



COACHELLA VALLEY WATER DISTRICT

Board Action Item  
 Employee Health Insurance Premium Renewals  
 1/1/2025 – 12/31/2025

**MEDICAL PLANS**

In accordance with the District’s Memorandums of Understanding with its collective bargaining units: Coachella Valley Water District Employees Association (CVWDEA), Association of Supervisory Support Evaluation Team (ASSET) and the Defined Benefit and Compensation Plan (DBCP) for classifications that are Unrepresented, At-will and Confidential, the District offers the group medical plans to eligible employees, spouses/domestic partners, dependents and retirees for terms outlined in their respective agreements. The current plan offerings are:

- One (1) Preferred Provider Organization (PPO)
- One (1) High Deductible Health Plan (HDHP)
- Two (2) Health Maintenance Organizations (HMO)

Human Resources and the Benefits Committee recommends replacing the Anthem medical, dental and vision plans with Aetna, Delta Dental, and EyeMed respectively, having completed a competitive process to determine the overall best value to the District and its employees.

Aetna PPO and HDHP (HSA) Medical Plans are fully funded, including prescriptions, chiropractic and administrative services and will be replacing the Anthem HMO and HDHP medical plans. Anthem proposed an initial rate increase of 39%, offered 14% upon appeal, and 6% as a best and final. Aetna initially proposed a 2% increase but when provided a best and final, offered a rate pass of 0% for the plan year and guaranteed rate caps for 2026 and 2027 based on the medical benefit loss ratio of said years. Anthem would not provide guaranteed rate caps.

**AETNA OAMC PPO MEDICAL PLAN**

Utilizing current and assumed employee/retiree plan selections, the estimated annual cost for CY 2025 in the Aetna PPO plan is \$3,182,167. The chart below shows the 2025 monthly renewal rates:

| <b>Aetna Open Access Managed Care PPO</b> |                         |                    |                          |
|---|-------------------------|--------------------|--------------------------|
| Coverage Categories                       | Assumed 2025 Employees* | Anthem 2024 Rates  | Aetna 2025 Renewal Rates |
| Emp Only                                  | 85                      | \$655.09           | \$655.09                 |
| Emp + Spouse                              | 40                      | \$1,375.71         | \$1,375.71               |
| Emp + Child(ren)                          | 18                      | \$1,244.66         | \$1,244.66               |
| Emp + Family                              | 63                      | \$2,096.28         | \$2,096.28               |
| <b>Totals</b>                             | <b>206</b>              | <b>\$3,182,167</b> | <b>\$3,182,167</b>       |

\*Assumed employee total includes 81 retirees and 0 COBRA participants

|                  |               |
|------------------|---------------|
| <b>% Change</b>  | <b>0%</b>     |
| <b>\$ Impact</b> | <b>\$0.00</b> |

**AETNA HDHP-H.S.A. MEDICAL PLAN**

Utilizing current and assumed employee/retiree plan selections, the estimated annual cost in 2025 for the Aetna H.S.A. plan is \$67,351. The chart below shows the 2025 monthly renewal rates:

| <b>Aetna HDHP-HSA</b> |                         |                   |                          |
|-----------------------|-------------------------|-------------------|--------------------------|
| Coverage Categories   | Assumed 2025 Employees* | Anthem 2024 Rates | Aetna 2025 Renewal Rates |
| Emp Only              | 3                       | \$536.85          | \$536.85                 |
| Emp + Spouse          | 2                       | \$1,134.72        | \$1,134.72               |
| Emp + Child(ren)      | 0                       | \$1,026.02        | \$1,026.02               |
| Emp + Family          | 1                       | \$1,732.63        | \$1,732.63               |
| <b>Totals</b>         | <b>6</b>                | <b>\$67,351</b>   | <b>\$67,351</b>          |

\*Assumed employee total includes 1 retiree and 0 COBRA participants.

|                  |               |
|------------------|---------------|
| <b>% Change</b>  | <b>0%</b>     |
| <b>\$ Impact</b> | <b>\$0.00</b> |

**AETNA HMO MEDICAL PLAN**

Aetna HMO is a fully funded plan, including prescriptions, chiropractic and administrative services and is replacing the Anthem HMO plan. Anthem proposed an initial rate increase of 12.8%, offered 9.9% upon appeal, and 6% as a best and final. Aetna initially proposed a 2% increase but when provided a best and final offered a rate pass of 0% for the plan year and guaranteed rate caps for 2026 and 2027 based on the medical benefit ratio.

