

2011 - 2012 Health Benefits Proposal

May 24, 2011

Current PCHS Plans

- Medical (at no cost to employees and dependents)
 - Anthem Blue Cross HMO
 - Anthem Blue Cross PPO Select
 - Kaiser HMO
 - Anthem Blue Cross PPO (employee pays difference)
- Dental
 - Delta Dental Premier Incentive PPO
 - Delta Dental PPO with Ortho

Current PCHS Plans

- Vision
 - VSP Signature
- Life Insurance
 - Mutual of Omaha - 20K of coverage paid by PCHS
 - Additional Voluntary available
- Flexible Spending Accounts
 - Medical
 - Dependent Care

Anthem Blue Cross HMO

	Current Plan	Proposed Plan
Office Co-pay	\$20	\$20
Prescription Plan	\$10 Generic \$20 Brand	\$9 Generic Generic Free @Costco \$35 Brand
Hospital Co-pay	\$250	\$250

Anthem Blue Cross PPO Select

	Current Plan	Proposed Plan
Office Co-pay	\$20	\$20
Prescription Plan*	\$5 Generic Generic Free @Costco \$15 / 35 Brand	\$10 Generic Generic Free @Costco \$35 Brand \$200 Deductible for brand
*Current RX plan was discontinued		

Anthem Blue Cross PPO

	Current Plan	Proposed Plan
Office Co-pay*	\$10/20	\$10/20
Prescription Plan	\$10 Generic Generic Free @Costco \$35 Brand \$200 Deductible for brand	\$10 Generic Generic Free @Costco \$35 Brand \$200 Deductible for brand
*There are two options with different premium differentials		

Kaiser HMO

	Current Plan	Proposed Plan
Office Co-pay	\$20	\$20
Prescription Plan	\$10 Generic \$20 Brand	\$10 Generic \$20 Brand
Emergency Room Co-Pay	\$50	\$100*
*Change made to LAUSD Kaiser 1/2011		

Dental, Vision and Life

- No Proposed Changes to plans
- No Cost changes to Vision, Life and one of the Dental Plans
- The Delta PPO with Ortho increases
 - Current \$87.90/Month
 - New Rate \$94.9
 - Currently 73 employees are enrolled
 - Annual Cost increase of \$6,132 (assuming same enrollment)
 - HWC suggested increased communication regarding the plan differences
 - In the past they were similar cost

Monthly Cost for Medical

Current	Kaiser	BC HMO	BC PPO Select	BC PPO Other	Total
Employees	44	79	32	28	183
Current Monthly Cost	\$798	\$801	\$802	\$802	
Total	\$35,112	\$63,279	\$25,664	\$22,456	\$146,511
Proposed Monthly Cost	\$898	\$807	\$785	\$807	
Total	\$39,512	\$63,753	\$25,120	\$22,596	\$150,981

Annual Cost for Medical

Current	Proposed
\$1,758,132	\$1,811,772
Difference	\$53,640 or 3.05%

Kaiser Difference alone is \$52,800
This amount is embedded in the overall difference above
Annual is defined as October 1, 2011 – September 30, 2012

Cost Containment

- Office co-pays do not increase on any plan
- Able to help to offset the Kaiser increase by adjusting Prescription plans on the Blue Cross Products
 - Anthem PPO Select now matches the other PPO options
 - Anthem HMO has a lower generic co-pay, higher generic co-pay as well as a free option at Costco
 - Dental increase will depend on enrollment

Estimated Cost Increase

- Assuming identical enrollment
 - Medical increase \$53,640
 - Dental increase \$6,132
 - Total \$59,772

Other Options

- Anthem Blue Cross can not provide a quote until we have been away for a 1 year
- Kaiser will match our rate for 1 year and then our rate would be set based on our utilization
- Quotes from other carriers (Aetna and Cigna) ranged from \$1400-2200 monthly family rate vs our proposed composite rates that range from \$785 - \$898

Advantages to SISC

- Protection of a large pool
- No cost for Flexible Spending Accounts
- Last year we benefited from the October 1 enrollment date by delaying the Kaiser plan changes (Emergency room co-pay increase)
- We go into the fiscal year with more information on cost
 - Prior year rates for July - September
 - Rates known for October - June
 - January 1 enrollment does not provide cost information until October/November

Disadvantage of timing

- PCHS operates on a same or better benefit plan than LAUSD
- LAUSD plan and rate updates occur January 1 of each year
- PCHS given October 1 renewal may have much better plans than LAUSD if significant changes are made by LAUSD (cost sharing, co-pay increases)

LAUSD Comparison

- Kaiser
 - ER co-pay now the same as LAUSD
 - LAUSD has higher brand RX co-pay (\$25 vs \$20)
- Dental
 - LAUSD offers ortho on all plans
 - PCHS offers it on one of the two dental plans and is comparable coverage

LAUSD Comparison

- Anthem Blue Cross PPO
 - LAUSD has an EPO, no PPO option
 - Choice of Drs
 - Higher Cost to employee than PPO
- Anthem Blue Cross HMO
 - Plan is more comparable to LAUSD HealthNet
 - LAUSD HealthNet office co-pays are 20/30
 - LAUSD RX is 5/25/45
 - LAUSD has Anthem Blue Cross HMO Select
 - Excludes Cedars, UCLA and Santa Monica Bay Physicians among others

Thank you.