

Health & Welfare Benefits Program Plan Year 2017

GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT

The Importance of Employee Benefits

Offering an employee benefit package is more than just medical coverage!

RECRUITMENT

- Benefits are used as a marketing tool to attract the best candidates

RETENTION

- The benefits package we offer is one of the top reasons that employees stay with the District

CULTURE

- Maintaining employee satisfaction
- In line with Board Strategic Priorities and District Services Strategic Goals

2017 Annual Projected Costs

Annual Cost
Per Covered
Employee/Retiree
Per Year

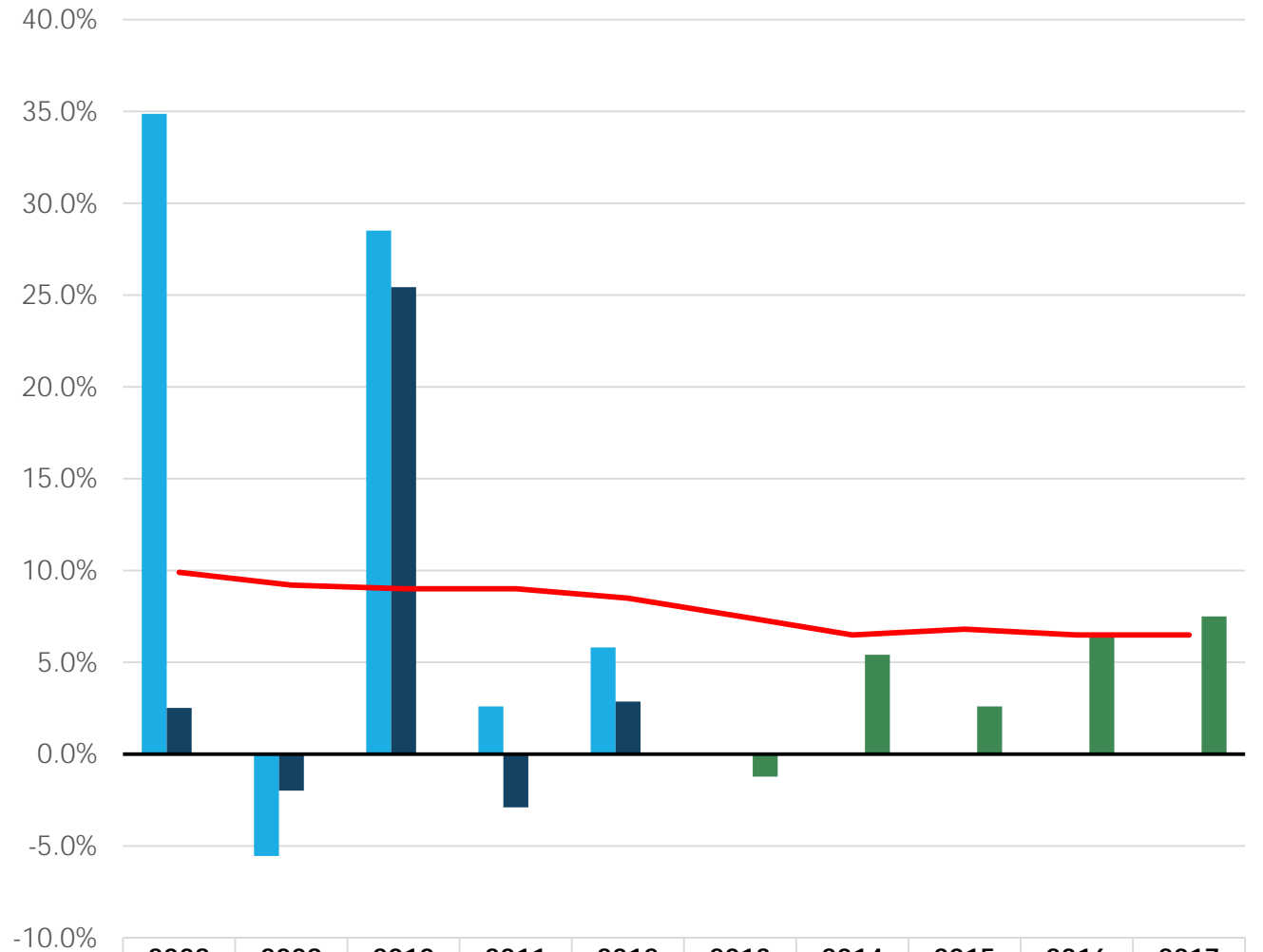
2016: \$15,638
2017: \$16,699

Benefit Type	2016 Plan Year	2017 Plan Year	% Change
Medical	\$13,744,272	\$14,768,256	7.5%
Dental	\$1,054,244	\$1,054,244	0%
Vision	\$89,840	\$89,840	0%
Basic Life/AD&D	\$36,341	\$36,341	0%
Long Term Disability	\$115,737	\$115,737	0%
Annual Total	\$15,040,434	\$16,064,418	6.8%
Employee Contributions	\$0	\$0	0%
District Cost Share	100%	100%	6.8%

\$1 million dollar increase in costs for 2017

The District pays 100% of the premium. No contributions are collected from employees or retirees. All District benefits are contracted on a calendar year basis.

