



Classified Negotiations Discussion

October 12, 2022

Agenda / Table of Contents

Section 1:	Industry & Plan Sponsor Trends (5 Minutes)
Section 2:	5 Year Medical History (5-10 Minutes) Self-funded PPO Blue Shield HMO Plans Kaiser HMO Plans UHC Medicare Plan
Section 3:	Savings Opportunities (20 Minutes) Plan Design Considerations Contribution (Tier) Exercise
Section 4:	Appendix

Industry & Plan Sponsor Trends

Industry and Plan Sponsor Trends

What we're seeing in HealthCare trends:

- Plan cost trends continue to outpace both inflation and wage growth by a factor of more than two
- Price increase continues to be the primary driver for medical and pharmacy trends
- Reimbursement rates for hospital networks are projected to increase at a higher rate than physician claims
- According to Segal Consulting's 2021 Trend Survey forecasts are as follows:
 - PPO Medical 6.8%, HMO Medical 6.3%, Rx Non-Specialty 7.1%, Rx Specialty, 15.4%, Dental PPO 3.8% and Vision 2.6%
 - COVID impacts – surging claims for delayed or abandoned care during the pandemic

What we're seeing to achieve plan sponsor budgetary goals:

- Plan modifications, carrier evaluations and network options (ex. Accountable Care Organization (ACO), Narrow Networks, high performance health plans, concierge care)
- Employee contribution changes (tiering, spousal surcharge, increase costs for dependent tiers)

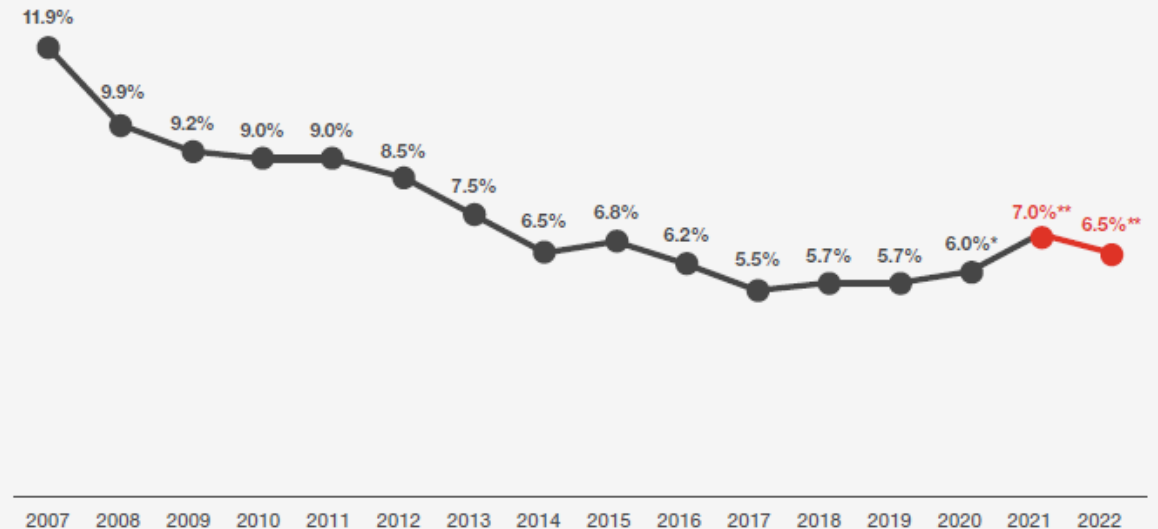
2022 Medical & Pharmacy Trend Forecast

- PwC's Health Research Institute (HRI) is projecting a 6.5% medical cost trend in 2022, slightly lower than the 7% medical cost trend in 2021 and slightly higher than it was between 2016 and 2020
- Medical cost trend is defined as the projected percentage increase in the cost to treat patients from one year to the next, assuming benefits remain the same. 2021 and 2022 have effects of pandemic removed.
- Healthcare spending is expected to return to pre-pandemic baselines with some adjustments to account for the pandemic's persistent effects
 - Some care deferred during the pandemic returns
 - COVID-19 costs are likely to persist (testing, vaccines, treatment)
 - The mental health and substance use crises show no signs of waning
 - Population health worsened during the pandemic
- Actual spending in 2020 compared with 2019 fell below the projected 6% medical cost trend because of care deferred during the pandemic

- Coast's (self-funded PPO Plan) 2019-20 pandemic plan expense per-employee-per-month (PEPM) saw a negative 8-10% trend reduction (lag and run-in considerations assumed) when compared to 2018-19
- Coast's 2020-21 semi-post pandemic PEPM plan expense increased by 5.0% returning to pre-pandemic trend levels when compared to 2019-20.

Appendix: Medical cost trend

Figure A: Medical cost trend projected to be 6.5% in 2022, down from 7% in 2021



Source: PwC Health Research Institute medical cost trends, 2007-22

*Projected medical cost trend. Does not account for the effects of the pandemic on actual 2020 spending.

**Growth in spending expected over prior-year spending, with the effects of the pandemic removed from the prior-year spending.

