

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



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THELLA F. BOWENS

SPECIAL EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE MEETING and SPECIAL BOARD MEETING *

AGENDA

Wednesday, August 20, 2014
10:00 A.M.

San Diego International Airport
Commuter Terminal -- Third Floor
Board Room
3225 N. Harbor Drive
San Diego, CA 92101

This Agenda contains a brief general description of each item to be considered. If comments are made to the Board without prior notice, or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law. ***Please note that agenda items may be taken out of order.***

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate and Information Governance/Authority Clerk Department and are available for public inspection.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

***NOTE:** This Committee Meeting also is noticed as a Special Meeting of the Board to (1) foster communication among Board members in compliance with the Brown Act; and (2) preserve the advisory function of the Committee.

Board members who are not members of this Committee may attend and participate in Committee discussions. Since sometimes more than a quorum of the Board may be in attendance, to comply with the Brown Act, this Committee meeting also is noticed as a Special Meeting of the Board.

To preserve the proper function of the Committee, only members officially assigned to this Committee are entitled to vote on any item before the Committee. This Committee only has the power to review items and make recommendations to the Board. Accordingly, this Committee cannot, and will not, take any final action that is binding on the Board or the Authority, even if a quorum of the Board is present.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Committee Members: Boland, Cox, Desmond (Chair), Hubbs, Smisek

NON-AGENDA PUBLIC COMMENT

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Committee. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

NEW BUSINESS

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the January 15, 2014, regular meeting, and the June 5, 2014 and June 18, 2014 special meetings.

2. RENEWAL OF THE EMPLOYEE BENEFIT PROGRAM FOR 2015:

RECOMMENDATION: Staff recommends that the Executive Personnel and Compensation Committee forward this item to the Board for approval.
Presented by: Kurt Gering, Director, Talent, Culture & Capability.

CLOSED SESSION

REPORT ON CLOSED SESSION

NON-AGENDA PUBLIC COMMENT

COMMITTEE MEMBER COMMENTS

ADJOURNMENT

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a **"Request to Speak"** form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at

(619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Commuter Terminal. Bring your ticket to the third floor receptionist for validation.

You may also reach the Commuter Terminal by using public transit via the San Diego MTS system, Route 992. For route and fare information please call the San Diego MTS at (619) 233-3004 or 511.

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE PERSONNEL AND
COMPENSATION COMMITTEE MEETING
MINUTES
WEDNESDAY, JANUARY 15, 2014
BOARD ROOM

CALL TO ORDER:

Chair Desmond called the regular meeting of the Executive Personnel and Compensation Committee to order at 10:03 a.m. on Wednesday, January 15, 2014, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENT: Committee Members: Cox, Desmond, Hubbs, Smisek

ABSENT: Committee Members: Boland

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Lorraine Bennett, Assistant Authority Clerk II; Linda Gehlken, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the September 27, 2013 special meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve staff's recommendation. Motion carried unanimously, noting Board Member Boland as ABSENT.

2. RECAP OF BENEFITS OPEN ENROLLMENT AND IMPACT OF THE U.S. AFFORDABLE CARE ACT (ACA):

Kurt Gering; Director, Talent, Culture and Capability, and Christie Barr; Senior Vice President, Willis Insurance Services, San Diego, provided a presentation on a recap of benefits open enrollment and impact of the U.S. Affordable Care Act (ACA), which included Recap of Benefits Renewal Decisions (2014); Enrollment Summary Highlights; Cost Analysis; ACA Insurance MarketPlace Highlights (National); and an overview of What Employers are Doing as a Result of ACA.

The Committee recessed into Closed Session at 10:26 a.m. to discuss Items 3, 4, and 5.

CLOSED SESSION

3. PUBLIC EMPLOYMENT – PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: President/Chief Executive Officer

4. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: General Counsel

5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION: The Committee reconvened into Open Session at 12:05 p.m. There was no reportable action.

NON-AGENDA PUBLIC COMMENT: None

COMMITTEE MEMBER COMMENTS: None

ADJOURNMENT: The meeting was adjourned at 12:06 p.m.

APPROVED BY A MOTION OF THE EXECUTIVE PERSONNEL AND
COMPENSATION COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY THIS 20th OF AUGUST, 2014.

JEFF LINDEMAN
SENIOR DIRECTOR, ORGANIZATIONAL
PERFORMANCE & DEVELOPMENT

ATTEST:

LORRAINE BENNETT
ASSISTANT AUTHORITY CLERK II

DRAFT

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL EXECUTIVE PERSONNEL AND
COMPENSATION COMMITTEE MEETING
MINUTES
THURSDAY, JUNE 5, 2014
TUSKEGEE CONFERENCE ROOM

CALL TO ORDER:

Chair Desmond called the special meeting of the Executive Personnel and Compensation Committee and special meeting of the Board at 11:17 a.m. on Thursday, June 5, 2014, in the Tuskegee Conference Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENT: Committee Members: Cox, Desmond, Hubbs, Smisek
 Board Members: Alvarez, Gleason, Robinson

ABSENT: Committee Members: Boland

ALSO PRESENT: Thella F. Bowens, President/CEO; Tony R. Russell, Director,
 Corporate & Information Governance/Authority Clerk.

