

File No. 190709

Committee Item No. 3

Board Item No. 32

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date July 17, 2019

Board of Supervisors Meeting

Date July 30, 2019

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
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OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong

Date July 12, 2019

Completed by: Linda Wong

Date July 18, 2019

1 [Health Service System Plans and Contribution Rates - Calendar Year 2020]

2  
3 **Ordinance approving Health Service System plans and contribution rates for calendar**  
4 **year 2020.**

5  
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 ~~strikethrough 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 14, 2019, 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

1 File No. 190709, the HSB determined that "the average contribution" made by the counties  
2 surveyed for the 2020 calendar plan year is \$705.92 per month.

3 (d) At its meetings of March 14, April 11, May 9, and June 13, 2019, the HSB adopted  
4 health insurance plans and contribution rates for Health Service System plans to become  
5 effective on January 1, 2020, for the calendar plan year January 1, 2020 through December  
6 31, 2020. Said plans and contribution rates are on file with the Clerk of the Board of  
7 Supervisors in Board of Supervisors in File No. 190709, and are incorporated herein by  
8 reference. Each of the health insurance plans is expected to exceed \$10,000,000 in  
9 expenditures, and therefore Charter Section 9.118(b) requires Board of Supervisors approval  
10 of each plan.

11  
12 Section 2. The Board of Supervisors hereby approves the health insurance plans and  
13 contribution rates adopted by the HSB on March 14, April 11, May 9, and June 13, 2019, as  
14 referenced in subsection (d) of Section 1 of this ordinance.

15  
16 Section 3. As referenced in subsection (c) of Section 1 of this ordinance, "the average  
17 contribution" under Charter Section A8.423, which shall constitute the monthly amount  
18 contributed by the participating employers to the Health Service Trust Fund for the calendar  
19 plan year January 1, 2020 through December 31, 2020, as required under Charter Section  
20 A8.428(b)(2), is \$705.92.

21  
22 Section 4. Effective Date. This ordinance shall become effective 30 days after  
23 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
24 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
25 of Supervisors overrides the Mayor's veto of the ordinance.

1 Section 5. Supermajority Vote Requirement. Under Charter Section A8.422, a three-  
2 fourths' vote of the Board of Supervisors (i.e., the vote of at least nine Supervisors) is required  
3 for passage of this ordinance.  
4

5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

7 By: Erik A. Rapoport  
8 ERIK A. RAPOPORT  
Deputy City Attorney

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LEGISLATIVE DIGEST

[Health Service System Plans and Contribution Rates for Calendar Year 2020]

**Ordinance approving Health Service System plans and contribution rates for calendar year 2020.**

Existing Law

Charter Section A8.422 requires the Board of Supervisors to adopt health care plan contribution rates annually for Health Service System members by three fourths of its members.

Amendments to Current Law

The Ordinance sets the participating employers average contribution toward member health insurance premiums in addition to the Health Service System member health care plan contribution rates.

Background Information

The San Francisco Board of Supervisors (Board) approves rates and benefits for San Francisco Health Service System (HSS) members, and the employer's "average contribution" toward member health insurance premiums, through a single uncodified ordinance. The "average contribution" is the average contribution made by the ten counties in California with the largest populations toward the providing of health care plans, exclusive of dental or optical care, for each employee of such county.

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<p><b>Item 3</b>  <b>File 19-0709</b>  <i>(Continued from July 10, 2019)</i></p>	<p><b>Department:</b>                  Health Service System (HSS)</p>
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**EXECUTIVE SUMMARY**

**Legislative Objectives**

- 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 2020.

**Key Points**

- 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.
- 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 employer contribution for calendar year 2020 is \$705.92 per member per month, which is \$33.84 or approximately five percent more than the 10-county average monthly contribution of \$672.08 in 2019.
- Compared to 2019 rates, the total 2020 City health premium amounts are proposed to (a) increase by \$21.3 million or 6.5 percent for Kaiser, (b) increase by \$5.4 million or 1.9 percent for Blue Shield, and (c) increase by \$12.1 million or 13.2 percent for UnitedHealthcare (includes City Plan and Medicare Advantage PPO).

**Fiscal Impact**

- The total estimated cost for the City as employer and total cost of active and retired City employees for health, vision, and dental plans, as well as long-term disability and life insurance, will be \$802,119,041 in 2020, which is a \$35,239,842 or 4.6 percent increase from \$766,879,199 in 2019.
- 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 2020 is \$709,615,111 which is a \$31,220,973 or 4.6 percent increase from \$678,394,138 in 2019.
- The balance of the estimated total cost for 2020 that will be paid by employees and retirees is \$92,503,930 or 4.5 percent more than the 2019 costs of \$88,485,061. According to SFHSS, average contributions for members and retirees for medical will be \$129.66 per member per month in 2020.

**Recommendation**

- Approve the proposed ordinance.

## 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 consist of 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 contribution formulas for City employees negotiated as part of their labor agreements 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 total health insurance 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 total health insurance premium for employees with two or more dependents, capped at 83 percent of the second-highest cost plan. According to SFHSS, there are 16,767 members (excluding dependents) who are covered by this contribution model.
- Under the '100/96/83 Contribution Model', the City contributes 100 percent of total health insurance premiums for employee-only coverage. The City contributes up to 96 percent of the total health insurance 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 total health insurance premium for employees with two or more dependents, capped at 83 percent of the second-highest cost plan. According to SFHSS,

there are 12,317 members (excluding dependents) who are covered by this contribution model.

#### 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 2020 is \$705.92 per member per month. 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 employer contributions for retirees. In the event the premium is higher than the 10-county “average contribution”, the City will pay the “average contribution” amount up to the maximum percentage of premium cost stipulated in the employee agreements and described above. In the event the premium is less than the “average contribution,” the City will pay one hundred percent (100%) of the premium. The \$705.92 average contribution per month paid by the City is \$33.84 or approximately five percent more than the average monthly contribution of \$672.08 in 2019.

#### 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 2018, the Health Service System Trust Fund balance was \$77,448,823.

### DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would approve the San Francisco 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 2020. The total cost of the plans would be \$802,119,041, or 4.6 percent more than the \$766,879,199 costs in 2019. Of the total, the City’s costs would be \$709,615,111, with the balance of \$92,503,930 paid by employees and retirees. Table 1 below provides a summary of health insurance costs for 2020.

On June 13, 2019, the Health Service Board concluded the approval of the following health, vision, dental, life and long-term disability insurance plans and premiums for the period from January 1, 2020 through December 31, 2020.

#### 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

<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.



\$21.3 million, or 6.5 percent more in CY 2020 than in CY 2019. These amounts are shown in Table 1 below. There is one Kaiser plan design change approved by the Health Service Board for active employees and early retirees for 2020. The subset of current infertility related services that are covered for a \$20 copay in 2019 will move to a 50 percent coinsurance member cost-share in 2020. This aligns the benefit coverage level for all plans for infertility related services, and is a change mandated by Kaiser.

The Kaiser Medicare plan has one plan enhancement that was approved by the Health Service Board for 2020. A new transportation benefit of up to 24 one-way rides per year (50 miles maximum per ride) will be offered in 2020 to support member health care appointment and facility post-discharge transportation needs. This is currently scheduled to take effect January 1, 2020, though could be delayed depending on vendor set-up status through Kaiser.

#### Blue Shield California HMOs

The total 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 \$5.4 million, or 1.9 percent, more in CY 2020 than in CY 2019. These amounts are shown in Table 1 below. There are two plan design changes approved for the Blue Shield Access+ and Trio plans by the Health Service Board for 2020. In 2020, members will be able to receive (1) an expanded array of vaccines at participating pharmacies, and (2) access for all covered members to a maximum of four nutritional counseling visits annually without a specific diagnosis.

#### UnitedHealthcare (UHC) City Plan PPO for Active Employees and Early Retirees and UHC Medicare Advantage (MA) PPO<sup>2</sup>

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

The UHC City Plan PPO is a self-funded plan<sup>4</sup> administered by UnitedHealthcare (UHC) for active employees and early retirees. One plan design change was approved by the Health Service Board for 2020. The in-network out-of-pocket maximum for families will be reduced from a current amount of \$12,700 to \$7,500. This is expected to have minimal financial impact on the plan's costs, estimated to be only a \$40,000 cost increase by SFHSS staff,<sup>5</sup> but will benefit families using high levels of care across multiple family members.

<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.

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

<sup>4</sup> According to SFHSS, a self-funded plan is where the plan sponsor (SFHSS) pays the claims and takes the risk if the claims are greater than the expectation of what the claims estimates will be.

<sup>5</sup> This amount represents the incremental costs if the in-network out-of-pocket maximum is \$12,700 instead of \$7,500.

The UHC Medicare Advantage PPO Plan, covers all non-Kaiser Medicare eligible retirees. No plan changes were approved by the Health Service Board for 2020.

In aggregate, the increase in the total UHC Plan premium payments paid by the City as employer and active and retired City employees is \$12.1 million, or 13.2 percent more in CY 2020 than in CY 2019. Active and retired City employees will pay \$1.4 million of the \$12.1 million increase, representing an increase of 9.4 percent in CY 2020 compared to CY 2019, as shown in Table 1 below.

The 13.2 percent aggregate increase for the UHC Plan as a whole costs is higher than the 6.5 and 1.9 percent increases for 2020 for the Kaiser and Blue Shield HMO plans, respectively. According to SFHSS, the UHC City Plan PPO's rate of increase is 10 percent and is more costly due to high utilization of services that cost more, members with a higher risk score, and a smaller number of enrollees (members) compared to the Kaiser and Blue Shield plans. The rate of increase for the UHC Medicare Advantage PPO is 16.5 percent mostly due to Affordable Care Act Health Insurance Tax returning in 2020 after being suspended in 2019. This is the cause of over half of the 16.5% increase in the UHC Medicare Advantage PPO.

According to the City's actuarial consultant, Aon, a factor in the UHC City Plan PPO total premium increase for CY 2020 is the change in the City Plan rate stabilization reserve available to support City Plan total costs. In 2019, the entire rate stabilization reserve balance of \$1,661,000 was applied to 2019 rates to keep them lower than they otherwise would have been. In 2020, the rate stabilization reserve is in a modest deficit position and thus cannot be used to keep rates lower. A \$117,000 rate stabilization deficit buy-up is being applied to 2020 City Plan rates.

#### 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 2020, Basic Plan rates will remain at 2019 levels. Consequently, there is no change to the employer cost for VSP vision rates from 2019 to 2020. For 2020, Premier Plan total premium rates are increasing by 4.3 percent from 2019 rate levels. Employees and retirees pay the full premium difference between Premier Plan rates and Basic Plan rates, in the form of member contributions.

For 2020, the projected cost to the City, San Francisco Unified School District (SFUSD), San Francisco Community College District (SFCCD), and the Superior Court for the VSP vision plan is \$5,187,496 of which \$4,158,162 is the City's cost as the employer. The employer portion of vision plan costs will remain constant from 2019 to 2020, as the Basic Plan premiums are not changing from 2019 to 2020.

#### 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 enrolled in the Delta Dental PPO and the full cost of the dental HMOs for active employees, while retirees pay the full cost of their dental plans.

There were no plan design changes to the active employee Delta Dental PPO plan, and the two dental HMOs for active employees and retirees, from 2019 to 2020. The following design changes were approved by the Health Service Board for the 2020 Delta Dental Retiree PPO plan:

- PPO network design: increase plan-paid coinsurance for services provided by PPO providers currently covered at 50 percent, to 60 percent—including crown, denture, pontic<sup>6</sup>, bridge, and endodontic/root canal services (coinsurance for these services would remain at 50 percent for services provided by Premier and out-of-network providers)
- Premier network and out-of-network design: increase the individual member deductible paid for services (other than diagnostic and preventive care) delivered by a Premier provider or out-of-network provider from \$50 to \$75 annually. There is no change to the family maximum deductible of \$150.

For plan year 2020, 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 remain unchanged from the 2019 plan year.

The City's employer and member premium contributions for the dental PPO plan are expected to decrease by \$2.4 million, or 5.2 percent, to \$43.5 million in plan year 2020, as shown in Table 1 below. The decrease is due to a combination of recent favorable experience for active employees and the availability of \$7.0 million in dental PPO rate stabilization reserve balance funds to be applied towards the premiums.

#### Life and Long-Term Disability Insurance

In late 2017, The Hartford Life and Accident Insurance Company acquired the group life and disability business of Aetna Group Insurance. Consequently, Hartford is the insuring entity for the SFHSS life and disability insurance plans starting in 2020 and thereafter. SFHSS will continue to contract with The Hartford Life and Accident Insurance Company for life and long-term disability insurance in 2020.

In aggregate, the rates decreased by approximately 12 percent from 2019 to 2020. Basic life insurance (employer paid) increased by 42.5 percent, supplemental life insurance (member paid) decreased by 15 percent, and long-term disability insurance (employer paid) premiums decreased by 20 percent. Rates are now locked for three years, from January 1, 2020 through December 31, 2022.

#### Second Opinion Benefit

An external second opinion service was implemented by SFHSS effective January 1, 2017. Upon review by SFHSS and the Health Service Board, this external second opinion services will be

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<sup>6</sup>The artificial tooth that replaces a missing natural tooth.

discontinued for the 2020 plan year, upon expiration of the current three-year agreement on December 31, 2019. SFHSS will promote information from each health plan to support members in seeking second medical opinions within the health plans.

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

In 2010, the Patient Protection and Affordable Care Act (also known as the Affordable Care Act) created a Health Insurance Tax (HIT) and two direct fees were passed through to employers – the Transitional Reinsurance Fee (TRF) and the Patient Centered Outcomes Research Institute (PCORI) Fee. The TRF and PCORI fees have now expired, and as of June 2019 will not apply in 2020 or future years. The TRF expired after the 2016 plan year, and SFHSS will be making its final PCORI payment (for the UHC City Plan) by July 31, 2019.

The Health Insurance Tax (HIT) impacts most fully insured health plans offered through SFHSS, including dental and vision plans. This tax has applied most years since the Affordable Care Act became law, though the federal government waived this fee for the 2017 and 2019 plan years. As of June 2019, the HIT is scheduled to return for the 2020 plan year for most SFHSS fully insured health plans. HIT does not apply to the BSC plans<sup>7</sup> (based on a prior California Department of Managed Health Care ruling). The HIT also applies to the Kaiser Permanente (Kaiser) Senior Advantage (KPSA) Medicare HMO plan but Kaiser reports to SFHSS staff that it does not pass this fee on in its Kaiser Permanente Senior Advantage rates.

## **FISCAL IMPACT**

### **2020 Total City Costs**

As shown in Table 1 below, the total estimated cost for the City as employer and total cost of active and retired City employees for health, vision, and dental plans, as well as long-term disability and life insurance, will be \$802,119,041 in 2020, which is a \$35,239,842 or a 4.6 percent increase from \$766,879,199 in 2019. 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 2020 is \$709,615,111 which is a \$31,220,973 or 4.6 percent increase from \$678,394,138 in 2019. The estimated total cost for medical for 2020 that will be paid by employees and retirees is \$88,050,190, or 4.93 percent more than the 2019 costs of \$83,912,325. According to SFHSS, average contributions for members and retirees for medical will be \$129.66 per member per month in 2020. SFHSS staff cautions that there is great variation in member contributions based on the plans selected, status, and characteristics of each member.

<sup>7</sup> Blue Shield plans include Access+ and Trio flex-funded plans which includes the following for 2019: No annual deductible, \$200 copay (per admission) for the hospital (inpatient), \$100 copay (waived if admitted) for the emergency room, \$50 copay for ambulance services, \$25 copay for office visits, \$25 copay (in-network) for urgent care, retail prescriptions (30-day supply) - \$10 (generic), \$25 (brand), \$50 (non-formulary), mail order prescriptions (90-day supply) - \$20 (generic), \$50 (brand), \$100 (non-formulary), 50% (in-network) infertility treatment, \$15 copay (limit 30 visits per year) for acupuncture, \$15 copay (limit 30 visits per year) for chiropractic needs.