Medical Cost History 2008 - 2017

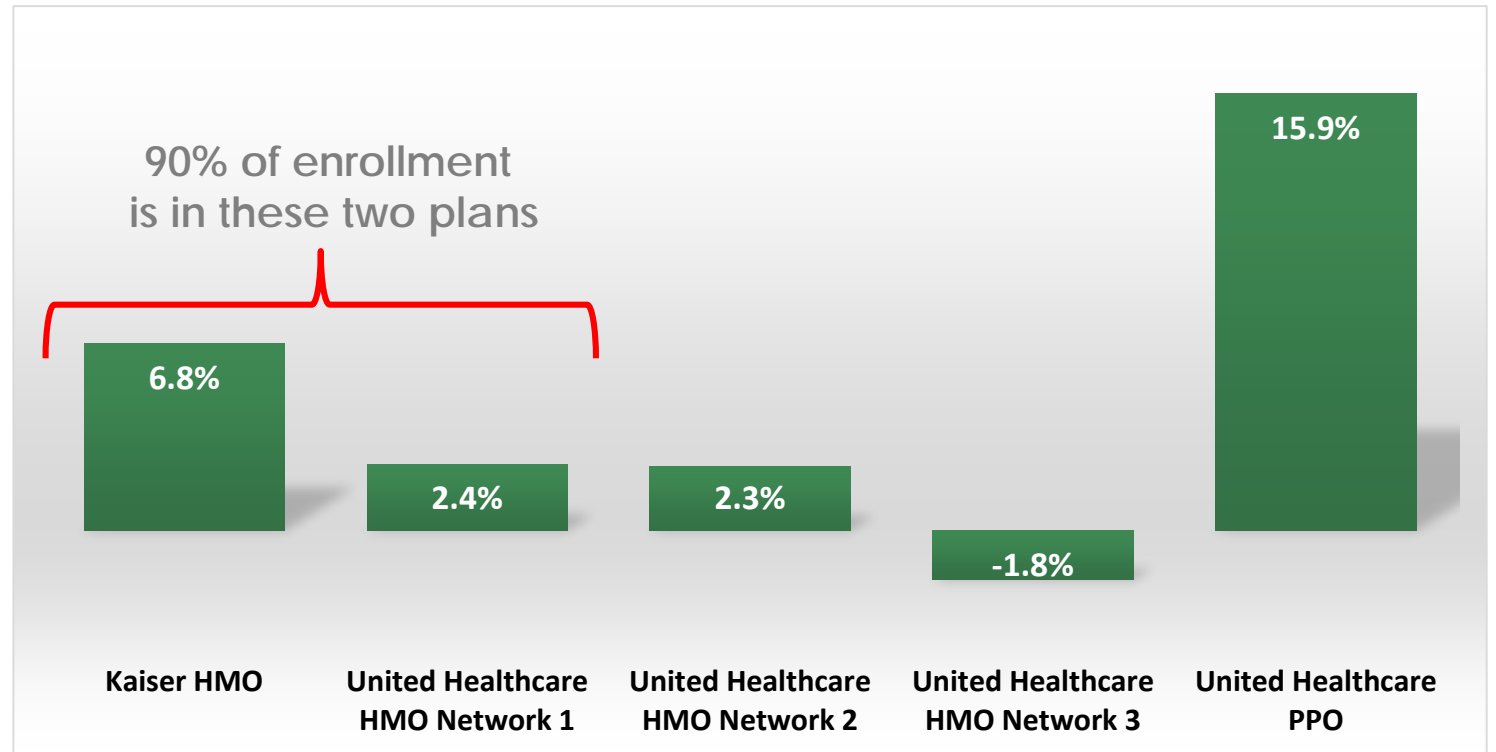


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Self-Funded	34.9%	-5.5%	28.5%	2.6%	5.8%					
Kaiser	2.5%	-2.0%	25.4%	-2.9%	2.9%					
VEBA						-1.2%	5.4%	2.6%	6.5%	7.5%
National Trend	9.9%	9.2%	9.0%	9.0%	8.5%	7.5%	6.5%	6.8%	6.5%	6.5%

National Trend Source: PwC Health Research Institute medical cost trends 2008-2017

2017 Medical Cost by Plan

Although the PPO plan experienced a 15.9% change in premium for 2017, our overall medical plan renewal increase of 7.5% is due to a majority of the enrollment in Kaiser HMO and United Healthcare HMO Network 1.



