



School District of Clay County Board Workshop Meeting

June 18, 2009



AON CONSULTING

June 18, 2009

Dr. George Copeland
Assistant Superintendent of Business Affairs
The School District of Clay County
900 Walnut Street
Green Cove Springs, FL 32043

Re: Health and Benefits Program Renewals
Plan Year 2009-2010

Dear Dr. Copeland,

We are honored to present the Insurance Committee's recommendations for the District's medical, dental and vision plan renewals. This has been an especially challenging renewal given the economic climate and the budget constraints facing not only the District but the country as a whole. The District has a longstanding philosophy of providing employees and their families the choice among District subsidized comprehensive, quality, affordable benefits that support the health and wellbeing of the community in which they live and work. We; Aon, Aetna and the Insurance Committee; have worked together with the shared objective of preserving this strategy and at the same time meeting the budget challenges before us. Prior to considering any design or contribution change the Committee reviewed locally available benchmark information for other school districts and municipalities in Florida to gauge how the District's benefit plans compare with others in the area. In addition, the Committee considered a less traditional benefit option such as medical plan gap insurance to help bridge potential increases in employee out of pocket expenses. Ultimately, the Committee did not move forward with this option for 2009 – 2010. To illustrate the Committee's thoroughness, they evaluated over 20 plan design alternatives and over a dozen contribution models before selecting the option that best fit this year's objectives.

In addition, to these renewals, ***the Insurance Committee also recommends increasing the Health Care Flexible Spending Account (FSA) to \$3,000 per year.*** This increase is designed to help keep pace with increasing health care costs by allowing employees to contribute additional money to their FSA account on a tax free basis.

The other benefit plans (life, disability, accident and injury) remain in a rate guarantee until October 1, 2010.

Medical Plan

Experience

During the experience period for the renewal (1/1/08 – 12/31/08) the enrollment split among all three medical plan options remained virtually unchanged over past years. Basic HMO enrollment comprises 55.7% of the total medical enrollment, with the Premium HMO at 38.4% and the remaining 5.9%, in the High Deductible Health Plan (HDHP) offered in conjunction with the Health Savings Account (HSA). This is slightly more than was enrolled in the Aetna HeathFund (HRA) which was replaced by the HDHP/HSA effective October 1, 2008. The HSA is a tax-advantaged account created to pay for qualified medical expenses, as defined in Internal Revenue Code (“IRC”) §213(d). In addition to qualified medical expenses, individuals can use their account to pay for qualified long-term care insurance premiums, COBRA premiums, health plan premiums paid while receiving federal unemployment compensation, some retiree health coverage, and over-the-counter drugs. Non-qualified withdrawals are also allowed, but may be subject to income tax and possibly a 10% penalty tax. Contributions to an HSA are tax-deductible and can be made by anyone, including individuals, employers, family members or a combination, up to the annual contribution maximum.

The detailed plan experience for the current and prior renewal periods is provided in the Medical Plan Experience section of this binder.

Renewal

Overall Experience

Similar to prior years, the Basic HMO premium equates to 43% of the total premium, while only accounting for 30% of the total claims. Conversely, the Premium HMO premium equates to 31% of the total premium, but 42% of the total paid claims. The remainder of premium and claims are attributable to the HDHP.

Experience in the Basic HMO, while below Aetna’s norms, showed significant deterioration in the area of inpatient services. The overall amount paid for medical claims increased 30% while the pharmacy amount increased just 11%. Office visits, emergency room visits and surgical utilizations increased less than 4%. However, with respect to inpatient care, the number of admissions, days of care and number of surgeries increased significantly (from 45% to 59%) over the period. Correspondingly, the inpatient amount paid per member increased 55% over the prior period. This suggests more intensive care and conditions reflected in the catastrophic claim analysis in the next section of the summary. To compound the impact on the District, the portion of claims paid by the plan increased 25% to \$2963, while the employee paid portion of claims (through copays and coinsurance) increased only 8% to \$410 per year.

Experience in the Premium HMO continues to be much higher than Aetna's norms. Although the overall amount paid for medical and pharmacy claims increased 13%; office visits and outpatient surgery utilization (services per member) remains **20%** higher than Aetna's norms. Inpatient admissions, days of care and inpatient surgery utilization decreased slightly in 2008 however remain **20% to 35%** higher than Aetna's norm. The inpatient amount paid per member increased 16% over the prior period. The plan paid portion of claims per employee increased 13% to \$5,666 while the employee paid portion of claims (through copays) increased just 3% to \$386 per year.

With only 3 months of experience, and under 6% of the total enrollment, there is insufficient data to analyze plan trend and experience under the new HDHP with HSA option.

Catastrophic Claims

Catastrophic claimants continue to drive the experience both the Premium and Basic HMO plans. In the Basic HMO, the number of catastrophic claimants (individuals with claims over \$25,000) increased from **21** to **36** in 2008. These catastrophic claimants represented **39%** of the total claims paid under the Basic HMO. If catastrophic claimants were excluded, the Basic HMO trend would be 10% (which is approximately trend). For the Premium HMO, the number of catastrophic claimants increased from **35** to **42** in 2008. These catastrophic claimants represented **43%** of the total claims paid in the Premium HMO. If catastrophic claimants were excluded, the Premium HMO trend would be 9% (just below expected trend).

The loss ratio of the Premium HMO at 105% remains well above the target ratio of 87% for this experience period while the Basic HMO remains well below at 57%. The loss ratio for first three months under new HDHP with HSA was 145% (roughly the same as the prior period under the HRA arrangement). The combined loss ratio for all three plans was just over 84%. Aetna's medical trend factor for the 09-10 year is 11.8%; prior year renewals were 10.8% (2008), 12.4% (2007) and 13.5% (2006). This trend factor is slightly higher than Aon's national medical trend factor of 10.6%.

Aon discussed with Aetna, the District's critical budget situation prior to the renewal preparation and encouraged Aetna to make every effort to minimize any renewal increase for the upcoming year. Using Aetna's standard underwriting assumptions the initial renewal using Clay's experience highlighted above, produced an increase of **15.3%**. Aon actuaries concurrently ran an actuarial projection using Clay's experience which suggested a 10.7% increase over current rates was warranted. Aetna lowered the renewal to a **10.8%** increase; essentially the projected medical trend for the upcoming year.

