



Board Presentation for 2019 Benefits Renewal and Recommendations

September 26, 2018



SLPS JANUARY 1, 2019 RENEWAL PRESENTATION

AGENDA



Medical Renewal with United Healthcare (UHC) and Prescription Drug Renewal with Express Scripts (ESI)

- Medical Renewal Background
- Prescription Drug Background
- Current UHC/ESI Plans' Estimated Renewal Costs, Plan of Benefits and Premiums
- \$1,500 Deductible Base Plan Triple Option

Dental Renewal with Delta Dental

Vision Renewal with Vision Benefits of America (VBA)

Ancillary Coverages Renewal with Cigna

SLPS JANUARY 1, 2019 MEDICAL RENEWAL

United Healthcare (UHC) Renewal



- The District moved Medical coverage to United Healthcare effective January 1, 2017 for an estimated annual savings of \$1,685,923.

- USI negotiated rate caps for the District's January 1, 2018 renewal at 9% and January 1, 2019 renewal at 12%.

- USI met with Senior Management United Healthcare and the Underwriter to review the January 1, 2019 renewal. Based on the following, the 12% rate cap stands:
 - Underwriting renewal calculations calls for an increase of 29.73%.
 - The current loss ratio is 100.2%
 - There are 6 ongoing large claimants.

- USI requested many medical plan options from UHC to reduce the 12% rate cap. In conversations with the District, the option to be proposed to the Board is in this presentation.

SLPS JANUARY 1, 2019 PHARMACY RENEWAL



Express Scripts (ESI)

- The District has been with ESI since 2011 as a member of the Business Health Coalition (BHC). The BHC conducts annual marketing with pricing to go into effect October 1, 2018. Pricing could be improved depending on the marketing outcome.
- ESI premium rates are calculated using a 3-step process by USI, taking into account:
 - Monthly headcounts
 - Monthly claims
 - Rx trend
 - BHC fees
- The increase to the District for pharmacy is 5.4% for an estimated annual increase of \$761,607. This increase is well below the District's average trend increase of 9.4% and industry trend of 12-14%.
 - The District has already implemented several cost savings programs: Fraud, Waste and Abuse, Prior Authorization, Exclusive Specialty and Multiple Sclerosis Care Value Program
- USI was able to reduce the estimated annual increase in the 3-step calculation process. USI also requested a plan option to reduce costs. In conversations with the District, the SaveonSP Program is proposed and the rates reflect the reduction in this presentation.

SLPS 2019 ACTIVE CURRENT PLAN – Estimated

Medical & Prescription Drug Premiums

Effective Date: January 1, 2019



To renew all current carriers.

- Medical: 12.0% rate cap increase in premium. No plan changes.
- Prescription Drugs: 5.4% increase. No plan changes.

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

Coverage	Carrier	TOTAL Estimated Annual Premium ⁽³⁾			Employee Responsibility ⁽¹⁾			District Responsibility ⁽¹⁾		
		Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Medical	UHC	\$21,544,507	\$24,129,709	12.0%	\$2,712,065	\$3,037,574	12.0%	\$18,832,442	\$21,092,135	12.0%
Pharmacy ⁽²⁾	Express Scripts	\$10,629,626	\$11,208,863	5.4%	\$1,020,775	\$1,076,400	5.4%	\$9,608,851	\$10,132,463	5.4%
Wellness	UHC	Included above	Included above	0.0%	Included above	Included above	0.0%	Included above	Included above	0.0%
Dental	Delta of MO	\$1,593,233	\$1,593,233	0.0%	\$471,028	\$471,028	0.0%	\$1,122,205	\$1,122,205	0.0%
Vision	VBA	\$131,743	\$131,743	0.0%	\$65,583	\$65,583	0.0%	\$66,160	\$66,160	0.0%
Basic Life and AD&D	CIGNA	\$324,552	\$324,552	0.0%	\$0	\$0	0.0%	\$324,552	\$324,552	0.0%
Voluntary EE & Dep Life	CIGNA	\$289,036	\$289,036	0.0%	\$289,036	\$289,036	0.0%	\$0	\$0	0.0%
Short Term Disability	CIGNA	\$786,996	\$786,996	0.0%	\$0	\$0	0.0%	\$786,996	\$786,996	0.0%
Long Term Disability	CIGNA	\$528,707	\$528,707	0.0%	\$0	\$0	0.0%	\$528,707	\$528,707	0.0%
EAP ⁽⁴⁾	UHC	\$907	\$907	0.0%	\$0	\$0	0.0%	\$907	\$907	0.0%
Total Premium		\$35,829,307	\$38,993,747		\$4,558,487	\$4,939,621		\$31,270,820	\$34,054,126	
Total Savings/Cost			\$3,164,440			\$381,134			\$2,783,306	
Percent of Change			8.8%			8.4%			8.9%	

