

Health Benefits Committee Jan. 10, 2024

1. Committee Members

- a. Active employees: John Campbell, ~~Maria De Leon~~, ~~Katie Herrick Jasper~~, ~~Blair Howard~~, Laura Juanitas, Victor Lagunes, Carrie McCloud, Tim McCormick, Sande Royval, Tara Salaices, Julianna Sikes, Vanessa Tonn
- b. Keenan Consultants: ~~Debra DeSpain~~
- c. Retirees: Laurel Clumpner, Judy Stafford, Cathy Haskell

2. Public Comment - 15 minutes - delayed to after presentation

3. Rumors - questions from group

No comments or questions

4. Committee Norms

- a. Raise hand to speak
- b. Hard on the idea and not the person
- c. Allow all voices to be heard
- d. Assume positive intent
- e. Allow space for all perspectives
- f. Have parking lot list for ideas that are off topic
- g. Be willing to speak up without judgment from others
- h. Have an open mind to the process and not advocate one point of view
- i. Receive agenda and handouts as early as possible

5. Presentation from CalPERS regarding medical benefits- Alisa Tolman

a. Public comment questions:

- Other advantages to retirees, page 27, where do they get a copy of that plan? CalPERS website.
- Can Keenan provide the actuarial value of the plans they are proposing? (not here to answer)
- Can a retiree stay with CalPERS if district leaves? No
- Natomas just went through this and decided to stay with CalPERS, what was their criteria? Not sure but they did hire Checkers.
- Is there any regulatory oversight for Keenan to their costs in check? Not sure but should be overseen by regulatory committee. Keenan would need to answer.
- Is it absolutely necessary that the contribution to CalPERS be district money? Yes, the language from PEMCHA is very clear on it has to be district money and not passed on to the retiree.
- If this is CalPERS, don't the member decides and not the district? It is up to the district how they handle it, CalPERS work with the district and not individual members. Follow Up- why is district deciding to leave CalPERS? T.M. replied- it is not the district, it is the committee that is deciding and process to do that.

- Is this presentation being given to all of the groups? No, the committee is all of the groups.
- Statement regarding no health care benefits after age 65, is that correct? No, it is not.
- State, school districts, and state agency groups, do they all pay the same amount? No, state employees pay one rate and school districts and state agencies pay a different amount. In NorCal, state employees pay less while in SoCal they pay more than the other agencies due to competition, access to providers.

b. Questions from committee to CalPERS

- From the presentations, Sydney was referred to, what is that? That is the Anthem app.
- Why is there a 5 year wait to return once you leave? It is to help with continuity and maintain a stable base for premium ratings. It is not punitive.
- Equity around the state employee rates vs. agency rates in the Nor Cal region, have you looked into other options to keep it equitable among the agencies to get rates lower? CalPERS is looking into it but it is a bigger issue with the healthcare industry.
- State vs. other rates- why are there two rates, makes it feel like state employees are more important than the others? Years ago, 15 or so, there was one rate but there was a large exodus in southern California of agencies because they could get lower rates outside of CalPERS.
- So all state employees have the same rate but the agencies are divided by region? Correct.
- How often do the regions change? Started with 5 regions, down to 3 now. When the change happened it was with a lot of discussion and work looking at stabilizing the regions and least impact to the insured.
- At the board meetings, are they looking at doing the best for all or just focussed on state employees? The board is made up of representatives from throughout the membership.
- What is the percentage of agencies that jump out to return? 99%+ retention rate so not much data to go on to answer this question, 14 agencies left in 2024.
- What is the reason for the \$157 cost to districts per retiree benefit? They are a retirement system so they want to be retiree friendly. No interest by the board to change this.
- Is the \$157 included in the rate on slide 11(?)? Yes.
- Why are most of the options provided to agencies only Platinum and Gold options and not lower rates? The lower cost plans with higher out-of-pocket costs are shown that the insured is less likely to go for preventative care and therefore land in hospital more often because they do not seek medical help until they are very sick.
- If an agency leaves CalPERS and comes back, is there any penalty for pre-existing conditions? No because no carrier can do that after ACA.
- Is one of the reps our account representative for the district? No because they do not have an account representative for each agency. Employee contact center to assist insured.
- Do any of you have any of the justification for why DJUSD went into CalPERS originally in 1996? The reps here do not have any of that information. There could be some data.

- Do the retirees have that answer? Unstable rates because of the usage and number of insured in the plans.
- What are the average salary of the institutions that you represent? They are not able to answer this question because the plans are only available for employees who work half time or more.
- Do you allow all groups to join regardless of their usage? Correct, CalPERS does not have the ability to deny any group access. Does that mean we cover for the higher usage agencies? Yes.
- Why does CalPERS not allow the district access to their usage data so we can get accurate quotes from other providers? It is financial issue as well as security issue- cost to have 3rd party cull the data out and then securing it to transfer to agencies.
- How are other similar agencies able to get lower rates? Because CalPERS takes all whereas school districts tend to be healthier overall could be part of it.
- Is there any way CalPERS minimizes the year over year increases? And is there a cap? There is no cap on increases. They were able to negotiate to lower the rate Kaiser proposed for 2024.

Thank you to the presenters for being honest in their answers.

6. Schedule for future meetings all 3:30-5:30 District Office:
 - a. January 31, 2024: Final review of plans and next steps
 - b. February ?, 2024: Unresolved issue: are we moving forward with a committee recommendation (for or against) or a neutral position