

TUCSON UNIFIED

SCHOOL DISTRICT

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

Human Resources Department

Telephone: (520) 225-6035
Fax: (520) 798-8683
www.tusd1.org

Date: May 18, 2018

To: Dr. Gabriel Trujillo

From: Janet Rico Uhrig, Executive Director of Human Resources
Renée Heusser, Director of Employee Services

Regarding: Renewal Information for the 2018-2019 Plan Year

Below please find the renewal recommendations for the Tucson Unified School District (TUSD) 2018-2019 benefit plan year.

MEDICAL & PHARMACY

The medical and pharmacy plans at TUSD are managed by the TUSD Employee Benefits Trust Board per the Employee Benefit Trust Agreement.

At the regular meeting of the Employee Benefits Trust Board on April 9, 2018, the following recommendations were made for Medical and Pharmacy Coverage for the 2018-2019 plan year.

United Healthcare

Medical plans through United Healthcare will continue as prior year with the exception of the following changes:

- **PPO Plan Changes**
 - Reduce Urgent Care In-Network Copay from \$85 to \$50
 - Increase Employee contributions by 4.5% for all tiers
 - Increase PCP In-Network Visit Copay from \$25 to \$30
 - Increase Specialist In-Network Copay from \$40 to \$45
 - Increase Emergency Room Copay from \$250 to \$500
 - Increase In-Network Calendar Year Deductible from \$500/\$1000 to \$750/\$1500
 - Increase Out-of-Network Calendar Year Deductible from \$1000/\$2000 to \$1500/\$4500
 - Increase In-network Out-of-Pocket Maximums from \$2500/\$5000 to \$3000/\$6000
 - Increase Out-of-network Out-of-Pocket Maximums from \$4500/\$9000 to \$9000/\$18,000
- **HDHP HSA Contribution Changes**
 - Reduce the annual TUSD contribution to the HDHP HSA account from \$1500 per year to \$1000 per year

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Medical Plan Premium Equivalents

Monthly rates for the 2017-2018 plan year are noted below for comparison with the 2018-2019 renewal rate.

Choice Plus PPO	17/18 Plan Year Rate	17/18 Employee Monthly Cost	18/19 Renewal Rate	18/19 Employee Monthly Cost	Increase/Difference
Employee	\$523.37	\$50.03	\$542.40	\$53.53	\$3.50
Employee & Spouse	\$1,099.07	\$592.85	\$1,139.03	\$634.35	\$41.50
Employee & Child	\$994.40	\$522.72	\$1,030.55	\$559.31	\$36.59
Family	\$1,570.11	\$1,013.65	\$1,627.19	\$1,084.61	\$70.96
Choice Plus HDHP	17/18 Plan Year Rate	17/18 Employee Monthly Cost	18/19 Renewal Rate	18/19 Employee Monthly Cost	Difference
Employee	\$461.97	\$0.00	\$499.60	No Change	\$0
Employee & Spouse	\$970.13	\$249.37	\$1,049.15	No Change	\$0
Employee & Child	\$877.74	\$177.77	\$949.24	No Change	\$0
Family	\$1,385.90	\$443.40	\$1,498.79	No Change	\$0

UnitedHealthcare Administrative Services (ASO)

The TUSD medical and pharmacy plans are self-funded and subject to ASO costs. TUSD is in the 4th year of a 5-year rate guarantee for ASO. Fixed cost per subscriber per month (PSPM) for the 2018-2019 plan year will **increase slightly** as follows:

	17/18 Plan Year Rate	18/19 Renewal Rate	Increase/Difference
Choice Plus PPO	\$34.82	\$35.17	\$0.35
Choice Plus HDHP	\$35.91	\$36.27	\$0.36

United Healthcare Individual Stop Loss Coverage (ISL)

The renewal rate for ISL will **increase slightly** for the 18-19 plan year.

	17/18 Plan Year Rate (PSPM)	18/19 Renewal Rate (PSPM)	Increase/Difference
ISL Premium @ \$1M	\$4.10	\$4.96	\$0.86

OptumRX Pharmacy

There are **no plan changes** to OptumRX for the 2018-2019 benefit plan year.

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DENTAL

Employee dental coverage is provided by Delta Dental and Employers Dental Service (EDS). TUSD has multiple year contracts with these vendors based on the award of an RFP through our TUSD Purchasing Department in 2015.

Delta Dental

Per the current contract, rates for Delta Dental were guaranteed through August 31, 2020 and there will **be no premium increase** with our 2018-2019 renewal. Monthly rates for the 2017-2018 plan year are noted below for comparison with the 2018-2019 renewal rate.

