Confidential

Local 730:

Medical Plan Evaluation

June 18, 2020

Agenda

- Review Current State (Cigna)
- Discuss Kaiser Permanente Offer
  - Benefit Design
  - Financial Analysis & Assumptions
- Discuss Next Steps
- Appendix
  - Kaiser – Experience & Implementation Material
  - About NFP

Current State

Current State: Cigna PPO

- Current Plan: Cigna PPO, with claims / billing managed by Associated
- Jan 1 renewal; self-funded with variable costs (volatility)
- Requires significant reserved to account for IBNR
- Total Gross Spend: $992.73 PEPM (per employee per month)

Current State: Cigna PPO

Plan Features	In-Network
Annual Deductible | Single	$800
Annual Deductible | Family	$1,600
Coinsurance - Member Pays	20%
Annual Out-of-Pocket Medical | Single	$6,250
Annual Out-of-Pocket Medical | Family	$12,500
Primary Care Physician/Specialist	After the plan $35, member pays 20%
Preventive Services	100%
Outpatient X-Rays	20%
Emergency Room (waived if admitted)	20%
Urgent Care	After the plan $35, member pays 20%
Inpatient Hospitalization	20%
Outpatient Services (MH/BH/SA)	After the plan $35, member pays 20%
Pharmacy	
Deductible | Single	None
Deductible | Family	None
Tier 1/Tier 2/Tier 3/Tier 4	$15 / $40 / $75
Mail Order	2X Retail Copays
Annual Out-of-Pocket | Single	$1,100
Annual Out-of-Pocket | Family	$2,200

Current plan includes out-of-network benefits subject to balance billing

Current State: Financials

Costs	PPO	PPO
Employee Only	152	$814.26
Employee + Family	204	$1,125.70
356	**356**	
Total Monthly Premium		**$353,410.32**
Annual Premium		**$4,240,923.84**

This does not include the reserves / IBNR.

Kaiser Offer

Kaiser Offer: Plan Comparison (IN-Network)

Carrier	**Cigna**	**Alt 1** **Kaiser**
Plan Name	PPO	
Plan Type	PPO	**HMO**
Network	PPO	**KP Sig**
	In-Network	**In-Network**
Annual Deductible | Single	$800	$0
Annual Deductible | Family	$1,600	$0
Coinsurance - Member Pays	20%	0%
Annual Out-of-Pocket Medical | Single	$6,250	$2,250
Annual Out-of-Pocket Medical | Family	$12,500	$4,500
Primary Care Physician/Specialist	After the plan $35, member pays 20%	$20 / $40
Preventive Services	100%	100%
Outpatient X-Rays	20%	$100
Emergency Room (waived if admitted)	20%	$100
Urgent Care	After the plan $35, member pays 20%	$40
Inpatient Hospitalization	20%	$500
Outpatient Services (MH/BH/SA)	After the plan $35, member pays 20%	$20
Pharmacy		
Deductible | Single	None	None
Deductible | Family	None	None
KP Pharmacy Tier 1/Tier 2/Tier 3/Tier 4	N/A	$0 / $25 / $50
Tier 1/Tier 2/Tier 3/Tier 4	$15 / $40 / $75	$10 / $50 / $75
Mail Order	2X Retail Copays	2X Retail Copays
Annual Out-of-Pocket | Single	$1,100	Combined with medical
Annual Out-of-Pocket | Family	$2,200	Combined with medical

Kaiser Offer: Plan Comparison (Out of Network)

		Alt 1
Carrier	**Cigna**	**Kaiser**
Plan Name	PPO	
Plan Type	PPO	**HMO**
Network	PPO	**KP Sig**
	Out-of-Network	**Out-of-Network**
Annual Deductible | Single	$800	$800
Annual Deductible | Family	$1,600	$1,600
Coinsurance - Member Pays	20%	20%
Annual Out-of-Pocket Medical | Single	$6,250	$6,250
Annual Out-of-Pocket Medical | Family	$12,500	$12,500

Current plan and KP plan includes out-of-network benefits subject to balance billing

