

BOARD of SUPERVISORS



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## MEMORANDUM

### BUDGET AND FINANCE SUB-COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Malia Cohen, Chair  
Budget and Finance Sub-Committee

FROM: Linda Wong, Assistant Clerk

DATE: July 13, 2018

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**  
Tuesday, July 17, 2018

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting on Tuesday, July 17, 2018, at 2:00 p.m. This item was acted upon at the Sub-Committee Meeting on Thursday, July 12, 2018, at 10:00 a.m., by the votes indicated.

**Item No. 29            File No. 180661**

Ordinance approving Health Service System plans and contribution rates for calendar year 2019.

#### **RECOMMENDED AS COMMITTEE REPORT**

Vote: Supervisor Malia Cohen - Aye  
Supervisor Sandra Lee Fewer - Aye  
Supervisor Catherine Stefani - Aye

c: Board of Supervisors  
Angela Calvillo, Clerk of the Board  
Jon Givner, Deputy City Attorney  
Alisa Somera, Legislative Deputy Director

File No. 180661

Committee Item No. 13

Board Item No. 29

### COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date July 12, 2018

Board of Supervisors Meeting

Date July 17, 2018

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
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Completed by: Linda Wong

Date July 5, 2018

Completed by: Linda Wong

Date July 13, 2018

1 [Health Service System Plans and Contribution Rates - Calendar Year 2019]

2 **Ordinance approving Health Service System plans and contribution rates for calendar**  
3 **year 2019.**

4 NOTE: In accordance with Charter section A8.422, a three-fourths' vote (i.e., the  
5 vote of nine Supervisors) is required for passage of this Ordinance.

6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
8 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.  
9 **Board amendment additions** are in double-underlined Arial font.  
10 **Board amendment deletions** are in ~~Arial font~~.  
11 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
12 subsections or parts of tables

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. Background and Findings.

15 (a) Under Charter Section A8.423, the Health Service Board ("HSB") is required to  
16 conduct a survey of the ten counties in the State of California, other than the City and County  
17 of San Francisco, having the largest populations to determine the "average contribution" made  
18 by each such county toward the providing of health care plans, exclusive of dental or optical  
19 care, for each employee of such county. The HSB is then required to certify to the Board of  
20 Supervisors "the average contribution" as determined by the survey.

21 (b) According to the California Department of Finance, the ten most populous counties  
22 in the State of California other than San Francisco (in descending order of population) are:  
23 Los Angeles, San Diego, Orange, Riverside, San Bernardino, Santa Clara, Alameda,  
24 Sacramento, Contra Costa, and Fresno (collectively, the "Survey Counties").

25 (c) On March 8, 2018, based on the Health Service System's survey of each of the  
Survey Counties, a copy of which is on file with the Clerk of the Board of Supervisors in Board  
File No. 180661, the HSB determined that "the average contribution" made by the counties  
surveyed for the 2019 calendar plan year is \$672.08 per month.

1 (d) At its meetings of March 8, April 12, May 10, and June 14, 2018, the HSB adopted  
2 health insurance plans and contribution rates for Health Service System plans to become  
3 effective on January 1, 2019, for the calendar plan year January 1, 2019 through December  
4 31, 2019. Said plans and contribution rates are on file with Clerk of the Board of Supervisors  
5 in Board File No. 18066A, and are incorporated herein by reference. Each of the health  
6 insurance plans are expected to exceed 10 million dollars in expenditures, and Charter  
7 Section 9.118(b) requires Board of Supervisors approval.

8 Section 2. The Board of Supervisors hereby approves the health insurance plans and  
9 contribution rates adopted by the HSB on March 8, April 12, May 10, and June 14, 2018, as  
10 referenced in subsection (d) of Section 1 of this ordinance.

11 Section 3. As referenced in subsection (c) of Section 1 of this ordinance, "the average  
12 contribution" under Charter Section A8.423, which shall constitute the monthly amount  
13 contributed by the participating employers to the Health Service Trust Fund for the calendar  
14 plan year January 1, 2019 through December 31, 2019, as required under Charter Section  
15 A8.428(b)(2), is \$672.08.

16 Section 4. Effective Date. This ordinance shall become effective 30 days after  
17 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
18 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
19 of Supervisors overrides the Mayor's veto of the ordinance.

20 APPROVED AS TO FORM:  
21 DENNIS J. HERRERA, City Attorney

22 By: Erik A. Rapoport  
23 ERIK A. RAPOPORT  
Deputy City Attorney

24 n:\labor\as2018\1400033\01282632.docx  
25

<p><b>Item 13</b> <b>File 18-0661</b></p>	<p><b>Department:</b> Health Service System (HSS)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• The proposed ordinance would approve the San Francisco Health Service System’s (SFHSS’s) health, vision, and dental plans and contribution rates for calendar year 2019.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The SFHSS administers non-pension benefits, including health, vision, dental and other benefits, such as life and long-term disability insurance. The Health Service Board adopts the annual health, vision, dental and other insurance plans, and the respective plan premiums and premium equivalents to be paid by SFHSS employers and members.</li> <li>• The Health Service Board is required to conduct a survey of the 10 most populous California counties each year to determine the average of the health premium contributions made by these counties. Based on this survey, the average 2019 contribution is \$672.08 per member per month, which is \$22.91 or 3.5 percent more than the 10-county average monthly contribution of \$649.17 in 2018.</li> <li>• Compared to 2018 rates, the total 2019 City health premium amounts are proposed to (a) decrease by \$6.8 million or 2.1 percent for Kaiser, (b) increase by \$23.6 million or 8.8 percent for Blue Shield, and (c) increase by \$3.5 million or 4.1 percent for the City Plan.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The total estimated City, employee, and retiree costs for health, vision, and dental plans, as well as long-term disability and life insurance plans, are \$759,653,254 in 2019, which is a \$18,346,751 or 2.5 percent increase from \$741,306,504 in 2018.</li> <li>• Of the \$759,653,254, the City’s (as employer) total estimated costs for the health, vision, and dental plans, and long-term disability and life insurance plans in 2019 are \$672,770,126, which is a \$14,605,032 or 2.2 percent increase from \$658,165,093 in 2018.</li> <li>• The balance of \$86,883,129 (\$759,653,254 total 2019 costs less \$672,770,126 City 2019 costs) is paid by employees and retirees.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approve the proposed ordinance.</li> </ul>	

## MANDATE STATEMENT

City Charter Section A8.423 states that the Health Service Board is required to conduct a survey of the 10 most populous California counties, excluding San Francisco, to determine the average contribution made by each county toward health plan premiums for employees, excluding dental plan premiums. The Health Service Board is then required to certify to the Board of Supervisors the average contribution as determined by this survey. City Charter Section A8.428 also requires the City to contribute to the Health Service System Trust Fund to pay the costs of health plan premiums.

## BACKGROUND

The Health Service Board oversees the San Francisco Health Service System (SFHSS). The SFHSS administers non-pension benefits, including health, vision, dental and other benefits, such as life and long-term disability insurance. The Health Service Board adopts the annual health, vision, dental and other insurance plans, and the respective plan premiums and premium equivalents to be paid by SFHSS employers and members.

- SFHSS employers include the City and County of San Francisco (City), the San Francisco Unified School District (SFUSD), the San Francisco Community College District (SFCCD), and the San Francisco Superior Court (Superior Court).
- SFHSS members are active and retired employees of the above noted employers, their dependents, and members of eligible boards and commissions. Dependents include children, spouses, domestic partners, surviving spouses of deceased members, and other legal dependents.

### City and Employee Contribution Models

Most negotiated contribution formulas for City employees fall into the following two percentage-based employee premium contribution models:

- Under the '93/93/83 Contribution Model', the City contributes up to 93 percent of the monthly premium for employee-only and employee plus one dependent coverage, capped at 93 percent of the second-highest cost plan. The City also contributes up to 83 percent of the monthly premium for employees with two or more dependents, capped at 83 percent of the second-highest cost plan.
- Under the '100/96/83 Contribution Model', the City contributes 100 percent of monthly premiums for employee-only coverage. The City contributes up to 96 percent of the monthly premiums for employees with one dependent, capped at 96 percent of the second-highest cost plan. The City also contributes up to 83 percent of the monthly premium for employees with two or more dependents, capped at 83 percent of the second-highest cost plan.

### 10-County Survey Average

The 10-county survey average is used as a basis for calculating the employer contribution to the monthly health plan premium for all retirees. Based on the survey, the 10-county average employer contribution for calendar year 2019 is \$672.08 per member per month. The \$672.08 average contribution per month is \$22.91 or 3.5 percent more than the average monthly contribution of \$649.17 in 2018.

### Health Service System Trust Fund

Under Charter Section A8.428, employer and SFHSS member contributions to health plan premiums are deposited in the Health Service System Trust Fund. As of June 30, 2017, the Health Service System Trust Fund balance was \$72,526,081.

## DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would approve the Health Service System's health, vision, and dental plans as well as life insurance and long-term disability insurance plans and contribution rates for calendar year 2019.

On June 14, 2018, the Health Service Board approved the following health, vision, dental, life and long-term disability insurance plans and premiums for the period from January 1, 2019 through December 31, 2019.

### Health Plans and Premiums

#### Kaiser Permanente HMO<sup>1</sup>

Kaiser Permanente (Kaiser) covers active, early retirees and Medicare retirees. The total Kaiser HMO premium amounts paid by the City as employer and active and retired City employees are \$6.8 million, or 2.1 percent less in CY 2019 than in CY 2018. These amounts are shown in Table 1 below. No plan changes were approved by the Health Service Board for 2019.

#### Blue Shield California HMOs

The total the Blue Shield of California (Blue Shield) Access+ and Trio flex-funded plan premium amounts paid by the City as employer and active and retired City employees are \$23.6 million, or 8.8 percent, more in CY 2019 than in CY 2018. These amounts are shown in Table 1 below. No plan changes were approved by the Health Service Board for 2019.

#### City Plan PPO and Medicare Advantage PPO<sup>2</sup>

The City contracts with UnitedHealthcare (UHC) to administer self-funded health plans for active employees and early retirees<sup>3</sup> (the City Plan PPO) and for Medicare-eligible retirees (UHC Medicare Advantage PPO).

<sup>1</sup> A HMO (Health Maintenance Organization) offers care through a closed panel of providers, in which members select a primary care physician, who manages their care. The HMOs pay the medical groups on a per capita basis.

<sup>2</sup> Under a PPO (Preferred Provider Organization), physicians, hospitals, and other providers are in network and paid by the purchaser (through a third party administrator) on a fee for service basis based on negotiated contracts.

*City Plan*

The City Plan is a self-funded plan administered by UnitedHealthcare (UHC) for active employees and early retirees. Five changes were approved by the Health Service Board for the 2019 City Plan:

- A new plan, “City Plan—Choice Not Available”, was approved to provide lower member contributions for those who lack geographic access to other plans offered by Blue Shield and Kaiser;
- A provider re-contracting initiative will result in increased average discounts for provider services, without any change in the provider composition of the PPO network;
- An increase to member-paid prescription drug copayments to match those in Blue Shield Access+ and Trio plans;
- An increase to member-paid out-of-network deductibles; and
- A change to rate tiers to moderate contribution requirements for City Plan early retiree families.

*UHC Medicare Advantage PPO*

The UHC Medicare Advantage PPO Plan, previously known as the “New City Plan”, covers all non-Kaiser Medicare eligible retirees. The Health Service Board approved the following plan changes for 2019:

- A new preferred diabetic supplies program that allows for reduced member copayments for kidney dialysis, urgent care, and certain therapy services;
- A change to the prescription drug formulary to better align with Medicare standards; and
- Post-discharge meal delivery, care-related transportation, and nutritional counseling benefits.

The increase in the total City Plan premium payments paid by the City as employer and active and retired City employees is \$3.5 million, or 4.1 percent more in CY 2019 than in CY 2018. Active and retired City employees will pay \$1.6 million of the \$3.5 million increase, representing an increase of 12.4 percent in CY 2019 compared to CY 2018, as shown in Table 1 below. According to the City’s actuarial consultant, Aon, in addition to the five changes outlined above, a major factor in the total premium increase for CY 2019 is the reduction in available funds in the City Plan rate stabilization reserve. The \$1,661,000 remaining in the City Plan rate stabilization reserve fund will apply to the 2019 City Plan rates. This amount is substantially less than the \$4,529,000 amount applied for the 2018 plan year.

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<sup>3</sup> Retired employees of less than 65 years of age and therefore not eligible for Medicare.



### Vision Plan

Members enrolled in any of the health plans receive vision benefits through Vision Service Plan (VSP), a third party insurer and a fully-funded plan. The cost of the Basic Plan vision benefit is included in the cost of the medical plan for all monthly health plan premiums.

In 2018, VSP administered enrollment in the buy-up Premium Plan. For 2019, SFHSS will administer enrollment in the Premium Plan, resulting in lower member contributions for the Premium Plan by \$1.50 per month for all coverage tiers in the 2019 plan year.

For 2019, the projected cost to the City, SFUSD, SFCCD, and the Superior Court for the VSP vision plan is \$5.2 million of which \$3.6 million is the City's cost as the employer. The employer portion of vision plan costs will remain constant from 2018 to 2019, as the Basic Plan premiums are not changing from 2018 to 2019.

### Dental Plans

SFHSS offers three dental plans, including one PPO (Delta Dental PPO) and two HMOs (Delta Care USA and UnitedHealthcare Dental). The City pays part of the cost of dental benefits for active employees while retirees pay the full cost of their dental plans.

Five enhancements were approved by the Health Service Board for the 2019 Delta Dental PPO plan:

- SmileWay Program: Allows members with specific chronic conditions (diabetes, heart disease, HIV/AIDS, rheumatoid arthritis, or stroke) to receive an annual periodontal scaling and root planing procedure as well as more frequent teeth cleaning/periodontal maintenance services;
- Cost Estimator Tool: Provides members the ability to model the estimated cost of specific services in advance and will suggest as an option, alternative, less-costly providers;
- Accident Benefit Rider: Additional coverage for dental services for conditions caused directly or independently of all other causes by external, violent, and accidental means;
- Adult orthodontic lifetime maximum increases by \$1,000 in each provider tier category (to match child orthodontia maximum levels); and
- Remove 6-month waiting period for prosthodontic and orthodontic coverage.

For plan year 2019, the City will contribute (1) the total premium toward each of the dental HMO plans for active employees, and (2) the monthly premium minus employee contributions ranging from \$5.00 to \$15.00 per month for the self-funded Dental PPO plan. Member contributions for the three dental plans, with the exception of the Dental PPO plan for active employees, remain unchanged from the 2018 plan year.

The City's employer and member premium contributions for the dental PPO plan are expected to decrease by \$1.9 million, or 4.0 percent, to \$45.9 million in plan year 2019, as shown in Table 1 below. The decrease is due to a combination of recent favorable experience for active

employees and the availability of rate stabilization reserve balance funds, even after consideration of the benefit enhancements.

#### Life and Long-Term Disability Insurance

SFHSS will continue to contract with Aetna Life Insurance Company for life and long-term disability insurance in 2019.<sup>4</sup> Basic life insurance (employer paid), supplemental life insurance (member paid), and long-term disability insurance (employer and member paid) premiums remain unchanged and are guaranteed through December 31, 2019. The total cost of the life and long-term disability insurance is \$9.4 million and the cost to the City is approximately \$8.4 million in plan year 2019, as shown in Table 1 below.

#### Second Opinion Benefit

The medical second opinion benefit added in 2017 will continue in 2019 at a cost of \$1.15 per member per month (reduced from \$1.40 per member per month in 2018). The benefit enables covered members and dependents to contact a second opinion vendor, Best Doctors, an organization that has nationally renowned experts with extensive and specific medical expertise. This second opinion benefit should ensure that diagnosis and treatment plans are appropriate, cost-effective and least invasive based on clinical evidence.

#### **Federal Affordable Care Act Requirements**

According to the June 19, 2018 memorandum to the Board of Supervisors from the City's actuarial consultant, Aon, the following Affordable Care Act taxes and fees that applied in 2018 do not apply to the 2019 SFHSS health plans:

- The Patient Centered Outcomes Research Institute Fee (PCORI) of \$2.39 per member per year in 2018 expires after calendar year 2018. Therefore, no PCORI fee obligation is due in calendar year 2019.
- The Health Insurance Tax (HIT) is applied to all fully insured or flex-funded plans, including vision and dental plans offered by SFHSS. There is a one-year moratorium on this fee for plan year 2019. Based on a 2017 decision by the California Department of Managed Health Care, the HIT tax does not apply to the Blue Shield flex-funded plan.

### **FISCAL IMPACT**

#### **2019 Total City Costs**

As shown in Table 1 below, the total estimated cost for the City as employer and active and retired City employee for health, vision, and dental plans, as well as long-term disability and life insurance, is \$759,653,254 in 2019, which is an \$18,346,751 or 2.5 percent increase from \$741,306,504 in 2018. The total estimated costs for the health, vision, and dental plans, as well as long-term disability and life insurance, for the City as employer in 2019 is \$672,770,126 which is a \$14,605,032 or 2.2 percent increase from \$658,165,093 in 2018.

<sup>4</sup> Although Hartford Life and Accident Insurance Company acquired the group life and disability business from Aetna Life Insurance in 2017, Aetna will continue as a separate entity until 2020.

**Table 1: Total Plan Costs for the City, Employees and Retirees in 2019 Compared to 2018  
Current Membership**

	2018	2019	Increase / (Decrease)	Percent
<b>City Costs Only</b>				
Kaiser HMO	\$295,855,438	\$289,892,499	(\$5,962,939)	-2.02%
Blue Shield HMO	\$237,492,778	\$258,052,199	\$20,559,421	8.66%
City Plan	\$72,330,138	\$74,256,693	\$1,926,555	2.66%
Subtotal Health and Vision Plan	\$605,678,354	\$622,201,391	\$16,523,037	2.73%
Dental	\$44,085,559	\$42,167,554	(\$1,918,005)	-4.35%
Long Term Disability and Life Insurance	\$8,401,181	\$8,401,181	\$0	0.00%
<b>Total City Costs</b>	<b>\$658,165,093</b>	<b>\$672,770,126</b>	<b>\$14,605,032</b>	<b>2.22%</b>
<b>Employee and Retiree Costs Only</b>				
Kaiser HMO	\$35,897,587	\$35,042,136	(\$855,451)	-2.38%
Blue Shield HMO	\$29,868,009	\$32,892,013	\$3,024,004	10.12%
City Plan	\$12,718,606	\$14,291,771	\$1,573,165	12.37%
Subtotal Health and Vision Plan	\$78,484,202	\$82,225,920	\$3,741,719	4.77%
Dental	\$3,696,780	\$3,696,780	\$0	0.00%
Long Term Disability and Life Insurance	\$960,429	\$960,429	\$0	0.00%
<b>Total Employee and Retiree Costs</b>	<b>\$83,141,410</b>	<b>\$86,883,129</b>	<b>\$3,741,719</b>	<b>4.50%</b>
<b>Total Costs</b>				
Kaiser HMO	\$331,753,025	\$324,934,635	(\$6,818,390)	-2.06%
Blue Shield HMO	\$267,360,787	\$290,944,212	\$23,583,425	8.82%
City Plan	\$85,048,744	\$88,548,464	\$3,499,720	4.11%
Subtotal Health and Vision Plans	\$684,162,555	\$704,427,311	\$20,264,755	2.96%
Dental	\$47,782,339	\$45,864,334	(\$1,918,005)	-4.01%
Long Term Disability and Life Insurance	\$9,361,609	\$9,361,609	\$0	0.00%
<b>Total Costs</b>	<b>\$741,306,504</b>	<b>\$759,653,254</b>	<b>\$18,346,751</b>	<b>2.47%</b>

Source: San Francisco Health Service System

The employer contribution amounts shown in Table 1 above are included in the FY 2018-19 and FY 2019-20 budgets currently pending before the Board of Supervisors.

