



Employee Benefits Update

CLAY COUNTY DISTRICT SCHOOLS

2018-2019 INSURANCE COMMITTEE'S RECOMMENDATION

JUNE 7, 2018



Overview of Insurance Renewals

Benefit Plan	Carrier	2018 Renewal Expectation	Status
Medical Plans	UnitedHealthcare	<ul style="list-style-type: none"> Initial Renewal of 29.3% Negotiated to 28.0% with additional plan alternatives Committee voted to propose plan alternatives with an 11.08% increase in overall premiums 	Completed
Medical Gap Plan	Kemper	<ul style="list-style-type: none"> Initial Renewal - 17% decrease at \$2,500/\$1,250 or 3% increase if plan benefit increased to \$3,000/\$1,500 Committee voted to keep renew as is and accept the 17% decrease in premiums 	Completed
Dental	Delta Dental	<ul style="list-style-type: none"> Initial Renewal of 5.08% increase Negotiated a 6% decrease on Prepaid and 4% decrease on PPO with a rate cap of 5% for 10/1/2019 through 9/30/2020 	Completed
Accident and Injury Plan	Unum moving to Aflac	<ul style="list-style-type: none"> Moving these lines to Aflac as to receive subsidies to offset the cost of new Benefits Enrollment system, BenefitFocus. 	Completed
Critical Illness	Unum moving to Aflac		Completed
Whole Life	Unum moving to Aflac		Completed
Vision	CompBenefits/Humana	<ul style="list-style-type: none"> Initial Renewal - Rate Hold for 2 Years through 9/30/2020 Negotiated a 7.5% decrease and rate hold through 9/30/2020 	Completed
Basic Life Insurance	Liberty Mutual	<ul style="list-style-type: none"> Initial Renewal - Rate Hold and Guaranteed through 9/30/2020 Negotiated a 5.5% decrease and rate hold through 9/30/2022 	Completed
Long Term Disability	Liberty Mutual		Completed
Short Term Disability	Liberty Mutual		Completed

Medical Renewal

2018-19 Renewal Review

UHC Rates

- Initial renewal proposed at 29.3% increase due to a loss ratio over 100%
- Negotiated down to 28% including a 0.25% decrease in commissions

The Bailey Group reviewed and recalculated UHC's renewal formula

Review Benefit Strategies

- Evaluated plan design options/programs
- Surcharges, Tobacco/Spousal
- Implement an employer HSA contribution to help drive enrollment to the Choice HSP plan

Monitor and analyzed updated claims

Renewal – Option 6 Proposed by Committee

Three Plan Option, Assumes 10% of Choice Plus moves to Choice, and 10% of Choice moves to Choice HSP

