

TALC & SPALC Bargaining Article 11 - Benefits



PERSONAL | PASSIONATE | PROGRESSIVE



One Pot of Money – What is Total Compensation?

- Annual Salary
- Salary Supplements
- Hard to staff \$
- Employer FRS Contributions
- Flex Credits - \$7360.80 per year
- District-Paid Life Insurance (\$20,000)
- Paid Leave – Sick, Holiday, Personal, Vacation
- Employee Assistance Program
- Professional Development
- Employer Social Security Contributions
- Employer Medicare Contributions
- Unemployment insurance
- Workers' Compensation



Insurance Inputs

- TALC and SPALC Bargaining Contracts – Article 11 - Benefits
 - Eligibility
 - Flex Credits – Currently \$7,360.80 per year per enrolled employee
 - Option to Decline Benefits
 - Life Insurance
- TALC and SPALC Bargaining Contracts – Article 13.03(1)
 - Insurance Task Force – 16 members
 - 8 Union Reps - 4 TALC and 4 SPALC
 - 8 Management Reps



Question:

- Have you ever said, or heard a coworker say,
 - “our insurance is too expensive”?
 - “we should get the insurance that <insert other entity> has”?



The “Cost” of Insurance

$$\begin{array}{|c|} \hline \text{Total} \\ \text{Premium} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Employer} \\ \text{Contribution} \\ \text{(Article 11.02)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Employee} \\ \text{Cost} \\ \hline \end{array}$$

To add more money into the health insurance fund, we negotiated an increase to the monthly premium by \$62/month as well, which with the aforementioned increase to the board contribution, there is ***no net increase to the employee.***



Total Premiums

(if Lee Schools Enrolled in their plan at their rates)

	Lee Schools Enrollment	Lee Schools	Lee County Sheriff	Lee County - BOCC	City of Cape Coral	Collier Schools	City of Fort Myers
EE Only	9367	\$ 639.40	\$ 775.47	\$ 980.00	\$ 868.88	\$ 765.75	\$ 727.38
EE/Sp	187	\$ 1,530.60	\$ 1,595.62	\$ 1,775.00	\$ 1,476.40	\$ 1,341.83	\$ 1,505.64
EE/Child	857	\$ 954.30	\$ 1,595.62	\$ 1,745.00	\$ 1,190.33	\$ 953.67	\$ 1,367.45
EE/Children	236	\$ 1,333.20	\$ 1,595.62	\$ 1,745.00	\$ 1,190.33	\$ 1,329.42	\$ 1,367.45
EE/Family	162	\$ 1,926.20	\$ 1,595.62	\$ 1,790.00	\$ 1,793.08	\$ 1,637.92	\$ 2,309.40
Total	10809	\$7,706,221.30	\$9,550,350.95	\$ 11,692,875.00	\$9,993,107.81	\$8,808,007.34	\$8,950,118.03

- Lee Schools has the lowest **Total Premium** for insurance.



Employer Contribution

(if Lee Schools Enrolled in their plan at their rates)

	Lee Schools Enrollment	Lee Schools	Lee County Sheriff	Lee County - BOCC	City of Cape Coral	Collier Schools	City of Fort Myers
EE Only	9367	\$ 613.40	\$ 775.47	\$ 965.00	\$ 868.88	\$ 765.75	\$ 727.38
EE/Sp	187	\$ 613.40	\$ 1,595.62	\$ 1,630.00	\$ 913.06	\$ 765.75	\$ 1,272.16
EE/Child	857	\$ 613.40	\$ 1,595.62	\$ 1,630.00	\$ 892.26	\$ 765.75	\$ 1,175.43
EE/Children	236	\$ 613.40	\$ 1,595.62	\$ 1,630.00	\$ 892.26	\$ 765.75	\$ 1,175.43
EE/Family	162	\$ 613.40	\$ 1,595.62	\$ 1,630.00	\$ 936.10	\$ 765.72	\$ 1,834.80
Total	10809	\$6,624,720.00	\$9,550,350.95	\$ 11,374,945.00	\$9,428,212.02	\$8,270,095.14	\$8,621,795.53

- Lee Schools has the lowest **Employer Contribution** for Insurance.



