


**INDEPENDENT SCHOOL DISTRICT NO. 271
Bloomington, MN**

REQUEST FOR SCHOOL BOARD ACTION

DATE OF BOARD MEETING: May 14, 2018
SUBJECT: 2018-19 Vendors and Rates for District Group Insurance
ORIGINATING DEPARTMENT: Office of Human Resources
APPROVAL OF ADMINISTRATOR: Mary Burroughs 
Executive Director of Human Resources

RESOLUTION FOR BOARD TO ADOPT:

RESOLVED that the School Board of Independent School District No. 271 approves the vendors and rates for District group insurance for the 12-month period from July 1, 2018 to June 30, 2019, per the attached memo.

1. PreferredOne – Third Party Administrator for Self-Funded Health Insurance
2. PreferredOne Insurance Company (PIC) – Reinsurance for Self-Funded Health Insurance
3. Fairview – Employee Assistance Program (EAP)
4. HealthEquity – Health Savings Accounts Provider
5. Delta Dental – Third Party Administrator for Self-Funded Dental Insurance
6. VOYA – Long-Term Disability (LTD) Insurance
7. VOYA – Life Insurance
8. OneDigital – Benefits Consultant
9. PlanSource – Benefits Consultant (OneDigital administrative services)
10. VOYA – Critical Care Insurance Program
11. Voluntary Programs

FURTHER BE IT RESOLVED that the School Board of Independent School District No. 271, per its organization meeting of January 8, 2018, authorizes the Superintendent, or his designee, to execute documents within the authorized budget as appropriate to the daily operations of the school district.

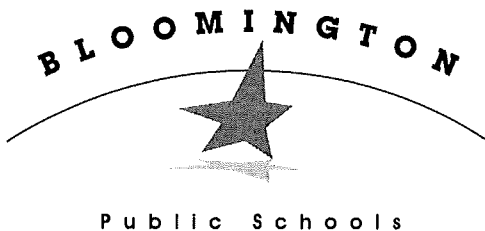
REVIEW AND RECOMMENDATION OF SUPERINTENDENT:

Approve. 

DETAILED BACKGROUND:

This Board motion follows the move in 2010 to consolidate Board motions regarding District group insurance. The attached memo provides the specifics of the recommended resolution, as well as significant background information.

Recommended by Office of Human Resources, District Insurance Committee, District Benefits Consultant and Office of Business Services.



TO: School Board
 FROM: Mary Burroughs, HR Director
 DATE: May 14, 2018
 RE: Memo: Vendors and Rates for District Group Insurance

The Office of Human Resources and Labor Management Committee recommend the following vendors and rates for District group insurance for the 12-month period from July 1, 2018 to June 30, 2019, as follows:

1. PreferredOne – Third Party Administrator for Self-Funded Health Insurance (renewal)

Fee per member per month	2017-18	2018-19	%
Administrative Services (ASO) Fee	\$25.00	\$25.00	0%
Pharmacy Benefit Management (PBM) Fee	\$ 3.00	\$ 3.00	0%

- Rate Cap: Second year of a three-year admin rate cap
- Projected annual cost of administrative contract \$467,712 (1,392 contracts)
- Projected additional annual ASO cost over 2017-18: none

2. PreferredOne Insurance Group (PIC) – Reinsurance for Self-Funded Health Insurance (renewal)

Premium per member per month	2017-18	2018-19	%
Specific Stop-Loss Premium - Single	\$27.61	\$34.52	25%
Specific Stop-Loss Premium - Family	\$82.27	\$102.85	25%
Aggregate Stop-Loss Premium	\$ 0.61	\$.061	0%

- Specific Stop-Loss: \$200,000 per member annually (no change)
- Rate Cap: 9%, next year's contract
- Projected annual cost of contract: \$1,053,930 (specific); \$10,000 (aggregate) = \$1,053,940 (total)
- Projected annual cost over 17-18: \$208,914 (specific).

