

Roger C. Cuevas, Superintendent of Schools

SUBJECT: EMPLOYEE BENEFITS PROGRAM FOR CALENDAR YEAR 2002

HEALTH INSURANCE

At the Board meeting of January 17, 2001, the Board authorized the release of a Request For Proposal (RFP)# 090-AA10, Group Medical Benefits, in order to seek competitive quotations for health benefits offered to School Board employees, retirees, and their eligible dependents. At that Board meeting, the Board also approved the Ad-Hoc Insurance Committee, which consisted of selected Board staff, including members of the Superintendent's Cabinet, as well as representatives from employee unions and organizations to review the proposals received in response to the RFP. The Ad-hoc Insurance Committee was constructed pursuant to School Board Rule 6Gx13- 3F-1.022, Professional Service Contracts for Insurance or Risk Management Programs - Policy.

Proposals in response to RFP# 090-AA10 were received and opened on March 6, 2001, consisting of proposals from the following seven companies:

- ▶ AETNA
- ▶ Av-Med
- ▶ Blue Cross/Blue Shield of Florida
- ▶ CIGNA
- ▶ Humana
- ▶ HIP HealthPlan of Florida
- ▶ UnitedHealthcare

Staff from the Office of Risk and Benefits Management and the Board's Fringe Benefits Consultant, William M. Mercer, Inc. (Mercer), began work on the technical analysis of the RFP. This analysis was presented to the Superintendent's Ad-Hoc Insurance Committee. Following a series of committee meetings, including oral presentations from the proposers, recommendations were presented to the Superintendent. After the Superintendent presented these recommendations to the Board in Executive Session, the Board's Compensatory Fringe Benefits Council (FBC) was convened. The FBC provides the forum for collective bargaining, with all of the rights, privileges, and responsibilities granted under Florida Statute 447.

Staff and representatives from Mercer provided additional technical information to the FBC and oral presentations were conducted by each of the proposers. Recommendations from the FBC were presented to the Superintendent and to the Board in Executive Session.

At the FBC meeting of August 14, 2001, a consensus was reached for the calendar year 2002 benefits program, to include CIGNA, Humana, and HIP. UnitedHealthcare of Florida was unable to provide guaranteed premiums for 2002 on a fully insured program platform, therefore, the inclusion of HIP HealthPlan of Florida was recommended by the members of the FBC to provide consistency.

Additionally, the FBC voted to recommend to the Superintendent that a sub-committee of the FBC be created for the purpose of considering and designing funding alternatives for calendar year 2003 and subsequent years. This sub-committee should consist of a representative from each of the employee unions and associations, as well as representatives of the Office of Risk and Benefits Management, Labor and Legislative Relations, the Board's benefits consultant, and the Board's flexible benefits contracted management company, as needed. It is recommended that this sub-committee analyze different funding approaches that the Board may employ for its group health coverage and flexible benefits, to be presented to the Board and the FBC by April, 2002. If approved by the Board, any changes to the flexible benefits program will be incorporated into the enrollment material for the 2003 benefit plan year.

The FBC also recommended that the Board authorize the ability to explore adding an additional healthcare option for active employees, retirees, and their eligible dependents, consisting of an Open Access HMO product, pursuant to the provisions of RFP# 090-AA10, Group Health Benefits, effective January 1, 2003, by one or more of the companies providing benefits to the Board.

Recommendations for health plan choices are based on the provisions contained within RFP# 090-AA10, which constitutes a five year contract with the School Board, effective January 1, 2002. Rates to be effective January 1, 2002 are on a fully-insured basis and are provided for a one-year period, with the ability to provide subsequent re-rates, no later than 180 days prior to renewal of January 1, 2003, 2004, 2005, and 2006. Cancellation provisions, pursuant to RFP# 090-AA10, require the companies to provide the Board with 180 days written notice of cancellation, except for non-payment of premiums, with the Board having the ability to cancel its contracts with health coverage providers with 60 days advance written notification.

Rates are based upon the proposed Board's defined contribution funding method for 2002 for all full-time eligible employees of \$329 (HMO) and \$349 (PPO) and a maximum of \$1 per month to fund the cost of Internet based benefits enrollment as has been authorized for the past two years. A detailed description of the plan design for both the PPO and the HMOs is being provided to the Board under separate cover.