While this is a reasonable renewal, it was not sufficient to achieve the budget objectives necessary for the upcoming year. The Insurance Committee was ultimately advised that the Board contribution could not be increased over the amount of the 2008 – 2009 plan year. As a result, a series of plan design and employee deduction models were considered in order to meet these budget objectives and to ensure the future viability of the medical plan as a whole. The Insurance Committee carefully balanced the desire to keep employee deductions at current levels while making the necessary plan changes to result in a 0% increase overall. They concluded one approach was to create more distinct differences between the Basic HMO and Premium HMO by expanding the Basic HMO's existing coinsurance beyond just hospitalization. This would result in a less rich yet affordable (low employee deductions) Basic HMO option. Only minor modifications would be made to the Premium HMO however employees who choose this richer plan would pay considerably more in payroll deductions. Changes were also made to the HDHP option placing it the middle from an employee deduction perspective.

Medical Plan Design Options

Expanding the coinsurance under the Basic HMO Plan

With over half the total enrollment and a 30% increase in overall claims paid per individual, significant changes were made to the plan in order to keep the premium increase to 0%. The Insurance Committee reviewed more than a half dozen Basic HMO plan design combinations. Once agreeing on the core design, the Committee requested two enhancements be made; one lowering the WellWoman copay from the Specialist level (\$55) to the PCP level (\$40) to encourage this important preventive care service. Aetna made this change with **no rate** impact. The other change eliminated diagnostic x-ray and lab services from being subject to the deductible. This change increased the premium by approximately .5%.

Details of the final changes are outlined in the benefit summaries included in this presentation. The key changes include increasing PCP copays by \$5 to \$40; increasing Specialists copays \$5 to \$55; increasing ER copay \$50 to \$150; urgent care copay increased \$50 to \$100. To offset the overall 30% increase in claims costs, the services subject to the current \$500/\$1000 deductible and 20% coinsurance was expanded from just Inpatient Hospital and Outpatient Surgery services, to **all services except** the following which are covered at a copays: PCP, Specialist Visits, Preventive care, Diagnostic X-ray (\$0) and Diagnostic Laboratory (\$55), Complex Imaging such as MRIs and CAT scans (\$100) and emergency care (\$150). There were no changes to the prescription drug copays.

The goal of this design was to keep services most often used by employees and their families at affordable copays while still protecting against catastrophic claims with the out of pocket annual maximum.

By selecting the Basic HMO plan changes, the Basic HMO increase is .3%, rather than 10.8%, lowering the overall plan increase by \$105,114 per month.

After much discussion, the Committee agreed to recommend the plan changes to the Basic HMO

Preserving the copay based design for the Premium HMO Plan

There was considerable agreement that a pure copay HMO plan design should be offered as an option even if employee deductions needed to increase in order to offset the premium. Once agreeing on the core design the Committee requested three enhancements be made to the final premium HMO option; one lowering the WellWoman copay from the Specialist level (\$50) to the PCP level (\$35) to encourage this important preventive care service. Aetna made this change with **no rate** impact. The second requested change was to increase the lifetime maximum from the proposed plan design of \$2,000,000 to the unlimited level that is currently in place. Aetna made this change with **no rate** impact. The third change was to reduce the proposed outpatient surgery copay from \$500 to \$300 (equal to a single day of inpatient copay). This change resulted in a .8% increase to the rates.

Details of the final changes are outlined in the benefit summaries included in this presentation. Key recommended changes include: The increasing PCP copays by \$10 to \$35; increasing specialists copays \$10 to \$50; increasing ER copay \$25 to \$175; urgent care copay increased \$50 to \$100; increasing the inpatient copays by \$100 per day to \$300 per day (with a 5 day maximum); increasing the complex imaging (MRI, CATscan, etc..) copay of \$250 and increasing pharmacy copays from \$10/\$30/\$50 to \$15/\$35/\$60.

By selecting the Premium HMO plan changes, the Premium HMO increase is -.26%, rather than 10.8%, lowering the overall plan increase by \$87,464 per month.

The Committee recommends the plan changes to the Premium HMO.

Changing the High Deductible Health Plan (HDHP)

With the small enrollment in the HDHP plan, the plan has a low overall affect on the blended renewal and total premium costs. However, it remains the only plan choice with an out-of-network benefit which is particularly important for retirees. More broadly, HDHPs have gained considerable momentum and are generally considered to be the plan design that will become the prevalent plan option in the future. With better decision tools, more information on cost and quality, and greater provider understanding, HDHPs encourage member engagement in health care decisions.

In order to meet the District's budget objectives as well as be compliant with required HDHP deductible amounts for 2010, plan design changes were recommended. The key change to comply with 2010 IRS deductible requirements include increasing the in-network deductibles from \$1,150 single /\$2,300 family to \$1,250 single /\$2,500 family.

The current HDHP medical plan pays 100% of in-network expenses once the deductible is met. The recommended plan change would pay 90% of in-network expense once the deductible is met, up to an annual out of pocket maximum of \$3,000 individual/ \$6,000 family (in-network). Out of network deductible and annual out of pocket maximums are also increased. All preventive care continues to be paid at 100% for in-network services, with no deductible. Pharmacy costs continue to be paid as co-payments once the deductible is met.

To help pay for claims and expenses within the deductible, members can continue to contribute to an HSA on a pre-tax basis. The HSA is a tax-advantaged account created to pay for qualified medical expenses, as defined in Internal Revenue Code ("IRC") §213(d). In addition to qualified medical expenses, individuals can use their account to pay for qualified long-term care insurance premiums, COBRA premiums, health plan premiums paid while receiving federal unemployment compensation, some retiree health coverage, and over-the-counter drugs. Non-qualified withdrawals are also allowed, but may be subject to income tax and possibly a 10% penalty tax.

The Insurance Committee voted to recommend the HDHP changes as outlined.

Contribution Strategy

In conjunction with recommended benefit design changes, the Committee evaluated employee deductions. The recommended contribution method more closely aligns employee deductions with the design value of the plan (i.e. richer plans have higher deductions). By aligning the employee deductions to reflect the design value of the plan, employees that choose the richer plans will pay more in deductions.

The committee had significant concerns about the affordability of medical coverage for families. The recommended contribution model also lowers deductions for the family tier under all the plans, by charging all dependent tiers (employee +spouse, employee +child(ren), and Family) the same percentage of premium within a plan option. In the past, the family tier paid a higher percentage of the premium than the employee + child or employee + spouse tiers.

The contribution model is in the tab titled “Contribution Strategy”. Since contributions significantly influence enrollment, it should be noted that Aetna has indicated if enrollment shifts more than 10% between one plan or another, Aetna reserves the right to re-evaluate the quoted rates.