United Healthcare HMO Network 3 experienced the most plan design changes to control escalating costs.

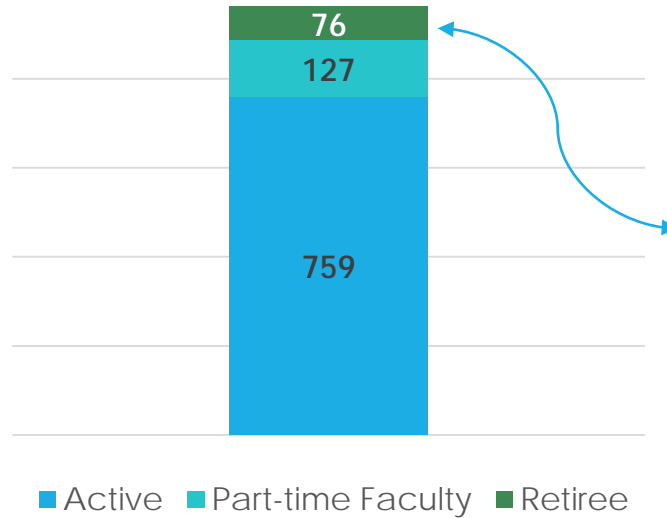
The renewal savings for that plan of 1.8% reflects these changes which included:

- In-patient hospital – from \$250 per admit to 20% coinsurance
- Prescription deductible – from \$0 to \$250 for brand name drugs

Medical Enrollment and Plan Selection

2017 saw no significant changes in enrollment ratios

Enrollment Count = 962



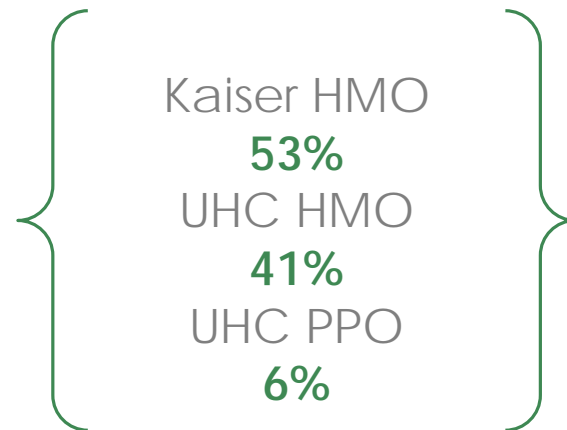
Of the 76 retirees, **20** make up **41%** of the **\$1.2 million** retiree medical cost

