

ATTACHMENT NO. XI-B

ATTACHMENT NO. XI-B: Health Insurance Renewal

Potential motion: Move to approve the renewal of Blue Cross Blue Shield (Health), Dearborn National (Life), Delta Dental (Dental) and Delta Vision (Vision) as provided by Arthur J. Gallagher & Co.

Recommended action: Approve the motion

It is recommended that the Board approve the renewal of the Health/Life/Dental/Vision Insurance as proposed and provided by Arthur J. Gallagher & Co. The health care renewal remains with a \$500 deductible and has a 5.9% increase in premiums, down from a 6.4% increase last year. Dental Insurance with Delta will renew with at 0% increase with a 2nd year renewal of 8% cap. There was no increase to the vision or life insurance premiums.

The insurance committee includes certified staff, support staff, administration and broker representatives. The committee met and discussed the renewals of BCBS, Delta Dental and Dearborn Life. Attached renewal sheets reflect alternative options. The committee decided to renew with the renewal rates listed above.

Disclaimer Notice

This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.

This proposal (analyses, report, etc.) is an outline of the coverages proposed by the carrier(s) based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This proposal (analyses, report, etc.) is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.

North Boone PPO Executive Summary 7/1/2016 through 6/30/2017

Monthly Claims - March, 2017		
Coverage	Claims	Plan YTD Claims
Medical Claims	\$99,399	\$850,850
Rx Claims	\$37,879	\$196,306
Total Claims	\$137,278	\$1,047,156

Total Claims	\$137,278	\$1,047,156
Estimated Retention	\$33,093	\$300,476
Total Costs	\$170,371	\$1,347,632

*Total Claims do not include specific reimbursements

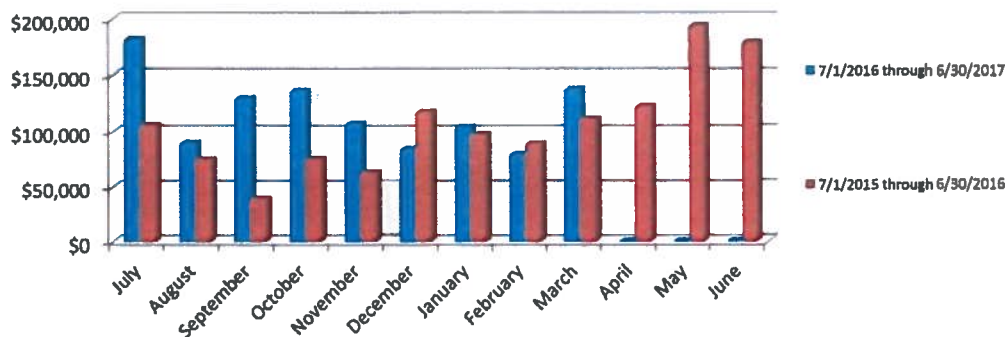
Monthly Claims



PPO Large Claims		
Claimant	Diagnosis	Claims
Claimant 1		\$242,959
Claimant 2		\$83,169
Claimant 3		\$73,591
Claimant 4		\$63,546

Average Number of Lives: 147

Overall Monthly Paid Claims 7/1/2016 through 6/30/2017			
Month	7/1/2016 through 6/30/2017 Total Claims	7/1/2015 through 6/30/2016 Total Claims	% Change
July	\$180,793	\$105,117	72%
August	\$89,347	\$74,556	20%
September	\$129,487	\$38,439	237%
October	\$136,025	\$74,456	83%
November	\$107,004	\$62,643	71%
December	\$83,956	\$117,142	-28%
January	\$103,787	\$96,955	7%
February	\$79,479	\$88,420	-10%
March	\$137,278	\$110,927	24%
April	\$0	\$122,227	0%
May	\$0	\$193,089	0%
June	\$0	\$178,449	0%
Total Claims	\$1,047,156	\$1,262,420	
Annualized Claims	\$1,396,208	\$1,262,420	11%
Less Claims Over Pooling	-\$204,719	-\$266,616	
Net Claims	\$1,191,489	\$995,804	20%





Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

North Boone
PPO Executive Summary
7/1/2016 through 6/30/2017

YTD Enrollment Averages	
Medical Subscribers	Medical Members
147	218

Top 10 Overall Medical Paid Expenses	
ICD- 9 Diagnostic Category	
Neoplasms	
Symptoms/ Ill-Defined	
All Other Values	
Circulatory	
Musculoskeletal	
Endocrine	
Pregnancy	
Digestive	
Mental Health	
Genitourinary	

Top 5 Drugs	
Name of Prescription	
Rebif Rebido*	4
Humira Pen Inj 40mg*	
Novolog	
Carac	
Lantus	

***Specialty Drugs**

YTD Prescription Expenses and Utilization	
Key Indicator	Unit
Claimants	167
Prescriptions	1766
Generic Dispensing Rate	84.6%
Formulary Compliance Rate	95.1%
Generic Substitution Rate	99.5%
Mail Order Utilization	4.7%

Out of Pocket Distribution by Claimant	
Paid	# of Claimants
Less Than \$100	86
\$100-\$200	24
\$201-\$300	13
\$301-\$400	17
\$401-\$500	5
\$501-\$750	18
\$751-\$1,000	10
\$1,001-\$1,500	14
\$1,501-\$2,000	6
\$2,001-\$2,500	4
\$2,501-\$3,000	7
\$3,001-\$5,000	1
>\$5,000	0
Summary	205

Medical Claim Expense Distribution by Claimant	
Paid	# of Claimants
Less Than \$200	43
\$200-\$1,000	90
\$1,001-\$5,000	42
\$5,001-\$10,000	17
\$10,001-\$30,000	8
\$30,001-\$50,000	2
\$50,001-\$75,000	1
\$75,001-\$100,000	1
\$100,001-\$150,000	0
\$150,001-\$200,000	0
\$200,001-\$250,000	1
\$250,001-\$500,000	0
>\$500,000	0
Summary	205

**NORTH BOONE CUSD #200
2017 FULLY INSURED MARKETING EFFORT**

Objectives:	Improve cost Improve Employee Choice Evaluate all market options
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FULLY INSURED

BC BS of IL (Current Carrier)

1 Health Alliance **Received -14.20%**

UNCOMPETITIVE RATES / INSUFFICIENT NETWORK / REDUCED BENEFITS

1 Aetna	Declined; uncompetitive no claims information
2 Humana	Received; uncompetitive rates 17.10%
3 Nippon Life	Declined; uncompetitive rates
4 UHC	Quote not received
5 WPS Health Ins.	Declined; uncompetitive rates

NORTH BOONE CUSD #200

Carrier



BlueCross BlueShield of Illinois
Experience. Wellness. Everywhere.®



Effective Date

July 1, 2017

4th Quarter Deduct Carryover

Deductible - Single
Deductible - Family
OOP - Single
OOP - Family
Deduct Included in OOP
Rx Included in OOP?

Coinsurance
In-Network PCP Visit
In-Network Specialist Visit
In-Network Urgent Care Visit

In-Network Inpatient Hospital
In-Network Outpatient Surgery
Emergency Services

Prescription PBM Carrier

Retail - Preferred Pharmacy
Retail - Non-Preferred Pharmacy
Mail Order

CURRENT / RENEWAL		
PPO #83422		
No		
IN	OUT	
		\$500 / \$1,000
		\$1,500 / \$3,000
		\$2,500 / \$5,000
		\$7,500 / \$15,000
Yes		
Current: No, Individual \$500; Family \$1,500		
Renewal: No, Individual \$1K / Family \$3K		
80% / 60%		
\$30		
\$50		
80% after Deduct		
\$250 then 80% after Deduct		
80% after Deduct		
\$150		
Prime Therapeutics		
Generic / Form Brand / Non-Form Brand		
\$15/\$30/\$50		
\$30/\$60/\$100		

