

**INDEPENDENT SCHOOL
DISTRICT #624**



**WORK-STUDY
AGENDA**

September 22, 2014

To: Members of the School Board

From: Dr. Michael J. Lovett
Superintendent of Schools

Date: September 12, 2014

A work-study session of the White Bear Lake Area School Board will be held on **Monday, September 22, 2014** at 5:30 p.m. in Community Room 112 at the District Center, 4855 Bloom Avenue, White Bear Lake, MN.

WORK-STUDY AGENDA

A. PROCEDURAL ITEMS

1. Call To Order
2. Roll Call

B. DISCUSSION ITEMS

1. School Board and Superintendent Goals and Strategic Plan Updates 5:30 p.m.
 - a. 1.1 Overview of 2013-14 Student Performance Results and Follow-up for 2014-15
 - b. World's Best Workforce
 - c. 4.c Progress on Reviewing String Orchestra Planning
2. Health Insurance Options and Planning 6:45 p.m.
3. Negotiation Study Session* 7:30 p.m.
4. Consideration Of The Results Of An Investigation Pertaining To An Employee** 7:45 p.m.

D. ADJOURNMENT 8:00 p.m.

*This portion of the meeting may be closed to consider strategy for labor negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals, conducted pursuant to Minnesota Statutes 179.A.01 to 179.A.25.
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**This meeting may be closed to consider non-public data pursuant to Minnesota Statutes 13D.05.

AGENDA ITEM: 1.1 Overview of 2013-14 Student Performance
Results and Follow-Up for 2014-15

MEETING DATE: September 22, 2014

SUGGESTED DISPOSITION: Discussion Item

CONTACT PERSON: Sara Paul, Assistant Superintendent
Brian Morris, Assessment Coordinator

Background:

Sara Paul, Assistant Superintendent will provide an overview of 2013-14 student performance results as part of the World's Best Workforce presentation. Data will be presented according to the academic benchmarks required in the World's Best Workforce legislation.

AGENDA ITEM: World's Best Workforce

MEETING DATE: September 22, 2014

SUGGESTED DISPOSITION: Discussion Item

CONTACT PERSON: Sara Paul, Assistant Superintendent

Background:

The cabinet will present recommendations to the board regarding implementation of the World's Best Workforce statutory requirements. Sara Paul will lead the discussion to highlight alignment of the new requirements to our existing strategic plan and the road map to articulate our strategic objectives for 2014-2015.

WBLAS Board Work-Study Session

9.22.14



Draft 3

World's Best Workforce

Legislative
Actions/Intent

MDE
Requirements

2014-2015
Articulate
alignment of
WBWF Plan to
WBLAS Strategic
Plan

Worlds Best Workforce Requirements

- Define Benchmarks on the Pathway to College and Career Readiness
- Define work to close identified achievement gaps
- Align Curriculum to Standards
- Articulate Professional Development Plan
- Articulate Principal Evaluation Plan
- Articulate Educator Evaluation Plan

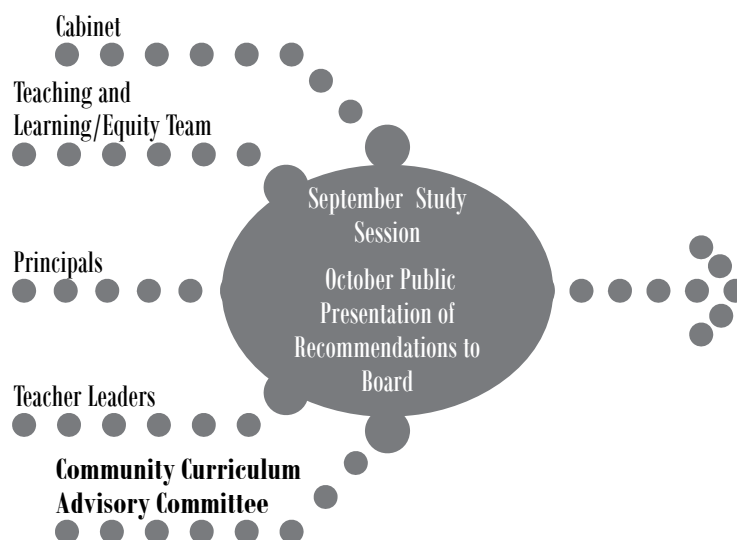
Why is Minnesota focused on this idea?

