

# San Francisco Health Service System Health Service Board

## Rates & Benefits

UnitedHealthcare (UHC) Medicare Advantage PPO Fully Insured  
Retiree Rates and Premium Contributions for 2019 Plan Year

June 14, 2018

Prepared by:  
Health & Benefits



# Contents

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- **Introduction and Recommendations Summary**
- **Aon Commentary on UHC Medicare Advantage (MA) PPO 2019 Rates, Including Design/Program Changes for Consideration**
- **2019 UHC MA PPO Monthly Rate Cards (Status Quo / Change Scenarios) and 2019 vs. 2018 Rates Comparison**
- **Recommendation**
- **Appendix**
  - 2018 UHC MA PPO Monthly Rate Card
  - UHC MA PPO Rate Card Footnotes
  - Glossary of Plan Terms

# Introduction and Recommendations Summary

# Introduction

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This reports provides the Health Service Board (HSB) with Aon's recommendations for the fully insured 2019 UnitedHealthcare (UHC) Medicare Advantage (MA) PPO plan.

Based on the data in the 2018 San Francisco Health Service System (SFHSS) Demographic Report presented to the HSB in February 2018, 15,379 Medicare-eligible retirees and dependents are enrolled in the UHC MA PPO plan.

UHC's 2019 rate on a per retiree per month (PRPM) basis for the MA PPO plan is \$381.64 on a Status Quo (no changes) plan basis. This represents a 2.0% increase over 2018 rates.

# Recommendation Summary

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In this presentation, we present two options for UHC MA PPO plan renewal—(1) Status Quo, and (2) a package of recommended plan design and program changes for the 2019 plan year.

The combination of all proposed changes results in a **decrease** to UHC MA PPO insured plan rates from 2018 to 2019 (UHC's rates are shown below on PRPM basis below).

- **2018 Current:** \$374.16
- **2019 Status Quo (no changes):** \$381.64 (+2.0% vs. 2018)
- **2019 With All Proposed Changes:** \$371.68 (-0.7% vs. 2018)

We recommend the “With All Proposed Changes” approach, and we outline specifics of the renewal and proposed changes to the UHC MA PPO plan for the 2019 plan year on the following pages.

# Aon Renewal Commentary

# Aon Commentary on UHC MA PPO 2019 Rates

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The “Status Quo Basis” 2.0% rate increase for the UHC MA PPO plan is driven by these favorable and unfavorable factors.

- **Favorable:** Suspension in 2019 of the Affordable Care Act’s Health Insurance Tax (HIT) after it applied for 2018 rating—led to an approximate 9% premium reduction relief in UHC’s 2019 rating formula.
- **Unfavorable:** Claim expenses in the UHC MA PPO plan were higher in 2017 than originally projected. Underwriting adjustments into 2019 along with federal government (CMS) revenue changes from 2017 to what is expected in 2019 leads a to rate increase of approximately 11% before considering the 2019 HIT tax suspension documented above.

# Aon Commentary on UHC MA PPO 2019 Rates (continued)

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When setting total UHC MA PPO Medicare plan premiums, the following SFHSS costs are added to the UHC MA PPO 2019 initial rates:

- The VSP vision core program premiums;
- The Healthcare Sustainability Fee which is \$3.00 per employee/retiree per month for 2019; and
- Best Doctors (second opinion benefit) which is \$1.15 per employee/retiree per month for 2019.



# Proposed 2019 Program / Design Changes

# UHC MA PPO 2019 Renewal—Program and Design Change Recommendations

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UHC proposed the Status Quo +2.0% renewal for 2019, as well as a renewal that incorporates a series of program and design changes that we recommend SFHSS adopt:

- **New programs to support members:** post-hospital discharge meal delivery, care-related transportation services, and enhanced nutrition counseling; and
- **Standardized purchasing initiatives that reduce premiums and lower copayments for many members:** UHC's preferred diabetic supplies program (which includes \$0 copayment for preferred diabetic supplies and kidney dialysis, and reduced copayments for urgent care and certain therapies) and standardized Medicare prescription drug formulary.

# New Programs to Support Members

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As added by the Affordable Care Act, the Centers for Medicare and Medicaid Services (CMS) Innovation Center supports the development and testing of innovative health care payment and service delivery models. They aim to achieve better care for patients, better health for communities, and lower costs through improvement for the health care system.

This allows Medicare health plans to offer enhanced benefits which are aimed at improving patient outcomes, including reducing hospital readmissions among Medicare beneficiaries.

We have outlined several of these enhanced programs on the following page which we recommend for adoption to the UHC MA PPO plan in 2019.

