

San Francisco Health Service System Health Service Board

Rates & Benefits

UnitedHealthcare 2019 City Plan Rates and
Premium Contributions—Active Employees and
Early Retirees

June 14, 2018

Prepared by:
Health & Benefits



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May 10 HSB City Plan Approved Actions

May 10 HSB City Plan Approved Actions

On May 10, the HSB approved five changes for the UnitedHealthcare (UHC) City Plan aimed at starting the process of promoting long-term sustainability for City Plan. Items A-D apply to both active employees and early retirees. Item E applies only to early retirees (active employee City Plan rate tier ratios are currently consistent with other plans).

- A. Create a separate plan for City Plan enrollees with limited plan choice due to geography (“City Plan—Choice Not Available”).
- B. Lower overall plan cost through a change in UHC provider network contracting that has no adverse impact on members.
- C. Change prescription drug copayments in City Plan to match those in BSC Access+ and Trio plans.
- D. Increase out-of-network deductibles in City Plan.
- E. Year 1 change to balance rate tier ratios for City Plan early retirees to be consistent with family tier ratios for BSC early retiree plans over the next three renewal cycles (2019-2021).

May 10 HSB City Plan Approved Actions

In total, the five changes are expected to have these 2019 financial impacts:

Population	Total Savings / (Cost)	Member Savings / (Cost)	Employer Savings / (Cost)
Active Employees	\$543,000	\$644,000	(\$101,000)
Early Retirees	\$465,000	\$1,232,000	(\$767,000)
Total City Plan	\$1,008,000	\$1,876,000	(\$868,000)

The above includes application of one-third of the December 31, 2017 rate stabilization balance (1/3 of \$1,661,000, or \$554,000) in 2019 rates, as approved in the February 8, 2018 HSB meeting.

We project a \$342,000 rating deficit in 2019 based on the premium rating for employees in City Plan—Choice Not Available plan applying \$554,000 of the rate stabilization reserve balance. As a result, we are introducing an alternative stabilization reserve use today for 2019.

There is potential for adverse selection and enrollment shift given the proposed City Plan contribution increases in 2019—this could create claim experience fluctuations from our forecasts.

2019 City Plan Rate Cards— Recommended Additional Action

2019 City Plan—Projected Rate Cards

Rate cards that presume application of one-third of the December 31, 2017 rate stabilization reserve in 2019 rates (per policy) are included in this presentation—these did not change from the May 10 HSB presentation.

- Status Quo 2019 rate cards (if changes A through E were NOT adopted) are presented in the Appendix for background, and as a basis of comparison to our recommended 2019 City Plan and City Plan—Choice Not Available plan rate cards.
- The recommended 2019 City Plan and City Plan—Choice Not Available plan rate cards in this presentation reflect the adoption of actions A through E as approved at the May 10 HSB meeting.

2019 City Plan—Recommended Rate Card Action

In addition to the actions approved by HSB on May 10th, we recommend applying the remaining \$1,107,000 rate stabilization funds to buy-down active employee and early retiree rates as reflected in the Claim Stabilization Amount component of rate cards

Thus, we recommend utilizing the entire December 31, 2017 City Plan stabilization reserve balance of \$1,661,000 in 2019 rating.

2019 City Plan—Recommended Rate Card Action

This material contains 2019 UHC City Plan rate cards that reflect the May 10 HSB approved actions. We present two scenarios for 2019 rate cards for City Plan and City Plan—Choice Not Available:

- (1) Apply one-third of the December 31, 2017 City Plan rate stabilization balance of \$1,661,000 to 2019 City Plan rate cards, per HSB policy (e.g., \$554,000 utilized in 2019 rating per the February 8, 2018 HSB decision—with \$1,107,000 remaining for future use in 2020 and beyond); and
- (2) Suspend the City Plan self-funded stabilization policy for 2019, and apply the entire December 31, 2017 City Plan rate stabilization balance of \$1,661,000 in 2019 proportionately between active employees and early retirees.

Aon is recommending Scenario (2) above as explained on the following page.

2019 City Plan—Recommended Rate Card Action

Rationale for Scenario (2) Recommendation

Aon is recommending Scenario (2)—apply full City Plan rate stabilization reserve balance for 2019 rating—for these reasons:

- Mitigate potential migration of healthier members out of City Plan due to the significant increase in contributions from 2018 to 2019; and
- Dampen adverse selection and resulting negative claim experience that may occur if healthy City Plan members move to other plans.

Presently, City Plan financial experience through the first nine months of the current fiscal year is running close to expectations based on SFHSS financial tracking—which, if forecasts continue, would lead to a stable environment for the end-of-2018 City Plan stabilization reserve levels.

We believe SFHSS should use reasonable means to mitigate needed contribution increases to the extent possible—the rate stabilization reserve exists for that purpose.

2019 City Plan—Recommended Rate Card Action

- The inherent risk of using the remaining rate stabilization funds in the 2019 rates is the potential for deficit position at the end of 2019 and no remaining funds at that point for future use.
- If the additional buy-down is not approved, this same end result could still occur as there may be substantial migration of the healthier population out of City Plan, and into other plans, negatively impacting claim experience throughout 2019 relative to forecasts.