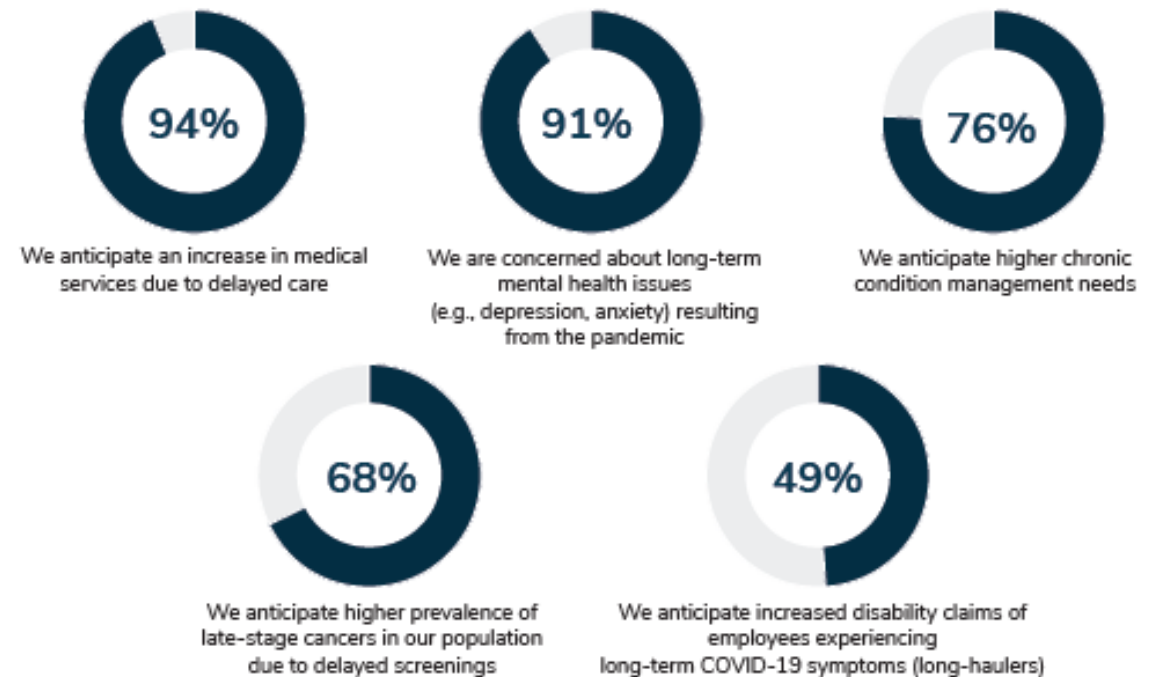
Note: The 7% medical cost trend for 2021 was revised from a range of scenarios, from 4% to 10%, originally projected in PwC Health Research Institute's "Medical Cost Trend: Behind the Numbers 2021" report in June 2020. This revision reflects the average medical cost trend that was used for 2021 premium rate setting in 2020, shared with HRI during interviews conducted February-May 2021.

COVID-19 Impacts

COVID-19's potential long-term impact on employees:

- Staying at home during numerous lockdowns meant that doctor visits and preventive screenings were delayed or missed altogether
- Social isolation and uncertainty due to the fluid nature of the pandemic proved to be an impetus for depression, anxiety and substance use disorders
- As a result, employers anticipate seeing an increase in medical services, late-stage cancer diagnoses, greater numbers of people with long-term mental health and substance use issues and other adverse effects
- These could last well into future years

Figure 2: Employer Views on the Impact of COVID-19 on Health and Well-being, 2021



2022 Large Employers' HEALTH CARE STRATEGY AND PLAN DESIGN SURVEY

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5 Year Renewal History by Medical Plan

Anthem PPO/HNAS SF – Five Year Renewal History

Anthem HNAS*	2017-2018	2018-2019	2019-2020*	2020-2021	2021-2022	2022-2023	5-year Average
Actives							
Employee Count	565	561	537	570	521	515	
Current Annual Premium	\$13,456,325	\$14,189,920	\$13,558,948	\$14,338,268	\$14,263,959	\$13,609,539	
Final Renewal	5.0%	0.0%	1.9%	5.0%	-2.0%	-3.0%	0.4%
\$ Change from Current	\$672,816	\$0	\$257,620	\$716,913	-\$285,279	-\$408,286	
Med/Rx Trend ¹	9.5%	7.6%	8.1%	7.6%	7.1%	7.1%	7.5%
Retirees							
Employee Count	290	249	220	170	149	133	
Current Annual Premium	\$3,571,118	\$3,308,707	\$2,925,010	\$2,317,127	\$2,081,290	\$1,823,911	
Final Renewal	5.0%	0.0%	1.9%	5.0%	0.0%	-3.0%	0.8%
\$ Change from Current	\$178,556	\$0	\$55,575	\$115,856	\$0	-\$54,717	
Med/Rx Trend ¹	9.5%	7.6%	8.1%	7.6%	7.1%	7.1%	7.5%

*CCCD moved from DHS to HNAS effective 10/1/2019

¹ Medical and Rx blended at 65%/35%

855	810	757	740	670	648
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Self-funded PPO Plan allows for flexibility in plan design integration of cost containment programs to assist in managing overall cost of the health plan

Introduction of fully-insured Medicare plans in 2019 also assisted in managing the overall risk