**SINGLE MONTHLY RATES (Fully Insured)
(Employee and Retiree under 65)**

| <u>Company</u> | <u>Coverage Type</u> | <u>Rate</u> |
|----------------|---------------------------------|-------------|
| CIGNA | National Network PPO (Modified) | \$304.58 |
| CIGNA | National Network Referral HMO | \$198.50 |
| Humana | Regional Network Referral HMO | \$227.55 |
| HIP | Regional Network Referral HMO | \$254.43 |

**DEPENDENT MONTHLY RATES (Fully Insured)
(Employee and Retiree under 65)**

| <u>Company</u> | <u>Coverage Type/Dependent Category</u> | <u>Rate</u> |
|----------------|--|-------------|
| CIGNA | National Network PPO (Modified)/Child(ren) | \$331.89 |
| | National Network PPO (Modified)/Spouse* | \$383.49 |
| | National Network PPO (Modified)/Family* | \$796.83 |
| CIGNA | National Network Referral HMO/Child(ren) | \$169.82 |
| | National Network Referral HMO/Spouse* | \$199.68 |
| | National Network Referral HMO/Family* | \$438.59 |
| Humana | Regional Network Referral HMO/Child(ren) | \$182.03 |
| | Regional Network Referral HMO/Spouse* | \$204.79 |
| | Regional Network Referral HMO/Family* | \$432.33 |
| HIP | Regional Network Referral HMO/Child(ren) | \$250.50 |
| | Regional Network Referral HMO/Spouse* | \$281.78 |
| | Regional Network Referral HMO/Family* | \$457.86 |

RETIREE MONTHLY RATES OVER AGE 65 AND/OR MEDICARE ELIGIBLE

| <u>Company</u> | <u>Coverage Type</u> | <u>Rate</u> |
|----------------|--|-----------------|
| CIGNA | National Network PPO Medicare Coordination | \$293.56 |
| Humana | Gold Plus Plan Medicare Risk Contract** | \$0 |
| HIP | VIP Medicare Risk Contract** | \$0/\$112/\$193 |

DEPENDENT MONTHLY RATES OVER AGE 65 AND/OR MEDICARE ELIGIBLE

| <u>Company</u> | <u>Coverage Type/Dependent Category</u> | <u>Rate</u> |
|----------------|---|-----------------|
| CIGNA | National Network PPO Medicare Coordination/Child(ren) | \$244.11 |
| | National Network PPO Medicare Coordination/Spouse* | \$287.19 |
| | National Network PPO Medicare Coordination/Family* | \$631.83 |
| Humana | Gold Plus Plan Medicare Risk Contract** | \$0 |
| HIP | VIP Medicare Risk Contract** | \$0/\$112/\$193 |

*Indicates eligibility for domestic partner benefits as outlined in RFP# 090-AA10.

**Indicates premium structure for retirees and eligible dependents with a permanent address in Miami-Dade, Broward and Palm Beach Counties for calendar year 2001. Companies submit rate structures and co-payments, terms and conditions to Federal Health Care Financing Administration (HCFA) annually, which may result in changes to benefits, co-payments, terms and conditions, as well as separate rate and benefits structures for retirees and eligible dependents with a permanent address outside Miami-Dade County where the companies offer a Medicare Risk Contract.

GROUP LIFE INSURANCE

At the Board meeting of July 24, 1996, the Board awarded its Group Life and Accidental, Death, and Dismemberment (AD&D) Insurance contract to Metropolitan Life Insurance Company (MetLife), pursuant to the terms of Request For Proposal (RFP)#173-SS-10, for a five-year contract, effective January 1, 1997. MetLife has agreed to extend the current rate structure for calendar year 2002, inclusive of the additional features such as portability which has been provided over the past five years. By utilizing this portability feature, retiring/terminating employees can either convert the entire amount of life insurance they have as an active employee to a whole life program, or retain the optional term coverage outside their employment with Miami-Dade County Public Schools (M-DCPS) at significantly more attractive rates.

