



# 2014-15 Benefits Committee

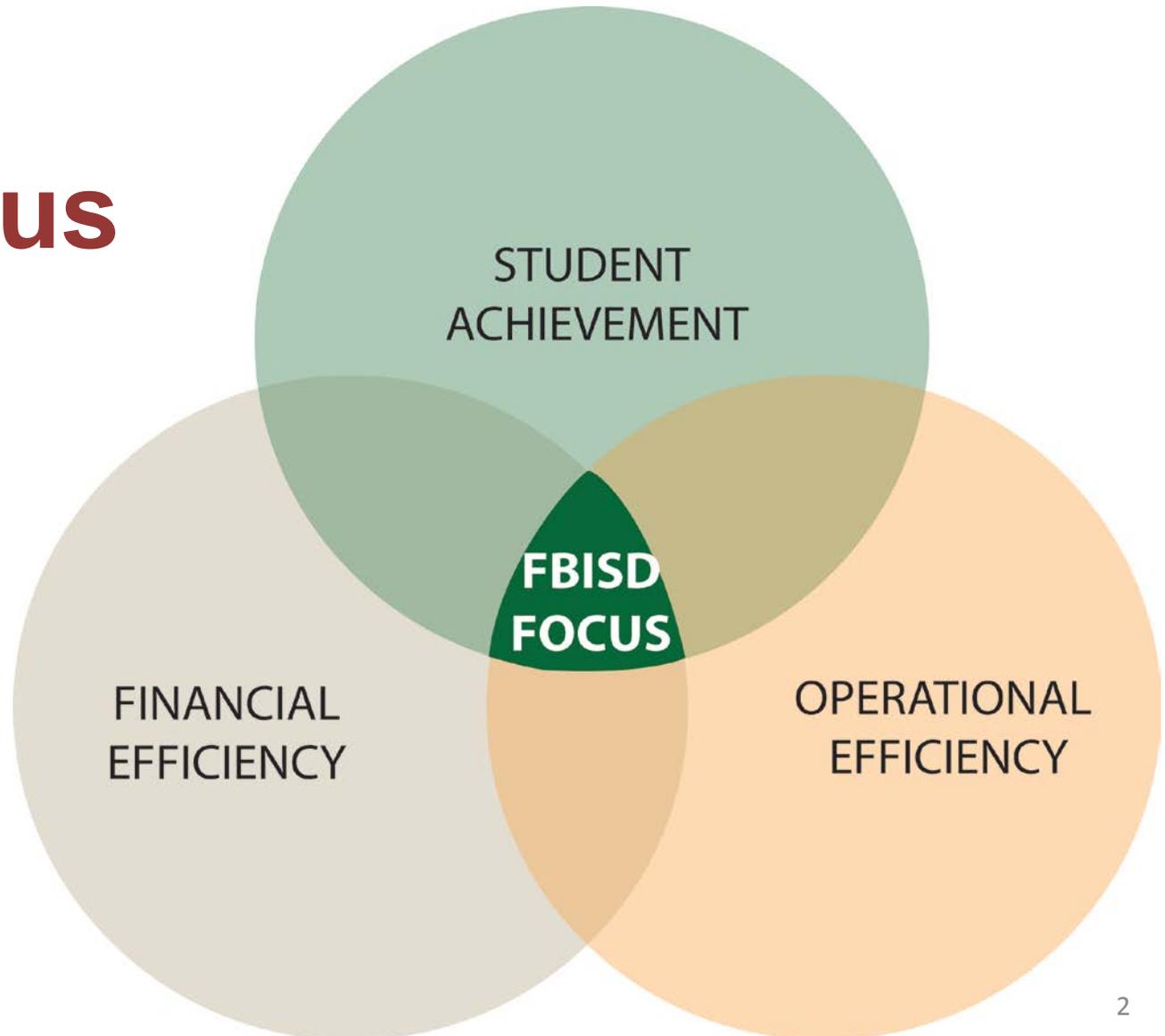
## July 29, 2014



INSPIRE • EQUIP • IMAGINE



## Our Focus



## Our Goal

# Benefits Committee

Goal is to support the budget process for 2014-15 that supports the District's Mission and Vision while balancing the need to improve employee benefits while achieving a balanced budget that does not require a tax increase.

