Sonoma County Junior College District

Review of Current Employee Health Benefits

March 10, 2015
The District provides its employees with the following Health Benefit Coverages:

- Health care
- Dental care
- Vision care
Vision Care

- Provided through Vision Service Plan (VSP)

- The plan provides for **annual** eye exams. There is a $10 copay for the exam and glasses.

- Every other year, the plan provides an allowance towards frames and lenses, (the annual copay applies).
Vision Care

- **FRAMES** - The allowance for frames is between $120 - $140, depending on brand, with a 20% savings on amounts over the allowance.

- **LENSES** – Allows for single vision, lined bifocal and lined trifocal lenses. (Dependent children are allowed polycarbonate lenses)

- **LENS ENHANCEMENTS** – The plan provides an allowance for the following lenses enhancements:
  - Standard Progressive Lenses $ 50
  - Premium Progressive Lenses $ 80 - $ 90
  - Custom Progressive Lenses $ 120 - $ 160
  - 35% - 40% Savings on other lenses enhancements
Vision Care

- CONTACT LENSES (In Lieu of Glasses) - The plan provides an annual $120 allowance for contacts and contacts lens exam (with a $0 copay).

- The Plan also provides:
  - A Diabetic Eye care Program
  - Routine Retinal Screening (with a $39 copay)
  - Discounted Laser Vision Correction (Average 15% Savings)
  - Employees can purchase “family coverage” for $14.60/month

- The annual cost to the District is about $117/employee, or $87,000.
Dental Care

- The District’s dental plan is a **self-funded plan**

- It is designed to minimize administrative costs ...

- While maximizing benefits to covered employees
The plan provides for up to $1,700 in benefit year coverage for Preventive and Diagnostic (P&D), Basic and Major Services. It also provides a separate a Dental Accident Benefit of up to $1,500 per benefit year.
Dental Care

- The annual cost of the District's Dental Care Program is $1,476 per employee.

- The total annual cost to the District is approximately $1.1 Million.
The District offers its employees a choice of health care options through either:

1. A Health Maintenance Organization (HMO), or
2. A Preferred Provider Organization (PPO)

For the District:

1. The HMO is Kaiser Permanente
2. The PPO is Blue Shield
Health Care Definitions

- A Health Maintenance Organization (HMO) provides comprehensive health care to enrolled individuals/families in a particular geographic area by member physicians with limited referral to outside specialists, and that is financed by fixed periodic payments determined in advance.

- A Preferred Provider Organization (PPO) is a health insurance arrangement that allows plan participants relative freedom to choose the doctors and hospitals they want to visit.
The District obtains its two healthcare plans through Self-Insured Schools of California (SISC)

SISC is the largest school Joint Power Authority (JPA) and purchasing pool in the country:
- 400 educational agencies in 39 counties
- Over 300,000 pool Members
- Originated out of Kern County Office of Education
- Philosophy is “Schools helping Schools”
- 96.7% of premiums goes towards claims ... (compared to typical health insurance where 87% goes towards claims)
The reason for choosing SISC is that it provides health care coverage at a lower cost, and its annual renewal increases have been comparably lower.

<table>
<thead>
<tr>
<th>Year</th>
<th>SISC PPO (Statewide) - %</th>
<th>Cal PERS “Choice PPO” Renewal - %</th>
<th>CA PPO Trend - %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>6.80</td>
<td>9.43</td>
<td>10.00</td>
</tr>
<tr>
<td>2007</td>
<td>7.50</td>
<td>12.50</td>
<td>11.00</td>
</tr>
<tr>
<td>2008</td>
<td>4.80</td>
<td>9.00</td>
<td>10.00</td>
</tr>
<tr>
<td>2009</td>
<td>0.00</td>
<td>0.00</td>
<td>10.00</td>
</tr>
<tr>
<td>2010</td>
<td>12.10</td>
<td>2.00</td>
<td>11.00</td>
</tr>
<tr>
<td>2011</td>
<td>6.40</td>
<td>9.89</td>
<td>12.00</td>
</tr>
<tr>
<td>2012</td>
<td>8.30</td>
<td>1.91</td>
<td>9.80</td>
</tr>
<tr>
<td>2013</td>
<td>8.00</td>
<td>13.90</td>
<td>9.00</td>
</tr>
<tr>
<td>2014</td>
<td>6.00</td>
<td>(Not Available)</td>
<td>8.00</td>
</tr>
<tr>
<td>Average</td>
<td>6.66 %</td>
<td>7.33 %</td>
<td>10.09 %</td>
</tr>
</tbody>
</table>
The District changed-over to **SISC** provided Kaiser in 2011. Over-all, the District’s renewal-rate-increases have averaged even less than the SISC statewide increases.

