



Oak Park Elementary School District 97

RENEWAL



**July 2014 Final Renewal Presentation to
Insurance Committee
April 15th, 2014**



CBC *The Employee Benefits Company*
CORPORATE BENEFIT CONSULTANTS, INC.

a division of HUB International

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Renewal Summary

1. No rate action to PPO/HSA plan for 2014.
2. Increase BAHMO by 10.55%. All HMOI members will be enrolled in BAHMO. HMOI members will now have lower physician copayments compared to HMOI plan which will be eliminated.
3. Change from 3 Tier to 4 Tier rate structure. This allows for members that fall into the Family category to move to 2nd or 3rd tier at lower cost.
4. Excess premium will help to build the current health fund reserve by \$413,905.
5. Premium contributions will be based on same percentage factor that the Board contributes to all coverage tiers. It will no longer be based on a fixed dollar amount.

BCBS PPO/HSA / BAHMO Final Renewal Rates

	Count	Current 2013-2014 Monthly Rate	CBC Renewal 2014 Monthly Rate
PPO			
Single	127	\$ 699.27	\$ 699.27
EE + Spouse	27	\$ 1,404.13	\$ 1,404.13
EE + Child(ren)	15	\$ 1,347.49	\$ 1,347.49
Family	<u>30</u>	\$ <u>2,084.52</u>	\$ <u>2,084.52</u>
	199	\$ 209,467.03	\$ 209,466.75
		\$ 2,513,604.33	\$ 2,513,601.00
HSA			
Single	1	\$ 1,214.64	\$ 1,214.64
EE + Spouse	1	\$ 1,165.86	\$ 1,165.86
EE + Child(ren)	<u>7</u>	\$ <u>1,803.83</u>	\$ <u>1,803.83</u>
Family	17	\$ 20,648.94	\$ 20,648.96
		\$ 247,787.24	\$ 247,787.52
BAHMO			
Single	54	\$ 1,004.90	\$ 1,111.12
EE + Spouse	48	\$ 964.22	\$ 1,066.14
EE + Child(ren)	<u>91</u>	\$ <u>1,492.04</u>	\$ <u>1,649.74</u>
Family	419	\$ 349,819.97	\$ 386,794.82
		\$ 4,197,839.58	\$ 4,641,537.84
Reserve			
Monthly Total		\$ 579,935.93	\$ 616,910.53
Annual Total		\$ 6,959,231.15	\$ 7,402,926.36
Total Required Premium			\$ 6,989,021.00
Difference (Reserve)			\$ 413,905.36

Premium Equivalent Share – 2014

Oak Park Elementary School District 97

2014-2015 Insurance Premiums & Contributions

4 Tier Rates based on ER Contribution based on 2013 % by Tier

PPO	Monthly EE Share	Monthly ER Share	Total Monthly	Annual EE Share	Annual ER Share	Total Annual	EE Share	Board Share	Board Share
Employee Only	127 \$ 174.82	\$ 524.45	\$ 699.27	\$ 2,097.81	\$ 6,293.43	\$ 8,391.24	25.00%	75.00%	\$ 799,265.61
Employee + Spouse	27 \$ 519.53	\$ 884.60	\$ 1,404.13	\$ 6,234.34	\$ 10,615.22	\$ 16,849.56	37.00%	63.00%	\$ 286,611.02
Employee + Child(ren)	15 \$ 498.57	\$ 848.92	\$ 1,347.49	\$ 5,982.86	\$ 10,187.02	\$ 16,169.88	37.00%	63.00%	\$ 152,805.37
Family	30 \$ 1,146.49	\$ 938.03	\$ 2,084.52	\$ 13,757.83	\$ 11,256.41	\$ 25,014.24	55.00%	45.00%	\$ 337,692.24
	199								\$ 1,576,374.23
HSA	Monthly EE Share	Monthly ER Share	Total Monthly	Annual EE Share	Annual ER Share	Total Annual	EE Share	Board Share	Board Share
Employee Only	8 \$ 100.07	\$ 525.39	\$ 625.46	\$ 1,200.88	\$ 6,304.64	\$ 7,505.52	16.00%	84.00%	\$ 50,437.09
Employee + Spouse	1 \$ 352.25	\$ 862.39	\$ 1,214.64	\$ 4,226.95	\$ 10,348.73	\$ 14,575.68	29.00%	71.00%	\$ 10,348.73
Employee + Child(ren)	1 \$ 338.10	\$ 827.76	\$ 1,165.86	\$ 4,057.19	\$ 9,933.13	\$ 13,990.32	29.00%	71.00%	\$ 9,933.13
Family	7 \$ 883.88	\$ 919.95	\$ 1,803.83	\$ 10,606.52	\$ 11,039.44	\$ 21,645.96	49.00%	51.00%	\$ 77,276.08
	17								\$ 147,995.03
BAHMO	Monthly EE Share	Monthly ER Share	Total Monthly	Annual EE Share	Annual ER Share	Total Annual	EE Share	Board Share	Board Share
Employee Only	226 \$ -	\$ 555.28	\$ 555.28	\$ -	\$ 6,663.36	\$ 6,663.36	0.00%	100.00%	\$ 1,505,919.36
Employee + Spouse	54 \$ 177.78	\$ 933.34	\$ 1,111.12	\$ 2,133.34	\$ 11,200.04	\$ 13,333.38	16.00%	84.00%	\$ 604,802.27
Employee + Child(ren)	48 \$ 170.58	\$ 895.56	\$ 1,066.14	\$ 2,046.98	\$ 10,746.67	\$ 12,793.65	16.00%	84.00%	\$ 515,840.02
Family	91 \$ 659.89	\$ 989.84	\$ 1,649.74	\$ 7,918.74	\$ 11,878.11	\$ 19,796.84	40.00%	60.00%	\$ 1,080,907.60
	419								\$ 3,707,469.25

