

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Board Chair

Greg Cox
Jim Desmond
Robert H. Gleason
Lloyd B. Hubbs
Jim Janney
Mark Kersey
Paul Robinson
Mary Sessom

EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE MEETING and SPECIAL BOARD MEETING *

AGENDA

Monday, September 12, 2016
10:00 A.M.

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, CA 92101

Ex-Officio Board Members

Laurie Berman
Eraina Ortega
Col. Jason Woodworth

President / CEO

Thella F. Bowens

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. If comments are made to the Committee 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 & Information Governance and are available for public inspection.

***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.

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.***

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Committee Members: Cox, Desmond (Chair), Hubbs, Janney, Sessom

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 May 9, 2016 special meeting.

2. RENEWAL OF THE EMPLOYEE HEALTH AND WELFARE BENEFITS PROGRAM FOR 2017:

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 and Jesus Mendoza, Vice President, Willis Towers Watson.

CLOSED SESSION

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

REPORT ON CLOSED SESSION

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 Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the Administration Building by using public transit via the San Diego Metropolitan Transit System, Route 992. The MTS bus stop at Terminal 1 is a very short walking distance from the Administration Building. ADA paratransit operations will continue to serve the Administration Building as required by Federal regulation. For MTS route, fare and paratransit information, please call the San Diego MTS at (619) 233-3004 or 511. For other Airport related ground transportation questions, please call (619) 400- 2685.

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL EXECUTIVE PERSONNEL AND
COMPENSATION COMMITTEE MEETING
MINUTES
MONDAY, MAY 9, 2016
TUSKEGEE CONFERENCE ROOM

CALL TO ORDER:

Chair Desmond called the Special meeting of the Executive Personnel and Compensation Committee and Special Board meeting to order at 10:01 a.m. on Monday, May 9, 2016, in the Tuskegee Conference Room at the San Diego International Airport, SDCRAA Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

ROLL CALL:

PRESENT: Committee Members: Cox, Desmond, Hubbs

Board Members: Gleason, Robinson

ABSENT: Committee Members: Boling, Sessom

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton Lobner, General Counsel; Tony R. Russell, Authority Clerk; Dawn D'Acquisto, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the January 19, 2016 special meeting.

ACTION: Moved by Board Member Cox and seconded by Board Member Hubbs to approve staff's recommendation. Motion carried unanimously, noting Board Members Boling and Sessom as ABSENT.

CLOSED SESSION: – The Committee recessed into Closed Session at 10:04 a.m. to discuss items 3, 4, and 5.

3. PUBLIC EMPLOYEE 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 at 11:14 a.m. There was no reportable action.

COMMITTEE MEMBER COMMENTS: None

ADJOURNMENT: The meeting was adjourned at 11:15 a.m.

APPROVED BY A MOTION OF THE EXECUTIVE PERSONNEL AND
COMPENSATION COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY THIS 12th DAY OF SEPTEMBER, 2016.

JEFF LINDEMAN
SENIOR DIRECTOR,
TALENT & ENGAGEMENT

APPROVED AS TO FORM:

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

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Item No.

2

Executive Personnel and Compensation Committee

Meeting Date: **SEPTEMBER 12, 2016**

Subject:

Renewal of the Employee Health and Welfare Benefits Program for 2017

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 health and welfare benefit program designed to attract and retain the talent necessary to successfully execute business strategy. The program is designed to assure high quality access to care and maintain the organization’s position as an Employer of Choice in the San Diego labor market. An Employer of Choice is an organization with high employee engagement and pride in the organization. The business value of remaining an Employer of Choice is a stable, highly productive workforce and an avoidance of the costs associated with employee turnover.

The proposed renewal recommendation offers both high quality access to care and an overall program cost reduction of 6.1%. Based on the approved fiscal year 2016 and 2017 budgets, this recommendation equates to a reduction of 4.28% (\$204,486) from projected calendar year 2016 spending and an estimated budget savings of 12.91% (\$677,689) over calendar year 2017 in Authority paid premiums, as summarized below.

Authority Paid Premium Costs: Active Employee Only

Description	Projected CY2016	Proposed Renewal CY2017	% Change	Budgeted CY2017	Difference	%
Medical	\$4,182,884	\$3,977,110	(5.17%)	\$4,641,885	(\$664,885)	(14.32%)
Dental	\$335,521	\$335,521	0.00%	\$335,521	\$0	0.00%
Other lines	\$258,766	\$260,051	0.49%	\$272,965	(\$12,914)	(4.73%)
TOTAL	\$4,777,171	\$4,572,682	(4.28%)	\$5,250,371	(\$677,689)	(12.91%)

In addition, the proposed program renewal offers an additional estimated \$146,805 savings in retiree program premium costs for pre-Medicare and Medicare enrolled retirees.

With the expertise and guidance of Willis Towers Watson (“Willis”), the Authority’s benefits brokers, two groups were assembled to review and assess options for this year’s renewals. The first was our traditional Employee Benefits Task Force (“EBTF”) which was comprised of twelve members representing all staff levels (from director to individual contributor), both represented and unrepresented employees, and individuals enrolled on each of our four health plans. This group focused their attention on active employee benefit options. The second group was our Alumni Communication Team (“ACT”) which was comprised of five members, including five retirees and one retirement eligible employee. The ACT focused its attention on both the Pre-Medicare and Medicare eligible retiree benefit options. Both groups reviewed 2016 enrollment data, current plan cost-drivers (e.g. experience & claims), marketing competitive rates, plan design options, wellness programs, contribution rates, benchmarking, past and future mandates under the Affordable Care Act (ACA), and the emerging private exchanges reshaping the market in an effort to identify a cost effective program option for 2016. The proposed renewal recommendation was unanimously supported by both groups.

The primary cost driver in the health and welfare program is medical plan premiums. With the growth of the 1st Generation Retiree population (those eligible for medical, dental and vision insurance after retirement), the Authority was able to market the medical coverage for those who are Medicare enrolled separately. As a result, the proposed recommendation includes two medical carriers, one for active employees and pre-Medicare retirees, the second for Medicare enrolled retirees. This, combined with effective marketing, offers the Authority the ability to sustain a below average premium growth rate. For the 5 year period 2013 – 2017, based on Price Waterhouse Coopers Research Institute data, the Authority’s premium increase average will be 3.1% on average vs. the market average of 6.8%.

The first medical carrier and plan recommendation covers active employees and pre-Medicare retirees. Anthem Blue Cross offered an initial renewal quote of 19.1% and 19.5% respectively. Willis requested competitive bids with six potential alternative providers: Aetna, Cigna, Blue Shield, Sharp Health Plan, Health Net and United Health Care. Based on our population, plan design and experience rating three carriers provided competitive quotes. Blue Shield provided the most advantageous quote at -4.8% for active employees and -3.2% for pre-Medicare retirees. While this option does impact the network coverage of four enrolled members and reduce the number of available plans from four to three by eliminating the narrow network HMO, it offers an estimated total premiums savings of \$254,850 for active and \$7,924 for pre-Medicare members.

Separate marketing was undertaken by Willis for Medicare enrolled retirees. The initial renewal quote offered by Anthem Blue Cross, which maintained the Medicare enrolled retirees on the current plan options, came back at a 2.9% increase. United Health Care offered a Medicare coordinated plan that afforded a significant 41.5% reduction in total premium rates. While selecting United Health Care offers only a PPO plan and eliminates both the current HMO and Narrow Network HMO plan, it still offers from 6.1% to 45.8% monthly premium reduction for Medicare enrolled retirees or an estimated total premiums savings of \$138,881.

The proposed recommendation does not change the current medical cost share model for either active employees or retirees. Historically, 100% of individual premiums were paid for by the Authority. In 2014, as directed by the Board, staff implemented a medical cost share model designed to bring the contribution percentages for medical coverage into alignment with existing market benchmarks. During this 2016 calendar year, the cost share percentage for individual coverage only was increased to 10% with Wellness and 15% for non-Wellness. In aggregate, this achieves a market competitive cost share model for all medical plans with the Authority contributing an estimated 82% of the premiums and participants contributing 18%. Family coverage cost share had already been established in a manner that was market competitive and, as a result, has not changed.

