



June 19, 2017

Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102

**RE: January 1, 2018 to December 31, 2018 Plan Benefits, Rates and Contribution**

Honorable Members of the Board of Supervisors:

This letter serves to document our position as the consultant and actuary to the San Francisco Health Service System (HSS) with regard to the completed rates and contribution setting process for the plan year from January 1, 2018 to December 31, 2018. This process was concluded on June 8, 2017 under the direction of the Rates and Benefits Committee (the Committee) of the Health Service Board (the HSB). This report will reference attached exhibits, as well as tables embedded in this letter.

In our opinion, the rates and contribution process was completed in a comprehensive manner. Specifically it is our professional opinion that:

- The fully funded premiums and administrative fees agree with HSS' vendors' final rates and represent a fair price given the services provided, and;
- The premium equivalents set for the HSS self-funded and flex-funded programs: City Plan (UnitedHealthcare or UHC), Delta Dental plan for active employees (Delta) and the Blue Shield of California flex-funded plan represent our best estimate of future expenditures based on the information available at the time these were developed. Existing Trust Fund assets are expected to be sufficient to protect the HSS Trust Fund against adverse claims experience.

## Legislative Update

### The Patient Protection and Affordable Care Act (PPACA)

In 2016 and 2017, additional provisions of Patient Protection and Affordable Care Act (PPACA) took effect. The Health Service System worked with all four employers served by the Trust: the City and County of San Francisco, the Superior Courts, San Francisco Community College District, and the San Francisco Unified School District (CCSF, CRT, CCD, and USD) to make sure all new requirements were implemented. Below you will find a brief explanation of the provisions that will have the greatest effect.

### PPACA Reporting Requirements

Under PPACA, employers are required to provide reporting to both employees as well as the Internal Revenue Service (IRS). The purpose of the reporting is as follows:



- Establish that the plan sponsor complied with PPACA's employer mandate by making an offer of affordable, minimum value health care coverage to its full-time employees (PPACA defines a full-time employee as an employee who is employed, on average, at least 30 hours of service per week, or 130 hours of service in a calendar month.)
- Provide individuals with information on their employer-provided health care coverage so they can establish compliance with the individual mandate to purchase health care coverage
- Help the IRS determine whether individuals who have purchased coverage from a public exchange are entitled to a subsidy and
- Help the IRS determine applicable penalties for failure to comply with the individual mandate

Reporting is filed beginning with 2015 calendar year information on Forms 1094 and 1095. Reporting is due to the employee by January 31 following the close of the calendar year, e.g., 2016 information was due to employees by January 31, 2017. Since HSS represents more than 250 employees, electronic reporting is due to the IRS by March 31 following the close of the calendar year, e.g., 2016 information was due to the IRS by March 31, 2017. HSS successfully met this requirement for 2015 and 2016 by sending 51,000 IRS forms to employees and electronically reporting to the IRS.

#### **PPACA Automatic Enrollment Requirement (deferred indefinitely)**

PPACA requires that employers automatically enroll new full-time employees in one of the employer's health benefits plans (subject to any waiting period authorized by law). Further it is required that employees be given adequate notice and the opportunity to opt out of any coverage in which they were automatically enrolled. The Department of Labor stated that it has indefinitely postponed final guidance on automatic enrollment. While employers do not need to comply with this requirement until these final regulations are in effect

#### **PPACA Legislative Fees**

In the PPACA legislation one direct fee and one Health Insurance Tax were created that would apply to HSS in 2018 (the Transitional Reinsurance Fee ended after the 2016 plan year). This section of the law brings increased scrutiny and accompanying fines by three different federal agencies: Department of Labor (DOL), Health and Human Services (HHS), and Internal Revenue Service (IRS). Below, and continued onto the next page, please find a brief explanation of these fees:

- Health Insurance Tax (HIT): This tax impacts all fully funded or flex-funded plans including vision and dental plans that HSS offers. There was a one-year moratorium on this fee for plan year 2017. The fee is reinstated for 2018 and health insurance issuers are required to pay these fees for 2018. (See Table 1 a. and Table 1b.)
- Patient Centered Outcomes Research Institute (PCORI) Fee: Beginning in 2013, a \$2.00 charge per enrollee per year was assessed to all participants (actives, retirees without Medicare, and retirees with Medicare) in medical-only health plans. The fee was \$2.17 per enrollee per year in 2015, and \$2.26 per enrollee per year in 2016. The fee is projected at \$2.34 per enrollee in 2017



and \$2.44 per enrollee in 2018. (See Table 1 a. and Table 1 b.) This fee is expected to increase with inflation until 2019 when the fee will stop being assessed. The fee is collected by the Internal Revenue Service.

As was noted at the March 9, 2017 Health Service Board meeting, Blue Shield of California requested a review by the California Department of Managed Health Care (DMHC) as to the insured status of the flex-funded plan. The California DMHC determined that the Blue Shield of California flex-funded plan is not considered “insured” and thus the Health Insurance Tax would not apply to this plan. Because this tax was included in the 2017 premium equivalents, a one-time refund has been provided to the San Francisco Health Service System. Further, the Health Insurance Tax will not be collected on the flex-funded plan going forward and thus will not be included in future premium equivalent calculations.

Total expenditures for HSS (all four employers) on medical premiums/premium equivalents including dental are \$872.1. Of this total, the legislative fees and taxes are \$11.29 million or 1.29% of total expenditure. The following tables summarize the estimated aggregate cost of each of these legislative fees for 2017 for all four employers served by the Trust (Table 1 a) and CCSF only (Table 1b).

Table 1a						
2018 Legislative Fees (\$ millions) All Four Employers						
Fee	City Health Plan (UHC)	Kaiser	Blue Shield	Dental	VSP	Total
HIT	\$6.85	\$4.13	\$0.00	\$0.00	\$0.00	\$10.98
PCORI	\$0.05	\$0.18	\$0.08	N/A	N/A	\$0.31
<b>Total</b>	<b>\$6.90</b>	<b>\$4.31</b>	<b>\$0.08</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$11.29</b>

Table 1b						
2018 Legislative Fees (\$ millions) CCSF Only						
Fee	City Health Plan (UHC)	Kaiser	Blue Shield	Dental	VSP	Total
HIT	\$5.17	\$2.26	\$0.00	\$0.00	\$0.00	\$7.43
PCORI	\$0.03	\$0.09	\$0.05	N/A	N/A	\$0.17
<b>Total</b>	<b>\$5.20</b>	<b>\$2.35</b>	<b>\$0.05</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$7.60</b>



### Contributions under the 10-County Survey

According to the City Charter Section A8.428, the employer contribution towards medical benefits is determined by the results of a survey of the premium contributions (in terms of dollar amount) provided by the ten most populous counties in California, excluding San Francisco. In the June 2014 CCSF collective bargaining process, the 10-County Survey (Survey) was eliminated for the majority of the CCSF unions in the calculation of premium contributions for active employees in exchange for a percentage-based employee premium contribution. The Survey is still used as a basis for calculating all retiree premium contributions. For the 2018 plan year, the Survey, based on 2017 rates, determined that the average monthly contribution increased 7.33% from \$604.84 to \$649.17. Exhibit 1 presents the individual county responses from the Survey.

