

# San Francisco Health Service System Rates and Benefits Calendar Year 2023



Budget and Finance Committee Presentation  
July 13, 2022

## Our Mission

Dedicated to preserving and improving sustainable, quality health benefits and to enhancing the well-being of our members and their families.

# CY 2023 Health Service System Plan and Contribution Rates

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## Overview

- Ordinance approving Health Service System plans and average contribution rates for calendar year 2023.
- Aggregate changes in benefit costs.
- Medical plans choices.
- Dental, vision, life insurance, and disability plans.

# Overview of City Ordinance and the 10 County Survey

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## City Ordinance

- Ordinance approving Health Services System plans and contribution rates for calendar year 2023.
- Establishes the amount contributed for the active employee and retiree health premiums.

## 10 County Survey Details

- Charter requires a survey of 10 most populous CA counties.
- Sets contribution amounts by employer for employee-only coverage for health plans rates.
- Basis for the employer contribution for retiree rates and for some union employees.
- Survey Results: Average Contribution amount by employer for employee only coverage for CY 2023 is \$780.76 (3.1% increase from the prior year).

# Aggregate Changes in Benefit Costs

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## All Employers - City, Community College District, Unified School District and Superior Court

- 3.22% aggregate projected increase cost for medical, vision, dental, life insurance and long-term disability insurance.
- 3.04 % cost increase for medical only plans.

## CCSF

- 3.19% aggregate projected increase cost for medical, vision, dental, life insurance and long-term disability insurance for City.
- 2.98% increase for medical only plans.
- Benchmark for medical premiums for the last 5 years is 4% (Kaiser Family Foundation (KFF) Employer Health Benefits Survey).

# Medical Plans Choices with 2023 rate change

	Actives	Early Retirees	Medicare Retirees
 KAISER PERMANENTE	Kaiser (HMO) 3.9%	Kaiser (HMO) 3.9%	Kaiser Permanente Senior Advantage (MAPD-HMO) 1.7 decrease
 blue california	BSC Access+ (HMO) 0.5% BSC Trio (HMO) 5.3% BSC (PPO) 7.5%	BSC Access+ (HMO) – 0.5% BSC Trio (HMO) 5.3% BSC (PPO) 7.5%	N/A
 health net   canopy HFAITH	Health Net CanopyCare (HMO) 10.4% decrease	Health Net CanopyCare (HMO) 10.4% decrease	N/A
 UnitedHealthcare®	UHC Non-Medicare PPO (only for Actives w/Dep in UHC MA PPO) 2.7%	UHC (PPO and EPO) for Non-Medicare family members with a member in United MA PPO 2.7%	UnitedHealthcare (MA PPO) 4.7%

15% overall increase in costs for actives, early retirees and Medicare retirees.

## Delta Dental PPO – Actives (Self-Funded):

- 15.3% rate increase due to end of pandemic claims suppression and plan enhancement for preventative care.

## Delta Dental PPO – Retiree (Fully Insured):

- 7.7% rate increase due to preventative care plan enhancement.

## DeltaCare USA DHMO – Actives (Fully Insured):

- No rate change.
- No change in benefits.

## ↓ DeltaCare USA DHMO – Retirees (Fully Insured):

- 8.4% decrease due to favorable claims.
- No change in benefits.

## UHC DHMO – Active and Retirees (Fully Insured):

- No rate change due favorable claims experience.
- No change in benefits.



## Vision: VSP

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### **Basic VSP** – Actives and Retirees

- 5% increase due to enhanced benefits.

### **Premier VSP** – (Buy Up Option) Actives and Retirees

- 8.7 % increase due to claims trend and enhanced benefits.



# Life Insurance and Disability



## ↓ Aggregate rates decreasing by 22.3% due to favorable plan experience:

- Basic Life Insurance 15% decrease.
- LTD insurance 25% decrease.
- Employee paid supplemental life insurance 20% decrease.
- Group life and disability provided by The Hartford.

## Requested Action

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Ordinance approving Health Service System plans and contribution rates for calendar year 2023

# Appendix

3.2% overall increase in costs for active employees, pre-Medicare retirees (early retirees) and Medicare retirees.

## **KP HMO Active & Early Retirees:**

- 3.9% rate increase for active and early retirees.
- Rate based on favorable claims experience.
- No benefit plan design changes.



## **KPSA – Medicare Plan:**

- 1.7% rate decrease for Medicare eligible retirees.
- Reflects favorable claims experience and higher than expected CMS funding.
- No benefit plan design changes.

2.7% overall rate increase in costs for active employees & early retirees.

## **BSC Access+ HMO:**

- 0.5% rate increase.
- Favorable claims experience.
- No benefit plan design changes.

## **BSC Trio HMO:**

- 5.3% rate increase.
- Unfavorable claims experience.
- No benefit plan design changes.

## **BSC PPO w/ Accolade:**

- 7.5% PPO rate increase.
- Unfavorable claims experience.
- No benefit plan design changes
- + Accolade:
  - Member support/engagement.
  - Clinical advocacy.

UnitedHealthcare EPO and PPO plans, equivalent to Blue Shield plans, are available to Non-Medicare families with a member in United MAPD plan.

↓ 10.4% rate decrease for Active and Early Retirees.

- Introduced in 2022 plan year.
- 10.4% decrease is based on first year plan experience.
- No benefit plan design changes.

4.7% rate increase for Medicare retirees.

## UHC Medicare Advantage Prescription Drug (MAPD) PPO:

- 4.7% rate increase for Medicare eligible retirees.
- No benefit plan design changes.

## UHC (PPO and EPO):

- For retirees with a mixture of eligibility between Medicare and non-Medicare eligibility dependent.
- 2.7% rate increase for non-Medicare members.
- No benefit plan design changes.