

Employee Benefits Program Committee Meeting



YOUR BEST PROTECTION

ACWA JPIA
2100 Professional Drive
Roseville, CA 95661

Wednesday
August 18, 2021
9:00 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

James Linthicum, Three Valleys Municipal Water District

Roberta Perez, Cucamonga Valley Water District

Anjanette Shadley, Western Canal Water District

Laures Stiles, San Luis & Delta-Mendota Water Authority



EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING

AGENDA

Link to Zoom

MEETING ID: **661 516 2566**

PASSCODE: **1234**

ZOOM CALL IN #: **(669) 900-6833**

Wednesday, August 18, 2021, 9:00 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 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 15, 2021. | 1 |
| All | II. Report on meetings attended on behalf of JPIA. | |
| Sells | * III. Review and possibly take action on reserve fund balance. | 7 |
| Rupp | * IV. Discuss next meeting date. | 11 |

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 II, 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
2100 Professional Drive
Roseville, CA 95661
(800) 231-5742

July 15, 2021

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

MEMBERS PRESENT

Chairman: J. Bruce Rupp, Humboldt Bay Municipal Water District
Vice-chair: Melody McDonald, San Bernardino Valley Water Conservation District
Stephanie Dosier, Orange County Water District
Kelley Geyer, Byron-Bethany Irrigation District
Karen Gish, Amador Water Agency
James Linthicum, Three Valleys Municipal Water District
Roberta Perez, Cucamonga Valley Water District
Anjanette Shadley, Western Canal Water District

MEMBERS ABSENT

Laures Stiles, San Luis & Delta Mendota Water Authority

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Sonya Baker, Benefits System Analyst II
Chimene Camacho, Executive Assistant to the CEO
Veronica Cobian, Benefits Administrator II
David deBernardi, Director of Finance
Robert Greenfield, General Counsel
Allison Hartill, Benefits Analyst
Ben Hayden, Lead Benefits Analyst
Jackie Rech, Employee Benefits Account Manager
Jillian Sciancalepore, Administrative Assistant II
Patricia Slaven, Director of Human Resources and Administration
Sandra Smith, Employee Benefits Manager
Dan Steele, Finance Manager
Michelle Stites, Benefits Administrator II (Recording Secretary)
Min Su, Senior Accountant
Shelley Tippit, Accountant II

OTHERS IN ATTENDANCE

E.G. "Jerry" Gladbach, Santa Clarita Valley Water District
 Tom Cuquet, South Sutter Water District
 David A. Drake, Rincon Del Diablo Municipal Water District
 Brent Hasteley, Yuba Water Agency
 Randall Reed, Cucamonga Valley Water District
 Pamela Tobin, San Juan Water District
 Brenda Franklin, Humboldt Community Services District
 Megan Gonzalez, Modern Health
 Kimberly Miller, Alliant Employee Benefits
 Natalie Potter, Lake Arrowhead Community Services District
 Thomas Sher, Alliant Employee Benefits

WELCOME

Chairman Rupp welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

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

ANNOUNCEMENT RECORDING OF MEETING

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

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

Chairman Rupp introduced the Employee Benefits Program Committee. He then asked President Gladbach to introduce the Executive Committee members present and asked Mr. Sells to introduce staff in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

CONSENT AGENDA

Chairman Rupp called for approval of the minutes of the May 21, 2021.

M/S/C (Linthicum /McDonald) (Dosier-Yes; Geyer-Yes; Gish-Yes;
 Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-abstain-

new committee member): That the Employee Benefits Program Committee approve the minutes of the May 21, 2021, meeting, as presented.

MEETINGS ATTENDED ON BEHALF OF JPIA

None.

OVERVIEW OF PROGRAM HISTORY CURRENT STATUS

Ms. Smith explained that 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. She noted that trend for the JPIA PPOs has been positive, due in part to plan design changes made from 2015 to present, and trend also shows movement from HMO plans to PPO plans due to PPO plans becoming more price competitive.

