File	No.	130653	;

Committee Item No.	12
Board Item No	_ 13

COMMITTEE/BOARD OF SUPERVISORS

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ORDINANCE NO.

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[Administrative Code - Health Service System Plans and Contribution Rates - Calendar Year 2014]

Ordinance amending the Administrative Code, Chapter 16, Article XV, of Part 1, Section 16.703, regarding Board approval of health service system plans and contribution rates for calendar year 2014.

Note:

Additions are <u>single-underline italics Times New Roman;</u> deletions are <u>strikethrough italics Times New Roman</u>.

Board amendment additions are <u>double underlined</u>.

Board amendment deletions are <u>strikethrough normal</u>.

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

Section 1. The San Francisco Administrative Code is hereby amended by amending Section 16.703, to read as follows:

Sec. 16.703 HEALTH SERVICE SYSTEM; PLAN AND CONTRIBUTION RATES.

Changes in contribution rates adopted by the Health Service Board, as respects—to the plans of the Health Service System, to become effective on January 1, 2013 January 1, 2014 for the calendar plan year January 1, 20143 through December 31, 20143, approved by the Health Service Board in actions taken by it on June 13, 2013 April 12, 2012, May 10, 2012, June 1, 2012, June 14, 2012 and July 3, 2012, which plans and contribution rates are on file with the Clerk of the Board of Supervisors, are hereby approved.

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: () () () (

Deputy City Attorney

Items 12 and 13 Files 13-0653 and 13-0654 (Continued from July 10, 2013)

DepartmentHealth Service System (HSS)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance (File 13-0653) would amend Administrative Code Section 16.703, establishing the Health Service System's 2014 health, vision, and dental plans and premiums.
- The proposed resolution (File 13-0654) would approve the 2014 employers' contribution of \$559.65 per member per month to the Health Service System Trust Fund.

Fiscal Impacts

- In accordance with the City's Charter, the Health Service Board is required to conduct a survey of the ten most populous California counties each year to determine the average of the health premium contributions made by the ten counties. Based on this survey, the average 2014 contribution is \$559.65 per member per month, which is \$24.87 or 4.65 percent more than the ten-county average contribution of \$534.78 in 2013.
- However, the City's monthly health premium contributions for employees is proposed to be (a) \$1,046.99 for the City's Health Plan, a 16.84% reduction, (b) \$562.30 for Kaiser, a 4.71% increase, and (c) \$612.56 for Blue Shield, a 5.3% reduction.
- The total costs for the City, employees, retirees, and their dependents of \$595,803,151 in 2014 for health, vision, dental, long-term disability and life insurance, is \$4,054,015, or 0.7 percent more than the \$591,749,136 costs for these plans in 2013.
- Of the total 2014 costs of \$595,803,151, the City's costs (excluding employee or retiree contributions) are \$523,163,928, or approximately 87.8 percent of the total costs.
- Health premiums in 2014 will be increased by federal fees and taxes from legislation including the Patient Protection and Affordable Care Act.
- Health premium contributions in 2014 will be affected by cost-sharing agreements that were negotiated between the City and various City unions in 2012.

Recommendations

- Approve the proposed ordinance (File 13-0653) to amend Administrative Code Section 16.703, establishing the Health Service System's 2014 health, vision, and dental plans and premium contribution rates.
- Approve the proposed resolution (File 13-0654), setting the City's 2014 average contribution to the Health Service System Trust Fund under Charter Section A8.428 in the amount of \$559.65 per member per month.

MANDATE STATEMENT/BACKGROUND

The Health Service Board oversees the Health Service System (HSS). The HSS administers non-pension benefits, including health, dental, vision, and other benefits that may be available to City employees, such as life and long term disability insurance.

The Health Service Board adopts the annual health, vision, and dental plans, and the respective plan premiums and premium equivalents paid by employers and members.

- HSS employers include the City and County of San Francisco (City), the San Francisco Unified School District (SFUSD), the San Francisco Community College District (SFCCD), and the San Francisco Superior Court (Superior Court).
- HSS 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.

Under City Charter Section A8.423, the Health Service Board is required to (a) conduct a survey of the ten most populous California counties each year, excluding San Francisco, and (b) determine and set the health plan premiums paid by the City, employees, and retirees. In accordance with Section A8.423 of the City's Charter, the City's contribution to the Health Service System Trust Fund is based on the average of the contributions made by each of the ten counties.

The 10-County "average contribution" in 2014 is \$559.65, which is \$24.87 or 4.65 percent more than the 10-County "average contribution" of \$534.78 in 2013.

DETAILS OF PROPOSED LEGISLATION

<u>File 13-0653</u>: The proposed ordinance would amend Administrative Code Section 16.703 to approve the Health Service Systems' 2014 health, vision, and dental plans and premiums, and life insurance and long term disability insurance.

<u>File 13-0654</u>: The proposed resolution would approve the City's 2014 contribution to the Health Service System Trust Fund, under Charter Section A8.4289, at \$559.65 per member per month.

Proposed Health Plans

On June 13, 2013, the Health Service Board approved the subject health, vision, and dental plans and monthly premiums for 2014 as follows:

City Plan Preferred Provider Organization (PPO)1

The City Plan is a self-funded plan administered by United HealthCare (UHC). The Health Service Board adopted no plan design changes to the City Plan in 2014.

Kaiser and Blue Shield Health Maintenance Organizations (HMO)²

Consistent with the 2013 plan year, two HMOs will be offered to HSS members for the 2014 plan year; Kaiser and Blue Shield of California. The Blue Shield HMO plan is a flex-funded product for active and early retiree members. The Health Service Board adopted no plan design changes to the Kaiser HMO or the Blue Shield HMO.

Vision Plans

Members enrolled in one of the three health plans receive vision benefits through Vision Service Plan (VSP), a third party insurer. The VSP plan is a fully-insured plan. The 2014 rates will increase 5.5% which includes 2% due to federal healthcare reform taxes. The cost of the vision plan is added to the cost of the medical plan for all monthly health plan premiums.

Sources of Health Plan Premium Increases

The following two major changes will affect health plan premiums and the payment of these premiums in 2014.

- (1) The premiums covered by the employer for each health plan will vary according to union membership of the covered employee as per negotiated Memorandum of Understanding (MOU) agreements (please see section entitled, 'Changes in Contribution Strategy', below).
- (2) Federal healthcare reform will add fees and taxes to the premium calculation (please see section entitled, 'Impacts of Federal Legislation', below).

According to Mr. Gregg Sass, Interim CFO at HSS, all other changes in premiums are a result of health plan premium increases and/or savings from under-utilization.

Changes in Contribution Strategy

Changes in City and County (CCSF) Contribution Strategy

Historically, active CCSF employees have paid nothing for employee-only health and dental insurance coverage. Starting January 1, 2014, in accordance with some union MOU agreements³,

¹ Under a PPO, physicians, hospitals, and other providers contract with a third-party administrator or insurer to provide health care at reduced rates to members.

² An HMO offers care through a closed panel of providers, in which members select a primary care physician, who coordinates care to direct access to medical services.

³ According to Mr. Sass, this negotiated change would impact approximately 7,800 employee-only members, which is approximately 70% of active employee-only members, by July 1, 2014. The Health Service Board approved two sets of rates to reflect this change in 2014. One set of rates is for members under this new '90/10 Contribution Model', and the other set of rates is for members under the existing contribution model.

the employee contribution amount will increase to a maximum of 10 percent of the premium. This contribution calculation is called the '90/10 Contribution Model'.

Under the '90/10 Contribution Model', the City will contribute the greater of the 10-County average amount (\$559.65) or 90 percent of the employee-only premium for active employees in the Kaiser and Blue Shield populations. For active employee-only members in the City Plan, the City will contribute 90 percent of the Blue Shield employee-only premium plus one-half of the difference between 90 percent of the Blue Shield employee-only premium and 100 percent of the City Plan employee-only premium. This change applies only to those employees that do not have dependent coverage.

The City Charter states, in Section A8.423, "the average contribution made with respect to each employee by said 10 counties toward the health care plans provided for their employees ... shall be 'the average contribution'." According to Mr. Jon Givner, Deputy City Attorney, the Charter provides the amount that must be contributed to the Health Service System Trust Fund by the City, but that amount is not a ceiling and the City could agree to pay additional amounts to fund employee health care under an MOU with a union representing City employees.

HSS Subsidy Option

On June 14th, 2013, the Health Service Board approved another set of rates for any union that approves an MOU agreement with the City by July 31, 2013 for a different (flat premium) employee contribution amount for 2015. This flat premium would reflect a trust-funded subsidy for the employee-only employee contribution amount under the '90/10 Contribution Model'. The subsidy would smooth member transition to the 2015 contribution model. Unlike the '90/10 Contribution Model', which applies to employee-only members in Blue Shield and the City Plan only, the flat premium would apply to all members of all three plans, including Kaiser. Participation would be broader but the required contribution by individual members would be lower than under the '90/10 Contribution Model'. The San Francisco Department of Human Resources is currently involved in MOU negotiations to define the specific rates for this subsidy option.

City's Monthly Premium Costs

As previously noted, the 10-County average determined that the City contribution to the Health Service System Trust Fund in 2014 would be \$559.65 per month. However, Table 1 below shows a "blended" rate for each of the three health plans for 2014 which is a weighted calculation of the City's contribution payment for active employees based on the proportion of employees subject to the '90/10 Contribution Model' versus the proportion of employees subject to the original rate schedule.

Table 1
Total Monthly Employer Rate for Active Employees in 2014

	2013	2014 Proposed	Increase	Percent Change
City Health Plan	\$1,258.97	\$1,046.99	(\$211.98)	(16.84%)
Kaiser	\$537.02	\$562.30	\$25.28	4.71%
Blue Shield	\$647.16	\$612.56	(\$34.60)	(5.35%)

Proposed Health Plan Premiums

City Health Plan Premiums

The City Health Plan is self-funded. Amounts to cover premiums are deposited into the Health Service System Trust Fund and used to pay claims. Monthly premium amounts are based on claims experience for each type of plan member: active employees, retirees with Medicare, and retirees without Medicare.

The blended monthly employer rate, or amount that the City will pay, for single employees will decrease by 16.84 percent in 2014, as shown above in Table 1. This decrease is because of utilization savings in prior years, which appears as a rate reduction in 2014.

Under the City Health Plan, employee premiums will decrease in 2014 by approximately 2.7 percent overall, mainly because of prior-year utilization savings and the '90/10 Contribution Model'.

Kaiser Premiums

The Kaiser Plan blended monthly employer rate for single employees will increase in 2014 by 4.71 percent, as shown in Table 1 above. Under the Kaiser plan, employee premiums will increase in 2014 by approximately 5.2 percent overall. These premium increases reflect new federal healthcare reform as well as administrative cost increases at Kaiser.

Blue Shield Premiums

The Blue Shield Plan blended monthly employer rate for single employees will decrease by 5.35 percent in 2014, as shown in Table 1 above. This is because of the '90/10 Contribution Model' and slightly lower average utilization than expected. Under the Blue Shield plan, employee premiums will stay flat in 2014 except for retiree premiums, which will increase by approximately 6 percent because of federal healthcare reform and health cost increases.

Proposed Dental Plans

The Health Service System offers three dental plans, including one PPO, Delta Dental PPO, and two HMOs: Delta Care USA and Pacific Union Dental. There are no plan changes in the dental plans.

The City does not contribute to the monthly dental premium for retired employees. The City contributes the full monthly premium for active employees for the two HMOs and also

contributes part of the monthly premium for active employees for Delta Dental PPO. As shown in Table 2 below, the City's contribution to premiums will increase up to 4.2% in 2014 for all dental plans except for Pacific Union Dental, whose premiums remain unchanged from 2013.

Table 2
Total Monthly Dental Premiums

			-	
			Increase/	
	2014	2013	Decrease	Percent
Delta Care USA HMO				
Single Employee	\$26.95	\$26.00	\$0.95	3.7%
Employee + One Dependent	\$44.46	\$42.90	\$1.56	3.6%
Employee + Two or More Dependents	\$65.76	\$63.45	\$2.31	3.6%
Pacific Union Dental HMO				
Single Employee	\$27.80	\$27.80	\$0.00	0.0%
Employee + One Dependent	\$45.90	\$45.90	\$0.00	0.0%
Employee + Two or More Dependents	\$67.86	\$67.86	\$0.00	0.0%
Delta Dental PPO	,			٠,
Single Employee (Total Premium)	\$65.95	\$63.47	\$2.48	3.9%
Less Employee Contribution	<u>(\$5.00)</u>	<u>(\$5.00)</u>	\$0.00	0.0%
City's Contribution	\$60.95	\$58.47	\$2.48	4.2%
Employee + One Dependent (Total Premium)	<u>\$138.49</u>	\$133.29	\$5.20	3.9%
Less Employee Contribution	<u>(\$10.00)</u>	<u>(\$10.00)</u>	\$0.00	0.0%
City's Contribution	\$128.49	\$123.29	\$5.20	4.2%
Employee + Two or More Dependents (Total Premium)	\$197.84	\$190.42	\$7.42	3.9%
Less Employee Contribution	<u>(\$15.00)</u>	<u>(\$15.00)</u>	\$0.00	0.0%
City's Contribution	\$182.84	\$175.42	\$7.42	4.2%

Contingency and Stabilization Amounts

The HSS sets aside a portion of the Trust Fund balance⁴ to provide contingencies for the self-funded dental plan, Delta Dental PPO, and to stabilize employees' dental plan premium increases. The member contributions for Delta Dental PPO plan for retirees, Delta Care USA dental plans for employees and retirees, and Pacific Union Dental plans for employees and retirees remain unchanged from the prior plan year. Pursuant to the Health Service's Self-Funded Plans' Funding Policy, no claims stabilization amount has been applied this year.

Life and Long Term Disability Insurance

The Health Service System will continue its contract with Aetna Life Insurance Company in 2014. In January 2013, Aetna Life Insurance Company was selected through a Request for Proposal (RFP) process to provide life and long term disability insurance to City employees eligible for coverage through their MOUs between the City and the respective unions.

⁴ The Employee Benefit Trust Fund is funded via payroll deductions and employer contributions. Those amounts are paid into the Trust Fund and premiums are paid by the Trust Fund. The fund balance is what remains after accruing all liabilities for unpaid premiums and incurred but not reported expenses of self-insurance programs. As of June 30, 2012, the fund balance in the Trust Fund was \$53.2M, which is projected to increase to \$69.5M by June 30, 2013.

Impacts of Federal Legislation

As of January 1, 2014, a provision of the Federal Patient Protection and Affordable Care Act (PPACA) will take effect, introducing the Federal PPACA Legislative Fees. Implementation of another provision previously scheduled to take effect in 2014, the Federal PPACA Full Time Employee requirements, has been deferred by the federal government until 2015. Both of these provisions are briefly summarized below. Implementation of an additional provision, Federal PPACA Automatic Enrollment, has also been deferred because the Department of Labor stated that it will not issue final guidance on Automatic Enrollment until 2014. In addition to Federal PPACA requirements, the 2009 American Recovery and Reinvestment Act established a temporary Early Retiree Reinsurance Program (ERRP), also summarized below.

Federal PPACA Full Time Employee requirements

A current assessment by HSS indicates that no additional payments will be incurred under this federal legislation because both the City and the Superior Courts offer coverage to all full time employees. HSS is still working with the San Francisco Community College District (SFCCD) and the San Francisco Unified School District (SFUSD) and to assess their compliance with federal PPACA requirements. On July 2, 2013 this PPACA requirement was deferred until 2015.

Federal PPACA Legislative Fees

As a result of the federal PPACA, there are two direct fees and one tax that have been factored into the calculation of medical premium rates and premium equivalents for the 2014 plan year. The three fees are the Health Insurer Tax (HIT), Patient Centered Outcomes Research Institute (PCORI) fee, and the Transitional Reinsurance fee. Table 3 (below) summarizes the estimated cost of each of these legislative fees for 2014 for the City and County of San Francisco.⁵

Table 3
Federal PPACA Legislative Fees and Taxes (\$ Millions) in 2014

	НІТ	PCORI	Transitional Reinsurance	Total
City Plan (UHC)	\$0.00	\$0.01	\$0.13	\$0.14
Kaiser .	\$2.15	\$0.09	\$2.10	\$4.33
Blue Shield	\$6.27	\$0.07	\$1.91	\$8.26
Delta	\$0.00	N/A	N/A	\$0.00
VSP	\$0.07	N/A	N/A	\$0.07
Total	\$8.49	\$0.18	\$4.13	\$12.80

⁵ The HSS Trust Fund serves four employers: The City and County of San Francisco, the Superior Courts, San Francisco Community College District and the San Francisco Unified School District (CCSF, CRT, SFCCD, and SFUSD). The costs shown in Table 3 reflect only those PPACA charges incurred by CCSF.

Early Retiree Reinsurance Program Reimbursements

The 2009 American Recovery and Reinvestment Act established the temporary Early Retiree Reinsurance Program (ERRP) as an incentive for employers to continue early retiree health insurance coverage. This program provided federal reimbursement to eligible sponsors of employment-based plans for a portion of the costs of providing health coverage to early retirees, during the period beginning on the date the program was established, and ending on December 31, 2013. The total ERRP amount received by HSS from the federal government with interest is \$3,812,749. A plan sponsor may use these ERRP reimbursements to reduce the sponsor's health benefit premiums or costs, to reduce costs for plan participants, or to reduce any combination of these costs.

However, ERRP regulations stipulate a Maintenance of Contribution (MOC), requiring that the City continue to provide at least the same level of contribution to support each plan if any of the reimbursement funds are used to offset City costs, rather than exclusively used to offset employee contributions.

On January 10, 2013, the Health Service Board approved spending the ERRP reimbursement funds exclusively to reduce participant premium contributions in order to decrease both participant and employer premiums through stabilizing membership and premium rates, which will allow HSS to bypass the MOC calculation requirements. The Health Service Board also approved apportioning the ERRP reimbursement funds based on the amount of premiums paid into each plan in proportion to each set of rates paid in 2013.

FISCAL ANALYSIS

The City's cost for health and other plans is funded by charges to each City Department for the cost of employee benefits.

As shown in Table 4 below, the total City, employee, and retiree costs for the health, vision, and dental plans, and long-term disability and life insurance will increase to \$595,803,151 in 2014, which is a \$4,054,015, or 0.7 percent increase from \$591,749,136 in FY 2013.

Table 4
Total Health and Other Plan Costs for the City, Employees, and Retirees in 2014
Compared to 2013

	Т	T		
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,	2012	2014	Increase/	_
Cit C t C i	2013	2014	(Decrease)	Percent
City Costs Only				
Kaiser HMO	\$213,512,253	\$227,362,649	\$13,850,396	6.5%
Blue Shield HMO	220,221,904	218,316,125	(1,905,779)	-0.9%
City Plan	48,002,758	40,740,923	(7,261,834)	-15.1%
Subtotal Health and Vision Plan	481,736,914	486,419,697	4,682,783	1.0%
Dental	31,123,486	31,959,386	835,900	2.7%
Long Term Disability and Life Insurance	4,784,845	4,784,845	0	0.0%
Total City Costs	\$517,645,245	\$523,163,928	\$5,518,683	1.1%
Employee and Retiree Costs Only			· · · · · · · · · · · · · · · · · · ·	
Kaiser HMO	\$21,223,163	\$23,124,625	\$1,901,462	9.0%
Blue Shield HMO	37,951,651	36,603,898	(1,347,753)	-3.6%
City Plan	12,285,682	10,267,304	(2,018,378)	-16.4%
Subtotal Health and Vision Plan	71,460,496	69,995,828	(1,464,668)	-2.0%
Dental	2,582,155	2,582,155	0	0.0%
Long Term Disability and Life Insurance	61,240	61,240	0	0.0%
Total Employee and Retiree Costs	\$74,103,891	\$72,639,223	(\$1,464,668)	-2.0%
Total Costs				
Kaiser HMO	\$234,735,416	\$250,487,274	\$15,751,859	6.7%
Blue Shield HMO	258,173,555	254,920,023	(3,253,532)	-1.3%
. City Plan	60,288,439	51,008,228	(9,280,212)	-15.4%
Subtotal Health and Vision Plan	553,197,410	556,415,525	3,218,115	0.6%
Dental	33,705,642	34,541,541	835,900	2.5%
Long Term Disability and Life Insurance	4,846,084	4,846,084	055,500	0.0%
Total Costs	\$591,749,136	\$595,803,151	\$4,054,015	0.7%

Of the total 2014 costs of \$595,803,151 shown in Table 4 above, the City's total costs (excluding employee or retiree contributions) is \$523,163,928, or approximately 87.8 percent of the total costs. Overall, the City's total cost of \$523,163,928 in 2014 for the health, vision, and dental plans, and long-term disability and life insurance, is \$5,518,683, or 1.1 percent more than the costs for these plans in 2013 of \$517,645,245.

RECOMMENDATIONS

- Approve the proposed ordinance (File 13-0653) to amend Administrative Code Section 16.703, establishing the Health Service System's 2014 health, vision, and dental plans and premiums.
- Approve the proposed resolution (File 13-0654), setting the City's 2014 contribution to the Health Service System Trust Fund, under the Charter, of \$559.65 per member per month.

Items 6 and 7	Department		
Files 13-0653 and 13-0654	Health Service System (HSS)		

EXECUTIVE SUMMARY

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- However, the City's monthly health premium contributions for employees is proposed to be (a) \$1,046.99 for the City's Health Plan, a 16.84% reduction, (b) \$562.30 for Kaiser, a 4.71% increase, and (c) \$612.56 for Blue Shield, a 5.3% reduction.
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¹ Under a PPO, physicians, hospitals, and other providers contract with a third-party administrator or insurer to provide health care at reduced rates to members.

² An HMO offers care through a closed panel of providers, in which members select a primary care physician, who coordinates care to direct access to medical services.

³ According to Mr. Sass, this negotiated change would impact approximately 7,800 employee-only members, which is approximately 70% of active employee-only members, by July 1, 2014. The Health Service Board approved two sets of rates to reflect this change in 2014. One set of rates is for members under this new '90/10 Contribution Model', and the other set of rates is for members under the existing contribution model.

the employee contribution amount will increase to a maximum of 10 percent of the premium. This contribution calculation is called the '90/10 Contribution Model'.

Under the '90/10 Contribution Model', the City will contribute the greater of the 10-County average amount (\$559.65) or 90 percent of the employee-only premium for active employees in the Kaiser and Blue Shield populations. For active employee-only members in the City Plan, the City will contribute 90 percent of the Blue Shield employee-only premium plus one-half of the difference between 90 percent of the Blue Shield employee-only premium and 100 percent of the City Plan employee-only premium. This change applies only to those employees that do not have dependent coverage.

The City Charter states, in Section A8.423, "the average contribution made with respect to each employee by said 10 counties toward the health care plans provided for their employees ... shall be 'the average contribution'." According to Mr. Jon Givner, Deputy City Attorney, the Charter provides the amount that must be contributed to the Health Service System Trust Fund by the City, but that amount is not a ceiling and the City could agree to pay additional amounts to fund employee health care under an MOU with a union representing City employees.

HSS Subsidy Option

On June 14th, 2013, the Health Service Board approved another set of rates for any union that approves an MOU agreement with the City by July 31, 2013 for a different (flat premium) employee contribution amount for 2015. This flat premium would reflect a trust-funded subsidy for the employee-only employee contribution amount under the '90/10 Contribution Model'. The subsidy would smooth member transition to the 2015 contribution model. Unlike the '90/10 Contribution Model', which applies to employee-only members in Blue Shield and the City Plan only, the flat premium would apply to all members of all three plans, including Kaiser. Participation would be broader but the required contribution by individual members would be lower than under the '90/10 Contribution Model'. The San Francisco Department of Human Resources is currently involved in MOU negotiations to define the specific rates for this subsidy option.

City's Monthly Premium Costs

As previously noted, the 10-County average determined that the City contribution to the Health Service System Trust Fund in 2014 would be \$559.65 per month. However, Table 1 below shows a "blended" rate for each of the three health plans for 2014 which is a weighted calculation of the City's contribution payment for active employees based on the proportion of employees subject to the '90/10 Contribution Model' versus the proportion of employees subject to the original rate schedule.

Table 1
Total Monthly Employer Rate for Active Employees in 2014

	2013	2014 Proposed	Increase	Percent Change
City Health Plan	\$1,258.97	\$1,046.99	(\$211.98)	(16.84%)
Kaiser	\$537.02	\$562.30	\$25.28	4.71%
Blue Shield	\$647.16	\$612.56	(\$34.60)	(5.35%)

Proposed Health Plan Premiums

City Health Plan Premiums

The City Health Plan is self-funded. Amounts to cover premiums are deposited into the Health Service System Trust Fund and used to pay claims. Monthly premium amounts are based on claims experience for each type of plan member: active employees, retirees with Medicare, and retirees without Medicare.

The blended monthly employer rate, or amount that the City will pay, for single employees will decrease by 16.84 percent in 2014, as shown above in Table 1. This decrease is because of utilization savings in prior years, which appears as a rate reduction in 2014.

Under the City Health Plan, employee premiums will decrease in 2014 by approximately 2.7 percent overall, mainly because of prior-year utilization savings and the '90/10 Contribution Model'.

Kaiser Premiums

The Kaiser Plan blended monthly employer rate for single employees will increase in 2014 by 4.71 percent, as shown in Table 1 above. Under the Kaiser plan, employee premiums will increase in 2014 by approximately 5.2 percent overall. These premium increases reflect new federal healthcare reform as well as administrative cost increases at Kaiser.

Blue Shield Premiums

The Blue Shield Plan blended monthly employer rate for single employees will decrease by 5.35 percent in 2014, as shown in Table 1 above. This is because of the '90/10 Contribution Model' and slightly lower average utilization than expected. Under the Blue Shield plan, employee premiums will stay flat in 2014 except for retiree premiums, which will increase by approximately 6 percent because of federal healthcare reform and health cost increases.

Proposed Dental Plans

The Health Service System offers three dental plans, including one PPO, Delta Dental PPO, and two HMOs: Delta Care USA and Pacific Union Dental. There are no plan changes in the dental plans.

The City does not contribute to the monthly dental premium for retired employees. The City contributes the full monthly premium for active employees for the two HMOs and also

contributes part of the monthly premium for active employees for Delta Dental PPO. As shown in Table 2 below, the City's contribution to premiums will increase up to 4.2% in 2014 for all dental plans except for Pacific Union Dental, whose premiums remain unchanged from 2013.

Table 2
Total Monthly Dental Premiums

			Increase/	
	2014	2013	Decrease	Percent
Delta Care USA HMO			-	
Single Employee	\$26.95	\$26.00	\$0.95	3.7%
Employee + One Dependent	\$44.46	\$42.90	\$1.56	3.6%
Employee + Two or More Dependents	\$65.76	\$63.45	\$2.31	3.6%
Pacific Union Dental HMO	,			
Single Employee	\$27.80	\$27.80	\$0.00	0.0%
Employee + One Dependent	\$45.90	\$45.90	\$0.00	0.0%
Employee + Two or More Dependents	\$67.86	\$67.86	\$0.00	0.0%
Delta Dental PPO			•	
Single Employee (Total Premium)	\$65.95	\$63.47	\$2.48	3.9%
Less Employee Contribution	<u>(\$5.00)</u>	<u>(\$5.00)</u>	\$0.00	0.0%
City's Contribution	\$60.95	\$58.47	\$2.48	4.2%
Employee + One Dependent (Total Premium)	<u>\$138.49</u>	\$133.29	\$5.20	3.9%
Less Employee Contribution	<u>(\$10.00)</u>	<u>(\$10.00)</u>	\$0.00	0.0%
City's Contribution	\$128.49	\$123.29	\$5.20	4.2%
Employee + Two or More Dependents (Total Premium)	\$197.84	\$190.42	\$7.42	3.9%
Less Employee Contribution	<u>(\$15.00)</u>	<u>(\$15.00)</u>	\$0.00	0.0%
City's Contribution	\$182.84	\$175.42	\$7.42	4.2%

Contingency and Stabilization Amounts

The HSS sets aside a portion of the Trust Fund balance⁴ to provide contingencies for the self-funded dental plan, Delta Dental PPO, and to stabilize employees' dental plan premium increases. The member contributions for Delta Dental PPO plan for retirees, Delta Care USA dental plans for employees and retirees, and Pacific Union Dental plans for employees and retirees remain unchanged from the prior plan year. Pursuant to the Health Service's Self-Funded Plans' Funding Policy, no claims stabilization amount has been applied this year.

Life and Long Term Disability Insurance

The Health Service System will continue its contract with Aetna Life Insurance Company in 2014. In January 2013, Aetna Life Insurance Company was selected through a Request for Proposal (RFP) process to provide life and long term disability insurance to City employees eligible for coverage through their MOUs between the City and the respective unions.

⁴ The Employee Benefit Trust Fund is funded via payroll deductions and employer contributions. Those amounts are paid into the Trust Fund and premiums are paid by the Trust Fund. The fund balance is what remains after accruing all liabilities for unpaid premiums and incurred but not reported expenses of self-insurance programs. As of June 30, 2012, the fund balance in the Trust Fund was \$53.2M, which is projected to increase to \$69.5M by June 30, 2013.

Impacts of Federal Legislation

As of January 1, 2014, a provision of the Federal Patient Protection and Affordable Care Act (PPACA) will take effect, introducing the Federal PPACA Legislative Fees. Implementation of another provision previously scheduled to take effect in 2014, the Federal PPACA Full Time Employee requirements, has been deferred by the federal government until 2015. Both of these provisions are briefly summarized below. Implementation of an additional provision, Federal PPACA Automatic Enrollment, has also been deferred because the Department of Labor stated that it will not issue final guidance on Automatic Enrollment until 2014. In addition to Federal PPACA requirements, the 2009 American Recovery and Reinvestment Act established a temporary Early Retiree Reinsurance Program (ERRP), also summarized below.

Federal PPACA Full Time Employee requirements

A current assessment by HSS indicates that no additional payments will be incurred under this federal legislation because both the City and the Superior Courts offer coverage to all full time employees. HSS is still working with the San Francisco Community College District (SFCCD) and the San Francisco Unified School District (SFUSD) and to assess their compliance with federal PPACA requirements. On July 2, 2013 this PPACA requirement was deferred until 2015.

Federal PPACA Legislative Fees

As a result of the federal PPACA, there are two direct fees and one tax that have been factored into the calculation of medical premium rates and premium equivalents for the 2014 plan year. The three fees are the Health Insurer Tax (HIT), Patient Centered Outcomes Research Institute (PCORI) fee, and the Transitional Reinsurance fee. Table 3 (below) summarizes the estimated cost of each of these legislative fees for 2014 for the City and County of San Francisco.⁵

Table 3
Federal PPACA Legislative Fees and Taxes (\$ Millions) in 2014

	HIT	PCORI	Transitional Reinsurance	Total
City Plan (UHC)	\$0.00	\$0.01	\$0.13	\$0.14
Kaiser	\$2.15	\$0.09	\$2.10	\$4.33
Blue Shield	\$6.27	\$0.07	\$1.91	\$8.26
Delta	\$0.00	N/A	N/A	\$0.00
VSP	\$0.07	N/A	N/A	\$0.07
Total	\$8.49	\$0.18	\$4.13	\$12.80

⁵ The HSS Trust Fund serves four employers: The City and County of San Francisco, the Superior Courts, San Francisco Community College District and the San Francisco Unified School District (CCSF, CRT, SFCCD, and SFUSD). The costs shown in Table 3 reflect only those PPACA charges incurred by CCSF.

Early Retiree Reinsurance Program Reimbursements

The 2009 American Recovery and Reinvestment Act established the temporary Early Retiree Reinsurance Program (ERRP) as an incentive for employers to continue early retiree health insurance coverage. This program provided federal reimbursement to eligible sponsors of employment-based plans for a portion of the costs of providing health coverage to early retirees, during the period beginning on the date the program was established, and ending on December 31, 2013. The total ERRP amount received by HSS from the federal government with interest is \$3,812,749. A plan sponsor may use these ERRP reimbursements to reduce the sponsor's health benefit premiums or costs, to reduce costs for plan participants, or to reduce any combination of these costs.

However, ERRP regulations stipulate a Maintenance of Contribution (MOC), requiring that the City continue to provide at least the same level of contribution to support each plan if any of the reimbursement funds are used to offset City costs, rather than exclusively used to offset employee contributions.

On January 10, 2013, the Health Service Board approved spending the ERRP reimbursement funds exclusively to reduce participant premium contributions in order to decrease both participant and employer premiums through stabilizing membership and premium rates, which will allow HSS to bypass the MOC calculation requirements. The Health Service Board also approved apportioning the ERRP reimbursement funds based on the amount of premiums paid into each plan in proportion to each set of rates paid in 2013.

FISCAL ANALYSIS

The City's cost for health and other plans is funded by charges to each City Department for the cost of employee benefits.

As shown in Table 4 below, the total City, employee, and retiree costs for the health, vision, and dental plans, and long-term disability and life insurance will increase to \$595,803,151 in 2014, which is a \$4,054,015, or 0.7 percent increase from \$591,749,136 in FY 2013.

Table 4
Total Health and Other Plan Costs for the City, Employees, and Retirees in 2014
Compared to 2013

				
			Increase/	
	2013	2014	(Decrease)	Percent
City Costs Only				
Kaiser HMO	\$213,512,253	\$227,362,649	\$13,850,396	6.5%
Blue Shield HMO	220,221,904	218,316,125	(1,905,779)	-0.9%
City Plan	48,002,758	40,740,923	(7,261,834)	-15.1%
Subtotal Health and Vision Plan	481,736,914	486,419,697	4,682,783	1.0%
Dental	31,123,486	31,959,386	835,900	2.7%
Long Term Disability and Life Insurance	4,784,845	4,784,845	0	0.0%
Total City Costs	\$517,645,245	\$523,163,928	\$5,518,683	1.1%
Employee and Retiree Costs Only			, , , , ,	
Kaiser HMO	\$21,223,163	\$23,124,625	\$1,901,462	9.0%
Blue Shield HMO	37,951,651	36,603,898	(1,347,753)	-3.6%
City Plan	12,285,682	10,267,304	(2,018,378)	-16.4%
Subtotal Health and Vision Plan	71,460,496	69,995,828	(1,464,668)	-2.0%
Dental	2,582,155	2,582,155	Ó	0.0%
Long Term Disability and Life Insurance	61,240	61,240	0	0.0%
Total Employee and Retiree Costs	\$74,103,891	\$72,639,223	(\$1,464,668)	-2.0%
Total Costs				
Kaiser HMO	\$234,735,416	\$250,487,274	\$15,751,859	6.7%
Blue Shield HMO	258,173,555	254,920,023	(3,253,532)	-1.3%
City Plan	60,288,439	51,008,228	(9,280,212)	-15.4%
Subtotal Health and Vision Plan	553,197,410	556,415,525	3,218,115	0.6%
Dental	33,705,642	34,541,541	835,900	2.5%
Long Term Disability and Life Insurance	4,846,084	4,846,084	0	0.0%
Total Costs	\$591,749,136	\$595,803,151	\$4,054,015	0.7%

Of the total 2014 costs of \$595,803,151 shown in Table 4 above, the City's total costs (excluding employee or retiree contributions) is \$523,163,928, or approximately 87.8 percent of the total costs. Overall, the City's total cost of \$523,163,928 in 2014 for the health, vision, and dental plans, and long-term disability and life insurance, is \$5,518,683, or 1.1 percent more than the costs for these plans in 2013 of \$517,645,245.

RECOMMENDATIONS

- Approve the proposed ordinance (File 13-0653) to amend Administrative Code Section 16.703, establishing the Health Service System's 2014 health, vision, and dental plans and premiums.
- Approve the proposed resolution (File 13-0654), setting the City's 2014 contribution to the Health Service System Trust Fund, under the Charter, of \$559.65 per member per month.



Memorandum

DATE:

June 18, 2013

TO:

Supervisor Mark Farrell

Board of Supervisors

FROM:

Lisa Ghotb

Acting Director, Health Service System

RE:

Annual Rates and Benefits Ordinance for Plan Year beginning January 1, 2014 and ending

December 31, 2014 - Amendment of Section 16.703 of the San Francisco Administrative

Code

Attached are the following documents relating to the above matter:

- 1. Proposed ordinance (approved as to form by the City Attorney's Office) amending Section 16.703 of the San Francisco Administrative Code, approving the Plans and Contribution Rates for the Plan Year beginning January 1, 2014 and ending December 31, 2014, adopted by the Health Service Board on June 13, 2013;
- 2. Actuarial Report dated June 18, 2013 from Aon Hewitt Health and Benefits, as required under Section A8.422 of Appendix A to the San Francisco Charter, including summaries of rates and benefits as adopted by the Health Service Board on June 13, 2013.
- 3. Membership Master Report dated June 3, 2013 reflecting total enrollment distribution across the three different medical plans, the different dental plans and life and long-term disability; and
- 4. Form SFEC-126 (Notification of Contract Approval) for the following vendors: Kaiser Foundation Health Plan (Northern and Southern California Regions), Blue Shield of California, United HeathCare Services, Inc. (City Plan), Delta Dental of California, Pacific Union Dental (a subsidiary of United HealthGroup), Vision Service Plan and Aetna Life Insurance Company.

We are happy to provide you with any additional reports or materials you may need in connection with the enclosed ordinance.

Attach.

cc: Members, Health Service Board (w/electronic attach.) (via e-mail)

Erik Rapoport (w/electronic attach.)

Ben Rosenfield (w/electronic attach.)

Anil Kochhar (w/electronic attach.)

Gregg Sass (w/electronic attach.)

1145 Market Street, 2ND Floor San Francisco, CA 94103 Phone: (435) 554-1750

Fax: (415) 554-1721



June 18, 2013

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, 2014 to December 31, 2014 Plan Benefits, Rates and Contribution

Honorable Members of the Board of Supervisors:

This letter serves to document our position as the consultant and actuary to the Health Service System (HSS) in regards to the completed rate and contribution setting process for the plan year from January 1, 2014 to December 31, 2014. This process was concluded on June 13, 2013 under the direction of the Rates and Benefits Committee (the Committee) of the Health Service Board (the HSB). The rates, benefits, and contributions presented herein were approved by the full HSB during their meeting on June 13, 2013. This report will reference attached Exhibits, as well as Tables embedded in this letter.

In our opinion, the process was completed in a thorough manner. In particular, it is our opinion that:

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

Legislative Update

The Federal Patient Protection and Affordable Care Act (PPACA)

In 2014, many provisions of the federal Patient Protection and Affordable Care Act (PPACA) will take effect. The Health Service System is working with all four employers served by the Trust: The City and County of San Francisco, the Superior Courts, San Francisco Community College District and the San Francisco Unified School District (CCSF, CRT, CCD, and USD) to make sure all new requirements are implemented. Below you will find a brief explanation of some of the provisions that will have the greatest effect.

Federal PPACA Full Time Employee requirements

The federal PPACA defines a full-time employee as an employee who was employed on average at least 30 hours of service per week, or 130 hours of service in a calendar month. Hours of service include both time actively working, and paid time due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. This definition will be used to



determine any Shared Responsibility Penalties or State Exchange subsidies. Our current assessment indicates that no shared responsibility payments will be incurred because both CCSF and CRT offer coverage to all full time employees. HSS is still working with CCD and USD to assess compliance with this requirement.

Federal PPACA Automatic Enrollment (deferred)

The federal PPACA requires that employers automatically enroll new full-time employees in one of the employer's health benefits plans (subject to any waiting period authorized by law). Further it is required that employees be given adequate notice and the opportunity to opt out of any coverage in which they were automatically enrolled. The Department of Labor stated that it will not issue final guidance on Automatic Enrollment until 2014. Employers do not need to comply with this requirement until these final regulations are in effect.

Early Retiree Reinsurance Program Reimbursements

The 2009 American Recovery and Reinvestment Act included a provision that established the temporary Early Retiree Reinsurance Program (ERRP) as an incentive for employers to continue early retiree coverage which provided reimbursement to eligible sponsors of employment-based plans for a portion of the costs of providing health coverage to early retirees, during the period beginning on the date on which the program is established, and ending on January 1, 2014. Any reimbursements received need to be used in full by the end of 2014. HSS received a total of \$3,692,572 in reimbursements. Please note that interest has been credited from the time these reimbursements were received to the midpoint of the time period in which the money will be dispersed. The total ERRP amount with interest credited comes to \$3,812,749. A plan sponsor may use ERRP reimbursements only for the following purposes:

- 1) To reduce the sponsor's health benefit premiums or health benefit costs,
- To reduce health benefit premium contributions, copayments, deductibles, coinsurance, or other out-of-pocket costs, or any combination of these costs, for plan participants, or
- 3) To reduce any combination of the costs specified in (1) and (2)

In the ERRP regulation, it is noted that sponsors will continue to provide at least the same level of contribution to support the applicable plan, as it did before the program. (This is called Maintenance of Contribution (MOC)). A MOC calculation must be performed if the plan sponsor decides to allocate a portion of the money to their own costs rather than using all of the money exclusively for their employees. The HSS ERRP Application stated that ERRP funds would be "used to reduce both the plan participants' costs as well as the participating employer's increases in health benefit premium costs." It also stated that the Health Service Board would make the "determination of the precise approach followed to disburse the reinsurance funds." The HSB was advised that the Centers for Medicare and Medicaid Services were closely monitoring and auditing the use of ERRP funds specifically compliance with MOC calculations and the applications stated goals.

On January 10, 2013 Aon Hewitt/HSS recommended to the Health Service Board that the funds be spent exclusively to reduce participant premium contributions in order to decrease both participant



and employer premiums through stabilizing membership and premium rates. Applying the funds exclusively to employee contributions also allowed HSS to bypass the MOC calculation which saved approximately \$42,750 in consulting fees to prepare. The HSB accepted this recommendation to use ERRP funds to lower employee contributions. The Health Service Board voted to apportion the ERRP monies based on the amount of premiums paid into each plan by coverage tier. The monthly employee contribution subsidy, including credited interest, for each plan and tier can be found in the following Table 1:

Table 1: ERRP Employee Contribution Subsidy by Coverage Tier

		Actives				re _		Medicare	医沙克斯尼斯氏 的现在分词 医克克斯氏
	EE	EE+1	EE#2	EE	EE:A	EE+2	38	EE+1	EE+2
CityPlan	\$1.99	\$1.93	\$1.44	\$2.44	\$2.45	\$0.38	\$0.00	\$2.26	\$0.27
BlueShield	\$4.57	\$7.50	\$29.02	\$1.29	\$3.24	\$2.65	\$0.00	\$2.56	\$0.64
Kaiser	\$1.50	\$0.86	\$15.66	\$0.15	\$2.32	\$1.30	\$0.00	\$4.49	\$0.82

Federal PPACA Legislative Fees

As a result of the federal PPACA, there are two direct fees and one Health Insurance Tax that have been factored into the calculation of medical premium rates and premium equivalents for the 2014 plan year. This section of the law brings increased scrutiny and accompanying fines by three different federal agencies; Department of Labor (DOL), Health and Human Services (HHS), and Internal Revenue Service (IRS). Please find below a brief explanation of these fees:

- Health Insurer Tax (HIT): This tax will impact all fully insured or flex funded plans that HSS offers. This obligation on insurers is divided among insurers according to a formula based on each insurer's net premiums. Aon Hewitt estimates that this tax will result in an extra \$10.91M in premiums or an increase of 1.5% in premiums paid to insurers for all HSS fully insured or flex-funded plans in 2014.
- Patient Centered Outcomes Research Institute (PCORI) fee: A \$2.00 charge per enrollee per year will be assessed to all participants (actives, retirees without Medicare, and retirees with Medicare) in medical-only health plans in 2013. This fee is expected to increase to approximately \$2.10 per enrollee per year in 2014. Aon Hewitt estimates that this tax will result in an extra \$0.24M in 2014 premiums or a 0.03% increase. This fee is expected to increase with inflation until 2019 when the fee will stop being assessed. This fee will be collected by the Internal Revenue Service.
- Transitional Reinsurance fee: A \$63.00 charge per enrollee per year will be assessed to all participants where Medicare is not the primary payer in 2014. Aon Hewitt estimates that this tax will result in an extra \$5.49M in 2014 premiums or a 0.76% increase. This fee is expected to decrease in 2015 and 2016. 2016 is the last year in which this fee will be assessed. This fee was proposed by the Department of Health and Human Services.

The following table summarizes the estimated aggregate cost of each of these legislative fees for 2014:



	Legislative	医管理 经存货 医阿斯特里特	2a nillions) Al		rs	
Fee	City Plan (UHC)	Kaiser	Blue Shield	Delta	VSP	Total
HIT	\$0.00	\$2.92	\$7.90	\$0.00	\$0.09	\$10.91
PCORI	\$0.02	\$0.13	\$0.09	N/A	. N/A	\$0.24
Transitional Reinsurance	\$0.28	\$2.85	\$2.36	N/A	N/A	\$5.49
Total	\$0.30	\$5.90	\$10.35	\$0.00	\$0.09	\$16.65

201	4 Legislati	Table ve Fees (\$	学院中国共产党委员会	CSF Only		
Fee	City Plan (UHC)	Kaiser	Blue Shield	Delta	VSP	Total
HIT	\$0.00	\$2.15	\$6.27	\$0.00	\$0.07	\$8.49
PCORI	\$0.01	\$0.09	\$0.07	N/A	N/A	\$0.18
Transitional Reinsurance	\$0.13	\$2.10	\$1.91	N/A	N/A	\$4.13
Total	\$0.14	\$4.33	\$8.26	\$0.00	\$0.07	\$12.80

City Contributions under the 10-County Survey

According to the City Charter, the City's contribution towards medical benefits is determined by the results of a survey of the amount of premium contributions provided by the ten most populous counties in California, excluding San Francisco. For the 2013 plan year, the survey determined that the average monthly contribution increased 4.65% from \$534.78 to \$559.65. Exhibit 1 presents the individual county responses from this survey.

Year over Year Health Plan Cost Comparison

Annual costs for Medical Plans are shown in millions:

T) January 1, 2014 to December 31, 2		lical Cost (\$ millions)	
	Member Contributions	Employer Contributions	Aggregate Plan Cost
Current Rates	\$79.0	#153 \$598.3	*** \$677.3°
Final Renewal Rates (including plan design changes)	\$80.9	\$612.4	\$693.3
\$ Difference	\$1.9	\$14.1	\$16.0
% Difference	2.41%	2.36%	2.36%

The above table illustrates an increase in aggregate plan costs of \$16.0 million, or 2.36%, for only the three medical health plans (includes vision and HSS Communications and Healthcare Sustainability expense) for the January 1, 2014 to December 31, 2014 plan year. This increase in costs will be split 12.0%/88.0% between the members and employers with member contributions



increasing \$1.9 million and employer contributions increasing \$14.1 million. Depending on how the HSS Trust Subsidy is adopted, member contributions could be lowered by as much as \$3.4 million.

Change in City and County (CCSF) Contribution Strategy

As of 2014, a negotiated change will affect certain groups within the CCSF population. Historically, active CCSF employees have paid nothing for employee-only (EE only) coverage. Starting January 1, 2014 for some union MOU agreements, the employee contribution amount will increase to a maximum of 10% of the premium. This negotiated change will impact approximately 70% of active EE-only employees in 2014. The contribution calculation, called the '90/10 Contribution Model', follows this algorithm:

For active EE only's in the Kaiser and Blue Shield populations, the City will contribute the greater of the 10-County amount (\$559.65) or 90% of the employee-only premium. For active EE only's in the City Plan population, the City will contribute 90% of the Blue Shield employee-only premium and half of the difference between 90% of the Blue Shield employee-only premium and 100% of the City Plan employee-only premium.

This change applies only to those employees in the EE only category. Those in the EE+1 (employee plus one dependent) and EE+2 (employee plus two or more dependents) categories will continue to contribute to their dependent coverage consistent with prior union MOU agreements.

Aon Hewitt produced two rate cards, approved by the HSB, for 2014. One rate card for members under this new '90/10 Contribution Model', and one rate card for the members under the existing contribution model.

HSS Subsidy Option

Aon Hewitt produced an additional rate card for 2014, approved by the HSB on June 14th, 2013, with a trust-funded subsidy for the EE only employee contribution amount under the '90/10 Contribution Model'. This rate card would be applied to any union that completes an agreement with the City for a different (flat premium) 2015 employee contribution amount by July 31, 2013. This subsidy would smooth member transition to the 2015 contribution model avoiding member disruption and continuity of care issues. Additionally, Exhibits 12 and 13 show the impact of the trust subsidy.

Rates, Contributions, and Benefits for HMOs

Consistent with the 2013 plan year, two HMOs will be offered to HSS members for the 2014 plan year; Kaiser and Blue Shield of California.

Plan Design Changes for HMOs

As part of the annual Rates and Benefits process HSS, Aon Hewitt, the Rates and Benefits Committee of the HSB, and the HSB reviewed the continued appropriateness and competitiveness of the plan designs for the HMOs. The benchmark information (available on www.myhss.org website – May 9, 2013 for Blue Shield and June 13, 2013 for Kaiser) compiled indicates all member point of service plan design elements were competitive with the offerings of similar employers. No plan design changes were recommended to the Rates and Benefits Committee and the HSB.



Kaiser

The HSB was presented with the benchmarking of the current plan design which was shown to be in line with the comparators. The HSB adopted no plan design changes for the Kaiser plan.

The final negotiated rate change for Kaiser is an overall increase of 5.25% for actives and retirees without Medicare. For retirees with Medicare the rate change is 5.1%. This rate is subject to finalization and reconciliation in the 2015 plan year. This results in an overall estimated increase of \$16.0M annually.

The aggregate cost for Kaiser for the 2014 plan year is projected at \$322.8 million, with \$27.2 million in member contributions and \$295.6 million in employer contributions. Table 4, on page 9 provides an overview of annualized costs.

Blue Shield of California

The HSB was presented with the benchmarking of the current plan design which was shown to be in line with the comparators. They adopted no plan design changes for the Blue Shield plan.

On January 1, 2013, the funding arrangement for actives and retirees without Medicare switched from fully-insured to flex-funded. Aon Hewitt develops the premium equivalents for the flex-funded plan. Aon Hewitt worked with HSS, HSS' ACO partners, and Blue Shield to maintain a flat renewal for the flex-funded portion of the Blue Shield plan. Including all applicable legislative fees, the final rate change for actives and retirees without Medicare is 0.00% (no change from the 2013 benefit period). Retirees with Medicare remain in the fully-insured plan with a final rate increase of 5.9%. This results in an overall estimated increase of \$1.7M annually.

The aggregate cost for the Blue Shield HMO for the 2014 plan year is projected at \$308.5 million, with \$41.9 million in member contributions and \$266.5 million in employer contributions. Table 4, on page 9, provides an overview of annualized costs.

HMO Contributions

Contributions for HMO members were determined in accordance with the City Charter and include the new 10-County survey result of \$559.65. Exhibits 2a-2b and 3a-3c summarize the changes in contributions for actives and retirees for the Kaiser plan and the Blue Shield of California plans respectively for the 2014 plan year.

Rates, Contributions, and Benefits for City Plan (UHC)

The City Plan (UHC) is a self-funded plan administered by United Healthcare (UHC). The medical and pharmacy monthly premium equivalent costs were developed separately for actives, retirees without Medicare and retirees with Medicare based on group-specific experience. Additionally, Aon Hewitt provided a retrospective analysis of historical rates and experience to examine the actual cost trends evident in the City Plan's (UHC) recent claims data. These analyses were considered in conjunction with overall industry and normative data when determining the premium levels for the 2014 plan year (available at www.myhss.org website – February 14, 2013 and May 9, 2013).



As part of the annual Rates and Benefits process HSS, Aon Hewitt, the Rates and Benefits Committee, and the HSB, reviewed the continued appropriateness and competitiveness of the benefit design for City Plan (UHC). The HSB found that the benefit design of the City Plan was competitive and no plan design changes were implemented.

The UHC administration fees were unchanged from the 2013 plan year. UHC waived administrative fee increases as a concession related to UHC's poor implementation of a January 2013 pharmacy benefit which caused significant member disruption.

The final full monthly premium equivalents with no plan design changes result in an overall decrease of 2.67%. For actives, retirees without Medicare, and retirees with Medicare it is a decrease of 2.48%, 2.55%, and 2.77%, respectively. These premium equivalents are decreasing due to the underwriting gains caused by lower utilization that the City Plan produced during Calendar Year 2012. Underwriting gains are a result of HSS initiatives to improve network management, Medicare coordination, and claim administration as well as lower utilization trends. For the end of 2012, over \$7M of under writing gains were put into the City Plan Stabilization Fund. Per the HSS Stabilization Fund Policy, one-third of the amount in the Stabilization Fund (\$2.365M) was spread across all rating tiers to lower the City Plan premium equivalents by the aforementioned percentages. Since the pharmacy portion of the Medicare rate is covered by a fully insured EGWP product, there should have been an increase in the premiums due to the Health Insurer Tax. However, since there was no increase to the EGWP premium for 2014, no additional Health Insurer Tax costs will be incurred.

Exhibit 4 summarizes the change in full monthly premium equivalents for the City Plan (UHC). Included in the premium equivalent rate, pursuant to the HSB's Self Funded Plans' Funding Policy, is the application of the claims stabilization amount.

The aggregate cost for the City Plan (UHC) for the 2014 plan year is projected at \$62.1 million, with \$11.8 million in member contributions and \$50.3 million in employer contributions. This results in an overall estimated decrease of \$1.7M annually. Table 4, on page 9, provides an overview of annualized costs.

Exhibits 5a-5c summarize the changes in employee and retiree contributions for City Plan (UHC). These contributions were determined in accordance with the City Charter, and include the new 10-County Survey result of \$559.65. The above exhibit does not include any City contributions that may be negotiated in MOUs.

Rates and Benefits for the Vision Plan

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

The vision plan is a fully-insured plan. As of January 1, 2014, VSP vision plan rates will increase 5.5%. The aggregate cost for the VSP vision plan for the 2014 plan year is projected at \$4.7 million. This results in an overall estimated increase of \$0.2M annually. Approximately 2% of this increase is due to the Health Insurer Tax applied to full insured plans. Without the 2% increase from the Health



Insurer Tax, this renewal is only 3.5%. Exhibit 6 in the attachment summarizes the VSP vision plan costs.

Rates, Contributions, and Benefits for Dental Plans

Three dental plans are offered to HSS members: Delta Dental PPO, Delta Care USA and Pacific Union Dental. The Delta Dental PPO plan is a dental PPO with a network of preferred providers while the other two plans are dental HMOs with 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 benefits.

The Delta Dental PPO plan for active employees is self-funded and administered by Delta Dental of California. Future plan costs are projected based on the City employees' claim experience. Delta Dental's fee for claim administration remains unchanged from the 2013 plan year and was extended until December 31, 2015.

As part of the annual Rates and Benefits process HSS, Aon Hewitt, the Rates and Benefits Committee, and the HSB, reviewed the continued appropriateness and competitiveness of the benefit design for the Active Delta Dental PPO plan.

