



## Employee Benefit Review Committee Meeting Summary

January 22, 2024

Marea Filmer called the meeting to order at 2:03 pm.

### Roll Call

22 EBRC members were in attendance (10 in person & 12 via Zoom).

### District Updates

Marea shared that last time she sent the EBRC summary to her employees, she included an opportunity for them to participate in a raffle for anyone that responded. This encouraged employees to read the summary and the winner received a wellness themed prize.

### Initial 2024 Employee Benefits Renewal

Jessica from Gallagher presented the initial 2024 renewal and potential plan change options. Please refer to the January 22nd Gallagher EBRC Meeting PowerPoint presentation.

Overall increase to all medical plans is 13.5% with Kaiser having the highest carrier increase and Blue Shield having the highest plan increase (Trio HMO).

Also note that 2024 IRS mandated changes will increase the minimum individual deductible to \$1600 and family deductible to \$3200 for High Deductible HSA compliant plans.

#### 2024 Healthcare Cost Drivers

- Post COVID-19 rebound in care
- Increased labor costs
- Specialty drug trend of 14.2%

#### Overall increase by carrier:

15.30% Kaiser	11.72% Sutter HP
11.71% Blue Shield	9.47% Western Health Advantage

#### 2024 Wellness stipend by carrier:

\$15,000 Kaiser	\$10,000 Sutter HP
\$25,000 Blue Shield	\$ 5,000 Western Health Advantage

Kim from UHSD asked if the wellness stipend is related to the premium increases. Jessica replied that no, the money comes from a separate bucket of funds within each company.

### Blue Shield

Trio HMO came in with the highest increase at 24.75%. Claims experience is high with 3 large claimants over \$50K. In addition, the SIG Trio HMO had a decrease of 19.7% in membership.

The High Deductible PPO plans are experienced rated and had a 75.5% loss ratio (which is good) and is quoted at a 7.5% increase. Membership in these plans is stable (2% increase) and only 1 large claimant over the \$160K pooling point.

## Kaiser

The traditional HMOs and 2000 High Deductible plans are quoted at a 15.4% increase. The new 3000 High Deductible plan is \$14.2% with an increase in the individual deductible from \$3000 to \$3200. Kaiser has a higher cost trend than other carriers. SIG had 5 large claimants over the \$440K pooling point and a 2.74% decline in membership. Kaiser early retiree utilization is nearly double that of active employees.

## Sutter Health Plus

The traditional HMO is rated at an 11.69% increase and the High Deductible HMOs are 11.75%. Sutter's trend has been stable over the past 3 years but is expected to increase in 2025. SIG's medical utilization increased \$7.44% and pharmacy usage increased 13% with 2 large claimants over \$200K.

## Western Health Advantage

The traditional WHA HMO's initial renewal increase is 10.07% while the High Deductible HMOs are 8.6%. SIG has 2 large claimants, each over \$800K.

## **Renewal Options**

Jessica reviewed possible plan and benefit changes that can reduce the impact of the initial renewal increases.

Blue Shield Trio HMO – with low enrollment of only 63 members, no benefit changes could impact its 24.75% renewal increase significantly. Their Virtual Blue plan, though designed for rural areas with robust telehealth features was quoted with higher renewal rates than the Trio.

If you want to keep the Trio HMO plan, Gallagher's recommendation would be to replace the current Trio HMO plan with a standard Deductible Trio HMO plan. Increasing the out-of-pocket maximum and the hospital co-insurance and emergency room co-payment will decrease the HMO renewal rates by 2.5 - 5%. In addition, standard plans tend to have more stable rate renewals, but with potential benefit design updates year to year.

## Placer County Districts

Jessica presented options for Kaiser, Sutter HP and WHA traditional HMO plans noting the importance of keeping parity between the plans. These changes can result in a significant reduction in the 2024 renewal rates depending upon the carrier ranging from -4.06% to -24.7%. Potential changes to the current HMO plan design are as follows:

- Add hospital only deductible \$1000/\$2000 ind/fam
- Increase out-of-pocket-max \$3000/\$6000 “
- Add 20% hospital/ER/outpatient surgery co-insurance after deductible

Moving to higher deductible High Deductible plan options presented savings ranging from -1.86% to -8.5% depending on the plan and carrier.

## 2024 Marketing

Aetna, Cigna, Anthem Blue Cross and Blue Shield were all invited to quote, however each declined. The reasons given varied and included non-competitive rates, network disadvantage, and SIG's sizeable Kaiser participation.

Other pools such as SISC and CVT have been explored but declined as they do not present good solutions for SIG's population as a whole. A self-funding study performed in 2021 showed no savings or advantage over staying fully insured.

## **Infertility Benefits**

As requested at the prior EBRC meeting, Gallagher reached out to the carriers to get information on infertility benefit coverage rider and costs. Jessica provided a summary of their findings.

