

Kaiser Permanente and Health Net for medical benefits for benefited employees for 2022-2023

Beginning with the 2020-2021 school year, in order to implement the most objective and comprehensive review of benefits, we engaged Gallagher Insurance Risk Management Consulting to negotiate on our behalf and oversee the management of all employee benefits, as well as reporting and documentation requirements as per the Affordable Care Act (ACA).

Traditionally, Fenton offers two medical plans: Kaiser and another HMO. Health Net has been the other choice for a number of years and the Chief Executive Officer recommends continuing to offer these two choices in 2022-2023

ANALYSIS

Renewal rates for 2022-2023 for “active” employees and “early retirees”:

Kaiser – increase of 5.59%

Kaiser	New Rate for 2022-2023	Board Approved Baseline (2020-2021 Rates)	Difference
<i>Employee Only</i>	\$652.00	\$748.05	N/A
<i>Employee + 1</i>	\$1,304.00	\$1,608.31	N/A
<i>Employee + 2 or more</i>	\$1,845.16	\$2,206.76	N/A

Health Net – increase of 7%

Health Net	New Monthly Rate for 2022-2023	Board Approved Baseline (2020-2021 Rates)	Difference (amount to be paid monthly by active employees and early retirees)
<i>Employee Only</i>	\$852.44	\$748.05	N/A
<i>Employee + 1</i>	\$1,832.75	\$1,608.31	\$224.44
<i>Employee + 2 or more</i>	\$2,514.71	\$2,206.76	\$307.95

As approved at the April 15, 2021 meeting of the FCPS Board of Directors, the yellow highlighted 2020-2021 rates for Health Net ‘Employee + 1’ and ‘Employee + 2 or more’ became the *baseline* for the monthly contribution amount from FCPS for benefited employees in these

two plans. The turquoise highlighted difference is the amount Health Net members (active employees as well as early retirees who retired at the end of the 2020-2021 school year) became responsible for beginning on July 1, 2021. This monthly co-payment amount will change yearly depending on the cost of medical insurance for this plan compared to the identified baseline. Those covered for ‘Employee Only’ benefits from Kaiser and Health Net will have no contribution as approved by the April 15, 2021 board action, and Kaiser members at any coverage level will not be responsible for a monthly contribution unless the rate for Kaiser benefits exceeds the established baseline. If that should occur, both plans for ‘Employees + 1’ and ‘Employee + 2 or more’ would incur a monthly contribution through payroll deduction for active employees and other payment method for early retirees.

Renewal rates for 2022-2023 for retirees:

FCPS offers two plans for qualified retirees who have reached the age of 65 and enroll in Medicare (a condition of receiving benefits): Kaiser Senior Advantage and AARP United Healthcare. (“Early retirees” - those who retire prior to reaching the age of 65 - continue to be offered the same plans offered to “active” employees.)

Included below are the **Kaiser Senior Advantage rates for 2022-2023**, which will decrease by 4.5%. Retirees in Tier 1 receive 100% of coverage paid by FCPS, while Tier 2 retirees pay a percentage of the premium based on their years of service with a cap of \$10,000 per year.

Plan	Current Monthly Rates	2022-2023 Monthly Rates	Percentage of Change
<i>Single (FCPS Retiree)</i>	\$167.63	\$160.09	-4.5%
<i>Retiree + Spouse (for those who qualify)</i>	\$335.26	\$320.18	-4.5%

Rates for AARP United Healthcare will be available in October, which is typically the month when Medicare Supplement Plans are updated.