### Year-Over-Year Health Plan Cost Comparison for All Four Employers

Annual aggregated costs for the three medical plans offered by HSS (City Plan (UHC), Kaiser Permanente, and Blue Shield of California) are shown in Table 2.

Table 2			
January 1, 2018 to December 31, 2018 Aggregate Medical Cost (\$ millions)			
	Aggregate Member Contributions (a)	Aggregate Employer Contributions (b)	Aggregate Plan Cost (a + b)
<b>Current Rates</b>	<b>\$85.6</b>	<b>\$705.4</b>	<b>\$791.0</b>
<b>Final Renewal Rates</b>	<b>\$89.1</b>	<b>\$735.4</b>	<b>\$824.5</b>
\$ Difference	\$3.5	\$30.0	\$33.5
% Difference	4.09%	4.25%	4.24%

The previous table illustrates an increase in aggregate plan costs totaling \$33.5 million, or 4.24%, for the three medical plans (including vision cost, Best Doctor's and HSS Healthcare Sustainability Fund expense) for the 2018 plan year. This increase in costs will be split 10.5%/89.5% between the members and employers with member contributions increasing \$3.5 million and employer contributions increasing \$30.0 million. These changes are based on current June 2017 enrollment.

### Current City and County (CCSF) Contribution Strategy

Most negotiated contribution algorithms for CCSF covered employees fall into two models. The models reflect CCSF's percentage of the contribution; they are 1) 93/93/83 contribution model, and 2) 100/96/83 contribution model.

#### 1) 93/93/83 Contribution Model:

- a) Employee Only: For single-covered employees (Employee Only) who enroll in any health plan offered through the Health Service System (HSS), CCSF shall contribute ninety-three percent



(93%) of the total health insurance premium/premium equivalent provided. However, CCSF's contribution shall be capped at ninety-three percent (93%) of the Employee Only premium/premium equivalent of the second-highest-cost plan.

- b) Employee Plus One: For employees with one dependent who elect to enroll in any health plan offered through HSS, CCSF shall contribute ninety-three percent (93%) of the total health insurance premium/premium equivalent provided. However, that CCSF's contribution shall be capped at ninety-three percent (93%) of the Employee Plus One premium/premium equivalent of the second-highest-cost plan.
  - c) Employee Plus Two or More: For employees with two or more dependents who elect to enroll in any health plan offered through HSS, CCSF shall contribute eighty-three (83%) of the total health insurance premium/premium equivalent provided. However, that CCSF's contribution shall be capped at eighty-three percent (83%) of the Employee Plus Two or More premium/premium equivalent of the second-highest-cost plan.
- 2) 100/96/83 Contribution Model:
- a) Employee Only: For single-covered employees (Employee Only) who enroll in any health plan offered through HSS, CCSF shall contribute one hundred percent (100%) of the total health insurance premium/premium equivalent.
  - b) Employee Plus One: For employees with one dependent who elect to enroll in any health plan offered through HSS, CCSF shall contribute ninety-six percent (96%) of the total health insurance premium/premium equivalent provided. However, that CCSF's contribution shall be capped at ninety-six percent (96%) of the Employee Plus One premium/premium equivalent of the second-highest-cost plan.
  - c) Employee Plus Two or More: For employees with two or more dependents who elect to enroll in any health plan offered through HSS, CCSF shall contribute eighty-three (83%) of the total health insurance premium/premium equivalent provided. However, that CCSF's contribution shall be capped at eighty-three percent (83%) of the Employee Plus Two or More premium/premium equivalent of the second-highest-cost plan.

Since the majority of CCSF employees fall into the two contribution models, Aon produced two sets of rate cards, both approved by the HSB for plan year 2018. One rate card specified member contributions under the 93/93/83 model and the other rate card under the 100/96/83 model.

### Rates, Contributions, and Benefits for HMOs for All Four Employers

In addition to the two HMO plans that were offered in 2017, HSS will offer a third HMO option to members for plan year 2018 for a total of three HMO options. Kaiser Permanente will continue to offer the same HMO option as 2017 while Blue Shield of California will offer the same HMO option as 2017 plus a new HMO option utilizing the Trio network. More information on the Trio plan will be provided below.



## Plan Design Changes for HMOs

Plan design changes were adopted by the Rates and Benefits Committee and the HSB as follows:

### Kaiser Permanente (Fully Funded) for All Four Employers

The final negotiated rate change for Kaiser Permanente active, early retiree, Medicare retirees is an overall increase of 5.98% for plan year 2018. This results in an overall estimated increase of \$23.3 million annually for all four employers based on June 2017 membership of which \$13.6 million is attributed to CCSF and \$9.7 million is attributed to the other employer groups (e.g., CRT, USD, and CCD).

The aggregate cost for Kaiser Permanente for the 2018 plan year is projected at \$412.5 million, with \$43.6 million in member contributions and \$368.9 million in employer contributions. Table 3 (page 12) provides an overview of annualized costs.

There is one benefit change for the California HMO plan. Beginning in 2018, for active employees and early retirees, the Health Service Board approved the addition of In vitro fertilization (IVF) / gamete intrafallopian transfer (GIFT) / zygote intrafallopian transfer (ZIFT) coverage. The benefit is limited to 2 treatment cycles from one of the procedures and includes cryopreservation and storage of embryos for up to 12 months.

The contribution models for the HMO active and retired members are summarized in exhibits 2a-2b.

Additionally, at the June 8, 2017 meeting Kaiser Permanente presented the Health Service Board with a set of multi-state regional premiums for early retirees and Medicare retirees for the Northwest (Oregon), Washington and Hawaii. These plans give retirees living within the Kaiser Permanente service area within these states an additional option to the current UnitedHealthcare plan options. The premiums were approved by the Health Service Board. The contribution models for the HMO retired members are summarized in exhibits 10a-10c.

### Blue Shield of California (Flex-funded) for All Four Employers

On January 1, 2013, the funding arrangement for actives and retirees without Medicare switched from fully funded to flex-funded. Claims experience for the current Access+ Blue Shield of California plan and the addition of the Trio plan (more information follows) led to a decrease of 0.41% for the premium equivalents for actives and early retirees for plan year 2018. The HSB adopted no plan design changes for the active and early retiree Access+ Blue Shield of California plan.

