



Agenda Item No. (6)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of April 23, 2020

From: Stephanie LaRue, Human Resources Manager  
Kellee J. Hopper, Deputy General Manager, Administration and Development  
Denis J. Mulligan, General Manager

Subject: **APPROVE ACTIONS RELATIVE TO THE RENEWAL OF THE HEALTH  
AND BENEFITS INSURANCE PLANS**

### **Recommendation**

The Finance-Auditing Committee recommends the Board of Directors approve the policy year 2020-2021 premium rates for the Golden Gate Bridge, Highway and Transportation District's Health and Benefits Insurance Plans at an overall estimated renewal cost of \$33,579,681 representing an overall 1.5% decrease. These renewals are presented with the understanding that requisite funding will be included in the FY 20/21 Operating Budget.

This matter will be presented to the Board of Directors at its April 24, 2020 meeting for appropriate action.

### **Background**

Every year, the Board considers the Golden Gate Bridge, Highway and Transportation District's (District) Health and Benefit Plans. The rate renewals in Attachment A illustrate each plan's premium rate change. Below is a summary of each plan's approximate estimated costs based on current enrollment, which are subject to changes in employee enrollment and benefit elections.

1. **Health Insurance Plans totaling \$23,895,000 with the following approximate breakdown by plan design (subject to benefit "open enrollment" transitions):**
  - a. **Kaiser Foundation Health Plan ("Traditional" Plan)** for a one-year term, at a cost of approximately \$8,511,000;
  - b. **Blue Shield of California PPO Plan ("Traditional" Plan)** for a one-year term, on a self-funded basis, at an estimated cost of \$6,787,000;
  - c. **Blue Shield of California HMO Plan ("Traditional" Plan)** for a one-year term, at an estimated cost of \$3,032,000;
  - d. **Kaiser Foundation Health Plan ("High Deductible" Plan)** for a one-year term, at a cost of \$1,525,000\*;
  - e. **Blue Shield of California PPO Plan ("High Deductible" Plan)** for a one-year term, on a self-funded basis, at an estimated cost of \$429,000\*;



### **BLUE SHIELD PPO**

The medical PPO program is underwritten on a self-funded basis with Blue Shield providing administration services and specific stop loss re-insurance. The administrative fees will increase from \$70.91 to \$71.94 (1.45% increase) per employee per month for the year beginning July 1, 2020. The plan includes services for employees such as Health Advocate, NurseHelp 24/7, High Risk Case Management, Disease Management and Teladoc (remote care) to help employees better manage their own health care and the District to better manage healthcare costs. Teladoc allows employees to email or seek medical advice on the telephone for conditions like a cold, the flu or other minor conditions, making it convenient for employees and limiting potential emergency room visits. There are currently 185 employees and 120 retirees under 65 (not including dependents) enrolled in the Blue Shield PPO plan, of which 274 are in the traditional PPO plan.

### **BLUE SHIELD HMO**

The HMO program is fully-insured through Blue Shield since January 1992. Due to its size, the plan renewal is based on Blue Shield's community rated calculation. Effective July 1, 2020, there will be an increase in premium rates of 7.5% for Traditional Plans and High Deductible Plans. The plan also includes Teladoc (remote care) services. There are currently 125 employees and retirees under 65 (not including dependents) enrolled in the Blue Shield HMO plan, of which 98 are in the traditional HMO plan.

### **KAISER**

The Amalgamated Transit Union (ATU), Mechanics, Coalition and non-represented employees have access to the Kaiser plan, which has a single combined rate change. The combined rate change, effective July 1, 2020, is a decrease of 4.0%, or a savings of \$423,617. There are currently 677 employees enrolled in a Kaiser plan (traditional and High-Deductible plans). There are currently 510 employees and retirees under 65 (not including dependents) enrolled in the Kaiser traditional plan.

### **DELTA DENTAL PPO**

The Dental PPO program is self-funded through Delta Dental and has been since January 1992. The administrative fees will increase from \$8.19 to \$8.44 per employee per month for the year (3.1% increase) beginning July 1, 2020.

