Health Benefits Fringe Committee Meeting

December 3, 2012
Board Room
Agenda

1. Housekeeping/Introductions/Sign in
2. JPA Exploration-A continued discussion, Questions and Answers ASCIP (10:00-10:45)
3. Follow-up issues from October 2012 Meeting (10:45-11:00)
   1. Why are we looking at a Joint Powers Authority arrangement?
   2. Is the "Benelect Plan" through the American Association of Community Colleges is open to non-faculty?
   3. Can we publish the entire rate matrix since it the rates for active employees has been provided?
   4. Does the self funded plan pay out of network on anesthesia when you have no choice in the the selection of the professional
4. Announcements & Communications: (10:50-11:00)
   1. Notes are on the website now-visit the Peralta benefits homepage
   2. Save the dates:
      • 2.5.13
         - Medicare Open Enrollment – Annual Medicare Enrollment Drive for retirees and eligible dependents – Representatives from Kaiser Senior Advantage and Benefit Dynamics and Social Security/Medicare participate
      • 1.22.13-2.22.13
         - Part time and hourly faculty benefits Open Enrollment January 22-February 22
      • 4.30.13
         - Annual Benefits Fair for all other Benefit-eligible employees
      • 5.1.13-5.31.13
         - Open enrollment for all others for medical and dental coverage enrollment and plan changes
3. Meeting Dates for 2013-
   • January 10
   • February 7
   • March 7
4. More dates pending for Professional Development Day activities-Career Development /Tax deferred planning
5. Issues in Self-Funding (PSW Benefits Resources & PCCD Benefits Office) 11:00-12:00
   1. Out-of-Network Claims Experience (PSW)
   2. Update of Non-California network options (PSW)

Agenda Items for next meeting Monday 1/10/13
1. JPA Exploration Summary of Considerations
2. Review of Medicare Coordination Notices
3. Census for active and retirees;
4. Budget Review of benefits expenses
5. Review of Post-election Health Care Reform Considerations for Peralta
   • Default Enrollment-Considerations for Peralta
   • Cash in lieu-Considerations for Peralta
   • Buy in for non-benefit-eligible employees -Considerations
6. Other Topics?

Peralta Community College District
Health Benefits Fringe Committee
Meeting-Monday, December 3, 2012
Joint Powers Authority (JPA)
Different Models-a review from past meetings

- We can join a JPA with or without broker or consultant representation.
- We can forgo a broker/consultant and join a JPA directly.
- We can continue to use a broker/consultant for proper marketing of the Peralta population.

Currently, we have independent arrangements directly with our service providers for medical (not for dental)
# JPA Exploration

## Joint Trust vs. JPA Comparison

<table>
<thead>
<tr>
<th></th>
<th>Joint Trusts (ex: CVT, VEBA)</th>
<th>JPAs (ex: SISC, PACE)</th>
</tr>
</thead>
</table>
| **Employee Involvement** | • Governing Board  
• District Insurance Committee | • District Insurance Committee  
• Potential Governing Board and Advisory Committee |
| **Final Decision on District Benefits** | Joint Trust determines benefit design and offerings | JPA determines benefit design and offerings |
| **Unilateral Benefit Change** | Yes | Yes |
| **Legal Structure** | Private entity | Public entity |
| **Subject to Brown Act** | No | Yes |
| **Financial Disclosure** | • ERISA | • GASB  
• AB1200  
• Various Government Codes |
| **Investment Guidelines** | None | Investments limited by government code |
| **Fiduciary Responsibility** | Shared by Trustees | District and JPA |
| **Accreditation Standards** | None | Adheres to strict standards if CAJPA accredited |
| **Withdrawal** | Set forth in document | Set forth in document |
| **Geographical Area** | Many counties | Many counties |
| **Asset Ownership** | Assets must be used to benefit trust participants | Member districts own JPA assets |
| **Financial Liability upon Dissolution** | Trust can default | JPAs must satisfy financial obligations |

Prepared by: Keenar & Associates  
2012
Follow up from November Meeting
Why are we exploring a Joint Powers Authority Arrangement?

