



2021 EMPLOYEE BENEFITS PROPOSAL

Presentation to the Board of Education

Dr. Kelvin R. Adams, Superintendent

September 8, 2020



AGENDA



- ❑ Medical and Pharmacy Coverage
- ❑ Dental and Vision Coverage
- ❑ Short Term Disability, Long Term Disability, Basic Life and AD&D, and Voluntary Life Coverage

MEDICAL AND PHARMACY COVERAGE

EFFECTIVE DATE: JANUARY 1, 2021



Recommendation: Renew all current carriers

- ❑ **Medical - UnitedHealthcare (UHC):** *Negotiated 5.5% increase, which will be offset by a Premium Credit of \$1,500,000 to be applied on December invoice.*
 - ❑ Results in no increase to the 2021 medical rates
 - ❑ National medical trend is between 6.0% - 10.0%

- ❑ **Prescription Drugs – Express Scripts*:** *Experience indicated a 22.0% increase, which was reduced to 0.0% by offsetting with the anticipated rebates and health trust reserves.*
 - ❑ *Through Business Health Coalition Membership
 - ❑ National pharmacy trend is between 8.0% - 10.0%

DENTAL AND VISION COVERAGE

EFFECTIVE DATE: JANUARY 1, 2021



- ❑ **Dental - Delta Dental:** *Second year of two-year rate guarantee*
 - ❑ Rates remain the same as they are in 2020
 - ❑ National dental trend is 3.0% - 5.0%

- ❑ **Vision - Vision Benefits of America (VBA):** *Second year of four-year rate guarantee*
 - ❑ Rates remain the same as they are in 2020
 - ❑ National vision trend is 3.0%



SHORT TERM DISABILITY, LONG TERM DISABILITY, BASIC LIFE AND AD&D, AND VOLUNTARY LIFE COVERAGE

EFFECTIVE DATE: JANUARY 1, 2021

Second year of three-year rate guarantee with Cigna

Short Term Disability:

- ❑ Rates remain the same as they are in 2020

Long Term Disability:

- ❑ Rates remain the same as they are in 2020

Basic Life and AD&D:

- ❑ Rates remain the same as they are in 2020

Voluntary Life:

- ❑ Rates remain the same as they are in 2020

DISTRICT FINANCIAL RESPONSIBILITY

DATE: JANUARY 1, 2021



Coverage	Carrier	TOTAL Estimated Annual Premium ⁽³⁾			Employee Responsibility ⁽¹⁾			District Responsibility ⁽¹⁾		
		Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Medical	UHC	\$23,612,278	\$24,899,930	5.5%	\$2,891,769	\$2,891,769	0.0%	\$20,720,508	\$22,008,160	6.2%
Pharmacy ⁽²⁾	Express Scripts	\$9,860,280	\$9,860,151	0.0%	\$929,853	\$929,853	0.0%	\$8,930,426	\$8,930,298	0.0%
UHC Premium Credit	UHC	\$0	-\$1,500,000		\$0	\$0		\$0	-\$1,500,000	
Wellness	UHC	Included above	Included above	0.0%	Included above	Included above	0.0%	Included above	Included above	0.0%
Dental	Delta of MO	\$1,438,397	\$1,438,397	0.0%	\$408,379	\$408,379	0.0%	\$1,030,018	\$1,030,018	0.0%
Vision	VBA	\$124,583	\$124,583	0.0%	\$41,563	\$41,563	0.0%	\$83,020	\$83,020	0.0%
Basic Life and AD&D	CIGNA	\$362,072	\$362,072	0.0%	\$0	\$0	0.0%	\$362,072	\$362,072	0.0%
Voluntary EE & Dep Life	CIGNA	\$268,855	\$268,855	0.0%	\$268,855	\$268,855	0.0%	\$0	\$0	0.0%
Short Term Disability	CIGNA	\$773,916	\$773,916	0.0%	\$0	\$0	0.0%	\$773,916	\$773,916	0.0%
Long Term Disability	CIGNA	\$563,880	\$563,880	0.0%	\$0	\$0	0.0%	\$563,880	\$563,880	0.0%
EAP ⁽⁴⁾	UHC	\$770	\$770	0.0%	\$0	\$0	0.0%	\$770	\$770	0.0%
Total Premium		\$37,005,030	\$36,792,553		\$4,540,420	\$4,540,420		\$32,464,610	\$32,252,133	
Total Savings/Cost			-\$212,477			\$0			-\$212,477	
Percent of Change			-0.6%			0.0%			-0.7%	

Renewal Scenario Assumptions / Notes:

- Employee / District responsibility assumes current contribution split (District pays 100% of the Employee Only Base Medical Plan, Rx, Dental, Base Vision Plan, Basic Life, STD, & LTD. Excludes retiree subsidy of \$80 per retiree on medical plan per month.)
- Rx premiums reflect estimated analysis of recommended premiums and not actual plan costs. Actual plan costs and cost saving programs are determined by utilization. Plan Cost based on claim data from June-19 to May-20; estimate based on 8.0% annual trend.
- Annual cost has been reduced by anticipated rebates paid by ESI to SLPS of \$2,000,000, as well as an offset of \$800,928 from the health trust reserves. Rebates and reserves may only be used to offset plan costs.
- Estimates are based on enrollments provided on May 2020 claims experience or billing statements unless otherwise noted.
- EAP enrollment assumes 60 Active employees who do not participate on the medical plan. EAP services are currently automatically included for medical plan participants.

