

Date: May 2, 2024
To: JLMBC
From: Staff
Subject: **LAwell Program 2025 Service Provider Renewal Update**

JLMBC MEMBERS:

Management

Dana Brown, Chairperson
Tony Royster, First Prov. Chairperson
Matthew Rudnick
Matthew Szabo
Holly Wolcott

Employee Organizations

Jenita Igwealor, Vice-Chairperson
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Lisa Palombi

RECOMMENDATION

That the JLMBC receive and file staff report regarding the status of service provider renewals and the proposed plan of adoption for Plan Year 2025.

DISCUSSION

At its February 1, 2024 meeting, the JLMBC adopted report 24-08 which, among other things, directed staff and its consultants, Keenan & Associates, to begin discussions with Anthem Blue Cross and Kaiser Permanente for a one-year contract extension for Plan Year 2025. During each May, the JLMBC conducts its process of reviewing service provider renewals for the purpose of developing recommendations to City Council for adoption of the LAwell Program for the subsequent calendar year.

To launch the review and adoption process for the LAwell Benefits Program for Plan Year 2025, this report and attachments provide the following information to the JLMBC: 1) LAwell demographics and enrollment; 2) an update on LAwell service provider rate renewal information for Plan Year 2025; and 3) a timeline of activities for concluding the steps towards the plan design and renewal process (**Attachment A**). The JLMBC's consultant, Keenan & Associates (Keenan), will also present detailed information regarding the renewals from the LAwell Program's health insurance providers, Anthem and Kaiser Permanente (Kaiser) (**Attachments B-1 and B-2**). The objective is for the JLMBC to finalize its recommendations for adoption of the LAwell Benefits Program for Plan Year 2025 at its next meeting in June. Those recommendations will subsequently be summarized and presented to the City Council for final adoption.

Simultaneously, the City's budget for the next fiscal year is released in April. The budget then goes through a series of hearings with a recommendation for the City Council to adopt the budget for the fiscal year before it begins on July 1st. The cost of LAwell Program coverages, and more specifically its medical coverages, can have a significant impact on the City's budget. The information identified in this report is also beneficial for the City's current budget planning discussions held in budget hearings.

Submitted by:

Paul Makowski, Chief Benefits Analyst

Civilian LAwell (formerly FLEX) Program

LAwell (Civilian FLEX) Program **Update** for 2024-25 Budget

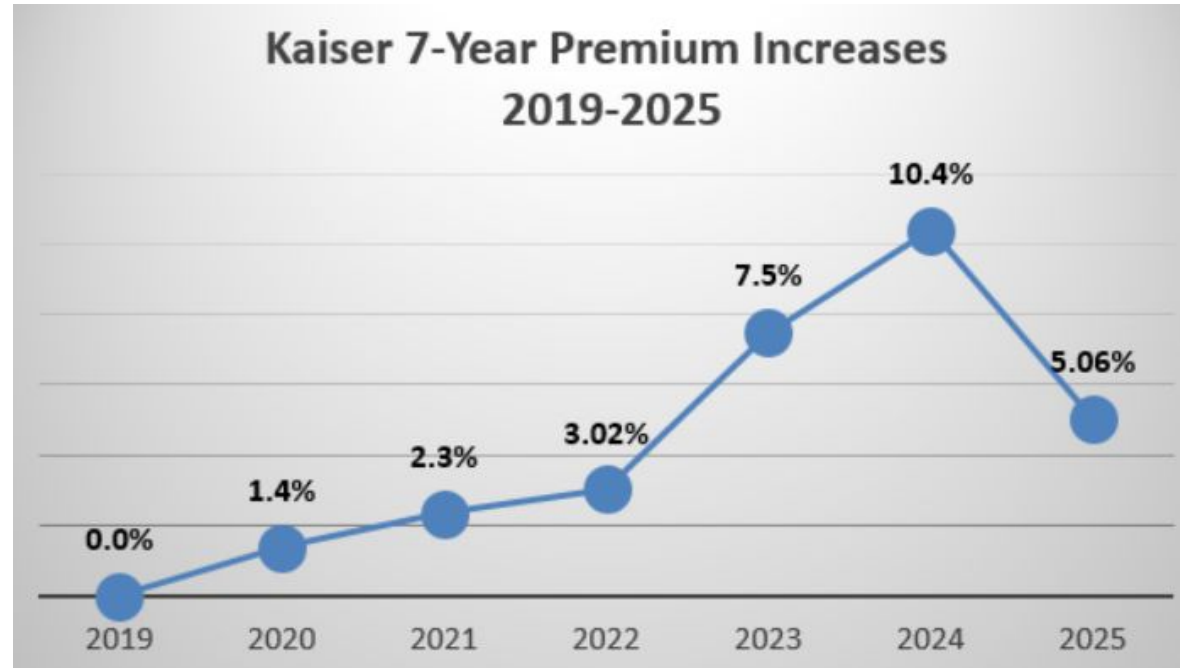
<u>Civilian Benefits Program</u>				<u>Projected spending for 2023/24</u>	BLUE BOOK PROJECTION for 24/25	<u>New Projections for 24/25 with updated Health Rate</u>
Health				\$389,852,685		\$423,808,241
Dental				\$10,684,039		\$10,474,946
Life				\$256,969		\$265,594
Disability				\$6,865,854		\$6,908,309
Vision				\$2,844,828		\$2,853,692
Flex Credits				\$28,621		\$26,957
Total Costs Before Proprietary Reimbursements				\$410,532,997		\$444,337,738
Assumed Proprietary Reimbursement Rate				17.00%		17.00%
Estimated Gross Indep. Dept. Reimbursement Amt				-\$69,785,744		-\$75,532,833
Total->				\$340,747,253	\$368,986,750	\$368,804,906

- Medical plan renewal premiums for 2024 will increase by 5.06%; **This is similar to the expected increase for premiums reflected in the blue book for FY 24-25**
- Dental & Vision premiums will have no increase (0%)
- Life, & Disability premiums are pending RFP (expected between 5-10% increase)
- Employee Assistance Program will increase by 3%
- These changes are on trend with prior projections in the Blue Book. **No change recommended.**

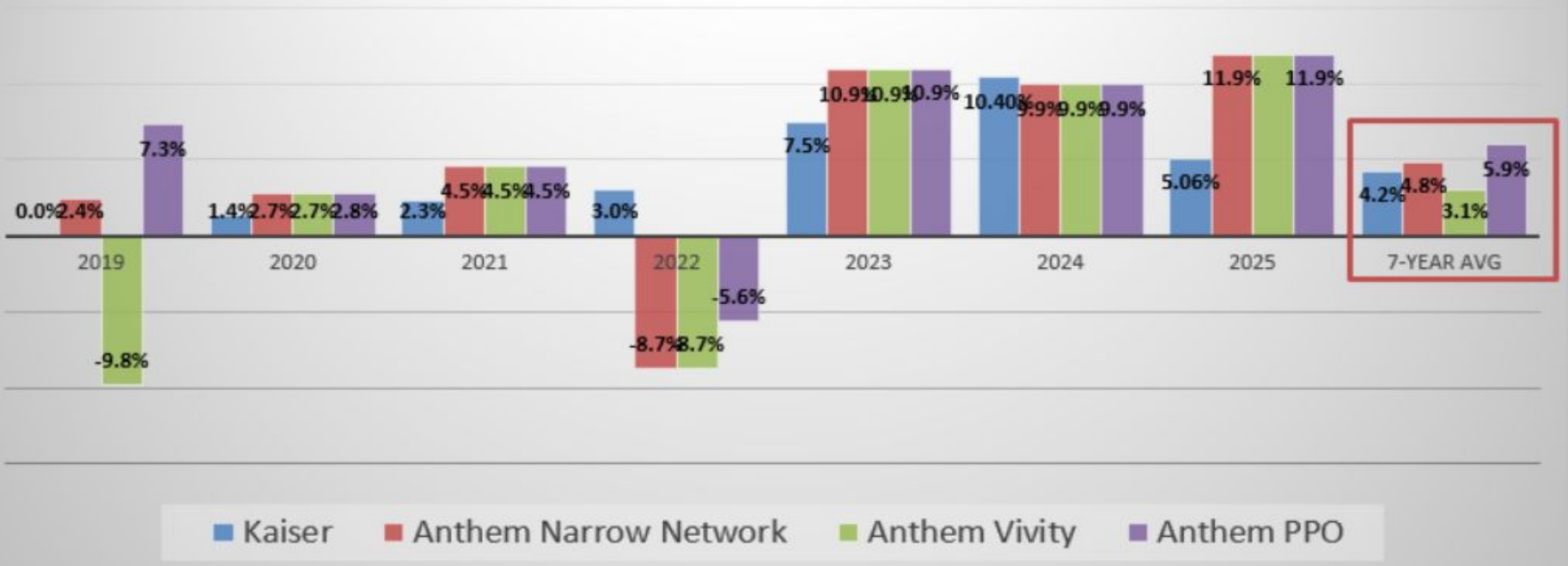
LAwell (Civilian FLEX) Program Kaiser Subsidy

Los Angeles Administrative Code Sec. 4.307 and multiple MOU provisions tie the City's subsidy to the Kaiser Family Premium Rate.