### **VISION SERVICE PROVIDER**

The Vision plan is self-funded through Vision Service Provider. For the year beginning July 1, 2020, the administrative fees will remain at \$1.98 per employee per month for the Amalgamated Transit Union (ATU) and \$1.76 per employee per month for the Coalition and non-represented employees.

### **EMPLOYEE ASSISTANCE PROGRAM**

The Employee Assistance Program (EAP) is currently provided through OptumHealth Behavioral Solutions. The program includes eight counseling sessions, legal consultation, financial consultation, management referrals and training hours. The annual premium is \$31,000 and includes counseling hours and the recently implemented critical event and crisis counseling.

**LIFE/ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE**

Effective July 1, 2020, Basic Life, Basic Accidental Death & Dismemberment and Voluntary Life coverage will be provided through SunLife. The annual premium will be \$111,000.

**RETIREE HEALTH BENEFIT COSTS**

The District provides a number of other post-employment benefits (OPEB) for eligible retirees and their dependents, including medical, prescription drug, dental, vision, and life insurance coverage. Eligible retirees and dependents, who are not Medicare eligible, are covered through the District group plans discussed above. Eligible retirees and dependents who are Medicare eligible are covered through District group plans for vision, dental, and life insurance. However, for medical and prescriptions, Medicare eligible retirees and dependents must enroll in individually-owned Supplemental Medicare Plans unless they choose to enroll in the District’s Kaiser Senior Advantage Group Plan.

The District provides for the cost for these retiree health benefits through fully funding the actuarially determined Annual Determined Contribution (ADC) into the OPEB Trust. The ADC covers a portion of the cost of benefits that already have been earned by either qualified retired employees or current employees (“Unfunded Accrued Actuarial Liability”) as well as the cost of retiree medical benefits that current working employees are earning during the current fiscal year (“Normal Cost”). The ADC for FY 19/20 is \$11,681,681 based on the latest July 1, 2019, OPEB actuarial valuation, and will be budgeted for the FY 20/21 Budget. (\$6,495,000 of this expenditure is already budgeted in the contracts for health care services in this report to pay for pre age 65 retirees, with \$5,186,681 as an additional expense that will fund Medicare eligible retirees this fiscal year and in future years.)

**Fiscal Impact**

The current forecasted cost impact of the renewals to the District’s health and benefit plans is as follows:

<b>HEALTH PLAN</b>	<b>ESTIMATED COST FY 19/20</b>	<b>PROJECTED COST FY 20/21</b>	<b>% CHANGE</b>
Blue Shield of CA PPO (Traditional)	\$6,747,000	\$6,787,000	1%
CVS Caremark	\$1,462,000	\$1,505,000	3%
Medical Stop-Loss	\$850,000	\$1,021,000	20%
Blue Shield of CA PPO (High Deductible)	\$449,000	\$429,000	-5%
CVS Caremark	\$99,000	\$99,000	0%
Medical Stop-Loss	\$103,000	\$123,000	19%
Blue Shield of CA HMO (Traditional)	\$2,819,000	\$3,032,000	8%
Blue Shield of CA HMO (High Deductible)	\$803,000	\$863,000	7%
Kaiser Permanente (Traditional)	\$8,870,000	\$8,511,000	-4%
Kaiser Permanente (High Deductible)	\$1,589,000	\$1,525,000	-4%
District Funded HRA Contribution	\$1,513,000	\$1,289,000	-15%
OptumHealth Behavioral Solutions (EAP)	\$31,000	\$31,000	0%
Vision Service Plan	\$236,000	\$236,000	0%
Delta Dental	\$2,831,000	\$2,831,000	0%
Basic Life/AD&D	\$166,000	\$111,000	-33%

<b>HEALTH PLAN</b>	<b>ESTIMATED COST FY 19/20</b>	<b>PROJECTED COST FY 20/21</b>	<b>% CHANGE</b>
<b>SUBTOTAL</b>	<b>\$28,568,000</b>	<b>\$28,393,000</b>	<b>-0.6%</b>
Annual Required Contribution for Other Post Employment Benefits (OPEB) for Pre Age 65 Retirees Expensed in Health Care Service Contracts Above ( <i>this figure is not added in the calculation total below as it is already reflected within the individual plan projections above</i> )	\$5,815,000	\$6,495,000	12%
Annual Required Contribution for Other Post Employment Benefits for Medicare Eligible Retirees in Budget and future years (OPEB)	\$5,525,831	\$5,186,681	-6%
<b>TOTAL</b>	<b>\$34,093,831</b>	<b>\$33,579,681</b>	<b>-1.5%</b>