Clay County School District		UnitedHealthcare			UnitedHealthcare							
		Choice AQQ1 Rx 162	Choice Plus AQP8 rx 159	Choice HSP AHOR rx 125 HSA	Choice AQQ1 rx 162-13	Choice Plus AQP8 Rx 159-15	Choice HSP AHJT rx 125 HSA-11					
BENEFITS SUMMARY				Option 6								
Current				Option 6								
IN NETWORK												
Deductible (CYD): (Ind / Fam)		\$3,000 / \$6,000	\$3,000 / \$6,000	\$1,500 / \$3,000	\$5,000 / \$10,000	\$3,000 / \$6,000	\$4,000 / \$8,000 (emb)					
Deductible Applies to OOP Max?		Yes	Yes	Yes	Yes	Yes	Yes					
Coinsurance: Carrier / Member		70% / 30%	80% / 20%	80% / 20%	70% / 30%	80% / 20%	80% / 20%					
Physician Services: PCP / Specialist		\$35 / \$65	\$40 / \$60	CYD then 20%	\$45 / \$75	\$40 / \$60	CYD then 20%					
Inpatient Hospital Services		\$100 copay then 30%	CYD then 20%	CYD then 20%	\$100 copay then 30%	CYD then 20%	CYD then 20%					
Provider Services in Hospital and ER		CYD then 30%	CYD then 20%	CYD then 20%	CYD then 30%	CYD then 20%	CYD then 20%					
Independent Diagnostic Lab/X-Ray/AIS		\$0 / \$0 / \$300	\$0 / \$0 / \$300	CYD then 20%	\$0 / \$0 / \$300	\$0 / \$0 / \$300	CYD then 20%					
Outpatient Surgery – Freestanding Facility		\$250	CYD then 20%	CYD then 20%	\$250	CYD then 20%	CYD then 20%					
Outpatient Surgery – Hospital		CYD then 30%	CYD then 20%	CYD then 20%	CYD then 30%	CYD then 20%	CYD then 20%					
Emergency Room Services		\$300	\$300	CYD then 20%	\$500	\$500	CYD then 20%					
Urgent Care Services		\$70	\$50	CYD then 20%	\$70	\$50	CYD then 20%					
Prescription Drugs - Generic		\$20	\$15	CYD then \$10	\$20	\$15	CYD then \$10					
Prescription Drugs - Brand		\$40	\$30	CYD then \$50	\$40	\$45	CYD then \$50					
Prescription Drugs - Specialty		\$70	\$60	CYD then \$80	\$70	\$85	CYD then \$80					
Prescription Drugs - 90 day Mail Order		2x Copay	2x Copay	2.5x Copay	2x Copay	2.5x Copay	2.5x Copay					
Mental Health (Inpatient / Outpatient)		\$0	CYD then 20% / \$60	CYD then 20%	\$0	CYD then 20% / \$60	CYD then 20%					
Out of Pocket Maximum (Ind / Fam)		\$6,350 / \$12,700	\$6,000 / \$12,000	\$4,500 / \$6,850	\$10,000 / \$20,000	\$6,000 / \$12,000	\$6,650 / \$13,300					
OUT OF NETWORK												
Deductible (Individual / Family)		Not covered	\$6,000 / \$12,000	Not covered	Not covered	\$6,000 / \$12,000	Not covered					
Coinsurance: Carrier / Member		Not covered	60% / 40%	Not covered	Not covered	50% / 50%	Not covered					
Inpatient Hospital Services		Not covered	CYD then 40%	Not covered	Not covered	CYD then 50%	Not covered					
Outpatient Surgery		Not covered	CYD then 40%	Not covered	Not covered	CYD then 50%	Not covered					
Out of Pocket Maximum (Ind / Fam)		Not covered	\$12,000 / \$24,000	Not covered	Not covered	\$12,000 / \$24,000	Not covered					
RATING ANALYSIS												
	EEs		EEs	EEs		EEs	EEs					
Employee Only	1573	\$337.96	384	\$376.37	423	\$308.12	1454	\$385.67	346	\$445.30	580	\$317.64
Employee + Spouse	158	\$653.02	30	\$727.22	58	\$559.76	145.2	\$745.21	27	\$860.41	74	\$577.04
Employee + Child(ren)	82	\$622.97	12	\$693.73	36	\$534.07	75	\$710.92	11	\$820.78	44	\$550.57
Full Family	127	\$855.76	20	\$952.97	52	\$733.67	116.3	\$976.57	18	\$1,127.50	65	\$756.32
Total Premium Per Pay (20)	1940	\$1,208,458.34	446		569		1791	\$1,342,372.65	401		763	
Total Annual Premium		\$24,169,166						\$26,847,453.01				

