



**FOREST LAKE AREA SCHOOLS  
FOREST LAKE, MN 55025**

**April 7, 2016**

**AGENDA ITEM: 9.7**

**TOPIC: Approval Renewal of Group Employee Medical and Dental Self-Insurances**

**BACKGROUND:** Annually PreferredOne and Delta Dental review the claims to date and present the District with their calculation on what they anticipate the claims will be for the upcoming year along with their premium rates for the next year. Over the past several months, the Employee Benefits Committee reviewed the claims history for group Medical and Dental self-insurance.

**PROCESS:** The group medical and dental self-insurances were reviewed by the Employee Benefits Committee, the Finance Committee and by CHS (Corporate Health Systems).

After reviewing the proposals, the committees voted on a couple plan design changes for medical benefits. Prescription fees would go from \$11/\$11/\$26 to \$22/\$22/\$52, and there would be an addition of \$500 out-of-pocket single and \$1,000 out-of-pocket family. These changes are required to receive a 0% renewal for group self-insured medical.

For dental benefits, the single premium would remain the same but the family premium would go up \$10/month. These changes were required for the renewal for group self-insurance dental.

**RECOMMENDATION:** The Administration, Employee Benefits Committee, and Finance Committee recommend the School Board approve the plan changes for the renewal of group Medical self-insure with PreferredOne and the renewal of group Dental self-insurance with Delta Dental.

# Forest Lake Area Schools - Employee Benefits - Monthly Insurance Premiums - PROPOSED

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>PROPOSED 2016-17</u>	<u>9 yr. avg.</u>
Single Medical	553.97	580.80	624.81	644.40	644.40	739.92	776.92	776.92	776.92	776.92	
Family Medical	1322.08	1387.95	1491.19	1540.39	1540.39	1780.10	1869.11	1869.11	1869.11	1869.11	
		4.84%	7.58%	3.14%	0.00%	14.82%	5.00%	0.00%	0.00%	0.00%	3.93%
		4.98%	7.44%	3.30%	0.00%	15.56%	5.00%	0.00%	0.00%	0.00%	4.03%
* Increase Rx from \$11/26 to \$22/52 Increase single maximum out of pocket by \$500 yr., family by \$1,000 yr. On site clinic (startup - no charge)											
Single Dental	41.45	39.60	39.60	39.60	39.60	39.60	39.60	38.00	38.00	38.00	
Family Dental	124.60	119.00	119.00	119.00	119.00	119.00	119.00	100.00	100.00	110.00	
No benefit changes contemplated, family funding increase necessary											
Life Insurance (per \$1,000)	0.150	0.125	0.125	0.125	0.120	0.120	0.120	0.120	0.114	0.114	<i>renewed same rates</i>
LTD Insurance (by salary total)	0.00520	0.00396	0.00396	0.00396	0.00376	0.00376	0.00376	0.00376	0.00376	0.00376	<i>renewed same rates</i>

\* Rx Copays and maximum out of pocket have not changed since before 2001