

**GLENBROOK HIGH SCHOOLS**  
**Assistant Superintendent for Business/CSBO**  
**Regular Meeting – Monday, April 25, 2016**

**TO: Dr. Michael Riggle**

**FROM: Hillarie Siena**

**DATE: April 25, 2016**

**RE: Discussion/Action: Insurance Renewal Update**

This packet contains data relative to the April 11, 2016 Board of Education's discussion of the District's annual insurance renewal. Brian Butler from HUB International will be in attendance to present this additional requested data and to facilitate further discussion regarding employee benefits. Subsequent to the April 25<sup>th</sup> meeting, the District 225 Insurance Cost Containment Committee will meet to discuss insurance renewal data. The committee will also review preliminary rate increases and discuss strategies for continued cost containment. This packet contains information across a varied spectrum of insurance topics. The following points provide a summary.

- Overview of SSCRMP Medical Care Management (MCM 360°)
- Overview of SSCRMP 24/7 Nurseline Utilization
- Overview of TeleHealth (estimated cost \$54,000)
- Overview of TelaDoc (estimated cost \$20,000)
- Analysis of Stop Loss limits at \$150K vs \$250K and Impact Upon Rate/Premium
- Historical Analysis of Medical Insurance Fee Structure
- Dashboard Report for Operating Funds Expenditures - Benefits
- Historical Data Report for Insurance Expenditures as a % of Operating Budget
- Dashboard Report for Operating Funds Expenditures - Salaries
- Cost Containment Committee Options
- Summary of OptumRx Pharmacy Claims and Specialty Tier 4 Options

**MCM 360°**

Medical Care Management



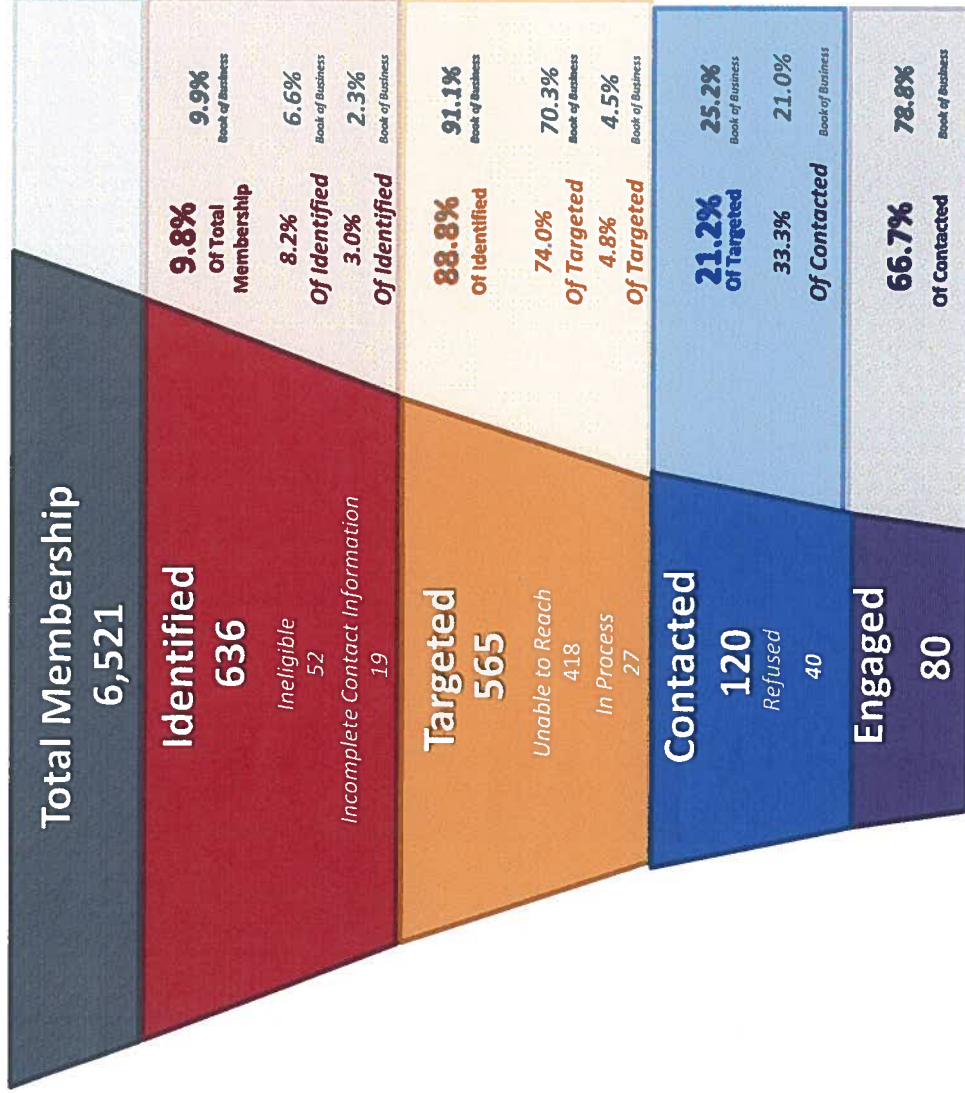
BlueCross BlueShield  
of Illinois

# SECONDARY SCHOOL COOPERATIVE RISK MANAGEMENT

Account #021648

Reporting Period: 2015/02/01 - 2016/01/31

# Clinical Program Cascade Summary Overview



This summary includes all members identified for all programs (Condition Management, Case Management, Special Beginnings, Lifestyle Management and Behavioral Health). If a member is in multiple programs they will be uniquely represented and prioritized by engagement level.