Delta Dental Low Plan	17/18 Plan Year Rate	18/19 Renewal Rate	Increase/Difference
Employee	\$22.62	\$22.62	\$0
Employee & Spouse	\$54.34	\$54.34	\$0
Employee & Child	\$49.30	\$49.30	\$0
Family	\$78.18	\$78.18	\$0
Delta Dental High Plan	17/18 Plan Year Rate	18/19 Renewal Rate	
Employee	\$42.08	\$42.08	\$0
Employee & Spouse	\$101.08	\$101.08	\$0
Employee & Child	\$91.70	\$91.70	\$0
Family	\$145.42	\$145.42	\$0

Employer Dental Services (EDS)

Per the current contract, rates for ESD Prepaid Dental Plan were guaranteed through August 31, 2018. As the guarantee period has passed, EDS rates are **increasing slightly** as shown below. Monthly rates for the 2017-2018 plan year are noted below for comparison with the 2018-2019 renewal rate.

EDS Prepaid Dental	17/18 Plan Year Rate	18/19 Renewal Rate	Increase/Difference
Employee	\$8.50	\$8.76	\$0.26
Employee & Spouse	\$16.58	\$17.08	\$0.50
Employee & Child	\$22.10	\$22.76	\$0.66
Family	\$24.65	\$25.39	\$0.74

VISION

Employee vision coverage is provided by Avesis. TUSD has multiple year contracts with this vendor based on the award of an RFP through our TUSD Purchasing Department in 2015 and there will be **no premium increase** with our 2018-2019 renewal.

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Avesis

Monthly rates for the 2017-2018 plan year are noted below with the 2018-2019 renewal rate.

Avesis Vision	17/18 Plan Year Rate	18/19 Renewal Rate	Increase/Difference
Employee	\$6.41	\$6.41	\$0
Employee & Spouse	\$11.25	\$11.25	\$0
Employee & Child	\$13.00	\$13.00	\$0
Family	\$16.75	\$16.75	\$0

BASIC AND SUPPLEMENTAL LIFE

Employee basic and supplemental life insurance options are provided by Voya Financial through the Valley Schools Cooperative Purchasing Agreement. The District is a member of Valley Schools Benefits Trust by way of an Intergovernmental Agreement that was Governing Board Approved in May of 2013 in accordance with AAC R7-2-1191, Cooperative Purchasing Authorized. There will be **no premium increase** with our 2018-2019 renewal.

Voya Financial Basic Life/AD&D

Monthly rates for the 2017-2018 plan year are noted below with the 2018-2019 renewal rate.

	17/18 Plan Year Rate	18/19 Renewal Rate
Voya Basic Life	\$0.050/\$1,000	\$0.050/\$1,000
Voya AD&D	\$0.012/\$1,000	\$0.012/\$1,000

Voya Financial Supplemental Life

Monthly rates for the 2017/2018 plan year are noted below with the 2018-2019 renewal rate.

Age	17/18 Plan Year Rate per \$1,000	18/19 Renewal Rate per \$1,000
Under 30	\$0.037	\$0.037
30-34	\$0.050	\$0.050

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35-39	\$0.056	\$0.056
40-44	\$0.081	\$0.081
45-49	\$0.130	\$0.130
50-54	\$0.217	\$0.217
55-59	\$0.391	\$0.391
60-64	\$0.440	\$0.440
65-69	\$1.321	\$1.321
70-74	\$1.321	\$1.321
75 & Older	\$2.060	\$2.060

VOLUNTARY SHORT TERM DISABILITY

Employee short term disability insurance options are provided by MetLife through the Valley Schools Cooperative Purchasing Agreement. The District is a member of Valley Schools Benefits Trust by way of an Intergovernmental Agreement that was Governing Board Approved in May of 2013 in accordance with AAC R7-2-1191, Cooperative Purchasing Authorized.

MetLife Voluntary Short Term Disability (STD)

TUSD will continue to offer three levels of coverage with MetLife STD for the 18-19 plan year with **no plan or rate changes**.

	17/18 Plan Year Rate per \$1000	18/19 Renewal Rate per \$1,000
Voluntary SDT Plan Option 1	\$0.98	\$0.98
Voluntary SDT Plan Option 2	\$0.55	\$0.55
Voluntary SDT Plan Option 3	\$0.35	\$0.35

CRITICAL ILLNESS

Employee Critical Illness coverage options are provided by MetLife through the Valley Schools Cooperative Purchasing Agreement. The District is a member of Valley Schools Benefits Trust by way of an Intergovernmental Agreement that was Governing Board Approved in May of 2013 in accordance with AAC R7-2-1191, Cooperative Purchasing Authorized.

MetLife Critical Illness

TUSD will continue to offer Critical Illness coverage through MetLife for the 18-19 plan year with **no rate changes**.

