

Employee Benefits Program Committee Meeting



YOUR BEST PROTECTION

[Zoom Link](#)

Meeting ID: 230 407 0027

Password: 5742

Telephone No.: 1 (669) 900-6833

Thursday
April 30, 2026
9:00 AM

Chair: Randall Reed, Cucamonga Valley Water District

Vice Chair: Scott Ratterman, Calaveras County Water District

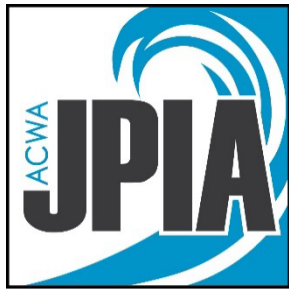
Karen Alves, Glenn-Colusa Irrigation District

Karen Gish, Amador Water Agency

Dina Nolan, Madera Irrigation District

Patrick H. Sanchez, Vista Irrigation District

Laures Stiles, San Luis & Delta-Mendota Water Authority



EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING

AGENDA

[Zoom Link](#)

Meeting ID: 230 407 0027

Password: 5742

Telephone No.: 1 (669) 900-6833

Thursday, April 30, 2026 – 9:00 AM

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:

- Reed – 6171 Columbus Court, Rancho Cucamonga
- Ratterman – 1216 Magers Road, San Andreas
- Alves – 344 East Laurel Street, Willows
- Gish – 12800 Ridge Road, Sutter Creek
- Nolan – 12152 Road 28¼, Madera
- Sanchez – 1391 Engineer Street, Vista
- Stiles – 842 6th Street, Los Banos

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.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

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I. CONSENT AGENDA

* A. Approve the Minutes of the July 15, 2025, Meeting

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B. Approve an Excused Absence for Any Committee Member

II. ADMINISTRATION

A. Report on Meetings Attended on Behalf of the JPIA

Dedmon

* B. Membership Report

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IV. STAFF UPDATES

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V. UPCOMING MEETING

Reed	* A. Review Availability of Committee Members for the Next Employee Benefits Program Committee Meeting on Wednesday, July 29, 2026, at 1:00 PM	63
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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 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.



EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING

Paradise Point Resort & Spa
1404 Vacation Road
San Diego, CA 942109

July 15, 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
Roberta Perez, Cucamonga Valley Water District
Patrick Sanchez, Vista Irrigation District
Laures Stiles, San Luis & Delta-Mendota Water Authority

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer: Adrienne Beatty
Erin Bowles, Workers' Compensation Claims Manager
Chimene Camacho, Senior Executive Assistant to the CEO
Sarah Crawford, Member Education Manager
David deBernardi, Director of Finance
Adam Dedmon, Employee Benefits Manager
Michele Dye, Employee Benefits Specialist
Robin Flint, Risk Control Manager
Robert Greenfield, General Counsel
Jennifer Jobe, Director of Pooled Programs
Erik Kowalewski, Information Technology Manager
Jackie Rech, Employee Benefits Specialist
Jillian Sciancalepore, Administrative Assistant III (*Recording Secretary*)
Judy Shiu, Liability and Property Claims Manager
Dan Steele, Finance Manager
Kayla Villa, Litigation Manager
Tony Waterford, Human Resources Manager

OTHERS IN ATTENDANCE

Melody McDonald, San Bernardino Valley Water Conservation District
Brent Hastey, Reclamation District 784
Chris Kapheim, Kings River Conservation District
Scott Ratterman, Calaveras County Water District
Randall Reed, Cucamonga Valley Water District

David Wheaton, Citrus Heights Water District
Tom Sher, Benefits Consultant/Senior Vice President, Alliant Insurance Services, Inc.

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

Chair Rupp welcomed everyone in attendance and called the meeting to order at 10:30 AM. He announced there was a quorum. He requested the Employee Benefits Program Committee and staff to introduce themselves. Roberta Perez was recognized for her retirement and thanked for her service on the Employee Benefits Committee.

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.

EVACUATION PROCEDURES

Ms. Beatty gave the evacuation procedure instructions.

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 welcomed. 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 (Lu-Yang/Gish) (Stiles-Yes; Sanchez-Yes; Perez-Yes; Gish-Yes; Dosier-Yes; Lu-Yang-Yes; Rupp-Yes): That the Employee Benefits Program Committee approve the minutes of the April 30, 2025, meeting, as presented; Approve an Excused Absence for Any Committee Member; 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; 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; Change to Anthem and Kaiser Consumer-Driven Health Plan (CDHP) Deductibles Based on 2026 IRS Requirements; 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; That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal of life insurance benefits with no change in rates, 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; and 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.

II. ADMINISTRATION

Report on Meetings Attended on Behalf of the JPIA

None.

Introduction of New Employee Benefits Specialist and Retirement Recognition

Mr. Dedmon informed the Committee that Ms. Rech will be retiring at the end of 2025 after seven plus years of service to the JPIA and recognized her for exceptional dedication and professionalism. He also introduced Ms. Dye as the new Employee Benefits Specialist, who started on June 30, 2025, with over twenty years of prior experience in employee benefits. Ms. Dye will train alongside Ms. Rech for six months.

III. PROGRAM UPDATES

Overview of Program History

Mr. Dedmon presented the 2025-26 Renewal Summary which is a quick reference for all the proposed rate changes. He also informed the Committee that the IRS has updated the deductibles pertaining to both the Anthem and Kaiser Consumer Driven Health Plans. In addition, Kaiser CDHP and Senior Advantage Out-of-Pocket maximums are to be announced. A brief savings history was presented, highlighting most recently that the Delta Dental PPO ASO fee was lowered from 8.95% to 8.0%, estimating a savings of \$78,000. Regarding 2025 medical enrollment, Mr. Dedmon highlighted that nearly 50% of enrollers are in Anthem PPO which includes the CDHP plans. Lastly, Mr. Dedmon discussed the program's risk management approach stressing the importance of how the Point Solutions target high-cost conditions, and how the eligibility requirements prevent adverse selection, including competitive plan restrictions and employer contribution minimums.

Market Update and Utilization

Mr. Sher shared an overview of the state of the market, and the factors impacting rates and healthcare costs including million-dollar claims, cancer treatments, and medication costs. He also informed the Committee that legislative changes are reducing Medicaid reimbursement rates, which is expected to impact rural hospitals over the next two to three years. Inflation is still impacting rates, largely due to the cost of medical devices and salaries.

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), Hinge Health (physical therapy), Modern Health (mental health), and Progyny (fertility, surrogacy, and adoption assistance).

Review and Provide Recommendation Regarding Pricing for 2026 Kaiser Senior Advantage Medical Plans

Staff was provided with renewal pricing for the Kaiser Senior Advantage Medical Plans on July 11, 2025, post deadline for packet publishing. Mr. Dedmon informed the Committee of an aggregate rate increase of 8.51%, and this will be presented to the Executive Committee on September 30, 2025, for approval for the 2026 plan year.

Review and Provide Recommendation Regarding Employee Benefits Program Reserve Fund Target Balance

Ms. Beatty informed the Committee that in response to an increase in unusually high-cost claims in 2024, the Employee Benefits Program engaged Turner Consulting and Actuarial to reassess its Reserve Fund Target earlier than normal. The current reserve fund target is \$34 million. The Reserve Fund balance currently stands at \$57.1 million as of April 30, 2025. A new actuarial study recommends a Claim Fluctuation Margin of \$30.7 million and Incurred But Not Reported claims of \$8.4 million, totaling a new recommended fund target of \$39.2 million, at a 99% confidence level. The Committee supports a cautious, gradual approach to using reserve funds to subsidize rates to mitigate the impact of rising medical costs while maintaining the Reserve Fund at the recommended level for future stability and catastrophic events.

M/S/C (Dosier/Perez) (Stiles-Yes; Sanchez-Yes; Perez-Yes; Gish-Yes; Dosier-Yes; Lu-Yang-Yes; Rupp-Yes): 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

Ms. Beatty and Mr. Sher presented historical stop loss experience from 2016 through 2022 which showed a significant disparity between premiums paid and claims recovered, leading to a net loss for the Program. This experience prompted a re-evaluation of the necessity and structure of stop loss coverage, considering the high premium costs versus the low frequency of high-cost claims. The 2024 anomaly saw four claims exceeding \$2 million, including one \$6 million claim, raising concerns about the sustainability of self-funding high-cost medical claims. This surge in high-cost claims has made commercial stop loss insurance less available and more expensive for organizations. Insurers typically require real-time data to assess risk and set premiums, delaying the quoting process for potential stop loss coverage; therefore, no actual quotes are obtainable at this time, but should be available in late September. Additional discussion focused on CWIF stop loss coverage options, with the focus remaining on maintaining a robust reserve balance to manage high-cost claims without relying on external stop loss insurance.

The Employee Benefits Program Committee directed staff to defer the implementation of stop loss coverage for 2026 while continuing to explore CWIF specific stop loss

options for future years to maintain control over funds. The Committee also requested that Stop Loss quotes received in late September be brought forward to the Executive Committee as information only.

Review and Provide Recommendation Regarding Pricing for 2026 Anthem PPO Medical Plans

Mr. Dedmon informed the Committee that 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. However, staff's recommendation of a 10% increase aims to stabilize rates while utilizing reserve funds to soften the financial impact on member agencies. The approach aims to align collected rates with projected expenses over time, ensuring long-term financial sustainability.

Ms. Beatty shared the reserve fund projection model which gives estimated indications of rate structure sustainability based on current and known information of anticipated costs. Projected costs are conservatively estimated, allowing for potential fluctuations in claims and expenses while maintaining adequate reserve levels. The model incorporated a gradual increase in rates to align with projected expenses, minimizing the risk of significant financial shortfalls.

M/S/C (Stiles/Gish) (Stiles-Yes; Sanchez-Yes; Perez-Yes; Gish-Yes; Dosier-Yes; Lu-Yang-Yes; Rupp-Yes): 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.

Review and Provide Recommendation Regarding Pricing and Plan Options for 2026 Delta Dental Plans

Mr. Dedmon provided a brief history of plan enhancements and informed the Committee that Delta network dentist departures have been identified as a nationwide problem, specifically affecting rural agencies. Staff conducted a Request for Proposals (RFP) which ultimately resulted in 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.

However, in order to address ongoing concerns by rural districts for lack of availability of in-network dentists and out-of-network costs, staff has negotiated with Delta for 80% Usual Customary and Reasonable (UCR) percentage plans for out-of-network (OON) options with Delta. Proposed are three plans which all have the same coinsurance structure as our existing plans. These plans will offer 80% reimbursement for OON dental services, versus the current 50% OON reimbursement, reducing OON costs for rural districts facing in-network dentist shortages. Agencies can choose to adopt these new plans; however, they must forfeit their current plan and commit to the new plan for a minimum of three years, to avoid adverse selection and ensure stability for the pool.

M/S/C (Perez/Stiles) (Stiles-Yes; Sanchez-Yes; Perez-Yes; Gish-Yes; Dossier-Yes; Lu-Yang-Yes; Rupp-Yes): 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.

Review and Provide Recommendation Regarding Pricing and Plan Enhancements for 2026 Vision Service Plans

Mr. Dedmon presented a brief overview of the previous and current projected vision plans emphasizing that as of April 30, 2025, the vision plan's balance is approximately \$2.7 million, which allows for enhancements to the plan without increasing rates for members. The recommendation to increase the frame and contact lens allowance from \$150 to \$170 aligns with industry standards, ensuring competitive benefits for employees.

M/S/C (Dossier/Stiles) (Stiles-Yes; Sanchez-Yes; Perez-Yes; Gish-Yes; Dossier-Yes; Lu-Yang-Yes; Rupp-Yes): 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.

Wellness Update

Ms. Rech provided an overview of the previous 2024-25 and current 2025-26 Wellness Grant Program. It was reported that this year, the JPIA awarded a record breaking 99 members with Wellness Grants – 11 more than in the previous year. Due to the high volume of applications, the total grant budget was exceeded, necessitating a reduction in grant amounts by 15% for each recipient. Enhanced communication strategies led to this record number of applications, indicating strong agency engagement.

IV. UPCOMING MEETINGS

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

The Employee Benefits Program Committee meeting adjourned at 12:08 PM.

ACWA JPIA
Membership Report
April 30, 2026

BACKGROUND

The JPIA has administered Employee Benefit plans since July 1, 2012. The plans renew each January 1, and the plan design and pricing are set the prior July. Each year, the program's performance and renewal options are carefully reviewed to ensure members receive the broadest coverage available at the most competitive cost.

CURRENT SITUATION

Adam Dedmon, Employee Benefits Manager, will provide the Committee with an update on current enrollments.