Goals will be to help assure current insurance benefits are appropriately structured and financed to support institutional needs, including recruiting and retaining faculty and staff.

## Roles and Responsibilities

- Serve in an advisory capacity to the district leadership team
- Engage in productive dialogue
  - Be objective and maintain a **district level** perspective
- Explore possibilities
- ***Communicate committee work and outcomes to colleagues***
  - ***Confer with principal following each meeting***
  - ***Gather input from colleagues***

## Desired Outcomes of Meeting

- RFP responses
- Recommendation
- Decision points
- Where do we go from here?

## Before we go any farther:

- Are we recommending a new carrier?
  - Yes!
- Will my premiums increase?
  - No!

## 2014 Health Plan Budget

|                                      |              |      |
|--------------------------------------|--------------|------|
| <b>FBISD Contributions</b>           | \$37,435,776 | 64%  |
| <b>Employee Contributions</b>        | \$21,141,870 | 36%  |
| <b>Total Revenue for Health Plan</b> | \$58,577,646 | 100% |

### Plan Components

#### Fixed Cost

|                               |             |      |
|-------------------------------|-------------|------|
| Administration Fees (Cigna)   | \$2,309,000 |      |
| Stop Loss - \$450,000 (Cigna) | \$985,152   |      |
| <b>Total Fixed Cost</b>       | \$3,294,152 | 5.6% |

Note: These numbers are set by Cigna

|                            |              |       |
|----------------------------|--------------|-------|
| <b>Claims Fund (FBISD)</b> | \$55,283,494 | 94.4% |
|----------------------------|--------------|-------|

Note: This claims projection is set by FBISD and MHBT

## January-June 2014 Health Plan Performance

|                                      |              |
|--------------------------------------|--------------|
| <b>FBISD Contributions</b>           | \$18,944,789 |
| <b>Employee Contributions</b>        | \$10,912,642 |
| <b>Total Revenue for Health Plan</b> | \$29,857,431 |

### Plan Expenses

#### Fixed Cost

|   |             |
|---|-------------|
| Administration Fees (Cigna-\$31.39 PEPM)  | \$1,263,662 |
| Stop Loss - \$450,000(Cigna-\$14.00 PEPM) | \$491,043   |
| Affordable Care Act Fees                  | \$325,000   |

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|                         |             |
|-------------------------|-------------|
| <b>Total Fixed Cost</b> | \$2,079,705 |
|-------------------------|-------------|

|                       |                    |
|-----------------------|--------------------|
| <b>YTD Claims</b>     | \$21,497,327       |
| <b>Total Expenses</b> | \$23,577,032       |
| <b>YTD Surplus</b>    | <b>\$6,280,399</b> |

## Medical Plan: RFP Bids Received

| <u>Name of Company Submitting Bid</u> | <u>Date of Delivery</u> |
|---------------------------------------|-------------------------|
| Aetna                                 | 5/23/2014               |
| United HealthCare                     | 5/23/2014               |
| Cigna                                 | 5/24/2014               |
| Mercer                                | 5/26/2014               |
| HealthFirst                           | 5/26/2014               |
| Blue Cross Blue Shield                | 5/26/2014               |

## Assessment of RFP Responses

- Volunteers for RFP subcommittee
  - ❖ Teachers – Sharon Meyer & Jody Stiver
  - ❖ Paraprofessionals – Skip Hampton
  - ❖ Auxiliary – Julie Torres
- Administration – Steve & Sonja
- MHBT – Jared, Kasey & Tiffany
- Purchasing – Robert Langston

## Carrier Options – Client Meetings

- Cigna
- Blue Cross Blue Shield
- United Healthcare
- The Health Care Partnership Group

