



Employee Benefits Program Committee Meeting

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

July 18, 2022

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
Stephanie Dosier, Orange County Water District (*via Zoom*)
Kelley Geyer, Byron-Bethany Irrigation District (*via Zoom 8:58 a.m. with intermittent connectivity issues*)
Karen Gish, Amador Water Agency (*via Zoom*)
James Linthicum, Three Valleys Municipal Water District (*via Zoom*)
Roberta Perez, Cucamonga Valley Water District (*via Zoom*)
Anjanette Shadley, Western Canal Water District (*via Zoom*)
Laures Stiles, San Luis & Delta Mendota Water Authority

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Sonya Baker, Employee Benefits Systems Analyst II
Adrienne Beatty, Assistant Executive Officer
Chimene Camacho, Executive Assistant to the CEO
Veronica Cobian, Benefits Administrator II
Sarah Crawford, Training Manager
Cassie Crittenden, HR Specialist
David deBernardi, Director of Finance
Robin Flint, Risk Control Manager
Robert Greenfield, General Counsel
Allison Hartill, Benefits Analyst
Ben Hayden, Lead Benefits Analyst
Kyle Hutchinson, Senior Accountant
Jennifer Nogosek, Liability/Property Claims Manager
Jackie Rech, Employee Benefits Account Manager
Patti Ryder, Sr. Work Comp Examiner
Jeremy Sadler, Risk Control Advisor
Patricia Slaven, Director of Human Resources and Administration
Sandra Smith, Employee Benefits Manager

Dan Steele, Finance Manager
Michelle Stites, Benefits Administrator II (Recording Secretary)
Melody Tucker, Workers Compensation Claims Manager

OTHERS IN ATTENDANCE

Fred Bockmiller, Mesa Water District
David A. Drake, Rincon Del Diablo Municipal Water District
Cathy Green, ACWA VP, Orange County Water District
Brent Hastey, Yuba Water Agency
Chris Kapheim, Kings River Conservation District
Randall Reed, Cucamonga Valley Water District
Megan Gonzalez, Modern Health
Kristian Kelly, Hinge Health
Betsy Miller, San Bernardino Valley Water Conservation District
Kimberly Miller, Alliant Employee Benefits
Thomas Sher, Alliant Employee Benefits

WELCOME

Chairman Rupp welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Rupp called the meeting to order at 8:29 a.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MEETING

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

PUBLIC COMMENT

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

INTRODUCTIONS

Chairman Rupp asked that the Employee Benefits Program Committee introduce themselves. Executive Committee members introduced themselves as did ACWA JPIA staff and guests present.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

CONSENT AGENDA

Chairman Rupp called for approval of the minutes of the August 18, 2021.

M/S/C (McDonald/Dosier) (Dosier-Yes; Geyer-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes, Stiles-Yes):

That the Employee Benefits Program Committee approve the minutes of the August 18, 2021, meeting, as presented.

MEETINGS ATTENDED ON BEHALF OF JPIA

None.

OVERVIEW OF PROGRAM HISTORY CURRENT STATUS

Ms. Smith reviewed rate and enrollment history in the JPIA medical plans, noting the stability of rates and enrollment. She pointed out that Anthem enrollment figures appear reduced due to Anthem retirees with Medicare transitioning to UnitedHealthcare (UHC) Medicare Advantage. Ms. Smith went over some of the plan changes from 2015 to date that have contributed to stable rates in the PPO plans.

RESERVE FUND BALANCE

Mr. Sells reported that the ACWA JPIA Employee Benefits Program maintains an excess Reserves balance for the self-insured programs, medical, dental and vision. The positive balance results when revenues exceed costs in a given policy year. The largest influence in the balance fluctuation is claims costs.

The JPIA has set a target balance of \$19.2 million for the Reserve Fund. As of April 2022, the Employee Benefits Program reserves are approximately \$96 million.

Mr. Sells demonstrated various long-term scenarios that could result, depending on pricing, earnings, reserve use, and claims costs in future years. These projections included earnings from the Captive to offset costs each year.

