

Benefits Administration Committee Agenda

REGULAR MEETING

TUESDAY, JUNE 27, 2023

TIME: 9:00 A.M.

MEETING LOCATION:

LACERS Boardroom
977 N. Broadway
Los Angeles, California 90012

Important Message to the Public

An opportunity for the public to address the Committee in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Committee or on any agenda item will be provided at the beginning of the meeting and before consideration of items on the agenda.

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via one-way audio on Council Phone by calling (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside) or (310) 547-CITY (San Pedro Area).

Disclaimer to Participants

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LACERS Website Address/link:

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In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of the meeting may be viewed by clicking on LACERS website at www.LACERS.org, at LACERS' offices, or at the scheduled meeting. In addition, if you would like a copy of a non-exempt record related to an item on the agenda, please call (213) 855-9348 or email at lacers.board@lacers.org.

Chair: Michael R. Wilkinson

Committee Members: Annie Chao
Thuy Huynh

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

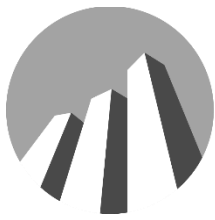
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- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA

- II. [APPROVAL OF MINUTES FOR THE MEETING OF JUNE 13, 2023 AND POSSIBLE COMMITTEE ACTION](#)
- III. [2024 DENTAL AND VISION CONTRACT RENEWALS AND POSSIBLE COMMITTEE ACTION](#)
- IV. [MEDICAL PLANS REQUEST FOR PROPOSAL RESULTS AND POSSIBLE COMMITTEE ACTION](#)
- V. 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.
- VII. ADJOURNMENT



LACERS

LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

SPECIAL MEETING

TUESDAY, JUNE 27, 2023

TIME: 9:00 A.M.

MEETING LOCATION:

LACERS Boardroom
977 N. Broadway
Los Angeles, California 90012

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President:	Vacant
Vice President:	Elizabeth Lee
Commissioners:	Annie Chao Thuy Huynh Janna Sidley Sung Won Sohn 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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- VII. ADJOURNMENT

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

June 13, 2023

9:05 a.m.

PRESENT via Videoconferencing:	Chair:	Michael R. Wilkinson
	Committee Members:	Annie Chao Thuy Huynh
	Commissioner:	Janna Sidley
	Executive Assistant:	Ani Ghoukassian
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo

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

Commissioner Sidley joined the Benefits Administration Committee meeting, and this was a Special Meeting of the Board of Administration. Any votes were 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, and there were no public comment cards submitted.

II

APPROVAL OF MINUTES FOR THE MEETING OF MARCH 28, 2023 AND POSSIBLE COMMITTEE ACTION – Committee Member Chao moved approval, adopted by the following vote: Ayes, Committee Members Chao, Huynh, and Chair Wilkinson -3; Nays, None.

III

HEALTH PLAN FINANCIAL DASHBOARDS – RECEIVE AND FILE – Ada Lok, Senior Benefits Analyst, and Bordan Darm, Lead Consultant with Keenan Associates, presented and discussed this item with the Committee for 20 minutes. The report was received by the Committee and filed.

IV

VERBAL UPDATE ON 2024 DENTAL AND VISION PLAN RENEWALS – Karen Freire, Chief Benefits Analyst, provided the Committee with an update.

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.

VII

ADJOURNMENT – There being no further business before the Committee, Chair Wilkinson adjourned the Meeting at 9:58 a.m.

Michael R. Wilkinson
Chair

Neil M. Guglielmo
Manager-Secretary



REPORT TO BENEFITS ADMINISTRATION COMMITTEE

MEETING: JUNE 27, 2023

From: Neil M. Guglielmo, General Manager

ITEM: III

SUBJECT: 2024 DENTAL AND VISION 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 2024 premium rate changes for LACERS dental and vision plans, allowing for minor premium adjustments.

Executive Summary

The proposed 2024 carrier rate changes for LACERS dental and vision plans are as follows:

- Delta Dental HMO: 0.00%
- Delta Dental PPO Self-funded: 0.00%
- Anthem Blue View Vision Self-funded: 0.00%

Discussion

As part of the annual process, LACERS' Health and Welfare Consultant, Keenan & Associates (Keenan), released a Request for Renewal, requesting premium rate renewal data from LACERS' dental and vision plan carriers: Anthem Blue View Vision (Anthem Vision), and Delta Dental (Delta). The premium rate renewal data request included proposed 2024 premium rates, documentation to support the proposed premium rates, and performance guarantees, as well as financial commitments toward LACERS' wellness program.

2024 Dental Plan Renewal Summary

The Delta Dental PPO has been self-funded by LACERS beginning on January 1, 2019. 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 4.7%. It is recommended that the premium not change for 2024. By holding rates for 2024, Keenan projects that \$562,105 will be added to LACERS' reserves.

DeltaCare USA (HMO) premium costs will not change for 2024 as part of the third year of the three-year rate guarantee. Overall, the 2024 dental plan costs are not estimated to increase from last year's premium cost of \$12,983,933 based on current enrollment figures.

Delta's wellness program contribution of \$10,000 remains at the same level as 2023.

2024 Vision Plan Renewal Summary

The Anthem Blue View Vision has been self-funded by LACERS beginning on January 1, 2022. Based on a review of the premiums and claims, the vision plan is operating at a surplus and the underwriting determined the plan could withstand a premium reduction of 21.2%. It is recommended that the premium not change for 2024. By holding rates for 2024, Keenan projects that \$187,685 will be added to LACERS' reserves.

The 2024 vision plan cost is not estimated to increase from last year's premium cost of \$893,269 based on current enrollment figures.

Anthem Vision's wellness program contribution is combined with Anthem medical.

Conclusion

With no rate adjustments, the 2024 annual dental and vision plans' premium cost will be \$13.9 million. Delta will provide a total of \$10,000 for Wellness events and activities.

Occasionally, premiums are subject to change slightly after Board approval due to receipt of updated data. Staff recommends that the Board allow for any minor premium adjustments, with increases not to exceed \$5.00 per plan premium, to be delegated to the General Manager for authorization.

Staff and Keenan will be present to discuss the 2024 dental and vision plan renewal process and answer the Committee's questions.

Strategic Plan Impact Statement

The health plan contract renewal process assures that LACERS health plan premium changes support Strategic Plan Goal #3 to improve value and minimize costs of Members' health and wellness benefits.

Prepared By: Ada Lok, Senior Benefits Analyst I, Health, Wellness and Buyback Division

NMG/DWN/KF/al

Attachment: Keenan Report – 2024 Dental and Vision Plan Renewal Final Report



BAC Meeting: 06/27/23
Item III
Attachment

Los Angeles City Employees' Retirement System

2024 Dental and Vision Renewal Report

June 27, 2023

Respectfully Submitted by:

Ju Anderson, Senior Vice President | Bordan Darm, Senior Consultant
Erin Robinson, Service Consultant | James Takamatsu, Actuary

Table of Contents

- Delta Dental Renewal and Underwriting Page 3
- Anthem Blue View Vision Renewal and Underwriting Page 5
- Recommendations Page 7
- Appendix Page 8

Delta Dental Renewal

Delta Dental PPO and DeltaCare USA DHMO are available to all retired Members but DeltaCare USA DHMO is only available in CA and selected parts of NV.

- LACERS started self-funding the Delta Dental PPO as of January 1, 2019
- The self-funded PPO requires no rate adjustment for 2024
- DeltaCare USA DHMO will be in the third year of a three-year rate guarantee and does not require a rate adjustment for 2024
- Other considerations: Wellness program contribution of \$10,000

Delta Dental Renewal	Current Enrollment	2023 Premium	2024		
			Premium	\$ Change	% Change
PPO	14,131	\$12,129,271	\$12,129,271	\$0	0.0%
DHMO	3,292	\$854,662	\$854,662	\$0	0.0%
Total	17,423	\$12,983,933	\$12,983,933	\$0	0.0%

Delta Dental Self-Funded Renewal

2024 will be the sixth year of self-funding the PPO dental plan

The 2024 underwriting shows that projected costs are expected to be less than the current premium

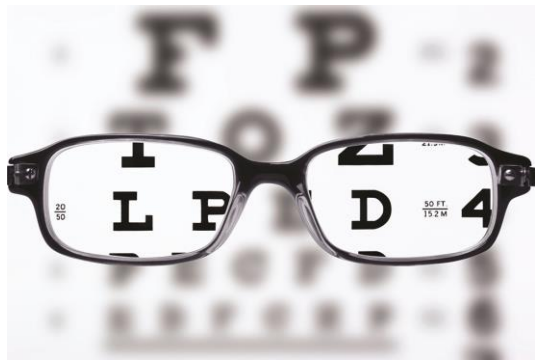
- The underwriting for 2024 shows a rate decrease of -4.71% (without margin) and -0.31% with 5.0% margin
- Keenan recommends a rate pass for 2024 and allow the Dental PPO plan to continue building its reserve
- By holding rates for 2024, it is projected that LACERS will add \$562,105 to reserves

LACERS		
LACERS - Self-Funded Dental Renewal		
Effective from January 1, 2024, through December 31, 2024		
Experience Data from April 1, 2022, through March 31, 2023		
1	Paid Claims (4/1/2022 - 3/31/2023)	\$9,603,376
2	Beginning Reserve as of 4/1/2022	(727,338)
3	Ending Reserve as of 3/31/2023	8.0% <u>768,270</u>
4	Incurred Claims	\$9,644,308
5	Covered Employees	<u>168,195</u>
6	Incurred Claims/EE/Month	\$57.34
7	Trend Factor	5.0% <u>1.0891</u>
8	Expected Incurred Claims (1/1/2024 - 12/31/2024)	\$62.45
9	Administration	<u>\$5.10</u>
10	Calculated Funding Level Without Margin	\$67.55
11	Current Average Funding Level	<u>\$70.89</u>
12	Calculated Funding Action Without Margin = (10)/(11)	-4.71%
13	Recommended Margin = Margin % x (8)	5.0% <u>\$3.12</u>
14	Calculated Funding Level With Margin = (10)+(13)	\$70.67
15	Current Average Funding Level = (11)	<u>\$70.89</u>
16	Calculated Funding Action With Margin = (14)/(15)	-0.31%

