

Employee Benefits Program Committee Meeting



YOUR BEST PROTECTION

Paradise Point Resort & Spa
1404 Vacation Road
San Diego, CA 92109

Tuesday
July 15, 2025
10:30 a.m.

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

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

Stephanie Dosier, Orange County Water District

Karen Gish, Amador Water Agency

Roberta Perez, Cucamonga Valley Water District

Patrick H. Sanchez, Vista Irrigation District

Laures Stiles, San Luis & Delta-Mendota Water Authority



EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING

AGENDA

Paradise Point Resort & Spa
1404 Vacation Road
San Diego, CA 92109

Tuesday, July 15, 2025 – 10:30 a.m.

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.

EVACUATION PROCEDURES

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

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

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IV. UPCOMING MEETING

Rupp

- * A. There are no additional meetings scheduled for the remainder of the year

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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 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)

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



Unapproved Minutes

**EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING
(VIRTUAL)**

ACWA JPIA
2100 Professional Drive
Roseville, CA 95661

April 30, 2025

MEMBERS PRESENT

Chair: J. Bruce Rupp, Humboldt Bay Municipal Water District
Vice-Chair: Szu Pei Lu-Yang, Rowland Water District
Stephanie Dosier, Orange County Water District
Karen Gish, Amador Water Agency
Brent Hastey, Reclamation District 784
Roberta Perez, Cucamonga Valley Water District
Patrick Sanchez, Vista Irrigation District
Anjanette Shadley, Wester Canal Water District
Laures Stiles, San Luis & Delta-Mendota Water Authority

MEMBERS ABSENT

None.

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
Robert Greenfield, General Counsel
Ben Hayden, Lead Benefits Analyst
Jennifer Jobe, Director of Pooled Programs
Erik Kowalewski, Information Technology Manager
Jackie Rech, Employee Benefits Specialist
Elisa Sabatini, Director of Member Outreach
Olivia Sayad, Administrative Assistant II
Jillian Sciancalepore, Administrative Assistant III (*Recording Secretary*)
Dan Steele, Finance Manager
Michelle Stites, Benefits Administrator II
Tony Waterford, Human Resources Manager

OTHERS IN ATTENDANCE

Ernie Avila, Contra Costa Water District
Melody McDonald, San Bernardino Valley Water Conservation District

Kim Miller, Alliant Insurance Services, Inc.
Scott Ratterman, Calaveras County Water District
Randall Reed, Cucamonga Valley Water District
Tom Sher, Benefits Consultant/Senior Vice President, Alliant Insurance Services, Inc.
David Wheaton, Citrus Heights Water District

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

Chair Rupp welcomed everyone in attendance, with a special welcome to the Committee's newest member, Patrick Sanchez, and called the meeting to order at 9:01 a.m. He announced there was a quorum. He requested the Employee Benefits Program Committee and staff to introduce themselves.

PLEDGE OF ALLEGIANCE

Chair Rupp led the Pledge of Allegiance.

ANNOUNCEMENT OF RECORDING OF MEETING

Chair Rupp 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 Rupp noted that, as the agenda stated, members of the public would be allowed to address the Employee Benefits Program Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcome. None were noted.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

I. CONSENT AGENDA

Chair Rupp called for approval of the Consent Agenda:

M/S/C (Hastey/Dosier) (Stiles-Yes; Shadley-Yes; Sanchez-Yes; Perez-Yes; Hastey-Yes; Gish-Yes; Dosier-Yes; Lu-Yang-Yes; Rupp-Yes): That the Employee Benefits Program Committee approve the minutes of the July 31, 2024, meeting, as presented.

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 (9,453) 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 20,488, drawing special attention to both the self-funded Anthem PPO and CDHP medical plans which contain about half of the number of lives in the Program.

Mr. Dedmon reported that during January and February both he and Ms. Jobe conducted an “EB Roadshow” visiting the top 14 districts by employee count. They received a significant amount of positive feedback regarding JPIA customer service during these visits. These visits allowed them to establish personal connections with member leadership and staff, and they had the opportunity to present at two Board meetings including Orange County Water District and South Tahoe Public Utility District.

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 average cost of care during 2025 is going to be 8%, and some of the factors driving increases include chronic conditions, million-dollar claims, and prescription/specialty medication drug costs, coupled with inflation. He reviewed that Medicare Advantage plans experienced significant rate increases last year, largely due to the Inflation Reduction Act drastically improving the Medicare drug benefit for retirees, redirecting costs into increased premiums. Much discussion centered around weight loss medications (GLP-1) and how they are identified as a significant cost driver.

Stop Loss History and Philosophical Discussion

Ms. Beatty began the discussion by informing the Committee that JPIA has asked for quotes for 2026 at both \$1 million and \$1.5 million attachment points, which will be presented at the July 15, 2025, Committee meeting.

Ms. Beatty shared that JPIA regularly evaluates whether to purchase stop-loss insurance 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 130% 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, confident that its financial reserves could absorb annual fluctuations and that this approach would 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 four claims exceeding \$2 million and another over \$1 million, totaling approximately \$14.1 million. Had stop-loss coverage with a \$750,000

attachment point been in place, around \$9.7 million of these costs would have been transferred to the stop loss carrier, resulting in a net cost transfer of about \$6.4 million after accounting for estimated premiums. Excluding a single \$6 million claim, the net savings would have been roughly \$1.4 million with approximately \$4.7 million transferred to the stop loss carrier. Ms. Beatty made specific note that of these four high-cost claimants, two of them potentially could have additional high-cost claims in the future, whereas the other two will not.

Moving forward, assuming 2024 is a true anomaly, Alliant has provided JPIA with an estimate of 17.6% (weighing 2023 at 70% and 2024 at only 30%). Further discussion centered on both practical options for future stop-loss coverage and strategic considerations, such as the JPIA's reserve position, historical claims experience, and the overall cost-benefit of maintaining such coverage, along with CWIF's potential role in the process, to determine if it aligns with JPIA's long-term goals.

Mr. Sher discussed stop loss insurance 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.

Lastly, Ms. Beatty informed the Committee that staff has initiated the process of engaging with an outside auditor, an independent third party, to ensure that Anthem is properly adjusting claims.

Reserve Balance and Rating Strategy

Ms. Beatty reviewed with the Committee that JPIA manages an excess Reserve Fund for its self-funded medical, dental, and vision programs, with the Fund balance fluctuating based on the difference between expenses and collected contributions. Between 2014 and 2016, expenses outpaced revenues, causing the Fund balance to drop by nearly \$11.5 million as reserves were used to cover shortfalls. This trend reversed starting in 2017, and over the next five years, the Fund grew by about \$54.5 million, even with rates held steady from 2019 to 2021, with the largest increase occurring in 2020. However, in 2022 and 2023, rising medical usage and costs led expenses to again exceed contributions. To address this, the Committee approved rate decreases of 5% and 10% for these years, intentionally drawing from the Fund, which had grown well beyond its target. In April 2023, the target Fund balance was raised from \$19.2 million to \$34 million, reflecting a 99% confidence level and accounting for both claim fluctuation and incurred but not reported (IBNR) claims.

Ms. Beatty informed the Committee that as of February 28, 2025, the Fund stands at approximately \$58.3 million, significantly above the new target. The Committee's strategy is to gradually use the excess to subsidize future rates, aiming to maintain the Fund at the target level and ensure stability against rising medical costs and potential future catastrophic events. She also presented a forecasting spreadsheet showing impacts of different rate increases and how a portion of CWIF's potential \$22 million dividend back to the JPIA could be utilized by the Program.

Further discussion centered around the challenging impact rate changes have on smaller districts, inquiry regarding the historical subsidization of approved rates, and note to the Program's exceptional rate history.

Review of 2024 Utilization

Regarding Anthem PPO utilization, Mr. Dedmon informed the Committee that the high-cost claimant trend increased 116.4%, however, this was heavily driven by the six catastrophic cases. Removing those high-cost claimants shows an underlying trend down 1.4% indicating that the claims were anomalies.

Regarding Anthem CDHP utilization, Mr. Dedmon informed the Committee that members in this plan show 34% lower per-member costs compared to the commercial benchmark, therefore, saving the pool a significant amount of money.

Mr. Dedmon provided updates and engagement metrics regarding the Program's point solutions, which are targeted to specific conditions or needs, to provide better care for the user and overall cost savings to the plans. These point solutions include Carrum Health (surgical and oncology benefit), which showed low utilization but high value in preventing catastrophic claims; Hinge Health (physical therapy) which received positive member feedback during "EB Roadshow" visits; and Progyny (fertility, surrogacy, and adoption assistance) which has resulted in twelve successful births since mid-2023 implementation.

As part of VSP, Mr. Dedmon provided a spotlight on TruHearing, which allows the member and their dependents to have access to exclusive savings ranging from 30-60% off the retail price of prescription hearing aids. This benefit has been underutilized despite availability to employees, dependents, and household members.

Lastly, Mr. Dedmon provided a reminder that as of January 1, 2025, regarding Delta Dental PPO plans, Diagnostic and Preventative Care will not count against the maximum benefit, and a third annual cleaning is now covered.

2026 and Beyond: Plan Design

Mr. Dedmon reminded the Committee that with regard to CarelonRx (Pharmacy Benefit Manager) the mail order requirement was suspended for 2024, and as of January 1, 2025, has been reimplemented. Turnaround time has improved to 95.3% of prescriptions filled within one business day.

Additional plan improvements and future initiatives include a dental network enhancement project to improve rural coverage through better out-of-network reimbursements, development of wellness initiatives targeting obesity, cardio-metabolic health, and preventative care, along with continued tracking of point solution metrics and policy standards.

Review of the State of the Employee Benefits Program Presentation at the ACWA JPIA Spring Membership Summit

Mr. Dedmon previewed an upcoming State of Employee Benefits Program presentation, to be co-hosted with Tom Sher at the ACWA JPIA Spring Membership Summit in Monterey, CA, on May 12, 2025. The session will cover updates on the Pharmacy Benefit Manager, medical inflation and GLP1 coverage, UHC and Medicare Advantage plans, risk management, point solutions, policy requirements, and dental and wellness options for rural districts. The presentation will be tailored for a broader Summit audience and will include a dedicated Q&A session to address attendees' questions.

IV. STAFF UPDATES

Director of Pooled Programs Update

Ms. Jobe informed the Committee that the July 1, 2025, renewal date for Property, Workers' Compensation, and other ancillary programs is approaching. In addition, the Executive Committee previously approved hiring an additional Member Services Representative. Recruitment has just finished, and two job offers were extended – one to replace a retiring representative and the other as a plus one to the department. Lastly, recruitment is underway for a new Cybersecurity Risk Specialist to join the Member Services team.

V. UPCOMING MEETINGS

The Employee Benefits Program Committee is scheduled to meet next at Paradise Point Resort and Spa, San Diego on July 15, 2025, at 10:30 a.m.

The Employee Benefits Program Committee meeting adjourned at 11:07 a.m.

ACWA JPIA
Pricing for 2026 Anthem HMO Medical Plans
July 15, 2025

BACKGROUND

Employee Benefits plans renew January 1, 2026. Anthem HMO plans are fully-insured.

CURRENT SITUATION

Historic rates and current enrollment are included below. Anthem provided JPIA with renewal pricing that will result in a 5% increase in costs.

Plan Year	ACWA JPIA HMO Renewal	EB Committee Approved	Notes	CalPERs Blue Shield Access + HMO Statewide Renewal
PY 2020	5.64%	8.21%	EGWP costs and JPIA Admin fee increase "True up" for EGWP costs in 2019	13.91%
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%*	TBD		TBD
AVERAGE	5.26%	6.00%		3.45%

*Recommended

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 5%** for the Anthem HMO plans, effective January 1, 2026.

ACWA JPIA
2026 HMO Renewal
July 15, 2025

**Proposed Rates at June 17, 2025 Meeting*

CalPERS 2026 rate comparison													
CALCARE HMO REGION	ENROLL TOTAL	2026 STANDARD PREMIUMS			2026 INCENTIVE PREMIUMS			2026 ANNUAL PREMIUMS	2026 CHANGE	BS ACC+ EE	CP 2026 PROJ.	JPIA STD	JPIA INC
		EE	EE+1	FAM	EE	EE+1	FAM						
Los Angeles	163	\$ 1,096	\$ 2,191	\$ 2,904	\$ 1,052	\$ 2,104	\$ 2,787	4,075,712	5.00%	\$ 1,302	11.3%	-19%	-24%
Other South	677	\$ 1,182	\$ 2,364	\$ 3,132	\$ 1,135	\$ 2,269	\$ 3,007	18,224,623	5.00%	\$ 1,053	11.0%	11%	7%
Sacramento	95	\$ 1,453	\$ 2,907	\$ 3,852	\$ 1,395	\$ 2,791	\$ 3,697	2,899,629	5.00%	\$ 1,089	12.7%	25%	22%
Other North	76	\$ 1,466	\$ 2,932	\$ 3,885	\$ 1,407	\$ 2,815	\$ 3,730	2,472,330	5.00%	\$ 1,089	12.7%	26%	23%
Bay Area	18	\$ 1,537	\$ 3,074	\$ 4,074	\$ 1,476	\$ 2,951	\$ 3,911	597,486	5.00%	\$ 1,089	12.7%	29%	26%
1,029								\$ 28,269,780					
VALUE HMO										BS ACC+ EE	CP 2026 CHANGE	JPIA STD	JPIA INC
Los Angeles	5	\$ 1,009	\$ 2,018	\$ 2,674	\$ 969	\$ 1,938	\$ 2,567	151,310	5.00%	\$ 1,302	11.3%	-29%	-34%
Other South	24	\$ 1,088	\$ 2,177	\$ 2,884	\$ 1,045	\$ 2,090	\$ 2,769	702,566	5.00%	\$ 1,053	11.0%	3%	-1%
Sacramento	-	\$ 1,338	\$ 2,677	\$ 3,546	\$ 1,285	\$ 2,570	\$ 3,405	-	5.00%	\$ 1,089	12.7%	19%	15%
Other North	-	\$ 1,350	\$ 2,700	\$ 3,578	\$ 1,296	\$ 2,592	\$ 3,434	-	5.00%	\$ 1,089	12.7%	19%	16%
Bay Area	-	\$ 1,415	\$ 2,831	\$ 3,751	\$ 1,359	\$ 2,718	\$ 3,601	-	5.00%	\$ 1,089	12.7%	23%	20%
29								\$ 853,876					
1,058													
1,029													
Aggregate Increase								5.00%					

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

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

PEPM = Per Employee Per Month
EE = Employee
Premiums Annualized based on 6/1/2025 enrollment
Rates include JPIA Administrative Fees

Aggregate Increase	5.00%
Annual Premiums	\$ 29,123,656
Premiums PEPM	\$ 2,358.57
Projected Plan Cost PEPM	\$ 2,358.57
Projected Plan Cost	\$ 29,123,656
Potential Subsidy	\$ 0

ACWA JPIA
Pricing for 2026 Kaiser HMO Medical Plans
July 15, 2025

BACKGROUND

Employee Benefits plans renew January 1, 2026. The Kaiser plans are fully-insured, with rates set by Kaiser. Historically, Kaiser has provided different rates for Northern and Southern California. From 2019 through 2025, ACWA JPIA's Kaiser North and Kaiser South plans have been blended to provide rate stability across the regions. Beginning in 2026, Kaiser is now blending all of their rates across California.