The City's Kaiser premium has seen a steady **and** regular increase each year for the last five years.



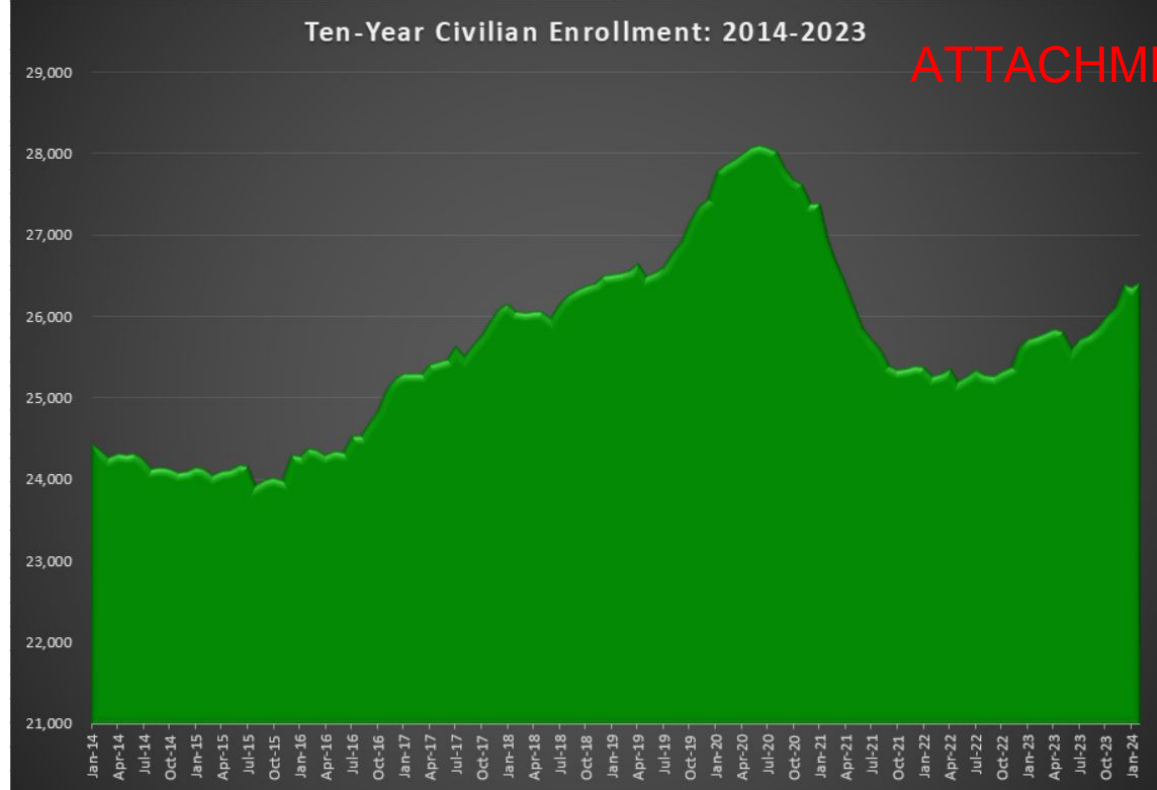
LAwell Program 7-Year Healthcare Premium Changes 2019-2025



- Cost of providing healthcare increased during the pandemic after stay-at-home orders were lifted, and the cost of providing care continues to increase in the United States across the healthcare industry.
- The decreased premiums in 2022 represent one-time reductions offered by Anthem in response to closures and reduced services during pandemic lockdowns experienced in prior years.

Civilian Enrollment in Healthcare

(Includes Cash In Lieu)



- Current (March 2024) enrollment is 26,421.
- The highest enrollment of 28,100 was in July 2020.
- Mayor's proposed budget assumes a ZERO increase in enrollment over the course of FY 24-25.

Health Subsidy Breakdown by MOU

Current 2024 Health Subsidy Statistics												Health coverage provided to MOU through:	CHANGES FOR FY 24/25
MOU	EMPLOYEE COUNT <i>(as of April 2024)</i>	MONTHLY HEALTH SUBSIDY CONTRIBUTION <i>(Est. As of April 2024)</i>	PROPRIETARY DEPARTMENT CONTRIBUTION <i>(Airport, Harbor, LACERS, & Pensions)</i> <i>(To be reimbursed by Dept and subtracted from City Contribution)</i>		ANNUAL ESTIMATED HEALTH SUBSIDY CONTRIBUTION (After Proprietary Dept Reimbursement) <i>(Rough estimate based on April 2024 enrollment; will vary by employee enrollment and other factors)</i>		Monthly Health Subsidy Contribution Rates Per MOU Member <i>(as of April 2024)</i>						
			COUNT	MONTHLY AMT	Rev Count	Annual Amt	MONTHLY MAXIMUM Rate Allowed	HIGHEST MONTHLY Rate Received	LOWEST MONTHLY Rate Received	AVERAGE MONTHLY RATE			
0	906	\$1,085,783	22	\$31,453	884	\$12,651,955	\$2,017.40	\$2,017.40	\$655.46	\$1,198.44	LAWell Program		
1	2,570	\$3,079,661	409	\$520,817	2,161	\$30,706,121	\$2,017.40	\$2,017.40	\$655.46	\$1,198.31	LAWell Program		
2	961	\$1,525,494	219	\$348,098	742	\$14,128,746	\$2,017.40	\$2,017.40	\$655.46	\$1,587.40	LAWell Program		
3	4,352	\$4,927,867	411	\$468,696	3,941	\$53,510,046	\$2,017.40	\$2,017.40	\$655.46	\$1,132.32	LAWell Program		
4	3,459	\$4,675,819	253	\$366,141	3,206	\$51,716,139	\$2,017.40	\$2,017.40	\$655.46	\$1,351.78	LAWell Program		
5	879	\$1,334,081	54	\$79,004	825	\$15,060,918	\$2,017.40	\$2,017.40	\$655.46	\$1,517.73	LAWell Program		
6	275	\$327,634	-		275	\$3,931,605	\$2,017.40	\$2,017.40	\$655.46	\$1,191.40	LAWell Program		
7	812	\$580,469	-		812	\$6,965,629	\$2,017.40	\$775.94	\$655.46	\$714.86	LAWell Program		
8	1,545	\$1,956,987	127	\$169,219	1,418	\$21,453,213	\$2,017.40	\$2,017.40	\$655.46	\$1,266.66	LAWell Program		
9	334	\$510,522	46	\$72,007	288	\$5,262,180	\$2,017.40	\$2,017.40	\$655.46	\$1,528.51	LAWell Program		
10	85	\$111,600	1	\$776	84	\$1,329,892	\$2,017.40	\$2,017.40	\$655.46	\$1,312.94	LAWell Program		
11	341	\$449,283	-		341	\$5,391,391	\$2,017.40	\$2,017.40	\$655.46	\$1,317.54	LAWell Program		
12	797	\$1,228,275	131	\$196,267	666	\$12,384,086	\$2,017.40	\$2,017.40	\$655.46	\$1,541.12	LAWell Program		
13	151	\$254,085	27	\$45,776	124	\$2,499,699	\$2,017.40	\$2,017.40	\$655.46	\$1,682.68	LAWell Program		
14	842	\$1,276,806	99	\$142,113	743	\$13,616,306	\$2,017.40	\$2,017.40	\$655.46	\$1,516.40	LAWell Program		
15	795	\$1,029,410	499	\$647,710	296	\$4,580,399	\$2,017.40	\$2,017.40	\$655.46	\$1,294.86	LAWell Program		
16	109	\$145,148	-		109	\$1,741,778	\$2,017.40	\$2,017.40	\$655.46	\$1,331.63	LAWell Program		
17	535	\$813,518	59	\$95,950	476	\$8,610,812	\$2,017.40	\$2,017.40	\$655.46	\$1,520.59	LAWell Program		
18	1,529	\$1,987,221	322	\$451,223	1,207	\$18,431,975	\$2,017.40	\$2,017.40	\$655.46	\$1,299.69	LAWell Program		
19	373	\$531,007	40	\$61,615	333	\$5,632,705	\$2,017.40	\$2,017.40	\$655.46	\$1,423.61	LAWell Program		
20	1,547	\$2,017,462	334	\$424,228	1,213	\$19,118,812	\$2,017.40	\$2,017.40	\$655.46	\$1,304.11	LAWell Program		
21	1,150	\$1,468,292	97	\$145,360	1,053	\$15,875,185	\$2,017.40	\$2,017.40	\$655.46	\$1,276.78	LAWell Program		
22	81	\$134,519	-		81	\$1,614,225	\$1,774.32	\$1,774.32	\$926.38	\$1,660.73	Union, Association, OR LAWell Program		
23	3,222	\$4,966,620	-		3,222	\$59,599,437	\$1,774.32	\$1,774.32	\$926.38	\$1,553.53	Union, Association, OR LAWell Program		
24	8,579	\$12,177,092	-		8,579	\$146,125,103	\$1,774.32	\$1,774.32	\$655.46	\$1,461.66	Association OR LAWell Program		
25	114	\$171,803	-		114	\$2,061,640	\$1,774.32	\$1,774.32	\$704.28	\$1,576.18	Association OR LAWell Program		

LAWell Program Health Subsidy Contribution rates are tied to the LAWell Kaiser Family Health Plan Premium rate per MOU provisions and the LAAC.

