

No. \_\_\_\_\_



## UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

**TOPIC** Discussion and Possible Action on Award of District Health Insurance Plan

**SUBMITTED BY:** Robert Chapa ~~OF:~~ Risk Management

**APPROVED FOR TRANSMITTAL TO SCHOOL BOARD:** \_\_\_\_\_

**DATE ASSIGNED FOR BOARD CONSIDERATION:** June 17, 2009

### RECOMMENDATION:

The Employee Benefits Committee has concluded negotiations for the district group health insurance plan and recommends the district award the insurance plan (Option I) to the Robert Laurel Insurance Agency through the Blue Cross Blue Shield of Texas Insurance Company.

The award is for a (4) one year contracts renewable annually at the discretion of the district.

### RATIONALE:

BCBS provided the best value for the price of the vendors interviewed. Employee satisfaction with BCBS service has been excellent and the EBC sees no compelling reason to change providers, financial or otherwise.

### BUDGETARY INFORMATION

Approximately \$1.7M has been budgeted in 2009-2010 proposed budget.

### BOARD POLICY REFERENCE AND COMPLIANCE

# UNITED INDEPENDENT SCHOOL DISTRICT

Group Health Insurance Proposals  
Blue Cross Blue Shield Benefit / Rate Options  
Effective Date: September 1, 2009  
Best & Final: May 23, 2009



General		Current	Blue Cross - Option I		Blue Cross - Option II		
Insurance Company		Blue Cross Blue Shield of Texas	Blue Cross Blue Shield of Texas		Blue Cross Blue Shield of Texas		
Service Office		San Antonio, TX	San Antonio, TX		San Antonio, TX		
Representative		Donald Coronado	Donald Coronado		Donald Coronado		
Agent Name		Laurel Insurance Agency	Laurel Insurance Agency		Laurel Insurance Agency		
Service Office		Laredo, TX	Laredo, TX		Laredo, TX		
Provider Network							
Doctor's Hospital		Yes	Yes		Yes		
Laredo Medical Center		Yes	Yes		Yes		
Benefits			Current Benefits		High Deductible; No Copay		
Deductible-Annual					HSA Eligible Benefits		
X-Ray/CT/MRI/Sonograms		In-Network: \$0 Deductible	In-Network: \$0 Deductible		Same as All Other Deductible		
All Other Deductible-Annual							
In-Network		\$400 Indiv/\$1,200 Family	\$400 Indiv/\$1,200 Family		\$2,300 Indiv/\$2,300 Family		
Out-of-Network		\$800 Indiv/\$2,400 Family	\$800 Indiv/\$2,400 Family		\$2,300 Indiv/\$2,300 Family		
Physician Copay		\$25 Then 100%	\$25 Then 100%		Deductible & Then 80%		
Emergency Room Copay							
In-Network		\$500 & Then 80%	\$500 & Then 80%		Deductible & Then 80%		
Out-of-Network		\$500 & Then 60%	\$500 & Then 60%		Deductible & Then 60%		
After Hours Clinics Copay		\$40 Then 100%	\$40 Then 100%		Deductible & Then 80%/60%		
Deductible-Hospital							
In-Network		\$-0- Per Admission	\$-0- Per Admission		Deductible & Then 80%		
Out-of-Network		\$500 Per Admission	\$500 Per Admission		Deductible & Then 60%		
Co-Insurance Percent							
In-Network		20% / 80%	20% / 80%		20% / 80%		
Out-of-Network		40% / 60%	40% / 60%		40% / 60%		
Out-of-Pocket Maximum							
Deductible Included		No	No		Yes		
In-Network		\$2,500 Indiv/\$7,500 Family	\$2,500 Indiv/\$7,500 Family		\$5,300 Indiv/\$7,300 Family		
Out-of-Network		\$7,500 Indiv/\$22,500 Family	\$7,500 Indiv/\$22,500 Family		\$5,300 Indiv/\$7,300 Family		
Prescription Drugs							
Retail-Supply Limit		30 Days	30 Days		30 Days		
Generic		\$5 & Then 100%	\$5 & Then 100%		Deductible & Then 80%		
Brand-Preferred		\$30 & Then 100%	\$30 & Then 100%		Deductible & Then 80%		
Brand-Non Preferred		\$50 & Then 100%	\$50 & Then 100%		Deductible & Then 80%		
Generic Incentive		Yes	Yes		No		
Mail Order-Supply Limit		90 Days	90 Days		90 Days		
Generic		\$10 & Then 100%	\$10 & Then 100%		Deductible & Then 80%		
Brand-Preferred		\$60 & Then 100%	\$60 & Then 100%		Deductible & Then 80%		
Brand-Non Preferred		\$100 & Then 100%	\$100 & Then 100%		Deductible & Then 80%		
Generic Incentive		Yes	Yes		No		
Premium	Number	Monthly Rate	Increase (Decrease)	Monthly Rate	Increase (Decrease)	Monthly Rate	Increase (Decrease)
Emp. Only	4,031	\$ 326.17	-	\$ 342.48	\$ 16.31	\$ 275.32	\$ (50.85)
Emp./Children	918	\$ 525.42	-	\$ 551.69	\$ 26.27	\$ 443.50	\$ (81.92)
Emp./Spouse	133	\$ 648.42	-	\$ 680.84	\$ 32.42	\$ 547.32	\$ (101.10)
Emp./Family	213	\$ 907.64	-	\$ 953.02	\$ 45.38	\$ 766.12	\$ (141.52)
Total /Annual	5,295	\$24,920,328	-	\$26,166,399	\$ 1,246,071	\$21,035,100	\$ (3,885,228)
Percent Increase/Decrease				5.0%		(15.6)%	
Comment:		Generic Incentive is Cost Difference Between Generic Brand if Generic is Available.		Generic Incentive is Cost Difference Between Generic Brand if Generic is Available.			

