



## 2017-18 SFDR CISD Employee Health Plan Review

---

### Introduction

Our Board of Trustees and entire administration are committed to providing the most comprehensive and affordable health coverage for our employees.

Because our self-funded insurance plan has indicated a growing deficit since the 2013-14 fiscal year, the District's Health Insurance Committee was re-established with an increased representation of our employees to facilitate a study and review the best options for improving the current SFDR CISD Self-Funded Health Insurance Plan. Moderated by the Employee Benefits Coordinator, Mrs. Laura English, the Insurance Committee began meeting monthly since December 2016. In January 2017, the Insurance Committee launched the SFDR Health Plan Survey to seek input from all District employees on which medical and prescription benefit plan to offer in the coming year.

It is important for SFDR CISD employees to note that committee members have reviewed information and have discussed options in which the District should consider in health insurance plans, but final health insurance plans have not yet been presented to the Board for approval.

The committee has, however, made valuable recommendations for the School Board to consider. Provided below is a summary of these recommendations:

- Offer an option of a “no cost” insurance plan;
- Maintain the same deductible levels as in the current plan;
- Conduct an evaluation of district/employee contributions;
- Implement a Wellness Rate Program to incentivize wellness participation.

In order to provide SFDR CISD employees with sufficient time to review and communicate any changes to their health insurance plan, the SFDR CISD Self-Funded Health Insurance Plan year will change from a start date of September 1, 2017 to January 1, 2018.

This well informed process will lead to a final recommendation for the 2017-18 Self-Funded Health Plan that will be presented to the Board of Trustees in late August. After August, the Insurance Committee will continue to review and discuss options for future plan years.

---

### Frequently Asked Questions

**1. What is the primary reason for the Employee Health Plan Review?**

*The self-funded health plan expenses (medical and prescription claims) exceed the contributions to the health plan for coverage. These losses equate about \$1,500 per employee this plan year (Sept. 1, 2016 through Aug. 31, 2017) and the projections estimate that losses will be about \$2,000 per employee next year.*

**2. What does “self-funded” insurance plan mean?**

*SFDR CISD provides health benefits to our employees with contributions from the employer and the employee. Some of the advantages include:*

- *The Insurance Committee can customize employees' health benefits.*
- *Potentially lower costs for employee insurance plans.*
- *Claim projections are reviewed monthly.*
- *Plan payouts are based on the employee's claims activity, not a pooled or community group.*
- *More detailed reports about how employee's health care dollars are being spent.*



