

Employee Benefits Program Committee Meeting



YOUR BEST PROTECTION

ACWA JPIA Executive Conference Room
2100 Professional Drive
Roseville, CA 95661

Monday
June 24, 2019
9:00 AM

Chairman: J. Bruce Rupp, Humboldt Bay Municipal Water District

Vice-chair: Melody A. McDonald, San Bernardino Valley WCD

Bette Boatmun, Contra Costa Water District

Stephanie Dosier, Orange County Water District

Karen Gish, Amador Water Agency

Ken Groom, Fresno Metropolitan Flood Control District

Nancy Hussmann, South Tahoe Public Utility District

James Linthicum, Three Valleys Municipal Water District

Sandy Olson, Walnut Valley Water District



EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING

AGENDA

JPIA Executive Conference Room
2100 Professional Drive, Roseville, CA 95661
(800) 231-5742 - www.acwajpia.com

Monday, June 24, 2019 9:00 a.m.

WebEx call-in: (855) 749-4750; Access code: 806-052-203 Password: 1234

This meeting shall consist of a simultaneous WebEx teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Boatman – 26 Avenue A, Seaside, OR
- Dosier - 18700 Ward Street, Fountain Valley, CA

WELCOME

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

ANNOUNCEMENT RECORDING OF MEETING This meeting may be recorded to assist in preparation of minutes. Recordings will only be kept 30 days following the meeting, as mandated by the California Brown Act.

EVACUATION PROCEDURES

PUBLIC COMMENT Members of the public will be allowed to address the Employee Benefits Program Committee on any agenda item prior to the Committee's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chairman know.

INTRODUCTIONS

ADDITIONS TO OR DELETIONS FROM THE AGENDA

<u>Presenter</u>			<u>Page#</u>
Rupp	*	I. Approval of minutes of the meeting of July 9, 2018	1
Rupp		II. Report on meetings attended on behalf of JPIA	
Smith	*	III. Overview of Program History and Current Status	8

<u>Presenter</u>			<u>Page#</u>
Sells	*	IV. Review and take action on JPIA Administrative Fees	17
Smith/Sells	*	V. Review and take action on 2020 pricing and plan options for self-funded Anthem PPO medical plans	19
Smith	*	VI. Review and take action on 2020 pricing for the insured Anthem HMO medical plans	37
Smith	*	VII. Review and take action on 2020 pricing for the insured Kaiser medical plans	42
Smith	*	VIII. Review and take action on 2020 pricing for the ancillary plans	46
Sells	*	IX. Review and possibly take action on Participation Requirements	51
Rech	*	X. Updates: Wellness Grants, Solera Diabetes Prevention, Carrum Health	54
Rupp	*	XI. Discuss next meeting date	61

ADJOURN

*Related items enclosed.

Americans With Disabilities Act – *The JPIA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the JPIA, shall be made to: Michelle Stites, Benefits Administrator I, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)*

Written materials relating to an item on this Agenda that are distributed to the JPIA's Employee Benefits Program Committee within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.



Unapproved Minutes –

Employee Benefits Program Committee Meeting

ACWA JPIA Executive Conference Room
2100 Professional Drive
Roseville, CA 95661
(800) 231-5742

July 9, 2018

This meeting consisted of a simultaneous WebEx teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Boatmun – 4004 Salem St., Concord, CA
- Dosier – 18700 Ward St., Fountain Valley, CA
- Olson – 26332 Billehus Lane, Starbuck, MN
- Peterson – 700 North Alameda Blvd. Los Angeles, CA

MEMBERS PRESENT

Chairman: J. Bruce Rupp, Humboldt Bay Municipal Water District
Vice-chair: Melody McDonald, San Bernardino Valley Water Conservation District
 Bette Boatmun, Contra Costa Water District (via WebEx)
 Stephanie Dosier, Orange County Water District (via WebEx)
 Karen Gish, Amador Water Agency
 James Linthicum, Three Valleys Municipal Water District
 Sandy Olson, Walnut Valley Water District (via WebEx)
 Glen Peterson, Las Virgenes Municipal Water District (via WebEx) left part way through
 Randy Shilling, Kings River Conservation District

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells
 Sonya Baker, Benefits System Analyst
 Veronica Cobian, Benefits Administrator II
 Linda Craun (WebEx Coordinator)
 Robert Greenfield, General Counsel
 Allison Hartill, Benefits Analyst I
 Ben Hayden, Lead Benefits Analyst
 Jackie Rech, Employee Benefits Account Manager
 Patricia Slaven, Director of HR & Administration
 Sandra Smith, Employee Benefits Manager
 Daniel Steele, Lead Accountant
 Michelle Stites, Benefits Administrator I (recording secretary)
 Dianna Sutton, Finance Manager

Karen Thesing, Director of Insurance Services
Bobbette Wells, Executive Assistant to the CEO

OTHERS IN ATTENDANCE

Thomas A Cuquet, South Sutter Water District
David A. Drake, Rincon del Diablo Municipal Water District
EG “Jerry” Gladbach, Santa Clarita Valley Water District
David Hodgkin, Scotts Valley Water District
Nancy Hussman, South Tahoe Public Utility District (via WebEx)
W.D. “Bill” Knutson, Yuima Municipal Water District
Kimberly Miller, Alliant (via WebEx)
Thomas Sher, Alliant
Kathy Tiegs, Cucamonga Valley Water District
Brian Trevarro, Kings River Conservation District (via WebEx)
Stacy Wright, Kings River Conservation District (via WebEx)

WELCOME

Chairman Rupp welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Rupp called the meeting to order at 9:00 a.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman Rupp announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

EVACUATION PROCEDURES

Mr. Sells reminded attendees of the evacuation procedures for exiting the building in case of an emergency.

PUBLIC COMMENT

Chairman Rupp noted that, as the agenda stated, members of the public would be allowed to address the Executive Committee on any agenda item prior to the Committee’s decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

INTRODUCTIONS

Chairman Rupp welcomed all in attendance. And everyone introduced themselves. A special introduction was made for the newest employee in the Employee Benefits department, Jackie Rech, the Employee Benefits Account Manager.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chairman Rupp asked for any additions to, or deletions from, the agenda; none were requested.

CONSENT AGENDA

Chairman Rupp called for approval of the minutes of the April 4, 2018 meeting.

M/S/C (McDonald/Dosier) (Boatman-Yes; Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Olson-Yes; Rupp,-Yes; Shilling-Yes): That the Employee Benefits Program Committee approve the minutes of the April 4, 2018 meeting as presented.

MEETINGS ATTENDED ON BEHALF OF JPIA

None reported.

2019 PRICING AND PLAN OPTIONS FOR SELF-FUNDED ANTHEM PPO MEDICAL PLANS

Mr. Sells directed the Committee to the next agenda item. He explained that Employee Benefits plans renew January 1, 2019, and asked Ms. Smith to provide the Committee with background information and projections.

Ms. Smith reviewed the 2019 Financial Summary, noting that the JPIA has a lower than market trend.

Mr. Sells told the group that Anthem Classic PPO, Anthem Advantage PPO, and Anthem CDHP enrollment makes up over 60% of the total medical population, and that Kaiser's HMO population is almost as large as Anthem's HMO population.

Ms. Smith reviewed the PPO Renewal History. Past claims and projected trend indicate a 3.22% increase is the best projection for 2019 plan costs.

There was discussion regarding CalPERS. Staff references them as a benchmark for JPIA rates, including regional differences.

Chairman Rupp recognized that our program is based not only cost, but also on quality. CalPERS has a greater population, but the JPIA's program is rooted in quality service.

Ms. Smith reviewed several changes to plan design that have helped control costs in the program. Out-of-pocket maximums on the Anthem Classic plan were changed from \$1,000/\$2,000 to \$2,000/4,000 which has given the program an estimated savings of \$1,200,000. Hospitalization coverage was changed from 100% to 90% with an estimated savings of \$270,000. Out-of-Network Facilities have been limited to a flat dollar maximum benefit in March, which has an estimated saving of \$1,000,000 to \$3,000,000. Anthem's Pharmacy Benefits Manager (PBM) was marketed but unchanged in 2018, which had a projected savings of \$1,670,000. This led to a very detailed conversation about Pharmacy Benefit Managers (PBM's).

Mr. Sells explained that a big component of medical pricing is pharmacy benefits.

Mr. Sher further elaborated that PBM's contract with drug manufactures for drug pricing on the actual the ingredients of the medication and the best rebates manufacturers will offer for those ingredients. Then PBM's compete with each other to offer the best pricing package to providers.

Currently, Anthem uses Express Scripts (through policy year 2019) as their PBM. Anthem will contract with IngenioRX in 2020. Anthem and a PBM called MedImpact have presented bids for ACWA JPIA's PBM business. The two companies have revised their bids to include more savings three times each.

Ms. Smith pointed out that changing PBM's does cause disruption due to changes in formulary. The formulary determines which drugs are covered and at which co-pay.

The Committee was presented with the latest version of a bid from Antheams current (and expiring) PBM, Express Scripts (ESI) and MedImpact's (version 3) offer. At the time of the meeting, the one year savings if we switched to MedImpact would be nearly \$1 million, with disruption to the plan that includes formulary change and tier changes.

The three year savings from changing to MedImpact is estimated to be approximately \$4 million.

Much discussion regarding communications to participants regarding potential pharmacy disruptions ensued. Mr. Rupp asked Ms. Smith to walk through the process of alerting the population of the pharmacy changes. Ms. Smith said, if approved, there would be emails to districts, a webinar, template communications for districts to customize, individual mailings, from both ACWA JPIA and MedImpact. MedImpact will brand the JPIA logo with their logo to signify the notifications are not junk mail, but are related to the participant's current medical plan. Ms. Smith recognized that this will create some impact to staff to implement a new PBM. She informed the Committee that there is a three to four month implementation period for staff to prepare. Participants will have 90 days in 2019 with the grandfathered formulary list and co-pays. Anyone with a co-pay that will increase or a drug that will no longer be covered will receive a letter each time a prescription is filled, advising them of alternative drugs available at the same co-pay beginning April 1, 2019

Ms. McDonald made known that she was confident staff could handle the change, and in the long run competition is good for the market.

M/S/C (Shilling/Gish) (Boatman-Yes; Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Olson-Yes; Rupp,-Yes; Shilling-Yes): That the Employee Benefits Program Committee recommends that the Executive Committee approve an aggregate 0% rate increase to rates for the Anthem Blue Cross self-funded PPO plans, with variations per tier and per region, effective January 1, 2019, and move to MedImpact as PBM for the PPO plans.

2019 PRICING FOR THE INSURED ANTHEM HMO MEDICAL PLANS

Ms. Smith explained that the Employee Benefits plans, including the fully Insured Anthem HMO Medical plans will renew on January 1, 2019. The HMO fully insured plan has rates set by Anthem, with the exception of the pharmacy claims for retirees with Medicare. That portion is self-funded.

Anthem provided a rate pass (zero increase) to the JPIA for the 2019 plan year. Pharmacy costs for retirees with Medicare are not expected to change substantially, and account for a small portion of overall plan cost.

M/S/C (Linthicum/Olson) (Boatmun-Yes; Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Olson-Yes; Rupp,-Yes; Shilling-Yes): That the Employee Benefits Committee recommends that the Executive Committee approve no change in rates for the Anthem Blue Cross HMO plans, effective January 1, 2019.

2019 PRICING FOR THE INSURED KAISER MEDICAL PLANS

Ms. Smith explained that Kaiser Plans are fully insured, with separate rates for the North and South regions set by Kaiser. Historically, Kaiser North and Kaiser South have had separate rate increases or decreases each year.

This year, Kaiser presented two options to the JPIA for the 2019 renewal:

- 1) Kaiser North 14.96% increase and Kaiser South 2.27% decrease; and,
- 2) Blend rates to provide a 2.64% increase to both Kaiser North and Kaiser South

Historically, there is volatility from year to year between the two regions. Blending rates would provide better rate stabilization for the two regions, and would provide for more competitive pricing in the regions.

Ms. Smith said that if we do chose to blend the regions Kaiser would require that we continue for three years.

Mr. Sells indicated that blending the regions will create greater stabilization in the Kaiser program. Mr. Sher noted that CalPERS blends the Kaiser rates.

M/S/C (Shilling/Gish) (Boatmun-Yes; Dosier-Yes; Gish-Yes; Linthicum-No; McDonald-Yes; Olson-Yes; Rupp,-Yes; Shilling-Yes): That the Employee Benefits Committee recommends that the Executive Committee approve Kaiser's blended renewal rates to provide a 2.64% increase to Kaiser North and Kaiser South plans, effective January 1, 2019.

2019 PRICING FOR THE ANCILLARY PLANS

Mr. Sells informed the committee about the Ancillary Plans.

Delta Dental PPO and VSP plans are self-funded. Both continue to perform well. There are no changes to the administrative fees charged by the two carriers for 2019.

DeltaCare HMO is in a three-year rate guarantee that began in 2017 and ends December 31, 2019.

Life, Long Term Disability, and Short Term Disability plans are fully insured by the Standard. The Standard provided a rate pass (zero increase) with a two-year rate guarantee, through December 31, 2020.

The Employee Assistance Program is fully insured through MHN. MHN provided a renewal with a rate pass (zero increase) with a three-year rate guarantee, through December 31, 2021.

M/S/C (Shilling/McDonald) (Boatman-Yes; Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Olson-Yes; Rupp,-Yes; Shilling-Yes): That the Employee Benefits Committee recommends that the Executive Committee approve renewal of all ancillary plans with no change in rates, effective January 1, 2019.

PARTICIPATION REQUIREMENT FOR STANDARD AND INCENTIVE RATES

Ms. Smith reviewed the Participation Requirements for the two sets of medical rates; Standard and Incentive. Participation requirements for Standard rates are the minimum requirements for participation in the pool. Participation Requirements for Incentive rates provide a better risk profile, and therefore result in a 4% discount on Anthem PPO and Anthem HMO rates.

Staff periodically reviews the Participation Requirements to ensure they are meeting the needs of the members and the Pool, to effectively manage risk and thereby manage costs. The Participation Requirements can be summarized into two categories: Participation which is who enrolls in the plan, and who is eligible to enroll; and, Employer contribution which is the cost share split between employer and employee or retiree.

Since 2012, only two changes have been made to the Participation Requirements.

Staff has been compiling claims costs data for analysis, with the goal of identifying employer practices that may drive claims costs up or down.

CLAIMS DATA ANALYSIS

Mr. Hayden presented an update on Claims Data Analysis. The carriers and Alliant provide performance data on each of the plans annually, comparing claims costs year over year. The JPIA has a record of each medical or pharmacy claim paid for the self-funded Anthem PPO plans. Data for each claim since January 1, 2015 has been compiled into a database for analysis.

Staff has aggregated claims for participants of employers with differing policies, to determine if there was a correlation between the policy and claims costs. Policies referenced in the Participation Requirements for Standard and Incentive rates were selected for analysis. Cash-in-lieu of benefits was associated with a 6% increase in claims cost. Ms. Smith indicated staff may recommend a difference in pricing in the future based on this policy.

Mr. Hayden said that analysis demonstrated that the 4% discount for the Incentive program is a very accurate discount amount based on the data compiled for this analysis.

WELLNESS GRANTS, SOLERA DIABETES PREVENTION, CARRUM HEALTH

Ms. Rech reviewed the Wellness Grant program. The JPIA is accepting Wellness Grant applications from June 25, 2018 through July 18, 2018. Anthem has provided \$75,000 to fund the Wellness Grants. Staff created and distributed a flyer and a document with tips and highlights of several member wellness activities. Additional wellness resources are posted to the JPIA website. Member interest and satisfaction with the program has been high, and has increased each year.

Ms. Smith indicated that the Solera Diabetes Prevention Program was launched in February 2018 to Anthem PPO and HMO members. Thus far, 178 members have taken the diabetes risk factor quiz and have registered for the program. Participation was encouraged by four weekly drawings for Amazon gift cards during the first month. Participant feedback has been favorable.