For Minnesota to be competitive, we must have students who are college and career ready, students who are poised to lead the state's workforce. This is important for a number of reasons:

- *Our population is aging.*
- *Seventy percent (70%) of jobs will require more than a high school diploma by 2018.*
- *We don't have qualified candidates to fill many good-paying jobs.*
- *The fastest growing segment of our future workforce is students of color, and they currently have the state's lowest graduation rate.*
- *Minnesota has one of the worst black-white achievement gaps in the country.*

(Minnesota Department of Education)

Developing our Plan



What do Minnesota school boards need to do?

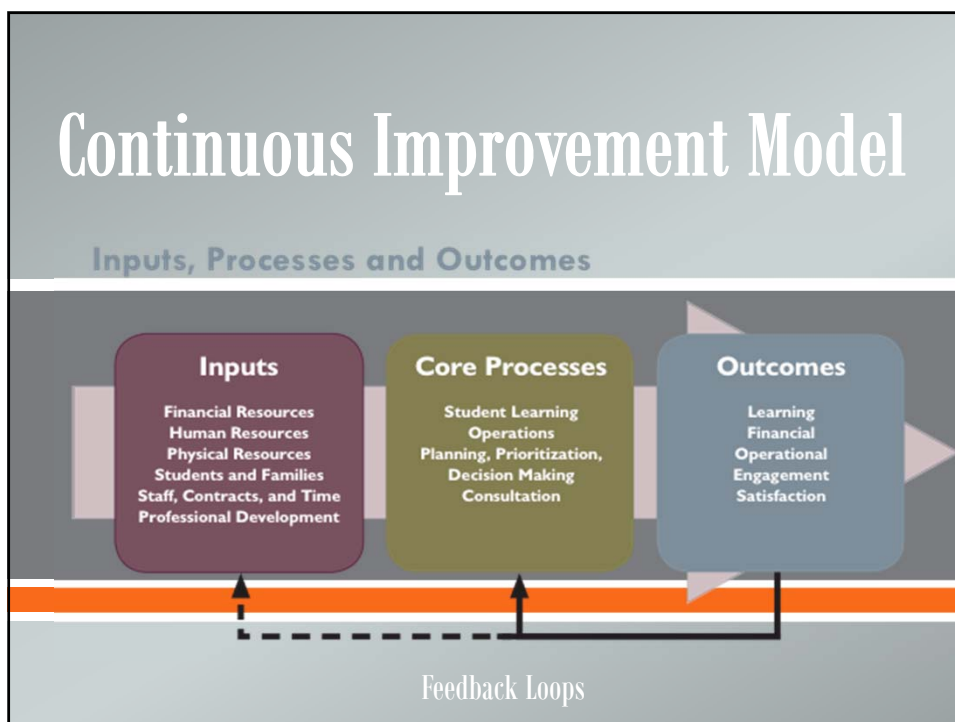
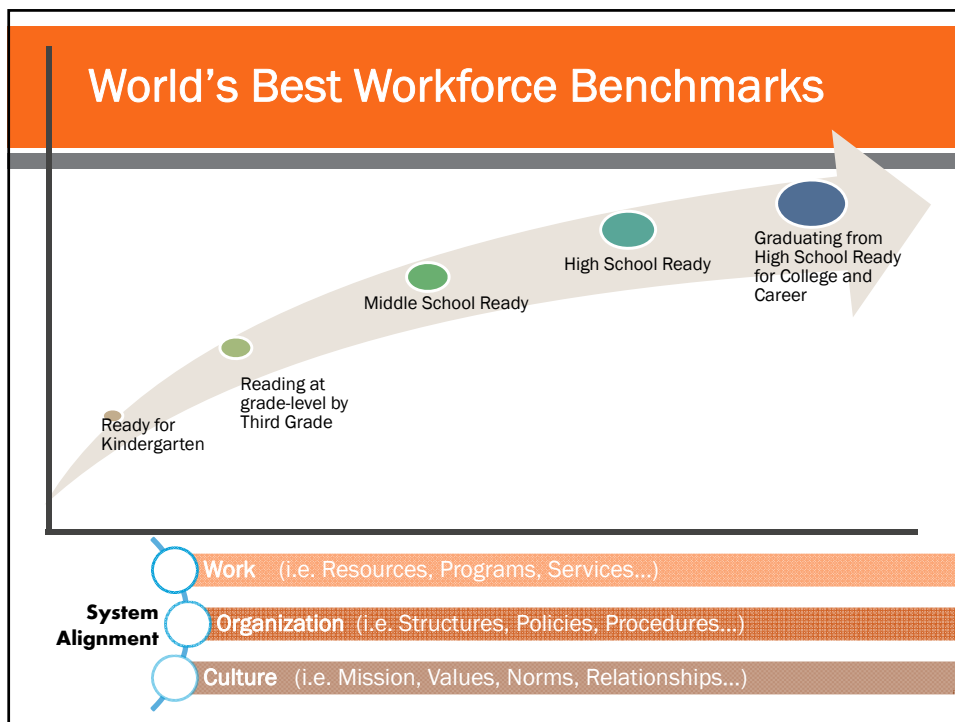
School boards in each district across the state must establish an advisory committee that will:

