



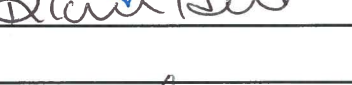












Joint Benefits Committee Meeting

Tuesday, March 31, 2015

2:00pm - 3:00pm

Executive Conference Room


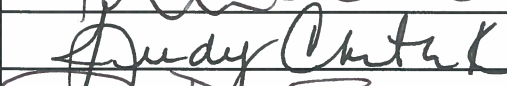




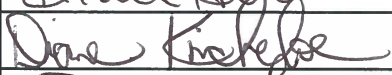
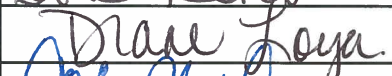


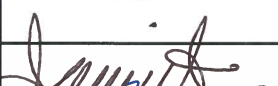


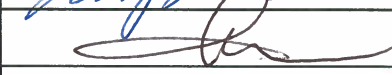

Name	Company	Signature
Tom Andrews	RSCCD	
Judy Chitlik	RSCCD	
John Didion	RSCCD	
Steve Eastmond	RSCCD	
Peter Hardash	RSCCD	
Diane Hill	RSCCD	
Diane Kincheloe	RSCCD	
Diane Loya	RSCCD	
Colleen Mangali	RSCCD	
Don Maus	RSCCD	
Adam O'conor	RSCCD	
Artemisa Paz-Lugo	RSCCD	
Barry Resnick	RSCCD	
Sarah Salas	RSCCD	
Sean Small	RSCCD	
John Smith	RSCCD	
Cecilia Lopez	CSEA	
Michael Muheisen	AON	
Brent Crane	AON	
Tamara Stevens	AON	

Joint Benefits Committee Meeting

Wednesday April 15, 2015

2:00pm - 3:00pm

Executive Conference Room

Name	Company	Signature
Tom Andrews	RSCCD	
Judy Chitlik	RSCCD	
John Didion	RSCCD	
Steve Eastmond	RSCCD	
Peter Hardash	RSCCD	
Diane Hill	RSCCD	
Diane Kincheloe	RSCCD	
Diane Loya	RSCCD	
Colleen Mangali	RSCCD	
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Adam O'conor	RSCCD	
Artemisa Paz-Lugo	RSCCD	
Barry Resnick	RSCCD	
Sarah Salas	RSCCD	
Sean Small	RSCCD	
John Smith	RSCCD	
Cecilia Lopez	CSEA	
Michael Muheisen	AON	
Brent Crane	AON	
Tamara Steyens	AON	



2015-16 Medical RFP Results Report

March 31, 2015



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Executive Summary

- With the District request, Aon Hewitt solicited proposals from Aetna, Blue Shield of California, Cigna, United Healthcare (UHC) and ASCIP and ASCIP for medical coverage
- Blue Shield, Cigna, ASCIP and UHC provided quotes. Aetna did not provide a quote.
- Anthem initial increase was +18.4% which was negotiated to +9.9%
- Anthem provided two additional alternative quotes:
 - Alternative 1:
 - Overall increase is +3.8%
 - Change pharmacy to \$10/\$25/\$45/20% (maximum of \$150 on tier 4)
 - Increase emergency room visit to \$75 HMO and add \$75 deductible for the PPO emergency visits
 - Alternative 2:
 - Overall increase is +4.4%
 - Change pharmacy to \$10/\$25/\$45/\$45
 - Increase emergency room visit to \$75 HMO and add \$75 deductible for the PPO emergency visits

Executive Summary (continued)

- Medical RFP results:
 - Blue Shield quoted an overall increase of +8.5% from current
 - Changes to a three tier pharmacy
 - Pooling point quoted at \$135,000
 - Benefits are as close as possible but are not exact
 - HMO & PPO disruption
 - ASCIP quoted Anthem with a +2.2%:
 - Changes to a three tier pharmacy
 - The quoted is pooled and experience will be blended as part of the pool
 - Benefits are not exact
 - UHC quote was not competitive at +19%
 - Cigna quoted an overall increase of +4.4%
 - Pooling point quoted at \$200,000
 - PPO and HMO disruption
 - Benefits are not exact to current

High Level Benefit Summary Comparison - Marketing

HMO	Anthem	Anthem Option 1	Anthem Option 2	Blue Shield of CA	ASCIP Anthem
Deductible	\$0	\$0	\$0	\$0	\$0
Out-of-Pocket	\$500 Ind / \$1,500 Fam	\$500 Ind / \$1,500 Fam	\$500 Ind / \$1,500 Fam	\$500 Ind / \$1,000 Fam	\$1,500 Ind / \$3,000 Fam
Coinsurance	-	-	-	-	-
Office Copay (PCP/SPC)	\$15/\$15	\$15/\$15	\$15/\$15	\$15/\$15	\$10/\$10
Hospital	\$0	\$0	\$0	\$0	\$0
ER	\$25	\$75	\$75	\$50	\$100
Pharmacy (Retail)	\$10/\$15/\$15	\$10/\$25/\$45/20%	\$10/\$25/\$45/\$45	\$10/\$15/\$30/20%	\$5/\$15/\$30