Board Share	
2014	\$ 5,431,838.51
2013	\$ 5,198,018.00
	\$ 233,820.52
	4.50%

Proposed Employee Contributions 2014

Oak Park Elementary School District 97 Insurance Premiums & Contributions 2013 vs 2014 Option (Based on 2013 ER % by Tier)

CBC Renewal with Blended BAHMO Rate @ +10.55%

		2013-2014	2014 -2015	
PPO		Monthly EE Share	Monthly EE Share	Differential
Employee Only	127	\$ 172.94	\$ 174.82	\$ 1.88
Employee + Spouse	27	\$ 524.66	\$ 519.53	\$ (5.13)
Employee + Child(ren)	15	\$ 524.66	\$ 498.57	\$ (26.09)
Family	<u>30</u>	\$ 1,089.18	\$ 1,146.49	\$ 57.31
	199			
HSA		Monthly EE Share	Monthly EE Share	
Employee Only	8	\$ 99.13	\$ 100.07	\$ 0.94
Employee + Spouse	1	\$ 374.22	\$ 352.25	\$ (21.97)
Employee + Child(ren)	1	\$ 374.22	\$ 338.10	\$ (36.12)
Family	<u>7</u>	\$ 879.14	\$ 883.88	\$ 4.74
	17			
BAHMO		Monthly EE Share	Monthly EE Share	
Employee Only	226	\$ -	\$ -	\$ -
Employee + Spouse	54	\$ 172.18	\$ 177.78	\$ 5.60
Employee + Child(ren)	48	\$ 172.18	\$ 170.58	\$ (1.60)
Family	<u>91</u>	\$ 600.32	\$ 659.89	\$ 59.57
	419			
	419			
HMOI		Monthly EE Share	Monthly EE Share	
Employee Only	0	\$ -	\$ -	\$ -
Employee + Spouse	0	\$ 123.00	\$ 177.78	\$ 54.78
Employee + Child(ren)	0	\$ 123.00	\$ 170.58	\$ 47.58
Family	<u>0</u>	\$ 531.49	\$ 659.89	\$ 128.40
	0			

Renewal Advantages

- Sustainability of the plans.
- HMOI members will now have lower physician copayments under BAHMO.
- Expanded coverage tier (3 Tier to 4 Tier) allows more options for those that currently do not have a full family situation.
- Expanded tiers also provide lower cost options for families that include spouses with coverage under their own employer but participate under the District's plan. Some families may drop spouses and move to second or third tier.
- District Board is covering 4.5% of the overall increase of the plans however there is no increase to the PPO or HSA plans.
- Eliminating HMOI plan which was the cost driver of overall insurance cost to District.
- Building a healthy health insurance fund over the next two years.
- Family cost for PPO and BAHMO are increasing equally among each plan.

ACA Benefit Mandates - 2014

In accordance with the requirements of ACA, the following benefit changes will be made as of July 1, 2014. These changes are required regardless of grandfathered status:

- All annual dollar maximums on Essential Health Benefits (EHB) have been converted from a dollar maximum to a frequency maximum. The affected benefits include:
 - Muscle manipulations with a \$1,000 maximum will now have a 25 visit maximum;
 - Naprapath Service with a \$1,000 maximum will now have a 10 visit maximum;
 - Transplant transportation, lodging and meals will have a \$10,000 per transplant maximum as opposed to a \$10,000 Lifetime Maximum.
 - Pre-existing waiting period is eliminated.

Next Steps

- 1) Roll out Website
- 2) Open Enrollment