CLOSED SESSION: The Committee recessed into Closed Session at 11:18 a.m. to discuss Item 1.

- PUBLIC EMPLOYMENT - PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: President/Chief Executive Officer

REPORT ON CLOSED SESSION: The Committee reconvened into Open Session at 12:49 p.m. There was no reportable action.

ADJOURNMENT: The meeting was adjourned at 12:50 p.m.

APPROVED BY A MOTION OF THE EXECUTIVE PERSONNEL AND
COMPENSATION COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY THIS 20TH DAY OF AUGUST, 2014.

JEFF LINDEMAN
SENIOR DIRECTOR, ORGANIZATIONAL
PERFORMANCE & DEVELOPMENT

APPROVED AS TO FORM:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE/
AUTHORITY CLERK

DRAFT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL EXECUTIVE PERSONNEL AND
COMPENSATION COMMITTEE MEETING
MINUTES
WEDNESDAY, JUNE 18, 2014
TUSKEGEE CONFERENCE ROOM**

CALL TO ORDER:

Chair Desmond called the special meeting of the Executive Personnel and Compensation Committee and special meeting of the Board at 10:00 a.m. on Wednesday, June 18, 2014, in the Tuskegee Conference Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE:**ROLL CALL:**

PRESENT: Committee Members: Cox, Desmond, Hubbs, Smisek
 Board Members: Gleason, Sessom

ABSENT: Committee Members: Boland

ALSO PRESENT: Breton K. Lobner, General Counsel; Lorraine Bennett, Assistant Authority Clerk II

Board Member Cox arrived at the meeting at 10:30 a.m.

CLOSED SESSION: The Committee recessed into Closed Session at 10:01 a.m. to discuss Items 1 and 2.

1. PUBLIC EMPLOYMENT - PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: General Counsel

2. PUBLIC EMPLOYMENT - PERFORMANCE EVALUATION:

Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION: The Committee reconvened into Open Session at 11:33 a.m. There was no reportable action.

ADJOURNMENT: The meeting was adjourned at 11:33 a.m.

APPROVED BY A MOTION OF THE EXECUTIVE PERSONNEL AND
COMPENSATION COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY THIS 20TH DAY OF AUGUST, 2014.

JEFF LINDEMAN
SENIOR DIRECTOR, ORGANIZATIONAL
PERFORMANCE & DEVELOPMENT

APPROVED AS TO FORM:

LORRAINE BENNETT,
ASSISTANT AUTHORITY CLERK II



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
**Executive Personnel and
Compensation Committee**

Item No.
2

Meeting Date: **AUGUST 20, 2014**

Subject: Renewal of the Employee Benefit Program for 2015

Recommendation:

Staff recommends that the Executive Personnel and Compensation Committee forward this item to the Board for approval.

Background/Justification:

The San Diego County Regional Airport Authority ("Authority") provides a comprehensive employee benefit program that is directly aligned with two organizational strategies (financial and employee) and supports the organization in executing the remaining three (operations, customer and community). The philosophy utilized in designing and sustaining the program has been to provide quality care at a sustainable price while **maintaining the organization's ability to attract and retain the best and brightest employees**. Over the past eleven years, this approach has enabled the organization to **attract and retain top talent which, in turn, has enhanced the organization's capability to execute the Authority's strategies**.

Over a five month period, the 19 member, cross-functional Employee Benefits Task Force with the support and expertise of **the Authority's consultants, Willis Insurance Services of San Diego, reviewed and discussed options for this year's renewals**. The Task Force reviewed the **Authority's** 2014 enrollment data, past and future mandates under the Affordable Care Act (ACA), the emerging public and private exchanges, emerging and innovative healthcare technologies impacting the market. In addition, the Task Force also reviewed the claims and utilization **experience for the Authority's current plans**.

After becoming educated, the task force received the Authority's initial renewal quotes from existing carriers. For dental and all ancillary lines of coverage, the Authority was able to negotiate a rate pass, thus retaining the current quality coverage with a reduction in projected cost vs. budget.

Because of the high initial renewal rate proposed by Anthem Blue Cross (12.2%), competitive medical plan bids were requested from Aetna, Cigna, Blue Shield (declined to quote), Sharp Health Plan and United Health Care. The Task Force evaluated each plan bid based on the following criteria:

1. Competitiveness of rates
2. Comprehensiveness of networks (physician, hospital)
3. Plan Design Match (copays, coinsurance)

4. Plan Design Options (offers all 4 medical options: Full HMO, narrow network HMO, PPO, and HSA)
5. Wellness incentives offered
6. Responses to comprehensive questionnaire
7. Independent national health plan quality ratings

As a result of this evaluation, the Task Force identified options for recommendation to **the Authority's President/CEO and Executive Team. The Executive Team's feedback and suggestions** were incorporated into a final recommendation that retains the quality of care, advances employee wellness, and culminates in a 0% rate increase to the Authority for the 2015 plan year.

