



Lincoln Parish School Board
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Ricky Durrett
 Superintendent

Joe E. Mitcham, Jr.
 President

TO: Lincoln Parish School Board Members

FROM: Ricky Durrett, Superintendent *Rick*
 Juanita Duke, Chief Financial Officer *JD*

DATE: October 27, 2022

SUBJECT: Consider 2023 Group Insurance Plan Renewals & Premiums

Background

We have been working with Mr. David Charpentier, Vice President of Brown & Brown Insurance for this year's renewal. He will present the 2023 renewals and plan trends. Mr. Charpentier is recommending the following:

I. PLAN RENEWALS

A. Self-Insured Plan Options

1. **PPO Health Plan administration** – Continue with Blue Cross Blue Shield of Louisiana, with a 6.6% change in medical claim administration cost (or \$30,822 for 818 enrolled members).
2. **Health Plan Pharmacy Benefits Manager** – Continue with Blue Cross Blue Shield/Express Scripts. A positive note is that Rx guaranteed rebates are higher under the new 2023 contract. However, we are now required to provide detailed annual reporting of Rx costs for our plan to CMS under the new federal guidelines; and staying with an in-house PBM will tremendously assist the School Board in compliance with the mandated reporting.
3. **Health Plan COBRA Management** – Continue with Wage Works with no change in fees.
4. **PPO Dental Plan administration** – Continue the PPO with Blue Cross Blue Shield of Louisiana (United Concordia for the time being, with no change in coverage. We are actively exploring other options for dental coverage that will provide better benefits and broader provider coverage. Limited in-network providers and out-of-pocket costs for services at non-network providers for members, as well as limited benefits of our current plan are reasons for considering other options.)

Administrator Carrier		(Current)	(Renewal)	% Change	\$ Change
	MONTHLY FEES (PEPM)				
	Administration Fees				
818	Medical	\$42.41	\$45.55	7.4%	\$3.14
1093	Dental	\$3.25	\$3.25	0.0%	\$0.00
	Other				
1205	Cobra Administration	\$0.60	\$0.60	0.00%	\$0.00
	Monthly Administration Costs	\$38,967	\$41,535	6.6%	\$2,569
	Annual Administration Costs	\$467,600	\$498,422	6.6%	\$30,822
	Total Annual Administration Costs	\$467,600	\$498,422	6.6%	\$30,822

5. **Stop Loss Coverage** – Continue with Blue Cross Blue Shield of Louisiana. After assessing status of members and claims, BCBS was able to offer a reduced premium for this year’s renewal with no employees’ claims being “lasered” for the plan to continue to pay above the renewing \$200,000 stop loss limit per member. Staying with BCBS offers the plan seamless reporting, and claims process which provide an instant stop on payment of claims by the plan when the stop loss limit is reached. Renewal cost is shown below, with an overall premium decrease of 12.21%.

Administrator Carrier	(Current)	(Renewal)	% Change	\$ Change
Specific Stop Loss Deductible	\$200,000	\$200,000		
Contract Type	12/18	12/18		
Specific Premium				
351 Single	\$61.13	\$53.66	-12.22%	(\$7.47)
467 Family	\$160.15	\$140.60	-12.21%	(\$19.55)
Monthly Specific Premium	\$96,246.68	\$84,494.86	-12.21%	(\$11,751.82)
Annual Specific Premium	\$1,154,960	\$1,013,938	-12.21%	(\$141,022)
Total Annual Stop Loss Costs	\$1,154,960	\$1,013,938	-12.21%	(\$141,022)

The total combined annual decrease in administration costs for the combined self-Insured plan renewals is 6.79%.

Administrator Carrier	(Current)	(Renewal)	% Change	\$ Change
Total Annual Fixed Costs	\$1,622,560	\$1,512,360	-6.79%	(\$110,200)

- B. **Medicare Advantage Plan** – Continue with BCBS Blue Advantage Plan option for major medical insurance for retirees and their dependents who are age 65 and over. With a slight increase in total premium in 2023, benefits have been expanded that include hearing, dental and vision services, fitness, an allowance for hearing devices, eyewear, and a \$200 flex card for the purchase of Over-the-counter supplies. The plan premium per member per month is increasing from \$305.00 to \$329.00 effective January 1, 2023.

Prior years premiums: \$305 – 2022; \$347 – 2021; \$361 – 2020

II. PLAN PREMIUMS

A. Self-Insured Plan Premiums:

1. **Health Plan Premiums** – No changes in active and retired member Medical PPO plan premiums are recommended at this time.
2. **Dental Plan Premiums** - Dental plan premiums were increased last plan year targeting to cover only 97% of plan costs. After review of current year’s dental claims costs, Brown & Brown is recommending another increase in dental premiums for 2023 due to increase claims cost. Total annual average cost of claims for the dental plan is \$786,327, and current premiums are only funding 79.7% of the program. Increase the rate recommended below will just cover current plan costs and not take into account rising costs during the year.