Blue Shield – Three Year Renewal History

Blue Shield	2017-2018 (UHC)	2018-2019 (UHC)	2019-2020 (Blue Shield)	2020-2021 (Blue Shield)	2021-2022 (Blue Shield)	2022-2023 (Blue Shield)	5-year Average
Full HMO							
Employee Count	517	508	360	396	397	377	
Current Annual Premium	\$8,774,989	\$8,917,650	\$10,126,885*	\$7,693,761	\$7,934,474	\$7,177,605	
Initial Renewal \$ Change from Current	6.6%	11.2%	-4.5%	4.7%	-5.8%	17.0%	4.5%
Final Renewal \$ Change from Current	5.0%	9.5%	-4.5%	4.0%	-5.8%	7.9%	2.2%
Med/Rx Trend ¹	6.7%	6.9%	6.6%	8.4%	8.5%	8.6%	7.8%
TRIO HMO							
Employee Count			158	116	109	108	
Current Annual Premium				\$1,866,660	\$1,813,805	\$1,725,904	
Initial Renewal \$ Change from Current				4.7%	-5.8%	17.0%	
Final Renewal \$ Change from Current				\$86,892	-\$104,474	\$294,188	
Med/Rx Trend				4.0%	-5.8%	7.9%	
				\$74,424	-\$104,474	\$136,346	
				6.0%	6.0%	6.4%	
			518	512	506	485	
*Current premium shown is the UHC Full Network premium - CCCD moved to Blue Shield effective 10/1/2019				Combined	Combined	Combined	
				\$9,560,421	\$9,748,279	\$8,903,509	
¹ 2017-2019 Med/Rx trends are from Segal Trend Survey. 2020-2022 trends are from Blue Shield.							

Moved from UHC to Blue Shield 2019-2020; introduced Trio Plan
2022-23 Blue Shield HMO Plans incurred utilization and trend adjustment post-COVID

Kaiser– Five Year Renewal History

Kaiser	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	5-year Average
Actives							
Employee Count	483	525	536	535	538	504	
Current Annual Premium	\$6,247,656	\$7,799,666	\$7,545,036	\$7,692,814	\$7,265,273	\$6,583,666	
Initial Renewal	15.0%	-5.0%	0.8%	-5.0%	-4.8%	14.9%	0.2%
\$ Change from Current	\$937,155	-\$389,973	\$63,020	-\$382,492	-\$346,182	\$983,303	
Final Renewal	15.0%	-5.0%	0.8%	-5.0%	-4.8%	14.9%	0.2%
\$ Change from Current	\$937,155	-\$389,973	\$63,020	-\$382,492	-\$346,182	\$983,303	
Med/Rx Trend	6.7%	6.9%	6.6%	6.3%	6.6%	7.0%	6.7%
Kaiser Senior Advantage - Retirees							
Member Count	35	47	63	76	90	91	
Current Annual Premium	\$109,683	\$117,865	\$231,450	\$245,592	\$313,535	\$283,876	
Initial Renewal	-20.0%	36.1%	24.6%	7.8%	-10.5%	-3.2%	11.0%
\$ Change from Current	-\$21,911	\$42,548	\$56,951	\$19,170	-\$32,778	-\$9,042	
Final Renewal	-20.0%	11.2%	15.9%	7.8%	-10.5%	-3.2%	4.2%
\$ Change from Current	-\$21,911	\$13,198	\$36,762	\$19,170	-\$32,778	-\$9,042	
Med/Rx Trend	4.4%	3.4%	4.0%	3.3%	4.6%	4.8%	4.0%

¹ Med/Rx trends are from Segal Trend Survey

Kaiser more conservative with negotiations

2022-23 Kaiser Active renewal also result of high post-COVID utilization – 98.7% Loss Ratio

UHC Medicare Advantage– Five Year Renewal History

UHC	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	5-year Average
UHC Medicare Advantage - Retirees							
Member Count	483	560	619	653	721	740	
Current Annual Premium	\$2,888,842	\$3,810,106	\$3,959,421	\$4,511,028	\$4,681,943	\$4,709,242	
Initial Renewal \$ Change from Current	13.8% \$397,374	-6.0% -\$228,077	8.0% \$316,730	-6.0% -\$270,655	-2.0% -\$93,615	-6.1% -\$287,264	-2.4%
Final Renewal \$ Change from Current	13.8% \$397,374	-6.0% -\$228,077	8.0% \$316,730	-6.0% -\$270,655	-2.0% -\$93,615	-6.1% -\$287,264	-2.4%
Med/Rx Trend	3.0%	3.1%	4.0%	4.0%	5.4%	4.8%	4.3%

¹ Med/Rx trends are from Segal Trend Survey

Savings Opportunities



Opportunities for Health Plan Savings

Opportunities to achieve potential Plan savings or discounted premium or program pricing:

- Plan Design Changes
- Contribution Modeling

Plan Design Considerations

2023-24 Plan Design Opportunities/Considerations

Plan Design Considerations 2022-23 – Tabled for Future Consideration 2023-24

HMO Fully-insured Plans:

- Increase Office Visit Copays
 - Current \$5 to \$10
 - Distinguish between Primacy Care and Specialist (\$10/\$20)
- Increase Out-of-Pocket Maximum (OOPM)
 - Increase by \$500
 - (\$1,000-\$1500; \$1500 - \$2000; \$2000 - \$2500)
- Increase Pharmacy Copays
 - Generic \$5 to \$10
 - Brand \$10 to \$20
 - Mail Order reflect two retail copays (same as current, based on modified copays)
- Add HMO Deductible can impact 0.5-1.5% based on deductible levels
- ❖ Illustrative options with a \$10/20 copay change plus a \$500 increase in the OOPM, plus increasing Rx by \$5 would have resulted in an approximate 1.9% savings for the Blue Shield HMOs, \$168k annualized savings (2021 utilization)*
- ❖ Illustrative options with a \$10/25 copay change plus a \$500 increase in the OOPM, plus increasing Rx by \$5 would have resulted in an approximate 4.3% savings for the Kaiser HMOs, \$284k annualized savings (2021 utilization)*