Program Membership Status as of April 13, 2026:

Total Number of Program Members: 269
 Total Number of Covered Employees: 9,623

	Medical	Dental	Vision	Life	EAP	Disability
# Agencies	206	212	197	138	122	63
# Employees	8,872	8,532	8,328	3,117	4,743	1,913

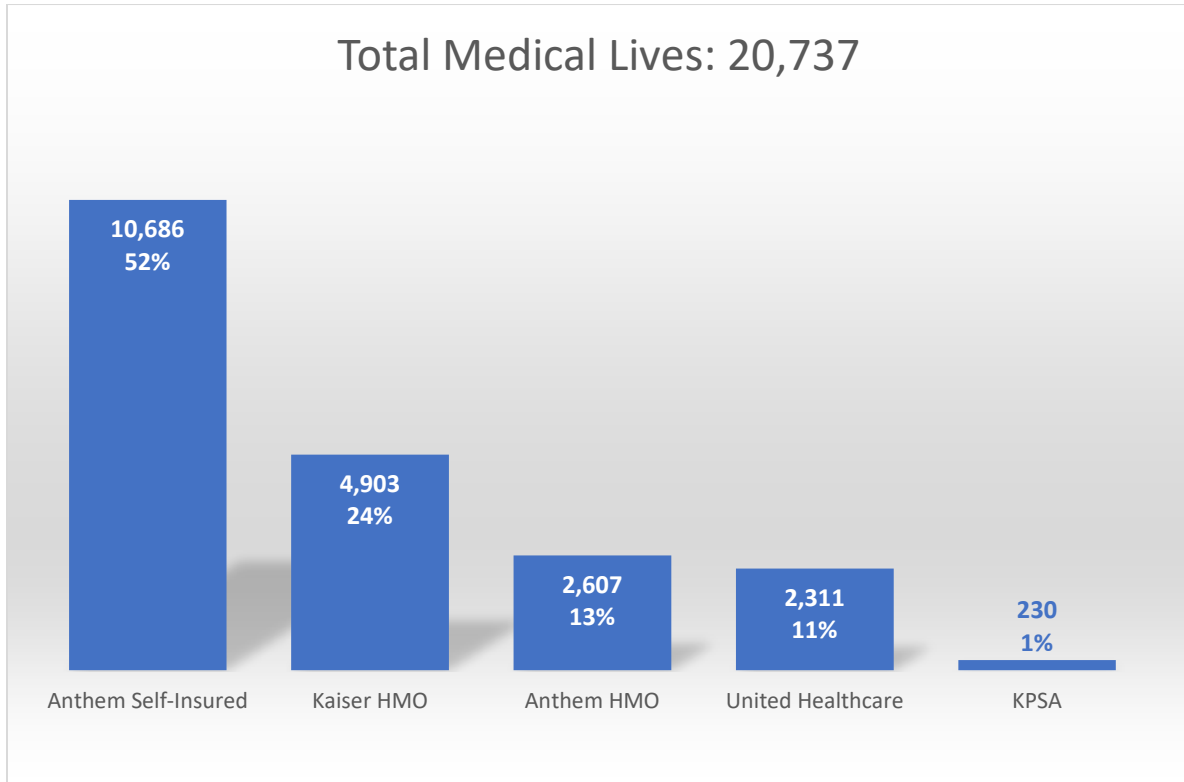
Recent Member Agency Additions and Terminations

Addition / Termination	# EE	Agency	Note
Termination 12/31/2025	4	San Mateo County Flood	Dental, Vision
Termination 12/31/2025	189	Santa Margarita WD	EAP
Addition 1/1/2026	31	Georgetown Divide PUD	Dental, Vision
Addition 2/1/2026	6	Exeter ID	Basic/Supplemental Life/AD&D
Addition 2/1/2026	9	La Canada ID	Dental, Vision
Addition 2/1/2026	8	Ivanhoe ID	Basic/Supplemental Life/AD&D
Addition 2/1/2026	3	Tri-District WD	Basic/Supplemental Life/AD&D
Addition 4/1/2026	75	Central CA ID	Medical
Termination 7/1/2026	12	Hidden Valley Lake CSD	Dental

RECOMMENDATION

None, information only.

Medical Plan Enrollment Detail



*Anthem Self-Insured includes PPO and CDHP participants.

Medical Plan	Total Lives
Anthem PPO	9,081
Kaiser HMO	4,375
Anthem HMO	2,607
UHC	2,311
Anthem CDHP	1,605
Kaiser CDHP	528
KPSA	230



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
Contra Costa Water District		X	X				300
Santa Clarita Valley Water Agency		X	X	X	X	X	269
Orange County Water District	X	X	X				259
Alameda County Water District		X	X		X		242
East Bay Municipal Utilities District	X						201
Santa Margarita Water District	X	X	X				200
Helix Water District	X	X	X				185
Western Municipal Water District	X						183
Rancho California Water District	X	X	X				180
Nevada ID		X	X				174
South Tahoe Public Utility District	X		X				141
Cucamonga Valley Water District	X						126
Las Virgenes Municipal Water District	X						126
Yuba County Water Agency	X	X	X		X		126
Tahoe City Public Utility District					X		120
Vallecitos Water District	X	X	X				106
San Luis & Delta-Mendota Water Authority	X	X	X		X		105
South Coast Water District	X						104
South San Joaquin Irrigation District	X		X		X		100
Palmdale Water District	X	X	X		X		98
Desert Water Agency	X	X	X		X		95
Tuolumne Utilities District		X	X	X	X	X	95
Vista Irrigation District	X	X					93
Solano Irrigation District	X	X			X		92
Sacramento Suburban Water District					X		88
Calleguas Municipal Water District		X	X		X		86
Yorba Linda Water District	X	X					86
Olivenhain Municipal Water District	X		X				85
Calaveras County Water District		X	X	X	X		82
Glenn-Colusa Irrigation District	X	X					80
Goleta Water District	X	X	X				79
Valley Center Municipal Water District	X						79
Central California Irrigation District			X				75
Fresno Metropolitan Flood Control District	X	X	X		X		74
Fallbrook Public Utility District	X	X	X				73
Association of California Water Agencies JPIA	X	X	X	X	X	X	71



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
Water Replenishment District of Southern California	X	X		X	X	X	67
El Toro Water District	X	X	X				66
Rainbow Municipal Water District	X		X		X		65
Walnut Valley Water District	X	X	X		X		63
Kern County Water Agency	X	X	X		X		62
Lake Arrowhead Community Services District	X						62
Oakdale Irrigation District		X	X				62
Big Bear City Community Services District		X	X	X	X		61
United Water Conservation District		X	X	X	X		60
Mission Springs Water District	X		X		X		59
South Feather Water and Power Agency		X	X			X	59
Mesa Water District					X		58
Paradise Irrigation District	X	X	X	X	X	X	58
Ramona Municipal Water District	X		X				58
Stockton-East Water District	X	X	X	X	X	X	58
Antelope Valley-East Kern Water Agency	X	X	X	X	X		56
Casitas Municipal Water District	X	X	X	X	X	X	56
Mojave Water Agency		X	X	X	X	X	56
Friant Water Authority	X	X	X		X		55
West Valley Water District	X	X			X		55
San Juan Water District		X	X		X		54
Arvin-Edison Water Storage District	X		X				53
City of Tehachapi	X	X	X	X			52
Kings River Conservation District	X	X	X		X		52
Soquel Creek Water District		X	X	X	X	X	52
Wheeler Ridge-Maricopa Water Storage District	X		X	X			52
Marina Coast Water District	X	X	X		X		51
Amador Water Agency	X	X	X	X	X	X	50
Citrus Heights Water District					X		48
San Bernardino Valley Municipal Water District	X	X		X	X	X	47
Laguna Beach County Water District	X	X	X		X		46
Mammoth Community Water District	X	X	X	X	X	X	46
Hi-Desert Water District	X	X	X		X		44



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
West Basin Municipal Water District	X	X		X	X	X	42
Madera Irrigation District	X	X	X				41
Semitropic Water Storage District	X	X	X	X	X		40
Westside Water Authority	X	X	X	X	X	X	40
Crescenta Valley Water District	X				X		37
Rowland Water District	X	X	X		X		37
Camrosa Water District	X	X	X				36
Montecito Water District	X	X	X	X	X	X	36
Solano County Water Agency		X			X	X	36
Valley County Water District		X	X		X		36
ACWA	X	X	X	X	X	X	35
Carmichael Water District		X	X		X		35
Diablo Water District	X	X			X		35
Fair Oaks Water District	X	X	X	X	X	X	35
Henry Miller Reclamation District #2131				X		X	35
Humboldt Bay Municipal Water District	X	X	X		X		34
Indian Wells Valley Water District	X	X	X	X	X	X	34
Three Valleys Municipal Water District	X	X	X		X		34
Tulelake Irrigation District	X	X	X				33
Humboldt Community Services District	X	X	X	X	X	X	32
Municipal Water District of Orange County	X		X				32
North Kern Water Storage District	X	X	X				32
Central Coast Water Authority						X	31
Chino Basin Water Conservation District	X	X	X	X	X	X	31
Georgetown Divide Public Utility District	X	X	X	X	X		30
Yolo County Flood Control & Water Conservation District	X		X	X	X	X	30
Florin Resource Conservation District - Elk Grove Water District	X	X	X	X	X		29
San Benito County Water District		X		X	X		29
Tulare Irrigation District	X	X	X	X	X	X	29
Coastside County Water District	X	X	X	X	X	X	28
Consolidated Irrigation District	X	X	X				28



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
Kirkwood Meadows Public Utility District	X	X	X		X		28
Rincon Del Diablo Municipal Water District		X	X				28
Trabuco Canyon Water District				X			28
Twentynine Palms Water District	X	X	X	X		ab	28
Byron-Bethany Irrigation District	X	X	X	X	X		27
East Contra Costa Irrigation District	X	X	X	X		X	27
Lower Tule River Irrigation District						X	27
Kaweah Delta Water Conservation District	X	X	X	X	X	X	26
La Puente Valley County Water District	X		X				26
Monterey Peninsula Water Management District				X	X	X	26
Alta Irrigation District	X	X	X	X			25
Bella Vista Water District		X					25
City of Buellton		X	X		X		25
Joshua Basin Water District	X	X	X		X		25
Central Basin Municipal Water District	X	X			X		24
Chowchilla Water District	X	X	X				24
North Coast County Water District	X	X	X		X		24
Tri-Dam Project	X	X	X	X		X	24
Banta Carbona Irrigation District	X	X	X	X			23
Carpinteria Valley Water District	X	X	X		X		23
McKinleyville CSD	X	X			X		23
Pajaro Valley Water Management Agency	X	X	X	X	X	X	23
San Bernardino Valley Water Conservation District	X	X	X		X		23
Scotts Valley Water District	X	X	X	X	X		22
Tehachapi-Cummings County Water District	X	X	X		X		22
Browns Valley Irrigation District	X	X	X	X	X		21
Mid-Peninsula Water District	X	X	X	X	X	X	21
Patterson Irrigation District	X	X	X		X		21
San Gabriel County Water District	X		X	X	X		21
Santa Ana Watershed Power Authority	X	X	X		X		21
Valley of the Moon Water District		X	X	X		X	21
East Orange County Water District	X	X	X	X			20



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
Lakeside Water District	X	X		X		X	20
Santa Ynez River WCD Improvement District No. 1	X	X	X	X			20
Buena Vista Water Storage District	X	X	X	X			19
Clearlake Oaks County Water District	X	X	X		X		19
Pebble Beach Community Services District	X	X	X	X	X	X	19
Thermalito Water & Sewer District		X		X			19
Borrego Water District	X	X	X				18
Panoche Water District	X	X	X	X			18
Rosamond Community Services	X	X		X	X		18
Cachuma Operation and Maintenance Board	X	X	X	X	X		17
Cawelo Water District	X	X		X			17
James Irrigation District	X	X	X				17
Quartz Hill Water District	X	X	X	X	X		17
Shafter-Wasco Irrigation District	X	X	X	X			17
American River Flood Control District	X	X	X		X		16
Calaveras Public Utility District		X	X	X			16
Vandenberg Village Community Services District	X	X	X	X	X		16
Grassland Water District	X	X	X	X			15
La Habra Heights County Water District	X		X	X			15
Rio Linda/Elverta Community Water District					X		15
Rosedale-Rio Bravo Water Storage District	X	X	X	X		X	15
West Kern Water District		X					15
Butte Water District	X						14
Delano-Earlimart Irrigation District	X	X	X	X		X	14
Mission Hills Community Services District	X	X	X	X	X	X	14
Mojave Public Utility District	X	X	X	X			14
Montecito Sanitary District	X	X	X	X	X	X	14
Orchard Dale Water District	X	X	X	X	X		14
West Stanislaus Irrigation District	X	X	X	X			14
Yuima Municipal Water District	X	X	X	X			14
Channel Islands Beach Community Services District		X	X	X	X		13



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
Crestline Village Water District	X	X					13
Pico Water District	X		X	X			13
Reclamation District #1000		X	X	X			13
Reclamation District #784	X	X	X	X			13
Rio Alto Water District	X	X	X	X			13
San Geronio Pass Water Agency		X		X		X	13
South Sutter Water District	X	X	X	X		X	13
Terra Bella Irrigation District	X	X	X	X			13
Western Canal Water District	X	X	X	X	X		13
Golden Hills Community Services District	X	X	X	X	X		12
Hidden Valley Lake Community Services District		X					12
Idyllwild Water District	X	X	X	X			12
Richvale Irrigation District	X	X	X				12
Westborough Water District	X	X	X	X			12
Centerville Community Services District	X	X	X	X			11
Pajaro/Sunny Mesa Community Services District	X	X	X	X			11
Southern San Joaquin Municipal Utility District		X		X			11
Tulare Lake Basin Water Storage District	X	X		X			11
Weaverville Community Services District		X	X				11
Bolinas Community Public Utility District	X	X		X	X		10
Brooktrails Township Community Services District	X	X		X		X	10
Corcoran Irrigation District	X	X	X	X		X	10
Firebaugh Canal Water District	X	X	X	X			10
Kern-Tulare Water District	X	X					10
Montara Water & Sanitary District	X	X	X			X	10
Tranquillity Irrigation District	X	X	X	X		X	10
Upper San Gabriel Valley Municipal Water District	X			X			10
Big Bear Municipal Water District	X	X		X			9
Crestline-Lake Arrowhead Water Agency		X	X	X			9
Foothill Municipal Water District	X	X	X	X	X	X	9