RESERVE FUND BALANCE

The ACWA JPIA Employee Benefits Program maintains an excess Reserves Fund (Fund) for the self-insured programs: medical, dental and vision. The largest influence in the Fund balance is fluctuating claims costs. Mr. Sells explained that when costs exceed revenues, the result is a reduction in the Fund balance. The opposite occurs when costs are less than revenues. The result is an increase in the Fund balance.

The Committee will meet on August 18th to discuss the Reserves Fund in greater detail. The meeting will be focused on long-term planning and management of the Fund.

MODERN HEALTH MENTAL HEALTH BENEFIT

Ms. Smith introduced Modern Health to the Committee. ACWA JPIA currently offers mental health benefits through Anthem Employee Assistance Program (EAP) and as part of the medical plans through Anthem and Kaiser.

Ms. Smith explained the demand for mental health services has increased over the past year. Excessive wait times are an issue through both the medical and EAP plans. Modern Health's network is enhanced by partnering with coaches in addition to therapists. Average time to connect with a provider is 1.8 days. Services are available by video, chat, and in person.

Committee discussion occurred regarding the difference between the current EAP versus Modern Health. Mr. Sells clarified that JPIA would maintain the EAP through Anthem, which offers a number of valuable benefits, and that Modern Health will be an additional benefit to the members

The selected plan includes eight coaching sessions and eight clinical sessions, at a cost of \$10.27 per employee per month. Modern Health's typical contract is for 12 months. Staff recommends an initial 16-month contract to allow for expedited roll out and alignment with plan renewals thereafter

M/S/C (Linthicum/Shadley) (Dosier-Yes; Geyer-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve including Modern Health as a component of all JPIA medical plans, effective September 1, 2021.

PRICING FOR ANTHEM PPO MEDICAL PLANS

Employee Benefits plans will renew January 1, 2022. Ms. Smith reminded the Committee that the Anthem PPOs are self-funded. There have been three consecutive years of zero percent increases, which is rare. JPIA made several changes over the years to help control cost in the PPO program.

JPIA self-funded medical plan expenses over the last year were lower than projected, due to care avoidance and care delay during the pandemic. Projected costs for 2022 call for a 3.7% reduction in premiums.

Mr. Sher from Alliant stated that the JPIA has been outperforming the benchmarks.

M/S/C (Perez/Dosier) (Dosier-Yes; Geyer-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve an aggregate decrease of 5% for the Anthem Blue Cross self-funded PPO plans, effective January 1, 2022.

PRICING FOR ANTHEM HMO MEDICAL PLANS

Ms. Smith explained that in 2022, this plan will be fully insured for medical and prescription benefits.

HMO plans pay providers per person assigned to them a monthly amount called “capitation” regardless of how frequently patients are seen for routine services. While claims costs for the self-funded PPOs were reduced last year, base expenses for the HMO plans remained constant.

Anthem provided a rate increase of 3.33% for the insured portion of the plan. When blended to account for five regions and Incentive rates, the impact to premiums is an aggregate increase in the amount of 3.73%.

In 2016, to maintain competitiveness with CalPERS in the Los Angeles and Other South regions, JPIA’s rates in those regions were reduced. To bring regional pricing differences back in line with Anthem’s regional price differences, staff recommends a 4.18% increase to Los Angeles and Other South region rates and a 2.18% increase to Sacramento, Other North, and Bay Area region rates.

M/S/C (Linthicum/Dosier) (Dosier-Yes; Geyer-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes): That the Employee Benefits Committee recommend that the Executive Committee

approve an aggregate increase of 3.73% for the Anthem Blue Cross HMO plans, with a 4.18% increase in Other South and Los Angeles and a 2.18% increase in Sacramento, Other North, and Bay Area regions, effective January 1, 2022.

PRICING FOR KAISER MEDICAL PLANS

Ms. Smith explained that the Kaiser plans are fully insured, with Northern and Southern California rates set by Kaiser.

Ms. Smith reviewed the enhancement to Anthem Consumer Driven Health Plan (CDHP). In 2021, the Anthem CDHP plan was modified to provide certain maintenance medications at the standard copay prior to satisfying the deductible. Staff recommends making the same benefit enhancement to the Kaiser CDHP in 2022.

For the 2022 renewal, premiums required to fund the insured Kaiser plans will decrease by 1.79%. This includes the plan enhancement for the CHDP.