# New Programs to Support Members

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We recommend these plan enhancements for 2019:

- Post-hospital discharge transition support—transportation upon discharge (through National Med Trans) and a meal delivery program that delivers 3 meals per day when ordered by a physician or non-physician practitioner (administered by Mom's Meals);
- Routine transportation services (through National Med Trans) to take members to and from medically-related appointments (up to 24 one-way rides per year); and
- Enhanced access to nutrition counseling benefit with 4 visits/year (with a \$15 member copayment per visit).

The additional premium for these proposed programs is \$7.44 PRPM, which would be offset through the additional recommended changes outlined in following pages.

# New Programs to Support Members

## Background Information about Plan Enhancements

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- “1 out of every 5 Medicare Patients discharged from a hospital are readmitted within 30 days at a cost of more than \$26 Billion”. Source: CMS.
- Goal is to address and reduce preventable readmissions for: myocardial infarction (heart attack), heart failure, and pneumonia, chronic obstructive pulmonary disease (COPD), coronary artery bypass graft (CABG) surgeries, and elective primary total hip and/or total knee arthroplasty.
- Meaningful and impactful post-hospitalization discharge service include transition support, routine transportation services, and advanced enhanced access to nutrition counseling. Sources: CTR best practice, evidence based programs and CMS

# UHC Preferred Diabetic Supplies Program

UHC has a preferred purchasing program with certain diabetic supply providers that is recommended for 2019 plan year implementation.

- **Benefit to members:** \$0 member cost for specific blood glucose testing supplies—including Accu-Chek® and OneTouch® glucometers and testing supplies, as well as lancets, lancing devices, glucose control solution (to check accuracy of meters), and batteries.
- **Added benefit to members:** lower copayments for certain services.

Type of Service	UHC MA PPO Plan Copayment	
	Current	Proposed
Kidney Dialysis Visit	\$15	\$0
Physical Therapy Visit	\$25	\$20
Speech/Language Therapy Visit	\$25	\$20
Occupational Therapy Visit	\$25	\$20
Urgent Care Visit	\$35	\$20

# UHC Preferred Diabetic Supplies Program

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## Transition for Members Using Non-Preferred Supplies Currently

- There are 495 SFHSS members using diabetic test supply non-preferred brands as of January 31, 2018.
- Members using non-preferred diabetic testing supplies can receive a one-time transition supply upon request within the first 90 days of the new plan year.
- Members and physicians may request a Prior Authorization for a limited time frame to obtain an exception for a non-preferred product.
- Members receiving non-preferred products will receive communication in the fourth quarter of 2018 informing them about this change and steps needed to secure a new prescription for preferred supplies.

# Medicare Group Select Prescription Formulary

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UHC's Group Select formulary would allow for broader coverage for prescription drugs while maximizing pharmacy rebates, which in turn will result in lower plan premiums that allows SFHSS to cover the cost of program enhancements and copayment reductions outlined earlier.

- The Group Select formulary covers all Medicare Part D eligible drugs in brand or generic form (except high-risk medications).
- There is a 98.3% drug match for SFHSS members, and many can achieve lower copayments for prescription drugs under this change.
- Based on UHC analysis, 5,685 members (39.7% of total members) will be positively impacted by this change, while 1,746 (12.2% of total members) will be adversely impacted by this change.

This change lowers 2019 plan premiums by \$17.40 PRPM from “status quo” 2019 premiums.



# Medicare Group Select Prescription Formulary

Specialty (Tier 4) medications would be covered at the same copayments as Preferred Brand (Tier 2) medications in 2019 as part of this change.

UHC MA PPO plan prescription drug copayments are:

<b>Prescription Drug Type</b>	<b>Retail (30-Day) Member Copayment</b>	<b>Mail Order (90-Day) Member Copayment</b>
Tier 1 (generic)	\$5	\$10
Tier 2 (preferred brand)	\$20	\$40
Tier 3 (non-preferred brand)	\$45	\$90
Tier 4 (specialty)	Same as all above currently (would be Tier 2 copayment in 2019)	

# UHC Group Select Prescription Formulary

Based on UHC review of 2017 claim data, the proposed formulary change would benefit 8.6% of prescriptions and have adverse impact on 1.7% of prescriptions.

