

Richard H. Hinds, Chief Financial Officer
Financial Services

**SUBJECT: APPROVAL OF HEALTH INSURANCE RATES FOR
CALENDAR YEAR 2009**

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

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

Negotiations with UnitedHealthcare of Florida, Inc. (United), the District's healthcare provider which was approved at the Board meeting of December 19, 2007 as result of the Request For Proposal (RFP) # 065-GG10, have been completed inclusive of an increase over existing 2008 rates of 9.2%. Based upon a total District expenditure for health insurance in 2008 of approximately \$292 million, the increase represents increased expenditures of \$26.8 million.

Negotiations with employee unions and associations are continuing, however, Board approval of the rate structure is required in order for the District to pay the new rates effective January 1, 2009. The rates as negotiated reflect no change to the current plan designs of the following four health plan offerings:

- Point of Service (POS)
- Health Maintenance Organization (HMO 63)
- Health Maintenance Organization (HMO 62)
- Neighborhood Health Partnership (NHP HMO)

An additional dependent tier and rate structure has been added for 2009 which incorporate eligible dependents between 26-30 years of age. This requirement is pursuant to the requirements of SB 2534, as approved by the Florida Legislature in its 2008 session.

E-66

The following chart outlines the current 2008 monthly rate structure as compared to the 2009 monthly rate structure, inclusive of the 9.2% increase:

	2008 Dependent Rate	Rate Increase	2009 Dependent Rate
FL Choice Plus (POS)			
Employee Only	\$ 458.47	1.092	\$ 500.65
Spouse/Domestic Partner	\$ 492.67	1.092	\$ 537.99
Child/Children	\$ 428.24	1.092	\$ 467.64
Family	\$ 882.41	1.092	\$ 963.59
26-30 year old dependent *	n/a	n/a	\$ 425.55
FL HMO 63			
Employee Only	\$ 419.17	1.092	\$ 457.73
Spouse/Domestic Partner	\$ 450.45	1.092	\$ 491.90
Child/Children	\$ 391.54	1.092	\$ 427.57
Family	\$ 806.80	1.092	\$ 881.03
26-30 year old dependent *	n/a	n/a	\$ 389.07
FL HMO 62			
Employee Only	\$ 390.68	1.092	\$ 426.62
Spouse/Domestic Partner	\$ 419.81	1.092	\$ 458.44
Child/Children	\$ 364.90	1.092	\$ 398.47
Family	\$ 751.92	1.092	\$ 821.10
26-30 year old dependent *	n/a	n/a	\$ 362.63
NHP HMO			
Employee Only	\$ 389.83	1.092	\$ 425.69
Spouse/Domestic Partner	\$ 418.92	1.092	\$ 457.47
Child/Children	\$ 364.14	1.092	\$ 397.65
Family	\$ 750.31	1.092	\$ 819.34
26-30 year old dependent *	n/a	n/a	\$ 361.84
NHP HMO – CHILD ONLY			
1 Child	\$ 230.00	1.092	\$ 251.16
2 + Children	\$ 565.25	1.092	\$ 617.25

* Rate is per dependent in addition to other dependent rates as shown

As a result of the significant budget challenges facing the District in the current 2008-2009 fiscal year's budget, negotiations were held with United to seek a rate pass not unlike the two month rate pass which was provided through negotiations for the 2008 plan year. Unfortunately, due to the high level of claims as compared to premiums being paid, United was not able to offer a rate pass, but is willing to consider a delay in payment of the 9.2% increase for a 3-month period beginning January, 2009.

As adopted in Agenda Item E-14, Board Meeting of November 18, 2008, the amount of money representing the 3-month deferral of the health insurance premium increase, effective January 1, 2009, will be shifted to premiums paid in the first six months of fiscal year 2009-2010 (7-1-09 – 12-31-09). United has offered this premium deferral with no fees or interest accruing on the deferred premium payments.

Negotiations will continue with employee unions and associations regarding plan design changes which could result in lower costs for the 2009 calendar year.

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

1. approve the following monthly healthcare rates as negotiated with UnitedHealthcare of Florida for calendar year 2009 based upon current plan offerings and plan designs:

FL Choice Plus POS

Employee Only	\$ 500.65
Spouse/Domestic Partner	\$ 537.99
Child/Children	\$ 467.64
Family	\$ 963.59
26-30 year old dependents*	\$ 425.55

FL HMO 63

Employee Only	\$ 457.73
Spouse/Domestic Partner	\$ 491.90
Child/Children	\$ 427.57
Family	\$ 881.03
26-30 year old dependents*	\$ 389.07

FL HMO 62

Employee Only	\$ 426.62
Spouse/Domestic Partner	\$ 458.44
Child/Children	\$ 398.47
Family	\$ 821.10
26-30 year old dependents*	\$ 362.63

NHP HMO

Employee Only	\$ 425.69
Spouse/Domestic Partner	\$ 457.47
Child/Children	\$ 397.65
Family	\$ 819.34
26-30 year old dependents*	\$ 361.84

NHP HMO CHILD ONLY

1 Child	\$ 251.16
2 + Children	\$ 617.25

*Rate is per dependent in addition to other dependent rates as shown

2. authorize the Superintendent of Schools to begin work on a comprehensive Request For Proposal (RFP) to seek competitive proposals for a health insurance program to become effective January 1, 2010, including all necessary components to fully explore the opportunities of changing the Board's funding platform for its health insurance program from fully insured to self funded, with the RFP to be brought back to the Board at a subsequent Board meeting early in 2009 for consideration, with plan design components to be created in conjunction with employee unions and associations; and

3. renew its contract with CareAccess Health Plan, Inc. for an alternative, limited health plan to be offered to employees and their eligible dependents on a voluntary basis for those employees who are not provided Board-paid coverage on a per member basis effective January 1, 2009 through December 31, 2009, with the following monthly rates per enrolled member:

Alternative, Limited Health Plan Inpatient and Outpatient Combined Rates		
Age Band	Per Member	
	High Option	Low Option
0-25	\$118.00	\$108.00
26-35	\$132.35	\$122.28
36-45	\$157.90	\$148.23
46-55	\$196.05	\$185.15
56-64	\$288.90	\$278.85
65 +	\$422.80	\$412.45

RHH:cbc