The aggregate premium for the self-funded Delta Dental PPO plan for active employees is an increase of 3.9%. This results in an increase to annual premiums of \$1.7M. Since this is a self-insured plan, the Health Insurer Tax does not apply and the increase is all experience driven.

The Delta Dental PPO plan for retirees, Delta Care USA dental plans for employees and retirees, and Pacific Union Dental plans for employees and retirees are all fully-insured. The fully-insured premiums for the Delta Dental PPO plan for retirees increased 6.27%. 1.13% of this increase is due to the Health Insurer Tax applied to full insured plans. Without the 1.13% increase from the Health Insurer Tax, this renewal is only 5.14%. The fully-insured premiums for the Delta Care USA dental plans for employees and retirees increased by 3.64%. 1.1% of this increase is due to the Health Insurer Tax applied to full insured plans. Without the 1.1% increase from the Health Insurer Tax, this renewal is only 2.54%. The fully-insured premiums for the Pacific Union plans are unchanged from the 2013 plan year rates.

For the 2014 plan year the City will contribute the full premium rate towards each of the dental HMO plans for CCSF employees. For the self-funded Dental PPO the City will contribute the full monthly premium rate minus employee contributions of \$5.00, \$10.00, and \$15.00 for employee only, employee with one dependent, and employee with two or more dependents respectively. The member contributions for Delta Dental PPO plan for retirees, Delta Care USA dental plans for employees and retirees, and Pacific Union Dental plans for employees and retirees remain unchanged from the prior plan year. Pursuant to the Health Service's Self Funded Plans' Funding Policy no claims stabilization amount has been applied this year.

Exhibit 7, 8, and 9 summarize the changes in dental cost for the active [self-funded] and retirees for the Delta Dental PPO plan, Delta Care USA plan, and Pacific Union Dental plans respectively.



The aggregate dental plan cost for the 2014 plan year is projected at \$43.9 million, with \$3.2 million in member contributions and \$40.7 million in employer contributions. This represents an increase to annual premiums of \$1.6M. Table 4, on page 9 provides an overview of annualized costs.

Life and Long Term Disability (LTD) Insurance

Life and Long Term Disability rates remain unchanged from the 2013 rates. The aggregate life and LTD plan cost for the 2014 plan year is projected at \$6.1 million, with \$100,000 in member contributions and \$6.0 million in employer contributions. Table 4, on page 9 provides an overview of annualized costs.

Summary of Projected 2014 Plan Year Costs

Illustrated below, in Table 4, is a summary of how projected 2014 aggregate HSS plan costs are distributed across the different plans available to employees and retirees. Costs are shown only for those plans where the employers subsidize the total premium cost. The premium costs associated with the VSP vision core plan are included in the medical plan's costs.

	Dis	tribution of Agg	TABLE 4 * pregate Plan Co	osts (\$millions)	
	Member	Employer Contributions	Aggregate Plan Cost	Member Contributions as a %	Employer Contributions as a % of Aggregate Costs
Kaiser HMO	\$27.2	\$295.6	\$322.8	8.43%	91.57%
\$-Increase	\$1.3	\$14.7	\$16.0	Total Consider and Total Control Control Control Control	
% Increase	4.93%	5.25%	5.22%		
Blue Shield HMO	\$41.9	\$266.5	\$308:5		86.40%
\$ Increase	-\$0.1	\$1.8	\$1.7	AND THE PROPERTY OF THE PROPER	
% Increase	-0.23%	0.67%	0.55%		
City Plan		\$50.3	\$62.1	18.94%	81.06%
\$ Increase	\$0.7	-\$2.4	-\$1.7	A CONTRACTOR OF STREET OF STREET STREET	Service of the servic
% Increase	6.76%	-4.63%	-2.66%		
Dental ***	\$3.2	\$40.7	\$43.9	7.38%	92.62%
\$ Increase	\$0.0	\$1.6	\$1.6	A CONTRACTOR DOM TO A CONTRACTOR OF THE PARTY OF	THE PROPERTY OF STREET
% Increase	0.00%	2.68%	2.48%		
LTDs: product of	\$0.0	\$5:7	\$5.7	0.00%	100.00%
\$ Increase	\$0.0	\$0.0	\$0.0	and analysis and a second to the second second and second	promisery and angest production
% Increase	0.00%	0.00%	0.00%	-	
Life	\$0.1	\$0.3	\$0.4	19.55%	80.45%
\$ Increase	\$0.0	\$0.0	\$0.0	The man design and the second	Seator and the Control of States of the Control of States of State
% Increase	0.00%	0.00%	0.00%	-	
Total	\$ 584 2	\$65941	574313	11.369%	88:67%
\$ increase	\$1.9	\$15.7	\$17.6		
% Increase	2.34%	2.44%	2.43%		

Figures vary due to rounding

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



The overall estimated increase of 2.43% is higher than the corresponding January 1, 2013 to December 31, 2013 plan year estimated increase of 1.43%. Of this 2.43% increase, Aon Hewitt estimates that approximately 2.29% of this increase can be attributed to the new PPACA legislative taxes. This year's projected aggregate cost increase also compares very favorably with available benchmark information. This statistic is supported by the analysis titled "2013 Health Care Trend Survey" published in June 2013. Employers that were analyzed indicated Medical and Pharmacy cost increases in the range of 8% to 9%.

Conclusion

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

Sincerely,

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Anil Kochhar, ASA, MAAA

and & Kackhan

Copy: Members of the Health Service Board Catherine Dodd, PhD - Health Service System Lisa Ghotbi - Health Service System Gabe Briggs – Aon Hewitt

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

10 County Survey Results and Rates and Benefits Decisions for Calendar Year 2014

June 18, 2013

Prepared by Aon Hewitt

10-County Survey Results

Exhibit 1

Rank	County	CY 2013	51017A	% Change
_	Los Angeles	\$515.07	\$552.40	7.25%
2	San Diego	\$444.86	\$445.29	0.10%
3	Orange	\$506.94	\$544.46	7.40%
4	Riverside	\$5,545.54	\$606.39	11.15%
5	San Bernardino *	86.868	\$413.51	3.64%
9	Santa Clara *	\$643.13	\$656.34	2.05%
7	Alameda	66.883\$	\$638.47	8.40%
8	Sacramento	00.969\$	\$714.53	7.66%
6	Contra Costa	\$553.15	\$574.27	3.82%
10	Fresno	\$455.17	\$450.86	%56'0-
	10-County Average	\$534.78	\$559.65	4.65%

Kaiser HMO: Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

Exhibit 2a Historic CCSF MOU Agreements

			Active			anly Refinee			MAP	O/COB	
		n	r in in	EE+2	= = = = = = = = = = = = = = = = = = = =	1 1 1 1	E€4.2	III III	i	EE+2 (All Medicare)	EE+2
Members	Plan Year 2013.	\$0.00	\$2.24	\$247.00	\$1.12	\$268.61	\$712.65	\$0.00	\$166.70	\$499.23	\$610.74
	Plan Year 2014	\$0.00	\$4.60	\$247.41	\$2.58	\$281.95	\$750.32	\$0.00	\$170.74	\$525.00	\$641.76
	% increase	0.00%	105.36%	0.17%	130.36%	4.97%	5.29%	0.00%	2.42%	5.16%	2.08%
	\$ increase	\$0.00	\$2.36	\$0.41	\$1.46	\$13.34	\$37.67	\$0.00	\$4.04	\$25.77	\$31.02
Employer	Plan Year 2013	\$537.02	\$1,069.77	\$1,269.05	\$1,076.98	\$1,344.48	\$1,344.48	\$335.43	\$502.13	\$502.13	\$502.13
	Plan Year 2014	\$565.11	\$1,123.59	\$1,348.13	\$1,132.09	\$1,415.80	\$1,414.78	\$352.49	\$532.21	\$527.72	\$528.54
	% increase	5.23%	5.03%	6.23%	5.12%	2.30%	5.23%	2.09%	2.99%	5.10%	5.26%
	\$ increase	\$28.09	\$53.82	\$79.08	\$55.11	\$71.32	\$70.30	\$17.06	\$30.08	\$25.59	\$26.41
Total	Plan Year 2013	\$537.02	\$1,072.01	\$1,516.05	\$1,078.10	\$1,613.09	\$2,057.13	\$335.43	\$668.83	\$1,001.36	\$1,112.87
74	Plan Year 2014	\$565.11	\$1,128.19	\$1,595.54	\$1,134.67	\$1,697.75	\$2,165.10	\$352.49	\$702.95	\$1,052.72	\$1,170.30
3	% increase	5.23%	5.24%	5.24%	5.25%	5.25%	5.25%	5.09%	5.10%	5.13%	5.16%
	\$ increase	\$28.09	\$56.18	\$79.49	\$56.57	\$84.66	\$107.97	\$17.06	\$34.12	\$51.36	\$57.43

Historic CCSF MOU Agreements – Employer pays 100% of employee-only coverage tier



Kaiser HMO: Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

'90/10 Contribution Model' CCSF MOU Agreements Exhibit 2b

Active Be+1 EE+1 EE EE+1 EE+2 EE HE+1 EE+2	\$2.24 \$247.00 \$1.12 \$268.61 \$712.65 \$0.00	\$4.60 \$247.41 \$2.58 \$281.95 \$750.32 \$0.00 \$170.74 \$525.00	105.36%	\$1.46 \$13.34 \$37.67 \$0.00 \$4.04 \$25.77	\$1,076.98 \$1,344.48 \$1,344.48 \$335.43 \$502.13 \$502.13	\$1,132.09 \$1,415.80 \$1,414.78 \$352.49 \$532.21 \$527.72	5.03% 6.23% 5.12% 5.30% 5.23% 5.09% 5.99% 5.10%	\$53.82 \$79.08 \$55.11 \$71.32 \$70.30 \$17.06 \$30.08 \$25.59	\$1,072.01 \$1,516.05 \$1,078.10 \$1,613.09 \$2,057.13 \$335.43 \$668.83 \$1.001.36	\$1,128.19 \$1,595.54 \$1,134.67 \$1,697.75 \$2,165.10 \$352.49 \$702.95 \$1.052.72	5.24% 5.25% 5.25% 5.25% 5.09% 5.10%	
Active EE EE+1 E			9	\$2.36	\$1,069.77	\$1,123.59		\$53.82	\$1,072.01	\$1,128.19		00 00
	Members Plan Year 2013	Plan Year 2014	% increase	丁	Employer Plan Year 2013	Plan Year 2014	% increase		Total Plan Year 2013	Plan Year 2014	% increase	

'90/10 Contribution Model' CCSF MOU Agreements - Employer pays 90% of employee-only coverage tier



AON Hewitt

Blue Shield HMO: Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

Exhibit 3a Historic CCSF MOU Agreements

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Members Dian Vear		li II		215B	n)	2 H H	111 111		EE+2 (All Medicare)	日子と
	2013	\$0.00	\$85.52	\$520.71	\$26.24	\$335.39	\$859.70	\$0.00	\$180.64	\$541.25	\$716.09
Plan Year 2014	2014	\$0.00	\$80.22	\$466.87	\$42.57	\$363.30	\$899.52	\$0.00	\$188.72	\$573.16	\$726.27
% increase	Φ.	0.00%	-6.20%	-10.34%	62.25%	8.32%	4.63%	0.00%	4.47%	5.90%	1.42%
\$ increase		\$0.00	(\$5.30)	(\$53.84)	\$16.33	\$27.91	\$39.82	\$0.00	\$8.08	\$31.91	\$10.18
Employer Plan Year 2013	2013	\$647.16	\$1,206.79	\$647.16 \$1,206.79 \$1,307.06 \$1,409.74 \$1,745.75 \$1,756.90	\$1,409.74	\$1,745.75	\$1,756.90	\$363.30	\$543.93	\$543.93	\$543.93
Plan Year 2014	2014	\$647.37	\$1,212.51	\$647.37 \$1,212.51 \$1,361.49 \$1,393.62 \$1,718.26 \$1,717.67	\$1,393.62	\$1,718.26	\$1,717.67	\$384.60	\$578.45	\$575.89	\$576.53
% increase	•	0.03%	0.47%	4.16%	-1.14%	-1.57%	-2.23%	2.86%	6.35%	5.88%	5.99%
\$ increase		\$0.21	\$5.71	\$54.43	(\$16.13)	(\$27.49)	(\$39.23)	\$21.30	\$34.53	\$31.96	\$32.60
Total Plan Year 2013	2013	\$647.16 \$1,292.	٤	\$1,827.77 \$1,435.98 \$2,081.14 \$2,616.60	\$1,435.98	\$2,081.14	\$2,616.60	\$363.30	\$724.57	\$1,085.18 \$1,260.02	\$1,260.02
Plan Year 2014	2014	\$647.37 \$1,292	\$1,292.73	.73 \$1,828.36 \$1,436.19 \$2,081.56 \$2,617.19	\$1,436.19	\$2,081.56	\$2,617.19	\$384.60	\$767.17	\$1,149.05 \$1,302.80	\$1,302.80
% increase		0.03%	0.03%	0.03%	0.01%	0.02%	0.02%	5.86%	5.88%	5.89%	3.40%
\$ increase		\$0.21	\$0.42	\$0.59	\$0.21	\$0.42	\$0.59	\$21.30	\$42.61	\$63.87	\$42.78

Historic CCSF MOU Agreements – Employer pays 100% of employee-only coverage tier

Health & Benefits Consulting | June 18, 2013 | Board of Supervisors Presentation

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Blue Shield HMO: Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

'90/10 Contribution Model' CCSF MOU Agreements Exhibit 3b

		Activ	Active (Bargail	laimed)	iui	ally Redire	•			////:JB/(<0 3	
		111 111	H	77 111 111	n n	\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	2.計 正	in in	T II III	EE+2 (All Medicare)	EE+2
Members	Members Plan Year 2013	\$0.00	\$85.52	\$520.71	\$26.24	\$335.39	\$859.70	\$0.00	\$180.64	\$541.25	\$716.09
	Plan Year 2014	\$60.17	\$80.22	\$466.87	\$42.57	\$363.30	\$899.52	\$0.00	\$188.72	\$573.16	\$726.27
	% increase	%00.0	-6.20%	-10.34%	62.25%	8.32%	4.63%	0.00%	4.47%	5.90%	1.42%
	\$ increase	\$60.17	(\$5.30)	(\$53.84)	\$16.33	\$27.91	\$39.82	\$0.00	\$8.08	\$31.91	\$10.18
Employe	Employer Plan Year 2013	_	\$1,206.79	\$1,307.06	\$647.16 \$1,206.79 \$1,307.06 \$1,409.74 \$1,745.75 \$1,756.90	\$1,745.75	\$1,756.90	\$363.30	\$543.93	\$543.93	\$543.93
	Plan Year 2014		\$587.20 \$1,212.51	\$1,361.49	\$1,361.49 \$1,393.62 \$1,718.26 \$1,717.67	\$1,718.26	\$1,717.67	\$384.60	\$578.45	\$575.89	\$576.53
	% increase	-9.26%	0.47%	4.16%	-1.14%	-1.57%	-2.23%	5.86%	6.35%	5.88%	5.99%
	\$ increase	(\$59.96)	\$5.71	\$54.43	(\$16.13)	(\$27.49)	(\$39.23)	\$21.30	\$34.53	\$31.96	\$32.60
Total	Plan Year 2013		\$1,292.31	\$1,827.77	31 \$1,827.77 \$1,435.98 \$2,081.14 \$2,616.60	\$2,081.14	\$2,616.60	\$363.30	\$724.57	\$1,085.18 \$1,260.02	\$1,260.02
	Plan Year 2014		\$1,292.73	\$1,828.36	\$647.37 \$1,292.73 \$1,828.36 \$1,436.19 \$2,081.56	\$2,081.56	\$2,617.19	\$384.60	\$767.17	\$1,149.05 \$1,302.80	\$1,302.80
	% increase	0.03%	0.03%	0.03%	0.01%	0.02%	0.02%	2.86%	5.88%	5.89%	3.40%
	\$ increase	\$0.21	\$0.42	\$0.59	\$0.21	\$0.42	\$0.59	\$21.30	\$42.61	\$63.87	\$42.78

'90/10 Contribution Model' CCSF MOU Agreements – Employer pays 90% of employee-only coverage tier

Health & Benefit

Blue Shield HMO: Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

HSS Trust Subsidy of the '90/10 Contribution Model' Exhibit 3c

		Activ	Active (Bargail	gained)	ш	Early Retiree	ė		MAP	I/APD/GOE		
		16		GE+2	84 48	ii ii u		H	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	EE+2 (All Werlicare)	2 to	
Members	Members Plan Year 2013	\$0.00	\$85.52	\$520.71	\$26.24	\$335.39	\$859.70	\$0.00	\$180.64	\$541.25	\$716.09	
	Plan Year 2014	\$3.96	\$80.22	\$466.87	\$42.57	\$363.30	\$899.52	\$0.00	\$188.72	\$573.16	\$726.27	
	% increase	0.00%	-6.20%	-10.34%	62.25%	8.32%	4.63%	0.00%	4.47%	5.90%	1.42%	
	\$ increase	\$3.96	(\$5.30)	(\$53.84)	\$16.33	\$27.91	\$39.82	\$0,00	\$8.08	\$31.91	\$10.18	
Employer	Employer Plan Year 2013	\$647.16	\$1,206.79	\$1,307.06	\$647.16 \$1,206.79 \$1,307.06 \$1,409.74 \$1,745.75 \$1,756.90	\$1,745.75	\$1,756.90	\$363.30	\$543.93	\$543.93	\$543.93	
	Plan Year 2014	\$643.41	\$1,212.51	\$1,361.49	\$643.41 \$1,212.51 \$1,361.49 \$1,393.62 \$1,718.26 \$1,717.67	\$1,718.26	\$1,717.67	\$384.60	\$578.45	\$575.89	\$576.53	
	% increase	-0.58%	0.47%	4.16%	-1.14%	-1.57%	-2.23%	5.86%	6.35%	5.88%	5.99%	
	\$ increase	(\$3.75)	\$5.71	\$54.43	\$54.43 (\$16.13)	(\$27.49)	(\$39.23)	\$21.30	\$34.53	\$31.96	\$32.60	
Total	Plan Year 2013	\$647.16	\$1,292.31	\$1,827.77	\$647.16 \$1,292.31 \$1,827.77 \$1,435.98 \$2,081.14 \$2,616.60	\$2,081.14	\$2,616.60	\$363.30	\$724.57	\$1,085.18 \$1,260.02	\$1.260.02	
	Plan Year 2014	\$647.37	\$1,292.73	\$1,828.36	\$647.37 \$1,292.73 \$1,828.36 \$1,436.19	\$2,081.56 \$2,617.19	\$2,617.19	\$384.60	\$767.17	\$1,149.05 \$1,302.80	61.302.80	
	% increase	0.03%	0.03%	0.03%	0.01%	0.02%	0.02%	5.86%	5.88%	5.89%	3.40%	
	\$ increase	\$0.21	\$0.42	\$0.59	\$0.21	\$0.42	\$0.59	\$21.30	\$42.61	\$63.87	\$42.78	

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HSS Subsidy of the '90/10 Contribution Model' CCSF MOU Agreements – Employer pays 90% of employee-only coverage tier. HSS Trust Subsidy bringing the employee-only premium equal to the Kaiser premium for 2014



City Plan (UHC): Final Active/Early Retiree/Medicare Monthly Premium Rates Calendar Year 2014

Exhibit 4 City Plan (UHC) Premium Rates

CATEGORY Open Enrollment 2013 FREMIUM Flat Counts STABILIZATION AMOUNT TOTAL ENRIBITION TOTAL ENGINATE NT INCREASE EE T19 \$1,258.33 \$0.64 \$1,258.37 \$1,274.23 \$46.68 \$1,227.55 2.50% EE T1 \$2,472.37 \$1,268.33 \$0.64 \$1,258.37 \$1,274.23 \$46.68 \$1,227.55 2.50% EE T1 \$2,472.37 \$1,26 \$2,473.63 \$2,473.63 \$2,504.17 \$81.727.55 2.247% EE 50 \$1,465.74 \$0.75 \$1,466.49 \$1,483.34 \$1,428.97 \$2,473.63 \$2,473.63 Salitine EE 50 \$1,465.74 \$0.75 \$1,466.49 \$1,483.34 \$2,274.6 \$2,47% Salitine EE 16 \$2,887.17 \$1,466.49 \$1,483.34 \$1,428.97 \$2,47% Salitine EE 16 \$2,887.17 \$1,483.34 \$2,817.29 \$3,817.39 \$2,922.36 \$1,477.17 \$2,84% Salitine EE 13 \$3,902.79 \$1,730.16 <th></th> <th></th> <th>L</th> <th>Plant Vear 2013</th> <th></th> <th>Plan</th> <th>Plan Year 2010</th> <th></th> <th></th>			L	Plant Vear 2013		Plan	Plan Year 2010		
719 \$1,258.37 \$0.64 \$1,258.97 \$1,274.23 -\$46.68 \$1,227.55 2 \$2,472.37 \$1.26 \$2,473.63 \$2,504.17 -\$91.72 \$2,412.45 5 \$2,472.37 \$1.26 \$2,473.63 \$2,504.17 -\$91.72 \$2,412.45 5 \$1,465.74 \$5.146.49 \$1,483.34 -\$14.28.97 \$1,428.97 5 EE + 1	GATEGORY		PREMIUM	STABILIZATION AMOUNT	LOTE I	WILLIM VAL ENT	ABILIZATION AMIOUNT	TAOL.	PERCENTAGE MCREASE
\$2,472.37 \$1.26 \$2,473.63 \$2,504.17 \$\$1,245 \$2,412.45 \$2,412.45 \$0.75 \$1,466.49 \$1,483.34 \$1,28.37 \$1,428.97 \$1,466.49 \$1,483.34 \$1,428.97 \$1,428.97 \$1,466.49 \$1,483.34 \$1,428.97 \$1,428.97 \$1,466.49 \$1,466.49 \$1,483.34 \$1,428.97 \$1,428.97 \$1,466.49 \$1,466.49 \$1,483.34 \$1,428.97 \$1,428.97 \$1,466.49 \$1,466.49 \$1,466.74 \$1,428.97 \$1,496.49 \$1,493.90 \$1,493.90 \$1,493.90 \$1,99 \$1,904.78 \$1,99 \$1,904.78 \$1,99 \$1,904.78 \$1,99 \$1,904.78 \$1,99 \$1,904.79 \$1,904.	щ	719	\$1,258.33	\$0.64	\$1,258.97	\$1,274.23	-\$46.68	\$1,227.55	-2.50%
\$1.465.74 \$1.78 \$1.466.49 \$1.483.34 -\$129.41 \$3.410.33 \$1.465.74 \$0.75 \$1,466.49 \$1,483.34 -\$54.37 \$1,428.97 \$2.922.36 -\$10.711 \$2,815.25 \$3.902.79 \$1.99 \$3.904.78 \$3.965.12 -\$144.79 \$3.811.33 \$1.47 \$2,886.44 \$2,922.36 -\$107.11 \$2,815.25 \$1.99 \$3.904.78 \$3.965.12 -\$144.79 \$3.811.33 \$1.48 \$1.73.66 \$0.36 \$774.02 \$771.18 -\$26.52 \$694.66 \$1.7275 \$63.742,000 \$63.777,000 \$64.438,000 -\$2,365,000 \$62,073,000	Active EE + 1	115	\$2,472.37	\$1.26	\$2,473.63	\$2,504.17	-\$91.72	\$2,412.45	-2.47%
1 \$1,465.74 \$0.75 \$1,466.49 \$1,483.34 -\$54.37 \$1,428.97 1 \$2,887.17 \$1.47 \$2,888.64 \$2,922.36 -\$107.11 \$2,815.25 2 \$3,902.79 \$1.47 \$1.47 \$2,888.64 \$2,926.12 -\$144.79 \$3,811.33 E 4315 \$374.30 \$0.19 \$374.49 \$378.08 -\$13.90 \$364.66 E+1 \$1348 \$713.66 \$0.36 \$714.02 \$721.18 -\$26.52 \$694.66 E+2 \$63,774.000 \$63,774,000 \$64,438,000 -\$2,365,000 \$62,073,000	E+2	90	\$3,487.99	\$1.78	\$3,489.77	\$3,539.74	-\$129.41	\$3,410.33	-2.28%
1	stiree EE	506	\$1,465.74		\$1,466.49	\$1,483.34	-\$54.37	\$1,428.97	-2.56%
+1 4315 \$3,902.79 \$1.99 \$3,904.78 \$3,956.12 -\$144.79 \$3,811.33 +1 4315 \$374.30 \$0.19 \$374.49 \$378.08 -\$13.90 \$364.18 +2 23 \$1,729.28 \$0.88 \$1,730.16 \$1,631.13 -\$59.99 \$1,571.14 7275 \$63,742,000 \$63,774,000 \$64,438,000 -\$2,365,000 \$62,073,000	stiree EE + 1	184	\$2,887.17		\$2,888.64	\$2,922.36	-\$107.11	\$2,815.25	-2.54%
+1 1348 \$374.30 \$0.19 \$374.49 \$378.08 -\$13.90 \$364.18 +1 1348 \$713.66 \$0.36 \$714.02 \$721.18 -\$26.52 \$694.66 +2 23 \$1,729.28 \$0.88 \$1,730.16 \$1,631.13 -\$59.99 \$1,571.14 7275 \$63,742,000 \$32,000 \$63,774,000 \$64,438,000 -\$2,365,000 \$62,073,000	stiree EE+2	15	\$3,902.79		\$3,904.78	\$3,956.12	-\$144.79	\$3,811.33	-2.39%
1348 \$713.66 \$0.36 \$714.02 \$721.18 -\$26.52 \$694.66 23 \$1,729.28 \$0.88 \$1,730.16 \$1,631.13 -\$59.99 \$1,571.14 7275 \$63,742,000 \$32,000 \$64,438,000 -\$2,365,000 \$62,073,000	e Retiree EE	4315	\$374.30	\$0.19	\$374.49	\$378.08	-\$13.90	\$364.18	-2.76%
23 \$1,729.28 \$0.88 \$1,730.16 \$1,631.13 -\$59.99 \$1,571.14 7275 \$63,742,000 \$53,774,000 \$64,438,000 -\$2,365,000 \$62,073,000	e Retiree EE + 1	1348	\$713.66		\$714.02	\$721.18	-\$26.52	\$694.66	-2.71%
\$63,742,000 \$32,000 \$63,774,000 \$64,438,000 -\$2,365,000 \$62,073,000	e Retiree EE + 2	23	\$1,729.28	\$0.88	\$1,730.16	\$1,631.13	-\$59.99	\$1,571.14	-9.19%
		7275	\$63,742,000	\$32,000		\$64,438,000	-\$2,365,000	\$62,073,000	-2.67"

Estimated cost increase plan year 2014

-\$1,701,000



City Plan (UHC): Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

Exhibit 5a Historic CCSF MOU Agreements

Plan Year 2013 Plan Year 2014 % increase \$ increase Plan Year 2013	713 714 713	### ##################################	Active (Bargaine BE-1 \$1,204.58 \$1,078.05 -10.50% (\$126.53) \$1,269.05	\$2,220.72 \$2,076.41 -6.50% (\$144.31) \$1,269.05	### FE ### ### ########################	### Section #### #### #### #### #### #### #### #### #### ######	\$2,089.31 \$2,022.78 -3.18% (\$66.53) \$1,815.47	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	### Medicare \$169.76 \$162.97 -4.00% (\$6.79) \$544.26	Retiree BE-2 (A) Medicare \$508.96 \$474.20 -6.83% (\$34.76)	\$1,185.90 \$1,051.94 -11.30% (\$133.96) \$544.76
Plan Year 2014 % increase \$\$\\$ increase\$	214	\$1,227.55 -2.50% (\$31.42)	\$1,334.40 5.15% \$65.35	\$1,333.92 5.11% \$64.87	\$1,097.47 -0.63% (\$6.93)	\$1,790.62 -1.37% (\$24.85)	\$1,788.55 -1.48% (\$26.92)	\$364.18 -2.75% (\$10.31)	\$531.69 -2.31% (\$12.57)	\$529.43 -2.73% (\$14.83)	\$529.70 -2.67% (\$14.56)
Plan Year 2013 Plan Year 2014	2013 2014	\$1,258.97 \$1,227.55	\$2,473.63 \$2,412.45	\$3,489.77 \$3,410.33	1	\$2,888.64 \$2,815.25	\$3,904.78	\$374.49 \$364.18	\$714.02 \$694.66	\$1,053.22	\$1,730.16
% increase \$ increase		-2.50%	-2.47% (\$61.18)	-2.28% (\$79.44)	-2.56% (\$37.52)	-2.54% (\$73.39)	-2.39% (\$93.45)	-2.75% (\$10.31)	-2.71% (\$19.36)	-4.71% (\$49.59)	-8.58% (\$148.52)

Historic CCSF MOU Agreements – Employer pays 100% of employee-only coverage tier



City Plan (UHC): Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

'90/10 Contribution Model' CCSF MOU Agreements Exhibit 5b

		Ac	Active (Bargain	ed)		∃arly Retiree			Madicar	. Relirae	
*	:	- III II	14-68	2 4 11	EB	1.458	2433	<u>u</u> <u>II</u>	i in u	EE+2 (All Meditare	E5+2
Members	Plan Year 2013	\$0.00	\$1,204.58	\$2,220.72	\$362.09	\$1,073.17	\$2,089.31	\$0.00	\$169.76	\$508.96	\$1,185.9C
	Plan Year 2014	\$320.47	\$1,078.05	\$2,076.41	\$331.50	\$1,024.63	\$2,022.78	\$0.00	\$162.97	\$474.20	\$1,051.94
	% increase	0.00%	-10.50%	-6.50%	-8.45%	4.52%	-3.18%	0.00%	4.00%	-6.83%	-11.30%
	\$ increase	\$320.47	(\$126.53)	(\$144.31)	(\$30.59)	(\$48.54)	(\$66.53)		(\$6.79)	(\$34.76)	(\$133.96)
Employer	Plan Year 2013	\$1,258.97	\$1,269.05	\$1,269.05	\$1,104.40	\$1,815.47	\$1,815.47		\$544.26	\$544.26	\$544.26
	Plan Year 2014	\$907.08	\$1,334.40	\$1,333.92	\$1,097.47	\$1,790.62	\$1,788.55	\$364.18	\$531.69	\$529.43	\$529.70
	% increase	-27.95%	5.15%	5.11%	-0.63%	-1.37%	-1.48%		-2.31%	-2.73%	-2.67%
	\$ increase	(\$351.89)	\$65.35	\$64.87	(\$6.93)	(\$24.85)	(\$26.92)	(\$10.31)	(\$12.57)	(\$14.83)	(\$14.56)
Total	Plan Year 2013	\$1,258.97	\$2,473.63	\$3,489.77	\$1,466.49	\$2,888.64	\$3,904.78	\$374.49	\$714.02	\$1.053.22	\$1.730.16
75	Plan Year 2014	\$1,227.55	\$2,412.45	\$3,410.33	\$1,428.97	\$2,815.25	\$3,811.33	\$364.18	\$694.66	\$1,003,63	\$1.581.64
0	% increase	-5.50%	-2.47%	-2.28%	-2.56%	-2.54%	-2.39%	-2.75%	-2.71%	4.71%	-8.58%
	\$ increase	(\$31.42)	(\$61.18)	(\$79.44)	(\$37.52)	(\$73.39)	(\$93.45)	(\$10.31)	(\$19.36)	(\$49.59)	(\$148.52)

'90/10 Contribution Model' CCSF MOU Agreements – Employer pays 90% of employee-only coverage tier



City Plan (UHC): Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

HSS Trust Subsidy of the '90/10 Contribution Model' Exhibit 5c

		Ac	Active (Bargail	ned)		Early Retiree			Medicare	e Retiree	
		111 11	EE+1	Z4EE	ni II	EE+1	EE+2	TE		EE+2 (All Medicare	EE+2
Members	Plan Year 2013	\$0.00	\$1,204.58	\$2,220.72	\$362.09	\$1,073.17	\$2,089.31	\$0.00	\$169.76	\$508.96	\$1,185.90
	Plan Year 2014	\$3.96	\$1,078.05	\$2,076.41	\$331.50	\$1,024.63	\$2,022.78	\$0.00	\$162.97	\$474.20	\$1,051.94
	% increase	%00.0	-10.50%	-6.50%	-8.45%	-4.52%	-3.18%	0.00%	4.00%	-6.83%	-11.30%
	\$ increase	\$3.96	(\$126.53)	(\$144.31)	(\$30.59)	(\$48.54)	(\$66.53)	\$0.00	(\$6.79)	(\$34.76)	(\$133.96)
Employer	Plan Year 2013	\$1,258.97	\$1,269.05	\$1,269.05	\$1,104.40	\$1,815.47	\$1,815.47	\$374.49	\$544.26	\$544.26	\$544.26
	Plan Year 2014	\$907.08	\$1,334.40		\$1,097.47	\$1,790.62	\$1,788.55	\$364.18	\$531.69	\$529.43	\$529.70
	% increase	-27.95%	5.15%	5.11%	-0.63%	-1.37%	-1.48%	-2.75%	-2.31%	-2.73%	-2.67%
	\$ increase	(\$351.89)	\$65.35	\$64.87	(\$6.93)	(\$24.85)	(\$26.92)	(\$10.31)	(\$12.57)	(\$14.83)	(\$14.56)
Total	Plan Year 2013	\$1,258.97	\$2,473.63	\$3,489.77	\$1,466.49	\$2,888.64	\$3,904.78	\$374.49	\$714.02	\$1,053.22	\$1,730.16
5	Plan Year 2014	\$1,227.55	\$2,412.45	\$3,410.33	\$1,428.97	\$2,815.25	\$3,811.33	\$364.18	\$694.66	\$1,003.63	\$1,581.64
1	% increase	-2.50%	-2.47%	-2.28%	-2.56%	-2.54%	-2.39%	-2.75%	-2.71%	4.71%	-8.58%
	\$ increase	(\$31.42)	(\$61.18)	(\$79.44)	(\$37.52)	(\$73.39)	(\$93.45)	(\$10.31)	(\$19.36)	(\$49.59)	(\$148.52)

HSS Subsidy of the '90/10 Contribution Model' CCSF MOU Agreements – Employer pays 90% of employee-only coverage tier. HSS Trust Subsidy bringing the employee-only premium equal to the Kaiser premium for 2014



VSP Vision: Final Active/Early Retiree/Medicare Monthly Contributions Calendar Year 2014

Exhibit 6 Vision Plan Rates

		Active SE	(Sarcialine Ezer	رام 11.52		(efiree	2 Till
Rates	Plan Year 2013	\$3.78	\$7.58	\$10.73		\$7.58	\$10.73
	Plan Year 2014	\$3.99	\$8.00	\$11.32		\$8.00	\$11.32
	% increase	2.5%	2.5%	2.5%	5.5%	5.5%	5.5%
	\$ increase	\$0.21	\$0.42	\$0.59		\$0.42	\$0.59

Health & Benefit

Exhibit 7 Dental PPO Plan Rates

		Activ	e (Bargain EE+1	ed) EE+2		Retiree EE+1	2+3E
Rates	Plan Year 2013	\$63.47	\$133.29	\$190.42	\$39.87	\$79.80	\$120.54
	Plan Year 2014	\$65.95	\$138.49	\$197.84	\$42.37	\$84.80	\$128.10
	% increase	3.90%	3.90%	3.90%	6.27%	6.27%	6.27%
	\$ increase	\$2.48	\$5.20	\$7.43	\$2.50	\$5.00	\$7.56

Monthly Contributions Calendar Year 2014 Delta Care USA: Final Active/Retiree

Exhibit 8
Delta HMO Plan Rates

		avilato.	(Bargaine			Retiree		
Rates	Plan Year 2013	\$26.00	\$42.90	\$63.45	331.70	\$52.31	\$77.37	
	Plan Year 2014	\$26.95	\$44.46	\$65.76	\$32.85	\$54.24	\$80.19	
	% increase	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	
	\$ increase	\$0.95	\$1.56	\$2.31	\$1.15	\$1.90	\$2.82	

Monthly Contributions Calendar Year 2014 Pacific Union Dental: Final Active/Retiree

Exhibit 9 Dental HMO Plan Rates

		Aetiv ==	e (Bargaine EE+1	3d) EE+2		Retiree EE+1	BERZ
Rates	Plan Year 2013	\$27.80	\$45.90	\$67.86	\$16.47	\$27.20	\$40.22
	Plan Year 2014	\$27.80	\$45.90	\$67.86	\$16.47	\$27.20	\$40.22
	% increase	%00.0	%00.0	0.00%	0.00%	0.00%	0.00%
	\$ increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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Life and LTD (Long Term Disability) Plan Year 2014 Aggregate Costs

Exhibit 10 LTD and Life Plan Rates

Plan Year Plan Year % Increase \$	\$316,000 \$316,000 \$0.00	\$77,000 \$77,000	\$5,687,000 \$5,687,000 \$0.00	
Plan Type	Basic Life	Supplemental Life/Dependent Life	Long-Term Disability	

AON Hewitt

Distribution of Aggregate Plan Costs (\$Millions)

Exhibit 11 Aggregate Costs

			TABLE4*		
	Dist	ribution of Agg	Distribution of Aggregate Plan Costs (\$millions)	sts (\$millions)	
	Member Contributions	Employer Contributions	Aggregate Plan Cost	Member Contributions as a % of Aggregate Costs	Employer Contributions as a % of Aggregate Costs
KalserilMo	\$27.2	\$295.6	\$322.8	8.43%	%25.16
\$ Increase	\$1.3	\$14.7	\$16.0		
% Increase	4.93%	5.25%	5.22%		
Blue#Shield HMO		\$266.5	\$308:5	13.60%	86.40%
\$ Increase	-\$0.1	\$1.8	\$1.7		
% Increase	-0.23%	%29.0	0.55%		
City Plan		\$50.3	\$62.1	18.94%	%90'18'
\$ Increase	2.0\$	-\$2.4	-\$1.7		
% Increase	6.76%	-4.63%	-2.66%	-	
Dental **	\$3.2	\$40.7	\$43.9	7.38%	92:62%
\$ Increase	\$0.0	\$1.6	\$1.6		
% Increase	%00.0	2.68%	2.48%		
	0:0\$	2'5\$	\$5.7	%00.0	100:00%
\$ Increase	0.0\$	0.0\$	\$0.0		
% Increase	%00.0	%00.0	0.00%		
Life Table The	1.0\$	£.0\$	\$0.4	19.55%	80.45%
\$ Increase	\$0.0	0.0\$	\$0.0		
% Increase	0.00%	%00.0	0.00%		
Totall Total	[4	1766935	(8/16/3/3)	%636/11 L	96/49 889
\$ Increase	\$1.9	\$15.7	\$17.6		
% Increase	2.34%	2.44%	2.43%		

^{*} Figures vary due to rounding

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

AON Tewitt

Distribution of Aggregate Plan Costs (\$Millions) Including Impact of HSS Trust Subsidy

Exhibit 12 Aggregate Costs with HSS Trust Subsidy

		Distribution	ı of Aggregate	Distribution of Aggregate Plan Costs (\$mi	llions)	
	Member Contributions	HSS Trust Subsidy	Employer Contributions	Aggregate Plan Cost	Member Contributions as a % of Aggregate Costs	Employer Contributions as a % of Americate Costs
Kaiser HMON	\$27.2	0.0\$	*** * \$295.6	\$322.8	8.43%	91.57%
\$ Increase	\$1.3	\$0.0	\$14.7	\$16.0		
% Increase	4.93%	0.00%	5.25%	5.22%		
Blue Shield HMO	6.66\$	** * * \$2.0	\$266.5	\$308.5	12.95%	86.40%
\$ Increase	1.2\$-	\$2.0	\$1.8	\$1.7		
% Increase	%66.4-	%00'0	0.67%	0.55%		
City Plan	\$10.4	4.14	\$50.3	\$62.1	16.68%	81 ,06%
\$ Increase	2.0\$-	\$1.4	-\$2.4	-\$1.7		
% Increase	-5.95%	0.00%	4	-2		
Dental *** **	\$3.2	0.0\$	\$40.7	\$43.9	7.38%	92:62%
\$ Increase	0.0\$	0.0\$	\$1.6	\$1.6		
% Increase	%00'0	%00.0	2.68%	2.48%		
LTD TAKE	0'0\$:::	0'0\$	2.53	7.5\$	%00'0	400.00%
\$ Increase	0.0\$	0.0\$	\$0.0	0.0\$		
% Increase	%00'0	%00.0	0.00%	0.00%		
Life	+1:0\$	0.0\$ 👡 🕕 📜	\$0.3	\$0.4	19.55%	80,45%
\$ Increase	0.0\$	0.0\$	\$0.0	\$0.0		
% Increase	%00'0	%00'0	0.00%	0.00%		
hrodalii Ilajou	(350,6)	P188	11/6998	87/49,9	9/6/1/8/10/19/4	9/6/19/88
\$ Increase	(\$1.5)	4.6\$	\$15.7	\$17.6		
% Increase	-1.79%	%00'0	2.44%	2.43%		
* Figures yary due to rounding	to rounding					

^{&#}x27; Figures vary due to rounding

lealth & Benefit

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

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Aggregate Medical Costs (\$Millions) Including Impact of **HSS Trust Subsidy**

Exhibit 13 HSS Trust Subsidy

January 1, 2014 to Decembe	r 31, 2014 Aggregat	e Medical Cost (\$ millio	us)	
	Member	⊒mployer =	HSS Trust	Aggregate
	Contributions	Contributions	Subsidy	Plan Cost
Current Rates	0.67\$	£862\$	N[A]	\$677.3
Final Renewall Rates (including plan design changes)	2.77.5	\$612.4	\$3.4	\$693.3
\$ Difference	(\$1.5)	\$14.1	\$3.4	\$16.0
% Difference	-1.90%	2.36%	N/A	2.36%

CITY AND COUNTY OF SAN FRANCISCO	MEMBERSHIP ENROLLMENT STATISTICS REPORT
OF SAN	ENROLLMENT

Report Databa	Report ID: MBA0046-2 Database : HCPRD		CITY MEMBERSHIP	AND COUNTY OF ENROLLMENT S	CITY AND COUNTY OF SAN FRANCISCO MEMBERSHIP ENROLLMENT STATISTICS REPORT				Page No. 11 of 5 Run Date: 06/03/2013)13
	MEDICAL PLAN ENROLLMENT	٠.							0\$:/0:60 :5mt Truck	_
	MEMBERSHIP STATUS			CTYPLN	BLSHLD	BLSHLD ACCESS+	KAISER	WAIVED	TOTAL	
	ACTIVE Members NO MEDICARE MEDICARE A MEDICARE A MEDICARE AB			869 869	16,050 16,050	00	16,912 18,912	1,992	37,823 37,823	
•	RETIRED Members NO MEDICARE MEDICARE	•		5,236	3,514	3,489	10,143	1,794	24,176 6,699	
	MEDICARE B MEDICARE AB NON-COMPLIANT			36 4,605 23	3,514	45 966	4.9 7,673	546	17 133 17,304 23	
	SURVIVING SPOUSE NO MEDICARE MEDICARE A	,		1,027	245	203 127	1,284	362	3,121 586	
	MEDICARE B MEDICARE AB NON-COMPLIANT			- 6963	245	7.4	1,092	152	2,526 1	
760	COMMISSIONERS NO MEDICARE NEDICARE A MEDICARE A MEDICARE AB			1 1	40	00	2.9	150	223 223	
	TOTAL MEMBERS			7,136	19,849	3,692	30,368	4,298	65,343	

rt ID: MBA0046-2 base : HCPRD	CITY AND COUNTY OF SAN FRANCISCO MEMBERSHIP ENROLLMENT STATISTICS REPORT	F SAN FRANCISCO TATISTICS REPORT	Eu			Page No. 2g of 5 Run Date: 06/03/2011 Run Time: 09:07:40
MEDICAL PLAN ENROLLMENT						
MEMBERSHIP STATUS	CTYPLN	BLSHLD	BLSHLD ACCESS+	KAISER	WAIVED	TOTAL
SPOUSE/DOM PRT DEPENDENTS OF ACTIVE Members NO MEDICARE	135	6,399	0.0	7,570	00	14,104 14,044
MEDICARE A MEDICARE B MEDICARE AB		. 60	1 1	2.9	0	1 59
SPOUSE/DOM PRT DEPENDENTS OF RETIRED Members NO MEDICARE A MEDICARE B MEDICARE B	1,493 291 - 1,196	1,075 330 - 742	1,269 891 - - 373	3,212	0 0	7,049 2,706 2 2 21 4,319
NON-COMPLIANT		1-1-			0	et
SPOUSE/DOM PRT DEPENDENTS OF SURVIVING SPOUSE NO MEDICARE A MEDICARE A MEDICARE AB MEDICARE AB NON-COMPLIANT		•				•
SPOUSE/DOM PRT DEPENDENTS OF COMMISSIONERS NO MEDICARE A MEDICARE B MEDICARE B MEDICARE A			••		Ö 1	1.5 1.5

Repor Datab	Report ID: MBA0046-2 Database : HCPRD	CITY AND COUNTY OF SAN FRANCISCO MEMBERSHIP ENROLLMENT STATISTICS REPORT	COUNTY OF	CITY AND COUNTY OF SAN FRANCISCO SHIP ENROLLMENT STATISTICS REPORT	e s			Page No. 3∰ of 5 Run Date: 06/03/2013 Run Time: 09:07:40
	MEDICAL PLAN ENROLLMENT							-
	MEMBERSHIP STATUS	CTY	CTYPLN	BLSHLD	BLSHLD ACCESS+	KAISER	WAIVED	TOTAL
	CHILD/MINOR DEPENDENTS OF ACTIVE Members NO MEDICARE MEDICARE A		113	10,714	00	13,783	0	24,610 24,608
	MEDICARE B MEDICARE AB			. 1 				
	CHILD/MINOR DEPENDENTS OF RETIRED Members NO MEDICARE MEDICARE A MEDICARE B		73 68	130 126	645	635	0	1,483 1,458
	MEDICARE AB NON-COMPLIANT		. 1					25
	CHILD/MINOR DEPENDENTS OF SURVIVING SPOUSE NO MEDICARE MEDICARE A MEDICARE A			i i	31 31	39		97 97
	MEDICARE AB NON-COMPLIANT		1			ł		m
762	CHILD/MINOR DEPENDENTS OF COMMISSIONERS NO MEDICARE MEDICARE B MEDICARE B MEDICARE B		1 1	. 11		1 1 ·	0	19
•	TOTAL DEPENDENTS		1,826	18,341	1,945	25,247	0	47,359
*	MEDICAL PLAN TOTALS		8,962	38,190	5,637	55,615	4,298	112,702

ID: MBA0046-2 ie : HCPRD	CITY AND COUNTY OF SAN FRANCISCO MEMBERSHIP ENROLLMENT STATISTICS REPORT	ISCO REPORT			Page No. 54 of 5 Run Date: 06/03/2013
					04:/0:60 :amt Tmy
DENTAL PLAN ENROLLMENT					
MEMBERSHIP STATUS	DLTDEN	DLCDEN	PUDDEN	MAIVED	TOTAL
ACTIVE Members	26,813	700	359	1,165	29,037
RETIRED Members	14,572	1,151	573	7,982	24,278
SURVIVING SPOUSE	1,400	190	58	1,475	3,123
COMMISSIONERS	51	1		163	223
TOTAL MEMBERS	42,836	2,049	991	10,785	56,661
SPOUSE/DOM PRI DEPENDENTS OF ACTIVE Members	13,551	769	151	0	13,971
SPOUSE/DOM PRI DEPENDENTS OF RETIRED Members	5, 738	442	196	0	6,376
SPOUSE/DOM PRI DEPENDENTS OF SURVIVING SPOUSE					-
SPOUSE/DOM PRI DEPENDENTS OF COMMISSIONERS				0	20
CHILD/MINOR DEPENDENTS OF ACTIVE Members	23,744	494	239	0	24,477
CHILD/MINOR DEPENDENTS OF RETIRED Members	1,466	104	45	0	1,615
CHILD/MINOR DEPENDENTS OF SURVIVING SPOUSE	66	ı	I .	0	109
CHILD/MINOR DEPENDENTS OF COMMISSIONERS				0	21
TOTAL DEPENDENTS	44,631	1,319	639	0	46,589
DENTAL PLAN TOTALS	87,467	3,368	1,630	10,785	103,250

Page No. \$5 of 5 Run Date: 06/03/2013 Run Time: 09:08:36

Report ID: MBA0046-2 Database : HCPRD

LTD, LIFE AND FSA PLAN ENROLLMENT		•		
MEMBERSHIP STATUS	LTD	LIFE	DEPFSA	HTH

DEPFSA	790 2,438
LIFE	6,124
LTD	20,521
MEMBERSHIP STATUS	ACTIVE Members

President, District 3 BOARD of SUPERVISORS



ong: B/F clerk

B/F chair > BOS.11, COB

Les Dip.

City Hall

1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco 94102-4689 Tel. No. 554-7450 Fax No. 554-7454 TDD/TTY No. 544-5227

DAVID CHIU 邱信福 市参事會主席

	PRESIDENTIAL ACTION	7013	BOAR
Date:	7-2-13		N S S S S S S S S S S S S S S S S S S S
To:	Angela Calvillo, Clerk of the Board of Supervisors	2	SUPE
Madam Clei	·k,	H 12: 50	150 S.E.
Pursuant to	Board Rules, I am hereby:	C)	O Riv
	Waiving 30-Day Rule (Board Rule No. 3.23)		
	File No. 130653 Farrell (Primary Sponsor)		
	Transferring (Board Rule No. 3.3)		
	File No(Primary Sponsor)		
٠.	From: Committee		
	To:Committee		
	Assigning Temporary Committee Appointment (Board Rule No. 3.1)		•
•	Supervisor		
	Replacing Supervisor		
	For: (Committee)	M	eeting

David Chiu, President Board of Supervisors

Board of Supervisors

Rates and Benefits for Plan Year 2014 Approval of Health Service System

July 10, 2013

Health Service System Trust

four employers The Health Service System Trust provides health care benefits for

- San Francisco Unified School District
- San Francisco Community College District
- Superior Court of San Francisco
- City and County of San Francisco

retiree benefits for all four participating employers This 2014 Rates and Benefits packet represents employee and

Health Service System

CITY & COUNTY OF SAN FRANCISCO

MYHSS.ORG

- Aggregate and CCSF Premium Increases
- Affordable Care Act Fees and Taxes
- Medical Plans: Blue Shield, City Plan, Kaiser
- Kaiser Negotiation Process
- HSS Recommendations
- Implications of Non-Approval
- Suggested Action Plan

Health Service System

CITY & COUNTY OF SAN FRANCISCO

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2.43% Aggregate Premium Increase

Aggregate data for all four employers (Millions)	Members Pay	Employers Pay	Total Cost	Year over Year % Increase
Kaiser HMO	\$27.2M	\$295.6M	\$322.8M	5.22%
Blue Shield HMO	\$42.0M	\$266.5M	\$308.5M	0.55%
City Plan PPO	\$11.8M	\$50.3M	\$62.1M	-2.66%
Dental Plans	\$3.2M	\$40.7M	\$43.9M	2.48%
Long Term Disability	\$0	\$5.7M	\$5.7M	%0
Life	\$0.1M	\$0.3M	\$0.4M	%0
TOTAL	\$84.2M	\$659.1M	\$743.3M	2.43%

Employers pay 88.7% (\$659.1M) and members pay 11.3% (\$84.2M) of these premiums. In 2014, premium costs will increase by 17.6M (2.43%) to 743.3M.

Health Service System

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Affordable Care Act (ACA)

2014 ACA FEES and TAXES (estimated by Aon Hewitt)

	•	
Patient-Centered Outcomes Research Institute	Direct Fee	\$.24M
Transitional Re-insurance Program	Direct Fee	\$5.49M
Health Insurance Industry Tax	Excise Tax	\$10.91M
TOTAL		\$16.65M

ACA fees and taxes 2.29% of the 2.43% 2014 premium increase is attributable to

paid by plan vendors and passed on in future premium increases Additional ACA pharmaceutical and medical device excises taxes will be

Health Service System

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Medical Plans: 2014 Increases

BLUE SHIELD	CITY PLAN	KAISER
.55% year-over-year premium increase	-2.66% year-over-year premium reduction	5.22% year-over-year premium increase
3.2% ACA taxes and fees	.24% ACA taxes and fees	1.77% ACA taxes and fees
-2.65% premium reduction	-2.9% premium reduction	3.45% premium increase
\$20M savings from flex-funding \$3-4M savings from lower utilization trends due to ACOs	\$16M savings from lower utilization trends, federal drug subsidies, and improved management	\$9.3M increase (not including ACA fees and taxes)

Aggregate premium data for all four employers

Health Service System

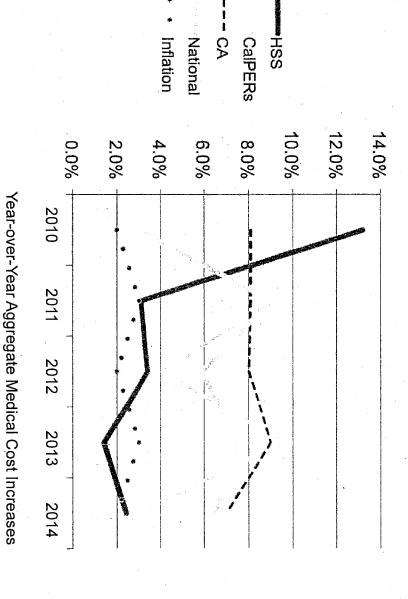
CITY & COUNTY OF SAN FRANCISCO

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HSS Is Beating Healthcare Cost Trends



- Reduced City's projected costs by \$52.6M for 2013-14 and 2014-15.
- Mitigates City's long-term commitments and GASB 45 projections.
- Negotiated 2014 aggregate 2.4% medical cost increase; 2.3% due to federal health care reform fees and taxes.
- Helps realize goal of sustainable, affordable healthcare now and into the future.

CITY & COUNTY OF SAN FRANCISCO

Beating the Trends

state and regional trends in health premium increases for the past three Due to aggressive cost containment strategies, HSS has beat national, benefits periods:

- 3.1% aggregate premium increase in FY 2011-12. Over 25M saved from RFP and benefit changes.
- 3.6% annualized aggregate premium increase in calendar year 2012 (based on July-Dec short plan year). Over 18M saved from calendar year change and benefit changes
- 1.4% aggregate premium increase in calendar year 2013. Over 40M saved from flex-funding, ACO efforts, etc.
- 2.4% aggregate increase in 2014 of which 2.3% was due to Healthcare Reform fees and Taxes.