Gross Increase/Decrease from Current

11.08%

Nicotine/Tobacco Surcharge

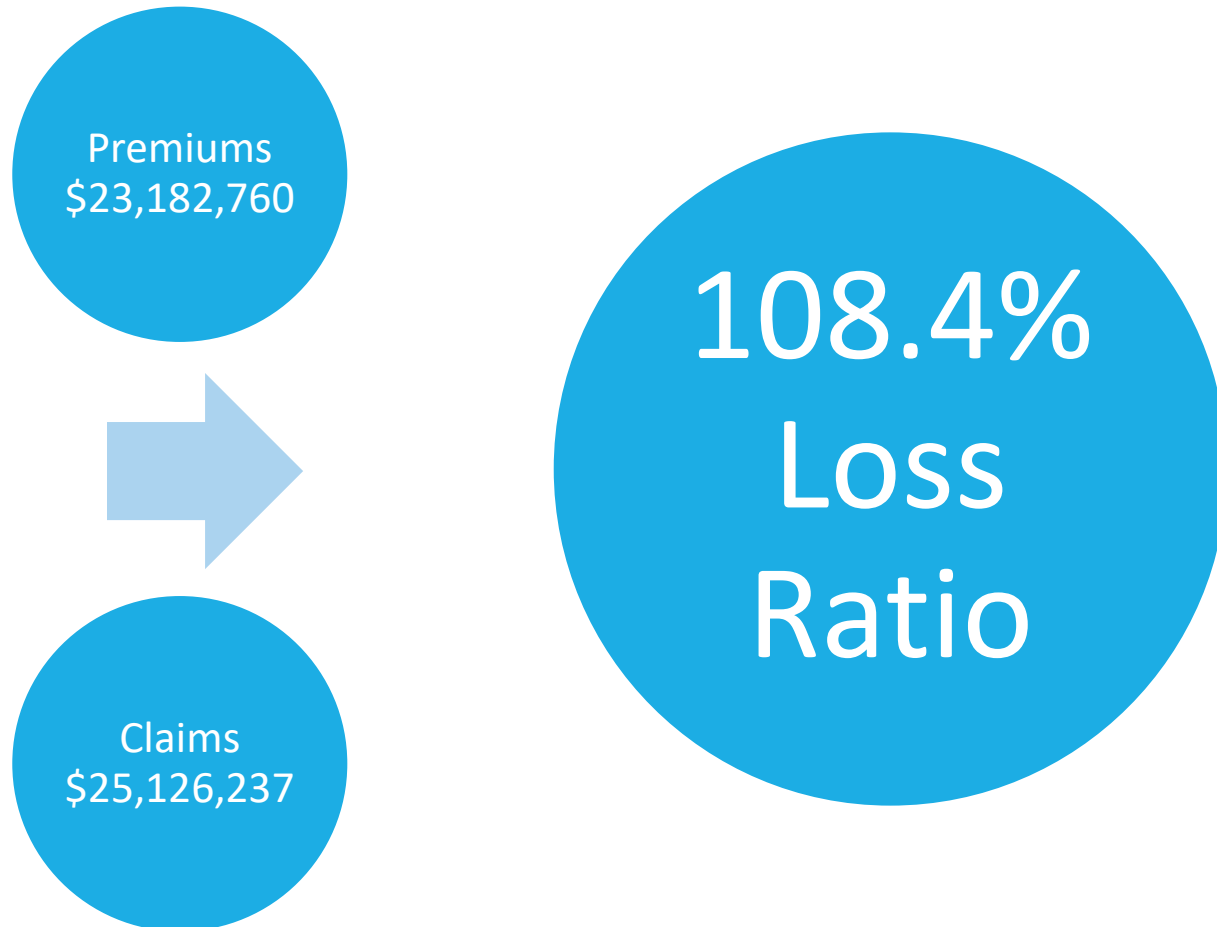
Insurance Committee voted to apply a \$25 per pay period surcharge on the medical premium for employees who use nicotine/tobacco products.

- Individuals are considered a nicotine/tobacco user if you use any form of nicotine/tobacco products (e.g., cigarettes, cigars, cigarillos, pipes, e-cigarettes), applied to the gums (e.g., dipping, chewing tobacco, or snuff), loose tobacco smoked via pipe (hookah or hand-rolled cigarettes) and/or inhaled one or more times per week within the past 6 months.
- Per ACA requirements, employees who are nicotine/tobacco users have the option to enroll in a nicotine/tobacco cessation program through UnitedHealthcare at no charge to the member. Once the member has completed the nicotine/tobacco cessation program the surcharge will be stopped first of the month following the completion of the program (regardless of if they quit using nicotine/tobacco).

Plan Status and Utilization

Medical and Rx Loss Ratio

The loss ratio is a calculation of the premiums paid between March 2017 and February 2018 compared to the claims paid by the plan.



