

GLENBROOK HIGH SCHOOLS
Office of the Assistant Superintendent for Business Affairs
Regular Meeting Tuesday, April 8, 2014

TO: Dr. Michael Riggle

FROM: Hillarie Siena

DATE: April 8, 2014

RE: Discussion/Action: Insurance Consultant Reports

This packet contains two independent summary presentations, each containing a review of the District's medical, Rx and dental insurance plans. This review was commissioned through an RFP, as directed by the Board of Education at the October 28, 2013 meeting. The purpose of the review is to bring new and innovative ideas to the Board and Administration in the area of employee benefits. On February 24, 2014, the Board awarded a contract for an independent consultant review to Gary Gabel from Group Alternatives, Inc. The District also requested a similar report from Corporate Benefit Consultants (CBC), a division of HUB International, which serves as the District's regular benefits consultant.

The District has invited Mr. Gary Gabel from Group Alternatives, Inc. to present his report to the Board of Education. The CBC report will be presented by Mrs. Hillarie Siena, Assistant Superintendent for Business. The recommendations contained in the reports are based upon certain data identified within supplementary reports not contained within the presentations. This supplementary data was examined prior to the preparation of the summary reports.

GLENBROOK HIGH SCHOOL DISTRICT 225

April 8, 2014



CELEBRATING **25** YEARS

KEY FINDINGS

MEDICAL/RX BENEFITS

- Current plan options within norms
- Most plan options richer than private sector employers, so desirable for working spouses
- Consider Spousal Carve-Out or Surcharge to manage additional cost

KEY FINDINGS

MEDICAL/RX BENEFITS

- **Reevaluate HMO plan options, due to high fixed cost component**
- **Consider Consumer Driven Health Plan strategy as most efficient use of health plan dollars**

KEY FINDINGS

BENEFIT COSTS

- Plan funding increases below trend in recent years
- Recommended renewal funding increases:
 - 15% Medical/Rx
 - 6% Dental

KEY FINDINGS

HR/BENEFIT TECHNOLOGY

- **Current enrollment process paper intensive with multiple manual steps**
- **Consider a variety of benefit technology solutions for improved efficiency and better employee experience**

KEY FINDINGS

WELLNESS PROGRAM

- Strong history and good foundation
- Endorse meaningful employee contribution differential to improve participation and effectiveness

KEY FINDINGS

CHRONIC CO-MORBIDITY

- 5-20% of plan participants generate more than 50% of claim costs
- In-person assessment/guidance necessary for improvement
- Consider Integrated Care Management program to reduce future costs while helping individuals make healthy changes

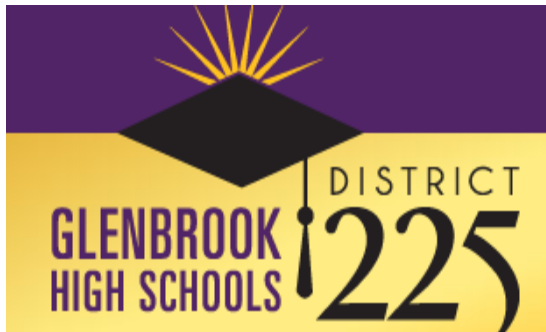
Key Findings

Provider Network Analysis

- **Needed claim file received from BCBSIL
March 13**
- **File scrubbed and sent to alternative
networks for repricing and disruption**
- **Results to be reported in May**

QUESTIONS?

Thank you for the opportunity to be of service



Glenbrook High School District 225 Strategic Discussions April 8, 2014





THE HUB ADVANTAGE



CBC *The Employee Benefits Company*
CORPORATE BENEFIT CONSULTANTS, INC.

a division of HUB International



Corporate Benefit Consultants, Inc.
has merged with **HUB International Midwest**

Increasing our combined Brokerage Consulting Capability

CBC HUB is ranked as the 10th largest Broker worldwide

CBC HUB brings premier service and local expertise together with global resources and capabilities to our clients.



