Kaiser Permanente Proposal Executive Summary for BCTGM Local 118
Prepared by Kaiser Permanente
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Current State

- BCTGM Local 118 members participate in the Bakers Union & FELRA Health & Welfare Fund. To ensure and protect the long-term sustainability of the Fund and to promote the health and well-being of the participants, Local 118 requested a proposal from Kaiser Permanente (Kaiser or KP).
- It is important to partner with an organization that is a leader in prevention, managing chronic conditions and has a track record of financial efficiency. Kaiser Permanente can break down financial barriers to care (union members not seeking treatments due to cost) and enabling members to access services with lower deductibles, lower coinsurance, and provide a consistent benefit design that attracts and retains members.

Proposal from Kaiser Permanente

- Kaiser has proposed the HMO PLUS with a product designed specifically for the Bakers Union & FELRA H&W Fund. This plan brings together the care and coverage of Kaiser with **an enhanced level of benefits** to members that lowers deductibles to $250 and coinsurance to 10% when they seek care from a Kaiser provider.
- The plan also provides coverage outside of Kaiser at for up to 10 office visits and 5 prescription fills (up to 90 days each) per year. These out of network benefits are at a copay and not subject to deductible, allowing members to continue existing provider relationships, or seek more affordable care at a Kaiser Facility.
- The KP Plan is fully insured, meaning the Fund will no longer be taking the risk for overall claims.
- Actuarial Values were calculated using the 2020 CMS AV Calculator. Actuarial value is defined as the ratio of total paid plan costs to total allowed plan costs. Paid plan costs are medical plan expenses that are paid by health insurance companies, while allowed plan costs are the total costs paid to the providers, as defined by the Affordable Care Act rules. These total costs include insurer paid amounts and cost sharing paid by insured individuals.
- **The KP Plus Plan reflects an actuarial value of 91.38%. This would be considered a Platinum plan.** Based on the AV value we estimate that the benefit plan would cover approximately 91.38% of medical costs with members picking up the remaining 8.62%
- With further analysis of existing Baker's plans we came up with the AV values as;
- Plan 1 89.18%
- Plan 2 86.16%
- Plan 3 83.76%
- Demonstrating the Insurer vs Member OOP cost on an annual basis ($984.95 PEPM based on claims)

	Insurer	Member
• KP DHMO Plus	$10,800.59	$1,018.83
• Plan 1	$10,540.56	$1,278.86
• Plan 2	$10,183.61	$1,635.81
• Plan 3	$9,899.95	$1,919.47

Recommendation

- Based on the superior level of benefits, projected long term costs savings and anticipated better health outcomes, **we are recommending a transition to Kaiser Permanente.**
- Kaiser welcomes the opportunity to offer Local 118 members a health program designed to move members toward a state of total health and productivity. Because prevention and disease management are built into the way we deliver care, Kaiser is uniquely suited to be your single expert source for bringing health and wellness to your members.
- For more information on the HMO Plus Plan please see the SBC and a video explaining the benefits of this plan.

Videos on the KP Plus Plan

https://www.youtube.com/watch?v=MgKe3trgEKw&feature=youtu.be

https://www.brainshark.com/1/player/kp?fb=0&r3f1=&custom=mas_plusplan&pdcn=pdc3a70