

Benefits Administration Committee Agenda

REGULAR MEETING

TUESDAY, JULY 20, 2021

TIME: 9:00 A.M.

MEETING LOCATION:

In conformity with the Governor's Executive Order N-08-21 (June 11, 2021) and due to the concerns over COVID-19, the LACERS Benefits Administration Committee's July 20, 2021, meeting will be conducted via telephone and/or videoconferencing.

Important Message to the Public

Information to call-in to listen and/or participate:

Dial: (669) 900-6833 or (253) 215-8782

Meeting ID# 847 3548 2136

Instructions for call-in participants:

- 1- Dial in and enter Meeting ID
- 2- Automatically enter virtual "Waiting Room"
- 3- Automatically enter Meeting
- 4- During Public Comment, **press *9** to raise hand
- 5- Staff will call out the last 3-digits of your phone number to make your comment

Information to listen only: Live Committee Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

Chair: Michael R. Wilkinson

Committee Members: Annie Chao
Sandra Lee

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghoukassian

Legal Counselor: City Attorney's Office
Public Pensions General
Counsel Division

Notice to Paid Representatives

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq.* More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 978-1960 or ethics.commission@lacity.org.

Request for services

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Disclaimer to participants

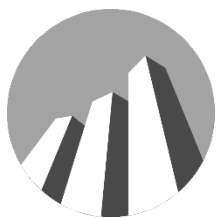
Please be advised that all LACERS Board and Committee Meeting proceedings are audio recorded.

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- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE

**AGENDA – THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT - PRESS *9
TO RAISE HAND DURING PUBLIC COMMENT PERIOD**

- II. [APPROVAL OF MINUTES FOR THE MEETING OF JUNE 8, 2021 AND POSSIBLE COMMITTEE ACTION](#)
- III. [2022 LACERS HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE COMMITTEE ACTION](#)
- IV. OTHER BUSINESS
- V. NEXT MEETING: The next Benefits Administration Committee meeting is not scheduled at this time, and will be announced upon scheduling. Please continue to view the LACERS website for updated information on public access to Board/Committee meetings while public health concerns relating to the novel coronavirus continue.
- VI. ADJOURNMENT



LACERS

LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

SPECIAL MEETING

TUESDAY, JULY 20, 2021

TIME: 9:00 A.M.

MEETING LOCATION:

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President: Cynthia M. Ruiz
Vice President: Sung Won Sohn

Commissioners: Annie Chao
Elizabeth Lee
Sandra Lee
Nilza R. Serrano
Michael R. Wilkinson

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghoukassian

Legal Counsel: City Attorney's Office
Public Pensions General
Counsel Division

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- VI. ADJOURNMENT

MINUTES OF THE SPECIAL MEETING
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020)
and due to the concerns over COVID-19, the
LACERS Benefits Administration Committee's
June 8, 2021, meeting was conducted
via telephone and/or videoconferencing

June 8, 2021

9:16 a.m.

Agenda of: July 20, 2021

Item No: II

| | | |
|--------------------------------|----------------------|------------------------------------|
| PRESENT via Videoconferencing: | Chair: | Michael R. Wilkinson |
| | Committee Members: | Sandra Lee Nilza R. Serrano |
| | Commissioners: | (joined 9:50 a.m.) Cynthia M. Ruiz |
| | Manager-Secretary: | Neil M. Guglielmo |
| | Legal Counselor: | Miguel Bahamon |
| PRESENT at LACERS offices: | Executive Assistant: | Ani Ghoukassian |

The Items in the Minutes are numbered to correspond with the Agenda.

Commissioner Ruiz joined the meeting at 9:50 a.m., this is considered a Special Meeting of the Board of Administration. Any votes will be taken by Benefits Administration Committee members only.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
PRESS *9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD – Chair Wilkinson asked if any persons wished to speak on matters within the Committee's jurisdiction, to which there was no response.

II

APPROVAL OF MINUTES FOR THE MEETING OF APRIL 27, 2021 AND POSSIBLE COMMITTEE ACTION – Committee Member Serrano moved approval, and adopted by the following vote: Ayes, Committee Members Sandra Lee, Serrano, and Chair Wilkinson -3; Nays, None.

III

Chair Wilkinson left the meeting briefly at 9:39 a.m. and returned at 9:40 a.m.

VERBAL UPDATE ON 2022 HEALTH PLAN CONTRACT RENEWALS – Alex Rabrenovich, Chief Benefits Analyst, and Bordan Darm, with Keenan & Associates, presented and discussed this report with the Committee for 30 minutes.

IV

OPERATIONAL UPDATE – Lita Payne, Executive Officer, provided the Committee with the following update:

- Over 2,000 members were retired in Fiscal Year 2020-21
- Recognized Service Retirement Unit for hard work in retiring members during the pandemic and CSIP

V

OTHER BUSINESS –There was no other business.

VI

NEXT MEETING: The next Benefits Administration Committee meeting is not scheduled at this time, and will be announced upon scheduling. Please continue to view the LACERS website for updated information on public access to Board/Committee meetings while responding to public health concerns relating to the novel coronavirus continue.

VII

ADJOURNMENT – There being no further business before the Committee, Chair Wilkinson adjourned the Meeting at 9:52 a.m.

Michael R. Wilkinson
Chair

Neil M. Guglielmo
Manager-Secretary

REPORT TO BENEFITS ADMINISTRATION COMMITTEE

From: Neil M. Guglielmo, General Manager

Lita Payne for

MEETING: JULY 20, 2021

ITEM: III

SUBJECT: 2022 LACERS HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE COMMITTEE ACTION

ACTION: ☒ CLOSED: ☐ CONSENT: ☐ RECEIVE & FILE: ☐

Recommendation

That the Committee forward a recommendation to the Board to approve the proposed 2022 premium rates for LACERS medical, dental, and vision plans, allowing for minor premium adjustments and inclusive of the following plan and benefit changes:

- (1) Replace the Anthem Blue Cross Life and Health Medicare Supplement plan with the Anthem Blue Cross Medicare Advantage passive PPO plan;
- (2) Add a meal delivery benefit to the Kaiser Permanente Senior Advantage plan;
- (3) Add a personal emergency response system and an in-home personal care benefit to the UnitedHealthcare Medicare Advantage plan;
- (4) Increase the dental plan maximum annual benefit from \$2,000 in-network and \$1,250 out-of-network to \$2,500 in-network and \$1,750 out-of-network;
- (5) Change the Anthem Blue View fully-insured product to a self-funded arrangement;

Executive Summary

Recommendations for the health plan contract renewals have resulted in overall 2022 health plan premium costs decreasing by \$2.0 million, or 1.3%, and include the addition of a home delivered meal benefit to the Kaiser Permanente Senior Advantage plan and emergency response system and in home personal care benefits to the UnitedHealthcare Medicare Advantage HMO plans, as well as an increase in the dental PPO annual maximum benefit.

Discussion

As part of an annual process, LACERS' Health and Welfare Consultant, Keenan and Associates (Keenan), released a Request for Renewal, requesting premium rate renewal data from LACERS' health plan carriers: Kaiser Permanente (Kaiser), Anthem Blue Cross (Anthem), UnitedHealthcare (UHC), Senior Care Action Network (SCAN), and Delta Dental (Delta). Data requested included proposed 2022 premium rates, documentation to support the proposed premium rates, performance guarantees, as well as financial commitments toward LACERS' wellness program.

2022 Medical Plan Renewal Summary

Maintaining the same health plans and benefit designs, the 2022 medical premiums are estimated to increase by \$2.5 million, or 1.7%, from \$154.1 million to \$156.6 million.

Medical Plan and Benefit Options

In an effort to enhance our Member's wellbeing and safety, and provide greater independence, each carrier that did not already provide similar benefits were requested to provide the cost of adding the following benefits:

- Transportation: Some seniors may suffer from poor vision, mental capacity, and/or mobility issues, which limit their ability to drive, and some may lack access to transportation services or caregiving. These can become significant obstacles to seniors receiving care or obtaining essentials, such as groceries and prescriptions.
- Meal Delivery: Lack of mobility or mental capacity may limit the ability of certain Members to prepare meals and obtain necessary nutrients to remain healthy or heal from an injury or a medical treatment.
- Medical Alert System: Many seniors live alone, lack support, and/or have mobility issues that put them at risk of significant injury. A medical alert system assists Members when faced with a crisis by putting them in touch with emergency services by using a device on their person (pendant or "watch").
- In-Home Care: Based on a U.S. Health and Human Services report, after age 65, 29 percent of adults develop severe long-term services and support needs and receive paid home care, 5 percent receive residential care, and 28 percent receive at least 90 days of nursing home care, including 13 percent who receive long-term Medicaid-financed nursing home care. As our Members age and face various health risks, they may become unable to adequately care for themselves and may not have adequate support from family or friends. In-home care could provide needed assistance to ensure that our Member's health and safety are carefully monitored and managed, staving off the need for institutional care.

These issues impact many seniors every day and can have significant impact on their wellbeing, and ultimately increase premiums costs. As we have seen during the COVID-19 pandemic, these issues become exaggerated as vulnerable populations are recommended to stay home and have minimal, if any, contact with others.

Anthem Blue Cross – Medicare Advantage Passive PPO plan

In response to the request for additional support benefits, Anthem Blue Cross (Anthem) presented an alternative plan choice to their Life and Health Medicare Supplement plan. The plan offering is a Medicare Advantage Passive PPO plan for Members with Medicare Parts A and B. As a Medicare Advantage plan, it differs from the Medicare Supplement plan by offering more senior support benefits, has no annual deductible, and provides more integrated care.

Below is a listing of all the standard Medicare Advantage benefits and support services versus those provided through the current Medicare Supplement plan, as well as the additional non-standard benefits and support services available through the proposed Anthem Medicare Advantage Passive PPO plan.

| Anthem Medicare Advantage Passive PPO vs Anthem Medicare Supplement | Medicare Advantage Standard Benefits | Medicare Supplement Benefits |
|------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------|
| Routine Vision | Yes | Available -Blue View Vision Plan |
| Routine Hearing | Yes | Yes |
| Routine Foot Care | Yes | Yes- Medicare Covered Benefits |
| My Health Advantage | Yes | Yes |
| Medicare Community Resource Support | Yes | No |
| Foreign Travel Coverage - Urgent/Emergency | Yes | Yes |
| House Calls Program | Yes | No |
| LiveHealth Online | Yes | Yes |
| SilverSneakers | Yes | Yes |

The proposed Passive PPO would be offered at a \$0 copay for most services and Members would be able to see any Anthem in-network provider and any out-of-network provider that accepts Medicare with no change in benefits. However, these out-of-network providers would not be required to accept the plan, which has the potential to create some disruption. Although accepting the plan would be in a provider's best interest because payment through Anthem would be more efficient as the payment model would change from a two-payer system (Medicare would be first payer and Anthem would be the second payer) to a single payer (Anthem). Additionally, even with the current Medicare Supplement plan, an out-of-network provider could decide not to accept the Anthem plan.

Another difference Members may experience is more prior-authorizations by Anthem related to receiving care. This process ensures that appropriate care is being provided, which helps to manage costs, but could result in Member complaints, at least initially.

Switching from the Medicare Supplement plan to the Passive PPO plan is estimated to reduce premium costs by more than \$4.5 million in 2022. A future consideration would be to make the plan available to

those Members with only Medicare Part B. Also worth noting is that Anthem has agreed to match the PPO plan prescription drug formulary to the Passive PPO plan formulary to remedy differences in coverage.

Kaiser Permanente Senior Advantage (KPSA) Plan

Kaiser Permanente proposed adding a meal delivery benefit to its KPSA plan at a cost of \$1.75 per Member per month, or \$308,763 for the year. This benefit would be available after a hospital stay and offers 84 home delivered meals (3 meals/day for 4 weeks, 1 time/year).

