

Exhibit to Agenda Item #3

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors' Meeting

Tuesday, July 17, 2018

Immediately following the Energy Resources & Customer Services Committee Meeting scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Kaiser Renewal

- Medical Insurance premiums for 2019:
 - Increase by 4.11% for our active employees and pre-65 retirees (as compared to a decrease of 3.41% in 2018)
 - Increase of 1.41% for our Post-65 Medicare Advantage Plan (as compared to an increase of 5.7% in 2018)
- Industry Trend projects Medical Premium increases for 2019 of approximately 6%*

*PwC Health Research Institute “Medical Cost Trends: Behind the Numbers 2019”, June 2018

<https://www.pwc.com/us/en/health-industries/health-research-institute/assets/pdf/hri-behind-the-numbers-2019.pdf>

Board Action

Approve contract change to Contract No.4500043215 with Kaiser Permanente

- One year extension to contract
- Medical Insurance Premium Rates – cost estimated at \$24.8 million

2019 Active Employees Medical Rates

Active Employees	Basic		
	Carrier	Employee Only	Employee + 1
Kaiser HMO – High Plan	622.33	1,244.66	1,866.99
Kaiser HMO – Low Plan	591.07	1,182.14	1,773.21
United Healthcare HMO – High Plan	963.92	2,033.86	2,911.03
United Healthcare HMO – Low Plan	866.49	1,828.29	2,616.83
United Healthcare High Deductible Health Plan	796.01	1,679.58	2,403.95
United Healthcare PPO Plan	1,538.94	3,247.16	4,647.60

2019 - Retiree Medical Rates

Retiree	Basic			Medicare	
Carrier	Retiree Only	Retiree + 1	Retiree + Family	Retiree	Retiree + 1
Kaiser HMO	622.33	1,244.66	1,866.99	296.59	593.18
Kaiser Medicare Unassigned*	N/A	N/A	N/A	1,935.28	3,870.56
Kaiser Medicare Part A or B Only*	N/A	N/A	N/A	606.59	1,213.18
United Healthcare HMO	963.92	2,033.86	2,911.03	N/A	N/A
United Healthcare PPO – In CA*	1,672.63	3,529.25	5,051.35	N/A	N/A
United Healthcare PPO – Out Of CA	1,672.63	3,529.25	5,051.35	N/A	N/A
United Healthcare Medicare Advantage	N/A	N/A	N/A	399.66	799.32

* Age 65+ retiree – not enrolled in Medicare