



# Oak Park #97 Benefits Committee Meeting

March 22, 2016

Presented by:

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# 2016 Executive Summary

*Medical renewal projections were calculated using the most recent 24 months of experience ending 1/31/2016.*

## *PPO/HSA*

- Medical paid claims increased 1.4% in the most recent 12 months when compared to prior 12 months.
- RX paid claims increased 36.4% in the most recent 12 months when compared to prior 12 months.

## *HMO*

- Medical paid claims increased 12.2% in the most recent 12 months when compared to prior 12 months.
- RX paid claims increased 3.4% in the most recent 12 months when compared to prior 12 months.

Dental plan had a 10% enrollment increase when compared to last year.

# 2016 Budget Projection Assumptions



	Medical	Prescription Drug	Dental	Vision
<b>Trend Assumptions</b>	7.5%	12.0%	4.5%	Guaranteed through 6/30/2019
<b>Current ISL Deductible (\$)</b>	\$180,000			
<b>Claim Lag (# of Months)</b>	1	0	1	1
<b>Experience Period Weighting</b>				
2/1/2014 - 1/31/2015	12%	12%	0%	
2/1/2015 - 1/31/2016	88%	88%	100%	
<b>Margin</b>	2.0%	2.0%	0.0%	

# 2016 Budget Projection

## Per Employee Per Month (PEPM) Fixed Costs

PPO & HSA	2015	2016	2016 Negotiated	Change
Medical	\$42.58	\$43.26		2%
Network Access	\$12.98	\$10.74		-17%
Rx	(\$7.52)	(\$10.96)		46%
Individual Stop Loss	\$54.25	\$57.74		6%
Aggregate Stop Loss	\$2.24	\$2.72		21%
PCORI	\$0.32	\$0.33		4%
Transitional Reinsurance Fee	\$6.53	\$4.01		-39%
<b>Total (PEPM)</b>	<b>\$111.38</b>	<b>\$107.84</b>		<b>-3%</b>

HMO	2015	2016	2016 Negotiated	Change
Medical	\$42.58	\$43.26		2%
Rx	(\$7.52)	(\$10.96)		46%
Managed Care	\$8.66	\$9.29		7%
Individual Stop Loss	\$29.67	\$35.45	\$34.38	16%
Aggregate Stop Loss	\$1.12	\$1.32		18%
Physician Service Fee	\$296.60	\$293.26		-1%
Allocated Taxes/Fees	\$8.69	\$7.10		-18%
<b>Total (PEPM)</b>	<b>\$379.80</b>	<b>\$378.73</b>		<b>0%</b>

Dental	2015	2016	2016 Negotiated	Change
PPO	\$4.63	\$4.48		-3%



# 2016 Budget Projection Year over Year

Oak Park School District #97 is projected to have an overall 4.2% increase to their gross costs and an overall 5.6% increase to their net costs

	Current Enrollment	2015 HUB Projection	2016 HUB Projection	Change	
				\$	%
<b>Gross Costs</b>					
Medical - PPO & HSA	220	\$3,333,984	\$3,467,054	\$133,070	4.0%
Medical - HMO	413	\$4,771,245	\$4,944,572	\$173,327	3.6%
Dental - PPO	464	\$287,714	\$334,780	\$47,067	16.4%
Dental - HMO	193	\$67,372	\$70,067	\$2,695	4.0%
<u>Total</u>	<u>1,290</u>	<u>\$8,460,315</u>	<u>\$8,816,474</u>	<u>\$356,160</u>	<u>4.2%</u>
<b>Employee Contributions</b>					
Medical - PPO & HSA	220	\$1,223,169	\$1,223,169	\$0	0.0%
Medical - HMO	413	\$702,642	\$702,642	\$0	0.0%
Dental - PPO	464	\$163,701	\$163,701	\$0	0.0%
Dental - HMO	193	\$13,897	\$13,897	\$0	0.0%
<u>Total</u>	<u>1,290</u>	<u>\$2,103,409</u>	<u>\$2,103,409</u>	<u>\$0</u>	<u>0.0%</u>
<b>Company Cost</b>					
Medical - PPO & HSA	220	\$2,110,815	\$2,243,885	\$133,070	6.3%
Medical - HMO	413	\$4,068,602	\$4,241,930	\$173,327	4.3%
<u>Total Medical</u>	<u>633</u>	<u>\$6,179,417</u>	<u>\$6,485,815</u>	<u>\$306,398</u>	<u>5.0%</u>
Dental - PPO	464	\$124,013	\$171,080	\$47,067	38.0%
Dental - HMO	193	\$53,475	\$56,170	\$2,695	5.0%
<u>Dental Total</u>	<u>657</u>	<u>\$177,488</u>	<u>\$227,250</u>	<u>\$49,762</u>	<u>28.0%</u>
<b>Grand Total</b>	<b>1,290</b>	<b>\$6,356,905</b>	<b>\$6,713,065</b>	<b>\$356,160</b>	<b>5.6%</b>

Notes:

Employee contributions are based on maintaining current employee contributions



# 2016 Premium Equivalent Rates Medical/Rx – PPO & HSA

Oak Park can expect an estimated increase of 4.0% on the medical PPO/HSA plans

	Enrollment	Monthly Premium Equivalents	Annual Premium Equivalents	Monthly Premium Equivalents	Annual Premium Equivalents	% Change	Monthly Employee Contributions				
		2015		2016			2015		2016 Status Quo		
		\$	%	\$	%		\$	%	% Change		
<b>PPO</b>											
EE	117	\$815.35	\$9,784.20	\$847.89	\$10,174.72	4.0%	\$223.68	27.4%	\$223.68	26.4%	0.0%
EE_SP	30	\$1,637.22	\$19,646.64	\$1,702.57	\$20,430.80	4.0%	\$578.89	35.4%	\$578.89	34.0%	0.0%
EE_CH	31	\$1,571.17	\$18,854.04	\$1,633.88	\$19,606.57	4.0%	\$512.84	32.6%	\$512.84	31.4%	0.0%
Family	25	\$2,430.56	\$29,166.72	\$2,527.57	\$30,330.86	4.0%	\$1,372.23	56.5%	\$1,372.23	54.3%	0.0%
Total	203	\$3,047,794		\$3,169,441		4.0%	\$1,124,894	36.9%	\$1,124,894	35.5%	0.0%
<b>HSA</b>											
EE	5	\$729.29	\$8,751.48	\$758.40	\$9,100.78	4.0%	\$137.62	18.9%	\$137.62	18.1%	0.0%
EE_SP	3	\$1,416.27	\$16,995.24	\$1,472.80	\$17,673.58	4.0%	\$357.94	25.3%	\$357.94	24.3%	0.0%
EE_CH	4	\$1,359.39	\$16,312.68	\$1,413.65	\$16,963.77	4.0%	\$301.06	22.1%	\$301.06	21.3%	0.0%
Family	5	\$2,103.27	\$25,239.24	\$2,187.22	\$26,246.62	4.0%	\$1,044.69	49.7%	\$1,044.69	47.8%	0.0%
Total	17	\$286,190		\$297,613		4.0%	\$98,275	34.3%	\$98,275	33.0%	0.0%
<b>Grand Total</b>	<b>220</b>	<b>\$3,333,984</b>		<b>\$3,467,054</b>		<b>4.0%</b>	<b>\$1,223,169</b>	<b>36.7%</b>	<b>\$1,223,169</b>	<b>35.3%</b>	<b>0.0%</b>



