%
Santa Clara County IPA	x	<1%	x	<1%
Accolade Care (Virtual Only)		--	x	<1%

<sup>1</sup> SFHSS members have access to Sutter's California Pacific Medical Center (CPMC) facilities and hospitals as long as the member's selected medical group contracts with CPMC

<sup>2</sup> Affiliated with UCSF

# BSC HMO Plans 2027 Rating

## Renewal Summary

### Commentary on 2025 Plan Experience Driving 2027 Rate Increase Recommendations

- As reviewed in the March HSB meeting, 2025 BSC HMO plan expenses per employee/retiree per month (PEPM) increased by 9.1% from 2024 to 2025. Primary drivers include:
  - **Medical:** a substantial increase in the number of large claimants exceeding \$500K in a year from 2024 (38 individuals) to 2025 (59 individuals) leading to increased cost pressure from high-cost claimants. In 2025, BSC returned \$14.9M to SFHSS for individual claim amounts that exceeded \$1.25M versus \$7.7M in total large claim pooling fees paid by SFHSS (a difference of \$7.2M).
  - **Prescription Drugs:** 17.7% increase in per employee/retiree prescription drug spend net of rebates from 2024 to 2025, largely driven by continued elevation in specialty medication spend.
  - Overall population prevalence for diabetes and obesity continued to increase into 2025.

# BSC HMO Plans 2027 Rating

## Renewal Summary

- Recommended rate increases for the BSC HMO plans are based on 2025 claims experience trended to 2027, BSC 2027 administrative fees, BSC HMO provider capitation costs, BSC HMO large claim pooling fees, and other rating components as described on the next page that form the overall total cost rates recommended for the BSC HMO plans in 2027.
- The aggregate calculated rate increases across all populations and rating tiers for the BSC HMO plans including the 2027 rate stabilization adjustments are:
  - Access+ plan: +17.6%
  - Trio plan: +10.7%
  - Overall (for both plans combined): +15.8%
- The higher percentage increase for Access+ than for Trio is driven by higher deviation of experience period costs relative to expected for the 2025 plan year, as well as a 2% impact attributable to an increase in contract size for the Access+ plan.