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CITY & COUNTY OF SAN FRANCISCO

0.7% City & County Premium Increase

TOTAL	Member Premiums	City Premiums	Data for just CCSF (Millions)
\$591.7M	\$74.1M	\$517.6M	2013
\$595.8M	\$72.6M	\$523.1M	2014
\$4.1	-\$1.5	\$5.5	Increase
0.7%	-2.0%	1.1%	Year over Year

in 2014 compared to 2013, due primarily to decreases in Blue Shield and City Plan premium rates City & County of San Francisco members will pay 2% less in premiums

Aon Hewitt data for CCSF; includes medical, dental, vision, LTD and life

Health Service System

CITY & COUNTY OF SAN FRANCISCO

9

Flat Premium Incentive

additional rate card for the two self-insured plans, Blue Shield and City Plan. Employee Only Contribution to the same Employee Contribution as Kaiser. At the June meeting of the Health Service Board, the Board approved an This Card provides a subsidy from the HSS Trust Fund to bring the 2014 This rate card will apply to any member whose union agrees to a Flat Premium contribution strategy by 7/31/13.

Employee Only HSS Subsidized Rate	\$3.96	\$3.96
Employee Only 90/10 Rate	\$60.17	\$320.97
Plan	Blue Shield	City Plan

Maximum HSS 2014 subsidy if all unions agree to Flat Premium = \$3.4M.

Health Service System CITY & COUNTY OF SAN FRANCISCO

10

Kaiser Negotiation Process

Substantial efforts were made to date to engage Kaiser in negotiations, but there was no movement on proposed 2014 rates.

- consultants and Kaiser representatives since January 2013 Six meetings between Health Service System executives, Aon Hewitt
- Numerous telephone conferences.
- Two Health Service Board meetings between January to June 2013.
- Public comments by representatives from the Mayor's office and labor leaders
- Discussions with other large employers that contract with Kaiser.

Health Service System

CITY & COUNTY OF SAN FRANCISCO

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HSS Recommendations

The Health Service Board, the Health Service System and the Board of Supervisors Legislative Analyst recommend approval of 2014 rates and benefits.

- Realize the 2.43% aggregate and .7% City rate increases
- Preserve continuity of care and avoid disruption of medical services for over 40,000 Kaiser enrollees
- Meet federal deadlines for communicating plan and rate information during Open Enrollment
- Immediately engage in Kaiser action plan for 2015
- Pursue cost-competitive alternatives to Kaiser for 2015

Health Service System

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Implications of Not Approving Rates

PROCEDURAL

- To exclude Kaiser, new actuarial analysis is mandated; will take until August to complete
- Health Service Trust takes on more risk (all plans self-insured)
- Update assessment of impact on City budget and GASB
- Board of Supervisors August meeting to review alternative proposals and approve plans and rates
- Delay in approval beyond August will push back Open Enrollment

MEMBER DISRUPTION

- 40,000+ Kaiser members would need to move to either Blue Shield or City Plan and find new physicians
- ACA is expected to also cause large influx of patients in 2014
- State law does offer continuity of care protection in certain cases
- Utilization typically increases in first year of disruption as it can take several months to transfer medical records
- Typically takes six months of communications to prepare for large disruption

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Health Service System

Proposed Draft Action Plan

HEALTH SERVICE SYSTEM

- Immediately commence 2015 Kaiser negotiations
- Evaluate Kaiser selfinsurance and shared risk options
- Consider risk adjusted premiums to equalize risk rating among plans
- Prepare contingency options for cost-competitive alternatives and/or moving away from Kaiser in 2015

BOARD OF SUPERVISORS

- Transparency legislation for all medical plans that contract with the City
- Require regular updates on ongoing 2015 Kaiser negotiations
- Support transparency legislation on state and county levels
- Call for profit pledge commitment from all health plans contracted with the City

UNIONS

- Support Transparency legislation efforts
- Voluntary Kaiser boycott during October Open Enrollment
- Pursue premium contribution models that do not favor Kaiser
- Keep members informed about ongoing 2015 Kaiser negotiations
- Legislative lobbying

Health Service System CITY & COUNTY OF SAN FRANCISCO



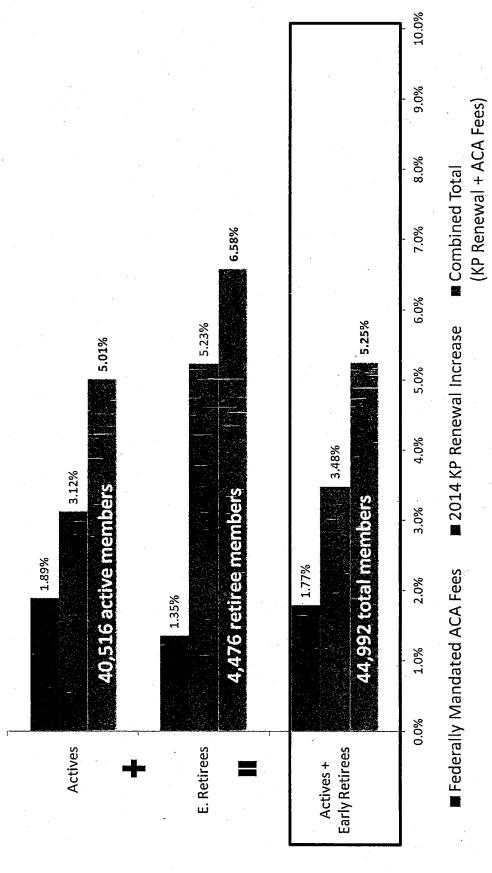
July 17, 2013

Agenda

- The 2014 Renewal Increase
- Rate History and Market Trends
- 2015 KP Renewal Commitment to HSS
- KP's Commitment and Performance Guarantees
- * Accountability
- Transparency
- * Wellness
- What if KP is Not Renewed?
- Year-Round Reporting and Transparency

KAISER PERMANENTE, Thrive

2014 HSS Renewal Increase Calculation and Overview



Year-over-Year Changes in Claims, 2011-2012

HSS Early Retirees ——— 8.7%

 ■ KP Average ——————— 5.8%

2014 Renewal Primary Rate Drivers

Use 2012 HSS utilization data including:

Inpatient and outpatient surgeries and procedures, hospital admissions, mental health and substance abuse, emergency room visits, maternity, laboratory, radiology, pharmacy including generic/brand, durable medical equipment

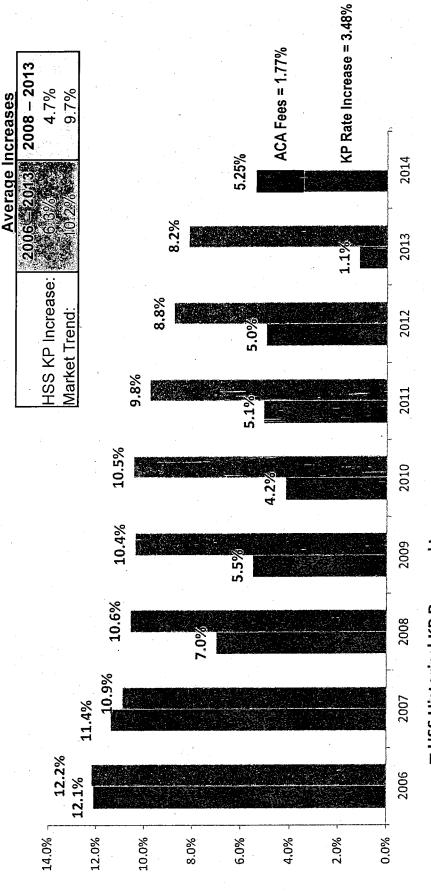
- Adjusted for demographics including gender and age

Trend data forward to project utilization in 2014

Administration charge

New for 2014 ACA Fees

HSS Rate Renewal History vs. Market Trend



■ HSS Historical KP Renewal Increase

Trend Rate History from 2013 AonHewitt Survey (Commercial HMO)

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2014 Renewal Summary

administrative expenses for providing care to the City & County of The rates reflect Kaiser Permanente's expected claims and San Francisco employees, retirees and their families We use the same group-specific experience rating methodology for all of our large group customers

2015 KP Renewal Commitment to HSS

KP is committed to:

- Beginning discussions immediately

Defining mutually clear objectives

Analyzing alternative funding methodologies

Working towards a mutually successful renewal

In partnership with HSS, develop a multi-year wellness program. Specifically for 2014, Monthly KP/HSS claims data feed to be provided to a HSS third-party data repository A performance guarantee on the management of chronic health conditions based on the program will include both on-site weekly bio metric screenings and seasonal flu Partner in a Kaiser funded research study evaluating wellness effectiveness for our Data files on member risk scores and quality indicators bi-annually

both financial and clinical metrics

Wellness

Details on each of these will be worked out with HSS

HSS members

clinics (Fall)

KAISER PERMANENTE, thrive

Accountability

KP's Commitment and Performance Guarantee

KP has committed to providing:

Transparency

What if Kaiser Permanente is Not Renewed?

- In response to the Board meeting on 7/10/13, we want to convey what happens if KP is not renewed
- contract in place effective 1/1/2014, for HSS to reimburse KP for services Based on the Controller's statement last week, HSS and KP must have a rendered
- If the Board of Supervisors doesn't renew the KP contract, KP would need to work with HSS over the next five months to transition the care of KP members to other providers

KAISER PERMANENTE, Thrive

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5	ta Pro	ıaqma	prevalence and cost of five	major chronic conditions	KP performance	demographics, cl	clinical data	Members use of	channel for accessing	healthcare resources,	information and	KP puts 2% of HSS' premium	at risk for the performance	of our health pla		Cost and utilization trends	compared to KP	Business	Prevalence of lifestyle and	medical risk factors; e.g.	smokers	Rate build up showing	group demographics, claims,	trend	Shows how KP's integrated	delivery system services	provide successful	outcomes	
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Year-Round Reporting and Transparency	Report Title/ Type Data Provided	Chronic Condition Member health,	Report		Dashboard			Online Usage	Report (KP.org)			Performance	Guarantees			Periodic	Utilization and	Review Report	Prevention and	Lifestyle Risk	Report	Renewal Packet			Value Summary	Report			
							1.	<u>, -</u>														•	-			-			

APPENDIX

Detailed Rate Build-Up Calculations

2011 Donogo	Coloniation	2014 Renewal	newal	2014 Renewal	enewal	
10VI # 107	ICWAI CAICUIAIDII	Actives	sa	Early Retirees (North)	ses (North)	
		Rating Members	40,516	Rating Members	4,476	
Medical Calculat	Calculation	Factor	PMPM\$	Factor	PMPM\$	
A1 Paid Claims			380 845		4 707 800	000
A2 - Pooling Credit @\$	edit @ \$550,000		(5,478)) (7) (8)	9 6
A3 + Pooling Charge	harge	-	6.470) o	(0.040)
A4 Claims Net	Claims Net of Pooling		382.307		20,940	2 2
A5 x Incurred Claim Adjustment	laim Adjustment	1.01056		92666 0		3
A6 x Demographic Chan	hic Change	1,00009		0 99390		
A7 x Historical Benefit (Benefit Change	0.99774		0.99780		
A8 Adjusted Claims	laims		385.506		720 207	
A9 x Trend Factor	tor Annual Trend: 6.21% / 6.18%	1.12809		1 12748		
A10 Claims Based PMP	PMPM		\$ 434,886		\$ 812.121	121

812.121 24.970 1.800	
21.180	2014 Renewal
5.662	Averaged
5.420	Rating Members 44,992
871.153	
818.897	\$ 486.037
871,151	\$ 510.027
	1.00321
872.786	5.25% \$ 511.663

812.121

1.00000

434.886 24.970 1.800 3.056 5.420

PMPM\$

Factor

PMPM\$

Factor

Total Rate Calculation

Claims Based PMPM

Adjusted PMPM

434.886

1.00000

<u>E</u> 4	E4 Quoted Rate PMPM after Underwriter Adjustment		5.01% \$
A1: F	A1: Paid Claims - Paid medical and pharmacy expenses for services provided to	ed to	A8: Trend F

a health plan member during the experience period, reduced for member cost

year to year we credit all claims incurred by an individual, over the experience A2-A3: Pooling – In order to protect customers from large rate swings from period, that exceeded the prescribed threshold. There is a corresponding sharing such as copayments and deductibles.

charge for this pooling threshold that allows for this level of protection.

A5-A7: Aggregate Rating Adjustments - In order to reflect the most current group specific information we adjust the claims experience for changes in demographics, Benefits, and to convert claims from paid to incurred.

A8: Trend Factor – The factor applied to a group's historical claims to project future medical

6.58% 1.00187

471.768

expenses.

470.132

1.00348

449.264

470.132

D4: Retention - The portion of premium that is retained by KP to cover Health Plan administrative expenses such as billing, member services and marketing.

D6: Group Specific Charge - The Charge on the Early Retirees reflects the additional revenue required to provide a single blended rate for the over 65 Unassigned category

D7-D8: ACA Fees – Fees associated with the recent legislation on the Affordable Care Act.

E3: Underwriter Adjustment - Remaining load to account for costs associated with SB946 Autism Spectrum Disorder. KAISER PERMANENTE, Thrive

+ Federal Health Insurer Fee

Group Specific Charge

Other Benefits

Retention

+ Federal PCORI Fee/Transitional Reinsurance Program Contribution

PMPM Premium Requirement

Inforce Rate

Quoted Rate PMPM before Underwriter Adjustment

x Underwriter Adjustment

KAISER PERMANENTE, Thrive

Actives, 2013 vs. 2014, Renewal Calculation

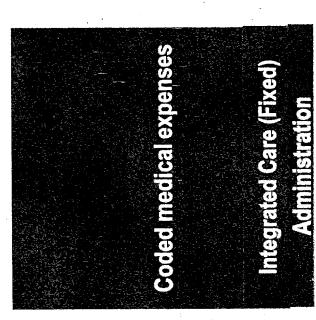
							1
		2013 Renewal	wal	2014 Renewal	newal	Δ 2013 to 2014 % Change	
		CONTOL	1	1		28 28 28 28 28 28 28 28 28 28 28 28 28 2	7
		Rating Members	38,492	Rating Members	40,516		
	Medical Calculation	Factor	PMPM\$	Factor	PMPM\$	Factor PMPM\$	φ.
4	Paid Claims	\$	361.146		\$ 380.845	5.5%	·%
A 2	- Pooling Credit @ \$550,000	€9	(9.130)			40.0%	%
A3	(I)	€9	6.610		\$ 6.940	2.0%	اي
A 4	Claims Net of Pooling	₩	358.626		\$ 382.307		%
A5	x Incurred Claim Adjustment	1.01308		1.01056		-0.2%	
A6	x Demographic Change	1.00076		1.00009		-0.1%	
A7	x Historical Benefit Change	0.99587	• .	0.99774		0.2%	
A8	Adjusted Claims	49	362.092		\$ 385,506	6.5%	2%
A 9	x Trend Factor	1.15708		1.12809		-2.5%	
A10		\$	418.969		\$ 434.886	3.8	3.8%
	-						,[
	Total Rate Calculation	Factor	PMPM\$	Factor	PMPM\$	Factor PMPM\$	с э
10	Claims Based PMPM	€	418,969		\$ 434.886	3.8%	- %
D2	x Future Benefit Change	1.00147		1.00000		-0.1%	
D3	Adjusted PMPM	€\$	419.585		\$ 434.886	3.6%	%:
7	+ Retention	€9	24.480	at a	\$ 24.970	2.0%	%
<u>D</u> 2	+ Other Benefits	€	1.800		\$ 1.800	%0.0	%
90	+ Group Specific Charge	€	1		· •	Y X	
10	+ Federal Health Insurer Fee	₩	ı		\$ 3.056	N/A	
8	+ Federal PCORI Fee/Transitional Reinsurance Program Contribution	မှာ	1		\$ 5.420	A/N	
60	PMPM Premium Requirement	\$	445.865		\$ 470.132	5.4%	%
<u> </u>	Inforce Rate	↔	447.758		\$ 449.264	0.0%	%
E2	Quoted Rate PMPM before Underwriter Adjustment	€3	445.865		\$ 470.132	5.4%	<u>%</u>
E3	x Underwriter Adjustment	1.00736	•	1.00348		-0.4%	
E4	Quoted Rate PMPM after Underwriter Adjustment	0.31% \$	449.150	5.01%	\$ 471.768	2.0%	%

Early Retirees, 2013 vs. 2014, Renewal Calculation

		2013 Renewal		2014 Renewa	ewal	Δ 2013 to 2014
		Pating Members		Members	472	% Change
				Natilig Mellibers	4,4/0	
	Medical Calculation	Factor PMPM\$		Factor	PMPM\$	Factor PMPM\$
4	Paid Claims	⇔	669,621	()	727.888	8.7%
A 2	- Pooling Credit @ \$550,000	↔	(8.013)	· (γ		0.4%
A3	+ Pooling Charge	₩.	6.610	- 		2.0%
¥.	Claims Net of Pooling	€	668.218	.	726.782	8.8%
A5	x Incurred Claim Adjustment	1.02110		0.99936	-	
<u>A6</u>	x Demographic Change	0.99416		0.99390	,	%0.0
₹	X Historical Benefit Change	0.99603		0.99780		0.2%
A8	Adjusted Claims	9	675.637	₩.	720.297	6.6%
9 V	x Trend Factor	1,15603		1,12748		-2.5%
A10) Claims Based PMPM	2 \$	781.057	4	812,121	4.0%
	- C					
	lotal Kate Calculation	Factor PMPM\$		Factor	PMPM\$	Factor PMPM\$
7	Claims Based PMPM	2 \$	781.057	. 69	812.121	4.0%
22	x Future Benefit Change	1.00147		1.00000		-0.1%
<u>ස</u>	Adjusted PMPM	£ \$	782.206	49	812.121	3.8%
2 5	+ Ketention	↔	24.480	€	24.970	2.0%
දු දි	+ Other Benefits	₩	1.800	₩	1.800	%0.0
2 2	+ Group Specific Charge	₩.	18.027	↔		17.5%
<u>``</u>	+ Federal Health Insurer Fee	ທ	•	↔	299.5	N/A
2	+ Federal PCORI Fee/Transitional Reinsurance Program Contribution	₩.	-	(5.420	N/A
ස	PMPM Premium Requirement	8 \$	826.513	\$	871.153	5.4%
Ш	Inforce Rate	2 \$	789.576	⇔	818.897	1.3%
E2		\$	826.513	↔		5.4%
<u>E3</u>	x Underwriter Adjustment	1.00386		1.00187		-0.2%
E	Quoted Rate PMPM after Underwriter Adjustment	5.08% \$ 8	829.700	6.58% \$	872.786	6.7%

KAISER PERMANENTE. Thrive

Integrated Care Management Services



Previous Renewal



2014 Renewal

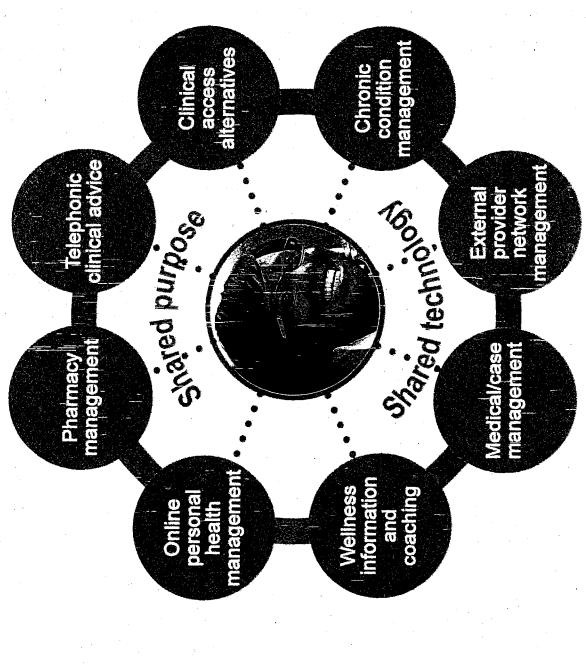
 These are services that are instrumental in delivering the highest quality care in the market

For Kaiser Permanente, these are not billable services

Expenses shifted from the fee schedule into the separate fee for 2014 renewal For more details on each one of these areas, please see the following slides

KAISER PERMANENTE, THING

Integrated Care Management Services



Clinical Access Alternatives

Description ICM Service

Secure email correspondence with physician/physician's office

Scheduled phone calls with physicians and staff Electronic specialist consults (doctor to doctor)

Phone specialist consults
(primary care physician,
member, specialist)
Ongoing specialist-to-primary
care physician communication

health plans charge members a copay for electronic messaging, if it's covered at Members can email their doctor's office with nonurgent questions—often saving an appointment and a trip to the medical office, as well as a copay. Most other

Scheduled phone visits with caregivers can save members an office visit.

questions or advance treatment before specialist visits. The e-consult enables the primary care physician to order any necessary tests or exams before the member sees the specialist, reducing extra visits and making the care experience more E-consults between primary care physicians and specialists help resolve fluid and effective, leading to a quicker result.

each other's electronic treatment notes in real time and on an ongoing basis. This specialist to evaluate the patient's symptoms and immediately resolve the issue Following patient evaluations, primary care physicians and specialists can view When needed during a member's primary care visit, a physician can call a or determine if tests are needed or a specialist visit should be scheduled allows for a thorough and accurate exchange of information. KAISER PERMANENTE, Thrive

Chronic Conditions Management

- Description chronic condition programs ICM Service

Development of evidence-based Includes creation/identification of best practices and registry development for our award-winning chronic condition and disease management programs. Programs include: asthma, cancer, coronary heart failure, depression, diabetes,

obesity. Other health plans contract with third-party disease management vendors hypertension, chronic pain, chronic obstructive pulmonary disease, coronary artery disease, high-risk maternity, HIV/AIDS, neonatal complications, and with limited ability to integrate with the clinical care experience.

Includes disease registries and built-in system alerts that automatically identify atenrolled in the appropriate program. Third-party disease management programs have limited connection to the care experience, so patients have to opt in, may risk members. If a chronic condition is diagnosed, the member is automatically require health plan authorization, and may incur additional costs.

Case identification and automatic enrollment



Chronic Conditions Management

Description ICM Service

Outcomes tracking and analysis

Constant patient monitoring by the entire Kaiser Permanente care team optimizes health educators, and lab techs work together, sharing information, protocols, and information gaps. Third-party disease management programs are disconnected from care providers and clinical data-they're usually working from call centers access to a single electronic health record, reducing or eliminating care and best practices for better outcomes. The care team is connected by and has outcomes for both individuals and populations. Doctors, specialists, nurses, and refer to claims data only.

> wellness program consultation **Employer reporting and**

track HEDIS measures and health outcomes, and reveal the prevalence and cost This level of clinical data reporting isn't possible with fee-for-service, fragmented improvement—including wellness programs—are provided based on the results. Partnership in Health chronic condition reports collect aggregate clinical data, of certain chronic conditions. Recommendations for workforce health care models.



Chronic Conditions Management

ICM Service

| Description

Member outreach and inreach

Digital coaching for chronic Patient self-care tools and education for chronic conditions conditions

electronic alerts within their electronic health record and face-to-face prompts that Includes patient outreach (by phone, mail, and other collateral) and inreach (via Includes health education classes, online tools and calculators, videos, and occur during patient visits). Proven to increase member adherence to care brochures that address chronic conditions such as diabetes or asthma. protocols such as screenings, immunizations, and scheduled tests.

Customized and interactive online programs help members manage their chronic conditions with relevant information around diet, exercise, medication, stress management, and more. Member self-reported data is used to generate aggregate reports on program use and effectiveness.

Pharmacy Management

Description ICM Service

Discount/rebate negotiation with manufacturers
Automated refills by phone or online; no additional costs for mail order on all prescriptions; prescription refill email reminders; refill status online;

We leverage our organizational size to negotiate prescription drug prices, helping reduce costs. Members can conveniently order prescription refills online 24 hours a day, 7 days improving outcomes. Members can also email questions to a Kaiser Permanente time away from work. Refill email reminders help increase pharmacy adherence, a week and have them delivered to their homes at no additional cost-saving pharmacist anytime.

adherence. Also includes research teams that track new FDA drug approvals and member drug outcomes using Kaiser Permanente HealthConnect®—information fragmented fee-for-service world, pharmaceutical reps are restricted from Kaiser Our practicing physicians and pharmacists work together to build an evidenceanalyze studies and comparative prices of existing therapies. We also study is shared quickly and efficiently across the organization. And unlike in the based formulary. This physician-led process results in greater formulary Permanente campuses



online access to pharmacists

Formulary development

Pharmacy Management

ICM Service

Physician education

warfarin, also known by brand-Anticoagulation clinic (use of Patient counseling and name Coumadin) education

practices, safety prompts, and alerts to physicians via our electronic health record system. Also includes dedicated pharmacy educators who work to develop site-Includes the automatic dissemination of formulary guidelines, medication best specific physician medication education programs. Description

Includes face-to-face consults and printed instructions for all new and changed prescriptions for members—improving adherence.

expertise and better outcomes (patient risk mortality is 1% at Kaiser Permanente programwide. Our "center of excellence" approach results in high patient volume manage status within a narrow therapeutic window. Physician continues to work closely with the pharmacist, supervising and collecting quality data. Established (700 patients annually vs. 3 to 10 for private practice), which leads to increased Physicians refer high-risk patients to pharmacist-led anticoagulation teams to Refers to clinics specializing in blood thinner treatment for clotting disorders. versus the published results of 8 to 12% outside of Kaiser Permanente).



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Clinically populated personal health record

on members to self-report information. Our clinically based records are populated, our electronic medical record system, KP HealthConnect. Other health plans may Member personal health records draw clinical health information in real time from offer personal health records, but they draw information from claims data or rely shared, and accessed by care team members. Members can also suggest updates to their personal health record information.

After-visit summaries include treatment plans, physician notes, vitals, and more.

Members can review their summaries online anytime.

was taken. Results also show information on why the test was taken and how to

Members can view select lab results online—sometimes the same day the test

interpret results. This feature saves members from having to take time off work to

make an office visit or a phone call.

Schedule/manage

appointments

Members can request and review routine appointments online, at their

convenience, saving a phone call.

KAISER PERMANENTE, Thrive

After-visit summary

Rapid posting of lab results

Online Personal Health Management

CM Service	Description
View allergy	Members can review their or their children's allergies and immunization histories
treatment/immunization	online instead of relying on paper records. This convenient, time-saving feature
schedules	especially helps parents of school-age children who must frequently provide proof

View status for recommended preventive screenings

Members can access a list of their recommended or scheduled health screenings. of immunization status.

screenings, increasing adherence and improving health.

Members also receive electronic health prompts for overdue tests and

Wellness Information and Coaching

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content and tools for wellness Web-based health education

featured topics, tools, and calculators target lifestyle-specific risk behaviors such encyclopedias, videos, virtual tours of our maternity departments, podcasts, as smoking **Fargeted health and wellness**

Health education classes and mailings and reminders

support groups

Health risk assessment tools management services integrated with care

(flu shots, vaccinations, immunizations, health screenings) to help keep members conveniently located at Kaiser Permanente facilities. Classes promote preventive healthy. Outreach comes from the care providers, not the health plan, increasing Includes mail and phone outreach for preventive care for nonchronic conditions Covers a wide array of health education classes and peer-support groups the importance of the mailing from the member's perspective.

their lifestyle and health risks and assess their readiness to change. Unlike with Includes total health assessments, which give members a detailed overview of other health plans, the results can be added to members' electronic medical record for discussion with their physician.

care, encourage fitness and nutrition, and support treatment plans.



Wellness Information and Coaching

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Newsletter and other health information

Telephonic health coaching

Digital coaching for wellness

Other programs (walking programs, discounted fitness/gym rates)

Includes our Partners in Health member newsletter and health topic-specific communications (e.g., senior health, maternity) in a variety of languages to support culturally competent care. One-on-one personal coaching motivates members to establish and meet health goals such as smoking cessation, weight loss, or improved nutrition. Coaches have access to member health records for a total health approach.

Interactive and customized, these online programs help members improve their Includes Thrive Across AmericaSM fitness program, gym/fitness club discounts, health by addressing a variety of lifestyle risk behaviors. Member self-reported data is used to generate aggregate reports on program use and effectiveness. and complementary care programs that support total health.

Telephonic Clinical Advice

ICM Service	Integrated nurse advice and	appointment system
<u></u>	Integrated n	appointmen

Our 24/7 nurse advice line is staffed by Kaiser Permanente nurses with access to member medical records and an available physician to handle more serious calls. health plans hire nurses with access to claims data and little or no connection to make appointments when appropriate. They also help members save money by With access to clinical data, nurses can triage members more effectively and avoiding trips to urgent and emergency care for nonurgent conditions. Other the clinical care experience.

External Provider Network Management

Beseription ICM Service

building and maintenance **External provider network**

groups in partnership with our health plan to provide clinical oversight. Most other Includes identifying, contracting with, and reviewing external provider networks. The networks are reviewed, approved, and managed by Permanente physician health plan networks are reviewed, approved, and managed by health plan administrators only. Network rates are negotiated, leveraging volume to achieve competitive discounts where applicable.

Special rates are negotiated for acupuncture, massage, and chiropractic care.

Arrangements with out-of-area Access to discounted affinity networks for complementary Claims repricing medical care providers

excellence" networks for transplants and other Access to "center of specialized services

Arrange access and negotiate prices with out-of-area providers that provide care Includes the processing and negotiation of claims from outside providers. to members on an ad hoc basis (in cases like travel emergencies),

Includes identifying, contracting with, and integrating operations with care centers to effectively support patients in need of highly specialized care.



Competitive network discounts

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Evidence-based clinical guidelines

departments and Care Management Institute. As a result, we can go from cuttingleveraging of academic research resources and results from our clinical research practices that drive quality and cost-efficiencies. Also includes support for and Includes development, vetting, and electronic dissemination of clinical best Permanente, it can take 17 years for best practices to become standard. edge knowledge to implementation in just one year—outside of Kaiser

imaging, prescriptions, and more). Ensures admission is for the right reasons. A

Includes review of patient medical record prior to hospital admission (labs,

single technology platform—KP HealthConnect—makes the process efficient,

seamless, and consistent. Outside of Kaiser Permanente, hospital care is often

disconnected from outpatient care, resulting in a lack of care continuity,

redundancy in testing/procedures, and patient inconvenience.

Preadmission review

Concurrent review

Discharge planning

intensivists

Hospital and skilled nursing transition programs

Includes outpatient visits, instructions, and ordering of post-visit medications.

Includes in-hospital physician care provided by specialists like hospitalists and

Programs staffed by Kaiser Permanente physicians and nurse practitioners help ensure speedy and appropriate transitioning of patients to the right level of care. KAISER PERMANENTE, Thrive

(high-intensity/complex case ICM Service Case management services

Description

Transplant cases

Integrated behavioral health/medical case management

Includes outreach, integration with other care management programs/behavioral health programs, and patient identification triggers and treatment plans for highprimary care physician, hospital, patient, or a health plan case manager who Permanente, case coordination is inconsistent—responsibility can be on the need, high-cost patients. Optimizes care and efficiencies. Outside of Kaiser doesn't have ready access to the full medical record.

management)

includes our internal transplant review board and all pre- and post-care provided Includes identification, transfer, and management of transplant cases. Also by Kaiser Permanente physicians.

to the appropriate case worker or psychiatrist if more serious. Kaiser Permanente ensure timely, immediate, continuous care, improved outcomes, and lower costs. coronary artery disease, or congestive heart failure, or pregnant and postpartum depression or suicidal thoughts. Also includes coordination of inpatient transfers working closely with primary care and medical case management teams to help behaviorists and social workers are integrated within our care delivery system, women) who complete a total health assessment, and for members with prior Includes depression screening for high-risk members (those with diabetes,

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Quality assurance and management

medicine. Outside of Kaiser Permanente, physician peer review is inconsistent better, more cost-efficient outcomes. Physician peer review includes system Includes internal utilization management and physician peer review to drive reviews, which address systems issues and help doctors practice better and not as widespread, if it exists at all.

Systems support, including case tracking

Includes non-chronic condition (such as maternity, cancer, and allergy care) and Technology increases safety and interaction control and enables an overall view orthopedic implant health registries used to identify care and medication gaps. of the member's health.

of the mem

Referral management

Includes Permanente Medical Group prospective review and approval of care outside the Kaiser Permanente network.

> Emergency prospective review program (Emergency Department repatriation)

health information. This helps ensure the safe and timely return of the member to Kaiser Permanente, patient medical histories (such as medications and previous Kaiser Permanente Emergency Department physicians coordinate with outside Emergency Departments to provide critical and potentially lifesaving member Kaiser Permanente facilities, optimizing care and reducing costs. Outside of tests) are often unavailable to the treating physicians.



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Palliative care

services, but when there are no community-based services, offer little real benefit based approach that creates the best access to people who are specially trained Kaiser Permanente works to support patients and their families through a teamto provide care in the last stages of life. Outside of Kaiser Permanente, it's very difficult to create a consistent level of support. Some health plans reimburse for to members.

Board of Supervisors

Rates and Benefits for Plan Year 2014 Approval of Health Service System

July 17, 2013

Health Service System

CITY & COUNTY OF SAN FRANCISCO

Recent Discussions With Kaiser

- last Budget and Finance Committee hearing on July 10, 2013. HSS has been in constant negotiations with Kaiser since the
- based on a standard methodology that is consistent across all Kaiser cannot reduce the premium rate for 2014 because it is large public and private employers.

816

- commitments by Kaiser on wellness, transparency and accountability. Kaiser can provide support outside of the current agreement. Negotiations over the past week have resulted in additional
- Representatives from Kaiser are here to respond to questions and detail what they can offer to the City & County of San Francisco for 2014 and 2015.

Health Service System

CITY & COUNTY OF SAN FRANCISCO

Health Service Board and HSS Position

- Health Service Board directed HSS to immediately begin negotiations with Kaiser for 2015.
- During 2014 negotiations, the Health Service Board and HSS expressed concern about Kaiser shifting costs into a non-service category called Integrated Care Management (ICM).
- rate increase, but do not consider a 3.48% Kaiser premium increase The Health Service Board and HSS hoped to see a lower overall to be unreasonable for a fully insured plan.
- Kaiser remains the lowest cost plan for employers, with the lowest cost contribution for employee and retiree members.
- interest of the four employers served by HSS and all HSS members. Kaiser rates were approved by the Health Service Board, in the best

Health Service System CITY & COUNTY OF SAN FRANCISCO

MYHSS.ORG

Operational Implications of Option B

The timeline for returning a new package to the Board of Supervisors:

C + C	
July 51-August 2	Request new rate offers from Blue Shield
	and Physician Groups in 3 days
August 5-11	Prepare new actuarial report on two plan model
August 11-14	Post notice of Health Service Board meeting
August 15	Health Service Board meeting
August 19-20	Board of Supervisors Budget packet
August 28	Board of Supervisors Budget Committee hearing
September 3 and 10	Full Board of Supervisors hearings

Health Service System

CITY & COUNTY OF SAN FRANCISCO

Financial Implications of Option B

- All medical services will become self-insured with increased financial risk to the Health Service Trust and employers.
- Elimination of Kaiser may affect hospital and medical group pricing and contracts moving forward.
- Competition is one of the most effective mechanisms for containing benefit costs
- Recalculation of City budget and GASB liability

Health Service System

CITY & COUNTY OF SAN FRANCISCO

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MYHSS.ORG

Legal Implications of Option B

member contribution rates are not available, litigation may ensue. If Open Enrollment does not take place as scheduled, or if

Employers and HSS will be subject to federal fines.

Health Service System

CITY & COUNTY OF SAN FRANCISCO.

MYHSS.ORG



Roxanne Sanchez

President

Crawford Johnson

Region A

Tom Popenuck

Region B

Gary Jimenez Region C

Larry Bradshaw

Region D

Marcus Williams Region E

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Renita Terry

Denis Villanueva

Erika Watkins

Jim Wise

July 16, 2013

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place City Hall, Room 244 San Francisco, CA 94102-4689

Subject: 2014 Kaiser Rates

SEIU Local 1021 appreciates the scrutiny that Kaiser's proposed rate increase has received from the San Francisco Health Services System ("HSS") and the Budget and Finance Committee of the Board of Supervisors. We call on the Board of Supervisors to continue to bring pressure on Kaiser to ensure a fair rate and increased transparency.

Kaiser's 2014 proposed premium includes a 5.25% increase, or an additional \$15 million, even though members are healthier and using fewer services. For months, Kaiser has refused to justify the increase, leading HSS to analyze Kaiser renewal pricing, utilization, and costs over the past seven years.

HSS found that we paid \$87 million more to Kaiser than it cost Kaiser to provide care for HSS members between 2010 and 2012. This amounts to a 13% profit margin, far in excess of Blue Shield's 2% profit pledge.

Here are the undisputed facts:

- HSS members' utilization of inpatient, outpatient, and pharmacy services at Kaiser has either slowed or decreased, but the unit cost charged for services has increased sharply from 2007 to 2014. For example, while inpatient utilization declined by 36% over seven years, Per Member Per Month inpatient costs increased by 19%.
- Kaiser's 2014 premium includes additional fees for unreported and unverifiable "Integrated Care Management" (ICM) and "Other Medical Services" (OMS). HSS is therefore unable to validate the services associated with fees that account for 14% of the 2014 premium.
- In one year, ICM and OMS fees rose from \$49 to \$71 (+40%) for employees and from \$49 to \$106 (+115%) for early retirees. The increase in these fees alone adds \$14.9 million to the 2014 premium. In total, these fees for unreported services are \$39.2 million of the 2014 premium. Kaiser admits these are new charges, not new services.

Executive Board Budget & Finance Committee

Theresa Breakfield Kathryn Cavness Tina Diep Richard Greenwood Doug Marr Julie Meyers Peggy La Rossa Paul Little Nadeen Roach

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Service Employees International Union CtW, CLC • www.seiu1021 orq



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- HSS members' utilization of inpatient, outpatient, and pharmacy services at Kaiser has either slowed or decreased, but the unit cost charged for services has increased sharply from 2007 to 2014. For . example, while inpatient utilization declined by 36% over seven years, Per Member Per Month inpatient costs increased by 19%.
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- In one year, ICM and OMS fees rose from \$49 to \$71 (+40%) for employees and from \$49 to \$106 (+115%) for early retirees. The increase in these fees alone adds \$14.9 million to the 2014 premium. In total, these fees for unreported services are \$39.2 million of the 2014 premium. Kaiser admits these are new charges, not new services.

Executive Board Budget & Finance Committee Theresa Breakfield Kathryn Cavness Tina Diep Richard Greenwood Doug Marr Julie Meyers Peggy La Rossa Paul Little Nadeen Roach

2300 Boynton Avenue, Suite 200 • Fairfield, CA 94533 • 707-422-9464 • Fax 707-422-5107 Service Employees International Union CtW, CLC • www.seiu1021 org

823

From:

Board of Supervisors

To:

BOS-Supervisors; Young, Victor

Subject: File 130481 health plans

Files#, 130 653 + 130 654

From: Madeline Ritchie [mailto:mritchie03@gmail.com]

Sent: Friday, July 12, 2013 11:58 AM

To: Board of Supervisors **Subject:** health plans

Clerk of Board of Supervisors:

I would like to request that you send my message to all Supervisors.

The recent article in the Chronicle indicated that two Supervisors were questioning the continuation of Kaiser Health plan for employees both active and retired.

PLEASE do not let this happen.

Notably, retired persons have chronic and for some, life threatening illnesses. For them to seek a new Health Plan and new Doctors is unfair.

There are no justifiable reasons to stop Kaiser has a health plan. Two Superviours felt that Kaiser did not explain fully the reason for their proposed increase in rates.

Please keep in mind that other health plans have increased rates and we have kept them on board. Kaiser has been a leader in providing quality health care.

If this is not resolved by July 31, 2013 then we may lose Kaiser as a Health Plan for SF City workers.

Please find another process where there will be adequate time for all to know the issues and for more input.

Thank you for your considerations. Madeline Ritchie, CCSF, Retiree

rom:

To: Subject: Board of Supervisors

BOS-Supervisors; Young, Victor

File 130481 health plans

Files# 130 653 + 130 654

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Thank you for your considerations. Madeline Ritchie, CCSF, Retiree

- Kaiser's self-reported profits are \$2 billion annually over the past four years. These profits are calculated after accounting for the costs of community benefits, facilities expansion, and infrastructure upgrades.
- HSS would have saved \$84 million in active employee premiums between 2007 and 2012 if Kaiser profits were capped at 4 percent and ICM and OMs costs capped at 10% of the total premium.

Health care is a seller's market. We cannot do without health care services even if we can't afford them. While Kaiser has thrived under the cover of "proprietary," the City has had to cut back on services in a recession caused by Wall Street profiteering. City employees have given up wage increases and are paying more and more their benefits.

Kaiser's refusal to negotiate and to disclose information repeatedly requested by HSS is intolerable. If Kaiser can make a 13% profit from doing business with HSS, shield 29% of the 2014 premium from HSS scrutiny, increase fees in response to declining utilization, then what's to stop other commercial health plans and providers from adopting these same practices?

HSS is to be commended for putting the facts on the table for public consideration and for aggressive and successful efforts over the past four years to improve the quality, efficiency, and affordability of health care services for city beneficiaries.

Kaiser, however, has remained intransigent on its 2014 premium demand, adopting a "take it or leave it position." We believe the Board of Supervisors should engage Kaiser and the Health Service System to ensure:

- 1. Kaiser rebates \$11 million of the 2014 premium million to HSS;
- 2. Kaiser fully reports the utilization and cost of medical services and discloses the trend data and other information that it uses internally to project its costs
- 3. SEIU has a seat at the table in future HSS negotiations with Kaiser and other contracted health plans;
- 4. Kaiser withdraws its opposition to SB 746 establishing transparency.

Thank you very much for your attention to this matter.

Young, Victor

rom:

Board of Supervisors

Sent:

Tuesday, July 16, 2013 10:09 AM

To:

Young, Victor

Subject: Attachments: SEIU Local 1021 on Kaiser Rate SEIU 1021 on Kaiser Rate pdf

From: Chris Daly [mailto:chris.daly@seiu1021.org]

Sent: Tuesday, July 16, 2013 10:06 AM **To:** Board of Supervisors; Chiu, David

Cc: Mar, Eric (BOS); Farrell, Mark; Tang, Katy; Breed, London; Kim, Jane; Yee, Norman (BOS); Wiener, Scott; Campos,

David; Cohen, Malia; Avalos, John

Subject: SEIU Local 1021 on Kaiser Rate

July 16, 2013

To: San Francisco Board of Supervisors

Re: 2014 Kaiser Rates

SEIU Local 1021 appreciates the scrutiny that Kaiser's proposed rate increase has received from the San Francisco Health Services System ("HSS") and the Budget and Finance Committee of the Board of Supervisors. We call on the Board of Supervisors to continue to bring pressure on Kaiser to ensure a fair rate and increased transparency.

Kaiser's 2014 proposed premium includes a 5.25% increase, or an additional \$15 million, even though members are healthier and using fewer services. For months, Kaiser has refused to justify the increase, leading HSS to analyze Kaiser renewal pricing, utilization, and costs over the past seven years.

HSS found that we paid \$87 million more to Kaiser than it cost Kaiser to provide care for HSS members between 2010 and 2012. This amounts to a 13% profit margin, far in excess of Blue Shield's 2% profit pledge.

Here are the undisputed facts:

- HSS members' utilization of inpatient, outpatient, and pharmacy services at Kaiser has either slowed or decreased, but the unit cost charged for services has increased sharply from 2007 to 2014. For example, while inpatient utilization declined by 36% over seven years, Per Member Per Month inpatient costs increased by 19%.
- Kaiser's 2014 premium includes additional fees for unreported and unverifiable "Integrated Care Management" (ICM) and "Other Medical Services" (OMS). HSS is therefore unable to validate the services associated with fees that account for 14% of the 2014 premium.
- In one year, ICM and OMS fees rose from \$49 to \$71 (+40%) for employees and from \$49 to \$106 (+115%) for early retirees. The increase in these fees alone adds \$14.9 million to the 2014 premium. In total, these fees for unreported services are \$39.2 million of the 2014 premium. Kaiser admits these are new charges, not new services.
- The 2014 premium includes \$41.5 million to cover Kaiser's "projected costs" based on trend data and other information that Kaiser calls "proprietary" and refuses to disclose. Kaiser reports that the annual trend applied to HSS renewals, ranging from 6.21% to 12.67% over the past seven years, is based on desired revenue targets.

Young, Victor

From:

Raul.Monares@kp.org

Sent:

Wednesday, July 17, 2013 1:43 PM

To:

Sass, Gregg; Young, Victor

Cc: Subject: Cynthia.Striegel@nsmtp.kp.org; Kathy.J.Rymer@nsmtp.kp.org Kaiser Permanente Presentation to the BoS BFSC 7-17-13

Attachments:

KP Presentation to the BoS BFSC 07.17.13.pdf

Follow Up Flag: Flag Status:

Follow up Flagged

Hi, Gregg.

As you requested, attached is a copy of the presentation that Cynthia Striegel, VP, Strategic Accounts and Peter Andrade, Sr. VP, Sales and Account Management delivered to the Board of Supervisors - Budget and Finance Sub Committee today.

By copy of this email I'm also delivering a copy to Victor.

Thank you very much.

Raul Monares

Director, Oakland & Cupertino

Kaiser Permanente

Strategic Accounts 1800 Harrison Street, 9th Floor Oakland, CA 94612

510.625.4715 (office) 8.428.4715 (tie-line) 510.292.8586 (mobile phone)

For assistance or scheduling please contact Tanya LaMere at 510.625.4428 or tanya.l.lamere@kp.org

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Young, Victor

From:

Jewlia Eisenberg [jewlia@earthlink.net]

Sent: Wednesday, July 17, 2013 9:27 AM

To:

Avalos, John

Cc:

Farrell, Mark; Mar, Eric (DPH); Young, Victor; Stefani, Catherine;

Nicolas.Pagoulatos@sfgov.org; Pollock, Jeremy

Subject:

Item 12 on Today's Agenda: Support for Continued Negotiations With Kaiser

Follow Up Flag:

Flag for follow up

Flag Status:

Flagged

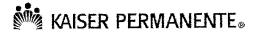
Dear Board of Supervisors,

My name is Jewlia Eisenberg; I am writing in reference to item 12 on today's agenda. I am a musician who has worked in SF for 15 years and the wife of city employee AnMarie Rodgers.

I have a rare and dangerous immune system condition for which I get life-saving treatment from Kaiser. My doctor at SF Kaiser has been recognized on a national level by top immunologists from Stanford to the National Institute for Health in DC for his combination of innovation and long experience. Stellar doctors like him provide an exceptional quality of care. The Kaiser system--where entire treatment teams from multiple departments are deployed, meet regularly and are in excellent contact with patents and families--is an unusually effective system for helping sick people get better and helping well people stay that way.

I absolutely agree that Kaiser should disclose all reasoning behind their fee increase. But due to the huge potential impact for the many City workers and families that are served so well by Kaiser, I urge you to continue negotiations. Please try and keep working with Kaiser.

Thank you,
Jewlia Eisenberg
jewlia@charminghostess.com
www.charminghostess.com



Health Service System City and County of San Francisco 2014 Renewal



Strategic Accounts 1800 Harrison Street, 9th Floor Oakland, CA 94612

April 15, 2014

Mr. Anil Kochhar, ASA, MAAA AON Hewitt Consulting Health & Benefits 199 Fremont Street, Suite 1500 San Francisco, CA 94105

Re: City and County of San Francisco - Health Service System

January 1, 2014 – December 31, 2014

Kaiser Permanente Northern California - 888

Kaiser Permanente Southern California - 231003

Dear Mr. Kochhar,

Thank you for the opportunity to provide renewal information for the health plans with Kaiser Permanente in California. We value our long-term relationship with the City and County of San Francisco – Health Service System and look forward to continuing our partnership into the future.

As a nonprofit, we are not driven to make business decisions that affect share value at the expense of good medicine.

We have the industry's most effective wellness and disease management programs. For example, our cardiac care management program is so effective that risk of death from heart disease is 30% lower for Kaiser Permanente Northern California members than for nonmembers when matched for age and gender.

Sound management practices, cost-effective medicine, and innovative thinking: These are the reasons we have received top rankings from the nation's leading consumer review publication and the National Committee for Quality Assurance (NCQA).

This letter and accompanying documents provide information regarding the 2014 renewal rate action.

Kaiser Permanente reserves the right to make any change in these rates and benefits due to changes in state or federal legislation, regulatory action, and conditions of offering relative to the contribution strategy.

Rating documents are enclosed, along with the corresponding utilization reports. In addition to the standard assumptions, please note the following underwriting caveats:

 Benefit parity with the other carriers would be necessary for Kaiser Permanente to change its benefits Please refer to the Rate Assumptions and Requirements under Proposal Assumptions, Item # 7.

Please note, decisions for any benefit changes will need to be communicated to my office, in writing, at least 30 days prior to the renewal date; otherwise, benefit changes will become effective the following month after the renewal date.

The overall rate increase for the Health Service System – City and County of San Francisco from the current 2013 rate is + 3.48%, plus Health Care Reform fee/taxes of 1.77%. The total renewal increase is 5.25%.

Pricing summary:

Groups with more than 1,000 plan members are fully credible and, therefore, fully experience rated. Annual claims for any individual exceeding the pooling point of \$550K are excluded from the renewal calculation. Pooled claims include all medical and prescription drug claims. Our pricing model includes a rate-capping feature to reduce the volatility of renewal rates from one year to the next.

The following is a summary of the significant renewal drivers:

- Active Claims went up 5.5% over last year
- ACA taxes added approximately one and three quarter points to the increase
- Kaiser Permanente's lower trend factor for 2014 resulted in a 1.5% decrease to this renewal
- Early Retiree claims went up by 8.7%
 - The lower trend and decrease in their IBNR offsets the higher claims and ACA taxes

Renewal rate information for Actives is as follows:

	Current	Renewal	Rate Action
	Rates	Rates	Blended
	2013	2014	· · ·
Subscriber only	\$531.19	\$559.07	5.25%
Subscriber + 1 dependent	\$1,062.38	\$1,118.14	5.25%
Subscriber + 2 or more dependents	\$1,503.27	\$1,582.17	5.25%

Early Retirees (Non- Medicare):

	Current	Renewal	Rate Action
	Rates	Rates	Blended
	2013	2014	
Subscriber only	\$1,072.27	\$1,128.63	5.25%
Subscriber + 1 dependent	\$1,603.46	\$1,687.70	5.25%
Subscriber + 2 or more dependents	\$2,044.35	\$2,151.73	5.25%

Retirees - Senior Advantage Plan - with Medicare Part D:

	Current	Renewal	Rate Action
	Rates	Rates	Blended
	2013	2014	
Subscriber only	\$329.60	TBD	TBD
Subscriber + 1 dependent	\$659.20	TBD	TBD
Subscriber + 2 or more dependents	\$988.58	TBD	TBD

As requested, Kaiser Permanente Senior Advantage rates will be released early with an estimated delivery on May 15, 2013. This early release date includes the stipulation the rate will be reconciled during next year's renewal.

As previously discussed, the COST Plan will not be offered in 2014. Any members in this plan will need to be transition to KPSA or another plan offering effective December 31, 2013. We would be glad to work with the administrative staff to support this transition.

Your request for a self-funded quote is currently in process. However, our self-funding rating model is not yet available. We will keep you informed of our progress.

We look forward to meeting with your team and HSS management on April 18, to review this renewal action, to discuss possible benefit options, and strategy moving forward. During this time, we can also further address your request for an explanation on the ICM cost and your benefit plan modifications.

It is our goal to work closely with AonHewitt and with the Health Service System – City and County of San Francisco to ensure we address any questions and/or concerns.

Best regards,

Kathy J. Rymer

Executive Account Manager

Kaiser Foundation Health Plan, Inc.

Strategic Accounts

1800 Harrison Street, 9th Floor

Oakland, CA 94612

510-625-2965 Office

510-625-3278 Fax

Kathy.J.Rymer@kp.org CA License is OB9237

Enclosures:

2014 renewal materials, including the preliminary summary of benefit changes Customer report packet, including executive summary, rate buildup, rate and benefit summary, and assumptions pages for Kaiser Permanente California Regions



RATE PROPOSAL

HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Effective from 01/01/2014 through 12/31/2014

Region(s) Group(s)

Subgroup(s)

Northern California

888

0000, 4900, 7000

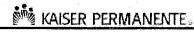




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Created On: 4/9/2013



Executive Summary

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

<u> Jan 11 - Dec 11</u>

<u>Jan12 - Dec12</u>

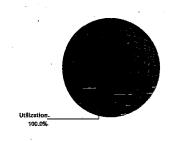
Average Members*:

37,307

39,043

Rates**			
	Current Rates	Change %	Proposed Rates
TRADITIONAL PLAN: \$20 OV; \$100/ADMISSION IP; \$100 ER; OPT; CHIRO; HEAR;			
Subscriber only	\$531.19	5.25%	\$559.07
Subscriber and 1 dependent	1,062.38	5.25%	1,118.14
Subscriber and 2 or more dependents	1,503.27	5.25%	1,582.17

Credibility



Claims Summary \$PMPM*			<u> </u>
TRADITIONAL PLAN:			•
Major Service Category	<u> Jan 11 - Dec 11</u>	<u>Change</u>	<u> Jan12 - Dec12</u>
Inpatient	\$140.40	(3.0)%	\$136.18
Outpatient	127.59	(1.5)%	125.68
Pharmacy	36.30	8.5%	39.40
Other	56.85	40.0%	79.57
Total Claims Summary \$PMPM	\$361.15	5.5%	\$380.85

^{*} Includes Actives and /or pre 65 Retirees only.

Created On: 4/9/2013 NPS RQR Number: 6425340 SPAS RQR Number/Set ID **8:39** 24-10399-210-1 NPS RQR Name: C1 S1 for EU 0, 7000

^{**}Benefit plan descriptions are summarized, please see Rate and Benefit Summary for full descriptions.



Total - \$ PMPM

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

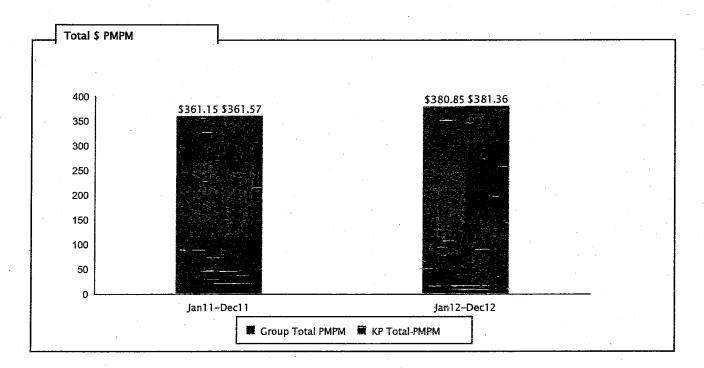
<u> Jan 11 - Dec 11</u>

<u> Dec11 Jan12 - Dec12</u>

Average Members*:

37,307

39,043



Total \$ PMPM *	· · · · · · · · · · · · · · · · · · ·		
Service Category	<u> Jan11 – Decil</u>	<u>Change</u>	Jan12 - Dec12
·			
Inpatient	\$140.40	(3.0)%	\$136.18
Outpatient	127.59	(1.5)%	125.68
Pharmacy	36.30	8.5%	39.40
Other	56.85	40.0%	79.57
Total \$ PMPM	\$361.15	5.5%	\$380.85
Group to Health Plan Ratio	99.9%	0.0%	99.9%

^{*} Includes Actives and/or pre 65 Retirees only.

