

# Approval of Health Insurance Benefits

March 19, 2013

## SUMMARY:

This item requests approval of the employee health insurance package, specifically the plan change(s) for the 2013 benefit year. The benefit changes will be effective September 1, 2013.

## 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:

Approval of current products on August 23, 2011.

## BACKGROUND INFORMATION:

Current plan options:

- Dental - Cigna
- Dental - 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 – HealthHub PayFlex

The following changes are being recommended:

- Change from Cigna Dental to Lincoln Dental
- Change from Superior Vision to Humana Vision
- Change from ING Basic and Optional Life to Lincoln Life
- Change from Ft. Dearborn Short and Long Term Disability to Standard Disability
- Change from Humana Cancer to Colonial Cancer
- Change the Flexible Spending Plan Administrator from HealthHub PayFlex to TASC (Total Administrative Services Corporation)
- Add a Medical Gap plan to help offset the increase in the TRS ActiveCare Health Insurance
- Add a Permanent Life this will give the employee more of an option
- Add a Accident Plan option

## SIGNIFICANT ISSUES:

- Changing from Cigna Dental will provide the employees with an 18% savings in premium costs.
- Changing from Superior Vision will provide the employees 2 plan options with comparable benefits or better benefits.
- Changing from Ft. Dearborn Short and Long Term Disability to Standard Disability will provide better cost and coverage to the employee.
- Offering a Permanent Life insurance policy will give the employee an option of reasonable coverage without cost being age banded with increase every 5 years. This plan is portable at a locked in cost during enrollment. This plan also includes a long-term care option.
- Changing from ING Basic and Voluntary life will provide the employees with a 15% savings in premium costs.
- Changing the Flexible Spending Administrator will potentially result in a savings to the District in administrator fees as well as provide better service to the employees.

## FISCAL IMPLICATIONS:

All cost associated with the above changes would be the responsibility of the employee.

## 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 Cigna Dental to Lincoln Dental – 2 plan options PPO and DHMO
- Change from Superior Vision to Humana Vision – 2 plan options Humana 2 and Humana High Option
- Change from ING Basic and Optional Life to Lincoln Life – Lincoln for both the basic and supplemental life
- Change from Ft. Dearborn Short and Long Term Disability to Standard Disability – Standard Plan 3
- Change from Humana Cancer to Colonial Cancer - Colonial Cancer Policy
- Change the Flexible Spending Plan Administrator from HealthHub PayFlex to TASC (Total Administrative Services Corporation
- Add a Medical Gap plan to help offset the increase in the TRS ActiveCare Health Insurance – SIS\_USEBSG
- Add an Accident plan – Humana
- Add a Permanent Life Insurance Policy this will give the employee more of an option – Combined/Fidelity

**STAFF PERSONS RESPONSIBLE:**

Karen Almon, Insurance Coordinator  
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: \_\_\_\_\_