Anthem Blue View Vision Renewal

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

- Anthem Blue View moved to self-funded for 2022
- 2024 will be LACERS Anthem Blue View vision coverage's third year of self-funding
- Keenan recommends holding rates for 2024
- Other considerations: Wellness program contribution is combined with Anthem medical



Anthem Blue View Renewal	Current Enrollment	2023 Premium	2024 Renewal		
			Premium	\$ Change	% Change
Vision	7,097	\$893,269	\$893,269	\$0	0.0%

Anthem Blue View Vision Self-funded Option

- The underwriting for 2024 shows that projected costs are expected to be less than the current premium
- The underwriting also shows a rate decrease of -21.29% (without margin) and -17.68% with 5.0% margin
- Keenan recommends a rate pass for 2024 and allow the Vision plan to continue building its reserve
- By holding rates for 2024, it is projected that LACERS will add \$187,685 to reserves

LACERS		
LACERS - Self-Funded Vision Renewal		
Effective from January 1, 2024, through December 31, 2024		
Experience Data from April 1, 2022, through March 31, 2023		
1	Paid Claims (4/1/2022 - 3/31/2023)	\$589,392
2	Beginning Reserve as of 4/1/2022	(39,448)
3	Ending Reserve as of 3/31/2023	6.0% 35,364
4	Incurred Claims	\$585,307
5	Covered Employees	84,100
6	Incurred Claims/EE/Month	\$6.96
7	Trend Factor	5.0% 1.0891
8	Expected Incurred Claims (1/1/2024 - 12/31/2024)	\$7.58
9	Administration	\$0.67
10	Calculated Funding Level Without Margin	\$8.25
11	Current Average Funding Level	\$10.48
12	Calculated Funding Action Without Margin = (10)/(11)	-21.29%
13	Recommended Margin = Margin % x (8)	5.0% \$0.38
14	Calculated Funding Level With Margin = (10)+(13)	\$8.63
15	Current Average Funding Level = (11)	\$10.48
16	Calculated Funding Action With Margin = (14)/(15)	-17.68%

Recommendations

- Accept the dental renewals as recommended:
 - Hold the dental PPO rates (0.00%)
 - Reserve the projected \$562,105 in margin
 - Accept the fully insured DHMO renewal at 0.00%
- Accept the vision renewals as recommended:
 - Hold the vision rates (0.00%)
 - Reserve the projected \$187,685 in margin

Appendix

Delta Dental Rates

Delta Dental		Carrier Rates			Member Rates			Amount Retained by LACERS	
Dental		2023	2024	% Change	2023	2024	% Change	2023	2024
Dental Self-funded PPO		Self-Funded Fee & Equivalent Rates							
	Dental ASO Fee PRPM	\$5.10	\$5.10	0.00%					
M	Retiree	\$51.16	\$51.16	0.00%	\$51.16	\$51.16	0.00%	\$0.00	\$0.00
MM	Retiree & Dependent	\$101.45	\$101.45	0.00%	\$101.45	\$101.45	0.00%	\$0.00	\$0.00
MMM	Retiree & Two Dependents	\$146.56	\$146.56	0.00%	\$146.56	\$146.56	0.00%	\$0.00	\$0.00
DHMO		Fully-Insured Rates							
M	Retiree	\$15.10	\$15.10	0.00%	\$15.10	\$15.10	0.00%	\$0.00	\$0.00
MM	Retiree & Dependent	\$28.19	\$28.19	0.00%	\$28.19	\$28.19	0.00%	\$0.00	\$0.00
MMM	Retiree & Two Dependents	\$32.59	\$32.59	0.00%	\$32.59	\$32.59	0.00%	\$0.00	\$0.00

Anthem Blue View Vision Rates

Anthem Blue View Vision		Carrier Rates			Member Rates			Amount Retained by LACERS	
Vision		2023	2024	% Change	2023	2024	% Change	2023	2024
Vision Self-funded		Self-Funded Fee & Equivalent Rates							
	Vision ASO Fee PRPM	\$0.67	\$0.67	0.00%					
M	Retiree	\$9.14	\$9.14	0.00%	\$9.14	\$9.14	0.00%	\$0.00	\$0.00
MM	Retiree & Dependent	\$13.25	\$13.25	0.00%	\$13.25	\$13.25	0.00%	\$0.00	\$0.00
MMM	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-21	4,412	\$947,377	\$68,187	\$1,015,564	13,386	\$951,510	-\$64,054	106.7%
May-21	3,602	\$732,683	\$69,095	\$801,778	13,549	\$964,892	\$163,114	83.1%
Jun-21	3,449	\$688,654	\$69,615	\$758,269	13,652	\$972,574	\$214,305	78.0%
Jul-21	4,240	\$840,385	\$69,834	\$910,219	13,693	\$975,932	\$65,713	93.3%
Aug-21	3,403	\$676,516	\$70,054	\$746,570	13,723	\$978,277	\$231,707	76.3%
Sep-21	4,321	\$841,246	\$70,105	\$911,351	13,759	\$980,908	\$69,557	92.9%
Oct-21	3,401	\$635,531	\$70,156	\$705,687	13,759	\$980,360	\$274,673	72.0%
Nov-21	3,299	\$621,601	\$70,049	\$691,649	13,751	\$979,217	\$287,568	70.6%
Dec-21	4,165	\$823,717	\$70,089	\$893,806	13,752	\$978,333	\$84,527	91.4%
Jan-22	3,133	\$690,889	\$70,967	\$761,856	13,929	\$991,714	\$229,858	76.8%
Feb-22	3,940	\$931,991	\$71,211	\$1,003,202	13,954	\$992,751	-\$10,451	101.1%
Mar-22	4,921	\$1,109,723	\$71,216	\$1,180,939	13,962	\$992,562	-\$188,377	119.0%
Apr-22	3,858	\$835,246	\$71,206	\$906,453	13,958	\$991,277	\$84,825	91.4%
May-22	4,054	\$903,689	\$71,191	\$974,880	13,957	\$990,336	\$15,457	98.4%
Jun-22	4,637	\$924,011	\$71,252	\$995,264	13,967	\$990,742	-\$4,521	100.5%
Jul-22	3,333	\$702,167	\$71,283	\$773,449	13,972	\$990,762	\$217,313	78.1%
Aug-22	3,657	\$761,069	\$71,318	\$832,387	13,992	\$992,222	\$159,835	83.9%
Sep-22	4,565	\$930,776	\$71,415	\$1,002,191	13,994	\$991,551	-\$10,640	101.1%
Oct-22	3,822	\$742,825	\$71,349	\$814,174	13,991	\$991,132	\$176,958	82.1%
Nov-22	3,733	\$768,306	\$71,369	\$839,675	13,990	\$990,448	\$150,773	84.8%
Dec-22	4,327	\$876,130	\$71,262	\$947,392	13,974	\$988,157	\$40,765	95.9%
Jan-23	3,323	\$745,582	\$72,185	\$817,767	14,156	\$1,004,129	\$186,362	81.4%
Feb-23	4,410	\$969,407	\$72,221	\$1,041,628	14,139	\$1,002,842	-\$38,786	103.9%
Mar-23	5,108	\$1,171,507	\$72,359	\$1,243,866	14,105	\$1,000,077	-\$243,789	124.4%

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

Anthem Blue View Vision – Plan Experience

Date	Paid Amount	Administration	Total Expenses	Susbscribers	Premium	Surplus / Deficit	Total Cost Loss Ratio
Apr-21	\$47,527	\$4,516	\$52,043	6,740	\$70,396	\$18,353	73.9%
May-21	\$55,810	\$4,554	\$60,364	6,797	\$71,479	\$11,114	84.5%
Jun-21	\$49,973	\$4,591	\$54,564	6,852	\$71,714	\$17,150	76.1%
Jul-21	\$56,695	\$4,596	\$61,291	6,860	\$72,218	\$10,926	84.9%
Aug-21	\$69,239	\$4,613	\$73,852	6,885	\$72,381	-\$1,471	102.0%
Sep-21	\$52,626	\$4,626	\$57,253	6,905	\$72,382	\$15,129	79.1%
Oct-21	\$56,940	\$4,629	\$61,569	6,909	\$72,598	\$11,029	84.8%
Nov-21	\$71,050	\$4,626	\$75,676	6,904	\$71,961	-\$3,714	105.2%
Dec-21	\$51,384	\$4,634	\$56,019	6,917	\$72,358	\$16,339	77.4%
Jan-22	\$58,621	\$4,654	\$63,276	6,947	\$72,929	\$9,653	86.8%
Feb-22	\$42,889	\$4,641	\$47,530	6,927	\$72,753	\$25,223	65.3%
Mar-22	\$44,718	\$4,644	\$49,362	6,931	\$72,784	\$23,422	67.8%
Apr-22	\$44,395	\$4,652	\$49,047	6,943	\$72,843	\$23,796	67.3%
May-22	\$48,022	\$4,661	\$52,683	6,956	\$72,947	\$20,264	72.2%
Jun-22	\$44,448	\$4,660	\$49,108	6,955	\$72,905	\$23,797	67.4%
Jul-22	\$47,310	\$4,668	\$51,977	6,967	\$72,989	\$21,012	71.2%
Aug-22	\$53,478	\$4,691	\$58,168	7,001	\$73,370	\$15,202	79.3%
Sep-22	\$57,541	\$4,695	\$62,236	7,007	\$73,427	\$11,191	84.8%
Oct-22	\$59,364	\$4,687	\$64,051	6,996	\$73,287	\$9,236	87.4%
Nov-22	\$49,823	\$4,699	\$54,522	7,013	\$73,449	\$18,926	74.2%
Dec-22	\$46,335	\$4,697	\$51,032	7,011	\$73,392	\$22,360	69.5%
Jan-23	\$53,789	\$4,738	\$58,527	7,072	\$74,147	\$15,620	78.9%
Feb-23	\$31,339	\$4,746	\$36,085	7,084	\$74,263	\$38,178	48.6%
Mar-23	\$53,549	\$4,754	\$58,302	7,095	\$74,365	\$16,062	78.4%

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

Acknowledgement

Keenan & Associates would like to thank Ms. Karen Freire 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



REPORT TO BENEFITS ADMINISTRATION COMMITTEE

MEETING: JUNE 27, 2023

From: Neil M. Guglielmo, General Manager

ITEM: IV

SUBJECT: MEDICAL PLANS REQUEST FOR PROPOSAL RESULTS AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board:

- 1) Award of the retiree medical plans contracts to Anthem Blue Cross, Kaiser Permanente, SCAN Health Plan, and UnitedHealthcare for the three-year period beginning with the 2024 plan year, with the option to renew up to two additional plan years; and
- 2) Delegate to the General Manager the authority to negotiate and execute these contracts, subject to City Attorney review.