PPO (In-Network)	Anthem	Anthem Option 1	Anthem Option 2	Blue Shield of CA	ASCIP Anthem
Deductible	\$300 / \$900	\$300 / \$900	\$300 / \$900	\$300 Ind / \$600 Fam	\$250 / \$500
Out-of-Pocket	\$1,500 Ind / \$3,000 Fam	\$1,500 Ind / \$3,000 Fam	\$1,500 Ind / \$3,000 Fam	\$1,500 Ind / \$3,000 Fam	\$1,000 Ind / \$2,000 Fam
Coinsurance	90% / 60%	90% / 60%	90% / 60%	90% / 60%	90% / 70%
Office Copay (PCP/SPC)	\$20 / \$20	\$20 / \$20	\$20 / \$20	\$20 / \$20	\$20 / \$20
Hospital	90%	90%	90%	90%	90%
ER	90%	90% after \$75 ded.	90% after \$75 ded.	90%	\$50
Pharmacy (Retail)	\$15/\$25/\$25	\$10/\$25/\$45/20%	\$10/\$25/\$45/\$45	\$15/\$30/\$45/30%	\$5/\$15/\$30

Please refer to exhibits benefit summaries for exact benefit designs



2016 Final Marketing Results Report

Rancho Santiago Community College District

Effective July 1, 2016

April 15, 2015

Prepared by Aon Hewitt
Health & Benefits

AON Hewitt

Agenda

Medical Marketing & Plan Design Comparison
Dental Marketing & Plan Design Comparison
Vision Marketing & Plan Design Comparison
Dental and Vision Carrier Financial Ratings

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Medical Marketing Results

Coverage	Anthem		2015/2016 Marketing with Plan Design Changes		2015/2016 Marketing with Plan Design Changes			
	Enrollment	Monthly Rate	2014/15 Current	2015/16 Initial Renewal	2015/16 Negotiated	Option 1 Rx: \$10/\$25/\$45/20% ER: \$75	Option 2 Rx: \$10/\$25/\$45/\$45 ER: \$75	Option 4 Rx: \$5/\$15/\$30 HMO OOPM: \$1,500/\$3,000
PPO Plan								
Employee Only	290	\$ 835.79	\$ 973.16	\$ 913.96	\$ 874.18	\$ 879.75	\$ 857.70	
2-Party	312	\$ 1,755.24	\$ 2,043.72	\$ 1,919.40	\$ 1,835.86	\$ 1,847.57	\$ 1,795.74	
Family	33	\$ 2,507.57	\$ 2,919.70	\$ 2,742.09	\$ 2,622.74	\$ 2,639.47	\$ 2,563.29	
Monthly Sub Total:	635	\$ 872,764	\$ 1,016,207	\$ 954,391	\$ 912,852	\$ 918,670	\$ 893,592	
% Increase			16.4%	9.4%	4.6%	5.3%	2.4%	
HMO Plan								
Employee Only	127	\$ 566.35	\$ 681.60	\$ 619.30	\$ 576.98	\$ 580.08	\$ 577.81	
2-Party	178	\$ 1,188.22	\$ 1,430.02	\$ 1,299.32	\$ 1,210.54	\$ 1,217.02	\$ 1,212.26	
Family	348	\$ 1,697.86	\$ 2,043.37	\$ 1,856.62	\$ 1,729.75	\$ 1,739.02	\$ 1,732.20	
Monthly Sub Total:	653	\$ 874,285	\$ 1,052,200	\$ 956,034	\$ 890,704	\$ 895,479	\$ 891,970	
% Increase			20.3%	9.4%	1.9%	2.4%	2.0%	
Monthly Medical Total:	1,288	\$ 1,747,049	\$ 2,068,407	\$ 1,910,425	\$ 1,803,556	\$ 1,814,149	\$ 1,785,562	
Annual Medical Total:		\$ 20,964,584	\$ 24,820,880	\$ 22,925,096	\$ 21,642,671	\$ 21,769,793	\$ 21,426,746	
% Increase			18.4%	9.4%	3.2%	3.8%	2.2%	
Rate Guarantee			12 months	12 months	12 months	12 months	18 months	

Notes:
 Anthem
 Incumbent rates are based on a pooling point of \$125,000. (lower pooling point = higher protection for the employer = higher premium coverage)
 ASCIP Anthem
 Plan design changes - see next page