UnitedHealthcare Medicare Advantage (UHC) plan

UnitedHealthcare proposed adding personal emergency response system and 12 in-home personal care (12 hours/month) benefits at a cost of \$25,136.

2022 Dental Plan Renewal Summary

The Delta Dental PPO is self-funded by LACERS. A review of the premiums and claims shows that the dental plan is operating at a surplus and the underwriting determined that the plan could withstand a premium reduction of over 6.0%. It is recommended that the premium not change for 2022.

DeltaCare USA (HMO) premium costs will increase by 5.0% with a three-year rate guarantee, which was negotiated from a two-year rate guarantee. Overall, the 2022 dental plan costs are estimated to increase by \$39,562, or 0.3%, to \$11,890,090.

Dental Plan Option

Staff continually hears from its Members that the benefit maximum is not sufficient to meet their needs and that they often need to delay care. The annual maximum benefit for in-network service has been the same for fourteen years and the same for out-of-network service for 20 years, whereas dental care costs have grown over this period. Therefore, staff is recommending an increase in the in/out-of-network benefit by \$500 each to \$2,500/\$1,750. The underwriting determined that this benefit increase would withstand a premium decrease of more than 1.0% and LACERS would be able to maintain the same premium for 2022.

2022 Vision Plan Renewal Summary

Anthem Blue View vision plan is in the final year of a three-year rate guarantee. Premiums will not increase in 2022 and are estimated to cost \$839,079.

Vision Plan Option

Keenan has analyzed changing from a fully-insured product to a self-funded arrangement and found that doing so would result in an approximate 4.9% cost savings. Going forward, the self-funding arrangement appears to be a cost-saving strategy for LACERS.

Conclusion

The 2022 annual health plan premium cost initially came in at \$160.6 million. Negotiations conducted by Keenan brought an overall cost decrease of \$4.0 million to \$156.6 million. Compared to 2021, the 2022 annual premium cost will increase by \$2.5 million, or 1.7%.

Changing the Anthem Life and Health Medicare Supplement plan to the Medicare Advantage Passive PPO plan will decrease costs by \$5.7 million.

The addition of meal delivery services to the KPSA plan, and the emergency response system and in-home personal care benefits to the UHC plan increases the annual program cost by \$333,899.

The recommended increase in the Delta Dental PPO annual maximum benefits to \$2,500/\$1,750 for in-network/out-of-network services is not projected to increase claims costs beyond the 2021 premium funding and would allow LACERS to maintain the same premium in 2022.

Moving the Anthem Blue View vision plan to a self-funded arrangement would allow LACERS to maintain the same premium in 2022 because projected claims would reduce costs by nearly 5.0%.

Therefore, staff recommends the following:

- Replace the Anthem Life and Health Medicare Supplement plan with the Anthem Medicare Advantage Passive PPO plan
- Add the meal delivery benefit to the KPSA plan
- Add the personal emergency response system and in-home care (12 hours/month) benefits to the UHC plan
- Increase the Delta Dental PPO plan maximum annual benefit to \$2,500/\$1,750 for in-network/out-of-network services
- Change from a fully insured Anthem Blue View vision plan product to a self-funded arrangement
- Maintain current premium amounts where plan premium costs are to decrease and place surplus premium dollars in the premium reserve of the 115 Trust to be used for future health plan management purposes

The overall annual premium cost of the health and welfare program, including the benefit changes, is estimated to be \$149.9 million, a decrease of \$8.5 million, or 1.3%, from 2021.

The Board has the authority to add benefits if the total premium cost of the Health and Welfare Program does not increase by more than 0.5%. The 2022 overall premium cost, including the benefit changes, are estimated to decrease. Therefore, the Board is within its authority to approve the benefit changes.

Keenan has negotiated enhanced performance guarantees in the areas of disease management, clinical outcomes, security breach, and enrollment. More details are included in the attached Keenan report.

The carriers will provide a total of \$469,000 for Open Enrollment and wellness events and activities.

Occasionally, premiums are subject to change slightly after Board approval due to discovered miscalculations. Staff recommends that the Board allow for any minor premium adjustments, with increases not to exceed \$5.00 per plan premium, to be included in the recommendation.

Staff and Keenan will be present to discuss the 2022 health plan renewal process and answer the Committee's questions.

Strategic Plan Impact Statement

Conducting an annual renewal of our health plans allows staff to ensure that our plan premiums and benefits are competitive and appropriate, and support the Strategic Plan Goal to Improve the Value and Minimize Costs of Members' Health and Wellness Program.

Prepared By: Alex Rabrenovich, Chief Benefits Analyst, Health Benefits and Wellness Division

NMG/LP:ar

Attachments: 1 – Keenan Report – 2022 Health Plan Renewal Final Report
2 – Anthem Blue Cross Passive PPO Benefit Descriptions



Los Angeles City Employees' Retirement System

2022 Health Plan Renewal, Final Report

July 20, 2021

BAC Mtg: 07/20/21
Item No.: III
Attachment 1

Respectfully Submitted by:

Ju Anderson, Vice President | Bordan Darm, Senior Consultant
Erin Robinson, Service Consultant | Christine Hough, Actuary

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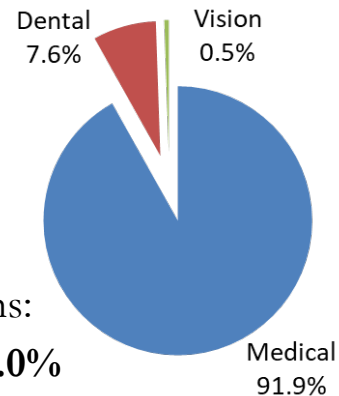
Introduction

- This report presents Los Angeles City Employees' Retirement System's (LACERS) 2022 final health plan renewals
- Anthem Blue Cross (Anthem), Kaiser Permanente (Kaiser), UnitedHealthcare (UHC), and SCAN have provided medical plan renewals for 2022
 - Anthem has provided a Passive PPO Medicare Advantage plan option as an alternative to the Medicare Supplemental plan.
- Delta Dental provided a three-year rate guarantee for the DHMO plan
- The Delta Dental PPO plan has been self-funded since January 1, 2019. The PPO administration fee remains unchanged for 2022
- Anthem Blue View Vision is in the third year of a three-year rate guarantee for 2022. A self-funded option was also provided
- Data provided by the current carriers for plan designs, rates, and enrollment



Executive Summary

- The 2022 final renewal for the LACERS Health and Welfare Program without and plan design changes requires an increase in cost of \$2,546,317 or 1.7%, from \$154,054,716 to \$156,601,033
- The 2022 LACERS final renewal premium adjustments are as follows: Medical premiums: **\$2,506,755** or **1.8%**, Dental premiums: **\$39,562** or **0.3%**, and Vision premiums: **\$0** or **0.0%**
- Of LACERS' total premium: Medical represents **91.9%**, Dental **7.6%**, and vision **0.5%**
- The Delta Dental PPO plan has completed its second year of self-funding with the following results:
 - 2020 an accumulated cash position of \$2,759,875 and a 66.7% loss ratio
 - 2019 an accumulated cash position of \$1,685,860, for a two-year total \$4,445,735
 - IBNR reserve liability of \$534,629, for a Net cumulative cash position \$3,911,106
 - No adjustment in dental PPO rates are needed for 2022

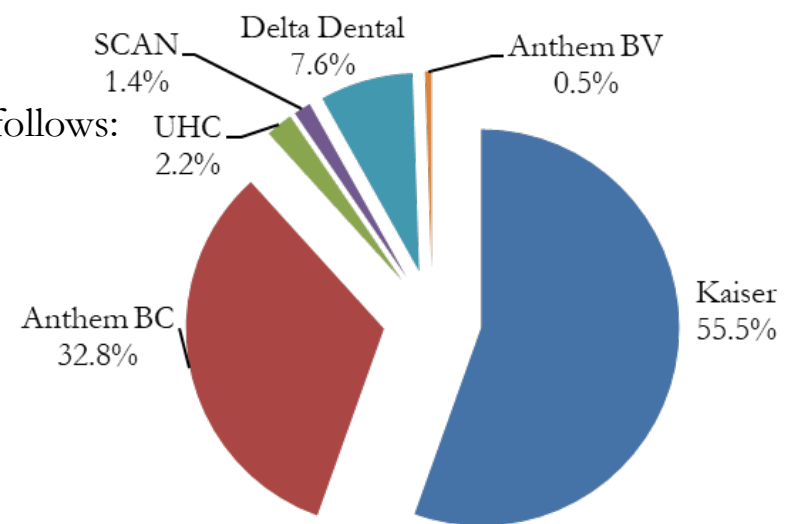


| Overall - Final Renewal | Current Enrollment | 2021 Premium | 2022 Renewal - Final | | | Negotiated Savings |
|-------------------------------|-----------------------|-----------------|----------------------------|-------------|----------|-----------------------|
| | | | Premium | \$ Change | % Change | |
| MEDICAL | 26,461 | \$141,365,109 | \$143,871,864 | \$2,506,755 | 1.8% | \$3,999,589 |
| DENTAL | 16,321 | \$11,850,528 | \$11,890,090 | \$39,562 | 0.3% | \$0 |
| VISION | 6,675 | \$839,079 | \$839,079 | \$0 | 0.0% | \$0 |
| GRAND TOTAL | | \$154,054,716 | \$156,601,033 | \$2,546,317 | 1.7% | \$3,999,589 |
| Overall - Preliminary Renewal | | | 2022 Renewal - Preliminary | | | |
| | | | Premium | \$ Change | % Change | |
| MEDICAL | | | \$147,871,453 | \$6,506,344 | 4.6% | |
| DENTAL | | | \$11,890,090 | \$39,562 | 0.3% | |
| VISION | | | \$839,079 | \$0 | 0.0% | |
| GRAND TOTAL | | | \$160,600,622 | \$6,545,907 | 4.2% | |

Executive Summary

- The 2022 LACERS final renewal cost change by carrier is as follows:

- Anthem: **-\$330,470** or **-0.6%**
- Kaiser: **\$2,854,202** or **3.4%**
- UHC: **\$50,983** or **1.5%**
- SCAN: **-\$67,960** or **-3.0%**
- Delta Dental: **\$39,562** or **0.3%**
- Anthem Blue View: **\$0** or **0.0%**



