

To: Board of Education
From: Margo Empen, Superintendent
Subject: Action Item, Health Insurance Renewal Rates

PROPOSED MOTION BY THE BOARD OF EDUCATION

That the Board adopt the health insurance renewal rates from the following: Specific Excess Coverage – Voya; Life Insurance and AD&D – Voya; Health Plan Third Party Administration – Insurance Program Managers Group (IMPG); and Flex 125 Administration – Insurance Program Managers Group (IMPG) as presented.

Moved by _____; Seconded by _____

_____ Josh Arduini	_____	_____ John Jacobs	_____
_____ Jill Stoker	_____	_____ Brad Sibley	_____
_____ Scott Johnson	_____	_____ Pam Tourtillott	_____
_____ Jim Schielein	_____		

Background:

Health Insurance Renewals – Mr. Blackburn has included information on the Health Insurance Renewals.

Each year at this time Marc Taylor, the District’s insurance consultant from The Shorewood Agency, seeks bids on our specific excess health insurance. The specific excess we purchase is to protect the self-insured health plan beyond the limits the District was willing to self-fund on any one specific claimant. He reached out to a number of carriers seeking quotes in addition to our current carrier.

Specific Excess Coverage

During the last plan year we paid Voya a monthly composite rate of \$71.37 per single plan participant per month and \$206.13 per family plan participant per month for our specific excess coverage with an attachment point of \$125,000 and an aggregating specific of \$112,000. The aggregating specific amount of \$112,000 is met when any or all claimants who exceed the \$125,000 threshold amass another \$112,000 in costs. At that point all additional costs for these participants are reimbursed to the district.

Voya, with the same coverage as last year, is willing to retain the rate of \$71.37 per single plan participant per month and \$206.13 per family plan participant per month with those attachment points. In addition they have once again agreed to a renewal cap of 35% and will not laser. Although there were some other companies that submitted initial quotes none were willing to match the attractive renewal cap and there were laser conditions involved.

It will be explained at the September 19, 2016 Insurance Committee that the recommendation was for the Board of Education to renew with Voya maintaining last year’s rates.

Life Insurance

Voya initially provided a proposal three years ago that conformed to the required benefits, duplicated voluntary life rates and reduced basic life and AD&D and included a three year rate guarantee. They are

willing to continue to honor those rates. It is recommended that the District continue with the ING's rate of \$0.015/\$1,000 rate for AD&D and the life insurance rate of \$0.095/\$1,000.

Health Plan Third Party Administration

Last year Insurance Program Managers Group (IPMG) had a claim administrative rate of \$13.85 per employee per month. They are willing to retain that rate of \$13.85 this year which is no increase. They also willing to provide the utilization review services through Hines & Associates at last year's rate of \$2.05 per employee per. In addition, they previously performed the HIPPA administration at \$0.50 per employee per month which will no longer apply (this will result in an approximate savings of \$1,500) and the COBRA requirements for \$1.10 per employee per month. The COBRA rate will remain the same rate for this year.

It is recommended that Insurance Program Managers Group be approved for third party administration as presented.

Flex 125 Administration

Insurance Program Managers Group has proposed the same rate of \$5.20 per employee per month for healthcare and dependent daycare. Both of these fees are paid 50% by the District and 50% by the participant who elects to participate.

In summary it is recommended that at the September 14, 2016 Board of Education meeting the Board adopt the following

- Specific Excess Coverage – Voya
- Life Insurance and AD&D – Voya
- Health Plan Third Party Administration – Insurance Program Managers Group (IPMG)
- Flex 125 Administration - Insurance Program Managers Group (IPMG)

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		FY 14	FY 15	FY 16	FY 17	
Specific Excess	Per EE /Mo	ING	ING	ING/Voya	Voya	Annual
Single	78	\$ 66.49	74 \$ 75.13	74 \$ 71.37	84 \$ 71.37	100.00% \$ 71,940.96
Family	179	\$ 192.02	171 \$ 216.98	163 \$ 206.13	157 \$ 206.13	100.00% \$ 388,348.92
	257	\$ 474,693.60	245 \$ 511,958.40	237 \$ 466,566.84	241 \$ 460,289.88	\$ 460,289.88
	Orig Est	\$ 473,166.00	\$ 511,967.00	\$ 466,657.00	\$ 460,289.88	
	11 mo	\$ 423,976.00	\$ 445,920.00	\$ 427,435.00		
	12 est	\$ 462,519.27	\$ 486,458.18	\$ 466,292.73		
	Actual	\$ 461,481.00	\$ 487,224.00			

		IPMG	IPMG	IPMG	IPMG	
Claims Admin	Per EE	\$ 13.30	\$ 13.45	\$ 13.85	\$ 13.85	100.00%
HIPPA/COBRA	/Mo	\$ 1.50	\$ 1.60	\$ 1.60	\$ 1.10	68.75%
					No HIPPA Cost	
Flex	Per EE /Mo	\$ 5.10	\$ 5.20	\$ 5.20	\$ 5.200	100.00%

		ING	ING	ING/Voya	Voya	
Life Ins/\$1,000	Per EE	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	100.00%
AD&D/\$1,000	/Mo	\$ 0.095	\$ 0.095	\$ 0.095	\$ 0.095	100.00%

COBRA						
Rates	Single	\$ 661.26	\$ 627.05	\$ 634.96	\$ 668.19	105.23%
	Family	\$ 1,716.29	\$ 1,627.51	\$ 1,648.05	\$ 1,734.30	105.23%

Retirees						
Rates	Single	\$ 713.25	\$ 676.36	\$ 684.89	\$ 720.73	105.23%
	Family	\$ 1,847.80	\$ 1,752.22	\$ 1,774.33	\$ 1,867.19	105.23%

FY 14
FY 15
FY 16
FY 17