

A young girl with dark hair, wearing a red t-shirt, is smiling and looking to her right. She is holding a green marker and appears to be writing on a piece of paper. In the background, there are other people, including a person in a white shirt and another in a blue shirt, all slightly out of focus. The overall scene is bright and positive, suggesting a classroom or educational setting.

Compton Community College District

Board of Trustees

April 19, 2017

CALIFORNIA
SCHOOLS

veba

Agenda

- Compton Community College District's Current Medical Programs
- Proposed Medical Programs
- Differences Between VEBA and CalPERS
 - Enhancements to United Healthcare HMO
- Rates & Savings

Compton CCD's Current Medical Programs

- Kaiser Permanente HMO; stand alone/direct contract and
- United Healthcare HMO; contract through ASCIP

Proposed Medical Programs – VEBA Pool

VEBA

Since 1993, the **California Schools VEBA** has been providing effective management of Southern California's largest fully-funded Trust that specializes in providing health care benefits for education employees.

- VEBA, Voluntary Joint Labor-Management Organization
 - ❖ With 60+ Districts (4 Community Colleges) and over 120,000 members
- Board; 8 Management & 8 Labor Board Members
- Customized Healthcare Benefits with the Highest Quality and Value
- District can join at any time
- Plan Year January 1st; current District's Plan Year is effective 10/1
- Eligible to withdraw after one (1) year of Full Term
- Termination Notice 90 days before renewal date

Differences Between VEBA and CalPERS

VEBA:

- Allows waivers and cash opt out options
- Improved Quality through high-performing doctors and expert second opinion services
 - ❖ Critical Care Support (Expert second opinions for catastrophic medical events)
- Dedicated Customer Service to District
- Ongoing Health Support Resources
 - ✓ Employee Assistance Program (EAP)
 - ✓ Wellness Programs
 - Health and Fitness Challenges
 - Health Coaches
 - ✓ District and Union Wellness Newsletters
- Open Enrollment Support
 - ✓ Flu Shots & Biometric Screenings
 - ✓ Carrier and VEBA representatives to help members understand the choices
 - ✓ Online Enrollment Tools
 - ✓ Customized Communications
 - ✓ Giveaways

Differences Between VEBA & CalPERS

CalPERS:

- No control over Plan Design; forced plan changes
- VEBA offers a full network vs. CalPERS' narrow network
- No mandates for active, part-time or retiree eligibility or contribution levels
- No underwriting guidelines – “come one, come all” policy
- Administrative Fee may not be included in the premium rates = .31%
- No rate advantage for Wellness Program – No ROI
- ACA Cadillac Tax concerns of PERS plans
- Lack of Customer Service Representatives
- Heavy Retiree Participation
- Minimum contribution requirement by each agency
- Increased GASB liability; AB2544, retirees can come and go on the plan
- Mandatory retiree and surviving spouse coverage

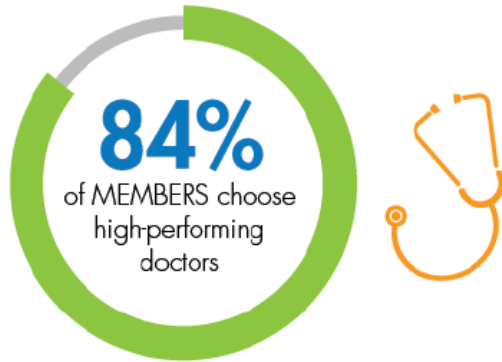
Enhancements to United Healthcare HMO \$5/100% Plan Designs

Benefits/Plan Design	Current United Healthcare (UHC) Benefits	VEBA Enhancements to UHC Plan Design	CalPERS
Annual Out-of-Pocket / Individual	\$1,000	\$800	\$1,500
Annual Out-of-Pocket / Family	\$3,000	\$2,400	\$3,000
Prescription (Non-Formulary/Non-Preferred)	Preauthorization by UHC as Medically Necessary; applicable generic or brand-name copayment	\$35 co-pay for 30 days supply	\$50 Co-pay for 30 days supply
Prescription Mail Order (Non-Formulary/Non-Preferred)	Preauthorization by UHC as Medically Necessary; applicable generic or brand-name copayment	\$70 co-pay for 90 days supply	\$100 Co-pay for 30 days supply
Home Health Care	100 Visits per Calendar Year	Unlimited Visits	Unlimited Visits
Chiropractic Services	Maximum 30 Visits	Unlimited Visits	\$15 co-pay (20 visits per year)
Vision Examination Co-pay	\$5 Co-pay	No Co-pay	No Co-pay
Hearing Screening Co-pay	\$5 Co-pay	No Co-pay	\$15 Co-pay