Employee Costs

(if Lee Schools Enrolled in their plan at their rates)

	Lee Schools Enrollment	Lee Schools	Lee County Sheriff	Lee County - BOCC	City of Cape Coral	Collier Schools	City of Fort Myers
Total Premiums	10809	\$7,706,221.30	\$9,550,350.95	\$ 11,692,875.00	\$9,993,107.81	\$8,808,007.34	\$8,950,118.03
Total Employer Contributions	10809	\$6,624,720.00	\$9,550,350.95	\$ 11,374,945.00	\$9,428,212.02	\$8,270,095.14	\$8,621,795.53
Total Employee Contributions		\$1,081,501.30	\$ -	\$ 317,930.00	\$ 564,895.79	\$ 537,912.20	\$ 328,322.50

- Lee Schools has the lowest **Total Premium** for insurance.
- Lee Schools has the lowest **Employer Contribution** for insurance.
- Lee Schools has the highest **Employee Cost** for insurance.



The Cost of Insurance

$$\begin{array}{|c|} \hline \text{Total} \\ \text{Premium} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Employer} \\ \text{Contribution} \\ \text{(Article 11.02)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Employee} \\ \text{Cost} \\ \hline \end{array}$$

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Total Premium



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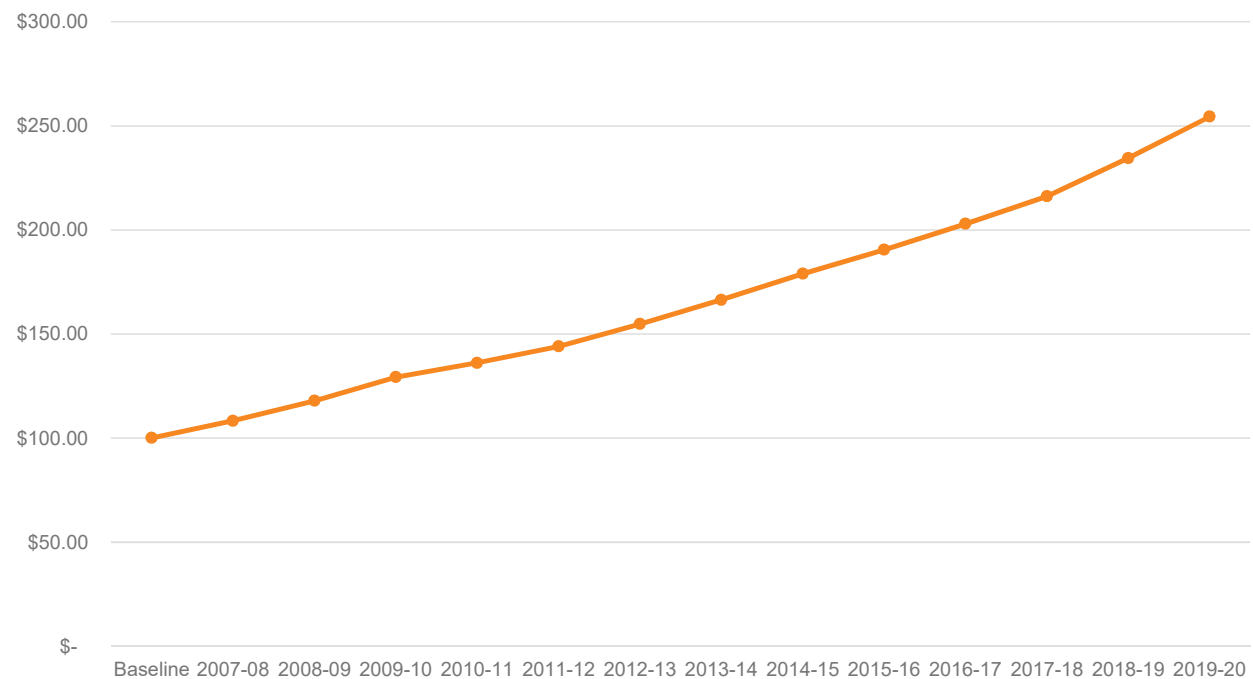
Medical Trend

