



# Health Plan Alternatives

Organization, Personnel, and Technology  
Committee  
Item 7d  
February 13, 2012

# Medical Insurance Summary

- Currently contracted with CalPERS
- CalPERS provides 2 PPO's and 2 HMO's
- CalPERS requires retiree medical contribution to equal active employee medical contribution
  - Once a retiree is eligible for Medicare CalPERS coverage becomes secondary
  - Retiree costs are reduced approximately 38%
- Recently reduced contribution from 90% PERSCare to 100% Blue Shield HMO

# Health Plan Alternatives

- Broker requested quotes from:
  - Aetna
  - Anthem Blue Cross
  - Association of CA Water Agencies (ACWA)
  - Blue Shield of CA
  - Cigna
  - Health Net
  - Kaiser
  - United Health Care

# Health Plan Alternatives

- 4 vendors refused to provide quotes for various reasons
- 3 vendors provided quotes
- Results:
  - Aetna - 15.6% increase in overall costs
  - Anthem Blue Cross – 31.2% increase in overall costs
  - ACWA – Our demographics could potentially impact rates for other agencies if enrolled

# Next Steps

- Examine options available to lower costs through CalPERS
- Seek Board input on alternatives and options
- Return to OP&T committee with information on cost reduction options and alternatives