

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

Trust Board Special Meeting

March 9, 2015, 4:00 p.m.

Public Notice - Meeting Agenda

Notice of this meeting has been posted consistent with the requirements of A.R.S. §38-431.02. The meeting's location is the Board Room in the District Office, 7301 N. 58th Avenue, Glendale.

The Board reserves the right to change the order of items on the agenda, with the exception of public hearings, which are scheduled for a specific time. Board members may participate via telephone conference call if necessary. At the chair's discretion, the Board may carry over consideration of any business not concluded by 6:00 p.m. to the next regular meeting's agenda.

1. Call to Order

Acknowledge conference call participants

2. Visitor Comments

3. Approval of Agenda

4. Board and Staff Introductions

5. Informational Items

- a. Valley School Renewal Information
- b. Financial Review

6. Action Items

a. Medical Insurance

It is recommended that the Trust Board approve the Medical benefit plan as presented for 2015-2016.

b. Dental Insurance

It is recommended that the Trust Board approve the Dental benefit plan as presented for 2015-2016.

c. Vision Insurance

It is recommended that the Trust Board approve the Vision benefit plan as presented for 2015-2016.

d. Short-Term Disability Insurance

It is recommended that the Trust Board approve the Short-Term Disability benefit plan as presented for 2015-2016.

e. Mid-Term Disability Insurance

It is recommended that the Trust Board approve the Mid-Term Disability benefit plan as presented for 2015-2016.

f. Life Insurance

It is recommended that the Trust Board approve the Life benefit plan as presented for 2015-2016.

g. Ancillary Insurance

It is recommended that the Trust Board approve the Ancillary benefit plan as presented for 2015-2016.

h. Approval of Minutes

The minutes of the February 25, 2015 Regular Trust Board Meeting are submitted for approval.

7. Adjournment

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board
as information and do not require action.

AGENDA NO: 5.A TOPIC: Valley School Renewal Information

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

An overview of the renewal information will be presented.



VALLEY SCHOOLS WORKERS'
COMPENSATION POOL

VALLEY SCHOOLS
INSURANCE TRUST

VALLEY SCHOOLS
EMPLOYEE BENEFITS TRUST

February 20, 2015

Glendale Elementary School District
Mike Barragan, Executive Director of Finance and Auxiliary Services
7301 North 58th Avenue
Glendale, AZ 85301

Re: Glendale Elementary School District 2015-2016 Renewals

Dear Mr. Barragan,

Valley Schools is pleased to provide Glendale Elementary School District renewals for medical, dental and vision benefits for the 2015-16 year.

Medical

The medical plans (traditional and HDHP) are identical to the prior year except the HDHP deductible increased to \$2,600 in order to comply with the IRS guidelines to remain as an embedded deductible. The underwriter's medical rate is 8.7% for 2015-2016. In our telephone conversation on Friday, February 13, 2015, you indicated that the rates will remain unchanged for 2015-16.

Your renewal provides for specific stop loss coverage of \$150,000 with a fixed expense is \$61.92 PEPM. Fixed expense includes all costs, except medical claims and RX claims, including ASO, specific stop loss, Affordable Care Act fees (PCORI & Reinsurance), administrative services, COBRA services, etc.

Medical

<u>Traditional</u>	<u>Current</u>	<u>Renewal</u>
Employee	\$ 492.03	\$ 492.03
Emp. & Spouse	\$ 1,042.85	\$ 1,042.85
Emp. & Child	\$ 948.05	\$ 948.05
Family	\$ 1,374.67	\$ 1,374.67

<u>HDHP 2600</u>	<u>Current</u>	<u>Renewal</u>
Employee	\$ 438.70	\$ 438.70
Emp. & Spouse	\$ 855.14	\$ 855.14
Emp. & Child	\$ 777.40	\$ 777.40
Family	\$ 1,127.23	\$ 1,127.23

Dental

Delta Dental

Per your direction the dental plans will provide preventive care covered at 100% and the rates for next year will be as follows:. In addition per your discussion the rates for the 2015-16 plan will remain at current amounts.

Low Plan Alternative Option A:	<u>Rates</u>
Employee	\$ 26.18
Emp. & Spouse	\$ 53.64
Emp. & Child	\$ 61.50
Family	\$ 91.60

High Plan Alternative Option A:

↓

<u>Rates</u>	
Employee	\$ 42.56
Emp. & Spouse	\$ 76.62
Emp. & Child	\$ 99.28
Family	\$ 141.06

Total Dental Administrators (TDA)

A500S Plan	<u>Current</u>	<u>Renewal</u>
Employee	\$ 9.50	\$ 9.98
Emp. & Spouse	\$ 18.78	\$ 19.72
Emp. & Child	\$ 21.05	\$ 22.10
Family	\$ 23.10	\$ 24.26

Vision

	<u>Current</u>	<u>Renewal</u>
Employee	\$ 4.14	\$ 4.14
Emp. + One	\$ 7.40	\$ 7.40
Emp. + Children	\$ 7.74	\$ 7.74
Family	\$ 9.72	\$ 9.72

Flex Spending Account (FSA)

There is no increase for the FSA services with Basic. The rate for next year is \$3.69 per participant per month (PPPM).

Life Insurance

There is no rate increase for basic life coverage through Voya Financial.

Short Term Disability

Employee Paid - Assurant

There is no rate increase for short term disability coverage through Assurant.

