



**MEMO TO:** IHLS Board of Directors  
**FROM:** Leslie Bednar  
**DATE:** May 26, 2014  
**RE:** FY2015 HEALTH INSURANCE SUMMARY AND RECOMMENDATIONS

**GOALS:**

- Provide IHLS employees with quality health insurance that places a priority on preventative care.
- Provide IHLS employees with an option to participate in a “richer” health plan.
- Consider the financial impact on IHLS and keep the cost of health insurance within approved budget, (12%).
- Consider the financial impact to employees and offer GAP insurance.
- Prepare IHLS employees for future mandatory contributions to premiums increases.

**SUMMARY AND RECOMMENDATIONS:**

**Medical Insurance**

- The Affordable Care Act, ACA, allows for additional fees imposed to employers.
- The Affordable Care Act, ACA, allows for additional credits to out-of-pocket maximums for employees.
- During the current plan year, IHLS has been rated high because of its claim experience.
- Health Alliance and Blue Cross Blue Shield of Illinois declined because they could not provide competitive rates.
- Rates shown are best case scenario and do not include individual and/company profile which could significantly increase the rate.
- The dual option was reviewed because IHLS needs to select a plan that is within budget but we also recognize the need for some employees to have a “richer” health plan. We explored United Health Care and Coventry dual option plans.
- To renew the current Coventry medical plan would result in a 26.64% premium increase; United Health Care single option premium increase could range from 16-30% or more depending on how IHLS submits application(s).
- The Coventry dual option would result in a 12.5% premium increase and the United Health Care dual option could increase premiums 16-30% or more, depending on how IHLS submits the application (s).
- **Recommendation:** Offer Coventry Dual Option to employees which would result in a 12.5% increase compared to the FY 2013-2014 plan year. Employees will also experience increased costs through the

increased deductibles, and the increased maximum out-of-pocket co-insurance but a decrease in the cost for some services plus the co-pays and prescription cost are now eligible for the maximum out-of-pocket co-insurance.

**FY2015 Budget Allocation \$444,916.32**  
**FY2015 Contract Bid Recommendation \$446,855.04**  
**Increase/(Decrease) (\$1,938.72)**

#### **Dental Insurance**

- Quotes were received from Humana and Guardian, Delta Dental declined and UHC not competitive.
- A renewal with Guardian would result in a 15% increase (with annual maximum roll over).
- Humana proposed a plan at a higher rate, 43.57% increase in premium.
- **Recommendation:** Offer employees Guardian Dental Insurance, 47 employees will benefit \$50-\$250 from the roll over allowance. No other dental insurance offers this option.

**FY2015 Budget Allocation \$14,278.08**  
**FY2015 Contract Bid Recommendation \$14,659.20**  
**Increase/(Decrease) (\$381.12)**

#### **Vision Insurance**

- Delta Dental, United Health Care and Guardian declined, uncompetitive
- Renewal with Humana is a 7.80% increase in premium.
- Employees like the covered services and convenient location of providers.
- **Recommendation:** Offer employees Humana.

**FY2015 Budget Allocation \$3,574.56**  
**FY2015 Contract Bid Recommendation \$3,438.72**  
**Increase/(Decrease) \$135.84**

#### **Life Insurance**

- Guardian and United Health Care declined to provide a quote.
- Renewal for Humana is a 10% increase in premium.
- Normally rates do not increase but IHLS had a claim this year.
- **Recommendation:** Renew insurance with Humana.

**FY2015 Budget Allocation \$3,574.56**  
**FY2015 Contract Bid Recommendation \$2,600.00**  
**Increase/(Decrease) \$974.56**

**Employee Assistance Program (EAP)**

- EAP services have been documented to increase employee productivity by assisting employees with a variety of life issues.
- Some EAP providers offer group seminars and workshops, and management counseling in addition to confidential one on one counseling.
- Services are available to all employees and their immediate family members.
- Year- to- date H&H has provided services which included monthly newsletters.
- 10 Employees used their services this plan year.
- H & H is helping IHLS coordinate a health fair scheduled for Fall 2014.
- Employees give positive feedback on H&H information and services.
- **Recommendation:** Renew the agreement with H&H for a cost of \$2.94 per month per employee which is not an increase from FY 2013-2014 contract year.

**FY2015 Budget Allocation \$1,896.96**

**FY2015 Contract Bid Recommendation \$1,693.44**

**Increase/(Decrease) \$203.52**

***Total FY2015 Benefit Budget Allocation \$468,240.48***

***Total FY2015 Contract Bid Benefit Allocation \$469,246.40***

***Increase/(Decrease) (\$1,005.92) .21%***