<table>
<thead>
<tr>
<th>Year</th>
<th>SISC PPO (Statewide) Renewal %-Increase</th>
<th>SRJC PPO (Blue Shield) Renewal %-Increase</th>
<th>SISC HMO (Statewide) Renewal %-Increase</th>
<th>SRJC HMO (Kaiser) Renewal %-Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>4.80</td>
<td>5.16</td>
<td>5.70</td>
<td>4.50</td>
</tr>
<tr>
<td>2009</td>
<td>0.00</td>
<td>0.00</td>
<td>14.70</td>
<td>18.00</td>
</tr>
<tr>
<td>2010</td>
<td>12.10</td>
<td>9.00</td>
<td>12.40</td>
<td>16.30</td>
</tr>
<tr>
<td>2011</td>
<td>6.40</td>
<td>1.50</td>
<td>6.40</td>
<td>2.24</td>
</tr>
<tr>
<td>2012</td>
<td>8.30</td>
<td>6.01</td>
<td>8.30</td>
<td>3.57</td>
</tr>
<tr>
<td>2013</td>
<td>8.00</td>
<td>8.50</td>
<td>8.20</td>
<td>10.00</td>
</tr>
<tr>
<td>2014</td>
<td>6.00</td>
<td>7.19</td>
<td>6.00</td>
<td>5.68</td>
</tr>
</tbody>
</table>

**Average**: 6.51 %, 5.34 %, 8.81 %, 7.01 %
Health Care Plan Coverages

- The Blue Shield and Kaiser plans provide a comprehensive and similar array of health coverage for both current and retired employees.

- Per SISC-pool rules, ALL current/regular employees must be covered by a District health care plan.

- Retirees (age 65 +), may enroll in a Companion Care PPO, or the Kaiser Senior Advantage Plan HMO, or, chose another plan.

- Retirees are responsible for their own health care insurance. The District does provide eligible retirees a monthly stipend of $84/Individual, $136.50/Family towards the cost of health care ... Annual cost to the District is approximately $542,000 per year.
Blue Shield PPO Health Care Coverage

- Office & Specialist Visits: $30 Copay
- Lab/X-ray, Preventative Services: $0 Copay
- Ambulance / Durable Medical Equip: $0 Copay (both)
- Hospitalization & Out-patient: $0 Copay (both)
- Emergency Visit: $100 Copay
- Ambulance / Durable Medical Equip: $0 Copay (up to 50 visits/year)
- Emergency Visit: $0 Copay (up to 50 visits/year)
- Chiropractic: $200 Ind. / $500 Fam.
- Rx Deductible: $10 (30-day) Retail / $0 (90-day) By Mail
- Generic Rx: $35 (30-day) Retail / $90 (90-day) By Mail
- Brand Name Rx: $2,000 Ind. / $4,000 Fam.
- Annual Out-of-pocket Maximum (Deductible, Copay, Coinsurance): None
- Lifetime Maximum: None
Kaiser HMO Health Care Coverage

- Office & Specialist Visits: $25 Copay
- Lab/X-ray, Preventative Services: $0 Copay (Adult Exams = $25 Copay)
- Ambulance / Durable Medical Equip: $50 Copay / $0 Copay
- Hospitalization & Out-patient: $0 Copay, (Out-patient surgery = $25 Copay)
- Emergency Visit: $100 Copay
- Chiropractic: $10 Copay (up to 30 visits/year)
- Rx Deductible: None
- Generic Rx: $10 (100-day) Retail / $10 (100-day) By Mail
- Brand Name Rx: $25 (100-day) Retail / $25 (100-day) By Mail
- Annual Out-of-pocket Maximum (Deductible, Copay, Coinsurance): Ind. = $1,500 / Fam. = $3,000
- Lifetime Maximum: None
Health Care Plan Coverages & Rates

More information regarding the details of all of the District’s Health Benefit coverages are available at:
http://www.santarosa.edu/hr/employee-benefits/index.shtml#medical

- **Blue Shield – Monthly Premiums**
  (as of 10/1/14)
  - Single $ 708
  - Double $ 1,502
  - Family $ 2,094