OPTION		
MPPC3836		
Yes		
IN	OUT	
		\$2,500 / \$5,000
		\$7,500 / \$15,000
		\$4,500 / \$9,000
		\$10,200 / \$20,400
Yes		
No, Individual \$1K / Family \$3k		
80% / 60%		
\$30		
\$50		
80% after Deduct		
80% after Deduct		
\$150		
Prime Therapeutics		
Generic / Form Brand / Non-Form Brand		
\$10/\$40/\$60		
\$15/\$50/\$70		
\$20/\$80/\$120		

OPTION		
PPO 500d		
Yes		
IN	OUT	
		\$500 / \$1,000
		\$1,500 / \$3,000
		\$3,000 / \$5,000
		\$6,500 / \$11,000
Yes		
Yes		
80% / 50%		
\$25		
\$50		
\$50		
80% after Deduct		
80% after Deduct		
\$200		
Optum RX		
*See Below		
\$0/\$7/\$25/\$50/\$100/\$150/50%		
50%		
\$19.25/\$68.75/\$137.50		

Rating Structure

EE
EE & Spouse
EE & Child(ren)
Family

of Lives
116
6
8
15
145

Current Rates	Renewal Rates
\$693.81	\$734.74
\$1,483.31	\$1,570.83
\$1,353.40	\$1,433.25
\$2,144.20	\$2,270.71

Option Rates
\$683.10
\$1,460.42
\$1,332.51
\$2,111.10

Option Rates
\$596.00
\$1,168.00
\$1,103.00
\$1,907.00

Total Maximum Costs

Monthly
Annual

% change to current

Current Rates	Renewal Rates
\$132,372.02	\$140,181.47
\$1,588,464.24	\$1,682,177.64

5.90%

Option Rates
\$130,328.70
\$1,563,944.40

-1.54%

Option Rates
\$113,573.00
\$1,362,876.00

-14.20%

Estimated ACA Monthly Fees

Included in rates

\$1,611.00

Included in rates

Included in rates

*Health Alliance RX Tiers: Retail drugs / Generic / Brand / Non-Preferred Brand / Preferred Specialty Pharmacy/Medical / Non-Preferred Specialty Pharmacy/Medical / Non-Formulary Specialty Pharmacy/Medical.

NORTH BOONE CUSD #200

2016/17 HRA Analysis

Rating Structure

	Enrollment	Current Rates	7/1/17 Renewal Rates	\$2,500 Deductible Rates
EE	116	\$693.81	\$734.74	\$683.10
EE & Spouse	6	\$1,483.31	\$1,570.83	\$1,460.42
EE & Child(ren)	8	\$1,353.40	\$1,433.25	\$1,332.51
Family	15	\$2,144.20	\$2,270.71	\$2,111.10
	145			

Total Maximum Costs

	Current Rates	Renewal Rates	Option Rates
Monthly	\$132,372.02	\$140,181.47	\$130,328.70
Annual	\$1,588,464.24	\$1,682,177.64	\$1,563,944.40
% change to current		5.90%	-1.54%

EE
EE & Spouse
EE & Child(ren)
Family

Deductible
116
12
24
45
197

Deductible & Out of Pocket Met from 7/1/16 - 3/31/17		
	No. of Members	Member Paid
\$0 - 500	145	\$17,515
\$501 - 1000	28	\$20,350
\$1001 - 1500	14	\$17,292
\$1501 - 2000	6	\$10,319
	48	\$47,961

	9 Months	Annualized
Premium Difference Between Plans	\$118,233	\$118,233
Actual Out-of-Pocket (Coinsurance)	\$47,961	\$63,948
Premium Savings to Plan	\$70,272	\$54,285
Diversified Admin Fee	\$8,301	\$8,301
Total Projected Savings	\$61,971	\$45,984

Utilization is based on the Blue Insight Reports and are based on the plan year. Deductible and out of pocket maximums run on a calendar year basis. Amounts members paid over \$500 is coinsurance at 20% and not actual deductible. PCORI Fees not included in the above amounts.

