

HEALTH WEALTH CAREER

2018 RENEWAL PLANNING

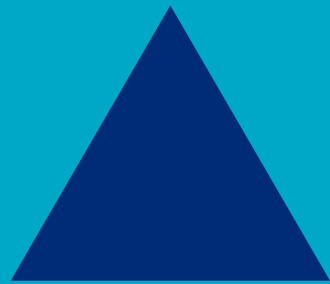
EVERETT SCHOOL EMPLOYEE BENEFIT TRUST

April 19, 2017

AGENDA

- Compliance update
- Benchmarking
- 2017 and 2018 vendor renewals
- Renewal calendar and next steps

COMPLIANCE UPDATE



WHERE IS WASHINGTON GOING WITH THE ACA?



PRESIDENT TRUMP'S POSITIONS

Outlined in the President's address to Congress

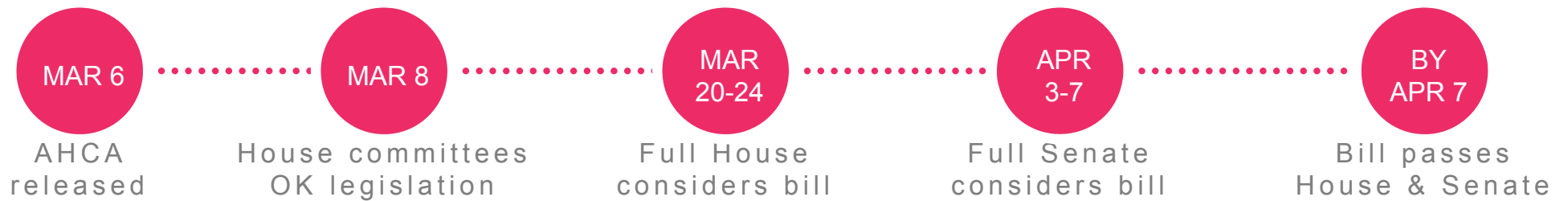
- Ensure Americans with preexisting conditions have access to coverage
- Help Americans purchase coverage through the use of tax credits and expanded HSAs
- Give states the resources and flexibility they need with Medicaid
- Implement legal reforms to protect patients and doctors from unnecessary costs
- Reduce “artificially high” cost of drugs
- Allow sale of health insurance across state lines



HOUSE REPUBLICANS OFFER 'AMERICAN HEALTH CARE ACT'

- Eliminates many ACA taxes; Cadillac tax delayed until 2025
- Employer and individual mandate penalties eliminated after 2015
- Does not repeal ACA reporting
 - Premium surcharge in the individual market for coverage gaps
- Refundable age-based tax credits with income cap
 - For those not eligible for employer coverage
- HSA enhancements
- Repeals Medicaid expansion

GOP PUSHING AGGRESSIVE BUT UNCERTAIN TIMELINE FOR ENACTMENT



ESSB 5940 UPDATE

- The table below lists some of the primary requirements of ESSB 5940, the current status for the plans offered by ESEBT, and potential next steps.

Requirement	Current Status	Next Steps
<ul style="list-style-type: none"> Offer a plan with high deductible and health savings account 	<ul style="list-style-type: none"> ESEBT offers an HSA-eligible HDHP through UHC 	<ul style="list-style-type: none"> Maintain compliance
<ul style="list-style-type: none"> Offer a plan with full-time premium the same as that for state employees (15% FT contribution initially) 	<ul style="list-style-type: none"> The plan with the lowest employee premium cost share (GHC HMO) ranges between 19% and 24%. OSPI has not updated what the current target is. 	<ul style="list-style-type: none"> Consider this requirement when making ESEBT subsidy decisions for 2018
<ul style="list-style-type: none"> Must make progress toward more affordable full family insurance coverage; ratio of 3:1 	<ul style="list-style-type: none"> All current ratios are within the accepted range (between 2.5 & 2.8) 	<ul style="list-style-type: none"> Maintain compliance
<ul style="list-style-type: none"> Each K-12 public school employee pays a minimum premium charge 	<ul style="list-style-type: none"> All plans require a contribution 	<ul style="list-style-type: none"> Determine whether current contributions are an appropriate “minimum contribution”
<ul style="list-style-type: none"> Employee premiums are structured to ensure that employees who select richer benefit plans pay the higher premium 	<ul style="list-style-type: none"> Current contribution structure is in compliance 	<ul style="list-style-type: none"> Maintain compliance
<ul style="list-style-type: none"> Follow responsible contracting standards and open competitive bidding 	<ul style="list-style-type: none"> ESEBT conducted competitive marketing bids for their 2015 medical, dental, vision, life and disability coverages, and medical again for 2017 	<ul style="list-style-type: none"> Continue to ensure that programs in place are cost effective and delivering market competitive value
<ul style="list-style-type: none"> Promote health care innovation and cost savings and significantly reduce administrative expense 	<ul style="list-style-type: none"> Wellness program can provide progress toward this requirement 	<ul style="list-style-type: none"> Consider additional means of improving health of members