Executive Summary

Last conducted in February 2013, LACERS released a Medical Plan Request for Proposal (RFP) in March to test the marketplace for qualified organizations which provide fully insured medical, prescription drug, mental health, and disease/care management plans for LACERS' eligible Retired Members, Survivors (i.e., surviving spouse or domestic partner), and eligible Dependents. Aside from the existing slate of plan coverage, LACERS sought proposals for: 1) a Medicare Supplement Plan, which many Members requested return in 2024; 2) expanded geographic coverage for the growing number of Members moving out of California; as well as 3) a narrow network plan which promotes better coordination of coverage. LACERS received and reviewed seven proposals, conducting interviews with six plan providers. Along with LACERS' health and welfare consultant, Keenan & Associates (Keenan), Health Division staff placed carrier offerings into four combinations of medical plans to create a comprehensive retiree medical plan program. The four options and the proposals within each cohort were analyzed for their ability to meet Members' needs. Costs were weighed in consideration of enhanced benefits, disruptions to members, geographical area of coverage, etc.

Ultimately, the RFP process validates the combination of plans which best met the needs of LACERS is the current slate of providers with the addition of a Medicare Supplement Plan. This option falls in the mid-range in terms of cost, however the strength of the customer service of our current partners, their ability to work together when necessary, and the importance of plan continuity expressed by our Members, provides value which outweighs the premium savings offered by the new carriers.

Upon approval by the Board, LACERS and Keenan will conduct final contract negotiations in a timely manner to meet 2024 Open Enrollment timelines.

Discussion

LACERS administers retiree group health plans for its retirees and survivors. Currently, the following medical plans are offered for the 2023 plan year:

- Under Age 65:
 - Anthem Blue Cross (Anthem) PPO – nationwide
 - Anthem HMO – CA only
 - Kaiser Permanente (Kaiser) HMO – CA only

- Age 65+ with Medicare Part B:
 - Anthem PPO – nationwide
 - Anthem HMO – CA only
 - Kaiser Senior Advantage HMO – CA only

- Age 65+ with Medicare Parts A & B:
 - Anthem Medicare Preferred PPO – nationwide
 - SCAN Health Plan (SCAN) Medicare Advantage HMO – CA only
 - UnitedHealthcare (UHC) Medicare Advantage HMO – CA, AZ, NV
 - Kaiser Senior Advantage HMO – CA only

- Out-of-Country Plan (for members residing outside the United States and its territories):
 - Anthem PPO

LACERS requested proposals for the following coverage for the 2024 plan year:

- Pre-65 Retirees, Medicare Part B Only Retirees, and all eligible dependents
 - CA Statewide Full HMO Plan with Rx coverage
 - CA Statewide Staff-model HMO Plan with Rx coverage
 - Nationwide and International PPO Plan with Rx coverage
 - (New) CA Statewide/Regional Narrowed-Network HMO Plan with Rx coverage
- Medicare-eligible retirees and all eligible dependents
 - Medicare Advantage Full HMO Plan with Rx coverage
 - Medicare Advantage Staff-Model HMO Plan with Rx coverage
 - Medicare Advantage Nationwide Passive PPO with Rx coverage
 - (New) – three types integrated within one Carrier/Insurance Company:
 - Nationwide: Medicare Supplement (Medi-Gap) Nationwide with PDP plan,
 - PPO (including Rx),
 - PPO Part B only plan with PDP plan

Financial funding options were also requested (where possible) for LACERS' Medical and Prescription Drug Program to include:

- Fully insured, experience-rated, dividend eligible (participating) with year-end accounting
- Fully insured, experience-rated, non-participating contract
- Fully insured, community-rated, non-participating contract

In *fully insured* plans, LACERS pays the premium and the carrier assumes all risk for the plan experience via claims. *Experience-rated* plans base renewals on LACERS' plan experience with the carrier while *community-rated* plans base renewals on the carrier's experience in the community. A plan which includes a *participating contract* includes a year-end accounting whereby if claim costs plus administration is less than premium paid, the balance is returned to LACERS. A *non-participating* contract does not have a year-end accounting, and LACERS would not be eligible for any return of excess funds.

There were eight respondents to the Medical Plan RFP:

- Aetna Life Insurance Company (Aetna)
- Alignment Health Plan (Alignment)
- Anthem
- Blue Shield of California (Blue Shield)
- Humana
- Kaiser
- SCAN
- UHC

Of the eight respondents, Aetna declined to submit a proposal. Therefore, a total of seven (7) proposals were received.

Keenan and LACERS staff reviewed the proposals and evaluated them based on how well the incumbents met the requirements of the RFP for the plans which they proposed. Interviews with the preliminary medical plan finalists were held June 8, 2023.

Based on the proposal, responses to follow-up questions, and interview, each medical plan finalist was evaluated and scored individually as a carrier on the plan(s) which they proposed. The recommendation are as follows:

Plan Coverage	Proposers	Recommended Provider	Note
Equivalent to Anthem PPO and HMO (Under Age 65/Age 65+ with Medicare Part B) plans	Anthem Blue Shield	Anthem	Anthem presented a rate increase of 8.9% for the PPO and the HMO plans for 2024 plan year, with rate caps for 2025 and 2026.
Equivalent to Kaiser HMO (under age 65/non-Medicare) and Senior Advantage HMO (Age 65+/Medicare Part B or Parts A & B) plans	Kaiser	Kaiser	Kaiser presented a rate increase of 14.6% for the HMO plan and 15.9% for the Senior Advantage HMO plan. No rate cap was offered from Kaiser for 2025 and 2026.
SCAN Medicare Advantage HMO (Age 65+/Medicare Parts A & B plan)	Alignment Blue Shield Humana SCAN	SCAN	SCAN presented a rate decrease of -2.8%, with 5.0% rate cap for 2025 and 2026.

Plan Coverage (continued)	Proposers	Recommended Provider	Note
UHC Medicare Advantage HMO (CA, AZ, NV) (Age 65+/Medicare Parts A & B plan)	Alignment Blue Shield Humana UHC	UHC	UHC presented a rate increase of 7.0% each for CA, AZ, and NV plans, where LACERS has the largest number of retirees living outside of California.
Anthem Medicare Preferred PPO (65+ with Medicare Parts A and B) plan	Anthem Blue Shield Humana UHC	Anthem	Anthem presented a rate decrease of -14.3% for the Medicare Preferred PPO plan for 2024 plan year, with a rate guarantee for 2025 and 2026.
Anthem Medicare Supplement PPO plan	Anthem Blue Shield	Anthem	Both Anthem and Blue Shield submitted proposals for the Medicare Supplement plan. In the Medicare Supplement model, Medicare is the first payer, which means that Centers for Medicare & Medicaid Services (CMS) will first administer the claims and provide its established rate of reimbursement to the medical providers, and then the medical plan carrier (e.g. Anthem or Blue Shield) will continue processing the claims and pay any remaining balance up to the approved service fee determined by CMS to the medical provider. Any amount charged beyond the CMS-established service fee is paid by the member.

The RFP included an option for a Narrow Network HMO plan, an option offered by the City of Los Angeles' active employee medical plans. Based on the proposals for the Narrow Network HMO, staff recommends not pursuing the addition of a Narrow Network HMO plan at the present time. Factors to the non-consideration of adding a Narrow Network HMO include: perceived value not outweighing costs for LACERS members, the limitations of provider options compared to the full network HMO counterpart, and division of enrollment populations that may affect experience-rating plans.

The recommended RFP proposal selections were evaluated based on the best combination of quality, price, and various qualitative elements of required services that also satisfied all LACERS contracting requirements. Selection was not restricted to the lowest offer or bid. The RFP also indicated that LACERS reserved the right to award the business in whatever configuration best meets its needs, at its sole discretion.

Selection

The following are the results of the evaluation, based on the RFP criteria (Attachment 2):

Level 1

All proposals met the Level 1 requirement.

Level 2

Based on the qualitative criteria above, that evaluated the proposers' responses based on the cost and overall best value combination, the finalists were chosen. Alignment was not selected as a finalist since the overall combination of cost and proposed benefits were not in line with LACERS' needs.

Level 3

LACERS ranked and developed options from selections based on the best overall value in terms of benefits configuration in combination of Under 65 and Over 65 Medical Plans (Attachment 1) that best met LACERS Members' needs. Included in this consideration is evaluation and analysis of:

- Different option selections and overall combination of each proposal's costs, benefit offerings, geo access locations, and other terms stated in the RFP;
- The impact of the transition of the new plans to the administration of benefits and members; and,
- Evaluation of the dual care combination of LACERS' Under 65 and Over 65 medical plans and its impact to Members.