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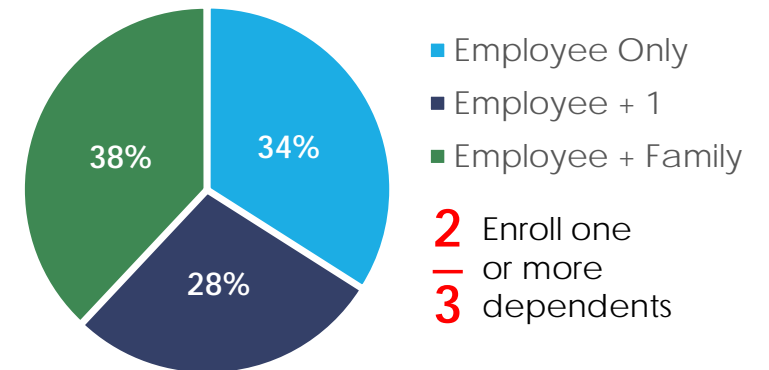
13 cover a spouse that is also on Medicare or a spouse that is age 65+ but did not qualify for Medicare

+

7 are in out of state plans



Tier Enrollment Split All Plans



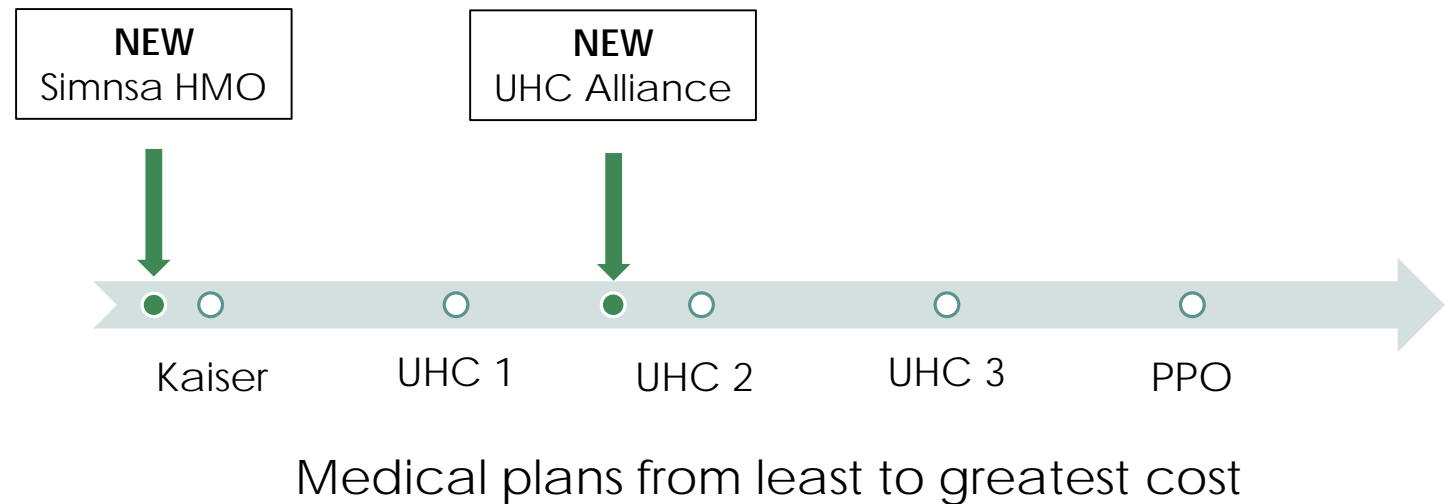
Medical Plan Enrollment Shift

2017 introduced two new plans

- United Healthcare HMO Alliance with HRA Fund
- SIMNSA HMO Cross Border Plan

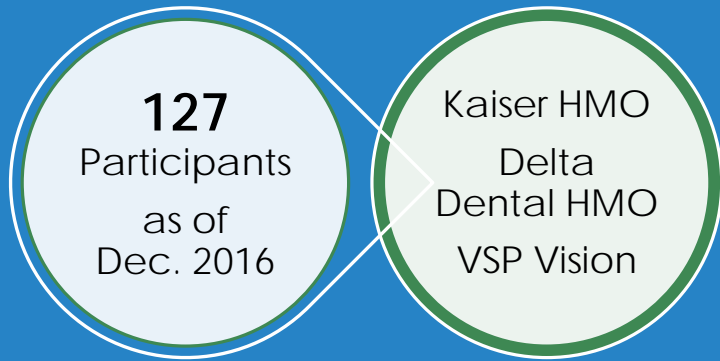
United Healthcare PPO and HMO Network 3 plans are the most expensive plans in our line up.

Introduced two new plans in 2017 to combat costs



17 employees left the PPO and HMO3 plans. This shift in enrollment is projected to produce **\$201,348** in **savings** for 2017.

Part-time Faculty Benefits



Employee Only	80
Employee + One	22
<u>Employee + Family</u>	<u>25</u>
	127

2017 Projected Costs

\$1.38 million

which is

\$11,019

Per Enrolled Employee
Per Year

Increased dependent enrollment for 2017

Employees can add dependents at **no charge** at the next calendar year after initial enrollment.



February 2017
Newly Eligible
Enrollment Period



18 New Additions
7 Left plan - Ineligible



Net change:
**11 additions added
in first half of 2017**
8.6% increase to enrollment or
138 participants as of Feb. 2017

Employers still need to be mindful of 40% Excise Tax in Year 2020

“**Cadillac Tax**” - refers to an annual excise tax on high-cost employer sponsored health insurance. This tax was scheduled to go into effect in 2018 and was further delayed to 2020.

