

2014-2015 Benefits Committee

March 19, 2014

5.00

4.90

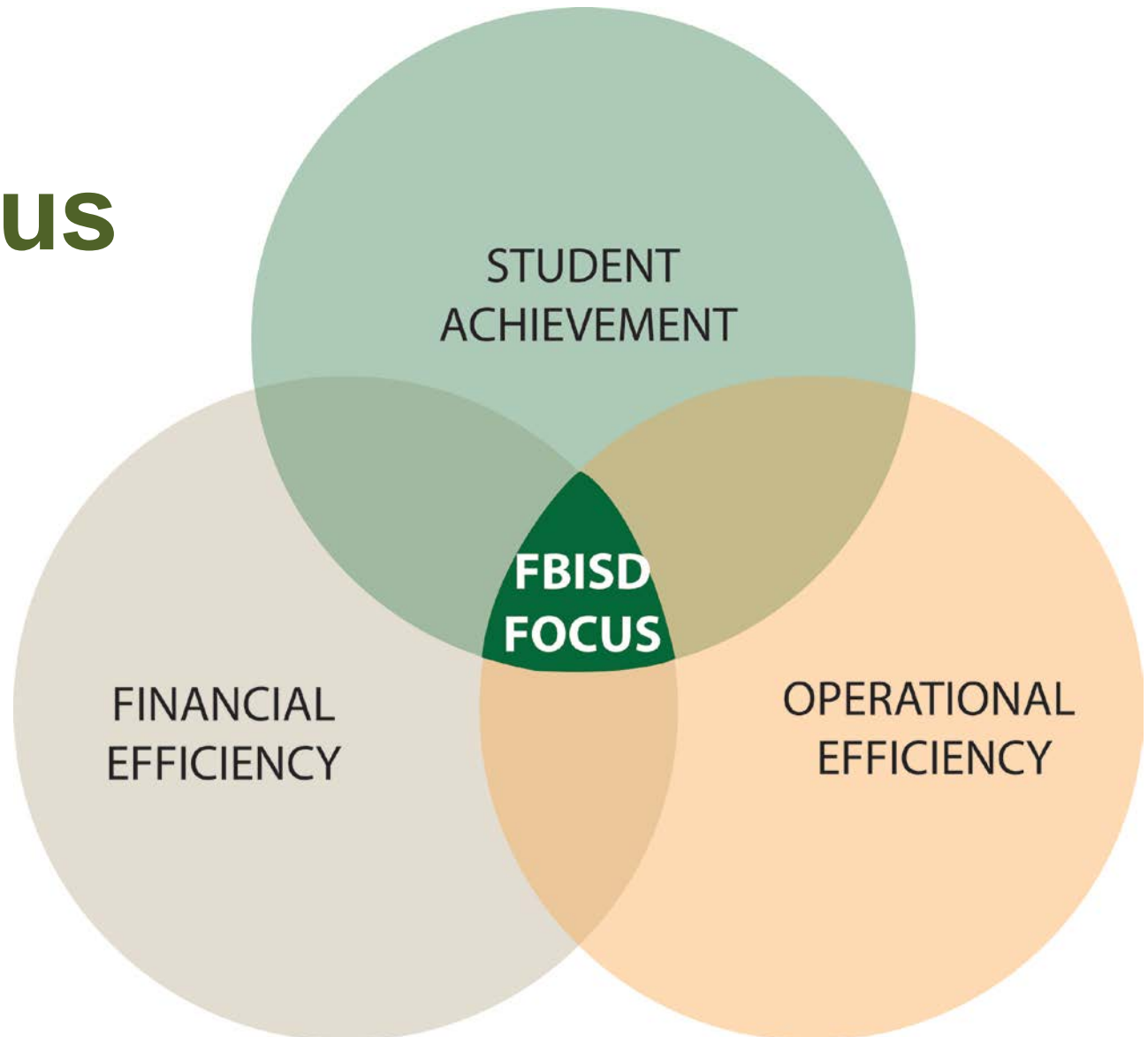
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M J J A S O N





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

First Meeting:

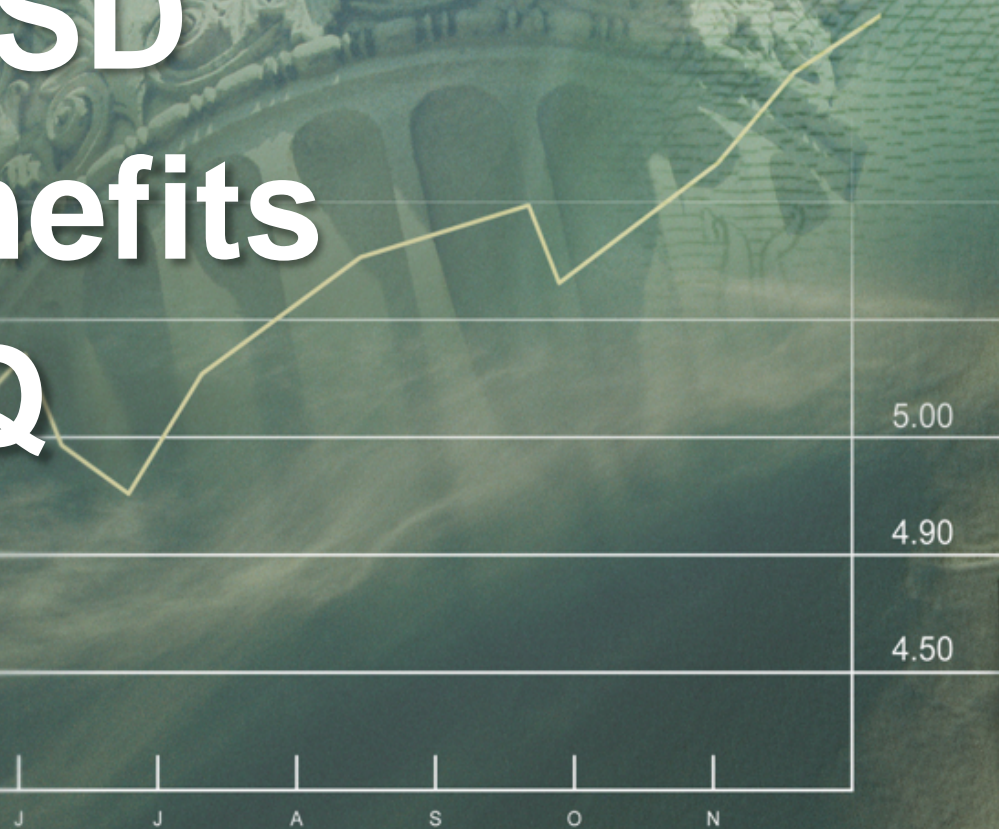
- Understanding of district budget, current state and district funding concerns
- Understanding of FBISD Insurance Plan and Benefits of Self-Funded Plan

Second Meeting:

- Review FAQ
- Plan Value – MHBT method to compare plans
- Comparison of FBISD Plan with other districts and TRS Active Care
- Review Out of Pocket Comparison
- Needs Assessment
- Review Affordable Care Act Parameters
- EAP Proposal



FBISD Benefits FAQ





Plan Value

- Comparing plans is tricky due to multiple variables:
 - Deductibles
 - Coinsurance percentages
 - Out of pocket maximums
 - Coverage's/Exclusions
 - Co-pays (office visits, ER, RX)
 - Employee & Employer contributions
- Plan value created by MHBT

FBISD 2014-2015 BUDGET



User Inputs for Plan Parameters

- Use Integrated Medical and Drug Deductible?
- Apply Inpatient Copay per Day?
- Apply Skilled Nursing Facility Copay per Day?
- Use Separate OOP Maximum for Medical and Drug Spending?
- Grandfathered Plan?

