Employee Benefits Program Committee Meeting

YOUR BEST PROTECTION

ACWA JPIA
2100 Professional Drive
Roseville, CA 95661

Wednesday
July 29, 2026
1:00 PM

Chair: Randall Reed, Cucamonga Valley Water District

Vice Chair: Scott Ratterman, Calaveras County Water District

Karen Alves, Glenn-Colusa Irrigation District

Karen Gish, Amador Water Agency

Dina Nolan, Madera Irrigation District

Patrick H. Sanchez, Vista Irrigation District

Laures Stiles, San Luis & Delta-Mendota Water Authority

Pamela Tobin, San Juan Water District

EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING

AGENDA

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

Wednesday, July 29, 2026 – 1:00 PM

Zoom Link Meeting ID: 230 407 0027; Password: 5742; 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:

- Gish – 12800 Ridge Road, Sutter Creek
- Nolan – 12152 Road 28 ¼, Madera
- Sanchez – 1423 Alga Court, Vista

WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS

PLEDGE OF ALLEGIANCE

ANNOUNCE 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 Ralph M. 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.

HYBRID PARTICIPATION GUIDELINES (See last page of the packet)

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter		Page #
	I. CONSENT AGENDA	
	A. Approve an Excused Absence for Any Committee Member	
*	B. Approve the Minutes of the April 30, 2026, Meeting	**5**
*	C. Review and Provide Recommendation Regarding Pricing for 2027 Anthem HMO Medical Plans	**11**

Presenter			Page#
Jobe	*	G. Review and Provide Recommendation Regarding Pricing and Plan Enhancements for 2027 The Standard Life and Disability Plans	**79**
Dye	*	H. Wellness Grant Update	**80**

IV. STAFF UPDATES

Jobe	*	A. Employee Benefits Department Update	**82**

V. UPCOMING MEETING

Reed		A. Request for Future Agenda Items	
Reed	*	B. There are no additional meetings scheduled for the remainder of the year	**83**

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: Jillian Sciancalepore, Administrative Assistant III, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-JPIA. The JPIA's normal business hours are Monday – Friday, 7:30 AM to 4:30 PM (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-JPIA. The JPIA's normal business hours are Monday – Friday, 7:30 AM to 4:30 PM.

Unapproved Minutes

EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING (VIRTUAL)
ACWA JPIA
2100 Professional Drive
Roseville, CA 95661
(800) 231-5742

April 30, 2026

MEMBERS PRESENT

Chair: Randall Reed, Cucamonga Valley Water District
Vice Chair: Scott Ratterman, Calaveras County Water District
Karen Alves, Glenn-Colusa Irrigation District
Dina Nolan, Madera Irrigation District, joined at 9:02 AM
Patrick Sanchez, Vista Irrigation District
Laures Stiles, San Luis & Delta-Mendota Water Authority
Pam Tobin, San Juan Water District[1]

MEMBERS ABSENT

Karen Gish, Amador Water Agency

STAFF PRESENT

Chief Executive Officer: Adrienne Beatty
Sonya Baker, Benefits Systems Analyst II
Chimene Camacho, Senior Executive Assistant to the CEO
Veronica Cobian, Senior Benefits Administrator
David deBernardi, Director of Finance
Adam Dedmon, Employee Benefits Manager
Michele Dye, Employee Benefits Specialist
Ben Hayden, Lead Benefits Analyst
Jennifer Jobe, Deputy Executive Officer
Joe Rumenapp, Information Technology Manager
Olivia Sayad, Administrative Assistant II
Jillian Sciancalepore, Administrative Assistant III *(Recording Secretary)*
Dan Steele, Finance Manager
Michelle Stites, Benefits Administrator II

OTHERS IN ATTENDANCE

Kellie Murphy, Johnson Schachter & Lewis, A Professional Law Corporation, Interim General Counsel
Melody McDonald, San Bernardino Valley Water Conservation District
J Bruce Rupp, Humboldt Bay Municipal Water District

[1] Director Tobin attended remotely but did not participate in the meeting in her capacity as a member of the Committee or vote on any action item.

Brent Hastey, Reclamation District 784
Chris Kapheim, Kings River Conservation District
David Wheaton, Citrus Heights Water District
Rob Bachler, Principal & Consulting Actuary, Milliman
Katie Davanaugh, Senior Human Resources Analyst, Municipal Water District of Orange County
Tom Sher, Benefits Consultant/Senior Vice President, Alliant Insurance Services, Inc.
Holden Sweeden, Associate Actuary, Milliman

WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS

Chair Reed welcomed everyone in attendance, with a special welcome to the Committee's newest member, Pam Tobin, and called the meeting to order at 9:00 AM. He announced there was a quorum. He requested the Employee Benefits Program Committee and staff to introduce themselves.

PLEDGE OF ALLEGIANCE

Chair Reed led the Pledge of Allegiance.

ANNOUNCEMENT OF RECORDING OF MEETING

Chair Reed announced that the meeting would be recorded to assist in preparation of minutes. Recordings are kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

PUBLIC COMMENT

Chair Reed 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 welcome. None were noted.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair Reed asked for any additions to, or deletions from, the agenda. None were noted.

I. CONSENT AGENDA

Chair Reed called for approval of the Consent Agenda:

> M/S/C (Ratterman/Stiles) (Alves-Yes; Nolan-Yes; Sanchez-Yes; Stiles-Yes; Tobin-Not Participating; Ratterman-Yes; Reed-Yes): That the Employee Benefits Program Committee approve the minutes of the July 15, 2025, meeting, as presented; and approve an excused absence for any Committee member.

II. ADMINISTRATION

Report on Meetings Attended on Behalf of the JPIA
None.

Membership Report

Mr. Dedmon began by reviewing the total number of covered employees across all benefit programs (9,623) and the recent members that have either been added or terminated from the Program. He also reported that the total number of lives covered across all benefit programs is 20,737, drawing special attention to both the self-funded Anthem PPO and CDHP medical plans, which together account for just over half of the lives in the Program.

III. PROGRAM UPDATES

State of the Market

Mr. Sher shared an overview of the state of the market and the factors impacting rates and healthcare costs. Multiple sources suggest that the projected cost of care during 2026 is going to increase by 9%, and some of the factors driving increases include chronic conditions such as cancer, circulatory, and musculoskeletal, a shortage in Primary Care Physicians, increased usage of weight loss medications (GLP-1), and regulatory risks such as a cost shifting between public and private health plans. He reviewed the trends driving increases in high-cost claims, including more serious diagnoses, rapidly rising cancer treatment costs, higher salaries for medical personnel, and inflation.

Stop Loss History and Philosophical Discussion

Ms. Beatty shared that JPIA regularly evaluates whether to purchase stop loss coverage for its self-funded medical program, which is designed to protect against unusually high-cost individual or aggregate claims. This decision is made annually, weighing the cost of premiums against the potential benefits to the pool. From 2016 to 2022, JPIA maintained stop loss coverage for its Anthem PPO program, with attachment points set at $500,000 from 2016-20 and $750,000 from 2021-22, at an annual cost ranging from $1.5 million to $3 million. In 2023, JPIA decided not to renew this coverage, citing several key reasons: premiums were rising significantly each year regardless of actual high-cost claims, JPIA had a robust reserve balance of about $96 million (approximately 120% of projected 2022 program year costs), and historical analysis showed that premiums paid had exceeded reimbursements received over time. As a result, JPIA accepted the risk of paying all high-cost claims directly, knowing that its financial reserves would be used to fully absorb annual fluctuations and that this approach could likely result in long-term savings.

Ms. Beatty shifted her focus to 2024, when JPIA experienced its most expensive year for high-cost claims, with three claims exceeding $2 million and another three over $1 million, totaling approximately $14.3 million. Had stop loss coverage with a $750,000 attachment point been in place, around $10.1 million of these costs would have been transferred to the stop-loss carrier, resulting in a net cost transfer of about $6.8 million after accounting for estimated premiums. Excluding a single $6.1 million claim, the net savings would have been roughly $1.5 million, with approximately $4.8 million transferred to the stop-loss carrier. In 2025, there were no high-cost claims over $2 million, but five high-cost claims over $1 million, for a total plan cost of $6.3 million, suggesting that claims over $1 million are now more common, prompting reconsideration of the $750,000 Attachment Point.

Mr. Sher discussed stop loss coverage types (specific vs. aggregate) and industry practices, explaining that the smaller the group, the more variability there can be in results, whereas with larger groups, such as JPIA, claims experience is more credible, reducing the likelihood of exceeding a particular threshold for specific or aggregate insurance.

Ms. Beatty provided a comparative analysis of commercial versus CWIF stop loss coverage and the potential risks associated with each option. Retrospective modeling showed that using CWIF for stop loss at a $1.5 million attachment point could have reduced contributions relative to commercial coverage at a $750,000 attachment point, and resulted in approximately $3 million of additional reserves after factoring in additional claims that would have been paid between $750,000 and $1.5 million. CWIF can also benefit the JPIA by allowing the pool to retain control over coverage design and avoid carrier practices such as excluding high-cost claimants at renewal.

Actuarial Review of Stop Loss Coverage Through California Water Insurance Fund (CWIF)

Mr. Bachler and Mr. Sweeden from Milliman provided an overview of the approach taken for stop-loss rate development, coverage options, and results, which ultimately showed potential cost savings and control benefits compared to commercial insurance for 2026 and beyond. Rate development involved two components: (1) manual, which used industry benchmarks and JPIA group characteristics while adjusting for geographical area, group demographics, and observed provider reimbursement, and (2) experience, which used JPIA claims experience to create an experience rate. This process involved using historical catastrophic claims from 2024 and 2025 independently, applying a trend assumption to bring costs to 2026 expected levels, limiting costs to a calculated “pooling point” to avoid overreacting to extreme outliers (or lack thereof), taking a weighted average of each year’s observed costs, and adding back the appropriate cost of the applied pooling point. At this point, both the manual and experience rates are blended to generate a final rate, with a weight applied to the experience rate, called “credibility.” Credibility will decrease as the stop-loss deductible increases and will increase as group size increases or as the number of data years available increases. The result is a rate that best reflects JPIA’s historical experience without overreacting to good or bad historical experience.

Milliman’s actuarial report evaluated coverage options at attachment points of $1.5 million, $1.75 million, and $2 million, estimating that claims above these options would be fairly rare, even for a pool the size of JPIA. However, with each year that passes, the likelihood of experiencing these high-cost claims increases under the assumption of previous trends. The report also evaluated aggregate limits on captive liability of $5 million, $7.5 million, and $10 million, which would cap the total dollars CWIF will pay out in a program year. Results showed that the contribution's impact on overall plan costs remains modest, with CWIF stop loss estimated to add about $1 million to projected costs of $120 million, resulting in a less than 1% increase at a $2 million attachment point and a 90% confidence level.

Ultimately, the Committee agreed to pursue updated Milliman rate analyses for 2027 across attachment points and aggregate limits to inform future decisions.

Review of Reserve Fund Balance

The Committee examined the Program's Reserve Fund balance, its volatility, and projections to maintain financial stability amid fluctuating healthcare costs. The Reserve Fund Target is set at $39 million to balance risk protection and generate investment income. Ms. Beatty reviewed with the Committee that the Program's current Fund balance is approximately $54 million, well above the industry-standard target of 15% in reserves. The philosophy the Committee has embraced is a slow, methodical approach to rate subsidization, so that monies in the Fund that exceed the Target can be used over a significant period to subsidize rates for as long as possible, particularly in the current environment of sharply rising medical inflation costs. Ideally, once the Fund balance is reduced to the Target, the annual rate increase will match whatever the current annual medical cost trend is, and the Fund balance will remain funded at the 99% confidence level for use in future catastrophic event(s). It should be noted that careful monitoring of the Fund balance and usage is part of a holistic equity management process that includes the continual evaluation of potential benefits of re-engaging a stop loss layer of coverage.

2025 Risk Management Review

Mr. Dedmon discussed with the Committee the performance of the self-funded Anthem medical plan, focusing on cost trends, high-cost claims, and the management of chronic conditions through targeted interventions.

Regarding Anthem PPO and CDHP utilization, Mr. Dedmon informed the Committee that the high-cost claimant trend decreased by 13.6% in 2025, lowering PMPM costs by 4%. This was largely driven by non-high-cost claimants, spouses, and the musculoskeletal system health condition category. Excluding pharmacy, the medical-only high-cost claim trend declined by less than 1%, underscoring pharmacy's significant impact. The top five spend categories remain consistent: cancer, musculoskeletal, circulatory, injury and poisoning, and health status conditions, with chronic conditions accounting for 40% of spend due to high pharmacy costs associated with them. In addition, the management of GLP-1 drugs for diabetes and weight loss is carefully controlled to avoid cost inflation. 99% of the plan's GLP-1 spend is for diabetes treatment, with 50% of diabetic members prescribed GLP-1s. GLP-1s for weight loss are generally not covered except when medically necessary. Prior authorization and formulary management steer usage to cost-effective drugs, requiring patients to try generics before approving expensive brand drugs.

Mr. Dedmon provided updates and engagement metrics on the Program's point solutions, which are targeted to specific conditions or needs to improve user care and achieve overall cost savings for the plans. These point solutions include Carrum Health (surgical and oncology benefit) and Hinge Health (physical therapy), which both showed growing engagement and positive rate on investment; and Progyny (fertility, surrogacy, and adoption assistance), which at the end of 2025 resulted in five successful single

births out of five IVF treatments, reducing the risk of multiple births and neonatal intensive care costs.

2027 and Beyond Plan Designs

Mr. Dedmon informed the Committee that efforts to improve member support and plan design aim to increase utilization of cost-saving programs and enhance the user experience. A short-term goal is to upgrade the health navigator program from Anthem Health Guide to enhanced versions Total Health Select or Complete, featuring dedicated family advocates. Advocates proactively manage members' care needs, help connect to appropriate services like Hinge or Modern Health, and increase utilization of point solutions. A recommendation on a specific enhanced navigator plan is expected to be presented to the Committee during the July Committee meeting. A long-term goal is to develop comprehensive data analytics capabilities across all plans to improve strategic decision-making. Current Anthem reporting meets immediate needs, but longitudinal data integration will enable better cost and utilization insights over time.

Dental Program Update

Mr. Dedmon reminded the Committee that three new dental plans were introduced last year, targeting rural areas facing dentist shortages. Nine agencies adopted the enhanced service offering, providing a better experience and access for employees in remote regions where Delta Dental network contractions impact care availability. The program is expected to grow slowly as word spreads among affected agencies.

IV. STAFF UPDATES

Employee Benefits Department Update

Mr. Dedmon informed the Committee that the addition of Michele Dye (Jackie Rech's replacement), Employee Benefits Specialist, has enhanced member support, including health fairs and direct assistance for plan changes and complex inquiries.

In addition, both Mr. Dedmon and Ms. Jobe have increased in-person visits with member agencies, visiting 14 in 2025 and continuing in 2026 with 2 to date (focusing on larger member agencies by employee count). Visits focus on understanding plan performance, identifying issues, gathering member input, and sharing best practices.

V. UPCOMING MEETINGS

The Employee Benefits Program Committee is scheduled to meet next on Wednesday, July 29, 2026, at 1:00 PM.

The Employee Benefits Program Committee meeting adjourned at 10:46 AM.

ACWA JPIA
Pricing for 2027 Anthem HMO Medical Plans
July 29, 2026

BACKGROUND
Employee Benefits plans renew January 1, 2027. Anthem HMO medical plans are fully-insured.

CURRENT SITUATION
Historic rates are included below. Anthem provided JPIA with renewal pricing that will result in a 12.5% increase in costs. This is a negotiated rate, down from Anthem's original rate increase request of 18.5%.

Plan Year	ACWA JPIA HMO Renewal	EB Committee Approved	Notes	CalPERs Blue Shield Access + HMO Statewide Renewal
PY 2021	7.00%	7.60%	Due to EGWP costs	3.16%
PY 2022	3.33%	**3.73% Aggregate** 4.18% LA + Other South 2.18% All other regions	Recalibration of regional pricing Stopped allocating for EGWP - retirees shifted from Anthem PPO to UHC	-4.13%
PY 2023	5.36%	5.52%	Added MH admin fee	-6.40%
PY 2024	5.48%	5.48%		5.92%
PY 2025	5.00%	5.00%	Renewals now on consent calendar	8.22%
PY 2026	5.00%	5.00%		12.7%
PY 2027	12.5%	12.5%*		13.6%
AVERAGE	**7.28%**	**4.95%**		**4.72%**

**Recommended*

RECOMMENDATION
That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 12.5%** for the Anthem HMO medical plans, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 12, 2026

ACWA JPIA
Pricing for 2027 Kaiser HMO Medical Plans
July 29, 2026

BACKGROUND
Employee Benefits plans renew January 1, 2027. The Kaiser medical plans are fully-insured, with rates set by Kaiser. For many years, Kaiser provided different rates for Northern and Southern California, however, in 2026, Kaiser began blending all their rates across California.

CURRENT SITUATION
Historic rates are included below.

Kaiser provided JPIA with renewal pricing that will result in a **0.61%** increase in costs.

