

San Francisco Health Service System Rates and Benefits Calendar Year 2021

Budget and Finance Committee Presentation
July 15, 2020



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

Overview and the 10 County Survey

Overview and Presentation Content:

- Ordinance approving San Francisco Health Service System (SFHSS) plans and contribution rates for calendar year 2021
- Establishes the amount contributed for the employee and retiree health premiums

10 County Survey Details:

- Charter requirement for survey of 10 most populous counties in California (other than San Francisco)
- Sets amounts contributed by employer for medical plan member-only coverage for retirees, as well as for some active employees
- Plan Year 2021 result: contribution amount by employer for member-only medical plan contribution is \$729.19 (3.30% increase from last year)

Projected Benefit Cost Increases for Plan Year 2021

All Employers

- 3.66% aggregate projected increase in total cost for medical, vision, dental, life insurance and long-term disability insurance for City, Community College District, Unified School District, and Superior Court
- Medical plans aggregate projected increase in total cost is 3.87%
- Benchmark for combined medical and pharmacy total cost increases is in the range of 5.5% to 6% (Aon Health Care Trend Survey)

CCSF

- 3.70% aggregate projected increase in total cost for medical, vision, dental, life insurance and long-term disability insurance for City
- Medical plans aggregate projected increase in total cost is 3.94%
- Benchmark for combined medical and pharmacy total cost increases in the range of 5.5% to 6% (Aon Health Care Trend Survey)

Three Major Carriers for SFHSS Medical Plans

SFHSS Plan Carrier Partners for Medical Benefits

- Kaiser Permanente (KP) – HMO Plan (Active Employees/Early Retirees) and KPSA Medicare Advantage (MA) HMO Plan (Medicare Retirees)
- Blue Shield of California (BSC) – Access+ HMO Plan and Trio HMO Plan (Active Employees/Early Retirees)
- UnitedHealthcare (UHC) – “City Plan” PPO Plan (Active Employees/Early Retirees) and UHC Medicare Advantage (MA) PPO Plan (Medicare Retirees)

Kaiser Permanente: KP HMO and KPSA Medicare Plan Options

CCSF: 4.33% overall rate increase for active employees, pre-Medicare retirees (early retirees), and Medicare retirees

KP HMO – Active Employees & Early Retirees:

- 5.78% insured premium rate increase for active and early retirees
- No plan design changes

KPSA – Medicare Plan:

- 5.03% insured premium rate decrease for Medicare eligible retirees
 - 2020 rate increase was 12.2%
 - Reflects reconciliation with actual 2020 CMS reimbursement (versus last year's forecast)
- Plan enhancements
 - Enhanced transportation benefit
 - New post-discharge home meal delivery

Blue Shield of California: Access+ and Trio Plan Options

CCSF: 4.30% overall rate increase across both BSC plans for active employees and early retirees

BSC – Access+ HMO Plan:

- 3.6% rate increase for active employees and early retirees
- No plan design changes

BSC – Trio HMO Plan:

- 6.3% rate increase for active employees and early retirees
- No plan design changes

United Healthcare: “City Plan” PPO and MA PPO Plans

CCSF: 1.63% overall rate increase for UHC Plans—“City Plan” PPO for active employees and early retirees, and MA PPO for Medicare retirees

UHC – “City Plan” PPO:

- 9.0% rate increase for active and early retirees due to plan experience and increase in rate stabilization deficit applied to 2021 rating versus 2020 rating
- No plan design changes

UHC – Medicare Advantage (MA) PPO:

- 2.9% aggregate insured premium rate decrease for MA PPO plan for Medicare retirees
- No plan design changes

Vision Plans: Vision Service Plan (VSP)

- No rate increase for core VSP Basic Plan (which is part of medical plan enrollment)
- 4.1% total insured premium rate increase for optional buy-up VSP Premier Plan—leads to member contribution increases of 5.6% to 6.3% for VSP Premier Plan buy-up (varies by dependent coverage tier selected)
- No vision plan design changes

Dental Plans: Delta Dental, DeltaCare, and UHC Dental

Delta Dental PPO – Active Employees (Self-Funded):

- 0.6% rate increase for Delta Dental PPO for actives due to lower stabilization reserve buy-down in 2021 rates versus 2020 rates
- Design enhancement: coverage added for nitrous oxide and non-IV sedation

Delta Dental PPO – Retirees (Fully Insured):

- 1.75% rate decrease for Delta Dental Retiree PPO
- Design enhancement: coverage added for nitrous oxide and non-IV sedation

Dental HMOs – DeltaCare USA and UHC for Active Employees and Early Retirees (Fully Insured):

- 1.75% rate decrease for DeltaCare USA Dental HMO Plan
- 3.0% rate decrease for the UHC Dental HMO Plan
- No plan design changes

Note: SFHSS dental plans are available to CCSF, Superior Court, and MEA active employees, as well as retirees from all employers participating in SFHSS plans (retirees pay full premiums with no employer contribution)

Life Insurance and Long-Term Disability Plans: The Hartford

- Group life insurance and long-term disability (LTD) plans are insured by The Hartford Life and Accident Insurance Company (The Hartford)
- Life insurance and LTD coverages are provided through SFHSS to CCSF, Superior Court, and MEA active employees (coverage is not available to retirees)
- For 2021, aggregate insurance rates are projected to decrease by 1.5%, consisting of these components:
 - 7.9% rate decrease for Basic Life insurance (employer-paid)
 - No rate change for LTD insurance (employer-paid)
 - No rate change in Supplemental Life insurance (member-paid)
 - No rate change for Child Life insurance and Accidental Death and Dismemberment insurance (member-paid)

Closing Remarks and Questions:

Request revisions to Ordinance section D, line 3

And

Request Approval of this amended Ordinance approving Health Service System plans and contribution rates for calendar year 2021.

Thank you, Supervisors, for your time and commitment to the health of our workforce.

“I'm so grateful for my benefits, me and my husband and my son have great health care. I don't ever have to worry about it.”

Christina Huizar
School Teacher