The tax is equivalent to 40% of the cost of health coverage beyond a certain threshold. This threshold has not changed since the introduction of the Affordable Care Act in 2010.

Applies to
employee and
retiree plans
that exceed:

\$10,200
for individual
coverage



\$27,500
for family
coverage



\$160,586

excise tax if in
effect today

Three medical plans are already
above the current threshold.

- United Healthcare HMO 2
- United Healthcare HMO 3
- United Healthcare PPO

Repeal of the Affordable Care Act?

March 6

House Republican leadership introduces American Health Care Act (AHCA) to replace tax elements of the Affordable Care Act (ACA)

March 24

American Health Care Act is pulled and no vote takes place

As of today – no changes to ACA

Employee Education Workshops

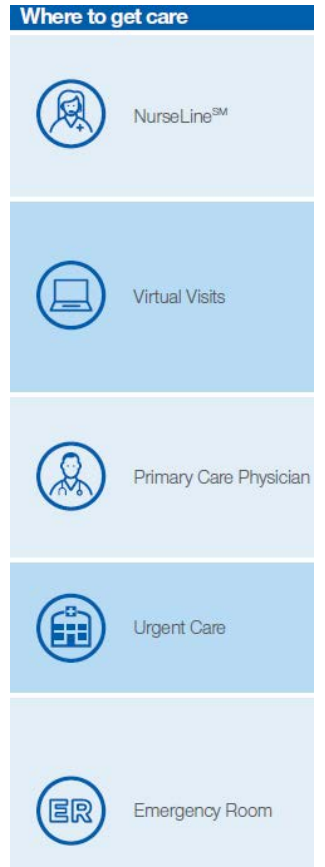
Workshops held in February/March for Kaiser and United Healthcare members

- Helping employees engage with their medical carrier to maximum their plan!

Virtual Visits
Convenient &
Affordable

Target Clinic
for Kaiser
Members

Choose
the Right
Care Center



Employee Education Workshops

Workshops held in February/March for Retirement Savings plans

- Continue to educate employees about the importance of financial wellness

What is a retirement gap?

You have a retirement gap when the income that you will **receive** from various sources such as Social Security and your STRS/PERS pension plan is **less than** the income that you will **need** in retirement.