Created on: 4/9/2013

SPAS RQR Number/Set ID: 393124-10399-210-1

NPS ROR Number: 6425340 NPS ROR Name: C1 S1 for EU 0, 7000



Rate Buildup

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Product Type: HMO

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014 Report Period: Jan 2012 through Dec 2012

<u> Jan 11 - Dec 11</u>

Jan12-Dec12

Average Members:

37,307

39,043

Rating Month: February 2013

Rating Members: 40,516

	Medical Calculation		Weight	Factor	Total\$	PMPM\$
Α	Projected Claims Calculation					
Αī	Paid Claims				\$178,432,064	\$380.845
A2	- Pooling Credit	Pooling Point:\$550,000			(2,566,678)	(5.478)
Α3	+ Pooling Charge		,		3,251,501	6.940
A4	Claims Net of Pooling				\$179,116,887	\$382.307
A5	X Incurred Claims Adjustment			1.01056		
A6	X Demographic Change	:		1.00009		
A7	X Historical Benefit Change			0.997740		
A8	Adjusted Claims	. 1	·			\$385.506
A9	X Trend Factor	Annual Trend: 6.21%		1.12809		-
A10	Claims based PMPM	24.0 Months Midpoint to Midpoint		•		\$434.886
A11	Credibility	·	100%			

	Total Rate Calculation		· .	
D	Total Rate Calculation	Factor	Mo. Prem.	PMPM\$
Dī	Blended Rate		\$17,619,841	\$434.886
D2	X Future Benefit Change	1.000000	"	
D3	Adjusted PMPM		\$17,619,841	\$434.886
D4	+ Retention	· .	1,011,685	24. 9 70
D5	+ Other Benefits		72,929	1.800
D6	+ Group Specific Charge		G	0.000
D7	+ Late Payment Charge		. 0	0.000
D8	+ Federal Health Insurer Fee		123,817	3.056
D9	+ Federal PCORI Fee/Transitional Reinsurance Program Contribution		219,597	5.420
D10	+ Premium Tax		0	0.000
וום	+ Commission		0	0.000
D12	PMPM Premium Requirement		\$19,047,868	\$470.132
E1	In-Force Rate	• .	\$18,202,380	\$449.264
E2	Quoted Rate PMPM before Underwriter Adjustment	4.65%	19,047,868	470.132
E3	X Underwriter Adjustment	1.00348		
E4	Quoted Rate PMPM after Underwriter Adjustment	 5.01%	19,114,152	471.768

Created On: 4/9/2013 NPS RQR Number: 6425340 SPAS RQR Number/Set ID: 398 124-10399-210-1 NPS RQR Name: C1 S1 for EU 0, 7000

Membership - Age and Gender Demographics

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Contract Period: 01/01/2014-12/31/2014 Region: Northern California

	_									ē		,
Members*												
		Average Jan 11-Dec 11	1-Dec11			Average Jan 12-Dec 12	:-Dec12			Current as of Feb13	Feb13	
Age	Male	Female	Total	Percent	Male	Female	Total	Percent	Male	Female	Total	Percent
0~0	160	151	311	0.8%	176	171	347	%6.0	185	195	380	%6.0
1-4	798	749	1,546	4.1%	813	762	1,575	4.0%	836	804	1,640	4.0%
5-9	1,129	1,137	2,266	6.1%	1,200	1,159	2,359	80.9	1,261	1,210	2,471	6.1%
10-14	1,279	1,268	2,547	6.8%	1,318	1,326	2,644	6.8%	1,372	1,386	2,758	6.8%
15-19	1,514	1,450	2,964	7.9%	1,575	1,449	3,024	7.7%	1,633	1,457	3,090	7.6%
20-24	1,491	1,488	2,978	8.0%	1,552	1,586	3,138	8.0%	1,589	1,644	3,233	8.0%
25-29	652	919	1,571	4.2%	812	1,103	1,915	4.9%	868	1,161	2,029	2.0%
30-34	943	1,361	2,304	6.2%	1,040	1,488	2,527	6.5%	1,149	1,577	2,726	6.7%
35-39	1,254	1,500	2,755	7.4%	1,286	1,627	2,912	7.5%	1,281	1,714	2,995	7.4%
40-44	1,694	1,850	3,544	9.5%	1,752	1,939	3,691	9.5%	1,818	2,006	3,824	9.4%
45-49	1,850	1,990	3,840	10.3%	1,904	2,040	3,944	10.1%	1,942	2,071	4,013	86.6
50-54	2,011	2,019	4,030	10.8%	2,019	2,054	4,073	10.4%	2,047	2,123	4,170	10,3%
55-59	1,746	1.711	3,457	9.3%	1,764	1,731	3,495	9.0%	1,847	1,758	3,605	8.9%
60-64	1,187	1,089	2,276	6,1%	1,258	1,139	2,397	6.1%	1,295	1,218	2,513	6.2%
. 62-69	367	282	650	1.7%	410	317	728	1.9%	448	333	781	1.9%
70-74	130	92	207	0.6%	131	79	. 210	0.5%	137	84	221	0.5%
75-79	32	16	48	0.1%	32	19	20	0.1%	36	20	26	0.1%
80-84	6	m	12	%0.0	2	4	=	0.0%	10	ĸ	01	0.0%
82+	-	2	m	%0.0	,	0	2	0.0%	-	0	_	%0.0
Total Members	18,246	19,061	37,307	100.0%	19,049	19,994	39,043	100.0%	19,750	20,766	40,516	100.0%
Percentage	48.9%	51.1%			48,8%	51.2%			48.7%	51.3%		
Health Plan Average Age:	33.8	34.6	34.2		33.8	34.6	34.2		33.8	34.6	34.2	
Group Average Age:	35.7	35.3	35.5		35.5	35.2	35.4		35.4	35.2	35.3	
Average Contract Size:		-	2.11				2.12				2.13	<u> </u>
Demographic Factor**:							1.04726	726			1.04735	%Change 0.0%
Demographic Change:							Current Demo Factor	Factor	1.04735	1 00009		
				_			Exp.Pd Demo Factor	actor	1.04726			

842

^{**} Each group's Demographic factor is calculated based on its own demographics compared to that of its Market Segment, not based on a comparison with the Health Plan. * Includes Actives and /or pre 65 Retirees only.

KAISER PERMANENTE

Overview of Utilization (A) Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12 39,043 Jan 11 - Dec 11

37,307

Average Members*:

(4.8)% (15.2)% 18.6% 37.5% 50.0% Change (15.4)% 0.7% Jan 11 - Dec 11 16.6 12.5 9.7 2.4 0.2 Inpatient Admits/1000 * Total Inpatient Admits/1000 Substance Abuse Mental Health Service Category Maternity Medical Surgical SNF SNF

Jan 12 - Dec 12

Change (2.5)%

Jan 11 - Dec 11

Service Category

Inpatient Days/1000 *

68.4 44.0 32.3

> (8.9)% 35.7% 17.1%

> 48.3 23.8 15.2

5.3 17.8

82.8%

2.9 29.4

Substance Abuse Mental Health

SNF

Maternity Surgical Medical

(32.0)%

20.0

Jan 12 - Dec 12

15.8 10.6 3.3 0.3

Ξ

Total Inpatient Days/ 1000	%(7·7)	187.7	Total Inpa
			1
Outpatient Visits/1000 *			

843

Service Category	Jan 1 1 - Dec 1 1	Change	Jan 12 - Dec 12
Outpatient Visits	4,257.1	0.1%	4,262.9
Emergency Room	163.2	0.8%	164.5
Surgical / Procedures	106.8	2.2%	109.2
Lab	2,986.0	(0.2)%	2,981.4
Radiology	715.5	(1.2)%	707.1
Total Outpatient Visits/1000	8,228.6	%0.0	8,225.2
The second secon			

Jan 12 - Dec 12

4.8

6.

5,5

(3.5)%

5.7

Total Pharmacy Scripts PMPY

0.1

(20.03)%

0.0% 0.0%

0.2

Generic / Non-Formulary

Generic / Formulary

Brand / Non-Formulary

Brand /Formulary

Service Category

0.0%

Change

Jan 11 - Dec 11

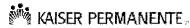
Pharmacy Scripts PMPY *

Total Outpatient Visits/1000	8,228.6	%0'0	8,225.
* Includes actives and /or pre 65 Retirees Only.	ses Only.		

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SPAS RQR Number/Set ID : 393124-10399-210-1

NPS RQR Name: C1 S1 for EU 0, 7000



(E

Inpatient - \$ PMPM and \$/Day

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

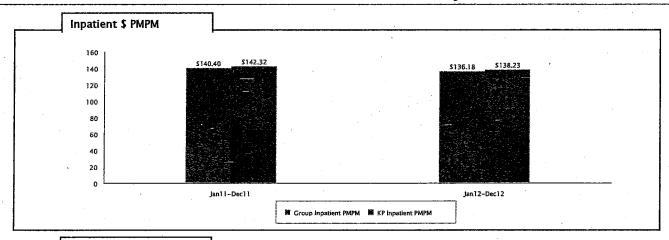
Jan11 - Decl1

<u>Jan12 - Dec12</u>

Average Members*:

37,307

39,043



Inpatient \$ PMPM *	·		
Service Category	<u> </u>	<u>Change</u>	<u> Jan12 – Dec12</u>
Medical		•,	
Hospital Medical	\$45.62	1.0%	\$46.07
Professional Medical	7,61	2.1%	7.77
Surgical			
Hospital Surgical	58.88	(13.1)%	51.14
Professional Surgical	9.80	(19.2)%	7.92
Maternity			
Hospital Maternity	10.08	35.7%	13.68
Professional Maternity	4.38	27.4%	5.58
Mental Health	2.30	18.7%	2.73
Substance Abuse	0.23	34.8%	0.31
SNF	1.50	(34.7)%	0.98
Total Inpatient \$ PMPM	\$140.40	(3.0)%	\$136.18
Group to Health Plan Ratio	98.7%	(0.2)%	98.5%

Inpatient \$/Day *			
Service Category	<u> </u>	Change	Jan12 - Dec12
Medical	·		
Hospital Medical	\$7,558.64	6.9%	\$8,081.94
Professional Medical	1,261.51	8.0%	1,362.45
Surgical Hospital Surgical	14,636.41	(4.7)%	13,954.19
Professional Surgical Maternity	2,436.77	(11.3)%	2,161.61
Hospital Maternity	5,087.49	(0.1)%	5,084.35
Professional Maternity	2,211.85	(6.3)%	2,072.46
Mental Health	1,816.03	1.1%	1,836.06
Substance Abuse	957.22	(25.3)%	714.93
SNF	611.05	(3.7)%	588.68
Total Inpatient \$/Day	\$8,778.82	(0.8)%	\$8,705.77

^{*} Includes Actives and /or pre 65 Retirees only.

Created On: 4/9/2013 NPS RQR Number: 6425340 SPAS RQR Number/Set ID: 393124-10399-210-1

NPS RQR Name 44 51 for EU 0, 7000



Inpatient - Days/1000 and ALOS

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

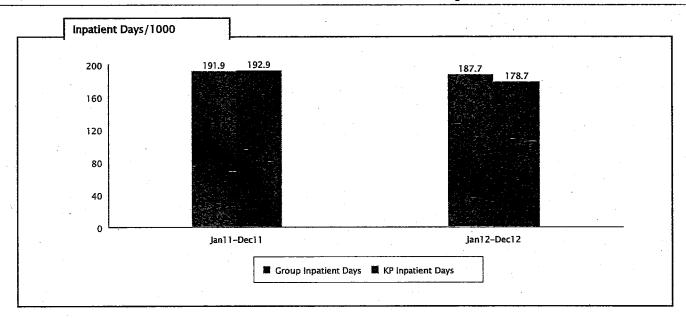
<u>Jan 11 - Dec 11</u>

Jan12 - Dec12

Average Members*:

37,307

39,043



Inpatient Days/1000 *			···
Service Category	<u> Jan 11 – Dec 11</u>	<u>Change</u>	<u> Jan12 – Dec12</u>
Medical	72.4	(5.5)%	68.4
Surgical	48.3	(8.9)%	44.0
Maternity	23.8	35.7%	32.3
Mental Health	15.2	17.1%	17.8
Substance Abuse	2.9	82.8%	5.3
SNF	29.4	(32.0)%	20.0
Total Inpatient Days/1000	191.9	(2.2)%	187.7

Inpatient ALOS *	<u> </u>		·	·
Service Category	<u> Jan 11 – Dec 11</u>	<u>Change</u>	<u> Jan12 – Dec12</u>	
Medical	4.4	(2.3)%	4.3	
Surgical	3.9	5.1%	4.1	
Maternity	2.5	12.0%	2.8	
Mental Health	6.3	(14.3)%	5.4	
Substance Abuse	12.0	55.0%	18.6	
SNF	23.3	(18.5)%	19.0	
Total Inpatient ALOS	4.5	(2.2)%	4.4	,

^{*} Includes Actives and /or pre 65 Retirees only.

Created On: 4/9/2013

SPAS RQR Number/Set ID: 393124-10399-210-1 8 4 5 NPS RQR Name: C1 S1 for EU 0, 7000





Inpatient - Admits/1000

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

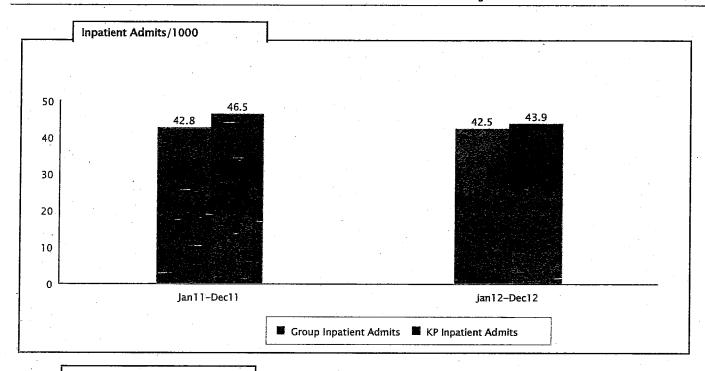
<u>Jan11 - Dec11</u>

<u>Jan12 – Dec12</u>

Average Members*:

37,307

39,043



Inpatient Admits/1000 *			
Service Category	<u> Jan!1 - Decl1</u>	<u>Change</u>	<u> Jan12 - Dec12</u>
Medical	16.6	(4.8)%	15.8
Surgical	12.5	(15.2)%	10.6
Maternity	9.7	18.6%	11.5
Mental Health	2.4	37.5%	3.3
Substance Abuse	0.2	50.0%	0.3
SNF	1.3	(15.4)%	1.1
Total Inpatient Admits/1000	42.8	(0.7)%	42.5

^{*} Includes Actives and /or pre 65 Retirees only.

Created On: 4/9/2013 NPS RQR Number: 6425340

SPAS RQR Number/Set ID:

393124-10399-210-1 **6 4 sb** for EU 0, 7000 NPS RQR Name:

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Inpatient Claims Top 25 DRG - Comparison to Health Plan

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0000,4900,7000

Non - Medicare

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

Average Members *:

39,043

	per M Admit		\$13,576.93	9,410.07	16,587.44	30,133.39	40,501.52	26,234.05	54,563.20	38,919,80	8,834.16	25,447.51	27,303.97	28,093.65
	<u>S</u> PMPM		\$7,65	1.44	2.51	3.68	5.13	3.59	6.24	1.43	0.41	0.90	1.05	0.92
Health Plan	Claims Total Inpatient		\$198,888,432	37,367,393	65,188,622	95,673,519	133,371,495	93,445,703	162,161,821	37,207,327	10,636,331	23,513,504	27,249,366	23.935.787
Ŧ	ALOS		2.0	5.9	2.5	3,9	4.	3.2	2.4	4.0	2.2	J.3	1.7	0.4
	Days		28,695	23,488	9,672	12,386	14,334	11,474	7,272	3,835	2,694	1,246	1,662	3 397
	Admits per 1,000		6.8	1.8	80	1.5	1.5	1.6	4	4.0	9.0	4.0	0.5	40
	Count		14,649	3,971	3,930	3,175	3,293	3,562	2,972	926	1,204	924	866	852
	per Admit		\$15,638.31	10,462.50	17,553.03	34,627.40	36,183.64	26,833.34	53,799.39	34,910.07	12,111.73	26,259.52	26,160.15	26 998 62
	<u>Claims</u> PMPM		\$6.41	2.30	2.96	4.51	4.48	3.32	6.55	1.71	0.59	1.12	1.06	1 04
	Total		\$3,002,556	1,077,637	1,386,690	2,112,272	2,098,651	1,556,334	3,066,565	802,932	278,570	525,190	497,043	485 975
Group	ALOS		2.3	5.7	2.6	6.9	3.8	3.2	2.4	3.2	2.2	1.3	1.5	4.1
	<u>ts</u> Days		438	265	503	300	221	188	137	47	21	56	29	74
	Admits per 1,000		6.9	2.6	2.0	9.1	5.	1.5	5.1	9.0	9.0	0.5	0.5	0.5
	Count		192	103	62	19	28	58	57	23	23	20	19	80
	Category		MAT	M	MAT	MAT	MED	MAT	SURG	MED	MAT	SURG	SURG	MED
	DRG: DRG:Label	me	VAGINAL DELIVERY W/O. COMPLICATING DIAGNOSES	PSYCHOSES	VAGINAL DELIVERY W COMPLICATING DIAGNOSES	CESAREAN SECTION W CC/MCC	SEPTICEMIA W/O MV 96+ HOURS W/ OR W/O MCC	CESAREAN SECTION W/O	MAJOR JOINT REPLACEMENT OR REATTACHMENT OF LOWER EXTREMITY	INTRACRANIAL HEMORRHAGE & STROKE W INFARCT	NORMAL NEWBORN	APPENDECTOMY W/O COMPLICATED PRINCIPAL DIAC W/O CC	UTERINE & ADNEXA PROC FOR NON-MALIGNANCY	DISORDERS OF PANCREAS
	ي	Volume	373	430	325	, S	929	371	544	014	391	167	359	204

Created On: 4/9/2013

NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1

NPS RQR Name; C1 S1 for EU 0, 7000

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(A)

Inpatient Claims Top 25 DRG - Comparison to Health Plan

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0000,4900,7000

Non - Medicare

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

Average Members *:

39,043

				•										
	per	Admit	43,546,48	38,964.52	63,761.34	56,920,56	33,203,83	24,759,84	4,815.08	114,280.52	15,330,96	120,499.03	24,777.89	27,789.87
	10	PMPM	1.92	1.48	1.40	2.07	0.86	0.25	0.09	2.86	0.45	2.38	0.31	09.0
Health Plan	Claims	Inpatient	49,860,719	38,496,945	36,343,965	53,733,008	22,412,584	6,586,118	2,436,433	74,396,616	11,636,197	61,816,002	7,953,704	15,562,329
Healt		ALOS	5.3	3.4	8.2	6.1	4,0	3.2	3.2	2.6	2.5	5.6	3.5	2.9
		Days /	6,060	3,357	4,696	1,774	2,722	851	1,638	6,287	1,928	2,875	1,134	1,645
	Admits per	000'	0.5	0.5	0.3	0.4	0.3	0.1	0.2	0.3	0.4	0.5	0.1	0.3
		Count	1,145	988	570	944	675	266	206	651	759	513	321	260
	bed	Admit	31,237.77	62,467.87	60,176.67	62,816.49	43,265.60	30,176.00	3,785.66	52,247.08	18,190.63	134,783.44	23,715.24	21,037.05
	Clalms	PαPα	1.07	2.00	1.93	1.88	1.20	0.84	0,11	1.34	0.47	3.16	0.56	0.49
	Total	Inpatient	499,804	937,018	902,650	879,431	562,453	392,288	49,214	626,965	218,288	1,482,618	260,868	231,408
Group	1 1 V 2 V 3	6	3.1	4.8	7.5	5.6	6.2	3.2	3.1	£.3	3.3	1.7	3.4	2.1
	ilts	Cays	49	22	113	36	80	45	40	ī	33	78	37	23
	Admits Per	0001	0.4	0.4	0.4	6.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
		.	91	13	15	. 4	13	E.	13	21	12	==	Ξ	=
		Logical Control	. MED	MED	WED .	SURG	MED	MED	MH	MED	MAT	MED	MED	MED
	DRC DRC SAM		Volume 470 UNGROUPABLE	NEONATE W OTHER SIGNIFICANT PROBLEMS	PREMATURITY W/O MAJOR PROBLEMS	PERCUTANEOUS CARDIOVASC PROC W	A+ VES/STENTS W MCC HEART FAILURE & SHOCK	PULMONARY EDEMA & RESPIRATORY FAILURE	DEPRESSIVE NEUROSES	NEONATES DIED OR TRANSFERRED TO ANOTHER	OTHER ANTEPARTUM DIAGNOSES W MEDICAL	COMPLICATIONS FULL TERM NEONATE W MAJOR PROBLEMS	CELLULITIS WITH MCC	GI HEMORRHAGE W CC
	Cac		VOJ	390	8 38	4 ² 8	127	087	426	385	383	389	277	174

Created On: 4/9/2013

NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1

NPS RQR Name: C1 S1 for EU 0, 7000

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(A)

Inpatient Claims Top 25 DRG - Comparison to Health Plan

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0000,4900,7000

Non - Medicare

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

39,043

Average Members *:

	70tal Total	Admits. Total Total Total 1,000. Days: ALOS Inpatient 1,000. Days: ALOS Inpatient 0.3 19 1.9 2.9 8,554,709 1 16.6% 5.5 914 4.2 9,283,629 1 12.5% 3.0 632 5.4 1,126,851 8.6% 3.1 247 2.1 5,262,700 1 3.4%	Admit Count 1,000 Days ALOS Inpatient PMPM Admit	424 0.2 1,126 2.7 14,974,649 0.58 35,7	12.6 66,849 2.5 475,468,804 1	42,979.76 10,790 5.0 51,193 4.7 507,943,591 19.54 47,075.40	9,714.23 4,477 2,1 25,126 5.6 39,803,826 1.53 8,890.74	43,855.83 6,262 2.9 13,080 2.1 281,632,348 10.83 44,974.82	6.6% 3,4% 7.8%	
0.63 0.63 18.26 13.4% 19.81 14.6% 2.41 1.8% 11.23 8.2%	ALOS inpatient PMPM 1.9 294,471 0.63 2.9 8,554,709 18.26 13.4% 4.2 9,283,629 19.81 14.6% 5.4 1,126,851 2.41 1.8% 2.1 5,262,700 11.23 8.2% 5.5 39,576,706 84.47	Total Total PMPM 19 1.9 294,471 0.63 1,219 2.9 8,554,709 18.26 16.6% 13.4% 914 4.2 9,283,629 19.81 12.5% 632 5.4 1,126,851 2.41 8.6% 11.8% 247 2.1 5,262,700 11.23 3.4% 8.2%	Count	424					99.9	50,480.49 46,259
	ALIOS. 1.9 2.9 4.2 9,, 5.4 1, 5.5 39, 5.5	1,219 2.9 8,1 1,219 2.9 8,1 1,219 2.9 8,1 1,25% 914 4.2 9,2 1,25% 632 5.4 1,8 6% 247 2.1 5,5 39, 4,317 5.5 39,	PMPM	0,63 29,	18.26	13.4%	14.6%	1.8%	8.2%	84.47

^{*} includes actives and / or pre 65 Retirees Only

Total Inpatient

43.90 - 387,181 - 4.1 - 33,593,308,224 - 9138,233 - 537,797.64

290'56

7,329 4.4 \$63,804,595 \$136.18 \$38,413.36

Page 13 of 35



Non - Medicare

Inpatient Claims Top 25 DRG - Two-Year Comparison

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0000,4900,7000

Jan 12 - Dec 12 39,043 Jan11 - Dec11 37,307 Average Members *;

Contract Period: 01/01/2014 - 12/31/2014 Region: Northern California

Created On: 4/9/2013 NPS RQR Number: 6425340

Non - Medicare

Inpatient Claims Top 25 DRG - Two-Year Comparison

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0000,4900,7000

Jan 12 - Dec 12 Jan 11 - Dec 11

Contract Perlod: 01/01/2014 - 12/31/2014 Region: Northern California

37,307 Average Members *:

39,043

DRG DRG Label	Category Count	Count	<u>Ad</u> per 1,000	Admits per Days ALOS	ALOS	Tötál Inpatient	<u>Claims</u> PMPM	per Admit	Count	Ac Per 1,000	Admits Day	ALOS	Total Inpatient	<u>Claims</u> PMPM	per Admit
Volume					Jan11	Jan 11 - Dec 11		: "					Jan12 - Dec12	-	
470 UNGROUPABLE	MED	13	0.4	. 6	4.7	387,429	0.87	29,802.19	91	6.0	49	3.1	499,804	1.07	31,237.77
390 NEONATE W OTHER SIGNIFICANT PROBLEMS	MED	φ	0.2	20	3.3	222,804	0.50	37,133.94	15	4.0	72	8.4	937,018	2:00	62,467.87
388 PREMATURITY W/O MAJOR GT PROBLEMS	MED	50	0.5	82	1.1	792,109	\$1.77	\$39,605.44	12	0.4	113	7.5	902,650	1.93	\$60,176.67
PROC W DRUG-ELUTING STENT	SURG	5	0.4	47	3.1	1,134,467	2.53	75,631.16	14	4.0	36	2.6	879,431	1.88	62,816,49.
OK 4+ VES/STENTS W MCC. 127 HEART FAILURE & SHOCK	MED	Ξ	0.3	26	5.1	404,265	06'0	36,751,40	13	0.3	80	6.2	562,453	1.20	43,265.60
087 PULMONARY EDEMA & RESPIRATORY FAILURE	MED	ဖ	0.2	91	2.7	155,517	0.35	25,919.47	<u>E</u>	0.3	45	3.2	392,288	0.84	30,176.00
426 DEPRESSIVE NEUROSES	H	17	0.5	45	5.6	63,795	0.14	3,752.65	13	0.3	40	3.1	49,214	0.11	3,785.66
385 NEONATES DIED OR TRANSFERRED TO ANOTHER ACITE CARE EACH ITY	MED	2	0.1	m	1.5	60,624	0.14	30,311.76	12	0.3	15	4.3	626,965	1,34	52,247.08
383 OTHER ANTEPARTUM DIAGNOSES W MEDICAL	MAT	4	4,0	23	1.6	177,299	0.40	12,664.21	12	0.3	33	B. B.	218,288	0.47	18,190.63
389 FULL TERM NEONATE W MAJOR PROBLEMS	MED	4	4.0	74	5.3	1,571,170	3.51	112,226.46	Ξ	0.3	78	1.7	1,482,618	3.16	134,783,44
277 CELLULITIS WITH MCC	MED	80	0.2	26	3.3	208,023	0.46	26,002.83	Ξ	0.3	37	3.4	260,868	0.56	23,715.24
174 GI HEMORRHAGE W CC	MED	=	0.3	31	2.8	276,721	0.62	25,156.47	11	0.3	23	2.1	231,408	0.49	21,037.05

(B)

Non ~ Medicare

Inpatient Claims Top 25 DRG - Two-Year Comparison

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0000,4900,7000

37,307 Average Members *;

Jan 12 - Dec 12

Jan11 - Decl1

01/01/2014 - 12/31/2014

Contract Perlod:

Region: Northern California

9,714.23 20,128.73 50,480.49 \$38,413.36 29,447.07 42,979.76 \$43,855.83 Per Admlt PMPM 8.5% 0.63 13.4% 14.6% 1.8% 11.23 84.47 62.0% 19.81 18.26 2.41 \$136.18 Claims **Total Inpatient** \$63,804,595 8,554,709 9,283,629 5,262,700 39,576,706 Jan 12 - Dec 12 1,126,851 294,471 ALOS 6. 2.9 4.2 5.4 5.5 4 7:1 Admits Day 16.6% 12.5% 3.4% 58.9% 19 1,219 8.6% 4,317 7,329 914 632 247 per 1,000 20.0 42.5 0.3 10.9 5.5 3.0 3. 7.2% Count 25.6% 13.0% 7.0% 784 47.2% 120 10 216 116 1991 34,642.20 18,012.65 42,106.60 \$43,583.40 49,338.70 \$39,408.35 11,734.62 per . Admit Claims 11.7% 10.0% 68.2% 95.77 0.85 14.08 16.46 2.02 \$12.07 \$140.40 PMPM per Days ALOS Total Inpatient 7,368,654 903,566 \$62,856,319 5,404,342 42,875,330 381,064 6,304,427 Jan 11 - Dec 11 4.5 2.7 2.5 9.9 2.3 χ. 5. 4. 12,1% 10.1% 3.9% 7.2% 66.7% 30 4,778 7,160 Admits 512 865 726 279 42.8 0.3 23.3 9.4 3.3 Category Count 54.5% 1.0% 21.9% 4.8% 7.8% 1595 124 869 350 77 Ξ SURG NON-MALIGNANCY W CC/MCC 358 UTERINE & ADNEXA PROC FOR Top DRG: MENTAL HEALTH Top DRG: MATERNITY % of Total Inpatient % of Total Inpatient % of Total Inpatient Top DRG: SURGICAL Top DRG: MEDICAL % of Total Inpatient DRG DRG Label All Other DRG Total Inpatient

852

Includes actives and /or pre 65 Retirees Only.

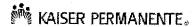
Created On: 4/9/2013

6425340

NPS RQR Number:

393124-10399-210-1 SPAS RQR Number/Set ID:

NPS RQR Name:





Outpatient - \$ PMPM and \$/Visit

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period:01/01/2014 - 12/31/2014

<u> Jan I I - Deci I</u>

<u>Jan12 - Dec12</u> 39,043

Average Members*;

37,307

☐ Group Outpatient PMPM ☐ KP Outpatient PMPM

Outpatient \$ PMPM *		· 	
Service Category	<u> Jan11 - Dec11</u>	<u>Change</u>	Jan 12 - Dec 12
Outpatient Visits	\$48.10	(3.6)%	\$46.36
Emergency Room	14.66	12.8%	16.54
Surgical/Procedures			
Outpatient Surgery Facility	23.90	12.3%	26.84
Outpatient Surgery Professional	9.05	(5.4)%	8.56
Lab	13.43	(10.2)%	12.06
Radiology	18.46	(17.0)%	15.33
Total Outpatient \$ PMPM	\$127.59	(1.5)%	\$125.68
Group to Health Plan Ratio	97.4%	(1.4)%	96.0%

Outpatient \$/Visit *			·
Service Category	<u> Jan11 – Dec11</u>	<u>Change</u>	<u> Jan12 – Dec12</u>
Outpatient Visits	\$135.57	(3.7)%	\$130.49
Emergency Room	1,078.54	11.9%	1,206.45
Surgical/Procedures			
Outpatient Surgery Facility	2,683.88	9.8%	2,947.98
Outpatient Surgery Professional	1,016.20	(7.5)%	940.43
Lab	53.95	(10.0)%	48.55
Radiology	309.69	(16.0)%	260.13
Total Outpatient \$/Visit	\$186.07	(1.5)%	\$183.37

^{*} Includes Actives and /or pre 65 Retirees only.

Created on: 4/9/2013 NPS RQR Number: 6425340 SPAS RQR Number/Set ID: 393124-10399-210-1 NPS RQR Name: 853 1 for EU 0, 7000

Outpatient - Visits/1000

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

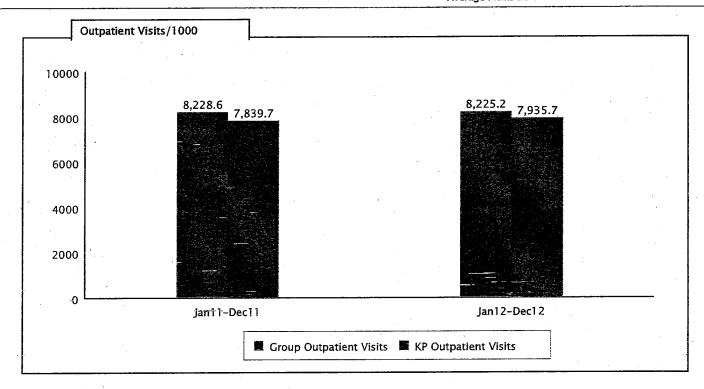
Jan 11 - Dec 11

Jan12 - Dec12

Average Members*:

37,307

39,043



Outpatient Visits/1000 *			<u></u>
Service Category	<u> </u>	<u>Change</u>	<u> Jan12 - Dec12</u>
Outpatient Visits	4,257.1	0.1%	4,262.9
Emergency Room	163.2	0.8%	164.5
Surgical/Procedures	106.8	2.2%	109.2
Lab	2,986.0	(0.2)%	2,981.4
Radiology	715.5	(1.2)%	707.1
Total Outpatient Visits/1000	8,228.6	0.0%	8,225.2

^{*} Includes Actives and /or pre 65 Retirees only.

Created on: 4/9/2013 NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 83124-10399-210-1 NPS RQR Name: C1 S1 for EU 0, 7000





Pharmacy - \$ PMPM and \$/Script

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

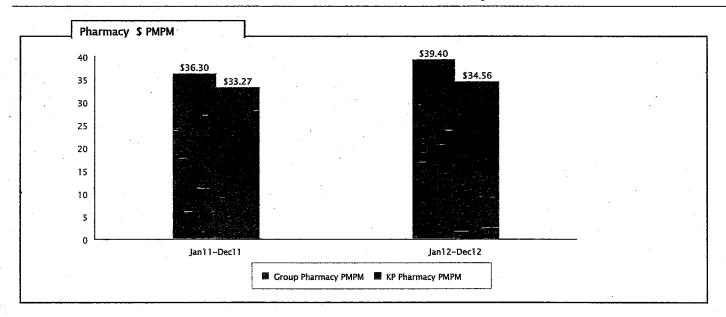
<u>ian11 - Dec11</u>

Jan 12 - Dec 12

Average Members*:

37,307

39,043



Pharmacy \$ PMPM *			· ·
Service Category	<u> Jan11 – Decl1</u>	<u>Change</u>	<u> Jan12 – Dec12</u>
Brand /Formulary	\$21.87	9.4%	\$23.92
Brand/Non-Formulary	3.15	10.5%	3.48
Generic/Formulary	10.70	7.0%	11.45
Generic/Non-Formulary	0.59	(6.8)%	0.55
Total Pharmacy \$ PMPM	\$36.30	8.5%	\$39.40
Group to Health Plan Ratio	109.1%	4.5%	114.0%

Pharmacy \$/Script *		· · · · · · · · · · · · · · · · · · ·	<u> </u>
Service Category	<u> janl 1 – Decl 1</u>	<u>Change</u>	Jan12 - Dec12
Brand /Formulary	\$485.80	21.8%	\$591.72
Brand/Non-Formulary	251.63	30.3%	327.90
Generic/Formulary	26.55	8.5%	28.81
Generic/Non-Formulary	55.40	(0.9)%	54.89
otal Pharmacy \$/Script	\$77.06	11.5%	\$85.94

^{*} Includes Actives and /or pre 65 Retirees only.

Created on: 4/9/2013 NPS RQR Number: 6425340



Pharmacy - Scripts / PMPY

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

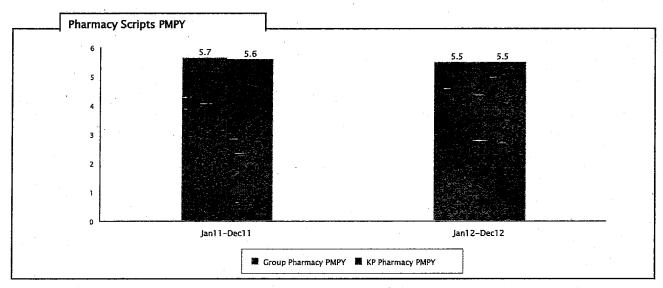
<u> Jan11 - Dec11</u>

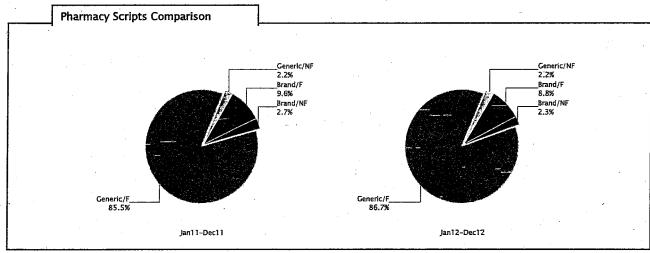
<u>Jan12 - Dec12</u>

Average Members*:

37,307

39,043





Pharmacy Scripts PMPY *			·
Service Category	<u> Jan 11 - Dec 11</u>	<u>Change</u>	<u> Jan 12 - Dec 12</u>
Brand /Formulary (F)	0.5	0.0%	0.5
Brand/Non-Formulary (NF)	0.2	(50.0)%	0.1
Generic/Formulary (F)	4.8	0.0%	4.8
Generic/Non-Formulary (NF)	0.1	0.0%	0.1
Total Pharmacy Scripts PMPY	5.7	(3.5)%	5.5

^{*} Includes Actives and /or pre 65 Retirees only.

Created on: 4/9/2013

NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1

NPS RQR Name: **856** for EU 0, 7000

Pharmacy Detail

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Jan 12 - Dec 12

Contract Period: 01/01/2014-12/31/2014

Region: Northern California

39,043

Average Members *:

100.0% \$85.94 95.5% \$80.79 4,5% 195,04 \$ per Script % of Total Scripts 9,676 205,148 214,824 Scripts PMPM Claims TOTAL 4.03 \$39.40 \$35.38 % of Total Rx Claims 89.8% 10.2% 100.0% \$16,573,812 1,887,178 \$18,460,990 \$ Clalms 327.90 \$536.92 8.8% \$591.72 \$ per Script % of Total Scripts 2.3% 11.1% 18,942 4,967 23,909 Scripts \$23.92 3.48 \$27.40 PMPM Ctalms BRAND % of Total Rx Clalms 8.8% 69.5% 60.7% \$11,208,411 1,628,702 \$12,837,113 \$ Clalms 86.7% \$28.81 2.2% 54.89 88.9% \$29.46 \$ per Script Total Scripts % of 4,709 186,206 190,915 Scripts PMPM Claims 29.1% \$11.45 0.55 \$12.00 % of Total Rx Claims 1.4% 30.5% GENERIC \$ Claims 258,476 \$5,365,401 \$5,623,877 Non-Formulary Formulary

" Includes actives and /or pre 65 Retirees Only.

857

Rx Total

Non - Medicare

(A)

Top 25 Drugs by Total Scripts

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number: 888

Subgroups: 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

Average Members *:

				Formulary		Annual	Group			Heal	Health Plan
			Brand/	/Non- For	Sc	Scripts per			% of Total	ď	% of Total
Therapeutic Class	NDC	Drug Name	Generic	mulary		Member	Scripts	Rank	Scripts	Rank	Scripts
RESPIRATORY THERAPY AGENTS	59310057920	PROAIR HEA 90 MCG/ACTUATION HEAA	B	<u>.</u>		0.15	6,041	-	2.8%	2	2.6%
RESPIRATORY THERAPY AGENTS	60505085003	FLUTICASONE 50 MCG/ACTUATION SPSN	ن	ш		0.15	5,728		2.7%	-	2.6 %
ANALGESIC, ANTI-INFLAMMATORY OR ANTIPYRETIC	00603388128	HYDROCODONE-ACETAMINOPHEN 5-500 MG TAB	Ü	ш		0.10	3,811	т	1,8%	m	1.9%
CARDIOVASCULAR THERAPY AGENTS	29300012810	HYDROCHLOROTHIAZIDE 25 MG TAB	U	ΙL		0.08	3,133	4	1.5%	4	1.3 %
ENDOCRINE	65862000801	METFORMIN 500 MG TAB	ی	ů.		90.0	2,508	ĸ	1.2%	10	86.0
RESPIRATORY THERAPY AGENTS	59310020480	QVAR 80 MCG/ACTUATION AERO	8	ш.		90.0	2,477	ှ ဖ	1.2%	9	1.1%
RESPIRATORY THERAPY AGENTS	00603107556	CHERATUSSIN AC 10-100 MG/5 ML LIQD	ט	щ		90.0	2,203	7	1,0%	4	0.7%
DRUGS TO TREAT ERECTILE DYFUNCTION	00173083113	LEVITRA 20 MG TAB	æ	<u>ш</u> .		90.0	2,173	&	1.0%	16	0.7%
GASTROINTESTINAL THERAPY AGENTS	62175011843	OMEPRAZOLE 20 MG CPDR		ш		0.05	2,030	6	%6.0	6	% 6.0
CARDIOVASCULAR THERAPY AGENTS	00093715510	SIMVASTATIN 40 MG TAB	ט	L.		0.05	1,982	01	%6.0	=	%6.0
ANTI-INFECTIVE AGENTS	00143993901	AMOXICILLIN 500 MG CAP	ט	щ		0.05	1,947	=	%6.0	7	% 6.0
ANALGESIC, ANTI-INFLAMMATORY OR ANTIPYRETIC	55111068301	IBUPROFEN 600 MG TAB	U	L.		0.05	1,934	12	0.9%	- 13	0.7 %
CARDIOVASCULAR THERAPY AGENTS	00093078710	ATENOLOL 25 MG TAB	ט	IL.		0.05	1,925	13	%6.0	12	0.8%
ANALGESIC, ANTI-INFLAMMATORY OR ANTIPYRETIC	55111068401	IBUPROFEN 800 MG TAB	U	11.		0.05	1,906	4	%6.0	rv.	1.2 %

Created On: 4/9/2013

NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1

NPS RQR Name: C1 S1 for EU 0, 7000

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Non – Medicare

Top 25 Drugs by Total Scripts

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number: 888

Subgroups: 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Average Members *:

Jan 12 - Dec 12

						Group			Healt	Health Plan
			Brand/	Formulary /Non- For	Annual Scripts per			% of Total	*	% of Total
Therapeutic Class	NDC	Drug Name	Generic	mulary	Member	Scripts	Rank	Scripts	Rank	Scripts
CARDIOVASCULAR THEBADY ACENTS	59762153003	AMLODIPINE 5 MG TAB	ט	Ŀ	0.04	1,585	15	0.7%	20	0.6%
CONTRACEPTIVES	52544027928	LEVORA-28 0,15-30 MG-MCG TAB	ט	!	0.04	1.506	19	0.7%	2.5	% 2.0
ENDOCRINE	65862001001	METFORMIN 1,000 MG TAB	U	Ŀ	0.03	1,350	17	0.6%	28	0.5 %
GASTROINTESTINAL	62175011837	OMEPRAZOLE 20 MG CPDR	ن	ıL	0.03	1,298	18	0,6%	32	0.5 %
THERAPY AGENTS ANTI-INFECTIVE	00143989701	CEPHALEXIN 500 MG CAP		ш	0 03	1 277	0	2	9	à u
AGENTS			3 -	•		Ĭ	<u>.</u>	80.0	<u>.</u>	ę 5
CARDIOVASCULAR	00093075210	ATENOLOL 50 MG TAB	U	ı. IL	0.03	1,240	20	0.6%	21	89.0
THERAPY AGENTS CARDIOVASCIJI AR	00093715410	SIMVASTATIN 20 MG TAR		u	60.0	נכני	;	ò	c -	ò
THERAPY AGENTS			,	_	5	C77'	, V	80.5	<u>°</u>	R D
ANALGESIC,	00406036701	HYDROCODONE-ACETAMINOPHEN	ی	Ľ.	0.03	1,197	22	0.6%	ø	% 6'0
ANTI-INFLAMMATORY		10-325 MG TAB								
OR ANTIPYRETIC	. !		-							
CARDIOVASCULAR THERAPY AGENTS	59762154003	AMLODIPINE 10 MG TAB	ن	ii.	0.03	1,197	23	0.6%	32	8 %
ANALGESIC,	00406051201	OXYCODONE-ACETAMINOPHEN 5-325 MG	ָט	ц.	0.03	1,160	24	0.5%	27	0.5%
ANTI-INFLAMMATORY OR ANTIPYRETIC		TAB								
ANTI-INFECTIVE AGENTS	00172531260	CIPROFLOXACIN 500 MG TAB	.	ᄔ	0.03	1,115	22	0.5%	31	0.5 %
		ALL OTHER			4.12	160,878		74.9%		76.5 %
	TOTAL:				5.50	214,824		100.0 %		100.0%

* Includes actives and /or pre 65 Retirees Only.

Created On: 4/9/2013 NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1 NPS RQR Name: C1 S1 for EU 0, 7000

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Non - Medicare

Top 25 Drugs by Net Claims

Group Name: HEALTH SERVICE SYSTEM (CITY AND CÒUNTY OF SF)

Group Number: 888

Subgroups: 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan12 - Dec12 39,043 Average Members *:

				Formulany	% of	Croup			Hea	Health Plan
			Brand/	/Non- For	Total Net			Net Claims	٠	Net Claims
Therapeutic Class	NDC	Drug Name	Generic	mulary	Claims	Net Claims R	Rank	Per Script	Rank	Per Script
ANTI-INFECTIVE	15584010101	ATRIPLA 600-200-300 MG TAB	В	LL.	5.8%	\$1,062,643.60	-	\$4,040.47	_	\$3,546.61
AGENTS ANTI-INFECTIVE	61958070101	TRUVADA 200-300 MG TAB	<u>m</u>	IL.	4.3%	794,036.85	7	2,443.19	m	2,081.88
AGENTS METABOLIC DISEASE FNZYME RFPJ ACFMENT	57665000101	ADAGEN 250 UNIT/ML SOLN	· æ	z	2.1%	380,854.20	m	63,475.70	184	102,894.40
AGENTS ANTI-INFECTIVE	00003362212	REYATAZ 300 MG CAP	Ø	L	2.1%	380,835.00	4	2,294.19	20	1,877.14
AGENTS MULTIPLE SCLEROSIS	59627000205	AVONEX ADMINISTRATION PACK 30	æ	ம	1.8%	339,814.30		3,267.45	9	3,262.60
AGENTS ANTI-INFECTIVE	00085031402	MCG/0.5 ML KIT VICTRELIS 200 MG CAP	<u>.</u>	Щ	1.7%	315,530.10	. 9	4,322.33	Ε,	4,402.35
AGENTS ANTI-INFECTIVE	00006022761	ISENTRESS 400 MG TAB	_	ᄕ	1.6%	294,121.60	~	2,352.97	4	1,897.49
AGENTS ANTIINFECTIVE	00003161112	BARACLUDE 0.5 MG TAB	82	ட	1.4%	259,834.90	80	2,572.62	13	2,596.57
AGENTS ANALGESIC, ANTI-INFLAMMATORY	00074379902	HUMIRA 40 MG/0.8 ML KIT	_	Ľ	1.4%	258,437.45	o,	2,135.85	ĸ	2,100.25
OR ANTIPYRETIC ANTI-INFECTIVE	61958040101	VIREAD 300 MG TAB	m	ш	1.3%	245,960.61	10	1,720.00	23	1,753.37
AGENTS ANTI-INFECTIVE	49702020613	EPZICOM 600-300 MG TAB	æ	!	1.3%	241,509.43	· ,	2,300.09	44	1,977.42
AGENTS CENTRAL NERVOUS	68727010001	XYREM 500 MG/ML SOLN	∞	z	1.2%	219,484.07	12	5,627.80	26	5,192.62
SYSTEM AGENTS ANALGESIC, ANTI-INFLAMMATORY OR ANTIPYRETIC	58406043504	ENBREL 50 MG/ML (0.98 ML) SYRG	. 	Ľ.	1.1%	208,560.55	13	1,862,15	4	1,942.13

Created On: 4/9/2013 NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1 NPS ROR Name: C1 S1 for EU 0, 7000

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Non - Medicare

Top 25 Drugs by Net Claims

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number: 888

Subgroups: 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Average Members *:

Jan 12 - Dec 12 39,043

			·	Formulary	% of	Group			Hea	Health Plan
			Brand/	/Non- For	Total Net			Net Claims		Net Claims
Therapeutic Class	NDC	Drug Name	Generic	mulary	Claims	Net Claims R	Rank	Per Script	Rank	Per Script
MULTIPLE SCLEROSIS	68546031730	COPAXONE 20 MG KIT	В	ш	1.0%	186,929.05	14	3,814.88	2	3,792.75
AGENTS	•									
CARDIOVASCULAR	66215010206	TRACLEER 125 MG TAB	m	LL	0.9%	172,586,85	15	6,392.11	122	6,399.38
THERAPY AGENTS										
ANALGESIC,	00074433902	HUMIRA PEN 40 MG/0.8 ML PNKT	8	11.	0.9%	161,516.30	16	1,994.03	=	2,050.03
. ANTI-INFLAMMATORY										
OR ANTIPYRETIC										
RESPIRATORY THERAPY	59310020480	QVAR 80 MCG/ACTUATION AERO	В	L.	0.8%	155,605.23	17	62.82	16	60.17
AGENTS										•
HEMATOLOGICAL	55513092410	NEUPOGEN 300 MCG/0.5 ML SYRG	82	щ	0.8%	153,974.45	8	2,199,64	22	2.044.85
AGENTS						•				
DRUGS TO TREAT	00173083113	LEVITRA 20 MG TAB	8	11	0.8%	150,090.26	19	69.07	21	73.47
ERECTILE DYFUNCTION						•				
ENDOCRINE	00169750111	NOVOLOG 100 UNIT/ML SOLN	8	ıL	0.8%	146,221,90	20	509.48	10	429,01
ANALGESIC,	58406044504	ENBREL SURECLICK 50 MG/ML (0.98 ML)	8	щ	0.8%	143,665.40	21	1,915.54	7	1,974.49
ANTI-INFLAMMATORY		PNU								•
OR ANTIPYRETIC										
ENDOCRINE	00088222033	LANTUS 100 UNIT/ML SOLN	æ	L	0.8%	140,269.85	22	394.02	12	423.27
RESPIRATORY THERAPY	59310057920	PROAIR HFA 90 MCG/ACTUATION HFAA	8	ıL	0.8%	139,705.24	23	23.13	19	21.26
AGENTS										
ANTI-INFECTIVE	0007433330	NORVIR 100 MG TAB	.	щ	0.7%	135,339.72	24	588,43	46	601.72
AGENTS					•					
ANTI-INFECTIVE	00004035730	PEGASYS 180 MCG/0.5 ML SYRG	B	Ŀ	0.7%	134,959,85	. 25	1,928.00	4	2,074.58
AGENTS										
		ALL OTHER			63.0%	\$11,638,503.36		\$57.84		\$60.59
	TOTAL:		-		100.0%	\$18,460,990.12		\$85.94		\$75.14
	Of Beatlese									

* Includes actives and /or pre 65 Retirees Only.

NPS RQR Number: 6425340 Created On: 4/9/2013

SPAS RQR Number/Set ID: 393124-10399-210-1 NPS RQR Name: C1 S1 for EU 0, 7000 Page 25 of 35

862





Other - \$ PMPM

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

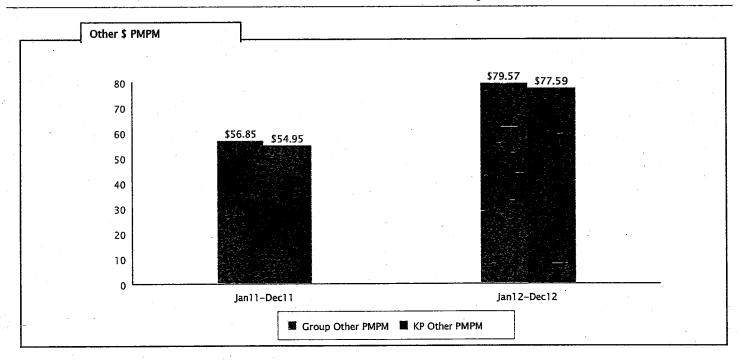
<u> Jan 11 - Dec 11</u>

<u>Jan12 - Dec12</u>

Average Members*:

37,307

39,043



ervice Category	<u> Jan 11 - Dec 11</u>	<u>Change</u>	<u> Jan 12 – Dec 12</u>
Ambulance	\$4.17	8.9%	\$4.54
DME	2.85	4.2%	2.97
Home Health	0.83	(16.9)%	0.69
Integrated Care Management - Variable - Rx	0.00	N/A	9.73
Integrated Care Management - Variable - Medical	0.00	N/A	26.35
Integrated Care Management - Fixed	27.50	(34.5)%	18.02
Other Medical Services	21.50	(19.7)%	17.27
Total Other \$ PMPM	\$56.85	40.0%	\$79.57
Group to Health Plan Ratio	103.5%	(0.9)%	102.6%

^{*} Includes Actives and/or pre 65 Retirees only.

Created on: 4/9/2013

NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1 NPS RQR Name: 63 S1 for EU 0, 7000

(P

High Cost Claimants

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Product Type: HMO

Subgroup(s): 0000,4900,7000

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

<u>Jan12 - Dec12</u>

Average Members*: 39,043

Claims In Excess Of: \$550,000

Pooling Point: \$550,000

Person	Member Status	Primary Diagnosis	Claims Per Member	% of Total Claims	Claims Over Pooling Point
Person 1	Active	0389-UNSPECIFIED SEPTICEMIA	\$1,975,690.37	1.1%	\$1,425,690.37
Person 2	Active	0389-UNSPECIFIED SEPTICEMIA	901,739.17	0.5%	351,739.17
Person 3	Active	57400-CALCU GALLBLADD W/ACUT CHOLCYST W/O MENTION OBST	752,508.08	0.4%	202,508.08
Person 4	Active	3481-ANOXIC BRAIN DAMAGE	685,129.61	0.4%	135,129.61
Person 5	Active	V5811-ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY	725,499.98	0.4%	175,499.98
Person 6	Active	V5811-ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY	667,480.41	0.4%	117,480.41
Person 7	Active	V3001-SINGLE LIVEBORN HOSPITAL DELIV BY C-SECTION	647,830.30	0.4%	97,830.30
Person 8	Active .	0463-PROGRESSIVE MULTIFOCAL LEUKOENCEPHALOPATHY	610,800.49	0.3%	60,800.49
	igh Cost Members: laimants Total:		\$6,966,687.41 \$171,465,385.64	3.9 % 96.1 %	
Total for Al	l Claimants:		\$178,432,064.05	100.0%	\$2,566,678.41

^{*} Includes Actives and /or pre 65 Retirees Only.

