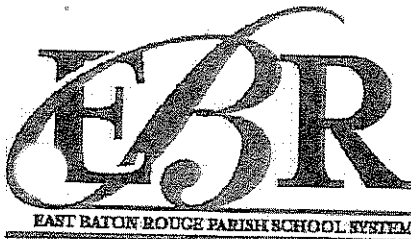


**Advisory Group for Insurance
East Baton Rouge Parish School System**

**May 1, 2013
10:00 AM – 12:00 PM
IRC Building**

Agenda

1. Welcome
2. Introductions
3. Purpose of the Advisory Group of Insurance
4. Minutes of last meeting on 04-11-13
5. Mercer presentation
6. Presentations by Humana & United Healthcare
7. Discussion and Recommendation
8. Next Steps



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TO: Dr. Bernard Taylor, Jr., Superintendent of Schools
CC: Millie Williams, Interim Executive Director for Human Resources
James Crochet, Chief Finance Officer
FROM: Catherine Fletcher, Chief Business Operations Officer *Catherine*
DATE: April 18, 2013
RE: Advisory Group for Insurance Meeting

memorandum

The Advisory Group for Insurance met on April 11, 2013. A sign-in sheet and an agenda are attached. A summary of the meeting follows:

- Purpose of the Advisory Group was re-stated: To open a line of communication between this Advisory Group and the District to secure their input on alternative options for affordable healthcare for actives and retirees for 2014 and beyond.
- Summary of the February 27, 2013 meeting was provided. There was discussion.
- Presentation by Mercer of the Projected 2014 Medical/Rx Benefits Costs for Actives, Non-Medicare Eligible Retirees, and Medicare Eligible Retirees. Basis of presentation was status quo and prior year claims history. Status quo meaning that the employer pays the same as prior year and if any there any increases the participant will assume those increases.
- Presentations by Humana & United HealthCare. These are the top two vendors in the RFP evaluations process for a Medicare Advantage/Gap/Supplement Program. There was an extensive question and answer session. The attendees were disappointment that pricing was still not available.
- Recommendations:
 - Do the same as last year; spread the increase so that all share in the increase equally.
 - Separate the Actives and the Retirees
 - Conduct a survey to determine what the Actives want and what the Retirees want.
- Request for another meeting once the pricing has been calculated for each group and the Medicare Advantage Programs
- Additional options were provided to me by two members outside the meeting.

Attachments (*minutes, Mercer presentation, additional options*)

1. Raise all retiree deductibles, co-pays, pharmacy, premiums, etc. so can stay with EBRPSS
2. Force generic, unless doctor mandates otherwise
3. Design a third tier of premium rates for lower pay employees
4. Catastrophe coverage increase
5. St. Tammy – doing something with Humana, can EBRPSS contact them?
6. 29 hours vs 30 hours for part-time workers to avoid increase in healthcare mandated by Affordable Care
7. Drop life insurance or change to voluntary
8. All retirees treated equally
9. Premium increases to those between 60 & 65, till reach 65
10. Mandate that spouse and dependents have to take the insurance at his/her place of employment
11. From now on all employees who reach 65 must register for Medicare A&B. EBRPSS must be able to monitor this.
12. Could EBRPSS negotiate a waiver for all who would be eligible and would incur penalties for not signing up for Medicare B at the appropriate time because they had EBR and didn't think it was necessary?
13. What if Medicare D was required, too? What kind of cost if added to total retirees premium (Medicare A, B & D plus EBR)?

I. Status Quo

- A. Reduce healthcare expenditures by requiring all employees when they reach age 65 to enroll in Medicare Part B.
- B. Follow the 2004 regulation which requires eligible employees when they reach age 65 to enroll in Medicare Parts A & B. From here forward, failure to enroll in Medicare Parts A & B (if eligible) may result in loss of EBRPSS insurance coverage. Set up an in-house system notify retirees and to double and triple check this process.
- C. Have all perspective retirees attend a workshop by SHIIP set up by EBRPSS prior to retirement.
- D. Premium adjustments
 1. Apply amount saved in most recent purging of ineligible to help cover premium rates increases.
 2. Divide the savings from reducing life insurance and eliminating LA Dental Coverage equally among all retirees and apply this savings toward premiums. As there become more and more Medicare eligible retirees than non Medicare eligible retirees the savings will be more equitably distributed.
 3. Eliminate the "Vision Care Exam", \$30 every 2 years for Optometrist. Apply this savings to premiums. Always Care dental and vision plans continue to be optional.)
 4. Increase premiums across the board (actives and retirees) 12%.
 5. 20% increase allocated to retirees with 4% (ACA) and the remainder funds needed to be allocated to actives .
- E. Changes in plan design as follows:
 1. Raise medical deductibles \$100 for everybody
 2. Raise co-pays to \$35 for primary and \$65 for specialists for everybody
 3. Mixture of above 1. and 2. with varying adjustments to premium rates and benefits.
- F. Adopting the state group model with premiums paid based on years of service. Reward those who contribute to our educational system longer and input more funds into the insurance fund. The current state group model is as follows:

Retiree Participation Schedule

Years of OGB Health Plan Participation Before Retirement

% of Premium Paid by State

< 10 years = 19%

10 years +, but < 15 years = 38%

15 years +, but < 20 years = 56%

20+ = 75%

Schedule not affected when you change OGB health plans
Your participation percentage is set at retirement.

- G. Adjust premiums according to current salary scale with lower salaries paying less and upper salaries paying more.
- H. Changes in plan design differentiating between risk groups as specified in many current plans such as: Tobacco/Non Tobacco (T/NT).
- I. Changes in plan design to add wellness plans which designed to increase individual awareness of physical issues thus reducing doctor visits/claims.
- II. Add a third tier to plan design. Have Buy Up, Core, and Essential options. The essential plan would provide lowest premiums. This affords catastrophic coverage for all.
- III. Modify pharmacy plan design after applying the Medicare Drug Subside Rebate, that only applies to Medicare eligible retirees, received from the federal government in the following manner:
 - A. Increase deductible by \$100 for everybody
 - B. Forced generics through mail order

SHIP, prior to making any decisions the board should have Mrs. Vickie Dufrene, Director of SHIP, assist the board to better understand Medicare programs and implications as related to that of any plan being considered by the board.