BENCHMARKING



BENCHMARKING ANALYSIS

PPO

Above Market

In Line

Below Market

PPO	ESEBT 2016 / 2017				Mercer 2016 Employer Survey		
Plan Design	Aetna Classic	Aetna Traditional	Aetna Standard	Aetna Core	School Boards, Other Institutions 500+	Washington 500+	National 500+
% Employers Offering					84%	92%	87%
Average Age	N/A	N/A	N/A	N/A	42	43	43
Median Deductible (IN / OON)							
Individual	\$200 / \$350	\$200 / Shared	\$300 / Shared	\$1,000 / \$2,000	\$500 / \$1,300	\$400 / \$600	\$600 / \$1,200
Family	\$600 / Unlimited	\$600 / Shared	\$900 / Shared	\$3,000 / \$6,000	\$1,500 / \$3,000	\$1,200 / \$1,700	\$1,500 / \$3,000
Out-of-Pocket Maximum (IN)							
Individual	\$500 / Unlimited	\$1,500 / Shared	\$2,750 / Shared	\$4,000 / Unlimited	\$3,230	\$3,000	\$3,000
Family	\$1,500 / Unlimited	\$4,500 / Shared	\$8,250 / Shared	\$12,000 / Unlimited	\$7,000	\$6,000	\$6,600
Cost-sharing (IN / OON)							
Physician	\$15 / Ded. 30%	\$25 / \$30	\$30 / \$40	\$15 / Ded. 50%	\$25 / 40%	\$25 / 40%	\$25 / 40%
Specialist (IN only)	\$15 / Ded. 30%	\$25 / \$30	\$30 / \$40	\$15 / Ded. 50%	\$40	\$40	\$40
Lab and X-Ray/Radiology	Ded. 10% /Ded. 30%	Ded. 20%/ Ded. 40%	Ded. 20% / Ded. 40%	\$0/ Ded. 50%	20% / 40%	20% / 40%	20% / 40%
Hospital Facility	Ded. \$200, 10% /Ded. 30%	\$150, 20%/Ded. 40%	Ded. \$300, 20% / Ded. 40%	Ded. 20%/ Ded. 50%	20% / 40%	20% / 40%	20% / 40%
Emergency Room Copay (waived if admitted)	Ded. \$50.	Ded. \$75	Ded. \$100	Ded. \$100	\$150	\$150	\$150
Emergency Room Coinsurance	10%	20%	20%	20%	20%	20%	20%

Source: 2016 Mercer National Survey of Employer-Sponsored Health Plans

BENCHMARKING ANALYSIS

HEALTH MAINTENANCE ORGANIZATION (HMO)

Above Market

In Line

Below Market

HMO	ESEBT 2016 / 2017	Mercer 2016 Employer Survey		
Plan Design	Group Health Cooperative Traditional HMO	School Boards, Other Institutions 500+	Washington 500+	National 500+
% Employers Offering		34%	44%	31%
Average Age ²	N/A	41	44	43
Median Deductible (IN)				
Individual	\$0	\$900	\$400	\$500
Family	\$0	\$2,400	\$1,000	\$1,000
Cost-sharing				
Physician	\$15	\$20	\$20	\$20
Specialist	\$15	\$50	\$23	\$40
Hospital Facility	\$100 per day, up to 3 days	20%	20%	20%
Emergency Room Copay	\$100	\$150	\$88	\$100