The Wellness Program is another component of the proposed medical renewal for active employees and their enrolled spouses. Wellness offers individual incentives for identifying and managing potential health risks and is supported by a contribution of \$30,000 in the Blue Shield marketing quote. A 2013 Rand Corporation study, funded by the U.S. Department of Health and Human Services, confirms that workplace wellness programs can reduce employee risk factors and increase healthy behaviors, resulting in sustainable and clinically meaningful reductions in lifestyle-related diseases, the main driver of premature morbidity and mortality, as well as health care cost in the United States. Current Wellness incentives are offered for the completion of biometrics and a Personal Health Profile. The aggregate data from these health screenings have assisted the Authority in identifying key population risks and developing programs designed to support a healthier lifestyle and reduce health risks. From calendar 2014 to 2015, the Authority experienced a 2% decrease in the number of employees at risk due to Body Mass Index (BMI) and a 4.4% reduction in those at risk for blood pressure. Future areas for improvement include HDL Cholesterol levels and the ratio of HDL to Total Cholesterol. With 93% of Authority employees participating in Wellness today, it is recommended to maintain the incentives at their current level.

With regard to Dental insurance, the Authority is in the second year of a two year rate lock with Delta Dental. As a result, marketing was not necessary and the current quality coverage will be sustained with no annual cost increases.

Finally, on other lines of coverage, which includes Basic Life, Accidental Death & Dismemberment (AD&D), and Short Term Disability insurances provided through The Hartford, and VSP Vision Care, Anthem Employee Assistance Program (EAP) and The Health Advocate, no changes are proposed. An initial rate quote solicited from the Hartford indicated a decrease of 16.7% in the premiums for Basic Life/AD&D and an increase of 15.2% in the premiums for Short Term Disability, which effectively resulted in a rate pass. A rate pass was also provided for both the EAP and The Health Advocate.

In summary, the proposed recommendation for the 2017 employee health and welfare benefits program includes:

- Accept Blue Shield's quotes for active employee and pre-Medicare retiree medical coverage with three plan options:
 - HMO
 - Classic PPO
 - High Deductible/Health Savings Arrangement Plan
- Accept United Healthcare's quote for Medicare enrolled retiree medical coverage with a single PPO option;

Page 4 of 4

- Maintain Dental, Vision Short Term Disability, Basic Life/AD&D, EAP and The Health Advocate plans with current providers;
- Maintain the existing 10% Wellness and 15% Non-Wellness individual employee premium cost share model;
- Maintain the current Employee Wellness Program participation incentives which include:
 - A 5% reduction in individual premium cost share
 - A \$250 FSA/457 Deferred Compensation deposit for employee participation
 - A \$200 FSA/457 Deferred Compensation deposit for enrolled covered spouses and registered domestic partners

The proposed recommendation retains the quality of care, advances employee wellness, sustains a market competitive cost share, and demonstrates fiscal responsibility with an aggregate 6.1% cost reduction for the program in the 2017 plan year. Therefore, staff is requesting that the Executive Personnel & Compensation Committee move the proposed recommendation forward to the full Board for approval.

Fiscal Impact:OPERATING EXPENSE IMPACT

Adequate funding for 2016 Employee Benefits Renewal is included in the adopted FY 2016 and conceptually approved FY 2017 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.

Equal Opportunity Program:

Not applicable.

Prepared by:

KURT GERING
DIRECTOR, TALENT, CULTURE & CAPABILITY



RENEWAL OF THE EMPLOYEE HEALTH AND WELFARE BENEFITS PROGRAM FOR 2017

Presented by:

Kurt Gering | Director | Talent, Culture & Capability

Jesus Mendoza | Vice President | Willis Towers Watson

September 12, 2016

Agenda

- Executive Summary
- Medical Marketing Results
- Plan Renewal Rates
- Benchmarking
- Renewal Summary



Executive Summary



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Population

Enrollments

Active (377)
Waived (53)



Costs

Calendar vs. Budget

OPEB

Program Summary

	Current (2016)	Initial Renewal (2017)	%	Negotiated Renewal (2017)	%	RECOMMENDED (2017)	%
	Anthem	Anthem		Anthem		Blue Shield	
Medical - Active & Budgeted	\$5,295,955	\$6,305,610	19.1%	\$5,295,955	0.0%	\$5,041,105	-4.8%
Medical - Pre-Medicare Retiree	\$250,486	\$299,416	19.5%	\$250,486	0.0%	\$242,562	-3.2%
	Anthem	Anthem		Anthem		United Healthcare	
Medical - Medicare Retiree	\$334,889	\$344,524	2.9%	\$342,155	2.2%	\$196,008	-41.5%
	Anthem	Anthem		Anthem		Anthem	
Employee Assistance Plan	\$11,402	\$11,402	0.0%	\$11,402	0.0%	\$11,402	0.0%
	Delta Dental	Delta Dental		Delta Dental		Delta Dental	
Dental	\$400,976	\$400,976	0.0%	\$400,976	0.0%	\$400,976	0.0%
	The Hartford	The Hartford		The Hartford		The Hartford	
Basic Life/AD&D	\$107,276	\$89,396	-16.7%	\$89,396	-16.7%	\$89,396	-16.7%
	The Hartford	The Hartford		The Hartford		The Hartford	
Short Term Disability	\$126,487	\$145,652	15.2%	\$145,652	15.2%	\$145,652	15.2%
	Health Advocate	Health Advocate		Health Advocate		Health Advocate	
Health Advocacy HealthAdvocate/Wellness	\$13,601	\$13,601	0.0%	\$13,601	0.0%	\$13,601	0.0%
GRAND TOTAL¹	\$6,541,071	\$7,610,577	16.4%	\$6,549,622	0.1%	\$6,140,702	-6.1%
\$ Change from Current		\$1,069,506		\$8,551		(\$400,369)	
% Change from Current		16.4%		0.1%		-6.1%	

¹Grand total does not include all lines of coverage (e.g. voluntary vision, voluntary life/AD&D, voluntary LTD, Aflac, LTC, COBRA/FSA/HSA, LOA, etc.)

Authority Only Budget Summary

Description	Current CY2016	Recommended Renewal CY2017	% Change	CY Budgeted 2017 Costs	\$ Diff	% Diff
Medical	\$4,182,884	\$3,977,110	(5.17)%	\$4,641,885	(\$664,775)	(14.32%)
Dental	\$335,521	\$335,521	0.00%	\$335,521		
Other lines (Life, Disability, HealthAdvocate)	\$258,766	\$260,051	0.49%	\$272,965	(\$12,914)	(4.73%)
TOTAL	\$4,777,171	\$4,572,682	(4.28%)	\$5,250,371	(\$677,689)	(12.91%)

Note: Does not include retiree medical costs paid through the Other Post-Employment Benefits (OPEB) account.

