

SIoux CITY COMMUNITY SCHOOL DISTRICT

ANNUAL REPORT FOR OUR MEDICAL PLAN

2020-21 Renewal Action

Medical Plan Experience

The plan's loss ratio continued to run higher than anticipated, at almost .90 for the past two years. This is higher than our targeted loss ratio of .85. The loss ratio is a comparison of claims to premium, which does not include any fees to administer the plan, health care reform fees, or other administration costs that are also incurred by UHC. This means that for every \$1 spent in premium, about 90 cents is spent on claims.

UnitedHealthcare observed the following during the 2018-19 plan year:

- Top common conditions for our members include intervertebral disc disorders (back), high blood pressure, high cholesterol, diabetes, depression, osteoarthritis, headaches, and COPD. *Remember to take advantage of our wellness resources!*
- Specialty drug spend increased by 75%, driven by high cost specialty medications with very focused health condition uses. Although specialty medications are a small percentage of all prescriptions, they represent 54% of the total prescription drug cost for our plan.
- Adult routine exams increased again to 56% in this plan year but were still below the average for UHC's school district book of business, which is 68%. *Remember, routine exams and lab work are paid at 100% by our medical plan!*

2020-21 Renewal Decisions

MEDICAL: Our Insurance Committee has been working towards implementing a High Deductible Health Plan (HDHP) since 2018, and the timing is right to offer for July 2020. We believe that a High Deductible Health Plan will help to slow the cost of our District's claims. We will continue to offer the Value \$1,500 Plan, with no plan design changes, but the Basic \$750 Plan will no longer be offered.

High Deductible Health Plans are different in that the full cost of all health services (except ACA preventive services, which are covered at 100% in-network) are applied towards the deductible – including office visits and prescription drugs which traditionally have applied a copay. However, once a member reaches the plan deductible, claims will be paid at 100%. Remember that although our plan year is July – June, deductibles will start over on January 1st – even for the HDHP.

High Deductible Health Plans allow employees to establish Health Savings Accounts, which can be used like an FSA to reimburse for medical plan expenses. One benefit, though, is that funds remaining in the HSA at the end of the plan year, roll forward, and are always an employee's to keep. The HSA can also be used as a tax-advantaged way to save for retirement.

Medical Plan Renewal Decisions

- Continue with UnitedHealthcare
- Continue with the Value \$1,500 plan
- Implement a \$3,500 Deductible HDHP

VISION PLAN: Since the District's contract with VSP was at the end of its rate guarantee period, our benefits consultant completed a market study with five carriers. Our insurance committee decided to stay with VSP, which offered a 17% reduction in premium rates with no changes to our plan design!

OTHER BENEFITS: There are no rate increases and no plan design changes for our dental, life insurance or LTD plans. We will continue with 121 Benefits for our FSA and COBRA administration.

Our District's Insurance Committee

The Sioux City Community School District has an Insurance Committee that consists of members from each of the major employee groups. If you have any comments regarding our health insurance coverage, please contact one of the following members: Robyn Barricks, Margaret Behrens, Patty Blankenship, Jason Copple, Preston DeBoer, Chris Engel, Lisa Franco, Dr. Paul Gausman, George Gengler, Jan George, Jamie Guffy, Kysa Hagemann, Deborha Kindig, Richard Luze, Kim Smith, Kristine Snavely, Jarrod Solomon, Dr. Rita Vannatta, Heath Van Roekel, Stefanie Verros, Spencer Yockey, and Brenda Zahner.

2020-21 Initiatives for our Medical Plan

- **Continue to Promote Virtual Visits.** Employees have access to virtual visits for non-emergency medical conditions for the same copay as an office visit. When you aren't feeling well, this is an easy way to seek care for conditions like the cold, flu, pink eye, sinus infections and rashes from the comfort of your home. Starting on July 1st, there will be no charge for Virtual Visits for those enrolled in the Value \$1,500 Plan. Although the charge for the Virtual Visits will be applied to an HDHP member's deductible, the cost is significantly lower than in-person office visits, urgent care or emergency room expenses.

It is important to note that UHC distinguishes between Virtual Visits, which are services provided by national providers – Teladoc and Doctor on Demand - and Telehealth Services that your own physician may provide as an alternative to an in-person appointment. Telehealth Services will apply the appropriate member cost-share for the Value \$1,500 Plan and will likely be most expensive for those on the HDHP than a Virtual Visit.

- **Promote Mental Health Resources.** Therapy services with licensed counselors, psychiatrists and psychologists are covered by our medical plan. Additional services available are:
 - **EAP through the LTD plan:** If you are covered by the LTD plan, you are eligible for three free counseling sessions each year, provided by Morneau Shepell.
 - **EAP through the medical plan:** If you are covered by the medical plan, you are eligible to receive unlimited behavioral health and EAP services through their CARE 24 program.
- **Enhance Wellness Initiatives.** For our 2019-20 plan year, UnitedHealthcare provided the District with a \$25,000 budget to use for wellness initiatives, and they have renewed this benefit for 2020-21! We have used these funds for diabetic education seminars, biometric screening participation prizes, Live Health Iowa enrollment subsidy, and other wellness participation prizes.