Medical Plan Comparison - HMO

HMO	Anthem (Direct)	Anthem (Direct) - Option 2	ASCIP Anthem
Out-of-Pocket			
Individual	\$500	\$500	\$1,500
Family	\$1,500	\$1,500	\$3,000
Office Copay (PCP/SPC)			
PCP	\$15	\$15	\$10
SPC	\$15	\$15	\$10
ER	\$25	\$75	\$100
Home Health Care/100 visits	\$0	\$0	\$10
Ambulance	\$0	\$0	\$100
Therapeutic Services (Radiation, speech, physical, occupational)	\$0	\$0	\$10
Acupuncture	\$15	\$15	\$10 (limited to 50 visits combined with chiro)
Chiro	\$0	\$0	\$10 (limited to 50 visit combined with acupuncture)
Pregnancy/Maternity Care	\$15	\$15	\$10
Complications of Pregnancy	\$0	\$0	Not Indicated
Infertility Counseling	\$0	\$0	\$10
Mental Health			
Outpatient	\$15	\$15	\$10
Pharmacy (Retail) - 30 day	Anthem Direct	Anthem Direct	RX Thru Navitus
Tier 1	\$10	\$10	\$5*
Tier 2	\$15	\$25	\$15
Tier 3	\$15	\$45	\$30
Specialty	\$15	\$45	\$30
Pharmacy (Mail Order) - 90 day			
Tier 1	\$10	\$20	\$10
Tier 2	\$15	\$50	\$30
Tier 3		\$90	\$75
Specialty	N/A	\$90	\$75
Pharmacy - Out of Pocket Max			
Individual	N/A	Effective 7/1/15 Included in medical	\$6,350
Family	N/A	Effective 7/1/15 Included in medical	\$12,700

Red = lessor benefit
Blue = richer benefit

*ASCIP has a special \$0 copay arrangement with Costco Navitus SpecialtyRx helps members who are taking medications for certain chronic illnesses or complex diseases by providing services that offer convenience and support. This program is part of your pharmacy benefit and is mandatory. Please refer to the benefit summary for complete comparison

Medical Plan Comparison – PPO

PPO	Anthem (Direct)		Anthem (Direct) - Option 2		ASCIP Anthem (Direct)	
	In	Out	In	Out	In	Out
Deductible						
Individual	\$300		\$300		\$250	
Family	\$900		\$900		\$500	
Out-of-Pocket						
Individual	\$1,500	\$4,300	\$1,500	\$4,300	\$1,000 (does not include pharmacy OOPM)	\$3,000 (does not include pharmacy OOPM)
Family	\$3,000	\$8,600	\$3,000	\$8,600	\$2,000 (does not include pharmacy OOPM)	\$6,000 (does not include pharmacy OOPM)
Coinsurance	10%	40%	10%	40%	10%	30%
Office Copay (PCP/SFC)	\$20	40%	\$20	40%	\$20	30%
PCP	\$20	40%	\$20	40%	\$20	30%
SFC						
Hospital	10%	\$500 + 40%	10%	\$500 + 40%	10%	\$250 + 30% (limited to \$1,500/day)
ER	10%	10%	\$75 + 10%	\$75 + 10%	\$50 + 10%	\$50 + 30%
Outpatient surgery	10%	40%	10%	40%	10%	30%
Ambulatory Surgical Centers	10%	40% (limited to \$350/day)	10%	40% (limited to \$350/day)	10%	30% (limited to \$350/admit)
Advanced Imaging	10%	40%	10%	40%	10%	30%* (limited to \$800/procedure)
Skilled nursing facility (limited to 100)	10%	40%	10%	40%	10%	10%
Home Health Care (limited to 100)	10%	40%	10%	40%	10%	10%
Hospice Care	20%	20%	20%	20%	0% (deductible waived)	30%
Home Infusion Therapy	10%	40% (limited to \$600/day)	10%	40% (limited to \$600/day)	10%	30% (benefit limited to \$600/day)
Therapeutic Services	10% (limited to 24 visits a year)	40% (limited to 24 visits a year)	10% (limited to 24 visits a year)	40% (limited to 24 visits a year)	10%	30%
Acupuncture	10% (limited to \$500/year)	40% (limited to \$500/year)	10% (limited to \$500/year)	40% (limited to \$500/year)	\$20 copay (deductible waived) limited to 12 visits/year	30%*
Organ/Tissue Transplants	10%	10%	10%	10%	10%	Not Covered
Bariatric Surgery	10%	10%	10%	10%	10%	Not Covered
Diabetes Education Programs	\$20	40%	\$20	40%	10%	30%
DME	10%	40%	10%	40%	10%	30%
Pregnancy/Maternity Care	10%	40%	10%	40%	10%	30%

Red = lessor benefit
 Blue = richer benefit

*ASCIP PPO plan will allow X-Ray / Lab, DME and Chiro on an in-network and out of network basis for the PPO plan for the first year. ASCIP will review these services and make a decision if they would allow out of network afterwards. Please refer to the benefit summary for complete comparison