# 3

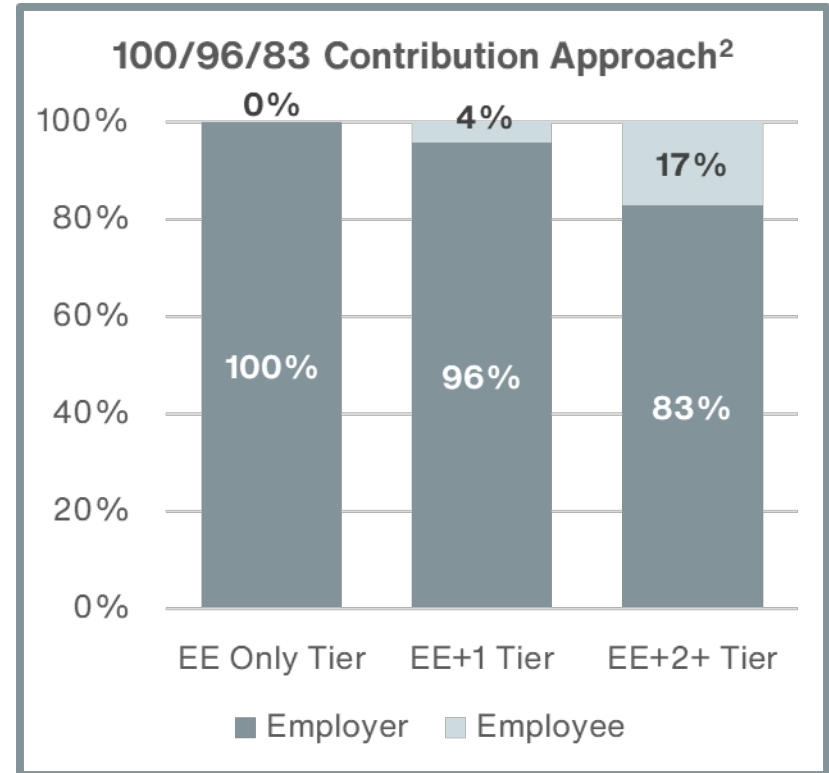
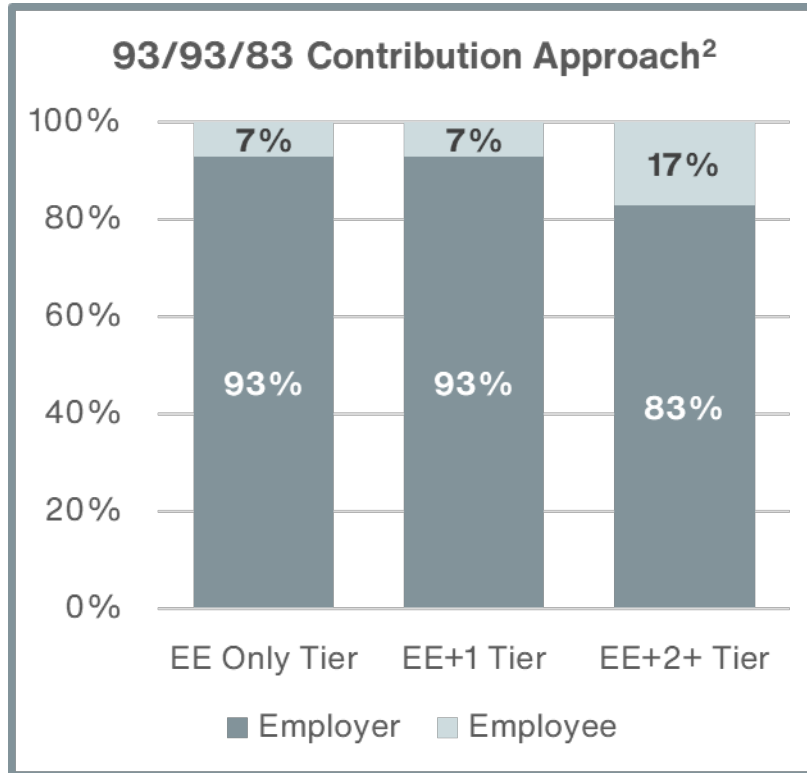
## 2027 Monthly Rate Cards for BSC Access+ HMO Plan

# 2027 BSC HMO Monthly Rate Cards

- Active employee rate cards for the BSC HMO plans in this presentation are shown for the two most common employer contribution strategies as of the start of this year for City and 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).
- Non-Medicare retiree rate cards in this presentation are shown for non-Medicare retirees who earn the full City contribution levels based on dates of hire and length of service — with employer contributions determined based on formulas outlined in the City Charter.
- Comparisons of member contributions from 2026 to 2027 are included in the tables that follow.

# Active Employees (CCSF<sup>1</sup>)

## Segmenting Total Cost Rates into Employer and Member Contributions



<sup>1</sup> City and County of San Francisco (CCSF) MOU contribution sharing approaches shown above; other employers in SFHSS plans have their employer-specific contribution sharing methodologies for active employees.

<sup>2</sup> For the highest cost plan (Non-Medicare PPO Plan), based on MOU the employer contribution dollar amounts are set to equal the employer contribution dollar amounts for the second highest-cost plan (which is BSC Access+ HMO), except for the Employee Only tier in the 100/96/83 contribution approach where the member pays no contribution for any plan.

