

**MINUTES OF SPECIAL MEETING  
BOARD OF TRUSTEES  
ST. LOUIS COMMUNITY COLLEGE  
March 6, 2018**

A special meeting of the of St. Louis Community College Board of Trustees was held on Tuesday, March 6, 2018 at the Corporate College, 3221 McKelvey Road, pursuant to notice and in accordance with R.S. MO 610.020 as amended.

**I. Call to Order and Roll Call**

The meeting commenced at 4:01 p.m. Present at the meeting were Doris Graham, Chair; Libby Fitzgerald, Trustee; Kevin M. Martin, Trustee; Craig Larson, Trustee, and Pam Ross, Trustee. Rodney Gee, Vice-Chair and Joan McGivney, Trustee, were absent.

Also present were Jeff Pittman, Chancellor; Andrew Langrehr, Vice Chancellor for Academic Affairs; Paul Zinck, Vice Chancellor for Finance and Administration, Deborah Barron, Associate Vice Chancellor for Human Resources, Kimberly Pitts, Total Compensation Specialist, Bob Thumith, Labor Relations, Cathy O'Neal and Chris Snell from Arthur J. Gallagher Consultants, and Becky Garrison, Associate for Board Relations.

**II. Employee Benefits**

Dr. Pittman explained the purpose of the meeting and advised that the Board would be reviewing and asked to approve a compensation study charge, and employee Vision and Dental Insurance plans that have been approved by the benefits committee. He further advised that the Board would review various options for employee health insurance to be brought forward for approval at the March 22, 2018, regular Board meeting.

Ms. Barron reminded the Board of its approval of award of a contract to Cigna for medical and pharmaceutical claims administration and provider networks, for a period of three (3) full years at its February 2017 meeting.

Ms. Barron further advised that following the November 30, 2017 directive from the Board to save \$900,000 in the upcoming plan year, she and her team met with the Employee Benefits Advisory Committee, made up of constituents from each joint resolution employee group, meeting several times to review multiple, proposed plan changes prepared by the College's benefit consultant group, Arthur J. Gallagher. After many meetings, the committee ultimately made a recommendation of no changes to the current rate structure or plan design.

Following the Committee's recommendation, in consultation with Arthur J. Gallagher, Ms. Barron presented considerations for Board review to seek healthcare cost savings for the upcoming plan year. As indicated in **Exhibit A**, it is anticipated that premiums will increase by 3.6% for 2018-2019, with a projected increase of 8.6% for 2019-2020.

Ms. Barron provided considerations for medical benefits plan annual renewal and design changes and benchmark surveys of other institutions of higher education, providing the Board with the options listed in **Exhibit A**.

Following Ms. Barron's presentation, the Board concurred that the college should prepare possibilities of a three-tier salary band structure, plan design changes or a possible high deductible option. Issues were raised about high deductible options for lower paid employees.

Following further discussion, Dr. Pittman advised the Board that he would bring back a plan based on the Board's discussion at the March 22, 2018 regular meeting for approval.

Dr. Pittman then asked the Board to approve the dental and vision plans, as the committee had approved those plans to move forward.

On motion by Dr. Martin and seconded by Ms. Ross, the Board voted unanimously with Trustees Gee and McGivney being absent) to approve the vision and dental plans in **Exhibit A**.

### **III. Compensation Study Charge**

Mr. Thumith reminded the Board that in 2016 the College engaged the services of AAIM Employers Association of St. Louis to conduct a comprehensive compensation study with focus on Administrative, Professional and Classified employee pay. The primary goals of the study were to assist the College in the implementation and articulation of an organizational compensation philosophy and a sustaining pay architecture for staff that establishes and maintains market competitiveness, internal equity, and provides flexibility to meet the unique needs of the College and its evolving nature. In an effort to review and revitalize the College's base compensation structure, the College's Human Resources Department has worked with AAIM and internal constituents to assess, redesign and implement a compensation and classification structure for staff.