Kaiser Offer: Financial Comparison to Current

			Alt 1
Carrier		**Cigna**	**Kaiser**
Plan Name		PPO	
Plan Type		PPO	**HMO**
Network		PPO	**KP Sig**
Costs	PPO	PPO	HMO
Employee Only	152	$814.26	$708.17
Employee + Family	204	$1,125.70	$970.20
356	**356**		
Monthly Premium		**$353,410**	**$305,563**
Total Monthly Premium		**$353,410**	**$305,563**
Annual Premium		**$4,240,924**	**$3,666,752**
% Change Over Current			**-13.54%**
$ Change Over Current			**-$574,172**

Annualized savings over 12 months
PEPM decreases from $992.73 to $858.32

Kaiser Offer: Considerations

- Plan Year proposed begins August 1, 2020
  - Current Calendar Year Plan with Calendar year accumulators
    - Deductibles (only for OON) will reset at the plan year start
- Segal has reviewed the underwriting and the proposal
- Implementation must begin ASAP to ensure a smooth “go live”

Next Steps

Next steps

BUILDING OFF OF TODAY'S DISCUSSION:

- FINALIZE DECISION TO MOVE TO KP OR REMAIN WITH CIGNA
- IF KAISER IS SELECTED, NFP AND ASSOCIATED WITH COORDINATE TO ENSURE A SMOOTH IMPLEMENTATION

Appendix

Kaiser Slides

A long-standing commitment to labor since 1945

We’re the largest unionized, nonprofit health care organization in the country.

Building on a history of health

THEN Our membership was a bit smaller than it is now.

13,000
shipyard, steel mill, and construction workers

NOW We're working with **460** trust funds to serve our growing membership.

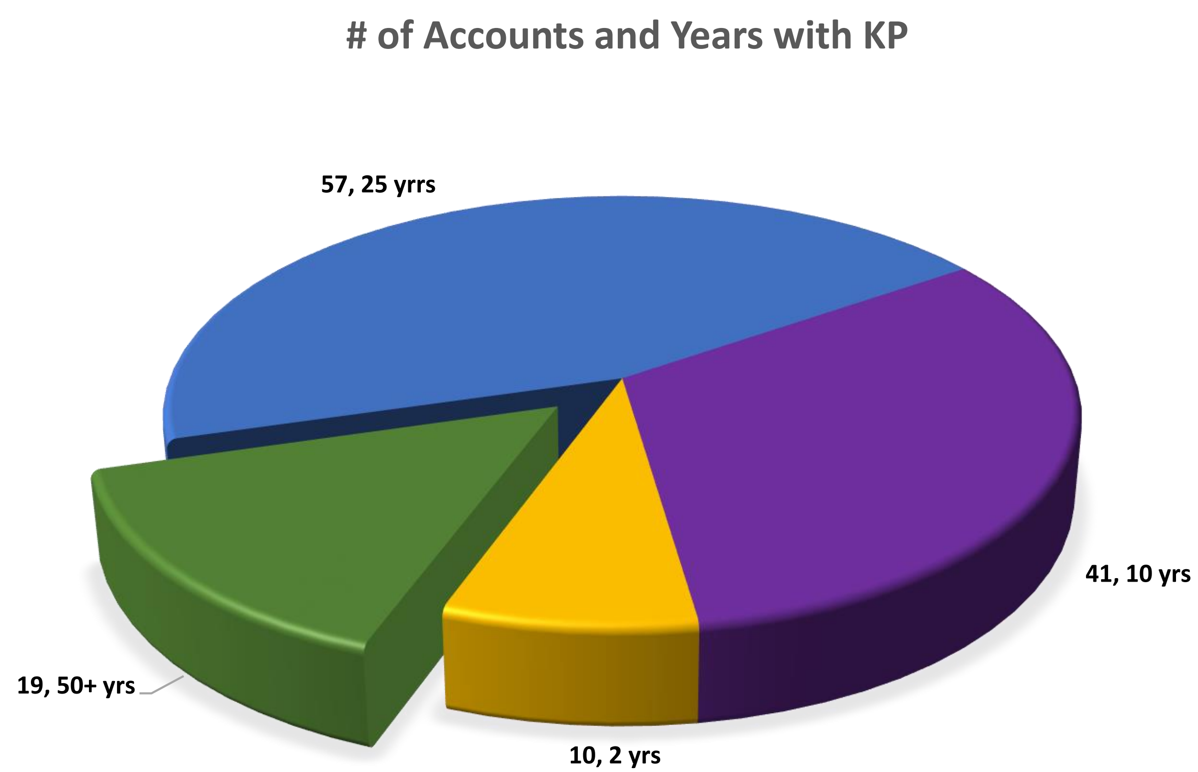
887,000
union workers and their families

