

# Employee Benefits Program Committee Meeting



YOUR BEST PROTECTION

ACWA JPIA  
2100 Professional Drive  
Roseville, CA 95661

Thursday  
April 15, 2021  
10:00 AM

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

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

Stephanie Dosier, Orange County Water District

Kelley Geyer, Byron-Bethany Irrigation District

Karen Gish, Amador Water Agency

Ken Groom, Fresno Metropolitan Flood Control District

James Linthicum, Three Valleys Municipal Water District

Roberta Perez, Cucamonga Valley Water District

Laures Stiles, San Luis & Delta-Mendota Water Authority



YOUR BEST PROTECTION

## EMPLOYEE BENEFITS COMMITTEE MEETING

### AGENDA

### Link to Zoom

MEETING ID: 661 516 2566

PASSCODE: 1234

ZOOM CALL IN #: (669) 900-6833

### **Thursday, April 15, 2021 10:00 a.m.**

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

### **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.

**PUBLIC COMMENT** Members of the public will be allowed to address the Employee Benefits 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 22, 2020 and November 17, 2020.	1
Rupp		II. Report on meetings attended on behalf of JPIA.	
Smith	*	III. COVID-19 update.	10
Smith	*	IV. Review Renewal History.	11
Smith	*	V. Review and possibly take action on Medicare Advantage Plan Option.	14

Presenter

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Sells	* <b>VI.</b> Review Reserve Fund status.	<b>44</b>
Rupp	* <b>VII.</b> Discuss next meeting date on July 15, 2021.	<b>48</b>

**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 22, 2020**

This meeting consisted of a simultaneous Zoom teleconference meeting at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and remote sites.

### **MEMBERS PRESENT**

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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  
Stephanie Dosier, Orange County Water District  
Kelley Geyer, Byron-Bethany Irrigation District  
Karen Gish, Amador Water Agency  
Ken Groom, Fresno Metropolitan Flood Control District  
James Linthicum, Three Valleys Municipal Water District  
Roberta Perez, Cucamonga Valley Water District

### **MEMBERS ABSENT**

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None.

### **STAFF PRESENT**

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Chief Executive Officer/Secretary: Walter "Andy" Sells  
Sonya Baker, Benefits System Analyst IIS  
Veronica Cobian, Benefits Administrator II  
David deBernardi, Director of Finance  
Robert Greenfield, General Counsel  
Ben Hayden, Lead Benefits Analyst  
Jackie Rech, Employee Benefits Account Manager  
Patricia Slaven, Director of Human Resources and Administration  
Sandra Smith, Employee Benefits Manager  
Daniel Steele, Finance Manager  
Michelle Stites, Benefits Administrator II  
Dianna Sutton, Special Projects Manager  
Karen Thesing, Director of Insurance Services  
Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

## **OTHERS IN ATTENDANCE**

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Fred Bockmiller, Mesa Water District  
 Maddie Kibriya, Town of Discovery Bay Community Services District  
 David A. Drake, Rincon Del Diablo Municipal Water District  
 EG “Jerry” Gladbach, Santa Clarita Valley Water District  
 Brent Hastey, Yuba Water Agency  
 Al Lopez, Western Municipal Water District  
 Kimberly Miller, Alliant  
 Kevin Phillips, Paradise Irrigation, Finance Chairman  
 Randall Reed, Cucamonga Valley Water District  
 Thomas Sher, Alliant  
 Pam Tobin, San Juan Water District

## **WELCOME**

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Chairman Rupp welcomed everyone in attendance.

## **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

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Chairman Rupp called the meeting to order at 9:02 a.m. He announced there was a quorum.

## **ANNOUNCEMENT RECORDING OF MEETING**

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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.

## **PUBLIC COMMENT**

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Chairman Rupp noted that, as the agenda stated, members of the public would be allowed to address the Employee Benefits Program 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**

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Chairman Rupp welcomed all in attendance.

## **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

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

## **CONSENT AGENDA**

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Chairman Rupp called for approval of the minutes of the June 24, 2019 meeting.

M/S/C (Gish/Boatmun) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes): That the Employee Benefits Program Committee approve the minutes of the June 24, 2019 meeting as presented.

## MEETINGS ATTENDED ON BEHALF OF JPIA

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None reported.

## PROGRAM HISTORY AND CURRENT STATUS

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Ms. Smith previewed the information to be presented in the meeting:

- Staff recommendations
- Employee Benefits rate history
- 2020 financial recap
- Medical plan enrollment history
- Current medical plan offerings

## PRICING & PLAN OPTIONS FOR ANTHEM PPO MEDICAL PLANS

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Ms. Smith stated that the 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. Alliant projections were based on data through March 31, 2020. Staff discussed COVID-19 impacts to plan costs and considerations for projecting costs in the current environment.

Staff reviewed the recommended proposed plan design changes.

M/S/C (Linthicum/Boatmun) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes): That the Employee Benefits Program Committee recommends that the Executive Committee approve the proposed plan design changes including Rx Post Check, High Cost Generics, Copay Assistance Program, Safe Harbor Program, and setting the cost of the Advantage PPO Program to 12% less than the Classic PPO Program, effective January 1, 2021.

Mr. Linthicum made a motion that the Employee Benefits Program Committee recommends that the Executive Committee approve a 2.5% aggregate reduction in rates for the Anthem Blue Cross Self-Funded PPO Plan pricing, effective January 1, 2021. The motion failed without a second.

M/S/C (Dosier/Geyer) (Boatmun-No; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-No; McDonald-Yes; Perez-Yes; Rupp,-Yes): That the Employee Benefits Program Committee recommends that the Executive Committee approve no aggregate change to rates for the Anthem Blue Cross self-funded PPO plans, effective January 1, 2021.

## PRICING FOR ANTHEM HMO MEDICAL PLANS

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Ms. Smith reported that Anthem provided a rate increase of 7% for the insured portion of the HMO plan. When combined with the self-funded Employer Group Waiver Plan portion, and member premiums allocated by region, Incentive vs. Standard rates, the overall increase in costs is projected to be 7.6%.

M/S/C (Boatmun/Linthicum) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):  
That the Employee Benefits Program Committee recommends that the Executive Committee approve an aggregate increase of 7.6% for the Anthem Blue Cross HMO plans, effective January 1, 2021.

### **PRICING FOR KAISER MEDICAL PLANS**

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Ms. Smith stated that for the 2021 renewal, rates provided by Kaiser reflected an average increase of 9.12% to the non-Medicare rates. Kaiser Senior Advantage rates, for retirees with Medicare, reflect a 6.5% decrease in rates. The increase to member premiums to meet these expenses is 8.84%.

M/S/C (Boatmun/Linthicum) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):  
That the Employee Benefits Program Committee recommends that the Executive Committee approve an aggregate rate increase of 8.84% for the Kaiser plans, effective January 1, 2021.

### **PRICING FOR THE ANCILLARY PLANS**

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Ms. Smith stated that Delta Dental PPO and Vision Service Plan (VSP) plans are self-funded. These plans continue to perform well. A temporary reduction in claims costs in the second quarter is not anticipated to result in a long term reduction in costs. There are no changes to the carriers' administrative fees for claims processing and network access for 2021. Staff recommends **no change** in rates for the self-funded dental and vision plans.

The following fully insured plans were presented for renewal with **no change** in rates for 2021:

- DeltaCare HMO
- Standard Short-Term Disability

The following fully insured plans were presented for renewal with a **5% decrease** in rates for 2021:

- Standard Long-Term Disability
- Standard Basic Life
- Standard Supplemental Life

M/S/C (Linthicum/Boatmun) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):  
That the Employee Benefits Program Committee recommends that the Executive Committee approve renewal of the Delta Dental PPO, DeltaCare HMO, VSP, and Standard Short-Term Disability programs with no change in rates; and renewal of the Standard Long-Term Disability, Basic Life and Supplemental Life programs with a 5% decrease in rates, effective January 1, 2021.

## EMPLOYEE ASSISTANCE PROGRAM

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Ms. Smith reported that due to service issues reported by participants, staff explored returning to Anthem as JPIA's Employee Assistance Program (EAP) provider. The robust bank of eight training hours per member agency attracted JPIA to MHN, and has been very well received by members.

Anthem has agreed to match the bank of training hours available through MHN, along with other components of the program, and provided a proposal with a lower per employee per month cost. The monthly premium per participant would decrease 7%, from \$2.57 to \$2.38. This cost includes the JPIA's \$0.60 administrative fee.

M/S/C (Linthicum/Perez) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):  
That the Employee Benefits Program Committee recommends that the Executive Committee approve Anthem EAP to replace MHN EAP with a 7% decrease in rates, effective January 1, 2021.

## PARTICIPATION REQUIREMENTS

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Ms. Smith stated that since 2013, staff has been collecting redacted tax returns along with signed affidavits from grandparents, in lieu of birth certificates. The grandparent attests that they are primarily responsible for caring the child, that the child lives with them, and they are financially responsible for the child. However, those criteria are not clearly identified by the approved Executive Committee motion of July 2013.

M/S/C (Gish/McDonald) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):  
That the Employee Benefits Program Committee recommends that the Executive Committee approve requirement of financial responsibility, shared residence, and primary parenting responsibilities in order to cover a grandchild in the JPIA health plans, effective January 1, 2021.

Ms. Smith reported that JPIA has Retirement Policy Requirements in place for members participating in the medical plans and covering retirees. These requirements set minimum requirements for the employer's policy.

Age and years of service are typically the primary components of retiree benefits eligibility. Currently, the JPIA Retirement Policy Requirements have a minimum age of 50. Employers policies may require a minimum age of 50 or older, so long as the policy is documented and consistently applied. The JPIA Retirement Policy Requirements do not provide a minimum years of service. Staff recommended setting five years as the minimum years of service an employer may require for retiree benefits eligibility.



M/S/C (Gish/McDonald) (Boatmun-Yes; Dossier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):  
That the Employee Benefits Program Committee recommends that the Executive Committee approve amending the Retirement Policy Requirements to require a minimum of five years of service for retiree benefits eligibility, grandfathering current retirees if any conflict arises, effective January 1, 2021.

Ms. Smith reported that the Retirement Policy Requirements state employees must go directly from active status to retired. The transition from active to COBRA to retired is not permitted. Employees sometimes take a medical leave of absence, intending to return to work, and find that they are unable to return to work. If the employee does not elect to separate from employment and elect retiree health benefits by the 12<sup>th</sup> week of leave or sooner, typically, they become ineligible for retiree health benefits. For those who have already attained the member agency's minimum years of service and minimum age requirement before going on leave of absence, staff recommends permitting the transition from active to COBRA to retired.

M/S/C (Dossier/Geyer) (Boatmun-Yes; Dossier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes): That the Employee Benefits Program Committee recommends that the Executive Committee approve amending the Retirement Policy Requirements to permit enrollment in Retiree coverage, so long as the employee has remained employed and enrolled.

## **NEXT MEETING DATE**

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### Availability for Upcoming Meeting(s)

Chairman Rupp reported that there were no more meetings scheduled for the remainder of the year.

The Employee Benefits Program Committee meeting adjourned at 11:23 a.m.



*Unapproved Minutes*

## **Employee Benefits Program Committee Meeting**

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

**November 17, 2020**

This meeting consisted of a simultaneous Zoom teleconference meeting at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and remote sites.

### **MEMBERS PRESENT**

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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  
Stephanie Dosier, Orange County Water District  
Kelley Geyer, Byron-Bethany Irrigation District  
Karen Gish, Amador Water Agency  
Ken Groom, Fresno Metropolitan Flood Control District  
James Linthicum, Three Valleys Municipal Water District  
Roberta Perez, Cucamonga Valley Water District

### **MEMBERS ABSENT**

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None.

### **STAFF PRESENT**

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Chief Executive Officer/Secretary: Walter "Andy" Sells  
Chimene Camacho, HR Coordinator  
David deBernardi, Director of Finance  
Robin Flint, Risk Control Manager  
Robert Greenfield, General Counsel  
Patricia Slaven, Director of Human Resources and Administration  
Sandra Smith, Employee Benefits Manager  
Daniel Steele, Finance Manager  
Dianna Sutton, Special Projects Manager  
Karen Thesing, Director of Insurance Services  
Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

### **OTHERS IN ATTENDANCE**

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Rebecca Akroyd, San Luis-Delta Mendota Water Authority  
Pablo Arroyave, San Luis-Delta Mendota Water Authority  
Laures Stiles, San Luis-Delta Mendota Water Authority

## **WELCOME**

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Chairman Rupp welcomed all in attendance.

## **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

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Chairman Rupp called the meeting to order at 10:03 a.m. He announced there was a quorum.

## **ANNOUNCEMENT RECORDING OF MEETING**

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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.

