



# St. Louis Public Schools

## 2015 Benefits Renewal

August 14, 2014 Board Meeting

Presented by:

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&

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## 2015 Benefits Renewal Update

- Medical, Pharmacy and Dental: Did not have rate guarantees for the January 1, 2015 Renewal.
  - Medical rate increase is 9.4%.
  - Pharmacy rate increase is 16%.
  - Dental rate increase is 6%.
- Vision, Basic Life/AD&D, Voluntary Life, Short Term Disability and Long Term Disability: No rate increases.
- Affordable Care Act (ACA) Fees: Are included in the Medical rate.
- Update on the District's "Be Well" Program



## Joint Benefit Committee (JBC) Recommendations

1. Medical – Coventry Health Care’s increase is **9.4%** including the ACA fees. The ACA fees account for **4.2%** with the renewal at **5.2%**. There is a rate cap of 12% for the January 1, 2015 renewal.
2. Pharmacy - Express Scripts estimated increase of **16%**. Effective January 1, 2015, implement Prior Authorization and Exclusive Specialty programs.
3. Dental – Delta Dental of Missouri increase is **6%**. There is a rate cap of 8% for the January 1, 2015 renewal that was negotiated to 6%.



# District Responsibility Renewal Scenario

**Scenario 1 - Renew All current vendors. All medical and pharmacy copays continue to count towards the OOP Maximum.**

Coverage	Carrier	TOTAL Estimated Annual Premium <sup>(3)</sup>			Employee Responsibility <sup>(1)</sup>			District Responsibility <sup>(1)</sup>		
		Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Medical	Coventry	\$21,644,520	\$23,679,162	9.4%	\$2,838,446	\$3,105,188	9.4%	\$18,806,075	\$20,573,974	9.4%
Pharmacy <sup>(2)</sup>	Express Scripts	\$7,291,957	\$8,456,468	16.0%	\$789,543	\$915,672	16.0%	\$6,502,414	\$7,540,796	16.0%
ERRP Funds		-\$255,568	\$0	-100.0%	-\$28,069	\$0	-100.0%	-\$227,500	\$0	-100.0%
Wellness	Coventry	Included above	Included above	0.0%	Included above	Included above	0.0%	Included above	Included above	0.0%
Dental	Delta of MO	\$1,533,495	\$1,625,544	6.0%	\$486,804	\$515,944	6.0%	\$1,046,691	\$1,109,600	6.0%
Vision	VBA	\$111,066	\$111,066	0.0%	\$45,885	\$45,885	0.0%	\$65,180	\$65,180	0.0%
Basic Life and AD&D	CIGNA	\$288,561	\$288,561	0.0%	\$0	\$0	0.0%	\$288,561	\$288,561	0.0%
Voluntary EE & Dep Life	CIGNA	\$236,749	\$236,749	0.0%	\$236,749	\$236,749	0.0%	\$0	\$0	0.0%
Short Term Disability	CIGNA	\$673,646	\$673,646	0.0%	\$0	\$0	0.0%	\$673,646	\$673,646	0.0%
Long Term Disability	CIGNA	\$546,343	\$546,343	0.0%	\$0	\$0	0.0%	\$546,343	\$546,343	0.0%
EAP <sup>(4)</sup>	Coventry / MH Net	\$1,507	\$1,507	0.0%	\$0	\$0	0.0%	\$1,507	\$1,507	0.0%
<b>Total Premium</b>		<b>\$32,072,277</b>	<b>\$35,619,046</b>		<b>\$4,369,358</b>	<b>\$4,819,438</b>		<b>\$27,702,918</b>	<b>\$30,799,608</b>	
<b>Total Savings/Cost</b>			<b>\$3,546,770</b>			<b>\$450,080</b>			<b>\$3,096,690</b>	
<b>Percent of Change</b>			<b>11.1%</b>			<b>10.3%</b>			<b>11.2%</b>	



## District Responsibility Per Employee Per Month 2010 to 2015

District Responsibility 2014 vs. 2015 - All Coverages						
	2010	2011	2012	2013	2014	2015
District Responsibility	\$28,509,576	\$27,822,986	\$27,249,754	\$28,260,446	\$27,583,817	\$30,799,608
Employee Headcount	3,751	3,639	3,227	3,393	3,602	3,618
Per Employee Per Month ( <b>pepm</b> )	\$633.38	\$637.15	\$703.69	\$694.09	\$638.16	\$709.41
% Change From Prior Year		0.6%	<b>10.4%</b>	-1.4%	-8.1%	<b>11.2%</b>



# Additional Pharmacy Information

## ➤ The Process

- The Business Health Coalition (BHC) conducted a Pharmacy bid in Spring 2014.
- The BHC results found ESI had the best rates.
- With the BHC, the District has buying power.
- The increase is due to increased member utilization and the increase in the number of high cost medications.



# Monitoring and Cost Savings

- **Options Being Implemented**
  - Compound Medication Exclusion – effective September 15, 2014
  - Prior Authorization – effective January 1, 2015
  - Exclusive Specialty – effective January 1, 2015



# Pharmacy Information from ESI

## ▶ Express Scripts (ESI)

- Why claims have increased 16%.
  - Major drivers are Cancer and Rheumatoid Arthritis Drugs.
    - Increase in Cancer drugs over 87%.
    - Increase in Rheumatoid Arthritis drugs over 38%.
- Higher cost medications members are using are for:
  - Cancer
  - Inflammatory Conditions
  - Bone conditions





# SLPS “Be Well” Program Update

- ▶ **“Be Well” Program with Coventry Health Care**
  - Biometric Screenings will be held in October 2014.
  - Walking Program: Pedometers will be distributed for the American Heart Associate Walking Steps Challenge in October 2014.
  - The Health Fair will be held on October 25, 2014.
    - Over 15 vendors have committed to participating.
  - Applications have been submitted as a healthy workplace to:
    - American Heart Associate for the Fit Friendly Award
    - Business Health Coalition for the Business Health Culture Award



Respectfully request approval of the 2015 Benefit Plans at this meeting so that the employee communication and enrollment process can begin.