The Committee approved the contribution strategy with a 0.0% overall increase in the Board contribution and virtually no aggregate increase in employee deductions.

Vision Plan Renewal

In 2007, Humana purchased VisionCare (CompBenefits). The loss ratio increased slightly to 69.6% from 66.4% the prior plan year. Despite this slight worsening of experience, Humana offered a two year renewal with no rate increase. In addition, Humana increased the frame allowance and contact lens benefit.

The Insurance Committee voted to recommend renewal of the Humana vision plan.

Dental Plans Renewal

The dental plans offered by Delta Dental are up for renewal for October 1, 2009, coming off a 2 year rate guarantee. The plans continue to operate well at a 76.7% loss ratio in 2008, virtually identical to the prior plan year. Before considering the renewal from Delta Dental, a dental provider match was performed to determine the amount of disruption that could occur if a new carrier was considered. The provider match revealed considerable disruption if Delta Dental was replaced by another dental carrier.

The initial renewal, based on Clay’s experience, was negotiated down from a 3.5% increase for two years to no increase for one year, saving an estimated \$48,700 annually. In addition, the orthodontia benefit provision was improved to eliminate the \$500 annual benefit maximum. While the lifetime orthodontia, maximum remains \$1,000, there will no longer be an annual cap. The Committee believed that given the significant medical plan changes and the rate concession, Delta Dental should be renewed for the 2009 – 2010 plan year.

The Insurance Committee voted to recommend renewal of the Delta Dental plan.

Summary

We appreciate the opportunity to serve the School District and their families. This year's renewal has been especially challenging and we are hopeful the changes recommended will better position the benefit program for the future. Indeed, these changes make efforts in the areas of chronic disease and wellness by the Insurance Department even more important than ever.

We look forward to discussions regarding the Committee recommendations during the Board Workshop and to move forward with this year's renewal.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Gebhard". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ann Gebhard
Vice President

CC: Sheila Gann, School District of Clay County
Insurance Committee Members
Debbie Poole, Aon Consulting

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Appendix

Medical Plan Experience
Dental, Vision, Life and Disability Rates



2008-2009 Medical Plan Performance

- Basic HMO
 - Lowest Benefits
 - Lowest Employee Contribution
 - This plan continues to run well, showing a loss ratio under 60%.
- High Deductible Health Plan w/ Health Savings Account
 - Middle Benefits
 - Highest Employee Contribution
 - It is too soon to determine the effect of the conversion to HDHDP/HSA effective October 1, 2008. Prior HealthFund plan historically ran at a loss ratio of over 100%.
- Premium HMO
 - Highest Benefits
 - Middle Employee Contribution
 - This plan is balancing on a 95-100% loss ratio.



2009-2010 Benefit Strategy

- Initial Directive – Reduce Board costs by \$6 million
 - Examination of aggressive plan design strategy and contribution modeling
- Second Directive – Reduce Board costs \$3 million
 - Review adjustments to aggressive plan design changes and contribution models
- Final Directive - No increase to Board costs
 - Adjustments to plan design
 - Basic HMO Plan
 - High Deductible Health Plan (HDHP)
 - Premium HMO Plan
- Control the financial impact to the Employees' per pay period cost
 - Remodel cost sharing strategy
 - Basic HMO remains the least expensive medical option to employees.
 - HDHP deductions were reduced to drive higher participation.
 - Higher participation should improve the plan's overall loss ratio.
 - HDHP is the middle cost plan for employee contribution.
 - Premium HMO is the highest cost plan to employees.



2009 – 2010 Medical Plans

○ Basic HMO Changes

- Increase copayment for office visit, diagnostic, urgent and emergency care
- Increase out of pocket maximum
- Apply deductible and copayments to inpatient and outpatient services
- Minimal Employee deduction impact (reduction in cost for Family)

○ High Deductible Health Plan Changes

- Add coinsurance of 10%
- Increase annual deductible
- Increase out of pocket maximum
- Per pay period cost closely matches last year's Premium HMO

○ Premium HMO Changes

- Increase copayments for office visit, diagnostic, emergency room, urgent care, inpatient, outpatient, and prescription drugs
- Increase out of pocket maximum
- Richest plan offered in 2009-2010 = Highest employee contribution



Basic HMO

Benefits	2008 - 2009	2009 - 2010
Deductible:		Does not apply to office visits, lab, emergency or urgent care
Single	Hospital Services only: \$500	\$500
Family	Hospital Services only: \$1,000	\$1,000
Coinsurance	Hospital Services only: 20%	20%
Out of Pocket:	Includes coinsurance and all copays, except Rx	Includes coinsurance and all copays, except Rx
Single	\$3,000	\$4,000
Family	\$6,000	\$8,000
Lifetime Maximum	\$2,000,000	\$2,000,000
Physician Services		
PCP Office Visits	\$35	\$40
Specialist Visits	\$50	\$55
Specialist Referral Required	Yes	Yes
Preventive Care		
Routine Physical Exam	\$35	\$40
Well Woman/GYN Exam	\$35	\$40
Mammograms	\$0	\$0
Well Child Care	\$35	\$40
Pediatric Immunizations	\$35	\$40
Maternity		
Pre-natal Exams (initial visit only)	\$50	\$55
Hospital Delivery	20%	\$200 copay, then 20% after deductible
Hospital Services		
Inpatient	20%	\$200 copay, then 20% after deductible
Outpatient Surgery	20%	\$100 copay, then 20% after deductible
Emergency Services		
Emergency Room	\$100	\$150
Urgent Care Center	\$50	\$100
Diagnostic X-ray/Lab		
Diagnostic Outpatient Lab	\$0 with PCP referral	\$0 no deductible
Diagnostic Outpatient x-ray	\$0 with PCP referral	\$55 no deductible
Diagnostic Outpatient Complex	\$0 with PCP referral	\$100 no deductible
Prescription Drugs		
Retail (30-day supply)		
Deductible	n/a	n/a
Generic	\$20	\$20
Brand	\$40	\$40
Non-Formulary	\$70	\$70
Mail Order (90-day supply)		
Generic	\$40	\$40
Brand	\$80	\$80
Non-Formulary	\$140	\$140
Oral Contraceptives	covered	covered