Source: 2016 Mercer National Survey of Employer-Sponsored Health Plans

BENCHMARKING ANALYSIS

HDHP WITH HSA

Above Market

In Line

Below Market

HSA	ESEBT 2016 / 2017	Mercer 2016 Employer Survey		
Plan Design	Aetna Saver	School Boards, Other Institutions 500+	Washington 500+	National 500+
% Employers Offering		40%	33%	53%
Average Age ²	N/A	N/A	N/A	N/A
HSA Employer Contribution				
% Contributing	No	72%	77%	75%
Median Contribution - Individual	None	\$720	\$775	\$500
Median Contribution - Family	None	\$1,440	\$1,100	\$1,000
Median Deductible (IN / OON)				
Individual	\$1,500 / \$3,000	\$2,600 / \$3,375	\$1,500 / \$3,000	\$1,800 / \$3,000
Family	\$3,000 / \$6,000	\$5,000 / \$6,500	\$3,000 / \$6,000	\$3,900 / \$6,000
Out-of-Pocket Maximum (IN / OON)				
Individual	\$4,000 / Unlimited	\$3,750 / \$6,000	\$3,000 / \$6,000	\$3,750 / \$6,550
Family	\$8,000 / Unlimited	\$7,000 / \$13,350	\$6,000 / \$12,000	\$7,000 / \$13,600
Physician cost-sharing (IN / OON)	20% / 50%	20% / 30%	20% / 40%	20% / 40%

Source: 2016 Mercer National Survey of Employer-Sponsored Health Plans



































BENCHMARKING ANALYSIS

PRESCRIPTION DRUG

Above Market

In Line

Below Market

Prescription Drug		ESEBT 2016 / 2017											Mercer 2016 Employer Survey		
Plan Design	Aetna Classic		Aetna Traditional		Aetna Standard		Aetna Core		Aetna Saver		Group Health Cooperative Traditional HMO		School Boards, Other Institutions 500+	Washington 500+	National 500+
Retail - 30 Day															
Generic	\$10		\$10		\$15		\$0		20%		\$10		\$11	\$10	\$11
Brand-name Formulary	\$15		\$20		\$25		30%		20%		\$20		\$32	\$30	\$32
Brand-name Non-Formulary	\$30		\$35		\$40		30%		20%		N/A		\$55	\$54	\$55
Mail-Order - 90 Day															
Generic	\$10		\$10		\$15		\$0		20%		\$20		\$23	\$20	\$22
Brand-name Formulary	\$30		\$20		\$25		25%		20%		\$40		\$67	\$60	\$66
Brand-name Non-Formulary	\$60		\$35		\$40		25%		20%		N/A		\$108	\$109	\$114

Source: 2016 Mercer National Survey of Employer-Sponsored Health Plans









BENCHMARKING ANALYSIS

DENTAL

Above Market

In Line

Below

Dental		ESEBT 2016 / 2017		Mercer 2016 Employer Survey		
Plan Design	Delta Dental	Willamette Dental		School Boards, Other Institutions 500+	Washington 500+	National 500+
Median Deductible (IN)						
Individual	\$0		\$0		\$50	\$50
Family	\$0		\$0		\$150	\$150
Annual Maximum Benefit	\$1,750 / \$2,000		None		\$1,500	\$2,000
Orthodontic Lifetime Maximum	N/A		N/A		\$1,500	\$1,500

