



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

Joint Committee on Health and Welfare Benefits Recommendations

SEIU – SMMCTA – SMMASA

August 24, 2022



What is the Joint Committee on Health and Welfare Benefits?

In 2018, representatives from SEIU, SMMCTA and SMMASA signed a Memorandum of Understanding (“MOU”) to form a Joint Committee on Health and Welfare Benefits (“Committee”). Since 2018 the Committee has met regularly to review the District’s health benefits program as part of fulfilling the Committee’s stated mission:

The role of the Committee is to contain the cost of the District’s health and welfare benefits program, and to maintain the affordability and quality of the benefits available to employees and eligible dependents.



What has the Joint Committee on Health and Welfare Benefits done in the recent past?

Committee's work has resulted in several changes:

- 1. Elimination of a two-tiered system that favored employees hired before July 2014 and disfavored employees hired on or after that date.*
- 2. Annual review of health benefit rates published by the California Public Employees Retirement System (CalPERS) to determine the District's contribution toward each health plan.*
- 3. Most plans required NO CONTRIBUTION for full-time employees.*
- 4. For 2021 and 2022, the committee advised and agreed to the employer's contribution to be determined by calculating the average of all premiums.*



What is CalPERS and why have we participated in that exchange for so long?

The District has long participated in the CalPERS health benefit system with minimal question or analysis.

- Committee acknowledges that the costs of health benefits are increasing, prompting us to more carefully analyze the costs of health benefits.
- By studying the rates each year, the Committee has learned that the CalPERS rates are volatile with the premiums for many plans seeing large increases and, at times, decreases, which caused the Committee to question if CalPERS is the best option.
- With an eye towards addressing the Committee's mission, members studied possible options to CalPERS to see if there is a better match



If we leave CalPERS, where would we go?

Due to the volatile nature of the health premium rates through CalPERS, the committee is recommending that the District discontinue its relationship with CalPERS and join SISC (Self-Insured Schools of California).

- CalPERS increase overall was 6% this year, however the PPO plans which ~400 members currently select had 15% and 18% increases.
- SISC's overall increase was 3%, and more importantly SISC's wide Network PPO is ~ 26% less expensive than CalPERS and offers a slightly better benefit and all of the same providers and hospitals are available.
- Similarly, SISC's rate for the wide network HMO is ~24% less expensive and all of the same medical groups, providers and hospitals are available.



What is SISC (Self-Insured Schools of California)?

- SISC is a coalition of over 450 California public schools and is a joint powers authority public entity that operates out of the Kern County Office of Education.
- As a public entity it is subject to the Brown Act with board meetings open to the public.
- SMMUSD would be a part of Orange/LA/San Bernardino/Riverside region that includes 40 other school districts.
- SISC medical plans are provided by Anthem Blue Cross and Kaiser Permanente.

SISC's motto is "Schools Helping Schools."



Rationale for choosing SISC?

- **Large Pool** – Serving over 450 California public schools, the pool is sufficiently large allowing for risk to be spread over a large population.
- **Make-Up of the Pool** – In serving only public school districts, the membership of the risk pool trends healthier and younger than the risk pool of members that are in CalPERS.
- **Comparability of Providers** – SISC is able to provide options comparable to those provided in CalPERS. The District may “build” six options for our employees that, in order to be comparable to what is provided in CalPERS, would be comprised of wide and narrow preferred provider organizations (PPOs), wide and narrow health maintenance organizations (HMOs) and Kaiser Permanente.
- The District could also make a “buy-up” option available to employees seeking a “richer” plan that is outside of the District’s ability to fully fund for full-time employees. The narrow network options will likely allow our part-time SMMUSD employees who receive a smaller employer contribution to purchase affordable health plans.



Rationale for choosing SISC?

- **Diversity and Flexibility of Plan Options** – With SISC, the District can select from a wide-range of options to build its six program options. No such flexibility exists for the District in CalPERS. Initially, the Committee will recommend six plan options that are most comparable to the District’s current option.
- **Additional Benefits and Services** – SISC offers a range of additional benefits and services, some of which are currently available to employees, and some of which are not.
- **Benefit Renewal Calendar** – SISC’s benefit renewal calendar is October 1 of each year. Rates are released in the spring of each year. This timeline is more suitable to school district employees. Plan determination and open enrollment will occur in the spring of each year allowing employees to make selections prior to the end of the school year.



Rationale for choosing SISC?

SISC Plan Recommendations for SMMUSD for January 1, 2023 – October 1, 2023

The SISC proposal includes proposed premiums for nine (9) months covering the period from January 1, 2023 – October 1, 2023. The 10-Month Premium rates shown below estimate the monthly premium paid for ten (10) months, covering benefits for twelve (12) months. The estimates were calculated by taking the nine (9) month premium rate plus the nine (9) month premium rate increased by 5% for an additional three (3) months. This twelve (12) month total was then divided by ten (10) to estimate the 10-Month Premium rate for a full-year of health benefit coverage.



Helpful Vocabulary

Purchasing Pools:

These are purchasers of different carriers for us. CalPERS and SISC are purchasing pools.

Carriers:

These are different companies that work with specific providers (hospital, doctors). For example, Blue Cross, Anthem, Blue Shield, Kaiser, Healthnet, United Health Care.

Providers:

Specific hospitals and doctors that have contracts with specific carriers. For example, UCLA Hospital, Kaiser Permanente Hospital, Cedars Sinai.



