



2022 EMPLOYEE BENEFITS PROPOSAL

June 8, 2021



AGENDA



- ❑ Medical and Pharmacy Coverage
- ❑ Dental and Vision Coverage
- ❑ Short Term Disability, Long Term Disability, Basic Life and AD&D, and Voluntary Life Coverage

MEDICAL/EAP/WELLNESS COVERAGE

EFFECTIVE DATE: JANUARY 1, 2022



Scenario #1: Renew UHC

- ❑ *Negotiated 2% increase*
- ❑ Initial offer was +8.3%
- ❑ Year 2 rate cap 9.9%; Year 3 rate cap 15%
- ❑ Results in \$565,000 increase to the 2021 medical rates

- ❑ No plan changes
- ❑ No member disruption
- ❑ Wellness program continues with same components and staffing
- ❑ No concerns about level of service received

Scenario #2: Move to Anthem

- ❑ *Proposed 1.6% increase*
- ❑ Year 2 rate cap 12.5%; Year 3 rate cap 15%
- ❑ Variance from UHC proposal
 - ❑ Year 1: -\$92,000
 - ❑ Year 2: +\$702,240

- ❑ Benefits Matches as close as possible
- ❑ Minor member disruption
- ❑ Wellness program not as robust as current provider; staff TBD
- ❑ Concerns about service levels

MEDICAL AND PHARMACY COVERAGE

EFFECTIVE DATE: JANUARY 1, 2022



Recommendation: Renew all current carriers

- ❑ **Medical - UnitedHealthcare (UHC):** *Negotiated 2% increase, which will be offset by a Premium Credit of \$500,000 to be applied on December invoice.*
 - ❑ Results in \$565,000 increase to the 2021 medical rates
 - ❑ National medical trend is between 6.0% - 10.0%

- ❑ **Prescription Drugs – Express Scripts*:** *No increase to pharmacy rates due to anticipated rebates of \$2.25M and approximately \$700k in pharmacy health trust reserves.*
 - ❑ *Through Business Health Coalition Membership
 - ❑ National pharmacy trend is between 8.0% - 10.0%



DENTAL AND VISION COVERAGE

EFFECTIVE DATE: JANUARY 1, 2022

- ❑ **Dental - Delta Dental:**
 - ❑ 7% reduction in current rates with 2-year rate guarantee and 5% renewal rate cap in 3rd year
 - ❑ National dental trend is 3.0% - 5.0%

- ❑ **Vision - Vision Benefits of America (VBA):** *Third year of four-year rate guarantee*
 - ❑ Rates remain the same as they are in 2021
 - ❑ National vision trend is 3.0%

SHORT TERM DISABILITY, LONG TERM DISABILITY, BASIC LIFE AND AD&D, AND VOLUNTARY LIFE COVERAGE

EFFECTIVE DATE: JANUARY 1, 2022



Third year of three-year rate guarantee with Cigna

Short Term Disability:

- Rates remain the same as they are in 2021

Long Term Disability:

- Rates remain the same as they are in 2021

Basic Life and AD&D:

- Rates remain the same as they are in 2021

Voluntary Life:

- Rates remain the same as they are in 2021

DISTRICT FINANCIAL RESPONSIBILITY

DATE: JANUARY 1, 2022



Scenario 1 - Renew all current vendors.

Coverage	Carrier	TOTAL Estimated Annual Premium ⁽³⁾			Employee Responsibility ⁽¹⁾			District Responsibility ⁽¹⁾		
		Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Medical	UHC	\$25,178,784	\$25,610,442	1.7%	\$2,770,672	\$3,029,884	9.4%	\$22,408,111	\$22,580,558	0.8%
Pharmacy ⁽²⁾	Express Scripts	\$9,961,164	\$9,961,043	0.0%	\$864,565	\$864,586	0.0%	\$9,096,599	\$9,096,457	0.0%
Wellness	UHC	Included above	Included above	0.0%	Included above	Included above	0.0%	Included above	Included above	0.0%
Dental	Delta of MO	\$1,448,244	\$1,346,959	-7.0%	\$395,135	\$367,468	-7.0%	\$1,053,109	\$979,492	-7.0%
Vision	VBA	\$124,128	\$124,128	0.0%	\$61,398	\$61,398	0.0%	\$62,730	\$62,730	0.0%
Basic Life and AD&D	CIGNA	\$362,072	\$362,072	0.0%	\$0	\$0	0.0%	\$362,072	\$362,072	0.0%
Voluntary EE & Dep Life	CIGNA	\$268,855	\$268,855	0.0%	\$268,855	\$268,855	0.0%	\$0	\$0	0.0%
Short Term Disability	CIGNA	\$792,792	\$792,792	0.0%	\$0	\$0	0.0%	\$792,792	\$792,792	0.0%
Long Term Disability	CIGNA	\$563,880	\$563,880	0.0%	\$0	\$0	0.0%	\$563,880	\$563,880	0.0%
EAP ⁽⁴⁾	UHC	\$770	\$3,960	414.0%	\$0	\$0	0.0%	\$770	\$3,960	414.0%
Total Premium		\$38,700,689	\$39,034,131		\$4,360,625	\$4,592,191		\$34,340,063	\$34,441,940	
Total Savings / Cost			\$333,442			\$231,566			\$101,876	
Percent of Change			0.9%			5.3%			0.3%	

Renewal Scenario Assumptions / Notes:

1. Employee / District responsibility assumes current contribution split (District pays 100% of the Employee Only Base Medical Plan, Rx, Dental, Base Vision Plan, Basic Life, STD, & LTD. Excludes retiree subsidy of \$80 per retiree on medical plan per month.)
2. Rx premiums reflect estimated analysis of recommended premiums and not actual plan costs. Actual plan costs and cost saving programs are determined by utilization. Plan Cost based on claim data from May-20 to April-21; estimate based on 6.6% annual trend. Annual cost has been reduced by potential rebates paid by ESI to SLPS of \$2.25M & \$700k in reserves.
3. Estimates are based on enrollments provided on January 2021 claims experience or billing statements unless otherwise noted.
4. EAP enrollment assumes 60 Active employees who do not participate on the medical plan. EAP services are currently automatically included for medical plan participants.