Mr. Thumith advised the Board that this study primarily impacts those in the Classified and Technical unit and does not include faculty or Physical Plant employees. He further stated that the overall scope of recommendations includes reviewing the College's inventory of Job Descriptions to determine ongoing feasibility of continuation of current practices or change to an alternative format, eliminating an outdated "step-pay" structure for Office & Technical employees, creating a salary structure based on new market pricings and best practices, performing a cost analysis to determine cost to better align personnel within respective salary ranges, and developing recommendations as they relate to external competitiveness, internal equity, new hires, promotions and appointments.

Mr. Thumith reported on what has been done to date as a result of the study (i.e. police officer salary adjustments), the study findings, market estimates, workforce impact and cost, salary migration process and the implementation timeline.

Following discussion, on motion by Ms. Ross and seconded by Dr. Martin, the Board voted unanimously (with Mr. Gee and Ms. McGivney being absent) to approve recommended actions below commencing July 1, 2018:

1. Adoption of the compensation philosophy: *“The salary administration programs for faculty and staff establish and maintain market competitiveness and internal equity while providing flexibility to meet the unique needs of St. Louis Community College and its evolving nature.”*
2. Given the College’s strategic initiatives, the establishment of a compensation structure that allows flexibility within a pay range is recommended rather than one that replicates the traditional “lock-step” salary schedule. A lock-step schedule rewards individuals for years of service only and is likely to be a disincentive to top performers.

The following salary structure for staff employees is implemented:

| GRADE | MIN        | MID        | MAX        |
|-------|------------|------------|------------|
| 0     | \$ 24,767  | \$ 29,137  | \$ 33,507  |
| 1     | \$ 26,500  | \$ 31,177  | \$ 35,853  |
| 2     | \$ 28,355  | \$ 33,359  | \$ 38,362  |
| 3     | \$ 30,340  | \$ 35,694  | \$ 41,048  |
| 4     | \$ 32,464  | \$ 38,192  | \$ 43,921  |
| 5     | \$ 34,736  | \$ 40,866  | \$ 46,996  |
| 6     | \$ 37,168  | \$ 43,726  | \$ 50,286  |
| 7     | \$ 37,430  | \$ 46,788  | \$ 56,145  |
| 8     | \$ 40,050  | \$ 50,063  | \$ 60,075  |
| 9     | \$ 42,853  | \$ 53,567  | \$ 64,280  |
| 10    | \$ 45,853  | \$ 57,316  | \$ 68,780  |
| 11    | \$ 49,063  | \$ 61,329  | \$ 73,595  |
| 12    | \$ 52,498  | \$ 65,622  | \$ 78,746  |
| 13    | \$ 56,173  | \$ 70,216  | \$ 84,258  |
| 14    | \$ 60,104  | \$ 75,130  | \$ 90,156  |
| 15    | \$ 64,312  | \$ 80,390  | \$ 96,468  |
| 16    | \$ 68,813  | \$ 86,017  | \$ 103,220 |
| 17    | \$ 73,631  | \$ 92,037  | \$ 110,445 |
| 18    | \$ 78,785  | \$ 98,480  | \$ 118,177 |
| 19    | \$ 84,299  | \$ 105,374 | \$ 126,449 |
| 20    | \$ 90,200  | \$ 112,750 | \$ 135,300 |
| 21    | \$ 96,514  | \$ 120,642 | \$ 144,771 |
| 22    | \$ 103,270 | \$ 129,088 | \$ 154,905 |
| 23    | \$ 110,499 | \$ 138,124 | \$ 165,749 |
| 24    | \$ 118,234 | \$ 147,793 | \$ 177,351 |
| 25/28 | \$ 126,510 | \$ 158,138 | \$ 189,765 |

3. Establishment of a philosophical, cultural and programmatic basis for career growth with commensurate opportunities for increased remuneration as employees’ contributions to the organization increase in value.
4. Institute series of job (functional) families allowing for career growth and increased remuneration opportunities through realization of career advancement opportunities.
5. Institution of generic position descriptions which can be tailored to different functional areas, however, reflect the common core elements of required knowledge, skill and abilities.
6. Study the feasibility of discontinuing the classifications of “Professional” and “Administration” and move to simply “Staff,” however, with necessary delineation of exempt versus non-exempt status.
7. Revise relevant Board Policies and Administrative Procedures impacted by changes.