# Non-Medicare Retirees (based on City Charter)

## Segmenting Total Cost Rates into Employer and Member Contributions

Non-Medicare Retirees — **2026** Employer Contribution Components (BSC Plans)

- Light Blue — 10-County Amount (same amount for all plans)
- Dark Blue — “Actuarial Difference” (plan-specific, same amount for all tiers)
- Gold — Retiree Prop. E Contribution (plan-specific, varies for Single tier vs. Family tiers)



# BSC Access+ HMO

## Monthly Rate/Contribution Change — 2027 versus 2026

Non-Medicare Retirees, and **93/93/83** Contribution Strategy for Employees

<i>PY = Plan Year</i>		Active Employees			Non-Medicare Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
<b>Monthly Employee/ Retiree Contributions</b>	<b>PY 2026</b>	<b>\$88.58</b>	<b>\$176.73</b>	<b>\$606.91</b>	<b>\$161.61</b>	<b>\$816.44</b>	<b>\$1,861.72</b>
	<b>PY 2027</b>	<b>\$104.14</b>	<b>\$207.85</b>	<b>\$713.85</b>	<b>\$228.94</b>	<b>\$999.36</b>	<b>\$2,229.13</b>
	\$ Difference	\$15.56	\$31.12	\$106.94	\$67.33	\$182.92	\$367.41
	% Difference	17.6%	17.6%	17.6%	41.7%	22.4%	19.7%
<b>Monthly Employer Contributions</b>	<b>PY 2026</b>	<b>\$1,176.79</b>	<b>\$2,348.03</b>	<b>\$2,963.16</b>	<b>\$2,759.58</b>	<b>\$3,414.40</b>	<b>\$3,414.40</b>
	<b>PY 2027</b>	<b>\$1,383.51</b>	<b>\$2,761.48</b>	<b>\$3,485.29</b>	<b>\$3,207.76</b>	<b>\$3,978.18</b>	<b>\$3,978.18</b>
	\$ Difference	\$206.72	\$413.45	\$522.13	\$448.18	\$563.78	\$563.78
	% Difference	17.6%	17.6%	17.6%	16.2%	16.5%	16.5%
<b>Monthly Total Rate</b>	<b>PY 2026</b>	<b>\$1,265.37</b>	<b>\$2,524.76</b>	<b>\$3,570.07</b>	<b>\$2,921.19</b>	<b>\$4,230.84</b>	<b>\$5,276.12</b>
	<b>PY 2027</b>	<b>\$1,487.65</b>	<b>\$2,969.33</b>	<b>\$4,199.14</b>	<b>\$3,436.70</b>	<b>\$4,977.54</b>	<b>\$6,207.31</b>
	\$ Difference	\$222.28	\$444.57	\$629.07	\$515.51	\$746.70	\$931.19
	% Difference	17.6%	17.6%	17.6%	17.6%	17.6%	17.6%

# BSC Access+ HMO

## Monthly Rate/Contribution Change — 2027 versus 2026

Non-Medicare Retirees, and **100/96/83** Contribution Strategy for Employees

<i>PY = Plan Year</i>		Active Employees			Non-Medicare Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee/ Retiree Contributions	PY 2026	\$0.00	\$100.99	\$606.91	\$161.61	\$816.44	\$1,861.72
	PY 2027	\$0.00	\$118.77	\$713.85	\$228.94	\$999.36	\$2,229.13
	\$ Difference	\$0.00	\$17.78	\$106.94	\$67.33	\$182.92	\$367.41
	% Difference	-	17.6%	17.6%	41.7%	22.4%	19.7%
Monthly Employer Contributions	PY 2026	\$1,265.37	\$2,423.77	\$2,963.16	\$2,759.58	\$3,414.40	\$3,414.40
	PY 2027	\$1,487.65	\$2,850.56	\$3,485.29	\$3,207.76	\$3,978.18	\$3,978.18
	\$ Difference	\$222.28	\$426.79	\$522.13	\$448.18	\$563.78	\$563.78
	% Difference	17.6%	17.6%	17.6%	16.2%	16.5%	16.5%
Monthly Total Rate	PY 2026	\$1,265.37	\$2,524.76	\$3,570.07	\$2,921.19	\$4,230.84	\$5,276.12
	PY 2027	\$1,487.65	\$2,969.33	\$4,199.14	\$3,436.70	\$4,977.54	\$6,207.31
	\$ Difference	\$222.28	\$444.57	\$629.07	\$515.51	\$746.70	\$931.19
	% Difference	17.6%	17.6%	17.6%	17.6%	17.6%	17.6%