These amounts are based on current employee demographics as opposed to actuarial projections. Actual amounts will depend upon any changes in employee demographics and the upcoming open enrollment where employees select benefits. Attachment A illustrates 2020-2021 policy premium rates and Attachment B shows the employee premium sharing by plan and rate tier.

The total annual estimate for these Employee and Retiree Benefits is approximately \$33,579,681. Requisite funds in this amount will be included in the FY 20/21 District Operating Budget to fund the renewal of the District’s health and benefit plans.

- Attachments: A. Renewal Rates  
 B. Employee Premium Sharing

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<b>RENEWAL RATES</b>				
<b>Blue Shield HMO Medical Rates</b>				
	<b>7/1/19 - 6/30/20</b>	<b>7/1/20 - 6/30/21</b>	<b>\$</b>	<b>%</b>
	<b>Monthly Premium</b>	<b>Monthly Premium</b>	<b>Change</b>	<b>Change</b>
<b><u>ATU Active</u></b>				
Single	\$ 1,371.10	\$ 1,473.93	\$ 102.83	7.5%
Two Party	\$ 2,742.18	\$ 2,947.84	\$ 205.66	7.5%
Family	\$ 3,880.19	\$ 4,171.20	\$ 291.01	7.5%
<b><u>ATU High-Deductible Active</u></b>				
Single	\$ 1,135.85	\$ 1,221.04	\$ 85.19	7.5%
Two Party	\$ 2,263.17	\$ 2,432.91	\$ 169.74	7.5%
Family	\$ 3,198.87	\$ 3,438.79	\$ 239.92	7.5%
<b><u>Coalition Active</u></b>				
Single	\$ 1,346.84	\$ 1,447.85	\$ 101.01	7.5%
Two Party	\$ 2,693.70	\$ 2,895.73	\$ 202.03	7.5%
Family	\$ 3,811.58	\$ 4,097.45	\$ 285.87	7.5%
<b><u>Coalition Retiree</u></b>				
Single	\$ 1,346.84	\$ 1,447.85	\$ 101.01	7.5%
Two Party	\$ 2,693.70	\$ 2,895.73	\$ 202.03	7.5%
Family	\$ 3,811.58	\$ 4,097.45	\$ 285.87	7.5%
<b><u>Coalition High Deductible Active</u></b>				
Single	\$ 1,135.85	\$ 1,221.04	\$ 85.19	7.5%
Two Party	\$ 2,263.17	\$ 2,432.91	\$ 169.74	7.5%
Family	\$ 3,198.87	\$ 3,438.79	\$ 239.92	7.5%
<b><u>Non-Represented Active &amp; Retiree</u></b>				
Single	\$ 1,346.84	\$ 1,447.85	\$ 101.01	7.5%
Two Party	\$ 2,693.70	\$ 2,895.73	\$ 202.03	7.5%
Family	\$ 3,811.58	\$ 4,097.45	\$ 285.87	7.5%
<b><u>Non-Represented High Deductible Active</u></b>				
Single	\$ 1,135.85	\$ 1,221.04	\$ 85.19	7.5%
Two Party	\$ 2,263.17	\$ 2,432.91	\$ 169.74	7.5%
Family	\$ 3,198.87	\$ 3,438.79	\$ 239.92	7.5%

