

Attachment A1 - Blue Shield Plan Active Employees

BLUE SHIELD EPO Low Option	2013 Monthly Medical Premium*
Employee Only	\$500.25
Employee with 1 Dependent	\$925.25
Employee with Two or more dependents	\$1,452.25
BLUE SHIELD EPO High Option	2013 Monthly Medical Premium*
Employee Only	\$579.25
Employee with 1 Dependent	\$1,072.25
Employee with Two or more dependents	\$1,683.25
BLUE SHIELD PPO	2013 Monthly Medical Premium*
Employee Only	\$763.25
Employee with 1 Dependent	\$1,411.25
Employee with Two or more dependents	\$2,219.25
BLUE SHIELD HDHP	2013 Monthly Medical Premium*
Employee Only	\$430.25
Employee with 1 Dependent	\$770.25
Employee with Two or more dependents	\$1,212.25

* Excluding \$4.69 monthly premium for Employee Assistance Plan and Care Counsel Healthcare Assistance Plan

Attachment A 2 - Early Retiree Plan (with and without Medicare Dependents)

Non-Medicare (NMC) Retiree with Non-Medicare Dependents

BLUE SHIELD EPO Low Option	2013 Monthly Medical Premium
NMC Retiree only	\$963.25
NMC Retiree + NMC dep	\$1,781.25
NMC Retiree + 2 or more NMC deps	\$2,797.25
BLUE SHIELD EPO High Option	2013 Monthly Medical Premium
NMC Retiree only	\$1,116.25
NMC Retiree + NMC dep	\$2,064.25
NMC Retiree + 2 or more NMC deps	\$3,242.25
BLUE SHIELD PPO	2013 Monthly Medical Premium
NMC Retiree only	\$981.25
NMC Retiree + NMC dep	\$1,814.25
NMC Retiree + 2 or more NMC deps	\$2,852.25
BLUE SHIELD HDHP	2013 Monthly Medical Premium
NMC Retiree only	\$741.25
NMC Retiree + NMC dep	\$1,372.25
NMC Retiree + 2 or more NMC deps	\$2,156.25

Non-Medicare Retiree with Medicare (MC) Dependents

BLUE SHIELD EPO Low Option	2013 Monthly Medical Premium
NMC Retiree + 1 MC dep	\$1,478.25
NMC Retiree + 2 MC deps	\$1,993.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$2,296.25
BLUE SHIELD EPO High Option	2013 Monthly Medical Premium
NMC Retiree + 1 MC dep	\$1,648.25
NMC Retiree + 2 MC deps	\$2,179.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$2,596.25
BLUE SHIELD PPO	2013 Monthly Medical Premium
NMC Retiree + 1 MC dep	\$1,565.25
NMC Retiree + 2 MC deps	\$2,150.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$2,398.25
BLUE SHIELD HDHP	2013 Monthly Medical Premium
NMC Retiree + 1 MC dep	\$1,325.25
NMC Retiree + 2 MC deps	\$1,910.25
NMC Retiree + 1 MC dep + 1 NMC dep	\$1,956.25

Attachment A 3 - Post 65 Retiree Blue Shield Monthly Medical Plans

Medicare Retiree with Non-Medicare Dependents

BLUE SHIELD EPO Low Option	2013 Monthly Medical Premium
MC Retiree Only	\$515.25
MC Retiree + 1 NMC dep	\$1,333.25
MC Retiree + 2 NMC deps	\$2,349.25
MC Retiree + 1 MC dep + 1 NMC dep	\$1,848.25
BLUE SHIELD EPO High Option	2013 Monthly Medical Premium
MC Retiree Only	\$531.25
MC Retiree + 1 NMC dep	\$1,479.25
MC Retiree + 2 NMC deps	\$2,657.25
MC Retiree + 1 MC dep + 1 NMC dep	\$2,011.25
BLUE SHIELD PPO	2013 Monthly Medical Premium
MC Retiree Only	\$585.25
MC Retiree + 1 NMC dep	\$1,418.25
MC Retiree + 2 NMC deps	\$2,456.25
MC Retiree + 1 MC dep + 1 NMC dep	\$2,002.25
BLUE SHIELD HDHP	2013 Monthly Medical Premium
MC Retiree Only	\$585.25
MC Retiree + 1 NMC dep	\$1,216.25
MC Retiree + 2 NMC deps	\$2,000.25
MC Retiree + 1 MC dep + 1 NMC dep	\$1,800.25