## Strong Formulary Drug Match

*98.3% match (or better) for coverage and tiering*

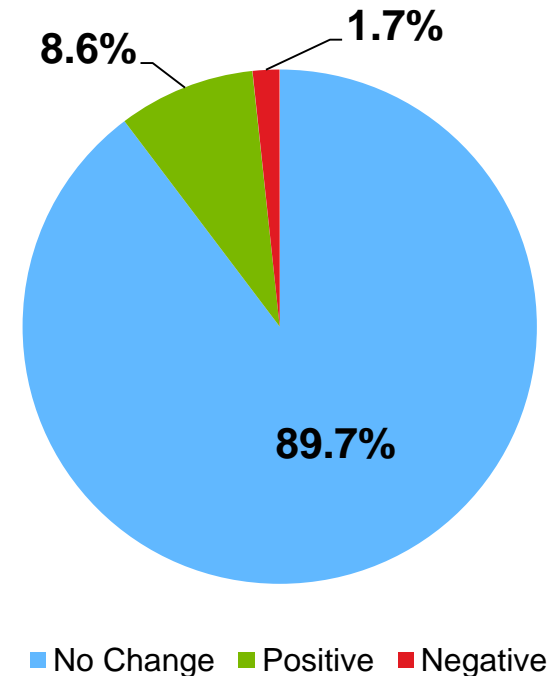
## Expanded Coverage

*With the exception of high risk medications (HRMs), the Select formulary covers all Part D eligible drugs (in brand or generic form)*

*5.0% of non-formulary utilization would now be covered*

*3.5% of utilization would now be on a lower tier*

SFHSS Retiree Impact  
(2017 prescriptions)



# 2019 Rate Cards for Alternatives—Overview

# UHC MA PPO 2019 Proposed Rate Cards

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Following are two sets of 2019 rate cards:

- (1) Status Quo (incorporating overall 2.0% UHC rate increase); and
- (2) With All Recommended Changes version (incorporating overall 0.7% UHC rate **decrease**).

Each of these two versions has distinct mixed Medicare family columns for each of these variations of non-Medicare dependent plan enrollment:

- UHC City Plan / City Plan—Choice Not Available (2 non-Medicare dependent scenarios based on one-third or full use of rate stabilization reserve);
- BSC Access+; and
- BSC Trio.

# Retiree Medical Contributions in Rate Cards

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- The rate cards we present in this document reflect the full employer contributions for retiree medical coverage presently available to:
  - Retired employees hired on or before January 9, 2009;
  - Retired persons who retired for disability; and
  - Surviving spouses or surviving domestic partners of active employees who died in the line of duty.
- Retiree medical coverage—but no employer contribution—is available to retired employees hired on or after January 10, 2009 with at least 5 but less than 10 years of Credited Services with the Employers.

# Retiree Medical Contributions in Rate Cards

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- Retiree medical coverage at the 50% employer Charter-contribution rate is available to retired employees hired on or after January 10, 2009, with greater than 10 years of Credited Service with the Employers, but less than 15 years of Credited Service.
  - This segment of retirees will receive 50% of the full employer Charter contribution for each retiree medical plan and coverage tier as reflected in the following rate cards.

# Recommendation

# Recommendation

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Aon recommends that the Health Service Board accepts all program and design changes outlined in this presentation (listed below), along with the 2019 plan year “With All Recommended Changes” rate card that results in a 0.7% rate **decrease** from 2018 to 2019 for the UHC MA PPO plan.

- **New programs to support members:** post-hospital discharge meal delivery, care-related transportation services, and enhanced nutrition counseling; and
- **Standardized purchasing initiatives that reduce premiums and lower copayments for many members:** UHC’s preferred diabetic supplies program (which includes \$0 copayment for preferred diabetic supplies and kidney dialysis, and reduced copayments for urgent care and certain therapies) and Group Select prescription drug formulary.

Rate cards for the alternatives follow.



# Rate Cards—1/3 Use of Rate Stabilization for City Plan Non-Medicare Dependents (Scenario #1)

# Comparison of 2019 Retiree Contributions—Status Quo and With All Recommended Changes Scenarios

PY = Plan Year CNA = Choice Not Available		All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
		Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA <sup>1</sup>	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
“Status Quo” Retiree Contributions	PY 2018	\$0.00	\$189.06	\$566.50	\$1,037.24	\$841.15	\$773.08
	PY 2019	\$0.00	\$192.80	\$577.72	\$980.52	\$913.42	\$809.69
	\$ Change	+\$0.00	+\$3.74	+\$11.22	-\$56.72	+\$72.27	+\$36.61
	% Change	-	+2.0%	+2.0%	-5.5%	+8.6%	+4.7%
“With All Changes” Retiree Contributions	PY 2018	\$0.00	\$189.06	\$566.50	\$1,037.24	\$841.15	\$773.08
	PY 2019	\$0.00	\$187.82	\$562.78	\$975.54	\$908.44	\$804.71
	\$ Change	+\$0.00	-\$1.24	-\$3.72	-\$61.70	+\$67.29	+\$31.63
	% Change	-	-0.7%	-0.7%	-5.9%	+8.0%	+4.1%