The balance of \$86,883,129 (\$759,653,254 total 2019 costs less \$672,770,126 City 2019 costs) is paid by employees and retirees.

**RECOMMENDATION**

Approve the proposed ordinance.

**SAN FRANCISCO  
HEALTH SERVICE SYSTEM**

Affordable, Quality Benefits & Well-Being

**MEMORANDUM**

DATE: June 18, 2018

TO: Supervisor Malia Cohen, Chair  
Budget and Finance Committee

FROM: Abbie Yant, Executive Director  
Health Service System *ayant/lks*

RE: Ordinance Approving Health Service System Plans and Contribution  
Rates for Calendar Year 2019

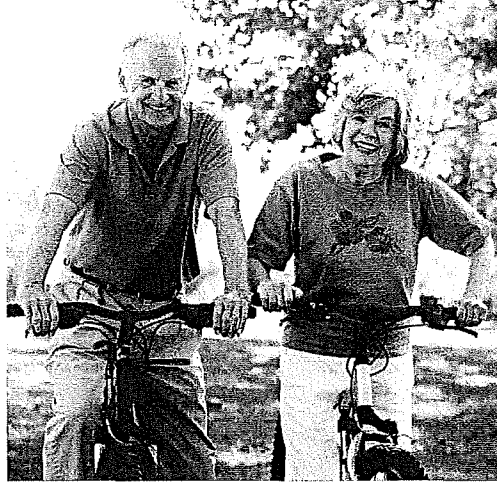
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2018 JUN 19 PM 1:34

Attached are the following documents relating to the above matter:

1. Proposed ordinance (approved as to form by the City Attorney's Office) approving Health Service System plans and contribution rates for calendar year 2019;
2. 2018 Ten-County Survey, pursuant to Charter Section A8.423, approved by the Health Service Board on March 8, 2018;
3. Actuarial Report dated June 19, 2018 from Aon, as required under Section A8.422 of Appendix A to the San Francisco Charter, including summaries of the rates and benefits adopted by the Health Service Board on March 8, April 12, May 10 and June 14, 2018;
4. Membership Enrollment Statistics Report dated June 1, 2018 reflecting total enrollment distribution across the three medical plans, the dental plans and life and long-term disability; and
5. Form SFEC-126 (Notification of Contract Approval) for the following vendors: Kaiser Foundation Health Plan (Northern and Southern California Regions), Blue Shield of California, UnitedHealthcare Services, Inc. (City Plan), Delta Dental of California, Pacific Union Dental (a subsidiary of United Health Group), Vision Service Plan, Aetna Life Insurance Company and Best Doctors.

Please let me know if you need additional information.

cc: Health Service Board (w/attach.)  
Erik Rapoport (w/attach.)  
Ben Rosenfield (w/attach.)  
Pamela Levin (w/attach.)  
Mike Clarke (w/attach.)



# 2018 10-COUNTY SURVEY

**SAN FRANCISCO  
HEALTH SERVICE SYSTEM**  
Affordable, Quality Benefits & Well-Being

SFHSS.ORG

# OVERVIEW

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## Process

The City Charter (Section A8.423) specifies that the City & County of San Francisco survey the ten most populous counties in California and collect, for each county, the amount contributed by the employer for employee-only coverage under each of the county's medical plans. The City is obligated by Charter to contribute the 10-County Survey amount toward the cost of employees' medical benefits.

The information gathered from the 10-County Survey is used to compute an average increase in employer contributions for each county. San Francisco Health Service System (SFHSS) then averages these contribution increases to arrive at the 10-County Survey amount. To put the county contribution amounts into context, SFHSS also collects information on premium increases and plan design data such as employee co-pays and contributions toward physician office visits, emergency room care, hospital stays, prescriptions and deductibles.

At the April 12, 2012 Health Service Board meeting, the Board approved the 10-County Survey Calendar Year Change Rule. This rule adjusts for gaps in 10-County data, by projecting a six-month overlap when data is not available from a surveyed county. Using this rule, a county's employer contribution for employee-only coverage is projected. The county's 10-County result for the previous year is, in most cases, trended forward six months, based on the county's average annual increase for the preceding three years.

There were no major changes to the type of plan design data collected for the 2018 plan year. Additionally, plan design data for CalPERS and SFHSS is included for informational purposes only. CalPERS and SFHSS data is not included in the 10-County Survey.

## Use of 10-County Amount in SFHSS Subsidy Calculations

The March 2018 10-County Survey will be applied to SFHSS rate calculations for plan year 2019. City Charter Section A8.428 defines use of the "average contribution" resulting from the 10-County Survey in subsidy determination.

In June 2014, the impact of the "average contribution" on rates was eliminated in the calculation of premiums for almost all active employees represented by most unions, in exchange for a percentage based employee premium contribution model. Presently SFHSS utilizes the 10-County Survey amount as one of the elements that determine SFHSS subsidies for retirees.

In the unlikely scenario that the City's premium contribution falls below the lesser of the "average contribution" as determined by the Health Service Board pursuant to Charter Sections A8.423 and A8.428(b)(2), the City pays the difference between the Premium Contribution and the Average Contribution. In the event the premium is less than the "average contribution," the City will pay one hundred percent (100%) of the premium.

## Results and Observations

The average monthly contribution of \$672.08 for plan year 2019 is 3.53% above \$649.17, the 10-County average for plan year 2018. All counties had a change in contribution.

## 10-County Survey Calendar Year Change Rule: Example Calculation Based on Los Angeles County

For the 2018 calendar year, the average employer premium contribution for Los Angeles County medical plans is \$686.84. Per the Calendar Year Change Rule, this \$686.84 is projected forward six months, using Los Angeles County's three-year average annual premium increase trend of 4.0%. This results in the average employer premium contribution calculated at \$700.41 for Los Angeles County.

## Methodology Assessment

Historically, the 10-County methodology has been evaluated and prior-year projections have been compared to actuals. For Calendar Year 2018, there are a few instances where there are significant differences between prior projections and actuals. This is driven by changes in premiums and employer contributions. The overall original estimated contributions are 0.5% less than actual contributions for 2018 (\$652.75 actual vs. \$649.17 estimated).

Average of Employer Contributions																
County	2008 2009	2009 2010	2010 2011	2011 2012	2012 Jul-Dec	2013	2014	2015	2016	2017	2018 Calculated	2018 Actual	3 Yr Trend	Months of Trend	Trend Factor	2019 Calculated
1 Los Angeles	383.1	415.91	457.56	478.56	499.57	515.07	552.4	610.75	619.87	648.37	673.99	686.84	4.00%	6	1.02	700.41
2 San Diego	327	363.48	364	406	432.2	444.86	445.29	460.51	477.99	507.13	536.54	562.05	6.90%	6	1.03	581.03
3 Orange	338.64	372.44	383.75	434.41	485.1	506.94	544.46	567.79	525.51	517.98	522.83	538.86	-1.70%	6	0.99	534.18
4 Riverside	469.65	491.27	488.44	513.02	537.43	545.54	606.39	587.21	616.96	652.09	673.1	673.32	4.70%	6	1.02	688.85
5 San Bernardino*	368.67	377.35	397.51	399.7	398.98	398.98	413.51	420.92	421.18	417.04	437.75	430.2	0.70%	12	1.01	433.33
6 Santa Clara*	515.52	563.19	608.44	655.97	643.13	643.13	656.34	776.62	785.13	917.21	1,008.88	951.48	7.00%	12	1.07	1,018.12
7 Alameda	440.58	497.76	521.89	541.06	575	588.99	638.47	622.92	684.14	687.86	711.48	705.87	4.30%	6	1.02	720.74
8 Sacramento	480.76	516.78	561.35	637.98	667.02	696	714.53	535.31	549.4	574.78	608.34	643.4	6.30%	6	1.03	663.43
9 Contra Costa	438.47	470.02	495.15	521.9	540.43	553.15	574.27	607.18	623.46	637.99	705.62	700.66	4.90%	6	1.02	717.58
10 Fresno	425.58	425.43	450.43	450.8	450.8	455.17	450.86	488.79	488.79	488	613.17	634.83	9.10%	6	1.04	663.11
Average	418.8	449.37	472.85	503.94	522.97	534.78	559.65	567.8	579.24	604.84	649.17	652.75	4.80%	7.5	1.03	672.08

Increase Over Prior Year												
County	2008 2009	2009 2010	2010 2011	2011 2012	2012 Jul-Dec	2013	2014	2015	2016	2017	2018	2019
1 Los Angeles	5.67%	8.57%	10.01%	4.60%	4.39%	3.10%	7.25%	10.56%	1.49%	4.60%	3.95%	3.92%
2 San Diego	6.91%	11.16%	0.14%	11.50%	6.45%	2.93%	0.10%	3.42%	3.80%	6.10%	5.80%	8.29%
3 Orange	-12.70%	9.98%	3.04%	13.20%	11.67%	4.50%	7.40%	4.28%	-7.45%	-1.43%	0.94%	2.17%
4 Riverside	1.65%	4.60%	-0.57%	5.00%	4.76%	1.51%	11.15%	-3.16%	5.07%	5.69%	3.22%	2.34%
5 San Bernardino*	17.51%	2.35%	5.34%	0.60%	-0.18%	0.00%	3.64%	1.79%	0.06%	-0.98%	4.96%	-1.01%
6 Santa Clara*	7.42%	9.25%	8.04%	7.80%	-1.96%	0.00%	2.05%	18.33%	1.10%	16.82%	10.00%	0.92%
7 Alameda	10.60%	12.98%	4.85%	3.70%	6.27%	2.43%	8.40%	-2.44%	9.83%	0.54%	3.43%	1.30%
8 Sacramento	0.05%	7.49%	8.62%	13.70%	4.55%	4.34%	2.66%	-25.08%	2.63%	4.62%	5.84%	9.06%
9 Contra Costa	7.51%	7.20%	5.35%	5.40%	3.55%	2.35%	3.82%	5.73%	2.68%	2.33%	10.60%	1.70%
10 Fresno	-1.63%	-0.03%	5.87%	0.10%	0.00%	0.97%	-0.95%	8.41%	0.00%	-0.16%	25.65%	8.14%
Average	3.88%	7.30%	5.23%	6.57%	3.78%	2.26%	4.65%	1.46%	2.02%	4.42%	7.33%	3.53%

\* Plan years for these counties are not calendar year. Contributions shown for these counties are for the first six months of the calendar year and last six months of the previous year.

# 1. LOS ANGELES COUNTY

Los Angeles County				Population: 10,138,000		
Medical Plans	2017 Premium	2018 Premium	% +/-	2017 County Contribution	2018 County Contribution	% +/-
Kaiser Choices HMO - County Sponsored	674.22	693.98	2.9%	674.22	693.98	2.9%
CIGNA Choices HMO - County Sponsored	807.05	859.51	6.5%	807.05	859.51	6.5%
CIGNA Choices POS - County Sponsored	1,452.17	1,546.56	6.5%	912.37	971.68	6.5%
Blue Cross Prudent Buyer Basic- ALADS	1,020.59	1,068.50	4.7%	912.37	971.68	6.5%
Blue Cross CaliforniaCare Basic- ALADS	695.14	737.26	6.1%	695.14	737.26	6.1%
Blue Cross Prudent Buyer Premier- ALADS	1,144.55	1,192.46	4.2%	912.37	971.68	6.5%
Blue Cross CaliforniaCare Premier - ALADS	819.10	861.22	5.1%	819.10	861.22	5.1%
Blue Shield Classic CAPE	912.00	1,004.00	10.1%	912.00	971.68	6.5%
Blue Shield Lite CAPE	555.00	578.00	4.1%	555.00	578.00	4.1%
Local 1014 Plan - Fire Fighters	792.00	826.00	4.3%	792.00	826.00	4.3%
Kaiser Options - SEIU	634.33	651.65	2.7%	634.33	651.65	2.7%
Kaiser HMO - Unrepresented	272.00	272.00	0.0%	272.00	272.00	0.0%
Blue Cross CaliforniaCare HMO - Unrepresented	272.00	272.00	0.0%	272.00	272.00	0.0%
Blue Cross Plus POS - Unrepresented	411.00	411.00	0.0%	411.00	411.00	0.0%
Blue Cross Catastrophic - Unrepresented	93.00	93.00	0.0%	93.00	93.00	0.0%
Blue Cross Prudent Buyer PPO - Unrepresented	526.00	526.00	0.0%	526.00	526.00	0.0%
UnitedHealthcare Options HMO - SEIU	692.40	741.26	7.1%	692.40	741.26	7.1%
UnitedHealthcare Options PPO - SEIU	2,585.11	3,216.04	24.4%	899.49	953.46	6.0%
<b>AVERAGE</b>	<b>797.65</b>	<b>863.91</b>	<b>8.3%</b>	<b>655.10</b>	<b>686.84</b>	<b>4.8%</b>



1. Los Angeles County

Los Angeles County: Medical Plan Design Summary			
<b>Blue Shield Lite</b>	<b>HMO</b>	<b>In</b>	<b>Out</b>
Deductible	None	\$400/\$800	\$400/\$800
Physicians Services	\$10 Copay	\$25 Copay	70/30 After Ded
Emergency Room	\$50 Copay	\$50 Copay	\$50 Copay
Rx	\$5/\$15/\$30	\$5/\$15/\$30	Not Covered
Hospital	No Charge	80/20 After Ded	70/30 After Ded
<b>Blue Shield Classic</b>	<b>HMO</b>	<b>In</b>	<b>Out</b>
Deductible	None	\$300/\$600	\$300/\$600
Physicians Services	\$10 Copay	\$20 Copay	70/30 After Ded
Emergency Room	\$50 Copay	\$50 Copay	\$50 Copay
Rx	\$5/\$15/\$30	\$5/\$15/\$30	Not Covered
Hospital	No Charge	90/10 After Ded	70/30 After Ded
<b>PacificCare (UnitedHealthcare Options)</b>	<b>HMO</b>		
Deductible	None		
Physicians Services	\$10 Copay		
Emergency Room	\$50 Copay		
Rx	\$5/\$20		
Hospital	No Charge		
<b>UnitedHealthcare</b>		<b>PPO - In</b>	<b>PPO - Out</b>
Deductible		\$300/\$1,500	\$1,500/\$3,000
Physicians Services		20% Copay	50% Copay After Ded
Emergency Room		20% Copay After Ded	50% Copay After Ded
Rx		\$5/\$20/\$35	Not Covered
Hospital		20% Copay After Ded	50% Copay After Ded
<b>Kaiser</b>	<b>Options HMO</b>	<b>Choices HMO</b>	<b>Unrep HMO</b>
Deductible	None	None	None
Physicians Services	\$10 Copay	\$10 Copay	\$15 Copay
Emergency Room	\$50 Copay	\$50 Copay	\$50 Copay
Rx	\$5/\$20	\$5/\$20	\$10/\$20
Hospital	No Charge	No Charge	No Charge

1. Los Angeles County

Los Angeles County: Medical Plan Design Summary			
<b>CIGNA</b>	<b>HMO</b>	<b>POS - In</b>	<b>POS - Out</b>
Deductible	None	None	\$500/\$1,000
Physicians Services	\$10 Copay	\$10 Copay	60/40 After Ded
Emergency Room	\$50 Copay	\$50 Copay	\$50 Copay
Rx	\$5/\$20	\$5/\$20	60/40 After Ded
Hospital	No Charge	\$50 Copay/Day	60/40 After Ded + \$1,000/Admit
<b>Blue Cross California Care HMO</b>	<b>ALADS</b>	<b>Unrep</b>	
Deductible	None	None	
Physicians Services	\$10 Copay	\$15 Copay	
Emergency Room	\$25 Copay	\$50 Copay	
Rx	\$5/\$15	\$10/\$20	
Hospital	No Charge	No Charge	
<b>Blue Cross Plus POS</b>	<b>HMO</b>	<b>In</b>	<b>Out</b>
Deductible	None	None	\$400/\$800
Physicians Services	\$15 Copay	\$25 Copay	70/30 After Ded
Emergency Room	\$50 Copay	\$50 Copay	\$50 Copay
Rx	\$10/\$20	\$10/\$20	\$10/\$20
Hospital	No Charge	80/20	70/30 + \$500/Admit After Ded
<b>Local 1014 Plan</b>	<b>HMO</b>		
Deductible	\$200/\$600		
Physicians Services	90/10 After Ded		
Emergency Room	\$50 Copay		
Rx	\$10/\$20/\$30+		
Hospital	90/10 After Ded		
<b>Blue Cross</b>	<b>Catastrophic</b>		
Deductible	\$2,000/\$4,000		
Physicians Services	75/25 After Ded		
Emergency Room	\$100 Copay then 75/25 After Ded		
Rx	\$200 Ded Then 75/25 After Ded		
Hospital	75/25 After Ded + \$500/Admit		

1. Los Angeles County

Los Angeles County: Medical Plan Design Summary				
Blue Cross Prudent Buyer PPO	ALADS - In	ALADS - Out	Unrep - In	Unrep - Out
Deductible	\$300/\$900	\$300/\$900	\$150/\$400	\$400/\$800
Physician Services	90/10 After Ded	70/30 After Ded	\$15 Copay	70/30 After Ded
Emergency Room	90/10 After Ded	90/10 After Ded	\$50 Copay Then 90/10 After Ded	\$50 Copay Then 90/10 After Ded
Rx	\$5/\$15	\$5/\$15+50%	\$10/\$20	\$10/\$20
Hospital	90/10 After Ded	70/30 After Ded	90/10 After Ded	70/30 After Ded + \$500/Admit

## 2. SAN DIEGO COUNTY

San Diego County				Population: 3,317,000		
Medical Plans	2017 Premium	2018 Premium	% +/-	2017 County Contribution	2018 County Contribution	% +/-
Kaiser HMO	490.08	508.32	3.7%	490.08	508.32	3.7%
Kaiser High Deductible	382.58	396.82	3.7%	382.58	396.82	3.7%
UnitedHealthCare HMO Network 1**	-	646.42		-	605.84	
UnitedHealthCare HMO Network 2**	-	820.72		-	605.84	
UnitedHealthCare HMO Alliance**	-	621.34		-	605.84	
UnitedHealthCare PPO**	-	1,174.80		-	605.84	
UnitedHealthCare HMO HDHP/HAS**	-	930.38		-	605.84	
Anthem - Blue Cross PPO*	1,178.34	-		565.50	-	
Anthem - Blue Cross Select HMO*	626.98	-		565.50	-	
Anthem - Blue Cross Full Access HMO*	1,461.38	-		565.50	-	
Anthem - Blue Cross High Deductible*	921.16	-		565.50	-	
<b>AVERAGE</b>	<b>843.42</b>	<b>728.40</b>	<b>-13.6%</b>	<b>522.44</b>	<b>562.05</b>	<b>7.6%</b>

\*Discontinued in 2018.

\*\*New in 2018.

