



SFHSS Plan Year 2026 Rates and Benefits

Budget and Finance Committee
Presentation by

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Agenda

- Mission & Accountabilities
- Background
- 10-County Survey Results
- CCSF Cost Trends
- Medical plan choices
- Dental, Vision, Life Insurance, and Disability plans
- Requested Action

Mission, Objectives & Accountabilities

Mission

The San Francisco Health Service System (SFHSS) is dedicated to preserving and improving sustainable, quality health benefits and to enhancing the well-being of our members and their families.

Accountabilities

- Serving 138,000 employees, retirees & dependents of:
 - City and County of San Francisco
 - San Francisco Unified School District
 - City College of San Francisco
 - San Francisco Superior Court
- Impact on CCSF budget:
 - Manage \$1.1 billion annual spend for health benefits for CCSF.

Background

HSB

- City Charter requires to Health Service Board to review and approve the Rates and Benefits annually.
- The rate exhibit summaries for the rates and benefits were adopted by the Health Service Board on February 13, March 13, April 10, May 8, and June 12, 2025.

City Ordinance

- BOS approves the ordinance to adopt the rates and benefits approved by the Health Service Board for calendar year 2026.
- Establishes the amount contributed for active employee and retiree health premiums not covered by an MOU.

10-County Survey Results

The City Charter requires a survey of the 10 most populous CA counties, which is used:

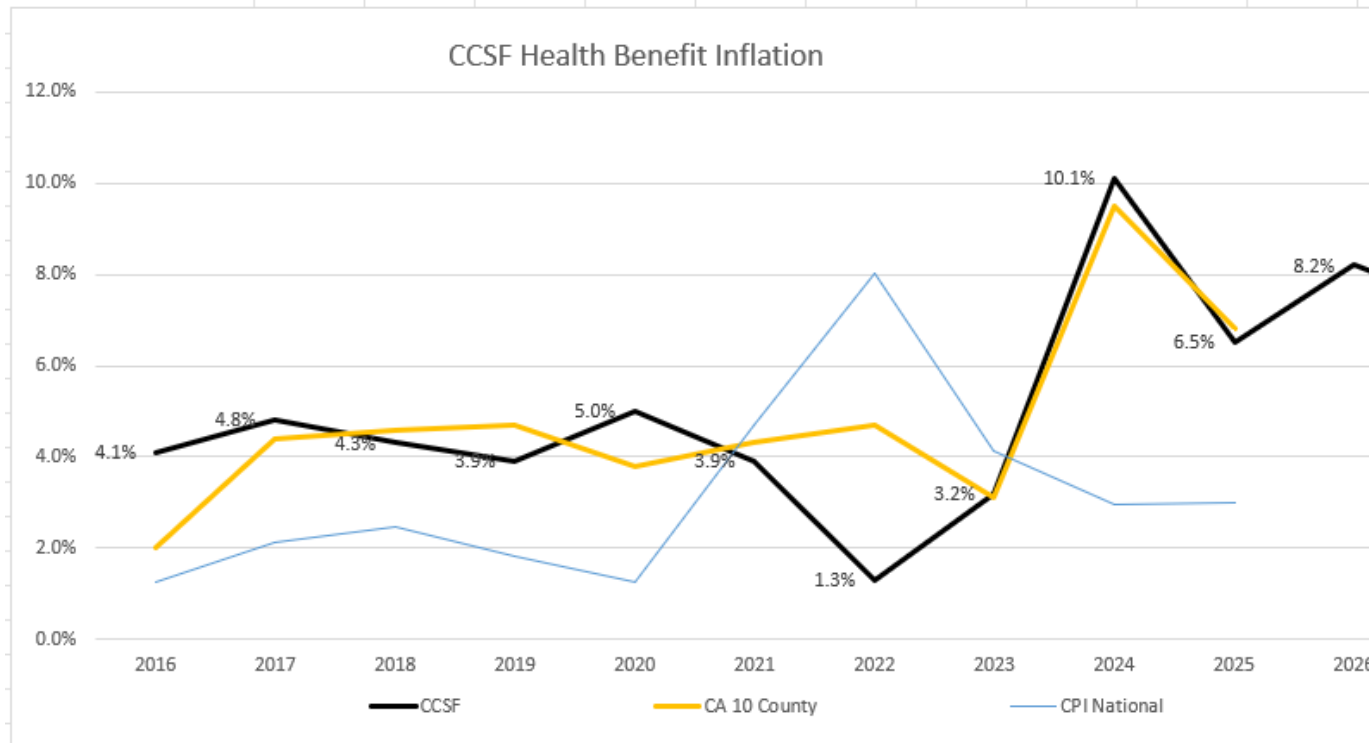
- To set contribution amounts by employer for employee-only coverage for health plan rates.
- As the basis for the employer contribution for retiree rates and some union employees.

