

Employee Benefit Insurance Renewals CY 2025



Board of Directors Meeting

August 13, 2024

Employee Benefits Survey

In December 2023, Human Resources issued a District-wide Employee Benefits Survey. Results from the survey showed that the most important benefits to CVWD employees are the medical, dental and vision plans with lower monthly premiums and flexibility in selection within the provider network as the most important aspects of those plans.

“What employee benefits are most important to you?”



2025 Benefits Committee

In January 2024, Human Resources formed a Benefits Committee comprised of members from each bargaining unit and different departments/divisions across the District and established the following goals:

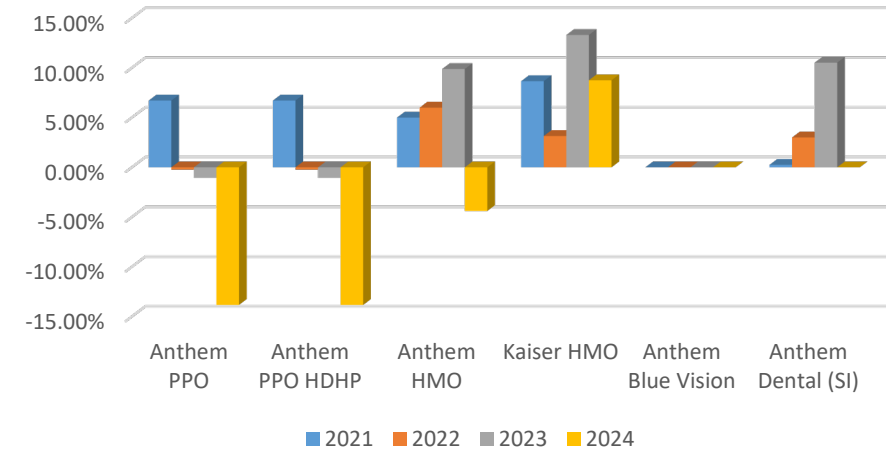
- Review the District's current medical plans to ensure:
 - The plans are competitive and provide various options to meet the diverse needs of the District's employees
 - The plans provide comprehensive coverage for a wide range of healthcare services
- Investigate potential enhancements to the District's Dental and Vision plans based on employee feedback from the survey.
- Research other medical plans in comparison to the current plans
- Explore new benefit opportunities



Historical Benefit Rate Trends

Coverage Plan	2021 Rate Variance	2022 Rate Variance	2023 Rate Variance	2024 Rate Variance
Anthem PPO	6.71%	-0.24%	-1.06%	-13.83%
Anthem PPO HDHP	6.71%	-0.24%	-1.06%	-13.83%
Anthem HMO	5.00%	6.00%	9.88%	-4.39%
Kaiser HMO	8.66%	3.15%	13.30%	8.75%
Anthem Blue Vision	0.00%	0.00%	0.00%	0.00%
Anthem Dental (SI)	0.25%	3.00%	10.52%	0.00%

CVWD Benefit Rate Trends



Upon review of the historical rate trends, the Benefits Committee working with the District's Benefit Broker, requested quotes for medical, dental, and vision insurances to test the competitiveness of the fees, rates, and services provided by the current carriers.