Medical Plan Comparison – PPO (continued)

PPO	Anthem (Direct)		Anthem (Direct) - Option 2		ASCIP Anthem (Direct)	
	In	Out	In	Out	In	Out
Pharmacy (Retail) - 30 day	Anthem Direct	Anthem Direct	Anthem Direct	Anthem Direct	Rx Through Navitus	
Tier 1	\$15	\$15 + 50% of remaining maximum allowed amount	\$10	\$10 + 50% of remaining maximum allowed amount	*\$5	
Tier 2	\$25	\$25 + 50% of remaining maximum allowed amount	\$25	\$25 + 50% of remaining maximum allowed amount	\$15	
Tier 3	N/A	N/A	\$45	\$45 + 50% of remaining maximum allowed amount	\$30	
Specialty	\$25	Not Covered	\$45	Not Covered	\$30	Not Covered
Pharmacy (Mail Order) - 90 day					Through Costco	
Tier 1	\$15	N/A	\$20	N/A	\$10	N/A
Tier 2	\$20	N/A	\$50	N/A	\$30	N/A
Tier 3	N/A	N/A	\$90	N/A	\$75	N/A
Specialty	N/A	N/A	\$90	N/A	\$75	N/A
Pharmacy - Out of Pocket Max						
Individual		N/A	Effective 7/1/15	Included in medical OOPM		\$6,350
Family		N/A	Effective 7/1/15	Included in medical OOPM		\$12,700

*ASCIP has a special \$0 generic only copay arrangement with Costco
 Navitus SpecialtyRx helps members who are taking medications for certain chronic illnesses or complex diseases by providing services that offer convenience and support. This program is part of your pharmacy benefit and is mandatory.
 Please refer to the benefit summary for complete comparison

Red = lessor benefit
Blue = richer benefit



Dental Marketing Results

Coverage	Anthem		Anthem		ASCIIP Delta Dental	
	Enrollment	2014/15 Current Anthem Blue Plan 6 Monthly Rate	2015/16 Negotiated Renewal Anthem Blue Plan 6 Monthly Rate	2015/16 Proposed Delta Plan B Monthly Rate		
Dental PPO (Pre-65)						
Employee Only	195	\$ 73.04	\$ 73.04	\$ 66.10		
2-Party	207	\$ 137.55	\$ 137.55	\$ 124.47		
Family	124	\$ 197.83	\$ 197.83	\$ 179.02		
Monthly Sub Total:	526	\$ 67,247	\$ 67,247	\$ 60,853		
% Increase			0.0%	-9.5%		
Dental PPO (Post-65)						
Employee Only	34	\$ 78.09	\$ 78.09	\$ 70.67		
2-Party	48	\$ 147.06	\$ 147.06	\$ 133.08		
Family	1	\$ 211.51	\$ 211.51	\$ 191.40		
Monthly Sub Total:	83	\$ 9,925	\$ 9,925	\$ 8,982		
% Increase			0.0%	-9.5%		
Dental HMO						
Employee Only	152	\$ 18.22	\$ 18.22	\$ 18.30		
2-Party	194	\$ 34.30	\$ 34.30	\$ 30.22		
Family	250	\$ 49.32	\$ 49.32	\$ 44.66		
Monthly Sub Total:	596	\$ 21,754	\$ 21,754	\$ 19,809		
% Increase			0.0%	-8.9%		
Annual Dental Total:	1,205	\$ 1,187,108	\$ 1,187,108	\$ 1,075,735		
Difference				(\$ 111,373)		

Notes:

All rates shown above reflect a rate guarantee for the 18-month period beginning 7/1/15 and ending 12/31/16

Plan Design Comparison – Dental PPO

Dental PPO	Current		Proposed	
	Anthem Dental Blue Plan 6		Delta Dental ASCIP Plan B Option 1	
	In Network	Out of Network	In Network	Out of Network
Annual Maximum Benefit (per member)		\$2,000		\$2,000
Calendar Year Deductible (Individual / Family)		\$25 / \$75		None
		(Waived for preventive)		(Waived for preventive)
Diagnostic & Preventive Services (exams, teeth cleanings)	90%	90%	100%	100%
Restorative Services (fillings)	90%	90%	90%	90%
Endodontics (root canal therapy)	90%	90%	90%	90%
Periodontics (gum surgery)	90%	90%	90%	90%
Oral Surgery (extractions)	90%	90%	90%	90%
Prosthodontics (dentures, crowns, bridges)	80%	80%	70%	50%
Orthodontia	Not covered		Not covered	

