



Sarasota County School Board

Board Workshop: Health Insurance Study

January 18, 2011

AON Hewitt

Agenda

- ▶ Medical Environment
- ▶ Trend and Financial Impact
- ▶ Best Practice Solutions
- ▶ Appendix
 - SBSC Medical Plan Designs
 - SBSC Medical Plan Contributions / Cost Sharing



Medical Environment

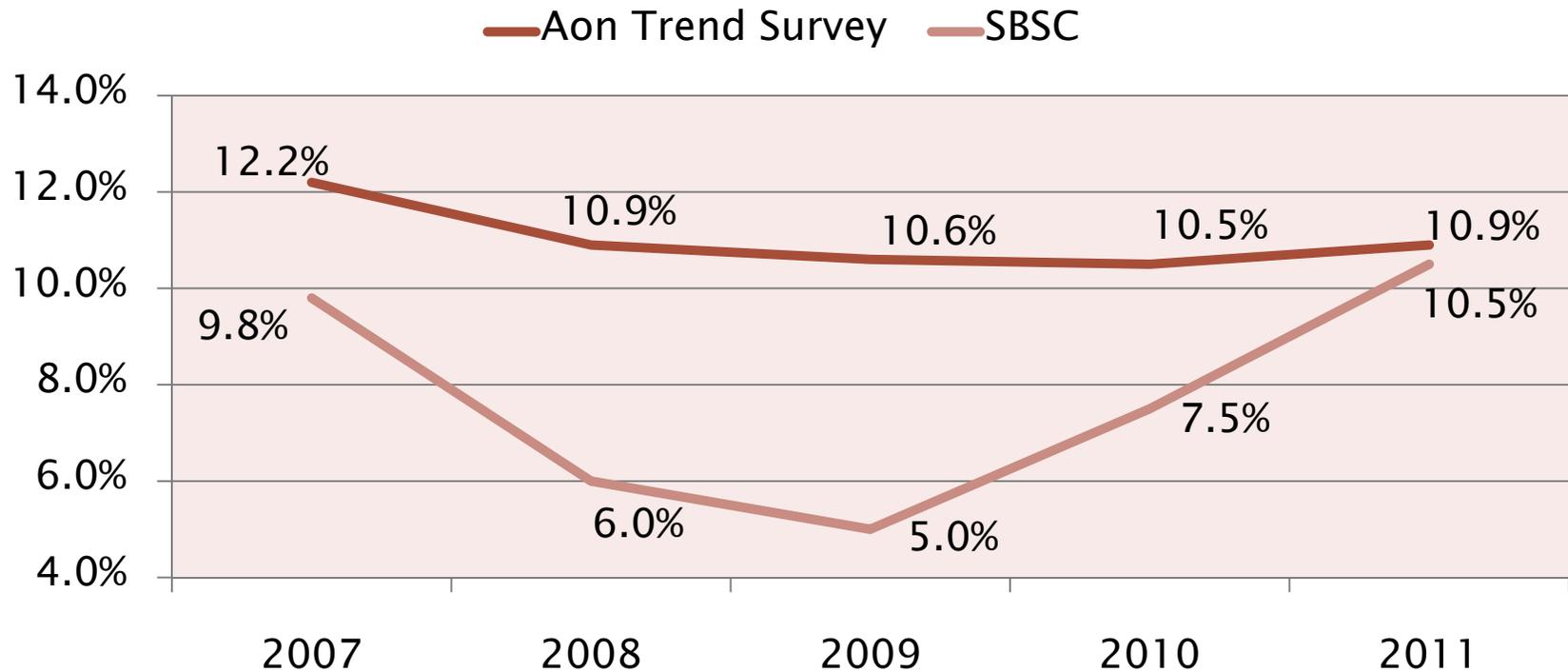
Challenges and Considerations

- ▶ Budget reductions
- ▶ Union negotiations/collective bargaining
- ▶ Health Care Reform
- ▶ Consortium
- ▶ On-site Clinics
- ▶ RFP / Marketing Process