Premium vs Claims Incurred

Year/Month	Members	Subscribers	Premium	Medical Payments	Capitation Payments	Managed Pharmacy Payments	Total Payments	Claims to Premium Ratio
2016-10	4,208	3,039	\$1,884,501	\$889,165	\$107,594	\$243,153	\$1,239,912	65.8%
2016-11	4,159	3,013	\$1,876,450	\$1,177,600	\$106,263	\$370,652	\$1,654,516	88.2%
2016-12	4,168	3,016	\$1,880,538	\$1,376,179	\$106,289	\$386,621	\$1,869,089	99.4%
2017-01	4,192	3,029	\$1,839,116	\$1,167,400	\$115,449	\$445,260	\$1,728,110	94.0%
2017-02	4,174	3,010	\$1,869,894	\$1,208,779	\$115,117	\$463,375	\$1,787,271	95.6%
2017-03	4,194	3,019	\$1,873,192	\$1,385,834	\$115,588	\$509,969	\$2,011,392	107.4%
2017-04	4,188	3,019	\$1,896,979	\$1,802,785	\$115,477	\$457,254	\$2,375,516	125.2%
2017-05	4,189	3,020	\$1,894,560	\$1,260,364	\$115,643	\$469,811	\$1,845,818	97.4%
2017-06	4,195	3,021	\$1,888,662	\$1,560,613	\$115,864	\$453,058	\$2,129,536	112.8%
2017-07	4,215	3,029	\$1,886,196	\$1,723,475	\$116,501	\$483,521	\$2,323,497	123.2%
2017-08	4,227	3,035	\$1,865,879	\$1,736,406	\$116,694	\$473,122	\$2,326,222	124.7%
2017-09	4,238	3,038	\$1,895,085	\$1,429,493	\$117,331	\$452,082	\$1,998,906	105.5%
2017-10	4,095	2,961	\$1,980,973	\$1,198,874	\$112,624	\$436,146	\$1,747,644	88.2%
2017-11	4,066	2,948	\$1,993,217	\$1,277,923	\$112,376	\$356,319	\$1,746,618	87.6%
2017-12	4,077	2,961	\$2,010,331	\$1,648,187	\$112,653	\$482,667	\$2,243,507	111.6%
2018-01	4,084	2,965	\$1,991,853	\$1,413,795	\$110,631	\$544,249	\$2,068,675	103.9%
2018-02	4,072	2,955	\$2,005,832	\$1,762,622	\$110,552	\$435,761	\$2,308,905	115.1%
Current Period			\$23,182,760	\$18,200,373	\$1,371,904	\$5,553,960	\$25,126,237	108.4%

Deductible Utilization

	Choice Plus <i>Ded \$3,000 OOP \$6,000</i>	Choice <i>Ded \$3,000 OOP \$6,350</i>	Choice HSP <i>Ded \$1,500 OOP \$4,500</i>
<i>Average Members Enrolled</i>	497	2,547	854
Members that exceeded their Deductible	55	175	72
% Members that exceeded their Deductible	11.1%	6.9%	8.4%
Members that exceeded OOP Max	16	95	58
% Members that exceeded OOP Max	3.2%	3.7%	6.8%

Ancillary Renewals

Kemper

	Current Rates	Renewal (Monthly)	Renewal (20 Pay)
<i>Benefit</i>	<i>\$2,500 / \$1,250</i>	<i>\$2,500 / \$1,250</i>	<i>\$2,500 / \$1,250</i>
Employee Only	\$45.86	\$38.06	\$22.84
Employee + Spouse	\$93.71	\$77.78	\$46.67
Employee + Child(ren)	\$81.19	\$67.39	\$40.43
Employee + Family	\$138.16	\$114.67	\$68.80
Annual Premium	\$296,704	\$246,264	
Variance	<i>-\$50,439 or -17%</i>		

Delta Dental

DeltaCare Prepaid	2017-2018 rates	2018-2019 rates	Variance
Employee Only	\$12.94	\$12.16	-6%
Employee + 1 Dependent	\$23.00	\$21.61	-6%
Employee + 2 or more	\$34.18	\$32.11	-6%

