

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							
Deductible-Annual				Current Benefits		High Deductible; No Copay	
X-Ray/CT/MRI/Sonograms		In-Network: \$0 Deductible		In-Network: \$0 Deductible		HSA Eligible Benefits	
All Other Deductible-Annual						Same as All Other Deductible	
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							
Doctor's Hospital		Yes		Yes		Yes	
Laredo Medical Center		Yes		Yes		Yes	
Benefits							
Deductible-Annual				Current Benefits		Reduced Benefits	
X-Ray/CT/MRI/Sonograms		In-Network: \$0 Deductible		In-Network: \$0 Deductible		HSA Eligible Benefits	
All Other Deductible-Annual						Same as All Other Deductible	
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							
	Number	Monthly Rate	Increase (Decrease)	Monthly Rate	Increase (Decrease)	Monthly Rate	Increase (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

	Blue Cross Blue Shield High Plan	Blue Cross Blue Shield State Plan
Provider Network		
Doctor's Hospital	Yes	Yes
Laredo Medical Center	Yes	Yes
Benefits		
Deductible-Annual		
X-Ray/CT/MRI/Sonograms	\$-0- Deductible	\$-0- Deductible
All Other Deductible-Annual		
In-Network	\$400 Indiv/\$1,200 Family	None
Out-of-Network	\$800 Indiv/\$2,400 Family	\$500 Indiv/\$1,500 Family
Physician Copay	\$25 Then 100%	\$15 & Then 100%
Emergency Room		
In-Network	\$500 & Then 80%	\$50 & Then 90%
Out-of-Network	\$500 & Then 60%	\$50 & Then 70%
After Hours Clinics	\$40 Then 100%	\$15 & Then 100%
Deductible-Hospital		
In-Network	\$-0- Per Admission	None
Out-of-Network	\$500 Per Admission	None
Co-Insurance Percent		
In-Network	20% / 80%	10% / 90%
Out-of-Network	40% / 60%	30% / 70%
Co-Insurance Maximum		
In-Network	\$2,500 Indiv/\$7,500 Family	\$500 Indiv/\$1,500 Family
Out-of-Network	\$7,500 Indiv/\$22,500 Family	\$1,500 Indiv/\$4,500 Family
Prescription Drugs		
Retail-Supply Limit	30 Days	30 Days
Generic	\$5 & Then 100%	\$5 & Then 100%
Brand-Preferred	\$30 & Then 100%	\$30 & Then 100%
Brand-Non Preferred	\$50 & Then 100%	\$50 & Then 100%
	Plus cost difference between generic & brand if generic equivalent is available.	
Mail Order-Supply Limit	90 Days	90 Days
Generic	\$10 & Then 100%	\$10 & Then 100%
Brand-Preferred	\$60 & Then 100%	\$60 & Then 100%
Brand-Non Preferred	\$100 & Then 100%	\$100 & Then 100%
	Plus cost difference between generic & brand if generic equivalent is available.	
District Contribution	\$ 310.05	\$ 310.05
Employee Contribution	<u>Emp Cont.</u> <u>COBRA Cost</u>	<u>Emp Cont.</u> <u>COBRA Cost</u>
Emp. Only	\$ 35.75 \$ 345.80	\$ 541.53 \$ 851.58
Emp./Children	\$ 235.00 \$ 545.05	\$ 1,443.31 \$ 1,753.36
Emp./Spouse	\$ 358.00 \$ 668.05	\$ 1,837.34 \$ 2,147.39
Emp./Family	\$ 617.22 \$ 927.27	\$ 2,609.64 \$ 2,919.69