The budgeted FY2015 costs associated with the plans and projected budget savings resulting from the **staff's** recommendations are as follows:

Authority Only Premiums

	CY 2015 Authority Budget	Projected CY 2015 Costs	Difference (by \$)	Difference (by %)
Line of Coverage				
Medical	\$4,880,228	\$4,460,521	(\$419,707)	9%
Dental	\$343,892	\$319,819	(\$24,072)	7.5%

In support of the Authority's efforts to improve workplace productivity and decrease healthcare costs, the recommendation includes an enhanced focus on wellness. Staff is recommending that the Airport Authority continue to offer existing wellness programs including the annual biometric screenings, health risk assessments, individual incentives and flu shots to employees.

In addition, to bring awareness to potential health risks and increase health management, staff recommends transitioning our existing wellness programs to Health Advocate and adding an incentive for spouses and domestic partner participation in biometrics and a health risk assessment. The Health Advocate provides access to online workshops and tutorials, unlimited support from a Wellness Coach, health trackers to support attainment of goals, interactive competitions and campaigns, and a confidential Personal Health Profile that a team of registered nurses supported by medical directors and benefits specialists can access to help members navigate the healthcare system and resolve clinical, insurance and administrative issues. In 2013 our wellness costs for our current programs were \$103,822. In 2014 we estimate these to be \$108,553. Consolidating our biometric testing, health risk assessments, Fitness Focus program, and Anthem Health Rewards with Health Advocate not only provides an integrated, one-stop, more robust tool, but also eliminates multiple administrative processes. Using the same participation level assumptions, we would anticipate our 2015 costs to be \$85,315. The cost savings of \$23,238 will offset the proposed spouse/domestic partner incentive and

would remain budget neutral to the Authority. The wellness provisions of the proposed benefit plans are designed to engage all those who are on Authority plans and support sustained experience ratios which result in more competitive benefits rates and greater cost effectiveness for the Authority and its employees.

In summary, staff recommends that the following Authority benefit programs be provided for 2015:

- Renew our Medical, Dental, Vision and Basic Life/AD&D
- Maintain our current medical carrier: Anthem Blue Cross
- Continue to offer 4 plans:
 - HMO Full Network and **HMO "Narrow Network"**
 - Classic PPO and Health Savings Arrangement/High Deductible Plan
 - Discontinue the Special Footwear and Hearing Aid Rider for active members in exchange for eliminating the Prescription Drug Deductible on the PPO plan
- Maintain the 5% employee premium cost share in 2015
 - In 2016 move to a 10% employee premium cost share
- Provide wellness incentives to promote awareness of health risks and better health management
 - 5% additional individual premium cost for non-participation in wellness
 - Wellness requires Biometric Screening and a Health Risk Assessment
 - Maintain current \$250 per employee FSA/457 Deferred Compensation deposit
 - Add a \$200 FSA/457 Deferred Compensation deposit to engage Anthem covered spouses and registered domestic partners
 - Transition from Anthem Health Rewards to Health Advocate Wellness

The following programs would continue to be offered as part of the overall benefits package with no changes for 2015:

- Short Term Disability
- Employee Assistance Program (Anthem Blue Cross)
- Maintain Third Party Administration of Flexible Spending Account (FSA), VEBA, COBRA and Retiree billing administration with Genesis Benefits

The Authority will continue to offer the following additional voluntary benefits products where 100% of the premium costs are paid by employees:

- Long-Term Disability
- Voluntary Term Life and AD&D Insurance
- Accident/Cancer/Hospital Protection/Specified Health Insurance
- Pre-paid Legal coverage
- Long Term Care Insurance

Fiscal Impact:

OPERATING EXPENSE IMPACT

Adequate funding for 2015 Employee Benefits Renewal is included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budgets.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable

Prepared by:

KURT GERING
DIRECTOR, TALENT, CULTURE & CAPABILITY

San Diego County Regional Airport Authority

Executive Board Presentation

Renewal of the Employee Benefits Program for 2015



Presented by:
Kurt Gering, Director Talent,
Culture & Capability

Employee Benefits Task Force Charter

Purpose:

Pursue and assess employee healthcare renewal options that provide high quality care at a sustainable price while demonstrating fiscal responsibility. The program should also support the Authority in attracting and retaining the best and brightest talent.