Renewal Year	Nor Cal Rate Action	So Cal Rate Action	Blended Rate
2021	5.12%	11.00%	9.19%
2022	4.18%	-5.00%	-2.36%
2023	13.46%	-5.03%	0.65%
2024	0.00%	15.24%	10.08%
2025	12.26%	2.14%	5.46%
2026*	4.28%		4.28%
2027**	0.61%		0.61%
Average	**5.70%**	**3.32%**	**3.99%**

**Starting in 2026 – Kaiser began providing a pre-blended rate*
***Recommended*

RECOMMENDATION
That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 0.61%** to Kaiser HMO rates, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: June 25, 2026

ACWA JPIA
Change to Anthem and Kaiser Consumer-Driven Health Plan (CDHP) Deductibles Based on 2027 IRS Requirements
July 29, 2026

BACKGROUND
ACWA JPIA offers Consumer Driven Health Plans (CDHP) through Anthem Blue Cross and Kaiser. CDHPs combine a high-deductible health plan with a health savings account (HSA). These plans are designed to provide consumers with more control over their healthcare decisions and spending.

To ensure member contributions are aligned with the minimum deductibles established by the IRS and eliminate the need for the Committee to review and recommend adjustments annually, in July 2024, it was recommended by the Committee to direct staff to annually adjust JPIA's minimum deductible to match the deductible established by the IRS.

CURRENT SITUATION
The IRS annually sets and adjusts the minimum deductible for a high-deductible health plan that qualifies a participant to make pre-tax contributions to an HSA. In 2027, the IRS minimum qualifying deductible will increase as noted below. As such, the deductibles for the Anthem and Kaiser CDHP plans will also increase accordingly.

	2025	2026	2027
IRS Annual Deductible Minimum (Single)	$1,650	$1,700	$1,750
IRS Annual Deductible Minimum (Family)	$3,300	$3,400	$3,500

RECOMMENDATION
None, information only.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: June 25, 2026

ACWA JPIA
Pricing for 2027 Kaiser Senior Advantage Medical Plans
July 29, 2026

BACKGROUND
The Kaiser Permanente Senior Advantage (KPSA) medical plans for retirees with Medicare is fully-insured. From its inception in 1982, Medicare Advantage has grown to cover 51% of all 65 million Medicare enrollees. Reimbursement rates are determined annually by negotiations between the Center for Medicare and Medicaid Services (CMS), and health insurers like United Healthcare, Anthem, and Humana. CMS has historically increased the amount offered per enrollee by about 2.7% and annually announces the upcoming year's Medicare Advantage (MA) and Part D Rates, including finalized payment policies and standard deductibles.

CURRENT SITUATION
For the 2027 plan year, CMS finalized an average 2.48% increase in MA reimbursement rates, amounting to approximately $13 billion in additional MA payments. CMS also finalized updates to the Medicare Part D program, including an increase in the standard annual deductible to $700.

Kaiser provided JPIA with a rate pass, resulting in no change to renewal rates.

RECOMMENDATION
That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the KPSA plans with **no change** in rates, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 12, 2026

ACWA JPIA
Pricing for 2027 Anthem Employee Assistance Program
July 29, 2026

BACKGROUND
ACWA JPIA's fully-insured Employee Assistance Program (EAP) transitioned from Managed Health Network (MHN) to Anthem, effective January 1, 2021. The plan renews January 1, 2027.

CURRENT SITUATION
Rate history for the Anthem EAP is as follows:

Renewal Year	Rate Increase
2023	4.2%
2024	Rate pass
2025	Rate pass
2026	Rate pass
2027	Rate pass

RECOMMENDATION
That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal with **no change** in rates for the Anthem Employee Assistance Program, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: June 25, 2026

ACWA JPIA
Pricing for 2027 United Healthcare (UHC) Medicare Advantage PPO Medical Plans
July 29, 2026

BACKGROUND
The fully insured United Healthcare (UHC) Medicare Advantage PPO plan for retirees with Medicare went into effect January 1, 2022. At that time, all enrollees in Anthem PPO and HMO plans for retirees with Medicare were transitioned to the UHC plan. The initial contract with United Healthcare included a two-year rate guarantee. 2027 will be JPIA's sixth consecutive year with UHC.

CURRENT SITUATION
UHC provided JPIA with renewal pricing that will result in a 7% increase in costs.

RECOMMENDATION
That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 7%** to UHC Medicare Advantage PPO rates, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 12, 2026

ACWA JPIA
Anthem Claims Audit
July 29, 2026

BACKGROUND
As part of its fiduciary responsibility to oversee the administration of the Employee Benefits Program, ACWA JPIA initiated a comprehensive medical claims audit of its self-funded Anthem PPO plan. Since assuming administration of the program in 2012, JPIA had not conducted an independent medical claims audit of this nature. The audit was undertaken to evaluate the accuracy of claims payments, administrative practices, and the alignment between plan documents and claims administration.

CURRENT SITUATION
The audit identified a small number of claims processing errors, most of which Anthem acknowledged and agreed to correct. The audit also identified several areas where Anthem's administration of benefits differed from the language contained in JPIA's plan documents. Anthem's responses to each finding are included in the attached audit report.

Staff is currently working with Anthem to review these findings and determine whether plan documents, benefit configurations, and administrative practices are appropriately aligned with JPIA’s intended plan design. Any necessary clarifications or updates will be addressed through this process. Staff will continue to work through the remaining items and will provide updates to the Employee Benefits Committee as discussions are completed, and recommendations are developed.

RECOMMENDATION
That the Employee Benefits Program Committee recommend that the Executive Committee receive and file the Anthem Claims Audit.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 16, 2026

BMI Audit Services

Focused Medical Claims Audit Report

Prepared for:	ACWA JPIA
Administrator:	Anthem/Elevance Health
Audit Period:	1/1/2024 - 12/31/2024
Delivered:	May 1, 2026

100 E. Wayne Street, Suite 400
South Bend, IN 46601

(800) 826-7041
info@bmiaudit.com

BMI Audit Services

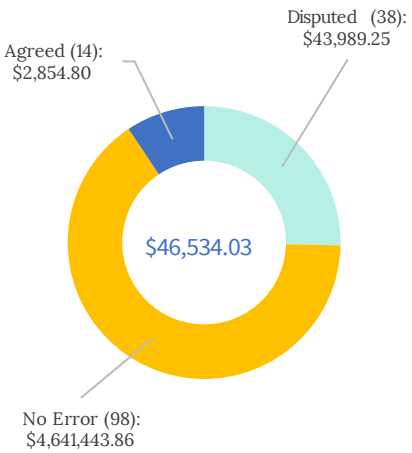
$81,570,634.09
Total payments audited.

158,781
Total # of claims audited.

$4.69M
Focused payments sampled.

150
Focused claims sampled.

Total Findings



1/1/2024 - 12/31/2024
Timeframe of claims audited.

Background Details

BMI Audit Services was contracted to assess the accuracy of claims payments under the ACWA JPIA's group healthcare plan during the audit period 01/01/2024 through 12/31/2024. Using electronic claims data containing 158,781 claims with a value of $81.5 million as well as eligibility data provided to us by Anthem/Elevance Health for the audit period, various administrative service groupings were tested. These groups include eligibility, cost control, fraud/waste/abuse, other party liability, plan design and standard industry practices. Based on the assessment results, a sampling of 150 focused claims were selected for further review. This report presents the key findings of this comprehensive audit.

The opinions expressed within this report relate narrowly and specifically to the overall efficiency of the claims administrator's management policies, procedures, and controls, as well as to the accuracy and validation of paid claims. BMI is not a certified public accounting firm and the results of this audit are not designed to support the accuracy of financial statements.

Summary

Based on the procedures that were performed, it is BMI's opinion that there are claims errors and other administrative issues identified that expose ACWA JPIA to financial risk. Some of the administrative issues we identified during our manual review have been confirmed by both BMI and Anthem/Elevance Health to be processing errors made by the claims administrator. However, there are additional findings with which the claims administrator does not agree. BMI recommends that these findings be reviewed, and steps taken to ensure that Anthem/Elevance Health's systems, training, investigative techniques, and documentation practices are consistent with the intent of the health plan going forward.

Primary Findings

Confirmed Errors. The audit found a few claim payment discrepancies with which Anthem agreed the claims were paid incorrectly – these include: lab services, copay, deductible, non-covered exams, and sterilization. These agreed to errors totaled $1,877.11 in overpayments and $977.69 in underpayments. In most instances Anthem noted these discrepancies as manual processing errors. The root cause of the non-covered exams error remains under investigation. Anthem confirmed the deductible error was the result of a benefit coding issue that was corrected in early 2025. Anthem has initiated an impact analysis related to this error and will provide the results to ACWA JPIA once complete. ACWA JPIA should review and advise Anthem if they would like these claims adjusted. See the Detailed Findings and/or the Exhibit for specific details on these claims.

Clarify Plan Intent. The audit identified numerous areas where ACWA JPIA and Anthem will need to discuss the plan's intent. These areas include: acupuncture, deductible carryover, dental services, diagnostic scans, genetic testing, home health care, infertility, orthotics, physical therapy, short term therapy, sterilization, and travel immunizations.
The audit found Anthem is not administering these services according to IncredibleBank's plan documentation but rather according to Anthem's internal policies and documentation. ACWA JPIA should discuss these areas with Anthem and clarify plan intent and/or if they are in agreement with how Anthem is paying the claims, update their plan documentation accordingly.

BMI

Audit Services

The findings of this audit are presented as a result of expert review. BMI's proprietary software, AUDiT iQ, was used to examine 100% of claims processed during the requested timeframe. This review flagged claims that appear to have been paid against the Summary Plan Description (SPD) and/or generally accepted billing procedures. Auditors then used their experience, expertise, and judgment to select samples across a comprehensive base of benefit and administrative categories for further examination.

If, during the manual review, the sample claim was questioned by our auditor as to appropriateness of benefits paid or administrative practices used by the claims administrator, we noted the finding in a worksheet along with any potential financial consequence(s) related to the claim in question. These details were shared with the claims administrator so that supportive facts regarding the adjudication could be provided. Please note that these verbatim annotations are provided to you as an exhibit of this report. After consideration of these comments, an outcome was applied to the finding that indicates whether both parties agree or disagree that the claim was processed in error or if it was processed correctly.

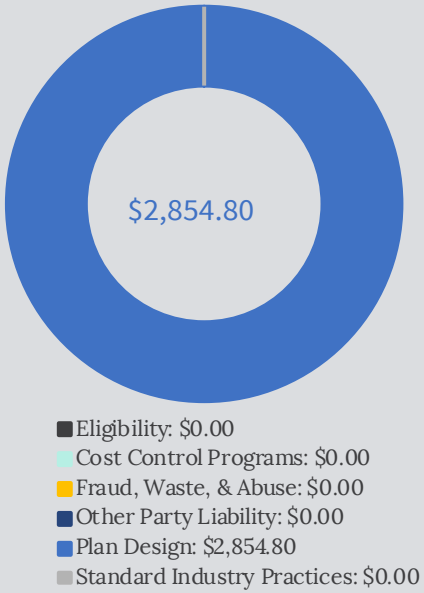
A summary of these findings organized by group is displayed on this page.

The Results

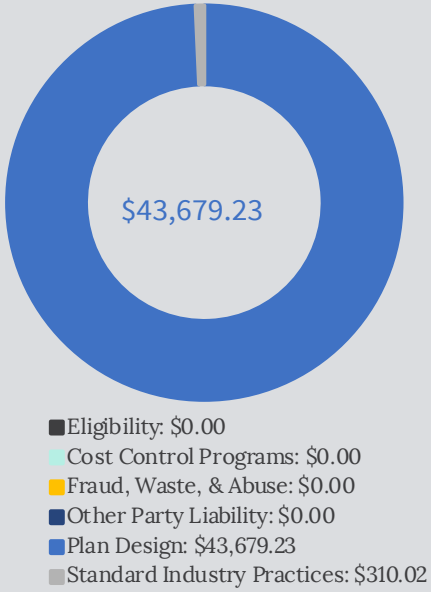
Sampled Findings by Group

$46,534.03

Agreed



Disputed



Additional Impact

$59,704.44

*dollars shown are absolute sums of the financial findings

AUDiT iQ

Based on reports created during the forensic analysis of this audit, the below summarizes the performance of processed claims during the audit period.

PLAN DESIGN

- ✓ Abortion
- △ Acupuncture
- ✓ Ambulance
- ✓ Behavior Disorder
- ✓ Biofeedback
- ✓ Birth Control
- ✓ Cardiac Rehab
- ✓ Chiropractic - Maintenance
- ✓ Chiropractic - Visit
- △ Copay
- ✓ Cosmetic
- ▲ Deductible
- △ Deductible Carryover
- △ Dental
- ✓ Dependent Pregnancy
- △ Diagnostic Scans
- ✓ Durable Medical Equipment
- ✓ Emergency Services
- ✓ Enteral & Parenteral Therapy
- ✓ Family Counseling
- ✓ Foot Care
- △ Genetic Testing
- ✓ Hair Prosthesis
- ✓ Hearing
- ✓ Hearing Aids
- △ Home Health Care
- ✓ Hypnosis
- △ Infertility
- △ Lab Services
- ✓ Learning Disorder
- ✓ Marriage Counseling
- ✓ Massage Therapy
- ✓ Maternity Ultrasounds
- ✓ Mental Health
- △ Non-Covered Exams
- ✓ Non-Covered Learning Services
- ✓ Nutritional Counseling
- ✓ Obesity
- ✓ Occupational Therapy - Maintenance
- ✓ Occupational Therapy - Visit
- ✓ Orthognathic Surgery
- ✓ Orthopedic Shoes
- △ Orthotics
- ✓ Ostomy Supplies
- ✓ Over-the-counter
- ✓ Personal Convenience Items
- ✓ Physical Therapy - Maintenance
- △ Physical Therapy - Visit
- ✓ Prosthesis
- ✓ Radial Keratotomy
- ✓ Routine Care
- ✓ Sex Change
- ✓ Sexual Dysfunction
- ✓ Short Term Therapy - Maintenance
- △ Short Term Therapy - Visit
- ✓ Skilled Nursing Facility
- ✓ Sleep Studies
- ✓ Smoking Cessation
- ✓ Speech Therapy - Maintenance
- ✓ Speech Therapy - Visit
- ✓ Standby Physician
- △ Sterilization
- ✓ Sterilization Reversal
- ✓ Substance Abuse
- ✓ Telephone Consults
- ✓ Timely Filing
- ✓ TMJ
- △ Travel Immunizations
- ✓ Vision - Hardware
- ✓ Vision - Routine Exams
- ✓ Vision Therapy

STANDARD INDUSTRY PRACTICES

- ✓ Age Indicator
- ✓ Ambulatory Surgery Center
- ✓ Antepartum Care
- ✓ Assistant Surgeon - Not allowed
- ✓ Assistant Surgeon - Require Documentation
- ✓ Bilateral 2
- ✓ Bilateral Procedures
- ✓ Co-Surgeon Not Warranted
- ✓ COVID - Testing
- ✓ COVID - Pricing
- ✓ Duplicate OB Services
- ✓ Global Days
- ✓ Global OB
- ✓ Injectable Medications
- ✓ Invalid Codes
- ✓ Modifier 26 - Inappropriate Use
- ✓ Modifier Not Covered
- ✓ Medically Unlikely Edit - Indicator 1
- ✓ Medically Unlikely Edit - Indicator 2
- ✓ Multiple Procedures
- ✓ New Patient Code for Established Patient
- ✓ Per Diem
- ✓ Post-Op Maternity Care
- ✓ Status Code M
- ✓ Status Code Q
- ✓ Supply Reimbursement
- ✓ Team Surgeons Not Warranted
- ✓ Unbundling - Ancillary
- ✓ Unbundling - Infusion
- ✓ Unbundling - NCCI Indicator 0
- ✓ Unbundling - NCCI Indicator 1
- ✓ Unbundling - OCE indicator 0
- ✓ Unbundling - OCE Indicator 1
- ✓ Unbundling - Panel
- ✓ Unbundling - Robot

FRAUD, WASTE, & ABUSE

- ✓ Ambulance - No Destination
- ✓ Duplicate
- ✓ Upcoding - Eye Refractions

ELIGIBILITY

- ✓ Dependent Eligibility
- ✓ Ineligible Members
- △ Paid After Termination

COST CONTROL PROGRAMS

- ✓ Large Claim
- ✓ Medical Necessity
- ✓ Overpayment
- ✓ Price Outliers
- ✓ Provider Discounts
- ✓ Reimbursement Review
- ✓ Reimbursement Review J-Codes
- ✓ Transplants

OTHER PARTY LIABILITY

- ✓ Coordination of Benefits
- ✓ End Stage Renal Disease
- ✓ Potential Other Party Liability

✓ = meets expectations
△ = further review needed
△ = suspected systemic errors
▲ = confirmed systemic errors

Detailed Findings – Focused Sample

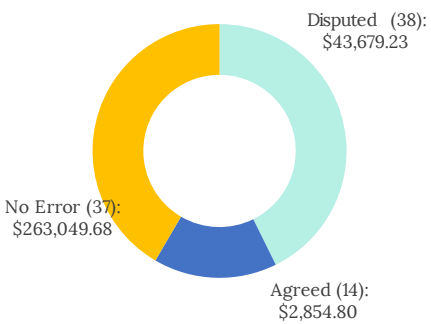
PLAN DESIGN

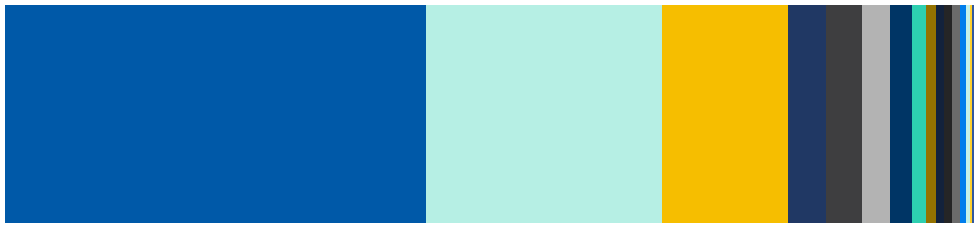
A plan sponsor has a fiduciary responsibility to regularly and proactively monitor the performance of its claims administrator to verify its plans are being properly administered. The Summary Plan Description (SPD) document is provided to plan participants to explain the plan's benefits, plan limitations, member's financial liabilities and plan exclusions.

