

Exhibit to Agenda Item # 2

- a. Approve contract change to Contract No. 4500110473 with **United Health Care Insurance Company** approving 2022 medical insurance premium rates and extending the contract by one year for the period January 1, 2022, through December 31, 2022; 2022 cost estimated at \$37.4 million.
- b. Approve contract change to Contract No. 4500043215 with **Kaiser Permanente** approving 2022 medical insurance premium rates and extending the contract by one year for the period January 1, 2022, through December 31, 2022; 2022 cost estimated at \$29.3 million.

Board Finance & Audit Committee and Special SMUD Board of Directors Meeting
Tuesday, October 19, 2021, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Medical Premium Renewal Summary

SMUD provides medical benefits to approximately 9,000 employees, retirees and their eligible dependents

- Active members: 1,812
- Retiree members: 2,006

SMUD's Total Medical Premium increased by 5.3% (All plans active/retiree)

- Industry Trend projects Total Medical Premiums to increase by 6.5% in 2022*

SMUD Plans

- Active Employee Medical Premiums: 6.9%
- Retiree Medical Premiums: 1.8%

*Medical Cost Trend: Behind the Numbers 2022 – PwC's Health Research Institute

2022 Medical Renewal Summary

2021 Rates		2022 Final		Amount Changed	Percentage Changed
Active	\$43.4M	Active	\$46.4M	\$3.0M	6.9%
Retiree	\$20.0M	Retiree	\$20.3M	\$0.4M	1.8%
Total	\$63.3M	Total	\$66.7M	\$3.4M	5.3%

2022 Medical Renewal Summary by Carrier

Medical Premiums Total Cost	2021	2022	Percentage Change
United Healthcare	\$35.5M	\$37.4M	5.15%
Kaiser Permanente	\$27.8M	\$29.3M	5.39%
Total	\$63.3M	\$66.7M	5.3%

2022 Active Employees Medical Premium Rates

Active Employees	Basic (Per Month)		
	Carrier	Employee Only	Employee + 1
Kaiser HMO – High Plan	\$749.48	\$1,498.96	\$2,248.44
Kaiser HMO – Low Plan	\$710.03	\$1,420.06	\$2,130.09
United Healthcare Signature Value HMO – High Plan	\$1,128.54	\$2,381.22	\$3,408.19
United Healthcare Signature Value HMO – Low Plan	\$1,014.47	\$2,140.53	\$3,063.75
United Healthcare Signature Alliance HMO – High Plan	\$1,048.83	\$2,213.03	\$3,167.46
United Healthcare Signature Alliance HMO – Low Plan	\$942.82	\$1,989.34	\$2,847.35
United Healthcare High Deductible Health Plan	\$900.12	\$1,899.25	\$2,718.35
United Healthcare PPO Plan	\$1,740.22	\$3,671.87	\$5,255.47

2022 Retiree Medical Premium Rates

Retiree Carrier	Basic (Per Month)			Medicare (Per Month)	
	Retiree Only	Retiree + 1	Retiree + Family	Retiree	Retiree + 1
Kaiser HMO	\$747.58	\$1,495.16	\$2,242.74	\$265.46	\$530.92
Kaiser Medicare Unassigned*	N/A	N/A	N/A	\$1,834.82	\$3,669.64
Kaiser Medicare Part A only**	N/A	N/A	N/A	\$1,424.17	\$2,848.34
United Healthcare Signature Value HMO	\$1,128.54	\$2,381.22	\$3,408.19	N/A	N/A
United Healthcare Signature Alliance HMO	\$1,048.83	\$2,213.03	\$3,167.46	N/A	N/A
United Healthcare PPO – In CA	\$1,740.22	\$3,671.87	\$5,255.47	N/A	N/A
United Healthcare PPO – Out Of CA	\$1,740.22	\$3,671.87	\$5,255.47	N/A	N/A
United Healthcare Medicare Advantage	N/A	N/A	N/A	\$428.88	\$857.76

Board Action

Authorize the General Manager and CEO to:

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