Contacted Engagement Rate  
Engaged / Contacted  
**66.7%**  
Book of Business 78.8%

Targeted Engagement Rate  
Engaged / (Targeted - In Process)  
**14.9%**  
Book of Business 20.8%

## Missed Opportunity

**75.0%**  
(Unable to Reach + Incomplete Contact Information + Refused) / Identified  
Book of Business 71.2%

SECONDARY SCHOOL COOPERATIVE RISK MANAGEMENT

Reporting Period: 2015/02/01 - 2016/01/31



# OUTREACH, REFERRALS AND OUTCOMES

This page provides some additional insight into each level of the engagement cascade (from previous page)

Targeted  
565

## Status

Unable to Reach \*  
418 members

In Process  
27 members

Contacted  
120 members

## Mailings

852

12

125

## Calls

234

23

391

Total Outreach  
1,637

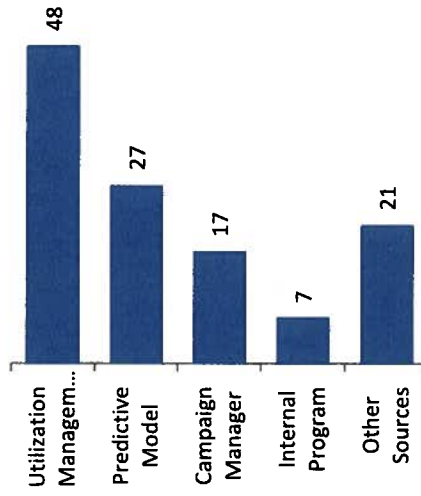
2.9 communications per targeted member

\* Currently includes ICI members just receiving mailings

Contacted  
120

## Referral Sources

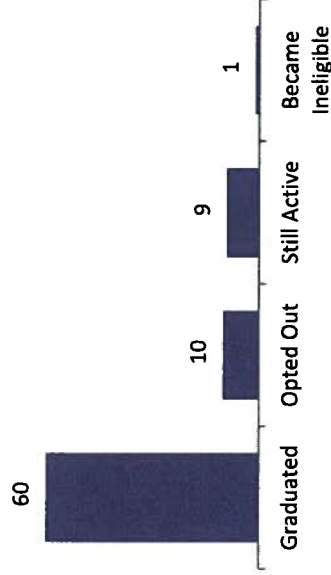
Top 4 referral sources for all contacted members



Engaged  
80

## Engagement Outcomes

Post Engagement Status

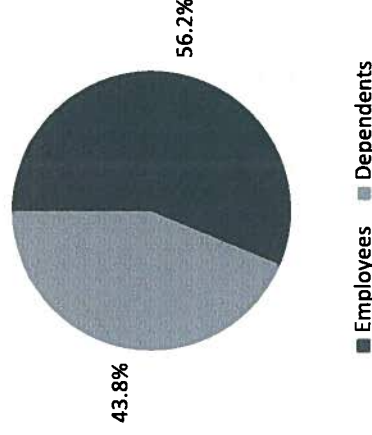


Missed Opportunities  
477

(Unable to Reach + Incomplete Contact Information + Refused)

## Distribution

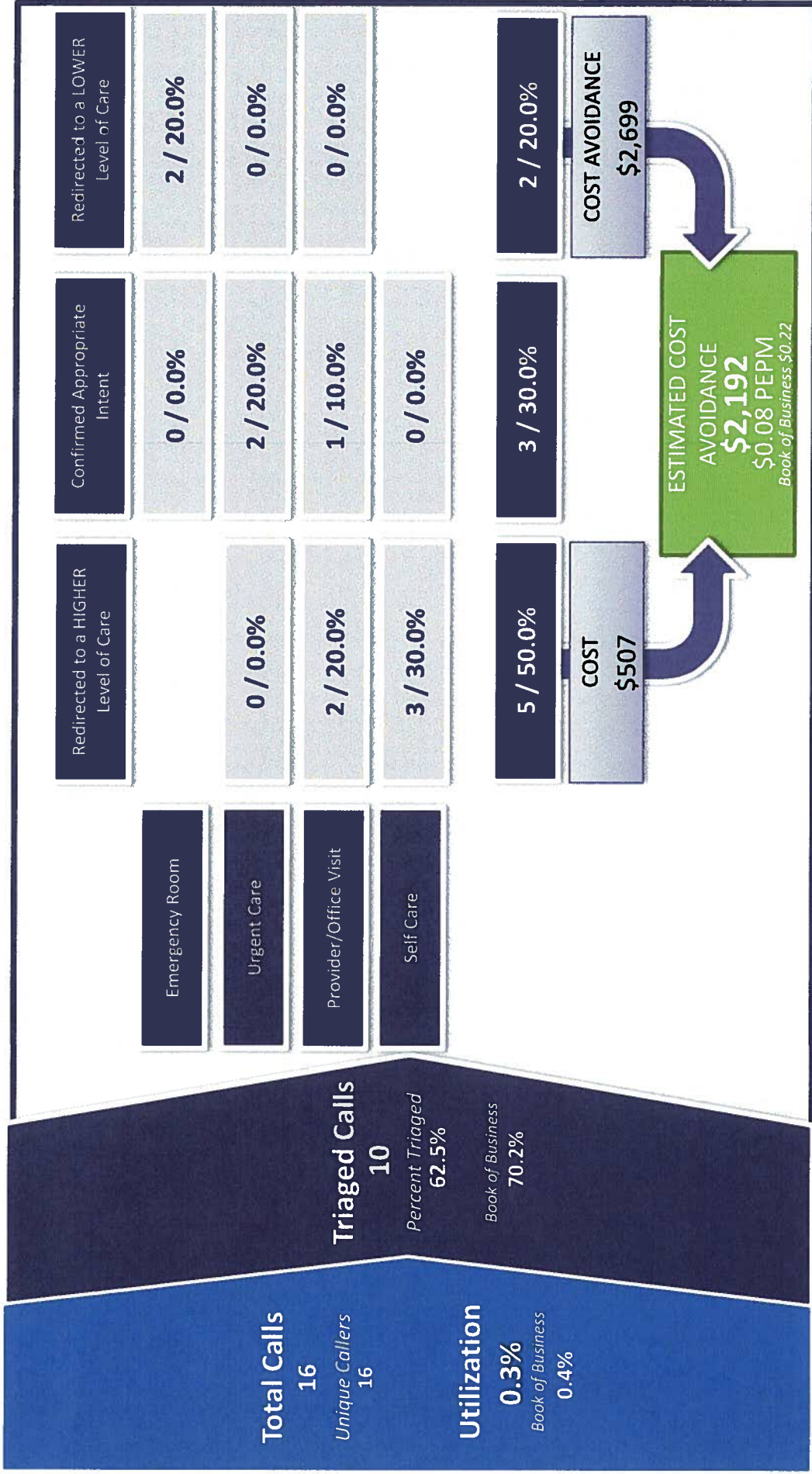
Who is the majority of missed opportunities