HSA/HRA Options	
HSA/HRA Employer Contribution?	<input type="checkbox"/>
Annual Contribution Amount:	

	Tier 1 Plan Benefit Design		
	Medical	Drug	Combined
Deductible (\$)	\$1,250.00	\$0.00	
Coinsurance (% , Insurer's Cost Share)	80.00%	100.00%	
OOP Maximum (\$)			
OOP Maximum if Separate (\$)	\$5,000.00	\$5,000.00	

Options for Additional Benefit Design Limits:

Set a Maximum on Specialty Rx Coinsurance Payments?	<input type="checkbox"/>
Specialty Rx Coinsurance Maximum:	
Set a Maximum Number of Days for Charging an IP Copay?	<input type="checkbox"/>
# Days (1-10):	
Begin Primary Care Cost-Sharing After a Set Number of Visits?	<input type="checkbox"/>
# Visits (1-10):	
Begin Primary Care Deductible/Coinsurance After a Set Number of Copays?	<input type="checkbox"/>
# Copays (1-10):	

Output

Status/Error Messages:
Minimum Value:

MV Over 60%
77.5%

FBISD 2014-2015 BUDGET



[Click Here for Important Instructions](#)

Type of Benefit	Tier 1			
	Subject to Deductible?	Subject to Coinsurance?	Coinsurance, if different	Copay, if separate
Medical	<input checked="" type="checkbox"/> All	<input checked="" type="checkbox"/> All		
Emergency Room Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		\$250.00
All Inpatient Hospital Services (inc. MHSA)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		\$250.00
Primary Care Visit to Treat an Injury or Illness (exc. Well Baby, Preventive, and X-rays)	<input type="checkbox"/>	<input type="checkbox"/>		\$35.00
Specialist Visit	<input type="checkbox"/>	<input type="checkbox"/>		\$45.00
Mental/Behavioral Health and Substance Abuse Disorder Outpatient Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Imaging (CT/PET Scans, MRIs)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Rehabilitative Speech Therapy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Rehabilitative Occupational and Rehabilitative Physical Therapy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Preventive Care/Screening/Immunization	<input type="checkbox"/>	<input type="checkbox"/>	100%	\$0.00
Laboratory Outpatient and Professional Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
X-rays and Diagnostic Imaging	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Skilled Nursing Facility	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Outpatient Facility Fee (e.g., Ambulatory Surgery Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Outpatient Surgery Physician/Surgical Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Drugs	<input type="checkbox"/> All	<input type="checkbox"/> All		
Generics	<input type="checkbox"/>	<input checked="" type="checkbox"/>	70%	
Preferred Brand Drugs	<input type="checkbox"/>	<input checked="" type="checkbox"/>	60%	
Non-Preferred Brand Drugs	<input type="checkbox"/>	<input checked="" type="checkbox"/>	50%	
Specialty High-Cost Drugs	<input type="checkbox"/>	<input type="checkbox"/>		\$50.00

FBISD 2014-2015 BUDGET



INDEPENDENT SCHOOL DISTRICTS - TEXAS

Market Comparison of Plan Value and Employee Rates

	District	Plan	Region	Plan Value*	Employee Monthly Rates		Monthly District Funding	
					EO	EF		
1	Cy-Fair	ac3	Houston	0.892	\$545	\$1,463	\$251/\$527	
2	Spring Branch	ac3	Houston	0.892	\$646	\$1,840	\$150	
3	Katy	prem	Houston	0.884	\$684	\$2,352	\$385	
4	Katy	plus ch	Houston	0.830	\$136	\$736	\$385	(+ \$500/\$1000 annual contrib to "healthfund")
5	Fort Bend	plus	Houston	0.813	\$169	\$692	\$532	
6	Katy	basic ch	Houston	0.798	\$102	\$642	\$385	(+ \$500/\$1000 annual contrib to "health fund")
7	Spring Branch	ac2	Houston	0.790	\$75	\$898	\$250/\$425	
8	Cy-Fair	ac2	Houston	0.790	\$291	\$829	\$238/\$494	
9	TRS	ac2	Texas	0.790	\$529	\$1,323	----	
10	Fort Bend	oa	Houston	0.779	\$195	\$846	\$532	
11	Fort Bend	hra	Houston	0.775	\$88	\$381	\$532	(+ \$500/\$1000 annual contribution to hra)
12	Spring Branch	hd1	Houston	0.695	\$5	\$635	\$320/\$425	
13	Cy-Fair	hd1	Houston	0.695	\$100	\$580	\$225/\$480	
14	TRS	hd1	Texas	0.695	\$325	\$1,060	----	

*includes expected usage of employer provided hsa, hra, or "health" funds by employee to offset out of pocket medical expenses