2023-24 ACA Bronze Level Plan:

- Evaluate the addition of a Bronze plan for ACA eligible employees, meeting ACA affordability

*Illustrative savings options would need to be re-underwritten by carriers for future consideration; based on updated claims

Contribution Tier Modeling Options

Contribution Tier Modeling Exercise Overview

Evaluate Contribution Tier Models for Potential Plan Savings Opportunity

Current Contribution Structure:

- 0.8% of salary
- + an additional \$500 for those with family
- Lines of coverage covered: medical, dental and vision
- Current Enrollment Tier: Employee, Employee + Family

Reviewed Previously by HBAC - Contribution Restructure for Consideration:

- Break out membership into 4 salary tiers
 - \$0 - \$50k
 - \$50k - \$75k
 - \$75k - \$100k
 - \$100k +
- Assign a % of premium to each salary tier based on plan (PPO, HMO, Trio, Kaiser)
 - Lower income tiers would pay a lower % of premium
 - Consider enrollment Tier (employee only, employee+ spouse, employee + child(ren) employee + family)
 - Those covering more family members will pay more
- **HBAC determined this model is too complex for employees**
- **Additional options provided to simplify tiering**

Contribution Tier Modeling Exercise to Simplify – Option 1

Additional Contribution Restructure for Consideration:

- Leave current % salary structure in place for **employee only**
- For members adding dependents, assign a flat share based on dependent enrollment
 - Example 1a:
 - Employee+ spouse = \$750
 - Employee + child(ren) = \$500
 - Employee + family = \$1,000
 - Example 1b (Appendix):
 - Employee+ spouse = \$1,500
 - Employee + child(ren) = \$500
 - Employee + family = \$2,000
- Those covering more family members will pay more

Contribution Tier Modeling Exercise to Simplify – Option 2

Additional Contribution Restructure for Consideration:

- Assign a % of premium based on plan (PPO, HMO, Trio, Kaiser) without breaking out by salary tier
 - All members would pay the same % of premium by plan
 - Enrollment Tier (employee only, employee + spouse, employee + child(ren), employee + family)
 - Those covering more family members will pay more
 - Without salary tiers lower wage members may pay more

Contribution Tiering Option 1a

**EE Only Same Percent of Salary + Additional Flat Dollar
Amount based on Dependent Tier**



Tier Modeling (4-Tier Rates) – Same % EE Only + \$750, \$500, \$1,000 Dep Tiers)

Contribution Financial Overview											
Line of Coverage	Lives	Current Contribution Structure 0.8% of Salary (+\$500 for Family)					Option Leave current % salary structure in place for EE Only then flat \$750 for EE+SP, \$500 for EE+CH, \$1,000 for EE+FAM				
		Total Premium	CCCD Cost	CCCD %	EE Cost	EE %	Total Premium	CCCD Cost	CCCD %	EE Cost	EE %
HNAS PPO (Actives, Early Retirees, Regular Retirees)***	537	\$13,386,339	\$12,770,739	95.4%	\$615,601	4.6%	\$13,386,339	\$12,653,989	94.5%	\$732,351	5.5%
Blue Shield HMO*	348	\$7,251,558	\$6,873,561	94.8%	\$377,997	5.2%	\$7,251,558	\$6,776,311	93.4%	\$475,247	6.6%
Blue Shield TRIO*	90	\$1,490,556	\$1,398,291	93.8%	\$92,265	6.2%	\$1,490,556	\$1,374,541	92.2%	\$116,015	7.8%
Kaiser HMO**	446	\$6,602,126	\$6,157,733	93.3%	\$444,393	6.7%	\$6,602,126	\$6,058,983	91.8%	\$543,143	8.2%
UHC Senior Advantage PPO Regular Retirees	113	\$950,222	\$842,126	88.6%	\$108,096	11.4%	\$950,222	\$830,626	87.4%	\$119,596	12.6%
Kaiser Senior Advantage HMO Regular Retirees	26	\$90,605	\$69,187	76.4%	\$21,417	23.6%	\$90,605	\$68,187	75.3%	\$22,417	24.7%
TOTAL ANNUAL PREMIUM	1,560	\$29,771,406	\$28,111,638	94.4%	\$1,659,768	5.6%	\$29,771,406	\$27,762,638	93.3%	\$2,008,768	6.7%
ANNUAL DOLLAR CHANGE OVER CURRENT								(\$349,000)		\$349,000	
ANNUAL PERCENTAGE CHANGE OVER CURRENT								-1.2%		21.0%	

Current Average Contribution calculated based on 0.8% of Salary for Employee Only and 0.8% of Salary + \$500 annually for Employees + Dependents

Analysis excluded 8 Employees due to missing salary information (1 HNAS PPO, 3 Blue Shield HMO, 1 Medicare, 2 Medicare Opt Out, and 1 KPSSA)

Analysis also excludes the following members due to different contribution structures: Board Members, Adjunct Employees, 39 Month Employees, 70+ Retirees, Professional Experts, COBRA, Overrides, Survivors and Widows

*Blue Shield HMO & TRIO 4-Tier rates have been calculated using Blue Shield's rate step basis that was previously provided and is illustrative. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.

**Kaiser HMO 4-Tier rates have been calculated using Kaiser's rate step basis that was previously provided and is illustrative. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.