San Diego County: Medical Plan Design Summary		
<b>Kaiser HMO</b>	<b>HMO</b>	
Deductible	None	
Physicians Services	\$25 Copay	
Emergency Room	\$125 Copay	
Rx	\$10/\$20/\$30	
Hospital	\$100 Copay Per Admit	
<b>Kaiser High Deductible</b>	<b>HD w/HSA</b>	
Deductible	\$1,500/\$3,000	
Physicians Services	10% After Ded	
Emergency Room	10% After Ded	
Rx	\$10/\$20/\$30	
Hospital	10% After Ded	
<b>UnitedHealthcare PPO</b>	<b>PPO - In</b>	<b>Out</b>
Deductible	\$300/\$600	\$600/\$1,200
Physicians Services	\$20 Copay	40% After Ded
Emergency Room	\$75 Copay then 20%	\$75 Copay then 20%
Rx	\$10/\$20/\$35	\$10/\$20/\$35
Hospital	\$150 Copay then 20%	\$300 Copay then 40%

<b>San Diego County: Medical Plan Design Summary</b>			
<b>UnitedHealthcare HMO</b>	<b>Network 1</b>	<b>Network 2</b>	<b>Alliance</b>
Deductible	None	None	None
Physicians Services	\$25 Copay	\$30 Copay	\$25 Copay
Emergency Room	\$125 Copay	\$200 Copay	\$125 Copay
Rx	\$10/\$20/\$35	\$10/\$20/\$35	\$10/\$20/\$35
Hospital	\$200 Copay Per Admit	\$500 Copay Per Admit	\$200 Copay Per Admit
<b>UnitedHealthcare High Deductible</b>	<b>PPO - In</b>	<b>Out</b>	
Deductible	\$2,700/\$3,000	\$3,000/\$6,000	
Physicians Services	10% After Ded	30% After Ded	
Emergency Room	10% After Ded	10% After Ded	
Rx	\$10/\$30/\$50	\$10/\$30/\$50	
Hospital	10% After Ded	30% After Ded	

### 3. ORANGE COUNTY

Orange County						Population: 3,173,000
Medical Plans	2017 Premium	2018 Premium	% +/-	2017 County Contribution	2018 County Contribution	% +/-
Choice Wellwise PPO*	726.64	741.17	2.0%	654.28	667.08	2.0%
Choice Sharewell PPO*	290.66	296.47	2.0%	359.69	365.50	1.6%
CIGNA HMO Choice*	683.22	727.96	6.5%	614.90	655.17	6.5%
Kaiser HMO Choice*	527.31	519.66	-1.5%	474.59	467.70	-1.5%
<b>AVERAGE</b>	<b>556.96</b>	<b>571.32</b>	<b>2.6%</b>	<b>525.87</b>	<b>538.86</b>	<b>2.5%</b>

\*Current county contributions assume wellness participation.

Orange County: Medical Plan Design Summary		
<b>Wellwise PPO</b>	<b>In</b>	<b>Out</b>
Deductible	\$500/\$1,000	\$750/\$1,500
Physicians Services	90/10	70/30
Emergency Room	90/10	90/10
Rx	20%/25%/30%	Not Covered
Hospital	90/10	70/30
<b>Sharewell PPO</b>	<b>In</b>	<b>Out</b>
Deductible	\$5,000 Per Family	\$5,000 Per Family
Physicians Services	90/10	70/30
Emergency Room	90/10	70/30
Rx	80/20	80/20
Hospital	90/10	70/30
<b>CIGNA</b>	<b>HMO</b>	
Deductible	None	
Physicians Services	\$20 Copay	
Emergency Room	\$50 Copay	
Rx	\$10/\$30/\$50	
Hospital	\$100 Per Admit	
<b>Kaiser</b>	<b>HMO</b>	
Deductible	None	
Physicians Services	\$20 Copay	
Emergency Room	\$50 Copay	
Rx	\$10/\$30	
Hospital	\$100 Per Admit	

## 4. RIVERSIDE COUNTY

Riverside County				Population: 2,388,000		
Medical Plans	2017 Premium	2018 Premium	% +/-	2017 County Contribution	2018 County Contribution	% +/-
UHC HMO	707.56	823.00	16.3%	707.56	823.00	16.3%
Kaiser HMO	652.10	667.66	2.4%	652.10	667.66	2.4%
Exclusive Care EPO	534.02	576.66	8.0%	534.02	576.66	8.0%
UHC PPO	1,194.78	1,452.18	21.5%	856.33	823.00	-3.9%
Blue Shield HMO - PERS	778.46	695.98	-10.6%	778.46	695.98	-10.6%
Kaiser HMO - PERS	599.54	666.80	11.2%	599.54	666.80	11.2%
PERSCare	802.24	733.50	-8.6%	802.24	733.50	-8.6%
PERS Choice	714.43	698.96	-2.2%	714.43	698.96	-2.2%
PORAC - PERS	699.00	734.00	5.0%	699.00	734.00	5.0%
PERS Select	633.46	654.74	3.4%	633.46	654.74	3.4%
Anthem Select HMO	659.04	659.70	0.1%	659.04	659.70	0.1%
Anthem Traditional HMO	799.16	735.08	-8.0%	799.16	735.08	-8.0%
Health Net Salud y Mas	473.46	461.56	-2.5%	473.46	461.56	-2.5%
Health Net SmartCare	537.20	607.68	13.1%	537.20	607.68	13.1%
Sharp	614.46	618.14	0.6%	614.46	618.14	0.6%
UnitedHealthcare	549.76	616.66	12.2%	549.76	616.66	12.2%
<b>AVERAGE</b>	<b>684.29</b>	<b>712.64</b>	<b>4.1%</b>	<b>663.14</b>	<b>673.32</b>	<b>1.5%</b>

4. Riverside County

<b>Riverside County: Medical Plan Design Summary</b>			
<b>UHC</b>	<b>HMO</b>	<b>PPO - In</b>	<b>PPO - Out</b>
Deductible	None	\$500/\$1,000	\$500/\$1,000
Physicians Services	\$15 Copay	\$20 Copay	40% After Ded
Emergency Room	\$100 Copay	\$50 Copay	\$50 Copay
Rx	\$10/\$25/\$50	\$5/\$15/\$45	\$5/\$15/\$45
Hospital	\$100 Copay	80/20 After Ded	60/40 After Ded
<b>Kaiser</b>	<b>HMO</b>		
Deductible	None		
Physicians Services	\$15 Copay		
Emergency Room	\$50 Copay		
Rx	\$10/\$25		
Hospital	\$100 Copay		
<b>Exclusive Care</b>	<b>EPO</b>		
Deductible	None		
Physicians Services	\$15 Copay		
Emergency Room	\$100 Copay		
Rx	\$10/\$25/\$50		
Hospital	\$100 Copay		



## 5. SAN BERNARDINO COUNTY

San Bernardino County					Population: 2,140,000	
Medical Plans	2016-17 Premium	2017-18 Premium	% +/-	2016-17 County Contribution	2017-18 County Contribution	% +/-
Kaiser HMO	583.59	629.44	7.9%	439.04	437.75	-0.3%
Blue Shield Signature HMO	493.03	522.34	5.9%	414.77	413.22	-0.4%
Blue Shield Needles PPO	1,032.53	1,094.21	6.0%	436.21	434.91	-0.3%
Blue Shield PPO	914.96	969.61	6.0%	436.21	434.91	-0.3%
<b>AVERAGE</b>	<b>756.03</b>	<b>803.90</b>	<b>6.3%</b>	<b>431.56</b>	<b>430.20</b>	<b>-0.3%</b>

San Bernardino County: Medical Plan Design Summary		
<b>Kaiser</b>	<b>HMO</b>	
Deductible	None	
Physicians Services	\$10 Copay	
Emergency Room	\$50 Copay	
Rx	\$10/\$15	
Hospital	No Charge	
<b>Blue Shield Signature HMO</b>	<b>Tier 1 - HMO</b>	<b>Tier 2 - PPO</b>
Deductible	None	None
Physicians Services	\$10 Copay	\$30 Copay
Emergency Room	\$50 Copay	\$50 Copay
Rx	\$5/\$10/\$25	Not covered
Hospital	No Charge	Not covered
<b>Blue Shield PPO</b>	<b>PPO - In</b>	<b>PPO - Out</b>
Deductible	\$250/\$500	\$250/\$500
Physicians Services	\$10 Copay	70/30 After Ded
Emergency Room	\$50 Copay plus 20% After Ded	\$50 Copay plus 20% After Ded
Rx	\$15/\$30/\$30	\$15/\$30/\$30 + 25% of billed amount
Hospital	80/20 After Ded	70/30 After Ded
<b>Blue Shield Needles PPO</b>	<b>PPO - In</b>	<b>PPO - Out</b>
Deductible	None	\$250/\$750
Physicians Services	\$10 Copay	70/30 After Ded
Emergency Room	\$50 Copay	\$50 Copay
Rx	\$10/\$15/\$15	\$10/\$15/\$15+25% of billed amount
Hospital	No charge	70/30 After Ded

## 6. SANTA CLARA COUNTY

Santa Clara County				Population: 1,919,000		
Medical Plans	2016-17 Premium	2017-18 Premium	% +/-	2016-17 County Contribution	2017-18 County Contribution	% +/-
Kaiser HMO	709.41	677.30	-4.5%	705.54	671.04	-4.9%
Valley Health HMO	887.34	939.68	5.9%	867.62	919.41	6.0%
Health Net POS	1,196.87	1,315.23	9.9%	1,145.06	1,264.00	10.4%
<b>AVERAGE</b>	<b>931.20</b>	<b>977.41</b>	<b>5.0%</b>	<b>906.07</b>	<b>951.48</b>	<b>5.0%</b>

Santa Clara County: Medical Plan Design Summary			
<b>Kaiser</b>			
	<b>HMO</b>		
Deductible	None		
Physicians Services	\$10 Copay		
Emergency Room	\$35 Copay		
Rx	\$5/\$10		
Hospital	\$100 per admit		
<b>Valley Health</b>			
	<b>HMO</b>		
Deductible	None		
Physicians Services	No Charge		
Emergency Room	No Charge		
Rx	No Charge		
Hospital	No Charge		
<b>HealthNet POS</b>			
	<b>HMO</b>		<b>OUT</b>
Deductible	None		\$200/PMY
Physicians Services	\$15 Copay		70/30
Emergency Room	\$50 Copay		70/30
Rx	\$5/\$15/\$30		\$5/\$15/\$30
Hospital	No Charge		90/10

# 7. ALAMEDA COUNTY

Alameda County						Population: 1,648,000
Medical Plans	2017-18 Premium	2018-19 Premium	% +/-	2017-18 County Contribution	2018-19 County Contribution	% +/-
UnitedHealthcare Premium HMO	982.06	1,047.16	6.6%	883.86	916.26	3.7%
Kaiser Premium HMO	693.78	700.02	0.9%	624.40	612.52	-1.9%
Kaiser Standard HMO	644.82	650.62	0.9%	580.34	569.29	-1.9%
UnitedHealthcare PPO	2,822.42	3,099.16	9.8%	624.40	612.52	-1.9%
UnitedHealthcare Standard HMO	877.56	935.74	6.6%	789.80	818.77	3.7%
<b>AVERAGE</b>	<b>1,204.13</b>	<b>1,286.54</b>	<b>6.8%</b>	<b>700.56</b>	<b>705.87</b>	<b>0.8%</b>

Alameda County: Medical Plan Design Summary			
United Healthcare	PPO	Premium HMO	Standard HMO
Deductible	\$2,000/\$4,000	None	None
Physicians Services	\$25 Copay	\$15 Copay	\$40 Copay
Emergency Room	\$250 Copay	\$50 Copay	\$100 Copay
Rx	\$10/\$30/\$50	\$10/\$25/\$35	\$25/\$35/\$50
Hospital	\$500 Ded	No Charge	\$500 Copay
Kaiser	Premium HMO	Standard HMO	
Deductible	None	None	
Physicians Services	\$40 Copay	\$15 Copay	
Emergency Room	\$100 Copay	\$50 Copay	
Rx	\$15/\$30	\$15/\$15	
Hospital	\$500 Copay	No Charge	

## 8. SACRAMENTO COUNTY

Sacramento County				Population: 1,514,000		
Medical Plans	2017 Premium	2018 Premium	% +/-	2017 County Contribution	2018 County Contribution	% +/-
Western Health Adv. HMO	709.60	709.60	0.0%	709.60	709.60	0.0%
Sutter Health Plus HMO	693.12	726.52	4.8%	693.12	726.52	4.8%
Kaiser HMO 15	720.70	757.90	5.2%	720.70	757.90	5.2%
Western Health Adv. HDHP	539.80	539.80	0.0%	539.80	539.80	0.0%
Sutter Health Plus HDHP	508.52	534.42	5.1%	508.52	534.42	5.1%
Kaiser HDHP HMO	563.16	592.18	5.2%	563.16	592.18	5.2%
<b>AVERAGE</b>	<b>622.48</b>	<b>643.40</b>	<b>3.4%</b>	<b>622.48</b>	<b>643.40</b>	<b>3.4%</b>

Sacramento County: Medical Plan Design Summary		
Sutter Health Plus	HMO	HDHP - HMO
Deductible	None	\$1,350/\$2,700
Physicians Services	\$15 Copay	No Charge After Ded
Emergency Room	\$35 Copay	No Charge After Ded
Rx	\$10/\$20/\$35	\$10/\$20/\$35 After Ded
Hospital	No Charge	No Charge After Ded
Western Health Advantage	HMO	HDHP - HMO
Deductible	None	\$1,300/\$2,600
Physicians Services	\$15 Copay	No Charge After Ded
Emergency Room	\$35 Copay	No Charge After Ded
Rx	\$10/\$20/\$35	\$10/\$20/\$35 After Ded
Hospital	No Charge	No Charge After Ded
Kaiser	HMO	HDHP - HMO
Deductible	None	\$1,300/\$2,600
Physicians Services	\$15 Copay	No Charge After Ded
Emergency Room	\$35 Copay	No Charge After Ded
Rx	\$10/\$20	\$10/\$20/\$35 After Ded
Hospital	No Charge	No Charge After Ded

## 9. CONTRA COSTA COUNTY

Contra Costa County				Population: 1,135,000		
Medical Plans	2017 Premium	2018 Premium	% +/-	2017 County Contribution	2018 County Contribution	% +/-
CCHP Plan A	745.96	774.33	3.8%	646.38	672.01	4.0%
CCHP Plan B	826.91	858.35	3.8%	720.85	718.74	-0.3%
Health Net HMO Plan A	1,338.64	1,566.20	17.0%	909.46	1,109.08	21.9%
Health Net HMO Plan B	930.86	1,089.11	17.0%	730.70	836.75	14.5%
Health Net PPO Plan A	1,742.17	2,074.53	19.1%	1,045.55	1,193.65	14.2%
Health Net PPO Plan B*	1,568.38			1,011.35		
Kaiser HMO Plan A	751.39	820.23	9.2%	519.74	569.47	9.6%
Kaiser HMO Plan B	605.28	660.76	9.2%	487.54	511.34	4.9%
Kaiser HDHP**		499.94			430.96	
Blue Shield HMO - PERS*	1,024.85			627.38		
Anthem Select - PERS**		856.41			699.34	
Anthem Traditional - PERS**		925.47			666.99	
Blue Shield Access+ - PERS**		889.02			612.91	
Health Net Smartcare - PERS**		863.48			647.77	
CCHP Plan A Alternate - PERS	914.51	949.26	3.8%	628.28	687.44	9.4%
Kaiser HMO - PERS	733.39	779.86	6.3%	584.67	634.30	8.5%
PERS Care	932.39	882.45	-5.4%	622.11	626.71	0.7%
PERS Choice	830.30	800.27	-3.6%	621.84	641.62	3.2%
PORAC - PERS	699.00	734.00	5.0%	589.23	638.11	8.3%
PERS Select	736.27	717.50	-2.5%	590.06	614.26	4.1%
United Health Care - PERS**		1,371.84			867.42	
Western Health Advantage - PERS**		792.56			634.30	
Blue Shield HMO NetValue - PERS*	1,024.85			627.38		
<b>AVERAGE</b>	<b>962.82</b>	<b>945.28</b>	<b>-1.8%</b>	<b>685.16</b>	<b>700.66</b>	<b>2.3%</b>

\*Discontinued in 2018

\*\*New in 2018

<b>Contra Costa County: Medical Plan Design Summary</b>					
<b>CCHP</b>	<b>PLAN A</b>	<b>PLAN B</b>			
Deductible	None	None			
Physicians Services	No Charge	\$5 Copay			
Emergency Room	No Charge	No Charge			
Rx	No Charge	\$3 Per Rx			
Hospital	No Charge	No Charge			
<b>HealthNet HMO</b>	<b>HMO</b>	<b>PLAN A - In</b>	<b>PLAN A - Out</b>	<b>PLAN B - In</b>	<b>PLAN B - Out</b>
Deductible	None	\$250/\$750	\$250/\$750	\$500/\$1,500	\$500/\$1,500
Physicians Services	\$10/\$20 Copay	\$10 Copay	70/30	\$20 Copay	60/40
Emergency Room	\$25	\$50 + 10% co-ins	\$50 + 10% co-ins	80/20	60/40
Rx	\$10/\$20/\$35	\$5	\$5	\$10/\$20/\$35	\$10/\$20/\$35
Hospital	No Charge	90/10	70/30	80/20	60/40
<b>Kaiser</b>	<b>PLAN A</b>	<b>PLAN B</b>	<b>HDHP</b>		
Deductible	None	\$500/\$1,000	\$1,500/\$3,000		
Physicians Services	\$10 Copay	\$20 Copay	90/10 After Ded		
Emergency Room	\$10 Copay	90/10 After Ded	90/10 After Ded		
Rx	\$10/\$20	\$10/\$30	\$10/\$30 After Ded		
Hospital	No Charge	90/10 After Ded	90/10 After Ded		

# 10. FRESNO COUNTY

Fresno County						Population: 980,000
Medical Plans	2017 Premium	2018 Premium	% +/-	2017 County Contribution	2018 County Contribution	% +/-
Kaiser \$15 HMO	814.27	817.02	0.3%	613.17	634.83	3.5%
Blue Cross HMO	847.48	850.38	0.3%	613.17	634.83	3.5%
Blue Cross PPO	1,057.50	1,184.59	12.0%	613.17	634.83	3.5%
Blue Cross PPO \$1,000	799.51	894.61	11.9%	613.17	634.83	3.5%
Blue Cross HDPPPO \$1,500	729.98	816.48	11.8%	613.17	634.83	3.5%
Blue Cross HDPPPO \$3,000	616.24	677.90	10.0%	613.17	634.83	3.5%
<b>AVERAGE</b>	<b>810.83</b>	<b>873.50</b>	<b>7.7%</b>	<b>613.17</b>	<b>634.83</b>	<b>3.5%</b>

10. Fresno County: Medical Plan Design Summary		
<b>Kaiser</b>	<b>HMO</b>	
Deductible	None	
Physicians Services	\$15 per visit	
Emergency Room	\$100 per visit	
Rx	\$10/\$20	
Hospital	No Charge	
<b>BLUE CROSS</b>	<b>HMO</b>	<b>PPO</b>
Deductible	None	\$250/\$500
Physicians Services	\$15 per visit	\$20 per visit
Emergency Room	\$100 per visit	\$100 deductible
Rx	Carved out	Carved out
Hospital	No Charge	No Charge
<b>BLUE CROSS</b>	<b>HDPPPO - IN</b>	
Deductible	\$3,000/\$6,000	
Physicians Services	\$0 Copay After Ded	
Emergency Room	\$0 Copay After Ded	
Rx	\$0 Copay After Ded	
Hospital	\$0 Copay After Ded	

# CALPERS

2018 CalPERS												
	Kaiser	Blue Shield Access+	Western Health Adv	PERS Select		PERS Choice		PERS Care		Anthem Blue Cross	Health Net	UnitedHealthcare
	HMO	HMO	HMO	In	Out	In	Out	In	Out	EPO & HMO	EPO & HMO	SignatureValue
Annual Deductible	No Charge	N/A	N/A	\$500/\$1,000		\$500/\$1,000		\$500/\$1,000		N/A	N/A	N/A
Hospital (Inpatient)	\$50 Copay Waived if Admitted	No Charge	No Charge	80%/20%	60%/40%	80%/20%	60%/40%	90%/10%	60%/40%	No Charge	No Charge	No Charge
Emergency Room	\$15 Copay	\$50 Copay Waived if Admitted	\$50 Copay Waived if Admitted	80%/20% \$50 Deductible		80%/20% \$50 Deductible		90%/10% \$50 Deductible		\$50 Copay Waived if Admitted	\$50 Copay Waived if Admitted	\$50 Copay Waived if Admitted
Office Visits	\$5/\$20	\$15 Copay	\$15 Copay	\$20 Copay	60%/40%	\$20 Copay	60%/40%	\$20 Copay	60%/40%	\$15 Copay	\$15 Copay	\$15 Copay
Urgent Care	\$10/\$40	\$15 Copay	\$15 Copay	\$20 Copay	60%/40%	\$20 Copay	60%/40%	\$20 Copay	60%/40%	\$15 Copay	\$15 Copay	\$15 Copay
Rx Retail	50%/50%	\$5/\$20/\$50	\$5/\$20/\$50	\$5/\$20/\$50		\$5/\$20/\$50		\$5/\$20/\$50		\$5/\$20/\$50	\$5/\$20/\$50	\$5/\$20/\$50
Rx Mail Order	\$15 Copay Limit 20 Visits/Yr.	\$10/\$40/\$100	\$10/\$40/\$100	\$10/\$40/\$100		\$10/\$40/\$100		\$10/\$40/\$100		\$10/\$40/\$100	\$10/\$40/\$100	\$10/\$40/\$100
Infertility Treatment		50%/50%	50%/50%	Not Covered		Not Covered		Not Covered		50%/50%	50%/50%	50%/50%
Acupuncture	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay	60%/40%	\$15 Copay	60%/40%	\$15 Copay	60%/40%	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay Limit 20 Visits/Yr.
Chiropractic	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay	60%/40%	\$15 Copay	60%/40%	\$15 Copay	60%/40%	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay Limit 20 Visits/Yr.	\$15 Copay Limit 20 Visits/Yr.

