



BOARD MEETING AGENDA SUBMITTAL

TO: CVCS Board of Directors

FROM: Peter Kampa, General Manager

DATE: October 17, 2023

SUBJECT: 7e) Consideration of approval of a change in District Employee Health Benefits Administrator

RECOMMENDED ACTION:

Staff recommends the following motion:

I move to authorize the General Manager to secure employee benefits from Suess Insurance Services, in a total annual dollar amount not to exceed the current fiscal year budget, and including new and increased benefits funded with cost savings.

BACKGROUND:

The Board of Directors has requested that management seek proposals from other insurance carriers. We have secured a proposal from Suess Insurance Services in Sonora. District management is experienced with the insurance services provided by Suess, which have been excellent with another district. Attached is a cost and benefit analysis of our current insurance, Blue Shield through SDRMA, with the Suess proposal of Anthem Blue Cross + Employer Driven Insurance Services (EDIS).

As you can see by the comparison, with better employee benefits with Anthem and average employee claims, the cost savings with Anthem and EDIS is \$41,776 per year. Using estimated maximum employee claims, the annual cost savings is estimated at \$22,368.

By switching insurance to Suess, the District can experience a cost savings of between \$22,368 and \$41,776 per year and the employees can see a comparable and even better benefit. Since medical insurance costs can swing widely from year to year, it is recommended that the District adopt a \$250 to \$500 annual out-of-pocket maximum for employees. Management's recommendation is that we invest the cost savings in additional ancillary benefits such as dental, vision and life insurance if desired by the employees. For example, as shown in the attached estimates, the cost of such ancillary benefits are a maximum \$6258 as follows:

Dental - \$4782

Vision - \$798

Life - \$678

We are also evaluating the addition of spouses to the insurance, but the cost has not yet been finalized for this option. It is for this reason that management seeks flexibility from the Board to offer the benefits best benefitting the employees, within the adopted current budget.

Copper Valley Community Services District

Health Insurance Proposal: December 2023

Assumption: Expected Claims

Insurance Carrier		Blue Shield- SDRMA	Anthem Blue Cross
Plan Name		\$3000 Deductible	Bronze HSA + EDIS
Plan Type		EPO	PPO
Annual Deductible (Ind/Fam)		\$300/\$600	\$0/\$0
Annual OOP Max (Ind/Fam)		\$1,300/\$2,600	\$0/\$0
Other OOP Max- Rx		\$5,300/\$10,600	\$0/\$0
Total OOP Max		\$6,800/\$13,200	\$0/\$0
Services/Charges			
Coinsurance		n/a	\$0/\$0
Doctor Visits (Primary/Specialist)		\$30	\$0/\$0
Lab/X-ray		\$0/\$25 Hospital	\$0/\$0
Advanced Imaging (CT, MRI, etc.)		\$0/100 Hospital	\$0/\$0
Inpatient Hospitalization		\$0/\$0	\$0/\$0
Emergency Room Copay (waived if admitted)		\$100	\$0/\$0
Hospital			
Inpatient care		\$250	\$0/\$0
Outpatient Hospital		\$30	\$0/\$0
RX			
Rx Deductible		\$200	\$0/\$0
Rx Copays		\$10/\$20/\$45/ 30% (100)	\$0/\$0
Outpatient Rehab/Therapy			
Physical/Occ./Speech		\$15	\$0/\$0
Chiro		\$30	\$0/\$0
Acupuncture		\$30	\$0/\$0
Rate Structure			
EE Only	7	\$1,297.80	Age Banded
EE + 1			Age Banded
EE + Family			Age Banded
Admin Fee			\$228
Average Monthly Claims			\$542
Monthly Premium			\$4,834
Total Monthly Expense*		\$9,084.60	\$5,603
Total Annual Expense		\$109,015.20	\$67,239
Difference in Cost- Monthly		n/a	-\$3,481
Difference in Cost- Annual			-\$41,776

Copper Valley Community Services District

Health Insurance Proposal: December 2023

Assumption: Maximum Claims

Insurance Carrier		Blue Shield- SDRMA	Anthem Blue Cross
Plan Name		\$3000 Deductible	Bronze HSA + EDIS
Plan Type		EPO	PPO
Annual Deductible (Ind/Fam)		\$300/\$600	\$0/\$0
Annual OOP Max (Ind/Fam)		\$1,300/\$2,600	\$0/\$0
Other OOP Max- Rx		\$5,300/\$10,600	\$0/\$0
Total OOP Max		\$6,800/\$13,200	\$0/\$0
Services/Charges			
Coinsurance		n/a	\$0/\$0
Doctor Visits (Primary/Specialist)		\$30	\$0/\$0
Lab/X-ray		\$0/\$25 Hospital	\$0/\$0
Advanced Imaging (CT, MRI, etc.)		\$0/100 Hospital	\$0/\$0
Inpatient Hospitalization		\$0/\$0	\$0/\$0
Emergency Room Copay (waived if admitted)		\$100	\$0/\$0
Hospital			
Inpatient care		\$250	\$0/\$0
Outpatient Hospital		\$30	\$0/\$0
RX			
Rx Deductible		\$200	\$0/\$0
Rx Copays		\$10/\$20/\$45/ 30% (100)	\$0/\$0
Outpatient Rehab/Therapy			
Physical/Occ./Speech		\$15	\$0/\$0
Chiro		\$30	\$0/\$0
Acupuncture		\$30	\$0/\$0
Rate Structure			
EE Only	7	\$1,297.80	Age Banded
EE + 1			Age Banded
EE + Family			Age Banded
Admin Fee			\$228
Average Monthly Claims			\$2,159
Monthly Premium			\$4,834
Total Monthly Expense*		\$9,084.60	\$7,221
Total Annual Expense		\$109,015.20	\$86,647
Difference in Cost- Monthly		n/a	-\$1,864
Difference in Cost- Annual			-\$22,368