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**What carriers are available
and how much would this
cost?**



PPO with Wide Network (Buy-Up Plan)

Anthem 90%-G PPO Option (Wide Network “Buy-Up Plan”)

		<u>10-Month Premium</u>	
Ind/Family Deductible	\$500/\$1,000	Independent	\$959
Ind/Family		2-Party	\$1,917
Out of Pocket Maximum	\$1,000/\$3,000	Family	\$2,500
Coverage	90%		
Office Visit	\$20		
Pharmacy: Generic, Brand, Specialty	\$5, \$20, \$20		

Most Similar to CalPERS: PERS Platinum (formerly called PERS Care)

Option is available to full-time employees and their families with an employee contribution. Committee recommends employee contribution of \$74, \$154 and \$202 for independent, 2-Part and Family, respectively.



PPO with Wide Network

Anthem 80%-G PPO Option (Wide Network)

Ind/Family Deductible	\$500/\$1,000
Ind/Family Out of Pocket Maximum	\$2,000/\$4,000
Coverage	80%
Office Visit	\$20

10-Month Premium

Independent	\$885
2-Party	\$1,763
Family	\$2,299

Pharmacy: Generic, Brand, Specialty \$5, \$20, \$20

Most Similar to CalPERS: To the plan formerly called PERS Choice

Option is available to full-time employees and their families at no cost to the employee.



HMO with Full Network

Anthem Full Network HMO (Premier 10/0)

Deductible	\$0
Ind/Family	
Out of Pocket Maximum	\$1,000/\$2,000
Office Visit	\$10
Specialist Visit	\$10
Inpatient Admit	\$0

10-Month Premium

Independent	\$859
2-Party	\$1,712
Family	\$2,232

Pharmacy: Generic, Brand, Specialty \$5, \$20, \$20

Most Similar to CalPERS: Anthem Traditional and Blue Shield Access Plus HMO

Option is available to full-time employees and their families at no cost to the employee.



HMO with select Network

Anthem Select Network HMO (Premier 10/0)

Deductible	\$0
Ind/Family	
Out of Pocket Maximum	\$1,000/\$2,000
Office Visit	\$10
Specialist Visit	\$10
Inpatient Admit	\$0

10-Month Premium

Independent	\$826
2-Party	\$1,643
Family	\$2,141

Pharmacy: Generic, Brand, Specialty \$5, \$20, \$20

Network: Select Network

Most Similar to CalPERS: Anthem Select HMO and Blue Shield TRIO

Option is available to full-time employees and their families at no cost to the employee.



Kaiser Permanente HMO

Kaiser Permanente HMO

		<u>10-Month Premium*</u>	
Deductible	\$0	Independent	\$869
Ind/Family		2-Party	\$1,737
Out of Pocket Maximum	\$1,500/\$3,000	Family	\$2,259
Office Visit	\$15		
Specialist Visit	\$15		
Inpatient Admit	\$0		
Pharmacy: Generic, Brand, Specialty	\$5, \$20, \$20		

Network: Kaiser Permanente

Most Similar to CalPERS: Kaiser Permanente HMO

*Kaiser rates are subject to Kaiser's break-in policy, i.e. same as CalPERS 2023 Kaiser rates

Option is available to full-time employees and their families at no cost to the employee.



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How is SISC different from CalPERS?



You get to keep your current providers

Changing from CalPERS to SISC **does not result in a loss of providers.** All current providers – physicians, hospitals and facilities – remain available; however, members would no longer have access to these providers through the following carriers: Blue Shield Access and Trio; Health Net Salud y Más and SmartCare, and United Health Care Signature Alliance and Harmony.

While the loss of these options will require employees to change to one that is within the District's SISC options, in general, **the membership rates of District employees is less for these providers and no member should lose their current relationship to their existing provider (provided the current provider is currently contracted in network)**



What is the bottom line?

- No members (retirees or actives) will lose access to their providers. The network is exactly the same—both CalPERS and SISC rent the exact same network from Anthem Blue Cross.
- Current members who are receiving cash in lieu of benefits will continue to receive it. **New employees who are 90% FTE or greater will be required to enroll or the District will need to pay a penalty.**
- Active PPO members will have less to pay for the wide network PPO.
- A wide network option is also available at no charge which is superior to the plan formerly known as PerCHOICE.



Are there any extra benefits we get with SISC?

All Employees

- 24/7 Help with Personal Concerns: All employees will have access to free, confidential resources for help with emotional, marital, financial, addiction, legal or stress issues.
- Expert medical opinions: get answers to health questions and second opinions from world-leading experts.

Anthem PPO and HMO Members

- 24/7 Physician Access: Phone consultation over the phone or online video.
- FREE GENERIC medications: Access most generic medications through Costco retail and mail order pharmacies. You do not need to be a Costco member.
- Personal Health Coaching: One-on-one health coaching, therapy, chronic condition management, health trackers and other tools and resources online or via phone.



Are there any extra benefits we get with SISC?

Anthem PPO members

- Enhanced Cancer Benefit: Consult experts on initial diagnosis and development of a care plan. Benefit includes care coordination services with at home provider, transportation, and more.
- Hip, Knee and Spine Surgical Benefit: Consult top-quality surgeons on hip and knee replacements and certain spine surgeries. Benefit covers all related travel and medical bills.



Are there any extra benefits we get with SISC?

Anthem PPO members

- Physical Therapy for Back or Joint Pain: Get access to free wearable sensors and monitoring devices, unlimited one-on-one coaching and personalized exercise therapy.
- 24/7 Access to Virtual Maternity and Postpartum Support: Consult with a care advocate who connects you with trustworthy content delivered by doctors, specialists coaches and other maternity providers to help deal with pregnancy and postpartum concerns. Members who enroll in the first trimester will also receive a 6-month supply of diapers at no cost.