CURRENT SITUATION

Historic rates are included in the following pages.

Kaiser provided JPIA with renewal pricing that will result in a **4.28%** increase in costs.

Renewal Year	Nor Cal Rate Action	So Cal Rate Action	Blended Rate
2019	21.79%	-2.28%	2.64%
2020	-5.00%	4.80%	2.24%
2021	5.12%	11.00%	8.84%
2022	4.18%	-16.64%	-1.79%
2023	13.46%	-5.03%	0.88%
2024	-6.65%	15.24%	9.87%
2025	12.26%	2.14%	5.46%
2026*	n/a	n/a	4.28%
Average	6.4%	1.32%	4.05%

*Recommended

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 4.28%** to Kaiser HMO rates, effective January 1, 2026.

ACWA JPIA
2026 Kaiser Renewal
July 15, 2025

**Proposed Rates at June 17, 2025 Meeting*

											CalPERS 2026 rate comparison				
REGION	PLAN NAME	ENROLL TOTAL	2026 STANDARD PREMIUMS			2026 INCENTIVE PREMIUMS			2026 ANNUAL PREMIUMS		2026 CHANGE	KAISER	CP 2026	JPIA	JPIA
			EE	EE+1	FAM	EE	EE+1	FAM				EE	Projected	Standard	Incentive
Los Angeles	HMO	376	\$ 847.48	\$ 1,694.96	\$ 2,355.99	\$ 813.58	\$ 1,627.16	\$ 2,261.75	\$ 7,625,135	20%	4.28%	\$ 969.05	5%	-19%	-24%
Other South	HMO	807	\$ 847.48	1694.96	2355.99	\$ 813.58	1627.16	2261.75	\$ 16,491,479	43%	4.28%	987.69	5%	-22%	-33%
All South	VALUE	10	\$ 774.64	1549.28	2153.50	\$ 743.65	1487.30	2067.35	\$ 192,480	1%	4.28%				
All South	OPTICAL	24	\$ 863.09	1726.18	2399.39	\$ 828.57	1657.14	2303.42	\$ 526,962	1%	4.28%				
All South	CDHP	125	\$ 613.21	1226.42	1704.72	\$ 588.68	1177.36	1636.53	\$ 1,964,589	5%	4.28%				
		1,343	17.00	2.00	2.78	0.04	2.00	2.78	\$ 26,827,785						
Sacramento	HMO	162	\$ 1,008.67	2017.34	2804.10	\$ 968.32	1936.64	2691.93	4,077,858	11%	4.28%	1,168.86	5%	-21%	-26%
Other North	HMO	36	\$ 1,008.67	2017.34	2804.10	\$ 968.32	1936.64	2691.93	845,489	2%	4.28%	1,168.86	5%	-21%	-26%
Bay Area	HMO	177	\$ 1,008.67	2017.34	2804.10	\$ 968.32	1936.64	2691.93	3,695,458	10%	4.28%	1,168.86	5%	-21%	-26%
All North	VALUE	5	\$ 932.48	1864.96	2592.29	\$ 895.18	1790.36	2488.60	64,453	0%	4.28%				
All North	OPTICAL	24	\$ 1,026.50	2053.00	2853.67	\$ 985.44	1970.88	2739.52	613,919	2%	4.28%				
All North	CDHP	58	\$ 772.28	1544.56	2146.94	\$ 741.39	1482.78	2061.06	1,078,722	3%	4.28%				
		512							\$ 11,274,573						
		1,855													
		1,827													

PEPM = Per Employee Per Month
 EE = Employee
 Premiums Annualized based on 6/1/2025 enrollment
 Rates include JPIA Administrative Fees

Insured PEPM	4.28%
Insured Premiums	\$ 38,102,358
Admin Costs	\$ 1,737.93
Modern Health	\$ 1,669.60
Projected Plan Cost PEPM	\$ 38,102,358
Projected Plan Cost	\$ 0

ACWA JPIA
Change to Anthem and Kaiser Consumer-Driven
Health Plan (CDHP) Deductibles Based on 2026 IRS Requirements
July 15, 2025

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 2026, 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.

	2024	2025	2026
IRS Annual Deductible Minimum (Single)	\$1,600	\$1,650	\$1,700
IRS Annual Deductible Minimum (Family)	\$3,200	\$3,300	\$3,400

RECOMMENDATION

None, information only.

ACWA JPIA
Pricing for 2026 Anthem Employee Assistance Program
July 15, 2025

BACKGROUND

ACWA JPIA's fully-insured Employee Assistance Program (EAP) transitioned from MHN to Anthem, effective January 1, 2021. The plan renews January 1, 2026.

CURRENT SITUATION

Rate history for the Anthem EAP is as follows:

Renewal Year	Rate Increase
2023	4.2%
2024	0%
2025	0%
2026	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, 2026.

ACWA JPIA
Pricing for 2026 The Standard Life and Disability Plans
July 15, 2025

BACKGROUND

ACWA JPIA life and disability plan rates just completed a three-year rate guarantee from January 1, 2023, through December 31, 2025.

CURRENT SITUATION

The Standard has provided another three-year rate guarantee, effective January 1, 2026, through December 31, 2028, with no increase to life insurance rates and reductions in both short- and long-term disability rates.

Benefit	Rate Change
Life	0%
Long Term Disability	20% reduction
Short Term Disability	10% reduction

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal of life insurance benefits with **no change** in rates, and long-term disability benefits with a **20% reduction** in rates, and short-term disability benefits with a **10% reduction** in rates, effective January 1, 2026.

ACWA JPIA
Pricing for 2026 United Healthcare (UHC)
Medicare Advantage PPO Medical Plans
July 15, 2025

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. 2026 will be JPIA's fifth consecutive year with UHC.

CURRENT SITUATION

UHC provided JPIA with renewal pricing that will result in a 9% increase in costs.

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 9%** to UHC Medicare Advantage PPO rates, effective January 1, 2026.

ACWA JPIA

2026 United HealthCare Medicare Advantage PPO

July 15, 2025

UHC	TOTAL	2026 PREMIUMS			2026 ANNUAL PREMIUMS	2026 CHANGE
		EE	EE+1	FAM		
Medicare Advantage PPO	2,259	\$ 557.45	\$ 1,114.90	\$ 1,672.35	\$ 14,736,748	9.0%
		17.00	2.00	3.00		

\$ 14,736,748
\$ 543.63

**Proposed Rates at June 17, 2025 Meeting*

CalPERS 2026 rate comparison				
CalPERS				JPIA
EE	EE+1	FAM	Increase	
\$ 481.29	\$ 962.58	\$ 1,251.35	8.8%	13.7%

** CalPERS Enrollment 2026 is 47,487*

PEPM = Per Employee Per Month
EE = Employee
Premiums Annualized based on 6/1/2025 enrollment
Rates include JPIA Administrative Fees

ACWA JPIA
Introduction of New Employee Benefits Specialist and
Retirement Recognition
July 15, 2025

BACKGROUND

The Employee Benefits (EB) Specialist provides expert advice and guidance to members on the implementation and management of employee benefits programs; coordinates grants allocated by providers; and creates and maintains relationships with new and existing members. Internally, the EB Specialist is a critical member of the EB team, providing direct support to the manager and helping the entire team with escalated issues and general guidance.

Following the announced retirement of Jackie Rech, effective January 2026, a comprehensive search for a replacement took place and a new Employee Benefits Specialist joined ACWA JPIA on June 30, 2025.

CURRENT SITUATION

Jackie Rech began working for the JPIA on June 4, 2018. Prior to working for JPIA, Jackie worked as a benefits consultant with several benefits brokers in California and has a strong background in human resources.

Jackie is a remarkable employee of the JPIA. She is fiercely dedicated to her work, and her professionalism and integrity are second-to-none. From the day she was hired, Jackie has provided expert guidance to the leadership at JPIA, and as we speak, she is working hard to pass the baton to Michele Dye, our new EB Specialist.

Our new EB Specialist, Michele Dye, began on June 30, 2025, and she will have six months to train with Jackie before Jackie's retirement.

Michele brings over 20 years of experience in employee benefits, with deep expertise in benefits administration, compliance, and a broad range of coverage areas.

Throughout her career, Michele has built strong, long-term relationships by consistently supporting benefits teams and their employees. Her work spans both strategic benefits planning and hands-on, day-to-day service to ensure employees feel informed and supported.

Michele is going to play a vital role as we continue to support our members with open enrollment presentations, managing communication campaigns, and interpreting plan documents.

We thank Jackie for her excellent service to the ACWA JPIA, and we welcome Michele Dye to the team!

RECOMMENDATION

None, information only.

Prepared by: Adam Dedmon, Employee Benefits Manager

Date prepared: June 15, 2025

Recommendations Included in the Packet

Consent Calendar

Anthem HMO Medical Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 5%** for the Anthem HMO plans, effective January 1, 2026.

Kaiser HMO Medical Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 4.28%** to Kaiser HMO rates, effective January 1, 2026.

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, 2026.

The Standard Life and Disability Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal of life insurance benefits with **no change** in rates, and long-term disability benefits with a **20% reduction** in rates, and short-term disability benefits with a **10% reduction** in rates, effective January 1, 2026.

United Healthcare (UHC) Medicare Advantage PPO Medical Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve an **increase of 9%** to UHC Medicare Advantage PPO rates, effective January 1, 2026.

Program Updates

Kaiser Senior Advantage Medical Plans

That the Employee Benefits Program Committee direct staff to bring the Kaiser Permanente Senior Advantage renewal rate to the Executive Committee on September 30, 2025, for approval for the 2026 plan year.

Employee Benefits Program Reserve Fund Target Balance

That the Employee Benefits Program Committee recommend that the Executive Committee approve a Reserve Fund Target of **\$39 million** for the Anthem PPO self-funded Program.

Stop Loss Analysis

That the Employee Benefits Program Committee provide direction to staff with regard to further pursuit of stop loss coverage for the 2026 program year.

Anthem PPO Medical Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve an aggregate **increase of 10%** for the Anthem self-funded PPO plans, with no purchase of stop loss, effective January 1, 2026.

Delta Dental HMO & PPO Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve three new 80% UCR Out-of-Network reimbursement plans with Delta Dental, a **3% increase** in rates for the current Delta PPO plans, and **no change** in rates for the DeltaCare HMO plan, effective January 1, 2026.

Vision Service Plans

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the VSP plans with **no change** in rates, with an increase of \$20 in the frame and contact lens allowances, effective January 1, 2026.

ACWA JPIA
Overview of Program History
July 15, 2025

BACKGROUND

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

CURRENT SITUATION

This section includes information for the Committee regarding:

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

RECOMMENDATION

None, information only.

**ACWA JPIA - EBC Recommended Renewals
2025 - 2026 Renewal Summary**

Line of Coverage	EE's	2025	2026	% Δ
Anthem - Self-funded - PPO Program ¹	4,293	\$88,493,895	\$97,343,284	10.00%
Anthem - Fully-insured - HMO Program ^{2 *}	1,036	\$27,854,509	\$29,247,238	5.00%
North Kaiser - Fully-insured - HMO/CDHP Program ³	456	\$10,624,741	\$11,079,480	4.28%
South Kaiser - Fully-insured - HMO/CDHP Program ³	1,226	\$25,159,954	\$26,236,800	4.28%
Kaiser - Fully-insured - KPSA	143	Pending Renewal		TBD
UHC Medicare Advantage PPO	2,251	\$13,383,095	\$14,587,574	9.00%
Delta Dental - Self-funded - PPO ⁴	8,152	\$8,963,902	\$9,232,819	3.00%
Delta Dental - Fully-insured - DHMO ⁵	194	\$99,428	\$99,428	0.00%
VSP - Self-insured - Vision ⁶	8,255	\$1,844,261	\$1,844,261	0.00%
The Standard - Fully-insured - Life & Disability ⁷		\$1,894,097	\$1,626,102	-14.15%
Anthem - Fully-insured - EAP	4,431	\$99,963	\$99,963	0.00%
TOTAL ANNUAL PREMIUM		\$178,967,959	\$191,947,063	
ANNUAL DOLLAR CHANGE			\$12,979,104	
ANNUAL PERCENTAGE CHANGE			7.25%	



ACWA JPIA 2026 Medical Plans

Anthem Blue Cross	Deductible (Indiv./Family)	Dr.	ER	Hospital	X-ray, lab	Prescription	Medical Max Out of Pocket	RX Max Out of Pocket
Classic PPO	\$200/600	\$15	\$50	Ded/10%/20% ¹	20%	\$5/20/50	\$2,000/4,000	\$5,350/10,200
Advantage PPO	\$500/1,000	\$20	\$50	Ded/20%	20%	\$5/20/50	\$3,000/6,000	\$3,600/7,200
CalCare HMO	None	\$10	\$50	\$0	N/A	\$5/20/50	\$500/1,500	\$6,100/11,700
Value HMO	None	\$30	\$150	\$250	N/A	\$5/20/50 ²	\$2,500/5,000	\$4,100/8,200
Consumer Driven Health Plan	\$1,700/3,400 ³	Deductible, then 20% coinsurance				Ded/\$5/20/50	\$2,500/4,000	

Kaiser	Deductible (Indiv./Family)	Dr.	ER	Hospital	X-ray, lab	Prescription	Combined Max OOP
Traditional HMO	None	\$10	\$50	\$0	N/A	\$5/15	\$1,500/3,000
HMO with Optical	None	\$10	\$50	\$0	N/A	\$5/15	\$1,500/3,000
Value HMO	None	\$30	\$150	\$250	N/A	\$10/20	\$3,000/6,000
Consumer Driven Health Plan	\$1,700/3,400 ³	\$20	\$100	\$250	copays	Ded/\$10/20	\$3,300/5,800 ⁴

Medicare Advantage	Combined Max OOP						
Kaiser Senior Advantage ⁵	None	\$20	\$50	\$0	N/A	\$10/25	\$1,000/2,000 ⁴
UHC Medicare Advantage PPO ⁵	None	\$0	\$50	\$0	\$0	\$5/20/50	\$2,300 per person ⁶

Important Notes

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

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

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

⁴ Kaiser CDHP and Senior Advantage OOP maximums for 2026 are TBA

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

⁶ UHC Medical OOP max of \$200 plus Rx OOP max of \$2,100

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

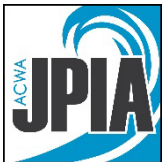
The Evidence of Coverage prevails in the event of a discrepancy.