An extension of the current rate structure for all coverages is recommended for calendar year 2002 because of the attractive rate structure for the Board's group life and AD&D insurance program for Board-paid life for active employees, optional life for active employees, life insurance for retirees being provided benefits under a Board approved Retirement Incentive Plan, as well as MetLife's continued flexibility and support of these programs.

FLEXIBLE BENEFIT PROGRAM

The Board currently has a contract with Continuum Healthcare, Inc. (previously named HealthExaminetics) under its flexible benefits program, to provide access to a comprehensive annual physical which is conducted on a mobile screening van serving M-DCPS employees two times during the year. For the past several years, enrollment in this benefit has continued to slow, as has the number of employees who actually utilize the benefit, even if they have chosen to enroll in it as part of their flexible benefit selection. Continuum has notified staff that they will require a 6.6% rate increase from \$7.50 per month to \$8.00 per month, effective January 1, 2003. Staff is recommending that due to continued lack of participation in this benefit, the Board terminate its contract with Continuum, Inc., effective January 1, 2002, and allow those flexible benefit dollars to be applied to other programs where utilization is higher.

The Board has offered a Long-Term Disability Benefit as part of its flexible benefits program for the past several years, with the current contract with Liberty Mutual Insurance Company due to expire on December 31, 2001. This program is designed to pay a portion of an employee's lost wages if they become totally disabled. The elimination or waiting

period for this program before an employee receives benefits is six months from the date of disability. Typically, an employee who is continually disabled for six months or more also becomes eligible for Social Security Disability Benefits, therefore this program is designed to coordinate benefits with Social Security to provide benefits to disabled employees.

Following the recommendations received from the FBC, staff requested that a Request For Proposal (RFP) be issued for a combination Long Term/Short Term Disability program. Competitive proposals were received from five companies, and following a review of the proposals, the proposal received by UNUMProvident Corporation appears to be the best program for Miami-Dade School Board employees. It is recommended that the Board enter into a contract with UNUMProvident Corporation for Short Term Disability and Long Term Disability benefits. Benefit options under Account A (Board-paid) would include the Long Term Disability product individually and Long and Short Term Disability together. Employees will also be able to purchase both Short Term and Long Term Disability Benefits through Account B (Employee-paid). The FBC supports this recommendation.

The Board's current Internal Revenue Service (IRS) approved Section 125 Program provides for a selection of insurance products which can be purchased by employees with either Board-provided flexible benefits funds (Account A), or employee funded (Account B) through payroll reduction, which is on a pre-tax basis. For calendar year 2002, it is being recommended that during open enrollment, an employee must choose to have those benefits selected through Account B (payroll deductions) taken on a pre-tax basis, or a post-tax basis including dependent health coverage. For those employees who do not choose, payroll reductions (taken on a pre-tax basis) will be automatically assigned. This technical change is necessary in order to handle the tax implications of short term disability benefits, and dependent health benefits for domestic partner coverage. Additionally, pursuant to recent legal opinions provided to staff regarding qualified Section 125 plans, it is being recommended to include a cash option, equal to the maximum amount that the employee could elect as a 401(k) contribution within the flexible benefit options be offered for calendar year 2002. While the cash option would be taxable to the employee, the offering of the cash option would allow the Board to continue its 401(k) option, thus meeting the requirements of a qualified cash or deferred arrangement.

With significant changes occurring in the group health area for Board employees, the FBC recommended that all companies currently providing coverages as part of the Board's flexible benefits program, other than those already referenced, be requested to develop renewal rates for 2002, 2003 and 2004, in order to provide continuity in this part of the Board's fringe benefits program. Contract extensions, inclusive of the following monthly rates, are being recommended with the stated benefit levels, for benefits included in Account A (Board-Paid) options. Premiums for benefits which are offered in Account B (Employee-Paid) are outlined in the recommended section of this item.