CURRENT & RENEWAL: SLPS 2019 ACTIVE – Plan of Benefits

Effective Date: January 1, 2019



BENEFITS	UHC CURRENT / RENEWAL			
	Base Plan		Buy-up Plan	
	PPO		PPO	
NETWORK USED				
DEDUCTIBLE	<u>In Network</u>	<u>Out of Network</u>	<u>In Network</u>	<u>Out of Network</u>
- Individual	\$500	\$1,000	\$200	\$400
- Family	\$1,000	\$2,000	\$400	\$800
- Deductible Status (Emb/Non-Emb)	Embedded		Embedded	
COINSURANCE	80%	70%	90%	70%
- Individual Out of Pocket Max	\$3,500	\$7,000	\$1,400	\$2,800
- Family Out of Pocket Max	\$7,000	\$14,000	\$2,800	\$5,600
- Medicare Retirees pay an additional OOP	\$300	\$300	\$300	\$300
- Items Included in OOP Max	Ded, Med, & Rx Copays	Deductible	Ded, Med, & Rx Copays	Deductible
PHYSICIAN OFFICE VISIT				
- Illness or Injury (PCP/Specialist)	\$25/\$35 Copay	70% AD	\$15/\$30 Copay	70% AD
- Preventive Care (OV, X-rays, Labs, etc.)	100%	70% AD	100%	70% AD
HOSPITAL & EMERGENCY SERVICES				
- Inpatient	80% AD	70% AD	90% AD	70% AD
- Outpatient	80% AD	70% AD	90% AD	70% AD
- Hospital Emergency Room	\$250 Copay	\$250 Copay	\$150 Copay	\$150 Copay
- Urgent Care	\$75 Copay	70% AD	\$50 Copay	70% AD
OTHER SERVICES				
- Diagnostic X-rays & Lab	100% AD	70% AD	100% AD	70% AD
- Major Diagnostic (CT, MRI, etc.)	80% AD	70% AD	90% AD	70% AD
- Chiropractic Services	80%	70%	90%	70%
- Therapy (visit limits apply)	\$25 Copay	70% AD	\$15 Copay	70% AD
EAP SERVICES	Included - telephonic & up to 3 face-to-face assessments			

CURRENT & RENEWAL RATES WITH UNITED HEALTHCARE

SLPS 2019 ACTIVE BASE & BUY-UP – ESTIMATED MEDICAL & PRESCRIPTION DRUG PREMIUMS

EFFECTIVE DATE: JANUARY 1, 2019



Active Medical and Drug												
	2018 Counts	2018 Rates (UHC with ESI)					Proposed 2019 Rates (UHC with ESI)					
Base Plan		Medical	Drug	Total Premium	SLPS Cost	EE Cost	Medical	Drug	Total Premium	SLPS Cost	EE Cost	EE % Increase
Employee	2405	\$452.79	\$231.03	\$683.82	\$683.82	\$0.00	\$507.12	\$243.62	\$750.74	\$750.74	\$0.00	0.0%
Employee + Spouse	31	\$837.66	\$427.40	\$1,265.06	\$683.82	\$581.24	\$938.17	\$450.69	\$1,388.86	\$750.74	\$638.12	9.8%
Employee + Children	298	\$674.66	\$344.23	\$1,018.89	\$683.82	\$335.07	\$755.61	\$362.99	\$1,118.60	\$750.74	\$367.86	9.8%
Employee + Family	69	\$964.44	\$496.71	\$1,461.15	\$683.82	\$777.33	\$1,080.16	\$523.77	\$1,603.93	\$750.74	\$853.19	9.8%
Base Total	2803			\$2,088,244	\$1,916,737	\$171,506			\$2,292,588	\$2,104,312	\$188,276	
Buy-up Plan		Medical	Drug	Total Premium	SLPS Cost	EE Cost	Medical	Drug	Total Premium	SLPS Cost	EE Cost	EE % Increase
Employee	493	\$530.21	\$231.03	\$761.24	\$683.82	\$77.42	\$593.84	\$243.62	\$837.46	\$750.74	\$86.72	12.0%
Employee + Spouse	17	\$980.89	\$427.40	\$1,408.29	\$683.82	\$724.47	\$1,098.61	\$450.69	\$1,549.30	\$750.74	\$798.56	10.2%
Employee + Children	112	\$790.01	\$344.23	\$1,134.24	\$683.82	\$450.42	\$884.82	\$362.99	\$1,247.81	\$750.74	\$497.07	10.4%
Employee + Family	41	\$1,129.35	\$496.71	\$1,626.06	\$683.82	\$942.24	\$1,264.88	\$523.77	\$1,788.65	\$750.74	\$1,037.91	10.2%
Buy-up Total	663			\$592,934	\$453,370	\$139,564			\$652,293	\$497,738	\$154,555	

