

South Butler County School District

Plan Summary 07/16—03/17

**Key Insurance
& Benefits Services**



Presented by Tom Zimmerman; Vice President

Health Care Plan Summary

Board Objectives

- Maintain High Quality of Health Care for Employees and their Families
- Maintain strong Network of Hospitals and Physicians
- Work to stabilize current and future increases to Health Care Costs
- Establish Reasonable Out of Pocket Costs for Employees

Health Care Plans

- Current PPO – Plan with \$250 / \$500 Deductible and Reoccurring Copays
- CDHP – Consumer Driven Health Plan with \$1,000 / \$2,000 Out of Pocket Maximum for Employees with District Match of \$1,000 / \$2,000
- Qualified High Deductible Health Plan with \$1,300 / \$2,600 Deductible and Health Savings Account (HSA)

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Health Plan Costs

Current – Consumer Driven Plan vs PPO – first nine months (July – March)

	SEIU, Admin and Non Bargaining Staff Incurred Costs 7/16 - 3/17 All CDHP	All Other Staff Incurred Costs 7/16 - 3/17 All PPO
Average Monthly Covered Employees	38	190
Incurred Claims*	\$200,802	\$2,235,319
Incurred Claims PEPM	\$583	\$1,305
HRA Costs Plus Admin	\$35,706	\$0
HRA Costs Plus Admin PEPM	\$104	\$0
Total Incurred Costs	\$236,508	\$2,235,319
Average Cost Per Employee Per Month	\$686	\$1,305

*Removed claims over \$100,000 to stabilize PPO experience

- PPO Costs are \$619 higher than Consumer Driven Plan per employee per month (+90%)
- 16.7% of Employees covered by CDHP; accounted for 9.6% of total healthcare costs
- The Consumer Driven cost reductions will stabilize future premium costs

Employee Out-of-pocket Costs In Network – July 2016 – March 2017

PPO

Monthly Out-of-pocket

Individual - \$9
Family - \$82

CDHP

Monthly Out-of-pocket

Individual - \$18
Family - \$118

Highmark's actual utilization reporting indicates that In Network Out of Pocket costs are approximately \$9 more per month for single coverage and \$36 more per month for family coverage under the Consumer Driven Plan

The reduction in healthcare costs to the District is \$619 Per Employee Per Month (Page 3)

SBCEA - 2017 Plan Options

	2016/17 Current "Status Quo" PPO	2017/18 Renewal "Status Quo" PPO	2017/18 Board Consumer Driven Plan	2017/18 Board Qualified High Deductible Plan - 30% District HSA Contribution	2017/18 Teachers' Qualified High Deductible Plan - 50% District HSA Contribution
Highmark BCBS Health Insurance Plan	\$2,399,058	\$2,543,001	\$2,129,640	\$2,152,346	\$2,152,346
HRA (Estimated) or HSA Contribution Plus Admin Fees	\$0	\$0	\$208,868	\$105,264	\$173,168
Less Employee Payroll Contributions	(\$80,220)	(\$80,220)	(\$80,220)	\$0*	\$0*
Total Expected District Cost	\$2,318,838	\$2,462,781	\$2,258,288	\$2,257,610	\$2,325,514
Increase / (Decrease) from 2016/17 Current PPO		\$143,943	(\$60,551)	(\$61,229)	\$6,675

Note: Active teachers as of March 2017 - 141 Covered Teachers

**Monthly Employee Contributions were removed for Qualified High Deductible Plans: Individual \$40, Employee + Child(ren) or Employee + Spouse \$45, Family \$50*