$309,583.71
Total payments sampled.

89
Total # of claims sampled.

Group Findings





- Genetic Testing: $20,272.71
- Infertility: $11,382.02
- Short Term Therapy - Visit: $6,043.61
- Sterilization: $1,855.17
- Travel Immunizations: $1,691.24
- Orthotics: $1,315.84
- Non Covered Exams: $1,091.95
- Deductible: $710.36
- Dental: $440.60
- Diagnostic Scans: $404.00
- Home Health Care: $379.38
- Deductible Carryover: $350.39
- Physical Therapy - Visit: $346.22
- Acupuncture: $175.74
- Copay: $50.00
- Lab Services: $24.80

Key Findings & Recommendations

Genetic Testing. Sample claims #47-51 are under review for authorization. Per page 40 of the SPD, genetic tests are subject to pre-service review to determine medical necessity. The audit review didn't find this on file therefore the claims paid in error. Elevance disagreed, stating in most instances the billed codes on these claims are not on their internal prior authorization list. Additionally, for sample #48 Elevance stated: *Per the ACWA JPIA benefit plan design, Claims submitted by Progeny providers are designated for special handling; therefore, services billed by this provider are not subject to prior authorization or medical necessity review.* And in all instances, they advised: *Elevance Health's account management team is available to discuss the benefit upon request.* BMI maintains per the plan documentation, genetic testing requires pre- service review. BMI also notes Progyny is not addressed in the benefit booklet, therefore these claims will remain open for ACWA JPIA's review.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

PLAN DESIGN *continued*

Key Findings & Recommendations

Infertility. Samples #66-68 and 87 are under review for infertility charges. Per page 69 of the members SPD infertility charges are excluded. These claims were paid in error. Elevance Health advised: *Provider is Progyny. Per page 27 of the Benefit Plan Design, Infertility treatment is carved out to Progyny, all other providers are not covered. As the provider is Progyny, the claim was processed and paid correctly. Elevance Health's account management team is available to discuss this benefit upon request.* BMI notes: Progyny is not addressed in depth in the benefit booklet or summary of benefits therefore BMI is unable to evaluate these claims for accuracy. BMI will leave this open for ACWA JPIA to confirm the Progyny benefits.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

Short Term Therapy - Visit. Samples #125-129 are under review for therapy visits. Per page 18 of the members SPD, therapy services are limited to 30 visits for physical therapy, physical medicine, occupational therapy and chiropractic services combined. These claims each exceeded the visit limitation and therefore paid in error. Additionally, per page 58 of the SPD, after the initial speech therapy visit a pre-service review must be obtained prior to receiving additional services. BMI was unable to locate an authorization in the system for sample #126. Elevance disagreed on all samples and stated: *Elevance Health maintains the claim was paid correctly. According to the* ACWA JPIA *benefit plan design, outpatient/institutional physical therapy services are not subject to visit limitations, and authorization is not required. If this is not* ACWA JPIA's *intent, Elevance Health's account management team is available to discuss potential benefit design modifications.* BMI was provided the benefit booklet and the summary of benefits as the source of truth for this audit. Under the rehabilitation and habilitation section of the summary of benefits it states that the combined limit is 30 visits and is listed for office and outpatient services. Outpatient physical therapy services should be tracked in an accumulator. BMI will leave this open for ACWA JPIA's awareness and review.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

PLAN DESIGN *continued*

Key Findings & Recommendations

Sterilization. Sample claims #133-138 are under review for sterilization. Per page 13 of the members SPD, there will be no copayment for a vasectomy provided by a physician who is a participating provider. These claims are in-network claims and should have been paid at 100%. Elevance agreed to the errors on samples #133-137 citing the root cause as a manual processing error in each instance and advised: *Elevance Health agrees this was a manual processing error. According to the ACWA JPIA benefit plan design, sterilization services should be applied to the deductible and then covered at 100%. In this case, while the deductible was correctly applied, coinsurance was applied in error. Refresher training has been provided to the processor and the claims team to reinforce adherence to standard protocols. The claim has been submitted for adjustment.*
Additionally, Elevance Health disagrees with the error on sample #138 stating: *Elevance Health disagrees. In accordance with the ACWA JPIA benefit plan design, the claim was processed correctly, as sterilization services are subject to the deductible and then covered at 100%. If this does not reflect ACWA JPIA's intent, Elevance Health's account management team is available to discuss potential modifications to the benefit design.* BMI was provided the benefit booklet as the source of truth for this audit. The benefit booklet very clearly states that sterilization procedures, including vasectomy, are covered without cost share. Elevance Health/Anthem agreed to this on samples 133 - 137. Sample 138 should have been paid at 100% and remains underpaid in the amount of $677.48. BMI will leave this open for ACWA JPIA to review.

-Elevance Health should confirm with ACWA JPIA once adjustments are complete on samples #133-137.

- ACWA JPIA should review the finding on sample #138 and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

Travel Immunizations. Sample claims #145-150 are under review for travel immunizations. Per page 71 of the SPD immunizations required for travel are excluded. These claims paid in error. Elevance disagreed and asserted: *Elevance Health maintains the claims were paid correctly. According to the ACWA JPIA benefit plan design, travel immunizations are not listed as an excluded service. If this is not ACWA JPIA's intent, Elevance Health's account management team is available to discuss potential benefit design modifications.* Based on the SPD language, travel immunizations are excluded. Elevance Health stated they cover travel immunizations per the benefit plan design. BMI will leave this open for ACWA JPIA to review.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

PLAN DESIGN *continued*

Key Findings & Recommendations

Orthotics. Sample claims #107-110 are under review for foot orthotics. Per page 42 of the members SPD foot orthotics are only covered for a systemic illness affecting the lower limbs. It does not appear these members fall under that criteria. Elevance disagreed and advised: *Per page 20 of the Benefit Plan Design, there is coverage for orthotics. Please see Tab 107. According to the ACWA JPIA benefit plan design, orthotics are a covered benefit, including—but not limited to—conditions such as diabetes. The diagnosis submitted on the claim is a covered diagnosis; therefore, the claim was processed correctly. If this does not reflect ACWA JPIA's intent, Elevance Health's account management team is available to discuss potential modifications.* Per Tab 107 under Orthotics, it states-- includes therapeutic shoes and shoe inserts for prevention and treatment due to diabetes (which would be a systemic illness affecting the lower limbs as listed in the benefit booklet/SPD). Per the information provided these members have no history of diabetes, or of a systemic illness that would affect the lower limbs. BMI maintains, the orthotics on the claims were paid in error. BMI will leave this open for ACWA JPIA to review.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

Non-Covered Exams. Samples #98-103 are under review for non-covered exams. Per page 71 of the members SPD, physical exams for sports programs are excluded. Each of these claims have a diagnosis code of Z02.5 encounter for examination for participation in sports and therefore paid in error. Elevance agrees to the assessed errors and stated: *Root cause of this error is still under review by Elevance's IT department. Elevance Health will provide additional information once it becomes available.*

-Elevance Health should confirm with ACWA JPIA once adjustments are complete on these sample claims.

-Elevance should provide the root cause of the error once their research is complete. If found to be systemic, an impact analysis should be conducted.

Deductible. Sample claim #33 is under review for deductible and out of pocket. Per the accumulator screen the family out of pocket at the time the claim processed had met $3,289.64 of the $4,000 maximum. Per page 3 of the summary of benefits emergency room services have a $100 copay per visit then 20% coinsurance after deductible. The claim should have applied a $100 copay and $610.36 coinsurance to meet the $4,000 family out of pocket, creating an overpayment on the claim of $710.36. Elevance agreed and stated: *Elevance Health agrees with the assessed error, which resulted from a benefit coding issue that was corrected in early 2025. An impact analysis has been initiated to identify any affected claims, and the findings will be shared once available.*

-Elevance Health should confirm with ACWA JPIA once adjustments are complete on this sample claim.

-Elevance Health should share the results of the impact analysis with ACWA JPIA, once available.

PLAN DESIGN *continued*

Key Findings & Recommendations

Dental. Samples #39-40 were reviewed for dental services. Per page 69 of the SPD, dental plates, bridges, crowns, caps or other dental prostheses, dental implants, dental services, extraction of teeth, or treatment to the teeth or gums, or treatment to or for any disorders for the jaw joint are excluded. These claims paid in error. Elevance Health advised they consider the services provided as medical and therefore the claims paid appropriately. BMI maintains the dental implants on sample #39 and a broken tooth without evidence of injury or trauma on sample #40 are dental services and per the plan language should have been excluded under the plan. BMI will leave this open for ACWA JPIA to review and confirm their intent aligns with Elevance Health.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

Diagnostic Scans. Sample claim #43 is under review for diagnostic services. Per page 16 of the members SPD out of network diagnostic services are limited to $800.00 per procedure. Claim should have allowed at $800 with $160 applied to coinsurance and a payment of $640, creating an overpayment on the claim of $404. Elevance Health believes the claim was processed correctly and states: *The billing provider is classified as a radiology, not imaging center or MRI center. Thus, the claim was processed correctly without the benefit limitation.* BMI maintains that the SPD states out of network diagnostic services have a maximum allowed amount of $800.00 per procedure. BMI will leave this open for ACWA JPIA's awareness that Elevance Health allowed this charge to pay over the max allowed amount, because the billing provider is classified as radiology, not imaging center. ACWA JPIA should confirm their intent aligns with Elevance Health.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

Home Health Care. Sample #57 is under review for Home Health Care. Per page 16 of the SPD, home health care is covered with a 100-visit limit for a 12-month period, and per page 33 of the SPD in no event will home health care benefits exceed 100 visits during any 12-month period. Per the accumulator screen this member had 217 home health visits in 2024, which is 117 visits over the amount covered under the plan. Elevance Health advised: *Additional visits have been approved by utilization management department under CASE NO: UM54000523.* BMI was provided the benefit booklet and the summary of benefits as the source of truth for this audit. The benefit booklet very clearly states that in no event will home health care benefits exceed 100 visits during any 12-month period. All visits paid over the 100-visit limit were paid in error. BMI will leave this open for ACWA JPIA to review.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

PLAN DESIGN *continued*

Key Findings & Recommendations

Deductible Carryover. Samples #10, 11, and 122 were reviewed for the deductible. Per the accumulator screen a portion of the deductible met was listed as LQ carryover amount. BMI requested an explanation for this carryover, and any documentation to support utilizing it. Elevance Health advised: *According to the* ACWA JPIA *benefit plan design, the fourth-quarter deductible is set to carry over. If this is not* ACWA JPIA's *intent, Elevance Health's account management team is available to discuss potential benefit design modifications.* BMI was provided the benefit booklet and the summary of benefits as the source of truth for this audit. Both are silent on the 4th quarter deductible carrying over. BMI will look to ACWA JPIA to confirm the fourth quarter deductible carryover is correct as the benefit booklet and SPD do not mention it.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

Physical Therapy - Visit. Per page 18 of the SPD, physical therapy, physical medicine and occupational therapy has a 30-visit combined calendar year limit. The member on sample #60 had 3 physical therapy visits billed on this claim. BMI could not find an accumulator for the physical therapy visits and questioned if this was being tracked. Elevance advised: *Elevance Health maintains the claim was processed correctly. Per the* ACWA JPIA *benefit plan design, outpatient physical therapy services are not subject to benefit limitations.* BMI was provided the benefit booklet and the summary of benefits as the source of truth for this audit. Under the rehabilitation and habilitation section of the summary of benefits it states that the combined limit is 30 visits and is listed for office and outpatient services. Outpatient physical therapy services should be tracked in an accumulator. BMI will leave this open for ACWA JPIA's awareness and review.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

Acupuncture. Sample claims #1-5 are under review for acupuncture. Per page 57 of the members SPD, for acupuncture services received from a non-participating provider, authorization is required after the 5th visit. In each instance, this was the 6th visit. Authorization was not found on any of these claims therefore they paid in error. Elevance Health disagreed and stated: *Per the* ACWA JPIA *benefit plan design, acupuncture services performed by a non-participating provider do not require authorization. If this is not* ACWA JPIA's *intent, Elevance Health's account management team is available to discuss potential benefit modifications.* The SPD provided to BMI states non-participating providers require prior authorization after the 5th visit. Elevance Health maintains these services do not require authorization. BMI will leave this open for ACWA JPIA to review.

-ACWA JPIA should review this finding and clarify plan intent with Elevance Health and/or update plan documentation accordingly.

PLAN DESIGN *continued*

Key Findings & Recommendations

Copay. Sample #23 is under review for the appropriate application of a copayment. Per the members SBC, emergency visits have a copayment of $50.00. No copay applied in error. Elevance Health agreed with the assessed error and stated: *The processor did not apply the $50 copay, resulting in a manual processing error. Refresher training has been provided to the processor and the claims team to reinforce compliance with standard protocols. The claim has been submitted for adjustment and recovery.*

-Elevance Health should confirm with ACWA JPIA once adjustments are complete on this sample claim.

Lab Services. Per page 2 of the summary of benefits, laboratory services have a 20% coinsurance after deductible. Sample #19 originally applied the allowed amount of $24.80 to the deductible. Claim was reprocessed on 8/26/2024, the deductible was reversed and the claim paid $24.80. Per the accumulator screen, neither the member or family deductible nor out of pocket was met on either the original or reprocessed claims. $24.80 should have applied to the deductible, creating an overpayment of $24.80. Elevance advised: *Elevance Health agrees with the identified error. The claim was initially processed on 7/3/24 with the deductible applied and later adjusted on 8/26/24; however, the deductible was not reapplied despite not being met. This occurred due to a manual processing error. Refresher training was provided to the processor and the claims team to reinforce compliance with standard protocols. The member's deductible has been met therefore no adjustment is necessary.* BMI will leave this open for ACWA JPIA's awareness.

-ACWA JPIA should advise Elevance Health if they have any questions on this sample claim.

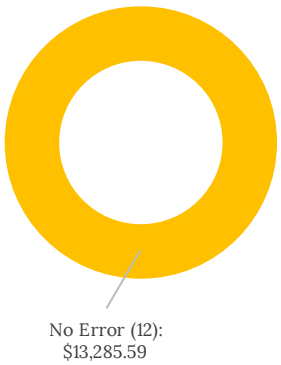
ELIGIBILITY

The Employee Retirement Income Security Act of 1974 (ERISA) requires that benefits under a group health plan are provided only to eligible plan participants. To test compliance with this requirement, we compared eligibility records provided to us against claims data provided for the same timeframe. Only claims for plan participants eligible at the time of service should be paid under the plan. An error in this category is identified when the plan's eligibility criteria is not met, but a claim is paid under the plan.

$13,285.59
Total payments sampled.

12
Total # of claims sampled.

Group Findings



Key Findings & Recommendations

Paid After Termination. Audit findings identified claim payments for services that occurred after the participant terminated from the plan on samples #112, 113, and 115. Further review confirmed that payments for these claims were issued because Elevance Health had not yet been notified by ACWA JPIA of the termination. At times, this notification was sent to Elevance Health a month after a member had terminated from the plan. Elevance Health advised in each instance: *The claim is currently pending adjustment. An update will be provided once more information is available.*

-Elevance Health should confirm with ACWA JPIA once adjustments are complete on these claims.

-BMI recommends that ACWA JPIA review their processes for notifying Elevance Health of terminations and adjust so that this information is shared in a timelier manner – usually within 1-2 weeks. As a part of the process, ACWA JPIA could also request to have the files of terminated participants automatically reviewed and claims adjusted for services that occurred after the termination date.

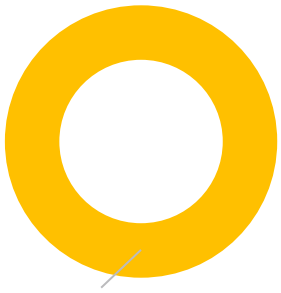
COST CONTROL PROGRAMS

Self-funded groups are assuming financial risk when claims administrators pay claims on their behalf. Claims payment errors occur and most result from human error when manually inputting data or from a lack of coding specificity. Reimbursement errors, if overlooked, could result in financial loss for a self-funded plan. Claims in this testing category require visual examination to confirm correct payment was made.

$3,941,766.70
Total payments sampled.

25
Total # of claims sampled.

Group Findings



No Error (25):
$3,941,766.70

Key Findings & Recommendations

Large Claim. Sample #83 was reviewed for large claim processing. The audit found an authorization is on file for the services on the claim. The claim was priced by a combination of case rate and per diem pricing. A medical review and a high dollar review were completed prior to release of the claim. However, the member's in network out of pocket accumulated $2,305.59 for 2024. This is an over-accumulation of $305.59. Elevance Health advised: *Elevance Health acknowledges an out-of-sample error involving a manually processed claim. Coinsurance of $305.59 was applied in error after the $2,000 in-network out-of-pocket maximum had been met. Refresher training was provided to the processor and the claims team to reinforce adherence to standard protocols. The claim and accumulator were corrected as of 2/12/26.* BMI will leave this open for ACWA JPIA's awareness.