Created On: 4/9/2013 NPS RQR Number: 6425340

Monthly Paid Claims

Non-Medicare

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)
Group Numbers: 888
Subgroups: 0000,4900,7000

37,307

Janll - Decll

Jan 12 - Dec 12 39,043

Average Members *:

		A Company of the Comp				E WASTER CHIEF STORY STORY	新 一次の 一次でいた	
		Medical Claims						
	The second secon	Outpatient	Other	Medical Claims	KX Claims	l otal Claims	rmrm Člaims	Members
lan 12	\$3,481,510	\$4,309,078	\$2,960,313	\$10,750,901	\$1,492,594	\$12,243,495	\$318.58	38,432
Feb 12	5,006,036	4,329,229	2,962,512	12,297,777	1,540,280	13,838,058	359.52	38,490
Mar 12	5,662,881	4,968,124	3,214,138	13,845,143	1,753,372	15,598,515	402.25	38,778
Apr 12	6,538,063	5,112,071	3,171,709	14,821,843	1,413,621	16,235,464	418.62	38,783
May 12	5,717,879	5,238,060	3,251,559	14,207,498	1,606,398	15,813,896	407.56	38,801
lun 12	4,984,792	5,308,449	3,013,832	13,307,074	1,547,750	14,854,823	383.05	38,780
Jul 12	4,733,357	4,834,236	3,013,308	12,580,901	1,451,623	14,032,525	358.79	39,111
Aug 12	5,699,099	5,153,764	3,282,670	14,135,533	1,656,822	15,792,355	403.30	39,158
Sep 12	4,598,952	4,432,466	3,074,583	12,196,000	1,517,064	13,623,065	344,60	39,533
0ct 12	5,341,483	5,331,499	3,175,576	13,848,558	1,593,578	15,442,136	390.10	39,585
Nex 12	3,908,231	5,101,797	2,987,370	11,997,398	1,425,169	13,422,567	340,16	39,460
3 6	8.132.311	4,766,352	3,173,784	16,072,447	1,462,718	17,535,165	442.75	39,605
5ਫ਼ੂ	\$505. 100 100 100 100 100 100 100 100 100 10	\$58,885,125	\$37,281,354	\$159,971,074	\$18,460,990	\$178,432,064	\$380.85	468,516
Jan 11	\$4,531,080	\$4,583,853	\$2,013,427	\$11,128,361	\$1,275,058	\$12,403,419	\$340.90	36,384
Feb 11	5,638,279	4,512,057	2,017,627	12,167,963	1,319,742	13,487,705	370,94	36,361
Mar 11	7,303,862	5,000,844	2,155,636	14,460,342	1,443,023	15,903,365	436.70	36,417
Apr 11	5,157,789	4,884,584	2,058,795	12,101,168	1,285,743	13,386,911	366.18	36,558
May 11	3,890,779	4,404,198	2,093,074	10,388,052	1,376,522	11,764,573	321.31	36,614
lun 11	4,882,761	5,211,291	2,099,534	12,193,586	1,371,899	13,565,486	370.17	36,647
) I I I	6,399,390	4,485,156	2,193,344	13,077,890	1,286,623	14,364,513	381.30	37,672
Aug 11	4,801,023	5,503,890	2,159,621	12,464,535	1,394,862	13,859,397	366.68	37,797
Sep 11	4,080,669	4,648,262	2,189,024	10,917,954	1,308,553	12,226,507	320.59	38,138
0ct 11	7,872,344	4,540,600	2,157,445	14,570,389	1,437,807	16,008,196	418.23	38,276
Nov 11	4,344,615	4,682,725	2,118,322	11,145,663	1,335,896	12,481,558	325.52	38,344
Dec 11	3,953,727	4,664,587	2,193,561	10,811,875	1,416,969	12,228,844	317.81	38,479
rotal		\$57,122,048	\$25,449,410	\$145,427,777	\$16,252,696	\$161,680,473	\$361.15	447,687
Includes a	Includes actives and /or pre 65 Retirees Only.							

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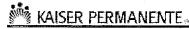
6425340

NPS RQR Number:

SPAS RQR Number/Set ID: 393124-10399-210-1

NPS RQR Name: C1 S1 for EU 0, 7000

NPS Quote Number: 10404884 Page 28 of 35



Rate and Benefit Summary - Commercial

Region: Northern California

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Contract Period: 01/01/2014 - 12/31/2014

Group Numbers: 888

Janll - Decll

Jan12 - Dec12

Subgroups: 0000,4900,7000,8500,9900

Average Members*:

37,307

39,043

Product Type: HMO

Quote Name: TRADITIONAL PLAN

Current Rates

Rate Tiers	Medical	Chiro	Dental	Total	Ratio
Subscriber only	\$529.87	\$1.32	\$0.00	\$531.19	1.00
Subscriber and 1 dependent	1,059.74	2.64	0.00	1,062.38	2.00
Subscriber and 2 or more dependents	1,499.54	3.73	0.00	1,503.27	2.83

Proposed Rates

Rate Tiers	Subscribers	Medical	%Change	Chiro	%Change	Dental	%Change	Total	%Change	Ratio
Subscriber only	8,336	\$557.75	5.26%	\$1.32	0.00%	\$0.00	0.00%	\$559.07	5.25%	1.00
Subscriber and 1 dependent	5,213	1,115.50	5.26%	2.64	0.00%	0.00	0.00%	1,118.14	5.25%	2.00
Subscriber and 2 or more dependents	5,509	1,578.43	5.26%	3.74	0.27%	0.00	0.00%	1,582.17	5.25%	2.83

Unassigned 65 + Retiree Rates - Single

		Rate	Members_
	Neither A nor B	\$559.07	0
	A and B	559.07	0
l	A Only	559.07	0
	B Only	559.07	0
	Under 65 NKR	559.07	0
· .	65 Plus NKR	559.07	0

Estimated Monthly Cost: \$19,205,446 Billing Frequency: Monthly

Proposed HMO Benefits

Annual Deductible: Individual / Family per calendar year(s): None

Out-of-Pocket Maximum: Individual / Family: \$1500 per member / \$3000 per family

Lifetime Maximum: Individual / Family: None

Prescription Drugs: R:HC2:2T:S15/S5/30 DAY;\$30/S10 100 DAY MOI;50% MR INF,IMPOT,RXGZIVF

Outpatient

Provider Visits: HC2 \$20/VISIT; \$0 PREVENTIVE

Surgery - Outpatient Services: R: HC2 \$35/PROCEDURE; \$20/ABORTION; \$0 COLONOSCOPY; TG, STER

Special Procedures: HCR \$0 OUTPT/ENCOUNTER

Chiropractic: \$15/VISIT TO 30 VISITS; \$50 ALLOW/CALNDR YR

Infertility: \$20/VISIT; \$100/ADMIT; \$0 LAB, IMAG & SPEC/ENCOUNTER

Multidisciplinary Rehab - Inpatient & Outpatient: \$20/DAY OUTP; \$100/ADMIT INPT

Therapy Services: \$20/VISIT

Home Health Services: SO/VISIT PART TIME INTERMITTENT CARE; 3 VISITS/DAY; 100 VISITS/YR

Hospice: \$0/SERVICE

Ambulance and Emergency Services

Medical Transportation Services: \$0/TRIP Emergency Care: \$100/VISIT

* Includes Actives and/or pre 65 Retirees only.

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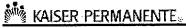
NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1

NPS Quote Number: 10404884

NPS RQR Name: C1 S1 for EU 0, 7000

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Rate and Benefit Summary - Commercial

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0000,4900,7000,8500,9900

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

<u>Jan11 - Decl1</u>

<u>Jan12 - Dec12</u>

Average Members*:

39,043

Product Type: HMO

Quote Name:

TRADITIONAL PLAN

Laboratory and Imaging

Laboratory Services: HCR \$0 OUTPT/ENCOUNTER; \$0 PREVENTIVE

Diagnostic and Therapeutic Imaging: HCR \$0/ENCOUNTER; \$0 CT/MRI/PET/PROCEDURE; \$0 PREVENTIVE

Hospital Inpatient

Hospital Services: R: \$100/ADMIT; \$100 TRANSGENDER Extended Care: \$0/ADMIT TO 100 DAYS/BNFT PRD

Mental Health and Chemical Dependency

Mental Health Outpatient: \$20/UNLIMITED VISITS; AB88

Mental Health Inpatient: \$100/ADMIT; \$0 PART; \$0 INTN; UNLIMITED

Chemical Dependency Outpatient Program: \$20/VISIT INDV; \$5/VISIT GRP, DAY, IOP

Chemical Dependency Inpatient Program: \$100/ADMIT; \$100 TRRS/ADMIT; \$100 RTP/ADMIT

Durable Medical Equipment: HC2 \$0 BASE, FORMULARY LIST, AND DMSXDEV Prosthetics & Orthotics: \$0 BASE; FORMULARY LIST & SPECIAL FOOTWEAR

Optical Dispensing: R: 25% EYEWR DISCOUNT

Hearing Aids: \$2500 ALLOW/DEVICE; 1 DEVICE/EAR; 2 DEVICE(S)/36 MONTHS

Allergy: \$5 INJECTIONS Dermatology: \$0/TREATMENT

Health-Education: HCR \$0 IND/VISIT; \$0 GRP/CLASS; \$0 PREVENTIVE

LGY5/CDIP171/CDOP7/CHIR18/DERM5/DME5/DRUG1098/EMRG15/EXTC21/GIFT20/HEAR21/HLTH18/HOME21/HOSP107/HSPC1/IMAG12/INF32/LAB12/MDTR1/MHI P197/MHOP184/OPT251/P&O3/PROV692/RHAB91/SPEC12/SURG435/THER9

* Includes Actives and/or pre 65 Retirees only.

Created On: 4/9/2013

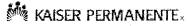
NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1

867 NPS RQR Name: C1 S1 for EU 0, 7000

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Rate Assumptions and Requirements

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0000,4900,7000,8500,9900

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

<u> Jan 11 - Dec 11</u>

<u>Jan12 - Dec12</u>

Average Members:

37,307

39,043

KP Offered: Alongside other carrier(s)

Quotes Included

TRADITIONAL PLAN - 10404884 CHIROPRACTIC - 10404887

Proposal Assumptions

The proposed rates and benefits included on the Rate and Benefit Summary page are based on the participation and contribution requirements described below. If any of the following are not met, Kaiser Permanente (KP) reserves the right to withdraw our rate proposal, decline coverage, re-rate this proposal or terminate your Group Agreement.

1. Group-specific requirements:

None

2. Rating Assumptions:

Rates assume a 12-month policy period of 1/1/2014 through 12/31/2014 unless otherwise specified above.

The rates and benefits in this proposal include the Federal Health Care Reform requirements for dependent coverage to age 26 and the elimination of lifetime maximums, including durable medical equipment (DME as defined by Federal Health Care Reform) annual maximums for contracts with renewal dates of October 1, 2010 or later. KP reserves the right to modify the rates and benefits if we receive further clarification of Federal-Health Care Reform requirements, or to incorporate other applicable Federal Health Care Reform requirements. In addition, Kaiser Permanente reserves the right to make any change in these rates and benefits due to changes in State or Federal legislation or regulatory action.

KP reserves the right to rerate if actual enrollment results in a + t - 10% change in the rates from what was assumed at the time of this quote. Examples of changes that may impact rates include, but are not limited to, the following:

- a. A change in the demographic factor.
- b. A change in the average family size or subscriber distribution.
- c. A change in the number of subscribers enrolled in KP.
- d. A change in the number of plans offered alongside KP.
- e. A change in the benefit design of a plan offered alongside KP.
- f. A change in the employer contribution formula.

KP reserves the right to change the rates in the event the employer funds, or offers to fund, all or part of an individual or family deductible, copayment or coinsurance which is applicable under the KP plan unless specifically noted in the Group-Specific Requirements above.

3. Participation and contribution requirements:

- a. Proposed rates and benefits assume 75% of overall eligible group employees enroll in a company-sponsored plan excluding those waiving for alternative group coverage.
- b. Proposal assumes employer pays at least 50% of the employee only cost and is non-discriminatory.

Quote assumes KP is offered alongside another health care plan

KP must be offered on conditions that are no less favorable than those for other health care plans. Examples include, but are not limited to, the following:

- a. KP is offered to all eligible employees.
- b. KP has access to the employer and to the employees on the same basis as all other health care plans offered.
- c. The employer's contribution formula does not put KP in a disadvantaged position. Acceptable formulas include, but are not limited to, fixed employer dollar or percentage contribution.
- d. Basic and optional benefits such as DME, prescription drugs, and infertility are comparable among all health care plans offered, however, KP will allow preventive services as defined by Health and Human Services (HHS) to vary if specifically approved by underwriting.
- e. KP is not offered alongside plans with pre-existing condition provisions, health condition exceptions or lifetime coverage limits.
- f. If early retirees are covered, the employer offers all health care plans to early retirees on the same basis.
- g. Eligibility rules such as dependent age limits and waiting periods for new hires are the same for all health care plans.

Created On: 4/9/2013 NPS RQR Number: 6425340 SPAS RQR Number/Set ID: 393124-10399-210-1

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Rate Assumptions and Requirements

Group Numbers: 888

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Region: Northern California Contract Period: 01/01/2014 - 12/31/2014

<u> Jan11 - Dec11</u>

Jan12 - Dec12

Average Members:

37,307

39,043

KP Offered: Alongside other carrier(s)

h. No other plan is allowed preferential treatment that adversely affects KP.

- i. The number of employee subscribers enrolled in KP must be the greater of 5 or 5% of the total number of employees enrolled in all health plans in regions where KP is offered.
- j. Kaiser Permanente must NOT be offered along side an age-rated health care plan.
- k. Rate tier ratios and their definitions should be the same among all health plans offered by the group (employer).

5. Product-specific participation requirements:

Subgroups: 0000,4900,7000,8500,9900

Additional Kaiser Permanente Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost Requirements:

- a. Members must have Medicare Parts A and B to enroll in Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost and be eligible for Medicare rates. Members with only Part B may also enroll but their rates will be subject to a surcharge.
- b. Medicare eligible members must reside in the approved Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost service areas to receive benefits for the group Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost offering.
- c. Preliminary Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost rates and benefits are subject to change.
- d. Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost products may not be available for sale in all KP regions. Additional Out-of-Area Product Requirements:
- a. All employees offered KP Out-of-Area products must reside and work outside the KP service area.

Proposal requires eligibility for KP plan based on the following:

- a. Employer the employer cannot be considered a small group according to state law.
- b. Actives:
 - The group (employer) must be related to those offered a KP plan by virtue of employment. This includes when the group contract is with a Taft-Hartley Trust, Professional Employer Organization (PEO), association or Joint Power of Authority (IPA).
 - An eligible employee is defined as an active, permanent employee who is on the employer's payroll, and working a minimum of 20 hours per week. Temporary and independent contractors (i.e., 1099 employees) are not eligible unless noted otherwise in this Rate Assumptions and Requirements document.
 - The employee must live or work in the service area specific to the product they enroll in.
 - 100% of eligible employees must be covered by Worker's Compensation, where mandated by law.
- c. New enrollees:

The probationary period for new employees is non-discriminatory and reflects no more than a 90-day waiting period unless noted otherwise in this Rate Assumptions and Requirements document.

- d. COBRA
 - It is the responsibility of the employer group to enroll eligible members into the KP COBRA plan in compliance with
 - It is the employer's responsibility to comply with appropriate COBRA statutes.
 - KP will generally include COBRA members as part of the group bill. If individual billing has been arranged, KP will assume responsibility for collecting premiums from COBRA members, only acting as a collection agent on behalf of the group, not as a fiduciary for the group. In addition, KP retains the authority to terminate a direct-billed member for non-payment.

e. Retirees

- Eligible early retirees must enroll in a health plan at the time of retirement and may later elect to enroll in a KP plan at open enrollment as long as they have maintained continuous enrollment in a health plan since the time of retirement.
- Early retirees under the age of 65 must be reported to KP and set up as a separate employee class or subgroup.
- Medicare eligible retirees cannot enroll in the active plan.
- Applicants for a Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost plan must meet all the Medicare eligibility requirements, including those stated in this Rate Assumptions and Requirements document.
- f. Dependents
 - if an "in-area" employee has dependents that live outside the service area, the employee and dependents must be enrolled in the same product.

7. Compliance:

KP reserves the right to make any change in the employer group's benefits and/or rates due to changes in State or Federal legislation or regulatory action.

SPAS RQR_Number/Set ID: 393124-10399-210-1 Created On: 4/9/2013 NPS RQR Number: 6425340 C1 S1 for EU 0, 7000

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Rate Assumptions and Requirements

Group Numbers: 888

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Subgroups: 0000,4900,7000,8500,9900

Region: Northern California Contract Period: 01/01/2014 - 12/31/2014

Average Members:

<u>Jan11 - Dec11</u> 37,307

<u>Jan12 - Dec12</u> 39,043

KP Offered: Alongside other carrier(s)

Broker Payment: 8.

Brokers may be paid commissions and other financial incentives by Kaiser Permanente.

The contracting employer must also meet all other group-specific responsibilities and requirements described in your Group Agreement.

Created On: 4/9/2013 NPS RQR Number: 6425340

SPAS RQR Number/Set ID: 393124-10399-210-1 NES RON Name: C1 S1 for EU 0, 7000

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Glossary of Terms

Term

Kaiser Foundation Health Plan

Annual Trend	The projected annual percent change in medical and pharmacy expenses applied to a group's claims experience.
Area Factor	A factor that adjusts the manual rate to reflect geographic price differentials.
Average Members	The average monthly membership during the reporting period.
Benefit Adjusted Manual Rate	The average rate for a group's current benefit plan for a particular market segment.
Capping	A method of stabilizing year-to-year rate changes:
COBRA Factor	An adjustment made to the manual fate to reflect the proportion of COBRA enrollees,
Contract Period	The time period during which a rate is valid:
Credibility	The weighting applied to manual, risk or claims-based rates when developing required premium rates.
Demographic Change	An adjustment made in the Projected Claims Calculation to reflect changes in the group demographics that occurred between the experience period and the time of the quote.
Demographic Factor	An adjustment made to the manual rate to reflect a group's current demographics.
Federal Health Insurer Fee	A percent of premium fee paid by insurance carriers for commercial and Medicare business beginning January 1, 2014.
Federal PCORI Fee	A fee per covered life paid by commercial insurers and self-funded plan sponsors to fund the Patient-Centered Outcomes Research Institute (PCORI): PCORI was established by the Affordable Care Act., The PCORI will commission studies that compare drugs, medical devices, tests, surgeries and ways to deliver health care.
Federal Transitional Reinsurance Program Contribution	A fee paid by commercial insurers and third party administrators for self-funded plans from 2014 through 2016 to support reinsurance to individual market insurers covering high risk individuals in Exchanges
Formulary	A list of preferred drugs based on their effectiveness and value.
Future Benefit Change	An adjustment to the rate to reflect a change in benefits being quoted for the renewal period:
Historical Benefit Change	An adjustment made to historical paid claims to reflect the group's current benefit level.
Incurred Claim Adjustment	An adjustment made to a group's paid claims to convert them to estimated incurred claims.
In-force PMPM Rate	A group's current monthly PMPM (per member per month) rate.
Integrated Care Management (ICM) Fee	This charge, which is currently included in Paid Claims, incorporates services such as chronic conditions management, pharmacy management, clinical access alternatives, telephonic clinical advice; wellness information and coaching, online personal health management, medical and case management; external provider network management, and other care management services that are not billed or can't be done so efficiently. At KP, integrated care management cannot be unbundled, as it is part of the unique care and services the Permanente Medical Groups deliver to get and keep our members healthy.
Kaiser Permanente Senior Advantage (KPSA)	Kaiser Permanente's Medicare Advantage plan, offered in all regions except Ohio and Mid-Atlantic, which offer Medicare Plus (Cost) instead.
Kaiser Permanente Medicare Plus (Cost)	Kaiser Permanente's Medicare Cost plan; offered in Ohio and Mid-Atlantic only. No Medicare Advantage plan is offered in these regions:
Late Payment Charge	A fee added to the rate to compensate KP for a group's late payment history.
Market Segment	Group divisions based on group size and/or line of business such as Labor Trust or National Accounts.
Other Benefits	Benefits that are not included in the manual rate nor in the paid claims.

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Created On: 4/9/2013



Glossary of Terms

Term	Kaiser Foundation Health Plan	

Other Medical Services (OMS)	Other Medical Services (OMS) is a component of claims that accounts for services that are not easily captured in our claims and encounter systems. OMS includes but is not limited to capitated services; incomplete coding of KP services; COB and third-party liability.
Paid Claims	Paid medical expenses for services provided to a health plan member. These are either the result of an internal service, where prices are based on a fee schedule, or an external claim for services from a non-KP provider. Claims are attributed to the month in which they were paid (external) or reported (internal):
Pooling Charge	The per member per month charge included in the Projected Claims Calculation to compensate for the removal of claims exceeding the pooling point.
Pooling Credit	The total combined medical and prescription drug claims paid above the pooling point. This amount is removed from paid claims in the Projected Claims Calculation.
Pooling Point	The annual threshold above which a member's combined medical and prescription drug claims will be excluded from the group's rate calculation.
Quoted Rate	The renewal rate calculated on a per member per month basis.
Rate Assumptions and Requirements	A component of the customer renewal report package that documents terms and conditions of the rate proposal.
Rating Members	The membership during the rating month used in the renewal.
Rating Month	The month of the membership and benefits used to calculate the renewal.
Report Period	The period of time over which prior claims are aggregated and used to project future claim costs.
Reporting Threshold	Used on the High Cost Claimants report; it is the minimum in total claims in the reporting period required for a member to be displayed. The threshold varies by group size.
Retention	The portion of premium retained by KP to cover Health Plan administration expenses such as billing, member services and marketing
Risk Factor	A comparison of a group's projected medical expenses to the average based on the group members' demographics and experience period prescription drug use.
Trend Factor	A factor that projects historical claims to a future rating period.
Underwriter Adjustment	An adjustment to the rate made by the underwriter to reflect differences in risk or offering conditions not accounted for elsewhere in the rate development.
Work Status Factor	An adjustment made to the manual rate to reflect the under 65 retiree population's influence on projected medical expenses.

Created On: 4/9/2013



RATE PROPOSAL

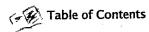
HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Effective from 01/01/2014 through 12/31/2014

Region(s)Group(s)Subgroup(s)Northern California8880001, 7001

Created On: 4/9/2013





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Total – \$ PMPM	
Rate Buildup	
Section 2: Membership	
Membership – Age and Gender Demographics	
Section 3: Utilization and PMPM	
Overview of Utilization	
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Inpatient - Days/1000 and ALOS	
Inpatient - Admits/1000	1
Inpatient Claims Top DRG - Comparison to Health Plan	1
Inpatient Claims Top DRG - Two-Year Comparison	1
Outpatient - \$ PMPM and \$/Visit	
Outpatient - Visits/1000	1
Pharmacy - \$ PMPM and \$/Script	1
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Pharmacy Detail	2
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Executive Summary

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

<u>Jan11 - Dec11</u>

<u>Jan12 - Dec12</u>

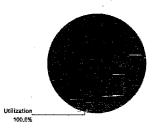
Average Members*:

4,670

4,605

Rates**	•		
TRADITIONAL HMO: \$20 OV; \$100/ADMISSION IP; \$100 ER; OPT; CHIRO; HEAR;	<u>Current Rates</u>	Change %	Proposed Rates
Subscriber only	\$1,072.27	5.26%	\$1,128.63
Subscriber and 1 dependent	 1,603.46	5.25%	1,687.70
Subscriber and 2 or more dependents	2,044.35	5.25%	2,151.73

Credibility



Claims	Summary	*MPMP

lajor Service Category	<u> Jan 11 - Dec 11</u>	<u>Change</u>	<u> Jan12 – Dec12</u>
Inpatient	\$315.09	(5.4)%	\$297.97
Outpatient	210.68	2.4%	215.75
Pharmacy	77.74	7.5%	83.56
Other	66.12	97.5%	130.60
Total Claims Summary \$PMPM	\$669.62	8.7%	\$727.89

^{*} Includes Actives and /or pre 65 Retirees only.

Created On: 4/9/2013 NPS RQR Number: 6427167 SPAS RQR Number/Set ID: 89888-10400-278-1 NPS RQR Name: HSS Early Retirees

^{**}Benefit plan descriptions are summarized, please see Rate and Benefit Summary for full descriptions.



Total - \$ PMPM

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

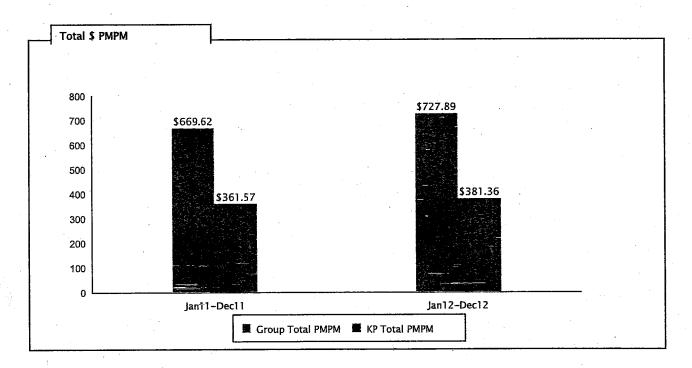
<u> Jan 11 – Dec 11</u>

<u>Jan12 - Dec12</u>

Average Members*:

4,670

4,605



Total \$ PMPM *			
Service Category	<u>ian11 - Dec11</u>	<u>Change</u>	<u> Jan12 - Dec12</u>
Inpatient	\$315.09	(5.4)%	\$297.97
Outpatient	210.68	2.4%	215.75
Pharmacy	77.74	7.5%	83.56
Other	66.12	97.5%	130.60
Total \$ PMPM	\$669.62	8.7%	\$727.89
Group to Health Plan Ratio	185.2%	3.1%	190.9%

^{*} Includes Actives and/or pre 65 Retirees only.

Created on: 4/9/2013

NPS RQR Number: 6427167

SPAS RQR Number/Set ID: _393288-10400-278-1

NPS RQR Name: HSS Early Retirees



Rate Buildup

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Product Type: HMO

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014 Report Period: Jan 2012 through Dec 2012

<u>Jan11 - Decl1</u>

Jan12-Dec12

Average Members:

4,670

4,605

Rating Month: February 2013

Rating Members: 4,476

	Medical Calculation	Weight	Factor	Total\$	РМРМ\$
Α	Projected Claims Calculation]			
A1	Paid Claims			\$40,223,093	\$727.888
A2	- Pooling Credit Pooling Point:\$550,000			(444,604)	(8.046)
A3	+ Pooling Charge			383,504	6.940
Α4	Claims Net of Pooling			540,161,993	\$726.782
A5	X Incurred Claims Adjustment		0.99936		
A6	X Demographic Change	,	0.99390		
A7 '	X Historical Benefit Change		0.997800		
A8	Adjusted Claims				\$720.297
Α9	X Trend Factor Annual Trend: 6.18%	Í	1.12748		
A10	Claims based PMPM 24.0 Months Midpoint to Midpoint				\$812.121
A11	Credibility	100%			

	Total Rate Calculation			D. (D. (D.
D	Total Rate Calculation	Factor	Mo. Prem.	PMPMS
ום	Blended Rate		\$3,635,054	\$812.121
D2	X-Future Benefit Change	1.000000		
D3	Adjusted PMPM		\$3,635,054	\$812.121
D4	+ Retention		111,766	24.970
D5	+ Other Benefits		8,057	1.800
D6	+_Group Specific Charge		94,802	21.180
D7	+ Late Payment Charge		0	0.000
D8	+ Federal Health Insurer Fee		25,343	5.662
D9	+ Federal PCORI Fee/Transitional Reinsurance Program Contribution		24,260	5.420
D10	+ Premium Tax		0	0.000
ווס	+ Commission	i	0	0.000
D12	PMPM Premium Requirement		\$3,899,281	\$871.153
E1	In-Force Rate		\$3,665,383	\$818.897
E2	Quoted Rate PMPM before Underwriter Adjustment	6.38%	3,899,272	871.151
E3	X Underwriter Adjustment	1.00187		
E4	Quoted Rate PMPM after Underwriter Adjustment	6.58%	3,906,590	872.786

Created On: 4/9/2013 NPS RQR Number: 6427167

SPAS RQR Number/Set ID: 3**88288**-10400-278-1 NPS RQR Name: HSS Early Retirees

NPS Quote id: 10410181

Page 5 of 35

Contract Period: 01/01/2014-12/31/2014 Region: Northern California

Membership - Age and Gender Demographics

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s); 0001,7001

Maile Entraile Total Pacceta Maile Entraile Total Maile Entraile Entraile	Members*												
Maile Female Total Percent Maile Female Total Total			Average Jan	11-Dec11			Average Jan	12-Dec12			Current as of	. Feb13	
1 2 3 0.18 1 1 0.08 1 0 0.18 1 1 0.08 1 0 0.18 1 0 0.18 0.38	Age	Male	Female	Total	Percent	Male	Female	Total	Percent	Male	Female	Total	Percent
1	0-0	-	2	m	0.1%	-,	-	_	%0.0	-	0	-	0.0%
13 18 26 0.5% 6 19 25 0.5% 7 18 25 25 25 25 25 25 25 2	1-4	7	9	13	0.3%	9	8	14	0.3%	ល	6	14	0.3%
13 3 3 6 6 1.5% 29 32 6 1 1.3% 29 3.6% 148 148 148 128 148 148 148 148 128 148	5-9	7	18	56	0.5%	9	19	25	0.5%	7	18	25	0.6%
139 148 287 618 146 163 369 67% 146 170 1516 1516 148 14	10-14	33	36	69	1.5%	29	32	. 61	1.3%	29	34	63	1.4%
139 148 287 613k 146 163 309 6.7% 146 170 316 316 178 148 188 28 0.6% 37 39 0.5% 1 7 8 1 1 1 1 1 1 1 1 1	15-19	85	68	174	3.7%	86	78	164	3.6%	16	69	160	3.6%
11 18 18 28 0.6% 37 39 76 1.7% 43 32 75 75 4 19 23 0.5% 4 17 21 0.5% 4 17 5 6 7 26 33 0.7% 8 29 36 0.8% 8 34 42 152 276 428 9.2% 143 271 414 9.0% 130 264 394 152 276 428 9.2% 143 271 414 9.0% 130 264 394 1,105 1,287 2,392 51,2% 1,049 1,239 2,287 49.7% 1,001 1,188 2,189 1,105 1,287 2,392 51,2% 1,049 1,239 2,287 49.7% 1,001 1,188 2,189 1,105 1,287 2,392 51,2% 0.0% 0 0 0.0% 0 0.0% 0 0	20–24	139	148	287	6.1%	146	163	309	6.7%	146	170	316	7.1%
1	25-29	=	18	28	0.6%	37	39	92	1.7%	43	32	75	1.7%
1	30-34	7	∞	10	0.2%		. 2	80	0.2%	-		9	0.1%
1	35–39	4	19	23	0.5%	4	17	12	0.5%	4	17	21	0.5%
12 87 99 2.1% 143 271 81 1.8% 8 71 79 79 79 79 79 79 70 70	40-44		26	33	0.7%	∞	29	36	0.8%	80	34	42	0.9%
152 276 428 9.2% 143 271 414 9.0% 130 264 394 394 457 624 1,082 2.2.87 49.7% 4.500 6.35 1.085 1.085 1.085 1.085 1.084 23.7% 4500 635 1.085 1	45-49	15	87	66	2.1%	10	. 2	81	1.8%	∞	7.1	79	1.8%
457 624 1,082 23.2% 450 643 1,094 23.7% 450 635 1,085 1,085 1,085 1,085 1,085 1,085 1,088 1,088 1,088 1,088 1,088 1,088 1,188 2,189	50-54	152	276	428	9.2%	143	271	414	80.6	130	264	394	8.8%
1,105 1,287 2,392 51.2% 1,049 1,239 2,287 49.7% 1,001 1,188 2,189 2 1 3 0.1% 6 8 14 0.3% 5 2 7 0 0 0 0.0% 0	55-59	457	624	1,082	23.2%	450	643	1,094	23.7%	450	635	1,085	24.2%
2 1 3 0.1% 6 8 14 0.3% 5 2 7 0<	60–64	1,105	1,287	2,392	51.2%	1,049	1,239	2,287	49.7%	1,001	1,188	2,189	48.9%
Color Colo	6969	2	-	.m	0.1%	9	8	14	0.3%	'n	. 2	2	0.2%
1 2,025 2,645 4,670 100.0% 1,981 2,624 4,605 100.0% 1,929 2,548 4,477 2,025 2,645 4,670 100.0% 1,981 2,624 4,605 100.0% 1,929 2,548 4,477 43.4% 56.6% 34.2 33.8 34.6 57.0% 34.2 53.6 53.6 53.6 53.6 53.6 53.6 53.9 1.70907 54.1 53.9 54.0 53.6 53.6 53.6 53.6 53.6 53.6 53.6 53.6	70-74	0	0	0	0.0%	0	0	0	%0.0	0	0	0	0.0%
0 0	75-79	0	0	0	%0.0	0	0	0	0.0%	0	o'	0	%0'0
2,025 2,645 4,670 100.0% 1,981 2,624 4,605 100.0% 1,929 2,548 4,477 43.4% 56.6% 4,670 100.0% 1,981 2,624 4,605 100.0% 1,929 2,548 4,477 43.4% 56.6% 34.2 35.0% 34.2 34.2 34.6 34.2 34.6 34.2 34.6 34.2 34.6 34.2 34.6 34.2 34.6 34.2 <t< td=""><td>80-84</td><td>0</td><td>0</td><td>0</td><td>%0.0</td><td>0</td><td>0</td><td>0</td><td>0.0%</td><td>0</td><td>0</td><td>0</td><td>0.0%</td></t<>	80-84	0	0	0	%0.0	0	0	0	0.0%	0	0	0	0.0%
2,025 2,645 4,670 100.0% 1,981 2,624 4,605 100.0% 1,929 2,548 4,477 43.4% 56.6% 43.0% 57.0% 43.0% 57.0% 43.1% 56.9% 4,477 9e: 33.8 34.6 34.2 33.8 34.6 34.2 34.5 34.2 54.1 53.9 54.0 53.6 53.6 53.6 53.6 53.6 53.5 53.3 1.71 1.68 Current Demo Factor 1.69864 1.69864 1.70907 1.70007 1.70007 1.70007 1.70007<	85+	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%
43.4% 56.6% 43.0% 57.0% 43.1% 56.9% 9e: 33.8 34.6 34.2 34.2 34.6 34.2 34.6 34.2 34.6 34.2 34.6 34.2 34.6 34.2 34.2 34.6 34.2 34.6 34.2 34.6 34.2 34.2 34.6 34.2 53.3 34.6 34.2 53.3 53.3 1.72 1.68 1.68 1.70907 1.70907 1.69864 1.69864 1.69864 1.70907	Total Members	2,025	2,645	4,670	100.0%	1,981	2,624	4,605	100.0%	1,929	2,548	4,477	100.0%
4e: 33.8 34.6 34.2 33.8 34.6 34.2 33.8 34.6 34.2 53.3 53.3 53.3 17.2 17.2 17.2 17.2 17.2 17.2 17.2 17.6	Percentage	43.4%	26.6%			43.0%	27.0%			43.1%	26.9%		
54.1 53.6 53.6 53.6 53.6 53.5 53.3 1.68 1.71 1.70907 Current Demo Factor Exp.Pd Demo Factor 1.69864 1.70907 1.69864 1.70907	Health Plan Average Age:	33.8	34.6	34.2		33.8	34.6	34.2		33.8	34.6	34.2	
1.68 1.71 1.70907 1.69864 Current Demo Factor Exp.Pd Demo Factor 1.70907 = 0.99390	Group Average Age:	54.1	53.9	54.0	-	53.6	53.6	53.6	-	53.2	53.5	53.3	
1.70907 1.69864 Current Demo Factor 1.69864 0.99390 Exp.Pd Demo Factor 1.70907	Average Contract Size:			1.68				1.71				1.72	
Current Demo Factor 1.69864 0.99390 Exp.Pd Demo Factor 1.70907 = 0.99390	Demographic Factor**:					-		1,709	200			1 69864	%Change
Exp.Pd Demo Factor 1.69864												100001	0//0:0)
1.70907	Demographic Change:							Current Demo	Factor	٠.	0 99390		
								Exp.Pd Demo F	actor				

879

* includes Actives and /or pre 65 Retirees only.
** Each group's Demographic factor is calculated based on its own demographics compared to that of its Market Segment, not based on a comparison with the Health Plan.

Created on: 4/9/2013 NPS RQR Number: 6427167

SPAS RQR Number/Set ID: 393288-10400-278-1

NPS ROR Name: HSS Early Retirees

Overview of Utilization

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Contract Period: 01/01/2014 - 12/31/2014 Region: Northern California

Jan 12 - Dec 12 4,605 Jan11 - Dec11 4,670

Average Members*:

Jan 12 - Dec 12 34.7 (10.1)% (6.1)% 44.4% 28.1% 36.4% (6.7)% (17.4)% Change Janll - Decll 6.0 3.2 30.8 :: Inpatient Admits/1000 * Total Inpatient Admits/1000 Substance Abuse Mental Health Service Category Maternity Surgical Medical Jan 12 - Dec 12 192.4 122.0 5.6 33,4 3.9 115.7 470.1

102.4%

16.5 7.5

1.7

(48.0)% 4.9%

> 110.3 477.7

6.7% (24.5)% 52.9%

180.3 161.5

Change

Jan 11 - Dec 11

Service Category

Inpatient Days/1000 *

(1.6)%

Total Inpatient Days/1000

Substance Abuse Mental Health

SNF

Maternity Surgical Medical

28.0

5

4

Pharmacy Scripts PMPY *	Service Category	Brahd /Formulary
	Jan11 - Dec11 Change Jan12 - Dec12 Service Category	6,167.9
	Change	2.6%
	Jan 11 - Dec 11	5,840.2
Outpatient Visits/1000 *	Service Category	Outpatient Visits

•						
Change	(10.0)%	0.0%	(2,1)%	0.0%		(2.7)%
Janii - Decii	1.0	0.3	9'6	0.2		1.11
Service Category	Brahd /Formulary	Brand / Non-Formulary	Generic / Formulary	Generic / Non-Formulary		Total Pharmacy Scripts PMPY
an 12 - Dec 12	6.7.9	188.1	162.6	5,101.4	1,179.2	9.1
an 12 -	6,167.9	31	16	5,10	1,17	12,799.1

2.2% (2.1)%

159.1 5,034.6

Surgical / Procedures

Emergency Room

1,205.1

187.1

3.0%

12,426.1

Total Outpatient Visits/1000

Radiology

10.8

Jan 12 - Dec 12

0.0 0.3 9.4 0.2

Page 7 of 35

Includes actives and /or pre 65 Retirees Only.





Inpatient - \$ PMPM and \$/Day

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

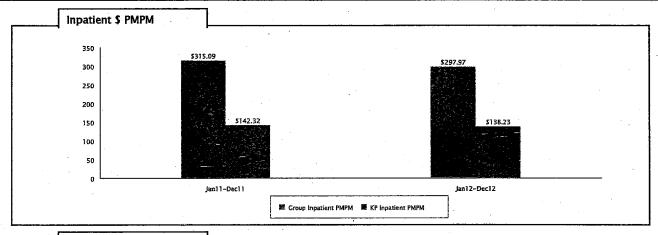
<u>Jan11 - Dec11</u>

<u>Jan12 - Dec12</u>

Average Members*:

4,670

4,605



Inpatient \$ PMPM *			
Service Category	Janl 1 - Decl 1	Change	<u> Jan12 – Dec12</u>
Medical			-
Hospital Medical	\$99.14	1.6%	\$100.73
Professional Medical	16.25	(2.2)%	15.90
Surgical			•
Hospital Surgical	165.01	(13.9)%	142.00
Professional Surgical	24.98	(5.8)%	23.53
Maternity			
Hospital Maternity	0.69	56.5%	1.08
Professional Maternity	0.31	38.7%	0.43
Mental Health	2.71	56.5%	4.24
Substance Abuse	2.10	21.0%	2.54
SNF	3.89	93.1%	7.51
Total Inpatient \$ PMPM	\$315.09	(5.4)%	\$297.97
Group to Health Plan Ratio	221.4%	(2.6)%	215.6%

Inpatient \$/Day *			
ervice Category	<u> </u>	<u>Change</u>	<u> Jan12 - Dec12</u>
Medical			
Hospital Medical	\$6,598.46	(4.8)%	\$6,282.78
Professional Medical	1,081.32	(8.3)%	991.83
Surgical			
Hospital Surgical	12,264.55	13.8%	13,962.59
Professional Surgical	1,856.86	24.6%	2,313.58
Maternity			•
Hospital Maternity	4,830.92	3.4%	4,996.38
Professional Maternity	2,192.88	(9.0)%	1,996.34
Mental Health	1,973.68	(22.9)%	1,521.54
Substance Abuse	3,356.88	132.3%	7,797.75
SNF	423.55	83.8%	778.50
Total Inpatient \$/Day	\$7,914.70	(3.9)%	\$7,605.56

^{*} Includes Actives and /or pre 65 Retirees only.

Created On: 4/9/2013

NPS RQR Number: 6427167

SPAS RQR Number/Set ID: 393288-10400-278-1 NPS RQR Name: HSS Early Retirees



Inpatient - Days/1000 and ALOS

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

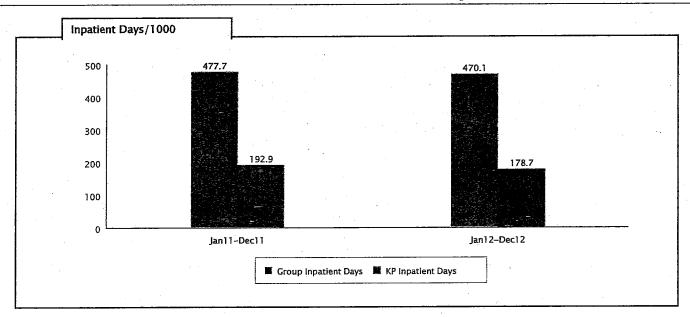
<u> Jan 11 - Dec 11</u>

<u>Jan12 - Dec12</u>

Average Members*:

4,670

4,605



Inpatient Days/1000 *	<u> </u>	<u> </u>	<u> </u>
Service Category	<u>lan11 - Dec11</u>	<u>Change</u>	<u> Jan12 – Dec12</u>
Medical	180.3	6.7%	192.4
Surgical	161.5	(24.5)%	122.0
Maternity	17	52.9%	2.6
Mental Health	16.5	102.4%	33.4
Substance Abuse	7.5	(48.0)%	3.9
SNF	110.3	4.9%	115.7
Total Inpatient Days/1000	477.7	(1.6)%	470.1

Inpatient ALOS *			
Service Category	<u> Jan 11 - Dec 11</u>	Change	<u>lan12 - Dec12</u>
Medical	4.3	27.9%	5.5
Surgical	5.2	(15.4)%	4.4
Maternity	2.0	0.0%	2.0
Mental Health	5.1	58.8%	8.1
Substance Abuse	7.0	(62.9)%	2.6
SNF	18.4	11.4%	20.5
Total Inpatient ALOS	5.7	8.8%	6.2

^{*} Includes Actives and /or pre 65 Retirees only.

Created On: 4/9/2013

NPS RQR Number: 6427167



Inpatient - Admits/1000

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

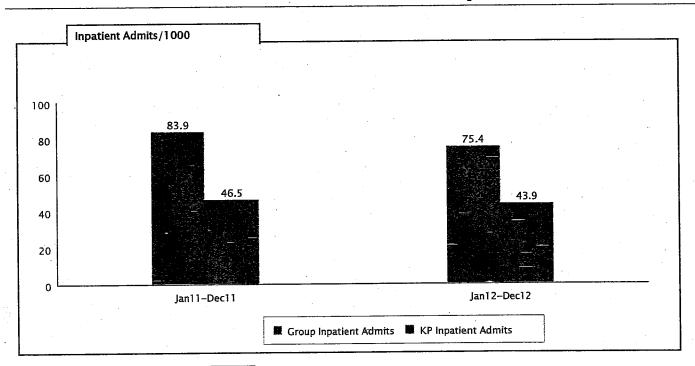
<u> Jan 11 - Dec 11</u>

Jan12 - Dec12

Average Members*:

4,670

4,605



Inpatient Admits/1000 *			
Service Category	<u> Janl 1 – Decl !</u> -	<u>Change</u>	<u> Jan 12 – Dec 12</u>
Medical	42.0	(17.4)%	34.7
Surgical	30.8	(9.1)%	28.0
Maternity	0.9	44.4%	1.3
Mental Health	3.2	28.1%	4.1
Substance Abuse	1.1	36.4%	1.5
SNF	6.0	(6.7)%	5.6
Total Inpatient Admits/1000	83.9	(10.1)%	75.4

^{*} Includes Actives and /or pre 65 Retirees only.

Created On: 4/9/2013 NPS RQR Number: 6427167 SPAS RQR Number/Set ID : 828-10400-278-1
NPS RQR Name: HSS Early Retirees

Inpatient Claims Top 25 DRG - Comparison to Health Plan

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,7001

Non - Medicare

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

Average Members *;

4,605

						Group							ř	Health Plan		
DRG	DRG. DRG Label	Category	Count	Admits per 1.000	nits Days	ALOS	Total	Claims	per	Count	Admits per	Davs	Alos	Claims Total	Mawa 5	
^	Volume				\$ 5 9						3					Ar Ar
576	SEPTICEMIA W/O MV 96+ HOURS W/ OR W/O MCC	MED	24	5.2	167	0.7	\$1,414,479	\$25.60	\$58,936,63	3,293	1.5	14,334	4.4	\$133,371,495	\$5.13	\$40,501.52
544	MAJOR JOINT REPLACEMENT OR REATTACHMENT OF	SURG	21	4.6	51	2.4	1,138,389	20.60	54,209.01	2,972	4.	7,272	2.4	162,161,821	6.24	54,563.20
₹88		M	15	3.3	128	8.5	202,350	3.66	13,489.99	3,971	3.8	23,488	5.9	37,367,393	1.44	9,410,07
34 €		SURG	O.	2.0	17	6.	471,384	8.53	52,376.01	944	4.0	1,774	6.1	53,733,008	2.07	56,920.56
316	DRUC-ELUTING STENT OR 4+ VES/STENTS W MCC RENAL FAILURE	MED	6	2.0	53	5.9	377,230	6.83	41,914.40	019	0.3	2,460	. 0,4	24,217,462	0.93	39,700.76
410	CHEMOTHERAPY W/O ACUTE LEUKEMIA AS SECONDARY	MED	7	. 1.5	32	4.6	270,374	4.89	38,624.81	. 442	0.2	2,049	4.6	17,881,362	0.69	40,455.57
521	DIAGNOSIS ALCOHOL/DRUG ABUSE OR DEPENDENCE W CC	SUB AB	7	1.5	18	2,6	140,360	2.54	20,051.36	234	. 0.1	884	3.8	4,559,439	0.18	19,484.78
014		MED	9	1.3	30	5.0	281,058	5.09	46,842.97	. 956	4.0	3,835	4.0	37,207,327	1.43	38,919.80
462	INFARCT REHABILITATION	MED	10	2	86	19.6	370,487	6.70	74,097.40	475	0.2	7,947	16.7	32,169,634	1.24	67,725.55
470) UNGROUPABLE	MED	ın	Ξ	17	3.4	161,577	2.92	32,315.30	1,145	0.5	090'9	5.3	49,860,719	1.92	43,546.48
127	7 HEART FAILURE & SHOCK	MED	'n	2 5	6	8:	79,523	1.44	15,904.68	675	0.3	2,722	0.4	22,412,584	0.86	33,203.83
373	VAGINAL DELIVERY W/O COMPLICATING DIAGNOSES	MAT	۱۷	2	- =	2.2	75,791	1.37	15,158.12	14,649	8.8	28,695	2.0	198,888,432	7,65	13,576.93
ų ·	Created On: 4/9/2013		SPAS	ROR Num	ber/Set l	D: 393288	SPAS ROR Number/Set ID: 393288-10400-278-1				•					

NPS RQR Number; 6427167

NPS RQR Name: HSS Early Retirees

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AND KAISER PERMANENTE.

