



Memorandum

To: J.J. Lewis, Superintendent & CEO
From: Sophie Trivino, Chief People Officer
Date: July 25, 2022
RE: 2022-23 Benefits Renewal: PACE JPA and Employer Benefits Contribution

Item Requested: Approval of PACE JPA acceptance form and bylaws.

Purpose: Employer provided benefits program annual review, recommendation, and renewal for the 2022-23 school year starting September 1, 2022.

Background Information: The Compass Anthem Blue Cross PPO and HMO annual renewal rates rose by 13% in the 2021-22 school year, an additional 15% for the 2022-23 school year, and have been forecasted to rise by 20% for the 2023-24 school year.

After a review of available options, our broker has recommended that we join the Public Agency Coalition Enterprise Joint Powers Authority (PACE JPA). The PACE JPA offers the leverage of large entity buying power to a select group of California public agencies like the City of Claremont and the Superior Court of California (Kings County). The three-year average PPO/EPO renewal rate for 2020 through 2022 was 5.24%.

The PACE JPA plan options expand the network size on available PPO plans and provide access to exclusive HMO and PPO options currently unavailable as a stand-alone account. As members, Compass staff will have expanded choices, lower out-of-pocket expenses, and lower annual deductibles.

By joining the PACE JPA, Compass will be able to offer richer benefits to staff and their families, improving the level of care that they receive from their medical providers. I believe this will also aid in overall employee satisfaction, employee retention, and talent acquisition.

Cost: There is no associated cost of joining the PACE JPA. Compass will be required to sign a two-year commitment to staying in the PACE JPA and assign an appointee to the PACE JPA Board.

Increasing the monthly employer contribution for CCS employees; from \$900 per month (\$10,800 per year) per eligible employee to \$950 per month (\$11,400 per year) will cost an additional \$132,000.00 per year (approx.) in employee benefits for the organization.

Recommendation: I recommend Compass join the PACE JPA. It will enrich the quality of benefits available to staff, encourage employee well-being, enhance employee satisfaction, and provide stability and cost savings in annual renewal rates.



I also recommend that Compass increase the monthly employer contribution to staff by an additional \$50 per month since previously implementing a \$900 monthly employer contribution for the 2020-21 school year.

Please see attached information from the Public Agency Coalition Enterprise Joint Powers Authority, including their Acceptance Form and Bylaws.