For informational purposes only. CalPERS data is not included in the 10-County Survey.



# SFHSS ACTIVE EMPLOYEE PLANS

2018 SFHSS Active Employee Plans			
	Kaiser HMO	Blue Shield Trio and Access+ HMO	City Health Plan PPO
Annual Deductible	N/A	N/A	\$250/\$500/\$750
Hospital (Inpatient)	\$100 Copay	\$200 Copay	85%/15% - In 50%/50% - Out
Emergency Room	\$100 Copay Waived if Admitted	\$100 Copay Waived if Admitted	85%/15% - In and Out
Ambulance Services	No Charge	\$50 Copay	85%/15% - In and Out
Office Visits	\$20 Copay	\$25 Copay	85%/15% - In 50%/50% - Out
Urgent Care	\$20 Copay	\$25 Copay	85%/15% - In 50%/50% - Out
Rx - Retail 30-day supply	\$5/\$15	\$10/\$25/\$50	\$5/\$20/\$45 - In 50% after \$5/\$20/\$45 - Out
Rx - Mail Order 90-day supply	\$10/\$30	\$20/\$50/\$100	\$10/\$40/\$90 - In Not covered - Out
Infertility Treatment	50%/50%	50%/50%	50%/50%
Acupuncture	\$15 Copay up to a combined total of 30 chiropractic and acupuncture visits/Yr.	\$15 Copay Limit 30 Visits/Yr.	50%/50% Limit \$1,000 Max/Yr.
Chiropractic	\$15 Copay up to a combined total of 30 chiropractic and acupuncture visits/Yr.	\$15 Copay Limit 30 Visits/Yr.	50%/50% Limit \$1,000 Max/Yr.

For informational purposes only. SFHSS data is not included in the 10-County Survey. City Health Plan is administered by UnitedHealthcare.



June 19, 2018

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

**RE: January 1, 2019 to December 31, 2019 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 ("SFHSS") with regard to the completed rates and contribution setting process for the plan year from January 1, 2019 to December 31, 2019. This process was concluded on June 14, 2018 under the direction of the Rates and Benefits Committee ("Committee") of the Health Service Board ("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 SFHSS' vendors' final rates and represent a fair price given the services provided, and;
- The premium equivalents set for the SFHSS self-funded and flex-funded programs—UnitedHealthcare ("UHC") City Plan, Blue Shield of California ("BSC") flex-funded Access+ and Trio plans, and Delta Dental of California ("Delta") PPO plan for active employees—represent our best estimate of future expenditures based on the information available at the time these rates were developed. Existing Trust Fund assets are expected to be sufficient to protect the SFHSS Trust Fund against adverse claims experience.

## Legislative Update

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

PPACA continues as law, and thus SFHSS continues to work 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 assure compliance with PPACA requirements continues. Some elements have been deferred indefinitely, such as the automatic enrollment requirement. Other provisions continue to be in effect. Following, you will find a brief explanation of the provisions that 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). This reporting requirement remains even though the individual mandate penalty moves to \$0 in 2019. 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 started in 2016 with 2015 calendar year information on Forms 1094 and 1095, and remains an annual requirement. SFHSS successfully met this requirement for the past three years by sending about 51,000 IRS forms each year to employees and electronically reporting to the IRS.

### **PPACA Legislative Fees**

In 2010, the Patient Protection and Affordable Care Act (PPACA) created a Health Insurance Tax and two direct fees which are passed to employers (one of which expired after 2016—transitional reinsurance fee). The PPACA 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 is a brief explanation of the fees which applied in 2018, as well as commentary on why they do not apply in 2019 to SFHSS health plans.

- Health Insurance Tax (HIT): This tax impacts all fully insured health plans offered through SFHSS, including dental and vision plans. As was noted at the March 9, 2017 HSB meeting, BSC 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 BSC flex-funded plan is not considered “insured” and thus the HIT would not apply to this plan. There is a one-year moratorium on this fee for plan year 2019, and therefore it is not included in the rates presented in this letter. The HIT did apply in the 2018 plan year.
- Patient Centered Outcomes Research Institute (PCORI) Fee: This fee commenced during the 2012 plan year with the first payment made by SFHSS by July 31, 2013. The final annual PCORI fee of \$2.39 per covered life in any medical plan applies to SFHSS's 2018 plan year to be paid by July 31, 2019. With PCORI fee obligations expiring after 2018 for calendar year plans, no PCORI fee obligation will accrue for SFHSS in calendar year 2019. The fee is collected by the IRS.

Therefore, there are no Federal ACA fees in 2019 rates for any SFHSS plan.



**Other Legislative Fees—California Managed Care Organization Tax**

There is a California state Managed Care Organization (MCO) tax that applies to the BSC Access+ and Trio plans during the 2019 plan year. This MCO tax was enacted by California Senate Bill X2-2 (Hernandez, Chapter 2, Statutes 2016) effective for a taxing period July 1, 2016 through June 30, 2019. This fee is \$1.30 per covered life per month during 2019 for the BSC plans offered by SFHSS. The MCO tax obligation in 2019 that is paid to BSC in fixed fees is expected to be \$591,000 for all four employers—including City and County of San Francisco (CCSF)-only portion of \$504,000.

**Contributions under the 10-County Survey**

Per City Charter Section A8.428, the employer contribution towards medical benefits is determined by the results of a survey of the dollar premium contributions 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 remains in use as a basis for calculating retiree premium contributions. For the 2019 plan year, the Survey, based on 2018 rates, determined the average monthly contribution increased 3.53% from \$649.17 to \$672.08. The full Survey report is contained as an Appendix to this letter, and was presented at the March 8, 2018 HSB meeting. It is also accessible at myhss.org.

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

Annual aggregated costs for all medical plans offered by SFHSS (through UHC, Kaiser, and BSC) to active employees, early retirees, and Medicare retirees are shown in Table 1 below.

<b>Table 1</b>			
<b>January 1, 2019 to December 31, 2019 Aggregate Medical Plans Cost (\$ millions)</b>			
	<b>Aggregate Member Contributions (a)</b>	<b>Aggregate Employer Contributions (b)</b>	<b>Aggregate Plan Cost (a + b)</b>
<b>Current (2018) Rates</b>	<b>\$93.4</b>	<b>\$742.4</b>	<b>\$835.8</b>
<b>Final Renewal (2019) Rates</b>	<b>\$97.5</b>	<b>\$759.5</b>	<b>\$857.0</b>
<b>\$ Difference</b>	<b>\$4.2</b>	<b>\$17.1</b>	<b>\$21.2</b>
<b>% Difference</b>	<b>4.50%</b>	<b>2.30%</b>	<b>2.54%</b>

Per Table 1 above, we expect an increase in aggregate plan costs totaling \$21.2 million, or 2.54%, for the SFHSS medical plans (including core vision coverage, the Best Doctors second opinion service fees, and the SFHSS Healthcare Sustainability Fund expense) for the 2019 plan year. This increase in costs will be split 19.8% / 80.2% between the members and employers with member contributions increasing \$4.2 million and employer contributions increasing \$17.1 million. These changes are based on current June 2018 enrollment.



## Current CCSF Health Plan Employer Contribution Strategy—Active Employees

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 San Francisco Health Service System (SFHSS), 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 SFHSS, 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 SFHSS, 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 SFHSS, 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 SFHSS, 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 SFHSS, 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 2019. One rate card specified member contributions under the 93/93/83 model and the other rate card under the 100/96/83 model.



## Current CCSF Health Plan Employer Contribution Strategy—Retirees

For SFHSS retirees, the employer contributions that member employers including CCSF provide to qualified retirees receiving the full employer contribution amounts are defined by Section A8.428 of the City Charter. The three elements are:

- 10-County Survey amount: This first component of the employer contribution is the amount derived from the annual survey described in Charter Section A8.423 of contributions provided by the 10 most populous counties in CA, not including San Francisco—called the “average contribution”. The 2019 10-County amount is \$672.08. If the total cost for Retiree Only for a plan is less than the 10-County Amount, that lower amount becomes the basis for that plan for the 10-County employer contribution portion.
- “Actuarial Difference”: The second employer contribution component is the “actuarial difference” for a given plan. Under Charter Section A8.428(b)(3), the employers contribute the difference between Active Employee-Only premium and Early Retiree-Only premium.
- Prop. E Contribution: The third employer contribution component is the Prop. E contribution amount. Under Charter Section A8.428(b)(3)(iii) and A8.428(c), employer contributions toward Retiree Only and Retiree +1 rates = 50% x [Total Rate Cost – 10-County Amount – “Actuarial Difference”].

The full employer contribution amount for retiree medical coverage applies to eligible retirees who were hired on or before January 9, 2009. For retirees who were hired on or after January 10, 2009, there are five coverage / employer contribution classifications based on certain criteria outlined in Table 2 below.



**Table 2—Retiree Medical Coverage / Employer Contribution For Those Hired  
On or After January 10, 2009**

<b>Years of Credited Service At Retirement</b>	<b>Percentage of Employer Contribution Established in A8.428 Subsection (b)(3)</b>
Less than 5 years of Credited Service with the Employers (except for the surviving spouses or surviving domestic partners of active employees who died in the line of duty)	No Retiree Medical Benefits Coverage
At least 5 but less than 10 years of Credited Service with the Employers; or greater than 10 years of Credited Service with the Employers but not eligible to receive benefits under Subsections (a)(4), (b)(4) and (b)(5) <b>(A8.428 Subsection (b)(6))</b>	0% - Access to Retiree Medical Benefits Coverage, Including Access to Dependent Coverage, But No Employer Contribution; Employee Pays Health Insurance Premium
At least 10 but less than 15 years of Credited Service with the Employers <b>(A8.428 Subsection (b)(5))</b>	50%
At least 15 but less than 20 years of Credited Service with the Employers <b>(A8.428 Subsection (b)(5))</b>	75%
At least 20 years of Credited Service with the Employers; Retired Persons who retired for disability; surviving spouses or surviving domestic partners of active employees who died in the line of duty <b>(A8.428 Subsection (b)(4))</b>	100%

### Outline of 2019 Health Plan Design and Rating Actions

Below we describe the plan design changes and rating actions that apply to each SFHSS health plan for the 2019 plan year, based on approval actions taken during the recently completed Rates and Benefits cycle by the HSB.



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

The final negotiated rate change for Kaiser Permanente ("Kaiser") active employees, early retirees, and Medicare retirees is an overall decrease of 2.17% for plan year 2019. This overall average is primarily generated by a 0.3% premium rate reduction for active employees and early retirees in California, and a 13.0% premium rate reduction for Medicare retirees in California. There are also small retiree populations with Kaiser HMO coverage in the Northwest (Oregon), Washington, and Hawaii regions captured in the overall average Kaiser rating action. The HIT suspension for 2019 as documented earlier in this letter was a key factor in the rating reductions into the 2019 plan year for Kaiser plans.

This results in an overall estimated decrease of \$9.2 million annually for all four employers based on June 2018 membership of which \$6.8 million is attributed to CCSF and \$2.4 million is attributed to the other employer groups (e.g., CRT, USD, and CCD).

The aggregate cost for Kaiser Permanente for the 2019 plan year is projected at \$415.8 million, with \$43.6 million in member contributions and \$372.2 million in employer contributions. Table 3 (page 12) provides an overview of annualized costs.

The 2019 Kaiser plan rates are illustrated in exhibits 2a-2e in the adjoining document.

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

The Trio flex-funded plan was introduced as a second BSC plan option for active employees and early retirees for the 2018 plan year. As a result of BSC renewal inputs and Aon's underwriting process, we are projecting increases of 10.5% for BSC Access+ total cost rates and 5.6% for Trio total cost rates into the 2019 plan year. No plan design changes are planned for 2019.

Overall, this produces an aggregate increase of 8.71% for the combination of the two BSC flex-funded HMO plans into the 2019 plan year. Approximately 60% of BSC enrolled active employees/early retirees remained in Access+ in 2018, versus about 40% migrating to the new Trio plan.

The aggregate 2019 projected cost for all four employers in the BSC Access+ and Trio plans is \$331.5 million, with \$37.0 million in member contributions and \$294.5 million in employer contributions based on June 2018 membership. This results in an overall estimated increase of \$26.6 million annually for all four employers based on June 2018 membership of which \$23.6 million of the increase is attributed to CCSF and the remaining \$3.0 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 2019 BSC flex-funded HMO plan rates are illustrated in exhibits 3a-3b for HMO Access+ and 3c-3d for Trio in the adjoining document.





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

The City Plan is a self-funded medical plan administered by UnitedHealthcare (UHC) for active employees and early retirees. 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 to the HSB 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 2019 plan year.

A major factor in the active and early retiree total premium equivalent increases for the 2019 calendar year is the reduction in available funds in the City Plan rate stabilization reserve. At the end of 2014, there was \$25.8 million available in the City Plan rate stabilization reserve. These amounts were applied to City Plan rating beyond the HSB Self-Funded Plans' Stabilization Policy of one-third application in 2016, 2017, and 2018 plan year rating. As of December 31, 2017, there was \$1,661,000 remaining in the City Plan rate stabilization reserve fund. Per the HSB decision at the June 14 meeting, this full amount will apply into 2019 City Plan rating—noting this is significantly less than amounts applied in recent years (including \$4,529,000 for the 2018 plan year).

The UHC base administration fee increased 2.7% from 2018 to 2019. An additional amount of \$0.71 per covered employee/retiree per month is built into the 2019 administrative fee, but will be more than offset by a negotiated reduction in the percentage of claim savings that UHC will keep for certain out-of-network services where UHC has negotiated a secondary discount (called the Shared Savings Program).

Five changes were approved by the Rates and Benefits Committee and HSB for 2019 City Plan:

- A new plan, "City Plan—Choice Not Available", was approved to provide lower member contributions for those who lack geographic access to other plans offered by BSC and Kaiser (this is projected to apply to 73 active employees and 436 early retirees);
- A UHC California provider re-contracting initiative will result in increased average discounts for provider services from the current contract, without any change in the provider composition of UHC's PPO network;
- An increase to member-paid prescription drug copayments to match those in BSC Access+ and Trio plans;
- An increase to member-paid out-of-network deductibles (currently same as in-network); and
- A year one of three change to balance rate tier ratios for City Plan early retirees to be consistent with family tier ratios for BSC early retiree plans over the next three renewal cycles (2019-2021), thus helping to moderate contribution requirements for City Plan early retiree families.



As a result of the underwriting adjustments, change in Rate Stabilization Reserve amounts, and impact of the five changes outlined above, the overall total premium equivalent increases for the City Plan into the 2019 plan year are 19.3% for active employees and 4.4% for early retirees.

As of January 1, 2017 all Non-Kaiser Medicare eligible retirees became covered under the UHC fully insured Medicare Advantage PPO Plan (which was previously branded as the "New City Plan"). In 2019, the premiums for this Medicare plan will decrease 0.7%. This includes the following plan changes approved by the Rates and Benefits Committee and the HSB:

- A new preferred diabetic supplies program that allows for reduced member copayments for kidney dialysis, urgent care, and certain therapy services;
- A change to the prescription drug formulary to better align with Medicare standards; and
- Post-discharge meal delivery, care-related transportation, and nutritional counseling benefits.

The aggregate 2019 cost for the UHC plans across active employees, early retirees, and Medicare retirees is projected at \$109.7 million, with \$16.9 million in member contributions and \$92.8 million in employer contributions. This results in an overall estimated increase of \$3.9 million annually for all four employers based on June 2018 enrollment; of which \$3.5 million is attributed to CCSF and \$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 2019 UHC plan rates are illustrated in exhibits 4a-4b for City Plan/Medicare Advantage plans, and in exhibits 4c-4d for City Plan—Choice Not Available/Medicare Advantage plans in the adjoining document.

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

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

There is also a buy-up Premier Plan available to SFHSS members. This second vision plan was first offered for the 2018 plan year. In 2018, VSP administered the enrollment in the Premier Plan. For 2019, SFHSS will administer the enrollment in the Premier Plan. This results in lower member contributions for the Premier Plan by \$1.50 per month for all coverage tiers into the 2019 plan year.

Based on June 2018 enrollment, the aggregate projected 2019 employer cost for the VSP vision plan is \$5.2 million. The employer portion of vision plan costs will remain constant from 2018 to 2019, as the Basic Plan premiums are not changing from 2018 to 2019. VSP vision plan costs for all four employers are illustrated in Exhibits 5a-5b in the adjoining document.



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

Three dental plans are offered to SFHSS active employees: Delta Dental PPO, DeltaCare USA HMO, and UnitedHealthcare Dental HMO. The Delta Dental PPO plan has a network of preferred providers while the other two plans are dental HMOs with closed panels 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 plans.

The Delta Dental PPO plan for active employees is self-funded and administered by Delta Dental of California (Delta Dental). Future plan costs are projected based on the City employees' claim experience. Delta Dental's administrative fee is increasing from \$4.35 per employee per month to \$4.62 per employee per month into 2019 (an increase of 6.2%), with the administrative fee now guaranteed through December 31, 2021. A portion of this increase (\$0.10 per employee per month) is attributable to a benefit enhancement (the SmileWay program, described below) and implementation of a cost estimator cost tool to benefit members in evaluating the costs for certain dental services.