(A)

Inpatient Claims Top 25 DRG - Comparison to Health Plan

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,7001

Non - Medicare

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

4,605

Average Members *:

Group	i e	i e	i e	i e	Group			Claims			Admits		Health Plan	Plan <u>Claims</u>		
ued bei	ued bei	per		3					per		bec			Total	Mode	per.
Category Count 1,000 Days	Count 1,000	1,000		Ę	٤	ALOS	Inpatlent	E E	Admit	Count	1,000	Days	A LCO	Inpatient	Σ. Σ.	¥d≡ir ∀d≡ir
MAJOR SMALL & LARGE SURG 4 0.9 75 MAJOR PROCEDURES W/O	4 0.9	0.0		75		18.8	755,862	13.68	188,965.48	246	0.1	1,819	7.4	19,649,205	0.76	79,874.82
OTHER RESP SYSTEM OR SURG 4 0.9 15 PROCEDURES W CC	4 0.9	6.0		15		εή (α)	240,572	4.35	60,142.99	92	0.0	521	5.7	6,597,242	0.25	71,709.15
CHOLECYSTECTOMY W/O SURG 4 0.9 12	4 0.9	6.0		12		3.0	157,392	2.85	39,347.88	487	0.2	1,628	ж. ж.	21,028,324	0.81	43,179.31
CUE W CLOEW CO.9 7 HERNIA PROCEDURES SURG 4 0.9 7 EXCEPT INGUINAL & ERRADA INTELLIT MC	4	4 0.9 7	7 6.0	۸ ،		1.8	111,910	2.03	27,977.40	98	0.0	204	2.4	2,695,333	0.10	31,341.08
MED 4 0.9 14	4 0.9 14	4	4		m	3.5	108,203	1.96	27,050.68	185	0.1	112	3.8 8.	5,651,872	0.22	30,550.66
CARDIAC ARRHYTHMIA & MED 4 0.9 11 2.8 CONDUCTION DISORDERS W MCC	4 0.9 11	0.9	<u></u>	11 2.	.2	: &	85,916	1.55	21,479.03	406	0.2	1,105	2.7	9,537,311	0.37	23,490.91
MISC DIGEST DISORDERS MITH MCC	4 0.9 5	ın .	ın .		7.3		40,827	0.74	10,206.81	621	0.3	2,107	3.4	15,202,447	0.58	24,480.59
DEPRESSIVE NEUROSES MH 4 0.9 26 6.5	4 0.9 26	0.9 26	26		9.5	,,	31,967	0.58	7,991.83	206	0.2	1,638	3.2	2,436,433	0.09	4,815.08
SURG 3 0.7 27 9.0	3 0.7 27	0.7 27	27		9.0	٠	344,980	6.24	114,993.27	455	0.2	2,469	5.4	34,306,639	1.32	75,399.21
174 GI HEMORRHAGE W CC MED 3 0.7 36 12.0	3 0.7 36	0.7 36	36		12.0		273,961	4.96	91,320.39	260	0.3	1,645	2.9	15,562,329	0.60	27,789.87
INFECTIOUS & PARASITIC SURG 3 0.7 16 5.3 DISEASES W O.R. PROCEDURE W/ OR W/O CC/ MCC	3 0.7 16	0.7 16	16		'n	m	211,495	3.83	70,498.27	437	0.2	4,730	10.8	56,815,200	2.19	130,011,90

Created On: 4/9/2013

SPAS RQR Number/Set ID: 393288-10400-278-1

NPS RQR Name: HSS Early Retirees

NPS RQR Number: 6427167

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Inpatient Claims Top 25 DRG - Comparison to Health Plan

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,7001

Non - Medicare

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

Average Members *:

4,605

	per Admit	54,202,50	27,626.89	13,576,93	38,351,62	8,890,74	19,484,78	62,285.51		43,460.39	\$37,797.64
	S PMPM	0.20	0.38	7.65	5.5%	10.4%	1.1%	0.1%	10.1%	100.60	\$138.23
Health Plan	Claims Total Inpatient	5,203,440	816'622'6	198,888,432	372,854,461	39,803,826	4,559,439	362,190,213		2,615,011,854	72.8%
	ALOS	5.3	3.9	2.0	8.4	5,6	89	3.6		4. 4.	1:4
	Days	505	1,393	28,695	7.4% 46,368	12.0%	6.5%	0.2%	5.4%	265,186	68.5%
	Admits per 1,000	0.0	0.2	6.8	4.5	2.1	0.1	2.7		27.8	43.9
	Count	96	354	14,649	15.4% 9,722	10.2%	4.7%	0.2% 5,815	6.1%	60,170	63.3%
	Admit	49,754.00	36,470.00	15,158.12	45,228.41	12,332.48	20,051.36	65,113.54		48,688.38	\$47,452.57
	Claims	2.70	1,98	1.37	0.5%	21.7%	1.4%	0.9%	21,7%	160,36	53.8%
	Total	149,262	109,410	75,791	3,573,044	234,317	140,360	3,581,245		8,861,285	51.6,466,042 \$297,97
Group	Days ALOS	3,0	6.3	2.2	6.2	8.1	2.6	4.2		6.9	6.2
	<u>Admits</u> er 00 Days	6	19	1	0.5%	22.7%	7.1%	0.8%	10.6%	1,262	58.3% 75.4 2,165 6.2
	Adr per 1,000	0.7	0.7	1.1	17.2	1.4	1.5	11.9		39.6	75.4
	Count	m	m,	ın	1.4%	22.8%	5.5%	2.0%	15.9%	182	52.4%
	Category	SURG	MED			į					
	DRG DRG Label	Volume 285 AMPUTAT OF LOWER LIMB FOR ENDOCRINE NUTRIT &	METAB DISORDERS 10 GI OBSTRUCTION W CC	Top DRG: MATERNITY	% of Total Inpatient Top DRG: MEDICAL	% of Total Inpatient Top DRG: MENTAL HEALTH	% of Total Inpatient Top DRG: SUBSTANCE ABUSE	% of Total Inpatient Top DRG: SURGICAL	% of Total Inpatient	Ali Other DRG	Total Inpatient
	ក៏	28 <	180	8	86						Tot

^{*} Includes actives and / or pre 65 Retlrees Only

NPS RQR Nu-her: 6427167

Non - Medicare

Inpatient Claims Top 25 DRG - Two-Year Comparison

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,7001

Contract Period: 01/01/2014 - 12/31/2014

Region: Northern California

Jan 12 - Dec 12 4,605 Jan11 - Dec11

4,670 Average Members *:

Per.	\$58,936.63	54,209.01	13,489.99	52,376.01	41,914.40	38,624.81	20,051.36	46,842.97	74,097.40	32,315.30	15,904,68	15,158.12
Claims	\$25.60	20.60	3.66	8.53	6.83	4.89	2.54	5.09	6.70	2.92	1.44	1,37
Total Inpatient	lan12 - Dec12 \$1,414,479	1,138,389	202,350	471,384	377,230	270,374	140,360	281,058	370,487	161,577	79,523	75,791
ALOS	2.0	2.4	80 17:	1.9	5.9	4.6	2.6	2.0	19.6	3.4	1.8	2.2
Admits) Day	191	15	128	12	23	32.	18	30	86	12	6	1
	5.2	4.6	3,3	2.0	5.0	1,5	.5.	1.3	- :	- =	::	Ξ
Count	24	21	15	6	6	~ ·	7	9	ίn	រហ	'n	
per	\$43,609.84	54,506.18	11,183.83	50,397.83	21,383.94	37,325.00	31,069.78	47,622.35	70,726.20	22,676.48	40,860,55	14,048.80
Claims PMPM	\$9.34	23.34	1.80	6.30	2,67	2.00	1.66	5.10	5.05	1.62	5.83	0.75
Total Inpatient	<u>-Dec11</u> \$523,318	1,308,148	100,654	352,785	149,688	111,975	93,209	285,734	282,905	902'06	326,884	42,146
ALOS	Jan11 4.8	2.6	6.2	1.9	5.6	4.7	5.0	5.7	20.0	2.8	7.5	2.0
Admits er Days	5.	. 62	26	13	18	7	. 21	34	80	Ξ	09	· vo
Admits per pays	2.6	5.1	6.1	. 5.	1.5	9.0	9.0	.3	6.0	0.9	1.7	0.6
Count	12	24	<u>ი</u>	۷.	^	: m	, m	ဖ	, 4	4	80	m
Category Count	MED	SURG	ΗW	SURG	MED	MED	SUB AB	MED	MED	MED	MED	MAT
DRC DRC she	Volume 576 SEPTICEMIA W/O MV 96+ HOURS	W/ OR W/O MCC 544 MAJOR JOINT REPLACEMENT OR BRATTACHMENT OF LOWER	EXTREMITY BY PSYCHOSES	557 PERCUTANEOUS CARDIOVASC	PROC W DRUG-ELUTING STENT OR 4+ VES/STENTS W MCC 316 RENAL FAILURE	410 CHEMOTHERAPY W/O ACUTE	LEUKEMIA AS SECONDARY DIAGNOSIS 521 ALCOHOL/DRUG ABUSE OR	DEPENDENCE W CC 014 INTRACRANIAL HEMORRHAGE &	STROKE W INFARCT 462 REHABILITATION	470 UNGROUPABLE	127 HEART FAILURE & SHOCK	373 VAGINAL DELIVERY W/O COMPLICATING DIAGNOSES

Created On: 4/9/2013

NPS RQR Number: 6427167

SPAS RQR Number/Set ID: NPS RQR Name:

393288-10400-278=1 HSS Early Retirees

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Non ~ Medicare

Inpatient Claims Top 25 DRG - Two-Year Comparison

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,7001

Jan 12 - Dec 12 Jan11 - Dec11

Contract Period: 01/01/2014 -- 12/31/2014 Region: Northern California

Average Members *;

4,605 4,670

	per. Admit	188,965.48	60,142.99	\$39,347,88	27,977,40	27,050.68	21,479.03	10,206.81	7,991.83	114,993.27	91,320.39	70,498.27
Claims	PMPM	13.68	4,35	2.85	2.03	1.96	1.55	0.74	0.58	6.24	4,96	3.83
	Total Inpatient	Jan12 - Dec12 755,862	240,572	157,392	016,111	108,203	85,916	40,827	31,967	344,980	273,961.	211,495
	ALOS	8.8	8, 8	3.0	1.8	3.5	2.8	1.3	6.5	9.0	12.0	5.3
Admits	Day	22	15	12	^	7	Ξ	'n	56	22	36	16
A	1,000	6'0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	0.7	0.7	0.7
	Count	4	4	4	4	4 '	4	4	4	m	m.	m
	per Admit	243,819.61	117,831.95	\$53,755.31	26,960.60	16,101.50	20,422.00	23,648,30	9,057.79	62,851.27	24,421.00	133,329.32
Claims	PMPM	17.40	2,10	\$5.76	0.48	0.29	2.19	2.53	0.32	3,36	1.74	7.14
	Total Inpatient	- Dec11 975,278	117,832	322,532	26,961	16,102	122,532	141,890	18,116	188,554	97,684	399,988
	ALOS	Jan 1 1 2 7 . 3	12.0	4.8	2.0	2.0	2.5	3.3	3.0	2.7	2.5	11.7
Admits	per 1,000 Days	109	12	29	8	7	15	20	9	80	10	35
Ac	per 1,000	6.0	0.2	<u>~</u>	0.2	0.2	L.3	1.3	9.0	9.0	0.9	9:0
	Count	4	-	9	—	_	9	9	7	m	4	m .
	Category. Count	SURG	SURG	SURG	SURG	MED	MED	MED	Ħ.	SURG	MED	SURG
	DRG DRG Label	Volume 570 MAJOR SMALL & LARCE BOWEL PROCEDURES W/O CC, MCC	076 OTHER RESP SYSTEM OR PROCEDURES W CC	493 LAPAROSCOPIC CHOLECYSTECTOMY W/O CDE W	160 HERNIA PROCEDURES EXCEPT INCUINAL & FEMORAL WITHOUT MCC	188 OTHER DIGESTIVE SYSTEM DIAGNOSES WITH MCC	138 CARDIAC ARRHYTHMIA & CONDUCTION DISORDERS W	182 ESOPHAGITIS GASTROENT & MISC DIGEST DISORDERS WITH	426 DEPRESSIVE NEUROSES	470 UNGROUPABLE	174 GI HEMORRHAGE W CC	578 INFECTIOUS & PARASITIC DISEASES W O.R. PROCEDURE W/ OR W/O CC/ MCC

Created On: 4/9/2013

6427167

NPS ROR Number:

SPAS RQR Number/Set ID:

NPS RQR Name:

393288-10400-278-1 HSS Early Retirees

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Inpatient Claims Top 25 DRG - Two-Year Comparison

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,7001

Jan 12 - Dec 12 Jan 1 - Dec 11

Contract Period: 01/01/2014 - 12/31/2014 Region: Northern California

4,605

4,670 Average Members *:

Claims	Count Ped Day ALOS Total Inpatient PMPM Admit	Jan12 - Dec12	0.10 3 0.7 9 3.0 149,262 2.70 49,754.00		0.00 3 0.7 19 6.3 109,410 1.98 36,470.00	8.80 5 1,1 11 2.2 75,791 1.37 15,158.12	1.4% 0.5% 0.5%	8.34 79 17.2 491 6.2 3,573,044 64.66 45,228.41	22.8% 22.7% 21.7%	7.27 19 4.1 154 8.1 234,317 4.24 12,332,48	5.5% 7.1% 1.4%	9.78 7 1.5 18 2.6 140,360 2.54 \$20,051.36	2,0% 0,8% 0,9%	0.76 55 11.9 229 4.2 3,581,245 64.81 65,113.54	15.9% 10.6% 21.7%	6.47 182 39.6 1,262 6.9 8,861,285 160.36 48,688.38
Claims	PMPM Admit	٠	0.87 48,960.10		0.42 23,580.00	0.75 14,048.80	0.2%	38.78 35,048.34	12.3%	2.12 10,797.27	%2.0	\$1.66 \$31,069.78	0.5%	66.76 74,820.76	21.2%	205.02 43,686.47
J	Total Inpatient	11 - Dec11	48,960		23,580	42,146		2,172,997		118,770		93,209		3,741,038		11,489,541
	ALOS	Janli	5.0		3.0	2.0		5.2		5.6		5.0		5.5		5.9
Admits	per 1,000 Days ALOS		5		m	9	0,3%	324	14.5%	. 62	2.8%	15	0.7%	275	12.3%	1,549
•) pe		0.2		0.2	0.6		13.3		2.4		9.0		10.7		56.3
10200 N-10 10000	Count		-		-	m	0.8%	62	15.8%	=	2.8%	m	0.8%	20	12.8%	263
	Category Count		SURG		MED											
	DRG DRG Label	olume	285 AMPUTAT OF LOWER LIMB FOR	ENDOCRINE NUTRIT & METAB DISORDERS	180 GLOBSTRUCTION W CC	8 Top DRG: MATERNITY			% of Total Inpatient	Top DRG: MENTAL HEALTH	% of Total Inpatient	Top DRG: SUBSTANCE ABUSE	% of Total Inpatient	Top DRG: SURGICAL	% of Total Inpatient	All Other DRG

^{*} Includes actives and /or pre 65 Retirees Only.

NPS RQR Number: 6427167



Outpatient - \$ PMPM and \$/Visit

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

7001, 3001; Subgroup(s): 0001

Region: Northern California Contract Period:01/01/2014 - 12/31/2014

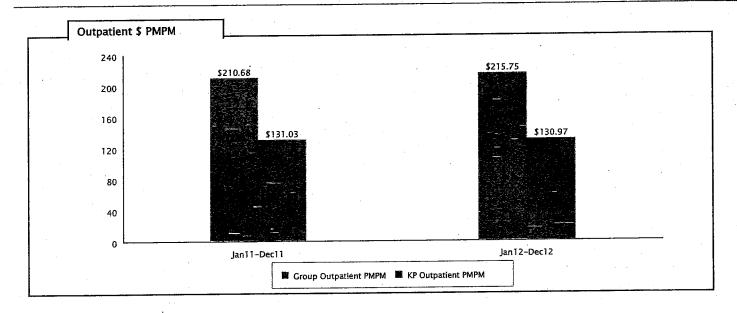
<u> Jan 11 - Dec 11</u>

Jan12 - Dec12

Average Members*:

4,670

4,605



Outpatient \$ PMPM *			
Service Category	<u> Jan 11 — Dec 11</u>	<u>Change</u>	<u> Jan 12 – Dec 12</u>
Outpatient Visits	\$80.95	6.9%	\$86.54
Emergency Room	17.82	17.9%	21.01
Surgical/Procedures Outpatient Surgery Facility	39.94	16.7%	46.60
Outpatient Surgery Professional	15.31	(2.7)%	14.90
Lab	20.68	(9.8)%	18.65
Radiology	35.98	(22.0)%	28.05
Total Outpatient \$ PMPM	\$210.68	2.4%	\$215.75
Group to Health Plan Ratio	160.8%	2.4%	164.7%

Outpatient \$/Visit *	L 13 D -17	Change	Jan12 - Dec12
Service Category	<u> Janl 1 – Decl 1</u>	<u>Change</u>	
Outpatient Visits	\$166.34	1.2%	\$168.37
Emergency Room	1,142.65	17.3%	1,340.57
Surgical/Procedures			
Outpatient Surgery Facility	3,012.31	14.1%	3,438.34
Outpatient Surgery Professional	1,154.39	(4.8)%	1,099.04
Lab	49.29	(11.0)%	43.87
Radiology	358.29	(20.3)%	285.47
Total Outpatient \$/Visit	\$203.45	(0.6)%	\$202.28

^{*} Includes Actives and /or pre 65 Retirees only.

Created on: 4/9/2013 NPS RQR Number: 6427167



Outpatient - Visits/1000

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

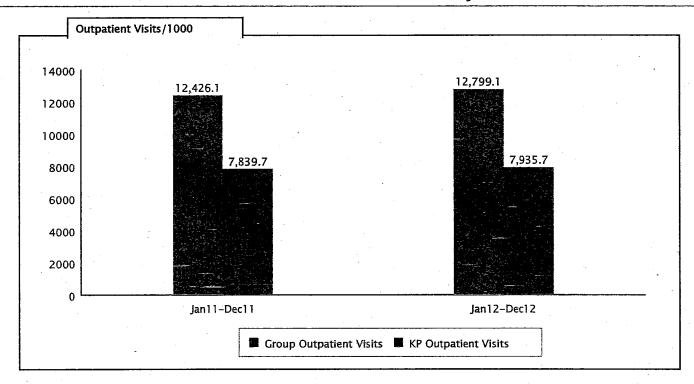
<u> Jan 11 - Dec 11</u>

<u>Jan12 - Dec12</u>

Average Members*:

4,670

4,605



Outpatient Visits/1000 * Jan 11 - Dec 11 Jan12 - Dec12 **Service Category Change** 5,840.2 5.6% 6,167.9 **Outpatient Visits** 0.5% **Emergency Room** 187.1 188.1 159.1 2.2% 162.6 Surgical/Procedures 5,101.4 5,034.6 1.3% Lab 1,205.1 (2.1)%1,179.2 Radiology 12,426.1 3.0% 12,799.1 **Total Outpatient Visits/1000**

Created on: 4/9/2013

SPAS RQR Number/Set ID: **2393**288-10400-278-1

NPS RQR Number: 6427167 NPS RQR Name: HSS Early Retirees

^{*} Includes Actives and /or pre 65 Retirees only.





Pharmacy - \$ PMPM and \$/Script

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

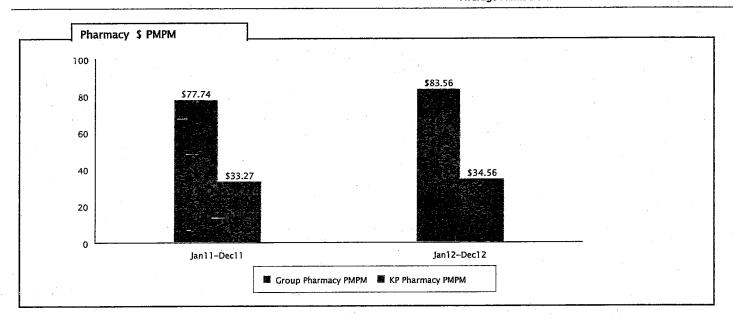
<u> Ianil - Decil</u>

<u>Jan12 - Dec12</u>

Average Members*:

4,670

4,605



Pharmacy \$ PMPM *			
Service Category	Jan11 - Decl1	<u>Change</u>	Jan12 - Dec12
Brand /Formulary	\$45.70	11.0%	\$50.72
Brand/Non-Formulary	9.60	(1.3)%	9.48
Generic/Formulary	21.12	4.0%	21.97
Generic/Non-Formulary	1.32	5.3%	1.39
Total Pharmacy \$ PMPM	\$77.74	7.5%	\$83.56
Group to Health Plan Ratio	233.7%	3.5%	241.8%

Pharmacy \$/Script *		<u> </u>	
Service Category	Janii - Decli	<u>Change</u>	Jan12 – Dec12
Brand /Formulary	\$527.65	24.4%	\$656.55
Brand/Non-Formulary	374.62	12.3%	420.82
Generic/Formulary	26.46	5.7%	27.98
Generic/Non-Formulary	71.13	8.2%	76.96
Total Pharmacy \$/Script	\$83.68	10.6%	\$92.54

^{*} Includes Actives and /or pre 65 Retirees only.

Created on: 4/9/2013 NPS RQR Number: 6427167



Pharmacy - Scripts / PMPY

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

<u> Jan 11 - Dec 11</u>

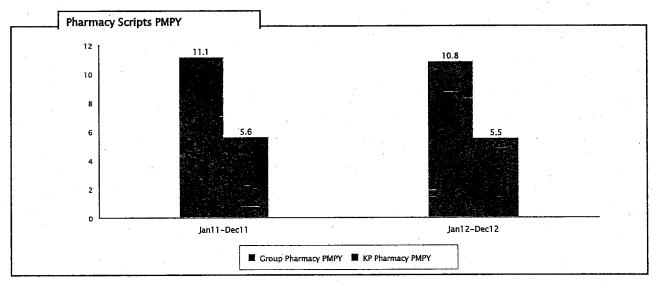
<u> Jan 12 - Dec 12</u>

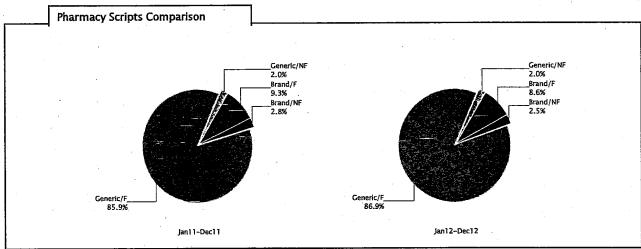
Average Members*:

4,670

4,605

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Pharmacy Scripts PMPY *		· .	
Service Category	<u>Jan11 - Decl1</u>	<u>Change</u>	<u> Jan 12 - Dec 12</u>
Brand /Formulary (F)	1.0	(10.0)%	0.9
Brand/Non-Formulary (NF)	0.3	0.0%	0.3
Generic/Formulary (F)	9.6	(2.1)%	9.4
Generic/Non-Formulary (NF)	0.2	0.0%	0.2
Total Pharmacy Scripts PMPY	11.1	(2.7)%	10.8

^{*} Includes Actives and /or pre 65 Retirees only.

Created on: 4/9/2013

NPS RQR Number: 6427167

SPAS RQR Number/Set ID: 393288-10400-278-1 NPS RQR Name: HSS Early Retirees

Name: HSS Early Retirees

Pharmacy Detail

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

Average Members *;

Jan 12 - Dec 12 4,605

	ט	GENERIC						18/	BRAND		1. M. W. C.				TOTAL			
	\$ Clalms	% of Total Rx Clalms	PMPM Claims	Scripts	% of Total Scripts	\$ per Script	\$ Clalms	% of Total Rx Clalms	PMPM Claims	Scripts	% of Total Scripts	\$ per Script	\$ Claims	% of Total Rx Clalms	PMPM Clalms	Scripts	% of Total Scripts	\$ per Script
Formulary	\$1,214,124	26.3%	\$21.97	43,385	l	86.9% \$27.98	\$2,802,798	60.7%	\$50.72	4,269	8.6%	\$656.55	\$4,016,923	87.0%	\$72.69	47,654	95.5%	\$84.29
Non-Formulary	76,810	1.7%	1,39	866	2.0%	76.96	523,918	11.3%	9.48	1,245	2.5%	420.82	600,728	13.0%	10,87	2,243	4.5%	267.82
Rx Total	\$1,290,935	28.0%	28.0% \$23.36	44,383		88.9% \$29.09	\$3,326,716	72.0%	\$60.20	1	11.1%	5,514 11.1% \$603,32	\$4,617,651	100.0%	\$83.56	49,897	100.0% \$92.54	\$92.54

* Includes actives and /or pre 65 Retirees Only.

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Top 25 Drugs by Total Scripts

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number: 888

Subgroups: 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

Average Members *:

Scripts 1.3 % 2.6 % 2.6 % 1.9% 0.9 % 0.9 % 0.8% 0.7% 0.6% 89.0 0.4% 0.5% 0.9 % ... % 0.6% % of Total Health Plan Rank m 0 12 9 9 9 20 35 56 21 Scripts 1.5% 1.4% 1.2% 1.0% 1.0% 0.8% .8% 1.4% 1.4% 0.9% 0.8% 0.8% 0.8% 2.1% 2.2% % of Total Rank 2 12 3 7 5 Group Scripts 1,054 1,094 890 737 716 869 604 516 503 408 393 376 684 457 411 Member Annual Scripts per 91.0 0.13 0.09 0.08 0.24 0.23 0.19 0.16 0,15 0.15 0.11 0.11 0.10 0.09 0.09 Formulary /Non- For mulary G Ü Generic Brand/ HYDROCODONE-ACETAMINOPHEN 5-500 FLUTICASONE 50 MCG/ACTUATION SPSN PROAIR HFA 90 MCG/ACTUATION HFAA HYDROCHLOROTHIAZIDE 25 MG TAB QVAR 80 MCG/ACTUATION AERO OMEPRAZOLE 20 MG CPDR **METFORMIN 500 MG TAB** SIMVASTATIN 40 MG TAB SIMVASTATIN 20 MG TAB AMLODIPINE 10 MG TAB AMLODIPINE 5 MG TAB ATENOLOL 25 MG TAB ATENOLOL 50 MG TAB LISINOPRIL 10 MG TAB LEVITRA 20 MG TAB Drug Name MG TAB 29300012810 59310057920 00093715510 00093078710 00173083113 00093075210 00093715410 59310020480 60505085003 00603388128 59762153003 59762154003 62175011843 68180051403 65862000801 NDC RESPIRATORY THERAPY RESPIRATORY THERAPY **ERECTILE DYFUNCTION** RESPIRATORY THERAPY ANTI-INFLAMMATORY OR ANTIPYRETIC GASTROINTESTINAL CARDIOVASCULAR CARDIOVASCULAR CARDIOVASCULAR CARDIOVASCULAR CARDIOVASCULAR CARDIOVASCULAR CARDIOVASCULAR *IHERAPY AGENTS* **THERAPY AGENTS** *IHERAPY AGENTS* DRUGS TO TREAT THERAPY AGENTS THERAPY AGENTS Therapeutic Class THERAPY AGENTS THERAPY AGENTS *IHERAPY AGENTS* THERAPY AGENTS ENDOCRINE ANALGESIC, AGENTS **AGENTS** AGENTS

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NPS RQR Number: 6427167 Created On: 4/9/2013

SPAS RQR Number/Set ID: 393288-10400-278-1 NPS RQR Name: HSS Early Retirees

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OF T

Top 25 Drugs by Total Scripts

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number: 888

Subgroups: 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan12 - Dec12 4,605

Average Members *:

78.4 % 8 4.0 0.7% 86.0 100.0% 0.5 % 0,4% 0.5 % 0.4% 0.3 % 0.5% 0.7% % of Total Health Plan Rank 38 7 27 28 39 20 25 17 34 100.0% 74.7% 0.7% 0.7% 9.0% 0.6% 0.6% 9.0% 0.6% 0.6% Scripts 0.7% % of Total 16 8 5 20 24 25 1 21 23 Scripts Rank Group 373 347 333 320 290 288 287 283 280 37,256 49,897 299 Scripts per Member Annual 0.08 90.0 8.09 10.84 0.08 90.0 90.0 90.0 90.0 90.0 0.07 0.07 /Non- For Formulary mulary Ç U O O o ט ט O U Generic Brand/ OXYCODONE-ACETAMINOPHEN 5-325 MG CHERATUSSIN AC 10-100 MG/5 ML LIQD LISINOPRIL-HYDROCHLOROTHIAZIDE HYDROCODONE-ACETAMINOPHEN HYDROCODONE-ACETAMINOPHEN NOVOLIN N 100 UNIT/ML SUSP METFORMIN 1,000 MG TAB SIMVASTATIN 80 MG TAB LOVASTATIN 40 MG TAB LISINOPRIL 20 MG TAB 10-12.5 MG TAB 10-325 MG TAB 10-325 MG TAB Drug Name ALL OTHER TAB 00185007410 00603107556 00093715610 68180051503 00406036701 00406051201 68180051802 00406036705 65862001001 00169183411 TOTAL: NDC RESPIRATORY THERAPY ANTI-INFLAMMATORY ANTI-INFLAMMATORY ANTI-INFLAMMATORY CARDIOVASCULAR CARDIOVASCULAR CARDIOVASCULAR CARDIOVASCULAR Therapeutic Class THERAPY AGENTS THERAPY AGENTS THERAPY AGENTS ENDOCRINE THERAPY AGENTS ENDOCRINE OR ANTIPYRETIC OR ANTIPYRETIC OR ANTIPYRETIC 8 ANALGESIC, 6 ANALGESIC, 9 ANTI-INFLAM ANALGESIC, ANALGESIC,

NPS RQR Number: 6427167

* Includes actives and /or pre 65 Retirees Only.

SPAS RQR Number/Set ID: 393288-10400-278-1 NPS RQR Name: HSS Early Retirees

Created On: 4/9/2013

(B)

Top 25 Drugs by Net Claims

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number: 888

Subgroups: 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

1/2014 - 12/31/2014 Jan12 - Dec12

Average Members *:

\$6,541.84 2,081.88 7,983.66 2,596.57 3,792.75 2,100.25 2,370.50 480.88 1,877.14 2,907,11 3,546.61 423.27 601,72 Per Script 1,897.49 1,753.37 16,265.56 Health Plan Rank 7 88 33 20 12 23 9 6,546.76 2,594.15 \$6,042.12 2,509.64 408.24 438.01 Per Script 3,786.84 3,792.34 1,741.06 1,889.55 3,111.13 1,195.44 4,200.65 18,308.50 Net Claims 1,861.91 Rank 9 œ 9 7 15 16 = 13 Group 66,134.10 51,030.30 36,617.00 46,667.00 43,800.58 39,449.55 37,805.85 Net Claims 150,578.15 103,765.95 102,244.65 81,923.86 79,639.15 67,901.45 41,367.05 104,748.15 Total Net Claims % o 4.6% 3.3% 2.3% 1.7% 1.4% 0.9% 0.9% 0.9% 0.8% 0.8% 2.5% 1.8% 1.5% 1.0% /Non- For Formulary mulary Brand/ Generic COMBIVENT 18-103 MCG/ACTUATION ATRIPLA 600-200-300 MG TAB TRUVADA 200-300 MG TAB LANTUS 100 UNIT/ML SOLN NORVIR 100 MG TAB HUMIRA 40 MG/0.8 ML KIT REVLIMID 10 MG CAP BARACLUDE 0.5 MG TAB ISENTRESS 400 MG TAB COPAXONE 20 MG KIT REYATAZ 300 MG CAP VALCYTE 450 MG TAB GLEEVEC 400 MG TAB XELODA 500 MG TAB INCIVEK 375 MG TAB VIREAD 300 MG TAB Drug Name 59572041000 00003161112 00004110150 00088222033 00074333330 68546031730 00078043815 61958070101 00006022761 15584010101 00074379902 00003362212 00004003822 51167010001 61958040101 NDC RESPIRATORY THERAPY ANTI-INFLAMMATORY MULTIPLE SCLEROSIS ANTINEOPLASTICS ANTINEOPLASTICS Therapeutic Class ANTINEOPLASTICS OR ANTIPYRETIC ANTI-INFECTIVE ANTI-INFECTIVE ANTI-INFECTIVE ANTI-INFECTIVE ANTI-INFECTIVE ANTI-INFECTIVE ANTI-INFECTIVE ANTI-INFECTIVE ANTI-INFECTIVE ENDOCRINE ANALGESIC, **ACENTS** AGENTS **AGENTS AGENTS** AGENTS **AGENTS AGENTS AGENTS ACENTS** AGENTS AGENTS

Created On: 4/9/2013 NPS RQR Number: 6427167

SPAS RQR Number/Set ID: 393288-10400-278-1

NPS ROR Name; HSS Early Retirees

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Top 25 Drugs by Net Claims

Non - Medicare

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number: 888

Subgroups: 0001,7001

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Jan 12 - Dec 12

4,605 Average Members *:

19 1,400.59 54 1,332.04
!!!!

898

NPS RQR Number: 6427167 Created On: 4/9/2013

SPAS RQR Number/Set ID: 393288-10400-278-1

NPS RQR Name: HSS Early Retirees

^{*} Includes actives and /or pre 65 Retirees Only.



Other - \$ PMPM

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

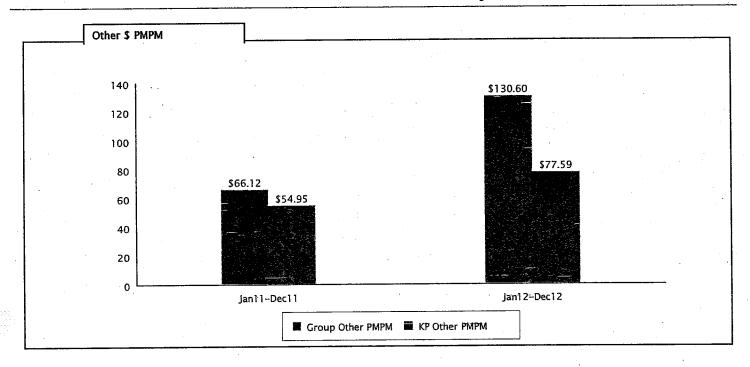
<u> jan11 – Dec11</u>

<u> Jan12 - Dec12</u>

Average Members*:

4,670

4,605



vice Category	<u> Jan 11 - Dec 11</u>	<u>Change</u>	<u> Jan 12 – Dec 12</u>
Ambulance	\$8.58	19.6%	\$10.26
DME	5.91	31.3%	7.76
Home Health	2.64	158.0%	6.81
Integrated Care Management - Variable - Rx	0.00	N/A	18.80
Integrated Care Management - Variable - Medical	0.00	N/A	51.62
Integrated Care Management - Fixed	27.50	(34.4)%	18.05
Other Medical Services	21.50	(19.6)%	. 17.29
Total Other \$ PMPM	\$66.12	97.5%	\$130.60
Group to Health Plan Ratio	120.3%	39.9%	168.3%

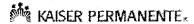
^{*} Includes Actives and/or pre 65 Retirees only.

Created on: 4/9/2013

SPAS RQR Number/Set ID: 393288-10400-278-1

NPS RQR Number: 6427167

NPS RQR Name: HSS Early Retirees



(4 B)

High Cost Claimants

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 888

Product Type: HMO

Subgroup(s): 0001,7001

Region: Northern California

Contract Period: 01/01/2014-12/31/2014

Jan12 - Dec12

Average Members*: 4,605

Claims In Excess Of: \$550,000

Pooling Point: \$550,000

			roomig	10iiic. \$330,000	
Person	Member Status	Primary Diagnosis	Claims Per Member	% of Total Claims	Claims Over Pooling Point
Person 1	Terminated	9961-MECH COMP OTH VASCULAR DEVICE IMPLANT&GRAFT	\$994,604.12	2.5%	\$444,604.12
	igh Cost Members: laimants Total:		\$994,604.12 \$39,228,489.00	2.5 % 97.5 %	· · · · · · · · · · · · · · · · · · ·
Total for Al	Il Claimants:		\$40,223,093.12	100.0 %	\$444,604.12

^{*} Includes Actives and /or pre 65 Retirees Only.

Created On: 4/9/2013 NPS RQR Number: 6427167

Monthly Paid Claims

Non-Medicare

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF) Group Numbers: 888

Subgroups: 0001,7001

Average Members *:

Jan 11 - Dec 11 4,670

Jan12 - Dec12 4,605

	Inpatient	Medical Claims Outpatient	Other	Totall Medical Claims	RX Claims	Total Claims	PMPM Claims	Members
Jan 12	\$1,408,175	\$858,391	\$631,876	\$2,898,442	\$385,619	\$3,284,061	\$711.14	4,618
Feb 12	1,127,340	876,533	562,462	2,566,334	390,793	2,957,127	642.57	4,602
Mar 12	1,437,792	947,194	825,796	3,210,782	405,925	3,616,706	789.67	4,580
Apr 12	781,490	1,211,070	455,900	2,448,459	354,323	2,802,782	613.17	4,571
May 12	2,115,844	1,168,275	684,621	3,968,739	407,493	4,376,232	959.49	4,561
Jun 12	1,427,033	760,166	515,728	2,933,858	366,415	3,300,273	725.97	4,546
Jul 12	1,376,735	1,109,267	596,056	3,082,058	403,297	3,485,355	739.68	4,712
Aug 12	1,117,259	1,067,047	681,389	2,865,695	438,643	3,304,338	708.48	4,664
Sep 12	1,420,523	964,758	566,730	2,952,011	338,632	3,290,643	703.28	4,679
Oct 12	1,338,606	1,064,268	612,795	3,015,670	420,241	3,435,911	740.02	4,643
Nov 12	1,557,144	827,126	553,963	2,938,233	353,144	3,291,378	720.84	4,566
Z1 2 E	1,358,103	837,514	529,544	2,725,161	353,126	3,078,287	681.34	4,518
) <u>‡</u>	\$16,466,042	\$11,922,541	\$7,216,859	\$35,605,442	\$4,617,651	\$40,223,093	\$727.89	55,260
Jan 11	\$1,463,136	\$947,459	\$306,521	\$2,717,116	\$365,368	\$3,082,484	\$655.01	4,706
Feb 11	1,287,724	994,033	290,889	2,572,645	353,660	2,926,305	620.51	4,716
Mar 11	2,456,893	1,140,207	369,685	3,966,785	369,108	4,335,892	919.21	4,717
Apr 11	1,670,259	865,083	308,305	2,843,647	332,261	3,175,909	689.67	4,605
May 11	989,419	874,042	306,158	2,169,619	361,047	2,530,666	551.94	4,585
Jun 11	1,390,406	1,165,849	292,336	2,848,591	357,996	3,206,587	698.30	4,592
Jul 11	1,787,052	1,065,105	333,020	3,185,177	325,379	3,510,556	742.03	4,731
Aug 11	1,199,000	1,111,233	337,409	2,647,641	368,986	3,016,628	638.98	4,721
Sep 11	997,255	997,318	285,651	2,280,224	340,137	2,620,362	558.24	4,694
Oct 11	1,825,437	935,024	284,537	3,044,998	399,348	3,444,346	734.72	4,688
Nov 11	1,222,585	973,724	298,317	2,494,626	409,724	2,904,350	623.92	4,655
Dec 11	1,368,535	737,490	292,398	2,398,423	373,724	2,772,147	598.61	4,631
Total	\$17,657,701	\$11,806,568	\$3,705,223	\$33,169,493	\$4,356,739	\$37,526,232	\$669.62	56,041
* Includes actives and	* Includes actives and /or ore 65 Retizees Only							

* Includes actives and /or pre 65 Rethrees Only.

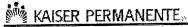
Created On: 4/9/2013

NPS RQR Number: 6427167

SPAS ROR Number/Set ID: 393288-10400-278-1

NPS RQR Name: HSS Early Retirees

NPS Quote Number: 10410181 Page 28 of 35



Rate and Benefit Summary - Commercial

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,0028,7001,8500

Average Members*:

Jan 12 - Dec 12 Jan11 - Decl1

4,670

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

4,605

Product Type: HMO

Quote Name: TRADITIONAL HMO

Current Rates

Rate Tiers	Medical	Chiro	Dental	· Total	Ratio
Subscriber only	\$1,070.95	\$1.32	\$0.00	\$1,072.27	1.00
Subscriber and 1 dependent	1,600.82	2,64	0.00	1,603.46	1.50
Subscriber and 2 or more dependents	2,040.62	3.73	0.00	2,044.35	1.91

Proposed Rates

Rate Tiers	Subscribers	Medical	%Change	Chiro	%Change	Dental	%Change	Total	%Change	Ratio	
 Subscriber only	1,177	\$1,127.31	5.26%	\$1.32	0.00%	\$0.00	0.00%	\$1,128.63	5.26%	1.00	
Subscriber and 1 dependent	1,153	1,685.06	5.26%	2.64	0.00%	0.00	0.00%	1,687.70	5.25%	1.50	
Subscriber and 2 or more dependents	274	2,147.99	5.26%	3.74	0.27%	0.00	0.00%	2,151.73	5.25%	1.91	

Unassigned 65 + Retiree Rates - Single

	Rate	Members
Neither A nor B	\$1,128.63	62
A and B	1,128.63	37
A Only	1,128.63	19.
B Only	1,128.63	0
Under 65 NKR	1,128.63	0
65 Plus NKR	1,128.63	0

Estimated Monthly Cost: \$3,863,890 Billing Frequency: Monthly

Proposed HMO Benefits

Annual Deductible: Individual / Family per calendar year(s): None

Out-of-Pocket Maximum: Individual / Family: \$1500 per member / \$3000 per family

Lifetime Maximum: Individual / Family: None

Prescription Drugs: R:HC2:2T:\$15/\$5/30 DAY;\$30/\$10 100 DAY MOI;50% MR INF,IMPOT,RXGZIVF

Outpatient

Provider Visits: HC2 \$20/VISIT; \$0 PREVENTIVE

Other Professional

Surgery - Outpatient Services: R: HC2 \$35/PROCEDURE; \$20/ABORTION; \$0 COLONOSCOPY; TC, STER

Special Procedures: HCR \$0 OUTPT/ENCOUNTER

Chiropractic: \$15/VISIT TO 30 VISITS; \$50 ALLOW/CALNDR YR

Infertility: \$20/VISIT; \$100/ADMIT; \$0 LAB, IMAG & SPEC/ENCOUNTER

Multidisciplinary Rehab - Inpatient & Outpatient: \$20/DAY OUTP; \$100/ADMIT INPT

Therapy Services: \$20/VISIT

Home Health Services: SO/VISIT PART TIME INTERMITTENT CARE; 3 VISITS/DAY; 100 VISITS/YR

Hospice: \$0/SERVICE

Ambulance and Emergency Services

Medical Transportation Services: \$0/TRIP Emergency Care: \$100/VISIT

* Includes Actives and/or pre 65 Retirees only.

Created On: 4/9/2013

NPS RQR Number: 6427167

SPAS RQR Number/Set ID: 393288-10400-278-1

NPS RQR Name: HSS 202 etirees

NPS Quote Number: 10410181

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Rate and Benefit Summary - Commercial

Region: Northern California

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Contract Period: 01/01/2014 - 12/31/2014

Group Numbers: 888

<u> Janl 1 - Decl 1</u>

Jan12 - Dec12

Subgroups: 0001,0028,7001,8500

Average Members*:

Product Type: HMO

TRADITIONAL HMO Quote Name:

Laboratory and Imaging

Laboratory Services: HCR \$0 OUTPT/ENCOUNTER; \$0 PREVENTIVE

Diagnostic and Therapeutic Imaging: HCR \$0/ENCOUNTER; \$0 CT/MRI/PET/PROCEDURE; \$0 PREVENTIVE

Hospital Inpatient

Hospital Services: R: \$100/ADMIT; \$100 TRANSGENDER Extended Care: \$0/ADMIT TO 100 DAYS/BNFT PRD

Mental Health and Chemical Dependency

Mental Health Outpatient: \$20/UNLIMITED VISITS; AB88

Mental Health Inpatient: \$100/ADMIT; \$0 PART; \$0 INTN; UNLIMITED

Chemical Dependency Outpatient Program: \$20/VISIT INDV; \$5/VISIT GRP, DAY, IOP

Chemical Dependency Inpatient Program: \$100/ADMIT; \$100 TRRS/ADMIT; \$100 RTP/ADMIT

Other

Durable Medical Equipment: HC2 \$0 BASE, FORMULARY LIST, AND DMSXDEV

Prosthetics & Orthotics: \$0 BASE; FORMULARY LIST & SPECIAL FOOTWEAR

Optical Dispensing: R: 25% EYEWR DISCOUNT

Hearing Aids: \$2500 ALLOW/DEVICE; 1 DEVICE/EAR; 2 DEVICE(S)/36 MONTHS

Allergy: \$5 INJECTIONS Dermatology: \$0/TREATMENT

Health Education: HCR \$0 IND/VISIT; \$0 GRP/CLASS; \$0 PREVENTIVE

LGYS/CDIP171/CDOP7/CHIR18/DERM5/DME5/DRUGT098/EMRG15/EXTC21/GIFT20/HEAR21/HLTH18/HOME21/HOSP107/HSPC1/IMAG12/INF32/LAB12/MDTR1/MHI P197/MHOP184/OPT251/P&O3/PROV692/RHAB91/SPEC12/SURG435/THER9

* Includes Actives and/or pre 65 Retirees only.

Created On: 4/9/2013

SPAS RQR Number/Set ID : 393288-10400-278-1

NPS Quote Number: 10410181

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NPS RQR Number: 6427167

NPS RQR Name: HSS Early Retirees

(F.

Rate Assumptions and Requirements

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,0028,7001,8500

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

<u> Jan 11 – Dec 11</u>

<u>Jan12 - Dec12</u>

Average Members:

4.670

4,605

KP Offered: Alongside other carrier(s)

Ouotes Included

TRADITIONAL HMO - 10410181 HMO CHIRO NCR - 10410182

Proposal Assumptions

The proposed rates and benefits included on the Rate and Benefit Summary page are based on the participation and contribution requirements described below. If any of the following are not met, Kaiser Permanente (KP) reserves the right to withdraw our rate proposal, decline coverage, re-rate this proposal or terminate your Group Agreement.

Group-specific requirements:

None

2. Rating Assumptions:

Rates assume a 12-month policy period of 1/1/2014 through 12/31/2014 unless otherwise specified above.

The rates and benefits in this proposal include the Federal Health Care Reform requirements for dependent coverage to age 26 and the elimination of lifetime maximums, including durable medical equipment (DME as defined by Federal Health Care Reform) annual maximums for contracts with renewal dates of October 1, 2010 or later. KP reserves the right to modify the rates and benefits if we receive further clarification of Federal Health Care Reform requirements, or to incorporate other applicable Federal Health Care Reform requirements. In addition, Kaiser Permanente reserves the right to make any change in these rates and benefits due to changes in State or Federal legislation or regulatory action.

KP reserves the right to rerate if actual enrollment results in a +/-10% change in the rates from what was assumed at the time of this quote. Examples of changes that may impact rates include, but are not limited to, the following:

- a. A change in the demographic factor.
- b. A change in the average family size or subscriber distribution.
- c. A change in the number of subscribers enrolled in KP.
- d. A change in the number of plans offered alongside KP.
- e. A change in the benefit design of a plan offered alongside KP.
- f. A change in the employer contribution formula.

KP reserves the right to change the rates in the event the employer funds, or offers to fund, all or part of an individual or family deductible, copayment or coinsurance which is applicable under the KP plan unless specifically noted in the Group-Specific Requirements above.

3. Participation and contribution requirements:

- a. Proposed rates and benefits assume 75% of overall eligible group employees enroll in a company-sponsored plan excluding those waiving for alternative group coverage.
- b. Proposal assumes employer pays at least 50% of the employee only cost and is non-discriminatory.

4. Quote assumes KP is offered alongside another health care plan

KP must be offered on conditions that are no less favorable than those for other health care plans. Examples include, but are not limited to, the following:

- a. KP is offered to all eligible employees.
- b. KP has access to the employer and to the employees on the same basis as all other health care plans offered.
- c. The employer's contribution formula does not put KP in a disadvantaged position. Acceptable formulas include, but are not limited to, fixed employer dollar or percentage contribution.
- d. Basic and optional benefits such as DME, prescription drugs, and infertility are comparable among all health care plans offered, however, KP will allow preventive services as defined by Health and Human Services (HHS) to vary if specifically approved by underwriting.
- e. KP is not offered alongside plans with pre-existing condition provisions, health condition exceptions or lifetime coverage limits.
- f. If early retirees are covered, the employer offers all health care plans to early retirees on the same basis.
- g. Eligibility rules such as dependent age limits and waiting periods for new hires are the same for all health care plans.

Created On: 4/9/2013 NPS RQR Number: 6427167 SPAS RQR Number/Set ID: 393288-10400-278-1

NPS ROR Name: HSS Early Retirees

Rate Assumptions and Requirements

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,0028,7001,8500

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

<u> Jan 11 - Dec 11</u>

<u> Ian12 - Dec12</u>

Average Members:

4,670

4,605

KP Offered: Alongside other carrier(s)

h. No other plan is allowed preferential treatment that adversely affects KP.

i. The number of employee subscribers enrolled in KP must be the greater of 5 or 5% of the total number of employees enrolled in all health plans in regions where KP is offered.

j. Kaiser Permanente must NOT be offered along side an age-rated health care plan.

k. Rate tier ratios and their definitions should be the same among all health plans offered by the group (employer).

5. Product-specific participation requirements:

Additional Kaiser Permanente Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost Requirements:

- a. Members must have Medicare Parts A and B to enroll in Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost and be eligible for Medicare rates. Members with only Part B may also enroll but their rates will be subject to a surcharge.
- b. Medicare eligible members must reside in the approved Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost service areas to receive benefits for the group Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost offering.
- c. Preliminary Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost rates and benefits are subject to change.
- d. Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost products may not be available for sale in all KP regions.

 Additional Out-of-Area Product Requirements:
- a. All employees offered KP Out-of-Area products must reside and work outside the KP service area.

6. Proposal requires eligibility for KP plan based on the following:

a. Employer - the employer cannot be considered a small group according to state law.

- b. Actives:
 - The group (employer) must be related to those offered a KP plan by virtue of employment. This includes when the group
 contract is with a Taft-Hartley Trust, Professional Employer Organization (PEO), association or Joint Power of Authority (JPA).
 - An eligible employee is defined as an active, permanent employee who is on the employer's payroll, and working a
 minimum of 20 hours per week. Temporary and independent contractors (i.e., 1099 employees) are not eligible
 unless noted otherwise in this Rate Assumptions and Requirements document.
 - The employee must live or work in the service area specific to the product they enroll in.
 - 100% of eligible employees must be covered by Worker's Compensation, where mandated by law.

c. New enrollees:

The probationary period for new employees is non-discriminatory and reflects no more than a 90-day waiting period unless noted otherwise in this Rate Assumptions and Requirements document.

d. COBRA

- It is the responsibility of the employer group to enroll eligible members into the KP COBRA plan in compliance with federal law.
- It is the employer's responsibility to comply with appropriate COBRA statutes.
- KP will generally include COBRA members as part of the group bill. If individual billing has been arranged, KP will assume
 responsibility for collecting premiums from COBRA members, only acting as a collection agent on behalf of the group, not
 as a fiduciary for the group. In addition, KP retains the authority to terminate a direct-billed member for non-payment.

e, Retirees

- Eligible early retirees must enroll in a health plan at the time of retirement and may later elect to enroll in a KP plan at open enrollment as long as they have maintained continuous enrollment in a health plan since the time of retirement.
- Early retirees under the age of 65 must be reported to KP and set up as a separate employee class or subgroup.
- Medicare eligible retirees cannot enroll in the active plan.
- Applicants for a Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost plan must meet all the Medicare eligibility requirements, including those stated in this Rate Assumptions and Requirements document.

f. Dependents

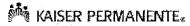
 If an "in-area" employee has dependents that live outside the service area, the employee and dependents must be enrolled in the same product.

7. Compliance:

KP reserves the right to make any change in the employer group's benefits and/or rates due to changes in State or Federal legislation or regulatory action.

Created On: 4/9/2013 NPS RQR Number: 6427167 SPAS RQR Number/Set ID: 393288-10400-278-1

PS ROR Name: HSS Early Retirees



Rate Assumptions and Requirements

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 888

Subgroups: 0001,0028,7001,8500

Region: Northern California

Contract Period: 01/01/2014 - 12/31/2014

<u>Jan11 - Decl1</u>

<u>Jan12 - Dec12</u>

Average Members:

4,670

4,605

KP Offered: Alongside other carrier(s)

8. **Broker Payment:**

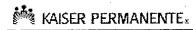
Brokers may be paid commissions and other financial incentives by Kaiser Permanente.

The contracting employer must also meet all other group-specific responsibilities and requirements described in your Group Agreement.

Created On: 4/9/2013 NPS RQR Number: 6427167

SPAS RQR Number/Set ID: 393288-10400-278-1 NOR Name: HSS Early Retirees

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Glossary of Terms

Term Kaiser Foundation Health Plan

Annual Trend	The projected annual percent change in medical and pharmacy expenses applied to a group's claims, experience:
Area Factor	A factor that adjusts the manual rate to reflect geographic price differentials.
Average Members	The average monthly membership during the reporting period.
Benefit Adjusted Manual Rate	The average rate for a group's current benefit plan for a particular market segment.
Capping	A method of stabilizing year-to-year rate changes:
COBRA Factor	An adjustment made to the manual rate to reflect the proportion of COBRA enrollees.
Contract Period	The time period during which a rate is valid:
Credibility	The weighting applied to manual, risk or claims-based rates when developing required premium rates.
Demographic Change	An adjustment made in the Projected Claims Calculation to reflect changes in the group demographics that occurred between the experience period and the time of the quote.
Demographic Factor	An adjustment made to the manual rate to reflect a group's current demographics:
Federal Health Insurer Fee	A percent of premium fee paid by insurance carriers for commercial and Medicare business beginning January 1, 2014:
Federal PCORI Fee	A fee per covered life paid by commercial insurers and self-funded plan sponsors to fund the Patient-Centered Outcomes Research Institute (PCORI). PCORI was established by the Affordable Care Act. The PCORI will commission studies that compare drugs, medical devices, tests, surgeries and ways to deliver health care.
Federal Transitional Reinsurance Program Contribution	A fee paid by commercial insurers and third party administrators for self-funded plans from 2014 through 2016 to support reinsurance to individual market insurers covering high risk individuals in Exchanges.
Formulary	A list of preferred drugs based on their effectiveness and value
Future Benefit Change	An adjustment to the rate to reflect a change in benefits being quoted for the renewal period:
Historical Benefit Change	An adjustment made to historical paid claims to reflect the group's current benefit level.
Incurred Claim Adjustment	An adjustment made to a group's paid claims to conven them to estimated incurred, claims.
In-force PMPM Rate	A group's current monthly PMPM (per member per month) rate.
Integrated Care Management (ICM) Fee	This charge, which is currently included in Paid Claims, incorporates services such as chronic conditions management, pharmacy management, clinical access alternatives, telephonic clinical advice, wellness information and coaching; online personal health management, medical and case management; external provider network management, and other care management services that are not billed or can't be done so efficiently. At KP, integrated care management cannot be unbundled, as it is part of the unique care and services the Permanente Medical Groups deliver to get and keep our members healthy.
Kaiser Permanente Senior Advantage (KPSA)	Kalser Permanente's Medicare Advantage plan, offered in all regions except Ohio and Mid-Atlantic, which offer Medicare Plus (Cost) Instead.
Kaiser Permanente Medicare Plus (Cost)	Kaiser Permanente's Medicare Cost plan, offered in Ohio and Mid-Atlantic only. No Medicare Advantage plan is offered in these regions:
Late Payment Charge	A fee added to the rate to compensate KP for a group's late payment history.
Market Segment	Group divisions based on group size and/or line of business such as Labor Trust or National Accounts.
Other Benefits	Benefits that are not included in the manual rate nor in the paid claims.



KAISER PERMANENTE.

Glossary of Terms

T	•	Kaiser Foundation Health Plan
Тегт		

Other Medical Services (OMS)	Other Medical Services (OMS) is a component of claims that accounts for services that are not easily captured in our claims and encounter systems. OMS includes but is not limited to capitated services, incomplete coding of KP services, COB and third-party liability.
Paid Claims	Paid medical expenses for services provided to a health plan member. These are either the result of an internal service, where prices are based on a fee schedule, or an external claim for services from a non-KP provider. Claims are attributed to the month in which they were paid (external) or reported (internal).
Pooling Charge	The per member per month charge included in the Projected Claims Calculation to compensate for the removal of claims exceeding the pooling point.
Pooling Credit	The total combined medical and prescription drug claims paid above the pooling point. This amount is removed from paid claims in the Projected Claims Calculation.
Pooling Point	The annual threshold above which a member's combined medical and prescription drug claims will be excluded from the group's rate calculation.
Quoted Rate	The renewal rate-calculated on a per member per month basis:
Rate Assumptions and Requirements	A component of the customer renewal report package that documents terms and conditions of the rate proposal.
Rating Members	The membership during the rating month used in the renewal.
Rating Month	The month of the membership and benefits used to calculate the renewal.
Report Period	The period of time over which prior claims are aggregated and used to project future claim costs
Reporting Threshold	Used on the High Cost Claimants report; it is the minimum in total claims in the reporting period required for a member to be displayed. The threshold varies by group size.
Retention	The portion of premium retained by KP to cover Health Plan administration expenses such as billing, member services and marketing.
Risk Factor	A comparison of a group's projected medical expenses to the average based on the group members' demographics and experience period prescription drug use.
Trend Factor	A factor that projects historical claims to a future rating period.
Underwriter Adjustment	An adjustment to the rate made by the underwriter to reflect differences in risk or offering conditions not accounted for elsewhere in the rate development.
Work Status Factor	An adjustment made to the manual rate to reflect the under 65 retiree population's influence on projected medical expenses.

Created On: 4/9/2013

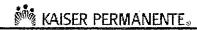


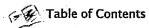
RATE PROPOSAL

HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Effective from 01/01/2014 through 12/31/2014

Region(s)Group(s)Subgroup(s)Southern California2310030001





Section 1: Proposal Summary			
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Rate and Benefit Summary - Commercial	· · · · · · · · · · · · · · · · · · ·		7
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Credibility

KAISER FOUNDATION HEALTH PLAN, INC.



Executive Summary

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 231003 Subgroup(s): 0001 Region: Southern California

Contract Period: 01/01/2014 - 12/31/2014

<u>Jan11 – Decll</u>

<u> Jan 12 - Dec 12</u>

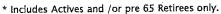
Average Members*:

37

73

Rates**				
		Current Rates	Change %	Proposed Rates
TRADITIONAL HMO SCR - EARLY RETIR \$20 OV; \$100/ADMISSION IP; \$100 ER; CF	·			
Subscriber only		\$1,072.27	5.26%	\$1,128.63
Subscriber and 1 dependent		1,603.46	5.25%	1,687.70
Subscriber and 2 or more dependents		2,044.35	5.25%	2,151.73

Manual 50.0%



^{**}Benefit plan descriptions are summarized, please see Rate and Benefit Summary for full descriptions.

Created On: 4/9/2013 NPS RQR Number: 6425342



Rate Buildup

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 231003

Subgroup(s): 0001

Product Type: HMO

Region: Southern California

Contract Period: 01/01/2014 - 12/31/2014 Report Period: Jan 2012 through Dec 2012

<u> Jan 11 - Dec 11</u>

Jan12-Dec12

Average Members:

37

73

Rating Month: February 2013

Rating Members: 78

	Medical Calculation		Weight	Factor	Total\$	PMPM\$
. В	Manual Rate Calculation					
B1	Benefit Adjusted Manual Rate				•	\$357.415
B2	X Area Factor			1.00000		
B3	X Demographic Factor			1.66663		,
В4	X Industry Factor			1.00000		
В5	X COBRA Factor			0.99165	·	
В6	X Work Status Factor			1.21704	,	
В7	Manual PMPM	**		·		\$718.912
88	Credibility		50%			
С	Risk Adjusted Calculation					
C1	Benefit Adjusted Manual Rate			'I		\$357.415
C2	X Area Factor			1.00000		
C3	X Risk factor	•		2.13050		
C4	Risk Adjusted PMPM			·		\$761.474
C5	Credibility	·	50%			

	Total Rate Calculation			
D	Total Rate Calculation	-Factor	Mo. Prem.	PMPM\$
D1	Blended Rate		\$57,735	\$740.192
D2	X Future Benefit Change	1.000000		
D3	Adjusted PMPM		\$57,735	\$740.192
D4	+ Retention	Ì	2,210	28.330
D5	+ Other Benefits		115	1.470
D6	+ Group Specific Charge	}	0	0.000
D7	+ Late Payment Charge		. 0	0.000
D8	+ Federal Health Insurer Fee		396	5.073
D9	+ Federal PCORI Fee/Transitional Reinsurance Program Contribution		423	5.420
D10	+ Premium Tax		0	0.000
DII	+ Commission	*	0	0.000
D12	Uncapped PMPM Premium Requirement		\$60,878	\$780.485
E	Capping	Increase		
E1	In-Force Rate		\$65,329	\$837.556
E2	Premium Requirement without Benefit Change and Underwriter Adj	(6.81)%	60,878	780.485
E3	Capping Rate	0.00%	65,329	837.556
E4	Quoted Rate PMPM before Underwriter Adjustment	0.00%	65,329	837.556
E5	X Underwriter Adjustment	1.01678	! !	
E6 ·	Quoted Rate PMPM after Underwriter Adjustment	1.68%	66,426	851.610
E7	Capping Adjustment		4,452	57.071

Created On: 4/9/2013 NPS RQR Number: 6425342 SPAS RQR Number/Set ID: **39313**6-4163630-35-2 NPS RQR Name: C1 S2 for EU 1 NPS Quote id: 10404889

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Membership - Age and Gender Demographics

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 231003

Subgroup(s): 0001

Contract Period: 01/01/2014-12/31/2014 Region: Southern California

Age by Component Process Age by Component Process Average Jan11-Dect 1 Average Jan11-Dect 1 Average Jan11-Dect 1 Average Jan11-Dect 1 Current as of Feb 13 Current as of Feb 13 0-0 1 1 0 0.05% 1 1.4% 0 0.0% 0 0.0% 0 <th>Members*</th> <th></th>	Members*												
Male Female Total Percent Male Female Total Percent Dock			Average Jan	11-Dec11			Average Jan 12-	Dec12			Current as of	Feb13	
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1	30-34	, c	- c	0	0.0%	0	0	0	0.0%	0	0	0	0.0%
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33.4 34.1 33.8 33.4 34.1 33.8 52.9 54.0 53.4 51.6 54.8 53.2 51.3 54.0 52.7 1.56 1.56 1.61 1.68328 1.66663	Percentage	51.7%	48.3%			49.9%	50.1%			46.2%	53.8%		
52.9 54.0 53.2 51.3 54.0 52.7 1.56 1.56 1.61 1.70 1.68328 1.68663	Health Plan Average Age:	33.4	34.1	33.8		33.4	34.1	33.8		33.4	34.1	33,8	
1.56 1.61 1.70	Group Average Age:	52.9	54.0	53.4		51.6	54.8	53.2		51.3	54.0	52.7	
1.68328	Average Contract Size:	-		1.56				1.61				1.70	
075001								000	910			1 66663	
	Demographic Factor**:							90.1	070			2007	١

^{*} Includes Actives and /or pre 65 Retirees only.