Source: 2016 Mercer National Survey of Employer-Sponsored Health Plans















BENCHMARKING ANALYSIS

VOLUNTARY

Above Market

In Line

Below Market

Voluntary Benefits		ESEBT 2016 / 2017		Mercer 2016 Employer Survey		
Coverages			School Boards, Other Institutions 500+	Washington 500+	National 500+	
Accident	No		65%	62%	60%	
Cancer / critical illness	No		61%	35%	49%	
Individual disability insurance	No		60%	54%	42%	
Whole / universal life	No		57%	30%	44%	
Hospital indemnity	No		43%	8%	22%	
Long-term care	Yes		46%	19%	27%	
Auto / homeowners	No		3%	14%	21%	
ID theft	No		21%	22%	25%	
Legal benefit	No		29%	27%	34%	
Investment advisory	Yes		17%	16%	21%	
Discount purchase program	No		14%	35%	32%	
Pet insurance	No		1%	14%	15%	
Health Care FSA						
% offering health care FSA	Yes		95%	90%	87%	
Average employee participation			17%	17%	21%	
Average annual contribution			\$1,309	\$1,330	\$1,306	
Dependent Care FSA						
% offering dependent care FSA	Yes		91%	87%	84%	
Average employee participation			5%	4%	6%	
Average annual contribution			\$3,173	\$3,611	\$3,417	

Source: 2016 Mercer National Survey of Employer-Sponsored Health Plans

BENCHMARKING ANALYSIS

CONTRIBUTIONS

Individual \$

Plan Type	Everett School Employee Benefit Trust		School Boards	Washington	National
Aetna Traditional	\$283	▲	\$116	\$74	\$132
Aetna Standard	\$184	▲	\$116	\$74	\$132
Aetna Core	\$131	–	\$116	\$74	\$132
Aetna Classic	\$497	▲	\$116	\$74	\$132
Aetna Saver + HSA	\$95	▲	\$53	\$56	\$84
HMO GHC	\$164	▲	\$119	\$114	\$139

Individual %

Plan Type	Everett School Employee Benefit Trust		School Boards	Washington	National
Aetna Traditional	30%		20%	14%	24%
Aetna Standard	22%		20%	14%	24%
Aetna Core	22%		20%	14%	24%
Aetna Classic	44%		20%	14%	24%
Aetna Saver + HSA	20%		12%	13%	19%
HMO GHC	19%		20%	15%	24%

Family \$

Plan Type	Everett School Employee Benefit Trust		School Boards	Washington	National
Aetna Traditional	\$710	▲	\$519	\$331	\$467
Aetna Standard	\$494	▲	\$519	\$331	\$467
Aetna Core	\$351	▼	\$519	\$331	\$467
Aetna Classic	\$1,184	▲	\$519	\$331	\$467
Aetna Saver + HSA	\$255	▼	\$372	\$343	\$321
HMO GHC	\$462	–	\$660	\$404	\$487

Family %

Plan Type	Everett School Employee Benefit Trust		School Boards	Washington	National
Aetna Traditional	34%		37%	25%	33%
Aetna Standard	27%		37%	25%	33%
Aetna Core	27%		37%	25%	33%
Aetna Classic	48%		37%	25%	33%
Aetna Saver + HSA	25%		28%	27%	25%
HMO GHC	24%		49%	23%	32%

2017 AND 2018 VENDOR RENEWALS



2017 RENEWAL RECAP AND 2018 PLANNING

The following table summarizes the 2017 rate adjustments and renewal decisions:

Coverage	Funding	2017 Renewal	Comments
Medical	Fully-Insured	Transitioned to Aetna with 6.78% renewal increase	Renew
Dental	Fully-Insured	WEA Delta Dental -1.5% WEA Willamette: no change	Explore options with moving to Aetna and/or other vendors Plan year with WEA ends 11/1
Vision	Fully-Insured	MetLife 0%	2017 is last year of rate guarantee
HMO Medical	Fully-Insured	GHC +5.64%	Renew
Basic and Supplemental Life	Fully-Insured	MetLife +0%	2017 is last year of rate guarantee
Basic AD&D	Fully-Insured	MetLife +0%	2017 is last year of rate guarantee
Long-Term Disability	Fully-Insured	MetLife +27.4%	2017 is last year of rate guarantee
Voluntary Short-Term Disability	Fully-Insured	MetLife +0%	2017 is last year of rate guarantee
EAP	Service Contract	Magellan +0%	2017 is the last year of rate guarantee
Voluntary Long Term Care	Fully-Insured	UNUM +25%	
Health Programs	Service Contract	Alere +0%	
Health Programs	Service Contract	Simple Steps (Aetna)	Simple Steps wellness included with Aetna
Health Programs	Service Contract	Aetna Navigator	Aetna Navigator included with Aetna
Health Programs	Service Contract	Informed Health Line (Aetna)	Informed Health Line included with Aetna
Health Programs	Service Contract	Metabolic Report (Aetna)	Metabolic Report included with Aetna