DISTRICT FINANCIAL RESPONSIBILITY PER EMPLOYEE PER MONTH



District Responsibility Per Employee Per Month 2010 through 2021 Proposed - All Coverages

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 Proposed
District Responsibility	\$28,509,576	\$27,822,986	\$27,249,754	\$28,260,446	\$27,583,817	\$30,799,608	\$31,927,961	\$30,866,417	\$32,643,455	\$31,628,108	\$32,464,610	\$32,252,133
Active Employee Headcount	3,751	3,639	3,227	3,393	3,602	3,618	3,641	3,555	3,629	3,422	3,332	3,332
Per Employee Per Month (pepm)	\$633.38	\$637.15	\$703.69	\$694.09	\$638.16	\$709.41	\$730.75	\$723.54	\$749.60	\$770.21	\$811.94	\$806.63
% Change From Prior Year		0.6%	10.4%	-1.4%	-8.1%	11.2%	3.0%	-1.0%	3.6%	2.8%	5.4%	-0.7%

ACTIVE RATES



Active Medical and Drug

	2020 Counts	2020 Rates (UHC with ESI)					Proposed 2021 Rates (UHC with ESI)					EE % Increase
		Medical	Drug	Total Premium	SLPS Cost	EE Cost	Medical	Drug	Total Premium	SLPS Cost	EE Cost	EE % Increase
Base Plan												
Employee	2288	\$518.22	\$223.35	\$741.57	\$741.57	\$0.00	\$546.48	\$223.35	\$769.83	\$769.83	\$0.00	0.0%
Employee + Spouse	35	\$958.71	\$413.19	\$1,371.90	\$741.57	\$630.33	\$1,010.99	\$413.19	\$1,424.18	\$793.85	\$630.33	0.0%
Employee + Children	275	\$772.15	\$332.79	\$1,104.94	\$741.57	\$363.37	\$814.26	\$332.79	\$1,147.05	\$783.68	\$363.37	0.0%
Employee + Family	61	\$1,103.81	\$480.20	\$1,584.01	\$741.57	\$842.44	\$1,164.00	\$480.20	\$1,644.20	\$801.76	\$842.44	0.0%
Base Total	2659			\$2,145,212	\$1,971,835	\$173,377			\$2,226,944	\$2,131,880	\$173,377	
Buy-up Plan 1												
Employee	335	\$564.58	\$223.35	\$787.93	\$741.57	\$46.36	\$595.37	\$223.35	\$818.72	\$772.36	\$46.36	0.0%
Employee + Spouse	14	\$1,044.47	\$413.19	\$1,457.66	\$741.57	\$716.09	\$1,101.43	\$413.19	\$1,514.62	\$798.53	\$716.09	0.0%
Employee + Children	75	\$841.23	\$332.79	\$1,174.02	\$741.57	\$432.45	\$887.11	\$332.79	\$1,219.90	\$787.45	\$432.45	0.0%
Employee + Family	21	\$1,202.55	\$480.20	\$1,682.75	\$741.57	\$941.18	\$1,268.13	\$480.20	\$1,748.33	\$807.15	\$941.18	0.0%
Buy-up Total	445			\$407,753	\$329,999	\$77,754			\$423,682	\$359,182	\$77,754	
Buy-up Plan 2												
Employee	173	\$661.12	\$223.35	\$884.47	\$741.57	\$142.90	\$697.17	\$223.35	\$920.52	\$777.62	\$142.90	0.0%
Employee + Spouse	11	\$1,223.08	\$413.19	\$1,636.27	\$741.57	\$894.70	\$1,289.77	\$413.19	\$1,702.96	\$808.26	\$894.70	0.0%
Employee + Children	31	\$985.07	\$332.79	\$1,317.86	\$741.57	\$576.29	\$1,038.78	\$332.79	\$1,371.57	\$795.28	\$576.29	0.0%
Employee + Family	13	\$1,408.19	\$480.20	\$1,888.39	\$741.57	\$1,146.82	\$1,484.98	\$480.20	\$1,965.18	\$818.36	\$1,146.82	0.0%
Buy-up Total	228			\$236,415	\$169,078	\$127,702			\$246,048	\$186,586	\$127,702	
TOTAL MONTHLY ACTIVE	3332			\$2,789,380	\$2,470,911	\$378,834			\$2,896,673	\$2,677,648	\$378,834	0.0%
TOTAL ANNUAL ACTIVE				\$33,472,558	\$29,650,935	\$4,546,006			\$34,760,081	\$32,131,772	\$4,546,006	0.0%



QUESTIONS