# 2016 Premium Equivalent Rates

## Medical/Rx – HMO

Oak Park can expect an estimated increase of 3.6% on the medical HMO plan

	Enrollment	Monthly Premium Equivalents	Annual Premium Equivalents	Monthly Premium Equivalents	Annual Premium Equivalents	% Change	Monthly Employee Contributions				
		2015		2016			2015		2016 Status Quo		
		\$	%	\$	%		\$	%	% Change		
<b>HMO B</b>											
EE	205	\$574.92	\$6,899.04	\$595.81	\$7,149.66	3.6%	\$0.00	0.0%	\$0.00	0.0%	0.0%
EE_SP	54	\$1,150.42	\$13,805.04	\$1,192.21	\$14,306.54	3.6%	\$92.09	8.0%	\$92.09	7.7%	0.0%
EE_CH	78	\$1,103.85	\$13,246.20	\$1,143.95	\$13,727.40	3.6%	\$45.52	4.1%	\$45.52	4.0%	0.0%
Family	77	<u>\$1,708.08</u>	<u>\$20,496.96</u>	<u>\$1,770.13</u>	<u>\$21,241.56</u>	<u>3.6%</u>	<u>\$649.75</u>	<u>38.0%</u>	<u>\$649.75</u>	<u>36.7%</u>	<u>0.0%</u>
Total	414	\$4,771,245		\$4,944,572		3.6%	\$702,642	14.7%	\$702,642	14.2%	0.0%
Grand Total	414	\$4,771,245		\$4,944,572		3.6%	\$702,642	14.7%	\$702,642	14.2%	0.0%

# 2016 Premium Equivalent Rates Dental – PPO & HMO

Oak Park can expect an estimated increase of 16.4% on the dental PPO plan and 4.0% on the dental HMO plan

	Enrollment	Monthly Premium	Annual Premium	Monthly Premium	Annual Premium	% Change	Monthly Employee Contributions					
		Equivalents	Equivalents	Equivalents	Equivalents		2015		2016 Status Quo			
		2015		2016			\$	%	\$	%	% Change	
<b>PPO</b>												
EE	233	\$29.96	\$359.52	\$34.86	\$418.33	16.4%	\$12.31	41.1%	\$16.50	47.3%	34.0%	
EE+1	125	\$59.05	\$708.60	\$68.71	\$824.52	16.4%	\$30.54	51.7%	\$39.06	56.9%	27.9%	
Family	106	\$90.70	\$1,088.40	\$105.54	\$1,266.45	16.4%	\$62.19	68.6%	\$75.89	71.9%	22.0%	
Total	464	\$287,714		\$334,780		16.4%	\$159,346	55.4%	\$201,267	60.1%	26.3%	
Grand Total	464	\$287,714		\$334,780		16.4%	\$159,346	55.4%	\$201,267	60.1%	26.3%	
	Enrollment	Monthly Premium	Annual Premium	Monthly Premium	Annual Premium	% Change	Monthly Employee Contributions					
		Equivalents	Equivalents	Equivalents	Equivalents		2015		2016 Status Quo			
		2015		2016			\$	%	\$	%	% Change	
<b>DHMO</b>												
EE	100	\$17.65	\$211.80	\$18.36	\$220.27	4.0%	\$0.00	0.0%	\$0.00	0.0%	0.0%	
EE+1	41	\$33.63	\$403.56	\$34.98	\$419.70	4.0%	\$5.12	15.2%	\$5.33	15.3%	4.1%	
Family	52	\$47.51	\$570.12	\$49.41	\$592.92	4.0%	\$19.00	40.0%	\$19.76	40.0%	4.0%	
Total	193	\$67,372		\$70,067		4.0%	\$14,380	21.3%	\$14,957	21.3%	4.0%	
Grand Total	193	\$67,372		\$70,067		4.0%	\$14,380	21.3%	\$14,957	21.3%	4.0%	



# 2016 Budget Projection

## Medical/Rx PPO/HSA Underwriting

Experience Period	2/1/2014 - 1/31/2015		2/1/2015 - 1/31/2016	
Coverage	Medical	Rx	Medical	Rx
Total Paid Claims	\$2,024,296	\$515,975	\$2,052,830	\$703,877
Total Large Claims	\$0		(\$190,803)	
Net Paid Claims	\$2,024,296	\$515,975	\$1,862,027	\$703,877
Composite Adjustments	1.003	1.001	0.978	0.981
Adjusted Paid Claims	\$2,029,396	\$516,460	\$1,821,184	\$690,595
Annual Trend Factor <sup>1</sup>	7.5%	12.0%	7.5%	12.0%
Mid Point Trend Factor <sup>2</sup>	<u>1.189</u>	<u>1.314</u>	<u>1.107</u>	<u>1.174</u>
Trended Adjusted Paid Claims	\$2,413,419	\$678,532	\$2,016,638	\$810,866
Add Claims up to ISL	\$0		\$180,000	
Total Claims	\$2,413,419	\$678,532	\$2,196,638	\$810,866
Average Participants	212	212	213	213
PEPY Claim Cost	\$11,393	\$3,208	\$10,325	\$3,799
<b>Total PEPY Claim Cost</b>	<b>\$14,601</b>		<b>\$14,124</b>	
<b>Weighting</b>	<b>12%</b>		<b>88%</b>	
Weighted Claim Cost			\$14,182	
Margin, Future Plan Changes and Mandated Changes			2.0%	
Total PEPY Fixed Costs			\$1,242	
HCR Related Fees			<u>\$52</u>	
Total PEPY Cost			\$15,759	
Current Participants			220	
<b>Total Annual Dollars</b>			<b>\$3,467,054</b>	

<sup>1</sup> Annual trend is the trend factor applied for exactly 1 year

<sup>2</sup> The mid point trend factor is calculated based on trending from the mid point of the experience period to the midpoint of the projection period. Factors are developed separately

# 2016 Budget Projection

## Medical/Rx HMO Underwriting

Experience Period	2/1/2014 - 1/31/2015		2/1/2015 - 1/31/2016	
Coverage	Medical	Rx	Medical	Rx
Total Paid Claims	\$1,713,759	\$818,628	\$1,923,513	\$846,212
Total Large Claims	(\$486,617)		(\$300,084)	
Net Paid Claims	\$1,227,142	\$818,628	\$1,623,429	\$846,212
Composite Adjustments	1.008	1.008	1.006	1.004
Adjusted Paid Claims	\$1,236,697	\$825,331	\$1,633,367	\$849,848
Annual Trend Factor <sup>1</sup>	7.5%	12.0%	7.5%	12.0%
Mid Point Trend Factor <sup>2</sup>	<u>1.190</u>	<u>1.314</u>	<u>1.108</u>	<u>1.174</u>
Trended Adjusted Paid Claims	\$1,471,992	\$1,084,330	\$1,809,585	\$997,854
Add Claims up to ISL	\$360,000		\$180,000	
Total Claims	\$1,831,992	\$1,084,330	\$1,989,585	\$997,854
Average Participants	418	419	414	413
PEPY Claim Cost	\$4,379	\$2,591	\$4,811	\$2,417
<b>Total PEPY Claim Cost</b>	<b>\$6,970</b>		<b>\$7,228</b>	
<b>Weighting</b>	<b>12%</b>		<b>88%</b>	
Weighted Claim Cost			\$7,197	
Margin, Future Plan Changes and Mandated Changes			2.0%	
Total PEPY Fixed Costs			\$4,545	
HCR Related Fees			<u>\$58</u>	
Total PEPY Cost			\$11,943	
Current Participants			414	
<b>Total Annual Dollars</b>			<b>\$4,944,572</b>	

<sup>1</sup> Annual trend is the trend factor applied for exactly 1 year

<sup>2</sup> The mid point trend factor is calculated based on trending from the mid point of the experience period to the midpoint of the projection period. Factors are developed separately

