

# 2018 Health Insurance

Proposed Plan Design Changes



# Health Insurance Overview

- The District currently spends approximately \$12M annually on health insurance expenditures.
- Market trends accelerate this cost center at a rate much higher than increases in revenue.
  - Health insurance market trend 8-12%
  - Revenue increases 0-2%

# Health Insurance Overview

- Budget impact over time
- \$500,000 reallocation in 2017-18 budget, \$1M calendar 2018

# Benefit Strategy Committee

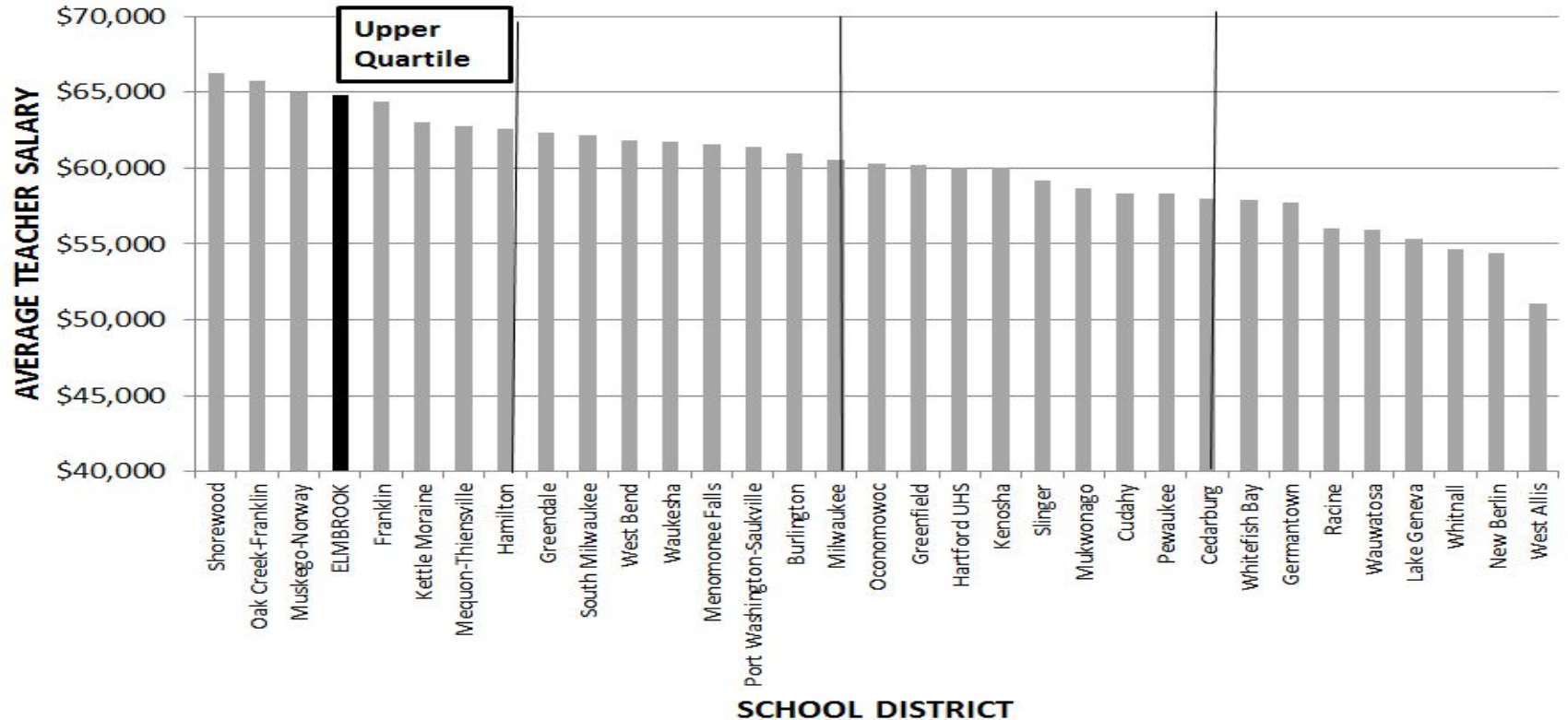
- 14-member team consisting of teachers, administrators, support staff and board member
- Met 4 times over two months
- **Objective:** Study plan options and make recommendations regarding health insurance benefits

# Benefit Strategy Committee Key Requirements

- Continue to provide competitive benefits that attract and retain employees
- Mitigate impact to employees
- Drive care to the clinic and highest value providers (premium designated - lowest cost and highest quality)
- Continue to encourage consumerism