# BSC Access+ HMO

## Proposed Monthly 2027 Rate Card

### 93/93/83 Contribution (Active Employees)

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$1,443.60	\$2,887.20	\$4,085.43	\$3,347.92	\$4,849.33	\$6,047.52
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Claims Stabilization Amount/Self-Funded Policy	\$33.90	\$67.81	\$95.95	\$78.63	\$113.89	\$142.03
<b>Total</b>	<b>\$1,487.65</b>	<b>\$2,969.33</b>	<b>\$4,199.14</b>	<b>\$3,436.70</b>	<b>\$4,977.54</b>	<b>\$6,207.31</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$1,029.76	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$1,029.76	\$1,029.76
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,949.05	\$1,949.05	\$1,949.05
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$228.95	\$999.37	\$999.37
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$3,207.76	\$3,978.18	\$3,978.18
<b>2027 Non-Bargained Contribution Rate</b>	<b>\$1,487.65</b>	<b>\$2,969.33</b>	<b>\$4,199.14</b>	<b>\$228.94</b>	<b>\$999.36</b>	<b>\$2,229.13</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,383.51	\$2,761.48	\$3,485.29			
<b>2027 Typical Bargained Member Contribution</b>	<b>\$104.14</b>	<b>\$207.85</b>	<b>\$713.85</b>			

<b>Final Member Contribution 2026</b>	<b>\$88.58</b>	<b>\$176.73</b>	<b>\$606.91</b>	<b>\$161.61</b>	<b>\$816.44</b>	<b>\$1,861.72</b>
<b>Difference — 2027 versus 2026</b>	<b>\$15.56</b>	<b>\$31.12</b>	<b>\$106.94</b>	<b>\$67.33</b>	<b>\$182.92</b>	<b>\$367.41</b>

# BSC Access+ HMO

## Proposed Monthly 2027 Rate Card

### 100/96/83 Contribution (Active Employees)

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$1,443.60	\$2,887.20	\$4,085.43	\$3,347.92	\$4,849.33	\$6,047.52
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Claims Stabilization Amount/Self-Funded Policy	\$33.90	\$67.81	\$95.95	\$78.63	\$113.89	\$142.03
<b>Total</b>	<b>\$1,487.65</b>	<b>\$2,969.33</b>	<b>\$4,199.14</b>	<b>\$3,436.70</b>	<b>\$4,977.54</b>	<b>\$6,207.31</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$1,029.76	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$1,029.76	\$1,029.76
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,949.05	\$1,949.05	\$1,949.05
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$228.95	\$999.37	\$999.37
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$3,207.76	\$3,978.18	\$3,978.18
<b>2027 Non-Bargained Contribution Rate</b>	<b>\$1,487.65</b>	<b>\$2,969.33</b>	<b>\$4,199.14</b>	<b>\$228.94</b>	<b>\$999.36</b>	<b>\$2,229.13</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,487.65	\$2,850.56	\$3,485.29			
<b>2027 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$118.77</b>	<b>\$713.85</b>			

<b>Final Member Contribution 2026</b>	<b>\$0.00</b>	<b>\$100.99</b>	<b>\$606.91</b>	<b>\$161.61</b>	<b>\$816.44</b>	<b>\$1,861.72</b>
<b>Difference — 2027 versus 2026</b>	<b>\$0.00</b>	<b>\$17.78</b>	<b>\$106.94</b>	<b>\$67.33</b>	<b>\$182.92</b>	<b>\$367.41</b>