Red = lessor benefit
Blue = richer benefit

Please refer to the benefit summary for complete comparison

Plan Design Comparison – Dental HMO

Dental HMO	Current Anthem Dental Net 2000 Series Plan 2700	Proposed Delta Dental DeltaCare 10A
Description		
Regular Office Visit Fe	\$5	\$5
Periodic Oral Exam	\$0	\$0
Comprehensive Exam	\$0	\$0
Complete Series X-Rays	\$0	\$0
Prophylaxis-Adult	\$0	\$0
Prophylaxis-Child	\$0	\$0
Amalgam-One Surface	\$0	\$0
Composite-One Surface	\$35	\$0
Crown-Porcelain/Metal	\$100	\$195
Therapeutic Pulpotomy	\$5	\$0
Root Canal Therapy-Three	\$180	\$205
Osseous Surgery-Per Quad	\$200	\$175
Root Planing-Per Quad	\$25	\$50
Impacted Tooth-Soft Tissue	\$30	\$25
Impacted Tooth-Complete Bony W/Sectioning	\$85	\$90
Ortho-Adolescent, 24 Month Treatment Fee	\$1,450	\$1,700
Ortho-Adult, 24 Month Treatment Fee	\$1,450	\$1,700
Palliative(Emergency)Treatment	\$5	\$5
Consultation	\$0	\$10

Please refer to the benefit summary for complete comparison

Vision Marketing Results

	Current		No Plan Design Changes		2015/2016 Marketing with Plan Design Changes	
	Blue View Vision		Blue View Vision		ASCIP VSP	
	2014/15 Current		2015/16 Negotiated Renewal		2015/16 Proposed	
Coverage	Enrollment	Monthly Rate	Enrollment	Monthly Rate	Choice Plan A	Monthly Rate
Vision						
Employee Only	230	\$ 7.90		\$ 7.90		\$ 12.10
2-Party	225	\$ 12.64		\$ 12.64		\$ 19.36
Family	148	\$ 20.55		\$ 20.55		\$ 31.48
Monthly Sub Total:	603	\$ 7,702		\$ 7,702		\$ 11,798
% Increase						53.2%
Annual Vision Total:	603	\$ 92,428.80		\$ 92,428.80		\$ 141,576.48
Annual Difference:				-		\$ 49,147.68
% Increase				0.0%		53.2%

Notes:

All rates shown above reflect a rate guarantee for the 18-month period beginning 7/1/15 and ending 12/31/16

Plan Design Comparison – Vision Plans

Vision Plan	Current		Proposed	
	Anthem Blue View Vision		ASCIP VSP VSP Choice Plan A	
	In Network	Out of Network	In Network	Out of Network
Frequency	12/12/2012	12/12/2012	12/12/2012	12/12/2012
Exam Benefits	\$10 copay	\$49 Allowance	\$10 copay	\$50 Allowance
Exam Frequency	1 per 12 months	1 per 12 months	1 per 12 months	1 per 12 months
Single Vision Lens Benefit	\$25 copay	\$35 Allowance	Combined with exam	\$50 Allowance
Bifocal Lens Benefit	\$25 copay	\$49 Allowance	Combined with exam	\$75 Allowance
Trifocal Lens Benefit	\$25 copay	\$74 Allowance	Combined with exam	\$100 Allowance
Lens Frequency	1 per 12 months	1 per 12 months	1 per 12 months	1 per 12 months
Frames Benefit	\$110 Allowance; 20% off balance	\$50 Allowance	\$140 Allowance Standard; \$160 Allowance Brand; 20% off allowance	\$70 Allowance
Frames Frequency	1 per 12 months	1 per 12 months	1 per 12 months	1 per 12 months
Contact lenses	\$110 Allowance; 15% off balance	\$92 Allowance	\$105 Allowance	\$90 Allowance
Contact lens Frequency	1 per 12 months	1 per 12 months	1 per 12 months	1 per 12 months

Red = lessor benefit
Blue = richer benefit

Please refer to the benefit summary for complete comparison

Financial Ratings

Aon Hewitt does not guarantee the financial stability or claims-paying ability of the vendors analyzed in RFPs/bids or renewals. It is Aon Hewitt's policy to obtain rating bureau information about existing and potential vendors, and to communicate that information, along with Aon Hewitt's own Market Security authorization status, to clients at the point of bid or renewal. We recommend that our clients rely on these published financial ratings along with their analysis of benefits, rates, quality, and customer service in selecting a quality, well-rated vendor.

Published financial ratings are not available for vendors included in this report with a notation of "not rated". Not all health care or managed care providers, EAPs, TPAs, and other entities are evaluated by rating agencies; therefore, Aon Hewitt cannot provide you with information on their financial or claims payment ability. Aon Hewitt obtains financial ratings for vendors from A.M. Best and Standard and Poor's; if these companies have not assigned ratings to a particular vendor, ratings from Fitch or Moody's (if available) will be used.

