

TUSD

PO Box 40400
1010 E. 10th Street
Tucson, AZ 85719

Human Resources Department

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www.tusd1.org

April 2, 2013

The Human Resources-Benefits office is pleased to provide a competitive renewal recommendation for Medical, Network, Dental, Vision and Employee Assistance Program as listed below. TUSD's benefit consultant, Buck Consultants, has provided the review summary below as per employee per month premiums (PEPM).

AmeriBen – 3rd year

AmeriBen provides the District's claims administration. Currently, the medical administration fee is \$14.94; however, for years three through five the maximum increase is equal to 5%. The rate increase is approximately 3% on the medical administration fee, UM and DM fee to cover the cost of inflation.

Description	Enrollment	Current 2012 - 2013	Renewal 2013 - 2014
Administration Fee	5,346	\$14.94	\$15.39
Tele-Doc	5,346	-	\$1.00
Disease Mgt (DM)	5,346	\$2.99	\$3.08
Utilization Mgt (UM)	5,346	\$2.58	\$2.66
HIPAA Administration	5,346	\$0.25	\$0.25
PHCS Network Fee	5,346	\$4.85	\$4.85
	5,346	\$136,911	\$140,226
Annual Costs		\$1,642,933	\$1,682,707
Percentage Change over Current			2.42%

Blue Cross Blue Shield of Arizona – 3rd year

Blue Cross Blue Shield provides a robust network that consistently delivers a high rate of network savings. Identified below are the renewal rates:

Description	Enrollment	Current 2012 - 2013	Renewal 2013 - 2014
Network Fee	5,346	\$12.50	\$12.75
Monthly Costs		\$66,825	\$68,162
Annual Costs		\$801,900	\$817,938
Percentage Change over Current			2.00%

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Delta Dental of Arizona

Delta Dental had provided an overall increase based on the current Premier Network. However, we asked Delta Dental to also provide the renewal using their **PPO Plus Premier Network**. This network combines the current Premier Network plus the addition of their PPO Network resulting in a lower premium and lower claims costs for the employee should they utilize a PPO provider. All rates are guaranteed for one year. Both renewals are listed below: We are recommending the renewal as the PPO Plus Premier Network.

Tiers	Enrollment	Current Premier Network 2012 - 2013	Renewal Premier Network 2013 - 2014	Renewal PPO Plus Premier Network 2013 - 2014
Low Plan:				
Employee Only	466	\$26.20	\$27.20	\$26.20
Employee + Spouse	49	\$62.92	\$65.30	\$62.92
Employee + Children	97	\$57.10	\$59.26	\$57.10
Employee + Family	59	\$90.54	\$93.94	\$90.54
Monthly Costs		\$26,173	\$27,166	\$26,173
High Plan:				
Employee Only	981	\$43.36	\$45.00	\$43.36
Employee + Spouse	163	\$104.18	\$108.10	\$104.18
Employee + Children	186	\$94.50	\$98.06	\$94.50
Employee + Family	138	\$149.88	\$155.52	\$149.88
Monthly Costs		\$97,778	\$101,466	\$97,778
Annual Costs		\$1,487,409	\$1,543,582	\$1,487,409
Percentage Change over Current			3.78%	0.00%

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Employers Dental Services

Last year was the end of the three year rate guarantee for Employers Dental Services (EDS). Listed below are the new rates for the 2013-2014 plan year:

Tiers	Enrollment	Current 2012 - 2013	Renewal 2013 - 2014
Employee Only	1,396	\$8.25	\$8.58
Employee + Spouse	289	\$17.32	\$18.01
Employee + Children	216	\$24.02	\$24.98
Employee + Family	348	\$25.98	\$27.02
Monthly Costs		\$30,752	\$31,981
Annual Costs		\$369,022	\$383,775
Percentage Change over Current			4.00%

Avesis Incorporated

Avesis will be operating in the 4th year of their 5-year rate guarantee period with no change in the rates for the 2013 - 2014 plan year.

Tiers	Enrollment	Current 2012 - 2013	Renewal 2013 - 2014
Employee Only	1,542	\$6.89	\$6.89
Employee + Spouse	382	\$12.10	\$12.10
Employee + Children	230	\$13.98	\$13.98
Employee + Family	357	\$18.01	\$18.01
Monthly Costs		\$24,892	\$24,892
Annual Costs		\$298,699	\$298,699
Percentage Change over Current			0.00%

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Jorgensen Brooks

Jorgensen Brooks EAP Program is in their second year of a two-year rate guarantee. The rates are listed below:

Tiers	Enrollment	Current 2012 - 2013	Renewal 2013 - 2014
EAP	6,473	\$0.99	\$0.99
Monthly Costs		\$6,408	\$6,408
Annual Costs		\$76,899	\$76,899
Percentage Change over Current			0.00%

Conclusion:

At this time, it is my recommendation that TUSD accept the rates and renewals and continue with the benefit plans listed above.

Thank you for your consideration of this renewal proposal.

Janet Underwood
Benefits Manager

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