# 4

## 2027 Monthly Rate Cards for BSC Trio HMO Plan

# BSC Trio HMO

## Monthly Rate/Contribution Change — 2027 versus 2026

Non-Medicare Retirees, and **93/93/83** Contribution Strategy for Employees

<i>PY = Plan Year</i>		Active Employees			Non-Medicare Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
<b>Monthly Employee/ Retiree Contributions</b>	<b>PY 2026</b>	<b>\$75.70</b>	<b>\$150.97</b>	<b>\$518.38</b>	<b>\$69.61</b>	<b>\$628.74</b>	<b>\$1,521.27</b>
	<b>PY 2027</b>	<b>\$83.76</b>	<b>\$167.10</b>	<b>\$573.80</b>	<b>\$83.39</b>	<b>\$702.43</b>	<b>\$1,690.57</b>
	\$ Difference	\$8.06	\$16.13	\$55.42	\$13.78	\$73.69	\$169.30
	% Difference	10.6%	10.7%	10.7%	19.8%	11.7%	11.1%
<b>Monthly Employer Contributions</b>	<b>PY 2026</b>	<b>\$1,005.66</b>	<b>\$2,005.77</b>	<b>\$2,530.93</b>	<b>\$2,424.84</b>	<b>\$2,983.98</b>	<b>\$2,983.98</b>
	<b>PY 2027</b>	<b>\$1,112.79</b>	<b>\$2,220.04</b>	<b>\$2,801.52</b>	<b>\$2,678.23</b>	<b>\$3,297.26</b>	<b>\$3,297.26</b>
	\$ Difference	\$107.13	\$214.27	\$270.59	\$253.39	\$313.28	\$313.28
	% Difference	10.7%	10.7%	10.7%	10.4%	10.5%	10.5%
<b>Monthly Total Rate</b>	<b>PY 2026</b>	<b>\$1,081.36</b>	<b>\$2,156.74</b>	<b>\$3,049.31</b>	<b>\$2,494.45</b>	<b>\$3,612.72</b>	<b>\$4,505.25</b>
	<b>PY 2027</b>	<b>\$1,196.55</b>	<b>\$2,387.14</b>	<b>\$3,375.32</b>	<b>\$2,761.62</b>	<b>\$3,999.69</b>	<b>\$4,987.83</b>
	\$ Difference	\$115.19	\$230.40	\$326.01	\$267.17	\$386.97	\$482.58
	% Difference	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%

# BSC Trio HMO

## Monthly Rate/Contribution Change — 2027 versus 2026

Non-Medicare Retirees, and **100/96/83** Contribution Strategy for Employees

<i>PY = Plan Year</i>		Active Employees			Non-Medicare Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee/ Retiree Contributions	PY 2026	\$0.00	\$86.27	\$518.38	\$69.61	\$628.74	\$1,521.27
	PY 2027	\$0.00	\$95.49	\$573.80	\$83.39	\$702.43	\$1,690.57
	\$ Difference	\$0.00	\$9.22	\$55.42	\$13.78	\$73.69	\$169.30
	% Difference	-	10.7%	10.7%	19.8%	11.7%	11.1%
Monthly Employer Contributions	PY 2026	\$1,081.36	\$2,070.47	\$2,530.93	\$2,424.84	\$2,983.98	\$2,983.98
	PY 2027	\$1,196.55	\$2,291.65	\$2,801.52	\$2,678.23	\$3,297.26	\$3,297.26
	\$ Difference	\$115.19	\$221.18	\$270.59	\$253.39	\$313.28	\$313.28
	% Difference	10.7%	10.7%	10.7%	10.4%	10.5%	10.5%
Monthly Total Rate	PY 2026	\$1,081.36	\$2,156.74	\$3,049.31	\$2,494.45	\$3,612.72	\$4,505.25
	PY 2027	\$1,196.55	\$2,387.14	\$3,375.32	\$2,761.62	\$3,999.69	\$4,987.83
	\$ Difference	\$115.19	\$230.40	\$326.01	\$267.17	\$386.97	\$482.58
	% Difference	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%

