

Employee Benefits Program Committee Meeting



YOUR BEST PROTECTION

ACWA JPIA
2100 Professional Drive
Roseville, CA 95661

Wednesday
July 26, 2023
2:00 p.m.

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

Vice-Chair: Szu Pei Lu-Yang, Rowland Water District

Stephanie Dosier, Orange County Water District

Karen Gish, Amador Water Agency

Brent Hastey, Reclamation District # 784

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

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

Wednesday, July 26, 2023, 2:00 p.m.

Zoom Link Meeting ID: 661 516 2566; Password: 1234; Telephone No.: 1 (669) 900-6833

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

- Brent Haste - 1594 Broadway Street, Arboga
- Roberta Perez - 10440 Ashford, Rancho Cucamonga
- Stephanie Dosier - 18700 Ward Street, Fountain Valley
- Karen Gish – 15430 Tyler Road, Fiddletown

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 Chair know.

INTRODUCTIONS

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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Rupp	*	I. Approval of minutes of the meeting of April 26, 2023.	5
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Smith	*	III. Overview of Program History and Current Status.	11

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Smith	* VIII. Review and make recommendation on pricing for the 2024 Anthem PPO medical plans.	33
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Rupp	* XVIII. Discuss next meeting date.	59

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: Olivia Sayad, Administrative Assistant 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.



Employee Benefits Program Committee Meeting

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

April 26, 2023

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

MEMBERS PRESENT

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

Vice-chair: Melody McDonald, San Bernardino Valley Water Conservation District (via Zoom)

Stephanie Dosier, Orange County Water District (via Zoom)

Brent Hastey, Reclamation District #784

Roberta Perez, Cucamonga Valley Water District (via Zoom)

Anjanette Shadley, Western Canal Water District

Laures Stiles, San Luis & Delta Mendota Water Authority

MEMBERS ABSENT

Karen Gish, Amador Water Agency

James Linthicum, Three Valleys Municipal Water District

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells

Sonya Baker, Employee Benefits Systems Analyst II

Adrienne Beatty, Assistant Executive Officer

Erin Bowles, Workers Compensation Claims Manager

Chimene Camacho, Executive Assistant to the CEO

Veronica Cobian, Benefits Administrator II

Robert Greenfield, General Counsel

Ben Hayden, Lead Benefits Analyst

Kyle Hutchinson, Senior Accountant

Kevin Phillips, Director of Member Outreach

Jackie Rech, Employee Benefits Account Manager

Heidi Singer, Accountant II

Sandra Smith, Employee Benefits Manager

Dan Steele, Finance Manager

Michelle Stites, Benefits Administrator II (Recording Secretary)

Olivia Sayad, Administrative Assistant II

Tony Waterford, Human Resources Manager

Mike Whitright, IT Support Specialist

OTHERS IN ATTENDANCE

Fred Bockmiller, Mesa Water District
David A. Drake, Rincon Del Diablo Municipal Water District
Cathy Green, ACWA VP, Orange County Water District
Chris Kapheim, Kings River Conservation District
Natalie Potter, Lake Arrowhead Community Services District
Randall Reed, Cucamonga Valley Water District
Kimberly Miller, Alliant Employee Benefits
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 8:30 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 asked that the Employee Benefits Program Committee introduce themselves. Executive Committee members introduced themselves as did ACWA JPIA staff and guests present.

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 July 18, 2022.

M/S/C (Hastey/Stiles) (Dosier-Yes; Hastey-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Program Committee approve the minutes of the July 18, 2022, meeting, as presented.

MEETINGS ATTENDED ON BEHALF OF JPIA

None.

OVERVIEW OF PROGRAM HISTORY AND CURRENT STATUS

Ms. Smith discussed the Employee Benefits Program History and Current Status.

In 2023, Progyny fertility and family building, Carrum oncology, and Hinge Health virtual physical therapy benefits were added to the PPO plans. Ms. Smith stated that 37 appointments have been scheduled through Progyny since January 1, 2023. The benefit has been well received and is now being used as a tool on recruiting flyers. 128 individuals are using Hinge Health. JPIA has received very positive feedback from participants. Carrum oncology does not yet have utilization.

In addition to plan changes in 2023, the Kaiser plans now offer the 4% Incentive Rate discount historically applied to the Anthem plans for members with favorable participation policies.

The increased hearing aid allowance from \$500 to \$2,500 on the UnitedHealthcare (UHC) Medicare Advantage plan was well received.

VSP plans decreased the copay for premium and custom progressive lenses to \$25. Previously, the cost ranged from \$80 to \$160.

REVIEW 2023 UTILIZATION

Ms. Smith reviewed recent utilization. Utilization has increased since 2020. This is due to a combination of factors, including deferred or delayed care during the pandemic, inflation, and increased labor costs.

Cancer and musculoskeletal conditions have been the highest cost conditions to contribute to plan costs. Mr. Sher noted that both the frequency and intensity of these claims have contributed to the spike.

Ms. Smith added that Carrum Health provides services that control costs and improve outcomes for both oncology and musculoskeletal conditions.

Hinge Health results show that 44% of participants have reported reduced pain. This leads to surgery avoidance and improved quality of life for JPIA participants.

Ms. Smith said that staff is evaluating Pharmacy Benefits Manager (PBM) analysis, Carrum incentives, Data Warehousing, and Navigator services.

Pharmacy expenses continue to increase, not only in cost, but in portion of overall plan spend. A discussion ensued regarding member satisfaction with the JPIA's current PBM and whether it would be worthwhile to investigate alternatives. Mr. Sells noted that a significant drawback to changing PBMs is the disruption to participants.

Ms. Smith talked about data warehousing, a tool being used in the industry for mining claims data to better understand utilization and identify impactable trends. She also discussed a Navigator solution, which would be an all-in-one replacement for customer service on the Anthem PPO medical and pharmacy benefits. Navigators have the potential to increase utilization of point solutions, like Carrum, Hinge, and Progyny.

CARRUM INCENTIVE

Ms. Smith reviewed Carrum Health benefits. Carrum Health offers second opinion and concierge surgical benefits at world class Centers of Excellence while also delivering approximately 30% savings. Numerous musculoskeletal surgeries are covered, in addition to heart, bariatric, and spine surgeries. In 2023, oncology treatment and guidance became available.

Despite extremely positive member experiences, utilization continues to be low. Incentivizing members to have a consult and second opinion with a Carrum surgeon could increase utilization. There would be no requirement that the participant choose to have surgery through Carrum Health.

After some discussion, a motion was made to offer a \$250 incentive for using Carrum for second opinions for surgery.

M/S/C (Hastey/Shadley) (Dosier-Yes; Gish- Hastey-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve offering a \$250 incentive to participants for being evaluated for surgery by Carrum Health, effective January 1, 2024.

DENTAL PLAN OPTION

Ms. Smith said that half of the current 20 dental plan designs available offer an annual maximum benefit of \$1,500. The other half have an annual maximum benefit of \$2,000. Staff have received requests for plan designs with a higher maximum benefit.

Delta Dental has provided an estimated cost impact of 4% to increase the maximum benefit to \$3,000. These plans are self-funded, with rates set by the JPIA.

The additional plan designs would provide more options to JPIA members. There would be no change to plans currently in place. Members would need to request to move to one of the newly available plans.

M/S/C (Hastey/Stiles) (Dosier-Yes; Hastey-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve offering new dental plan designs with a \$3,000 maximum benefit, effective January 1, 2024.

VISION PLAN OPTIONS

Ms. Smith said that the 16 VSP vision plans offered by JPIA do not include safety glasses benefits. Staff have received requests for plan designs that include prescription safety glasses.

VSP has provided an estimated cost impact of \$2.00 to \$2.50, depending on base plan design, to add the benefit. These plans are self-funded, with rates set by the JPIA.

The additional plan designs would provide more options to JPIA members. There would be no change to plans currently in place. Members would need to request to move to one of the newly available plans.

M/S/C (Shadley/Hastey) (Dosier-Yes; Hastey-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve offering new vision plan designs that include prescription safety glasses, effective January 1, 2024.

REVIEW EMPLOYEE BENEFITS FINANCIALS

Mr. Steele, Finance Manger reviewed Employee Benefit Financials with the Employee Benefits Program Committee. He focused primarily on the self-funded PPO programs and the overall impact on the reserve balance after the close of the 2022 policy year.

The Committee reviewed the PPO cumulative financials by program year. Many factors are involved in determining the net increase or decrease in the Employee Benefits reserves. Mr. Sells reminded the Committee that we terminated stop loss coverage for the self-funded medical plans effective 1-1-2023.

Mr. Steele explained revenue versus costs in the PPO plan and the cumulative financials by program year, as well as the Employee Benefits fund history.

No motion was made, this was for information only.

EMPLOYEE BENEFITS RESERVE FUND

Mr. Sells elaborated on the excess Reserve Fund balance for the medical, dental, and vision self-funded programs. Fluctuations are primarily driven by claims costs. If claims costs exceed anticipated losses, the result is a reduction in the Fund balance. The opposite occurs when claims costs are less than anticipated. The ensuing result is an increase in the Fund balance.

May 4, 2015, the Employee Benefits Program Committee recommended, and the Executive Committee approved using the 99% confidence level (\$18.5 million) of claims fluctuation margin to set as a goal for the Employee Benefits Program Fund.

As of February 28, 2023, the Employee Benefits Program Fund Reserve balance is approximately \$88.4 million. Staff obtained a new actuarial study that recommends \$22.7 million in Claim Fluctuation Margin (CFM) to reach a 99% confidence level. Incurred But Not Reported (IBNR) claims are estimated to be \$11.2 million at a 99% confidence level. The sum of IBNR and CFM is \$33.9 million.

Mr. Sells reminded the Committee that the number will change over time as circumstances change. The consistent philosophy will remain focused on returning funds to the members, remaining competitive, and ensuring the long-term stability and sustainability of the plans.

M/S/C (Hastey/Shadley) (Dosier-Yes; Hastey-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve using a target of \$35 million for the Employee Benefits Reserve Fund.

NEXT MEETING DATE

Availability for Upcoming Meeting(s)

The next Employee Benefits Program Committee meeting is Monday, July 26, 2023, at 2:15 p.m.

The Employee Benefits Program Committee meeting adjourned at 11:21 a.m.

ACWA JPIA
Overview of Program History and Current Status
July 26, 2023

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
- Current medical plan offerings
- Rate history
- Medical plan savings history
- Medical plan enrollment statistics
- 2024 renewal financial summary

RECOMMENDATIONS

None, informational only.

Recommendations Included in the Packet

CDHP Deductibles

That the Employee Benefits Committee recommend that the Executive Committee approve increasing the deductible for Anthem and Kaiser CDHP plans to **\$1,600** for a single and **\$3,200** for a family, effective January 1, 2024.

Anthem Health Guide

That the Employee Benefits Program Committee recommend that the Executive Committee approve adding **Anthem Health Guide** benefit to the self-funded Anthem PPO plan benefits, effective January 1, 2024.

Anthem's Carelon Pharmacy Benefit Manager

That the Employee Benefits Program Committee recommend that the Executive Committee approve changing the Pharmacy Benefit Manager for the self-funded PPO plans to **Anthem's CarelonRx**, effective January 1, 2024.

Anthem PPO pricing

That the Employee Benefits Committee recommend that the Executive Committee approve an **increase of 12%** for the Anthem self-funded PPO plans, effective January 1, 2024.

Anthem HMOs

That the Employee Benefits Committee recommend that the Executive Committee approve an **increase of 5.48%** for the Anthem HMO plans, effective January 1, 2024.

Kaiser HMOs

That the Employee Benefits Committee recommend that the Executive Committee approve an **aggregate increase of 9.87%** to Kaiser rates, effective January 1, 2024.

United HealthCare Medicare Advantage PPO

That the Employee Benefits Committee recommend that the Executive Committee approve an **increase of 1.9%** for the UHC Medicare Advantage plan, effective January 1, 2024.

Delta Dental PPOs and HMO

That the Employee Benefits Committee recommend that the Executive Committee approve renewal of Delta Dental PPO and DeltaCare HMO plans, with **no change** in rates, effective January 1, 2024.

Vision Service Plan

That the Employee Benefits Committee recommend that the Executive Committee approve renewing the VSP plans with **no change** in rates, effective January 1, 2024.

EAP

That the Employee Benefits Committee recommend that the Executive Committee approve renewal with **no change** in rates for the Employee Assistance Program, effective January 1, 2024.

Standard Life and Disability

That the Employee Benefits Committee recommend that the Executive Committee approve renewal of life and disability benefits with **no change** in rates, effective January 1, 2024.