PREMERA AND THE WEA

- On March 8, the WEA informed participating school districts that effective 11/1/2017, plans through Premera will be replaced by plans through Aetna and United Healthcare
 - For coverage effective 11/1/2017 and after, Premera will have the ability to quote directly with individual school districts
 - For school districts currently partnering directly with Aetna or UHC, those arrangements will be grandfathered and allowed to continue
- Questions for ESEBT
 - Should Mercer request a direct quote from Premera as replacement for Aetna?
 - Note that if the Trust elected to move away from Aetna to move to Premera, returning to Aetna in the future would not be an option
 - Going forward both Aetna and UHC will have an exclusivity arrangement with the WEA, similar to the prior arrangement with Premera

ESEBT MEDICAL PLAN OPTIONS

- The number of plans offered by ESEBT is more than employers typically offer
- We discussed with the benefits team the possibility of reducing the number of options, specifically, eliminating the Classic and/or Traditional plans
 - These plans are much more generous than typical market plans
 - For most individuals, they provide a level of insurance coverage that is more than necessary – over-insurance
 - For most individuals, they would be financially better off in a lower value plan when considering their payroll contributions plus what they pay at the point of service under expected levels of service utilization
 - See the following slides for examples of this

ESEBT MEDICAL PLAN OPTIONS

EMPLOYEE ONLY — AVERAGE UTILIZER

		Aetna Classic		Aetna Traditional		Aetna Standard		Aetna Core		Aetna Saver	
Design											
Deductible		\$200		\$200		\$300		\$1,000		\$1,500	
Out-of-pocket max		\$500		\$1,500		\$2,750		\$4,000		\$4,000	
Coinsurance		10%		20%		20%		20%		20%	
PCP / Specialist		\$15 / \$15		\$25 / \$25		\$30 / \$30		\$15 / \$15		20% / 20%	
Rx											
Retail		\$10 / \$15 / \$30		\$10 / \$20 / \$35		\$15 / \$25 / \$40		Free / 30% / 30%		Ded. 20%	
Mail		\$10 / \$30 / \$60		\$10 / \$20 / \$35		\$15 / \$25 / \$40		Free / 25% / 25%		Ded. 20%	
Service	Allowed Amt.	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment
Annual Preventive Checkup	\$450	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care
Office Visits (2)	\$360	\$30	\$15 copay per visit; total of \$30	\$50	\$25 copay per visit; total of \$50	\$60	\$30 copay per visit; total of \$60	\$30	\$15 copay per visit; total of \$30	\$360	\$360 applied towards deductible
Total Service Cost	\$810	\$30		\$50		\$60		\$30		\$360	
Premiums											
Per Month		\$1,132.76	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$942.51	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$843.48	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$598.69	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$468.18	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier
Annual Cost		\$13,593.12		\$11,310.12		\$10,121.76		\$7,184.28		\$5,618.16	
Everett SD Contribution											
Per Month		\$636.15		\$660.00		\$659.27		\$467.94		\$373.24	
Annual Cost		\$7,633.86		\$7,920.05		\$7,911.29		\$5,615.32		\$4,478.90	
Employee Contribution											
Per Month		\$496.61		\$282.51		\$184.21		\$130.75		\$94.94	
Annual Cost		\$5,959.26		\$3,390.07		\$2,210.47		\$1,568.96		\$1,139.26	
Grand Total											
Employee Annual Cost		\$5,989.26	Total employee out of pocket	\$3,440.07	Total employee out of pocket	\$2,270.47	Total employee out of pocket	\$1,598.96	Total employee out of pocket	\$1,499.26	Total employee out of pocket