Aon Hewitt and/or its affiliates may from time to time maintain contractual relationships with the insurers, which may be recommended as potential markets, or with whom your coverage may ultimately be placed. Further details concerning Aon Hewitt's relationship with insurance carriers can be found at <http://www.aon.com/about-aon/corporate-governance/guidelines-policies/market-relationship.jsp>

*Aon Hewitt's Market Security Department reviews insurance carriers in order to determine their financial stability based upon several criteria, including ratings by industry-recognized financial ratings agencies. **If a carrier is chosen who does not meet Aon Hewitt's Market Security standards or who has not been reviewed, a letter will be sent around the time of binding indicating the status as not authorized**

Rating Agency	Delta Dental of California (NAIC 81396)	Vision Service Plan (NAIC 48321)
A.M. Best	A-	A
Standard and Poor's	Not Rated	Not Rated
Fitch	Not Rated	Not Rated
Moody's	Not Rated	Not Rated
Aon Market Security Authorization Status*	Authorized	Authorized

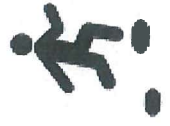
ASCIP

Health Benefits Program

Overview

Rancho Santiago CCD
April 15, 2015

Alliance of Schools for Cooperative Insurance Programs



We've got you covered.

ASCIP.org

ASCIP Basics Self-Funded Pool Trends

Coverage	Carrier(s)	Oct '13	Oct '14	Oct '15
Medical PPO	Anthem & Blue Shield	2% to 6%	2% to 6%	0% to 6%
Medical HMO	Anthem & Blue Shield	2% to 6%	2% to 6%	0% to 6%
Dental	Delta PPO	2% to 6%	0% to 6%	-3% to 2%
	DeltaCare HMO	0%	<1%	0%
Vision	VSP	1% to 4%	0% to 4%	-2% to 2%



Alliance of Schools for Cooperative Insurance Programs



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ASCIP Advantages: Rating Methodology

- **Shared Risk Model (Anthem, Dental & Vision PPO Programs)**
 - District-specific experience blended with the ASCIP pool
 - Early rate range notification released in March – renewals fall within the range
 - Greater stability due to blending of district with pool
 - No long term subsidizing other pool members
 - Can share claims – rate changes consistent with long term trends
 - District cost management efforts will yield lower renewals (wellness / eligibility mgmt)



Alliance of Schools for Cooperative Insurance Programs



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ASCIP Advantages

- **Non-Profit Risk Sharing JPA**
 - Excess premiums build pool equity used for rate stabilization and program development
 - Blues, dental & vision PPO plans
 - Can join medical, dental, vision, life pools separately
 - No internal incentives for sales or performance
 - Protecting current pool as important as growth
 - No exit barriers
 - Written request to exit 90 days prior to next renewal.



Alliance of Schools for Cooperative Insurance Programs



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ASCIP Operations

- **SISC Partnership**
 - Anthem, Blue Shield and Navitus → lower ASO fees
 - Reinsurance at \$150k
 - Eligibility Processing
 - Actuarial Studies
 - Most suggested plan modifications adopted

Independent renewal methodology and risk pool

- **JPA Fees**
 - 1% - 1.5% Medical, \$0.50 PEPM dental & vision



Alliance of Schools for Cooperative Insurance Programs



We've got you covered.

ASCIP.org

ASCIP Operations

- **Issue Resolution Process**

Customer Service → Carrier Escalation Process → District Staff /ASCIP

– ASCIP can provide exceptions for eligibility and individual claims payment

- **Eligibility Changes**

Delta Dental and VSP: Via carrier web portal, fax

Anthem & Blue Shield: Via SISC email, fax



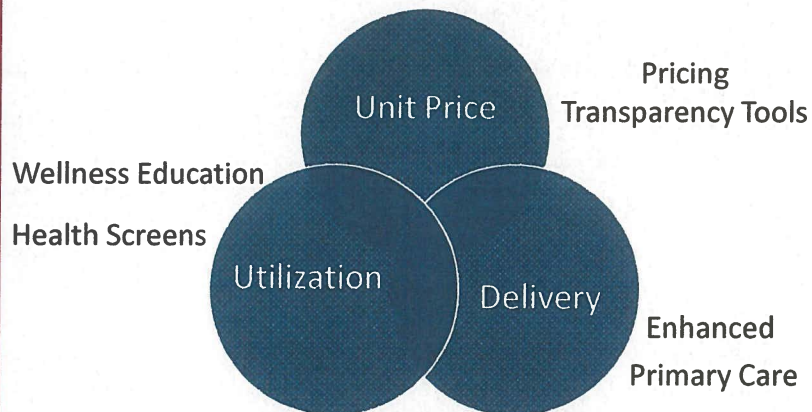
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We've got you covered.

