

Compensation and Benefits Update

March 8, 2022

Information in this presentation
may be updated on March 8, 2022
with the most recent information available.

Licensed Compensation Update

Compensation Site Employee Engagement Results

What are the positives of the proposed new (licensed compensation) system?

- Transparent
- Predictable
- Honors continuing education
- More competitive
- Honors 7 years of external experience
- Easy to understand
- Pay increase for being brought up to cell is nice
- Will be paid equally to those with same credentials

Compensation Site Employee Engagement Results

What else do you want us to know?

- Still less than neighboring districts
- Should honor more than 7 years external experience (current staff)
- Capped pay/above cell (2% one time pay) for veteran teachers not fair to long time employees, should not cap
- No longevity pay for certain milestone years (additional pay at yrs 5, 10, 15, 20)
- Want professional development credit to be recognized as well
- Would like longer lanes (up to 30 years) for all lanes to limit salary cap

The majority of feedback centered around confirmation that changes are going into effect as well as concerns for sustainability absent new funding.

Total Compensation Plan Cost Estimate

Full Implementation in Year 1	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Total Licensed Compensation	\$ 287,853,992	\$ 293,204,298	\$ 302,535,394	\$ 311,213,876	\$ 321,592,075
Cumulative Compensation Increase	\$ 24,467,272	\$ 31,870,128	\$ 39,531,114	\$ 47,422,534	\$ 55,475,530
Percent of Licensed Staff on Schedule	74%	79%	84%	87%	90%
Cost of Living Adjustment (COLA)	0%	2%	2%	2%	2%
Total Non-Licensed Compensation	\$ 150,769,633	\$ 160,969,633	\$ 171,601,292	\$ 182,445,584	\$ 193,743,617
Cumulative Compensation Increase	\$ 10,000,000	\$ 10,200,000	\$ 10,631,659	\$ 10,844,292	\$ 11,298,034
Cost of Living Adjustment (COLA)	0%	2%	2%	2%	2%
Total Combined Compensation Increase	\$ 34,467,272	\$ 42,070,128	\$ 50,162,772	\$ 58,266,826	\$ 66,773,563

- New Licensed and Non-Licensed Compensation planned for 7/1/22 implementation
- Staff not placed on schedule (over cell) will receive one time stipend equivalent to 2% as currently modeled
- Staff placed on schedule with base pay increase of less than 2% will receive one time stipend for difference up to 2%
- Multi-year cost estimates assume:
 - Step plus 2% for licensed (unless maxed in lane)
 - 2% only for non-licensed (schedules do not have lanes)

Summary of Funding Sources and Cost Estimates

Full Implementation

Full Implementation in Year 1	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Total Licensed Compensation	\$ 287,853,992	\$ 293,204,298	\$ 302,535,394	\$ 311,213,876	\$ 321,592,075
Cumulative Compensation Increase	\$ 24,467,272	\$ 31,870,128	\$ 39,531,114	\$ 47,422,534	\$ 55,475,530
Percent of Licensed Staff on Schedule	74%	79%	84%	87%	90%
Cost of Living Adjustment (COLA)	0%	2%	2%	2%	2%
Total Non-Licensed Compensation	\$ 150,769,633	\$ 160,969,633	\$ 171,601,292	\$ 182,445,584	\$ 193,743,617
Cumulative Compensation Increase	\$ 10,000,000	\$ 10,200,000	\$ 10,631,659	\$ 10,844,292	\$ 11,298,034
Cost of Living Adjustment (COLA)	0%	2%	2%	2%	2%
Total Combined Compensation Increase	\$ 34,467,272	\$ 42,070,128	\$ 50,162,772	\$ 58,266,826	\$ 66,773,563
Estimated One-Time Funding Sources	\$ 43,448,551	\$ 24,837,113	\$ (1,253,317)	\$ (44,251,174)	\$ (90,994,977)
Estimated Ongoing Funding Sources	\$ 15,855,835	\$ 15,979,697	\$ 7,164,916	\$ 11,523,023	\$ 6,256,493
Surplus/(Deficit) Available Funding	\$ 24,837,113	\$ (1,253,317)	\$ (44,251,174)	\$ (90,994,977)	\$ (151,512,048)