Delta PPO	2017-2018 rates	2018-2019 rates	Variance
Employee Only	\$35.22	\$33.78	-4%
Employee + 1 Dependent	\$68.15	\$65.36	-4%
Employee + 2 or more	\$109.47	\$104.99	-4%

Premiums	2017-2018	2018-2019
Annual Premium	\$2,195,860	\$2,086,067
Variance	-\$109,793 or -5%	

Humana Vision

	Previous Rates	Renewal Rates
Employee Only	\$5.96	\$5.52
Family	\$21.42	\$19.80
Monthly Premium	\$39,356	\$36,410
Annual Premium	\$472,272	\$436,920
Variance		-\$35,352 or -7.5%

Liberty Mutual

		Previous Rates	Renewal Rates	Per
Basic Life - Employee	Non-Contributory	\$0.109	\$0.107	\$1,000
Basic Life - Retiree	Non-Contributory	\$2.296	\$2.066	\$1,000
Optional Life - Employee	Contributory	\$0.279	\$0.260	\$1,000
Basic AD&D - Employee	Non-Contributory	\$0.015	\$0.014	\$1,000
Optional AD&D - Employee	Contributory	\$0.02	\$0.018	\$1,000
Optional Dependent Life - Spouse	Contributory	\$0.378	\$0.340	\$1,000
Optional Dependent Life - Child	Contributory	\$0.247	\$0.222	\$1,000
Optional AD&D - Child	Contributory	\$0.02	\$0.018	\$1,000
Optional AD&D - Spouse	Contributory	\$0.02	\$0.018	\$1,000
LTD-CIs 1 Plan A	Contributory	\$0.6	\$0.587	Per \$100
LTD-CIs 2 Plan B	Non-Contributory	\$3.684	\$3.316	PEPM
STD-CI 1 Plan A	Contributory	\$1.223	\$1.165	Per \$100
STD-CIs 2 Plan B	Non-Contributory	\$8.493	\$8.370	PEPM

2017-2018 Annual Premium	\$1,354,768
2018-2019 Annual Premium	\$1,279,291
Variance	-\$75,476 or -5.5%

Aflac – Accident & Hospitalization

	Employee	Spouse	Child
Initial Treatment – Once per accident			
ER/Urgent Care	\$200	\$200	\$200
ER/Urgent Care w/ X-Ray	\$250	\$250	\$250
Doctor's Office	\$100	\$100	\$100
Doctor's Office w/ X-Ray	\$150	\$150	\$150
Ambulance			
Ground	\$400	\$400	\$400
Air	\$1,200	\$1,200	\$1,200
Fracture – <i>varies based on bone affected</i>	\$960-\$12,000	\$960-\$12,000	\$960-\$12,000
Dislocation – <i>varies based on joint affected</i>	\$720-\$9,000	\$720-\$9,000	\$720-\$9,000
Lacerations – <i>varies based on length of wound</i>	\$50-\$800	\$50-\$800	\$50-\$800
Sickness Rider			
<i>Hospital Admission (per confinement)</i>	\$200	\$200	\$200
<i>Hospital Confinement (per day) max 15 days</i>	\$150	\$150	\$150

Premiums – 20 Pay Periods

Employee	\$12.29
Employee + Spouse	\$22.21
Employee + Children	\$25.95
Family	\$35.87

Aflac Accident – Totals for Plan B Participants

Plan Year	Enrollees	Rate per pay	Annual Premium
2017-2018	1736	\$8.89/pay	\$308,660
2018-2019	1736	\$12.29/pay	\$426,708
Variance			\$118,048