For all carriers, services do not apply to the calendar year out-of-pocket-maximum, include 50% member cost share and maximum of one IVF treatment cycle per lifetime.

Rates vary by enrollment tier and carrier, ranging from \$5 up to \$54+ per member per month.

Sarah from RUSD was able to provide information from a 2017 survey SIG conducted with EBRC's help to poll members on their interest in adding infertility coverage at that time. 758 members responded and 80% stated no, they did not want to add the benefit.

There was discussion about taking an updated poll of SIG members. Monica from WPUSD offered to help with the survey.

## **Delta Dental**

No increase in dental premiums needed for 2024-25. Projections show a slight decrease of less than half a percent. Jessica provided a summary of the impact of potential plan design changes discussed at the prior meeting.

- Add new \$2500 max plan (2500/2000 in/out of network) +0.48% over current 1B/2B plan
- Add new \$2500 max plan (2500/2300 " ) +2.15% "
- Add \$1000 adult ortho benefit to 1/1A/1B plans +3 to 6.2% depending upon plan
- Add implant coverage +5.5%
- Add SmileWay benefits (extra help for chronic conditions) +0.25%

Jessica was asked if we should look at other carriers because dentists are dropping Delta Dental. She referenced Delta's presentation from November, stating more providers have been added than dropped and remains a strong network choice.

## **Vision Service Plan**

Projections show a decrease of 4.8% for 2024-25. Potential plan design changes discussed at the prior meeting include:

- Increase frame allowance from \$150 to \$200 +1.2%
- Add anti-reflective coating with \$25 co-pay +5.0%
- Add progressive lens coverage w/\$40 co-pay +9.5%

## **Next Steps**

Feedback needed on plan design changes. EBRC members discussed putting together a survey. Kelli Hanson will work with Gallagher to develop a survey that can be sent electronically by early February. Results will be reviewed at the next EBRC meeting on 2/20/24. Gallagher to continue negotiation efforts.

## **Kaiser Permanente Presentation & Resources**

Jim O'Gara, Senior Executive Account Manager from Kaiser attended the meeting to go over the current health care climate and tools to navigate Kaiser services.

Some factors contributing to this difficult renewal year:

- Skyrocketing operational costs (Rx, medical supplies, labor)
- Staffing shortages and the need for contracted nurses
- Post-pandemic demand for care

Average premium increase for Northern California groups is 13.5-15.5% this year. 20% of members drive 60% of the costs with chronic conditions. Kaiser's goal is to keep members from developing chronic conditions.

Reminder that routine preventive care has no member cost share.

Urgent Care – for conditions that require prompt care but not emergency care. Contact advice nurse at the local Kaiser facility for triage. Urgent care services must be obtained from Kaiser plan providers.

Mental Health – Kaiser uses one connected system to deliver seamless care across locations and specialties. With an initial phone call, member is screened and referred for a clinical assessment. Resources and tools are provided along with a treatment plan. Feedback from the member ensures informed care. Headspace (formerly Ginger) provides text-based coaching and self-care resources.

Visit [kp.org/health-wellness](http://kp.org/health-wellness) for everyday wellness resources.

Kaiser Roseville Updates

Construction has started on a 6-story hospital tower with parking garage. It will include 138 beds, 36 ER beds, new operating rooms and discharge pharmacy.

Roseville Addiction Medicine Recovery Services with a walk-in clinic is now available Mon-Fri from 8:30-11:30 a.m. at 1643 Eureka Rd, Building 1 or call (916) 771-7600.

**Networking Support** - session available following meeting for those that would like to stay.

**Adjournment**

Meeting was adjourned at 4:00. Next meeting will be **Tuesday**, February 20, 2024 at 2pm.

**1/22/24 EBRC Attendees**

Karen Kettenhofen	Dry Creek	Sarah Harris	Rocklin
Shelly Husary	Dry Creek	Susan Pierson	RJUHSD
Steve Foster	Eureka	Kim Boundy	Union Hill
Julie Crawford	Eureka	Monica Carroll	WPUSD
Rhonda Clephane	Loomis	Nora Liang	WPUSD
Rey Cubias	Loomis		
Rose Ledesma	Loomis	<u>Guests &amp; Staff</u>	
Jen Pack	Nevada City	Michelle Howard	Newcastle/HR
Darby Talbott	Nevada City	Jessica Athanacio	Gallagher
Marea Filmer	NCSOS	Tracie Haidle	Gallagher
Janet Jabusch	Newcastle/HR	Jim O’Gara	Kaiser
Lisa Ennis-Panganiban	PCOE	Jilzy Christensen	Kaiser
Tammy Lashbrook	Placer Hills	Melissa Gianopulos	SIG
Dawn Allison	Placer UHSD	Amy Gonnella	SIG
Tina Base	Placer UHSD	Kelli Hanson	SIG
Angeline Scicluna	Placer UHSD	Kelley Henry	SIG
Roxanne Fleenor	Pleasant Ridge	Kirstie Miller	SIG