Employer Paid - UNUM

The District is currently contracted directly with UNUM. Under the current contract, UNUM offered a renewal rate of \$.20 per \$100 of payroll with a 1 year rate guarantee. With the Valley Schools contracted rate, we have successfully negotiated the rate from \$.20 to \$.14 per \$100 covered payroll with a 1 year rate guarantee.

Please let me know if you have any questions.

Sincerely,



Darlene Kracht
VSEBT Account Manager

VSEBT Member Approval

Name of District Representative

Initial

Date



Phoenix, AZ



All. Together. Certain.



Glendale Elementary School District

2015 Plan Year - [Claims Projection V 2.1 Final](#)

February 25, 2015

On Behalf of:

Valley School Employee Benefit Trust

Glendale Elementary School District

2012 High Case Analysis Tool

Specific Deductible	Projected Members/1000 in Excess of Deductible for a Normal Population	Expected Members in Excess of Deductible	Total Expected Liability
\$20,000	31,183785	66,613243	
\$25,000	24,100197	51,481635	
\$30,000	19,214264	41,044549	
\$35,000	15,770355	33,687844	
\$40,000	13,221744	28,243627	
\$45,000	11,324908	24,191702	
\$50,000	9,839909	21,019522	
\$55,000	8,684379	18,551137	
\$60,000	7,713877	16,477999	
\$65,000	6,920048	14,762260	
\$70,000	6,188292	13,219119	
\$75,000	5,620077	12,005327	
\$80,000	5,133035	10,964933	
\$85,000	4,722392	10,087738	
\$90,000	4,335624	9,261543	\$48,301
\$95,000	3,991830	8,527148	\$44,411
\$100,000	3,662361	7,823352	\$40,781
\$105,000	3,400934	7,264905	\$37,674
\$110,000	3,158607	6,747259	\$34,990
\$115,000	2,938961	6,278052	\$32,528
\$120,000	2,749158	5,872614	\$30,347
\$125,000	2,538674	5,418717	\$28,197
\$130,000	2,371940	5,068819	\$26,191
\$135,000	2,217949	4,737871	\$24,491
\$140,000	2,075895	4,434423	\$22,912
\$145,000	1,951747	4,169225	\$21,493
\$150,000	1,824018	3,966376	\$20,148
\$155,000	1,710814	3,654128	
\$160,000	1,606759	3,432279	
\$165,000	1,531554	3,271630	
\$170,000	1,451575	3,100781	
\$175,000	1,373982	2,935032	
\$180,000	1,295195	2,766733	
\$185,000	1,230735	2,629034	
\$190,000	1,171048	2,501535	
\$195,000	1,118524	2,389335	
\$200,000	1,063613	2,272036	
\$225,000	0,828448	1,769689	
\$250,000	0,672069	1,435641	
\$275,000	0,559859	1,195943	
\$300,000	0,457198	0,976644	
\$350,000	0,323501	0,691046	
\$400,000	0,237552	0,507447	
\$450,000	0,174284	0,372298	
\$500,000	0,134891	0,289148	
\$600,000	0,091917	0,195349	
\$750,000	0,047749	0,101959	
\$1,000,000	0,019100	0,040800	
\$1,500,000	0,003581	0,007650	
\$2,000,000	0,000998	0,002131	
\$3,000,000	0,000088	0,000189	
\$5,000,000	0,000018	0,000038	
			\$412,464

High-Case Normalization - \$85,000 to \$150,000

Analysis Period	Actual Claims above \$85,000
7/1/2012 to 6/30/2013	\$790,742
Membership	Actual Claims above \$150,000
1,469	\$316,821
Pooling Threshold	Actual Claims between \$85,000 and \$150,000
\$85,000	\$473,920
Evaluated Specific Deductible	Expected Liability between \$85,000 and \$150,000
\$150,000	\$412,464
Network / Demographic Factor	Net Underwriting Adjustment
1.4544	(\$378,277)

About 2014 High Case Analysis Tool - Normalization

- The Membership reflects the most current total headcount, including all covered employees, spouses and dependents.
- The Pooling Threshold is a discretionary lower limit at where we begin to examine expected liability. Claim activity below this limit will not be examined in the HCAT.
- The Network/Demographic Factor is the numeric expression of the population's health and claim data.
- Actual Claims above \$85,000 represent the total claims over the pooling point that are removed from the analysis due to the unpredictability of these claims.
- Actual Claims above \$150,000 represent the total claims over the specific deductible. These claims are removed from the analysis because activity above the specific deductible level is the reinsurer's liability and not the groups.
- Actual Claims between \$85,000 and \$150,000 are the total claims between the pooling level and the specific deductible. This represents the normalization corridor.
- The Expected Liability is calculated by projecting the number of members who will reach a given specific deductible level and the expected liability associated with each increment. The expected liability examined here reflects the sum of all increments between the pooling point and specific deductible. This value represents the normalized claim expectation within the corridor.
- The Net Underwriting Adjustment offsets reimbursed claims and actual claim experience with the expected liability for Glendale Elementary School District within the corridor.

