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Rates & Benefits Committee Update on HMO Plan Renewals

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Summary of November's Rates & Benefits Meeting

- At the November 12, 2009 Rates and Benefits Committee meeting, Mercer presented the following information and analyses:
 - An overview of the HMO renewal process to date
 - A review of each vendors' status quo renewal proposal including a summary of general observations and analyses of the factors that appear to be driving each renewal
 - A review of alternative Blue Shield Medicare plan offerings (Medicare Advantage and Coordination of Benefits)
 - Discussion on the impact of the Mental Health Parity Act to be effective for the HSS plans as of July 1, 2010
 - A review of preliminary rates and contributions
- As a result of the meeting, the Committee instructed the HMO plans to review their renewal proposals in light of the observations raised
- In addition, the Committee raised the possibility of seeking alternative pricing through another HMO vendor



Update

- Subsequent to the November Rates and Benefits Meeting, updated renewal proposals were received from Blue Shield
 - Non-Medicare rate increase reduced from 14.6% to 13.9% (estimated premium reduction of \$1.8 million)
 - Combined Medicare Advantage (MA-PD) / Coordination of Benefits (COB) rate increase reduced from 30.1% to 24.5% (estimated premium reduction of \$1.0 million)
 - COB only scenario rate increase reduced from 39.8% to 39.4% to reflect a level retention level relative to 2009/10 (estimated premium reduction of \$0.1 million)
- Kaiser's renewal proposal has not changed
- A number of alternative benefit design proposals were also received from the HMOs



RFP Progress for Alternative HMO Vendor

- Mercer held recent discussions with a number of vendors to gauge interest in the possibility of providing rate quotes for HSS
 - Based on those discussions, it appears there would be vendors who would bid on the business
 - Some of the vendors offer narrower networks as an option, which would exclude certain higher cost providers and facilities
- The RFP process has not yet been formally initiated

HMO Renewals – Update

Kaiser – 5.6% Proposed Non-Medicare Renewal

Non-Medicare Monthly Premium Rates

Per Employee Per Month Rates (PEPM)	Actives			Non-Medicare Retirees	
	Single	Single + 1	Single + 2 or more	Single	Single + 1
Enrollment as of 8/2009	7,212	4,507	4,627	1,836	733
2009/10 Rates	\$457.47	\$914.94	\$1,294.64	\$923.42	\$1,380.89
2010/11 Rates	\$482.89	\$965.78	\$1,366.58	\$974.84	\$1,457.73
% increase	5.6%	5.6%	5.6%	5.6%	5.6%
\$ increase	\$25.42	\$50.84	\$71.94	\$51.42	\$76.84

- Proposed renewal remains unchanged from previous proposal

Blue Shield – 13.9% Proposed Non-Medicare Renewal

Non-Medicare Monthly Premium Rates

Per Employee Per Month Rates (PEPM)	Actives			Non-Medicare Retirees	
	Single	Single + 1	Single + 2 or more	Single	Single + 1
Enrollment as of 8/2009	7,870	5,427	5,472	1,552	787
2009/10 Rates	\$525.66	\$1,051.34	\$1,487.64	\$1,172.22	\$1,697.90
2010/11 Rates	\$598.71	\$1,197.44	\$1,694.37	\$1,335.12	\$1,933.85
% increase	13.9%	13.9%	13.9%	13.9%	13.9%
\$ increase	\$73.05	\$146.10	\$206.73	\$162.90	\$235.95

- Blue Shield offered an additional business concession of 0.7% relative to the previous proposed rate

Kaiser – 6.3% Proposed Renewal Medicare Monthly Premium Rates

Per Employee Per Month Rates (PEPM)	Medicare Retirees	
	Single	Single + 1
Enrollment as of 8/2009	5,249	2,053
2009/10 Rates	\$344.22	\$688.44
2010/11 Rates	\$365.79	\$731.58
% increase	6.3%	6.3%
\$ increase	\$21.57	\$43.14

