



Burnham

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Ventura County Community
College District

**Joint Meeting: Renewal Update,
Anthem Rx Issue, CalPERS Review**

March 7, 2019





Insurance Committee Meeting

1. Renewal Update – Anthem, Kaiser, CSEBO, MES
2. Discuss & Finalize the Anthem renewal offer
3. Anthem Rx: Right Drug Right Channel
4. CalPERS Review



July 1, 2019 Renewal Update

Carrier	Faculty	ASCC	No Market/Negotiated Renewal Offer
Anthem MEDICAL	15.5% +\$2,392,812	16.2% +\$2,253,475	6.0% Faculty:+\$923,889* 6.0% ASCC:+\$836,748*
Kaiser: Active/Retiree MEDICAL	5.31% +\$75,866	5.31% +\$159,081	5.31% +\$234,947
Kaiser: Part-Time	-0.3% -\$1,665	N/A	-0.3% -\$1,665
CSEBO DENTAL	Will be released between 3/27 and 4/30		N/A
MES VISION	Rates remain unchanged until the next renewal		N/A
Anthem Life Insurance Loss Ratio 7/2017 – 6/2018: 250% 7/2018 – 12/2018: 151%			
Anthem BASIC LIFE	Renewal: 13.6% Increase +\$12,206 Annual Increase		Negotiated: 12.2% Increase +\$10,985 Annual Increase
Anthem VOLUNTARY LIFE	Renewal: 13% Increase +\$4,805.97 Annual Increase		Negotiated 0% Increase

* Rates were calculated by adding 6% to current rates. Official rates from Anthem will be delivered once the offer is accepted.



Kaiser – 2019 Renewal Rate Detail

Kaiser HMO - Faculty	Current	Renewal	% Change
Active			
<i>Supercomposite</i>	\$1,353.76	\$1,425.66	5.31%
Early Retiree			
<i>Single</i>	\$645.80	\$680.10	5.31%
<i>Two-Party</i>	\$1,291.60	\$1,360.18	5.31%
<i>Family</i>	\$1,827.62	\$1,924.68	5.31%
Post 65 Retiree ASCC			
<i>Per Person</i>	\$218.72	\$223.06	1.98%
Kaiser HMO - PT Faculty <u>Low</u> Plan			
<i>Single</i>	\$619.44	\$617.60	-0.30%
<i>Employee + Spouse</i>	\$1,362.78	\$1,358.74	-0.30%
<i>Employee + Child(ren)</i>	\$1,238.90	\$1,235.22	-0.30%
<i>Employee + Spouse + Child(ren)</i>	\$1,858.34	\$1,852.82	-0.30%
Kaiser HMO - PT Faculty <u>High</u> Plan			
<i>Single</i>	\$710.44	\$708.34	-0.30%
<i>Employee + Spouse</i>	\$1,562.96	\$1,558.34	-0.30%
<i>Employee + Child(ren)</i>	\$1,420.88	\$1,416.68	-0.30%
<i>Employee + Spouse + Child(ren)</i>	\$2,131.32	\$2,125.02	-0.30%

Kaiser – 2019 Renewal Rate Detail



Kaiser - ASCC	Current	Renewal	% Change
Active			
<i>Composite</i>	\$1,277.32	\$1,345.16	5.31%
Early Retiree			
<i>Single</i>	\$606.96	\$639.20	5.31%
<i>Two-Party</i>	\$1,213.92	\$1,278.40	5.31%
<i>Family</i>	\$1,717.70	\$1,808.94	5.31%
Post 65 Retiree ASCC			
<i>Per Person</i>	\$218.72	\$223.06	1.98%



Right Drug Right Channel program

Right Drug Right Channel programs

A better way to manage specialty drugs



The big picture

Health care costs continue to rise, and specialty drugs are a big reason why. Specialty drugs are used to treat complicated and chronic conditions such as immune deficiencies, hepatitis C, cancer, certain inflammatory conditions and multiple sclerosis. Health conditions like these can be difficult to manage. That's why it's important to have a specialty drug strategy in place.

