

Executive Summary

Prepared for Board of Trustees Meeting

June 21, 2016

Employee Health Insurance/Benefits Report

Purpose of Report

This report is to present to the Board of Trustees, for their review and discussion, a brief update of the changes for 2016-2017 employee benefits.

Objectives

- Review of plan benefits on an annual basis to keep the Board apprised of rate and benefit changes that are being made for the upcoming year.
- Stay competitive with benefits being offered by other school districts.

Operational Impact

Current plan options:

- TRS Medical
 - ActiveCare 1-HD
 - ActiveCare Select
 - ActiveCare 2
 - Baylor Scott & White - HMO
- Dental - Standard
- Vision – Superior
- Basic Life/AD&D – Lincoln
- Supplemental Life – Lincoln
- Disability (Short term/Long term) – Standard
- Supplemental Cancer Coverage – Colonial
- Section 125 Flexible Spending Plans – TASC
- Permanent Life - Texas Life

Program changes if any for 2016-2017:

- TRS Medical
 - ActiveCare 1-HD
 - ActiveCare Select
 - ActiveCare 2
 - Baylor Scott & White – HMO
 - Dental - Standard - Price increase of 4.5% on both plans for 16-17 with a second year rate guarantee capped at 9.5%. Claims are running at 90% loss ratio. Target loss ratio is 68.04%. Calculated rate increase would be 32.3% without rate guarantee.
 - Low Plan - no benefit change
 - High Plan - deductible from \$5 PVD to \$10 PVD.
 - Vision – Superior – No rate or benefit change
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- Basic Life/AD&D – Lincoln - No rate or benefit change
- Supplemental Life – Lincoln - No rate or benefit change
- Disability (Short term/Long term) – Standard - No change in rates with following benefit changes:
 - Change Mental Disorders, Substance Abuse, Musculoskeletal and other limited conditions to 12 months from 24
 - Change the Temporary Recovery Period to a max 30 days from 180 days
 - Change the Own Occupation Period to 12 months from 24
- Supplemental Cancer Coverage – Colonial – No rate or benefit change
- Section 125 Flexible Spending Plans – TASC – No changes
- Permanent Life - Texas Life will no longer be offered due to low participation and major enrollment issues last year. Out of 4,300+ employees only 231 carried the life insurance (172 – employees, 27 – spouses, 32 – child). Any employee who currently has coverage, will be able to continue through automatic bank draft.

Other Options

The changes being made represent an effort to keep our benefits current and comparable to products offered by other school districts and provide the best, most cost effective program to our employees with the resources available.