Absent other budgetary changes to schools and departments or a dedicated funding source, DCSD will not be able to afford steps or COLA after 2023-2024 and pay would be frozen with full implementation in Year 1

Total Available Unassigned Fund Balance	\$ 56,581,753	\$ 47,970,315	\$ 21,879,884	\$ (21,117,972)	\$ (67,861,776)
--	----------------------	----------------------	----------------------	------------------------	------------------------

Total unassigned fund balance was \$15.4M in 2017-2018 and \$18.2M in 2018-2019 for comparison

Benefits Update

DCSD Benefits Historical Snapshot

- **Employee Choice:** The District has offered employees of the District a choice between Kaiser and Allegiance (Cigna's PPO provider network) for over a decade.
- **Employee Cost Savings:**
 - Currently the District medical plan revenue budget is \$54.3M (employee and employer dollars)
 - The District % of the total is 73.9%
 - Employee % of the total 26.1%
 - Since the 2014-15 plan year, employee monthly contributions have only been increased once in 2020-2021. This means that only once since 2014-15 employees have had to pay premium increases and DCSD has absorbed the employee portion of premium increases (SY-19-20).
 - Kaiser was increased on average 2.5%
 - Allegiance was increased on average 7%
- **Benefits Stability:** During this same time frame only incremental medical benefit changes were made.
 - SY-16-17: member coinsurance increased from 10% to 20%
 - SY-17-18: increased specialist copay from \$50 to \$60; added \$250 deductible to Kaiser HMO

Additional Employee Engagement

What questions do you have about these benefits changes ?

Common Themes of Employee Questions:

- Key differences between Cigna/Allegiance and United HealthCare plans
- Requests for more information on the Colorado Doctors Plan (CDP) and how it works
- Health Savings Accounts (HSA) and how the proposed changes will impact the current HSA program

What supports would you need, if any, as DCSD transitions to these updated benefits offerings?

Common Themes of Needed Supports

- More specific information on CDP plan
- Benefits summary documents for plan comparison purposes
- Plan selector tool to help with choosing the right plan option
- How to find whether current doctor(s) are in the UHC network
- Support from UHC and Kaiser with questions around costs for various procedures/services
- Individual supports related to own health situations

Additional Employee Feedback Highlights

“It seems like this proposal honors folks who like what they have, yet provides a (hopefully) enticing option to save money for the district AND employee -if the employee is interested/able to make the change.”

“I like United Health and am glad to be going back onto a United Health Care Plan.”

“No questions. Thank you for continuing Kaiser. I have had the greatest care. Love the doctors, the system, their research, their wellness offerings, etc. I have seen my primary, a hand orthopedic doc, had hand surgery, etc. (I'm a tennis player). They've been great.”

“Communication with employees is key. Do not want employees to view this as a takeaway.”

“Cost is lower, benefits better for CDP.”

Medical Benefits Renewal SY 22-23

Carrier Change to United Healthcare*

Medical Plans: Kaiser HDHP/HMO, United Healthcare PPO/HDHP, Colorado Doctor's Plan (CDP)

- No changes to the Kaiser plan offerings (DHMO & CDHP)
- Shift away from Cigna/Allegiance, replicate the current plan designs with UHC's network and add a third choice option-Colorado Doctor's Plan (CDP)
- United Health Care- replicate PPO/HDHP plans with a broad network comparable to current Cigna network.
- The CDP plan has a smaller (narrower) network of providers but in return reduces estimated claims costs by 15% - 20%.
- The CDP provider network includes Centura, Health One (HCA) and Children's Hospitals.
 - This option would allow employees the choice of selecting a narrow network of providers in exchange for lower monthly premiums and reduced costs for employees when they seek medical care.
 - When out of network, defaults to PPO plan structure and costs
 - Nurse Care Coordinator to assist plan members with accessing care

**The shown medical provider was selected via a public RFP process published by Lockton, our Employee Benefits Consultant.*