\$1,500 Deductible Base Plan Triple Option Estimated Medical & Prescription Drug Premiums

Effective Date: January 1, 2019

Renew all current carriers.

- Medical: 2.8% increase in premium. Triple Option with \$1,500 deductible Base plan; \$500 deductible Buy-up 1 plan; and \$200 deductible Buy-up 2 plan. THE CURRENT \$200 AND \$500 DEDUCTIBLE PLANS REMAIN IN PLACE.
- Prescription Drugs: 2.2% increase. Includes SaveOn Program.



Renew Medical Coverage with UHC - Triple Option; Rx with Express Scripts. Include SaveOn Program* with Express Scripts.

Coverage	Carrier	TOTAL Estimated Annual Premium			Employee Responsibility			District Responsibility		
		Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Medical	UHC	\$21,544,507	\$22,604,033	4.9%	\$2,712,065	\$3,243,789	19.6%	\$18,832,442	\$19,360,244	2.8%
Pharmacy ⁽²⁾	Express Scripts	\$10,629,626	\$10,864,418	2.2%	\$1,020,775	\$1,043,299	2.2%	\$9,608,851	\$9,821,119	2.2%
Wellness	UHC	Included above	Included above	0.0%	Included above	Included above	0.0%	Included above	Included above	0.0%
Total Premium		\$32,174,133	\$33,468,451		\$3,732,840	\$4,287,088		\$28,441,292	\$29,181,363	
Total Savings/Cost			\$1,294,319			\$554,248			\$740,071	
Percent of Change			4.0%			14.8%			2.6%	

*Members pay \$0 copay for specific specialty medications. This is a voluntary program.

SLPS 2019 ACTIVE – \$1,500 Deductible Base Plan

Triple Option Plan of Benefits

Effective Date: January 1, 2019



BENEFITS		UHC Triple Option					
		Base Plan		Buy-up 1		Buy-up 2	
NETWORK USED		PPO		PPO		PPO	
		In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
DEDUCTIBLE							
- Individual		\$1,500	\$2,000	\$500	\$1,000	\$200	\$400
- Family		\$3,000	\$4,000	\$1,000	\$2,000	\$400	\$800
- Deductible Status (Emb/Non-Emb)		Embedded		Embedded		Embedded	
COINSURANCE		70%	60%	80%	70%	90%	70%
- Individual Out of Pocket Max		\$4,000	\$7,000	\$3,500	\$7,000	\$1,400	\$2,800
- Family Out of Pocket Max		\$8,000	\$14,000	\$7,000	\$14,000	\$2,800	\$5,600
- Medicare Retirees pay an additional OOP		\$300	\$300	\$300	\$300	\$300	\$300
- Items Included in OOP Max		Med & Rx	Deductible	Med & Rx	Deductible	Med & Rx	Deductible
PHYSICIAN OFFICE VISIT		Increase Specialist Copay, not PCP					
- Illness or Injury (PCP/Specialist)		\$25/\$35 Copay	60% AD	\$25/\$35 Copay	70% AD	\$15/\$30 Copay	70% AD
- Preventive Care (OV, X-rays, Labs, etc.)		100%	60% AD	100%	70% AD	100%	70% AD
HOSPITAL & EMERGENCY SERVICES							
- Inpatient		70% AD	60% AD	80% AD	70% AD	90% AD	70% AD
- Outpatient		70% AD	60% AD	80% AD	70% AD	90% AD	70% AD
- Hospital Emergency Room		\$250 Copay	\$250 Copay	\$250 Copay	\$250 Copay	\$150 Copay	\$150 Copay
- Urgent Care		\$75 Copay	60% AD	\$75 Copay	70% AD	\$50 Copay	70% AD
OTHER SERVICES							
- Diagnostic X-rays & Lab		100% AD	60% AD	100% AD	70% AD	100% AD	70% AD
- Major Diagnostic (CT, MRI, etc.)		70% AD	60% AD	80% AD	70% AD	90% AD	70% AD
- Chiropractic Services		70%	60%	80%	70%	90%	70%
- Therapy (visit limits apply)		\$25 Copay	60% AD	\$25 Copay	70% AD	\$15 Copay	70% AD
EAP SERVICES		Included - telephonic & up to 3 face-to-face assessments					