This request is an outcome of union negotiations from last spring. The request has two parts. We are exploring the pros and cons of Joint Powers partnerships as they pertain to PCCD...

...conduct a “feasibility study of post-2004 hires buying into Peralta’s retirees benefits at no cost to the District after the District becomes a part of a JPA for Kaiser...”

PFT Successor Agreement
ASCIP

- Alliance of Schools for Cooperative Insurance Programs-ASCIP

- Health Benefits Program-Overview, Dan Segar
ASCP Basics

- **Medical**: Anthem, Blue Shield, UHC, Kaiser
  - HMO / PPO
  - Self-Funded / Fully Insured
- **Dental**: Delta
  - Self-Funded / Fully Insured
- **Vision**: VSP
  - Self-Funded
- **Life / Disability**: ING
- **SSAP**: MetLife

Alliance of Schools for Cooperative Insurance Programs

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ASCP Basics

- **Financially Stable**
  - $120M Revenue / ~10% Equity Balance
  - JPA Fees ~0.5% to 1.5% medical; $0.50 PEPM D&V
- ~40,000 covered employees
- ~70 Districts
  - Mt. San Antonio CC, Compton CCD, Santa Monica CCD, Cerritos CCD
- Oct 1 and Jan 1 renewal dates
  - Districts can join any time
  - No exit constraints – 90 day written notification

Alliance of Schools for Cooperative Insurance Programs
ASCIP Basics

Pool Trends

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Carrier(s)</th>
<th>Funding Type</th>
<th>Oct '11</th>
<th>Oct '12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical PPO</td>
<td>Anthem &amp; Blue Shield</td>
<td>Self Funded</td>
<td>4% - 9.5%</td>
<td>5% - 9.5%</td>
</tr>
<tr>
<td></td>
<td>UHC</td>
<td></td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td>Medical HMO</td>
<td>Anthem &amp; Blue Shield</td>
<td>Self Funded (non-cap)</td>
<td>4% - 12.5%</td>
<td>5% - 9.5%</td>
</tr>
<tr>
<td></td>
<td>UHC</td>
<td>Fully Insured</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td>Kaiser</td>
<td>Fully Insured</td>
<td>6.4%</td>
<td>2%</td>
</tr>
<tr>
<td>Dental</td>
<td>Delta</td>
<td>Self Funded (PPO)</td>
<td>0% - 5%</td>
<td>6.9% - 9.8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fully Insured (HMO)</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Vision</td>
<td>VSP</td>
<td>Self Funded</td>
<td>-2% to 2%</td>
<td>4% - 7%</td>
</tr>
<tr>
<td>Life / AD&amp;D</td>
<td>ING</td>
<td>Fully Insured</td>
<td>-10%</td>
<td>0%</td>
</tr>
</tbody>
</table>

ASCIP Advantages

- **Lower Administration Fees**
  - Buy in bulk from carriers
  - SISC partnership for Anthem and Blue Shield programs

- **Shared Risk Model (Self Funded Programs)**
  - Early rate range notification released in May
  - Rate stability due blending of district with pool
  - No long term subsidizing other pool members
  - Can share claims – rate changes consistent with long term trends
  - District cost management efforts will yield lower renewals (wellness / eligibility mgmt)
ASCIP Advantages

- **Non-Profit Risk Sharing JPA**
  - Excess premiums build pool equity used for rate stabilization and program development
  - No internal incentives for sales or performance
    - Protecting current pool as important as growth
  - Pool run by schools, for schools
    - 13 member Executive Committee of current pool district representatives, 3 yr terms.