Medicare Retiree with Medicare Dependents

BLUE SHIELD EPO Low Option	2013 Monthly Medical Premium
MC Retiree + 1 MC dep	\$1,030.25
MC Retiree + 2 MC deps	\$1,545.25
BLUE SHIELD EPO High Option	2013 Monthly Medical Premium
MC Retiree + 1 MC dep	\$1,063.25
MC Retiree + 2 MC deps	\$1,594.25
BLUE SHIELD PPO	2013 Monthly Medical Premium
MC Retiree + 1 MC dep	\$1,169.25
MC Retiree + 2 MC deps	\$1,753.25
BLUE SHIELD HDHP	2013 Monthly Medical Premium
MC Retiree + 1 MC dep	\$1,169.25
MC Retiree + 2 MC deps	\$1,753.25

Active Employee Monthly Premium Rates

KAISER HMO LOW	2013 Monthly Premium
Employee Only	\$429.39
Employee with 1 Dependent	\$815.61
Employee with Two or more dependents	\$1,244.75
KAISER HMO HIGH	2013 Monthly Premium
Employee Only	\$445.73
Employee with 1 Dependent	\$846.67
Employee with Two or more dependents	\$1,292.15

Early Retiree Monthly Premium Rates**Non-Medicare (NMC) Retiree with Non-Medicare Dependents**

KAISER HMO LOW	2013 Monthly Premium
NMC Retiree only	\$623.67
NMC Retiree + NMC dep	\$1,184.76
NMC Retiree + 2 or more NMC depts	\$1,808.18
KAISER HMO HIGH	2013 Monthly Premium
NMC Retiree only	\$649.55
NMC Retiree + NMC dep	\$1,233.93
NMC Retiree + 2 or more NMC depts	\$1,883.23

Non-Medicare Retiree with Medicare (MC) Dependents

KAISER HMO LOW	2013 Monthly Premium
NMC Retiree only	\$623.67
NMC Retiree + MC dep	\$769.10
NMC Retiree + 2 MC depts	\$914.53
NMC Retiree + 1 MC dep + 1 NMC dep	\$1,392.52
KAISER HMO HIGH	2013 Monthly Premium
NMC Retiree only	\$649.55
NMC Retiree + MC dep	\$822.31
NMC Retiree + 2 MC depts	\$995.07
NMC Retiree + 1 MC dep + 1 NMC dep	\$1,471.61

Post 65 Monthly Premium Rates**Medicare Retiree with Non-Medicare Dependents**

KAISER SENIOR ADVANTAGE HMO Low	2013 Monthly Premium
MC Retiree Only	\$145.68
MC Retiree + 1 NMC dep	\$706.77
MC Retiree + 2 NMC depts	\$1,330.19
MC Retiree + 1 MC dep + 1 NMC dep	\$914.53
KAISER SENIOR ADVANTAGE HMO High	2013 Monthly Premium
MC Retiree Only	\$173.01
MC Retiree + 1 NMC dep	\$757.39
MC Retiree + 2 NMC depts	\$1,406.69
MC Retiree + 1 MC dep + 1 NMC dep	\$995.07

Medicare Retiree with Medicare Dependents

KAISER SENIOR ADVANTAGE HMO Low	2013 Monthly Premium
MC Retiree + 1 MC dep	\$291.11
MC Retiree + 2 MC depts	\$436.54
KAISER SENIOR ADVANTAGE HMO High	2013 Monthly Premium
MC Retiree + 1 MC dep	\$345.77
MC Retiree + 2 MC depts	\$518.53



August 13, 2012

County of Santa Barbara
Andreas Pyper
1226 Anacapa Street Suite 1
Santa Barbara, CA 93101

Dear Andreas,

Alliant has reviewed the County of Santa Barbara's self-funded dental plan for the 2011-2012 plan year. The below items summarize the dental renewal underwriting, reserve position and income/expenses.

