

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



# UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

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

**SUBMITTED BY:** \_\_\_\_\_ Robert Chap ~~man~~ \_\_\_\_\_ **OF:** \_\_\_\_\_ Risk Management \_\_\_\_\_

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

**DATE ASSIGNED FOR BOARD CONSIDERATION:** \_\_\_\_\_ May 21, 2014 \_\_\_\_\_

## RECOMMENDATION:

The Employee Benefits Committee (EBC) and staff have concluded negotiations for renewal of the district group health insurance plan. The recommendation to the Board is to approve the proposed plan which includes enhancements to current benefits with a slight increase in premium related to the Affordable Care Act (ACA) fees. Administration is recommending the Board approve an increase of \$13.84 per month per employee for these fees.

## RATIONALE:

The proposal accurately reflects the district's loss run record and required elements of the Federal Affordable Health Care Act. Renewal is for the second year of a 4 year contract.

## BUDGETARY INFORMATION

## BOARD POLICY REFERENCE AND COMPLIANCE:

**UNITED INDEPENDENT SCHOOL DISTRICT**

2014-15 Health Insurance Program  
Effective 9/1/2014

	Blue Cross Blue Shield Core Plan	Blue Cross Blue Shield Core Plan Plus+	Blue Cross Blue Shield State Plan
<b>Provider Network</b>			
Doctor's Hospital	Yes	Yes	Yes
Laredo Medical Center	Yes	Yes	Yes
<b>Benefits</b>			
<b>Deductible-Annual</b>			
X-Ray/CT/MRI/Sonograms	\$0- Deductible	\$0- Deductible	\$0- Deductible
<b>All Other Deductible-Annual</b>			
<b>In-Network</b>	\$1,800 Indiv/\$3,600 Family	\$500 Indiv/ <b>\$1,000 Family</b>	None
<b>Out-of-Network</b>	\$4,000 Indiv/\$8,000 Family	\$1,000 Indiv/\$3,000 Family	\$500 Indiv/\$1,500 Family
<b>Physician Copay</b>			
Specialist Copay	\$35 Then 100%	\$25 Then 100%	\$15 Then 100%
<b>Emergency Room</b>			
In-Network	\$60 Then 100%	\$25 Then 100%	\$15 Then 100%
Out-of-Network	\$500 & Then 80%	\$500 & Then 80%	\$50 & Then 90%
<b>After Hours Clinics</b>	\$500 & Then 60%	\$500 & Then 60%	\$50 & Then 70%
<b>Deductible-Hospital</b>	<b>\$60 Then 100%</b>	\$40 Then 100%	\$15 & Then 100%
In-Network	\$-0- Per Admission	\$-0- Per Admission	None
Out-of-Network	\$500 Per Admission	\$500 Per Admission	None
<b>Co-Insurance Percent</b>			
In-Network	20% / 80%	20% / 80%	10% / 90%
Out-of-Network	40% / 60%	40% / 60%	30% / 70%
<b>Co-Insurance Maximum</b>			
<b>In-Network</b>	<b>\$4,550 Indiv/\$9,100 Family</b>	\$5,000 Indiv/ <b>\$10,000 Family</b>	\$500 Indiv/\$1,500 Family
Out-of-Network	\$12,000 Indiv/\$24,000 Family	\$10,000 Indiv/\$30,000 Family	\$1,500 Indiv/\$4,500 Family
<b>Prescription Drugs</b>			
Retail-Supply Limit	30 Days	30 Days	30 Days
<b>Generic</b>	<b>Lesser of Cost or \$15</b>	\$5 & Then 100%	\$5 & Then 100%
Brand-Preferred	\$60 & Then 100%	\$40 & Then 100%	\$30 & Then 100%
Brand-Non Preferred	\$105 & Then 100%	\$60 & Then 100%	\$50 & Then 100%
	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.
Mail Order-Supply Limit	90 Days	90 Days	90 Days
<b>Generic</b>	<b>Lesser of Cost or \$30</b>	\$10 & Then 100%	\$10 & Then 100%
Brand-Preferred	\$120 & Then 100%	\$80 & Then 100%	\$60 & Then 100%
Brand-Non Preferred	\$210 & Then 100%	\$120 & Then 100%	\$100 & Then 100%
	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.	Plus cost difference between generic & brand if generic equivalent is available.
	<b>\$ 337.40</b>	<b>\$ 337.40</b>	<b>\$ 337.40</b>
	<b>Emp Cont.      COBRA Cost</b>	<b>Emp Cont.      COBRA Cost</b>	<b>Emp Cont.      COBRA Cost</b>
Emp. Only	\$ 46.12    \$ 381.51	\$ 123.62    \$ 461.02	\$ 869.84    \$ 1,207.24
Emp./Children	\$ 251.35    \$ 592.49	\$ 378.57    \$ 715.97	\$ 1,565.45    \$ 1,902.85
Emp./Spouse	\$ 378.04    \$ 722.23	\$ 535.95    \$ 873.35	\$ 1,994.86    \$ 2,332.26
Emp./Family	\$ 645.04    \$ 997.20	\$ 867.62    \$ 1,205.02	\$ 2,899.84    \$ 3,237.24

**BLUE CROSS BLUE SHIELD  
HEALTH INSURANCE PREMIUMS**

<b>CORE</b>		<b>Proposed Monthly Premiums for 2014-15</b>					<b>Total Annual Premiums</b>	
<b>Insurance Coverage</b>	<b>Contracts</b>	<b>Monthly Increase</b>	<b>Total Proposed Premium</b>	<b>Dist. Contribution Increase</b>	<b>Employee Monthly Increase</b>	<b>2014-15</b>	<b>2013-14</b>	
Employee Only	2,985	\$ 13.84	\$ 395.35	\$ 13.84	\$ -	\$ 14,161,342.71	\$ 13,665,688.20	
Employee /Children	702	\$ 21.49	\$ 613.98	\$ 13.84	\$ 7.65	\$ 5,172,164.25	\$ 4,991,135.76	
Employee/Spouse	89	\$ 26.20	\$ 748.43	\$ 13.84	\$ 12.36	\$ 799,318.20	\$ 771,341.64	
Family	129	\$ 36.17	\$ 1,033.37	\$ 13.84	\$ 22.33	\$ 1,599,654.35	\$ 1,543,665.60	
	3,905							
<b>CORE +</b>								
Employee Only	930	\$ 16.72	\$ 477.74	\$ 13.84	\$ 2.88	\$ 5,331,591.74	\$ 5,144,983.20	
Employee /Children	400	\$ 25.97	\$ 741.94	\$ 13.84	\$ 12.13	\$ 3,561,303.51	\$ 3,436,656.00	
Employee/Spouse	46	\$ 31.68	\$ 905.03	\$ 13.84	\$ 17.84	\$ 499,574.58	\$ 482,089.20	
Family	60	\$ 43.71	\$ 1,248.73	\$ 13.84	\$ 29.87	\$ 899,082.77	\$ 867,614.40	
	1,436							
TOTAL	5,341							

**BUDGETARY IMPACT ( District portion increase by \$13.84 for each covered employee):**

\$ 887,033.28

**TOTAL HEALTH INSURANCE PREMIUMS**

**\$ 32,024,032.12   \$ 30,903,174.00**