PPO BENEFIT OPTIONS- FAMILY BUILDING

Ms. Smith informed the Committee that family building benefits are becoming more prevalent, and that this benefit is an excellent recruitment and retention tool, providing savings that offset existing costs in a variety of ways, and can be life changing.

Proposals from Progyny, Maven, Carrot, and WINfertility were evaluated. Progyny was identified as the best fit for JPIA members' needs, with a vetted network of high-quality providers and benefits based on Smart Cycles rather than flat dollar amounts. Smart Cycles include benefits for fertility treatment, procedures, medication, egg freezing, adoption, and surrogacy.

Ms. Smith shared that having this benefit can also protect the pool from the high cost of premature and multiple births. The fixed cost for the program is estimated to be \$18,144. Based on projected utilization, the annual cost of the benefit is estimated to be \$693,602.

M/S/C (McDonald/Stiles) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve adding Progyny family building benefits to the self-funded PPO plan benefits, effective January 1, 2023.

PPO BENEFIT OPTIONS- MENTAL HEALTH

Ms. Smith shared that JPIA contracted with Modern Health to provide additional mental health services to active employees in all JPIA medical plans beginning September 1, 2021. She shared that Modern Health has met the need to provide better, faster access to mental health care and that participants using the service have reported high levels of satisfaction.

Staff was able to negotiate a 71% decrease in rates, from \$10.27 to \$3.00 per employee per month, resulting in a cost reduction of approximately \$575,600 per year. Pricing is guaranteed for 24 months.

Premiums for Modern Health were initially included in the total costs of the Employee Benefits Program, to make them widely available to all medical plan participants in a time of need. Staff recommends including the cost for Modern Health in premiums paid by members for all medical plans. The benefit would be available to active employees and pre-Medicare retirees, who pay the same monthly premiums.

M/S/C (Stiles/Dosier) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve renewal of Modern Health and including the benefit as a component of all Anthem PPO, Anthem HMO, and Kaiser medical plans, effective January 1, 2023.

PPO BENEFIT OPTIONS- PPO BENEFIT OPTIONS-CARRUM ONCOLOGY

Ms. Smith shared that cancer treatment is consistently a top cost category. In 2021, it was the highest cost category in JPIA medical plans.

Two new cancer-related benefits are available through JPIA's current voluntary surgery benefit vendor, Carrum Health. Bundled pricing and concierge service at no cost will be available for breast cancer treatment through City of Hope and for Oncology Guidance through City of Hope or Memorial Sloan Kettering Cancer Center. Oncology Guidance includes consultation and treatment plan review from best-in-class oncologists along with assignment to an experienced oncology nurse for a period of 24 months.

The cost of Oncology Guidance ranges from \$4,000 to \$10,000 per participant. Carrum predicts an overall net savings due to increased efficacy and reduced waste in treatment plans.

M/S/C (Linthicum/Perez) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve adding City of Hope cancer treatment bundles and Oncology Guidance through Memorial Sloan Kettering Cancer Center and City of Hope to the Carrum benefits available through the self-funded PPO plan benefits, effective January 1, 2023.

PPO BENEFIT OPTIONS- VIRTUAL PHYSICAL THERAPY

Ms. Smith informed the Committee that musculoskeletal treatment is consistently a top cost category. In 2021, it was the second highest cost category in JPIA medical plans.

Ms. Smith shared that Carrum Health provides voluntary, concierge, no cost musculoskeletal surgery benefits by way of bundled pricing with high quality facilities and surgeons. Carrum has partnered with Hinge Health to provide virtual physical therapy benefits. The two programs work in tandem to refer participants to one another as appropriate, for orthopedic surgery or physical therapy. This added benefit could reduce musculoskeletal plan costs by making less invasive treatments more accessible earlier in the process. Partnership between Carrum Health and Hinge Health would likely lead to increased utilization of each program, as participants are cross referred.

M/S/C (Shadley/Dosier) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve a approve adding Hinge Health virtual physical therapy benefits to the Anthem PPO plan benefits, effective January 1, 2023.