Recommendation Summary

- **Medical (active/pre-Medicare retirees)**
 - Blue Shield of California with three medical plan options:
 - HMO
 - PPO
 - High Deductible Health Plan
 - Cost share & Wellness incentives to remain at current levels
- **Medical (Medicare retirees/spouses only)**
 - United Healthcare with single PPO plan
 - Cost share to remain at current levels
- **Dental**
 - Delta Dental (in second year of two year rate lock)
 - Cost share to remain at current levels
- **Hartford Life Insurance**
 - Remain with The Hartford

Employee & Retiree Benefits Task Forces (April - July)

- Review Benefits Renewal Options
 - Assess plan cost-drivers (e.g. experience & claims)
 - Review mandatory plan changes
 - Consider medical marketing options & impacts
 - Competitive Rates
 - Comprehensive Networks (physician & hospital)
 - Plan Design Match (copays & coinsurance)
 - Plan Design Options (offers all 4 medical options)
 - Wellness programs (if included in quote)
 - Review benchmarking (cost, plan designs)
 - Authority/Employee Contributions
 - Provide feedback and Team recommendations to Executives

Medical Marketing Results

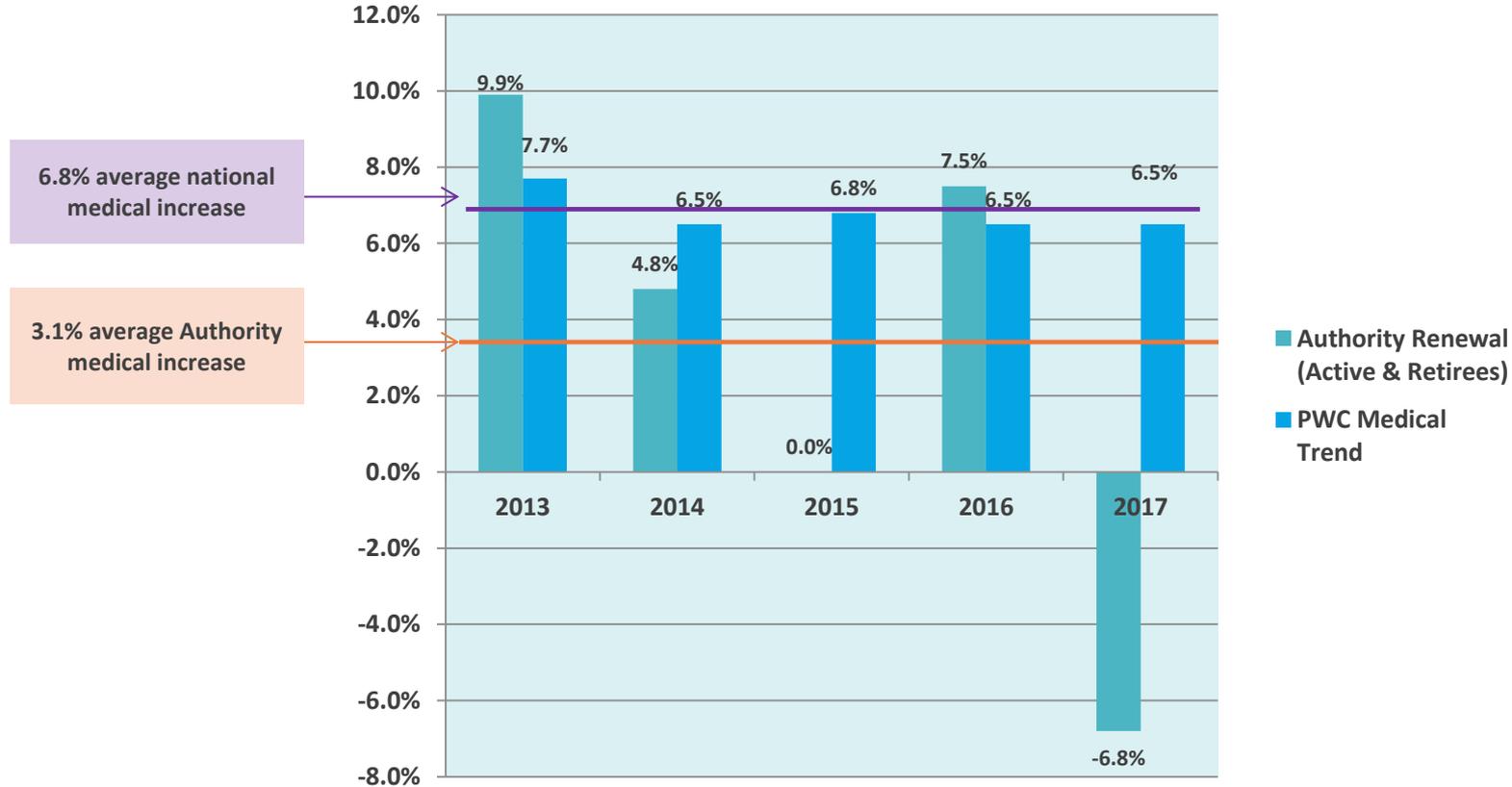


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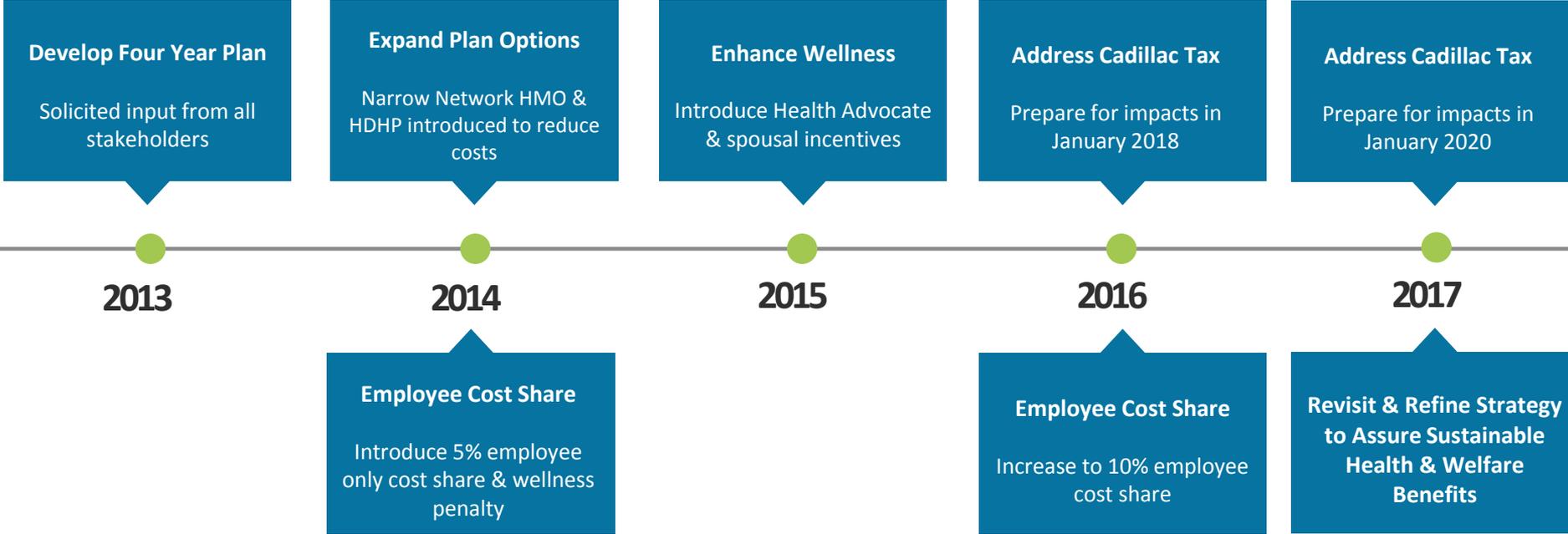
5 Year Review

% Health Benefit Renewal Increase



Source: U.S. Medical trend data provided by PWC Health Research Institute

Context: Sustainable Health & Welfare Benefits



Medical Renewal & Marketing Results

(Active/Pre-Medicare Retiree)

January 1, 2017 - December 31, 2017

Carrier	Received Quote?	Comments	% Increase (Over Current)	Additional Notes
Anthem Blue Cross	Incumbent	Initial Renewal: 19.1%	0.0%	Negotiated renewal also includes \$30,000 in wellness funds
Blue Shield	Quoted	Shown; option disrupts 4 HMO members	-4.7%	Quoted one HMO network for both HMO plans, as Narrow Network under Blue Shield would create more disruption. Blue Shield confirmed UCSD will be added to HMO network 10/1/2016. Quote includes \$30,000 in wellness funds.
Aetna	Did not quote	Not competitive	N/A	Uncompetitive
Cigna	Did not quote	Not Competitive	N/A	Cannot offer a "Narrow Network" (HMO has no option to remove Scripps providers)
HealthNet	Did not quote	Not Competitive	N/A	Uncompetitive
Sharp Health Plan	Did not quote	Not Competitive	N/A	Unable to offer Full HMO or CA PPO plans with 10%+ participation
United Healthcare	Quoted	Shown	10.2%	\$25,000 wellness budget, biometrics, and \$118,000 in gift card incentives to employees included



Medical Renewal Analysis Active Employees



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Medical Renewal & Marketing Analysis (Active)

