

EXECUTIVE SUMMARY

First Amendments to Agreements for 17-010V - Group Dental Insurance and Group Vision Insurance for School Board Employees

On July 26, 2016, the contracts for RFP 17-010V - Group Dental Insurance and Group Vision Insurance for School Board Employees were awarded to:

GROUP DENTAL

CompBenefits Company and CompBenefits Insurance Company
Metropolitan Life Insurance Company (MetLife)

GROUP VISION

Aetna Life Insurance Company (Aetna)
CompBenefits Company and CompBenefits Insurance Company

The initial contract period for the above awards is January 1, 2017 through December 31, 2019.

On May 16, 2018 the Superintendent's Insurance & Wellness Advisory Committee (SIWAC) held its annual contract renewal meeting.

GROUP DENTAL

CompBenefits Company and CompBenefits Insurance Company

Although, the negotiated terms of the CompBenefits contract for the initial contract period resulted in both the Dental Health Maintenance Organization (DHMO) and Preferred Provider Organization (PPO) monthly rates being held flat for plan years January 1, 2017 through December 31, 2017, January 1, 2018 through December 31, 2018 and January 1, 2019 through December 31, 2019, the Benefits Consultants Gallagher Benefit Services through an analysis of the experience data, was able to negotiate a DHMO monthly rate reduction of two (2) percent with CompBenefits for plan year January 1, 2019 through December 31, 2019. This will result in a cost avoidance of approximately \$35,000 annually for the Board.

The PPO monthly rates will remain flat for January 1, 2019 through December 31, 2019. The SIWAC voted unanimously to recommend approval of the CompBenefits (Dental) 2019 DHMO rate reductions to the Superintendent of Schools.

The 2019 monthly rates are shown below:

	<u>DHMO Basic</u>	<u>DHMO Enhanced</u>	<u>PPO Basic</u>	<u>PPO Enhanced</u>
Employee Only	\$8.58	\$10.54	\$33.06	\$39.22
Employee Plus One	\$14.84	\$19.16	\$59.82	\$75.14
Employee Plus Family	\$19.90	\$25.78	\$89.50	\$117.54
Dual Spouse	\$11.34	\$15.28	\$59.82	\$75.14

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If SBBC and CompBenefits mutually agree to exercise the first one-year renewal option for the period January 1, 2020 through December 31, 2020 the rates will remain flat for calendar year 2020.

Metropolitan Life Insurance Company (MetLife)

The negotiated terms of the MetLife contract resulted in fixed monthly rates for both the DHMO and PPO plans for plan years January 1, 2017 through December 31, 2017 and January 1, 2018 through December 31, 2018.

For plan year January 1, 2019 through December 31, 2019 MetLife requested a 7% rate increase for the PPO Plan. During the contract renewal meeting, MetLife agreed to reduce its rate increase request to 5%. The SIWAC voted unanimously to recommend approval of MetLife’s (Dental) PPO rate increase of 5% to the Superintendent of Schools.

The DHMO monthly rates will remain flat for January 1, 2019 through December 31, 2019.

The 2019 monthly rates are listed below:

	DHMODHMO Basic	PPO Enhanced	PPO Basic	Enhanced
Employee Only	\$10.76	\$14.50	\$39.44	\$48.60
Employee Plus One	\$18.44	\$25.04	\$78.98	\$97.28
Employee Plus Family	\$25.00	\$33.62	\$121.62	\$169.22
Dual Spouse	\$14.20	\$19.28	\$69.08	\$85.06

Please note: In accordance with Collective Bargaining Agreement provisions, the Board’s cost will not exceed \$10.80 per covered employee, per month for dental coverage. Monthly premiums, which exceed \$10.80 are applied to the employee premium costs only. Excess costs are the responsibility of the covered employee.

GROUP VISION

CompBenefits Company and CompBenefits Insurance Company

The negotiated terms of CompBenefits’ initial contract, resulted in the following Basic and Enhanced Vision rates for plan years January 1, 2017 through December 31, 2017, January 1, 2018 through December 31, 2018 and January 1, 2019 through December 31, 2019.

The 2019 monthly rates will remain flat for 2019 and are listed below:

	Vision Basic	Vision Enhanced
Employee Only	\$3.46	\$4.96
Employee Plus One	\$8.40	\$11.96
Employee Plus Family	\$14.36	\$20.50

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If SBBC and CompBenefits mutually agree to exercise the first one-year renewal option for the period January 1, 2020 through December 31, 2020 the rates will remain flat for calendar year 2020.

Aetna Life Insurance Company

The negotiated terms of Aetna’s initial contract resulted in their Basic and Enhanced Vision rates being held flat for plan years January 1, 2017 through December 2017 and January 1, 2018 through December 31, 2018.

During the contract renewal meeting, Aetna agreed to hold their Vision rates flat for plan year 2019. The 2019 monthly rates are listed below:

	Vision Basic	Vision Enhanced
Employee Only	\$3.48	\$5.84
Employee Plus One	\$7.72	\$12.90
Employee Plus Family	\$13.20	\$22.12

If SBBC and Aetna mutually agree to exercise the first one-year renewal option for the period January 1, 2020 through December 31, 2020 the rates will remain flat for calendar year 2020.

Upon approval of this Board Item, benefits eligible employees will continue to have a choice of quality dental plans.