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NORTH BOONE CUSD #200

2015/16 HRA Analysis

Rating Structure

	Enrollment	7/1/15 Current Rates	7/1/16 Renewal Rates	Estimated \$2,500 Deductible Rates
EE	109	\$651.58	\$693.81	\$647.12
EE & Spouse	6	\$1,393.02	\$1,483.31	\$1,383.48
EE & Child(ren)	7	\$1,271.02	\$1,353.40	\$1,262.32
Family	20	\$2,013.68	\$2,144.20	\$1,999.90
	142			

Total Maximum Costs

	Current Rates	Renewal Rates	Option Rates
Monthly	\$128,551.08	\$136,882.95	\$127,670.73
Annual	\$1,542,612.96	\$1,642,595.40	\$1,532,048.73
% change to current		6.48%	-0.68%

	Deductible
EE	109
EE & Spouse	12
EE & Child(ren)	21
Family	60
	202

Deductible & Out of Pocket Met from 7/1/15 - 3/31/16		
	No. of Members	Member Paid
\$0 - 500	142	\$18,648
\$501 - 1000	33	\$23,713
\$1001 - 1500	19	\$23,944
\$1501 - 2000	6	\$10,648
	58	\$58,305

Premium Difference Between Plans	\$110,547
Actual 12 Months of Out-of-Pocket	\$58,305
Premium Savings to Plan	\$52,242
Diversified Admin Fee	\$8,301
Total Projected Savings	\$43,940

Utilization is based on the Blue Insight Reports and are based on the plan year. Deductible and out of pocket maximums run on a calendar year basis.

Amounts members paid over \$500 is coinsurance at 20% and not actual deductible.

PCORI Fees not included in the above amounts.

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NORTH BOONE CUSD #200
2017 LIFE AND AD&D MARKETING EFFORT

Objectives:	Improve cost Improve Employee Choice Evaluate all market options
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Life and AD&D

Dearborn National (Current Carrier)

UNCOMPETITIVE RATES / INSUFFICIENT NETWORK / REDUCED BENEFITS

1 Guardian	Declined; uncompetitive rates
2 The Hartford	Declined; uncompetitive rates
3 Humana	Received; uncompetitive 40%
4 Lincoln Financial	Received; uncompetitive 20%
5 Met Life	Received; uncompetitive 15%
6 One America	Declined; uncompetitive rates
7 Principal	Received; uncompetitive 46%
8 Prudential	Received; uncompetitive 15%
9 Reliance Standard	Declined; uncompetitive rates
10 Sun Life	Received; uncompetitive 49%
11 UNUM	Received; uncompetitive 20%

NORTH BOONE CUSD #200
Life and AD&D Benefit and Rate Comparison
July 1, 2017

	CURRENT / RENEWAL / REVISED RENEWAL		
	<u>Dearborn National</u>		
LIFE & AD&D	\$25,000		
GUARANTEE ISSUE	\$25,000		
REDUCTION SCHEDULE	To 65% at Age 65 To 50% at Age 70 Terms at retirement		
EAP	Not Available		
TRAVEL ASSISTANCE	Available at no additional cost		
LIFE VOLUME	\$3,850,000		
RATE PER \$1000	Current	Renewal	Revised Renewal
LIFE	\$0.08	\$0.09	\$0.08
AD&D	\$0.02	\$0.02	\$0.02
PREMIUM			
MONTHLY	\$385.00	\$423.50	\$385.00
ANNUALLY	\$4,620.00	\$5,082.00	\$4,620.00
% INCREASE/DECREASE		10.00%	0.00%
RATE GUARANTEE	2 Years	1 Year	2 Years

NORTH BOONE CUSD #200 2017 DENTAL MARKETING EFFORT

Objectives:	Improve cost Improve Employee Choice Evaluate all market options
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Dental

Delta Dental (Current Carrier)

1 MetLife **Received -1.77% (Matched Plan Design)**

UNCOMPETITIVE RATES / INSUFFICIENT NETWORK / REDUCED BENEFITS

1 BC BS of Illinois	Received; uncompetitive 16%
2 Guardian	Received; uncompetitive 11.84%
3 Humana	Received; uncompetitive benefits
4 KCL Group Benefits	Received; uncompetitive 12.66%
5 Lincoln Financial	Received; uncompetitive 5.19%
6 Principal	Received; uncompetitive 1.08%
7 Reliance Standard	Declined; uncompetitive rates
8 Sun Life	Received; uncompetitive 7.40%
9 UNUM	Received; uncompetitive 28.01%

NORTH BOONE CUSD #200
Dental Benefit and Rate Comparison
July 1, 2017

COINSURANCE

DEDUCT/ANNUAL MAX RUN
PLAN OR CALENDAR YEAR?