- Medical Trend Rate is defined as the percentage of change in the cost of health care prior to any cost-containment measure undertaken by plan sponsors.
- Medical Cost Drivers:
 - aging populations
 - overall declining health
 - unhealthy lifestyle habits



Medical Trend History

- 2007-08 8.30%
- 2008-09 8.90%
- 2009-10 9.60%
- 2010-11 5.30%
- 2011-12 5.80%
- 2012-13 7.50%
- 2013-14 7.50%
- 2014-15 7.50%
- 2015-16 6.50%
- 2016-17 6.50%
- 2017-18 6.50%
- 2018-19 8.50%
- 2019-20 8.50%





Reducing Total Premium Rise

- Wellness Programs targeting cost drivers
 - Exercise, nutrition, health screenings, financial wellness, mindfulness, EAP
- Plan Designs to encourage early detection and treatment
 - Testing covered at 100% - preventative and diagnostic
- Prescription formularies and plan design
- Provider networks

Employer Contribution

Article 11.05



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The Cost of Insurance

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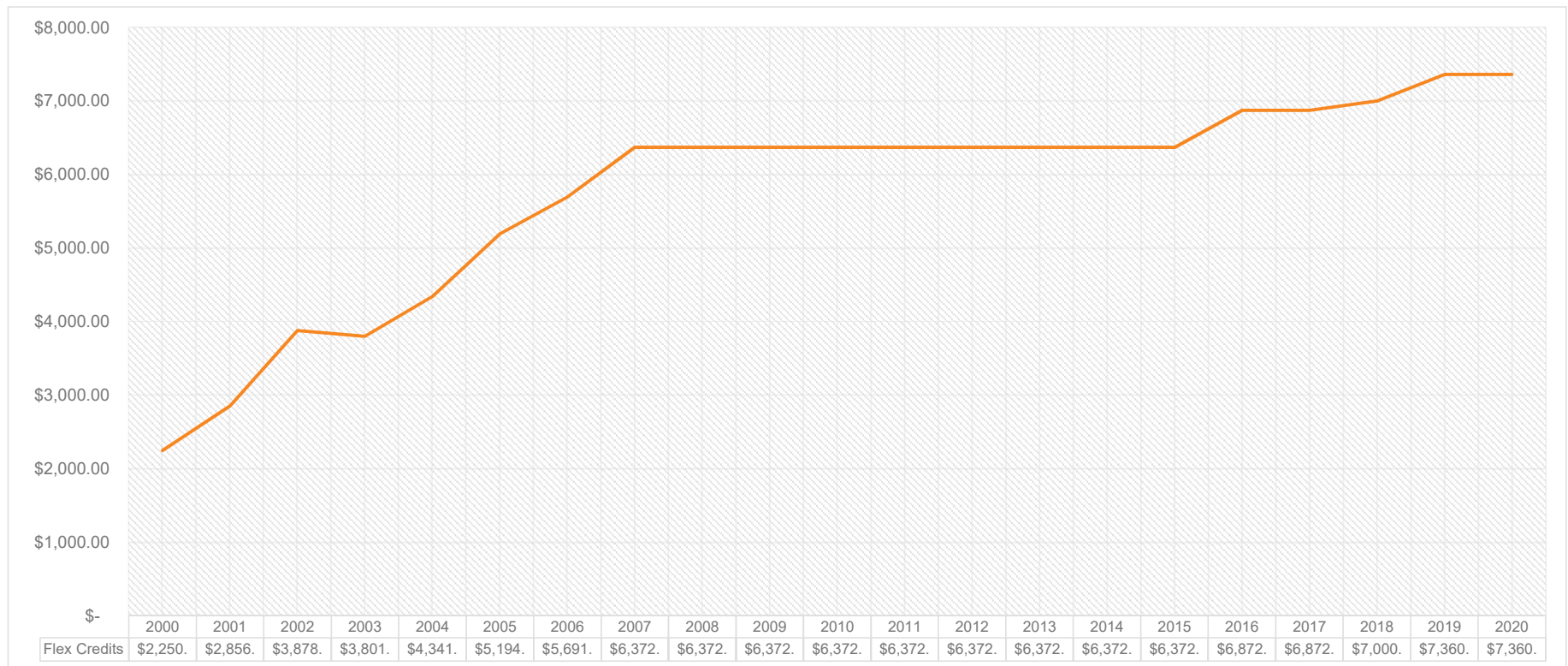