- Proposed renewal remains unchanged from previous proposal

Blue Shield – Medicare Advantage (MA-PD) vs. COB Plan

Medicare Plan Renewal

- For 2010/11, there are two potential approaches for offering benefits to Medicare retirees
 - Offer the Coordination of Benefits plan only to all retirees
 - Offer the Medicare Advantage (MA-PD) plan for those residing in the MA-PD service area, and the COB plan for all other members
- The benefits under the 2 options are almost identical with the exception of the following differences:
 - Under the MA-PD, specialist visits are only allowed with physician referral
 - The MA-PD does not cover family planning or infertility benefits
- Additional differences between the 2 options are described in the Appendix

Blue Shield – 24.5% to 39.4% Proposed Renewal Medicare Monthly Premium Rates

Per Employee Per Month Rates (PEPM)	Medicare COB Only		Medicare Advantage Prescription Drug Plan (MA-PD) / COB	
	Single	Single + 1	Single	Single + 1
Enrollment as of 8/2009	2,601	1,054	2,601	1,054
2009/10 Rates	\$307.06	\$614.12	\$307.06	\$614.12
2010/11 Rates	\$427.95	\$855.90	\$382.16	\$764.32
% increase	39.4%	39.4%	24.5%	24.5%
\$ increase	\$120.89	\$241.78	\$75.10	\$150.20

- Blue Shield offered an additional business concession of 5.6% for the MA-PD/COB option relative to the previous proposed rate
- The COB only increase has reduced by 0.4% to reflect a flat retention rate relative to the 2009/10 plan year



Potential Benefit Design Changes

Potential Benefit Design Changes

Background

- As part of the annual Rates and Benefits process, the Committee, HSS and their consultant reviewed the continued appropriateness and competitiveness of the benefit designs for the available plans
 - Benchmark information suggests that certain sections of the current HMO designs are dated and do not reflect the impact from the continued high healthcare trends
 - A number of potential design changes have been outlined in light of the increased premium costs facing the membership and employers of HSS
 - Changes have been requested across both HMO offerings including active and retired members
- In addition, as a result of the mental health parity requirements which are effective for the HSS plans as of July 1, 2010, benefit enhancements will be made in order to bring the plans into compliance
 - Non-Medicare rate increase of 0.09% for Blue Shield and 0.15% for Kaiser

Mental Health / Substance Abuse (MH/SA) Parity Plan Design Changes

Bold indicates change in 2010/11 to comply with the MH Parity Act

	Blue Shield		Kaiser	
	2009/10	2010/11	2009/10	2010/11
MH/SA benefits apply to out of pocket maximum	No	Yes	Yes	Yes
MH Inpatient Hospitalization (including partial hospitalization)	\$100/admit	\$100/admit	\$100/admit Up to 45 days per year	\$100/admit No day limit
MH Outpatient Therapy	Severe: \$15 / visit Non-Severe: \$25 / visit Up to 60 visits per year (both MH/SA combined)	Severe: \$15 / visit Non-Severe: \$15 / visit No visit limit	Individual: \$10 / visit Group: \$5 / visit Up to 20 visits per year	Individual: \$10 / visit Group: \$5 / visit No visit limit
SA Inpatient Hospitalization	\$100 / admit Up to 30 days per year	\$100 / admit No day limit	\$100/admit Up to 30 days per year	\$100/admit No day limit
SA Outpatient Therapy	\$25 / visit Up to 60 visits per year (both MH/SA combined)	\$15 / visit No visit limit	Individual: \$10 / visit Group: \$5 / visit	Individual: \$10 / visit Group: \$5 / visit

Blue Shield

Impact of Alternative Benefit Design Changes

Benefit Design Change	Impact on 2010/11 Premium Rates			
	Actives	Non-Medicare Retirees	Medicare Retirees (MAPD/COB)	Medicare Retirees (COB Only)
Increase copayment from \$15 to \$20	(0.92%)	(0.92%)	(0.85%)	(0.66%)
Increase hospital per admit copayment from \$100 to \$200	(0.21%)	(0.21%)	(0.27%)	(0.15%)
Increase outpatient hospitalization copayment from \$50 to \$100	(0.18%)	(0.18%)	(0.18%)	(0.13%)
Increase emergency room copay from \$50 to \$100	(0.25%)	(0.25%)	Not available	(0.18%)
Introduce \$15 copayment for preventive services (routine physical, well baby, gynecologic) and pre/post-natal care	(0.25%)	(0.25%)	(0.09%)	(0.07%)
Introduce \$10,000 lifetime maximum for infertility benefits (including infertility drugs)	(0.48%)	(0.48%)	Not available	Not available
Reduce annual visit limitation on acupuncture and chiropractic from 30/year to 15/year	(0.15%)	(0.15%)	Not available	Not available
Total Impact (Estimated)	(2.44%)	(2.44%)	(1.39%)	(1.19%)