<sup>1</sup> Shown for UHC City Plan and City Plan—Choice Not Available recommended rating scenario #1 (use one-third of rate stabilization reserve in 2019 rating)

# 2019 UHC MA PPO Monthly Rate Card— Status Quo Scenario (Scenario #1 for City Plan Non-Medicare Dependents)

CNA = Choice Not Available	All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree +2+	1+ Non- Medicare in UHC City Plan / CP- CNA	1+ Non- Medicare in BSC Access+	1+ Non- Medicare in BSC Trio
Premium	\$381.64	\$763.28	\$1,144.92	\$1,547.72	\$1,480.62	\$1,376.89
Vision	\$3.95	\$7.92	\$11.20	\$11.20	\$11.20	\$11.20
Expense (SFHSS Healthcare Sustainability Fee)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors <sup>1</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$389.74</b>	<b>\$775.35</b>	<b>\$1,160.27</b>	<b>\$1,563.07</b>	<b>\$1,495.97</b>	<b>\$1,392.24</b>

10-County Amount (or single tier premium, if less) <sup>2</sup>	\$389.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$389.74	\$389.74	\$389.74	\$389.74	\$389.74
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution <sup>5</sup>	\$0.00	\$192.81	\$192.81	\$192.81	\$192.81	\$192.81
Subtotal City Contributions	\$389.74	\$582.55	\$582.55	\$582.55	\$582.55	\$582.55
<b>Non-Bargained Contribution Rate 2019</b>	<b>\$0.00</b>	<b>\$192.80</b>	<b>\$577.72</b>	<b>\$980.52</b>	<b>\$913.42</b>	<b>\$809.69</b>

<b>Final Member Contribution 2019</b>	<b>\$0.00</b>	<b>\$192.80</b>	<b>\$577.72</b>	<b>\$980.52</b>	<b>\$913.42</b>	<b>\$809.69</b>
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<b>Final Member Contribution 2018</b>	<b>\$0.00</b>	<b>\$189.06</b>	<b>\$566.50</b>	<b>\$1,037.24</b>	<b>\$841.15</b>	<b>\$773.08</b>
<b>Difference, 2019 Versus 2018 Contribution</b>	<b>\$0.00</b>	<b>\$3.74</b>	<b>\$11.22</b>	<b>-\$56.72</b>	<b>\$72.27</b>	<b>\$36.61</b>

**NOTE—Footnotes 1 – 5 defined in Appendix**

# UHC MA PPO Retiree Monthly Rates and Contributions, 2019 vs. 2018—Status Quo Scenario

		All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
		Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA <sup>1</sup>	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
<b>PY = Plan Year</b>							
<b>CNA = Choice Not Available</b>							
<b>Monthly Retiree Contributions</b>	<b>PY 2018</b>	<b>\$0.00</b>	<b>\$189.06</b>	<b>\$566.50</b>	<b>\$1,037.24</b>	<b>\$841.15</b>	<b>\$773.08</b>
	<b>PY 2019</b>	<b>\$0.00</b>	<b>\$192.80</b>	<b>\$577.72</b>	<b>\$980.52</b>	<b>\$913.42</b>	<b>\$809.69</b>
	<i>\$ Change</i>	<i>+\$0.00</i>	<i>+\$3.74</i>	<i>+\$11.22</i>	<i>-\$56.72</i>	<i>+\$72.27</i>	<i>+\$36.61</i>
	<i>% Change</i>	<i>-</i>	<i>+2.0%</i>	<i>+2.0%</i>	<i>-5.5%</i>	<i>+8.6%</i>	<i>+4.7%</i>
<b>Monthly Employer Contributions</b>	<b>PY 2018</b>	<b>\$382.51</b>	<b>\$571.58</b>	<b>\$571.58</b>	<b>\$571.58</b>	<b>\$571.58</b>	<b>\$571.58</b>
	<b>PY 2019</b>	<b>\$389.74</b>	<b>\$582.55</b>	<b>\$582.55</b>	<b>\$582.55</b>	<b>\$582.55</b>	<b>\$582.55</b>
	<i>\$ Change</i>	<i>+\$7.23</i>	<i>+\$10.97</i>	<i>+\$10.97</i>	<i>+\$10.97</i>	<i>+\$10.97</i>	<i>+\$10.97</i>
	<i>% Change</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>
<b>Monthly Total Rate</b>	<b>PY 2018</b>	<b>\$382.51</b>	<b>\$760.64</b>	<b>\$1,138.08</b>	<b>\$1,608.82</b>	<b>\$1,412.73</b>	<b>\$1,344.66</b>
	<b>PY 2019</b>	<b>\$389.74</b>	<b>\$775.35</b>	<b>\$1,160.27</b>	<b>\$1,563.07</b>	<b>\$1,495.97</b>	<b>\$1,392.24</b>
	<i>\$ Change</i>	<i>+\$7.23</i>	<i>+\$14.71</i>	<i>+\$22.19</i>	<i>-\$45.75</i>	<i>+\$83.24</i>	<i>+\$47.58</i>
	<i>% Change</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>-2.8%</i>	<i>+5.9%</i>	<i>+3.5%</i>