Task Force Composition and Meetings

- EBTF renewed charter in March 2014 consisting of 19 team members
- Initial focus on health/welfare plan renewals
- Met on 7 occasions over 5 months to:
 - Receive presentations from Authority's consultants (Willis Insurance) to:
 - ✓ Educate members on market conditions,
 - ✓ Review health care reform factors,
 - ✓ Review bids from other vendors
 - ✓ Discuss wellness outcome measures
 - Evaluate options
 - Develop recommendations to Executive Team culminating in today's presentation
- Future focus on retirement plan options

Executive Summary - Detail

	Current	Initial Renewal	%	Negotiated Renewal	%
Medical	\$5,345,467	\$5,999,067	12.2%	\$5,345,467	0.0%
Anthem Full-Network HMO (Scripps)	\$952,629	\$1,053,796	10.6%	\$952,629	0.0%
Anthem Limited-Network HMO	\$1,802,783	\$2,008,788	11.4%	\$1,802,783	0.0%
Anthem PPO	\$2,457,956	\$2,787,880	13.4%	\$2,457,956	0.0%
Anthem HDHP	\$132,099	\$148,603	12.5%	\$132,099	0.0%
EAP/Health Advocate Wellness	\$41,542	\$41,542	0.0%	\$41,542	0.0%
Dental	\$395,013	\$410,487	3.9%	\$395,013	0.0%
Delta DMO	\$21,263	\$22,018	3.6%	\$21,263	0.0%
Delta PPO	\$373,750	\$388,469	3.9%	\$373,750	0.0%
Ancillary Lines (Vision, Life, Disability, Genesis)	\$377,516	\$377,516	0.0%	\$377,516	0.0%
Retiree Health (Medical & Dental)	\$436,977	\$460,055	5.3%	\$436,977	0.0%
GRAND TOTAL	\$6,596,514	\$7,288,667	10.5%	\$6,596,514	0.0%
\$ Difference From Current	N/A	\$692,153		\$0	
Savings based on Initial vs Final renewal:				(\$692,153)	

Premium vs. Authority Budget/Projected Cost

	Authority Budget	Projected Authority Only Cost	Difference (by \$)	Difference (by %)
Line of Coverage				
Medical	\$4,880,228	\$4,460,521	(\$419,707)	9%
Dental	\$343,892	\$319,819	(\$24,072)	7.5%

Medical Marketing Decision Points

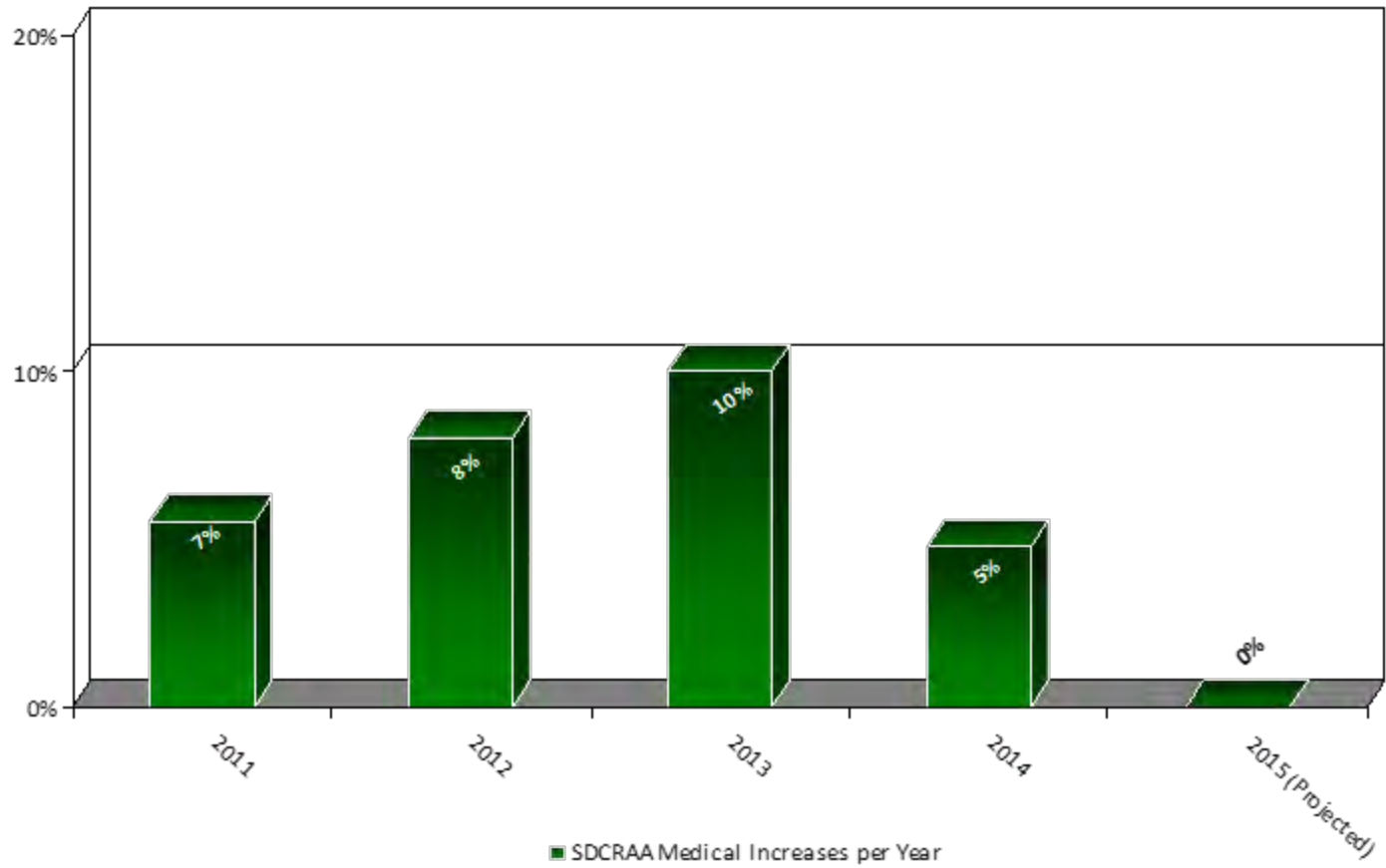
1. Competitive Rates
2. Comprehensive Networks (physician, hospital)
3. Plan Design Match (copays, coinsurance)
4. Plan Design Options (offers all 4 medical options: Full HMO, narrow network HMO, PPO, and HSA)
5. Wellness Incentives
6. Responses to Comprehensive EBTF Questions (e.g. performance guarantees, pricing stability, network disruption)
7. Health Plan Quality Ratings