At the May 11, 2017 HSB meeting, the HSB adopted the proposal to implement the Blue Shield of California Trio plan for actives and early retirees for plan year 2018. This plan will be offered in addition to the current Blue Shield of California Access+ plan. Actives and early retirees will have a



choice to remain in his or her current Access+ plan or move to the new Trio plan. This plan will include identical benefits (e.g., copays, out-of-pocket maximum, etc.) to the Blue Shield of California Access+ plan. The network for Trio will be more limited than the Access+ plan. Significant exclusions from the Trio network are Sutter Health facilities and Sutter Health providers who are not in Brown & Toland. Because of this narrower network, the premiums, and thus employee contributions, are lower than the Access+ plan. The Trio network reflects an approximate 5.9% decrease when comparing 2018 Trio to 2017 Access+.

The aggregate cost for all four employers in the Blue Shield of California Access+ and Trio plans (assuming 50% elect the Trio plan) for the 2018 plan year is projected at \$314.5 million, with \$33.5 million in member contributions and \$281.0 million in employer contributions based on June 2017 membership. This results in an overall estimated decrease of \$1.3 million annually for all four employers based on June 2017 membership of which \$0.9 million of the decrease is attributed to CCSF and the remaining \$0.4 million is attributed to the other employer groups (e.g., CRT, USD, and CCD). Table 3 (page 12) provides an overview of annualized costs. The contribution models for the HMO active and early retiree members are summarized in exhibits 3a-3b for HMO Access+ and 3c-3d for Trio.

### Rates, Contributions, and Benefits for the Self-Funded City Plan (UHC) and the Medicare Advantage PPO (UHC) for All Four Employers

The City Health Plan is a self-funded plan administered by UnitedHealthcare (UHC). The medical and pharmacy monthly premium equivalent costs were developed separately for actives and retirees without Medicare based on group-specific experience. Additionally, Aon provided a retrospective analysis of historical rates and experience to examine the actual cost trends evident in the City Plan's recent claims data. This analysis was considered in conjunction with overall industry and normative data to determine the premium equivalent levels for the 2018 plan year.

A major factor in the active and early retiree premium equivalent increase, for the 2018 calendar year is, the application of funds available in the claims stabilization fund. The following is a chronological outline of the final amounts of stabilization funds applied to the 2018 premium equivalents for actives and early retirees.

At the end of 2016, over \$0.7 million of underwriting gains were placed into the City Plan PPO Rate Stabilization Reserve per the Self-Funded Plans' Stabilization Policy. This gain increased the overall amount in the reserve to \$4.53 million as presented at the February 9, 2017 Health Service Board meeting. Per the Health Service Board's Self-Funded Plans' Stabilization Policy, one-third of the amount in the stabilization reserve (or \$1.51 million) would be spread across all membership categories (actives and early retirees) to lower the City Plan premium equivalents. At the June 8, 2017 Health Service Board meeting, the HSB voted to use the remaining reserve of \$3.02 million to lower the City Plan premium equivalents. This brings the total one-time buy-down to \$4.53 million.



The UHC administration fee increased 2.6% from 2017 to 2018.

No plan design changes were adopted by the Rates and Benefits Committee and the Health Service Board.

As of January 1, 2017 all Non-Kaiser Medicare eligible retirees were covered under the UnitedHealthcare fully funded Medicare Advantage PPO Plan. (This plan was previously branded as the “New City Plan”. The UHC Medicare Advantage PPO is a fully insured program. In 2018, the premiums will increase 16.2%.

The aggregate cost for the City Health Plan’s actives, early retirees and post-65 Medicare eligible retirees (Medicare Advantage PPO) 2018 plan year is projected at \$97.6 million, with \$12.0 million in member contributions and \$85.6 million in employer contributions. This results in an overall estimated increase of \$11.6 million annually for all four employers based on June 2017 enrollment; of which \$8.7 million is attributed to CCSF and \$2.9 million is attributed to the other employer groups (e.g., CRT, USD, and CCD). Table 3 (page 12) provides an overview of annualized costs.

Changes in employee and retiree contributions for City Plan (UHC) are summarized in Exhibits 4a and 4b.

### Rates and Benefits for the Vision Plan for All Four Employers

Members enrolled in any medical plan offered by HSS also receive vision benefits through Vision Service Plan (VSP). The cost of the vision benefit is a component of the cost of the medical plan and has been included in the rate exhibits referenced above.

The vision plan is a fully funded plan. As of January 1, 2017, VSP vision plan premiums will decrease 2% from 2016 levels and are guaranteed through December 31, 2019. This will remain true for the current VSP vision plan. At the May 11, 2017 HSB meeting, the HSB approved the addition of a new “buy-up” vision option for actives and retirees. This plan will be an additional choice and will be provided such that actives and early retirees pay the full cost difference between the current and new buy-up plan.

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Following is a summary of the key plan provision differences between the current or “Core” plan and the new “Buy-up” plan option:

Actives / Retirees		Current / Core Plan	Buy-Up
Copays		\$10 Exam / \$25 Materials	\$10 Exam / \$0 Materials
Exam Frequency		Every Calendar Year	Every Calendar Year
Lenses Frequency		Every Other Calendar Year	Every Calendar Year
Frames Frequency		Every Other Calendar Year	Every Calendar Year
Frame Allowance	(Non-Costco)	\$150	\$300
	(Costco)	\$80	\$165
Elective Contact Lens Allowance		\$130	\$250

Due to the additional administrative complexities of offering a vision choice, VSP will provide enrollment administration services to those employees and retirees wishing to elect the new Buy-up plan option. The cost of this service has been included in the premiums for the Buy-up plan and will not impact the premiums for those on the current or “Core” plan.

The aggregate cost for the VSP vision plan for the 2018 plan year is projected at \$5.0 million. This results in no change in overall cost for all four employers based on June 2017 enrollment. For the purposes of this report, no migration has been projected to the Buy-up plan as all additional costs from the Buy-up plan will be paid by employees/retirees. VSP vision plan costs for all four employers are summarized in Exhibit 5.

### Rates, Contributions, and Benefits for Dental Plans for CCSF and All Retirees

Three dental plans are offered to active HSS members: Delta Dental PPO, Delta Care USA, and UnitedHealthcare Dental. The Delta Dental PPO plan is a dental PPO with a network of preferred providers while the other two plans are dental HMOs with a closed panel of providers. The City pays part of the cost of dental benefits for active CCSF employees while retirees pay the full cost of their dental benefits.

The Delta Dental PPO plan for active employees is self-funded and administered by Delta Dental of California. Future plan costs are projected based on the City employees' claim experience. Delta Dental's current fee for claim administration was guaranteed through December 31, 2018.



The aggregate premium equivalent for the self-funded Delta Dental PPO plan for active employees shows a 2.26% decrease for plan year 2018.

