



Approved: April 15, 2021

Employee Benefits Program Committee Meeting

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

July 22, 2020

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

MEMBERS PRESENT

Chairman: J. Bruce Rupp, Humboldt Bay Municipal Water District
Vice-chair: Melody McDonald, San Bernardino Valley Water Conservation District
Bette Boatman, Contra Costa Water District
Stephanie Dosier, Orange County Water District
Kelley Geyer, Byron-Bethany Irrigation District
Karen Gish, Amador Water Agency
Ken Groom, Fresno Metropolitan Flood Control District
James Linthicum, Three Valleys Municipal Water District
Roberta Perez, Cucamonga Valley Water District

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Sonya Baker, Benefits System Analyst IIS
Veronica Cobian, Benefits Administrator II
David deBernardi, Director of Finance
Robert Greenfield, General Counsel
Ben Hayden, Lead Benefits Analyst
Jackie Rech, Employee Benefits Account Manager
Patricia Slaven, Director of Human Resources and Administration
Sandra Smith, Employee Benefits Manager
Daniel Steele, Finance Manager
Michelle Stites, Benefits Administrator II
Dianna Sutton, Special Projects Manager
Karen Thesing, Director of Insurance Services
Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

OTHERS IN ATTENDANCE

Fred Bockmiller, Mesa Water District
Maddie Kibriya, Town of Discovery Bay Community Services District
David A. Drake, Rincon Del Diablo Municipal Water District
EG “Jerry” Gladbach, Santa Clarita Valley Water District
Brent Hasteley, Yuba Water Agency
Al Lopez, Western Municipal Water District
Kimberly Miller, Alliant
Kevin Phillips, Paradise Irrigation, Finance Chairman
Randall Reed, Cucamonga Valley Water District
Thomas Sher, Alliant
Pam Tobin, San Juan Water District

WELCOME

Chairman Rupp welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

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

ANNOUNCEMENT RECORDING OF MEETING

Chairman Rupp announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

PUBLIC COMMENT

Chairman Rupp noted that, as the agenda stated, members of the public would be allowed to address the Employee Benefits Program Committee on any agenda item prior to the Committee’s decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

INTRODUCTIONS

Chairman Rupp welcomed all in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

CONSENT AGENDA

Chairman Rupp called for approval of the minutes of the June 24, 2019 meeting.

M/S/C (Gish/Boatmun) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes): That the Employee Benefits Program Committee approve the minutes of the June 24, 2019 meeting as presented.

MEETINGS ATTENDED ON BEHALF OF JPIA

None reported.

PROGRAM HISTORY AND CURRENT STATUS

Ms. Smith previewed the information to be presented in the meeting:

- Staff recommendations
- Employee Benefits rate history
- 2020 financial recap
- Medical plan enrollment history
- Current medical plan offerings

PRICING & PLAN OPTIONS FOR ANTHEM PPO MEDICAL PLANS

Ms. Smith stated that the JPIA medical and pharmacy trends for the last several years have been lower than market benchmarks, due in part to plan design changes that have been made. Alliant projections were based on data through March 31, 2020. Staff discussed COVID-19 impacts to plan costs and considerations for projecting costs in the current environment.

Staff reviewed the recommended proposed plan design changes.

M/S/C (Linthicum/Boatmun) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes): That the Employee Benefits Program Committee recommends that the Executive Committee approve the proposed plan design changes including Rx Post Check, High Cost Generics, Copay Assistance Program, Safe Harbor Program, and setting the cost of the Advantage PPO Program to 12% less than the Classic PPO Program, effective January 1, 2021.

Mr. Linthicum made a motion that the Employee Benefits Program Committee recommends that the Executive Committee approve a 2.5% aggregate reduction in rates for the Anthem Blue Cross Self-Funded PPO Plan pricing, effective January 1, 2021. The motion failed without a second.

M/S/C (Dosier/Geyer) (Boatmun-No; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-No; McDonald-Yes; Perez-Yes; Rupp,-Yes): That the Employee Benefits Program Committee recommends that the Executive Committee approve no aggregate change to rates for the Anthem Blue Cross self-funded PPO plans, effective January 1, 2021.

PRICING FOR ANTHEM HMO MEDICAL PLANS

Ms. Smith reported that Anthem provided a rate increase of 7% for the insured portion of the HMO plan. When combined with the self-funded Employer Group Waiver Plan portion, and member premiums allocated by region, Incentive vs. Standard rates, the overall increase in costs is projected to be 7.6%.

M/S/C (Boatmun/Linthicum) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):
That the Employee Benefits Program Committee recommends that the Executive Committee approve an aggregate increase of 7.6% for the Anthem Blue Cross HMO plans, effective January 1, 2021.

PRICING FOR KAISER MEDICAL PLANS

Ms. Smith stated that for the 2021 renewal, rates provided by Kaiser reflected an average increase of 9.12% to the non-Medicare rates. Kaiser Senior Advantage rates, for retirees with Medicare, reflect a 6.5% decrease in rates. The increase to member premiums to meet these expenses is 8.84%.