Considerations

- **Limited Benefit Designs**
  - Menu designed to be broad but limited to reduce admin cost
  - No EPO (PPO light)
  - Higher OOP costs (deductibles, coinsurance, copays)

- **Pool Administration**
  - Oct 1 and Jan 1 effective dates only
  - "Blue on Blue" rule – can only bid Blue Shield to replace Anthem
  - 3 month deductible look back vs. deductible credit first year
  - Kaiser "break-in / break-out" rule
ASCIP Strategy

Containing Health Insurance Costs via Employee Wellness and Alternative Care Delivery Programs

Current Cost Drivers

- Deteriorating Individual Health Status
  - Higher rates of inactivity, obesity, diabetes, high BP, high cholesterol
  - 50-85% of all diseases from modifiable risks

- Fragmented Delivery System
  - Primary Care, Specialty Care, Rx, ER, Hospital
  - Incentives based on volumes vs. outcomes
  - Limited connectivity
Employee Wellness

- **Goal:** Changing Habits Developed Over Decades
  - Diet, physical inactivity

- **Resources:**
  - Wellness Committee Assistance
    - Educational email blasts, videos, quizzes
    - Participation incentives
    - Utilization tracking

Care Delivery Alternatives

**Mobile Screening Vehicle**

- HRA, blood chemistry, BMI
- EKG, echocardiogram, carotid artery ultrasound, abdominal aortic ultrasound, ankle brachial index, bone density ultrasound
- Early detection while asymptomatic
### Roadmap to a Wellness Culture

**Step 1: Organizational Buy-in**
- Survey staff — areas of interest, activities, likelihood of participation
- Assess readiness to change, willingness to participate
- Show trends, health status, financial projections, cost of doing nothing

**Step 2: Awareness and Education**
- Recruit Wellness Team
  - At least 1 from each school site
  - Schedule meeting to disseminate information and listed to feedback and concerns
  - Distribute wellness emails (Fitness Consulting)
  - Announce Activities and encourage participation (quiz's)
- Announce Wellness Program
  - Describe purpose, goals and objectives
  - email blasts and activities

**Step 3: Wellness and Prevention Activities**
- Announce activities and incentives
- Walking program
- Other physical activity programs (going to the gym, enrolling in weight watchers, etc.)

**Step 4: Health Plan Utilization**
- Announce health plan utilization incentives
  - Annual physical
  - Online HRA and onsite blood draw
  - Health screenings (mammograms, colonoscopies, etc.)
  - One session with a medical consultant - Web MD telephonic coach?

**Step 5: Onsite Care**
- Determine support for onsite care model
- Assess available internal resources
  - Internal thought-leaders to promote the program
  - Physical space available onsite
- Announce onsite doc as additional medical resource
  - Info sessions
  - Meet and Greets
  - Enrollments

<table>
<thead>
<tr>
<th>ASCIP</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide survey, draft communications</td>
<td>Distribute &amp; collect surveys</td>
</tr>
<tr>
<td>Provide menu of activities, prizes for quiz answers, email text, draft announcement</td>
<td>Distribute emails, recruit wellness team</td>
</tr>
<tr>
<td>Provide prizes and incentives, draft communications</td>
<td>Disseminate info, announce winners, distribute prizes.</td>
</tr>
<tr>
<td>Provide incentives, draft tracking forms, coordinate &amp; fund health screens</td>
<td>Track utilization, incentive payouts, coordinate health screens</td>
</tr>
<tr>
<td>Sponsor onsite doc, coordinate MD interviews, draft announcements, track utilization, coordinate promotional activities</td>
<td>Determine support, identify onsite spaces, build out as necessary, provide access to staff, coordinate promotional activities</td>
</tr>
</tbody>
</table>
### Benefits Comparison