High Deductible Health Plan

Benefits	2008 - 2009		2009 - 2010	
	In-Network	Out of Network	In-Network	Out of Network
Deductible:			Applies to all benefits except preventive	Applies to all benefits
Single	\$1,100	\$1,600	\$1,250	\$2,500
Family	\$2,200	\$3,200	\$2,500	\$5,000
Coinsurance	0%	20%	10%	30%
Out of Pocket:			Includes deductible, coinsurance and Rx copays	Includes deductible, coinsurance and Rx copays
Single	\$2,000	\$2,500	\$3,000	\$5,000
Family	\$4,000	\$5,000	\$6,000	\$10,000
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Physician Services				
PCP Office Visits	0%	20%	10%	30%
Specialist Visits	0%	20%	10%	30%
Specialist Referral Required	No	No	No	No
Preventive Care				
Routine Physical Exam	0%	20%	0%	30%
Well Woman/GYN Exam	0%	20%	0%	30%
Mammograms	0%	80%	0%	30%
Well Child Care	0%	20%	0%	30%
Pediatric Immunizations	0%	20%	0%	30%
Maternity				
Pre-natal Exams (initial visit only)	0%	20%	10%	30%
Hospital Delivery	0%	20%	10%	30%
Hospital Services				
Inpatient	0%	20%	10%	30%
Outpatient Surgery	0%	20%	10%	30%
Emergency Services				
Emergency Room	0%	20%	10%	30%
Urgent Care Center	0%	20%	10%	30%
Diagnostic X-ray/Lab				
Diagnostic Outpatient Lab	0%	20%	10%	30%
Diagnostic Outpatient x-ray	0%	20%	10%	30%
Diagnostic Outpatient Complex Imaging	0%	20%	10%	30%
Prescription Drugs				
Retail (30-day supply)				
Deductible	combined with medical plan		combined with medical plan	
Generic	\$15 after deductible	\$15 after deductible then 20%	\$15 after deductible	\$15 after deductible then 30%
Brand	\$20 after deductible	\$20 after deductible then 20%	\$20 after deductible	\$20 after deductible then 30%
Non-Formulary	\$40 after deductible	\$40 after deductible then 20%	\$40 after deductible	\$40 after deductible then 30%
Mail Order (90-day supply)				
Generic	\$30 after deductible	n/a	\$30 after deductible	n/a
Brand	\$40 after deductible	n/a	\$40 after deductible	n/a
Non-Formulary	\$80 after deductible	n/a	\$80 after deductible	n/a
Oral Contraceptives	covered	n/a	covered	n/a

Premium HMO

Benefits	2008 - 2009	2009 - 2010
Deductible:		
Single	None	None
Family	None	None
Coinsurance	None	None
Out of Pocket:	Includes all copays, except Rx	Includes all copays, except Rx
Single	\$2,000	\$4,000
Family	\$4,000	\$8,000
Lifetime Maximum	Unlimited	Unlimited
Physician Services		
PCP Office Visits	\$25	\$35
Specialist Visits	\$40	\$50
Specialist Referral Required	No	No
Preventive Care		
Routine Physical Exam	\$25	\$35
Well Woman/GYN Exam	\$25	\$35
Mammograms	\$0	\$0
Well Child Care	\$25	\$35
Pediatric Immunizations	\$25	\$35
Maternity		
Pre-natal Exams (initial visit only)	\$40	\$50
Hospital Delivery	\$200 per day/5 days	\$300 per day/5 days
Hospital Services		
Inpatient	\$200 per day/5 days	\$300 per day/5 days
Outpatient Surgery	\$150	\$300
Emergency Services		
Emergency Room	\$150	\$175
Urgent Care Center	\$50	\$100
Diagnostic X-ray/Lab		
Diagnostic Outpatient Lab	\$0	\$0
Diagnostic Outpatient x-ray	\$0	\$50
Diagnostic Outpatient Complex Imaging	\$0	\$250
Prescription Drugs		
Retail (30-day supply)		
Deductible	n/a	n/a
Generic	\$10	\$15
Brand	\$30	\$35
Non-Formulary	\$50	\$60
Mail Order (90-day supply)		
Generic	\$20	\$30
Brand	\$60	\$70
Non-Formulary	\$100	\$120
Oral Contraceptives	covered	covered

Basic HMO, Premium HMO, High Deductible Health Plan Overall Cost Impact of 2009 - 2010 Plan Designs

10/01/2008 - 09/30/2009 Per Pay Period								10/01/2009 - 09/30/2010 Per Pay Period					
	10/1/2008 Enrollment	Premium Per Pay Period	Board Contribution	EE Deduction	Board Annual Cost	EE Annual Cost	Total Annual Cost	Premium Per Pay Period	Board Contribution	EE Deduction	Board Annual Cost	EE Annual Cost	Total Annual Cost
Basic HMO													
Employee	1,517	\$249.31	\$239.99	\$9.32	\$7,281,357	\$282,769	\$7,564,126	\$250.13	\$240.13	\$10.01	\$7,285,503	\$303,563	\$7,589,066
EE & SP	107	\$481.72	\$270.12	\$211.60	\$578,048	\$452,824	\$1,030,872	\$483.31	\$265.82	\$217.49	\$568,851	\$465,424	\$1,034,275
EE & Ch(s)	127	\$459.55	\$261.99	\$197.56	\$665,444	\$501,802	\$1,167,247	\$461.06	\$253.59	\$207.48	\$644,106	\$526,996	\$1,171,103
Family	181	\$631.25	\$294.98	\$336.27	\$1,067,842	\$1,217,297	\$2,285,139	\$633.34	\$348.34	\$285.00	\$1,260,984	\$1,031,714	\$2,292,698
High Deductible Health Plan (HDHP)													
Employee	161	\$310.63	\$249.01	\$61.62	\$801,819	\$198,416	\$1,000,235	\$308.73	\$262.42	\$46.31	\$844,994	\$149,117	\$994,111
EE & SP	30	\$600.14	\$292.37	\$307.77	\$175,424	\$184,662	\$360,086	\$596.47	\$328.06	\$268.41	\$196,836	\$161,047	\$357,883
EE & Ch(s)	5	\$572.50	\$284.45	\$288.05	\$28,445	\$28,805	\$57,250	\$568.99	\$312.95	\$256.05	\$31,295	\$25,605	\$56,899
Family	8	\$786.52	\$316.18	\$470.34	\$50,589	\$75,254	\$125,844	\$781.70	\$429.94	\$351.77	\$68,790	\$56,283	\$125,073
Premium HMO													
Employee	1,075	\$294.48	\$247.65	\$46.83	\$5,324,475	\$1,006,845	\$6,331,320	\$293.71	\$232.03	\$61.68	\$4,988,596	\$1,326,083	\$6,314,679
EE & SP	132	\$568.93	\$282.64	\$286.29	\$746,159	\$755,806	\$1,501,965	\$567.43	\$280.88	\$286.55	\$741,512	\$756,492	\$1,498,005
EE & Ch(s)	52	\$542.71	\$270.07	\$272.64	\$280,875	\$283,546	\$564,420	\$541.28	\$267.93	\$273.35	\$278,650	\$284,279	\$562,929
Family	73	\$745.61	\$306.70	\$438.91	\$447,788	\$640,809	\$1,088,596	\$743.65	\$368.10	\$375.54	\$537,433	\$548,290	\$1,085,723
	3,468												
Total Expected Premium					\$17,448,266	\$5,628,835	\$23,077,101				\$17,447,550	\$5,634,892	\$23,082,443
Medical plan increase from 2008/2009 Plan Year											0.0%	0.1%	0.0%
2009-2010 Funded By Clay County District Schools											75.6%		