The LAWell Program expects to have a **5.06% increase** in the health subsidy contribution rate effective January 1, 2025.

MOU 22, 23, 24, & 25's health subsidy contribution rate will have a **5% increase** effective July 1, 2024

ATTACHMENT A

26	14	\$24,951	14	\$24,951	0	\$0	\$2,017.40	\$2,017.40	\$775.92	\$1,782.20	LAWell Program	LAWell Program Health Subsidy Contribution rates are tied to the LAWell Kaiser Family Health Plan Premium rate per MOU provisions and the LAAC. The LAWell Program expects to have a 5.06% increase in the health subsidy contribution rate effective January 1, 2025.
27	17	\$22,832	17	\$22,832	0	\$0	\$2,017.40	\$2,017.40	\$780.80	\$1,343.04	LAWell Program	
28	14	\$23,898	-		14	\$286,782	\$2,017.40	\$2,017.40	\$775.92	\$1,707.03	LAWell Program	
29	496	\$719,658	-		496	\$8,635,899	\$2,017.40	\$2,017.40	\$655.46	\$1,450.92	LAWell Program	
30	348	\$533,117	348	\$533,117	0	\$0	\$2,017.40	\$2,017.40	\$655.46	\$1,531.95	LAWell Program	
31	37	\$53,203	-		37	\$638,432	\$2,017.40	\$2,017.40	\$655.46	\$1,437.91	LAWell Program	
32	20	\$30,994	-		20	\$371,923	\$2,017.40	\$2,017.40	\$775.92	\$1,549.68	LAWell Program	
34	121	\$91,077	-		121	\$1,092,921	\$2,017.40	\$775.92	\$655.46	\$752.70	LAWell Program	
36	777	\$1,208,111	237	\$365,107	540	\$10,116,040	\$2,017.40	\$2,017.40	\$655.46	\$1,554.84	LAWell Program	
37	111	\$145,561	23	\$32,383	88	\$1,358,136	\$2,017.40	\$2,017.40	\$655.46	\$1,311.36	LAWell Program	
38	111	\$179,843	111	\$179,843	0	\$0	\$2,017.40	\$2,017.40	\$655.46	\$1,620.20	LAWell Program	
39	70	\$119,816	69	\$118,109	1	\$20,484	\$2,017.40	\$2,017.40	\$775.92	\$1,711.66	LAWell Program	
40	10	\$17,691	10	\$17,691	0	-	\$2,017.40	\$2,017.40	\$775.92	\$1,769.11	LAWell Program	
61	55	\$74,144	-		55	\$889,723	\$2,017.40	\$2,017.40	\$655.46	\$1,348.07	LAWell Program	
63	17	\$27,578	2	\$3,569	15	\$288,108	\$2,017.40	\$2,017.40	\$775.92	\$1,622.25	LAWell Program	
64	57	\$72,053	9	\$13,033	48	\$708,240	\$2,017.40	\$2,017.40	\$655.46	\$1,264.08	LAWell Program	
65	31	\$42,785	-		31	\$513,420	\$2,017.40	\$2,017.40	\$775.92	\$1,380.16	LAWell Program	
	38,649	\$52,153,765	3,990	\$5,577,089	34,659	\$558,920,104						



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May 2, 2024

Mr. Paul Makowski
 Chief Management Analyst, Employee Benefits Division
 City of Los Angeles
 200 N. Spring St., Room 867
 Los Angeles, CA 90012

RE: 2025 Medical Renewal from Kaiser Permanente (Kaiser)

Dear Mr. Makowski:

As we work to finalize your group plan renewal decisions for your plan year beginning January 1, 2025, we would like to take this opportunity to thank you for your partnership this past year. We look forward to continuing to serve you and the employees of the City of Los Angeles.

With respect to the renewal received from Kaiser, we have summarized herein and included exhibits that outline the initial and final renewal positions for the 2025 plan year.

Background

Kaiser has been the long-standing Staff Model medical benefits provider for the City of Los Angeles. More recently, Kaiser was awarded a two-year contract starting January 1, 2023 as a result of the latest Request For Proposal (RFP) process. Recently, the JLMBC approved a one-year contract extension for the 2025 plan year while the Ad-Hoc Committee evaluated Medical plan options for potential RFP for plan year 2026.

Rate Summary

Kaiser's position is summarized in the table below. No rate cap was secured during the recent RFP process as it came with a 'load' to the premium.

2024 Current Premium	2025 Requested Premium	\$ Change	% Change
\$ 270,935,355	\$ 284,643,809	\$ 13,708,454	5.06%

Kaiser is requesting a 5.06% increase (+\$13,708,454).

Analysis of the Renewal

- A. Rate and Rate Caps** – Kaiser’s renewal is coming in at a 5.06% increase for 2025. Last year’s (2024) renewal rate adjustment was 10.43%. No rate cap was in place for either year. The 2025 renewal increase of 5.06% is slightly lower than the KP Southern California average as the City has outperformed the benchmark.

- B. Medical/Rx Claim Cost** – The City was underwritten based on claim data and plan experience from February 1, 2023, through January 31, 2024, for the 2025 renewal. For 2024, the same underwriting period applied except one year earlier. A comparison of the plan cost on a per member per month (PMPM) basis shows the increase year over year to be 4.758%. Claim cost for this exhibit includes adjustment for pooled claims and IBNR reserve requirements.

Medical/Rx Claim Cost	2024	2025	\$ Change	% Change
PMPM	\$ 507.682	\$ 531.799	\$ 24.12	4.75%
Annual Cost	\$ 211,753,555	\$ 225,522,506	\$ 13,768,951	6.50%

Compared to the Kaiser Benchmark data, the City’s utilization is higher for medical and prescription drugs. The City’s rates reflect the higher utilization.

Claim Cost Distribution	2024	2025	\$ Change	% Change
LA Inpatient	\$ 118.910	\$ 132.350	\$ 13.440	11.30%
KP Benchmark	\$ 115.620	\$ 119.020	\$ 3.400	2.94%
% Difference	2.846%	11.200%		
LA Outpatient	\$ 244.990	\$ 252.020	\$ 7.030	2.87%
KP Benchmark	\$ 224.010	\$ 230.110	\$ 6.100	2.72%
% Difference	9.366%	9.522%		
LA Rx	\$ 48.730	\$ 54.080	\$ 5.350	10.98%
KP Benchmark	\$ 43.300	\$ 48.510	\$ 5.210	12.03%
% Difference	12.540%	11.482%		
LA Other	\$ 92.660	\$ 95.700	\$ 3.040	3.28%
KP Benchmark	\$ 87.520	\$ 90.330	\$ 2.810	3.21%
% Difference	5.873%	5.945%		

- C. Medical/RX Trend** – The annual trend applied to the rate development for the City, was 7.78%. In the current environment, we are seeing annual trend under 7-8% for medical and closer to 8-9% for Rx. The City’s realized year over year trend is 6.5%.

D. Pooling Point/Large Claims - Kaiser’s pooling point increased for 2025 by \$50k and adjusted to \$900,000. The City has seen Kaiser increase the pooling level by \$50,000 for the last three renewals (2022 \$750,000, 2023 \$800,000, 2024 \$850,000 and 2025 \$900,000). No other carrier has increased their pooling level at this rate and transferred high risk claimant exposure to the experience of the group as has Kaiser. During the same time period Anthem has maintained its pooling level at \$300,000. While Kaiser has attempted to minimize cost increases for pooling (\$0.20 PMPM increase for 2025), annual increases to maintain the pooling by other carriers range 10% to 25% in annual increases for pooling. Keenan is of the opinion Kaiser has introduced too great of a risk transfer over the past four years.

Further, Kaiser is in the practice of applying trend to the pool charge within the underwriting. The pool charge is typically applied after trend and is not subject to increase by a trend factor. Adding trend increases the pooling factor by about \$280,000 to \$2,080,795.

E. Retention (Administration Expense) – Kaiser’s retention expense is the cost to administer the plan’s projected healthcare and in a staff model HMO I typically a 4.0% to 6.0% load to the premium. For the City Kaiser has a 4.441% retention load. Retention can include claims administration, customer service, network access fees, risk charge (the charge for Anthem assuming the fully-insured risk), profit, overhead and other charges dependent upon the transparency provided.