ACWA JPIA 2024 Medical Plans

Anthem Blue Cross	Deductible (Indiv./Family)	Dr.	ER	Hospital	X-ray, lab	Prescription	Medical Max Out of Pocket	RX Max Out of Pocket	
Classic PPO	\$200/600	\$15	\$50	Ded/10%/20% ¹	20%	\$5/20/50	\$2,000/4,000	\$5,350/10,200	
Advantage PPO	\$500/1,000	\$20	\$50	Ded/20%	20%	\$5/20/50	\$3,000/6,000	\$3,600/7,200	
CalCare HMO	None	\$10	\$50	\$0	N/A	\$5/20/50	\$500/1,500	\$6,100/11,700	
Value HMO	None	\$30	\$150	\$250	N/A	\$5/20/50 ²	\$2,500/5,000	\$4,100/8,200	
Consumer Driven Health Plan ⁶	\$1,600/3,200 ³	Deductible, then 20% coinsurance					Ded/\$5/20/50	\$2,500/4,000	

Kaiser	(Indiv./Family)	Dr.	ER	Hospital	X-ray, lab	Prescription	Combined Max OOP
Traditional HMO	None	\$10	\$50	\$0	N/A	\$5/15	\$1,500/3,000
HMO with Optical	None	\$10	\$50	\$0	N/A	\$5/15	\$1,500/3,000
Value HMO	None	\$30	\$150	\$250	N/A	\$10/20	\$3,000/6,000
Consumer Driven Health Plan ⁶	\$1,600/3,200 ³	\$20	\$100	\$250	copays	Ded/\$10/20	\$3,200/6,400 ⁴

Medicare Advantage							Combined Max OOP
Kaiser Senior Advantage ⁵	None	\$20	\$50	\$0	N/A	\$10/25	\$1,000/2,000
UHC Medicare Advantage PPO ⁵	None	\$0	\$50	\$0	\$0	\$5/20/50	\$500 per person

Important Notes

¹ Facility charge is covered at 90%. Physician charge covered at 80%. Both are subject to deductible.

² An annual \$100 (individual)/\$300 (family) drug deductible applies to medications on this plan.

³ Member is responsible for 100% of medical & prescription costs (excluding Preventive Care and some maintenance medications) until deductible is met.

⁴ An *individual* enrolled in *family* coverage will have a maximum liability of \$3,000 toward the family deductible and family maximum out of pocket.

⁵ Retiree's enrollment in Medicare Parts A and B is required.

⁶ CDHP deductibles and out of pocket max proposed July 26, 2023.

This is a very brief plan comparison of **IN-NETWORK** benefits. Plan summaries are available at www.acwajpia.com.

The Evidence of Coverage prevails in the event of a discrepancy.

ACWA JPIA, CA License #0172324

Revised 7/10/2023

ACWA JPIA Rate History

	Anthem Blue Cross		Kaiser		UHC	Delta Dental		Vision Service Plan	Employee Assistance Program	Life & Disability			
	PPOs	HMOs	North	South	Med Adv PPO	PPO	HMO	VSP	EAP	Basic Life	Supp Life	Short Term	Long Term
2012	2%	0%	8%	0%		4%	0%	0%	0%	0%	0%	0%	0%
2013	8%	4%	4%	1%		2%	0%	0%	0%	20%	0%	20%	0%
2014	6%	6%	5%	18%		0%	8%	6%	-28%	0%	0%	0%	0%
2015	0%	8%	-3%	-2%		5%	0%	0%	0%	0%	0%	30%	20%
2016	8%	-1%	6%	2%		-3%	0%	0%	-8%	0%	0%	0%	0%
2017	12%	12%	6%	2%		0%	0%	0%	0%	0%	0%	0%	0%
2018	5%	8%	5%	13%		0%	0%	0%	0%	0%	0%	0%	0%
2019	0%	0%	3%	3%		0%	0%	0%	0%	0%	0%	0%	0%
2020	0%	8%	2%	2%		0%	5%	0%	9%	9%	0%	0%	0%
2021	0%	8%	9%	9%		0%	0%	0%	-7%	-5%	-5%	0%	-5%
2022	-5%	4%	-2%	-2%		0%	0%	0%	0%	0%	0%	0%	0%
2023	-10%	5%	1%	1%	3%	0%	0%	0%	5%	-10%	-10%	0%	-10%
2024*	12.00%	5.48%	9.87%	9.87%	1.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 year average	-1%	5%	3%	3%	2%	0%	0%	0%	2%	-3%	-3%	0%	-3%
13 year average	3%	5%	4%	4%	2%	1%	1%	0%	-2%	1%	-1%	4%	0%

* Staff recommendations

Note: Regional differences may apply to medical rates; aggregate increase/decrease is reflected above.

ACWA JPIA Savings History

2023

- Modern Health
 - Negotiated \$10 PEPM down to \$3 PEPM; estimated savings **\$672,000**

2022

- UnitedHealthcare
 - Transitioned retirees with Medicare from Anthem COB plan; estimated savings **\$2,700,000 + potentially reduced OPEB liabilities**

2019

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

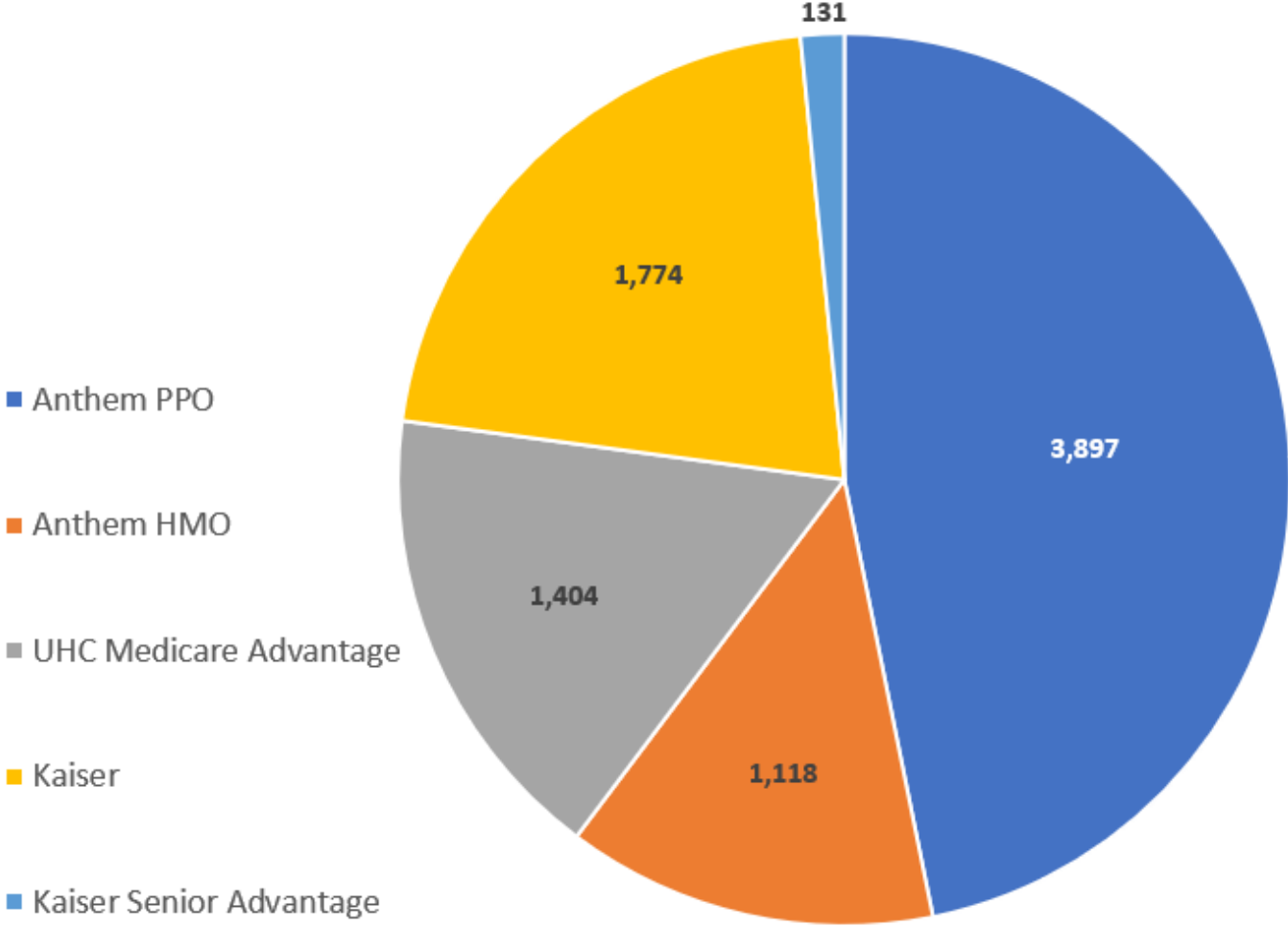
2018

- Anthem Classic PPO
 - Changed out of pocket max from \$1,000/\$2,000 to \$2,000/\$4,000 to closer align with the market; estimated savings **\$1,200,000**
- Anthem PPOs
 - Reduced Pharmacy Benefit Manager expenses by marketing the business to other vendors; estimated savings of **\$1,670,000**
 - Limited Out-of-Network Facility benefits to flat dollar maximums; estimated savings **\$1,000,000 to \$3,000,000**

2015

- Anthem plans PPOs and HMOs
 - Embedded Medicare Part D EGWP plan to receive reimbursement for Medicare with retiree pharmacy claims; estimated savings **\$1,300,000**
 - Implemented Preferred Generics, where participants pay the difference in cost when a generic is available; estimated savings **\$500,000**
 - 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**

Medical Plan Enrollment



Plan	2022	2023	Change
Anthem PPO	3,630	3,897	267
Anthem HMO	1,178	1,118	(60)
UHC Medicare Advantage	1,309	1,404	95
Kaiser	1,742	1,774	32
Kaiser Senior Advantage	120	131	11
	<hr/>		
	7,979	8,324	345



ACWA JPIA
Market Update and Utilization
July 26, 2023

BACKGROUND

Alliant Insurance Services, Inc. provides consulting services to JPIA related to Employee Benefits.

CURRENT SITUATION

Tom Sher will provide the Committee with an update regarding the state of the market and review JPIA self-funded medical plan utilization history.

RECOMMENDATIONS

None, informational only.



Factors Driving Increasing Healthcare Costs

What is the likely impact of the current economic environment on healthcare?

COVID Impact

Deferment of care now being realized.

60% drop in annual preventive visits.



Increase in Mental health conditions & alcohol-related disorders.¹

Contract Negotiations & Government Relations



Cost shifting to private payers to offset **reduced revenue** from increased Medicare and Medicaid population.³



Strained contract negotiations between providers & insurance carriers.



Provider group **consolidation & higher reimbursement** for specialty services.³

Inflation

Highest levels of inflation since the **1970s**.

Healthcare inflation expected increase

7.1% over next 5 years (*expected economic growth of 4.7%*).²

Hospital price inflation is the largest component of **2023 projected medical trend increases**.³



Healthcare industry wages **escalating**.³

Labor shortages



In next three years: the U.S. is projected to face a **shortage of 200,000+ registered nurses** and **50,000+ physicians**.⁴

\$170B

Incremental cost of wage growth & scarcity of resources from clinical labor shortage.⁵

In the last two years, contract labor for hospital costs increased

300%

per American Hospital Association.

Pharmacy & High-Cost Claims

55%

of spending = Specialty drugs/biologics.

Propelled by growth in **autoimmune, oncology therapies and diabetes**.³

Million-dollar claims on a per million covered employees basis **rose**

15% in the past year

45% over the past four years.¹

High-Cost Drugs now on the market.

\$3.5M

single use cost of Hemgenix (treatment of Hemophilia B).



ACWA JPIA

Anthem PPO Renewal History vs CalPERS PPO Plans

	ACWA JPIA PPO Classic Renewal	ACWA PPO Advantage Renewal	CalPERS Platinum PPO	ACWA PPO HDHP Renewal	CalPERS Gold PPO
2015 (Actual) ³	0.00%	0.00%	2.89%	0.00%	3.91%
2016 (Actual) ⁴	7.94%	7.94%	11.50%	7.94%	5.10%
2017 (Actual) ⁵	12.00%	12.00%	3.09%	12.00%	3.61%
2018 (Actual) ⁶	4.50%	4.50%	-6.07%	4.50%	-1.78%
2019 (Actual) ¹	0.00%	0.00%	19.80%	0.00%	-25.56%
2020 (Actual) ²	0.00%	0.00%	6.45%	0.00%	0.00%
2021 (Actual) ³	0.00%	0.00%	12.32%	0.00%	7.14%
2022 (Actual) ⁴	-5.00%	-5.00%	-14.85%	-5.00%	23.32%
2023 (Actual) ⁵	-10.00%	-10.00%	14.48%	-10.00%	17.79%
2024 (Projected)	TBD	TBD	12.18%	TBD	12.17%
AVERAGE	1.51%	1.51%	6.18%	1.51%	4.57%

¹Recommended increase was 3.22% to all PPO plans. Actual increase to members shown above

²Recommended increase was 1.05% to all PPO plans. Actual increase to members shown above.

³Recommended increase was 2.07% to all PPO plans. Actual increase to members shown above.

⁴Recommended increase was -3.74% to all PPO plans. Actual increase to members shown above.

⁵Recommended increase was -5.97% to all PPO plans. Actual increase to members shown above.