Strategic Discussions



Key Recommendations

Plan Design:

- Additional coverage tiers
- Pharmacy plan design features near norms via ACA
- Aggressive use of Specialty Pharmacy programs
- Telemedicine
- Funding into Health Savings Account

Eligibility:

- Spousal surcharge
- Health assessments/biometrics required for enrollment

Wellness:

- Contribution incentive for preventive screenings
- Results driven-based contributions
- Improvement-based contribution incentives

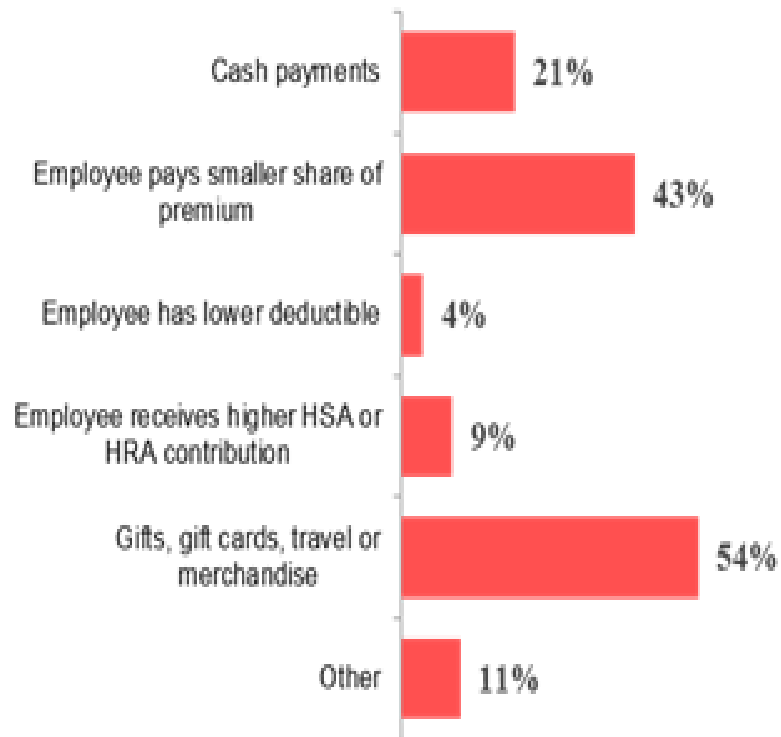
Efficiency:

- Employee self-service online for benefit enrollment

Multi Year Strategy

Year	Focus Area	Strategy
2014	Eligibility Management:	Premium contribution credit for wellness participation Consider either: <ul style="list-style-type: none">• Adding additional coverage Tiers• Adding a Spousal Surcharge
	Plan Design Management:	Consider offering Telemedicine
2015	Contribution Management:	Consider Wellness results driven based contributions
	Plan Design Management:	<ul style="list-style-type: none">• Consider adding Specialty Drug Tier and/or Deductible• Consider Closed Specialty Pharmacy through Catamaran• Consider Offering Funding into Employee HSA

Wellness Program Survey



Do you offer an incentive for participation in your wellness programs?

62% Yes

No **38%**

Telemedicine Discussions

- Telemedicine reduces costly and unnecessary ER visits by providing convenient access to an affordable option
- Phone and video conferencing is now offered by most telemedicine vendors with the option to write Rx scripts
- Telemedicine Benchmark: (source, national business group plan design survey 8/13)
 - 7% of employers had in place in 2013
 - 20% were expected to have in place for 2014
- Some of the more popular Telemedicine Vendors Include:
 - Ameridoc
 - Teledoc
 - See information included on the next pages
- On average, self insured employers can expect to pay \$1-\$4 per employee per month
- Pricing subject to the number of employees and the desired copay amount for each consult

Specialty Drugs

- Specialty drugs = high cost, high complexity, high touch
 - Average cost = \$600 +/-month
- It's expected that within 4 years, specialty drugs will account for 40-45% of total pharmaceutical sales
- Glenbrook 225 Specialty Medications year over year utilization:

	2012	2013	% Change	BOB Norm	% Diff from Norm
Number of Rx	146	177	21%		
Total Cost	\$ 481,670	\$ 439,776	-9%		
% of Total Plan	29.2%	28.1%	-4%	27.1%	1.0%
Total Cost Per Script	\$ 3,299	\$ 2,485	-25%		
Plan Paid PMPM	\$ 35.46	\$ 30.73	-13%	\$ 15.07	103.9%

- Cost Control Opportunity =
 - ✓ Class Specialty Drugs in a 4th or 5th Tier as the highest copayment level



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