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Medical Plan

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2009 -2010 Medical Plan Summaries
Cost Analysis

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Ancillary Benefits

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Flexible Spending Accounts and Health Savings Accounts
Life & Disability
Voluntary Benefits & Enrollment System

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Aon Value

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Appendix

Medical Plan Experience
Dental, Vision, Life and Disability Rates



Dental Plan Renewal

- 2009 – 2010 renewal negotiated down from a 3.5% two year rate increase to a **0% one year renewal** with no reduction in benefits.
- **Orthodontia benefit improved** - removal of the \$500 annual benefit cap
 - An analysis of experience from 10/2007 - 9/2008 revealed **less than 10%** of members (employees and dependents) reached the annual \$1,000 benefit maximum (over 50% had expenses of less than \$250)
 - An analysis of experience from 10/2008 -2/2009 showed **less than 1%** had reached the \$1,000 benefit maximum (only 5 months of data)



Vision Plan Renewal

- Negotiated **no rate increase** with a 2 year rate guarantee (10/1/2009 – 9/30/2011)
- Improved in-network benefits for frame allowance and elective contact lenses:
 - Frame allowance increased from \$45 to \$50
 - Elective contact lens allowance increased from \$125 to \$130



Flexible Spending Accounts (FSA) & Health Savings Accounts (HSA)

- Medical Flexible Spending Accounts annual maximum increased to \$3,000
- Health Savings Account is available to employees under age 65 and enrolled in the High Deductible Health Plan (HDHP)
 - New limits for 2009 = \$3,050 for Single, \$6,150 for Family
- Both are Voluntary and require re-enrollment each year.



Life and Disability Programs

- No changes to benefit strategy, plan designs, or cost
 - District provides STD & LTD benefits for Plan B employees
 - Plan A employees have no cost increase
 - Basic Life Insurance coverage amounts remain the same
 - Plan A - \$20,000
 - Plan B - \$50,000
- 3-year rate guarantee with Unum expires 9/30/2010
 - Short Term Disability claims are currently running high
 - Within 30 days in 2009, the plan paid \$415,000 in death claims
 - Poor experience will impact potential marketing of Life/Disability programs for the 2010-2011 plan year.



Voluntary Plans and Enrollment System

- No changes to the Voluntary Benefit Programs
 - Accident and Injury
 - Critical Illness
 - Whole Life
- Marketing new web enrollment systems during the 2009-2010 plan year
 - Potential cost savings
 - Improved processing



Agenda

1

Medical Plan

Medical Plan Performance
2009-2010 Strategy
2009 -2010 Medical Plan Summaries
Cost Analysis

2

Ancillary Benefits

Dental Renewal
Vision Renewal
Flexible Spending Accounts and Health Savings Accounts
Life & Disability
Voluntary Benefits & Enrollment System

3

Aon Value

4

Appendix

Medical Plan Experience
Dental, Vision, Life and Disability Rates



Aon Value

Aon Consulting is committed to providing the District with innovative solutions for offering both a comprehensive and cost effective benefit program. Our actuarial team provides an expert financial analysis of the renewal methodology and calculation, then estimates the value of various plan design adjustments for the purpose of an efficient negotiation. During the 2009-2010 negotiations, this was a complex process that resulted in a program that was unanimously agreed upon by the Insurance Committee. Through our partnership with Aetna, it is our ongoing commitment to deliver medical plan options that meet the District's budget and expectations.

Over the years, Aon has negotiated a significant savings to the District during the renewal negotiation process and through our strategic analysis of products and services available in the marketplace. The chart below illustrates the estimated overall savings to the District, as well as the employees, based on the difference between the initial renewal and the final negotiated renewal.

Plan Year	Renewal Action	Financial Impact
2007 - 2008	Life and Disability Marketing	\$ 95,763
	Medical Negotiation	\$ 680,969
2008 - 2009	Medical Negotiation	\$ 464,040
2009 - 2010	Medical Negotiation	\$ 1,065,546
	Dental Negotiation	\$ 48,700
	Overall 3-year total negotiated savings	\$ 2,355,018



Agenda

1

Medical Plan

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Aon Value

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Appendix

Medical Plan Experience
Dental, Vision, Life and Disability Rates



Medical Plan Experience

All Plans Combined

Basic HMO

Premium HMO

High Deductible Health Plan (HDHP)