Based on these considerations, LACERS ranked the plans from 1 to 4, with Rank 1 as the recommended best selection from the above-mentioned criteria:

Rank 1	Rank 2	Rank 3	Rank 4
<u>Option 4</u> <ul style="list-style-type: none">• Addition of Medicare Supplement plan – Anthem	<u>Option 2</u> <ul style="list-style-type: none">• Addition of Medicare Supplement plan – Anthem• Replace UHC with Humana for the UHC Medicare Advantage (MA) plan	<u>Option 1</u> <ul style="list-style-type: none">• Addition of Medicare Supplement plan – Anthem• Replace both SCAN and UHC, with Humana, for the Medicare Advantage with Medicare Part D prescription drug coverage plans	<u>Option 3</u> <ul style="list-style-type: none">• Replace Anthem plans with Blue Shield• Addition of Medicare Supplement plan – Blue Shield

Evaluation and Analysis

The RFP evaluation and analysis not only considered costs, but also the assessment of proposed enhanced benefits, disruptions to members, and geographical area of coverage. For instance, a 5% disruption in California is not the same as a 5% disruption to a non-California plan. The *Cost Ranking Summaries* in Keenan's presentation (Attachment 3) was used for the cost comparisons below.

Anthem

- Anthem's proposal is bundled, meaning it will not allow Blue Shield alongside of Anthem.
- Anthem's Medicare Advantage proposal (referred to as Medicare Preferred plan) provides the same benefit offering currently being provided to Members.

- Anthem's cost proposal is overall lower than Blue Shield for the Under 65 PPO, the Medicare Preferred, and the Medicare Supplement plans. Although the proposed cost for the Under 65 HMO plan is slightly higher than Blue Shield's, the cost of transitioning members to Blue Shield would be higher in consideration of indirect costs.
- Anthem currently has a working relationship with SCAN and UHC for LACERS' dual care population where at least one subscriber is under 65 (Non-Medicare or Medicare Part only) and at least one subscriber has Medicare Parts A and B.
- Anthem's 2025 rate cap is complex and is proposed at 3.0% retention increase plus a trend adjustment. In comparison, Blue Shield is offering a 12.0% second year rate cap.
- Anthem does not have an equivalent of Blue Shield's Wellvolution wellness platform. However, Anthem has worked with LACERS *Well* in providing various Wellness related support, including funding for the program.
- The proposed cost of the Anthem Medicare Supplement plan is similar to its cost in 2021, so Members may be able to expect similar premiums from when the plan was offered in 2021.
- Anthem would increase its Wellness funds commitment to \$200,000 to support the LACERS *Well* program.

Blue Shield

- Blue Shield's proposal is unbundled. If Blue Shield is selected, LACERS would need to select them for both Under 65 PPO and the Blue Shield Medicare Supplement plan to allow LACERS' Medicare-eligible options and allow the LACERS dual care population where at least one subscriber is under 65 (Non-Medicare or Medicare Part B only) and at least one subscriber has Medicare Parts A and B.
- The cost of providing Blue Shield (under 65 and over 65 plans) is higher in comparison to providing Anthem. Moreover, Blue Shield's Medicare Preferred plan has less enhanced benefits than Anthem's proposed Medicare Preferred plan.
- LACERS' dual care population may be impacted/interrupted, since Blue Shield has not partnered with LACERS' retiree health plans, such as SCAN and UHC, where at least one subscriber is under 65 (Non-Medicare or Medicare Part B only) and at least one subscriber has Medicare Parts A and B. Currently, the dual care population has the choice of Anthem for the Non-Medicare/Medicare Part B subscriber and the choice of SCAN or UHC for the Medicare A and B subscriber.
- If selected for the Medicare Supplement plan, Blue Shield would provide a different option for members who are/were not satisfied with the Anthem Medicare Preferred PPO. However, the cost of Blue Shield Supplement Plan is higher than the Anthem's proposal.
- If selected for the Under 65 PPO and Medicare Supplement plan combination, this would allow the LACERS dual care population to receive their benefits within one company. However, this combination is less affordable for members; LACERS and its members would have to pay because the medical subsidy would not be able to cover the overall premium.
- Blue Shield's proposals for the Under 65 PPO and Medicare Preferred plans are higher costs compared to Anthem's proposals for the same. Blue Shield's Under 65 HMO proposal is slightly less cost than Anthem's proposal for the same.
- Blue Shield is offering their Wellvolution wellness platform.
- The option of providing Blue Shield would cause transition and administrative disruption to Members and LACERS, in which the costs would be greater than the premium savings. As the LACERS population is 90% subsidized, the cost would be more on LACERS transition.

- If Blue Shield is selected to replace any of the Anthem plans: additional time, cost, and training to implement, administer, communicate, and educate what the Blue Shield plans provide will be required.
- Blue Shield's enhanced benefits differ from the plans they bid; the presenter of this item can provide further details:
 - For *Anthem PPO for Part B Only*: Hearing Aids
 - For *Anthem Medicare Preferred PPO*: Transportation, Home Delivered Meals, Personal Care, Caregiver Relief, Hearing Aids
 - For *SCAN Medicare Advantage (MA)*: Personal Care Coordinator, Home Delivered Meals, Transportation, In Patient Custodial Care, Homebound Wellness Checks, Independent Living Program (ILP) monthly allowance, Hearing Aids
 - For *UHC Medicare Advantage (MA)*: Transportation, Home Delivered Meals, Hearing Aids
- Blue Shield committed \$300,000 to support the LACERS *Well*.

Kaiser

- Kaiser proposed a rate increase of 14.6% for the HMO plan and 15.9% for the Senior Advantage HMO plan.
- No rate cap was offered from Kaiser for 2025 and 2026. No other Plan/Carrier bid to cover Kaiser's enrollees.
- Kaiser would continue to commit \$150,000 to support LACERS *Well*.

SCAN

- SCAN's bid was higher than Humana's proposal.
- SCAN offers unique set of enhanced benefits, not offered by other bidders.
- By continuing contracting with SCAN, the Members who have the need for SCAN's enhanced benefits, such as independent living program which offers personal care, unlimited transportation, and care giver respite, would not be losing any benefits. In addition, LACERS would not have to add these enhancements as part of the annual renewal.
- SCAN would increase its Wellness funds commitment to \$20,000 to support LACERS *Well*.

UHC

- In comparison to Humana's proposal for the UHC Medicare Advantage plan for CA, AZ, and NV, UHC's own bid came at a higher cost.
- UHC's proposal provides the same benefit offerings as the current plans.
- UHC offers Medicare Part B Only Members a Medicare Advantage HMO with enhanced benefits for additional options.
- Medicare Part B Only Members can participate in the same value and benefits as the Medicare Part A and B Members with this plan.
- UHC proposal is costlier than the Anthem Medicare Preferred plan.
- UHC committed \$8,500 to support LACERS *Well*.

Humana

- Changing Medicare Advantage with Medicare Part D prescription drug coverage (MAPD) options from UHC (CA, AZ, and NZ) to Humana would cost less, considering that Humana has comparable and similar geographical service coverage.

- If Humana is selected to replace both SCAN and UHC, this will lessen Members' confusion of which plans would better fit them.
- Humana as a replacement may cause network/provider disruption for members enrolled in the SCAN and/or UHC plans.
- If Humana is selected to replace any of the MAPD plans: additional time, cost, and training to implement, administer, communicate, and educate what the Humana MAPD replacement plan provides will be required.
- Humana's enhanced benefits differ from the plans they bid; the presenter of this item can provide further details:
 - For *Anthem PPO for Part B Only*: Hearing Aids
 - For *Anthem's Medicare Preferred PPO*: Transportation, Home Delivered Meals, Personal Care, Caregiver Relief, Hearing Aids
 - For *SCAN MA*: Personal Care Coordinator, Home Delivered Meals, Transportation, In Patient Custodial Care, Homebound Wellness Checks, Independent Living Program (ILP) monthly allowance
 - For *UHC MA*: Transportation, Home Delivered Meals
- It is unknown how dual care collaboration will play between Anthem and Humana since Humana has no experience with LACERS' dual care.
- Humana committed \$10,000 to support LACERS *Well*.

For carriers that LACERS currently has a contract with, if they are chosen to continue for the 2024 plan year, the continuation of current plan offerings means no network disruptions to those enrolled with LACERS medical plans. Additionally, LACERS Members and Survivors are familiar with the current plan offerings and are more likely to make better informed decisions than if LACERS adds a new offering. New plans may confuse the Member/Survivor, leading to less-than-desired enrollment selections.

Conclusion

In this RFP, LACERS did not only seek the same type of benefits and enhanced healthcare products already being offered, LACERS was also seeking to augment its current plan offerings by asking proposers to include, adding a Medicare Supplement Plan, as well as the possibility of a nation-wide HMO access and providing Medicare Part B Only Members with Medicare-approved enhanced benefits.

The COVID Pandemic resulted in various factors impacting healthcare administration, including Members' attitudes toward managing their health and impact of economic factors to health administration. The recent LACERS 2022 Financial Dashboards showed that LACERS plan experience is still being impacted by the COVID Pandemic, with increased claims loss ratio which shows in across-the-board experience by our carriers. Delay in supply chain, staffing shortages, and increases in labor/supply costs across the board in the Healthcare industry, were anticipated to impact the cost of providing health for 2024. Thus, the bid proposals with increases in cost were expected.

On this note, cost consideration is not the only factor LACERS considers when determining the type of retiree health plans to provide to its retirees, survivors, and their eligible dependents. It is important to LACERS that Members are not just provided basic healthcare, but also provided a variety of health benefits that augment their quality of life, which is seen in the various enhance benefits that have been

added in plans in past years and the establishment of LACERS *Well* Program. Quality of care includes ensuring that Members have access to care, and considering health plans that provide choices of care.