Claimant	Paid Claims
1	\$266,598
2	\$235,582
3	\$232,728
4	\$168,980
5	\$162,933
6	\$130,813
7	\$130,403
8	\$112,024
9	\$107,644
10	\$93,036
11	\$82,002
12	\$75,026
13	\$73,261
14	\$67,038
15	\$63,015
16	\$59,568
17	\$56,348
18	\$52,494
19	\$51,837
20	\$49,252
21	\$46,692
22	\$43,370
23	\$42,320
24	\$41,922
25	\$41,676
26	\$41,675
27	\$38,034
28	\$38,012
29	\$36,087
30	\$35,473
31	\$35,325
32	\$34,579



Glendale Elementary School District
2013 High Case Analysis Tool



High-Case Normalization – \$85,000 to \$150,000

Specific Deductible	Projected Members/1000 in Excess of Deductible for a Normal Population	Expected Members in Excess of Deductible	Total Expected Liability
\$20,000	31.090234	68.233413	
\$25,000	24.027896	52.733774	
\$30,000	19.175835	42.085006	
\$35,000	15.738814	34.541812	
\$40,000	13.208522	28.989605	
\$45,000	11.313583	24.829803	
\$50,000	9.830069	21.573950	
\$55,000	8.618363	18.914632	
\$60,000	7.684437	16.864954	
\$65,000	6.894201	15.130631	
\$70,000	6.151882	13.501471	
\$75,000	5.631245	12.358834	
\$80,000	5.142158	11.285440	
\$85,000	4.733812	10.389248	
\$90,000	4.356411	9.560971	\$49,803
\$95,000	4.013991	8.809464	\$45,864
\$100,000	3.676829	8.069499	\$42,098
\$105,000	3.446473	7.563939	\$39,042
\$110,000	3.190691	7.002577	\$36,372
\$115,000	2.989135	6.560223	\$33,873
\$120,000	2.812931	6.173510	\$31,805
\$125,000	2.594539	5.672261	\$29,580
\$130,000	2.426957	5.326418	\$27,474
\$135,000	2.259950	4.959890	\$25,692
\$140,000	2.127820	4.669904	\$24,057
\$145,000	1.997125	4.383070	\$22,616
\$150,000	1.867325	4.098200	\$21,187
\$155,000	1.747001	3.834125	
\$160,000	1.643104	3.606104	
\$165,000	1.570007	3.445679	
\$170,000	1.488327	3.266415	
\$175,000	1.410265	3.095095	
\$180,000	1.328654	2.915994	
\$185,000	1.261733	2.769113	
\$190,000	1.195603	2.623978	
\$195,000	1.152486	2.528349	
\$200,000	1.093719	2.400373	
\$225,000	0.843341	1.850872	
\$250,000	0.689068	1.512290	
\$275,000	0.590152	1.295200	
\$300,000	0.487362	1.069852	
\$350,000	0.337828	0.741428	
\$400,000	0.253173	0.555636	
\$450,000	0.191155	0.419526	
\$500,000	0.152548	0.334796	
\$600,000	0.112639	0.247208	
\$750,000	0.063066	0.138409	
\$1,000,000	0.033335	0.073161	
\$1,500,000	0.008058	0.017772	
\$2,000,000	0.002785	0.005115	
\$3,000,000	0.000310	0.000680	
\$5,000,000	0.000106	0.000233	
			\$429,463

Analysis Period	Actual Claims above \$85,000
7/1/2013 to 6/30/2014	\$436,847
Membership	Actual Claims above \$150,000
1,509	\$152,820
Pooling Threshold	Actual Claims between \$85,000 and \$150,000
\$85,000	\$284,027
Evaluated Specific Deductible	Expected Liability between \$85,000 and \$150,000
\$150,000	\$429,463
Network / Demographic Factor	Net Underwriting Adjustment
1.4544	(\$7,384)

About 2014 High Case Analysis Tool - Normalization	Claimant	Paid Claims
-The Membership reflects the most current total headcount, including all covered employees, spouses and dependents.	1	\$279,290
	2	\$171,129
	3	\$152,400
	4	\$119,319
	5	\$104,094
	6	\$102,522
	7	\$92,672
	8	\$91,072
	9	\$87,180
	10	\$87,168
	11	\$71,926
	12	\$71,269
	13	\$66,739
	14	\$65,140
	15	\$64,107
	16	\$62,381
	17	\$58,933
	18	\$52,286
	19	\$52,151
	20	\$50,401
	21	\$49,494
	22	\$48,186
	23	\$47,413
	24	\$43,970
	25	\$40,341
	26	\$38,740
	27	\$37,493
	28	\$37,456
	29	\$37,172
	30	\$34,965
	31	\$34,322
	32	\$34,270