Retention	2024	2025	\$ Change	% Change
PMPM	\$ 31.095	\$ 28.880	\$ (2.22)	-7.12%
Monthly Cost	\$ 1,091,248	\$ 1,053,542	\$ (37,706)	-3.46%
Reteion Load	5.047%	4.441%		

F. Wellness Contributions – Wellness funding is transparently loaded into the rates. Overall wellness funding amount for both medical carriers is \$2 million. The Wellness Funding amount is prorated based on membership for Anthem/Kaiser. Kaiser includes these funds as part of their rate setting process and has calculated the 2025 wellness funds at approximately \$1.3 million.

G. Member Advocate – Kaiser’s rates also include the full-time services of a member advocate to assist the City with day-today and complex member issues. This has been booked at an annual value of \$100,000.

H. ACA Fees – ACA fees are included in the experience projection for the Patient-Centered Outcomes Research Institute (PCORI) fee based on the actual 2025 fee set by the IRS.

I. Required/Legislative Plan Design Changes – Required/legislated benefit changes for 2025 are included in the proposed renewal rates.

J. Underwriting Assumptions/Stipulations – Kaiser’s renewal packet included standard terms and assumptions.

Attachments

Attached for your review are the following:

1. Attachment A – Kaiser’s 2025 Bi-weekly rates
2. Attachment B - Anthem and Kaiser Rate Comparison
3. Attachment C – Historical Pooling Increases
4. Attachment D – Historical Paid Loss Ratio
5. Attachment E – Kaiser Historical Rate Increases

Sincerely,



Megan Gardner
Vice President

CC: Laurie LoFranco, Keenan & Associates
Bordan Darm, Keenan & Associates
Melissa King, Keenan & Associates
James Takamatsu, Keenan & Associates
Alex Rabrenovich, Keenan & Associates

Attachment A – Kaiser’s 2024 Bi-weekly rates

Plan/Enrollment Tier	Enrollment	Current Bi-weekly Premium Rates	Initial Proposed Bi-weekly Premium Rates	\$ Diff	% Diff
Kaiser HMO					
Employee Only	7,875	\$387.96	\$407.60	\$19.64	5.06%
Employee + Spouse/DP	2,310	\$853.52	\$896.71	\$43.20	5.06%
Employee + Child(ren)	1,688	\$775.93	\$815.19	\$39.27	5.06%
Employee Family	4,902	\$1,008.70	\$1,059.75	\$51.04	5.06%
Total	16,775	\$11,281,213.45	\$11,852,121.44	\$570,907.98	5.06%
Annual Premium		\$270,749,122.80	\$284,450,914.44	\$13,701,791.64	5.06%

Attachment B - Anthem and Kaiser Rate Comparison

	Kaiser		Anthem		Kaiser vs. Anthem			
	2024 Bi-weekly Rates	2025 Bi-weekly Rates	2024 Bi-weekly Rates	2025 Bi-weekly Rates	2024 % Diff	2024 \$ Diff	2025 % Diff	2025 \$ Diff
Kaiser HMO vs. Anthem Narrow Network (Select) HMO								
Employee Only	\$387.96	\$407.60	\$390.40	\$436.86	0.63%	2.44	7%	29.27
Employee + Spouse/DP	\$853.52	\$896.71	\$858.93	\$961.14	0.63%	5.41	7%	64.43
Employee + Child(ren)	\$775.93	\$815.19	\$741.81	\$830.09	-4.40%	(34.12)	2%	14.90
Employee + Family	\$1,008.70	\$1,059.75	\$1,015.12	\$1,135.92	0.64%	6.42	7%	76.18
Kaiser HMO vs. Anthem Full Network (CACare) HMO								
Employee Only	\$387.96	\$407.60	\$551.29	\$616.89	42.10%	163.33	51%	209.30
Employee + Spouse/DP	\$853.52	\$896.71	\$1,212.83	\$1,357.16	42.10%	359.32	51%	460.45
Employee + Child(ren)	\$775.93	\$815.19	\$1,047.45	\$1,172.10	34.99%	271.53	44%	356.91
Employee + Family	\$1,008.70	\$1,059.75	\$1,433.37	\$1,603.94	42.10%	424.67	51%	544.20
Kaiser HMO vs. Anthem Vivity (LA & Orange Counties) HMO								
Employee Only	\$387.96	\$407.60	\$327.73	\$366.73	-15.52%	(60.23)	-10%	(40.87)
Employee + Spouse/DP	\$853.52	\$896.71	\$721.03	\$806.83	-15.52%	(132.49)	-10%	(89.88)
Employee + Child(ren)	\$775.93	\$815.19	\$622.70	\$696.80	-19.75%	(153.23)	-15%	(118.39)
Employee + Family	\$1,008.70	\$1,059.75	\$852.12	\$953.52	-15.52%	(156.58)	-10%	(106.23)

Attachment C – Historical Pooling Increases



**KAISER
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City of Los Angeles Pooling and Rating Trends

City of Los Angeles	Pooling Point	Pooling Point % Change	Pooling Charge PMPM	Pooling Charge % Change	Annual Trend City of LA
2013 Renewal	\$550,000	10.0%	\$2.89	24.0%	7.3%
2014 Renewal	\$550,000	0.0%	\$3.22	11.4%	5.4%
2015 Renewal	\$600,000	9.1%	\$3.22	0.0%	5.4%
2016 Renewal	\$625,000	4.2%	\$3.22	0.0%	5.8%
2017 Renewal	\$650,000	4.0%	\$3.22	0.0%	5.6%
2018 Renewal	\$650,000	0.0%	\$3.22	0.0%	5.2%
2019 Renewal	\$675,000	3.8%	\$3.38	5.0%	4.8%
2020 Renewal	\$700,000	3.7%	\$3.38	0.0%	4.6%
2021 Renewal	\$725,000	3.6%	\$3.38	0.0%	3.9%
2022 Renewal	\$750,000	3.4%	\$3.68	8.9%	8.3%
2023 Renewal	\$800,000	6.7%	\$4.05	10.1%	2.7%
2024 Renewal	\$850,000	6.3%	\$4.05	0.0%	7.5%
2025 Renewal	\$900,000	5.9%	\$4.25	4.9%	7.8%
Average % Change		4.7%	-	4.9%	5.7%

Attachment D – Historical Paid Loss Ratio

MBR History	
Policy Year	Paid MLR
2019	86%
2020	85%
2021	89%
2022	83%
2023	99%
2024	97%
2025	95%

Attachment E - Historical Rate Increases

Plan/Tier	Plan Year									\$ Diff 2017 vs 2025	% Diff 2017 vs 2025	\$ Average Annual Increase	% Average Annual Increase
	1/1/2017 - 12/31/2017	1/1/2018 - 12/31/2018	1/1/2019 - 12/31/2019	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	1/1/2023 - 12/31/2023	1/1/2024 - 12/31/2024	1/1/2025 - 12/31/2025				
Anthem PPO													
Employee Only	\$869.20	\$979.58	\$1,050.90	\$1,080.12	\$1,128.74	\$1,065.08	\$1,181.18	\$1,452.60	\$1,452.60	\$583.40	67.1%	\$72.93	8.39%
Employee + Spouse/DP	\$1,912.26	\$2,155.12	\$2,312.02	\$2,376.30	\$2,483.24	\$2,343.18	\$2,598.58	\$2,855.84	\$3,195.68	\$1,283.42	67.1%	\$160.43	8.39%
Employee + Child(ren)	\$1,651.50	\$1,861.22	\$1,996.72	\$2,052.22	\$2,144.58	\$2,023.62	\$2,244.20	\$2,466.38	\$2,759.88	\$1,108.38	67.1%	\$138.55	8.39%
Family	\$2,259.94	\$2,546.96	\$2,732.38	\$2,808.34	\$2,934.72	\$2,769.20	\$3,071.04	\$3,375.08	\$3,776.72	\$1,516.78	67.1%	\$189.60	8.39%
Anthem Narrow Network (Select)													
Employee Only	\$566.04	\$637.92	\$653.50	\$671.66	\$701.88	\$640.64	\$710.46	\$780.80	\$873.72	\$307.68	54.4%	\$38.46	6.79%
Employee + Spouse/DP	\$1,245.30	\$1,403.46	\$1,437.76	\$1,477.72	\$1,544.22	\$1,409.48	\$1,563.12	\$1,717.86	\$1,922.28	\$676.98	54.4%	\$84.62	6.80%
Employee + Child(ren)	\$1,075.50	\$1,212.08	\$1,241.70	\$1,276.22	\$1,333.66	\$1,217.30	\$1,349.98	\$1,483.62	\$1,660.18	\$584.68	54.4%	\$73.09	6.80%
Family	\$1,471.72	\$1,658.64	\$1,699.18	\$1,746.42	\$1,825.02	\$1,665.78	\$1,847.36	\$2,030.24	\$2,271.84	\$800.12	54.4%	\$100.02	6.80%
Anthem Full HMO													
Employee Only	\$799.28	\$900.78	\$922.80	\$948.46	\$991.14	\$904.66	\$1,003.26	\$1,102.58	\$1,233.78	\$434.50	54.4%	\$54.31	6.80%
Employee + Spouse/DP	\$1,758.40	\$1,981.72	\$2,030.14	\$2,086.58	\$2,180.48	\$1,990.22	\$2,207.16	\$2,425.66	\$2,714.32	\$955.92	54.4%	\$119.49	6.80%
Employee + Child(ren)	\$1,518.62	\$1,711.48	\$1,753.30	\$1,802.04	\$1,883.14	\$1,718.82	\$1,906.18	\$2,094.90	\$2,344.20	\$825.58	54.4%	\$103.20	6.80%
Family	\$2,078.12	\$2,342.06	\$2,399.30	\$2,466.00	\$2,576.98	\$2,352.12	\$2,608.50	\$2,866.74	\$3,207.88	\$1,129.76	54.4%	\$141.22	6.80%
Anthem Vivity HMO													
Employee Only	\$560.38	\$608.14	\$548.58	\$563.84	\$589.22	\$537.80	\$596.42	\$655.46	\$733.46	\$173.08	30.9%	\$21.64	3.86%
Employee + Spouse/DP	\$1,232.86	\$1,337.96	\$1,206.92	\$1,240.48	\$1,296.30	\$1,183.20	\$1,312.16	\$1,442.06	\$1,613.66	\$380.80	30.9%	\$47.60	3.86%
Employee + Child(ren)	\$1,064.74	\$1,155.50	\$1,042.32	\$1,071.30	\$1,119.52	\$1,021.84	\$1,133.22	\$1,245.40	\$1,393.60	\$328.86	30.9%	\$41.11	3.86%
Family	\$1,457.02	\$1,581.22	\$1,426.34	\$1,466.00	\$1,531.98	\$1,398.30	\$1,550.72	\$1,704.24	\$1,907.04	\$450.02	30.9%	\$56.25	3.86%
Kaiser													
Employee Only	\$600.28	\$611.70	\$611.70	\$620.12	\$634.56	\$653.74	\$702.66	\$775.92	\$815.19	\$214.91	35.8%	\$26.86	4.48%
Employee + Spouse/DP	\$1,320.48	\$1,345.62	\$1,345.62	\$1,364.26	\$1,396.04	\$1,438.23	\$1,545.85	\$1,707.03	\$1,793.42	\$472.94	35.8%	\$59.12	4.48%
Employee + Child(ren)	\$1,200.54	\$1,223.40	\$1,223.40	\$1,240.24	\$1,269.12	\$1,307.48	\$1,405.32	\$1,551.85	\$1,630.38	\$429.84	35.8%	\$53.73	4.48%
Family	\$1,560.64	\$1,590.36	\$1,590.36	\$1,612.32	\$1,649.86	\$1,699.72	\$1,826.91	\$2,017.40	\$2,119.49	\$558.85	35.8%	\$69.86	4.48%