It is therefore recommended that the Committee consider staffs' recommendation of Option 4 to be recommended to the Board for consideration. Although the cost for Option 4 is in the mid-range compared to options 1, 2, and 3, the benefit offerings remain the same and/or at higher level, depending on the plan. Option 4 also offers an additional Medicare Supplement Plan, which some Members have requested to be added back. LACERS staff and Keenan will continue to negotiate for additional benefit enhancements, including adding a nation-wide HMO for Members living outside of Southern California.

Strategic Plan Impact Statement

Conducting a Medical Plan RFP process allows staff to ensure that LACERS' medical plan premiums are competitive in the marketplace and supports Strategic Plan Goal 3, Maximize Value and Minimize Costs of our Health and Welfare Program.

Prepared By: Karen Freire, Chief Benefits Analyst; Margaret Drenk, Senior Benefits Analyst II; and Rainbow Sun, Benefits Analyst.

NMG/DW:KF/rs

Attachments: 1. Medical Plan Option Considerations for the 2024 Plan Year
2. Medical Plan Request for Proposal Evaluation Criteria
3. Keenan Report – LACERS 2024 Medical RX Marketing Report

Medical Plan Option Considerations for the 2024 Plan Year

	Current	Option 1	Option 2	Option 3	Option 4 (Selection)
Under Age 65	<u>PPO (nationwide)</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser HMO	<u>PPO</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser HMO	<u>PPO</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser HMO	<u>PPO</u> Blue Shield PPO <u>HMO</u> Blue Shield HMO Kaiser HMO	<u>PPO</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser HMO
Age 65+ with Medicare Part B	<u>PPO (nationwide)</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser Senior Advantage (SA) HMO	<u>PPO</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser SA HMO	<u>PPO</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser SA HMO	<u>PPO</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser SA HMO	<u>PPO</u> Anthem PPO <u>HMO</u> Anthem HMO Kaiser SA HMO
Age 65+ with Medicare Parts A & B	<u>PPO (nationwide)</u> <ul style="list-style-type: none"> Anthem Medicare Preferred PPO <u>HMO</u> <ul style="list-style-type: none"> SCAN Medicare Advantage (MA) HMO UHC Medicare Advantage (MA) HMO Kaiser Senior Advantage (SA) HMO 	<u>PPO</u> <ul style="list-style-type: none"> Anthem Medicare Preferred PPO Anthem Medicare Supplement PPO <u>HMO</u> <ul style="list-style-type: none"> Humana MA HMO Kaiser SA HMO 	<u>PPO</u> <ul style="list-style-type: none"> Anthem Medicare Preferred PPO Anthem Medicare Supplement PPO <u>HMO</u> <ul style="list-style-type: none"> SCAN MA HMO Humana MA HMO Kaiser SA HMO 	<u>PPO</u> <ul style="list-style-type: none"> Blue Shield Medicare Preferred PPO Blue Shield Medicare Supplement PPO <u>HMO</u> <ul style="list-style-type: none"> SCAN MA HMO UHC MA HMO Kaiser SA HMO 	<u>PPO</u> <ul style="list-style-type: none"> Anthem Medicare Preferred PPO Anthem Medicare Supplement PPO <u>HMO</u> <ul style="list-style-type: none"> SCAN MA HMO UHC MA HMO Kaiser SA HMO
Out-of-Country (for members residing outside the United States and its territories)	Anthem PPO	Anthem PPO	Anthem PPO	Blue Shield PPO	Anthem PPO

Cyan highlight – changes from current 2023 plans

Medical Plans Request for Proposal Evaluation Criteria

Proposers were evaluated based on the following levels of review:

Level I – Preliminary Review Process

The first level review included determination of: completeness of required documentation; compliance with LACERS' administrative and general contracting requirements; and ability to meet the minimum requirements outlined in this RFP.

Level II – Review Criteria and Evaluation Process

The second level review included evaluation of qualitative ratings. The qualitative evaluation ratings were based on the Consultant's assessment of the responses. The evaluations included objective assessments of each Proposer's responses.

Evaluation of written responses was based on the following categories and the weights associated with each factor.

EVALUATION CRITERIA	POSSIBLE WEIGHT
<p>Organizational Strength and Plan Sponsor Services</p> <p>Proposer demonstrated relevant background, contractual issues, firm experience, and regulatory and compliance with regards to providing health plans and health benefits to Retirees, Survivors, and Dependents.</p>	10
<p>Administration Support and Account Management</p> <p>Firm demonstrates strong delivery of health plan and benefits implementation; claims processing; billing and eligibility; plan sponsor services; call center administration; and systems and cybersecurity.</p>	15
<p>Member Quality of Care, Resources, and Services</p> <p>Proposer clearly discloses relevant services offered in enrollment; member call center services; customer service and Quality Control Grievances and Appeals; member advocacy and support services; prescription drug management; quality measurement standards; online resources; wellness resources; condition management resources; and applicable/relevant miscellaneous services.</p>	15
<p>Access to Care/Network</p> <p>The evaluation of Access to Care/Network of each firm will be based upon the bidder's: Provider Groups/Network/Geographic Access; Emergency/Urgent Care Access & Extended Hours; and Formulary/Rx Tier Disruption. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis.</p>	30

<p>Value of Cost and Plan Design</p> <p>The evaluation of the relative cost and value for each firm based upon its submission of the proposed fee schedule by premium costs and rate commitments; provider reimbursements and discounts; hospital and outpatient facility charges; fee guarantee and/or fee caps; performance guarantees; and plan design adequacy. This evaluation will also consider cost on a qualitative basis, not necessarily on a quantitative basis. LACERS expects the cost proposal to include details of all costs associated with the scope of services contained in this RFP.</p>	<p>30</p>
<p>TOTAL POINTS</p>	<p>100</p>

Level III – Selection of Finalists, Reference Checks, Site Visits, Interviews

The third level review included evaluation based on the following criteria:

- Qualification and experience of the firm and the key personnel assigned to the project,
- Demonstrated understanding and ability to address LACERS' unique needs,
- Strength of client service orientation,
- Reasonableness of costs and value, and
- Positive contracting history

Keenan[®]

BAC Meeting: 06/27/23
Item IV
Attachment 3

LACERS

June 27, 2023

Respectfully Submitted by:
Bordan Darm, Lead Consultant
Erin Robinson, Service Consultant
James Takamatsu, Actuary

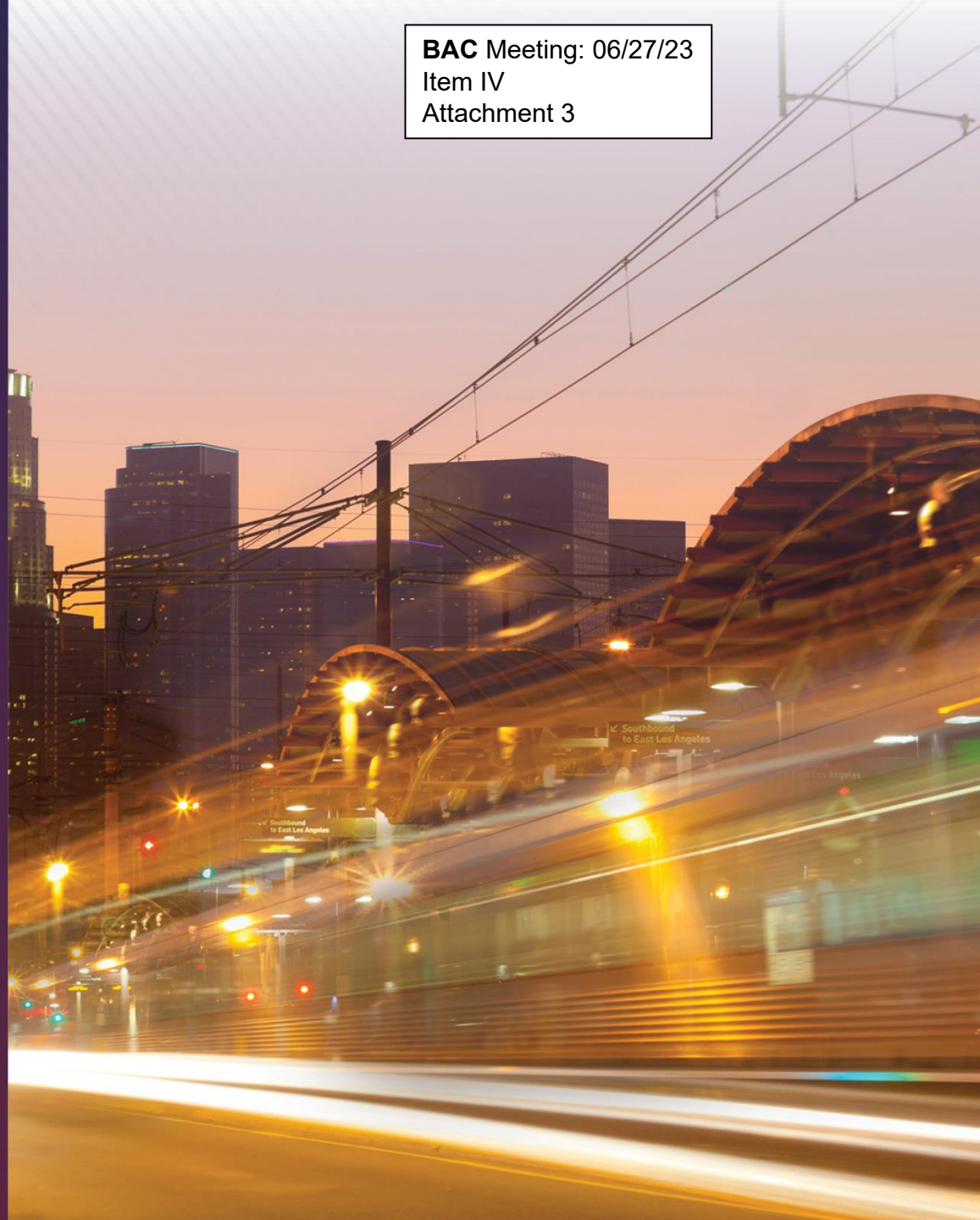


Table of Contents

	<u>Page</u>
• Introduction	3
• Cost Summary	9
• Network Summary	15
• Plan Design Summary	18
• Questionnaire Summary	21
• Performance Guarantees Summary	23
• Proposed 2024 Options	25



Introduction

LACERS Medical/RX Request for Proposal

LACERS conducted an RFP for medical and prescription drug coverage for a January 1, 2024, effective date.