Rate History

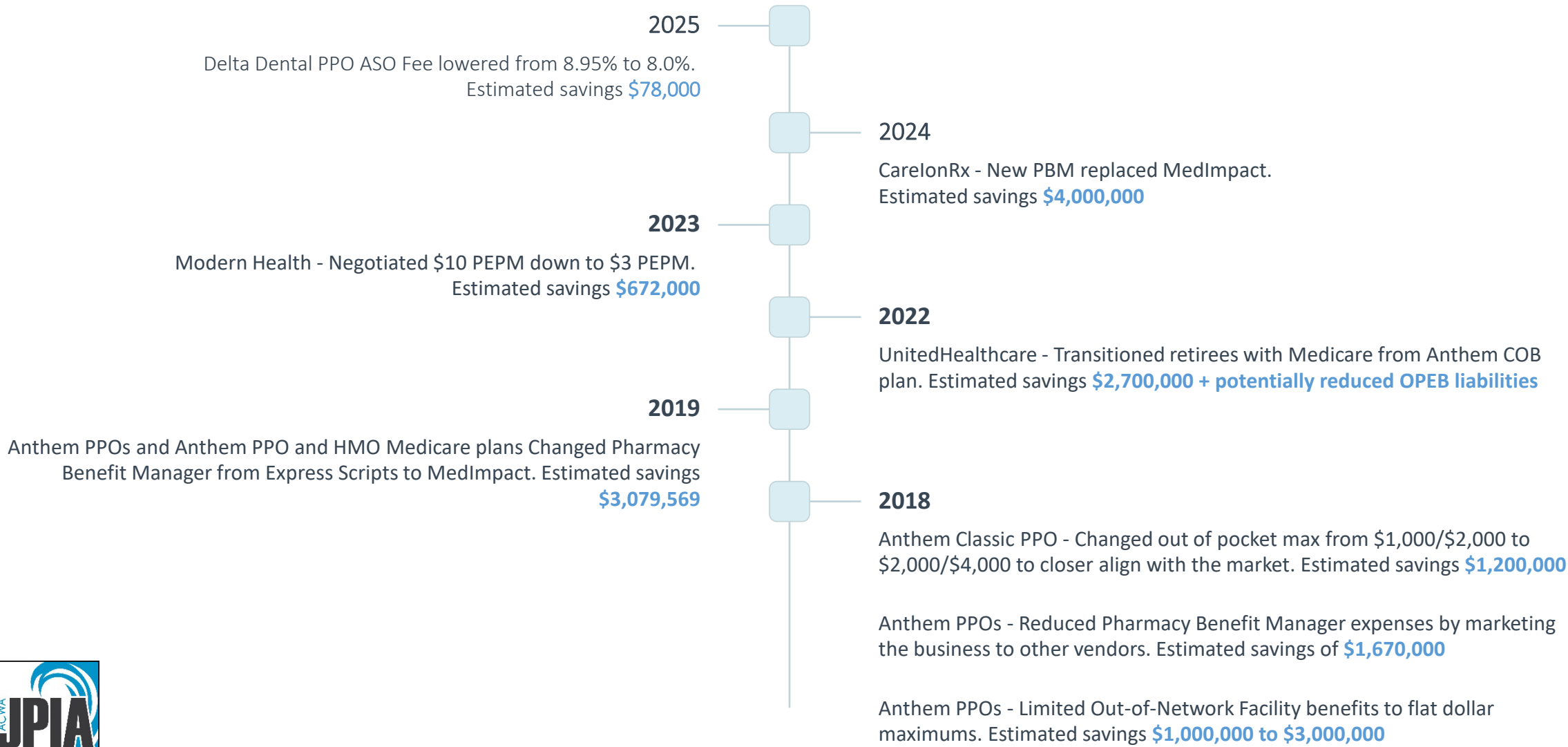
	Anthem Blue Cross		Kaiser		UHC	Delta Dental		Vision Service Plan	Employee Assistance Program	Life & Disability			
	PPOs	HMOs	HMO	KPSA	Med Adv PPO	PPO	HMO	VSP	EAP	Basic Life	Supp Life	Short Term	Long Term
2021	0%	7.60%	8.84%			0%	0%	0%	-7%	-5%	-5%	0%	-5%
2022	-5.00%	3.77%	-1.70%	initial	initial	0%	0%	0%	0%	0%	0%	0%	0%
2023	-10.00%	5.00%	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%	TBD	9.00%	3%	0%	0%	0%	0%	0%	-10%	-20%
Prior 5 Year Average	1.40%	5.37%	4.69%	3.68%	9.97%	0%	0%	0%	-0.50%	-3%	-3%	0%	-3%

* Staff recommendations

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

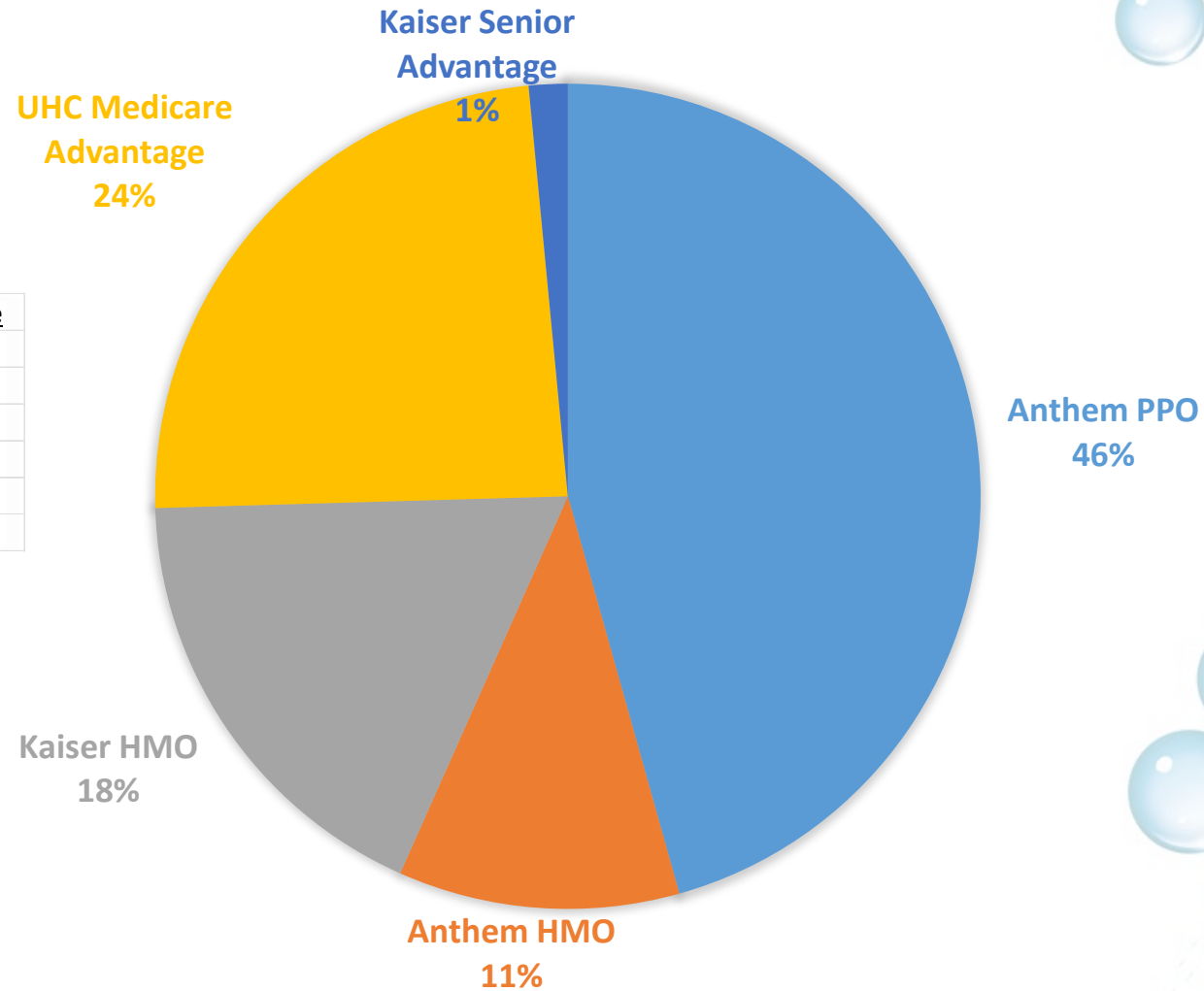


Savings History



2025 Medical Enrollment

Plan	2024	2025	Change
Anthem PPO	4146	4293	147
Anthem HMO	1118	1036	-82
Kaiser HMO	1774	1682	-92
UHC Medicare Advantage	1404	2251	847
Kaiser Senior Advantage	131	143	12
Totals	8573	9405	832



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



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 15, 2025

BACKGROUND

Alliant Insurance Services, Inc. has served as ACWA JPIA's benefits consultant since 2012. The JPIA has administered employee benefits plans to member agencies 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 265 participating member agencies.

CURRENT SITUATION

Tom Sher, Senior Vice Present, Alliant, will provide the Committee with an update on the State of the Market and the effect upon upcoming renewals.

The Committee will be presented with an update regarding:

- CarelonRx – Pharmacy Benefit Manager (PBM)
- Carrum
- Hinge Health
- Modern Health
- Progyny

RECOMMENDATION

None, information only.

National Healthcare Trends



**Projected 8%
year-on-year
medical cost
trend in 2025¹**

90% of annual U.S.
healthcare
spending is attributed to
managing and treating
chronic diseases² (CDC)



*More Americans
have multiple
chronic conditions*

42% have 2 or more
12% have at least 5²

**Million-dollar claims
rose 8% over the past year,
and are up 50% over the past
four years⁴**



MENTAL HEALTH

- **1 in 5** employees who take leave for caregiving will take another leave within a year due to a mental health or substance abuse issue.
- Employees with anxiety or depression miss an average of **4.6** more sick days than those without.³
- **57** workdays are associated with **Short - Term Disability** claims for Anxiety or Depression per claimant per year.
- Employees facing at **least one unmet social need** tend to miss more workdays and report worse physical and mental health.
- **Psychedelic drugs**, such as ketamine, have recently been studied in areas of mental health, including anxiety, depression, post-traumatic stress disorder, and suicidal behavior.

Extensive Drug Pipeline



- **In the pipeline:** gene therapies and multiple specialty drugs, including oncology, hemophilia and other rare disease therapies
- **Non-specialty:** Continued focus on expanded indications for weight loss drugs (GLP1s), NASH, menopausal hot flash products (Veoza) and more

HEALTHCARE & PROVIDER COSTS

- Growing shortage of Primary Care Providers
- Post-COVID labor shortages in healthcare have increased costs for hospitals and providers.

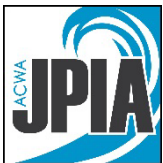


Cancer

- Increased cancer prevalence in younger populations.
- Treatment costs are expected to rise as newer, often more expensive treatments become standard practice.

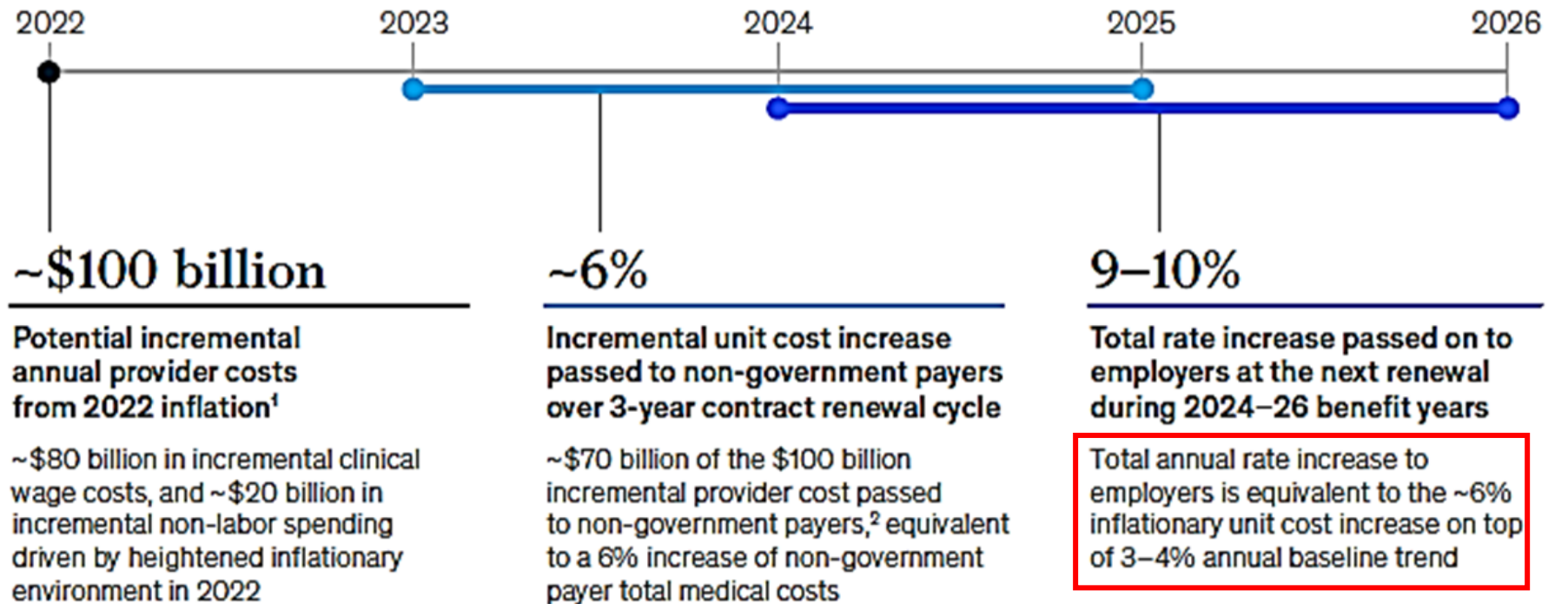
Factors Driving Increasing Healthcare Costs

Impact of Inflation



Employers could face health cost increases of 9–10 percent through 2026 because of inflationary pressure passed through from providers.