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May 2, 2024

Mr. Paul Makowski
 Chief Management Analyst, Employee Benefits Division
 City of Los Angeles
 200 N. Spring St., Room 867
 Los Angeles, CA 90012

RE: 2025 Medical Renewal from Anthem Blue Cross (Anthem)

Dear Mr. Makowski:

As we work to finalize your group plan renewal decisions for your plan year beginning January 1, 2025, we would like to take this opportunity to thank you for your partnership this past year. We look forward to continuing to serve you and the employees of the City of Los Angeles (the City).

With respect to the renewal received from Anthem, we have summarized herein and included exhibits that outline the initial renewal positions for the 2025 plan year.

Background

Anthem has been the Network (non-Staff Model) medical benefits provider for the City of Los Angeles since 2017. More recently, they were awarded a two-year contract starting January 1, 2023 as a result of the latest Request For Proposal (RFP) process. Recently, the JLMBC approved a one-year contract extension for the 2025 plan year while the Ad-Hoc Committee evaluated medical plan options for potential RFP for plan year 2026.

Rate Summary

Anthem's underwriting is projecting an overall increase of 25.5%, an annual increase of \$40,265,961 to \$198,181,942 (from \$157,915,982). As part of the RFP process, the City secured an 11.9% rate cap for the 2025 plan year; and Anthem is coming in at the not-to-exceed rate cap. Anthem's position is summarized in the table below:

2024 Current Premium	2025 Required Premium	\$ Change	% Change
\$ 157,915,982	\$ 198,181,942	\$ 40,265,961	25.50%
2024 Current Premium	2025 Rate Cap Premium	\$ Change	% Change
\$ 157,915,982	\$ 176,707,983	\$ 18,792,002	11.90%

Analysis of the Renewal

- A. Proposed Rate Action and Rate Caps** – The last RFP secured a two-year contract and included a rate cap of 9.9% for 2024 and 11.9% for 2025. Anthem’s calculated rate action was significantly higher than the rates caps as the following exhibit shows:

Calculated Rate Action	PPO	Traditional / Select HMO	Vivity HMO	Rate Cap All Coverages
2025	14.35%	26.41%	43.01%	11.90%
2024	24.57%	34.86%	50.47%	9.90%

While Keenan understands Anthem’s calculated rate action, Keenan does not agree with the calculations nor Anthem’s result.

- B. Medical/RX Claim Cost** – The City was underwritten based on claim data and plan experience from March 1, 2023, through February 29, 2024, for the 2025 renewal. For 2024, the renewal period used was February 1, 2022 through January 1, 2023. A comparison of the plan cost on a per member per month (PMPM) basis shows the increase year over year to be 5.88%. Claim cost for this exhibit includes adjustment for pooled claims and IBNR reserve requirements.

Claim Cost	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ 871.52	\$ 301.58	\$ 357.28	\$ 441.06
2024	\$ 854.78	\$ 284.85	\$ 341.71	\$ 416.56
\$ Change	\$ 16.74	\$ 16.73	\$ 15.57	\$ 24.50
% Change	1.96%	5.87%	4.56%	5.88%

The pharmacy costs experienced by the City are driven in large part by one (1) high-cost claimant. We have several requests out to Anthem pertaining to the handling of this Rx claim, including a detailed history and timeline of the cost mitigation strategies and the use of Manufacturer/Copay Assistance provided to name a few.

From a utilization perspective, Anthem is indicating that there was only 1 out-of-network Rx claim during the last 12- month period, which means that scripts are being filled almost 100% under discounted/rebated arrangements. On a more expanded basis, we have several questions out to Anthem on the use of clinical management programs, discounts/rebates, and the very current topic of GLP-1 drugs (Wegovy, Ozempic, Saxenda, etc.).

- C. Medical/Rx Trend** – With respect to the trend applied to the rate development for the City, Keenan’s Benefits Underwriting and Actuary Division categorized it as ‘outrageously high’ for both the PPO and HMO plans and is the highest they have seen in a renewal. In the current renewal environment, we are seeing much lower annual trend at under 7-8% for medical and closer to 8-9% for Rx. This is substantiated by the year over year trend realized in the below exhibit which shows a total adjustment for medical and prescription drugs of 5.88%.

Anthem Annual Trend	PPO	Traditional / Select HMO	Vivity HMO	The City Realized
Medical	10.43%	12.38%	12.38%	5.88%
Rx	12.87%	13.06%	13.06%	

Anthem’s proposed trend increases the City’s claim cost by 23.4% (\$23,031,321).

Trend Impact on Claims	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
Pre-Trend	\$ 42,167,446	\$ 33,363,673	\$ 23,014,271	\$ 98,545,390
Trend Factor	1.216	1.248	1.245	1.234
Post-Trend	\$ 51,256,926	\$ 41,659,113	\$ 28,660,672	\$121,576,711
\$ Change	\$ 9,089,480	\$ 8,295,440	\$ 5,646,401	\$ 23,031,321

Keenan’s Actuary also provided a regression analysis of the City’s trend in **Attachment E** for review.

Given that the City of Los Angeles is a coveted block of business, we would have expected to see more concessions in trend in the spirit of partnership and rate stabilization.

At the time this report was written, several requests were made to Anthem for a detailed justification of the trend used. The explanation provided was that Anthem’s calculation for trend has always been to use their book of business for the City of LA based on member 3-digit zip code. Keenan does not agree and feels that this is too formulaic: The City should get credit when trending well below the book of business.

- D. Loss Ratio** – Anthem’s historical Medical Loss Ratio (MLR) is included in **Attachment C**. On a combined basis, there is slight improvement from the prior renewal period to the current renewal period, however the resulting combined MLR for the renewal period is slightly above 100%. The PPO MLR continues to outperform and is more favorable compared to the HMO MLRs.

- E. Pooling Point/Large Claims** – a pool charge is Anthem’s charge for removing claim cost for claimants with total claims above the annual pooling point from the City’s plan experience. The current annual pooling point is \$300,000 per claimant. Over the past two years Anthem has charged \$21,682,022 as a pool charge and pooled a total of \$17,980,173. This means the City has positively contributed to Anthem’s pooled claims by \$3,701,849.