Glendale Elementary School District
2014 High Case Analysis Tool

Specific Deductible	Projected Members/1000 in Excess of Deductible for a Normal Population	Expected Members in Excess of Deductible	Total Expected Liability
\$20,000	30.996963	33.060121	
\$25,000	23.955813	25.550311	
\$30,000	19.137483	20.411274	
\$35,000	15.707337	16.752817	
\$40,000	13.195313	14.073593	
\$45,000	11.302270	12.054549	
\$50,000	9.820239	10.473874	
\$55,000	8.552849	9.122126	
\$60,000	7.655109	8.164633	
\$65,000	6.868451	7.325615	
\$70,000	6.115686	6.522746	
\$75,000	5.642435	6.017995	
\$80,000	5.151296	5.494166	
\$85,000	4.745259	5.061104	
\$90,000	4.377298	4.668651	\$24,290
\$95,000	4.036275	4.304929	\$22,404
\$100,000	3.691355	3.937051	\$20,555
\$105,000	3.492622	3.725091	\$19,138
\$110,000	3.223101	3.437631	\$17,894
\$115,000	3.040165	3.242519	\$16,686
\$120,000	2.878183	3.069755	\$15,768
\$125,000	2.633307	2.806580	\$14,678
\$130,000	2.483251	2.648536	\$13,632
\$135,000	2.302747	2.456018	\$12,749
\$140,000	2.181043	2.326213	\$11,948
\$145,000	2.043559	2.179578	\$11,256
\$150,000	1.911661	2.038901	\$10,538
\$155,000	1.784162	1.902916	
\$160,000	1.680272	1.792110	
\$165,000	1.609425	1.716549	
\$170,000	1.526009	1.627580	
\$175,000	1.447507	1.543953	
\$180,000	1.362977	1.453696	
\$185,000	1.293512	1.373608	
\$190,000	1.229673	1.301921	
\$195,000	1.187479	1.266517	
\$200,000	1.124677	1.199535	
\$225,000	0.858502	0.915644	
\$250,000	0.706496	0.753520	
\$275,000	0.622084	0.663490	
\$300,000	0.519559	0.554141	
\$350,000	0.352790	0.376272	
\$400,000	0.269821	0.287780	
\$450,000	0.209658	0.223613	
\$500,000	0.172516	0.183999	
\$600,000	0.138033	0.147220	
\$750,000	0.083295	0.088839	
\$1,000,000	0.058181	0.062054	
\$1,500,000	0.018310	0.019528	
\$2,000,000	0.007780	0.008298	
\$3,000,000	0.001084	0.001156	
\$5,000,000	0.000637	0.000680	

\$211,526

High-Case Normalization – \$85,000 to \$150,000

Analysis Period	Actual Claims above \$85,000
7/1/2014 to 12/31/2014	\$632,542
Membership	Actual Claims above \$150,000
733	\$502,542
Pooling Threshold	Actual Claims between \$85,000 and \$150,000
\$85,000	\$130,000
Evaluated Specific Deductible	Expected Liability between \$85,000 and \$150,000
\$150,000	\$211,526
Network / Demographic Factor	Net Underwriting Adjustment
1.4544	(\$421,016)

About 2014 High Case Analysis Tool - Normalization

- The Membership reflects the most current total headcount, including all covered employees, spouses and dependents.
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- The Network/Demographic Factor is the numeric expression of the population's health and claim data.
- Actual Claims above \$85,000 represent the total claims over the pooling point that are removed from the analysis due to the unpredictability of these claims.
- Actual Claims above \$150,000 represent the total claims over the specific deductible. These claims are removed from the analysis because activity above the specific deductible level is the reinsurer's liability and not the groups.
- Actual Claims between \$85,000 and \$150,000 are the total claims between the pooling level and the specific deductible. This represents the normalization corridor.
- The Expected Liability is calculated by projecting the number of members who will reach a given specific deductible level and the expected liability associated with each increment. The expected liability examined here reflects the sum of all increments between the pooling point and specific deductible. This value represents the normalized claim expectation within the corridor.
- The Net Underwriting Adjustment offsets reimbursed claims and actual claim experience with the expected liability for Glendale Elementary School District within the corridor.

Claimant	Paid Claims
1	\$548,934
2	\$255,608
3	\$82,046
4	\$76,768
5	\$62,890
6	\$51,546
7	\$49,991
8	\$46,426
9	\$45,418
10	\$44,377
11	\$41,791
12	\$39,791
13	\$36,729
14	\$35,369
15	\$35,129
16	\$31,148
17	\$29,715
18	\$26,348
19	\$26,323
20	\$26,012
21	\$25,722
22	\$25,640
23	\$23,984
24	\$23,602
25	\$21,325
26	\$21,281
27	
28	
29	
30	
31	
32	

Glendale Elementary School District
2014 High Case Analysis Tool
Expected Members



Analysis Period
7/1/2012 to 6/30/2013
Membership
1,469

Specific Deductible	Expected Members in Excess of Deductible	Actual Members in Excess of Deductible
\$50,000	21	19
\$75,000	12	12
\$100,000	8	9
\$125,000	5	7
\$150,000	4	5
\$175,000	3	3
\$200,000	2	3
\$225,000	2	3
\$250,000	1	1
\$275,000	1	0
\$300,000	1	0
\$350,000	1	0
\$400,000	1	0
\$450,000	0	0
\$500,000	0	0
\$600,000	0	0
\$750,000	0	0
\$1,000,000	0	0
\$1,500,000	0	0
\$2,000,000	0	0
\$3,000,000	0	0
\$5,000,000	0	0

Analysis Period
7/1/2013 to 6/30/2014
Membership
1,509

Specific Deductible	Expected Members in Excess of Deductible	Actual Members in Excess of Deductible
\$50,000	22	20
\$75,000	12	10
\$100,000	8	6
\$125,000	6	3
\$150,000	4	3
\$175,000	3	1
\$200,000	2	1
\$225,000	2	1
\$250,000	2	1
\$275,000	1	1
\$300,000	1	0
\$350,000	1	0
\$400,000	1	0
\$450,000	0	0
\$500,000	0	0
\$600,000	0	0
\$750,000	0	0
\$1,000,000	0	0
\$1,500,000	0	0
\$2,000,000	0	0
\$3,000,000	0	0
\$5,000,000	0	0