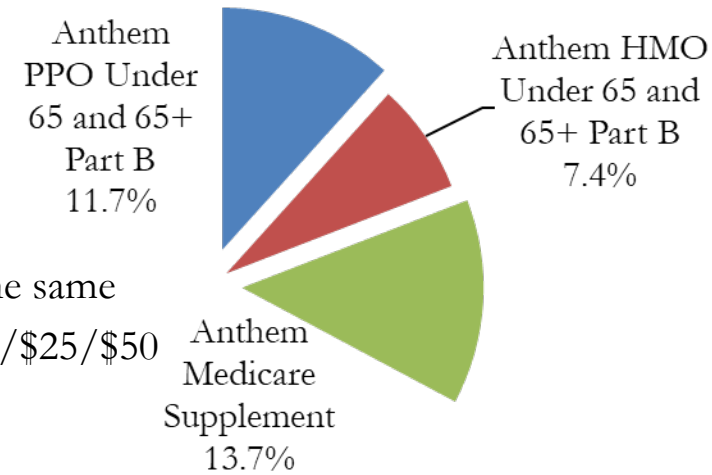
- Kaiser and Anthem comprise 88.3% of the total cost

| Carrier Final Renewal | Current Enrollment | 2021 Premium | 2022 Renewal - Final | | | Negotiated Savings |
|-----------------------------|--------------------|----------------------|----------------------------|--------------------|-------------|--------------------|
| | | | Premium | \$ Change | % Change | |
| Anthem | 5,444 | \$51,696,201 | \$51,365,731 | (\$330,470) | -0.6% | \$2,514,715 |
| Kaiser | 19,253 | \$84,004,765 | \$86,858,967 | \$2,854,202 | 3.4% | \$1,433,895 |
| UnitedHealthcare | 1,037 | \$3,397,560 | \$3,448,543 | \$50,983 | 1.5% | \$50,979 |
| SCAN | 727 | \$2,266,582 | \$2,198,622 | (\$67,960) | -3.0% | \$0 |
| Delta Dental | 16,321 | \$11,850,528 | \$11,890,090 | \$39,562 | 0.3% | \$0 |
| Anthem Blue View | 6,675 | \$839,079 | \$839,079 | \$0 | 0.0% | \$0 |
| GRAND TOTAL | | \$154,054,716 | \$156,601,033 | \$2,546,317 | 1.7% | \$3,999,589 |
| Carrier Preliminary Renewal | | | 2022 Renewal - Preliminary | | | |
| | | | Premium | \$ Change | % Change | |
| Anthem | | | \$53,880,446 | \$2,184,245 | 4.2% | |
| Kaiser | | | \$88,292,863 | \$4,288,098 | 5.1% | |
| UnitedHealthcare | | | \$3,499,522 | \$101,961 | 3.0% | |
| SCAN | | | \$2,198,622 | (\$67,960) | -3.0% | |
| Delta Dental | | | \$11,890,090 | \$39,562 | 0.3% | |
| Anthem Blue View | | | \$839,079 | \$0 | 0.0% | |
| GRAND TOTAL | | | \$160,600,622 | \$6,545,907 | 4.2% | |

- 1) Anthem and Delta Dental enrollments are retiree counts.
- 2) Kaiser, UnitedHealthcare and SCAN enrollments are member counts.

Anthem Blue Cross Renewal

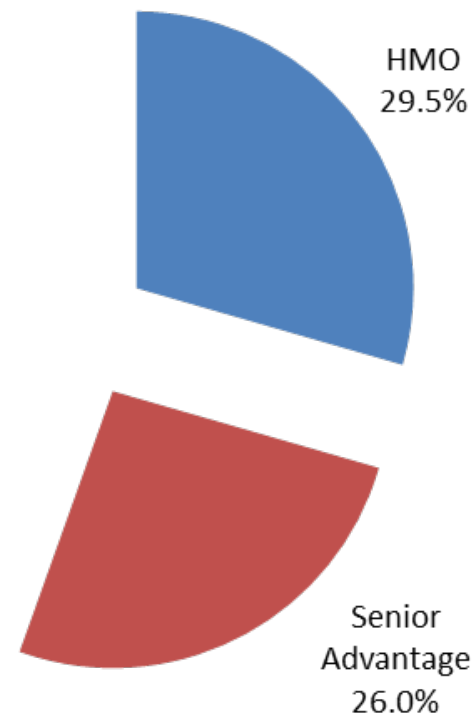
- Anthem Blue Cross comprises 32.8% of LACERS' premium costs
- Anthem proposes the following rate adjustments:
 - PPO Under 65 / 65+ Part B: \$803,160 or 4.6%
 - HMO Under 65 / 65+ Part B: -\$5,800 or -0.0%
 - Medicare Supplement: -\$1,127,829 or -5.0%
 - An overall change of -\$330,470 or -0.6%
- For 2022 the 65+ HMO and PPO Part B only Retirees, will have the same prescription drug benefit as the Medicare Supplemental Retirees \$5/\$25/\$50
- Considerations for Anthem's renewal:
 - 2022 wellness program contribution of \$250,000
 - The final renewal includes Anthem concession of \$2,514,715, from an overall increase request of 4.2% to -0.6%



| Anthem Final Renewal | Current | 2021 | 2022 Renewal - Final | | | Negotiated Savings |
|-----------------------------|--------------|---------------------|----------------------------|--------------------|--------------|--------------------|
| | | | Premium | \$ Change | % Change | |
| PPO Under 65 and 65+ Part B | 1,150 | \$17,534,970 | \$18,338,130 | \$803,160 | 4.6% | \$1,671,042 |
| HMO Under 65 and 65+ Part B | 912 | \$11,605,455 | \$11,599,655 | (\$5,800) | 0.0% | \$843,673 |
| Medicare Supplement | 3,382 | \$22,555,776 | \$21,427,946 | (\$1,127,829) | -5.0% | \$0 |
| Total | 5,444 | \$51,696,201 | \$51,365,731 | (\$330,470) | -0.6% | \$2,514,715 |
| Anthem Preliminary Renewal | | | 2022 Renewal - Preliminary | | | |
| | | | Premium | \$ Change | % Change | |
| PPO Under 65 and 65+ Part B | | | \$20,009,172 | \$2,474,202 | 14.1% | |
| HMO Under 65 and 65+ Part B | | | \$12,443,328 | \$837,873 | 7.2% | |
| Medicare Supplement | | | \$21,427,946 | (\$1,127,829) | -5.0% | |
| Total | | | \$53,880,446 | \$2,184,245 | 4.2% | |

Kaiser Permanente Renewal

- Kaiser comprises 55.5% of LACERS' premium costs
- Kaiser requested the following rate adjustments:
 - HMO Under 65: \$3,060,632 or 7.1%
 - Senior Advantage: -\$206,430 or -0.5%
 - For an overall increase of \$2,854,202 or 3.4%
- Keenan requested Kaiser reduce the Under 65 renewal, but Kaiser was unwilling to move from their position.
- Other considerations:
 - \$150,000 rate load for the wellness program
 - \$40,000 for Open Enrollment



| Kaiser - Final Renewal | Current | 2021 | 2022 Renewal - Final | | | Negotiated Savings |
|------------------------------|---------------|---------------------|----------------------------|--------------------|-------------|--------------------|
| | | | Premium | \$ Change | % Change | |
| HMO Under 65 | 4,550 | \$43,089,257 | \$46,149,889 | \$3,060,632 | 7.1% | \$0 |
| Senior Advantage | 14,703 | \$40,915,508 | \$40,709,078 | (\$206,430) | -0.5% | \$1,433,895 |
| Total | 19,253 | \$84,004,765 | \$86,858,967 | \$2,854,202 | 3.4% | \$1,433,895 |
| Kaiser - Preliminary Renewal | | | 2022 Renewal - Preliminary | | | |
| | | | Premium | \$ Change | % Change | |
| HMO Under 65 | | | \$46,149,889 | \$3,060,632 | 7.1% | |
| Senior Advantage | | | \$42,142,974 | \$1,227,465 | 3.0% | |
| Total | | | \$88,292,863 | \$4,288,098 | 5.1% | |

SCAN Renewal

SCAN
1.4%

- SCAN Medicare Advantage HMO is available to retired Members with Medicare Parts A and B
- SCAN comprises 1.4% of LACERS' premium costs
- SCAN requested the following rate adjustments:
 - Medicare Advantage: **-\$67,960** or **-3.0%**
- Other considerations:
 - Wellness program contribution of \$10,500

| SCAN Final Renewal | Current | 2021 | 2022 Renewal - Final | | | Negotiated Savings |
|--------------------------|----------------------------|-------------|----------------------|------------|----------|--------------------|
| | Enrollment | Premium | Premium | \$ Change | % Change | |
| Medicare Advantage | 727 | \$2,266,582 | \$2,198,622 | (\$67,960) | -3.0% | \$0 |
| SCAN Preliminary Renewal | 2022 Renewal - Preliminary | | | | | |
| | | | Premium | \$ Change | % Change | |
| Medicare Advantage | | | \$2,198,622 | (\$67,960) | -3.0% | |

UnitedHealthcare Renewal

- UnitedHealthcare Medicare Advantage HMO is available to retired Members with Medicare Parts A and B
- UHC provides LACERS coverage in California, Arizona, and Nevada
- UHC comprises 2.2% of LACERS' premium costs
- UHC proposed a **\$50,983** or **1.5%** increase
- Other considerations:
 - Wellness program contribution of \$8,500
- The final renewal includes UHC's concession of \$50,979 representing a change from 3.0% to 1.5%

UHC - CA
Medicare
Advantage
1.8%

UHC - NV
Medicare
Advantage
0.2%

UHC - AZ
Medicare
Advantage
0.2%

| UnitedHealthcare | Current | 2021 | 2022 Renewal - Final | | | Negotiated |
|-----------------------|--------------|--------------------|----------------------------|------------------|-------------|-----------------|
| Final Renewal | Enrollment | Premium | Premium | \$ Change | % Change | Savings |
| CA Medicare Advantage | 842 | \$2,733,738 | \$2,774,760 | \$41,022 | 1.5% | \$41,022 |
| NV Medicare Advantage | 113 | \$327,786 | \$332,708 | \$4,922 | 1.5% | \$4,909 |
| AZ Medicare Advantage | 82 | \$336,036 | \$341,074 | \$5,038 | 1.5% | \$5,048 |
| Total | 1,037 | \$3,397,560 | \$3,448,543 | \$50,983 | 1.5% | \$50,979 |
| UnitedHealthcare | | | 2022 Renewal - Preliminary | | | |
| Preliminary Renewal | | | Premium | \$ Change | % Change | |
| CA Medicare Advantage | | | \$2,815,783 | \$82,044 | 3.0% | |
| NV Medicare Advantage | | | \$337,617 | \$9,831 | 3.0% | |
| AZ Medicare Advantage | | | \$346,122 | \$10,086 | 3.0% | |
| Total | | | \$3,499,522 | \$101,961 | 3.0% | |

Delta Dental Renewal

Delta Dental PPO and DHMO is available to all retired Members

Delta Dental
PPO
7.1%



Delta Dental
DHMO
0.5%

- Delta Dental comprises 7.6% of LACERS' premium costs
- LACERS started self-funding the Delta Dental PPO as of January 1, 2019
- The self-funded PPO requires no rate adjustment for 2022
- Delta Dental DHMO is requesting a 5.0% increase with a three-year rate guarantee. Delta Dental's preliminary proposal was 5.0% with a two-rate guarantee
- Other considerations:
 - Wellness program contribution of \$10,000

| Delta Dental Final Renewal | Current Enrollment | 2021 Premium | 2022 Renewal - Final | | | Negotiated Savings |
|-------------------------------------|-----------------------|---------------------|----------------------------|-----------------|-------------|-----------------------|
| | | | Premium | \$ Change | % Change | |
| PPO | 12,992 | \$11,056,985 | \$11,056,985 | \$0 | 0.0% | \$0 |
| DHMO | 3,329 | \$793,543 | \$833,105 | \$39,562 | 5.0% | \$0 |
| Total | 16,321 | \$11,850,528 | \$11,890,090 | \$39,562 | 0.3% | \$0 |
| Delta Dental Preliminary Renewal | | | 2022 Renewal - Preliminary | | | |
| | | | Premium | \$ Change | % Change | |
| PPO | | | \$11,056,985 | \$0 | 0.0% | |
| DHMO | | | \$833,105 | \$39,562 | 5.0% | |
| Total | | | \$11,890,090 | \$39,562 | 0.3% | |

Delta Dental Self-Funded Renewal

2022 will be the fourth year of self-funding the PPO dental plan

The 2022 underwriting shows that projected costs are expected to be less than the current premium

- The underwriting for 2022 shows a rate decrease of -6.26% could occur
- Keenan recommends a rate pass for 2022 and allow the Dental PPO plan to continue building its reserve
- By holding the rates it is projected that LACERS will add \$691,150 to reserves