2019 City Plan—Recommended Rate Card Action

- The scenario with **one-third use** of City Plan stabilization reserves in 2019 rating generates the following benefit to members and employers:

Population	Total Reserve Application Savings	Member Portion—Savings	Employer Portion—Savings
Active Employees	\$293,000	\$253,000	\$40,000
Early Retirees	\$261,000	\$98,000	\$163,000
Total City Plan	\$554,000	\$351,000	\$203,000

- The scenario with **full use** of City Plan stabilization reserves in 2019 rating generates the following benefit to members and employers:

Population	Total Reserve Application Savings	Member Portion—Savings	Employer Portion—Savings
Active Employees	\$878,000	\$757,000	\$121,000
Early Retirees	\$783,000	\$295,000	\$488,000
Total City Plan	\$1,661,000	\$1,052,000	\$609,000

2019 City Plan—Recommended Rate Card Action

Commentary on Allocation of Stabilization Reserves in Premiums

- For active employees, the majority of the financial benefit passes to the employees because City Plan dollar contributions are tied to the “second highest cost plan” per MOU (i.e., BSC Access+) for all except single tier 100 / 96 / 83 employees.
- For early retirees, the majority of the financial benefit passes to the employers since we have targeted the Early Retiree Only contributions for City Plan—Choice Not Available plan to be equal to BSC Access+ Early Retiree Only contributions.

2019 City Plan and City Plan—Choice Not Available Rate Card Scenario Impacts

2019 Rate Card Scenario Impacts

- The next two pages show 2019 projected employee and early retiree monthly contributions for Scenario #1 (apply one-third of stabilization reserve per policy) and Scenario #2 (apply full stabilization reserve) for City Plan / City Plan—Choice Not Available plan.
 - The first page shows comparisons for early retirees, and 93 / 93 / 83 active employees
 - The second page shows comparisons for early retirees, and 100 / 96 / 83 active employees
- Both scenarios incorporate the five change items A through E listed on page 3 of this presentation.
- For both scenarios, projected active employee contributions for all tiers, as well as Early Retiree Only contributions, for City Plan—Choice Not Available plan are targeted to equal the Blue Shield of California Access+ plan contributions.

2019 City Plan Rate Card Scenarios

Comparison of 2018 Actuals and 2019 Scenarios (S#1 and S#2)

Early Retirees, and 93 / 93 / 83 Contribution Strategy for Employees

PY = Plan Year CP = City Plan CNA = Choice Not Available		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	2019 CP S#1	\$297.52	\$526.89	\$971.87	\$218.48	\$740.11	\$1,527.83
	2019 CP S#2	\$265.78	\$465.41	\$885.49	\$202.61	\$707.41	\$1,470.21
	2019 CP-CNA S#1	\$61.08	\$121.90	\$418.62	\$100.26	\$621.89	\$1,409.61
	2019 CP-CNA S#2	\$61.08	\$121.90	\$418.62	\$100.26	\$605.06	\$1,367.86
\$ Difference in Employee / Retiree Contribution vs. 2018	2019 CP S#1	+\$147.82	+\$265.55	+\$386.03	+\$100.84	+\$52.53	-\$7.93
	2019 CP S#2	+\$116.08	+\$204.07	+\$299.65	+\$84.97	+\$19.83	-\$65.55
	2019 CP-CNA S#1	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$65.69	-\$126.15
	2019 CP-CNA S#2	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$82.52	-\$167.90
% Difference in Employee / Retiree Contribution vs. 2018	2019 CP S#1	+98.7%	+101.6%	+65.9%	+85.7%	+7.6%	-0.5%
	2019 CP S#2	+77.5%	+78.1%	+51.1%	+72.2%	+2.9%	-4.3%
	2019 CP-CNA S#1	-59.2%	-53.4%	-28.5%	-14.8%	-9.6%	-8.2%
	2019 CP-CNA S#2	-59.2%	-53.4%	-28.5%	-14.8%	-12.0%	-10.9%

NOTE—Because City Plan-Choice Not Available contributions are designed to equal BSC Access+ contributions for active employees and Early Retiree Only tier, they are same between Scenario #1 (“S#1”) and Scenario #2 (“S#2”)

2019 City Plan Rate Card Scenarios

Comparison of 2018 Actuals and 2019 Scenarios (S#1 and S#2)

Early Retirees, and 100 / 96 / 83 Contribution Strategy for Employees

PY = Plan Year CP = City Plan CNA = Choice Not Available		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	2019 CP S#1	\$0.00	\$474.65	\$971.87	\$218.48	\$740.11	\$1,527.83
	2019 CP S#2	\$0.00	\$413.17	\$885.49	\$202.61	\$707.41	\$1,470.21
	2019 CP-CNA S#1	\$0.00	\$69.66	\$418.62	\$100.26	\$621.89	\$1,409.61
	2019 CP-CNA S#2	\$0.00	\$69.66	\$418.62	\$100.26	\$605.06	\$1,367.86
\$ Difference in Employee / Retiree Contribution vs. 2018	2019 CP S#1	+\$0.00	+\$260.58	+\$386.03	+\$100.84	+\$52.53	-\$7.93
	2019 CP S#2	+\$0.00	+\$199.10	+\$299.65	+\$84.97	+\$19.83	-\$65.55
	2019 CP-CNA S#1	+\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$65.69	-\$126.15
	2019 CP-CNA S#2	+\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$82.52	-\$167.90
% Difference in Employee / Retiree Contribution vs. 2018	2019 CP S#1	—	+121.7%	+65.9%	+85.7%	+7.6%	-0.5%
	2019 CP S#2	—	+93.0%	+51.1%	+72.2%	+2.9%	-4.3%
	2019 CP-CNA S#1	—	-67.5%	-28.5%	-14.8%	-9.6%	-8.2%
	2019 CP-CNA S#2	—	-67.5%	-28.5%	-14.8%	-12.0%	-10.9%

NOTE—Because City Plan-Choice Not Available contributions are designed to equal BSC Access+ contributions for active employees and Early Retiree Only tier, they are same between Scenario #1 (“S#1”) and Scenario #2 (“S#2”)

Recommendations

Recommendations

SFHSS staff leadership and Aon recommend the following:

- Suspend the self-funded stabilization reserve policy on a one-time basis, and spend the full balance of the December 31, 2017 City Plan rate stabilization reserve (\$1,661,000) in 2019 City Plan and City Plan—Choice Not Available plan rating; and
- Approve the Scenario #2 rate cards for the 2019 plan year for City Plan and City Plan—Choice Not Available plan—Scenario #2 reflects the use of the full \$1,661,000 rate stabilization reserve amount in 2019 rating.

