



# DJUSD

DAVIS JOINT UNIFIED  
SCHOOL DISTRICT

## California Education Coalition for Health Care Reform (CECHCR) Year End Report April 2017

*Benefits Preservationists for California's School Districts, Community Colleges,  
and their Bargaining Units*

Presented by:

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 **J. GLYNN**  
& Company  
Healthcare Advisory Services

# Scope of Work

- ▶ Independent Evaluation of the Reasonableness of Costs and Quality of Current Plan
- ▶ Prepare a Report of the Findings and Recommendations for Lowering Costs and Improving Quality
- ▶ Educate, Advice and Assist in Developing and Implementing Recommendations
- ▶ Prepare Quantitative Assessment of the Quality Performance of Hospitals and Medical Groups
- ▶ Evaluate the Impact of the Affordable Care Act (ACA)
- ▶ Formation and Participation in Joint Health Benefits Committee

# Evaluation of Health Plan

- What Purchasing Options Are Available to School Employers and Employees?



# Key CECHCR Principle

- ▶ **Large Purchasers Only:**
  - ▶ Spread the risk of the ill over a great number of people
  - ▶ Reduced administrative expenses
  - ▶ More dollars toward patient care
  - ▶ Leverage with insurers



# Four Ways to Purchase Health Insurance

- ▶ Direct contract with health insurers (large districts only)
- ▶ CalPERS
- ▶ Jointly Managed Trust (JMT)
- ▶ Joint Power Authority (JPA)

# Where Did We Solicit Bids?

- ▶ **Self-Insured Schools of California (SISC)** - Largest purchasing pool for schools in the U.S. Over 400 school districts and community colleges, serving over 300,000 school employees and covered dependents;
- ▶ **California's Valued Trust (CVT)** - Large purchasing pool serving 234 school districts and community colleges, with 120,000 school employees and covered dependents;
- ▶ **California Schools VEBA** - Large purchasing pool serving 60 school districts and community colleges, with 120,000 school employees and covered dependents;
- ▶ **Municipalities, Colleges, Schools Insurance Group (MCSIG)**, managed by Keenan & Associates - 16,000 school employees service 74 school districts. Allows out-out, but no cash-in-lieu

# Results of the Request for Proposal

## ► All Declined to Offer a Proposal:

- Large purchasers require a minimum employer contribution for employee only coverage for the Bronze plan
- Too many employees opting out of coverage - “Adverse Selection”
- All large purchasers (*except CalPERS*) have minimum eligibility rules:
  - All employees who work 90% FTE must participate
  - All fulltime employees (defined by collective bargaining agreement) must participate
- In essence, the health plan at DJUSD is a voluntary plan