***HNAS 4-Tier rates have been calculated by Underwriting on an illustrative basis only. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.

Employee overall Cost Share for all Medical Plans increases 1.1% - from 5.6% to 6.7%

- In premium contributions 21% over Current Contributions, approximately +\$349,000

Based on Kaiser Family Foundation (KFF) benchmark the average contribution split is 83% Employer/17% Employee.

- KFF in 2021, covered workers on average contribute 17% of the premium for single coverage and 28% of the premium for family coverage.

Tier Modeling (4-Tier Rates) – Same % EE Only + \$750, \$500, \$1,000 Dep Tiers)

HNAS Anthem Active SF PPO

HNAS PPO Actives					
Enrollment Tier	Enrollment	Total Premium***	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	115	\$1,031	\$66	\$66	\$0
EE + Spouse	101	\$2,062	\$118	\$139	\$21
EE + Child(ren)	31	\$1,856	\$116	\$116	\$0
Family	136	\$3,196	\$115	\$157	\$42
Monthly Total	383	\$819,121	\$38,719	\$46,489	\$7,771

HNAS Anthem Early Retirees SF PPO

HNAS PPO Early Retirees					
Enrollment Tier	Enrollment	Total Premium***	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	36	\$1,332	\$57	\$57	\$0
EE + Spouse	31	\$2,796	\$107	\$128	\$21
EE + Child(ren)	7	\$2,397	\$118	\$118	\$0
Family	13	\$4,128	\$103	\$144	\$42
Monthly Total	87	\$205,064	\$7,544	\$8,732	\$1,188

HNAS Anthem Retirees SF PPO

HNAS PPO Regular Retirees					
Enrollment Tier	Enrollment	Total Premium***	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
1 Medicare	31	\$844	\$51	\$51	\$0
2 Medicare	33	\$1,688	\$95	\$116	\$21
1 Medicare + 1 Non Med	1	\$2,176	\$61	\$61	\$0
1 Medicare + 2 Non Med	2	\$3,641	\$119	\$160	\$42
Monthly Total	67	\$91,343	\$5,037	\$5,808	\$771

Approximate average increase on all plans

- +21 PEPM for EE+SP
- +42 PEPM for EE+FAM
- EE Only and EE+CH Tiers stay the same

Tier Modeling (4-Tier Rates) – Same % EE Only + \$750, \$500, \$1,000 Dep Tiers)

Blue Shield Access+ HMO (Full)

Blue Shield HMO					
Enrollment Tier	Enrollment	Total Premium*	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	88	\$772	\$54	\$54	\$0
EE + Spouse	57	\$1,543	\$106	\$127	\$21
EE + Child(ren)	37	\$1,389	\$99	\$99	\$0
Family	166	\$2,392	\$103	\$144	\$42
Monthly Total	348	\$604,297	\$31,500	\$39,604	\$8,104

Blue Shield Trio HMO

Blue Shield TRIO					
Enrollment Tier	Enrollment	Total Premium*	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	23	\$634	\$52	\$52	\$0
EE + Spouse	21	\$1,268	\$91	\$112	\$21
EE + Child(ren)	9	\$1,141	\$104	\$104	\$0
Family	37	\$1,966	\$98	\$140	\$42
Monthly Total	90	\$124,213	\$7,689	\$9,668	\$1,979

Kaiser Active HMO

Kaiser HMO					
Enrollment Tier	Enrollment	Total Premium**	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	166	\$620	\$53	\$53	\$0
EE + Spouse	89	\$1,241	\$101	\$122	\$21
EE + Child(ren)	38	\$1,117	\$100	\$100	\$0
Family	153	\$1,923	\$101	\$142	\$42
Monthly Total	446	\$550,177	\$37,033	\$45,262	\$8,229

Kaiser Retirees HMO

Kaiser Senior Advantage HMO Regular Retirees					
Enrollment Tier	Enrollment	Total Premium**	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	22	\$252	\$58	\$58	\$0
EE + Spouse	4	\$503	\$126	\$147	\$21
EE + Child(ren)					
Family					
Monthly Total	26	\$7,550	\$1,785	\$1,868	\$83

Tier Modeling (4-Tier Rates) – Same % EE Only + \$750, \$500, \$1,000 Dep Tiers)

UHC Medicare Senior Advantage PPO - Retirees

UHC Senior Advantage PPO Regular Retirees					
Enrollment Tier	Enrollment	Total Premium**	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	67	\$498	\$65	\$65	\$0
EE + Spouse	46	\$996	\$101	\$121	\$21
EE + Child(ren)					
Family					
Monthly Total	113	\$79,185	\$9,008	\$9,966	\$958

Contribution Tiering Option 2

Percent of Premium based on Plan Election

Tier Modeling (4-Tier Rates) – % of Premium Based on Plan (SF PPO, BS, Kaiser, UHC)