## **PUBLIC COMMENT**

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Chairman Rupp noted that, as the agenda stated, members of the public would be allowed to address the Employee Benefits Program 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**

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Chairman Rupp welcomed all in attendance. Chairman Rupp made special note and commendation to Director Boatmun for her time and dedication to the Employee Benefits Program Committee. Ms. Boatmun is retiring from Contra Costa Water District after serving 46 years on the Board.

## **SAN LUIS-DELTA MENDOTA WATER AUTHORITY**

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Mr. Sells explained that in June 2020, a San Luis & Delta-Mendota Water Authority employee requested to enroll her adult brother, for whom she has conservatorship. The JPIA denied the request, based on a determination that the individual did not meet the criteria for dependent eligibility provided by JPIA medical plans.

In a memorandum from San Luis & Delta Mendota Water Authority, a request was made that the JPIA reexamine the criteria for dependent eligibility. The employee has conservatorship and claims her brother as a tax dependent. As conservator, she is also responsible for securing healthcare for her brother. Before becoming an employee at San Luis & Delta-Mendota Water Authority, she was able to obtain Kaiser health insurance for her brother through her prior employer (through CalPERS).

Eligibility requirements vary from plan to plan. Plan eligibility requirements are not superseded by court orders that an individual provide coverage. To enroll this individual, the JPIA plans would need to be amended to extend eligibility to individuals for whom employees or spouses have conservatorship.

There was much discussion on this matter by the Committee.

Director Boatmun made a motion that the Employee Benefits Program Committee make a recommendation to the Executive Committee to consider a policy change on LPS Conservatorship. With no second, the motion failed.

### **NEXT MEETING DATE**

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#### Availability for Upcoming Meeting(s)

Chairman Rupp reported that the next meeting will be scheduled for April 15, 2021.

The Employee Benefits Program Committee meeting adjourned at 2:02 p.m.

**ACWA JPIA**  
**COVID-19 Update**  
**April 15, 2021**

**BACKGROUND**

ACWA JPIA staff has been monitoring COVID-19 impacts to the plans throughout the pandemic.

**CURRENT SITUATION**

Diagnosed cases and hospitalizations experienced a significant uptick from mid-November through late-January. Since then, they have continued to hold steady.

Of approximately 14,000 unique members in the Anthem plans, including dependents:

- 657 positive cases
- 43 hospitalizations
  - No admissions since February 6, 2021
- 582 vaccinations
  - Of those, 160 are now fully vaccinated
- \$2.9 million plan cost for testing, treatment, and vaccination
  - Equates to approximately \$17 per member per month

Participant cost share for testing, treatment, and vaccination has been waived throughout the pandemic.

The vaccine itself is being paid for with government funding. Health plans are billed for administration. Provider reimbursement for vaccine administration cost recently increased from \$45.33 to \$80.00 total the two-dose regiment. The one-dose vaccine administration cost increased from \$28.39 to \$40.00.

Staff will continue to monitor the impact to the plan and participants.

**RECOMMENDATION**

None, informational only.

**ACWA JPIA**  
**Renewal History**  
April 15, 2021

**BACKGROUND**

ACWA JPIA has experienced favorable renewals in recent years. Renewal rates and significant plan design changes will be reviewed for the Committee.

**CURRENT SITUATION**

The 2021 rate changes were as follows.

**Anthem:**

- PPO aggregate rate **0% increase**
  - Third year in a row with no increase
- Significant historical changes:
  - 2015 leveraged Medicare Part D funds available for retirees; pharmacy mail order requirement and preferred generics
  - 2018 limited out of network facility benefits; leveraged Pharmacy Benefit Manager marketing results
  - 2019 carved out Pharmacy Benefit Manager business to MedImpact
- HMO **7.6% increase**

**Kaiser:**

- Kaiser North and South Regions blended renewal **8.8% increase**
  - Kaiser Senior Advantage (Medicare): **6.2% decrease**

**Ancillary Benefits**

- Delta Dental PPO and DeltaCare HMO: **No change**
- VSP Vision: **No change**
- Standard Basic Life, Supplemental Life & Long-Term Disability: **5% decrease**
- Standard Short-Term Disability: **No change**

Renewal history for prior years are included on the following pages.

**RECOMMENDATION**

None, informational only.

## Program History: PPO Renewal History

	ACWA PPO Classic Renewal	ACWA PPO Advantage Renewal	ACWA PPO HDHP Renewal	CalPERS PERSChoice Renewal <sup>1</sup>
2012	2.23%	2.23%	2.23%	1.90%
2013	8.46%	8.46%	8.46%	16.22%
2014 (Actual) <sup>2</sup>	5.70%	5.70%	5.70%	1.49%
2015 (Actual) <sup>3</sup>	0.00%	0.00%	0.00%	-0.48%
2016 (Actual) <sup>4</sup>	7.94%	7.94%	7.94%	11.75%
2017 (Actual) <sup>5</sup>	12.00%	12.00%	12.00%	4.57%
2018 (Actual) <sup>6</sup>	4.50%	4.50%	4.50%	-2.26%
2019 (Actual) <sup>7</sup>	0.00%	0.00%	0.00%	5.61%
2020 (Actual) <sup>8</sup>	0.00%	0.00%	0.00%	2.91%
2021 (Actual) <sup>9</sup>	0.00%	0.00%	0.00%	7.91%
<b>AVERAGE</b>	<b>4.08%</b>	<b>4.08%</b>	<b>4.08%</b>	<b>4.96%</b>

<sup>1</sup>CalPERS PERSChoice renewal figures represent overall statewide figure as published by CalPERS. CalPERS preliminary rates showing for 2021.

<sup>2</sup>Recommended increase was 9.6% to all PPO plans. Actual Increase to members shown above

<sup>3</sup>Recommended increase was 4.7% to all PPO plans. Actual increase to members shown above

<sup>4</sup>Recommended increase was 14.81% to all PPO plans. Actual increase to members shown above

<sup>5</sup>Recommended increase was 14.09% to all PPO plans. Actual increase to members shown above

<sup>6</sup>Recommended increase was 6.90% to all PPO plans. Actual increase to members shown above

<sup>7</sup>Recommended increase was 3.22% to all PPO plans. Actual increase to members shown above

<sup>8</sup>Recommended increase was 1.05% to all PPO plans. Actual increase to members shown above

<sup>9</sup>Recommended increase was 2.07% to all PPO plans. Actual increase to members shown above

## Program History:

### HMO Renewal History

Year	ACWA JPIA HMO Renewal	CalPERS HMO Renewal <sup>1</sup>
2012 <sup>2</sup>	-4.02%	3.50%
2013	8.00%	8.70%
2014 <sup>3</sup>	5.60%	-3.00%
2015 <sup>4</sup>	5.50%	9.60%
2016 <sup>5</sup>	-4.97%	6.86%
2017 <sup>6</sup>	12.00%	16.00%
2018 <sup>7</sup>	8.26%	-9.41%
2019 <sup>8</sup>	0.00%	6.20%
2020 <sup>9</sup>	5.64%	13.91%
2021 <sup>10</sup>	7.00%	3.16%
<b>AVERAGE</b>	<b>4.30%</b>	<b>5.55%</b>

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

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

<sup>3</sup>Alliant negotiated renewal (Anthem proposed +15.59%)

<sup>4</sup>Alliant negotiated renewal (Anthem proposed +10.42%)

<sup>5</sup>Alliant negotiated renewal (Anthem proposed -1.47%)

<sup>6</sup>Renewal includes Anthem fully-insured medical renewal + Self-funded Rx EGWP program

<sup>7</sup>Renewal includes Anthem fully-insured medical renewal + Self-funded Rx EGWP program

<sup>8</sup>Renewal includes Anthem fully-insured medical renewal + Self-funded Rx EGWP program

<sup>9</sup>Anthem HMO renewal was 5.64%, committee approved an 8.21% renewal to members

<sup>10</sup>Anthem HMO renewal was 7.00%, committee approved a 7.60% renewal to members



**ACWA JPIA**  
**Medicare Advantage Plan Options**  
**April 15, 2021**

**BACKGROUND**

ACWA JPIA regularly surveys the market to benchmark benefits and identify savings opportunities for members. Medicare Advantage plans have been identified as a common offering providing significant savings while offering robust benefits.

**CURRENT SITUATION**

ACWA JPIA offers Coordination of Benefit (COB) plans to Medicare retirees. These plans do not leverage Medicare negotiated rates or additional reimbursements available from Medicare. Staff will present options for savings to members and retirees, while maintaining the high level of benefits quality and satisfaction.

Medicare Advantage plans from Anthem and United HealthCare (UHC) are being evaluated. Information is included on the following pages.

**RECOMMENDATION**

That the Employee Benefits Program Committee recommends that the Executive Committee approve replacement of current Anthem plans for Medicare retirees with the proposed UHC Medicare Advantage plan, effective January 1, 2022.

# Medicare Advantage Plan Options

Sandra Smith  
Employee Benefits Manager  
April 15, 2021

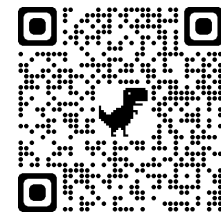
# Want more Information?

## Check out the QR Codes

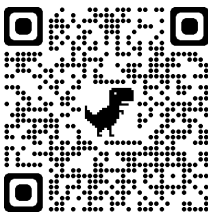
- QR Codes simply direct you to a website. They are included in this packet for those wishing to explore additional information.
  - To open them:
    - Open the camera app on your phone or tablet
    - Point the camera at the QR code as if you're going to take a picture
    - (Don't take the picture)
    - A banner will pop up across the top
    - Touch the banner to open the linked website
- These two QR codes direct you to *Group* Retiree Medicare Advantage websites for UHC and Anthem

*Note: If you're looking at this packet on your phone or tablet, you'll need another device with a camera to point at the QR code. For ease of use, these QR codes have also been made hyperlinks you can open on your device by touching/clicking directly on them.*

 UnitedHealthcare®



 Anthem®



# Objectives

- Quality
  - Provide robust benefits to retirees
  - Maintain high level of satisfaction
  - Limit participant disruption
- Financial Stewardship
  - Offer competitive benefit plans
  - Reduce premiums for members *and* retirees
  - Provide rate stability to members *and* retirees
  - Reduce member OPEB liabilities

# Competitive Rates

## 2021 Medicare Plans

JPIA Plans Coordination of Benefits	Single Rate	CalPERS Plans Supplemental/Advantage	Single Rate	Rate Comparison
Classic PPO	\$ 559	PERS Care (Supp)	\$ 381	32%
Advantage PPO	\$ 492	PERS Choice (Supp)	\$ 350	29%
CDHP (high deductible)	\$ 447	PERS Select (Supp)	\$ 350	22%
CalCare HMO	\$ 637	Anthem Trad/Select (Adv)	\$ 383	40%
Kaiser South	\$ 194	Kaiser South (Adv)	\$ 324	-67%
Kaiser North	\$ 309	Kaiser North (Adv)	\$ 324	-5%

JPIA Rate is average of Standard and Incentive Rate



# Medicare Advantage enrollment is trending higher

Enrollment in Medicare Advantage plans has nearly doubled over the past decade<sup>1</sup>

**4.5 million**

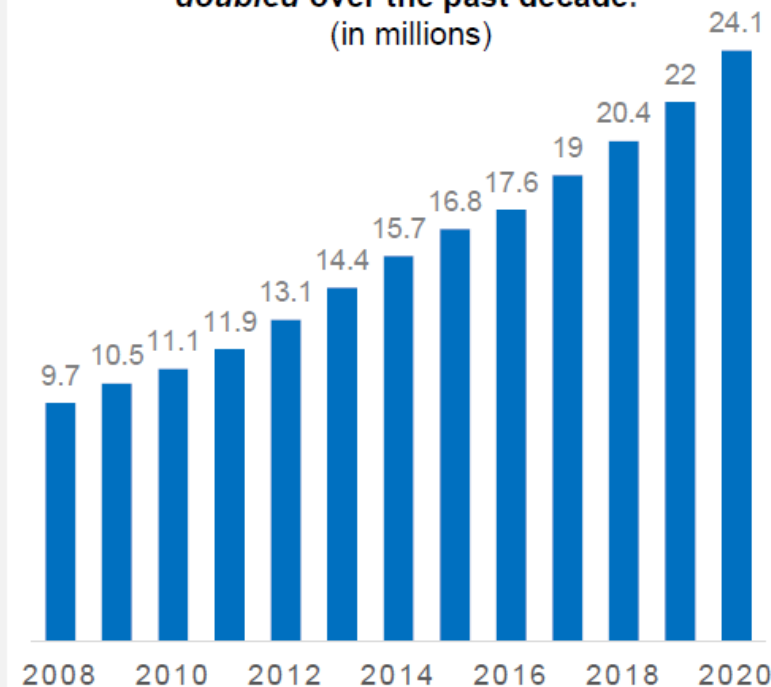
Medicare Advantage enrollees were in an employer or union-sponsored group plan in 2020.<sup>1</sup>