Inflationary cost pass-through from providers to employers



¹Based on macroeconomic forecasts from McKinsey Global Institute applied to historical provider cost pools.

²Based on historical provider revenue base from non-government payers and historical payer cost pools across payer lines of business.

Factors Driving Increasing Healthcare Costs

National Medical Trend

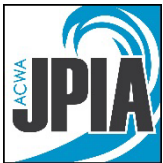
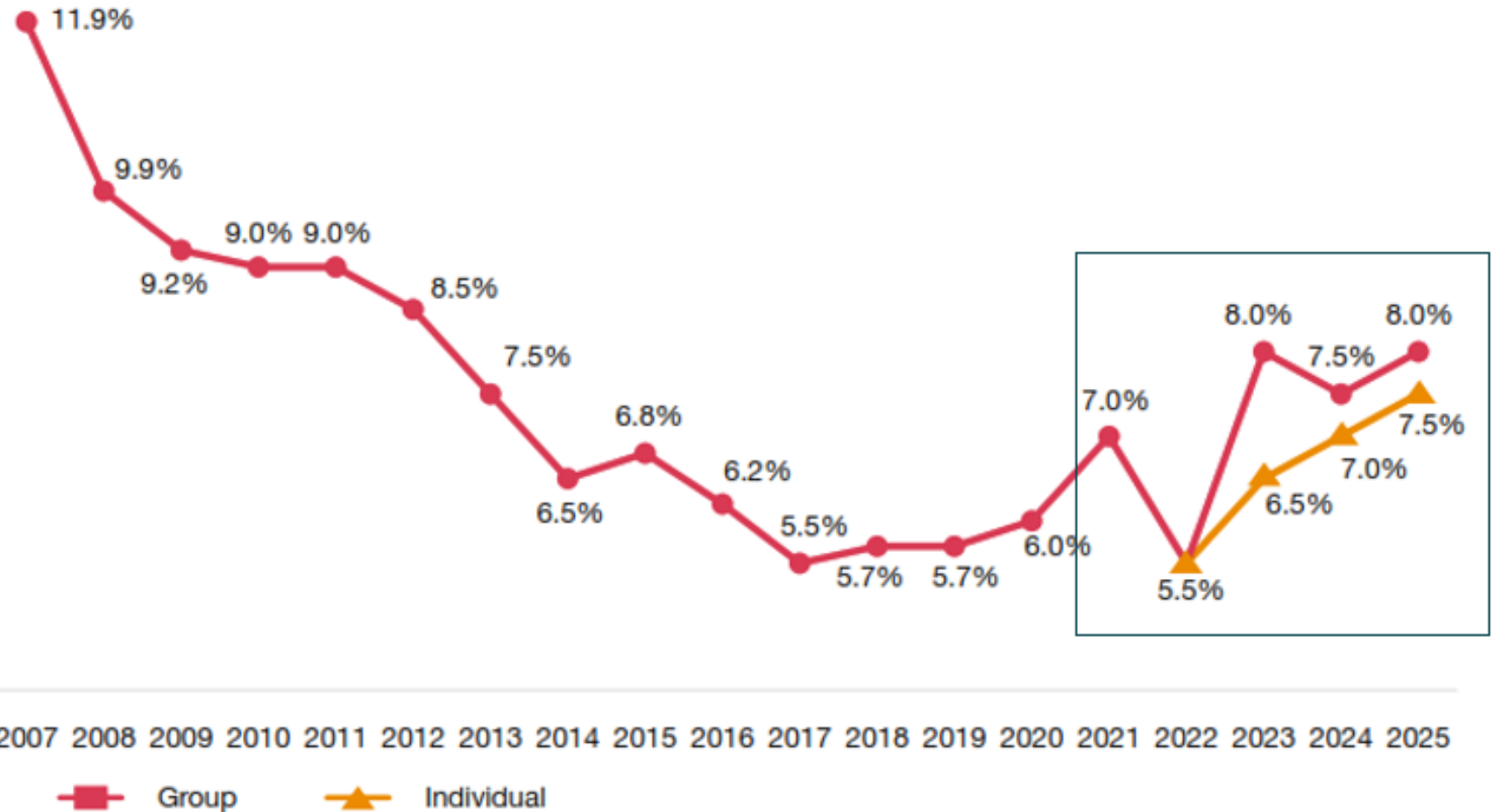
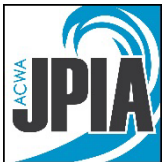
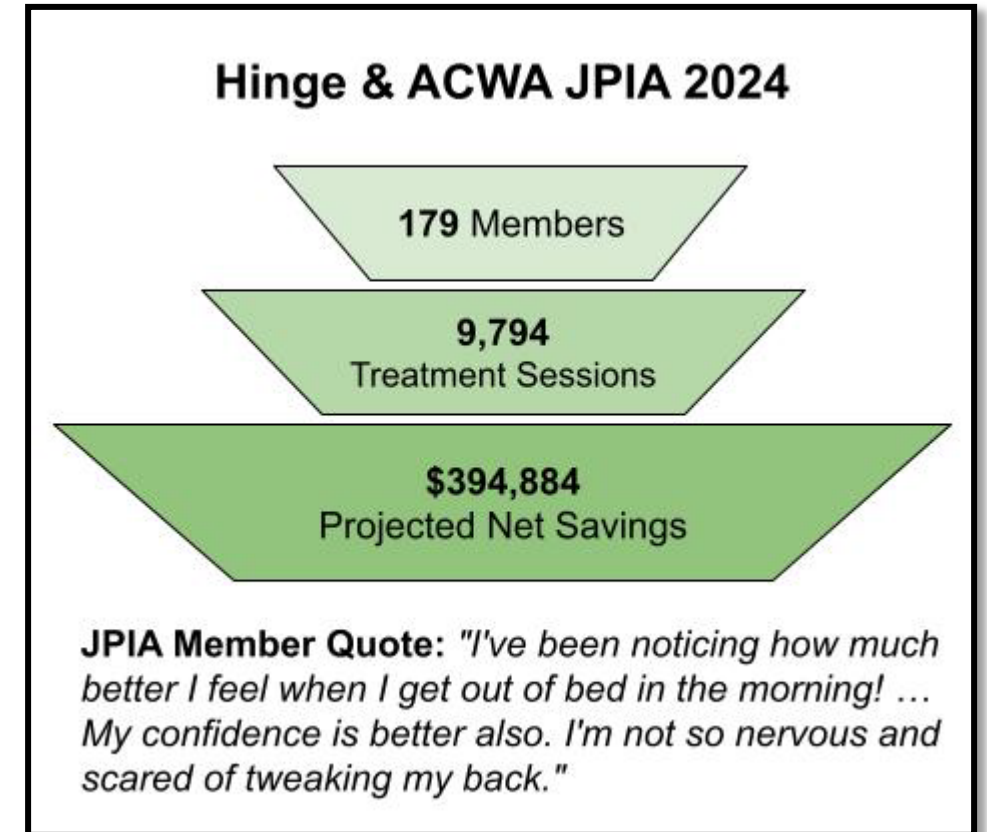
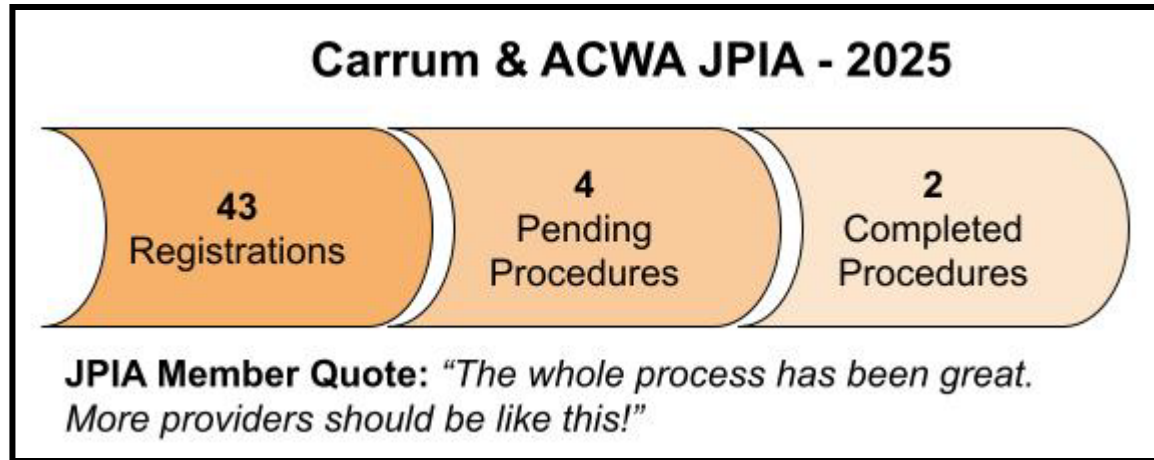


Figure 1. PwC Health Research Institute medical cost trends, 2009-2025

HRI projects medical cost trend to be 8.0% for Group and 7.5% for Individual in 2025, up from 7.5% and 7.0% in 2024

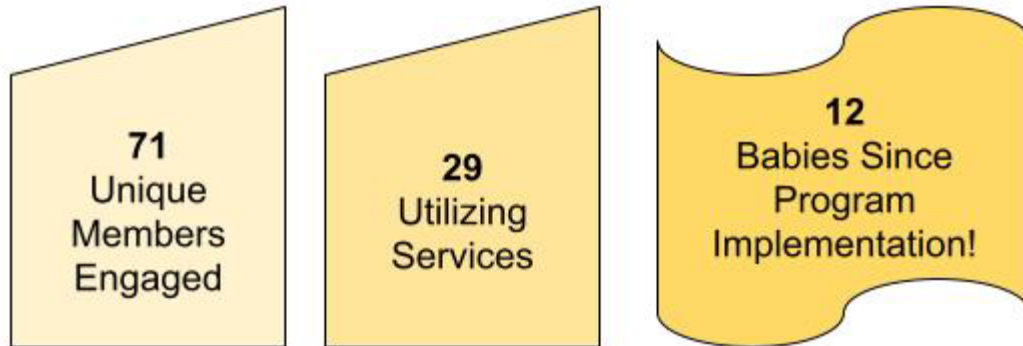


Point Solutions



Point Solutions

Progyny & ACWA JPIA 2024

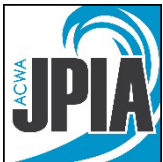


JPIA Member Quote: *"My dedicated PCA was very patient explaining my benefits, empathized with my history, and was caring. Excellent service and appreciated how he provided the information. Thank you!"*

Modern Health & ACWA JPIA 2024



JPIA Member Quote: *"I feel very comfortable with my coach and already believe I made the right decision to start."*



ACWA JPIA
Pricing for 2026 Kaiser Senior Advantage Medical Plans
July 15, 2025

BACKGROUND

The Kaiser Senior Advantage plan 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%.

CURRENT SITUATION

CMS has released the 2026 Medicare Advantage (MA) and Part D Rate Announcement, including finalized payment policies and rates for 2026. The announcement projects a 5.06% increase in payments to MA plans. This represents an increase of \$25 billion in MA payments in 2026. Additionally, the announcement includes updates to Part D, including a standard deductible of \$615.

Staff expects the renewal pricing for our Kaiser Senior Advantage Medical Plans in mid-July.

RECOMMENDATION

That the Employee Benefits Program Committee direct staff to bring the Kaiser Permanente Senior Advantage renewal rate to the Executive Committee on September 30, 2025, for approval for the 2026 plan year.

ACWA JPIA
Employee Benefits Program Reserve Fund Target Balance
July 15, 2025

BACKGROUND

Every few years we obtain an actuarial re-evaluation of a recommended Reserve Fund Target for the Anthem PPO self-funded Program. The last re-evaluation was done in 2023. In light of unusually high severity of high-cost claimants in the 2024 program year, staff engaged Turner Consulting and Actuarial (Turner) to re-evaluate the Program's Target.

For reference, on April 26, 2023, the Executive Committee approved a Reserve Fund Target of \$34 million (up from the previous \$19.2 million target).

CURRENT SITUATION

As of April 30, 2025, the Employee Benefits Program Reserve Fund balance is approximately \$57.1 million. Staff obtained a new actuarial study that recommends \$30.7M in Claim Fluctuation Margin (CFM) to reach a 99% confidence level. Incurred But Not Reported (IBNR) claims are estimated to be \$8.4M at a 99% confidence level. The sum of IBNR and CFM is \$39.2M. The details of this calculation from Turner's report are as follows:

Financials	70%	80%	90%	95%	99%
Fund Balance 12/31/24	\$59.8M				
Recommended IBNR	\$8.4M				
M/Rx Target Claim Fluctuation Margin	\$8.6M	\$12.2M	\$16.0M	\$18.4M	\$30.7M
Surplus/(Deficit)	\$42.8M	\$39.1M	\$35.4M	\$32.9M	\$20.6M

The philosophy that 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 time to subsidize rates 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 is the current annual medical cost trend and the Fund balance will remain funded at the 99% confidence level for use in future catastrophic events.