ESEBT MEDICAL PLAN OPTIONS

EMPLOYEE ONLY — HIGHER UTILIZER

		Aetna Classic		Aetna Traditional		Aetna Standard		Aetna Core		Aetna Saver	
Design											
Deductible		\$200		\$200		\$300		\$1,000		\$1,500	
Out-of-pocket max		\$500		\$1,500		\$2,750		\$4,000		\$4,000	
Coinsurance		10%		20%		20%		20%		20%	
PCP / Specialist		\$15 / \$15		\$25 / \$25		\$30 / \$30		\$15 / \$15		20% / 20%	
Rx											
Retail		\$10 / \$15 / \$30		\$10 / \$20 / \$35		\$15 / \$25 / \$40		Free / 30% / 30%		Ded. 20%	
Mail		\$10 / \$30 / \$60		\$10 / \$20 / \$35		\$15 / \$25 / \$40		Free / 25% / 25%		Ded. 20%	
Service	Allowed Amt.	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment
Annual Preventive Checkup	\$450	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care
Office Visits (4)	\$720	\$60	\$15 copay per visit; total of \$60	\$100	\$25 copay per visit; total of \$100	\$120	\$30 copay per visit; total of \$120	\$60	\$15 copay per visit; total of \$60	\$720	\$720 applied towards deductible
X-rays	\$750	\$255	\$200 Deductible; Balance of \$550 at 10% coinsurance	\$310	\$200 Deductible; Balance of \$550 at 20% coinsurance	\$390	\$300 Deductible; Balance of \$450 at 20% coinsurance	\$750	\$750 applied towards deductible	\$750	\$750 applied towards deductible
Total Service Cost	\$1,920	\$315		\$410		\$510		\$810		\$1,470	
Premiums											
Per Month		\$1,132.76	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$942.51	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$843.48	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$598.69	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$468.18	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier
Annual Cost		\$13,593.12		\$11,310.12		\$10,121.76		\$7,184.28		\$5,618.16	
Everett SD Contribution											
Per Month		\$636.15		\$660.00		\$659.27		\$467.94		\$373.24	
Annual Cost		\$7,633.86		\$7,920.05		\$7,911.29		\$5,615.32		\$4,478.90	
Employee Contribution											
Per Month		\$496.61		\$282.51		\$184.21		\$130.75		\$94.94	
Annual Cost		\$5,959.26		\$3,390.07		\$2,210.47		\$1,568.96		\$1,139.26	
Grand Total											
Employee Annual Cost		\$6,274.26	Total employee out of pocket	\$3,800.07	Total employee out of pocket	\$2,720.47	Total employee out of pocket	\$2,378.96	Total employee out of pocket	\$2,609.26	Total employee out of pocket