Rate cards for 2019 scenarios follow.

Scenario #1—2019 City Plan and City Plan—Choice Not Available Rate Cards

2019 City Plan Rate Cards—Scenario #1

- The following four pages reflect 2019 rate cards for City Plan Scenario #1—applying one-third of rate stabilization reserves.
 - 2019 rate card: early retirees, and 93 / 93 / 83 active employees
 - 2019 rate card: early retirees, and 100 / 96 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 93 / 93 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 100 / 96 / 83 active employees

City Plan—2019 Monthly Rate Card, Scenario #1

Apply One-Third of Rate Stabilization Reserve in Rating

93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$849.03	\$1,698.08	\$2,479.88	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$199.18	\$398.36	\$495.10	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$1,109.05	\$2,146.38	\$3,015.75	\$1,323.58	\$2,366.84	\$3,154.56
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$214.53	\$214.53	\$214.53
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$218.49	\$740.12	\$740.12
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,105.10	\$1,626.73	\$1,626.73
2019 Non-Bargained Contribution Rate	\$1,109.05	\$2,146.38	\$3,015.75	\$218.48	\$740.11	\$1,527.83
MOU Negotiated Pickup ⁷	\$811.53	\$1,619.49	\$2,043.88			
2019 Typical Bargained Member Contribution	\$297.52	\$526.89	\$971.87	\$218.48	\$740.11	\$1,527.83
Final Member Contribution 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$147.82	\$265.55	\$386.03	\$100.84	\$52.53	-\$7.93

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—2019 Monthly Rate Card, Scenario #1

Apply One-Third of Rate Stabilization Reserve in Rating

100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$849.03	\$1,698.08	\$2,479.88	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$199.18	\$398.36	\$495.10	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$1,109.05	\$2,146.38	\$3,015.75	\$1,323.58	\$2,366.84	\$3,154.56
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$214.53	\$214.53	\$214.53
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$218.49	\$740.12	\$740.12
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,105.10	\$1,626.73	\$1,626.73
2019 Non-Bargained Contribution Rate	\$1,109.05	\$2,146.38	\$3,015.75	\$218.48	\$740.11	\$1,527.83
MOU Negotiated Pickup ⁷	\$1,109.05	\$1,671.73	\$2,043.88			
2019 Typical Bargained Member Contribution	\$0.00	\$474.65	\$971.87	\$218.48	\$740.11	\$1,527.83
Final Member Contribution 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$0.00	\$260.58	\$386.03	\$100.84	\$52.53	-\$7.93

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—Rate / Contribution Change, Scenario #1

Apply One-Third of Rate Stabilization Reserve in Rating

Early Retirees, and **93 / 93 / 83** Contribution Strategy for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$297.52	\$526.89	\$971.87	\$218.48	\$740.11	\$1,527.83
	\$ Difference	+\$147.82	+\$265.55	+\$386.03	+\$100.84	+\$52.53	-\$7.93
	% Difference	+98.7%	+101.6%	+65.9%	+85.7%	+7.6%	-0.5%
Monthly Employer Contributions	PY 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,105.10	\$1,626.73	\$1,626.73
	\$ Difference	+\$76.77	+\$154.04	+\$194.79	+\$32.67	-\$15.64	-\$15.64
	% Difference	+10.4%	+10.5%	+10.5%	+3.0%	-1.0%	-1.0%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,109.05	\$2,146.38	\$3,015.75	\$1,323.58	\$2,366.84	\$3,154.56
	\$ Difference	+\$224.59	+\$419.59	+\$580.82	+\$133.51	+\$36.89	-\$23.57
	% Difference	+25.4%	+24.3%	+23.9%	+11.2%	+1.6%	-0.7%

City Plan—Rate / Contribution Change, Scenario #1

Apply One-Third of Rate Stabilization Reserve in Rating

Early Retirees, and **100 / 96 / 83** Contribution Strategy for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$0.00	\$474.65	\$971.87	\$218.48	\$740.11	\$1,527.83
	\$ Difference	+\$0.00	+\$260.58	+\$386.03	+\$100.84	+\$52.53	-\$7.93
	% Difference	—	+121.7%	+65.9%	+85.7%	+7.6%	-0.5%
Monthly Employer Contributions	PY 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$1,109.30	\$1,671.73	\$2,043.88	\$1,105.10	\$1,626.73	\$1,626.73
	\$ Difference	+\$224.84	+\$159.01	+\$194.79	+\$32.67	-\$15.64	-\$15.64
	% Difference	+25.4%	+10.5%	+10.5%	+3.0%	-1.0%	-1.0%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,109.05	\$2,146.38	\$3,015.75	\$1,323.58	\$2,366.84	\$3,154.56
	\$ Difference	+\$224.59	+\$419.59	+\$580.82	+\$133.51	+\$36.89	-\$23.57
	% Difference	+25.4%	+24.3%	+23.9%	+11.2%	+1.6%	-0.7%

City Plan—Choice Not Available

Criteria for Availability

- Participants are assigned to **City Plan—Choice Not Available** as a plan they enroll in when they live in a zip code where the following occurs:
 - City Plan is the only plan choice available;
 - City Plan and Kaiser Permanente are available plan choices, but not Blue Shield Access+; or
 - City Plan and Blue Shield Access+ are available plan choices, but not Kaiser Permanente.