**RENEWAL RATES****Kaiser Permanente CA HMO Medical Rates**

	<b>7/1/19-6/30/20 Monthly Premium</b>	<b>7/1/20 - 6/30/21 Monthly Premium</b>	<b>\$ Change</b>	<b>% Change</b>
<b><u>ATU Active</u></b>				
Single	\$928.33	\$890.73	-\$37.60	-4.05%
Two Party	\$1,856.66	\$1,781.46	-\$75.20	-4.05%
Family	\$2,627.17	\$2,520.77	-\$106.40	-4.05%
<b><u>ATU Retiree</u></b>				
Single	\$949.39	\$910.94	-\$38.45	-4.05%
Two Party	\$1,898.78	\$1,821.88	-\$76.90	-4.05%
Family	\$2,686.78	\$2,577.96	-\$108.82	-4.05%
<b><u>ATU High Deductible Active</u></b>				
Single	\$470.13	\$451.09	-\$19.04	-4.05%
Two Party	\$940.26	\$902.18	-\$38.08	-4.05%
Family	\$1,330.47	\$1,276.59	-\$53.88	-4.05%
<b><u>Coalition Active</u></b>				
Single	\$909.12	\$872.30	-\$36.82	-4.05%
Two Party	\$1,818.24	\$1,744.60	-\$73.64	-4.05%
Family	\$2,572.81	\$2,468.61	-\$104.20	-4.05%
<b><u>Coalition Retiree</u></b>				
Single	\$922.01	\$884.67	-\$37.34	-4.05%
Two Party	\$1,844.02	\$1,769.34	-\$74.68	-4.05%
Family	\$2,609.29	\$2,503.61	-\$105.68	-4.05%
<b><u>Coalition High Deductible Active</u></b>				
Single	\$470.13	\$451.09	-\$19.04	-4.05%
Two Party	\$940.26	\$902.18	-\$38.08	-4.05%
Family	\$1,330.47	\$1,276.59	-\$53.88	-4.05%



**RENEWAL RATES**  
**Kaiser Permanente CA HMO Medical Rates**

	7/1/19-6/30/20	7/1/20 - 6/30/21	\$	%
	Monthly Premium	Monthly Premium	Change	Change
<b><u>Non-Represented Active</u></b>				
Single	\$909.12	\$872.30	-\$36.82	-4.05%
Two Party	\$1,818.24	\$1,744.60	-\$73.64	-4.05%
Family	\$2,572.81	\$2,468.61	-\$104.20	-4.05%
<b><u>Non-Represented Retiree</u></b>				
Single	\$922.01	\$884.67	-\$37.34	-4.05%
Two Party	\$1,844.02	\$1,769.34	-\$74.68	-4.05%
Family	\$2,609.29	\$2,503.61	-\$105.68	-4.05%
<b><u>Non-Represented High Deductible</u></b>				
Single	\$470.13	\$451.09	-\$19.04	-4.05%
Two Party	\$940.26	\$902.18	-\$38.08	-4.05%
Family	\$1,330.47	\$1,276.59	-\$53.88	-4.05%
<b><u>Mechanics Active</u></b>				
Single	\$897.62	\$861.27	-\$36.35	-4.05%
Two Party	\$1,795.24	\$1,722.54	-\$72.70	-4.05%
Family	\$2,540.27	\$2,437.39	-\$102.88	-4.05%
<b><u>Mechanics Retiree</u></b>				
Single	\$910.43	\$873.56	\$36.87	-4.05%
Two Party	\$1,820.86	\$1,747.12	\$73.74	-4.05%
Family	\$2,576.50	\$2,472.17	\$104.33	-4.05%