The result

We created the Right Drug Right Channel programs to better manage specialty drugs. Under the Right Drug Right Channel **Medical to Pharmacy** program, certain drugs that are self-administered (members can give themselves) will no longer be covered under the medical benefit. These are drugs members can take without the help of a health care provider, so they're best managed under the pharmacy benefit.

Under the Right Drug Right Channel **Pharmacy to Medical** program, certain drugs usually given by a health care provider will no longer be covered under the pharmacy benefit. These drugs are best managed under the medical benefit.

How it benefits you

The Medical to Pharmacy program may help avoid unnecessary administrative costs because members may not need to visit a health care provider to take their drugs. Moving these drugs to the pharmacy benefit also makes them simpler to manage through methods such as prior authorization, step therapy requirements and drug lists.

The Pharmacy to Medical program helps avoid the potential cost of replacing drugs that have not been handled or stored correctly. Moving these drugs to the medical benefit means the health care provider will obtain and store the medication rather than members picking it up at a pharmacy, storing it and then bringing it to the provider's office for administration.

How it impacts your employees

The Medical to Pharmacy program includes drugs that don't need to be given by a health care provider, so members will need to give these drugs to themselves. By getting their drugs from a specialty pharmacy, they can talk to pharmacists and support staff who specialize in these drugs. This will increase the chances they'll take the drugs the way they're supposed to and help them avoid drug interactions and side effects.

Drugs in the Pharmacy to Medical program need to be given by a health care provider; your employees cannot give these drugs to themselves. In the past, employees may have picked up the drug at a pharmacy and brought it to their doctor to administer. Covering these drugs under the medical benefit makes it easier for members because the drug and the service are now provided at the doctor's office.

Some of your employees may be affected by this new specialty drug coverage criteria. So to ensure your employees have a smooth transition, we'll send them a letter explaining the ins and outs of the Right Drug Right Channel programs, and also include a phone number to call if they have questions.

Why is this change important?

Covering specialty drugs under the right benefit helps ensure better management and may help lower drug administration costs. Want to know more about how the Right Drug Right Channel programs can help your company? Contact your broker or Sales representative.

- Program was created to ensure the proper handling of certain specialty drugs
- **Pharmacy to Medical** – Drugs required to be administered by a doctor
- **Medical to Pharmacy** – Self-administered drugs
- Specialty Picked up at:
 - Pharmacy: A low copay amount + Office Visit Copay (if drug administered by doctor)
 - Medical Office: 20% of Rx Cost + Office Visit Copay
- Added 7/1/2018 to plan
- Decision to be made by the group

Right Drug Right Channel program: Example



- **BEFORE Right Drug Right Channel**

- Member receives a specialty injection twice per year
- Currently picks up RX from Pharmacy, then has the Dr. handles the injection

Employee Cost

20% of the Dr. Visit: (\$96.31) **\$19.26**

20% of Dr. Injection Fee: (\$26.34) **\$5.27**

Rx copay: \$30

TOTAL: \$54.53

- **AFTER Right Drug Right Channel**

- Moved from Pharmacy to Medical – Member's process & cost impacted
- The Dr. is responsible for ordering the RX, storing it at the appropriate temperature and any other handling requirements
- Medical plan deductible applies

Employee Cost

20% of the Dr. Visit: (\$96.31) **\$19.26**

20% of Dr. Injection Fee: (\$26.34) **\$5.27**

Rx copay: 20% of \$1,215 = \$243

TOTAL: \$267.53

An exception has been placed on this member to process as BEFORE Right Drug Right Channel
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CalPERS: Kaiser – Current vs CalPERS



	Kaiser Current	Kaiser Current	Kaiser CalPERS
	Faculty	ASCC	CalPERS Plan
Deductible			
Individual	none	none	none
Family	none	none	none
Out of pocket maximum			
Individual	\$1,500	\$1,500	\$1,500
Family	\$3,000	\$3,000	\$3,000
Office visit copay (PCP / specialist)	\$15 / \$15	\$20 / \$30	\$15 / \$15
Inpatient	100%	100%	100%
Outpatient surgery	\$15 Copay	\$20 Copay	\$15 Copay
Lab and X-ray	100%	100%	100%
Emergency services copay	\$50 Copay	\$100 Copay	\$50 Copay
Urgent care copay	\$15 Copay	\$20 Copay	\$15 Visit
Durable medical equipment	100%	100%	100%
Prescription drugs			
Formulary	traditional	traditional	traditional
Deductible	none	none	none
Generic	\$5	\$10	\$5
Brand name	\$10	\$20	\$20
Non formulary	N/A	N/A	N/A
Specialty	\$10	\$20	\$20
	100 Day Supply	30 Day Supply	30 Day Supply

