



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC Discussion and Possible Action on Awarding of District Health Insurance Plan

SUBMITTED BY: Robert Chapala **OF:** Risk Management

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: May 15, 2013

RECOMMENDATION:

The Employee Benefits Committee (EBC) has concluded negotiations for renewal of the district group health insurance plan and is prepared to make a recommendation.

RATIONALE:

The proposal accurately reflects the district's loss run record and required elements of the Federal Affordable Health Care Act.

BUDGETARY INFORMATION

BOARD POLICY REFERENCE AND COMPLIANCE:

UNITED INDEPENDENT SCHOOL DISTRICT



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District 7

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Superintendent

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EBC Health Insurance Award Recommendation

The district EBC has concluded final negotiations with health insurance proposers and recommends the board accept the health insurance proposal submitted by Blue Cross Blue Shield of Texas. BCBSTX provided the best value for the price.

Negotiations this year were made more difficult by the Affordable HealthCare laws that required several procedural changes as well as coverage mandates. This coupled with a higher than normal loss ratio for the year resulted in one of the plans requiring a 20% increase in premiums.

To minimize the financial impact to our employees the EBC negotiated an additional plan that addressed this issue.

In summary the EBC was able to negotiate plans that will give employees the freedom to choose a plan that best fits their family's needs.

Plan #1 (The Core Plan) – Keeps premiums rates at their current rate but makes some changes to coverage's.

Plan #2 (The Core Plus Plan) – Keeps all coverage's the same but requires an increase in premiums.

Plan #3 – State Plan – Is the plan required to be offered by the State and reflects coverages available to State employees. This plan had changes to it's premiums.

The changes are noted in RED in the attached schedule of benefits.

UNITED INDEPENDENT SCHOOL DISTRICT

2013-2014 Health Insurance Program (Proposed Benefits and Rates)
Effective 9/1/2013

	Blue Cross Blue Shield High Plan (Current)	Blue Cross Blue Shield Core Plan	Blue Cross Blue Shield Core Plan Plus+	Blue Cross Blue Shield State Plan
Provider Network				
Doctor's Hospital	Yes	Yes	Yes	Yes
Laredo Medical Center	Yes	Yes	Yes	Yes
Benefits				
Deductible-Annual				
X-Ray/CT/MRI/Sonograms	\$-0- Deductible	\$-0- Deductible	\$-0- Deductible	\$-0- Deductible
All Other Deductible-Annual				
In-Network	\$500 Indiv/\$1,500 Family	\$1,800 Indiv/\$3,600 Family	\$500 Indiv/\$1,500 Family	None
Out-of-Network	\$1,000 Indiv/\$3,000 Family	\$4,000 Indiv/\$8,000 Family	\$1,000 Indiv/\$3,000 Family	\$500 Indiv/\$1,500 Family
Physician Copay	\$25 Then 100%	\$35 Then 100%	\$25 Then 100%	\$15 Then 100%
Specialist Copay	\$25 Then 100%	\$60 Then 100%	\$25 Then 100%	\$15 Then 100%
Emergency Room				
In-Network	\$500 & Then 80%	\$500 & Then 80%	\$500 & Then 80%	\$50 & Then 90%
Out-of-Network	\$500 & Then 60%	\$500 & Then 60%	\$500 & Then 60%	\$50 & Then 70%
After Hours Clinics	\$40 Then 100%	\$60 Then 100%	\$40 Then 100%	\$15 & Then 100%
Deductible-Hospital				
In-Network	\$-0- Per Admission	\$-0- Per Admission	\$-0- Per Admission	None
Out-of-Network	\$500 Per Admission	\$500 Per Admission	\$500 Per Admission	None
Co-Insurance Percent				
In-Network	20% / 80%	20% / 80%	20% / 80%	10% / 90%
Out-of-Network	40% / 60%	40% / 60%	40% / 60%	30% / 70%
Co-Insurance Maximum				
In-Network	\$5,000 Indiv/\$15,000 Family	\$6,000 Indiv/\$12,000 Family	\$5,000 Indiv/\$15,000 Family	\$500 Indiv/\$1,500 Family
Out-of-Network	\$10,000 Indiv/\$30,000 Family	\$12,000 Indiv/\$24,000 Family	\$10,000 Indiv/\$30,000 Family	\$1,500 Indiv/\$4,500 Family
Prescription Drugs				
Retail-Supply Limit	30 Days	30 Days	30 Days	30 Days
Generic	\$5 & Then 100%	Lesser of Cost or \$30	\$5 & Then 100%	\$5 & Then 100%
Brand-Preferred	\$40 & Then 100%	\$60 & Then 100%	\$40 & Then 100%	\$30 & Then 100%
Brand-Non Preferred	\$60 & Then 100%	\$105 & Then 100%	\$60 & Then 100%	\$50 & Then 100%
	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.
Mail Order-Supply Limit	90 Days	90 Days	90 Days	90 Days
Generic	\$10 & Then 100%	Lesser of Cost or \$60	\$10 & Then 100%	\$10 & Then 100%
Brand-Preferred	\$80 & Then 100%	\$120 & Then 100%	\$80 & Then 100%	\$60 & Then 100%
Brand-Non Preferred	\$120 & Then 100%	\$210 & Then 100%	\$120 & Then 100%	\$100 & Then 100%
	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.
	\$ 337.40	\$ 337.40	\$ 337.40	\$ 337.40
	Emp Cont. COBRA Cost	Emp Cont. COBRA Cost	Emp Cont. COBRA Cost	Emp Cont. COBRA Cost
Emp. Only	\$ 46.12 \$ 381.51	\$ 46.12 \$ 381.51	\$ 123.62 \$ 461.02	\$ 869.84 \$ 1,207.24
Emp./Children	\$ 251.35 \$ 592.49	\$ 251.35 \$ 592.49	\$ 378.57 \$ 715.97	\$ 1,565.45 \$ 1,902.85
Emp./Spouse	\$ 378.04 \$ 722.23	\$ 378.04 \$ 722.23	\$ 535.95 \$ 873.35	\$ 1,994.86 \$ 2,332.26
Emp./Family	\$ 645.04 \$ 997.20	\$ 645.04 \$ 997.20	\$ 867.62 \$ 1,205.02	\$ 2,899.84 \$ 3,237.24