Line of Coverage	Lives	Current Contribution Structure 0.8% of Salary (+\$500 for Family)					Option % of Premium based on plan				
		Total Premium	CCCD Cost	CCCD %	EE Cost	EE %	Total Premium	CCCD Cost	CCCD %	EE Cost	EE %
HNAS PPO (Actives, Early Retirees, Regular Retirees)***	537	\$13,386,339	\$12,770,739	95.4%	\$615,601	4.6%	\$13,386,339	\$12,449,295	93.0%	\$937,044	7.0%
Blue Shield HMO*	348	\$7,251,558	\$6,873,561	94.8%	\$377,997	5.2%	\$7,251,558	\$6,743,949	93.0%	\$507,609	7.0%
Blue Shield TRIO*	90	\$1,490,556	\$1,398,291	93.8%	\$92,265	6.2%	\$1,490,556	\$1,386,217	93.0%	\$104,339	7.0%
Kaiser HMO**	446	\$6,602,126	\$6,157,733	93.3%	\$444,393	6.7%	\$6,602,126	\$6,139,977	93.0%	\$462,149	7.0%
UHC Senior Advantage PPO Regular Retirees	113	\$950,222	\$842,126	88.6%	\$108,096	11.4%	\$950,222	\$883,707	93.0%	\$66,516	7.0%
Kaiser Senior Advantage HMO Regular Retirees	26	\$90,605	\$69,187	76.4%	\$21,417	23.6%	\$90,605	\$84,262	93.0%	\$6,342	7.0%
TOTAL ANNUAL PREMIUM	1,560	\$29,771,406	\$28,111,638	94.4%	\$1,659,768	5.6%	\$29,771,406	\$27,687,408	93.0%	\$2,083,998	7.0%
ANNUAL DOLLAR CHANGE OVER CURRENT								(\$424,230)		\$424,230	
ANNUAL PERCENTAGE CHANGE OVER CURRENT								-1.5%		25.6%	

Current Average Contribution calculated based on 0.8% of Salary for Employee Only and 0.8% of Salary + \$500 annually for Employees + Dependents

Analysis excluded 8 Employees due to missing salary information (1 HNAS PPO, 3 Blue Shield HMO, 1 Medicare, 2 Medicare Opt Out, and 1 KPSSA)

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**Kaiser HMO 4-Tier rates have been calculated using Kaiser's rate step basis that was previously provided and is illustrative. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.

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Employee overall Cost Share for all Medical Plans increases 1.4% - from 5.6% to 7.0%

- In premium contributions over current +25.6%, \$424,230

Based on Kaiser Family Foundation (KFF) benchmark the average contribution split is 83% Employer/17% Employee.

- KFF in 2021, covered workers on average contribute 17% of the premium for single coverage and 28% of the premium for family coverage.

Tier Modeling (4-Tier Rates) – % of Premium Based on Plan (SF PPO, BS, Kaiser, UHC)

HNAS Anthem Active SF PPO

Enrollment	Total Premium***	Current Contribution	Current Avg Monthly Contribution	% of Premium	Proposed Monthly Contribution	Monthly Difference
115	\$1,031	\$7,562	\$66	7%	\$72	\$6
101	\$2,062	\$11,904	\$118	7%	\$144	\$26
31	\$1,856	\$3,603	\$116	7%	\$130	\$14
136	\$3,196	\$15,649	\$115	7%	\$224	\$109
383	\$819,121	\$38,719	\$38,719	7%	\$57,338	\$18,620

- On average most tiers on SF PPO and BS Access+ HMO have an monthly uptick in cost share at 7% cost of total Premium.
- Most tiers for BS Trio, Kaiser HMOs and UHC Sr. Advantage have slight decreases.
- More Traditional approach to contribution modeling

HNAS Anthem Early Retirees SF PPO

HNAS PPO Early Retirees							
Enrollment Tier	Enrollment	Total Premium***	Current Contribution	Current Avg Monthly Contribution	% of Premium	Proposed Monthly Contribution	Monthly Difference
EE	36	\$1,332	\$2,057	\$57	7%	\$93	\$36
EE + Spouse	31	\$2,796	\$3,327	\$107	7%	\$196	\$88
EE + Child(ren)	7	\$2,397	\$826	\$118	7%	\$168	\$50
Family	13	\$4,128	\$1,334	\$103	7%	\$289	\$186
Monthly Total	87	\$205,064	\$7,544	\$7,544	7%	\$14,354	\$6,810

HNAS Anthem Retirees SF PPO

HNAS PPO Regular Retirees							
Enrollment Tier	Enrollment	Total Premium***	Current Contribution	Current Avg Monthly Contribution	% of Premium	Proposed Monthly Contribution	Monthly Difference
1 Medicare	31	\$844	\$1,593	\$51	7%	\$59	\$8
2 Medicare	33	\$1,688	\$3,146	\$95	7%	\$118	\$23
1 Medicare + 1 Non Med	1	\$2,176	\$61	\$61	7%	\$152	\$91
1 Medicare + 2 Non Med	2	\$3,641	\$237	\$119	7%	\$255	\$136
Monthly Total	67	\$91,343	\$5,037	\$5,037	7%	\$6,394	\$1,357

Tier Modeling (4-Tier Rates) – % of Premium Based on Plan (SF PPO, BS, Kaiser, UHC)

Blue Shield Access+ HMO (Full)

Blue Shield HMO					
Enrollment Tier	Enrollment	Total Premium*	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	88	\$772	\$54	\$54	\$0
EE + Spouse	57	\$1,543	\$106	\$190	\$83
EE + Child(ren)	37	\$1,389	\$99	\$99	\$0
Family	166	\$2,392	\$103	\$228	\$125
Monthly Total	348	\$604,297	\$31,500	\$57,000	\$25,500

