



Santa Monica College 2024 Kaiser Renewal

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Account Executive





2024 Renewal Results

Coverage	Outcome
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Medical

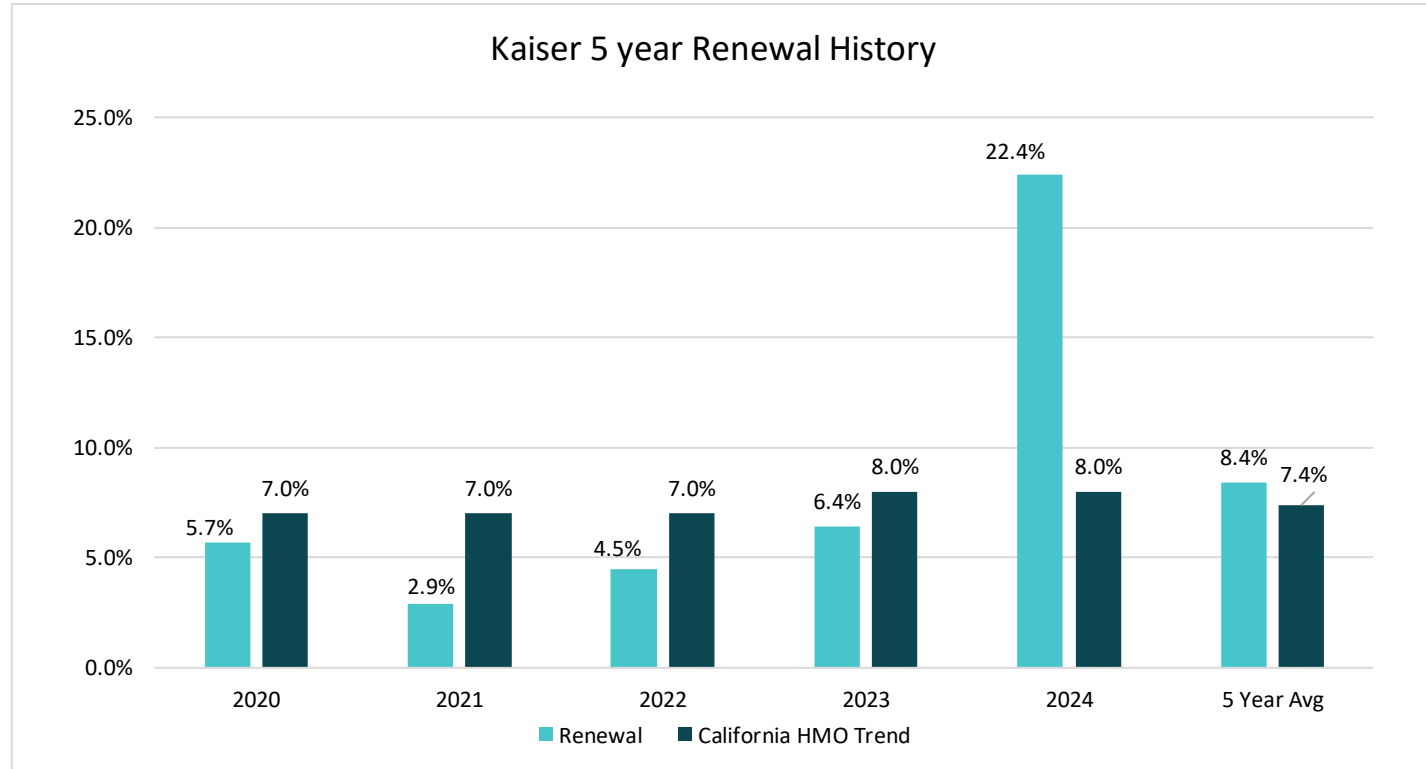
- Kaiser renewal came in at 22.39%
 - Medicare KPSA renewed at 22.39%
 - Plan design options are presented for review
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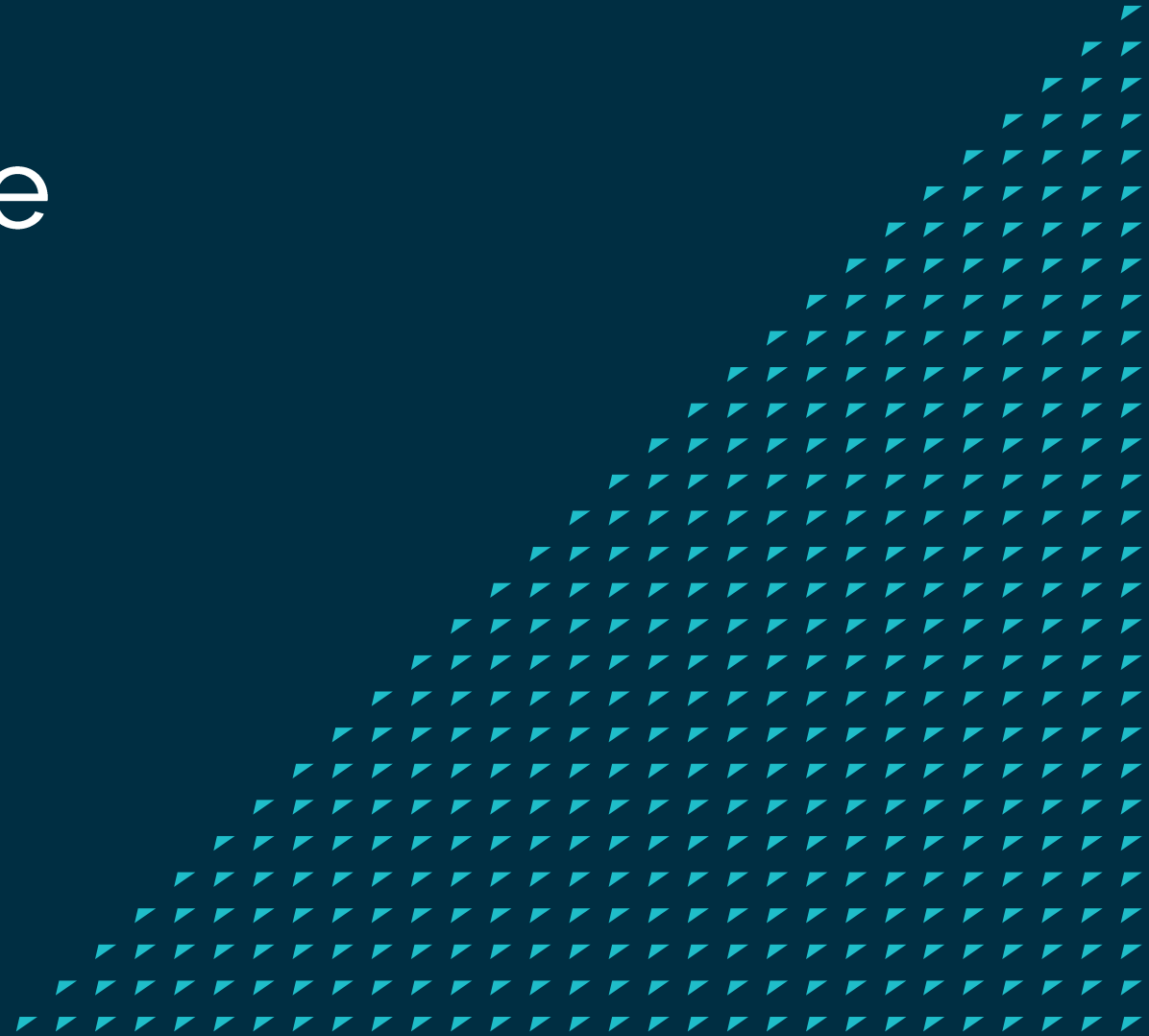
Kaiser Renewal History



