



Sacramento City Unified School District

July 1, 2020 Renewal Overview

May 7, 2020

Presented by:

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2

Certificated Renewal –Final Rates/Costs

Effective: July 1, 2020 – June 30, 2021

Actives/Early Retirees			
	CURRENT	RENEWAL	% Difference
Kaiser	\$21,541,777.92	\$24,183,084.48	12.26%
Health Net	\$25,676,641.80	\$27,473,863.20	7.00%
Total Annual	\$47,218,419.72	\$51,656,947.68	9.40%
% Difference over Current Annual		9.40%	
\$ Difference over Current Annual		\$4,438,527.96	
Post 65 Retirees			
	CURRENT	RENEWAL	% Difference
Kaiser	\$3,438,073.92	\$3,543,770.40	3.07%
Health Net	\$3,163,642.56	\$3,399,524.16	7.46%
Total Annual	\$6,601,716.48	\$6,943,294.56	5.17%
% Difference over Current Annual		5.17%	
\$ Difference over Current Annual		\$341,578.08	
ESTIMATED TOTAL DISTRICT			
	CURRENT	RENEWAL	% Difference
Kaiser	\$24,979,851.84	\$27,726,854.88	11.00%
Health Net	\$28,840,284.36	\$30,873,387.36	7.05%
Total Annual	\$53,820,136.20	\$58,600,242.24	8.88%
% Difference over Current Annual		8.88%	
\$ Difference over Current Annual		\$4,780,106.04	

Certificated Renewal – Kaiser/Health Net Final Rates Effective: July 1, 2020 – June 30, 2021

Active/Early Retiree:

Kaiser Final Rates:

			Monthly Difference
EE	\$630.95	\$708.31	\$77.36
EE & 1 Dep	\$1,261.90	\$1,416.62	\$154.72
EE & 2+ Dep	\$1,785.58	\$2,004.52	\$218.94

Health Net Final Rates:

			Monthly Difference
EE	\$927.35	\$992.26	\$64.91
EE & 1 Dep	\$1,854.68	\$1,984.50	\$129.82
EE & 2+ Dep	\$2,624.38	\$2,808.07	\$183.69

Certificated Renewal – Kaiser/Health Net Final Rates Effective: July 1, 2020 – June 30, 2021

Post 65 Retirees:

Kaiser Senior Advantage Final Rates:

w/Medicare A/B

			Monthly Difference
Retiree Only	\$352.72	\$364.58	\$11.86
Retiree + 1	\$705.44	\$724.84	\$19.40

w/Medicare B

			Monthly Difference
Retiree Only	\$662.72	\$674.58	\$11.86

Health Net Final Rates:

Seniority Plus

			Monthly Difference
Retiree Only	\$389.29	\$418.40	\$29.11
Retiree + 1	\$778.58	\$836.80	\$58.22

Medicare COB

			Monthly Difference
Retiree Only	\$1,255.42	\$1,292.08	\$36.66

Kaiser – July 2020 Renewal Negotiations

Request submitted to request rate relief on the 12.29% increase – Kaiser leadership declined the request for the following reasons:

- The 12.29% reflects the claims experience of the group (12.70%)
- The Kaiser plans are the low cost plans by a significant margin vs Health Net
- Employee contributions do not reflect the affordability that Kaiser offers
- Possibility of district moving to a pooled arrangement

Certificated Renewal – Kaiser Plan Options Overview/Costs (Active/Early Retirees)

Office Visit and Rx Copay Options were presented:

	Plan Option	Rate Decrement	Estimated Savings
1	\$15 Office Copay	-0.65%	\$157,190.05
2	\$20 Office Copay	-1.34%	\$324,053.33
3	\$15 Rx	-0.77%	\$186,209.75
4	\$10/\$30 Rx	-1.26%	\$304,706.86
5	\$15 Office Copay \$15 Rx	-1.42%	\$343,399.80
6	\$15 Office Visit \$10/\$30 Rx	-1.91%	\$461,896.91
7	\$20 Office Copay \$15 Rx	-2.44%	\$510,263.08
8	\$20 Office Copay \$10/\$30 Rx	-2.60%	\$628,760.20

