



KPBSD Health Plan School Board Presentation

August 5, 2024

Agenda

1. KPBSD Health Plan Information
2. Health Care Program Committee Charge & Composition
3. Health Plan Changes
4. KPBSD Health Plan available programs
 - A. Teladoc Summary
 - B. Transcarent Summary
 - C. SWORD Physical Therapy Summary
 - D. Prudent Rx Specialty Program Summary
5. KPBSD Health Plan Tidbits
6. FY24 Health Plan Revenue & Expenditures
7. Questions

KPBSD Health Plan Information

- ▶ The KPBSD Health Plan is a Self-Insured Health Plan. KPBSD contracts with multiple vendors to administer the Health Plan.
- ▶ Eighty-five percent (85%) of the health care costs are paid by the District. Fifteen percent (15%) of the health care costs are paid by the employees.
- ▶ Employees have the option of either a Health Reimbursement Arrangement (HRA) or a Health Savings Account (HSA). **KPEA & KPESA Employees**: Annually the District shall contribute one-thousand dollars (\$1,000) to each employees' HRA or HSA. **All Other Bargaining Units (negotiations still in process)**: Annually the District shall contribute eight-hundred dollars (\$800) to each employees' HRA or HSA.

KPBSD Health Plan Information – Current Plan Summary

MEDICAL BENEFITS	HSA PLAN	HRA PLAN
Annual Medical Deductible		
Individual	\$1,600	\$1,500
Family	**\$3,200 <i>**Aggregate Family Deductible applies to any policy with more than one enrollee per IRS regulations – individual deductible will not apply.</i>	\$3,000
Out-of-Pocket Maximum (Not including deductible)		
Individual	\$2,000	
Family	\$4,000	
Reimbursement Percentage after Deductible	Plan pays 80% of allowable charges for most services; Plan pays 60% for Non-PPO facility charges	
Preventive Care as required by the ACA	Plan pays 100% of allowable charge – not subject to Deductible	
Prescriptions	Subject to Major Medical Deductible – once met current Rx copays will apply	Current Rx copays apply – not subject to Major Medical Deductible
Surgery through Transcarent Program	Deductible must be met; coinsurance waived	You pay \$0 - Deductible and coinsurance waived
Virtual Physical Therapy through Transcarent's SWORD program	Subject to Major Medical Deductible if for rehab from surgery. <i>All other issues you pay \$0 - Deductible and coinsurance waived</i>	You pay \$0 - Deductible and coinsurance waived
Teladoc	***Copays Waived 5/1/2023-12/31/2024 General Medical \$56 Psychiatrist – 1 st visit \$215 • Ongoing visit \$100 Therapist/Psychotherapist visit \$90	You pay \$0 - <u>Deductible</u> and coinsurance waived

KPBSD Health Plan Information

- ▶ KPBSD is considered an “*applicable large employer (ALE)*” and must follow the Affordable Care Act (ACA) guidelines.
- ▶ The employer health coverage mandate is designed to require ALEs either to provide employees with **affordable, minimum value health coverage** or to pay certain penalties for their failure to do so.
- ▶ Even if an employer offers health coverage to its full-time employees, it can be subject to penalties if that coverage is deemed “*unaffordable*” or does not provide “*minimum value.*”
- ▶ Due to the ACA guidelines outlined above that KPBSD is required to comply with, KPBSD is ineligible to offer non-traditional coverage.

Health Care Program Committee (HCPC)

- ▶ The KPEA & KPESA Collective Bargaining Agreements formed the HCPC and governs the Committee's charge. The HCPC By-Laws and committee members are posted on the KPBSD website's *Health Care Coverage* page.
- ▶ **Committee Charge:** The committee will determine and control the health care program for all District employees covered by the program during the term of this agreement including but not limited to the following: benefits and coverage provided, cost containment measures, preferred provider programs, co-payment provisions, evaluating other health insurance programs, and implementing any wellness measures it deems beneficial to employees and the health care program.
- ▶ The HCPC is composed of:
 - A. Four representatives selected by the Kenai Peninsula Education Association
 - B. Three representatives selected by the Kenai Peninsula Education Support Association
 - C. One representatives selected by the Kenai Peninsula Administrator Association
 - D. Three representatives selected by the Superintendent

Health Plan changes

- ▶ **Effective 9/1/2023:** *(This is to clarify Aetna's process they already had in place)*

Recovery of Overpayments

If a benefit payment is made by the Plan, to you or on your behalf, which exceeds the benefit amount that you are entitled to receive, the Plan has the right to require the return of the overpayment. The Plan has the right to reduce by the amount of the overpayment, any future benefit payment made to or on behalf of a Participant in the Plan. Another way that overpayments are recovered is by reducing future payments to the provider by the amount of the overpayment. These future payments may involve this Plan or other health plans that are administered by Aetna. Under this process, Aetna reduces future payments to providers by the amount of the overpayments they received, and then credits the recovered amount to the plan that overpaid the provider. Payments to providers under this Plan are subject to this same process when Aetna recovers overpayments for other plans administered by Aetna.