Medical Trend Increase

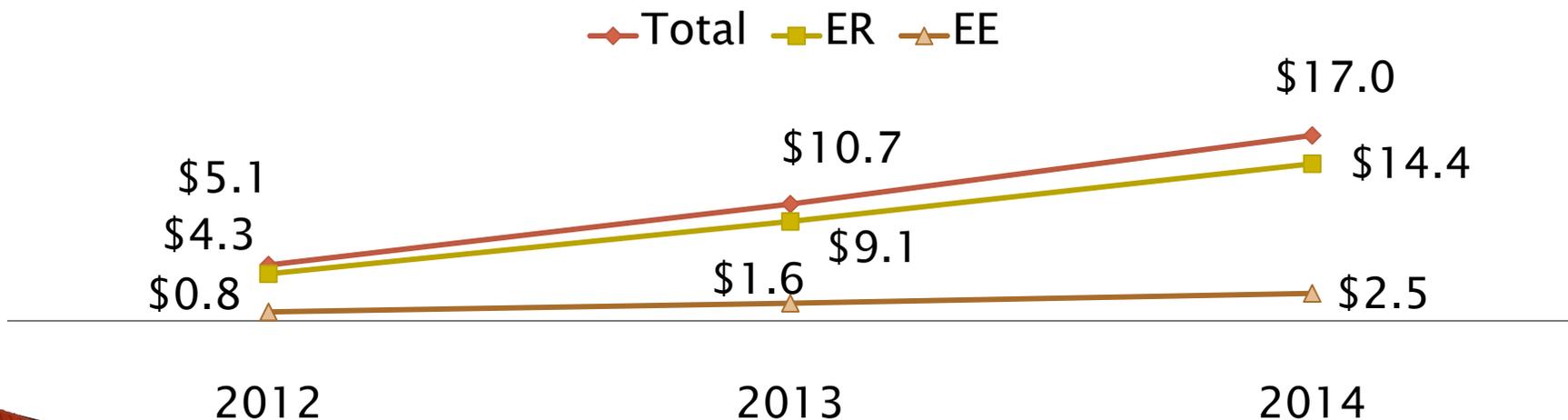
The chart below compares the SBSC medical renewal rate increases each year since 2007 to the trend increases reported each year in the Aon Trend Survey.



3-year Financial Impact

- ▶ Projected 2011 Plan Costs:
 - Total Plan \$46.7M
 - Employee pays \$ 7.0M
 - Employer pays \$39.7M
- ▶ Without changes, plan costs are projected to increase to \$63.7M by 2014