# BSC Trio HMO

## Proposed Monthly 2027 Rate Card

### 93/93/83 Contribution (Active Employees)

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$1,152.50	\$2,305.01	\$3,261.61	\$2,672.84	\$3,871.48	\$4,828.04
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Claims Stabilization Amount/Self-Funded Policy	\$33.90	\$67.81	\$95.95	\$78.63	\$113.89	\$142.03
<b>Total</b>	<b>\$1,196.55</b>	<b>\$2,387.14</b>	<b>\$3,375.32</b>	<b>\$2,761.62</b>	<b>\$3,999.69</b>	<b>\$4,987.83</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$1,029.76	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$1,029.76	\$1,029.76
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,565.07	\$1,565.07	\$1,565.07
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$83.40	\$702.43	\$702.43
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,678.23	\$3,297.26	\$3,297.26
<b>2027 Non-Bargained Contribution Rate</b>	<b>\$1,196.55</b>	<b>\$2,387.14</b>	<b>\$3,375.32</b>	<b>\$83.39</b>	<b>\$702.43</b>	<b>\$1,690.57</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,112.79	\$2,220.04	\$2,801.52			
<b>2027 Typical Bargained Member Contribution</b>	<b>\$83.76</b>	<b>\$167.10</b>	<b>\$573.80</b>			

<b>Final Member Contribution 2026</b>	<b>\$75.70</b>	<b>\$150.97</b>	<b>\$518.38</b>	<b>\$69.61</b>	<b>\$628.74</b>	<b>\$1,521.27</b>
<b>Difference — 2027 versus 2026</b>	<b>\$8.06</b>	<b>\$16.13</b>	<b>\$55.42</b>	<b>\$13.78</b>	<b>\$73.69</b>	<b>\$169.30</b>

# BSC Trio HMO

## Proposed Monthly 2027 Rate Card

### 100/96/83 Contribution (Active Employees)

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$1,152.50	\$2,305.01	\$3,261.61	\$2,672.84	\$3,871.48	\$4,828.04
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Claims Stabilization Amount/Self-Funded Policy	\$33.90	\$67.81	\$95.95	\$78.63	\$113.89	\$142.03
<b>Total</b>	<b>\$1,196.55</b>	<b>\$2,387.14</b>	<b>\$3,375.32</b>	<b>\$2,761.62</b>	<b>\$3,999.69</b>	<b>\$4,987.83</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$1,029.76	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$1,029.76	\$1,029.76
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,565.07	\$1,565.07	\$1,565.07
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$83.40	\$702.43	\$702.43
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,678.23	\$3,297.26	\$3,297.26
<b>2027 Non-Bargained Contribution Rate</b>	<b>\$1,196.55</b>	<b>\$2,387.14</b>	<b>\$3,375.32</b>	<b>\$83.39</b>	<b>\$702.43</b>	<b>\$1,690.57</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,196.55	\$2,291.65	\$2,801.52			
<b>2027 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$95.49</b>	<b>\$573.80</b>			

<b>Final Member Contribution 2026</b>	<b>\$0.00</b>	<b>\$86.27</b>	<b>\$518.38</b>	<b>\$69.61</b>	<b>\$628.74</b>	<b>\$1,521.27</b>
<b>Difference — 2027 versus 2026</b>	<b>\$0.00</b>	<b>\$9.22</b>	<b>\$55.42</b>	<b>\$13.78</b>	<b>\$73.69</b>	<b>\$169.30</b>

# 5

## Recommendation for HSB Action

BSC HMO Plans

# BSC HMO 2027 Plans Rating — Recommendation

## Recommendation for HSB Action

Staff recommends that the HSB accept the 2027 rate cards as presented today, which includes a 17.6% increase for the BSC Access+ HMO Plan, and a 10.7% increase for the BSC Trio HMO Plan.

# 6

## Appendix — Additional Information

- Rate Card Footnotes
- 2026 BSC Access+ HMO and BSC Trio HMO Monthly Rate Cards
- Glossary of Terms

# BSC HMO 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 2027 rating is \$1,029.76 (per March 2026 HSB action).
- 3) **“Single Retiree Offset”** — Per Charter Section A8.428; for Non-Medicare 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+.