City Plan—Choice Not Available

Rate Determination

- Rate determination for **City Plan—Choice Not Available**:
 - **Active Employees**—Same premium rates (including all rate card elements) and contributions as BSC Access+ plan.
 - **Early Retirees**—Same premium rates (including all rate card elements) as City Plan—leads to higher contributions (and lower retiree contributions) relative to City Plan.
- This approach provides contribution relief to 73 active employees and 436 early retirees, including those in the Hetch Hetchy / Moccasin areas.

2019 City Plan—Choice Not Available— Rate Cards, Scenario #1

- The following four pages reflect 2019 rate cards for City Plan—Choice Not Available Scenario #1—where one-third of rate stabilization reserves are applied in rating.
 - 2019 rate card: early retirees, and 93 / 93 / 83 active employees
 - 2019 rate card: early retirees, and 100 / 96 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 93 / 93 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 100 / 96 / 83 active employees

City Plan—Choice Not Available Monthly Rate Card, Scenario #1

Apply One-Third of Rate Stabilization Reserve in Rating

93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$659.73	\$1,374.64	\$1,968.14	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$152.04	\$316.81	\$453.59	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$872.61	\$1,741.39	\$2,462.50	\$1,323.58	\$2,366.84	\$3,154.56
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$450.97	\$450.97	\$450.97
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$100.27	\$621.90	\$621.90
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,223.32	\$1,744.95	\$1,744.95
2019 Non-Bargained Contribution Rate	\$872.61	\$1,741.39	\$2,462.50	\$100.26	\$621.89	\$1,409.61
MOU Negotiated Pickup ⁷	\$811.53	\$1,619.49	\$2,043.88			
2019 Typical Bargained Member Contribution	\$61.08	\$121.90	\$418.62	\$100.26	\$621.89	\$1,409.61
Final Member Contribution 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$65.69	-\$126.15

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—Choice Not Available Monthly Rate Card, Scenario #1

Apply One-Third of Rate Stabilization Reserve in Rating

100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$659.73	\$1,374.64	\$1,968.14	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$152.04	\$316.81	\$453.59	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$872.61	\$1,741.39	\$2,462.50	\$1,323.58	\$2,366.84	\$3,154.56
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$450.97	\$450.97	\$450.97
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$100.27	\$621.90	\$621.90
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,223.32	\$1,744.95	\$1,744.95
2019 Non-Bargained Contribution Rate	\$872.61	\$1,741.39	\$2,462.50	\$100.26	\$621.89	\$1,409.61
MOU Negotiated Pickup ⁷	\$872.61	\$1,671.73	\$2,043.88			
2019 Typical Bargained Member Contribution	\$0.00	\$69.66	\$418.62	\$100.26	\$621.89	\$1,409.61
Final Member Contribution 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$65.69	-\$126.15

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—Choice Not Available: Rate / Contribution Change, Scenario #1

Apply One-Third of Rate Stabilization Reserve in Rating

Early Retirees, and **93 / 93 / 83** Contribution Strategy
for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$621.89	\$1,409.61
	\$ Difference	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$65.69	-\$126.15
	% Difference	-59.2%	-53.4%	-28.5%	-14.8%	-9.6%	-8.2%
Monthly Employer Contributions	PY 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,223.32	\$1,744.95	\$1,744.95
	\$ Difference	+\$76.77	+\$154.04	+\$194.79	+\$150.89	+\$102.58	+\$102.58
	% Difference	+10.4%	+10.5%	+10.5%	+14.1%	+6.2%	+6.2%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$1,323.58	\$2,366.84	\$3,154.56
	\$ Difference	-\$11.85	+\$14.60	+\$27.57	+\$133.51	+\$36.89	-\$23.57
	% Difference	-1.3%	+0.8%	+1.1%	+11.2%	+1.6%	-0.7%

City Plan—Choice Not Available: Rate / Contribution Change, Scenario #1

Apply One-Third of Rate Stabilization Reserve in Rating

Early Retirees, and **100 / 96 / 83** Contribution Strategy
for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$621.89	\$1,409.61
	\$ Difference	+\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$65.69	-\$126.15
	% Difference	—	-67.5%	-28.5%	-14.8%	-9.6%	-8.2%
Monthly Employer Contributions	PY 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$872.61	\$1,671.73	\$2,043.88	\$1,223.32	\$1,744.95	\$1,744.95
	\$ Difference	-\$11.85	+\$159.01	+\$194.79	+\$150.89	+\$102.58	+\$102.58
	% Difference	-1.3%	+10.5%	+10.5%	+14.1%	+6.2%	+6.2%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$1,323.58	\$2,366.84	\$3,154.56
	\$ Difference	-\$11.85	+\$14.60	+\$27.57	+\$133.51	+\$36.89	-\$23.57
	% Difference	-1.3%	+0.8%	+1.1%	+11.2%	+1.6%	-0.7%

Scenario #2—2019 City Plan and City Plan—Choice Not Available Rate Cards

2019 City Plan Rate Cards—Scenario #2

- The following four pages reflect 2019 rate cards for City Plan Scenario #2—applying the full rate stabilization reserve balance.
 - 2019 rate card: early retirees, and 93 / 93 / 83 active employees
 - 2019 rate card: early retirees, and 100 / 96 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 93 / 93 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 100 / 96 / 83 active employees

City Plan—2019 Monthly Rate Card, Scenario #2

Apply Full Rate Stabilization Reserve in Rating

93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$849.03	\$1,698.08	\$2,479.88	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$199.18	\$398.36	\$495.10	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$47.61	-\$92.22	-\$129.57	-\$53.55	-\$104.04	-\$141.42
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$1,077.31	\$2,084.90	\$2,929.37	\$1,287.88	\$2,297.48	\$3,060.28
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$210.57	\$210.57	\$210.57
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$202.62	\$707.42	\$707.42
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,085.27	\$1,590.07	\$1,590.07
2019 Non-Bargained Contribution Rate	\$1,077.31	\$2,084.90	\$2,929.37	\$202.61	\$707.41	\$1,470.21
MOU Negotiated Pickup ⁷	\$811.53	\$1,619.49	\$2,043.88			
2019 Typical Bargained Member Contribution	\$265.78	\$465.41	\$885.49	\$202.61	\$707.41	\$1,470.21
Final Member Contribution 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$116.08	\$204.07	\$299.65	\$84.97	\$19.83	-\$65.55