#### Eligible Participants

- **Anthem PPO Traditional** (except Local 39)
- **Blue Shield Plan 1**

<table>
<thead>
<tr>
<th>General Benefits</th>
<th>Current Plan</th>
<th>Proposed Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar Year Deductible</td>
<td>Individual: $100; Family: $300</td>
<td>Individual: $250; Family: $500</td>
</tr>
<tr>
<td>Calendar Year Out-of-Pocket Maximum</td>
<td>Individual: $300; Family: $900</td>
<td>Individual: $1,000; Family: $3,000</td>
</tr>
<tr>
<td>Medical/Outpatient</td>
<td>Individual: $1,000; Family: $3,000</td>
<td>Individual: $1,000; Family: $2,000</td>
</tr>
<tr>
<td>Physician Office Visits</td>
<td>Individual: $3,000; Family: $6,000</td>
<td>Individual: $3,000; Family: $6,000</td>
</tr>
<tr>
<td>Specialists</td>
<td>$10 copay, then 100% 80%</td>
<td>$20 copay 70%</td>
</tr>
<tr>
<td>X-Ray and Lab Tests</td>
<td>No charge 80% 90%</td>
<td>$20 copay 70%</td>
</tr>
<tr>
<td>DM Equipment</td>
<td>No charge 80% 90%</td>
<td>$20 copay 70%</td>
</tr>
<tr>
<td>Urgent Care</td>
<td>$35 copay, then 80% $35 copay, then 80%</td>
<td>$20 copay 70%</td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>Unknown 90%</td>
<td>$20 copay 70%</td>
</tr>
<tr>
<td>Chiropractic Care</td>
<td>Unknown Unknown</td>
<td>$20 copay 70% after $20 copay 70%</td>
</tr>
<tr>
<td>Routine/Preventive Care</td>
<td>No charge 80%</td>
<td>No copay 70%</td>
</tr>
<tr>
<td>Well Baby/Well Child (up to Age 7)</td>
<td>No charge 80%</td>
<td>No copay 70%</td>
</tr>
<tr>
<td>Cancer Screenings*</td>
<td>No charge 80%</td>
<td>No copay 70%</td>
</tr>
<tr>
<td>Hospital Benefits</td>
<td>100% after deductible 80% 90%</td>
<td>70% end of year</td>
</tr>
<tr>
<td>Room &amp; Board and Surgeon’s Fees</td>
<td>$35 copay; waived if admitted</td>
<td>$50 copay; waived if admitted</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>$50 copay; waived if admitted</td>
<td>$50 copay; waived if admitted</td>
</tr>
</tbody>
</table>

#### Mental Health and Chemical Dependency Benefits

Mental Health and Substance Abuse is covered as any other illness, in accordance with the Mental Health Parity and Addiction Equity Act.

#### Prescription Drug Benefits

Provided through Medco

<table>
<thead>
<tr>
<th>Retail Copays (30-day supply)</th>
<th>Current Plan</th>
<th>Proposed RX Standard Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td>Generic Day Supply (30 day supply)</td>
<td>$15</td>
<td>$20</td>
</tr>
<tr>
<td>Brand Formulary</td>
<td>Must use contracting pharmacies</td>
<td>Applicable in-network copay plus difference in cost</td>
</tr>
</tbody>
</table>

### Notes:

1. **Reimbursement based on Blue Shield approved charges. Member is responsible for co-payment in addition to any charges above allowable amounts.**

2. **Including annual mammography, Papanicolaou test, or cervical cancer and human papillomavirus (HPV) screening**

3. **Deductible waived**

Annual plan deductible does not apply to out of pocket maximum.