Utilizing current and assumed employee/retiree plan selections, the estimated annual cost in 2025 for the Aetna HMO plan is \$3,106,743. The chart below shows the 2025 monthly renewal rates:

| <b>Aetna HMO</b>    |                         |                    |                          |
|---------------------|-------------------------|--------------------|--------------------------|
| Coverage Categories | Assumed 2025 Employees* | Anthem 2024 Rates  | Aetna 2025 Renewal Rates |
| Emp Only            | 38                      | \$761.15           | \$761.15                 |
| Emp + Spouse        | 25                      | \$1,560.76         | \$1,560.76               |
| Emp + Child(ren)    | 42                      | \$1,066.58         | \$1,066.58               |
| Emp + Family        | 64                      | \$2,283.69         | \$2,283.69               |
| <b>Totals</b>       | <b>169</b>              | <b>\$3,106,743</b> | <b>\$3,106,743</b>       |

\*Assumed employee total includes 30 retirees and 0 COBRA participants.

|                  |               |
|------------------|---------------|
| <b>% Change</b>  | <b>0%</b>     |
| <b>\$ Impact</b> | <b>\$0.00</b> |

**KAISER FOUNDATION HMO INSURED MEDICAL PLAN**

Kaiser HMO is a fully funded plan, including prescriptions, chiropractic and administrative

services with no plan changes for 2025. Kaiser has proposed a -0.51% decrease with an estimated annual cost of \$3,617,501. The chart below shows the 2025 monthly renewal rates.

| <b>Kaiser HMO</b>   |                         |                    |                    |
|---------------------|-------------------------|--------------------|--------------------|
| Coverage Categories | Assumed 2025 Employees* | 2024 Rates         | 2025 Renewal Rates |
| Emp Only            | 61                      | \$669.60           | 666.21             |
| Emp + Spouse        | 27                      | \$1,406.17         | 1,399.03           |
| Emp + Child(ren)    | 28                      | \$1,272.25         | 1,265.79           |
| Emp + Family        | 88                      | \$2,142.73         | 2,131.86           |
| <b>Totals</b>       | <b>204</b>              | <b>\$3,635,945</b> | <b>\$3,617,501</b> |

\*Assumed employee total includes 23 retirees and 1 eligible COBRA participants.

|                  |                  |
|------------------|------------------|
| <b>% Change</b>  | <b>-0.51%</b>    |
| <b>\$ Impact</b> | <b>-\$18,444</b> |

**EYEMED VISION PLAN**

The District provides a fully funded Vision Plan which is required for all active, full-time employees to participate and is optional for their dependents. EyeMed will provide direct coverage to the District rather than the current Anthem Blue View Vision, which lease the EyeMed network. EyeMed. This will improve the overall cost and provide enhancements to the current vision plans. EyeMed has provided a four-year rate guarantee. The estimated annual premiums will increase by 20% (average \$1.81 per employee per pay period ) for a total annual amount of \$140,960.

| <b>EyeMed</b>       |                        |                   |                           |
|---------------------|------------------------|-------------------|---------------------------|
| Coverage Categories | Assumed 2025 Employees | Anthem 2024 Rates | EyeMed 2025 Renewal Rates |
| Emp Only            | 150                    | \$9.39            | \$11.27                   |
| Emp + Spouse        | 65                     | \$16.89           | \$20.27                   |
| Emp + Child(ren)    | 77                     | \$16.55           | \$19.86                   |
| Emp + Family        | 248                    | \$24.22           | \$29.07                   |
| <b>Totals</b>       | <b>540</b>             | <b>\$117,447</b>  | <b>\$140,960</b>          |

|                  |                 |
|------------------|-----------------|
| <b>% Change</b>  | <b>20%</b>      |
| <b>\$ Impact</b> | <b>\$23,512</b> |