CalPERS: Kaiser – Current vs CalPERS



		Kaiser Direct		Kaiser CalPERS
		Current - 2018	Renewal - 2019	2019
Kaiser Estimated Savings				
Total Enrollees	378	\$5,188,607	\$5,442,849	\$4,689,305
Annual Premium				\$10,785
CalPERS Administrative Fee 0.23%				
Relationship to Current \$			\$254,242	(\$488,517)
Relationship to Current %			4.9%	-9.42%
Relationship to Renewal \$				(\$742,759)
Relationship to Renewal %				-13.65%

CalPERS: Anthem – Current vs CalPERS



Ventura County Community College District CalPERS Medical Renewal - PPO Plans (B) January 1, 2019

	Anthem Blue Cross	Anthem Blue Cross	CalPERS	CalPERS
	Faculty	ASCC	PERS Select	PERS Choice
Deductible *	In-Network	In-Network	In-Network	In-Network
Individual	\$200	\$200	*\$1,000 ¹	*\$500
Family	\$600	\$600	*\$2,000 ¹	*\$1000
Out of pocket maximum (coinsurance)				
Individual	\$1,500	\$1,700	\$3,000	\$3,000
Family	\$4,500	\$5,100	\$6,000	\$6,000
Out of pocket maximum (deductibles & copays)				
Individual	N/A	N/A	\$2,900	\$2,900
Family	N/A	N/A	\$5,800	\$5,800
Coinsurance (plan pays)	80%	80%	80%	80%
Office visit copay (PCP / specialist)	80%	\$20	*\$35 ² / \$35, ded waived	*\$20 / \$35, ded waived
Hospital coinsurance / copay				
Inpatient	No Charge	No Charge	ded, 80%	ded, 80%
Outpatient surgery	No Charge	No Charge	ded, 80%	ded, 80%
Lab and X-ray	No Charge	No Charge	ded, 80%	ded, 80%
Emergency services copay	No Charge	\$100	*\$50, ded, 80% (waived if admitted)	\$50*, ded, 80% (waived if admitted)
Urgent care copay	80%	\$20	*\$35, ded waived	*\$35, ded waived
Durable medical equipment	80%	80%	ded, 80%	ded, 80%
Prescription drugs				
Brand/Specialty Deductible	Brand Name \$50/member	Brand Name \$100/member	none	none
RX Copay				
30 day supply	\$10/\$30	\$10/\$30/\$50	\$5 / \$20 / \$50	\$5 / \$20 / \$50
30 day supply of Maintenance Medication	\$10/\$30	\$10/\$30/\$50	\$10 / \$40 / \$100	\$10 / \$40 / \$100
Mail order - 90 days supply	\$20/\$60	\$20/\$60/\$100	\$10 / \$40 / \$100	\$10 / \$40 / \$100
RX Out of pocket maximum				
Individual	None	\$750	\$2,000	\$2,000
Family	None	\$1,500	\$4,000	\$4,000
Home Delivery	\$500/\$1,000	N/A	\$1,000	\$1,000

¹Five credits available to reduce deductible to \$500 Individual / \$1,000 Family (Flu Shot, Biometric Screening, Non-Smoking Certification, Virtual Second Opinion, ConditionCare Certification)






² Copay reduced to \$10 if enrolled with PPO Primary Care Physician

CalPERS: PERS Select Deductible Reductions



Save money by taking care of yourself

Starting in 2019, we'll give you a \$500 credit to lower your deductible. Think of it as a discount to your deductible. You just need to complete healthy activities such as getting a flu shot and health screening to keep each of the \$100 credits as shown below. And you pay nothing extra out of pocket for these activities! Here's what you need to do:

Activity:	You need to:	Keep this credit:
 Flu shot¹	Get a flu shot at an in-network pharmacy or at your doctor's office.	\$100
 Non-smoking certification	<ul style="list-style-type: none"> Let us know you don't smoke by completing the health assessment on Mobile Health. Or, if you smoke, complete a quit smoking program. 	\$100
 Biometric screening	<p>Get tested at your doctor, one of the 2,200 Quest Diagnostics Patient Service Centers or if a center isn't near you, order an at-home test kit.</p> <p>The test checks your blood pressure, cholesterol level, glucose and A1C, and height and weight for your body mass index (BMI). You'll get results of the screening online and in the mail.²</p>	\$100
 Virtual Second Opinion program³	Call 1-888-361-3944 (Monday through Friday, 5:30 a.m. to 8:00 p.m. PT) if you're having a non-urgent and non-emergency scheduled surgery in 2019. They'll see if you need a second opinion. You can also get a second opinion from a Select plan doctor.	\$100
 ConditionCare certification⁴	<p>Take part in the ConditionCare program if you have asthma, diabetes, chronic obstructive pulmonary disease (COPD), heart failure, or coronary artery or vascular disease.</p> <p>If you get a letter or call from the ConditionCare team saying you qualify to participate, call 1-866-962-0957 and join the program to get your credit.</p>	\$100

1 If you can't get a flu shot due to health, personal or religious reasons, you can keep the \$100 deductible credit. Call Anthem Customer Service at 1-877-PERSHIP (1-877-737-7770) for more information.
2 If you take a Quest Diagnostics center, log in at anthem.com/calpers and select Quest Biometric Screening to see your results.
3 If you don't need a non-urgent, urgent surgery in 2019, you can keep the \$100 deductible credit.
4 If you don't have one of these conditions, you can keep the \$100 deductible credit.

The savings add up

If you qualify for all five of the credits, your 2019 deductible is reduced to:

- \$500 for an individual (instead of \$1,000)
- \$1,000 for a family (instead of \$2,000).

CalPERS: PEMHCA Minimum Contribution



Estimated PEMHCA Minimum for Actives & Retirees

Estimated Medical Care Cost Inflation	2.93%
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Year	# of Years the District is a PEMHCA Participant	<u>ACTIVES</u> Estimated PEMHCA Minimum	<u>RETIRES</u> Estimated PEMHCA Minimum
2019		\$ 138.00	
2020		\$ 142.00	\$ 1.00
2021	1	\$ 146.00	\$ 7.30
2022	2	\$ 150.00	\$ 15.00
2023	3	\$ 154.00	\$ 23.10
2024	4	\$ 159.00	\$ 31.80
2025	5	\$ 164.00	\$ 41.00
2026	6	\$ 169.00	\$ 50.70
2027	7	\$ 174.00	\$ 60.90
2028	8	\$ 179.00	\$ 71.60
2029	9	\$ 184.00	\$ 82.80
2030	10	\$ 189.00	\$ 94.50
2031	11	\$ 195.00	\$ 107.25
2032	12	\$ 201.00	\$ 120.60
2033	13	\$ 207.00	\$ 134.55
2034	14	\$ 213.00	\$ 149.10
2035	15	\$ 219.00	\$ 164.25
2036	16	\$ 225.00	\$ 180.00
2037	17	\$ 232.00	\$ 197.20
2038	18	\$ 239.00	\$ 215.10
2039	19	\$ 246.00	\$ 233.70
2040	20	\$ 253.00	\$ 253.00

CalPERS: Questions and Responses



- **What is the process for contacting and handling enrollments into the retiree program?**
 - CalPERS will send an enrollment packet to all retirees with full instructions how to enroll. CalPERS keys in all enrollments for retirees, not the employer.
- **What is the process for enrolling members in Medicare A/B?**
 - Members call Social Security to enroll in Medicare.
- **What happens should a member not sign up for the required Medicare Plan? What is the timing?**
 - CalPERS will allow retirees to enroll in a basic plan until they can enroll into Part A and B. If they don't qualify for A & B they would remain in the basic plan. If they are eligible for A and B they have until the next Medicare open enrollment to be enrolled.
- **May Tier II retirees purchase a Medicare Advantage or Medicare Supplement plan after their retiree benefit expires?**
 - Every eligible retiree has access to the CalPERS health plan for life as long as the employer is contracted with CalPERS for health.
- **May future retirees purchase insurance from PERS after retiring from the District? If so, what are the rules?**
 - Yes, if someone retires from *CalPERS/CalSTRS* within 120 days of separating from employment and is receiving a monthly retirement check they are eligible to enroll in the health plan.