The survey results for CY 2026: the average employer contribution amount for employee-only coverage will be \$942.14/mo. (6.8% increase from the prior year).

CCSF Cost Trends




CCSF rate increases are consistent with California 10 County average benchmark.

California 2024 rate increases above national benchmarks were influenced by high Kaiser rating actions.



CCSF and all employer 2026 increase 8.2% vs national trend of 7% to 9%

Medical Plans Choices with 2026 Rate Change

Health Plan	Actives	Early Retirees	Medicare Retirees
Kaiser Permanente 	(HMO) 9.9%	(HMO) 9.9%	Senior Advantage (MAPD-HMO) 9.3%
Blue Shield of California 	Access+ (HMO) 8.7% Trio (HMO) 9.2% PPO 0.5%	Access+ (HMO) – 8.7% Trio (HMO) 9.2% PPO 0.5%	MAPD (PPO) 4.5%
Health Net CanopyCare 	(HMO) -0.3%	(HMO) -0.3%	N/A

Medical Plan Design Changes

- The non-Medicare plans reflect the adoption of SB729 infertility benefit level requirements placed on fully insured commercial plans in California effective in 2026.
- Align the non-Medicare BSC plans with the Kaiser HMO approach to glucagon-like peptide-1's (GLP-1's) to restrict coverage for GLP-1 medications for weight loss only (e.g., no approved qualifying diagnosis) for individuals with Body Mass Index (BMI) at or above 40 (e.g., Class III Obesity).

Dental Plans



12.2% overall increase in costs for actives (Retirees pay the full cost for dental)

Delta Dental PPO – Actives (Self-Funded):

- 12.4% rate increase due to lower rate stabilization
- Plan enhancement to raise the age for children for first molar sealants to age 16 from 9

DeltaCare USA DHMO – Actives (Fully Insured):

- No rate change

UHC DHMO – Actives (Fully Insured):

- No rate change

Delta Dental PPO – Retiree (Fully Insured):

- 2% rate increase

DeltaCare USA DHMO – Retirees (Fully Insured):

- No rate change

UHC DHMO – Retirees (Fully Insured):

- No rate change



Vision: VSP

No plan design changes

Basic VSP – Actives and Retirees

- No rate change

Premier VSP (Buy Up Option) – Actives and Retirees

- No rate change

Life, Short-Term Disability (STD), and Long-Term Disability (LTD) Insurance



- The need for competitive bids for HSS contracts through a request for proposal process (RFP) is considered annually as part of the annual renewal process. For PY 2026, we elected to conduct a Life & Disability RFP.
- The RFP included expectations to match all union-negotiated terms, provide no disruption to disabled employees and active/in-process claims, and ensure financial stability through multi-year rate and premium guarantees.
- The change is from The Hartford (Life, Accidental Death & Dismemberment, Long-Term Disability) and Manhattan Life (Short-Term Disability) to Life Insurance Company of North America (also known as New York Life) for 2026.
- The annual cost savings from the RFP will be \$2 million or 22% reduction in cost.

Requested Action

Ordinance approving Health Service System plans and contribution rates for calendar year 2026.