Medical Marketing Results

Carrier	Status	Comments	% Increase (Over Current)	Wellness Programs	Additional Notes
Anthem Blue Cross	Incumbent	Renewal Presented	0.0%	\$30,000 in wellness funding	Anthem can remove the PPO \$250 Rx Deductible in exchange for the footwear & hearing aid rider
Aetna	Quoted	Competitive	-9.0%	\$25,000 wellness dollars plus free onsite biometric testing & \$50 gift card for completion of HRA and 1 online coaching course	15% rate cap for 2016 (including ACA fees) ¹
Blue Shield	Declined		N/A	N/A	Rates are 10% above renewal rates
Cigna	Quoted	Competitive	0.9%	\$30,000 in wellness funding	Cannot offer a "Narrow Network" (HMO has no option to remove Scripps providers)
Health Net	Quoted	Not Competitive	2.9%	N/A	Narrow Network HMO missing majority of providers
Sharp Health Plan	Quoted	Unable to match plan designs	TBD	Not provided	Unable to offer Full HMO or CA PPO plans
UnitedHealthcare	Quoted	Competitive	-2.5%	Free onsite testing with gift cards of \$175 individual/\$350 family for participating in HRA	HMO Narrow Network is missing some key providers (e.g. UCSD) impacting 55 enrolled members. Provided an 11% rate cap for 2015 (including ACA fees)

¹Aetna provided a rate cap in 2016. However, the rate cap is invalid if the SDCRAA markets the medical benefits.

Historical Medical Increases



Medical Marketing Value Ranking

Carrier	2 Yr Rates (2015/2016)	Networks	Plan Design Match	Offers all 4 Medical Options	Offers Wellness Incentives	Q&A Responsiveness	Health Plan Quality Ratings	Composite Rating
Anthem Blue Cross	1 (2.4% average)	1	1	1	2	2	1 (Anthem/UHC equal)	9
Aetna	2 (3% average)	2	2	1	1	3	2	13
UnitedHealthcare	3 (4.25% average)	3	3	1	3	1	1 (Anthem/UHC equal)	15

Ranked from best rating (1) to least rating (3). Equal rating provided to all (in reality, some categories would rank higher e.g. rates)

Anthem Medical Renewal

		Current	Initial Renewal
	Enrollment ¹	Medical Rates	
Full HMO	TOTAL	Medical Rates	
Employee Only	43	\$747.51	\$827.53
Employee + Dependent	16	\$1,559.78	\$1,724.56
Employee + Family	<u>10</u>	<u>\$2,228.63</u>	<u>\$2,463.96</u>
HMO Annualized Premium	69	\$952,629	\$1,053,796
		Current	Initial Renewal
	Enrollment ¹	Medical Rates	
SelectPlus HMO	TOTAL	Medical Rates	
Employee Only	67	\$508.77	\$567.71
Employee + Dependent	34	\$1,058.43	\$1,178.94
Employee + Family	<u>53</u>	<u>\$1,512.41</u>	<u>\$1,684.50</u>
HMO Annualized Premium	154	\$1,802,783	\$2,008,788
		Current	Initial Renewal
	Enrollment ¹	Medical Rates	
PPO Plan	TOTAL	Medical Rates	
Employee Only	125	\$918.59	\$1,042.01
Employee + Dependent	30	\$1,426.69	\$1,618.01
Employee + Family	<u>25</u>	<u>\$1,888.21</u>	<u>\$2,141.27</u>
PPO Annualized Premium	180	\$2,457,956	\$2,787,880
		Current	Initial Renewal
	Enrollment ¹	Medical Rates	
HDHP with HSA	TOTAL	Medical Rates	
Employee Only	10	\$807.32	\$908.45
Employee + Dependent	1	\$1,280.84	\$1,437.59
Employee + Family	<u>1</u>	<u>\$1,654.19</u>	<u>\$1,861.52</u>
HDHP Annualized Premium	12	\$132,099	\$148,603
Total³			
Total Annualized Premium	415	\$5,345,467	\$5,999,067
\$ Increase			\$653,601
% Increase			12.2%