**RENEWAL RATES**

**Blue Shield PPO Medical Rates (including Caremark & Stop-Loss)**

	<b>7/1/19-6/30/20</b>	<b>7/1/20-6/30/21</b>	<b>\$</b>	<b>%</b>
	<b>Monthly Premium</b>	<b>Monthly Premium</b>	<b>Change</b>	<b>Change</b>
<b><u>ATU Active</u></b>				
Single	\$1,530.64	\$1,431.15	-\$99.49	-6.50%
Two Party	\$2,755.36	\$2,576.27	-\$179.09	-6.50%
Family	\$3,826.71	\$3,577.97	-\$248.74	-6.50%
<b><u>ATU Retiree</u></b>				
Single	\$1,530.64	\$1,836.77	\$306.13	20.00%
Two Party	\$2,755.36	\$3,306.43	\$551.07	20.00%
Family	\$3,826.71	\$4,592.05	\$765.34	20.00%
<b><u>ATU High Deductible Active</u></b>				
Single	\$903.62	\$844.89	-\$58.73	-6.50%
Two Party	\$1,555.91	\$1,454.78	-\$101.13	-6.50%
Family	\$2,126.65	\$1,988.42	-\$138.23	-6.50%
<b><u>Coalition Active</u></b>				
Single	\$1,765.45	\$1,650.69	-\$114.76	-6.50%
Two Party	\$3,177.81	\$2,971.25	-\$206.56	-6.50%
Family	\$4,413.62	\$4,126.74	-\$286.88	-6.50%
<b><u>Coalition Retiree</u></b>				
Single	\$1,765.45	\$2,118.54	\$353.09	20.00%
Two Party	\$3,177.81	\$3,813.38	\$635.57	20.00%
Family	\$4,413.62	\$5,296.34	\$882.72	20.00%
<b><u>Coalition High Deductible Active &amp; Retirees</u></b>				
<b><u>Non-Represented High Deductible Active &amp; Retirees</u></b>				
Single	\$903.62	\$844.89	-\$58.73	-6.50%
Two Party	\$1,555.91	\$1,454.78	-\$101.13	-6.50%
Family	\$2,126.65	\$1,988.42	-\$138.23	-6.50%
<b><u>Non-Represented Active</u></b>				
Single	\$1,765.45	\$1,650.69	-\$114.76	-6.50%
Two Party	\$3,177.81	\$2,971.25	-\$206.56	-6.50%
Family	\$4,413.62	\$4,126.74	-\$286.88	-6.50%
<b><u>Non-Represented Retiree</u></b>				
Single	\$1,765.45	\$2,118.54	\$353.09	20.00%
Two Party	\$3,177.81	\$3,813.38	\$635.57	20.00%
Family	\$4,413.62	\$5,296.34	\$882.72	20.00%

## BUS OPERATOR (ATU)

## Employee Premium Sharing Contribution Amounts Effective 7/1/2020

Represented		Base Hourly Wage Rates	
			NA
PROVIDER	Coverage Tier	7/1/2020 Monthly Premiums	Monthly Premium Sharing Employee Contribution
Kaiser: Actives	Employee Only	\$890.73	\$60.00
	Employee +1	\$1,781.46	\$60.00
	Employee + Family	\$2,520.77	\$60.00
Blue Shield HMO: Actives	Employee Only	\$1,473.93	\$125.00
	Employee +1	\$2,947.84	\$125.00
	Employee + Family	\$4,171.20	\$125.00
Blue Shield PPO: Actives (incl. Caremark Rx)	Employee Only	\$1,431.15	\$150.00
	Employee +1	\$2,576.27	\$150.00
	Employee + Family	\$3,577.97	\$150.00
<b>HIGH DEDUCTIBLE PLANS w/ HRA</b>			
Kaiser: Actives	Employee Only	\$451.09	\$10.00
	Employee +1	\$902.18	\$10.00
	Employee + Family	\$1,276.59	\$10.00
Blue Shield HMO: Actives	Employee Only	\$1,221.04	\$50.00
	Employee +1	\$2,432.91	\$50.00
	Employee + Family	\$3,438.79	\$50.00
Blue Shield PPO: Actives (incl. Caremark Rx)	Employee Only	\$844.89	\$110.00
	Employee +1	\$1,454.78	\$110.00
	Employee + Family	\$1,988.42	\$110.00

Note: Monthly amount will be deducted from the second paycheck of each month in one lump sum on a pre-tax basis.