## Fort Bend ISD Final Review for 2015

| COVERED EMPLOYEES BASED ON: |              |
|-----------------------------|--------------|
| OAP Plan                    | 3,040        |
| Local Plus                  | 1,399        |
| HRA                         | 1,404        |
| <b>Total</b>                | <b>5,843</b> |

### Notes:

- Discussion on BCBS 2015 Claims Projection

### UHC Fees include the following:

- Nurseline
- Enhanced Behavioral Utilization Management
- HRA Administration
- Rx Administration
- Fiduciary Liability

|                       | CIGNA           | UHC             | BCBS               |
|-----------------------|-----------------|-----------------|--------------------|
| Claims Administration | \$ 21.89        | \$ 27.43        | \$ 31.33           |
| Onsite Wellness (2)   | Included        | Included        | Included           |
| SL Contract Terms     | Paid            | 24/12           | 18/12<br>(1 laser) |
| Stop Loss Premium     | \$ 20.86        | \$ 22.69        | \$ 17.86           |
| <b>Total</b>          | <b>\$ 42.75</b> | <b>\$ 50.12</b> | <b>\$ 49.19</b>    |

|                                   | CIGNA                | UHC                  | BCBS                 |
|-----------------------------------|----------------------|----------------------|----------------------|
| Annual Fixed Cost                 | \$ 2,997,459         | \$ 3,514,214         | \$ 3,449,006         |
| Run-Off Admin                     | NA                   | \$ 181,000           | \$ 608,000           |
| <b>2015 Fixed Cost Projection</b> | <b>\$ 2,997,459</b>  | <b>\$ 3,695,214</b>  | <b>\$ 4,057,006</b>  |
| 2015 Claims Projection            | \$ 52,960,555        | \$ 46,811,471        | \$ 47,749,000        |
| <b>Total Expected Cost</b>        | <b>\$ 55,958,014</b> | <b>\$ 50,506,685</b> | <b>\$ 51,806,006</b> |
| Wellness Dollars                  | \$ 250,000           | \$ 150,000           | \$ 100,000           |
| Transparency Tool                 | Included             | Included             | \$ 2.50              |
| Onsite Rep                        | \$ 2.09              | \$ 1.71              | \$ 1.07              |

**Fort Bend ISD  
Network Analysis**

| <b>Open Access Plus Network</b> | <b>CIGNA - OAP Network</b> | <b>BCBS - BlueCard PPO Network</b> | <b>UHC - United HealthCare Choice Plus</b> |
|---------------------------------|----------------------------|------------------------------------|--|
| <b>Total #</b>                  | 7799                       |                                    |  |
| # of In-Network                 | 6322                       | 7276                               | 7428                                       |
| # of Out-of-Network             | 1477                       | 523                                | 371  |
| <b>% of In-Network</b>          | 81%                        | 93%                                | 95%  |
| % of Out-of-Network             | 19%                        | 7%                                 | 5%   |

**Providers Gained Under UHC Network**  
1106

## Carrier Network Factors

- BCBS does not have a limited network to replace the LocalPlus that would continue to produce measureable savings
- UHC is offering the Methodist and Tier 1/Tier 2 specialist network which is expected to produce significant savings to members and district

## Plan Change Disruption: In-Network with Cigna and Out-of-Network with UHC Choice Plus Network

| Total #                                 | 54 | Charges       |
|---|----|---------------|
| % of Houston Providers                  | 18 | \$ 29,611.83  |
| % of Surrounding Houston Area Providers | 11 | \$ 27,873.13  |
| % of Out of State Providers             | 20 | \$ 162,715.98 |
| % of Other Areas in TX                  | 5  | \$ 117,485.85 |

Note: Some of the out of state providers were captured due to billing address.

