

## MEMORANDUM

**TO: Governing Board Members  
Dr. Sanchez, Superintendent**

**FROM: Anna Maiden, Chief Human Resources Officer**

**RE: 16-17 SY Renewal of Medical & Pharmacy Rates**

**DATE: June 14, 2016**

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On April 18, 2016 the Employee Benefits Trust Board members met and were unanimous in the decision to continue to cover the employee contribution at the same rate as last year. Listed below are the recommendations of plans and rates:

### MEDICAL

- Continue to cover the employee contribution at the same rate as last year.
- Addition of the Real Appeal Program - Real Appeal is evidence based approach to weight loss offered by UHC. The yearlong program is designed to help employees make small behavior changes week by week, guiding them into achieving their long term health and weight loss goals. Enrollment is optional and features one-on-one coaching, personalized support, and a free success kit that includes a scale, pedometer, blender, and more.

### PHARMACY

- **\$0** co-pay for ALL Tier 1 drugs which typically represent the lowest cost prescriptions drugs and generics.
- Per IRS regulations members on the HDHP plan would need to meet their \$2,600 deductible with pharmacy costs prior to going to a co-payment amount for prescriptions. Medications on the expanded preventive medication list will be at the co-pay amounts prior to the deductible being met. If a medication is NOT on the preventive list, members will receive it at the Optum Rx discounted price.
- Add Expanded Preventive Medication List – which includes a core set of medications identified by Centers for Medicare Services (CMS) to prevent disease and additional medications for which a disease is already present.

### PLAN DESIGN CHANGES

- Lower Maximum out of pocket from \$5,500/\$11,000 to **\$3,425/\$6,850** to comply with ACA guidelines. This applies to the HDHP only and does not affect the PPO plan. The Affordable Healthcare Act limits the maximum amount of out of pocket costs for covered services paid in a policy period. The 2016 maximum is \$6,850. The TUSD policy exceeded this amount.

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## RATES

- Apply Actuarial alignment - The rates for the HDHP plan needed to be raised to mitigate risk in the event that a large portion of the TUSD population migrated to that plan. At the current rate, the plan could not be sustained.

## WELLNESS

- Continue with current program
  - Refine and create a targeted communications strategy to encourage participation
  - Review and evaluate program metrics
- \$300 Wellness Incentive Program
  - Employees who receive health insurance through the District are eligible to receive a \$300 incentive-based discount by completing five easy steps by June 30, 2016.

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