		Anthem Blue Cross			Blue Shield
	Enrollment ¹	Current	Initial Renewal	Final Renewal	Recommended
Full Network HMO (with Scripps)					Full HMO
Employee Only	39	\$803.58	\$963.37	\$803.58	\$561.85
Employee + Dependent	6	\$1,676.77	\$1,989.86	\$1,676.77	\$1,174.26
Employee + Family	14	\$2,395.78	\$2,842.08	\$2,395.78	\$1,674.31
HMO Annualized Premium	59	\$899,294	\$1,071,597	\$899,294	\$628,777
% Change from Current			19.2%	0.0%	-30.1%

		Anthem Blue Cross			Blue Shield
	Enrollment ¹	Current	Initial Renewal	Final Renewal	Recommended
Select Plus HMO (No Scripps)					Full HMO
Employee Only	73	\$546.93	\$650.58	\$546.93	\$561.85
Employee + Dependent	34	\$1,137.82	\$1,345.62	\$1,137.82	\$1,174.26
Employee + Family	58	\$1,625.84	\$1,922.33	\$1,625.84	\$1,674.31
HMO Annualized Premium	165	\$2,074,926	\$2,456,863	\$2,074,926	\$2,136,598
% Change from Current			18.4%	0.0%	3.0%

		Anthem Blue Cross			Blue Shield
	Enrollment ¹	Current	Initial Renewal	Final Renewal ²	Recommended
PPO					PPO
Employee Only	79	\$880.90	\$1,073.09	\$880.90	\$773.97
Employee + Dependent	32	\$1,574.70	\$1,869.50	\$1,574.70	\$1,617.62
Employee + Family	28	\$2,169.18	\$2,557.82	\$2,169.18	\$2,306.45
PPO Annualized Premium	139	\$2,168,622	\$2,594,605	\$2,168,622	\$2,129,857
% Change from Current			19.6%	0.0%	-1.8%

		Anthem Blue Cross			Blue Shield
	Enrollment ¹	Current	Initial Renewal	Final Renewal ²	Recommended
HDHP -- Separate HSA Fund					HDHP
Employee Only	12	\$723.29	\$880.97	\$723.29	\$653.55
Employee + Dependent	1	\$1,295.13	\$1,536.96	\$1,295.13	\$1,365.93
Employee + Family	1	\$1,784.76	\$2,103.54	\$1,784.76	\$1,947.58
HDHP Annualized Premium	14	\$141,112	\$170,546	\$141,112	\$133,873
% Change from Current			20.9%	0.0%	-5.1%
HSA Fund (\$750/\$1,500)		\$12,000	\$12,000	\$12,000	\$12,000

Total Annualized Premium	377	\$5,295,955	\$6,305,610	\$5,295,955	\$5,041,105
\$ Change from Current			\$1,009,655	\$0	(\$254,850)
% Change from Current			19.1%	0.0%	-4.8%

¹Enrollment figures provided by SDCRAA reflect active employees and budgeted positions

²Final renewal does not include tier adjustments for the PPO and the HDHP plans

Medical Cost Share Analysis (Active)

		Anthem Blue Cross 01/01/2016 - 12/31/2016							Blue Shield 01/01/2017- 12/31/2017							
		CURRENT							RECOMMENDED							
		Wellness 90% EE / 55% DEP			No Wellness 85% EE / 55% DEP				Wellness 90% EE / 55% DEP			No Wellness 85% EE / 55% DEP				
	Enrollment ¹	Monthly Premium	Enrollment	EE Monthly	ER Monthly	Enrollment	EE Monthly	ER Monthly	Monthly Premium	EE Monthly	EE Monthly Difference	ER Monthly	Monthly	EE Monthly	EE Monthly Difference	ER Monthly
Full HMO (with Scrrips)																
Employee Only	39	\$803.58	35	\$80.36	\$723.22	4	\$120.54	\$683.04	\$561.85	\$56.19	-\$24.17	\$505.67	\$84.28	-\$36.26	\$477.57	
Employee + One Dep	6	\$1,676.77	5	\$392.94	\$1,283.83	1	\$433.11	\$1,243.66	\$1,174.26	\$275.58	-\$117.35	\$898.68	\$303.68	-\$129.44	\$870.58	
Employee + Family	14	\$2,395.78	14	\$716.49	\$1,679.29	0	\$756.67	\$1,639.11	\$1,674.31	\$500.61	-\$215.88	\$1,173.70	\$528.70	-\$227.97	\$1,145.61	
Annual Total	59	\$899,294	54	\$177,697	\$662,904	5	\$10,983	\$47,710	\$628,777	\$124,235		\$463,482	\$7,689		\$33,370	
\$ Difference from Current									(\$270,517)	(\$53,462)		(\$199,422)	(\$3,294)		(\$14,339)	
% Difference from Current									-30.1%	-30.1%		-30.1%	-30.0%		-30.1%	
Select Plus HMO (No Scrrips)																
Employee Only	73	\$546.93	72	\$54.69	\$492.24	1	\$82.04	\$464.89	\$561.85	\$56.19	\$1.49	\$505.67	\$84.28	\$2.24	\$477.57	
Employee + One Dep	34	\$1,137.82	31	\$265.90	\$871.92	3	\$293.25	\$844.57	\$1,174.26	\$275.58	\$9.68	\$898.68	\$303.68	\$10.43	\$870.58	
Employee + Family	58	\$1,625.84	54	\$485.51	\$1,140.33	4	\$512.86	\$1,112.98	\$1,674.31	\$500.61	\$15.10	\$1,173.70	\$528.70	\$15.84	\$1,145.61	
Annual Total	165	\$2,074,926	157	\$460,780	\$1,488,581	8	\$36,158	\$89,407	\$2,136,598	\$475,455		\$1,531,761	\$37,321		\$92,061	
\$ Difference from Current									\$61,673	\$14,675		\$43,180	\$1,163		\$2,655	
% Difference from Current									3.0%	3.2%		2.9%	3.2%		3.0%	
PPO																
Employee Only	79	\$880.90	73	\$88.09	\$792.81	6	\$132.14	\$748.77	\$773.97	\$77.40	-\$10.69	\$696.57	\$116.10	-\$16.04	\$657.87	
Employee + One Dep	32	\$1,574.70	25	\$312.21	\$1,262.49	7	\$356.26	\$1,218.45	\$1,617.62	\$379.64	\$67.43	\$1,237.98	\$418.34	\$62.09	\$1,199.28	
Employee + Family	28	\$2,169.18	25	\$579.73	\$1,589.45	3	\$623.77	\$1,545.41	\$2,306.45	\$689.62	\$109.89	\$1,616.83	\$728.31	\$104.54	\$1,578.14	
Annual Total	139	\$2,168,622	123	\$344,748	\$1,550,085	16	\$61,895	\$211,895	\$2,129,857	\$388,577		\$1,466,641	\$69,719		\$204,919	
\$ Difference from Current									(\$38,766)	\$43,830		(\$83,443)	\$7,824		(\$6,976)	
% Difference from Current									-1.8%	12.7%		-5.4%	12.6%		-3.3%	
HDHP¹																
Employee Only	12	\$785.79	12	\$78.58	\$707.21	0	\$117.87	\$667.92	\$716.05	\$71.61	-\$6.97	\$644.45	\$107.41	-\$10.46	\$608.64	
Employee + One Dep	1	\$1,420.13	1	\$285.45	\$1,134.68	0	\$324.74	\$1,095.39	\$1,490.93	\$348.70	\$63.24	\$1,142.23	\$384.50	\$59.76	\$1,106.43	
Employee + Family	1	\$1,909.76	1	\$505.79	\$1,403.97	0	\$545.08	\$1,364.68	\$2,072.58	\$610.44	\$104.65	\$1,462.14	\$646.24	\$101.17	\$1,426.34	
Annual Total	14	\$153,112	14	\$20,810	\$132,302	0	\$0	\$0	\$145,873	\$21,821		\$124,053	\$0		\$0	
\$ Difference from Current									(\$7,239)	\$1,010		(\$8,250)	\$0		\$0	
% Difference from Current									-4.7%	4.9%		-6.2%	0.0%		0.0%	
COMBINED TOTAL	377	\$5,295,955	348	\$1,004,035	\$3,833,872	29	\$109,037	\$349,012	\$5,041,105	\$1,010,087		\$3,585,937	\$114,730		\$330,351	
\$ Difference from Current									(\$254,850)	\$6,053		(\$247,935)	\$5,693		(\$18,661)	
% Difference from Current									-4.8%	-75.1%		-6.5%	5.2%		-5.3%	