Pool Charge	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ 4,818,151	\$ 4,165,911	\$ 2,866,067	\$ 11,850,130
2024	\$ 4,279,402	\$ 3,389,695	\$ 2,162,796	\$ 9,831,892
Total	\$ 9,097,553	\$ 7,555,606	\$ 5,028,863	\$ 21,682,022
Pooled Claims	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ 2,605,123	\$ 1,379,120	\$ 3,881,862	\$ 7,866,105
2024	\$ 4,152,549	\$ 1,943,623	\$ 4,017,896	\$ 10,114,067
Total	\$ 6,757,672	\$ 3,322,743	\$ 7,899,758	\$ 17,980,173
Pooling Value	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ 2,213,028	\$ 2,786,791	\$ (1,015,795)	\$ 3,984,024
2024	\$ 126,853	\$ 1,446,072	\$ (1,855,101)	\$ (282,175)
Total	\$ 2,339,881	\$ 4,232,863	\$ (2,870,895)	\$ 3,701,849

Keenan is concerned that the pool charge and \$300,000 pooling level may not be correct for a group the size of the City. The pooling level has not changed since Anthem became the City’s carrier in 2017. As part of the RFP and subsequent renewal discussions, Anthem agreed that the pooling point should be adjusted to a more appropriate level. Keenan has asked Anthem for the historical pooling point and charges along with a narrative of how the City’s pooling point and associated charge came to be. We are waiting for the written deliverable.

As part of our due diligence and renewal analysis, we requested that Anthem provide pooling charges for a custom pooling point that is more appropriate for evaluation as part of the renewal. Anthem indicated that they could not provide pooling charges for review, instead they indicated that a pooling point would need to be ‘set’ as part of the renewal and associated charges would be disclosed after a pooling point was chosen. Once pooling point is set and charges established, they could not be changed.

Keenan is disappointed with the stance that Anthem has taken relative to the City’s pooling point. A true partner would actively review the pooling point every year as part of the renewal for appropriateness. Additionally, the lack of willingness to work to set it at the appropriate level with disclosure of the pooling charges is a ‘bait and switch’ and decidedly lacking in transparency.

We request that Anthem partner with the City on the renewal and provide the time and opportunity to develop a custom pooling point and its associated charge at least one month prior to the renewal so that the City can make an informed decision on the level of pooling point and the associated charge that will be included as part of the renewal and rate development.

Keenan would welcome the opportunity for further discussions with Anthem on the pooling point for 2025.

- F. Medical Capitation Cost** - Capitation pays a monthly fee to the member's primary care physician and/or the member's selected hospital in place of paying claims to the provider for certain services. Anthem is requesting an increase in the capitation fee of \$1,681,788 or 4.15%.

Capitation Fee	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ -	\$ 33,575,827	\$ 8,658,053	\$ 42,233,880
2024	\$ -	\$ 33,128,082	\$ 7,424,011	\$ 40,552,093
\$ Change	\$ -	\$ 447,745	\$ 1,234,043	\$ 1,681,788
% Change	0.00%	1.35%	16.62%	4.15%

Keenan requested a listing of what the capitation fee is covering to ensure it provides value to the City over the traditional method of paying claims for those services. The information that provided back by Anthem was lacking in sufficient detail and it is unclear as to what is specifically being covered by capitation, even generally.

- G. Retention (Administration Expense)** – Retention expense is the cost to administer the plan's projected healthcare and represents a 9.5% to 12.4% (depending on the line of coverage) load on the premium. Retention includes claims administration, customer service, network access fees, risk charge (the charge for Anthem assuming the fully-insured risk), profit, and overhead. As the underwriting does not show a margin calculation, it can be assumed that margin for adverse claims activity may also be included in the charge.

Over time, the administrative cost has increased significantly and needs to be renegotiated. The total administrative expense for medical and prescription drug coverage is projected at \$19,093,612 to administer a projected \$176,707,983 expense. This averages out to \$86.53 PMPM. Breaking this down, the medical administrative expense represents \$68.54 PMPM, and prescription drug administrative expense represents \$17.99 PMPM. On the Prescription drug side, Anthem has indicated that pharmacy rebates are credited in retention but are not reported separately for fully insured products.

Medical Admin Fee	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ 96.32	\$ 67.06	\$ 50.65	\$ 68.54
2024	\$ 119.17	\$ 74.33	\$ 56.51	\$ 78.55
\$ Change	\$ (22.85)	\$ (7.27)	\$ (5.86)	\$ (10.01)
% Change	-19.17%	-9.78%	-10.37%	-12.74%
Rx Admin Fee	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ 20.53	\$ 14.96	\$ 21.62	\$ 17.99
2024	\$ 27.31	\$ 15.08	\$ 20.54	\$ 19.01
\$ Change	\$ (6.78)	\$ (0.12)	\$ 1.08	\$ (1.02)
% Change	-24.83%	-0.80%	5.26%	-5.37%
Medical/Rx Admin Fee	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ 116.85	\$ 82.02	\$ 72.27	\$ 86.53
2024	\$ 146.48	\$ 89.41	\$ 77.05	\$ 97.56
\$ Change	\$ (29.63)	\$ (7.39)	\$ (4.78)	\$ (11.03)
% Change	-20.23%	-8.27%	-6.20%	-11.31%
Medical/Rx Admin Fee	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	\$ 5,368,206	\$ 9,240,619	\$ 4,484,787	\$ 19,093,612
2024	\$ 6,394,438	\$ 10,291,091	\$ 4,499,489	\$ 21,185,018
\$ Change	\$ (1,026,232)	\$ (1,050,472)	\$ (14,702)	\$ (2,091,406)
Retention Load as % of Premium	PPO	Traditional / Select HMO	Vivity HMO	Total All Coverage
2025	9.5%	12.0%	12.4%	10.8%
2024	13.3%	14.4%	14.8%	13.7%

- H. **ACA Fees** – ACA fees are included in the experience projection for the Patient-Centered Outcomes Research Institute (PCORI) fee based on the actual 2025 fee set by the IRS.
- I. **Required/Legislative Plan Design Changes** – Any mandatory plan design changes to be applicable for calendar year 2025 will be released in the June/July timeframe. Due to this timing, the impact of these changes will be accounted for in the subsequent renewal rate action unless required by Federal or State law to implement sooner.

- J. Underwriting Assumptions/Stipulations** – Within the renewal package, Anthem included a couple of rate stipulations that, by and large, do not apply to the City’s plan or that need to be reworded. Keenan is working with Anthem to remove/update those.
- K. Wellness Contributions** – Anthem confirmed the continuation of wellness funding. The 2025 wellness funding amount is prorated based on Anthem and Kaiser membership, as of September 30. The overall wellness funding amount shared between both medical carriers totals \$2 million.

The wellness contributions are not included as a separate line item in the experience projection. However, Anthem did confirm that it is included in retention.

- L. Performance Guarantees** – For Plan Year 2023, Anthem included a Performance Guarantee (PG) related to the expansion of the Vivity Network into the Riverside and San Bernardino County service areas. We have requested an update on this PG as expansion efforts will provide greater access to care for members who might not otherwise have chosen to enroll in the Vivity plan which is currently provided at lower price point than the other HMO plan offerings.

As of the writing of this report, Anthem has shared that they are working on expansion efforts however a more detailed status from Anthem is still pending.

Combined Plan Performance

Keenan respectfully submits the following observations with respect to the Network model program:

- We are very concerned that the Traditional and Select HMO plans are subsidizing the Vivity HMO plan and it is very apparent that the Vivity plan is not appropriately priced.
- The PPO plan is outperforming the HMO plans and that is an indicator to us that the HMO plans are not running appropriately.
- We have little to justify the factors for the renewal and follow up requests to Anthem for answers and information have been slow to come in with large/priority requests still pending.
- The pooling point needs to be adjusted to a more appropriate level, however the associated pooling charge needs to be disclosed so that the City can make an informed decision with respect to the cost for the plan.

Attachments

Attached for your review are the following:

1. Attachment A – Anthem’s 2025 Bi-weekly rates
2. Attachment B - Anthem and Kaiser Rate Comparison
3. Attachment C - HMO and PPO Combined Historical Loss Ratios
4. Attachment D – Anthem Historical Monthly Rate Increases
5. Attachment E – Trend Analysis

Sincerely,



Megan Gardner
Vice President

CC: Laurie LoFranco, Keenan & Associates
Bordan Darm, Keenan & Associates
Melissa King, Keenan & Associates
James Takamatsu, Keenan & Associates
Alex Rabrenovich, Keenan & Associates