**DELTA DENTAL PLAN**

The District offers a self-funded dental benefit plan in which all active, full-time employees must participate and is optional for their dependents. Delta Dental will replace Anthem Dental with enhanced changes to the 2025 Dental Plan. Delta Dental has proposed a rate pass for the plan year with an annual cost of \$474,219. The annual service fee (ASO) will be reduced from \$3.68 PEPM to \$3.50 PEPM and is guaranteed for the next two years. The chart below shows the monthly renewal rates:

| <b>Delta Dental</b> |                        |                          |                          |
|---------------------|------------------------|--------------------------|--------------------------|
| Coverage Categories | Assumed 2025 Employees | Anthem Dental 2024 Rates | Delta 2025 Renewal Rates |
| Emp Only            | 146                    | \$30.43                  | \$30.43                  |
| Emp + Spouse        | 66                     | \$61.53                  | \$61.53                  |
| Emp + Child(ren)    | 79                     | \$68.29                  | \$68.29                  |
| Emp + Family        | 249                    | \$102.89                 | \$102.89                 |
| <b>Sub Totals</b>   | <b>540</b>             | <b>\$474,219</b>         | <b>\$474,219</b>         |

|                  |            |
|------------------|------------|
| <b>% Change</b>  | <b>0%</b>  |
| <b>\$ Impact</b> | <b>\$0</b> |

**LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)**

As part of the employee benefit package, the District purchases a Group Term Life Insurance and Dependent Life Insurance policy for every active, full-time employee and their eligible dependents. All premiums are paid for by the District with a limit for each employee at \$50,000 or 1.5 times their annual salary, whichever is greater, up to \$350,000. The cost of the Group Term Life Insurance policy is \$0.132 per \$1,000 of payroll; the AD&D benefit is \$0.023 per \$1,000 of payroll, and the cost for dependent life coverage is \$0.48 per dependent unit. The estimated annual cost in 2025 for the New York Life Group Term Life Insurance and AD&D plan is \$128,457.

There is no increase to the New York Life and AD&D rates for 2025, which has a rate guarantee of three years.

| <b>New York Life Insurance and AD&amp;D</b> |              |              |
|---|--------------|--------------|
| Benefit                                     | Current Rate | Renewal Rate |
| Basic Life - Employee                       | \$0.132      | \$0.132      |
| Voluntary Life                              | \$0.243      | \$0.243      |
| Voluntary Employee & Spouse                 | Age Banded   | No Increases |
| Voluntary Dependent Child Life              | \$0.20       | \$0.20       |
| Accidental Death & Dismemberment            | \$0.023      | \$0.023      |

|                  |            |
|------------------|------------|
| <b>% Change</b>  | <b>0%</b>  |
| <b>\$ Impact</b> | <b>\$0</b> |

**ESTIMATED TOTALS OF ABOVE REFERENCED PREMIUM RENEWALS**

| <b><u>Benefits</u></b> | <b><u>2025 Estimated</u></b> |
|------------------------|------------------------------|
| Aetna PPO              | \$3,182,167                  |
| Aetna HDHP - H.S.A.    | \$67,351                     |
| Aetna HMO              | \$3,106,743                  |
| Kaiser HMO             | \$3,617,501                  |
| Delta Dental           | \$474,219                    |
| EyeMed                 | \$140,960                    |

SUBJECT: Health Care Benefits Program Renewals for Year 2025

|  |              |
|--|--------------|
| Cigna Life and AD&D  | \$150,047    |
| <b>Total Annual Premium Renewal Cost<br/>(Active Employees and Retirees)</b> | \$10,738,988 |
| <b>Total Annual Cost to the District</b>                                     | \$8,526,756  |
| <b>Total Annual Cost to Employees/Retirees*</b>                              | \$2,212,232  |

**\*Note:**  
**CVWDEA Members contribute 20% of Premium Cost**  
**ASSET Members contribute 25% of Premium Cost**  
**DBCP Category 1 & 2 Members contribute 25% of Premium Cost**  
**DBCP Category 3 Members contribute 20% of Premium Cost**