**Table 1: Total Plan Costs for the City, Employees and Retirees in 2020 Compared to 2019 Current Membership<sup>8</sup>**

	2019	2020	Increase / (Decrease)	Percent Change
<b>City Costs Only</b>				
Kaiser HMO	\$294,853,098	\$313,794,243	\$18,941,146	6.42%
Blue Shield HMO	\$256,365,928	\$261,480,408	\$5,114,480	1.99%
City Plan	\$76,097,757	\$86,704,703	\$10,606,946	13.94%
Subtotal Health and Vision Plan	\$627,316,783	\$661,979,355	\$34,662,571	5.53%
Dental	\$42,167,554	\$39,776,717	(\$2,390,837)	-5.67%
Long Term Disability and Life Insurance	\$8,909,800	\$7,859,039	(\$1,050,761)	-11.79%
<b>Total City Costs</b>	<b>\$678,394,138</b>	<b>\$709,615,111</b>	<b>\$31,220,973</b>	<b>4.60%</b>
<b>Employee and Retiree Costs Only</b>				
Kaiser HMO	\$35,532,645	\$37,903,587	\$2,370,942	6.67%
Blue Shield HMO	\$32,955,304	\$33,276,992	\$321,688	0.98%
City Plan	\$15,424,377	\$16,869,611	\$1,445,234	9.37%
Subtotal Health and Vision Plan	\$83,912,325	\$88,050,190	\$4,137,865	4.93%
Dental	\$3,696,780	\$3,696,780	\$0	0.00%
Long Term Disability and Life Insurance	\$875,956	\$756,960	(\$118,996)	-13.58%
<b>Total Employee and Retiree Costs</b>	<b>\$88,485,061</b>	<b>\$92,503,930</b>	<b>\$4,018,869</b>	<b>4.54%</b>
<b>Total Costs</b>				
Kaiser HMO	\$330,385,743	\$351,697,830	\$21,312,088	6.45%
Blue Shield HMO	\$289,321,232	\$294,757,400	\$5,436,168	1.88%
City Plan	\$91,522,134	\$103,574,314	\$12,052,180	13.17%
Subtotal Health and Vision Plans	\$711,229,109	\$750,029,544	\$38,800,436	5.46%
Dental	\$45,864,334	\$43,473,497	(\$2,390,837)	-5.21%
Long Term Disability and Life Insurance	\$9,785,756	\$8,615,999	(\$1,169,357)	-11.95%
<b>Total Costs</b>	<b>\$766,879,199</b>	<b>\$802,119,041</b>	<b>\$35,239,842</b>	<b>4.60%</b>

Source: San Francisco Health Service System

The employer contribution amounts shown in Table 1 above are included in the FY 2019-20 and FY 2020-21 budgets currently pending before the Board of Supervisors.

### RECOMMENDATION

Approve the proposed ordinance.

<sup>8</sup> According to SFHSS, both 2019 and 2020 forecasted costs are based on the May 2019 headcount.

<p><b>Item 15</b> <b>File 19-0709</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 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 2020.</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 employer contribution for calendar year 2020 is \$705.92 per member per month, which is \$33.84 or approximately five percent more than the 10-county average monthly contribution of \$672.08 in 2019.</li> <li>Compared to 2019 rates, the total 2020 City health premium amounts are proposed to (a) increase by \$21.3 million or 6.5 percent for Kaiser, (b) increase by \$5.4 million or 1.9 percent for Blue Shield, and (c) increase by \$12.1 million or 13.2 percent for UnitedHealthcare (includes City Plan and Medicare Advantage PPO).</li> </ul>	
<p style="text-align: center;"><b>Fiscal Impact</b></p>	
<ul style="list-style-type: none"> <li>The total estimated cost for the City as employer and total cost of active and retired City employees for health, vision, and dental plans, as well as long-term disability and life insurance, will be \$802,119,041 in 2020, which is a \$35,239,842 or 4.6 percent increase from \$766,879,199 in 2019.</li> <li>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 2020 is \$709,615,111 which is a \$31,220,973 or 4.6 percent increase from \$678,394,138 in 2019.</li> <li>The balance of the estimated total cost for 2020 that will be paid by employees and retirees is \$92,503,930 or 4.5 percent more than the 2019 costs of \$88,485,061. According to SFHSS, average contributions for members and retirees for medical will be \$129.66 per member per month in 2020.</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 consist of 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 contribution formulas for City employees negotiated as part of their labor agreements 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 total health insurance 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 total health insurance premium for employees with two or more dependents, capped at 83 percent of the second-highest cost plan. According to SFHSS, there are 16,767 members (excluding dependents) who are covered by this contribution model.
- Under the '100/96/83 Contribution Model', the City contributes 100 percent of total health insurance premiums for employee-only coverage. The City contributes up to 96 percent of the total health insurance 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 total health insurance premium for employees with two or more dependents, capped at 83 percent of the second-highest cost plan. According to SFHSS,

there are 12,317 members (excluding dependents) who are covered by this contribution model.

#### 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 2020 is \$705.92 per member per month. 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 employer contributions for retirees. In the event the premium is higher than the 10-county “average contribution”, the City will pay the “average contribution” amount up to the maximum percentage of premium cost stipulated in the employee agreements and described above. In the event the premium is less than the “average contribution,” the City will pay one hundred percent (100%) of the premium. The \$705.92 average contribution per month paid by the City is \$33.84 or approximately five percent more than the average monthly contribution of \$672.08 in 2019.

#### 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 2018, the Health Service System Trust Fund balance was \$77,448,823.

### DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would approve the San Francisco 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 2020. The total cost of the plans would be \$802,119,041, or 4.6 percent more than the \$766,879,199 costs in 2019. Of the total, the City’s costs would be \$709,615,111, with the balance of \$92,503,930 paid by employees and retirees. Table 1 below provides a summary of health insurance costs for 2020.

On June 13, 2019, the Health Service Board concluded the approval of the following health, vision, dental, life and long-term disability insurance plans and premiums for the period from January 1, 2020 through December 31, 2020.

#### 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

<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.



\$21.3 million, or 6.5 percent more in CY 2020 than in CY 2019. These amounts are shown in Table 1 below. There is one Kaiser plan design change approved by the Health Service Board for active employees and early retirees for 2020. The subset of current infertility related services that are covered for a \$20 copay in 2019 will move to a 50 percent coinsurance member cost-share in 2020. This aligns the benefit coverage level for all plans for infertility related services, and is a change mandated by Kaiser.

The Kaiser Medicare plan has one plan enhancement that was approved by the Health Service Board for 2020. A new transportation benefit of up to 24 one-way rides per year (50 miles maximum per ride) will be offered in 2020 to support member health care appointment and facility post-discharge transportation needs. This is currently scheduled to take effect January 1, 2020, though could be delayed depending on vendor set-up status through Kaiser.

#### Blue Shield California HMOs

The total 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 \$5.4 million, or 1.9 percent, more in CY 2020 than in CY 2019. These amounts are shown in Table 1 below. There are two plan design changes approved for the Blue Shield Access+ and Trio plans by the Health Service Board for 2020. In 2020, members will be able to receive (1) an expanded array of vaccines at participating pharmacies, and (2) access for all covered members to a maximum of four nutritional counseling visits annually without a specific diagnosis.

#### UnitedHealthcare (UHC) City Plan PPO for Active Employees and Early Retirees and UHC Medicare Advantage (MA) PPO<sup>2</sup>

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

The UHC City Plan PPO is a self-funded plan<sup>4</sup> administered by UnitedHealthcare (UHC) for active employees and early retirees. One plan design change was approved by the Health Service Board for 2020. The in-network out-of-pocket maximum for families will be reduced from a current amount of \$12,700 to \$7,500. This is expected to have minimal financial impact on the plan's costs, estimated to be only a \$40,000 cost increase by SFHSS staff,<sup>5</sup> but will benefit families using high levels of care across multiple family members.

<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.

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

<sup>4</sup> According to SFHSS, a self-funded plan is where the plan sponsor (SFHSS) pays the claims and takes the risk if the claims are greater than the expectation of what the claims estimates will be.

<sup>5</sup> This amount represents the incremental costs if the in-network out-of-pocket maximum is \$12,700 instead of \$7,500.

The UHC Medicare Advantage PPO Plan, covers all non-Kaiser Medicare eligible retirees. No plan changes were approved by the Health Service Board for 2020.

In aggregate, the increase in the total UHC Plan premium payments paid by the City as employer and active and retired City employees is \$12.1 million, or 13.2 percent more in CY 2020 than in CY 2019. Active and retired City employees will pay \$1.4 million of the \$12.1 million increase, representing an increase of 9.4 percent in CY 2020 compared to CY 2019, as shown in Table 1 below.

The 13.2 percent aggregate increase for the UHC Plan as a whole costs is higher than the 6.5 and 1.9 percent increases for 2020 for the Kaiser and Blue Shield HMO plans, respectively. According to SFHSS, the UHC City Plan PPO's rate of increase is 10 percent and is more costly due to high utilization of services that cost more, members with a higher risk score, and a smaller number of enrollees (members) compared to the Kaiser and Blue Shield plans. The rate of increase for the UHC Medicare Advantage PPO is 16.5 percent mostly due to Affordable Care Act Health Insurance Tax returning in 2020 after being suspended in 2019. This is the cause of over half of the 16.5% increase in the UHC Medicare Advantage PPO.

According to the City's actuarial consultant, Aon, a factor in the UHC City Plan PPO total premium increase for CY 2020 is the change in the City Plan rate stabilization reserve available to support City Plan total costs. In 2019, the entire rate stabilization reserve balance of \$1,661,000 was applied to 2019 rates to keep them lower than they otherwise would have been. In 2020, the rate stabilization reserve is in a modest deficit position and thus cannot be used to keep rates lower. A \$117,000 rate stabilization deficit buy-up is being applied to 2020 City Plan rates.

#### 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 2020, Basic Plan rates will remain at 2019 levels. Consequently, there is no change to the employer cost for VSP vision rates from 2019 to 2020. For 2020, Premier Plan total premium rates are increasing by 4.3 percent from 2019 rate levels. Employees and retirees pay the full premium difference between Premier Plan rates and Basic Plan rates, in the form of member contributions.

For 2020, the projected cost to the City, San Francisco Unified School District (SFUSD), San Francisco Community College District (SFCCD), and the Superior Court for the VSP vision plan is \$5,187,496 of which \$4,158,162 is the City's cost as the employer. The employer portion of vision plan costs will remain constant from 2019 to 2020, as the Basic Plan premiums are not changing from 2019 to 2020.

#### 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 enrolled in the Delta Dental PPO and the full cost of the dental HMOs for active employees, while retirees pay the full cost of their dental plans.

There were no plan design changes to the active employee Delta Dental PPO plan, and the two dental HMOs for active employees and retirees, from 2019 to 2020. The following design changes were approved by the Health Service Board for the 2020 Delta Dental Retiree PPO plan:

- PPO network design: increase plan-paid coinsurance for services provided by PPO providers currently covered at 50 percent, to 60 percent—including crown, denture, pontic<sup>6</sup>, bridge, and endodontic/root canal services (coinsurance for these services would remain at 50 percent for services provided by Premier and out-of-network providers)
- Premier network and out-of-network design: increase the individual member deductible paid for services (other than diagnostic and preventive care) delivered by a Premier provider or out-of-network provider from \$50 to \$75 annually. There is no change to the family maximum deductible of \$150.

For plan year 2020, 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 remain unchanged from the 2019 plan year.

The City's employer and member premium contributions for the dental PPO plan are expected to decrease by \$2.4 million, or 5.2 percent, to \$43.5 million in plan year 2020, as shown in Table 1 below. The decrease is due to a combination of recent favorable experience for active employees and the availability of \$7.0 million in dental PPO rate stabilization reserve balance funds to be applied towards the premiums.

#### Life and Long-Term Disability Insurance

In late 2017, The Hartford Life and Accident Insurance Company acquired the group life and disability business of Aetna Group Insurance. Consequently, Hartford is the insuring entity for the SFHSS life and disability insurance plans starting in 2020 and thereafter. SFHSS will continue to contract with The Hartford Life and Accident Insurance Company for life and long-term disability insurance in 2020.

In aggregate, the rates decreased by approximately 12 percent from 2019 to 2020. Basic life insurance (employer paid) increased by 42.5 percent, supplemental life insurance (member paid) decreased by 15 percent, and long-term disability insurance (employer paid) premiums decreased by 20 percent. Rates are now locked for three years, from January 1, 2020 through December 31, 2022.

#### Second Opinion Benefit

An external second opinion service was implemented by SFHSS effective January 1, 2017. Upon review by SFHSS and the Health Service Board, this external second opinion services will be

<sup>6</sup>The artificial tooth that replaces a missing natural tooth.

discontinued for the 2020 plan year, upon expiration of the current three-year agreement on December 31, 2019. SFHSS will promote information from each health plan to support members in seeking second medical opinions within the health plans.

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

In 2010, the Patient Protection and Affordable Care Act (also known as the Affordable Care Act) created a Health Insurance Tax (HIT) and two direct fees were passed through to employers – the Transitional Reinsurance Fee (TRF) and the Patient Centered Outcomes Research Institute (PCORI) Fee. The TRF and PCORI fees have now expired, and as of June 2019 will not apply in 2020 or future years. The TRF expired after the 2016 plan year, and SFHSS will be making its final PCORI payment (for the UHC City Plan) by July 31, 2019.

The Health Insurance Tax (HIT) impacts most fully insured health plans offered through SFHSS, including dental and vision plans. This tax has applied most years since the Affordable Care Act became law, though the federal government waived this fee for the 2017 and 2019 plan years. As of June 2019, the HIT is scheduled to return for the 2020 plan year for most SFHSS fully insured health plans. HIT does not apply to the BSC plans<sup>7</sup> (based on a prior California Department of Managed Health Care ruling). The HIT also applies to the Kaiser Permanente (Kaiser) Senior Advantage (KPSA) Medicare HMO plan but Kaiser reports to SFHSS staff that it does not pass this fee on in its Kaiser Permanente Senior Advantage rates.

### **FISCAL IMPACT**

#### **2020 Total City Costs**

As shown in Table 1 below, the total estimated cost for the City as employer and total cost of active and retired City employees for health, vision, and dental plans, as well as long-term disability and life insurance, will be \$802,119,041 in 2020, which is a \$35,239,842 or a 4.6 percent increase from \$766,879,199 in 2019. 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 2020 is \$709,615,111 which is a \$31,220,973 or 4.6 percent increase from \$678,394,138 in 2019. The estimated total cost for medical for 2020 that will be paid by employees and retirees is \$88,050,190, or 4.93 percent more than the 2019 costs of \$83,912,325. According to SFHSS, average contributions for members and retirees for medical will be \$129.66 per member per month in 2020. SFHSS staff cautions that there is great variation in member contributions based on the plans selected, status, and characteristics of each member.

<sup>7</sup> Blue Shield plans include Access+ and Trio flex-funded plans which includes the following for 2019: No annual deductible, \$200 copay (per admission) for the hospital (inpatient), \$100 copay (waived if admitted) for the emergency room, \$50 copay for ambulance services, \$25 copay for office visits, \$25 copay (in-network) for urgent care, retail prescriptions (30-day supply) - \$10 (generic), \$25 (brand), \$50 (non-formulary), mail order prescriptions (90-day supply) - \$20 (generic), \$50 (brand), \$100 (non-formulary), 50% (in-network) infertility treatment, \$15 copay (limit 30 visits per year) for acupuncture, \$15 copay (limit 30 visits per year) for chiropractic needs.

**Table 1: Total Plan Costs for the City, Employees and Retirees in 2020 Compared to 2019 Current Membership<sup>8</sup>**

	2019	2020	Increase / (Decrease)	Percent Change
<b>City Costs Only</b>				
Kaiser HMO	\$294,853,098	\$313,794,243	\$18,941,146	6.42%
Blue Shield HMO	\$256,365,928	\$261,480,408	\$5,114,480	1.99%
City Plan	\$76,097,757	\$86,704,703	\$10,606,946	13.94%
Subtotal Health and Vision Plan	\$627,316,783	\$661,979,355	\$34,662,571	5.53%
Dental	\$42,167,554	\$39,776,717	(\$2,390,837)	-5.67%
Long Term Disability and Life Insurance	\$8,909,800	\$7,859,039	(\$1,050,761)	-11.79%
<b>Total City Costs</b>	<b>\$678,394,138</b>	<b>\$709,615,111</b>	<b>\$31,220,973</b>	<b>4.60%</b>
<b>Employee and Retiree Costs Only</b>				
Kaiser HMO	\$35,532,645	\$37,903,587	\$2,370,942	6.67%
Blue Shield HMO	\$32,955,304	\$33,276,992	\$321,688	0.98%
City Plan	\$15,424,377	\$16,869,611	\$1,445,234	9.37%
Subtotal Health and Vision Plan	\$83,912,325	\$88,050,190	\$4,137,865	4.93%
Dental	\$3,696,780	\$3,696,780	\$0	0.00%
Long Term Disability and Life Insurance	\$875,956	\$756,960	(\$118,996)	-13.58%
<b>Total Employee and Retiree Costs</b>	<b>\$88,485,061</b>	<b>\$92,503,930</b>	<b>\$4,018,869</b>	<b>4.54%</b>
<b>Total Costs</b>				
Kaiser HMO	\$330,385,743	\$351,697,830	\$21,312,088	6.45%
Blue Shield HMO	\$289,321,232	\$294,757,400	\$5,436,168	1.88%
City Plan	\$91,522,134	\$103,574,314	\$12,052,180	13.17%
Subtotal Health and Vision Plans	\$711,229,109	\$750,029,544	\$38,800,436	5.46%
Dental	\$45,864,334	\$43,473,497	(\$2,390,837)	-5.21%
Long Term Disability and Life Insurance	\$9,785,756	\$8,615,999	(\$1,169,357)	-11.95%
<b>Total Costs</b>	<b>\$766,879,199</b>	<b>\$802,119,041</b>	<b>\$35,239,842</b>	<b>4.60%</b>

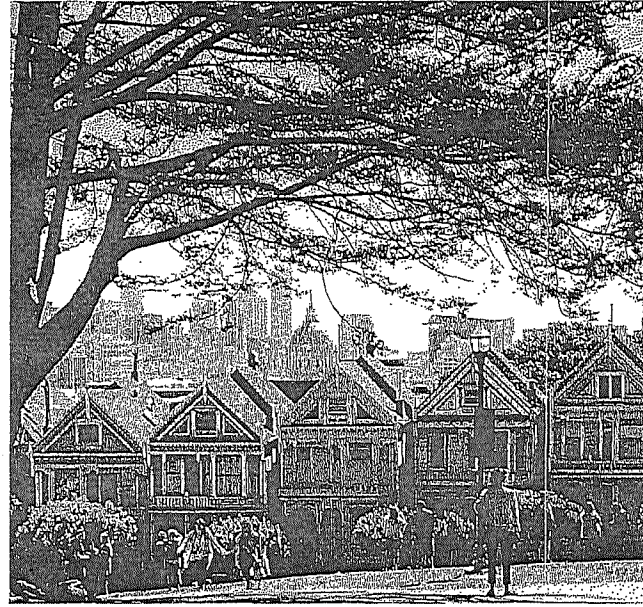
Source: San Francisco Health Service System

The employer contribution amounts shown in Table 1 above are included in the FY 2019-20 and FY 2020-21 budgets currently pending before the Board of Supervisors.