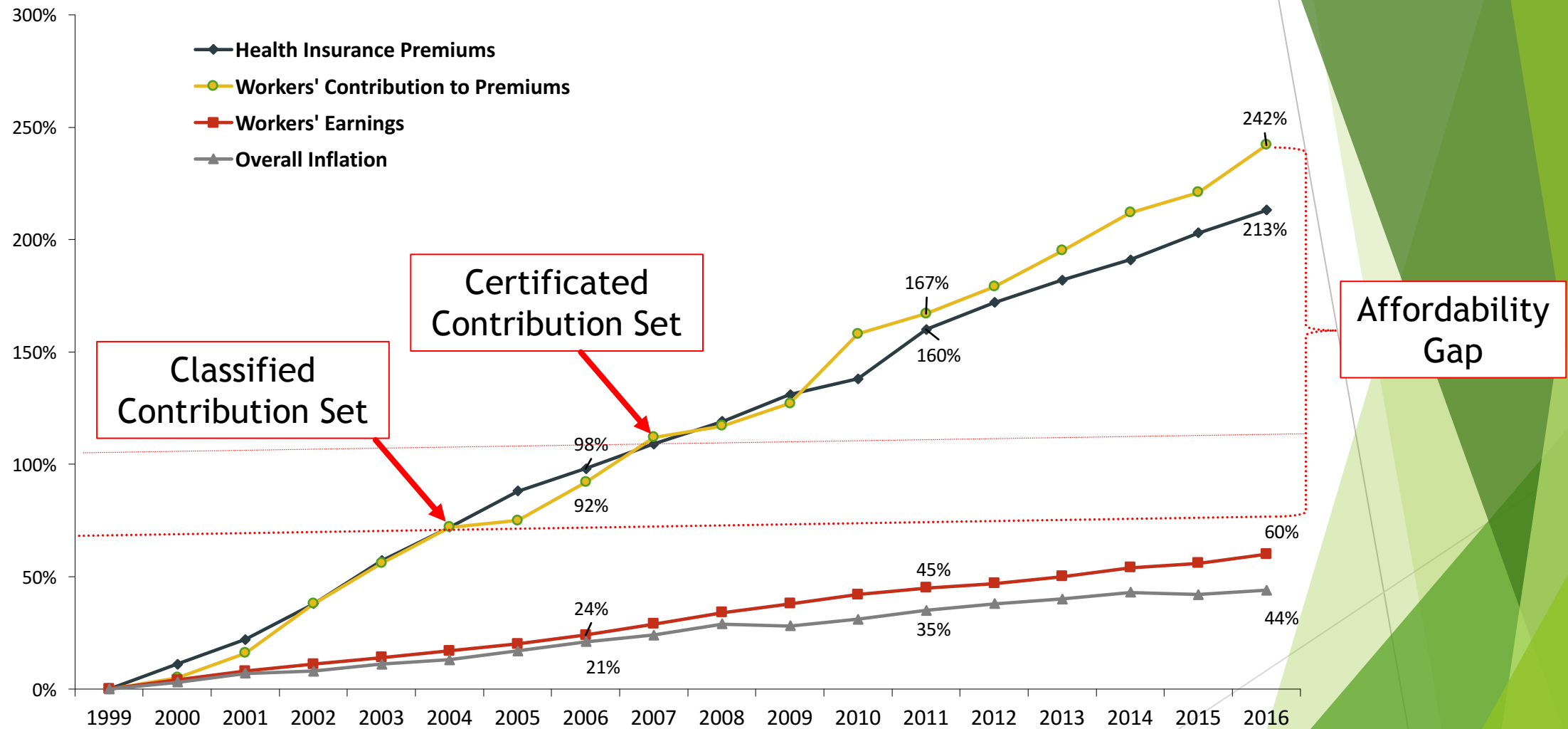
# DJUSD Contribution Strategy

- ▶ Health insurance premiums are expensive by anyone's standards
  - ▶ No participation requirement for medical coverage
  - ▶ Employer contribution is low, and has not increased in several years
    - ▶ *Certificated - 2007/08*
    - ▶ *Classified - 2003/04*
- ▶ Health care rates have continued to increase
- ▶ Insurance has become unaffordable for DJUSD employees





# Cumulative Increases in Health Insurance Premiums, Workers' Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2016



SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2016. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2016; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2016 (April to April).

# Quality Performance of Hospital and Medical Groups



# Medical Group Quality Ratings

## Sacramento & Yolo Counties - 2016-17 Edition

Quality of Care Indicator	Hill Physicians Med Group Sacto	Kaiser Permanente Med Group Roseville/ Sacto	Kaiser Permanente Med Group South Sacto	Mercy Med Grp-Dignity Health Med Fnd	Sierra Nevada Med Assoc	Sutter Independent Physicians	Sutter Med Fnd - Sutter Medical Group	UC Davis Med Grp	Woodland Healthcare
Group Uses Treatments Proven to be Effective	★★★	★★★	★★★	★★★	★	★★★	★★★	★★	★★★
Patients Rate their Medical Group	★★★	★★	★★★★	★★★	★★	★★★	★★★★	★★★★	★★★
Average Annual Payment for Care	Not enough data	\$	\$	\$\$	Not enough data	\$\$\$	\$\$	\$	\$\$
Asthma Care	★★★	★★★	★★	★★	★★	Too Few Patients	★★★	★★	★★★
Checking for Cancer	★★★	★★★	★★★	★★★	★★	★★★	★★★★	★★★	★★★
Chlamydia Screening	★★★	★★★	★★★	★★★	★	★★★	★★★	★	★
Diabetes Care	★★★	★★★	★★★	★★★	★	★★★	★★★	★★★	★★★
Treating Kids Getting the Right Care	★★★	★★★	★★★★	★★★	★★	★★★	★★★	★★	★★★
Communicating with Patients	★★★	★★★	★★★	★★★★	★★	★★	★★★★	★★★	★★★
Coordinating Patient Care	★★★	★★★★	★★★	★★★★	★★★	★★★	★★★★	★★★	★★★★
Health Promotion	★★	★★★	★★★★	★★★	★★★	★★	★★★	★★	★★★
Hospital Office Staff	★★★★	★★★	★★★	★★★★	★★★	★★★	★★★★	★★★★	★★★★
Timely Care and Service	★★★	★★★★	★★★★	★★★	★★★	★★★	★★★	★★	★★★

