



## Executive Summary Finance Committee Meeting

DATE: March 24, 2022

TOPIC: Educational Benefit Cooperative (EBC) Announced FY23 Insurance Rates

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### Recommended for:

- ☒ Discussion
- ☒ Information

### Purpose/Background:

The Educational Benefit Cooperative announced the rates for medical, dental and life insurance that will take effect from July 1, 2022 through June 30, 2023. They are as follows:

**+5.5% PPO**

**+7.7% HMO**

**+3.7% Dental**

**0.0% Life**

The typical distribution on medical insurance premium costs is 70% to the District and 30% to the employee. According to the CBA, if an annual increase is over 6.5%, the overage amount is to be split 50%-50% between the District and the employee. Even though the HMO rate triggers this event, the amount does NOT sway significantly enough to cause the District to lose its Grandfathered status. A sway would be significant if the costs divided between the employer and employee shift more than 5.0% from the prior year. *Healthcare.gov's* description of Grandfathered is "An individual health insurance policy purchased on or before March 23, 2010. These plans weren't sold through the Marketplace, but by insurance companies, agents, or brokers. They may not include some rights and protections provided under the Affordable Care Act. Plans may lose "grandfathered" status if they make certain significant changes that reduce benefits or increase costs to consumers. A health plan must disclose whether it considers itself a grandfathered plan."

**Fiscal Impact:**

This table indicates SD74's portion of a monthly EBC invoice which is typically 70% on medical and 85% on dental but not always due to some who have insurance covered differently than most (administrators, FTEs, retirees). The July estimate does not include any potential employee plan changes because open enrollment takes place in May. The District covers 100% of life insurance costs. Voluntary additional life plans are covered 100% by the employees.

<b>March 2022 Invoice</b>	<b>Current Monthly Rate</b>	<b>Qty.</b>	<b>03/2022 SD74 PORTION</b>	<b>July 1, 2022 Estimate</b>
PPO EE Only	\$1,030.19	31	\$21,600	<b>\$22,800</b>
PPO EE +1	\$1,782.18	17	\$22,300	<b>\$23,500</b>
PPO Family	\$2,410.57	42	\$76,000	<b>\$80,200</b>
HMO EE Only	\$645.40	23	\$9,900	<b>\$10,700</b>
HMO EE +Spouse	\$1,179.40	5	\$4,500	<b>\$4,900</b>
HMO EE +Children	\$1,247.72	11	\$9,600	<b>\$10,300</b>
HMO Family	\$1,782.56	17	\$22,300	<b>\$24,000</b>
<b>NO MEDICAL PLAN</b>	<b>\$0</b>	<b>26</b>	<b>\$0</b>	<b>\$0</b>
Dental EE Only	\$32.42	54	\$1,420	<b>\$1,500</b>
Dental Family	\$97.33	107	\$9,115	<b>\$9,450</b>
<b>NO DENTAL PLAN</b>	<b>\$0</b>	<b>21</b>	<b>\$0</b>	<b>\$0</b>
Life AD&D Insurance	Ranges	162	\$1,600	<b>\$1,600</b>
<b>Monthly Estimates</b>			<b>\$178,335 /mo.</b>	<b>\$188,950 /mo.</b>

**Recommendation:**

This summary is for informational purposes.