MEDICAL STOP LOSS COVERAGE

Mr. Sells explained that ACWA JPIA maintains stop loss coverage for the self-funded Anthem PPO medical plans. The current stop loss policy provides reimbursement to JPIA for claims in excess of \$750,000 per individual participant per plan year.

Mr. Sells shared that premiums for stop loss coverage continue to rise substantially year over year. Without stop loss coverage, JPIA would be responsible to pay all claims and would be liable for any catastrophic claims that may occur. Currently, JPIA is in a financial position to be able to tolerate annual variations in claims costs, with a projected savings over time.

Mr. Steele reported that the largest medical claim the JPIA has paid to date was \$2.3 million. Mr. Sher relayed that there are opportunities for bigger claims in the future and that he has another client, similar to JPIA that has not had stop loss coverage in over 30 years.

M/S/C (Linthicum/Perez) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve elimination of stop loss coverage for the self-funded medical plans, effective January 1, 2023.

PRICING FOR ANTHEM PPO MEDICAL PLANS

Ms. Smith reviewed historic rates for JPIA's self-funded Anthem PPO plans.

Alliant's projections call for a 6.95% reduction in premiums, based on projected income and expenses. Application of \$4.5M in investment earnings results in an 11.04% reduction. Application of investment earnings and the addition of family building and mental health enhancements result in a 9.86% reduction. After discussion about the current state of the Reserve account the following recommendation was made.

M/S/C (Dosier/Linthicum) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve a decrease of 10% for the Anthem self-funded PPO plans, effective January 1, 2023.

PRICING FOR ANTHEM HMO MEDICAL PLANS

Ms. Smith explained that the fully insured Anthem HMO plans renew January 1, 2023.

Anthem provided JPIA with renewal pricing that will result in a 5.36% increase in costs. The addition of Modern Health mental health benefit would result in an increase of 5.52%.

M/S/C (Linthicum/Dosier) (Dossiers-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve an increase of 5.52%, including Modern Health mental health benefits, for the Anthem Blue Cross HMO plans, effective January 1, 2023.

PRICING FOR KAISER MEDICAL PLANS

Ms. Smith explained that the fully insured Kaiser plans renew January 1, 2023.

Since 2019, JPIA's Kaiser North and Kaiser South plans have blended the rate of increase to provide rate stability across the regions. Kaiser provided JPIA with renewal pricing that will result in a 0.65% aggregate increase in costs in both regions.

Anthem PPO and HMO plans currently offer a 4% discount for meeting Incentive Rate criteria. Requirements include offering only JPIA medical plans, enrollment of all employees, and several other participation and contribution requirements. The Incentive

Rate discount has not historically applied to Kaiser premiums. Applying an Incentive Rate discount more broadly could further incentivize member policies that are more favorable to the risk profile of the JPIA pool as a whole.

Pricing options with and without the Incentive Rate discount option and the mental health enhancement option were discussed.

M/S/C (Stiles/Linthicum) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve an aggregate increase of 0.88% to Kaiser rates, including Modern Health mental health benefits and variations for Standard and Incentive Rates.

Kaiser Senior Advantage rates for retirees with Medicare were made available the day of the meeting.

Ms. Smith explained that staff obtained a quote from Kaiser to reduce the Senior Advantage copay from \$20 to \$10 to match the copay for active employees and pre-Medicare retirees.

M/S/C (Linthicum/Dosier) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve the renewal of the Kaiser Senior Advantage plan with no change in copay and an 11.47% decrease in rates, effective January 1, 2023.

PRICING FOR UNITED HEALTHCARE MEDICARE ADVANTAGE PLANS

Ms. Smith discussed the UnitedHealthcare Medicare Advantage PPO plan that went into effect January 1, 2022, for all prior enrollees in Anthem PPO and HMO plans for retirees with Medicare. The initial contract with UnitedHealthcare included a two-year rate guarantee.

The hearing aid benefit has been a concern for some plan participants. The PPO had an 80% benefit for hearing aids. The HMO had no benefit for hearing aids. The UHC plan has a \$500 allowance for hearing aids.