M/S/C (Dosier/Perez) (Dosier-Yes; Geyer-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve coverage of certain maintenance medications prior to meeting the deductible on the CDHP and an aggregate decrease of 1.79% to Kaiser rates, effective January 1, 2022.

PRICING FOR UNITED HEALTHCARE MEDICARE ADVANTAGE PLANS

Ms. Smith said that the Employee Benefits Program Committee and Executive Committee approved the United Healthcare Advantage PPO plan for retirees with Medicare in May.

Final rates provided by UHC, and the administrative fee, result in a cost of \$392.49 per member per month.

Implementation process will begin in September.

M/S/C (McDonald/Linthicum) (Dosier-Yes; Geyer-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve the rates presented, effective January 1, 2022.

PRICING FOR DENTAL PLANS

The ACWA JPIA dental plans renew January 1, 2022. Delta Dental PPO plans are self-funded.

Ms. Smith said that JPIA offers many Delta Dental PPO plan designs to members, and they continue to perform well. Staff recommends enhancing benefits to include 100% coverage for Preventive and Diagnostic benefits in all plan designs. This would be in line with benchmarking.

The DeltaCare HMO fully insured plan presented a two-year renewal with no change in rates, from January 1, 2022, through December 31, 2023.

Staff recommends no change in rates for the Delta Dental PPO or DeltaCare HMO plans.

M/S/C (Geyer/Gish) (Dosier-Yes; Geyer-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve Delta Dental PPO 100% coverage for Preventive and Diagnostic services and renewal of Delta Dental PPO and DeltaCare HMO plans, with no change in rates, effective January 1, 2022.

PRICING FOR VISION PLANS

ACWA JPIA vision plans renew January 1, 2022. Vision Service Plan (VSP) plans have been self-funded since 2015.

JPIA offers many VSP plan designs to members, and these plans continue to perform well. Staff recommends that the Contact Lens allowance be increased to match the frame allowance, and that Anti-Reflective coating be covered with a \$25 co-pay. This would be aligned with benchmarking.

M/S/C (Linthicum/Geyer) (Dosier-Yes; Geyer-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve increasing the contact lens allowance to \$150 and providing anti-reflective coating at a \$25 copay, with no change in rates, effective January 1, 2022.

NEXT MEETING DATE

Availability for Upcoming Meeting(s)

The next scheduled Employee Benefits Program Committee meeting will be held on August 18, 2021, at 10:00 a.m.

The Employee Benefits Program Committee meeting adjourned at 10:29 a.m.

ACWA JPIA
Reserve Fund Balance
August 18, 2021

BACKGROUND

The ACWA JPIA Employee Benefits Program maintains an excess Reserves Fund (Fund) for the self-insured programs: medical, dental and vision. The largest influence in the Fund balance is fluctuating claims costs. When costs exceed revenues, the result is a reduction in the Fund balance. The opposite occurs when costs are less than revenues. The result is an increase in the Fund balance.

The JPIA has set a target balance of \$19.2 million for the Reserve Fund.