Between 2019 and 2020, total MA enrollment grew by **2.1 million** beneficiaries, or 9%.<sup>1</sup>

By 2030, all baby boomers will be age **65 or older.**<sup>2</sup>

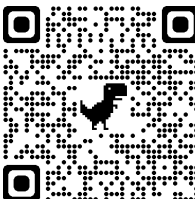
**36%** of Medicare beneficiaries are enrolled in Medicare Advantage plans.<sup>1</sup>

**Total Medicare Advantage Enrollment doubled over the past decade.<sup>1</sup>**  
(in millions)

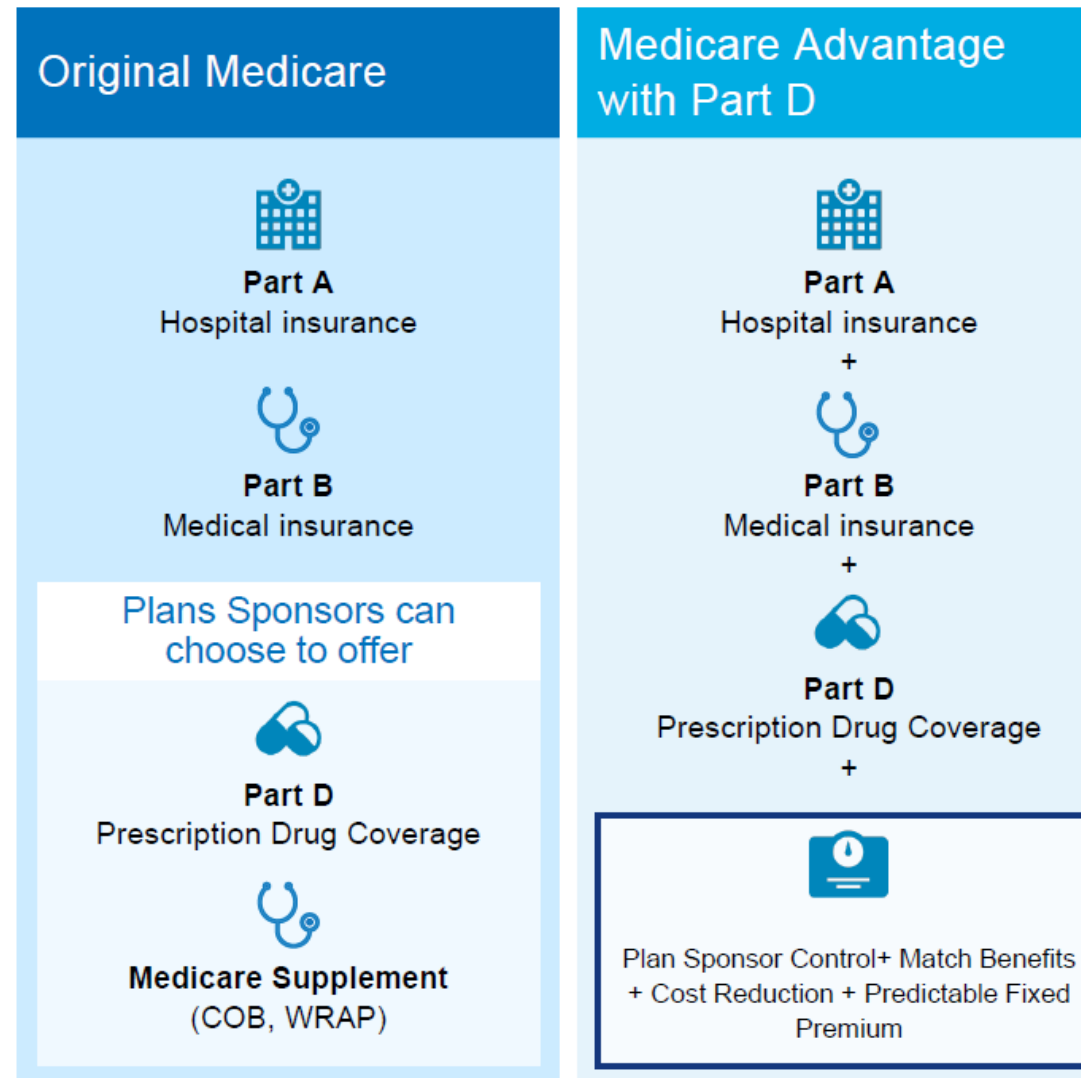


<sup>1</sup> Kaiser Family Foundation: *A Dozen Facts About Medicare Advantage in 2020* (April 2020): [kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2020/](https://kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2020/).

<sup>2</sup> United States Census Bureau: *By 2030, All Baby Boomers Will be Age 65 or older* (December 2019): [census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.html](https://census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.html).



# Medicare Advantage v. COB Plans



# Medicare Advantage v. COB Plans

Group Medicare Advantage (MA)	
Total medical claims (example)	\$949
Care coordination savings	(\$95)
	\$854
CMS subsidy	(\$803)
	\$51
CMS STARS/Risk Adjustment Coding	(\$32)
Net claim cost to MA carrier	\$19

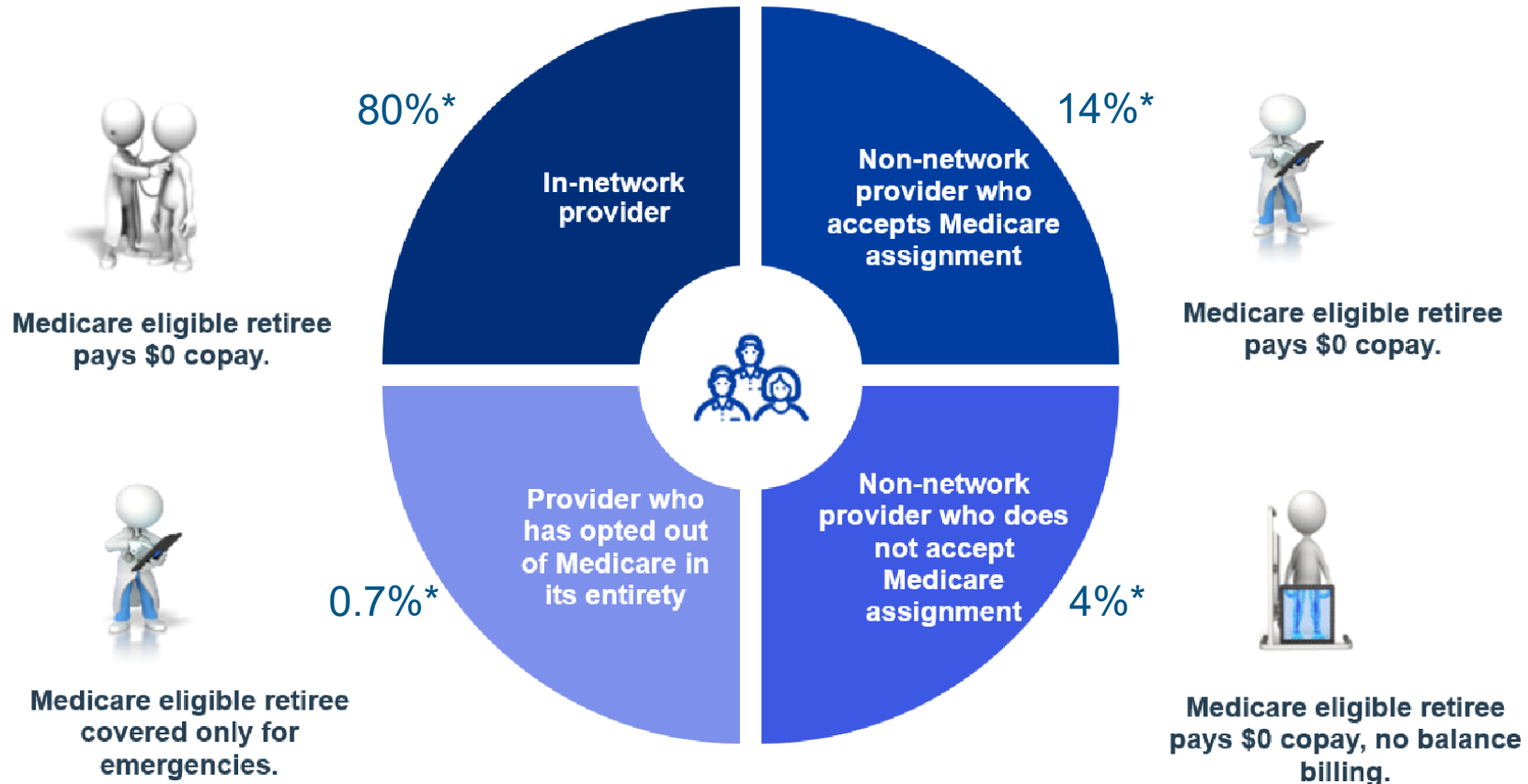
Traditional fee-for-service/Coordination with Medicare	
Total medical claims (example)	\$949
CMS payment (83.5% of Medicare dollar)	(\$793)
Net claim cost (paid by plan sponsor)	\$156

Note: This is an illustrative example to demonstrate how Group Medicare Advantage provides savings over Traditional FFS plans. The projected claim cost for each specific group would vary based on a variety of factors such as demographics, experience, and benefit design.



# Provider Disruption

## Medicare Advantage PPO Member Experience (\$0 copay plan)



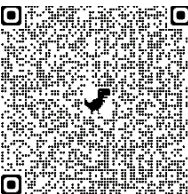
The vast majority of non-network providers will file the member's PPO claim. If not, the member pays the provider directly and then submits to the plan for reimbursement. If the provider does not accept Medicare Assignment, the member will be reimbursed at the same copay - no balance billing amount is paid by Medicare eligible retiree. Out of network providers are not required to accept the plan.

# Provider Disruption

Medicare Advantage PPO Member Experience

## A consistent experience for retirees and providers

	Experience considerations	
	In-network Providers	Out-of-network providers
Retiree experience	Can see any provider that accepts Medicare	
Provider reimbursement rate	Anthem's negotiated rate	100% of Medicare's rate
Claims submissions	Follows existing process	
Provider support	Identical provider service support	
Provider education	Comprehensive program	Comprehensive program targeted by utilization



# Disruption: UHC Providers

Based on JPIA Claim History

## Summary of Overall Analysis Results - Medical

Matched 100.00%



Match Status	Match Type	Source	Match to Records
Total			5,762
Yes	Contracted In-Network	Medical	4,449
Yes	Accepting the Plan	Medical	1,313
Yes	Not Accepting the Plan	Medical	0

There is one vision provider in Alaska – he has treated our patients before but we don't have a claim on file since the end of 2019. We would want to reach out to him to let him know that ACWA is going to be implementing this plan and make sure he knows how to bill us to ensure the 2 members using him can continue to use him uninterrupted

It appears that one patient has used the Mayo Phoenix hospital that does not prefer to work with Group MA Plans. (They don't work with anyone's plans, UHC is not unique here). This Mayo location generally treats existing patients but is very selective about accepting and treating new patients.