KAISER PERMANENTE®

Union Partnership in Action

Long Term Stability

- Top 120 Groups; Number of Years with Kaiser Permanente

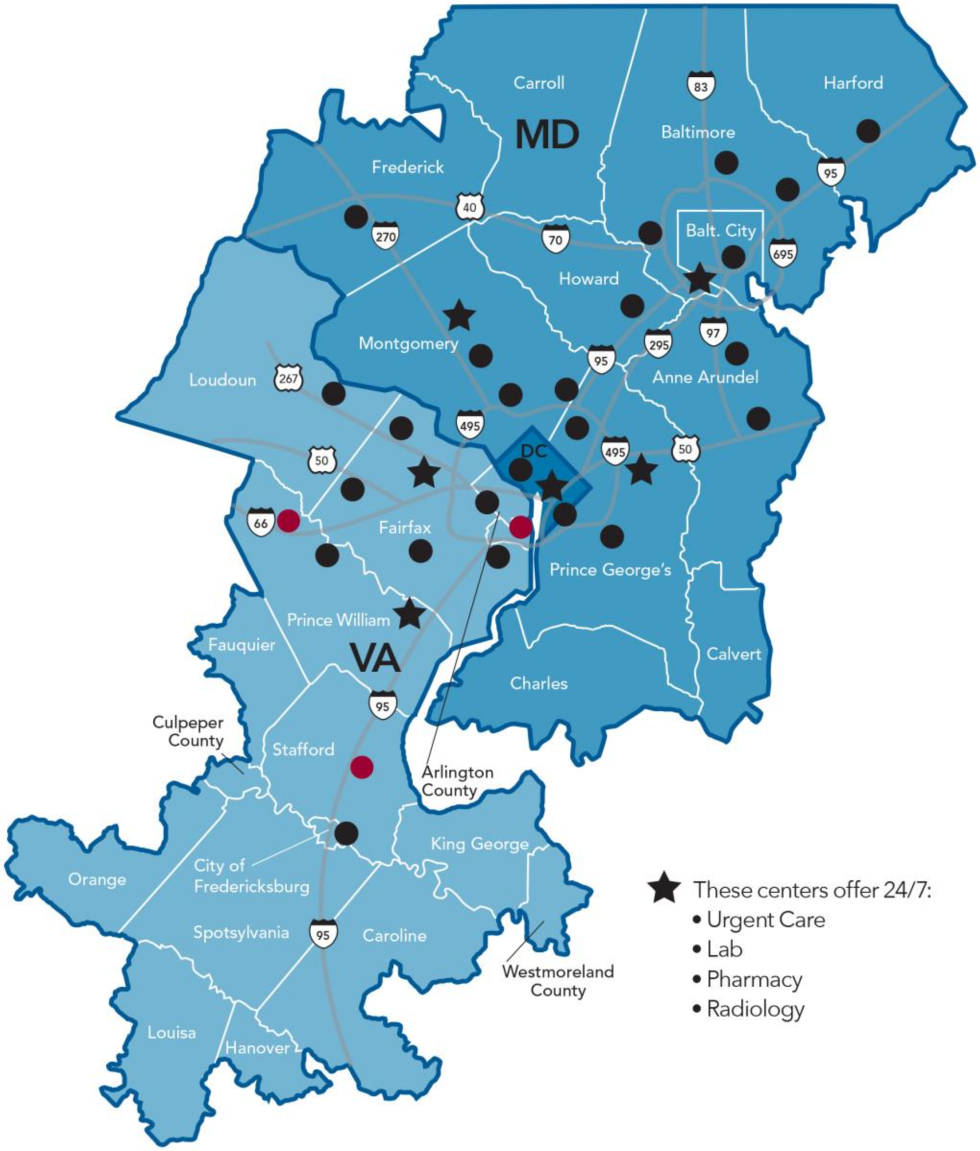


Mid-Atlantic Regional Growth & Expansion

Care and coverage together

- Located in Maryland, Virginia and the District of Columbia
- We are a not for profit health plan
- More than 800,000 members
- We cover Medicare, Medicaid, Individual and all commercial lines.
- More than 1,600 Mid-Atlantic Permanente Medical Group physicians
- More than 8,600 employees
- Over 7,400 represented employees
- 30 medical facilities (3 more opening in 2019)
- 24 hours / 7 days / 365 days care available

Mid-Atlantic Service Area



30 medical centers

3 new medical centers opened in 2019

URGENT CARE CENTERS:
Open nights, weekends, and holidays (call for specific hours). With general radiology (X-ray), lab, and pharmacy services, plus on-site IV treatments.

