

Financial Services  
 Richard H. Hinds, Chief Financial Officer

**SUBJECT: APPROVAL OF PREMIUM EQUIVALENT RATES AND PHARMACEUTICAL ADMINISTRATION FEES FOR DISTRICT SELF INSURED HEALTHCARE PROGRAM FOR CALENDAR YEAR 2010**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

**LINK TO DISTRICT STRATEGIC PLAN: IMPROVE FINANCIAL SERVICES**

Pursuant to the structure of a self-funded healthcare program, it is necessary to create premium equivalent rates to pay claims, stop loss premiums and necessary expenses. Following are the monthly premium equivalent rates, inclusive of both District contributions (employee-only and dependent subsidies), and employee contributions (approved payroll deductions) , effective January 1 – December 31, 2010:

Coverage Tier	OAP20	OAP10
Employee Only	\$453	\$492
EE + Spouse	\$1,095	\$1,191
EE + Child(ren)	\$906	\$985
EE + Family	\$1,738	\$1,890
Adult Dependent*	\$385	\$419

\* Rate is per eligible dependent 26-30 years of age in addition to other dependent rates as shown above in compliance with Florida Statute §627.602(c)(1).

The following table represents the monthly District contributions for employee-only coverage and dependent subsidies of healthcare for employees and their eligible dependents by salary band and coverage tier.

	(1) Up to \$25k		(2) >\$25k - \$40k		(3) >\$40k - \$55k		(4) >\$55k - \$85k		(5) 85k+	
	OAP20	OAP10	OAP20	OAP10	OAP20	OAP10	OAP20	OAP10	OAP20	OAP10
Employee Only	\$453	\$416	\$453	\$391	\$453	\$376	\$453	\$361	\$453	\$346
EE + Spouse	\$974	\$1,007	\$913	\$946	\$809	\$843	\$764	\$798	\$719	\$753
EE + Child(ren)	\$816	\$833	\$766	\$783	\$678	\$694	\$640	\$657	\$603	\$619
EE + Family	\$1,508	\$1,598	\$1,412	\$1,502	\$1,278	\$1,367	\$1,210	\$1,300	\$1,143	\$1,232

All proposals received in response to RFP # 071-JJ10, District Healthcare Benefit Program, contained a monthly pharmaceutical dispensing fee for retail and mail order prescriptions as well as a per claim administration fee. Both fees were included in the financial claim projections for prescription drugs, but only the monthly dispensing fee was included in the ASO fee approved in Agenda Item E-66, Board meeting of September 9, 2009. Staff is recommending approval of the budgeted administration fee of \$0.90/claim, which will be billed monthly on a per claim level.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida:

1. approve the monthly premium equivalent rates including District and employee contributions for the self funded medical program administered by CIGNA Healthcare effective January 1 - December 31, 2010;

Coverage Tier	OAP20	OAP10
Employee Only	\$453	\$492
EE + Spouse	\$1,095	\$1,191
EE + Child(ren)	\$906	\$985
EE + Family	\$1,738	\$1,890
Adult Dependent*	\$385	\$419

\* Rate is per eligible dependent 26-30 years of age in addition to other dependent rates as shown above in compliance with Florida Statute §627.602(c)(1).

2. approve the monthly salary banded District contributions for employee-only coverage and dependent subsidies of healthcare for employees and their eligible dependents by salary band and coverage tier effective January 1 - December 31, 2010; and

	(1) Up to \$25k		(2) >\$25k - \$40k		(3) >\$40k - \$55k		(4) >\$55k - \$85k		(5) 85k+	
	OAP20	OAP10	OAP20	OAP10	OAP20	OAP10	OAP20	OAP10	OAP20	OAP10
Employee Only	\$453	\$416	\$453	\$391	\$453	\$376	\$453	\$361	\$453	\$346
EE + Spouse	\$974	\$1,007	\$913	\$946	\$809	\$843	\$764	\$798	\$719	\$753
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EE + Family	\$1,508	\$1,598	\$1,412	\$1,502	\$1,278	\$1,367	\$1,210	\$1,300	\$1,143	\$1,232

3. approve the budgeted administration fee of \$0.90 per prescription (claim) for retail and mail order prescriptions funded by the District's self funded healthcare program administered by CIGNA, effective January 1 - December 31, 2010.

RHH:sbc