

Benefits Committee Meeting Notes 03.13.17

In Attendance: Ana Simental, Anthony Ruiz, Angelika Miklos, Chiara Galloway, Jonathan Johnson, Leean Dessaussois, Mary Ann Delleney, Mike Shepherd, Rhonda Crawford, Rob Thomas, Terri Ezaki, and Julie Magowan

➤ Renewals

- We have received “best and final” renewals from everyone except Kaiser.
- We didn’t go out to market this year for new carriers.

➤ Kaiser

- Last year with Kaiser, the Actives received approximately 5% increase (negotiated down from 11.37% increase). Early Retirees did not get the reduction and had 11.4% increase, while Retirees over 65 had a .6% decrease.
- This year Kaiser is proposing a 15.7% increase, which we hope to negotiate down. Part of the reason for such a high increase is the specialty drug load. A couple of new options will be presented that will change the benefit design, specifically pertaining to specialty drugs. We should have a final response from Kaiser before our next scheduled meeting on March 27th.
- We may also be looking at a different benefit design for the Kaiser High Deductible Health Plan, in order to get the rate down below \$550.
- Renewal scenarios in regards to the specialty drug benefit. Specialty drugs are very expensive and are taken by a relatively few number of members.
 - Status quo – no change in the benefit design and a 15.71% increase in rates
 - Change in benefit design
 - 13.84% increase
 - Changes in copay for the specialty drugs, which will result in lower premiums
 - HMO – copay increases from \$30 to \$100 for a 30-day supply
 - HDHP – copay increases from \$30 to 20% up to \$150 for a 30-day supply
- Benefit design changes to the High Deductible Health Plan, in order to be compliant with AB1305
- Effective 1/1/2018, Kaiser is changing coordination of benefits, that will impact 44 of our members. We have not been advised as to how they will be impacted, so if they have questions, they will need to contact Kaiser directly and ask specific questions.

➤ Sutter Health Plus

- 2017 renewals for Actives is an increase of 3.38% and for Early Retirees an increase of 3.44%.
- There are some benefit changes, but they are mostly in the language and will not generally impact benefits or costs to members.
- Alternative plans for consideration
 - HMO replacement plan – ML34
 - OOPM doubles what is currently offered under ML32
 - Hospital copay of \$250 per day up to 3 days

- Premiums are reduced by \$51
 - HDHP options – we currently do not have a HDHP through SHP, but we are open to look at options, which may be a bargaining tool with Kaiser.
 - HD06 - \$1500 deductible for singles, \$2600 for individual within a family, \$3000 for a family; OOPM for singles and individuals within a family is \$3000 and \$6000 for a family; once deductible is met, the only charge is \$50 per admit for hospital care; premiums are \$522.93 for singles and \$1202.38 for families.
 - HD01 – same deductibles and OOPM as above, but there are more copays once those have been met; premiums are \$483.38 for singles and \$1111.43 for families.
- **Western Health Advantage**
- 2017 renewal rates are increased by 5% for Actives and Early Retirees
 - No changes to the benefit plan of the Premier 20 plan or to the WHA Advantage 420 plan.
 - Benefit plan changes – Western 1800/0 will replace the current Western 1800 plan, to comply with AB1305. It adds a separate tier deductible (\$2600 for an individual within a family), and once that is met, only prescription copays apply until the OOPM is met. OOPM for singles and individuals within a family is \$3600 and \$7200 for families.
 - Two alternatives to the Western 1800/0 are being presented for consideration – both will have higher deductibles and OOPM, but the premiums will be lower.
 - Western 2800/0 – Deductible for singles and individuals within a family is \$2800 and for a family \$5600; OOPM is the same; once deductible is met there are no copays
 - Western 2800/40 – Deductibles are the same as 2800/0, but OOPM are higher, at \$4000 for singles and individuals within a family and \$8000 for families; there are copays even after the deductible has been met.
 - Effective April 1, 2017, UC Davis is not allowing **new members** to choose a Primary Care Package through UC Davis. This is temporary and affects new members only.
- **Retirees Over 65**
- Hartford-Medicare Supplement plan – renewed on January 1, 2017, with a 2.6% increase.
 - Health Net Seniority Plus plan is going up by 2%.
 - Kaiser Senior Advantage
 - Status Quo
 - High Option – 2.87% increase
 - Low Option – 3.11% increase
 - Specialty Drug Benefit Change
 - High Option – 1.13% increase
 - Low Option – 1.06% increase
 - Western Health Advantage – 2017 renewal is a rate pass

➤ **Dental/Vision**

- DeltaCare – Rate pass until 2019
- Delta Dental – We should have preliminary rates in April, and finalized rates in May
- Superior Vision – Rate guarantee until July 1, 2019

VSP has been contacting EPIC and our bargaining groups, trying to get our business. We discuss this every year. The rates and benefit designs are generally comparable to Superior. The difference is in the providers offered. VSP does not use LensCrafters, Sam's Club, or Walmart. One of the things they are looking for is a partnership relationship with the District, in the form of internships for students, etc. This committee needs to decide if they want to consider changing to VSP. Since we aren't getting any complaints about Superior and we are in a rate guarantee until 2019, the committee has decided to stay with them. We will look again at rates and benefit plans in 2019.

➤ **Next Meeting**

- Our next meeting is scheduled for March 27, 2017.
- At that time, we will discuss the final renewals from Kaiser and the changes to the Specialty Drug benefit design; whether or not we want to add a HDHP to Sutter Health Plus; and the HDHP choices offered by Western Health Advantage.

Open Enrollment is May 1-25, 2017.