-ACWA JPIA should advise Elevance Health if they have any questions on this sample claim.

ACWA JPIA
Introduction of New Alliant Benefits Consultant
July 29, 2026

BACKGROUND
Alliant Insurance Services, Inc. has served as JPIA's Benefits Consultant since 2012 – the inception of the JPIA Programs. Tom Sher, Senior Vice President, Alliant, has served as the JPIA's Benefits Consultant since inception.

CURRENT SITUATION
Mr. Sher recently advised staff of his intention to retire at the end of 2026. In anticipation of this transition, staff has worked with Alliant on a succession plan to ensure continuity of service. Erin Thomas, Senior Vice President, has been shadowing the JPIA account over the past year and will assume the role of Lead Benefits Consultant, effective immediately, serving as the JPIA's primary point of contact. Mr. Sher will continue to support the JPIA through the remainder of 2026 to facilitate a smooth transition.
The Committee will be formally introduced to Ms. Thomas at the July 29 meeting.

RECOMMENDATION
None, information only.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 12, 2026

Recommendations Included in the Packet

Consent Calendar

I.C. Anthem HMO Medical Plans
That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 12.5%** for the Anthem HMO medical plans, effective January 1, 2027.

I.D. Kaiser HMO Medical Plans
That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 0.61%** to Kaiser HMO rates, effective January 1, 2027.

**I.E. was an information only item.*

I.F. Kaiser Senior Advantage Medical Plans
That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the KPSA plans with **no change** in rates, effective January 1, 2027.

I.G. Anthem Employee Assistance Program
That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal with **no change** in rates for the Anthem Employee Assistance Program, effective January 1, 2027.

I.H. United Healthcare (UHC) Medicare Advantage PPO Medical Plans
That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 7%** to UHC Medicare Advantage PPO rates, effective January 1, 2027.

I.I. Anthem Claims Audit
That the Employee Benefits Program Committee recommend that the Executive Committee receive and file the Anthem Claims Audit.

Program Updates

III.D. Anthem PPO Medical Plans
That the Employee Benefits Program Committee recommend that the Executive Committee approve an aggregate **increase of 12%** for the Anthem self-funded PPO medical plans, including funding for the purchase of Anthem Total Health Complete navigator services and Stop Loss coverage through CWIF with a $2M specific attachment point and a $5M aggregate policy cost cap, effective January 1, 2027.

III.E. Delta Dental HMO & PPO Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the Delta PPO and DeltaCare HMO plans with **no change** in rates, effective January 1, 2027.

III.F. Vision Service Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the VSP plans with **no change** in rates, effective January 1, 2027.

III.G. The Standard Life and Disability Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal of the Life and Disability Insurance Program with The Standard, including the negotiated enhancements to the voluntary life insurance program, a **15% increase** to employee and spouse voluntary life insurance rates only, and **no change** to employer-paid basic life insurance, short-term disability, and long-term disability rates, effective January 1, 2027.

ACWA JPIA
Overview of Program History
July 29, 2026

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

CURRENT SITUATION
This section includes information for the Committee regarding:

- Renewal Summary
- Medical Overview
- Rate History
- Medical Plan Enrollment Statistics
- Risk Management in Employee Benefits

RECOMMENDATION
None, information only.

Prepared by: Jennifer Jobe Deputy Executive Officer Date prepared: July 12, 2026

Rate History

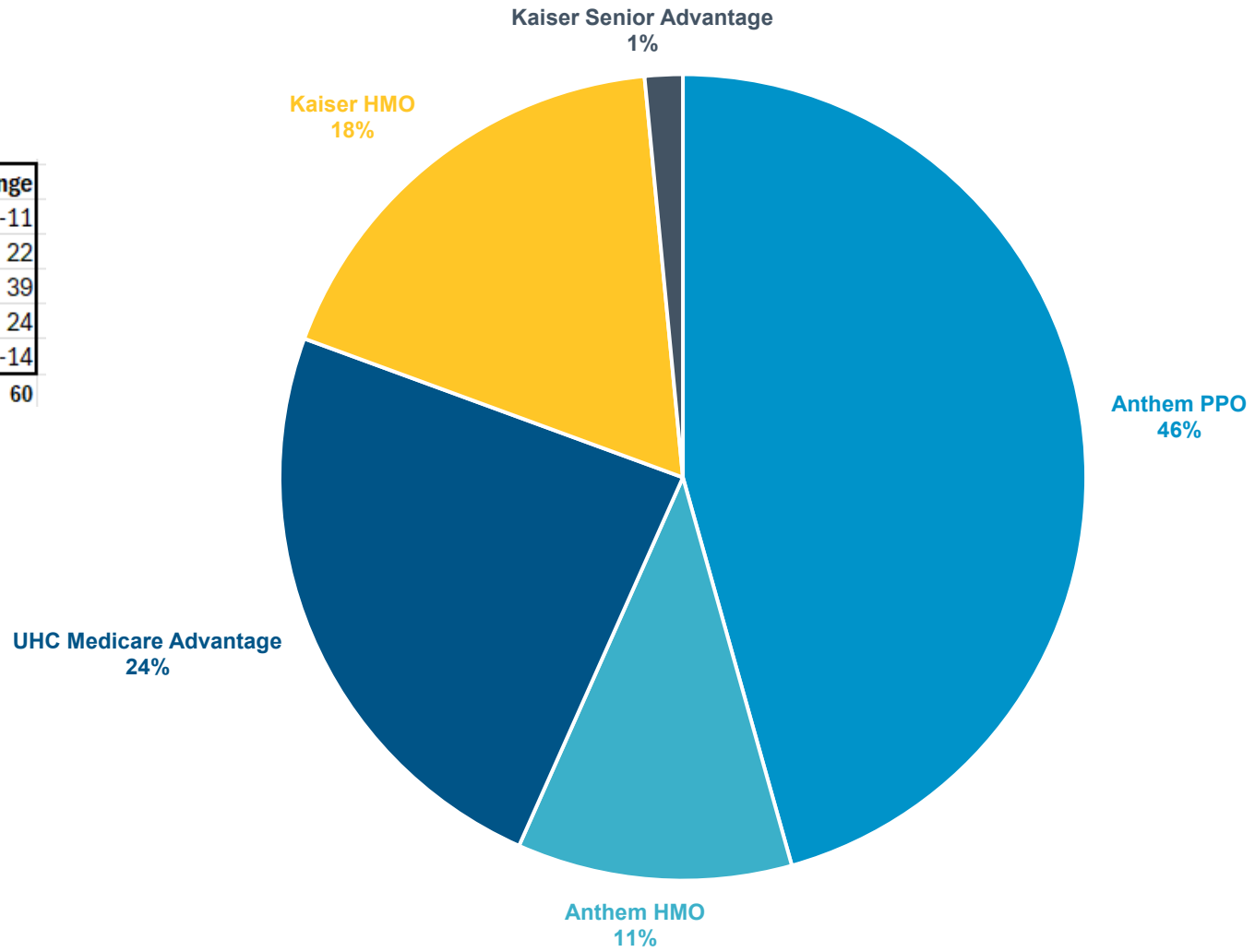
	Anthem Blue Cross		Kaiser		UHC	Delta Dental		Vision Service Plan	Employee Assistance Program	Life & Disability			
	PPOs	HMOs	HMO	KPSA	Med Adv PPO	PPO	HMO	VSP	EAP	Basic Life	Supp Life	Short Term	Long Term
2022	-5.00%	3.77%	-1.70%	*initial*	*initial*	0%	0%	0%	0%	0%	0%	0%	0%
2023	-10.00%	5%	1.00%	-11.47%	3%	0%	0%	0%	4.5%	-10%	-10%	0%	-10%
2024	12.00%	5.48%	9.87%	14.68%	1.9%	0%	0%	0%	0%	0%	0%	0%	0%
2025	10%	5%	5.46%	7.83%	25%	0%	0%	0%	0%	0%	0%	0%	0%
2026	10%	5%	4.28%	0%	9%	3%	0%	0%	0%	0%	0%	-10%	-20%
2027*	**12%**	**12.5%**	**0.61%**	**0%**	**7%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
Prior 5 Year Average	**2.83%**	**5.31%**	**3.78%**	**2.76%**	**9.73%**	**1%**	**0%**	**0%**	**-0.42%**	**-3%**	**-3%**	**-2%**	**-6%**

* Staff recommendations

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

2025 Medical Enrollment

Plan	2025	2026	Change
Anthem PPO	4,293	4,282	-11
Anthem HMO	1,036	1,058	22
UHC Medicare Advantage	2,251	2,290	39
Kaiser HMO	1,682	1,706	24
Kaiser Senior Advantage	143	129	-14
Totals	**9,405**	**9,465**	**60**



Risk Management in Employee Benefits

- **Risk Management Strategies**
- Use of Point Solutions
- Avoidance of Adverse Selection
  - Policy Standards & Incentive Rate Criteria
  - Eligibility Requirements (employees, retirees, dependents)
  - Competitive Plans & Employer Contributions

Risk Management in Employee Benefits

Point Solutions
Point solutions target specific conditions that are prevalent in our utilization data
Prevent high-cost claims
Provide a better experience for our members

carrum health

progyny
Smarter Fertility Benefits

Hinge Health

MODERN HEALTH

Risk Management in Employee Benefits

Requirement	Standard	Incentive -4%
Enrollment	25% may waive	All must enroll
Competitive Plans	HMO allowed PPO not allowed	No competitive plans

ACWA JPIA
Market Update and Utilization
July 29, 2026

BACKGROUND
Alliant Insurance Services, Inc. has served as ACWA JPIA's benefits consultant since 2012. The JPIA has administered employee benefits plans to members since 2012. Utilization is a key metric in evaluating the effectiveness of the medical, dental, vision, and other ancillary benefits offered to the JPIA's 274 participating members.

CURRENT SITUATION
Erin Thomas, Senior Vice President, Alliant, will provide the Committee with an update on the State of the Market and the effect on upcoming renewals.

The Committee will be presented with an update regarding:
- Modern Health
- Carrum
- Hinge Health
- Progyny

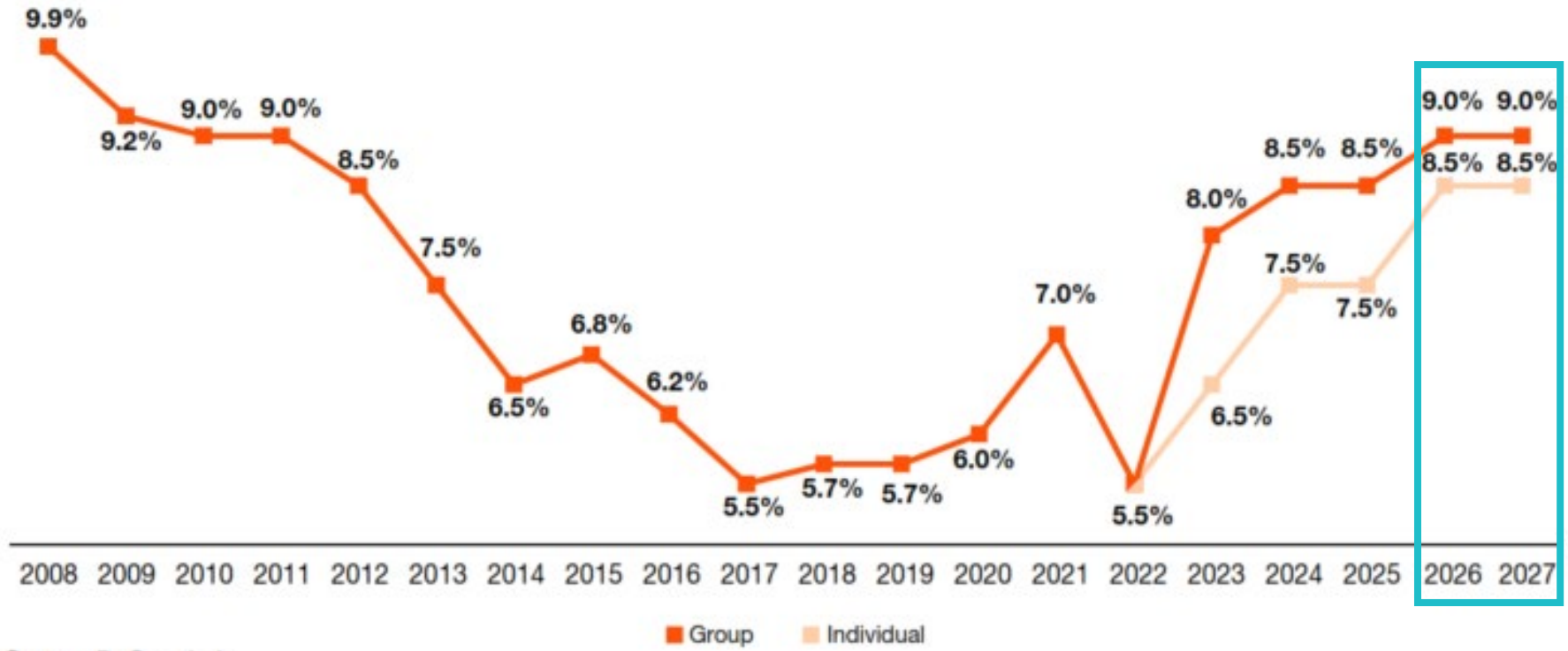
RECOMMENDATION
None, information only.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 12, 2026

PwC Medical Cost Trends

Figure 1. PwC medical cost trends, 2008–2027

PwC projects medical cost trend to be 9.0% for Group and 8.5% for Individual in 2027, in line with restated 2026 trends



Source: PwC analysis

This trend does not take into account the impact of the expiration of enhanced subsidies in the Individual ACA market. More detail appears in the ACA Subsidy section below.

The 2026 medical cost trends restated higher than previously reported based on the input of health plans surveyed and their trend experience. This unfavorable development reflects higher-than-expected utilization, compounded by provider contract rates, coding intensity, and pharmacy costs remaining high since the second half of 2025 and continuing into 2026.

Healthcare Trends & Influences

Increase Costs

>9% Projected Trend for 2026*

Cancer, circulatory and musculoskeletal conditions drive **54%** of all high-cost claimant spending*

High-cost claims **increased faster** than overall claims*

Primary Care

Shortage of Primary Care Physicians by 2037

Delay of Care

One in **three** adults confidently admits to delaying healthcare services

Prescription Drugs

Weight loss drugs are expected to become a **$100B** market by **2030**, with over **30** million **GLP-1** users in the U.S. (about **9%** of the population)

Artificial Intelligence

Upcoding diagnosis and procedures captured to increase billings for Hospital Systems
Hyper-Personalized, Data-Driven Care Navigation

Uncertain Regulatory Landscape

Litigation

O B B B A

Cost Pressures & Risk

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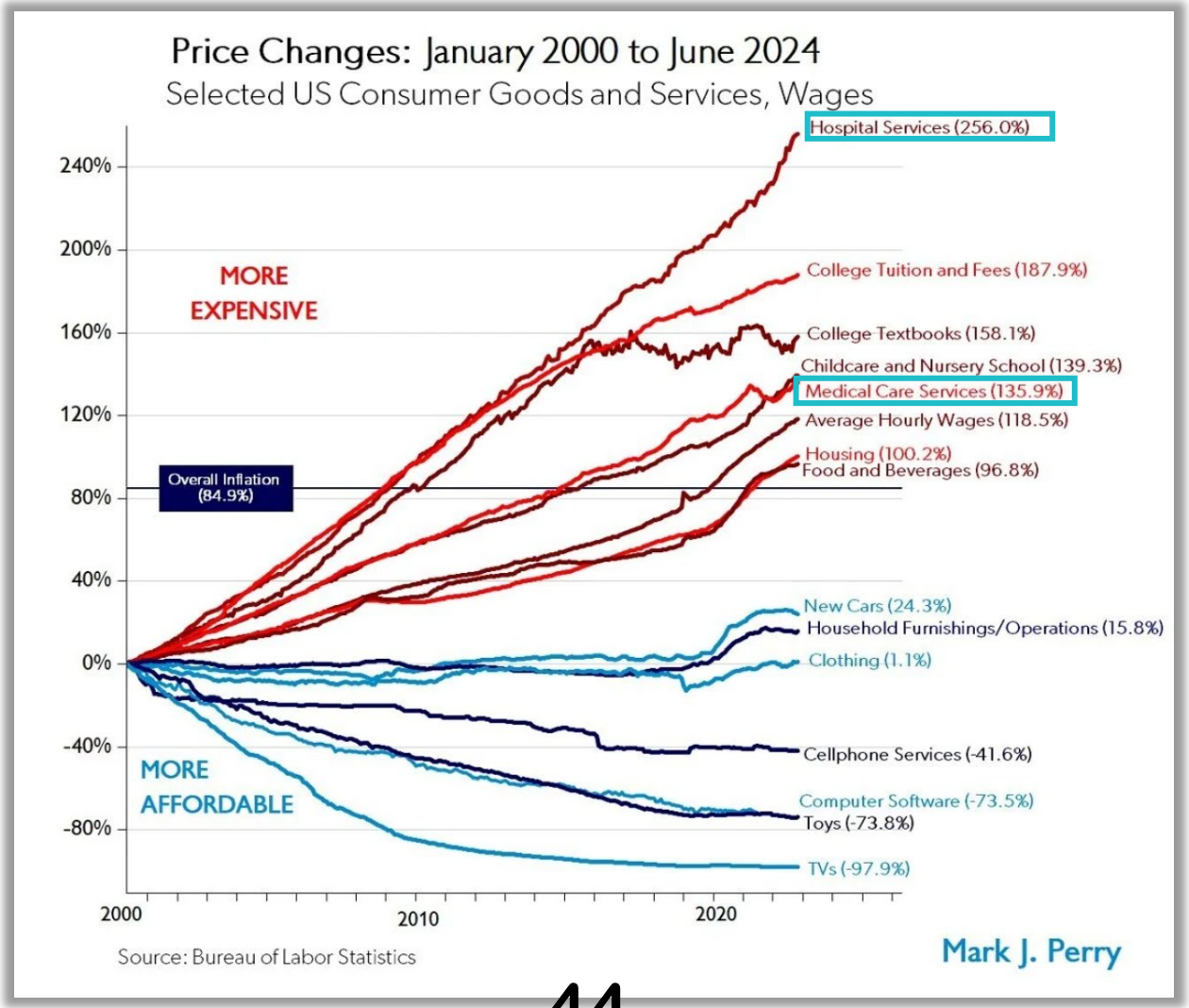
U.S. Health Insurance Market Cycles

Price Inflation



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MODERN HEALTH | JPIA

2025 Utilization

10%
Employees Registered

2%
Employees Engaged

30
Dependents Engaged

UTILIZATION BY CARE MODALITY

58%
Employees Use 1:1 Care

54%
Employees Use Digital Content

3%
Employees Use Group Session

carrumhealth | JPIA

2025 Utilization

Delivering high-quality, affordable care for **ACWA JPIA** members and their employees.