¹Enrollment figures provided by SDCRAA reflect active employees and budgeted positions

²HDHP monthly premium includes HSA fund (\$750/\$1,500)

HMO Benefit Plan Comparison

January 1, 2017 - December 31, 2017

Plan Provisions	FINAL RENEWAL Anthem Narrow Network HMO (Does not Include Scripps)	FINAL RENEWAL Anthem Full Network HMO (Includes Scripps)	RECOMMENDED Blue Shield Full Network HMO* (Includes Scripps)
	In-Network Only	In-Network Only	In-Network Only
Out-of-Pocket Maximum (Includes Deductible)	\$1,500/\$3,000	\$1,500/\$3,000	\$1,500/\$3,000
Preventive Care	100%	100%	100%
Primary/Specialist Office Visit	\$20/\$20 copay	\$20/\$20 copay	\$20/\$20 copay
Inpatient Hospital Services	\$200 copay per admission	\$200 copay per admission	\$200 copay per admission
Outpatient Hospital Services	\$100 copay per visit	\$100 copay per visit	\$100 copay per visit
Emergency Room Care	\$100 copay (waived if admitted)	\$100 copay (waived if admitted)	\$100 copay (waived if admitted)
Prescription Drugs¹ (30-day supply)			
Oral Contraceptives	\$0 copay	\$0 copay	\$0 copay
Tier 1	\$10 copay	\$10 copay	\$10 copay
Tier 2²	\$25 copay	\$25 copay	\$25 copay
Tier 3²	\$50 copay	\$50 copay	\$40 copay
Tier 4²	30% (maximum \$250/fill)	30% (maximum \$250/fill)	20% (maximum \$200/fill)
Mail Order (90-day supply)	\$25/\$75/\$150	\$25/\$75/\$150	\$20/\$50/\$80

¹Generic and single source brand covered at 100%

²Preferred Generic Program: if a member requests a brand name when a generic exists, the member pays the generic drug copay plus the difference in cost between the prescription drug max allowed amount for the generic drug and the brand drug dispensed, but no more than 50% of Anthem's average cost for that type of prescription.

***Blue Shield 2017 summaries not available yet, so plan designs include 2016 information**

HMO Network Comparison

January 1, 2017 - December 31, 2017

Provider Medical Group	SDCRAA HMO	Anthem		Blue Shield
	Members	Full-Network	Narrow	Full HMO
1 BEAVER MEDICAL GROUP	2	0	2	Included
2 ENCOMPASS MEDICAL GROUP	16	0	16	Included
3 GRAYBILL MEDICAL GROUP	5	0	5	Included
4 HEALTHCARE PARTNERS	1	0	1	Included
5 PINNACLE MEDICAL GROUP	1	0	1	Included
6 PRIMARY CARE ASSOCIATES	4	0	4	Included
7 MERCY PHYSICIANS MEDICAL GROUP	14	3	11	Included
8 MULTICULTURAL PRIMARY MEDICAL GROUP	2	1	1	Included
9 NUESTRA FAMILIA/PROSPECT MEDICAL GROUP	1	1	0	Included
10 PRIMECARE MEDICAL GROUP	0	0	0	Included
11 RADY CHILDRENS HEALTHCARE	32	5	27	Included
12 RMG-TEMECULA	2	0	2	Included
13 SCRIPPS PHYSICIANS (SAN DIEGO PHYSICIANS MEDICAL GROUP)	14	4	10	Included
14 SCRIPPS CLINIC CARMEL VALLEY	1	1	Not Included	Included
15 SCRIPPS CLINIC ENCINITAS	0	0	Not Included	Included
16 SCRIPPS CLINIC MISSION VALLEY	6	6	Not Included	Included
17 SCRIPPS CLINIC RANCHO BERNARDO	29	29	Not Included	Included
18 SCRIPPS CLINIC SANTEE	2	2	Not Included	Included
19 SCRIPPS CLINIC TORREY PINES	5	5	Not Included	Included
20 SCRIPPS COASTAL MEDICAL GROUP	8	8	Not Included	Included
21 SHARP COMMUNITY MEDICAL GROUP	58	8	50	Included
22 SHARP REES STEALY MEDICAL GROUP	218	25	193	Included
23 SHARP REES-STEALY OTAY RANCH	48	4	44	Included
24 SIMNSA	1	1	0	Not Included
25 ST MARY HIGH DESERT	1	0	1	Included
26 SUTTER MEDICAL GROUP	1	0	1	Included
27 TEMECULA VALLEY PHYSICIANS	3	0	3	Not Included
28 UCSD MED GROUP	31	3	28	Included
HMO PARTICIPANTS AFFECTED	0	0	0	4

PPO Benefit Plan Comparison

January 1, 2017 - December 31, 2017

Plan Provisions ¹	FINAL RENEWAL Anthem PPO Plan		RECOMMENDED Blue Shield PPO Plan*	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible (Individual/Family)	\$250/\$750		\$250/\$750	
Out-of-Pocket Maximum (Includes Deductible)	\$2,500/\$5,000	\$6,500/\$13,000	\$2,500/\$5,000	\$6,500/\$13,000
Preventive Care	No charge	40% after deductible	No charge	40% after deductible
Primary/Specialist Office Visit	\$20/\$20 (deductible waived)	40% after deductible	\$20/\$20 (deductible waived)	40% after deductible
Advanced Imaging (CT, MRI, MRA, PET, etc.)	20% after deductible	40% after deductible (\$800 max/procedure)	20% after deductible	40% after deductible (\$140 max/day)
Inpatient Hospital Services	20% after deductible	40% after deductible (\$1,000 max/day)	20% after deductible	40% after deductible (\$400 max/day)
Outpatient Hospital Services	20% after deductible	40% after deductible (\$350 max/admit)	20% after deductible	40% after deductible (\$140 max/day)
Emergency Room Care	\$150 copay + 20% after deductible		\$150 copay + 20%	
Retail Prescription Drugs (30-day supply)				
Deductible	No deductible	No deductible	No deductible	No deductible
Oral Contraceptives²	\$0 copay	\$0 copay	\$0 copay	25% + Applicable copay dependent on tier
Tier 1	\$10 copay	50% + \$10 copay	\$10 copay	25% + \$10 copay
Tier 2³	\$25 copay	50% + \$25 copay	\$25 copay	25% + \$25 copay
Tier 3³	\$50 copay	50% + \$50 copay	\$40 copay	25% + \$40 copay
Tier 4³	30% (maximum \$250/fill)	In-Network Only	30% (maximum \$200/fill)	In-Network Only
Mail Order (90-day supply)	\$25/\$75/\$150	In-Network Only	\$20/\$50/\$80	In-Network Only

¹Only major plan provisions are listed. Refer to Summary of Benefits and Coverage (SBC) for additional details.

²Generic and single source brand covered at 100%.

³Preferred Generic Program: if a member requests a brand name drug when a generic exists, the member pays the generic drug copay plus the difference in cost between the prescription drug max allowed amount for the generic drug and the brand drug dispensed, but no more than 50% of Anthem's average cost for that type of prescription.