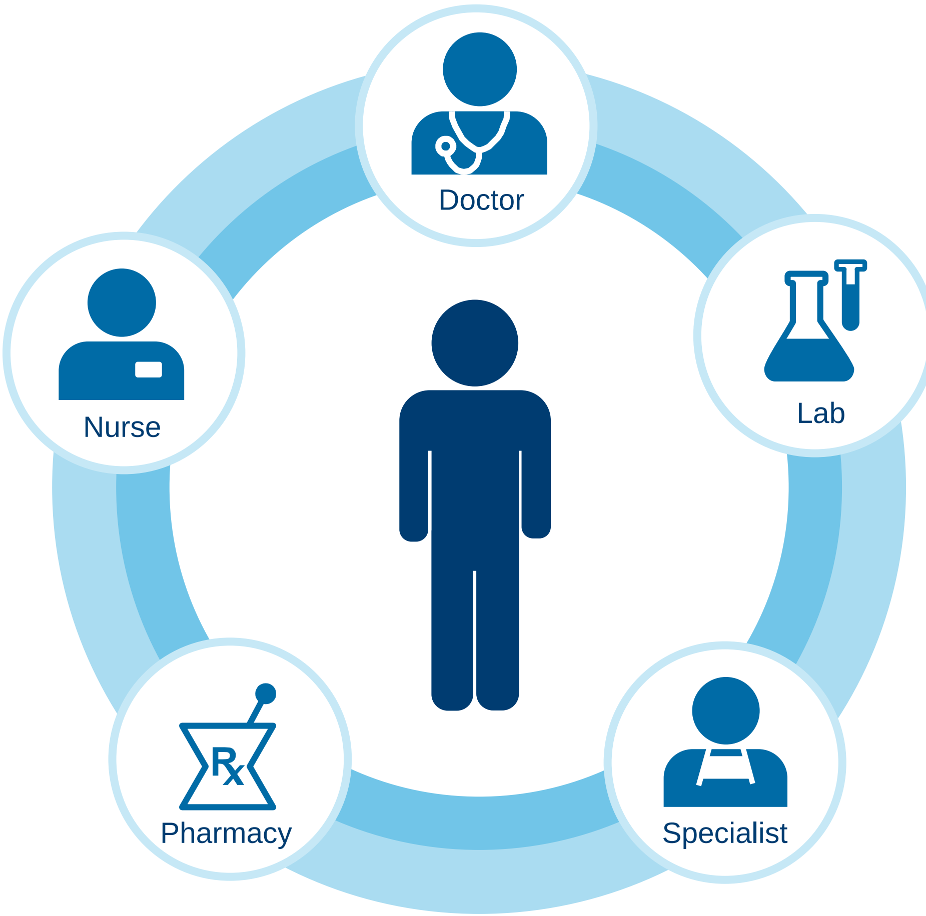
URGENT CARE PLUS CENTERS
(Open 24/7)**:**
Like our urgent care centers, with even more services under one roof, including advanced imaging (such as CT), observation unit, cardiac monitoring—all open around the clock

A health care partner for your union clients

Integrated care drives workforce productivity

Population health management harnesses the power of data-driven insights to deliver high-quality care for union workers and help you:

- Keep workers healthy and on the job.
- Improve engagement while reducing sick days
- Become a union of choice

