

Benefits Committee Meeting: February 22, 2016

In attendance: Ana Simental, Anthony Ruiz, Chiara Galloway, Leean Dessaussois, Michael Itkoff, Mike Shepherd, Rhonda Crawford, Terri Ezaki, Tony Peterson, and Julie Magowan.

Today's Objectives:

- Input on Kaiser's two renewal options that focus on specialty medications
- Sutter Health Plus – do we want to add a Mid-Range Option and/or a High Deductible Health Plan?

Legislative change that is coming – AB1305 prohibits individuals within a family from having a deductible that is greater than the deductible for individual coverage (embedded deductible). Currently both Kaiser and WHA HDHPs have aggregate deductibles, so they will be affected by this bill which goes into effect for the 2017 renewal (July 1, 2017). WHA has a plan that we can switch to for 2016 that is compliant with AB1305 (Western 2800B), so that will also be a consideration for the committee.

2016 Renewal Analysis – Chiara

- **Kaiser**
 - Renewal rates are increasing by over 11% for 2016/17 (as opposed to a ~4% decrease for 2015/16)
 - Slight decrease in demographic factor
 - Increase in incurred claims adjustment, trend, pooling point, and risk factor
 - Affordable Care Act (ACA) fees are included in the renewal rates
 - Two Renewal Scenarios, which affect the Specialty Drug Benefit, only
 - Option A – Status quo – no benefit changes – 11.37% increase
 - Option B – Changes the benefit design and creates more parity with the other 2 insurance carriers
 - Renewal is 10.2% increase overall
 - Under the HMO, specialty drugs would change from \$30 copay to \$100 copay
 - Under HDHP, specialty drugs would cost 20% up to \$150 copay (currently \$30 copay) – will reach OOPM sooner
 - We don't have definite numbers, but it will probably not affect very many members
 - We, as a committee, need to decide which option we would like to take. If we go with Option B, the premium is 1% less, but the cost of specialty drug copays goes up significantly. Those members will be paying more out-of-pocket for those drugs, but will hit their OOPM sooner. Our preliminary feeling is to change to Option B.
 - Benefit changes
 - Slight changes to residential treatment for mental health and chemical dependency and contraceptive products and services
- **Sutter Health Plus (SHP)**
 - First renewal with SHP
 - 6% increase overall
 - Benefit changes
 - Clarifications to benefit categories that doesn't impact benefits or costs to members
 - SHP has a 4 tier structure for prescription drugs
 - Plan options for consideration
 - HMO replacement or additional mid-plan - \$20 office visit, \$500 hospital admission, \$10/\$30/\$60 prescription drugs
 - 2 HDHP options
 - Chiropractic, acupuncture & infertility riders not available on HDHP
 - Can offer up to 3 plans without rate impact
 - The committee feels that the mid-plan isn't necessary, and they wish to hold off on the HDHP until we see what WHA can offer us.

- **Western Health Advantage (WHA)**
 - Renewal increase of 6.33%, due to trend, aging, demographics and ACA fees
 - Benefit changes
 - Hearing examination copay will no longer contribute to OOPM
 - Plan alternatives
 - HDHP replacement to Western 2800B, which is compliant with AB 1305
 - Embedded deductible and OOPM
 - Requirement is to have in place by 7/1/2017, but we can make the change for 2016
 - Terry is going to pursue offering both HDHPs for 2016 – she isn't sure that they will allow us to offer 4 plans
- **Comparing the plans, status quo and proposed of the providers**
 - See attached spreadsheet
- **DeltaCare**
 - Rate guarantee until July 1, 2017
- **Delta Dental PPO (through SIA)**
 - Information is pending and will be presented at a later date (April or May)
- **Superior Vision**
 - Renewal is a rate pass for 3 years – until July 1, 2019
- **Open Enrollment**
 - May 2 – 26, 2016
 - Open Enrollment Fair (2:30-6:00 pm) – May 3, 2016
 - Open Enrollment Fair (2:30-6:00 pm) – May 9, 2016
 - HDHP/HSA Educational Meeting (5:00 pm) – May 11, 2016
 - HDHP/HSA Educational Meeting (5:00 pm) – May 17, 2016
 - Open Enrollment/Health Fair (2:30-6:00 pm) – May 23, 2016
- **Next Meeting Dates**
 - March 14, 2016
 - Tentative – April 4, 2016

Comparison of Plans, Existing & Proposed of Three Providers

Actives

		Kaiser		Sutter Health Plus			Western Health Advantage	
High Option Plan		Status Quo	Proposed Plan B- higher cost for specialty drugs	Status Quo	Proposed	Proposed	Status Quo	Proposed Western 2800B
	Single	\$ 702.24	\$ 694.66	\$ 669.24			\$ 717.43	
	Family	\$ 1,615.15	\$ 1,597.73	\$ 1,539.10			\$ 1,652.08	
Mid Option Plan					ML20			
	Single	n/a	n/a	n/a	\$ 599.51		\$ 650.47	
	Family	n/a	n/a	n/a	\$ 1,378.78		\$ 1,497.34	
High Deductible Health Plan					HE01 - \$1500/\$3000	HE02 - \$2500/\$5000		Compliant with AB1305 (not needed until 7/1/17)
	Single	\$ 550.47	\$ 544.30		\$ 532.22	\$ 478.91	\$ 531.15	\$ 448.82
	Family	\$ 1,266.09	\$ 1,251.89		\$ 1,223.75	\$ 1,101.16	\$ 1,221.27	\$ 1,031.97

Early Retirees

		Kaiser		Sutter Health Plus			Western Health Advantage	
High Option Plan		Status Quo	Proposed	Status Quo	Proposed	Proposed	Status Quo	Proposed
	Single	\$ 812.99	\$ 804.21	\$ 832.79			\$ 655.65	
	Two Party	\$ 1,625.99	\$ 1,608.41	\$ 1,665.68			\$ 1,311.31	
	Family	\$ 2,300.77	\$ 2,275.91	\$ 2,357.13			\$ 1,966.95	
Mid Option Plan								
	Single	n/a	n/a		\$ 744.54		\$ 594.09	
	Two Party	n/a	n/a		\$ 1,489.19		\$ 1,188.18	
	Family	n/a	n/a		\$ 2,107.39		\$ 1,782.27	
HDHP								
	Single	\$ 622.79	\$ 615.78		\$ 663.58	\$ 596.22	\$ 476.90	
	Two Party	\$ 1,245.59	\$ 1,231.57		\$ 1,327.16	\$ 1,192.43	\$ 953.81	
	Family	\$ 1,762.51	\$ 1,742.67		\$ 1,877.94	\$ 1,687.29	\$ 1,430.70	

Retirees Over 65

High Option Senior Advantage Plan		Kaiser		Hartford Medicare Supplement	Health Net Seniority Plus	WHA Medicare Supplement
	Single	\$ 282.10	Pending	\$ 459.92	\$ 506.58	\$ 750.00
	Two Party	\$ 564.20	Pending	\$ 919.84	\$ 1,013.16	\$ 1,500.00
Low Option Senior Advantage Plan						
	Single	\$ 264.43	Pending			
	Two Party	\$ 528.86	Pending			