**Overload**

Dr. Pittman reminded the Board of recommendations from the Budget Response Teams “Employee Overload/Overtime/Sabbatical Analysis Work Group: Suspend sabbaticals temporarily, improving course scheduling efficiency and reducing non-mandated release time.”

He said that it was estimated that these recommendations would have a net budget impact in FY 2018/19 of \$400,000.

Mr. Langrehr advised the Board that he would not be able to discuss overload as he is currently involved in interest-based bargaining with the NEA. He did advise the Board that between the VSIP and Reduction in Force the college should see a significant reduction in overload.

Dr. Martin said he is concerned about scheduling inefficiencies and having the scheduled rolled-over from semester to semester. Dr. Larson said that scheduling should always be in the best interest of the students, and asked about using software to assist with scheduling inefficiencies.

Dr. Pittman advised that two groups from the Chancellor's Leadership Academy are doing a comprehensive study on scheduling processes for both on-line and on-ground classes. One of these groups are scheduled to speak at the March 22<sup>nd</sup> Board meeting.

Dr. Martin asked questions about how many faculty are getting both overload and release time this year and if our faculty teach across the district.

Ms. Fitzgerald gave examples of programs where the faculty teach at different campuses as needed.

It was the consensus of the Board to move forward with a more efficient scheduling system.

There being no further business to come before the Board, on motion by Dr. Larson and seconded by Dr. Martin, the special meeting was adjourned at 6 p.m.

Respectfully submitted,

Rebecca Garrison  
Associate for Board Relations

## Medical Benefits Considerations

### CONSIDERATIONS FOR MEDICAL BENEFITS PLAN ANNUAL RENEWAL AND DESIGN CHANGES

In February of 2017, the Board approved award of a contract to Cigna for medical and pharmaceutical claims administration and provider networks, for a period of three (3) full years beginning June 1, 2017.

The Employee Benefits Advisory Committee, made up of constituents from each joint resolution employee group, met several times to review multiple, proposed plan changes prepared by the College's benefit consultant group, Arthur J. Gallagher. However, the committee ultimately made a recommendation of no changes to the current rate structure or plan design.

Therefore, in consultation with Arthur J. Gallagher, following are considerations for Board review in response to the Board of Trustee directive of November 30, 2017, to seek healthcare cost savings of \$900,000 for the upcoming plan year. As indicated in the chart below, it is anticipated that premiums will increase by 3.6% for 2018-2019, with a projected increase of 8.6% for 2019-2020.

Therefore, to ensure that the College continues to offer a competitive and affordable benefits package, it is critical that plan design and cost sharing of premiums be implemented to prepare for future plan year increases.

### St. Louis Community College Forecast Summary vs. Current Equivalent Rate Funding - **Current Plan** **Gross Plan Costs (Before Employee Contributions)**

| Category                         | 6/1/2017 through 5/31/2018 | 6/1/2018 through 5/31/2019 | 6/1/2019 through 5/31/2020 |
|----------------------------------|----------------------------|----------------------------|----------------------------|
| Total Projected Gross Plan Costs | \$15,660,444               | \$16,587,171               | \$18,011,694               |
| Funding at Equivalent Rates      | \$16,145,927               | \$16,013,646               | \$16,587,171               |
| Amount Over/(Under) Funding      | (\$485,483)                | \$573,525                  | \$1,424,523                |
| Percentage Over/(Under) Funding  | -3.0%                      | 3.6%                       | 8.6%                       |

*This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.*

Implementation of plan design changes should be considered, as these changes could result in cost savings to current premium rates, as indicated below:

**St. Louis Community College  
PPO Plan Design Options  
Projection Period - 6/1/2018 through 5/31/2019**

| Description (please select only one from each category) |   | Estimated % Claim (Savings)/Costs | Estimated Annual Claim (Savings)/Costs | Select (with X) |
|---|---|-----------------------------------|--|-----------------|
| <b>Deductible Opt. 1</b>                                | In-Network Deductible from \$250 (ind.) / \$500 (fam.) to               | -0.97%                            | (\$152,049)                            |                 |
| <b>Deductible Opt. 2</b>                                | In-Network Deductible from \$250 (ind.) / \$500 (fam.) to               | -0.24%                            | (\$37,269)                             | X               |
| <b>Out Of Pocket</b>                                    | In-Network OOP from \$1,250 (ind.) / \$2,500 (fam.) to                  | -0.72%                            | (\$112,996)                            |                 |
| <b>Coinsurance</b>                                      | In-Network Coinsurance from 90% to 80%                                  | -0.55%                            | (\$85,639)                             |                 |
| <b>ER Copay Opt. 1</b>                                  | ER Copay from \$150 to \$200  | -0.18%                            | (\$28,150)                             |                 |
| <b>ER Copay Opt. 2</b>                                  | ER Copay from \$150 to \$250  | -0.23%                            | (\$36,278)                             | X               |
| <b>Office Visit Copay Opt. 1</b>                        | Office Visit Copays from \$15 PCP / \$15 Spec. to \$15 PCP / \$20 Spec. | -0.15%                            | (\$23,451)                             |                 |
| <b>Office Visit Copay Opt. 1</b>                        | Office Visit Copays from \$15 PCP / \$15 Spec. to \$15 PCP / \$25 Spec. | -0.20%                            | (\$30,975)                             | X               |
| <b>Prescription Drug</b>                                | Rx to \$10/\$25/\$45 (2 X MAIL ORDER)                                   | -0.12%                            | (\$18,213)                             | X               |

**St. Louis Community College vs. Benchmark Surveys  
Medical/Pharmacy**

|  | STLCC<br>2017/2018 | CUPA - Healthcare<br>Benefits - Key<br>Findings<br>2017 | Gallagher-<br>National Survey -<br>Higher Education<br>2017 | Neighboring Community College - 2018   |                  |                  |                  |                  |                  |
|--|--------------------|---|---|--|------------------|------------------|------------------|------------------|------------------|
|  |                    |   |   | Higher Education   | Higher Education | Higher Education | Higher Education | Higher Education | Higher Education |
|  |                    |   |   | PPO 2  | PPO 4            | PPO 6            | PPO 10           | PPO 11           | HSA              |
| <b>Healthcare Premiums (Annual)</b>        |                    |   |   |  |                  |                  |                  |                  |                  |
| Single                                     | \$8,267            | \$7,920   | \$7,320   | \$8,800  | \$8,753          | \$8,466          | \$8,142          | \$7,935          | \$7,834          |
| Family                                     | \$21,483           | \$21,564  | \$20,352  | \$25,570   | \$25,434         | \$24,601         | \$23,658         | \$23,058         | \$22,765         |
| <b>Employee Contribution (\$, monthly)</b> |                    |   |   |  |                  |                  |                  |                  |                  |
| Single                                     | \$68.89            | \$127.00  | \$109.80  | \$55.95  | \$52.06          | \$28.15          | \$1.11           | -\$16.09         | -\$24.51         |
| Family                                     | \$509.42           | \$494.00  | \$424.00  | \$703.30   | \$691.97         | \$622.51         | \$543.94         | \$493.98         | \$469.52         |
| <b>PPO Deductible (In-Net)</b>             |                    |   |   |  |                  |                  |                  |                  |                  |
| Single                                     | \$250              | \$500   | \$750   | \$500  | \$1,000          | \$1,500          | \$3,000          | \$2,500          | \$2,700          |
| Family                                     | \$500              | \$1,100   | \$1,500   | \$1,500  | \$3,000          | \$4,500          | \$9,000          | \$7,500          | \$5,400          |
| <b>PPO Out of Pocket Max (In-Net)</b>      |                    |   |   |  |                  |                  |                  |                  |                  |
| Single                                     | \$1,250            | \$3,000   | \$3,000   | \$4,000  | \$4,000          | \$5,000          | \$6,000          | \$6,000          | \$3,500          |
| Family                                     | \$2,500            | \$6,000   | \$6,000   | \$8,000  | \$8,000          | \$10,000         | \$12,000         | \$12,000         | \$7,000          |
| <b>Medical In-Network Copay</b>            |                    |   |   |  |                  |                  |                  |                  |                  |
| Primary                                    | \$15               | N/A   | \$25  | \$20   | \$25             | \$25             | \$30             | \$20             | ded/coins        |
| Specialist                                 | \$15               | N/A   | \$35  | \$40   | \$50             | \$50             | \$50             | \$40             | ded/coins        |
| <b>In-Network Coinsurance</b>              | 90%                | 80%   | 80%   | 80%  | 90%              | 90%              | 100%             | 80%              | 100%             |
| <b>Out-of-Network Coinsurance</b>          | 60%                | 60%   | 70%   | 50%  | 70%              | 70%              | 70%              | 50%              | 70%              |
| <b>Median Pharmacy Copays</b>              |                    |   |   |  |                  |                  |                  |                  |                  |
| Tier 1                                     | \$10               |   | \$10  | \$10   | \$10             | \$10             | \$10             | \$10             | ded then \$10    |
| Tier 2                                     | \$25               |   | \$30  | \$25   | \$25             | \$25             | \$25             | \$25             | ded then \$35    |
| Tier 3                                     | \$40               | N/A   | \$50  | \$45   | \$45             | \$45             | \$45             | \$45             | ded then \$60    |
| Specialty                                  | Tier 1, 2, or 3    |   |   |  |                  |                  |                  |                  |                  |
| <b>Other Notes/Benchmarking Data</b>       |                    | 75% of Employers offer 2 or more plans                  | ER Contribution: Single = 82%; Family = 75%                 | College (Employer) Contributions toward Total Cost of Medical Care, Per Month: \$677.38 EE Only, \$1,098.75 EE + One, \$1,427.54 EE + Family; College also pays \$110/mo. to eligible employees who waive medical coverage |                  |                  |                  |                  |                  |

