

Medical Benefits

1. ESD 112 Medical Plans for 2017/2018

- Same Kaiser and Regence Plans we had in 2016-2017
- Premiums were increased to cover significant cost increase

KAISER

(\$3,000 deductible, \$20 office visit copays, 20% coinsurance)

	2015-2016	2016-2017	2017-2018
Employee Only	\$70.00	\$50.00	\$55.00
Employee/Spouse	\$245.00	\$235.00	\$260.00
Employee/Children	\$188.00	\$183.00	\$202.00
Full Family	\$360.00	\$350.00	\$385.00

REGENE PLAN-B

(\$5,000 deductible, \$30 office visit copays, 30% coinsurance)

	2015-2016	2016-2017	2017-2018
Employee Only	\$77.00	\$60.00	\$78.00
Employee/Spouse	\$295.00	\$295.00	\$363.00
Employee/Children	\$210.00	\$210.00	\$258.00
Full Family	\$428.00	\$428.00	\$528.00

REGENE PLAN-A

(\$3,000 deductible, \$20 office visit copays, 20% coinsurance)

	2015-2016	2016-2017	2017-2018
Employee Only	\$98.00	\$105.00	\$128.00
Employee/Spouse	\$368.00	\$396.00	\$488.00
Employee/Children	\$270.00	\$290.00	\$358.00
Full Family	\$529.00	\$569.00	\$695.00

- Amount our employees pay out of pocket towards the deductible before being reimbursed by the HRA increased from \$500 to \$750

2. Factors that Influenced Decisions

- Significant increase in the number of claims ESD 112 employees filed and the costs
 - Regence - 22 claims > \$25,000; 6 claims > \$100,000 and 1 claim > \$1,000,000
 - Loss Ratios were at 88% and 77.6% and carriers expect no more than 70%
- To cover losses and future claims, proposed cost for insurance went up \$917,270
- Pursued proposals from other carriers
 - United Health Care, MODA, Providence, Cigna, Pacific Source and Health Net
 - Claims experience was so poor they weren't interested in offering us medical insurance
- Explored option of going exclusively with Kaiser – Kaiser Added Choice
 - Preferred provider network didn't include crucial providers
- Pushed Regence to reconsider with threat of going to Kaiser, pushed Kaiser for best offer
- Total cost to renew current dropped from \$917,270 to \$683,629; a 25% reduction
- ESD contributed an additional \$286,000 – balance covered with increased premiums
- Cost for Kaiser is significantly lower than cost for Regence – premiums reflect this
- ESD funds the HRA that is used for deductibles
 - Increased claims and increase in number of employees using HRA
 - Amount ESD must set aside to pay HRA portion of deductible increased
 - Employees contributing \$250 more to assist

3. What's Next

- Claims experience continues to increase – this will produce increased costs
- Fewer employees declining coverage – increases costs because less in the pool
- 2242 requires participation in the School Employee Benefit Board (SEBB) plan in 2019
 - Eliminates ESD control of pooling
 - Increased costs for programs and employees, especially for full-family coverage
- Very difficult to get other providers to offer quality plan at lower cost
- Difficult decisions to make next year – may seek input through MAT or advisory group