Impact of Alternative Benefit Design Changes

Benefit Design Change	Impact on 2010/11 Premium Rates		
	Actives	Non-Medicare Retirees	Medicare Retirees
Increase copayment from \$10 to \$15	(1.14%)	(1.15%)	(4.31%)
Increase hospital per admit copayment from \$100 to \$200	(0.13%)	(0.13%)	(0.95%)
Increase outpatient hospitalization copayment from \$10 to \$100	(0.06%)	(0.06%)	(0.30%)
Increase emergency room copay from \$50 to \$100	(0.23%)	(0.24%)	(2.26%)
Introduce \$10,000 lifetime maximum for infertility benefits (including infertility drugs)	Not yet available	Not yet available	Not available
Reduce annual visit limitation on acupuncture and chiropractic from 30/year to 15/year	TBD	TBD	TBD
Total Impact (Estimated)	(1.56%)	(1.58%)	(7.82%)

Preliminary Contributions and Costs

Summary of Monthly Contributions

Charter Only – Based on Status Quo Plan Design

Status Quo Basis	Employees			Non-Medicare Retiree		Medicare Retiree	
	Single	Single + 1	Single +2+	Single	Single + 1	Single	Single + 1
Kaiser	\$15.58	\$502.88	\$907.33	\$7.79	\$251.43	\$0.00	\$184.99
% Increase	4%	5%	5%	4%	5%	0%	6%
\$ increase	\$0.59	\$24.56	\$44.46	\$0.30	\$12.28	\$0.00	\$10.23
Blue Shield (MAPD/COB)	\$131.60	\$734.93	\$1,235.68	\$65.80	\$367.46	\$0.00	\$193.20
% Increase	58%	19%	17%	58%	19%	0%	24%
\$ increase	\$48.08	\$119.54	\$178.85	\$24.04	\$59.77	\$0.00	\$37.12
Blue Shield (COB Only)						\$0.00	\$216.13
% Increase						0%	38%
\$ increase						\$0.00	\$60.05

Summary of Monthly Contributions

Typical Bargained – Based on Status Quo Plan Design

Status Quo Basis	Employees			Non-Medicare Retiree		Medicare Retiree	
	Single	Single + 1	Single +2+	Single	Single + 1	Single	Single + 1
Kaiser	\$0.00	\$15.58	\$238.52	\$7.79	\$251.43	\$0.00	\$184.99
% Increase	0%	4%	5%	4%	5%	0%	6%
\$ increase	\$0.00	\$0.59	\$11.56	\$0.30	\$12.28	\$0.00	\$10.23
Blue Shield (MAPD/COB)	\$0.00	\$131.60	\$566.87	\$65.80	\$367.46	\$0.00	\$193.20
% Increase	0%	58%	35%	58%	19%	0%	24%
\$ increase	\$0.00	\$48.08	\$145.95	\$24.04	\$59.77	\$0.00	\$37.12
Blue Shield (COB Only)						\$0.00	\$216.13
% Increase						0%	38%
\$ increase						\$0.00	\$60.05

Summary of Monthly Contributions

Charter Only – With All Benefit Design Changes

With All Plan Changes	Employees			Non-Medicare Retiree		Medicare Retiree	
	Single	Single + 1	Single +2+	Single	Single + 1	Single	Single + 1
Kaiser	\$8.05	\$487.81	\$886.01	\$4.02	\$243.86	\$0.00	\$170.70
% Increase	-46%	2%	3%	-46%	2%	0%	-2%
\$ increase	(\$6.94)	\$9.49	\$23.14	(\$3.47)	\$4.71	\$0.00	(\$4.06)
Blue Shield (MAPD/COB)	\$116.89	\$705.50	\$1,194.03	\$58.44	\$352.74	\$0.00	\$190.53
% Increase	40%	15%	13%	40%	15%	0%	22%
\$ increase	\$33.37	\$90.11	\$137.20	\$16.68	\$45.05	\$0.00	\$34.45
Blue Shield (COB Only)						\$0.00	\$213.59
% Increase						0%	37%
\$ increase						\$0.00	\$57.51

Summary of Monthly Contributions

Typical Bargained – With All Benefit Design Changes

With All Plan Changes	Employees			Non-Medicare Retiree		Medicare Retiree	
	Single	Single + 1	Single +2+	Single	Single + 1	Single	Single + 1
Kaiser	\$0.00	\$8.05	\$227.54	\$4.02	\$243.86	\$0.00	\$170.70
% Increase	0%	-46%	0%	-46%	2%	0%	-2%
\$ increase	\$0.00	(\$6.94)	\$0.58	(\$3.47)	\$4.71	\$0.00	(\$4.06)
Blue Shield (MAPD/COB)	\$0.00	\$116.89	\$525.20	\$58.44	\$352.74	\$0.00	\$190.53
% Increase	0%	40%	25%	40%	15%	0%	22%
\$ increase	\$0.00	\$33.37	\$104.28	\$16.68	\$45.05	\$0.00	\$34.45
Blue Shield (COB Only)						\$0.00	\$213.59
% Increase						0%	37%
\$ increase						\$0.00	\$57.51

Summary of Renewal Proposals

Aggregate Premiums (\$ in millions)

Premium Renewal Proposal	Membership Group				Increase from 2009/10			
	Employees	Non-Medicare Retirees	Medicare Retirees	Total	Employees	Non-Medicare Retirees	Medicare Retirees	Total
City Plan	\$25.5	\$22.6	\$28.4	\$76.5	15.4%	27.0%	13.4%	17.8%
Kaiser	\$169.9	\$38.5	\$42.1	\$250.5	5.6%	5.6%	6.3%	5.7%
Blue Shield	\$245.8	\$50.1	\$22.6	\$318.5	13.9%	13.9%	24.5%	14.6%
Total	\$441.2	\$111.2	\$93.1	\$645.5	10.6%	13.2%	12.4%	11.3%
Kaiser with Changes	\$167.2	\$37.9	\$38.8	\$243.9	3.9%	3.9%	(2.0%)	2.9%
Blue Shield with Changes	\$239.7	\$48.9	\$22.3	\$310.9	11.1%	11.1%	22.7%	11.9%
Total after Benefit Changes	\$432.4	\$109.4	\$89.5	\$631.3	8.4%	11.3%	8.1%	8.9%
(Difference)	(\$8.8)	(\$1.8)	(\$3.6)	(\$14.2)	(2.2%)	(1.9%)	(4.3%)	(2.4%)

- Excludes vision, HSS expense load, and flex funded plan close down amount
- Assumes Blue Shield Medicare MA-PD/COB rates
- Based on enrollment as of 8/2009

Summary of Renewal Proposals

Preliminary Distribution of Cost Increases – Status Quo (\$ in millions)

	Distribution of Total Rated Cost (TRC)			
	Total Rated Cost	Employers (incl. bargained conts.)	Members	Member Contributions as a % of TRC
City Plan	\$76.0	\$60.8	\$15.2	20.0%
% Increase	17.4%	15.4%	25.8%	7.2%
Kaiser	\$253.1	\$230.1	\$23.0	9.1%
% Increase	5.3%	5.3%	5.2%	(0.1%)
Blue Shield	\$321.2	\$265.3	\$55.9	17.4%
% Increase	14.1%	10.4%	35.4%	18.7%
Total	\$650.3	\$556.2	\$94.1	14.5%
% Increase	10.8%	8.8%	25.1%	12.9%

- Assumes Blue Shield Medicare MA-PD/COB rates
- Based on enrollment as of 8/2009



Overview of Committee Decisions

- Decide whether to accept current renewal proposals or to proceed with a search for an alternative HMO vendor and possibly narrowing network to exclude higher cost providers and facilities
- Adoption of selected benefit design changes for HMO plans
 - Blue Shield
 - Kaiser
- Decide on Medicare COB only or MA-PD/COB combination if Blue Shield is retained as an existing vendor