The following carriers were invited to provide a proposal or provided a proposal:

- Aetna CVS (declined to propose)
- Alignment
- Anthem*
- Blue Shield*
- Humana*
- Kaiser*
- SCAN*
- UHC*

* Proposals were selected for interview and further evaluation

LACERS Medical/RX Request for Proposal

Plan Design Requested

- All proposals were requested to duplicate the present plan designs
- Additionally, proposers were asked to quote on two new coverages:
 - For the pre-65 retirees:
 - A narrowed network HMO
 - For the Medicare eligible retirees:
 - A Medicare Supplemental (Medigap) plan

LACERS Medical/RX Request for Proposal

- The following chart shows what carrier provided a proposal for what coverage currently in place:

LACERS - Proposal Summary	Enrollment	Anthem	Blue Shield	UHC	SCAN	Kaiser	Humana
Pre-65 Retirees							
Anthem PPO	695	X	X				
Anthem CA Care HMO	694	X	X				
Kaiser HMO	2186					X	
Alternate Plan: Narrowed Network HMO		X	X				
Medicare Eligible Retirees							
SCAN	428		X		X		X
UHC CA	512		X	X			X
UHC NV	73		X	X			X
UHC AZ	53		X	X			X
Kaiser SA	5916					X	
Anthem Medicare Advantage	3754	X	X	X			X
Alternate Plan: Medicare Supplemental (Medigap) Plan		X	X				

LACERS Medical/RX Request for Proposal

Quoting Options Requested

- All proposals were requested on a fully insured basis. Fully insured implies LACERS pays the premium and the carrier assumes all risk for the plan experience (claims).
- Proposers were given options to provide proposals based on:
 - **Bundling:** A bundled quote means all lines of coverage offered by a carrier are sold together. An unbundled quote means LACERS can pick and choose which lines of coverage to elect from a carrier, without having to elect all lines of coverage from the carrier.
 - **Rating:** Experience-rated means renewals will be based on LACERS plan experience with the carrier. Community-rated means renewals will be based on the carrier's experience in the community.
 - **Contract:** A Participating contract provides a year-end accounting. If claim cost and administration is less than premium paid, the balance is returned to LACERS. A non-Participating contract does not have a year-end accounting and LACERS would not be eligible for any return of excess funds.

LACERS Medical/RX Request for Proposal

Bundling and Funding Options

LACERS - Bundling and Funding Summary		Enrollment	Anthem	Blue Shield	UHC	SCAN	Kaiser	Humana
Pre-65 Retirees								
Anthem PPO		695	1,2	5				
Anthem CA Care HMO		694	1,2	5				
Kaiser HMO		2186					2,5	
Alternate Plan: Narrowed Network HMO			1,2	5				
Medicare Eligible Retirees								
SCAN		428		6		2		6
UHC CA		512		6	2,5			6
UHC NV		73		6	2,5			6
UHC AZ		53		6	2,5			6
Kaiser SA		5916					2,5	
Anthem Medicare Advantage		3754	2	6	2,5			3,6
Alternate Plan: Medicare Supplemental (Medigap) Plan			1,2	6				

Option	Bundling	Funding	Rating	Contract
1	Bundled	Fully-Insured	Experience	Participating
2	Bundled	Fully-Insured	Experience	Non-Participating
3	Bundled	Fully-Insured	Community	Non-Participating
4	Unbundled	Fully-Insured	Experience	Participating
5	Unbundled	Fully-Insured	Experience	Non-Participating
6	Unbundled	Fully-Insured	Community	Non-Participating

Cost Summary

LACERS Medical/RX Request for Proposal

Cost Ranking Summary Pre-65 Retiree Plan Proposals

- The following chart shows each carriers' cost ranking, where 1 is the lowest cost.

LACERS - 2024 Cost Ranking	Enrollment	Anthem	Blue Shield	UHC	SCAN	Kaiser	Humana
Pre-65 Retirees							
Anthem PPO	695	1	2				
Anthem CA Care HMO	694	2	1				
Kaiser HMO	2186					1	
Alternate Plan: Narrowed Network HMO		2	1				

LACERS Medical/RX Request for Proposal

Cost Ranking Summary Medicare Eligible Retiree Proposals

- The following chart shows each carriers' cost ranking, where 1 is the lowest cost.

LACERS - 2024 Cost Ranking	Enrollment	Anthem	Blue Shield	UHC	SCAN	Kaiser	Humana
Medicare Eligible Retirees							
SCAN	428		2		3		1
UHC CA	512		2	3			1
UHC NV	73		3	2			1
UHC AZ	53		3	2			1
Kaiser SA	5916					1	
Anthem Medicare Advantage	3754	2	3	4			1
Alternate Plan: Medicare Supplemental (Medigap) Plan		1	2				

LACERS Medical/RX Request for Proposal

Rate Caps – Pre-65 Retiree Plans

LACERS requested rate caps for the 2025 and 2026 plan year.

Pre-65 Retiree Plans:

- **Anthem** made the following statement for rate caps for 2025 and 2026 for option 1 only: “Refunding type retention increase 3% year over year (PCPM basis)”
- **Blue Shield** made the following statement for a 2025 only rate cap (no rate cap applies for 2026): 12%
- **Kaiser** did not offer a 2025 nor 2026 rate cap.

LACERS Medical/RX Request for Proposal

Rate Caps – Medicare Eligible Retiree Plans

LACERS requested rate caps for the 2025 and 2026 plan year.

Medicare Eligible Retiree Plans:

- **Anthem** provided the following statement regarding a rate cap for 2025 and 2026. "Refunding type retention increase 3% year over year (PCPM basis)" More clarification is required.
- **Blue Shield** provided a rate cap of 9.0% for 2025.
- **UHC** provided a 4.8% rate cap on replacing the Anthem Medicare Advantage plan only for 2025. Did not provide rate cap for HMO.
- **SCAN** provided 5.0% rate cap for 2025 and 2026.
- **Kaiser** did not offer a 2025 nor 2026 rate cap.

LACERS Medical/RX Request for Proposal

Rate Caps – Medicare Eligible Retiree Plans (continued)

Medicare Eligible Retiree Plans (continued):

- **Humana** provided a rate cap of 5.1% for 2025, and 5.8% for 2026 for Option 3. For Option 6 Humana provided the following rate caps to

replace the coverage:

2025 2026

SCAN

5.6% 6.7%

UHC CA

5.7% 6.8%

UHC NV

6.2% 7.7%

UNC AZ

6.2% 7.7%

Anthem Medicare Advantage

6.1% 5.7%

Network Summary

LACERS Medical/RX Request for Proposal

Network Evaluation GeoAccess Pre-65 Retirees

- Both Anthem and Blue Shield show good network access.
- Only Anthem and Blue Shield provided Pre-65 proposals.
- The percentage match is based on members having access to two network providers/facilities within five miles of the retiree's ZIP Code.
- Anthem did not provide data on Total Specialists, Outpatient facility, and Mental Health / Substance Abuse facility.
- Blue Shield's analysis is based on all Retirees.
- Anthem's analysis is based on Retirees currently enrolled in the HMO and PPO plans.

Pre-65 Retirees	Anthem			Blue Shield		
	PPO	HMO	NN HMO	PPO	HMO	NN HMO
Member Count	2761	2199	2199	12092	8858	8858
Overall Score	85.2	88.3	87.4	80.6	86.5	83.9
Adult PCP	96.6	97.2	96.0	94.9	95.9	92.1
Internist	94.0	96.0	95.1	92.3	94.5	90.6
OB/GYN	88.5	92.0	92.0	85.8	90.4	84.1
Pediatrician	91.5	95.3	94.4	89.5	94.2	87.7
MH/SA Provider	97.2	86.6	83.3	95.0	97.5	97.5
Specialist	96.0			93.8	96.7	95.1
Urgent Care	84.4	89.2	89.2	80.0	77.6	73.9
OP Facility	68.2			65.2	73.9	73.7
MH/SA Facility	75.6			58.6	81.4	81.4
Hospital	59.9	62.0	62.0	51.3	62.4	63.1

LACERS Medical/RX Request for Proposal

Network Evaluation GeoAccess Medicare Eligible Retirees

- All carriers show good GeoAccess except for Humana for Mental Health and Substance Abuse facilities and Hospitals. Both Anthem and Blue Shield show good network access.
- The percentage match is based on members having access to two network providers/facilities within five miles of the retiree’s ZIP Code.
- All but SCAN provided PPO based proposals.
- All but Anthem provided Medicare Advantage HMO proposals.