Ms. Smith reported to the Committee that Carrum Health, an optional surgery benefit with bundled pricing for certain surgeries at no cost to PPO participants, launched in February 2017. Carrum Health has expanded from having negotiated bundled pricing with two California facilities to four California facilities. Bariatric surgery is now covered by the program, in addition to many additional orthopedic surgeries. Communication continues to be challenging, as participants must self-refer to the program. Utilization has been low, despite efforts to communicate with participants, through direct mail, email, and in-person presentations. Staff will continue to communicate the program, utilizing the upcoming Open Enrollment. A new incentive campaign for both participants and staff responsible for communicating the benefit is in the works. Feedback from participants who have had surgery through Carrum Health has been extremely positive.

NEXT MEETING DATE

Availability for Upcoming Meeting(s)

Mr. Rupp said that there were no more meetings scheduled for the remainder of the year. Mr. Sells stated if there was a need for a meeting, one would be scheduled at that time.

The Employee Benefits Program Committee meeting adjourned at 12:16 p.m.

ACWA JPIA
Overview of Program History and Current Status
June 24, 2019

BACKGROUND

JPIA began administering Employee Benefits plans July 1, 2012. Each year plan status and options for program renewal are thoroughly evaluated, with the goal of providing the best possible coverage at the best possible price.

CURRENT SITUATION

This section includes information for the Committee regarding:

- Staff recommendations included in this packet
- Employee Benefits plan changes to date and annual savings
- Employee Benefits rate history
- 2019 financial recap
- Medical plan enrollment history
- Current medical plan offerings

RECOMMENDATIONS

None, informational only.

Employee Benefits Program Committee Meeting June 24, 2019

Staff Recommendations Included in the Packet

JPIA Administrative Fees

That the Employee Benefits Committee recommend that the Executive Committee approve an increase in JPIA Administrative Fees per plan, as presented in the packet, effective January 1, 2020.

Anthem PPOs

That the Employee Benefits Committee recommend that the Executive Committee approve an **aggregate 0%** increase to rates for the Anthem Blue Cross self-funded PPO plans, which shall include RxGuide, Site of Care, Carrum Health, and an increase to JPIA Administrative Fees, effective January 1, 2020.

Anthem HMOs

That the Employee Benefits Committee recommend that the Executive Committee approve an aggregate increase of **8.21%** for the Anthem Blue Cross HMO plans, effective January 1, 2020.

Kaiser HMOs

That the Employee Benefits Committee recommend that the Executive Committee approve a rate increase of **2.24%** for the Kaiser plans, effective January 1, 2020.

Ancillary Plans

That the Employee Benefits Committee recommend that the Executive Committee approve renewal of the self-funded Delta Dental PPO and VSP plans with **no change** in rates, effective January 1, 2020.

That the Employee Benefits Committee recommend that the Executive Committee approve the following increases: DeltaCare **5.24%**, Standard Life **9.41%**, MHN EAP **9.44%**, effective January 1, 2020.

Participation Requirements

That the Employee Benefits Committee recommend that the Executive Committee approve amending the Participation Requirements to allow Directors at Incentive member agencies to waive enrollment in JPIA medical coverage, subject to the rules for employees at Standard member agencies, and to allow Directors to waive enrollment in any of the ancillary plans for the duration of their term, independent of whether medical coverage was waived.

Employee Benefits Programs Committee Meeting June 24, 2019

ACWA JPIA Plan Changes to Date and Annual Savings

2019

- Anthem PPOs and Anthem PPO and HMO Medicare plans
 - Changed Pharmacy Benefit Manager from Express Scripts to MedImpact.; estimated savings **\$3,079,569** (4% of plan cost)

2018

- Anthem Classic PPO
 - Changed out of pocket max from \$1,000 per individual and \$2,000 per family to \$2,000 per individual and \$4,000 per family; estimated savings **\$1,200,000**
 - Changed hospitalization coverage from 100% to 90%; estimated savings **\$270,000**
- Anthem PPOs
 - Changed Pharmacy Benefit Manager arrangement to direct reimbursement for rebates rather than an estimated offset credit in advance
 - Reduced Pharmacy Benefit Manager expenses by approximately 8% (2% of total plan cost) by marketing the business to other vendors; estimated savings of **\$1,670,000**
 - Limited Out-of-Network Facility benefits to flat dollar maximums (3/1/18); estimated savings **\$1,000,000 to \$3,000,000**
- Anthem PPOs and HMOs
 - Implemented Solera Diabetes Prevention Program (2/1/18)
- Vision Service Plans
 - Increased frame allowance from \$120 to \$150 (plus \$20 for certain brands)
- Standard Life Insurance
 - Added 3 new plan design offerings with higher limits

2017

- Anthem PPOs
 - Implemented Carrum Health bundled surgery benefit (4/1/17); estimated savings **\$900,000** *if* 100% participation
- Anthem PPOs
 - Waived co-pays for Live Health Online doctor visits

2016

- Anthem PPOs and HMOs
 - Added fifth pricing region for Bay Area, which had been combined with Sacramento
 - Launched \$75,000 per year *annual* Wellness Grant Program
- Delta Dental PPOs
 - Re-rated all plan designs to correspond with utilization cost analysis

ACWA JPIA Plan Changes to Date and Annual Savings (continued)

2015

- Anthem plans PPOs and HMOs
 - Embedded Medicare Part D coverage to receive reimbursement for Medicare with retiree pharmacy claims – Employer Group Waiver Plan (EGWP); estimated savings **\$1,300,000**
 - Raised co-pays for all tiers except generic drugs by \$5; estimated savings **\$250,000**
 - Implemented Preferred Generics, where participants pay the difference in cost when a generic is available; estimated savings **\$500,000**
- Anthem PPOs
 - Implemented Mandatory Mail Order for maintenance medications; estimated savings **\$500,000**
- All medical plans
 - Required enrollment in Medicare A and B for retirees; **significant savings**

2014

- Anthem PPOs
 - Reduced margin to zero when estimating plan cost for renewal
- Anthem Consumer Driven Health Plan (CDHP)
 - Reduced Out-of-Pocket Maximums from \$5,000 per individual and \$10,000 per family to \$2,500 per individual and \$4,000 per family to encourage participation in the plan
- Anthem Value HMO and Kaiser Value HMO
 - Added two higher co-pay HMO plans
- All medical plans
 - Eliminated eligibility for domestic partners covered by affidavit, not legally registered

2013

- Anthem PPOs
 - Increased Stop Loss from \$450,000 per individual per year to \$500,000

Value Added Services Added

- Online benefits enrollment software (2014)
- Affordable Care Act Employer Reporting (2015)
- Castlight price transparency software (2015-2017)

ACWA JPIA Rate History

	2012	2013	2014	2015	2016	2017	2018	2019	3-yr avg	8-yr avg
Anthem Blue Cross										
Classic PPO, Advantage PPO, CDHP	2.2%	8.5%	5.7%	0.0%	7.9%	12.0%	4.5%	0.0%	5.5%	5.1%
CalCare HMO, Value HMO	0.0%	3.7%	5.6%	7.6%	-1.5%	12.0%	8.3%	0.0%	6.8%	4.5%
Kaiser										
Kaiser North	7.9%	4.2%	5.1%	-2.9%	6.3%	6.0%	4.6%	2.6%	4.4%	4.2%
Kaiser North CDHP		4.4%	5.1%	-2.9%	7.1%	-2.8%	4.6%	2.6%	1.5%	2.6%
Kaiser South	0.0%	1.2%	17.9%	-1.7%	2.1%	2.4%	13.1%	2.6%	6.0%	4.7%
Kaiser South CDHP		1.2%	16.0%	-1.7%	2.8%	-8.4%	13.1%	2.6%	2.4%	3.7%
Dental										
Delta Dental PPO	4.2%	2.0%	0.0%	5.0%	-2.7%	0.0%	0.0%	0.0%	0.0%	1.1%
DeltaCare HMO	0.0%	0.0%	8.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%
Vision										
Vision Service Plan	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
Employee Assistance Program										
MHN EAP	0.0%	0.0%	-28.0%	0.0%	-8.4%	0.0%	0.0%	0.0%	0.0%	-4.5%
Life & Disability										
Basic Life	0.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%	2.5%
Supplemental Life	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%	0.0%
Short Term Disability	0.00%	20.00%	0.00%	30.00%	0.00%	0.00%	0.00%	0.00%	0.0%	6.3%
Long Term Disability	0.00%	0.00%	0.00%	20.00%	0.00%	0.00%	0.00%	0.00%	0.0%	2.5%
Note: Regional differences may apply to medical rates; overall funding increase/decrease is reflected above.										

2019 Financial Recap

Line of Coverage	EE s	2019
Anthem - Self-funded - PPO Program ¹	4,356	\$79,587,302
Anthem - Fully-insured - HMO Program ²	1,566	\$28,699,798
<i>North</i> Kaiser - Fully-insured - HMO/CDHP Program ³	412	\$6,848,934
<i>South</i> Kaiser - Fully-insured - HMO/CDHP Program ³	1,116	\$16,891,785
Delta Dental - Self-funded - PPO ⁴	8,569	\$9,993,474
Delta Dental - Fully-insured - DHMO ⁵	181	\$96,467
VSP - Self-insured - Vison ⁶	7,718	\$1,727,964
The Standard - Fully-insured - Life & Disability ⁷		\$1,622,328
MHN - Fully-insured - EAP ⁸	3,680	\$86,995
TOTAL ANNUAL PREMIUM		\$145,555,048

ANNUAL DOLLAR CHANGE

ANNUAL PERCENTAGE CHANGE

¹ Self-funded medical includes: Paid Claims, Fixed Fees (Admin & Stop-loss) & Premiums Collected by JPIA; Enrollment provided by Anthem as for March 2019, actual enrollment may differ

² Fully-insured Anthem HMO premiums include EGWP Part D; Enrollment provided by Anthem Blue Cross as of April 2019, actual enrollment may differ

³ Fully-insured Kaiser HMO enrollment provided by Kaiser as of December 2018, actual enrollment may differ

⁴ Self-funded dental includes: Paid Claims, Fixed Fees (Admin) & Premiums Collected by JPIA; Enrollment provided by Delta Dental as of March 2019, actual enrollment may differ

⁵ Fully-insured Delta Care enrollment provided by Delta Dental as of April 2019, actual enrollment may differ

⁶ Self-funded vision includes: Paid Claims, Fixed Fees (Admin) & Premiums Collected by JPIA; Enrollment provided by VSP as of March 2019, actual enrollment may differ

⁷ The Standard financials are based on premiums paid to The Standard

⁸ MHN EAP financials is based on enrollment as of May 2019, actual enrollment may differ

ACWA JPIA

Current Medical Plan Offerings

Anthem Blue Cross

- Prudent Buyer Classic PPO
- Prudent Buyer Advantage PPO
- California Care HMO
- Value HMO
- Consumer Driven Health Plan PPO

Kaiser HMO

- Traditional HMO
- Traditional HMO Value
- Senior Advantage HMO
- Consumer Driven Health Plan HMO

ACWA JPIA - Current Medical Plans

Ant hem Blue Cross	Deduct ible	Dr. Co-pay	ER Visit	Hospital	Co-insurance	Prescriptions	Med Maximum Out of Pocket	RX Maximum Out of Pocket
Classic PPO	\$200/\$600	\$15	\$50 Copay + 20%	Ded/ 10%	10-20%	\$5/\$20/\$50	\$2,000/\$4,000	\$5,350/ \$10,200
Advantage PPO	\$500/\$1,000	\$20	\$50 Copay + 20%	Ded/ 20%	20%	\$5/\$20/\$50	\$3,000/\$6,000	\$3,600/ \$7,200
CalCare HMO	\$0	\$10	\$50 Copay	\$0	N/A	\$5/\$20/\$50	\$500/\$1,500	\$6,100/ \$11,700
Value HMO	\$0	\$30	\$150 Copay	\$250/ Admit	N/A	Ded \$5/ \$20/ \$50	\$2,500/ \$5,000	\$4,100/ \$8,200
Consumer Driven Health Plan	\$1,500/\$3,000	Ded/ 20%	\$100 copay + 20%	Ded/ 20%	20%	Ded \$5/ \$20/ \$50	\$2,500/ \$4,000	
Kaiser	Deduct ible	Dr. Co-pay	ER Visit	Hospital	Co-insurance	Prescriptions	Combined Out-of-Pocket Maximums	
HMO with Chiro	\$0	\$10	\$50 Copay	\$0	N/A	\$5/\$15	\$1,500/\$3,000	
HMO with Chiro & Optical	\$0	\$10	\$50 Copay	\$0	N/A	\$5/\$15	\$1,500/\$3,000	
Senior Advantage with Chiro	\$0	\$20	\$50 Copay	\$0	N/A	\$10/\$25	\$1,500/\$3,000	
Value HMO with Chiro	\$0	\$30	\$150 Copay	\$250	N/A	\$10/\$20	\$3,000/\$6,000	
Consumer Driven Health Plan	\$1,500/\$3,000	\$20	\$100	\$250	N/A	\$10/\$30	\$2,700/\$5,400	

JPIA Overview:

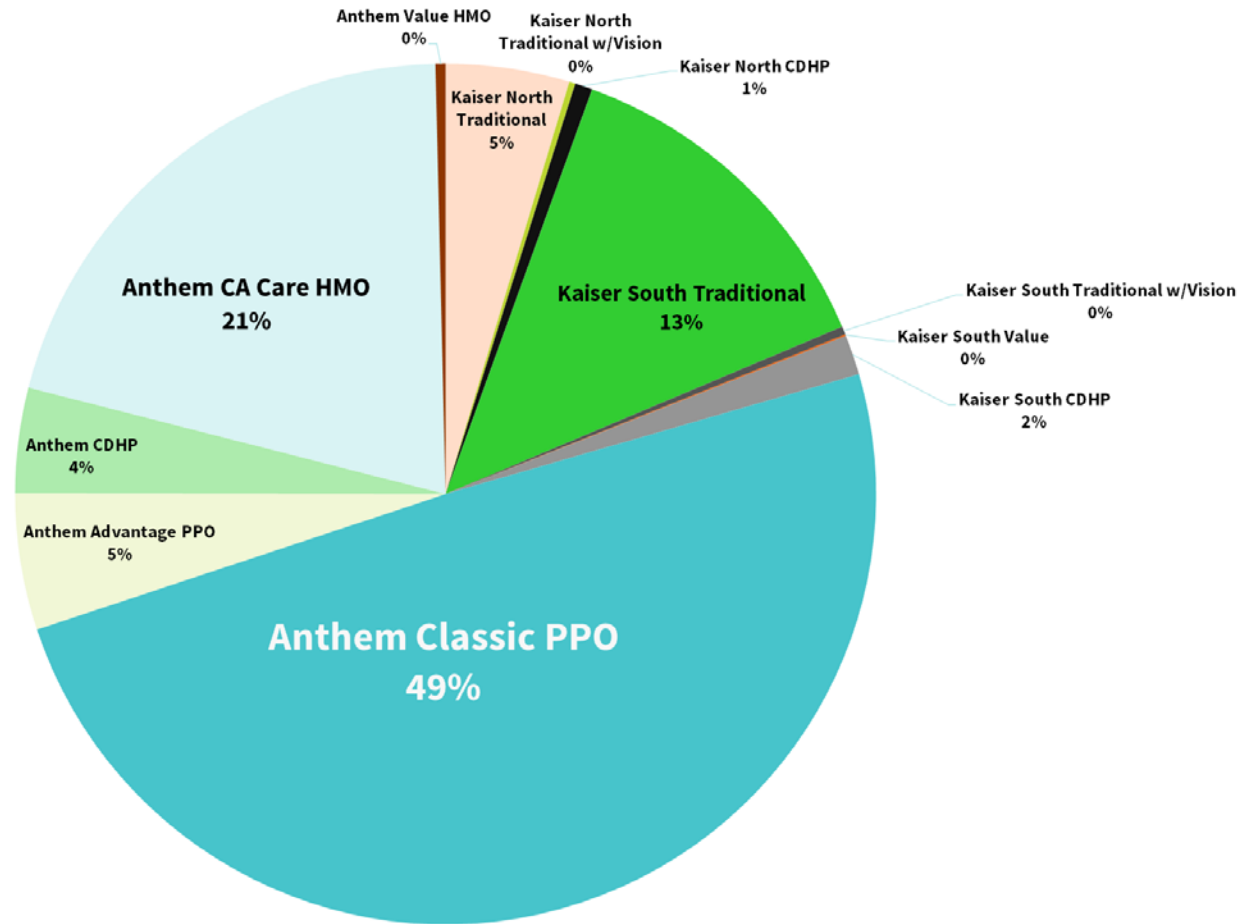
Enrollment History – Detailed Medical Plan Breakout