### RECOMMENDATION

Approve the proposed ordinance.

<sup>8</sup> According to SFHSS, both 2019 and 2020 forecasted costs are based on the May 2019 headcount.



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# 2019 10-COUNTY SURVEY

**SAN FRANCISCO  
HEALTH SERVICE SYSTEM**

Affordable, Quality Benefits & Well-Being

[SFHSS.ORG](http://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 towards 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 2019 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 Employer Contributions Calculations

The March 2019 10-County Survey will be applied to SFHSS rate calculations for Plan Year 2020. City Charter Section A8.428 defines use of the "average contribution" resulting from the 10-County Survey in employer contribution 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 employer contributions 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 \$705.92 for Plan Year 2020 is 5.04% above \$672.08, the 10-County average for Plan Year 2019. All counties had a change in contribution.

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

For the 2019 calendar year, the average employer premium contribution for Los Angeles County medical plans is \$700.21. Per the Calendar Year Change Rule, this \$700.21 is projected forward six months, using Los Angeles County's three-year average annual premium increase trend of 4.1%. This results in the average employer premium contribution calculated at \$714.58 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 2019, 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 1.5% less than actual contributions for 2019 (\$682.00 actual vs. \$672.08 estimated).

Average of Employer Contributions																	
County	2008 2009	2009 2010	2010 2011	2011 2012	2012 Jul-Dec	2013	2014	2015	2016	2017	2018	2019 Calculated	2019 Actual	3-Yr. Annual Trend	Months of Trend	Trend Factor	2020 Calculated
1 Los Angeles	383.10	415.91	457.56	478.56	499.57	515.07	552.40	610.75	619.87	648.37	673.99	700.41	700.21	4.1%	6	1.02	714.58
2 San Diego	327.00	363.48	364.00	406.00	432.20	444.86	445.29	460.51	477.99	507.13	536.54	581.03	584.15	6.9%	6	1.04	604.00
3 Orange	338.64	372.44	383.75	434.41	485.10	506.94	544.46	567.79	525.51	517.98	522.83	534.18	556.45	1.9%	6	1.00	561.78
4 Riverside	469.65	491.27	488.44	513.02	537.43	545.54	606.39	587.21	616.96	652.09	673.10	688.85	678.68	3.2%	6	1.02	689.55
5 San Bernardino*	368.67	377.35	397.51	399.70	398.98	398.98	413.51	420.92	421.18	417.04	437.75	433.33	446.94	2.0%	12	1.02	455.88
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	1,018.12	996.00	8.3%	12	1.09	1,078.20
7 Alameda	440.58	497.76	521.89	541.06	575.00	588.99	638.47	622.92	684.14	687.86	711.48	720.74	764.91	3.8%	6	1.03	779.27
8 Sacramento	480.76	516.78	561.35	637.98	667.02	696.00	714.53	535.31	549.40	574.78	608.34	663.43	670.08	6.8%	6	1.04	692.63
9 Contra Costa	438.47	470.02	495.15	521.90	540.43	553.15	574.27	607.18	623.46	637.99	705.62	717.58	733.58	5.6%	6	1.03	753.74
10 Fresno	425.58	425.43	450.43	450.80	450.80	455.17	450.86	488.79	488.79	488.00	613.17	663.11	689.00	12.1%	6	1.06	729.57
Average	418.80	449.37	472.85	503.94	522.97	534.78	559.65	567.80	579.24	604.84	649.17	672.08	682.00	5.6%	7.6	1.04	705.92

Increase Over Prior Year													
County	2008 2009	2009 2010	2010 2011	2011 2012	2012 Jul-Dec	2013	2014	2015	2016	2017	2018	2019	2020
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%	2.02%
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%	3.95%
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%	5.17%
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%	0.10%
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%	5.20%
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%	5.90%
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%	8.12%
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%	4.40%
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%	5.04%
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%	10.02%
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%	5.04%

\*Plan year's 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.

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# 1. LOS ANGELES COUNTY

3629

Los Angeles County				Population: 10,164,000		
Medical Plans	2018 Premium	2019 Premium	% +/-	2018 County Contribution	2019 County Contribution	% +/-
Kaiser Permanente Choices HMO - County Sponsored	\$693.98	\$725.89	4.6%	\$693.98	\$725.89	4.6%
CIGNA Choices Select Network HMO - County Sponsored*		\$651.51			\$651.51	
CIGNA Choices HMO - County Sponsored	\$859.51	\$899.05	4.6%	\$859.51	\$899.05	4.6%
CIGNA Choices POS - County Sponsored	\$1,546.56	\$1,617.70	4.6%	\$971.68	\$971.68	0.0%
Blue Cross Prudent Buyer Basic - ALADS	\$1,068.50	\$1,091.43	2.1%	\$971.68	\$971.68	0.0%
Blue Cross CaliforniaCare Basic - ALADS	\$737.26	\$758.63	2.9%	\$737.26	\$758.63	2.9%
Blue Cross Prudent Buyer Premier - ALADS	\$1,192.46	\$1,215.39	1.9%	\$971.68	\$971.68	0.0%
Blue Cross CaliforniaCare Premier - ALADS	\$861.22	\$882.59	2.5%	\$861.22	\$882.59	2.5%
Blue Shield Classic CAPE	\$1,004.00	\$1,076.00	7.2%	\$971.68	\$971.68	0.0%
Blue Shield Lite CAPE	\$578.00	\$610.00	5.5%	\$578.00	\$610.00	5.5%
Local 1014 Plan - Fire Fighters	\$826.00	\$861.00	4.2%	\$826.00	\$861.00	4.2%
Kaiser Permanente Options - SEIU	\$651.65	\$682.00	4.7%	\$651.65	\$682.00	4.7%
Kaiser Permanente HMO - Unrepresented	\$272.00	\$273.00	0.4%	\$272.00	\$273.00	0.4%
Blue Cross CaliforniaCare HMO - Unrepresented	\$272.00	\$273.00	0.4%	\$272.00	\$273.00	0.4%
Blue Cross Plus POS - Unrepresented	\$411.00	\$413.00	0.5%	\$411.00	\$413.00	0.5%
Blue Cross Catastrophic - Unrepresented	\$93.00	\$93.00	0.0%	\$93.00	\$93.00	0.0%
Blue Cross Prudent Buyer PPO - Unrepresented	\$526.00	\$528.00	0.4%	\$526.00	\$528.00	0.4%
UnitedHealthcare Options HMO - SEIU	\$741.26	\$798.80	7.8%	\$741.26	\$798.80	7.8%
UnitedHealthcare Options PPO - SEIU	\$3,216.04	\$3,599.46	11.9%	\$953.46	\$967.76	1.5%
<b>AVERAGE</b>	<b>\$863.91</b>	<b>\$897.34</b>	<b>3.9%</b>	<b>\$686.84</b>	<b>\$700.21</b>	<b>1.9%</b>

\*New in 2019

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

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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 deductible
Emergency Room	\$50 Copay	\$50 Copay	\$50 Copay
Rx	\$5/\$20	\$5/\$20	60/40 after deductible
Hospital	No charge	\$50 Copay/day	60/40 after deductible + \$1,000/Admit
<b>Blue Cross California Care HMO</b>	<b>AL/ADS</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 deductible
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 deductible
<b>Local 1014 Plan</b>	<b>HMO</b>		
Deductible	\$200/\$600		
Physicians Services	90/10 after deductible		
Emergency Room	\$50 Copay		
Rx	\$10/\$20/\$30+		
Hospital	90/10 after deductible		
<b>Blue Cross</b>	<b>Catastrophic</b>		
Deductible	\$2,000/\$4,000		
Physicians Services	75/25 after deductible		
Emergency Room	\$100 Copay then 75/25 after deductible		
Rx	\$200 Copay then 75/25 after deductible		
Hospital	75/25 after deductible +\$500/admittance		

3631

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 deductible	70/30 after deductible	\$15 Copay	70/30 after deductible
Emergency Room	90/10 after deductible	90/10	\$50 Copay then 90/10 after deductible	\$50 Copay then 90/10 after deductible
Rx	\$5/\$15	\$5/\$15+50%	\$10/\$20	\$10/\$20
Hospital	90/10 after deductible	70/30 after deductible	90/10 after deductible	70/30 after deductible + \$500/admit

3632

# 2. SAN DIEGO COUNTY

San Diego County				Population: 3,338,000		
Medical Plans	2018 Premium	2019 Premium	% +/-	2018 County Contribution	2019 County Contribution	% +/-
Kaiser Permanente HMO	\$508.32	\$530.78	4.4%	\$508.32	\$530.78	4.4%
Kaiser Permanente High Deductible	\$396.82	\$414.36	4.4%	\$396.82	\$414.36	4.4%
UnitedHealthCare HMO Network 1	\$646.42	\$678.74	5.0%	\$605.84	\$628.78	3.8%
UnitedHealthCare HMO Network 2	\$820.72	\$861.76	5.0%	\$605.84	\$628.78	3.8%
UnitedHealthCare HMO Alliance	\$621.34	\$652.42	5.0%	\$605.84	\$628.78	3.8%
UnitedHealthCare PPO	\$1,174.80	\$1,233.54	5.0%	\$605.84	\$628.78	3.8%
UnitedHealthCare HMO HDHP/HAS	\$930.38	\$976.90	5.0%	\$605.84	\$628.78	3.8%
<b>AVERAGE</b>	<b>\$728.40</b>	<b>\$764.07</b>	<b>4.9%</b>	<b>\$562.05</b>	<b>\$584.15</b>	<b>3.9%</b>

San Diego County Medical Plan Design Summary		
<b>Kaiser Permanente HMO</b>		
	HMO	
Deductible	None	
Physicians Services	\$25 Copay	
Emergency Room	\$125 Copay	
Rx	\$10/\$20/\$30	
Hospital	\$100 Copay per admittance	
<b>Kaiser Permanente High Deductible</b>		
	HD w/HSA	
Deductible	\$1,500/\$3,000	
Physicians Services	10% after deductible	
Emergency Room	10% after deductible	
Rx	\$10/\$20/\$30	
Hospital	10% after deductible	
<b>UnitedHealthcare PPO</b>		
	PPO - In	Out
Deductible	\$300/\$600	\$600/\$1,200
Physicians Services	\$20 Copay	40% after deductible
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%

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<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 admittance	\$500 Copay per admittance	\$200 Copay per admittance
<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 deductible	30% after deductible	
Emergency Room	10% after deductible	10% after deductible	
Rx	\$10/\$30/\$50	\$10/\$30/\$50	
Hospital	10% after deductible	30% after deductible	

3634

# 3. ORANGE COUNTY

Orange County				Population: 3,190,000		
Medical Plans	2018 Premium	2019 Premium	% +/-	2018 County Contribution	2019 County Contribution	% +/-
Choice Wellwise PPO*	\$741.17	\$763.41	3.0%	\$667.06	\$687.07	3.0%
Choice Sharewell PPO*	\$296.47	\$305.36	3.0%	\$365.50	\$374.39	2.4%
CIGNA HMO Choice*	\$727.96	\$771.63	6.0%	\$655.17	\$694.47	6.0%
Kaiser Permanente HMO Choice*	\$519.66	\$522.08	0.5%	\$467.70	\$469.87	0.5%
<b>AVERAGE</b>	<b>\$571.32</b>	<b>\$590.62</b>	<b>3.4%</b>	<b>\$538.86</b>	<b>\$556.45</b>	<b>3.3%</b>

\*Current county contributions assume wellness participation.

Orange County: Medical Plan Design Summary		
Wellwise PPO	In	Out
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
Sharewell PPO	In	Out
Deductible	\$5,000 per family	\$5,000 per family
Physicians Services	90/10	70/30
Emergency Room	90/10	90/10
Rx	80/20	80/20
Hospital	90/10	70/30
CIGNA	HMO	
Deductible	None	
Physicians Services	\$20 Copay	
Emergency Room	\$50 Copay	
Rx	\$10/\$30/\$50	
Hospital	\$100 per admit	
Kaiser Permanente	HMO	
Deductible	None	
Physicians Services	\$20 Copay	
Emergency Room	\$50 Copay	
Rx	\$10/\$30	
Hospital	\$100 per admit	

3635

# 4. RIVERSIDE COUNTY

Riverside County				Population: 2,423,000		
Medical Plans	2018 Premium	2019 Premium	% +/-	2018 County Contribution	2019 County Contribution	% +/-
UnitedHealthcare HMO	\$823.00	\$806.64	-2.0%	\$823.00	\$806.64	-2.0%
Kaiser Permanente HMO	\$667.66	\$668.84	0.2%	\$667.66	\$668.84	0.2%
Exclusive Care EPO	\$576.66	\$587.76	1.9%	\$576.66	\$587.76	1.9%
UnitedHealthcare PPO	\$1,452.18	\$1,806.80	24.4%	\$823.00	\$841.15	2.2%
Blue Shield HMO - PERS	\$695.98	\$760.04	9.2%	\$695.98	\$760.04	9.2%
Kaiser Permanente HMO - PERS	\$666.80	\$628.64	-5.7%	\$666.80	\$628.64	-5.7%
PERSCare	\$733.50	\$907.30	23.7%	\$733.50	\$841.15	14.7%
PERS Choice	\$698.96	\$721.12	3.2%	\$698.96	\$721.12	3.2%
PORAC - PERS	\$734.00	\$774.00	5.4%	\$734.00	\$774.00	5.4%
PERS Select	\$654.74	\$462.72	-29.3%	\$654.74	\$462.72	-29.3%
Anthem Select HMO	\$659.70	\$625.08	-5.2%	\$659.70	\$625.08	-5.2%
Anthem Traditional HMO	\$735.08	\$830.90	13.0%	\$735.08	\$830.90	13.0%
Health Net Salud y Mas	\$461.56	\$427.82	-7.3%	\$461.56	\$427.82	-7.3%
Health Net SmartCare	\$607.68	\$642.72	5.8%	\$607.68	\$642.72	5.8%
Sharp	\$618.14	\$593.66	-4.0%	\$618.14	\$593.66	-4.0%
UnitedHealthcare	\$616.66	\$646.66	4.9%	\$616.66	\$646.66	4.9%
<b>AVERAGE</b>	<b>\$712.64</b>	<b>\$743.17</b>	<b>4.3%</b>	<b>\$673.32</b>	<b>\$678.68</b>	<b>0.8%</b>

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Riverside County Medical Plan Design Summary			
UnitedHealthcare	HMO	PPO - In	PPO - Out
Deductible	None	\$500/\$1,000	\$500/\$1,000
Physicians Services	\$15 Copay	\$20 Copay	40% after deductible
Emergency Room	\$100 Copay	\$50 Copay	\$50 Copay
Rx	\$10/\$25/\$50	\$5/\$15/\$45	\$5/\$15/\$45
Hospital	\$100 Copay	80/20 after deductible	60/40 after deductible
Kaiser Permanente			
HMO			
Deductible	None		
Physicians Services	\$15 Copay		
Emergency Room	\$100 Copay		
Rx	\$10/\$25		
Hospital	\$100 Copay		
Exclusive Care			
EPO			
Deductible	None		
Physicians Services	\$15 Copay		
Emergency Room	\$100 Copay		
Rx	\$10/\$25/\$50		
Hospital	\$100 Copay		