# Disruption: Anthem Providers

## PROVIDER DISRUPTION

94.81% of providers that have seen ACWA JPIA retirees accept Anthem Medicare Advantage PPO

5.05% of providers have not had an Anthem MA PPO claim submitted

0.15% of providers are unwilling to accept Anthem MA PPO (Sharp in San Diego and The Mayo Clinic) currently

# Disruption: Anthem Rx

## Anthem IngenioRx Premier Formulary

Sum of Claims Summary									
Current Formulary	Premier 4 Tier Formulary with ECDHLP								
	Tier 0	Tier 1	Tier 2	Tier 3	Tier 4	Not Covered	Not Part D Eligible	Part B Eligible	Total Claims
Tier 1	9,748	26,427	175	234	7	0	49	12	36,652
Tier 2	0	0	3,268	802	65	0	0	69	4,196
Tier 3	0	290	439	404	16	0	16	149	1,314
Tier 4	0	6	0	42	469	0	0	0	517
Tier 10	0	0	0	0	0	0	0	441	441
Tier 90	0	0	0	0	0	0	0	8	8
<b>TOTAL CLAIMS</b>	<b>9,748</b>	<b>26,723</b>	<b>3,874</b>	<b>1,482</b>	<b>557</b>	<b>0</b>	<b>65</b>	<b>679</b>	<b>43,128</b>
<b>PERCENTAGE</b>	<b>22.60%</b>	<b>61.96%</b>	<b>8.98%</b>	<b>3.44%</b>	<b>1.29%</b>	<b>0.00%</b>	<b>0.15%</b>	<b>1.57%</b>	<b>100.00%</b>

Impact Summary		
IMPACT	Sum of Claims	Sum of Claims %
POSITIVE	10,525	24.40%
NEUTRAL	31,239	72.43%
NEGATIVE	1,364	3.16%
<b>TOTAL</b>	<b>43,128</b>	<b>100.00%</b>

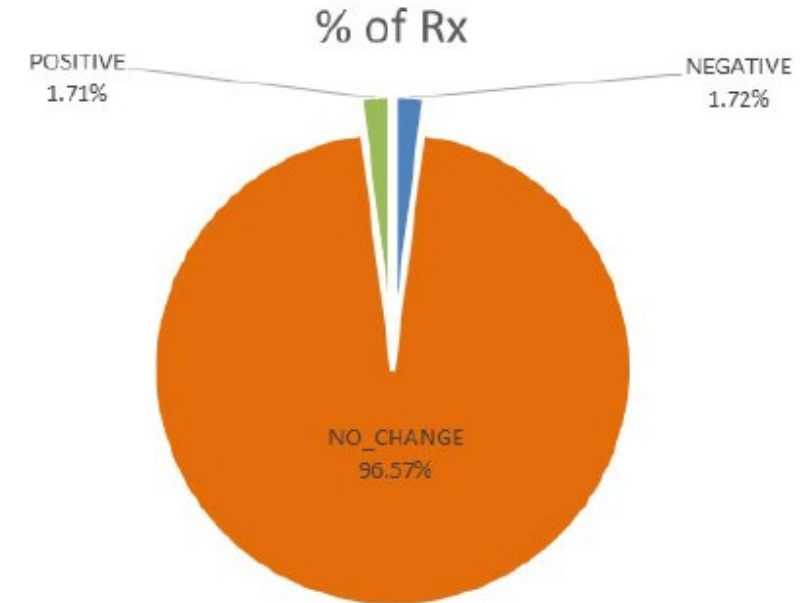
Number of individual prescriptions filled, not number of participants.

### Notes / Methodology

Tier 0 = No-cost Preferred Generics, Tier 1 = Generic, Tier 2 = Preferred Brand, Tier 3 = Non-Preferred Brand, Tier 4 = Specialty Drug, Part B Eligible = The Drug is eligible for coverage under Part B benefit, Not D Part Eligible = Drug is not Covered and member will have to pay full cost  
Tier 10 and 90 drugs were excluded except for the Part B eligible items.

# Disruption: UHC Rx

CURRENT TIER	PROPOSED TIER	CHANGE	UTILIZERS	RXS	% OF RX	Average Savings/Cost
0	1	NO CHANGE	992	6069	13.85%	
1	1	NO CHANGE	1616	30244	69.03%	
1	2	NEGATIVE	80	241	0.55%	\$10
1	3 + 4	NEGATIVE	18	35	0.08%	\$45
1	OTC Benefit	POSITIVE	39	77	0.18%	\$5
2	2	NO CHANGE	730	3674	8.39%	
2	3 + 4	NEGATIVE	131	475	1.08%	\$30
3	Part B	POSITIVE	91	164	0.37%	\$50
3 + 4	3 + 4	NO CHANGE	252	1221	2.79%	
3 + 4	2	POSITIVE	59	249	0.57%	\$30
3 + 4	1	POSITIVE	105	261	0.60%	\$45
10	Part B	NO CHANGE	429	446	1.02%	
10	OTC Benefit	NO CHANGE	52	86	0.20%	
10	Not Covered	NEGATIVE	1	2	0.00%	\$29
	NOT_COVERE					
90	D	NO CHANGE	204	566	1.29%	



100.00%  
42306 No Change 96.57%  
751 Pos 1.71%  
753 Neg 1.72%

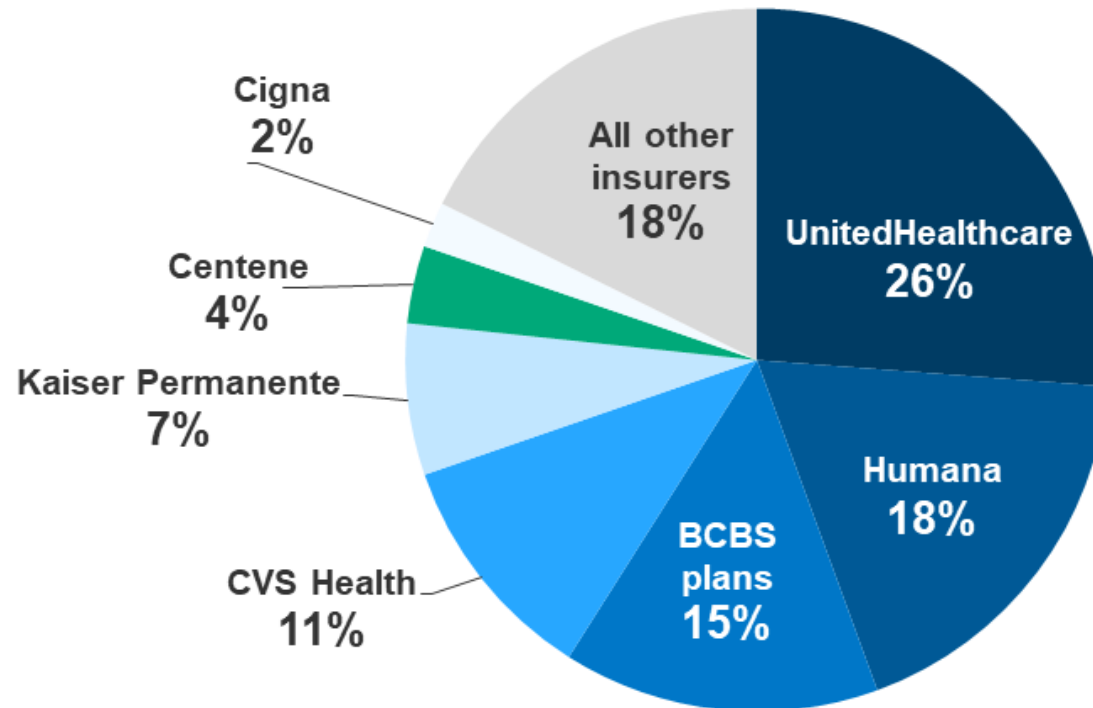
Number of individual prescriptions filled, not number of participants.  
(Half of Anthem's number)



# Medicare Advantage Benefits

- Simpler plan design
- Streamlined claims administration
- One ID card
- Meals and transportation benefit
- Gym membership benefit
- Maximization of government funding sources
- Stars financial incentives for well performing plans
  - Impacts premiums, member experience, and health outcomes
- Prompts from customer service representatives to schedule routine screenings/exams
  - Cash rewards for completing these exams (UHC)
- In-home health assessments

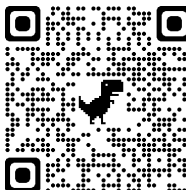
# Medicare Advantage Carriers



**Total Medicare Advantage Enrollment, 2020 = 24.1 Million**

NOTE: All other insurers includes firms with less than 2% of total enrollment. BCBS are BlueCross and BlueShield affiliates and includes Anthem BCBS plans. Anthem non-BCBS plans are less than 2% of total enrollment. Percentages may not sum to 100% due to rounding.

SOURCE: KFF analysis of CMS Medicare Advantage Enrollment Files, 2020.



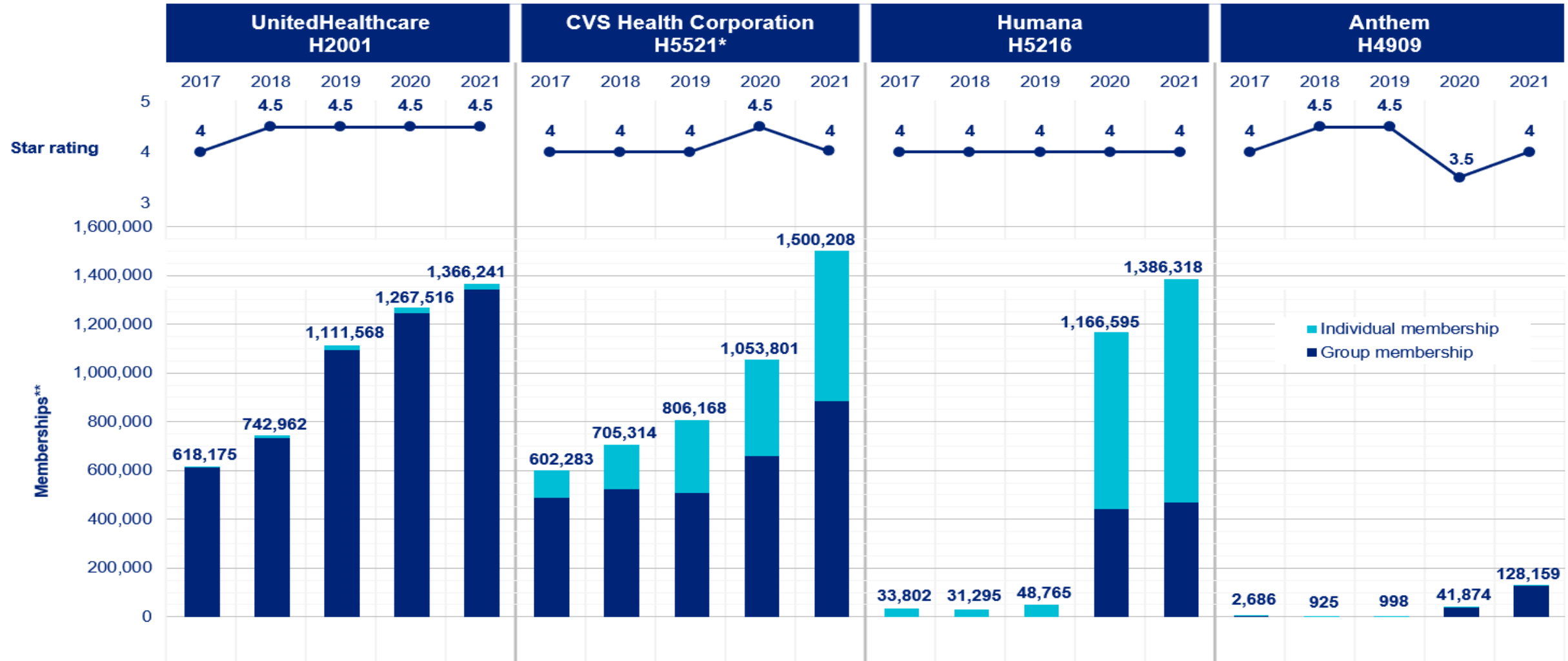


# Stars Ratings

- Quality metrics developed by CMS
- Financial incentive for quality care, improved health outcomes, and member satisfaction
- Rating impacts CMS reimbursement to plans
  - Impacts premiums, 2 years after measurement period
  - Impacts carrier competitiveness
- Use continuously evolving scoring methodology
- Quality bonus for plans rate 4.0 or above

# Stars Ratings and Enrollment

per Contract



\* Formerly known as Aetna prior to 2020.

\*\* Membership from plan year 2019.