# UNITED INDEPENDENT SCHOOL DISTRICT

Group Health Insurance Proposals

Humana Benefit / Rate Options

Effective Date: September 1, 2009

Best & Final: May 23, 2009



General		Current		Humana - Option I		Humana - Option II	
Insurance Company		Blue Cross Blue Shield of Texas		Humana		Humana	
Service Office		San Antonio, TX		San Antonio, TX		San Antonio, TX	
Representative		Donald Coronado		Thomas Silliman		Thomas Silliman	
Agent Name		Laurel Insurance Agency		Laurel Insurance Agency		Laurel Insurance Agency	
Service Office		Laredo, TX		Laredo, TX		Laredo, TX	
Provider Network				Current Benefits		Reduced Benefits	
Doctor's Hospital		Yes		Yes		Yes	
Laredo Medical Center		Yes		Yes		Yes	
Benefits							
Deductible-Annual						HSA Eligible Benefits	
X-Ray/CT/MRI/Sonograms		In-Network: \$0 Deductible		In-Network: \$0 Deductible		Same as All Other Deductible	
All Other Deductible-Annual							
In-Network		\$400 Indiv/\$1,200 Family		\$400 Indiv/\$1,200 Family		\$2,000 Indiv. / \$4,000 Family	
Out-of-Network		\$800 Indiv/\$2,400 Family		\$800 Indiv/\$2,400 Family		\$4,000 Indiv. / \$8,000 Family	
Physician Copay		\$25 Then 100%		\$25 Then 100%		Deductible & Then 80%	
Emergency Room Copay							
In-Network		\$500 & Then 80%		\$500 & Then 80%		Deductible & Then 80%	
Out-of-Network		\$500 & Then 60%		\$500 & Then 60%		Deductible & Then 80%	
After Hours Clinics Copay		In-Network \$40 Then 100%		In-Network \$40 Then 100%		Deductible & Then 80%	
Deductible-Hospital							
In-Network		\$0- Per Admission		\$0- Per Admission		Deductible & Then 80%	
Out-of-Network		\$500 Per Admission		\$500 Per Admission		Deductible & Then 50%	
Co-Insurance Percent							
In-Network		20% / 80%		20% / 80%		20% / 80%	
Out-of-Network		40% / 60%		40% / 60%		50% / 50%	
Out-of-Pocket Maximum							
Deductible Included		No		No		Yes	
In-Network		\$2,500 Indiv/\$7,500 Family		\$2,500 Indiv/\$7,500 Family		\$5,000 Indiv/\$5,000 Family	
Out-of-Network		\$7,500 Indiv/\$22,500 Family		\$7,500 Indiv/\$22,500 Family		\$10,000 Indiv/\$20,000 Family	
Prescription Drugs							
Retail-Supply Limit		30 Days		30 Days		30 Days	
Generic		\$5 & Then 100%		\$5 & Then 100%		Deductible & Then 80%	
Brand-Preferred		\$30 & Then 100%		\$30 & Then 100%		Deductible & Then 80%	
Brand-Non Preferred		\$50 & Then 100%		\$50 & Then 100%		Deductible & Then 80%	
Generic Incentive		Yes		Yes		No	
Mail Order-Supply Limit		90 Days		90 Days		90 Days	
Generic		\$10 & Then 100%		\$10 & Then 100%		Deductible & Then 80%	
Brand-Preferred		\$60 & Then 100%		\$60 & Then 100%		Deductible & Then 80%	
Brand-Non Preferred		\$100 & Then 100%		\$100 & Then 100%		Deductible & Then 80%	
Generic Incentive		Yes		Yes		No	
Premium		Monthly	Increase	Monthly	Increase	Monthly	Increase
		Rate	(Decrease)	Rate	(Decrease)	Rate	(Decrease)
Emp. Only	4,031	\$ 326.17	-	\$ 339.93	\$ 13.76	\$ 229.08	\$ (97.09)
Emp./Children	918	\$ 525.42	-	\$ 547.39	\$ 21.97	\$ 369.02	\$ (156.40)
Emp./Spouse	133	\$ 648.42	-	\$ 675.78	\$ 27.36	\$ 445.40	\$ (203.02)
Emp./Family	213	\$ 907.64	-	\$ 945.94	\$ 38.30	\$ 637.46	\$ (270.18)
Total / Annual	5,295	\$24,920,328	-	\$25,969,510	\$ 1,049,182	\$17,486,388	\$ (7,433,940)
Percent Increase/Decrease				4.2%		(29.8)%	
Comment:		Generic Incentive is Cost Difference Between Generic Brand if Generic is Available.		Rates Include On-site Representative.		Rates Include On-site Representative.	