Appendix

Blue Shield – Medicare Advantage (MA-PD) vs. COB Plan

Comparison of Options

	Blue Shield - Medicare Advantage (MA-PD)	Blue Shield - Coordination of Benefits (COB) Plan
Medicare Parts A and B	Assign Medicare rights to carrier. Carrier provides benefits.	Maintain Parts A & B; plan coordinated with Medicare
Medicare Part D	Pharmacy benefits provided by carrier	Pharmacy benefits provided by carrier
Providers/Physicians	Members see providers in MA-PD network	Members see providers in broader HMO network
Service Area	Enroll if reside in narrower MA-PD service area, otherwise automatically enrolled in COB plan	Same as Blue Shield HMO network
Other considerations	Disruption if physician not part of network; e.g. Sutter Medical (except CPMC) not part of the Blue Shield network	No disruption relative to non-Medicare Blue Shield HMO


Blue Shield Benchmarking Data



Indicates where benchmark reflects a reduction over existing HSS design

	Subscriber Count	Physician Copay	Hospital	Outpatient	ER	Rx Generic	Rx Brand	Rx Non-Formulary
HSS	21,347	\$15	\$100	\$50	\$50	\$5	\$20	\$35
CalPERs	N/A	\$15	\$0	\$0	\$50	\$5	\$15	\$45
County Gov't*	N/A	\$15	\$250	N/A	\$75	\$9	\$24	\$39
BS1	36,438	\$15	\$100	\$50	\$75	\$10	\$25	\$50
BS2	10,750	\$15	\$0	\$0	\$100	carved out	carved out	carved out
BS3	9,040	\$10/\$20	\$250	\$0	\$35/\$50	\$5	\$25/\$30	\$40/\$45
BS4	8,957	\$5/\$10	\$0	\$0	\$100	\$4/\$8	\$15/\$25	\$30/\$50
BS5	8,503	\$15	\$100	\$0	\$50	\$10	\$25	\$50
BS6	6,688	\$5/\$10	\$0	\$0	\$50	\$5/\$10	\$10/\$25	\$25/\$50
BS7	6,237	\$10	\$0	\$10	\$75	\$5	\$15	\$35
BS8	6,195	\$5/\$10/ \$15/\$20	\$0-\$300	\$0-\$30	\$100	\$10	\$25	\$45
BS9	5,134	\$10	\$0	N/A	N/A	\$5	\$10	\$15
BS10	4,109	\$10	\$250	N/A	N/A	\$10	\$15	not covered

Kaiser Benchmarking Data

 Indicates where benchmark reflects a reduction over existing HSS design

	Subscriber Count	Physician Copay	Hospital	Outpatient	ER	Rx Generic	Rx Brand
HSS	16,346	\$10	\$100	\$10	\$50	\$5	\$15
CalPERs	N/A	\$15	\$0	\$15	\$50	\$5	\$15
County Gov't*	N/A	\$15/25	\$250	N/A	\$75	\$9	\$24
KA1	114,245	\$15	\$0	\$15	\$50	\$5	\$15
KA2	37,588	\$15	\$250	\$15	\$50	\$10	\$30
KA3	16,472	\$10	\$100	\$10	\$50	\$5	\$15
KA4	16,341	\$20	\$0	\$20	\$50	\$10	\$30
KA5	13,070	\$20	\$0	\$20	\$50	\$10	\$30
KA6	9,871	\$20	10% MR	\$20	\$100	\$10	\$25
KA7	8,302	\$10	\$100	\$10	\$100	\$5	\$20
KA8	7,563	\$5	\$0	\$5	\$5	\$5	\$5
KA9	7,252	\$15	\$0	\$15	\$35	\$10	\$20
KA10	5,387	\$15	\$0	\$15	\$50	\$15	\$15