### Types of Providers

General Practitioners  
Out of State Hospitals

## UHC Plan Options

- The Open Access Plus and Choice Fund HRA benefits would remain the same
- The Local Plus would be replaced with new UHC Methodist and Tier 1/Tier 2 option

## UHC – Tier 1

### Premium Designation Program for Physicians

- Evaluates physicians across 25 medical specialties that account for more than 80 percent of employers' average medical spending.
- Uses clinical information from health care claims to measure how physicians comply with guidelines for quality and local market benchmarks for cost efficiency:
  - ❖ Quality guidelines were developed using **evidence-based national industry standards published by each clinical society**, with input from leading physicians practicing in specialty areas.
- Provides quality and cost efficiency information about physicians and facilities to help members make informed decisions about where they get care:
  - ❖ Poor quality care can lead to higher complication and surgical repeat rates, unnecessary hospitalizations, and a higher probability of misdiagnosis. Studies show that physicians who meet quality and cost-efficiency criteria deliver care at costs that are up to 14 percent lower than those who do not meet the criteria.

## **United Healthcare Premium Physicians with Tier 1 & Tier 2 Benefit Options**

**This strategy would replace the current LocalPlus plan.**

- The only hospital in Tier 1 is Methodist Hospital. All other Choice Plus hospitals will fall under Tier 2.
- Premium Physicians have been found to be higher quality, lower cost physicians that provide more efficient care.
- In the Houston, Sugar Land & Baytown area, there are 2,116 PCP Premium Providers and 2,293 Specialists.
- Of the 3,162 providers of ALL services in the current LocalPlus Network, 616 physicians are Premium Providers. (Note we were not able to extract physicians only so the 3,162 is inclusive of all types of services.)
- The UHC website and mobile app will show the Premium Providers first and will have a designation as a Tier 1 Provider.

# FBISD 2014-15 Budget

## UHC SUGGESTED PLAN DESIGN TO REPLACE LOCALPLUS Tier 1 & 2 Premium Providers

| LocalPlus   | Tier 1 Benefits Methodist Hospital System and Premium Physicians        | Tier 2 Benefits All Other Choice Plus Providers                          |
|---|---|--|
| <b>Deductible</b><br>\$750 Individual / \$1,500 Family                  | <b>Deductible</b><br>\$750 Individual / \$1,500 Family                  | <b>Deductible</b><br>\$1,500 Individual / \$3,000 Family                 |
| 80% Coinsurance   | 80% Coinsurance   | 60% Coinsurance  |
| <b>OOP (includes deductible)</b><br>\$3,750 Individual / \$7,500 Family | <b>OOP (includes deductible)</b><br>\$3,750 Individual / \$7,500 Family | <b>OOP (includes deductible)</b><br>\$6,500 Individual / \$13,000 Family |
| Preventive Care 100%  | Preventive Care 100%  | Preventive Care 100%   |
| \$25 PCP Copay  | \$25 PCP Copay  | \$45 PCP Copay   |
| \$35 Specialist Copay   | \$35 Specialist Copay   | \$55 Specialist Copay  |
| <b>Emergency</b><br>\$250 Copay + Ded. & Coinsurance                    | <b>Emergency</b><br>\$250 Copay + Ded. & Coinsurance                    | <b>Emergency</b><br>\$250 Copay + Ded. & Coinsurance                     |
| \$75 Urgent Care Copay  | \$75 Urgent Care Copay  | \$75 Urgent Care Copay   |
| N/A   | N/A   | \$250 Inpatient Hospital Copay (per admission)                           |