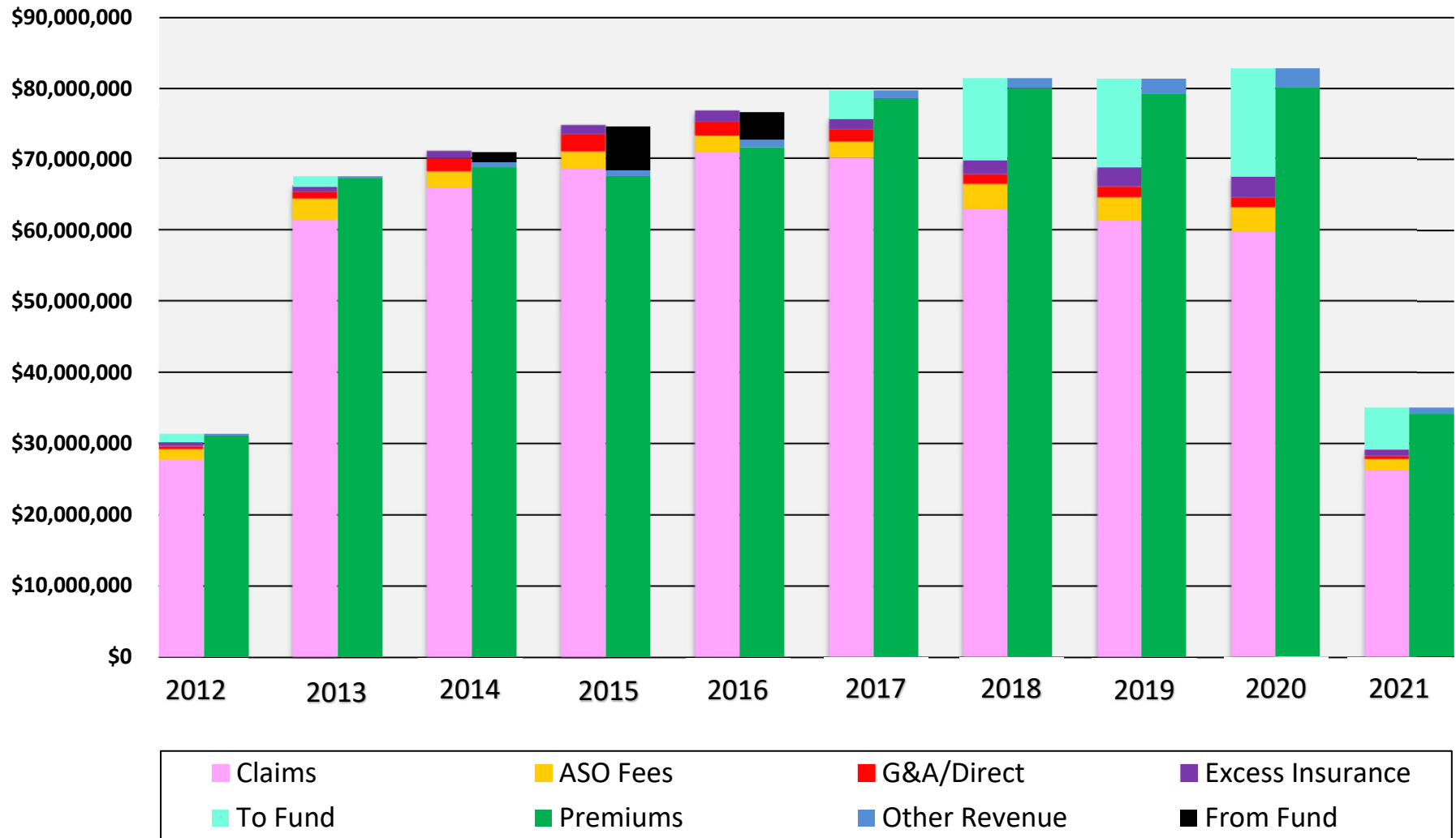
CURRENT SITUATION

As of December 2020, the Employee Benefits Program Reserve Fund is approximately \$78 million.

