

## 2008 Employee Health Benefit Plan Details

### Changes to Medical Plans:

- Employee deductions will be reduced by 5%, due to increased network savings with CIGNA in 2008 and good claims experience.
- Pre-existing exclusion reduced from 12 months to 6 months.
- Mental Health/Substance Abuse will not be subject to deductible, and will apply to annual out-of-pocket expense.
- Hearing aids will not be covered; however, CIGNA's Healthy Rewards discount is available. Medically necessary cochlear implants are still covered.
- Diabetic supplies, currently covered under the medical plan and subject to the deductible and coinsurance percentage, will be covered under the prescription benefits subject only to a \$50 deductible and 20% coinsurance. This is a reduction in cost for the majority of employees.
- Mammograms will be covered at a higher benefit when performed by a PPO independent diagnostic facility.
- Discontinue deductible linking of spouses both covered as employees by a PISD medical plan, due to expense for reprogramming and/or manual processing of claims. Current plan designs offer many benefits paid before the deductible, due to increased wellness initiatives. Routine office visits with internists, OB/GYNs, pediatricians and family practice physicians are not subject to deductibles.
- More choices for Flexible Spending accounts. All employees who select a flex account will receive a Flex Card with an option for automatic rollover of eligible expenses.
- Transplants are currently paid after a deductible and the coinsurance percentage. In addition, the plan will cover claims at 100%, when using CIGNA LifeSource providers. Some travel expenses may also be covered when using LifeSource providers.
- Hospice care will no longer have an annual maximum.
- Students living abroad will continue to be covered under a parent's policy for emergencies. Private policies are available for routine or elective expenses.
- Glasses and the related eye exam, due to injury to the eye/s, will no longer be covered under the medical plans. Vision Service Plan provides vision exams and glasses on an annual basis.
- Out-of-network physicians, including anesthesiologists, radiologists, and pathologists, providing services at an out-of-network hospital (in-patient/out-patient) will be paid at the out-of-network percentage. Emergencies are still covered in-network, subject to the maximum reimbursable amount.
- Treatment for sleep disorders will no longer have a \$10,000 maximum.
- Coverage will be available for medically necessary genetic testing and clinical trials, subject to standard coverage positions and protocols of the administrator.
- Diabetic nutritional counseling will no longer have an annual maximum of \$500; three sessions per person will be allowed each year.
- Chelation therapy (for metal toxicity) will be covered when medically necessary, subject to the standard coverage positions and protocols of the administrator.

At the June board meeting, we indicated that stop loss coverage, a part of RFP 2007-023, would be approved later in 2007. This insurance is more accurately reviewed closer to the end of the plan year. CIGNA's quote is recommended for specific and aggregate insurance. Premiums are charged per employee per month (PEPM) enrolled in medical plans. Specific stop loss protects the plan for any claim exceeding \$300,000; aggregate coverage is based on a percentage of total claims. Stop loss insurance is an administrative expense to the plan (\$16.32 specific PEPM; \$1.83 aggregate PEPM).

**Proposed Employee Monthly Deductions for the 2008 Medical Plans**

<b>Gold Plan</b> \$250 Deductible 80/20	Current 2007 Monthly Employee Payroll Deduction	Proposed 2008 Monthly Employee Payroll Deduction	Monthly Cost Decrease to Employee	% of Change
Employee Only	\$117.03	\$111.18	- \$5.85	-5%
Employee & Spouse	\$413.85	\$393.16	- \$20.69	-5%
Employee& 1 Child	\$229.84	\$218.35	- \$11.49	-5%
Employee & Children	\$321.83	\$305.74	- \$16.09	-5%
Employee& Family	\$658.39	\$625.47	- \$32.92	-5%

<b>Silver Plan</b> \$500 Deductible 70/30	Current 2007 Monthly Employee Payroll Deduction	Proposed 2008 Monthly Employee Payroll Deduction	Monthly Cost Decrease to Employee	% of Change
Employee Only	\$60.95	\$57.90	- \$3.05	-5%
Employee & Spouse	\$316.01	\$300.21	- \$15.80	-5%
Employee& 1 Child	\$156.94	\$149.09	- \$7.85	-5%
Employee & Children	\$235.03	\$223.28	- \$11.75	-5%
Employee& Family	\$519.56	\$493.58	- \$25.98	-5%