Prescription Coinsurance remains the same at: 30% / 40% / 50%

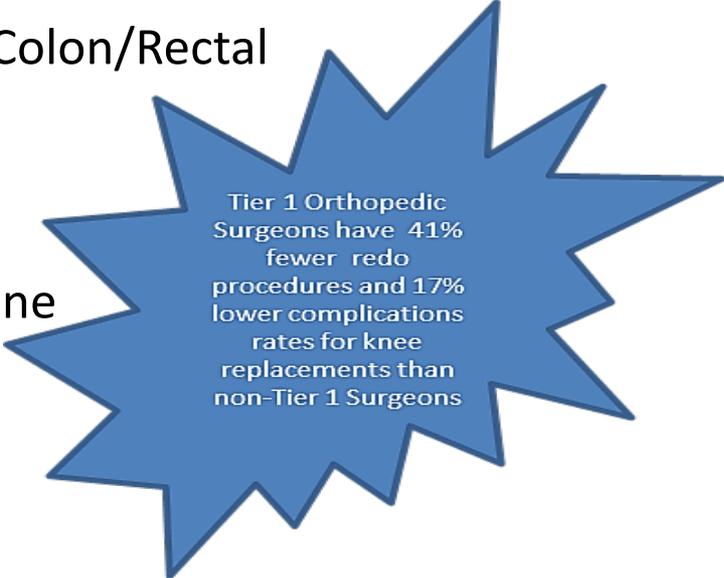
**Note: Out-of-Network providers are not covered.**

Visit [myuhc.com](http://myuhc.com), Click "Find a Physician" for a list of Choice Plus Providers.

## UnitedHealth Premium Specialties

Allergy  
Cardiology  
Cardiology – Electrophysiology  
Cardiology – Interventional  
Endocrinology  
Family Practice  
General Surgery  
General Surgery – Colon/Rectal  
Internal Medicine  
Nephrology  
Neurology  
Neurosurgery – Spine  
Obstetrics &  
Gynecology

Ophthalmology  
Orthopedics – General  
Orthopedics – Foot/Ankle  
Orthopedics – Hand  
Orthopedics – Hip/Knee  
Orthopedics – Shoulder/Elbow  
Orthopedics – Spine  
Orthopedics – Sports Medicine  
Pulmonology  
Rheumatology  
Urology



Tier 1 Orthopedic Surgeons have 41% fewer redo procedures and 17% lower complication rates for knee replacements than non-Tier 1 Surgeons

**NOTE: If a specialty is not included in this list but is part of the Choice Plus Network then they will fall under Tier 1.**

## Help your employees make more informed health care decisions.

UnitedHealth Premium gives your employees the information they need to influence the quality and cost of care. The Premium designation can help your employees review their options and make more informed decisions when choosing a doctor.

For all 25 physician specialties evaluated, the incremental savings between a UnitedHealth Premium Tier 1 physician and a non-Tier 1 physician is 9.9 percent.<sup>2</sup>

|   |  |
|---|--|
| <p><b>First Name Last Name</b></p> <p>Primary Care Physician ⓘ</p> <p>Specialties: ⓘ</p> <p>Internal Medicine, Pediatrics</p> <p><a href="#">More about this provider</a></p> <p><input type="checkbox"/> Compare with other providers</p> <p><a href="#">Add to List</a></p> | <p>✓ In Network    <a href="#">UnitedHealth Premium Tier 1</a></p> <p>Estimated Distance: 0.6 miles</p> <p>128 HOSPITAL DR,<br/>WATERTOWN, WI 53098-3304<br/>920-262-4825</p> <p><a href="#">Map</a>   <a href="#">1 Additional Location</a>   <a href="#">Add Contact</a>   <a href="#">Text Me</a></p> <p><a href="#">Report Invalid Info</a></p> |
| <p><b>UnitedHealth Premium® Designation ⓘ</b></p> <p>Internal Medicine   <a href="#">Quality &amp; Cost Efficiency</a></p>  |  |

## myHealthcare Cost Estimator

A tool to support consumer cost decisions.

- Helps each member make personal value choices based on price, quality and efficiency ratings.
- Methodology gives consumers estimates based on historic claims data, validated against actual fee schedules
- Links separate health events (appointments, procedures and follow-up) into an understandable care path
- Fully integrated within myuhc.com allowing members to shop, get information and make informed decisions with a single tool

Showing information for: Neil Smith 01011883 | Hello Neil Smith | Log Out  
CUSTOMER LOGO

UnitedHealthcare

myHealthcare Cost Estimator. [Care Estimates](#) [What is myHealthcare Cost Estimator?](#) [How It Works](#)

### Get Your Answers Here

myHealthcare Cost Estimator pulls together all the information you need to make an informed choice about where to receive care based on cost and quality information - personalized for you.