Final Renewal		
Full Network HMO (with Scripps)		
Medical Rates	Footwear/Hearing Aid Rider ²	Total
\$744.94	\$2.57	\$747.51
\$1,554.38	\$5.40	\$1,559.78
<u>\$2,220.92</u>	<u>\$7.71</u>	<u>\$2,228.63</u>
\$949,340	\$3,288	\$952,629
Final Renewal		
Select Plus HMO (No Scripps)		
Medical Rates	Footwear/Hearing Aid Rider ²	Total
\$506.20	\$2.57	\$508.77
\$1,053.03	\$5.40	\$1,058.43
<u>\$1,504.70</u>	<u>\$7.71</u>	<u>\$1,512.41</u>
\$1,793,610	\$9,173	\$1,802,783
Final Renewal		
PPO Plan		
Medical Rates	Footwear/Hearing Aid Rider ²	Total
\$916.02	\$2.57	\$918.59
\$1,421.29	\$5.40	\$1,426.69
<u>\$1,880.50</u>	<u>\$7.71</u>	<u>\$1,888.21</u>
\$2,449,844	\$8,112	\$2,457,956
Final Renewal		
HDHP with HSA		
Medical Rates	Footwear/Hearing Aid Rider ²	Total
\$807.32	N/A	\$807.32
\$1,280.84	N/A	\$1,280.84
<u>\$1,654.19</u>	<u>N/A</u>	<u>\$1,654.19</u>
\$132,099	\$0	\$132,099
\$5,324,894	\$20,573	\$5,345,467
		\$0
		0.0%

¹Enrollment figures reflect active employees & budgeted employees. Retirees not included.

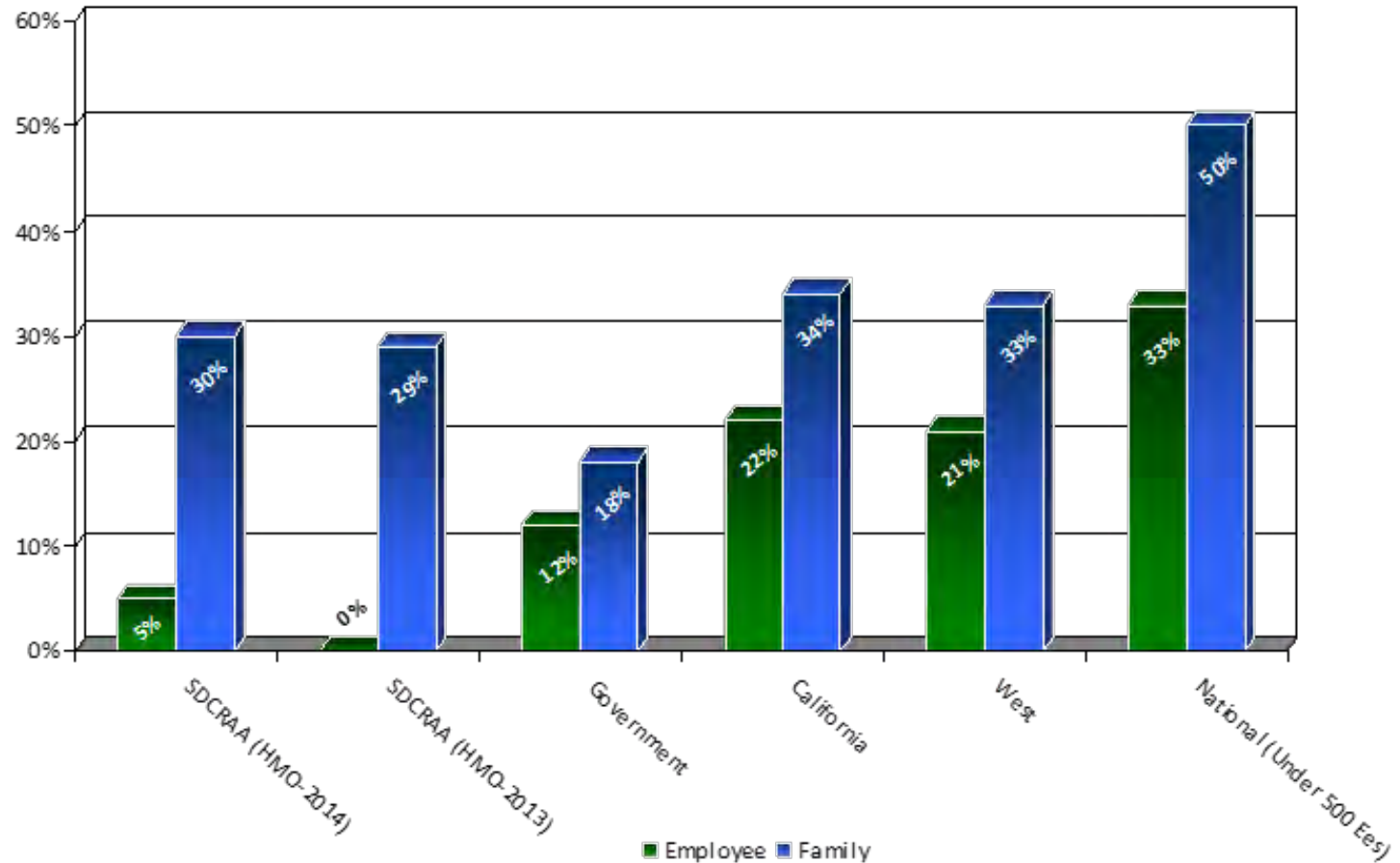
²Anthem Footwear & Hearing Aid rider includes \$500 for medically necessary footwear due to bone deformity, amputation, etc. Hearing aid includes 80% coverage for exam, fitting, & hearing aid.