The Delta Dental PPO plan for retirees, Delta Care USA dental plans for active employees and retirees, and UnitedHealthcare dental plans for active employees and retirees are all fully funded. The fully funded premiums for the Delta Dental PPO plan for retirees received a seven percent (7%) premium increase from 2017 for the plan year 2018. This includes a plan change which increases the annual plan maximum benefit from \$1,000 per member per year to \$1,250 per member per year.

The fully funded premiums for the Delta Care USA dental plans for active employees and retirees are unchanged from the 2017 plan year premiums and a rate pass was extended through December 31, 2018. The fully funded premiums for the Pacific Union plans were given a rate pass through December 31, 2018.

For the 2018 plan year, the City will contribute the total premium towards each of the dental HMO plans for CCSF employees. For the self-funded Dental PPO plan, the City will contribute the monthly premium equivalent minus employee contributions of \$5.00, \$10.00, and \$15.00 for Employee Only, Employee plus One, and Employee plus Two or more respectively. The member contributions for Delta Dental PPO plan for retirees and Delta Care USA dental plans for actives and retirees, and UnitedHealthcare Dental plans for actives and retirees remain unchanged from the 2017 plan year. Pursuant to the Health Service Board's Self-Funded Plans' Stabilization Policy, a claims stabilization amount \$3.2 million has been applied for 2018.

Changes in dental cost for the Delta Dental PPO plan, Delta Care USA plan, and UnitedHealthcare Dental plans are summarized in Exhibit 6, 7, and 8 respectively.

The aggregate dental plan cost for actives for the 2018 plan year is projected at \$47.5 million with \$3.7 million in member contributions and \$43.8 million in employer contributions. This results in an overall estimated decrease of \$1.1 million annually for all four employers based on June 2017 enrollment. There is a slight decrease in cost to the City for dental care. Table 3 provides an overview of annualized costs.

### Life and Long Term Disability (LTD) Insurance for CCSF Actives Only

Basic life insurance (employer paid) premiums remain unchanged and are guaranteed through December 31, 2019.

Long-term disability (employer and employee paid) premiums remain unchanged and are guaranteed through December 31, 2019.



The aggregate life and LTD plan cost for the 2018 plan year is projected at \$8.7 million, with \$0.6 million in member contributions and \$8.2 million in employer contributions. Annualized cost comparisons are summarized in Exhibit 9.

### Medical Second Opinion Benefit for All Four Employers and All Retirees

The HSB on April 14, 2016 approved an additional benefit for medical second opinions at a rate of \$1.40 per member per month. For many complex and/or rare health diagnoses it is beneficial to obtain a second opinion from a nationally known expert with extensive experience and subspecialty expertise for the particular area. The review is to ensure that the diagnosis and treatment plan is appropriate and medical care is delivered in the most cost-effective and least invasive way based on clinical evidence. Members may call the second opinion vendor or they may be identified through claims analysis by the second opinion vendor.

At the May 11, 2017 HSB meeting, the HSB approved continuing the Best Doctor's service at the current fee of \$1.40 per member per month.

### Summary of Projected 2017 Plan Year Costs

Table 3 is a summary of how projected 2018 aggregate HSS plan costs are distributed across the different plans that are available to active employees and retirees as compared to 2017. Costs are shown only for those plans where the employers subsidize the total premium/premium equivalent cost. The premium costs associated with the VSP vision care plan are included in the medical plans' costs.



<b>TABLE 3 *</b>					
<b>Distribution of Aggregate Plan Costs (\$millions)</b>					
	Aggregate Member Contributions (a)	Aggregate Employer Contributions (b)	Aggregate Plan Cost (a + b)	Member Contributions as a % of Aggregate Costs	Employer Contributions as a % of Aggregate Costs
<b>Kaiser HMO **</b>	<b>\$43.6</b>	<b>\$368.9</b>	<b>\$412.5</b>	<b>10.57%</b>	<b>89.43%</b>
\$ Increase	\$2.5	\$20.8	\$23.3		
% Increase	6.05%	5.97%	5.98%		
<b>Blue Shield HMO **</b>	<b>\$33.5</b>	<b>\$281.0</b>	<b>\$314.5</b>	<b>10.66%</b>	<b>89.34%</b>
\$ Increase	-\$0.9	-\$0.4	-\$1.3		
% Increase	-2.67%	-0.15%	-0.42%		
<b>City Plan **</b>	<b>\$12.0</b>	<b>\$85.6</b>	<b>\$97.6</b>	<b>12.27%</b>	<b>87.73%</b>
\$ Increase	\$1.9	\$9.6	\$11.6		
% Increase	19.42%	12.71%	13.49%		
<b>Dental ***</b>	<b>\$3.7</b>	<b>\$43.8</b>	<b>\$47.5</b>	<b>7.74%</b>	<b>92.26%</b>
\$ Increase	\$0.0	-\$1.1	-\$1.1		
% Increase	0.00%	-2.45%	-2.26%		
<b>LTD</b>	<b>\$0.0</b>	<b>\$7.1</b>	<b>\$7.1</b>	<b>0.00%</b>	<b>100.00%</b>
\$ Increase	\$0.0	\$0.2	\$0.2		
% Increase	0.00%	2.62%	2.62%		
<b>Life</b>	<b>\$0.6</b>	<b>\$1.1</b>	<b>\$1.6</b>	<b>35.19%</b>	<b>64.81%</b>
\$ Increase	-\$1.9	\$0.1	-\$1.8		
% Increase	-77.20%	11.70%	-52.91%		
<b>Total</b>	<b>\$93.3</b>	<b>\$787.3</b>	<b>\$880.7</b>	<b>10.60%</b>	<b>89.40%</b>
\$ Increase	\$1.6	\$29.2	\$30.8		
% Increase	1.73%	3.85%	3.62%		

\* Figures vary due to rounding

\*\* Includes \$1.40 PEPM for Best Doctors a second opinion vendor that uses claims data to identify members for outreach

\*\*\* Dental costs are for active employees only, retirees and surviving spouses have not been included

This year's projected aggregate cost increase of 3.62% compares favorably with available benchmark information. The "2017 Health Care Trend Survey" published by Aon indicates medical and pharmacy cost increases in the range of 5% to 7%.



### Conclusion

Based on extensive evaluation and collaboration with HSS, Aon validates all of the findings presented within this report. Aon would be pleased to answer any questions or provide clarification about the information included in this letter to any interested parties.

Sincerely,

A handwritten signature in black ink that reads "Anil P Kochhar".