## San Felipe Del Rio Consolidated Independent School District

- 3. Will SFDR CISD continue to offer health insurance for its employees?**  
*Yes, SFDR CISD will continue to provide employees with a self-funded health plan.*
- 4. How much does SFDR CISD currently contribute towards the cost of insurance per employee?**  
*SFDR CISD currently contributes an amount of \$439.95 per employee per month which is applied to cover the cost of the employee's District Health Insurance coverage. This amount is applied towards any of the districts' health plan options. This amount represents approximately 85% of the total contributions to the plan in the current plan year.*
- 5. Will SFDR CISD continue to pay for employee coverage?**  
*Yes, at this time, the district will continue to contribute a minimum of \$439.95 per month, as in the previous year, for the employee only coverage under any district plan.*
- 6. Will SFDR CISD continue to offer employees a "free" health plan?**  
*Yes, the intent is to continue to offer an employee-only health plan option with no cost to the employee. In addition, employees will continue to have the option of choosing to purchase a different District health plan which includes health coverage for their dependents.*
- 7. When will employees know of the new changes made to the Health Insurance Plan for the coming year?**  
*Education sessions on the SFDR CISD Health Insurance Plan changes will occur in September and October. Changes will be effective 1/1/2018. Education sessions will be communicated via email and included in the Employee Benefits website <http://www.sfdr-cisd.org/departments/employee-benefits>.*
- 8. When will SFDR CISD employees be able to add/drop dependents or change plans?**  
*Employees will be allowed to add or remove dependents for the 9/1/17, as well as the 1/1/18 plan years during the respective open enrollment periods. Open Enrollment periods will be communicated via email and included in the Employee Benefits website <http://www.sfdr-cisd.org/departments/employee-benefits>.*
- 9. How much do I expect to see the premiums increase for dependent coverage?**  
*Dependent coverage costs will be increasing. The amount varies depending upon the plan and tier of enrollment.*
- 10. When will health insurance changes take effect?**  
*New plans and rates will be in effect January 1, 2018.*
- 11. What is an HDHP?**  
*A High Deductible Health Plan, or HDHP, is an IRS qualified medical plan design that may be combined with a pre-tax bank account called a Health Savings Account, or HSA. With an HDHP, all medical and Rx expenses are applied to the deductible until satisfied, before the plan begins paying. However, wellness exams are still covered at 100%, and some prescriptions are available for the copay cost.*
- 12. What is an HSA?**  
*A Health Savings Account, or HSA, is a bank account into which pre-tax deposits may be made. The funds are available for unreimbursed healthcare expenses similar to a Flexible Spending Account, or FSA. In order to deposit pre-tax funds, the account owner must be enrolled in an HDHP (see Question 13 above). Annual deposit maximums are set by the IRS.*
- 13. What does the \$1,250 deductible and \$6,450 maximum out-of-pocket mean?**  
*A plan free to the employee would possibly have a \$1,250 deductible. The first \$1,250 in eligible in-network non-wellness claims would be applied to the calendar year deductible. After that, the plan*



## San Felipe Del Rio Consolidated Independent School District

would pay 80%, and the patient would pay 20%. A maximum out-of-pocket expense is reached when the patient's total amount of copays (20%) including prescription copays, reaches \$6,450. If the \$1,250 deductible and the maximum amount of \$6,450 is met, then the plan pays 100% of eligible in-network expenses for the remainder of the calendar year.

**14. In a plan where there is no office visit copay, do I have to pay for the full office visit until I meet the maximum out of pocket of \$6,450?**

*No, the patient pays the negotiated price in full until the \$1,250 deductible is met. Thereafter, the patient pays 20% up to the \$6,450 out of pocket maximum. When this amount has been reached, the plan pays at 100%.*

**15. Once I meet the deductible of \$1,250, how much will I pay?**

*The patient would pay 100% of the eligible amount until the deductible is satisfied. After that, the patient would pay 20% of the eligible amount. (See Question 15 above.)*

**16. Will office visit copays stay in place?**

*It is expected that there will be a plan option for 2018 with an office visit copay feature.*

**17. What is the office visit cost for specialists (e.g. cardiologists, oncologist, etc.)?**

*Network allowable amounts for specialist office visits vary based on specialty and level of service being provided. A typical in-network specialist office visit might range from \$150 - \$250 per visit or more.*

**18. If I cannot afford the premium, can I decline the district's health plan?**

*SFDR CISD intends to continue to offer a plan with a no-cost option for employee-only coverage.*

**19. Do my wellness visits continue to be covered at 100% under these new plans?**

*Yes, in-network wellness will still be covered at 100%.*

**20. Will the RediMD program continue to be available?**

*Yes, RediMD will continue to be available. Education sessions will be communicated via email and included in the Employee Benefits website <http://www.sfdr-cisd.org/departments/employee-benefits>.*

**21. Can wellness visits be completed through RediMD?**

*Wellness screenings may be done via RediMD. You can access RediMD by clicking <http://www.redimd.com/>. Kiosks are also available throughout the district. For more information on RediMD, please visit these websites:*

<http://www.sfdr-cisd.org/media/7091/redimd-program-instructions.pdf>

[www.sfdr-cisd.org/media/9031/did-you-know-redimd.pdf](http://www.sfdr-cisd.org/media/9031/did-you-know-redimd.pdf)

**22. What is the copay for RediMD visits?**

*There will be no co-pay changes. The copay will continue to be \$10 for PPO, and \$20 for HDHP.*