3. Fairview – Employee Assistance Program (EAP) (renewal)

Fee per employee per year	2017-18	2018-19	%
Program Fee	\$20.00	\$20.00	0%

- Rate Cap: none; one-year contract
- Projected annual cost of contract: \$38,160 (1,908 members)
- Projected additional annual cost over 2017-18: none

4. HealthEquity – Health Savings Accounts Provider (renewal)

Fee per member per month	2017-18	2018-19	%
One-time set-up fee:	waived	waived	-
Administrative Services fee	\$2.95	\$2.95	0%

- Rate Cap: none; one-year contract
- Projected annual cost of contract: \$47,931.60 (1,354 members)
- Projected additional annual cost over 2017-18: none

5. Delta Dental – Self-Funded Dental Insurance (renewal)

Fee per member per month	2017-18	2018-19	%
Administrative Services Fee	\$3.15	\$3.31	5%

- Rate Cap: First year of five year contract
- Projected annual cost of administrative contract: \$69,514.20 (1,839 contracts)
- Projected additional annual cost over 2017-18: none

6. VOYA (previously ING) – Long-Term Disability (LTD) Insurance (renewal)

Rate per \$100 of payroll per month	2017-18	2018-19	%
Long-term disability	\$0.29	\$0.31	6%

- LTD covers 66.7% of salary for full-time employees after 90-calendar day elimination period.
- Rate Cap: First year of two year contract
- Projected annual cost of contract: \$245,446.08 (1,587 members)
- Projected additional annual cost over 2017-18: none

7. VOYA (previously ING) – Life Insurance (renewal)

Rate per \$1,000 of payroll per month	2017-18	2018-19	%
Basic Life	\$0.120	\$0.120	0%
Accidental Death & Dismemberment	\$0.013	\$0.013	0%
Dependent Life (per employee per month)	\$ 0.48	\$0.48	0%

- Coverage: two times salary/wages for all part-time and full-time employees
- Dependent Life: Spouse and Dependent Children (to age 26) insured for \$2,000
- Rate Cap: First year of two year contract
- Projected annual cost of administrative contract: \$290,832.60 (1,757 members)
- Projected additional annual cost over 2017-18: none

8. OneDigital (previously Corporate Health Systems) – Benefits Consultant (renewal)

Fees	2017-18	2018-19	%
Annual Benefits Consulting Fee (annual fee)	\$75,000.00	\$75,000.00	0%
DC FSA Plan Re-Draft (annual fee)	400.00	400.00	0%

- Corporate Health provides benefit consulting and administers the District Dependent Care Flexible Savings Account (DC FSA) program and COBRA/retiree insurance administration program.
- Rate Cap: none; one-year contract
- Projected annual cost of flex/COBRA/retiree admin contract: \$25,462.00
- Projected additional annual cost over 2017-18: none

9. PlanSource (services previously OneDigital) – Benefits Consultant (renewal)

Fees	2017-18	2018-19	%
DC FSA Enrollment Fee per occurrence	\$9.19	\$9.19	0%
DC FSA Admin Fee per member per month	\$3.65	\$3.65	0%
COBRA/Retiree Event Fee per occurrence	\$3.23	\$3.23	0%
COBRA/Retiree Admin Fee per member per month	\$4.69	\$4.69	0%

10. VOYA (previously ING) – Critical Care Insurance (renewal)

Rate per employee per month	2017-18	2018-19	%
Critical Care	\$2.18	\$2.18	0%

- Coverage: \$2,000 per incident for all part-time and full-time employees.
- Rate Cap: none; one-year contract
- Opt-out option: Employee may opt-out, same as for District group life insurance (over \$50,000).
- Premiums paid by District self-funded health insurance fund. Taxes on premium paid by employee (three times per year), so that benefit is non-taxable to the employee.
- Projected annual cost of contract: \$44,969.04 (1,719 members)
- Projected additional annual cost over 2017-18: none

11. Voluntary Programs – no cost to the District

- EyeMed Vision Care – Voluntary Vision Program– Second year of a four-year rate cap
- VOYA (previously ING) – Voluntary Accident/Wellness Program – one-year contract.
- UCare – Medicare Supplement (continuous renewal)