Although 2023 will be the second year in a two-year rate guarantee, staff obtained pricing options to increase the hearing aid allowance to \$2,500, \$3,500, or \$5,000. Ms. Smith indicated that hearing aid costs through the UHC program are heavily discounted.

The Committee discussed the frequency of need for hearing aids among the Medicare population. There was also discussion about evaluating a further increase to the allowance in future years since the contract is currently in a rate guarantee period.

M/S/C (Linthicum/Perez) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve increasing the UHC hearing aid allowance to \$2,500, resulting in a 3.1% increase in rates, effective January 1, 2023.

PRICING FOR DENTAL PLANS

Ms. Smith shared that the self-funded dental plans continue to perform well. Staff recommended no change in rates or benefits for the self-funded Delta Dental PPO dental plans.

The fully insured DeltaCare HMO plan is in a two-year rate guarantee with no change in rates, from January 1, 2022, through December 31, 2023.

M/S/C (Stiles/Dosier) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve renewal of Delta Dental PPO and DeltaCare HMO plans, with no change in rates, effective January 1, 2023.

PRICING FOR VISION PLANS

Ms. Smith shared that the self-funded vision plans continue to perform well. Since transitioning from fully insured to self-funded in 2015, expenses have consistently been approximately 10% less than premiums collected.

JPIA's VSP vision plans currently have copays for premium and custom progressive lenses that vary from \$80 to \$160. This is a frequently used benefit that substantially increases out of pocket costs to the plan participants. VSP provided a projection of an 11.4% increase in claims cost to reduce the copay to \$25 for all progressives. Ms. Smith explained that these estimates have historically been higher than the actual increase in claims costs.

Ms. Smith shared that the vision reserve balance currently stands at approximately \$1.9 million. VSP premiums have remained constant since 2015.

M/S/C (Dosier/Shadley) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve decreasing the copay for premium and custom progressives to \$25, with no change in rates, effective January 1, 2023.

EMPLOYEE ASSISTANCE PROGRAM

Ms. Smith reported that the ACWA JPIA Employee Assistance Program transitioned from MHN to Anthem, effective January 1, 2021, with a 7% decrease in rates.

Premiums for 2021 and 2022 remained constant. Anthem has provided a renewal that calls for a 4.2% increase in rates charged to members, effective January 1, 2023.

M/S/C (Linthicum/Perez) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve an increase of 4.2% for Employee Assistance Program rates, effective January 1, 2023.

LIFE AND DISABILITY

Ms. Smith stated that The Standard has provided a renewal that calls for a 10% decrease in premiums for life and long-term disability. The renewal calls for no change in rates for short-term disability, accidental death and dismemberment (AD&D), dependent life, and child life.

Employee and Spouse Supplemental Life premiums consist of a life portion and an AD&D portion. The life portion will be reduced by 10% while the less costly AD&D portion will remain unchanged. The blended decrease in rates will be slightly less than 10%.

Ms. Smith said that this is a three-year rate proposal, with no change in rates charged by the Standard until January 1, 2026.

M/S/C (Linthicum /Dosier) (Dosier-Yes; Gish-Yes; Linthicum-Yes; McDonald-Yes; Perez-Yes; Rupp-Yes; Shadley-Yes; Stiles-Yes): That the Employee Benefits Committee recommend that the Executive Committee approve renewal of life and long-term disability with a 10% decrease in rates, and renewal of short-term disability, AD&D, dependent life, and child life with no change in rates, effective January 1, 2023.

WELLNESS GRANT PROGRAM

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

This year, JPIA is proud to announce that 77 members were awarded Wellness Grants.

Due to the continued popularity of the Wellness Grant Program, applications for the 2022/2023 grant year have again exceeded the \$75,000 in funds provided by Anthem. Beginning in 2023, Anthem has agreed to provide \$100,000 in funding for Wellness Grants.

NEXT MEETING DATE

Availability for Upcoming Meeting(s)

There are no further Employee Benefits Program Committee meetings scheduled for the remainder of the year.

The Employee Benefits Program Committee meeting adjourned at 11:01 a.m.