

Boulder Valley 2007-08 Health and Dental Plans

The BVSD Benefits Committee, composed of representatives from all employee groups, unanimously recommended accepting Great-West Healthcare as BVSD's self-funded health insurance partner effective July 1, 2007. This recommendation came at the conclusion of a comprehensive self-funding feasibility study and Request-For-Proposals (RFP) process. The committee's recommendation was approved at the March 13 Board of Education meeting. In addition, the Board accepted the Benefits Committee's recommendation to retain Kaiser as a fully insured carrier along side Great-West.

For the first time since 2003-04, the district is not anticipating a reduction in benefits in the basic plan designs. The Benefits Committee is well aware of how much the district has cut benefits over the past several years, and we are committed to change that trend if at all possible. It is obvious that the district could not simply keep shifting more and more healthcare costs onto employees. In addition, we have heard loudly and clearly the frustration that many of you have experienced as you have tried to navigate your way through our current health insurance. We are confident that Great-West Healthcare will be an outstanding, long-term partner for BVSD and our employees.

Great-West Healthcare has been headquartered in the Denver metro area since 1986 and has a national network of more than 540,000 providers including the Boulder Medical Center, Boulder Valley Independent Physician Association and 100% of the top 100 most utilized physicians by BVSD employees currently covered with Cigna. Their national network offers 4,200 hospitals including all of the local hospitals in our area. Great-West focuses exclusively on self-funded plans with a culture of transparency, excellent customer service, award-winning disease management, and support for health improvement. Nearby public sector clients include the State of Colorado, State of Wyoming, City of Ft. Collins, City of Westminster, City of Greeley, Larimer County, and Boulder Community Hospital.

We will offer three Great-West plans in addition to one Kaiser plan. Specific information on each plan will be available by May 1. The main Great-West plan will have benefits very similar to the current Cigna HMO. All three plans with Great-West will remove at least one barrier of access: none of the plans will require a referral from your primary care physician in order to see a specialist. We will be hosting a number of meetings at various schools with Great-West in April before the May Open Enrollment period to provide more information about Great-West, our plan designs, and transition of care (see schedule of meetings below).

Employees will have Great-West insurance ID cards and there will still be monthly contributions by the district (for employee coverage) and by employees with dependents. Self-funding is not magic and we still expect to see increases. The increased cost to BVSD for the self-funded plans and Kaiser for 2007-08 is expected to be approximately \$1.13 million. Monthly contributions will be higher than they are currently. We believe that this increase is less than if we simply renewed our fully insured plans with Cigna.

Although the formal process to study the feasibility of self-funding options began in July, 2006, the Benefits Committee began discussions as far back as 2004 when the district started reducing benefits in order to minimize premium increases. As everyone knows, virtually every health benefit has been reduced even as the cost has increased. Going out for bid last year to every qualified carrier in Colorado for our fully insured plans did not stop the slide.

BVSD's dental plan with Delta Dental has been self-funded since 2004, and we are not planning any increase in the dental plan contributions for 2007-08. The Benefits Committee will continue to try to improve this plan within our financial constraints in future years.

Here are some questions and answers about self-funding and our new plans with Great-West Healthcare. Much more information will be provided in the coming weeks. We believe our self-funded plan and partnership with Great-West is a much needed improvement in our benefits.

***Where can I find the most up-to-date information?**

We will post information as it becomes available on the BVSD web site at <http://www.bvsd.org/C14/Benefits/default.aspx> in addition to regular email announcements. Complete plan descriptions will be available by May 1.

We will be hosting information meetings with Great-West at the following times in April:

Tue.	April 10	3:30-5:30 pm	Arapahoe Ridge (BVSD Benefits Fair)
Wed.	April 11	4:00 pm	Board Room - Education Center
Mon.	April 16	4:30 pm	Broomfield Heights Middle School
Tues.	April 17	4:00 pm	Nederland High School
Tues.	April 24	9:30 am	Board Room - Education Center
Tues.	April 24	4:30 pm	Fairview High School
Wed.	April 25	4:00 pm	Platt Middle School
Mon.	April 30	9:30 am	Board Room – Education Center

***What is a self-funded health plan and why is BVSD choosing self-funding?**

Self-funding our health insurance represents a big change for BVSD. With our current fully insured plans the district pays the monthly premium regardless of claims. BVSD and employees together pay roughly \$18 million in premiums annually. When claims are less than expected, the insurance company keeps the profit. With self-funding, we pay the actual costs. If our claims are consistently higher than average, self-funding will not provide any significant cost savings.