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—2019 Monthly Rate Card, Scenario #2

Apply Full Rate Stabilization Reserve in Rating

100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$849.03	\$1,698.08	\$2,479.88	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$199.18	\$398.36	\$495.10	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$47.61	-\$92.22	-\$129.57	-\$53.55	-\$104.04	-\$141.42
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$1,077.31	\$2,084.90	\$2,929.37	\$1,287.88	\$2,297.48	\$3,060.28
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$210.57	\$210.57	\$210.57
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$202.62	\$707.42	\$707.42
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,085.27	\$1,590.07	\$1,590.07
2019 Non-Bargained Contribution Rate	\$1,077.31	\$2,084.90	\$2,929.37	\$202.61	\$707.41	\$1,470.21
MOU Negotiated Pickup ⁷	\$1,077.31	\$1,671.73	\$2,043.88			
2019 Typical Bargained Member Contribution	\$0.00	\$413.17	\$885.49	\$202.61	\$707.41	\$1,470.21
Final Member Contribution 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$0.00	\$199.10	\$299.65	\$84.97	\$19.83	-\$65.55

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—Rate / Contribution Change, Scenario #2

Apply Full Rate Stabilization Reserve in Rating

Early Retirees, and **93 / 93 / 83** Contribution Strategy for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$265.78	\$465.41	\$885.49	\$202.61	\$707.41	\$1,470.21
	\$ Difference	+\$116.08	+\$204.07	+\$299.65	+\$84.97	+\$19.83	-\$65.55
	% Difference	+77.5%	+78.1%	+51.1%	+72.2%	+2.9%	-4.3%
Monthly Employer Contributions	PY 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,085.27	\$1,590.07	\$1,590.07
	\$ Difference	+\$76.77	+\$154.04	+\$194.79	+\$12.84	-\$52.30	-\$52.30
	% Difference	+10.4%	+10.5%	+10.5%	+1.2%	-3.2%	-3.2%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,077.31	\$2,084.90	\$2,929.37	\$1,287.88	\$2,297.48	\$3,060.28
	\$ Difference	+\$192.85	+\$358.11	+\$494.44	+\$97.81	-\$32.47	-\$117.85
	% Difference	+21.8%	+20.7%	+20.3%	+8.2%	-1.4%	-3.7%

City Plan—Rate / Contribution Change, Scenario #2

Apply Full Rate Stabilization Reserve in Rating

Early Retirees, and **100 / 96 / 83** Contribution Strategy for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$0.00	\$413.17	\$885.49	\$202.61	\$707.41	\$1,470.21
	\$ Difference	+\$0.00	+\$199.10	+\$299.65	+\$84.97	+\$19.83	-\$65.55
	% Difference	—	+93.0%	+51.1%	+72.2%	+2.9%	-4.3%
Monthly Employer Contributions	PY 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$1,077.31	\$1,671.73	\$2,043.88	\$1,085.27	\$1,590.07	\$1,590.07
	\$ Difference	+\$192.85	+\$159.01	+\$194.79	+\$12.84	-\$52.30	-\$52.30
	% Difference	+21.8%	+10.5%	+10.5%	+1.2%	-3.2%	-3.2%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,077.31	\$2,084.90	\$2,929.37	\$1,287.88	\$2,297.48	\$3,060.28
	\$ Difference	+\$192.85	+\$358.11	+\$494.44	+\$97.81	-\$32.47	-\$117.85
	% Difference	+21.8%	+20.7%	+20.3%	+8.2%	-1.4%	-3.7%

City Plan—Choice Not Available

Criteria for Availability

- Participants are assigned to **City Plan—Choice Not Available** as a plan they enroll in when they live in a zip code where the following occurs:
 - City Plan is the only plan choice available;
 - City Plan and Kaiser Permanente are available plan choices, but not Blue Shield Access+; or
 - City Plan and Blue Shield Access+ are available plan choices, but not Kaiser Permanente.

City Plan—Choice Not Available

Rate Determination

- Rate determination for **City Plan—Choice Not Available**:
 - **Active Employees**—Same premium rates (including all rate card elements) and contributions as BSC Access+ plan.
 - **Early Retirees**—Same premium rates (including all rate card elements) as City Plan—leads to higher contributions (and lower retiree contributions) relative to City Plan.
- This approach provides contribution relief to 73 active employees and 436 early retirees, including those in the Hetch Hetchy / Moccasin areas.

2019 City Plan—Choice Not Available— Rate Cards, Scenario #2

- The following four pages reflect recommended 2019 rate cards for City Plan—Choice Not Available plan Scenario #2—applying the full rate stabilization reserve balance.
 - 2019 rate card: early retirees, and 93 / 93 / 83 active employees
 - 2019 rate card: early retirees, and 100 / 96 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 93 / 93 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 100 / 96 / 83 active employees