Comparison of UHC Plan Options that would be available for 2022-23

UHC PPO

UHC HDHP

UHC CDP

	UHC PPO	UHC HDHP	UHC CDP
Out-Of-Network Coverage	Yes	Yes	No (only ER)
Deductible			
Individual	\$1,500	\$3,000	\$1,000
Family	\$3,000	\$6,000	\$2,000
Out-of-Pocket Maximum			
Individual	\$4,000	\$5,000	\$5,000
Family	\$8,000	\$10,000	\$10,000
Coinsurance	80%	80%	80%
Office Visit	\$30	80% after deductible	100% Covered
Specialist Office Visit	\$60	80% after deductible	\$75
Mental Health	\$30	80% after deductible	100% Covered
Preventive Care	100% Covered	100% Covered	100% Covered
Virtual Visits	\$15	\$45	100% Covered
Inpatient Hospital	80% after deductible	80% after deductible	80% after deductible
Outpatient Surgery	80% after deductible	80% after deductible	80% after deductible
Routine Laboratory and X-ray	80% after deductible	80% after deductible	\$25
Complex Imaging	80% after deductible	80% after deductible	\$250
Emergency	\$250	80% after deductible	80% after deductible
Urgent Care	\$50	80% after deductible	100% Covered
Retail Rx	15% Generic Max \$75 Pref Brand Max \$125 Non-Pref Brand Max \$175	80% after deductible	Tier 1: \$10 Tier 2: \$35 Tier 3: \$100 Tier 4: \$300
Mail Order Rx	15% Generic Max \$187.50 Pref Brand Max \$312.50 Non-Pref Brand Max \$437.50	80% after deductible, 2x retail copay	Tier 1: \$25 Tier 2: \$87.5 Tier 3: \$250 Tier 4: \$750

UHC CDP Plan Design Highlights



\$0 Primary Care Physician (PCP) visits



\$0 Urgent Care



\$0 Behavioral Health Office Visits



\$0 Virtual Visits



\$0 Convenience Care

Proposed Medical UHC Employee Premiums

No Increase

Plan	Tier	Current	Proposed
PPO	Employee	\$ 71.66	\$ 71.66
	Employee + Spouse	\$ 648.90	\$ 648.90
	Employee + Child(ren)	\$ 631.82	\$ 631.82
	Family	\$ 970.36	\$ 970.36
HDHP	Employee	\$ 41.49	\$ 41.49
	Employee + Spouse	\$ 304.56	\$ 304.56
	Employee + Child(ren)	\$ 287.99	\$ 287.99
	Family	\$ 518.02	\$ 518.02
CDP	Employee	\$ -	\$ 31.12
	Employee + Spouse	\$ -	\$ 228.42
	Employee + Child(ren)	\$ -	\$ 215.99
	Family	\$ -	\$ 388.52

Note: Health Savings Accounts still available for the HDHP

Kaiser Medical Plan Summary

	Kaiser DHMO	Kaiser HDHP (HSA Eligible)
	In-Network Only	In-Network Only
Out-Of-Network Coverage	Only For Emergency Care Limited to Reasonable and Customary	Only For Emergency Care Limited to Reasonable and Customary
Plan Year Deductible	Individual \$250 Family \$500	Individual \$3,000 Family \$6,000
Plan Year Out-of-Pocket Maximum	Individual \$2,000 Family \$4,500 Deductible, Copays and Coinsurance Included	Individual \$5,000 Family \$10,000 Deductible, Copays and Coinsurance Included
Lifetime Maximum	Unlimited	Unlimited
Dependent Eligibility	End of the Month in Which the Child Turns Age 26	End of the Month in Which the Child Turns Age 26
Service Availability	* Kaiser Permanente Colorado Medical Group	* Kaiser Permanente Colorado Medical Group
Office Visit	\$30 Copay Per Visit Per Visit; 20% Coinsurance for Office-administered Drugs up to Out-of-pocket Max	Deductible Applies; Paid at 80%
Specialist Office Visit	\$60 Copay Per Visit Per Visit; 20% Coinsurance for Office-administered Drugs up to Out-of-pocket Max	Deductible Applies; Paid at 80%
Preventive Care	Covered at 100%	Covered at 100%
Infertility Office Visit (Diagnosis Only)	Covered at 50%	Not Covered