Kaiser 5 year Renewal History



Marketplace Update



Factors Driving Nationwide Healthcare Costs



What is the likely impact of the current economic environment on healthcare?

COVID Impact

Deferment of care now being realized.

60% drop in annual preventive visits.



Increase in Mental health conditions & alcohol-related disorders.¹

Contract Negotiations & Government Relations



Cost shifting to private payers to offset **reduced revenue** from increased Medicare and Medicaid population.³



Strained contract negotiations between providers & insurance carriers.



Provider group **consolidation & higher reimbursement** for specialty services.³

Inflation

Highest levels of inflation since the **1970s**.

Healthcare inflation expected increase

7.1%

over next 5 years (expected economic growth of 4.7%).²

Hospital price inflation is the largest component of **2023 projected medical trend increases**.³



Healthcare industry wages **escalating**.³

Pharmacy & High-Cost Claims

55%

of spending = Specialty drugs/biologics.

Propelled by growth in **autoimmune, oncology therapies and diabetes**.³

Million-dollar claims on a per million covered employees basis **rose**

15% in the past year

45% over the past four years.¹

Labor shortages



In next three years: the U.S. is projected to face a **shortage of 200,000+ registered nurses** and **50,000+ physicians**.⁴

\$170B

Incremental cost of wage growth & scarcity of resources from clinical labor shortage.⁵

In the last two years, contract labor for hospital costs increased

300%

per American Hospital Association.