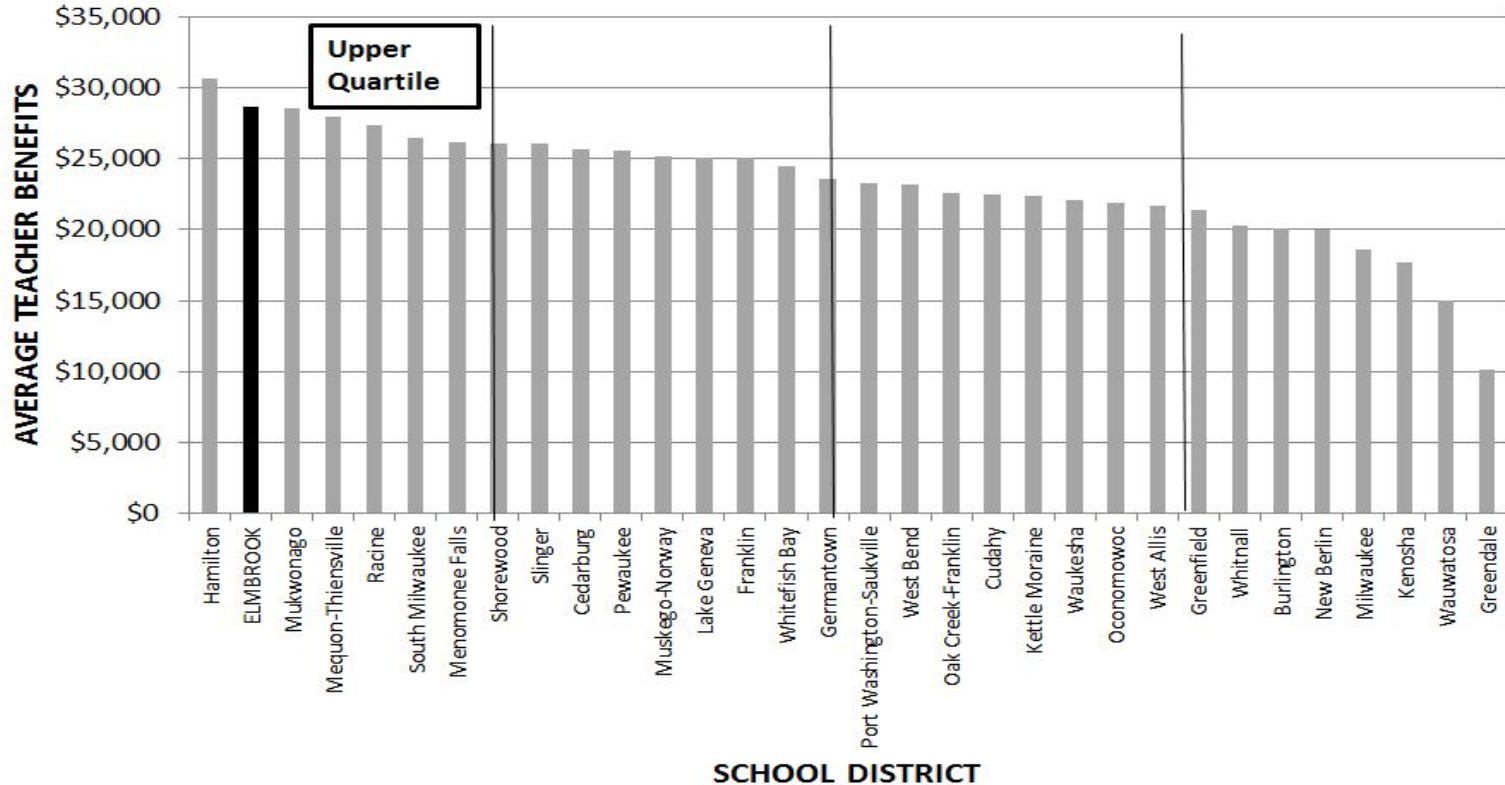
# Average Teacher Salary in SE Wisconsin (2015-16)