LACERS

Self-Funded Dental Renewal

Effective January 1, 2022 through December 31, 2022

Experience Data from April 1, 2020 through March 31, 2021

| | | | 4/1/2020 - 3/31/2021 |
|----|-------------------------------------------------------------|------|----------------------|
| 1 | Paid Claims (5/1/2019 - 4/30/2020) | | \$6,682,867 |
| 2 | Covid-19 Adjustment for April 2020-June 2020 | | 1,280,895 |
| 3 | Beginning Reserve | | (365,497) |
| 4 | Ending Reserve | 8.0% | 534,629 |
| 5 | Incurred Claims | | \$8,132,894 |
| 6 | Covered Employees | | 151,680 |
| 7 | Incurred Claims/EE/Month | | \$53.62 |
| 8 | Trend Factor | 5.0% | 1.0891 |
| 9 | Expected Incurred Claims (1/1/2022 - 12/31/2022) | | \$58.40 |
| 10 | Administration | 8.7% | 5.10 |
| 11 | Calculated Funding Level Without Margin | | \$63.50 |
| 12 | Current Average Funding Level | | \$70.86 |
| 13 | Calculated Funding Action Without Margin = (11)/(12) | | -10.38% |
| 14 | Recommended Margin = Margin % x (8) | 5.0% | \$2.92 |
| 15 | Calculated Funding Level With Margin = (11)+(14) | | \$66.42 |
| 16 | Current Average Funding Level = (12) | | \$70.86 |
| 17 | Calculated Funding Action With Margin = (15)/(16) | | -6.26% |

Anthem Blue View Vision Renewal

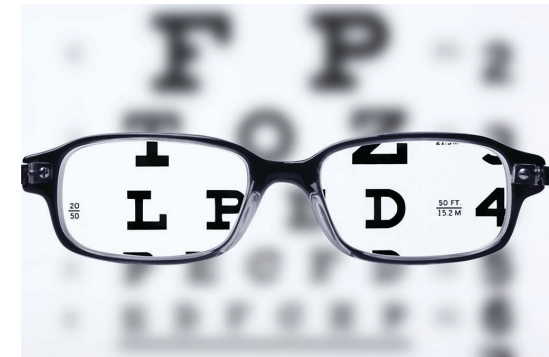
Anthem Blue View Vision is available to retired Members enrolled in Anthem, SCAN and UHC

- Anthem Blue View comprises 0.5% of LACERS premium costs
- Anthem Blue View will be in the third year of a three-year rate guarantee; 2022: **\$0** or **0.0%**

Other considerations:

–Wellness program contribution is combined with Anthem medical

Anthem
Blue View
0.5%



| Anthem Blue View Final Renewal | Current Enrollment | 2021 Premium | 2022 Renewal - Final | | | Negotiated Savings |
|-----------------------------------------|-----------------------|-----------------|----------------------------|-----------|----------|-----------------------|
| | | | Premium | \$ Change | % Change | |
| Vision | 6,675 | \$839,079 | \$839,079 | \$0 | 0.0% | \$0 |
| Anthem Blue View Preliminary Renewal | | | 2022 Renewal - Preliminary | | | |
| | | | Premium | \$ Change | % Change | |
| Vision | | | \$839,079 | \$0 | 0.0% | |

Anthem Blue View Vision Self-funded Option

LACERS

LACERS is interested in self-funding the vision plan

- Based on Keenan's underwriting a self-funded option would merit a -4.94% rate decrease
- This rate projection includes a COVID adjustment of \$162,575 and a 5.0% margin
- Keenan recommends LACERS hold the rates (0.0%) and reserve the balance

Self-Funded Vision Renewal

Effective January 1, 2022 through December 31, 2022

Experience Data from April 1, 2020 through March 31, 2021

| | | | 4/1/2020 - 3/31/2021 |
|----|-------------------------------------------------------------|------|----------------------|
| 1 | Paid Claims | | \$460,031 |
| 2 | Covid-19 Adjustment for April 2020-July 2020 | | 162,575 |
| 3 | Beginning Reserve | | (40,886) |
| 4 | Ending Reserve | 6.0% | 42,356 |
| 5 | Incurred Claims | | \$624,076 |
| 6 | Covered Employees | | 77,223 |
| 7 | Incurred Claims/EE/Month | | \$8.08 |
| 8 | Trend Factor | 5.0% | 1.0891 |
| 9 | Expected Incurred Claims (1/1/2022 - 12/31/2022) | | \$8.80 |
| 10 | Administration | 7.6% | 0.67 |
| 11 | Calculated Funding Level Without Margin | | \$9.47 |
| 12 | Current Average Funding Level | | \$10.42 |
| 13 | Calculated Funding Action Without Margin = (11)/(12) | | -9.16% |
| 14 | Recommended Margin = Margin % x (8) | 5.0% | \$0.44 |
| 15 | Calculated Funding Level With Margin = (11)+(14) | | \$9.91 |
| 16 | Current Average Funding Level = (12) | | \$10.42 |
| 17 | Calculated Funding Action With Margin = (15)/(16) | | -4.94% |

LACERS 2022 Renewal Projection – No Changes

| All Coverage | Current | 2021 | 2022 Renewal - Final | | | Negotiated |
|--------------------------------|------------|---------------|----------------------|---------------|----------|-------------|
| | Enrollment | Premium | Premium | \$ Change | % Change | Savings |
| MEDICAL | | | | | | |
| Anthem | | | | | | |
| PPO Under 65 and 65+ Part B | 1,150 | \$17,534,970 | \$18,338,130 | \$803,160 | 4.58% | \$1,671,042 |
| HMO Under 65 and 65+ Part B | 912 | \$11,605,455 | \$11,599,655 | (\$5,800) | -0.05% | \$843,673 |
| Medicare Supplement | 3,382 | \$22,555,776 | \$21,427,946 | (\$1,127,829) | -5.00% | \$0 |
| Total Anthem | 5,444 | \$51,696,201 | \$51,365,731 | (\$330,470) | -0.64% | \$2,514,715 |
| Kaiser | | | | | | |
| HMO Under 65 | 4,550 | \$43,089,257 | \$46,149,889 | \$3,060,632 | 7.10% | \$0 |
| Senior Advantage | 14,703 | \$40,915,508 | \$40,709,078 | (\$206,430) | -0.50% | \$1,433,895 |
| Total Kaiser | 19,253 | \$84,004,765 | \$86,858,967 | \$2,854,202 | 3.40% | \$1,433,895 |
| UnitedHealthcare | | | | | | |
| CA Medicare Advantage | 842 | \$2,733,738 | \$2,774,760 | \$41,022 | 1.50% | \$41,022 |
| NV Medicare Advantage | 113 | \$327,786 | \$332,708 | \$4,922 | 1.50% | \$4,909 |
| AZ Medicare Advantage | 82 | \$336,036 | \$341,074 | \$5,038 | 1.50% | \$5,048 |
| Total UnitedHealthcare | 1,037 | \$3,397,560 | \$3,448,543 | \$50,983 | 1.50% | \$50,979 |
| SCAN | | | | | | |
| Medicare Advantage | 727 | \$2,266,582 | \$2,198,622 | (\$67,960) | -3.00% | \$0 |
| Total SCAN | 727 | \$2,266,582 | \$2,198,622 | (\$67,960) | -3.00% | \$0 |
| Medical Total | 26,461 | \$141,365,109 | \$143,871,864 | \$2,506,755 | 1.77% | \$3,999,589 |
| DENTAL | | | | | | |
| Delta Dental PPO (self-funded) | 12,992 | \$11,056,985 | \$11,056,985 | \$0 | 0.00% | \$0 |
| Delta Dental HMO | 3,329 | \$793,543 | \$833,105 | \$39,562 | 5.00% | \$0 |
| Dental Total | 16,321 | \$11,850,528 | \$11,890,090 | \$39,562 | 0.33% | \$0 |
| VISION | | | | | | |
| Anthem Blue View | 6,675 | \$839,079 | \$839,079 | \$0 | 0.00% | \$0 |
| Vision Total | 6,675 | \$839,079 | \$839,079 | \$0 | 0.00% | \$0 |
| GRAND TOTAL | | \$154,054,716 | \$156,601,033 | \$2,546,317 | 1.65% | \$3,999,589 |

- 1) Anthem (including Blue View vision) and Delta Dental enrollments are retiree counts.
- 2) Kaiser, UnitedHealthcare and SCAN enrollments are member counts.
- 3) Delta Dental HMO rate is effective for 3 years from 2022 to 2024

2022 Projected/Proposed Renewal Action

LACERS has maintained a strategy of holding Member rates when carriers have requested rate decreases. This has enabled LACERS to build reserves to better serve retirees. The following member rate strategies are proposed:

- **Anthem** - pass the 4.58% PPO rate increase to Members, hold Member HMO rates and reserve -0.05% difference, hold Member Medicare Supplemental rates and reserve 5.00% difference
- **Kaiser** – pass the 7.10% rate increase to Members (net impact 5.49% increase members), hold KPSA Member rates and reserve 13.76% difference
- **UHC** – pass the 1.5% increase in Member rates
- **SCAN** – hold the HMO Member rate and reserve 3.0% difference
- **Delta Dental** – hold the PPO Member rates and reserve the \$691,650 difference (total reserve projected to increase to \$5,137,385), pass the 5.0% DHMO rate increase to Members
- **Blue View Vision** – hold Member rates

| 2022 Renewal Summary - Rate Change Impact | 2022 Rate Action % | | Retained by LACERS | 2022 Rate Action \$ | | Retained by LACERS |
|-------------------------------------------|--------------------|---------------|--------------------|---------------------|---------------|--------------------|
| | Carrier Rate Δ | Member Rate Δ | | Carrier Rate Δ | Member Rate Δ | |
| Anthem | | | | | | |
| PPO | 4.58% | 4.58% | 0.00% | \$ 803,160 | \$ 803,160 | \$ - |
| HMO | -0.05% | -0.05% | 0.05% | \$ (5,800) | \$ - | \$ 5,800 |
| <u>Medicare Supplemental Plan</u> | -5.00% | 0.00% | 5.00% | \$ (1,127,829) | \$ - | \$ 1,127,829 |
| Total Anthem | | | | \$ (330,470) | \$ 803,160 | \$ 1,133,630 |
| Kaiser with Meal Delivery Benefit | | | | | | |
| Kaiser HMO | 7.10% | 5.49% | 0.00% | \$ 3,060,632 | \$ 2,365,687 | \$ - |
| <u>Kaiser Senior Advantage</u> | -0.50% | 0.00% | 13.76% | \$ (206,430) | \$ - | \$ 5,628,476 |
| Total Kaiser | | | | \$ 2,854,202 | \$ 2,365,687 | \$ 5,628,476 |
| UHC - HMO | | | | | | |
| California | 1.50% | 1.50% | 0.00% | \$ 41,022 | \$ 41,022 | \$ - |
| Nevada | 1.50% | 1.50% | 0.00% | \$ 4,922 | \$ 4,922 | \$ - |
| <u>Arizona</u> | 1.50% | 1.50% | 0.00% | \$ 5,038 | \$ 5,038 | \$ - |
| Total UHC | | | | \$ 50,983 | \$ 50,983 | \$ - |
| SCAN - Medicare HMO | | | | | | |
| SCAN HMO | -3.00% | 0.00% | 3.00% | \$ (67,960) | \$ - | \$ 67,960 |
| Delta Dental | | | | | | |
| PPO | 0.0% | 0.0% | 0.0% | \$ - | \$ - | \$ 691,650 |
| <u>DHMO</u> | 5.0% | 5.0% | 0.0% | \$ 39,562 | \$ 39,562 | \$ - |
| Total Delta Dental | | | | \$ 39,562 | \$ 39,562 | \$ 691,650 |
| Anthem Blue View | | | | | | |
| Vision | 0.00% | 0.00% | 0.00% | \$ - | \$ - | \$ - |
| Grand Total | | | | \$ 2,546,317 | \$ 3,259,392 | \$ 7,521,716 |