# 2016 Budget Projection

## Dental PPO Underwriting

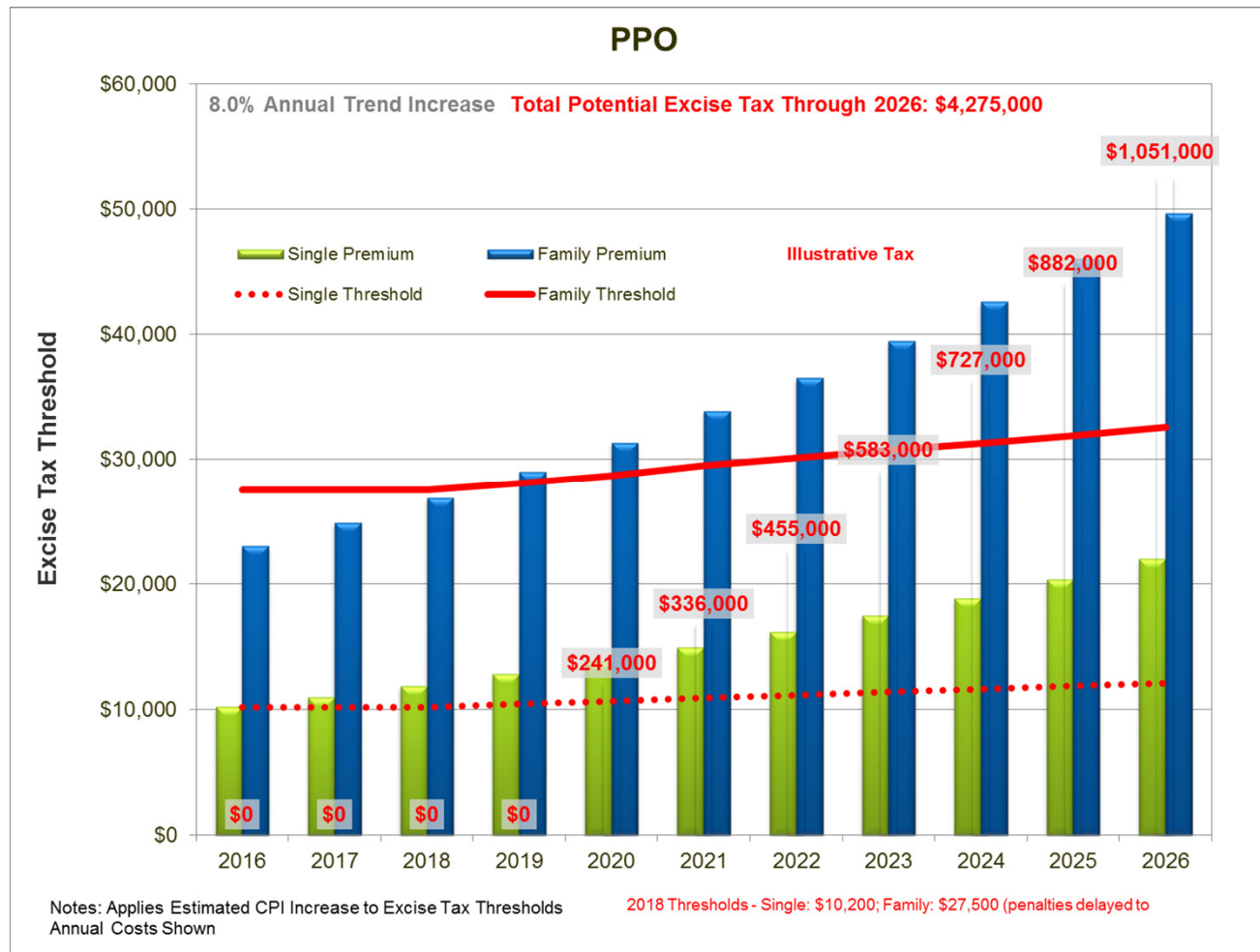
Dental Experience Period	2/1/2015 - 1/31/2016
Total Paid Claims	\$278,610
Composite Adjustments	1.000
Adjusted Paid Claims	\$278,610
Annual Trend Factor <sup>1</sup>	4.5%
Mid Point Trend Factor <sup>2</sup>	<u>1.064</u>
Trended Adjusted Paid Claims	\$296,536
Average Participants	444
<b>PEPY Claim Cost</b>	<b>\$668</b>
<b>Weighting</b>	<b>100%</b>
Weighted Claim Cost	\$668
Margin, Future Plan Changes at	0.0%
Total PEPY Fixed Costs	<u>\$54</u>
Total PEPY Cost	\$722
Current Participants	464
<b>Total Annual Dollars</b>	<b>\$334,780</b>

<sup>1</sup> Annual trend is the trend factor applied for exactly 1 year

<sup>2</sup> The mid point trend factor is calculated based on trending from the mid point of the experience period to the midpoint

# Cadillac Tax Analysis – PPO

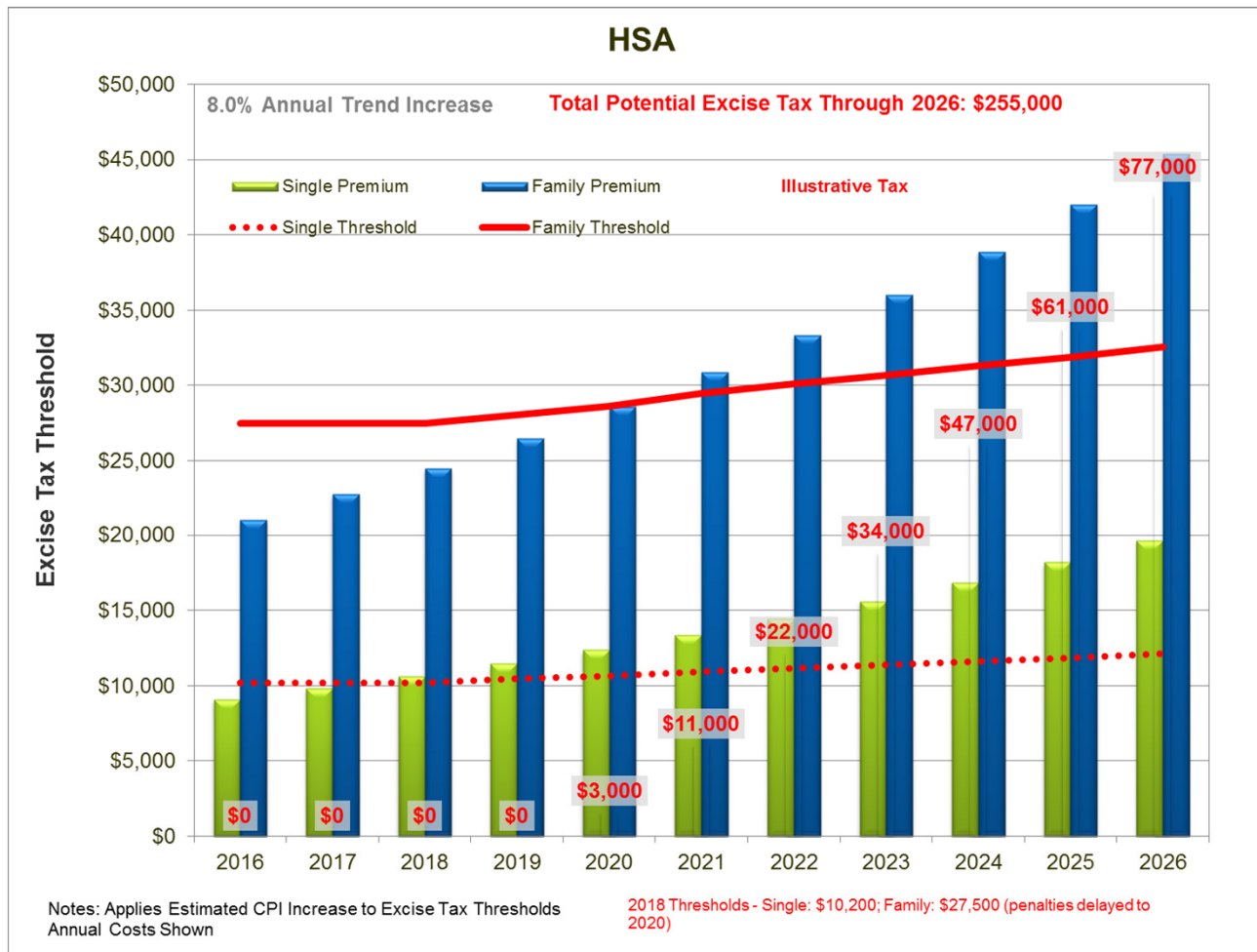
Based on 8% trend, Oak Park's PPO plan is estimated to exceed Cadillac thresholds in 2020 resulting in Excise Tax liability of \$241K.