	Kaiser DHMO	Kaiser HDHP (HSA Eligible)
	In-Network Only	In-Network Only
Out-Of-Network Coverage	Only For Emergency Care Limited to Reasonable and Customary	Only For Emergency Care Limited to Reasonable and Customary
Plan Year Deductible	Individual \$250 Family \$500	Individual \$3,000 Family \$6,000
Plan Year Out-of-Pocket Maximum	Individual \$2,000 Family \$4,500 Deductible, Copays and Coinsurance Included	Individual \$5,000 Family \$10,000 Deductible, Copays and Coinsurance Included
Lifetime Maximum	Unlimited	Unlimited
Dependent Eligibility	End of the Month in Which the Child Turns Age 26	End of the Month in Which the Child Turns Age 26
Service Availability	* Kaiser Permanente Colorado Medical Group	* Kaiser Permanente Colorado Medical Group
Office Visit	\$30 Copay Per Visit Per Visit; 20% Coinsurance for Office-administered Drugs up to Out-of-pocket Max	Deductible Applies; Paid at 80%
Specialist Office Visit	\$60 Copay Per Visit Per Visit; 20% Coinsurance for Office-administered Drugs up to Out-of-pocket Max	Deductible Applies; Paid at 80%
Preventive Care	Covered at 100%	Covered at 100%
Infertility Office Visit (Diagnosis Only)	Covered at 50%	Not Covered

Note: No plan changes for SY 22-23

Proposed Kaiser Medical Employee Premiums

No Increase

DHMO	<u>Full-time Employees</u> Montly Deduction Amount
Employee	\$12.25
Employee + Spouse	\$535.10
Employee + Child(ren)	\$513.70
Family (Employee + Spouse + Children)	\$796.38

HDHP	<u>Full-time Employees</u> Montly Deduction Amount
Employee	\$8.73
Employee + Spouse	\$192.90
Employee + Child(ren)	\$172.46
Family (Employee + Spouse + Children)	\$350.34

Note: Health Savings Accounts still available for the HDHP

Dental and Vision Plans

No Increase

Dental: Delta Dental

- Plan Options
 - Delta PPO
 - Delta Premier
 - No plan design changes or premium changes

Vision: Vision Service Plan

- Plan Options
 - No plan design changes or premium changes

Benefits Transition Supports

UHC Communication and Transition Support Plan

Douglas County Member Engagement Plan								
			Pre-Enrollment		OE	Post-enrollment		
Tactics list	Audience	Owner	March	April	May	June	July	Aug
Key Messages	All DCSD employees	UHC and DCSD	●					
Internal email to all employees announcing the change	All DCSD employees	UHC/DCSD	●					
Mail to home introducing UHC	All DCSD employees	UHC		●				
Internal email to all employees announcing OE	All DCSD employees	UHC/DCSD		●				
<i>Pre-member website</i>	<i>All DCSD employees</i>	<i>UHC</i>		●	●			
Video	All DCSD employees	UHC		●	●			

UHC Communication & Transition Support Plan (cont.)

Tactics list	Audience	Owner	Content (in addition to key messages)	March	April	May	June	July	Aug
Targeted high-risk patient letter	high-risk members	Optum	Ease the minds of members managing a condition that there will be support similar to what they are familiar with after 7/1.		●				
OE Guide	All DCSD employees	UHC	overview of plan choices, what's included in plans, diferentators, etc.		●	●			
Digital sign (wide screen PPT) Poster (11x17)	All DCSD employees	UHC	New provider, and OE dates. To be posted during OE, with reminder of dates and how to enroll.		●	●			
Health Plan ID cards	All enrolled in UHC	UHC	Includes activation sticker and standard welcome letter				●		
Mobile benefits directory	All enrolled in UHC	UHC	Includes links to all benefit resources					●	
Welcome Brochure (mail) Continue to use throughout year for new hires	All enrolled in UHC 3 versions: - HDHP - PPO - Colorado Doctor's Plan	UHC	<ul style="list-style-type: none"> •myuhc.com and app, •Where to go for care, premium, etc. •Programs 					●	
myuhc.com campaign to collect email addresses	All enrolled in UHC not registered on myuhc.com	UHC	benefits of of myuhc.com. CTA: register						●

UHC & DCSD Member Resources Pre-Enrollment

The District and United Healthcare are ready to launch a comprehensive member education campaign which includes the following:

- Custom Plan Educational Video (in process)
- Pre-Member Phone Numbers:
 - PPO 866-633-2446
 - HDHP 866-314-0335
 - Colorado Doctor's Plan 844-376-0313
- Pre-Member Website: <https://whyuhc.com/dcsdk12> (in process)
- Member Mailings / Targeted High-Risk individuals
- Virtual Q&A Sessions with the ability to work with DCSD employees directly
- Educational Webinars
- Appointment availability for employees to connect with Benefits Staff individually.