Please join us to learn how participating in a 403(b) and 457(b) can help you close your retirement gap!

Workshop Attendance

Why try to save more for retirement?

- District is able to offer both a 403(b) and 457(b)
- Able to put aside up to **\$36,000** per year **PRE-TAX**
- 8 sessions offered between both campuses

Individual Appointment

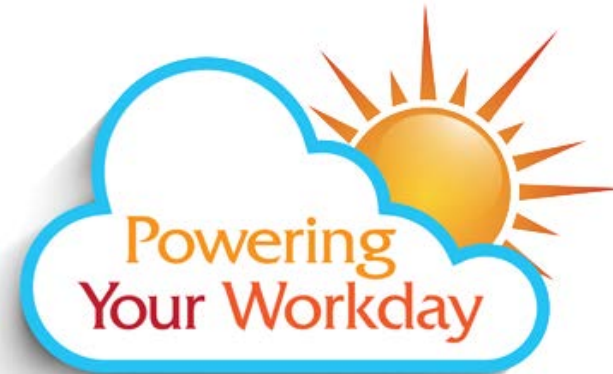
Review your retirement readiness!

- High demand to meet with the Deferred Compensation Counselor
 - Appointments for day set aside at District Services filled up within hours of announcement
- 40+ individual appointments scheduled beyond the day set aside

Workday

January 11, 2017

Workday is live!



The launch of Workday finally gave employees access to view their benefits enrollment!

**Projected
Rollouts in
2017**

New hires can enroll in Workday

**Moving
towards
Employee
Self Service**

Employees can launch life events in Workday (birth, marriage, etc.)

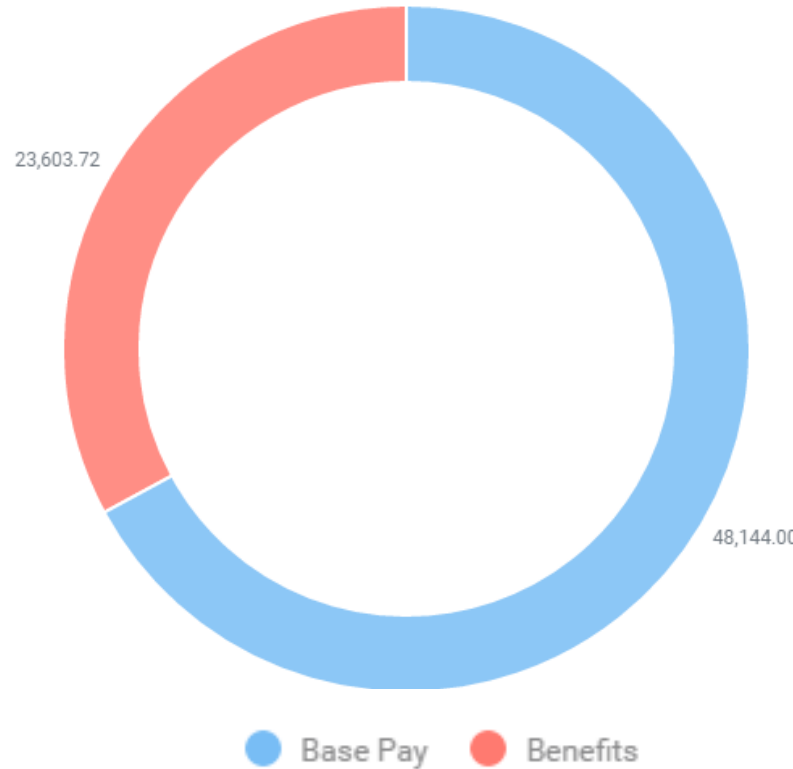
Open Enrollment will be handled in Workday and will eliminate most of the paper forms

Workday

January 11, 2017

Workday is live!

Total Compensation = Annual Salary + Benefits



Total Compensation
\$71,747

This employee's
benefits = **49%** of their
annual base salary

Actual Classified employee with 100% employer paid family coverage on Medical, Dental, Vision, Life and Disability Insurance