Anthem Proposed Change

- Anthem is proposing replacing the Medicare Supplemental Plan with a Passive PPO Medicare Advantage plan
- The plan features enhanced benefits for retirees
- Retirees can see Anthem PPO providers or any provider accepting Medicare patients
- Savings are estimated at \$4,574,628 over the 2022 Medicare Supplemental plan.

| MEDICAL BENEFIT | Current Plan Medicare Supplemental Current Plan | | Proposed Plan Medicare Advantage \$0 Passive PPO Plan |
|--------------------------------------------------|-------------------------------------------------------|-----------------------|-------------------------------------------------------------|
| Retirees | 4,079 | | 4,079 |
| Annual Deductible | \$203 | | \$0 |
| Annual Out-of-Pocket Max | \$3,000 | | \$0 |
| Provider Visits PCP/Specialist | \$0/0 | | \$0/0 |
| Inpatient Hospital | 0% | | \$0 |
| Outpatient Surgery | 0% | | \$0 |
| Skilled Nursing Facility | \$0 | | \$0 |
| | | | (1-100 Medicare Benefit Days) |
| Medicare Covered Chiropractic | \$10 | | \$0 |
| Emergency Care | \$0 | | \$0 |
| Hearing Aids | \$2,000 every 36 months (No Deductible) | | \$2,000 every 36 months |
| X-Ray | 0% | | \$0 |
| Complex Lab or Radiology | 0% | | \$0 |
| RX BENEFIT | Current Plans Premier Formulary | | Proposed Plan Premier Formulary 5/25/50 (3 tier) |
| | 5/25/50 (3 tier) | 10/30/50/100 (4-tier) | |
| Retirees | 4,079 | 527 | 4,606 |
| Annual Deductible | None | None | None |
| Copayments | | | |
| Select Generics | \$0 | \$0 | \$0 |
| Generics | \$5 | \$10 | \$5 |
| Preferred Brands | \$25 | \$30 | \$25 |
| Non-Preferred Brands (including Specialty Drugs) | \$50 | \$50 | \$50 |
| Mail Order | \$100 | 2 X Copayment | \$100 |
| Rates and Savings | | | |
| Over 65 Part A&B | \$527.99 | N/A | \$415.27 |
| Over 65 Part B Only (Combined HMO and PPO) | N/A | \$1,236.98 | \$1,021.44 |
| Annual Cost | \$21,427,946 | | \$16,853,318 |
| \$ Cost Differential | | | (\$4,574,628) |
| % Cost Differential | | | -21.3% |

Delta Dental PPO Proposed Change

| Banded Range | June 1, 2019 - May 31, 2020 | | June 1, 2020 - May 31, 2021 | |
|-----------------------|--------------------------------|---------------|--------------------------------|---------------|
| | Members | % Users | Members | % Users |
| <= \$399.99 | 7,216 | 58.5% | 6,352 | 53.1% |
| \$400 to \$799.99 | 1,921 | 15.6% | 2,039 | 17.0% |
| \$800 to \$1,199.99 | 1,273 | 10.3% | 1,283 | 10.7% |
| \$1,200 to \$1,599.99 | 840 | 6.8% | 938 | 7.8% |
| \$1,600 to \$1,999.99 | 525 | 4.3% | 530 | 4.4% |
| >= \$2,000 | 570 | 4.6% | 821 | 6.9% |
| Total | 12,345 | 100.0% | 11,963 | 100.0% |

- LACERS may want to consider increasing the annual maximum on the Delta Dental PPO plan from \$2,000 to \$2,500.
- Over the past two years the number of retirees who have exceeded the calendar year maximum has increased from 4.6% to 6.9% (570 to 821 retirees).
- As costs increase in the future, more retirees will see the \$2,000 calendar year maximum insufficient to take care of their dental care.
- The cost impact of increasing the calendar year maximum is 5.0% or \$476,607. Given the 2022 underwriting of a -6.21%, the plan design change could be implemented without a rate impact but would reduce the reserve buildup from \$691,150 to \$214,543.

Additional Services and Benefits

Keenan requested the carriers provide and/or expand their services and benefits to Medicare-eligible Retirees.

The chart illustrates additional services available to Medicare-Eligible Retirees

- Anthem and SCAN provide these services at no additional load to the rates
- Kaiser requires \$1.75 pmpm for the Home Delivered meal service and many services are offered through a discount program
- UHC requires a rate load for the services listed

LACERS staff will work with the carriers to communicate the benefits available to them.

| PROPOSED ADDITIONAL SERVICES AND BENEFITS TO MEDICARE ELIGIBLE RETIREES | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------|
| Benefit | Anthem | Kaiser | SCAN | UHC |
| Emergency Response System (Life Alert) - Members are covered for the installation of a personal emergency response device that alerts emergency medical personnel of provide immediate help. | YES | YES-discount programs | YES | YES \$0.12 pmpm |
| Enhanced Routine Transportation - Members are eligible to receive unlimited rides per year to or from pre-scheduled medical appointments to contracted providers. Requires 24 hours in advance notification to arrange ride. | YES | NO | YES | YES - Monthly Hourly Allowance pmpm 4 hour - \$0.79 8 hour - \$1.30 12 hour - \$1.90 16 hour - \$2.46 |
| Transportation Escort - Members are eligible to receive an escort to assist in transporting to and from medical appointments. | NO | NO | YES | |
| Personal Care Coordinator - Carrier staff will provide personal assistance to coordinate the listed services (or other services within the carrier) and assist with referrals to community resources. | YES | YES-through community resources, discounted or referral to a community resource program | YES | |
| Home Delivered Meals - Carrier's members are covered for home delivery of meals to meet nutritional needs. | YES | YES-if meal rider is purchased - \$1.75 pmpm | YES | |
| Personal Care - Members are covered for in-home assistance for tasks such as bathing, dressing, eating, getting in and out of bed, moving about/walking, and grooming. | YES | YES-discount programs | YES | |
| Homemaker Service - Members are eligible to receive assistance with light cleaning, grocery shopping, laundry and meal preparation. | YES | YES-discount programs | YES | |
| Inpatient Custodial Level Care - Members are covered for up to 5 days for post-acute or respite support in an in-patient facility such as a skilled nursing facility. Member may use this service following a hospital discharge, ER visit, or to provide your caregiver respite. | NO | YES-discount programs | YES | |
| In-Home Caregiver Relief - Carrier provides alternative caregiver services in member's home when a regular caregiver can't be there. | YES | YES-discount programs | YES | |
| Adult Day Care/Community based Adult Services (CBAS) - AKA Adult Day Health Care - Carrier covers adult day care services in a center to provide relief for member's regular caregiver while addressing the individual needs of the member for physical, social or intellectual exercise and stimulation. | YES | YES-through community resources, discounted or referral to a community resource program | YES | YES - Quarterly Dollar Allowance pmpm \$40 - \$3.07 \$50 - \$3.83 \$60 - \$4.60 \$80 - \$6.13 |
| Homebound Wellness Checks - Carrier provides wellness checks on homebound members to receive the appropriate care. | NO | YES-discount programs | Provided through | |
| Incontinence supplies/Hygiene supplies - Carrier covers incontinence and hygiene supplies | NO | YES-when hospitalized | YES | |
| Bathroom Durable Medical Equipment (DME) - Carrier covers bathroom DME such as shower chairs, shower hoses, grab bars, toilet seat risers and safety frames. | YES | NO | YES | |

Benefit Enhancements – Cost Impact

- The proposed benefit enhancements apply to Medicare eligible retirees:
 - Anthem and SCAN will provide the services outlined in the chart at no additional cost
 - Kaiser has added the \$1.75 pmpm home delivery meal service cost into their proposed rates
 - UHC has provided rate increments for their benefit enhancements

| Cost Impact | Enrollment | PMPM Price | Annual Cost | % Rate Impact |
|-------------------------------------------------------------|------------|------------|-------------|---------------|
| Kaiser - Meal Delivery Rider (included in 2022 rate) | 14,703 | \$1.75 | \$308,763 | 0.76% |
| UHC | | | | |
| Emergency Response System (Life Alert) | 1,037 | \$0.12 | \$1,493 | 0.04% |
| In-Home Personal Care / CareLinx (Monthly Hourly Allowance) | | | | |
| 4 hours | 1,037 | \$0.79 | \$9,831 | 0.29% |
| 8 hours | 1,037 | \$1.30 | \$16,177 | 0.47% |
| 12 hours | 1,037 | \$1.90 | \$23,644 | 0.69% |
| 16 hours | 1,037 | \$2.46 | \$30,612 | 0.89% |
| First Line Essentials (Quarterly Dollar Allowance) | | | | |
| \$40 | 1,037 | \$3.07 | \$38,203 | 1.11% |
| \$50 | 1,037 | \$3.83 | \$47,661 | 1.38% |
| \$60 | 1,037 | \$4.60 | \$57,242 | 1.66% |
| \$80 | 1,037 | \$6.13 | \$76,282 | 2.21% |

Recommendations

- Accept the medical renewals as recommended including moving the Anthem Supplemental Medicare Plan to a Passive PPO Medicare Advantage Plan with the current 3-tier Premier Formulary
- Accept the Kaiser benefit enhancement of adding the home delivery meal service at a premium increase of \$1.75 per Member per month
- Accept the UHC benefit enhancement for adding the Emergency Response System and the In-Home Personal Care with 12-hour monthly allowance at a premium increase of \$2.02 per Member per month
- Accept the final dental plan renewals:
 - Keep the Dental PPO rates without a rate adjustment
 - Add the \$2,500 Calendar Year Maximum
 - Reserve the projected \$214,543 in rate savings
- Move the vision plan to self-funded and maintain the current rates as premium equivalent rates

LACERS 2022 Renewal Projection

with Benefit Enhancements

| All Coverage | Current | 2021 | 2022 Renewal - Final | | | Negotiated |
|---------------------------------------|---------------|----------------------|----------------------|----------------------|---------------|--------------------|
| | Enrollment | Premium | Premium | \$ Change | % Change | Savings |
| MEDICAL | | | | | | |
| Anthem | | | | | | |
| PPO Under 65 and 65+ Part B | 1,150 | 17,534,970 | 18,338,130 | \$803,160 | 4.58% | \$1,671,042 |
| HMO Under 65 and 65+ Part B | 912 | 11,605,455 | 11,599,655 | (\$5,800) | -0.05% | \$843,673 |
| Passive PPO Medicare Advantage P | 3,382 | 22,555,776 | 16,853,318 | (\$5,702,457) | -25.28% | \$4,574,628 |
| Total Anthem | 5,444 | \$51,696,201 | \$46,791,103 | (\$4,905,098) | -9.49% | \$7,089,343 |
| Kaiser | | | | | | |
| HMO Under 65 | 4,550 | 43,089,257 | 46,149,889 | \$3,060,632 | 7.10% | \$0 |
| Senior Advantage | 14,703 | 40,915,508 | 40,709,078 | (\$206,430) | -0.50% | \$1,433,895 |
| Total Kaiser | 19,253 | \$84,004,765 | \$86,858,967 | \$2,854,202 | 3.40% | \$1,433,895 |
| UnitedHealthcare | | | | | | |
| CA Medicare Advantage | 842 | 2,733,738 | 2,794,985 | \$61,247 | 2.24% | \$20,797 |
| NV Medicare Advantage | 113 | 327,786 | 335,130 | \$7,344 | 2.24% | \$2,487 |
| AZ Medicare Advantage | 82 | 336,036 | 343,565 | \$7,529 | 2.24% | \$2,557 |
| Total UnitedHealthcare | 1,037 | \$3,397,560 | \$3,473,680 | \$76,119 | 2.24% | \$25,842 |
| SCAN | | | | | | |
| Medicare Advantage | 727 | 2,266,582 | 2,198,622 | (\$67,960) | -3.00% | \$0 |
| Total SCAN | 727 | \$2,266,582 | \$0 | (\$67,960) | -3.00% | \$0 |
| Medical Total | 26,461 | \$141,365,109 | \$137,123,750 | (\$2,042,736) | -1.45% | \$8,549,080 |
| DENTAL | | | | | | |
| Delta Dental PPO (self-funded) | 12,992 | 11,056,985 | 11,056,985 | \$0 | 0.00% | \$0 |
| Delta Dental HMO | 3,329 | 793,543 | 833,105 | \$39,562 | 5.00% | \$0 |
| Dental Total | 16,321 | \$11,850,528 | \$11,890,090 | \$39,562 | 0.33% | \$0 |
| VISION | | | | | | |
| Anthem Blue View | 6,675 | 839,079 | 839,079 | \$0 | 0.00% | \$0 |
| Vision Total | 6,675 | \$839,079 | \$839,079 | \$0 | 0.00% | \$0 |
| GRAND TOTAL | | \$154,054,716 | \$149,852,919 | (\$2,003,174) | -1.30% | \$8,549,080 |