# Focused engagement leads to higher utilization of preventive services

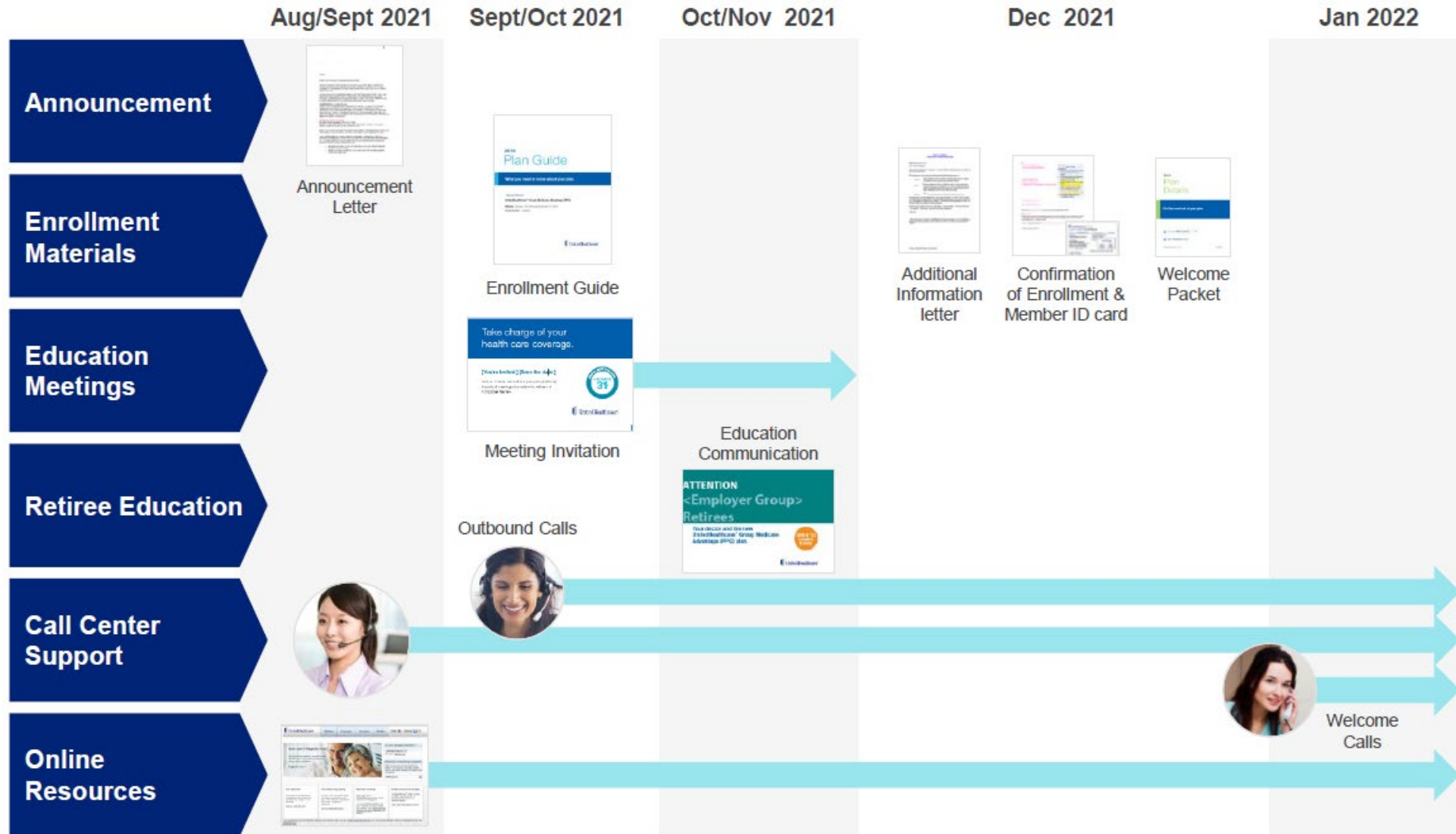
Medicare Advantage supports seniors with a care management model that drives better decisions and better health.

Preventive Outcome Metrics	2018 ASO COB (per 1,000)	2019 Medicare Advantage (per 1,000)
Adult Preventive	152.5	394.7
Cholesterol Screening	167.6	1005.9
Colorectal Screening	6.6	56.7
Immunizations – Adult	259.8	364.3
Mammogram	120.3	479.0
Pap Smear	64.2	96.9
PSA Screening	157.9	693.1
Routine GYN Exam	36.1	78.9

\***Actual GRS Client** – Year one results following move from Anthem ASO COB to Anthem Medicare Advantage

# Retiree Experience

## UHC



# JPIA Plan Design Options

- Surveyed current Medicare Retirees to determine how current plans work in practice, and identify concerns
  - Plan designs call for copays, e.g. office visit for \$15
  - Between Medicare primary and Anthem secondary, copays are not typically being collected
  - Keeping physician relationships is a primary concern
- \$0 copay PPO Medicare Advantage Plan provides 26% reduction in premiums, while maintaining level of benefits retirees are currently receiving in practice

# Review Objectives

- Quality
  - Provide robust benefits to retirees
  - Maintain high level of satisfaction
  - Limit participant disruption
- Financial Stewardship
  - Offer competitive benefit plans
  - Reduce premiums for members *and* retirees
  - Provide rate stability to members *and* retirees
  - Reduce member OPEB liabilities

# Medicare Advantage Plans

- Proposals provide rates 1% lower to 7% higher than CalPERS
  - Current rates are 22-40% higher than CalPERS
- JPIA member savings of \$2.7 million annually
  - Savings of 26% in total Medicare retiree premiums annually
  - Reduction in OPEB liability
  - Savings for retirees who contribute to premiums
- Benefits similar to or better than current plan designs
  - With enhancements
- Single, consolidated plan
  - Ease of use for retirees, ease of administration for staff
- With all change comes some initial disruption
  - New ID cards, pharmacy formulary disruption

# Medicare Advantage

## Proposal

JPIA Medicare Retiree Options	Single Rate	CalPERS Medicare Retiree PPOs	Single Rate	JPIA Rate Comparison
Anthem Medicare Advantage	\$ 377	PERSCare	\$ 381	-1%
UHC Medicare Advantage	\$ 375	PERSCare	\$ 381	-1%
Anthem Medicare Advantage	\$ 377	PERS Choice	\$ 350	7%
UHC Medicare Advantage	\$ 375	PERS Choice	\$ 350	7%

*JPIA Proposal is for a single Medicare Advantage plan, from either Anthem or UHC, for all Medicare Retirees (except Kaiser).*

*PERSCare is the most robust CalPERS PPO.*

*PERS Choice has 60% of CalPERS PPO enrollment.*



	Current Coordination of Benefit Plans			Medicare Advantage Proposals	
Plan/Benefits	Classic PPO	Advantage PPO	CalCare HMO	UHC PPO	Anthem PPO
Deductible	\$200	\$500	None	None	None
Office Visit	15	20	10	0	0
Specialist Referral Required	No	No	Yes	No	No
Emergency Room	\$50 + 20%	\$50 + 20%	\$50	\$50	\$50
Ambulance	20%	20%	\$50	\$0	\$0
Hospitalization	10%	20%	\$0	\$0	\$0
Outpatient Surgery	10%	20%	\$0	\$0	\$0
Labs and X-Ray					
CT, MRI, PET scans	20%	20%	\$0	\$0	\$0
Diagnostic X-Ray and Lab	20%	20%	\$0	\$0	\$0
Chiropractic, Accupuncture	20%	20%	\$10	\$0, 30 visits	\$0, 30 visits
Durable Medical Equipment orthotics, prosthetics, diabetic supplies	20%	20%	\$0	\$0	10%
Monthly per Member	aggregate	\$491	aggregate	\$375	\$377
<b>Annual Total</b>	<b>\$10,605,902</b>			<b>\$7,844,737</b>	<b>\$7,879,836</b>
Difference				<b>(\$2,761,165)</b>	<b>(\$2,726,066)</b>
Savings				26%	26%
<b>Option:</b>	<b>1 (status quo)</b>			<b>2</b>	<b>3</b>

**Important Notes:****Current**

1. Despite the benefit summaries, retirees report paying little to nothing out of pocket once Medicare and then the plan process claims.
3. The above highlights reflect in-network benefits only. Out-of-network benefits may be less, and the out-of-network provider may "balance bill" above the plan's allowed amount. HMO benefits are limited to in network except in emergencies.
5. Member agencies may choose to offer any of these options to retirees.

**Medicare Advantage**

2. Benefits above indicate actual retiree cost after plan benefits.
4. The above summarizes in-network and out-of-(Anthem/UHC) network benefits. "Balance billing" applies only at all providers who have opted out of Medicare reimbursement (0.7%).
6. Each Medicare Advantage option above assumes full replacement of current benefits.

# Appendix

- Pharmacy Disruption: UHC, Anthem
- CMS Stars Rating Metrics



# Disruption: Anthem Rx

Specific Examples of Copay changes from Tier 1 (\$5) to Tier 2 (\$20) / Tier 3 (\$50)

Based on: 2021 Premier 4 Tier Formulary with ECDHLP

Drugs move from lower tier (T1) to higher tier (T2, T3 or T4)

Drug name	# of claims	Anthem EGWP Formulary			Category	Anthem EGWP Formulary Alternatives	
		# of Member	Tier	Maintenance indicator		Drug Name	Tier
ADVAIR DISKUS	159	42	2	Y	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	WIXELA, FLUTICASONE-SALMETEROL, BUDESONIDE-FORMOTEROL	1
NOVOLOG FLEXPEN	75	22	3	Y	ANTIDIABETICS	HUMALOG KWIKPEN	2
HYOSCYAMINE SULFATE	11	7	3	N	ULCER DRUGS/ANTISPASMODICS/ANTICHOLINERGICS	HYOSCYAMINE SULFATE ER (ALTERNATIVE DOSE FORM)	-
NOVOLOG	23	5	3	Y	ANTIDIABETICS	HUMALOG	2
SYNTHROID	16	5	2	Y	THYROID AGENTS	LEVOTHYROXINE SODIUM	1
MITIGARE	15	5	3	N	GOUT AGENTS	COLCHICINE	1
METFORMIN ER OSMOTIC	12	4	3	Y	ANTIDIABETICS	METFORMIN ER	1
DULERA	8	4	3	Y	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	WIXELA, FLUTICASONE-SALMETEROL, BUDESONIDE-FORMOTEROL	1

# Disruption: Anthem Rx

Specific Examples of Copay changes from \$20 to \$50

Based on: 2021 Premier 4 Tier Formulary with ECDHLP

Drugs move from lower tier (T2) to higher tier (T3) or (T4)

		Anthem EGWP Formulary			Anthem EGWP Formulary Alternatives	
Drug name	# of claims	# of members	Anthem EGWP Tier	Category	Drug Name	Tier
MYRBETRIQ	115	24	3	URINARY ANTISPASMODICS	TOVIAZ	2
BYSTOLIC	87	20	3	BETA BLOCKERS	CARVEDILOL, NADOLOL, BETAXOLOL	1
LIVALO	57	13	3	ANTHYPERLIPIDEMICS	ATORVASTATIN, FLUVASTATIN, PRAVASTATIN, ROSUVASTATIN	1
BREO ELLIPTA	55	12	3	ANTIASTHMATIC AND BRONCHODILATOR	WIXELA, FLUTICASONE-SALMETEROL, BUDESONIDE-FORMOTEROL	1
VASCEPA	40	11	3	ANTHYPERLIPIDEMICS	EZETIMIBE, OMEGA-3-ACID ETHYL ESTERS	1
INVOKANA	45	10	3	ANTIDIABETICS	JARDIANCE, FARXIGA	2
DEXILANT	40	9	3	ULCER DRUGS/ANTISPASMODICS/ANTICH	ESOMEPRAZOLE, LANSOPRAZOLE, PANTOPRAZOLE, OMEPRAZOLE	1
TRINTELLIX	43	8	3	ANTIDEPRESSANTS	VARIOUS ANTIDEPRESSANT AGENTS COVERED ON FORMULARY AT LOWER TIER, SPEAK WITH YOUR DR	1
PROLENSA	10	8	3	OPHTHALMIC AGENTS	BROMFENAC SODIUM (OPHTH)	1
COMBIVENT RESPIMAT	40	7	3	ANTIASTHMATIC AND BRONCHODILATOR	STIOLTO RESPIMAT	2
INCRUSE ELLIPTA	17	5	3	ANTIASTHMATIC AND BRONCHODILATOR	SPIRIVA RESPIMAT, SPIRIVA HANDIHALER	2
TRESIBA FLEXTOUCH U-200	14	5	3	ANTIDIABETICS	LANTUS SOLOSTAR	2
TRESIBA FLEXTOUCH U-100	21	4	3	ANTIDIABETICS	LANTUS SOLOSTAR	2
ADVAIR HFA	18	4	3	ANTIASTHMATIC AND BRONCHODILATOR	WIXELA, FLUTICASONE-SALMETEROL, BUDESONIDE-FORMOTEROL	1
OXYCONTIN	14	4	3	ANALGESICS - OPIOID	VARIOUS SHORT ACTING AND LONG ACTING ANALGESIC NARCOTICS ARE COVERED AT LOWER TIERS, SPEAK WITH YOUR DR	-
CHANTIX	8	4	3	PSYCHOTHERAPEUTIC AND NEUROLOGICA	BUPROPION ER	1

# Disruption: UHC Rx

Specific Examples of Copay Changes from Tier 2 (\$20) to Tier 3 (\$50)

