

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: April 27, 2017

To: Dr. Gabriel Trujillo, Interim Superintendent

From: Human Resources
Janet Rico Uhrig, Director, Talent Acquisition, Recruitment & Retention
Renée LaChance, Director, Employment

Regarding: Renewal Information for the 2017-2018 Benefit Year

Below please find the renewal information and recommendations for the Tucson Unified School District (TUSD) 2017-2018 benefit 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 10, 2017, the following recommendations were made for Medical and Pharmacy Coverage for the 2017-2018 Benefit year.

United Healthcare

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

- **PPO Plan**
 - Increase In-network Out-of-Pocket Maximums from \$1,000/\$2,000 to \$2,500/\$5,000
 - Increase Emergency Room Copay from \$225 to \$250
 - Decrease Out of Network co-insurance coverage from 65% to 50%
 - Increase Employee contributions by 4.5% for all tiers
 - Add Applied Behavior Analysis (ABA) for enhanced autism coverage
- **HDHP w/HSA**
 - Decrease Out of Network co-insurance from 60% to 50%
 - Reduce Employee contributions for dependent tiers by:
 - 38.1% for Employee + Spouse coverage
 - 51.1% for Employee + Child coverage
 - 38.2% for & Employee + Family coverage
 - Reduce employer contribution to Health Savings Account (HSA) for Dependent tiers from \$2,000 to \$1,500
 - Add Applied Behavior Analysis (ABA) for enhanced autism coverage

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Medical Plan Premium Equivalents

Following are the final medical premium rates for the benefit year beginning September 1, 2017 and continuing through August 31, 2018.

| Choice Plus PPO | 16/17 Plan Year Rate | 17/18 Renewal Rate |
|-------------------------|-----------------------------|---------------------------|
| Employee | \$496.82 | \$523.37 |
| Employee & Spouse | \$1,043.32 | \$1,099.07 |
| Employee & Child | \$943.96 | \$994.40 |
| Family | \$1,490.46 | \$1,570.11 |
| | | |
| Choice Plus HDHP | 16/17 Plan Year Rate | 17/18 Renewal Rate |
| Employee | \$423.79 | \$461.97 |
| Employee & Spouse | \$889.95 | \$970.13 |
| Employee & Child | \$805.20 | \$877.74 |
| Family | \$1,271.36 | \$1,385.90 |

UnitedHealthcare Administrative Services (ASO)

The TUSD medical and pharmacy plans are self-funded and subject to ASO costs. TUSD is in the 3rd year of a 5-year rate guarantee for ASO. Fixed cost per subscriber per month (PSPM) for the 2017-2018 Plan Year will increase slightly as follows:

| | 2016/2017 Plan Year | 2017/2018 Plan Year |
|-------------------------|----------------------------|----------------------------|
| Choice Plus PPO | \$33.48 | \$34.82 |
| Choice Plus HDHP | \$34.53 | \$35.91 |

United Healthcare Individual Stop Loss Coverage (ISL)

Renewal from UHC for ISL is pending. Traditionally ISL coverage review is not completed until July or August and cannot be included in the annual Medical/Pharmacy renewal process.

OptumRX Pharmacy

There are no plan changes to OptumRX for the 2017-18 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.

Premium Equivalents:

The following are the final rates for September 1, 2017 through August 31, 2018.

| Delta Dental Low Plan | 16/17 Plan Year Rate | 17/18 Renewal Rate |
|-------------------------------|-----------------------------|---------------------------|
| Employee | \$22.62 | \$22.62 |
| Employee & Spouse | \$54.34 | \$54.34 |
| Employee & Child | \$49.30 | \$49.30 |
| Family | \$78.18 | \$78.18 |
| | | |
| Delta Dental High Plan | 16/17 Plan Year Rate | 17/18 Renewal Rate |
| Employee | \$42.08 | \$42.08 |
| Employee & Spouse | \$101.08 | \$101.08 |
| Employee & Child | \$91.70 | \$91.70 |
| Family | \$145.42 | \$145.42 |

Employer Dental Services (EDS)

Per the current contract, rates for ESD Prepaid Dental Plan are guaranteed through August 31, 2018.