Note: in Dec 2015 the Excise Tax effective date was delayed to 2020; in addition the tax has been changed from a non-deductible to a deductible business expense for federal tax purposes

# Cadillac Tax Analysis – HSA

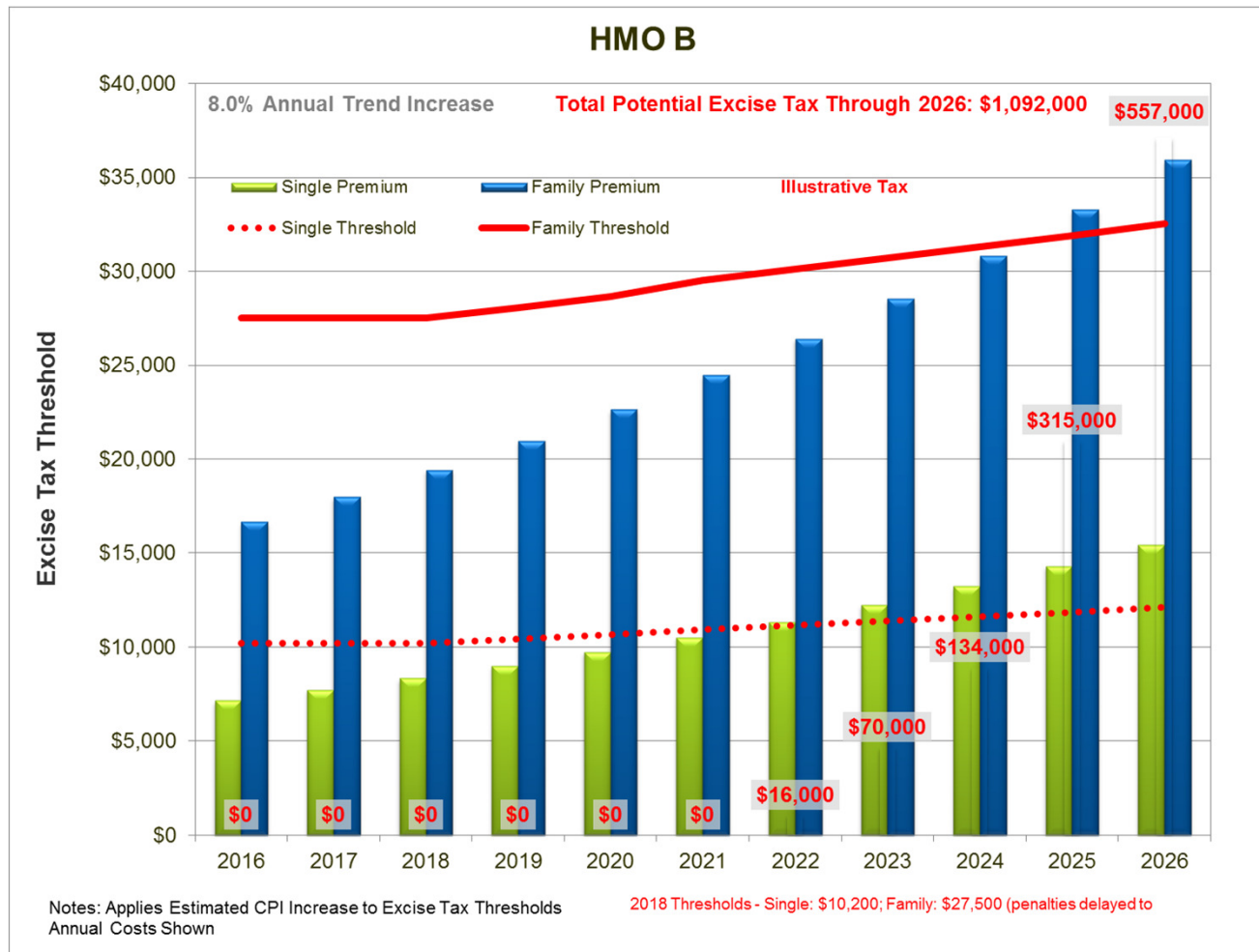
Based on 8% trend, Oak Park's HSA plan is estimated to exceed Cadillac thresholds in 2020 resulting in Excise Tax liability of \$3K.



Note: in Dec 2015 the Excise Tax effective date was delayed to 2020; in addition the tax has been changed from a non-deductible to a deductible business expense for federal tax purposes

# Cadillac Tax Analysis – HMO

Based on 8% trend, Oak Park's HMO plan is estimated to exceed Cadillac thresholds in 2022 resulting in Excise Tax liability of \$16K.



Note: in Dec 2015 the Excise Tax effective date was delayed to 2020; in addition the tax has been changed from a non-deductible to a deductible business expense for federal tax purposes

# 2016 Medical Plan Change Options

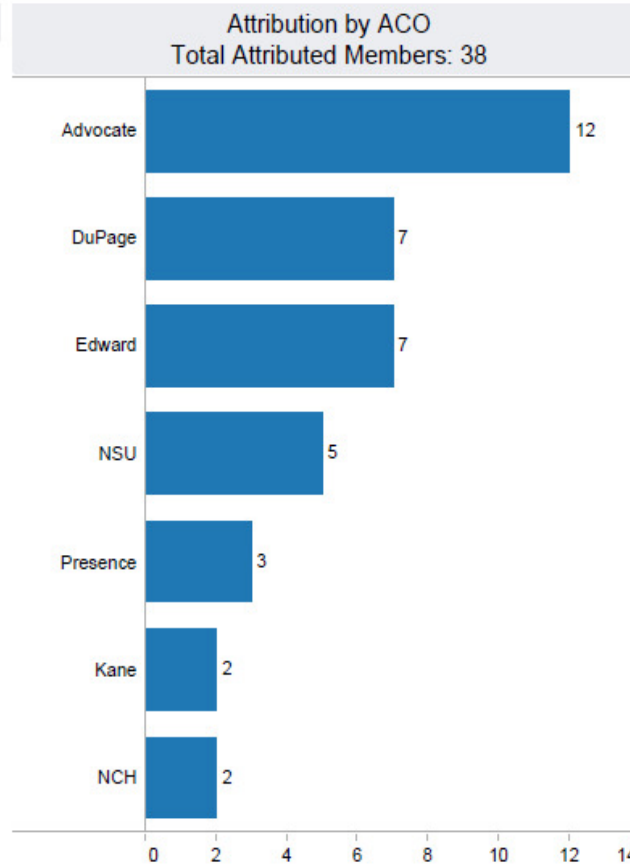
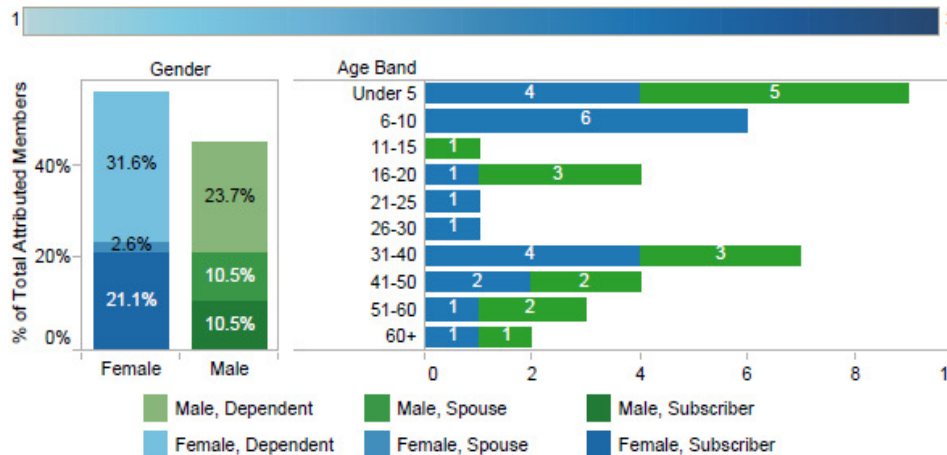
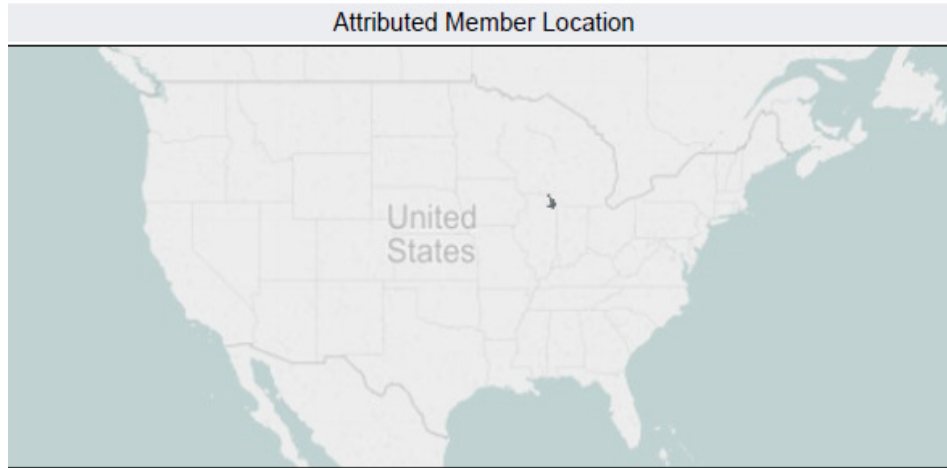


