

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: APPROVAL OF PREMIUM EQUIVALENT RATES FOR DISTRICT SELF INSURED HEALTHCARE PROGRAM EFFECTIVE APRIL 1, 2012 – DECEMBER 31, 2012

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

At the Board meeting of November 22, 2011, the Board approved premium equivalent rates for the District Self Insured Healthcare Program for calendar year 2012, based upon the need for an 18.8% increase as determined by the annual actuarial analysis conducted. Subsequently, the District conducted negotiations with its labor unions and employee associations which resulted in the District absorbing the 18.8% increase for the period January 1, 2012 – March 31, 2012, and plan design/contribution changes which will become effective April 1, 2012. The rates shown below reflect the savings attained by the negotiated plan design changes, a reduction of the increase required to 10.6%. This item is for purposes of establishing appropriate premium equivalent rates and not for purposes of collective bargaining.

The following monthly premium equivalent rates effective April 1, 2012 – December 31, 2012, will apply to contributions for all active, benefit-eligible full and part time employees, non-Medicare retirees, previously employed personnel who have elected coverage under COBRA and their eligible dependents:

Coverage Tier	4/1/2012 - 12/31/2012	
	OAP20	OAP10
Employee Only	\$ 541	\$ 588
EE + Spouse	\$1,307	\$1,422
EE + Child(ren)*	\$1,080	\$1,176
EE + Family	\$2,073	\$2,256
Adult Dependent**	\$ 459	\$ 501

*Rate includes adult children up to age 26 in compliance with 2010 Health Reform Act.

**Rate is per eligible dependent 27-30 years of age in addition to other dependent rates as shown above in compliance with Florida Statute §627.602(c)(1).

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RECOMMENDED:

That The School Board of Miami-Dade County, Florida approve the monthly premium equivalent rates for benefit eligible full and part time employees, eligible COBRA participants, non-Medicare eligible retirees and their eligible dependents for the self-funded medical program administered by Cigna Healthcare effective April 1, 2012 - December 31, 2012.

Coverage Tier	OAP20	OAP10
Employee Only	\$ 541	\$ 588
EE + Spouse	\$1,307	\$1,422
EE + Child(ren)*	\$1,080	\$1,176
EE + Family	\$2,073	\$2,256
Adult Dependent**	\$ 459	\$ 501

*Rate includes adult children up to age 26 in compliance with 2010 Health Reform.

** Rate is per eligible dependent 27-30 years of age in addition to other dependent rates as shown above in compliance with Florida Statute §627.602(c)(1).

RHH:sbc