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
Grassland Basin Authority	X	X	X	X	X		9
Kanawha Water District		X	X	X		X	9
Kinneloa Irrigation District	X	X	X				9
La Canada Irrigation District	X	X	X	X	X	X	9
North Yuba Water District	X						9
Pleasant Valley County Water District		X	X				9
Porterville Irrigation District	X	X	X				9
South Montebello Irrigation District	X	X	X	X	X	X	9
Stinson Beach County Water District				X	X		9
Stone Corral Irrigation District	X	X	X				9
Alpaugh Irrigation District		X	X	X			8
Berrenda Mesa Water District	X	X	X	X	X	X	8
Bodega Bay Public Utility District	X	X	X	X			8
Chino Basin Watermaster				X		X	8
Ivanhoe Irrigation District	X	X	X	X			8
Kings County Water District	X	X				X	8
Laguna Irrigation District			X				8
Main San Gabriel Basin Watermaster	X			X	X	X	8
Reclamation District #2068	X			X			8
San Andreas Sanitary District		X	X	X	X		8
Union Public Utility District	X	X	X	X	X		8
Angiola Water District	X	X	X	X			7
Del Puerto Water District		X	X		X		7
Friant Power Authority	X	X	X				7
Littlerock Creek Irrigation District		X	X	X			7
Los Alamos Community Services District	X	X	X		X		7
Mountain Gate Community Services District	X	X	X				7
Orange Cove Irrigation District	X	X	X	X			7
Planada Community Services District	X	X	X	X	X		7
Reclamation District #1004	X	X	X	X			7
San Gabriel Basin Water Quality Authority	X			X			7
Serrano Water District	X	X	X	X	X	X	7
Sutter Extension Water District	X	X	X	X			7
Aromas Water District	X	X	X		X		6
Bay Area Water Supply & Conservation Agency		X	X	X	X	X	6



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
Biggs-West Gridley Water District	X	X	X	X	X		6
Castroville Community Services District		X	X		X		6
Exeter Irrigation District	X	X	X	X			6
Mariposa Public Utility District	X	X					6
Pinedale County Water District				X			6
Redwood Valley County Water District	X	X	X	X	X		6
San Gabriel Valley Municipal Water District	X			X			6
Ventura River County Water District	X	X	X				6
Chino Basin Desalter Authority	X	X	X	X			5
City of San Juan Bautista	X	X	X		X		5
Delhi County Water District	X	X	X				5
Elsinore Valley Municipal Water District	X		X		X		5
Fall River Valley Community Services District		X	X	X	X		5
Frazier Park Public Utility District	X	X	X				5
Ivanhoe Public Utility District	X			X			5
Lakeside Irrigation Water District	X	X	X			X	5
Laton Community Services District	X	X	X			X	5
Pescadero Reclamation District #2058	X	X					5
Boron Community Services District				X			4
Forestville Water District			X				4
Kings River Water District	X						4
Le Grand Community Services District	X	X	X		X		4
Madera-Chowchilla Water and Power Authority	X	X	X				4
Maine Prairie Water District	X			X			4
Palm Ranch Irrigation District		X	X	X			4
Pixley Irrigation District						X	4
Princeton-Codora-Glenn Irrigation District		X		X			4
Saucelito Irrigation District	X	X	X		X		4
Central Water District	X	X	X		X		3
Lake Don Pedro Community Services District	X						3
Riverdale Irrigation District	X						3
San Francisquito Creek Joint Powers Authority	X	X	X	X	X	X	3



Member	Med	Dent	Vis	Life	EAP	Disab	#EE
Tri-District Water Authority	X	X	X	X			3
Madera Water District	X	X					2
North Delta Water Agency	X	X	X	X			2
Orosi Public Utility District	X	X	X				2
Tri-County Water Authority	X	X	X	X			2
Dunnigan Water District				X			1
Totals	204	212	197	138	122	61	

ACWA JPIA
State of the Market
April 30, 2026

BACKGROUND

Alliant Insurance Services, Inc. has served as ACWA JPIA's benefits consultant since 2012.

CURRENT SITUATION

Tom Sher, Senior Vice President at Alliant, will present an overview of the current State of the Market to the Committee. His report will include a review of the presentation materials to be shared at the meeting and a discussion of the anticipated impact on the upcoming renewal.

RECOMMENDATION

None, information only.

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



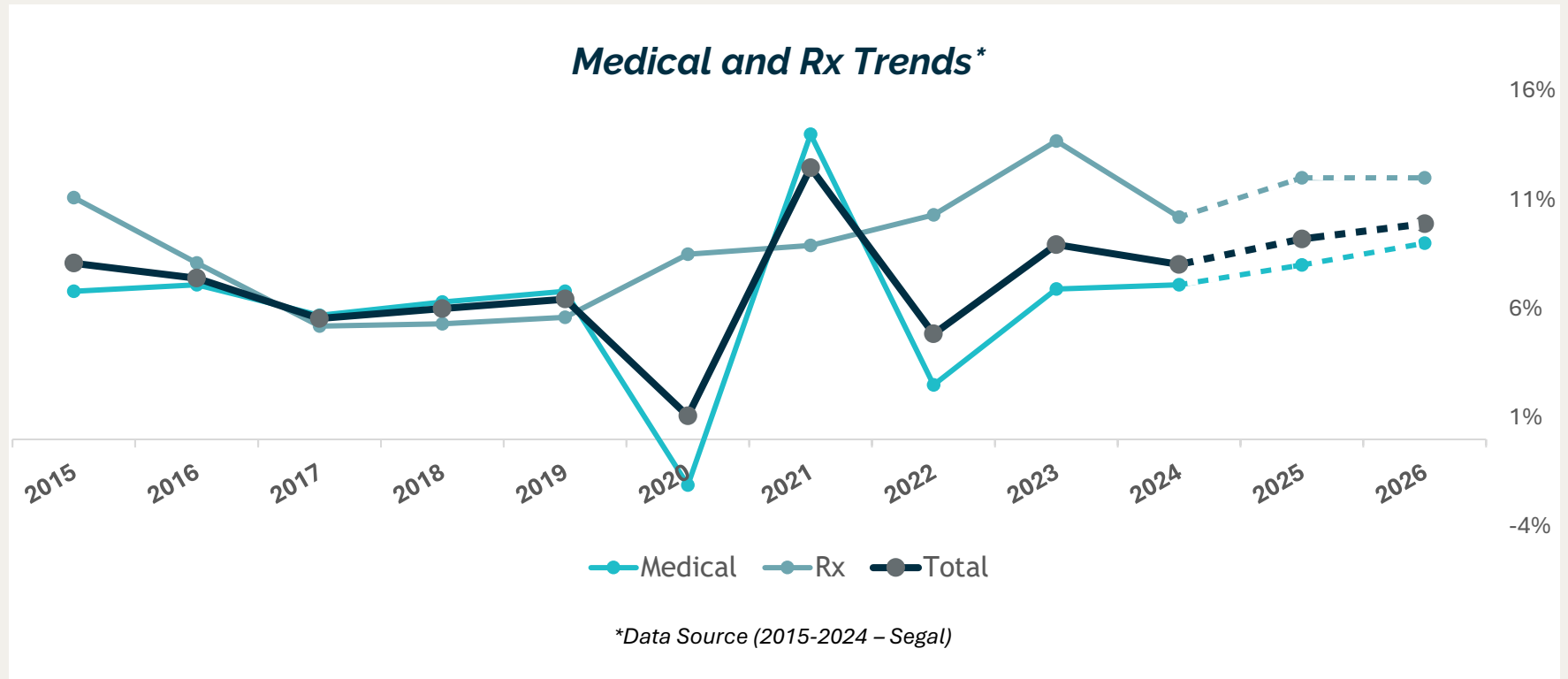
Cost Pressures & Risk

Healthcare Cost Trend is Accelerating

Absent Covid, Medical inflation has reached a 10-year high and is expected to continue through 2027.

"The high cost of treating patients isn't going away. Now what?"
- PwC**

*"minimizing noise" may turn out to be more "disruptive" to employees than making necessary changes would be"****
- BGH



Macro Drivers of Inflation

Core Medical Inflation (~2-3%)

High-Cost Claimants (~1-2%)

- More cases/higher incidence
- Increased severity, including cancer

Increased Utilization (~0-2%)

- Chronic issues from deferred care
- Aging population/worsening health

Provider Challenges (~1%)

- Provider staffing & wage pressure
- High-cost/Low quality
- Consolidation/investment

Upcoding (~2%)

- AI revenue maximization
- Scope-of-practice billing

Pharmacy (~1-2%)

- Drug pipeline
- GLP-1s

Regulatory Impact (?)

- OBBA
- Tariffs

What's Really Driving Large Medical Claims?



4 trends driving increases in high-cost claims

- 1) **More serious diagnoses**, especially cancer among *younger* and older working adults.
- 2) **Rapidly rising costs for specialty drugs and treatments, with US drug prices much higher than other countries** - In 2023, the US spent \$99 billion on anticancer treatments, and this is expected to rise to \$180 billion by 2028. Prescription drug prices in the US are generally 2-3x higher than in other wealthy countries. This is largely because pharmaceutical companies can charge as much as the market will bear.
- 3) **Health systems are raising prices.** Hospital consolidation has substantially reduced competition, allowing systems to negotiate higher rates. Techniques like upcoding and the use of AI in billing practices are driving up medical bills.
- 4) **Medical inflation is outpacing general inflation** due to higher supply and labor cost.



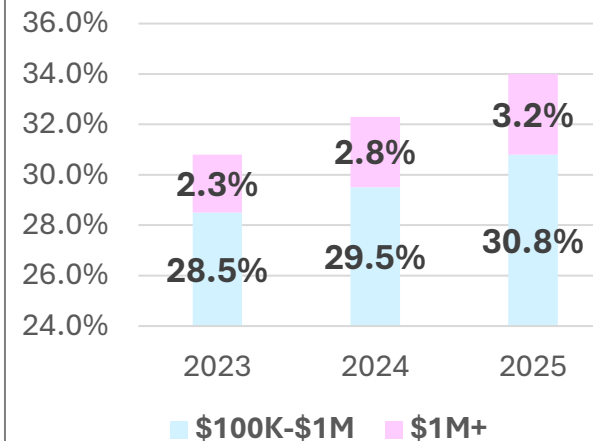
Key findings on large claims

Alliant's study of large claims data identified these key finds:

- Company spending on large claims has increased by 2 percentage points in 2 years.
- The number of members with high claims is rising quickly.
- Bills are going up especially fast for the largest claims.
- Pharmacy costs are driving the increases.
- Hospitalization is the largest expense for high-cost claims.
- Cancer is driving high-cost claim expense.
- Childbirth and cancer have the highest average cost.
- High-cost claims are more common in some industries.

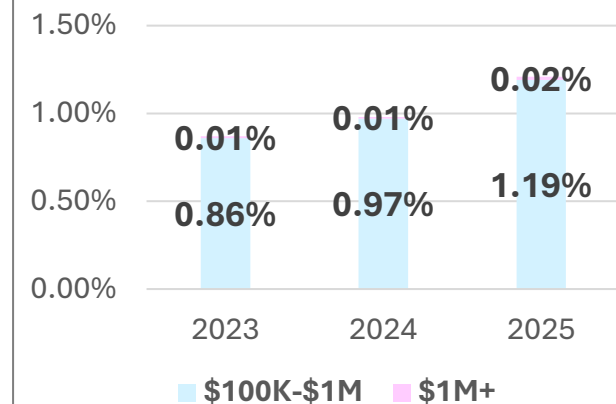
Large Claims Share of Spending:

Claims Over \$1M are up by 35%
2023 to 2025



Members With High Claims:

In 2025, 1.19% of members had annual claims of more than \$100K, up 40% in two years



ACWA JPIA
Stop Loss History and Philosophical Discussion
April 30, 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: 3 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
 - o 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.



ACWA JPIA

Stop Loss Analysis

April 17, 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

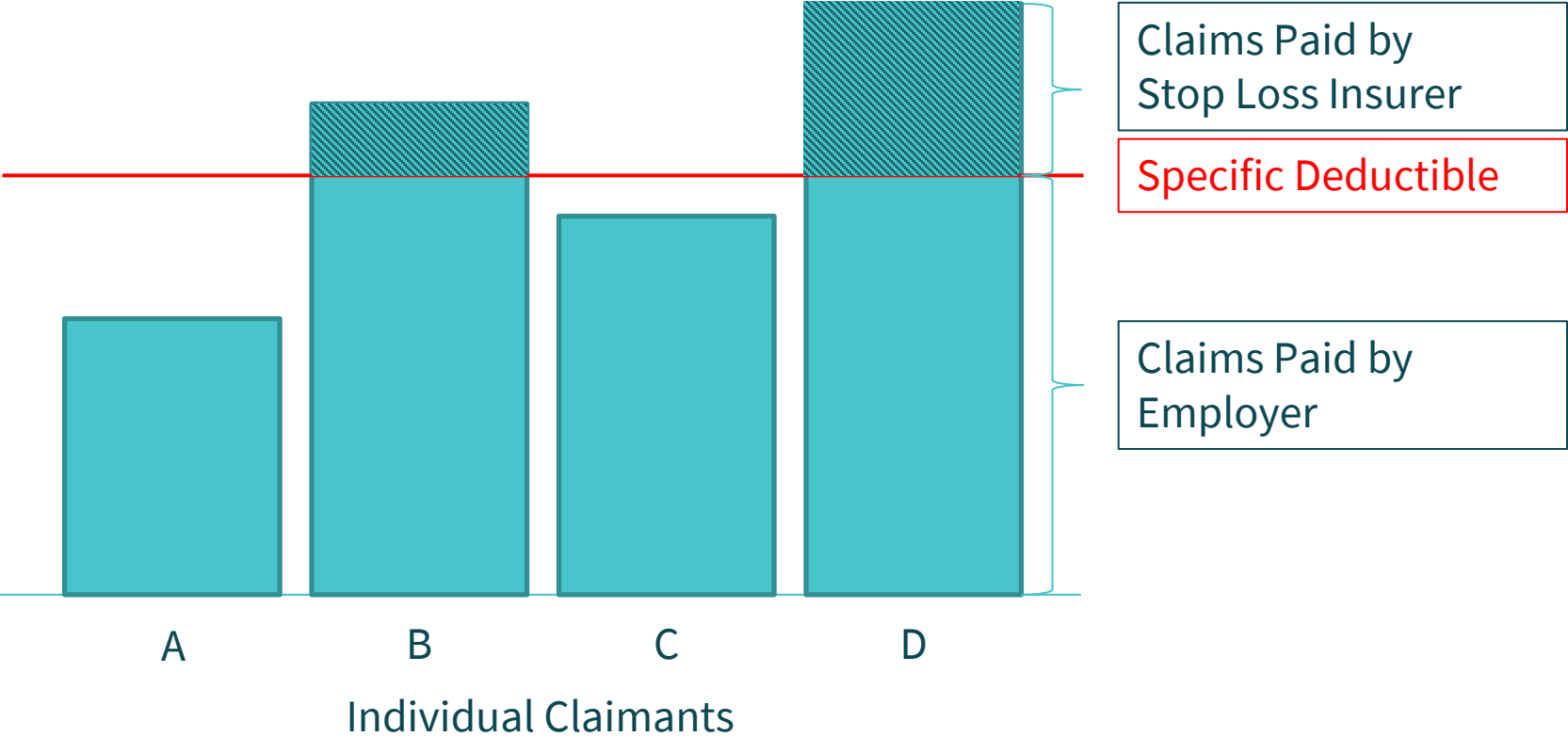
- ✓ A plan can have Specific Stop Loss and NOT have Aggregate Stop Loss
- ✓ A plan must have Specific Stop Loss in order to have Aggregate Stop Loss
- ✓ Larger groups will typically drop Aggregate Stop Loss over time