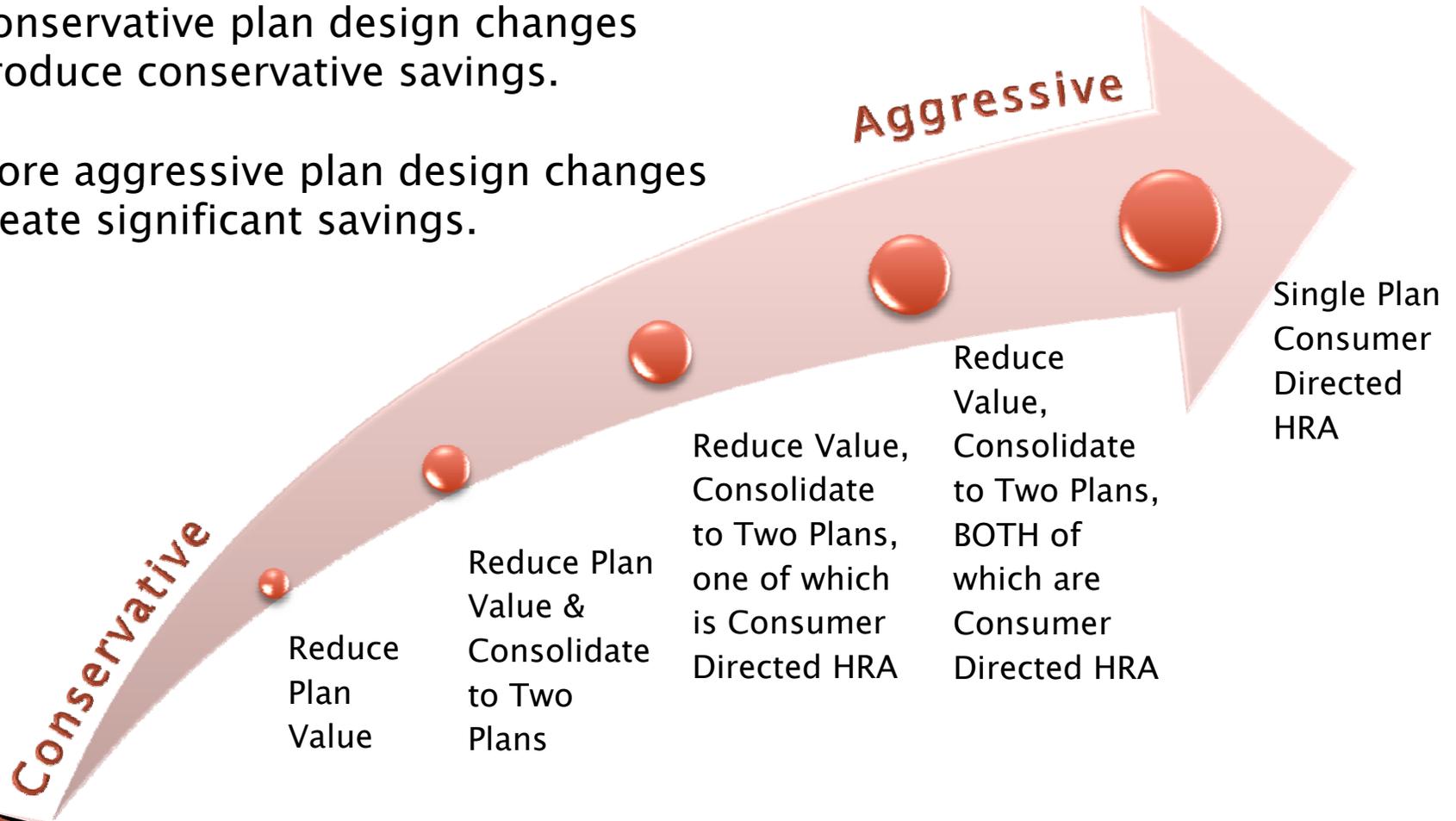
Projected Increase in Millions



Scale of Plan Alternatives

Conservative plan design changes produce conservative savings.

More aggressive plan design changes create significant savings.



Best Practice Solutions

- ▶ Wellness and Healthy Lifestyle Engagement
- ▶ Consumer Directed Health Plans
 - Pair with Health Reimbursement Arrangement (HRA) or Health Savings Account (HSA)
- ▶ Disease Management/Care Coordination
- ▶ Online resources / support tools
- ▶ Onsite screenings / flu shots
- ▶ Financial incentives through results-based wellness program (rewards for meeting specified wellness targets and/or improvements)





Appendix

Plan Design Contributions

Current Plans *(In-network benefits)*

Benefit Feature	Low HMO	High HMO	Low PPO	High PPO
Annual Deductible	None	None	\$1,000 Ind. \$3,000 Fam.	\$300 Ind. \$900 Fam.
Office visit copay	\$25 PCP \$50 Spec	\$15 PCP \$35 Spec	20% After Deductible (AD)	\$25 PCP \$25 Spec
Inpatient	\$150/day, max \$750	\$100 per admission	\$150 copay, then 20% AD	10% AD
Outpatient	\$200 copay	\$100 copay	20% AD	10% AD
Emergency Room	\$50 copay	\$50 copay	\$50 copay, then 20% AD	10% AD
Outpatient Therapy	\$5 copay	\$5 copay	20% AD	10% AD
Prescriptions	\$20/40/60	\$15/30/50	\$20/40/60	\$15/30/50



Current Contribution Share

	Monthly Contract Premium	Employee Monthly Cost	District Monthly Cost	% Paid by District
High PPO (Blue Choice 702)				
Employee Only	\$714.50	\$0.00	\$714.50	100%
Employee + Spouse	\$1,485.00	\$770.50	\$714.50	0%
Employee + Children	\$1,350.02	\$635.52	\$714.50	0%
Employee + Family	\$2,069.74	\$1,355.24	\$714.50	0%
High HMO (Blue Care 5)				
Employee Only	\$577.80	\$0.00	\$577.80	100%
Employee + Spouse	\$1,201.74	\$623.94	\$577.80	0%
Employee + Children	\$1,092.84	\$515.04	\$577.80	0%
Employee + Family	\$1,674.88	\$1,097.08	\$577.80	0%
Low PPO (Blue Choice 117)				
Employee Only	\$394.26	\$0.00	\$394.26	100%
Employee + Spouse	\$819.38	\$241.58	\$577.80	22%
Employee + Children	\$744.92	\$167.12	\$577.80	25%
Employee + Family	\$1,142.02	\$564.22	\$577.80	16%
Low HMO (Blue Care 15)				
Employee Only	\$542.38	\$0.00	\$542.38	100%
Employee + Spouse	\$1,128.12	\$550.32	\$577.80	3%
Employee + Children	\$1,025.84	\$448.04	\$577.80	3%
Employee + Family	\$1,572.26	\$994.46	\$577.80	2%

- ▶ Employee Only Coverage paid 100% by SBSC
- ▶ Employees pay 100% of dependent portion, except under the Low HMO and Low PPO

Overall Premium Cost Sharing

Employees Pay 15%

District Pays 85%