Both self-funded and fully insured plans have three key cost components that make up the health care premium: claims, reserves, and administrative costs (including stop-loss insurance coverage). However, self-funded and fully insured plans treat these components very differently. Claims costs should be, by far, the highest portion of the total cost at more than 80%. Reserves are required to account for incurred but not reported expenses and for claims fluctuations. Administrative costs are the costs required to operate the plan. These costs include the cost of provider networks, claims administration, stop-loss coverage, member support, legal/compliance, actuarial services, etc. We will publish regular reports on the financial status of our plan on the BVSD web site.

Financially, BVSD may benefit from self-funding by lowering its overall administrative costs and elimination of the profit margin built into insured rates as well as interest earnings. BVSD will pay only actual claims rather than a monthly premium based on projected claims. Because BVSD is assuming the risk, the cost of our plan includes both individual and aggregate stop-loss coverage. Our stop-loss coverage protects our plan from catastrophic losses and insures that we can count on the plan when we need it. Self-funded plans require more actuarial assistance and financial reporting than fully insured plans. Our plan will increase the requirements of our Human Resources staff and of the Benefits Committee.

The main reason the Benefits Committee recommended a self-funded plan is that it gives us an opportunity to better control our plan and engage all of us in the shared ownership of our plan. We have the opportunity to focus on improving and managing our personal health. Great-West has a variety of tools to help each of us more effectively manage our health. Working with Great-West, we believe that we will be better able to consider and address barriers to appropriate medical treatment including preventative care and treatment for chronic illnesses. Great-West's reporting capabilities will allow the Benefits Committee to better identify and design benefits that support all of our efforts to become healthier.

***How are reserve amounts determined?**

Gallagher Benefit Services (GBS) will provide actuarial services to BVSD to determine appropriate reserve levels. GBS' Denver office alone has over 100 public sector clients that self-fund their health plans. The biggest single cause of self-funded plan failures is not adequately funding reserves. It will be critical that the district maintain appropriate reserves and realistic contribution rates over the long term. It is important to note that the Board has set aside \$4.1 million in one-time money to pre-fund the required reserves. This was critical to allow the district to make a smooth transition to self-funding.

***How can I determine if my doctor is in the new network? Is there out-of-network coverage?**

Great-West offers an extensive nation-wide network of more than 540,000 providers including the Boulder Medical Center, Boulder Valley Independent Physician Association and 100% of the top 100 most utilized physicians by BVSD employees currently covered with Cigna. Their national network also offers 4,200 hospitals including all of the hospitals in our area. A complete list of network providers is available online at <http://www.mygreatwest.com/Members/MPPublic/ProviderSearch.aspx>. Great-West will be notifying all of their providers in our area of our change in carriers. In addition, if your doctor is not part of the network, there are several ways that a physician can be nominated. Physicians can self-nominate using Great-West's provider website or members can nominate a provider by contacting Great-West or BVSD Human Resources. We will provide additional information about the provider nomination process by May 1. Two of the Great-West plans will have an in-network and out-of-network benefit. All three plans cover emergency care in-network or out-of-network.

***Is a primary care physician required if I'm enrolled in one of the Great-West plans? Do I need to get a referral to see a specialist?**

A designated primary care physician is not required. A referral to see a specialist is not required. We do not believe that our employees need a gatekeeper to get permission to access appropriate care. However, developing a relationship and working with your primary care physician can play an important role in your health care. There are benefits to visiting the same doctor consistently. Your primary care doctor can help you manage health concerns before they become expensive health problems. When you have a consistent provider to whom you can turn, your odds improve for early diagnosis and appropriate care. There will still be pre-certification requirements for some procedures. These will be clearly itemized in the plan document.

***What will the premiums be?**

Contribution rates are not yet finalized. However, we anticipate an increase of approximately 7% over the current Cigna HMO rate for the main Great-West self-funded plan. We believe that this increase is less than if we simply renewed our fully insured plan with Cigna. We anticipate an increase of approximately 17-20% for our fully insured plan with Kaiser. All rates will be finalized before May 1, 2007. The district will continue to pay the full contribution for employee only coverage on two of the Great-West plans and on the Kaiser plan. Employees choosing the most expensive Great-West plan will have a monthly contribution for employee only coverage.

***When will the new plan start?**

The new plan will be effective July 1, 2007-June 30, 2008. Great-West customer service representatives will be available beginning May 1, 2007

***Do I need to do anything during Open Enrollment?**

Open Enrollment will be May 1-May 31, 2007. We will automatically enroll you in the plan most similar to your current plan. If you are currently enrolled in the Cigna HMO, you will be automatically enrolled in the equivalent Great-West plan. If you are currently enrolled in one of the Kaiser plans, you will be automatically enrolled in the Kaiser plan. You will need to do something only if you want to enroll in a different plan.

***Can I switch from Kaiser to Great-West?**

Yes, you will need to make this switch during Open Enrollment, May 1-May 31, 2007. The change will be effective July 1, 2007.