Attachment A – Anthem’s 2025 Bi-weekly rates

Plan/Enrollment Tier	Enrollment*	Current Bi-weekly Premium Rates	Initial Proposed Bi-weekly Premium Rates	\$ Diff	% Diff
Anthem Narrow Network (Select) HMO					
Employee Only	43	\$390.40	\$436.86	\$46.46	11.90%
Employee + Spouse/DP	13	\$858.93	\$961.14	\$102.21	11.90%
Employee + Child(ren)	12	\$741.81	\$830.09	\$88.28	11.90%
Employee Family	39	\$1,015.12	\$1,135.92	\$120.80	11.90%
Total	107	\$76,445	\$85,542	\$9,097	11.90%
Annual Premium		\$1,834,673	\$2,053,002	\$218,330	11.90%
Anthem Full Network (CACare) HMO					
Employee Only	1,286	\$551.29	\$616.89	\$65.60	11.90%
Employee + Spouse/DP	708	\$1,212.83	\$1,357.16	\$144.33	11.90%
Employee + Child(ren)	467	\$1,047.45	\$1,172.10	\$124.65	11.90%
Employee Family	1,283	\$1,433.37	\$1,603.94	\$170.57	11.90%
Total	3,744	\$3,895,815	\$4,359,416	\$463,600	11.90%
Annual Premium		\$93,499,571	\$104,625,973	\$11,126,402	11.90%
Anthem Vivity (LA & Orange Counties) HMO					
Employee Only	662	\$327.73	\$366.73	\$39.00	11.90%
Employee + Spouse/DP	345	\$721.03	\$806.83	\$85.80	11.90%
Employee + Child(ren)	204	\$622.70	\$696.80	\$74.10	11.90%
Employee Family	886	\$852.12	\$953.52	\$101.40	11.90%
Total	2,097	\$1,347,722	\$1,508,098	\$160,376	11.90%
Annual Premium		\$32,345,322	\$36,194,341	\$3,849,019	11.90%
Anthem PPO					
Employee Only	2,223	\$649.06	\$726.30	\$77.24	11.90%
Employee + Spouse/DP	182	\$1,427.92	\$1,597.84	\$169.92	11.90%
Employee + Child(ren)	289	\$1,233.19	\$1,379.94	\$146.75	11.90%
Employee Family	172	\$1,687.54	\$1,888.36	\$200.82	11.90%
Total	2,866	\$2,349,391	\$2,628,972	\$279,582	11.90%
Annual Premium		\$56,385,375	\$63,095,337	\$6,709,962	11.90%

*Note: Enrollment count includes Actives, COBRA, and CalCOBRA. The monthly COBRA and CalCOBRA rates are different than above and include applicable COBRA fees (in addition to the premium). Anthem collects the COBRA and CalCOBRA premium directly from the participant.

Attachment B - Anthem and Kaiser Rate Comparison

	Kaiser		Anthem		Kaiser vs. Anthem			
	2024 Bi-weekly Rates	2025 Bi-weekly Rates	2024 Bi-weekly Rates	2025 Bi-weekly Rates	2024 % Diff	2024 \$ Diff	2025 % Diff	2025 \$ Diff
Kaiser HMO vs. Anthem Narrow Network (Select) HMO								
Employee Only	\$387.96	\$407.60	\$390.40	\$436.86	0.63%	2.44	7%	29.27
Employee + Spouse/DP	\$853.52	\$896.71	\$858.93	\$961.14	0.63%	5.41	7%	64.43
Employee + Child(ren)	\$775.93	\$815.19	\$741.81	\$830.09	-4.40%	(34.12)	2%	14.90
Employee + Family	\$1,008.70	\$1,059.75	\$1,015.12	\$1,135.92	0.64%	6.42	7%	76.18
Kaiser HMO vs. Anthem Full Network (CACare) HMO								
Employee Only	\$387.96	\$407.60	\$551.29	\$616.89	42.10%	163.33	51%	209.30
Employee + Spouse/DP	\$853.52	\$896.71	\$1,212.83	\$1,357.16	42.10%	359.32	51%	460.45
Employee + Child(ren)	\$775.93	\$815.19	\$1,047.45	\$1,172.10	34.99%	271.53	44%	356.91
Employee + Family	\$1,008.70	\$1,059.75	\$1,433.37	\$1,603.94	42.10%	424.67	51%	544.20
Kaiser HMO vs. Anthem Vivity (LA & Orange Counties) HMO								
Employee Only	\$387.96	\$407.60	\$327.73	\$366.73	-15.52%	(60.23)	-10%	(40.87)
Employee + Spouse/DP	\$853.52	\$896.71	\$721.03	\$806.83	-15.52%	(132.49)	-10%	(89.88)
Employee + Child(ren)	\$775.93	\$815.19	\$622.70	\$696.80	-19.75%	(153.23)	-15%	(118.39)
Employee + Family	\$1,008.70	\$1,059.75	\$852.12	\$953.52	-15.52%	(156.58)	-10%	(106.23)

Attachment C - HMO and PPO Combined Historical Loss Ratios

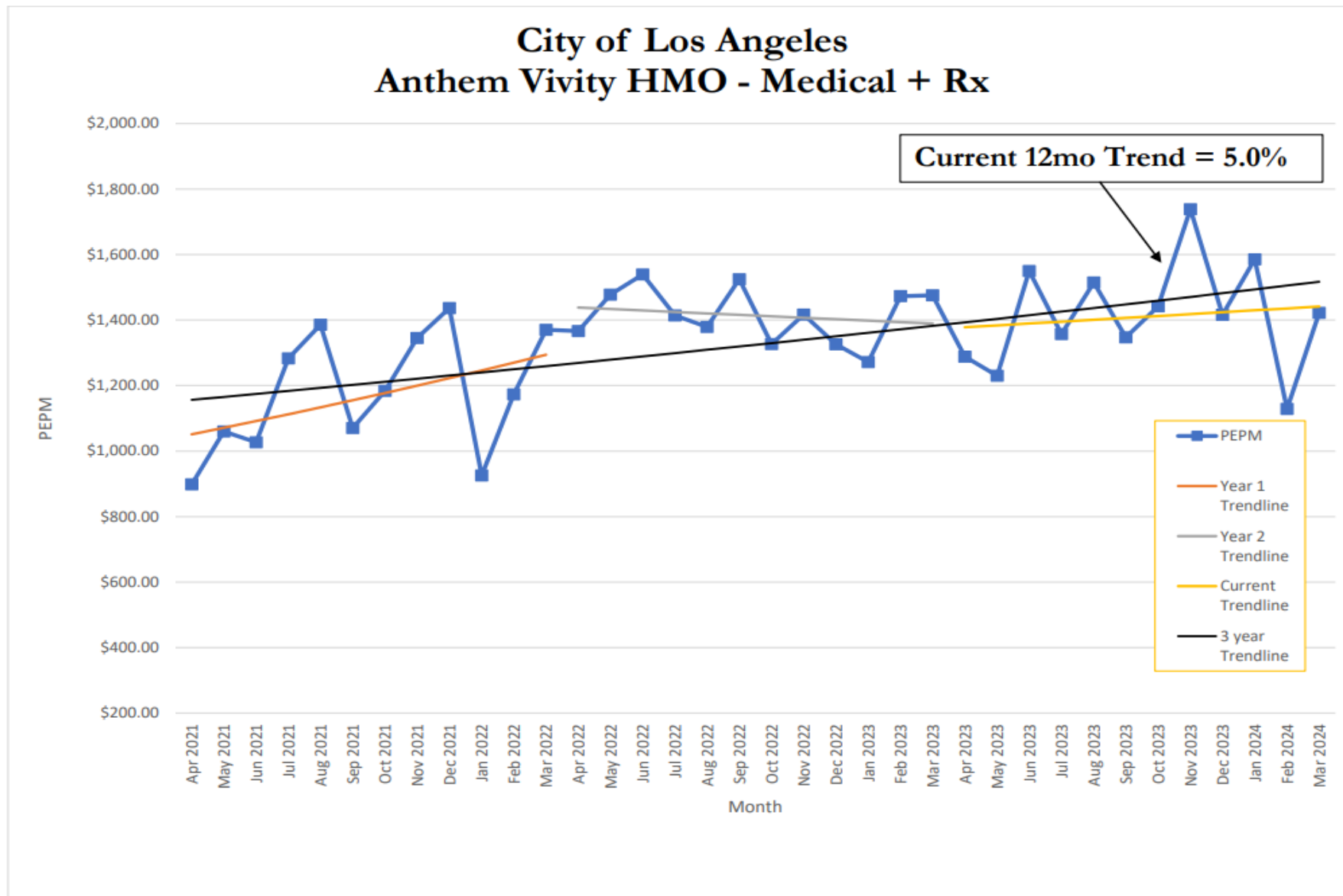
Historical Medical Loss Ratio

Renewal Year		Plan				Combined
		HMO	Select	Vivity	PPO	
3/1/2023	2/1/2024	100.36%	99.43%	119.60%	89.43%	100.03%
2/1/2022	1/31/2023	161.79%	104.77%	129.14%	100.71%	108.96%
2/1/2021	1/31/2022	112.07%	93.41%	100.05%	84.90%	92.31%
2/1/2020	1/31/2021	111.06%	89.62%	86.16%	78.02%	85.87%
Average		121.32%	96.81%	108.74%	88.27%	96.79%