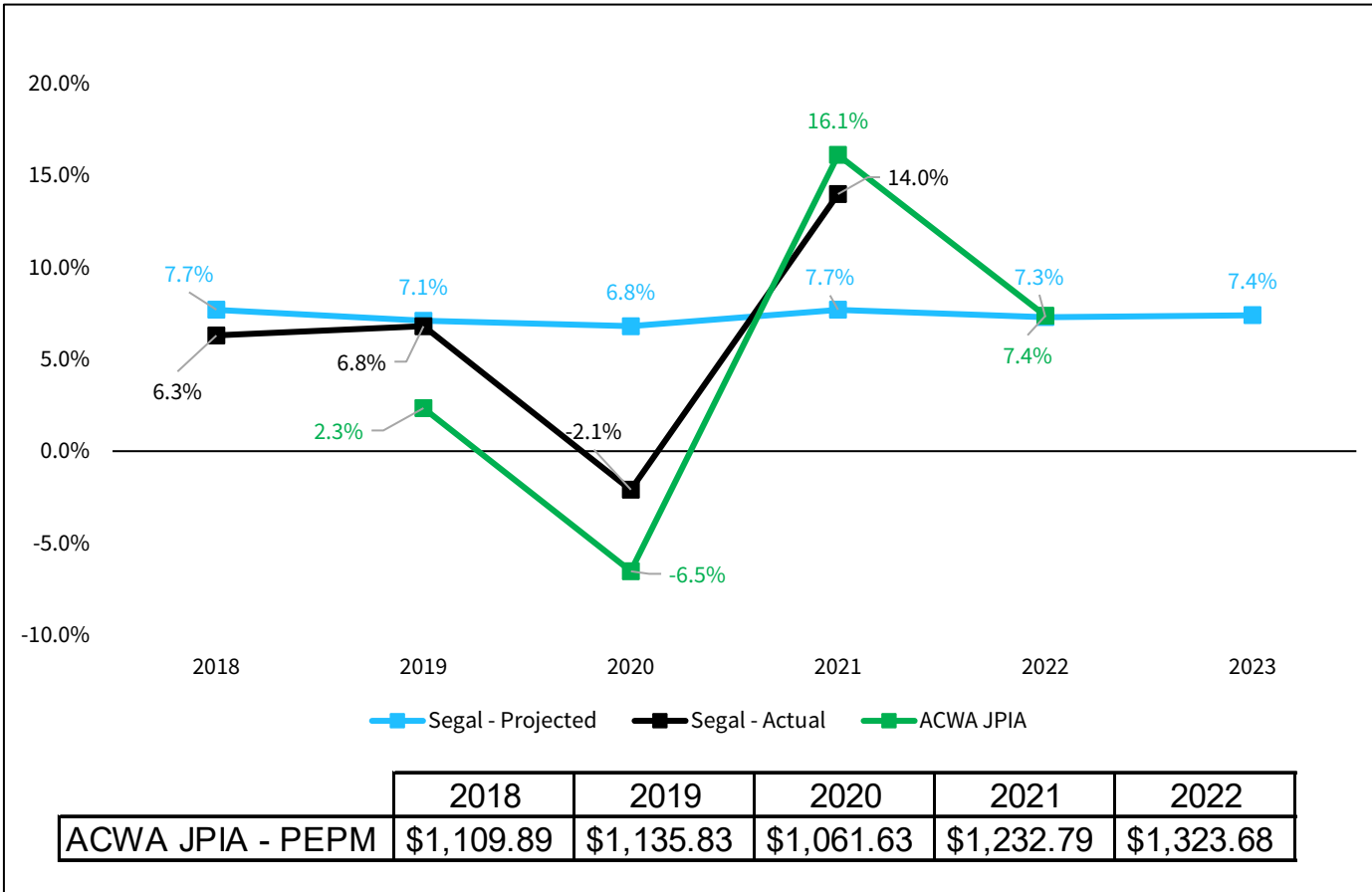
*ACWA JPIA Renewal increases are projections completed by Alliant Underwriting.

ACWA JPIA's PPO plans have out-performed the CalPERS PPO plans over the last 6 years.



2024 Medical & Pharmacy Trend Forecast

ACWA JPIA vs Nationwide Survey Data



- Medical plan cost increases are returning to pre-pandemic levels, despite significant fluctuations as deferred care rebounded and COVID-19 variants peaked
- The 2023 forecast national average medical PPO trend was 7.3% for PPO and 7.0% for HMO
- **For 2024, the forecast is 7.4% for PPO and 7.0% for HMO**
- Bottom Line: the long-term impact on health plan costs of new variants, treatments and long COVID is difficult to predict and the full impact of delayed or deferred care is still unknown

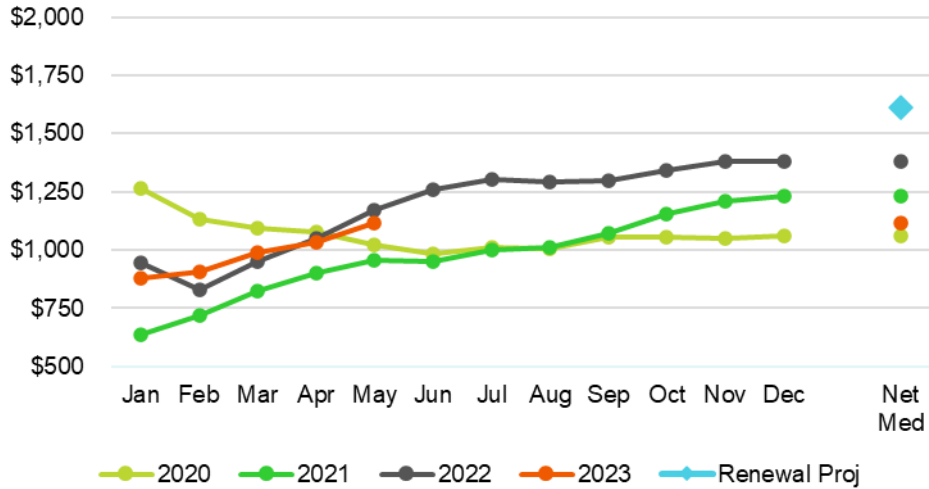
Source: 2023 Segal Health Plan Cost Trend Survey and ACWA JPIA Claims Data



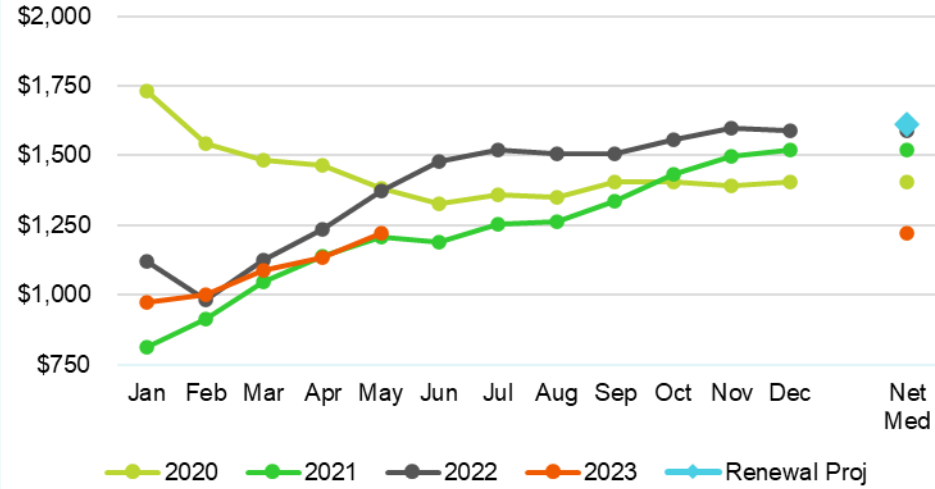
ACWA JPIA

Cumulative Trend for Medical and RX

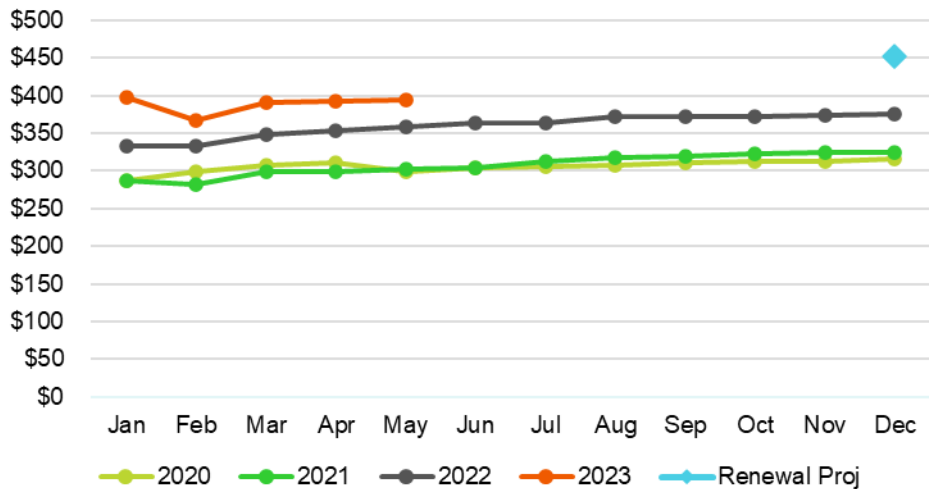
Cumulative MED PEPM



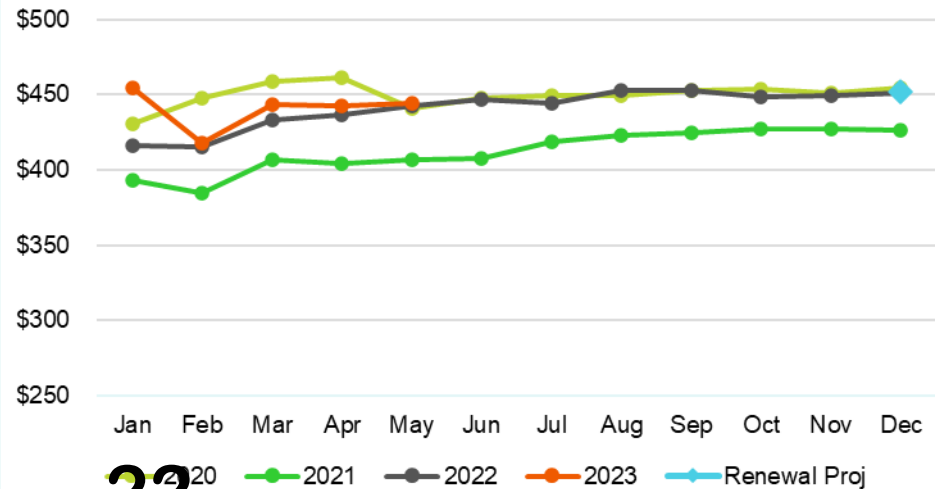
Trended Cumulative MED PEPM



Cumulative RX PEPM



Trended Cumulative Rx PEPM



Year-over-year comparison of monthly claims expenses helps determine weighting of claims by period for rate setting.



2024 Kaiser Renewal Highlights

Health care costs are increasing



Inflation & supply chain disruptions

A combination of inflation for goods and services and labor shortages have driven a 10.4% increase in health care sector costs in 2022.¹



Labor shortages

Hospitals and providers are seeing labor costs increase at every level. Total expenses per adjusted discharge rose 3% month over month and 7% through October 2022.²



Increased demand for care

Within Kaiser Permanente's system, we've seen significant increases in care volume, particularly outpatient services.



Provider challenges

Health care providers nationwide are facing significant upward pressure on the costs to deliver care. By many accounts, 2022 was the worst financial year for hospitals in decades.³



The impacts of inflation, supply chain disruptions, historic labor shortages, and rebounds in care demand are creating economic challenges for the entire health care sector.

1. [National Hospital Flash Report](#), Kaufman, Hall & Associates, LLC, June 2022. 2. ["October's labor woes drive higher costs, worsened margins for hospitals: Kaufman Hall"](#) *Fierce Healthcare*, October 2022. 3. ["Hospitals on Track for Worst Financial Year in Decades"](#) *Becker's Hospital Review*, October 2022.



2024 Kaiser Renewal Highlights

- The experience period used for the renewal calculation is from February 22 - January 2023
- The blended Kaiser renewal for Southern and Northern California is **10.08%**
 - South 15.24%
 - North -6.65% - Capped at 0%
 - *Note: due to the IRS changes, the HDHP plan will renew at 9.20%*
- Recent Kaiser Medical and Pharmacy trend factors:

South	
•2024	7.87% - increased to account for unexpected increases in demand, labor shortages and the cost to deliver care
•2023	2.75%
•2022	8.27%- increased to account for cost inflators such as COVID testing, treatment and PPE
•2021	3.93%
North	
•2024	8.77% - increased to account for unexpected increases in demand, labor shortages and the cost to deliver care
•2023	2.50%
•2022	9.36% - increased to account for cost inflators such as COVID testing, treatment and PPE
•2021	2.89%

ACWA JPIA
Consumer Driven Health Plan Deductibles
July 26, 2023

BACKGROUND

ACWA JPIA offers Consumer Driven Health Plans (CDHP) through Anthem Blue Cross and Kaiser.

CURRENT SITUATION

The IRS sets the minimum deductible for a high deductible health plan to qualify a participant to make pre-tax contributions to a Health Savings Account (HSA). These minimums are adjusted annually.

In 2024, the minimum qualifying deductible will increase beyond the current JPIA CDHP deductibles.