This right does not affect any other right of recovery the Plan may have with respect to overpayments.

Health Plan changes

- ▶ **Effective 1/1/2024:** To comply with IRS regulations, The following changes to the Medical Summary of Benefits have been made. *No action was taken by the Health Care Program Committee since this change is required to be made per Federal Law.*

Overview		
Deductible - Per Calendar Year		
	HSA Plan	HRA Plan
Individual	\$1,600	\$1,500
Family	*\$3,200	\$3,000
<i>*Per IRS Regulations aggregate family deductible applies to any policy with more than one enrollee for the HSA Plan – individual deductible will not apply</i>		

- ▶ **Effective 5/9/2024:** Transparent Care Allowance Incentive increased (based on the case rate of the service provided. Care Allowance Incentive is taxable and will be paid through the payroll process):
 - Case Rate < \$9,999 = \$1,000 Incentive
 - Case Rate \$10,000 - \$19,999 = \$2,000 Incentive
 - Case Rate \$20,000 - \$29,999 = \$3,000 Incentive
 - Case Rate \$30,000 - \$39,999 = \$4,000 Incentive
 - Case Rate > \$40,000 = \$5,000 Incentive

Health Plan changes - Upcoming

- ▶ **Effective 1/1/2025: To comply with IRS regulations**, The following changes to the Medical Summary of Benefits will be made. *No action will be taken by the Health Care Program Committee since this change is required to be made per Federal Law.*

Overview		
Deductible - Per Calendar Year		
	HSA Plan	HRA Plan
Individual	\$1,650	\$1,500
Family	*\$3,300	\$3,000
<i>*Per IRS Regulations aggregate family deductible applies to any policy with more than one enrollee for the HSA Plan – individual deductible will not apply</i>		

- ▶ **Effective 1/1/2025:** Teladoc Copays* will go back into effect for HSA participants. They were previously waived from 5/1/2023 through 12/31/2024 per the Consolidated Appropriations Act.
 - General Medical \$56
 - Psychiatrist – 1st visit \$215
 - Ongoing visit \$100
 - Therapist/Psychotherapist visit \$90

**Copays are subject to change 1/1/2025*

More potential changes to be brought forward to HCPC in FY25

- ▶ Non-PPO Physician Penalty
- ▶ Spousal Surcharge
- ▶ Remove HRA 4th Quarter Deductible Rollover
- ▶ Reduce Dental Basic Care Benefit
- ▶ Inpatient Admission Deductible
- ▶ Prescription Benefit – Limit retail to 30 days supply
- ▶ Remove Acupuncture, Massage Therapy, Rolfing
- ▶ Increase \$250 Deductible for Non-Emergency ER visits

KPBSD Health Plan Available Programs

- ▶ Teladoc - *implemented 2/1/2017*
- ▶ Transcarent Planned Surgery Benefit - *implemented 4/1/2018*
- ▶ SWORD Virtual Physical Therapy Program - *implemented 1/1/2022*
- ▶ Prudent Rx Specialty Prescription Program - *implemented 3/1/2022*

Tidbits - Implemented February 2023

- ▶ From September through May, we will be providing “Healthcare Tidbits” to all staff and posting in employee areas.

- ▶ Past Tidbits have included:
 1. Health Care Program Committee Information/Updates
 2. Transparent Planned Surgery Benefit
 3. Open Enrollment
 4. PPO Network
 5. Health Plan 101
 6. Virtual PT
 7. Alaska Regional Hospital
 8. ID Card VS Debit Card
 9. Health Plan Reinstatement Policy

- ▶ The Tidbits inform our employees of important information regarding their Health Plan benefits.

FY24 Health Plan Revenue & Expenditures

	Collected	Expenditures 85%/15% Split	Excess (Deficiency) of Revenues over Expenditures
Employer	22,569,097.79	24,337,476.57	(1,768,378.78)
Employee	3,607,564.06	4,294,848.81	(687,284.75)
Total	26,176,661.85	28,632,325.38	(2,455,663.53)

	FY23 EOY Reserve	FY24 Use of Reserve	FY24 Reserve Balance*
Employer	3,966,070.73	(1,768,378.78)	2,197,691.95
Employee	1,159,006.23	(687,284.75)	471,721.48 **
Total	5,125,076.96	(2,455,663.53)	2,669,413.43

* Interest allocation not known at this time.

** Per negotiated agreement, if the employee health reserve falls below \$750,000, an amount needed to replenish the fund to \$750,000 will be calculated by the sub-committee and added to the employee's annual rate in the following year.

Questions?

▶ *Contact Elizabeth Hayes, Finance Director and Health Plan Administrator at (907) 714-8853 or EHayes@kpbsd.k12.ak.us.*

▶ *Contact Stacey Vinson, Employee Benefits Manager, at (907) 714-8879 or SVinson@kpbsd.k12.ak.us.*