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

Specific Stop Loss





ACWA JPIA

Retail Stop Loss - Loss History Review

Policy Period	Deductible	Paid Premium ¹	Claim		Loss Ratio
			Reimbursements ²	\$ Difference ³	
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%
Ten Year Total		\$25,447,674	\$26,445,755	(\$998,081)	103.92%

2016 reimbursement includes \$2.5M claimant

¹Paid premium for 2023-2025 are estimated assuming 30% stop loss renewal year over year. Estimated premium is illustrative and does not

²Reimbursements for 2023-2025 are calculated on a plan year basis. Actual claims reimbursements would vary on 12/15 contract. \$6M claimant included in 2024 estimates

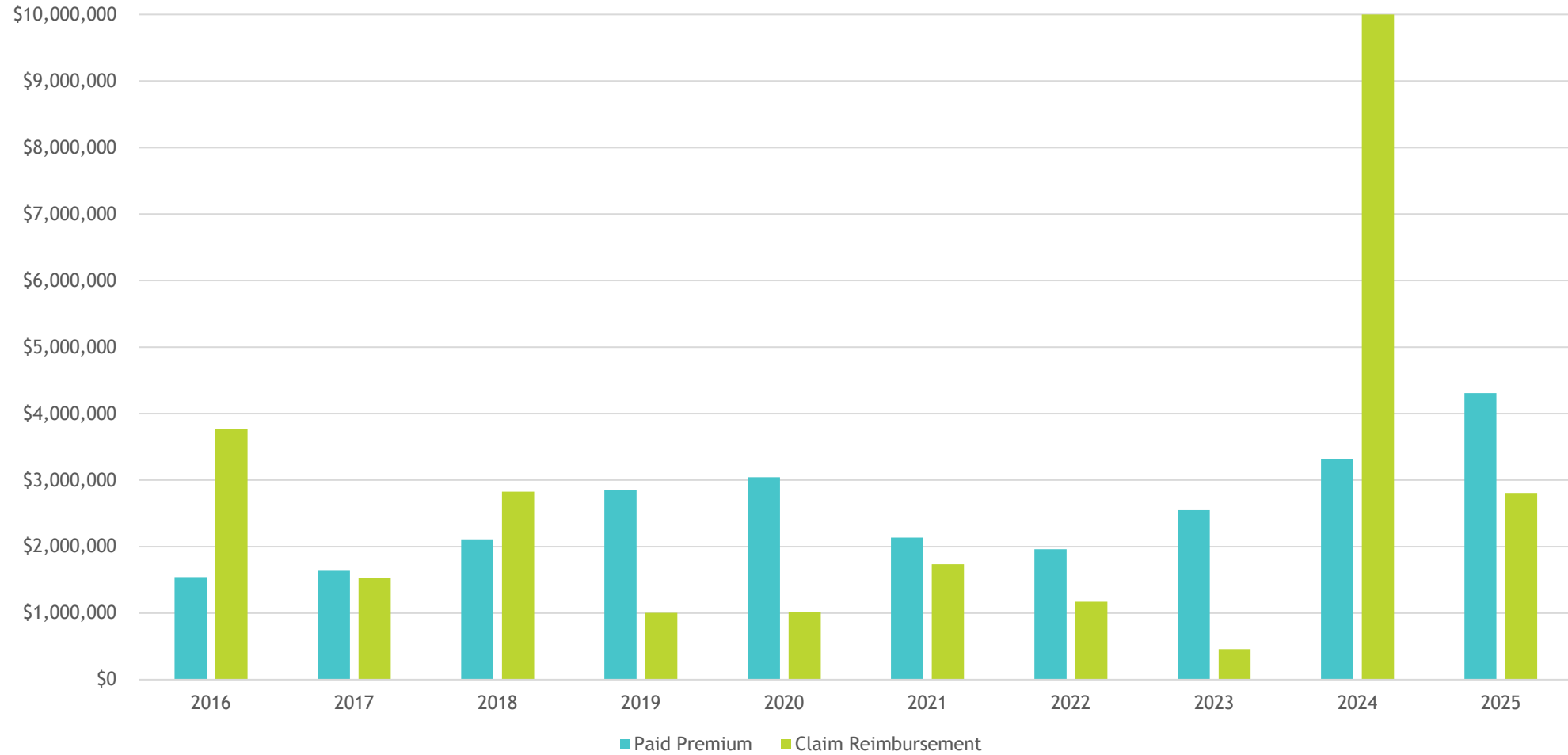
³Difference between estimated claim reimbursement and estimated paid premium.



ACWA JPIA

Retail Stop Loss - Loss History Review

Claims vs. Premium



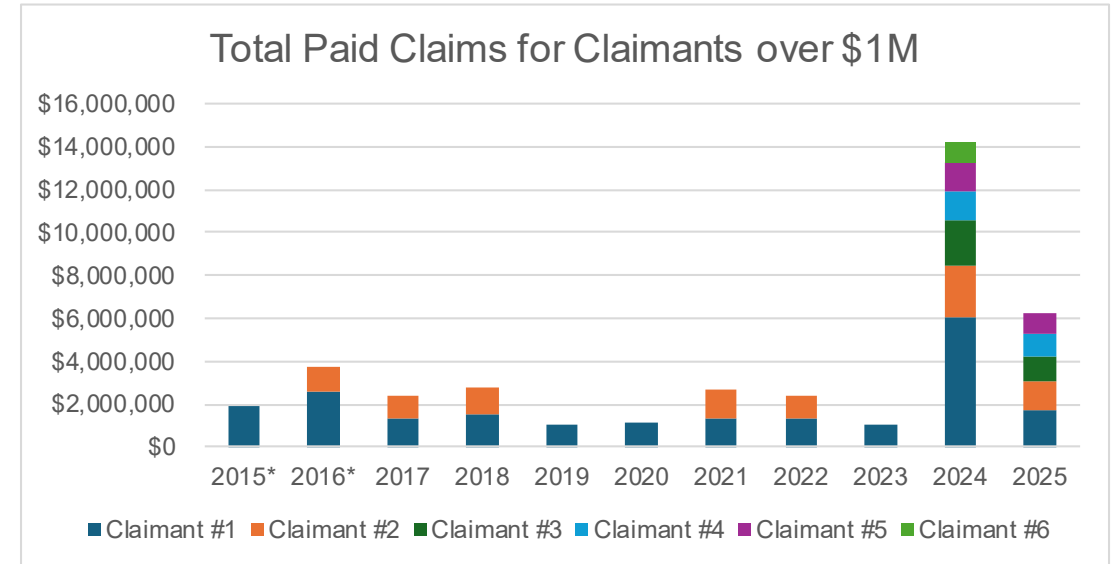
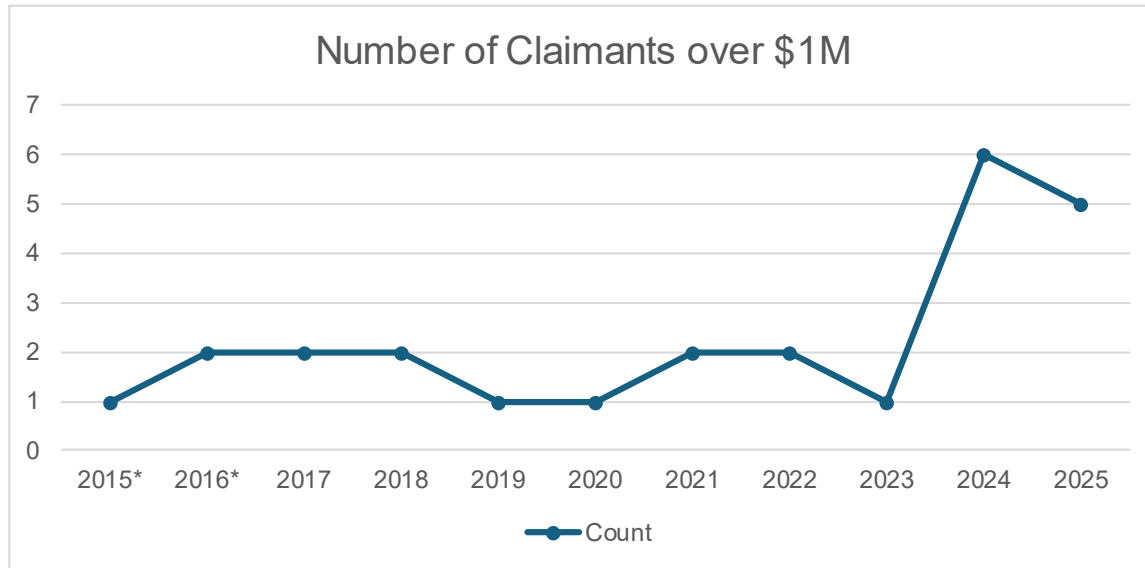


ACWA JPIA

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

	2015*	2016*	2017	2018	2019	2020	2021	2022	2023	2024	2025
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





ACWA JPIA

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

Policy Period	Deductible	Paid Premium ¹	Claim Reimbursements 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%
Total		\$16,900,675	\$5,217,136	\$11,683,539	30.87%

¹Paid premiums are estimated using ACWA JPIA historical loss ratios to determine renewal rate increases. Years where loss ratio was 0% received a rate pass, and years after large loss ratios received 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.

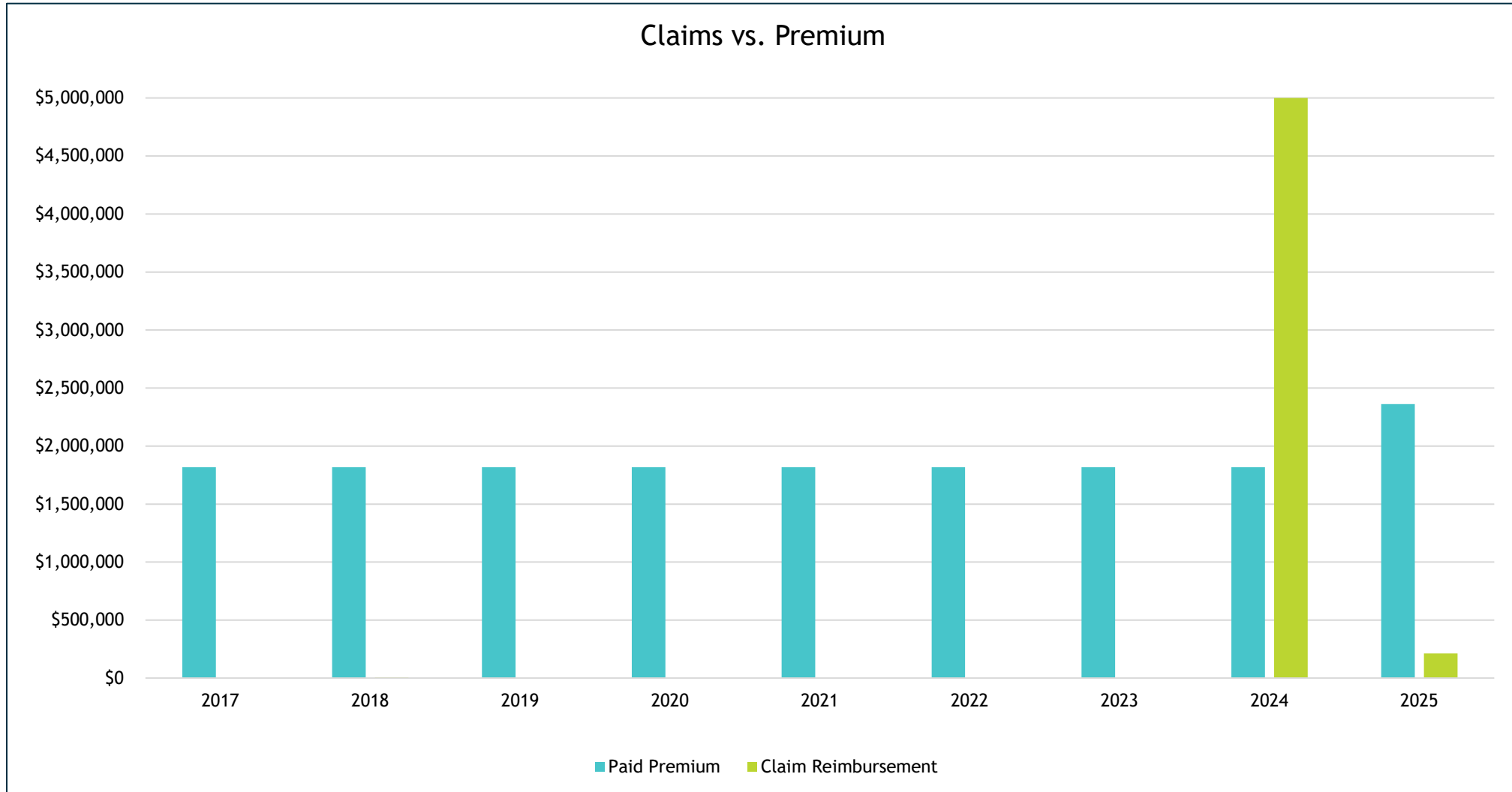
²Reimbursements are calculated on a plan year basis. Actual claims reimbursements would vary on 12/24 contract. \$6M claimant included in 2024 estimates

³Difference between estimated claim reimbursement and estimated paid premium.