^{**} Each group's Demographic factor is calculated based on its own demographics compared to that of its Market Segment, not based on a comparison with the Health Plan.



Risk Factor Backup

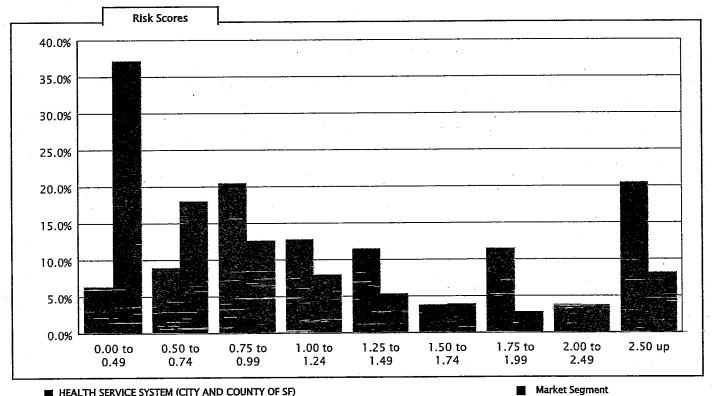
Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Number(s): 231003

Region: Southern California

Contract Period: 01/01/2014 - 12/31/2014

Risk Score Period: February 2013



■ HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Average

% of

•				
_	Weighted	% of	х	Average
=	Average	Members	^	Score
4	0.02129	37.2 %		0.25945

Risk Scores	members	Score	Average	MCHIDCIS	Score	Arciage
0.00 to 0.49	6.4 %	0.33214	0.02129	37.2 %	0.25945	0.09654
0.50 to 0.74	9.0 %	0.61653	0.05533	18.0 %	0.53982	0.09738
0.75 to 0.99	20.5 %	0.87161	0.17879	12.7 %	0.76071	0.09628
1.00 to 1.24	12.8 %	1.17110	0.15014	8.0 %	0.98143	0.07817
1.25 to 1.49	11.5 %	1.37492	0.15864	5.4 %	1.20197	0.06453
1.50 to 1.74	3.8 %	1.63822	0.06301	3.9 %	1.42094	0.05581
1.75 to 1.99	11.5 %	1.86364	0.21,504	2.9 %	1.64262	0.04685
2.00 to 2.49	3.8 %	2.33627	0.08986	3.8%	1.95797	0.07393
> 2.50	20.5 %	5.44391	1.11670	8.2 %	4.29260	0.35215
			2 04880			0.96165

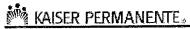
Group Risk Factor = $\frac{2.04880}{0.96165} = 2.13050$ Total Members = 78	 			. ,
	Group Risk Factor =	 =	2.13050	Total Members = 78

Created On: 4/9/2013 NPS RQR Number: 6425342

SPAS RQR Number/Set ID: 393126-4163630-35-2 NPS RQR Nath 5. C1 S2 for EU 1

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Weighted



Rate and Benefit Summary - Commercial

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 231003

Subgroups: 0001

Contract Period: 01/01/2014 - 12/31/2014

Region: Southern California

<u> Jan11 - Dec11</u>

<u>Jan12 - Dec12</u>

Average Members*:

73

Product Type: HMO

Quote Name: TRADITIONAL HMO SCR - EARLY RETIREE

Current Rates

Rate Tiers	Medical	Chiro	Dental	Total	Ratio
Subscriber only	\$1,070.95	\$1.32	\$0.00	\$1,072.27	1.00
Subscriber and 1 dependent	1,600.82	2.64	0.00	1,603.46	1.50
Subscriber and 2 or more dependents	2,040.62	3.73	0.00	2,044.35	, 1.91

Proposed Rates

Rate Tiers	Subscribers	Medical	%Change	Chiro	%Change	Dental	%Change	Total	%Change	Ratio	
Subscriber only	19	\$1,127.31	5.26%	\$1.32	0.00%	\$0.00	0.00%	\$1,128.63	5.26%	1.00	
Subscriber and 1 dependent	23	1,685.06	5.26%	2.64	0.00%	0.00	0.00%	1,687.70	5.25%	1.50	
Subscriber and 2 or more dependents	4	2,147.99	5.26%	3.74	0,27%	0.00	0.00%	2,151.73	5.25%	1.91	

Unassigned 65 + Retiree Rates - Single

	Rate	Members
Neither A nor B	\$1,128.63	0
A and B	1,128.63	2
A Only	1,128.63	0
E Only	1,128.63	. 0
Under 65 NKR	1,128.63	0
65 Plus NKR	1,128.63	0

Estimated Monthly Cost: \$68,868

Billing Frequency: Monthly

Proposed HMO Benefits

Annual Deductible: Individual / Family per calendar year(s): None

Out-of-Pocket Maximum: Individual / Family: \$1500 per member / \$3000 per family

Lifetime Maximum: Individual / Family: None

Prescription Drugs: R:HC2:2T:\$15/\$5/30 DAY;\$30/\$10 100 DAY MOI;50% MR INF,IMPOT,RXGZIVF

Outpatient

Provider Visits: HC2 \$20/VISIT; \$0 PREVENTIVE

Other Professional

Surgery - Outpatient Services: R: HC2 \$35/PROCEDURE; \$20/ABORTION; \$0 COLONOSCOPY; TG, STER

Special Procedures: HCR \$0 OUTPT/ENCOUNTER

Chiropractic: \$15/VISIT TO 30 VISITS; \$50 ALLOW/CALNDR YR

Infertility: \$20/VISIT; \$100/ADMIT; \$0 LAB, IMAG & SPEC/ENCOUNTER

Multidisciplinary Rehab - Inpatient & Outpatient: \$20/DAY OUTP; \$100/ADMIT INPT

Therapy Services: \$20/VISIT

Home Health Services: SO/VISIT PART TIME INTERMITTENT CARE; 3 VISITS/DAY; 100 VISITS/YR

Hospice: \$0/SERVICE

Ambulance and Emergency Services

Medical Transportation Services; \$0/TRIP Emergency Care: \$100/VISIT

* Includes Actives and/or pre 65 Retirees only.

Created On: 4/9/2013

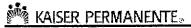
SPAS RQR Number/Set ID : 393126-41 916 4163630-35-2

NPS Quote Number: 10404889

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NPS RQR Number: 6425342

NPS RQR Name: C1 S2 for EU 1



Rate and Benefit Summary - Commercial

Region: Southern California

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Contract Period: 01/01/2014 - 12/31/2014

Group Numbers: 231003

Jan11 - Decl1

Jan12 - Dec12

Subgroups: 0001

Average Members*:

Product Type: HMO

Quote Name: TRADITIONAL HMO SCR - EARLY RETIREE

Laboratory and Imaging

Laboratory Services: HCR \$0 OUTPT/ENCOUNTER; \$0 PREVENTIVE

Diagnostic and Therapeutic Imaging: HCR \$0/ENCOUNTER; \$0 CT/MRI/PET/PROCEDURE; \$0 PREVENTIVE

Hospital Inpatient

Hospital Services: R: \$100/ADMIT; \$100 TRANSGENDER Extended Care: \$0/ADMIT TO 100 DAYS/BNFT PRD

Mental Health and Chemical Dependency

Mental Health Outpatient: \$20/UNLIMITED VISITS; AB88

Mental Health Inpatient: \$100/ADMIT; \$0 PART; \$0 INTN; UNLIMITED

Chemical Dependency Outpatient Program: \$20/VISIT INDV; \$5/VISIT GRP, DAY, IOP

Chemical Dependency Inpatient Program: \$100/ADMIT; \$100 TRRS/ADMIT; \$100 RTP/ADMIT

Durable Medical Equipment: HC2 \$0 BASE, FORMULARY LIST, AND DMSXDEV

Prosthetics & Orthotics: \$0 BASE; FORMULARY LIST & SPECIAL FOOTWEAR

Hearing Aids: \$2500 ALLOW/DEVICE;1 DEVICE/EAR;2 DEVICE/36 MOS

Allergy: \$5 INJECTIONS Dermatology: \$0/TREATMENT

Health Education: HCR \$0 IND/VISIT; \$0 GRP/CLASS; \$0 PREVENTIVE

LGY5/CDIP171/CDOP7/CHIR18/DERM5/DME5/DRUG1098/EMRG15/EXTC21/GIFT20/HEAR21/HLTH18/HOME21/HOSP107/HSPC1/IMAG12/INF32/LAB12/MDTR1/MHI 197/MHOP184/P&O3/PROV692/RHAB91/SPEC12/SURG435/THER9

* Includes Actives and/or pre 65 Retirees only.

Created On: 4/9/2013

NPS RQR Number: 6425342

SPAS RQR Number/Set ID : 393126-4163630-35-2

NPS RQR Name: C1 S2 for EU 1

NPS Quote Number: 10404889

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Rate Assumptions and Requirements

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 231003

Subgroups: 0001

Region: Southern California

Contract Period: 01/01/2014 - 12/31/2014

<u> Jan 11 - Dec 11</u>

Jan12 - Dec12

Average Members:

37

73

KP Offered: Alongside other carrier(s)

Ouotes Included

TRADITIONAL HMO SCR - EARLY RETIREE - 10404889 HMO CHIRO SCR - 10404892

Proposal Assumptions

The proposed rates and benefits included on the Rate and Benefit Summary page are based on the participation and contribution requirements described below. If any of the following are not met, Kaiser Permanente (KP) reserves the right to withdraw our rate proposal, decline coverage, re-rate this proposal or terminate your Group Agreement.

Group-specific requirements:

None

Rating Assumptions:

Rates assume a 12-month policy period of 1/1/2014 through 12/31/2014 unless otherwise specified above.

The rates and benefits in this proposal include the Federal Health Care Reform requirements for dependent coverage to age 26 and the elimination of lifetime maximums, including durable medical equipment (DME as defined by Federal Health Care Reform) annual maximums for contracts with renewal dates of October 1, 2010 or later. KP reserves the right to modify the rates and benefits if we receive further clarification of Federal Health Care Reform requirements, or to incorporate other applicable Federal Health Care Reform requirements. In addition, Kaiser Permanente reserves the right to make any change in these rates and benefits due to changes in State or Federal legislation or regulatory action.

KP reserves the right to rerate if actual enrollment results in a + /-10% change in the rates from what was assumed at the time of this quote. Examples of changes that may impact rates include, but are not limited to, the following:

- a. A change in the demographic factor.
- b. A change in the average family size or subscriber distribution.
- c. A change in the number of subscribers enrolled in KP.
- d. A change in the number of plans offered alongside KP.
- e. A change in the benefit design of a plan offered alongside KP.
- f. A change in the employer contribution formula.

KP reserves the right to change the rates in the event the employer funds, or offers to fund, all or part of an individual or family deductible, copayment or coinsurance which is applicable under the KP plan unless specifically noted in the Group-Specific Requirements above.

Participation and contribution requirements:

- a. Proposed rates and benefits assume 75% of overall eligible group employees enroll in a company-sponsored plan-excluding those waiving for alternative group coverage.
- b. Proposal assumes employer pays at least 50% of the employee only cost and is non-discriminatory.

Quote assumes KP is offered alongside another health care plan

KP must be offered on conditions that are no less favorable than those for other health care plans. Examples include, but are not limited to, the following:

- a. KP is offered to all eligible employees.
- b. KP has access to the employer and to the employees on the same basis as all other health care plans offered.
- c. The employer's contribution formula does not put KP in a disadvantaged position. Acceptable formulas include, but are not limited to, fixed employer dollar or percentage contribution.
- d. Basic and optional benefits such as DME, prescription drugs, and infertility are comparable among all health care plans offered, however, KP will allow preventive services as defined by Health and Human Services (HHS) to vary if specifically approved by underwriting.
- e. KP is not offered alongside plans with pre-existing condition provisions, health condition exceptions or lifetime coverage limits.
- f. If early retirees are covered, the employer offers all health care plans to early retirees on the same basis.
- g. Eligibility rules such as dependent age limits and waiting periods for new hires are the same for all health care plans.

Created On: 4/9/2013

NPS RQR Number: 6425342

SPAS RQR Number/Set ID: 393126-4163630-35-2

NPS ROR Name: C1 S2 for EU 1

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Rate Assumptions and Requirements

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 231003

Subgroups: 0001

Region: Southern California

Contract Period: 01/01/2014 - 12/31/2014

<u> Jan 11 - Dec 11</u>

<u>jan12 - Dec12</u>

Average Members:

37

73

KP Offered: Alongside other carrier(s)

h. No other plan is allowed preferential treatment that adversely affects KP.

 The number of employee subscribers enrolled in KP must be the greater of 5 or 5% of the total number of employees enrolled in all health plans in regions where KP is offered.

j. Kaiser Permanente must NOT be offered along side an age-rated health care plan.

k. Rate tier ratios and their definitions should be the same among all health plans offered by the group (employer).

5. Product-specific participation requirements:

Additional Kaiser Permanente Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost Requirements:

- a. Members must have Medicare Parts A and B to enroll in Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost and be eligible for Medicare rates. Members with only Part B may also enroll but their rates will be subject to a surcharge.
- b. Medicare eligible members must reside in the approved Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost service areas to receive benefits for the group Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost offering.
- c. Preliminary Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost rates and benefits are subject to change.
- d. Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost products may not be available for sale in all KP regions. Additional Out-of-Area Product Requirements:
- a. All employees offered KP Out-of-Area products must reside and work outside the KP service area.

6. Proposal requires eligibility for KP plan based on the following:

a. Employer - the employer cannot be considered a small group according to state law.

b. Actives:

- The group (employer) must be related to those offered a KP plan by virtue of employment. This includes when the group
 contract is with a Taft-Hartley Trust, Professional Employer Organization (PEO), association or Joint Power of Authority (JPA).
- An eligible employee is defined as an active, permanent employee who is on the employer's payroll, and working a
 minimum of 20 hours per week. Temporary and independent contractors (i.e., 1099 employees) are not eligible
 unless noted otherwise in this Rate Assumptions and Requirements document.
- The employee must live or work in the service area specific to the product they enroll in.
- 100% of eligible employees must be covered by Worker's Compensation, where mandated by law.

c. New enrollees:

The probationary period for new employees is non-discriminatory and reflects no more than a 90-day waiting period unless noted otherwise in this Rate Assumptions and Requirements document.

d. COBRA

- It is the responsibility of the employer group to enroll eligible members into the KP COBRA plan in compliance with federal law.
- It is the employer's responsibility to comply with appropriate COBRA statutes.
- KP will generally include COBRA members as part of the group bill. If individual billing has been arranged, KP will assume
 responsibility for collecting premiums from COBRA members, only acting as a collection agent on behalf of the group, not
 as a fiduciary for the group. In addition, KP retains the authority to terminate a direct-billed member for non-payment.

e. Retirees

- Eligible early retirees must enroll in a health plan at the time of retirement and may later elect to enroll in a KP plan at open enrollment as long as they have maintained continuous enrollment in a health plan since the time of retirement.
- Early retirees under the age of 65 must be reported to KP and set up as a separate employee class or subgroup.
- Medicare eligible retirees cannot enroll in the active plan.
- Applicants for a Medicare Senior Advantage (KPSA), Medicare Plus or Medicare Cost plan must meet all the Medicare
 eligibility requirements, including those stated in this Rate Assumptions and Requirements document.

f. Dependents

 If an "in-area" employee has dependents that live outside the service area, the employee and dependents must be enrolled in the same product.

Compliance:

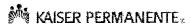
KP reserves the right to make any change in the employer group's benefits and/or rates due to changes in State or Federal legislation or regulatory action.

Created On: 4/9/2013

NPS RQR Number: 6425342

SPAS RQR Number/Set ID: 393126-4163630-35-2

RQR Name: C1 S2 for EU 1



Rate Assumptions and Requirements

Group Name: HEALTH SERVICE SYSTEM (CITY AND COUNTY OF SF)

Group Numbers: 231003

Subgroups: 0001

Region: Southern California

Contract Period: 01/01/2014 - 12/31/2014

<u> Janl I – Decl I</u>

<u> Jan12 - Dec12</u>

Average Members:

37

73

KP Offered: Alongside other carrier(s)

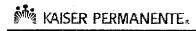
8. Broker Payment:

Brokers may be paid commissions and other financial incentives by Kaiser Permanente.

The contracting employer must also meet all other group-specific responsibilities and requirements described in your Group Agreement.

Created On: 4/9/2013 NPS RQR Number: 6425342 SPAS RQR Number/Set ID: 393126-4163630-35-2

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Glossary of Terms

Term Kaiser Foundation Health Plan

Annual Trend	The projected annual percent change in medical and pharmacy expenses applied to a group's claims experience.
Area Factor	A factor that adjusts the manual rate to reflect geographic price differentials.
Average Members	The average monthly membership during the reporting period.
Benefit Adjusted Manual Rate	The average rate for a group's current benefit plan for a particular market segment.
Capping	A method of stabilizing year-to-year rate changes?
COBRA Factor	An adjustment made to the manual rate to reflect the proportion of COBRA enrollees.
Contract Period	The time period during which a rate is valid.
Credibility	The weighting applied to manual; risk or claims-based rates when developing required premium rates.
Demographic Change	An adjustment made in the Projected Claims Calculation to reflect changes in the group demographics that occurred between the experience period and the time of the quote.
Demographic Factor	An adjustment made to the manual rate to reflect a group's current demographics.
Federal Health Insurer Fee	A percent of premium fee paid by insurance carriers for commercial and Medicare business beginning January 1, 2014
Federal PCORI Fee	A fee per covered life paid by commercial insurers and self-funded plan sponsors to fund the Patient-Centered Outcomes Research Institute (PCORI). PCORI was established by the Affordable Care Act. The PCORI will commission studies that compare drugs, medical devices, tests, surgeries and ways to deliver health care.
Federal Transitional Reinsurance Program Contribution	A fee paid by commercial insurers and third party administrators for self-funded plans from 2014 through 2016 to support reinsurance to sindividual market insurers covering high risk individuals in Exchanges:
Formulary	A Jist of preferred drugs based on their effectiveness and value.
Future Benefit Change	An adjustment to the rate to reflect a change in benefits being quoted for the renewal period
Historical Benefit Change	An adjustment made to historical paid claims to reflect the group's current benefit level.
Incurred Claim Adjustment	An adjustment made to a group's paid claims to convert them to estimated incurred claims.
In-force PMPM Rate	A group's current monthly PMPM (per member per month) rate:
Integrated Care Management (ICM) Fee	This charge, which is currently included in Paid Claims, incorporates services such as chronic conditions management, pharmacy management; clinical access alternatives, telephonic clinical advice, wellness information and coaching, online personal health management, medical and case management, external provider network management, and other care management services that are not billed or can't be done so efficiently. At KP, integrated care management cannot be unbundled, as it is part of the unique care and services the Permanente Medical Groups deliver to get and keep our members healthy.
Kaiser Permanente Senior Advantage (KPSA)	Kaiser Permanente's Medicare Advantage plan, offered in all regions except Ohio and Mid-Atlantic, which offer Medicare Plus (Cost) instead.
Kaiser Permanente Medicare Plus (Cost)	Kaiser Permanente's Medicare Cost plan, offered in Ohio and Mid-Atlantic only. No Medicare Advantage plan is offered in these regions:
Late Payment Charge	A fee added to the rate to compensate KP for a group's late payment history.
Market Segment	Group divisions based on group size and/or line of business such as Labor Trust or National Accounts.
Other Benefits	Benefits that are not included in the manual rate nor in the paid claims.

Created On: 4/9/2013



Glossary of Terms

Term	Kaiser Foundation Health Plan

Other Medical Services (OMS)	Other Medical Services (OMS) is a component of claims that accounts for services that are not easily captured in our claims and encounter systems. OMS includes but is not limited to capitated services, incomplete coding of KP services, COB and third-party liability.
Paid Claims	Paid medical expenses for services provided to a health plan member. These are either the result of an internal service, where prices are based on a fee schedule, or an external claim for services from a non-KP provider. Claims are attributed to the month in which they were paid: (external) or reported (internal):
Pooling Charge	The per member per month charge included in the Projected Claims Calculation to compensate for the removal of claims exceeding the pooling point.
Pooling Credit	The total combined medical and prescription drug claims paid above the pooling point. This amount is removed from paid claims in the Projected Claims Calculation.
Pooling Point	The annual threshold above which a member's combined medical and prescription drug claims will be excluded from the group's rate calculation.
Quoted Rate	The renewal rate calculated on a per member per month basis:
Rate Assumptions and Requirements	A component of the customer renewal report package that documents terms and conditions of the rate proposal:
Rating Members	The membership during the rating month used in the renewal.
Rating Month	The month of the membership and benefits used to calculate the renewal.
Report Period	The period of time over which prior claims are aggregated and used to project future claim costs
Reporting Threshold	Used on the High Cost Claimants report, it is the minimum in total claims in the reporting period required for a member to be displayed. The threshold varies by group size.
Retention	The portion of premium retained by KP to cover Health Plan administration expenses such as billing, member services and marketing.
Risk Factor	A comparison of a group's projected medical expenses to the average based on the group members' demographics and experience period prescription drug use.
Trend Factor	A factor that projects historical claims to a future rating period.
Underwriter Adjustment	An adjustment to the rate made by the underwriter to reflect differences in risk or offering conditions not accounted for elsewhere in the rate development.
Work Status Factor	An adjustment made to the manual rate to reflect the under 65 retiree population's influence on projected medical expenses:

Benefit Summary

888 Health Service System (City and County of San Francisco)

Principal Benefits for Kaiser Permanente Traditional Plan (1/1/14—12/31/14)

The Services described below are covered only if all of the following conditions are satisfied:

- The Services are Medically Necessary
- The Services are provided, prescribed, authorized, or directed by a Plan Physician and you receive the Services from Plan
 Providers inside our Northern California Region Service Area (your Home Region), except where specifically noted to the contrary
 in the Evidence of Coverage (EOC) for authorized referrals, hospice care, Emergency Services, Post-Stabilization Care, Out-ofArea Urgent Care, and emergency ambulance Services

Area Urgent Care, and emergency ambulance Services	
Annual Out-of-Pocket Maximum for Certain Services	
For Services subject to the maximum, you will not pay any more Cost Sharing during a consurance you pay for those Services add up to one of the following amounts: For self-only enrollment (a Family of one Member) For any one Member in a Family of two or more Members For an entire Family of two or more Members Deductible	\$1,500 per calendar year \$1,500 per calendar year
Lifetime Maximum	
Services covered under "Transgender Surgery" in the EOC	\$75,000 None
Professional Services (Plan Provider office visits)	You Pay
Most primary and specialty care consultations, exams, and treatment Routine physical maintenance exams, including well-woman exams Well-child preventive exams (through age 23 months) Family planning counseling and consultations Scheduled prenatal care exams and first postpartum follow-up consultation and exam. Eye exams for refraction Hearing exams Urgent care consultations, exams, and treatment Physical, occupational, and speech therapy	No charge No charge No charge No charge No charge No charge \$20 per visit \$20 per visit
Outpatient Services	You Pay
Outpatient surgery and certain other outpatient procedures Allergy injections (including allergy serum) Most immunizations (including the vaccine) Most X-rays and laboratory tests Health education: Covered individual health education counseling Covered health education programs	\$5 per visitNo chargeNo chargeNo charge
Hospitalization Services	You Pay
Room and board, surgery, anesthesia, X-rays, laboratory tests, and drugs	\$100 per admission
Emergency Health Coverage	You Pay
Emergency Department visits	. \$100 per visit nt for covered Services (see "Hospitalization
Ambulance Services	You Pay
Ambulance Services	. No charge
Prescription Drug Coverage	You Pay
Covered outpatient items in accord with our drug formulary guidelines: Most generic items at a Plan Pharmacy	. \$5 for up to a 30-day supply, \$10 for a 31- to 60-day supply, or \$15 for a 61- to 100-day supply
Most generic refills through our mail-order service	. \$5 for up to a 30-day supply or \$10 for a 31-

to 100-day supply

Most brand-name items at a Plan Pharmacy Most brand-name refills through our mail-order service	\$15 for up to a 30-day supply, \$30 for a 31- to 60-day supply, or \$45 for a 61- to 100-day supply \$15 for up to a 30-day supply or \$30 for a 31- to 100-day supply
Durable Medical Equipment	You Pay
Covered durable medical equipment for home use in accord with our durable medical equipment formulary guidelines	No charge
Mental Health Services	You Pay
Inpatient psychiatric hospitalizationIndividual outpatient mental health evaluation and treatment	\$20 per visit
Chemical Dependency Services	You Pay
Inpatient detoxification	\$100 per admission \$20 per visit \$5 per visit
Home Health Services	You Pay

You Pay

No charge

No charge

50% Coinsurance

aid No charge

Amount in excess of \$2,500 Allowance per

Benefit Summary

Other

This is a summary of the most frequently asked-about benefits. This chart does not explain benefits, Cost Sharing, out-of-pocket maximums, exclusions, or limitations, nor does it-list all benefits and Cost Sharing. For a complete explanation, please refer to the *EOC*. Please note that we provide all benefits required by law (for example, diabetes testing supplies).

lifetime)

Hearing aid(s) every 36 months

Hospice care

(continued)

Benefit Summary

231003 Health Service System (City and County

Principal Benefits for Kaiser Permanente Traditional Plan (1/1/14—12/31/14)

The Services described below are covered only if all of the following conditions are satisfied:

- The Services are Medically Necessary
- The Services are provided, prescribed, authorized, or directed by a Plan Physician and you receive the Services from Plan
 Providers inside our Southern California Region Service Area (your Home Region), except where specifically noted to the contrary
 in the Evidence of Coverage (EOC) for authorized referrals, hospice care, Emergency Services, Post-Stabilization Care, Out-ofArea Urgent Care, and emergency ambulance Services

Annual Out-of-Pocket Maximum for Certain Services	
For Services subject to the maximum, you will not pay any more Cost Sharing during Coinsurance you pay for those Services add up to one of the following amounts: For self-only enrollment (a Family of one Member) For any one Member in a Family of two or more Members For an entire Family of two or more Members Deductible	\$1,500 per calendar year \$1,500 per calendar year
Lifetime Maximum	
Services covered under "Transgender Surgery" in the EOC	\$75,000 None You Pay
Most primary and specialty care consultations, exams, and treatment Routine physical maintenance exams, including well-woman exams Well-child preventive exams (through age 23 months) Family planning counseling and consultations Scheduled prenatal care exams and first postpartum follow-up consultation and exar Eye-exams for refraction Hearing exams Urgent care consultations, exams, and treatment Physical, occupational, and speech therapy	No charge No charge No charge n No charge No charge No charge No charge \$20 per visit \$20 per visit
Outpatient Services	You Pay
Outpatient surgery and certain other outpatient procedures Allergy injections (including allergy serum) Most immunizations (including the vaccine) Most X-rays and laboratory tests Health education: Covered individual health education counseling Covered health education programs	\$5 per visit No charge No charge No charge
Hospitalization Services	You Pay
Room and board, surgery, anesthesia, X-rays, laboratory tests, and drugs	\$100 per admission
Emergency Health Coverage	You Pay
Emergency Department visits	\$100 per visit tient for covered Services (see "Hospitalization
Ambulance Services	You Pay
Ambulance Services	No charge
Prescription Drug Coverage	You Pay
Covered outpatient items in accord with our drug formulary guidelines: Most generic items at a Plan Pharmacy Most generic refills through our mail-order service	60-day supply, or \$15 for a 61- to 100-day supply

Benefit Summary	(continued)
Most brand-name items at a Plan Pharmacy	60-day supply, or \$45 for a 61- to 100-day
Most brand-name refills through our mail-order service	supply \$15 for up to a 30-day supply or \$30 for a 31- to 100-day supply
Durable Medical Equipment	You Pay
Covered durable medical equipment for home use in accord with our durable medical equipment formulary guidelines	No charge
Mental Health Services	You Pay
Inpatient psychiatric hospitalization	\$20 per visit
Chemical Dependency Services	You Pay
Inpatient detoxification	\$20 per visit
Home Health Services	You Pay
Home health care (up to 100 visits per calendar year)	No charge
Other	You Pay
Hearing aid(s) every 36 months	Amount in excess of \$2,500 Allowance per aid
Skilled nursing facility care (up to 100 days per benefit period)	No charge
Covered external prosthetic devices, orthotic devices, and ostomy and urological supplies	No charge
All Services related to covered conception by artificial means (one treatment cycle per lifetime)	

This is a summary of the-most frequently asked-about benefits. This chart does not explain benefits, Cost Sharing, out-of-pocket maximums, exclusions, or limitations, nor does it list all benefits and Cost Sharing. For a complete explanation, please refer to the *EOC*. Please note that we provide all benefits required by law (for example, diabetes testing supplies).

City & County of San Francisco

Current Office Visit co	t copay going from \$20.00 to \$25.00	-0.52%
Current Outpatient Su	t Surgery copay going from \$35.00 to \$50.00	-0.01%
Current RX Plan	Generic- \$5 (30 Day), \$10 (100 day), Brand- \$15 (30 Day), \$30 (100 Day MOI)	<u>Decrement</u> N/A
Option 1	Generic- \$10 (30 Day), \$20 (100 day), Brand- \$25 (30 Day), \$50 (100 Day MOI)	-2.08%
Option 2	Generic- \$5 (30 Day), \$10 (100 day), Brand- \$25 (30 Day), \$50 (100 Day MOI)	-0.79%
Option 3	Generic- \$10 (30 Day), \$20 (100 day), Brand- \$15 (30 Day), \$30 (100 Day MOI)	-1.26%

1. Illustrative decrements assume current plan design with only these specific changes.

Please note that decrements are not additive and that if more than one of these options are requested we will have to price all of these plan options together to get a true and accurate rate decrement.

Option 4

-2.59%

Generic- \$15 (30 Day), \$30 (100 day), Brand- \$25 (30 Day), \$50 (100 Day MOI)



HSS: Risk Sharing Arrangement *Proposal January 1, 2014 – December 31, 2014*

Prepared by Strategic Underwriting Version Date: April 26, 2013



This proposal for a Risk Sharing Arrangement, a form of retrospective experience rating, is between Health Services System and Kaiser Foundation Health Plan, Inc. Northern California Region. This proposal does not constitute an agreement.

Contract Period: 01/01/2014 through 12/31/2014

- Premium billed, will reflect rates produced under Health Plan's standard rating factors and renewal methodology used for all large commercial groups.
- 2. Risk corridor:
 - a. Risk corridor for surpluses = 25.0% of premium
 - b. Risk corridor for deficits = 25.0% of premium
- 3. Group's risk share within risk corridor is 100%.
- 4. A risk charge of 0% will be added to the premium for entering into this arrangement.
- 5. Medical Expense Pooling:
 - a. Pooling maximum per member applies at \$550,000.
 - b. Pooling maximum charge does apply at \$10.07 pmpm.
- 6. Fully insured standard retention rates will apply at \$24.97 pmpm.

 The Federal PCORI Fee/Transitional Reinsurance Program Contributions fee is \$5.42. The Federal Health Insurer Fee of 0.65% of premium will be applied.
- 7. Other Benefits:
 - a. Chiropractic coverage will be based on the per subscriber billed rates of \$1.32/\$2.64/\$3.74 for the respective Ee/Ee+1/Ee+2 rate tiers.
 - b. Hearing coverage will be based on a pmpm charge of \$1.80
 - Additional pmpm charge to be added for surcharge buyout of unassigned members to be determined based on actual 2014 enrollment.
- 8. Experience period used will be January 1, 2014 Through December 31, 2013.
- 9. Consolidated Annual Reconciliation:
 - a. Health Plan will perform a consolidated retrospective adjustment calculation annually.
 - b. The retrospective adjustment calculation will occur after the contract year, comparing earned premium to total expenses. Total expenses include incurred claims with three months of run-out following the experience period (12/15 basis), and adjusted for remaining IBNR, pooling if applicable, plus retention, risk charges, commissions, premium tax, any additional coverages / riders, and alternative payment plan charges if applicable.
 - c. If earned premium is greater than total expenses, Kaiser Permanente will refund the difference to Health Service System up to the minimum percent of premium, based on the risk corridor for surpluses stated above, and limited by the group's risk share percent.



- d. Conversely, if earned premium is less than total expenses, Health Service System will pay Kaiser Permanente the difference up to the maximum percent of premium based on the risk corridor for deficits stated above, and limited by the group's risk share percent.
- 10. Health Plan will perform risk sharing arrangement calculations 6-9 months after the end of the experience period.
- 11. Health Plan or Health Service System will pay the other within 60 days after Health Plan sends notice of the consolidated retrospective adjustment amount.
- 12. Late payments will accrue beginning 31 days after the due date, at an interest rate of 7.25% per month.
- 13. RSA will be reconciled annually with payout of all surpluses or collection of deficits.

 No carry forward provisions surpluses or deficits will not be credited or debited into future rates.
- 14. Proposed premium rates to be used for the Risk Sharing Arrangement are shown below:

Actives

Subscriber Only	\$559.07
Subscriber and Spouse	\$1,118.14
Subscriber and Spouse and 1 or more children	\$1,582.17

Early Retirees

Subscriber Only	\$1,128.63
Subscriber and Spouse	\$1,687.70
Subscriber and Family	\$2 151 73



Example Risk Sharing Arrangement Reconciliation

A. Detailed Calculations at the Regional/Product Level

Population/ Plan:	NCF	DHMO	
NCURRED MEDICAL EXPENSES		PMPM	Total
Paid Claims	\$	280.33 \$	2,063,643
Less Run-in	\$	(5.28) \$	(41,688
Claims Paid and Incurred	\$	255.07 \$	2,021,955
Run-Out	\$	4.03 \$	31,941
IBNR	\$	1.12 \$	8,909
Incurred Claims	\$	260.23 \$	2,062,805
- Pooling Credit	. \$	(30.38) \$	(240,822
+ Pooling Charge (\$125000 Pooling Point)	. \$	23.72 \$	188,028
Incurred Claims Net of pooling:	\$	253.57 \$	2,010,011
Other Benefits (Hearing, Dental, Chiro, Optical)	\$	1.15 \$	9,116
Total Incurred Medical Expenses	\$	254.72 \$	2,019,127
ADMINISTRATIVE EXPENSES		PMPM	Total
Retention Charges		\$23.32 \$	184,858
Broker Commissions		\$	•
Alternative Payment Plan		Š	
Premium Tax		\$	-
Risk-Sharing Arrangement Charge (0.650%)	. \$	1.57 \$	12,463
Total Administrative Expenses		\$	197,320
TOTAL EXPENSES (Incurred Medical and Administrative)	\$	279,61 \$	2,216,44
EARNED PREMIUM		\$	1,917,36
INITIAL SURPLUS/DEFICIT (Earned Premium Less Total Expenses)	\$	(37.72) \$	(299,086



B. Consolidated Annual Reconciliation—Surplus Example

PULATION/PRODUCT SUMMARY					
					INITIAL
					SURPLUS/DEFICIT
	INCURRED	4 BU MIATSATH IF	TOTAL EXPENSES		(Earned Premium
	MEDICAL	A DM INISTRATIVE	(Incurred Medical	EABUER RECHING	Less Total
POPULATION/PRODUCT	EXPENSES	EXPENSES	and Administrative)		Expenses)
NCR DHM O	\$2,019,127	\$197,320	\$2,216, 44 8	\$1,917,361	(\$299,086
<u>ncr hno</u>	\$5,680,206	\$632,346	<u>\$8,312,551</u>	<u>\$6,805,977</u>	\$493,375
Subtotal NCR	\$7,699,333	\$829,666	\$8,528,999	\$8,723,288	\$194,289
Total	\$7,699,333	\$829,666	\$8,528,999	\$8,723,288	\$194,289

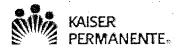
CONSOLIDATED RECONCILIATION				·
Upper Risk Corridor Threshold			* •	25%
Lower Risk Corridor Threshold	•		•	-25%
Employer Risk Share				100%
Total Earned Premium				\$ 8,723 ,2 88
Maximum Premiums				\$8,941,370
Minimum Premiums				\$8,505,206
Total Expenses (Incurred Medical and Administrative)				\$8,528,999
Earned Premiums Less Total Expenses with Risk Share Applied		1.		\$194,289
Maximum Payment (Earned Premiums Less Maximum Premiums)				(\$218,082)
Maximum Refund (Earned Premiums Less Minimum Premiums)				\$218,082
Consolidated Reconciliation Amount (Refund to Group)	-			\$194,289



C. Consolidated Annual Reconciliation—Deficit Example

POPULATION/PRODUCT SUMMARY		4			
	INCURRED Medical	ADM INISTRATIVE	TOTAL EXPENSES		INITIAL SURPLUSIDEFICIT (Earned Premium Less Total
POPULATION/ PRODUCT	EXPENSES	EXPENSES	and Administrative)	EARNED PREMIUM	Expenses)
NCR DHM O	\$2,019,127	\$197,320	\$2,216,448	\$1,917,361	(\$299,086)
<u>ncr hmo</u>	\$8,257,690	\$632.346	\$ 6,890,035	\$8.805.927	(\$84.109)
Subtotal NCR	\$8,276,817	\$829,666	\$9,108,483	\$8,723,288	(\$383,195)
Total	\$8,276,817	\$829,666	\$9,106,483	\$8,723,288	(\$383,195)

CONSOLIDATED RECONCILIATION	
Upper Risk Corridor Threshold	25%
Lower Risk Corridor Threshold	-25%
Employer Risk Share	190%
Total Earned Premium	\$8,723,288
Maximum Premiums	\$8,941,370
Minimum Premiums	\$8,505,206
Total Expenses (Incurred Medical and Administrative)	\$9,106,483
Earned Premiums Less Total Expenses with Risk Share Applied	(\$383,195)
Maximum Payment (Earned Premiums Less Maximum Premiums)	(\$218,082)
Maximum Refund (Earned Premiums Less Minimum Premiums)	\$218,082
Consolidated Reconciliation Amount (Payment From Group)	(\$218,082)



HSS: Self-Funding Proposal January 1, 2014 – December 31, 2014

Prepared by Strategic Underwriting Version Date: April 26, 2013

Confidential P**93-8**1 7/13/2013



\$289,382,049

Rate Buildup City & County of San Francisco January 1, 2014

Members		45,070
Subscribers		21,708
Paid Claims (Fully insured, include OMS and ICM)		\$417.88
Pooling Credit		-\$5.74
Pooling Charge		\$6.93
Paid Claims Net of pooling		\$419.07
Incurred Claim Adjustment Factor	1.00715	
Demographic Change	0.9985	
Historical Benefit Change	0.9965	•
Trend	1.126	
Future Benefit Change	1.00000	
PMPM		\$472.87
Average Contract Size	2.07619	
PEPM		\$991.35
Self-Funded Rx per FTC Ruling2	· 	\$4.15
PEPM Total Claims, OMS, and ICM		\$995.50
Total Projected Incurred Claims, OMS, ICM		\$995.50
Advairable Foo		6404.04
Administrative Fee		\$104.24
Additional Administrative Services	•	\$0.00
Administrative Fees - One Time/Setup		\$0.00
Claim Fiduciary Liability (Optional Service)4		\$0.25
Transitional Reinsurance Program Contribution		\$10.90
Specific (Individual) Stop Loss - Premium	•	N/A
Specifc Stop Loss Expected Recoveries		N/A
Aggregate Stoploss		N/A
Miscellaneous Charges		\$0.00
Late Payment Load		N/A
Broker Fees (Commissions)		\$0.00
Expected Per Employee Per Month Cost		\$1,110.89
Total Monthly Cost Estima	ate S	\$24,115,171

Total Annual Cost Estimate



Comparison of Costs - Fully Insured vs. Self Funded City & County of San Francisco January 1, 2014

,	Illustrative		
	PEPM	PEPM	
	Fully-Insured	Self-Funded	Difference
Members		45,070	
Subscribers		21,708	
Projected Incurred Claims and OMS ¹		\$855.56	
_	•	\$4.15	
Self-Funded Rx per FTC Ruling ² Projected Incurred Claims, OMS, and Rx	\$855.56	\$859.71	
Variable Integrated Care Management Medical	(\$69.72	\$69.72	
Variable Integrated Care Management Pharmac		\$25.65	
Fixed Integrated Care Management	\$40.42	\$40.42	
Total Projected Incurred Claims, OMS, ICM	\$991.35	\$995.50	\$4.15
Administrative Fee	\$51.85	\$104.24	
Additional Administrative Services	\$0.00	\$0.00	
Administrative Fees - One Time/Setup	\$0.00	\$0.00	
_Claim Fiduciary Liability (Optional Service) ⁴	N/A-	\$0.25	
Premium Tax	\$0.00	N/A	
Specific (Individual) Stop Loss - Premium	N/A	N/A	
Specifc Stop Loss Expected Recoveries	N/A	N/A	
Aggregate Stoploss	N/A	N/A	
Miscellaneous Charges	\$4.37	\$0.00	
Late Payment Load Broker Fees (Commissions)	\$0.00 \$0.00	N/A \$0.00	
Federal PCORI Fee/Transitional Reinsurance F	\$11.25	\$10.90	
Federal Health Insurer Fee ⁶	\$6.89	\$0.00	
Expected Per Employee Per Month Cost	\$1,065.72	\$1,110.89	\$45.17

Total Monthly Cost Estimate \$23,134,546 \$24,115,171 \$980,625.24

Total Annual Cost Estimate \$277,614,547 \$289,382,049 \$11,767,503

Percentage difference 4.24%



Self-Funded Employer Expected Costs City & County of San Francisco January 1, 2014

Members Subscribers	45,070 21,708	٠.	
Self-Funded Employer Expected Costs	PMPM	PEPM	Total\$
Projected Incurred Claims/OMS 1,2	\$414.08	\$859.71	\$18,662,693
Integrated Care Management- Variable Medical (Proje	\$33.58	\$69.72	\$1,513,396
Integrated Care Management- Variable Pharmacy (Pr Integrated Care Management- Fixed Administrative Fee Additional Administrative Services Claims Fiduciary (Optional Service) ⁴ Administrative Fees - One Time/Setup Broker Fees (Commissions) Stop Loss Premiums Miscellaneous Charges	\$12.35 \$19.47 \$50.20 \$0.00 \$0.12 \$0.00 \$0.00 \$0.00 \$0.00	\$25.65 \$40.42 \$104.24 \$0.00 \$0.25 \$0.00 \$0.00 \$0.00	\$556,787 \$877,513 \$2,262,737 \$0 \$5,427 \$0 \$0 \$0 \$0
Transitional Reinsurance Program Contribution ⁵	\$5.25	\$10.90	\$236,618
Self-Funded Employer Expected Variable Costs	\$460.01	\$955.08	\$20,732,876
Self-Funded Employer Expected Fixed Costs Total Self-Funded Employer Expected Costs	\$75.05 \$535.06	\$155.81 \$1,110.89	\$3,382,295 \$24,115,171



Self-Funded Pricing Assumptions City & County of San Francisco January 1, 2014

The fees and other financial terms in this proposal for the Kaiser Permanente self-funded program administered by Kaiser Permanente Insurance Company ("KPIC") (the "Proposal") are based on (1) the terms, conditions and assumptions outlined below; (2) the plan of benefits described in KPIC's RFP response or Plan Sponsor's existing plan of benefits, as noted in this Proposal; (3) demographic and claims data provided by Plan Sponsor in connection with this Proposal, or with respect to existing Kaiser Permanente groups, demographic and claims data in Kaiser Permanente systems as of the date noted in the Proposal; and (4) Plan Sponsor's agreement to KPIC's standard vendor relationships and operating procedures (collectively, the "Assumptions").

- 1. Start Date: Commencement of ASO Services as if effective January 1, 2014 ("Effective Date").
- 2. Participation and Contribution Requirements:
- •If the Proposal offers total replacement, no more than 25% of Plan Participants (employees) enrolled in Kaiser Permanente self-funded products may live or work outside of any Kaiser Permanente service area.
- •75% of all eligible Plan Participants, excluding those waiving coverage due to alternative group coverage, must be enrolled in a Plan Sponsor medical plan.
- •Plan Sponsor must contribute at least 50% of the Plan Participant-only cost.
- 3. Eligibility Requirements: Plan Sponsor's eligibility criteria must include the following:
 •All Plan Participants must live or work in a Kaiser Permanente service area to be eligible for the HMO product.
- A dependent must enroll in the same product as the Plan Participant through whom the dependent is eligible, even if the dependent lives outside of a Kaiser Permanente service area
- •Medicare-eligible Plan Participants and dependents are not eligible for the Kaiser Permanente self-funded program.
- •Plan Participants must have an employer/employee relationship to Plan Sponsor or to another entity participating in Plan Sponsor's Plan, unless otherwise approved by KPIC.
 •Plan Participants must be active, permanent employees, working a minimum of 20 hours per week. Temporary employees and independent contractors are not eligible, unless otherwise noted in the Proposal.

4. Enrollment

- •If actual enrollment of Plan Participants in the Kaiser Permanente self-funded program as of the Effective Date differs from the data used to prepare the Proposal, based on any of the measures described below, or if during the Plan year, there are any such changes from the actual enrollment as of the Effective Date, KPIC may modify the fees on notice to Plan Sponsor:
- A +/- 10% change in the total number of Plan Participants enrolled, or in enrollment of Plan Participants by product option.
- COBRA enrollment by Plan Participants is in excess of 10% of total Plan Participant enrollment.
- A +/- 10% change in the number of enrolled Plan Participants who are under age 65 refirees.
- Under age 65 retirees who are enrolled Plan Participants comprise more than 5% of total enrolled Plan Participants.



5. ASO Services:

- •KPIC's standard ASO services include claims administration, customer service, provider network administration, and related services, as described in KPIC's ASO Services Agreement. Such terms provide, without limitation, as follows:
- Integrated Care Management (ICM) services, including, but not limited to Kaiser Permanente health care provider network administration, disease management, health education, utilization management, pharmacy benefit management and nurse-advice services. ICM services cannot be carved out.
- Run-out claims are handled by the prior carrier, unless otherwise noted in proposal.
- Plan Sponsor delegates named claims fiduciary responsibility to Harrington Health, unless otherwise noted in the Proposal.
- Plan Sponsor is responsible for COBRA administration, including enrollment of COBRA eligibles in a COBRA subgroup, unless otherwise noted in the Proposal.
- Standard reporting package is included, unless otherwise noted in the Proposal.

6. Non-Discriminatory Offering:

- •Kaiser Permanente's self-funded program must be offered to Plan Participants on conditions that are no less favorable than the conditions applicable to other Plan options offered by Plan Sponsor to Plan Participants. Specifically, and without limitation:
- Kaiser Permanente's self-funded program must be offered to all eligible Plan Participants, and must be communicated and promoted in the same manner that Plan Sponsor communicates and promotes its other Plan options.
- Kaiser Permanente must be granted access to Plan Participants and Plan Sponsor on the same basis as all other Plan options offered by Plan Sponsor.
- Plan Sponsor's contribution formula may not disadvantage the Kaiser Permanente self-funding program. Fixed dollar or percentage contributions applicable to all Plan options are acceptable.
- If early retirees are covered, Plan Sponsor must permit enrollment by early retirees in all Plan options on the same basis.
- Eligibility rules, such as dependent age limits and waiting periods for new hires, must be the same for all Plan options offered by Plan Sponsor.
- 7. Stop-Loss Coverage. Stop loss coverage is required, if quoted in the Proposal, and must be provided through KPIC or another carrier approved by KPIC.

 N/A
- •Plan Sponsor must complete the attached KPIC Disclosure Statement with claims and enrollment information updated as of 30 days prior to Effective Date. KPIC may modify the stop loss fees and terms in its discretion based on the updated Disclosure Statement.

8. Financial Status

- •The Proposal is expressly conditioned on KPIC's assessment of Plan Sponsor's financial status and ability to fund a self-funded program. Plan Sponsor will provide financial information at KPIC's request to permit KPIC to update its assessment from time to time.
- 9. Changes in Assumptions. Plan Sponsor must notify KPIC of any change in the Assumptions. KPIC may, on written notice to Plan Sponsor and in KPIC's sole discretion, based on changes in the Assumptions, including without limitation, KPIC's assessment of Plan Sponsor's financial status or KPIC's re-evaluation of enrollment or claims data, modify the fees and terms of the Proposal or withdraw the Proposal in its entirety.

10. ACA Taxes

Federal PCORI Fee – A fee per covered life paid by commercial insurers and self-funded plan sponsors to fund the Patient-Centered Outcomes Research Institute (PCORI). PCORI



was established by the Affordable Care Act. The PCORI will commission studies that compare drugs, medical devices, tests, surgeries and ways to deliver health care. Federal Transitional Reinsurance Program Contribution – A fee paid by commercial insurers and third party administrators for self-funded plans from 2014 through 2016 to support reinsurance to individual market insurers covering high risk individuals in Exchanges.

Federal Health Insurer Fee – A percent of premium fee paid by insurance carriers for commercial and Medicare business beginning January 1, 2014.

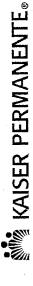
May 9, 2013

Fee Restructure

And

Integrated Care Management

- KP is an integrated delivery system and its value is driven by the unique way that it delivers care to members (i.e., Permanente Medicine) and its care delivery infrastructure.
- KP is both payer and provider and manages the total cost of care, not just individual pieces.
- The efficiencies from KP's delivery system are reflected in total costs, not any particular line item or calculation in the rating formula.
- taking care of members in the most cost-efficient manner, even if these services are KP does not concentrate its efforts on billing for services but rather spend its time
- medicine and avoid the administrative hassles of running a medical office (e.g., contracting, Historically, physicians have come to Kaiser Permanente to concentrate on practicing coding, billing, collections).
- At KP, there has been increased focus in leveraging technology to shift care from traditional consultations. Additional workflow is necessary to convert these into "billable" services settings (e.g., office visits) to more effective methods such as e-mails and phone
- This results in utilization patterns that are significantly different from competitors in the



KAISER PERMANENTE®

ee Schedule Compo

Unit prices for medical services multiplied by member utilization ntegrated Care Management Fee Other Medical Services **Member Allowed Fees** Retention

Total Revenue

pharmacy management, secure messaging, and Fee for integrated care management, including nurse line/wellness activities

Billable services not captured/coded Administrative charge

KP Fac Schoolile Reclesion

management services). This was accomplished by lowering member fees and increasing Starting in 2012, KP redesigned its fee schedule components so that it more closely the integrated care management fee (including fixed and variable components). aligns with how care is delivered (less "billable" services, more integrated care

2012

2011

Member Allowed Fees
Integrated Care Management Fee
(Fixed + Variable ICM Fees)

Total Revenue

Other Medical Services

Other Medical Services

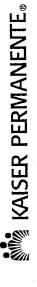
Retention

Retention

services (member allowed fees) is negative for both CCSF and KP's book of business The fee schedule redesign can be seen in the comparison of 2011 vs. 2012 claims for while the "Other" category (including OMS/ICM) increased by over 40% for both CCSF and KP's total book of business. The trend for inpatient and outpatient CCSF and KP's book of business.

Overall, claims for both CCSF and KP's book of business increased 5.5%, which is consistent with Kaiser's overall commercial rate increase from 2011 to 2012.

	2012 % Change \$138.23 % 2.9% \$ \$130.97 0.0% 7 \$34.56 3.9% 5 \$77.59 41.2% 7 \$381.35 5.5%		
siness - PMPM	\$142.32 \$131.03 \$33.27 \$54.95 \$361.57		
Kaiser Permanente Book of Business - PMPM	Inpatient Outpatient Pharmacy <u>Other (Including OMS/ICM)</u> Total		
	% Change 727-7-30% 11-5% 8-5% 5-5%		% Change 7.5.4% 2.4% 7.5% 97.5% 8.7%
	\$136.18 \$125.68 \$39.40 \$79.57 \$380.83		2012 \$297.97 \$215.75 \$83.56 \$130.60 \$727.88
	\$140.40 \$127.59 \$36.30 \$56.85 \$361.14		\$315.09 \$210.68 \$77.74 \$66.12 \$669.63
CCSF Actives - PMPM	Inpatient Outpatient Pharmacy <u>Other (Including OMS/ICM)</u> Total	CCSF Early Retirees - PMPM	Inpatient Outpatient Pharmacy <u>Other (Including OMS/ICM)</u> Total



Network Management External Provider

Clinical Advice **Telephonic**

> Health Management **Online Personal**

Clinical Access **Alternatives** Chronic Condition Management

Wellness Information

& Coaching

Management Pharmacy

Medical /

Case Management

Secure email correspondence with physician/physician's office

Scheduled phone calls with physicians and staff Electronic specialist consults (doctor to doctor)

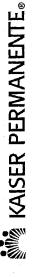
Phone specialist consults (primary care physician, member, specialist)
Ongoing specialist-to-primary care physician communication

health plans charge members a copay for electronic messaging, if it's covered at Members can email their doctor's office with nonurgent questions—often saving an appointment and a trip to the medical office, as well as a copay. Most other

Scheduled phone visits with caregivers can save members an office visit.

questions or advance treatment before specialist visits. The e-consult enables the primary care physician to order any necessary tests or exams before the member sees the specialist, reducing extra visits and making the care experience more E-consults between primary care physicians and specialists help resolve fluid and effective, leading to a quicker result.

each other's electronic treatment notes in real time and on an ongoing basis. This specialist to evaluate the patient's symptoms and immediately resolve the issue Following patient evaluations, primary care physicians and specialists can view When needed during a member's primary care visit, a physician can call a or determine if tests are needed or a specialist visit should be scheduled. allows for a thorough and accurate exchange of information.