- 1) Anthem (including Blue View vision) and Delta Dental enrollments are retiree counts.
- 2) Kaiser, UnitedHealthcare and SCAN enrollments are member counts.
- 3) Delta Dental HMO rate is effective for 3 years from 2022 to 2024

2022 Projected/Proposed Renewal Action with Benefit Enhancements

Implementing the benefit enhancements and the Anthem Passive PPO Medicare Advantage plan reduced plan costs by \$2,003,174. Member cost increase reduced to \$433,300. LACERS would retain \$8,768,008.

| 2022 Renewal Summary - Rate Change Impact | 2022 Rate Action % | | Retained by LACERS | 2022 Rate Action \$ | | Retained by LACERS |
|----------------------------------------------|--------------------|------------------|-----------------------|---------------------|------------------|-----------------------|
| | Carrier Rate Δ | Member Rate Δ | | Carrier Rate Δ | Member Rate Δ | |
| Anthem | | | | | | |
| PPO | 4.58% | 4.58% | 0.00% | \$ 803,160 | \$ 803,160 | \$ - |
| HMO | -0.05% | 0.00% | 0.05% | \$ (5,800) | \$ - | \$ 5,800 |
| <u>Passive PPO Medicare Advantage</u> | -25.28% | -12.64% | 12.64% | \$ (5,702,457) | \$ (2,851,229) | \$ 2,851,229 |
| Total Anthem | | | | \$ (4,905,098) | \$ (2,048,069) | \$ 2,857,029 |
| Kaiser with Meal Delivery Benefit | | | | | | |
| Kaiser HMO | 7.10% | 5.49% | 0.00% | \$ 3,060,632 | \$ 2,365,687 | \$ - |
| <u>Kaiser Senior Advantage</u> | -0.50% | 0.00% | 13.76% | \$ (206,430) | \$ - | \$ 5,628,476 |
| Total Kaiser | | | | \$ 2,854,202 | \$ 2,365,687 | \$ 5,628,476 |
| UHC - HMO | | | | | | |
| California | 2.24% | 2.24% | 0.00% | \$ 61,247 | \$ 61,247 | \$ - |
| Nevada | 2.24% | 2.24% | 0.00% | \$ 7,344 | \$ 7,344 | \$ - |
| <u>Arizona</u> | 2.24% | 2.24% | 0.00% | \$ 7,529 | \$ 7,529 | \$ - |
| Total UHC | | | | \$ 76,119 | \$ 76,119 | \$ - |
| SCAN - Medicare HMO | | | | | | |
| SCAN HMO | -3.00% | 0.00% | 3.00% | \$ (67,960) | \$ - | \$ 67,960 |
| Delta Dental | | | | | | |
| PPO | 0.0% | 0.0% | 0.0% | \$ - | \$ - | \$ 214,543 |
| <u>DHMO</u> | 5.0% | 5.0% | 0.0% | \$ 39,562 | \$ 39,562 | \$ - |
| Total Delta Dental | | | | \$ 39,562 | \$ 39,562 | \$ 214,543 |
| Anthem Blue View | | | | | | |
| Vision | 0.00% | 0.00% | 0.00% | \$ - | \$ - | \$ - |
| Grand Total | | | | \$ (2,003,174) | \$ 433,300 | \$ 8,768,008 |

Performance Standards

Keenan requested the carriers expand their performance guarantees to include reporting and measuring performance standards in the following areas:

- Disease management
- Clinical outcomes
- Security breach policy
- Enrollment and Eligibility system accuracy (Anthem only)

The chart below outlines the carrier's agreement to these guarantees and standards. All carriers agreed to the requested expansion of performance guarantees with the exceptions noted:

- UHC is not able to agree due to the limited enrollment in the three state plans UHC offers
- Kaiser continues to be unable to offer employers a performance guarantee for security breaches

2022 PROPOSED PERFORMANCE GUARANTEES

| PG | Anthem | Kaiser | SCAN | UHC | Anthem Vision | Delta Dental |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|------|-----|---------------|--------------|
| Incorporate measures specific to disease management, performance category, (HEDIS standards) and the financial implication for failing to meet performance standards | YES | YES | YES | NO | N/A | N/A |
| Incorporate measures specific to clinical outcomes performance category, (HEDIS standards) performance standard and the financial implication for failing to meet performance standards | YES | YES | YES | NO | N/A | N/A |
| Incorporate in the performance guarantee a standard, measurement, and penalty specific to your security breach policy | YES | NO | YES | YES | YES | YES |
| Add performance guarantees for enrollment and eligibility to ensure that Anthem's eligibility system accurately reflects the LACERS enrollment (ANTHEM MEDICAL ONLY) | YES | N/A | N/A | N/A | N/A | N/A |

Appendix

Anthem PPO Rates

| Anthem | | Carrier Rates | | | Member Rate | | | Amount Retained by LACERS | |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------|------------|----------|-------------|------------|----------|---------------------------|--------|
| U65 and 65+ Part B PPO - Refunding | | 2021 | 2022 | % Change | 2021 | 2022 | % Change | 2021 | 2022 |
| Retiree Only | | | | | | | | | |
| U | Retiree < 65 or > 65 with only Part B of Medicare | \$1,270.65 | \$1,328.85 | 4.58% | \$1,270.65 | \$1,328.85 | 4.58% | \$0.00 | \$0.00 |
| Retiree and One Dependent | | | | | | | | | |
| UU | Retiree & Dependent both < 65 or both > 65 with Part B of Medicare | \$2,541.30 | \$2,657.70 | 4.58% | \$2,541.30 | \$2,657.70 | 4.58% | \$0.00 | \$0.00 |
| UM | Retiree < 65 & Dependent > 65 with both parts A & B of Medicare | \$1,270.65 | \$1,328.85 | 4.58% | \$1,270.65 | \$1,328.85 | 4.58% | \$0.00 | \$0.00 |
| MU | Retiree > 65 with both parts A & B of Medicare & Dependent < 65 | \$1,270.65 | \$1,328.85 | 4.58% | \$1,270.65 | \$1,328.85 | 4.58% | \$0.00 | \$0.00 |
| Retiree and Family (Family = 2 or more dependents) | | | | | | | | | |
| UUU | Retiree & Dependents all < 65 or > 65 with Part B of Medicare | \$2,986.03 | \$3,122.80 | 4.58% | \$2,986.03 | \$3,122.80 | 4.58% | \$0.00 | \$0.00 |
| UMU | Retiree < 65 & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare | \$1,715.38 | \$1,793.95 | 4.58% | \$1,715.38 | \$1,793.95 | 4.58% | \$0.00 | \$0.00 |
| MUU | Retiree > 65 with both parts A & B of Medicare & Dependents < 65 | \$1,715.38 | \$1,793.95 | 4.58% | \$1,715.38 | \$1,793.95 | 4.58% | \$0.00 | \$0.00 |
| MMU | Retiree & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare (One or more Children) | \$444.73 | \$465.10 | 4.58% | \$444.73 | \$465.10 | 4.58% | \$0.00 | \$0.00 |

* These rates include the Silver Sneakers program.

Anthem HMO Rates

| Anthem | | Carrier Rates | | | Member Rate | | | Amount Retained by LACERS | |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------|------------|----------|-------------|------------|----------|---------------------------|--------|
| HMO - Refunding (Assumes Current Plan with Traditional HMO Network) | | 2021 | 2022 | % Change | 2021 | 2022 | % Change | 2021 | 2022 |
| Retiree Only | | | | | | | | | |
| U | Retiree < 65 or > 65 with only Part B of Medicare | \$1,060.44 | \$1,059.91 | -0.05% | \$1,060.44 | \$1,059.91 | -0.05% | \$0.00 | \$0.00 |
| Retiree and One Dependent | | | | | | | | | |
| UU | Retiree & Dependent both < 65 or both > 65 with Part B of Medicare | \$2,120.88 | \$2,119.82 | -0.05% | \$2,120.88 | \$2,119.82 | -0.05% | \$0.00 | \$0.00 |
| UM | Retiree < 65 & Dependent > 65 with both parts A & B of Medicare | \$1,060.44 | \$1,059.91 | -0.05% | \$1,060.44 | \$1,059.91 | -0.05% | \$0.00 | \$0.00 |
| MU | Retiree > 65 with both parts A & B of Medicare & Dependent < 65 | \$1,060.44 | \$1,059.91 | -0.05% | \$1,060.44 | \$1,059.91 | -0.05% | \$0.00 | \$0.00 |
| Retiree and Family (Family = 2 or more dependents) | | | | | | | | | |
| UUU | Retiree & Dependents all < 65 or > 65 with Part B of Medicare | \$2,757.14 | \$2,755.77 | -0.05% | \$2,757.14 | \$2,755.77 | -0.05% | \$0.00 | \$0.00 |
| UMU | Retiree < 65 & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare | \$1,696.70 | \$1,695.86 | -0.05% | \$1,696.70 | \$1,695.86 | -0.05% | \$0.00 | \$0.00 |
| MUU | Retiree > 65 with both parts A & B of Medicare & Dependents < 65 | \$1,696.70 | \$1,695.86 | -0.05% | \$1,696.70 | \$1,695.86 | -0.05% | \$0.00 | \$0.00 |
| MMU | Retiree & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare (One or more Children) | \$636.26 | \$635.95 | -0.05% | \$636.26 | \$635.95 | -0.05% | \$0.00 | \$0.00 |

Anthem Medicare Supplemental Rates

| Anthem | | Carrier Rates | | | Member Rate | | | Amount Retained by LACERS | |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------|------------|----------|-------------|------------|----------|---------------------------|---------|
| Medicare Supplement Plan - Refunding * | | 2021 | 2022 | % Change | 2021 | 2022 | % Change | 2021 | 2022 |
| Retiree Only | | | | | | | | | |
| M | Retiree > 65 with both Parts A & B of Medicare | \$555.78 | \$527.99 | -5.00% | \$555.78 | \$555.78 | 0.00% | \$0.00 | \$27.79 |
| Retiree and One Dependent | | | | | | | | | |
| UM | Retiree < 65 & Dependent > 65 with both Parts A & B of Medicare | \$555.78 | \$527.99 | -5.00% | \$555.78 | \$555.78 | 0.00% | \$0.00 | \$27.79 |
| MU | Retiree > 65 with both Parts A & B of Medicare & Dependent < 65 | \$555.78 | \$527.99 | -5.00% | \$555.78 | \$555.78 | 0.00% | \$0.00 | \$27.79 |
| MM | Retiree & Dependent both > 65 with both Parts A & B of Medicare | \$1,111.56 | \$1,055.98 | -5.00% | \$1,111.56 | \$1,111.56 | 0.00% | \$0.00 | \$55.58 |
| Retiree and Family (Family = 2 or more dependents) | | | | | | | | | |
| UMU | Retiree < 65 & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare | \$555.78 | \$527.99 | -5.00% | \$555.78 | \$555.78 | 0.00% | \$0.00 | \$27.79 |
| MUU | Retiree > 65 with both parts A & B of Medicare & Dependents < 65 | \$555.78 | \$527.99 | -5.00% | \$555.78 | \$555.78 | 0.00% | \$0.00 | \$27.79 |
| MMU | Retiree & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare | \$1,111.56 | \$1,055.98 | -5.00% | \$1,111.56 | \$1,111.56 | 0.00% | \$0.00 | \$55.58 |
| MMM | Retiree & Two Dependent both > 65 with both Parts A & B of Medicare | \$1,667.34 | \$1,583.97 | -5.00% | \$1,667.34 | \$1,667.34 | 0.00% | \$0.00 | \$83.37 |

* These rates include the Silver Sneakers program.