Preliminary 2010/11 Renewals

Kaiser – Status Quo

	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree with Medicare	Retiree & Spouse with Medicare
Premium	\$ 482.89	\$ 965.78	\$ 1,366.58	\$ 974.84	\$ 1,457.73	\$ 365.79	\$ 731.58
Vision	\$ 3.57	\$ 7.15	\$ 10.12	\$ 3.57	\$ 7.15	\$ 3.57	\$ 7.15
Expense	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04
Flex Funded Plan Closedown Adjustment	\$ 0.82	\$ 1.65	\$ 2.33	\$ 1.66	\$ 2.48	\$ 0.63	\$ 1.25
Total	\$ 488.32	\$ 975.62	\$ 1,380.07	\$ 981.11	\$ 1,468.40	\$ 371.03	\$ 741.02
10-County Amount	\$ 472.74	\$ 472.74	\$ 472.74	\$ 472.74		\$ 371.03	
Single Retiree Offset					\$ 472.74		\$ 371.03
"Actuarial Difference"				\$ 492.79	\$ 492.79	\$ -	\$ -
Prop. E Subsidy				\$ 7.79	\$ 251.44	\$ -	\$ 185.00
Subtotal City Contributions (Gap Dollars)	\$ 472.74	\$ 472.74	\$ 472.74	\$ 973.32	\$ 1,216.97	\$ 371.03	\$ 556.03
Non-Bargained Contribution Rate	\$ 15.58	\$ 502.88	\$ 907.33	\$ 7.79	\$ 251.43	\$ -	\$ 184.99
75% Kaiser Pickup		\$ 487.30	\$ 668.81				
Single Employee Pickup	\$ 15.58						
Typical Bargained Member Contribution	\$ -	\$ 15.58	\$ 238.52				
2009/10 Non-Bargained Contribution Rate	\$ 14.99	\$ 478.32	\$ 862.87	\$ 7.49	\$ 239.15	\$ -	\$ 174.76
Contribution Increase	4%	5%	5%	4%	5%	0%	6%
2009/10 Bargained Contribution Rate	\$ -	\$ 14.99	\$ 226.96				
Contribution Increase	0%	4%	5%				

Preliminary 2010/11 Renewals

Blue Shield – Status Quo Plan Design (MA-PD/COB Rate)

	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree with Medicare	Retiree & Spouse with Medicare
Premium	\$ 598.71	\$ 1,197.44	\$ 1,694.37	\$ 1,335.12	\$ 1,933.85	\$ 382.16	\$ 764.32
Vision Expense	\$ 3.57	\$ 7.15	\$ 10.12	\$ 3.57	\$ 7.15	\$ 3.57	\$ 7.15
Flex Funded Plan Closedown Adjustment	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04
Total	\$ 604.34	\$ 1,207.67	\$ 1,708.42	\$ 1,342.00	\$ 1,945.33	\$ 387.42	\$ 773.82
10-County Amount	\$ 472.74	\$ 472.74	\$ 472.74	\$ 472.74		\$ 387.42	
Single Retiree Offset "Actuarial Difference"				\$ 737.66	\$ 472.74	\$ -	\$ 387.42
Prop. E Subsidy				\$ 65.80	\$ 367.47	\$ -	\$ 193.20
Subtotal City Contributions (Gap Dollars)	\$ 472.74	\$ 472.74	\$ 472.74	\$ 1,276.20	\$ 1,577.87	\$ 387.42	\$ 580.62
Non-Bargained Contribution Rate	\$ 131.60	\$ 734.93	\$ 1,235.68	\$ 65.80	\$ 367.46	\$ -	\$ 193.20
75% Kaiser Pickup		\$ 603.33	\$ 668.81				
Single Employee Pickup	\$ 131.60						
Typical Bargained Member Contribution	\$ -	\$ 131.60	\$ 566.87				
2009/10 Non-Bargained Contribution Rate	\$ 83.52	\$ 615.39	\$ 1,056.83	\$ 41.76	\$ 307.69	\$ -	\$ 156.08
Contribution Increase	58%	19%	17%	58%	19%	0%	24%
2009/10 Bargained Contribution Rate	\$ -	\$ 83.52	\$ 420.92				
Contribution Increase	0%	58%	35%				

Preliminary 2010/11 Renewals

Blue Shield – Status Quo Plan Design (COB Only Rate)