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The chart above only provides highlights of the benefits offered by ASCIP. If there are inconsistencies between this chart and the official plan documents, the plan documents will govern. ASCIP may modify, amend or terminate any of the benefit plans at any time, with or without notice. This chart does not serve as a contract.
<table>
<thead>
<tr>
<th>Covered Benefits</th>
<th>Current Program Delta Dental PPO</th>
<th>Current Program UHC</th>
<th>In-Network</th>
<th>Out-of-Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Participants</td>
<td>None</td>
<td>None</td>
<td>$1,000</td>
<td>None</td>
</tr>
<tr>
<td>Calendar Year Maximum Benefit</td>
<td>Standard</td>
<td>Standard</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>Eligible Participants</td>
<td>None</td>
<td>None</td>
<td>$1,000</td>
<td>None</td>
</tr>
<tr>
<td>Calendar Year Maximum Benefit</td>
<td>Standard</td>
<td>Standard</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>Basic Benefits</td>
<td>Oral surgery, extractions, filling, root canals, periodontal (w/pocket), crown, bridge (partial/full), dental implants, oral, and maxillofacial surgery</td>
<td>In-network: 100%</td>
<td>In-network: 90%</td>
<td>In-network: 70%</td>
</tr>
<tr>
<td>Fluoride treatments</td>
<td>Covered</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>Coordinated Other Cost Resorations</td>
<td>Covered</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>Third Cleaning for Pregnancy</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>Dental Implants</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>Orthodontics</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Unknown</td>
<td>Unknown</td>
</tr>
<tr>
<td>Option 1</td>
<td>100% of UHC fees set to exceed $2,250 in co-pays</td>
<td>100% of UHC fees set to exceed $2,250 in co-pays</td>
<td>90%</td>
<td>100%</td>
</tr>
<tr>
<td>Covered Dental Benefits</td>
<td>$1,000 lifetime maximum</td>
<td>$1,000 lifetime maximum</td>
<td>$1,000 lifetime maximum</td>
<td>$1,000 lifetime maximum</td>
</tr>
</tbody>
</table>

Covered dental services are paid at various levels depending on the dental services provided. In-network and Delta PPO dentists must maintain a level of reimbursement. Premium and co-contracted Delta PPO dentists must maintain a level of reimbursement. Covered Delta PPO dentists must maintain a level of reimbursement. The Delta PPO Dental Plan does not guarantee coverage for any dental services. Delta PPO cannot guarantee the availability of Delta PPO dentists in any geographic area. Delta PPO is not responsible for the payment of any dental services that are not covered by Delta PPO. Delta PPO will be reimbursed at a rate that is reasonable and customary rates for similar dental services in the same community. Delta PPO is not responsible for any dental services that are not covered by Delta PPO. Delta PPO will be reimbursed at a rate that is reasonable and customary rates for similar dental services in the same community. Delta PPO is not responsible for any dental services that are not covered by Delta PPO.
Care Delivery Alternatives

**Onsite Primary Care**
- Physicals, health screens, infections, prescriptions, chronic disease management, sprains, strains, etc.
- 24/7 accessible via cell phone, text, email
- Greater compliance with care recommendations
  - typical non-compliance rates 30% to 50%
- Expect lower Rx, ER, Hospital costs

Consumer Tools

**Claims Concierge Services**
- Provider selection of physicians, hospitals, labs, etc.
  based on quality and member preferences like location or experience
- Appointment scheduling, coordination of services,
  bill review & problem resolution
- **Price Transparency** analysis to expose and compare prices for providers, services and prescriptions.
  - Leverages the wide variance in pricing for the same services
ASCIP
Health Benefits Program
Overview

Questions?
Follow up from November Meeting-
- Is the Ben-Elect Plan offered through the American Association of Community Colleges, in conjunction with Keenan open to non faculty?

Yes!

Peralta has participants in this plans. The participant customizes his own options based on his needs.
Answer reconfirmed by Keenan
Follow up from November Meeting – Can the District publish the entire rate matrix for active and retired employees?

Yes! Visit the link on the Peralta Benefits homepage

http://web.peralta.edu/benefits/

Peralta Community College District
Health Benefits Fringe Committee
Meeting-Monday, December 3, 2012
Follow up from November Meeting-
Does the self-funded plan pay out-of-network on anesthesia when you have no choice in the selection of professional services? Where is it cited?

--- Forwarded Message ---
From: Noel Breeding <noel@pswbeneftis.com>
To: Xxxxxxx
Cc: Georgeanne Paige <georgeanne@pswbeneftis.com>
Sent: Tue, November 6, 2012 7:54:30 AM
Subject: PCCD/ Self Funded Claim Inquiry

Hello Mr. XXXXXXXX —

To reiterate my phone conversation with you this afternoon:

Lastly, Anesthesiologists typically cannot be selected by the patient and therefore do not have to be in network. As long as the doctors and facilities are in network, the Anesthesiologists claims are to be processed at the in network benefit level.