Employee Enrollment History - Anthem Blue Cross							
Anthem Blue Cross Plans	2013	2014	2015	2016	2017	2018	2019
Prudent Buyer (PPO)							
Classic	4,342	4,177	4,067	3,894	3,840	3,790	3,680
Advantage	301	282	387	456	343	384	382
Consumer Driven Health Plan (CDHP)	0	8	96	129	206	249	294
Total PPO	4,643	4,467	4,550	4,479	4,389	4,423	4,356
% Change from Previous Year	-0.90%	-3.79%	1.86%	-1.56%	-2.01%	0.77%	-1.51%
Anthem Blue Cross (HMO)							
California Care HMO	1,465	1,602	1,573	1,581	1,541	1,517	1,538
Value HMO		6	13	14	29	26	28
Total HMO	1,465	1,608	1,586	1,595	1,570	1,543	1,566
% Change from Previous Year	-0.95%	9.76%	-1.37%	0.57%	-1.57%	-1.72%	1.49%
Total Anthem Plans	6,108	6,075	6,136	6,074	5,959	5,966	5,922
% Change from Previous Year	-0.91%	-0.54%	1.00%	-1.01%	-1.89%	0.12%	-0.74%

Employee Enrollment History - Kaiser							
Kaiser Plans	2013	2014	2015	2016	2017	2018	2019
Northern Region							
HMO	193	217	205	206	307	335	363
Consumer Driven Health Plan (CDHP)		11	26	39	47	47	49
Total	193	228	231	245	354	382	412
% Change from Previous Year	6.04%	18.13%	1.32%	6.06%	44.49%	7.91%	7.85%
% of Total Kaiser Enrollment	23.34%	23.90%	22.67%	21.32%	26.36%	26.42%	26.96%
Southern Region							
HMO	634	702	724	777	876	941	977
HMO with Vision		7	15	29	26	23	23
Value		2	2	22	2	3	4
Consumer Driven Health Plan (CDHP)		15	47	76	85	97	112
Total	634	726	788	904	989	1,064	1,116
% Change from Previous Year	10.45%	14.51%	8.54%	14.72%	9.40%	7.58%	4.89%
% of Total Kaiser Enrollment	76.66%	76.10%	77.33%	78.68%	73.64%	73.58%	73.04%
Total Kaiser Plans	827	954	1,019	1,149	1,343	1,446	1,528
% Change from Previous Year	9.39%	15.36%	6.81%	12.76%	16.88%	7.67%	5.67%

Total All Medical Plans	6,935	7,029	7,155	7,223	7,302	7,412	7,450
% Change from Previous Year	0.22%	1.36%	1.79%	0.95%	1.09%	1.51%	0.51%

JPIA Overview: Enrollment History – Detailed Medical Plan Breakout



- Kaiser North Traditional
- Kaiser North Traditional w/Vision
- Kaiser North CDHP
- Kaiser South Traditional
- Kaiser South Traditional w/Vision
- Kaiser South Value
- Kaiser South CDHP
- Anthem Classic PPO
- Anthem Advantage PPO
- Anthem CDHP
- Anthem CA Care HMO
- Anthem Value HMO

ACWA JPIA
JPIA Administrative Fees
June 24, 2019

BACKGROUND

JPIA began administering Employee Benefits plans July 1, 2012. JPIA has charged the monthly Administrative Fees per employee per month per plan that were set by ACWA HBA in 2011.

CURRENT SITUATION

Administrative Fees collected have been used to fund operating expenses of the JPIA Employee Benefits Department and related staff, with any overage covered by the Reserve Fund. In an effort to spread operating expenses accurately across all Employee Benefits Plans, and to increase accuracy and transparency in pricing, staff recommends adoption of the Administrative Fees presented here.

RECOMMENDATIONS

That the Employee Benefits Committee recommends that the Executive Committee approve an increase in JPIA Administrative Fees per plan, as presented in the packet, effective January 1, 2020.

JPIA Administrative Fees

2019						
Program	Participants	Adm Fee		Total Adm Fee	Premiums	% of prem
Medical	7,490	\$ 9.88		888,069	130,750,218	0.68%
Dental	8,558	\$ 2.24		230,030	10,086,318	2.28%
Vision	7,616	\$ 1.43		130,691	1,739,345	7.51%
Life	2,476	\$ 1.00		29,706	709,059	4.19%
EAP	3,489	\$ 0.38		15,908	81,668	19.48%
				\$ 1,294,404	\$ 143,366,607	0.90%

2020						
Program	Participants	New Adm Fee	% increase	Total Adm Fee	Projected Prems	% of prem
Medical	7,490	\$ 17.00	72%	1,528,054	132,599,248	1.15%
Dental	8,558	\$ 4.50	101%	462,113	9,854,234	4.69%
Vision	7,616	\$ 2.00	40%	182,784	1,687,251	10.83%
Life	2,476	\$ 2.00	100%	59,412	709,059	8.38%
EAP	3,489	\$ 0.60	58%	25,118	81,668	30.76%
				\$ 2,257,482	\$ 144,931,460	1.56%

ACWA JPIA
2020 Pricing and Plan Options for Self-Funded Anthem
Medical PPO Plans
June 24, 2019

BACKGROUND

Employee Benefits plans renew January 1, 2020. Historic rates and information are included in the following pages.

CURRENT SITUATION

ACWA JPIA medical and pharmacy trends for the last several years have been lower than market benchmarks, due in part to plan design changes that have been made. When looking at the last 12, 24, 36, 48 months, medical trend figures are much lower than Alliant's book of businesses trend. Pharmacy trend figures are expected to decrease after outstanding rebates are applied, and are expected to decrease even more after 2019 MedImpact cost savings are included going forward.

The following pages include:

- MedImpact pharmacy benefit clinical programs
- Anthem Site of Care specialty pharmacy clinical program
- Carrum Health Surgery Benefit
- Pricing staff developed to meet the projected costs of the PPO plans

Staff recommended PPO pricing varies by tier, reducing employee plus one from 2.05 to 2.00 times the employee only rate. When holding the aggregate premiums to a 0% increase, the employee plus one decrease resulted in a slight increase to the employee only and family tiers, in most cases by a fraction of a percent. Pricing for the Advantage PPO in the recommendation was increased by 2%, leaving it discounted by 14% below the Classic PPO instead of 16%.

Staff's pricing recommendation includes adoption of the programs recommended in the following pages.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve an **aggregate 0%** increase to rates for the Anthem Blue Cross self-funded PPO plans, which shall include RxGuide, Site of Care, Carrum Health, and an increase to JPIA Administrative Fees, effective January 1, 2020.

JPIA Overview: PPO Renewal History

	ACWA PPO Classic Renewal	ACWA PPO Advantage Renewal	ACWA PPO HDHP Renewal	CalPERS PERSChoice Renewal ¹
2011 (Actual) ²	12.00%	12.00%	12.00%	9.61%
2012	2.23%	2.23%	2.23%	1.90%
2013	8.46%	8.46%	8.46%	16.22%
2014 (Actual) ³	5.70%	5.70%	5.70%	1.49%
2015 (Actual) ⁴	0.00%	0.00%	0.00%	-0.48%
2016 (Actual) ⁵	7.94%	7.94%	7.94%	11.75%
2017 (Actual) ⁶	12.00%	12.00%	12.00%	4.57%
2018 (Actual) ⁷	4.50%	4.50%	4.50%	-2.26%
2019 (Actual) ⁸	0.00%	0.00%	0.00%	5.61%
2020 (Projections)*	1.17%	1.17%	1.17%	4.80% <i>pending</i>
AVERAGE	5.40%	5.40%	5.40%	5.32%

¹CalPERS PERSChoice renewal figures represent overall statewide figure as published by CalPERS

²Underwriting called for 14.10% renewal increase, HBA Trustees made decision to implement renewal increase of 12.00%

³Recommended increase was 9.6% to all PPO plans. Actual increase to members shown above

⁴Recommended increase was 4.7% to all PPO plans. Actual increase to members shown above

⁵Recommended increase was 14.81% to all PPO plans. Actual increase to members shown above

⁶Recommended increase was 14.09% to all PPO plans. Actual increase to members shown above

⁷Recommended increase was 6.90% to all PPO plans. Actual increase to members shown above

⁸Recommended increase was 3.22% to all PPO plans. Actual increase to members shown above

*ACWA JPIA Renewal increases are projections completed by Alliant Underwriting. CalPERS PERSChoice renewal is also a preliminary number, final results expected June 18th

PPO Trend Analysis

2020 ACWA/JPIA MEDICAL RENEWAL: PPO TREND ANALYSIS			
Trend Source	Medical Trend	Rx Trend	Months of Specific Trend
Anthem Book of Business Trends¹	9.30%	9.70%	
Anthem ACWA JPIA Illustrative Trends²	9.60%	n/a	
Alliant Trends³	6.50%	9.50%	
Segal Trend Survey⁴	7.10%	7.50%	
ACWA/JPIA Specific Trends⁵	-7.40%	8.61%	12
ACWA/JPIA Specific Trends⁵	-4.56%	6.71%	24
ACWA/JPIA Specific Trends⁵	-0.97%	4.13%	36

¹ Anthem California BOB Corporate 2020 Projected Trend Levels

² Anthem ACWA JPIA 2020 Illustrative Projection Trend Levels (provided as a courtesy using insured projection methodology)

³ Alliant Book of Business Trend 2019

⁴ 2019 Segal Trend Survey is an annual national survey of multiple carriers, including Anthem Blue Cross, Blue Shield, Cigna, Aetna, etc.

⁵ ACWA JPIA specific trends (includes claims over ISL and does not adjust for plan design changes)

2020 PPO Renewal Projection Overview

We have provided a single PPO renewal underwriting projection for all Anthem PPO Plans, including the following components:

- 6.5% medical trend and 9.5% RX - These numbers represents a combination of industry standard and ACWA JPIA specific trend
- **The analysis yields a rate change of 1.05%**
- Paid claims and premiums are through March 31, 2019
- 35% estimated stop-loss renewal for 2019
- 0% increase to Anthem administration fees
- Estimated active Rx rebates
- At JPIA's request, the calculation includes no claim fluctuation margin (allowance for unexpected increases in claims cost)
- Consistent with industry standard practice, this estimate is calculated independent of any consideration of whether JPIA will subsidize rates from accumulated surplus

2020 PPO Rate Projection

		Anniversary Date: January 1			
Renewal Date	Jan-20	TOTAL			
Most Recent Experience Month	Mar-19	<u>Medical</u>	<u>Pharmacy</u>	<u>Total (PEPM)</u>	<u>Total (Annualized)</u>
Current Funding (Monthly)				\$6,530,086	\$78,361,037
Current Monthly Enrollment				4,356	52,272
Current Funding PEPM				\$1,499.10	\$1,499.10
Incurred Claims (2018 PY)		\$48,790,170	\$21,314,903	\$70,105,072	\$70,105,072
Annual Subscriber Lives (2018 PY)		53,090	53,090	53,090	53,090
Incurred Claims PEPM		\$919.01	\$401.49	\$1,320.49	\$70,105,072
Trend Adjustment					
Annual Trend		6.50%	9.50%		
Applied Trend Factor		1.1342	1.1990	1.1539	1.1539
Trended Claims PEPM (2018 PY)		\$1,042.36	\$481.39	\$1,523.75	\$79,649,700
Claim Adjustments (2018 PY)					
Historical Benefit Design Adjustment		\$0.00	(\$18.91)	(\$18.91)	(\$988,447)
Large Claim Adjustment		(\$59.51)		(\$59.51)	(\$3,110,851)
Adjusted Trended Claims PEPM (2018 PY)		\$982.85	\$462.48	\$1,445.33	(\$4,099,298)
Multi-Year Underwriting Adjustment					
2017 PY Trended Claims PEPM (Weighted: Med - 20% / Rx - 10%)		\$1,109.60	\$469.87	\$1,579.47	
2018 PY Trended Claims PEPM (Weighted: Med - 80% / Rx - 90%)		\$982.85	\$462.48	\$1,445.33	
2019 PY Trended Claims PEPM (Weighted: Med - 0% / Rx - 0%)		\$951.34	\$451.54	\$1,402.88	
Blended Trended Claims PEPM		\$1,011.71	\$462.01	\$1,473.72	\$77,034,305
Margin (Claim Fluctuation Reserve - 0%)		\$0.00	\$0.00	\$0.00	\$0.00
Rx Rebate			(\$99.12)	(\$99.12)	(\$5,181,200)
Program Fixed Costs (See Exhibit for Detail)		\$140.26		\$140.26	\$7,331,420
Net Required Funding PEPM		\$1,151.97	\$362.89	\$1,514.86	\$79,184,525
Net Required Funding Change				1.05%	1.05%

Projections are estimates and not guaranteed

MedImpact Clinical Programs

A summary of MedImpact clinical programs implemented to date, along with a program recommended for 2020, is included in the following pages.

In March, staff discovered that a number of clinical programs in place at Anthem were not implemented with MedImpact. Once these programs were presented to staff with analysis and comparison to the comparable Anthem programs, MedImpact was directed to implement those mirroring Anthem's clinical programs as soon as possible. Most clinical programs took effect May 1, 2019, with the exception of one program still in the testing phase. A summary of those programs is included here.

Recommended for January 1, 2020, **RxGuide** monitors data daily to identify members with multiple chronic conditions taking multiple medications. Outreach via letter and telephone is made to introduce the program and enroll participants. Clinicians assist with medication adherence, safety, and identify potential gaps in care. Utilizing this program offered by the Pharmacy Benefit Manager can improve health outcomes and reduce medical costs. Typically, 8-10% of the population qualifies for this program, which equates to between 710 – 885 JPIA participants. The cost is **\$0.10 Per Member Per Month (PMPM)**, projected to be **\$10,620 per year**. Estimated ROI is 10:1. Medicare retirees are currently covered by a similar clinical program called Medical Therapy Management. A flyer describing the RxGuide program is included here. Staff recommends implementing RxGuide for JPIA's active and early retiree population, effective January 1, 2020.