³Anthem HDHP monthly premium includes \$750/\$1,500 HSA fund.

Anthem Mandatory Renewal Plan Changes

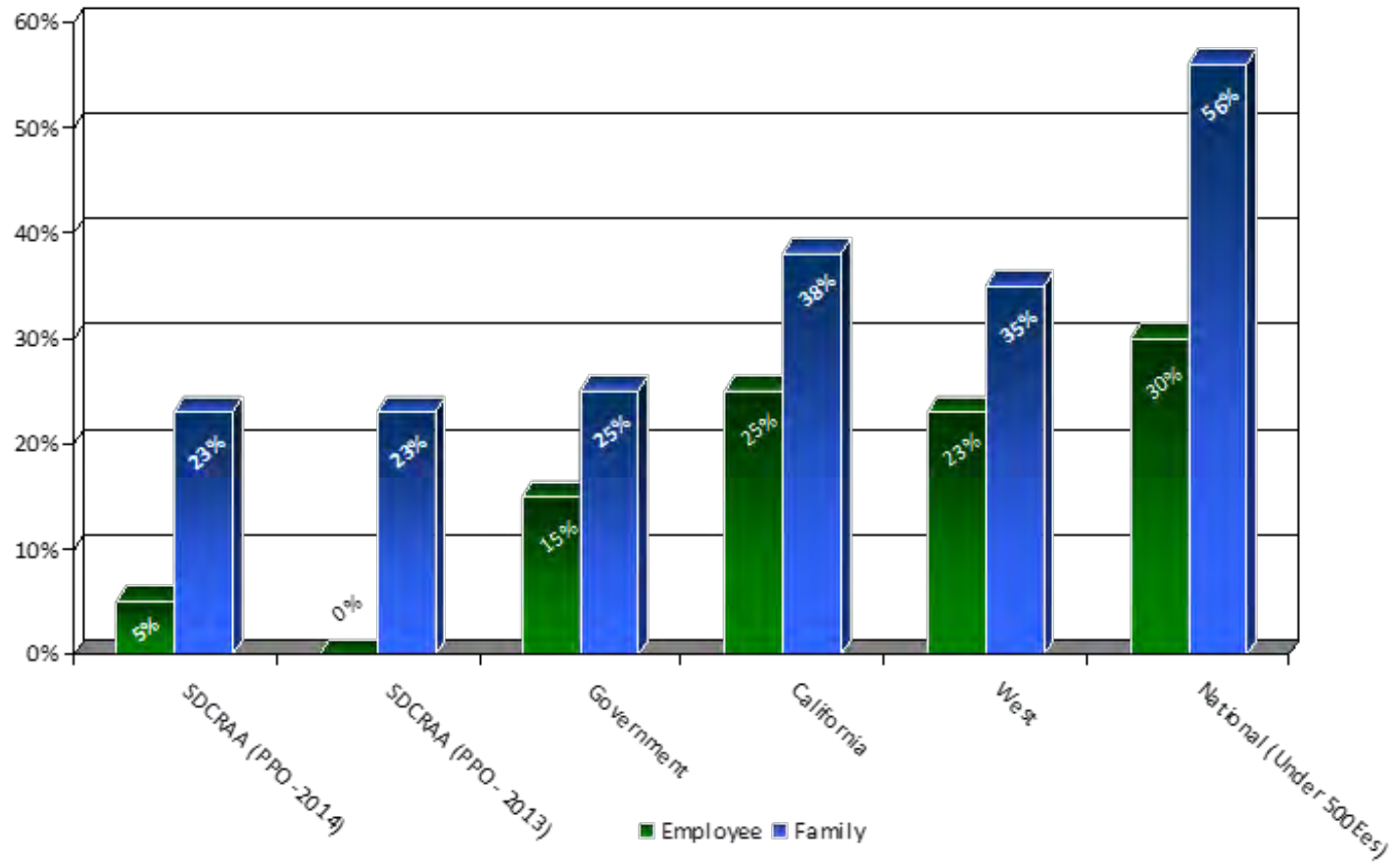
Anthem Mandatory Medical Plan Changes						
Plan	Reason for Change	Description of Change	Current Benefit	Proposed Benefit	Effective Date	Impact
HMO/PPO	ACA Required Change	Prescription Copay Applicable to Out-of-Pocket Maximum	Prescription copays do NOT apply toward the out-of-pocket maximums	Prescription copays DO apply toward the out-of-pocket maximums	1/1/2015	Enhancement
PPO	Anthem Change	Out-of-Pocket Maximum Increasing	In-Network: \$2,000 Individual / \$4,000 family Out-of-Network: \$6,000 Individual / \$12,000 Family	In-Network: \$2,500 Individual / \$5,000 family Out-of-Network: \$6,500 Individual / \$13,000 Family	1/1/2015	Takeaway
HDHP	CA Regulatory Requirement	Physical Therapy, Physical Medicine and Occupational Therapy	24 visits per year	24 visits per year, with additional visits provided after pre-service review	1/1/2015	Neutral