6.85%

Utilization

of eligible surgeries performed at a Carrum Center of Excellence (COE)

7

Surgical Episodes

consultations and surgeries

$138K

Gross Savings

total cost savings achieved

100

Patient NPS

satisfaction score

$6K

Savings

total out-of-pocket savings

KEY IMPACT

High-quality care, lower costs, and better experiences for members and their employees.

2025 Utilization

299
employees
actively participated in 2025

7,876
treatment sessions completed

9.1/10
employee satisfaction

45%
average reduction in pain

77%
achieved clinically meaningful pain improvement (MCID)

82%
reduction in likelihood of surgery

3:1
projected return on investment

$330,233
projected medical cost savings in 2025

Convenient and flexible
care available anytime, anywhere

Virtual care
eliminates travel and saves time

Personalized support
from dedicated care teams

progyny | JPIA

2025 Utilization

Supporting **ACWA JPIA** members and their employees on their path to parenthood

6,180
Eligible Employees

38
Unique Employees with Claims

1,774
Total Inquiries

17.2
Average Engagement per Employee (minutes)

0.61%
Employee Utilization Rate vs Book of Business rate of 0.51% – 1.90%

BABIES BORN

5
Babies born
Year-to-date 2025

4.8
Out of 5

★★★★☆

> I have only participated in one introductory call with Progyny so far, but my Progyny care advocate has been a pleasure to work with and worked hard to explain my coverage to me in a very understandable fashion. I am looking forward to continuing to work with her and with Progyny as I embark on this journey.
>
> — Progyny Patient

ACWA JPIA
Stop Loss History and Future Pricing
July 29, 2026

BACKGROUND

As part of ACWA JPIA's continued oversight of its self-funded medical program, staff regularly evaluates whether to secure stop-loss insurance. This type of excess coverage is designed to protect against unusually high individual claims or total claims exceeding expected levels. The decision to purchase stop-loss insurance is made annually, weighing both cost and potential benefit to the pool.

JPIA last carried stop-loss coverage for the Anthem PPO program in 2022. The policy reimbursed the organization for individual claims exceeding $750,000. Between 2016 and 2022, stop-loss coverage was maintained with attachment points of $500,000 (2016–20) and $750,000 (2021–22), at an annual cost ranging from $1.2 million to $3 million.

In 2023, JPIA elected not to renew any stop-loss coverage. This decision was made with careful consideration of several key factors:

- The premiums for stop loss coverage continue to rise substantially year over year, regardless of the volume (or lack thereof) of high-cost claims (HCCs) piercing the attachment point;
- JPIA had an extremely healthy reserve balance of approximately $96 million (or approximately 120% of the projected 2022 program year cost of $80 million), which the pool was actively trying to "buy down" by way of rate subsidies; and
- The historical analysis demonstrated that the premiums that had been paid had exceeded reimbursements over time.

It was understood that without stop loss coverage, JPIA would be responsible to pay the full value of all HCCs that might occur, but that JPIA's financial position would allow it to tolerate annual variations in claims costs, with projected savings over time.

In 2024, JPIA experienced its most expensive HCC year on record, with three (3) claims exceeding $2 million, and three (3) additional HCCs exceeding $1 million, representing a total plan cost of approximately $14.3 million. Had stop loss coverage been in place with a $750,000 attachment point, approximately $10.1 million in HCC costs would have been transferred to the stop loss carrier. After accounting for the estimated premium ($3.3 million), the net cost transfer would have been closer to $6.8 million.

It is also worth noting that, excluding a single extreme $6.1 million claim, total HCC expenses transferred to the stop loss carrier would have been approximately $4.8 million, and after accounting for estimated premiums, the net cost transfer would have been $1.5 million. The 2024 year continues to be the most expensive in plan history.

CURRENT SITUATION

In 2025, aggregate program costs continued to be high – largely driven by medical inflation and an overall increase in PMPM cost for high-cost conditions such as cancer and musculoskeletal issues. The 2025 year experienced no HCCs over $2 million, but five (5) HCCs over $1 million, for a total plan cost of $6.3 million. While total cost compared to funding is still trending over 100%, it has decreased since the 2024 plan year.

Ultimately, what has become reality is that $750,000 – JPIA's 2022 Stop Loss Attachment Point – is no longer a good barometer of the tipping point for an HCC for the plan. Claims exceeding $1 million are becoming a more frequent occurrence. Claims exceeding $2 million remain exceedingly rare, only occurring twice in the past 11 years (2016: 1 claim and 2024: 2 claims).

Staff will facilitate a discussion with the Committee that includes both practical and strategic considerations related to future stop-loss coverage. The practical portion will focus on available stop loss options and potential structures for future consideration. The strategic discussion will explore whether the purchase of stop loss aligns with the Committee's goals, considering the JPIA's reserve position, historical HCC experience, and the overall cost-benefit of such coverage.

For the Committee's reference, attached is:

- Information explaining what stop loss coverage is;
- A historical analysis of commercial (or retail) stop loss coverage
    - Actual data for years purchased (2016-2022) and estimated data for bare years (2023-2025)
- An illustrative "history" showing how utilizing the captive for stop loss coverage historically would have impacted the pool
- 2026 commercial versus captive stop loss cost/benefit coverage options

RECOMMENDATION

None, information only.

Prepared by: Adrienne Beatty, Chief Executive Officer Date prepared: July 20, 2026

ACWA JPIA

Stop Loss Analysis

July 14, 2026

ACWA JPIA
Stop-Loss Strategic Discussion

- This presentation addresses the following topics:
  - What is stop-loss coverage?
  - Why ACWA JPIA is considering adding stop-loss coverage for large claims
    - Overview of historical large claims cost impact
  - What alternatives for stop-loss coverage are available to ACWA JPIA?
    - Contract with an insurance company (“retail” coverage)
    - Contract with ACWA JPIA’s captive insurer - CWIF

What is Stop Loss?

Stop Loss is the only actual insurance on a self-funded plan. Stop Loss is intended to protect against catastrophic or unpredictable expenses.

There are two types of Stop Loss:

- Specific (or Individual)
- Aggregate

Important Items to Notes

- ✓ A plan can have Specific Stop Loss and NOT have Aggregate Stop Loss
- ✓ A plan must have Specific Stop Loss in order to have Aggregate Stop Loss
- ✓ Larger groups will typically drop Aggregate Stop Loss over time

Specific (Individual) Stop Loss Coverage

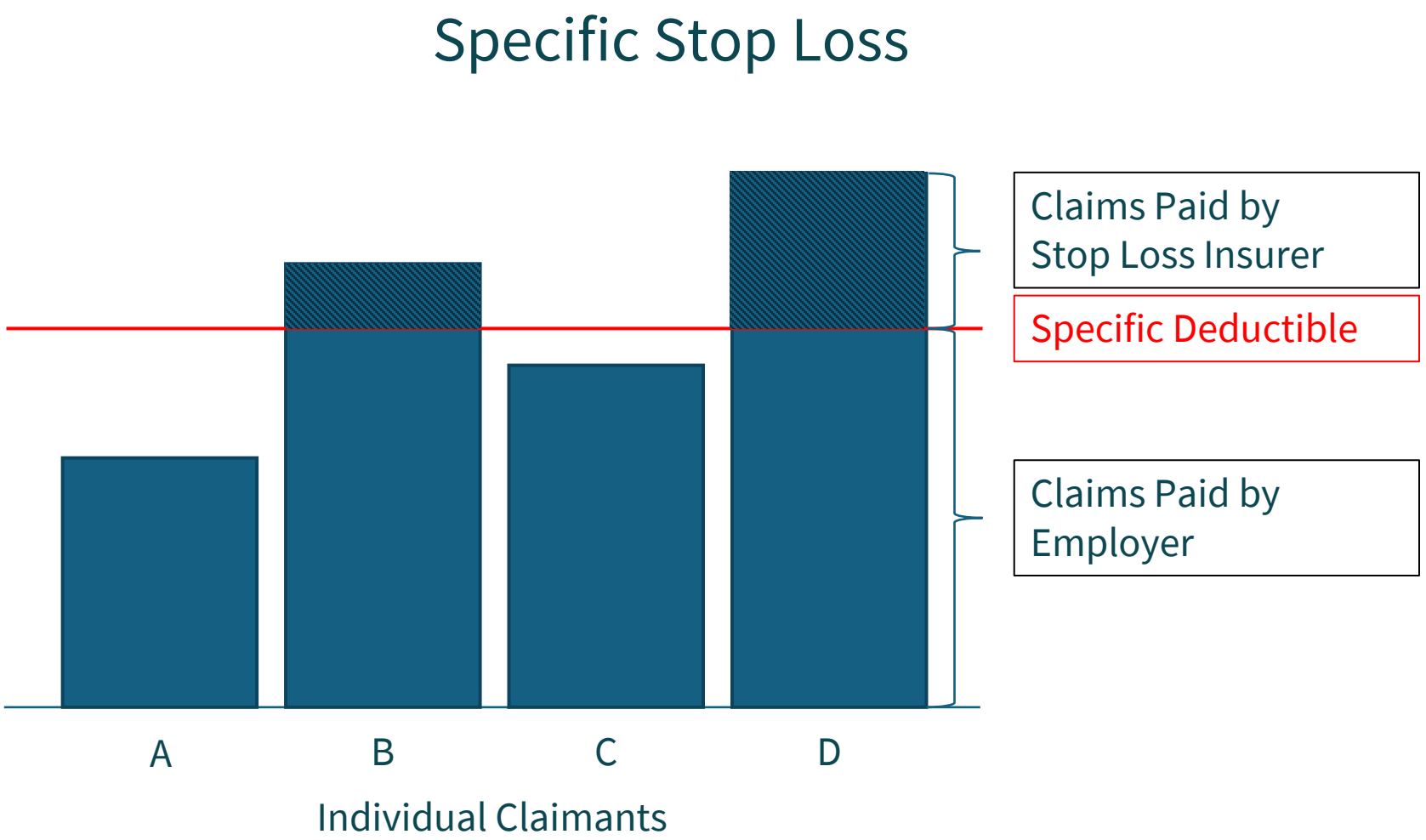
- Protects employers from large catastrophic claims generated by individual employees or dependents. Also described as catastrophic or shock-claim insurance.

- Coverage begins after an individual's claims reach $X during a policy period. Individual deductibles range from $750,000 to $2,000,000 depending on the size of the employer and risk tolerance.

- After an eligible employee/dependent's claims paid exceed the deductible in a policy year, covered expenses above the deductible are reimbursed to the employer by the Stop Loss carrier.

- Claims are typically reimbursed after they occur on a monthly basis during the policy time period. Retail stop loss insurers (carriers) require claims data and eligibility verification. Reimbursement is made after both these items are received to satisfaction by the Stop Loss carrier, which can take 4 to 6 weeks, if not longer.

Specific (Individual) Stop Loss Coverage



ACWA JPIA
Retail Stop Loss – Loss History Review

Policy Period	Deductible	Paid Premium[1]	Claim Reimbusements[2]	$ Difference[3]	Loss Ratio
2016	$500,000	$1,540,682	$3,769,965	($2,229,284)	244.69%
2017	$500,000	$1,636,625	$1,530,074	$106,550	93.49%
2018	$500,000	$2,108,204	$2,824,512	($716,308)	133.98%
2019	$500,000	$2,846,530	$1,005,930	$1,840,601	35.34%
2020	$500,000	$3,043,174	$1,012,129	$2,031,046	33.26%
2021	$750,000	$2,136,522	$1,737,702	$398,819	81.33%
2022	$750,000	$1,961,522	$1,172,694	$788,828	59.78%
2023	**$750,000**	*$2,549,979*	$458,663	$2,091,315	17.99%
2024	**$750,000**	*$3,314,972*	$10,128,713	($6,813,740)	305.54%
2025	**$750,000**	*$4,309,464*	$2,805,373	$1,504,091	65.10%
2026 YTD[4]	**$750,000**	*$2,334,293*	$98,907	$2,235,386	4.24%
Ten Year Total		**$27,781,967**	**$26,544,661**	**$1,237,306**	**95.55%**

2016 reimbursement includes $2.5M claimant

[1]Paid premium for 2023-2025 are estimated assuming 30% stop loss renewal year over year. Estimated premium is illustrative and does not
[2]Reimbursements for 2023-2025 are caculated on a plan year basis. Actual claims reimbursements would vary on 12/15 contract. $6M claimant included in 2024 estimates
[3]Difference between estimated claim reimbursement and estimated paid premium.
[4]Data through May 2026 from Anthem CII

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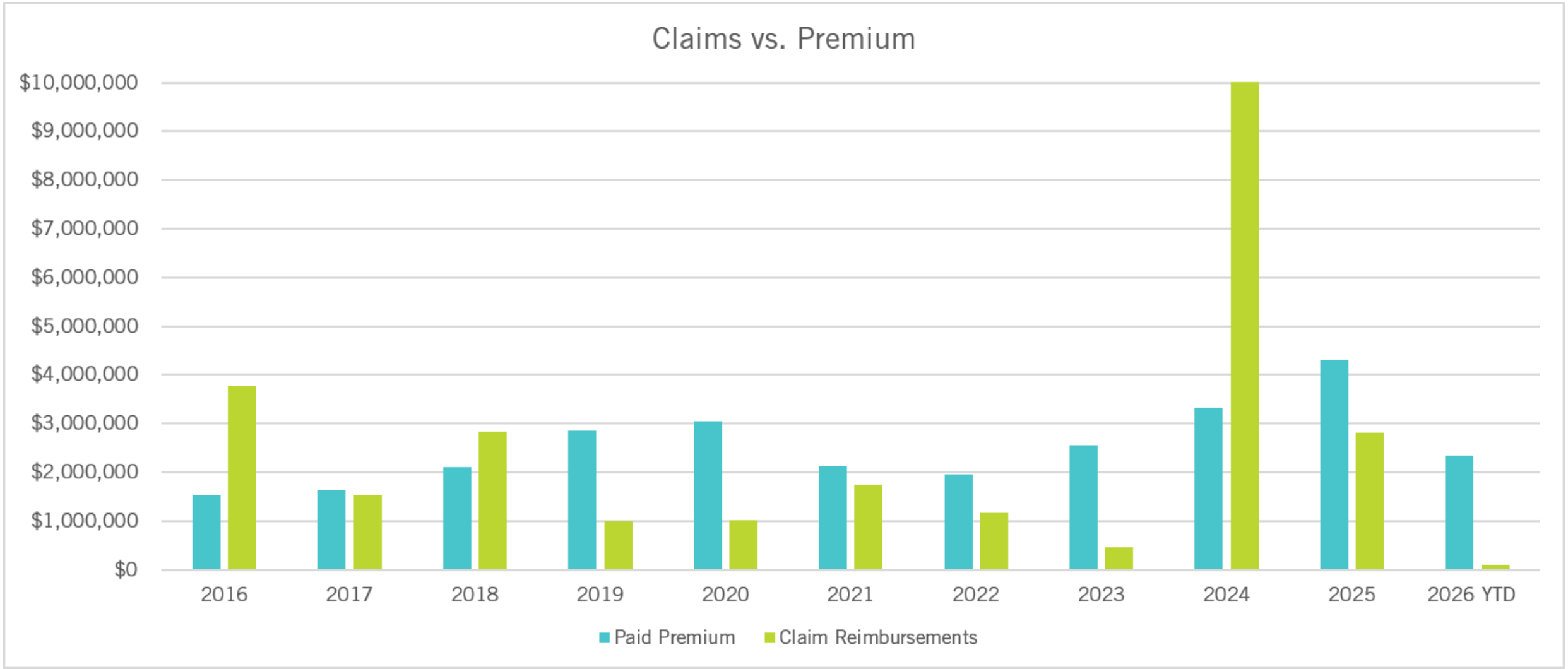
ACWA JPIA
Retail Stop Loss - Loss History Review



