



Burnham

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Ventura County Community
College District

**Joint Meeting: Finalized Renewals,
HRA Review**

April 4, 2019



Insurance Committee Meeting

1. **Finalized Renewals** - Anthem, Kaiser, MES
2. **Pending Renewal** - CSEBO dental
3. **Anthem:**
 - a) Unblended Renewal Calculation
 - b) ASCC & Faculty population combined on one plan
 - c) Plan Decrements
4. **Deductible and Out of Pocket Maximums** - Anthem, Kaiser
5. **Health Reimbursement Account** - Review

Finalized Renewals - Anthem, Kaiser & MES
Pending Renewal - Dental CSEBO
2019 Renewal Rate Detail

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: +\$915,768 6.0% ASCC: +\$829,504
Kaiser: Active/Early 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	A rate pass was proposed at the March Board Meeting. It will be voted on and finalized at the April meeting.		
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

Anthem – 2019 Renewal Rate Detail



Anthem PPO - Faculty	Current	Renewal	% Change
Active and Retirees			
<i>Composite</i>	\$2,008.74	\$2,129.24	6.00%
Retirees - Tier II			
<i>Single</i>	\$797.16	\$844.98	6.00%
<i>2-Party</i>	\$1,592.88	\$1,688.44	6.00%
<i>Family</i>	\$1,991.11	\$2,110.56	6.00%

Anthem – 2019 Renewal Rate Detail



Anthem PPO - ASCC	Current	Renewal	% Change
Active and Retirees			
<i>Composite</i>	\$1,743.44	\$1,848.07	6.00%
Retirees - Tier II			
<i>Single</i>	\$691.91	\$733.43	6.00%
<i>2-Party</i>	\$1,382.52	\$1,465.49	6.00%
<i>Family</i>	\$1,728.20	\$1,831.91	6.00%

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%

Vision – 2019 Renewal Rate Detail



Medical Eye Services - Faculty	Current	Renewal	% Change
Supercomposite			
<i>Composite</i>	\$16.47	\$16.47	0.00%

Medical Eye Services - ASCC	Current	Renewal	% Change
Supercomposite			
<i>Composite</i>	\$16.47	\$16.47	0.00%

Delta Dental – 2019 Renewal Rate Detail



Delta Dental	Current	Renewal	% Change
Active			
<i>Composite - PPO</i>	\$106.52	Pending	
<i>Composite - DHMO</i>	\$27.63	Pending	
Retirees			
<i>Composite - PPO</i>	\$106.52	Pending	
Retirees - AB528			
<i>Composite - PPO</i>			
<i>Single</i>	\$100.21	Pending	
<i>Two-Party</i>	\$180.59	Pending	
<i>Composite - DHMO</i>		Pending	
<i>Single</i>	\$23.32	Pending	
<i>Two-Party</i>	\$41.25	Pending	
<i>Family</i>	\$44.85	Pending	

Anthem

Unblended Renewal Calculation

Renewal Compared to ASCC/Faculty population combined

Renewal Rates with Decrements

Anthem Renewal Unblended



The below reflects Burnham's Internal Underwriting calculation of the negotiated 6% blended Anthem renewal, reflected as an unblended renewal.

Classification	Current Rate	Unblended Renewal	\$ Difference from Current (+/-)	Unblended Rate
Faculty	\$2,008.74	-5.85%	-\$117.53	\$1,891.21
ASCC	\$1,743.44	+19.10%	+\$332.92	\$2,076.36

ILLUSTRATIVE ONLY – This is a calculation of the negotiated renewal unblended, conducted in-house at Burnham. This is not an offer by Anthem.

Anthem Combined Population



Anthem	Current	Renewal	Combined Population Renewal
Faculty	\$2,008.74	\$2,129.24	\$1,985.91
	% Increase	+6%	-1.14%
ASCC	\$1,743.44	\$1,848.07	\$1,985.91
	% Increase	+6%	+13.9%

Per Anthem: Combined rate is the same regardless of plan. All enrolled on either AFT or ASSC plan, gives a rate of \$1,985.91.

Anthem – Faculty Plan Decrements



Decrement Item	Rate % +/-	Rate Difference +/-
Increase Deductible from \$200 ind / \$600 fam to \$500 ind / \$1,500 fam	-2.20%	-\$44.19
Increase OOP Max from \$1,500 / \$4,500 to \$2,000 / \$6,000 (3x OON)	-0.83%	-\$16.67
Increase OOP Max from \$1,500 / \$4,500 to \$2,500 / \$7,500 (3x OON)	-1.70%	-\$34.15
Add 10% coinsurance in-network for Inpatient	-0.20%	-\$4.02
Impact due to loss of Grandfather status	+0.80	+\$16.07

Anthem – ASCC Plan Decrements



Decrement Item	Rate % +/-	Rate Difference +/-
Increase Deductible from \$200 ind / \$600 fam to \$500 ind / \$1,500 fam	-1.74%	-\$30.34
Increase OOP Max from \$1,700 / \$5,100 to \$2,200 / \$6,600 (3x OON)	-0.89%	-\$15.52
Increase OOP Max from \$1,700 / \$5,100 to \$2,700 / \$8,100 (3x OON)	-1.55%	-\$27.02
Add 10% coinsurance in-network for Inpatient	-0.10%	-\$1.74

Anthem/Kaiser

Deductible & Out of Pocket Maximums

Anthem - Deductible & Out of Pocket Max



Faculty	Total Members	Members who reached the cap	Overall %
Deductible	1467	682	46.5%
Out-of-Pocket Max	1467	178	12.1%

ASCC	Total Members	Members who reached the cap	Overall %
Deductible	1387	1,067	76.9%
Out-of-Pocket Max	1387	279	20.1%

Kaiser - Out of Pocket Max



Kaiser	Total Members	Members who reached the cap	Overall %
Active Population Combined	608	4	Less than 1%
Faculty – Part Time	80	3	4%

Health Reimbursement Account Review

Health Reimbursement Account (HRA)



Features of a HRA Account

- Functions similar to a Flexible Spending Account (FSA)
- Can pay for Medical, Dental and Vision Expenses
 - Ability to narrow down the category to medical only expenses
- Funded by the employer, not the employee
- No minimum or maximum fund limit
- Fund can be used via a debit card or standard reimbursement through the website
- Flexible Plan design
- Employer will be billed:
 - Monthly Admin Fees
 - Claims used in that month by the employees

Health Reimbursement Account (HRA)



Committee HRA Questions answered:

- First Dollar Benefit vs Deductible Met First Benefit
- Can you restrict certain items for reimbursement?
- Can you restrict who can use the benefit?
- Can we have different HRA amounts based on the plan they enroll in?

Health Reimbursement Account (HRA)



ASCC & Faculty Totals

Estimated cost to fund a HRA at 100% Utilization

EE Only: \$1,000 Fund

EE+1 or more: \$2,000 Fund

	HRA Fund Total	HRA Annual Admin Fee*	Combined Total
Employee Only	\$152,000	\$5,745.60	\$157,745.60
Family	\$1,030,000	\$19,467.00	\$1,049,467.00
Total:	\$1,182,000	\$25,212.60	\$1,207,212.60

* Currently using pricing from NBS, there is also about \$750 to \$1,000 in administration fees to set up the plan initially.