Anthem Passive PPO Medicare Advantage Rates

| Anthem Medicare Advantage Plan To Replace Anthem Medicare Supplement Plan - Non-Refunding | | 2021 Med Sup | 2022 MAPD | 2022 Rate Action % |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------|--------------|-----------------------|
| Retiree Only | | | | |
| M | Retiree > 65 with both Parts A & B of Medicare | \$555.78 | \$415.27 | -25.28% |
| Retiree and One Dependent | | | | |
| UM | Retiree < 65 & Dependent > 65 with both Parts A & B of Medicare | \$555.78 | \$415.27 | -25.28% |
| MU | Retiree > 65 with both Parts A & B of Medicare & Dependent < 65 | \$555.78 | \$415.27 | -25.28% |
| MM | Retiree & Dependent both > 65 with both Parts A & B of Medicare | \$1,111.56 | \$830.54 | -25.28% |
| Retiree and Family (Family = 2 or more dependents) | | | | |
| UMU | Retiree < 65 & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare | \$555.78 | \$415.27 | -25.28% |
| MUU | Retiree > 65 with both parts A & B of Medicare & Dependents < 65 | \$555.78 | \$415.27 | -25.28% |
| MMU | Retiree & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare | \$1,111.56 | \$830.54 | -25.28% |
| MMM | Retiree & Two Dependent both > 65 with both Parts A & B of Medicare | \$1,667.34 | \$1,245.81 | -25.28% |

KAISER Rates

| Kaiser (with Active & Fit, Transportation, and Meal Delivery Benefit) | | Carrier Rates | | | Member Rates | | | Amount Retained by LACERS | |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|---------------|------------|----------|--------------|------------|----------|---------------------------|---------|
| HMO | | 2021 | 2022 | % Change | 2021 | 2022 | % Change | 2021 | 2022 |
| Retiree Only | | | | | | | | | |
| U | Retiree < 65 or > 65 with only Part B of Medicare | \$840.54 | \$900.24 | 7.10% | \$853.39 | \$900.24 | 5.49% | \$12.85 | \$0.00 |
| M | Retiree with Medicare | \$231.90 | \$230.73 | -0.50% | \$262.47 | \$262.47 | 0.00% | \$30.57 | \$31.74 |
| Retiree and One Dependent | | | | | | | | | |
| UU | Retiree & Dependent both < 65 | \$1,681.07 | \$1,800.48 | 7.10% | \$1,706.78 | \$1,800.48 | 5.49% | \$25.71 | \$0.00 |
| UM | Retiree < 65 & Dependent with both Parts A&B of Medicare | \$1,072.44 | \$1,130.97 | 5.46% | \$1,115.86 | \$1,130.97 | 1.35% | \$43.42 | \$0.00 |
| MU | Retiree > 65 with both Parts A&B of Medicare & Dependent < 65 | \$1,072.44 | \$1,130.97 | 5.46% | \$1,115.86 | \$1,130.97 | 1.35% | \$43.42 | \$0.00 |
| MM | Retiree & Dependent > 65 with both Parts A&B of Medicare | \$463.80 | \$461.46 | -0.50% | \$524.94 | \$524.94 | 0.00% | \$61.14 | \$63.48 |
| Retiree and Family (Family = 2 or more dependents) | | | | | | | | | |
| UUU | Retiree & Dependents all < 65 | \$2,185.40 | \$2,340.62 | 7.10% | \$2,218.82 | \$2,340.62 | 5.49% | \$33.42 | \$0.00 |
| UMU | Retiree < 65 & One Dependent > 65 with both Parts A&B of Medicare, & Dependents without Medicare | \$1,576.77 | \$1,671.11 | 5.98% | \$1,627.90 | \$1,671.11 | 2.65% | \$51.13 | \$0.00 |
| MUU | Retiree > 65 with both Parts A&B of Medicare & Dependents without Medicare | \$1,576.77 | \$1,671.11 | 5.98% | \$1,627.90 | \$1,671.11 | 2.65% | \$51.13 | \$0.00 |
| MMU | Retiree & One Dependent > 65 with both Parts A&B of Medicare & at least One Dependent without Medicare | \$968.13 | \$1,001.60 | 3.46% | \$1,036.98 | \$1,036.98 | 0.00% | \$68.85 | \$35.38 |
| MMM | Retiree & Two Dependents > 65 with both Parts A&B of Medicare | \$695.70 | \$692.19 | -0.50% | \$786.81 | \$786.81 | 0.00% | \$91.11 | \$94.62 |

* These rates include the Silver Sneakers program.

** Acupuncture upgrade U=\$0.48, UU=\$0.96, UUU-\$1.25, Senior Advantage M=\$0.48

*** Medicare Advantage prescription drug coverage – there is no catastrophic stage, all drugs are covered at the applicable copayment.

**** 2022 Rates include Meal Delivery Rider for Medicare Eligible Retirees

UHC Rates

| UHC | | Carrier Rates | | | Member Rates | | | Amount Retained by LACERS | |
|-------------------------------------------|---------------------------------------------------------------|---------------|------------|----------|--------------|------------|----------|---------------------------|--------|
| HMO MAPD with RX - (Assumes Current Plan) | | 2021 | 2022 | % Change | 2021 | 2022 | % Change | 2021 | 2022 |
| California | | | | | | | | | |
| M | Retiree with Medicare | \$270.56 | \$274.62 | 1.50% | \$270.56 | \$274.62 | 1.50% | \$0.00 | \$0.00 |
| MM | Retiree & Dependent > 65 with both Parts A&B of Medicare | \$541.12 | \$549.24 | 1.50% | \$541.12 | \$549.24 | 1.50% | \$0.00 | \$0.00 |
| MMM | Retiree & Two Dependents > 65 with both Parts A&B of Medicare | \$811.68 | \$823.86 | 1.50% | \$811.68 | \$823.86 | 1.50% | \$0.00 | \$0.00 |
| Nevada | | | | | | | | | |
| M | Retiree with Medicare | \$241.73 | \$245.36 | 1.50% | \$241.73 | \$245.36 | 1.50% | \$0.00 | \$0.00 |
| MM | Retiree & Dependent > 65 with both Parts A&B of Medicare | \$483.46 | \$490.72 | 1.50% | \$483.46 | \$490.72 | 1.50% | \$0.00 | \$0.00 |
| MMM | Retiree & Two Dependents > 65 with both Parts A&B of Medicare | \$725.19 | \$736.08 | 1.50% | \$725.19 | \$736.08 | 1.50% | \$0.00 | \$0.00 |
| Arizona | | | | | | | | | |
| M | Retiree with Medicare | \$341.50 | \$346.62 | 1.50% | \$341.50 | \$346.62 | 1.50% | \$0.00 | \$0.00 |
| MM | Retiree & Dependent > 65 with both Parts A&B of Medicare | \$683.00 | \$693.24 | 1.50% | \$683.00 | \$693.24 | 1.50% | \$0.00 | \$0.00 |
| MMM | Retiree & Two Dependents > 65 with both Parts A&B of Medicare | \$1,024.50 | \$1,039.86 | 1.50% | \$1,024.50 | \$1,039.86 | 1.50% | \$0.00 | \$0.00 |

* Includes Acupuncture

** The rates include coverage in the Catastrophic Stage (member will continue to pay their standard copay when they reach this stage)

SCAN Rates

| SCAN | | Carrier Rates | | | Member Rates | | | Amount Retained by LACERS | |
|------------|---------------------------------------------------------------|---------------|----------|----------|--------------|----------|----------|---------------------------|---------|
| HMO | | 2021 | 2022 | % Change | 2021 | 2022 | % Change | 2021 | 2022 |
| | | | | | | | | | |
| M | Retiree with Medicare | \$259.81 | \$252.02 | -3.00% | \$259.81 | \$259.81 | 0.00% | \$0.00 | \$7.79 |
| MM | Retiree & Dependent > 65 with both Parts A&B of Medicare | \$519.62 | \$504.04 | -3.00% | \$519.62 | \$519.62 | 0.00% | \$0.00 | \$15.58 |
| MMM | Retiree & Two Dependents > 65 with both Parts A&B of Medicare | \$779.43 | \$756.06 | -3.00% | \$779.43 | \$779.43 | 0.00% | \$0.00 | \$23.37 |

Delta Dental Rates

| Delta Dental | | Carrier Rates | | | | Member Rates | | | Amount Retained by LACERS | |
|---------------------|--------------------------|--------------------|------------------------------------|----------|----------|--------------|----------|----------|---------------------------|--------|
| Dental | | 2018 Carrier Rates | 2021 | 2022 | % Change | 2021 | 2022 | % Change | 2021 | 2022 |
| Dental PPO | | | Self-Funded Fee & Equivalent Rates | | | | | | | |
| Dental ASO Fee PRPM | | | \$5.10 | \$5.10 | 0.00% | | | | | |
| M | Retiree | \$49.43 | \$51.16 | \$51.16 | 0.00% | \$51.16 | \$51.16 | 0.00% | \$0.00 | \$0.00 |
| MM | Retiree & Dependent | \$98.02 | \$101.45 | \$101.45 | 0.00% | \$101.45 | \$101.45 | 0.00% | \$0.00 | \$0.00 |
| MMM | Retiree & Two Dependents | \$141.60 | \$146.56 | \$146.56 | 0.00% | \$146.56 | \$146.56 | 0.00% | \$0.00 | \$0.00 |
| DHMO | | | Fully-Insured Rates | | | | | | | |
| M | Retiree | \$12.80 | \$14.38 | \$15.10 | 5.01% | \$14.38 | \$15.10 | 5.01% | \$0.00 | \$0.00 |
| MM | Retiree & Dependent | \$23.90 | \$26.85 | \$28.19 | 4.99% | \$26.85 | \$28.19 | 4.99% | \$0.00 | \$0.00 |
| MMM | Retiree & Two Dependents | \$27.62 | \$31.04 | \$32.59 | 4.99% | \$31.04 | \$32.59 | 4.99% | \$0.00 | \$0.00 |

Anthem Blue View Vision Rates

| Anthem Blue View Vision | | | | Carrier Rates | | | Member Rates | | | Amount | |
|------------------------------------|--|---------|---------|---------------|---------|---------|--------------|--------|--------|--------|--|
| Vision | | 2021 | 2022 | % Change | 2021 | 2022 | % Change | 2021 | 2022 | | |
| 3 Year rate Guarantee through 2022 | | | | | | | | | | | |
| Retiree | | \$9.14 | \$9.14 | 0.00% | \$9.14 | \$9.14 | 0.00% | \$0.00 | \$0.00 | | |
| Retiree & Dependent | | \$13.25 | \$13.25 | 0.00% | \$13.25 | \$13.25 | 0.00% | \$0.00 | \$0.00 | | |
| Retiree & Two Dependents | | \$23.67 | \$23.67 | 0.00% | \$23.67 | \$23.67 | 0.00% | \$0.00 | \$0.00 | | |