<b>Bronze Plan</b> \$750 Deductible 60/40	Current 2007 Monthly Employee Payroll Deduction	Proposed 2008 Monthly Employee Payroll Deduction	Monthly Cost Decrease to Employee	% of Change
Employee Only	\$0.00	\$0.00	\$0.00	0%
Employee & Spouse	\$221.18	\$210.12	- \$11.06	-5%
Employee& 1 Child	\$84.04	\$79.84	- \$4.20	-5%
Employee & Children	\$150.01	\$142.51	- \$7.50	-5%
Employee& Family	\$387.50	\$368.12	- \$19.38	-5%

**Changes to Dental Plans:**

- CIGNA has reduced the dental administration fee from \$3.08 to \$2.91 per employee enrolled, per month, due to the consolidation of our medical and dental plan administration.
- Impacted wisdom teeth, currently only paid through the medical plans, will be paid under both dental plans. This provides a better choice of oral surgeons under the dental network and simplifies filing claims.

**Proposed Employee Monthly Deductions for the 2008 Dental Plans**

<b><u>Premium Plan</u></b>	Current 2007 Monthly Employee Payroll Deduction	Proposed 2008 Monthly Employee Payroll Deduction	Monthly Cost Decrease to Employee	% of Change
Employee Only	\$38.04	\$36.52	- \$1.52	-4%
Employee & Spouse	\$87.36	\$83.87	- \$3.49	-4%
Employee& 1 Child	\$72.51	\$69.61	- \$2.90	-4%
Employee & Children	\$89.74	\$86.15	- \$3.59	-4%
Employee& Family	\$119.26	\$114.49	- \$4.77	-4%

<b><u>Basic Plan</u></b>	Current 2007 Monthly Employee Payroll Deduction	Proposed 2008 Monthly Employee Payroll Deduction	Monthly Cost Decrease to Employee	% of Change
Employee Only	\$22.41	\$20.62	- \$1.79	-8%
Employee & Spouse	\$44.97	\$41.37	- \$3.60	-8%
Employee& 1 Child	\$33.71	\$31.01	- \$2.70	-8%
Employee & Children	\$39.57	\$36.40	- \$3.17	-8%
Employee& Family	\$66.57	\$61.24	- \$5.33	-8%

**Plan Document**

The official plan documents for the employee health benefit plan and flexible benefit plan will be revised based on approved recommendations from this agenda item, and final versions will be presented to the school board for approval at the November 6, 2007 meeting.

**Consulting**

Renewed 2/1/07, Wachovia Insurance Services is recommended to continue health care consulting with a January 1<sup>st</sup> date to coordinate with the plan year. Consulting services are an administrative expense to the plan.

**Wellness Program**

The Center for Lifestyle Enhancement, the health and wellness division of Medical Center of Plano, is recommended again this year to provide on-site wellness assessments to our employees. Services provided include:

- \$48.90 - Blood chemistry analysis (SMAC 19, CBC, TSH, lipid profile)
- \$33.29 - Resting EKG
- \$5.20 - Personal health risk assessment (including blood pressure, weight, and optional body fat analysis)
- \$3.12 - Individual participant report/health information booklet
- \$90.51 - Total for complete assessment

This assessment is provided to full-time employees every other year. Spouses of employees, part-time employees, and full-time employees who are not eligible in 2008, may purchase the assessment directly from the Center for the district-negotiated rate. The committee feels this effort has a beneficial effect for employees, as it may identify unknown health risks.

**Other Providers**

Currently on continuing agreements, Walgreens Health Initiatives will continue as the prescription benefit manager, Nationwide Better Health will continue as the disease management provider, Value Options will continue as the mental health/substance abuse and employee assistance plan provider. In addition, MetLife continues as the district's life insurance (both district-provided and employee optional) and UNUM continues for disability coverage. These programs are quoted every three to five years (or before, when necessary) to ensure the plan is receiving quality and cost-efficient services.