ICM Savice

Development of evidence-based chronic condition programs

obesity. Other health plans contract with third-party disease management vendors Includes creation/identification of best practices and registry development for our award-winning chronic condition and disease management programs. Programs hypertension, chronic pain, chronic obstructive pulmonary disease, coronary artery disease, high-risk maternity, HIV/AIDS, neonatal complications, and nclude: asthma, cancer, coronary heart failure, depression, diabetes, with little ability to integrate with the clinical care experience.

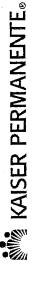
Case identification and automatic enrollment

Includes disease registries and built-in system alerts that automatically identify at-

enrolled in the appropriate program. Third-party disease management programs

risk members. If a chronic condition is diagnosed, the member is automatically

aren't connected to the care experience, so patients have to opt in, may require health plan authorization, and may incur additional costs.



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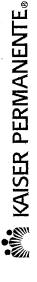
ICM Service

Outcomes tracking and analysis

health educators, and lab techs work together, sharing information, protocols, and Constant patient monitoring by the entire Kaiser Permanente care team optimizes information gaps. Third-party disease management programs are disconnected from care providers and clinical data-they're usually working from call centers access to a single electronic health record, reducing or eliminating care and best practices for better outcomes. The care team is connected by and has outcomes for both individuals and populations. Doctors, specialists, nurses, and can only refer to claims data.

Employer reporting and wellness program consultation

track HEDIS measures and health outcomes, and reveal the prevalence and cost This level of clinical data reporting isn't possible with fee-for-service, fragmented improvement—including wellness programs—are provided based on the results. Partnership in Health chronic condition reports collect aggregate clinical data, of certain chronic conditions. Recommendations for workforce health care models.



Member outreach and inreach

electronic alerts within their electronic health record and face-to-face prompts that Includes patient outreach (by phone, mail, and other collateral) and inreach (via includes health education classes, online tools and calculators, videos, and occur during patient visits). Proven to increase member adherence to care protocols such as screenings, immunizations, and scheduled tests.

Patient self-care tools and education for chronic conditions
Digital coaching for chronic conditions

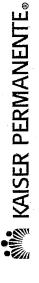
Customized and interactive online programs help members manage their chronic conditions with relevant information around diet, exercise, medication, stress management, and more. Member self-reported data is used to generate aggregate reports on program use and effectiveness.

brochures that address chronic conditions such as diabetes or asthma.

Discount/rebate negotiation with manufacturers
Automated refills by phone or online; no additional costs for mail order on all prescriptions; prescription refill email reminders; refill status online; online access to pharmacists Formulary development

We leverage our organizational size to negotiate prescription drug prices, helping reduce costs. Members can conveniently order prescription refills online 24 hours a day, 7 days improving outcomes. Members can also email questions to a Kaiser Permanente time away from work. Refill email reminders help increase pharmacy adherence, a week and have them delivered to their homes at no additional cost—saving pharmacist anytime.

adherence. Also includes research teams that track new FDA drug approvals and member drug outcomes using Kaiser Permanente HealthConnect®—information fragmented fee-for-service world, pharmaceutical reps are restricted from Kaiser Our practicing physicians and pharmacists work together to build an evidenceanalyze studies and comparative prices of existing therapies. We also study is shared quickly and efficiently across the organization. And unlike in the based formulary. This physician-led process results in greater formulary Permanente campuses.



· (ON Service

Physician education

practices, safety prompts, and alerts to physicians via our electronic health record system. Also includes dedicated pharmacy educators who work to develop site-Includes the automatic dissemination of formulary guidelines, medication best specific physician medication education programs.

includes face-to-face consults and printed instructions for all new and changed prescriptions for members—improving adherence.

expertise and better outcomes (patient risk mortality is 1% at Kaiser Permanente programwide. Our "center of excellence" approach results in high patient volume manage status within a narrow therapeutic window. Physician continues to work (700 patients annually vs. 3 to 10 for private practice), which leads to increased closely with the pharmacist, supervising and collecting quality data. Established Physicians refer high-risk patients to pharmacist-led anticoagulation teams to Refers to clinics specializing in blood thinner treatment for clotting disorders. versus the published results of 8 to 12% outside of Kaiser Permanente).

Patient counseling and education Anticoagulation clinic (use of warfarin, also known by brand-

name Coumadin)



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K. Same	
K. Same	

Clinically populated personal health record

on members to self-report information. Our clinically based records are populated, our electronic medical record system, KP HealthConnect. Other health plans may Member personal health records draw clinical health information in real time from offer personal health records, but they draw information from claims data or rely shared, and accessed by care team members. Members can also suggest updates to their personal health record information.

After-visit summaries include treatment plans, physician notes, vitals, and more. Members can review their summaries online anytime.

interpret results. This feature saves members from having to take time off work to was taken. Results also show information on why the test was taken and how to Members can view select lab results online—sometimes the same day the test make an office visit or a phone call.

Members can request and review routine appointments online, at their convenience, saving a phone call.

Schedule/manage

appointments



After-visit summary

Rapid posting of lab results

	ization histori
	dembers can review their or their children's allergies and immunization histori
	ildren's allergi
	heir or their ch
	s can review t
	Member
i esiMe	
E NO	allergy
	View

treatment/immunization schedules View status for recommended preventive screenings

especially helps parents of school-age children who must frequently provide proof Members can review their of their children's allergies and immunization histories online instead of relying on paper records. This convenient, time-saving feature of immunization status. Members can access a list of their recommended or scheduled health screenings. Members also receive electronic health prompts for overdue tests and screenings, increasing adherence and improving health.

CM Sarvice

Web-based health education content and tools for wellness

Targeted health and wellness mailings and reminders

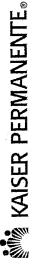
Health education classes and support groups

Health risk assessment tools integrated with care management services

featured topics, tools, and calculators target lifestyle-specific risk behaviors such encyclopedias, videos, virtual tours of our maternity departments, podcasts, Includes kp.org clinical content available to members and nonmembersas smoking.

(flu shots, vaccinations, immunizations, health screenings) to help keep members nealthy. Outreach comes from the care providers, not the health plan, increasing Includes mail and phone outreach for preventive care for nonchronic conditions the importance of the mailing from the member's perspective.

conveniently located at Kaiser Permanente facilities. Classes promote preventive their lifestyle and health risks and assess their readiness to change. Unlike with Includes total health assessments, which give members a detailed overview of other health plans, the results can be added to members' electronic medical Covers a wide array of health education classes and peer-support groups care, encourage fitness and nutrition, and support treatment plans. record for discussion with their physician.



eelNeの工C

Newsletter and other health information

Telephonic health coaching

Digital coaching for wellness

Other programs (walking programs, discounted fitness/gym rates)

Includes our Partners in Health member newsletter and health topic-specific communications (e.g., senior health, maternity) in a variety of languages to support culturally competent care. One-on-one personal coaching motivates members to establish and meet health Interactive and customized, these online programs help members improve their goals such as smoking cessation, weight loss, or improved nutrition. Coaches have access to member health records for a total health approach.

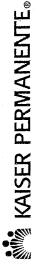
health by addressing a variety of lifestyle risk behaviors. Member self-reported Includes Thrive Across AmericasM fitness program, gym/fitness club discounts, data is used to generate aggregate reports on program use and effectiveness. and complementary care programs that support total health.

Integrated nurse advice and

appointment system

Our 24/7 nurse advice line is staffed by Kaiser Permanente nurses with access to member medical records and an available physician to handle more serious calls. health plans hire nurses with access to claims data and little or no connection to make appointments when appropriate. They also help members save money by With access to clinical data, nurses can triage members more effectively and avoiding trips to urgent and emergency care for nonurgent conditions. Other

the clinical care experience.



External provider network building and maintenance

groups in partnership with our health plan to provide clinical oversight. Most other The networks are reviewed, approved, and managed by Permanente physician Includes identifying, contracting with, and reviewing external provider networks. health plan networks are reviewed, approved, and managed by health plan administrators only.

Competitive network discounts

Network rates are negotiated, leveraging volume to achieve competitive discounts where applicable.

Special rates are negotiated for acupuncture, massage, and chiropractic care. Access to discounted affinity networks for complementary

medical care Arrangements with out-of-area

providers

Claims repricing
Access to "center of
excellence" networks for
transplants and other

Arrange access and negotiate prices with out-of-area providers that provide care Includes the processing and negotiation of claims from outside providers. to members on an ad hoc basis (in cases like travel emergencies).

ncludes identifying, contracting with, and integrating operations with care centers to effectively support patients in need of highly specialized care.

specialized services

Evidence-based clinical guidelines

Preadmission review

departments and Care Management Institute. As a result, we can go from cuttingeveraging of academic research resources and results from our clinical research imaging, prescriptions, and more). Ensures admission is for the right reasons. A seamless, and consistent. Outside of Kaiser Permanente, hospital care is often Includes in-hospital physician care provided by specialists like hospitalists and practices that drive quality and cost-efficiencies. Also includes support for and single technology platform—KP HealthConnect—makes the process efficient, Includes development, vetting, and electronic dissemination of clinical best includes review of patient medical record prior to hospital admission (labs, Permanente, it can take 17 years for best practices to become standard. disconnected from butpatient care, resulting in a lack of care continuity, edge knowledge to implementation in just one year—outside of Kaiser redundancy in testing/procedures, and patient inconvenience.

Concurrent review

Discharge planning

intensivists.

Hospital and skilled nursing transition programs

Programs staffed by Kalser Permanente physicians and nurse practitioners help

includes outpatient visits, instructions, and ordering of post-visit medications.

ensure speedy and appropriate transitioning of patients to the right level of care.



ICM Service

Case management services (high-intensity/complex case management)

ncludes outreach; integration with other care management programs/behavioral health programs, and patient identification triggers and treatment plans for highprimary care physician, hospital, patient, or a health plan case manager who Permanente, case coordination is inconsistent—responsibility can be on the need, high-cost patients. Optimizes care and efficiences. Outside of Kaiser doesn't have ready access to the full medical record.

includes our internal transplant review board and all pre- and post-care provided ncludes identification, transfer, and management of transplant cases. Also by Kaiser Permanente physicians.

to the appropriate case worker or psychiatrist if more serious. Kaiser Permanente ensure timely, immediate, continuous care, improved outcomes, and lower costs. coronary artery disease, or congestive heart failure, or pregnant and postpartum depression or suicidal thoughts. Also includes coordination of inpatient transfers working closely with primary care and medical case management teams to help behaviorists and social workers are integrated within our care delivery system, women) who complete a total health assessment, and for members with prior Includes depression screening for high-risk members (those with diabetes,

Transplant cases Integrated behavioral health/medical case

management



CM Savice

Quality assurance and management Systems support, including GASE (FACKING)

Referral management

Emergency prospective review program (Emergency Department repatriation)

medicine. Outside of Kaiser Permanente, physician peer review is inconsistent better, more cost-efficient outcomes. Physician peer review includes system includes internal utilization management and physician peer review to drive reviews, which address systems issues and help doctors practice better and not as widespread, if it exists at all.

Includes non-chronic condition (such as maternity, cancer, and allergy care) and orthopedic implant health registries used to identify care and medication gaps.

Technology increases safety and interaction control and enables an overall view of the member's health.

Includes Permanente Medical Group prospective review and approval of care outside the Kaiser Permanente network.

health information. This helps ensure the safe and timely return of the member to Kaiser Permanente Emergency Department physicians coordinate with outside Kaiser Permanente, patient medical histories (such as medications and previous Emergency Departments to provide critical and potentially lifesaving member Kaiser Permanente facilities, optimizing care and reducing costs. Outside of tests) are often unavailable to the treating physicians.

Kaiser Permanente works to support patients and their families through a team-Palliative care

services, but when there are no community-based services, offer little real benefit based approach that creates the best access to people who are specially trained difficult to create a consistent level of support. Some health plans reimburse for to provide care in the last stages of life. Outside of Kaiser Permanente, it's very to members.

																	-														
	(\$2.00)	(\$2.00)	\$0.00	\$0.00	(\$2.00)	(\$15.00)	(\$2.00)	\$0.00	\$5.00	\$0.00		(\$10.00)	(\$10.00)	(\$15.00)	(\$15.00)	(\$30.00)	(\$30.00)	(\$32.00)	(\$2.00)	(\$2.00)	(\$2.00)	(\$2.00)	(\$10.00)	(\$25.00)	(\$30.00)		\$0.00	\$0.00	\$0.00	\$0.00	(\$30.00)
	\$55.00	\$90.00	\$130.00	\$195.00	\$245.00	\$25.00	\$55.00	\$85.00	\$130.00	\$175.00		\$120.00	\$130.00	\$130,00	\$140.00	\$140.00	\$160.00	\$180.00	\$100.00	\$110.00	\$110.00	\$120.00	\$120.00	\$135.00	\$150.00		\$120.00	\$175.00	\$255.00	\$385.00	\$50.00
を を できる は ない は ない は ない	\$60.00	\$95.00	\$130.00	\$195.00	\$250.00	\$40.00	\$60.00	\$85.00	\$125.00	\$175.00		\$130.00	\$140.00	\$145.00	\$155.00	\$170.00	\$190.00	\$215.00	\$105.00	\$115.00	\$115.00	\$125.00	\$130.00	\$160.00	\$180.00		\$120.00	\$175.00	\$255.00	\$385.00	\$80.00
Office Visits	99201 New patient visit, level 1 (low severity)	99202 New patient visit, level 2	99203 New patient visit, level 3	99204 New patient visit, level 4	99205 New patient visit, level 5 (high severity)	99211 Established patient visit, level 1 (low severity)	99212 Established patient visit, level 2	99213 Established patient visit, level 3	99214 Established patient visit, level 4	99215 Established patient visit, level 5 (high severity)	Office visits (preventive)	99381 Well-baby office visit, new patient (under 1 year)	99382 Well-child office visit, new patient (1-4 years)	99383 Well-child office visit, new patient (5-11 years)	99384 Well-child office visit, new patient (12-17 years)	99385 Well-adult office visit, new patient (18-39 years)	99386 Well-adult office visit, new patient (40-64 years)	99387 Well-adult office visit, new patient (65 and older)	99391 Well-baby office visit, established patient (under 1 year)	99392 Well-child office visit, established patient (1-4 years)	99393 Well-child office visit, established patient (5-11 years)	99394 Well-child office visit, established patient (12-17 years)	99395 Well-adult office visit, established patient (18-39 years)	99396 Well-adult office visit, established patient (40-64 years)	99397 Well-adult office visit, established patient (65 and older)	Emergency visits	99282 Emergency care by physician, level 1 (low severity)	99283 Emergency care by physician, level 2	99284 Emergency care by physician, level 3	<u>ا</u> ح	Psychotherapy visits 90853 Group psychological therapy
	Office Visits	New patient visit, level 1 (low severity) \$55.00 (visits New patient visit, level 1 (low severity) New patient visit, level 2 \$95.00 \$90.00	visits \$60.00 \$55.00 New patient visit, level 2 \$95.00 \$90.00 New patient visit, level 3 \$130.00 \$130.00	visits \$60.00 \$55.00 New patient visit, level 2 \$90.00 New patient visit, level 3 \$130.00 \$130.00 New patient visit, level 4 \$195.00 \$195.00	visits \$60.00 \$55.00 New patient visit, level 2 \$90.00 New patient visit, level 3 \$130.00 \$130.00 New patient visit, level 4 \$195.00 \$250.00 \$245.00	New patient visit, level 1 (low severity) \$60.00 \$55.00 New patient visit, level 3 \$95.00 \$90.00 New patient visit, level 4 \$130.00 \$130.00 New patient visit, level 4 \$195.00 \$245.00 Established patient visit, level 1 (low severity) \$40.00 \$25.00 \$55.00	New patient visit, level 1 (low severity) \$60.00 \$55.00 New patient visit, level 2 \$95.00 \$90.00 New patient visit, level 3 \$130.00 \$130.00 New patient 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	90862	Managing mental health drugs	\$89.00	\$95.00	\$6.00
	90806		\$156.00	\$135.00	(\$21.00)
	Fve exam	Eve examinations		· · · · · · · · · · · · · · · · · · ·	一般の とうしょう
	92002	Eye exam, routine visit, new patient	\$115.00	\$126.00	\$11.00
	92004	Eye exam and treatment, new patient	\$193.00	\$233.00	\$40.00
	92012	Eye exam, routine visit, established patient	\$115.00	\$135.00	\$20.00
	92014	Eye exam and treatment, established patient	\$168.00	\$194.00	\$26.00
	99173	Vision screening test	\$9.00	\$5.00	(\$4.00)
	Hearing services	ervices.			
	92557	Comprehensive audiometry evaluation	\$90.00	\$67.00	(\$23.00)
	69210	Ear cleaning	\$95.00	\$76.00	(\$19.00)
	92567	Eardrum test	\$40.00	\$26.00	(\$14.00)
	92551	Hearing Screening test (pure tone, air only)	\$24.00	\$21.00	(\$3.00)
	Physical t				
	97014	Electric stimulation therapy, treatment only	\$28.00	\$24.00	(\$4.00)
	97001	Physical therapy evaluation	\$109.00	\$119.00	\$10.00
96	97010	Physical therapy hot and cold application, treatment only	\$14.00	\$9.00	(\$2.00)
69	97035	Physical therapy, ultrasound, treatment only	\$24.00	\$19.00	(\$2.00)
	97110	Physical therapy exercises, treatment only	\$45.00	\$50.00	\$5.00
	Vaccines	Vaccines and other injections 4			
	95115	Allergy shot	\$25.00	\$20.00	(\$2.00)
	90716	Chickenpox vaccine	\$98.00	\$94.00	(\$4.00)
	90702	Diphtheria, tetanus booster vaccine	\$30.00	\$27.00	(\$3.00)
	90701	Diphtheria, tetanus, pertussis vaccine	\$36.00	\$35.00	(\$1.00)
	90658	Flu shot, children (3 years and older)	\$20.00	\$20.00	\$0.00
	90657	Flu shot, infants	\$16.00	\$9.00	(\$2.00)
	90746	Hepatitis B vaccine	\$108.00	\$88,00	(\$20.00)
	50706	Measles, mumps, and rubella vaccine	\$59.00	\$64.00	\$5.00
	69906	Pneumococcal vaccine	\$138.00	\$141.00	\$3.00
	90713	Polio vaccine	\$33.00	\$36.00	\$3.00
	90206	Rubella vaccine	\$28.00	\$35.00	\$7.00
	96372	THER/PROPH/DIAG INJ, SC/IM	\$45.00	\$40.00	(\$2.00)
	96373	THER/PROPH/DIAG INJ, IA	\$40.00	\$33.00	(\$7.00)
	Tests and	Tests and procedures of the contract of the co			

(\$10.00) (\$1.00)	(\$214.00)	(\$247.00)	(\$131.00)	(\$32.00)	\$50.00	(\$31.00)	(\$11.00)	(\$10.00)	(\$30.00)	(\$4.00)	(\$2.00)	\$9.00	(\$50.00)	\$38.00	(\$100.00)	が対することが	(\$102.00)	(\$109.00)	(\$123.00)	(\$110.00)	(\$36.00)	(\$111.00)	(\$24.00)	(\$20.00)	(\$26.00)	\$36.00	(\$90.00)	\$24.00	\$26.00	\$19.00	\$27.00	(\$42.00)
\$60.00	\$714.00	\$814.00	\$726.00	\$605.00	\$178.00	\$216.00	\$117.00	\$35.00	\$70.00	\$11.00	\$269.00	\$159.00	\$160.00	\$124.00	\$260.00		\$632.00	\$598.00	\$492.00	\$629.00	\$679.00	\$499.00	\$218.00	\$170.00	\$159.00	\$289.00	\$400.00	\$178.00	\$251.00	\$272.00	\$252.00	\$194.00
\$70.00	\$928.00	\$1,061.00	\$857.00	\$640.00	\$128.00	\$247.00	\$128.00	\$45.00	\$100,00	\$15.00	\$276.00	\$150.00	\$210.00	\$86.00	\$360.00		\$734.00	\$707.00	\$615.00	\$739.00	\$715.00	\$610.00	\$242.00	\$190.00	\$185.00	\$253,00	\$490.00	\$154.00	\$225.00	\$253.00	\$225.00	\$236.00
	g cautery	g snare technique	ination								tion																					•
Breathing capacity test Breathing treatment	Colonoscopy and removal of abnormal tissue using cautery	Colonoscopy and removal of abnormal tissue using snare technique	Colonoscopy and removal of colon tissue for examination	Diagnostic colonoscopy	Diagnostic proctosigmoidoscopy	Diagnostic sigmoidoscopy	Draining fluid from around swollen joint	EKG	Fetal monitoring	Removal of abnormal areas of skin	Sigmoidoscopy and removal of tissue for examination	Skin biopsy	Stress test	Surgically destroying an abnormal area of skin	Ultrasound test of heart	CT scans and other imaging studies 👼 🐦 🔭	CT scan of chest, including dye	CT scan of pelvis, including dye	CT scan of pelvis, without dye	CT scan of sinus and nasal passages	CT scan of stomach area with dye	CT scan of stomach area, without dye	Mammogram	Mammogram (one side)	Mammogram (screening)	Pregnancy ultrasound	Review of CT scan of the head or brain	Ultrasound of breast	Ultrasound of pelvis	Ultrasound of stomach area	Vaginal ultrasound	X-ray for osteoporosis
94010 94640	45384	45385	45380	45378	45300	45330	20610	93000	59025	17003	45331	11100	93015	17000	93307	X-rays, Cl	1260	72193	72192	70470	74160	74150	77056	77055	77057	76805	70450	76645	76856	26700	76830	77080

(+004 0000 000	\$12.00	\$10.00	(\$2.00)
	Cholesterol level test	777	00:01	(00.74)
	Complete blood count	\$20.00	\$19.00	(\$1.00)
	Creatinine test	\$13.00	\$12.00	(\$1.00)
	Hepatitis B surface antigen test	\$30.00	\$25.00	(\$2.00)
	Hepatitis C test	\$31.00	\$34.00	\$3,00
~	Kidney function test	\$12.00	\$9.00	(\$3.00)
	Laboratory chemistry test for creatine kinase	\$16.00	\$16.00	\$0.00
	Lipid Panel Test	\$35.00	\$32.00	(\$3.00)
_	Magnesium test	\$17.00	\$16.00	(\$1.00)
	Pap test, cervical cancer screening	\$29.00	\$25.00	(\$4.00)
`-		\$13.00	\$11.00	(\$2.00)
	Potassium test	\$14.00	\$11.00	(\$3.00)
	Pregnancy test	\$24.00	\$18.00	(\$6.00)
	Prostate test	\$48.00	\$44.00	(\$4.00)
٠,	Sodium test	\$13.00	\$11.00	(\$2.00)
٠,	Strep-A-Swab test	\$52.00	\$48.00	(\$4.00)
•	Test for blood in stool	\$9.00	\$8.00	(\$1.00)
	Test for genital warts	\$92.00	\$84.00	(\$8.00)
• .	Thyroid stimulating hormone test	\$47.00	\$40.00	(\$7.00)
_	Urine bacteria colony count	\$23.00	\$19.00	(\$4.00)
	Urine test (complete)	\$7.00	\$8.00	\$1.00
_	Urine test (dip stick only)	\$7.00	\$5.00	(\$2.00)
-	Urine test (microanalysis only)	\$6.00	\$7.00	\$1.00

City and County of San Francisco

Kaiser Permanente Book of Business - PMPM

		10/10-09/11	10/11-09/12	% Change
Inpatient		\$142.74	\$138.24	-3.2%
Outpatient		\$130.95	\$130.37	-0.4%
Pharmacy		\$33.16	\$34.56	4.2%
Other		<u>\$54.84</u>	<u>\$72.39</u>	- <u>32.0%</u>
Total		\$361.69	\$375.56	3.8%
CCSF Actives - PMPM				
		10/10-09/11	10/11-09/12	% Change
Inpatient		\$139.07	\$134.67	-3.2%
Outpatient		\$129.35	\$123.87	-4.2%
Pharmacy		\$36.22	\$39.09	7.9%
Other		<u>\$57.00</u>	<u>\$74.04</u>	<u>29.9%</u>
Total		\$361.64	\$371.67	2.8%
CCSF Early Retirees - PMPM				
		10/10-09/11	10/11-09/12	% Change
Inpatient		\$315.53	\$299.62	-5.0%
Outpatient		\$208.29	\$213.33	2.4%
Pharmacy		\$74.89	\$84.22	12.5%
Other	* .	\$67.01	<u>\$115.24</u>	<u>72.0%</u>
Total		\$665.72	\$712.41	7.0%

the other fee schedule components (namely, the member fees themselves) to deliver the same 2012 rate increase.

- As you can see, Kaiser opted to redesign its fee schedule components to more closely resemble how Kaiser delivers integrated care (as Dr. Klinger explained in our meeting) rather than on the member prices for coded, billable-type services.
- The best way to understand the changes specific to CCSF would be to compare it relative to the changes in our health plan. See the attached file.
 - CCSF's year over year increase in PMPMs is only 2.8% which is still trending more favorably relative to our health plan for its active population. This is somewhat offset by the higher trends in the early retiree population. Overall, CCSF is trending slightly favorable compared to our health plan.
- In terms of projected increases, the best way to project is to look at how a specific group is trending relative to our health plan (if the group is trending higher, they will likely receive a higher than average rate increase).

Hope this helps. Please let me know if you have any questions. I'm happy to assist the team in preparing explanations for the HSS Board about the way Kaiser develops its rates. Thanks.

Andrew L. See, FSA, MAAA Vice President, Pricing Kaiser Foundation Health Plan, Inc. 300 Lakeside Drive, 28th Floor Oakland, CA 94612

Phone: 510-271-5618 Fax: 510-271-6495

Assistant: Doreen Amarsingh

Phone: 510-268-4402 Doreen:Amarsingh@kp.org



CCSF ICM.xlsx

NOTICE TO RECIPIENT: If you are not the intended recipient of this e-mail, you are prohibited from sharing, copying, or otherwise using or disclosing its contents. If you have received this e-mail in error, please notify the sender immediately by reply e-mail and permanently delete this e-mail and any attachments without reading, forwarding or saving them. Thank you.

Gabe Briggs

Hi Andrew, It was nice meeting you last week. A...

04/08/2013 11:19:26 AM

From:

Gabe Briggs <gabe.briggs@aonhewitt.com>

To: Cc: Andrew L See/CA/KAIPERM@KAIPERM
Raul Monares/PO/KAIPERM@Kaiperm, Anil P Kochhar <anil.kochhar@aonhewitt.com>

Date: Subject: 04/08/2013 11:19 AM

ect: Reconciliation of ICM Fees

Hi Andrew,

It was nice meeting you last week. Anil asked me to send you our reconciliation schedules. What we're trying to do is come up with some simple reconciliation to present to the Board where we tie out the increase in the ICM with reductions in other cost buckets. It may be that we can't do this, however, we'd like to make some kind of attempt. Right now, what we understand is that the ICM went from \$27.12 for the experience period Oct. 2010 through Sept. 2011 to a fixed of \$20.35 and a variable of \$27.22 for the experience period Oct. 2011 through Sept. 2012. The difference between these two

amounts is \$20.45. We note that the outpatient pmpm for the same experience periods has reduced from \$129.35 to \$123.87 for a reduction of \$5.48. When we net this against our \$20.45, the net is \$14.97 (this may be a rather simplified approach). Our problem is we can't explain any of the \$14.97. We are looking to you to help us build a schedule that you are comfortable with that can tie out the \$20.45. We really appreciate your help. Attached are our first pass reconciliation schedules for actives and early retirees.

Thanks,

Gabe Briggs | Actuarial Analyst
Aon Hewitt | Health and Benefits Consulting
199 Fremont Street, Suite 1500 | San Francisco, CA 94105
tel +1.415.486.5948
gabe.briggs@aonhewitt.com | aonhewitt.com
[attachment "Reconciliation of the ICM fees.xlsx" deleted by Andrew L See/CA/KAIPERM]

(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s):	City elective office(s) held:
Members, San Francisco Board of Supervisors	Members, San Francisco Board of Supervisors

Contractor Information (Please print clearly.)

Name of contractor:

Kaiser Foundation Health Plan, Inc. Northern California Region

Kaiser Foundation Health Plan, Inc. Southern California Region

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.) Please see attached
- 2.) Please see attached
- 3.) Kaiser Permanente represents a 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 spensor.

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.

- 4.) N/A
- 5.) N/A

Contractor address:

Kaiser Foundation Health Plan, Inc. Northern California Region 1950 Franklin Street Oakland, CA 94612

Kaiser Foundation Health Plan, Inc. Southern California Region 393 East Walnut Street Pasadena, CA 91188

Date that contract was approved:

Amount of contract:

\$322,767,000.00 (calendar year 2014)*

Describe the nature of the contract that was approved: Medical Health Insurance: Kaiser Permanente Traditional Plan, HMO and S	Senior Advantage with Part D.
Comments: *The amount of this contract is based on the most recent actuarial informati new hires, terminations and other attrition factors, as well as member select	ion and will change due to employee resignations, ions 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 Francisc Print Name	o Board of Supervisors
the board of a state agency (Health Authority, Housing Authority Co Board, Parking Authority, Redevelopment Agency Commission, Relo Development Authority) on which an appointee of the City elective o	ocation Appeals Board, Treasure Island
Filer Information (Please print clearly.) Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number:
Name of filer: Aligera Carvino, Clerk of the Board	(415) 554-5184
Address: City Hall, Room 244	E-mail:
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102	Board.of.Supervisors@sfgov.org
Signature of City Elective Officer (if submitted by City elective officer)	Date Signed
Signature of Board Secretary or Clerk (if submitted by Board Secretary or C	lerk) Date Signed

George C. Halvorson

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

Christine K. Cassel, MD, MACP

President and Chief Executive Officer of the American Board of Internal Medicine and ABIM Foundation

Thomas W. Chapman, MPH, EdD

President and Chief Executive Officer of the HSC Foundation

Daniel P. Garcia

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

William R. Graber

Retired Chief Financial Officer of McKesson Corporation

J. Eugene Grigsby III, PhD

President and Chief Executive Officer of the National Health Foundation

Judith A. Johansen, JD

President of Marylhurst University, Portland, Oregon

Kim J. Kaiser

Senior Pilot, Alaska Airlines

Philip A. Marineau

Operating Partner, LNK Partners, and Retired President and Chief Executive Officer of Levi Strauss & Co.

Jenny J. Ming

President and Chief Executive Officer, Charlotte Russe Holding, Inc., and Former President of Old Navy

Edward Pei

Retired Executive Vice President of the Consumer Banking Group of First Hawaiian Bank

J. Neal Purcell

Retired Vice Chairman and Managing Partner of KPMG, LLP

Cynthia A. Telles, PhD

Director of the Spanish-Speaking Psychosocial Clinic of the Neuropsychiatric Institute and Hospital at the University of California, Los Angeles School of Medicine, and Associate Clinical Professor with the UCLA School of Medicine

Sandra P. Thompkins, JD

Executive Director of Human Resources, Delphi Corporation's Packard Electric Division

■ National leadership team

George C. Halvorson

Chairman and Chief Executive Officer

Bernard J. Tyson

Executive Vice President, Health Plan and Hospital Operations

Anthony Barrueta

Senior Vice President, Government Relations

Raymond J. Baxter, PhD

Senior Vice President, Community Benefit, Research and Health Policy

Chuck Columbus

Senior Vice President and Chief Human Resources Officer

Phil Fasano

Executive Vice President and Chief Information Officer

Diane Gage Lofgren, APR

Senior Vice President, Brand Strategy, Communications and Public Relations

Kathy Lancaster

Executive Vice President and Chief Financial Officer

Jed Weissberg, MD

Senior Vice President, Quality and Care Delivery Excellence

Arthur M. Southam, MD

Executive Vice President, Health Plan Operations

Mark S. Zemelman

Senior Vice President and General Counsel

(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): Members, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco Board of Supervisors

Contractor Information (Please print clearly.)

Name of contractor:

Blue Shield of California

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) members of the contractor's board of directors:
 - Paul Markovich
 - Doug Busch
 - Evelyn Dilsaver
 - Hector Flores, M.D.
 - Alan Fohrer
 - William Hauck
 - Sandra Hernandez, M.D.
 - Leon E. Panetta
 - Robert Lee
 - Mohammad H. Qayoumi, Ph.D.
- (2) the contractor's chief executive officer, chief financial officer and chief operating officer;

Paul Markovick, President & CEO

Janet Widmann, Executive Vice President, Markets

(3) any person who has an ownership of 20 percent or more in the contractor;

Blue Shield is a Not-for-Profit Mutual Benefit Corporation.

(4) any subcontractor listed in the bid or contract; and

Blue Shield currently contracts with the following vendors to provide cost-effective, quality healthcare services:

- Accent Company, Omaha, NE (2003) Accent provides investigation and recovery functions related to workers' compensation and third-party liability.
- ACS Commercial Solutions Inc., Sandy, UT (2011) ACS provides member enrollment data entry services.
- Aegis USA, Inc., Los Angeles, CA (2007) Aegis assists with handling calls from Individual and Family Plan (IFP) members as well as eligibility and billing questions for members with portfolio plans.
- Alere, Waltham, MA (2003) Alere currently administers Blue Shield's Predictive Triage
 Engine, disease management programs; a suite high-risk case management programs;
 chronic complex, prenatal, and musculoskeletal case management programs; tobacco
 cessation services as part of our Tobacco Cessation program; CareTips clinical care gap
 messaging for members and providers; and our NurseHelp 24/7 program.
- American Specialty Health Plans, San Diego, CA (1994) American Specialty Health Plans provides access to their chiropractic, acupuncture, and podiatry networks.
- Argus Health Systems, Kansas City, MO (1999) Argus Health Systems provides claims processing for pharmacy benefits. Blue Shield provides pharmacy benefit management, pharmacy network, formulary, prior authorization, and member services internally.
- Citi Prepaid Services, Conshohocken, PA (2008) Citi Prepaid Services (formerly known as
 eCount) manages the financial incentives linked to our wellness offerings via a prepaid
 debit card that can be electronically reloaded when additional rewards are earned and
 redeemed.
- Curascript, Orlando, FL and CVS Caremark, Woonsocket, RI (since 2005) Curascript and CVS Caremark provides specialty pharmacy services.
- **Dentai 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 ID cards and explanation of benefits documents.
- Electronic Data Systems, Plano, TX (2001) Electronic Data Systems (EDS) 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).
- **Healthrageous**, **Inc.**, **Boston**, **MA (2012)** Healthrageous offers a wellness platform that uses wireless-enabled fitness devices and apps to power team challenges among employee populations.
- 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.
- Hinduja Global Solutions Inc., Warrenville, IL. (2011) Hinduja provides claims edit resolution services.
- LabCorp, Burlington, NC (1997) LabCorp provides access to a national network of clinical laboratories.
- Language Line, Monterey, CA (2002) Language Line provides language services to assist non-English speaking members.
- Magellan Health Services, Avon, CT (2012) Magellan Health Services serves as Blue Shield's Mental Health Service Administrator (MHSA), providing mental health/substance

abuse network administration, claims, customer service, care management, and medical management. Additionally, they administer our LifeReferrals 24/7 program and a Behavioral Health Depression Management Program that integrates with our disease management program.

- Medical Eye Services, Santa Ana, CA (1984) Medical Eye Services serves as Blue Shield's vision plan administrator.
- National Imaging Associates, Columbia, MD (1999) National Imaging Associates
 provides prior authorization and medical management for outpatient radiology services,
 including CAT scans, MRIs/MRAs, nuclear cardiology, bone densitometry, and PET
 scanning.
- PrimeMail, Eagan, MN (2008) PrimeMail 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 has provided onsite and remote biometric screening services for Blue Shield clients since 2008. In this time, Quest has staffed multiple events for several different clients and collected biometric data on thousands of employees.
- SourceHOV, LLC, Dallas, TX. (2007) SourceHOV provides paper claims and correspondence mailroom, imaging and data entry services, including image viewing capabilities, claims edit resolution, correspondence activation, small group enrollment, claim credit backs, and pre-denial audits.
- **Summit Health, Chambersburg, PA (2010)** Summit Health provides onsite and remote biometric screening services for our Shield Wellcheck program, and other onsite wellness services, including immunizations, onsite seminars, lifestyle management courses, ad hoc screening, and tests for our Onsite Wellness program.
- **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.
- WebMD, New York, NY (2008) WebMD provides the platform and content for our award-winning online wellness program, Healthy Lifestyle Rewards, and our telephonic Health Coach program.

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

	•		
	 •	•	•
EmPAC			
·			

Contractor address:

50 Beale Street, San Francisco CA 94105

Date that contract was approved:

Amount of contract:

\$ 279,094,000 (flex-funded benefit) + \$29,362,000

	(Fully Insured MAPD/COB product)=308,456,000.00
Describe the nature of the contract that was approved: Medical Coverage: Blue Shield Flex Funded HMO for Activees.	ves and Early Retirees, and MAPD/COB for
Comments: *The amount of this contract is based on the most recent employee resignations, new hires, terminations and other the time of qualifying events.	actuarial information and will change due to attrition factors, as well as member selections a
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 <u>San Fra</u>	ncisco Board of Supervisors
the board of a state agency (Health Authority, Housing Author Board, Parking Authority, Redevelopment Agency Commission Development Authority) on which an appointee of the City elec	, Relocation Appeals Board, Treasure Island
Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org
Signature of City Elective Officer (if submitted by City elective office	r) Date Signed
Signature of City Elective Officer (if submitted by City elective office	r) Date Signed

S:\ALL FORMS\2008\Form SFEC-126 Contractors doing business with the City 11.08.doc

(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s):	City elective office(s) held:
Members, San Francisco Board of Supervisors	Members, San Francisco Board of Supervisors

Contractor Information (Please print clearly.)

Name of contractor: United HealthCare Services, Inc. (for City Plan)

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

- 1. The United HealthCare Services, Inc. Directors are William Arnold Munsell, and Brian Robert Thompson.
- 2. The United HealthCare Services, Inc. Officers include:

CEO and President: William Arnold Munsell

CFO: Eric Stuart Rangen

Secretary: Jay Anthony Warmuth Treasurer: Robert Worth Oberrender

Assistant Secretary: Michelle Marie Huntley Dill

Assistant Secretary: Juanita Boland Luis

- 3. No person owns 20 percent or more in the contractor.
- 4. We provide most of our core services directly through the UnitedHealth Group family of companies. This allows us to offer affordable solutions through integrated data elements and systems, streamlined implementations and unified account management support.

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

VENDORS AND SUBCONTRACTORS

NETWORK LEASING

UnitedHealthcare owns the majority of networks we use for providing health care coverage. However, we use leased or vendor networks where it is not feasible to develop our own network. Vendor networks must comply with the same quality standards we use for our own networks. Vendor network compensation varies based on market demands and the customary practices of the local marketplace. We retain responsibility for claim processing. In addition, we oversee all quality issues, including quality control of the physicians and other health care professionals in the network.

OVERPAYMENT IDENTIFICATION VENDORS

We contract with a number of vendors to identify overpayments. These vendors perform a variety of audits, including, but not limited to, credit balance, data mining, coordination of benefits (COB), contract audits, DRG audits, workers' compensation and subrogation. Generally, these vendors do not perform collections on the overpayments they identify in an effort to reduce the number of vendors approaching physicians. A collection vendor is assigned to collect these overpayments.

OVERPAYMENT COLLECTION VENDORS

We contract with a number of vendors to collect overpayments that are identified internally or from an overpayment identification vendor. Overpayment collection vendors are responsible for sending out the initial overpayment notification letter and will follow up with the physician on outstanding balances through phone calls or subsequent recovery letters. These vendors assist with the resolution of physician disputes/appeals.

MATERNITY MANAGEMENT

We subcontract with Alere (formerly Matria Healthcare) to provide portions of our Healthy Pregnancy Program (HPP). We do use an outside vendor for external review on selected cases.

SHARED SAVINGS PROGRAM (SSP)

We use Viant, Three Rivers Physician's Network, First Health Networks and MultiPlan's national network of hospitals, physicians and other health care professionals to provide discounts to our customers for non-network claims through our SSP.

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.

SURVEYS

We conduct an annual satisfaction survey based upon the HEDIS 3.0 standards.

Administration of the CAHPS survey is a joint effort between the Survey Research Studies division of OptumInsight (a UnitedHealth Group company) and the Center for the Study of Services (CSS). CSS is certified by NCQA as a CAHPS survey vendor.

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 Law Group.

ID CARDS

Our member medical ID cards are produced by Fiserv Output Solutions, a business unit of Fiserv, Inc. Fiserv, headquartered in Stafford, Texas, is a provider of business-critical communications to the financial services, health care, telecommunications, investment services and retail markets.

LEGAL

We will be responsible for holding our vendors to the agree. We will accept responsibility to the extent that contractual obligation assumed by us.	•
5. In California, corporate contributions are legal, and all HealthCare Services, Inc. corporate entity, which regis We are happy to provide additional information at the states other than California, upon request.	sters as a major donor committee with the state.
Contractor address:	
UnitedHealth Group Center	- -
9900 Bren Road East Minnetonka, Minnesota 55343	
Date that contract was approved:	Amount of contract:
Date that contract was approved.	\$62,077,000.00 total spend estimated for calendar
	year 2014*
Describe the nature of the contract that was approved: Sel	
sponsored by CCSF and whose claims administration is or	
well as a fully insured PDP Drug Plan for Medicare A and	
Comments:* The amount of this contract is based on the m	
change due to actual claims, employee resignations, new h	
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 Fran	acisco Board of Supervisors
	t Name of Board
the board of a state agency (Health Authority, Housing Author	ity Commission, Industrial Development Authority
Board, Parking Authority, Redevelopment Agency Commission,	
Development Authority) on which an appointee of the City elect	ive officer(s) identified on this form sits
Print Name of Board	
Film Name of Board	
Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244	E-mail:
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102	Board.of.Supervisors@sfgov.org
Signature of City Elective Officer (if submitted by City elective officer	Date Signed
Signature of Board Secretary or Clerk (if submitted by Board Secretary	v or Clerk) Date Signed

(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)

Name of City elective officer(s):

Members, San Francisco Board of Supervisors

City elective office(s) held:

Members, San Francisco Board of Supervisors

Contractor Information (Please print clearly.)

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

Barbara J. Burgel 100 First Street San Francisco, CA 94105

D. Douglas Cassat, DDS 100 First Street San Francisco, CA 94105

Lynn L. Franzoi 100 First Street San Francisco, CA 94105

Devang M. Gandhi, DDS, **Secretary** 100 First Street San Francisco, CA 94105

Roy Gonella 100 First Street San Francisco, CA 94105

Beverly A. Kodama, DDS 100 First Street San Francisco, CA 94105

Steven F. McCann, **1st Vice Chair** 100 First Street San Francisco, CA 94105

Terry A. O'Toole, **Treasurer** 100 First Street San Francisco, CA 94105

Renuka (Becky) P. Patel, **Chair** 100 First Street San Francisco, CA 94105 Stephen R. Pickering, DDS 100 First Street San Francisco, CA 94105 Gary D. Radine (Ex Officio) 100 First Street San Francisco, CA 94105

Jo Bonita Rains 100 First Street San Francisco, CA 94105

Andrew J. Reid, **2nd Vice Chair** 100 First Street San Francisco, CA 94105

Coragene I. Savio, DDS 100 First Street San Francisco, CA 94105

Steven W. Voss 100 First Street San Francisco, CA 94105

Thomas A. Zimmerman 100 First Street San Francisco, CA 94105

(2)

Chief Executive Officer – Gary Radine Chief Financial Officer – Michael Castro Chief Operating Officer – Tony Barth

(3) None

(4) None

(5) None

Contractor address: 100 First Street, San Francisco, California 94105

Date that contract was approved:	Amount of contract estimated for CY 2014:
	\$57,266,493.00*
	Delta Dental PPO -
	Policy Number 1673 – Retirees
	\$11,215,907.00
	Delta Dental PPO -
	Policy 9502 – Actives: (Self-funded Claims +
	Admin.)
	\$45,032,742.00
	DeltaCare USA – DHMO
	Policy # 01797 – DeltaCare:
	\$1,017,844.00
Describe the nature of the contract that was approved:	
Dental Benefits	
terminations and other attrition factors, as well as member selections a 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) servesSan Fran	cisco Board of Supervisors
	Name of Board
the board of a state agency (Health Authority, Housing Authori	ty Commission Industrial Development Authority
Board, Parking Authority, Redevelopment Agency Commission, Development Authority) on which an appointee of the City election	Relocation Appeals Board, Treasure Island
Print Name of Board	
Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244	E-mail:
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102	Board.of.Supervisors@sfgov.org
Signature of City Elective Officer (if submitted by City elective officer)	Date Signed
	•
Signature of Board Secretary or Clerk (if submitted by Board Secretary S:\ALL FORMS\2008\Form SFEC-126 Contractors doing business with the City 11	

(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): Members, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco Board of Supervisors

Contractor Information (Please print clearly.)

Name of contractor: DENTAL BENEFIT PROVIDERS OF CALIFORNIA, INC., a subsidiary of United HealthGroup [*Pacific Union*]

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.

The United HealthCare Services, Inc. Directors are William Arnold Munsell, and Brian Robert Thompson.

2. The United HealthCare Services, Inc. Officers include:

CEO and President: William Arnold Munsell

CFO: Eric Stuart Rangen

Secretary: Jay Anthony Warmuth Treasurer: Robert Worth Oberrender

Assistant Secretary: Michelle Marie Huntley Dill

Assistant Secretary: Juanita Boland Luis

- 3. No person owns 20 percent or more in the contractor.
- 6. 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.

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

VENDORS AND SUBCONTRACTORS

NETWORK LEASING

UnitedHealthcare owns the majority of networks we use for providing health care coverage. However, we use leased or vendor networks where it is not feasible to develop our own network. Vendor networks must comply with the same quality standards we use for our own networks. Vendor network compensation varies based on market demands and the customary practices of the local marketplace. We retain responsibility for claim processing. In addition, we oversee all quality issues, including quality control of the physicians and other health care professionals in the network.

OVERPAYMENT IDENTIFICATION VENDORS

We contract with a number of vendors to identify overpayments. These vendors perform a variety of audits, including, but not limited to, credit balance, data mining, coordination of benefits (COB), contract audits, DRG audits, workers' compensation and subrogation. Generally, these vendors do not perform collections on the overpayments they identify in an effort to reduce the number of vendors approaching physicians. A collection vendor is assigned to collect these overpayments.

OVERPAYMENT COLLECTION VENDORS

We contract with a number of vendors to collect overpayments that are identified internally or from an overpayment identification vendor. Overpayment collection vendors are responsible for sending out the initial overpayment notification letter and will follow up with the physician on outstanding balances through phone calls or subsequent recovery letters. These vendors assist with the resolution of physician disputes/appeals.

MATERNITY MANAGEMENT

We subcontract with Alere (formerly Matria Healthcare) to provide portions of our Healthy Pregnancy Program (HPP). We do use an outside vendor for external review on selected cases.

SHARED SAVINGS PROGRAM (SSP)

We use Viant, Three Rivers Physician's Network, First Health Networks and MultiPlan's national network of hospitals, physicians and other health care professionals to provide discounts to our customers for non-network claims through our SSP.

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.

SURVEYS

We conduct an annual satisfaction survey based upon the HEDIS 3.0 standards.

Administration of the CAHPS survey is a joint effort between the Survey Research Studies division of OptumInsight (a UnitedHealth Group company) and the Center for the Study of Services (CSS). CSS is certified by NCQA as a CAHPS survey vendor.

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 Law Group.

ID CARDS

Our member medical ID cards are produced by Fiserv Output Solutions, a business unit of Fiserv, Inc. Fiserv, headquartered in Stafford, Texas, is a provider of business-critical communications to the financial services, health care, telecommunications, investment services and retail markets.

LEGAL

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.	
7. In California, corporate contributions are legal, and al HealthCare Services, Inc. corporate entity, which regi We are happy to provide additional information at the	sters as a major donor committee with the state.
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: \$326,188 (calendar year 2014)*
Describe the nature of the contract that was approved:	\$320,100 (Calendar year 2014)**
DMO Dental Coverage for both active and retirees	
Comments:	
*The amount of this contract is based on the most recent in resignations, new hires, terminations and other attrition far of qualifying events.	nformation and will change due to employee ctors, as well as member selections at the time
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 <u>San Fran</u>	ncisco Board of Supervisors
	t Name of Board
☐ the board of a state agency (Health Authority, Housing Author	ity Commission, Industrial Development Authority
Board, Parking Authority, Redevelopment Agency Commission, Development Authority) on which an appointee of the City elect	, Relocation Appeals Board, Treasure Island
- 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5	ive officer(s) identified on this form sits
Print Name of Board	
Till T. C	
Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244	E-mail:
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102	Board.of.Supervisors@sfgov.org
Signature of City Elective Officer (if submitted by City elective officer) Date Signed
	· · · · · · · · · · · · · · · · · · ·
Signature of Board Secretary or Clerk (if submitted by Board Secretary S:\ALL FORMS\2008\F	or Clerk) Date Signed

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

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s):	City elective office(s) held:
Members, San Francisco Board of Supervisors	Members, San Francisco Board of Supervisors
Contractor Information (Please print clearly.)	
Name of contractor: Vision Service Plan (VSP)	
financial officer and chief operating officer; (3) any person wany subcontractor listed in the bid or contract; and (5) any personal pages as necessary.	ed of directors; (2) the contractor's chief executive officer, chief who has an ownership of 20 percent or more in the contractor; (4) olitical committee sponsored or controlled by the contractor. Use
1)Tim Jankowski O.D, Stuart Thomas O.D, Ron Reynolds O.I Bronstein M.D., Walter Grubbs, Gordon Jennings O.D., Ken	D., Jim Winnick O.D., Gary Sheppard, Dan Mannen O.D., Mark Johnson O.D., Randy Lee O.D., Leslie Murphy CPA, Matthew
Alpert O.D. 2)Rob Lynch, CEO, Jim McGrann, VSP Vision Care Presider	nt Don Rall CFO Laura Costa COO
3)not applicable, as VSP is a non profit institution	ss, Dois Dussi, Of O, Dussi is Course, COO
4)not applicable	
5)not applicable	
Contractor address: 3333 Quality Drive, Rancho Cordova, CA 95670	
Date that contract was approved:	Amount of contract: (estimated)
	\$4,595,580.00 (calendar year 2014)*
Describe the nature of the contract that was approved: Vision benefit	
Comments:	
*The amount of this contract is based on the most recent infor	rmation and will change due to employee resignations, new hires,
terminations and other attrition factors, as well as member sel	ections 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 <u>S</u>	San Francisco Board of Supervisors Print Name of Board
- d 1 1 C // OT 1/1 AAl-anita Hansina	
	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	
Development Aumority) on which an appointee of the City elective officer(s) identified on this form sits	
Print Name of Roard	

Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244	E-mail:
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102	Board.of.Supervisors@sfgov.org
Signature of City Elective Officer (if submitted by City elective officer)	Date Signed
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk	Date Signed

(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Informatio	n (Please print clearl	y.)
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Name of City elective officer(s):

Members, San Francisco Board of Supervisors

City elective office(s) held:

Members, San Francisco Board of Supervisors

Contractor Information (Please print clearly.)

Name of contractor:

Aetna Life Insurance Company

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

- (1) Contractor (Aetna) Board of Directors
 - Fernando Aguirre, Former Chairman, President and Chief Executive Officer Chiquita Brands International, Inc.
 - Mark T. Bertolini Chairman, Chief Executive Officer and President Aetna
 - Frank M. Clark, Former Chairman and Chief Executive Officer Commonwealth Edison Company
 - Betsy Z. Cohen, Chief Executive Officer The Bancorp, Inc
 - Molly J. Coye, M.D., Chief Innovation Officer UCLA Health System
 - Roger N. Farah, President, Chief Operating Officer and Director Ralph Lauren Corporation
 - Barbara Hackman Franklin, President and Chief Executive Officer Barbara Franklin Enterprises, Former U.S. Secretary of Commerce
 - Jeffrey E. Garten, Juan Trippe Professor in the Practice of International Trade, Finance and Business, Yale
 University
 - Ellen M. Hancock, Former President of Jazz Technologies, Inc., Former Chairman and Chief Executive Officer of Exodus Communications, Inc.
 - Richard J. Harrington, Chairman The Cue Ball Group, Former President and Chief Executive Officer The Thomson Corporation
 - Edward J. Ludwig, Former Chairman and Chief Executive Officer Becton, Dickinson and Company
 - Joseph P. Newhouse, John D. MacArthur Professor of Health Policy and Management Harvard University
- (2) Contractor (Aetna) Chief Executive Officer/Chief Financial Officer/Chief Operating Officer
 - Mark T. Bertolini Chairman, Chief Executive Officer and President Aetna
 - Shawn Guertin, Senior Executive Vice President, Chief Financial Officer
 - Meg McCarthy is Executive Vice President, Operations & Technology.
- (3) Any person who has an ownership of 20% or more
 - Aetna is a publically traded company with no one person or entity having 20% or more ownership
- (4) Any subcontractor listed in the bid.
 - Affiliated Customer Services
 - Allsun
 - Computer Sciences Corporation
 - Coventry Priority Services
 - IBM Daksh
 - International Beneficiary Locators, Inc.
 - Intracorp
 - Open Solutions and Harland (formerly BISYS)
 - Perot
 - The Rawlings Company
- (5) Any Political committee sponsored or controlled by the contractor
 - Aetna Political Action Committee (PAC)
 - i. Aetna PAC is a bipartisan political action committee, an organization that enables company employees to have a voice with legislators who make laws and policy that have a direct impact on the way the

	voluntary contributions from eligible Aetna employees or federal and state political office in accordance with
Contractor address: 151 Farmington Avenue Hartford, CT 06156	
	Amount of contract: (estimated for CY 2014) Life (basic and supplemental): \$392,988 Long Term Disability(LTD): \$5,687,262 TOTAL: \$6,080,250
Describe the nature of the contract that was approved: 1.) Basic Group Life and Supplemental Life, and; 2.) Long Term Disability Insurance	
Comments: *The amount of this contract is based on the most recent information at terminations and other attrition factors, as well as member selections at	
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) servesSan France Print ☐ the board of a state agency (Health Authority, Housing Authority Board, Parking Authority, Redevelopment Agency Commission, Development Authority) on which an appointee of the City elective	Name of Board y Commission, Industrial Development Authority Relocation Appeals Board, Treasure Island
Print Name of Board	
Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org
Signature of City Elective Officer (if submitted by City elective officer)	Date Signed
Signature of Board Secretary or Clerk (if submitted by Board Secretary	or Clerk) Date Signed