# BSC Access+ HMO

## Monthly 2026 Rate Card

### 93/93/83 Contribution (Active Employees)

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$1,231.74	\$2,463.48	\$3,485.86	\$2,856.59	\$4,137.65	\$5,160.00
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Claims Stabilization Amount/Self-Funded Policy	\$23.48	\$46.96	\$66.45	\$54.45	\$78.87	\$98.36
<b>Total</b>	<b>\$1,265.37</b>	<b>\$2,524.76</b>	<b>\$3,570.07</b>	<b>\$2,921.19</b>	<b>\$4,230.84</b>	<b>\$5,276.12</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$942.14	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$942.14	\$942.14
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,655.82	\$1,655.82	\$1,655.82
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$161.62	\$816.44	\$816.44
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,759.58	\$3,414.40	\$3,414.40
<b>2026 Non-Bargained Contribution Rate</b>	<b>\$1,265.37</b>	<b>\$2,524.76</b>	<b>\$3,570.07</b>	<b>\$161.61</b>	<b>\$816.44</b>	<b>\$1,861.72</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,176.79	\$2,348.03	\$2,963.16			
<b>2026 Typical Bargained Member Contribution</b>	<b>\$88.58</b>	<b>\$176.73</b>	<b>\$606.91</b>			

<b>Final Member Contribution 2025</b>	<b>\$81.47</b>	<b>\$162.67</b>	<b>\$558.72</b>	<b>\$140.93</b>	<b>\$744.03</b>	<b>\$1,706.77</b>
<b>Difference — 2026 versus 2025</b>	<b>\$7.11</b>	<b>\$14.06</b>	<b>\$48.19</b>	<b>\$20.68</b>	<b>\$72.41</b>	<b>\$154.95</b>

# BSC Access+ HMO

## Monthly 2026 Rate Card

### 100/96/83 Contribution (Active Employees)

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$1,231.74	\$2,463.48	\$3,485.86	\$2,856.59	\$4,137.65	\$5,160.00
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Claims Stabilization Amount/Self-Funded Policy	\$23.48	\$46.96	\$66.45	\$54.45	\$78.87	\$98.36
<b>Total</b>	<b>\$1,265.37</b>	<b>\$2,524.76</b>	<b>\$3,570.07</b>	<b>\$2,921.19</b>	<b>\$4,230.84</b>	<b>\$5,276.12</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$942.14	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$942.14	\$942.14
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,655.82	\$1,655.82	\$1,655.82
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$161.62	\$816.44	\$816.44
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,759.58	\$3,414.40	\$3,414.40
<b>2026 Non-Bargained Contribution Rate</b>	<b>\$1,265.37</b>	<b>\$2,524.76</b>	<b>\$3,570.07</b>	<b>\$161.61</b>	<b>\$816.44</b>	<b>\$1,861.72</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,265.37	\$2,423.77	\$2,963.16			
<b>2026 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$100.99</b>	<b>\$606.91</b>			

<b>Final Member Contribution 2025</b>	<b>\$0.00</b>	<b>\$92.95</b>	<b>\$558.72</b>	<b>\$140.93</b>	<b>\$744.03</b>	<b>\$1,706.77</b>
<b>Difference — 2026 versus 2025</b>	<b>\$0.00</b>	<b>\$8.04</b>	<b>\$48.19</b>	<b>\$20.68</b>	<b>\$72.41</b>	<b>\$154.95</b>