Analysis Period
7/1/2014 to 12/31/2014
Membership
733

Specific Deductible	Expected Members in Excess of Deductible	Actual Members in Excess of Deductible
\$50,000	10	6
\$75,000	6	4
\$100,000	4	2
\$125,000	3	2
\$150,000	2	2
\$175,000	2	2
\$200,000	1	2
\$225,000	1	2
\$250,000	1	2
\$275,000	1	1
\$300,000	1	1
\$350,000	0	1
\$400,000	0	1
\$450,000	0	1
\$500,000	0	1
\$600,000	0	0
\$750,000	0	0
\$1,000,000	0	0
\$1,500,000	0	0
\$2,000,000	0	0
\$3,000,000	0	0
\$5,000,000	0	0

Glendale Elementary School District

Plan Year: July 1, 2015 to June 30, 2016

2015 Plan Year - Claims Projection V 2.1 Final

February 25, 2015

Experience Period	MEDICAL		
	7/1/2012 to 6/30/2013	7/1/2013 to 6/30/2014	7/1/2014 to 12/31/2014
Medical Claims	\$5,415,737	\$5,397,311	\$2,970,653
Pooled Dollars above \$85,000 Per-Member	(\$790,742)	(\$436,847)	(\$632,542)
Expected High Case Activity between \$85,000 and \$150,000	\$412,464	\$429,463	\$211,526
Medical Claims Normalized for High Case Activity	\$5,037,460	\$5,389,927	\$2,549,637
Benefit Adjustment ⁽²⁾	1,000	1,000	1,000
Network Discount Adjustment ⁽³⁾	1,000	1,000	1,000
Immature Benefit Year Adjustment ⁽⁴⁾	1,000	1,000	1,000
COBRA Adjustment ⁽⁵⁾	1,000	1,000	1,000
Benefit Adjusted Medical Claims	\$5,037,460	\$5,389,927	\$2,549,637
Member-Months	17,625	18,108	8,800
PMPM	\$285.81	\$297.65	\$289.74
Completion Factor	1,000	1,000	1,000
Adjusted PMPM	\$285.81	\$297.65	\$289.74
Annual Trend: 7.8%	1,253	1,152	1,102
Trended Medical Claims	\$358.05	\$345.90	\$319.25
Incurred to Paid Adjustment Factor	1,000	1,000	1,000
Lesser Claimant Adjustment	1,000	1,000	1,000
Projected Medical PMPM	\$358.05	\$345.90	\$319.25
	PHARMACY		
	7/1/2012 to 6/30/2013	7/1/2013 to 6/30/2014	7/1/2014 to 12/31/2014
Rx Claims	\$970,888	\$1,129,550	\$590,360
Benefit Adjustment ⁽²⁾	1,000	1,000	1,000
Network Discount Adjustment ⁽³⁾	1,000	1,000	1,000
COBRA Adjustment	1,000	1,000	1,000
Benefit Adjusted Rx Claims	\$970,888	\$1,129,550	\$590,360
Member-Months	17,625	18,108	8,800
PMPM	\$55.09	\$62.38	\$67.15
Completion Factor	1,000	1,000	1,000
Adjusted PMPM	\$55.09	\$62.38	\$67.15
Annual Trend: 9.7%	1,320	1,204	1,120
Trended Rx Claims	\$72.72	\$75.07	\$75.68
Incurred to Paid Adjustment Factor	1,000	1,000	1,000
Projected Rx PMPM	\$72.72	\$75.07	\$75.68
Combined Medical & Rx Projection	\$430.77	\$420.97	\$394.94
	PERIOD WEIGHTING		
Period Weight	10%	50%	40%
Adjusted Membership	1,763	9,054	3,520
Member-Adjusted Period Weight	12.3%	63.2%	24.6%
Total PMPM Claims Projection		\$415.78	
Current Membership		1,518	
Monthly Claims		\$631,155	
Annual Claims Projection		\$7,573,868	
Current Enrollment		1,151	
Total PEPM Claims Projection		\$434.42	
PEPM Valley School Admin Fee with \$150,000 ISL		\$61.92	
Est. PEPM ACA Fee (2015-16 Est. @ 3.13 PMPM) ⁽⁷⁾		\$4.02	
Total Average PEPM Cost		\$600.36	
TOTAL ANNUAL COST ESTIMATE ALL - PRE MIGRATION		\$8,508,313.64	

⁽¹⁾ Adjustments made where applicable to reflect partial year experience period.
⁽²⁾ Adjusts benefits to reflect disparities between the experience period and the renewal period.
⁽³⁾ Reflects the assumed cost differences between the experience period and the renewal period based on changes in networks and/or administrators.
⁽⁴⁾ Adjusts partial-periods to reflect immature deductibles (individual and specific stop loss).
⁽⁵⁾ Adjusted where applicable to reflect the inherent utilization differences between Active and COBRA populations.
⁽⁷⁾ Reinsurance Fee for 2015 is \$44.00 PMPM and 2016 is estimated at \$27.00 PMPM with and average over the 2015-2016 plan est. \$35.50 PMPM



Glendale Elementary School District

2015 Plan Year - Claims Projection V 2.1 Final

Actuarial Alignment (1 Year Alignment Approach)