FBISD 2014-2015 BUDGET



		Open Access Plus		Choice Fund Plus HRA		LocalPlus IN	
Plan Network							
Triple Option		In Network	Out of Network	In Network	Out of Network	In Network ONLY	
Individual Deductible		\$1,250	\$3,000	\$2,000	\$4,000	\$750	
Family Deductible		\$2,500	\$6,000	\$4,000	\$8,000	\$1,500	
Coinsurance Paid by the Plan		80%	50%	70%	50%	80%	
Individual Coinsurance Maximum		\$3,750	\$4,500	\$4,000	\$7,000	\$3,000	
Family Coinsurance Maximum		\$7,500	N/A	\$8,000	N/A	\$6,000	
Individual Maximum Out of Pocket		\$5,000	\$7,500 per covered person, per calendar year	\$6,000	\$11,000 per covered person, per calendar year	\$3,750	
Family Maximum Out of Pocket		\$10,000		\$12,000		\$7,500	
Primary Office Visit		\$35 copay	50%	70%	50%	\$25 copay	
Specialist Office Visit		\$45 copay	50%			\$35 copay	
Inpatient Hospital		80% (\$250 per admit deductible)	50% (\$500 per admit deductible)	70%	50%	80% (\$250 per admit deductible)	
Outpatient Surgery		80%	50%	70%	50%	80%	
ER - Facility		\$250 copay (waived if admit); deductible & coinsurance apply; \$250 inpatient admission deductible applies if admitted		30%		\$250 copay (waived if admit); deductible & coinsurance apply; \$250 inpatient admission deductible applies if admitted	
ER - Physician							
Urgent Care		\$75 copay		30%		\$75 copay	
Lab/X-Ray Billed by Doctors Office		Included in office visit copay		70%	50%	Included in office visit copay	
Lab/X-Ray Billed by Outside Facility		80%	50%	70%	50%	80%	
Inpatient Advanced Imaging	CT Scan, MRI, Ultrasound, PET Scan, etc.	80%	50%	70%	50%	80%	
Outpatient Advanced Imaging							
In-Network Prescriptions							
Retail Prescription Drugs (30 days)		70% / 60% / 50% / 45%*		70% / 60% / 50% / 45%*		70% / 60% / 50% / 45%*	
Mail Order Prescription Drugs (90 days)		75% / 65% / 55% / 45%*		75% / 65% / 55% / 45%*		75% / 65% / 55% / 45%*	
Notes		*Specialty drug coverage is limited to \$50 max per 30-day supply and \$150 max per home delivery		Employer contribution to HRA: \$500 Individual / \$1,000 Family (in & out of network)		*Specialty drug coverage is limited to \$50 max per 30-day supply and \$150 max per home delivery	
				*Specialty drug coverage is limited to \$50 max per 30-day supply and \$150 max per home delivery			
		Open Access Plus		Choice Fund Plus HRA		LocalPlus IN	
Premium		24 Pay		24 Pay		24 Pay	
Employee Only		\$97.57		\$44.10		\$84.45	
Employee + Spouse		\$322.32		\$149.35		\$261.46	
Employee + Children		\$274.86		\$113.40		\$233.33	
Employee + Family		\$422.81		\$190.60		\$345.88	