***If I am currently enrolled in CIGNA, can I switch to Kaiser instead of Great-West?**

Yes, you will need to make this switch during Open Enrollment, May 1-May 31, 2007. The change will be effective July 1, 2007.

***How will Great-West handle transition of care issues?**

There are a few different ways. The issues can be clinical in nature or network related. In both cases Great-West will provide specific contacts and other support for our employees to navigate these issues. Our goal is to minimize any disruption to our employees. Great-West will provide a Transition of Care liaison, and Great-West Member Services will be available to field questions on the transition issues beginning May 1. In addition, Great-West representatives will be able to field questions during the Information meetings in April and the Open Enrollment meetings in May.

***Will the district know my personal health information?**

Your privacy is very important. Individual health information provided to Great-West is kept completely confidential. Your individual information is not shared with BVSD administration, HR staff, or the Benefits Committee. We will have access only to aggregate information. The Benefits Committee will use this aggregate data to recommend appropriate benefit design changes to make our plan function better in future years.

***What is covered under the Great-West plans?**

Our plans with Great-West will be governed by a very detailed plan document that will be published by May 1 on the BVSD website. It will also be available at the Open Enrollment meetings and in Human Resources on May 1. The plan document will contain detailed descriptions of our specific coverage. The main plan will provide coverage and benefits that are very similar to the current Cigna HMO plan (with the added benefit of having access to Great-West's national network and not having to obtain a referral to see a specialist).

***What are Disease Management and Care Management with Great-West?**

Disease Management helps members manage chronic conditions such as asthma, diabetes, cancer, emphysema, heart conditions, and premature births. A nurse is assigned as a single point of contact to work with members whether they have one or multiple conditions. The nurse also works closely with the member's doctor when needed for a fully integrated approach.

Care Management helps members requiring episodic care, typically for acute conditions. A dedicated nurse helps members understand hospital admissions and discharge planning. Services include pre-certification, assistance with home visits, help finding community resources, coordination with the member's doctor and making sure members use appropriate facilities. Care management nurses provide one point of contact to support members and help them navigate the health care system. The care management nurses also work with the disease management team to coordinate care.

***Is Great-West or BVSD going to actually do anything to support employees' efforts to get healthier?**

Yes. Here are two things that we are planning to get started:

Beginning July 1, all Great-West members will be eligible to log in to a secure Great-West website and complete a confidential Health & Well-Being Assessment. The assessment evaluates your overall health, based on the information that you provide. It takes 15 minutes or less to complete. Based on your responses, you'll receive a confidential report that summarizes your health and highlights areas where you may want to focus some attention. Great-West will provide tools and resources to help make your efforts successful. We'll provide more information about the Health & Well-Being Assessment in the coming months and in the fall.

After taking the assessment you'll also receive:

- *Access to Great-West's website where you can self-enroll in various health improvement programs;

- *Online health information;

- *e-mails with links to related health articles;

- *Reminders to retake the Health & Well-Being Assessment every six months so you can track your progress;

- *Some individuals may receive an invitation to work one-on-one with a Personal Health Coach. The coach helps establish goals, offers practical tips and advice on how to achieve these goals, and follows up periodically to check in on progress.

Beginning April 9, BVSD will get our health and wellness program off to a "Walking Start". We know how difficult it can be to start or maintain a healthy exercise routine. BVSD will be offering free walking/health/exercise/fitness classes to any interested BVSD employee beginning Monday, April 9. The classes will be held every Monday, Tuesday, and Thursday. We'll be providing more information in the coming weeks.

The "Walking Start" Classes will be held April 9 through May 24 (seven weeks). Here is the schedule:

Mondays at Angevine Middle School from 4:00 - 5:15

Tuesdays at Foothill Elementary School from 4:00 - 5:15

Thursdays at Platt Middle School from 4:30 - 5:45

You do not have to register or sign in. Just show up. You don't have to attend every class or even attend on the same day each week in order to participate. Or you can attend every class every week. You are welcome to participate at the level that works for you. Small changes can produce big results. Have some fun with your colleagues. Learn about the benefits of walking, stretching, and general fitness. Unwind. Relax. Get some exercise. If it helps you to get started, you can complain about how high the premiums and co-pays are with our health plans while you are exercising. Family members are welcome.

As a friendly incentive to participate and start or maintain a regular exercise routine, Eldorado Springs Water is offering its famous Eldorado Springs water FREE FOR A YEAR to the school or department with the highest percentage participation in Boulder's own Bolder Boulder 10k race/run/jog/WALK on Memorial Day on May 28. We will be getting more details out about this friendly inter-school competition and about how to sign up for the Bolder Boulder.

Besides being a fun community event, we hope that the process of preparing to complete a 10k walk or run will help us all get the summer off to a healthier start, learn how to fit exercise into our daily lives, and maybe even reduce our health care costs.