	Covered Employees	Medical Claims	Pharmacy Claims	Capitation	Total Claims	PEPM Claim Cost	Total Premium	Loss Ratio
October-06	3,157	\$1,013,485	\$221,410	\$5,595	\$1,240,490	\$392.93	\$1,541,194	80.49%
November-06	3,157	\$1,041,415	\$231,045	\$5,904	\$1,278,364	\$404.93	\$1,380,994	92.57%
December-06	3,168	\$1,136,035	\$219,399	\$5,982	\$1,361,416	\$429.74	\$1,462,641	93.08%
January-07	3,160	\$1,012,343	\$239,425	\$5,852	\$1,257,620	\$397.98	\$1,450,884	86.68%
February-07	3,155	\$819,001	\$221,085	\$5,886	\$1,045,972	\$331.53	\$1,453,409	71.97%
March-07	3,176	\$1,026,785	\$258,118	\$5,917	\$1,290,820	\$406.43	\$1,452,553	88.87%
April-07	3,196	\$1,134,243	\$222,211	\$5,949	\$1,362,403	\$426.28	\$1,470,261	92.66%
May-07	3,203	\$1,097,740	\$263,773	\$6,010	\$1,367,523	\$426.95	\$1,470,401	93.00%
June-07	3,202	\$1,029,533	\$248,765	\$6,029	\$1,284,327	\$401.10	\$1,472,374	87.23%
July-07	3,209	\$1,280,114	\$254,919	\$5,085	\$1,540,118	\$479.94	\$1,473,933	104.49%
August-07	3,215	\$1,245,610	\$265,544	\$5,111	\$1,516,265	\$471.62	\$1,478,200	102.58%
September-07	3,224	\$734,925	\$268,626	\$5,878	\$1,009,429	\$313.10	\$1,472,374	68.56%
Plan Year Loss Ratio								88.48%
October-07	3,270	\$959,478	\$234,107	\$5,589	\$1,199,174	\$366.72	\$1,703,002	70.42%
November-07	3,293	\$796,010	\$233,920	\$4,848	\$1,034,778	\$314.24	\$1,714,016	60.37%
December-07	3,297	\$907,701	\$249,950	\$4,877	\$1,162,528	\$352.60	\$1,714,664	67.80%
January-08	3,300	\$1,149,230	\$258,485	\$5,210	\$1,412,925	\$428.16	\$1,709,105	82.67%
February-08	3,308	\$1,022,017	\$251,478	\$5,266	\$1,278,761	\$386.57	\$1,712,591	74.67%
March-08	3,309	\$1,006,850	\$281,030	\$5,245	\$1,293,125	\$390.79	\$1,714,659	75.42%
April-08	3,303	\$1,085,261	\$267,769	\$5,310	\$1,358,340	\$411.24	\$1,712,931	79.30%
May-08	3,312	\$1,535,044	\$291,095	\$5,912	\$1,832,051	\$553.16	\$1,712,868	106.96%
June-08	3,321	\$1,433,090	\$302,719	\$5,797	\$1,741,606	\$524.42	\$1,721,644	101.16%
July-08	3,324	\$1,329,022	\$288,974	\$5,935	\$1,623,931	\$488.55	\$1,721,795	94.32%
August-08	3,331	\$1,129,017	\$303,517	\$5,273	\$1,437,807	\$431.64	\$1,730,482	83.09%
September-08	3,333	\$1,257,046	\$321,556	\$5,130	\$1,583,732	\$475.17	\$1,731,228	91.48%
Plan Year Loss Ratio								82.33%
October-08	3,423	\$1,170,242	\$262,885	\$5,099	\$1,438,226	\$420.17	\$1,901,643	75.63%
November-08	3,454	\$1,195,574	\$253,553	\$5,377	\$1,454,504	\$421.11	\$1,918,649	75.81%
December-08	3,468	\$993,247	\$251,642	\$5,329	\$1,250,218	\$360.50	\$1,922,209	65.04%
Current Year Loss Ratio								72.15%

Year over Year Comparison

	Covered Employees	Medical Claims	Pharmacy Claims	Capitation	Total Claims	PEPM Claim Cost	Total Premium	Loss Ratio
2006-2007 Plan Year	38,222	12,571,229	2,914,320	69,198	15,554,747	\$406.96	\$17,579,218	88.48%
<i>Ratios to total cost</i>		80.82%	18.74%	0.44%				
<i>Premium PEPM</i>							\$459.92	
2007-2008 Plan Year	39,701	13,609,766	3,284,600	64,392	16,958,758	\$427.16	\$20,598,985	82.33%
<i>Ratios to total cost</i>		80.25%	19.37%	0.38%				
<i>Premium PEPM</i>							\$518.85	
Rolling 12-month	40,186	14,305,640	3,334,703	64,883	17,705,226	\$440.58	21,209,804	83.48%
<i>Ratios to total cost</i>		80.80%	18.83%	0.37%				
<i>Premium PEPM</i>							\$527.79	

Comparison by Plan Type

2006-2007 Plan Year	38,222	\$12,571,229	\$2,914,320	\$69,198	\$15,554,747	\$406.96	\$17,579,218	88.48%
<i>Basic HMO</i>	55.69%	36.01%	24.81%	67.90%	34.05%	\$2,986.67	52.65%	57.24%
<i>Premium HMO</i>	36.00%	47.23%	49.45%	32.10%	47.58%	\$6,454.88	37.85%	111.24%
<i>HRA</i>	8.32%	16.76%	25.74%	0.00%	18.37%	\$10,800.09	9.51%	170.91%
2007-2008 Plan Year	39,701	\$13,609,766	\$3,284,600	\$64,392	\$16,958,758	\$427.16	\$20,598,985	82.33%
<i>Basic HMO</i>	55.91%	39.52%	23.74%	67.10%	36.57%	\$3,348.58	52.42%	57.44%
<i>Premium HMO</i>	37.04%	48.94%	52.23%	32.90%	49.51%	\$6,850.56	39.38%	103.53%
<i>HRA</i>	7.05%	11.54%	24.03%	0.00%	13.92%	\$10,136.57	8.21%	139.61%
Rolling 12-Months								
<i>Basic HMO</i>	55.92%	31.65%	21.68%	72.42%	29.92%	\$2,986.67	43.63%	57.57%
<i>Premium HMO</i>	37.34%	41.51%	43.22%	34.23%	41.80%	\$6,454.88	31.37%	105.36%
<i>HRA / HSA</i>	6.73%	14.72%	22.50%	0.00%	16.13%	\$10,800.09	7.88%	145.49%