SECONDARY SCHOOL COOPERATIVE RISK MANAGEMENT

Reporting Period: 2015/02/01 - 2016/01/31

# 24/7 NURSELINE REDIRECTION VALUE

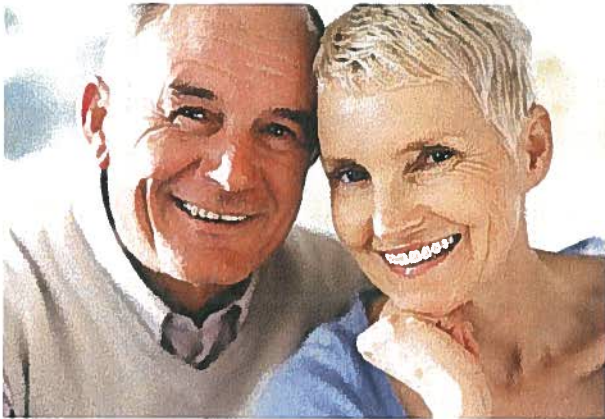


## SECONDARY SCHOOL COOPERATIVE RISK MANAGEMENT

Reporting Period: 2015/02/01 - 2016/01/31



# TELEHEALTH



Quality healthcare  
when & where **YOU** need it!

TELEHEALTH is a unique benefits package offered by HUB that is designed to help you navigate the complex healthcare and insurance system.

- Inside this brochure:
- Teladoc
  - Health Advocate Services
  - eDocAmerica



[www.hubtelehealth.com](http://www.hubtelehealth.com)





of doctor visits

are for common conditions easily treated by Telehealth consultants.

## Teladoc

24/7 access to U.S. board-certified doctors & pediatricians

**Anytime, anywhere.**

Teladoc's U.S. board-certified doctors can resolve many of your medical issues, 24/7/365, via phone or online video consultations from wherever you happen to be. It's healthcare on your terms – simple as that.

Members can access a physician within three hours of their incoming call. If appropriate, the physician will diagnose and prescribe short-term medication when necessary. The prescription will be called into the member's pharmacy of choice. Teladoc is available 24 hours a day, 7 days a week and 365 days a year.



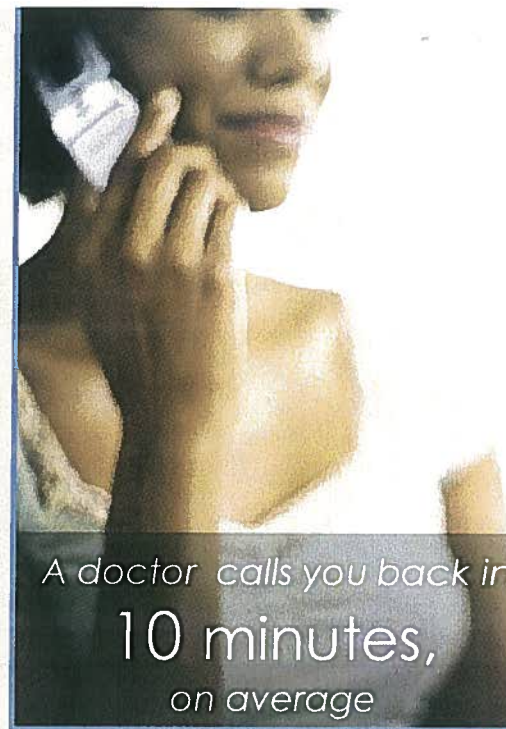
95%

member satisfaction rate



### Highlights

- Routine nonemergency health issues addressed for members and their dependents
- Medical problems managed via telephone
- Recommend treatment and may prescribe short-term medication, if appropriate
- Supplements and supports primary care physicians or can be a first line of defense for patients who have no primary care physician
- Solves most minor medical issues in a matter of hours -patients get well faster
- Fewer hours spent in doctor's offices or emergency rooms -less time away from work or away from family
- **Common conditions easily treated by Telehealth consultations :** Cold and flu symptoms, bronchitis, respiratory infection, sinus problems, allergies, urinary tract infection, pink eye, ear infection, and many more!