Current - 2015-2016	2016-2017		2017-2018		2018-2019	
<b>RX PPO &amp; HMO</b>	<b>RX PPO &amp; HMO</b>	<b>Estimated Savings</b>	<b>RX PPO &amp; HMO</b>	<b>Estimated Savings</b>	<b>RX PPO &amp; HMO</b>	<b>Estimated Savings</b>
RX \$10/\$20/\$35	Increase Copays to \$10/\$30/\$45	\$5,700 / \$71,000			Increase Copays to \$10/\$40/\$60	\$12,800 / \$98,300
No Specialty RX Copay					Add specialty RX copay of \$100	\$5,700
	Add step therapy and prior authorization	\$71,000				
<b>Medical PPO</b>	<b>Medical PPO</b>		<b>Medical PPO</b>		<b>Medical PPO</b>	
Deductible \$500	Increase deductible to \$600	\$42,000	Increase deductible to \$750	\$21,000		
Coinsurance 10%	Have outpatient surgical and diagnostic apply to deductible and coinsurance	\$68,000	Increase Coinsurance to 20%	\$5,700		
ER copay \$0			Add \$150 ER Copay	\$11,000		
Office visit copay \$20/\$20	Increase specialist office visit copay to \$40	\$17,000				
<b>Medical HMO</b>	<b>Medical HMO</b>		<b>Medical HMO</b>		<b>Medical HMO</b>	
Office visit copay \$10/\$10	Increase office visit copays to	\$44,000				
ER copay \$75			Increase ER copay to \$150	\$9,000		

If claims trend higher than average this may need to adjust to avoid taxes.  
Adopting multiple changes in one year can mitigate some of the projected savings.

# ACO Attribution Detail

## Currently Attributed (Active) for March 2016 Management



Plan  
IL1

Account Name  
OAK PARK SD #97

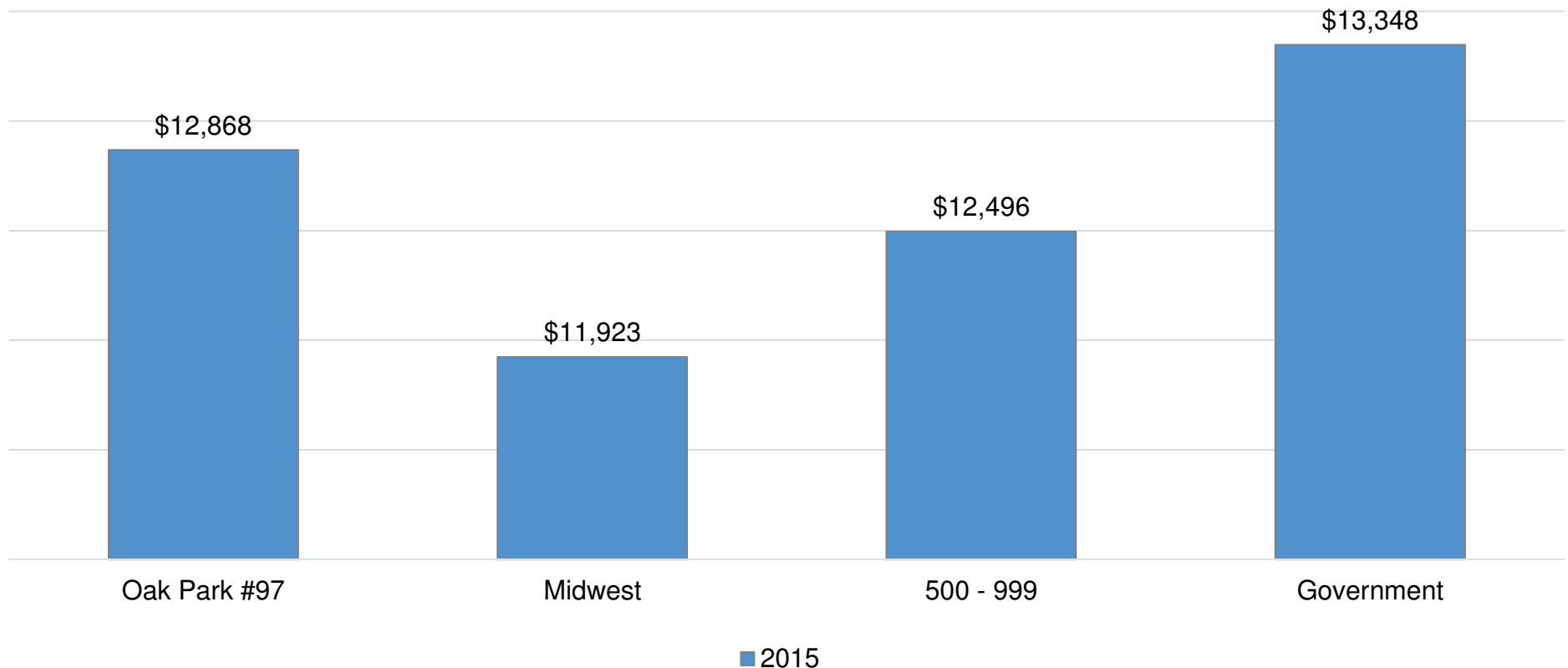
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# Appendix

# Total Per Employee Per Year (PEPY) 2015 Health Care Cost

Oak Park's 2015 total per employee per year health care costs are below the Government benchmark but above the Midwest and 500-999 employer benchmark

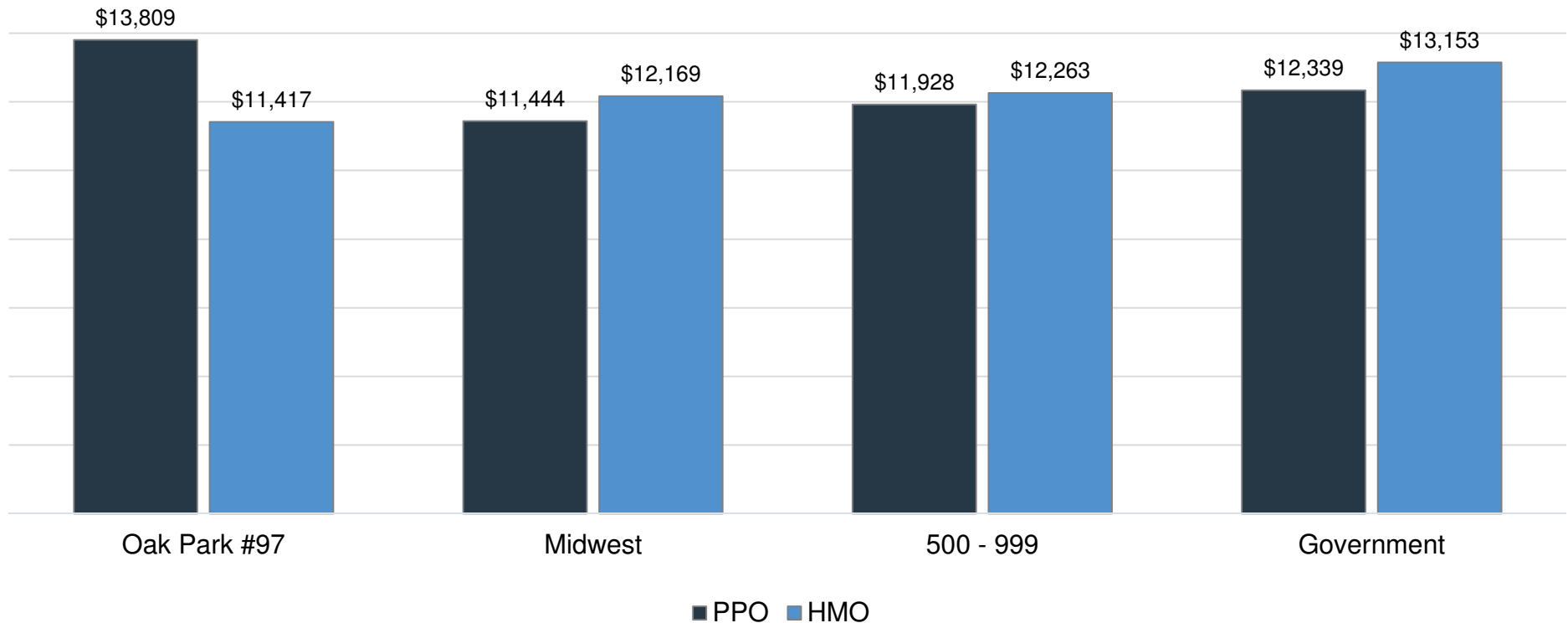


Total Health Care Cost includes Medical/Rx and Dental

Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans (2014 trended 4.6% for 2015)