Pre-Enrollment Member Website

- View and compare plan details side by side
- Learn about medical, pharmacy,
- Search for network providers
- Learn about wellness and condition management programs, online tools and more

Key features of pre-member websites:

- Mobile-optimized: Can be viewed on smartphones and tablets
- Accessibility: Sites have accessibility features for people with disabilities, such as text alternatives for images
- Customized: Include one or more plans as offered by the customer, select features and more
- Clean and simple to navigate: Easy to find information quickly
- Seamless integration: Integrated with plan details, provider search, Just Plain Clear© glossary and more

Learn more about the benefits of a plan with UnitedHealthcare



Let's get connected

Start making the most of your benefits before your coverage even begins! Sign up and we'll tell



Digital tools

Stay connected at home or on the go with online resources to access and manage your benefits.



Resources for healthier living

Get access to personal coaches and clinical

Here for health, here for help

When you need help managing your health plan and health care, you've got tools and programs that help make it easier and more convenient. When you have questions that need answers, you've got a support team you can chat with. Check out all your health plan has to offer.

Transition of Care

- Transition of Care gives new UnitedHealthcare members the option to request extended coverage from their current, out-of-network health care professional at network rates for a limited time due to a specific medical condition until the safe transfer to a network health care professional can be arranged. You must apply for Transition of Care no later than 30 days after the date your coverage with UHC is effective.
- You must already be under active and current treatment by the identified non-contracted health care professional for the condition.
- Your request will be evaluated based on, plan benefits and accreditation standards. Coverage at the network level is available if the provider agrees to accept our network rates, provide medical records, follow our policies and a treatment plan approved by us.
- To access Transition of Care, Members call member services (the number on the back of their ID card) within 30 days of enrollment.
- UHC can also create a DCSD custom TOC form which can be posted internally.

Examples of Transition of Care

Includes, but is not limited to:

- Pregnant and undergoing a course of treatment for pregnancy.
Coverage for newborn children begins at the moment of birth and continues for 30 days. You must select an in network pediatrician and notify your health plan representative within 30 days from the baby's date of birth to add the baby to your plan.
- Newly diagnosed or relapsed cancer and currently receiving chemotherapy, radiation therapy or reconstruction.
- Transplant candidates or transplant recipients in need of ongoing care due to complications associated with a transplant.
- Recent major surgeries in the acute phase and follow-up period (generally six to eight weeks after surgery).
- Serious acute conditions in active treatment such as heart attacks or strokes.
- Other chronic conditions that require active treatment such as diabetes, arthritis, allergies, & asthma.
- Elective scheduled surgeries.

Summary

- ✓ **Medical** (maintains employee choice- multiple carriers)
 - Kaiser & United Healthcare/Centura/Health One
 - Maintains the current PPO and HDHP plans with comparable provider network.
 - Colorado Doctor's Plan (CDP)- Adds option for employees to considerably reduce their monthly premium costs.
- ✓ **Dental & Vision**
 - No changes to plan designs
- ✓ **Flexible Spending Accounts (FSA)**
 - Remains an option for employees
 - No changes
- ✓ **Health Savings Accounts (HSA)**
 - Remains an option for employees who select an HDHP (excludes CDP)
 - No changes
- ✓ **Enhancements to Benefits Offerings- 3rd plan option**
 - Offers optional new 3rd plan to employees at lower cost (benefits and monthly contributions)
 - Partnership with Centura Hospital System - **COMPLETELY UNIQUE**
 - Dedicated Care Coordinator for CDP members to help navigate complex medical situations
 - Data driven cost containment strategies
 - Opportunity to have specialized health events at Centura locations that are coordinated with school calendar to allow for better access
- ✓ **Affordable**
 - No premium increases for employees SY 22-23 (district absorbs premium increase)
 - Improved benefit levels (lower deductibles, no copays for primary care and mental health services)
 - Reduction in cost for employees and district

Questions