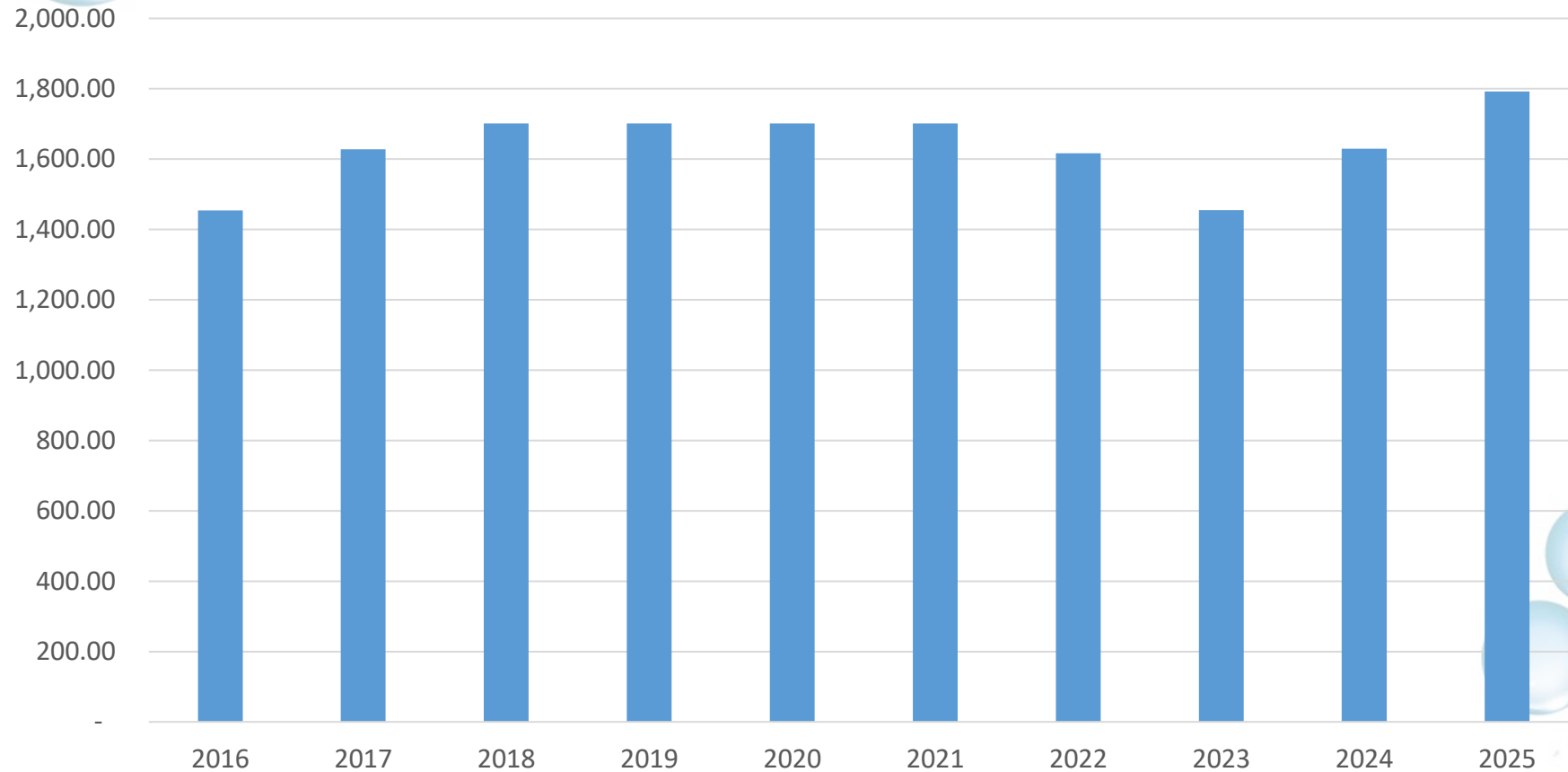
RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve a Reserve Fund Target of **\$39 million** for the Anthem PPO self-funded Program.

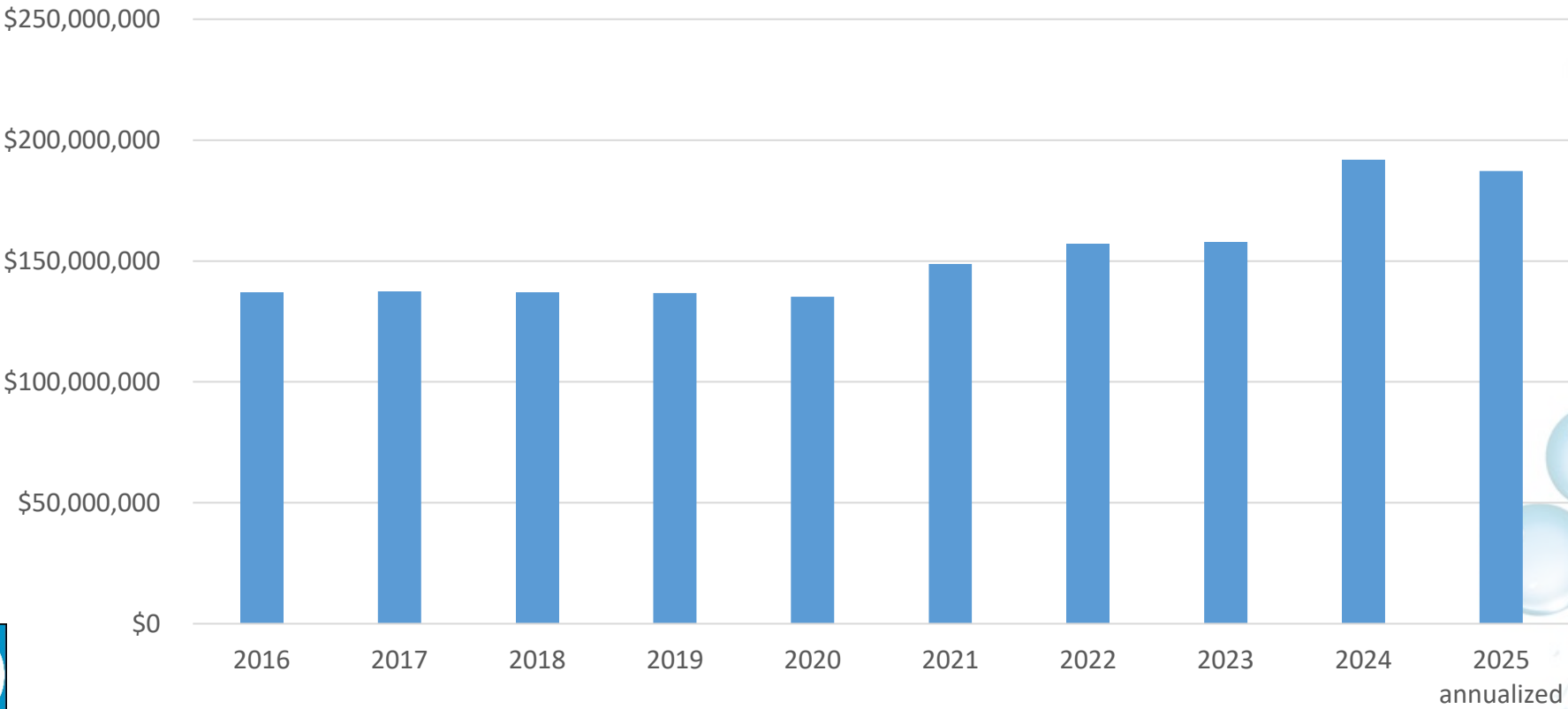
Prepared by: Adam Dedmon, Employee Benefits Manager

Date prepared: June 15, 2025

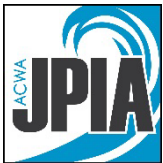
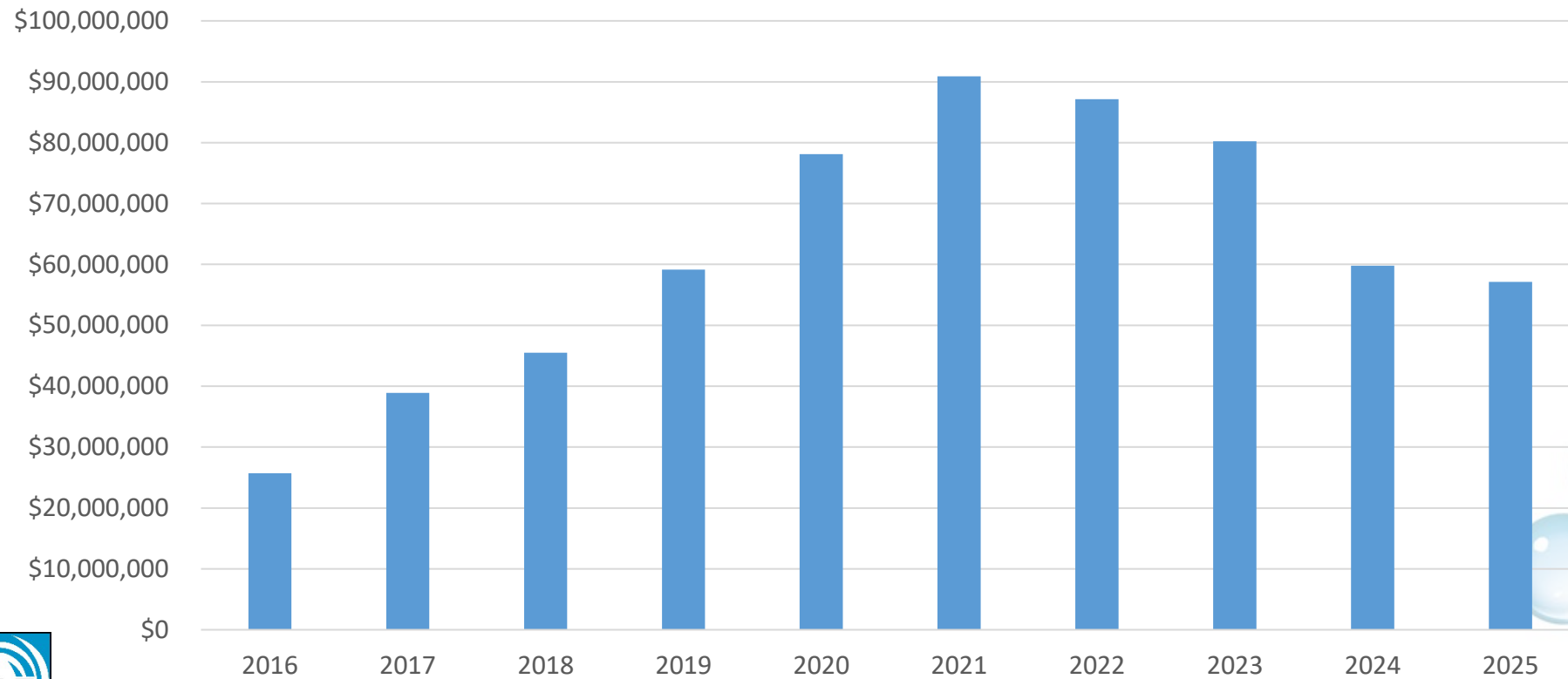
Historical Rates



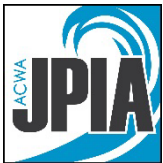
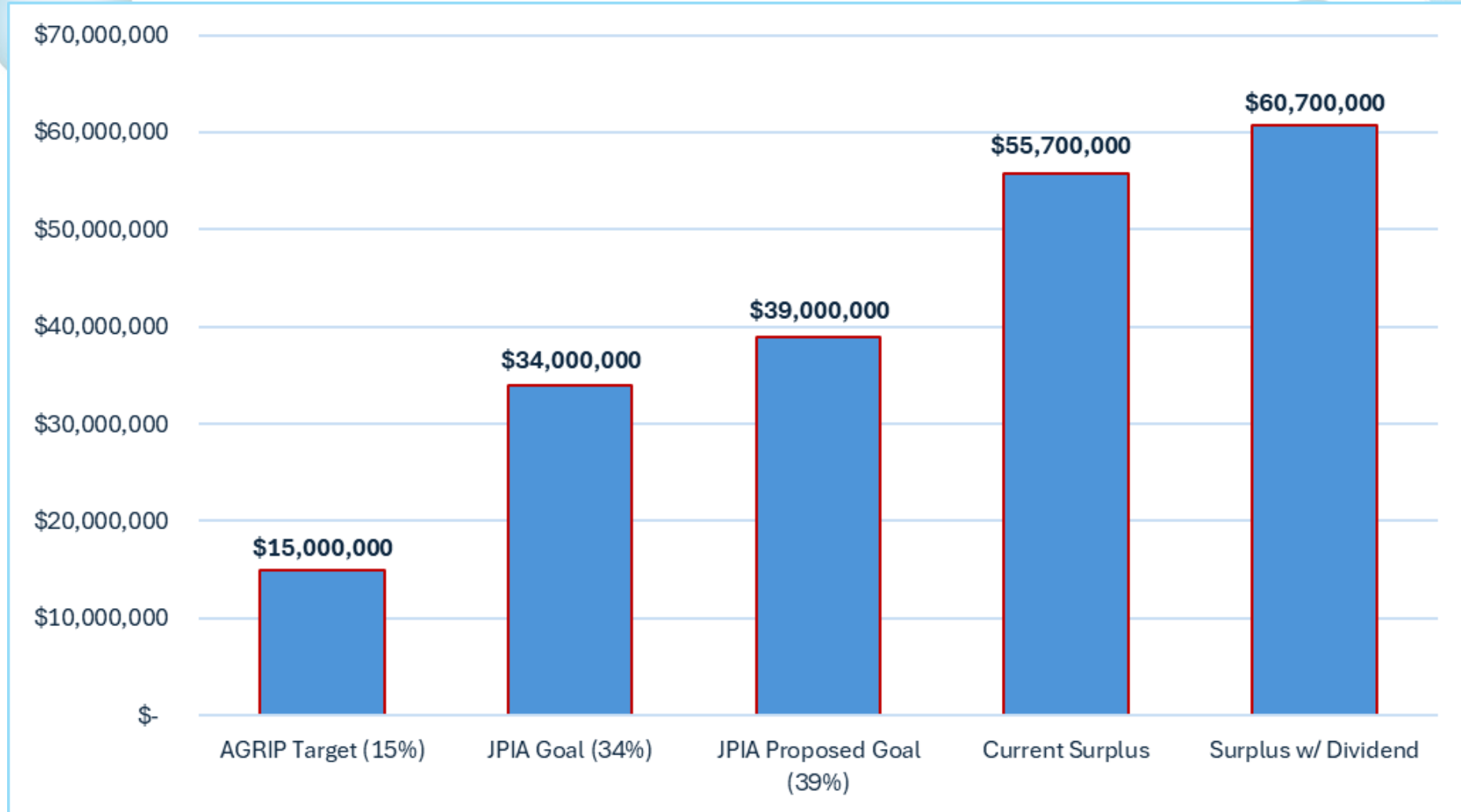
Total Expenses



Reserve Fund Balance



Employee Benefits Surplus Metrics



ACWA JPIA
Stop Loss Analysis
July 15, 2025

BACKGROUND

ACWA JPIA purchased “specific” stop loss insurance – attaching at \$750,000 per claim – from 2016-2022. For 2023, the Committee made a conscious decision to discontinue purchasing stop loss coverage in light of the cost/benefit analysis and more than ample surplus in the reserve fund.

CURRENT SITUATION

For 2026, an analysis has been completed to determine if stop loss insurance is appropriate to purchase for ACWA JPIA’s Anthem self-funded plans for the 2026 plan year. Staff explored options for both aggregate and specific stop loss coverage. Staff has also begun exploring whether JPIA’s captive, CWIF, can potentially provide stop loss coverage to the JPIA.