SLPS 2019 ACTIVE \$1,500 Deductible Base Plan Triple Option – Employee Contributions

Effective Date: January 1, 2019



2019 Employee Benefit Plan Year

	Monthly Premium	12-Month Employee Per Pay Period Deduction	10,10.5,11,11.5 - Month Employee Per Pay Period Deduction
		24 pay period deductions	20 pay period deductions
		2019 Employee Benefit Plan Year	
United Healthcare Base Plan (\$1,500 Ded)			
Employee Only	\$701.61	\$350.81	\$420.97
Spouse	\$596.37	\$298.19	\$357.82
Child (ren)	\$343.79	\$171.90	\$206.27
Spouse & Child (ren)	\$797.54	\$398.77	\$478.52
United Healthcare Buy Up Plan #1 (\$500 Ded)			
Paid by SLPS (same as Base)	\$701.61 (Paid by SLPS)	\$701.61 (Paid by SLPS)	\$701.61 (Paid by SLPS)
Employee Only	\$41.64	\$20.82	\$24.98
Spouse	\$673.40	\$336.70	\$404.04
Child (ren)	\$405.83	\$202.92	\$243.50
Spouse & Child(ren)	\$886.23	\$443.12	\$531.74
United Healthcare Buy Up Plan #2 (\$200 Ded)			
Paid by SLPS (same as Base)	\$701.61 (Paid by SLPS)	\$701.61 (Paid by SLPS)	\$701.61 (Paid by SLPS)
Employee	\$128.36	\$64.18	\$77.02
Spouse	\$833.84	\$416.92	\$500.30
Child(ren)	\$535.04	\$267.52	\$321.02
Spouse & Child(ren)	\$1,070.95	\$535.48	\$642.57

***District will pay the same amount toward the Buy-Up Plan #1 and Buy Up Plan #2 as they pay for the Base Plan. Employee will pay the difference between the Base and Buy-Up Plans #1 and #2 plan amounts.**

Ancillary Coverages Premiums

Effective Date: January 1, 2019

Renew all current carriers.

No increase to current rates.

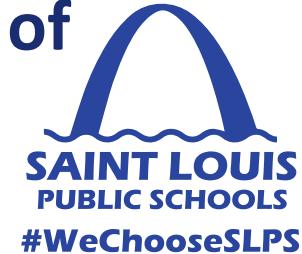


Renew All current ancillary vendors - they are in rate guarantees and do not renew until January 1, 2020. No change to current rates or benefits.

Coverage	Carrier	TOTAL Estimated Annual Premium			Employee Responsibility			District Responsibility		
		Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Dental	Delta of MO	\$1,593,233	\$1,593,233	0.0%	\$471,028	\$471,028	0.0%	\$1,122,205	\$1,122,205	0.0%
Vision	VBA	\$131,743	\$131,743	0.0%	\$65,583	\$65,583	0.0%	\$66,160	\$66,160	0.0%
Basic Life and AD&D	CIGNA	\$324,552	\$324,552	0.0%	\$0	\$0	0.0%	\$324,552	\$324,552	0.0%
Voluntary EE & Dep Life	CIGNA	\$289,036	\$289,036	0.0%	\$289,036	\$289,036	0.0%	\$0	\$0	0.0%
Short Term Disability	CIGNA	\$786,996	\$786,996	0.0%	\$0	\$0	0.0%	\$786,996	\$786,996	0.0%
Long Term Disability	CIGNA	\$528,707	\$528,707	0.0%	\$0	\$0	0.0%	\$528,707	\$528,707	0.0%
EAP	UHC	\$907	\$907	0.0%	\$0	\$0	0.0%	\$907	\$907	0.0%
Total Premium		\$3,654,267	\$3,654,267		\$825,647	\$825,647		\$2,829,528	\$2,829,528	
Total Savings/Cost			\$0			\$0			\$0	
Percent of Change			0.0%			0.0%			0.0%	