	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree with Medicare	Retiree & Spouse with Medicare
Premium	\$ 598.71	\$ 1,197.44	\$ 1,694.37	\$ 1,335.12	\$ 1,933.85	\$ 427.95	\$ 855.90
Vision Expense	\$ 3.57	\$ 7.15	\$ 10.12	\$ 3.57	\$ 7.15	\$ 3.57	\$ 7.15
Flex Funded Plan Closedown Adjustment	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04
Total	\$ 604.34	\$ 1,207.66	\$ 1,708.40	\$ 1,341.99	\$ 1,945.31	\$ 433.29	\$ 865.55
10-County Amount	\$ 472.74	\$ 472.74	\$ 472.74	\$ 472.74		\$ 433.29	
Single Retiree Offset "Actuarial Difference"					\$ 472.74		\$ 433.29
Prop. E Subsidy				\$ 737.65	\$ 737.65	\$ -	\$ -
Subtotal City Contributions (Gap Dollars)	\$ 472.74	\$ 472.74	\$ 472.74	\$ 65.80	\$ 367.46	\$ -	\$ 216.13
Non-Bargained Contribution Rate	\$ 131.60	\$ 734.92	\$ 1,235.66	\$ 65.80	\$ 367.46	\$ -	\$ 216.13
75% Kaiser Pickup		\$ 603.32	\$ 668.81				
Single Employee Pickup	\$ 131.60						
Typical Bargained Member Contribution	\$ -	\$ 131.60	\$ 566.86				
2009/10 Non-Bargained Contribution Rate	\$ 83.52	\$ 615.39	\$ 1,056.83	\$ 41.76	\$ 307.69	\$ -	\$ 156.08
Contribution Increase	58%	19%	17%	58%	19%	0%	38%
2009/10 Bargained Contribution Rate	\$ -	\$ 83.52	\$ 420.92				
Contribution Increase	0%	58%	35%				

Preliminary 2010/11 Renewals

Kaiser – With All Plan Design Changes

	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree with Medicare	Retiree & Spouse with Medicare
Premium	\$ 475.35	\$ 950.70	\$ 1,345.24	\$ 959.49	\$ 1,434.78	\$ 337.23	\$ 674.46
Vision	\$ 3.57	\$ 7.15	\$ 10.12	\$ 3.57	\$ 7.15	\$ 3.57	\$ 7.15
Expense	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04
Flex Funded Plan Closedown Adjustment	\$ 0.83	\$ 1.66	\$ 2.35	\$ 1.67	\$ 2.49	\$ 0.59	\$ 1.18
Total	\$ 480.79	\$ 960.55	\$ 1,358.75	\$ 965.77	\$ 1,445.46	\$ 342.43	\$ 683.83
10-County Amount	\$ 472.74	\$ 472.74	\$ 472.74	\$ 472.74		\$ 342.43	
Single Retiree Offset					\$ 472.74		\$ 342.43
"Actuarial Difference"				\$ 484.98	\$ 484.98	\$ -	\$ -
Prop. E Subsidy				\$ 4.03	\$ 243.88	\$ -	\$ 170.70
Subtotal City Contributions	\$ 472.74	\$ 472.74	\$ 472.74	\$ 961.75	\$ 1,201.60	\$ 342.43	\$ 513.13
(Gap Dollars)	\$ -	\$ -	\$ -				
Non-Bargained Contribution Rate	\$ 8.05	\$ 487.81	\$ 886.01	\$ 4.02	\$ 243.86	\$ -	\$ 170.70
75% Kaiser Pickup		\$ 479.76	\$ 658.47				
Single Employee Pickup	\$ 8.05						
Typical Bargained Member Contribution	\$ -	\$ 8.05	\$ 227.54				
2009/10 Non-Bargained Contribution Rate	\$ 14.99	\$ 478.32	\$ 862.87	\$ 7.49	\$ 239.15	\$ -	\$ 174.76
Contribution Increase	-46%	2%	3%	-46%	2%	0%	-2%
2009/10 Bargained Contribution Rate	\$ -	\$ 14.99	\$ 226.96				
Contribution Increase	0%	-46%	0%				

Preliminary 2010/11 Renewals

Blue Shield – With All Plan Design Changes (MA-PD/COB Rate)