CalPERS: Questions and Responses



- **If one of our retirees pre-deceases their spouse, may the spouse continue on PERS and if so how will they pay?**
 - If the spouse is receiving a monthly PERS or STRS retirement check from the deceased pension he or she is eligible to remain on the health plan and the premiums will be deducted out of the monthly retirement check. The employer portion will be billed to the employer. (The Board can sign a resolution to eliminate pension requirement for survivors)
- **Appeals Process – Describe the claims appeal process. What are the steps with CalPERS and how might it differ from the current process:**
 - With PERS you have an added layer of protection in the appeals process. Any claims dispute requires a call to your carrier, you would then follow their process for the appeal. If it does not go your way with most plans the appeal is done, not for PERS members. CalPERS also has an appeals team, so you have a second chance to be heard.
- **What is the minimum number of hours required for a Part-Time employee to be eligible under CalPERS?**
 - Usually half time is 20 hours however the Board can sign a resolution which will include employees that work less than half time if they choose.
- **How do other districts handle Part-Time eligibility under the CalPERS plan?**
 - If their bargained agreement is to include less than half time employee's then they sign a resolution to allow it. Most don't.

CalPERS: Questions and Responses



- **Intermittent employees?**
 - To be eligible you must work at least half time and employer must be making a contribution into a retirement plan on their behalf. Exception would be ACA rule for 30 hours employees, no retirement plan required.
- **Understanding the retiree vesting schedule that is required and the growth of that fee, starting at \$1 per month?**
 - Vesting is not required. Employers choose vesting if they want to. If a school does not have a vesting schedule then what I call the default method applies, if you are eligible for a retirement check and retire within 120 days of separation you are eligible to be on the health program.
- **Please explain the administrative charge for retirees; what is it for? How much is it? How is it calculated?**
 - The admin fee is the same for active employees and retirees which employer pays. It is the lowest fee I know of (0.230%) this is only \$230 per thousand of employer total premium.
- **CalPERS plan changes: Will VCCCD be involved in that process, will they have input?**
 - CalPERS has a team that negotiates rates for you and designs the health plans. Input from our member agencies are always heard and considered. Remember our plans are the same for all 1,400,000 people that are enrolled. Every HMO plan is uniform, \$15 office visit, \$5 prescriptions etc.

CalPERS: Questions and Responses



- What is the total number of participants across the state in each plan offering?

	# of Members	% of Total
<i>Anthem EPO</i>	105	0.01%
<i>Anthem HMO Select</i>	33,386	2.26%
<i>Anthem HMO Traditional</i>	17,417	1.18%
<i>Blue Shield Access+</i>	127,103	8.61%
<i>Blue Shield EPO</i>	1,036	0.07%
<i>CAHP</i>	32,786	2.22%
<i>CCPOA North</i>	9,279	0.63%
<i>CCPOA South</i>	32,350	2.19%
<i>Health New Salud y Mas</i>	9,510	0.64%
<i>Health Net Smartcare</i>	25,994	1.76%
<i>Kaiser</i>	629,735	42.64%
<i>Kaiser Out of State</i>	3,005	0.20%
<i>PERS Choice</i>	221,211	14.98%
<i>PERS Select</i>	73,087	4.95%
<i>PERS Care</i>	94,189	6.38%
<i>PORAC</i>	23,800	1.61%
<i>Sharp</i>	12,655	0.86%
<i>United Healthcare</i>	120,344	8.15%
<i>Western Health</i>	9,876	0.67%

TOTAL Enrolled 1,476,868 100%