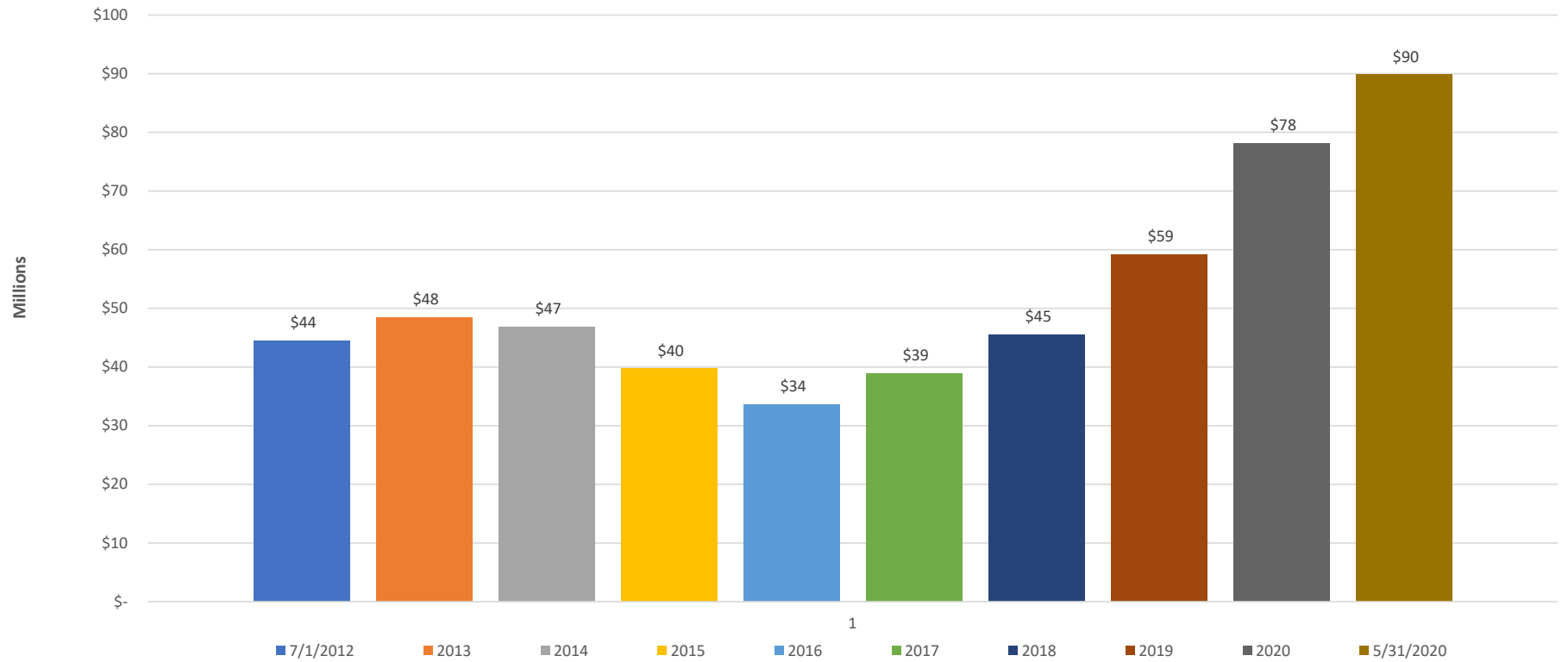
RECOMMENDATIONS

Staff recommends that the Committee recommend to the Executive Committee to take action on the Employee Benefits Reserve Fund.

ACWA JPIA
EMPLOYEE BENEFITS
Anthem PPO
 Revenue vs Costs (by policy year)
 As of 5/31/2021