- Involve the community during plan development,
- Include members that reflect the diversity of the district and its schools,
- Provide a public hearing of the district's Worlds Best Workforce Plan.

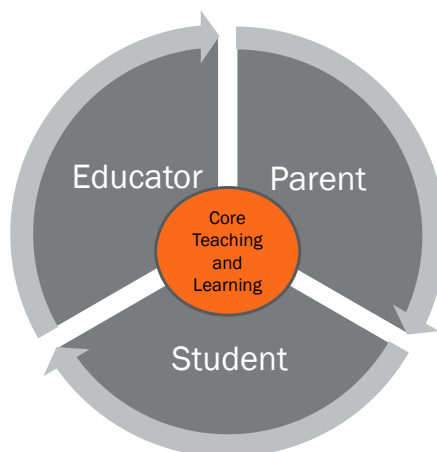
District leaders will:

- Post an annual report on their progress,
- Articulate an implementation plan,
- Submit a summary report to the Minnesota Department of Education.

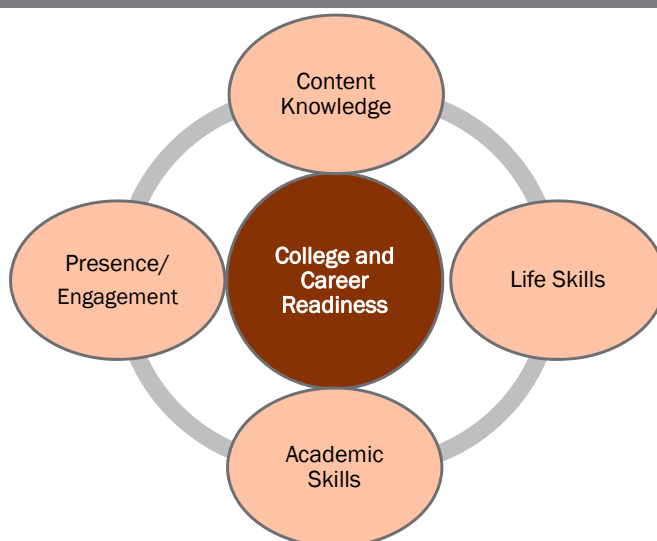
(Minnesota Department of Education)



Mission Delivery



Core Teaching and Learning



DRAFT	Academic Skills: Examples: <ul style="list-style-type: none"> • Organization • Time Management • Prioritization • Concentration • Motivation • Technology Skills 	Content Knowledge: Ensuring Proficiency and "on track for and Career at key benchmarks" <ul style="list-style-type: none"> • Ready for Kindergarten • Reading at Grade Level by Third Grade • Ready for Middle School • Ready for High School • Graduating from High School Ready for College and Career
	Life Skills: Examples: <ul style="list-style-type: none"> • Collaboration • Critical Thinking • Creativity • Communication 	Presence/Engagement: Examples: <ul style="list-style-type: none"> • Self Regulation of Learning • Attendance • Time in Class • Service learning- • Participation in After School Activities



Alignment for Acceleration of our Strategic Work

Core Teaching and Learning

• Strategic Plan Alignment

- 1.1 Student Proficiency
- 1.2 Post Secondary Plan
- 2.2 World Language 6-12 (goal)
- 2.4 Service Learning
- 3.9 Technology Access
- 4.11 Classroom Technology
- Goal 5D Program Review of Preschool and Early Childhood Programs