ACWA JPIA

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





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

Policy Period	Deductible	Paid Premium ¹	Claim Reimbursements ²	\$ Difference ³	Loss Ratio
2017 - 2025	\$1,500,000	\$16,900,675	\$5,217,136	\$11,683,539	30.87%
2017 - 2025	\$1,750,000	\$11,270,792	\$5,000,000	\$6,270,792	44.36%
2017 - 2025	\$2,000,000	\$7,889,920	\$4,612,205	\$3,277,715	58.46%

¹Paid premiums are estimated using ACWA JPIA historical loss ratios to determine renewal rate increases. Years where loss ratio was 0% received a rate pass, and years after large loss ratios received 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.

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

³Difference between estimated claim reimbursement and estimated paid premium.



ACWA JPIA

Captive vs Retail Stop Loss Premium Comparison

	CWF (Captive)			PartnerRe (Retail)
	\$1,500,000 \$5M Expected	\$1,500,000 \$5M 20% Surplus Load	\$1,500,000 \$5M 90th Percentile	\$1,500,000 Unlimited N/A
Specific Deductible				
Captive Maximum Liability				
Confidence Level				
2026 PEPM	<u>\$15.70</u>	<u>\$18.74</u>	<u>\$45.99</u>	<u>\$30.01</u>
2026 Annual Premium	\$813,323	\$970,807	\$2,382,466	\$1,554,595
2027 PEPM ¹	<u>\$18.06</u>	<u>\$21.55</u>	<u>\$52.89</u>	<u>\$39.01</u>
2027 Annual Premium¹	\$935,321	\$1,116,428	\$2,739,836	\$2,020,973

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 February 2026 from Anthem - 4,317 subscribers

ACWA JPIA
Actuarial Review of Stop Loss Coverage Through California Water
Insurance Fund (CWIF)
April 30, 2026

BACKGROUND

At the July 15, 2025, meeting, the Employee Benefits Program Committee directed staff to defer the implementation of stop loss coverage for 2026 while continuing to explore the utilization of ACWA JPIA’s captive, CWIF, as an alternative to commercial stop loss. Staff engaged Milliman to conduct an actuarial analysis of medical stop loss pricing utilizing CWIF.

Milliman’s analysis includes specific stop-loss pricing for coverage effective January 1, 2026, at various limits and attachment points, a high-level review of historical experience, and a variability analysis to support setting the captive’s risk margin.

While the report provided estimates for 2026 – based on the time period of data provided – if recommended by the Committee, funding options would be used in 2027 Anthem PPO funding.

CURRENT SITUATION

Rob Bachler, Principal and Consulting Actuary at Milliman, will present the study to the Committee and discuss his analysis.

A snapshot of possible premium rates at \$1.5, \$1.75, and \$2.0 million attachment points with unlimited or \$5 million maximum liabilities follows:

Table 1b – Estimated Specific Stop Loss Claim Costs
Policy Effective January 1, 2026

Policy Characteristics						
Contract Basis	12/24	12/24	12/24	12/24	12/24	12/24
Deductible ¹	\$1,500,000	\$1,750,000	\$2,000,000	\$1,500,000	\$1,750,000	\$2,000,000
Policy Maximum ¹	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Captive Maximum Liability ¹	N/A	N/A	N/A	N/A	N/A	N/A
Captive Maximum Liability ²	N/A	N/A	N/A	\$5,000,000	\$5,000,000	\$5,000,000
Stop Loss Rates PEPM						
Single [1,477]	\$7.30	\$4.55	\$3.22	\$6.54	\$4.09	\$2.85
Two Party [1,095]	13.92	8.77	6.24	12.47	7.89	5.52
Family [1,709]	24.09	15.84	11.52	21.57	14.25	10.19
Composite [4,281]	15.70	10.13	7.31	14.06	9.11	6.47
Annual Total	\$806,493	\$520,368	\$375,507	\$722,217	\$467,973	\$332,220
90th Percentile Stop Loss Rate PEPM						
Composite Rate	\$45.99	\$30.67	\$21.47	\$45.99	\$30.67	\$21.47
Annual Total	\$2,362,460	\$1,575,487	\$1,102,892	\$2,362,460	\$1,575,487	\$1,102,892

¹ Per claimant per year

² For entire policy in total

RECOMMENDATION

That the Employee Benefits Committee provide direction to staff regarding adding CWIF stop loss funding to proposed 2027 Anthem PPO funding options to be presented for consideration in July 2026.

ACWA JPIA
Review of Reserve Fund Balance
April 30, 2026

BACKGROUND

The ACWA JPIA Employee Benefits Program maintains an excess Reserve Fund (Fund) balance for the medical, dental, and vision self-funded programs. Fluctuations are driven by the difference between program expenses and collected contributions or revenues. In 2014-16, expenses exceeded revenues; thus, the Fund balance dropped by almost \$11.5 million as monies from the Fund were used to supplement collected contributions. Starting in 2017, this trend reversed, and contributions collected started to exceed expenses.

Over the next five (5) years, the Fund balance grew by approximately \$54.5 million, despite holding rates flat from 2019-21. The largest increase came – of course – from the 2020 program year. In 2022 and 2023, as medical usage increased, combined with significant increases in medical care costs, this trend reversed again, and expenses are once again exceeding collected contributions. That being said, the Committee approved both 5% and 10% rate decreases, respectively, for these program years, in an attempt to subsidize revenues with Fund monies which had grown to significantly exceed the Fund Target by that point.

On April 26, 2023, based on updated actuarial projections, the Employee Benefits Program Committee recommended increasing the Fund Target to \$34 million (up from the prior \$19.2 million Target). This Target represents the 99% confidence level and is comprised of \$22.7 million in Claim Fluctuation Margin (CFM) and \$11.2 million in Incurred But Not Reported (IBNR) claims. On May 8, 2023, the Executive Committee approved the Employee Benefits Program Committee's recommendation to memorialize the new Fund Target.

In 2025, in response to an increase in unusually high-cost claims in 2024, the Employee Benefits Program engaged Turner Consulting and Actuarial to reassess its Reserve Fund Target. Turner's actuarial study recommended a Claim Fluctuation Margin of \$30.7 million and Incurred But Not Reported claims of \$8.4 million, totaling a new recommended Fund Target of \$39.2 million, at a 99% confidence level. As such, on July 15, 2025, the Employee Benefits Program Committee recommended – and the Executive Committee approved - a new Reserve Fund Target of \$39 million for the Anthem PPO self-funded program.

Due to the unusually high number and aggregate cost of high-cost claimants in 2024, combined with no transfer of risk through a Stop Loss mechanism, the Reserve Fund balance was reduced by approximately \$24 million.

CURRENT SITUATION

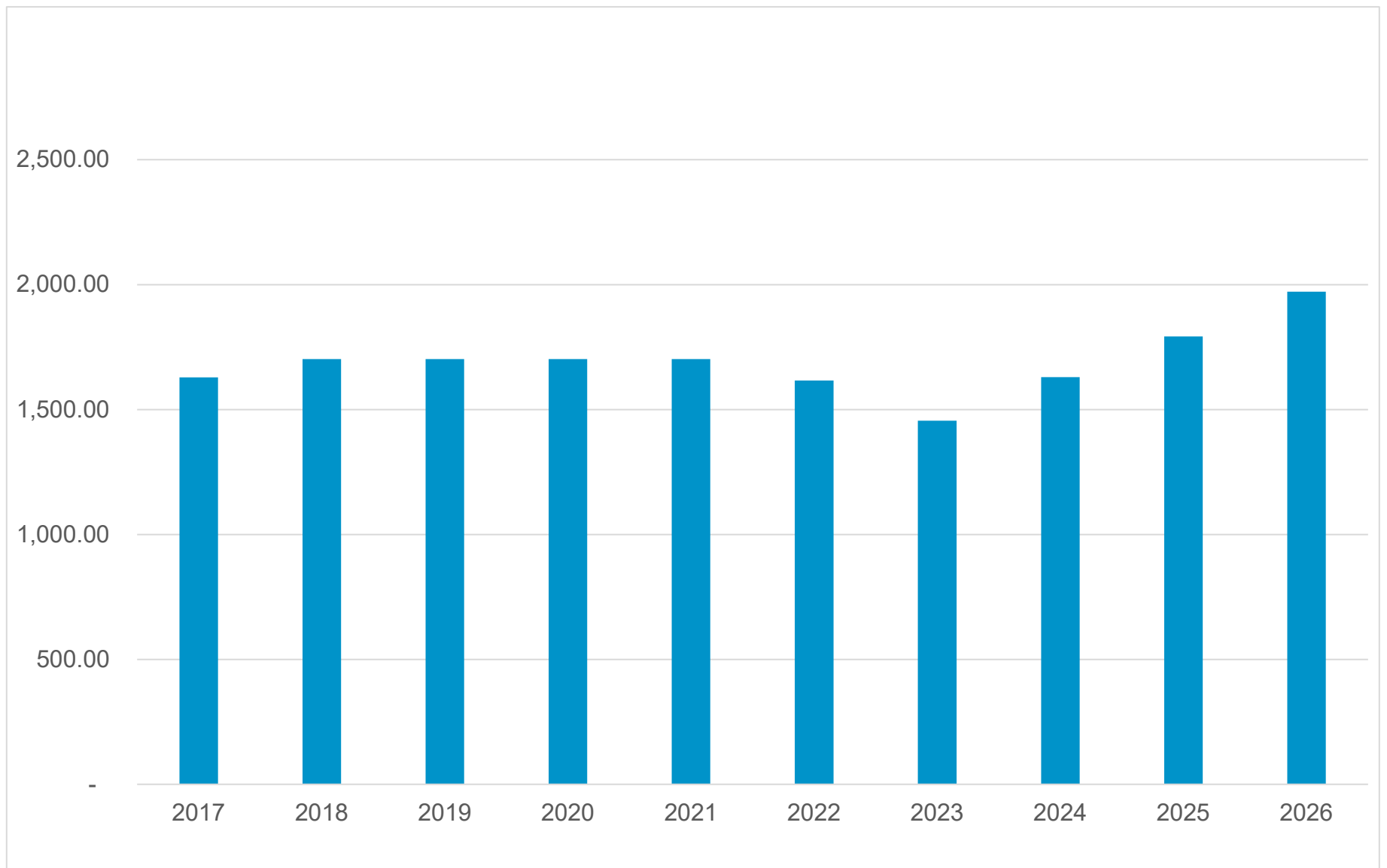
As of February 28, 2026, the Employee Benefits Program Fund balance is approximately \$54 million. As this continues to exceed the Target of \$39 million, it is still the intent to subsidize future rates with the Fund balance. The philosophy that the Committee has embraced is a slow, methodical approach to rate subsidization so that monies in the Fund that exceed the Target can be used over a significant period of 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 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.

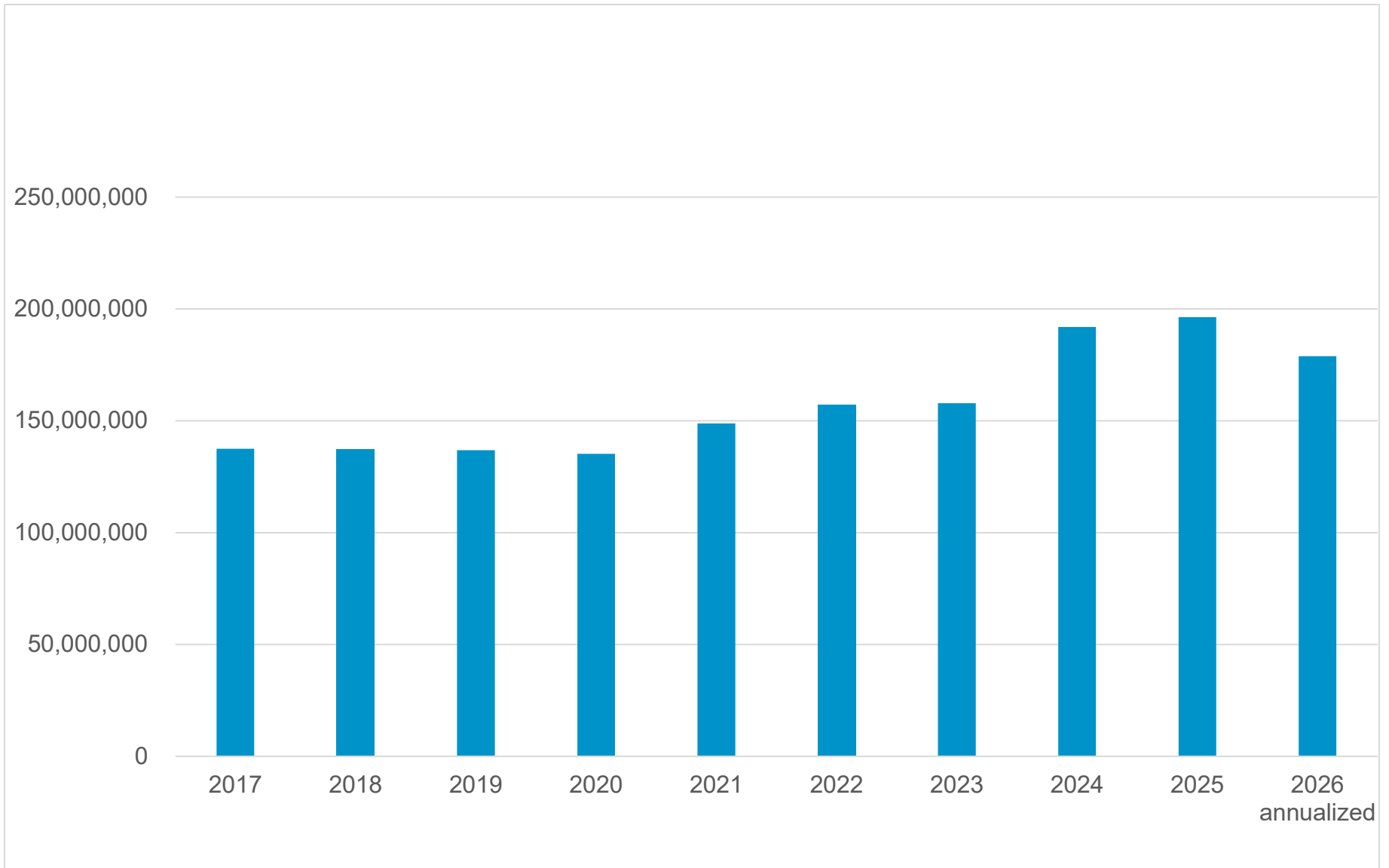
RECOMMENDATION

None, information only.