	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree with Medicare	Retiree & Spouse with Medicare
Premium	\$ 584.01	\$ 1,168.04	\$ 1,652.76	\$ 1,302.34	\$ 1,886.36	\$ 376.84	\$ 753.68
Vision	\$ 3.57	\$ 7.15	\$ 10.12	\$ 3.57	\$ 7.15	\$ 3.57	\$ 7.15
Expense	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04
Flex Funded Plan Closedown Adjustment	\$ 1.01	\$ 2.01	\$ 2.85	\$ 2.24	\$ 3.24	\$ 0.65	\$ 1.30
Total	\$ 589.63	\$ 1,178.24	\$ 1,666.77	\$ 1,309.19	\$ 1,897.79	\$ 382.10	\$ 763.17
10-County Amount	\$ 472.74	\$ 472.74	\$ 472.74	\$ 472.74		\$ 382.10	
Single Retiree Offset					\$ 472.74		\$ 382.10
"Actuarial Difference"				\$ 719.56	\$ 719.56	\$ -	\$ -
Prop. E Subsidy				\$ 58.45	\$ 352.75	\$ -	\$ 190.54
Subtotal City Contributions	\$ 472.74	\$ 472.74	\$ 472.74	\$ 1,250.75	\$ 1,545.05	\$ 382.10	\$ 572.64
(Gap Dollars)	\$ -	\$ -	\$ -				
Non-Bargained Contribution Rate	\$ 116.89	\$ 705.50	\$ 1,194.03	\$ 58.44	\$ 352.74	\$ -	\$ 190.53
75% Kaiser Pickup		\$ 588.61	\$ 668.83				
Single Employee Pickup	\$ 116.89						
Typical Bargained Member Contribution	\$ -	\$ 116.89	\$ 525.20				
2009/10 Non-Bargained Contribution Rate	\$ 83.52	\$ 615.39	\$ 1,056.83	\$ 41.76	\$ 307.69	\$ -	\$ 156.08
Contribution Increase	40%	15%	13%	40%	15%	0%	22%
2009/10 Bargained Contribution Rate	\$ -	\$ 83.52	\$ 420.92				
Contribution Increase	0%	40%	25%				

Preliminary 2010/11 Renewals

Blue Shield – With All Plan Design Changes (COB Only Rate)

	Employee Only	Employee and One Dependent	Employee and Family	Retiree without Medicare	Retiree & Spouse w/o Medicare	Retiree with Medicare	Retiree & Spouse with Medicare
Premium	\$ 584.01	\$ 1,168.04	\$ 1,652.76	\$ 1,302.34	\$ 1,886.36	\$ 422.87	\$ 845.74
Vision Expense	\$ 3.57	\$ 7.15	\$ 10.12	\$ 3.57	\$ 7.15	\$ 3.57	\$ 7.15
Flex Funded Plan Closedown Adjustment	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.04
Total	\$ 589.62	\$ 1,178.23	\$ 1,666.76	\$ 1,309.18	\$ 1,897.78	\$ 428.21	\$ 855.39
10-County Amount	\$ 472.74	\$ 472.74	\$ 472.74	\$ 472.74		\$ 428.21	
Single Retiree Offset "Actuarial Difference"				\$ 719.56	\$ 472.74	\$ -	\$ 428.21
Prop. E Subsidy				\$ 58.44	\$ 352.74	\$ -	\$ 213.59
Subtotal City Contributions (Gap Dollars)	\$ 472.74	\$ 472.74	\$ 472.74	\$ 1,250.74	\$ 1,545.04	\$ 428.21	\$ 641.80
Non-Bargained Contribution Rate	\$ 116.88	\$ 705.49	\$ 1,194.02	\$ 58.44	\$ 352.74	\$ -	\$ 213.59
75% Kaiser Pickup		\$ 588.61	\$ 668.82				
Single Employee Pickup	\$ 116.88						
Typical Bargained Member Contribution	\$ -	\$ 116.88	\$ 525.20				
2009/10 Non-Bargained Contribution Rate	\$ 83.52	\$ 615.39	\$ 1,056.83	\$ 41.76	\$ 307.69	\$ -	\$ 156.08
Contribution Increase	40%	15%	13%	40%	15%	0%	37%
2009/10 Bargained Contribution Rate	\$ -	\$ 83.52	\$ 420.92				
Contribution Increase	0%	40%	25%				

MERCER



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