# Medical/Rx PEPY 2015 Projected Cost

Oak Park's 2015 medical/Rx per employee per year costs are in line or above benchmarks



Oak Park #97 PPO is a composite of the PPO and HSA plans

Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans (2014 trended 4.6% for 2015)



# Medical/Rx Plan Design – PPO

	Oak Park #97 - PPO		Midwest		500 - 999		Government	
Plan Feature	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Annual Ded. (Ind /Family)</b>	\$500 / \$1,500		\$500 / \$1,200	\$1,000 / \$2,400	\$500 / \$1,200	\$1,000 / \$2,000	\$500 / \$1,000	\$750 / \$1,700
<b>Out-of-Pocket (Includes Deductible) (Ind / Family)</b>	\$2,750 / \$8,250	\$5,500 / \$16,500	\$2,500 / \$5,200	\$4,975 / \$10,000	\$2,600 / \$6,000	\$5,000 / \$12,000	\$2,500 / \$5,000	\$3,750 / \$9,000
<b>OV – PCP</b>	\$20 copay	80%	\$20 copay	60%	\$25 copay	60%	\$20 copay	60%
<b>OV – Specialist</b>	\$20 copay	80%	\$40 copay	60%	\$40 copay	60%	\$40 copay	70%
<b>Coinsurance</b>	90%	70%	80%	60%	80%	60%	80%	60%
<b>ER Copay</b>	N/A		\$125 copay		\$150 copay		\$100 copay	
<b>Inpatient Hospital Copay</b>	N/A	\$300 per admission	\$250 copay 14% require		\$250 copay 19% require		\$200 copay 25% require	

Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans

# Medical/Rx Plan Design – PPO Rx

	Oak Park #97 - PPO	Midwest	500 - 999	Government
<b>Carve-Out</b>		16%	7%	20%
<b>Coinsurance</b>	3-tier	3-tier copays most common (58%); 47% use coinsurance	3-tier copays most common (59%); 31% use coinsurance	3-tier copays most common (70%); 23% use coinsurance
<b>Retail Copay</b>				
Generic	\$10 copay	\$10 copay	\$11 copay	\$9 copay
Formulary	\$20 copay	\$32 copay	\$32 copay	\$27 copay
Non-Formulary	\$35 copay	\$53 copay	\$54 copay	\$46 copay
Specialty	Covered	\$122 copay	\$124 copay	\$102 copay
<b>Mail Order Copay</b>				
Generic	\$20 copay	\$22 copay	\$22 copay	\$22 copay
Formulary	\$40 copay	\$64 copay	\$62 copay	\$55 copay
Non-Formulary	\$70 copay	\$104 copay	\$107 copay	\$91 copay
Specialty	N/A	\$186 copay	\$170 copay	\$148 copay

Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans

# Medical/Rx Plan Design – HDHP with HSA

	Oak Park #97 - HSA		Midwest		500 - 999		Government	
Plan Feature	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>ER Contribution (Ind / Family)</b>	\$500 Ind. Or Fam.		73% contribute to HSA: \$500 / \$1,000		72% contribute to HSA: \$600 / \$1,250		72% contribute to HSA: \$500 / \$1,200	
<b>Annual Ded. (Ind / Family)</b>	\$2,600 / \$5,200	\$5,200 / \$10,400	\$2,000 / \$3,700	\$3,000 / \$6,000	\$2,000 / \$4,000	\$3,000 / \$6,000	\$1,500 / \$3,000	\$2,600 / \$5,200
<b>Out-of-Pocket (Includes Deductible) (Ind / Family)</b>	\$2,600 / \$5,200	10,000 / \$20,000	\$3,000 / \$6,000	\$6,500 / \$13,000	\$3,100 / \$6,000	\$6,000 / \$12,000	\$3,000 / \$6,000	\$4,200 / \$10,000
<b>Coinsurance</b>	100%	80%	80%	60%	80%	70%	80%	60%
<b>Rx</b>	100%	80%	22% cover preventive Rx at higher benefit level		11% cover preventive Rx at higher benefit level		7% cover preventive Rx at higher benefit level	

Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans

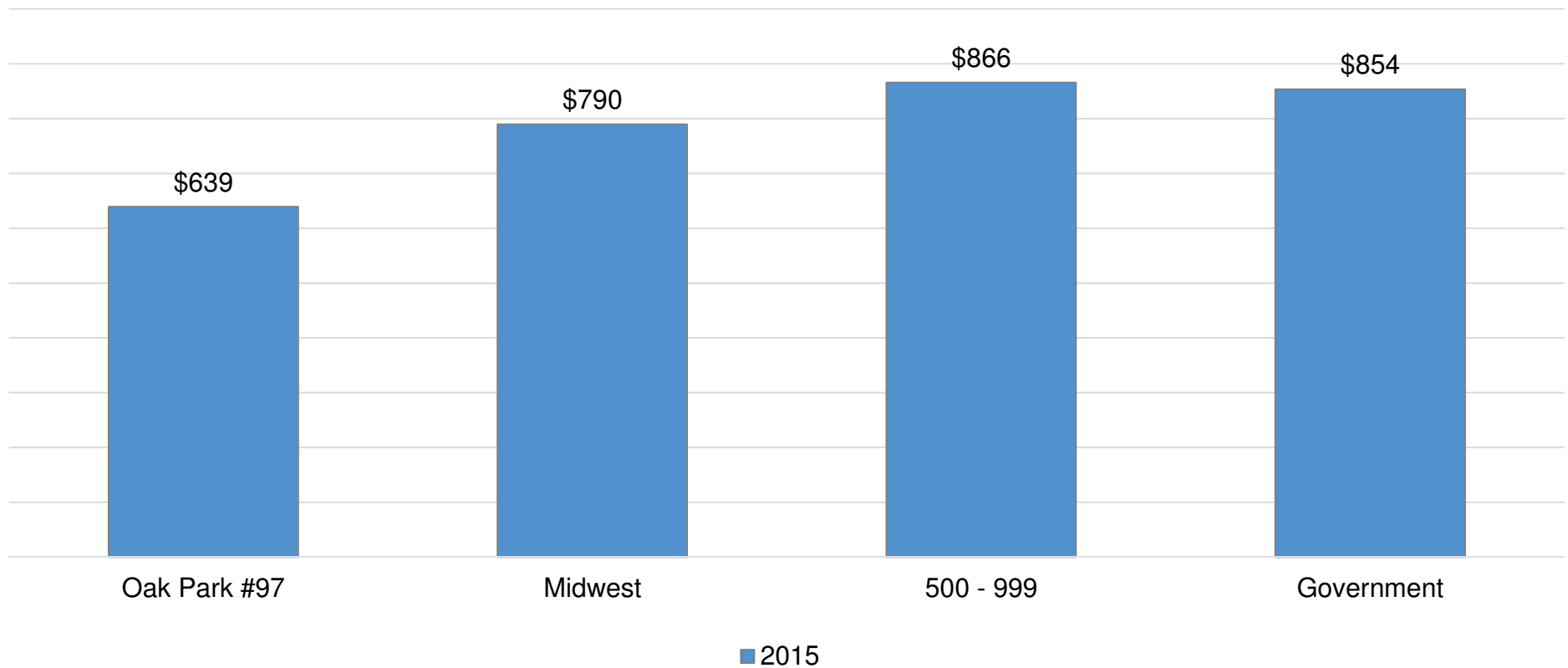
# Medical/Rx Plan Design – HMO

	Oak Park #97 - HMO	Midwest	500 - 999	Government
<b>Plan Feature</b>	<b>In-Network</b>	<b>In-Network</b>	<b>In-Network</b>	<b>In-Network</b>
<b>Annual Ded. (Ind / Family)</b>	\$0	\$500 / \$1,300	ID / ID	\$500 / ID
<b>OV – PCP</b>	\$10 copay	\$20 copay	\$20 copay	\$20 copay
<b>OV – Specialist</b>	\$10 copay	\$40 copay	ID copay	\$30 copay
<b>Outpatient Surgery Copay</b>	\$0	\$100 copay	\$100 copay	\$125 copay
<b>Inpatient Hospital Deductible (Per Admission)</b>	\$100 copay	\$250 copay	\$300 copay	\$250 copay
<b>ER Copay</b>	\$75 copay	\$100 copay	\$100 copay	\$100 copay
<b>Rx Retail Copay Plans (G / BF / BNF / S)</b>	\$10 / \$20 / \$35	\$10 / \$32 / \$53 / \$122	\$11 / \$32 / \$54 / \$124	\$9 / \$27 / \$46 / \$102
<b>Rx Mail Order Copay Plans (G / BF / BNF / S)</b>	\$20 / \$40 / \$70	\$22 / \$64 / \$104 / \$186	\$22 / \$62 / \$107 / \$170	\$22 / \$55 / \$91 / \$148

Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans

# Dental PEPY 2015 Cost

Oak Park's 2015 per employee per year dental costs are below all benchmarks



Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans (2014 trended 4.6% for 2015)



# Dental Plan Design

	Oak Park #97 PPO	Oak Park #97 DHMO	Midwest	500 - 999	Government
<b>Plan Feature</b>	<b>In-Network</b>	<b>In-Network</b>	<b>In-Network</b>	<b>In-Network</b>	<b>In-Network</b>
<b>Annual Ded. (Ind / Family)</b>	\$50 / \$150	None	\$50 / \$150	\$50 / \$150	\$50 / \$150
<b>Annual Maximum</b>	\$1,000	Unlimited	\$1,500	\$1,500	\$1,500
<b>Preventive (Type A)</b>	100%	Scheduled copay	100%	100%	100%
<b>Basic Restorative (Type B)</b>	80%	Scheduled copay	80%	80%	80%
<b>Major Restorative (Type C)</b>	50%	Scheduled copay	50%	50%	50%
<b>Orthodontia</b>	50%	Scheduled copay	50%	50%	50%
<b>Orthodontia Lifetime Max</b>	\$1,000		\$1,500	\$1,500	\$1,500
<b>Orthodontia Eligibility (Cover Child / Cover Adult)</b>	Adults and Eligible Dependents up to age 26	Adults and Eligible Dependents up to age 26	52% / 35%	45% / 36%	48% / 40%

Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans

# Vision Plan Design

Oak Park's vision plan is in line with both benchmarks

Plan Feature	Oak Park #97		2015 VSP Book of Business		2015 EyeMed Book of Business	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Exam</b>	\$10 copay	Up to \$45	\$10 copay	Up to \$45	\$10 copay	Up to \$40
<b>Materials</b>	\$25 copay	Varies. See Below	\$25 copay	Up to \$100	\$25 copay	Varies. See below
<b>Single-vision lens</b>	\$25 copay (combined w/exam)	Up to \$30	\$25 copay	Up to \$30	\$25 copay	Up to \$30
<b>Lined Bifocal lens</b>	\$25 copay (combined w/exam)	Up to \$50	\$25 copay	Up to \$50	\$25 copay	Up to \$50
<b>Lined Trifocal lens</b>	\$25 copay (combined w/exam)	Up to \$65	\$25 copay	Up to \$65	\$25 copay	Up to \$70
<b>Lenticular lens</b>	N/A	N/A	\$25 copay	Up to \$100	\$25 copay	Up to \$70
<b>Frames</b>	Up to \$150	Up to \$70	Up to \$130	Up to \$70	Up to \$130	Up to \$91
<b>Contacts, Elective</b>	Up to \$130	Up to \$105	Up to \$130	Up to \$105	Up to \$130	Up to \$130
<b>Exam Frequency</b>	Once every 12 months		Once every 12 months		Once every 12 months	
<b>Eyeglass or Contact Lenses Frequency</b>	Once every 12 months		Once every 12 months		Once every 12 months	
<b>Frame Frequency</b>	Once every 24 months		Once every 24 months		Once every 24 months	

Source: VSP 2013 reported book of business

# Basic Life/AD&D Plan Design

	Oak Park #97 Class 3: All Others	2015 MetLife Book of Business	2015 Unum Book of Business	2015 Hartford Book of Business	2015 Guardian Book of Business
<b>Waiting Period</b>					
<b>Amount</b>	1x Annual Earnings	1x Earnings most common	1-5x or Flat	1-3x or Flat	1-3x or Flat
<b>Benefit Maximum</b>	\$50,000	Varies based on group size.	\$10,000 - \$500,000+	\$10,000 - \$500,000 +	\$10,000 - \$500,000 +
<b>Guarantee Issue Maximum</b>	N/A	N/A	28% - \$50,000 28% - \$100,000 - \$150,000 14% - \$150,000 - \$200,000	\$1,500,000	N/A
<b>Reduction Formula</b>	35% at age 65 50% at age 70	35% at age 65 50% at age 70	50% at age 70 65% at age 65	35% at age 65 50% at age 70	35% at age 65 60% at age 70 75% at age 75 85% at age 80
<b>Waiver of Premium</b>	Yes	Varies. The smaller the group the greater the chance to have Waiver	95% (optional benefit, but standardly included)	98%	93%
<b>Portability</b>	Yes	2/3rds	93% of Unum life plans include portability (now automatically included)	20%	Unable to report
<b>AD&amp;D</b>	1x Annual Earnings	Almost always offered with smaller groups, is seen as variable on larger groups	90% typically matches Basic Life	94% typically matches Basic Life	98% typically matches Basic Life

# Employee Supplemental Life & AD&D Plan Design



	2015 MetLife Book of Business	2015 Unum Book of Business	2015 Hartford Book of Business
<b>Amount</b>	Smaller Groups generally have incremental plans (usually increments of \$10k to 5x BAE). Larger groups are generally multiples of pay to 7x BAE.	1-5 x BAE for small ERs	1-5 x BAE or incremental
<b>Benefit Maximum</b>	Varies greatly based on group size	\$10,000 - \$500,000 Varies for larger ERs	\$10,000 - \$500,000 or greater
<b>Guarantee Issue Maximum</b>	Varies greatly based on group size	Typically \$100,000 for small ERs. Varies for larger ERs	Varies greatly based on group size
<b>Reduction Formula</b>	none	65% at age 70 and 50% at age 75	35% at age 65 50% at age 70
<b>Waiver of Premium</b>	very common across all group sizes	95% of clients under 2,000 feature waiver of premium. Varies on larger employers	87%
<b>Portability</b>	more than 2/3rds	99%	94%
<b>Tobacco / Non-tobacco rates</b>	0.2	Mainly for small group or first time buyer.	N/A
<b>AD&amp;D</b>	if offered, almost always matches Supp Life amount. VADD seen upmarket	90% of groups allow AD&D as a separate election. Overall maximums match supp life.	85% matching; 67% separate all AD&D