Aggregate stop loss would reimburse the pool according to a maximum liability (attachment point), for the entire policy period. Once the aggregate claims amount exceeds that attachment point, the pool would be reimbursed by the stop loss carrier. It should be noted that aggregate stop loss insurance cannot be purchased without also purchasing specific stop loss insurance.

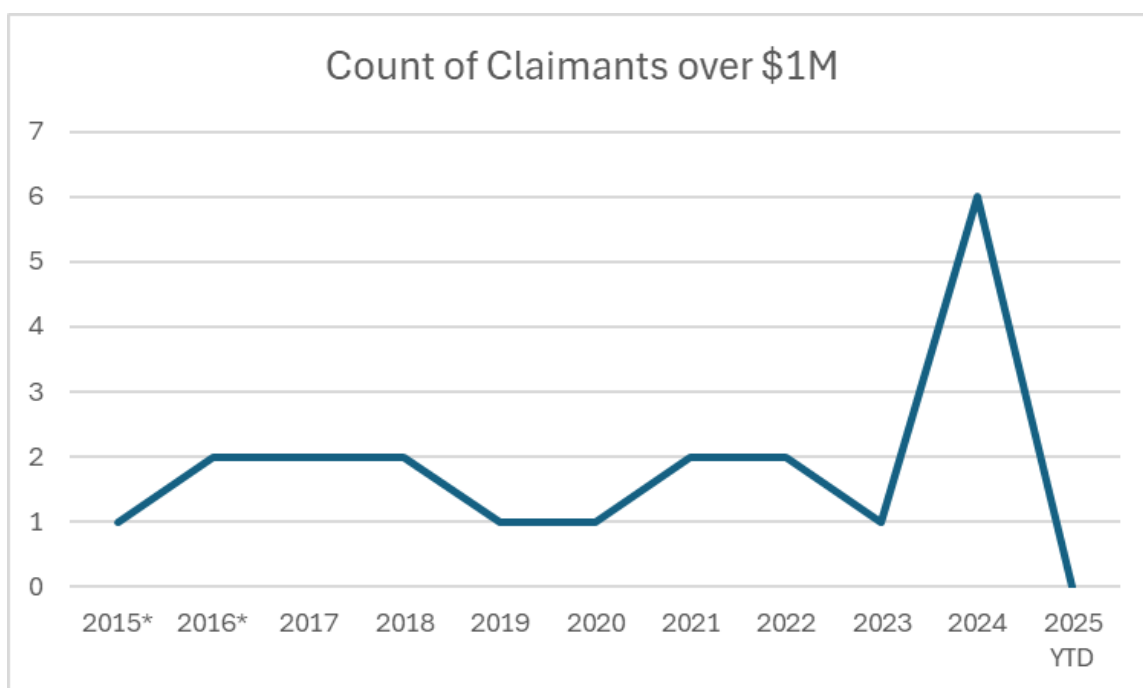
Specific stop loss would protect the pool against catastrophic claims by individual claimants. After a claim exceeded the deductible (attachment point), in a plan year, covered expenses above the attachment point would be reimbursed to the pool by the stop loss carrier. Ten-year historical data for claimants over \$1M is provided below:

ACWA JPIA Anthem PPO

Claimants Exceeding \$1M

2015*	2016*	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
\$1.9M	\$2.5M	\$1.2M	\$1.5M	\$1M	\$1.1M	\$1.3M	\$1.3M	\$1M	\$6M	
	\$1.1M	\$1.1M	\$1.2M			\$1.2M	\$1.1M		\$2.3M	
									\$2.1M	
									\$1.3M	
									\$1.3M	
									\$1M	

* Medical only



Commercial Stop Loss Coverage Options:

An analysis of both aggregate and specific stop loss coverage to be provided by a commercial insurer is being conducted by Alliant. For specific stop loss coverage, quotes for attaching at \$1 million and \$1.5 million have been requested. Formal quotes cannot be obtained until September 2025.

To date, of the carriers approached, Anthem has declined to quote aggregate stop loss. They have not yet declined to quote specific stop loss. It remains to be seen if other carriers Alliant is approaching will quote aggregate or specific stop loss. However, the information provided by Alliant indicates costs could be between **\$2.5 million to \$2.8 million** depending on the attachment point.

CWIF Stop Loss Coverage Options:

As CWIF would not be bound by the commercial insurance requirement to provide both aggregate and specific stop loss coverage, staff obtained an analysis of aggregate stop loss coverage for the 2026 plan year from Turner Consulting and Actuarial (Turner).

The details of this calculation from Turner's report are as follows:

Agg. Stoploss Limit	105%	110%	115%	120%	125%
Frequency Above Limit	60.0%	50.0%	40.0%	27.5%	20.0%
Baseline 2024/25 Claims	\$97.8M				
Est. Claims at ASL Limit	\$102.7M	\$107.6M	\$112.5M	\$117.4M	\$122.3M
Estimated ASL Reimbursement	\$2.9M	\$2.4M	\$2.0M	\$1.3M	\$1.0M

It is important to recognize that Turner does not anticipate Aggregate Stoploss Reimbursements every year. Rather, the above Estimated ASL reimbursement figures are annual *averages* that would only be paid out if/when claims exceed the Aggregate Stoploss Limit.

For example, the 125% limit shows a 20% frequency so we would only expect aggregate stoploss reimbursements in 1 out of 5 years (i.e. 20%). However, the reimbursement amount in that one year would average \$1M per year during the 5-year time period, which indicates that the likely reimbursement would be \$5M (\$1M x 5 years) during the reimbursement year.

Regarding specific stop loss coverage, Turner cannot provide an analysis for this coverage. Should the Committee wish for staff to continue to pursue specific stop loss coverage options through CWIF, an alternative means for determining necessary funding will need to be identified.

RECOMMENDATION

That the Employee Benefits Committee provide direction to staff with regard to further pursuit of stop loss coverage for the 2026 program year.

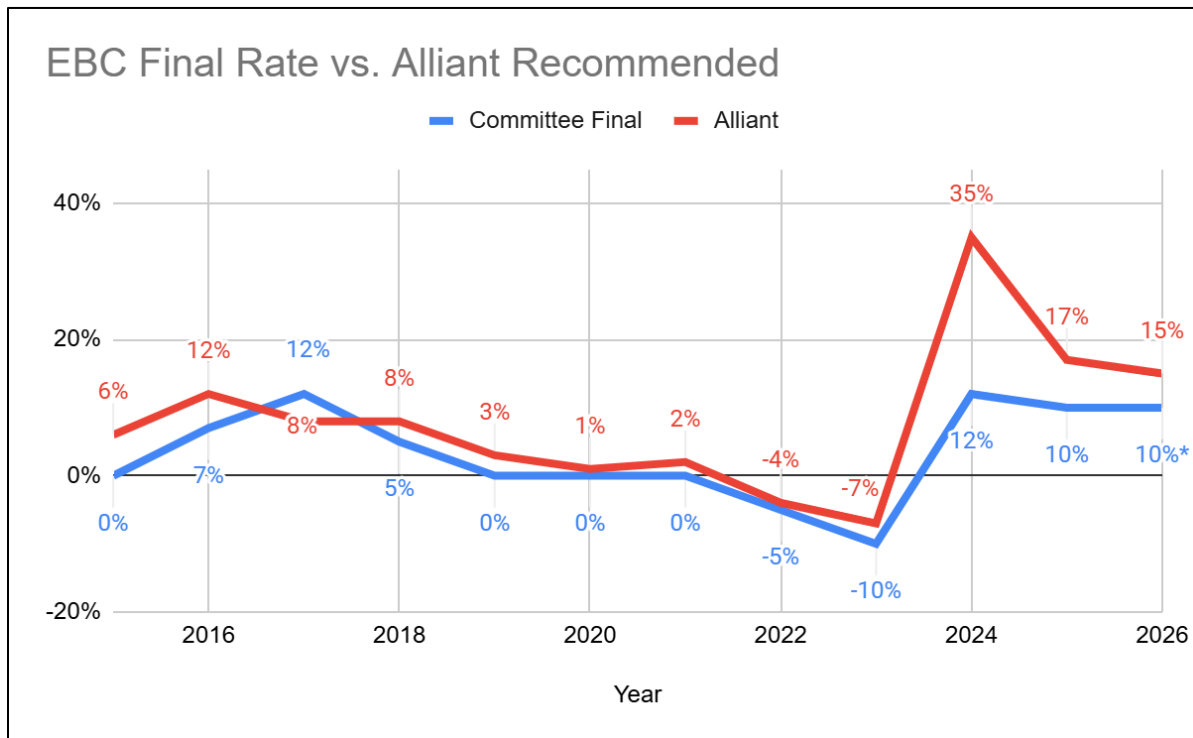
ACWA JPIA
Pricing for 2026 Anthem PPO Medical Plans
July 15, 2025

BACKGROUND

Employee Benefits plans renew on January 1, 2026. The Anthem PPO medical plans are self-funded.

CURRENT SITUATION

The twelve-year rate history of the self-funded Anthem PPO plans are as follows:



* Recommended

The 15% reduction in premiums over the 2022 and 2023 plan years was intended to return excess funds collected during the pandemic to member agencies. As medical inflation has continued to increase, in 2024 and 2025, rate increases of 12% and 10%, respectively, were approved.

For 2026, Alliant's underwriting projection initially called for a 15.4% increase in premiums, based on claims through April 2025 as well as projected expenses in 2026.

Historically, staff has recommended an incremental approach to marrying the annual rate increases with targeted subsidization from the Reserve Fund to cover projected expenses. Below is a history of Reserve Fund subsidies over the past 10 years:

Year	PPO Revenue	PPO Costs	Subsidy
2016	\$ 77,488,326	\$ 81,344,381	\$ -3,856,055
2017	\$ 80,977,895	\$ 76,895,902	\$ +4,081,993
2018	\$ 84,046,329	\$ 72,068,716	\$ +11,977,613
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	\$ 106,153,077	\$ - 23,987,519
2025*	\$ 91,218,824	\$ 95,491,632	\$ - 4,272,808

**Annualized projection-based January – April 2025 claims.*

As of April 30, 2025, the reserve fund balance is \$57.1 million. As per agenda item III.D, if the Employee Benefits Committee recommends, and the Executive Committee approves, the new Reserve Fund Target will be \$39 million, up from the existing \$34 million.

Based on the following assumptions, staff recommends a 10% rate increase with no purchase of stop loss:

- That the frequency and severity of 2024 high-cost claimants was an extreme anomaly.
- That recent higher than normal subsidies from the reserve fund will be partially offset by an impending California Water Insurance Fund (CWIF) dividend.
- That the Committee continues to desire to stabilize rates and subsidize projected expenses with surplus reserve funds (i.e. funds in excess of \$39 million).

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve an aggregate **increase of 10%** for the Anthem self-funded PPO plans, with no purchase of stop loss, effective January 1, 2026.

**Proposed Rates at June 17, 2025 Meeting*

PLATINUM EE	CP 2025 Projected	JPIA Standard	JPIA Incentive
1,263.73	11.7%	-29%	-35%
1,429.92	9.3%	-38%	-44%
1,672.91	12.3%	-47%	-53%
1,672.91	12.3%	-47%	-53%
1,672.91	12.3%	-41%	-47%

PLATINUM			
1,263.73	11.7%	-47%	-53%
1,429.92	9.3%	-57%	-63%
1,672.91	12.3%	-67%	-74%
1,672.91	12.3%	-66%	-73%
1,672.91	12.3%	-60%	-67%

GOLD				
963.25	10.6%	-23%	-28%	
959.54	8.2%	-16%	-21%	
1,013.70	10.8%	-12%	-16%	
1,013.70	10.8%	-11%	-16%	
1,013.70	10.8%	-7%	-11%	

Projected \$\$ Out of Reserve	\$ (3,343,961)
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Anthem Health Guide (AHG) is now embedded in PPO Cost

ACWA JPIA
2026 PPO Renewal
July 15, 2025

**Proposed Rates at June 17, 2025 Meeting*

										CalPERS 2026 rate comparison			
CLASSIC PPO REGION	ENROLL TOTAL	2026 STANDARD RATES			2026 INCENTIVE RATES			2026 PREMIUMS	2026 CHANGE	PLATINUM EE	CP 2025 Projected	JPIA Standard	JPIA Incentive
		EE	EE+1	FAM	EE	EE+1	FAM						
Los Angeles	662	\$ 995.05	\$ 1,990.10	\$ 2,636.88	\$ 955.25	\$ 1,910.50	\$ 2,531.41	\$ 14,361,146	12%	1,263.73	11.7%	-27%	-32%
Other South	1,535	\$ 1,055.49	\$ 2,110.98	\$ 2,797.05	\$ 1,013.27	\$ 2,026.54	\$ 2,685.17	\$ 35,061,022	12%	1,429.92	9.3%	-35%	-41%
Sacramento	300	\$ 1,157.07	\$ 2,314.14	\$ 3,066.24	\$ 1,110.79	\$ 2,221.58	\$ 2,943.59	\$ 8,217,290	12%	1,672.91	12.3%	-45%	-51%
Other North	443	\$ 1,162.55	\$ 2,325.10	\$ 3,080.76	\$ 1,116.05	\$ 2,232.10	\$ 2,957.53	\$ 11,610,849	12%	1,672.91	12.3%	-44%	-50%
Bay Area	425	\$ 1,209.59	\$ 2,419.18	\$ 3,205.41	\$ 1,161.21	\$ 2,322.42	\$ 3,077.21	\$ 10,303,214	12%	1,672.91	12.3%	-38%	-44%
ADVANTAGE										PLATINUM			
Los Angeles	68	\$ 875.63	1,751.26	2,320.42	\$ 840.60	1,681.20	2,227.59	\$ 1,666,893	12%	1,263.73	11.7%	-44%	-50%
Other South	159	\$ 928.84	1,857.68	2,461.43	\$ 891.69	1,783.38	2,362.98	\$ 3,217,255	12%	1,429.92	9.3%	-54%	-60%
Sacramento	60	\$ 1,018.21	2,036.42	2,698.26	\$ 977.48	1,954.96	2,590.32	\$ 1,153,402	12%	1,672.91	12.3%	-64%	-71%
Other North	132	\$ 1,023.05	2,046.10	2,711.08	\$ 982.13	1,964.26	2,602.64	\$ 2,936,715	12%	1,672.91	12.3%	-64%	-70%
Bay Area	18	\$ 1,064.45	2,128.90	2,820.79	\$ 1,021.87	2,043.74	2,707.96	\$ 362,713	12%	1,672.91	12.3%	-57%	-64%
437													
CDHP		20%								GOLD			
Los Angeles	85	\$ 796.03	1,592.06	2,109.48	\$ 764.19	1,528.38	2,025.10	\$ 1,702,995	12%	963.25	10.6%	-21%	-26%
Other South	170	\$ 844.39	1,688.78	2,237.63	\$ 810.61	1,621.22	2,148.12	\$ 3,449,965	12%	959.54	8.2%	-14%	-18%
Sacramento	151	\$ 925.65	1,851.30	2,452.97	\$ 888.62	1,777.24	2,354.84	\$ 3,423,497	12%	1,013.70	10.8%	-10%	-14%
Other North	121	\$ 930.04	1,860.08	2,464.61	\$ 892.84	1,785.68	2,366.03	\$ 2,347,455	12%	1,013.70	10.8%	-9%	-14%
Bay Area	54	\$ 967.69	1,935.38	2,564.38	\$ 928.98	1,857.96	2,461.80	\$ 1,288,242	12%	1,013.70	10.8%	-5%	-9%
581													
4,383													