Renewal Underwriting:

- Paid claims reflect the most recent 12 month experience period from: July 1, 2011 through June 30, 2012. The data was obtained from Golden West and assumes accurate information.
- Due to incomplete information provided by Goldenwest, the renewal underwriting assumes that enrollment counts for January through June 2012 remains unchanged from December 2011 levels.
- The beginning and ending incurred but not reported (IBNR) reserve was calculated based on assumptions that the reserve is equal to one month of claims over the experience period.
- The annual trend factor used is: 5.75%. Claims were trended over 18 months, to obtain the projected paid claims for the next renewal period.
- Based on dental renewal underwriting, the required increase to current premium is: 9.63%.
- The projected required increase to total annual premium is approximately: \$218,730 (given the current enrollment mix).
- The County of Santa Barbara has been advised to hold three months of claims + IBNR in a contingency reserve. The current balance of this contingency reserve is approximately: \$2.26 million. The required level of reserve, based on this recommendation would be approximately: \$776,559.
- If the County of Santa Barbara decides to use their excess reserve to offset any portion of the renewal increase, there are adequate funds available to do so.

Reserve Position:

- Table 1: shows the estimated reserve position of the County of Santa Barbara's self-funded dental plan as of: June 30, 2012. The estimated contingency reserve balance for Actives as of June 30, 2012 is: \$1,174,182. The estimated contingency reserve balance for Retirees as of June 30, 2012 is: \$480,401.

Income and Expenses:

- Table 2: shows the income and expenses classified by Actives (including COBRA and Superior Court employees) and Retirees. For the period: July 1, 2011 through June 30, 2012 the Active group had an operating addition of: (\$45,720), and the Retiree group had an operating addition in the amount of: (\$162,554).

Sincerely,

Darren Wong
Program Underwriter
Alliant Insurance Services, Inc.

COUNTY OF SANTA BARBARA
SELF FUNDED DENTAL PPO UNDERWRITING ANALYSIS

Renewal Date January 1, 2013
 Most Recent Experience Through July 1, 2012

		<u>Golden West Dental</u> (Current Plan)
Current Funding PEPM¹		\$60.94
<u>Paid Claims²</u>		\$2,142,023
Beginning IBNR Reserve		(\$168,796)
Ending IBNR Reserve		\$178,502
Adjusted Incurred Claims		\$2,151,729
Most Recent Month Enrollment³		3,154
Average Monthly Enrollment⁴		3,085
<i>(Jan to June 2012 counts are estimated using Dec 2011 data)</i>		
Adjusted Incurred Claims PEPM		\$58.12
Trend Adjustment		
Annual Trend		5.75%
Applied Trend Factor		1.087
Trended Claims PEPM		\$63.21
Plan Change Adjustment Factor⁵		0.0%
Projected Claims PEPM		\$63.21
Margin Adjustment		\$0.00
<u>Program Fixed Costs</u>		
<u>Administration</u>		
Golden West Admin Fee		\$3.61
Program Fixed Costs		\$3.61
Net Required Premium		\$66.82
Annual Required Premium		\$2,528,861
% Premium Change (No Buy Down)		9.63%

¹ Current funding composite pepm is calculated based on Golden West report through Dec. 2011 and 3-tier funding rates for actives, COBRA, and retirees received from County

² Paid claims are based on Golden West report covering July 2011 through June 2012. Incomplete data for Dec 2011 was provided by Goldenwest. Alliant used data from Dec 2010 with trend of 5.75% in place of Dec 2011 claims

³ Based on most recent subscriber count provided by Golden West (Dec 2011)

⁴ Plan enrollment from Jan to June 2012 are estimated based on Dec 2011 enrollment. Goldenwest was unable to provide 2012 enrollment counts due to system issues.