# BSC Trio HMO

## Monthly 2026 Rate Card

### 93/93/83 Contribution (Active Employees)

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$1,047.73	\$2,095.46	\$2,965.10	\$2,429.85	\$3,519.53	\$4,389.13
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Claims Stabilization Amount/Self-Funded Policy	\$23.48	\$46.96	\$66.45	\$54.45	\$78.87	\$98.36
<b>Total</b>	<b>\$1,081.36</b>	<b>\$2,156.74</b>	<b>\$3,049.31</b>	<b>\$2,494.45</b>	<b>\$3,612.72</b>	<b>\$4,505.25</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$942.14	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$942.14	\$942.14
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,413.09	\$1,413.09	\$1,413.09
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$69.61	\$628.75	\$628.75
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,424.84	\$2,983.98	\$2,983.98
<b>2026 Non-Bargained Contribution Rate</b>	<b>\$1,081.36</b>	<b>\$2,156.74</b>	<b>\$3,049.31</b>	<b>\$69.61</b>	<b>\$628.74</b>	<b>\$1,521.27</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,005.66	\$2,005.77	\$2,530.93			
<b>2026 Typical Bargained Member Contribution</b>	<b>\$75.70</b>	<b>\$150.97</b>	<b>\$518.38</b>			

<b>Final Member Contribution 2025</b>	<b>\$69.28</b>	<b>\$138.28</b>	<b>\$474.92</b>	<b>\$53.83</b>	<b>\$566.35</b>	<b>\$1,384.49</b>
<b>Difference — 2026 versus 2025</b>	<b>\$6.42</b>	<b>\$12.69</b>	<b>\$43.46</b>	<b>\$15.78</b>	<b>\$62.39</b>	<b>\$136.78</b>

# BSC Trio HMO

## Monthly 2026 Rate Card

### 100/96/83 Contribution (Active Employees)

	Active Employees			Non-Medicare Retirees		
	Employee Only	Employee Plus One Dependent	Employee and Family	Retiree without Medicare	Retiree and Spouse w/o Medicare	Retiree and Family
Medical	\$1,047.73	\$2,095.46	\$2,965.10	\$2,429.85	\$3,519.53	\$4,389.13
Vision	\$4.15	\$8.32	\$11.76	\$4.15	\$8.32	\$11.76
Expense <sup>1</sup>	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Claims Stabilization Amount/Self-Funded Policy	\$23.48	\$46.96	\$66.45	\$54.45	\$78.87	\$98.36
<b>Total</b>	<b>\$1,081.36</b>	<b>\$2,156.74</b>	<b>\$3,049.31</b>	<b>\$2,494.45</b>	<b>\$3,612.72</b>	<b>\$4,505.25</b>

10-County Amount <sup>2</sup>	\$0.00	\$0.00	\$0.00	\$942.14	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$942.14	\$942.14
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$1,413.09	\$1,413.09	\$1,413.09
Retiree Prop. E Employer Contribution <sup>5</sup>	\$0.00	\$0.00	\$0.00	\$69.61	\$628.75	\$628.75
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$2,424.84	\$2,983.98	\$2,983.98
<b>2026 Non-Bargained Contribution Rate</b>	<b>\$1,081.36</b>	<b>\$2,156.74</b>	<b>\$3,049.31</b>	<b>\$69.61</b>	<b>\$628.74</b>	<b>\$1,521.27</b>

MOU Negotiated Pickup <sup>6</sup>	\$1,081.36	\$2,070.47	\$2,530.93			
<b>2026 Typical Bargained Member Contribution</b>	<b>\$0.00</b>	<b>\$86.27</b>	<b>\$518.38</b>			

<b>Final Member Contribution 2025</b>	<b>\$0.00</b>	<b>\$79.02</b>	<b>\$474.92</b>	<b>\$53.83</b>	<b>\$566.35</b>	<b>\$1,384.49</b>
<b>Difference — 2026 versus 2025</b>	<b>\$0.00</b>	<b>\$7.25</b>	<b>\$43.46</b>	<b>\$15.78</b>	<b>\$62.39</b>	<b>\$136.78</b>

# Glossary of Terms Pt. 1

## **ACA PCORI Fee**

- The Affordable Care Act's Patient Centered Outcomes Research Institute fee that was extended beyond its original 2019 expiration to the year 2029 as part of the federal SECURE Act signed into law in December 2019.

## **Capitation (BSC HMO Plans)**

- 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 (BSC HMO Plans)**

- 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.

## **Risk Corridor (BSC HMO Plans)**

- 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 (this is set at 125% of expected claims for both Access+ and Trio).

# Glossary of Terms Pt.2

## 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.