	17/18 Plan Year Rate per \$1,000	18/19 Renewal Rate per \$1,000

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Employee Age		
<25	\$0.11	\$0.11
25-29	\$0.13	\$0.13
30-34	\$0.22	\$0.22
35-39	\$0.37	\$0.37
40-44	\$0.66	\$0.66
45-49	\$1.14	\$1.14
50-54	\$1.78	\$1.78
55-59	\$2.70	\$2.70
60-64	\$3.98	\$3.98
65-69	\$5.92	\$5.92
70-74	\$8.66	\$8.66
75-79	\$12.58	\$12.58
80-84	\$16.09	\$16.09
85+	\$17.43	\$17.43

Spouse Age	17/18 Plan Year Rate per \$1,000	18/19 Renewal Rate per \$1,000
<25	\$0.11	\$0.11
25-29	\$0.12	\$0.12
30-34	\$0.20	\$0.20
35-39	\$0.37	\$0.37
40-44	\$0.66	\$0.66
45-49	\$1.17	\$1.17
50-54	\$1.95	\$1.95
55-59	\$3.13	\$3.13
60-64	\$4.87	\$4.87
65-69	\$7.53	\$7.53
70-74	\$10.83	\$10.83
75-79	\$15.01	\$15.01
80-84	\$18.54	\$18.54
85+	\$19.78	\$19.78

Child Age	17/18 Plan Year Rate per \$1,000	18/19 Renewal Rate per \$1,000
<26	\$0.07	\$0.07

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DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (FSA)

Dependent Care Flexible Spending Accounts are provided by Basic through the Valley Schools Cooperative Purchasing Agreement. The District is a member of Valley Schools Benefits Trust by way of an Intergovernmental Agreement that was Governing Board Approved in May of 2013 in accordance with AAC R7-2-1191, Cooperative Purchasing Authorized.

Basic Dependent Care FSA

TUSD will continue with the FLEX dependent/childcare reimbursement through Valley Schools for the 18-19 plan year. The Dependent Care Administration **Fee will decrease** for the 18-19 plan year from \$3.69 per member per month to \$3.50 per member per month. This employee paid fee includes access to the Basic FSA Mobile App. Debit cards are also included at no additional cost.

Dependent Care	17/18 Plan Year Fee	18/19 Renewal Fee	Decrease/Difference
	\$3.69	\$3.50	\$0.19

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Jorgenson Brooks EAP

For the 18-19 plan year, TUSD will be entering year four of a five year contract that offers a fixed fee arrangement with Jorgenson Brooks. The final rates for 18-19 plan year will be \$0.92 per employee per month (PEPM).

GROUP LEGAL SERVICES (NEW COVERAGE)

Hyatt Group Legal Services

For the 18-19 plan year, TUSD will be offering employees a new group legal plan through Hyatt Legal Services. Employees who elect this coverage will pay \$18.50 per month for fully covered legal advice and representation in a wide range of legal matters such as adoptions, estate planning, living wills, elder law, etc.

COBRA ADMINISTRATION

CONEXIS

TUSD had a rate guarantee with CONEXIS through August 31, 2017 and did not experience a rate increase for the 17-18 plan year. The contract has ended and TUSD will be requesting bids for this service for the 18-19 plan year.

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WELLNESS

WELCOAZ

TUSD is contracted with WELCOAZ for Wellness and Incentive Administration. The annual cost to TUSD for WELCOA is \$250,000. The break out for WELCOA services is \$189,999 in annual fees and \$66,000 in program costs.

CONSULTING SERVICES

Consulting services are provided to TUSD by Valley Schools. The District is a member of Valley Schools Benefits Trust by way of an Intergovernmental Agreement that was Governing Board Approved in May of 2013 in accordance with AAC R7-2-1191, Cooperative Purchasing Authorized.

Valley Schools Employee Benefits Trust Consulting

For the 18-19 fiscal year, TUSD will continue to utilize the consulting services offered by Valley Schools through the Valley Schools Cooperative Purchasing Agreement for an annual fee of \$65,000 to include services as outlined in the Cooperative Purchasing Agreement.

BENEFIT PLAN YEAR Recommendation to the Board

As you are aware, House Bill 2370 passed the legislature this year and now requires that wages must be delivered to employees no later than five (5) days after the close of a pay period. To accommodate this change, the TUSD payroll department has shifted pay periods for the 2018-19 school year, reducing the standard 20 deduction checks to 19 deduction checks.

TUSD staff has discussed the possibility of changing the benefit plan year to align with our TUSD Fiscal Year, Employee Contracts, and Employee Bargaining Unit Agreements for the past few years but has never pursued the change.

Due to the payroll changes this year, the alignment of the Benefit Plan year to the TUSD Fiscal Year, would reduce deduction amounts for employees during this transition year of 2018-2019. The change would also allow the district to then offer additional deduction checks for the 2019-20 fiscal year.

Scenarios regarding the variance in employee deduction amounts and information gathered from an employee survey on the issue can be found in the 2018-19 Renewal PowerPoint Presentation.

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