MedImpact Clinical Programs: Commercial	Implemented 1/1/2019	Fee	Implementation Date	Annual Estimate
<p align="center">RxGuide See included flyer and summary sheet</p>	No	\$0.10 PMPM	Recommended for 1/1/2020	\$ 10,620
<p>MedImpact Standard Quantity Limit and Prior Authorization Programs</p>	Yes	Included	1/1/2019	\$ -
<ul style="list-style-type: none"> • MedImpact Standard Quantity Limit (MSQL) Program • Opioid Naive Day Supply Limit (ONDSL) (1st time Rx) <p>Short acting opioids - 7 Day Supply per fill and 14 Day Supply for 30 days # of targeted members: 53</p>	Yes - SQL No - ONDSL	Included	1/1/2019 - SQL 5/1/19 - ONDSL	\$ -
<p align="center">Opioid Cumulative Dosing at Point-of-Sale</p> <p>Denies claim when morphine milligram equivalent dose per day is equal to or exceeds a threshold (e.g. ≥ 200 mg) across a single or multiple opioid-containing claim(s). Over overridable with a therapeutic prior authorization. # of targeted members: Soft stop (> 90 mg): 9; Hard stop (> 200mg): 3</p>	No	\$0.02 PMPM	5/1/2019	\$ 2,124
<p align="center">RxOversight Controlled Substances Abuse Program</p> <p>Identifies potential abusers of controlled substances receiving 10 or more prescriptions over a 3-month period. Identified members for review and triage will be referred to appropriate team (i.e., clinical, etc.) as needed. # of targeted members: 6</p>	No	\$0.03 PMPM	5/1/2019	\$ 3,186
<p align="center">Opioid-Benzodiazepine Concurrent Use</p> <p>Identifies and denies concurrent use of opioids and benzodiazepines when there is an overlap in days' supply. Overridable by therapeutic prior authorization or professional pharmacy services. MedImpact is developing adding skeletal muscle relaxants. # of targeted members: 27</p>	No	\$0.06 PMPM	5/1/2019	\$ 6,372
<p align="center">Opioid-Buprenorphine Concurrent Use</p> <p>Denies concurrent prescriptions for opioids and opioid-replacement therapy medications at Point-of-Sale. # of targeted members: pending</p>	No	Included	Pending testing for implementation mid-2019	\$ -

MedImpact EGWP Clinical Program	Implemented 1/1/2019	Fee	Implementation Date	Annual Estimate
Prior Authorization	Yes	Included	1/1/2019	
Step Therapy	Yes	Included	1/1/2019	
Quantity Limitations	Yes	Included	1/1/2019	
Medication Therapy Management (MTM)	Yes	Included	1/1/2019	
Opioid Overutilization and Safety Controls Programs <ul style="list-style-type: none"> • Opioid Overutilization-Benzodiazepine Concurrent Use Retrospective Intervention with Case Management • Opioid Cumulative Dosing at Point-of-Sale • Opioid-Benzodiazepine Concurrent Use at Point-of-Sale • Opioid Naïve Day Supply Limitation at Point-of-Sale • Duplicative Long-Acting Opioid Therapy at Point-of-Sale 	Yes	Included	1/1/2019	
Choice 90 Optimization Program	Yes	Included	1/1/2019	
Medication Therapy Management (MTM) High Risk Medications in the Elderly DUE	Yes	Included	1/1/2019	
Statin Use in Diabetics DUE	Yes	Included	1/1/2019	
MedImpact Specialty Program (MIDS)	Yes	Included	1/1/2019	
Star Forecaster	Yes	Included	1/1/2019	
RxOversight Controlled Substances Abuse Program # of targeted members: 3	No	\$0.03 PMPM	5/1/2019	\$ 540

RxGuide™

High-Touch Population Management Program for Self-Funded Employers

MedImpact's RxGuide™ is a high-touch population management program designed for employers who seek to improve drug therapy and reduce total healthcare costs. RxGuide targets members who take multiple medications for chronic conditions and pose the highest risk of non-compliance with their medication therapy. RxGuide helps manage medication therapy for at-risk plan members including employees and their dependents so they can lead healthier, more productive lives.



Who is At Risk?

RxGuide identifies members taking multiple medications to control the most prevalent chronic conditions:

- Diabetes
- High Blood Pressure
- High Cholesterol
- Depression
- Asthma/Chronic Obstructive Pulmonary Disease (COPD)



RxGuide Helps Improve:

- Adherence
- Gaps in Care
- Medication Safety
- Cost Savings



Enrollment and Education

After a member is identified, we send a welcome letter that explains the details of the program, notifies them of their eligibility to participate and the benefits of better health. Member enrollment in RxGuide provides ongoing daily evaluations to assess any new drug-related problems associated with new prescriptions.



Intervention and Prevention

A credentialed healthcare provider calls the member to discuss the drug-related problem flagged by RxGuide and how to resolve it. After the clinical discussion, the member receives a medication action plan, along with a personalized medication record and a medication wallet card to share during their next prescriber visit. The healthcare provider may also reach out to the prescriber to help close the gaps in care and support their patient's medication therapy.

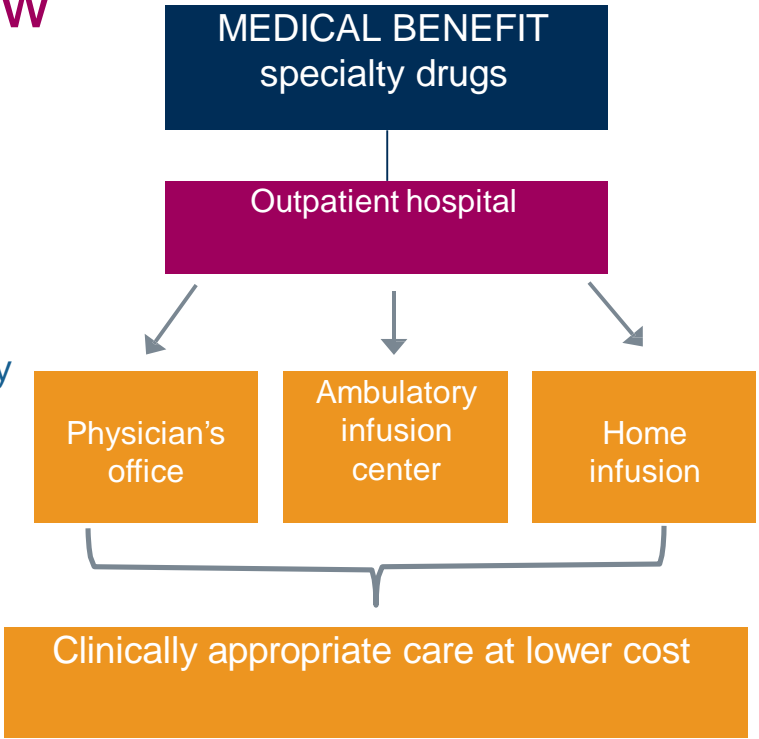
Additionally, upon request by the member or as deemed necessary by the healthcare provider, healthcare providers may conduct a comprehensive medication review, which addresses total medication therapy rather than a single drug-related problem.

Anthem Site of Care Specialty Pharmacy Program

Specialty medications are covered under either the medical or pharmacy benefit, depending on the medication. The location the medication is administered has a substantial impact on the price, with hospital outpatient departments being the most expensive. The Anthem Site of Care program steers members receiving non-oncology specialty medications toward having them administered at physician's office or at home, if clinically appropriate. Messaging occurs primarily between the prescribing provider and Anthem. The cost is **\$0.30 Per Member Per Month** (PMPM), projected to be **\$31,079** per year. This program is not compatible with the retiree with Medicare plans. Staff recommends implementing the Site of Care program for all JPIA PPO members except for Medicare retirees, effective January 1, 2020.

Medical Specialty Drug Review

- > Clinical review for a robust list of medical specialty drugs required **prior** to service being given
- > Additional review for correct dose and frequency for certain drugs
- > Medical step therapy program for best value drugs
- > Soft steer to preferred products with lowest cost and to service by our exclusive specialty pharmacy provider



Site of Care

- > Clinical review required for certain drugs requested in outpatient hospital setting
- > Uses clinical criteria to determine the site most appropriate for the member based on their specific clinical needs
- > Lower cost sites of care include MD office, Infusion center, or Home infusion utilizing the entire Anthem network
- > Alternate site options given at time of review to minimize abrasion and assure no interruption of care

ACWA JPIA Medical Specialty Analysis

A comprehensive solution for managing specialty drugs under the medical benefit to achieve optimal clinical outcomes and lowest cost



Clinical management through Medical Specialty Drug Review

Providing utilization management reviews for drugs covered under the medical benefit prior to service being given

Total Member Months	103,596
Average Monthly Members	8,633



Steering to lower-cost sites of care

Managing members to the lowest cost site of care for drug therapy when clinically appropriate

Data Summary

	Home	Office	Outpatient Hospital	Total
Total Specialty Paid Spend	\$246,505	\$1,016,611	\$2,752,840	\$4,015,957
- Non Oncology	\$243,938	\$802,514	\$936,718	\$1,983,169
- Non Oncology PMPM	\$2.12	\$6.97	\$8.13	\$17.22
Specialty Utilizers	19	201	359	579
- Non Oncology	18	151	290	459
Targeted members	9	54	12	75

Estimated Savings

	Medical Specialty Drug Review and Site of Care	
	Min	Max
Savings PMPM		
Medical Specialty Drug Review	\$0.10	\$0.15
Site of Care	\$1.48	\$2.22
Total Savings PMPM	\$1.58	\$2.37
Cost PMPM	\$0.30	\$0.30
Savings Before Cost	\$190,079	\$285,118
Cost	\$31,079	\$31,079
Net Savings	\$159,000	\$254,039

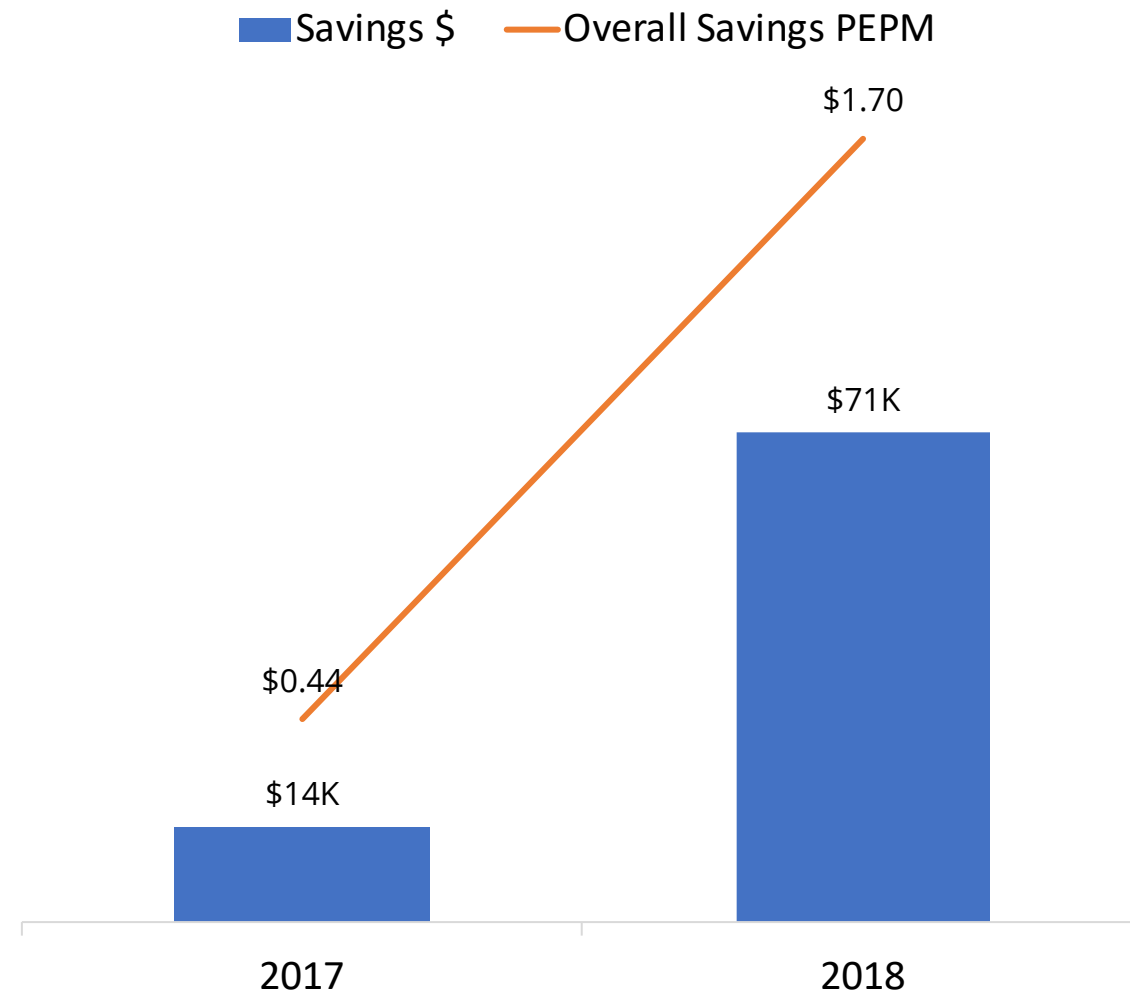
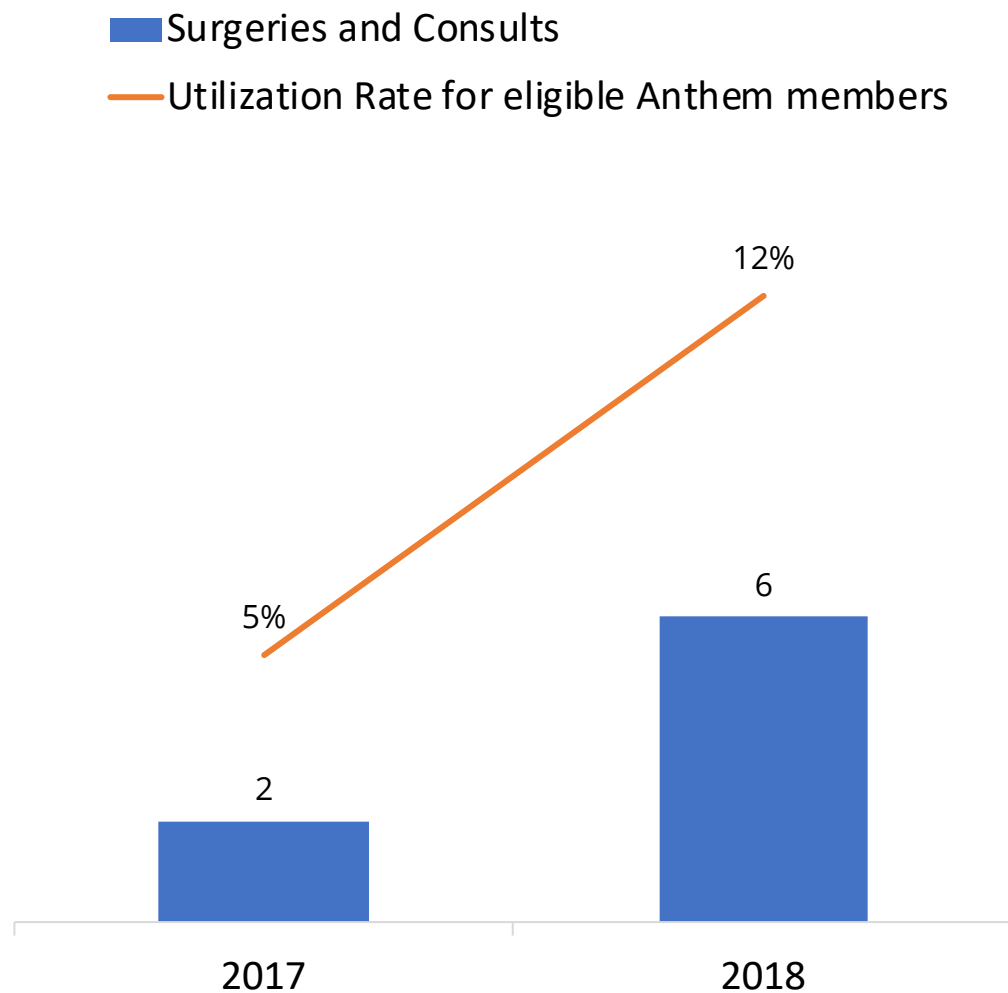
Carrum Health Surgery Benefit

Carrum Health is a surgery benefit for members of the self-funded Anthem PPO plans. Surgeons are thoroughly vetted for quality outcomes and experience with each contracted procedure. Bundled pricing is negotiated, covering any readmission due to complications at the expense of the provider. Carrum has contracts for many musculoskeletal surgeries, cardiac, and bariatric surgery. JPIA's PPO plans cover the cost of travel to the contracted Center of Excellence in California, including overnight stay with a travel companion. In addition to savings per procedure, Carrum provides participants with access to the best surgeons and a streamlined concierge experience. Communication is the primary challenge in the way of increasing utilization. Ms. Rech will review recent communications and incentives in place later in the agenda. The cost of the program is **\$1.00 Per Employee Per Month (PEPM)**, projected to be **\$41,808 per year**. The enclosed utilization report shows that in 2018, 12% of members who were eligible to use Carrum, meaning they had surgeries for which Carrum contracts, used the program. This was a significant increase from 4% in the prior period. JPIA was granted use of Carrum Health for 24 months at no cost. Premiums took effect February 1, 2019. JPIA's return on investment, comparing 2018 savings to 2019 annualized premiums, was \$1.70:\$1.00. Staff recommends renewing with Carrum Health for twelve months for the active and early retiree PPO population, effective January 1, 2020.