PEPM = Per Employee Per Month

EE = Employee

Premiums Annualized based on 6/1/2024 enrollment

Rates include JPIA Administrative Fees

[Anthem Health Guide \(AHG\) is now embedded in PPO Cost](#)

Aggregate Increase	12%
Annual Premiums	\$ 101,102,655
Investment Income	\$ 2,500,000
Total Funding	\$ 103,602,655
Funding PEPM	\$ 1,969.78
Stop Loss Premium	-
Projected Total Plan Cost PEPM	\$1,999.03
Projected Plan Cost	\$ 105,140,982
Projected \$\$ Out of Reserve	\$ (1,538,327)

ACWA JPIA
2026 PPO Renewal
July 15, 2025

**Proposed Rates at June 17, 2025 Meeting*

CalPERS 2026 rate comparison													
CLASSIC PPO REGION	ENROLL TOTAL	2026 STANDARD RATES			2026 INCENTIVE RATES			2026 PREMIUMS	2026 CHANGE	PLATINUM EE	CP 2025 Projected	JPIA Standard	JPIA Incentive
		EE	EE+1	FAM	EE	EE+1	FAM						
Los Angeles	662	\$ 1,021.71	\$ 2,043.42	\$ 2,707.53	\$ 980.84	\$ 1,961.68	\$ 2,599.23	\$ 14,745,884	15%	1,263.73	11.7%	-24%	-29%
Other South	1,535	\$ 1,083.76	\$ 2,167.52	\$ 2,871.96	\$ 1,040.41	\$ 2,080.82	\$ 2,757.09	\$ 36,000,106	15%	1,429.92	9.3%	-32%	-37%
Sacramento	300	\$ 1,188.07	\$ 2,376.14	\$ 3,148.39	\$ 1,140.55	\$ 2,281.10	\$ 3,022.46	\$ 8,437,446	15%	1,672.91	12.3%	-41%	-47%
Other North	443	\$ 1,193.69	\$ 2,387.38	\$ 3,163.28	\$ 1,145.94	\$ 2,291.88	\$ 3,036.74	\$ 11,921,821	15%	1,672.91	12.3%	-40%	-46%
Bay Area	425	\$ 1,241.99	\$ 2,483.98	\$ 3,291.27	\$ 1,192.31	\$ 2,384.62	\$ 3,159.62	\$ 10,579,191	15%	1,672.91	12.3%	-35%	-40%
ADVANTAGE										PLATINUM			
Los Angeles	68	\$ 899.08	1,798.16	2,382.56	\$ 863.12	1,726.24	2,287.27	\$ 1,711,542	15%	1,263.73	11.7%	-41%	-46%
Other South	159	\$ 953.72	1,907.44	2,527.36	\$ 915.57	1,831.14	2,426.26	\$ 3,303,425	15%	1,429.92	9.3%	-50%	-56%
Sacramento	60	\$ 1,045.49	2,090.98	2,770.55	\$ 1,003.67	2,007.34	2,659.73	\$ 1,184,306	15%	1,672.91	12.3%	-60%	-67%
Other North	132	\$ 1,050.46	2,100.92	2,783.72	\$ 1,008.44	2,016.88	2,672.37	\$ 3,015,388	15%	1,672.91	12.3%	-59%	-66%
Bay Area	18	\$ 1,092.96	2,185.92	2,896.34	\$ 1,049.24	2,098.48	2,780.49	\$ 372,428	15%	1,672.91	12.3%	-53%	-59%
437													
CDHP		20%								GOLD			
Los Angeles	85	\$ 817.35	1,634.70	2,165.98	\$ 784.66	1,569.32	2,079.35	\$ 1,748,608	15%	963.25	10.6%	-18%	-23%
Other South	170	\$ 867.01	1,734.02	2,297.58	\$ 832.33	1,664.66	2,205.67	\$ 3,542,396	15%	959.54	8.2%	-11%	-15%
Sacramento	151	\$ 950.44	1,900.88	2,518.67	\$ 912.42	1,824.84	2,417.91	\$ 3,515,189	15%	1,013.70	10.8%	-7%	-11%
Other North	121	\$ 954.95	1,909.90	2,530.62	\$ 916.75	1,833.50	2,429.39	\$ 2,410,319	15%	1,013.70	10.8%	-6%	-11%
Bay Area	54	\$ 993.61	1,987.22	2,633.07	\$ 953.87	1,907.74	2,527.76	\$ 1,322,751	15%	1,013.70	10.8%	-2%	-6%
581													
4,383													

PEPM = Per Employee Per Month

EE = Employee

Premiums Annualized based on 6/1/2024 enrollment

Rates include JPIA Administrative Fees

Anthem Health Guide (AHG) is now embedded in PPO Cost

Aggregate Increase	15%
Annual Premiums	\$ 103,810,799
Investment Income	\$ 2,500,000
Total Funding	\$ 106,310,799
Funding PEPM	\$ 2,021.27
Stop Loss Premium	-
Projected Total Plan Cost PEPM	\$1,999.03
Projected Plan Cost	\$ 105,140,982
Projected \$\$ Into Reserve	\$ 1,169,817

ACWA JPIA
2026 PPO Renewal
July 15, 2025

Includes Specific Stop Loss Estimate – \$1.5M Attachment Point

**Proposed Rates at June 17, 2025 Meeting*

CalPERS 2026 rate comparison													
CLASSIC PPO REGION	ENROLL TOTAL	2026 STANDARD RATES			2026 INCENTIVE RATES			2026 PREMIUMS	2026 CHANGE	PLATINUM EE	CP 2025 Projected	JPIA Standard	JPIA Incentive
		EE	EE+1	FAM	EE	EE+1	FAM						
Los Angeles	662	\$ 977.28	\$ 1,954.56	\$ 2,589.79	\$ 938.19	\$ 1,876.38	\$ 2,486.20	\$ 14,104,671	10%	1,263.73	11.7%	-29%	-35%
Other South	1,535	\$ 1,036.64	\$ 2,073.28	\$ 2,747.10	\$ 995.17	\$ 1,990.34	\$ 2,637.20	\$ 34,434,779	10%	1,429.92	9.3%	-38%	-44%
Sacramento	300	\$ 1,136.41	\$ 2,272.82	\$ 3,011.49	\$ 1,090.95	\$ 2,181.90	\$ 2,891.02	\$ 8,070,522	10%	1,672.91	12.3%	-47%	-53%
Other North	443	\$ 1,141.79	\$ 2,283.58	\$ 3,025.74	\$ 1,096.12	\$ 2,192.24	\$ 2,904.72	\$ 11,403,508	10%	1,672.91	12.3%	-47%	-53%
Bay Area	425	\$ 1,187.99	\$ 2,375.98	\$ 3,148.17	\$ 1,140.47	\$ 2,280.94	\$ 3,022.25	\$ 10,119,222	10%	1,672.91	12.3%	-41%	-47%
ADVANTAGE										PLATINUM			
Los Angeles	68	\$ 859.99	1,719.98	2,278.97	\$ 825.59	1,651.18	2,187.81	\$ 1,637,125	10%	1,263.73	11.7%	-47%	-53%
Other South	159	\$ 912.25	1,824.50	2,417.46	\$ 875.76	1,751.52	2,320.76	\$ 3,159,786	10%	1,429.92	9.3%	-57%	-63%
Sacramento	60	\$ 1,000.03	2,000.06	2,650.08	\$ 960.03	1,920.06	2,544.08	\$ 1,132,811	10%	1,672.91	12.3%	-67%	-74%
Other North	132	\$ 1,004.78	2,009.56	2,662.67	\$ 964.59	1,929.18	2,556.16	\$ 2,884,268	10%	1,672.91	12.3%	-66%	-73%
Bay Area	18	\$ 1,045.44	2,090.88	2,770.42	\$ 1,003.62	2,007.24	2,659.59	\$ 356,235	10%	1,672.91	12.3%	-60%	-67%
437													
CDHP		20%								GOLD			
Los Angeles	85	\$ 781.81	1,563.62	2,071.80	\$ 750.54	1,501.08	1,988.93	\$ 1,672,574	10%	963.25	10.6%	-23%	-28%
Other South	170	\$ 829.31	1,658.62	2,197.67	\$ 796.14	1,592.28	2,109.77	\$ 3,388,367	10%	959.54	8.2%	-16%	-21%
Sacramento	151	\$ 909.12	1,818.24	2,409.17	\$ 872.76	1,745.52	2,312.81	\$ 3,362,395	10%	1,013.70	10.8%	-12%	-16%
Other North	121	\$ 913.43	1,826.86	2,420.59	\$ 876.89	1,753.78	2,323.76	\$ 2,305,519	10%	1,013.70	10.8%	-11%	-16%
Bay Area	54	\$ 950.41	1,900.82	2,518.59	\$ 912.39	1,824.78	2,417.83	\$ 1,265,238	10%	1,013.70	10.8%	-7%	-11%
581													
4,383													

PEPM = Per Employee Per Month
EE = Employee
Premiums Annualized based on 6/1/2024 enrollment

Rates include JPIA Administrative Fees
Anthem Health Guide (AHG) is now embedded in PPO Cost

Aggregate Increase	10%
Annual Premiums	\$ 99,297,021
Investment Income	\$ 2,500,000
Total Funding	\$ 101,797,021
Funding PEPM	\$ 1,935.45
Stop Loss Premium	2,500,000
Projected Plan Cost PEPM	\$1,999.03
Projected Total Plan Cost PEPM	\$1,999.03
Projected Plan Cost	\$ 107,640,982
Projected \$\$ Out of Reserve	\$ (5,843,961)

ACWA JPIA
2026 PPO Renewal
July 15, 2025

Includes Specific Stop Loss Estimate – \$1.5M Attachment Point

**Proposed Rates at June 17, 2025 Meeting*

CalPERS 2026 rate comparison													
CLASSIC PPO REGION	ENROLL TOTAL	2026 STANDARD RATES			2026 INCENTIVE RATES			2026 PREMIUMS	2026 CHANGE	PLATINUM EE	CP 2025 Projected	JPIA Standard	JPIA Incentive
		EE	EE+1	FAM	EE	EE+1	FAM						
Los Angeles	662	\$ 995.05	\$ 1,990.10	\$ 2,636.88	\$ 955.25	\$ 1,910.50	\$ 2,531.41	\$ 14,361,146	12%	1,263.73	11.7%	-27%	-32%
Other South	1,535	\$ 1,055.49	\$ 2,110.98	\$ 2,797.05	\$ 1,013.27	\$ 2,026.54	\$ 2,685.17	\$ 35,061,022	12%	1,429.92	9.3%	-35%	-41%
Sacramento	300	\$ 1,157.07	\$ 2,314.14	\$ 3,066.24	\$ 1,110.79	\$ 2,221.58	\$ 2,943.59	\$ 8,217,290	12%	1,672.91	12.3%	-45%	-51%
Other North	443	\$ 1,162.55	\$ 2,325.10	\$ 3,080.76	\$ 1,116.05	\$ 2,232.10	\$ 2,957.53	\$ 11,610,849	12%	1,672.91	12.3%	-44%	-50%
Bay Area	425	\$ 1,209.59	\$ 2,419.18	\$ 3,205.41	\$ 1,161.21	\$ 2,322.42	\$ 3,077.21	\$ 10,303,214	12%	1,672.91	12.3%	-38%	-44%
ADVANTAGE										PLATINUM			
Los Angeles	68	\$ 875.63	1,751.26	2,320.42	\$ 840.60	1,681.20	2,227.59	\$ 1,666,893	12%	1,263.73	11.7%	-44%	-50%
Other South	159	\$ 928.84	1,857.68	2,461.43	\$ 891.69	1,783.38	2,362.98	\$ 3,217,255	12%	1,429.92	9.3%	-54%	-60%
Sacramento	60	\$ 1,018.21	2,036.42	2,698.26	\$ 977.48	1,954.96	2,590.32	\$ 1,153,402	12%	1,672.91	12.3%	-64%	-71%
Other North	132	\$ 1,023.05	2,046.10	2,711.08	\$ 982.13	1,964.26	2,602.64	\$ 2,936,715	12%	1,672.91	12.3%	-64%	-70%
Bay Area	18	\$ 1,064.45	2,128.90	2,820.79	\$ 1,021.87	2,043.74	2,707.96	\$ 362,713	12%	1,672.91	12.3%	-57%	-64%
437													
CDHP		20%								GOLD			
Los Angeles	85	\$ 796.03	1,592.06	2,109.48	\$ 764.19	1,528.38	2,025.10	\$ 1,702,995	12%	963.25	10.6%	-21%	-26%
Other South	170	\$ 844.39	1,688.78	2,237.63	\$ 810.61	1,621.22	2,148.12	\$ 3,449,965	12%	959.54	8.2%	-14%	-18%
Sacramento	151	\$ 925.65	1,851.30	2,452.97	\$ 888.62	1,777.24	2,354.84	\$ 3,423,497	12%	1,013.70	10.8%	-10%	-14%
Other North	121	\$ 930.04	1,860.08	2,464.61	\$ 892.84	1,785.68	2,366.03	\$ 2,347,455	12%	1,013.70	10.8%	-9%	-14%
Bay Area	54	\$ 967.69	1,935.38	2,564.38	\$ 928.98	1,857.96	2,461.80	\$ 1,288,242	12%	1,013.70	10.8%	-5%	-9%
581													
4,383													

PEPM = Per Employee Per Month

EE = Employee

Premiums Annualized based on 6/1/2024 enrollment

Rates include JPIA Administrative Fees

Anthem Health Guide (AHG) is now embedded in PPO Cost

Aggregate Increase	12%
Annual Premiums	\$ 101,102,655
Investment Income	\$ 2,500,000
Total Funding	\$ 103,602,655
Funding PEPM	\$ 1,969.78