PPO Medicare Advantage / Medigap										
	Primary Care Physicians	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist Providers	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Anthem	84.0%	79.2%	68.9%	66.6%	82.0%	84.8%	35.0%	52.2%	40.5%	32.4%
Blue Shield	93.6%	90.5%	83.2%	83.1%	91.6%	92.8%	74.6%	63.4%	42.2%	49.4%
SCAN	Not Proposed									
UHC	95.7%	92.8%	86.9%	88.7%	92.4%	96.4%	76.9%	97.2%	41.0%	45.2%
Humana	91.6%	85.0%	75.4%	73.3%	81.8%	90.7%	45.0%	88.1%	2.2%	48.0%
Medicare Advantage HMO Plans										
	Primary Care Physicians	Internist	OB/GYN	Pediatrician	MH/SA Providers	Other Specialist Providers	Urgent Care Facilities	Outpatient Facility	MH/SA Facility	Hospitals
Anthem	Not Proposed									
Blue Shield	95.1%	93.7%	89.1%	92.8%	97.5%	96.3%	81.8%	73.3%	61.6%	81.4%
SCAN	99.2%	99.2%	96.7%	N/A	96.9%	98.6%	N/A	N/A	96.9%	99.2%
UHC	83.4%	81.8%	77.4%	67.3%	92.4%	87.2%	69.3%	83.4%	41.0%	52.0%
Humana (Member Based)										
- SCAN	98.2%	97.3%	88.4%	39.4%	91.1%	96.5%	78.0%	96.5%	2.4%	41.8%
- UHC CA	95.1%	92.2%	86.4%	41.8%	89.4%	95.3%	75.6%	95.0%	2.2%	40.8%
- UHC NV	96.0%	91.1%	92.1%	80.2%	80.2%	98.0%	86.1%	100.0%	0.0%	40.6%
- UHC AZ	94.7%	14.5%	73.7%	77.6%	71.1%	93.4%	68.4%	89.5%	0.0%	7.9%

Plan Design Summary

LACERS Medical/RX Request for Proposal

Plan Design Evaluation

Incumbent Carriers:

- Anthem is proposing their current plan designs for 2024 for:
 - Pre-65 HMO coverage
 - Pre-65 PPO coverage
 - Medicare Advantage Passive PPO coverage
 - Medicare Supplemental PPO coverage (same as offered in 2021)
- Kaiser is proposing their current plan designs for 2024
- SCAN is proposing their current plan designs for 2024
- UHC is proposing their current plan designs for 2024 for CA, NV, and AZ.
 - UHC will duplicate the Anthem Medicare Advantage plan design for UHC's Passive PPO MA plan

Enhanced Benefits (over 65 Medicare Plans)

	Personal Care Coordinator	Home Delivered Meals	Personal Care	Emergency Response System	Enhanced Routine Transportation	Transportation Escort	Homemaker Service	Inpatient Custodial Level Care	In-Home Caregiver Relief	Adult Day Health Care	Incontinence supplies/Hygiene supplies	Bathroom Durable Medical Equipment (DME)	Homebound Wellness Checks
Medicare Advantage HMO													
SCAN Healthcare Medicare Advantage HMO	X	X	X	X	X	X	X	X	X	X	X	X	X
UnitedHealthcare Medicare Advantage HMO	X	X	X	X		X	X		X				X
Humana Medicare Advantage HMO		X	X	X	X	X	X		X	X	X	X	
Kaiser Senior Advantage HMO	X	X											
Medicare Advantage PPO													
Anthem Medicare Advantage PPO		X	X	X	X		X			X	X	X	
Blue Shield Medicare Advantage PPO		X		X	X								
Humana Medicare Advantage PPO		X	X	X	X	X	X		X	X	X	X	

Questionnaire Summary

LACERS Medical/RX Request for Proposal

Questionnaire Evaluation

- The Questionnaire asked each carrier to respond to over 150 questions.
- Keenan provided due diligence review of the carriers through analysis of the 150 question responses.
- It was determined that all proposing carriers met the minimum requirement for carrier consideration.
- The analysis provided insight to areas that needed questioning in the interview process and areas to address in the contract negotiation process.

Performance Guarantees Summary

Performance Guarantees

- All six (6) respondents to the RFP provided information regarding Performance Guarantees in the following areas:
 - Overall Health Plan Performance
 - Prescription Drugs
 - Clinical Management and
 - Case Management

As part of LACERS *Well* program, LACERS will continue to negotiate the Performance Guarantees with each carriers.

Proposed 2024 Options

LACERS Medical/RX 2024 Renewal Options

After reviewing the carrier proposals for the 2024 plan year and interviewing the carrier finalists, LACERS staff prepared four options for LACERS to consider for 2024. The following chart illustrates the four options.

LACERS - Carrier Summary	Enrollment	2023	Option 1	Option 2	Option 3	Option 4
Pre-65 Retirees						
Anthem PPO	695	Anthem	Anthem	Anthem	Blue Shield	Anthem
Anthem CA Care HMO	694	Anthem	Anthem	Anthem	Blue Shield	Anthem
Kaiser HMO	2186	Kaiser	Kaiser	Kaiser	Kaiser	Kaiser
Medicare Eligible Retirees						
SCAN	428	SCAN	Humana	SCAN	SCAN	SCAN
UHC CA	512	UHC	Humana	Humana	UHC	UHC
UHC NV	73	UHC	Humana	Humana	UHC	UHC
UHC AZ	53	UHC	Humana	Humana	UHC	UHC
Kaiser SA	5916	Kaiser	Kaiser	Kaiser	Kaiser	Kaiser
Anthem Medicare Advantage	3754	Anthem	Anthem	Anthem	Blue Shield	Anthem
Alternate Plan: Medicare Supplemental (Medigap) Plan			Anthem	Anthem	Blue Shield	Anthem

All options include a Medicare Supplemental Plan option.

LACERS Medical RX 2024

Option 1

		Option 1	
		PPO Anthem PPO	
		HMO Anthem HMO Kaiser	
		Pros	Cons
Under 65 Plans		<ul style="list-style-type: none"> Continue current plan offerings, which has been in place since 2014 resulting from the last RFP (except for the Anthem Medicare Preferred PPO which replaced the Anthem Medicare Supplement in 2022). The continuation of current plan offerings means no network disruptions to those enrolled with LACERS medical plans. LACERS Members and Survivors are familiar with the current plan offerings, and are more likely to make better informed decisions than if LACERS adds a new offering (which may confuse the Member/Survivor, leading to less-than-desired enrollment selections). No plan changes for LACERS' Under 65 population means they are offered the same choices available from 2022 to choose from. While Anthem HMO's rate is slightly higher than Blue Shield HMO, the alternative option of Blue Shield would cause transition and administrative disruption to members and LACERS, in which the costs would be greater than the premium savings. As LACERS population is 90% subsidized, the cost would be more on LACERS transition. 	<ul style="list-style-type: none"> The cost of Anthem's HMO bid is more than Blue Shield's HMO bid. Anthem's 2025 rate cap is complex and is proposed at 3.0% retention increase plus a trend adjustment. Blue Shield is offering a 12.0% second year rate cap. Blue Shield is offering their Wellvolution wellness platform for which Anthem does not have an equivalent.
		<u>Passive PPO Medicare Advantage and Medicare Supplement</u> Anthem Medicare Preferred PPO (Passive) Anthem Medicare Supplement (Medigap)	
		<u>Medicare Advantage with Medicare Part D prescription drug coverage (MAPD) HMO</u> Humana - CA/AZ/NV Kaiser Senior Advantage - CA only; also available to members with Part B Only	
		Pros	Cons
Medicare Eligible Plans		<ul style="list-style-type: none"> Changing MAPD options from offering both SCAN and UHC, to Humana (which has comparable and similar geographical service coverage), would simplify administration and member education. Cost of Humana is less than the SCAN and UHC plans. Continuation of Anthem Med Preferred and Kaiser plans that are currently in place would have no transition issues for members. The addition of the returning Anthem Med Supp plan, where benefits are matched what was offered in 2021, means those who voiced dissatisfaction with the Anthem Med Preferred plan can enroll in their desired Anthem Med Supp plan. The proposed cost of the Anthem Med Supp plan is similar to its cost in 2021, so Members may be able to expect similar premiums from when the plan was offered in 2021. 	<ul style="list-style-type: none"> Humana's replacement of both SCAN and UHC plans may cause network/provider disruption for members enrolled in those plans. Enhanced benefit offered by SCAN and UHC may be less robust under Humana. Requires additional time, cost, and training to implement, administer, communicate, and educate what the new Anthem Med Supp and Humana MAPD replacement plan provides.
		Pros	Cons
Dualcare HMO, where at least 1 person non-Medicare/Part B only, and 1 person with A&B		<ul style="list-style-type: none"> The choice of having one MAPD HMO, such as Humana, rather than having both UHC and SCAN, would lessen the confusion for members. By keeping the Anthem HMO as part of the dualcare HMO mix, this lessens the transition and administrative cost, as Anthem is already familiar with administering DualCare with another carrier, such as Humana. 	<ul style="list-style-type: none"> Humana's replacement of both SCAN and UHC plans may cause network/provider disruption for members enrolled in those plans. Enhanced benefit offered by SCAN and UHC may be less robust under Humana. It is unknown how dualcare collaboration will play between Anthem and Humana, since Humana has no experience with LACERS' dual care. Requires additional time, cost, and training to implement, administer, communicate, and educate what the Anthem Med Supp and Humana MAPD replacement plan provides.