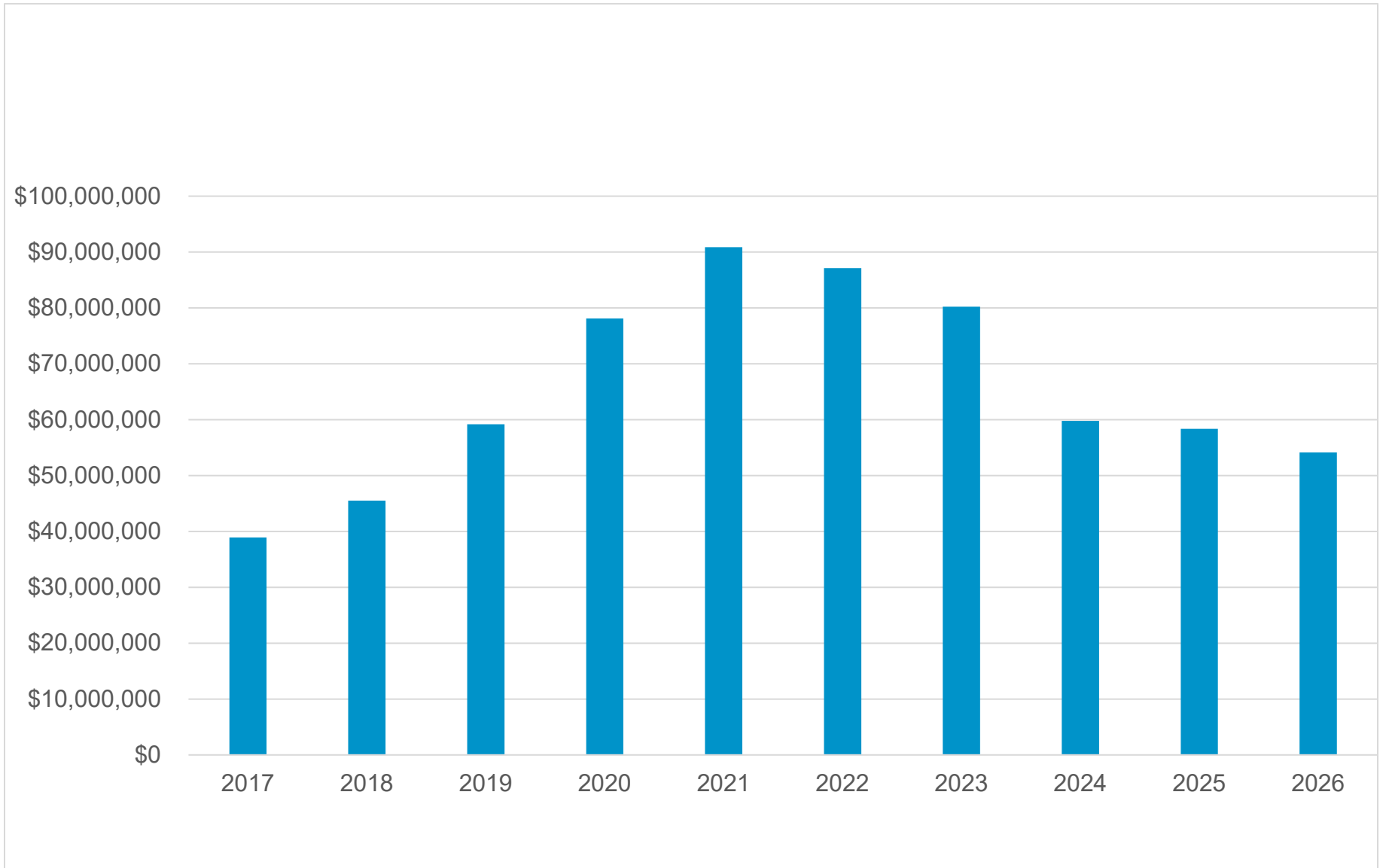
HISTORICAL RATES



TOTAL EXPENSES

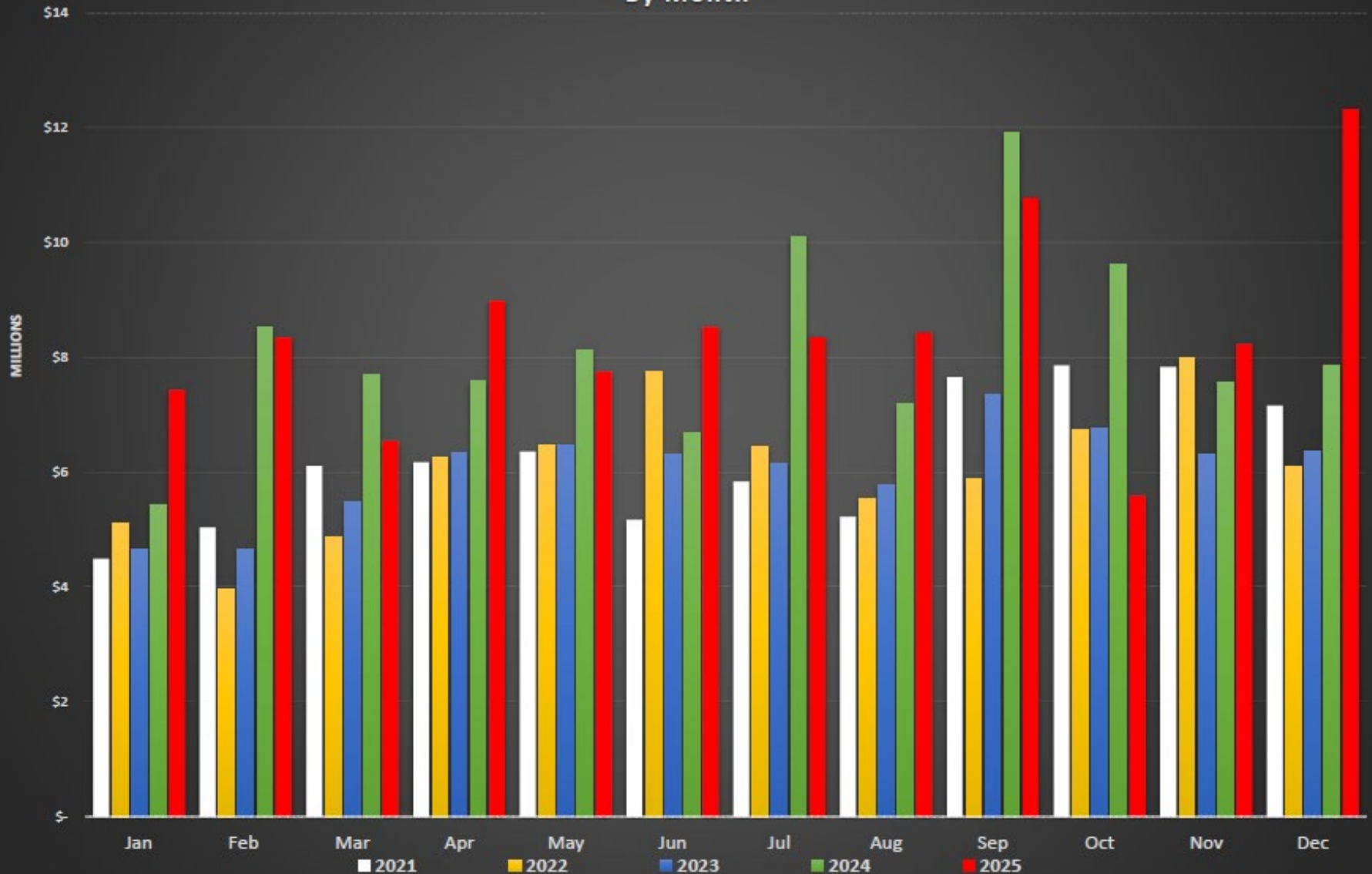


RESERVE FUND BALANCE





Employee Benefits Medical Claims By Month



ACWA JPIA
2025 Risk Management Review
April 30, 2026

BACKGROUND

Since 2012, the JPIA has administered employee benefits programs for its members. These programs are structured as a portfolio, where core medical, dental, vision, and ancillary benefits are supported by targeted point solutions that serve as risk management tools – addressing key cost drivers, care gaps, and emerging utilization patterns across the pool.

Ongoing monitoring of utilization across both core offerings and point solutions enables early identification of cost pressures, assessment of program effectiveness, and alignment with plan design and compliance requirements. This report provides utilization data to support informed oversight and decision-making by the Benefits Committee.

CURRENT SITUATION

The Committee will be presented with a mid-year update regarding:

- Anthem PPO Utilization
- Anthem CDHP Utilization
- Point Solution Utilization
 - Carrum
 - Hinge Health
 - Progyny
- Risk Management in Employee Benefits

RECOMMENDATION

None, information only.

Utilization: Anthem PPO & CDHP

Executive Summary

Total PPO
Account

What was the trend?

▼ -4.0%

Current period PMPM trend

Benchmark trend: ▲ 5.1%

▼ -13.6%

High-cost claimant
PMPM trend

Non-HCC PMPM: ▲ 5.2%

44.1%

of plan spend from HCCs

49.0% prior

\$81.1M

Total plan spend

\$81.6M prior

What were the top conditions?

37%

of plan spend from top 3 conditions

% of spend

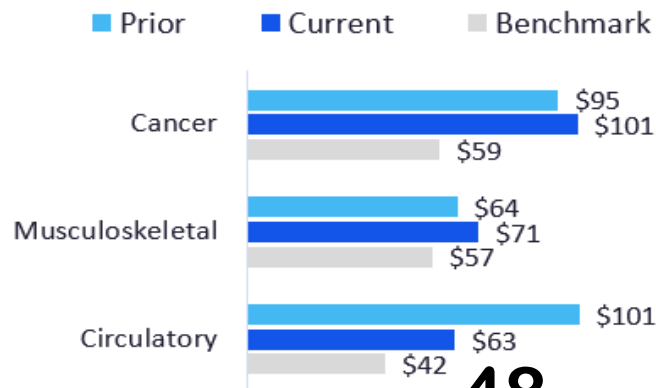
Current Top 3

- 16% Cancer
- 11% Musculoskeletal
- 10% Circulatory

Prior Top 3

- 15% Circulatory
- 14% Cancer
- 10% Musculoskeletal

Top 3 Conditions by PMPM



48

What's impacting members?

% of members

34.8%

Chronic
Conditions
35.1% prior
(35.1% bmrk)

40% of Spend

13.6%

Behavioral
Health Claim
13.1% prior
(16.0% bmrk)

Are members visiting PCPs & completing wellness checks?

% of members

67.1%

Primary Care Physician
Visit

67.3% prior
(72.5% bmrk)

39.7%

Adult Wellness
Compliance

39.0% prior
(48.4% bmrk)

Utilization: Anthem PPO & CDHP

Active PPO

Executive Summary (Medical)

What was the trend?

▲ 2.7%

Current period PMPM trend

Benchmark trend: ▲ 5.1%

▼ -0.8%

High-cost claimant
PMPM trend

Non-HCC PMPM: ▲ 5.5%

42.7%

of plan spend from HCCs
44.2% prior

\$70.9M

Total plan spend
\$66.4M prior

What were the top conditions?

35%

of plan spend from top 3 conditions
% of spend

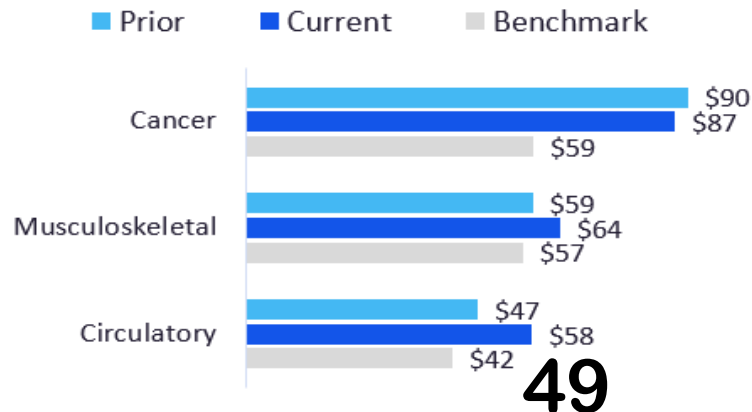
Current Top 3

- 15% Cancer
- 11% Musculoskeletal
- 10% Circulatory

Prior Top 3

- 15% Cancer
- 10% Musculoskeletal
- 8% Circulatory

Top 3 Conditions by PMPM



What's impacting members?