As indicated on the “St. Louis Community College vs. Benchmark Surveys” comparison above, recommended plan design changes are very competitive with market.

In consideration for the Board’s review, the following options are presented:

**Option 1:** Current plan with no changes to premium funding or plan design, as recommended by the Benefits Advisory Committee. This plan has no cost savings and results in an increase to the College of **(\$399,197)**.

**Option 1 -Renewal Equivalent Rates - Current Plan**  
**6/1/2018 through 5/31/2019**  
**Current Contribution Structure (ER Contributes - 90% EE / 60% Dependent for Actives)**

*PPO - Actives*

| Rate Tier                  | Employees | Current       |              |             | Proposed Structure and Plan - 90% EE / 60% Dep |              |             | Employee Contribution Impact |             |
|----------------------------|-----------|---------------|--------------|-------------|--|--------------|-------------|------------------------------|-------------|
|                            |           | Funding Rates | ER Contrib.  | EE Contrib. | Funding Rates                                  | ER Contrib.  | EE Contrib. | Monthly (\$)                 | Monthly (%) |
| Single                     | 659       | \$688.89      | \$620.00     | \$68.89     | \$713.56                                       | \$642.20     | \$71.36     | \$2.47                       | 4%          |
| Single + Spouse            | 117       | \$1,509.75    | \$1,112.52   | \$397.23    | \$1,563.82                                     | \$1,152.36   | \$411.46    | \$14.23                      | 4%          |
| Single + Child(ren)        | 137       | \$1,318.22    | \$997.60     | \$320.62    | \$1,365.43                                     | \$1,033.32   | \$332.11    | \$11.49                      | 4%          |
| Family                     | 198       | \$1,790.22    | \$1,280.80   | \$509.42    | \$1,854.34                                     | \$1,326.67   | \$527.67    | \$18.25                      | 4%          |
| Total Monthly              | 1,111     | \$1,165,679   | \$929,014    | \$236,665   | \$1,207,426                                    | \$962,281    | \$245,145   | \$8,481                      |             |
| Total Annual               |           | \$13,988,148  | \$11,148,173 | \$2,839,974 | \$14,489,115                                   | \$11,547,370 | \$2,941,745 |                              |             |
| Annual Change from Current |           | -             | -            | -           | \$500,967                                      | \$399,197    | \$101,770   |                              |             |
| % Change from Current      |           | -             | -            | -           | 3.6%   | 3.6%         | 3.6%        |                              |             |

**Option 2:** Proposed plan changing ER Contribution to 85%/50% with no plan design changes. This plan has a cost savings to the College of **\$573,949**.