3637

# 5. SAN BERNARDINO COUNTY

San Bernardino County				Population: 2,157,000		
Medical Plans	2017-18 Premium	2018-19 Premium	% +/-	2017-18 County Contribution	2018-19 County Contribution	% +/-
Kaiser Permanente HMO	\$629.44	\$636.24	1.1%	\$437.75	\$418.40	-4.4%
Blue Shield Signature HMO	\$522.34	\$549.53	5.2%	\$413.22	\$415.94	0.7%
Blue Shield Needles PPO	\$1,094.21	\$1,151.43	5.2%	\$434.91	\$535.03	23.0%
Blue Shield PPO	\$969.61	\$1,020.28	5.2%	\$434.91	\$418.40	-3.8%
<b>AVERAGE</b>	<b>\$803.90</b>	<b>\$839.37</b>	<b>4.4%</b>	<b>\$430.20</b>	<b>\$446.94</b>	<b>3.9%</b>

San Bernardino County: Medical Plan Design Summary			
<b>Kaiser Permanente</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 deductible	\$50 Copay plus 20% after deductible
Rx		\$15/\$30/\$30	\$15/\$30/\$30 + 25% of billed amount
Hospital		80/20 after deductible	70/30 after deductible
<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 deductible
Emergency Room		\$50 Copay	\$50 Copay
Rx		\$10/\$15/\$15	\$10/\$15/\$15+25% of billed amount
Hospital		No charge	70/30 after deductible

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# 6. SANTA CLARA COUNTY

Santa Clara County				Population: 1,938,000		
Medical Plans	2017-18 Premium	2018-19 Premium	% +/-	2017-18 County Contribution	2018-19 County Contribution	% +/-
Kaiser Permanente HMO	\$677.30	\$698.40	3.1%	\$671.04	\$692.75	3.2%
Valley Health HMO	\$939.68	\$960.27	2.2%	\$919.41	\$942.36	2.5%
Health Net POS	\$1,315.23	\$1,398.74	6.3%	\$1,264.00	\$1,352.88	7.0%
<b>AVERAGE</b>	<b>\$977.41</b>	<b>\$1,019.14</b>	<b>4.3%</b>	<b>\$951.48</b>	<b>\$996.00</b>	<b>4.7%</b>

Santa Clara County: Medical Plan Design Summary			
<b>Kaiser Permanente</b>		<b>HMO</b>	
Deductible	None		
Physicians Services	\$10 Copay		
Emergency Room	\$35 Copay		
Rx	\$5/\$10/\$15		
Hospital	\$100 per admittance		
<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>PPO</b>
Deductible	None	None	\$200/PMPY
Physicians Services	\$15 Copay	\$20 Copay	70/30
Emergency Room	\$50 Copay	\$75 Copay	70/30
Rx	\$5/\$15/\$30	\$5/\$15/\$30	\$5/\$15/\$30
Hospital	No charge	90/10	70/30

3639

# 7. ALAMEDA COUNTY

Alameda County				Population: 1,663,000		
Medical Plans	2018-19 Premium	2019-20 Premium	% +/-	2018-19 County Contribution	2019-20 County Contribution	% +/-
UnitedHealthcare Premium HMO	\$1,047.16	\$1,047.16	0.0%	\$916.26	\$916.26	0.0%
Kaiser Permanente Premium HMO	\$700.02	\$728.02	4.0%	\$612.52	\$637.02	4.0%
Kaiser Permanente Standard HMO	\$650.62	\$676.64	4.0%	\$569.29	\$592.06	4.0%
UnitedHealthcare Advantage Premium HMO*		\$980.94			\$858.32	
UnitedHealthcare Advantage Standard HMO*		\$876.56			\$767.00	
UnitedHealthcare PPO**	\$3,099.16			\$612.52		
UnitedHealthcare Standard HMO	\$935.74	\$935.74	0.0%	\$818.77	\$818.78	0.0%
<b>AVERAGE</b>	<b>\$1,286.54</b>	<b>\$874.18</b>	<b>-32.1%</b>	<b>\$705.87</b>	<b>\$764.91</b>	<b>8.4%</b>

\*New in 2019-20.

\*\*Discontinued in 2019-20.

Alameda County: Medical Plan Design Summary		
UnitedHealthcare	Premium HMO	Standard HMO
Deductible	None	None
Physicians Services	\$40 Copay	\$40 Copay
Emergency Room	\$100 Copay	\$100 Copay
Rx	\$25/\$35/\$50	\$25/\$35/\$50
Hospital	\$500 Copay	\$500 Copay
Kaiser Permanente	Premium HMO	Standard HMO
Deductible	None	None
Physicians Services	\$15 Copay	\$40 Copay
Emergency Room	\$50 Copay	\$100 Copay
Rx	\$15/\$15	\$15/\$30
Hospital	No charge	\$500 Copay

3640

# 8. SACRAMENTO COUNTY

Sacramento County				Population: 1,531,000		
Medical Plans	2018 Premium	2019 Premium	% +/-	2018 County Contribution	2019 County Contribution	% +/-
Western Health Advantage HMO	\$709.60	\$734.92	3.6%	\$709.60	\$734.92	3.6%
Sutter Health Plus HMO	\$726.52	\$765.58	5.4%	\$726.52	\$765.58	5.4%
Kaiser Permanente HMO 15	\$757.90	\$784.88	3.6%	\$757.90	\$784.88	3.6%
Western Health Advantage HDHP	\$539.80	\$559.10	3.6%	\$539.80	\$559.10	3.6%
Sutter Health Plus HDHP	\$534.42	\$562.64	5.3%	\$534.42	\$562.64	5.3%
Kaiser Permanente HDHP HMO	\$592.18	\$613.38	3.6%	\$592.18	\$613.38	3.6%
<b>AVERAGE</b>	<b>\$643.40</b>	<b>\$670.08</b>	<b>4.1%</b>	<b>\$643.40</b>	<b>\$670.08</b>	<b>4.1%</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 deductible
Emergency Room	\$35 Copay	No charge after deductible
Rx	\$10/\$20/\$35	\$10/\$20/\$35 after deductible
Hospital	No charge	No charge after deductible
Western Health Advantage	HMO	HDHP - HMO
Deductible	None	\$1,350/\$2,700
Physicians Services	\$15 Copay	No charge after deductible
Emergency Room	\$35 Copay	No charge after deductible
Rx	\$10/\$20/\$35	\$10/\$20/\$35 after deductible
Hospital	No charge	No charge after deductible
Kaiser Permanente	HMO	HDHP - HMO
Deductible	None	\$1,350/\$2,700
Physicians Services	\$15 Copay	No charge after deductible
Emergency Room	\$35 Copay	No charge after deductible
Rx	\$10/\$20	\$10/\$20 after deductible
Hospital	No charge	No charge after deductible

3641

# 9. CONTRA COSTA COUNTY

Contra Costa County				Population: 1,147,000		
Medical Plans	2018 Premium	2019 Premium	% +/-	2018 County Contribution	2019 County Contribution	% +/-
CCHP Plan A	\$774.33	\$844.19	9.0%	\$672.01	\$689.54	2.6%
CCHP Plan B	\$858.35	\$935.80	9.0%	\$718.74	\$758.05	5.5%
Health Net HMO Plan A	\$1,566.20	\$1,736.92	10.9%	\$1,109.08	\$1,167.25	5.2%
Health Net HMO Plan B	\$1,089.11	\$1,207.82	10.9%	\$836.75	\$909.97	8.7%
Health Net PPO Plan A	\$2,074.53	\$2,380.36	14.7%	\$1,193.65	\$1,309.55	9.7%
Kaiser Permanente HMO Plan A	\$820.23	\$917.98	11.9%	\$569.47	\$634.98	11.5%
Kaiser Permanente HMO Plan B	\$660.76	\$739.46	11.9%	\$511.34	\$571.00	11.7%
Kaiser Permanente HDHP	\$499.94	\$559.68	11.9%	\$430.96	\$499.75	16.0%
Anthem Select - PERS	\$856.41	\$831.44	-2.9%	\$699.34	\$686.86	-1.8%
Anthem Traditional - PERS	\$925.47	\$1,111.13	20.1%	\$666.99	\$759.82	13.9%
Blue Shield Access+ HMO - PERS*	\$889.02			\$612.91		
Health Net Smartcare - PERS	\$863.48	\$901.55	4.4%	\$647.77	\$671.90	3.7%
CCHP Plan A Alternate - PERS	\$949.26	\$1,034.68	9.0%	\$687.44	\$730.15	6.2%
Kaiser Permanente HMO - PERS	\$779.86	\$768.25	-1.5%	\$634.30	\$628.49	-0.9%
PERS Care	\$882.45	\$1,131.68	28.2%	\$626.71	\$725.39	15.7%
PERS Choice	\$800.27	\$866.27	8.2%	\$641.62	\$674.62	5.1%
PORAC - PERS	\$734.00	\$774.00	5.4%	\$638.11	\$658.11	3.1%
PERS Select	\$717.50	\$543.19	-24.3%	\$614.26	\$529.19	-13.8%
UnitedHealthcare - PERS*	\$1,371.84			\$867.42		
Western Health Advantage - PERS	\$792.56	\$767.01	-3.2%	\$634.30	\$599.86	-5.4%
<b>AVERAGE</b>	<b>\$945.28</b>	<b>\$1,002.86</b>	<b>6.1%</b>	<b>\$700.66</b>	<b>\$733.58</b>	<b>4.7%</b>

\*Discontinued in 2019.

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<b>Contra Costa County Medical Plan Design Summary</b>			
<b>CGHP</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>
Deductible	None	\$250/\$750	\$250/\$750
Physicians Services	\$10/\$20 Copay	\$10 Copay	70/30
Emergency Room	\$25	\$50 + 10% co-ins	\$50 + 10% co-insurance
Rx	\$10/\$20/\$35	\$5	\$5
Hospital	No charge	90/10	70/30
<b>Kaiser Permanente HMO</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 deductible
Emergency Room	\$10 Copay	90/10 after deductible	90/10 after deductible
Rx	\$10/\$20	\$10/\$30	\$10/\$30 after deductible
Hospital	No charge	90/10 after deductible	90/10 after deductible

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# 10. FRESNO COUNTY

Fresno County				Population: 989,000		
Medical Plans	2018 Premium	2019 Premium	% +/-	2018 County Contribution	2019 County Contribution	% +/-
Kaiser Permanente HMO	\$817.02	\$855.87	4.8%	\$634.83	\$689.00	8.5%
Blue Cross HMO	\$850.38	\$891.19	4.8%	\$634.83	\$689.00	8.5%
Blue Cross PPO	\$1,184.59	\$1,244.07	5.0%	\$634.83	\$689.00	8.5%
Blue Cross PPO \$1,000	\$894.61	\$938.13	4.9%	\$634.83	\$689.00	8.5%
Blue Cross HDPPPO \$1,500	\$816.48	\$855.69	4.8%	\$634.83	\$689.00	8.5%
Blue Cross HDPPPO \$3,000	\$677.90	\$709.51	4.7%	\$634.83	\$689.00	8.5%
<b>AVERAGE</b>	<b>\$873.50</b>	<b>\$915.74</b>	<b>4.8%</b>	<b>\$634.83</b>	<b>\$689.00</b>	<b>8.5%</b>

10. Fresno County: Medical Plan Design Summary		
<b>Kaiser Permanente</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	\$0 Copay after 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 deductible	
Emergency Room	\$0 Copay after deductible	
Rx	\$0 Copay after deductible	
Hospital	\$0 Copay after deductible	

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# CALPERS

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2019 CalPERS												
	Kaiser Permanente	Blue Shield Access	Western Health Advantage	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	Signature Value
Annual Deductible	N/A	N/A	N/A	\$1,000/\$2,000		\$500/\$1,000		\$500/\$1,000		N/A	N/A	N/A
Hospital (Inpatient)	No charge	No charge	No charge	80%/20%	60%/40%	80%/20%	60%/40%	90%/10% \$250 Ded	60%/40% \$250 Ded	No charge	No charge	No charge
Emergency Room	\$50 Copay (waived if admitted)	\$50 Copay (waived if admitted)	\$50 Copay (waived if admitted)	80%/20%, \$50 Ded		80%/20%, \$50 Ded		90%/10%, \$50 Ded		\$50 Copay (waived if admitted)	\$50 Copay (waived if admitted)	\$50 Copay (waived if admitted)
Office Visits	\$15 Copay	\$15 Copay	\$15 Copay	\$35 Copay	60%/40%	\$35 Copay	60%/40%	\$20 Copay	60%/40%	\$15 Copay	\$15 Copay	\$15 Copay
Urgent Care	\$15 Copay	\$15 Copay	\$15 Copay	\$20 Copay	60%/40%	\$20 Copay	60%/40%	\$20 Copay	60%/40%	\$15 Copay	\$15 Copay	\$15 Copay
Rx Retail	\$5/\$20	\$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	\$10/\$40	\$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%	50%/50%	Not covered		Not covered		Not covered		50%/50%	50%/50%	50%/50%
Acupuncture	\$15 Copay (limit 20 visits per/yr.)	\$15 Copay (limit 20 visits per/yr.)	\$15 Copay (limit 20 visits per/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.)
				Limit 20 visits per year.		Limit 20 visits per year.		Limit 20 visits per year.				
Chiropractic	\$15 Copay (limit 20 visits per/yr.)	\$15 Copay (limit 20 visits per/yr.)	\$15 Copay (limit 20 visits per/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.)
				Limit 20 visits per year.		Limit 20 visits per year.		Limit 20 visits per year.				

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

# SFHSS ACTIVE EMPLOYEE PLANS

2019 SFHSS Active Employee Plans			
	Kaiser/Permanente HMO	Blue Shield of CA Access+ HMO and Trio HMO	UnitedHealthcare City Plan/PPO
Annual Deductible	No deductible	No deductible	\$250 employee \$500 employee +1 \$750 employee +2 or more
Hospital (Inpatient)	\$100 Copay (per admission)	\$200 Copay (per admission)	85% covered after deductible (in-network) 50% covered after deductible (out-of-network)
Emergency Room	\$100 Copay (waived if admitted)	\$100 Copay (waived if admitted)	85% covered after deductible (in-network) 50% covered after deductible (out-of-network)
Ambulance Services	No charge	\$50 Copay	85% covered after deductible (in-network) 50% covered after deductible (out-of-network)
Office Visits	\$20 Copay	\$25 Copay	85% covered after deductible (in-network) 50% covered after deductible (out-of-network)
Urgent Care	\$20 Copay	\$25 Copay (in-network)	85% covered after deductible (in-network) 50% covered after deductible (out-of-network)
Rx - Retail 30-day supply	\$5 (generic) \$15 (brand)	\$10 (generic) \$25 (brand) \$50 (non-formulary)	\$10/\$25/\$50 Copay generic/brand/non-formulary (in-network)  50% covered after \$5/\$20/\$45 Co-pay generic/brand/non-formulary (out-of-network)
Rx - Mail Order 90-day supply	\$10 (100-day supply/generic) \$30 (100-day supply/brand)	\$20 (generic) \$50 (brand) \$100 (non-formulary)	\$20/\$50/\$100 Copay generic/brand/non-formulary (in-network)  Out-of-network is <i>not</i> covered.
Infertility Treatment	50% (in-network)	50% (in-network)	50% (in-network) 50% (out-of-network)
Acupuncture	\$15 Copay (up to combined total of 30 chiropractic and acupuncture visits per year) (in-network)	\$15 Copay (limit 30 visits per year)	50% (in-network) 50% (out-of-network) (limit \$1,000 maximum for each per plan year)
Chiropractic	\$15 Copay (up to a combined total of 30 chiropractic and acupuncture visits/yr. (in-network)	\$15 Copay (limit 30 visits per year)	50% (in-network) 50% (out-of-network) (limit \$1,000 maximum for each per plan year)

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



June 18, 2019

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, 2020 to December 31, 2020 Health, Life Insurance, and Long-Term Disability Plan Benefits, Rates and Contributions**

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 SFHSS health, life insurance, and long-term disability plans into the plan year from January 1, 2020 to December 31, 2020. Four employers (referred to as the "Four Employers" in this letter) offer plans through SFHSS, which are documented in this letter, to active employees and retirees:

- City and County of San Francisco, or CCSF (all plans documented in this letter);
- San Francisco Unified School District, or USD (medical and vision plans only);
- San Francisco Community College District, or CCD (medical and vision plans only); and
- The Superior Courts, or CRT (all plans documented in this letter).

The 2020 plan year rates and contribution setting process was concluded on June 13, 2019 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 Dental") 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—CCSF, USD, CCD, and CRT—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. Below is 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 moved to \$0 for the 2019 plan year and forward. 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 four years by creating over 60,000 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 were passed to employers—the Transitional Reinsurance Fee (TRF) and the Patient Centered Outcomes Research Institute (PCORI) Fee. The TRF and PCORI fees have now expired, and as of today will not apply in 2020 or future years.

The Health Insurance Tax (HIT) impacts most fully insured health plans offered through SFHSS, including dental and vision plans. This fee has applied most years since PPACA became law, though the federal government waived this fee for 2017 and 2019 plan years. As of today, the HIT is scheduled to return for the 2020 plan year for most SFHSS fully insured health plans. HIT does not apply to the BSC plans (based on a prior California Department of Managed Health Care ruling), and does not apply to the Kaiser Permanente (Kaiser) Senior Advantage (KPSA) Medicare HMO plan as Kaiser does not pass this fee in KPSA rates.