	Covered Employees	Medical Claims	Pharmacy Claims	Capitation	Total Claims	PEPM Claim Cost	Total Premium	Loss Ratio
October-06	1,742	\$326,055	\$60,656	\$3,814	\$390,525	\$224.18	\$760,492	51.35%
November-06	1,742	\$466,590	\$61,743	\$3,948	\$532,281	\$305.56	\$760,320	70.01%
December-06	1,753	\$480,344	\$64,509	\$4,009	\$548,862	\$313.10	\$763,107	71.92%
January-07	1,753	\$323,145	\$66,744	\$3,942	\$393,831	\$224.66	\$761,471	51.72%
February-07	1,747	\$285,828	\$58,104	\$3,983	\$347,915	\$199.15	\$759,052	45.84%
March-07	1,766	\$329,105	\$65,277	\$4,016	\$398,398	\$225.59	\$767,651	51.90%
April-07	1,784	\$336,046	\$56,361	\$4,053	\$396,460	\$222.23	\$775,112	51.15%
May-07	1,795	\$347,664	\$59,811	\$4,112	\$411,587	\$229.30	\$780,135	52.76%
June-07	1,795	\$391,802	\$55,407	\$4,137	\$451,346	\$251.45	\$780,441	57.83%
July-07	1,799	\$531,221	\$59,897	\$3,461	\$594,579	\$330.51	\$780,779	76.15%
August-07	1,801	\$434,098	\$57,065	\$3,480	\$494,643	\$274.65	\$781,737	63.27%
September-07	1,807	\$275,254	\$57,360	\$4,032	\$336,646	\$186.30	\$784,589	42.91%
2006-2007 Plan Year Total	21,284	\$4,527,152	\$722,934	\$46,987	\$5,297,073	\$2,987	\$9,254,886	57.24%
October-07	1,817	\$394,389	\$57,557	\$3,721	\$455,667	\$250.78	\$890,758	51.15%
November-07	1,832	\$262,187	\$69,107	\$3,175	\$334,469	\$182.57	\$895,447	37.35%
December-07	1,834	\$338,654	\$56,287	\$3,221	\$398,162	\$217.10	\$895,817	44.45%
January-08	1,839	\$486,924	\$61,264	\$3,440	\$551,628	\$299.96	\$895,603	61.59%
February-08	1,847	\$378,757	\$58,131	\$3,489	\$440,377	\$238.43	\$899,146	48.98%
March-08	1,852	\$337,211	\$65,021	\$3,484	\$405,716	\$219.07	\$900,639	45.05%
April-08	1,847	\$454,216	\$63,084	\$3,534	\$520,834	\$281.99	\$897,381	58.04%
May-08	1,855	\$564,467	\$74,343	\$4,016	\$642,826	\$346.54	\$897,782	71.60%
June-08	1,864	\$584,637	\$61,464	\$3,946	\$650,047	\$348.74	\$903,479	71.95%
July-08	1,869	\$494,979	\$74,200	\$4,047	\$573,226	\$306.70	\$906,390	63.24%
August-08	1,870	\$446,446	\$61,332	\$3,583	\$511,361	\$273.46	\$907,135	56.37%
September-08	1,872	\$636,015	\$77,878	\$3,548	\$717,441	\$383.25	\$907,881	79.02%
2007-2008 Plan Year Total	22,198	\$5,378,882	\$779,668	\$43,204	\$6,201,754	\$3,349	\$10,797,458	57.44%
October-08	1,900	\$471,102	\$70,220	\$3,444	\$544,766	\$286.72	\$987,972	55.14%
November-08	1,926	\$307,414	\$64,771	\$3,668	\$375,853	\$195.15	\$999,908	37.59%
December-08	1,932	\$387,047	\$68,912	\$3,646	\$459,605	\$237.89	\$1,001,943	45.87%
2008-2009 Plan Year Total	5,758	1,165,563	203,903	10,758	1,380,224	\$239.71	\$2,989,823	46.16%
Rolling 12-month Total	22,473	5,549,215	800,620	43,845	6,393,680	\$ 284.50	11,105,259	57.57%

	Covered Employees	Medical Claims	Pharmacy Claims	Capitation	Total Claims	PEPM Claim Cost	Total Premium	Loss Ratio
October-06	1,143	\$484,094	\$118,278	\$1,781	\$604,153	\$528.57	\$553,654	109.12%
November-06	1,144	\$450,267	\$128,217	\$1,956	\$580,440	\$507.38	\$554,237	104.73%
December-06	1,147	\$477,966	\$111,335	\$1,973	\$591,274	\$515.50	\$555,921	106.36%
January-07	1,138	\$498,143	\$122,211	\$1,910	\$622,264	\$546.80	\$550,685	113.00%
February-07	1,142	\$414,433	\$107,567	\$1,903	\$523,903	\$458.76	\$551,644	94.97%
March-07	1,145	\$526,633	\$128,762	\$1,901	\$657,296	\$574.06	\$552,735	118.92%
April-07	1,150	\$602,051	\$112,514	\$1,896	\$716,461	\$623.01	\$554,958	129.10%
May-07	1,146	\$558,872	\$119,002	\$1,898	\$679,772	\$593.17	\$553,344	122.85%
June-07	1,146	\$453,835	\$119,495	\$1,892	\$575,222	\$501.94	\$553,587	103.91%
July-07	1,149	\$549,714	\$115,388	\$1,624	\$666,726	\$580.27	\$555,038	120.12%
August-07	1,153	\$602,674	\$129,616	\$1,631	\$733,921	\$636.53	\$557,267	131.70%
September-07	1,156	\$318,922	\$128,805	\$1,846	\$449,573	\$388.90	\$559,846	80.30%
2006-2007 Plan Year Total	13,759	\$5,937,604	\$1,441,190	\$22,211	\$7,401,005	\$6,455	\$6,652,916	111.24%
October-07	1,215	\$435,994	\$132,180	\$1,868	\$570,042	\$469.17	\$669,186	85.18%
November-07	1,223	\$429,525	\$125,875	\$1,673	\$557,073	\$455.50	\$673,217	82.75%
December-07	1,226	\$451,885	\$135,525	\$1,656	\$589,066	\$480.48	\$674,063	87.39%
January-08	1,224	\$552,986	\$135,023	\$1,770	\$689,779	\$563.54	\$671,684	102.69%
February-08	1,225	\$428,770	\$137,087	\$1,777	\$567,634	\$463.37	\$671,830	84.49%
March-08	1,224	\$529,416	\$152,911	\$1,761	\$684,088	\$558.90	\$672,509	101.72%
April-08	1,225	\$546,518	\$138,533	\$1,776	\$686,827	\$560.68	\$675,538	101.67%
May-08	1,226	\$791,077	\$144,936	\$1,896	\$937,909	\$765.02	\$677,299	138.48%
June-08	1,228	\$720,170	\$165,712	\$1,851	\$887,733	\$722.91	\$678,620	130.81%
July-08	1,226	\$727,932	\$138,992	\$1,888	\$868,812	\$708.66	\$678,395	128.07%
August-08	1,232	\$573,937	\$159,846	\$1,690	\$735,473	\$596.97	\$683,979	107.53%
September-08	1,232	\$472,010	\$149,016	\$1,582	\$622,608	\$505.36	\$684,800	90.92%
2007-2008 Plan Year Total	14,706	6,660,220	1,715,636	\$21,188	\$8,397,044	\$6,851	\$8,111,120	103.53%
October-08	1,312	\$555,769	\$163,149	\$1,655	\$720,573	\$549.22	\$778,475	92.56%
November-08	1,321	\$762,356	\$155,047	\$1,709	\$919,112	\$695.77	\$783,545	117.30%
December-08	1,332	\$424,692	\$151,347	\$1,683	\$577,722	\$433.73	\$789,141	73.21%
2008-2009 Plan Year Total	3,965	1,742,817	469,543	5,047	2,217,407	\$559.25	\$2,351,161	94.31%
Rolling 12-month Total	15,007	7,085,633	1,791,599	21,038	8,898,270	\$ 592.94	8,445,815	105.36%