ASCIP.org

ASCIP Strategy



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Early Results

Unit Price

Claims Concierge Service

La Canada USD

Launched Feb 2013

Employees	Solutions	Cost Savings Available
55	198	\$66,063

Actual Example: Lumbar spine MRI \$975 (Glendale Adventist Medical Center) vs. \$475 (American Medical Imaging)



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Early Results

Utilization

Onsite Health Screens

Paramount USD

Participants	% Abnormal*	Hypertensive/ % on Meds	High Cholesterol / % on Meds	Undiagnosed Diabetics
786	60%	31% / 15%	44% / 11%	8

*Based on Echocardiogram, EKG, Carotid Ultrasound, Abdominal Aortic Ultrasound, Peripheral Artery Disease Test



1 Urgent abnormality – immediate follow up

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Early Results

Delivery

Enhanced Primary Care
El Monte City SD / Paramount USD



Dedicated Primary Care Physician
Onsite / Near site
24/7 via phone, email, text, Facetime, etc.



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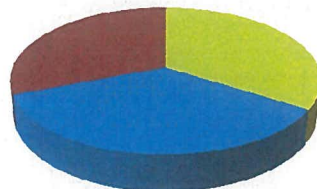
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Early Results

Delivery

Limited Patient Load → Better Access & Care
Prescription & Referral → Care & Consultation



- Home or School Visit
- Phone/email/text
- Face-to-Face



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Enhanced Primary Care Utilization Feb'12 to date El Monte City SD



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Considerations

- **Limited Benefit Designs**
 - Plan Changes (deductibles, coinsurance, copays)
 - Menu designed to be broad but limited to reduce admin cost
- **Renewal Date Change**
 - July → January
- **Pharmacy Benefit Management Change**
 - Anthem → Navitus
- **SISC Relationship**
 - Paper-based enrollment
 - Member communications
 - Escalation Process through ASCIP
 - Plan changes typically adopted



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ASCIP Health Benefits Program

Q&As

April 2015

- 1. Could you please get an estimate of what the mail order drug prices would be with the ASCIP plan or working directly with Anthem?** Per the attached, mail order copays are \$10/\$30/\$75 for generic, preferred brand, and non-preferred brand drugs, respectively.
- 2. Will members have two ID cards – one for medical and the other for pharmacy?** Members will receive one ID card with the group and phone number for both medical and pharmacy.
- 3. If a member district decides to leave ASCIP, are there any financial responsibilities that the district might be accountable for after they exit?** No, members would only be responsible for paying their premiums through the end of their current contract year.
- 4. Can the district receive district specific reports including utilization and experience reports for both medical and pharmacy? If yes, can you provide us with an example of these reports?** Yes. A sample district-specific medical & Rx claims report is attached.
- 5. What is ASCIP charter if there is an assessment?** According to the attached ASCIP by-laws, Article VII, section 7 “Should the total obligations for a program year of ASCIP exceed the total assets of that year, that year’s members may be assessed a pro rata share of the additional contribution required as determined by a financial study commissioned and approved by the Executive Committee, or other appropriate and sufficient information. The assessments shall apply to both active members and withdrawing/terminated members.” However, assessments are generally not necessary in health benefits because the claims mature relatively quickly and any premium deficiencies can be addressed at renewal.
- 6. When was the last time ASCIP marketed the medical vendor?** ASCIP has not marketed its medical vendors since the inception of the program. ASCIP offers Anthem, Blue Shield, UnitedHealthcare and Kaiser.
- 7. When was the last time ASCIP marketed PBM services and what was the results?** PBM services were marketed in 2014 and Navitus Health was selected to replace Express Scripts, in part because Navitus was ranked 1st in overall satisfaction according to the 2013 Pharmacy Benefit Management Institute Customer Satisfaction Report.
- 8. How are the annual increases assessed?** For our self-funded programs with Anthem, Blue Shield, Delta Dental and VSP, district-specific rate increases are based on a blend of district trends with the trends of the self-funded pool. Other factors are also considered including expected regulatory changes, premium contribution changes, plan changes, etc.
- 9. We noticed that annual increases are based on a range? Can you tell us how that range works?** Early each year our financial results are reviewed to assess premium adequacy, and maximum and minimum rate changes are announced in March so districts can budget accordingly and shop as necessary. District-specific rate changes are released later in the year based on the most recent claims trends combined with the trends of the self-funded medical pool. This approach means that each district’s renewals are more stable and that over time the rates are generally consistent with each district’s experience – any groups with high trends will be at the high end of the rate range, any districts with lower trends will be at the low end of the range. This also ensures that over time one district will not be subsidizing another.

ASCIP’s shared-risk underwriting model is unique in the industry. While many purchasing pools offer one-size-fits all rates that do not allow the sharing of claims information, ASCIP believes in rewarding

districts whose claims trends are below predicted levels, as well as in sharing claims information that can be used by the districts to shop and price compare as necessary.