--- Citation in the Summary Plan Description - page 10 ---

**EXCEPTIONS**

The following listing of exceptions represents services, supplies or treatments rendered by a nonpreferred provider where covered expenses shall be payable at the preferred provider level of benefits:

1. Emergency treatment rendered at a nonpreferred provider facility or at a preferred provider facility by a nonpreferred provider. If the covered person is admitted to the hospital on an emergency basis, covered expenses shall be payable at the preferred provider level.

2. Nonpreferred anesthesiologist when the operating surgeon is a preferred provider and/or the facility where such services are rendered is a preferred provider.

--- More References and are found in the SPD page 10; and can be found at the following link: http://www.peralta.pswbenefits.net/MedicalInsurance/PCCDSelfFundedPPOPlanTPACoreSource/tabid/385/Default.aspx ---
Communications-Benefits Office

Benefits & Medical Information Home

Where can I find current benefits information, downloads, links and resources?

For 24-hour access to benefit resources and
- if you are an active employee, click here if you want to view or download resources;
- if you are a retired employee click here if you want to view or download resources related to your retirement status with Peralta.

November 2012 Announcements

Save the Date – Thursday, November 15, 2012- Benefits Fair Mini Fair

Open Enrollment for the Flexible Benefits Plan IRS Code 125 is 11/1/12-11/30/12

PERALTA BENEFITS – EVERYONE October 31, 2012

- Review health and welfare benefit offerings
- Access customer service resources
- View medical and dental plan comparisons
- Peraltas Benefits Everyone Newsletter (October 2012) Supplement with Annual Contribution Rates 2012-2013
- Employees and Employer Contribution Rates
- Download Holiday Calendar

Benefits Fair Announcement November 2012

- Visit stops on Estate Planning, Identity Theft, Choosing a Financial Planner, Retirement Planning
- Invited Guests include our Health & Wellness Benefits Partners:
  - 24 Hour Fitness-Club One Health
  - Kohler Permanente Physicians
  - CSU-Pomona Student Union
- Golden State Warriors, enter your name in a raffle

Flexible Benefits Plan Open Enrollment Announcement for 2013

- Section 125 – Flexible Benefits Plan Handbook 2013
- Online enrollment instructions included in this document
- Flex benefits eligibility criteria are also included in this document

Peralta Community College District
Health Benefits Fringe Committee
Meeting-Monday, December 3, 2012
Issues in self-funding
Out of network claims review (PSW Benefit Resources)

Once again, why are we looking at out-of-state networks?

Successor Agreements:
"Year 1 (2012-2013): Status quo (current) coverage for eligible dependent or people who retire AND move out of California
Years 2 and 3: Revisit out-of-state networks...shall work together to make every reasonable effort to attempt to provide out-of-state retirees a network similar to the California Anthem BlueCross network, beginning in Year 2."
Update of Non-California network options, PSW Benefit Resources

Changes in the network landscape

- Anthem Blue Cross now offers a more expansive network known as a JAA
  - The Anthem Blue Cross JAA did not exist before-
    - What is a JAA, anyway?
  - Provides savings to California and non-California claims
    - The Anthem JAA has a wider network than the current PHCS Network –
      - We have been with the PHCS network for non-California participants for about 5 years or so.
Agenda Items for next meeting Thursday, 1/10/13
1. JPA Exploration Summary of Considerations
2. Review of Medicare Coordination Notices
3. Census for active and retireds
4. Budget Review of benefits expenses
5. Considerations of Post-election Health Care Reform and impact to:
   • Default medical and/or dental plan enrollment
   • Cash in lieu programs
   • Wellness programs
6. Follow up discussion on:
   • Medicare Coordination Notices
   • Buy in programs for non-benefit-eligible employees
Other Topics?