City Plan—Choice Not Available Monthly Rate Card, Scenario #2

Apply Full Rate Stabilization Reserve in Rating

93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$685.53	\$1,424.60	\$2,038.34	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$157.98	\$328.33	\$469.77	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$47.61	-\$92.22	-\$129.57	-\$53.55	-\$104.04	-\$141.42
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$872.61	\$1,741.39	\$2,462.50	\$1,287.88	\$2,297.48	\$3,060.28
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$415.27	\$415.27	\$415.27
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$100.27	\$605.07	\$605.07
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,187.62	\$1,692.42	\$1,692.42
2019 Non-Bargained Contribution Rate	\$872.61	\$1,741.39	\$2,462.50	\$100.26	\$605.06	\$1,367.86
MOU Negotiated Pickup ⁷	\$811.53	\$1,619.49	\$2,043.88			
2019 Typical Bargained Member Contribution	\$61.08	\$121.90	\$418.62	\$100.26	\$605.06	\$1,367.86
Final Member Contribution 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$82.52	-\$167.90

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—Choice Not Available Monthly Rate Card, Scenario #2

Apply Full Rate Stabilization Reserve in Rating

100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$685.53	\$1,424.60	\$2,038.34	\$950.46	\$1,744.16	\$2,343.04
Pharmacy	\$157.98	\$328.33	\$469.77	\$314.26	\$576.68	\$774.70
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$47.61	-\$92.22	-\$129.57	-\$53.55	-\$104.04	-\$141.42
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$872.61	\$1,741.39	\$2,462.50	\$1,287.88	\$2,297.48	\$3,060.28
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$415.27	\$415.27	\$415.27
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$100.27	\$605.07	\$605.07
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,187.62	\$1,692.42	\$1,692.42
2019 Non-Bargained Contribution Rate	\$872.61	\$1,741.39	\$2,462.50	\$100.26	\$605.06	\$1,367.86
MOU Negotiated Pickup ⁷	\$872.61	\$1,671.73	\$2,043.88			
2019 Typical Bargained Member Contribution	\$0.00	\$69.66	\$418.62	\$100.26	\$605.06	\$1,367.86
Final Member Contribution 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$82.52	-\$167.90

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—Choice Not Available: Rate / Contribution Change, Scenario #2

Apply Full Rate Stabilization Reserve in Rating

Early Retirees, and **93 / 93 / 83** Contribution Strategy
for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$61.08	\$121.90	\$418.62	\$100.26	\$605.06	\$1,367.86
	\$ Difference	-\$88.62	-\$139.44	-\$167.22	-\$17.38	-\$82.52	-\$167.90
	% Difference	-59.2%	-53.4%	-28.5%	-14.8%	-12.0%	-10.9%
Monthly Employer Contributions	PY 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,187.62	\$1,692.42	\$1,692.42
	\$ Difference	+\$76.77	+\$154.04	+\$194.79	+\$115.19	+\$50.05	+\$50.05
	% Difference	+10.4%	+10.5%	+10.5%	+10.7%	+3.0%	+3.0%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$1,287.88	\$2,297.48	\$3,060.28
	\$ Difference	-\$11.85	+\$14.60	+\$27.57	+\$97.81	-\$32.47	-\$117.85
	% Difference	-1.3%	+0.8%	+1.1%	+8.2%	-1.4%	-3.7%

City Plan—Choice Not Available: Rate / Contribution Change, Scenario #2

Apply Full Rate Stabilization Reserve in Rating

Early Retirees, and **100 / 96 / 83** Contribution Strategy
for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$0.00	\$69.66	\$418.62	\$100.26	\$605.06	\$1,367.86
	\$ Difference	+\$0.00	-\$144.41	-\$167.22	-\$17.38	-\$82.52	-\$167.90
	% Difference	—	-67.5%	-28.5%	-14.8%	-12.0%	-10.9%
Monthly Employer Contributions	PY 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$872.61	\$1,671.73	\$2,043.88	\$1,187.62	\$1,692.42	\$1,692.42
	\$ Difference	-\$11.85	+\$159.01	+\$194.79	+\$115.19	+\$50.05	+\$50.05
	% Difference	-1.3%	+10.5%	+10.5%	+10.7%	+3.0%	+3.0%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$872.61	\$1,741.39	\$2,462.50	\$1,287.88	\$2,297.48	\$3,060.28
	\$ Difference	-\$11.85	+\$14.60	+\$27.57	+\$97.81	-\$32.47	-\$117.85
	% Difference	-1.3%	+0.8%	+1.1%	+8.2%	-1.4%	-3.7%

Appendix

2019 UHC City Plan Status Quo Rate Cards

- Following four pages—for illustrative **Status Quo** scenario purposed (no design/network changes—assuming A through E changes NOT adopted)
 - 2019 rate card: early retirees, and 93 / 93 / 83 active employees
 - 2019 rate card: early retirees, and 100 / 96 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 93 / 93 / 83 active employees
 - 2019 versus 2018 rate comparison: early retirees, and 100 / 96 / 83 active employees

City Plan—2019 Monthly Rate Card

Status Quo Scenario (no design / network changes)

93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$875.17	\$1,750.35	\$2,556.22	\$914.98	\$1,829.96	\$2,635.83
Pharmacy	\$201.68	\$403.37	\$501.32	\$303.84	\$607.67	\$705.63
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$1,137.69	\$2,203.66	\$3,098.31	\$1,277.68	\$2,483.63	\$3,378.28
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$139.99	\$139.99	\$139.99
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$232.81	\$835.78	\$835.78
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,044.88	\$1,647.85	\$1,647.85
2019 Non-Bargained Contribution Rate	\$1,137.69	\$2,203.66	\$3,098.31	\$232.80	\$835.78	\$1,730.43
MOU Negotiated Pickup ⁷	\$811.53	\$1,619.49	\$2,043.88			
2019 Typical Bargained Member Contribution	\$326.16	\$584.17	\$1,054.43	\$232.80	\$835.78	\$1,730.43
Final Member Contribution 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$176.46	\$322.83	\$468.59	\$115.16	\$148.20	\$194.67

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—2019 Monthly Rate Card

Status Quo Scenario (no design / network changes)