• Strategic Initiatives

- Multi-tiered System of Supports (MTSS)
- Gifted and Talented Tiered system of supports
- Principal Evaluation
- Teacher Evaluation
- Elementary Schools Standards-Based report cards
- Equity Plan
- Individual Learning Plans

Status

- Part of ongoing work
- Part of ongoing work
- Year 2 of Implementation
- Year 1 of Implementation
- Year 1 of Implementation
- In design phase
- In design phase

Alignment for Acceleration of our Strategic Work

Programs and Partnerships to Support Core Teaching and Learning

• Strategic Plan Alignment

- 1.4 Middle School IB Program
- 2.1 World Language K-5
- 2.2 World Language 6-12 (program)
- 3.4 Student Population Distribution
- 3.11 Secondary Facilities Study
- 4.13 Learning Management System- Schoology
- 4.15 Access to Instructional Technology
- 6.1 Anti-Bullying Program
- 6.3 Multi-Cultural Curriculum
- 6.4 School Transitions
- 6.5 Programming- School Climate
- Goal 5B Consideration of a School-Within-A-School Gifted and Talented Program
- Goal 5C Consideration of a String Orchestra Program

• Strategic Initiatives

- Targeted Services
- MTSS
- PD Plan
- Equity Plan
- Manufacturing Course Articulation
- Immersion Program
- 9th Grade Academy

Status

- In re-design phase
- Part of ongoing work
- Part of ongoing work
- In design phase
- In design phase
- In design phase
- In design phase

Alignment for Acceleration of our Strategic Work

Operations Support to Support Core Teaching and Learning

Strategic Plan Alignment	
• 3.1	Facilities- Large Group Spaces
• 3.2	Elementary- Performing Arts Facilities
• 3.3	Storage Facilities
• 3.5	Facilities- Manuals for Standardized Procedures
• 3.6	Facilities- Air Quality
• 3.8	Facilities- Secure Entrances
• 3.10	Balanced Elementary Class sizes
• 4.12	District Website
• 4.14	Technology Policy
• 5.1	Partnerships Policy
• 5.2	Partnerships Needs Assessment
• 5.3	Partnerships Established to Align with District Vision
• 5.4	Partnerships Communication Plan
• 6.1	Bullying Policy
• 6.2	Increase Diversity of Staff
• 6.6	Cultural Competency and Equity Plan
• Goal 2	On-going Financial Stewardship and Budget Management
• Goal 3	Continuation of the District Communications and Marketing Plan
• Goal 5A	Recognition Program
• Strategic Initiatives are all reflected in the strategic plan.	

Next Steps: Draft WBWF Summary Report

☞ Get Board approval for 2014-15 WBWF Plan

- Study Session – 9.22.14
- Board Presentation- 10.13.14

☞ Submit WBWF Summary to MDE

- https://education.state.mn.us/mdeprod/idcplg?IdcService=GET_FILE&dDocName=057575&RevisionSelectionMethod=latestReleased&Rendition=primary
 - Report on baseline data
 - Outline implementation plan

AGENDA ITEM: Progress on Reviewing String Orchestra Program

MEETING DATE: September 22, 2014

SUGGESTED DISPOSITION: Discussion Item

CONTACT PERSON: Sara Paul, Assistant Superintendent
Dr. Michael Lovett, Superintendent
Dr. Wayne Kazmierczak, Director of Finance and
Operations

