



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

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

SUBMITTED BY: Robert Chapa OF: Risk Management

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: June 18, 2008

DATE ASSIGNED FOR BOARD CONSIDERATION: June 18, 2008

RECOMMENDATION:

The Employee Benefits Committee has concluded renewal negotiations with Blue Cross Blue Shield of Texas and recommends the district renew the district health plan with BCBS at the rates listed on the supporting documents. This is the final year of a four(4) contract awarded by the Board on June 14, 2005.

RATIONALE:

The EBC reviewed loss run data and found utilization justifies the requested increases in premium.

BUDGETARY INFORMATION

Approximately \$1.4M has been budgeted in 2008-09 proposed budget.

BOARD POLICY REFERENCE AND COMPLIANCE:



UNITED INDEPENDENT SCHOOL DISTRICT

Robert Chapa
Director of Risk Management

Date: June 3, 2008
To: UISD Board of Trustees
Re: District Health Insurance Annual Renewal

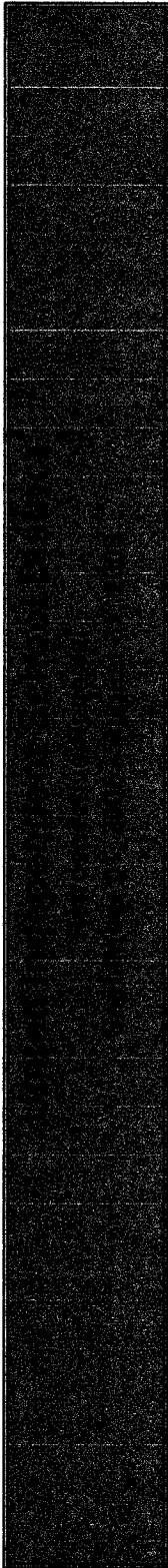
The Employee Benefits Committee (EBC) has concluded annual negotiations with Blue Cross Blue Shield for the District health insurance plan and recommends the Board accept the negotiated proposal as per attached exhibits. Highlights of the proposal include:

- A. +11% increase in premiums.
- B. Changes to the schedule of benefits consisting of:
 1. Increase of annual deductible from \$300/\$900 to \$400/\$1,200
 2. Increase of ER Copay from \$150 to \$500 (Waived if admitted into hospital)
 3. Increase of Coinsurance Stoploss Maximum from \$2,000/\$6,000 to \$2,500/\$7,500
 4. Increase of Urgent Care/After Hours Clinic Copay from \$25 to \$40
 5. Elimination of \$300 MRI/CT/Sonogram annual deductible
 5. Elimination of \$100 hospital admission deductible

The EBC feels that given the claims history for the year experienced by the plan that the listed premiums and schedule changes are needed and justified.



HIGH Plan	% change	5,135 est annual claims change
1 Current Benefit : Deductible \$300/\$900 In Ntwk \$600/\$1800 Out of Ntwk ██		(\$247,435)
2. Current Benefit: ER - 80% after \$150 copay Change to: ER 80% after \$200 copay	-0.36%	(\$82,815)
Change to: ER 80% after \$300 copay ██	-0.90%	(\$205,354)
		(\$333,280)
3. \$6,000/\$12,000 Out of Ntwk Current: Coinsurance Stoploss Maximum: \$2,000/\$6,000 In Ntwk ██		(\$127,252)
4. Current: Urgent Care Copay \$25 (same as office visit) Change to: \$40 Urgent Care/After Hours Copay	-0.64%	(\$146,638)
5 Current: Rx Enhanced ██		(\$142,738)
6. Current: MRI / CT/ Sonogram 80% after \$300 Ded ██		\$98,301
7. Current: Per Admission Deductible : In Network \$100 /Out of ntwk \$500 ██		\$93,419
	Change	-2.89%



Projected Net Paid Claims		\$22,912,165
Pooling Charge	\$300,000 Level	\$311,605
Margin	1.18%	\$343,682
Total Benefit Charges		\$23,309,264
DLR		88.51%
Administration Charge		11.49%
Needed Premium		\$26,336,152
Premium at Current Rates		\$21,961,322
Needed Rate Action		19.92%