	IRS minimum deductible Single	IRS minimum deductible Family	JPIA CDHP deductible Single	JPIA CDHP deductible Family
2023	\$1,500	\$3,000	\$1,500	\$3,000
2024	\$1,600	\$3,200		

Staff recommends increasing the deductibles on the CDHP plans to \$1,600 for a single and \$3,200 for a family, to maintain participants' eligibility to contribute to an HSA.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve increasing the deductible for Anthem and Kaiser CDHP plans to **\$1,600** for a single and **\$3,200** for a family, effective January 1, 2024.

ACWA JPIA
Anthem Health Guide
July 26, 2023

BACKGROUND

ACWA JPIA offers Anthem PPO, Anthem HMO, Kaiser medical plans for active employees and pre-Medicare retirees. Currently, the PPO plan medical benefits are with Anthem Blue Cross, pharmacy benefits are through MedImpact, and multiple point solutions are handled directly with each vendor.

CURRENT SITUATION

The self-funded medical plans offer several point solutions outside of the traditional medical plan benefits. These include Carrum surgical and oncology benefit, Hinge Health virtual physical therapy, Modern Health mental wellness benefit, and Progyny family building benefit. Utilization of these cost-saving benefits is lower than benchmark due to lack of participant awareness. Communicating directly with participants is more of a challenge in a pool than a single-employer plan.

Anthem offers an enhanced customer service option called Health Guide. A smaller pool of representatives is extensively trained on JPIA's group benefit plans, including point solutions. Health Guides will refer patients to point solutions along with referring them to Anthem programs they may not be aware of. These include Anthem's diabetes prevention, maternity, and disease management programs.

The training the Health Guides go through to service JPIA will enable them to provide a more concierge level service, including guiding participants through any benefit changes.

Health Guide is priced at \$1.40 per employee per month, or approximately \$68,000 per year. Pricing for the optional benefit is reflected in several pricing exhibits in the packet. Staff proposes using a portion of the \$4M savings from the potential Pharmacy Benefit Manager change to Anthem to assist participants during the transition and beyond.

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve adding **Anthem Health Guide** benefit to the self-funded Anthem PPO plan benefits, effective January 1, 2024.

Anthem Health Guide

Helping your employees feel covered, protected, and confident



Anthem Health Guide is reimagining the possibilities for every moment of care with personalized support and concierge-level customer service. Health guides can connect your employees to a team of professionals, trained to help them navigate and understand both the healthcare system and their plan benefits — leading to fewer care gaps, lower costs, and a better overall experience.

Collaborative expertise for improved outcomes

Our health guides are highly trained and knowledgeable about your plans, programs, preventive care services, and the healthcare industry. They will listen to your employees' concerns, so they can understand them, take action to address them, and anticipate future needs. The goal is to offer support every step of the health journey — for the right care, at the right time, in the right setting.

Innovation for transformative impact

With access to the industry's biggest data set, advanced analytics, and artificial intelligence (AI), health guides can help your employees make informed decisions, close care gaps, and save money. They can even help match them to primary care doctors and specialists who meet their personal preferences and health needs. This is possible through our Personalized Match technology, which uses a combination of provider location, quality, and consumer rating information to offer smart recommendations.

The results:

6% fewer care gaps¹

25% more savings¹

Up to
93% member satisfaction²

Up to a
3:1 return on investment
through cost-of-care savings³

Personalized advocacy and education for meaningful connections

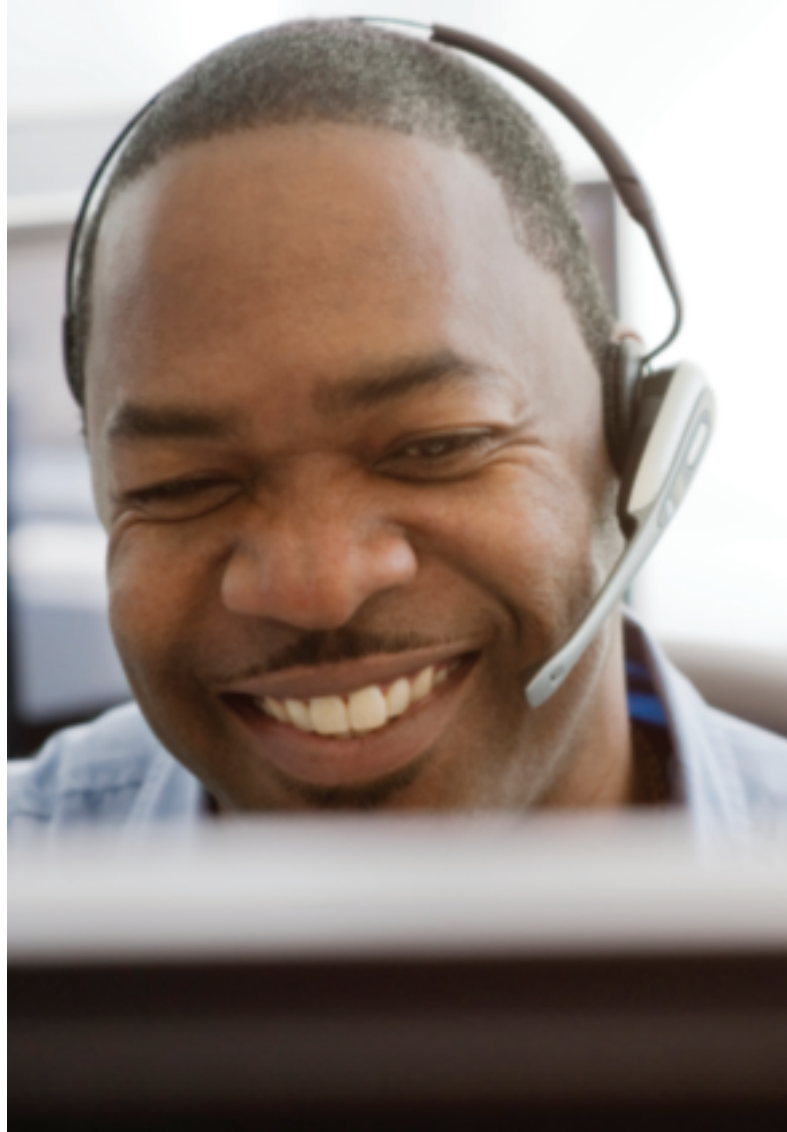
Health guides can proactively help your employees make sense of their care options, benefits, and available resources. If an employee calls with a maternity-related claim, the health guide is there to answer questions, as well as refer the employee to our maternity program, breast pump coverage, and other support services for soon-to-be parents and their newborns. The health guides will also do their best to prepare your employees and their partners for any potential pregnancy, delivery, and postnatal challenges.

To further promote employee engagement with their health, our web and mobile solutions deliver a tailored health and wellness experience for every individual.

Engagement in Anthem clinical programs is **7.8X** higher for clients with health guides compared to those without.¹

The confidence of care

Health guides are committed to working with your employees and their care teams, including nurses, health coaches, educators, and other providers, to see the big picture and offer comprehensive support – while easing your administrative and financial burden.



Health guides seamlessly integrate:



Real-time data



Speech recognition



Predictive analytics

We're here to be your lifetime, trusted health partner. Contact your Sales representative or broker to learn how Anthem Health Guide can help you and your employees make the most of your benefits.

¹ CII Discover data, closing year 2021.

² Anthem Marketing Strategy & Insights, 2021.

³ Anthem Actuarial, 2022.

Anthem Blue Cross is the trade name of Blue Cross of California. Anthem Blue Cross and Anthem Blue Cross Life and Health Insurance Company are independent licensees of the Blue Cross Association. Anthem is a registered trademark of Anthem Insurance Companies, Inc.

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ACWA JPIA
Anthem's Carelon Pharmacy Benefit Manager
July 26, 2023

BACKGROUND

ACWA JPIA's self-funded Anthem PPO plans include medical benefits through Anthem Blue Cross and pharmacy benefits through MedImpact. JPIA changed the PPO plans' Pharmacy Benefit Manager (PBM) from Express Scripts to MedImpact on January 1, 2019. Savings are estimated to have been \$3 million per year since that time. Anthem HMOs continue to have Anthem as their embedded PBM.

CURRENT SITUATION

Staff requested that Alliant go to market to compare available PBMs for the PPO plans. The comparison included in the packet includes pricing differences as well as expected disruption to members. The formulary drug list of covered and preferred drugs varies from PBM to PBM. Some participants may have to change to a covered medication or have copays that will change as a result of moving from one formulary to another. For example, diabetics will need to obtain a different brand of glucose meter and test strips. Member disruption was similar across the three PBMs evaluated.

Anthem provided an aggressive \$7.15M minimum rebate guarantee. Current rebates through MedImpact are approximately \$3.5M. Moving the PBM contract to Anthem is projected to result in an annual savings of **\$4M**.

Despite the disruption the PBM change may initially cause, having medical and pharmacy benefits through the same vendor should increase the efficiency of customer service and streamline benefits, resulting in a better participant experience. Anthem's internal PBM goes by the name CarelonRx.

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve changing the Pharmacy Benefit Manager for the self-funded PPO plans to **Anthem's CarelonRx**, effective January 1, 2024.

MedImpact Satisfaction Survey Summary

ACWA JPIA

July 14, 2023

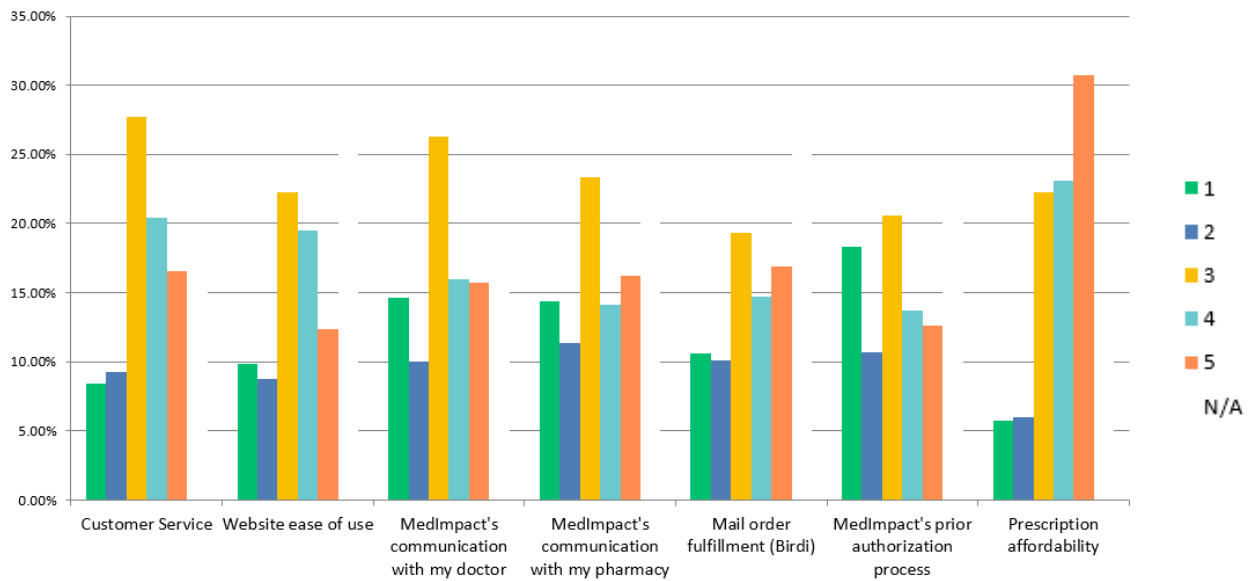
Overall, how satisfied are you with MedImpact as your pharmacy benefit manager?

3.3★
average rating

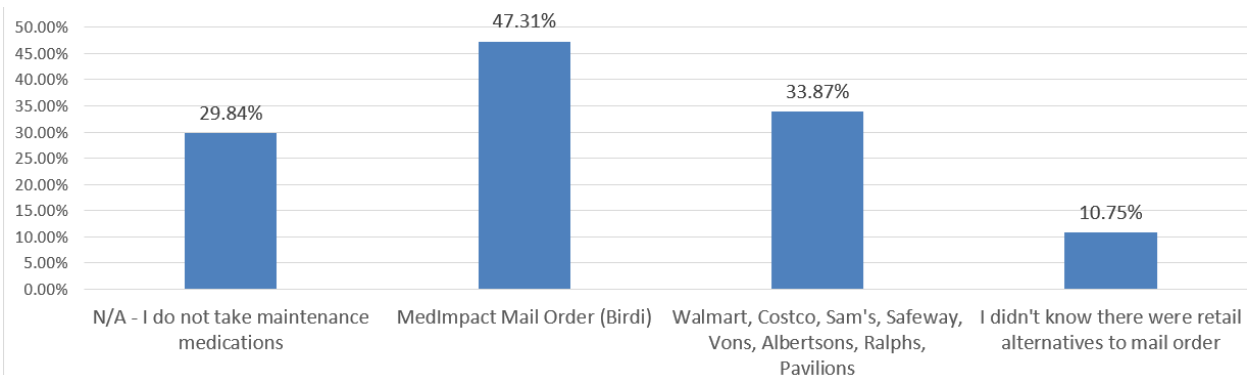


	Very dissatisfied	Somewhat dissatisfied	Neutral	Somewhat satisfied	Very satisfied	Weighted Average
Percent	10.48%	14.52%	30.11%	24.46%	20.43%	3.3
Count	39	54	112	91	76	372

Please rate your satisfaction with MedImpact in the following areas, with 1 being the least satisfied and 5 being the most satisfied.