¹ "High-cost claims and injectable drug trends analysis." Sun Life, 2023 Edition

² McKinsey & Company. "The Gathering Storm: The Uncertain Future of US Healthcare." September 2022.

³ "Segal Health Plan Cost Trend Survey Report". 2022.

⁴ Gretchen Berlin, Meredith Lapointe, Mhoire Murphy, and Joanna Wexler, "Assessing the lingering impact of COVID-19 on the nursing workforce," McKinsey, May 11, 2022; The complexities of physical supply and demand: Projections from 2019 to 2034, Association of American Medical Colleges, prepared by IHS Markit Ltd., June 2021.

⁵ McKinsey & Company. "The gathering storm: The transformative impact of inflation on the healthcare sector", September 2022.



Kaiser Example

- Kaiser Permanente posted a \$4.47B net loss in 2022 due to
 - Clinical staff shortages
 - Higher cost of goods and services
 - Deferred care

- Kaiser has modified its capping floor and ceiling for plans effective 1/1/24
 - Prior: -5 to 15%
 - Effective 2024: 0 to 25%

- CalPers Kaiser renewal for 2024 for LA region 3 is 14.7%

Kaiser Medical Renewal and Options





Kaiser Medical Renewal and Options



Medical Plan Benefits		Kaiser HMO Current/Renewal	
Calendar Year Deductible Individual / Family		NONE	
Annual Out-of-Pocket Maximum Individual / Family		\$1,500 / \$3,000	
Physician Office Visit		\$10	
Specialist Copay		\$10	
Preventative Care		No Charge	
Lab and X-Ray CT, MRI, PET scans Other lab and x-ray tests		No Charge No Charge	
Hospitalization Inpatient Outpatient		No Charge \$10 / Procedure	
Emergency Room		\$50 (waived if admitted)	
Urgent Care Services		\$10	
Infertility Services		\$10	
Durable Medical Equipment		20%	
Chiropractic Care		\$10 / visit (30 visits / year)	
PRESCRIPTION DRUGS		100 Days	
Tier 1 - Most Generic		\$10 (100 day supply)	
Tier 2 - Most Brand		\$10 (100 day supply)	
Tier 4 - Most Specialty		\$10 (30 day supply)	
MONTHLY RATES		Current	Renewal
EE Only	EE	\$856.26	\$1,047.99
EE + 1	338	\$1,712.51	\$2,095.98
EE + Family	18	\$2,423.20	\$2,965.79
	13		
	369		
MONTHLY PREMIUM		\$351,743	\$430,504
ANNUAL PREMIUM		\$4,220,912	\$5,166,042
ANNUAL DOLLAR CHANGE			\$945,130
ANNUAL PERCENT CHANGE			22.4%

This document is intended as a quick reference, not a comprehensive description. Limitations and exclusions can be found in the official plan documents. In case of any discrepancies, the official plan documents will govern.

