

# EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST

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## Consultants

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**DATE:** May 15, 2013

**TO:** All Executive Committee, Board of Managers Members, District Superintendents and Bookkeepers

**FROM:** Jeff Dosier, Chairman, Matt Klosterman, Vice-Chairman  
Tom Dahncke and Leo Hefner, Consultants to the Trust

**RE:** Changes Approved at the May 8, 2013 Board of Managers Meeting

The Egyptian Trust Board of Managers voted to adopt the following changes in premiums and benefits at the May 8, 2013 meeting. All of these changes will be effective September 1, 2013 unless otherwise stated. Questions regarding these changes should be directed to Egyptian Trust Consultants, Tom Dahncke or Leo Hefner, at the phone numbers and email addresses shown above.

### ***A. PREMIUMS – Effective September 1, 2013***

*A 3.4% increase has been approved as follows:*

	Plan A (Platinum)		Plan B (Gold)		Plan C (Silver)		High Deductible Health Plan (Bronze)	
	Current	2013-14	Current	2013-14	Current	2013-14	Current	2013-14
Employee Only	\$686	<b>\$710</b>	\$620	<b>\$642</b>	\$535	<b>\$554</b>	\$456	<b>\$472</b>
Employee + Spouse	\$1,416	<b>\$1,464</b>	\$1,278	<b>\$1,322</b>	\$1,109	<b>\$1,146</b>	\$938	<b>\$970</b>
Employee + Child(ren)	\$1,368	<b>\$1,414</b>	\$1,232	<b>\$1,274</b>	\$1,069	<b>\$1,106</b>	\$920	<b>\$952</b>
Family	\$1,524	<b>\$1,576</b>	\$1,374	<b>\$1,420</b>	\$1,194	<b>\$1,234</b>	\$1,012	<b>\$1,046</b>

### ***B. Medical Benefit Changes – Effective September 1, 2013***

- **Change in Plan Names.** Under the Affordable Care Act (ACA), all insurance plans sold in the individual and small group insurance markets must have certain prescribed actuarial values. The ACA calls these plans the Platinum, Gold, Silver and Bronze Plans, depending on the value. The plans offered by the Trust are not structured to provide the same actuarial values required for the corresponding insured plans. To avoid confusion, the names of the Trust's plans will be changed to Plan A, Plan B, Plan C and High Deductible Health Plan (HDHP).
- **\$40 Benefit for Flu Vaccine Out of Network.** All of the Trust plans cover the flu vaccine at 100% as a preventive care benefit when the vaccine is administered by a provider in the HealthLink network. A benefit is being added to allow up to \$40 payable at 100%, with no deductible, for a member to obtain the flu vaccine from Non-Network providers. Members

may be able to obtain the vaccine from their county health departments or other sources without paying the cost of a doctor office visit. The benefit is intended to encourage members to get the vaccine each year. If a provider (such as a county health department) is not set up to bill insurance for the vaccine, members may submit claims to Meritain for reimbursement up to \$40. A claim form can be found at [www.egtrust.org](http://www.egtrust.org).

- **Consult A Doctor™.** The Consult A Doctor program will be renewed for a fee of \$2.55 per member per month (counting only employees/retirees, not dependents). This program has been very popular with members and has resulted in reduced utilization of Emergency Room services, more than offsetting the cost of the program. This program will also be offered as a voluntary benefit so that district employees and retired employees who are not enrolled in one of the Trust’s medical plans can access this benefit by paying the monthly premium.
- **Healthcare Blue Book Pricing Transparency Tool.** A new pricing transparency tool offered by HealthCare Blue Book will be added. The costs charged by different providers for the same service or procedure can vary extremely widely, often by several hundred or even several thousand dollars, with little or no difference in quality. However, it is very difficult for members to find out what providers charge. The Healthcare Blue Book program will allow members to compare in advance the costs charged by different Network providers for certain diagnostic and imaging procedures, elective surgeries and other procedures. Members will be able to access the program on-line through the Trust ([www.egtrust.org](http://www.egtrust.org)) and CHC websites or may call CHC customer service for assistance with using the program. Members will enter a specific service or procedure and zip code on the website and the program will bring up a list of Network providers within the geographical area that provide the specified service. The provider list is sorted by cost, with the lowest cost providers listed first in the “green zone”, followed by higher cost providers shown in the “yellow zone” and “red zone.” The program shows the range of costs charged by each provider for the service and also shows what Healthcare Blue Book has determined is a reasonable cost for the service. The system also has some links to information about quality ratings on providers, though this part of the program is still being developed.