**COALITION**

**Employee Premium Sharing Contribution Amounts Effective 7/1/2020**

Represented			Base Hourly Wage Rates		
			\$38.22 & below	\$38.23 - \$59.70	\$59.71 & Above
PROVIDER	Coverage Tier	7/1/2020 Monthly Premiums	Monthly Premium Sharing Employee Contribution		
<b>Kaiser: Actives</b>	Employee Only	\$872.30	\$72.00	\$134.00	\$183.00
	Employee +1	\$1,744.60	\$72.00	\$134.00	\$183.00
	Employee + Family	\$2,468.61	\$72.00	\$134.00	\$183.00
<b>Blue Shield HMO: Actives</b>	Employee Only	\$1,447.85	\$90.00	\$160.00	\$211.00
	Employee +1	\$2,895.73	\$90.00	\$160.00	\$211.00
	Employee + Family	\$4,097.45	\$90.00	\$160.00	\$211.00
<b>Blue Shield PPO: Actives (incl. Caremark Rx)</b>	Employee Only	\$1,650.69	\$111.00	\$199.00	\$277.00
	Employee +1	\$2,971.25	\$111.00	\$199.00	\$277.00
	Employee + Family	\$4,126.74	\$111.00	\$199.00	\$277.00
<b>HIGH DEDUCTIBLE PLANS w/ HRA Kaiser: Actives</b>	Employee Only	\$451.09	\$10.00	\$10.00	\$25.00
	Employee +1	\$902.18	\$10.00	\$10.00	\$25.00
	Employee + Family	\$1,276.59	\$10.00	\$10.00	\$25.00
<b>Blue Shield HMO: Actives</b>	Employee Only	\$1,221.04	\$25.00	\$35.00	\$75.00
	Employee +1	\$2,432.91	\$25.00	\$35.00	\$75.00
	Employee + Family	\$3,438.79	\$25.00	\$35.00	\$75.00
<b>Blue Shield PPO: Actives (incl. Caremark Rx)</b>	Employee Only	\$844.89	\$35.00	\$60.00	\$90.00
	Employee +1	\$1,454.78	\$35.00	\$60.00	\$90.00
	Employee + Family	\$1,988.42	\$35.00	\$60.00	\$90.00

Note: Monthly amount will be deducted from the second paycheck of each month in one lump sum on a pre-tax basis.

**NON-REPRESENTED**  
**Employee Premium Sharing**  
**Contribution Amounts Effective 7/1/2020**

			<b>Base Hourly Wage Rates</b>		
			\$32.00 and below	\$32.01- \$50.00	\$50.01 and Above
			<b>Corresponding % Employee is to Contribute</b>		
			3.50%	6%	8.50%
<b>PROVIDER</b>	<b>Coverage Tier</b>	<b>7/1/2020 Monthly Premiums</b>	<b>Monthly Premium Sharing Employee Contribution</b>		
<b>Kaiser: Actives</b>	Employee Only	\$872.30	\$30.53	\$52.34	\$74.15
	Employee +1	\$1,744.60	\$61.06	\$104.68	\$148.29
	Employee + Family	\$2,468.61	\$86.40	\$148.12	\$209.83
<b>Blue Shield HMO: Actives</b>	Employee Only	\$1,447.85	\$50.67	\$86.87	\$123.07
	Employee +1	\$2,895.73	\$101.35	\$173.74	\$246.14
	Employee + Family	\$4,097.45	\$143.41	\$245.85	\$348.28
<b>Blue Shield PPO: Actives</b>	Employee Only	\$1,650.69	\$57.77	\$99.04	\$140.31
	Employee +1	\$2,971.25	\$103.99	\$178.28	\$252.56
	Employee + Family	\$4,126.74	\$144.44	\$247.60	\$350.77
<b>HIGH DEDUCTIBLE PLANS w/ HRA Kaiser: Actives</b>	Employee Only	\$451.09	\$15.79	\$27.07	\$38.34
	Employee +1	\$902.18	\$31.58	\$54.13	\$76.69
	Employee + Family	\$1,276.59	\$44.68	\$76.60	\$108.51
<b>Blue Shield HMO: Actives</b>	Employee Only	\$1,221.04	\$42.74	\$73.26	\$103.79
	Employee +1	\$2,432.91	\$85.15	\$145.97	\$206.80
	Employee + Family	\$3,438.79	\$120.36	\$206.33	\$292.30
<b>Blue Shield PPO: Actives</b>	Employee Only	\$844.89	\$29.57	\$50.69	\$71.82
	Employee +1	\$1,454.78	\$50.92	\$87.29	\$123.66
	Employee + Family	\$1,988.42	\$69.59	\$119.31	\$169.02

Note: Monthly amount will be deducted from the second paycheck of each month in one lump sum on a pre-tax basis.

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