February 25, 2015

	EE	EE+SP	EE+CH	Fam
Expected Annual Claims for All Plans Combined			\$8,508,314	
Expected Monthly Claims for All Plans Combined			\$709,026	
			1,325,167	
Choice Plus 104				
Enrollment	694	29	53	20
Rate Relationship to Choice Plus 104	1.00	2.12	1.93	2.79
Rate Relationship Coefficient	694.00	61.47	102.12	55.88
Total Unadjusted Coefficient			913.46	
Richness Relative to Choice Plus 104			100.0%	
Total Coefficient Relative to Choice Plus 104			913.46	
Total Budgeted Rate	\$535.05	\$1,134.02	\$1,030.94	\$1,494.85
Confirm Relationship to Choice Plus 104	1.00	2.12	1.93	2.79
Total Monthly Cost			\$488,746	
HSA 2500				
Enrollment	309	12	44	20
Rate Relationship to Choice Plus 104	1.00	1.95	1.77	2.57
Rate Relationship Coefficient	309.00	23.39	77.97	51.39
Total Unadjusted Coefficient			461.75	
Richness Relative to Choice Plus 104			89.2%	
Total Coefficient Relative to Choice Plus 104			411.70	
Total Budgeted Rate	\$477.05	\$929.90	\$845.37	\$1,225.78
Confirm Relationship to Choice Plus 104	1.00	1.95	1.77	2.57
Total Monthly Cost			\$220,280	
Confirm Expected Monthly Claims for All Plans			\$709,026	
Confirm Expected Annual Claims for All Plans			\$8,508,313.64	



Glendale Elementary School District

2015 Plan Year - Claims Projection V 2.1 Final

Medical Claims Projection

February 25, 2015

CURRENT (2014)					
		Choice Plus 104		HSA 2500	
Plan Design (In-Network)	Deductible (Calendar)	\$1000/\$3,000	\$2,000/\$6,000	\$2,500/\$3,500/ \$4,000 EMB	\$5,000/\$7,000/\$8,000
	Maximum out-of-pocket	\$4,000/\$8,000	\$8,000/\$16,000	\$4,500/\$7,500/ \$9,000	\$9,000/\$15,000/\$18,000
	Coinsurance	80%	50%	80%	50%
	PCP visit copay	\$20	50%	80%	50%
	Specialist copay	\$40	50%	80%	50%
	Urgent care copay	\$50	50%	80%	50%
	ER copay	\$250	50%	80%	50%
	Pharmacy deductible	-	-	-	-
	Pharmacy	\$10/\$25/\$50	-	\$10/\$25/\$50	-
Published Rates	EE	694	\$492.03	309	\$438.70
	EE+SP	29	\$1,042.85	12	\$855.14
	EE+CH	53	\$948.05	44	\$777.40
	Fam	20	\$1,374.67	20	\$1,127.23
	By Plan	\$5,393,418		\$2,430,842	
Expected Annual Cost	All Plans	\$7,824,260			
RENEWAL (2015)					
		Choice Plus 104		HSA 2500	
Plan Design (In-Network)	Deductible	\$1000/\$3,000	\$2,000/\$6,000	\$2,600/\$3,500/ \$4,000 EMB	\$5,000/\$7,000/\$8,000
	Maximum out-of-pocket	\$4,000/\$8,000	\$8,000/\$16,000	\$4,500/\$7,500/ \$9,000	\$9,000/\$15,000/\$18,000
	Coinsurance	80%	50%	80%	50%
	PCP visit copay	\$20	50%	80%	50%
	Specialist copay	\$40	50%	80%	50%
	Urgent care copay	\$50	50%	80%	50%
	ER copay	\$250	50%	80%	50%
	Pharmacy deductible	-	-	-	-
	Pharmacy	\$10/\$25/\$50	-	\$10/\$25/\$50	-
Funding Rates	EE	694	\$492.03	309	\$438.70
	EE+SP	29	\$1,042.85	12	\$855.14
	EE+CH	53	\$948.05	44	\$777.40
	Fam	20	\$1,374.67	20	\$1,127.23
	By Plan	\$5,393,418		\$2,430,842	
Expected Annual Cost	% Change from Current	0.0%		0.0%	
	All Plans			\$7,824,260	
	% Change from Current			0.0%	
Estimated Reserves to be used				\$684,053	
Changes	Change the HSA Ded to \$2,600/\$5,200 for the IRS Minimum Deductible			Employee	1,181
	Stoploss - \$100K / Admin - \$61.92PEPM / ACA Fee - \$4.02 PEPM			Member	1,518
	Estimated Reserves to be used (\$684,053)				
				Initial	_____
				Date	_____

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board
as information and do not require action.

AGENDA NO: 5.B TOPIC: Financial Review

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

The Trust Board will be presented with a Financial Report for December 31, 2014 from Fester & Chapman, P.C., Certified Public Accountants.

**VALLEY SCHOOLS EMPLOYEE BENEFITS TRUST,
GLENDALE ELEMENTARY SCHOOL DISTRICT TRUST MEMBER**

Statement of Revenues, Expenses and
Changes in Net Position--Cash Basis
with
Accountants' Compilation Report

December 31, 2014

Fester & Chapman P.C.
Certified Public Accountants

Fester & Chapman P.C.

Certified
Public
Accountants

4001 North 3rd Street
Suite 275
Phoenix, AZ 85012-2086

Tel: (602) 264-3077
Fax: (602) 265-6241

Accountants' Compilation Report

Board of Directors
Valley Schools Employee Benefits Trust
Phoenix, Arizona

We have compiled the accompanying statement of revenues, expenses and changes in net position—cash basis of Valley Schools Employee Benefits Trust (the Trust), Glendale Elementary School District trust member (the Member), for the six months ended December 31, 2014. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with the cash basis of accounting. The Member is not a separate Fund of the Trust and does not maintain an undivided interest in the Trust's net position.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of a financial statement without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

The Member does not constitute a separate reporting entity as defined by generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Member's results of operations. Accordingly, the financial statement is not designed for those who are not informed about such matters.