To encourage members to use the Blue Book tool and choose lower cost providers, the Trust will offer cash incentives for using green zone providers for certain procedures. When a member has one of the procedures listed below performed by a green zone provider, the member will receive a check in the specified amount. The incentive amounts vary depending on the potential for savings.

Service Type	Procedure Name	Incentive
Cardiac	Doppler Exam of the Heart	\$25
Cardiac	Heart Echo Imaging	\$25
Cardiac	Heart Perfusion Imaging	\$50
Outpatient	Remove Tonsils and Adenoids	\$50
Outpatient	Ear Tubes	\$50
Outpatient	Cataract Surgery	\$50
Outpatient	Laparoscopic Cholecystectomy	\$50
Outpatient	Lithotripsy	\$50
Outpatient	Knee Arthroscopy	\$100
Outpatient	Shoulder Arthroscopy	\$100

Outpatient	Rotator Cuff Repair	\$100
Outpatient	Carpal Tunnel Surgery	\$50
Diagnostic	Colonoscopy (with and without biopsy)	\$100
Diagnostic	Upper GI Endoscopy (with and without biopsy)	\$100
Diagnostic	Sleep Study	\$50
Imaging	All CTs	\$25
Imaging	All MRIs	\$25
Women's Health	Breast Biopsy (with device)	\$50
Women's Health	Hysteroscopy with Biopsy	\$50

Healthcare Blue Book also has pricing information for ultrasounds, x-ray imaging and lab tests and for other elective surgical procedures. No incentives are offered for other services and procedures, but members can still compare providers, reduce their own out of pocket costs and save money for the Trust.

The cost for Healthcare Blue Book is \$1 per member per month (counting all covered lives), or about \$200,000 per year for the Trust based on current enrollment, plus the cost of the incentives, estimated to total another \$110,000 in the first year. Healthcare Blue Book estimates that the Trust should save between \$2 and \$3 million by implementing the program with the incentives.

- Exchange Open Enrollment as a Qualifying Change Event.** Effective January 1, 2014, and effective each January 1 thereafter, individuals will have an opportunity to purchase insurance coverage on the new state “exchange” or “marketplace.” Depending on income level and the coverage offered by the employer, some members may qualify for premium subsidies from the federal government if they purchase coverage on the exchange. The exchange will have an annual open enrollment period at the end of each for coverage effective the following January 1. The Trust will treat the exchange open enrollment period as a qualifying change event that will allow members to make changes in coverage that are consistent with a change in coverage on the exchange. That is, a member who elects to enroll in an insurance plan through the exchange during an exchange open enrollment period will be permitted to drop Trust coverage as of December 31. A member who was previously enrolled in an insurance plan through the exchange will be permitted to drop that coverage and enroll in one of the Trust’s plans effective January 1. The district will be responsible for confirming that the member’s decision to enroll in or drop coverage through the Trust corresponds to the member’s decision to drop or add coverage purchased through the exchange.

***C. No Change in Delta Dental Rates for 2013-14***

Delta Dental has agreed to retain the current rates and benefits for the voluntary dental plan for another year. The Trust reviewed quotes from four additional carriers and all proposed higher rates, ranging from 7% to 19% higher than the Delta Dental rates. The Delta Dental Low Plan rates remain less than the premiums were in 2007 except for the employee only rate, and that rate is only slightly higher than the rate in 2007. The High Plan rates range from 7% to 12% higher than the rates in 2007, a very low increase over a period of seven years.

***D. No Change in Uniview Vision Plan Rates for 2013-2014***

The Trust will begin the second year of a two-year contract with Uniview for the voluntary vision program so there will be no changes in rates or benefits for that program for the coming school year.