% of members

32.8%

Chronic
Conditions
33.0% prior
(35.1% bmrk)

40% of Spend

13.5%

Behavioral
Health Claim
13.0% prior
(16.0% bmrk)

Are members visiting PCPs & completing wellness checks?

% of members

66.5%

Primary Care Physician
Visit
66.6% prior
(72.5% bmrk)

38.4%

Adult Wellness
Compliance
37.7% prior
(48.4% bmrk)

Utilization: Anthem PPO & CDHP

Insights on Medical Trend

Total medical PMPM decreased by -4% (-\$26 PMPM decrease) in the current period. This was largely driven by Non-HCCs, Spouses, and the Musculoskeletal System health condition category.

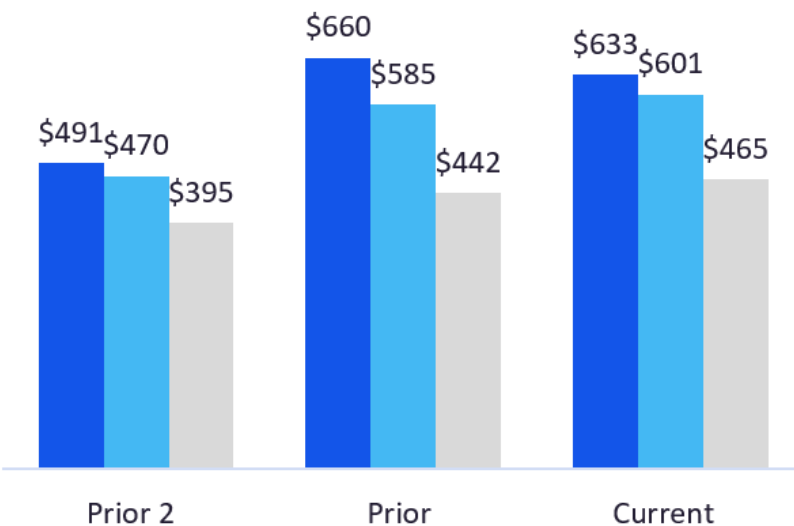
What was the trend?

▼ -4.0%
ACWA JPIA
PMPM

▲ 5.1%
Benchmark
PMPM

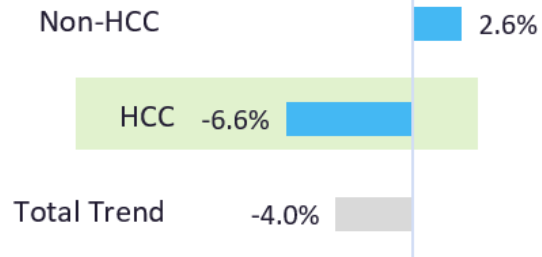
Medical PMPM Spend

■ Total PPO ■ Active PPO ■ Benchmark

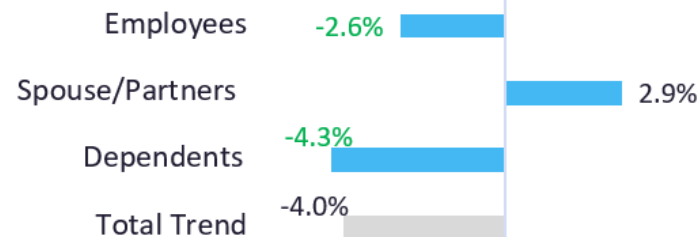


Who was driving trend?

HCC Contribution to Trend



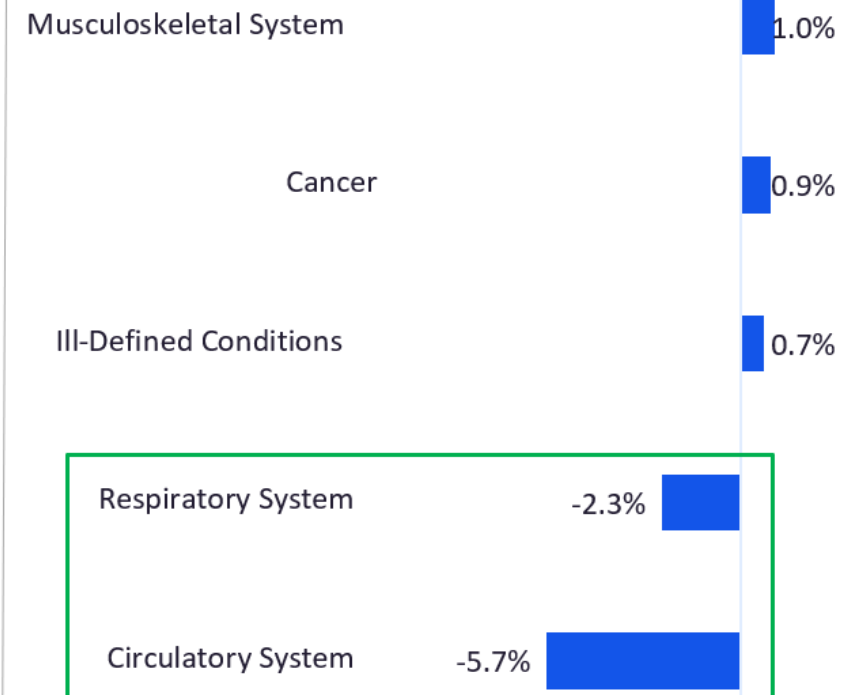
Relationship Contribution to Trend



50

What conditions drove trend?

Top 5 Health Condition Category Contribution to Trend

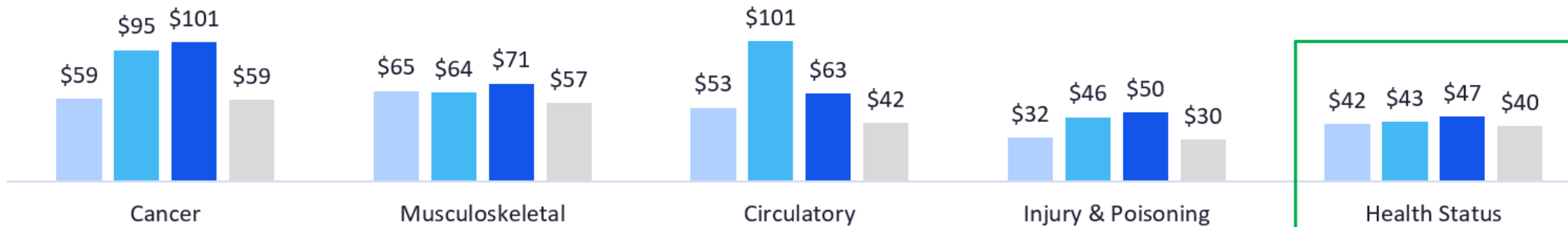


Utilization: Anthem PPO & CDHP

Top 5 Health Condition Categories

Top 5 Categories by PMPM

■ Prior 2 ■ Prior ■ Current ■ Benchmark



Key Metrics	#1 Cancer \$12.9M 455 Claimants	# 2 Musculoskeletal \$9.0M 3,595 Claimants	# 3 Circulatory \$8.1M 1,723 Claimants	# 4 Injury & Poisoning \$6.4M 1,703 Claimants	# 5 Health Status \$6.0M 6,404 Claimants
Current period PMPM trend	▲ 6%	▲ 10%	▼ -37%	▲ 7%	▲ 9%
% of members	4%	31%	15%	15%	55%
% of total spend	16%	11%	10%	8%	7%
% of spend attributed to HCCs*	81%, 81% prior	29%, 23% prior	56%, 85% prior	41%, 42% prior	1%, 0% prior

% of spend by category

- 34% Chemo/Radiation
- 13% Breast Cancer
- 8% Prostate Cancer

- 12% Vertebral Disorders
- 12% Osteo of Knee
- 11% Joint Disorder

51

- 15% Irregular Heartbeat
- 12% CAD
- 7% Acute And Subacute Endocarditis

- 21% Fracture Of Lumbar Spine And Pelvis
- 13% Comp. Prosthetic Device
- 7% Comp. of Procedures

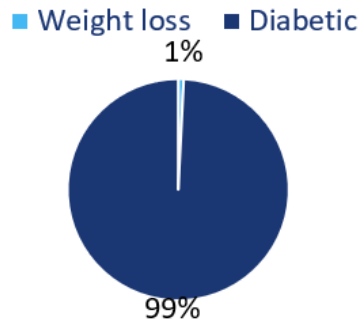
- 32% Cancer Screenings
- 25% Wellness Exam
- 6% Office Visit

GLP-1 Utilization Anthem PPO & CDHP

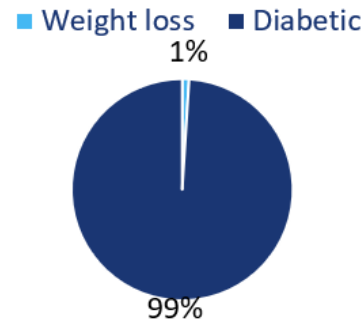
GLP-1 dashboard - ASO

- Plan cost for GLP-1s increase 33.5% year over year
- Plan cost for Diabetic GLP-1s increase 32.2% from prior year
- Plan cost for Weight Loss GLP-1s increase 100.0% from prior year

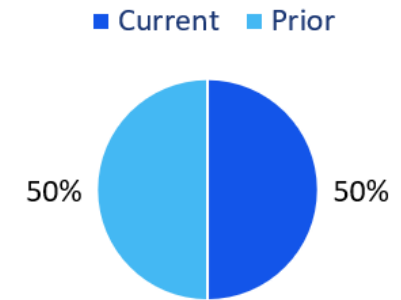
Utilization



Plan cost



Diabetic utilizers



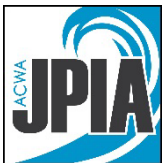
Overall rank	Peer rank	Drug name	Avg Days	Rxs	Patients	Plan cost	Plan cost PMPM	Peer plan cost PMPM	Prior rank	Prior Rxs	Prior patients	Prior plan cost PMPM	% change plan cost PMPM
2	3	Ozempic	36	1,119	173	\$1,286,117.71	\$10.04	\$9.90	2	903	148	\$8.85	13.0%
4	1	Mounjaro	38	803	123	\$1,097,458.57	\$8.57	\$10.64	7	462	74	\$4.88	76.0%
18	18	Trulicity	42	192	28	\$261,827.05	\$2.04	\$1.70	14	189	40	\$2.31	-12.0%
36	31	Rybelsus	67	75	26	\$152,046.49	\$1.19	\$0.97	38	69	22	\$1.03	15.0%
130	13	Wegovy	28	17	3	\$21,350.39	\$0.17	\$3.12					0.0%
241	8	Zepbound	28	7	2	\$7,006.44	\$0.05	\$4.81					0.0%
283	406	Liraglutide	71	7	2	\$4,866.69	\$0.04	\$0.04	229	14	3	\$0.07	-45.0%
		Total		2,220	357	\$2,830,673.34				1,637	287		

52

GLP-1 Coverage for Weight Loss

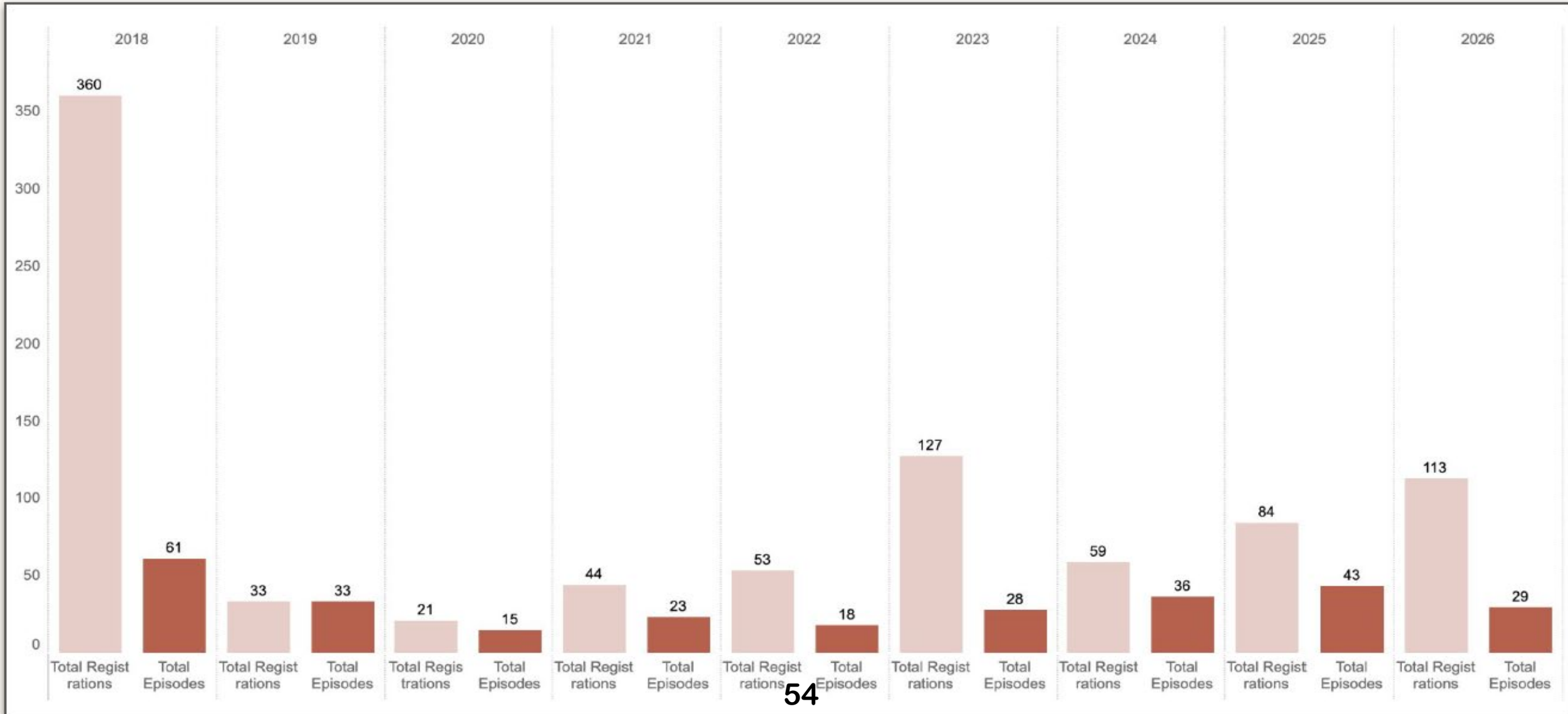
ACWA JPIA

Carrier	Covered	PA Required	Requirement	Requirement <small>With Comorbidities</small>	Participation in Weight Management Program Required?	Re-Authorization
Anthem PPO	✘	N/A	N/A	N/A	N/A	N/A
Anthem HMO	★	★	BMI > 40	★	N/A	6 months
Kaiser	★	★	BMI >40 or >32	★	★	6 Months
CalPERS PPO	✘	N/A	N/A	N/A	N/A	N/A