- **Kaiser – Monthly Premiums**
  (as of 10/1/14)
  - Single $ 547
  - Double $ 1,174
  - Family $ 1,613
<table>
<thead>
<tr>
<th>Coverage</th>
<th>Monthly Premium (For each of 12 Mo.s)</th>
<th>Management</th>
<th>Classified</th>
<th>Contract Faculty (factored to 12 Mo.s)</th>
<th>Adjunct Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser - Single</td>
<td>$ 547</td>
<td>$ 15.00</td>
<td>$ 14.17</td>
<td>$ 14.17</td>
<td>$ 273.50</td>
</tr>
<tr>
<td>Kaiser - Double</td>
<td>$ 1,174</td>
<td>$ 30.00</td>
<td>$ 30.00</td>
<td>$ 30.00</td>
<td>$ 587.00</td>
</tr>
<tr>
<td>Kaiser - Family</td>
<td>$ 1,613</td>
<td>$ 45.00</td>
<td>$ 41.67</td>
<td>$ 41.67</td>
<td>$ 806.50</td>
</tr>
<tr>
<td>Blue Shield - Single</td>
<td>$ 708</td>
<td>$ 30.00</td>
<td>$ 18.33</td>
<td>$ 18.33</td>
<td>$ 354.00</td>
</tr>
<tr>
<td>Blue Shield - Double</td>
<td>$ 1,502</td>
<td>$ 60.00</td>
<td>$ 40.00</td>
<td>$ 40.00</td>
<td>$ 751.00</td>
</tr>
<tr>
<td>Blue Shield - Family</td>
<td>$ 2,094</td>
<td>$ 90.00</td>
<td>$ 55.00</td>
<td>$ 55.00</td>
<td>$ 1047.00</td>
</tr>
</tbody>
</table>
## District Health Care Cost

<table>
<thead>
<tr>
<th>Coverage / Participants</th>
<th>Annual Cost = Annual Blended Rate, Less Employee Cost Sharing</th>
<th>Management</th>
<th>Classified</th>
<th>Contract Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser - Single (140)</td>
<td>899,659</td>
<td>11</td>
<td>94</td>
<td>35</td>
</tr>
<tr>
<td>Kaiser - Double (119)</td>
<td>1,639,258</td>
<td>12</td>
<td>70</td>
<td>37</td>
</tr>
<tr>
<td>Kaiser - Family (173)</td>
<td>3,268,304</td>
<td>28</td>
<td>86</td>
<td>59</td>
</tr>
<tr>
<td><strong>Kaiser - Total (432)</strong></td>
<td><strong>5,807,221</strong></td>
<td><strong>51</strong></td>
<td><strong>250</strong></td>
<td><strong>131</strong></td>
</tr>
<tr>
<td>Blue Shield - Single (96)</td>
<td>778,813</td>
<td>8</td>
<td>43</td>
<td>45</td>
</tr>
<tr>
<td>Blue Shield - Double (100)</td>
<td>1,729,791</td>
<td>17</td>
<td>41</td>
<td>42</td>
</tr>
<tr>
<td>Blue Shield - Family (114)</td>
<td>2,739,416</td>
<td>17</td>
<td>37</td>
<td>60</td>
</tr>
<tr>
<td><strong>Blue Shield - Total (310)</strong></td>
<td><strong>5,248,020</strong></td>
<td><strong>42</strong></td>
<td><strong>121</strong></td>
<td><strong>147</strong></td>
</tr>
<tr>
<td><strong>Combined (742)</strong></td>
<td><strong>11,055,241</strong></td>
<td><strong>93</strong></td>
<td><strong>371</strong></td>
<td><strong>274</strong></td>
</tr>
</tbody>
</table>
The District does provide Health Care benefits to qualifying Adjunct Faculty. To qualify, the Adjunct Faculty Member must:

- Hire Date Pre-2008: Employed for at least two of the past three semesters
- Hire Date Post-2008: Employed for five semesters since most recent hire date
- Must be current SRJC Adjunct Faculty Member with a load of 20% (or more)
- Must have cumulative load of 40% (or more) from Community College Districts
- Must not have any portion of their health benefits paid-for from any other source
- The Adjunct Faculty Member pays 50% of the Premium Costs
Health Care – Board Members

- Per Government Code 53201, the District does make available Health Care Benefits to Board Members.

- The District contribution is capped at the 2005-06 rates.

- For 2014-15 Trustee monthly contributions for Health Benefits are:
  - Kaiser: Single = $273.81; Double = $586.64; Family = $807.09
  - Blue Shield: Single = $279.46; Double = $580.68; Family = $829.86
  - Dental: One Rate = $29.40
  - VSP: Single = $0.86; Family $15.46
Affordable Care Act (ACA)

- Eligible employees are those that average 130 hours per month.
- There is a “measurement period” to determine eligibility.
- “Affordability” is based on the Federal Poverty Level ($11,670/year).
- Eligible employees must be offered the District’s least expensive plan.
- Eligible employees can pay no more than 9.5% of FPL ... or $92.39/month.
- 24 Classified Employees (75%-82% FTEF) qualify & and participate.
- 6 Adjunct Faculty qualify & participate.
- Beginning 1-01-2016, recipients will receive 1095 C’s to document coverage.
- These are current rules ... and, the rules keep changing.
Again, if you want more information...

Details of all of the District’s Health Benefit coverages are available at: http://www.santarosa.edu/hr/employee-benefits/index.shtml#medical

... And/or come to the District’s Fringe Benefits Committee Meeting, which is held the third Thursday of the month, during the Academic Year.