Bringing Common Sense to Healthcare
ACWA JPIA UTILIZATION REPORT
Q1 2018 – Q4 2018

Tremendous progress from 2017 to 2018



Fantastic savings: Q1 2018 – Q4 2018

Date	Procedure	Savings
Mar '18	Hip (DRG 470)	\$8,291
Aug '18	Hip Non-Replacement (Consult Only)	\$31,252
Aug '18	Knee Non-Replacement (Consult Only)	\$12,334
Sep '18	Shoulder (CPT 29827)	\$11,315
Dec '18	Bariatrics (DRG 621)	\$1,210
Dec '18	Knee (DRG 470)	\$6,589

Total Savings \$70,991

Great utilization and additional savings: Q1 2018 – Q4 2018

Metrics	Results	Notes
Utilization	11.5%	Based on estimated 52 eligible surgeries in 2018
Gross Savings PEPM	\$20.38	Based on 3,484 employees
Illustrative ROI against \$1.00 PEPM fee	70%	PEPM fee began 2/1/19

**ACWA JPIA
2020 PPO Renewal
June 24, 2019**

CLASSIC PPO REGION	ENROLL TOTAL	2020 STANDARD W/ADM			2020 INCENTIVE W/ADM			2020 TOTAL PREMIUMS	2019 TOTAL PREMIUMS
		EE	EE+1	FAM	EE	EE+1	FAM		
Los Angeles	505	845.14	1,690.28	2,239.62	811.33	1,622.67	2,150.03	9,515,081	9,541,754
Other South	1,434	896.49	1,792.97	2,375.69	860.63	1,721.25	2,280.66	28,597,229	28,629,239
Sacramento	182	982.75	1,965.50	2,604.29	943.44	1,886.88	2,500.12	4,310,991	4,316,757
Other North	418	987.42	1,974.84	2,616.66	947.92	1,895.84	2,511.99	9,382,591	9,400,440
Bay Area	355	1,027.38	2,054.75	2,722.55	986.28	1,972.56	2,613.65	7,686,843	7,691,392
Medicare	807	571.39	1,142.78	1,758.88	548.54	1,097.07	1,688.52	7,843,260	7,902,655
	3,701		2.00	2.65	4%			\$ 67,335,993	\$ 67,482,238
ADVANTAGE		14%							
Los Angeles	30	726.82	1,453.64	1,926.07	697.75	1,395.49	1,849.03	589,003	571,408
Other South	167	770.98	1,541.95	2,043.09	740.14	1,480.28	1,961.37	3,043,879	2,971,478
Sacramento	46	845.17	1,690.33	2,239.69	811.36	1,622.72	2,150.10	767,243	749,640
Other North	111	849.18	1,698.36	2,250.33	815.21	1,630.43	2,160.31	2,103,331	2,061,599
Bay Area	12	883.54	1,767.09	2,341.39	848.20	1,696.41	2,247.74	192,121	187,949
Medicare	24	491.40	982.79	1,512.63	471.74	943.48	1,452.13	201,434	198,984
	390							\$ 6,897,011	\$ 6,741,058
CDHP		20%							
Los Angeles	34	676.11	1,352.22	1,791.70	649.07	1,298.13	1,720.03	563,277	563,196
Other South	71	717.19	1,434.38	1,900.55	688.50	1,377.00	1,824.53	1,093,821	1,094,578
Sacramento	94	786.20	1,572.40	2,083.43	754.75	1,509.50	2,000.09	1,819,557	1,823,983
Other North	58	789.93	1,579.87	2,093.33	758.34	1,516.67	2,009.59	1,049,994	1,054,481
Bay Area	44	821.90	1,643.80	2,178.04	789.03	1,578.05	2,090.92	923,456	923,909
Medicare	1	457.11	914.23	1,407.10	438.83	877.66	1,350.82	16,885	16,551
	302							\$ 5,466,990	\$ 5,476,698
	4,393								

Annual Premiums	\$	79,699,994	\$	79,699,994
Includes Admin Fees	\$	896,172	\$	520,834
Enrollees		4,393		4,393
Premium PEPM	\$	1,511.87	\$	1,511.87
Projected Plan Cost PEPM	\$	1,531.86		
Projected Plan Cost	\$	80,753,532		
Potential Subsidy	\$	1,053,537		
Aggregate Increase		0.00%		

PEPM = Per Employee Per Month
2019 Annualized based on 3/31/2019 data

ACWA JPIA
2020 Pricing for the Insured Anthem HMO Medical Plans
June 24, 2019

BACKGROUND

Employee Benefits plans renew January 1, 2020. Historic rate information is included in the following pages.

The HMO plans are fully insured, with rates set by Anthem. However, pharmacy claims for retirees with Medicare are carved out and self-funded using an Employer Group Waiver Plan (EGWP). EGWPs receive reimbursement for a portion of prescription costs from Medicare Part D.

CURRENT SITUATION

Anthem provided a rate increase of 5.64% for the insured portion of the plan. When combined with the self-funded EGWP portion, the overall increase in costs is projected by Alliant to be 5.76%. Final pricing developed and recommended by staff yields an 8.21% aggregate increase. This is due to higher than expected EGWP costs in 2019, along with the recommended increase in JPIA Administrative Fees.

Tier adjustments were made to provide consistency in the multiplier for family rates, which varied by region. Staff recommends a 2.65 rate multiplier for family rates in all regions, which matches the PPO family tier multiplier.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve an aggregate increase of **8.21%** for the Anthem Blue Cross HMO plans, effective January 1, 2020.

JPIA Overview: HMO Renewal History

Year	ACWA JPIA HMO Renewal	CalPERS HMO Renewal ¹
2011	18.71%	16.16%
2012 ²	-4.02%	3.50%
2013	8.00%	8.70%
2014 ³	5.60%	-3.00%
2015 ⁴	5.50%	9.60%
2016 ⁵	-4.97%	6.86%
2017 ⁶	12.00%	16.00%
2018 ⁷	8.26%	-9.41%
2019 ⁸	0.00%	6.20%
2020*	5.64%	16.09% <i>pending</i>
AVERAGE	5.47%	7.07%

¹CalPERS Blue Shield Access HMO figures represent statewide renewals as published by CalPERS, other less expensive HMO plans are available

²Anthem HMO renewal was -4.02%, committee approved 0% renewal to members to build up a stabilization fund to buy down future increases

³Alliant negotiated renewal (Anthem proposed +15.59%)

⁴Alliant negotiated renewal (Anthem proposed +10.42%)

⁵Alliant negotiated renewal (Anthem proposed -1.47%)

⁶Renewal includes Anthem fully-insured medical renewal + Self-funded Rx EGWP program

⁷Renewal includes Anthem fully-insured medical renewal + Self-funded Rx EGWP program

⁸Renewal includes Anthem fully-insured medical renewal + Self-funded Rx EGWP program

* ACWA JPIA Renewal includes Anthem fully-insured medical renewal. CalPERS HMO renewal is preliminary, final results expected June 19th

2020 Anthem HMO Renewal Summary

- The insured Anthem HMO 2020 renewal is 5.64%
- **The overall HMO increase is projected to be 5.76%** with the self funded EGWP plan
- Renewal Highlights:
 - The experience period used for the renewal calculation is from April 2018 to March 31, 2019
 - ACWA JPIA is 100% credible making the renewal rating solely based on JPIA's specific claims experience, trend and demographics
 - **ACA reinsurer fees** were included for 2020, but were waived in 2019. This **will account for 2.78% of premium.**

2020 Anthem HMO Renewal Calculation

ACWA JPIA		
SUMMARY OF 2020 BLUE CROSS HMO RENEWAL CALCULATION		
	PEPM	TOTAL DOLLARS
Estimated Medical HMO Enrollment	1,566	18,792
PROJECTED CLAIM & CAPITATION COSTS		
Fee for Service Claims	\$755.62	\$14,199,661
Fixed Fees to Providers (Capitation)	\$567.65	\$10,667,238
EGWP Part D	<u>\$48.75</u>	<u>\$916,147</u>
<i>Projected Claim and Capitation Subtotal</i>	\$1,372.02	\$25,783,046
FIXED COSTS		
Retention (Administration Charges)	\$175.23	\$3,292,987
Large Claims Charge	\$69.99	\$1,315,338
<i>Fixed Cost Subtotal</i>	\$245.23	\$4,608,325
RENEWAL PREMIUM	\$1,617.25	\$30,391,371
ACA FEES	\$44.85	\$842,899
TOTAL	\$1,662.10	\$31,234,271
CURRENT ANTHEM PREMIUM	\$1,527.23	\$28,699,798
EGWP Part D Adjustment	\$44.28	\$832,172
TOTAL	\$1,571.52	\$29,531,970
% CHANGE FROM CURRENT	5.76%	5.76%

**ACWA JPIA
2020 HMO Renewal
June 24, 2019**

CALCARE HMO REGION	ENROLL TOTAL	2020 ANNUAL PROJECTED COST	2020 STANDARD PREMIUMS			2020 INCENTIVE PREMIUMS			2020 ANNUAL PREMIUMS	2019 ANNUAL PREMIUMS
			EE	EE+1	FAM	EE	EE+1	FAM		
Los Angeles	257	5,367,888.28	797.09	1,594.18	2,112.29	765.21	1,530.41	2,027.79	5,054,604.22	4,652,852.64
Other South	823	17,131,831.92	859.74	1,719.48	2,278.31	825.35	1,650.70	2,187.18	17,136,115.03	15,783,838.56
Sacramento	139	2,977,346.38	1,078.02	2,156.03	2,856.74	1,034.90	2,069.79	2,742.47	3,361,593.76	3,140,545.20
Other North	120	2,714,234.79	1,087.46	2,174.93	2,881.78	1,043.97	2,087.93	2,766.51	3,098,905.11	2,912,623.92
Bay Area	20	401,564.56	1,140.19	2,280.38	3,021.50	1,094.58	2,189.16	2,900.64	495,309.00	461,816.16
Medicare	175	1,128,889.70	603.63	1,207.26	1,852.38	579.48	1,158.97	1,778.29	1,786,838.47	1,633,183.80
	1,534	\$ 29,721,756		2.00	2.65		4%		\$ 30,933,366	\$ 28,584,860

VALUE HMO										
Los Angeles	-	-	734.19	1,468.38	1,945.60	704.82	1,409.64	1,867.77	-	-
Other South	15	282,614.36	791.82	1,583.64	2,098.33	760.15	1,520.30	2,014.39	281,786.89	259,640.28
Sacramento	6	149,947.21	992.64	1,985.28	2,630.49	952.93	1,905.87	2,525.27	166,953.89	157,425.84
Other North	1	27,786.23	1,001.32	2,002.65	2,653.51	961.27	1,922.54	2,547.37	30,568.43	29,158.92
Bay Area	3	39,773.76	1,049.84	2,099.67	2,782.07	1,007.84	2,015.69	2,670.78	50,392.15	46,178.88
Medicare	2	11,504.45	556.19	1,112.39	1,706.46	533.95	1,067.89	1,638.21	19,756.03	18,037.56
	27	\$ 511,626							\$ 549,457	\$ 510,441
	1,561									

Insured Premiums	\$	30,233,382
EGWP Costs	\$	930,997
Admin Costs	\$	318,444
Total Program Cost	\$	31,482,823
Enrollees		1,561
PEPM	\$	1,680.70

Annual Premiums	\$	31,482,823	\$	29,095,302
Enrollees		1,561	\$	1,561
PEPM	\$	1,680.70	\$	1,553.24
Projected Plan Cost	\$	31,482,823		
Potential Subsidy	\$	0		
Aggregate Increase		8.21%		

PEPM = Per Employee Per Month
2019 Annualized based on 3/31/2019 data

ACWA JPIA
2020 Pricing for the Insured Kaiser Medical Plans
June 24, 2019

BACKGROUND

Employee Benefits plans renew January 1, 2020. Historic enrollment and rates are included in the following pages.

The Kaiser plans are fully insured, with Northern and Southern California rates set by Kaiser. Prior to 2019, Kaiser North and Kaiser South had different rate increases or decreases each year. In 2019, the Executive Committee approved blending the rate of increase or decrease to provide stability, while maintaining the regional pricing differences between Northern and Southern California.

In 2019, Kaiser rates increased 2.64% across all JPIA regions. Without blending the rate of increase, Kaiser North would have increased 14.96% while Kaiser South decreased 2.27%.

CURRENT SITUATION

The insured Kaiser 2020 renewal for both regions reflects a 1.69% increase. Staff's recommended increase to JPIA Administrative Fees, charged separately to each plan, results in a 2.24% rate increase.

Unblended for 2020, Kaiser North would have decreased by 5.0% while Kaiser South would have increased by 4.8%. Blending the rate of change is working to provide shared rate stability across the regions.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve a rate increase of **2.24%** for the Kaiser plans, effective January 1, 2020.

Kaiser Renewal & Enrollment History

Kaiser Renewal Rate History					
Region	2016	2017	2018	2019	2020
North	6.32%	2.40%	4.60%	2.64%	1.69%
South	2.10%	5.96%	13.00%	2.64%	1.69%

Employee Enrollment History - Kaiser							
Kaiser Plans	2013	2014	2015	2016	2017	2018	2019
Northern Region							
HMO	193	217	205	206	307	335	363
Consumer Driven Health Plan (CDHP)		11	26	39	47	47	49
Total	193	228	231	245	354	382	412
% Change from Previous Year	6.04%	18.13%	1.32%	6.06%	44.49%	7.91%	7.85%
% of Total Kaiser Enrollment	23.34%	23.90%	22.67%	21.32%	26.36%	26.42%	26.96%
Southern Region							
HMO	634	702	724	777	876	941	977
HMO with Vision		7	15	29	26	23	23
Value		2	2	22	2	3	4
Consumer Driven Health Plan (CDHP)		15	47	76	85	97	112
Total	634	726	788	904	989	1,064	1,116
% Change from Previous Year	10.45%	14.51%	8.54%	14.72%	9.40%	7.58%	4.89%
% of Total Kaiser Enrollment	76.66%	76.10%	77.33%	78.68%	73.64%	73.58%	73.04%
Total Kaiser Plans	827	954	1,019	1,149	1,343	1,446	1,528
% Change from Previous Year	9.39%	15.36%	6.81%	12.76%	16.88%	7.67%	5.67%

2020 Kaiser Renewal - Blended

Kaiser Renewal Highlights:

- The blended Kaiser renewal for Southern and Northern California is **1.69%**
- The experience period used for the renewal calculation was from January 1 - December 31, 2018
2018
- ACWA JPIA Southern California population is 100% credible making the renewal based on JPIA's specific claims experience and JPIA's specific claims experience and demographics. The Northern California population is 90% credible.
 - In order to blend the North and South renewal, the two locations had to be individually underwritten first, then blended.
underwritten first, then blended.
- This year's renewal period (2018) paid claims PMPM were as follows. This is not the rate increase that would have been applied, which increase that would have been applied, which includes many other elements. Paid claims:
 - Kaiser South \$380.58 PMPM, 2.6% higher than last year's \$370.97 PMPM
 - Kaiser North \$536.46 PMPM, 15.2% lower than last year's \$632.37 PMPM
- Kaiser used a single, combined medical and pharmacy trend factor:
 - Kaiser South 4.59%, higher than the 4.74% used in 2019
 - Kaiser North 3.16%, lower than the 4.33% used in 2019

**ACWA JPIA
2020 Kaiser Renewal
June 24, 2019**

KAISER REGION	JPIA REGION	PLAN NAME	ENROLL TOTAL	2020 PREMIUMS			2020 ANNUAL PREMIUMS	2019 ANNUAL PREMIUMS
				EE	EE+1	FAM		
KP South	Los Angeles	HMO	327	640.64	1,264.28	1,781.90	5,190,424	5,077,334
KP South	Other South	HMO	659	640.64	1,264.28	1,781.90	10,442,281	10,214,668
KP South	All South	VALUE	4	585.64	1,154.27	1,626.23	78,059	76,434
KP South	All South	OPTICAL	23	652.42	1,287.84	1,815.24	402,185	393,614
KP South	All South	CDHP	109	459.30	901.60	1,268.71	1,303,122	1,272,522
KP South	All South	SR ADV	36	205.30	393.59	911.21	131,619	126,478
			1,158	17.00			17,547,690	17,161,049
KP North	Sacramento	HMO	124	762.22	1,507.45	2,125.98	2,413,293	2,363,012
KP North	Other North	HMO	20	762.22	1,507.45	2,125.98	357,048	349,473
KP North	Bay Area	HMO	162	762.22	1,507.45	2,125.98	2,592,318	2,535,944
KP North	All North	VALUE	-	704.69	1,392.37	1,963.15	-	-
KP North	All North	OPTICAL	17	775.68	1,534.35	2,164.03	305,268	298,800
KP North	All North	CDHP	49	578.06	1,139.13	1,604.82	741,042	724,706
KP North	All North	SR ADV	37	328.45	639.89	1,258.42	194,416	188,149
			452				7,224,258	7,067,193
			1,610					

Total Premium	\$ 24,771,949	\$ 24,228,242
PEPM	\$ 1,282.19	\$ 1,254.05
Includes Adm Fees	\$ 328,440	\$ 190,882
Includes Admin Fees PEPM	\$ 17.00	\$ 9.88

	Increase
South	2.24%
North	2.24%

PEPM = Per Employee Per Month

2019 Annualized based on 3/31/2019 data

Preliminary monthly premiums here are approximate and are may vary slightly due to rounding by Kaiser.