Delta Dental – PPO Plan Experience

| Date | Number of Claims | Paid Amount | Administration | Total Expenses | Total Primary Enrollees | Premium | Surplus / Deficit | Total Cost Loss Ratio |
|--------------|------------------|---------------------|--------------------|---------------------|-------------------------|---------------------|--------------------|-----------------------|
| Apr-19 | 3,126 | \$642,973 | \$61,037 | \$704,010 | 11,968 | \$845,985 | \$141,976 | 83.2% |
| May-19 | 3,750 | \$781,973 | \$61,175 | \$843,148 | 11,995 | \$847,141 | \$3,993 | 99.5% |
| Jun-19 | 3,114 | \$610,363 | \$61,368 | \$671,731 | 12,033 | \$849,845 | \$178,114 | 79.0% |
| Jul-19 | 2,933 | \$568,691 | \$61,567 | \$630,258 | 12,072 | \$852,544 | \$222,286 | 73.9% |
| Aug-19 | 3,965 | \$737,173 | \$61,690 | \$798,862 | 12,096 | \$853,571 | \$54,708 | 93.6% |
| Sep-19 | 3,064 | \$597,225 | \$61,914 | \$659,139 | 12,140 | \$857,003 | \$197,863 | 76.9% |
| Oct-19 | 4,117 | \$731,619 | \$62,031 | \$793,651 | 12,163 | \$858,044 | \$64,393 | 92.5% |
| Nov-19 | 3,061 | \$572,951 | \$62,087 | \$635,038 | 12,174 | \$858,014 | \$222,976 | 74.0% |
| Dec-19 | 3,013 | \$537,709 | \$62,087 | \$599,796 | 12,174 | \$857,833 | \$258,037 | 69.9% |
| Jan-20 | 4,133 | \$905,378 | \$62,852 | \$968,231 | 12,324 | \$870,198 | -\$98,032 | 111.3% |
| Feb-20 | 3,837 | \$870,292 | \$63,097 | \$933,389 | 12,372 | \$873,660 | -\$59,729 | 106.8% |
| Mar-20 | 3,166 | \$689,302 | \$63,439 | \$752,741 | 12,439 | \$878,822 | \$126,081 | 85.7% |
| Apr-20 | 910 | \$221,127 | \$63,470 | \$284,597 | 12,445 | \$879,340 | \$594,744 | 32.4% |
| May-20 | 680 | \$149,923 | \$63,592 | \$213,515 | 12,469 | \$881,352 | \$667,837 | 24.2% |
| Jun-20 | 2,241 | \$448,055 | \$63,515 | \$511,571 | 12,454 | \$879,801 | \$368,230 | 58.1% |
| Jul-20 | 3,405 | \$660,701 | \$63,505 | \$724,206 | 12,452 | \$879,397 | \$155,191 | 82.4% |
| Aug-20 | 2,720 | \$552,036 | \$63,480 | \$615,515 | 12,447 | \$878,669 | \$263,154 | 70.1% |
| Sep-20 | 2,822 | \$589,843 | \$63,867 | \$653,711 | 12,523 | \$885,009 | \$231,299 | 73.9% |
| Oct-20 | 3,803 | \$756,617 | \$64,229 | \$820,846 | 12,594 | \$889,296 | \$68,450 | 92.3% |
| Nov-20 | 2,659 | \$526,483 | \$64,510 | \$590,993 | 12,649 | \$892,879 | \$301,886 | 66.2% |
| Dec-20 | 3,249 | \$680,862 | \$64,806 | \$745,667 | 12,707 | \$897,414 | \$151,747 | 83.1% |
| Jan-21 | 2,782 | \$652,127 | \$65,831 | \$717,957 | 12,908 | \$913,207 | \$195,250 | 78.6% |
| Feb-21 | 3,071 | \$704,101 | \$66,504 | \$770,605 | 13,040 | \$924,525 | \$153,920 | 83.4% |
| Mar-21 | 3,472 | \$740,992 | \$66,259 | \$807,251 | 12,992 | \$921,415 | \$114,164 | 87.6% |
| Total | 73,093 | \$14,928,515 | \$1,517,913 | \$16,446,428 | 297,630 | \$21,024,964 | \$4,578,536 | 78.2% |

Note: The number of primary enrollees may change to include retroactive additions and/or deletions in eligibility.

Anthem Blue View Vision – Plan Experience

| Date | Paid Claim Amount | Administration Fee | Total Expenses | Total Primary Members | Premium | Surplus / Deficit | Total Cost Loss Ratio |
|--------------|--------------------|--------------------|--------------------|-----------------------|--------------------|-------------------|-----------------------|
| Apr-19 | \$61,364 | \$5,288 | \$66,652 | 7,893 | \$62,860 | -\$3,792 | 106.0% |
| May-19 | \$60,561 | \$5,310 | \$65,871 | 7,925 | \$51,129 | -\$14,742 | 128.8% |
| Jun-19 | \$55,016 | \$5,335 | \$60,351 | 7,962 | \$54,377 | -\$5,974 | 111.0% |
| Jul-19 | \$59,086 | \$4,142 | \$63,228 | 6,182 | \$61,004 | -\$2,224 | 103.6% |
| Aug-19 | \$59,749 | \$4,153 | \$63,902 | 6,198 | \$61,048 | -\$2,854 | 104.7% |
| Sep-19 | \$67,363 | \$4,171 | \$71,534 | 6,226 | \$62,204 | -\$9,330 | 115.0% |
| Oct-19 | \$66,775 | \$4,178 | \$70,953 | 6,236 | \$62,050 | -\$8,903 | 114.3% |
| Nov-19 | \$62,624 | \$4,188 | \$66,812 | 6,250 | \$61,361 | -\$5,451 | 108.9% |
| Dec-19 | \$47,477 | \$4,190 | \$51,667 | 6,253 | \$61,674 | \$10,007 | 83.8% |
| Jan-20 | \$51,501 | \$4,201 | \$55,702 | 6,270 | \$65,308 | \$9,606 | 85.3% |
| Feb-20 | \$40,810 | \$4,215 | \$45,025 | 6,291 | \$65,642 | \$20,617 | 68.6% |
| Mar-20 | \$49,109 | \$4,228 | \$53,337 | 6,310 | \$65,313 | \$11,976 | 81.7% |
| Apr-20 | -\$217 | \$4,237 | \$4,020 | 6,324 | \$66,763 | \$62,743 | 6.0% |
| May-20 | \$6,583 | \$4,250 | \$10,833 | 6,344 | \$66,290 | \$55,457 | 16.3% |
| Jun-20 | \$33,848 | \$4,259 | \$38,107 | 6,357 | \$65,367 | \$27,260 | 58.3% |
| Jul-20 | \$37,211 | \$4,255 | \$41,466 | 6,350 | \$66,242 | \$24,777 | 62.6% |
| Aug-20 | \$54,239 | \$4,250 | \$58,489 | 6,344 | \$66,181 | \$7,692 | 88.4% |
| Sep-20 | \$30,164 | \$4,275 | \$34,439 | 6,381 | \$66,070 | \$31,631 | 52.1% |
| Oct-20 | \$54,650 | \$4,301 | \$58,951 | 6,419 | \$67,073 | \$8,122 | 87.9% |
| Nov-20 | \$61,519 | \$4,303 | \$65,822 | 6,422 | \$67,308 | \$1,486 | 97.8% |
| Dec-20 | \$48,495 | \$4,325 | \$52,820 | 6,455 | \$66,977 | \$14,157 | 78.9% |
| Jan-21 | \$38,601 | \$4,385 | \$42,986 | 6,545 | \$68,007 | \$25,021 | 63.2% |
| Feb-21 | \$33,167 | \$4,427 | \$37,594 | 6,607 | \$68,764 | \$31,170 | 54.7% |
| Mar-21 | \$61,771 | \$4,472 | \$66,243 | 6,675 | \$69,920 | \$3,677 | 94.7% |
| Total | \$1,141,466 | \$105,337 | \$1,246,803 | 157,219 | \$1,538,932 | \$292,129 | 81.0% |

Note: The number of primary members may change to include retroactive additions and/or deletions in eligibility.

Acknowledgement

Keenan & Associates would like to thank Mr. Alex Rabrenovich and the LACERS Health Benefits Administration staff for providing the necessary data and engaging in this renewal process. Their cooperation and guidance have been extremely valuable.

Questions and Answers

| 2022 PROPOSED ADDITIONAL BENEFITS | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| Benefit | | |
| | Anthem Med Adv | Med Supp Plan |
| Personal Care Coordinator - Carrier staff will provide personal assistance to coordinate the listed services (or other services within the carrier) and assist with referrals to community resources. | Yes | No |
| Home Delivered Meals - Carrier's members are covered for home delivery of meals to meet nutritional needs. | Yes | No |
| Personal Care - Members are covered for in-home assistance for tasks such as bathing, dressing, eating, getting in and out of bed, moving about/walking, and grooming. | Yes | No |
| Emergency Response System (Life Alert) - Members are covered for the installation of a personal emergency response device that alerts emergency medical personnel of provide immediate help. | Yes | No |
| Enhanced Routine Transportation - Members are eligible to receive unlimited rides per year to or from pre-scheduled medical appointments to contracted providers. Requires 24 hours in advance notification to arrange ride. | Yes | No |
| Homemaker Service - Members are eligible to receive assistance with light cleaning, grocery shopping, laundry and meal preparation. | Yes | No |
| In-Home Caregiver Relief - Carrier provides alternative caregiver services in member's home when a regular caregiver can't be there. | Yes | No |
| Adult Day Care/Community based Adult Services (CBAS) - AKA Adult Day Health Care - Carrier covers adult day care services in a center to provide relief for member's regular caregiver while addressing the individual needs of the member for physical, social or intellectual exercise and stimulation. | Yes | No |
| Bathroom Durable Medical Equipment (DME) - Carrier covers bathroom DME such as shower chairs, shower hoses, grab bars, toilet seat risers and safety frames. | Yes | No |
| Hearing Aid - \$2,000 allowance/36 months | Yes | Yes |
| Vision Materials - \$100 allowance/24 months | Yes | Yes |
| Foot Care - 12 visits | Yes | No |
| MyHealth Advantage - MyHealth note is mailed to retirees that are overdue on refills, or missed screenings. Retirees are sent a MyHealth note that lets them know what gaps have been identified and encourages them to take steps to close those gaps. | Yes | Yes |

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| Medicare Community Resource Support team will assist you by providing information and education about community-based services and support programs in your area. | Yes | No |
| Foreign Travel- Emergency or urgently needed care services while traveling outside the United States or its territories. | Yes | Yes |
| House Call Program- Voluntary program, no cost health assessment to help support the care retirees are receiving from their current doctors whether the assessment be in person in the safety of their own home or by telephone. The visiting clinician will perform [basic] health screenings such as: blood pressure, and body mass index (also called BMI), talk with you to review your medical history and the medications you take, fill out a health assessment form, and answer any questions you may have. Partnership reporting a summary of the visit to the members primary care physician. | Yes | No |
| Health & Fitness Tracker - Coverage includes a fitness tracking device to track your physical activity and a member engagement website designed to provide guidance, encouragement, and motivation. Limit one device every two years provided through Anthem. | Yes | No |
| Healthy Pantry- Support for chronically ill members providing monthly nutritional counseling sessions via phone. A monthly meal delivery of non-perishable pantry items sent directly to the retirees home. | Yes | No |