ESEBT MEDICAL PLAN OPTIONS

FAMILY — AVERAGE UTILIZERS

		Aetna Classic		Aetna Traditional		Aetna Standard		Aetna Core		Aetna Saver	
Design											
Deductible		\$600		\$600		\$900		\$3,000		\$3,000	
Out-of-pocket max		\$1,500		\$4,500		\$8,250		\$12,000		\$8,000	
Coinsurance		10%		20%		20%		20%		20%	
PCP / Specialist		\$15 / \$15		\$25 / \$25		\$30 / \$30		\$15 / \$15		20% / 20%	
Rx											
Retail		\$10 / \$15 / \$30		\$10 / \$20 / \$35		\$15 / \$25 / \$40		Free / 30% / 30%		Ded. 20%	
Mail		\$10 / \$30 / \$60		\$10 / \$20 / \$35		\$15 / \$25 / \$40		Free / 25% / 25%		Ded. 20%	
Service	Allowed Amt.	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment
Annual Preventive Checkup (4)	\$1,800	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care
Office Visits (8)	\$1,440	\$120	\$15 copay per visit; total of \$120	\$200	\$25 copay per visit; total of \$200	\$240	\$30 copay per visit; total of \$240	\$120	\$15 copay per visit; total of \$120	\$1,440	\$1,440 applied towards deductible
Outpatient Hospital Charges	\$1,500	\$690	\$600 Deductible; Balance of \$900 at 10% coinsurance	\$780	\$600 Deductible; Balance of \$900 at 20% coinsurance	\$1,020	\$900 Deductible; Balance of \$600 at 20% coinsurance	\$1,500	\$1,500 applied towards deductible 30% coinsurance x allowed amount for year supply	\$1,500	\$1,500 applied towards deductible \$60 deductible; Balance of \$1,020 at 20% coinsurance
Year Supply of Brand Rx	\$1,080	\$360	\$30 brand retail copay x 12 months	\$420	\$35 brand retail copay x 12 months	\$480	\$40 brand retail copay x 12 months	\$324		\$264	
Total Service Cost	\$5,820	\$1,170		\$1,400		\$1,740		\$1,944		\$3,204	
Premiums											
Per Month		\$2,485.32		\$2,067.89		\$1,850.64		\$1,313.55		\$1,027.20	
Annual Cost		\$29,823.84	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$24,814.68	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$22,207.68	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$15,762.60	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$12,326.40	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier
Everett SD Contribution											
Per Month		\$1,300.96		\$1,358.10		\$1,356.52		\$962.83		\$772.52	
Annual Cost		\$15,611.55		\$16,297.18		\$16,278.19		\$11,553.93		\$9,270.28	
Employee Contribution											
Per Month		\$1,184.36		\$709.79		\$494.12		\$350.72		\$254.68	
Annual Cost		\$14,212.29		\$8,517.50		\$5,929.49		\$4,208.67		\$3,056.12	
Grand Total											
Employee Annual Cost		\$15,382.29	Total employee out of pocket	\$9,917.50	Total employee out of pocket	\$7,669.49	Total employee out of pocket	\$6,152.67	Total employee out of pocket	\$6,260.12	Total employee out of pocket