<sup>1</sup> Shown for UHC City Plan and City Plan—Choice Not Available recommended rating scenario #1 (use one-third of rate stabilization reserve in 2019 rating)

# 2019 UHC MA PPO Monthly Rate Card—With All Recommended Changes Scenario (Scenario #1 for City Plan Non-Medicare Dependents)

<b>CNA = Choice Not Available</b>	All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
Premium	\$371.68	\$743.36	\$1,115.04	\$1,527.80	\$1,460.70	\$1,356.97
Vision	\$3.95	\$7.92	\$11.20	\$11.20	\$11.20	\$11.20
Expense (SFHSS Healthcare Sustainability Fee)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors <sup>1</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$379.78</b>	<b>\$755.43</b>	<b>\$1,130.39</b>	<b>\$1,543.15</b>	<b>\$1,476.05</b>	<b>\$1,372.32</b>

10-County Amount (or single tier premium, if less) <sup>2</sup>	\$379.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$379.78	\$379.78	\$379.78	\$379.78	\$379.78
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution <sup>5</sup>	\$0.00	\$187.83	\$187.83	\$187.83	\$187.83	\$187.83
Subtotal City Contributions	\$379.78	\$567.61	\$567.61	\$567.61	\$567.61	\$567.61
<b>Non-Bargained Contribution Rate 2019</b>	<b>\$0.00</b>	<b>\$187.82</b>	<b>\$562.78</b>	<b>\$975.54</b>	<b>\$908.44</b>	<b>\$804.71</b>

<b>Final Member Contribution 2019</b>	<b>\$0.00</b>	<b>\$187.82</b>	<b>\$562.78</b>	<b>\$975.54</b>	<b>\$908.44</b>	<b>\$804.71</b>
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<b>Final Member Contribution 2018</b>	<b>\$0.00</b>	<b>\$189.06</b>	<b>\$566.50</b>	<b>\$1,037.24</b>	<b>\$841.15</b>	<b>\$773.08</b>
<b>Difference, 2019 Versus 2018 Contribution</b>	<b>\$0.00</b>	<b>-\$1.24</b>	<b>-\$3.72</b>	<b>-\$61.70</b>	<b>\$67.29</b>	<b>\$31.63</b>

**NOTE—Footnotes 1 – 5 defined in Appendix**

# UHC MA PPO Retiree Monthly Premiums and Contributions, 2019 vs. 2018—With All Recommended Changes Scenario

PY = Plan Year CNA = Choice Not Available		All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
		Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA <sup>1</sup>	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
Monthly Retiree Contributions	PY 2018	\$0.00	\$189.06	\$566.50	\$1,037.24	\$841.15	\$773.08
	PY 2019	\$0.00	\$187.82	\$562.78	\$975.54	\$908.44	\$804.71
	\$ Change	+\$0.00	-\$1.24	-\$3.72	-\$61.70	+\$67.29	+\$31.63
	% Change	-	-0.7%	-0.7%	-5.9%	+8.0%	+4.1%
Monthly Employer Contributions	PY 2018	\$382.51	\$571.58	\$571.58	\$571.58	\$571.58	\$571.58
	PY 2019	\$379.78	\$567.61	\$567.61	\$567.61	\$567.61	\$567.61
	\$ Change	-\$2.73	-\$3.97	-\$3.97	-\$3.97	-\$3.97	-\$3.97
	% Change	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Rate	PY 2018	\$382.51	\$760.64	\$1,138.08	\$1,608.82	\$1,412.73	\$1,344.66
	PY 2019	\$379.78	\$755.43	\$1,130.39	\$1,543.15	\$1,476.05	\$1,372.32
	\$ Change	-\$2.73	-\$5.21	-\$7.69	-\$65.67	+\$63.32	+\$27.66
	% Change	-0.7%	-0.7%	-0.7%	-4.1%	+4.5%	+2.1%

<sup>1</sup> Shown for UHC City Plan and City Plan—Choice Not Available recommended rating scenario #1 (use one-third of rate stabilization reserve in 2019 rating)