Account A (Board-Paid)

| <u>Coverage/Co.</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|----------------------------------|-----------------------|----------------------------------|--------------|--------------|
| Term Life (CIGNA) | \$.34/\$1000* | SAME | SAME | SAME |
| Personal Accident (CIGNA) | | | | |
| \$ 25,000 | \$.80 | SAME | SAME | SAME |
| \$ 50,000 | \$ 1.60 | | | |
| \$ 75,000 | \$ 2.40 | | | |
| \$100,000 | \$ 3.20 | | | |
| \$125,000 | \$ 4.00 | | | |
| \$150,000 | \$ 4.80 | | | |
| \$175,000 | \$ 5.60 | | | |
| \$200,000 | \$ 6.40 | | | |
| \$250,000 | \$ 8.00 | | | |
| \$300,000 | \$ 9.60 | | | |
| Hospital Income** | \$1.75/\$50 day | SAME | SAME | SAME |
| CIGNA | \$3.50/\$100 day | SAME | SAME | SAME |
| Long Term Care | 3Yr. \$1.78*/\$5day | SAME | SAME | SAME |
| US Care | 5 Yr.\$2.35*/\$5day | SAME | SAME | SAME |
| Indemnity Dental | Std. \$35.08 | Std. \$37.89 | Std. \$40.92 | Std. \$44.19 |
| MetLife | High\$39.16 | High\$42.29 | High\$45.67 | High\$49.32 |
| Panel Dental | \$13.41 | \$14.35*** | \$15.07*** | \$15.82*** |
| OHS | | | | |
| Vision | \$6.01 | \$6.31*** | \$6.63*** | \$6.96*** |
| Optix | | | | |
| Legal | \$13.25 w/o Fin. Plan | | | |
| ARAG | \$14.25 w/Fin. Plan | \$13.25 w/Fin. Plan | SAME | SAME |
| Health Screening | \$7.50 | \$7.50 | \$8.00 | N/A |
| Continuum | | Not Recommended for Continuation | | |

| <u>Co./Coverage</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|--|--------------------------------|-------------------------------|-------------|-------------|
| Short Term Dis. UNUMProvident | N/A | Opt.1- 22 weeks \$12.25 | SAME | N/A |
| | | Opt. 2- 24 weeks \$18.36 | SAME | N/A |
| Long Term Dis. | Std. \$7.33 | Std. \$5.92 | SAME | N/A |
| | Max.\$9.38 (Liberty Mutual) | Max.\$7.59 (UNUMProvident) | SAME | N/A |

* Certain restrictions apply for rate guarantees for 2003 and 2004

** Additional level of benefits are available through Account B

***Co-payments subject to change

As part of the Board's flexible benefits program, employees have the opportunity to take part of their flexible dollars provided by the Board, or through payroll reduction, and fund Flexible Spending Accounts (FSA) for medical expenses or dependent care expenses with pre-tax dollars. Currently, employees must incur the expense and submit a paper claim form to seek reimbursement of the expenses from their FSAs.

Fringe Benefits Management Company (FBMC) is now offering employees with FSAs the ability to obtain a debit card which will provide a means for employees seeking to fund their medical expenses with their FSA money to have immediate reimbursement. Each debit card will have the employee's medical FSA fund credited to it, and with recent technological enhancements, the card will be able to detect eligible medical expenses for which reimbursement is being sought, so that the FSA money is spent correctly. It is being recommended that M-DCPS employees be able to choose to have a debit card for reimbursement of eligible medical expenses in addition to being able to continue to file a manual reimbursement form. Use of the debit card includes a per transaction fee of \$0.50, all of which goes to the financial institutions providing the service.

INTERNET BASED ENROLLMENT

In the fall of 1999, Board employees were introduced to enrollment alternatives which included the ability to enroll for their calendar year 2000 benefits by utilizing the Internet, calling an "800" number and enrolling telephonically, or by completing a traditional paper enrollment form. Regardless of the method, all enrollment information was then processed through the Internet-based enrollment system which FBMC has contracted with HealthAxis (formerly InsureData) to provide. Last fall, during open enrollment for calendar year 2001 benefits, approximately 81% of all employees completed a traditional paper enrollment form, 16% enrolled by actually logging onto the Internet system or being enrolled for auto assigned benefits through the Internet, and 3% enrolled telephonically.