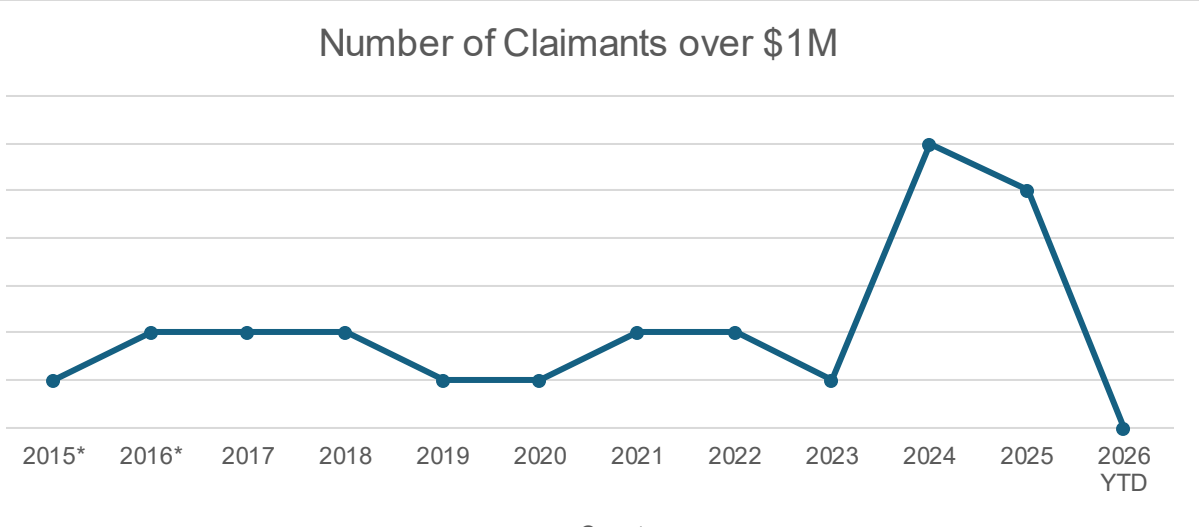
ACWA JPIA

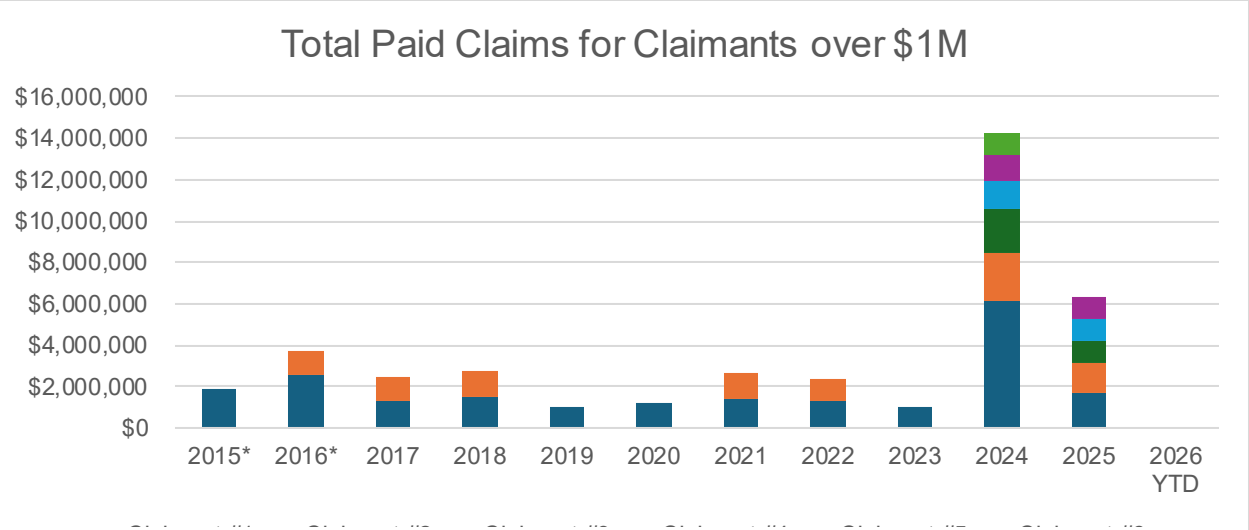
High-Cost Claim (HCC) Frequency – Claimants over $1M

	2015*	2016*	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 YTD
Claimant #1	$1,933,873	$2,593,318	$1,298,012	$1,505,549	$1,046,558	$1,191,221	$1,375,724	$1,311,092	$1,042,202	$6,096,117	$1,711,587	
Claimant #2		$1,118,549	$1,131,967	$1,278,568			$1,270,622	$1,107,146		$2,325,867	$1,387,246	
Claimant #3										$2,190,221	$1,105,298	
Claimant #4										$1,308,389	$1,066,042	
Claimant #5										$1,305,777	$1,023,780	
Claimant #6										$1,045,247		

*Medical Only

2026 data through May 2026 from Anthem CII





ACWA JPIA

Captive Stop Loss – Illustrative Loss History Review - $1.5M Spec

Policy Period	Deductible	Paid Premium[1]	Claim Reimbusements[2]	$ Difference[3]	Loss Ratio
2017	**$1,500,000**	*$1,817,277*	$0	$1,817,277	0.00%
2018	**$1,500,000**	*$1,817,277*	$5,549	$1,811,728	0.31%
2019	**$1,500,000**	*$1,817,277*	$0	$1,817,277	0.00%
2020	**$1,500,000**	*$1,817,277*	$0	$1,817,277	0.00%
2021	**$1,500,000**	*$1,817,277*	$0	$1,817,277	0.00%
2022	**$1,500,000**	*$1,817,277*	$0	$1,817,277	0.00%
2023	**$1,500,000**	*$1,817,277*	$0	$1,817,277	0.00%
2024	**$1,500,000**	*$1,817,277*	$5,000,000	($3,182,723)	275.14%
2025	**$1,500,000**	*$2,362,460*	$211,587	$2,150,873	8.96%
2026 YTD[4]	**$1,750,000**	*$984,358*	$0	$984,358	0.00%
Total		**$17,885,034**	**$5,217,136**	**$12,667,898**	**29.17%**

[1]Paid premiums are estimated using ACWA JPIA historical loss ratios to determine renewal rate increases. Years where loss ratio was 0% recieved a rate pass, and years after large loss ratios recieved a 30% increase. Premiums are estimated using the 1/1/2026 captive proposal for $1.5M specific deductible at the 90th percentile and $5M cap provided by Milliman.

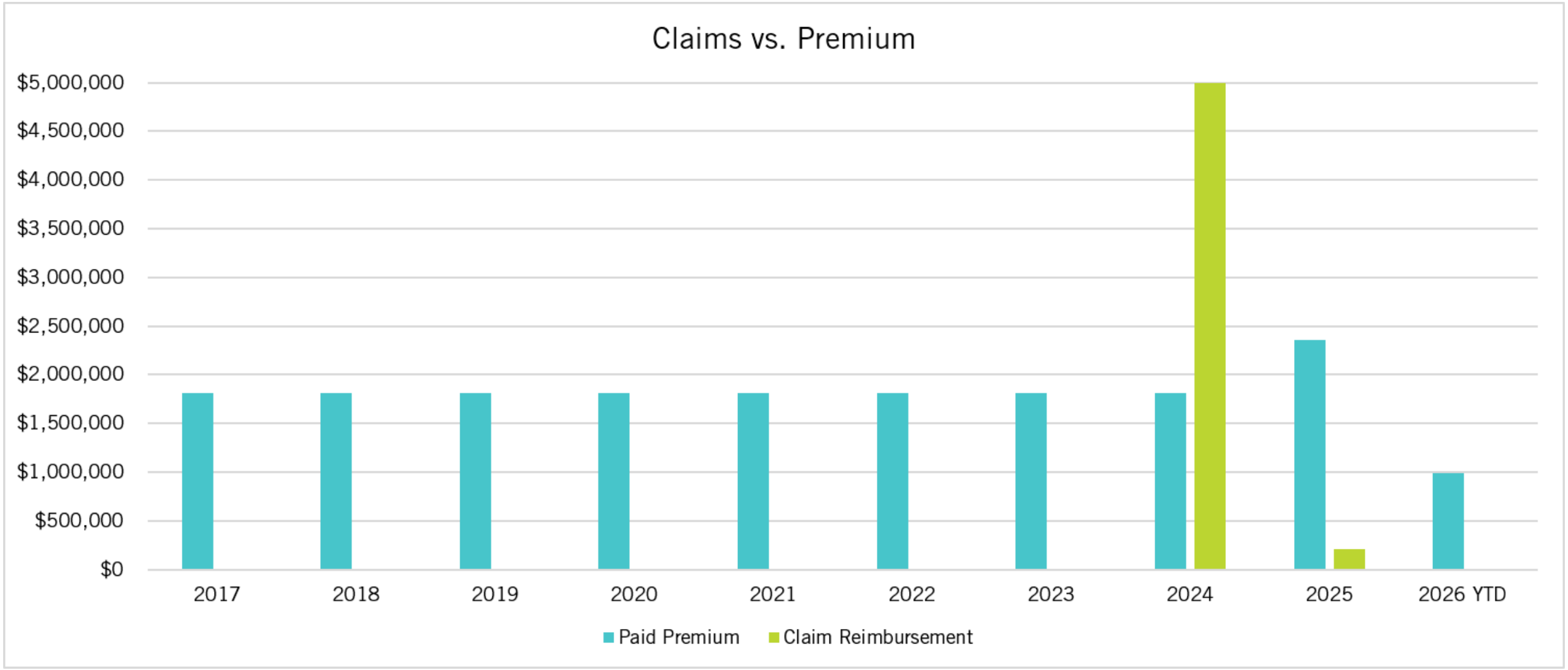
[2]Reimbursements are caculated on a plan year basis. Actual claims reimbursements would vary on 12/24 contract. $6M claimant included in 2024 estimates

[3]Difference between estimated claim reimbursement and estimated paid premium.

[4]Data through May 2026 from Anthem CII

ACWA JPIA

Captive Stop Loss – Illustrative Loss History Review - $1.5M Spec (Variable)



ACWA JPIA

Captive Stop Loss – Illustrative Loss History Review - $1.75M Spec

Policy Period	Deductible	Paid Premium[1]	Claim Reimbusements[2]	$ Difference[3]	Loss Ratio
2017	**$1,750,000**	*$1,211,913*	$0	$1,211,913	0.00%
2018	**$1,750,000**	*$1,211,913*	$0	$1,211,913	0.00%
2019	**$1,750,000**	*$1,211,913*	$0	$1,211,913	0.00%
2020	**$1,750,000**	*$1,211,913*	$0	$1,211,913	0.00%
2021	**$1,750,000**	*$1,211,913*	$0	$1,211,913	0.00%
2022	**$1,750,000**	*$1,211,913*	$0	$1,211,913	0.00%
2023	**$1,750,000**	*$1,211,913*	$0	$1,211,913	0.00%
2024	**$1,750,000**	*$1,211,913*	$5,000,000	($3,788,087)	412.57%
2025	**$1,750,000**	*$1,575,487*	$0	$1,575,487	0.00%
2026 YTD[4]	**$1,750,000**	*$656,453*	$0	$656,453	0.00%
Total		**$11,927,245**	**$5,000,000**	**$6,927,245**	**41.92%**

[1]Paid premiums are estimated using ACWA JPIA historical loss ratios to determine renewal rate increases. Years where loss ratio was 0% recieved a rate pass, and years after large loss ratios recieved a 30% increase. Premiums are estimated using the 1/1/2026 captive proposal for $1.75M specific deductible at the 90th percentile and $5M cap provided by Milliman.

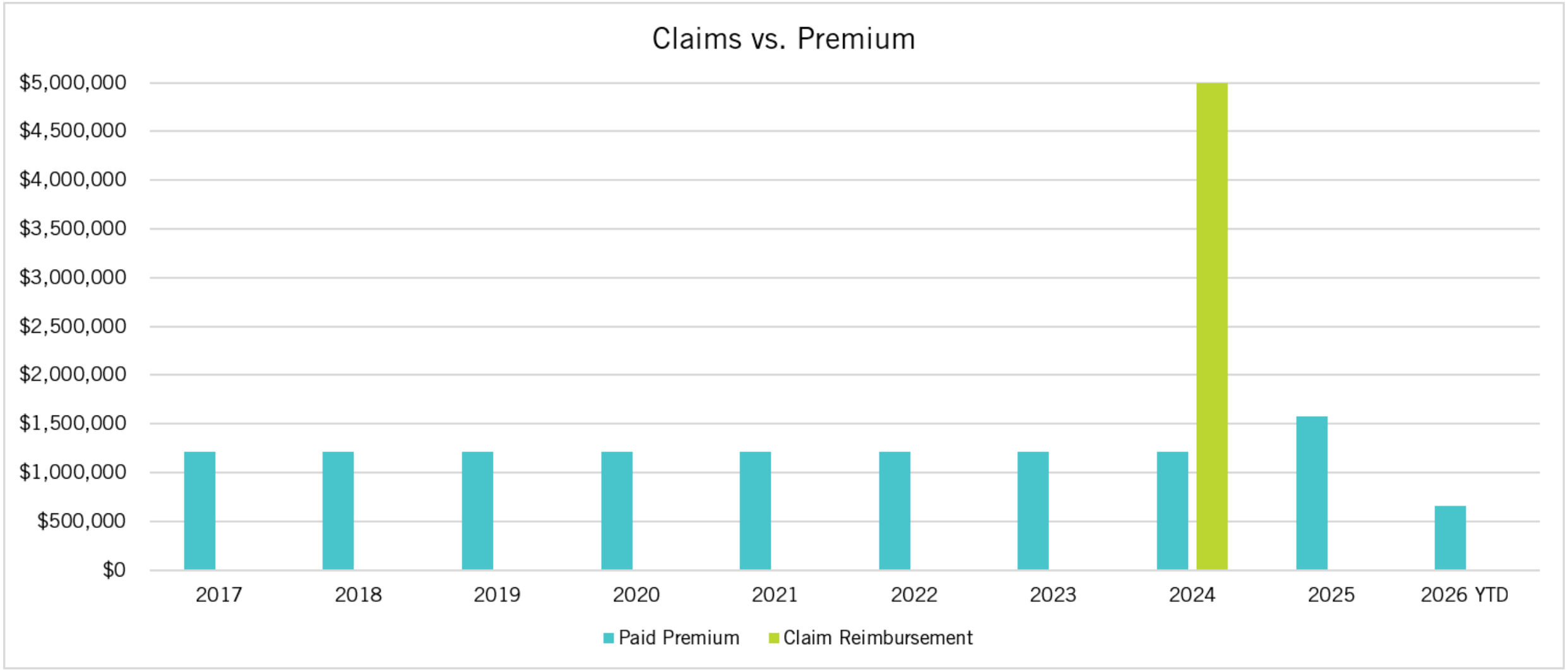
[2]Reimbursements are caculated on a plan year basis. Actual claims reimbursements would vary on 12/24 contract. $6M claimant included in 2024 estimates

[3]Difference between estimated claim reimbursement and estimated paid premium.

[4]Data through May 2026 from Anthem CII

ACWA JPIA

Captive Stop Loss - Illustrative Loss History Review - $1.75M Spec (Variable)



ACWA JPIA

Captive Stop Loss – Illustrative Loss History Review - $2M Spec

Policy Period	Deductible	Paid Premium[1]	Claim Reimbusements[2]	$ Difference[3]	Loss Ratio
2017	**$2,000,000**	*$848,378*	$0	$848,378	0.00%
2018	**$2,000,000**	*$848,378*	$0	$848,378	0.00%
2019	**$2,000,000**	*$848,378*	$0	$848,378	0.00%
2020	**$2,000,000**	*$848,378*	$0	$848,378	0.00%
2021	**$2,000,000**	*$848,378*	$0	$848,378	0.00%
2022	**$2,000,000**	*$848,378*	$0	$848,378	0.00%
2023	**$2,000,000**	*$848,378*	$0	$848,378	0.00%
2024	**$2,000,000**	*$848,378*	$4,612,205	($3,763,827)	543.65%
2025	**$2,000,000**	*$1,102,892*	$0	$1,102,892	0.00%
2026 YTD[4]	**$2,000,000**	*$459,538*	$0	$459,538	0.00%
Total		**$8,349,458**	**$4,612,205**	**$3,737,253**	**55.24%**

[1]Paid premiums are estimated using ACWA JPIA historical loss ratios to determine renewal rate increases. Years where loss ratio was 0% recieved a rate pass, and years after large loss ratios recieved a 30% increase. Premiums are estimated using the 1/1/2026 captive proposal for $2M specific deductible at the 90th percentile and $5M cap provided by Milliman.

[2]Reimbursements are caculated on a plan year basis. Actual claims reimbursements would vary on 12/24 contract. $6M claimant included in 2024 estimates

[3]Difference between estimated claim reimbursement and estimated paid premium.