***Blue Shield 2017 summaries not available yet, so plan designs include 2016 information**

HDHP Benefit Plan Comparison

January 1, 2017 - December 31, 2017

Plan Provisions ¹	FINAL RENEWAL Anthem HDHP Plan		RECOMMENDED Blue Shield HDHP Plan*	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Contribution to HSA (Individual/Family)	\$750/\$1,500		\$750/\$1,500	
Annual Deductible (Individual/Family)	\$1,500/\$3,000	\$3,000/\$6,000	\$1,500 Individual / \$2,600 family member in family / \$5,200 family	
Out-of-Pocket Maximum (Includes Deductible)	\$3,000/\$6,000	\$9,000/\$18,000	\$3,000/\$6,000	\$9,000/\$18,000
Preventive Care	No charge	30% after deductible	No charge	30% after deductible
Primary/Specialist Office Visit	10% after deductible	30% after deductible	10% after deductible	30% after deductible
Advanced Imaging (CT, MRI, MRA, PET, etc.)	10% after deductible	30% after deductible (\$800 max/procedure)	\$100 per visit + 10% after deductible	30% after deductible (\$140 max/day)
Inpatient Hospital Services	10% after deductible	30% after deductible (\$1,000 max/day)	\$100 per admission + 10% after deductible	30% after deductible (\$400 max/day)
Outpatient Hospital Services	10% after deductible	30% after deductible (\$350 max/admit)	10% after deductible	30% after deductible (\$140 max/day)
Emergency Room Care	10% after deductible		\$100 per visit + 10% after deductible	
Retail Prescription Drugs (30-day supply)				
Prescription Drug Deductible	Included in medical deductible	Included in medical deductible	Included in medical deductible	Included in medical deductible
Oral Contraceptives ²	\$0 copay	\$0 copay	\$0 copay	25% + Applicable co-pay dependent on tier
Tier 1	\$10 copay	30%	\$10 copay	25% + \$10 copay
Tier 2 ³	\$40 copay	30%	\$25 copay	25% + \$25 copay
Tier 3 ³	\$60 copay	30%	\$40 copay	25% + \$40 copay
Tier 4 ³	30% up to \$250 max	In-Network Only	30% of max (\$200 per Rx)	In-Network Only
Mail Order (90-day supply)	\$25/\$120/\$180	In-Network Only	\$20/\$50/\$80	In-Network Only

¹Only major plan provisions are listed. Refer to Summary of Benefits and Coverage (SBC) for additional details.

²Generic and single source brand covered at 100%.

³Preferred Generic Program: if a member requests a brand name drug when a generic exists, the member pays the generic drug copay plus the

***Blue Shield 2017 summaries not available yet, so plan designs include 2016 information**

Benchmarking (2015): Total Cost Share Analysis

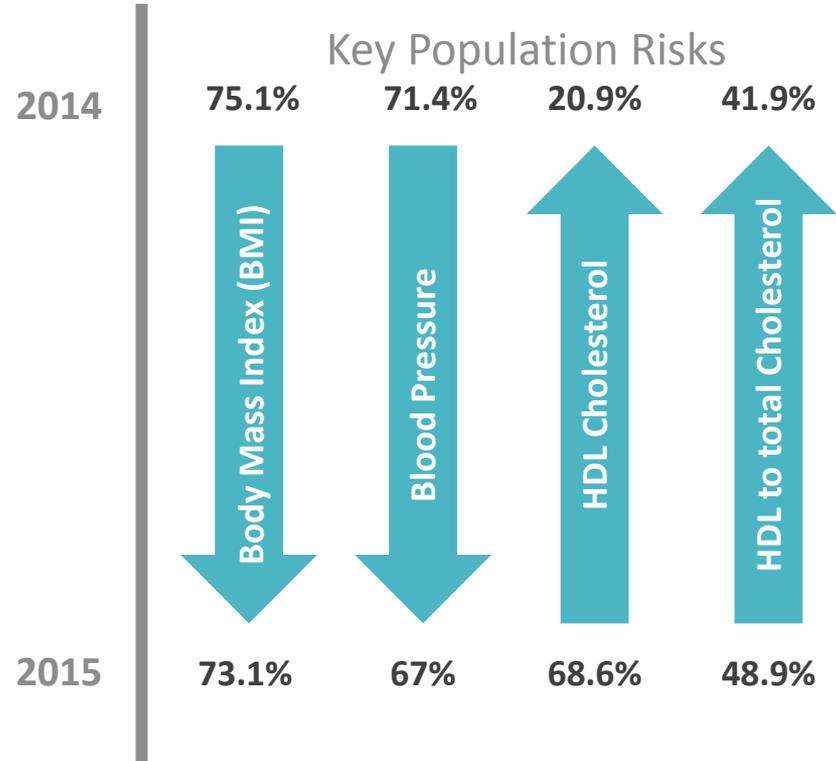
(10% Employee Cost Share)

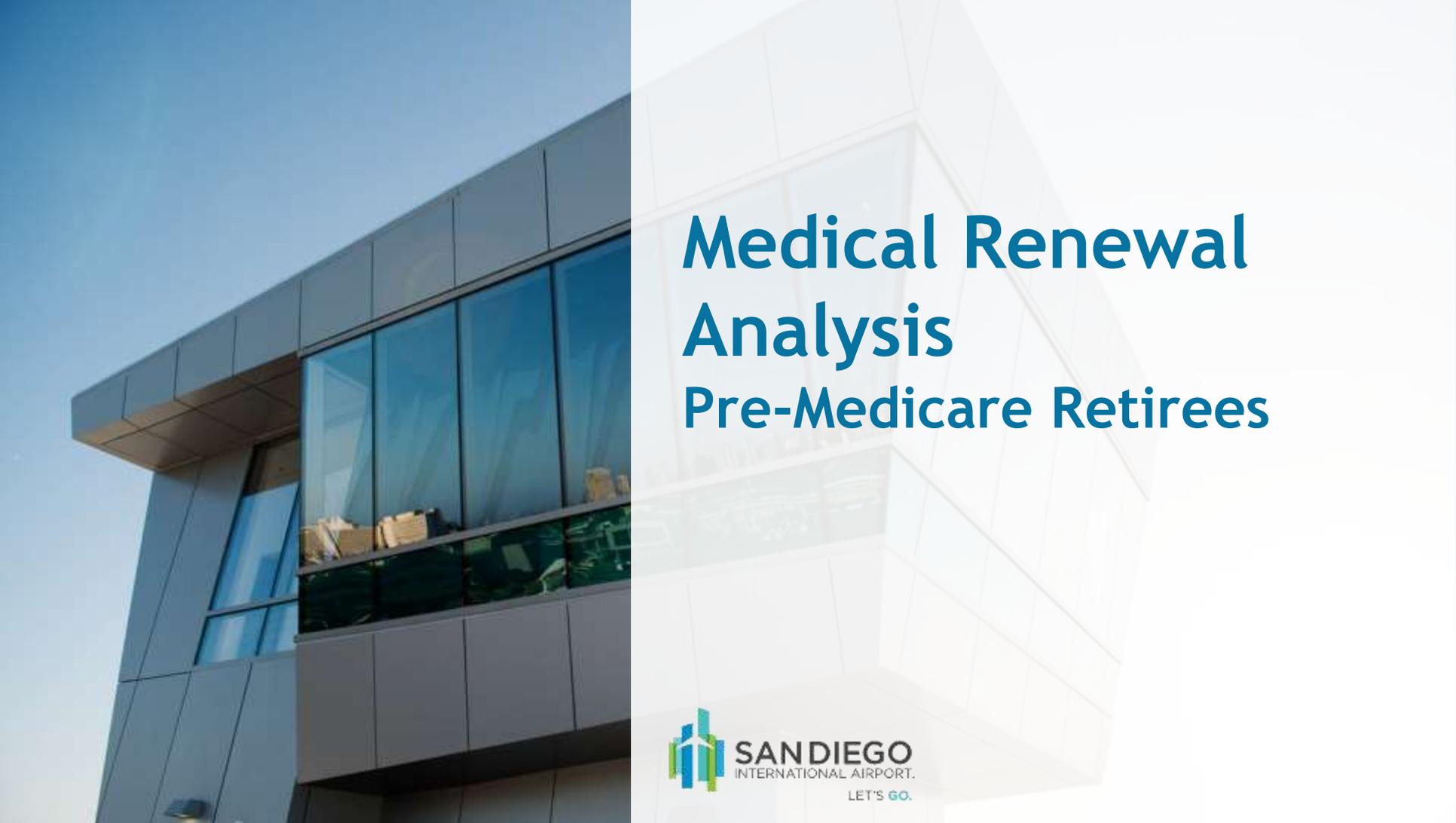
Benchmarking Cut	Total Premium	Employer Contribution	Employee Contribution
Authority (2015/2016)	\$4,971,293	82% (\$4,087,093)	18% (\$884,200)
Government	\$4,758,278	82% (\$3,879,256)	18% (\$879,022)
California	\$4,607,289	71% (\$3,249,286)	29% (\$1,358,002)
West	\$4,512,425	73% (\$3,308,391)	27% (\$1,204,034)
National	\$4,207,212	61% (\$2,573,828)	39% (\$1,633,384)

Authority Costs based on 2015 premium with 2016 budgeted and actual headcount. Benchmark data from the Mercer National Survey, 2015.