A doctor calls you back in  
**10 minutes,**  
on average

92%

of members report that the Teladoc physician resolved their medical issue.

1: Contact Teladoc



2: Talk with a doctor



3: Resolve your issue

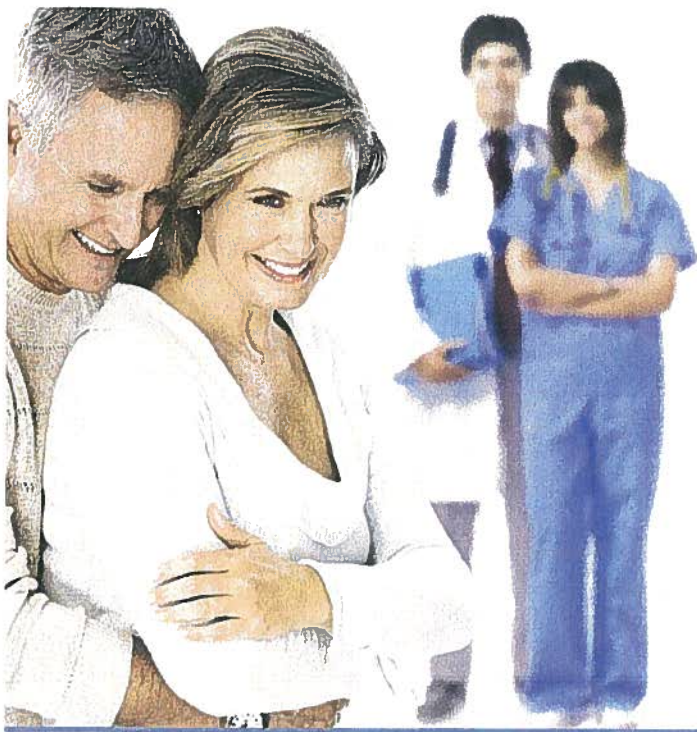


4: Smile



**\$0** per consultation!





## Health Advocate Services

A Personal Health Advocate is available to you and your covered dependents at **no cost**. Your Personal Health Advocate is a trained professional, typically a Registered Nurse, who understands the ins and outs of the health care system and how to navigate through it. The Personal Health Advocate helps you and your covered dependents coordinate care among doctors and medical institutions in various ways.

### Your Personal Health Advocate Services can help you:

- Translate benefits information, clarify medical conditions and treatment options, resolve claims and billing issues, negotiate payments, provide cost estimates, locate qualified providers, secure second opinions, schedule appointments, arrange for specialized treatments, research elder care and more.

Health Advocate is a confidential service available 24 hours a day, 7 days a week and is available to your immediate family (including parents and in-laws).

Nurseline ; You're in good hands. You and your family have a place to turn to for trusted advice and information when you need it most. Rest assured—highly trained registered nurses are on-call 24/7 to answer your questions.

*Health Advocate, Inc., the nations leading health advocacy company, serves more than 40 million Americans nationwide through its more than 10,000 client relationships*

### Medical Bill Saver™

Major issues can add up to major bills! Call Medical Bill Saver™ and rest easy.

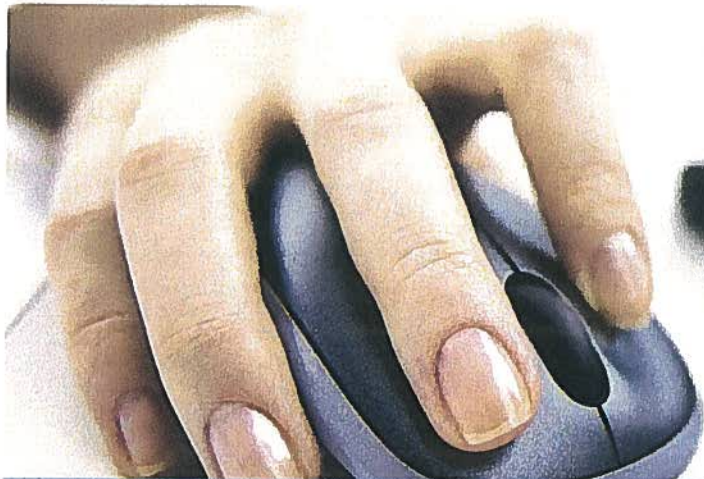
Experts who know the ins and outs of billing practices will attempt to negotiate discounts on your behalf. Negotiations can lead to a reduction in your out-of-pocket costs.

### How it works:

1. A specialized team member will attempt to negotiate a reduction on the amount due with the provider. Once an agreement is made, the provider signs off on payment terms and conditions.
2. Negotiators have access to pricing benchmarks and information to help them negotiate effectively with physicians, dentists, hospitals, surgery centers and other health service providers.
3. Member will be sent a Savings Results Statement that summarizes the outcome of the negotiation and conditions of payment.







According to a recent survey this service has the following benefits:

- Improved communication with my doctor
- Helped me with my medication use
- Helped me understand my symptoms and condition
- Helped me seek treatment for a previously unrecognized problem
- Helped me seek preventive care
- Resulted in less need for medical attention
- Lowered annual doctor visits

## eDocAmerica

Doctors Online provides 24/7 access to web-based answers to medical questions from an expert team of board-certified physicians, psychologists, pharmacists, dentists, dietitians, and fitness trainers. (Other services include physician-written weekly Health Tips, two Health Risk Assessments, a 3D Video Library with access to 250+ medical topics.)