FBISD 2014-2015 BUDGET



Plan Network	Consumer Basic Choice		Consumer Plus Choice		POS Premium	
	Tier I	Tier II	Tier I	Tier II	In Network	Out of Network
Triple Option						
Individual Deductible	\$2,250	\$2,750	\$1,750	\$2,250	\$0	\$500
Family Deductible	\$4,500	\$5,000	\$3,500	\$4,000	\$0	\$1,500
Coinsurance Paid by the Plan	75%	55%	80%	65%	80%	60%
Individual Coinsurance Maximum	\$2,250	\$3,250	\$1,750	\$2,750	\$2,000	\$7,000
Family Coinsurance Maximum	\$4,500	\$5,500	\$3,500	\$4,500	N/A	N/A
Individual Maximum Out of Pocket	\$4,500	\$6,000	\$3,500	\$5,000	\$2,000	\$7,500
Family Maximum Out of Pocket	\$9,000	\$10,500	\$7,000	\$8,500	\$12,700	\$15,000
Primary Office Visit	75% (all PCPs are Tier I)		80% (all PCPs are Tier I)		\$25 copay	60%
Specialist Office Visit	75% (all NDSs are Tier I)		80% (all NCDs are Tier I)		\$45 copay	60%
-Non-Designated Specialists	75%	55%	80%	65%	N/A	N/A
-Designated Specialists	75%	55%	80%	65%	N/A	N/A
Inpatient Hospital (pre-cert required)	75%	55% after \$500 copay per admission (limit 2 per year)	80%	65% after \$500 copay per admission (limit 2 per year)	80% after \$150 copay per day (max 5 days)	60% after \$150 copay per day (max 5 days)
Outpatient Surgery (pre-cert required)	75%	55%	80%	65%	80% after \$100 copay	60% after \$100 copay
ER - Facility	75% after \$150 copay (waived if admit)		80% after \$150 copay (waived if admit)		80% after \$100 copay (waived if admit)	
ER - Physician	75%		80%		80% after \$100 copay	
Urgent Care	75%		80%		80% after \$100 copay	
Lab/X-Ray Billed by Doctors Office	75%	Paid as Tier I	80%	Paid as Tier I	Included in office visit copay	60%
Lab/X-Ray Billed by Outside Facility	75%		80%		80%	
Inpatient Advanced Imaging	75%	Paid as Tier I	80%	Paid as Tier I	Included in office visit copay	60%
Outpatient Advanced Imaging	75%		80%		80%	
In-Network Prescriptions*	\$75 Rx deductible (per person per year)		\$75 Rx deductible (per person per year)		\$75 Rx deductible (per person per year)	
Retail Prescription Drugs (30 days)	\$10 / \$40 / \$80		\$10 / \$40 / \$80		\$10 / \$40 / \$80	
Mail Order Prescription Drugs (90 days)	2.5x retail		2.5x retail		2.5x retail	

Notes *Prescription drug copays and deductible DO NOT apply to the medical deductible or annual coinsurance maximum for any medical plan option.

Premium	24 Pay	24 Pay	24 Pay
Employee Only	\$51.00	\$68.00	\$342.00
Employee + Spouse	\$239.00	\$276.00	\$834.00
Employee + Children	\$169.00	\$199.00	\$688.00
Employee + Family	\$321.00	\$368.00	\$1,176.00

FBISD 2014-2015 BUDGET



	Plan Network	ActiveCare 1-HD		ActiveCare2	
		Dual Option		Dual Option	
		In Network	Out of Network	In Network	Out of Network
TRS ActiveCare - Dual Plan Features	Individual Deductible		\$2,400		\$1,000
	Family Deductible		\$4,800		\$3,000
	Coinsurance Paid by the Plan	80%		60%	
	Individual Coinsurance Maximum		\$3,850		\$4,000
	Family Coinsurance Maximum		\$4,200		\$8,000
	Individual Maximum Out of Pocket		\$6,250		\$5,000
	Family Maximum Out of Pocket		\$9,000		\$11,000
	Primary Office Visit		80%		Preventive - 100%
	Specialist Office Visit				Sickness - \$30 / \$50
	Inpatient Hospital	80% (preauthorization required)		60% (preauthorization required)	
	Outpatient Surgery	80%		60%	
	ER - Facility		80% after deductible		80% after \$150 copay (waived if admit)
	ER - Physician				
	Lab/X-Ray Billed by Doctors Office	80%		60%	Included in office visit copay
	Lab/X-Ray Billed by Outside Facility	80%		60%	80%
	Inpatient Advanced Imaging	80%		60%	80% after \$100 copay per service
	Outpatient Advanced Imaging				60% after \$100 copay per service
<i>In-Network Prescriptions</i>				\$200 Rx deductible for brand	
Retail Prescription Drugs (30 days)		80% after deductible		*\$20 (\$25) / \$40 (\$50) / \$65 (\$80) / \$200 per fill	
Mail Order Prescription Drugs (90 days)				\$45 / \$105 / \$180 / \$200 per fill	
Notes		Drug deductible is subject to plan year deductible		*Cost for first fill (cost after first fill)	
		ActiveCare 1-HD		ActiveCare 2	
Cy-Fair	Cy-Fair Employee Rates by Plan	24 pay		24 pay	
	Employee Only	\$50.00		\$145.50	
	Employee + Spouse	\$179.00		\$371.00	
	Employee + Children	\$141.50		\$265.50	
	Employee + Family	\$290.00		\$414.50	
Spring Branch	Spring Branch Employee Rates by Plan	24 pay		24 pay	
	Employee Only	\$2.50		\$37.50	
	Employee + Spouse	\$128.50		\$332.50	
	Employee + Children	\$83.50		\$218.00	
	Employee + Family	\$317.50		\$449.00	

CT Scan, MRI, Ultrasound, PET Scan, etc.

FBISD 2014-2015 BUDGET



Cigna Stop Loss Performance

Plan Years 2012 and 2013

Specific Stop Loss: \$450,000

Plan Year	2012	2013
Stop Loss Premium	\$ 694,129	\$ 786,747
Claims Over \$450,000	\$ 3,781,279	\$ 5,491,063
FBISD Responsibility	\$ 2,700,000	\$ 4,050,000
Cigna Responsibility	\$ 1,081,279	\$ 1,441,063
Cigna Gain/Loss	\$ (387,150)	\$ (654,316)
Number of claims over stop loss	6	9

Source: FBISD Finance



Having a baby- Fort Bend ISD (normal delivery)

□ Amount owed to providers: \$7,540

□ Plan pays: \$4,780

□ Patient pays: \$2,760

Sample care costs: (OAP)

Hospital charges (mother)	\$2,700.00
Routine Obstetric Care	\$2,100.00
Hospital charges (baby)	\$900.00
Anesthesia	\$900.00
Laboratory tests	\$500.00
Prescriptions	\$200.00
Radiology	\$200.00
Vaccines, other preventive	\$40.00
Total	\$7,540.00

Patient pays:

Deductible	\$1,250.00
Co-pays	\$290.00
Limits or exclusions	\$30.00
Co-Insurance	\$1,190.00
Total	\$2,760.00



Having a baby- ExxonMobil Medical Plan (normal delivery)

- Amount owed to providers: \$7,540
- Plan pays: \$4,939
- Patient pays: \$2,601

Sample care costs: (OAP)

Hospital charges (mother)	\$2,700.00
Routine Obstetric Care	\$2,100.00
Hospital charges (baby)	\$900.00
Anesthesia	\$900.00
Laboratory tests	\$500.00
Prescriptions	\$200.00
Radiology	\$200.00
Vaccines, other preventive	\$40.00
Total	\$7,540.00

Patient pays:

Deductible	\$750.00
Co-pays	\$55.00
Limits or exclusions	\$150.00
Co-Insurance	\$1,646.00
Total	\$2,601.00



Needs Assessment

- Are the results what you expected?
 - Plan Value
 - Comparison with Other Plans
 - Out of Pocket Comparison
- Why/Why Not?
- Do we want to shop or improve current plans?
 - Changing plans has issues

FBISD 2014-2015 BUDGET



Health Reform Updates

- **2014**
- Taxes & Fees
 - PCORI
 - Fee is \$2 per covered life per year in 2013 and thereafter (\$20,630)
 - Must be paid using general assets not plan assets
 - Due date: July 31 each year
 - Sunsets in 2020
 - Reinsurance Fee
 - 2014: Fee is \$63 per insured member per year (\$649,845)
 - 2015: Fee is projected to be \$44 per insured member per year
 - Can be paid using plan assets
 - In 2016 the fee should be reduced further and sunsets after 2016
 - Health Insurance Tax: **Not applicable to FBISD Self-funded Medical Plan** (\$1,288,800)
 - Fully Insured Plans only
 - Can be paid from plan assets
 - For FBISD it applies to dental & vision only (varies by carrier based on market share)
 - Projected to be 2.4% of premium
 - Tax incrementally increases until 2018 (indexed thereafter)
 - Tax does not sunset



