



2020 EMPLOYEE BENEFITS PROPOSAL

Charles K. Burton, JD
Human Resources

August 13, 2019



AGENDA



- ❑ Review marketing process from Employee Benefits RFP
- ❑ Medical Coverage
- ❑ Pharmacy Coverage
- ❑ Dental Coverage
- ❑ Vision Coverage
- ❑ Short Term and Long-Term Disability Coverage, Basic Life and Accidental Death & Dismemberment, and Voluntary Life Coverage
- ❑ Wellness Highlights

2020 MARKETING OVERVIEW AND JOINT BENEFITS COMMITTEE MEETING



MARKETING OVERVIEW

- Request for Proposal (RFP) was sent out to 26 carriers, the below 11 responded
 - Aetna
 - Ameritas
 - Anthem Blue Cross
 - CIGNA
 - Delta Dental
 - EyeMed
 - Guardian
 - Hartford
 - MetLife
 - United Healthcare
 - Vision Benefits of America

- Request for Proposal (RFP) was sent out for 8 areas of coverage
 - Medical
 - Stop loss
 - Dental
 - Life
 - Disability
 - EAP
 - Vision
 - Wellness

- Of the 11 responses, 27 quotes were submitted for consideration, i.e. some carriers quoted on multiple areas of coverage
- There were 10 area of coverage, where a carrier declined to provide a quote

JOINT BENEFITS COMMITTEE

- The Joint Benefits Committee met with AFT Local 420 and LiUNA Local 42 (Custodian's Union) and reviewed the presented benefits options. Representation from MNEA (Nurse's Union) and Local 148 (Operating Engineers) were invited but did not attend.

- A recommendation was made to renew all current carriers.

MEDICAL COVERAGE

EFFECTIVE DATE: JANUARY 1, 2020



- ❑ **MEDICAL - UNITEDHEALTHCARE (UHC):** *Negotiated 11.3% increase*
 - ❑ National medical trend is between 6.0% - 10.0%
 - ❑ United's initial offer was at 12.9% based on overall claims experience
 - ❑ Two other bidders –
 - ❑ Etna was not competitive in terms of pricing (29.9% increase)
 - ❑ Athem was competitive in terms of pricing (9.6% increase). However, it was not complete in terms Network (20% membership disruption) and they offered a substantially less robust wellness plan

- ❑ **Notable context:** There is current legislation that states that Urban School Districts in the state of Missouri must offer Retirees under age 65 the same coverage at the same premium as active employees.

- ❑ Current medical loss ratio for active employees is **84.1%**
- ❑ Current medical loss ratio for retirees is **110.2%**

- ❑ Loss Ratio is the amount (cents) of each premium dollar used to pay medical claims

PHARMACY COVERAGE

EFFECTIVE DATE: JANUARY 1, 2020



- ❑ **PRESCRIPTION DRUGS – EXPRESS SCRIPTS : 9.2% increase (Self-funded)**
 - ❑ Membership with Business Health Coalition Membership (ensures member groups best in class pricing for pharmacy benefits)
 - ❑ National pharmacy trend is between 10.0% - 13.0%
 - ❑ New programs added are at no additional cost to the District
 - ❑ ***SafeguardRX - Diabetes Care Value Program (DCV)***
 - ❑ Program helps contain diabetes costs through patient engagement technologies and quality pharmacy network
 - ❑ ***Patient Assurance Program (PAP)***
 - ❑ Program will ensure people with diabetes pay no more than \$25 for a 30-day supply of insulin, which will increase therapeutic compliance
 - ❑ These programs will help address the overall growing number of claims for the Diabetic population with the District and Retiree group.