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

Last year, we documented a California state Managed Care Organization (MCO) tax that applied 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 expires on June 30, 2019, and thus will not apply to 2020 rating.

**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 2020 plan year, the Survey, based on 2019 rates, determined the average monthly contribution increased 5.04% from \$672.08 to \$705.92. The full Survey report is contained as an Appendix to this letter and was presented at the March 14, 2019 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—All Four Employers</b>			
<b>January 1, 2020 to December 31, 2020 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 (2019) Rates</b>	<b>\$98.6</b>	<b>\$766.3</b>	<b>\$864.9</b>
<b>Final Renewal (2020) Rates</b>	<b>\$104.6</b>	<b>\$809.6</b>	<b>\$913.2</b>
\$ Difference	\$6.0	\$43.3	\$49.3
% Difference	6.09%	5.65%	5.69%

Per Table 1 above, we expect an increase in aggregate medical plan costs totaling \$49.3 million, or 5.69%, for the SFHSS medical plans (including core vision coverage and the SFHSS Healthcare Sustainability Fund charge) for the 2020 plan year. This increase in costs will be split 12.2% / 87.8% between the members and employers with member contributions increasing \$6.0 million and employer contributions increasing \$43.3 million. These changes are based on May 2019 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, 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, 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, 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, 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 2020. 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 California, not including San Francisco—called the “average contribution”. The 2020 10-County amount is \$705.92. 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 =  $50\% \times [\text{Total Rate Cost} - 10\text{-County Amount} - \text{“Actuarial Difference”}]$ .

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, found on page 6.



<b>Table 2—Retiree Medical Coverage / Employer Contribution For Those Hired On or After January 10, 2009</b>	
Years of Credited Service at Retirement	Percentage of Employer Contribution Established in A8.428 Subsection (b)(3)
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 2020 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 2020 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 increase of 6.5% for plan year 2020. This overall average is generated by a 5.7% premium rate increase for active employees and early retirees in California, and





an 11.7% premium rate increase 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 increase for active employees and early retirees includes 1% of the overall 5.7% for the return of the PPACA health insurance tax (HIT) as documented earlier in this letter. The increase for Medicare retirees was primarily due to differences in Centers for Medicare and Medicaid Services (CMS) actual funding results for the Kaiser Permanente Senior Advantage (KPSA) plan, relative to early Kaiser forecasts in last year's rates.

There is one 2020 plan design change approved for the Kaiser plan by the Rates and Benefits Committee and HSB—modify subset of current infertility related services that are covered for a \$20 copay to a 50% coinsurance member cost-share. This aligns the benefit coverage level for all infertility related services.

The KPSA Medicare plan has one plan enhancement that was approved by the Rates and Benefits Committee and HSB for 2020—a new transportation benefit of up to 24 one-way rides per year (50 miles maximum per ride) to support member health care appointment and facility post-discharge transportation needs. This benefit is similar to the transportation benefit approved for the 2019 plan year in the UHC Medicare Advantage PPO plan. This is currently scheduled to take effect January 1, 2020, though could be delayed depending on vendor set-up status through Kaiser.

The 2020 Kaiser renewal actions result in an overall estimated increase of \$27.5 million from 2019 to 2020 for all four employers based on May 2019 membership of which \$21.3 million is attributed to CCSF and \$6.2 million is attributed to the other employer groups (e.g., CRT, USD, and CCD).

The aggregate cost for Kaiser Permanente for the 2020 plan year is projected at \$451.1 million, with \$47.3 million in member contributions and \$403.8 million in employer contributions. Table 3 (page 12) provides an overview of annualized costs.

The 2020 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. This is in addition to the BSC Access+ plan. As a result of BSC renewal inputs and Aon's underwriting process, we are projecting increases of 2.3% for BSC Access+ total cost rates and 0.9% for Trio total cost rates into the 2020 plan year.

There are two 2020 plan design changes approved for the BSC Access+ and Trio plans by the Rates and Benefits Committee and HSB—ability for members to receive an expanded array of vaccines at



participating pharmacies, and access for members to a maximum of four nutritional counseling visits annually without a specific diagnosis.

Overall, this produces an aggregate increase of 1.8% for the combination of the two BSC flex-funded HMO plans into the 2020 plan year. Approximately 60% of BSC enrolled active employees / early retirees remained in Access+ in 2019, versus about 40% migrating to the new Trio plan.

The aggregate 2020 projected cost for all four employers in the BSC Access+ and Trio plans is \$334.8 million, with \$37.3 million in member contributions and \$297.5 million in employer contributions based on May 2019 membership. This results in an overall estimated increase of \$6.1 million from 2019 to 2020 for all four employers based on May 2019 membership of which \$5.4 million of the increase is attributed to CCSF and the remaining \$0.7 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 2020 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 UHC City Plan PPO and the UHC Medicare Advantage PPO for All Four Employers

### **UHC City Plan PPO (Active Employees and Early Retirees)**

The UHC City Plan PPO is a self-funded medical plan administered by 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.

A substantial factor in the active and early retiree total premium equivalent increases for the 2020 calendar year is the depletion of available funds in the UHC City Plan PPO 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 UHC City Plan PPO rating beyond the HSB Self-Funded Plans' Stabilization Policy of one-third application in 2016 through 2019 plan year rating. For the 2020 plan year, a small deficit in the rate stabilization reserve fund now exists and has been applied to 2020 plan rates.

The UHC base administration fee increased 1.8% from 2019 to 2020. Overall UHC administrative fees including expected fees from Shared Savings programs increase 4.8% from 2019 to 2020.

One change was approved by the Rates and Benefits Committee and HSB for 2020 UHC City Plan PPO—a reduction of the in-network out-of-network maximum for families, from current \$12,700 to revised \$7,500. This is expected to have minimal financial impact to the plan (\$40,000 estimate), but will benefit families using high levels of care across multiple family members.



As a result of the underwriting adjustments, change in Rate Stabilization Reserve amounts, and impact of the design change outlined above, the overall total premium equivalent increase for the UHC City Plan PPO into the 2020 plan year is 10.0%.

#### **UHC Medicare Advantage (MA) PPO**

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 2020, the total costs for this Medicare plan will increase 16.5%. The majority of this increase (10% on UHC plan premiums) is due to the return in 2020 of the PPACA HIT (tax outlined earlier in this letter), after suspension in 2019 by the federal government. The remainder of the increase reflects health care cost trend in the plan.

There are no plan design changes into 2020 for the UHC MA PPO.

The aggregate 2020 cost for the UHC plans across active employees, early retirees, and Medicare retirees is projected at \$128.1 million, with \$19.9 million in member contributions and \$108.2 million in employer contributions. This results in an overall estimated increase of \$15.7 million (or 13.9%) from 2019 to 2020 for all four employers based on May 2019 enrollment; of which \$12.1 million is attributed to CCSF and \$3.6 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 2020 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 Plans 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. For the 2020 plan year, Basic Plan rates will remain at 2019 levels.

There is also a buy-up Premier Plan available to SFHSS members, which was first offered for the 2018 plan year. Members pay the full rate increment between Basic Plan rates and Premier Plan rates. For the 2020 plan year, Premier Plan total premium rates are increasing by 4.3% from 2019 Premier Plan rate levels.

Based on May 2019 enrollment, the aggregate projected 2020 employer cost for the VSP vision plan is \$5.4 million. The employer portion of vision plan costs will remain constant from 2019 to 2020, as the Basic Plan premiums are not changing from 2019 to 2020. 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, Court Employees, and All Retirees

Three dental plans are offered to SFHSS active employees—Delta Dental PPO, DeltaCare USA HMO, and UHC 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 will remain constant from 2019 to 2020, at \$4.62 per employee per month. This administrative fee is now guaranteed through December 31, 2021.

Due to the combination of favorable experience in the active employee Dental PPO plan and availability of rate stabilization reserve balance funds, the aggregate premium equivalents for the self-funded Delta Dental PPO plan for active employees are decreasing 5.3% for plan year 2020.

The Delta Dental PPO plan for retirees, DeltaCare USA dental plans for active employees and retirees, and UHC Dental plans for active employees and retirees are all fully insured. Most dental plan fully insured rates will remain the same as in 2019 for the 2020 plan year. The exception is a 3.0% increase for the UHC Dental HMO plan for active employees into the 2020 plan year. The Delta Dental Retiree PPO and DeltaCare USA plan rates are guaranteed through December 31, 2021.

There is one dental plan design change from 2019 to 2020—specifically for the Dental Dental Retiree PPO plan. In order to encourage a higher level of utilization for PPO network dentists, plan-paid PPO network provider coinsurance for certain major services (including crowns, dentures, pontics, bridges, and endodontic/root canal services) is increasing from 50% in 2019 to 60% in 2020. In return, the individual deductible for Delta Dental Premier network dentists and out-of-network dentists is increasing from \$50 annual to \$75 annual. Overall, this change is rate-neutral—rates for the Delta Dental Retiree PPO plan will remain at 2019 levels through this plan design change.

For the 2020 plan year, the City will contribute the total premium towards each of the dental HMO plans for CCSF employees. For the self-funded Delta 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 UHC Dental plans for actives and retirees remain unchanged from the 2019 plan year. Pursuant to the Health Service Board's Self-Funded Plans' Stabilization Policy, a claims stabilization amount of \$7.0 million has been applied for 2020 towards the self-funded Delta Dental Active PPO plan.

The 2020 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 2020 plan year is projected at \$46.5 million with \$3.7 million in member contributions and \$42.7 million in employer contributions. These projected costs for the 2020 plan year are same as those for the 2019 plan year, based on May 2019 enrollment. Table 3 (page 12) provides an overview of annualized costs.

### Life and Long-Term Disability (LTD) Insurance for CCSF, Court Employees, and Municipal Executive Active Employees Only

Total premiums for basic life insurance (employer-paid), supplemental life insurance (member-paid), and long-term disability (LTD) insurance (employer-paid) are reducing by 12.0% from 2019 to 2020 as a result of a new three-year renewal agreement taking effect on January 1, 2020. The new rates are now locked in through December 31, 2022. 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. Plan-specific rating actions that add up to the 12.0% overall rate decrease from 2019 to 2020 are:

- Basic life insurance: 42.5% rate increase;
- LTD insurance: 20.0% rate decrease;
- Supplemental employee/dependent life insurance: 15.0% rate decrease; and
- Child life insurance and Accidental Death & Dismemberment insurance: no rate change.

The aggregate basic life insurance and LTD plan cost for the 2020 plan year is projected at \$7.86 million. This includes \$6.19 million in total LTD premiums and \$1.67 million in basic life premiums. Additionally, there is \$0.76 million in projected member-paid 2020 supplemental life insurance premium. Annualized overall premiums are shown in Exhibit 9 in the adjoining document.

### Medical Second Opinion Service

An external second opinion service was implemented by SFHSS effective January 1, 2017. Upon review by SFHSS and the HSB, this external second opinion services will be discontinued for the 2020 plan year, upon expiration of the current three-year agreement on December 31, 2019. SFHSS will promote information from each health plan to support members in seeking second medical opinions within the health plans.



### Summary of Projected 2020 Plan Year Costs

Table 3 below summarizes projected 2020 aggregate SFHSS plan costs across the plans available to active employees and retirees relative to 2019 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 <sup>[1]</sup></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>	\$47.3	\$403.8	\$451.1	10.49%	89.51%
\$ Change	\$3.0	\$24.5	\$27.5		
% Change	6.68%	6.46%	6.48%		
<b>BSC HMOs</b>	\$37.3	\$297.5	\$334.8	11.15%	88.85%
\$ Change	\$0.3	\$5.7	\$6.1		
% Change	0.94%	1.96%	1.84%		
<b>UHC Plans</b>	\$19.9	\$108.2	\$128.1	15.56%	84.44%
\$ Change	\$2.6	\$13.0	\$15.7		
% Change	15.30%	13.68%	13.92%		
<b>Dental <sup>[2]</sup></b>	\$3.7	\$40.3	\$44.1	8.50%	91.50%
\$ Change	\$0.0	-\$2.4	-\$2.4		
% Change	0.00%	-5.67%	-5.21%		
<b>LTD Insurance</b>	\$0.0	\$6.2	\$6.2	0.00%	100.00%
\$ Change	\$0.0	-\$1.6	-\$1.6		
% Change	0.00%	-20.00%	-20.00%		
<b>Life Insurance</b>	\$0.8	\$1.7	\$2.4	31.15%	68.85%
\$ Change	-\$0.1	\$0.5	\$0.4		
% Change	-13.58%	42.50%	18.54%		
<b>Total</b>	<b>\$109.1</b>	<b>\$657.7</b>	<b>\$966.8</b>	<b>11.28%</b>	<b>88.72%</b>
\$ Change	\$5.8	\$39.8	\$45.6		
% Change	5.65%	4.86%	4.95%		

[1] Figures vary due to rounding

[2] Dental costs are for active employees only; retirees and surviving spouses have not been included

This year's projected aggregate medical cost increase of 5.69% (see page 3) compares similarly with available benchmark information. The "2019 Health Care Trend Survey" published by Aon indicates combined medical / pharmacy cost increases in the range of 5.5% to 6%.



June 18, 2019  
Board of Supervisors  
City and County of San Francisco  
Page 13

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 'M. Clarke', is positioned below the 'Sincerely,' text.

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—CCSF Costs Only

<b>TABLE 3A—CITY AND COUNTY OF SAN FRANCISCO (CCSF) ONLY [1]</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>	\$37.9	\$313.8	\$351.7	10.78%	89.22%
\$ Change	\$2.4	\$18.9	\$21.3		
% Change	6.67%	6.42%	6.45%		
<b>BSC HMOs</b>	\$33.3	\$261.5	\$294.8	11.29%	88.71%
\$ Change	\$0.3	\$5.1	\$5.4		
% Change	0.98%	1.99%	1.88%		
<b>UHC Plans</b>	\$16.9	\$86.7	\$103.6	16.29%	83.71%
\$ Change	\$1.4	\$10.6	\$12.1		
% Change	9.37%	13.94%	13.17%		
<b>Dental [2]</b>	\$3.7	\$39.8	\$43.5	8.50%	91.50%
\$ Change	\$0.0	-\$2.4	-\$2.4		
% Change	0.00%	-5.67%	-5.21%		
<b>LTD Insurance</b>	\$0.0	\$6.2	\$6.2	0.00%	100.00%
\$ Change	\$0.0	-\$1.6	-\$1.6		
% Change	0.00%	-20.00%	-20.00%		
<b>Life Insurance</b>	\$0.8	\$1.7	\$2.4	31.15%	68.85%
\$ Change	-\$0.1	\$0.5	\$0.4		
% Change	-13.58%	42.50%	18.54%		
<b>Total</b>	\$92.5	\$709.6	\$802.1	11.53%	88.47%
\$ Change	\$4.0	\$31.2	\$35.2		
% Change	4.54%	4.60%	4.60%		

[1] Figures vary due to rounding

[2] Dental costs are for active employees only; retirees and surviving spouses have not been included

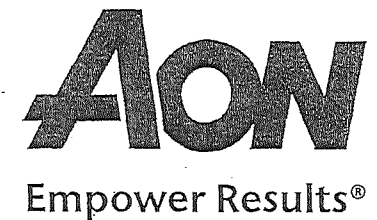


# San Francisco Health Service System Board of Supervisors

10-County Survey Results  
Rates and Benefits Decisions  
Calendar Year 2020

June 18, 2019

Prepared by:  
Health & Benefits



# 10-County Survey Results (Monthly Basis)

## Exhibit 1

Rank	County	2018 Survey for SFHSS 2019 Rating	2019 Survey for SFHSS 2020 Rating	% Change
1	Los Angeles	\$700.41	\$714.58	2.02%
2	San Diego	\$581.03	\$604.00	3.95%
3	Orange	\$534.18	\$561.78	5.17%
4	Riverside	\$688.85	\$689.55	0.10%
5	San Bernardino	\$433.33	\$455.88	5.20%
6	Santa Clara	\$1,018.12	\$1,078.20	5.90%
7	Alameda	\$720.74	\$779.27	8.12%
8	Sacramento	\$663.43	\$692.63	4.40%
9	Contra Costa	\$717.58	\$753.74	5.04%
10	Fresno	\$663.11	\$729.57	10.02%
<b>10-County Average</b>		<b>\$672.08</b>	<b>\$705.92</b>	<b>5.04%</b>