Stop Loss Premium	2,500,000
Projected Total Plan Cost PEPM	\$1,999.03
Projected Plan Cost	\$ 107,640,982
Projected \$\$ Out of Reserve	\$ (4,038,327)

ACWA JPIA
2026 PPO Renewal
July 15, 2025

Includes Specific Stop Loss Estimate – \$1.5M Attachment Point

**Proposed Rates at June 17, 2025 Meeting*

										CalPERS 2026 rate comparison			
CLASSIC PPO REGION	ENROLL TOTAL	2026 STANDARD RATES			2026 INCENTIVE RATES			2026 PREMIUMS	2026 CHANGE	PLATINUM EE	CP 2025 Projected	JPIA Standard	JPIA Incentive
		EE	EE+1	FAM	EE	EE+1	FAM						
Los Angeles	662	\$ 1,021.71	\$ 2,043.42	\$ 2,707.53	\$ 980.84	\$ 1,961.68	\$ 2,599.23	\$ 14,745,884	15%	1,263.73	11.7%	-24%	-29%
Other South	1,535	\$ 1,083.76	\$ 2,167.52	\$ 2,871.96	\$ 1,040.41	\$ 2,080.82	\$ 2,757.09	\$ 36,000,106	15%	1,429.92	9.3%	-32%	-37%
Sacramento	300	\$ 1,188.07	\$ 2,376.14	\$ 3,148.39	\$ 1,140.55	\$ 2,281.10	\$ 3,022.46	\$ 8,437,446	15%	1,672.91	12.3%	-41%	-47%
Other North	443	\$ 1,193.69	\$ 2,387.38	\$ 3,163.28	\$ 1,145.94	\$ 2,291.88	\$ 3,036.74	\$ 11,921,821	15%	1,672.91	12.3%	-40%	-46%
Bay Area	425	\$ 1,241.99	\$ 2,483.98	\$ 3,291.27	\$ 1,192.31	\$ 2,384.62	\$ 3,159.62	\$ 10,579,191	15%	1,672.91	12.3%	-35%	-40%
ADVANTAGE										PLATINUM			
Los Angeles	68	\$ 899.08	1,798.16	2,382.56	\$ 863.12	1,726.24	2,287.27	\$ 1,711,542	15%	1,263.73	11.7%	-41%	-46%
Other South	159	\$ 953.72	1,907.44	2,527.36	\$ 915.57	1,831.14	2,426.26	\$ 3,303,425	15%	1,429.92	9.3%	-50%	-56%
Sacramento	60	\$ 1,045.49	2,090.98	2,770.55	\$ 1,003.67	2,007.34	2,659.73	\$ 1,184,306	15%	1,672.91	12.3%	-60%	-67%
Other North	132	\$ 1,050.46	2,100.92	2,783.72	\$ 1,008.44	2,016.88	2,672.37	\$ 3,015,388	15%	1,672.91	12.3%	-59%	-66%
Bay Area	18	\$ 1,092.96	2,185.92	2,896.34	\$ 1,049.24	2,098.48	2,780.49	\$ 372,428	15%	1,672.91	12.3%	-53%	-59%
437													
CDHP		20%								GOLD			
Los Angeles	85	\$ 817.35	1,634.70	2,165.98	\$ 784.66	1,569.32	2,079.35	\$ 1,748,608	15%	963.25	10.6%	-18%	-23%
Other South	170	\$ 867.01	1,734.02	2,297.58	\$ 832.33	1,664.66	2,205.67	\$ 3,542,396	15%	959.54	8.2%	-11%	-15%
Sacramento	151	\$ 950.44	1,900.88	2,518.67	\$ 912.42	1,824.84	2,417.91	\$ 3,515,189	15%	1,013.70	10.8%	-7%	-11%
Other North	121	\$ 954.95	1,909.90	2,530.62	\$ 916.75	1,833.50	2,429.39	\$ 2,410,319	15%	1,013.70	10.8%	-6%	-11%
Bay Area	54	\$ 993.61	1,987.22	2,633.07	\$ 953.87	1,907.74	2,527.76	\$ 1,322,751	15%	1,013.70	10.8%	-2%	-6%
581													
4,383													

PEPM = Per Employee Per Month

EE = Employee

Premiums Annualized based on 6/1/2024 enrollment

Rates include JPIA Administrative Fees

Anthem Health Guide (AHG) is now embedded in PPO Cost

Aggregate Increase	15%
Annual Premiums	\$ 103,810,799
Investment Income	\$ 2,500,000
Total Funding	\$ 106,310,799
Funding PEPM	\$ 2,021.27

Stop Loss Premium	2,500,000
Projected Total Plan Cost PEPM	\$1,999.03
Projected Plan Cost	\$ 107,640,982
Projected \$\$ Out of Reserve	\$ (1,330,183)

ACWA JPIA
Pricing and Plan Options for 2026 Delta Dental Plans
July 15, 2025

BACKGROUND

ACWA JPIA dental plans renew January 1, 2026. Historic rate and enrollment information are included below.

CURRENT SITUATION

Delta Dental PPO plans are self-funded and continue to perform well. As of March 31, 2025, the dental plan reserve balance is approximately \$1 million.

Dental Renewal & Enrollment History				
Year	Employees	Alliant Funding Analysis	JPIA Final Funding	Dental HMO
2021	8180	-1.88%	0%	0%
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%
Average	7986	-0.41%	0.50%	0.00%

History of Plan Enhancements

Historically, ACWA JPIA's Delta PPO plans have performed very well, regularly accumulating excess funds. Because of this, small rate decreases were regularly recommended by Alliant each year. Rather than decrease rates, JPIA has pursued a strategy to add plan enhancements and keep rates flat. Some recent plan enhancements include:

- 2025 – Third annual cleaning and diagnostic and preventive max waiver added to all plans.
- 2024 – Three new plans with \$3,000 annual maximum benefits added.
- 2022 – Diagnostic and preventive coverage increased to 100% for all plans.

Out-of-Network Concerns

In 2024, based on member concerns of dentists leaving the Delta network, staff conducted a Request for Proposal (RFP) which was reported to this Committee in July 2024. Nationwide, dentists are leaving dental networks for a variety of reasons including retirement, limiting their practices to one network, or going insurance independent. This

has the most impact on rural communities where there is less competition. Eight prospective bidders were contacted, and three were responsive, including Delta.

Based on these responses, staff recommended remaining with Delta due to pricing and disruption reports that would not favor most member agencies. As a result of the RFP, Delta lowered JPIA's administrative service fees (ASO) from 8.5% to 8%, effective January 1, 2025, through December 31, 2027.

For plan year 2026, following ongoing concerns from rural member agencies, staff pursued two options to increase the Usual Customary and Reasonable (UCR) percentage for out-of-network (OON) reimbursements to members. This amount is determined by the dental carrier and is based on what dentists in particular areas typically charge for services/procedures.

Option 1 - Ameritas

Adding an additional carrier, Ameritas, to provide access to a plan with a 90% UCR OON reimbursement rate.

Option 2 – Eighty Percent Out-of-Network Reimbursement with Delta

Increasing the OON UCR reimbursement within Delta by creating three new 80% UCR OON plans. Current Delta plans have an OON reimbursement based on maximum contract allowance which is approximately 50% UCR.

Result

Ameritas declined to provide a quote for a fully insured plan within their network. They cited too great an adverse selection risk while running alongside the Delta plans. They also indicated an aversion to providing self-funded plans alongside another carrier.

For the 80% UCR OON option with Delta, staff has drafted three plans for the Committee's consideration.

All plans listed below have the same coinsurance structure as our existing plans. They are also dependent-voluntary and cover adult and child orthodontics.

Recommended 80% UCR Out-of-Network Reimbursement Plans Current			
Annual Calendar Year Max Benefit	Single	Two Party	Family
\$1,500	\$ 38.95 \$35.36	\$81.97 \$74.40	\$151.43 \$137.45
\$2,000	\$52.73 \$47.86	\$111.45 \$101.16	\$200.99 \$182.44
\$3,000	\$54.83 \$49.77	\$115.91 \$105.21	\$209.04 \$189.74

With no changes to our plans, claims are projected to increase by 3.6% for 2026. The proposed three new 80% UCR OON reimbursement plans are projected to have 7.17% higher claims experience than our current plans. Claims experience will be reviewed to ensure accurate pricing of our plans.

Should the Committee recommend adding the 80% UCR plan options, the key considerations for agencies considering a transition are:

- 80% UCR plans and standard Delta plans cannot be run side-by-side at an agency. Therefore, agencies must choose to change to one of the 80% UCR plan options or stay with their current Delta Dental plan.
- Additionally, to avoid adverse selection, those agencies who switch must remain on the new plan for a minimum of three years before moving back to a standard Delta plan.

DeltaCare HMO:

The fully insured DeltaCare HMO plan presented a flat renewal and a three-year rate guarantee, from January 1, 2026, through December 31, 2028. Staff recommends no change in rates for the DeltaCare HMO plan.

RECOMMENDATIONS

That the Employee Benefits Program Committee recommend that the Executive Committee approve three new 80% UCR Out-of-Network reimbursement plans with Delta Dental, a **3% increase** in rates for the current Delta PPO plans, and **no change** in rates for the DeltaCare HMO plan, effective January 1, 2026.

ACWA JPIA
Pricing and Plan Enhancements for 2026 Vision Service Plans
July 15, 2025

BACKGROUND

ACWA JPIA vision plans renew January 1, 2026. 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 performed well for over 10 years, resulting in regular contributions to the Employee Benefits Reserve. These contributions have been used to fund enhancements to the contact lens allowance, progressive lens benefits, and the anti-reflective lens coatings benefits. VSP plan rates for members have remained flat since 2015. As of April 30, 2025, the vision plan's balance is approximately \$2.7 million.

Vision Renewal & Enrollment History				
Year	Employees	Alliant Funding Analysis	JPIA Final Funding	Enhancement
2021	7774	-2.7%	0%	
2022	7797	-4.5%	0%	Contact lens allowance increased to \$150, anti-reflective at \$25 copay
2023	7982	-8.3%	0%	
2024	8113	2.5%	0%	Two plans added with safety glasses
2025	8113	2.9%	0%	
2026*	8118	2.53%	0%	Lens & frame allowance increased to \$150*
Average	7749	-1.2%	0.0%	

* Recommended

Staff recommends increasing the frame and contact lens allowance by \$20, from \$150 to \$170 each, to keep up with the industry benchmark.

With this increase in the frame/contact lens allowance, projections for the vision plans show an increase of **2.53%** to meet expenses in 2026. Staff recommends no change in rates, due to the vision plan reserves that have accrued since 2015.

RECOMMENDATION

That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the VSP plans with **no change** in rates, with an increase of \$20 in the frame and contact lens allowances, effective January 1, 2026.

ACWA JPIA
Wellness Update
July 15, 2025

BACKGROUND

The Employee Benefits Department regularly evaluates the utilization of existing wellness programs as well as potential plan enhancements to support wellness in a variety of ways.

CURRENT SITUATION

Staff is currently reviewing options to put an enhanced navigator in place to replace Anthem Health Guide. An enhanced navigator would provide a dedicated advocate for each family within any of our Anthem plans. The advocate would be a single point of contact for benefits questions, ensure care is appropriate and coordinated, provide case management services for more complex health conditions, and bring in teams that can help respond to escalated issues. Staff is evaluating the return on investment (ROI) including engagement savings and improved outcomes savings. A navigator could be implemented off-cycle.

Staff is also evaluating Anthem-based wellness and health management programs that can be embedded within our Anthem plans for additional cost. Additionally, staff is looking at cancer screening options such as GRAIL, and other diagnostic exams. For all programs being considered, staff is evaluating the impact on our members as well as the ROI.

Wellness Grants from Anthem

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 agencies who participate in Anthem medical plans to apply for a grant to support their employee wellness programs. The minimum grant is \$200 and the maximum is \$2,000, based on the number of benefits eligible employees at the applying agency. Anthem increased annual funding for the program from \$75,000 to \$100,000 in 2023, and to \$200,000 in 2024.

This year, JPIA is proud to announce that **99** members were awarded Wellness Grants. The final list of members will be presented to the committee during the meeting.

Due to the additional funding from Anthem, JPIA was able to implement Wellhub (formerly known as Gympass) for employees enrolled in an Anthem medical plan. Wellhub provides multiple membership plans for 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 agency/employer administrative fees. Eligible employees who wish to join pay their monthly membership costs directly to Wellhub after signing up.

Following implementation in July 2024, staff heard from two rural districts who did not have a Wellhub gym in their area. Wellhub reached out directly to local gyms in these areas to recruit them into the Wellhub network. Wellhub confirmed these gyms were unwilling to contract with Wellhub or work out a solution for our members in those areas. Anthem enrolled employees in areas without physical gyms or fitness studios in the Wellhub network are still able to utilize Wellhub's digital plan option at no cost.

RECOMMENDATION

None, information only.

ACWA JPIA MEETINGS CALENDAR – 2025

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 15			9:00 AM *							
JAN 29		10:30 AM							8:00 AM	
MARCH 9-11 CICA CONFERENCE – TUCSON, AZ										
MARCH 16-19 AGRIP GOVERNANCE CONFERENCE – LAS VEGAS										
MAR 27				1:00 PM		3:00 PM				
MAR 28		8:00 AM								
MAR 31		3:00 PM *								
APRIL 30					9:00 AM *					
MAY 12-15 ACWA JPIA SPRING MEMBERSHIP SUMMIT/ACWA CONFERENCE – MONTEREY										
MAY 12	2:00 PM						8:15 AM			
JUNE 2			3:00 PM *							
JUNE 4										9:00 AM (UTAH)
JUNE 26							3:00 PM	1:00 PM		
JUNE 27		8:00 AM								11:00 AM
JULY 14-15 EXECUTIVE COMMITTEE ONBOARDING WORKSHOP – SAN DIEGO										
JULY 15		1:30 PM			10:30 AM					
SEPT 3			10:00 AM *							
SEPTEMBER 16-19 CAJPA ANNUAL CONFERENCE - MONTEREY										
SEPT 29				1:00 PM		3:00 PM				
SEPT 30		8:30 AM								11:00 AM
OCT 22		10:00 AM *								
DECEMBER 1-4 ACWA JPIA FALL MEMBERSHIP SUMMIT/ACWA FALL CONFERENCE – SAN DIEGO										
DEC 1	1:45 PM	10:30 AM								8:00 AM

*Virtual Meeting