

**RESOLUTION OF THE BOARD OF EDUCATION
OF
DOUGLAS COUNTY SCHOOL DISTRICT RE-1**

**RESOLUTION REGARDING APPROVAL OF EMPLOYEE BENEFITS PLAN
CHANGES**

WHEREAS, the Douglas County School District (“District”) Board of Education (“Board”) has authority pursuant to Colorado law to establish an employee benefits plan; and

WHEREAS, the District has engaged staff and received their input with regard to employee benefits needs, values and their perceptions of the District’s current benefits offerings; and

WHEREAS, due to medical benefits inflation that threatened the District’s ability to insulate staff from rising costs, the District researched and identified an alternative employee benefits plan offering outlined in Attachment A; and

WHEREAS, the District’s Administration has presented to the Board the proposed employee benefits plan changes set forth in Attachment A; and

WHEREAS, the Board values all District employees as professionals and believes they are deserving of competitive employee benefits; and

WHEREAS, the Board has duly considered the matter of the proposed changes to the District’s employee benefits plan.

NOW, THEREFORE, BE IT RESOLVED by the Board that the employee benefits plan set forth in Attachment A is approved for implementation in the 2022-2023 school year.

Adopted and approved this 8th day of March 2022 by a vote of_____.

AYES:

NAYS:

DOUGLAS COUNTY SCHOOL DISTRICT RE-1

By: _____
President

Attest:

Secretary



UNCOMMONLY INDEPENDENT

Memo

To: Danelle Hiatt, Deputy Superintendent, Andy Abner, Deputy Superintendent, and Amanda Thompson, Chief Human Resources Officer

From: Jay Calderone, SVP/Consultant, Lockton Companies, LLC

Date: 03.03.2022

Re: **2022 Employee Medical/Rx Plans**

Lockton Companies performed an RFP for the self-funded medical/rx plan in 2020 predicated on the District's desire to understand opportunities to control plan cost in both the short- and long-term, while being sensitive to disruption to the District's employees and their covered dependents. The District did not implement a change for SY 21-22 as the District wanted to better understand employees needs and wants prior to making a change.

In Late 2021, the District launched an employee benefit survey to understand employees' current opinions on the benefits offered today, along with surveying them on possible future solutions. 46% of employees responded to the survey (61% of these respondents are Licensed employees).

Survey Highlights:

- *Benefit Satisfaction:*
 - 56% indicated a 1 or 2 for benefit satisfaction (on a scale of 1-5 – one being the best)
 - 87% indicated 1, 2, or 3
- *Medical Plan Preferences:*
 - 50% value having choice in carriers
 - 48% expressed interest in paying more monthly in exchange for a more comprehensive plan
 - 39% expressed interest in a narrow network in exchange for lower premiums

07.01.2022 Self-funded Renewal:

Lockton's underwriting of the self-funded plan estimates a 10% increase to the District's budget, or ~\$3.172M, assuming no plan design or carrier partnership changes. The current reality is that the average rate of increase (medical inflation) year over year is not sustainable to continue to offer the same level of benefits and the same cost sharing structure for our employees.

Considerations for Change:

- Any changes considered would have to continue to provide choice in insurance carriers to employees.
- The District would attempt to make any future changes minimally disruptive to employees in both cost and access to current providers (physicians and facilities).
- Alternative solutions would need to provide both short-term and long-term savings opportunities for employees and the District.
- Be aligned with the BOE Benefits Values Resolution 12-13-2018.

RFP Findings for Future Plan Management Options:

If alternative strategies are not urgently considered, the District will not be able to insulate employees from future cost increases and/or will require a reduction in benefit levels in future years.

Recommended Solution: Carrier Change to United Healthcare

- Shift away from Cigna/Allegiance, replicate the current plan designs with UHC's network and add a third-choice option with UHC's Colorado Doctor's Plan (CDP)
 - United Health Care will replicate the current PPO/HDHP plans with a broad network comparable to current Cigna network.
 - Employee monthly premiums will not increase for SY 2022-2023
- 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 (copays & deductibles) for employees when they seek medical care.
- CDP will provide a Nurse Care Coordinator to assist plan members with accessing care

Please Note: No proposed changes to the Kaiser plan offerings (DHMO & CDHP).

Lockton believes that the offer from UHC provides a solution that allows the District to achieve many of their stated goals:

- Mitigates an estimated \$3.1M increase
- Minimal employee disruption – employees can keep the PPO or HDHP plans with minor provider disruption
- Offering the CDP plan would allow the District to offer a plan that would cost members less in monthly contributions with lower cost share (e.g., deductibles and copays) – an opportunity for employees to save on premiums and costs when accessing care.
- Enhanced member experience with Care Coordinator through Centura
- A partnership with the Centura Health system willing to engagement in long-term cost management strategies that don't shift cost to employees
- Improved digital access to member plan information via internet and mobile applications

It is important to note that UHC and Centura may not be willing to offer this unique partnership in the future. Lockton believes that this partnership has never been offered to any employer in Colorado and it demonstrates both organizations commitment to engage members in a different way to enhance the member experience and to manage cost long-term.



Appendix:

Proposed UHC Plans:

Note: PPO & HDHP are identical in coverage as the current plans. CDP would be offered as a third option.

In Network Benefits	Allegiance PPO/OAP	Allegiance HDHP	UHC Colorado Doctors Plan Option 2
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

Proposed UHC Employee Monthly Contributions:

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