MEDICAL COST COMPARISON

EFFECTIVE DATE: JANUARY 1, 2020



	<i>Current Cost</i>			<i>2020 Proposed Cost</i>		
	Monthly Premium	District Cost	EE Cost	Monthly Premium	District Cost	EE Cost
Base Plan (1500.00 Deductible)						
Employee	\$701.61	\$701.61	\$0.00	\$775.97	\$775.97	\$0.00
Employee + Spouse	\$1,297.98	\$701.61	\$596.37	\$1,435.54	\$775.97	\$659.57
Employee + Children	\$1,045.40	\$701.61	\$343.79	\$1,156.19	\$775.97	\$380.22
Employee + Family	\$1,499.15	\$701.61	\$797.54	\$1,657.96	\$775.97	\$881.99
Buy-Up 1 Plan (500.00 Deductible)						
Employee	\$743.25	\$701.61	\$41.64	\$822.33	\$775.97	\$46.36
Employee + Spouse	\$1,375.01	\$701.61	\$673.40	\$1,521.30	\$775.97	\$745.33
Employee + Children	\$1,107.44	\$701.61	\$405.83	\$1,225.27	\$775.97	\$449.30
Employee + Family	\$1,587.84	\$701.61	\$886.23	\$1,756.70	\$775.97	\$980.73
Buy-Up 2 Plan (200.00 Deductible)						
Employee	\$829.97	\$701.61	\$128.36	\$918.87	\$775.97	\$142.90
Employee + Spouse	\$1,535.45	\$701.61	\$833.84	\$1,699.9	\$775.97	\$923.94
Employee + Children	\$1,236.65	\$701.61	\$535.04	\$1,369.11	\$775.97	\$593.14
Employee + Family	\$1,772.56	\$701.61	\$1,070.95	\$1,962.32	\$775.97	\$1,186.37

DENTAL COVERAGE

EFFECTIVE DATE: JANUARY 1, 2020



- ❑ **DENTAL - DELTA DENTAL: *Negotiated 4.0% decrease***
 - ❑ This offering is for 2 years with a third-year rate cap of +5.0%
 - ❑ National dental trend is 2.5% - 5.0%
 - ❑ Three other bids which were not competitive in terms of pricing or network

Dental Rates - Delta Dental		Current Plan	Renewal
Employee	2625	\$26.38	\$25.32
Employee + Spouse	170	\$54.05	\$51.89
Employee + Child(ren)	430	\$67.18	\$64.49
Employee + Spouse & Child(ren)	236	\$90.71	\$87.08
	3461		
Annual Premium Total		\$1,544,772	\$1,482,815
\$ Change From Current			-\$61,957
% Change From Current			-4.01%
Notes			
		Includes HEALTHY SMILES HEALTHY LIVES Program Cost	Includes HEALTHY SMILES HEALTHY LIVES Program Cost

VISION COVERAGE

EFFECTIVE DATE: JANUARY 1, 2020



VISION SCENARIO: STAY WITH VISION BENEFITS OF AMERICA (VBA)

- ❑ **VBA: Proposed 3.09% decrease**
 - ❑ 4-year rate guarantee

- ❑ **Eye Med: Proposed 10.69% increase**
 - ❑ Not competitive

Vision Rates - VBA			Current Plan		Renewal	
Rates	Base	Buy-Up	Base	Buy-Up	Base	Buy-Up
Employee	2269	478	\$1.55	\$4.00	\$1.50	\$3.88
Employee + 1 Dependent	226	155	\$3.90	\$9.75	\$3.78	\$9.46
Employee + Spouse & Child(ren)	207	134	\$5.55	\$13.85	\$5.38	\$13.43
	2702	767				
Annual Premium Total			\$66,566	\$63,350	\$64,457	\$61,447
Combined Annual Total			\$129,916		\$125,904	
\$ Change From Current					-\$4,012	
% Change From Current					-3.09%	
Notes	Employees are able to waive coverage				Guaranteed for 4 Years	

SHORT TERM DISABILITY, LONG TERM DISABILITY, BASIC LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT, AND VOLUNTARY LIFE COVERAGE



EFFECTIVE DATE: JANUARY 1, 2020

Due to claims experience, no other carriers were able to match CIGNA's proposal of a 3.48% increase (Package Deal)