	Covered Employees	Medical Claims	Pharmacy Claims	Capitation	Total Claims	PEPM Claim Cost	Total Premium	Loss Ratio
October-06	272	\$203,336	\$42,476	\$0	\$245,812	\$903.72	\$227,048	108.26%
November-06	271	\$124,558	\$41,085	\$0	\$165,643	\$611.23	\$66,437	249.32%
December-06	268	\$177,725	\$43,555	\$0	\$221,280	\$825.67	\$143,613	154.08%
January-07	269	\$191,055	\$50,470	NA	\$241,525	\$897.86	\$138,728	174.10%
February-07	266	\$118,740	\$55,414	NA	\$174,154	\$654.71	\$142,713	122.03%
March-07	265	\$171,047	\$64,079	NA	\$235,126	\$887.27	\$132,167	177.90%
April-07	262	\$196,146	\$53,336	NA	\$249,482	\$952.22	\$140,191	177.96%
May-07	262	\$191,204	\$84,960	NA	\$276,164	\$1,054.06	\$136,922	201.69%
June-07	261	\$183,896	\$73,863	NA	\$257,759	\$987.58	\$138,346	186.31%
July-07	261	\$199,179	\$79,634	NA	\$278,813	\$1,068.25	\$138,116	201.87%
August-07	261	\$208,838	\$78,863	NA	\$287,701	\$1,102.30	\$139,196	206.69%
September-07	261	\$140,749	\$82,461	NA	\$223,210	\$855.21	\$127,939	174.47%
2006-2007 Plan Year Total	3,179	\$2,106,473	\$750,196	\$0	\$2,856,669	\$10,800.09	\$1,671,416	170.91%
October-07	238	\$129,095	\$44,370	NA	\$173,465	\$728.84	\$143,058	121.26%
November-07	238	\$104,298	\$38,938	NA	\$143,236	\$601.83	\$145,352	98.54%
December-07	237	\$117,162	\$58,138	NA	\$175,300	\$739.66	\$144,784	121.08%
January-08	237	\$109,320	\$62,198	NA	\$171,518	\$723.70	\$141,818	120.94%
February-08	236	\$214,490	\$56,260	NA	\$270,750	\$1,147.25	\$141,615	191.19%
March-08	233	\$140,223	\$63,098	NA	\$203,321	\$872.62	\$141,511	143.68%
April-08	231	\$84,527	\$66,152	NA	\$150,679	\$652.29	\$140,012	107.62%
May-08	231	\$179,500	\$71,816	NA	\$251,316	\$1,087.95	\$137,787	182.39%
June-08	229	\$128,283	\$75,543	NA	\$203,826	\$890.07	\$139,545	146.06%
July-08	229	\$106,111	\$75,782	NA	\$181,893	\$794.29	\$137,010	132.76%
August-08	229	\$108,634	\$82,339	NA	\$190,973	\$833.94	\$139,368	137.03%
September-08	229	\$149,021	\$94,662	NA	\$243,683	\$1,064.12	\$138,547	175.88%
2007-2008 Plan Year Total	2,797	\$1,570,664	\$789,296	\$0	\$2,359,960	\$10,137	\$1,690,407	139.61%
October-08	211	\$143,371	\$29,516	NA	\$172,887	\$819.37	\$135,196	127.88%
November-08	207	\$125,804	\$33,735	NA	\$159,539	\$770.72	\$135,196	118.01%
December-08	204	\$181,508	\$31,383	NA	\$212,891	\$1,043.58	\$131,125	162.36%
2008-2009 Plan Year Total	622	\$450,683	\$94,634	\$0	\$545,317	\$877	\$401,517	135.81%
Rolling 12-month Total	2,706	\$1,670,792	\$742,484	\$0	\$2,413,276	\$892	\$1,658,730	145.49%

Dental & Vision Rates

**School District of Clay County
Plan Year 2009 - 2010
Dental and Vision Plans**

Current Premium for PPO	Tenthly	Per Pay Period
Single	\$37.78	\$18.89
Plus One	\$73.12	\$36.56
Family	\$117.43	\$58.72

Current Premium for DMO	Tenthly	Per Pay Period
Single	\$13.88	\$6.94
Plus One	\$24.68	\$12.34
Family	\$36.67	\$18.34

The Dental PPO & DHMO Rates are guaranteed for two years, ending on September 30, 2009

2009 - 2010 Premium for Vision Plan	Tenthly	Per Pay Period
Single	\$6.00	\$3.00
Plus One	\$21.58	\$10.79
Family	\$21.58	\$10.79

The Vision Rate is guaranteed for two years, ending on September 30, 2011

Life & Disability Rates

**School District of Clay County
Plan Year 2009 - 2010
Life and Disability Plans**

Life Insurance Plans	Tenthly Rate per \$1,000
Basic Life	\$0.137
AD&D	\$0.024
Voluntary Life	
Less than age 25	\$0.057
25 - 29	\$0.057
30 - 34	\$0.079
35 - 39	\$0.143
40 - 44	\$0.157
45 - 49	\$0.171
50 - 54	\$0.457
55 - 59	\$0.785
60 - 64	\$1.100
65 - 69	\$1.542
70 - 74	\$2.400
75 and over	\$4.112
Voluntary AD&D	\$0.024

The Life Insurance Rates are guaranteed for three years, ending on September 30, 2010

Disability Plans - Plan A Employees	Tenthly Rate
Short Term Disability	\$1.26 per \$10 weekly benefit
Long Term Disability	\$0.794 per \$100 total covered payroll

Disability Plans - Plan B Employees	Tenthly Rate
Short Term Disability	\$8.93 per employee
Long Term Disability	\$4.748 per employee

The Disability Rates are guaranteed for three years, ending on September 30, 2010

Aon Observations:

UNUM was selected from marketing the life and disability plans in 2008. The rates reflect 3.59% reduction to the District paid rates and no rate increase to Employee paid rates in effect with The Standard. Unum's proposal included a three year rate guarantee for all plans, plus an additional discount to the Enrollment System of \$.75 PEPM (annualized savings of \$40,500).