Health Reform Updates

- **2014**
- Benefits / Eligibility (Non-Grandfathered Plans)
 - Limit waiting period to 90 days (currently at date of hire)
 - Expanded Preventive Care with no cost sharing
 - Coverage for dependents up to the age of 26, even if they have coverage elsewhere
 - Remove dollar limits on essential benefits, if covering
 - Prohibition of pre-existing conditions expanded to all members
 - Plan must comply with maximum out of pocket limitations
- Maximum Out of Pocket Limitation
 - Can change in future years, tagged to the HDHP limits
 - 2014 limit is \$6,350 Individual; \$12,700 Family
 - For 2014 includes deductible, coinsurance, and medical copays
- Individual Mandate (began 1-1-2014)
 - Individuals must have “minimum essential coverage” or pay a penalty
 - Individual mandate annual penalty is the *greater* of (with a cap at the national average of the annual cost for the Bronze level health insurance plan):
 - 2014: \$95 / individual or 1% of family income
 - 2015: \$325 / individual or 2% of family income
 - 2016: \$695 / individual or 2.5% of family income
 - Penalty is ½ the amount for dependents under age 18
 - Family maximum is 300% of the annual flat dollar amount
 - Penalties rise based on cost of living adjustments for 2017 and beyond



Health Reform Updates

- **2015**
- Employer Shared Responsibility (Play or Pay)
 - Play
 - Plan meets Minimum Value test
 - Plan meets Affordability test
 - Pay
 - \$2,000 penalty per full time employee less 80 employees
 - Play, maybe Pay
 - Minimum Value test is met but plan fails Affordability test
 - \$3,000 penalty per employee that receives a subsidy through the exchange
 - Affordability test is met but Plan fails Minimum Value test
 - \$3,000 penalty per employee that receives a subsidy through the exchange

Note: All penalties are non-tax deductible

FBISD 2014-2015 BUDGET



A Proposal for: EAP and Work/Life Services provided by Cigna

- Access to assistance 24 hours a day, 7 days a week, 365 days a year.
- Up to 5 problem resolution sessions per member per problem referral (no cost to member).
- Network includes psychologists, social workers, and other licensed master's-level therapists who specialize in EAP services. Individuals can search Cigna's online provider directory or call in for a referral.
- Legal: 30 minute free consultation with 25% discount on usual fees.
- Financial: 30 minute free consultation with 25% discount on tax preparation.
- District receives 10 hours per 1,000 employee of Employer Services per year (or 90 based on 9,000 employees). Service hours are for on-site training services such as brown bag seminars, Critical Incident Response, and manager and employee orientations.
- Unlimited telephonic consultations with licensed EAP staff for managers and supervisors on workplace-related issues.
- Web-based tools and information, including self-assessments and articles directories.
- Rate: \$1.63 per employee per month ($\$1.63 \times 9,000 \times 12 \text{ months} = \$176,040$).



How are we doing?

- Have we accomplished our goal for this meeting?
 - Review FAQ
 - Plan Value – MHBT method to compare plans
 - Comparison of FBISD Plan with other districts and TRS Active Care
 - Review Out of Pocket Comparison
 - Review Affordable Care Act Parameters
 - EAP Proposal
- Questions? Concerns? Feedback?
- Next meeting:
 - Benefits Committee – April 30th
4:00p.m. Annex



Next Steps

- Reaction to Information from Today
- Ongoing Needs Assessment
- In light of the newly adopted FBISD Mission and Vision and Employee Benefits:
 - What is working well?
 - What is not working well?
- Come prepared to share feedback that reflects your campus views



Evaluation

- Cigna Contract expires 12/31/2014, with two one year options to extend to 12/31/2016
- Medical Plan Carriers
 - Cigna
 - Aetna
 - Blue Cross Blue Shield of Texas
 - UnitedHealthcare
 - MHealth (Memorial Hermann)
 - KelseyCare



Timeline

If medical marketing bid takes place for January 1, 2015

Request for Proposal Issued	May 1, 2014
Proposals Due	June 1, 2014
Evaluation, Interviews	June-July
Award Date	July BOD Meeting
Implementation	August – September
Annual Enrollment	October
Effective Date	January 1, 2015

FBISD 2014-2015 BUDGET

Fort Bend Independent School District

Month	Value
M	4.75
J	4.95
J	4.85
A	4.95
S	5.00
O	4.90
N	5.05

5.00
4.90
4.50

M J J A S O N