100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$875.17	\$1,750.35	\$2,556.22	\$914.98	\$1,829.96	\$2,635.83
Pharmacy	\$201.68	\$403.37	\$501.32	\$303.84	\$607.67	\$705.63
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61	\$71.61
Claims Stabilization Amount / Self-Funded Policy	-\$15.87	-\$30.74	-\$43.19	-\$17.85	-\$34.68	-\$47.14
Best Doctors ²	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
Total	\$1,137.69	\$2,203.66	\$3,098.31	\$1,277.68	\$2,483.63	\$3,378.28
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$672.08	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$672.08	\$672.08
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$139.99	\$139.99	\$139.99
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$232.81	\$835.78	\$835.78
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,044.88	\$1,647.85	\$1,647.85
2019 Non-Bargained Contribution Rate	\$1,137.69	\$2,203.66	\$3,098.31	\$232.80	\$835.78	\$1,730.43
MOU Negotiated Pickup ⁷	\$1,137.69	\$1,671.73	\$2,043.88			
2019 Typical Bargained Member Contribution	\$0.00	\$531.93	\$1,054.43	\$232.80	\$835.78	\$1,730.43
Final Member Contribution 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
Difference, 2019 versus 2018	\$0.00	\$317.86	\$468.59	\$115.16	\$148.20	\$194.67

NOTE—Footnotes 1 – 7 defined in Appendix

City Plan—Rate / Contribution Change

2019 vs 2018 for Status Quo Scenario (no design/network changes)

Early Retirees, and **93 / 93 / 83** Contribution Strategy for Employees

<i>PY = Plan Year</i>		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$326.16	\$584.17	\$1,054.43	\$232.80	\$835.78	\$1,730.43
	<i>\$ Difference</i>	+\$176.46	+\$322.83	+\$468.59	+\$115.16	+\$148.20	+\$194.67
	<i>% Difference</i>	+117.9%	+123.5%	+80.0%	+97.9%	+21.6%	+12.7%
Monthly Employer Contributions	PY 2018	\$734.76	\$1,465.45	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$811.53	\$1,619.49	\$2,043.88	\$1,044.88	\$1,647.85	\$1,647.85
	<i>\$ Difference</i>	+\$76.77	+\$154.04	+\$194.79	-\$27.55	+\$5.48	+\$5.48
	<i>% Difference</i>	+10.4%	+10.5%	+10.5%	-2.6%	+0.3%	+0.3%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,137.69	\$2,203.66	\$3,098.31	\$1,277.68	\$2,483.63	\$3,378.28
	<i>\$ Difference</i>	+\$253.23	+\$476.87	+\$663.38	+\$87.61	+\$153.68	+\$200.25
	<i>% Difference</i>	+28.6%	+27.6%	+27.2%	+7.4%	+6.6%	+6.3%

City Plan—Rate / Contribution Change

2019 vs 2018 for Status Quo Scenario (no design/network changes)

Early Retirees, and 100 / 96 / 83 Contribution Strategy for Employees

PY = Plan Year		Active Employees			Early Retirees		
		EE	EE+1	EE+2+	RET	RET+1	RET+2+
Monthly Employee / Retiree Contributions	PY 2018	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
	PY 2019	\$0.00	\$531.93	\$1,054.43	\$232.80	\$835.78	\$1,730.43
	\$ Difference	+\$0.00	+\$317.86	+\$468.59	+\$115.16	+\$148.20	+\$194.67
	% Difference	—	+148.5%	+80.0%	+97.9%	+21.6%	+12.7%
Monthly Employer Contributions	PY 2018	\$884.46	\$1,512.72	\$1,849.09	\$1,072.43	\$1,642.37	\$1,642.37
	PY 2019	\$1,137.69	\$1,671.73	\$2,043.88	\$1,044.88	\$1,647.85	\$1,647.85
	\$ Difference	+\$253.23	+\$159.01	+\$194.79	-\$27.55	+\$5.48	+\$5.48
	% Difference	+28.6%	+10.5%	+10.5%	-2.6%	+0.3%	+0.3%
Monthly Total Rate	PY 2018	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
	PY 2019	\$1,137.69	\$2,203.66	\$3,098.31	\$1,277.68	\$2,483.63	\$3,378.28
	\$ Difference	+\$253.23	+\$476.87	+\$663.38	+\$87.61	+\$153.68	+\$200.25
	% Difference	+28.6%	+27.6%	+27.2%	+7.4%	+6.6%	+6.3%

2018 UHC City Plan Rate Cards

- Following two pages—actual 2018 City Plan rate cards
 - Early retirees, and 93 / 93 / 83 active employees
 - Early retirees, and 100 / 96 / 83 active employees

2018 City Plan Monthly Rate Card

93 / 93 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$859.48	\$1,718.97	\$2,510.39	\$898.57	\$1,797.15	\$2,588.57
Pharmacy	\$193.79	\$387.59	\$481.71	\$291.95	\$583.90	\$678.02
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$51.16	\$51.16	\$51.16	\$51.16	\$51.16	\$51.16
Claims Stabilization Amount / Self-Funded Policy	-\$225.32	-\$440.25	-\$620.93	-\$56.96	-\$111.58	-\$152.22
Best Doctors ²	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$649.17	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$649.17	\$649.17
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$305.61	\$305.61	\$305.61
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$117.65	\$687.59	\$687.59
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,072.43	\$1,642.37	\$1,642.37
2018 Non-Bargained Contribution Rate	\$884.46	\$1,726.79	\$2,434.93	\$117.64	\$687.58	\$1,535.76
MOU Negotiated Pickup ⁷	\$734.76	\$1,465.45	\$1,849.09			
2018 Typical Bargained Member Contribution	\$149.70	\$261.34	\$585.84	\$117.64	\$687.58	\$1,535.76
Final Member Contribution 2017	\$102.81	\$166.01	\$430.34	\$98.78	\$648.15	\$1,426.75
Difference, 2018 versus 2017	\$46.89	\$95.33	\$155.50	\$18.86	\$39.43	\$109.01

