
From: Martinez, Marvin
Sent: Monday, October 2, 2023 4:57 PM CDT
To: David Crockett (crockett1906@yahoo.com)
Subject: FW: Updated Letter to BOT re Health Plan Options
Attachments: Health Plan Explanation to BOT 10_4_23.docx

Per our discussion.

Marvin Martinez

Chancellor, Rancho Santiago Community College District

martinez_marvin@rscdd.edu

From: Ingram, Iris <Ingram_Iris@rscdd.edu>
Sent: Sunday, October 1, 2023 2:53 PM
To: Martinez, Marvin <Martinez_Marvin@rscdd.edu>; Winter, Alistair <Winter_Alistair@rscdd.edu>
Cc: Gerard, Debra <Gerard_Debra@rscdd.edu>
Subject: Updated Letter to BOT re Health Plan Options

Alright everybody (except Barry Resnick),

Please review the document attached. It is addressed to the Board of Trustees from Marvin. It (hopefully) consolidates all of the questions asked of Marvin since last Tuesday in one document. I have added all of the charts that we created. I excerpted portions of the 4 page document provided by Alistair as an attachment earlier. It did not appear that many read that document, so we are trying again.

If there are errors or corrections, let me know and I will fix. I now have all of the same data at home, so I don't have to come back into the office before Monday to fix anything. If the document meets with your approval, you can remove the "draft" watermark and send to the BOT. You can also attach it to the Docket item without changing the Docket. I will also create a PowerPoint presentation for Wednesday to cover the same information.

I am going home now. Happy reading.

Iris

October 1, 2023

TO: Board of Trustees

FROM: Marvin Martinez, Chancellor

RE: Questions Regarding Health and Dental Plans

The information relayed below is in answer to the questions that I have received in the last for (4) days since the Board meeting of September 26th. Some of this information was relayed prior to and during the meeting, but not in a format for easy assimilation and understanding. This document seeks to consolidate all of the questions received and provide answers in one place.

Financial Impact of Aetna versus Anthem/Blue Cross

The charts below show the potential costs and savings of each of the medical plans, depending on the option selected by employees:

Comparison of Cost Increases Over Plan Year 2023

Health Plans	Anthem	Aetna	Δ Savings
Increase %	7%	1%	
HMO	\$717,137	\$102,450	\$614,687
PPO	\$635,449	\$90,784	\$544,665
Total Increase	\$1,352,586	\$193,234	\$1,159,352
PPO Dental Plans	Metlife	Delta	Δ Savings
Increase %	15%	1%	
Total Increase	\$203,445	\$12,816	\$190,629

Total Budget Impact \$1,556,031 \$206,050

Table 1: Cost Savings

There is a range of savings shown for each of the Aetna options (below) based on the level of enrollment into the Whole Health high-performance network HMO option. Thus, the Total Estimated Savings should be considered as a range of *potential savings* for RSCCD. Based upon current enrollments, we have been able to closely approximate the budget impact of choosing the Aetna plan versus the Anthem plan.

The JBC recommended option #1 with the 1% increase in year one with no rate cap year two. Option #2, was a 3% increase in year one and a rate cap year two. The savings shown are based upon the option chosen (full network vs. narrow network). There wasn't any interest in the narrow network because the number of covered providers were fewer despite a \$5 co-pay. And it was not the recommendation from the JBC. The \$3.4M amount in savings could occur if every employee chose the limited "narrow network". That is highly unlikely. And it is already part of the plan. Some may choose that option, but it would be a small number. The \$1.1 million savings figure is more realistic.

Input	Option #1		Option #2	
	Full Network	Narrow Network	Full Network	Narrow Network
Network Option				
HMO (Actives)	\$574,053.72	\$2,758,805.16	\$382,709.76	\$2,610,690.96
HMO (Early Retirees)	\$40,632.84	\$195,279.60	\$27,088.08	\$184,796.52
PPO (Actives)	\$493,767.60		\$329,167.80	
PPO (Early Retirees)	\$50,897.04		\$33,929.88	
Total Estimated Savings	\$1,159,351.23	\$3,498,749.40	\$772,895.52	\$3,158,585.16

Table 2: Health Plan Options

ASCIP Rebates

The chart below reflects the information we have on the amount and dates of the rebates from ASCIP since the 2018 plan year. Some of this information was presented verbally at the last Board meeting, but the chart had not been distributed:

Rebate Fiscal Year	Notification Date from ASCIP	Payment Date	Total Rebate (Medical, Workers' Comp Dental & Vision)
2018-19	July 2020	September 2020	\$403,528
2019-20	??	October 2021	\$907,126
2020-21	April 2021	January 2023	\$673,313
2021-22	September 2023	Awaiting ASCIP Board approval for payment	\$1,042,434
2022-23	Unknown until 2024		\$1,450,518

Table 3: Combined Rebates

As indicated at last week's Board meeting, the dates and amounts of the rebates have varied. They are one-time payments and not guaranteed from year-to-year. Additionally, the amounts shown above are for *all* insurance plans (medical, dental, workers comp & vision), not just medical. A breakout of the rebates by "book-of-business" is below:

Rebate Fiscal Year	Medical Rebate	Dental Rebate	Vision Rebate	TOTAL
2018-2019	\$ 386,449	\$ 15,103	\$ 1,976	\$ 403,528
2019-2020	\$ 836,118	\$ 63,683	\$ 7,325	\$ 907,126
2020-2021	\$ 606,028	\$ 63,059	\$ 4,226	\$ 673,313
2021-2022	\$ 925,621	\$ 110,554	\$ 6,259	\$ 1,042,434
TOTAL	\$ 2,754,215	\$ 252,399	\$ 19,787	\$ 3,026,401

Table 4: Detailed Rebates

The rebate income has been treated like all other non-apportionment income within the District's Budget Allocation Model (BAM). We have used it to offset other one-time costs or projects, e.g., emergency blue phones on campuses. And as previously stated, because these funds are one-time and highly variable, we haven't used them for funding ongoing costs such as insurance premiums. If we move to the Aetna plan, the ASCIP rebates will no longer be available to the district.

Escalator Clause (6%)

Per language in the Collective Bargaining Agreements (CBA), the district is obligated to pick up the first 6% increase each year. If the increase exceeds 6%, then we go to the bargaining table to negotiate who picks up the additional cost above the 6%; the employee or the district.

With a 7% increase, divide the cost by 7, multiply by 6, and that would be the District's cost (approx. \$1.1M). The difference between the aforementioned amount and the actual cost would then be negotiated. As an ongoing cost, it would not be prudent to cover it using rebate funds.

Provider Access

Aetna has performed a comparison of the current medical groups utilized by the RSCCD employees and has provided the following statistics to ensure transparency regarding disruptions employees may experience in a transition from Anthem. This information was provided to members of the JBC and shared with all of the employee groups.

- Full Network: 100% of the medical groups utilized under the Anthem plan currently contract with Aetna for their Full Network.
- Whole Health Network: 37.9% of the medical groups utilized under the Anthem plan currently contract with Aetna for their Whole Health Network

It is important to note that RSCCD would offer both the Full Network and Whole Health Network options for employees to select from. If RSCCD employees can identify their current medical groups/providers in the Whole Health Network they would have the opportunity to select the high-performance HMO plan to access the lower co-pays and out-of-pocket plan design.

Provider Search - For those who are seeking to search for their providers the following links can be utilized.

- Full Network HMO:
https://www.aetna.com/dsepublic/#/contentPage?page=providerSearchLanding&site_id=DirectLink&planValue=MHMO%7CHMO
- Whole Health HMO:
https://www.aetna.com/dsepublic/#/contentPage?page=providerSearchLanding&site_id=DirectLink&planValue=SCAHM%7CAWH_Southern_CA_HMO
- OAMC 90/70 PPO:
https://www.aetna.com/dsepublic/#/contentPage?page=providerSearchLanding&site_id=DirectLink&planValue=OAMC%7CManaged_Choice_POS_Open_Access

Employees were advised that if they were unable to find their specific provider, it may be due to the fact that the provider is not currently accepting new patients or may be filed under a different name. In this case, the employee can reach out to Diane Loya and she will put them in touch with resources to help verify that their doctor is in the plan.

Additionally, for those employees under treatment for a medical condition or disease, whose provider might be lost in a transition to a new plan, could be eligible for a Continuity of Care plan which is required to be provided by all insurance companies. Every health plan has a documented process for this.

DRAFT