

Everett School Employee Benefit Trust

PROGRESS AGAINST THE GOALS OF ESSB 5940

November 19, 2014

Sean White
Seattle

Introduction and background

- The Everett School Employee Benefit Trust was established over 25 years ago
 - The Trust oversees the benefits program provided to the employees of the Everett School District
 - The Trust has successfully and independently managed a market-competitive and cost-effective program since it's inception
- In the months leading up to the passage of ESSB 5940, part of the analysis of the HCA included a review of the ESEBT program, which was referred to as a model for other districts in the State of Washington
- The pages that follow provide information on the historical approach taken by the Trust specific to the goals of ESSB 5940

ESSB requirements for school districts

Offer a high deductible health plan option with a health savings account

- When ESSB 5940 was passed, ESEBT was participating in the medical program through the WEA
- As a result of the legislation, WEA and Premiera added an HSA-eligible HDHP option, and ESEBT added this to the slate of available plans effective January 1, 2013
 - Everett has historically observed a January 1 plan anniversary date
- Effective January 1, 2015, ESEBT is moving from the WEA program to medical plans insured through United Healthcare (UHC)
 - ESEBT will continue to offer an HSA-eligible HDHP through UHC

ESSB requirements for school districts

Make progress toward more affordable full family insurance coverage with a target ratio of 3:1

- Unlike most districts in the State, since inception, ESEBT has maintained an employee contribution structure designed to provide affordable coverage for those covering dependents
- When ESSB 5940 was passed in 2012, the employee contributions already in place on the ESEBT plans were in compliance with the targeted 3:1 ratio with the exception of one plan
 - The WEA Premera plans had ratios ranging from 2.4 to 2.8
 - The Group Health HMO option had a ratio of 4.4, but this HMO plan was the low cost option with an employee-only contribution of \$34 per month and a family contribution of \$151 per month
 - Following passage of the legislation, the Group Health HMO employee contribution structure was adjusted effective January 1, 2013 so that the plan had a ratio of 2.9
- Since 2012, the employee contribution structure has been maintained to keep the ratio for all plans below 3:1
 - In 2015, the ratios will range from 2.5 to 2.8

ESSB requirements for school districts

Offer at least one plan that is not an HSA-eligible HDHP in which the employee share of the premium cost does not exceed the share of premium cost paid by state employees

- Following passage of the legislation, OSPI confirmed that the target for this provision was 15% across all coverage tiers
- At the time of passage, ESEBT offered five plans with an employee cost share below 15% for all coverage tiers
 - WEA Plan 3: employee cost share ranging between 11% and 14%
 - WEA EasyChoice Plans A, B & C: employee cost share ranging between 11% and 14%
 - Group Health HMO: employee cost share ranging between 7% and 10%
- For 2015, the lowest cost plan (Group Health HMO) will have employee cost shares ranging between 18% and 22%
 - OSPI has not updated information on what the current target is
 - Some PEBB plans have employee cost share for 2015 above the levels that will be in place for ESEBT's Group Health option, while some options are below

ESSB requirements for school districts

Follow responsible contracting standards and open competitive bidding

- Throughout its history, ESEBT has periodically conducted competitive marketing exercises to ensure the programs in place are cost effective and delivering market competitive value
- For example:
 - When the wellness program was launched, a competitive bid was conducted to select a wellness vendor partner
 - While still self-funded in 2012, explored whether it would be more cost effective to participate in the WEA or PEBB and the Trust elected to terminate the self-funded program and move to the WEA Premiera medical plans
 - In the summer of 2014, the Trust reviewed options from multiple medical insurers to carve out of the WEA, ultimately electing to move to UHC effective January 1, 2015
 - Also in the summer of 2014, the Trust explored consolidating life and disability insurance insurers, ultimately selecting MetLife, producing cost savings for the Trust and the employees

ESSB requirements for school districts

Promote health care innovation and cost savings and significantly reduce administrative expense

- ESEBT was an early adopter of wellness programming
 - Conducted a competitive marketing in 2008 and selected Health Force Partners for wellness program administration
 - Implemented tobacco cessation and weight management programs through Free and Clear and Sound Health Solutions, respectively, effective January 1, 2009
 - Implemented Carena home care effective January 1, 2009, providing a valuable benefit to employees at a lower cost (for both employee and the Trust) and greater convenience than the emergency room or urgent care
 - Hired a full-time wellness coordinator in 2008 to lead the wellness program, including the development of comprehensive on-site programming, communications, and a wellness ambassador network
 - ESEBT's wellness program has won multiple awards, including being one of three districts in the country to win the GOLD School Employee Wellness award recognition from the Directors of Health Promotion and Education. For 2014 Everett Public Schools won the Golden Apple Award.