Blue Shield Trio HMO

Blue Shield TRIO							
Enrollment Tier	Enrollment	Total Premium*	Current Contribution	Current Avg Monthly Contribution	% of Premium	Proposed Monthly Contribution	Monthly Difference
EE	23	\$634	\$1,201	\$52	7%	\$44	(\$8)
EE + Spouse	21	\$1,268	\$1,909	\$91	7%	\$89	(\$2)
EE + Child(ren)	9	\$1,141	\$936	\$104	7%	\$80	(\$24)
Family	37	\$1,966	\$3,643	\$98	7%	\$138	\$39
Monthly Total	90	\$124,213	\$7,689	\$7,689	7%	\$8,695	\$1,006

Kaiser Active HMO

Kaiser HMO							
Enrollment Tier	Enrollment	Total Premium**	Current Contribution	Current Avg Monthly Contribution	% of Premium	Proposed Monthly Contribution	Monthly Difference
EE	166	\$620	\$8,815	\$53	7%	\$43	(\$10)
EE + Spouse	89	\$1,241	\$9,018	\$101	7%	\$87	(\$14)
EE + Child(ren)	38	\$1,117	\$3,812	\$100	7%	\$78	(\$22)
Family	153	\$1,923	\$15,388	\$101	7%	\$135	\$34
Monthly Total	446	\$550,177	\$37,033	\$37,033	7%	\$38,512	\$1,480

Kaiser Retirees HMO

Kaiser Senior Advantage HMO Regular Retirees							
Enrollment Tier	Enrollment	Total Premium**	Current Contribution	Current Avg Monthly Contribution	% of Premium	Proposed Monthly Contribution	Monthly Difference
EE	22	\$252	\$1,281	\$58	7%	\$18	(\$41)
EE + Spouse	4	\$503	\$503	\$126	7%	\$35	(\$91)
EE + Child(ren)							
Family							
Monthly Total	26	\$7,550	\$1,785	\$1,785	7%	\$529	(\$1,256)

Tier Modeling (4-Tier Rates) – % of Premium Based on Plan (SF PPO, BS, Kaiser, UHC)

UHC Medicare Senior Advantage PPO - Retirees

UHC Senior Advantage PPO Regular Retirees							
Enrollment Tier	Enrollment	Total Premium**	Current Contribution	Current Avg Monthly Contribution	% of Premium	Proposed Monthly Contribution	Monthly Difference
EE	67	\$498	\$4,383	\$65	7%	\$35	(\$31)
EE + Spouse	46	\$996	\$4,625	\$101	7%	\$70	(\$31)
EE + Child(ren)							
Family							
Monthly Total	113	\$79,185	\$9,008	\$9,008	7%	\$5,543	(\$3,465)

Appendix



Tiering Assumptions – All Options

1. Current Average Contribution calculated based on 0.8% of Salary for Employee Only and 0.8% of Salary + \$500 annually for Employees + Dependents .
2. Analysis also excludes the following members due to different contribution structures: Board Members, Adjunct Employees, 39 Month Employees, 70+ Retirees, Professional Experts, COBRA, Overrides, Survivors and Widows .
3. *Blue Shield HMO & TRIO 4-Tier rates have been calculated by Blue Shield on an illustrative basis only. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.
4. *Kaiser HMO 4-Tier rates have been calculated by Kaiser on an illustrative basis only. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.

Contribution Tiering Option 1b

**EE Only Same Percent of Salary + Increased Additional
Flat Dollar Amount based on Dependent Tier**

Tier Modeling (4-Tier Rates) – Same % EE Only + \$1,500, \$500, \$2,000 Dep Tiers)

Contribution Financial Overview											
Line of Coverage	Lives	Current Contribution Structure 0.8% of Salary (+\$500 for Family)					Option Leave current % salary structure in place for EE Only then flat \$1,500 for EE+SP, \$500 for EE+CH, \$2,000 for EE+FAM				
		Total Premium	CCCD Cost	CCCD %	EE Cost	EE %	Total Premium	CCCD Cost	CCCD %	EE Cost	EE %
HNAS PPO (Actives, Early Retirees, Regular Retirees)***	537	\$13,386,339	\$12,770,739	95.4%	\$615,601	4.6%	\$13,386,339	\$12,379,239	92.5%	\$1,007,101	7.5%
Blue Shield HMO*	348	\$7,251,558	\$6,873,561	94.8%	\$377,997	5.2%	\$7,251,558	\$6,567,561	90.6%	\$683,997	9.4%
Blue Shield TRIO*	90	\$1,490,556	\$1,398,291	93.8%	\$92,265	6.2%	\$1,490,556	\$1,321,791	88.7%	\$168,765	11.3%
Kaiser HMO**	446	\$6,602,126	\$6,157,733	93.3%	\$444,393	6.7%	\$6,602,126	\$5,839,233	88.4%	\$762,893	11.6%
UHC Senior Advantage PPO Regular Retirees	113	\$950,222	\$842,126	88.6%	\$108,096	11.4%	\$950,222	\$796,126	83.8%	\$154,096	16.2%
Kaiser Senior Advantage HMO Regular Retirees	26	\$90,605	\$69,187	76.4%	\$21,417	23.6%	\$90,605	\$65,187	71.9%	\$25,417	28.1%
TOTAL ANNUAL PREMIUM	1,560	\$29,771,406	\$28,111,638	94.4%	\$1,659,768	5.6%	\$29,771,406	\$26,969,138	90.6%	\$2,802,268	9.4%
ANNUAL DOLLAR CHANGE OVER CURRENT								(\$1,142,500)		\$1,142,500	
ANNUAL PERCENTAGE CHANGE OVER CURRENT								-4.1%		68.8%	

Current Average Contribution calculated based on 0.8% of Salary for Employee Only and 0.8% of Salary + \$500 annually for Employees + Dependents

Analysis excluded 8 Employees due to missing salary information (1 HNAS PPO, 3 Blue Shield HMO, 1 Medicare, 2 Medicare Opt Out, and 1 KPFA)

Analysis also excludes the following members due to different contribution structures: Board Members, Adjunct Employees, 39 Month Employees, 70+ Retirees, Professional Experts, COBRA, Overrides, Survivors and Widows

*Blue Shield HMO & TRIO 4-Tier rates have been calculated using Blue Shield's rate step basis that was previously provided and is illustrative. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.