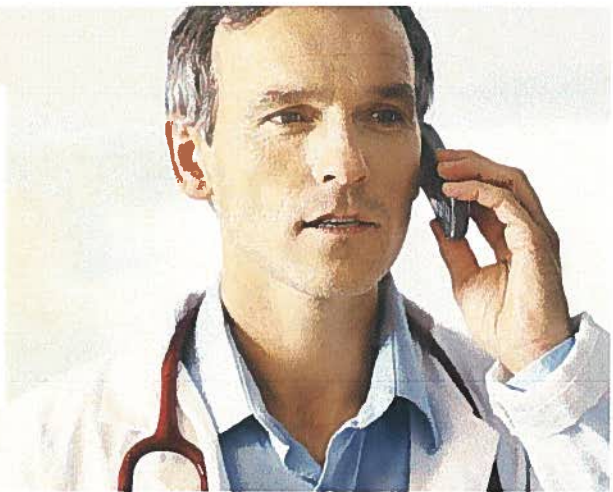
### Highlights

- Email access to the eDocAmerica medical team.
- Phone access to medical team through eDocVoice.
- Smartphone App (iPhone/Droid) access to the medical team.
- Ask any medical or health questions and always get personal, direct answers.
- 3D Video Library with more than 250 videos.
- Weekly Health Tips emails from doctors.
- Healthy Lifestyle Assessment to help you monitor your current health status.
- Personal Health Record provides secure storage for your health information.
- All services are unlimited, confidential, and include the entire immediate family.
- eDocAmerica serves members in all 50 states and over 30 foreign countries.
- **No hidden fees of any kind.**

Disclosures: **This plan is NOT insurance.** The plan is not insurance coverage and does not meet the minimum creditable coverage requirements under the Affordable Care Act or Massachusetts M.G.L. c. 111M and 956 CMR 5.00. **This discount card program contains a 30 day cancellation period.** Discount Medical Plan Organization: New Benefits, Ltd., Attn: Compliance Department, PO Box 671309, Dallas, TX 75367-1309, 800-800-7616. Website to obtain participating providers: MyMemberPortal.com. Not available to VT or WA residents. Disclaimers © 2015 Teladoc, Inc. All rights reserved. Teladoc and the Teladoc logo are registered trademarks of Teladoc, Inc. and may not be used without written permission. Teladoc does not replace the primary care physician. Teladoc does not guarantee that a prescription will be written. Teladoc operates subject to state regulation and may not be available in certain states. Consults are not available outside of the U.S. Teladoc does not prescribe DEA controlled substances, non-therapeutic drugs and certain other drugs which may be harmful because of their potential for abuse. Teladoc physicians reserve the right to deny care for potential misuse of services. Teladoc phone consultations are available 24 hours, 7 days a week while video consultations are available during the hours of 7am to 9pm, 7 days a week.



Insurance Services  
www.hubtelehealth.com



## Three ways to complete your medical history

### Online

The fastest and easiest option. Log into [Teladoc.com](http://Teladoc.com) and complete the "My Medical History" section.

### Mobile app

Log into your account on your mobile device and complete the "My Health Record" section. Visit [Teladoc.com/mobile](http://Teladoc.com/mobile) to download the app.

### Call Teladoc

Call Teladoc if you would like a customer service representative to help you complete your medical history over the phone.

#### Why should I complete the medical history?

Your medical history must be completed prior to requesting a consult, and updated each year. The Teladoc doctor will review your medical history prior to a consult.

#### Can my company view my medical history?

No. All information is confidential, HIPAA compliant, and will not be shared. Only you and the consulting doctor can view your medical data.

#### How quickly can I talk to a doctor?

A Teladoc doctor will call you back within an hour, guaranteed.

#### Can I get a prescription or a prescription refill?

Yes. When medically appropriate, Teladoc doctors prescribe medication for treatment of your illness and also can prescribe short term prescription refills. Teladoc doctors do not prescribe DEA controlled substances.

With your consent, Teladoc is happy to provide information about your Teladoc consult to your primary care physician.

## Talk to a doctor anytime for Free

 [Teladoc.com](http://Teladoc.com)

 [Facebook.com/Teladoc](https://www.facebook.com/Teladoc)

 1-800-Teladoc (835-2362)

 [Teladoc.com/mobile](http://Teladoc.com/mobile)

Download the app:





Year	Enrollment	Claims \$150k to \$250k	Stop Loss Rate \$250k	Stop Loss Rate \$150k	\$250k Annual Premium	\$150k Annual Premium	Premium Difference	Claims vs. Premium Difference
7/1/2016 Proposed			\$40.36	\$66.44				
7/1/2014 to 6/30/2015	514	\$78,951	\$32.77	\$53.95	\$202,125.36	\$332,736	\$130,610	\$51,659
			81.19%					
7/1/2013 to 6/30/2014	505	\$987	\$27.74	\$45.67	\$168,104.40	\$276,731	\$108,626	\$107,640
			68.73%					

Historical Analysis of Medical Insurance Fee Structure  
 Current Fee Structure is Percent of Claims @ 5.30%