**Option 2 - Current Plan**  
**6/1/2018 through 5/31/2019**  
**Proposed Contribution Structure (ER Contributes - 85% EE / 50% Dependent for Actives)**

*PPO - Actives*

| Rate Tier                  | Employees | Current       |              |             | Proposed Structure and Plan - 85% EE / 50% Dep |              |             | Employee Contribution Impact |             |
|----------------------------|-----------|---------------|--------------|-------------|--|--------------|-------------|------------------------------|-------------|
|                            |           | Funding Rates | ER Contrib.  | EE Contrib. | Funding Rates                                  | ER Contrib.  | EE Contrib. | Monthly (\$)                 | Monthly (%) |
| Single                     | 659       | \$688.89      | \$620.00     | \$68.89     | \$713.56                                       | \$606.53     | \$107.03    | \$38.14                      | 55%         |
| Single + Spouse            | 117       | \$1,509.75    | \$1,112.52   | \$397.23    | \$1,563.82                                     | \$1,031.66   | \$532.16    | \$134.93                     | 34%         |
| Single + Child(ren)        | 137       | \$1,318.22    | \$997.60     | \$320.62    | \$1,365.43                                     | \$932.47     | \$432.97    | \$112.35                     | 35%         |
| Family                     | 198       | \$1,790.22    | \$1,280.80   | \$509.42    | \$1,854.34                                     | \$1,176.92   | \$677.42    | \$168.00                     | 33%         |
| Total Monthly              | 1,111     | \$1,165,679   | \$929,014    | \$236,665   | \$1,207,426                                    | \$881,185    | \$326,241   | \$89,576                     |             |
| Total Annual               |           | \$13,988,148  | \$11,148,173 | \$2,839,974 | \$14,489,115                                   | \$10,574,224 | \$3,914,890 |                              |             |
| Annual Change from Current |           | -             | -            | -           | \$500,967                                      | (\$573,949)  | \$1,074,916 |                              |             |
| % Change from Current      |           | -             | -            | -           | 3.6%   | -5.1%        | 37.8%       |                              |             |



**Option 3:** Proposed plan implementing a second plan option of a High Deductible Health Plan (HDHP). This plan has a cost savings to the College of **\$1,045,369**. However, this also includes the following plan design changes:

|             |                 |
|-------------|-----------------|
| Ded.        | \$1350/\$2700   |
| OOP Max     | \$2700/\$5400   |
| Coins.      | 100% in/80% out |
| OV Copays   | Ded/Coins.      |
| Rx/ER Copay | Ded/Coins       |