History of Bargaining Outcomes for Board Contribution

- 2007 – Flat amount of \$6372.00
- 2008 – no increase
- 2009 – no increase
- 2010 – no increase
- 2011 – no increase
- 2012 – no increase
- 2013 – no increase
- 2014 – no increase
- 2015 – no increase
- 2016 - \$500.00 increase
- 2017 – no increase
- 2018 - \$128.40 increase
- 2019 – \$360.00 increase
- 2020 – No Increase



History of Bargaining Outcomes for Board Contribution





History of Bargaining Outcomes for Board Contribution

- From 2007 until 2020, the medical trend increased costs 250% (a \$100 charge in 2007, would cost \$250 in 2020)
- From 2007 until 2020, the Board Contribution increased a total of \$988.00, which was an increase of 15.5%.



The Cost of Insurance

$$\begin{array}{|c|} \hline \text{Total} \\ \text{Premium} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Employer} \\ \text{Contribution} \\ \text{(Article 11.02)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Employee} \\ \text{Cost} \\ \hline \end{array}$$

- Lee Schools has the lowest **Total Premium** for insurance.
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2021-22 Plan Options



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2021/22 Rates and Contributions – Proposal A

No Change to Current



Monthly Rates			
	9520	HDHP	7419
EE	\$639.40	\$458.40	\$613.40
EE+Sp	\$1,530.60	\$1,223.20	\$1,465.60
EE+Ch	\$954.30	\$728.60	\$914.50
EE+Children	\$1,333.20	\$1,053.90	\$1,276.80
Family	\$1,926.20	\$1,562.70	\$1,843.80

Monthly EE Contribution			
	9520	HDHP	7419
EE	\$26.00	\$0.00	\$0.00
EE+Sp	\$917.20	\$764.80	\$852.20
EE+Ch	\$340.90	\$270.20	\$301.10
EE+Children	\$719.80	\$595.50	\$663.40
Family	\$1,312.80	\$1,104.30	\$1,230.40

Percentage of Total Enrollment			
	66%	6%	28%

Projected Required Funds for the 21/22 Plan Year	\$96,100,000
EE Contr	\$13,489,000
ER Funding \$613.40 Funding per Eligible	\$73,549,000
ER Funding of HSA Account per Flex Credits Remainder	\$1,222,000
Total EE+ER Contributions	\$88,260,000

Projected Surplus/(Deficit)	(\$7,840,000)
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Note:
Assuming same count of COBRA and Retirees for 21/22 Plan Year as April 2020 enrollment