## AVERAGE TEACHER SALARY IN SE WISCONSIN (2015-16) (DISTRICTS > 2500 STUDENTS)

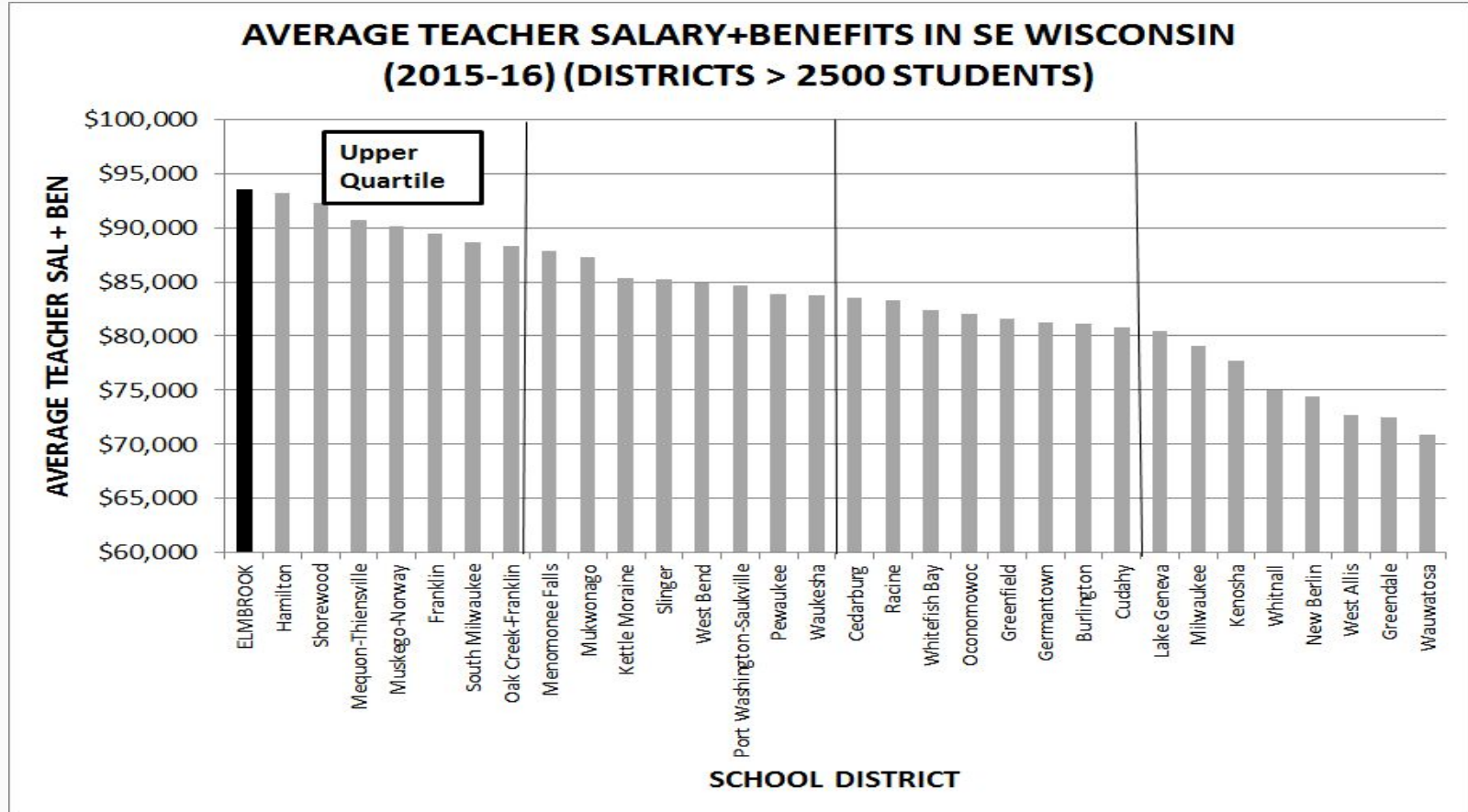


# Average Teacher Benefits in SE Wisconsin (2015-16)

**AVERAGE TEACHER BENEFITS IN SE WISCONSIN (2015-16)**  
**(DISTRICTS > 2500 STUDENTS)**



# Average Teacher Salary & Benefits in SE Wisconsin (2015-16)





# Current Plans

- Health Savings Account (HSA)
  - \$2,000 single, \$4,000 family deductible
  - Prescriptions subject to deductible
  - Max out of pocket matches the deductible
  - District contributes \$1,000/\$2,000 to employee HSA
    - Employee owns at deposit
  - 6.8% Employee Premium Share

# Current Plans

- Health Reimbursement Account (HRA)
  - \$2000 single, \$4,000 family deductible
  - Prescription co-pay \$10/\$30/\$60
  - Max out of pocket matches the deductible
  - District contributes \$1,000/\$2,000 to employee HRA
    - Employee draws after first \$1,000/\$2,000 spent in deductible
  - 9.3% Employee Premium Share

# 2018 Recommendations

- Move to one plan
  - High-Deductible Health Savings Account
  - Level benefits for all - Rx costs District 2.5 times more per employee for HRA plan
  - Only 22% of active eligible employees on the HRA plan

# 2018 Recommendations

- HRA Plan will be available to only those eligible for Medicare, however, plan will mirror new HSA plan - same deductible, prescription, and coinsurance.
- HRA Balances
  - Can use after \$1,350/\$2,700 spent on health care expenditures
  - Can use immediately for limited purpose reasons (eye care, dental, etc.)
  - Balance will remain until exhausted.