Drug	Members Impacted
DEXILANT DR 60 MG CAPSULE	40
VASCEPA 1 GM CAPSULE	40
AIMOVIG 70 MG/ML AUTOINJECTOR	28
INVOKANA 300 MG TABLET	25
DUREZOL 0.05% EYE DROPS	23
TOVIAZ ER 8 MG TABLET	21
INVOKANA 100 MG TABLET	20
ATROVENT 17 MCG HFA INHALER	17
INCRUSE ELLIPTA 62.5 MCG INH	17
XIIDRA 5% EYE DROPS	17
TRINTELLIX 5 MG TABLET	15
FORTEO 620 MCG/2.48 ML PEN INJ	14
EDARBI 40 MG TABLET	12
NUCYNTA 50 MG TABLET	12
NOVOLIN 70-30 100 UNIT/ML VIAL	11
NOVOLOG 100 UNIT/ML FLEXPEN	11
PROLIA 60 MG/ML SYRINGE	11
AJOVY 225 MG/1.5 ML SYRINGE	10
PROLENSA 0.07% EYE DROPS	10
TOVIAZ ER 4 MG TABLET	9
CIPRODEX OTIC SUSPENSION	8
EDARBI 80 MG TABLET	7
INVOKAMET 150-1,000 MG TABLET	7
NOVOLIN N 100 UNIT/ML VIAL	7
NEXLETOL 180 MG TABLET	6
OXYCONTIN ER 10 MG TABLET	6
LOTEMAX 0.5% OPHTHALMIC GEL	5
TUDORZA PRESSAIR 400 MCG INHAL	5
CORLANOR 5 MG TABLET	4
DALIRESP 500 MCG TABLET	4
EMGALITY 120 MG/ML PEN	4
EMGALITY 120 MG/ML SYRINGE	4
NOVOLIN 70-30 FLEXPEN	4
OXYCODONE HCL ER 40 MG TABLET	4

# Plan year 2021 Quality Measure Grid

43

## Member Survey Measures

### \*Source CAHPS

Annual Flu Vaccine

Getting Needed Care

Getting Appointments & Care Quickly

Customer Service

Overall Rating of Plan

Care Coordination

Rating of Drug Plan

Getting Needed Prescription Drugs

### \*Source HOS

Improving or Maintaining Physical Health

Monitoring Physical Activity

Improving or Maintaining Mental Health

Reducing Risk of Falling

Improving Bladder Control

## Clinical Quality Measures

### \*Source HEDIS

Breast Cancer Screening

Osteoporosis Management

Controlling Blood Pressure

Statin Therapy for Cardiovascular Disease – Dispensed

Colorectal Cancer Screening

Controlling Blood Pressure

Diabetes Care – Eye Exam

Diabetes Care – Kidney Disease

Diabetes Care – Blood Sugar

Transitions of Care- Medication Reconciliation

## Health Plan Operations Measures

### \*Source CMS

Complaints About the Health Plan – Part C & D

Part C Appeals Timeliness

Part C Appeals Fairness

### \*Source Medicare Beneficiary Database

Members Choosing to Leave Plan – Part C & D

## Health Plan Operations Measures *Continued*

### \*Source Call Center

Foreign Language & TTY/TDD – Part C & D

### \*Source Prescription Drug Event & Plan Finder Pricing

Medicare Plan Finder – Price Accuracy

## Improvement Measures

### \*Source Current & Prior Performance

Improvement – Part C & D

## Pharmacy Measures

### \*Source Prescription Drug Event

Medication Adherence for Oral Diabetes

Medication Adherence for Hypertension

Medication Adherence for Cholesterol

Statin Use in Persons with Diabetes

### \*Source Part D Reporting

MTM Comprehensive Medication Review



**ACWA JPIA**  
**Reserves Fund Status**  
**April 15, 2021**

**BACKGROUND**

For the past three years, the JPIA has used \$19.2 million as the target goal for the Employee Benefits reserves. This number was based on a March 2018 actuary report using a 99% confidence level. Confidence level refers to the degree of likelihood losses will meet or be less than the estimated number.

The Employee Benefits Committee has asked staff to provide an update on these estimates.

**CURRENT SITUATION**

As of December 30, 2020 the Employee Benefits Program reserves are approximately \$78 million.

**RECOMMENDATION**

None; staff is in the process of obtaining current actuarial projections.

## ACWA JPIA

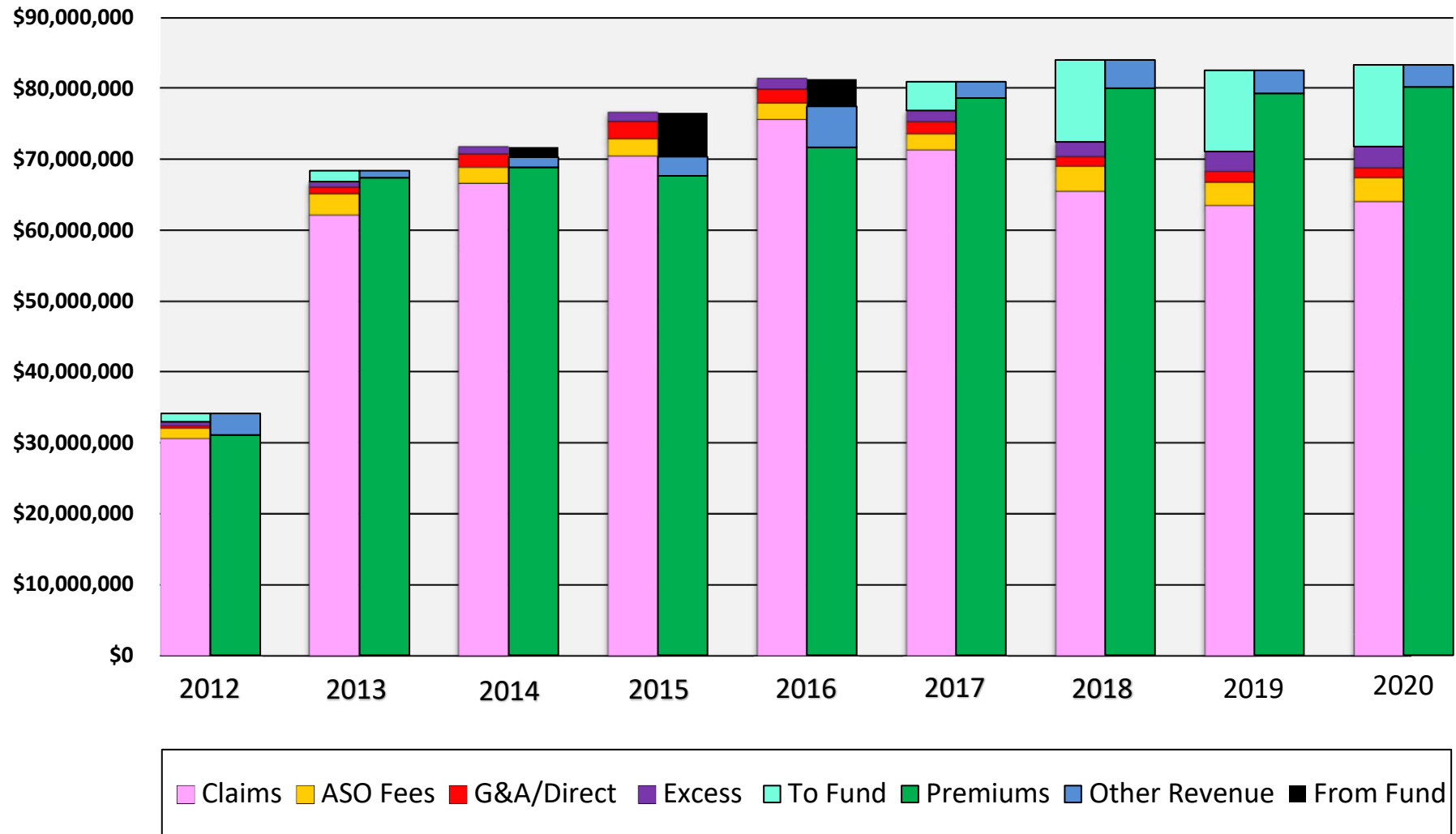
**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
CUMULATIVE FROM JULY 1, 2012 THROUGH DECEMBER 31, 2020**

**EMPLOYEE BENEFITS  
Anthem Self-Funded PPO Program**

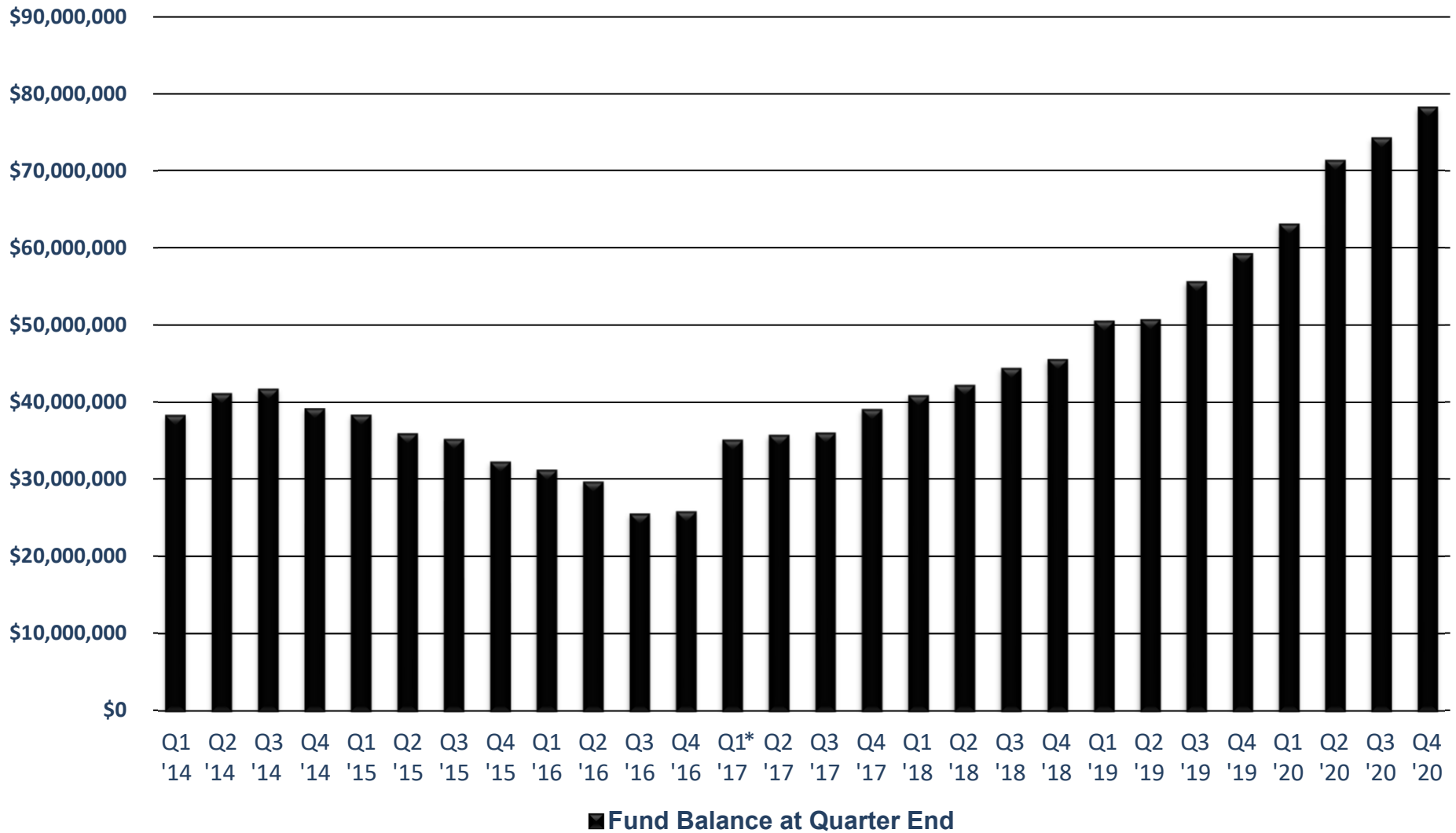
	Anthem PPO 81	Anthem PPO 81	Anthem PPO 81	Anthem PPO 81	Anthem PPO 81	Anthem PPO 81	Anthem PPO 81	Anthem PPO 81	Anthem PPO 81	Anthem PPO 81
	Policy Year	Policy Year	Policy Year	Policy Year	Policy Year	Policy Year	Policy Year	Policy Year	Policy Year	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Totals
<b>REVENUE:</b>										
Deposit Premiums Earned	\$ 31,096,943	\$ 67,434,383	\$ 68,901,678	\$ 67,684,801	\$ 71,689,085	\$ 78,658,897	\$ 80,056,078	\$ 79,303,896	\$ 80,224,000	\$ 625,049,761
Net Investment & Other Income	31,775	122,629	195,227	270,714	579,926	571,453	885,823	1,554,166	1,709,003	5,920,715
Administrative Fee	273,466	543,825	533,006	533,291	529,242	528,928	523,588	524,668	931,368	4,921,382
Exp. "Specific" Excess Insur. Rec.	2,772,115	754,583	691,553	1,908,777	4,690,073	1,218,617	2,580,839	1,199,949	499,518	16,316,025
Less: Doubtful Recoveries	(42,356)	(443,878)	(3,476)	0	0	0	0	0	0	(489,710)
<b>Total Revenue</b>	<b>34,131,942</b>	<b>68,411,542</b>	<b>70,317,989</b>	<b>70,397,582</b>	<b>77,488,326</b>	<b>80,977,895</b>	<b>84,046,329</b>	<b>82,582,679</b>	<b>83,363,889</b>	<b>651,718,173</b>
<b>EXPENSES:</b>										
Paid Claims - Primary	27,789,157	61,367,722	65,880,484	68,514,569	70,845,824	70,049,166	62,877,650	62,269,406	63,496,041	553,090,018
Paid Claims - Excess	2,772,115	754,582	691,553	1,908,777	4,690,073	1,218,617	2,580,839	1,199,949	499,518	16,316,024
<b>Claims Expense Sub-Total</b>	<b>30,561,272</b>	<b>62,122,304</b>	<b>66,572,037</b>	<b>70,423,346</b>	<b>75,535,897</b>	<b>71,267,782</b>	<b>65,458,489</b>	<b>63,469,355</b>	<b>63,995,559</b>	<b>569,406,042</b>
Purchased Carrier Insurance	1,469,469	2,982,020	2,285,319	2,401,132	2,319,257	2,274,915	3,519,318	3,256,360	3,394,185	23,901,976
Purchased Excess Insurance	541,419	836,491	1,029,985	1,276,428	1,538,801	1,636,443	2,107,541	2,847,451	3,042,473	14,857,032
General & Administrative Expenses	382,880	886,997	1,037,912	1,708,580	1,183,682	1,211,213	1,100,615	1,072,442	962,271	9,546,593
Direct Expenses (Beginning 10/01/2014)	0	59,886	818,304	766,345	766,745	504,776	269,241	458,561	426,645	4,070,503
<b>Total Expenses</b>	<b>32,955,041</b>	<b>66,887,698</b>	<b>71,743,557</b>	<b>76,575,832</b>	<b>81,344,381</b>	<b>76,895,129</b>	<b>72,455,205</b>	<b>71,104,169</b>	<b>71,821,134</b>	<b>621,782,146</b>
<b>EXCESS OF REVENUE OVER EXP:</b>										
<b>Net Increase (Decrease) in EB Reserve:</b>	<b>\$ 1,176,902</b>	<b>\$ 1,523,843</b>	<b>\$ (1,425,568)</b>	<b>\$ (6,178,250)</b>	<b>\$ (3,856,055)</b>	<b>\$ 4,082,766</b>	<b>\$ 11,591,124</b>	<b>\$ 11,478,510</b>	<b>\$ 11,542,755</b>	<b>\$ 29,936,027</b>