M/S/C (Boatmun/Linthicum) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):
That the Employee Benefits Program Committee recommends that the Executive Committee approve an aggregate rate increase of 8.84% for the Kaiser plans, effective January 1, 2021.

PRICING FOR THE ANCILLARY PLANS

Ms. Smith stated that Delta Dental PPO and Vision Service Plan (VSP) plans are self-funded. These plans continue to perform well. A temporary reduction in claims costs in the second quarter is not anticipated to result in a long term reduction in costs. There are no changes to the carriers' administrative fees for claims processing and network access for 2021. Staff recommends **no change** in rates for the self-funded dental and vision plans.

The following fully insured plans were presented for renewal with **no change** in rates for 2021:

- DeltaCare HMO
- Standard Short-Term Disability

The following fully insured plans were presented for renewal with a **5% decrease** in rates for 2021:

- Standard Long-Term Disability
- Standard Basic Life
- Standard Supplemental Life

M/S/C (Linthicum/Boatmun) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):
That the Employee Benefits Program Committee recommends that the Executive Committee approve renewal of the Delta Dental PPO, DeltaCare HMO, VSP, and Standard Short-Term Disability programs with no change in rates; and renewal of the Standard Long-Term Disability, Basic Life and Supplemental Life programs with a 5% decrease in rates, effective January 1, 2021.

EMPLOYEE ASSISTANCE PROGRAM

Ms. Smith reported that due to service issues reported by participants, staff explored returning to Anthem as JPIA's Employee Assistance Program (EAP) provider. The robust bank of eight training hours per member agency attracted JPIA to MHN, and has been very well received by members.

Anthem has agreed to match the bank of training hours available through MHN, along with other components of the program, and provided a proposal with a lower per employee per month cost. The monthly premium per participant would decrease 7%, from \$2.57 to \$2.38. This cost includes the JPIA's \$0.60 administrative fee.

M/S/C (Linthicum/Perez) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):
That the Employee Benefits Program Committee recommends that the Executive Committee approve Anthem EAP to replace MHN EAP with a 7% decrease in rates, effective January 1, 2021.

PARTICIPATION REQUIREMENTS

Ms. Smith stated that since 2013, staff has been collecting redacted tax returns along with signed affidavits from grandparents, in lieu of birth certificates. The grandparent attests that they are primarily responsible for caring the child, that the child lives with them, and they are financially responsible for the child. However, those criteria are not clearly identified by the approved Executive Committee motion of July 2013.

M/S/C (Gish/McDonald) (Boatmun-Yes; Dosier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):
That the Employee Benefits Program Committee recommends that the Executive Committee approve requirement of financial responsibility, shared residence, and primary parenting responsibilities in order to cover a grandchild in the JPIA health plans, effective January 1, 2021.

Ms. Smith reported that JPIA has Retirement Policy Requirements in place for members participating in the medical plans and covering retirees. These requirements set minimum requirements for the employer's policy.

Age and years of service are typically the primary components of retiree benefits eligibility. Currently, the JPIA Retirement Policy Requirements have a minimum age of 50. Employers policies may require a minimum age of 50 or older, so long as the policy is documented and consistently applied. The JPIA Retirement Policy Requirements do not provide a minimum years of service. Staff recommended setting five years as the minimum years of service an employer may require for retiree benefits eligibility.

M/S/C (Gish/McDonald) (Boatmun-Yes; Dossier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes):
That the Employee Benefits Program Committee recommends that the Executive Committee approve amending the Retirement Policy Requirements to require a minimum of five years of service for retiree benefits eligibility, grandfathering current retirees if any conflict arises, effective January 1, 2021.

Ms. Smith reported that the Retirement Policy Requirements state employees must go directly from active status to retired. The transition from active to COBRA to retired is not permitted. Employees sometimes take a medical leave of absence, intending to return to work, and find that they are unable to return to work. If the employee does not elect to separate from employment and elect retiree health benefits by the 12th week of leave or sooner, typically, they become ineligible for retiree health benefits. For those who have already attained the member agency's minimum years of service and minimum age requirement before going on leave of absence, staff recommends permitting the transition from active to COBRA to retired.

M/S/C (Dossier/Geyer) (Boatmun-Yes; Dossier-Yes; Geyer-Yes; Gish-Yes; Groom-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp,-Yes): That the Employee Benefits Program Committee recommends that the Executive Committee approve amending the Retirement Policy Requirements to permit enrollment in Retiree coverage, so long as the employee has remained employed and enrolled.

NEXT MEETING DATE

Availability for Upcoming Meeting(s)

Chairman Rupp reported that there were no more meetings scheduled for the remainder of the year.

The Employee Benefits Program Committee meeting adjourned at 11:23 a.m.