# 2018 Recommendations

- Increase Deductible
  - Increase from \$2,000/\$4,000 to \$2,500/\$5,000
  - 26% of members reached deductible
- Increase Out-of-Pocket Max
  - Increase from \$2,000/\$4,000 to \$3,000/\$6,000
  - Co-insurance
    - 100% Premium Designated
    - 90% In-network and prescriptions
    - 70% Out-of-network

# 2018 Recommendations

- District HSA Contributions
  - Continue same contribution \$1,000/\$2,000.
- Set employee premium share to 6.8%
  - HRA premium share decreases from 9.3% to 6.8%.
  - HSA premium share holds at 6.8% but with a lower premium equivalent due to plan design changes.

# Impact on Estimated Monthly Employee Premium Share

<b>Plan</b>	<b>2017 Premium</b>	<b>2018 Est. Premium</b>	<b>Change</b>
*HRA Single	\$67.80	\$45.69	-\$22.12
*HRA Family	\$163.50	\$109.99	-\$53.51
HSA Single	\$48.70	\$45.69	-\$3.01
HSA Family	\$117.42	\$109.99	-\$7.42

\*HRA plan eliminated in 2018 - comparison showing change in employee share moving to the new HSA plan.

# Feedback

- Roundtable presentations - April
  - Special Category 10-15 employees
  - Teachers - 15-20 employees
  - Special Ed Assistants - 3-4 employees
- Building Presentations - First Week of June
  - Dixon Elementary - 25-30 attendees
  - Brookfield Central High School - 25-30 attendees
  - CAO - 20-30 attendees



# Questions?

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# Terminology

- **Deductible**
  - Amount you pay out of pocket for health care before plan pays
  - Excluding preventive care (physicals, flu shot, vaccinations, etc.)
- **Co-insurance**
  - % or amount you pay after deductible is met
  - The amount between \$2,500 and \$3,000 single and \$5,000 and \$6,000
- **Out-of-Pocket Maximum**
  - After deductible is met
  - Maximum amount you will pay with minor exclusions

## Example - Single Plan, In-network

	<b>Total Cost</b>	<b>Deductible EE</b>	<b>Amt Applied Coinsurance</b>	<b>Coinsurance Paid by EE</b>	<b>Out of Pocket Max Paid</b>
Doctor's Visit	\$400	\$400	\$0	\$0	\$400
Facility	\$1,500	\$1,500	\$0	\$0	\$1,500
Anesthesiologist	\$1,500	\$600	\$900	\$90	\$690
<u>Doctor</u>	<u>\$3,000</u>	<u>\$0</u>	<u>\$3,000</u>	<u>\$300</u>	<u>\$300</u>
Total Surgery	\$6,000	\$2,100	\$3,900	\$390	\$2,490
Prescription	<u>\$200</u>	<u>\$0</u>	<u>\$200</u>	<u>\$20</u>	<u>\$20</u>
<b>Total</b>	<b>\$6,600</b>	<b>\$2,500</b>	<b>\$4,100</b>	<b>\$410</b>	<b>\$2,910</b>

## Example - Single Plan, Premium Designated

	<b>Total Cost</b>	<b>Deductible EE</b>	<b>Amt Applied Coinsurance</b>	<b>Coinsurance Paid by EE</b>	<b>Out of Pocket Max Paid</b>
Doctor's Visit	\$400	\$400	\$0	\$0	\$400
Facility	\$1,500	\$1,500	\$0	\$0	\$1,500
Anesthesiologist	\$1,500	\$600	\$900	\$90	\$690
<u>Doctor</u>	<u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Surgery	\$6,000	\$2,100	\$900	\$90	\$2,190
Prescription	<u>\$200</u>	<u>\$0</u>	<u>\$200</u>	<u>\$20</u>	<u>\$20</u>
<b>Total</b>	<b>\$6,600</b>	<b>\$2,500</b>	<b>\$1,100</b>	<b>\$110</b>	<b>\$2,610</b>


# Premium Designated Providers

[Find a Provider](#)

Click “Find a Provider”

Enter “UnitedHealthCare Choice Plus Network”

Search by Doctor Name, Specialty, Facility, Clinic

Look for the 

# More to come...

- Communication, Support, Education
  - How to find premium designated providers
  - Information on lowest cost, highest value providers
    - Smart Choice MRI
    - Teledoc
  - Clinic refresh with assistance in helping employees find lowest cost, highest value providers.