

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Roy Sprinkle, Executive Director of Human Resources

FROM: Lynn Peterson, Supervisor of Risk Management

DATE: September 4, 2018

SUBJECT: Employee Group Benefit Insurance Rates and Fees – 01/01/2019

2019 Group Medical Insurance Rates

The 2019 Employee Group Medical Insurance rates will remain unchanged with no increase from the 2018 rates.

The PPO plan will change from the PPO Choice to the PPO Options. The PPO Options Plan is an outcomes-based plan vs. the current PPO Choice which is a fee for service plan. This change will not result in any changes to the Plan except for one enhancement. The PPO plan will now allow for Inpatient Rehabilitation Therapy (This benefit is already included in the HMO plans). In addition the change will save the District approximately 2.7% in PPO claims cost. The estimated annual savings is expected to be about \$618,000.

The change to the PPO Options Plan change will result in very little provider disruption. Florida Blue conducted a disruption report using Sarasota County School Claim data and found less than 1% provider difference. The change would affect 2.6% of total enrolled population or about 188 members. The total cost of claims affected in plan payment is about \$31,150. Those members affected by the provider changes will have other provider alternatives.

2019 Group Vision Rates

The 2019 Group Vision Insurance Plan renewed with no rate change. The rates will be guaranteed through December 31, 2021.

The current Vision Care Plan is being discontinued. The new Humana Vision Plan will offer a comparable plan with enhancements. Some enhancements are listed below (a full comparison of the old and new plan is attached)

- Enhancement to the contact lenses and frame allowance
- Added care and testing benefits for diabetics
- New Retinal Imaging coverage with a member copay

The new vision plan will result very little provider disruption. Humana conducted a disruption report using Sarasota County School claim data and found there are 14 provider locations (6%) that will be non-participating in the Humana Insight Network. These providers accounted for 2% of the claims count. The new Humana Insight Network offers enhanced provider access for SCSB subscribers at 99.7% or 6,626 subscribers (up from 99.5% or 6,612). This network change leaves only 18 subscribers without access to network provider within a 15 mile radius of their home.

2019 Dental Rates and Flexible Spending Fees

The 2019 Group Dental Insurance rates will remain unchanged.

The Flexible Spending fees will remain at their current rate guarantees until December 31, 2019.

2019 Group Life and Long Term Disability Rates

In response to Request for Proposals for Group Life and Long Term Disability, the Group Life Insurance contract was awarded to Hartford Life and Accident Insurance Company and the Group Long Term Disability was awarded to Metropolitan Life Insurance Company (MetLife). The Board approved the change on August 21, 2018 and both have rates guarantees for 3 years until December 31, 2021.

Recommendation

It is recommended Sarasota County School Board accepts all plans as presented.

Attachments

Medical – 2019 Budget Rates based on 0% Increase



2019

	Actives Enrolled	2019 Premium Monthly Rates	2019 Employee Contribution	2019 SBSC Contribution	Employee Contribution as a % of Mthly Rate	Retiree Enrolled	2019 Retiree Contributions	COBRA Enrolled	2019 COBRA Contributions (w/o 2% Admin Fee)
<u>HIGH HMO 55</u>									
Single Only	2,195	\$ 661.90	\$ -	\$ 661.90	0.0%	59	\$ 661.90	8	\$ 661.90
Single + Spouse	61	\$ 1,376.64	\$ 714.74	\$ 661.90	51.9%	3	\$ 1,376.64	0	\$ 1,376.64
Single + Children	116	\$ 1,251.90	\$ 590.00	\$ 661.90	47.1%	2	\$ 1,251.90	0	\$ 1,251.90
Single + Family	17	\$ 1,918.66	\$ 1,256.76	\$ 661.90	65.5%	0	\$ 1,918.66	0	\$ 1,918.66
<u>HIGH PPO 3769</u>									
Single Only	1,712	\$ 822.24	\$ -	\$ 822.24	0.0%	31	\$ 822.24	2	\$ 822.24
Single + Spouse	14	\$ 1,708.94	\$ 886.70	\$ 822.24	51.9%	4	\$ 1,708.94	0	\$ 1,708.94
Single + Children	25	\$ 1,553.60	\$ 731.36	\$ 822.24	47.1%	0	\$ 1,553.60	0	\$ 1,553.60
Single + Family	6	\$ 2,381.84	\$ 1,559.60	\$ 822.24	65.5%	0	\$ 2,381.84	0	\$ 2,381.84
<u>LOW HMO 60</u>									
Single Only	62	\$ 613.00	\$ -	\$ 613.00	0.0%	8	\$ 613.00	0	\$ 613.00
Single + Spouse	46	\$ 1,275.04	\$ 613.14	\$ 661.90	48.1%	1	\$ 1,275.04	0	\$ 1,275.04
Single + Children	133	\$ 1,159.42	\$ 497.52	\$ 661.90	42.9%	0	\$ 1,159.42	0	\$ 1,159.42
Single + Family	37	\$ 1,777.00	\$ 1,115.10	\$ 661.90	62.8%	1	\$ 1,777.00	0	\$ 1,777.00
<u>LOW PPO 5360</u>									
Single Only	42	\$ 460.70	\$ -	\$ 460.70	0.0%	278	\$ 460.70	2	\$ 460.70
Single + Spouse	133	\$ 957.44	\$ 295.54	\$ 661.90	30.9%	27	\$ 957.44	2	\$ 957.44
Single + Children	293	\$ 870.44	\$ 208.54	\$ 661.90	24.0%	2	\$ 870.44	1	\$ 870.44
Single + Family	155	\$ 1,334.46	\$ 672.56	\$ 661.90	50.4%	5	\$ 1,334.46	2	\$ 1,334.46