Anil Kochhar, ASA, MAAA  
Vice President, Aon

cc: President and Members of the Health Service Board  
Mitchell Griggs, San Francisco Health Service System

# San Francisco Health Service System Board of Supervisors

10-County Survey Results

Rates and Benefits Decisions

Calendar Year 2018

June 19, 2017

Prepared by:  
Aon | Health & Benefits Consulting



# 10-County Survey Results

## Exhibit 1

Rank	County	CY 2017	CY 2018	% Change
1	Los Angeles	\$648.37	\$673.99	3.95%
2	San Diego	\$507.13	\$536.54	5.80%
3	Orange	\$517.98	\$522.83	0.94%
4	Riverside	\$652.09	\$673.10	3.22%
5	San Bernardino	\$417.04	\$437.75	4.97%
6	Santa Clara	\$917.21	\$1,008.88	9.99%
7	Alameda	\$687.86	\$711.48	3.43%
8	Sacramento	\$574.78	\$608.34	5.84%
9	Contra Costa	\$637.99	\$705.62	10.60%
10	Fresno	\$488.00	\$613.17	25.65%
<b>10-County Average</b>		<b>\$604.84</b>	<b>\$649.17</b>	<b>7.33%</b>

# Kaiser Permanente HMO: Final Active / Early Retiree / Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 2a — 93/93/83 Contribution Method \*

		Active			Early Retiree			MAPD			
		EE	EE + 1	EE + 2	RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2017	\$40.78	\$81.25	\$278.90	\$0.00	\$289.08	\$768.95	\$0.00	\$172.36	\$516.18	\$652.23
	Plan Year 2018	\$42.95	\$85.59	\$293.81	\$0.00	\$304.57	\$810.17	\$0.00	\$189.68	\$567.97	\$695.28
	\$ Increase	+\$2.17	+\$4.34	+\$14.91	+\$0.00	+\$15.49	+\$41.22	+\$0.00	+\$17.32	+\$51.79	+\$43.05
	% Increase	+5.32%	+5.34%	+5.35%	-	+5.36%	+5.36%	-	+10.05%	+10.03%	+6.60%
Employer Contributions	Plan Year 2017	\$541.76	\$1,079.45	\$1,361.67	\$1,167.51	\$1,456.59	\$1,456.59	\$349.11	\$521.48	\$521.48	\$521.48
	Plan Year 2018	\$570.58	\$1,137.09	\$1,434.46	\$1,229.20	\$1,533.78	\$1,533.78	\$383.74	\$573.42	\$573.42	\$573.42
	\$ Increase	+\$28.82	+\$57.64	+\$72.79	+\$61.69	+\$77.19	+\$77.19	+\$34.63	+\$51.94	+\$51.94	+\$51.94
	% Increase	+5.32%	+5.34%	+5.35%	+5.28%	+5.30%	+5.30%	+9.92%	+9.96%	+9.96%	+9.96%
Total Rate	Plan Year 2017	\$582.54	\$1,160.70	\$1,640.57	\$1,167.51	\$1,745.67	\$2,225.54	\$349.11	\$693.84	\$1,037.66	\$1,173.71
	Plan Year 2018	\$613.53	\$1,222.68	\$1,728.27	\$1,229.20	\$1,838.35	\$2,343.95	\$383.74	\$763.10	\$1,141.39	\$1,268.70
	\$ Increase	+\$30.99	+\$61.98	+\$87.70	+\$61.69	+\$92.68	+\$118.41	+\$34.63	+\$69.26	+\$103.73	+\$94.99
	% Increase	+5.32%	+5.34%	+5.35%	+5.28%	+5.31%	+5.32%	+9.92%	+9.98%	+10.00%	+8.09%

\* **NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- **Additional footnotes are defined on page 19.**



# Kaiser Permanente HMO: Final Active / Early Retiree / Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 2b — 100/96/83 Contribution Method \*

		Active			Early Retiree			MAPD			
		EE	EE + 1	EE + 2	RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2017	\$0.00	\$46.43	\$278.90	\$0.00	\$289.08	\$768.95	\$0.00	\$162.40	\$486.51	\$783.07
	Plan Year 2018	\$0.00	\$48.91	\$293.81	\$0.00	\$304.57	\$810.17	\$0.00	\$189.06	\$566.50	\$841.15
	\$ Increase	+\$0.00	+\$2.48	+\$14.91	+\$0.00	+\$15.49	+\$41.22	+\$0.00	+\$26.66	+\$79.99	+\$58.08
	% Increase	-	+5.34%	+5.35%	-	+5.36%	+5.36%	-	+16.42%	+16.44%	+7.42%
Employer Contributions	Plan Year 2017	\$582.54	\$1,114.27	\$1,361.67	\$1,167.51	\$1,456.59	\$1,456.59	\$329.18	\$491.58	\$491.58	\$491.58
	Plan Year 2018	\$613.53	\$1,173.77	\$1,434.46	\$1,229.20	\$1,533.78	\$1,533.78	\$382.51	\$571.58	\$571.58	\$571.58
	\$ Increase	+\$30.99	+\$59.50	+\$72.79	+\$61.69	+\$77.19	+\$77.19	+\$53.33	+\$80.00	+\$80.00	+\$80.00
	% Increase	+5.32%	+5.34%	+5.35%	+5.28%	+5.30%	+5.30%	+16.20%	+16.27%	+16.27%	+16.27%
Total Rate	Plan Year 2017	\$582.54	\$1,160.70	\$1,640.57	\$1,167.51	\$1,745.67	\$2,225.54	\$329.18	\$653.98	\$978.09	\$1,274.65
	Plan Year 2018	\$613.53	\$1,222.68	\$1,728.27	\$1,229.20	\$1,838.35	\$2,343.95	\$382.51	\$760.64	\$1,138.08	\$1,412.73
	\$ Increase	+\$30.99	+\$61.98	+\$87.70	+\$61.69	+\$92.68	+\$118.41	+\$53.33	+\$106.66	+\$159.99	+\$138.08
	% Increase	+5.32%	+5.34%	+5.35%	+5.28%	+5.31%	+5.32%	+16.20%	+16.31%	+16.36%	+10.83%

\* **NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- **Additional footnotes are defined on page 20.**

# Blue Shield of California HMO: Final Active / Early Retiree/ Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 3a — 93/93/83 Contribution Method –HMO Access Plus\*