3662

# Kaiser Permanente HMO (California): Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2020

## 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
3663 Monthly Employee / Retiree Contributions	Plan Year 2019	\$42.80	\$85.31	\$292.88	\$0.00	\$303.66	\$807.74	\$0.00	\$164.93	\$493.72	\$669.01
	Plan Year 2020	\$45.20	\$90.19	\$309.72	\$0.00	\$321.37	\$854.85	\$0.00	\$184.86	\$553.53	\$718.34
	\$ Change	+\$2.40	+\$4.88	+\$16.84	-	+\$17.71	+\$47.11	-	+\$19.93	+\$59.81	+\$49.33
	% Change	+5.6%	+5.7%	+5.7%	-	+5.8%	+5.8%	-	+12.1%	+12.1%	+7.4%
Monthly Employer Contributions	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
	Plan Year 2020	\$600.51	\$1,198.26	\$1,512.18	\$1,295.75	\$1,617.12	\$1,617.12	\$372.71	\$557.58	\$557.58	\$557.58
	\$ Change	+\$31.86	+\$64.80	+\$82.23	+\$70.48	+\$88.18	+\$88.18	+\$38.72	+\$58.66	+\$58.66	+\$58.66
	% Change	+5.6%	+5.7%	+5.8%	+5.8%	+5.8%	+5.8%	+11.6%	+11.8%	+11.8%	+11.8%
Monthly Total Premium Rates	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
	Plan Year 2020	\$645.71	\$1,288.45	\$1,821.90	\$1,295.75	\$1,938.49	\$2,471.97	\$372.71	\$742.44	\$1,111.11	\$1,275.92
	\$ Change	+\$34.26	+\$69.68	+\$99.07	+\$70.48	+\$105.89	+\$135.29	+\$38.72	+\$78.59	+\$118.47	+\$107.99
	% Change	+5.6%	+5.7%	+5.8%	+5.8%	+5.8%	+5.8%	+11.6%	+11.8%	+11.9%	+9.2%

\* NOTE:

- Includes \$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 2020

## 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 2019	\$0.00	\$48.75	\$292.88	\$0.00	\$303.66	\$807.74	\$0.00	\$164.93	\$493.72	\$669.01
	Plan Year 2020	\$0.00	\$51.54	\$309.72	\$0.00	\$321.37	\$854.85	\$0.00	\$184.86	\$553.53	\$718.34
	\$ Change	-	+\$2.79	+\$16.84	-	+\$17.71	+\$47.11	-	+\$19.93	+\$59.81	+\$49.33
	% Change	-	+5.7%	+5.7%	-	+5.8%	+5.8%	-	+12.1%	+12.1%	+7.4%
Monthly Employer Contributions	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
	Plan Year 2020	\$645.71	\$1,236.91	\$1,512.18	\$1,295.75	\$1,617.12	\$1,617.12	\$372.71	\$557.58	\$557.58	\$557.58
	\$ Change	+\$34.26	+\$66.89	+\$82.23	+\$70.48	+\$88.18	+\$88.18	+\$38.72	+\$58.66	+\$58.66	+\$58.66
	% Change	+5.6%	+5.7%	+5.8%	+5.8%	+5.8%	+5.8%	+11.6%	+11.8%	+11.8%	+11.8%
Monthly Total Premium Rates	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
	Plan Year 2020	\$645.71	\$1,288.45	\$1,821.90	\$1,295.75	\$1,938.49	\$2,471.97	\$372.71	\$742.44	\$1,111.11	\$1,275.92
	\$ Change	+\$34.26	+\$69.68	+\$99.07	+\$70.48	+\$105.89	+\$135.29	+\$38.72	+\$78.59	+\$118.47	+\$107.99
	% Change	+5.6%	+5.7%	+5.8%	+5.8%	+5.8%	+5.8%	+11.6%	+11.8%	+11.9%	+9.2%

3664

**\* NOTE:**

- Includes \$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 2020

## 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 2019	\$0.00	\$663.23	\$1,764.19	\$0.00	\$159.94	\$479.14	\$1,260.90
	Plan Year 2020	\$0.00	\$686.71	\$1,826.63	\$0.00	\$164.68	\$493.36	\$1,304.60
	\$ Change	-	+\$23.48	+\$62.44	-	+\$4.74	+\$14.22	+\$43.70
	% Change	-	+3.5%	+3.5%	-	+3.0%	+3.0%	+3.0%
Monthly Employer Contributions	Plan Year 2019	\$1,330.59	\$1,993.83	\$1,993.83	\$324.02	\$483.97	\$483.97	\$483.97
	Plan Year 2020	\$1,376.39	\$2,063.10	\$2,063.10	\$332.35	\$497.04	\$497.04	\$497.04
	\$ Change	+\$45.80	+\$69.27	+\$69.27	+\$8.33	+\$13.07	+\$13.07	+\$13.07
	% Change	+3.4%	+3.5%	+3.5%	+2.6%	+2.7%	+2.7%	+2.7%
Monthly Total Premium Rates	Plan Year 2019	\$1,330.59	\$2,657.06	\$3,758.02	\$324.02	\$643.91	\$963.11	\$1,744.87
	Plan Year 2020	\$1,376.39	\$2,749.81	\$3,889.73	\$332.35	\$661.72	\$990.40	\$1,801.64
	\$ Change	+\$45.80	+\$92.75	+\$131.71	+\$8.33	+\$17.81	+\$27.29	+\$56.77
	% Change	+3.4%	+3.5%	+3.5%	+2.6%	+2.8%	+2.8%	+3.3%

\* NOTE: ■ Includes \$3.00 for the Health Care Sustainability Fund.

# Kaiser Permanente Multi State HMO: Early Retiree / Medicare Monthly Rates for Calendar Year 2020

## 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 2019	\$0.00	\$665.89	\$1,771.27	\$0.00	\$199.71	\$598.44	\$1,417.95
	Plan Year 2020	\$0.00	\$635.95	\$1,691.61	\$0.00	\$210.91	\$632.04	\$1,266.57
	\$ Change		-\$29.94	-\$79.66		+\$11.20	+\$33.60	-\$151.39
	% Change	-	-4.5%	-4.5%	-	+5.6%	+5.6%	-10.7%
Monthly Employer Contributions	Plan Year 2019	\$1,335.93	\$2,001.83	\$2,001.83	\$403.55	\$603.26	\$603.26	\$603.26
	Plan Year 2020	\$1,274.88	\$1,910.84	\$1,910.84	\$424.80	\$635.71	\$635.71	\$635.71
	\$ Change	-\$61.05	-\$90.99	-\$90.99	+\$21.25	+\$32.45	+\$32.45	+\$32.45
	% Change	-4.6%	-4.5%	-4.5%	+5.3%	+5.4%	+5.4%	+5.4%
Monthly Total Premium Rates	Plan Year 2019	\$1,335.93	\$2,667.72	\$3,773.10	\$403.55	\$802.97	\$1,201.70	\$2,021.21
	Plan Year 2020	\$1,274.88	\$2,546.79	\$3,602.45	\$424.80	\$846.62	\$1,267.75	\$1,902.28
	\$ Change	-\$61.05	-\$120.93	-\$170.65	+\$21.25	+\$43.65	+\$66.05	-\$118.93
	% Change	-4.6%	-4.5%	-4.5%	+5.3%	+5.4%	+5.5%	-5.9%

\* NOTE: ■ Includes \$3.00 for the Health Care Sustainability Fund.

# Kaiser Permanente Multi State HMO: Early Retiree / Medicare Monthly Rates for Calendar Year 2020

## 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 2019	\$0.00	\$482.83	\$1,284.33	\$0.00	\$185.99	\$557.28	\$1,150.98
	Plan Year 2020	\$0.00	\$469.66	\$1,249.29	\$0.00	\$185.99	\$557.28	\$1,124.63
	\$ Change	-	-\$13.17	-\$35.04	-	-	-	-\$26.35
	% Change	-	-2.7%	-2.7%	-	-	-	-2.3%
Monthly Employer Contributions	Plan Year 2019	\$969.81	\$1,452.65	\$1,452.65	\$376.11	\$562.10	\$562.10	\$562.10
	Plan Year 2020	\$942.31	\$1,411.97	\$1,411.97	\$374.96	\$560.95	\$560.95	\$560.95
	\$ Change	-\$27.50	-\$40.68	-\$40.68	-\$1.15	-\$1.15	-\$1.15	-\$1.15
	% Change	-2.8%	-2.8%	-2.8%	-0.3%	-0.2%	-0.2%	-0.2%
Monthly Total Premium Rates	Plan Year 2019	\$969.81	\$1,935.48	\$2,736.98	\$376.11	\$748.09	\$1,119.38	\$1,713.08
	Plan Year 2020	\$942.31	\$1,881.63	\$2,661.26	\$374.96	\$746.94	\$1,118.23	\$1,685.58
	\$ Change	-\$27.50	-\$53.85	-\$75.72	-\$1.15	-\$1.15	-\$1.15	-\$27.50
	% Change	-2.8%	-2.8%	-2.8%	-0.3%	-0.2%	-0.1%	-1.6%

\* NOTE: ■ Includes \$3.00 for the Health Care Sustainability Fund.

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# Blue Shield of California HMO: Final Active / Early Retiree / Medicare Monthly Rates for Calendar Year 2020

## 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 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$551.65	\$1,272.27	\$0.00	\$187.82	\$562.78	\$908.44
	Plan Year 2020	\$62.43	\$124.67	\$428.21	\$92.98	\$555.24	\$1,293.21	\$0.00	\$219.42	\$657.57	\$957.39
	\$ Change	+\$1.35	+\$2.77	+\$9.59	-\$7.28	+\$3.59	+\$20.94	-	+\$31.60	+\$94.79	+\$48.95
	% Change	+2.2%	+2.3%	+2.3%	-7.3%	+0.7%	+1.6%	-	+16.8%	+16.8%	+5.4%
Monthly Employer Contributions	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
	Plan Year 2020	\$829.45	\$1,656.31	\$2,090.68	\$1,966.24	\$2,428.51	\$2,428.51	\$441.82	\$661.24	\$661.24	\$661.24
	\$ Change	+\$17.92	+\$36.82	+\$46.80	+\$54.42	+\$65.31	+\$65.31	+\$62.04	+\$93.63	+\$93.63	+\$93.63
	% Change	+2.2%	+2.3%	+2.3%	+2.8%	+2.8%	+2.8%	+16.3%	+16.5%	+16.5%	+16.5%
Monthly Total Premium Rates	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
	Plan Year 2020	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72	\$441.82	\$880.66	\$1,318.81	\$1,618.63
	\$ Change	+\$19.27	+\$39.59	+\$56.39	+\$47.14	+\$68.90	+\$86.25	+\$62.04	+\$125.23	+\$188.42	+\$142.58
	% Change	+2.2%	+2.3%	+2.3%	+2.3%	+2.4%	+2.4%	+16.3%	+16.6%	+16.7%	+9.7%

3668

**\* NOTE:**

- Includes \$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 2020

## 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 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$551.65	\$1,272.27	\$0.00	\$187.82	\$562.78	\$908.44
	Plan Year 2020	\$0.00	\$71.24	\$428.21	\$92.98	\$555.24	\$1,293.21	\$0.00	\$219.42	\$657.57	\$957.39
	\$ Change	-	+\$1.58	+\$9.59	-\$7.28	+\$3.59	+\$20.94	-	+\$31.60	+\$94.79	+\$48.95
	% Change	-	+2.3%	+2.3%	-7.3%	+0.7%	+1.6%	-	+16.8%	+16.8%	+5.4%
Monthly Employer Contributions	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
	Plan Year 2020	\$891.88	\$1,709.74	\$2,090.68	\$1,966.24	\$2,428.51	\$2,428.51	\$441.82	\$661.24	\$661.24	\$661.24
	\$ Change	+\$19.27	+\$38.01	+\$46.80	+\$54.42	+\$65.31	+\$65.31	+\$62.04	+\$93.63	+\$93.63	+\$93.63
	% Change	+2.2%	+2.3%	+2.3%	+2.8%	+2.8%	+2.8%	+16.3%	+16.5%	+16.5%	+16.5%
Monthly Total Premium Rates	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
	Plan Year 2020	\$891.88	\$1,780.98	\$2,518.89	\$2,059.22	\$2,983.75	\$3,721.72	\$441.82	\$880.66	\$1,318.81	\$1,618.63
	\$ Change	+\$19.27	+\$39.59	+\$56.39	+\$47.14	+\$68.90	+\$86.25	+\$62.04	+\$125.23	+\$188.42	+\$142.58
	% Change	+2.2%	+2.3%	+2.3%	+2.3%	+2.4%	+2.4%	+16.3%	+16.6%	+16.7%	+9.7%

3669

**\* NOTE:**

- Includes \$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 2020

## 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 2019	\$52.34	\$104.40	\$358.50	\$37.78	\$424.18	\$1,041.07	\$0.00	\$187.82	\$562.78	\$804.71
	Plan Year 2020	\$52.76	\$105.32	\$361.71	\$23.87	\$414.25	\$1,037.48	\$0.00	\$219.42	\$657.57	\$842.65
	\$ Change	+\$0.42	+\$0.92	+\$3.21	-\$13.91	-\$9.93	-\$3.59	-	+\$31.60	+\$94.79	+\$37.94
	% Change	+0.8%	+0.9%	+0.9%	-36.8%	-2.3%	-0.3%	-	+16.8%	+16.8%	+4.7%
Monthly Employer Contributions	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
	Plan Year 2020	\$700.90	\$1,399.21	\$1,766.01	\$1,714.80	\$2,105.19	\$2,105.19	\$441.82	\$661.24	\$661.24	\$661.24
	\$ Change	+\$5.59	+\$12.16	+\$15.67	+\$30.31	+\$34.30	+\$34.30	+\$62.04	+\$93.63	+\$93.63	+\$93.63
	% Change	+0.8%	+0.9%	+0.9%	+1.8%	+1.7%	+1.7%	+16.3%	+16.5%	+16.5%	+16.5%
Monthly Total Premium Rates	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
	Plan Year 2020	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67	\$441.82	\$880.66	\$1,318.81	\$1,503.89
	\$ Change	+\$6.01	+\$13.08	+\$18.88	+\$16.40	+\$24.37	+\$30.71	+\$62.04	+\$125.23	+\$188.42	+\$131.57
	% Change	+0.8%	+0.9%	+0.9%	+1.0%	+1.0%	+1.0%	+16.3%	+16.6%	+16.7%	+9.6%

3670

\* NOTE:

- Includes \$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 2020

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

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		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 2019	\$0.00	\$59.66	\$358.50	\$37.78	\$424.18	\$1,041.07	\$0.00	\$187.82	\$562.78	\$804.71
	Plan Year 2020	\$0.00	\$60.18	\$361.71	\$23.87	\$414.25	\$1,037.48	\$0.00	\$219.42	\$657.57	\$842.65
	\$ Change	-	+\$0.52	+\$3.21	-\$13.91	-\$9.93	-\$3.59	-	+\$31.60	+\$94.79	+\$37.94
	% Change	-	+0.9%	+0.9%	-36.8%	-2.3%	-0.3%	-	+16.8%	+16.8%	+4.7%
Monthly Employer Contributions	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
	Plan Year 2020	\$753.66	\$1,444.35	\$1,766.01	\$1,714.80	\$2,105.19	\$2,105.19	\$441.82	\$661.24	\$661.24	\$661.24
	\$ Change	+\$6.01	+\$12.56	+\$15.67	+\$30.31	+\$34.30	+\$34.30	+\$62.04	+\$93.63	+\$93.63	+\$93.63
	% Change	+0.8%	+0.9%	+0.9%	+1.8%	+1.7%	+1.7%	+16.3%	+16.5%	+16.5%	+16.5%
Monthly Total Premium Rates	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
	Plan Year 2020	\$753.66	\$1,504.53	\$2,127.72	\$1,738.67	\$2,519.44	\$3,142.67	\$441.82	\$880.66	\$1,318.81	\$1,503.89
	\$ Change	+\$6.01	+\$13.08	+\$18.88	+\$16.40	+\$24.37	+\$30.71	+\$62.04	+\$125.23	+\$188.42	+\$131.57
	% Change	+0.8%	+0.9%	+0.9%	+1.0%	+1.0%	+1.0%	+16.3%	+16.6%	+16.7%	+9.6%

**\* NOTE:**

- Includes \$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 2020

## 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 2019	\$265.78	\$465.41	\$885.49	\$202.61	\$707.41	\$1,470.21	\$0.00	\$187.82	\$562.78	\$950.62
	Plan Year 2020	\$355.66	\$638.70	\$1,141.53	\$239.59	\$684.20	\$1,369.33	\$0.00	\$219.42	\$657.57	\$904.55
	\$ Change	+\$89.88	+\$173.29	+\$256.04	+\$36.98	-\$23.21	-\$100.88	-	+\$31.60	+\$94.79	-\$46.07
	% Change	+33.8%	+37.2%	+28.9%	+18.3%	-3.3%	-6.9%	-	+16.8%	+16.8%	-4.8%
Monthly Employer Contributions	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
	Plan Year 2020	\$829.45	\$1,656.31	\$2,090.68	\$1,271.25	\$1,715.85	\$1,715.85	\$441.82	\$661.24	\$661.24	\$661.24
	\$ Change	+\$17.92	+\$36.82	+\$46.80	+\$185.98	+\$125.78	+\$125.78	+\$62.04	+\$93.63	+\$93.63	+\$93.63
	% Change	+2.2%	+2.3%	+2.3%	+17.1%	+7.9%	+7.9%	+16.3%	+16.5%	+16.5%	+16.5%
Monthly Total Premium Rates	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
	Plan Year 2020	\$1,185.11	\$2,295.01	\$3,232.21	\$1,510.84	\$2,400.05	\$3,085.18	\$441.82	\$880.66	\$1,318.81	\$1,565.79
	\$ Change	+\$107.80	+\$210.11	+\$302.84	+\$222.96	+\$102.57	+\$24.90	+\$62.04	+\$125.23	+\$188.42	+\$47.56
	% Change	+10.0%	+10.1%	+10.3%	+17.3%	+4.5%	+0.8%	+16.3%	+16.6%	+16.7%	+3.1%

