



FY 2022 Recommended Budget Budget Question

Board Question #: 13

BUDGET QUESTION: Please provide the slide shown in regards to the discussion on potential health insurance changes. Please clarify the reference to a \$4M increase. Is that what the increase in employer costs would be if there were no mitigation via the potential shift to the HMO? What would be the increase in cost to an employee going outside of the network?

RESPONDING DEPARTMENT/OFFICE: Schools

RESPONSE: Below is a summary of the health budget increase being proposed by staff to the school board. It totals \$4.53 million total. This estimate is based on the discussions between school HR and Finance staff with the school division's independent consultant and Anthem upon receipt of the underwriter's cost projection. If mitigation strategy is not implemented, the school division would have a \$2.6 million projected increase in cost. The current proposed plan design is that the benefit plan options would mirror the current PPO Expanded, 500, and HSA plans. This means that if an employee currently has the PPO Expanded option, and moves to the HMO Expanded option, the copays, emergency room costs, diagnostic test costs, and out of network costs would be mirror the current plan. The only reason they wouldn't be exactly the same would be if the state (after submitting the plan for approval) requires a change. The current benefit plan options can be found in the link below.

<https://www.spotsylvania.k12.va.us/cms/lib/VA01918722/Centricity/Domain/251/2020-2021%20Medical%20Summary%20of%20Benefits.pdf>

<i>Health Benefit Increases</i>	Other	State	Federal	Local
SCPS Health Care Fund Cost (Employer) 10.52% Budget Increase From \$43.0M to \$47.6M				4,527,892
SCPS Health Care Fund Cost (Employer) Mitigation Strategy 1 -- Adjust Underwriting "COVID Adjustment"				(250,000)
SCPS Health Care Fund Cost (Employer) Mitigation Strategy 2 -- Change Stop-loss to \$250K				(250,000)
SCPS Health Care Fund Cost (Employer) Mitigation Strategy 3 -- Shift to HealthKeepers HMO Network				(2,600,000)
SCPS Health Care Fund Cost (Employer) Mitigation Strategy 4 -- Use Health Reserve If Needed				(1,427,892)
Subtotal:	\$ -	\$ -	\$ -	\$ -

ESTIMATE OF STAFF TIME SPENT ON RESPONSE: