

# Approval of Employee Voluntary Insurance Benefits

May 09, 2017

## SUMMARY:

This item requests approval of the employee voluntary insurance benefits, specifically the carrier and plan changes for the 2017-2018 benefit year. The benefit changes will be effective September 1, 2017.

## 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 May 09, 2017, the Board was presented with the recommended benefit changes.

## BACKGROUND INFORMATION:

Current plan options:

- Dental - Standard
- Vision - Superior Vision
- Basic Term Life and AD&D Life - Lincoln Financial - District provided (\$15,000)
- Voluntary Term Life and AD&D Life - Lincoln Financial
- Long Term/Short Term Disability - Standard
- Cancer - Colonial
- Section 125 Flexible Spending Plan Administrator - TASC (Total Administrative Services Corporation)
- Employee Assistance Program (EAP) – BDA (Bensinger, DuPont & Associates)

The following changes are being recommended:

- Dental - Cigna
- Vision - Superior - No change
- Basic Term Life with AD&D - One America – EAP included – District provides \$15,000 per employee
- Voluntary Term Life with AD&D - One America – EAP included
- Long Term/Short Term Disability - The Hartford – EAP included
- Cancer - American Public Life (APL)
- Section 125 Flexible Spending Plan Administrator - NBS (National Benefits Services)
- Employee Assistance Program (EAP) – One America and The Hartford

## SIGNIFICANT ISSUES:

- Cigna Dental - we will be able to provide the employees with 65 additional dentists but will lose 5 that are currently on the plan. We will also only see a 10.75 increase in premiums plus we will gain a 24-month rate guarantee along with offering a DHMO plan.
- Superior Vision - There will be no change or rate increase.
- One America – Basic Life with AD&D - we will see a .02 cent decrease in the employer premium but will gain a 36-month rate guarantee. The District provides \$15,000 per employee plus an EAP.
- One America – Voluntary Term Life with AD&D – we will see a .20 increase in the employee's premiums except for age band 35-39 which is no increase but will gain a 36-month rate guarantee plus an EAP.
- The Hartford Long Term/Short Term Disability - we will not see a rate increase but will gain a 36-month rate guarantee plus an EAP.
- American Public Life (APL) Cancer – We will be able to provide the employees with a High/Low option which will include a guaranteed issue every year, meaning there are no health questions.
  - Current employees now covered under the Colonial policy - American Public Life (APL) has agreed to waive pre-existing conditions.
  - All other employees - There is a pre-existing conditions clause for any employee not currently covered. "It states that any condition present in the 12 months prior to the policy effective date will not be covered for the first 12 months of the policy. Any new diagnosis would however be covered".
- NBS (National Benefits Services) Flexible Spending Administrator.

**FISCAL IMPLICATIONS:**

All cost associated with the above changes would be the responsibility of the employee with the exception of basic life. The District will still provide \$15,000 in Basic/AD&D life at a rate of .98 per employee per month.

**BENEFIT OF ACTION:**

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

**SUPERINTENDENT’S RECOMMENDATION:**

The following changes are being recommended for approval for the term of 1 year with the option to renew additional 1 year periods up to the maximum number of years for which the rate is guaranteed.

- Cigna Dental – 3 plan options - PPO – High and Low and DHMO – (2 year)
- Superior Vision – no change – 2 plan options – High and Low - (4 year)
- One America – Basic Term Life with AD&D – includes EAP with 6 visits (3 year)
- One America – Voluntary Term Life with AD&D - (3 year)
- The Hartford Long Term/Short Term Disability – no rate increase – includes EAP with 3 visits – (3 year)
- American Public Life Cancer – 2 plan options – High and Low
- NBS (National Benefits Services) Flexible Spending Administrator
- Employee Assistance Program (EAP) – One America and The Hartford

**STAFF PERSONS RESPONSIBLE:**

Karen Almon, Director of Risk Management  
Debbie Monschke, Assistant Superintendent of Administrative Services

**ATTACHMENT:**

Spreadsheets with the benefits and cost comparison from the RFP process

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Divisional Leader: \_\_\_\_\_

Comments: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_

Comments: \_\_\_\_\_