



October 27, 2016

Mark Tucker
Gallagher Benefit Services
45 E. River Park Place West, Suite 605
Fresno, CA 93720

Dear Mr. Tucker:

As discussed this week, the SJVIA has requested that Kaiser Permanente provide revised rates based on a potential change in conditions of offering with the County of Fresno for the 2017 plan year. Because all rates stipulated that conditions of offering could not change, the rates presented and approved by the SJVIA Board are no longer valid if County of Fresno moves forward with freezing Kaiser Permanente enrollment.

The following rate increases would be effective 1/1/17 through 12/31/17 for the SJVIA.

Count of Fresno- Changes from 15.1% to 17.2%

All other SJVIA entities- Changes from 8.3% to 10.0%

Exact premium rates will be provided following a final decision by the SJVIA Board.

An example of the impact for the County of Fresno employees is as follows:

Active Bi-Weekly	Current Rate	2017		2017	
		Proposed	% Change	Revised	% Change
Subscriber Only	\$297.57	\$342.39	15.1%	\$348.75	17.2%
Sub + Spouse	\$531.67	\$614.50	15.6%	\$625.91	17.7%
Sub + Child(ren)	\$469.08	\$541.65	15.5%	\$551.71	17.6%
Family	\$702.64	\$813.09	15.7%	\$828.19	17.9%

We continue to encourage the SJVIA and the County of Fresno to consider the short and long term impact of changing conditions of offering in this way and at this late date. Kaiser Permanente welcomes the opportunity to discuss the concerns about adverse risk selection and would like to be a partner in developing long term solutions that will work for all parties. We



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strongly believe that a full data analysis would help us all to understand the true risk that each health plan is managing.

Please let us know the final decision made by the SJVIA Board. Thank you.

Sincerely,

Kate E. Kessler
Area Vice President
Kaiser Permanente

cc: Paul Nerland, County of Fresno
Cindy Striegel, Kaiser Permanente
Holly Vonderhaar, Kaiser Permanente