★ = Poor Quality

★★ = Fair Quality

★★★ = Good Quality

★★★★ = Excellent Quality

\$\$\$ = Highest Cost

\$\$ = Average Cost

\$ = Lower Cost

Source: State of California, Office of Patient Advocate link: <http://www.opa.ca.gov/Pages/ReportCard.aspx>

**WARNING:** This information is subject to change during the course of the plan year. Please review the links noted above for the most current information available.



# 2016 CalPERS Hospital Quality Provider Networks

Data summarized is as of October 2016 within a 30 mile radius of Davis, CA

Sacramento-Yolo County		Hospital Quality Ratings	
#	Hospital Name	Leapfrog Group Hospital Safety Grade (5) UPDATED	CalQuality Care Patient Safety Rating (6)
1	Sutter Davis Hospital	A	Above Average
2	Woodland Memorial Hospital	A	Average
3	Sutter Medical Center Sacramento	A	Average
4	Mercy General Hospital, Sacramento	B	Average
5	University of California Davis Medical Center	A	Below Average
6	Kaiser Hospital - Sacramento	B	Superior
7	Kaiser Hospital - South Sacramento	B	Above Average
8	Methodist Hospital of Sacramento	A	Not Rated
9	Mercy San Juan Medical Center, Carmichael	B	Average
10	Kaiser Hospital - Roseville	A	Above Average
11	Sutter Roseville Medical Center	B	Average
12	Mercy Hospital of Folsom	C	Above Average
13	Lodi Memorial Hospital	B	Above Average

- (1) CalPERS / Anthem Blue Cross of California - [http://www.anthem.com/wps/portal/ca/group?name=calpers&content\\_path=member/t0/s0/t0/pw\\_a115139.htm](http://www.anthem.com/wps/portal/ca/group?name=calpers&content_path=member/t0/s0/t0/pw_a115139.htm)
- (2) CalPERS / Blue Shield of California - <https://www.blueshieldca.com/sites/calpersmember/plans-benefits/active-employee/netvalue-hmo/service-area.sp#la>
- (3) CalPERS / United HealthCare HMO - <http://calpers.welcometouhc.com/find-a-doc.html>
- (4) BD/BD + indicates the hospital was designated as a Blue Distinction Hospital by Anthem Blue Cross of California.
- (5) Independent Quality Review: Leapfrog Group, Hospital Safety Score, Spring 2016 - <http://www.hospitalsafetyscore.org>
- (6) Independent Quality Review: CalQuality Care, Surgical Care Rating - <http://calhospitalcompare.org>

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# Health Literacy

- ▶ Benefits Booklet
- ▶ Open Enrollment Fair
  - ▶ Over 100 employees attended
  - ▶ Covered CA
  - ▶ Health plan representative
  - ▶ Hospital/medical groups
- ▶ ACA Updates
- ▶ Survey on Workshop Priorities for Employees



# Suggested Next Steps

- ▶ Develop multi-year financing model to assist the District and Unions on what's needed to obtain a bid outside of PERS
- ▶ Continue Health Literacy Program (update Benefits Module)
- ▶ Survey employees (need to check our assumptions on opt-out)
- ▶ Continue to monitor and update on ACA
- ▶ Manage and staff open enrollment
- ▶ Solicit RFP on dental and vision
- ▶ Consideration of Wellness Workshops and Planning
- ▶ Continue to work with Health Benefits Committee



# Thank You for the Opportunity!

## Questions?