# Dependent Supplemental Life & AD&D Plan Design

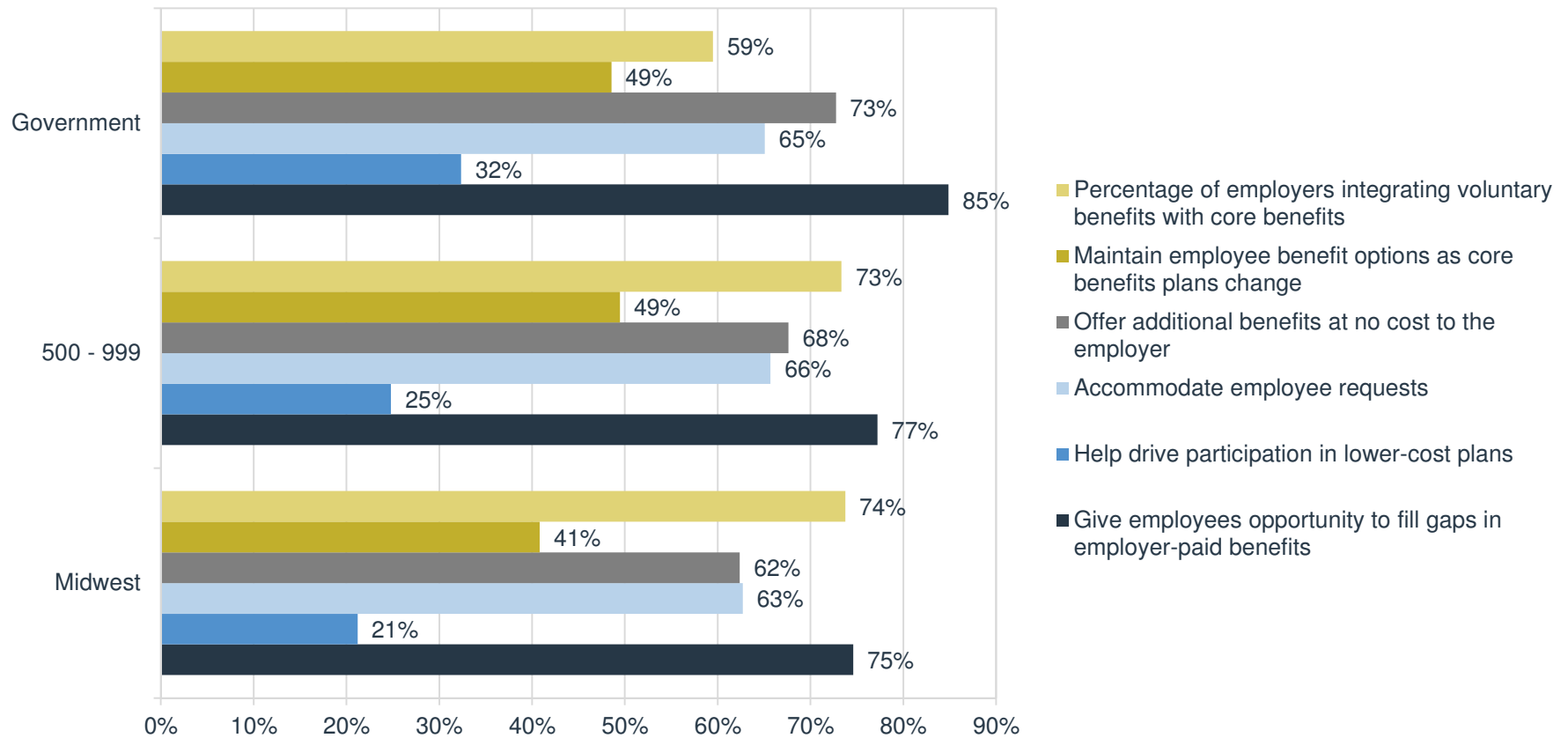


	2015 MetLife Book of Business	2015 Unum Book of Business	2015 Hartford Book of Business
<b>Amount</b>	Spouse: Increments of \$25,000	Spouse: Increments of \$5,000 Child: \$10,000	Spouse: Increments of \$5,000 Child: \$5,000 - \$20,000
<b>Benefit Maximum</b>	Spouse: \$100,000	Spouse: 100% of EE amount Child: \$10,000	Spouse: \$250,000 Child: \$20,000
<b>Guarantee Issue Maximum</b>	Spouse: \$25,000	Spouse: \$25,000 Child: \$10,000	Spouse: up to \$50,000
<b>Portability</b>	Spouse: 60-65%	99%	86%
<b>AD&amp;D</b>	Typically not included	Allowed as separate election	Offer AD&D to Spouse & Child(ren)

# Disability Plan Design

	Oak Park #97	2015 MetLife Book of Business	2015 Unum Book of Business - Manufacturing	2015 Unum Book of Business - Legal Services	2015 Hartford Book of Business	2015 Guardian Book of Business
<b>Waiting Period</b>		35% of plans do not have a waiting period; 21% use 1st of the month following hire date or 30 days; 36% of plans have 31-90 day waiting periods	28% of plans do not have waiting period; 12% use 1st of the month; 25% use 16-20 days; 22% use 61-90 days	44% of plans do not have waiting period; 17% use 1st of the month; 19% use 16-20 days; 14% use 61-90	48% of plans do not have a waiting period; 44% use 1st of the month following hire date or 30 days; 8% of plans have 31-90 day waiting periods	
<b>STD</b>	Contributory	74% of plans are non-contributory	64% - Non-Contributory 36% - Contributory	61% - Non-Contributory 39% - Contributory	64% - Non-Contributory 36% - Contributory	63% - Non-Contributory 23% - Contributory 14% - Voluntary
<b>Elimination Period</b>	Choices between 7/7 to 180/180	1/8 (40% 1st day accident) 27% - 8/8 19% - 15/15	0/7 (36% 1st day accident) 27% - 7/7 20% - 14/14	0/7 (23% 1st day accident) 24% - 7/7 26% - 14/14	1/8 (28% 1st day accident) 29% - 8/8 30% - 15/15	1/8 (33% 1st day accident) 8/8 - 35% 15/15 - 29%
<b>Weekly Benefit %</b>	66.67%	26% Pay out a flat benefit 64% Pay 50-70%	50-70%	50-66.67%	50-70%	50-70%
<b>Weekly Maximum Benefit</b>	\$7,500	\$500 - \$2,000	\$500-\$3,000	\$500-\$3,000	\$500 - \$2,000 or greater	\$500 - \$1,500 or greater
<b>Benefit Duration</b>	SS ADEA	Less than 13 weeks ( 24% of plans);13 weeks (18% of plans); and 26 Weeks (36% of plans)	Less than 13 weeks - 33% 23% - 13 weeks 30% - 26 Weeks	Less than 13 weeks - 44% 22% - 13 weeks 20% - 26 Weeks	Less than 13 weeks (38% of plans);13 weeks (18% of plans); and 26 Weeks (15% of plans)	Less than 13 weeks - 35% 29% - 13 weeks 18% - 26 Weeks

# Voluntary Benefits



Source: 2014 Mercer National Survey of Employer-Sponsored Health Plans

# Voluntary Life/AD&D Proposal

- *Amount of coverage:*
  - *Employee \$10,000 increments up to 5x's salary not to exceed \$500,000*
  - *Spouse \$5,000 increments up employee amount*
  - *Child(ren) \$2,000 increments up to \$10,000, employee must enroll*
- *Guaranteed issue:*
  - *Employee \$120,000*
  - *Spouse \$25,000*



# Voluntary Life/AD&D Rates

## Life

	Rate per \$10,000	Rate per \$5,000	Rate per \$2,000
Age	EE Rate	SP Rate	CH Rate
15-24	0.380	0.450	0.880
25-29	0.500	0.450	
30-34	0.720	0.590	
35-39	1.130	0.810	
40-44	1.710	1.210	
45-49	2.610	1.900	
50-54	3.810	2.820	
55-59	5.310	4.210	
60-64	6.600	5.910	
65-69	9.520	8.350	
70-74	17.990	15.800	
75+	55.610	48.810	

## Examples:

Employee Age 45-49  
 \$100,000 in coverage = \$26.10  
 Spouse \$25,000 in coverage = \$9.50

Employee Age 50-54  
 \$50,000 in coverage = \$19.05  
 Spouse \$25,000 in coverage = \$14.10

## AD&D

EE Rate	SP Rate	CH Rate
\$0.290 per \$10,000	\$0.150 per \$5,000	\$0.080 per \$2,000

*All projections prepared by HUB International are considered estimates, are based upon current information and are subject to change based on future developments. Therefore, any projection may change depending on multiple factors. Further, Health Care Reform estimates have been prepared based on current guidance and regulations and are subject to change as additional guidance is released. Lastly, our recommendations should not be regarded as tax or legal advice.*