ACWA JPIA
2020 Pricing for the Ancillary Plans
June 24, 2019

BACKGROUND

Employee Benefits plans renew January 1, 2020. Historic rate and enrollment information is included in the following pages.

CURRENT SITUATION

Delta Dental PPO and VSP plans are self-funded. These plans continue to perform well, with a small but consistent surplus. There are no changes to the carriers' administrative fees for claims processing and network access for 2020.

Staff recommends absorbing the increase in recommended JPIA Administrative Fees for the self-funded plans, providing **no change** in rates for the Dental PPOs and VSP plans. Any excess collected for these plans in prior years has contributed to offsetting administrative costs. Increasing rates to cover recommended JPIA Administrative Fees would result in the following: Dental PPO 2.25% increase and VSP 2.79% increase.

The following fully insured plans will renew with no change in insured rates for 2020:

- DeltaCare HMO
- Standard Life
- Standard Disability
- MHN Employee Assistance Program (EAP)

Staff recommends passing on the difference in recommended JPIA Administrative Fees for each fully insured plan:

- DeltaCare HMO increase of \$2.26 PEPM, or **5.24%** from \$43.10 to \$45.36 PEPM
- Standard Life increase of \$1.00 PEPM for, or **9.41%** from \$10.63 to \$11.63 PEPM
- MHN EAP increase of \$0.22 PEPM, or **9.44%** from \$2.33 to \$2.55 PEPM

Standard Disability premiums are billed monthly to each district directly from the Standard, without an Administrative Fee from JPIA.

RECOMMENDATIONS

- 1) That the Employee Benefits Committee recommend that the Executive Committee approve renewal of the self-funded Delta Dental PPO and VSP plans with **no change** in rates, effective January 1, 2020.
- 2) That the Employee Benefits Committee recommend that the Executive Committee approve the following increases: DeltaCare **5.24%**, Standard Life **9.41%**, MHN EAP **9.44%**, effective January 1, 2020.

Dental Enrollment and Rate History

Year	Dental PPO	Dental DHMO
2013	2.0%	0.0%
2014	0.0%	0.0%
2015	-5.0%	0.0%
2016	-2.7%	0.0%
2017	0.0%	0.0%
2018	0.0%	0.0%
2019	0.0%	0.0%
2020 ¹	-0.5%	0.0%
Average	-0.8%	0.0%

¹2020 - Dental PPO rate is based on the Alliant Underwriting Projection

ACWA JPIA - Enrollment History							
Enrollment History	2013	2014	2015	2016	2017	2018	2019
Dental PPO	8,233	7,877	7,982	8,239	8,497	8,492	8,569
% Change	-14.5%	-4.3%	1.3%	3.2%	3.1%	-0.1%	0.9%
DeltaCare	158	138	149	165	158	177	181
% Change	-21.0%	-12.7%	8.0%	10.7%	-4.2%	12.0%	2.3%
Total	8,391	8,015	8,131	8,404	8,655	8,669	8,750
% Change	-14.6%	-4.5%	1.4%	3.4%	3.0%	0.2%	0.9%

2020 Dental Renewal Projection

ACWA JPIA		PPO UNDERWRITING FORECAST																																																			
Proposed Effective Date Proposed Contract Duration (Months) Most Recent Month of Data Period Beginning Date (Historical Data) End Date (Historical Data) Months of Data Current Premium / Funding Rate PEPM¹ <u>Paid Claims²</u> Beginning IBNR Reserve (Est.) Ending IBNR Reserve (Est.) <hr/> Incurred Claims Historical Benefit Design Adjustment Factor Adjusted Incurred Claims Annual Subscriber Lives Adjusted Incurred Claims PEPM Annual Trend Applied Trend Factor <hr/> Trended Claims PEPM Network Change Adjustment Factor Projected Claims PEPM Period Blending Weight Blended Projected Claims Margin Adjustment³ Fixed Costs Administration Fee <hr/> Total Fixed Costs <hr/> Net Required Funding PEPM Required Funding Change Percentage	January 1, 2020 12 March 2019 Apr 1, 2017 Apr 1, 2018 12 \$97.59 \$8,708,661 (\$535,264) \$548,646 <hr/> \$8,722,042 1.000 \$8,722,042 102,306 \$85.25 2.5% 1.070 <hr/> \$91.24 1.000 \$91.24 20.0% 0.00% 9.16% <hr/> 0.00% 9.16% <hr/> 0.00% 9.16%	RENEWAL PROJECTION* <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Period 1</th> <th style="width: 50%; text-align: center;">Period 2</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Apr 1, 2017</td> <td style="text-align: center;">Apr 1, 2018</td> </tr> <tr> <td style="text-align: center;">Apr 1, 2018</td> <td style="text-align: center;">Apr 1, 2019</td> </tr> <tr> <td style="text-align: center;">12</td> <td style="text-align: center;">12</td> </tr> <tr> <td colspan="2" style="text-align: center;">\$97.59</td> </tr> <tr> <td style="text-align: center;">\$8,708,661</td> <td style="text-align: center;">\$8,675,342</td> </tr> <tr> <td style="text-align: center;">(\$535,264)</td> <td style="text-align: center;">(\$548,646)</td> </tr> <tr> <td style="text-align: center;">\$548,646</td> <td style="text-align: center;">\$546,547</td> </tr> <tr> <td style="text-align: center;">\$8,722,042</td> <td style="text-align: center;">\$8,673,243</td> </tr> <tr> <td style="text-align: center;">1.000</td> <td style="text-align: center;">1.000</td> </tr> <tr> <td style="text-align: center;">\$8,722,042</td> <td style="text-align: center;">\$8,673,243</td> </tr> <tr> <td style="text-align: center;">102,306</td> <td style="text-align: center;">102,401</td> </tr> <tr> <td style="text-align: center;">\$85.25</td> <td style="text-align: center;">\$84.70</td> </tr> <tr> <td style="text-align: center;">2.5%</td> <td style="text-align: center;">2.5%</td> </tr> <tr> <td style="text-align: center;">1.070</td> <td style="text-align: center;">1.044</td> </tr> <tr> <td style="text-align: center;">\$91.24</td> <td style="text-align: center;">\$88.44</td> </tr> <tr> <td style="text-align: center;">1.000</td> <td style="text-align: center;">1.000</td> </tr> <tr> <td style="text-align: center;">\$91.24</td> <td style="text-align: center;">\$88.44</td> </tr> <tr> <td style="text-align: center;">20.0%</td> <td style="text-align: center;">80.0%</td> </tr> <tr> <td colspan="2" style="text-align: center;">\$89.00</td> </tr> <tr> <td colspan="2" style="text-align: center;">\$0.00</td> </tr> <tr> <td colspan="2" style="text-align: center;">\$8.15</td> </tr> <tr> <td colspan="2" style="text-align: center;">\$8.15</td> </tr> <tr> <td colspan="2" style="text-align: center;">\$97.15</td> </tr> <tr> <td colspan="2" style="text-align: center;">-0.45%</td> </tr> </tbody> </table>		Period 1	Period 2	Apr 1, 2017	Apr 1, 2018	Apr 1, 2018	Apr 1, 2019	12	12	\$97.59		\$8,708,661	\$8,675,342	(\$535,264)	(\$548,646)	\$548,646	\$546,547	\$8,722,042	\$8,673,243	1.000	1.000	\$8,722,042	\$8,673,243	102,306	102,401	\$85.25	\$84.70	2.5%	2.5%	1.070	1.044	\$91.24	\$88.44	1.000	1.000	\$91.24	\$88.44	20.0%	80.0%	\$89.00		\$0.00		\$8.15		\$8.15		\$97.15		-0.45%	
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\$97.15																																																					
-0.45%																																																					

¹Current composite funding rate is based on current period funding rates

²Paid claims are for the time period indicated at the top of each column

³Margin may be recommended in order to provide a higher likelihood that suggested funding rates are sufficient if actual claims do not adhere to projections

*** Projections above are estimates and do not represent guarantees**

Vision Enrollment and Rate History

Year	Vision
2013	0.0%
2014	0.0%
2015 ¹	0.0%
2016	0.0%
2017	0.0%
2018	0.0%
2019	0.0%
2020 ²	-5.2%
Average	-0.7%

¹ Moved from fully-insured to self-funded

² 2020 Vision rate is based on the Alliant Underwriting Projection

Year	2013	2014	2015	2016	2017	2018	2019
Employees	7,584	7,188	7,309	7,274	7,386	7,661	7,718
% Change	-0.7%	-5.2%	1.7%	-0.5%	1.5%	3.7%	0.7%

2020 Self-funded Vision Projection

ACWA JPIA	
VISION UNDERWRITING FORECAST	
Proposed Effective Date	January 1, 2020
Proposed Contract Duration (Months)	12
Most Recent Month of Data	March 2019
Period	
Beginning Date (Historical Data)	
End Date (Historical Data)	
Months of Data	
Current Premium / Funding Rate PEPM¹	\$18.75
<u>Paid Claims²</u>	
Beginning IBNR Reserve	(\$69,159)
Ending IBNR Reserve	\$71,234
Incurred Claims	\$1,371,955
Historical Benefit Design Adjustment Factor	1.000
Adjusted Incurred Claims	\$1,371,955
Annual Subscriber Lives	90,362
Adjusted Incurred Claims PEPM	\$15.18
Annual Trend	3.0%
Applied Trend Factor	1.085
Trended Claims PEPM	\$16.47
Network Change Adjustment Factor	1.000
Projected Claims PEPM	\$16.47
Period Blending Weight	20.0%
Blended Projected Claims	\$15.78
Margin Adjustment³	0.00%
<u>Fixed Costs</u>	
Admin Fee	\$1.98
Total Fixed Costs	\$1.98
Net Required Funding PEPM	\$17.76
Required Funding Change Percentage	-5.24%

¹Current composite funding rate is based on current period funding rates

²Paid claims are for the time period indicated at the top of each column

³Margin may be recommended in order to provide a higher likelihood that suggested funding rates are sufficient if actual claims do not adhere to projections

*** Projections above are estimates and do not represent guarantees**

ACWA JPIA
Participation Requirements
June 24, 2019

BACKGROUND

JPIA has Participation Requirements in place for members participating in the medical plans. Standard Participation Requirements apply to all members. Members meeting the additional Incentive Participation Requirements, which provide a more favorable risk profile to the pool, receive a 4% discount on Anthem medical premiums.

Directors may be covered if employees are covered, at the discretion of the member agency. If Directors are covered, the Participation Requirements require that Directors and employees follow the same enrollment criteria.

CURRENT SITUATION

At the request of member agencies, staff would like to provide more flexibility regarding Director enrollment.

At Incentive Rate member agencies, employees and Directors (if covered by the member agency) may not waive medical coverage, with one exception. Directors who wish to waive coverage for personal reasons may waive medical coverage, but must also waive enrollment in all JPIA plans for the duration of their term.

Dental, Vision, Life, and EAP plans require 100% enrollment of employees and Directors eligible to enroll. If Directors at an Incentive Rate member agency wish to waive medical coverage, enrollment in these ancillary plans must also be waived for the duration of their term.

RECOMMENDATIONS

That the Employee Benefits Committee recommend that the Executive Committee approve amending the Participation Requirements to allow Directors at Incentive member agencies to waive enrollment in JPIA medical coverage, subject to the rules for employees at Standard member agencies, and to allow Directors to waive enrollment in any of the ancillary plans for the duration of their term, independent of whether medical coverage was waived.

Employer Participation Requirements

Medical

STANDARD RATES

All employers in the ACWA JPIA pool must follow the following practices.

ELIGIBILITY

- Employees must be full-time employees of the district (minimum of 20 hours per week, or in compliance with employer policy as long as it exceeds 20 hours, or as required by the Affordable Care Act).
- Directors **may** be covered in addition to employees, at the district's option. Directors alone may not be covered. If Directors are covered, they are subject to the same participation requirements as Active employees.
- Retirees may be covered if employees are covered. Retirees alone may not be covered.
- Dependents may be covered only if the subscriber is covered (with qualified COBRA participants and qualified retiree surviving spouses being the only exception).
- All employees that are eligible for enrollment in a JPIA medical plan must enroll, with the **exception** that employees with other coverage can waive coverage (district must obtain written documentation of other group coverage). A maximum of **25% of benefits-eligible employees can waive coverage**.
- If any class of individuals is offered coverage, all individuals within that class must be **offered** coverage.
- Waiting period for new hire enrollment in medical plans must be the 1st of the month following 60 days or less.

PLANS OFFERED

- District may offer a non-JPIA HMO at the same time as a JPIA HMO, but may **not** offer a non-JPIA PPO at the same time as a JPIA PPO. If **any** non-JPIA plan is offered, it must be offered to all the same classes of employees as the JPIA plan(s).

EMPLOYER CONTRIBUTION TO PREMIUM

- Contribution shall be no less than the employee-only portion of the premium for the least expensive JPIA medical plan for which the active employee or Director is eligible.
- Contribution for single coverage shall be the same for Directors as it is for employees. If retirees are covered, the employer contribution may be as little as 25% of the retired single retiree rate for the least cost plan for which the retiree is eligible.
- Contribution to coverage for dependents of active employees and dependents of Directors must be identical, but may be less for dependents of retirees.
- District may not be reimbursed for the full cost of coverage by an active or retired participant. This is considered "self-pay," which is prohibited, with COBRA being the only exception.

OTHER CRITERIA

- Medicare-eligible **retirees** must enroll in Medicare Parts A **and** B upon eligibility.
- Employer cannot have any personnel policies or union contracts that do not adhere to the plan contract provisions or that create selection against the JPIA plans such as:
 - Deferred retiree coverage
 - Extension of coverage to part-time employees (less than 20 hours/week, except as required by the Affordable Care Act) or contractors
 - Any policy or practice or agreement that creates selection against the JPIA medical plans
- Member district admittance to the pool is subject to underwriting approval by JPIA.

Employer Participation Requirements

Medical

INCENTIVE RATES

Employers implementing these additional policies will receive a 4% discount on all **Anthem** medical plans.¹

ELIGIBILITY

- All Employees and Directors² who are eligible for enrollment in the JPIA medical plans must enroll.
- District does not offer cash in lieu of benefits.

PLANS OFFERED

- District offers only JPIA-sponsored medical plans.