⁵ Plan change factors based on Alliant/Delta Dental book of business

*The projections above are estimates based on claim data and do not represent guaranteed savings

COUNTY OF SANTA BARBARA

Table 1: Reserve Position of the Self-Funded Dental Plan

	Active	Retiree	Combined
Fund Reserves as of June 30, 2012 ¹	\$1,492,903	\$767,186	\$2,260,089
Operating Addition: July 1, 2011 through June 30, 2012 ²	(\$45,720)	(\$162,554)	(\$208,273)
Fund Reserves as of June 30, 2012	\$1,447,184	\$604,632	\$2,051,816
Pending/Unrevealed Claims Reserve ³	(\$127,547)	(\$50,955)	(\$178,502)
Estimated Contingency Reserve as of June 30, 2012	\$1,319,637	\$553,677	\$1,873,314
Estimated Renewal Subsidy (to offset 100% of renewal increase)	(\$145,454)	(\$73,276)	(\$218,730)
Estimated Contingency Reserve as of June 30, 2012 (reflects renewal subsidy)	\$1,174,182	\$480,401	\$1,654,584

¹Fund reserve balance as of June 30, 2012 was obtained from County Financial Status Report and includes Cash in Treasury (0110), Imprest Cash with Bank (0125), and Accounts Receivable (0230). Individual fund reserve balances for active and retiree categories are estimates based on a percentage of enrollment from July 1, 2011 through June 30, 2012

²Operating addition obtained from Table 2: Income and Expenses of Self-Funded Dental Plan

³Pending claims reserve estimates are based on claims experience from July 1, 2011 through June 30, 2012

COUNTY OF SANTA BARBARA

Table 2: Income and Expenses of Self-Funded Dental Plan

	Income and Expenses of Self-Funded Dental Plan		
	Active 7/1/11 - 6/30/12	Retiree 7/1/11 - 6/30/12	Combined 7/1/11 - 6/30/12
Income			
County Contributions	\$651,481		\$651,481
Employee/Retirement Contributions	\$871,210	\$654,464	\$1,525,674
COBRA Contributions	\$20,600		\$20,600
Superior Court Contributions	\$0		\$0
Miscellaneous Revenue ¹	\$0	\$0	\$0
Interest Income	\$2,599	\$1,102	\$3,701
Unrealized Gain/Loss on Investments ²	\$2,349	\$996	\$3,346
Total Income	\$1,548,239	\$656,563	\$2,204,802
Expenses			
Paid Claims ³	\$1,414,915	\$727,108	\$2,142,023
Golden West Administrative Fees ⁴	\$88,111	\$45,279	\$133,390
Miscellaneous Expenses ⁵	\$90,933	\$46,730	\$137,663
Total Expenses	\$1,593,959	\$819,117	\$2,413,075
Operating Addition	(\$45,720)	(\$162,554)	(\$208,273)

Note: Income and Expenses are obtained from Financial Status Report (by Dept, Fund) and Golden West Claims Report

¹Miscellaneous Revenue and Interest Income are allocated by the share of total contributions from each group

²Unrealized gain/loss on investments was obtained from County Financial Status Report

³Paid Claims were provided by Golden West report in aggregate and reflect the period of July 1, 2011 through June 30, 2012

Individual paid claims for active and retiree categories are estimates based on a percentage of enrollment from July 2011 through Dec 2011

⁴Golden West Administrative Fees are annualized totals estimated from enrollment covering July 2011 to December 2011 and assume fees of \$3.61 per employee per month

⁵Miscellaneous Expenses include: Services and Supplies and Other Charges, (7050- Communications, 7450- Office Expense, 7510- Contractual Services, 7669- Cost Allocations, 7730- Transportation and Travel, 7895- Liability Insurance, 7897- Telephone Services and 7899- Telephone Toll Charges). Miscellaneous Expenses are allocated by the share of total contributions from each group.

COUNTY OF SANTA BARBARA

SELF-FUNDED DENTAL RATES (No Buy Down)

Effective Date: January 1, 2013 and January 1, 2014

Enrollment (as of December 2011)	Actives	COBRA	Retirees	Total	% Change from Current
Single	1,194	49	782	2,025	
2-Party	404	13	280	697	
Family	424	1	7	432	
Total	2,022	63	1,069	3,154	
Current Dental Funding Rates					
Single	\$39.02	\$39.02	\$46.52	\$1,018,566	
2-Party	\$74.97	\$74.97	\$93.05	\$687,798	
Family	\$115.40	\$115.40	\$139.57	\$600,264	
Total Estimated Annual Premium	\$1,509,688	\$36,024	\$760,916	\$2,306,628	
2013 Projected Rates- Maintain Current Plan Design					
Single	\$42.78	\$42.78	\$51.00	\$1,116,690	
2-Party	\$82.19	\$82.19	\$102.01	\$754,032	
Family	\$126.52	\$126.52	\$153.02	\$658,106	
Total Estimated Annual Premium	\$1,655,143	\$39,495	\$834,191	\$2,528,829	9.6%