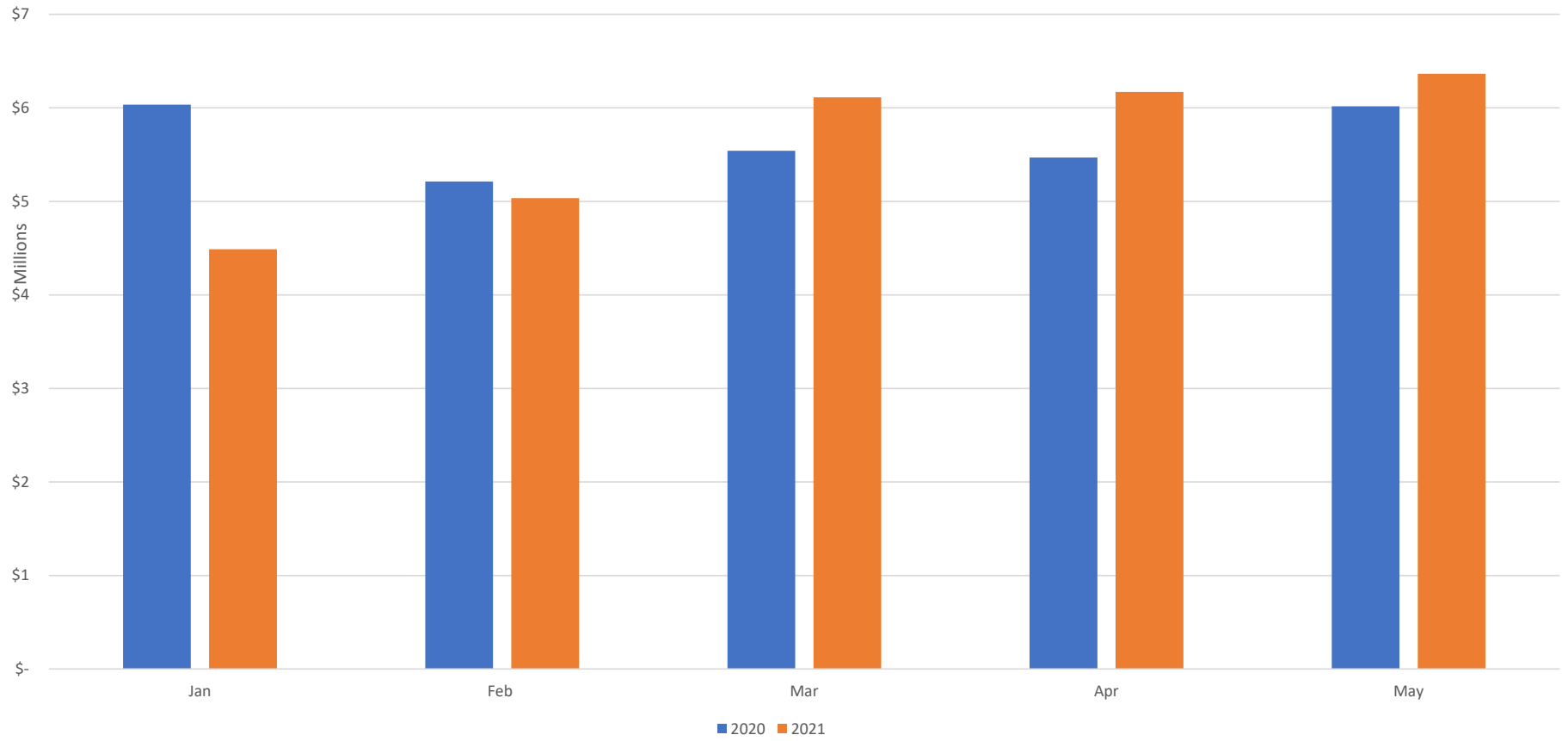


ACWA JPIA Employee Benefits Reserve Balance



ACWA JPIA

Employee Benefits Claims Costs



JPIA MEETING & CONFERENCE CALENDAR – 2021

| 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 SPRING CONFERENCE MAY 12-13 | | | | | | | | | |
| MAY 21 | | 10:30 AM ZOOM | | | 9:30 AM ZOOM | | | | |
| JUNE 14 | | | | | | | 10:30 AM ZOOM | 8:30 AM ZOOM | |
| JUNE 17 | | 10:00 AM ZOOM | | | | | | | |
| JUNE 30 | | 2:30 PM ZOOM | | | | | | | |
| JULY 1 | | 8:30 AM ZOOM | 10:00 AM ZOOM | | | | | | |
| JULY 15 | | 1:00 PM WORKSHOP ZOOM | | | 9:00 AM ZOOM | | | | |
| JULY 16 | | 9:00 AM ZOOM | | | | | | | |
| AUG 18 | | | | | 9:00 AM ZOOM | | | | |
| AUG 23 | | 2:00 PM ZOOM | | | | | | | |
| CAJPA CONFERENCE – SEPTEMBER 21-24 – LAKE TAHOE | | | | | | | | | |

JPIA MEETING & CONFERENCE CALENDAR – 2021

| MEETING DATES | BOARD OF DIRECTORS | EXECUTIVE | PERSONNEL | FINANCE & AUDIT | PROGRAMS | | | | RISK MGMT |
|--|--------------------|--------------|-----------|-----------------|---------------|---------------|----------|-----------|-----------|
| | | | | | Emp. Benefits | Liability | Property | Work Comp | |
| SEPT 27 | | | | 8:30 AM ZOOM | | 10:30 AM ZOOM | | | |
| SEPT 29 | | 1:00 PM ZOOM | | | | | | | |
| Nov 29 | TBD | TBD | | | | | | | |
| ACWA FALL CONFERENCE – NOVEMBER 30 – DECEMBER 3 - PASADENA | | | | | | | | | |