Five enhancements were approved by the Rates and Benefits Committee and HSB for 2019 Delta Dental active employee PPO plan:

- SmileWay Program: Allows members with specific chronic conditions (diabetes, heart disease, HIV/AIDS, rheumatoid arthritis, or stroke) to receive an annual periodontal scaling and root planing procedure as well as more frequent teeth cleaning/periodontal maintenance services;
- Cost Estimator Tool: Provides members the ability to model the estimated cost of specific services in advance and will suggest as an option, alternative, less-costly providers;
- Accident Benefit Rider: Additional coverage for dental services for conditions caused directly or independently of all other causes by external, violent, and accidental means;
- Adult orthodontic lifetime maximum increases by \$1,000 in each provider tier category (to match child orthodontia maximum levels); and
- Remove 6-month waiting period for prosthodontic and orthodontic coverage.

Due to the combination of recent favorable experience in the active employee Dental PPO plan and availability of rate stabilization reserve balance funds, even after consideration of the benefit enhancements above, the aggregate premium equivalents for the self-funded Delta Dental PPO plan for active employees are decreasing 4.1% decrease for plan year 2019.

The Delta Dental PPO plan for retirees, DeltaCare USA dental plans for active employees and retirees, and UnitedHealthcare Dental plans for active employees and retirees are all fully insured. All dental plan fully insured rates will remain the same as in 2018 for the 2019 plan year—and the Delta Retiree PPO and DeltaCare USA plan rates are now guaranteed through December 31, 2021. The Delta Retiree PPO plan will also include the SmileWay benefit for the first time in 2019.



For the 2019 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 for the Employee Only tier, \$10.00 for the Employee +1 tier, and \$15.00 for the Employee +2+ tier. The member contributions for Delta Dental PPO plan for retirees and DeltaCare USA dental plans for actives and retirees, and UnitedHealthcare Dental plans for actives and retirees remain unchanged from the 2018 plan year. Pursuant to the Health Service Board's Self-Funded Plans' Stabilization Policy, a claims stabilization amount of \$4.2 million has been applied for 2019 towards the self-funded Delta Active PPO plan.

The 2019 dental plan rates are shown in the adjoining document for the Delta Dental PPO (Exhibits 6a-6b), DeltaCare USA HMO (Exhibits 7a-7b), and UHC Dental HMO (Exhibits 8a-8b).

The aggregate dental plan cost for active employees for the 2019 plan year is projected at \$46.5 million with \$3.7 million in member contributions and \$42.7 million in employer contributions. This results in an overall estimated decrease of \$1.9 million annually for all four employers based on June 2018 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), supplemental life insurance (member paid), and long-term disability insurance (employer and employee paid) premiums remain unchanged and are guaranteed through December 31, 2019. In late 2017, the Hartford Life and Accident Insurance Company acquired the group life and disability business of Aetna Group Insurance—thus, Hartford is the insuring entity for the SFHSS life and disability insurance plans going forward.

The aggregate basic life insurance and LTD plan cost for the 2019 plan year is projected at \$8.40 million. This includes \$7.34 million in total LTD premiums and \$1.06 million in basic life premiums. Additionally, there is \$0.96 million in projected member-paid 2019 supplemental life insurance premium. Annualized overall premiums are shown in Exhibit 9 in the adjoining document.

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

Best Doctors is a second opinion service that started during the 2017 plan year with a guaranteed rate of \$1.40 per employee/retiree per month through December 31, 2019 for all SFHSS health plans. As a result of recently completed negotiations, the 2019 rate for the Best Doctors service has been lowered to \$1.15 per employee/retiree 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.



### Summary of Projected 2019 Plan Year Costs

Table 3 below summarizes projected 2019 aggregate SFHSS plan costs across the plans available to active employees and retirees relative to 2018 projections for those plans where the employers subsidize the total plan cost. VSP Basic Plan (vision) costs are included in the medical plans' costs.

<b>TABLE 3—ALL FOUR EMPLOYERS *</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>\$372.2</b>	<b>\$415.8</b>	<b>10.50%</b>	<b>89.50%</b>
\$ Change	-\$1.1	-\$8.1	-\$9.2		
% Change	-2.43%	-2.14%	-2.17%		
<b>BSC HMOs **</b>	<b>\$37.0</b>	<b>\$294.5</b>	<b>\$331.5</b>	<b>11.16%</b>	<b>88.84%</b>
\$ Change	+\$3.4	+\$23.2	+\$26.6		
% Change	+10.03%	+8.55%	+8.71%		
<b>UHC Plans **</b>	<b>\$16.9</b>	<b>\$92.8</b>	<b>\$109.7</b>	<b>15.41%</b>	<b>84.59%</b>
\$ Change	+\$1.9	+\$2.0	+\$3.9		
% Change	+12.54%	+2.19%	+3.66%		
<b>Dental ***</b>	<b>\$3.7</b>	<b>\$42.7</b>	<b>\$46.5</b>	<b>8.06%</b>	<b>91.94%</b>
\$ Change	\$0.0	-\$1.9	-\$1.9		
% Change	0.00%	-4.35%	-4.01%		
<b>LTD Insurance</b>	<b>\$0.0</b>	<b>\$7.3</b>	<b>\$7.3</b>	<b>0.00%</b>	<b>100.00%</b>
\$ Change	\$0.0	\$0.0	\$0.0		
% Change	0.00%	0.00%	0.00%		
<b>Life Insurance</b>	<b>\$1.0</b>	<b>\$1.1</b>	<b>\$2.0</b>	<b>47.43%</b>	<b>52.57%</b>
\$ Change	\$0.0	\$0.0	\$0.0		
% Change	0.00%	0.00%	0.00%		
<b>Total</b>	<b>\$102.3</b>	<b>\$810.6</b>	<b>\$912.9</b>	<b>11.20%</b>	<b>88.80%</b>
\$ Change	+\$4.2	+\$15.1	+\$19.3		
% Change	+4.25%	+1.90%	+2.16%		

\* Figures vary due to rounding

\*\* Includes \$1.15 PEPM for Best Doctors second opinion service

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



June 19, 2018  
Board of Supervisors  
City and County of San Francisco  
Page 13

This year's projected aggregate medical cost increase of 2.54% (see page 4) compares favorably with available benchmark information. The "2018 Health Care Trend Survey" published by Aon indicates combined medical/pharmacy cost increases in the range of 5% to 6%.

#### Conclusion

Based on extensive evaluation and collaboration with SFHSS, 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, appearing to read "Michael A. Clarke". The signature is written in a cursive style.

Michael A. Clarke, FSA, MAAA, FCA  
Senior Vice President & Consulting Actuary

cc: President and Members of the Health Service Board  
Abbie Yant, San Francisco Health Service System



Appendix

**Table 3A: City and County of San Francisco (CCSF)**

<b>TABLE 3A-CCSF ONLY *</b>					
<b>Distribution of Aggregate Plan Costs (\$millions)</b>					
	<b>Aggregate Member Contributions (a)</b>	<b>Aggregate Employer Contributions (b)</b>	<b>Aggregate Plan Cost (a + b)</b>	<b>Member Contributions as a % of Aggregate Costs</b>	<b>Employer Contributions as a % of Aggregate Costs</b>
<b>Kaiser HMO **</b>	<b>\$35.0</b>	<b>\$289.9</b>	<b>\$324.9</b>	<b>10.78%</b>	<b>89.22%</b>
\$ Change	-\$0.9	-\$6.0	-\$6.8		
% Change	-2.38%	-2.02%	-2.06%		
<b>BSC HMOs **</b>	<b>\$32.9</b>	<b>\$258.1</b>	<b>\$291.0</b>	<b>11.31%</b>	<b>88.69%</b>
\$ Change	+\$3.0	+\$20.6	+\$23.6		
% Change	+10.12%	+8.66%	+8.82%		
<b>UHC Plans **</b>	<b>\$14.3</b>	<b>\$74.3</b>	<b>\$88.6</b>	<b>16.14%</b>	<b>83.86%</b>
\$ Change	+\$1.6	+\$1.9	+\$3.5		
% Change	+12.37%	+2.66%	+4.11%		
<b>Dental ***</b>	<b>\$3.7</b>	<b>\$42.2</b>	<b>\$45.9</b>	<b>8.06%</b>	<b>91.94%</b>
\$ Change	\$0.0	-\$1.9	-\$1.9		
% Change	0.00%	-4.35%	-4.01%		
<b>LTD Insurance</b>	<b>\$0.0</b>	<b>\$7.3</b>	<b>\$7.3</b>	<b>0.00%</b>	<b>100.00%</b>
\$ Change	\$0.0	\$0.0	\$0.0		
% Change	0.00%	0.00%	0.00%		
<b>Life Insurance</b>	<b>\$1.0</b>	<b>\$1.1</b>	<b>\$2.0</b>	<b>47.43%</b>	<b>52.57%</b>
\$ Change	\$0.0	\$0.0	\$0.0		
% Change	0.00%	0.00%	0.00%		
<b>Total</b>	<b>\$86.9</b>	<b>\$672.8</b>	<b>\$759.7</b>	<b>11.44%</b>	<b>88.56%</b>
\$ Change	+\$3.7	+\$14.6	+\$18.3		
% Change	+4.50%	+2.22%	+2.47%		

\* Figures vary due to rounding

\*\* Includes \$1.15 PEPM for Best Doctors second opinion service

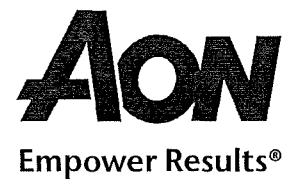
\*\*\* Dental costs are for active employees only, retirees and surviving spouses have not been included

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

10-County Survey Results  
Rates and Benefits Decisions  
Calendar Year 2019

June 19, 2018

Prepared by:  
Health & Benefits





## 10-County Survey Results (Monthly Basis)

### Exhibit 1

Rank	County	2017 Survey for SFHSS 2018 Rating	2018 Survey for SFHSS 2019 Rating	% Change
1	Los Angeles	\$673.99	\$700.41	3.92%
2	San Diego	\$536.54	\$581.03	8.29%
3	Orange	\$522.83	\$534.18	2.17%
4	Riverside	\$673.10	\$688.85	2.34%
5	San Bernardino	\$437.75	\$433.33	-1.01%
6	Santa Clara	\$1,008.88	\$1,018.12	0.92%
7	Alameda	\$711.48	\$720.74	1.30%
8	Sacramento	\$608.34	\$663.43	9.06%
9	Contra Costa	\$705.62	\$717.58	1.70%
10	Fresno	\$613.17	\$663.11	8.14%
<b>10-County Average</b>		<b>\$649.17</b>	<b>\$672.08</b>	<b>3.53%</b>

## Kaiser Permanente HMO (California): Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

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

		Active Employees			Early Retirees			Medicare Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$42.95	\$85.59	\$293.81	\$0.00	\$304.57	\$810.17	\$0.00	\$189.68	\$567.97	\$695.28
	Plan Year 2019	\$42.80	\$85.31	\$292.88	\$0.00	\$303.66	\$807.74	\$0.00	\$164.93	\$493.72	\$669.01
	\$ Change	-\$0.15	-\$0.28	-\$0.93	+\$0.00	-\$0.91	-\$2.43	+\$0.00	-\$24.75	-\$74.25	-\$26.27
	% Change	-0.3%	-0.3%	-0.3%	—	-0.3%	-0.3%	-	-13.0%	-13.1%	-3.8%
Monthly Employer Contributions	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
	Plan Year 2019	\$568.65	\$1,133.46	\$1,429.95	\$1,225.27	\$1,528.94	\$1,528.94	\$333.99	\$498.92	\$498.92	\$498.92
	\$ Change	-\$1.93	-\$3.63	-\$4.51	-\$3.93	-\$4.84	-\$4.84	-\$49.75	-\$74.50	-\$74.50	-\$74.50
	% Change	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-13.0%	-13.0%	-13.0%	-13.0%
Monthly Total Premium Rates	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
	Plan Year 2019	\$611.45	\$1,218.77	\$1,722.83	\$1,225.27	\$1,832.60	\$2,336.68	\$333.99	\$663.85	\$992.64	\$1,167.93
	\$ Change	-\$2.08	-\$3.91	-\$5.44	-\$3.93	-\$5.75	-\$7.27	-\$49.75	-\$99.25	-\$148.75	-\$100.77
	% Change	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-13.0%	-13.0%	-13.0%	-7.9%

- \* NOTE:
- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
  - For additional commentary on 93 / 93 / 83 contribution method, see page 21.

## Kaiser Permanente HMO (California): Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

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

		Active Employees			Early Retirees			Medicare Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$0.00	\$48.91	\$293.81	\$0.00	\$304.57	\$810.17	\$0.00	\$189.68	\$567.97	\$695.28
	Plan Year 2019	\$0.00	\$48.75	\$292.88	\$0.00	\$303.66	\$807.74	\$0.00	\$164.93	\$493.72	\$669.01
	\$ Change	+\$0.00	-\$0.16	-\$0.93	+\$0.00	-\$0.91	-\$2.43	+\$0.00	-\$24.75	-\$74.25	-\$26.27
	% Change	—	-0.3%	-0.3%	—	-0.3%	-0.3%	-	-13.0%	-13.1%	-3.8%
Monthly Employer Contributions	Plan Year 2018	\$613.53	\$1,173.77	\$1,434.46	\$1,229.20	\$1,533.78	\$1,533.78	\$383.74	\$573.42	\$573.42	\$573.42
	Plan Year 2019	\$611.45	\$1,170.02	\$1,429.95	\$1,225.27	\$1,528.94	\$1,528.94	\$333.99	\$498.92	\$498.92	\$498.92
	\$ Change	-\$2.08	-\$3.75	-\$4.51	-\$3.93	-\$4.84	-\$4.84	-\$49.75	-\$74.50	-\$74.50	-\$74.50
	% Change	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-13.0%	-13.0%	-13.0%	-13.0%
Monthly Total Premium Rates	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
	Plan Year 2019	\$611.45	\$1,218.77	\$1,722.83	\$1,225.27	\$1,832.60	\$2,336.68	\$333.99	\$663.85	\$992.64	\$1,167.93
	\$ Change	-\$2.08	-\$3.91	-\$5.44	-\$3.93	-\$5.75	-\$7.27	-\$49.75	-\$99.25	-\$148.75	-\$100.77
	% Change	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-13.0%	-13.0%	-13.0%	-7.9%

- \* NOTE:
- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
  - For additional commentary on 100 / 96 / 83 contribution method, see page 22.

## Kaiser Permanente Multi State HMO: Early Retiree / Medicare Monthly Rates for Calendar Year 2019

### Exhibit 2c — Washington State \*

		Early Retirees			Medicare Retirees			
		RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Retiree Contributions	Plan Year 2018	\$0.00	\$614.09	\$1,633.47	\$0.00	\$196.57	\$589.02	\$1,215.95
	Plan Year 2019	\$0.00	\$663.23	\$1,764.19	\$0.00	\$159.94	\$479.14	\$1,260.90
	\$ Change	\$0.00	+\$49.14	+\$130.72	\$0.00	-\$36.63	-\$109.88	\$44.95
	% Change	-	+8.0%	+8.0%	-	-18.6%	-18.7%	3.7%
Monthly Employer Contributions	Plan Year 2018	\$1,232.56	\$1,846.65	\$1,846.65	\$397.52	\$594.09	\$594.09	\$594.09
	Plan Year 2019	\$1,330.59	\$1,993.83	\$1,993.83	\$324.02	\$483.97	\$483.97	\$483.97
	\$ Change	+\$98.03	+\$147.18	+\$147.18	-\$73.50	-\$110.12	-\$110.12	-\$110.12
	% Change	+8.0%	+8.0%	+8.0%	-18.5%	-18.5%	-18.5%	-18.5%
Monthly Total Premium Rates	Plan Year 2018	\$1,232.56	\$2,460.74	\$3,480.12	\$397.52	\$790.66	\$1,183.11	\$1,810.04
	Plan Year 2019	\$1,330.59	\$2,657.06	\$3,758.02	\$324.02	\$643.91	\$963.11	\$1,744.87
	\$ Change	+\$98.03	+\$196.32	+\$277.90	-\$73.50	-\$146.75	-\$220.00	-\$65.17
	% Change	+8.0%	+8.0%	+8.0%	-18.5%	-18.6%	-18.6%	-3.6%

\* NOTE: ■ Includes \$1.15 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 Rates for Calendar Year 2019

### Exhibit 2d — Northwest (primarily Oregon) \*

		Early Retirees			Medicare Retirees			
		RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Retiree Contributions	Plan Year 2018	\$0.00	\$689.81	\$1,834.89	\$0.00	\$193.41	\$579.55	\$1,455.42
	Plan Year 2019	\$0.00	\$665.89	\$1,771.27	\$0.00	\$199.71	\$598.44	\$1,417.95
	\$ Change	\$0.00	-\$23.92	-\$63.62	\$0.00	+\$6.30	+\$18.89	-\$37.47
	% Change	-	-3.5%	-3.5%	-	+3.3%	+3.3%	-2.6%
Monthly Employer Contributions	Plan Year 2018	\$1,384.01	\$2,073.83	\$2,073.83	\$391.21	\$584.63	\$584.63	\$584.63
	Plan Year 2019	\$1,335.93	\$2,001.83	\$2,001.83	\$403.55	\$603.26	\$603.26	\$603.26
	\$ Change	-\$48.08	-\$72.00	-\$72.00	+\$12.34	+\$18.63	+\$18.63	+\$18.63
	% Change	-3.5%	-3.5%	-3.5%	+3.2%	+3.2%	+3.2%	+3.2%
Monthly Total Premium Rates	Plan Year 2018	\$1,384.01	\$2,763.64	\$3,908.72	\$391.21	\$778.04	\$1,164.18	\$2,040.05
	Plan Year 2019	\$1,335.93	\$2,667.72	\$3,773.10	\$403.55	\$802.97	\$1,201.70	\$2,021.21
	\$ Change	-\$48.08	-\$95.92	-\$135.62	+\$12.34	+\$24.93	+\$37.52	-\$18.84
	% Change	-3.5%	-3.5%	-3.5%	+3.2%	+3.2%	+3.2%	-0.9%

\* NOTE: ■ Includes \$1.15 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 Rates for Calendar Year 2019

### Exhibit 2e — Hawaii \*

		Early Retirees			Medicare Retirees			
		RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Retiree Contributions	Plan Year 2018	\$0.00	\$420.39	\$1,118.24	\$0.00	\$177.32	\$531.28	\$1,017.43
	Plan Year 2019	\$0.00	\$482.83	\$1,284.33	\$0.00	\$185.99	\$557.28	\$1,150.98
	\$ Change	\$0.00	+\$62.44	+\$166.09	\$0.00	+\$8.67	+\$26.00	+\$133.55
	% Change	-	+14.9%	+14.9%	-	+4.9%	+4.9%	+13.1%
Monthly Employer Contributions	Plan Year 2018	\$845.18	\$1,265.58	\$1,265.58	\$359.03	\$536.36	\$536.36	\$536.36
	Plan Year 2019	\$969.81	\$1,452.65	\$1,452.65	\$376.11	\$562.10	\$562.10	\$562.10
	\$ Change	+\$124.63	+\$187.07	+\$187.07	+\$17.08	+\$25.74	+\$25.74	+\$25.74
	% Change	+14.7%	+14.8%	+14.8%	+4.8%	+4.8%	+4.8%	+4.8%
Monthly Total Premium Rates	Plan Year 2018	\$845.18	\$1,685.97	\$2,383.82	\$359.03	\$713.68	\$1,067.64	\$1,553.79
	Plan Year 2019	\$969.81	\$1,935.48	\$2,736.98	\$376.11	\$748.09	\$1,119.38	\$1,713.08
	\$ Change	+\$124.63	+\$249.51	+\$353.16	+\$17.08	+\$34.41	+\$51.74	+\$159.29
	% Change	+14.7%	+14.8%	+14.8%	+4.8%	+4.8%	+4.8%	+10.3%

\* NOTE: ■ Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.