Under the terms of their contract, the Board's benefits consulting company, Mercer was asked last July to conduct an in-depth analysis of the Internet based enrollment system being utilized by the Board through the contract that FBMC had developed with HealthAxis. A copy of this document entitled "Enrollment Process Evaluation" is being sent to the Board under separate cover. In this report, the Mercer experts determined that the program was very viable, and that the Board's costs were well in line with other employers who had moved towards this type of automated enrollment system. They did make a number of recommendations as to how the Board should proceed in the future to increase the number of employees who were actually enrolling by getting "on line" through the Internet. As an additional "value-added" component of the evaluation provided by Mercer, they were able to assist FBMC in the pricing negotiations for the Board's cost of the automated enrollment with HealthAxis, and were able to negotiate the ability to begin enrolling new employees throughout the year via the Internet as well. For open enrollment of calendar year 2002 benefits, it is recommended that employees enroll via the Internet or by completing a traditional paper enrollment form. This recommendation includes the elimination of the interactive voice response system (IVR) component, based upon the small number of employees who utilized this approach and the programming cost to keep it as an enrollment option.

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

1. award its contract for group medical benefits, pursuant to the provisions of Request For Proposal (RFP)#090-AA10, to the following companies for a five year contract, effective January 1, 2002, with stipulated benefit levels and following rates to be effective for a one-year period, with the ability to provide subsequent re-rates, subject to providing those subsequent rates no later than 180 days prior to renewal of January 1, 2003, 2004, 2005, and 2006:

Active Employees, Board Retirees, and their eligible dependents - Under age 65

| | <u>Company</u> | <u>Rate</u> |
|------------------|----------------|-------------|
| Employee/Retiree | CIGNA PPO | \$304.58 |
| Child/Children | CIGNA PPO | \$331.89 |
| Spouse | CIGNA PPO | \$383.49 |
| Family | CIGNA PPO | \$796.83 |
| Employee/Retiree | CIGNA HMO | \$198.50 |
| Child/Children | CIGNA HMO | \$169.82 |
| Spouse | CIGNA HMO | \$199.68 |
| Family | CIGNA HMO | \$438.59 |

| | | |
|------------------|------------|----------|
| Employee/Retiree | Humana HMO | \$227.55 |
| Child/Children | Humana HMO | \$182.03 |
| Spouse | Humana HMO | \$204.79 |
| Family | Humana HMO | \$432.33 |
| Employee/Retiree | HIP HMO | \$254.43 |
| Child/Children | HIP HMO | \$250.50 |
| Spouse | HIP HMO | \$281.78 |
| Family | HIP HMO | \$457.86 |

Board Retirees, and their eligible dependents - Age 65 or older and/or Medicare eligible, as approved by Health Care Financing Administration (HCFA), if applicable

| | | |
|----------------|-----------|----------|
| Retiree | CIGNA PPO | \$293.56 |
| Child/Children | CIGNA PPO | \$244.11 |
| Spouse | CIGNA PPO | \$287.19 |
| Family | CIGNA PPO | \$631.83 |

| | | |
|----------------|----------------|-----|
| Retiree | Gold Plus Plan | \$0 |
| Child/Children | Gold Plus Plan | \$0 |
| Spouse | Gold Plus Plan | \$0 |
| Family | Gold Plus Plan | \$0 |

| | | |
|----------------|--------------|-----------------|
| Retiree | VIP Medicare | \$0/\$112/\$193 |
| Child/Children | VIP Medicare | \$0/\$112/\$193 |
| Spouse | VIP Medicare | \$0/\$112/\$193 |

2. authorize the ability to explore adding an additional healthcare option for active employees, retirees, and their eligible dependents, consisting of an Open Access HMO product, pursuant to the provisions of RFP#090-AA10, Group Health Benefits, effective January 1, 2003 by one or more contracted health providers;
3. authorize CIGNA to provide the current negotiated hospital income benefit for permanent part time employees at a monthly premium contribution of \$17.55 for each benefit eligible permanent part time employee represented by the American Federation of State, County, and Municipal Employees (AFSCME), local 1184, for hospital income benefits consisting of \$350/day while confined to a hospital;