DENTAL PREMIUMS (MONTHLY)		Enrolled	2022 Premium			Recommended 2023 Premiums		
			Member	LPSB Pays	Total	Member	LPSB Pays	Total
Active	Single	241	\$20.25	\$6.75	\$27.00	\$27.75	\$9.25	\$37.00
	Family	384	\$59.25	\$6.75	\$66.00	\$68.75	\$9.25	\$78.00
Retiree	Single	299	\$27.00	\$0.00	\$27.00	\$37.00	\$0.00	\$37.00
	Family	205	\$66.00	\$0.00	\$66.00	\$78.00	\$0.00	\$78.00
TOTAL		1129						

B. Medicare Advantage Plan Premiums – The Blue Advantage Plan has presented a rate increase. With the decrease in overall premium per member offered by BCBS under the Blue Advantage Plan, the following reduced premiums are recommended for Lincoln Parish School Board retired participants effective January 1, 2023:

LPSB Medicare Advantage 2023 Premium Contributions			
65 Retiree - Medicare Advantage		No Waiver	
	Member Pays	LPSB Pays	Total
Member Only - Age 65	82.25	246.75	329.00
Member & Spouse - Both Age 65	164.50	493.50	658.00
65 Retiree - Medicare Advantage		Waiver	
	Member Pays	LPSB Pays	Total
Member Only - Age 65	-	329.00	329.00
Member & Spouse - Both Age 65	82.25	575.75	658.00

LPSB currently has 590 retired members enrolled in the Medicare Advantage Plan. The estimated cost of the increase in premium to LPSB is approximately \$190,143.

Recommendation:

That the Board approve the proposed 2023 health, dental, stop loss, and Medicare Advantage plan renewals and changes in plan premiums as recommended.

Contact Persons:

Juanita Duke
David Charpentier, Brown & Brown

LPSB Self-Insured Health Plan 2023 Monthly Premium Contributions*

Active Employee			
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member	87.00	538.10	625.10
Member + 1 (Spouse or Child)	190.42	927.24	1,117.66
Family	271.32	1,276.86	1,548.18
Active - Dual Employee			
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member + 1 (Spouse or Child)	137.50	980.16	1,117.66
Family	183.50	1,364.68	1,548.18
Retiree No Medicare		No Waiver	
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member	151.39	713.11	864.50
Member + 1 (Spouse or Child)	266.15	1,279.55	1,545.70
Family	346.67	1,794.43	2,141.10
Retiree No Medicare		Waiver	
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member	-	864.50	864.50
Member + 1 (Spouse or Child)	170.26	1,375.44	1,545.70
Family	245.53	1,895.57	2,141.10
Retiree - One with Medicare		No Waiver	
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member	97.56	596.94	694.50
Member + 1 (Spouse or Child)	220.46	1,148.24	1,368.70
Family	298.48	1,502.62	1,801.10
Retiree - One with Medicare		Waiver	
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member	-	694.50	694.50
Member + 1 (Spouse or Child)	167.90	1,200.80	1,368.70
Family	245.91	1,555.19	1,801.10
Retiree - Two with Medicare		No Waiver	
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member + 1 (Spouse or Child)	207.14	998.56	1,205.70
Family	285.15	1,515.95	1,801.10
Retiree - Two with Medicare		Waiver	
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member + 1 (Spouse or Child)	159.82	1,045.88	1,205.70
Family	237.84	1,563.26	1,801.10
COBRA**			
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member/Dependent	637.60	-	637.60
Member/Dependent + 1 (Spouse or Child)	1,140.01	-	1,140.01
Family	1,579.14	-	1,579.14

Surviving Spouse***			
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Dependent - Member	210.50	414.60	625.10
Dependent - Member + Child	387.76	729.90	1,117.66
Dependent - Family	557.90	990.28	1,548.18
Non-Medicare Dependent of 65 Retiree on Medicare Advantage ****			
	No Waiver		
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
One Dependent - Member	122.90	551.30	674.20
Two or More Dependent - Members	200.92	905.68	1,106.60

*The self-insured health plan total premiums are actuarially determined premium-equivalents based on actual plan costs, experience and trends.

** COBRA premiums are paid by member at full premium cost plus 2% for administration

*** Surviving spouse/dependents are eligible for coverage only if no other health insurance plan is available to members, other than Medicare.

LPSB Medicare Advantage 2023 Premium Contributions			
65 Retiree - Medicare Advantage		No Waiver	
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member Only - Age 65	82.25	246.75	329.00
Member & Spouse - Both Age 65	164.50	493.50	658.00
65 Retiree - Medicare Advantage		Waiver	
	<u>Member Pays</u>	<u>LPSB Pays</u>	<u>Total</u>
Member Only - Age 65	-	329.00	329.00
Member & Spouse - Both Age 65	82.25	575.75	658.00

**** Dependents of 65 Retiree stay enrolled under the LPSB PPO Health Plan and premiums for "Non-Medicare dependent of 65 Retiree on Medicare Advantage Plan above shall apply