Get started using the search toolbar or browsing all treatments and conditions.

[What is myHealthcare Cost Estimator?](#) [How It Works](#)

See My Benefits | New Search | Saved Searches | Help | Hide

Health Insurance Information: Medical With HSA  
Individual:  
Deductible: \$1,000  
Out-of-Pocket Maximum: \$3,200  
For more information on copayments and/or co-pays, click on Review Plan Details.  
[Review Plan Details](#)

Individual Responsibility [Review Plan Details](#)  
\$1,400 Paid Year-to-Date  
Deductible \$1,000 | Out-of-Pocket Max \$3,200

Year-to-Date Spending  
Health Account Balances:  
Choice HSA: Available Balance \$500

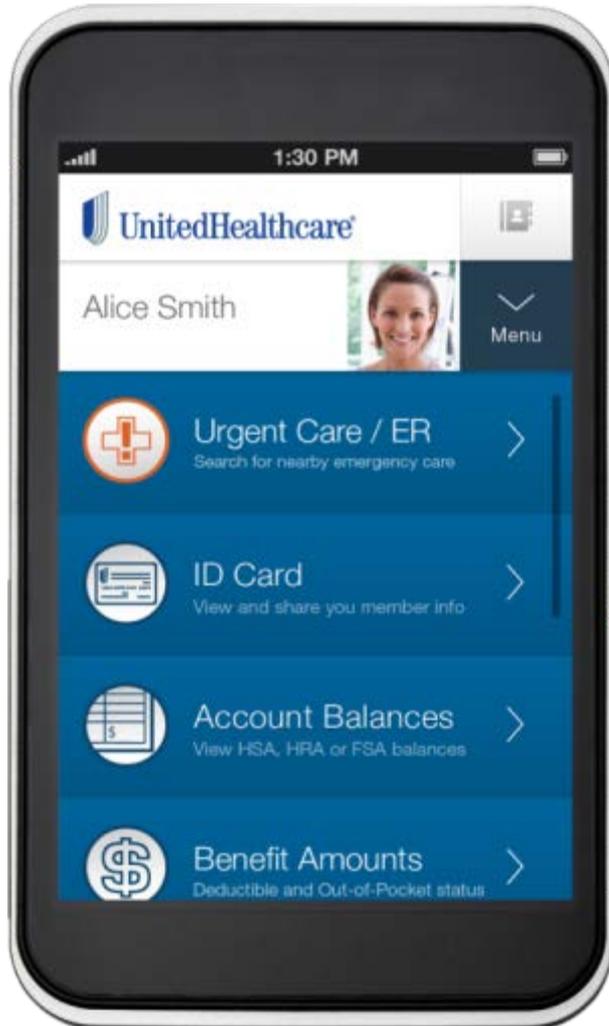
Find Out How You Can Use an HSA to Help Pay for this Treatment:  
[Tell Me More](#)

Welcome! Enter your search criteria above to get started.

## UnitedHealthcare Health4Me



## UnitedHealthcare Health4Me



### UnitedHealthcare Health4Me lets members:

- Easily and conveniently access their health benefits plan information, including deductible and out-of-pocket statuses, and financial account balances (i.e. HSA, HRA, FSA, if applicable)
- View and share their health plan ID card right from app
- Find doctors and facilities anytime, anywhere
- Connect directly with experienced customer care professionals to answer any questions they may have
- View individual member benefit information independently
- Personalize the app with member photos for at-a-glance identification