**ACWA JPIA**  
**EMPLOYEE BENEFITS**  
**Anthem PPO**  
Revenue vs Costs (by policy year)  
As of 12/31/20



**ACWA JPIA**  
**EMPLOYEE BENEFITS**  
 Fund Balance  
 at Quarter End



\*2017 Q1 includes \$9.6M IBNR previously reported separately.

# JPIA MEETING & CONFERENCE CALENDAR – 2021

48

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT
					Emp. Benefits	Liability	Property	Work Comp	
FEB 9		1:00 PM ZOOM							9:30 AM ZOOM
FEB 22			2:00 PM ZOOM						
MAR 15		2:00 PM ZOOM							
APRIL 7				10:00 AM ZOOM					
APRIL 12		10:00 AM ZOOM							
APRIL 15					10:00 AM ZOOM				
MAY 10	10:00 AM ZOOM								
ACWA VIRTUAL CONFERENCE MAY 12-13									
JUNE 14							10:30 AM ZOOM	8:30 AM ZOOM	
JUNE 17		10:00 AM ZOOM							
JULY 15					9:00 AM TBD				
JULY 16		9:00 AM TBD							
CAJPA CONFERENCE – SEPTEMBER 14-17									
SEPT 20				8:30 AM TBD		10:30 AM TBD			
SEPT 22		1:00 PM TBD							
Nov 29	TBD								
ACWA CONFERENCE – NOVEMBER 30 – DECEMBER 3									

**\*\*DATES AND TIMES SUBJECT TO CHANGE**

# Medicare Advantage Plan Options

Sandra Smith  
Employee Benefits Manager  
April 15, 2021

# Objectives

- Quality
  - Provide robust benefits to retirees
  - Maintain high level of satisfaction
  - Limit participant disruption
- Financial Stewardship
  - Offer competitive benefit plans
  - Reduce premiums for members *and* retirees
  - Provide rate stability to members *and* retirees
  - Reduce member OPEB liabilities

# Competitive Rates

## 2021 Medicare Plans - Benchmarking

JPIA Plans Coordination of Benefits	Single Rate	CalPERS Plans Supplemental/Advantage	Single Rate	Rate Comparison
Classic PPO	\$ 559	PERS Care (Supp)	\$ 381	32%
Advantage PPO	\$ 492	PERS Choice (Supp)	\$ 350	29%
CDHP (high deductible)	\$ 447	PERS Select (Supp)	\$ 350	22%
CalCare HMO	\$ 637	Anthem Trad/Select (Adv)	\$ 383	40%
Kaiser South	\$ 194	Kaiser South (Adv)	\$ 324	-67%
Kaiser North	\$ 309	Kaiser North (Adv)	\$ 324	-5%

JPIA Rate is average of Standard and Incentive Rate



# Medicare Advantage enrollment is trending higher

Enrollment in Medicare Advantage plans has nearly doubled over the past decade<sup>1</sup>

**4.5 million**

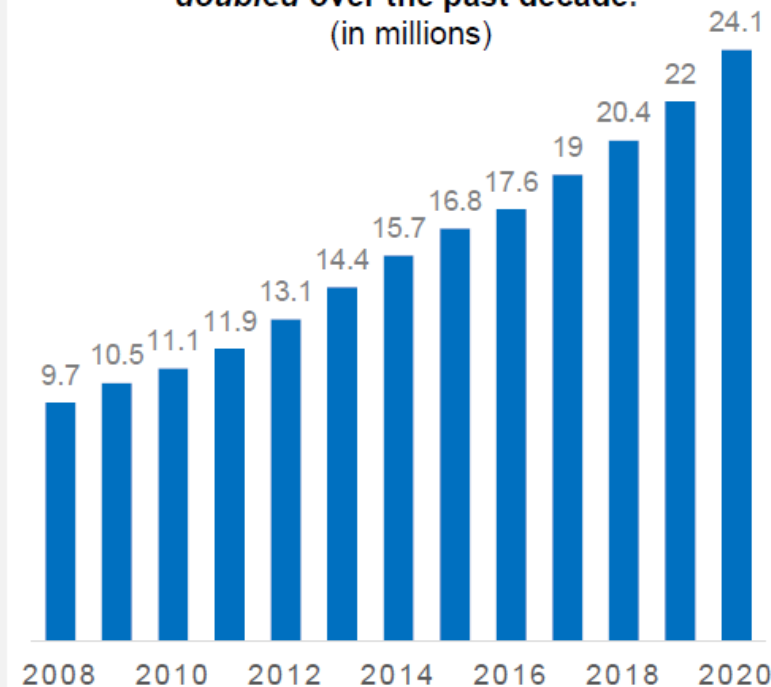
Medicare Advantage enrollees were in an employer or union-sponsored group plan in 2020.<sup>1</sup>

Between 2019 and 2020, total MA enrollment grew by **2.1 million** beneficiaries, or 9%.<sup>1</sup>

By 2030, all baby boomers will be age **65 or older.**<sup>2</sup>

**36%** of Medicare beneficiaries are enrolled in Medicare Advantage plans.<sup>1</sup>

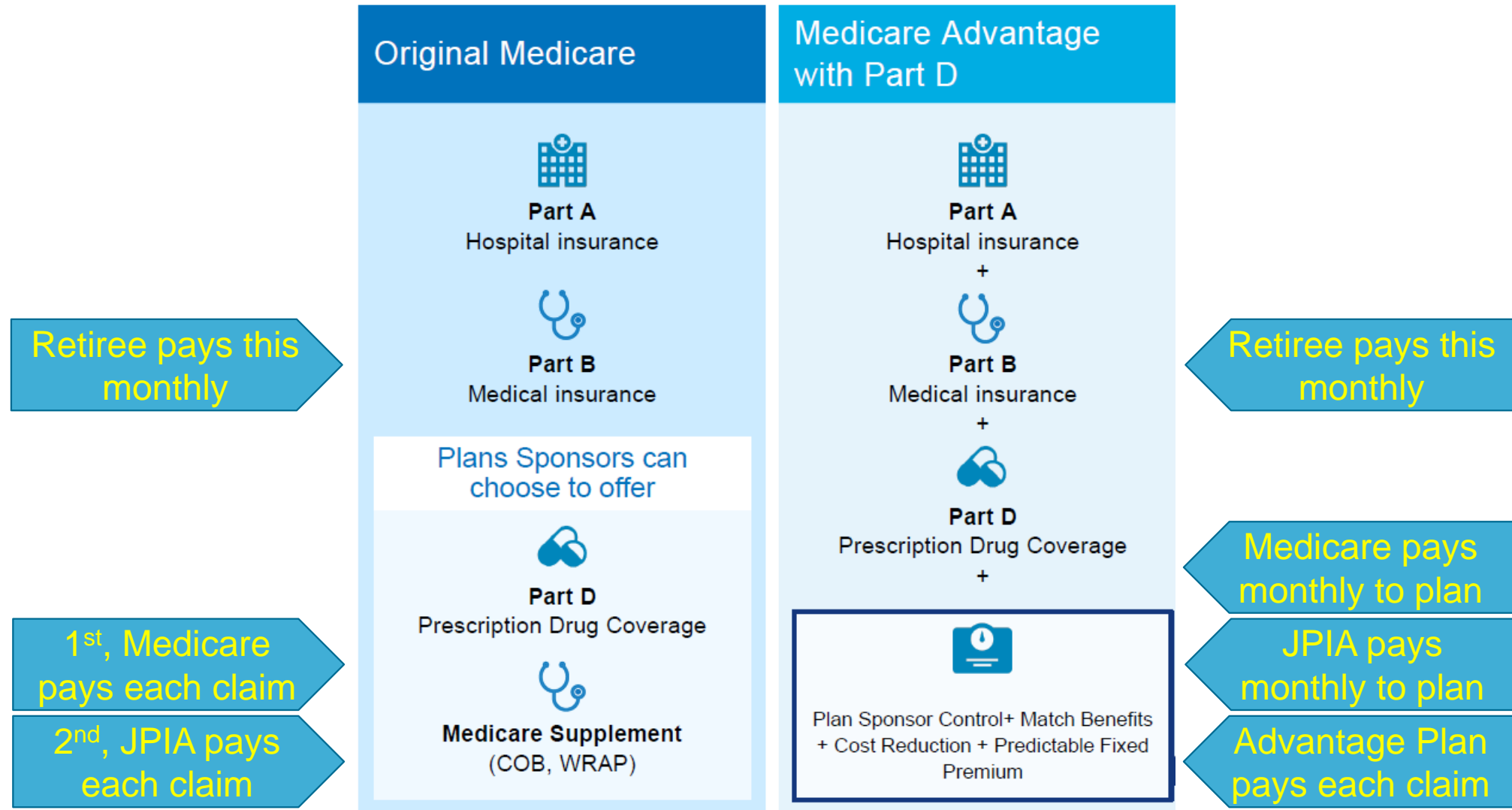
**Total Medicare Advantage Enrollment doubled over the past decade.<sup>1</sup>**  
(in millions)



<sup>1</sup> Kaiser Family Foundation: *A Dozen Facts About Medicare Advantage in 2020* (April 2020): [kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2020/](https://kff.org/medicare/issue-brief/a-dozen-facts-about-medicare-advantage-in-2020/).

<sup>2</sup> United States Census Bureau: *By 2030, All Baby Boomers Will be Age 65 or older* (December 2019): [census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.html](https://census.gov/library/stories/2019/12/by-2030-all-baby-boomers-will-be-age-65-or-older.html).

# Medicare Advantage v. COB Plans





# Retiree Questions

- Can I keep my doctor?
- Can I see a specialist?
- Will my prescriptions be covered?
- Will my costs increase?



# Can I keep my doctor?

- Of doctors seen by JPIA Anthem members:
  - UHC Medicare Advantage has 99.85% overlap.
    - Mayo Clinic does not accept.
  - Anthem Medicare Advantage has at least 95% overlap.
    - Mayo Clinic and Sharp do not accept.
    - Remaining 5% are unknown. Anthem will reach out.
  - 0.7% of physicians nation-wide opt out of Medicare.