Enrollment as of Aug 2023 from Kaiser

¹Referral only when part of Pain Management Program



Kaiser Plan Design Options

Medical Plan Benefits	Kaiser HMO Current/Renewal		Kaiser HMO High CalPERS Lookalike Option 1	Kaiser HMO High Option 2	Kaiser HMO High Option 3	Kaiser HMO Low Option 4
Calendar Year Deductible Individual / Family	NONE		NONE	NONE	NONE	NONE
Annual Out-of-Pocket Maximum Individual / Family	\$1,500 / \$3,000		\$1,500 / \$3,000	\$1,500 / \$3,000	\$1,500 / \$3,000	\$4,000 / \$8,000
Physician Office Visit	\$10		\$15	\$20	\$30	\$35
Specialist Copay	\$10		\$15	\$20	\$30	\$50
Preventative Care	No Charge		No Charge	No Charge	No Charge	No Charge
Lab and X-Ray CT, MRI, PET scans Other lab and x-ray tests	No Charge No Charge		No Charge No Charge	No Charge No Charge	\$50 No Charge	20% up to a max of \$150 per procedure No Charge
Hospitalization Inpatient Outpatient	No Charge \$10 / Procedure		No Charge \$15 / Procedure	\$250 \$20 / Procedure	\$500 \$100 / Procedure	20% 20%
Emergency Room	\$50 (waived if admitted)		\$100 (waived if admitted)	\$100 (waived if admitted)	\$100 (waived if admitted)	20% (waived if admitted)
Urgent Care Services	\$10		\$15	\$20	\$30	\$35
Infertility Services	\$10		\$15	50%	50%	50%
Durable Medical Equipment	20%		20%	20%	20%	50%
Chiropractic Care	\$10 / visit (30 visits / year)		\$10 / visit (30 visits / year)	\$10 / visit (30 visits / year)	\$10 / visit (30 visits / year)	\$10 / visit (30 visits / year)
PRESCRIPTION DRUGS	100 Days		100 Days	100 Days	100 Days	100 Days
Tier 1 - Most Generic	\$10 (100 day supply)		\$10 (100 day supply)	\$10 (100 day supply)	\$15 (100 day supply)	\$15 (100 day supply)
Tier 2 - Most Brand	\$10 (100 day supply)		\$20 (100 day supply)	\$30 (100 day supply)	\$35 (100 day supply)	\$40 (100 day supply)
Tier 4 - Most Specialty	\$10 (30 day supply)		20% (30 day supply)	20% (30 day supply)	30% (30 day supply)	20% (30 day supply)
MONTHLY RATES	Current	Renewal	Option 1	Option 2	Option 3	Option 4
EE Only	\$856.26	\$1,047.99	\$1,007.32	\$996.40	\$978.22	\$916.57
EE + 1	\$1,712.51	\$2,095.98	\$2,014.63	\$1,992.79	\$1,956.45	\$1,833.15
EE + Family	\$2,423.20	\$2,965.79	\$2,850.70	\$2,819.80	\$2,768.37	\$2,593.90
MONTHLY PREMIUM	\$351,743	\$430,504	\$413,797	\$409,311	\$401,843	\$376,518
ANNUAL PREMIUM	\$4,220,912	\$5,166,042	\$4,965,559	\$4,911,730	\$4,822,119	\$4,518,217
ANNUAL DOLLAR CHANGE		\$945,130	\$744,647	\$690,818	\$601,207	\$297,305
ANNUAL PERCENT CHANGE		22.4%	17.6%	16.4%	14.2%	7.0%

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Kaiser Plan Design Differentials – Option 1

CalPERS Kaiser plan is a custom plan and cannot be matched completely by a commercial plan. Option 1 (Plan 9966) is the closest matched commercial plan.

Plan Differences (these are the main but may not be all)

- ER copay on plan 9966 is \$100 vs \$50 on CalPERS
- Ambulance on plan 9966 is \$50 vs \$0 on CalPERS
- RX on plan 9966 has higher copays and 20% Coinsurance (not to exceed \$250) for up to a 30-day supply
- Durable medical on plan 9966 is 20% coinsurance and \$0 on CalPERS
- Hearing Aids not covered on Plan 9966 but it can added for additional cost