**Option 3: New HDHP**

6/1/2018 through 5/31/2019

**Two Proposed Plans - Active Employees Only (2.5% Migration to HDHP)**

**Proposed Contribution Structure (ER Contributes - 80% EE / 50% Dependent for Actives)**

*PPO - Actives - Current Plan*

| Rate Tier                  | Employees | Current       |              |             | Proposed Structure and Plan - 80% EE / 50% Dep |                      |                    | Employee Contribution Impact |             |
|----------------------------|-----------|---------------|--------------|-------------|--|----------------------|--------------------|------------------------------|-------------|
|                            |           | Funding Rates | ER Contrib.  | EE Contrib. | Funding Rates                                  | ER Contrib.          | EE Contrib.        | Monthly (\$)                 | Monthly (%) |
| Single                     | 643       | \$688.89      | \$620.00     | \$68.89     | \$713.56                                       | \$570.85             | \$142.71           | \$73.82                      | 107%        |
| Single + Spouse            | 114       | \$1,509.75    | \$1,112.52   | \$397.23    | \$1,563.82                                     | \$995.98             | \$567.84           | \$170.61                     | 43%         |
| Single + Child(ren)        | 134       | \$1,318.22    | \$997.60     | \$320.62    | \$1,365.43                                     | \$896.79             | \$468.65           | \$148.03                     | 46%         |
| Family                     | 193       | \$1,790.22    | \$1,280.80   | \$509.42    | \$1,854.34                                     | \$1,141.24           | \$713.10           | \$203.68                     | 40%         |
| Total Monthly              | 1,084     | \$1,137,222   | \$906,360    | \$230,862   | \$1,177,950                                    | \$821,027            | \$356,923          | \$126,061                    |             |
| Total Annual               |           | \$13,646,661  | \$10,876,321 | \$2,770,340 | \$14,135,398                                   | \$9,852,321          | \$4,283,076        |                              |             |
| Annual Change from Current |           | -             | -            | -           | <b>\$488,737</b>                               | <b>(\$1,045,369)</b> | <b>\$1,512,737</b> |                              |             |
| % Change from Current      |           | -             | -            | -           | 3.6%   | -9.4%                | 54.6%              |                              |             |

**Option 4:** Proposed plan changing ER Contribution to 85%/50% with the following plan design changes. This plan has a cost savings to the College of **\$652,214**.

**Option 4: 85%/50% with Plan Design Changes**

**6/1/2018 through 5/31/2019**

**Proposed Contribution Structure (ER Contributes - 85% EE / 50% Dependent for Actives)**

**Plan Design Changes: \$300/\$600 In-Network Deductible, \$250 ER Copay, \$15/\$25 OV Copays, \$10/\$25/\$45 RX Copays**

*PPO - Actives*

| Rate Tier                  | Employees | Current     |             |             | Proposed Structure and Plan - 85% EE / 50% Dep |                    |                    | Employee Contribution Impact |             |
|----------------------------|-----------|-------------|-------------|-------------|--|--------------------|--------------------|------------------------------|-------------|
|                            |           | Funding     | ER          | EE          | Funding  | ER                 | EE                 | Monthly                      | Monthly (%) |
| Single                     | 659       | \$688.89    | \$620.00    | \$68.89     | \$708.28                                       | \$602.04           | \$106.24           | \$37.35                      | 54%         |
| Single + Spouse            | 117       | \$1,509.75  | \$1,112.52  | \$397.23    | \$1,552.25                                     | \$1,024.03         | \$528.23           | \$131.00                     | 33%         |
| Single + Child(ren)        | 137       | \$1,318.22  | \$997.60    | \$320.62    | \$1,355.33                                     | \$925.57           | \$429.77           | \$109.15                     | 34%         |
| Family                     | 198       | \$1,790.22  | \$1,280.80  | \$509.42    | \$1,840.62                                     | \$1,168.21         | \$672.41           | \$162.99                     | 32%         |
| Total Monthly              | 1,111     | \$1,165,679 | \$929,014   | \$236,665   | \$1,198,493                                    | \$874,663          | \$323,829          | \$87,165                     |             |
| Total Annual               |           | \$13,988,14 | \$11,148,17 | \$2,839,974 | \$14,381,91                                    | \$10,495,95        | \$3,885,954        |                              |             |
| Annual Change from Current |           | -           | -           | -           | <b>\$393,765</b>                               | <b>(\$652,214)</b> | <b>\$1,045,979</b> |                              |             |
| % Change from Current      |           | -           | -           | -           | 2.8%   | -5.9%              | 36.8%              |                              |             |

The following plan design changes are recommended for this plan:

| Plan Design                     | Current                | Proposed               | Est. Claims Savings | Est. Claims Savings |
|---------------------------------|------------------------|------------------------|---------------------|---------------------|
| In-Network Deductible           | \$250/\$500            | \$300/\$600            | .24%                | \$37,269            |
| Emergency Room Copay            | \$150                  | \$250                  | .23%                | \$36,278            |
| Office Visit                    | \$15/\$15 (specialist) | \$15/\$25 (specialist) | .20%                | \$30,975            |
| Pharmacy Copay                  | \$10/\$25/\$40         | \$10/\$25/\$45         | .12%                | \$18,213            |
| <b>Projected Annual Savings</b> |                        |                        |                     | <b>\$122,735</b>    |