[4]Data through May 2026 from Anthem CII

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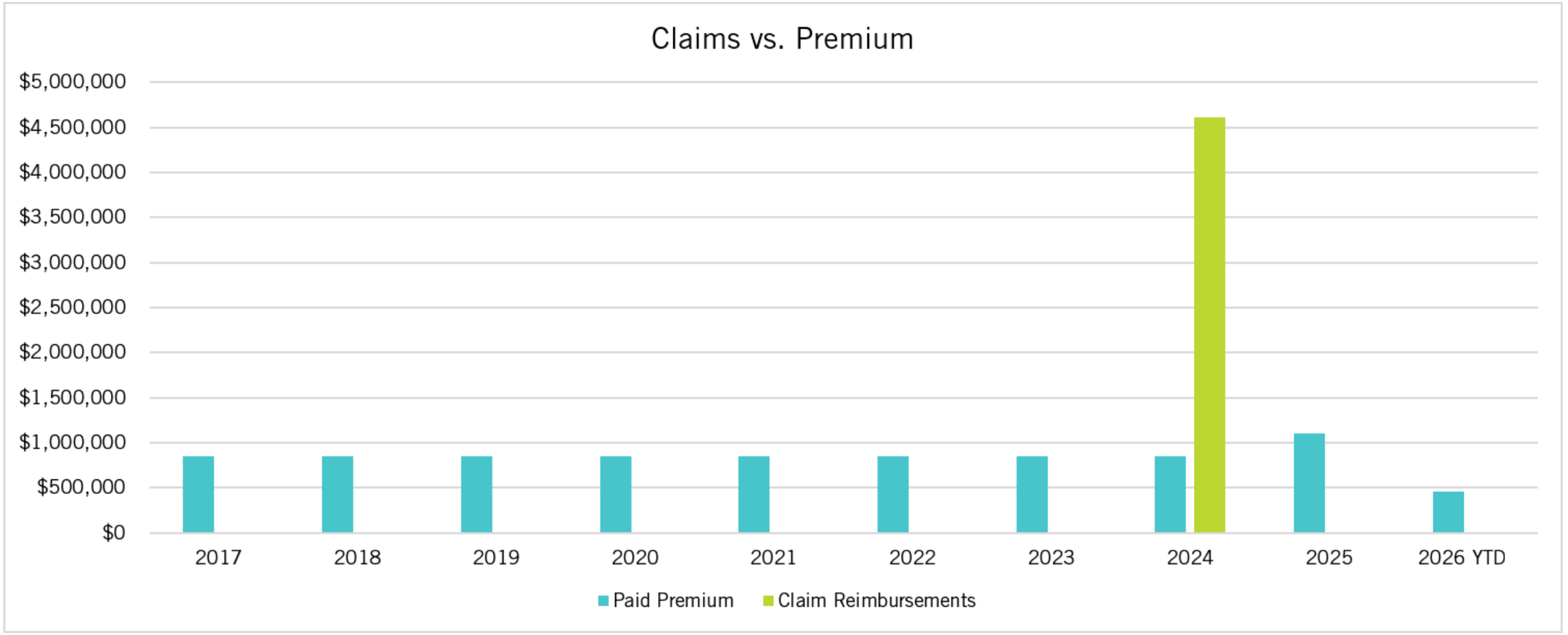
ACWA JPIA

Captive Stop Loss - Illustrative Loss History Review - $2M Spec (Variable)



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ACWA JPIA

Captive Stop Loss – Illustrative Loss History Review – All Spec Options (Variable)

Policy Period	Deductible	Paid Premium[1]	Claim Reimbusements[2]	$ Difference[3]	Loss Ratio
2017 - 2026	**$1,500,000**	*$17,885,034*	$5,217,136	$12,667,898	29.17%
2017 - 2026	**$1,750,000**	*$11,927,245*	$5,000,000	$6,927,245	41.92%
2017 - 2026	**$2,000,000**	*$8,349,458*	$4,612,205	$3,737,253	55.24%

[1]Paid premiums are estimated using ACWA JPIA historical loss ratios to determine renewal rate increases. Years where loss ratio was 0% recieved a rate pass, and years after large loss ratios recieved a 30% increase. Premiums are estimated using the 1/1/2026 captive proposal for each specific deductible at the 90th percentile and $5M cap provided by Milliman.

[2]Reimbursements are caculated on a plan year basis. Actual claims reimbursements would vary on 12/24 contract. $6M claimant included in 2024 estimates

[3]Difference between estimated claim reimbursement and estimated paid premium.

2026 data through May 2026 from Anthem CII

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ACWA JPIA
Captive vs Retail Stop Loss Premium Comparison

	CWF (Captive)		PartnerRe (Retail)
Specific Deductible	**$1,500,000**	**$1,500,000**	**$1,500,000**
Captive Maximum Liability	$5M	$5M	Unlimited
Confidence Level	20% Surplus Load	90th Percentile	N/A
2027 PEPM[1]	$21.55	$52.89	$39.01
2027 Annual Premium[1]	**$1,131,428**	**$2,776,646**	**$2,048,125**

Enrollment as of Feburary 2026 from Anthem - 4,317 subscribers

	CWF (Captive)		PartnerRe (Retail)
Specific Deductible	**$1,750,000**	**$1,750,000**	**$1,750,000**
Captive Maximum Liability	$5M	$5M	Unlimited
Confidence Level	20% Surplus Load	90th Percentile	N/A
2027 PEPM[1]	$12.59	$35.27	Did Not Quote
2027 Annual Premium[1]	**$661,106**	**$1,851,701**	**N/A**

Enrollment as of Feburary 2026 from Anthem - 4,317 subscribers

	CWF (Captive)		PartnerRe (Retail)
Specific Deductible	**$2,000,000**	**$2,000,000**	**$2,000,000**
Captive Maximum Liability	$5M	$5M	Unlimited
Confidence Level	20% Surplus Load	90th Percentile	N/A
2027 PEPM[1]	$8.88	$24.69	$24.50
2027 Annual Premium[1]	**$466,095**	**$1,296,251**	**$1,286,056**

[1] 2027 captive stop loss rates are illustrative assuming a 15% increase to 2026 quoted rates. 2027 Retail stop loss rate are illustrative assuming a 30% increase to 2026 quoted rates. 2027 Premiums shown do not represent actual costs.

Enrollment as of April 2026 from Anthem - 4,375 subscribers

ACWA JPIA
Pricing for 2027 Anthem PPO Medical Plans
July 29, 2026

BACKGROUND
Employee Benefits plans renew on January 1, 2027. The Anthem PPO medical plans are self-funded.

CURRENT SITUATION
The eight-year rate history of the self-funded Anthem PPO medical plans as compared to CalPERS are as follows:

Plan Year	ACWA JPIA PPO Plans	EB Committee Approved	CalPERS (Statewide) Platinum PPO	CalPERS (Statewide) Gold PPO
PY2020	3.22%	0%	6.45%	0%
PY2021	1.05%	0%	12.32%	7.14%
PY2022	2.07%	-5%	-14.85%	23.32%
PY2023	-3.74%	-10%	14.48%	17.79%
PY2024	-5.97%	12%	12.18%	12.17%
PY2025	32.80%	10%	9.82%	9.82%
PY2026	15.10%	10%	13.24%	10.56%
PY2027	20.10%	12%*	6.50%	8.44%
AVERAGE	**8.08%**	**2.43%**	**7.52%**	**11.16%**

**Recommended*

The 15% reduction in contributions over the 2022 and 2023 plan years was intended to return excess funds collected during the pandemic to members. As medical inflation continued to rise, in 2025 and 2026, 10% rate increases were approved.

For 2027, Alliant's underwriting projection initially called for a 20.1% increase in contributions, based on claims through April 2026 and projected 2027 expenses.

Historically, staff has recommended an incremental funding strategy that utilizes a combination of annual rate increases and targeted subsidization from the Reserve Fund to cover projected expenses. Below is a history of Reserve Fund subsidies over the past eight years:

Year	PPO Revenue	PPO Costs	Subsidy
2019	$ 82,584,199	$ 70,096,854	$ +12,451,345
2020	$ 84,173,190	$ 67,519,170	$ +16,654,020
2021	$ 86,397,809	$ 76,807,934	$ + 9,589,875
2022	$ 70,773,002	$ 79,376,866	$ - 8,603,864
2023	$ 69,029,580	$ 78,432,691	$ - 9,403,111
2024	$ 82,165,558	$ 106,181,667	$ - 24,016,109
2025	$ 95,616,242	$ 105,098,081	$ - 9,481,840
2026*	$101,676,984	$96,904,399	$ +4,772,585

**Annualized projection-based January – April 2026 claims*

As of April 30, 2026, the reserve fund balance is $53.3 million.

As part of the 2027 Anthem PPO renewal process, staff evaluated two strategic enhancements to the renewal recommendation. The first is the implementation of Anthem Total Health Complete (ATHC) to further enhance the member healthcare experience through expanded navigation and advocacy services. The second is the implementation of specific stop-loss coverage through the California Water Insurance Fund (CWIF) to strengthen the program's long-term financing strategy by protecting against catastrophic claims while retaining underwriting profits and investment earnings within the captive. The following options reflect these progressively enhanced approaches:

Option 1: Anthem PPO Renewal – Status Quo
Provides for the renewal of the Anthem PPO program with no additional program enhancements.

Option 2: Anthem PPO Renewal with Enhanced Healthcare Navigation
Provides for the renewal of the Anthem PPO program and implementation of Anthem Total Health Complete (ATHC). Following the implementation of Anthem Health Guide in 2024, staff continued to evaluate enhanced healthcare navigation solutions that expand member support services, improve integration with the Anthem PPO plans, and encourage more informed, cost-effective healthcare decisions. ATHC represents the next phase of that strategy by providing more comprehensive member advocacy and care coordination.

Option 3 – Anthem PPO Renewal with ATHC & CWIF Stop Loss
Provides for the renewal of the Anthem PPO program, implementation of ATHC, and implementation of specific stop-loss coverage through CWIF. Building upon the enhanced healthcare navigation services described in Option 2, this option combines improved member advocacy and care coordination with a long-term financing strategy designed to strengthen the program's financial stability. Based on an evaluation of historical claim experience, commercial stop-loss alternatives, and actuarial pricing, the proposed $2 million specific attachment point with a $5 million annual aggregate limit will protect the program against infrequent, high-cost claims while retaining underwriting

profits and investment earnings within the captive when losses remain below the attachment point. This approach is consistent with the Committee's long-term objective of utilizing CWIF where it provides greater long-term value than the commercial insurance market.

Funding Projections
Funding projections have been developed for each of the three renewal options using a common funding methodology that includes continued use of surplus reserve funds (i.e., funds in excess of the $39 million target reserve) to support long-standing strategy of promoting stable member rates. Each of the attached options is illustrated using a 12% rate increase to provide a consistent basis for comparison.

The funding projections reflect the annualized cost of each option, with the differences attributable to the proposed program enhancements. Option 1 reflects renewal of the Anthem PPO program with no additional enhancements. Option 2 incorporates implementation of ATHC to enhance member navigation and advocacy services. Option 3 includes both ATHC and specific stop-loss coverage through CWIF with a $2 million specific attachment point and $5 million annual aggregate limit.

The three options reflect progressively enhanced approaches to the 2027 Anthem PPO renewal. Following evaluations, staff concluded that Option 3 best aligns with the Committee's long-term strategic objectives. Accordingly, staff recommends Option 3, funded through a 12% rate increase supplemented by the continued use of surplus reserve funds to offset a portion of projected costs, thereby supporting the JPIA's long-standing strategy of promoting stable, predictable member rates.

RECOMMENDATION
That the Employee Benefits Program Committee recommend that the Executive Committee approve an aggregate **increase of 12%** for the Anthem self-funded PPO medical plans, including funding for the purchase of Anthem Total Health Complete navigator services and Stop Loss coverage through CWIF with a $2M specific attachment point and a $5M aggregate policy cost cap, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 20, 2026

ACWA JPIA
2027 PPO Renewal
July 29, 2026

Option 1: Anthem PPO Renewal – Status Quo

**Proposed Rates at June 16, 2026 Meeting*

CLASSIC PPO REGION	ENROLL TOTAL	2027 STANDARD RATES EE	EE+1	FAM	2027 INCENTIVE RATES EE	EE+1	FAM	2027 PREMIUMS	2026 CHANGE	CalPERS 2027 rate comparison PLATINUM EE	CP 2027 Projected	JPIA Standard	JPIA Incentive
Los Angeles	614	$ 1,094.55	$ 2,189.10	$ 2,900.56	$ 1,050.77	$ 2,101.54	$ 2,784.54	$ 14,948,769	12%	1,549.00	8.2%	-42%	-47%
Other South	1,474	$ 1,161.04	$ 2,322.08	$ 3,076.76	$ 1,114.60	$ 2,229.20	$ 2,953.69	$ 37,266,940	12%	1,538.57	7.9%	-33%	-38%
Sacramento	290	$ 1,272.78	$ 2,545.56	$ 3,372.87	$ 1,221.87	$ 2,443.74	$ 3,237.96	$ 8,837,327	12%	1,778.62	6.5%	-40%	-46%
Other North	452	$ 1,278.80	$ 2,557.60	$ 3,388.82	$ 1,227.65	$ 2,455.30	$ 3,253.27	$ 12,942,434	12%	1,778.62	6.5%	-39%	-45%
Bay Area	364	$ 1,330.55	$ 2,661.10	$ 3,525.96	$ 1,277.33	$ 2,554.66	$ 3,384.92	$ 9,794,936	12%	1,778.62	6.5%	-34%	-39%
ADVANTAGE										**PLATINUM**			
Los Angeles	65	$ 963.19	1,926.38	2,552.45	$ 924.66	1,849.32	2,450.35	$ 1,311,538	12%	1,549.00	8.2%	-61%	-68%
Other South	136	$ 1,021.72	2,043.44	2,707.56	$ 980.85	1,961.70	2,599.25	$ 3,179,476	12%	1,538.57	7.9%	-51%	-57%
Sacramento	68	$ 1,120.03	2,240.06	2,968.08	$ 1,075.23	2,150.46	2,849.36	$ 1,406,105	12%	1,778.62	6.5%	-59%	-65%
Other North	129	$ 1,125.35	2,250.70	2,982.18	$ 1,080.34	2,160.68	2,862.90	$ 3,326,688	12%	1,778.62	6.5%	-58%	-65%
Bay Area	13	$ 1,170.89	2,341.78	3,102.86	$ 1,124.05	2,248.10	2,978.73	$ 351,913	12%	1,778.62	6.5%	-52%	-58%
CDHP										**GOLD**			
Los Angeles	87	$ 875.63	1,751.26	2,320.42	$ 840.60	1,681.20	2,227.59	$ 1,986,557	12%	1,014.50	5.7%	-16%	-21%
Other South	184	$ 928.83	1,857.66	2,461.40	$ 891.68	1,783.36	2,362.95	$ 4,033,597	12%	1,010.12	5.6%	-9%	-13%
Sacramento	160	$ 1,018.21	2,036.42	2,698.26	$ 977.48	1,954.96	2,590.32	$ 4,022,135	12%	1,120.58	8.4%	-10%	-15%
Other North	183	$ 1,023.04	2,046.08	2,711.06	$ 982.12	1,964.24	2,602.62	$ 3,930,221	12%	1,120.58	8.4%	-10%	-14%
Bay Area	44	$ 1,064.46	2,128.92	2,820.82	$ 1,021.88	2,043.76	2,707.98	$ 1,125,807	12%	1,120.58	8.4%	-5%	-10%

PEPM = Per Employee Per Month
EE = Employee
Premiums Annualized based on 4/1/2026 enrollment
Rates include JPIA Administrative Fees

Aggregate Increase	**9%**
Annual Premiums	$ 108,464,444
Investment Income	**$ 2,665,000**
Total Funding	**$ 111,129,444**
Funding PEPM	$ 2,172.36
Projected Total Plan Cost PEPM	$ 2,279.07
Projected Plan Cost	**$ 116,588,276**
Projected $$ Out of Reserve	**$ (5,458,832)**

ACWA JPIA
2027 PPO Renewal
July 29, 2026

Option 2: Anthem PPO Renewal – ATHC

**Proposed Rates at June 16, 2026 Meeting*

CLASSIC PPO REGION	ENROLL TOTAL	2027 STANDARD RATES EE	EE+1	FAM	2027 INCENTIVE RATES EE	EE+1	FAM	2027 PREMIUMS	2026 CHANGE	CalPERS 2027 rate comparison PLATINUM EE	CP 2027 Projected	JPIA Standard	JPIA Incentive
Los Angeles	614	$ 1,094.55	$ 2,189.10	$ 2,900.56	$ 1,050.77	$ 2,101.54	$ 2,784.54	$ 14,948,769	12%	1,549.00	8.2%	-42%	-47%
Other South	1,474	$ 1,161.04	$ 2,322.08	$ 3,076.76	$ 1,114.60	$ 2,229.20	$ 2,953.69	$ 37,266,940	12%	1,538.57	7.9%	-33%	-38%
Sacramento	290	$ 1,272.78	$ 2,545.56	$ 3,372.87	$ 1,221.87	$ 2,443.74	$ 3,237.96	$ 8,837,327	12%	1,778.62	6.5%	-40%	-46%
Other North	452	$ 1,278.80	$ 2,557.60	$ 3,388.82	$ 1,227.65	$ 2,455.30	$ 3,253.27	$ 12,942,434	12%	1,778.62	6.5%	-39%	-45%
Bay Area	364	$ 1,330.55	$ 2,661.10	$ 3,525.96	$ 1,277.33	$ 2,554.66	$ 3,384.92	$ 9,794,936	12%	1,778.62	6.5%	-34%	-39%
ADVANTAGE										**PLATINUM**			
Los Angeles	65	$ 963.19	1,926.38	2,552.45	$ 924.66	1,849.32	2,450.35	$ 1,311,538	12%	1,549.00	8.2%	-61%	-68%
Other South	136	$ 1,021.72	2,043.44	2,707.56	$ 980.85	1,961.70	2,599.25	$ 3,179,476	12%	1,538.57	7.9%	-51%	-57%
Sacramento	68	$ 1,120.03	2,240.06	2,968.08	$ 1,075.23	2,150.46	2,849.36	$ 1,406,105	12%	1,778.62	6.5%	-59%	-65%
Other North	129	$ 1,125.35	2,250.70	2,982.18	$ 1,080.34	2,160.68	2,862.90	$ 3,326,688	12%	1,778.62	6.5%	-58%	-65%
Bay Area	13	$ 1,170.89	2,341.78	3,102.86	$ 1,124.05	2,248.10	2,978.73	$ 351,913	12%	1,778.62	6.5%	-52%	-58%
CDHP										**GOLD**			
Los Angeles	87	$ 875.63	1,751.26	2,320.42	$ 840.60	1,681.20	2,227.59	$ 1,986,557	12%	1,014.50	5.7%	-16%	-21%
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PEPM = Per Employee Per Month
EE = Employee
Premiums Annualized based on 4/1/2026 enrollment
Rates include JPIA Administrative Fees