EMPLOYER CONTRIBUTION TO PREMIUM

- Contribution for dependents of employees must be at least 50% of the additional premium.
- If the district pays 100% of the employee *and* dependent premium, all eligible employees and their eligible dependents must be enrolled. *Exception: Children age 19 or older are permitted to waive at the employee's discretion.*

OTHER CRITERIA

- If retirees are covered, the employer must contribute at least 50% of the retiree only monthly premium for the least cost plan for which the retiree is eligible.
- Early retiree population³ is less than 20% of total enrollment.

¹ Must apply for and be approved for Incentive Rates using the Incentive Rate Application.

² Individual Directors may permanently opt out of the medical plan, in conflict with underwriting requirements for Incentive groups, for ideological reasons without voiding the district's 4% discount. A Director who opts out of the medical plan will be ineligible enrollment in **all plans** for the **duration of his/her term**. The Director will not have Open Enrollment rights and will not have the ability to enroll in the JPIA plans due to loss of other coverage.

³ Early retirees are age 50-64, and not entitled to Medicare.

ACWA JPIA
Wellness Grants, Solera Diabetes Prevention, Carrum Health
June 24, 2019

BACKGROUND

Wellness Grants were offered by ACWA JPIA for the first time in 2015, and have continued to be offered annually.

Solera Diabetes Prevention Program, available to Anthem PPO and HMO members, launched in February 2018.

Carrum Health, an optional surgery benefit with bundled pricing for certain surgeries at no cost to PPO participants, launched in February 2017.

CURRENT SITUATION

JPIA is accepting Wellness Grant applications from May 21, 2019 through June 21, 2019. Anthem has again provided \$75,000 to fund the Wellness Grants. Staff created and distributed a flyer and a document with tips and highlights of several member wellness activities. Those are included in the packet. Additional wellness resources are posted to the JPIA website. Member interest and satisfaction with the program has been high, and has increased each year.

A utilization report from Solera Diabetes Prevention Program is included in the packet. Participation was encouraged by an email campaign that occurred from late March through April. Feedback from participants has been very favorable.

Carrum Health has four California facilities covering orthopedic and bariatric surgeries. Communication continues to be challenging, as participants must self-refer to the program. We are working to increase utilization by communicating with participants through direct mail, email, and in-person presentations. Most recently, a postcard campaign was completed and a new YouTube presentation was created. The incentive campaign for both participants and staff responsible for communicating the benefit continues with six winners so far. Staff will continue to communicate the program, utilizing the upcoming Open Enrollment period to do so. Feedback from participants who have had surgery through Carrum Health has been extremely positive.

RECOMMENDATION

None, informational only.

ACWA JPIA

2019 WELLNESS GRANT PROGRAM



It's time to apply for a 2019 Wellness Grant!

Applications are now being
accepted through Friday,
June 21, 2019.

Grants are available to member
Agencies participating in the JPIA's
Anthem medical plans.*

Visit www.acwajpia.com/wellness.aspx to apply.

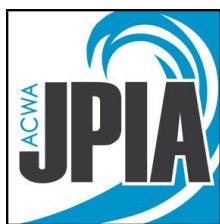
Questions? Email Jackie Rech at jrech@acwajpia.com.

** Member Agencies who have not submitted receipts for 2018 Wellness Grant funds are not eligible to apply.*

Why Wellness?

- Engage Employees
- Promote Healthier Living
- Enhance Motivation & Productivity
- Reduce Employee Health Risks
- Build Employee Morale
- Lower Health Care Costs





WELLNESS IDEAS



Easy ways to engage in wellness!

Know your Numbers Campaign – Help employees identify hidden health risks by engaging a vendor to conduct cholesterol, blood sugar, and blood pressure screenings at your location.

Walking Challenge – Map out an outdoor walking path around your office using Strava or another app. Employees get a raffle ticket each time they complete the route for a monthly drawing.

Smoking Cessation – Use resources provided by Anthem, Kaiser or the CDC to encourage kicking the habit. Award prizes to those who are successful over time – one day, one week, one month, one quarter, one year...

Healthy Office Cookbook – Gather healthy and easy recipes from co-workers that are high on flavor, but low on sugar and fat. Have a recipe tasting contest and award prizes for best recipe re-do, best baked good, best healthy dessert.

WHAT ARE OTHER JPIA MEMBERS DOING?

Provided yoga classes, Blue Apron gift cards and Salad in a Jar class

Walnut Valley Water District

Purchased elliptical machine for employee fitness

Vista Irrigation District

Acquired blender and supplies for healthy smoothies

Yuima Municipal Water District

Conducted on-site health screenings and provided wellness prizes

Monterey One Water

Purchased under desk elliptical and bicycle machines

Yorba Linda Water District

Provided Longevity screenings and flu shots

Western Municipal Water District

Subsidized employee fitness shoe purchases

Mission Springs Water District

Refurbished workout room and purchased fitness equipment

McKinleyville Community Services District

Easy ways to engage in wellness!

Lunch and Learns – Bring in a speaker from Anthem, MHN, or another vendor. Topics include developing healthy habits, nutrition, fitness, stress relief, and smoking cessation. Provide a free and healthy lunch to participants.

Everybody Walk Screening – As part of a lunch and learn, view the Everybody Walk documentary available as a link at www.acwajpia.com/wellness.aspx. For lunch, do a make your own salad bar. Offer pedometers as door prizes for participants.

Sleep Challenge – Launch with a presentation on good sleep habits and why quality sleep is important to overall health. Use fitness trackers or the honor system to keep track of hours slept. Provide sleep masks, lavender oil, herbal teas to participants.

Flu Shots – Engage a vendor to offer free flu and pneumonia shots to employees at the office in the early fall before the flu season gets started.

Healthy Dining – Prepare a list and map of healthy dining options within a five mile radius of your workplace or nearest town. Include reviews and list the items on each menu that are the best for a healthy lifestyle.

Charity Events - Sponsor individual employees or employee teams participating in a walking, running, or cycling event for charity.

Walking Meetings – Encourage managers to turn staff or other informal meetings into walking meetings. Walk together outside rather than sitting around a conference table.

Community Garden - Create a community garden at your office. No space? Have a farmer's market day each month. Bring in organic fruits and veggies and distribute tickets to employees for them to "purchase" what they like.

Buy a Vitamix, Ninja or other high performance blender for the break room. Consider stocking frozen fruits, vegetables, and other healthy ingredients for smoothie making.

Meditation – facilitate a beginning meditation class.

DO'S & DON'TS FOR WELLNESS GRANTS

Encourage:

- Healthy habits
- Education on healthy lifestyle choices
- Activities where all can participate
- Preventive care
- Creation of a wellness committee

Avoid:

- Unhealthy food choices at a promoted wellness event
- Teambuilding or social events unless they are focused on healthy eating or fitness
- Lack of communication about your program to participants



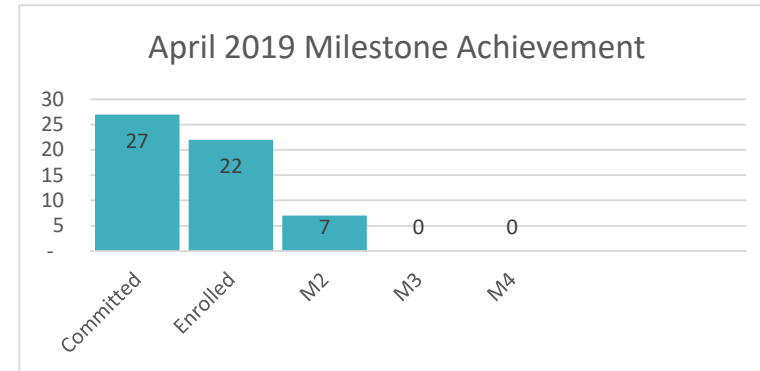
Anthem CA: ACWA JPIA
Members Engaged in a Diabetes Prevention Program

Run on: 5/7/2019

Enrollment: October 2016 - April 2019

REPORTING EXECUTIVE SUMMARY

Committed	243
Enrollments	186
Participants Achieving 5% Weight Loss	29
Average Physical Activity in Minutes	131
Total Unique Partners	15
Max Weeks in the Program	52

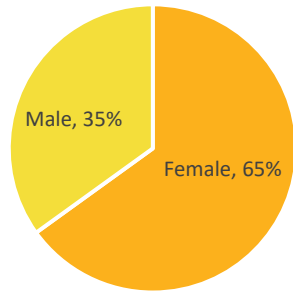


Term	Definition
Committed	Participants who have been verified as qualified and eligible, matched with a partner and agreed to start the program.
Enrollment / Milestone 1 (M1)	DPP Partner indicated to Solera that the participant is enrolled.
Milestone 2 (M2)	M1 + two weeks of ME prior to the end of week 4.
Milestone 3 (M3)	Milestone 2 + two additional weeks of Meaningful Engagement in weeks 5-9.
Milestone 4 (M4)	M3 + at least 5% of body weight loss after week 9 and before the end of 52 weeks.
Meaningful Engagement	Attend a meeting or equivalent participation with a virtual provider.
Avg Weekly Mins Physical Activity	The average of reported minutes per week of sessions attended, during the weeks indicated.
Physical Activity Documented %	The portion of sessions attended, during the weeks indicated, where participants recorded their physical activity.
Average of Weight loss %	All participants who reach M3 and have been in the program for at least X weeks.
Disenrollment	When a participant elects to change or discontinue with a DPP Provider, or if participant is no longer health plan eligible.

Anthem CA: ACWA JPIA
Members Engaged in a Diabetes Prevention Program

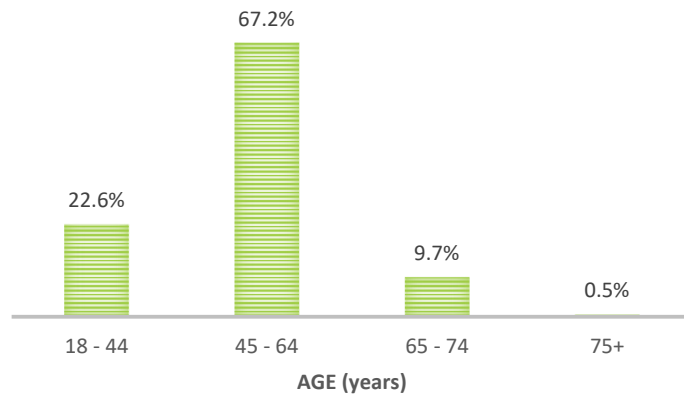
Demographics By Enrollment

Gender

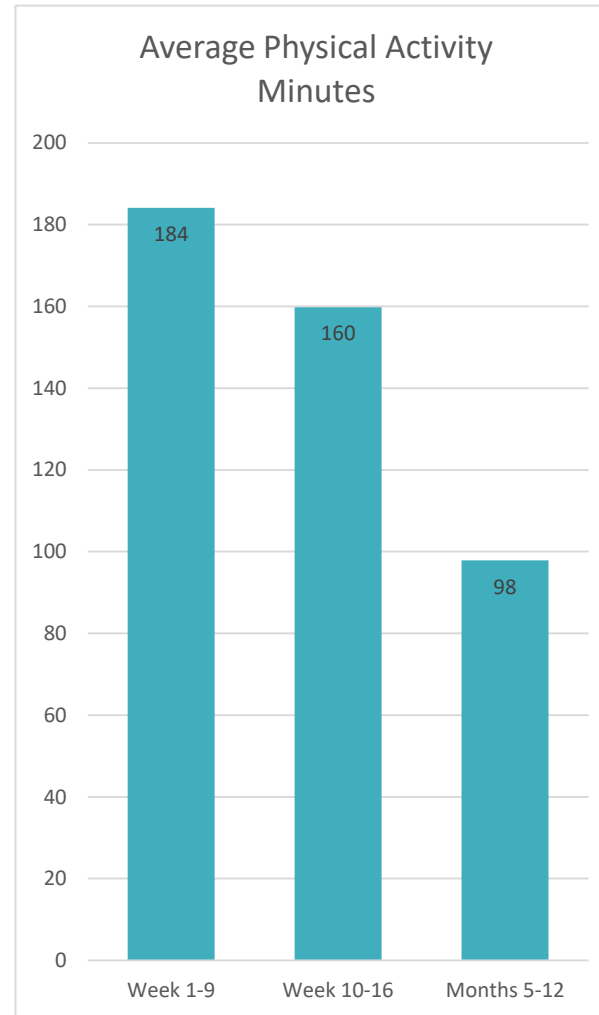


Median Age:

53



Average Physical Activity Minutes





“All in all, my experience with Carrum was a 10!”
 -Water Resources Planner, 2018

Your employer's Anthem health plan has partnered with Carrum Health to provide a no-cost surgery benefit that grants you:

- No Medical Bills*
- Travel Expenses Covered
- Personal Concierge Service

Carrum Health provides access to top surgeons at Scripps Health in San Diego, Hoag in Orange County, Providence St. Johns in Santa Monica, and Stanford in the San Francisco Bay Area!

Schedule a Free Consultation:

Visit: carrum.me/ACWAJPIA
 Text: "acwajpia" to 555888
 Call us: 1-888-855-7806

Carrum Health is a special surgery benefit for active employees, early retirees (pre-Medicare), COBRA participants and their dependents who are enrolled in Anthem Classic PPO, Anthem Advantage PPO or Anthem Consumer-Driven Health Plans (CDHPs).

*Per IRS rules, a portion of the covered travel expenses will be reported as taxable income to the employee. Due to IRS regulations, on HSA plans, the deductible applies but coinsurance is waived.

Scan with your smartphone camera to learn more!



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JPIA MEETING & CONFERENCE CALENDAR – 2019

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT
					Emp. Benefits	Liability	Property	Work Comp	
JAN 16			10:00 AM ONTARIO						
JAN 29		8:30 AM							
MAR 20				1:00 PM				10:00 AM	
MAR 21		8:30 AM							
MAY 6	1:30 PM	10:30 AM				8:00 AM	9:15 AM		
ACWA CONFERENCE MAY 7 TO 10 – MONTEREY									
MAY 30			12:00 PM ONTARIO						
JUNE 4		8:30 AM							
JUNE 24		1:00 PM			9:00 AM				
SEPT 9		1:00 PM		10:15 AM		8:30 AM			
CAJPA CONFERENCE SEPTEMBER 10 TO 13 – SOUTH LAKE TAHOE CA									
Nov 5		8:30 AM							
DEC 2	1:30 PM	10:30 AM							
ACWA CONFERENCE DECEMBER 3 TO DECEMBER 6 – SAN DIEGO									

Financial Analysis – Combined

1/1/2019 -12/31/2019

Pricing Component	Anthem/ESI (2019)	Anthem/ESI (2019 BAFO)	MedImpact (2019 BAFO)
Projected 100% AWP	\$48,536,000	\$48,536,000	\$48,536,000
Less: Discounts + Dispensing Fees	(\$22,022,000)	(\$22,022,000)	(\$23,064,000)
=Gross Rx Spend	\$26,514,000	\$26,514,000	\$25,472,000
Less: Employee Cost Share	(\$1,693,000)	(\$1,693,000)	(\$1,626,000)
=Net Drug Spend	\$24,821,000	\$24,821,000	\$23,846,000
Less: Rebates + Administrative Fees	(\$3,590,000)	(\$4,736,000)	(\$5,854,000)
Plus: Anthem PBM Termination Fee	-	-	\$1,088,000*
Plus: Anthem PBM Admin/Integration Fee	-	-	\$33,000
Plus: Anthem CDHP Commingling Fee	-	-	\$2,000
=Net Rx Spend	\$21,231,000	\$20,085,000	\$19,115,000
Change from Current		(\$1,146,000)	(\$2,116,000)
Change from Current		-5.4%	-10.0%

- Anthem Fees:
 - Termination fee - \$12.63 per commercial employee (\$12.63*3,589 EEs*24 months)
 - Admin/Integration fee - \$0.77 per commercial employee (\$0.77*3,589 EEs*12 months)
 - CDHP Commingling Fee - \$0.79 per CDHP employee (\$0.79*249 EEs*12 months)
- The above illustration is an estimate and not a guarantee of savings