If you take routine maintenance medications (like hypertension, cholesterol, or other routinely refilled medications), please select ALL of the ways you have obtained your 90-day maintenance refills.



Financial Analysis (Utilizing Anthem Guarantee)

One Year: 1/1/2024 – 12/31/2024

Pricing Component	MedImpact Current Experience	MedImpact 2024 Rates	Anthem's CarelonRx BAFO ¹	OptumRx / HealthTrust	CVS APP
Projected 100% AWP	\$38,320,000	\$38,320,000	\$38,320,000	\$38,320,000	\$38,320,000
Less: Discounts + Dispensing Fees	(\$17,798,000)	(\$17,979,000)	(\$18,310,000)	(\$18,667,000)	(\$17,902,000)
=Gross Rx Spend	\$20,522,000	\$20,341,000	\$20,010,000	\$19,653,000	\$20,418,000
Less: Employee Cost Share	(\$1,528,000)	(\$1,515,000)	(\$1,490,000)	(\$1,464,000)	(\$1,521,000)
=Net Drug Spend	\$18,994,000	\$18,826,000	\$18,520,000	\$18,189,000	\$18,897,000
Less: Rebates	(\$3,678,000)	(\$3,998,000)	(\$7,150,000)	(\$5,649,000)	(\$5,160,000)
Plus: Administrative Fees	\$154,000	\$154,000	\$48,000	\$65,000	\$32,000
Plus: HealthTrust Fee	--	--	--	\$466,000	--
Net Rx Spend	\$15,470,000	\$14,982,000	\$11,418,000	\$13,071,000	\$13,769,000
Change from Current	--	(\$488,000)	(\$4,052,000)	(\$2,399,000)	(\$1,701,000)
Change from Current	--	-3.2%	-26.2%	-15.5%	-11.0%
Potential savings forgone due to Grandfathering (Up to 3 Months)	--	--	\$250,000	\$280,000	\$258,000
Contract length		1 year	3 years	2 years	2 years

- ¹Included in the Anthem BAFO proposal is the following guarantee: Rebates each contract year will be calculated as the greater of minimum brand guarantees (estimates above), 100% rebates received, or \$7.15 Million dollars during annual reconciliation (10 months post Year end)
- Implementation and administrative credits are available to offset transition expenses. The above illustration is an estimate and not a guarantee of savings

**Formulary Disruption:
Claim Period: 1/1/2022–
12/31/2022**



Vendor Disruption - % of Scripts and # of Members

Type of Change	Anthem's CarelonRx	CVS	OptumRx
No Change	64,057 (94.4%) – 6,735 Members	64,444 (94.9%) – 6,739 Members	64,477 (95.0%) – 6,727 Members
Down-Tier (Positive) (Lower Member Copay)	176 (0.3%) -118 Members	240 (0.4%) – 84 Members	232 (0.3%) – 109 Members
Up-Tier (Negative) (Higher Member Copay)	1,585 (2.3%) – 543 Members	410 (0.6%) – 287 Members	1,388 (2.0%) – 611 Members
Excluded (Negative)	2,071 (3.1%) – 754 Members	2,785 (4.1%) – 965 Members	1,792 (2.6%) – 645 Members

- For each of the drugs listed above, Vendor offers alternatives on formulary, as well as a process for appeals and medical exceptions for limited situations where the non formulary drug is medically necessary

ACWA JPIA
2024 Anthem PPO Medical Plans
July 26, 2023

BACKGROUND

Employee Benefits plans renew January 1, 2024. The Anthem PPO medical plans are self-funded. Historic rates are below.

CURRENT SITUATION

Rate history for the self-funded Anthem PPO plans is as follows:

Year	Increase/(Decrease)
2013	8.46%
2014	5.70%
2015	0.00%
2016	7.94%
2017	12.00%
2018	4.50%
2019	0.00%
2020	0.00%
2021	0.00%
2022	(5.00%)
2023	(10.00%)
2024 (Staff recommendation)	12.00%
Average	2.97%

Actuarial projections initially called for a 30% increase in premiums, based on projected expenses in 2024. Application of investment earnings, savings based on proposed PBM change, and fixed costs remaining the same or less, results in a projected need to increase premiums 20.25%. The addition of Anthem Health Guide would bring that to 20.35%.

The reserve balance is approximately \$87.4 million, as of May 31, 2023. The 15% reduction in premiums over the last two years was intended to return excess funds collected during the pandemic to member agencies. As of May 31, 2023, over \$11 million has been returned to member agencies through premium subsidies. Current premiums are 15% lower than they were in 2018. Staff recommends an incremental approach to returning premiums to match expenses.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve an **increase of 12%** for the Anthem self-funded PPO plans, effective January 1, 2024.

Prepared by: Sandra Smith, Employee Benefits Manager

Date prepared: July 13, 2023

**ACWA JPIA
2024 PPO Renewal
July 26, 2023**

CLASSIC PPO REGION	ENROLL TOTAL	2024 STANDARD RATES			2024 INCENTIVE RATES			2024 PREMIUMS	2024 CHANGE	CalPERS 2024 rate comparison			
		EE	EE+1	FAM	EE	EE+1	FAM			PLATINUM EE	CP 2024 PROJ.	JPIA STD	JPIA INC
Los Angeles	605	\$ 904.79	\$ 1,809.58	\$ 2,397.70	\$ 868.60	\$ 1,737.20	\$ 2,301.79	\$ 12,150,551.64	25.47%	1,131.47	14.0%	-25%	-30%
Other South	1,481	959.76	1,919.52	2,543.36	921.37	1,842.74	2,441.63	30,483,283	25.47%	1,151.50	14.9%	-20%	-25%
Sacramento	272	1,052.12	2,104.23	2,788.11	1,010.03	2,020.06	2,676.58	6,605,099	25.47%	1,314.27	9.5%	-25%	-30%
Other North	471	1,057.11	2,114.22	2,801.34	1,014.83	2,029.65	2,689.29	11,183,551	25.47%	1,314.27	9.5%	-24%	-30%
Bay Area	400	1,099.88	2,199.76	2,914.69	1,055.89	2,111.77	2,798.10	8,773,704	25.47%	1,314.27	9.5%	-19%	-24%
	3,229		2.00	2.65		4%							
ADVANTAGE		12%			4%			PLATINUM					
Los Angeles	29	796.22	1,592.43	2,109.97	764.37	1,528.73	2,025.57	592,729	25.47%	1,131.47	14.0%	-42%	-48%
Other South	158	844.59	1,689.18	2,238.17	810.81	1,621.61	2,148.64	3,099,818	25.47%	1,151.50	14.9%	-36%	-42%
Sacramento	56	925.86	1,851.71	2,453.52	888.82	1,777.65	2,355.38	969,017	25.47%	1,314.27	9.5%	-42%	-48%
Other North	108	930.26	1,860.52	2,465.19	893.05	1,786.10	2,366.58	2,163,683	25.47%	1,314.27	9.5%	-41%	-47%
Bay Area	15	967.90	1,935.80	2,564.94	929.19	1,858.37	2,462.34	320,151	25.47%	1,314.27	9.5%	-36%	-41%
	366												
CDHP		20%			GOLD								
Los Angeles	66	723.83	1,447.67	1,918.16	694.88	1,389.76	1,841.43	1,245,936	25.47%	785.28	15.4%	-8%	-13%
Other South	121	767.81	1,535.61	2,034.69	737.09	1,474.19	1,953.30	2,173,250	25.47%	799.44	14.9%	-4%	-8%
Sacramento	120	841.69	1,683.39	2,230.49	808.03	1,616.05	2,141.27	2,581,155	25.47%	914.82	10.8%	-9%	-13%
Other North	97	845.69	1,691.38	2,241.07	811.86	1,623.72	2,151.43	1,793,074	25.47%	914.82	10.8%	-8%	-13%
Bay Area	54	879.91	1,759.81	2,331.75	844.71	1,689.42	2,238.48	1,184,177	25.47%	914.82	10.8%	-4%	-8%
	458							\$ 85,319,177					
	4,053												

PEPM = Per Employee Per Month
 EE = Employee
 Premiums Annualized based on 6/1/2023 enrollment
 Rates include JPIA Administrative Fees
 PBM = Pharmacy Benefit Manager

Pricing includes:
 MedImpact PBM

Aggregate Increase	25.47%
Annual Premiums	\$ 85,319,177
Investment Income	\$ 2,500,000
Total Funding	\$ 87,819,177
Funding PEPM	\$ 1,805.64
Anthem Health Guide PEPM	
Projected Plan Cost PEPM	\$ 1,805.64
Projected Total Plan Cost PEPM	\$ 1,805.64
Projected Plan Cost	\$ 87,819,177
Projected From/(To) Reserves	\$ -

**ACWA JPIA
2024 PPO Renewal
July 26, 2023**

CLASSIC PPO REGION	ENROLL TOTAL	2024 STANDARD RATES			2024 INCENTIVE RATES			2024 PREMIUMS	2024 CHANGE	CalPERS 2024 rate comparison			
		EE	EE+1	FAM	EE	EE+1	FAM			PLATINUM EE	CP 2024 PROJ.	JPIA STD	JPIA INC
Los Angeles	605	\$ 867.90	\$ 1,735.80	\$ 2,299.94	\$ 833.18	\$ 1,666.37	\$ 2,207.94	\$ 11,655,141.88	20.35%	1,131.47	14.0%	-30%	-36%
Other South	1,481	920.63	1,841.25	2,439.66	883.80	1,767.60	2,342.07	29,240,400	20.35%	1,151.50	14.9%	-25%	-30%
Sacramento	272	1,009.22	2,018.44	2,674.43	968.85	1,937.70	2,567.45	6,335,792	20.35%	1,314.27	9.5%	-30%	-36%
Other North	471	1,014.01	2,028.02	2,687.12	973.45	1,946.90	2,579.64	10,727,568	20.35%	1,314.27	9.5%	-30%	-35%
Bay Area	400	1,055.04	2,110.07	2,795.85	1,012.84	2,025.67	2,684.01	8,415,977	20.35%	1,314.27	9.5%	-25%	-30%
	3,229		2.00	2.65		4%							
ADVANTAGE		12%			4%			PLATINUM					
Los Angeles	29	763.75	1,527.50	2,023.94	733.20	1,466.40	1,942.99	568,562	20.35%	1,131.47	14.0%	-48%	-54%
Other South	158	810.15	1,620.31	2,146.91	777.75	1,555.50	2,061.03	2,973,430	20.35%	1,151.50	14.9%	-42%	-48%
Sacramento	56	888.11	1,776.21	2,353.48	852.58	1,705.17	2,259.35	929,507	20.35%	1,314.27	9.5%	-48%	-54%
Other North	108	892.33	1,784.66	2,364.68	856.64	1,713.28	2,270.09	2,075,464	20.35%	1,314.27	9.5%	-47%	-53%
Bay Area	15	928.44	1,856.88	2,460.36	891.30	1,782.60	2,361.95	307,097	20.35%	1,314.27	9.5%	-42%	-47%
	366												
CDHP		20%			GOLD								
Los Angeles	66	694.32	1,388.64	1,839.95	666.55	1,333.09	1,766.35	1,195,136	20.35%	785.28	15.4%	-13%	-18%
Other South	121	736.50	1,473.00	1,951.73	707.04	1,414.08	1,873.66	2,084,641	20.35%	799.44	14.9%	-9%	-13%
Sacramento	120	807.37	1,614.75	2,139.54	775.08	1,550.16	2,053.96	2,475,915	20.35%	914.82	10.8%	-13%	-18%
Other North	97	811.21	1,622.41	2,149.70	778.76	1,557.52	2,063.71	1,719,966	20.35%	914.82	10.8%	-13%	-17%
Bay Area	54	844.03	1,688.06	2,236.68	810.27	1,620.54	2,147.21	1,135,895	20.35%	914.82	10.8%	-8%	-13%
	458							\$ 81,840,491					
	4,053												

PEPM = Per Employee Per Month
 EE = Employee
 Premiums Annualized based on 6/1/2023 enrollment
 Rates include JPIA Administrative Fees
 PBM = Pharmacy Benefit Manager

Pricing includes:
 Anthem PBM
 Anthem Health Guide

Aggregate Increase	20.35%
Annual Premiums	\$ 81,840,491
Investment Income	\$ 2,500,000
Total Funding	\$ 84,340,491
Funding PEPM	\$ 1,734.12
Anthem Health Guide PEPM	1.40
Projected Plan Cost PEPM	\$ 1,732.72
Projected Total Plan Cost PEPM	\$ 1,734.12
Projected Plan Cost	\$ 84,340,491
Projected From/(To) Reserves	\$ -