Minimal Changes to United Healthcare HMO \$5/100% Plan Designs

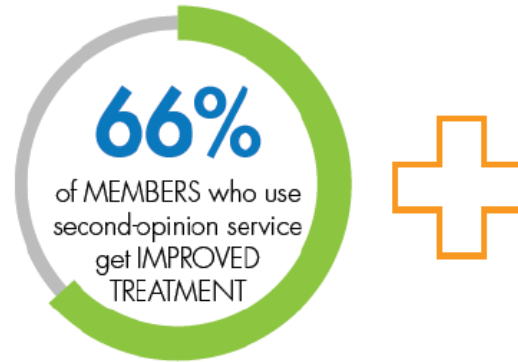
Benefits/Plan Design	Current United Healthcare (UHC) Benefits	VEBA Changes to UHC Plan Design	CalPERS
Emergency Room Co-pay	\$50 Co-pay	\$100 Co-pay	\$50 Co-pay
Outpatient Care Co-pay	100%	\$5 Co-pay	\$15 Co-pay
Vision Annual Allowance	\$130 or \$175	Not Applicable	Not Applicable
Vision Lenses & Materials	Every 24 months	Not Covered	Not Covered

VEBA Savings



\$25 million

saved in premiums each year by having members use innovative performance-based HMO plan network



\$500,000

saved by having members get the most effective care



VEBA Renewal History

YEAR	UNITEDHEALTHCARE	KAISER
2013	9.47%	6.51%
2014	8.14%	8.80%
2015	4.63%	0.48%
2016	7.30%	5.30%
2017	2.11%	6.76%

MAKING HEALTH CARE BETTER FOR EVERYONE



CaPERS HMO Renewal History

YEAR	Blue Shield Access +HMO	Blue Shield Net Value HMO	KAISER HMO	Anthem HMO Select	Anthem HMO Traditional	Health Net Salud y Mas HMO	Health Net SmartCare HMO	UNITED HEALTHCARE HMO
2013	Rate Pass	3.21%	7.9%	N/A	N/A	N/A	N/A	N/A
2014	<11.46%>	<12.76%>	7.84%	New Plan	New Plan	New Plan	New Plan	New Plan
2015	10.21%	22.73%	<3.80%>	3.69%	14.89%	1.24%	4.75%	<5.95%>
2016	9.04%	18.76%	4.35%	10.51%	<3.32%>	8.22%	2.98%	7.30%
2017	19.32%	No Longer Offered	5.53%	9.07%	16.88%	<11.01%>	<10.02%>	10.86%

CalPERS PPO Renewal History

YEAR	PERSCare (90 / 10)	PERS Choice (80 / 20)	PERS Select (80 / 20)
2013	Rate Pass	1.017%	Rate Pass
2014	<34.52%>	2.0%	33.73%
2015	3.61%	<2.34%>	.046%
2016	3.06%	2.32%	<5.02%>
2017	7.34%	6.48%	3.25%

United HealthCare Savings through VEBA

Tier	Enrollment	Projected 2017/18 +2.5% ASCIP Renewal (10/1/17 – 9/30/18)	Projected 2018/19 +2.5% ASCIP Renewal (10/1/18 – 12/31/18)	Total Premium (15 months)
Single	33	\$989.20	\$1,013.93	\$492,101.94
Two Party	3	\$1,976.93	\$2,026.35	\$89,406.64
Family	1	\$2,572.15	\$2,636.45	\$38,775.15
Total	37			\$620,283.73

Tier	Enrollment	2017/18 VEBA Proposal (10/1/2017 – 12/31/2018)	Total Premium (15 months)
Single	33	\$769	\$380,655
Two Party	3	\$1,586	\$71,370
Family	1	\$2,262	\$33,930
Total	37		\$485,955
Total VEBA Savings: \$134,328.73*			

* Savings based on VEBA UHC \$5 HMO plan with an estimated 2.5% 2017/18 renewal and 2.5% 2018/19 renewal of current district plan offering. Savings will be greater if the renewal is larger than 2.5% or the district moves to a lower plan design.

Kaiser Savings through VEBA

Tier	Enrollment	2017/18 Renewal (10/1/17 – 9/30/18)	Projected 2018/19 +3.5% Renewal (10/1/18 – 12/31/18)	Total Premium (15 months)
Single	151	\$672.18	\$695.71	\$1,533,145.11
Two Party	48	\$1,344.36	\$1,391.41	\$974,714.77
Family	23	\$1,902.27	\$1,968.85	\$660,877.13
Total	222			\$3,168,737.02

VEBA proposal: Extend the current rates and benefit plans through December 31, 2017. District would be eligible for entering the VEBA pool rates and benefits effective January 1, 2018.

Tier	Enrollment	Current (10/1/17 – 12/31/17)	2018 VEBA Proposal (1/1/2018 – 12/31/2018)	Total Premium (15 months)
Single	151	\$647.29	\$626	\$1,427,534.37
Two Party	48	\$1,294.58	\$1,235	\$897,779.52
Family	23	\$1,831.83	\$1,742	\$607,188.27
Total	222			\$2,932,502.16
Total VEBA Savings: \$236,502.16*				

* Savings based on \$5 VEBA plan and estimated 3.5% 2018 renewal. Savings will be greater if the renewal is larger than 3.5% or the district moves to a lower plan design.

Thank You!

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