# Blue Shield of California HMO: Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

## Exhibit 3a — 93/93/83 Contribution Method for Actives – Access+ HMO \*

		Active Employees			Early Retirees			UHC Medicare Advantage Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$55.30	\$110.30	\$378.73	\$70.44	\$478.92	\$1,131.01	\$0.00	\$189.06	\$566.50	\$841.15
	Plan Year 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$551.65	\$1,272.27	\$0.00	\$187.82	\$562.78	\$908.44
	\$ Change	+\$5.78	+\$11.60	+\$39.89	+\$29.82	+\$72.73	+\$141.26	+\$0.00	-\$1.24	-\$3.72	+\$67.29
	% Change	+10.5%	+10.5%	+10.5%	+42.3%	+15.2%	+12.5%	-	-0.7%	-0.7%	+8.0%
Monthly Employer Contributions	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
	Plan Year 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,911.82	\$2,363.20	\$2,363.20	\$379.78	\$567.61	\$567.61	\$567.61
	\$ Change	+\$76.77	+\$154.04	+\$194.79	+\$161.08	+\$203.99	+\$203.99	-\$2.73	-\$3.97	-\$3.97	-\$3.97
	% Change	+10.4%	+10.5%	+10.5%	+9.2%	+9.4%	+9.4%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Premium Rates	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
	Plan Year 2019	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47	\$379.78	\$755.43	\$1,130.39	\$1,476.05
	\$ Change	+\$82.55	+\$165.64	+\$234.68	+\$190.90	+\$276.72	+\$345.25	-\$2.73	-\$5.21	-\$7.69	+\$63.32
	% Change	+10.4%	+10.5%	+10.5%	+10.4%	+10.5%	+10.5%	-0.7%	-0.7%	-0.7%	+4.5%

**\* NOTE:**

- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- For additional commentary on 93 / 93 / 83 contribution method, see page 21.

# Blue Shield of California HMO: Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

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

		Active Employees			Early Retirees			UHC Medicare Advantage Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$0.00	\$63.03	\$378.73	\$70.44	\$478.92	\$1,131.01	\$0.00	\$189.06	\$566.50	\$841.15
	Plan Year 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$551.65	\$1,272.27	\$0.00	\$187.82	\$562.78	\$908.44
	\$ Change	+\$0.00	+\$6.63	+\$39.89	+\$29.82	+\$72.73	+\$141.26	+\$0.00	-\$1.24	-\$3.72	+\$67.29
	% Change	—	+10.5%	+10.5%	+42.3%	+15.2%	+12.5%	-	-0.7%	-0.7%	+8.0%
Monthly Employer Contributions	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
	Plan Year 2019	\$872.61	\$1,671.73	\$2,043.88	\$1,911.82	\$2,363.20	\$2,363.20	\$379.78	\$567.61	\$567.61	\$567.61
	\$ Change	+\$82.55	+\$159.01	+\$194.79	+\$161.08	+\$203.99	+\$203.99	-\$2.73	-\$3.97	-\$3.97	-\$3.97
	% Change	+10.4%	+10.5%	+10.5%	+9.2%	+9.4%	+9.4%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Premium Rates	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
	Plan Year 2019	\$872.61	\$1,741.39	\$2,462.50	\$2,012.08	\$2,914.85	\$3,635.47	\$379.78	\$755.43	\$1,130.39	\$1,476.05
	\$ Change	+\$82.55	+\$165.64	+\$234.68	+\$190.90	+\$276.72	+\$345.25	-\$2.73	-\$5.21	-\$7.69	+\$63.32
	% Change	+10.4%	+10.5%	+10.5%	+10.4%	+10.5%	+10.5%	-0.7%	-0.7%	-0.7%	+4.5%

**\* NOTE:**

- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- For additional commentary on 100 / 96 / 83 contribution method, see page 22.



# Blue Shield of California HMO: Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

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

		Active Employees			Early Retirees			UHC Medicare Advantage Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$49.56	\$98.82	\$339.27	\$29.44	\$395.26	\$979.28	\$0.00	\$189.06	\$566.50	\$773.08
	Plan Year 2019	\$52.34	\$104.40	\$358.50	\$37.78	\$424.18	\$1,041.07	\$0.00	\$187.82	\$562.78	\$804.71
	\$ Change	+\$2.78	+\$5.58	+\$19.23	+\$8.34	+\$28.92	+\$61.79	+\$0.00	-\$1.24	-\$3.72	+\$31.63
	% Change	+5.6%	+5.7%	+5.7%	+28.3%	+7.3%	+6.3%	-	-0.7%	-0.7%	+4.1%
Monthly Employer Contributions	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
	Plan Year 2019	\$695.31	\$1,387.05	\$1,750.34	\$1,684.49	\$2,070.89	\$2,070.89	\$379.78	\$567.61	\$567.61	\$567.61
	\$ Change	+\$36.82	+\$74.15	+\$93.89	+\$82.95	+\$103.52	+\$103.52	-\$2.73	-\$3.97	-\$3.97	-\$3.97
	% Change	+5.6%	+5.6%	+5.7%	+5.2%	+5.3%	+5.3%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Premium Rates	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
	Plan Year 2019	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96	\$379.78	\$755.43	\$1,130.39	\$1,372.32
	\$ Change	+\$39.60	+\$79.73	+\$113.12	+\$91.29	+\$132.44	+\$165.31	-\$2.73	-\$5.21	-\$7.69	+\$27.66
	% Change	+5.6%	+5.6%	+5.7%	+5.6%	+5.6%	+5.6%	-0.7%	-0.7%	-0.7%	+2.1%

**\* NOTE:**

- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
- For additional commentary on 93 / 93 / 83 contribution method, see page 21.

# Blue Shield of California HMO: Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

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

		Active Employees			Early Retirees			UHC Medicare Advantage Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$0.00	\$56.47	\$339.27	\$29.44	\$395.26	\$979.28	\$0.00	\$189.06	\$566.50	\$773.08
	Plan Year 2019	\$0.00	\$59.66	\$358.50	\$37.78	\$424.18	\$1,041.07	\$0.00	\$187.82	\$562.78	\$804.71
	\$ Change	+\$0.00	+\$3.19	+\$19.23	+\$8.34	+\$28.92	+\$61.79	+\$0.00	-\$1.24	-\$3.72	+\$31.63
	% Change	—	+5.6%	+5.7%	+28.3%	+7.3%	+6.3%	-	-0.7%	-0.7%	+4.1%
Monthly Employer Contributions	Plan Year 2018	\$708.05	\$1,355.25	\$1,656.45	\$1,601.54	\$1,967.37	\$1,967.37	\$382.51	\$571.58	\$571.58	\$571.58
	Plan Year 2019	\$747.65	\$1,431.79	\$1,750.34	\$1,684.49	\$2,070.89	\$2,070.89	\$379.78	\$567.61	\$567.61	\$567.61
	\$ Change	+\$39.60	+\$76.54	+\$93.89	+\$82.95	+\$103.52	+\$103.52	-\$2.73	-\$3.97	-\$3.97	-\$3.97
	% Change	+5.6%	+5.6%	+5.7%	+5.2%	+5.3%	+5.3%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Premium Rates	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
	Plan Year 2019	\$747.65	\$1,491.45	\$2,108.84	\$1,722.27	\$2,495.07	\$3,111.96	\$379.78	\$755.43	\$1,130.39	\$1,372.32
	\$ Change	+\$39.60	+\$79.73	+\$113.12	+\$91.29	+\$132.44	+\$165.31	-\$2.73	-\$5.21	-\$7.69	+\$27.66
	% Change	+5.6%	+5.6%	+5.7%	+5.6%	+5.6%	+5.6%	-0.7%	-0.7%	-0.7%	+2.1%

- \* NOTE:
- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
  - For additional commentary on 100 / 96 / 83 contribution method, see page 22.

# City Plan (UHC): Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

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

		Active Employees			Early Retirees			UHC Medicare Advantage Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76	\$0.00	\$189.06	\$566.50	\$1,037.24
	Plan Year 2019	\$265.78	\$465.41	\$885.49	\$202.61	\$707.41	\$1,470.21	\$0.00	\$187.82	\$562.78	\$950.62
	\$ Change	+\$116.08	+\$204.07	+\$299.65	+\$84.97	+\$19.83	-\$65.55	+\$0.00	-\$1.24	-\$3.72	-\$86.62
	% Change	+77.5%	+78.1%	+51.1%	+72.2%	+2.9%	-4.3%	-	-0.7%	-0.7%	-8.4%
Monthly Employer Contributions	Plan Year 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37	\$382.51	\$571.58	\$571.58	\$571.58
	Plan Year 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,085.27	\$1,590.07	\$1,590.07	\$379.78	\$567.61	\$567.61	\$567.61
	\$ Change	+\$76.77	+\$154.04	+\$194.79	+\$12.84	-\$52.30	-\$52.30	-\$2.73	-\$3.97	-\$3.97	-\$3.97
	% Change	+10.4%	+10.5%	+10.5%	+1.2%	-3.2%	-3.2%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Premium Rates	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
	Plan Year 2019	\$1,077.31	\$2,084.90	\$2,929.37	\$1,287.88	\$2,297.48	\$3,060.28	\$379.78	\$755.43	\$1,130.39	\$1,518.23
	\$ Change	+\$192.85	+\$358.11	+\$494.44	+\$97.81	-\$32.47	-\$117.85	-\$2.73	-\$5.21	-\$7.69	-\$90.59
	% Change	+21.8%	+20.7%	+20.3%	+8.2%	-1.4%	-3.7%	-0.7%	-0.7%	-0.7%	-5.6%

- \* **NOTE:**
- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
  - For additional commentary on 93 / 93 / 83 contribution method, see page 21.

## City Plan (UHC): Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

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

		Active Employees			Early Retirees			UHC Medicare Advantage Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76	\$0.00	\$189.06	\$566.50	\$1,037.24
	Plan Year 2019	\$0.00	\$413.17	\$885.49	\$202.61	\$707.41	\$1,470.21	\$0.00	\$187.82	\$562.78	\$950.62
	\$ Change	+\$0.00	+\$199.10	+\$299.65	+\$84.97	+\$19.83	-\$65.55	+\$0.00	-\$1.24	-\$3.72	-\$86.62
	% Change	—	+93.0%	+51.1%	+72.2%	+2.9%	-4.3%	-	-0.7%	-0.7%	-8.4%
Monthly Employer Contributions	Plan Year 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37	\$382.51	\$571.58	\$571.58	\$571.58
	Plan Year 2019	\$1,077.31	\$1,671.73	\$2,043.88	\$1,085.27	\$1,590.07	\$1,590.07	\$379.78	\$567.61	\$567.61	\$567.61
	\$ Change	+\$192.85	+\$159.01	+\$194.79	+\$12.84	-\$52.30	-\$52.30	-\$2.73	-\$3.97	-\$3.97	-\$3.97
	% Change	+21.8%	+10.5%	+10.5%	+1.2%	-3.2%	-3.2%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Premium Rates	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
	Plan Year 2019	\$1,077.31	\$2,084.90	\$2,929.37	\$1,287.88	\$2,297.48	\$3,060.28	\$379.78	\$755.43	\$1,130.39	\$1,518.23
	\$ Change	+\$192.85	+\$358.11	+\$494.44	+\$97.81	-\$32.47	-\$117.85	-\$2.73	-\$5.21	-\$7.69	-\$90.59
	% Change	+21.8%	+20.7%	+20.3%	+8.2%	-1.4%	-3.7%	-0.7%	-0.7%	-0.7%	-5.6%

\* **NOTE:** ■ Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.

■ For additional commentary on 100 / 96 / 83 contribution method, see page 22.

## City Plan—Choice Not Available (UHC): Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

### Exhibit 4c — 93/93/83 Contribution Method for Actives \*

		Active Employees			Early Retirees			UHC Medicare Advantage Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
<b>Monthly Employee / Retiree Contributions</b>	Plan Year 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76	\$0.00	\$189.06	\$566.50	\$1,037.24
	Plan Year 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$605.06	\$1,367.86	\$0.00	\$187.82	\$562.78	\$950.62
	\$ Change	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$82.52	-\$167.90	+\$0.00	-\$1.24	-\$3.72	-\$86.62
	% Change	-59.2%	-53.4%	-28.5%	-14.8%	-12.0%	-10.9%	-	-0.7%	-0.7%	-8.4%
<b>Monthly Employer Contributions</b>	Plan Year 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37	\$382.51	\$571.58	\$571.58	\$571.58
	Plan Year 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,187.62	\$1,692.42	\$1,692.42	\$379.78	\$567.61	\$567.61	\$567.61
	\$ Change	+\$76.77	+\$154.04	+\$194.79	+\$115.19	+\$50.05	+\$50.05	-\$2.73	-\$3.97	-\$3.97	-\$3.97
	% Change	+10.4%	+10.5%	+10.5%	+10.7%	+3.0%	+3.0%	-0.7%	-0.7%	-0.7%	-0.7%
<b>Monthly Total Premium Rates</b>	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
	Plan Year 2019	\$872.61	\$1,741.39	\$2,462.50	\$1,287.88	\$2,297.48	\$3,060.28	\$379.78	\$755.43	\$1,130.39	\$1,518.23
	\$ Change	-\$11.85	+\$14.60	+\$27.57	+\$97.81	-\$32.47	-\$117.85	-\$2.73	-\$5.21	-\$7.69	-\$90.59
	% Change	-1.3%	+0.8%	+1.1%	+8.2%	-1.4%	-3.7%	-0.7%	-0.7%	-0.7%	-5.6%

- \* **NOTE:**
- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
  - For additional commentary on 93 / 93 / 83 contribution method, see page 21.

## City Plan—Choice Not Available (UHC): Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2019

### Exhibit 4d — 100/96/83 Contribution Method for Actives \*

		Active Employees			Early Retirees			UHC Medicare Advantage Retirees			
		EE	EE + 1	EE + 2+	RET	RET + 1	RET + 2+	RET	RET + 1	RET + 2+ All Medicare	RET + 2+ Other
Monthly Employee / Retiree Contributions	Plan Year 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76	\$0.00	\$189.06	\$566.50	\$1,037.24
	Plan Year 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$605.06	\$1,367.86	\$0.00	\$187.82	\$562.78	\$950.62
	\$ Change	+\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$82.52	-\$167.90	+\$0.00	-\$1.24	-\$3.72	-\$86.62
	% Change	—	-67.5%	-28.5%	-14.8%	-12.0%	-10.9%	-	-0.7%	-0.7%	-8.4%
Monthly Employer Contributions	Plan Year 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37	\$382.51	\$571.58	\$571.58	\$571.58
	Plan Year 2019	\$872.61	\$1,671.73	\$2,043.88	\$1,187.62	\$1,692.42	\$1,692.42	\$379.78	\$567.61	\$567.61	\$567.61
	\$ Change	-\$11.85	+\$159.01	+\$194.79	+\$115.19	+\$50.05	+\$50.05	-\$2.73	-\$3.97	-\$3.97	-\$3.97
	% Change	-1.3%	+10.5%	+10.5%	+10.7%	+3.0%	+3.0%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Premium Rates	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
	Plan Year 2019	\$872.61	\$1,741.39	\$2,462.50	\$1,287.88	\$2,297.48	\$3,060.28	\$379.78	\$755.43	\$1,130.39	\$1,518.23
	\$ Change	-\$11.85	+\$14.60	+\$27.57	+\$97.81	-\$32.47	-\$117.85	-\$2.73	-\$5.21	-\$7.69	-\$90.59
	% Change	-1.3%	+0.8%	+1.1%	+8.2%	-1.4%	-3.7%	-0.7%	-0.7%	-0.7%	-5.6%

- \* **NOTE:**
- Includes \$1.15 PEPM for Best Doctors a second opinion vendor and \$3.00 for the Health Care Sustainability Fund.
  - For additional commentary on 100 / 96 / 83 contribution method, see page 22.

## VSP Vision: Final Active / Early Retiree / Medicare Monthly Contributions for Calendar Year 2019

### Exhibit 5a — Vision Basic Plan Premium Rates (Employer Paid)

		Active Employees			Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Premium Rates	Plan Year 2018	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
	Plan Year 2019	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
	% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$ Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

### Exhibit 5b — Vision Premier Plan (Buy Up) Member Contributions\*

		Active Employees			Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Premium Rates	Plan Year 2018	\$10.86	\$15.54	\$30.82	\$10.86	\$15.54	\$30.82
	Plan Year 2019	\$9.36	\$14.04	\$29.32	\$9.36	\$14.04	\$29.32
	% Change	-13.8%	-9.7%	-4.9%	-13.8%	-9.7%	-4.9%
	\$ Change	-\$1.50	-\$1.50	-\$1.50	-\$1.50	-\$1.50	-\$1.50

\* NOTE: ■ Total insured premium rates for VSP Premier Plan are the sum of Basic Plan rates and Premier Plan member contributions

## Delta Dental PPO: Final Active / Retiree Monthly Total Rates and Contributions for Calendar Year 2019

### Exhibit 6a — Delta Dental PPO Total Premium Rates

		Active Employees			Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Premium Rates	Plan Year 2018	\$63.04	\$132.38	\$189.11	\$45.77	\$91.04	\$135.88
	Plan Year 2019	\$60.48	\$127.00	\$181.43	\$45.77	\$91.04	\$135.88
	% Change	-4.1%	-4.1%	-4.1%	0.0%	0.0%	0.0%
	\$ Change	-\$2.56	-\$5.38	-\$7.68	\$0.00	\$0.00	\$0.00

### Exhibit 6b — Delta Dental PPO Member Contributions

		Active Employees			Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Premium Rates	Plan Year 2018	\$5.00	\$10.00	\$15.00	\$45.77	\$91.04	\$135.88
	Plan Year 2019	\$5.00	\$10.00	\$15.00	\$45.77	\$91.04	\$135.88
	% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$ Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



## DeltaCare USA: Final Active / Retiree Monthly Total Rates and Contributions for Calendar Year 2019

### Exhibit 7a — DeltaCare USA HMO Total Premium Rates

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Premium Rates	Plan Year 2018	\$26.95	\$44.46	\$65.76	\$32.85	\$54.21	\$80.19
	Plan Year 2019	\$26.95	\$44.46	\$65.76	\$32.85	\$54.21	\$80.19
	% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$ Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

### Exhibit 7b — DeltaCare USA HMO Member Contributions

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Premium Rates	Plan Year 2018	\$0.00	\$0.00	\$0.00	\$32.85	\$54.21	\$80.19
	Plan Year 2019	\$0.00	\$0.00	\$0.00	\$32.85	\$54.21	\$80.19
	% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$ Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## UHC Dental: Final Active / Retiree Monthly Total Rates and Contributions for Calendar Year 2019

### Exhibit 8a — UHC Dental HMO Total Premium Rates

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Premium Rates	Plan Year 2018	\$27.80	\$45.90	\$67.86	\$16.47	\$27.20	\$40.22
	Plan Year 2019	\$27.80	\$45.90	\$67.86	\$16.47	\$27.20	\$40.22
	% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$ Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

### Exhibit 8b — UHC Dental HMO Member Contributions

		Active (Bargained)			Retiree		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Premium Rates	Plan Year 2018	\$0.00	\$0.00	\$0.00	\$16.47	\$27.20	\$40.22
	Plan Year 2019	\$0.00	\$0.00	\$0.00	\$16.47	\$27.20	\$40.22
	% Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	\$ Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## Life Insurance and Long Term Disability (LTD) Plan Year 2019 Aggregate Costs

### Exhibit 9 — Life Insurance and LTD Plan Rates

Plan Type	Plan Year 2018	Plan Year 2019	% Change	\$ Change
Basic Life	\$1,065,000	\$1,065,000	0.0%	\$0
Supplemental Life / Dependent Life	\$960,000	\$960,000	0.0%	\$0
Long Term Disability	\$7,337,000	\$7,337,000	0.0%	\$0
<b>Total Annual Estimated Cost</b>	<b>\$9,362,000</b>	<b>\$9,362,000</b>	<b>0.0%</b>	<b>\$0</b>

## Employer Contribution Notes—Active Employees

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

The employer contributions for the 93/93/83 Contribution Model are defined as follows:

- EE Only: City contributes 93% towards total premium for employees selecting EE Only 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 EE Only, EE+1 and EE+2+ tiers, respectively.
- Members cover the remaining costs across all tiers.