Aggregate Increase	**9%**
Annual Premiums	$ 108,464,444
Investment Income	**$ 2,665,000**
Total Funding	**$ 111,129,444**
Funding PEPM	$ 2,172.36
Projected Total Plan Cost PEPM	$ 2,287.13
Projected Plan Cost	**$ 117,000,593**
Projected $$ Out of Reserve	**$ (5,871,149)**

ACWA JPIA
2027 PPO Renewal
July 29, 2026

Option 3: Anthem PPO Renewal – ATHC & CWIF

**Proposed Rates at June 16, 2026 Meeting*

CLASSIC PPO REGION	ENROLL TOTAL	2027 STANDARD RATES EE	EE+1	FAM	2027 INCENTIVE RATES EE	EE+1	FAM	2027 PREMIUMS	2026 CHANGE	CalPERS 2027 rate comparison PLATINUM EE	CP 2027 Projected	JPIA Standard	JPIA Incentive
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ADVANTAGE										**PLATINUM**			
Los Angeles	65	$ 963.19	1,926.38	2,552.45	$ 924.66	1,849.32	2,450.35	$ 1,311,538	12%	1,549.00	8.2%	-61%	-68%
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CDHP										**GOLD**			
Los Angeles	87	$ 875.63	1,751.26	2,320.42	$ 840.60	1,681.20	2,227.59	$ 1,986,557	12%	1,014.50	5.7%	-16%	-21%
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PEPM = Per Employee Per Month
EE = Employee
Premiums Annualized based on 4/1/2026 enrollment
Rates include JPIA Administrative Fees

Aggregate Increase	**9%**
Annual Premiums	$ 108,464,444
Investment Income	**$ 2,665,000**
Total Funding	**$ 111,129,444**
Funding PEPM	$ 2,172.36
Projected Total Plan Cost PEPM	$ 2,311.82
Projected Plan Cost	**$ 118,263,635**
Projected $$ Out of Reserve	**$ (7,134,191)**

ACWA JPIA
Pricing and Plan Options for 2027 Delta Dental Plans
July 29, 2026

BACKGROUND
ACWA JPIA dental plans renew on January 1, 2027. Historic rate and enrollment information are included below.

CURRENT SITUATION
Delta Dental PPO plans are self-funded and continue to perform well. As of May 31, 2026, the dental plan reserve balance is approximately $12 million.

Dental Renewal & Enrollment History				
Year	**Employees**	**Alliant Funding Analysis**	**JPIA Final Funding**	**Dental HMO**
2022	8040	-2.38%	0%	0%
2023	7783	-2.79%	0%	0%
2024	7860	-0.71%	0%	0%
2025	7860	-1.22%	0%	0%
2026	8195	6.50%	3%	0%
2027	8321	7.1%	0%*	0%*
Average	**8009**	**1.08%**	**.50%**	**0.00%**

**Recommended*

History of Plan Enhancements

Historically, ACWA JPIA's Delta PPO plans have demonstrated strong financial performance, consistently generating surplus funds. In prior years, this favorable experience led Alliant to recommend modest rate reductions. However, rather than reducing rates, JPIA has strategically elected to reinvest these surpluses into meaningful plan enhancements while maintaining rate stability.

Recent enhancements to the Delta PPO program include:

- **2026** – Introduction of three new 80% UCR out-of-network reimbursement plan options
- **2025** – Addition of a third annual cleaning, along with a waiver of the diagnostic and preventive maximum across all plans
- **2024** – Introduction of three new plan options with increased annual maximum benefits of $3,000
- **2022** – Increase of diagnostic and preventive coverage to 100% across all plans

Following several years of meaningful plan enhancements, staff believe it is appropriate to maintain the current plan design for the 2027 plan year. This will provide an opportunity to assess the long-term utilization and cost impacts of recent enhancements before considering additional benefit changes. Assuming no changes to plan design, dental claims are projected to increase by approximately 4% for the 2027 plan year.

Staff are also evaluating ancillary services that may further enhance the value of the dental program, including Jet Dental's onsite preventive care services and Delta Dental's Next Stage Women's Health program. Because these services can be implemented at any time during the plan year, they are not required to coincide with the annual renewal. Staff will continue to evaluate these offerings and, if appropriate, provide additional information and recommendations to members following completion of the evaluation process.

DeltaCare HMO

The fully insured DeltaCare HMO plan is in the second year of its three-year rate guarantee, which extends through December 31, 2028. As a result, no rate changes are proposed for the 2027 plan year, and staff recommend maintaining the current DeltaCare HMO rates.

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the Delta PPO and DeltaCare HMO plans with **no change** in rates, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 12, 2026

jetdental

YOUR NEXT ON-SITE SERVICE

Why Jet Dental?

01 A Benefit Your Company Already Offers

At Jet Dental, we bring the dentist to your workplace. Jet Dental bills insurance directly! We are in-network with every major insurance carrier in the country, we simply bill the insurance you already offer. Procedures typically covered include a comprehensive exam, x-rays, and cleaning.

02 Convenience

Over 380 million hours of school or work are lost each year from people visiting the dentist. With our convenient on-site setup, your employees can get their preventive work done in an average of 1 hour.

03 Improve Your Employees Health

Recent surveys indicate that only 30% of Adult Americans are visiting the dentist annually and about half have gum disease. People with gum disease are twice as likely to die from a heart attack and three times as likely to suffer a stroke. The people who sign up for our service are the ones who need it most:

80% of the employees we see have not been to the dentist in over two years.

7/10 employees have cavities.

Marriott dish GE Healthcare PETSMART

By making it convenient we enable your employees to actually use their benefits. Poor oral health has been linked to serious medical problems including hypertension, diabetes, oral cancers, kidney failures, and heart disease. With proper treatment planning, we can improve your employees' health and give them a more confident smile.

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JetDental.com

801.430.9262

sales@jetdental.com

What is Next Stage™ Women's Health?

A first-of-its kind program dedicated to improving outcomes and enhancing women's well-being with tailored benefits and comprehensive support for women in pregnancy and menopause.

- Enhanced dental benefits
- Access to preferred partnerships on specialty products
- Virtual health visits with specialized care for women experiencing menopausal symptoms including prescription management

Learn more at **www1.deltadentalins.com/members/next-stage-womens-health.html**.

DELTA DENTAL®

Next Stage™ Women's Health

Extra care during pregnancy and menopause with enhanced dental benefits, specialty telehealth care and curated partner products. The following oral health procedures are **covered at 100%** each group plan year:

Codes	Procedures	Enhanced coverage
D0120	Oral exams	2 additional per year (up to 4 total exams)
D1110	Teeth cleaning (prophylaxis)	Up to 4 per year, any combination
D4910	Periodontal (gum) maintenance procedure	
D4346	Scaling in presence of moderate to severe gingival inflammation	
D0270, D0272, D0273, D0274, D0277	Additional bitewing X-rays	1 additional set per year
D1206, 1208	Topical application of fluoride (adults)	2 per year, regardless of age

Learn about eligibility and more at **www1.deltadentalins.com/members/next-stage-womens-health.html**.

ACWA JPIA
Pricing and Plan Enhancements for 2027 Vision Service Plans
July 29, 2026

BACKGROUND

ACWA JPIA vision plans renew on January 1, 2027. Vision Service Plan (VSP) plans have been self-funded since 2015. Historic rate and enrollment information is included below.

CURRENT SITUATION

The self-funded vision plans have continued to perform favorably, maintaining a strong financial position while providing members with stable rates and enhanced benefits. Over the past decade, favorable claims experience has allowed JPIA to reinvest reserve funding into meaningful plan enhancements, including increased contact lens allowances, enhanced progressive lens benefits, and improved anti-reflective lens coatings. Member contribution rates have remained unchanged since 2015. As of May 31, 2026, the Vision Program reserve balance was approximately $3 million.

Vision Renewal & Enrollment History				
Year	Employees	Alliant Funding Analysis	JPIA Final Funding	Enhancement
2023	7982	-8.3%	0%	N/A
2024	8113	2.5%	0%	Two plans added with safety glasses
2025	8113	2.9%	0%	N/A
2026	8118	2.53%	0%	Lens & frame allowance increased to $150*
2027	8442	3.38%	0%*	N/A
Average	**8094**	**-0.2%**	**0.0%**	

**Recommended*

Following years of meaningful plan enhancements, staff believe it is appropriate to maintain the current plan design for the 2027 plan year. This will provide an opportunity to assess the long-term utilization and cost impacts of recent enhancements before considering additional benefit changes. Assuming no changes to plan design, vision claims are projected to increase by approximately 2.5% for the 2027 plan year.

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the VSP plans with **no change** in rates, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 14, 2026

ACWA JPIA
Pricing and Plan Enhancements for 2027
The Standard Life and Disability Plans
July 29, 2026

BACKGROUND
ACWA JPIA life and disability plans renew on January 1, 2027. The Standard has provided flat or reduced rates for many years, with the current rate-guaranteed term in effect through December 31, 2028.

CURRENT SITUATION
As previously reported to the Committee, staff evaluated competitive market alternatives for the JPIA's life and disability insurance program, including a proposal from an alternate provider, Ochs. Following a comprehensive review, staff negotiated a significantly enhanced renewal with the incumbent carrier, The Standard.

The negotiated proposal modernizes the voluntary life insurance program by increasing the employee Guaranteed Issue (GI) amount to $150,000, increasing spouse GI coverage to $50,000 (up to 100% of the employee's elected amount, subject to plan limits), offering employees a choice of $5,000 or $10,000 in child voluntary life coverage, and, most notably, providing a one-time Special Open Enrollment effective January 1, 2027. During this enrollment period, eligible employees may enroll in or increase voluntary life coverage up to the GI amount without providing Evidence of Insurability.

These enhancements are accompanied by a 15% increase to employee and spouse voluntary life insurance rates only. Because voluntary life coverage is optional and employee-paid, the increase applies only to employees who elect this benefit and does not affect employer-paid basic life or disability coverage. The Standard has guaranteed these voluntary life rates through December 31, 2028.

RECOMMENDATION
That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal of the Life and Disability Insurance Program with The Standard, including the negotiated enhancements to the voluntary life insurance program, a **15% increase** to employee and spouse voluntary life insurance rates only, and **no change** to employer-paid basic life insurance, short-term disability, and long-term disability rates, effective January 1, 2027.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 16, 2026

ACWA JPIA
Wellness Grant Update
July 29, 2026

BACKGROUND
In 2015, ACWA JPIA established its Wellness Grant Program through generous annual funding from Anthem Blue Cross. Now in its eleventh year, this program allows members 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 the number of eligible employees. Anthem increased annual funding for the program from $75,000 to $100,000 in 2023 and to $200,000 in 2024.

CURRENT SITUATION
This year, JPIA is proud to announce that **75** members were awarded Wellness Grants. Those members are listed on the following page.

With additional funding from Anthem, JPIA offers Wellhub (formerly Gympass) to employees enrolled in an Anthem medical plan. Wellhub offers multiple membership plans that allow eligible employees to join gyms, fitness studios, and fitness classes in their area or virtually. The gym and fitness options available depend on the membership level the employee chooses. ACWA JPIA is paying the member/employer administrative fees. Eligible employees who wish to join will pay their monthly membership costs directly to Wellhub after signing up.

RECOMMENDATION
None, information only.

Prepared by: Michele Dye, Employee Benefits Specialist Date prepared: July 20, 2026

2026-27 Employee Benefits Program Wellness Grant Award Winners

Amador Water Agency
Browns Valley Irrigation District
Byron Bethany Irrigation District
Carpinteria Valley Water District
Chino Basin Water Conservation District
City of Tehachapi
Coastside County Water District
Cucamonga Valley Water District
Desert Water Agency
Diablo Water District
El Toro Water District
Elsinore Valley Municipal Water District
Exeter Irrigation District
Fair Oaks Water District
Fallbrook Public Utility District
Firebaugh Canal Water District
Florin Resource Conservation District/Elk Grove Water District
Foothill Municipal Water District
Glenn-Colusa Irrigation District
Grassland Basin Authority
Helix Water District
Humboldt Bay Municipal Water District
Indian Wells Valley Water District
Joshua Basin Water District
Kern County Water Agency
La Puente Valley County Water District
Laguna Beach County Water District
Las Virgenes Municipal Water District
Madera Irrigation District
Main San Gabriel Basin Watermaster
Marina Coast Water District
McKinleyville Community Services District
Mid-Peninsula Water District
Mission Springs Water District
Montara Water & Sanitary District
Montecito Water District
Municipal Water District of Orange County
North Coast County Water District
North Kern Water Storage District
Olivenhain Municipal Water District
Orange County Water District
Orchard Dale Water District
Pajaro/Sunny Mesa Community Services District
Palmdale Water District
Pico Water District
Ramona Municipal Water District
Rancho California Water District
Rosedale-Rio Bravo Water Storage District
Rowland Water District
San Bernardino Valley Municipal Water District
San Bernardino Valley Water Conservation District
San Luis & Delta-Mendota Water Authority
Santa Ana Watershed Project Authority
Santa Margarita Water District
Solano Irrigation District
South Coast Water District
South San Joaquin Irrigation District
South Tahoe Public Utility District
Stockton East Water District
Three Valleys Municipal Water District
Tri-Dam Project
Tri-District Water Authority
Tulare Lake Basin Water Storage District
Upper San Gabriel Valley Municipal Water District
Vallecitos Water District
Vista Irrigation District
Walnut Valley Water District
Water Replenishment District
West Basin Municipal Water District
West Valley Water District
Western Canal Water District
Western Municipal Water District
Westside Water Authority
Yorba Linda Water District
Yuba Water Agency

ACWA JPIA
Employee Benefits Department Update
July 29, 2026

BACKGROUND
This is a standing item on Committee agendas.

CURRENT SITUATION
Jennifer Jobe, Deputy Executive Officer, will provide the Employee Benefits Program Committee with an overview of relevant current matters, issues, and opportunities.

RECOMMENDATION
None, information only.

Prepared by: Jennifer Jobe, Deputy Executive Officer Date prepared: July 12, 2026

ACWA JPIA MEETINGS CALENDAR – 2026

Meeting Dates	Board of Directors	Executive	Personnel	Finance & Audit	Programs				Risk Mgmt	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
Jan 16		8:00 AM*								
Jan 21			3:00 PM							
Jan 22		10:30 AM							8:00 AM	
Feb 11							11:00 AM*			
February 19-20 Strategic Planning Session - San Diego										
March 1-4 AGRiP Governance Conference - Nashville										
March 8-10 CICA Conference - Palm Desert										
Mar 26				1:00 PM			3:00 PM			
Mar 27		8:00 AM								
April 27		4:00 PM*								
April 30					9:00 AM*					
May 4-7 ACWA JPIA Spring Membership Summit and ACWA Conference - Sacramento										
May 4	2:00 PM					8:15 AM				
May 29										9:00 AM (Utah)
June 3			10:00 AM *							
June 25								3:00 PM		
June 26		8:00 AM								10:30 AM
July 29		3:00 PM			1:00 PM					
September 15-18 CAJPA Annual Conference – South Lake Tahoe										
Sept 11			9:00 AM *							
Sept 24				1:00 PM		3:00 PM	10:00 AM			
Sept 25		8:00 AM								11:00 AM
Oct 22		10:00 AM*								
November 30-December 3 ACWA JPIA Fall membership Summit and ACWA Fall Conference - Anaheim										
Nov 30	2:00 PM									8:00 AM

*Virtual Meeting

Date Prepared: 4/17/2026 9:33 AM

**Dates and times subject to change

Hybrid Meeting Participation Guidelines

For Remote Meeting Participants

Remember to mute yourself until you are ready to speak.

If you have a question or comment, raise your hand in Zoom.

To raise or lower your hand:

1. For PC users:
    a. Press ‘Alt-Y’ on your keyboard
    b. Or go to ‘Reactions’ on your Zoom screen
2. For IPAD users, go to ‘More’.
3. For telephone (audio only) users, press * then 9.

For In-House Meeting Participants

Remember to use your microphone when speaking.

- Remote participants will not hear you if you don’t.
- Before speaking, check that your mic is unmuted (green light).

For in-house participants that do not have a microphone, please wait for the mic runner before speaking.