Plan Year	Enrollment	Claims	Current			Current			Difference
			PEPM Rate	% Rate	PEPM Fee	% Claims Fee	Claims Fee		
2012/13	512	\$ 4,409,922	\$ 53.85	5.30%	\$ 330,854	\$ 233,726	\$ 97,129		
2013/14	505	\$ 5,075,338	\$ 49.79	4.90%	\$ 301,727	\$ 248,692	\$ 53,036		
2014/15	514	\$ 5,950,854	\$ 49.79	4.90%	\$ 307,105	\$ 291,592	\$ 15,513		
2015/16 (Annualized)	507	\$ 4,932,510	\$ 50.81	5.00%	\$ 309,128	\$ 246,626	\$ 62,503		
2016/17 (Projected)	508	\$ 6,282,958	\$ 50.81	5.00%	\$ 309,738	\$ 314,148	\$ (4,410)		
								<u>\$ 223,770</u>	

Cost Avoidance Under Current Structure



## OPERATING FUNDS EXPENDITURES - BENEFITS

Fiscal Year	Insurance	Pensions	Other Employee Benefits	Total Benefits	% Change from Prior Year	% of Total Operating Budget
2006-07	7,594,613	3,573,253	179,306	11,347,172		13.7%
2007-08	6,835,628	3,673,933	172,013	10,681,574	-5.9%	13.1%
2008-09	9,155,938	4,511,214	170,668	13,837,820	29.5%	15.8%
2009-10	8,025,290	4,993,535	156,903	13,175,728	-4.8%	14.2%
2010-11	8,848,928	4,243,549	137,097	13,229,574	0.4%	14.0%
2011-12	9,581,265	4,601,003	142,023	14,324,292	8.3%	14.7%
2012-13	9,744,221	4,758,785	167,437	14,670,443	2.4%	13.9%
2013-14	10,406,869	4,956,914	140,713	15,504,496	5.7%	14.6%
2014-15	11,682,786	4,752,814	107,891	16,543,491	6.7%	14.9%
2015-16*	13,713,039	5,092,151	139,000	18,944,190	14.5%	15.9%

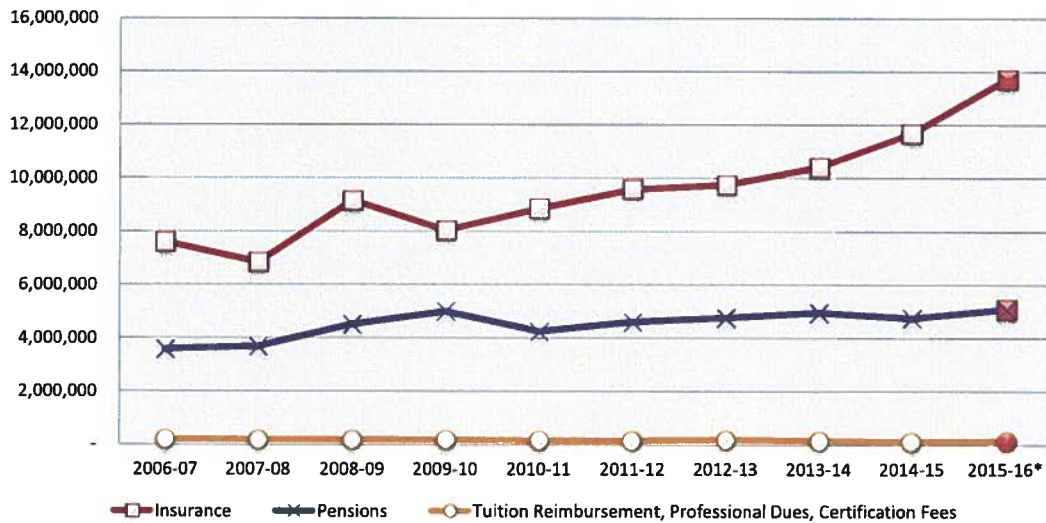
**Comments:**

\*FY2015-2016 Reflect Budgeted Dollars (Source: ISBE Budget Form)

"Insurance" includes Medical, Dental, Life, Disability, Retiree, Wellness, Employee Assistance Program, Fringe Benefits, and Physical Exam Reimbursements

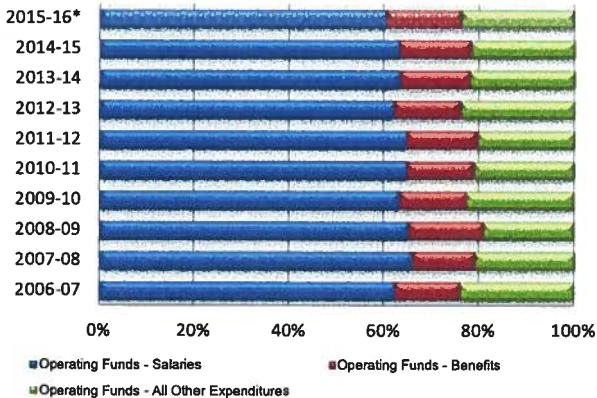
"Pension" includes TRS, IMRF, FICA, and Medicare

"Other Employee Benefits" include Tuition Reimbursement, Professional Dues, and Certification Fees



