



To: Dr. Charles Johns
Board of Education

From: Dr. R.J. Gravel
Ms. Vicki Tarver

Date: Tuesday, October 12, 2021

Re: Healthcare Premium Rates for Plan Year January 1, 2022 - December 31, 2022

Recommendation

It is recommended that the Board of Education accept the recommended premium equivalent rates for the 2022 health plan year, as presented in Table 1.

Background

Last year the school district engaged in a comprehensive review of its self-insured employee health benefits program. This year-long effort between our employee group representatives and the Board of Education provided the opportunity for all stakeholders to develop greater insight into how a self-insured benefits program functions. With a shared understanding of all aspects of the plan, we have explored multiple avenues to maintain and improve the benefits offered to our employees while managing costs. As a result of these efforts, Glenbrook was able to enter into several multi-year agreements with third-party administrators (e.g., Aetna, MetLife) and achieve costs savings of \$1.7M in the first year.

One of the benefits of transitioning to Aetna was its Chicagoland-based team's commitment to remaining engaged and accessible to our team throughout the plan year. Through multiple meetings each month, the administration has addressed individual employee questions, reviewed plan performance, and maintained an ongoing dialogue regarding options for the upcoming plan year. Recognizing that the costs of health care continue to increase, we must continue to engage with our employees to promote healthy habits while also implementing cost-containment measures is an essential component of maintaining financial stability.

As we prepare for a new plan year on January 1, the Cost Containment Committee has been meeting to review additional measures to contain the cost of health benefits. As a result, through the support of Aetna, we are pleased to share the following programs that will be implemented during the 2022 plan year:

- **PrudentRx Copay Program (\$124,402 Savings; 16% of Speciality Drug Spend)**
Specialty drugs account for only 1.81% of all prescription drug claims but for 52.24% of all drug expenses between January 1, 2021, - June 30, 2021. Recognizing the substantial cost of these high-cost prescription medications used to treat complex, chronic conditions, the district pursued a program that integrates with Aetna's pharmacy program called PrudentRx.

PrudentRx is a third-party service that integrates with Aetna enabling employees to get select speciality medication at no cost (e.g., no copay) while also offering additional discounts to the

plan. By working directly with drug manufacturers, PrudentRx takes advantage of direct-to-consumer incentives, typically copay or discount cards, and passes those savings on to employees and plans.

- **Drug Savings Review (\$18,479 Savings)**

Aetna's clinical team can identify ways to optimize drug usage through an ongoing review of all prescriptions filled at the pharmacy, which is then shared with the prescribing doctor. Examples include optimizing medication doses (twice-daily dosing as opposed to once daily; multiple medications that can be combined into one tablet) and therapy duplication management (a member receiving various medications in the same therapeutic class). While the final decision remains with the physician, this additional layer of review will result in cost savings guaranteed by Aetna on an annual basis.

- **Pharmacy Pricing Improvement for Generics (\$125,000 Savings)**

Generic drugs accounted for 66.78% of all prescription drug claims between January 1, 2021, - June 30, 2021. As a result of changes to how "single-source" generic drugs are priced, Aetna projects that the plan will save an additional \$125,000 in pharmacy claim costs.

- **Implementation of an Ongoing Dependent Audit**

As part of our continuing effort to control costs, we are implementing a new process to ensure that every dependent seeking to participate in a health plan has supplied the appropriate documents to prove eligibility before enrollment. For example, for a spouse to be covered by a district health plan, the employee must submit a marriage certificate or civil union certificate. Additionally, employees will be required to certify each dependent's continuing eligibility annually.

Additionally, in recognition of our school district's partnership with Aetna, the company has offered several incentives next year. These incentives are above and beyond the multi-year pricing agreements secured last year and include:

- **2-month Fee waiver for 2021 (\$40,500 Savings)**

To show partnership and recognize Glenbrook for serving as a reference to other school districts over the past year, Aetna is offering a one-time \$40,500 credit. This credit is in the form of an administrative fee holiday for November and December 2021.

- **Aetna Concierge Service**

In July 2021, the school district's team met with Aetna's leadership to enhance employee experience. One of the ideas suggested was for Glenbrook employees to have access to an Aetna team member to answer plan questions. In response to our request, Aetna is provided Glenbrook access to their Concierge Member Services product at no cost. An extension of our benefits team, Aetna concierge members will help employees navigate their benefits - from finding doctors to scheduling appointments to comparing costs. In addition, Glenbrook's exclusive 800-number will offer support to employees in both English and Spanish beginning January 1, 2022.

One final initiative that our wellness program (Shape Your Life), is exploring includes offering on-site clinical experiences for employees in general and mental health. We have started to engage in conversations with our employee groups about interest in these services being provided within district

facilities and have explored potential locations where an on-site clinic could be located. The administration will continue to keep the Board informed as we make further progress on this initiative.

Premium Equivalent Rates for 2022

As a self-insured employee health benefits plan, the school district works with its consultant (currently The Horton Group) to determine premium equivalent rates for each plan year. These rates are the cost per covered employee that the school district needs to collect to pay for claims, administrative fees, and stop-loss premiums over the plan year. Table 1 identifies the rates developed for the 2022 plan year.

Table 1
Monthly Premium Equivalent Rates for 2022

Plan	Tier	Premium Equivalent Rate	Employee	
			Per Check*	Per Check Change**
Glenbrook PPO	Single	\$799.33	\$19.98	\$0.95
	Single +1	\$1,678.58	\$100.71	\$4.80
	Single +Children	\$1,518.72	\$91.12	\$4.34
	Family	\$2,397.99	\$143.88	\$6.85
High Deductible PPO	Single	\$720.24	\$18.01	\$1.64
	Single +1	\$1,512.50	\$90.75	\$8.25
	Single +Children	\$1,368.46	\$82.11	\$7.46
	Family	\$2,160.71	\$129.64	\$11.79
HMO	Single	\$514.07	\$12.85	\$1.68
	Single +1	\$1,079.56	\$64.77	\$8.45
	Single +Children	\$976.75	\$58.61	\$7.64
	Family	\$1,542.23	\$92.53	\$12.07

* Per check amounts, assume that an employee receives (24) paychecks each year; (2) each month.

** Reflects the per check amount increase from 2021 rates.

To offer a perspective regarding the school district’s efforts to implement cost containment efforts, it is helpful to reference last year’s health benefits plan projections. Table 2 offers a summary of plan year proposals, compared to the projected costs of benefits for the 2022 plan year.

Table 2
2021 Health Benefit Projections and 2022 Projection

2020 BCBS-IL*	2021 BCBS-IL* (Not Selected)	2021 Aetna* (Selected)	2022 Aetna
\$14.5M	\$16.2M	\$12.8M	\$13.4M

* Projections retrieved from the 2020 third-party administrator marketing materials.

To be efficient, the Finance Committee met on Wednesday, October 6, 2021, to review the efforts of the Cost Containment Committee, as well as the premium equivalent rates. On Tuesday evening, we will provide a summary of the recommendation and answer any additional questions from the Board. Due to the truncated timeline associated with launching the open enrollment process (first week of November), we ask the Board to approve the premium equivalent rates on Tuesday. This approval will enable the administration to develop open enrollment materials, schedule information sessions with employee groups, and ultimately complete the open enrollment process before Thanksgiving.