3672

**\* NOTE:**

- Includes \$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 2020

## 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 2019	\$0.00	\$413.17	\$885.49	\$202.61	\$707.41	\$1,470.21	\$0.00	\$187.82	\$562.78	\$950.62
	Plan Year 2020	\$0.00	\$585.27	\$1,141.53	\$239.59	\$684.20	\$1,369.33	\$0.00	\$219.42	\$657.57	\$904.55
	\$ Change	-	+\$172.10	+\$256.04	+\$36.98	-\$23.21	-\$100.88	-	+\$31.60	+\$94.79	-\$46.07
	% Change	-	+41.7%	+28.9%	+18.3%	-3.3%	-6.9%	-	+16.8%	+16.8%	-4.8%
Monthly Employer Contributions	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
	Plan Year 2020	\$1,185.11	\$1,709.74	\$2,090.68	\$1,271.25	\$1,715.85	\$1,715.85	\$441.82	\$661.24	\$661.24	\$661.24
	\$ Change	+\$107.80	+\$38.01	+\$46.80	+\$185.98	+\$125.78	+\$125.78	+\$62.04	+\$93.63	+\$93.63	+\$93.63
	% Change	+10.0%	+2.3%	+2.3%	+17.1%	+7.9%	+7.9%	+16.3%	+16.5%	+16.5%	+16.5%
Monthly Total Premium Rates	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
	Plan Year 2020	\$1,185.11	\$2,295.01	\$3,232.21	\$1,510.84	\$2,400.05	\$3,085.18	\$441.82	\$880.66	\$1,318.81	\$1,565.79
	\$ Change	+\$107.80	+\$210.11	+\$302.84	+\$222.96	+\$102.57	+\$24.90	+\$62.04	+\$125.23	+\$188.42	+\$47.56
	% Change	+10.0%	+10.1%	+10.3%	+17.3%	+4.5%	+0.8%	+16.3%	+16.6%	+16.7%	+3.1%

3673

**\* NOTE:**

- Includes \$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 2020

## 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
Monthly Employee / Retiree Contributions	Plan Year 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$605.06	\$1,367.86	\$0.00	\$187.82	\$562.78	\$950.62
	Plan Year 2020	\$62.43	\$124.67	\$428.21	\$92.98	\$537.58	\$1,222.71	\$0.00	\$219.42	\$657.57	\$904.55
	\$ Change	+\$1.35	+\$2.77	+\$9.59	-\$7.28	-\$67.48	-\$145.15		+\$31.60	+\$94.79	-\$46.07
	% Change	+2.2%	+2.3%	+2.3%	-7.3%	-11.2%	-10.6%	-	+16.8%	+16.8%	-4.8%
Monthly Employer Contributions	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
	Plan Year 2020	\$829.45	\$1,656.31	\$2,090.68	\$1,417.86	\$1,862.47	\$1,862.47	\$441.82	\$661.24	\$661.24	\$661.24
	\$ Change	+\$17.92	+\$36.82	+\$46.80	+\$230.24	+\$170.05	+\$170.05	+\$62.04	+\$93.63	+\$93.63	+\$93.63
	% Change	+2.2%	+2.3%	+2.3%	+19.4%	+10.0%	+10.0%	+16.3%	+16.5%	+16.5%	+16.5%
Monthly Total Premium Rates	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
	Plan Year 2020	\$891.88	\$1,780.98	\$2,518.89	\$1,510.84	\$2,400.05	\$3,085.18	\$441.82	\$880.66	\$1,318.81	\$1,565.79
	\$ Change	+\$19.27	+\$39.59	+\$56.39	+\$222.96	+\$102.57	+\$24.90	+\$62.04	+\$125.23	+\$188.42	+\$47.56
	% Change	+2.2%	+2.3%	+2.3%	+17.3%	+4.5%	+0.8%	+16.3%	+16.6%	+16.7%	+3.1%

3674

**\* NOTE:**

- Includes \$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 2020

## 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 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$605.06	\$1,367.86	\$0.00	\$187.82	\$562.78	\$950.62
	Plan Year 2020	\$0.00	\$71.24	\$428.21	\$92.98	\$537.58	\$1,222.71	\$0.00	\$219.42	\$657.57	\$904.55
	\$ Change	-	+\$1.58	+\$9.59	-\$7.28	-\$67.48	-\$145.15	-	+\$31.60	+\$94.79	-\$46.07
	% Change	-	+2.3%	+2.3%	-7.3%	-11.2%	-10.6%	-	+16.8%	+16.8%	-4.8%
Monthly Employer Contributions	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
	Plan Year 2020	\$891.88	\$1,709.74	\$2,090.68	\$1,417.86	\$1,862.47	\$1,862.47	\$441.82	\$661.24	\$661.24	\$661.24
	\$ Change	+\$19.27	+\$38.01	+\$46.80	+\$230.24	+\$170.05	+\$170.05	+\$62.04	+\$93.63	+\$93.63	+\$93.63
	% Change	+2.2%	+2.3%	+2.3%	+19.4%	+10.0%	+10.0%	+16.3%	+16.5%	+16.5%	+16.5%
Monthly Total Premium Rates	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
	Plan Year 2020	\$891.88	\$1,780.98	\$2,518.89	\$1,510.84	\$2,400.05	\$3,085.18	\$441.82	\$880.66	\$1,318.81	\$1,565.79
	\$ Change	+\$19.27	+\$39.59	+\$56.39	+\$222.96	+\$102.57	+\$24.90	+\$62.04	+\$125.23	+\$188.42	+\$47.56
	% Change	+2.2%	+2.3%	+2.3%	+17.3%	+4.5%	+0.8%	+16.3%	+16.6%	+16.7%	+3.1%

3675

**\* NOTE:**

- Includes \$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 2020

## 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 2019	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
	Plan Year 2020	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
	% Change	-	-	-	-	-	-
	\$ Change	-	-	-	-	-	-

## 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 2019	\$9.36	\$14.04	\$29.32	\$9.36	\$14.04	\$29.32
	Plan Year 2020	\$9.93	\$14.98	\$31.06	\$9.93	\$14.98	\$31.06
	% Change	+6.1%	+6.7%	+5.9%	+6.1%	+6.7%	+5.9%
	\$ Change	+\$0.57	+\$0.94	+\$1.74	+\$0.57	+\$0.94	+\$1.74

\* NOTE:

- Total insured premium rates for VSP Premier Plan are the sum of Basic Plan rates and Premier Plan member contributions



3676



# Delta Dental PPO: Final Active / Retiree Monthly Total Rates and Contributions for Calendar Year 2020

## 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 2019	\$60.48	\$127.00	\$181.43	\$45.77	\$91.04	\$135.88
	Plan Year 2020	\$57.28	\$120.28	\$171.83	\$45.77	\$91.04	\$135.88
	% Change	-5.3%	-5.3%	-5.3%	-	-	-
	\$ Change	-\$3.20	-\$6.72	-\$9.60	-	-	-

## 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 2019	\$5.00	\$10.00	\$15.00	\$45.77	\$91.04	\$135.88
	Plan Year 2020	\$5.00	\$10.00	\$15.00	\$45.77	\$91.04	\$135.88
	% Change	-	-	-	-	-	-
	\$ Change	-	-	-	-	-	-

3677

# DeltaCare USA: Final Active / Retiree Monthly Total Rates and Contributions for Calendar Year 2020

## 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 2019	\$26.95	\$44.46	\$65.76	\$32.85	\$54.21	\$80.19
	Plan Year 2020	\$26.95	\$44.46	\$65.76	\$32.85	\$54.21	\$80.19
	% Change	-	-	-	-	-	-
	\$ Change	-	-	-	-	-	-

## 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 2019	\$0.00	\$0.00	\$0.00	\$32.85	\$54.21	\$80.19
	Plan Year 2020	\$0.00	\$0.00	\$0.00	\$32.85	\$54.21	\$80.19
	% Change	-	-	-	-	-	-
	\$ Change	-	-	-	-	-	-

3678

# UHC Dental: Final Active / Retiree Monthly Total Rates and Contributions for Calendar Year 2020

## 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 2019	\$27.80	\$45.90	\$67.86	\$16.47	\$27.20	\$40.22
	Plan Year 2020	\$28.63	\$47.28	\$69.90	\$16.47	\$27.20	\$40.22
	% Change	+3.0%	+3.0%	+3.0%	-	-	-
	\$ Change	+\$0.83	+\$1.38	+\$2.04	-	-	-

## 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 2019	\$0.00	\$0.00	\$0.00	\$16.47	\$27.20	\$40.22
	Plan Year 2020	\$0.00	\$0.00	\$0.00	\$16.47	\$27.20	\$40.22
	% Change	-	-	-	-	-	-
	\$ Change	-	-	-	-	-	-

3679

# Life Insurance and Long Term Disability (LTD) Plan Year 2020 Aggregate Costs

## Exhibit 9 — Life Insurance and LTD Plan Rates

Plan Type	Plan Year 2019	Plan Year 2020	% Change	\$ Change
Basic Life	\$1,174,000	\$1,673,000	+42.5%	+\$499,000
Supplemental Life / Dependent Life	\$876,000	\$757,000	-13.5%	-\$119,000
Long Term Disability	\$7,736,000	\$6,186,000	-20.0%	-\$1,550,000
<b>Total Annual Estimated Cost</b>	<b>\$9,786,000</b>	<b>\$8,616,000</b>	<b>-12.0%</b>	<b>-\$1,170,000</b>

3680

# Employer Contribution Notes—Active Employees

## 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.

3681

# Employer Contribution Notes—Active Employees

## 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.

3682

MEDICAL PLAN ENROLLMENT

MEMBERSHIP STATUS	CTYCNA	CTYPLN	CTYMAP	BLSHLD	BLSHLD ACCESS+	KAISER	WAIVED	DELINQ	TOTAL
ACTIVE Members	95	987	0	5,534	9,459	25,498	2,940	218	44,731
NO MEDICARE	95	987		5,534	9,459	25,498	2,940	218	44,731
MEDICARE A									
MEDICARE B									
MEDICARE AB									
RETIREED Members	339	390	11,292	791	1,220	11,889	2,615	36	28,572
NO MEDICARE	339	277		791	1,220	2,545	1,980	25	7,177
MEDICARE A							5		5
MEDICARE B			111			85	2		198
MEDICARE AB			11,181			9,259	628	11	21,079
NON-COMPLIANT		113							113
SURVIVING SPOUSE	24	30	1,336	42	54	1,407	416	9	3,318
NO MEDICARE	24	23		42	54	175	244	9	571
MEDICARE A									
MEDICARE B			8			2	1		11
MEDICARE AB			1,328			1,230	171		2,729
NON-COMPLIANT		7							7
COMMISSIONERS	0	11	0	26	8	42	151	1	239
NO MEDICARE		11		26	8	42	151	1	239
MEDICARE A									
MEDICARE B									
MEDICARE AB									
TOTAL MEMBERS	458	1,418	12,628	6,393	10,741	38,836	6,122	264	76,860

3683

MEDICAL PLAN ENROLLMENT

MEMBERSHIP STATUS	CTYCNA	CTYPLN	CTYMAP	BLSHLD	BLSHLD ACCESS+	KAISER	WAIVED	DELINQ	TOTAL
SPOUSE/DOM PRT DEPENDENTS OF ACTIVE Members	51	276	24	1,920	4,190	9,033	0	0	15,494
NO MEDICARE	51	276		1,920	4,190	9,008			15,445
MEDICARE A									
MEDICARE B									
MEDICARE AB			24			24			48
NON-COMPLIANT						1			1
SPOUSE/DOM PRT DEPENDENTS OF RETIRED Members	100	76	3,350	395	645	3,744	0	0	8,310
NO MEDICARE	72	47	184	395	645	1,181			2,524
MEDICARE A									
MEDICARE B			11			11			22
MEDICARE AB	28	29	3,155			2,552			5,764
NON-COMPLIANT									
SPOUSE/DOM PRT DEPENDENTS OF SURVIVING SPOUSE	0	0	0	0	0	0	0	0	0
NO MEDICARE									
MEDICARE A									
MEDICARE B									
MEDICARE AB									
NON-COMPLIANT									
SPOUSE/DOM PRT DEPENDENTS OF COMMISSIONERS	0	6	0	5	1	7	0	0	19
NO MEDICARE		6		5	1	7			19
MEDICARE A									
MEDICARE B									
MEDICARE AB									

3684



MEDICAL PLAN ENROLLMENT

MEMBERSHIP STATUS	CTYCNA	CTYPLN	CTYMAP	BLSHLD	BLSHLD ACCESS+	KAISER	WAIVED	DELINQ	TOTAL
CHILD/MINOR DEPENDENTS OF ACTIVE Members	77	315	0	3,085	7,451	16,365	0	0	27,293
NO MEDICARE	77	315		3,085	7,450	16,365			27,292
MEDICARE A									
MEDICARE B									
MEDICARE AB									
NON-COMPLIANT					1				1
CHILD/MINOR DEPENDENTS OF RETIRED Members	24	29	54	235	470	601	0	0	1,413
NO MEDICARE	24	29	32	235	470	589			1,379
MEDICARE A									
MEDICARE B									
MEDICARE AB			22			12			34
NON-COMPLIANT									
CHILD/MINOR DEPENDENTS OF SURVIVING SPOUSE	3	4	6	12	22	42	0	0	89
NO MEDICARE	3	4	1	12	22	40			82
MEDICARE A									
MEDICARE B									
MEDICARE AB			5			2			7
NON-COMPLIANT									
CHILD/MINOR DEPENDENTS OF COMMISSIONERS	0	7	0	7	4	1	0	0	19
NO MEDICARE		7		7	4	1			19
MEDICARE A									
MEDICARE B									
MEDICARE AB									
TOTAL DEPENDENTS	255	713	3,434	5,659	12,783	29,793	0	0	52,637
MEDICAL PLAN TOTALS	713	2,131	16,062	12,052	23,524	68,629	6,122	264	129,497

3685

**DENTAL PLAN ENROLLMENT**

MEMBERSHIP STATUS	DLTDEN	DLCDEN	PUDDEN	WAIVED	DELINQ	TOTAL
ACTIVE Members	31,509	747	515	1,680	238	34,689
RETIRED Members	18,658	918	698	8,217	78	28,569
SURVIVING SPOUSE	1,798	177	78	1,215	47	3,315
COMMISSIONERS	73	2	2	158	4	239
<b>TOTAL MEMBERS</b>	<b>52,038</b>	<b>1,844</b>	<b>1,293</b>	<b>11,270</b>	<b>367</b>	<b>66,812</b>
SPOUSE/DOM PRT DEPENDENTS OF ACTIVE Members	14,692	213	169			15,074
SPOUSE/DOM PRT DEPENDENTS OF RETIRED Members	7,261	318	196			7,775
SPOUSE/DOM PRT DEPENDENTS OF SURVIVING SPOUSE						
SPOUSE/DOM PRT DEPENDENTS OF COMMISSIONERS	22		1			23
CHILD/MINOR DEPENDENTS OF ACTIVE Members	25,896	415	268			26,579
CHILD/MINOR DEPENDENTS OF RETIRED Members	1,459	80	44			1,583
CHILD/MINOR DEPENDENTS OF SURVIVING SPOUSE	87	2	1			90
CHILD/MINOR DEPENDENTS OF COMMISSIONERS	17		1			18
<b>TOTAL DEPENDENTS</b>	<b>49,434</b>	<b>1,028</b>	<b>680</b>	<b>0</b>	<b>0</b>	<b>51,142</b>
<b>DENTAL PLAN TOTALS</b>	<b>101,472</b>	<b>2,872</b>	<b>1,973</b>	<b>11,270</b>	<b>367</b>	<b>117,954</b>

3686

LTD, LIFE AND FSA PLAN ENROLLMENT

MEMBERSHIP STATUS	LTD	LIFE	DEPFSA	HTHFSA
ACTIVE Members	25,475	22,085	1,440	5,897

3687

**VISION BUY-UP ENROLLMENT**

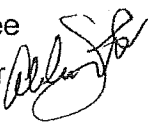
Membership Status	Members	Spouse/Domestic Partner	Child/Minor Dependents
Active CCD	284	91	106
Active CRT	144	66	91
Active CSF	8,797	4,015	6,660
Active USD	880	234	355
Retirees	4,916	1,758	279

3688

**SAN FRANCISCO  
HEALTH SERVICE SYSTEM**

Affordable, Quality Benefits & Well-Being

**MEMORANDUM**

DATE: June 18, 2019  
TO: Supervisor Sandra Fewer, Chair  
Budget and Finance Committee  
FROM: Abbie Yant, Executive Director   
Health Service System  
RE: Ordinance Approving Health Service System Plans and Contribution  
Rates for Calendar Year 2020

---

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 2020;
2. 2019 Ten-County Survey, pursuant to Charter Section A8.423, approved by the Health Service Board on March 14, 2019;
3. Actuarial Report dated June 18, 2019 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 14, April 11, May 9 and June 13, 2019;
4. Membership Enrollment Statistics Report dated June 3, 2019 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, Hartford Life and Accident Insurance Company.