This financial statement is intended for the Trust's and the Member's management use only.

We are not independent with respect to Valley Schools Employee Benefits Trust.

Fester & Chapman P.C.

February 19, 2015

**Valley Schools Employee Benefits Trust
Statement of Revenues, Expenses and
Changes in Net Position by District--Cash Basis
For the Six Months Ended December 31, 2014**

Glendale
Elementary

Operating revenues	
Contributions	\$ 4,515,000.00
Total operating revenues	<u>4,515,000.00</u>
Operating expenses	
Paid claims	3,557,953.46
Stop loss reimbursement	0.00
Fixed expense	462,542.40
H.S.A. contributions	164,451.22
Health insurance premiums	0.00
Short term disability premiums	44,566.49
Dental premiums	152,386.04
Vision plan premiums	35,497.52
Flexible spending premums	88,000.00
Life insurance premiums	54,269.45
Prepaid legal premiums	0.00
Insurance premium refunds	0.00
Wellness	428.82
Trust administration & mgmt.	0.00
ACA Fees	1,490.00
Total operating expenses	<u>4,561,585.40</u>
Operating income/(loss)	<u>(46,585.40)</u>
Non-operating revenue	
Interest income	18,393.90
Change in market value	(29,591.37)
Total non-operating revenue	<u>(11,197.47)</u>
Change in net position	<u>(57,782.87)</u>
Beginning net position reserved for claims and expenses	<u>5,015,087.85</u>
Ending net position reserved for claims and expenses	<u>\$ 4,957,304.98</u>

See Accountants' Compilation Report
For Management Use Only

Created on: 02/19/2015

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 6.A TOPIC: Medical Insurance

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

RECOMMENDATION:

It is recommended that the Trust Board approve the Medical benefit plan as presented for 2015-2016.

Currently, Glendale Elementary School District has two medical plans: traditional preferred provider organization (PPO) plan and a health savings account (HSA) with a high deductible health plan (HDHP). As part of the annual renewal process, Valley Schools and its consultants analyze Glendale Elementary School District's usage and insurance claims to determine whether changes to premiums or design plans are necessary.

For fiscal year 2016 Valley Schools has recommended an 8.7% increase to medical premiums and has informed us that the Internal Revenue Services (IRS) require our HSA/HDHP deductible to increase from \$2,500 to \$2,600.

It is staff's recommendation to keep all premium and HSA contributions levels for the 2015-2016 equal to 2014-2015 and not incur an 8.7% increase as well as to have our existing HSA/HDHP conform with IRS regulations which requires the deductible to increase from \$2,500 to \$2,600. HSA contributions would be allocated in two installments; the first \$500 payment would be given at the beginning of the year and the remaining \$500 payment would be deposited after the employee completes three (3) criteria (e.g. online health assessment, annual wellness check and one other item from a list of various activities, etc.).

UHC Choice+ Plan (Traditional PPO)

Tier	District Contribution	Employee Contribution	Total Premium (Annual) Cost
Employee Only	\$ 5,264.40	\$ 720.00	\$ 5,984.40
Employee + Spouse	\$ 7,920.00	\$ 4,594.20	\$ 12,514.20
Employee + Child(ren)	\$ 7,920.00	\$ 3,456.60	\$ 11,376.60
Employee + Family	\$ 7,920.00	\$ 8,576.04	\$ 16,496.04

UHC HSA/HDHP: 2600

Tier	District Contribution	Employee Contribution	Annual Premium Cost	Health Savings Account Contribution
Employee Only	\$ 5,264.40	\$ -	\$ 5,264.40	\$ 1,000.00
Employee + Spouse	\$ 7,920.00	\$ 2,341.68	\$ 10,261.68	\$ 1,000.00
Employee + Child(ren)	\$ 7,920.00	\$ 1,408.80	\$ 9,328.80	\$ 1,000.00
Employee + Family	\$ 7,920.00	\$ 5,606.76	\$ 13,526.76	\$ 1,000.00

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 6.B TOPIC: Dental Insurance

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

RECOMMENDATION:

It is recommended that the Trust Board approve the Dental benefit plan as presented for 2015-2016.

Currently, Glendale Elementary School District offers two dental plans; base and a buy-up plan. Valley Schools provided a quote to increase our preventive care from 90% to 100%.

It is staff's recommendation to increase our preventive care from 90% to 100% and keep our premiums levels for 2015-2016 equal to the 2014-2015.

FY16 Base Plan			
Tier	District Contribution	Employee Contribution	Total Annual Cost
Employee	\$ 314.16	\$ -	\$ 314.16
Employee + Spouse	\$ 314.16	\$ 329.52	\$ 643.68
Employee + Child(ren)	\$ 314.16	\$ 423.84	\$ 738.00
Family	\$ 314.16	\$ 784.84	\$ 1,099.00
Total			

FY16 Buy-Up Plan			
Tier	District Contribution	Employee Contribution	Total Annual Cost
Employee	\$ 314.16	\$ 196.56	\$ 510.72
Employee + Spouse	\$ 314.16	\$ 557.28	\$ 871.44
Employee + Child(ren)	\$ 314.16	\$ 877.20	\$ 1,191.36
Family	\$ 314.16	\$ 1,378.56	\$ 1,692.72
Total			

Optional Dental Plan:

The Total Dental Administrator's Health Plan has provided employees a separate/additional option from the current offering. The plan has allowed employees a no-cost dental plan regardless of their tier option. Premium increases range from \$5.76 up to \$13.92 by tier.