PPO Plan-for-Plan Quotes

Effective: 1/1/2025

Carrier Name Plan Name		Current		Option 1		Option 2		Option 3	
		Anthem		Aetna		Blue Shield of CA		FRMS	
		Classic PPO 750/30/50/20%		OAMC 750 \$30/50 80/60%		Full PPO Split Ded 30-750 80/60		Blue Shield Premium PPO	
		In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network
Plan Features									
Deductible Ind / Fam		\$750/\$2,250	\$2,250/\$6,750	\$750/\$2,250	\$2,250/\$6,750	\$750/\$2,250	\$2,250/\$6,750	\$500/\$1,500	\$500/\$1,500
Member Payment Limit Ind / Fam		\$5,000/\$10,000	\$15,000/\$30,000	\$5,000/\$10,000	\$15,000/\$30,000	\$5,000/\$10,000	\$15,000/\$30,000	\$2,000/\$6,000	\$4,000/\$12,000
Coinsurance		80%	60%	80%	60%	80%	60%	90%	70%
Office Visit Copay / Specialist Copay		\$30/\$50	40%	\$10/\$50	40%	\$30/\$50	40%	\$15/\$15	30%
Hospital Inpatient		20%	40%	20%	40%	20%	40%	10%	30%
Hospital Outpatient Surgery		20%	40%	20%	40%	20%	40%	10%	30%
Emergency Room		\$150 + 20%		\$150 + 20%		\$150 + 20%		\$100 + 10%	
Urgent Care		\$30	40%	\$30	40%	\$30	40%	\$15	30%
Advanced Imaging		20%	40%	20%	40%	20%	40%	10%	30%
All Other Lab		20%	40%	\$0	40%	20%	40%	10%	30%
Rx Deductible Ind/Fam		None		None		None		None	
Retail Rx (Tier 1a/1b/2/3/4)		\$5/\$15/\$40/\$60/30% to \$250		\$5/\$15/\$40/\$60/30% to \$250		\$15/\$40/\$60/30% to \$250		\$10/\$20/\$35/20% to \$100	
Mail Order Rx (Tier 1a/1b/2/3/4)		\$12.50/\$37.50/\$120/\$180/30% to \$250		\$12.50/\$37.50/\$120/\$180/30% to \$250		\$45/\$120/\$180/30% to \$750		\$20/\$40/\$70/20% to \$100	
Rate Structure	Subs	Current	Renewal	Option 1	Option 2	Option 3			
Employee Only	87	\$655.09	\$910.57	\$668.00	\$753.35	\$825.82			
Employee + Spouse	40	\$1,375.71	\$1,912.24	\$1,402.82	\$1,582.07	\$1,651.64			
Employee + Child(ren)	17	\$1,244.66	\$1,730.08	\$1,269.19	\$1,431.36	\$2,147.13			
Employee + Family	61	\$2,096.28	\$2,913.83	\$2,137.59	\$2,410.72	\$2,147.13			
Monthly Premium	205	\$261,054	\$362,864	\$266,198	\$300,211	\$305,389			
Annual Premium		\$3,132,642	\$4,354,370	\$3,194,376	\$3,602,535	\$3,664,664			
% Change Over Current			39.0%	2.0%	15.0%	17.0%			
\$ Change Over Current				\$61,734	\$469,893	\$532,021			



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Responses to Increased Premiums

Anthem's remarks regarding increased 39% PPO premiums

- PPO plan is running at a 95% loss ratio
- PPO plan required an increase of 58.6% based on the 95% loss ratio but Anthem is only proposing a 39% increase up front
- There will be mandatory contract changes for 2025

Underwriting Review

- This is an outrageous proposal for the PPO plan, especially when we consider the last 3 years of plan performance.
- The most recent 36-month loss ratio is averaging 64%. \$6.7M in claims expenses and \$10.4M in premiums collected. That's \$3.7M in favor of Anthem over the past 3 years.
- Anthem increased their pooling point from \$200K to \$250K
 - There are \$215K in pooled claims compared to zero during the prior period
- Retention, or administrative services has increased by 53% over the prior year and not justifiable in any scenario.



HMO Plan-for-Plan Quotes

HMO Comparison

Effective: 1/1/2025

	Current				Option 1	Option 2	Option 3	
Carrier Name	Anthem				Aetna	Blue Shield of CA	FRMS	
Plan Name	Mod Premier 20/100% w/Chiro Rider				HMO \$20/20	Access+ HMO 0 Admit 20 w/Chiro Rider	Blue Shield Premium EPO	
Plan Features								
Deductible Ind / Fam	None				None	None	None	
Member Payment Limit Ind / Fam	\$1,500/\$3,000				\$1,500/\$3,000	\$1,500/\$3,000	\$1,500/ \$4,500	
Coinsurance	100%				100%	100%	100%	
Office Visit Copay / Specialist Copay	\$20/\$20				\$20/\$20	\$20/\$20	\$15/\$15	
Hospital Inpatient	\$0				\$0	\$0	\$250	
Hospital Outpatient Surgery	\$0				\$0	\$0	\$250	
Emergency Room	\$100				\$100	\$100	\$100	
Urgent Care	\$20				\$20	\$20	\$15	
Advanced Imaging	\$100				\$100	\$100	\$100	
All Other Lab	\$0				\$0	\$0	Not listed	
Chiropractic Rider	\$15/20 visits				\$15/60 visits	\$15/20 visits	\$10/30 visits	
Rx Deductible Ind/Fam	None				None	None	\$100	
Retail Rx (Tier 1a/1b/2/3/4)	\$5/\$15/\$30/\$50/30% to \$250				\$5/\$15/\$30/\$50/30% to \$250	\$15/\$30/ \$45 /30% to \$250	\$10/\$30/\$35 /20% to \$100	
Mail Order Rx (Tier 1a/1b/2/3/4)	\$12.50/\$37.50/\$90/\$150/30% to \$250				\$12.50/\$37.50/\$90/\$150/30% to \$250	\$45 /90/ \$135 /30% to \$750	\$20/\$40/\$70 /20% to \$100	
Rate Structure	Subs	Current		Renewal	Option 1		Option 2	Option 3
Employee Only	38	\$761.15		\$858.58	\$776.15		\$791.60	\$799.21
Employee + Spouse	25	\$1,560.76		\$1,760.54	\$1,591.51		\$1,623.19	\$1,598.42
Employee + Child(ren)	42	\$1,066.58		\$1,203.10	\$1,087.60		\$1,109.24	\$2,077.94
Employee + Family	64	\$2,283.69		\$2,576.00	\$2,328.70		\$2,375.04	\$2,077.94
Monthly Premium	169	\$258,895		\$292,034	\$263,997		\$269,251	\$290,592
Annual Premium		\$3,106,743		\$3,504,405	\$3,167,969		\$3,231,014	\$3,487,102
% Change Over Current				12.8%	2.0%		4.0%	12.2%
\$ Change Over Current				\$397,662	\$61,227		\$124,272	\$380,360