	Proposed PY 21/22 Plan Designs				
	9520	HDHP		7419	
	In-Net	In-Net	OON	In-Net	OON
Medical					
Ded (Ind/Fam)	\$900/ \$2,700	\$2,800/ \$5,400	\$7,500/ \$15,000	\$1,750/ \$5,250	\$5,000/ \$15,000
Plan Coins	80%	80%	60%	80%	60%
OOPM	\$4,750/ \$9,500	\$6,250/ \$12,500	\$12,500/ \$25,000	\$6,250/ \$12,500	\$12,500/ \$25,000
Preventive	100%	100%	Coins	100%	Coins
OV Copay-PCP	\$30	Coins/Ded	Coins/Ded	\$50	Coins/Ded
OV Copay-Spec	\$50	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded
IP	\$150 + Coins/Ded	Coins/Ded	Coins/ Ded	Coins/Ded	Coins/Ded
Teladoc	\$10	\$40 + Coins/Ded	N/A	\$10	N/A
CVS MinuteClinic	\$0	Coins/Ded	N/A	\$0	N/A
Behavioral Health	\$0	\$0 AD		\$0	N/A
ER Copay	\$500	Coins/Ded	INN Coins /Ded	Coins/ Ded	20% Coins /Ded
UC Copay	\$75	Coins/Ded	Coins/Ded	Coins/Ded	Coins/Ded
HSA Seed		\$1,860 Single/ \$1,860 Family			
Rx					
Retail (1 Month)					
Gen	\$5	Coins/Ded		\$15	Coins/Ded
FB	\$30	Coins/Ded		\$45	Coins/Ded
NFB	\$50	Coins/Ded		\$65	Coins/Ded
Mail (3 month)					
Gen	\$10	Coins/Ded	Not covered	\$30	Not covered
FB	\$60	Coins/Ded		\$90	
NFB	\$100	Coins/Ded		\$130	
AV	85%	85%		80%	



Options without an Increase to Board Contribution

- Increase premiums to cover expected claims. (Proposal C.2)
 - With no increase to Board Contribution, the increased premiums would be paid by employees.
- Reduce plan benefits to reduce expected claims. (Proposal D)
 - No premium increase, but more expensive to employees when they use the coverage
- Split – increase the premiums to cover 50% and reduce benefits to cover the other 50% (Proposal E.2)
- Start over – Eliminate the 3 current plans and replace with 2 new plans. (Proposal F)



Proposal

- Increase Board Contribution from \$7360.80 to \$8104.80 per employee per year. This is an increase of \$744 per year or \$62.00 per month.
- Increase the Total Monthly Premiums of our current plans by \$62.00 per month.
- By increasing the Total Monthly Premium and the Employer contribution, each by \$62.00, the net impact to employees is no premium increase for the exact same plans.

2021/22 Rates and Contributions – Proposal G

Plans Status Quo; ER Contr increases to \$675.40; 100% of Projected Deficit applies to ER Contr; EE Contr do not change; Keep HSA at \$1,860



Monthly Rates			
	9520	HDHP	7419
EE	\$701.40	\$520.40	\$675.40
EE+Sp	\$1,592.60	\$1,285.20	\$1,527.60
EE+Ch	\$1,016.30	\$790.60	\$976.50
EE+Children	\$1,395.20	\$1,115.90	\$1,338.80
Family	\$1,988.20	\$1,624.70	\$1,905.80
Monthly EE Contribution			
	9520	HDHP	7419
EE	\$26.00	\$0.00	\$0.00
EE+Sp	\$917.20	\$764.80	\$852.20
EE+Ch	\$340.90	\$270.20	\$301.10
EE+Children	\$719.80	\$595.50	\$663.40
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Percentage of Total Enrollment			
	66%	6%	28%
Projected Required Funds for the 21/22 Plan Year			\$96,100,000
EE Contr			\$13,772,000
ER Funding \$613.40 Funding per Eligible			\$81,106,000
ER Funding of HSA Account per Flex Credits Remainder			\$1,222,000
Total EE+ER Contributions			\$96,100,000
Projected Surplus/(Deficit)			\$0

Note:

Assuming same count of COBRA and Retirees for 21/22 Plan Year as April 2020 enrollment

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Gen	\$10	Coins/Ded	Not covered	\$30	Not covered
FB	\$60	Coins/Ded		\$90	
NFB	\$100	Coins/Ded		\$130	
AV	85%	85%		80%	