SHORT TERM DISABILITY: *Negotiated 3-year rate guarantee*

- ❑ Cigna offered rate below current

LONG TERM DISABILITY: *Negotiated a 3-year rate guarantee*

- ❑ Increase in rate due to utilization

BASIC LIFE AND AD&D: *Negotiated a 3-year rate guarantee*

- ❑ Increase in Life rate due to utilization
- ❑ Markets not competitive

VOLUNTARY LIFE: *Negotiated a 3-year rate guarantee*

- ❑ Markets not competitive
- ❑ ***Two other bids not competitive (Anthem 7.48% increase) and (Hartford 5.98% increase)***

DISTRICT FINANCIAL RESPONSIBILITY

DATE: JANUARY 1, 2020



Coverage	Carrier	TOTAL Estimated Annual Premium ⁽³⁾			Employee Responsibility ⁽¹⁾			District Responsibility ⁽¹⁾		
		Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Medical	UHC	\$21,735,263	\$24,197,920	11.3%	\$2,620,792	\$2,917,734	11.3%	\$19,114,471	\$21,280,186	11.3%
Pharmacy ⁽²⁾	Express Scripts	\$10,698,599	\$11,677,955	9.2%	\$1,002,157	\$1,093,909	9.2%	\$9,696,442	\$10,584,047	9.2%
Wellness	UHC	Included above	Included above	0.0%	Included above	Included above	0.0%	Included above	Included above	0.0%
Dental	Delta of MO	\$1,544,772	\$1,482,815	-4.0%	\$449,157	\$431,224	-4.0%	\$1,095,614	\$1,051,590	-4.0%
Vision	VBA	\$129,916	\$125,904	-3.1%	\$42,843	\$41,556	-3.0%	\$87,073	\$84,348	-3.1%
Basic Life and AD&D	CIGNA	\$328,391	\$362,072	10.3%	\$0	\$0	0.0%	\$328,391	\$362,072	10.3%
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	\$773,916	-2.4%	\$0	\$0	0.0%	\$792,792	\$773,916	-2.4%
Long Term Disability	CIGNA	\$512,569	\$563,880	10.0%	\$0	\$0	0.0%	\$512,569	\$563,880	10.0%
EAP ⁽⁴⁾	UHC	\$756	\$770	1.9%	\$0	\$0	0.0%	\$756	\$770	1.9%
Total Premium		\$36,011,913	\$39,454,087		\$4,383,805	\$4,753,279		\$31,628,108	\$34,700,808	
Total Savings/Cost			\$3,442,174			\$369,474			\$3,072,700	
Percent of Change			9.6%			8.4%			9.7%	

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 June-18 to May-19; estimate based on 9.1% annual trend. Annual cost does not have been reduced by potential rebates paid by ESI to SLPS.
3. Estimates are based on enrollments provided on May 2019 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



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 PROPOSED
District Responsibility	\$28,509,576	\$27,822,986	\$27,249,754	\$28,260,446	\$27,583,817	\$30,799,608	\$31,927,961	\$30,866,417	\$32,643,455	\$31,628,108	\$34,700,808
Active Employee Headcount	3,751	3,639	3,227	3,393	3,602	3,618	3,641	3,555	3,629	3,422	3,422
Per Employee Per Month (pepm)	\$633.38	\$637.15	\$703.69	\$694.09	\$638.16	\$709.41	\$730.75	\$723.54	\$749.60	\$770.21	\$845.04
% Change From Prior Year		0.6%	10.4%	-1.4%	-8.1%	11.2%	3.0%	-1.0%	3.6%	2.8%	9.7%

WELLNESS HIGHLIGHTS



- ❑ Continue to offer Simply Engaged (On-line wellness and Coaching program)
- ❑ Continue to offer Rally (Weight Loss Program) Started in March 2017, SLPS employees have lost **3,726** pounds to date
- ❑ Employee Wellness Day - September 14, 2019 (over 30 Health and Wellness vendors available to offer information and screen employees)
- ❑ Continue to offer fresh fruits to all District employees 4 times per year via Green Bean Delivery
- ❑ 2018 Silver Award from the American Heart Association
- ❑ 2019 YMCA Corporate Cup Challenger Winner



QUESTIONS