**UNITED INDEPENDENT SCHOOL DISTRICT**

2008-2009 Health Insurance Program

Review Date: September 1, 2009

**Provider Network**

Doctor's Hospital  
Laredo Medical Center

**Benefits****Deductible-Annual**

X-Ray/CT/MRI/Sonograms

**All Other Deductible-Annual**

In-Network  
Out-of-Network

**Physician Copay****Emergency Room**

In-Network  
Out-of-Network

**After Hours Clinics****Deductible-Hospital**

In-Network  
Out-of-Network

**Co-Insurance Percent**

In-Network  
Out-of-Network

**Co-Insurance Maximum**

In-Network  
Out-of-Network

**Prescription Drugs**

Retail-Supply Limit  
Generic  
Brand-Preferred  
Brand-Non Preferred

Mail Order-Supply Limit  
Generic  
Brand-Preferred  
Brand-Non Preferred

Blue Cross Blue Shield High Plan	Blue Cross Blue Shield State Plan
Yes	Yes
Yes	Yes
\$-0- Deductible	\$-0- Deductible
\$400 Indiv/\$1,200 Family	None
\$800 Indiv/\$2,400 Family	\$500 Indiv/\$1,500 Family
\$25 Then 100%	\$15 & Then 100%
\$500 & Then 80%	\$50 & Then 90%
\$500 & Then 60%	\$50 & Then 70%
\$40 Then 100%	\$15 & Then 100%
\$-0- Per Admission	None
\$500 Per Admission	None
20% / 80%	10% / 90%
40% / 60%	30% / 70%
\$2,500 Indiv/\$7,500 Family	\$500 Indiv/\$1,500 Family
\$7,500 Indiv/\$22,500 Family	\$1,500 Indiv/\$4,500 Family
30 Days	30 Days
\$5 & Then 100%	\$5 & Then 100%
\$30 & Then 100%	\$30 & Then 100%
\$50 & Then 100%	\$50 & Then 100%
Plus cost difference between generic & brand if generic equivalent is available.	
90 Days	90 Days
\$10 & Then 100%	\$10 & Then 100%
\$60 & Then 100%	\$60 & Then 100%
\$100 & Then 100%	\$100 & Then 100%
Plus cost difference between generic & brand if generic equivalent is available.	
\$ 310.05	\$ 310.05
Emp Cont.	Emp Cont.
COBRA Cost	COBRA Cost
\$ 35.75 \$ 345.80	\$ 541.53 \$ 851.58
\$ 235.00 \$ 545.05	\$ 1,443.31 \$ 1,753.36
\$ 358.00 \$ 668.05	\$ 1,837.34 \$ 2,147.39
\$ 617.22 \$ 927.27	\$ 2,609.64 \$ 2,919.69

**District Contribution****Employee Contribution**

Emp. Only  
Emp./Children  
Emp./Spouse  
Emp./Family