ESEBT MEDICAL PLAN OPTIONS

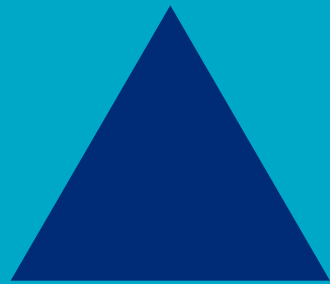
FAMILY — HIGHER UTILIZERS

		Aetna Classic		Aetna Traditional		Aetna Standard		Aetna Core		Aetna Saver	
Design											
Deductible		\$600		\$600		\$900		\$3,000		\$3,000	
Out-of-pocket max		\$1,500		\$4,500		\$8,250		\$12,000		\$8,000	
Coinsurance		10%		20%		20%		20%		20%	
PCP / Specialist		\$15 / \$15		\$25 / \$25		\$30 / \$30		\$15 / \$15		20% / 20%	
Rx											
Retail		\$10 / \$15 / \$30		\$10 / \$20 / \$35		\$15 / \$25 / \$40		Free / 30% / 30%		Ded. 20%	
Mail		\$10 / \$30 / \$60		\$10 / \$20 / \$35		\$15 / \$25 / \$40		Free / 25% / 25%		Ded. 20%	
Service	Allowed Amt.	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment	Member Pays	Comment
Annual Preventive Checkup (4)	\$1,800	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care	\$0	100% coverage for preventive care
Office Visits (8)	\$1,440	\$120	\$15 copay per visit; total of \$120	\$200	\$25 copay per visit; total of \$200	\$240	\$30 copay per visit; total of \$240	\$120	\$15 copay per visit; total of \$120	\$1,440	\$1,440 applied towards deductible
Specialist Visits (3)	\$900	\$45	\$15 copay per visit; total of \$45	\$75	\$25 copay per visit; total of \$75	\$90	\$30 copay per visit; total of \$90	\$45	\$15 copay per visit; total of \$45	\$900	\$900 applied towards deductible
Outpatient Hospital Charges	\$3,000	\$840	\$600 Deductible; Balance of \$2,400 at 10% coinsurance	\$1,080	\$600 Deductible; Balance of \$2,400 at 20% coinsurance	\$1,320	\$900 Deductible; Balance of \$2,100 at 20% coinsurance	\$3,000	\$3,000 applied towards deductible	\$1,128	\$660 applied towards deductible; Balance of \$2,340 at 20% coinsurance
X-Rays (2)	\$1,500	\$150	\$1,500 x 10% coinsurance	\$300	\$1,500 x 20% coinsurance	\$300	\$1,500 x 20% coinsurance	\$300	\$1,500 x 20% coinsurance	\$300	\$1,500 x 20% coinsurance
Year Supply of Generic Rx (mail)	\$240	\$120	\$10 generic mail copay x 12 months	\$120	\$10 generic mail copay x 12 months	\$180	\$15 generic mail copay x 12 months	\$0	\$0 generic mail copay x 12 months	\$48	\$240 x 20% coinsurance
Year Supply of Brand Rx (retail)	\$1,080	\$360	\$30 brand retail copay x 12 months	\$420	\$35 brand retail copay x 12 months	\$480	\$40 brand retail copay x 12 months	\$324	30% coinsurance x allowed amount for year supply	\$216	\$1,080 x 20% coinsurance
Total Service Cost	\$9,960	\$1,635		\$2,195		\$2,610		\$3,789		\$4,032	
Premiums											
Per Month		\$2,485.32	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$2,067.89	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$1,850.64	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$1,313.55	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier	\$1,027.20	Premiums and contributions estimated based on 2016 renewal census enrollment by plan and tier
Annual Cost		\$29,823.84		\$24,814.68		\$22,207.68		\$15,762.60		\$12,326.40	
Everett SD Contribution											
Per Month		\$1,300.96		\$1,358.10		\$1,356.52		\$962.83		\$772.52	
Annual Cost		\$15,611.55		\$16,297.18	\$16,278.19	\$11,553.93		\$9,270.28			
Employee Contribution											
Per Month		\$1,184.36		\$709.79		\$494.12		\$350.72		\$254.68	
Annual Cost		\$14,212.29		\$8,517.50		\$5,929.49		\$4,208.67		\$3,056.12	
Grand Total											
Employee Annual Cost		\$15,847.29	Total employee out of pocket	\$10,712.50	Total employee out of pocket	\$8,539.49	Total employee out of pocket	\$7,997.67	Total employee out of pocket	\$7,088.12	Total employee out of pocket

CARVING OUT DENTAL FROM THE WEA

- ESEBT currently provides employees dental coverage through WEA Delta Dental and Willamette plans
 - As with other WEA plans, this requires that the benefit team interface with AonHewitt's benefit administration system for billing and eligibility
 - This interface continues to work inefficiently and create additional work and employee issues for the benefits team
- The option to remove this administrative burden would be to carve out from the WEA and move to another dental carrier.
 - Due to the exclusivity arrangements between the WEA and Delta Dental and Willamette these carriers would not be options, nor would Aetna based on their new WEA arrangement.
 - A change in carrier would result in provider disruption
 - Disruption can be minimized through a passive PPO design (no difference between in- and out-of-network benefits) and a higher out-of-network UCR level
 - We could explore a benefit enhancement (e.g. a higher orthodontia maximum) to offset the disruption employees would experience with a carrier change

RENEWAL CALENDAR



2017 RENEWAL CALENDAR

January 2017	February 2017	March 2017	April 2017
		<ul style="list-style-type: none"> • Renewal planning and strategy kickoff meeting on 3/14 • Request employee census data from district 	
May 2017	June 2017	July 2017	August 2017
<ul style="list-style-type: none"> • Issue renewal requests to carriers • Receive vendor renewal offers by end of the month 	<ul style="list-style-type: none"> • Review and negotiate vendor renewals 	<ul style="list-style-type: none"> • Develop budget projections 	<ul style="list-style-type: none"> • Renewal review meeting including budget projections • Finalize renewal decisions and issue renewal confirmation letters
September 2017	October 2017	November 2017	December 2017
<ul style="list-style-type: none"> • Deliver final projections, employee contributions, and rate sheets • Begin development of open enrollment communications 	<ul style="list-style-type: none"> • District holds open enrollment 	<ul style="list-style-type: none"> • District holds open enrollment 	<ul style="list-style-type: none"> • Renewal effective date on 1/1/2018

MAKE
TOMORROW,
TODAY