4. authorize CIGNA to provide the current "bridge" program for newly hired employees on a self funded basis to pay for claims incurred by employees for up to 90 days, or until a new employee makes their choice of healthcare from the approved offerings, inclusive of the authorization to reimburse CIGNA for incurred claims, plus a ten percent administrative fee;

5. authorize a monthly benefit contribution per employee of \$349 for employees and eligible retirees who enroll in the PPO, and \$329 for employees and eligible retirees who enroll in an offered HMO, with an additional amount, not to exceed \$1/employee/month to be placed into an established budget for enrollment expenses for this fall open enrollment for calendar year 2002 benefits to be paid to Fringe Benefits Management Company based upon the actual number of enrolled employees, resulting in a total monthly benefit contribution per employee of \$350 for PPO enrolled employees and \$330 for HMO enrolled employees for calendar year 2002;

6. renew its contract with Metropolitan Life Insurance Company, effective January 1, 2002 for a one year period for group term life insurance coverage to include basic, optional, accidental death and dismemberment coverages and group dependent life at the following rates:

| | |
|--------------------|-------------------------------|
| Basic Active Life | \$.275/\$1000 coverage/month |
| Basic Retiree Life | \$.610/\$1000 coverage/month |
| Optional Life <25 | \$.06/\$1000 coverage/month |
| 25-29 | \$.06/\$1000 coverage/month |
| 30-34 | \$.08/\$1000 coverage/month |
| 35-39 | \$.11/\$1000 coverage/month |
| 40-44 | \$.11/\$1000 coverage/month |
| 45-49 | \$.21/\$1000 coverage/month |
| 50-54 | \$.30/\$1000 coverage/month |
| 55-59 | \$.57/\$1000 coverage/month |
| 60-64 | \$.66/\$1000 coverage/month |
| 65-69 | \$ 1.27/\$1000 coverage/month |
| 70-74 | \$ 2.06/\$1000 coverage/month |
| 75+ | \$ 3.16/\$1000 coverage/month |

| | |
|--------------------|---|
| AD&D Basic | \$.02/\$1000 coverage/month |
| AD&D Optional | \$.03/\$1000 coverage/month |
| Dep. Life (spouse) | \$.49/\$5000 age banded to \$8.29/\$5000 coverage/month |
| Dep. Life (child) | \$.99/\$5000 age banded to \$1.98/\$5000 coverage/month |

7. approve the following monthly rates and enter into contracts with the following companies contained within the Board's Flexible Benefits Program, administered by the Board's flexible benefits contracted management company, for a three year period, effective January 1, 2002 through December 31, 2004:

A. CIGNA - Personal Accident Insurance Coverage at stated rates for Account A (Board Paid) and Account B (Employee-Paid) at existing rates, representing a three year rate guarantee:

| <u>Account A & B</u> | <u>2002, 2003, 2004</u> |
|--------------------------|-------------------------|
| Employee \$25,000 | \$.80 |
| \$50,000 | \$1.60 |
| \$75,000 | \$2.40 |
| \$100,000 | \$3.20 |
| \$125,000 | \$4.00 |
| \$150,000 | \$4.80 |
| \$175,000 | \$5.60 |
| \$200,000 | \$6.40 |
| \$250,000 | \$8.00 |
| \$300,000 | \$9.60 |
| <u>Account B</u> | <u>2002, 2003, 2004</u> |
| Family \$25,000 | \$.50 |
| \$50,000 | \$1.00 |
| \$75,000 | \$1.50 |
| \$100,000 | \$2.00 |
| \$125,000 | \$2.50 |
| \$150,000 | \$3.00 |
| \$175,000 | \$3.50 |
| \$200,000 | \$4.00 |
| \$250,000 | \$5.00 |
| \$300,000 | \$6.00 |

| <u>Account B</u> | <u>2002,2003,2004</u> |
|------------------|-----------------------|
| EE/Fam. \$25,000 | \$1.30 |
| \$50,000 | \$2.60 |
| \$75,000 | \$3.90 |
| \$100,000 | \$5.20 |
| \$125,000 | \$6.50 |
| \$150,000 | \$7.80 |
| \$175,000 | \$9.10 |
| \$200,000 | \$10.40 |
| \$250,000 | \$13.00 |
| \$300,000 | \$15.60 |