SLPS 2019 - Dental Coverage with Delta Dental of Missouri

Effective Date: January 1, 2019



- The District elected the 2.5% increase for 2 years effective January 1, 2017 to include the Healthy Smiles Healthy Lives program (includes extra visit and cleaning for members diagnosed with periodontal disease, are pregnant, and have diabetes).
- Based on the District's loss ratio for the January 1, 2019 renewal, Delta Dental is not increasing the current rates.
- Current and Renewal Rates

DENTAL PREMIUMS		CURRENT / RENEWAL	
Employee	EEs 2674	Current \$26.38	Renewal \$26.38
Employee & Spouse	174	\$54.05	\$54.05
Employee & Child(ren)	442	\$67.18	\$67.18
Family	255	\$90.71	\$90.71
Monthly	3545	\$132,769	\$132,769
Annual		\$1,593,233	\$1,593,233
ANNUAL PREMIUM CHANGE		\$0	
RATE CHANGE		0.0%	
RATE GUARANTEE		Rates Guaranteed until 2020	
NOTES		<u>INCLUDES HEALTHY SMILES HEALTHY LIVES program cost.</u>	

SLPS 2019 - VISION COVERAGE WITH VISION BENEFITS OF AMERICA (VBA)

EFFECTIVE DATE: JANUARY 1, 2019



- A 3 year rate guarantee was negotiated effective January 1, 2017.
- Rates are guaranteed until January 1, 2020.

Current and Renewal Rates

PREMIUMS				Base Plan		Buy-up Plan	
	Base	Buy-up	EEs	Current	Renewal	Current	Renewal
Employee	2,341	439	2,780	\$1.55	\$1.55	\$4.00	\$4.00
Employee + 1	264	150	414	\$3.90	\$3.90	\$9.75	\$9.75
Family	232	131	363	\$5.55	\$5.55	\$13.85	\$13.85
Monthly	2,837	720	3,557	\$5,946	\$5,946	\$5,033	\$5,033
Annual				\$71,349	\$71,349	\$60,394	\$60,394
Combined Annual Premium				Current:	\$131,743	Renewal:	\$131,743
ANNUAL PREMIUM CHANGE				\$0			
RATE CHANGE				0.0%			
RATE GUARANTEE				Rates Guaranteed until January 2020			

SLPS 2019 – SHORT TERM DISABILITY, LONG TERM DISABILITY, BASIC LIFE AND AD&D, AND VOLUNTARY LIFE COVERAGES WITH CIGNA EFFECTIVE DATE: JANUARY 1, 2019

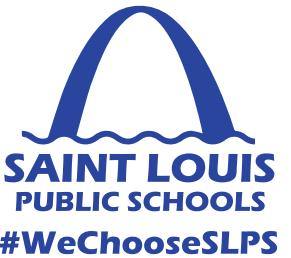


- ❑ **Short Term Disability:** *Negotiated 3 year rate guarantee effective January 1, 2017.*
 - ❑ No plan design changes.
 - ❑ Next renewal January 1, 2020
- ❑ **Long Term Disability:** *Negotiated a 3 year rate guarantee effective January 1, 2017.*
 - ❑ No plan design changes.
 - ❑ Next renewal January 1, 2020
- ❑ **Basic Life and AD&D:** *Negotiated a 3 year rate guarantee effective January 1, 2017.*
 - ❑ No plan design changes.
 - ❑ Next renewal January 1, 2020
- ❑ **Voluntary Life:** *Negotiated a 3 year rate guarantee effective January 1, 2017.*
 - ❑ No plan design changes.
 - ❑ Next renewal January 1, 2020

REQUEST FOR APPROVAL



(09-20-18-07) To approve the renewal of St. Louis Public Schools' group benefit cost for plan year 2019, which includes Medical/Pharmacy, Dental, Vision, Short/Long Term Disability and Life/Accidental Death and Dismemberment insurance. The estimated renewal is based on 3,555 active employees. Total cost not to exceed \$32,010,891.



QUESTIONS?