

Approval of Health Insurance Benefits

August 23, 2011

SUMMARY:

This item requests approval of the employee health insurance package, specifically the plan change(s) for the 2012 benefit year. The benefit changes will be effective January 1, 2012.

BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility... In pursuit of excellence, the district will:

- demonstrate effective and efficient management of district resources

PREVIOUS BOARD ACTION:

For discussion, on August 9, 2011, the Board was presented with the recommended benefit changes.

BACKGROUND INFORMATION:

Our current plan options are as follows:

- Dental – MetLife Dental
- Discount Dental Plan – QCD Dental (option includes a vision benefit)
- Vision – Superior Vision
- Basic Life – ING
- Optional Life – ING
- Short-Term Disability – Ft. Dearborn
- Long-Term Disability – Ft. Dearborn
- Supplemental Cancer Coverage – Humana
- Section 125 Flexible Spending Plans – United HealthCare
- Employee Assistance Program – United HealthCare

The following changes are being recommended:

- Change from MetLife Dental to Cigna Dental
- Change the Flexible Spending Plan Administrator from United HealthCare to PayFlex
- Eliminate the Employee Assistance Program

SIGNIFICANT ISSUES:

Dental - Although our current dental vendor has been satisfactory from a customer standpoint, we have had to work diligently to maintain the current rates for the last two years. In contacting the school district references provided to us during the RFP process, each district had nothing but positive things to say about the recommended vendor – Cigna. Also, although a passive PPO, the Cigna provider network is significantly larger than the current passive PPO network of providers available.

Flexible Spending Accounts - In interviewing flexible spending plan administrators, PayFlex was decidedly superior in the level of options available to employees for filing flex claims, providing claims substantiation and monitoring their individual accounts.

EAP - By eliminating the EAP option, not only will the District realize a cost savings, confusion regarding which vendor the employee needs to contact for the authorization regarding mental health claims will be eliminated.

FISCAL IMPLICATIONS:

Dental - The savings for the employee's by changing dental vendors would be as follows:

2012	Current Vendor		Cigna (4% reduction in cost)	
	Emp. Only	\$36.50	Emp. Only	\$34.99
	Emp/Sp.	\$77.98	Emp/Sp.	\$74.75
	Emp/Ch.	\$70.68	Emp/Ch.	\$67.76
	Family	\$131.72	Family	\$126.27
2013	Current Vendor (9.5% increase)		Cigna (2 nd year of rate guarantee)	
	Emp. Only	\$39.97	Emp. Only	\$34.99
	Emp/Sp.	\$85.39	Emp/Sp.	\$74.75
	Emp/Ch.	\$77.39	Emp/Ch.	\$67.76
	Family	\$144.23	Family	\$126.27

Flexible Spending Accounts - In addition to added enhancements for the employee, by switching flexible spending account administrators to PayFlex, the District will save approximately \$7,000 a year.

EAP - Based on the current employee count, by eliminating the EAP program the District will potentially save approximately \$55,000-60,000 a year in administration costs.

BENEFIT OF ACTION:

Approval of the recommended changes will allow the insurance personnel to proceed with open enrollment preparations and ensure the employees receive their enrollment materials in a timely manner.

SUPERINTENDENT'S RECOMMENDATION:

The following changes are being recommended:

- Change from MetLife Dental to Cigna Dental
- Change the Flexible Spending Plan Administrator from United HealthCare to PayFlex
- Eliminate the Employee Assistance Program

STAFF PERSONS RESPONSIBLE:

Sally Havey, Insurance Coordinator
Debbie Monschke, Executive Director of Administrative Services

ATTACHMENT:

CIGNA Provider List
CIGNA References
CIGNA Customer Service Award Information
2012 Vendor Spreadsheet - Tabulation
Consultant Recommendation Letter

APPROVAL:

Signature of Staff Member Proposing Recommendation: _____

Comments: _____

Signature of Divisional Leader: _____

Comments: _____

Signature of Superintendent: _____

Comments: _____