

# Certificated & Support Staff Health Insurance Program

Presentation on the 2009-2010 Renewal

Fall 2009

## Brief Historical Overview – Certificated Staff

- Since October 1, 1993 the Rolla School District has been self-insured for medical insurance for the certificated staff. In the fall of 1993, the fully insured company (Travelers) wanted to increase our monthly per employee premium from \$125 to more than \$195. The district declined, set the premium at \$160 and began our history as a self-insured district. The premium increased one time between 1993 and 1997 to \$170.
- We had our first rate increase in a number of years in 2001. In 2002 we increased again the Board paid benefit by 15% and the dependent rates by 15%. In 2003 we budgeted for a 30% increase and 5% increase in 2004. The fact that we had not raised the rate commensurate with industry standards coupled with 4 to 5 years of increased usage and rising health care costs impacted our rates.
- Our recent claims experience continues to be positive.

## What does the insurance company provide the self-funded program?

- Our reinsurance carrier provides three types of insurance coverage. The **first** type is **specific stop loss** that covers claims greater than \$125,000 per employee, spouse, and dependent. The School District pays the first \$125,000 of claims per enrollee. The **second** type of insurance is a **monthly stop loss**. This protects the district in the event of a large claim in a single month. The **third** type of coverage is **aggregate stop loss**. This is a policy that protects the school with an over all or a maximum risk for all employees covered.

# Certificated Insurance Rates

	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Employee	413.00	413.00	413.00	413.00	413.00
Employee / Spouse	826.00	826.00	826.00	826.00	826.00
Employee / Children	698.00	698.00	698.00	698.00	698.00
Family	1,111.00	1,111.00	1,111.00	1,111.00	1,111.00

100% board paid benefit for employee

## Brief Historical Overview – Support Staff

- Since January 1, 2002 to the fall of 2007, we contracted with Blue Cross Blue Shield to underwrite our support staff medical insurance.
- **Unlike the certificated plan, this was a fully insured plan.**
- We offered a two-tiered plan providing coverage choices to our employees (Base and Enriched).
- **A qualified employee is any contracted support staff employee working 30 or more hours per week. Currently, 116 out of approximately 180 employees have chosen to participate in the program.**
- Unifying plan designs by bringing the eligible support staff into the self-funded pool had been discussed for several years. In 2007, the Board of Education approved the unification of the plans under the self-funded pool.
- **The district currently pays 90% of the support staff insurance rate.**
- Our self-funded program has provided us the autonomy to manage increases and build reserves in good years to offset claims years that have not been so favorable.

# Support Staff Insurance Rates

	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Employee	452.76	452.76	452.76	452.76	360.22
Emp / Spouse	893.84	893.84	893.84	893.84	711.16
Emp / Children	765.26	765.26	765.26	765.26	608.86
Family	1,158.94	1,158.94	1,158.94	1,158.94	922.08
Board Paid	407.48	407.48	407.48	384.84	288.18

## Our Goal

- Our goal is to provide the best insurance program we can afford for both the certificated staff, dependents, retirees and the support staff.
- To continually make sound decisions that ensure the long-term financial stability for the program and provide the most comprehensive coverage for our employees.

## Offering the Best Option

- We continually attend meetings focused on trends in the health insurance industry.
- We stay in continual contact with our agent, Mr. Gene Maurer.
- We assess all considerations regarding self-funded and fully insured programs.
- We continually assess incremental benefit structure change.

# Proposed Refinements to Plan Designs

- Change the specific stop loss coverage from \$100,000 to **\$125,000**.

# Recommendation

## *Certificated Staff Program*

- We have an appropriate insurance fund balance that when coupled with plan design refinements enable us to potentially stabilize rates for future years.
- As a result it is recommended that we enact the plan design refinements and set rates for the certificated insurance program as presented below.

	<u>2009-2010</u>	<u>2008-2009</u>	<u>Employee Cost</u>
<b>Employee</b>	<b>\$413.00</b>	<b>\$413.00</b>	<b>\$0</b>
<b>Employee &amp; Spouse</b>	<b>\$826.00</b>	<b>\$826.00</b>	<b>\$413.00</b>
<b>Employee &amp; Children</b>	<b>\$698.00</b>	<b>\$698.00</b>	<b>\$285.00</b>
<b>Employee &amp; Family</b>	<b>\$1,111.00</b>	<b>\$1,111.00</b>	<b>\$698.00</b>

# Recommendation

## *Support Staff Program*

**It is recommended that we set the rate as stated below for our support staff and continue the School District contribution percentage @ 90%.**

	<u>2009-2010</u>	<u>2008-2009</u>	<u>Employee Cost</u>
<b>Employee</b>	<b>\$452.76</b>	<b>\$452.76</b>	<b>\$45.28</b>
<b>Employee &amp; Spouse</b>	<b>\$893.84</b>	<b>\$893.84</b>	<b>\$486.36</b>
<b>Employee &amp; Children</b>	<b>\$765.26</b>	<b>\$765.26</b>	<b>\$357.78</b>
<b>Employee &amp; Family</b>	<b>\$1,158.94</b>	<b>\$1,158.94</b>	<b>\$751.46</b>

# Questions / Comments