It is staff's recommendation to accept Valley School's premium recommendation.

FY15			
Tier	District Contribution	Employee Contribution	Total Annual Cost
Employee	\$ 114.00	\$ -	\$ 114.00
Employee + Spouse	\$ 225.36	\$ -	\$ 225.36
Employee + Child(ren)	\$ 252.60	\$ -	\$ 252.60
Family	\$ 277.20	\$ -	\$ 277.20
Total			

FY16			
Tier	District Contribution	Employee Contribution	Total Annual Cost
Employee	\$ 119.76	\$ -	\$ 119.76
Employee + Spouse	\$ 236.64	\$ -	\$ 236.64
Employee + Child(ren)	\$ 265.20	\$ -	\$ 265.20
Family	\$ 291.12	\$ -	\$ 291.12
Total			

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 6.C TOPIC: Vision Insurance

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

RECOMMENDATION:

It is recommended that the Trust Board approve the Vision benefit plan as presented for 2015-2016.

It is staff's recommendation to renew the current plan through United Healthcare Benefits with no cost increase.

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 6.D TOPIC: Short-Term Disability Insurance

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

RECOMMENDATION:

It is recommended that the Trust Board approve the Short-Term Disability benefit plan as presented for 2015-2016.

It is staff's recommendation to renew voluntary Short-Term Disability insurance coverage through Assurant using the Valley Schools Employee Benefits Trust member rate. There is no change in premium cost for the employee-paid short-term disability insurance.

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 6.E TOPIC: Mid-Term Disability Insurance

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

RECOMMENDATION:

It is recommended that the Trust Board approve the Mid-Term Disability benefit plan as presented for 2015-2016.

It is staff's recommendation to renew the employer paid mid-term disability insurance with UNUM. The renewal rate increases to \$0.14 per \$100 of payroll from \$0.07 per \$100 covered payroll with a one-year rate guarantee.

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 6.F TOPIC: Life Insurance

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

RECOMMENDATION:

It is recommended that the Trust Board approve the Life benefit plan as presented for 2015-2016.

It is staff's recommendation to renew Voya Financial (formerly ING's Life Insurance) plan. There is no rate increase.

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 6.G TOPIC: Ancillary Insurance

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

RECOMMENDATION:

It is recommended that the Trust Board approve the Ancillary benefit plan as presented for 2015-2016.

It is staff's recommendation to renew Basic's COBRA and FSA Administration services. The service cost will remain the same at \$3.69 per participant per month (PPPM).

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 6.H TOPIC: Approval of Minutes

SUBMITTED BY: Mike Barragan, Assistant Superintendent for Financial & Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: March 9, 2015

RECOMMENDATION:

The minutes of the February 25, 2015 Regular Meeting are submitted for approval.

The minutes of the February 25, 2015 meeting are attached.

MINUTES OF THE REGULAR TRUST BOARD MEETING
Glendale Elementary School District No. 40 of Maricopa County, Arizona
East Governing Board Room - 4:30 p.m.
February 25, 2015

Present:	<u>Board Members</u>	<u>Other Attendees</u>
	Mr. Lee Peterson	Mr. Mike Barragan
	Ms. Mary Ann Wilson	Mr. Rodney Petricek
	Mr. Robert Gonzalo	Mr. Mike Saavedra
	Ms. Cathey Mayes	Ms. Darlene Kracht
Absent:	Ms. Bernadette Bolognini	Ms. Jodi Finnesy
		Ms. Sara DiPasquale
		Mr. John Dyer

Recorder: Josie Gardea

CALL TO ORDER

A quorum was acknowledged and the meeting was called to order at 4:35 pm.

COMMENTS

None

APPROVAL OF AGENDA

Mr. Barragan stated that the financial review was in the board packet but not part of the agenda and not up for discussion.

Ms. Wilson moved to approve the Agenda as presented and Mr. Gonzalo seconded the motion. In a roll call vote, the motion carried.

BOARD AND STAFF INTRODUCTIONS

None

INFORMATIONAL ITEMS

Claims Experience Review – Medical

Mr. Barragan stated that the district incurred higher costs than January 2014, but overall they are lower than last year. He also shared a historic record of our total loss ratio and again we are ahead of last year.

Claims Experience Review – Dental We are ahead of where we were last year and if the trend holds we will be ahead of last year.

United Health Presentation

Mr. Saavedra provided an overview of the five large claims and stated that one is in subrogation but the district would not see the final outcome for two to three years.

Mr. Saavedra reviewed the United Healthcare Custom Personal Health Support features and its benefits provided to employees. Support of this magnitude is only found with sizeable companies but the district is able to benefit due to the 27000 members with Valley Schools.

Wellness Update

Ms. Solter provided a review of the many events and successful ventures offered to employees. She reviewed a Wellness Wheel that encompasses the various aspects of wellness.

ACTION ITEMS

Approval of Minutes

Mr. Gonzalo sought approval of the January 28, 2015 Regular Trust Board Meeting; motion seconded by Ms. Wilson. The motion passed unanimously.

ADJOURNMENT

There being no further business, the meeting was adjourned at 5:20 p.m.