10. **How many school districts are part of ASCIP medical plan?** There are 19 districts with ASCIP medical plans.
11. **How many schools have left ASCIP medical/dental/vision benefit program in the past 2 years?** Five Districts have exited the ASCIP medical/dental/vision pools in the past two year. The one school that exited the (fully-insured) medical pool has about 50 employees.
12. **What is the total subscribers on the HMO plans?** ASCIP has about 5,300 employees (not including dependents) on the HMO plans.
13. **What is the total subscribers on the PPO plans in ASCIP?** ASCIP has about 2,300 employees (not including dependents) on the PPO plans.
14. **What is the total subscribers on the dental plans in ASCIP?** ASCIP has about 33,000 employees (not including dependents) on the dental plans.
15. **Can you discuss the relationship between ASCIP and SISC? Does the school district in any way be working with SISC?** ASCIP partners with SISC as a strategy to lower the costs for our self-funded medical pool. We purchase our reinsurance through SISC, and our agreement with them gives us access to the lower admin fees that they negotiated based on their larger size. We also generally adopt plan change recommendations made by SISC in order to reduce overutilization or provider fraud, waste & abuse. However, the ASCIP and SISC pools run independently -- ASCIP has different renewal methodologies and claims sharing policies, and ASCIP retains the authority to make administrative exceptions on behalf of member districts.

Because SISC holds the contracts with Anthem and Blue Shield, districts submit eligibility directly to SISC who forwards it to the carriers. In addition, administrative support would be provided directly by ASCIP working with SISC instead of through an Anthem Account Manager.

RSCCD should be aware that occasionally SISC makes changes mid-year changes that affect ASCIP members (the move from Express Scripts to Navitus was effective 4/1/14).

16. **What is the reserve for the medical benefits?** See attached actuarial letter.
17. **Are the medical plans self-funded, partially self-funded or fully insured?** Our PPO plans with Anthem, Blue Shield, Delta Dental and VSP are all self-funded. Our HMO plans with Anthem and Blue Shield are self-funded except for provider capitation payments which of course are negotiated by the carriers (internally we call this "flex-funded). Our other programs with UHC, Kaiser, Delta Care (DHMO) and Voya are fully-insured – we leverage the negotiating power of all members districts combined, but the carriers assume the risk.
18. **Can you discuss the make-up of the board for the health program?** A description of the Executive Committee makeup and election process is in the attached bylaws (see Article IV on page 3). There is also a Health Benefits Committee comprised of Health Benefits members that makes recommendations to the Executive Committee.
19. **What is the average number of employees enrolled by school district?** The average number of employees is approximately 500.
20. **Does ASCIP file for RDS? If yes, who keeps the rebates?** Yes, ASCIP provides support for RDS filings and passes through any actuarial fees. Rebates would be sent directly to districts.
21. **Does ASCIP receive any rebates? If yes, who keeps it?** Yes. Rx rebates are subtracted from the Rx claims experience upon which renewal rate calculations are based. ASCIP pays Navitus for claims net Rx rebates.

22. **How far in advance does the school have to notify ASCIP if they decide to market for benefits or leave?** ASCIP requires an exit notification at least 90 days prior to the next scheduled renewal date.
23. **When are the medical/dental/vision renewal rates released? Have there ever been a delay in releasing the rates?** District-specific renewals are released in late May for October districts and in late August for January districts.
24. **Are the school districts provided any refunds or rebates through the year?** No. Rx rebates are already included in rate / renewal calculations.
25. **After the year end accounting is completed for the health program, if there is a surplus who keep that surplus and if there is a deficit who pays for it?** Premiums surpluses or deficits are credited to or debited from the equity balance of the pool. The equity is used to stabilize or lower premiums, and to launch new programs for member districts upon recommendation by the ASCIP Health Benefits Committee and approval by the ASCIP Executive Committee.
26. **Can you provide us with three references of schools that are currently with ASCIP.** Pending.
27. **Can you provide us with three references of schools that have left ASCIP benefit program.** Pending.
28. **How will pharmacy disruption be handled if RSCCD decides to join ASCIP the program?** Navitus Member Services will be available prior to July 1 to provide guidance to any members concerned with disruption. As a precaution, we recommend that members on maintenance medications get their prescriptions refilled prior to July 1. If a member on a drug subject to step-therapy has *already* tried the lower cost alternatives of Navitus without success, then they can have their doctor override the step therapy requirements so the member doesn't have to try (again) a drug that they already know doesn't work. Navitus will make this determination along with the doctor. We have also attached information regarding the prior authorization process.
29. **If a member has medication through Anthem mail order, can you provide us with the process the member needs to take if the district decides to join the ASCIP program?** Members will need to obtain and send a new prescription to Navitus to continue receiving their mail order medications.