# Rate Cards—Full Use of Rate Stabilization for City Plan Non-Medicare Dependents (Scenario #2)

# Comparison of 2019 Retiree Contributions—Status Quo and With All Recommended Changes Scenarios

PY = Plan Year CNA = Choice Not Available		All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
		Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA <sup>1</sup>	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
“Status Quo” Retiree Contributions	PY 2018	\$0.00	\$189.06	\$566.50	\$1,037.24	\$841.15	\$773.08
	PY 2019	\$0.00	\$192.80	\$577.72	\$955.60	\$913.42	\$809.69
	\$ Change	+\$0.00	+\$3.74	+\$11.22	-\$81.64	+\$72.27	+\$36.61
	% Change	-	+2.0%	+2.0%	-7.9%	+8.6%	+4.7%
“With All Changes” Retiree Contributions	PY 2018	\$0.00	\$189.06	\$566.50	\$1,037.24	\$841.15	\$773.08
	PY 2019	\$0.00	\$187.82	\$562.78	\$950.62	\$908.44	\$804.71
	\$ Change	+\$0.00	-\$1.24	-\$3.72	-\$86.62	+\$67.29	+\$31.63
	% Change	-	-0.7%	-0.7%	-8.4%	+8.0%	+4.1%

<sup>1</sup> Shown for UHC City Plan and City Plan—Choice Not Available recommended rating scenario #2 (use all rate stabilization reserve in 2019 rating)



# 2019 UHC MA PPO Monthly Rate Card— Status Quo Scenario (Scenario #2 for City Plan Non-Medicare Dependents)

<b>CNA = Choice Not Available</b>	All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
Premium	\$381.64	\$763.28	\$1,144.92	\$1,522.80	\$1,480.62	\$1,376.89
Vision	\$3.95	\$7.92	\$11.20	\$11.20	\$11.20	\$11.20
Expense (SFHSS Healthcare Sustainability Fee)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors <sup>1</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$389.74</b>	<b>\$775.35</b>	<b>\$1,160.27</b>	<b>\$1,538.15</b>	<b>\$1,495.97</b>	<b>\$1,392.24</b>

10-County Amount (or single tier premium, if less) <sup>2</sup>	\$389.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$389.74	\$389.74	\$389.74	\$389.74	\$389.74
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution <sup>5</sup>	\$0.00	\$192.81	\$192.81	\$192.81	\$192.81	\$192.81
Subtotal City Contributions	\$389.74	\$582.55	\$582.55	\$582.55	\$582.55	\$582.55
<b>Non-Bargained Contribution Rate 2019</b>	<b>\$0.00</b>	<b>\$192.80</b>	<b>\$577.72</b>	<b>\$955.60</b>	<b>\$913.42</b>	<b>\$809.69</b>

<b>Final Member Contribution 2019</b>	<b>\$0.00</b>	<b>\$192.80</b>	<b>\$577.72</b>	<b>\$955.60</b>	<b>\$913.42</b>	<b>\$809.69</b>
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<b>Final Member Contribution 2018</b>	<b>\$0.00</b>	<b>\$189.06</b>	<b>\$566.50</b>	<b>\$1,037.24</b>	<b>\$841.15</b>	<b>\$773.08</b>
<b>Difference, 2019 Versus 2018 Contribution</b>	<b>\$0.00</b>	<b>\$3.74</b>	<b>\$11.22</b>	<b>-\$81.64</b>	<b>\$72.27</b>	<b>\$36.61</b>