Aflac – Critical Illness

	Employee	Spouse	Child
Guaranteed Issue	\$30,000	\$30,000	\$15,000
Base Benefits			
Heart Attack	100%	100%	100%
Sudden Cardiac Arrest	100%	100%	100%
Coronary Artery Bypass Surgery	25%	25%	25%
Major Organ Transplant	100%	100%	100%
Bone Marrow Transplant	100%	100%	100%
Kidney Failure	100%	100%	100%
Stroke	100%	100%	100%
Cancer Benefit			
Cancer (Internal or Invasive)	100%	100%	100%
Non-Invasive Cancer	25%	25%	25%
Skin Cancer	\$250 per Cal. Year	\$250 per Cal. Year	\$250 per Cal. Year
Health Screening Benefit	50 per Cal. Year	50 per Cal. Year	50 per Cal. Year
Additional Benefits			
Coma	100%	100%	100%
Severe Burns	100%	100%	100%
Paralysis	100%	100%	100%
Loss of Sight	100%	100%	100%
Loss of Speech	100%	100%	100%
Loss of Hearing	100%	100%	100%

Aflac – Critical Illness

Employee Non-Tobacco Premium		
	\$15,000	\$30,000
18-25	\$3.01	\$5.16
26-30	\$3.96	\$7.07
31-35	\$4.57	\$8.30
36-40	\$5.93	\$11.01
41-45	\$7.15	\$13.44
46-50	\$8.51	\$16.18
51-55	\$13.13	\$25.42
56-60	\$12.79	\$24.73
61-65	\$26.41	\$51.97
66+	\$46.78	\$92.71

Employee Tobacco Premium		
	\$15,000	\$30,000
18-25	\$4.02	\$7.19
26-30	\$5.33	\$9.82
31-35	\$6.66	\$12.46
36-40	\$9.01	\$17.17
41-45	\$10.85	\$20.84
46-50	\$12.96	\$25.07
51-55	\$20.43	\$40.00
56-60	\$20.65	\$40.44
61-65	\$41.37	\$81.88
66+	\$71.49	\$142.13

Spouse Non-Tobacco Premium		
	\$15,000	\$30,000
18-25	\$3.01	\$5.16
26-30	\$3.96	\$7.07
31-35	\$4.57	\$8.30
36-40	\$5.93	\$11.01
41-45	\$7.15	\$13.44
46-50	\$8.51	\$16.18
51-55	\$13.13	\$25.42
56-60	\$12.79	\$24.73
61-65	\$26.41	\$51.97
66+	\$46.78	\$92.71

Spouse Tobacco Premium		
	\$15,000	\$30,000
18-25	\$4.02	\$7.19
26-30	\$5.33	\$9.82
31-35	\$6.66	\$12.46
36-40	\$9.01	\$17.17
41-45	\$10.85	\$20.84
46-50	\$12.96	\$25.07
51-55	\$20.43	\$40.00
56-60	\$20.65	\$40.44
61-65	\$41.37	\$81.88
66+	\$71.49	\$142.13

Aflac – Whole Life

Employee Non-Tobacco Premium			
	\$15,000	\$25,000	\$50,000
25	\$8.21	\$12.47	\$23.15
35	\$10.93	\$17.03	\$32.25
45	\$18.19	\$29.12	\$56.45
55	\$34.72	\$56.65	\$111.50

Employee Tobacco Premium			
	\$15,000	\$25,000	\$50,000
25	\$11.38	\$17.76	\$33.73
35	\$16.24	\$25.86	\$49.93
45	\$27.09	\$43.95	\$86.10
55	\$47.78	\$78.43	\$155.05

Spouse Non-Tobacco Premium			
	\$5,000	\$10,000	\$15,000
25	\$3.94	\$6.07	\$8.21
35	\$4.84	\$7.89	\$10.93
45	\$7.27	\$12.73	\$18.19
55	\$12.77	\$23.74	\$34.72

Spouse Tobacco Premium			
	\$5,000	\$10,000	\$15,000
25	\$4.99	\$8.19	\$11.38
35	\$6.61	\$11.43	\$16.24
45	\$10.23	\$18.66	\$27.09
55	\$17.13	\$32.45	\$47.78

Dependent Premium		
	\$10,000	\$25,000
0	\$5.83	\$11.87
5	\$5.90	\$12.04
10	\$5.96	\$12.20
15	\$6.02	\$12.36
20	\$6.56	\$13.69

Dependent Term Rider	
\$10,000 Blanket Coverage	
\$5.98	



Questions & Comments

Thank You!