Employee Wellness

- Biometric screening incentives
 - 10% Wellness (5% reduction in premium costs)
 - Deposit into an FSA/HSA or 457 account
 - Employees = \$250
 - Spouse/Domestic Partner = \$200
- Health Risk Assessment (HRA) earns 25 points in the annual Health Advocate Wellness Challenge
 - Quarterly Engagement Challenges
 - Voluntary health trackers (exercise, sleep, water, etc.)
 - Online Health Education





Medical Renewal Analysis Pre-Medicare Retirees



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Medical Renewal & Marketing Analysis (Pre-Medicare Retirees)

	Enrollment ¹	Anthem Blue Cross			Blue Shield
		Current	Initial Renewal	Final Renewal	Recommended
		Full Network HMO (with Scripps)			Full HMO
Retiree Only	2	\$803.58	\$963.37	\$803.58	\$561.85
Retiree + Dependent	0	\$1,676.77	\$1,989.86	\$1,676.77	\$1,174.26
Retiree + Family	0	\$2,395.78	\$2,842.08	\$2,395.78	\$1,674.31
HMO Annualized Premium	2	\$19,286	\$23,121	\$19,286	\$13,484
% Change from Current			19.9%	0.0%	-30.1%

	Enrollment ¹	Anthem Blue Cross			Blue Shield
		Current	Initial Renewal	Final Renewal	Recommended
		Select Plus HMO (No Scripps)			Full HMO
Retiree Only	8	\$546.93	\$650.58	\$546.93	\$561.85
Retiree + Dependent	1	\$1,137.82	\$1,345.62	\$1,137.82	\$1,174.26
Retiree + Family	0	\$1,625.84	\$1,922.33	\$1,625.84	\$1,674.31
HMO Annualized Premium	9	\$66,159	\$78,603	\$66,159	\$68,029
% Change from Current			18.8%	0.0%	2.8%

	Enrollment ¹	Anthem Blue Cross			Blue Shield
		Current	Initial Renewal	Final Renewal ²	Recommended
		PPO			PPO
Retiree Only	6	\$880.90	\$1,073.09	\$880.90	\$773.97
Retiree + Dependent	4	\$1,574.70	\$1,869.50	\$1,574.70	\$1,617.62
Retiree + Family	1	\$2,169.18	\$2,557.82	\$2,169.18	\$2,306.45
PPO Annualized Premium	11	\$165,041	\$197,692	\$165,041	\$161,049
% Change from Current			19.8%	0.0%	-2.4%

	Enrollment ¹	Anthem Blue Cross			Blue Shield
		Current	Initial Renewal	Final Renewal ²	Recommended
		HDHP -- Separate HSA Fund			HDHP
Retiree Only	0	\$723.29	\$880.97	\$723.29	\$635.55
Retiree + Dependent	0	\$1,295.13	\$1,536.96	\$1,295.13	\$1,365.93
Retiree + Family	0	\$1,784.76	\$2,103.54	\$1,784.76	\$1,947.58
HDHP Annualized Premium	0	\$0	\$0	\$0	\$0
% Change from Current					
HSA Fund (\$750/\$1,500)		\$0	\$0		\$0

Total Annualized Premium	22	\$250,486	\$299,416	\$250,486	\$242,562
\$ Change from Current			\$48,931	\$0	(\$7,923)
% Change from Current			19.5%	0.0%	-3.2%

¹Enrollment figures provided by SDCRAA

²Final renewal does not include tier adjustments for the PPO and the HDHP plans

Medical Renewal Analysis Medicare Enrolled

Medical Renewal & Marketing Results (Medicare Retiree)

January 1, 2017 - December 31, 2017

Carrier	Received Quote?	Comments	% Increase (Over Current)	Additional Notes
Anthem Blue Cross	Incumbent (HMOs/PPO)	Presented	2.9% (Initial) 2.2% (Negotiated)	Current HMOs/PPO plans will remain in place (Anthem mandatory changes apply).
United Healthcare (UHC)	Quoted (Medicare PPO)	Presented	-41.5%	UHC would only quote PPO plan due to group size. All retirees with Medicare will switch from current HMOs/PPO plans to Medicare PPO plan. Moving to UHC Medicare PPO plan will not impact Active/Early Retiree HMOs/PPO plan rates.
Anthem Blue Cross	Quoted (Medicare PPO)	Presented	-34.6%	Anthem would only quote PPO plan due to group size. All retirees with Medicare will switch from current HMOs/PPO plans to Medicare PPO plan. Moving to Medicare PPO plan will not impact Active/Early Retiree HMOs/PPO plan rates.
AmWINS (Exchange)	Pending	Medical rates not available	N/A	Multi Employer Trust (MET) rates to be released September 2016. Will review quote in the Fall for educational purposes.

Medicare Retirees can choose different carrier than Pre-Medicare Retirees

Medical Renewal & Marketing Analysis (Medicare Retirees)

		Anthem Blue Cross		United Healthcare
Full Network HMO	Enrollment ¹	Current	Final Renewal	Recommended
Enrollment Tier		Medical + Rx	Medical + Rx	Medical PPO/Rx
Retiree Only	6	\$615.74	\$631.42	\$418.82
Retiree + Dependent	3	\$1,228.40	\$1,259.76	\$837.64
Dependent Only	1	\$539.43	\$555.11	\$418.82
HMO Annualized Premium	10	\$95,029	\$97,475	\$65,336

		Anthem Blue Cross		United Healthcare
Narrow Network HMO	Enrollment ¹	Current	Final Renewal	Recommended
Enrollment Tier		Medical + Rx	Medical + Rx	Medical PPO/Rx
Retiree Only	2	\$475.45	\$491.13	\$418.82
Retiree + Dependent	1	\$952.24	\$983.60	\$837.64
Dependent Only	2	\$423.88	\$436.53	\$418.82
Narrow HMO Annualized Premium	5	\$33,011	\$34,067	\$30,155

		Anthem Blue Cross		United Healthcare
PPO	Enrollment ¹	Current	Final Renewal	Recommended
Enrollment Tier		Medical + Rx	Medical + Rx	Medical PPO/Rx
Retiree Only	11	\$914.91	\$930.59	\$418.82
Retiree + Dependent	4	\$1,651.81	\$1,683.17	\$837.64
Dependent Only	1	\$566.22	\$581.90	\$418.82
PPO Annualized Premium	16	\$206,850	\$210,613	\$100,517

Total Annualized Premium	31	\$334,889	\$342,155	\$196,008
\$ Change from Current			7,266	(138,882)
% Change from Current			2.2%	-41.5%

¹Enrollment figures provided by SDCRAA

Medical Cost Share Analysis (Medicare Retirees)

Full Network HMO (with Scripps)		Anthem Blue Cross 01/01/2016 - 12/31/2016 CURRENT			United Healthcare 01/01/2017 - 12/31/2017 RECOMMENDED			
		90% Retiree / 55% Dependent			90% Retiree / 55% Dependent			
Enrollment ¹	Monthly Premium Medical + Rx	ER Monthly	Retiree Monthly	Monthly Premium Medical + Rx	ER Monthly	Retiree Monthly	Retiree Monthly Difference	
Retiree Only	6	\$615.74	\$554.17	\$61.57	\$418.82	\$376.94	\$41.88	-\$19.69
Retiree + Dependent	3	\$1,228.40	\$952.70	\$275.70	\$837.64	\$649.17	\$188.47	-\$87.23
Dependent Only	1	\$539.43	\$296.69	\$242.74	\$418.82	\$230.35	\$188.47	-\$54.27
HMO Annualized Premium	10	\$95,029	\$77,757	\$17,271	\$65,336	\$53,274	\$12,062	
\$ Change from Current					(\$29,693)	(\$24,484)	(\$5,209)	
% Change from Current					-31.2%	-31.5%	-30.2%	