**NOTE—Footnotes 1 – 5 defined in Appendix**

# UHC MA PPO Retiree Monthly Rates and Contributions, 2019 vs. 2018—Status Quo Scenario

		All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
		Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA <sup>1</sup>	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
<b>PY = Plan Year</b>							
<b>CNA = Choice Not Available</b>							
<b>Monthly Retiree Contributions</b>	<b>PY 2018</b>	<b>\$0.00</b>	<b>\$189.06</b>	<b>\$566.50</b>	<b>\$1,037.24</b>	<b>\$841.15</b>	<b>\$773.08</b>
	<b>PY 2019</b>	<b>\$0.00</b>	<b>\$192.80</b>	<b>\$577.72</b>	<b>\$955.60</b>	<b>\$913.42</b>	<b>\$809.69</b>
	<i>\$ Change</i>	<i>+\$0.00</i>	<i>+\$3.74</i>	<i>+\$11.22</i>	<i>-\$81.64</i>	<i>+\$72.27</i>	<i>+\$36.61</i>
	<i>% Change</i>	<i>-</i>	<i>+2.0%</i>	<i>+2.0%</i>	<i>-7.9%</i>	<i>+8.6%</i>	<i>+4.7%</i>
<b>Monthly Employer Contributions</b>	<b>PY 2018</b>	<b>\$382.51</b>	<b>\$571.58</b>	<b>\$571.58</b>	<b>\$571.58</b>	<b>\$571.58</b>	<b>\$571.58</b>
	<b>PY 2019</b>	<b>\$389.74</b>	<b>\$582.55</b>	<b>\$582.55</b>	<b>\$582.55</b>	<b>\$582.55</b>	<b>\$582.55</b>
	<i>\$ Change</i>	<i>+\$7.23</i>	<i>+\$10.97</i>	<i>+\$10.97</i>	<i>+\$10.97</i>	<i>+\$10.97</i>	<i>+\$10.97</i>
	<i>% Change</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>
<b>Monthly Total Rate</b>	<b>PY 2018</b>	<b>\$382.51</b>	<b>\$760.64</b>	<b>\$1,138.08</b>	<b>\$1,608.82</b>	<b>\$1,412.73</b>	<b>\$1,344.66</b>
	<b>PY 2019</b>	<b>\$389.74</b>	<b>\$775.35</b>	<b>\$1,160.27</b>	<b>\$1,538.15</b>	<b>\$1,495.97</b>	<b>\$1,392.24</b>
	<i>\$ Change</i>	<i>+\$7.23</i>	<i>+\$14.71</i>	<i>+\$22.19</i>	<i>-\$70.67</i>	<i>+\$83.24</i>	<i>+\$47.58</i>
	<i>% Change</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>+1.9%</i>	<i>-2.8%</i>	<i>+5.9%</i>	<i>+3.5%</i>

<sup>1</sup> Shown for UHC City Plan and City Plan—Choice Not Available recommended rating scenario #2 (use all rate stabilization reserve in 2019 rating)

# 2019 UHC MA PPO Monthly Rate Card—With All Recommended Changes Scenario (Scenario #2 for City Plan Non-Medicare Dependents)

CNA = Choice Not Available	All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
Premium	\$371.68	\$743.36	\$1,115.04	\$1,502.88	\$1,460.70	\$1,356.97
Vision	\$3.95	\$7.92	\$11.20	\$11.20	\$11.20	\$11.20
Expense (SFHSS Healthcare Sustainability Fee)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors <sup>1</sup>	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15	\$1.15
<b>Total</b>	<b>\$379.78</b>	<b>\$755.43</b>	<b>\$1,130.39</b>	<b>\$1,518.23</b>	<b>\$1,476.05</b>	<b>\$1,372.32</b>

10-County Amount (or single tier premium, if less) <sup>2</sup>	\$379.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$379.78	\$379.78	\$379.78	\$379.78	\$379.78
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution <sup>5</sup>	\$0.00	\$187.83	\$187.83	\$187.83	\$187.83	\$187.83
Subtotal City Contributions	\$379.78	\$567.61	\$567.61	\$567.61	\$567.61	\$567.61
<b>Non-Bargained Contribution Rate 2019</b>	<b>\$0.00</b>	<b>\$187.82</b>	<b>\$562.78</b>	<b>\$950.62</b>	<b>\$908.44</b>	<b>\$804.71</b>

<b>Final Member Contribution 2019</b>	<b>\$0.00</b>	<b>\$187.82</b>	<b>\$562.78</b>	<b>\$950.62</b>	<b>\$908.44</b>	<b>\$804.71</b>
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<b>Final Member Contribution 2018</b>	<b>\$0.00</b>	<b>\$189.06</b>	<b>\$566.50</b>	<b>\$1,037.24</b>	<b>\$841.15</b>	<b>\$773.08</b>
<b>Difference, 2019 Versus 2018 Contribution</b>	<b>\$0.00</b>	<b>-\$1.24</b>	<b>-\$3.72</b>	<b>-\$86.62</b>	<b>\$67.29</b>	<b>\$31.63</b>

**NOTE—Footnotes 1 – 5 defined in Appendix**

# UHC MA PPO Retiree Monthly Premiums and Contributions, 2019 vs. 2018—With All Recommended Changes Scenario

PY = Plan Year CNA = Choice Not Available		All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
		Retiree Only	Retiree + 1	Retiree +2+	1+ Non-Medicare in UHC City Plan / CP-CNA <sup>1</sup>	1+ Non-Medicare in BSC Access+	1+ Non-Medicare in BSC Trio
Monthly Retiree Contributions	PY 2018	\$0.00	\$189.06	\$566.50	\$1,037.24	\$841.15	\$773.08
	PY 2019	\$0.00	\$187.82	\$562.78	\$950.62	\$908.44	\$804.71
	\$ Change	+\$0.00	-\$1.24	-\$3.72	-\$86.62	+\$67.29	+\$31.63
	% Change	-	-0.7%	-0.7%	-8.4%	+8.0%	+4.1%
Monthly Employer Contributions	PY 2018	\$382.51	\$571.58	\$571.58	\$571.58	\$571.58	\$571.58
	PY 2019	\$379.78	\$567.61	\$567.61	\$567.61	\$567.61	\$567.61
	\$ Change	-\$2.73	-\$3.97	-\$3.97	-\$3.97	-\$3.97	-\$3.97
	% Change	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%
Monthly Total Rate	PY 2018	\$382.51	\$760.64	\$1,138.08	\$1,608.82	\$1,412.73	\$1,344.66
	PY 2019	\$379.78	\$755.43	\$1,130.39	\$1,518.23	\$1,476.05	\$1,372.32
	\$ Change	-\$0.73	-\$5.21	-\$7.69	-\$90.59	+\$63.32	+\$27.66
	% Change	-0.7%	-0.7%	-0.7%	-5.6%	+4.5%	+2.1%

