

# Exhibit to Agenda Item #3a and b

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

Tuesday, October 15, 2019 scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

# United HealthCare Renewal

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- Medical Insurance premiums for 2020:
  - Increase of 2.65% for our active employees and pre-65 retirees (total premiums: \$27.8M vs. \$27.1M)
  - Increase of 9.50% for our Post-65 Medicare Advantage Plan (total premiums: \$8.3M vs. \$7.6M)
  - Total increase: 3.91%
    - \$36.1M vs. \$34.7M

# Kaiser Renewal

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- Medical Insurance premiums for 2020:
  - Increase of 2.52% for our active employees and pre-65 retirees (total premium: \$22.0M vs. \$21.4M)
  - Increase of 2.50% for our Post-65 Medicare Advantage Plan (total premiums: \$4.1M vs. \$4.0M)
  - Total Premium Increase from 2019: 2.97%
    - \$26.1M vs. \$25.4M

# 2020 Renewal Summary

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- Overall SMUD 2020 Renewal: 3.6% Increase
  - \$62.2M vs. \$60.1M
- Industry Trend projects Medical Premium increases for 2020 of approximately 6%\*

\*PwC Health Research Institute “Medical Cost Trends: Behind the Numbers 2020”, June 2019  
<https://www.pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html>

# Board Action

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- Approve the Medical Insurance Premium Rates with United HealthCare for the period of January 1, 2020 to December 31, 2020 at a cost estimated at \$36.1 million
- Approve contract change to Contract No. 4500043215 with Kaiser Permanente:
  - One year extension to contract (January 1, 2020 to December 31, 2020)
  - Medical Insurance Premium Rates – cost estimated at \$26.1 million

# 2020 Active Employees Medical Rates

Active Employees	Basic		
Carrier	Employee Only	Employee + 1	Employee + Family
Kaiser HMO – High Plan	639.79	1,279.58	1,919.37
Kaiser HMO – Low Plan	605.97	1,211.94	1,817.91
United Healthcare HMO – High Plan	989.46	2,087.76	2,988.17
United Healthcare HMO – Low Plan	889.45	1,876.74	2,686.18
United Healthcare High Deductible Health Plan	817.10	1,724.09	2,467.65
United Healthcare PPO Plan	1,579.72	3,333.21	4,770.76

# 2020 Retiree Medical Rates

Retiree Carrier	Basic			Medicare	
	Retiree Only	Retiree + 1	Retiree + Family	Retiree	Retiree + 1
Kaiser HMO	638.02	1,276.04	1,914.06	302.64	605.28
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	612.64	1,225.28
United Healthcare HMO	989.46	2,087.76	2,988.17	N/A	N/A
United Healthcare PPO – In CA*	1,579.72	3,333.21	4,770.76	N/A	N/A
United Healthcare PPO – Out Of CA	1,579.72	3,333.21	4,770.76	N/A	N/A
United Healthcare Medicare Advantage	N/A	N/A	N/A	437.63	875.26