

EXECUTIVE SUMMARY

Second Amendment to Agreement 14-004P Group Medical Benefits for School Board Employees

The contract for the above-mentioned Request for Proposal (RFP) was awarded to Aetna Life Insurance Company by the School Board on August 27, 2013, (effective January 1, 2014, through December 31, 2016). Section 2.01, Term of Agreement, of the original Agreement allows for up to two (2) one-year renewal periods.

During the Superintendent's Insurance & Wellness Advisory Committee (SIWAC) meeting on September 24, 2015, the committee reviewed and discussed the draft RFP for group medical benefits for School Board employees. During the review of the RFP, SIWAC members voted to recommend to the Superintendent to utilize one (1) of the two (2) one-year renewal options, extending the original Agreement through December 31, 2017. The recommendation was made, in part, due to the recent acquisitions of both Humana, Inc., and Cigna. Subsequently, Benefits staff and the District's benefits consultants met with representatives of Aetna/Coventry and negotiated several contract improvements for 2016 and 2017, which the Board approved during its meeting on December 8, 2015. The improvements are noted below:

2016 and 2017 Enhanced Negotiated Renewal:

In addition to the current commitments in the current Agreement (2014-2016), Aetna/Coventry has committed to the following:

- Maintain current administrative fee of \$27 guaranteed through December 31, 2017.
- Provide a premium credit in January 2016 in the amount of \$150,000.
- Provide a premium credit in January 2017 in the amount of \$150,000.
- Enhance Rebate Credit Guarantee Amount from current \$7.95 per employee per month (PEPM) to \$9 PEPM for 2016.
- Enhanced Rebate Credit Guarantee Amount for 2017 to \$10 PEPM.
- Provide an additional \$50,000 for the wellness fund for 2016 to supplement the current \$350,000 for a 2016 total to \$400,000.
- Extend Aetna's funding of wellness in the amount of \$350,000 through December 2017 (Under the current agreement - no wellness funds were available for 2017).
- Provide \$150,000 in a wellness fund for 2017, in conjunction with the extension of the \$350,000 wellness fund, for a 2017 total of \$500,000.

2017 Enhanced Negotiated Renewal:

- Move to a National Network- Aetna Select Open Access HMO and its National POS II networks.
- Introduce enhanced member tools, including its Aetna Navigator.

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2017 Enhanced Negotiated Renewal: (Continued)

- Introduce Itriage, a mobile app that helps consumers check their symptoms and choose the appropriate physicians and medical facilities.
- Introduce Teladoc Services at no additional charge in the administrative fee.
 - Teladoc is an affordable alternative to emergency room and urgent care that allows employees and their families to resolve many of their common medical issues 24/7 through the convenience of phone or online video consultations.
 - Teladoc provides patients with access to a national network of physicians who can diagnose, treat, and prescribe medication, when appropriate, for many common medical issues.
- Enhance Disease Management Programs - program supports 37 conditions.
- Enhance the prescription drug network to include Aetna's expansive pharmacy network – currently, employees have access to a subset of the network.

There is no additional financial impact to the District. As noted, the above plan revisions were approved during the December 8, 2015, School Board meeting. The value of both the plan and financial enhancements equate to approximately \$565,400 in 2016 and \$1,363,400 in 2017 for an overall total of \$1,928,800.

On May 17, 2016, the Equal Opportunity Employment Commission published two sets of final rules applicable to employer-sponsored wellness programs – one under the Americans with Disabilities Act and the other under the Genetic Information Nondiscrimination Act. These changes impact the District's ability to continue its Wellness Initiatives, as designed. This request is to approve the Second Amendment to Agreement to allow for the expansion of the use of funds previously committed for expanded wellness initiatives, as outlined in the Second Amendment to Agreement.