<sup>1</sup> Shown for UHC City Plan and City Plan—Choice Not Available recommended rating scenario #2 (use all rate stabilization reserve in 2019 rating)

# Appendix

# 2018 UHC MA PPO Monthly Rate Card

	All Members in Medicare			Full Family—2 in Medicare, 1+ Non-Medicare		
	Retiree Only	Retiree + 1	Retiree +2+	1+ Non- Medicare in UHC City Plan	1+ Non- Medicare in BSC Access+	1+ Non- Medicare in BSC Trio
Premium	\$374.16	\$748.32	\$1,122.48	\$1,593.22	\$1,397.13	\$1,329.06
Vision	\$3.95	\$7.92	\$11.20	\$11.20	\$11.20	\$11.20
Expense (SFHSS Healthcare Sustainability Fee)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Best Doctors <sup>1</sup>	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
<b>Total</b>	<b>\$382.51</b>	<b>\$760.64</b>	<b>\$1,138.08</b>	<b>\$1,608.82</b>	<b>\$1,412.73</b>	<b>\$1,344.66</b>
10-County Amount (or single tier premium, if less) <sup>2</sup>	\$382.51	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Single Retiree Offset <sup>3</sup>	\$0.00	\$382.51	\$382.51	\$382.51	\$382.51	\$382.51
"Actuarial Difference" <sup>4</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prop. E Contribution <sup>5</sup>	\$0.00	\$189.07	\$189.07	\$189.07	\$189.07	\$189.07
Subtotal City Contributions	\$382.51	\$571.58	\$571.58	\$571.58	\$571.58	\$571.58
<b>Non-Bargained Contribution Rate 2018</b>	<b>\$0.00</b>	<b>\$189.06</b>	<b>\$566.50</b>	<b>\$1,037.24</b>	<b>\$841.15</b>	<b>\$773.08</b>
<b>Final Member Contribution 2018</b>	<b>\$0.00</b>	<b>\$189.06</b>	<b>\$566.50</b>	<b>\$1,037.24</b>	<b>\$841.15</b>	<b>\$773.08</b>
<b>Final Member Contribution 2017</b>	<b>\$0.00</b>	<b>\$162.40</b>	<b>\$486.51</b>	<b>\$941.00</b>	<b>\$783.07</b>	<b>\$783.07</b>
<b>Difference, 2018 Versus 2017 Contribution</b>	<b>\$0.00</b>	<b>\$26.66</b>	<b>\$79.99</b>	<b>\$96.24</b>	<b>\$58.08</b>	<b>-\$9.99</b>

**NOTE—Footnotes 1 – 5 defined in Appendix**

## UHC MA PPO Rate Card Footnotes

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- (1) Best Doctors:** Second opinion vendor fees of \$1.40 per subscriber per month (PSPM) in 2018 and \$1.15 PSPM in 2019.
- (2) 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.
- (3) 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.

## UHC MA PPO Rate Card Footnotes (continued)

- (4) **"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.
- (5) **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% x [Total Rate Cost – 10-County Amount – “Actuarial Difference”]. This is the third of three Charter contribution elements that applied to the calculation of retiree rates.



# Glossary of Plan Terms

- **Medicare Advantage Prescription Drug Plan (MAPD):** Medicare Advantage Prescription Drug Plan (MAPD) includes Medicare Part D and is available to beneficiaries enrolled in Medicare Part A and Part B. HSS offers only MAPD plans in which the Center for Medicare and Medicaid Services (CMS) pays a Managed Care Organization a per member per month premium. HSS negotiates additional benefits not covered by MAPD plans alone
- **PPO:** Preferred Provider Organization (PPO) benefit coverage is distinguished by a panel of preferred providers who contract with a health care vendor allowing the vendor to provide their services at a richer level of coverage. Non-preferred providers are covered at a much lower level thus the member is required to pay a much higher level of the cost