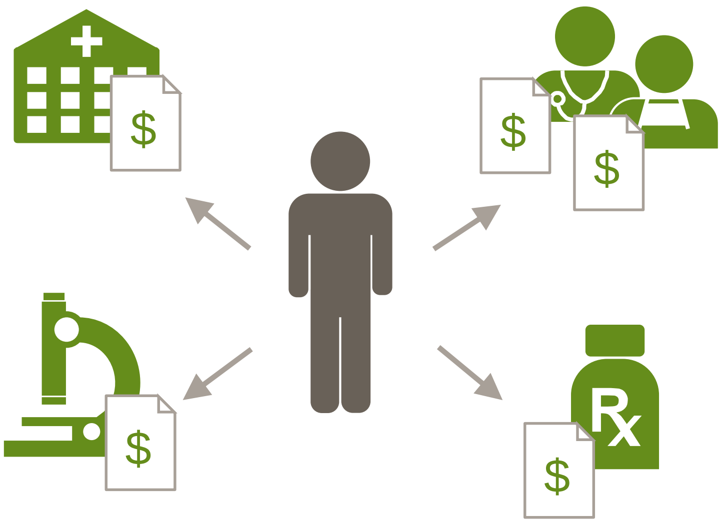


KAISER PERMANENTE®

The value of connected care

Fee-for-service model

Payment for each service regardless of quantity or quality, burdened by network and provider quality variations. Duplication, waste, and inconvenience impacts costs.