Attachment D - Self-funded Dental PPO

County Self-funded Dental PPO

ACTIVE EMPLOYEES	2013 Monthly Premium
Employee Only	\$39.02
Employee with 1 Dependent	\$74.97
Employee with Two or more dependents	\$115.40
EARLY RETIREES	2013 Monthly Premium
Retiree Only	\$46.52
Retiree + 1 dep	\$93.05
Retiree + 2 dep	\$139.57
POST - 65 RETIREES	2013 Monthly Premium
Retiree Only	\$46.52
Retiree + 1 dep	\$93.05
Retiree + 2 dep	\$139.57

Goldenwest Pacesetter DMO

ACTIVE EMPLOYEES	2013 Monthly Premium
Employee Only	\$33.95
Employee with 1 Dependent	\$55.81
Employee with Two or more dependents	\$84.73
EARLY RETIREES	2013 Monthly Premium
Retiree Only	\$33.95
Retiree + 1 dep	\$55.81
Retiree + 2 dep	\$84.73
POST - 65 RETIREES	2013 Monthly Premium
Retiree Only	\$33.95
Retiree + 1 dep	\$55.81
Retiree + 2 dep	\$84.73

Vision Service Plan (VSP)

ACTIVE EMPLOYEES	2013 Monthly Premium
Employee Only	\$5.91
Employee with 1 Dependent	\$8.51
Employee with Two or more depende	\$15.27
EARLY RETIREES	2013 Monthly Premium
Retiree Only	\$5.91
Retiree + 1 dep	\$8.51
Retiree + 2 dep	\$15.27
POST - 65 RETIREES	2013 Monthly Premium
Retiree Only	\$5.91
Retiree + 1 dep	\$8.51
Retiree + 2 dep	\$15.27

Attachment G - CareCounsel Healthcare Assistance Plan

Care Counsel *	2013 Monthly Premium
Active employees enrolled in a health plan	\$1.95
Retirees enrolled in a health plan	\$3.25

Attachment H - United Healthcare (UHC) Medicare Risk Plan

Medicare (MC) Retiree with Non-Medicare Dependents

UHC Medicare Risk Plan HMO Low Option	2013 Monthly Medical Premium
MC Retiree only	\$288.76
UHC Medicare Risk Plan HMO High Option	2013 Monthly Medical Premium
MC Retiree only	\$453.04

Medicare (MC) Retiree with Medicare Dependents

UHC Medicare Risk Plan HMO Low Option	2013 Monthly Medical Premium
MC Retiree + 1 MC dep	\$577.52
MC Retiree + 2 MC deps	\$866.28
UHC Medicare Risk Plan HMO High Option	2013 Monthly Medical Premium
MC Retiree + 1 MC dep	\$906.08
MC Retiree + 2 MC deps	\$1,359.12

Health Oversight Committee Members

Human Resources

Bob MacLeod
Andreas Pyper
Michael Menerey – Alliant Insurance Services

SBCERS

Lila Deeds

Auditor Controller

Toni McDonald

County Executive Office

Jette Christiansson

Deputy Sheriffs' Assn.

David Brookshire

District Attorneys' Assn.

Mag Nicola

**Engineers &
Technicians Assn.**

Henry Martinez
David Brummond

Firefighters,

Local 2046

Bob Perez

Probation Peace

Officers Assn.

Tara Presley
Sonia Alcantar

Retired Employees' Assn.

Greg Mohr
Zandra Cholmondeley

SEIU, Local 620

Crystal Neal
Robin Barber

SEIU, Local 721

Rey Ybarra

Sheriffs' Manager Assn.

Ugo Arnoldi
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**Union of American
Physicians & Dentists**

Mark Kofler, M.D.