## Recommendation

- Switch from Cigna to United Health Care
- Keep premiums the same for 2015
- The Open Access Plus and Choice Fund HRA benefits would remain the same
- The Local Plus would be replaced with new UHC Methodist and Tier 1/Tier 2 option
- Add 3 additional FTE's to assist with ongoing plan education, network utilization and wellness

## Timeline

Medical marketing bid takes place for January 1, 2015

Evaluation, Interviews

June-July

Benefits Committee

July 29, 2014

Award Date

August 18, 2014 BOT Mtg

Implementation

August – September

Annual Enrollment

October

Effective Date

January 1, 2015

## Decision Points

- Treatment of Varicose Veins – when medically necessary
- Complications of Non-Covered Items – do not cover
- Eliminate out-of-network benefit: Estimated Value \$1,400,000, **OR**
- Change out-of-network out of pocket from \$7,500 for Open Access Plus and \$11,000 for Choice Fund HRA to unlimited member out of pocket maximum: Estimated Value \$600,000

## Employee Assistance Program

- Being added as of 1/1/15
- Six face to face sessions
- More information to be provided at a later date

## Quality healthcare when and where you need it.

Teladoc gives you access to a national network of U.S. board-certified doctors who are available on-demand 24/7/365 to treat many of your medical issues. Feeling under the weather? **Teladoc is just a click or call away!**



**Teladoc**<sup>SM</sup>

24/7/365 on-demand access to  
**U.S. BOARD-CERTIFIED DOCTORS**

Visit us: [www.Teladoc.com](http://www.Teladoc.com) or Call us: 1-800-Teladoc (835-2362)

## **Teladoc** Why wait for the care you need? **Request a consultation for only \$40!**

### When should you use Teladoc?

Teladoc's U.S. board-certified doctors can provide treatment for:

- Cold and flu
- Bronchitis
- Respiratory infection
- Sinus problems
- Allergies
- Urinary tract infection
- Pediatric care
- Poison ivy
- Pink eye

### How Teladoc benefits you

Teladoc is healthcare made simple and on your terms.

- Request a consultation anytime online or by phone.
- Teladoc doctors respond within 22 minutes, on average.
- Talk to a doctor from home, work, or while traveling.
- Save money by avoiding expensive urgent care or ER visits.

### Member stories

"I was at work not feeling well but didn't want to leave work. So I decided to call Teladoc. It was a wonderful experience! The doctor called me back within 30 minutes. I spoke with him for about 15 minutes and he wrote me a prescription that I was able to pick up on my way home from work at my local pharmacy! It was very convenient. Teladoc saved me money and I didn't have to miss time from work."

— Ann

## Where do we go from here?

- Medical Recommendation to BOT
- Open enrollment this fall
- Other Benefits
  - ❖ Leave
  - ❖ Incentives
  - ❖ Other
- Health plan design
- Monthly meetings beginning next month

## How are we doing?

- Have we accomplished our goal for this meeting?
  - ❖ RFP responses
  - ❖ Recommendation
  - ❖ Decision points
  - ❖ Where do we go from here?
- Questions? Concerns? Feedback?
- Next meeting:
  - ❖ **Benefits Committee – August 20, 2014**  
**4:00p.m. Annex**

## Benefits Committee Meetings:

| <u>Date</u>                | <u>Time</u> |
|----------------------------|-------------|
| August 20 <sup>th</sup>    | 4:00 – 6:00 |
| September 24 <sup>th</sup> | 4:30 – 6:00 |
| October 29 <sup>th</sup>   | 4:00 – 6:00 |
| November 19 <sup>th</sup>  | 4:00 – 6:00 |
| January 21 <sup>st</sup>   | 4:00 – 6:00 |
| February 25 <sup>th</sup>  | 4:00 – 6:00 |
| March 25 <sup>th</sup>     | 4:00 – 6:00 |
| April 22 <sup>nd</sup>     | 4:00 – 6:00 |
| May 27 <sup>th</sup>       | 4:00 – 6:00 |

# FBISD 2014-15 Budget



Fort Bend  
Independent  
School District