## Employer Contribution Notes—Active Employees

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

The employer contributions for the 100/96/83 Contribution Model are defined as follows:

- EE Only: City contributes 100% towards total premium for employees selecting EE Only 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.

**MEDICAL PLAN ENROLLMENT**

MEMBERSHIP STATUS	CTYPLN	CTYMAP	BLSHLD	BLSHLD ACCESS+	KAISER	WAIVED	DELINQ	TOTAL
ACTIVE Members	1,047	0	6,234	8,967	24,845	3,142	196	44,431
NO MEDICARE	1,047		6,234	8,967	24,845	3,142	196	44,431
MEDICARE A								
MEDICARE B								
MEDICARE AB								
RETIREED Members	730	10,921	920	1,136	11,693	2,484	26	27,910
NO MEDICARE	618		920	1,136	2,531	1,839	18	7,062
MEDICARE A						6		6
MEDICARE B		103			79	2		184
MEDICARE AB		10,818			9,083	637	8	20,546
NON-COMPLIANT	112							112
SURVIVING SPOUSE	59	1,305	53	52	1,404	402	6	3,281
NO MEDICARE	53		53	52	174	231	6	569
MEDICARE A								
MEDICARE B		6			2	1		9
MEDICARE AB		1,299			1,228	170		2,697
NON-COMPLIANT	6							6
COMMISSIONERS	10	0	21	8	42	177	1	259
NO MEDICARE	10		21	8	42	177	1	259
MEDICARE A								
MEDICARE B								
MEDICARE AB								
<b>TOTAL MEMBERS</b>	<b>1,846</b>	<b>12,226</b>	<b>7,228</b>	<b>10,163</b>	<b>37,984</b>	<b>6,205</b>	<b>229</b>	<b>75,881</b>



**MEDICAL PLAN ENROLLMENT**

MEMBERSHIP STATUS	CTYPLN	CTYMAP	BLSHLD	BLSHLD ACCESS+	KAISER	WAIVED	DELINQ	TOTAL
CHILD/MINOR DEPENDENTS OF ACTIVE Members	381	0	3,360	7,272	16,085	0	0	27,098
NO MEDICARE	381		3,360	7,271	16,085			27,097
MEDICARE A								
MEDICARE B								
MEDICARE AB								
NON-COMPLIANT				1				1
CHILD/MINOR DEPENDENTS OF RETIRED Members	47	60	245	426	605	0	0	1,383
NO MEDICARE	47	38	245	426	593			1,349
MEDICARE A								
MEDICARE B								
MEDICARE AB		22			12			34
NON-COMPLIANT								
CHILD/MINOR DEPENDENTS OF SURVIVING SPOUSE	5	5	11	24	44	0	0	89
NO MEDICARE	5	2	11	24	42			84
MEDICARE A								
MEDICARE B								
MEDICARE AB		3			2			5
NON-COMPLIANT								
CHILD/MINOR DEPENDENTS OF COMMISSIONERS	8	0	5	2	5	0	0	20
NO MEDICARE	8		5	2	5			20
MEDICARE A								
MEDICARE B								
MEDICARE AB								
<b>TOTAL DEPENDENTS</b>	<b>949</b>	<b>3,286</b>	<b>6,230</b>	<b>12,395</b>	<b>29,411</b>	<b>0</b>	<b>0</b>	<b>52,271</b>
<b>MEDICAL PLAN TOTALS</b>	<b>2,795</b>	<b>15,512</b>	<b>13,458</b>	<b>22,558</b>	<b>67,395</b>	<b>6,205</b>	<b>229</b>	<b>128,152</b>



**DENTAL PLAN ENROLLMENT**

<b>MEMBERSHIP STATUS</b>	<b>DLTDEN</b>	<b>DLCDEN</b>	<b>PUDDEN</b>	<b>WAIVED</b>	<b>DELINQ</b>	<b>TOTAL</b>
ACTIVE Members	31,312	759	431	1,930	203	34,635
RETIRED Members	17,813	922	692	8,388	82	27,897
SURVIVING SPOUSE	1,727	183	73	1,265	31	3,279
COMMISSIONERS	64	2	1	186	6	259
<b>TOTAL MEMBERS</b>	<b>50,916</b>	<b>1,866</b>	<b>1,197</b>	<b>11,769</b>	<b>322</b>	<b>66,070</b>
SPOUSE/DOM PRT DEPENDENTS OF ACTIVE Members	14,995	225	143			15,363
SPOUSE/DOM PRT DEPENDENTS OF RETIRED Members	7,034	333	215			7,582
SPOUSE/DOM PRT DEPENDENTS OF SURVIVING SPOUSE						
SPOUSE/DOM PRT DEPENDENTS OF COMMISSIONERS	19		1			20
CHILD/MINOR DEPENDENTS OF ACTIVE Members	25,920	463	245			26,628
CHILD/MINOR DEPENDENTS OF RETIRED Members	1,410	87	39			1,536
CHILD/MINOR DEPENDENTS OF SURVIVING SPOUSE	103	3	2			108
CHILD/MINOR DEPENDENTS OF COMMISSIONERS	18					18
<b>TOTAL DEPENDENTS</b>	<b>49,499</b>	<b>1,111</b>	<b>645</b>	<b>0</b>	<b>0</b>	<b>51,255</b>
<b>DENTAL PLAN TOTALS</b>	<b>100,415</b>	<b>2,977</b>	<b>1,842</b>	<b>11,769</b>	<b>322</b>	<b>117,325</b>

**LTD, LIFE AND FSA PLAN ENROLLMENT**

<b>MEMBERSHIP STATUS</b>	<b>LTD</b>	<b>LIFE</b>	<b>DEPFSA</b>	<b>HTHFSA</b>
ACTIVE Members	25,259	21,730	1,378	5,433

## VISION BUY-UP ENROLLMENT

<b>Membership Status</b>	<b>Members</b>	<b>Spouse/Domestic Partner</b>	<b>Child/Minor Dependents</b>
Active CCD	215	72	86
Active CRT	104	50	71
Active CSF	5,897	2,768	4,541
Active USD	562	153	207
Retirees	3,677	1,307	173

Bds. 11, CofS, B & F, Leg. Dep.  
Dep. City Atty, Mayor's Office,  
Bds. ET, ops.

President, District 10  
BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689  
Tel. No. 554-7670  
Fax No. 554-7674  
TDD/TTY No. 544-5227

Malia Cohen

**PRESIDENTIAL ACTION**

Date:  
To: Angela Calvillo, Clerk of the Board of Supervisors

2018 JUL -5 AM 11:35  
BOARD OF SUPERVISORS  
SAN FRANCISCO

Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. 180661 Cohen  
(Primary Sponsor)

Title. Ordinance approving Health Service System plans and contribution rates for calendar year 2019.

Transferring (Board Rule No 3.3)

File No. \_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

From: \_\_\_\_\_ Committee

To: \_\_\_\_\_ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor \_\_\_\_\_

Replacing Supervisor \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

*Malia Cohen*  
Malia Cohen, President  
Board of Supervisors

Print Form

# Introduction Form

By a Member of the Board of Supervisors or Mayor

BOARD OF SUPERVISORS  
SAN FRANCISCO

2018 JUN 19 PM 1:34  
Time stamp

BY \_\_\_\_\_ or meeting date AK

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Cohen

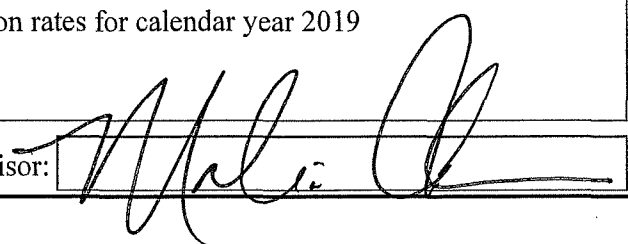
Subject:

Administrative Code - Health Service System Plans and Contribution Rates for 2019

The text is listed:

Ordinance approving Health Service System plans and contribution rates for calendar year 2019

Signature of Sponsoring Supervisor:



For Clerk's Use Only

**FORM SFEC-126:  
NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor: Vision Service Plan (VSP)

*Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.*

1) *Matthew Alpert, O.D, Robert Chu, O.D., Fred Howard, Gordon W. Jennings, O.D., Rob Lynch, Dan Mannen, O.D., F.A.A.O., Leslie A. Murphy, CPA, Mary Anne Murphy, O.D., Gary Sheppard, J.D., Ryan Wineinger, O.D., Jarrett Johnson, O.D.*

2) *Michael Guyette, President/CEO, Kate Renwick-Espinosa, VSP Vision Care President, Don Ball, CFO/Global, Les Passuello, CFO/Vision Care, Chief Operating Officer is not applicable.*

3) *not applicable*

4) *not applicable*

5) *not applicable*

Contractor address: 3333 Quality Drive, Rancho Cordova, CA 95670

Date that contract was approved:	Amount of contract:(estimated for CY 2019) • \$7,382,000
----------------------------------	-------------------------------------------------------------

Describe the nature of the contract that was approved:  
Vision Health Insurance Benefits

Comments:  
\*The amount of this contract is based on the most recent information and will change due to employee resignations, new hires, terminations and other attrition factors, as well as member selections at the time of qualifying events.

This contract was approved by (check applicable):  
 the City elective officer(s) identified on this form  
 a board on which the City elective officer(s) serves \_\_\_\_\_  
Print Name of Board  
 the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

\_\_\_\_\_ Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
Date Signed

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s):  Members, Board of Supervisors	City elective office(s) held:  Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor: DENTAL BENEFIT PROVIDERS OF CALIFORNIA, INC., an indirect subsidiary of UnitedHealth Group [Pacific Union]
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>
<p>1. The Dental Benefit Providers of California, Inc. Directors are:</p> <ul style="list-style-type: none"> <li>■ Andrew Joseph Fabula</li> <li>■ Heather Maureen Kane</li> <li>■ Irma Chi Kato</li> <li>■ Kenneth Mark Sheldon</li> <li>■ Paul Ryan Toler</li> </ul> <p>2. The Dental Benefit Providers of California, Inc. officers include:</p> <ul style="list-style-type: none"> <li>■ <b>CFO:</b> Paul Ryan Toler</li> </ul> <p>3. Dental Benefit Providers, Inc. is 100% shareholder of Dental Benefit Providers of California, Inc.</p> <p>4. We provide most of our core services directly through the UnitedHealth Group family of companies. This allows us to offer affordable solutions through integrated data elements and systems, streamlined implementations and unified account management support.</p> <p>We do work with a variety of external vendors and subcontractors and have listed some of these third parties and the different capacities in which we interact with them. Due to the broad spectrum of UnitedHealth Group businesses and variations in the contractual relationships we have with each vendor or subcontractor, this list is subject to change and should not be considered exhaustive. We will be responsible for holding our vendors to the same standards and requirements to which we agree. We will accept responsibility to the extent that our subcontracted vendor fails to meet any contractual obligation assumed by us.</p> <p>Following are examples of non-affiliated organizations with which we subcontract for dental services:</p> <ul style="list-style-type: none"> <li>■ <b>K Custom Research</b> conducts our member surveys. We have been working with GfK since 2010.</li> <li>■ <b>P &amp; R Dental Strategies, Inc.</b> performs utilization review for our commercial dental business. We have been working with P&amp;R since 2005.</li> <li>■ <b>Scion Dental, Inc.</b> handles utilization review, and network recruitment. We have been working with Scion since 2009.</li> <li>■ <b>Wonderbox</b> Support and maintenance for our Scion Dental's Benefit Administrative System and associated web portals</li> </ul>



<ul style="list-style-type: none"> <li>■ <b>SourceHOV</b> (formerly HOV Services) receives and images paper claims. UnitedHealth Group has used this subcontractor since 1998 and we began using them for dental claims in 2005.</li> <li>■ <b>TeleTech</b> receives all incoming provider phone calls in Lipa City, Philippines. UnitedHealth Group has used this subcontractor since 1996 and we began using TeleTech for dental provider calls in 2006.</li> </ul> <p>In addition, due to the nature of UnitedHealth Group's corporate structure, some functions are handled by affiliates.</p> <p>5. In California, corporate contributions are legal, and all of our political giving is through the United HealthCare Services, Inc. corporate entity, which registers as a major donor committee with the state. We are happy to provide additional information at the parent company level (UnitedHealth Group) for states other than California, upon request.</p>	
Contractor address: Dental Benefit Providers of California, Inc. 425 Market St., 12th Floor San Francisco, CA 94105	
Date that contract was approved:	Amount of contract:(estimated for CY 2019) <ul style="list-style-type: none"> <li>• \$420,000</li> </ul>
Describe the nature of the contract that was approved: DMO Dental Health Insurance Benefits	
Comments: *The amount of this contract is based on the most recent information and will change due to employee resignations, new hires, terminations and other attrition factors, as well as member selections at the time of qualifying events.	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves \_\_\_\_\_  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits \_\_\_\_\_  
Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
 Signature of City Elective Officer (if submitted by City elective officer) Date Signed

\_\_\_\_\_  
 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk) Date Signed

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor: Delta Dental of California ( Delta Dental PPO Active Self Insured and Retiree PPO fully insured, and DeltaCare DHMO)

*Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.*

**(1) DIRECTORS AND OFFICERS**

Glen F. Bergert, **2<sup>nd</sup> Vice Chair**  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

R. Kent Farnsworth, DDS, **Secretary**  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

Lynn L. Franzoi, **Chair**  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

Roy A. Gonella, **1<sup>st</sup> Vice Chair**  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

Chelsea A. Grayson  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

Gregory D. Kaplan, DDS  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

Beverly A. Kodama, DDS  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

Steven F. McCann  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

Terry A. O'Toole, **Treasurer**  
560 Mission Street, Suite 1300  
San Francisco, CA 94105

Stephen R. Pickering, DDS  
 560 Mission Street, Suite 1300  
 San Francisco, CA 94105

Andrew J. Reid, **Immediate Past Chair**  
 560 Mission Street, Suite 1300  
 San Francisco, CA 94105

Heidi Yodowitz  
 560 Mission Street, Suite 1300  
 San Francisco, CA 94105

Anthony S. Barth (Ex Officio)  
 560 Mission Street, Suite 1300  
 San Francisco, CA 94105

(2)  
 President/Chief Executive Officer – Anthony S. Barth  
 Chief Financial Officer – Michael J. Castro  
 Chief Operations Officer -- Nilesh C. Patel

(3)  
 None

(4)  
 None

(5)

Contractor address:  
 560 Mission Street, Suite 1300, San Francisco, California 94105

Date that contract was approved:

Amount of contract: (estimated for CY 2019)

Delta Dental PPO -  
Policy Number 01673 – Retirees (fully-insured premium)

- \$15,900,000

Delta Dental PPO -  
Policy Number 09502 – Actives (self-funded claims + admin.)

- \$49,500,000

DeltaCare USA – DHMO  
Policy Number 71797 – DeltaCare (fully-insured premium)

- \$1,000,000

Describe the nature of the contract that was approved:  
 Dental Health Insurance Benefits

Comments:

The amount of this contract is based on the most recent information and will change due to employee resignations, new hires, terminations and other attrition factors, as well as member selections at the time of qualifying events. The Delta Dental PPO Active Self-Insured Plan is based on actual claims and administration.

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves \_\_\_\_\_  
 Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

\_\_\_\_\_  
 Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
 Signature of City Elective Officer (if submitted by City elective officer) Date Signed

\_\_\_\_\_  
 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk) Date Signed

**FORM SFEC-126:  
NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s):  Members, Board of Supervisors	City elective office(s) held:  Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor: United HealthCare Services, Inc. (for City Plan)

*Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.*

1. The United HealthCare Services, Inc. Directors are :
  - Timothy Noel
  - T. Jeffrey Putnam
2. The United HealthCare Services, Inc. Officers include:  
**CEO and President:** T. Jeffrey Putnam  
**CFO:** Thomas Roos
3. No person owns 20 percent or more in the contractor.
4. We provide most of our core services directly through the UnitedHealth Group family of companies. This enables us to offer affordable solutions through integrated data elements and systems, streamlined implementations and unified account management support.

We do work with a variety of external vendors and subcontractors and have listed some of these third parties and the different capacities in which we interact with them. Due to the broad spectrum of UnitedHealth Group businesses and variations in the contractual relationships we have with each vendor or subcontractor, this list is subject to change and should not be considered exhaustive.

**VENDORS AND SUBCONTRACTORS**

**MEMBER SERVICES**

- Intelligent Voice Response Experience: Silverlink Communication, Eliza
- Interpretation/Translation Services: Language Line Solutions, Transperfect, American Sign Language Sign Language Communications
- Member Call Services: Alorica, Wipro LTD and Teletech
- Provider Call Services: Conduent and Wipro LTD

**CLAIMS ADMINISTRATION**

- Print/Fulfillment: Shutterfly, RR Donnelley, Taylor Corporation
- Regional Mail Operations: SourceHOV, Firstsource
- Clinical Services (OptumRx): MCMC LLC, Medical Review Institute of America

**HEALTH INFORMATION**

Various internal and external sources provide health content to our member website, **myuhc.com**. Each resource maintains relationships with various health professionals who write, edit and review the content created for the site. We screen each vendor for accuracy and independence of content.

**PAYMENT INTEGRITY**

- Fraud, Waste and Abuse Operations: Cotiviti, Omniclaim, DPR Integrated Solutions, ScioHealth, Equiclaim, Health Management Systems, The Rawlings Group

**SHARED SAVINGS PROGRAM**

- Out of Network Claims Repricing and Negotiation: Multiplan

**SOCIAL SECURITY ADVOCACY ASSISTANCE**

Social Security advocacy assistance is provided through another vendor. Claim specialists are trained to educate, guide and monitor the application process for Social Security disability benefits. We then consider offering assistance through Social Security Advocacy for the Disabled.

**LEGAL**

We hold our vendors to the same standards and requirements to which we agree. We accept responsibility to the extent that our subcontracted vendor fails to meet any contractual obligation we assume.

5. In California, corporate contributions are legal, and all of our political giving is reported by United HealthCare Services, Inc., a corporate entity that registers as a major donor committee with the state. We are happy to provide additional information at the parent company level (UnitedHealth Group, Inc.) for states other than California, upon request.