	Actives	Actives Premium	EE Contrib.	SBSC Contrib.	Retirees	Premium & Contrib.	COBRAs	Premium & Contrib.
Annual Totals	5,047	\$ 49,495,117	\$ 6,164,983	\$ 43,330,134	421	\$ 2,979,669	17	\$ 159,784

2019 Total Enrollment:	5,485
2019 Total Premiums:	\$ 52,637,765
2019 Total Non-SBSC Ctb:	\$ 9,307,631
2019 Total SBSC Contribution:	\$ 43,330,134

2019 Premiums and Contributions are illustrative and reflect the Applied Rate Action to all contributions

Calculated Rate Action	-0.2%
Applied Rate Action	0.0%

2019 Employee Benefits			
Employee Benefit	Company	Rate/Fee/Benefit	Change
Dental	Delta Dental	\$21.51 per month Employee Only \$44.47 per month Employee +1 \$73.99 per month Employee + 2 or more	No Change
Vision	Humana	\$4.44 per month Employee Only / \$14.44 per month Employee +1 or more	No Change
Life	Hartford	\$0.065 per \$1,000	-7% change
Long Term Disability	Met Life	\$0.214 per \$100 of Monthly Payroll	-6% change
Flexible Spending	Discovery Benefits	\$3.90 Per Employee Per Month	No Change

Current and Proposed Humana Renewal Plan Design and Rates

Vision Plan Benefits	Current Plan (Discontinued) Vision Care Plan (VCP)		New Plan Humana Custom Vision 120	
	In Network	Out-of-Network Reimbursements Only	In Network	Out-of-Network Reimbursements Only
Vision Exam	\$10 copayment	Up to \$35 allowance	\$10 copayment	Up to \$30 allowance
Frames ¹	\$40 wholesale allowance	Up to \$40 retail allowance	\$120 allowance + 20% off balance over \$120	Up to \$65 allowance
Retinal Imaging ²	Not Covered		Up to \$39 copayment	Not covered
Standard Lenses				
Single	\$15 copayment	Up to \$25 allowance	\$15 copayment	Up to \$25 allowance
Bifocal	\$15 copayment	Up to \$40 allowance	\$15 copayment	Up to \$40 allowance
Trifocal	\$15 copayment	Up to \$60 allowance	\$15 copayment	Up to \$60 allowance
Covered Lens Options (single vision)				
Tint	\$13/Solid and \$15/Gradient	Not Covered	\$15 copayment	Not Covered
Stand Scratch-Resistance	\$15 copayment	Not Covered	\$15 copayment	Not Covered
Standard Polycarbonate - Adults	\$68-\$86 Copayment	Not Covered	\$40 copayment	Not Covered
Standard Polycarbonate - Children <19	\$68-\$86 Copayment	Not Covered	\$40 copayment	Not Covered
Standard Anti-Reflective	\$44 Copayment	Not Covered	\$45 Copayment	Not Covered
Premium Anti-Reflective	\$60 Copayment	Not Covered	\$57 - 80% of charge	Not Covered
Contact Lenses (in lieu of eyeglasses) ³				
Exam	\$105 allowance (evaluation, fitting, and materials)	Up to \$105 allowance (evaluation, fitting, and materials)	Up to \$35 allowance (standard fit)	Not Covered
Conventional			\$120 allowance, 15% off balance over \$120	Up to \$104 allowance
Medically Necessary	\$0 copayment	Up to \$210 allowance	\$0 copayment	Up to \$200 allowance
Diabetic Eye Care				
Retinal Imaging	Not Covered		\$0 copayment	Up to \$50 allowance
Extended Ophthalmoscopy	Not Covered		\$0 copayment	Up to \$15 allowance
Gonioscopy	Not Covered		\$0 copayment	Up to \$15 allowance
Scanning Laser	Not Covered		\$0 copayment	Up to \$33 allowance
Frequency				
Vision Exam	1 per 12 months		1 per 12 months	
Lenses or Contact Lenses	1 per 12 months		1 per 12 months	
Frames	1 per 24 months		1 per 24 months	
Diabetic Eye Care Testing	Not Covered		2 per 12 months	
Tier			Proposed 2019 Monthly Rates	
Employee Only	Current 2018 Monthly Rates		\$4.44	
Employee + Family	\$4.44		\$14.44	
Composite % Variance from Current			0%	
Rate Guaranteed Through			12/31/2020	

Notes:

Please be advised that the actual policy provisions will apply and take precedence over this outline. Green text denotes an enhanced benefit. Red text denotes a lower benefit than current. Black text denotes no change in benefit. Group benefit administrator should have received a letter from Humana notifying them that the plan is being discontinued.

¹ Discounts may be available on all frames except when prohibited by the manufacturer.

² Member costs may exceed \$39 with certain providers. Members may contact their participating provider to determine what costs or discounts are available.

³ Standard contact lens exam fit and follow up costs and premium contact lens exam discounts up to 10% may vary by participating provider. Members may contact their participating provider to determine what costs or discounts are available.