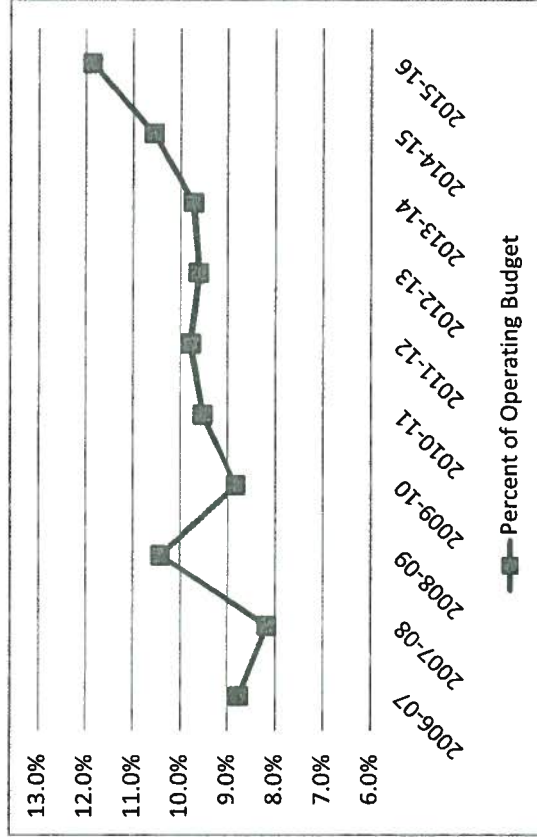
## SALARY & BENEFITS AS A PERCENTAGE OF OPERATING FUNDS

Fiscal Year	Total Salary & Benefits	% of Operating Budget
2006-07	83,052,528	76.1%
2007-08	64,502,302	79.1%
2008-09	70,836,890	81.0%
2009-10	71,777,086	77.4%
2010-11	74,661,243	79.0%
2011-12	77,697,023	79.6%
2012-13	80,269,546	76.2%
2013-14	82,821,732	78.0%
2014-15	86,679,988	78.0%
2015-16*	91,225,861	76.5%



# Northfield Township HSD 225

Fiscal Year	Insurance Expenditures		Percent of Operating Budget		Total Operating Budget	
	Expenditures	Budget	Change	Budget	Budget	Budget
2006-07	7,594,613	8.8%		8.8%	86,678,470	
2007-08	6,835,628	8.2%	-0.6%	8.2%	83,612,392	
2008-09	9,155,938	10.4%	2.2%	10.4%	87,987,846	
2009-10	8,025,290	8.8%	-1.6%	8.8%	90,797,452	
2010-11	8,848,928	9.5%	0.7%	9.5%	92,856,341	
2011-12	9,581,265	9.8%	0.3%	9.8%	97,914,100	
2012-13	9,744,221	9.6%	-0.2%	9.6%	101,381,742	
2013-14	10,406,869	9.7%	0.1%	9.7%	107,016,352	
2014-15	11,682,786	10.6%	0.8%	10.6%	110,562,557	
2015-16	13,713,039	11.9%	1.3%	11.9%	115,610,089	





# OPERATING FUNDS EXPENDITURES - SALARIES

Fiscal Year	Certified Salaries	Certified FTE	NonCertified Salaries	NonCertified FTE	Total Salaries	Total FTE	% Change from Prior Year	% of Total Operating Budget
2006-07	40,415,728	435.4	11,289,628	244.6	51,705,356	680.0		62.4%
2007-08	42,490,805	442.7	11,329,923	247.0	53,820,728	689.7	4.1%	66.0%
2008-09	45,259,434	446.3	11,739,636	251.1	56,999,070	697.4	5.9%	65.2%
2009-10	46,383,888	450.9	12,217,470	260.1	58,601,358	711.0	2.8%	63.2%
2010-11	48,293,331	451.6	13,138,338	261.4	61,431,669	713.0	4.8%	65.0%
2011-12	49,857,622	451.6	13,515,109	261.4	63,372,731	713.0	3.2%	65.0%
2012-13	51,907,976	450.0	13,691,127	261.4	65,599,103	711.4	3.5%	62.3%
2013-14	53,464,403	456.1	13,852,833	255.1	67,317,236	711.2	2.6%	63.4%
2014-15	56,041,251	471.9	14,095,246	261.1	70,136,497	733.0	4.2%	63.1%
2015-16*	58,166,382	488.1	14,115,289	259.7	72,281,671	747.8	3.1%	60.6%

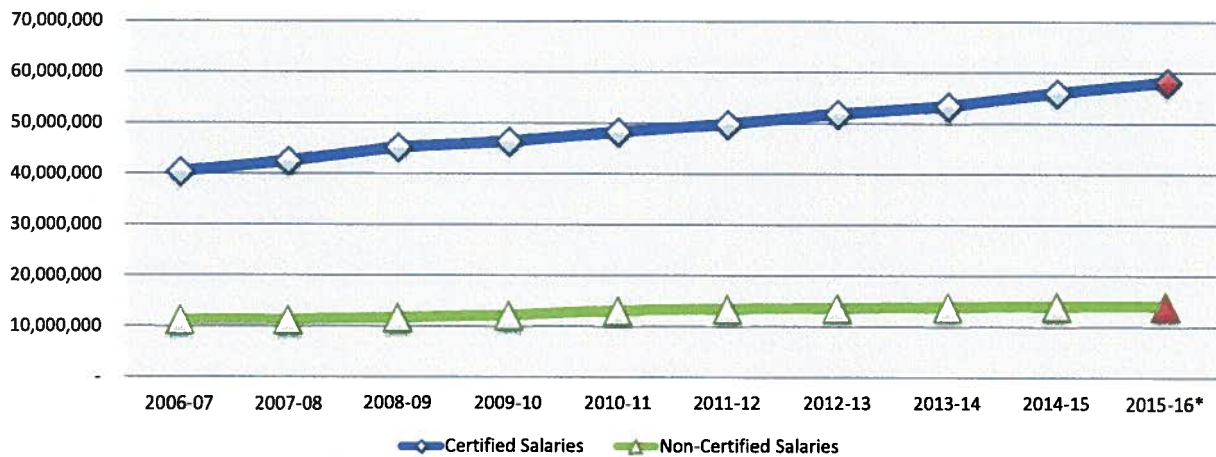
**Comments:**

\*FY2015-2016 Reflect Budgeted Dollars (Source: ISBE Budget Form)