NOTE—Footnotes 1 – 7 defined in Appendix

2018 City Plan Monthly Rate Card

100 / 96 / 83 Contribution (Active Employees)

	Active Employees			Early Retirees		
	Employee Only	Employee and One Dependent	Employee and Family	Retiree w/o Medicare	Retiree and Spouse w/o Medicare	Retiree w/o Medicare and Family
Medical	\$859.48	\$1,718.97	\$2,510.39	\$898.57	\$1,797.15	\$2,588.57
Pharmacy	\$193.79	\$387.59	\$481.71	\$291.95	\$583.90	\$678.02
Vision	\$3.95	\$7.92	\$11.20	\$3.95	\$7.92	\$11.20
Expense ¹	\$51.16	\$51.16	\$51.16	\$51.16	\$51.16	\$51.16
Claims Stabilization Amount / Self-Funded Policy	-\$225.32	-\$440.25	-\$620.93	-\$56.96	-\$111.58	-\$152.22
Best Doctors ²	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total	\$884.46	\$1,726.79	\$2,434.93	\$1,190.07	\$2,329.95	\$3,178.13
10-County Amount ³	\$0.00	\$0.00	\$0.00	\$649.17	\$0.00	\$0.00
Single Retiree Offset ⁴	\$0.00	\$0.00	\$0.00	\$0.00	\$649.17	\$649.17
"Actuarial Difference" ⁵	\$0.00	\$0.00	\$0.00	\$305.61	\$305.61	\$305.61
Retiree Prop. E Contribution ⁶	\$0.00	\$0.00	\$0.00	\$117.65	\$687.59	\$687.59
Subtotal City Contributions	\$0.00	\$0.00	\$0.00	\$1,072.43	\$1,642.37	\$1,642.37
2018 Non-Bargained Contribution Rate	\$884.46	\$1,726.79	\$2,434.93	\$117.64	\$687.58	\$1,535.76
MOU Negotiated Pickup ⁷	\$884.46	\$1,512.72	\$1,849.09			
2018 Typical Bargained Member Contribution	\$0.00	\$214.07	\$585.84	\$117.64	\$687.58	\$1,535.76
Final Member Contribution 2017	\$0.00	\$121.00	\$430.34	\$98.78	\$648.15	\$1,426.75
Difference, 2018 versus 2017	\$0.00	\$93.07	\$155.50	\$18.86	\$39.43	\$109.01

NOTE—Footnotes 1 – 7 defined in Appendix

Rate Card Footnotes

- 1) **Expense:** Includes UHC administrative fees, UHC program fees for shared savings / facility reasonable & customary / value-based contracting initiatives, and SFHSS Healthcare Sustainability Fee.
- 2) **Best Doctors:** Second opinion vendor fees of \$1.40 per subscriber per month (PSPM) in 2018 and \$1.15 PSPM in 2019.
- 3) **10-County Amount:** Amount derived from annual survey described in Charter Section A8.423 of contributions provided by 10 most populous counties in CA, not including San Francisco—called the “average contribution”. The 2019 10-County amount is \$672.08.

Rate Card Footnotes

- 4) **Single Retiree Offset:** Under Charter Section A8.428(b)(2), the 10-County Amount is the first of three Charter contribution elements used to calculate retiree rates. Employers are required to pay lesser of the 10-County amount or actual cost of coverage for each retiree member.
- 5) **"Actuarial Difference":** Under Charter Section A8.428(b)(3), the employers contribute the difference between Active Employee-Only premium and Early Retiree-Only premium. This is the second of three Charter contribution elements applied to the calculation of retiree rates.
- 6) **2000 Prop. E Contribution:** Under Charter Section A8.428(b)(3)(iii) and A8.428(c), employer contributions toward Retiree Only and Retiree +1 rates = $50\% \times [\text{Total Rate Cost} - \text{10-County Amount} - \text{"Actuarial Difference"}]$. This is the third of three Charter contribution elements that applied to the calculation of retiree rates.

Rate Card Footnotes

- 7) **MOU Negotiated Pickup:** Employee contributions for active employee coverage are based on specific MOU percentages. City Plan employer contributions are based on the contribution rates for second highest cost plan (BSC Access+).

Glossary of Terms

- **Rate Stabilization Reserve:** The HSB applies stabilization reserve policy to spread underwriting gains or losses into the following year's premium calculations to reduce volatility from year-over-year premium changes. Underwriting gains or losses are added or subtracted from the premium amounts to adjust for previous losses or gains. Per HSB policy, each year's gain or loss is spread over the following three years.

City Plan Rate Stabilization Reserve History

Headline: Rate stabilization reserves have benefited City Plan participants in recent years, but those funds are nearly depleted.

Rate Stabilization Reserve Surplus as of December 31

December 31, 2012	\$7,094,000
December 31, 2013	\$22,292,000
December 31, 2014	\$25,774,000
December 31, 2015	\$11,379,000
December 31, 2016	\$4,529,000
December 31, 2017	\$1,661,000

Amount Applied to Rating

2014 Plan Year	\$2,365,000
2015 Plan Year	\$7,431,000
2016 Plan Year	\$13,991,000
2017 Plan Year	\$7,586,000
2018 Plan Year	\$4,529,000

Percentage Buy-Down Applied in Rating

2014 Plan Year	4%
2015 Plan Year	14%
2016 Plan Year	40% actives / 37% early retiree
2017 Plan Year	36% actives / 20% early retiree
2018 Plan Year	20% actives / 5% early retiree

NOTE:

The City Plan had a modest stabilization reserve deficit as of December 31, 2011 (\$76,000).