Copper Valley Community Services District

Dental Insurance

Effective January 1, 2024

Insurance Carrier		Principal		Met Life		Guardian		Beam		Delta Dental	
Rate Guarantee		1 Year		1 Year		1 Year		1 Year		1 Year	
General Plan Information		In-Net	OON	In-Net	OON	In-Net	OON	In-Net	OON	In-Net	OON
Annual Deductible: Ind/Fam		\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150
Annual Plan Maximum		\$2,000		\$2,000		\$2,000		\$2,000		\$3,000	
Waiting Period		None		None		None		None		None	
Out-of-Network Reimbursement		99th UCR		90th UCR		95th UCR		95th UCR		MAC	
Covered Services											
Class I: Diagnostic & Preventive											
Cleanings, X-Rays, Sealants		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Class II: Basic											
Basic, Endodontic & Periodontic		100%	80%	80%	80%	100%	80%	80%	80%	80%	80%
Class III: Major											
Crowns, Implants, Prosthodontics		60%	50%	50%	50%	60%	50%	50%	50%	50%	50%
Rate Information	# of EEs										
EE Only	7	\$56.94		\$56.55		\$56.98		\$46.28		\$52.78	
ES		\$119.91		\$112.64		\$115.66		\$92.57		\$120.52	
EC		\$137.25		\$118.69		\$128.77		\$98.44		\$98.01	
EF		\$209.85		\$186.30		\$198.51		\$144.73		\$177.98	
Monthly Total Expense		\$398.58		\$395.85		\$398.86		\$323.96		\$369.46	
Annual Total Expense		\$4,782.96		\$4,750.20		\$4,786.32		\$3,887.52		\$4,433.52	
Difference in Cost- Monthly				-\$2.73		\$0.28		-\$74.62		-\$29.12	
Difference in Cost- Annual				-\$32.76		\$3.36		-\$895.44		-\$349.44	
				-1%		0%		-19%		-7%	

** Ann. Max Rollover: Available as long as annual utilization is less than \$1,000.

Copper Valley Community Services District

Vision Insurance

Effective January 1, 2024

Insurance Carrier		Principal	Guardian	Met Life	Beam
Rate Guarantee		1 Year	1 Year	1 Year	1 Year
		VSP	VSP	VSP	VSP
General Plan Information		In-Net OON	In-Net OON	In-Net OON	In-Net OON
Exam		\$10 \$45	\$10 \$45	\$5 \$45	\$10 \$45
Materials		\$0 \$0	\$10 \$0	\$10 \$0	\$10 \$0
Frequency (Exam, lense, Frames/Contact)		12/12/12	12/12/12	12/12/12	12/12/12
Frame/Contact Allowance		\$150	\$150	\$150	\$150
<i>Contacts- Fitting</i>		Up to \$60 Copay	Up to \$60 Copay	Up to \$60 Copay	Up to \$60 Copay
Lense (Single, Bi-, Tri-, Standard Progressive)		No Charge	No Charge	No Charge	No Charge
Rate Information	# of EEs				
EE Only	7	\$8.35	\$8.58	\$10.64	\$9.51
ES	0	\$18.97	\$16.24	\$21.33	\$18.23
EC	0	\$20.51	\$16.55	\$18.05	\$16.07
EF	0	\$33.57	\$26.19	\$29.77	\$25.19
Monthly Total Expense		\$58.45	\$60.06	\$74.48	\$66.57
Annual Total Expense		\$701.40	\$720.72	\$893.76	\$798.84
Difference in Cost- Monthly			\$1.61	\$14.42	\$8.12
Difference in Cost- Annual			\$19.32	\$173.04	\$97.44
% Difference in Cost- Annual			3%	27%	14%

Copper Valley Community Services District

Life Insurance

Effective January 1, 2024

Insurance Carrier	Principal	Guardian
Rate Guarantee	1 Year	2 Year
Life Insurance Benefit	\$25,000	\$25,000
Plan Features (Accel. Benefit, Waiver of Premium, Conversion)	Included	Included
Reduction in Benefits		
Age 65-69	\$16,250	\$16,250
Rate Information		
Group Life Volume	\$166,250	\$166,250
Life Rate (Per \$1k)	\$0.309	\$0.205
AD&D Rate (Per 1k)	\$0.031	\$0.026
Monthly Total Expense	\$56.53	\$38.40
Annual Total Expense	\$678.30	\$460.85
Difference in Cost- Annual		-\$217.46
		-32%