CPI Data reflects information from the Bureau of Labor Statistics

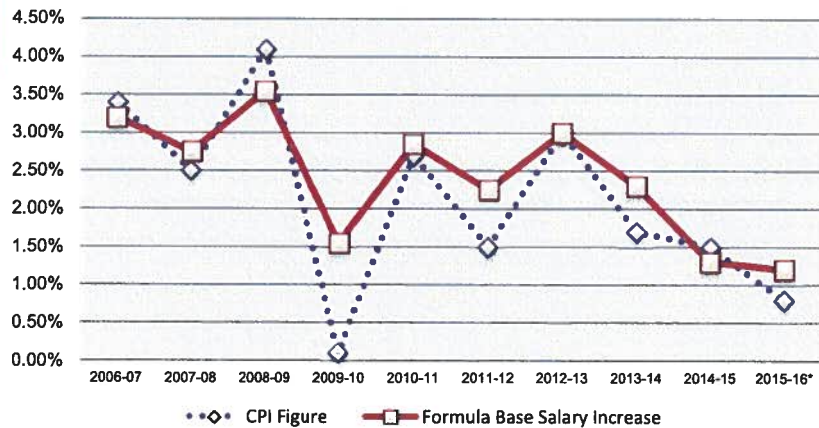
Per negotiated agreements in place through FY2013, the formula base increase is an average of 3% and CPI; in no case; however, to be < 1% or > 5%

Per negotiated agreements in place on or after FY2014, the formula base increase reflects a negotiated rate + the 10-year average CPI



## SALARY INCREASES COMPARED TO CPI

Affected Fiscal Year	CPI	Formula Base Salary Increase
2006-07	3.40%	3.20%
2007-08	2.50%	2.75%
2008-09	4.10%	3.55%
2009-10	0.10%	1.55%
2010-11	2.70%	2.85%
2011-12	1.50%	2.25%
2012-13	3.00%	3.00%
2013-14	1.70%	2.30%
2014-15	1.50%	1.30%
2015-16*	0.80%	1.20%



Cost Containment Committee Options  
 Plan Year 9/1/2015-8/31/2016

A	<p><b>Current Focus of Cost Containment Committee</b></p> <p>Spousal coverage survey - March 2016</p> <p>Rx: Specialty Drug Tier (4th tier)</p> <p>Rx: HDPPPO Rx copay after deductible is met</p> <p>Rx: Expand Prior Authorization, Step Therapy &amp; Quantity Limits</p> <p>Rx: Discount card program - <i>Implemented February 1, 2016</i></p>
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B	<p>Implemented 9/1/15 or 10/1/15</p> <p>Rx: dropped co-pay for generic tier to zero</p> <p>Rx: moved from National Formulary to Value Formulary category (10/1)</p> <p>Board contribution into Health Savings Accounts increased to \$1,000/\$1,600</p> <p>Wellness rebate eligibility expanded criteria</p> <p>Mandatory e-learning lesson on district insurance plans</p>
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C	<p>Deferred Items</p> <p>Contribution Amounts in Proportion to Base Salary</p> <p>Explore compensation bands</p> <p>Greater Employee Participation in Premium Cost Sharing</p> <p>Establish cap on total claims, with shared cost on excess over cap</p> <p>Establish cap on % increase, with shared cost on excess over cap</p>
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## Summary of OptumRx Pharmacy Claims Review February 17, 2016

### Claims Review Period January – December 2015

#### Financial Results

- Total Rx claims increased from \$1.9M to \$2.2M, a 15.8% increase
- Member out of pocket cost share decreased from 7.7% to 5.8% of total Rx claims
- Savings from clinical programs for PA (prior authorization) and QL (quantity limits) was \$250,990 (implemented 9/1/14)
- Generic Dispensing Rate (GDR) increased by 1.7% when copy went to zero, approximate savings \$59,040
- Total Rx spend for specialty drugs \$914,824 (42% of total spend) (% of member spend 0.9%)
- Average specialty cost per Rx \$4,247.55

#### Cost Drivers

- Top cost driver for Traditional drug classes is Unit cost; increased by 11.7%
- Top cost driver for Specialty drug classes is Drug mix; increased by 11.4%

#### OptumRx Recommendations

- Implement Specialty Tier Breakout (T1, T2, T3, **T4**)
- Remaining Traditional/Specialty: PA (prior authorization), ST (step therapy), QL (quantity limits)

#### Specialty Tier 4 Options

Total # of People = 28; Total # of Rx = 176; Total Spend All Tiers = \$914,824

#### Option A

- Flat T4 copay \$250 (5 times Tier 3)
- Savings  $176 \times \$250 = \$44,000$

#### Option B

- T4 copay 10% of Rx cost with no maximum
- Copay per script =  $\$914,824 \times 10\% = \$91,482 / 176 \text{ scripts} = 520 \text{ copay per Rx (average)}$
- Savings \$91,482

#### Option C

- T4 copay % with maximum per drug class within specialty tier
- Value class = 20 scripts, total cost \$9,627, 10% copay, \$150 maximum or cost of drug
- Preferred class = 103 scripts, total cost \$503,285, 15% copay, \$400 maximum
- Non-Preferred class = 53 scripts, total cost \$401,911, 20% copay, \$600 maximum
- Savings \$73,960