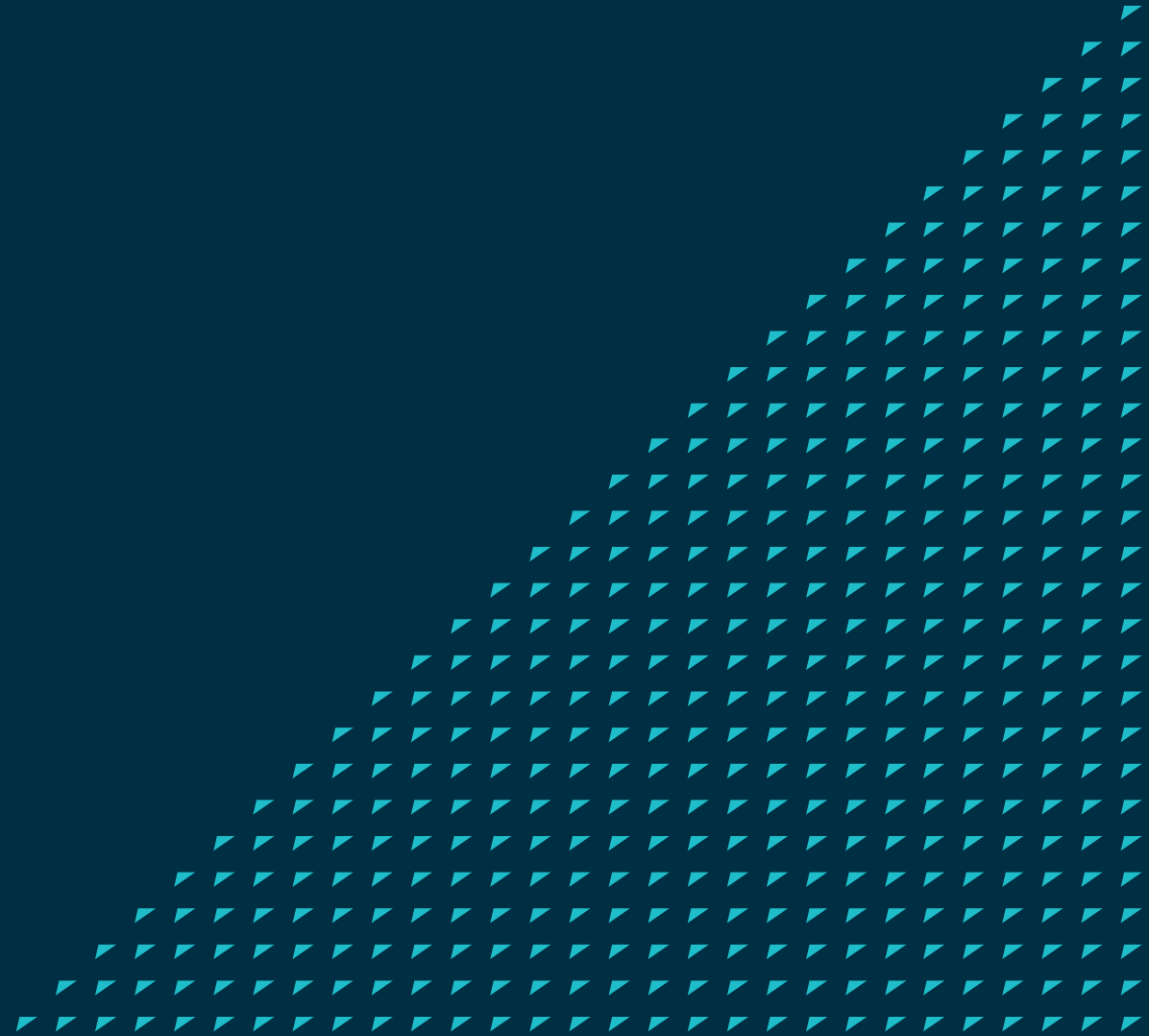
KPSA Plan

Medical Plan Benefits	KPSA HMO Current/Renewal	
Calendar Year Deductible Individual / Family	NONE	
Annual Out-of-Pocket Maximum Individual / Family	\$1,500 / \$3,000	
Physician Office Visit	\$15	
Specialist Copay	\$15	
Preventative Care	No Charge	
Lab and X-Ray CT, MRI, PET scans Other lab and x-ray tests	No Charge No Charge	
Hospitalization Inpatient Outpatient	\$500 / Admit \$150/ Procedure	
Emergency Room	\$50 (waived if admitted)	
Urgent Care Services	\$15	
Durable Medical Equipment	20%	
Chiropractic Care	\$10	
PRESCRIPTION DRUGS	Generic/Brand/Specialty	
Up to 100 day supply	\$10/\$35/Not covered	
Rate Gurantee	1 year 1/1/2024 - 12/31/2024	
MONTHLY RATES	Current	Renewal
A & B	\$122.75	\$148.20
B Only	\$434.75	\$460.20

EE

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Questions?





Disclosures

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Rates quoted assume current employer contribution levels and participation levels unless otherwise stated. Final rates will be based on final enrollment underwriting. Updated claims experience or other information may be required to finalize rates. If group demographics, enrollment levels or employer contributions change, rates may change or the quote may be withdrawn.

In general, employees must be actively at work on the effective date of the plan. When implementing new coverage, employees who are not actively at work will not be covered under the plan until they return to active state. It may be possible to waive the actively at work provision.

This proposal should not be interpreted as inclusive of all plan provisions and limitations. For further details, refer to the insurance carrier proposals and carrier plan documents. Benefit coverage and eligibility provisions for fully insured health plans may vary from state to state, based on state mandates. Illustrated enrollment is based on the information provided (employee census, current premium statement and or carrier renewal).

Coverage is not in effect until it is approved by the insurance carrier's underwriter.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant typically rely upon rating agencies for this type of market analysis. A.M. Best has been an industry leader in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

Alliant's standard protocol is to only place coverage with carriers with no less than an "A-" rating from A.M. Best. However, where Alliant determines that it is prudent to consider coverage with a lower rated carrier, the financial rating of the carrier is to be disclosed to the client. Should Alliant become aware of a carrier's rating dropping below "A-" mid-policy period we will review and advise you of the situation and consider if an alternative carrier can be reasonably provided prior to renewal.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com.



Carrier Ratings

CARRIER RATINGS		
Carrier	AM Best Rating	Product(s)
Kaiser	Not Rated	Medical HMO
Sun Life	A+	Basic Life

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the event information in this summary differs from the Plan Document, the Plan Document will prevail.