LACERS Medical RX 2024

Option 2

		Option 2	
		<u>PPO</u> Anthem PPO	
		<u>HMO</u> Anthem HMO Kaiser	
		Pros	Cons
Under 65 Plans		<ul style="list-style-type: none"> Continue current plan offerings, which has been in place since 2014 resulting from the last RFP (except for the Anthem Medicare Preferred PPO which replaced the Anthem Medicare Supplement in 2022). The continuation of current plan offerings means no network disruptions to those enrolled with LACERS medical plans. LACERS Members and Survivors are familiar with the current plan offerings, and are more likely to make better informed decisions than if LACERS adds a new offering (which may confuse the Member/Survivor, leading to less-than-desired enrollment selections). No plan changes for LACERS' Under 65 population means they are offered the same choices available from 2022 to choose from. While Anthem HMO's rate is slightly higher than Blue Shield HMO, the alternative option of Blue Shield would cause transition and administrative disruption to members and LACERS, in which the costs would be greater than the premium savings. As LACERS population is 90% subsidized, the cost would be more on LACERS transition. This option has the lowest overall cost impact with a 12.2% cost adjustment. 	<ul style="list-style-type: none"> The cost of Anthem's HMO bid is more than Blue Shield's HMO bid. Anthem's 2025 rate cap is complex and is proposed at 3.0% retention increase plus a trend adjustment. Blue Shield is offering a 12.0% second year rate cap. Blue Shield is offering their Wellvolution wellness platform for which Anthem does not have an equivalent.
		<u>Passive PPO Medicare Advantage and Medicare Supplement</u> Anthem Medicare Preferred PPO (Passive) Anthem Medicare Supplement (Medigap)	
		<u>MAPD HMO</u> SCAN - CA only Humana - CA/AZ/NV Kaiser Senior Advantage - CA only; also available to members with Part B Only	
		Pros	Cons
Medicare Eligible Plans		<ul style="list-style-type: none"> Changing MAPD options from UHC to Humana, which has comparable and similar geographical service coverage, would cost less. Cost of Humana is lesser than UHC. Continuation of Anthem Med Preferred and Kaiser plans that are currently in place would have no transition issues for members. The addition of the returning Anthem Med Supp plan, where benefits are matched what was offered in 2021, means those who voiced dissatisfaction with the Anthem Med Preferred plan can enroll in their desired Anthem Med Supp plan. The proposed cost of the Anthem Med Supp plan is similar to its cost in 2021, so Members may be able to expect similar premiums from when the plan was offered in 2021. 	<ul style="list-style-type: none"> The discontinuation of the UHC HMO plan will require Members enrolled in that plan to make a different selection for 2024, which may cause dissatisfaction. Humana's replacement of UHC plans may cause network/provider disruption for members enrolled in those plans. Enhanced benefit offered by UHC may be less robust under Humana. Requires additional time, cost, and training to implement, administer, communicate, and educate what the new Anthem Med Supp and Humana MAPD replacement plan provides.
		Pros	Cons
Dualcare HMO, where at least 1 person non-Medicare/Part B only, and 1 person with A&B		<ul style="list-style-type: none"> By keeping SCAN, the members who have the need for SCAN's enhanced benefits, such as independent living program which offers personal care, unlimited transportation, and care giver respite, would not be losing any benefits. In addition, LACERS would not have to add these enhancements as part of the annual renewal. By keeping the Anthem HMO as part of the Dualcare HMO mix, this lessens the transition and administrative cost, as Anthem is already familiar with administering DualCare with another carrier. 	<ul style="list-style-type: none"> Humana's replacement of UHC plans may cause network/provider disruption for members enrolled in those plans. Enhanced benefit offered by SCAN and UHC may be less robust under Humana. Requires additional time, cost, and training to implement, administer, communicate, and educate what the new Anthem Med Supp and Humana MAPD replacement plan provides. It is unknown how dualcare collaboration will play between Anthem and Humana, since Humana has no experience with LACERS' dual care.

LACERS Medical RX 2024

Option 3

		Option 3	
Under 65 Plans		<p align="center">PPO Blue Shield PPO</p> <p align="center">HMO Blue Shield HMO Kaiser</p>	
		Pros	Cons
	<ul style="list-style-type: none"> Replacing Anthem PPO with Blue Shield PPO would allow LACERS to offer the Blue Shield Medicare Supplement plan to LACERS' Medicare-eligible options. 	<ul style="list-style-type: none"> Blue Shield PPO's rate is higher than the 2023 rate and more than Anthem PPO's bid. The Blue Shield PPO has less benefits than the current Anthem PPO. The dual care offerings and cost will be impacted. See sections below. Requires additional time, cost, and training to implement, administer, communicate, and educate members and LACERS staff of new plans. Anthem's proposal is bundled, meaning it will not allow Blue Shield alongside of Anthem. Blue Shield would replace all Anthem plans. 	
Medicare Eligible Plans		<p align="center"><u>Passive PPO Medicare Advantage and Medicare Supplement</u> Blue Shield Preferred PPO (Passive) Blue Shield Supplement (Medigap)</p> <p align="center"><u>MAPD HMO</u> SCAN - CA only UHC - CA/AZ/NV</p> <p align="center">Kaiser Senior Advantage - CA only; also available to members with Part B Only</p>	
		Pros	Cons
	<ul style="list-style-type: none"> Having the Blue Shield Med Supp would provide a different option for members who are not satisfied with the Anthem Medicare Preferred PPO. The continuation of current plan offerings of Anthem Medicare Preferred, SCAN, and UHC means members will neither experience network nor benefit disruptions. 	<ul style="list-style-type: none"> The cost of Blue Shield Supp is higher than Anthem's Med Supp proposal. The dual care offerings and cost will be impacted. See section below. Anthem's proposal is bundled meaning it will not allow Blue Shield alongside of Anthem. Blue Shield would replace all Anthem coverage. Requires additional time, cost, and training to implement, administer, communicate, and educate what is in the new plans. 	
Dualcare HMO, where at least 1 person non-Medicare/Part B only, and 1 person with A&B	<ul style="list-style-type: none"> By offering Blue Shield PPO and Med Supp combination, this would allow members who prefer a Medicare Supplement to cover a non-Medicare dependent within one company. SCAN and UHC already have a working relationship with Anthem for Dualcare, so those enrolled in those plans can expect to experience no network disruptions. 	<ul style="list-style-type: none"> The costs of Blue Shield PPO and Blue Shield Med Supp is higher, both of which are significantly higher than the Anthem PPO and Medical Supp combination. This indicates LACERS and its members would have to pay because the medical subsidy would not be able to cover the overall premium. The Blue Shield combination will be less affordable for members. It is unknown how Dualcare will play between Anthem Medicare Preferred and Blue Shield PPO, which could result in additional cost for members. 	

LACERS Medical RX 2024

Option 4

		Option 4	
		PPO Anthem PPO	
		HMO Anthem HMO Kaiser	
		Pros	Cons
Under 65 Plans		<ul style="list-style-type: none"> Continue current plan offerings, which has been in place since 2014 resulting from the last RFP (except for the Anthem Medicare Preferred PPO which replaced the Anthem Medicare Supplement in 2022). The continuation of current plan offerings means no network disruptions to those enrolled with LACERS medical plans. LACERS Members and Survivors are familiar with the current plan offerings. No plan changes for LACERS' Under 65 population means members are offered the same choices available from 2022 to choose from. While Anthem HMO's rate is slightly higher than Blue Shield HMO, the alternative option of Blue Shield would cause transition and administrative disruption to members and LACERS, in which the costs would be greater than the premium savings. As LACERS population is 90% subsidized, the cost would be more on LACERS transition. This option has the lowest overall cost impact with a 12.2% cost adjustment. 	<ul style="list-style-type: none"> Anthem's HMO bid is more than Blue Shield's HMO bid. Anthem's 2025 rate cap is complex and is proposed at 3.0% retention increase plus a trend adjustment. Blue Shield is offering a 12.0% second year rate cap. Blue Shield is offering their Wellvolution wellness platform for which Anthem does not have an equivalent.
<u>Passive PPO Medicare Advantage and Medicare Supplement</u> Anthem Medicare Preferred PPO (Passive) Anthem Medicare Supplement (Medigap)			
MAPD HMO SCAN - CA only UHC - CA/AZ/NV			
Kaiser Senior Advantage - CA only; also available to members with Part B Only			
		Pros	Cons
Medicare Eligible Plans		<ul style="list-style-type: none"> Continuation of Anthem Med Preferred, Kaiser, SCAN, and UHC plans that are currently in place would have no transition issues for members. The addition of the returning Anthem Med Supp plan, where benefits are matched what was offered in 2021, means those who voiced dissatisfaction with the Anthem Med Preferred plan can enroll in their desired Anthem Med Supp plan. The proposed cost of the Anthem Med Supp plan is similar to its cost in 2021, so Members may be able to expect similar premiums from when the plan was offered in 2021. 	<ul style="list-style-type: none"> SCAN and UHC's bid proposal came at higher cost than Humana.
		Pros	Cons
Dualcare HMO, where at least 1 person non-Medicare/Part B only, and 1 person with A&B		<ul style="list-style-type: none"> Keeping MAPD HMO with SCAN and UHC will be less disruption for the members and no impact to dual care coverage. By keeping the Anthem HMO as part of the dual care HMO mix, this lessens the transition and administrative cost, as Anthem is already familiar with administering dual care with another carrier. 	<ul style="list-style-type: none"> SCAN and UHC's bid proposal came at higher cost than Humana.

LACERS Medical/RX 2024 Renewal Options

The following chart illustrates the cost associated with each option:

LACERS - 2024 Cost Summary	Enrollment	2023	Option 1	Option 2	Option 3	Option 4
Pre-65 Retirees						
Annualized Premium	3,575	\$65,197,912	\$73,174,609	\$73,174,609	\$73,285,271	\$73,174,609
\$ Difference from 2023			\$7,976,697	\$7,976,697	\$8,087,359	\$7,976,697
% Difference from 2023			12.2%	12.2%	12.4%	12.2%
Medicare Eligible Retirees						
Annualized Premium	10,736	\$48,261,234	\$46,081,470	\$46,791,944	\$51,117,148	\$48,346,588
\$ Difference from 2023			(\$2,179,764)	(\$1,469,290)	\$2,855,914	\$85,354
% Difference from 2023			-4.5%	-3.0%	5.9%	0.2%
Total Retirees						
Annualized Premium	14,311	\$113,459,146	\$119,256,079	\$119,966,553	\$124,402,419	\$121,521,197
\$ Difference from 2023			\$5,796,933	\$6,507,407	\$10,943,273	\$8,062,051
% Difference from 2023			5.1%	5.7%	9.6%	7.1%

Thank You!