Please let me know if you need any additional information.

CC: Members, Health Service Board (w/ electronic attached)  
Erik Rapoport (w/ electronic attached)  
Ben Rosenfield (w/ electronic attached)  
Pamela Levin (w/ electronic attached)  
Mike Clarke (w/ electronic attached)

President, District 7  
BOARD of SUPERVISORS



Bo's II, Aides, COB,  
B&F Sub, Dep. City Atty  
Mayor's Ofc. Dep  
City Hall

1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Tel. No. 554-6516  
Fax No. 554-7674  
TDD/TTY No. 544-6546

Norman Yee

**PRESIDENTIAL ACTION**

Date: 6/20/2019

To: Angela Calvillo, Clerk of the Board of Supervisors

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

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2019 JUN 21  
PM 3:24

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

File No. 190709 Mandelman  
(Primary Sponsor)

Title. Health Service System Plans and Contribution Rates - Calendar Year 2020

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)

*Norman Yee*  
Norman Yee, President  
Board of Supervisors

# Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2019 JUN 18 PM 2:05  
Time stamp  
or meeting date

#1: 315

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):

Supervisor Rafael Mandelman

Subject:

Ordinance Approving Health Service System plans and contribution rates for calendar year 2020.

The text is listed:

Ordinance Approving Health Service System plans and contribution rates for calendar year 2020.

Signature of Sponsoring Supervisor:

M

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

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor: Blue Shield of California
<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> <p>(1) members of the contractor's board of directors:</p> <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> <p>(2) the contractor's chief executive officer, chief financial officer and chief operating officer;</p> <p>Paul Markovick, President &amp; CEO</p> <p>Sandra Clarke, Senior Vice President and Chief Financial Officer</p> <p>(3) any person who has an ownership of 20 percent or more in the contractor;</p> <p>Blue Shield is a Not-for-Profit Mutual Benefit Corporation.</p> <p>(4) any subcontractor listed in the bid or contract; and</p> <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>TPUSA, Los Angeles, CA (2007)</b> – TPUSA assists with handling calls from Individual and Family Plan (IFP) members as well as eligibility and billing questions for members with portfolio plans.</li> </ul>



- **Optum, Waltham, MA (2003)** – Optum administers Blue Shield's Predictive Triage Engine, selected case and conditional management in Shield Support care management, Prenatal Program, CareTips care gap messaging 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 and enrollment processing.
- **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, medical management and our LifeReferrals 24/7 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 for advanced imaging services, spine surgery and interventional pain.
- **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.
- **Exela, Irving, TX (2007)** – Exela provides paper claims and correspondence mailroom, imaging and data entry services, including image viewing capabilities, claims edit resolution, correspondence activation, small group & Medicare Supplemental 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 administers home visit in Shield Support, as well as Evidence-Based Self- Management Programs for members with diabetes or other chronic conditions.
- **Radiant, a subsidiary of Accenture, Chennai, India (2017)** – Radiant provides enrollment processing services.
- **Radiant, a subsidiary of Accenture, Manila, Philippines (2016)** – Radiant administers portions of provider dispute resolution, phone and fax intake for prior authorization, as well as selected clinical review of prior authorization.
- **Calibrated, India (2018)** – processes Medi-Cal claims and was inherited as part of our Blue Shield Promise Health Plan acquisition, which was integrated with BSC operations in 2018.

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 2020) \$325,764,887
----------------------------------	--

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 San Francisco Board of Supervisors  
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: Clerk of the San Francisco Board of Supervisors	Contact telephone number: (415) 554-5184
---	---

Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: <a href="mailto:BOS.Legislation@sfgov.org">BOS.Legislation@sfgov.org</a>
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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, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco 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

Gregory D. Kaplan, 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

Michael J. Castro, **Chief Executive Officer**  
 560 Mission Street, Suite 1300  
 San Francisco, CA 94105

(2)  
 President/Chief Executive Officer – Michael J. Castro  
 Chief Financial Officer – Alicia F. Weber  
 Chief Operations Officer – Roy Gilbert

(3)  
 None

(4)  
 None

(5)  
 None

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

Date that contract was approved:  
 06/13/2019

Amount of contract: (estimated for CY 2020)

- Delta Dental PPO -  
Policy Number 01673 – Retirees (fully-insured premium)
  - \$50,703,767
- Delta Dental PPO -  
Policy Number 09502 – Actives (self-funded claims + admin.)
  - \$15,744,141
- DeltaCare USA – DHMO  
Policy Number 71797 – DeltaCare (fully-insured premium)
  - \$888,785

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 San Francisco Board of Supervisors  
 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: Clerk of the San Francisco Board of Supervisors	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: <a href="mailto:BOS.Legislation@sfgov.org">BOS.Legislation@sfgov.org</a>

\_\_\_\_\_  
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 Signe

**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, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco Board of Supervisors
<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: Hartford Life and Accident Insurance Company	
<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> <p><i>(1) Contractor (Aetna) Board of Directors</i></p> <ul style="list-style-type: none"> <li>- Fernando Aguirre, Former Chairman, President and Chief Executive Officer Chiquita Brands International, Inc.</li> <li>- Mark Bertolini, Former Chairman and Chief Executive Officer of Aetna Inc.</li> <li>- Richard M. Bracken, Former Chairman and Chief Executive Officer of HCA Inc. and HCA Holdings, Inc.</li> <li>- C. David Brown II, Partner and Member of the Executive Committee of Nelson Mullins Riley &amp; Scarborough LLP.</li> <li>- Alecia A. DeCoudreaux, President Emerita of Mills College and Former Executive at Eli Lilly and Company</li> <li>- Nancy-Ann M. DeParle, Co-Founding Partner at Consonance Capital Partners, LLC, and Former Deputy Chief of Staff and Director of the White House Office of Health Reform</li> <li>- David W. Dorman, Chair of the Board of CVS Health Corporation, Former Chairman and CEO of AT&amp;T Corporation, Founding Partner of Centerview Capital Technology Fund</li> <li>- Roger N. Farah, Chairman of Tiffany &amp; Co. and Former Executive at Tory Burch and Ralph Lauren</li> <li>- Anne M. Finucane, Vice Chairman and Member of the Executive Management Team of Bank of America Corporation</li> <li>- Edward J. Ludwig, Former Chairman and Chief Executive Officer of Becton, Dickinson and Company</li> <li>- Larry J. Merlo, President and Chief Executive Officer of CVS Health Corporation</li> <li>- Jean-Pierre Millon, Former President and Chief Executive Officer of PCS Health Systems, Inc.</li> <li>- Mary L. Schapiro, Vice Chair for Public Policy and Special Advisor to the Founder and Chairman of Bloomberg L.P.; Former Chairman of the U.S. Securities and Exchange Commission</li> <li>- Richard J. Swift, Former Chairman, President and Chief Executive Officer of Foster Wheeler Ltd.</li> <li>- William C. Weldon, Former Chairman and Chief Executive Officer of Johnson &amp; Johnson</li> <li>- Tony L. White, Former Chairman, President and Chief Executive Officer of Applied Biosystems, Inc.</li> </ul> <p><i>(2) Contractor (Aetna) Chief Executive Officer/Chief Financial Officer/Chief Operating Officer</i></p> <ul style="list-style-type: none"> <li>- Karen S. Lynch, Executive Vice President, CVS Health and President of the Aetna Business Unit</li> <li>- Eva C. Boratto, Executive Vice President and Chief Financial Officer of CVS Health</li> <li>- Meg McCarthy, Executive Vice President of CVS Health</li> </ul> <p><i>(3) Any person who has an ownership of 20% or more</i></p> <ul style="list-style-type: none"> <li>- Aetna is a publically traded company with no one person or entity having 20% or more ownership</li> </ul> <p><i>(4) Any subcontractor listed in the bid.</i></p> <ul style="list-style-type: none"> <li>- Affiliated Customer Services</li> <li>- Allsup</li> <li>- Computer Sciences Corporation</li> <li>- Coventry Priority Services</li> <li>- Dell Systems</li> <li>- IBM Daksh</li> <li>- International Beneficiary Locators, Inc.</li> <li>- Intracorp</li> <li>- Open Solutions and Harland (formerly BISYS)</li> <li>- The Rawlings Company</li> </ul> <p><i>(5) Any Political committee sponsored or controlled by the contractor</i></p> <ul style="list-style-type: none"> <li>- Aetna Political Action Committee (PAC)</li> </ul>	

- 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

*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.*

(6) *Contractor (Hartford Life and Accident Insurance Company) Board of Directors*

- *Christopher J. Swift, Chairman of the Board of Directors and Chief Executive Officer, The Hartford*
- *Robert B. Allardice III Retired Regional Chief Executive Officer, North and South America, Deutsche Bank Americas Holding Corporation*
- *Carlos Dominguez President and Chief Operating Officer, Sprinklr*
- *Trevor Fetter Lead Director, The Hartford; Former Chairman and Chief Executive Officer, Tenet Healthcare Corporation*
- *Kathryn Mikells Chief Financial Officer and Director, Diageo plc*
- *Michael G. Morris Retired Chairman, President and Chief Executive Officer, American Electric Power Company, Inc.*
- *Thomas A. Renyi Retired Executive Chairman, The Bank of New York Mellon Corporation*
- *Julie G. Richardson Former Partner, Providence Equity Partners*
- *Teresa Wynn Roseborough Executive Vice President, General Counsel and Corporate Secretary, The Home Depot*
- *Virginia P. Ruesterholz Retired Executive Vice President, Verizon Communications*
- *Greig Woodring Retired President and Chief Executive Officer, Reinsurance Group of America, Inc*

(7) *Contractor (Hartford Life and Accident Insurance Company) Chief Executive Officer/Chief Financial Officer/Chief Operating Officer*

- *Christopher J. Swift, Chairman of the Board of Directors and Chief Executive Officer*
- *Beth Costello, Executive Vice President and Chief Financial Officer*
- *Bill Bloom, Executive Vice President Operations & Technology*

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

- *Hartford Life and Accident Insurance Company is a publically traded company with no one person or entity having 20% or more ownership*

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

- *Not Applicable*

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

- *Hartford Life and Accident Insurance Company has two PACs solely funded by voluntary contributions from eligible employees in management level roles.*
  - i. *The Hartford Advocates Fund*
  - ii. *The Hartford Advocates Federal Fund*

Contractor address:  
One Hartford Plaza  
Hartford, CT 06155

Date that contract was approved:  
June 13, 2019

Amount of contract: (estimated for CY 2020)

- Life (basic): \$1,673,000
- Life (Supplemental): \$757,000
- Long Term Disability(LTD): \$6,186,000

TOTAL: \$8,616,000



Describe the nature of the contract that was approved:

- 1.) Basic Group Life and Supplemental Life/Supplemental Accidental Death and Personal Loss, 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 San Francisco Board of Supervisors  
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: Clerk of the San Francisco Board of Supervisors	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: <a href="mailto:BOS.Legislation@sfgov.org">BOS.Legislation@sfgov.org</a>

\_\_\_\_\_  
 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, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor:  Kaiser Foundation Health Plan, Inc., Northern California Kaiser  Foundation Health Plan, Inc., Southern California
<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:  <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

Date that contract was approved:	Amount of contract: (Estimated for CY 2020) <ul style="list-style-type: none"><li>• Kaiser Permanente California<ul style="list-style-type: none"><li>○ Active/Early Retirees: \$386,543,500</li><li>○ Medicare Retirees: \$57,598,422</li></ul></li><li>• Kaiser Permanente Multi Region<ul style="list-style-type: none"><li>○ Early and Medicare Retirees: \$951,059</li></ul></li></ul> Total Kaiser Permanente Contract Value: \$445,092,981
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 Washington 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 San Francisco Board of Supervisors  
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: Clerk of the San Francisco Board of Supervisors	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: <a href="mailto:BOS.Legislation@sfgov.org">BOS.Legislation@sfgov.org</a>

\_\_\_\_\_  
 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**

- **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 <https://about.kaiserpermanente.org/who-we-are/leadership-team/board-of-directors>

- **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

**Kathryn Beiser**  
Senior Vice President and Chief Communications Officer, 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

**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

**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

For more information on the National Leaders, please go to

<https://about.kaiserpermanente.org/who-we-are/leadership-team/national-leaders>

**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, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco 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]
<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> <p>1. The Dental Benefit Providers of California, Inc. Directors are:</p> <ul style="list-style-type: none"> <li>■ Andrew Joseph Fabula</li> <li>■ Tracey Lynn Carson</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>■ CFO: 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>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>■ Exela 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>■ TTEC receives all incoming provider phone calls in Lipa City, Philippines. UnitedHealth Group has used this subcontractor since 1996 and we began using TTEC 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>	
<p>Contractor address:                  Dental Benefit Providers of California, Inc.                  425 Market St., 12th Floor                  San Francisco, CA 94105</p>	
<p>Date that contract was approved:</p>	<p>Amount of contract:(estimated for CY 2020)</p> <ul style="list-style-type: none"> <li>• \$386,426</li> </ul>
<p>Describe the nature of the contract that was approved:                  DMO Dental Health Insurance Benefits</p>	
<p>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.</p>	

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 San Francisco Board of Supervisors  
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

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

\_\_\_\_\_  
 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, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco Board of Supervisors

<b>Contractor Information</b> <i>(Please print clearly.)</i>
Name of contractor: United HealthCare Services, Inc. (for City Plan)
<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>
<p>1. The United HealthCare Services, Inc. Directors are :</p> <ul style="list-style-type: none"> <li>• Timothy Noel</li> <li>• T. Jeffrey Putnam</li> </ul>
<p>2. The United HealthCare Services, Inc. Officers include:  <b>CEO and President:</b> T. Jeffrey Putnam  <b>CFO:</b> Thomas Roos</p>
<p>3. No person owns 20 percent or more in the contractor.</p>
<p>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.</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.</p>
<p><b><u>VENDORS AND SUBCONTRACTORS</u></b></p>
<p><b>MEMBER SERVICES</b></p> <ul style="list-style-type: none"> <li>• Intelligent Voice Response Experience: Silverlink Communication, Eliza</li> <li>• Interpretation/Translation Services: Language Line Solutions, Transperfect, American Sign Language Sign Language Communications</li> <li>• Member Call Services: Alorica, Wipro LTD and Teletech</li> <li>• Provider Call Services: Wipro LTD</li> </ul>
<p><b>CLAIMS ADMINISTRATION</b></p> <ul style="list-style-type: none"> <li>• Print/Fulfillment: Shutterfly, RR Donnelley, Taylor Corporation</li> <li>• Regional Mail Operations: Exela, Firstsource</li> <li>• Clinical Services (OptumRx): MCMC LLC, Medical Review Institute of America</li> </ul>

**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 2020) <ul style="list-style-type: none"> <li>• Self-Funded PPO: \$39,320,509</li> <li>• Medicare Advantage PPO: \$82,900,138</li> </ul>
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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 San Francisco Board of Supervisors  
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: Clerk of the San Francisco Board of Supervisors	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: <a href="mailto:BOS.Legislation@sfgov.org">BOS.Legislation@sfgov.org</a>

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

<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: Vision Service Plan (VSP)	
<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> <p>1) <i>Barbara Adachi, Matthew Alpert, O.D, Robert Chu, O.D., Fred Howard, Gordon W. Jennings, O.D., Jarrett Johnson, O.D., Rob Lynch, Dan Mannen, O.D., F.A.A.O., John Morrissey, Leslie A. Murphy, CPA, Mary Anne Murphy, O.D., Matt Wickham, O.D., Ryan Wineinger, O.D.,</i></p> <p>2) <i>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.</i></p> <p>3) <i>not applicable</i></p> <p>4) <i>not applicable</i></p> <p>5) <i>not applicable</i></p>	
Contractor address: 3333 Quality Drive, Rancho Cordova, CA 95670	
Date that contract was approved:	Amount of contract:(estimated for CY 2020) • \$8,263,875
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 San Francisco Board of Supervisors  

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: Clerk of the San Francisco Board of Supervisors	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: <a href="mailto:BOS.Legislation@sfgov.org">BOS.Legislation@sfgov.org</a>

\_\_\_\_\_  
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