



To: Dr. Charles Johns
Board of Education
From: Mrs. Alice Raffles
Mr. Brad Swanson
Date: September 9, 2019
Re: Pre-Renewal of Health Insurance Plan

Recommendation

There is no action required at this time. The final renewal will be presented to the Board of Education at the October 21, 2019 meeting for consideration and action.

Background

Our health insurance consultant, Gallagher, has provided the District with a preliminary calculation of health insurance premium equivalent rates. As a result of the preliminary recommendations, the Administration and Cost Containment Committee will further meet to reduce plan costs and overall claim usage by participants.

Preliminary Premium Equivalent Rates

In developing the preliminary premium equivalent rates for each line of coverage, Gallagher utilized the District's fixed costs, claims experience, and trend factors. Individually, preliminary calculations recommend a rate adjustment of 1.4% for the HMO plan and -0.2% for the PPO plan.

**Glenbrook PPO and High Deductible PPO Plans (BCBSIL)
Pharmacy Plan (RxBenefits/Express Scripts)**

- Financial Projection
 - Current Funding/Total Premium \$9,337,548
 - 1/1/20 - 12/31/20 Projection \$9,316,652
 - Projected Change -\$20,986
 - Recommended Rate Adjustment -0.2%

The 2020 recommended rate adjustment for the PPO plans is -0.2%. The 2019 rate adjustment for the PPO plans was 8%.

**HMO Illinois and Blue Advantage HMO Plans (BCBSIL)
Pharmacy Plan (Prime Therapeutics)**

- Financial Projection
 - Current Funding/Total Premium \$5,033,403
 - 1/1/20 - 12/31/20 Projection \$5,101,707
 - Projected Change \$68,304
 - Recommended Rate Adjustment 1.4%

The 2020 recommended rate adjustment for the HMO plans is 1.4%. The 2019 rate adjustment for the HMO plans was 0.1%.

Dental PPO Plan

- Financial Projection
 - Current Funding/Total Premium \$719,814
 - 1/1/20 - 12/31/20 Projection \$768,954
 - Projected Change \$49,139
 - Recommended Rate Adjustment 6.8%

The 2020 recommended rate adjustment for the Dental Plan is 6.8%. The 2019 rate adjustment for the Dental plan was 0.0%.

Please be reminded that the Administration has developed the 2020 calendar to present and review the health insurance timeline for the 2020 Plan Year (1/1/2020 - 12/31/2020). The goal of the calendar is to provide an overview of the routine communication regarding the multiple components of the Glenbrook Health Insurance Program. A general calendar was presented to the Board in December 2018. The below information follows the general calendar with Board Meeting dates included for reference.

Health Insurance Item	Board Meeting Date
Cost Containment Recommendations presented to the Board of Education	June 24, 2019
Insurance Planning Group to Meet to review Pre-Renewal of Health Insurance Plan	September 3, 2019
Pre-Renewal of Health Insurance Plan (Performance through June 2019) <ul style="list-style-type: none"> • No additional Cost Containment Items will be presented at this time • Recommendations from Broker included 	September 9, 2019
Cost Containment Committee Meeting <ul style="list-style-type: none"> • Review of Pre-Renewal • Follow-up on Cost Containment Recommendations 	September 2019
Presentation of Final Renewal of Health Insurance Plans and 2020 Premiums*	October 21, 2019
Anticipated Approval of Final Renewal of Health Insurance Plans and 2020 Premiums	November 12, 2019
Health Insurance Open Enrollment for Glenbrook Employees	November 13 - November 27, 2019
End of Health Insurance Plan Year	December 31, 2019
Start of Health Insurance Plan Year	January 1, 2020