		Active			Early Retiree			UHC Medicare Advantage PPO			
		EE	EE + 1	EE + 2	RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2017	\$52.66	\$105.01	\$360.53	\$73.70	\$462.50	\$1,083.17	\$0.00	\$162.40	\$486.51	\$783.07
	Plan Year 2018	\$55.30	\$110.30	\$378.73	\$70.44	\$478.92	\$1,131.01	\$0.00	\$189.06	\$566.50	\$841.15
	\$ Increase	+\$2.64	+\$5.29	+\$18.20	-\$3.26	+\$16.42	+\$47.84	+\$0.00	+\$26.66	+\$79.99	+\$58.08
	% Increase	+5.01%	+5.04%	+5.05%	-4.42%	+3.55%	+4.42%	-	+16.42%	+16.44%	+7.42%
Employer Contributions	Plan Year 2017	\$699.59	\$1,395.08	\$1,760.23	\$1,659.72	\$2,048.51	\$2,048.51	\$329.18	\$491.58	\$491.58	\$491.58
	Plan Year 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,750.74	\$2,159.21	\$2,159.21	\$382.51	\$571.58	\$571.58	\$571.58
	\$ Increase	+\$35.17	+\$70.37	+\$88.86	+\$91.02	+\$110.70	+\$110.70	+\$53.33	+\$80.00	+\$80.00	+\$80.00
	% Increase	+5.03%	+5.04%	+5.05%	+5.48%	+5.40%	+5.40%	+16.20%	+16.27%	+16.27%	+16.27%
Total Rate	Plan Year 2017	\$752.25	\$1,500.09	\$2,120.76	\$1,733.42	\$2,511.01	\$3,131.68	\$329.18	\$653.98	\$978.09	\$1,274.65
	Plan Year 2018	\$790.06	\$1,575.75	\$2,227.82	\$1,821.18	\$2,638.13	\$3,290.22	\$382.51	\$760.64	\$1,138.08	\$1,412.73
	\$ Increase	+\$37.81	+\$75.66	+\$107.06	+\$87.76	+\$127.12	+\$158.54	+\$53.33	+\$106.66	+\$159.99	+\$138.08
	% Increase	+5.03%	+5.04%	+5.05%	+5.06%	+5.06%	+5.06%	+16.20%	+16.31%	+16.36%	+10.83%

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- Additional footnotes are defined on page 19.**

# Blue Shield of California HMO: Final Active / Early Retiree/ Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 3b — 100/96//83 Contribution Method –HMO Access Plus\*

		Active			Early Retiree			UHC Medicare Advantage PPO			
		EE	EE + 1	EE + 2	RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2017	\$0.00	\$60.00	\$360.53	\$73.70	\$462.50	\$1,083.17	\$0.00	\$162.40	\$486.51	\$783.07
	Plan Year 2018	\$0.00	\$63.03	\$378.73	\$70.44	\$478.92	\$1,131.01	\$0.00	\$189.06	\$566.50	\$841.15
	\$ Increase	+\$0.00	+\$3.03	+\$18.20	-\$3.26	+\$16.42	+\$47.84	+\$0.00	+\$26.66	+\$79.99	+\$58.08
	% Increase	-	+5.05%	+5.05%	-4.42%	+3.55%	+4.42%	-	+16.42%	+16.44%	+7.42%
Employer Contributions	Plan Year 2017	\$752.25	\$1,440.09	\$1,760.23	\$1,659.72	\$2,048.51	\$2,048.51	\$329.18	\$491.58	\$491.58	\$491.58
	Plan Year 2018	\$790.06	\$1,512.72	\$1,849.09	\$1,750.74	\$2,159.21	\$2,159.21	\$382.51	\$571.58	\$571.58	\$571.58
	\$ Increase	+\$37.81	+\$72.63	+\$88.86	+\$91.02	+\$110.70	+\$110.70	+\$53.33	+\$80.00	+\$80.00	+\$80.00
	% Increase	+5.03%	+5.04%	+5.05%	+5.48%	+5.40%	+5.40%	+16.20%	+16.27%	+16.27%	+16.27%
Total Rate	Plan Year 2017	\$752.25	\$1,500.09	\$2,120.76	\$1,733.42	\$2,511.01	\$3,131.68	\$329.18	\$653.98	\$978.09	\$1,274.65
	Plan Year 2018	\$790.06	\$1,575.75	\$2,227.82	\$1,821.18	\$2,638.13	\$3,290.22	\$382.51	\$760.64	\$1,138.08	\$1,412.73
	\$ Increase	+\$37.81	+\$75.66	+\$107.06	+\$87.76	+\$127.12	+\$158.54	+\$53.33	+\$106.66	+\$159.99	+\$138.08
	% Increase	+5.03%	+5.04%	+5.05%	+5.06%	+5.06%	+5.06%	+16.20%	+16.31%	+16.36%	+10.83%

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- Additional footnotes are defined on page 20.**

# Blue Shield of California HMO: Final Active / Early Retiree/ Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 3c — 93/93/83 Contribution Method –Trio\*

		Active			Early Retiree			UHC Medicare Advantage PPO			
		EE	EE + 1	EE + 2	RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2017	\$52.66	\$105.01	\$360.53	\$73.70	\$462.50	\$1,083.17	\$0.00	\$162.40	\$486.51	\$783.07
	Plan Year 2018	\$49.56	\$98.82	\$339.27	\$29.44	\$395.26	\$979.28	\$0.00	\$189.06	\$566.50	\$773.08
	\$ Increase	-\$3.10	-\$6.19	-\$21.26	-\$44.26	-\$67.24	-\$103.89	+\$0.00	+\$26.66	+\$79.99	-\$9.99
	% Increase	-5.89%	-5.89%	-5.90%	-60.05%	-14.54%	-9.59%	-	+16.42%	+16.44%	-1.28%
Employer Contributions	Plan Year 2017	\$699.59	\$1,395.08	\$1,760.23	\$1,659.72	\$2,048.51	\$2,048.51	\$329.18	\$491.58	\$491.58	\$491.58
	Plan Year 2018	\$658.49	\$1,312.90	\$1,656.45	\$1,601.54	\$1,967.37	\$1,967.37	\$382.51	\$571.58	\$571.58	\$571.58
	\$ Increase	-\$41.10	-\$82.18	-\$103.78	-\$58.18	-\$81.14	-\$81.14	+\$53.33	+\$80.00	+\$80.00	+\$80.00
	% Increase	-5.87%	-5.89%	-5.90%	-3.51%	-3.96%	-3.96%	+16.20%	+16.27%	+16.27%	+16.27%
Total Rate	Plan Year 2017	\$752.25	\$1,500.09	\$2,120.76	\$1,733.42	\$2,511.01	\$3,131.68	\$329.18	\$653.98	\$978.09	\$1,274.65
	Plan Year 2018	\$708.05	\$1,411.72	\$1,995.72	\$1,630.98	\$2,362.63	\$2,946.65	\$382.51	\$760.64	\$1,138.08	\$1,344.66
	\$ Increase	-\$44.20	-\$88.37	-\$125.04	-\$102.44	-\$148.38	-\$185.03	+\$53.33	+\$106.66	+\$159.99	+\$70.01
	% Increase	-5.88%	-5.89%	-5.90%	-5.91%	-5.91%	-5.91%	+16.20%	+16.31%	+16.36%	+5.49%