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Responses to Increased Premiums

Underwriting Review of increased 12.8% Anthem HMO Premiums

- Incurred claims have increased by 22.5% over prior year with the majority coming from Rx cost increases
- Annual Rx trend is high at 13.6%
- Administration services have increased by 9.3% over the prior year.
- Overall, the HMO proposal is acceptable, but recommended action is an appeal for 9.9%.



Potential 2025 Cost Impact

Anthem's Initial Proposal

PPO	39%	\$1.7M increase in medical premiums
HDHP	39%	
HMO	12.8%	

Anthem's Appeal after Underwriting Review

PPO	14%	\$783K increase in medical premiums
HDHP	14%	
HMO	9.9%	

Aetna's Initial Proposal

PPO	2%	\$127K increase in medical premiums
HDHP	2%	
HMO	2%	



Anthem vs Aetna Challenge (Best & Final)

Anthem's Best and Final

PPO	6%
HDHP	6%
HMO	6%

\$381K increase in medical premiums

Aetna's Best and Final

PPO	0%
HDHP	0%
HMO	0%

\$0.00 increase in medical premiums



Aetna's Medical Renewal Guarantee

2026 Renewal Period (Guarantee Period 1)

- Guarantee that renewal rates will not increase by more than:
 - HMO 11.9%
 - PPO 14.9%

2027 Renewal Period (Guarantee Period 2)

- Medical Benefit Loss Ratios
 - <93% - 94.9% Rate Cap 15.5%
 - 95% - 96.9% Rate Cap 18.5%
 - >97% No Guarantee

*The District historically
averages a 55-65%
medical benefit loss ratio*



Kaiser HMO

HMO Comparison

Effective: 1/1/2025

	Current		
Carrier Name	Kaiser		
Plan Name	Kaiser HMO		
Plan Features			
Deductible Ind / Fam	None		
Member Payment Limit Ind / Fam	\$1,500/\$3,000		
Coinsurance	100%		
Office Visit Copay / Specialist Copay	\$20/\$30		
Hospital Inpatient	\$100/admit		
Hospital Outpatient Surgery	\$100		
Emergency Room	\$150		
Urgent Care	\$20		
Advanced Imaging			
All Other Lab	\$0		
Rx Deductible Ind/Fam	None		
Retail Rx (Tier 1/2/3) 30 day	\$15/\$30/30% to \$150		
Mail Order Rx (Tier 1/2/3) 30 day	\$15/\$30/30% to \$150		
Rate Structure	Subs	Current	Renewal
Employee Only	58	\$669.60	\$666.21
Employee + Spouse	20	\$1,406.17	\$1,399.03
Employee + Child(ren)	18	\$1,272.25	\$1,265.79
Employee + Family	72	\$2,142.73	\$2,131.86
Monthly Premium	168	\$244,137	\$242,899
Annual Premium		\$2,929,647	\$2,914,787
% Change Over Current		-0.5%	
\$ Change Over Current		-\$14,860	



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Dental

Self Insured

DENTAL PPO



- Includes Plan Enhancements
- No Rate Increase
- ASO fee reduction - \$3.68 to \$3.50 PEPM
- 2 Year ASO Rate Guarantee

	Current/Renewal		Proposed		Option 3
Carrier Name	Anthem		Delta Dental		Delta Dental
Rate Guarantee	1 year		ASO - 2 years		ASO - 2 years
Network	PPO	Non-PPO	PPO & Premier	Non-PPO	In-Network Enhancements
General Plan Information					
Annual Deductible/Individual	\$50	\$150	\$50	\$150	
Annual Deductible/Family	\$150	\$450	\$150	\$450	
Annual Plan Maximum	\$2,000 to \$2,500	\$1,500	\$2,500	\$1,500	\$2,500
Waiting period	None		None		
Deductible Waived for D&P	Yes	Yes	Yes	Yes	
Annual Max Rollover	None		None		
Out-of-Network Reimbursement	Prime (MAC)		Delta Allowance		
Covered Services					
Diagnostic and Preventive					
Diagnostic and Preventive	0% (Ded Waived)	60% Ded Waived	0% (Ded Waived)	60% Ded Waived	
Sealants	0% (Ded Waived)	60% (Ded Waived)	0% (Ded Waived)	60% (Ded Waived)	
Basic Services					
Basic	20%	60%	20%	60%	10%
Endodontic Treatment	20%	60%	20%	60%	10%
Periodontic Treatment	20%	60%	20%	60%	10%
Major Services					
Major	50%	60%	50%	60%	40%
Prosthodontics	50%	60%	50%	60%	40%
Implants	50%	60%	50%	60%	40%
Orthodontia Services					
Lifetime Maximum	\$2,500		\$2,500		
Orthodontia (Child)	50%	60%	50%	60%	
Orthodontia (Adult)	50%	60%	50%	60%	