**Kaiser HMO 4-Tier rates have been calculated using Kaiser's rate step basis that was previously provided and is illustrative. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.

***HNAS 4-Tier rates have been calculated by Underwriting on an illustrative basis only. Final rates to be determined by Underwriting in the event Coast Community College District decides to move to a 4-Tier structure.

Employee overall Cost Share for all Medical Plans increases 3.8% - from 5.6% to 9.4%

- In premium contributions 68.8% over Current Contributions, approximately +\$1,142,500

Based on Kaiser Family Foundation (KFF) benchmark the average contribution split is 83% Employer/17% Employee.

- KFF in 2021, covered workers on average contribute 17% of the premium for single coverage and 28% of the premium for family coverage.

Tier Modeling (4-Tier Rates) – Same % EE Only + \$1,500, \$500, \$2,000 Dep Tiers)

HNAS Anthem Active SF PPO

HNAS PPO Actives					
Enrollment Tier	Enrollment	Total Premium***	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	115	\$1,031	\$66	\$66	\$0
EE + Spouse	101	\$2,062	\$118	\$201	\$83
EE + Child(ren)	31	\$1,856	\$116	\$116	\$0
Family	136	\$3,196	\$115	\$240	\$125
Monthly Total	383	\$819,121	\$38,719	\$64,135	\$25,417

Approximate average increase on all plans

- +83 PEPM for EE+SP
- +125 PEPM for EE+FAM
- EE Only and EE+CH Tiers stay the same

HNAS Anthem Early Retirees SF PPO

HNAS PPO Early Retirees					
Enrollment Tier	Enrollment	Total Premium***	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	36	\$1,332	\$57	\$57	\$0
EE + Spouse	31	\$2,796	\$107	\$191	\$83
EE + Child(ren)	7	\$2,397	\$118	\$118	\$0
Family	13	\$4,128	\$103	\$228	\$125
Monthly Total	87	\$205,064	\$7,544	\$11,752	\$4,208

HNAS Anthem Retirees SF PPO

HNAS PPO Regular Retirees					
Enrollment Tier	Enrollment	Total Premium***	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
1 Medicare	31	\$844	\$51	\$51	\$0
2 Medicare	33	\$1,688	\$95	\$179	\$83
1 Medicare + 1 Non Med	1	\$2,176	\$61	\$61	\$0
1 Medicare + 2 Non Med	2	\$3,641	\$119	\$244	\$125
Monthly Total	67	\$91,343	\$5,037	\$8,037	\$3,000

Tier Modeling (4-Tier Rates) – Same % EE Only + \$1,500, \$500, \$2,000 Dep Tiers)

Blue Shield Access+ HMO (Full)

Blue Shield HMO					
Enrollment Tier	Enrollment	Total Premium*	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	88	\$772	\$54	\$54	\$0
EE + Spouse	57	\$1,543	\$106	\$190	\$83
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Family	166	\$2,392	\$103	\$228	\$125
Monthly Total	348	\$604,297	\$31,500	\$57,000	\$25,500

Kaiser Active HMO

Kaiser HMO					
Enrollment Tier	Enrollment	Total Premium**	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
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EE + Spouse	89	\$1,241	\$101	\$185	\$83
EE + Child(ren)	38	\$1,117	\$100	\$100	\$0
Family	153	\$1,923	\$101	\$226	\$125
Monthly Total	446	\$550,177	\$37,033	\$63,574	\$26,542

Blue Shield Trio HMO (Narrow)

Blue Shield TRIO					
Enrollment Tier	Enrollment	Total Premium*	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	23	\$634	\$52	\$52	\$0
EE + Spouse	21	\$1,268	\$91	\$174	\$83
EE + Child(ren)	9	\$1,141	\$104	\$104	\$0
Family	37	\$1,966	\$98	\$223	\$125
Monthly Total	90	\$124,213	\$7,689	\$14,064	\$6,375

Kaiser Retirees HMO

Kaiser Senior Advantage HMO Regular Retirees					
Enrollment Tier	Enrollment	Total Premium**	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	22	\$252	\$58	\$58	\$0
EE + Spouse	4	\$503	\$126	\$209	\$83
EE + Child(ren)					
Family					
Monthly Total	26	\$7,550	\$1,785	\$2,118	\$333

Tier Modeling (4-Tier Rates) – Same % EE Only + \$1,500, \$500, \$2,000 Dep Tiers)

UHC Medicare Senior Advantage PPO - Retirees

UHC Senior Advantage PPO Regular Retirees					
Enrollment Tier	Enrollment	Total Premium**	Current Avg Monthly Contribution	Proposed Avg Monthly Contribution	Monthly Difference
EE	67	\$498	\$65	\$65	\$0
EE + Spouse	46	\$996	\$101	\$184	\$83
EE + Child(ren)					
Family					
Monthly Total	113	\$79,185	\$9,008	\$12,841	\$3,833



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