Contractor address:  
 UnitedHealth Group Center  
 9900 Bren Road East  
 Minnetonka, Minnesota 55343

Date that contract was approved:

Amount of contract: (Estimated for CY 2019)

- Self-Funded PPO: \$39,800,000
- Medicare Advantage PPO: \$72,700,000

Describe the nature of the contract that was approved: Self-Insured Medical Plan and Prescription Drug sponsored by CCSF and whose claims administration is outsourced to UnitedHealth Services, Inc., as well as a fully insured Plan for Medicare A and B retirees

Comments:\* The amount of this contract is based on the most recent actuarial information and will change due to actual claims, employee resignations, new hires, terminations and other attrition factors, as well as member selections at the time of qualifying events.

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves \_\_\_\_\_  
 Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

\_\_\_\_\_  
 Print Name of Board

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Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

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Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

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Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor: Blue Shield of California
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>
(1) members of the contractor's board of directors: <ul style="list-style-type: none"> <li>• Doug Busch, Chairman</li> <li>• Mari Barker</li> <li>• Kimberly Belshé</li> <li>• Evelyn Dilsaver</li> <li>• Helen DuPlessis, M.D., M.P.H.</li> <li>• Hector Flores, M.D.</li> <li>• Alan Fohrer</li> <li>• Will Glaser</li> <li>• Kristina M. Leslie</li> <li>• Paul Markovich</li> <li>• Leon E. Panetta</li> <li>• Mohammad H. Qayoumi, Ph.D.</li> </ul>
(2) the contractor's chief executive officer, chief financial officer and chief operating officer; <p>Paul Markovick, President &amp; CEO</p> <p>Michael Murray, Senior Vice President and Chief Financial Officer</p>
(3) any person who has an ownership of 20 percent or more in the contractor; <p>Blue Shield is a Not-for-Profit Mutual Benefit Corporation.</p>
(4) any subcontractor listed in the bid or contract; and <p>Blue Shield currently contracts with the following vendors to provide cost-effective, quality healthcare services:</p> <ul style="list-style-type: none"> <li>• <b>The Rawlings Group, La Grange, KY (2016)</b> – The Rawlings Group provides investigation and recovery functions related to workers' compensation and third-party liability.</li> <li>• <b>Xerox, Sandy, UT (2011)</b> – Xerox provides member enrollment data entry services.</li> </ul>



- **TPUSA, Los Angeles, CA (2007)** – TPUSA assists with handling calls from Individual and Family Plan (IFP) members as well as eligibility and billing questions for members with portfolio plans.
- **Optum, Waltham, MA (2003)** – Optum currently administers Blue Shield’s Predictive Triage Engine, disease management programs; a suite high-risk case management programs; chronic complex, prenatal, and musculoskeletal case management programs CareTips clinical care gap messaging for members and providers; and our NurseHelp 24/7 program.
- **American Specialty Health Plans, San Diego, CA (1994)** – American Specialty Health Plans provides access to their chiropractic, acupuncture, and podiatry networks.
- **Argus Health Systems, Kansas City, MO (1999)** – Argus Health Systems provides claims processing for pharmacy benefits. Blue Shield provides pharmacy benefit management, pharmacy network, formulary, prior authorization, and member services internally.
- **Healthways, Franklin, TN (2013)** - Healthways provides the online wellness platform and content for Wellvolution including the Wellbeing Tracker and Daily Challenge.
- **VAL Health, Paoli, PA (2014)** – VAL Health manages a financial incentive program designed using behavioral economics theory integrated with wellness programs
- **CVS Specialty, Redlands, CA (2005)** – CVS Specialty provides specialty pharmacy services.
- **Dental Benefit Providers, Columbia, MD (1988)** – Dental Benefit Providers serves as Blue Shield’s dental plan administrator.
- **DST Output, El Dorado Hills, CA (2002)** – DST Output provides production services for explanation of benefits documents.
- **Arvato, Valencia, CA (2015)** – Arvato provides production services for ID cards.
- **Hewlett Packard, Plano, TX (2001)** – Hewlett Packard provides information systems and reporting services.
- **Trizetto Cognizant, Englewood, CO (2015)** - Trizetto Cognizant provides information systems and reporting services.
- **HealthEquity, Draper, UT (2012)** – HealthEquity provides integrated HSA/HRA/FSA consumer directed healthcare services for our high deductible health plans (HDHP).
- **Healthwise, Boise, ID (2005)** – Healthwise, a nonprofit consumer health content provider, supplies a robust health and wellness knowledgebase product for use on our website, [www.blueshieldca.com](http://www.blueshieldca.com).
- **Hinduja Global Solutions Inc., Warrenville, IL. (2011)** – Hinduja provides claims edit resolution services.
- **LabCorp, Burlington, NC (1997)** – LabCorp provides access to a national network of clinical laboratories.
- **Language Line, Monterey, CA (2002)** – Language Line provides language services to assist non-English speaking members.
- **Magellan Health Services, Avon, CT (2012)** – Magellan Health Services serves as Blue Shield’s Mental Health Service Administrator (MHSA), providing mental health/substance abuse network administration, claims, customer service, care management, and medical management. Additionally, they administer our LifeReferrals 24/7 program and a Behavioral Health Depression Management Program that integrates with our disease management program.
- **MES Vision, Santa Ana, CA (1984)** – Medical Eye Services serves as Blue Shield’s vision plan administrator.
- **National Imaging Associates, Columbia, MD (1999)** – National Imaging Associates provides prior authorization and medical management for outpatient radiology services, including CAT scans, MRIs/MRAs, nuclear cardiology, bone densitometry, and PET scanning.
- **CVS Health, Woonsocket, RI (2017)** – CVS Caremark provides mail service for pharmacy benefits. Blue Shield provides pharmacy benefit management, pharmacy network, formulary, prior authorization, and member services internally.
- **Quest Diagnostics, Madison, NJ (2008)** – Quest Diagnostics provides onsite and remote biometric screening services and immunization services.

- **SourceHOV, LLC, Dallas, TX. (2007)** – SourceHOV provides paper claims and correspondence mailroom, imaging and data entry services, including image viewing capabilities, claims edit resolution, correspondence activation, small group enrollment, claim credit backs, and pre-denial audits.
- **TeleTech Financial Services Management, LLC, Englewood, CO (2001)** – TeleTech assists with handling phone calls for IFP members, eligibility and billing questions for members with portfolio plans, and providers.
- **Partners in Care Foundation, San Fernando, CA (2015)** – Partners in Care Foundation currently administers a home visit component of Shield Support care management, as well as a pilot of Evidence-Based Self- Management Programs for members with chronic conditions (provided as an additional option for members enrolled in BSC disease management program).
- **The Health Trust, San Jose, CA (2015)** – The Health Trust currently administers a pilot of Evidence-Based Self-Management Program for members with chronic conditions (provided as an additional option for members enrolled in BSC disease management program).

Please note that Blue Shield providers are neither agents nor employees of the plan but are independent contractors. Blue Shield cannot be held liable for the negligence, wrongful acts or omissions of any person receiving or providing services, including any physician, hospital or other provider.

(5) any political committee sponsored or controlled by the contractor.

EmPAC

Contractor address:  
50 Beale Street, San Francisco CA 94105

Date that contract was approved:

Amount of contract: (Estimated for CY 2019)  
\$360,000,000

Describe the nature of the contract that was approved:

Medical Coverage: Blue Shield Flex Funded HMO for Actives and Early Retirees

Comments:

\*The amount of this contract is based on the most recent actuarial information and will change due to employee resignations, new hires, terminations and other attrition factors, as well as member selections at the time of qualifying events.

This contract was approved by (check applicable):

the City elective officer(s) identified on this form \_\_\_\_\_

a board on which the City elective officer(s) serves \_\_\_\_\_  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

\_\_\_\_\_  
Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

---

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

---

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor:  <div style="margin-left: 40px;">Kaiser Foundation Health Plan, Inc., Northern California Kaiser   Foundation Health Plan, Inc., Southern California</div>
<p><i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i></p> <ol style="list-style-type: none"> <li>1. Please see attachment.</li> <li>2. Please see attachment.</li> <li>3. Kaiser Permanente is one of the nation's largest not-for-profit prepaid group practice plans, which represents a partnership between Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals and the Permanente Medical Groups. As such, there is no owner, shareholders or sponsor.   Health Plans and Hospitals are nonprofit corporations whose capital is available for charitable, educational, research and related purposes and are generally exempt from federal and state income taxes. No individual or entity has any ownership interest in Health Plans or Hospitals.</li> <li>4. Not applicable</li> <li>5. Not applicable</li> </ol>
Contractor address:  <div style="margin-left: 40px;"><i>Northern California:</i>  Kaiser Foundation Health Plan, Inc.   1950 Franklin Street  Oakland, CA 94612   <i>Southern California:</i>  Kaiser Foundation Health Plan, Inc.   393 East Walnut Street  Pasadena, CA 91188</div>

Date that contract was approved:	Amount of contract: (Estimated for CY 2019) <ul style="list-style-type: none"><li>• Kaiser Permanente California<ul style="list-style-type: none"><li>○ Active/Early Retirees- \$365,338,690</li><li>○ Medicare Retirees - \$57,441,537</li></ul></li><li>• Kaiser Permanente Multi Region<ul style="list-style-type: none"><li>○ Early and Medicare Retirees- \$819,773</li></ul></li></ul> Total Kaiser Permanente Contract Value- \$423,600,000
Describe the nature of the contract that was approved: Medical Health Insurance: Kaiser Permanente Traditional Plan in California, HMO, Senior Advantage with Part D in California, Kaiser Permanente Early Retiree Plans in Hawaii, Northwest, and Washing regions, and Senior Advantage with Part D in Hawaii, Northwest, and Washing regions.	

Comments:

\*The amount of this contract is based on the most recent actuarial information and will change due to employee resignations, new hires, terminations and other attrition factors, as well as member selections at the time of qualifying events.

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves \_\_\_\_\_  
 Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

\_\_\_\_\_  
 Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
 Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
 Date Signed



**Health Service System – City and County of San Francisco  
Attachment to Form SFEC-126:  
Notification of Contract Approval  
June 2018**

- **Please list the names of (1) members of the contractor’s board of directors.**

Here are the members of the Kaiser Foundation Hospitals and Health Plan Boards of Directors:

**Bernard J. Tyson**

Chairman and CEO of Kaiser Foundation Health Plan, Inc. and Hospitals

**Ramon Baez**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**David J. Barger**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Regina Benjamin, MD, MBA**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Jeff Epstein**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Leslie Stone Heisz**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**David F. Hoffmeister**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Judith A. Johansen, JD**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Kim J. Kaiser**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Edward Pei**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Meg Porfido, JD**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Richard P. Shannon, MD**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

**Cynthia A. Telles, PhD**

Kaiser Foundation Hospitals and Health Plan Boards of Directors



**A. Eugene Washington, MD, MPH**

Kaiser Foundation Hospitals and Health Plan Boards of Directors

For more information on the members of our Boards of Directors, please go to <http://share.kaiserpermanente.org/bio/>.

- **Please list the names of (2) the contractor's chief executive officer, chief financial officer, and chief operating officer.**

**Bernard J. Tyson**

Chairman, President and Chief Executive Officer, Kaiser Foundation Health Plan, Inc. and Hospitals

**Gregory A. Adams**

Executive Vice President and Group President, Kaiser Foundation Health Plan, Inc. and Hospitals

**Anthony Barrueta**

Senior Vice President, Government Relations, Kaiser Foundation Health Plan, Inc. and Hospitals

**Vanessa M. Benavides**

Senior Vice President and Chief Compliance and Privacy Officer, Kaiser Foundation Health Plan, Inc. and Hospitals

**Bechara Choucair, MD**

Senior Vice President, Chief Community Health Officer, Kaiser Foundation Health Plan, Inc. and Hospitals

**Chuck Columbus**

Senior Vice President, Chief Human Resources Officer, Kaiser Foundation Health Plan, Inc. and Hospitals

**Patrick T. Courneya, MD**

Executive Vice President, Chief Medical Officer, Kaiser Foundation Health Plan, Inc. and Hospitals

**Richard (Dick) D. Daniels**

Executive Vice President, Chief Information Officer, Kaiser Foundation Health Plan, Inc. and Hospitals

**Kathy Lancaster**

Executive Vice President, Chief Financial Officer, Kaiser Foundation Health Plan, Inc. and Hospitals





**Arthur M. Southam, MD, MPH**

Executive Vice President, Health Plan Operations, Kaiser Foundation Health Plan, Inc. and Hospitals

**Mark S. Zelman**

Senior Vice President, General Counsel, Kaiser Foundation Health Plan, Inc. and Hospitals

**Edward M. Ellison, MD**

Executive Medical Director/Chairman of the Board, Southern California Permanente Medical Group; Chairman of the Board and CEO, The Southeast Permanente Medical Group, Inc.; Co-CEO, The Permanente Federation LLC

**Richard S. Isaacs, MD, FACS**

Executive Director and CEO, The Permanente Medical Group; President and CEO, Mid-Atlantic Permanente Medical Group; Co-CEO, The Permanente Federation, LLC

**Geoffrey S. Sewell, MD, FACP**

President and Executive Medical Director, Hawaii Permanente Medical Group, Inc.; Chairman, National Permanente Executive Committee, The Permanente Federation LLC

**Chris Grant**

Executive Vice President and Chief Operating Officer, The Permanente Federation LLC

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

**City Elective Officer Information** *(Please print clearly.)*

Name of City elective officer(s):  
Members, Board of Supervisors

City elective office(s) held:  
Members, Board of Supervisors

**Contractor Information** *(Please print clearly.)*

Name of contractor:

Aetna Life Insurance Company, Underwriter

*Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.*

*(1) Contractor (Aetna) Board of Directors*

- Fernando Aguirre, Former Chairman, President and Chief Executive Officer Chiquita Brands International, Inc.
- Mark T. Bertolini Chairman, Chief Executive Officer and President Aetna
- Frank M. Clark, Former Chairman and Chief Executive Officer Commonwealth Edison Company
- Molly J. Coye, M.D., Chief Innovation Officer UCLA Health System
- Roger N. Farah, President, Chief Operating Officer and Director Ralph Lauren Corporation
- Jeffrey E. Garten, Juan Trippe Professor in the Practice of International Trade, Finance and Business, Yale University
- Ellen M. Hancock, Former President of Jazz Technologies, Inc., Former Chairman and Chief Executive Officer of Exodus Communications, Inc.
- Richard J. Harrington, Chairman The Cue Ball Group, Former President and Chief Executive Officer The Thomson Corporation
- Edward J. Ludwig, Former Chairman and Chief Executive Officer Becton, Dickinson and Company
- Olympia J. Snowe, Chairman and Chief Executive Officer, Olympia Snowe, LLC, Former U. S. Senator

*(2) Contractor (Aetna) Chief Executive Officer/Chief Financial Officer/Chief Operating Officer*

- Mark T. Bertolini Chairman, Chief Executive Officer
- Karen S. Lynch, President
- Shawn Guertin, Senior Executive Vice President, Chief Financial Officer
- Meg McCarthy is Executive Vice President, Operations & Technology.

*(3) Any person who has an ownership of 20% or more*

- Aetna is a publically traded company with no one person or entity having 20% or more ownership

*(4) Any subcontractor listed in the bid.*

- Affiliated Customer Services
- Allsup
- Computer Sciences Corporation
- Coventry Priority Services
- Dell Systems
- IBM Daksh
- International Beneficiary Locators, Inc.
- Intracorp
- Open Solutions and Harland (formerly BISYS)
- The Rawlings Company

*(5) Any Political committee sponsored or controlled by the contractor*

- Aetna Political Action Committee (PAC)
  - i. Aetna PAC is a bipartisan political action committee, an organization that enables company employees to have a voice with legislators who make laws and policy that have a direct impact on the way the company does business. Its purpose is to collect voluntary contributions from eligible Aetna employees and then use these funds to support candidates for federal and state political office in accordance with applicable election law.

Contractor address: 151 Farmington Avenue Hartford, CT 06156	
Name of contractor: Hartford Life and Accident Insurance Company, Administrator	
<p>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</p> <p>(6) Contractor (Hartford Life and Accident Insurance Company) Board of Directors</p> <ul style="list-style-type: none"> <li>- Robert B. Allardice III Retired Regional Chief Executive Officer, North and South America, Deutsche Bank Americas Holding Corporation</li> <li>- Carlos Dominguez President and Chief Operating Officer, Sprinklr</li> <li>- Trevor Fetter Lead Director, The Hartford; Former Chairman and Chief Executive Officer, Tenet Healthcare Corporation</li> <li>- Stephen P. McGill Retired Group President, Aon Plc, Retired Chairman and CEO, Aon Risk Solutions and Aon Benfield</li> <li>- Kathryn Mikells Chief Financial Officer and Director, Diageo plc</li> <li>- Michael G. Morris Retired Chairman, President and Chief Executive Officer, American Electric Power Company, Inc.</li> <li>- Thomas A. Renyi Retired Executive Chairman, The Bank of New York Mellon Corporation</li> <li>- Julie G. Richardson Former Partner, Providence Equity Partners</li> <li>- Teresa Wynn Roseborough Executive Vice President, General Counsel and Corporate Secretary, The Home Depot</li> <li>- Virginia P. Ruesterholz Retired Executive Vice President, Verizon Communications</li> <li>- Greig Woodring Retired President and Chief Executive Officer, Reinsurance Group of America, Inc</li> </ul> <p>(7) Contractor (Hartford Life and Accident Insurance Company) Chief Executive Officer/Chief Financial Officer/Chief Operating Officer</p> <ul style="list-style-type: none"> <li>- Christopher J. Swift, Chairman of the Board of Directors and Chief Executive Officer</li> <li>- Beth A. Bombara, Executive Vice President and Chief Financial Officer</li> <li>- Brion S. Johnson, Chief Information Officer</li> </ul> <p>(8) Any person who has an ownership of 20% or more</p> <ul style="list-style-type: none"> <li>- Hartford Life and Accident Insurance Company is a publically traded company with no one person or entity having 20% or more ownership</li> </ul> <p>(9) Any subcontractor listed in the bid.</p> <ul style="list-style-type: none"> <li>- Not Applicable</li> </ul> <p>(10) Any Political committee sponsored or controlled by the contractor</p> <ul style="list-style-type: none"> <li>- Hartford Life and Accident Insurance Company has two PACs solely funded by voluntary contributions from eligible employees in management level roles. <ul style="list-style-type: none"> <li>i. The Hartford Advocates Fund</li> <li>ii. The Hartford Advocates Federal Fund</li> </ul> </li> </ul>	
Contractor address: One Hartford Plaza Hartford, CT 06155	
Date that contract was approved:	Amount of contract: (estimated for CY 2019) <ul style="list-style-type: none"> <li>• Life (basic): \$1,070,000</li> <li>• Life (Supplemental): \$790,000</li> <li>• Long Term Disability(LTD): \$7,410,000</li> </ul> TOTAL: \$9,270,000
Describe the nature of the contract that was approved:	
1.) Basic Group Life and Supplemental Life, and; 2.) Long Term Disability Insurance	

Comments:

\*The amount of this contract is based on the most recent information and will change due to employee resignations, new hires, terminations and other attrition factors, as well as member selections at the time of qualifying events.

This contract was approved by (check applicable):

the City elective officer(s) identified on this form \_\_\_\_\_

a board on which the City elective officer(s) serves \_\_\_\_\_  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

\_\_\_\_\_  
Print Name of Board

**Filer Information** *(Please print clearly.)*

Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
 Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
 Date Signed