Vision



- Includes Plan Enhancements
- 20% Rate Increase (Only \$1.81 average per pay period increase)
- 4 Year Rate Guarantee

		Current		Option 2		Option 2.1		Option 2.2	
		Anthem		EyeMed		EyeMed		EyeMed	
Rate Guarantee		1/1/2027		4 years		4 years		4 years	
Network		Blue View Vision (EyeMed)	Non-Network	EyeMed Insight Network	Non-Network	EyeMed Insight Network	Non-Network	EyeMed Insight Network	Non-Network
Progressive - Premium Tier I, II, III		\$85/\$95/\$100 copay	not covered	\$85/\$95/\$100 copay	up to \$50	\$30/\$40/or \$55 copay	up to \$50	\$30/\$40/\$55 copay	up to \$50
Progressive - Premium Tier IV		not covered; in-network discount provided	not covered	\$215 copay	up to \$50	\$215 copay	up to \$50	\$215 copay	up to \$50
Contact Lenses									
Exam Fitting		up to \$55	Included in max reimbursement	up to \$40	Included in max reimbursement	up to \$40	Included in max reimbursement	up to \$40	Included in max reimbursement
Medically Necessary		\$0 copay	up to \$250	\$0 copay	up to \$300	\$0 copay	up to \$300	\$0 copay	up to \$300
Elective		\$130 allowance 15% off remaining balance	up to \$130	>\$130 allowance >\$180 allowance PLUS Provider 15% off remaining balance	up to \$105	>\$150 allowance >\$200 allowance PLUS Provider 15% off remaining balance	up to \$105	>\$200 allowance >\$250 allowance PLUS Provider 15% off remaining balance	up to \$140
Frames		\$150 allowance 20% off remaining balance	up to \$75	>\$130 allowance >\$180 allowance PLUS Provider 20% remaining balance	up to \$105	>\$150 allowance >\$200 allowance PLUS Provider 20% remaining balance	up to \$105	>\$200 allowance >\$250 allowance PLUS Provider 15% off remaining balance	up to \$140
		>40% off retail price complete pair	not covered	>Second-pair benefit 40% off retail; 100% of \$50 >Second-pair benefit 40% off retail; 100% of \$100	up to \$40	>Second-pair benefit 40% off retail; 100% of \$50 >Second-pair benefit 40% off retail; 100% of \$100	up to \$40	>Second-pair benefit 40% off retail; 100% of \$50 >Second-pair benefit 40% off retail; 100% of \$100	up to \$40
Rate Structure	Subs	Current		EyeMed		EyeMed		EyeMed	
Employee Only	150	\$9.39		\$9.01		\$9.51		\$11.27	
Employee + Spouse	65	\$16.89		\$16.21		\$17.11		\$20.27	
Employee + Child(ren)	77	\$16.55		\$15.88		\$16.76		\$19.86	
Employee + Family	248	\$24.22		\$23.24		\$24.53		\$29.07	
Monthly Premium	540	\$9,787		\$9,391		\$9,913		\$11,747	
Annual Premium		\$117,447		\$112,697		\$118,951		\$140,960	
% Change Over Current				-4.0%		1.3%		20.0%	



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Employee Assistance Program

Anthem EAP

- Current Rate \$1.61 PEPM
- Proposed increase 8.07%
- 2025 Rate \$1.74 PEPM

Aetna EAP – Resources for Living

- Proposed Rate \$1.77 PEPM
- 3 Year Rate Guarantee

Annual Impact \$259.20

Assumes 720 employees and Retirees



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Recommended 2025 Benefit Changes

Current Plans

- Anthem PPO
HDHP
HMO
- Anthem Dental
- Anthem Blue View Vision
- Anthem EAP

2025 Plans

- Aetna PPO
HDHP
HMO
- Delta Dental
- EyeMed
- Aetna EAP – Resources for Living



Recommended 2025 Premium Rate Changes

Aetna

❖ PPO 0%

❖ HDHP (HSA) 0%

❖ HMO 0%

Kaiser HMO -0.51%

Delta Dental 0%

EyeMed 20% (Avg \$1.81 per employee per pay period)