- B. CIGNA - Term Life Insurance Coverage - at stated rates for both Account A (Board-Paid) and Account B (Employee-Paid) at existing rates for 2002, with the ability to keep the rates the same for 2003 and 2004, subject to loss ratio changes and participation levels:

| <u>Accounts A&B</u> | <u>2002, 2003, 2004</u> |
|-------------------------|-------------------------|
| Employee | \$.34/\$1,000 |

- C. CIGNA - Hospital Income Insurance Coverage- at existing rates for Account A (Board-Paid) and Account B (Employee-Paid), representing a three year rate guarantee:

| <u>Account A</u> | <u>2002,2003,2004</u> |
|------------------|-----------------------|
|------------------|-----------------------|

| | |
|-------------------|---------|
| Employee | |
| \$50/day benefit | \$ 1.75 |
| \$100/day benefit | \$ 3.50 |

Account B

| | |
|-------------------|---------|
| Employee | |
| \$50/day benefit | \$ 6.50 |
| \$100/day benefit | \$13.00 |

Account B

| | |
|-------------------|----------|
| Employee | |
| \$150/day benefit | \$ 19.50 |

| | |
|-------------------|----------|
| Family | |
| \$50/day benefit | \$ 8.50 |
| \$100/day benefit | \$ 17.00 |
| \$150/day benefit | \$ 25.50 |

EE/Fam.

| | |
|-------------------|----------|
| \$50/day benefit | \$ 15.00 |
| \$100/day benefit | \$ 30.00 |
| \$150/day benefit | \$ 45.50 |

- D. Oral Health Services (Subsidiary of CompBenefits Corp.)-Panel Dental Program - at stated rates for both Account A (Board-Paid) and Account B (Employee-Paid), representing a 7% rate increase for 2002 and a rate cap, not to exceed 7% for years 2003 and 2004, inclusive of a revised co-payment schedule on a per-procedure basis:

| <u>Account A</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|------------------|--------------|-------------|-------------|
| Employee | \$14.35 | \$15.07 | \$15.82 |
| <u>Account B</u> | | | |
| Employee | \$15.43 | \$16.20 | \$17.01 |
| Family | \$23.48 | \$24.65 | \$25.88 |
| EE + Fam | \$38.91 | \$40.86 | \$42.90 |
| <u>Account A</u> | | | |
| Retiree | \$11.40(RIP) | \$12.00 | N/A |
| <u>Account B</u> | | | |
| Retiree | \$12.24 | \$13.16 | N/A |
| Family | \$15.63 | \$18.55 | N/A |
| Ret./Fam. | \$27.28 | \$31.71 | N/A |

- E. MetLife Insurance Company - Indemnity Dental Insurance Program - at stated rates for both Account A (Board-Paid) and Account B (Employee-Paid), representing a previously authorized 8% rate increase for 2002, and a rate cap, not to exceed 8% for years 2003 and 2004:

| <u>Account A</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|-------------------------|-------------|-------------|-------------|
| <u>Employee</u> | | | |
| Standard | \$37.89 | \$40.92 | \$44.19 |
| High | \$42.29 | \$45.67 | \$49.32 |
| <u>Account B</u> | | | |
| <u>Employee/Retiree</u> | | | |
| Standard | \$41.43 | \$44.74 | \$48.32 |
| High | \$46.25 | \$49.95 | \$53.95 |
| Enhanced | \$47.66 | \$51.47 | \$55.59 |
| <u>Family</u> | | | |
| Standard | \$78.83 | \$85.14 | \$91.95 |
| High | \$87.98 | \$95.02 | \$102.62 |
| Enhanced | \$90.67 | \$97.92 | \$105.75 |
| <u>EE/Ret/Fam</u> | | | |
| Standard | \$123.12 | \$132.97 | \$143.61 |
| High | \$137.45 | \$148.45 | \$160.33 |
| Enhanced | \$141.64 | \$152.97 | \$165.21 |