**ACWA JPIA
2024 PPO Renewal
July 26, 2023**

CLASSIC PPO REGION	ENROLL TOTAL	2024 STANDARD RATES			2024 INCENTIVE RATES			2024 PREMIUMS	2024 CHANGE	CalPERS 2024 rate comparison			
		EE	EE+1	FAM	EE	EE+1	FAM			PLATINUM EE	CP 2024 PROJ.	JPIA STD	JPIA INC
Los Angeles	605	\$ 793.24	\$ 1,586.49	\$ 2,102.09	\$ 761.51	\$ 1,523.03	\$ 2,018.01	\$ 10,652,561.78	10.00%	1,131.47	14.0%	-43%	-49%
Other South	1,481	841.43	1,682.87	2,229.80	807.78	1,615.55	2,140.61	26,725,129	10.00%	1,151.50	14.9%	-37%	-43%
Sacramento	272	922.41	1,844.81	2,444.37	885.51	1,771.02	2,346.60	5,790,785	10.00%	1,314.27	9.5%	-42%	-48%
Other North	471	926.78	1,853.57	2,455.97	889.71	1,779.42	2,357.74	9,804,778	10.00%	1,314.27	9.5%	-42%	-48%
Bay Area	400	964.28	1,928.56	2,555.35	925.71	1,851.42	2,453.13	7,692,031	10.00%	1,314.27	9.5%	-36%	-42%
	3,229		2.00	2.65		4%							
ADVANTAGE		12%								PLATINUM			
Los Angeles	29	698.05	1,396.11	1,849.84	670.13	1,340.26	1,775.85	519,654	10.00%	1,131.47	14.0%	-62%	-69%
Other South	158	740.47	1,480.93	1,962.23	710.85	1,421.69	1,883.74	2,717,655	10.00%	1,151.50	14.9%	-56%	-62%
Sacramento	56	811.71	1,623.42	2,151.04	779.24	1,558.49	2,065.00	849,551	10.00%	1,314.27	9.5%	-62%	-69%
Other North	108	815.57	1,631.15	2,161.27	782.95	1,565.90	2,074.82	1,896,931	10.00%	1,314.27	9.5%	-61%	-68%
Bay Area	15	848.57	1,697.15	2,248.72	814.63	1,629.26	2,158.77	280,681	10.00%	1,314.27	9.5%	-55%	-61%
	366												
CDHP		20%								GOLD			
Los Angeles	66	634.59	1,269.19	1,681.68	609.21	1,218.42	1,614.41	1,092,330	10.00%	785.28	15.4%	-24%	-29%
Other South	121	673.15	1,346.29	1,783.84	646.22	1,292.44	1,712.49	1,905,319	10.00%	799.44	14.9%	-19%	-24%
Sacramento	120	737.92	1,475.85	1,955.50	708.41	1,416.81	1,877.28	2,262,935	10.00%	914.82	10.8%	-24%	-29%
Other North	97	741.43	1,482.85	1,964.78	711.77	1,423.54	1,886.19	1,572,014	10.00%	914.82	10.8%	-23%	-29%
Bay Area	54	771.43	1,542.85	2,044.28	740.57	1,481.14	1,962.51	1,038,185	10.00%	914.82	10.8%	-19%	-24%
	458							\$ 74,800,539					
	4,053												

PEPM = Per Employee Per Month
 EE = Employee
 Premiums Annualized based on 6/1/2023 enrollment
 Rates include JPIA Administrative Fees
 PBM = Pharmacy Benefit Manager

Pricing includes:
 Anthem PBM
 Anthem Health Guide

Aggregate Increase	10.00%
Annual Premiums	\$ 74,800,539
Investment Income	\$ 2,500,000
Total Funding	\$ 77,300,539
Funding PEPM	\$ 1,589.37
Anthem Health Guide PEPM	1.40
Projected Plan Cost PEPM	\$ 1,732.72
Projected Total Plan Cost PEPM	\$ 1,734.12
Projected Plan Cost	\$ 84,340,491
Projected From/(To) Reserves	\$ 7,039,953

**ACWA JPIA
2024 PPO Renewal
July 26, 2023**

CLASSIC PPO REGION	ENROLL TOTAL	2024 STANDARD RATES			2024 INCENTIVE RATES			2024 PREMIUMS	2024 CHANGE	CalPERS 2024 rate comparison			
		EE	EE+1	FAM	EE	EE+1	FAM			PLATINUM EE	CP 2024 PROJ.	JPIA STD	JPIA INC
Los Angeles	605	\$ 807.67	\$ 1,615.33	\$ 2,140.31	\$ 775.36	\$ 1,550.72	\$ 2,054.70	\$ 10,846,244.72	12.00%	1,131.47	14.0%	-40%	-46%
Other South	1,481	856.73	1,713.47	2,270.34	822.46	1,644.93	2,179.53	27,211,040	12.00%	1,151.50	14.9%	-34%	-40%
Sacramento	272	939.18	1,878.35	2,488.82	901.61	1,803.22	2,389.26	5,896,072	12.00%	1,314.27	9.5%	-40%	-46%
Other North	471	943.63	1,887.27	2,500.63	905.89	1,811.78	2,400.60	9,983,047	12.00%	1,314.27	9.5%	-39%	-45%
Bay Area	400	981.81	1,963.63	2,601.81	942.54	1,885.08	2,497.74	7,831,886	12.00%	1,314.27	9.5%	-34%	-39%
	3,229		2.00	2.65		4%							
ADVANTAGE		12%			4%			PLATINUM					
Los Angeles	29	710.75	1,421.49	1,883.48	682.32	1,364.63	1,808.14	529,102	12.00%	1,131.47	14.0%	-59%	-66%
Other South	158	753.93	1,507.86	1,997.91	723.77	1,447.54	1,917.99	2,767,067	12.00%	1,151.50	14.9%	-53%	-59%
Sacramento	56	826.47	1,652.94	2,190.15	793.41	1,586.82	2,102.54	864,997	12.00%	1,314.27	9.5%	-59%	-66%
Other North	108	830.40	1,660.80	2,200.56	797.19	1,594.37	2,112.54	1,931,421	12.00%	1,314.27	9.5%	-58%	-65%
Bay Area	15	864.00	1,728.00	2,289.60	829.44	1,658.88	2,198.02	285,784	12.00%	1,314.27	9.5%	-52%	-58%
	366												
CDHP		20%			GOLD								
Los Angeles	66	646.13	1,292.26	1,712.25	620.29	1,240.57	1,643.76	1,112,190	12.00%	785.28	15.4%	-22%	-27%
Other South	121	685.39	1,370.77	1,816.27	657.97	1,315.94	1,743.62	1,939,961	12.00%	799.44	14.9%	-17%	-22%
Sacramento	120	751.34	1,502.68	1,991.05	721.29	1,442.57	1,911.41	2,304,080	12.00%	914.82	10.8%	-22%	-27%
Other North	97	754.91	1,509.81	2,000.50	724.71	1,449.42	1,920.48	1,600,596	12.00%	914.82	10.8%	-21%	-26%
Bay Area	54	785.45	1,570.90	2,081.45	754.03	1,508.07	1,998.19	1,057,061	12.00%	914.82	10.8%	-16%	-21%
	458							\$ 76,160,548					
	4,053												

PEPM = Per Employee Per Month
 EE = Employee
 Premiums Annualized based on 6/1/2023 enrollment
 Rates include JPIA Administrative Fees
 PBM = Pharmacy Benefit Manager

Pricing includes:
[Anthem PBM](#)
[Anthem Health Guide](#)

Aggregate Increase	12.00%
Annual Premiums	\$ 76,160,548
Investment Income	\$ 2,500,000
Total Funding	\$ 78,660,548
Funding PEPM	\$ 1,617.33
Anthem Health Guide PEPM	1.40
Projected Plan Cost PEPM	\$ 1,732.72
Projected Total Plan Cost PEPM	\$ 1,734.12
Projected Plan Cost	\$ 84,340,491
Projected From/(To) Reserves	\$ 5,679,943

**ACWA JPIA
2024 PPO Renewal
July 26, 2023**

CLASSIC PPO REGION	ENROLL TOTAL	2024 STANDARD RATES			2024 INCENTIVE RATES			2024 PREMIUMS	2024 CHANGE	CalPERS 2024 rate comparison			
		EE	EE+1	FAM	EE	EE+1	FAM			PLATINUM EE	CP 2024 PROJ.	JPIA STD	JPIA INC
Los Angeles	605	\$ 829.30	\$ 1,658.60	\$ 2,197.64	\$ 796.13	\$ 1,592.26	\$ 2,109.74	\$ 11,136,769.14	15.00%	1,131.47	14.0%	-36%	-42%
Other South	1,481	879.68	1,759.36	2,331.15	844.49	1,688.99	2,237.91	27,939,907	15.00%	1,151.50	14.9%	-31%	-36%
Sacramento	272	964.33	1,928.67	2,555.48	925.76	1,851.52	2,453.26	6,054,002	15.00%	1,314.27	9.5%	-36%	-42%
Other North	471	968.91	1,937.82	2,567.61	930.15	1,860.31	2,464.91	10,250,450	15.00%	1,314.27	9.5%	-36%	-41%
Bay Area	400	1,008.11	2,016.23	2,671.50	967.79	1,935.58	2,564.64	8,041,669	15.00%	1,314.27	9.5%	-30%	-36%
	3,229		2.00	2.65		4%							
ADVANTAGE		12%								PLATINUM			
Los Angeles	29	729.78	1,459.57	1,933.93	700.59	1,401.18	1,856.57	543,274	15.00%	1,131.47	14.0%	-55%	-62%
Other South	158	774.12	1,548.25	2,051.42	743.16	1,486.32	1,969.37	2,841,184	15.00%	1,151.50	14.9%	-49%	-55%
Sacramento	56	848.61	1,697.22	2,248.81	814.66	1,629.33	2,158.86	888,167	15.00%	1,314.27	9.5%	-55%	-61%
Other North	108	852.64	1,705.29	2,259.51	818.54	1,637.08	2,169.13	1,983,156	15.00%	1,314.27	9.5%	-54%	-61%
Bay Area	15	887.14	1,774.29	2,350.93	851.66	1,703.32	2,256.90	293,439	15.00%	1,314.27	9.5%	-48%	-54%
	366												
CDHP		20%								GOLD			
Los Angeles	66	663.44	1,326.88	1,758.11	636.90	1,273.80	1,687.79	1,141,981	15.00%	785.28	15.4%	-18%	-23%
Other South	121	703.74	1,407.49	1,864.92	675.60	1,351.19	1,790.33	1,991,924	15.00%	799.44	14.9%	-14%	-18%
Sacramento	120	771.47	1,542.93	2,044.38	740.61	1,481.21	1,962.61	2,365,796	15.00%	914.82	10.8%	-19%	-24%
Other North	97	775.13	1,550.26	2,054.09	744.12	1,488.24	1,971.92	1,643,469	15.00%	914.82	10.8%	-18%	-23%
Bay Area	54	806.49	1,612.98	2,137.20	774.23	1,548.46	2,051.71	1,085,375	15.00%	914.82	10.8%	-13%	-18%
	458							\$ 78,200,563					
	4,053												

PEPM = Per Employee Per Month
 EE = Employee
 Premiums Annualized based on 6/1/2023 enrollment
 Rates include JPIA Administrative Fees
 PBM = Pharmacy Benefit Manager

Pricing includes:
[Anthem PBM](#)
[Anthem Health Guide](#)

Aggregate Increase	15.00%
Annual Premiums	\$ 78,200,563
Investment Income	\$ 2,500,000
Total Funding	\$ 80,700,563
Funding PEPM	\$ 1,659.28
Anthem Health Guide PEPM	1.40
Projected Plan Cost PEPM	\$ 1,732.72
Projected Total Plan Cost PEPM	\$ 1,734.12
Projected Plan Cost	\$ 84,340,491
Projected From/(To) Reserves	\$ 3,639,928

ACWA JPIA
2024 Anthem HMO Medical Plans
July 26, 2023

BACKGROUND

Employee Benefits plans renew January 1, 2024. Anthem HMO plans are fully insured.

CURRENT SITUATION

Historic rates and utilization are included in the following pages. Anthem provided JPIA with renewal pricing that will result in a 5.48% increase in costs.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve an **increase of 5.48%** for the Anthem HMO plans, effective January 1, 2024.



ACWA JPIA Anthem HMO Renewal History

Year	ACWA JPIA HMO Renewal	CalPERS Access + HMO Renewal State
2015 ³	5.50%	18.25%
2016 ⁴	-4.97%	6.86%
2017 ⁵	12.00%	8.21%
2018 ⁶	8.26%	-9.41%
2019 ¹	0.00%	6.21%
2020 ²	5.64%	13.91%
2021 ³	7.00%	3.16%
2022 ⁴	3.70%	-4.13%
2023 ⁵	9.80%	-6.40%
2024*	5.50%	5.92%
AVERAGE	5.24%	4.26%

¹ Represents Alliant negotiated renewal for plan year 2019

² Anthem HMO renewal was 5.64%, committee approved an 8.21% renewal to members

³ Anthem HMO renewal was 7.00%, committee approved a 7.60% renewal to members

⁴ Anthem HMO renewal was 3.70%, committee approved a 3.70% renewal to members

⁵ Anthem HMO renewal was 9.80%, committee approved a 9.80% renewal to members

*Anthem HMO Initial Renewal was 10.08%, Alliant negotiated renewal to 5.50%

**ACWA JPIA
2024 HMO Renewal
July 26, 2023**

CALCARE HMO REGION	ENROLL TOTAL	2024 STANDARD PREMIUMS			2024 INCENTIVE PREMIUMS			2024 ANNUAL PREMIUMS	2024 CHANGE
		EE	EE+1	FAM	EE	EE+1	FAM		
Los Angeles	207	\$ 994.49	\$ 1,988.98	\$ 2,635.40	\$ 954.71	\$ 1,909.42	\$ 2,529.98	\$ 4,823,773.71	5.48%
Other South	694	1,072.66	2,145.32	2,842.55	1,029.75	2,059.51	2,728.84	17,352,105.29	5.48%
Sacramento	105	1,319.18	2,638.36	3,495.82	1,266.41	2,532.82	3,355.99	2,976,064.48	5.48%
Other North	81	1,330.74	2,661.48	3,526.45	1,277.51	2,555.02	3,385.40	2,576,478.50	5.48%
Bay Area	20	1,395.26	2,790.51	3,697.43	1,339.45	2,678.89	3,549.53	575,125.08	5.48%
	1,107							\$ 28,303,547	

VALUE HMO	ENROLL TOTAL	EE	EE+1	FAM	EE	EE+1	FAM	2024 ANNUAL PREMIUMS	2024 CHANGE
Los Angeles	3	916.02	1,832.03	2,427.44	879.38	1,758.75	2,330.35	79,077.89	5.48%
Other South	25	987.92	1,975.84	2,617.99	948.40	1,896.81	2,513.27	586,539.76	5.48%
Sacramento	1	1,214.70	2,429.41	3,218.96	1,166.12	2,332.23	3,090.21	37,082.47	5.48%
Other North	-	1,225.32	2,450.65	3,247.11	1,176.31	2,352.62	3,117.23	-	5.48%
Bay Area	-	1,284.70	2,569.39	3,404.45	1,233.31	2,466.62	3,268.27	-	5.48%
	29							\$ 702,700	
	1,136								
	1,110								

CalPERS 2024 rate comparison			
BS ACC+ EE	CP 2024 PROJ.	JPIA STD	JPIA INC
756.65	2.5%	24%	21%
869.14	3.2%	19%	16%
1,076.84	4.0%	18%	15%
1,076.84	4.0%	19%	16%
1,076.84	4.0%	23%	20%

BS ACC+ EE	CP 2024 CHANGE	JPIA STD	JPIA INC
756.65	2.5%	17%	14%
869.14	3.2%	12%	8%
1,076.84	4.0%	11%	8%
1,076.84	4.0%	12%	8%
1,076.84	4.0%	16%	13%

\$15 copay CalPERS HMO vs.
JPIA \$10 and \$30 copay HMOs

Aggregate Increase	5.48%
Annual Premiums \$	29,006,247
Premiums PEPM \$	2,177.65

Projected Plan Cost PEPM \$	2,177.65
Projected Plan Cost \$	29,006,247
Potential Subsidy \$	-

PEPM = Per Employee Per Month
EE = Employee
Premiums Annualized based on 6/1/2023 enrollment
Rates include JPIA Administrative Fees

ACWA JPIA
2024 Kaiser Medical Plans
July 26, 2023

BACKGROUND

Employee Benefits plans renew January 1, 2024. The Kaiser plans are fully insured, with Northern and Southern California rates set by Kaiser. Beginning in 2019, JPIA's Kaiser North and Kaiser South plans have blended the rate of increase to provide rate stability across the regions.

CURRENT SITUATION

Historic rates are included in the following pages.

Kaiser provided JPIA with renewal pricing that will result in a 9.87% aggregate increase in costs. Due to CDHP plan design changes, that plan will increase 9.03% while the rest of the plans will increase 9.94%.

Combining rating regions to provide members more stability continues to be an equitable choice. The north and south continue to alternate benefitting from this arrangement.

Renewal Year	Unblended NCR Rate Action	Unblended SCR Rate Action	Blended Rate Action
2019	21.79%	-2.28%	2.65%
2020	-5.33%	4.80%	1.69%
2021	5.12%	11.00%	9.22%
2022	4.18%	-16.64%	-2.37%
2023	13.46%	-5.03%	0.65%
2024	-6.65%	15.24%	10.08%
Average	5.43%	1.18%	3.65%

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve an **aggregate increase of 9.87%** to Kaiser rates, effective January 1, 2024.



Kaiser Renewal & Enrollment History

	ACWA JPIA Kaiser Blended Renewal	CalPERS Kaiser - Statewide
2015 (Actual)	0.00%	0.18%
2016 (Actual)	7.94%	4.54%
2017 (Actual)	12.00%	0.17%
2018 (Actual)	4.50%	8.22%
2019 (Actual) ¹	2.64%	-1.25%
2020 (Actual) ²	2.24%	3.06%
2021 (Actual) ³	9.00%	4.32%
2022 (Actual) ⁴	-2.30%	5.65%
2023 (Actual) ⁵	2.80%	5.97%
2024 (Projections)*	10.08%	13.07%
AVERAGE	4.89%	4.39%

¹Recommended increase was 2.64% to Kaiser plans. Actual increase to members shown above.

²Recommended increase was 1.69% to Kaiser plans. Actual increase to members shown above.

³Recommended increase was 8.84% to Kaiser plans. Actual increase to members shown above.

⁴Recommended increase was -2.1% to Kaiser plans. Actual increase to members shown above.

⁵Recommended increase was .9% to Kaiser plans. Actual increase to members shown above.

*Kaiser 2024 Initial Renewal was 10.08%. Actual Increase to members is pending

**ACWA JPIA
2024 Kaiser Renewal
July 26, 2023**

REGION	PLAN NAME	ENROLL TOTAL	2024 STANDARD PREMIUMS			2024 INCENTIVE PREMIUMS			2024 ANNUAL PREMIUMS	2024 CHANGE	CalPERS 2024 rate comparison			
			EE	EE+1	FAM	EE	EE+1	FAM			KAISER EE	CP 2024 PROJ.	JPIA STD	JPIA INC
Los Angeles	HMO	379	\$ 770.97	\$ 1,541.94	\$ 2,143.30	\$ 740.13	\$ 1,480.26	\$ 2,057.56	\$ 6,913,613	9.94%	\$ 865.41	15%	-12%	-17%
Other South	HMO	787	770.97	1,541.94	2,143.30	740.13	1,480.26	2,057.56	14,888,189	9.94%	904.95	20%	-17%	-22%
All South	VALUE	3	704.71	1,409.41	1,959.08	676.52	1,353.04	1,880.72	63,931	9.94%				
All South	OPTICAL	24	785.16	1,570.33	2,182.75	753.76	1,507.51	2,095.44	471,927	9.94%				
All South	CDHP	119	557.84	1,115.68	1,550.80	535.53	1,071.05	1,488.76	1,707,511	9.03%				
		1,313	17.00	2.00	2.78	4%			\$ 24,069,862					
Sacramento	HMO	153	917.60	1,835.20	2,550.93	880.90	1,761.79	2,448.89	3,474,427	9.94%	1,021.41	12%	-11%	-16%
Other North	HMO	30	917.60	1,835.20	2,550.93	880.90	1,761.79	2,448.89	621,781	9.94%	1,021.41	12%	-11%	-16%
Bay Area	HMO	176	917.60	1,835.20	2,550.93	880.90	1,761.79	2,448.89	3,349,991	9.94%	1,021.41	12%	-11%	-16%
All North	VALUE	2	848.29	1,696.59	2,358.25	814.36	1,628.72	2,263.92	19,545	9.94%				
All North	OPTICAL	16	933.82	1,867.64	2,596.01	896.47	1,792.93	2,492.17	326,161	9.94%				
All North	CDHP	64	702.55	1,405.11	1,953.10	674.45	1,348.90	1,874.97	994,498	9.03%				
		489							\$ 9,552,969					
		1,802												
		1,774												

PEPM = Per Employee Per Month
 EE = Employee
 Premiums Annualized based on 6/1/2023 enrollment
 Rates include JPIA Administrative Fees

Aggregate Increase	9.87%
Annual Premiums	\$ 33,622,831
Premiums PEPM	\$ 1,579.43
Projected Plan Cost PEPM	\$ 1,579.43
Projected Plan Cost	\$ 33,622,831
From/(To) Reserves	\$ -

ACWA JPIA
2024 Kaiser Senior Advantage
July 26, 2023

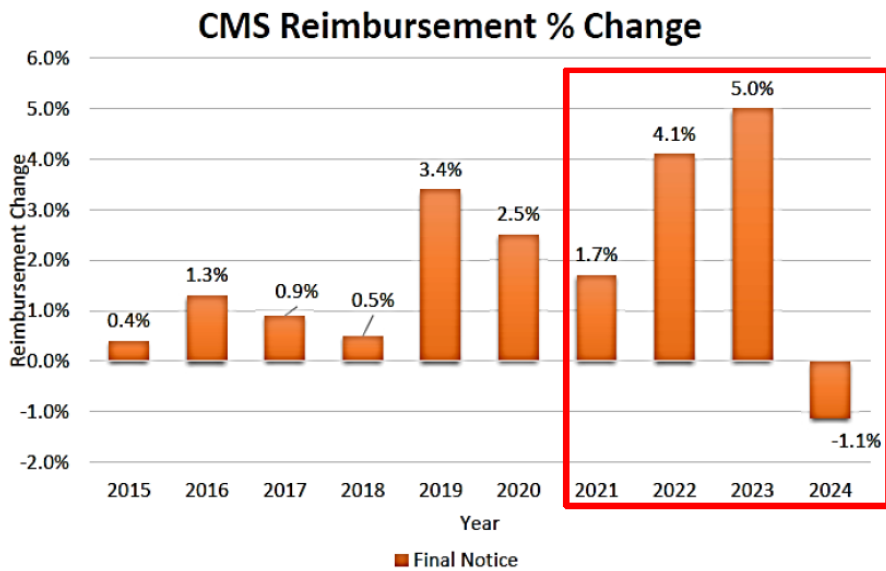
BACKGROUND

The Kaiser Senior Advantage plan for retirees with Medicare is fully insured.

CURRENT SITUATION

Kaiser provided JPIA with renewal pricing that will result in a 14.68% aggregate increase in costs.

Decreases in CMS reimbursement rates across the industry impacted the Kaiser renewal for 2024.



RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve an **aggregate increase of 14.68%** for the Kaiser Senior Advantage plan, effective January 1, 2024.

ACWA JPIA
2024 Kaiser Senior Advantage Renewal
July 26, 2023

JPIA REGION	PLAN NAME	ENROLLMENT			2023 PREMIUMS		2024 PREMIUMS		2024 ANNUAL PREMIUMS	2024 CHANGE	CalPERS 2024 rate comparison		
		EE	EE+1	TOTAL	EE	EE+1	EE	EE+1			\$10 copay KPSA	2024 CHANGE	JPIA DIFF
North	SR ADV	42	21	63	255.12	510.24	293.27	586.54	\$ 295,616	14.95%	324.79	14.67%	-11%
South	SR ADV	50	27	77	160.97	321.94	184.04	368.08	\$ 229,682	14.33%	324.79	14.67%	-76%
		140			17.00		17.00		\$ 525,298				

38.1500
23.0700

Annual Premiums \$ 525,298

Aggregate Change **14.68%**

PMPM = Per Member Per Month (primary and dependents counted separately)
Premiums annualized based on 6/1/2023 enrollment
Premiums include JPIA Administrative Fees

ACWA JPIA
2024 UHC Medicare Advantage PPO
July 26, 2023

BACKGROUND

The fully insured United Healthcare (UHC) Medicare Advantage PPO plan for retirees with Medicare went into effect January 1, 2022. All enrollees in Anthem PPO and HMO plans for retirees with Medicare were transitioned to the UHC plan at that time. The initial contract with United Healthcare included a two-year rate guarantee. 2024 will be the JPIA's third year with UHC.

CURRENT SITUATION

UHC provided JPIA with renewal pricing that will result in a 1.9% increase in costs.

Decreases in CMS reimbursement rates across the industry may lead to higher increases in future years.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve an **increase of 1.9%** for the UHC Medicare Advantage PPO plan, effective January 1, 2024.

ACWA JPIA
2024 United HealthCare Medicare Advantage PPO
July 26, 2023

UHC	ENROLLMENT			2024 PREMIUMS		2024 ANNUAL PREMIUMS	2024 CHANGE	CalPERS 2024 rate comparison		
	EE	EE+1	TOTAL	EE	EE+1			CalPERS EE	PROJ. INCR.	JPIA
Medicare Advantage PPO	901	549	1,450	\$ 412.45	\$ 824.90	\$ 9,893,851	1.9%	366.01	2.3%	11.3%

Annual Premiums \$ 9,893,851
 PEPM \$ 568.61

PEPM = Per Employee Per Month

EE = Employee

Premiums Annualized based on 6/1/2023 enrollment

Rates include JPIA Administrative Fees

ACWA JPIA
2024 Delta Dental Plans
July 26, 2023

BACKGROUND

ACWA JPIA dental plans renew January 1, 2024. Historic rate and enrollment information is included in the following pages.