Certificated Renewal – Health Net Plan Options Overview/Costs (Actives/Early Retirees)

Office Visit and Rx Copay Options were presented:

	Plan Option	Rate Decrement	Estimated Savings
1	\$25 Office Copay	-2.26%	\$611,462.38
2	\$35 Office Copay	-4.39%	\$1,187,752.14
3	\$10/\$30/\$60 Rs	-10.29%	\$2,784,047.72
4	\$15/\$25/\$55	-14.86%	\$4,020,500.40
5	\$25 Office Copay \$10/\$30/\$50 Rx	-12.55%	\$3,395,510.10
6	\$35 Office Visit \$10/\$30/\$50 Rx	-14.68	\$3,971,799.86
7	\$25 Office Copay \$15/\$35/\$55 Rx	-17.12%	\$4,631,962.78
8	\$35 Office Copay \$15/\$35/\$55 Rx	-19.25%	\$5,208,252.54

Certificated Renewal – Health Net Carrier Marketing Options Overview/Costs

Health Net plans were submitted to the carrier market for options to replace Health Net:

Carrier	Percentage over Current	Estimated Increase	Estimated Savings
Anthem Blue Cross - Option 1 - \$15 Office Vist	+6.71%	\$73,048	
Anthem Blue Cross - Option 2 - \$10 Office Visit Copay	+7.24%	\$61,866	
Blue Shield - Access + & Trio	-10.10%		\$2,553,540
Sutter Health Plus & WHA - \$15 Office Visit Copay	-15.39%		\$3,892,039
Sutter Health Plus & WHA - \$10 Office Visit Copay	-17.00		\$4,297,368
Carrier	Percentage over Current	Estimated Increase	
Health Net w/SmartCare Network - \$15 Office Copay	+5.10%	\$481,316	
Health Net w/SmartCare Network - \$15 Office Copay for full network/\$10 office visit copay for SmartCare Network	+5.46%	\$388,661	

'All Other' Renewal – Kaiser Final

Rates/Costs Effective: January 1, 2020 – December 31, 2020

- Renewal Increase: +2.9:
- HMO Final Rates:

			Monthly Difference
EE	\$746.37	\$767.94	\$21.57
EE + 1	\$1,492.75	\$1,535.88	\$43.13
EE & 2+ Dep	\$2,112.24	\$2,173.29	\$61.05

- HSA Final Rates:

			Monthly Difference
EE	\$579.92	\$596.71	\$16.79
EE + 1	\$1,159.84	\$1,193.42	\$33.58
EE & 2+ Dep	\$1,641.17	\$1,688.70	\$47.53

'All Other' Renewal – Kaiser Post 65 Retiree Final Rates/Costs

Kaiser Senior Advantage:

w/Medicare Part A & B

- Renewal Increase: +4.04% (A&B) +2.14% (B only)
- Final Rates:

			Monthly Difference
Retiree Only	\$350.00	\$364.15	\$14.15
Retiree + 1	\$700.00	\$728.30	\$28.30

- w/Medicare Part B only:

			Monthly Difference
Retiree Only	\$600.00	\$674.15	\$74.15

'All Other' Renewal – Kaiser Plan Options Overview/Costs (Active/Early Retirees)

Office Visit and Rx Copay Options were presented:

	Plan Option	Rate Decrement	Estimated Savings
1	\$15 Office Copay	-0.65%	\$163,222.74
2	\$20 Office Copay	-1.34%	\$333,864.69
3	\$15 Rx	-0.77%	\$192,899.60
4	\$10/\$30 Rx	-1.26%	\$314,080.12
5	\$15 Office Copay \$15 Rx	-1.44%	\$356,122.34
6	\$15 Office Visit \$10/\$30 Rx	-1.93%	\$477,302.86
7	\$20 Office Copay \$15 Rx	-2.13%	\$526,764.29
8	\$20 Office Copay \$10/\$30 Rx	-2.62%	\$647,944.81

COVID-19 – Future Renewals

- No Cost Services
- Rescheduling of Services
 - Elective Surgeries
 - Med Check's
 - Annual Check-up's
- Mental Health Medications
 - Up approximately 35%
- Impact to Future Renewals

QUESTIONS?