Narrow Network HMO (No Scripps)		90% Retiree / 55% Dependent			90% Retiree / 55% Dependent			
Enrollment Tier	Enrollment ¹	Monthly Premium Medical + Rx	ER Monthly	Retiree Monthly	Monthly Premium Medical + Rx	ER Monthly	Retiree Monthly	Retiree Monthly Difference
Retiree Only	2	\$475.45	\$427.91	\$47.55	\$418.82	\$376.94	\$41.88	-\$5.66
Retiree + Dependent	1	\$952.24	\$737.68	\$214.56	\$837.64	\$649.17	\$188.47	-\$26.09
Dependent Only	2	\$423.88	\$233.13	\$190.75	\$418.82	\$230.35	\$188.47	-\$2.28
Narrow HMO Annualized Premium	5	\$33,011	\$24,717	\$8,294	\$30,155	\$22,365	\$7,790	
\$ Change from Current					(\$2,856)	(\$2,352)	(\$504)	
% Change from Current					-8.7%	-9.5%	-6.1%	

PPO		90% Retiree / 55% Dependent			90% Retiree / 55% Dependent			
Enrollment Tier	Enrollment ¹	Monthly Premium Medical + Rx	ER Monthly	Retiree Monthly	Monthly Premium Medical + Rx	ER Monthly	Retiree Monthly	Retiree Monthly Difference
Retiree Only	11	\$914.91	\$823.42	\$91.49	\$418.82	\$376.94	\$41.88	-\$49.61
Retiree + Dependent	4	\$1,651.81	\$1,320.21	\$331.61	\$837.64	\$649.17	\$188.47	-\$143.14
Dependent Only	1	\$566.22	\$311.42	\$254.80	\$418.82	\$230.35	\$188.47	-\$66.33
PPO Annualized Premium	16	\$206,850	\$175,798	\$31,051	\$100,517	\$83,680	\$16,837	
\$ Change from Current						(\$92,118)	(\$14,215)	
% Change from Current						-52.4%	-45.8%	

Total Annualized Premium	31	\$334,889	\$278,273	\$56,616	\$196,008	\$159,319	\$36,689	
\$ Change from Current					(\$138,882)	(\$118,954)	(\$19,928)	
% Change from Current					-41.5%	-42.7%	-35.2%	

¹Enrollment figures provided by SDCRAA

Medical Plan Comparison (Medicare Retirees)

Plan Provisions	CURRENT	CURRENT		RECOMMENDED	
	Full Network HMO Narrow Network HMO	PPO Plan		UHC Medicare PPO	
	In-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Network	California Care HMO/SelectPlus HMO	Prudent Buyer PPO		UHC Group Medicare Advantage PPO	
Annual Deductible (Individual/Family)	N/A	\$250/\$750		No deductible	
Out-of-Pocket Maximum (Includes Deductible)	\$1,500/\$3,000	\$2,500/\$5,000	\$6,500/\$13,000	No out-of-pocket maximum	
Preventive Care	No charge	No charge	40% after deductible	No charge	No charge
Primary/Specialist Office Visit	\$20/\$20 copay	\$20/\$20 (deductible waived)	40% after deductible	No charge	No charge
Inpatient Hospital Services	\$200 copay per admit	20% after deductible ¹	40% after deductible ¹	No charge	No charge
Hearing Aid	20%	20%		\$500 allowance/36 months	
Emergency Room Care	\$100 copay (waived if admitted)	\$150 copay + 20% after deductible		No charge	
Retail Prescription Drugs (30-day supply)					
Deductible	No deductible	No deductible		No deductible	
Generics²	\$10 copay	\$10 copay	In-Network Only	\$7 copay	In-Network Only
Preferred Brand²	\$20 copay	\$20 copay	In-Network Only	\$15 copay	In-Network Only
Non-Preferred Brands & Non-Formulary²	\$40 copay	\$40 copay	In-Network Only	\$40 copay	In-Network Only
Mail Order (90-day supply)	\$20/\$40/\$80	\$20/\$40/\$80	In-Network Only	\$14/\$30/\$80	In-Network Only

¹Maximum payment for non-emergency out-of-network inpatient service limited to \$1,000 per day.

²Listed copays apply until the amount paid by you and the Coverage Gap Discount Program for covered Part D prescriptions reaches your True Out of

Note: only major plan attributes are listed. Please refer to SPD for complete list of benefits attributes

Medicare Retiree Perks

- SilverSneakers - fitness program at participating location/gym, home or online
- Caregiver – care planning and coordination
- NurseLine – 24/7 access to registered nurse for non-emergency health concerns
- Disease Management (chronic heart failure, coronary artery disease and end stage renal disease)



Dental Renewal Analysis



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Dental Renewal Analysis

		Delta Dental 01/01/2016 - 12/31/2016			
Dental PPO	Enrollment ¹	Monthly Premium	EE Monthly	ER Monthly	ER %
Employee Only	155	\$58.83	\$0.00	\$58.83	100.0%
Employee + One Dep	87	\$105.63	\$21.06	\$84.57	80.1%
Employee + Family	93	\$143.63	\$38.16	\$105.47	73.4%
Waive Credit		(Credit)	-\$4.84	\$4.84	
Annual Total	335	\$379,993	\$64,573	\$315,419	
Dental HMO					
Employee Only	27	\$18.86	\$0.00	\$18.86	100.0%
Employee + One Dep	16	\$31.16	\$5.53	\$25.63	82.3%
Employee + Family	16	\$46.30	\$12.50	\$33.80	73.0%
Waive Credit		(Credit)	-\$4.84	\$4.84	
Annual Total	59	\$20,983	\$3,462	\$17,521	
COMBINED TOTAL	394	\$400,976	\$68,035	\$332,941	
\$ Difference from Current					
% Difference from Current					

¹Enrollment figures provided by SDCRAA reflect active employees, pre-Medicare retirees and budgeted positions.

Benchmarking (Dental Employee Contributions)

	SDCRAA 2016 DHMO	SDCRAA 2016 PPO	Government	California	National (All)
Average Dental Cost Per Employee Per Year – 2014	\$384	\$1,232	\$816	\$983	\$789
Employee Contribution (Individual)					
Monthly Contribution	\$0	\$0	\$21	\$18	\$29
Percent of Premium	0%	0%	52%	36%	67%
Employee Contribution (Family)					
Monthly Contribution	\$12	\$38	\$58	\$59	\$72
Percent of Premium	27%	27%	61%	47%	74%

Benchmark data from the 2014 Mercer National Survey of Employer Sponsored Health Plans

Renewal Summary



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Recommendation Summary

- **Active Employees:**
 - Blue Shield of California (HMO, PPO, HDHP)
 - 10% Wellness / 15% Non-Wellness Cost share
 - \$250 employee/ \$200 spouse FSA/HSA/457 deposit biometrics incentive
- **Pre-Medicare Retirees:**
 - Blue Shield of California (HMO, PPO, HDHP)
- **Medicare Retirees/Spouses Only:**
 - United Healthcare (PPO)
- **Dental**
 - Delta Dental (in second year of two year rate lock)
- **All other lines maintained with current providers:**
 - VSP Vision Care
 - The Hartford Basic Life/AD&D, Short Term Disability
 - Anthem EAP
 - The Health Advocate

A low-angle photograph of a modern building with a teal overlay containing the text "Questions?". The building features a prominent overhang and large glass windows. In the foreground, a sign for "Ticketing" and "U.S. Airways" is visible. The sky is bright and clear.

Questions?

● Ticketing
U.S. Airways