Premium Rates	Lives	Current	Negotiated Renewal		With Plan Changes*	District Contribution	Employee Contribution
			14.83%				
High Plan							
Single	3,895	\$292.58	\$335.98	\$326.17	\$290.42	\$36.75	
Single + Spouse	124	\$685.16	\$671.95	\$648.42	\$290.42	\$358.00	
Single + Child(ren)	868	\$474.68	\$545.09	\$525.42	\$290.42	\$235.00	
Family	257	\$819.75	\$941.34	\$907.64	\$290.42	\$617.22	
State Plan							
Single	-	\$724.49	\$831.95	\$831.95	\$290.42	\$541.53	
Single + Spouse	-	\$1,852.93	\$2,127.76	\$2,127.76	\$290.42	\$1,837.34	
Single + Child(ren)	-	\$1,509.79	\$1,733.73	\$1,733.73	\$290.42	\$1,443.31	
Family	-	\$2,525.47	\$2,900.06	\$2,900.06	\$290.42	\$2,609.64	
HCSC & Medicare Total:	5,135						

*Plan Changes - Represent Additional 3.83% Decrease in Rates Due to Plan Changes

UNITED INDEPENDENT SCHOOL DISTRICT
 2008-2009 Health Insurance Program
 Review Date: September 1, 2008

	Blue Cross Blue Shield High Plan	Blue Cross Blue Shield State Plan
Provider Network		
Doctor's Hospital	Yes	Yes
Laredo Medical Center	Yes	Yes
Benefits		
Deductible-Annual		
X-Ray/CT/MRI/Sonograms	\$-0- Deductible	\$-0- Deductible
All Other Deductible-Annual		
In-Network	\$400 Indiv/\$1,200 Family	None
Out-of-Network	\$800 Indiv/\$2,400 Family	\$500 Indiv/\$1,500 Family
Physician Copay	\$25 Then 100%	\$15 & Then 100%
Emergency Room		
In-Network	\$500 & Then 80%	\$50 & Then 90%
Out-of-Network	\$500 & Then 60%	\$50 & Then 70%
After Hours Clinics	\$40 Then 100%	\$15 & Then 100%
Deductible-Hospital		
In-Network	\$-0- Per Admission	None
Out-of-Network	\$500 Per Admission	None
Co-Insurance Percent		
In-Network	20% / 80%	10% / 90%
Out-of-Network	40% / 60%	30% / 70%
Co-Insurance Maximum		
In-Network	\$2,500 Indiv/\$7,500 Family	\$500 Indiv/\$1,500 Family
Out-of-Network	\$7,500 Indiv/\$22,500 Family	\$1,500 Indiv/\$4,500 Family
Prescription Drugs		
Retail-Supply Limit	30 Days	30 Days
Generic	\$5 & Then 100%	\$5 & Then 100%
Brand-Preferred	\$30 & Then 100%	\$30 & Then 100%
Brand-Non Preferred	\$50 & Then 100%	\$50 & Then 100%
	Plus cost difference between generic & brand if generic equivalent is available.	
Mail Order-Supply Limit	90 Days	90 Days
Generic	\$10 & Then 100%	\$10 & Then 100%
Brand-Preferred	\$60 & Then 100%	\$60 & Then 100%
Brand-Non Preferred	\$100 & Then 100%	\$100 & Then 100%
	Plus cost difference between generic & brand if generic equivalent is available.	
District Contribution	\$ 290.42	\$ 290.42
Employee Contribution	<u>Emp Cont.</u> <u>COBRA Cost</u>	<u>Emp Cont.</u> <u>COBRA Cost</u>
Emp. Only	\$ 35.75 \$ 326.17	\$ 541.53 \$ 831.95
Emp./Children	\$ 235.00 \$525.42	\$ 1,443.31 \$ 1,733.73
Emp./Spouse	\$ 358.00 \$ 648.42	\$ 1,837.34 \$ 2,127.76
Emp./Family	\$ 617.22 \$ 907.64	\$ 2,609.64 \$ 2,900.06