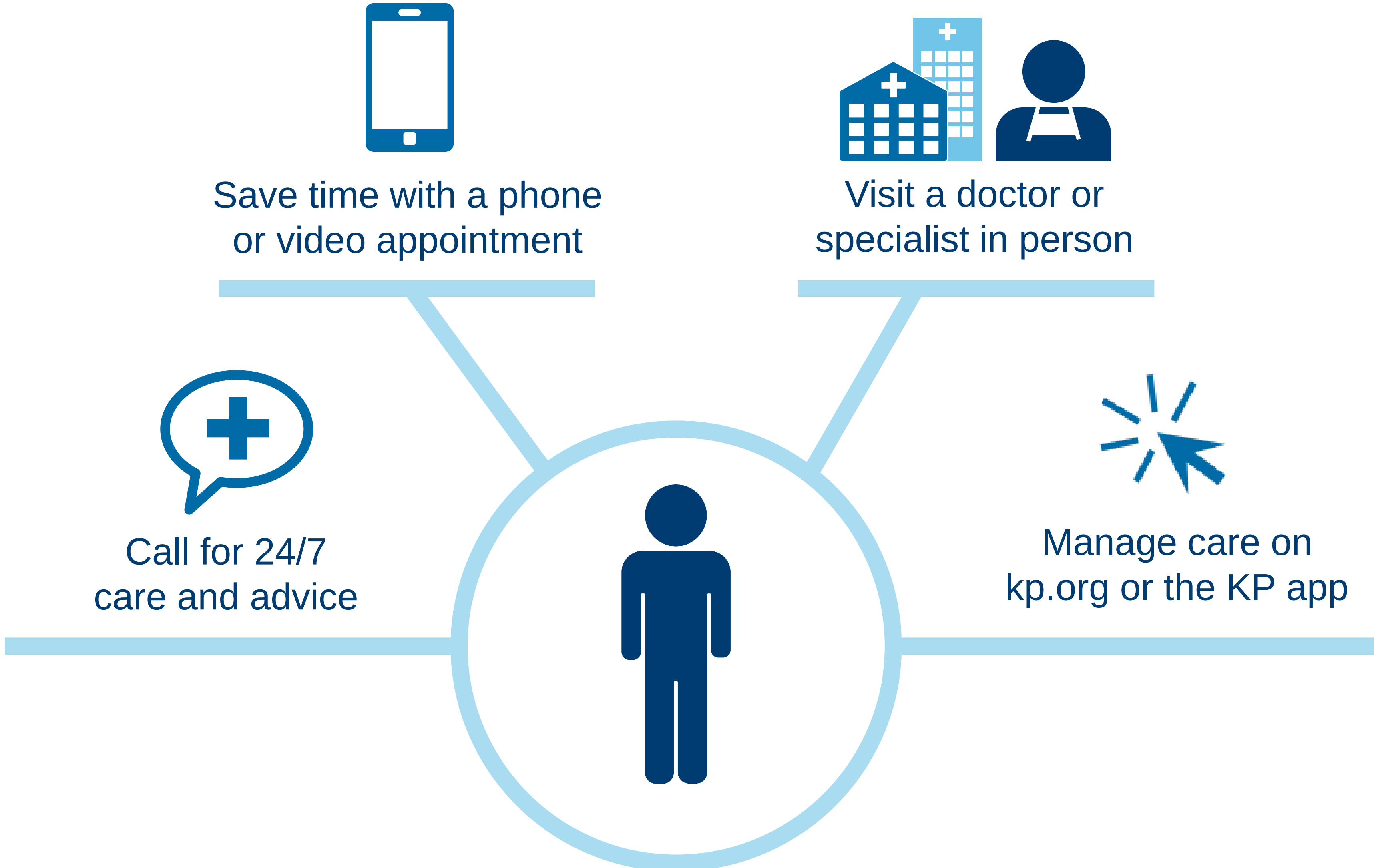


KP's Fee-for-Value model

Single payment for the right care at the right time, in the right place to manage your health care needs.

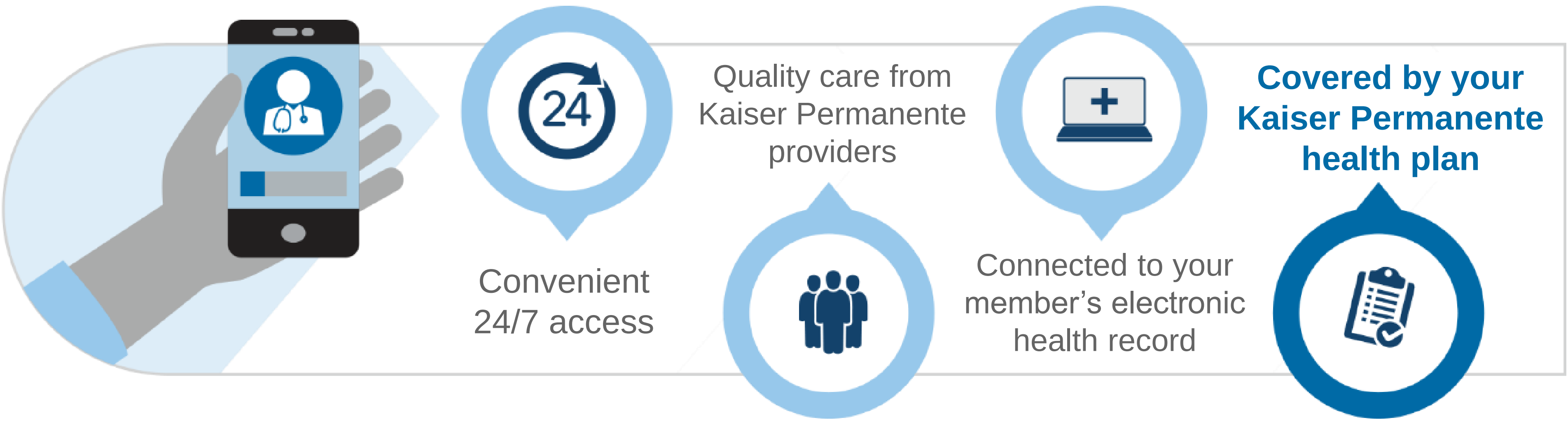
KAISER PERMANENTE®

Convenient care, when and where you want it



Round-the-clock care, just a call or click away

Our integrated care system links telehealth with total health for a seamless, connected care experience.



Quality Care & Customer Loyalty

Among the higher-performing health plans in the nation[1]

— NCQA

Ranked highest in customer loyalty — 7 years in a row[2]

— Satmetrix

Setting the benchmark for medication safety, 7 years running[3]

— Pharmacy Quality Alliance

[1]National Committee for Quality Assurance, 2017. [2]Satmetrix, 2017. [3]PQAlliance.org, May 18, 2017.

Chronic Conditions:

- **Proactive** — Using clinical data from our EHR system, members at risk for chronic conditions are identified and automatically enrolled in disease management programs by their physicians. Members' risk levels and needs are assessed to provide effective, evidence-based care, services, and support.
- **Team-based, physician-led** — Physician-led care teams are assembled according to member's care needs.
- **Comprehensive** — Wide range of preventive care, educational resources, and self-management tools motivate members to effectively manage their condition or conditions.
- **Systemwide** — Our industry-leading electronic health record system links every Kaiser Permanente member, caregiver, hospital, physician office, pharmacy, and laboratory in real time, helping ensure accuracy and consistency of care.
- **Data-driven** — Disease registries help care teams track outcomes and determine treatment effectiveness, enabling improvements.
- **Patient-centered** — Members and care teams work together to determine the most appropriate clinical, social, and educational interventions to meet their health goals.