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- Additional footnotes are defined on page 19.**

# Blue Shield of California HMO: Final Active / Early Retiree/ Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 3d — 100/96/83 Contribution Method –Trio\*

		Active			Early Retiree			UHC Medicare Advantage PPO			
		EE	EE + 1	EE + 2	RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2017	\$0.00	\$60.00	\$360.53	\$73.70	\$462.50	\$768.95	\$0.00	\$162.40	\$486.51	\$783.07
	Plan Year 2018	\$0.00	\$56.47	\$339.27	\$29.44	\$395.26	\$810.17	\$0.00	\$189.06	\$566.50	\$773.08
	\$ Increase	+\$0.00	-\$3.53	-\$21.26	-\$44.26	-\$67.24	+\$41.22	+\$0.00	+\$26.66	+\$79.99	-\$9.99
	% Increase	-	-5.88%	-5.90%	-60.05%	-14.54%	+5.36%	-	+16.42%	+16.44%	-1.28%
Employer Contributions	Plan Year 2017	\$752.25	\$1,440.09	\$1,760.23	\$1,659.72	\$2,048.51	\$1,456.59	\$329.18	\$491.58	\$491.58	\$491.58
	Plan Year 2018	\$708.05	\$1,355.25	\$1,656.45	\$1,601.54	\$1,967.37	\$1,533.78	\$382.51	\$571.58	\$571.58	\$571.58
	\$ Increase	-\$44.20	-\$84.84	-\$103.78	-\$58.18	-\$81.14	+\$77.19	+\$53.33	+\$80.00	+\$80.00	+\$80.00
	% Increase	-5.88%	-5.89%	-5.90%	-3.51%	-3.96%	+5.30%	+16.20%	+16.27%	+16.27%	+16.27%
Total Rate	Plan Year 2017	\$752.25	\$1,500.09	\$2,120.76	\$1,733.42	\$2,511.01	\$2,225.54	\$329.18	\$653.98	\$978.09	\$1,274.65
	Plan Year 2018	\$708.05	\$1,411.72	\$1,995.72	\$1,630.98	\$2,362.63	\$2,343.95	\$382.51	\$760.64	\$1,138.08	\$1,344.66
	\$ Increase	-\$44.20	-\$88.37	-\$125.04	-\$102.44	-\$148.38	+\$118.41	+\$53.33	+\$106.66	+\$159.99	+\$70.01
	% Increase	-5.88%	-5.89%	-5.90%	-5.91%	-5.91%	+5.32%	+16.20%	+16.31%	+16.36%	+5.49%

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- Additional footnotes are defined on page 20.**

# City Plan (UHC): Final Active / Early Retiree / Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 4a — 93/93/83 Contribution Method \*

		Active			Early Retiree			UHC Medicare Advantage PPO			
		EE	EE + 1	EE + 2	RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee / Retiree Contributions	Plan Year 2017	\$102.81	\$166.01	\$430.34	\$98.78	\$648.15	\$1,426.75	\$0.00	\$162.40	\$486.51	\$941.00
	Plan Year 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76	\$0.00	\$189.15	\$566.73	\$1,037.47
	\$ Increase	+\$46.89	+\$95.33	+\$155.50	+\$18.86	+\$39.43	+\$109.01	+\$0.00	+\$26.75	+\$80.22	+\$96.47
	% Increase	+45.61%	+57.43%	+36.14%	+19.09%	+6.08%	+7.64%	-	+16.47%	+16.49%	+10.25%
Employer Contributions	Plan Year 2017	\$699.59	\$1,395.08	\$1,760.23	\$1,043.70	\$1,593.07	\$1,593.08	\$329.18	\$491.58	\$491.58	\$491.58
	Plan Year 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37	\$382.51	\$571.49	\$571.35	\$571.35
	\$ Increase	+\$35.17	+\$70.37	+\$88.86	+\$28.73	+\$49.30	+\$49.29	+\$53.33	+\$79.91	+\$79.77	+\$79.77
	% Increase	+5.03%	+5.04%	+5.05%	+2.75%	+3.09%	+3.09%	+16.20%	+16.26%	+16.23%	+16.23%
Total Rate	Plan Year 2017	\$802.40	\$1,561.09	\$2,190.57	\$1,142.48	\$2,241.22	\$3,019.83	\$329.18	\$653.98	\$978.09	\$1,432.58
	Plan Year 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13	\$382.51	\$760.64	\$1,138.08	\$1,608.82
	\$ Increase	+\$82.06	+\$165.70	+\$244.36	+\$47.59	+\$88.73	+\$158.30	+\$53.33	+\$106.66	+\$159.99	+\$176.24
	% Increase	+10.23%	+10.61%	+11.16%	+4.17%	+3.96%	+5.24%	+16.20%	+16.31%	+16.36%	+12.30%

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- **Additional footnotes are defined on page 19.**

# City Plan (UHC): Final Active / Early Retiree / Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 4b — 100/96/83 Contribution Method \*

		Active			Early Retiree			UHC Medicare Advantage PPO			
		EE	EE + 1	EE + 2	RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee / Retiree Contributions	Plan Year 2017	\$0.00	\$121.00	\$430.34	\$98.78	\$648.15	\$1,426.75	\$0.00	\$162.40	\$486.51	\$941.00
	Plan Year 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76	\$0.00	\$189.15	\$566.73	\$1,037.47
	\$ Increase	+\$0.00	+\$93.07	+\$155.50	+\$18.86	+\$39.43	+\$109.01	+\$0.00	+\$26.75	+\$80.22	+\$96.47
	% Increase	-	+76.92%	+36.14%	+19.09%	+6.08%	+7.64%	-	+16.47%	+16.49%	+10.25%
Employer Contributions	Plan Year 2017	\$802.40	\$1,440.09	\$1,760.23	\$1,043.70	\$1,593.07	\$1,593.08	\$329.18	\$491.58	\$491.58	\$491.58
	Plan Year 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37	\$382.51	\$571.49	\$571.35	\$571.35
	\$ Increase	+\$82.06	+\$72.63	+\$88.86	+\$28.73	+\$49.30	+\$49.29	+\$53.33	+\$79.91	+\$79.77	+\$79.77
	% Increase	+10.23%	+5.04%	+5.05%	+2.75%	+3.09%	+3.09%	+16.20%	+16.26%	+16.23%	+16.23%
Total Rate	Plan Year 2017	\$802.40	\$1,561.09	\$2,190.57	\$1,142.48	\$2,241.22	\$3,019.83	\$329.18	\$653.98	\$978.09	\$1,432.58
	Plan Year 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13	\$382.51	\$760.64	\$1,138.08	\$1,608.82
	\$ Increase	+\$82.06	+\$165.70	+\$244.36	+\$47.59	+\$88.73	+\$158.30	+\$53.33	+\$106.66	+\$159.99	+\$176.24
	% Increase	+10.23%	+10.61%	+11.16%	+4.17%	+3.96%	+5.24%	+16.20%	+16.31%	+16.36%	+12.30%