# Can I see a specialist?

- The proposed plans are PPOs.
- No referral is required.
- All providers, including specialists, were included in the analysis.



# Will my prescriptions be covered?

- Copays do not change  
\$5 generic, \$20 brand, \$50 non-preferred
- Anthem
  - Coverage will remain the same for 95% prescriptions
  - Cost will increase for 3.16% of prescriptions
  - Cost will decrease for 1.8% prescriptions
- UHC
  - Coverage will remain the same for 96.6% prescriptions
  - Cost will increase for 1.7% of prescriptions
  - Cost will decrease for 1.7% prescriptions

No grandfathering, per Centers for Medicare & Medicaid Services (CMS)



# Will my costs increase?

- The proposed plans have \$0 copays for most services.
  - Exception: \$50 ER copay (UHC and Anthem)
  - Exception: 10% durable medical equipment (Anthem only)
  - All other covered expenses are provided at no cost
  - No deductibles
  - Prescription copays are the same: \$5/20/50



# Will my costs increase?

- 48% of JPIA members cover retirees
- 55% of JPIA member agencies covering Medicare retirees require them to contribute to monthly premiums
  - Usually a percent of retiree or spouse's premium



# Medicare Advantage Benefits

Simpler plan  
design

Streamlined  
claims  
administration

One ID card

Meals and  
transportation  
benefit

Gym membership  
benefit

Stars financial  
incentives for well  
performing plans

Cash rewards for  
completing  
routine  
screenings (UHC)

In-home health  
assessments

Maximization of  
government  
funding sources



# Stars Ratings

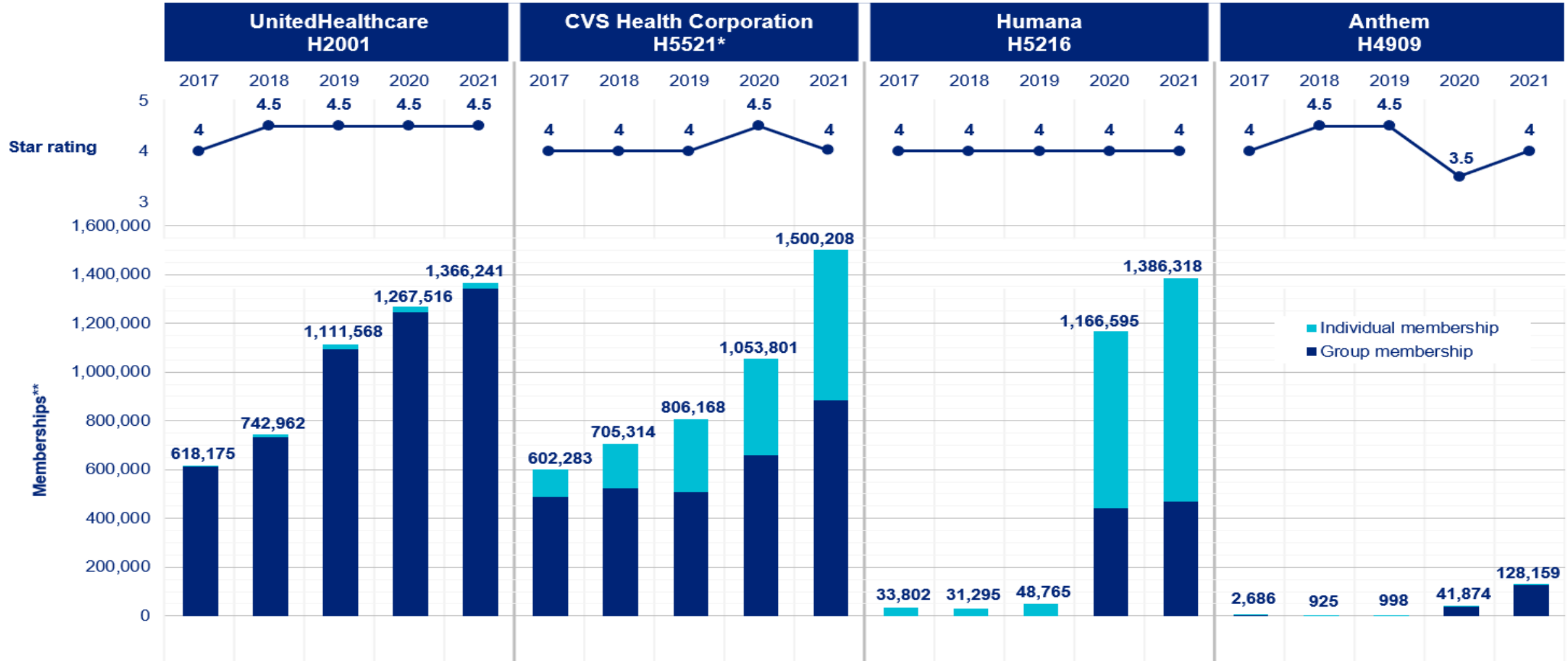
- Quality metrics developed by CMS
- Financial incentive for quality. Sample metrics:
  - Preventive screenings completed
  - Medication adherence for diabetes, hypertension, cholesterol
  - Ease of filling prescriptions
  - Claims processing accuracy
  - Improved health outcomes
  - Overall member satisfaction
- Quality bonus for plans rated 4.0 or above





# Stars Ratings and Enrollment

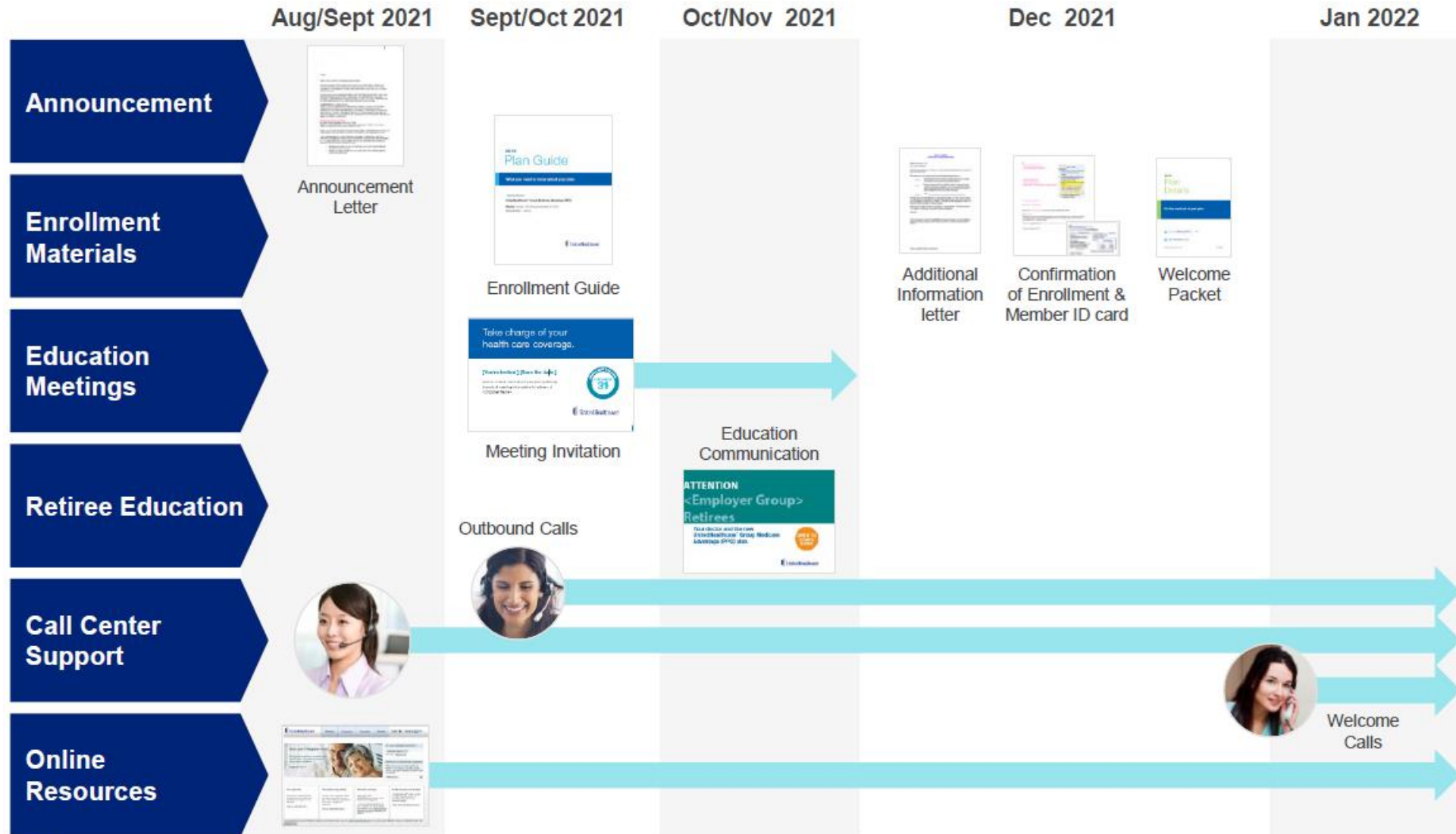
## per Contract



\* Formerly known as Aetna prior to 2020.

\*\* Membership from plan year 2019.

# Retiree Experience



# Retiree Plan Premiums

## Current

JPIA Plans Coordination of Benefits	Single Rate	CalPERS Plans Supplemental/Advantage	Single Rate	Rate Comparison
Classic PPO	\$ 559	PERS Care (Supp)	\$ 381	32%
Advantage PPO	\$ 492	PERS Choice (Supp)	\$ 350	29%
CDHP (high deductible)	\$ 447	PERS Select (Supp)	\$ 350	22%
CalCare HMO	\$ 637	Anthem Trad/Select (Adv)	\$ 383	40%
Kaiser South	\$ 194	Kaiser South (Adv)	\$ 324	-67%
Kaiser North	\$ 309	Kaiser North (Adv)	\$ 324	-5%

## Proposed

JPIA Medicare Retiree Options	Single Rate	CalPERS Medicare Retiree PPOs	Single Rate	JPIA Rate Comparison
Anthem Medicare Advantage	\$ 377	PERSCare	\$ 381	-1%
UHC Medicare Advantage	\$ 375	PERSCare	\$ 381	-1%
Anthem Medicare Advantage	\$ 377	PERS Choice	\$ 350	7%
UHC Medicare Advantage	\$ 375	PERS Choice	\$ 350	7%

JPIA's Classic PPO has 80% of enrollment  
PERS Choice has 60% of enrollment



# Options

	Current Coordination of Benefit Plans			Medicare Advantage Proposals	
Plan/Benefits	Classic PPO	Advantage PPO	CalCare HMO	UHC PPO	Anthem PPO
Deductible	\$200	\$500	None	None	None
Office Visit	15	20	10	0	0
Specialist Referral Required	No	No	Yes	No	No
Emergency Room	\$50 + 20%	\$50 + 20%	\$50	\$50	\$50
Ambulance	20%	20%	\$50	\$0	\$0
Hospitalization	10%	20%	\$0	\$0	\$0
Outpatient Surgery	10%	20%	\$0	\$0	\$0
Labs and X-Ray					
CT, MRI, PET scans	20%	20%	\$0	\$0	\$0
Diagnostic X-Ray and Lab	20%	20%	\$0	\$0	\$0
Chiropractic, Accupuncture	20%	20%	\$10	\$0, 30 visits	\$0, 30 visits
Durable Medical Equipment orthotics, prosthetics, diabetic supplies	20%	20%	\$0	\$0	10%
Monthly per Member	aggregate	\$491	aggregate	\$375	\$377
<b>Annual Total</b>	<b>\$10,605,902</b>			<b>\$7,844,737</b>	<b>\$7,879,836</b>
Difference				<b>(\$2,761,165)</b>	<b>(\$2,726,066)</b>
Savings				26%	26%
<b>Option:</b>	<b>1 (status quo)</b>			<b>2</b>	<b>3</b>

## Important Notes:

### Current

1. Despite the benefit summaries, retirees report paying little to nothing out of pocket once Medicare and then the plan process claims.
3. The above highlights reflect in-network benefits only. Out-of-network benefits may be less, and the out-of-network provider may "balance bill" above the plan's allowed amount. HMO benefits are limited to in network except in emergencies.
5. Member agencies may choose to offer any of these options to retirees.

### Medicare Advantage

2. Benefits above indicate actual retiree cost after plan benefits.
4. The above summarizes in-network and out-of-(Anthem/UHC) network benefits. "Balance billing" applies only at all providers who have opted out of Medicare reimbursement (0.7%).
6. Each Medicare Advantage option above assumes full replacement of current benefits.