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Summary

- Kaiser Permanente growth and investment means great access for union families through multiple channels, by phone, video, email, and face to face.
- Partnership with quality health care leader means better quality of life for members and lower costs for your fund.
- Supporting Unions during the Collective Bargaining Agreement – by securing stable affordable rates, and manage costs effectively with better benefit.

About NFP

About NFP


Employee Benefits
Retirement Solutions
Property & Casualty
NFP
Wealth Management Solutions
Executive Benefits

Strength in Numbers

Globally

50k Corporate Client-Partners

5,000 Dedicated Team Members

230+ Global Offices including Puerto Rico, United Kingdom, and Canada

#5 Largest Broker by Global Revenue

Locally

4k+ Corporate Client-Partners

550 Dedicated Team Members

13 Twelve Time WBJ Best Places to Work Winner

#1 Largest Privately Owned Employee Benefits Firm in Greater DC
Washington Business Journal, Aug 2019

Ongoing Benefit Management Process

Q1 – Post-Annual Enrollment Review
Health Risk Management Review

Q2 – Mid-Year Strategic Planning Meeting

Q3 – Competitive Renewal and
Market Survey Results

Q4 – Open Enrollment Communication
Employee Education
Annual Enrollment

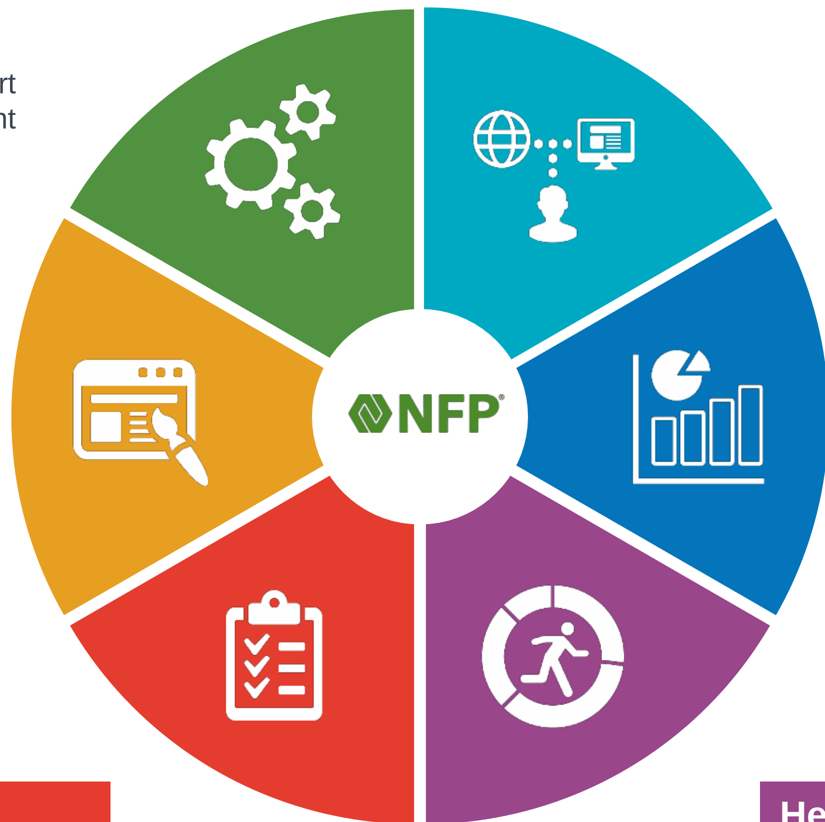
Benefit Management Services

Benefit Administration

- Outsourcing Solutions
- Claim Advocacy
- Open Enrollment Support
- Carrier EDI Management
- HR Technology

Plan Design & Consulting

- Contribution Strategies
- Plan Design Modeling
- Annual Marketing / Renewals
- Long Term Cost Control Strategies
- Rx Solutions



Communication

- Enrollment & Decision Support
- Plan Utilization Assistance
- Quarterly Newsletters
- Consistent Branding
- Various Online Mediums

Data Analytics

- Financial Forecasting / Budgeting
- Ongoing Utilization Analysis
- Customized Dashboards
- Claim & Biometric Integration
- Actuarial Opinions and Analysis