CURRENT SITUATION

Delta Dental PPO plans are self-funded. These plans continue to perform well. As of April 30, 2023, the dental plan reserve balance is approximately \$10 million. Costs for the self-funded Delta Dental PPO are projected to increase 0.71% in 2024. Staff recommends no change in rates for the self-funded Delta Dental PPO dental plans.

The Executive Committee approved offering several new PPO plan design options to members that include a \$3,000 annual maximum benefit, effective January 1, 2024. Premiums for these plan options are set to account for additional expenses, making the new options cost neutral overall.

The fully insured DeltaCare HMO plan has provided an annual renewal with no change in rates, from January 1, 2024 through December 31, 2025. Staff recommends no change in rates for the DeltaCare HMO plan.

RECOMMENDATIONS

That the Employee Benefits Committee recommend that the Executive Committee approve renewal of Delta Dental PPO and DeltaCare HMO plans, with **no change** in rates, effective January 1, 2024.



Dental Enrollment and Rate History

Year	Dental PPO	Dental DHMO
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	0.0%	0.0%
2021	0.0%	0.0%
2022	0.0%	0.0%
2023	-0.1%	0.0%
2024 ¹	-0.7%	0.0%
Average	-0.9%	0.0%

ACWA JPIA - Enrollment History									
Enrollment History	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD
Dental PPO	8,014	8,316	8,506	8,494	8,662	8,764	8,180	7,991	7,729
% Change	1.7%	3.8%	2.3%	-0.1%	2.0%	1.2%	-6.7%	-2.3%	-3.3%
DeltaCare	149	165	158	177	181	191	191	206	198
% Change	8.0%	10.7%	-4.2%	12.0%	2.3%	5.5%	0.0%	7.9%	-3.9%
Total	8,163	8,481	8,664	8,671	8,843	8,955	8,371	8,197	7,927
% Change	1.8%	3.9%	2.2%	0.1%	2.0%	1.3%	-6.5%	-2.1%	-3.3%

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2024 Dental Renewal Projection

DENTAL UNDERWRITING FORECAST		
Proposed Effective Date	January 1, 2024	
Proposed Contract Duration (Months)	12	
Most Recent Month of Data	April 2023	
Period		
Beginning Date (Historical Data)	Period 1	Period 2
End Date (Historical Data)	May 1, 2021	May 1, 2022
Months of Data	May 1, 2022	May 1, 2023
	12	12
Current Premium / Funding Rate PEPM¹	\$93.01	
<u>Paid Claims²</u>	\$7,334,073	\$7,531,877
Beginning IBNR Reserve	(\$587,666)	(\$611,173)
Ending IBNR Reserve	\$611,173	\$627,656
Incurring Claims	\$7,357,580	\$7,548,360
Historical Benefit Design Adjustment Factor	1.000	1.000
Adjusted Incurring Claims	\$7,357,580	\$7,548,360
Annual Subscriber Lives	96,011	95,164
Adjusted Incurring Claims PEPM	\$76.63	\$79.32
Annual Trend	4.0%	4.0%
Applied Trend Factor	1.110	1.068
Trended Claims PEPM	\$85.08	\$84.68
Network Change Adjustment Factor	1.000	1.000
Projected Claims PEPM	\$85.08	\$84.68
Period Blending Weight	20.0%	80.0%
Blended Projected Claims	\$84.76	
Plan Changes		
Status Quo	\$0.00	
Margin Adjustment ³	\$0.00	
Fixed Costs		
Admin Fee	\$7.59	
Total Fixed Costs	\$7.59	
Net Required Funding PEPM	\$92.34	
Required Funding Change Percentage	-0.71%	

¹Current composite funding rate is based on current enrollment and collected premium

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

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

ACWA JPIA
2024 VSP Vision Plans
July 26, 2023

BACKGROUND

ACWA JPIA vision plans renew January 1, 2024. Vision Service Plan (VSP) plans have been self-funded since 2015. Historic rate and enrollment information is included in the following pages.

CURRENT SITUATION

The deficit in plan costs when compared to premiums since going self-funded resulted in a consistent 10% savings for members, which was used to fund enhancements to the contact lens allowance, progressives, and anti-reflective coatings. VSP plan rates for members have remained flat since 2015. As of April 30, 2023, the vision plan reserve balance is approximately \$2.1 million.

The Executive Committee approved offering several new plan design options to members that include prescription safety glasses, effective January 1, 2024. Premiums for these plan options are set to account for additional expenses, making the new options cost neutral overall.

Projections for the vision plans show an increase of 2.47% to meet expenses in 2024. Staff recommends no change in rates, due to the vision plan reserves that have accrued since 2015.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve renewing the VSP plans with **no change** in rates, effective January 1, 2024.



Vision Enrollment and Rate History

Year	Vision
2016	0.0%
2017	0.0%
2018	0.0%
2019	0.0%
2020	0.0%
2021	0.0%
2022	0.0%
2023	-8.3%
2024	2.5%
Average	-0.6%

2024 Vision rate is based on the Alliant Underwriting Projection

ACWA JPIA - Enrollment History									
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD
Employees	7,200	7,321	7,472	7,665	7,830	7,971	7,774	7,742	7,941
% Change	0.2%	1.7%	2.1%	2.6%	2.2%	1.8%	-2.5%	-0.4%	2.6%

2023 enrollment as of April



2024 Self-funded Vision Projection

VISION UNDERWRITING FORECAST		
Proposed Effective Date	January 1, 2024	
Proposed Contract Duration (Months)	12	
Most Recent Month of Data	April 2023	
Period		
Beginning Date (Historical Data)	May 1, 2021	May 1, 2022
End Date (Historical Data)	May 1, 2022	May 1, 2023
Months of Data	12	12
Current Premium / Funding Rate PEPM¹	\$18.55	
Paid Claims²	\$1,306,102	\$1,439,924
Beginning IBNR Reserve	(\$73,802)	(\$75,352)
Ending IBNR Reserve	\$75,352	\$83,073
Incurred Claims	\$1,307,651	\$1,447,644
Historical Benefit Design Adjustment Factor	1.000	1.000
Adjusted Incurred Claims	\$1,307,651	\$1,447,644
Annual Subscriber Lives	92,586	94,170
Adjusted Incurred Claims PEPM	\$14.12	\$15.37
Annual Trend	2.1%	2.1%
Applied Trend Factor	1.057	1.035
Trended Claims PEPM	\$14.93	\$15.91
Network Change Adjustment Factor	1.114	1.076
Projected Claims PEPM	\$16.63	\$17.12
Period Blending Weight	20.0%	80.0%
Blended Projected Claims	\$17.03	
Historical Plan Changes		
Premium & Custom Progressives -\$25 Copay		
Margin Adjustment³	0.00%	
Fixed Costs		
Admin Fee	\$1.98	
Total Fixed Costs	\$1.98	
Net Required Funding PEPM	\$19.01	
Required Funding Change Percentage	2.47%	

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 self-funded funding rates are sufficient if actual claims do not adhere to projections

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

ACWA JPIA
2024 Employee Assistance Program
July 26, 2023

BACKGROUND

ACWA JPIA's fully insured Employee Assistance Program transitioned from MHN to Anthem, effective January 1, 2021. The plan renews January 1, 2024.

CURRENT SITUATION

After a 7% savings due to transitioning from MHN to Anthem, premiums for 2021 and 2022 remained constant. In 2023, Anthem's renewal called for a 4.2% increase. For the 2024 plan year, Anthem has provided a renewal that calls for no change in rates.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve renewal with **no change** in rates for the Employee Assistance Program, effective January 1, 2024.

ACWA JPIA
2024 Life and Disability Plans
July 26, 2023

BACKGROUND

ACWA JPIA life and disability plans are in a three-year rate guarantee, from January 1, 2023 through December 31, 2025.

CURRENT SITUATION

Staff recommends renewing member rates in accordance with the Standard's premiums, effective January 1, 2024.

RECOMMENDATION

That the Employee Benefits Committee recommend that the Executive Committee approve renewal of life and disability benefits with **no change** in rates, effective January 1, 2024.

ACWA JPIA
2024 Wellness Grants
July 26, 2023

BACKGROUND

In 2015, ACWA JPIA established its Wellness Grant Program through the generous annual funding of \$75,000 from Anthem Blue Cross. This program has continued for nine years, allowing agencies who participate in Anthem medical plans to apply for a grant to support their employee wellness programs. The minimum grant is \$200 and the maximum is \$2,000, based on number of eligible employees. Anthem increased annual funding for the program from \$75,000 to \$100,000 in 2023.

CURRENT SITUATION

This year, JPIA is proud to announce that **88** members were awarded Wellness Grants. Those members are listed on the following page.

Due to the continued popularity of the Wellness Grant Program, applications for the 2023/2024 grant year have again exceeded Anthem's contribution. Beginning in 2024, Anthem has agreed to provide \$200,000 in funding for Wellness Grants. Anthem's contribution to JPIA Wellness Grants will have no impact on future pricing calculations for JPIA's medical plans.

RECOMMENDATIONS

None, for information only.

2023/24 Employee Benefits Program Wellness Grant Award Winners

Amador Water Agency
Angiola Water District
Antelope Valley East Kern Water Agency
Association of California Water Agencies
Brooktrails Township Community Services District
Byron Bethany Irrigation District
Cachuma Operations and Maintenance Board
Carpinteria Valley Water District
Centerville Community Services District
Chino Basin Water Conservation District
City of Tehachapi
Crescenta Valley Water District
Cucamonga Valley Water District
Desert Water Agency
Diablo Water District
Elsinore Valley Municipal Water District
El Toro Water District
Exeter Irrigation District
Fair Oaks Water District
Fallbrook Public Utility District
Georgetown Public Utility District
Glenn-Colusa Irrigation District
Goleta Water District
Grassland Basin Authority
Helix Water District
Humboldt Bay Municipal Water District
Indian Wells Valley Water District
Ivanhoe Irrigation District
Kern-Tulare Water District
Kings River Conservation District
La Canada Irrigation District
La Puente Valley County Water District
Laguna Beach County Water District
Lake Arrowhead Community Services District
Las Virgenes Municipal Water District
Madera Irrigation District
Main San Gabriel Basin Watermaster
Mammoth Community Water District
Marina Coast Water District
McKinleyville Community Services District
Mid-Peninsula Water District
Mission Springs Water District
Montara Water & Sanitary District
Monterey One Water
Municipal Water District of Orange County
North Kern Water Storage District
North Yuba Water District
Olivenhain Municipal Water District
Orange County Water District
Orange Cove Irrigation District
Orchard Dale Water District
Pajaro Valley Water Management Agency
Pajaro/Sunny Mesa Community Services District
Palmdale Water District
Panoche Water District
Rainbow Municipal Water District
Rancho California Water District
Ramona Municipal Water District
Richvale Irrigation District
Rosedale-Rio Bravo WSD
Rowland Water District
San Bernardino Valley Municipal Water District
San Bernardino Valley Water Conservation District
San Luis & Delta-Mendota Water Authority
San Mateo County Flood & Sea Level Rise Resiliency District
Santa Ana Watershed Project Authority
Santa Margarita Water District
South Coast Water District
Stockton East Water District
Stone Corral Irrigation District
Three Valleys Municipal Water District
Tri-County Water Authority
Tri-District Water Authority
Tulare Irrigation District
Tulare Lake Basin Water Storage District
Tulelake Irrigation District
Upper San Gabriel Valley Municipal Water District
Vallecitos Water District
Valley Center Municipal Water District
Vista Irrigation District
Walnut Valley Water District
West Basin Municipal Water District
West Valley Water District
Western Municipal Water District
Yolo County Flood Control & Water Conservation District
Yorba Linda Water District
Yuba Water Agency
Yuima Municipal Water District

ACWA JPIA MEETINGS & CONFERENCE CALENDAR – 2023

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 23			2:00 PM COSTA MESA							
JAN 30									2:00 PM	
JAN 31		8:00 AM								
MAR 22				1:00 PM			3:00 PM			
MAR 23		8:00 AM								
APR 26					8:30 AM					
MAY 8	1:00 PM	9:45 AM						8:30 AM		
MAY 9-11 ACWA SPRING CONFERENCE – MONTEREY										
MAY 25										9:00 AM UTAH
JUNE 8			11:00 AM							
JUNE 14-15 EXECUTIVE COMMITTEE ONBOARDING MEETING										
JUNE 20							3:00 PM	1:00 PM		
JUNE 21		8:00 AM								1:00 PM
JULY 26					2:00 PM	12:30 PM				
JULY 27		8:00 AM								
SEPT 6			11:00 AM							
SEPT 27				3:00 PM		1:00 PM				
SEPT 28		8:00 AM								1:00 PM
OCT 25		8:30 AM								
NOV 27	1:30 PM	10:15 AM								
NOV 28										8:30 AM
ACWA FALL CONFERENCE – NOVEMBER 29 – DECEMBER 1 – INDIAN WELLS										

- CICA Conference, Rancho Mirage – March 5-7, 2023
- AGRiP Governance Conference, Orlando, FL – March 5-8, 2023
- CAJPA Conference, Lake Tahoe – September 12-14, 2023