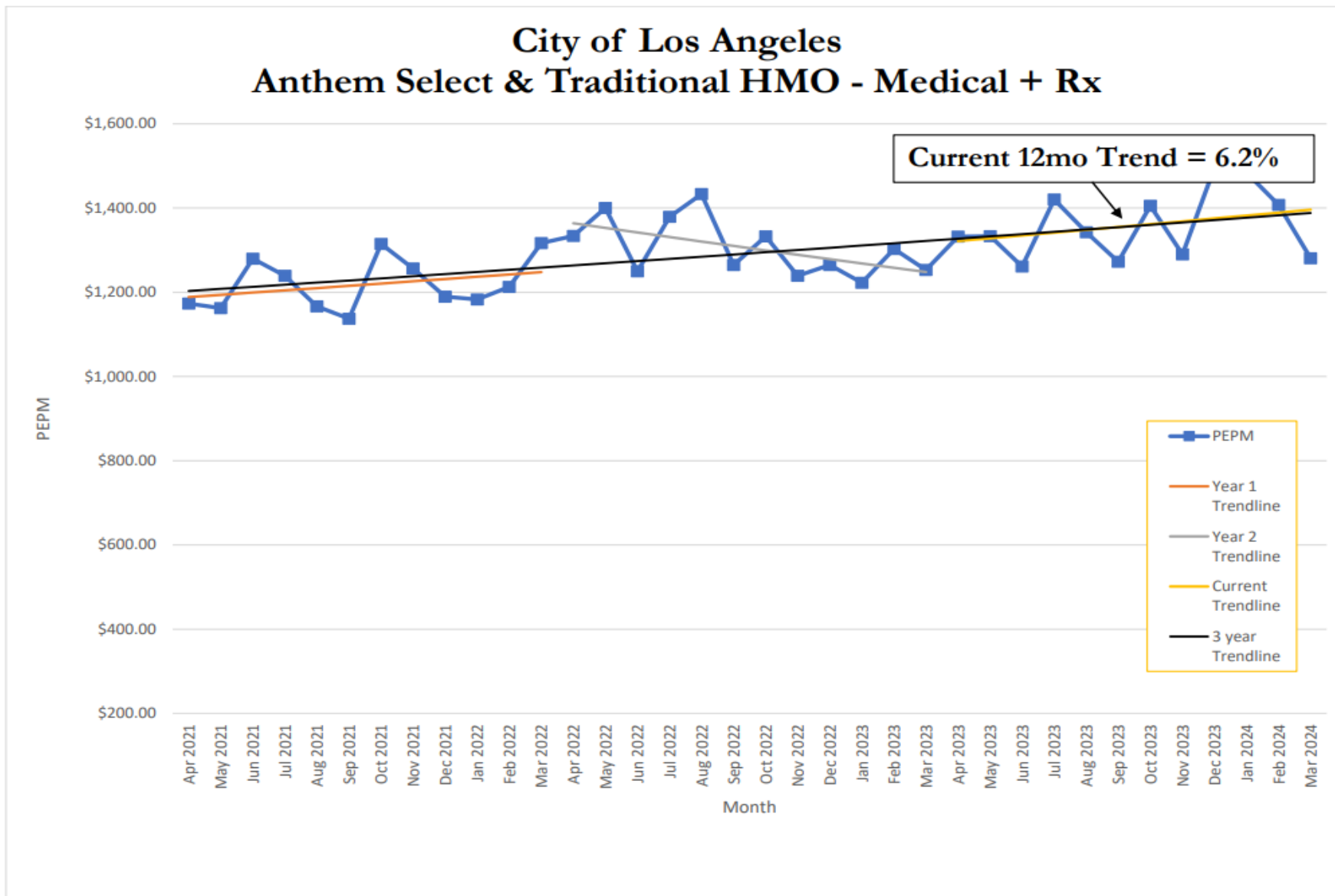
Attachment D – Anthem Historical Monthly Rate Increases

Plan/Tier	Plan Year									\$ Diff 2017 vs 2025	% Diff 2017 vs 2025	\$ Average Annual Increase	% Average Annual Increase
	1/1/2017 - 12/31/2017	1/1/2018 - 12/31/2018	1/1/2019 - 12/31/2019	1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	1/1/2023 - 12/31/2023	1/1/2024 - 12/31/2024	1/1/2025 - 12/31/2025				
Anthem PPO													
Employee Only	\$869.20	\$979.58	\$1,050.90	\$1,080.12	\$1,128.74	\$1,065.08	\$1,181.18	\$1,452.60	\$1,452.60	\$583.40	67.12%	\$72.93	8.39%
Employee + Spouse/DP	\$1,912.26	\$2,155.12	\$2,312.02	\$2,376.30	\$2,483.24	\$2,343.18	\$2,598.58	\$2,855.84	\$3,195.68	\$1,283.42	67.12%	\$160.43	8.39%
Employee + Child(ren)	\$1,651.50	\$1,861.22	\$1,996.72	\$2,052.22	\$2,144.58	\$2,023.62	\$2,244.20	\$2,466.38	\$2,759.88	\$1,108.38	67.11%	\$138.55	8.39%
Family	\$2,259.94	\$2,546.96	\$2,732.38	\$2,808.34	\$2,934.72	\$2,769.20	\$3,071.04	\$3,375.08	\$3,776.72	\$1,516.78	67.12%	\$189.60	8.39%
Anthem Narrow Network (Select)													
Employee Only	\$566.04	\$637.92	\$653.50	\$671.66	\$701.88	\$640.64	\$710.46	\$780.80	\$873.72	\$307.68	54.36%	\$38.46	6.79%
Employee + Spouse/DP	\$1,245.30	\$1,403.46	\$1,437.76	\$1,477.72	\$1,544.22	\$1,409.48	\$1,563.12	\$1,717.86	\$1,922.28	\$676.98	54.36%	\$84.62	6.80%
Employee + Child(ren)	\$1,075.50	\$1,212.08	\$1,241.70	\$1,276.22	\$1,333.66	\$1,217.30	\$1,349.98	\$1,483.62	\$1,660.18	\$584.68	54.36%	\$73.09	6.80%
Family	\$1,471.72	\$1,658.64	\$1,699.18	\$1,746.42	\$1,825.02	\$1,665.78	\$1,847.36	\$2,030.24	\$2,271.84	\$800.12	54.37%	\$100.02	6.80%
Anthem Full HMO													
Employee Only	\$799.28	\$900.78	\$922.80	\$948.46	\$991.14	\$904.66	\$1,003.26	\$1,102.58	\$1,233.78	\$434.50	54.36%	\$54.31	6.80%
Employee + Spouse/DP	\$1,758.40	\$1,981.72	\$2,030.14	\$2,086.58	\$2,180.48	\$1,990.22	\$2,207.16	\$2,425.66	\$2,714.32	\$955.92	54.36%	\$119.49	6.80%
Employee + Child(ren)	\$1,518.62	\$1,711.48	\$1,753.30	\$1,802.04	\$1,883.14	\$1,718.82	\$1,906.18	\$2,094.90	\$2,344.20	\$825.58	54.36%	\$103.20	6.80%
Family	\$2,078.12	\$2,342.06	\$2,399.30	\$2,466.00	\$2,576.98	\$2,352.12	\$2,608.50	\$2,866.74	\$3,207.88	\$1,129.76	54.36%	\$141.22	6.80%
Anthem Vivity HMO													
Employee Only	\$560.38	\$608.14	\$548.58	\$563.84	\$589.22	\$537.80	\$596.42	\$655.46	\$733.46	\$173.08	30.89%	\$21.64	3.86%
Employee + Spouse/DP	\$1,232.86	\$1,337.96	\$1,206.92	\$1,240.48	\$1,296.30	\$1,183.20	\$1,312.16	\$1,442.06	\$1,613.66	\$380.80	30.89%	\$47.60	3.86%
Employee + Child(ren)	\$1,064.74	\$1,155.50	\$1,042.32	\$1,071.30	\$1,119.52	\$1,021.84	\$1,133.22	\$1,245.40	\$1,393.60	\$328.86	30.89%	\$41.11	3.86%
Family	\$1,457.02	\$1,581.22	\$1,426.34	\$1,466.00	\$1,531.98	\$1,398.30	\$1,550.72	\$1,704.24	\$1,907.04	\$450.02	30.89%	\$56.25	3.86%
Kaiser													
Employee Only	\$600.28	\$611.70	\$611.70	\$620.12	\$634.56	\$653.74	\$702.66	\$775.92	\$815.19	\$214.91	35.80%	\$26.86	4.48%
Employee + Spouse/DP	\$1,320.48	\$1,345.62	\$1,345.62	\$1,364.26	\$1,396.04	\$1,438.23	\$1,545.85	\$1,707.03	\$1,793.42	\$472.94	35.82%	\$59.12	4.48%
Employee + Child(ren)	\$1,200.54	\$1,223.40	\$1,223.40	\$1,240.24	\$1,269.12	\$1,307.48	\$1,405.32	\$1,551.85	\$1,630.38	\$429.84	35.80%	\$53.73	4.48%
Family	\$1,560.64	\$1,590.36	\$1,590.36	\$1,612.32	\$1,649.86	\$1,699.72	\$1,826.91	\$2,017.40	\$2,119.49	\$558.85	35.81%	\$69.86	4.48%

Attachment E – Trend Analysis



Attachment E – Trend Analysis



Attachment E – Trend Analysis