Premium Equivalents:

The following are the final rates for September 1, 2017 through August 31, 2018.

| EDS Prepaid Dental | 16/17 Plan Year Rate | 17/18 Renewal Rate |
|---------------------------|-----------------------------|---------------------------|
| Employee | \$8.50 | \$8.50 |
| Employee & Spouse | \$16.58 | \$16.58 |
| Employee & Child | \$22.10 | \$22.10 |
| Family | \$24.65 | \$24.65 |

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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.

Avesis Vision Program

Per the current contract, rates for Avesis Vision are guaranteed through August 31, 2018.

| Avesis Vision | 16/17 Plan Year Rate | 17/18 Renewal Rate |
|----------------------|-----------------------------|---------------------------|
| Employee | \$6.41 | \$6.41 |
| Employee & Spouse | \$11.25 | \$11.25 |
| Employee & Child | \$13.00 | \$13.00 |
| Family | \$16.75 | \$16.75 |

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.

Voya Financial Basic Life/AD&D

Valley Schools was able to reduce the basic life and AD&D rates for Districts in their pool for the 2017-18 year to \$0.05 for Basic Life and \$0.012 for AD&D. There was no change to Supplemental Life rates.

| | 16/17 Plan Year Rate | 17/18 Renewal Rate |
|------------------------|-----------------------------|---------------------------|
| Voya Basic Life | \$0.064/\$1,000 | \$0.050/\$1,000 |
| Voya AD&D | \$0.015/\$1,000 | \$0.012/\$1,000 |

Voya Financial Supplemental Life

The following are the final rates for September 1, 2017 through August 31, 2018.

| Age | 16/17 Plan Year Rate per \$1,000 | 17/18 Renewal Rate per \$1,000 |
|------------|---|---------------------------------------|
| Under 30 | \$0.037 | \$0.037 |
| 30-34 | \$0.050 | \$0.050 |
| 35-39 | \$0.056 | \$0.056 |
| 40-44 | \$0.081 | \$0.081 |
| 45-49 | \$0.130 | \$0.130 |
| 50-54 | \$0.217 | \$0.217 |

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|------------|---------|---------|
| 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 2017-18 benefit year with no plan or rate changes. The following are the final rates for September 1, 2017 through August 31, 2018.

| | 16/17 Plan Year Rate per \$10 | 17/18 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 2017-18 benefit year with no rate changes. The following are the final rates for September 1, 2017 through August 31, 2018.

| | 16/17 Plan Year Rate per \$1,000 | 17/18 Renewal Rate per \$1,000 |
|---------------------|---|---------------------------------------|
| 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 |

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| | | |
|-------|---------|---------|
| 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 |

| | 16/17 Plan Year Rate per \$1,000 | 17/18 Renewal Rate per \$1,000 |
|-------------------|---|---------------------------------------|
| Spouse Age | | |
| <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 |

| | 16/17 Plan Year Rate per \$1,000 | 17/18 Renewal Rate per \$1,000 |
|------------------|---|---------------------------------------|
| Child Age | | |
| <26 | \$0.07 | \$0.07 |

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 2017-18 benefit year with no rate changes. There is a Dependent Care Administration Fee of \$3.69 per member per month that is charged by Basic and paid for by employees who elect the Dependent Care

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FSA. This fee includes access to the Basic FSA Mobile App. Debit cards are also included at no additional cost.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Jorgenson Brooks EAP

For the 2017-18 benefit year, TUSD will be entering year three of a five year contract that offers a fixed fee arrangement with Jorgenson Brooks. The final rates for September 1, 2017 through August 31, 2018 will be \$0.92 per employee per month (PEPM).

COBRA ADMINISTRATION

CONEXIS

TUSD has a rate guarantee with CONEXIS through August 31, 2017. Renewal work is in process and has not yet been finalized.

It is recommended that CONEXIS be renewed rather than going out to bid for a new vendor due to the expense and time involved in having a new interface written for our ERP/Benefits Management System. The CONEXIS interface was completed during the 2016-17 benefit year.

WELLNESS

WELCOAZ

Tucson Unified SD 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

Consulting services are provided to TUSD by Valley Schools through the c 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 2017-18 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.

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