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- Additional footnotes are defined on page 20.**

# VSP Vision: Final Active / Early Retiree / Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 5a — Vision Plan Rates

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2	RET	RET+1	RET+2
Rates	Plan Year 2017	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
	Plan Year 2018	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
	% Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	\$ Increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## Exhibit 5b — Vision Buy Up Rates

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2	RET	RET+1	RET+2
Rates	Plan Year 2018	\$10.86	\$15.54	\$30.82	\$10.86	\$15.54	\$30.82



# Delta Dental PPO: Final Active / Retiree Monthly Contributions for Calendar Year 2018

## Exhibit 6 — Dental PPO Plan Rates

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2	RET	RET+1	RET+2
Rates	Plan Year 2017	\$64.51	\$135.48	\$193.54	\$42.94	\$85.42	\$127.49
	Plan Year 2018	\$63.04	\$132.38	\$189.11	\$45.77	\$91.04	\$135.88
	% Increase	-2.28%	-2.29%	-2.29%	6.59%	6.58%	6.58%
	\$ Increase	(\$1.47)	(\$3.10)	(\$4.43)	\$2.83	\$5.62	\$8.39

# Delta Care USA: Final Active / Retiree Monthly Contributions for Calendar Year 2018

## Exhibit 7 — Delta HMO Plan Rates

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2	RET	RET+1	RET+2
Rates	Plan Year 2017	\$26.95	\$44.46	\$65.76	\$32.85	\$54.21	\$80.19
	Plan Year 2018	\$26.95	\$44.46	\$65.76	\$32.85	\$54.21	\$80.19
	<b>% Increase</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>\$ Increase</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

# UHC Dental: Final Active / Retiree Monthly Contributions for Calendar Year 2018

## Exhibit 8 — Dental HMO Plan Rates

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2	RET	RET+1	RET+2
Rates	Plan Year 2017	\$27.80	\$45.90	\$67.86	\$16.47	\$27.20	\$40.22
	Plan Year 2018	\$27.80	\$45.90	\$67.86	\$16.47	\$27.20	\$40.22
	<b>% Increase</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>\$ Increase</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

# Life and Long Term Disability (LTD) Plan Year 2018 Aggregate Costs

## Exhibit 9 — Life and LTD Plan Rates

Plan Type	Plan Year 2017	Plan Year 2018	% Increase	\$ Increase
Basic Life	\$940,000	\$7,050,000	2.6%	\$180,000
Supplemental Life / Dependent Life	\$2,500,000	\$1,050,000	11.7%	\$110,000
Long Term Disability	\$6,870,000	\$570,000	-77.2%	(\$1,930,000)
<b>Total Annual Estimated Cost</b>	<b>\$10,310,000</b>	<b>\$8,670,000</b>	<b>-15.9%</b>	<b>(\$1,640,000)</b>

**\* NOTE:**

- Beginning in January of 2017, the supplemental life plans will be offered to groups beyond the Municipal Executives Association which will drive up enrollment.

# Kaiser Permanente Multi State HMO: Early Retiree / Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 10a — Washington Contribution Method \*

		Early Retiree			MAPD			
		RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2018	\$0.00	\$614.09	\$1,633.47	\$0.00	\$196.57	\$589.02	\$1,215.95
Employer Contributions	Plan Year 2018	\$1,232.56	\$1,846.65	\$1,846.65	\$397.52	\$594.09	\$594.09	\$594.09
Total Rate	Plan Year 2018	\$1,232.56	\$2,460.74	\$3,480.12	\$397.52	\$790.66	\$1,183.11	\$1,810.04

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.

# Kaiser Permanente Multi State HMO: Early Retiree / Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 10b — Northwest Contribution Method \*

		Early Retiree			MAPD			
		RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2018	\$0.00	\$689.81	\$1,834.89	\$0.00	\$193.41	\$579.55	\$1,455.42
Employer Contributions	Plan Year 2018	\$1,384.01	\$2,073.83	\$2,073.83	\$391.21	\$584.63	\$584.63	\$584.63
Total Rate	Plan Year 2018	\$1,384.01	\$2,763.64	\$3,908.72	\$391.21	\$778.04	\$1,164.18	\$2,040.05

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.

# Kaiser Permanente Multi State HMO: Early Retiree / Medicare Monthly Contributions for Calendar Year 2018

## Exhibit 10c — Hawaii Contribution Method \*

		Early Retiree			MAPD			
		RET	RET + 1	RET + 2	RET	RET + 1	RET + 2 All Medicare	RET + 2 Other
Employee/ Retiree Contributions	Plan Year 2018	\$0.00	\$420.39	\$1,118.24	\$0.00	\$177.32	\$531.28	\$1,017.43
Employer Contributions	Plan Year 2018	\$845.18	\$1,265.58	\$1,265.58	\$359.03	\$536.36	\$536.36	\$536.36
Total Rate	Plan Year 2018	\$845.18	\$1,685.97	\$2,383.82	\$359.03	\$713.68	\$1,067.64	\$1,553.79

**\* NOTE:**

- Includes \$1.40 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.

# Final Monthly Contribution for Calendar Year 2018 Footnotes

## Exhibits 2a, 3a , 3c , 4a — 93/93/83 Contribution Method

**Note**—The 93/93/83 Contribution Model defines the following payment structure:

- EE Only: City contributes 93% towards total premium for employees selecting Single tier coverage.
- EE+1: City contributes 93% towards total premium for employees selecting EE+1 tier coverage.
- EE+2: City contributes 83% towards total premium for employees selecting EE+2 tier coverage.
- City contributions are capped at 93%, 93% and 83% of corresponding premium of the second-highest-cost plan for Single, EE+1 and EE+2 tiers respectively.
- Members cover the remaining costs across all tiers.



# Final Monthly Contribution for Calendar Year 2018 Footnotes

## Exhibits 2b, 3b, 3d, 4b — 100/96/83 Contribution Method

**Note**—The 100/96/83 Contribution Model defines the following payment structure:

- EE Only: City contributes 100% towards total premium for employees selecting Single tier coverage. Members are free of premium charges.
- EE+1: City contributes 96% towards total premium for employees selecting EE+1 tier coverage.
- EE+2: City contributes 83% towards total premium for employees selecting EE+2 tier coverage.
- City contributions are capped at 96% and 83% of corresponding premium of the second-highest-cost plan for EE+1 and EE+2 tiers respectively.
- Members electing EE+1 and EE+2 tiers cover the remaining cost.