- F. CompBenefits Vision (formerly Optix) - Vision-at stated rates for both Account A (Board-Paid) and Account B (Employee Paid), representing a 5% rate increase for 2002 and a rate cap, not to exceed 5% for years 2003 and 2004, inclusive of a revised co-payment schedule:

| <u>Account A</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> |
|------------------|-------------|-------------|-------------|
| Employee | \$6.31 | \$6.63 | \$6.96 |
| <u>Account B</u> | | | |
| Employee | \$6.58 | \$6.91 | \$7.26 |
| Family | \$11.63 | \$12.21 | \$12.82 |
| EE/Fam | \$18.15 | \$19.06 | \$20.01 |

- G. US Care - Long Term Care Coverage - at existing rates for Account A (Board-Paid) , with Account B employee and rates for spouses and direct bill rates for parents of employees and employee in-laws at existing age-banded rates, representing the following three year rate extension for 2002, 2003, and 2004, subject to the current participation requirements for years 2003 and 2004:

| <u>Account A</u> | <u>2002, 2003, 2004</u> |
|-----------------------|-------------------------|
| Employee (3 Yr. Plan) | \$1.78/\$5 day |
| Employee (5 Yr. Plan) | \$2.35/\$5 day |

- H. ARAG Group - Legal Benefits at existing rates, but with the Financial Planning component included for one rate structure for employee and family, representing the following three year rate extension for 2002, 2003, and 2004, with the ability to add a *Senior Advocate* benefit through Account B as an additional product to the Basic legal benefit, including Financial Planning, offered through Account A or Account B at \$8.00 per month with the rate guaranteed for the three year period:

| <u>Account A</u> | <u>2002, 2003, 2004</u> |
|------------------|-------------------------|
| EE and Fam. | \$13.25 |
| <u>Account B</u> | |
| EE and Fam. | \$17.30 |
| Senior Advocate | \$8.00 |

- I. UNUMProvident - Short Term Disability - at stated rates for Account A (Board-Paid) and Account B (Employee-Paid) for a two year rate guarantee for 2002 and 2003:

| | |
|---------------------------|-------------------|
| <u>Accounts A & B</u> | <u>2002, 2003</u> |
|---------------------------|-------------------|

Employee

Option 1 - 22 week benefit - \$12.25

Option 2 - 24 week benefit - \$18.36

- J. UNUMProvident - Long Term Disability - at stated rates for Account A (Board-Paid) and Account B (Employee-Paid) for a two year rate guarantee for 2002 and 2003:

| | |
|---------------------------|-------------------|
| <u>Accounts A & B</u> | <u>2002, 2003</u> |
|---------------------------|-------------------|

Employee

| | |
|----------|---------|
| Standard | \$ 5.92 |
|----------|---------|

| | |
|---------|---------|
| Maximum | \$ 7.59 |
|---------|---------|

Account B

Employee

| | |
|--------------|---------|
| Maximum Plus | \$11.44 |
|--------------|---------|

- 8. authorize the establishment of a cash option, equivalent to the maximum amount of the offered option which provides employees the ability to put flexible benefits contributions into a 401(k), in order to meet the requirements of a qualified cash or deferred arrangement under Section 125 of the Internal Revenue Code of 1986;
- 9. authorize cancellation of its contract with Continuum, Inc., effective January 1, 2002, whereby the Board may cancel its contract by providing at least ninety (90) days advance written notice, with any remaining premiums held by the Board to be released, pursuant to the split funding provision;
- 10. authorize the establishment of a sub-committee of the Fringe Benefits Council, consisting of representatives from each of the employee unions and associations, as well as representatives from the Office of Risk and Benefits Management, the Board's benefits consultants, and the Board's flexible benefits contracted management company to analyze different funding approaches that the Board may employ for its group health coverage and flexible benefits, to be presented to FBC by April, 2002, and if approved by the Board, to be incorporated into the 2003 benefit plan year; and

11. approve the Memorandum of Understanding with the United Teachers of Dade (UTD), the American Federation of State, County, and Municipal Employees (AFSCME), Local 1184, the Dade County School Maintenance Employee Committee (DCSMEC), the Fraternal Order of Police (FOP), Lodge 133, the Dade County School Administrators' Association (DCSAA), Local 77, the Dade Association of School Administrators (DASA), and Confidential Exempt Personnel.