***Without early term fee:**
Net Rx Spend: \$18,027,000
Change: (\$3,204,000)
Change: -15.1%
 - ACWA JPIA

Financial Analysis – Combined 2019 - 2021

Pricing Component	Anthem/ESI (2019)	Anthem/ESI (2019 BAFO)	MedImpact (2019 BAFO)
Projected 100% AWP	\$159,053,000	\$159,053,000	\$159,053,000
Less: Discounts + Dispensing Fees	(\$70,339,000)	(\$70,523,000)	(\$73,781,000)
=Gross Rx Spend	\$88,714,000	\$88,530,000	\$85,272,000
Less: Employee Cost Share	(\$5,664,000)	(\$5,652,000)	(\$5,442,000)
=Net Drug Spend	\$83,050,000	\$82,878,000	\$79,830,000
Less: Rebates + Administrative Fees	(\$11,954,000)	(\$16,665,000)	(\$19,217,000)
Plus: Anthem PBM Termination Fee	-	-	\$1,088,000*
Plus: Anthem PBM Admin/Integration Fee	-	-	\$99,000
Plus: Anthem CDHP Commingling Fee	-	-	\$7,000
=Net Rx Spend	\$71,096,000	\$66,213,000	\$61,807,000
Change from Current		(\$4,883,000)	(\$9,289,000)
Change from Current		-6.9%	-13.1%

- Anthem Fees:
 - Termination fee - \$12.63 per commercial employee (\$12.63*3,589 EEs*24 months)
 - Admin/Integration fee - \$0.77 per commercial employee (\$0.77*3,589 EEs*12 months)
 - CDHP Commingling Fee - \$0.79 per CDHP employee (\$0.79*249 EEs*12 months)
- The above illustration is an estimate and not a guarantee of savings

***Without early term fee:**
Net Rx Spend: \$60,719,000
Change: (\$10,377,000)
Change: -14.6%
 - ACWA JPIA

ACWA JPIA
2019 PPO Renewal
 July 9, 2018

2019 Comparison to CalPERS Rates - PPO

CLASSIC PPO REGION	ENROLL TOTAL	2019 STANDARD W/ADM			2019 INCENTIVE W/ADM			PERSCare vs. Classic			CalPERS 2019	Incentive Rate Comparison			Standard Rate Comparison			Standard(L) Comparison		
		EE	EE+1	FAM	EE	EE+1	FAM	EE	EE+1	FAM										
Los Angeles	533	844.07	1,719.97	2,220.48	810.70	1,651.56	2,132.06	843.78	1,687.56	2,193.83	25.2%	-4%	-2%	-3%	0%	2%	1%	0%	2%	1%
Other South	1,467	895.35	1,825.09	2,356.37	859.93	1,752.48	2,262.51	907.29	1,814.58	2,358.95	23.7%	-6%	-4%	-4%	-1%	1%	0%	-1%	1%	0%
Sacramento	197	981.51	2,001.71	2,584.69	942.64	1,922.04	2,481.69	1,027.99	2,055.98	2,672.77	28.9%	-9%	-7%	-8%	-5%	-3%	-3%	-5%	-3%	-3%
Other North	436	986.17	2,011.27	2,597.04	947.12	1,931.21	2,493.55	1,085.83	2,171.66	2,823.16	25.3%	-15%	-12%	-13%	-10%	-8%	-9%	-10%	-8%	-9%
Bay Area	333	1,026.08	2,093.08	2,702.80	985.43	2,009.75	2,595.08	1,131.68	2,263.36	2,942.37	28.9%	-15%	-13%	-13%	-10%	-8%	-9%	-10%	-8%	-9%
Medicare	803	570.67	1,159.50	1,495.97	548.24	1,113.51	1,436.52	382.30	764.60	1,146.90	3.3%	30%	31%	20%	33%	34%	23%	33%	34%	23%
3,769		<i>ratio</i>		<i>2.05</i>	<i>2.65</i>		<i>ratio</i>		<i>2.00</i>	<i>2.60</i>										
ADVANTAGE																				
Los Angeles	44	710.60	1,446.35	1,866.78	682.57	1,388.89	1,792.51	654.50	1,309.00	1,701.70	5.5%	4%	6%	5%	8%	9%	9%	8%	9%	9%
Other South	151	753.67	1,534.66	1,980.93	723.92	1,473.67	1,902.09	721.11	1,442.22	1,874.89	3.2%	0%	2%	1%	4%	6%	5%	4%	6%	5%
Sacramento	43	826.05	1,683.02	2,172.72	793.40	1,616.09	2,086.20	798.58	1,597.16	2,076.31	8.6%	-1%	1%	0%	3%	5%	4%	3%	5%	4%
Other North	117	829.96	1,691.05	2,183.10	797.16	1,623.80	2,096.17	866.95	1,733.90	2,254.07	6.5%	-9%	-7%	-8%	-4%	-3%	-3%	-4%	-3%	-3%
Bay Area	13	863.48	1,759.77	2,271.93	829.34	1,689.77	2,181.45	866.27	1,732.54	2,252.30	8.3%	-4%	-3%	-3%	0%	2%	1%	0%	2%	1%
Medicare	24	480.94	975.56	1,258.19	462.10	936.93	1,208.26	360.41	720.82	1,081.23	4.2%	22%	23%	11%	25%	26%	14%	25%	26%	14%
392																				
CDHP																				
Los Angeles	33	677.23	1,377.95	1,778.36	650.54	1,323.23	1,707.62	420.77	841.54	1,094.00	-26.6%	35%	36%	36%	38%	39%	38%	38%	39%	38%
Other South	59	718.26	1,462.05	1,887.07	689.92	1,403.96	1,811.99	462.71	925.42	1,203.05	-29.3%	33%	34%	34%	36%	37%	36%	36%	37%	36%
Sacramento	77	787.18	1,603.35	2,069.73	756.09	1,539.61	1,987.33	508.68	1,017.36	1,322.57	-25.7%	33%	34%	33%	35%	37%	36%	35%	37%	36%
Other North	41	790.91	1,610.99	2,079.61	759.67	1,546.95	1,996.82	511.34	1,022.68	1,329.48	-26.1%	33%	34%	33%	35%	37%	36%	35%	37%	36%
Bay Area	45	822.84	1,676.44	2,164.21	790.32	1,609.78	2,078.04	543.19	1,086.38	1,412.29	-24.3%	31%	33%	32%	34%	35%	35%	34%	35%	35%
Medicare	-	458.51	929.57	1,198.75	440.57	892.78	1,151.20	360.41	720.82	1,081.23	4.2%	18%	19%	6%	21%	22%	10%	21%	22%	10%
255																				
4,416																				

Aggregate Increase 0.00%

2019 Comparison to CalPERS Rates - HMO

ACWA JPIA
2019 HMO Renewal
July 9, 2018

Same CalPERS plan twice. \$15 copay. Majority of their HMO enrollment. Our copay

CALCARE HMO REGION	ENROLL TOTAL	2019 STANDARD w/ADM			2019 INCENTIVE w/ADM			CALPERS 2019 (BS-Acc+)			CalPERS 2019	Incentive Rate Comparison			Standard Rate Comparison		
		EE	EE+1	FAM	EE	EE+1	FAM	EE	EE+1	FAM							
Los Angeles	272	732.32	1,454.78	1,951.02	703.42	1,396.98	1,873.37	669.75	1,339.50	1,741.35	9.2%	5%	4%	7%	9%	8%	11%
Other South	831	789.88	1,569.85	2,105.63	758.68	1,507.46	2,021.80	760.04	1,520.08	1,976.10	9.2%	0%	-1%	2%	4%	3%	6%
Sacramento	141	990.42	1,970.96	2,725.99	951.20	1,892.52	2,617.34	881.01	1,762.02	2,290.63	9.2%	7%	7%	12%	11%	11%	16%
Other North	128	999.10	1,986.90	2,749.95	959.53	1,907.81	2,640.35	976.81	1,953.62	2,539.71	9.2%	-2%	-2%	4%	2%	2%	8%
Bay Area	23	1,047.54	2,085.20	2,884.21	1,006.03	2,002.19	2,769.23	970.90	1,941.80	2,524.34	9.2%	3%	3%	9%	7%	7%	12%
Medicare	99	554.58	1,099.32	1,563.04	532.79	1,055.75	1,500.92	357.44	714.88	1,072.32	-3.5%	33%	32%	29%	36%	35%	31%
	1,494																
VALUE HMO		2019 STANDARD w/ADM			2019 INCENTIVE w/ADM			CALPERS 2019 (BS-Acc+)			CalPERS 2019	Incentive Rate Comparison			Standard Rate Comparison		
		EE	EE+1	FAM	EE	EE+1	FAM	EE	EE+1	FAM							
Los Angeles	-	674.53	1,339.18	1,795.72	647.94	1,286.01	1,724.29	669.75	1,339.50	1,741.35	9.2%	-3%	-4%	-1%	1%	0%	3%
Other South	21	727.48	1,445.06	1,937.97	698.78	1,387.65	1,860.85	760.04	1,520.08	1,976.10	9.2%	-9%	-10%	-6%	-4%	-5%	-2%
Sacramento	-	911.98	1,814.08	2,508.70	875.90	1,741.91	2,408.75	881.01	1,762.02	2,290.63	9.2%	-1%	-1%	5%	3%	3%	9%
Other North	1	919.96	1,828.73	2,530.74	883.56	1,755.98	2,429.91	976.81	1,953.62	2,539.71	9.2%	-11%	-11%	-5%	-6%	-7%	0%
Bay Area	3	964.53	1,919.18	2,654.26	926.34	1,842.81	2,548.49	970.90	1,941.80	2,524.34	9.2%	-5%	-5%	1%	-1%	-1%	5%
Medicare	2	511.00	1,012.17	1,438.79	490.96	972.08	1,381.64	357.44	714.88	1,072.32	-3.5%	27%	26%	22%	30%	29%	25%
	27																
	1,521																

2019 INCREASE
0.00%

ACWA JPIA
2019 Kaiser Renewal
 July 9, 2018

2019 Comparison to CalPERS Rates - Kaiser

KAISER REGION	JPIA REGION	PLAN NAME	ENROLL TOTAL	2019 RATES W/ADMIN FEE			CALPERS 2019 RATES			CalPERS 2019	CALPERS COMPARISON		
				EE	EE+1	FAM	EE	EE+1	FAM		EE	EE+1	FAM
KP South	Los Angeles	HMO	340	623.20	1,236.51	1,745.56	618.64	1,237.28	1,608.46	-3.7%	-0.9%	-0.9%	7.3%
KP South	Other South	HMO	626	623.20	1,236.51	1,745.56	628.63	1,257.26	1,634.44	-5.7%	-2.5%	-2.5%	5.8%
KP North	Sacramento	HMO	113	742.71	1,475.54	2,083.79	687.99	1,375.98	1,788.77	-2.3%	6.1%	6.1%	13.7%
KP North	Other North	HMO	13	742.71	1,475.54	2,083.79	783.13	1,566.26	2,036.14	-1.6%	-6.9%	-6.9%	1.8%
KP North	Bay Area	HMO	159	742.71	1,475.54	2,083.79	768.25	1,536.50	1,997.45	-1.5%	-4.8%	-4.8%	3.7%
			420										

Total Enrollment 1,541

	Increase
South	2.64%
North	2.64%

Increase varies by plan 0.01%

2020 Comparison to CalPERS Rates - HMO

**ACWA JPIA
2020 HMO Renewal
June 24, 2019**

CALCARE HMO REGION	ENROLL TOTAL	2020 STANDARD PREMIUMS			2020 INCENTIVE PREMIUMS		
		EE	EE+1	FAM	EE	EE+1	FAM
Los Angeles	257	797.09	1,594.18	2,112.29	765.21	1,530.41	2,027.79
Other South	823	859.74	1,719.48	2,278.31	825.35	1,650.70	2,187.18
Sacramento	139	1,078.02	2,156.03	2,856.74	1,034.90	2,069.79	2,742.47
Other North	120	1,087.46	2,174.93	2,881.78	1,043.97	2,087.93	2,766.51
Bay Area	20	1,140.19	2,280.38	3,021.50	1,094.58	2,189.16	2,900.64
Medicare	175	603.63	1,207.26	1,852.38	579.48	1,158.97	1,778.29
	1,534		2.00	2.65		4%	

VALUE HMO		EE	EE+1	FAM	EE	EE+1	FAM
Los Angeles	-	734.19	1,468.38	1,945.60	704.82	1,409.64	1,867.77
Other South	15	791.82	1,583.64	2,098.33	760.15	1,520.30	2,014.39
Sacramento	6	992.64	1,985.28	2,630.49	952.93	1,905.87	2,525.27
Other North	1	1,001.32	2,002.65	2,653.51	961.27	1,922.54	2,547.37
Bay Area	3	1,049.84	2,099.67	2,782.07	1,007.84	2,015.69	2,670.78
Medicare	2	556.19	1,112.39	1,706.46	533.95	1,067.89	1,638.21

27
1,561

Same \$15 copay CalPERS plan twice. Our copays are \$10 and \$30.

New Region	CALPERS 2020 (BS-Acc+)			CalPERS 2020	Incentive Rate Comparison			Standard Rate Comparison		
	EE	EE+1	FAM							
3	813.17	1,626.34	2,114.24	21.4%	-2%	-2%	0%	-6%	-6%	-4%
2	909.87	1,819.74	2,365.66	19.7%	-6%	-6%	-4%	-10%	-10%	-8%
1	1,127.77	2,255.54	2,932.20	28.0%	-5%	-5%	-3%	-9%	-9%	-7%
1	1,127.77	2,255.54	2,932.20	15.5%	-4%	-4%	-2%	-8%	-8%	-6%
1	1,127.77	2,255.54	2,932.20	16.2%	1%	1%	3%	-3%	-3%	-1%
N/A	388.15	776.30	1,164.45	8.6%	36%	36%	37%	33%	33%	35%
		2.00	2.60							

New Region	CALPERS 2020 (BS-Acc+)			CalPERS 2020	Incentive Rate Comparison			Standard Rate Comparison		
	EE	EE+1	FAM							
3	813.37	1,626.74	2,114.76	21.4%	-11%	-11%	-9%	-15%	-15%	-13%
2	909.87	1,819.74	2,365.66	19.7%	-15%	-15%	-13%	-20%	-20%	-17%
1	1,127.77	2,255.54	2,932.20	28.0%	-14%	-14%	-11%	-18%	-18%	-16%
1	1,127.77	2,255.54	2,932.20	15.5%	-13%	-13%	-11%	-17%	-17%	-15%
1	1,127.77	2,255.54	2,932.20	16.2%	-7%	-7%	-5%	-12%	-12%	-10%
N/A	388.15	776.30	1,164.45	8.6%	30%	30%	32%	27%	27%	29%

2020 Comparison to CalPERS Rates - Kaiser

**ACWA JPIA
2020 Kaiser Renewal
June 24, 2019**

KAISER REGION	JPIA REGION	PLAN NAME	ENROLL TOTAL	2020 PREMIUMS			New Region	CALPERS 2020 RATES			CalPERS 2020	CALPERS COMPARISON		
				EE	EE+1	FAM		EE	EE+1	FAM		EE	EE+1	FAM
KP South	Los Angeles	HMO	327	640.64	1,264.28	1,781.90		664.39	1,328.78	1,727.41	7.4%	-3.7%	-5.1%	3.1%
KP South	Other South	HMO	659	640.64	1,264.28	1,781.90	2	645.24	1,290.48	1,677.62	2.6%	-0.7%	-2.1%	5.9%
KP North	Sacramento	HMO	124	762.22	1,507.45	2,125.98	1	768.49	1,536.98	1,998.07	11.7%	-0.8%	-2.0%	6.0%
KP North	Other North	HMO	20	762.22	1,507.45	2,125.98	1	768.49	1,536.98	1,998.07	-1.9%	-0.8%	-2.0%	6.0%
KP North	Bay Area	HMO	162	762.22	1,507.45	2,125.98	1	768.49	1,536.98	1,998.07	0.0%	-0.8%	-2.0%	6.0%