PREVENTIVE
DEDUCTIBLE?

BASIC

MAJOR

ORTHODONTIA

AGE LIMIT

DEDUCTIBLES

INDIVIDUAL

FAMILY

MAXIMUMS

CALENDAR YEAR

ORTHO LIFETIME

DETAILS

Preventive Exams/Cleanings

Non-Surgical Perio

Surgical Perio

Non-Surgical Endo

Surgical Endo

MONTHLY RATES

EMPLOYEE

EE + SPOUSE

EE + CHILD(REN)

FAMILY

MONTHLY TOTAL

ANNUAL TOTAL

% DIFFERENCE TO CURRENT

RATE GUARANTEE

ACA fees are included in rates shown.

CURRENT / RENEWAL / REVISED RENEWAL

Delta Dental

PPO

Premier

Non-Network

Calendar

100%

100%

90%

Waived

80%

80%

70%

50%

50%

40%

50%

50%

50%

To age 19

\$50

\$150

\$1,200

\$1,000

Twice per Year

Basic

Major

Basic

Basic

of Lives

Current Rates Renewal Rates Revised Renewal

97

\$28.67

\$30.39

\$28.67

0

\$89.93

\$95.34

\$89.93

0

\$89.93

\$95.34

\$89.93

51

\$89.93

\$95.34

\$89.93

OPTION

MetLife

**In-
Network**

**Out-of-
Network**

Option 3

Calendar

100%

90%

Waived

80%

70%

50%

40%

50%

50%

To age 19

\$50

\$150

\$1,200

\$1,000

2 times in 1 calendar
year

Basic

Major

Basic

Basic

Option Rates

\$28.17

\$88.32

\$88.32

\$88.32

\$7,236.81

\$86,841.72

-1.77%

1 Year

2nd year rate cap 7%

1 Year

2nd year rate cap 8%

2 Years

NORTH BOONE CUSD #200

Vision Benefit and Rate Comparison

July 1, 2017

NETWORK

EXAM

EXAM

LENSES

Single Lenses

Bifocal Lenses

Trifocal Lenses

Lenticular Lenses

Progressive

Standard

Premium

FRAME

Coverage

CONTACT LENSES

Medically Necessary

Disposable

Elective (Conventional)

RATES

EMPLOYEE

EE + SPOUSE

EE + CHILD(REN)

FAMILY

Monthly Premium

Annual Premium

% Difference to Current

RATE GUARANTEE

CURRENT / RENEWAL	
DeltaVision (Delta Dental)	
In Network	Out of Network
Access Network	
Frequency	
12 MONTHS	
\$0	Up to \$35 Allowance
12 MONTHS	
\$0	Up to \$25 Allowance
\$0	Up to \$40 Allowance
\$0	Up to \$55 Allowance
N/A	N/A
\$65	Up to \$40 Allowance
\$65, 20% off retail price, then apply \$120 allowance	Up to \$40 Allowance
24 MONTHS	
\$130 Allowance - 20% off balance	Up to \$65 Allowance
12 MONTHS	
Covered in Full	Up to \$200 Allowance
\$100 Allowance	Up to \$80 Allowance
\$100 Allowance - 15% off balance	Up to \$80 Allowance
Contacts in lieu of glasses	
Current	Renewal
97 \$7.93	\$7.93
0 \$22.19	\$22.19
0 \$22.19	\$22.19
43 \$22.19	\$22.19
140	
\$1,723.38	\$1,723.38
\$20,680.56	\$20,680.56
	0%
2 Years	1 Year

ACA Monthly Fees included in rates shown.