DISTRICT FINANCIAL RESPONSIBILITY PER EMPLOYEE PER MONTH



District Responsibility Per Employee Per Month 2012 through 2022 Proposed - All Coverages

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Proposed
District Responsibility	\$27,249,754	\$28,260,446	\$27,583,817	\$30,799,608	\$31,927,961	\$30,866,417	\$32,643,455	\$31,628,108	\$32,464,610	\$34,340,063	\$34,441,940
Active Employee Headcount	3,227	3,393	3,602	3,618	3,641	3,555	3,629	3,422	3,332	3,394	3,394
Per Employee Per Month (pepm)	\$703.69	\$694.09	\$638.16	\$709.41	\$730.75	\$723.54	\$749.60	\$770.21	\$811.94	\$843.16	\$845.66
% Change From Prior Year		-1.4%	-8.1%	11.2%	3.0%	-1.0%	3.6%	2.8%	5.4%	3.8%	0.3%

ACTIVE RATES



Active Medical and Drug													
	2021 Counts	2021 Rates (UHC with ESI)					Proposed 2022 Rates (UHC with ESI)						
		Medical	Drug	Total Premium	SLPS Cost	EE Cost	Premium		Drug	Total Premium	SLPS Cost	EE Cost	EE %
							Medical	Credit					Increase
Base Plan													
Employee	2355	\$546.48	\$223.35	\$769.83	\$769.83	\$0.00	\$566.70	-\$12.28	\$223.35	\$777.77	\$777.77	\$0.00	0.0%
Employee + Spouse	35	\$1,010.99	\$413.19	\$1,424.18	\$793.85	\$630.33	\$1,048.40	-\$12.28	\$413.19	\$1,449.31	\$777.77	\$671.54	6.5%
Employee + Children	233	\$814.26	\$332.79	\$1,147.05	\$783.68	\$363.37	\$844.39	-\$12.28	\$332.79	\$1,164.90	\$777.77	\$387.13	6.5%
Employee + Family	55	\$1,164.00	\$480.20	\$1,644.20	\$801.76	\$842.44	\$1,207.07	-\$12.28	\$480.20	\$1,674.99	\$777.77	\$897.22	6.5%
Base Total	2678			\$2,220,490	\$2,067,429	\$153,061				\$2,245,921	\$2,082,868	\$163,053	
Buy-up Plan 1													
Employee	370	\$595.37	\$223.35	\$818.72	\$772.36	\$46.36	\$617.40	-\$12.28	\$223.35	\$828.47	\$777.77	\$50.70	9.4%
Employee + Spouse	10	\$1,101.43	\$413.19	\$1,514.62	\$798.53	\$716.09	\$1,142.19	-\$12.28	\$413.19	\$1,543.10	\$777.77	\$765.33	6.9%
Employee + Children	82	\$887.11	\$332.79	\$1,219.90	\$787.45	\$432.45	\$919.94	-\$12.28	\$332.79	\$1,240.45	\$777.77	\$462.68	7.0%
Employee + Family	23	\$1,268.13	\$480.20	\$1,748.33	\$807.15	\$941.18	\$1,315.05	-\$12.28	\$480.20	\$1,782.97	\$777.77	\$1,005.20	6.8%
Buy-up Total	485			\$458,316	\$376,892	\$81,424				\$464,690	\$377,218	\$87,472	
Buy-up Plan 2													
Employee	175	\$697.17	\$223.35	\$920.52	\$777.62	\$142.90	\$722.97	-\$12.28	\$223.35	\$934.04	\$777.77	\$156.27	9.4%
Employee + Spouse	10	\$1,289.77	\$413.19	\$1,702.96	\$808.26	\$894.70	\$1,337.50	-\$12.28	\$413.19	\$1,738.41	\$777.77	\$960.64	7.4%
Employee + Children	32	\$1,038.78	\$332.79	\$1,371.57	\$795.28	\$576.29	\$1,077.22	-\$12.28	\$332.79	\$1,397.73	\$777.77	\$619.96	7.6%
Employee + Family	14	\$1,484.98	\$480.20	\$1,965.18	\$818.36	\$1,146.82	\$1,539.93	-\$12.28	\$480.20	\$2,007.85	\$777.77	\$1,230.08	7.3%
Buy-up Total	231			\$249,523	\$181,071	\$68,452				\$253,679	\$179,665	\$74,014	
TOTAL MONTHLY ACTIVE	3394			\$2,928,329	\$2,625,393	\$302,936				\$2,964,290	\$2,639,751	\$324,539	7.1%
TOTAL ANNUAL ACTIVE				\$35,139,947	\$31,504,710	\$3,635,237				\$35,571,485	\$31,677,015	\$3,894,470	7.1%



QUESTIONS