Point Solution Utilization - Carrum

Year over year - Registrations and Episodes



Point Solution Utilization - Hinge

299

Engaged members
in 2025

9.1/10

Member satisfaction



82%

Reported reduction in
surgery likelihood



45%

Pain reduction

77%

Of members reached MCID

\$330,233

Projected program net
savings in 2025

3X

Projected ROI

Point Solution Utilization - Progyny

IVF Singletons/Multiples

IVF with Singleton/Multiple Outcomes Reported	IVF Pregnancy with Singleton	IVF Singleton Rate
5	5	100.0%

IVF with Singleton/Multiple Outcomes Reported	IVF Pregnancy with Multiples	IVF Multiples Rate
5	0	0.0%

National IVF Singleton Rate
94.0%

National IVF Multiples Rate
6.0%

BoB IVF Singleton Rate
99.4%

BoB IVF Multiples Rate
0.6%



Risk Management in Employee Benefits

Risk Management Strategies

- Underwriting
- Plan Design: Pharmacy Formulary
- Policy Standards & Incentive Rate Criteria
- Wellness Programs and Grants
 - Members will present their grants at Spring Summit
- Use of Point Solutions



ACWA JPIA
2027 and Beyond Plan Designs
April 30, 2026

BACKGROUND

Adam Dedmon, Employee Benefits Manager, will provide the Committee with an update regarding planning for 2027 and beyond.

CURRENT SITUATION

Since 2012, the JPIA has continued to administer and evolve its Employee Benefits Program on behalf of participating member agencies, focusing on maintaining comprehensive coverage and competitive pricing at scale. As market conditions, utilization patterns, and cost drivers continue to shift, disciplined evaluation and forward planning remain critical to sustaining program performance and member value.

The Committee approved the implementation of Anthem Health Guide, (AHG) effective January 1, 2024. AHG has provided basic navigation support to members since then while staff has continued to explore enhanced navigation options.

To support this ongoing strategic oversight, the following items are provided for Committee discussion and input:

- **Anthem Self-Insured Plans Navigator**
Overview of current initiatives to implement a more robust healthcare navigator – a member support resource that helps individuals understand, access, and use health benefits effectively. Navigators direct members to appropriate care, coordinate access, and clarify coverage – reducing friction and steering more cost-effective care decisions.
- **Data Analytics**
Overview of initiatives to enhance access to our data. Expanded data capability will support strategic planning by identifying utilization trends and underlying cost drivers, informing targeted interventions and more effective program management.

RECOMMENDATION

None, information only.

ACWA JPIA
Dental Program Update
April 30, 2026

BACKGROUND

Historically, ACWA JPIA’s Delta PPO plans have performed very well, regularly building prudent reserves. JPIA has maintained stable rates while reinvesting in plan enhancements, including expanded preventive benefits and higher annual maximum options, to better meet member needs and strengthen overall program value. Member concerns – particularly in rural areas – have focused on providers leaving the Delta Dental network and the impact on access and reimbursement.

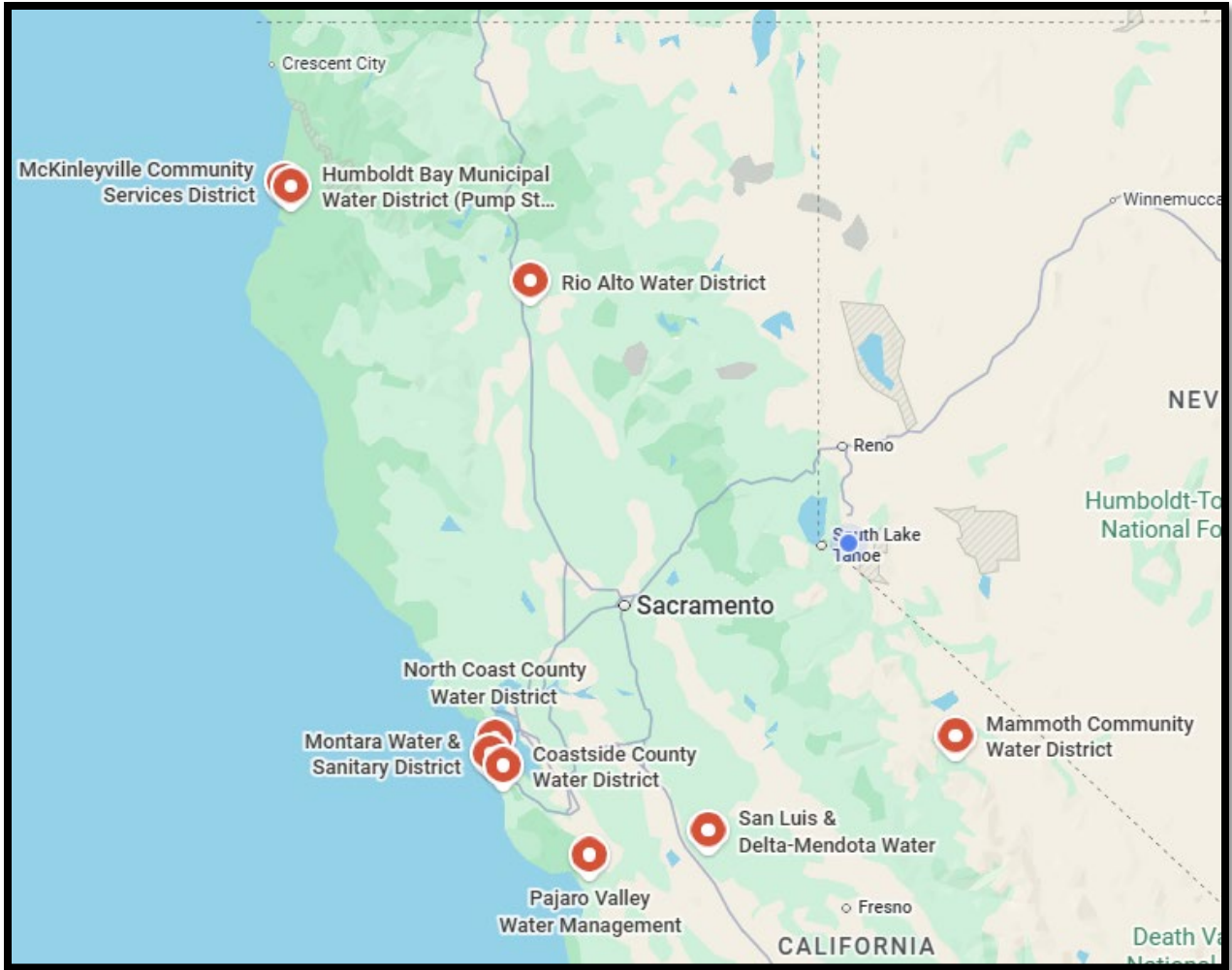
Following a market review, staff recommended that JPIA continue its partnership with Delta Dental based on overall value and continuity considerations, while advancing targeted enhancements to out-of-network reimbursement through updated Usual, Customary, and Reasonable (UCR)-based provisions for the 2026 plan year.

In July 2025, the Employee Benefits Committee recommended approval of three new 80% UCR out-of-network reimbursement plans with Delta Dental, specifically to address affordability and accessibility of coverage for rural members. Following approval by the Executive Committee in July 2025, these three plans were made available to members effective January 1, 2026.

CURRENT SITUATION

Nine members have adopted one of the new 80% UCR out-of-network reimbursement plans with Delta Dental.

Member	# of Employees
Coastside County Water District	28
Humboldt Bay Municipal Water District	34
Mammoth Community Water District	46
McKinleyville Community Services District	23
Montara Water and Sanitary District	10
North Coast County Water District	24
Pajaro Valley Water Management Agency	23
Rio Alto Water District	13
San Luis & Delta Mendota Water Authority	105



Staff will provide further insights at the meeting.

RECOMMENDATION

None, information only.

ACWA JPIA
Employee Benefits Department Update
April 30, 2026

BACKGROUND

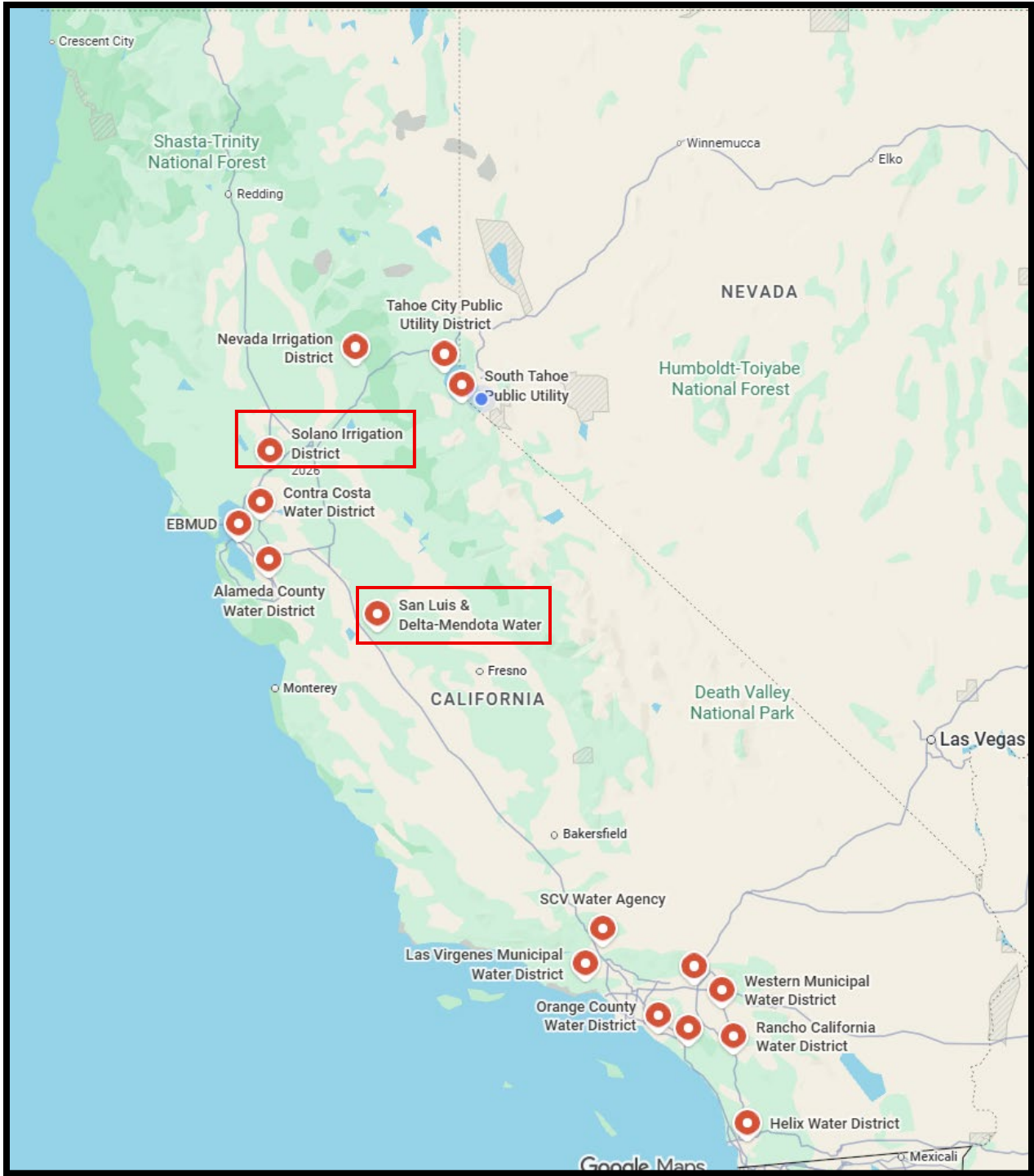
This is a standing item on Committee agendas.

CURRENT SITUATION

JPIA’s Employee Benefits Manager, Adam Dedmon, will update the Committee on highlights and current areas of focus within the Employee Benefits Department.

EB Roadshow Detail

2025 Members Visited	Total # of Employees
Orange County Water District	259
South Tahoe Public Utility District	141
East Bay Municipal Utility District	201
Helix Water District	185
Rancho California Water District	180
Western Municipal Water District	183
Santa Margarita Water District	200
Contra Costa Water District	300
Alameda County Water District	242
Nevada Irrigation District	174
Tahoe City Public Utility District	120
Cucamonga Valley Water District	126
Santa Clarita Valley Water Agency	269
Las Virgenes Municipal Water District	126
2026 Members Visited	Total # of Employees
Solano Irrigation District	92
San Luis & Delta Mendota Water Agency	105



RECOMMENDATION

None, information only.

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