Average HMO Employee Contributions As a Percentage of Premiums



Benchmark data from the Mercer National Survey of Employer Sponsored Health Plans 2013

Average PPO Employee Contributions As a Percentage of Premiums



Benchmark data from the Mercer National Survey of Employer Sponsored Health Plans 2013

Health Advocate for Wellness

The image shows a laptop displaying the Health Advocate website. The website header includes the logo and navigation links. A prominent red banner reads "It's Easy to Track Your Health Online!". Below this, there are sections for "My To-Do", "My Profile", "Health Trackers", and "Health Profile". Surrounding the laptop are five callout boxes, each with a red icon and a text box:

- Access self-guided, online workshops and tutorials** (Icon: red circle with a white figure)
- Enjoy unlimited support from your Wellness Coach*** (Icon: red circle with a white figure)
- Participate in interactive competitions and campaigns** (Icon: red circle with a white running figure)
- Use online health trackers to help you meet your goals** (Icon: red circle with a white bar chart)
- Take your confidential Personal Health Profile** (Icon: red circle with a white document and checkmark)

Wellness Premiums & Incentive(2015)

- Incent Spouse or Domestic Partner in Wellness
 - Individual: \$250 pre-tax contribution to FSA/HSA/457
 - Spouse or Domestic Partner: \$200 pre-tax contribution

	Wellness Enrollment ¹	Contribution (Wellness Completed)				No Wellness Enrollment	Contribution (No Wellness)			
		SDCRAA (2015)		Employee (2015)			SDCRAA (2015)		Employee (2015)	
Full-Network HMO										
Emp Only	40	\$710.13	95%	\$37.38	5%	3	\$672.76	90%	\$74.75	10%
Emp + Dependent	15	\$1,194.26	77%	\$365.52	23%	1	\$1,156.88	74%	\$402.90	26%
Emp + Family	9	\$1,562.13	70%	\$666.50	30%	1	\$1,524.75	68%	\$703.88	32%
Narrow Network HMO										
Emp Only	62	\$483.33	95%	\$25.44	5%	5	\$457.89	90%	\$50.88	10%
Emp + Dependent	32	\$811.08	77%	\$247.35	23%	2	\$785.64	74%	\$272.79	26%
Emp + Family	49	\$1,060.77	70%	\$451.64	30%	4	\$1,035.33	68%	\$477.08	32%
PPO										
Emp Only	116	\$872.66	95%	\$45.93	5%	9	\$826.73	90%	\$91.86	10%
Emp + Dependent	28	\$1,198.05	84%	\$228.65	16%	2	\$1,152.12	81%	\$274.57	19%
Emp + Family	23	\$1,451.88	77%	\$436.33	23%	2	\$1,405.95	74%	\$482.26	26%
HDHP with H.S.A.										
Emp Only	9	\$766.95	95%	\$40.37	5%	1	\$726.59	90%	\$80.73	10%
Emp + Dependent	1	\$1,067.76	83%	\$213.08	17%	0	\$1,027.39	80%	\$253.45	20%
Emp + Family	1	\$1,273.10	77%	\$381.09	23%	0	\$1,232.73	75%	\$421.46	25%
Medical Totals		Both Population Totals								
Total Annual Cost	386	\$4,460,521	83%	\$884,946	17%	29	Included in totals on left			

Plan Recommendations Summary

1. Renew with Anthem Blue Cross
2. Exchange footwear/hearing aid rider with removal of \$250 PPO prescription deductible
3. Incent spouse/domestic partner in FSA/457 contribution by Authority
4. No change in Dental Plan Design
5. Continue to offer following plans with no cost change(s) for 2015:
 1. Basic Life/AD&D
 2. Short Term Disability/Long Term Disability
 3. Employee Assistance Plan
 4. Health Advocate
6. Continue to offer Biometric Screenings, Health Assessments, and Flu Shots to employees as a means to increase employee health and reduce healthcare
7. Replace Anthem Health Rewards & Fitness Focus with Health Advocate Wellness