Compliance

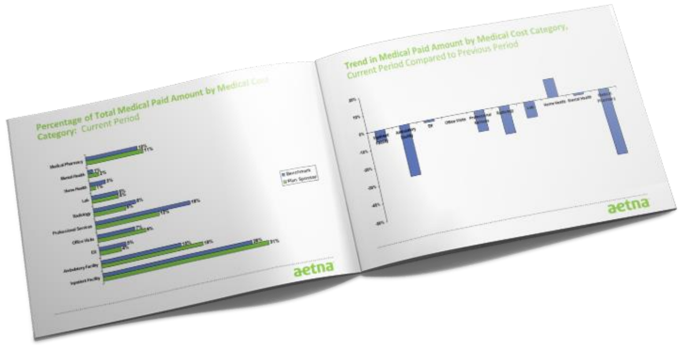
- Monitor Ongoing Regulations
- Dedicated ERISA Attorneys
- Health Care Reform Updates
- Plan Docs and 5500 Filings
- COBRA, HIPAA, FMLA, etc.

Health Risk Management

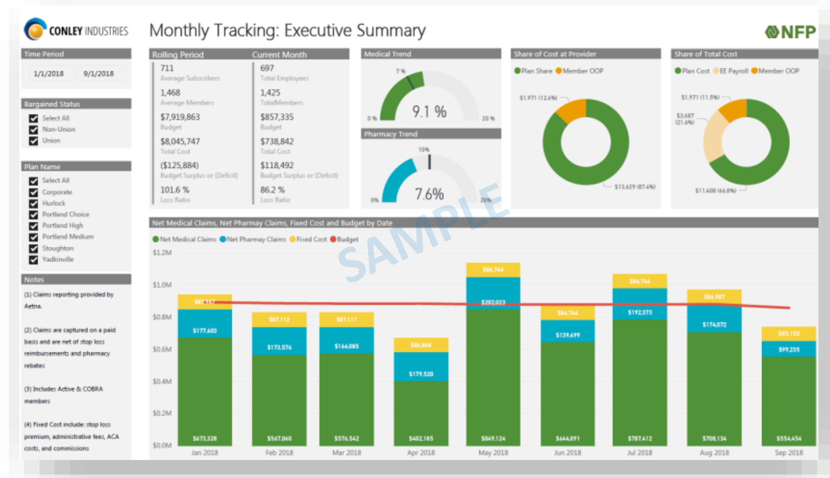
- Wellness Strategy
- Program Design
- Vendor Selection
- Program Management

Reporting & Claim Tracking

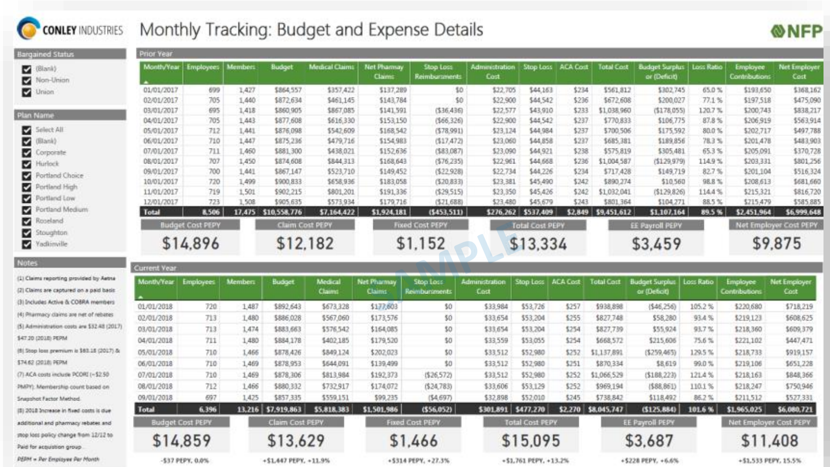
Utilization Reports



NFP Monthly Executive Summary



NFP Monthly Budget Tracking



Compliance – We've Got you Covered

Compliance Team
In-House attorneys well-versed in ACA, COBRA, FMLA, etc.

Newsletter
"Compliance Corner" to keep abreast of new legislation.

Compliance Audit
Helps in adhering to plan rules.

Research Team
Prepares reports on the latest trends.

Seminars & Webinars
Clarifies complex compliance topics.

Employee Communications