Replacing the current rate tier and plan design with option four for all employees would:

- Satisfy the November 30, 2017 Board Directive by reducing the cost of coverage to the College by \$652,214 (5.9%).
- Reduce the cost of claims by an estimated \$122,735.
- Increase the level of consumerism by exposing all employees to a higher deductible amount (\$300/\$600 in-network).
- Maintain the overall competitiveness of the College medical benefit offering relative to benchmarks. This plan is still an excellent plan when compared to other organizations.
- Comply with the group insurance cost-sharing provisions of Board Policy C.27 (the College pays at least 80% of the premium for employee only coverage and 50% of the premium for dependent coverage).

### Vision Recommendations

Board approval is requested for the renewal rates with Delta Vision as follows:

| <b>Base Plan</b>  | <b>Current Employee Cost</b> | <b>Current College Cost</b> | <b>Total</b> |  | <b>Proposed Employee Cost</b> | <b>Proposed College Cost</b> | <b>Proposed Total</b> |
|-------------------|------------------------------|-----------------------------|--------------|--|-------------------------------|------------------------------|-----------------------|
| Employee Only     | .34                          | \$3.01                      | \$3.35       |  | .37                           | \$3.38                       | \$3.75                |
| Employee + Family | \$2.76                       | \$5.44                      | \$8.20       |  | \$3.09                        | \$6.09                       | \$9.18                |

- Covered services and plan basics would remain unchanged.
- The College continues to pay 90% of the employee premium and 50% of the dependent coverage premium.

### Dental Recommendations

Board approval is requested for the renewal rates with Cigna Dental as follows:

| <b>Base Plan</b>  | <b>Current Employee Cost</b> | <b>Current College Cost</b> | <b>Total</b> |  | <b>Proposed Employee Cost</b> | <b>Proposed College Cost</b> | <b>Proposed Total</b> |
|-------------------|------------------------------|-----------------------------|--------------|--|-------------------------------|------------------------------|-----------------------|
| Employee Only     | \$3.50                       | \$31.47                     | \$34.97      |  | \$3.62                        | \$32.57                      | \$36.19               |
| Employee + Family | \$32.74                      | \$60.71                     | \$93.45      |  | \$33.88                       | \$62.84                      | \$96.72               |

| <b>Buy-up Plan</b> | <b>Current Employee Cost</b> | <b>Current College Cost</b> | <b>Total</b> |  | <b>Proposed Employee Cost</b> | <b>Proposed College Cost</b> | <b>Proposed Total</b> |
|--------------------|------------------------------|-----------------------------|--------------|--|-------------------------------|------------------------------|-----------------------|
| Employee Only      | \$3.86                       | \$34.70                     | \$38.56      |  | \$3.99                        | \$35.92                      | \$39.91               |
| Employee + Family  | \$36.11                      | \$66.95                     | \$103.06     |  | \$37.37                       | \$69.29                      | \$106.66              |

- Covered services and plan basics would remain unchanged.
- The College continues to pay 90% of the employee premium and 50% of the dependent coverage premium.

### **Benefits Implementation TimeLine**

- March 2018 – Trustee approval of plan changes and funding rates
- March 2018 – April 2018 – Employee education through email, benefits materials, and benefit education sessions
- April 2018 – Open enrollment for plan year 2018-2019
- April – May 2018 – Necessary HR and Payroll processes
- May 2018 – Required changes to payroll deductions for plan year beginning June 1
- June 1, 2018 – Plan year 2018-2019 begins

### **Consideration of the Board**

We recommend consideration of the Board for the following:

- Consideration of premium rates and plan design recommendations for health plan for final approval at the March 22 Board meeting
- Approval of premium rates for vision plan
- Approval of premium rates for plus and basic dental plans