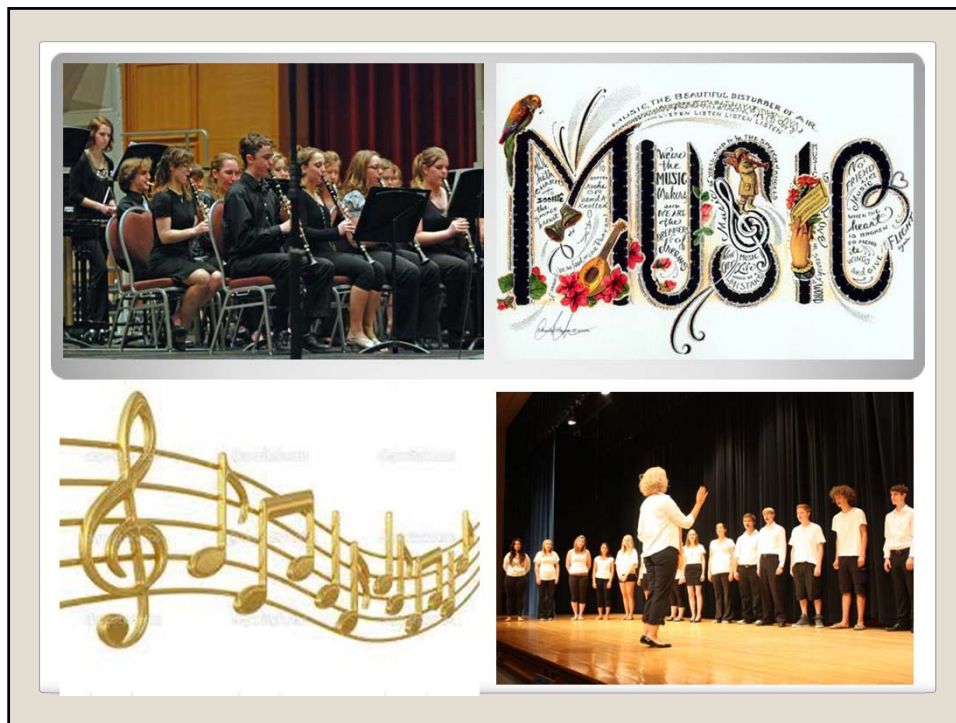
Background:

BACKGROUND:

School Board/Superintendent Goal 5 provides that we “*develop options for a String Orchestra program which could begin in the 2015-16 school year.*”

High school band teachers Shannon Anderson and Jeremy Rockford with the assistance of Lisa Switzer, Curriculum and Program Development Coordinator, have presented possible program options in 2012 and 2013.

This evening, Lisa Switzer, Jeremy Rockford, Wayne Kazmierczak, and Dr. Lovett will provide a brief overview of work planned between now and the work-study session in November.



History

The addition of orchestra in White Bear Lake to enhance our fine arts program has been a topic of discussion for more than 3 years.

The 2014 School Board/Superintendent Goal 4 provided that we "*develop options for a String Orchestra Program.*"



Charge of the Committee

The goal of the 2014 planning committee will be to determine how an orchestra program might further enhance a comprehensive fine arts program in White Bear Lake Schools.



Rationale

- Participation in a high quality music performance ensemble enhances a child's quality of life. It provides creative, emotional, and social opportunities.
- Participation in a quality music performance ensemble can lead to improvements in academic performance in other areas beyond music.

Rationale

- 8 out of 9 of school in the Suburban East Conference, not including White Bear Lake have an orchestra program. Cretin Derham Hall does not have an orchestra program.
- 6 out of 8 area districts, not including White Bear Lake have an orchestra program. Mahtomedi and North St. Paul, Maplewood, Oakdale do not have orchestras.

Next Steps: Question 1

- The administration will continue to review options for which grade level to begin a strings program.

Under consideration:

Middle school - grade six

Elementary - grades four/five



Two options

Should we consider a 2015 start with 4th and/or 5th grade?

Should we consider a 2016 start with 6th grade?

5th grade – 555 (lowest class size)

4th grade – 616

3rd grade – 622

2nd grade – 672

1st grade – 674

Kindergarten – 666

Next Steps: Question #2

- The administration will complete budgetary planning necessary to assure long-range sustainability of the music program including band, choir, and orchestra at the secondary level.
- The administration will continue researching operational steps necessary to develop a high quality orchestra program.

Next Steps

- Preliminary subject to the completion of the previous steps, the administration would bring a recommendation regarding orchestra to the school board on November 24, 2014.



Shannon Anderson	Music, WBLAHS, South Campus; Secondary Curriculum Leader
Jeremy Rockford	Music, WBLAHS, North Campus
Mike Snell	Music, Sunrise Park Middle School
Marie Dymit	Music, WBLAHS, South Campus
Jennifer Gere	Music, Sunrise and Central Middle
Kristin Kusche	Music, Central Middle School
Dan Gullick	Music, Birch Lake/Hugo; Elementary Curriculum Leader
Scott Keen	Music, Willow Lane/Matoska
Mike Mason	Parent, Band Boosters
Robert McDowell	Administrator, Sunrise Park Middle School
Noel Schmidt	Administrator, Central Middle School; Music Department Administrative Liaison
David Law	Assistant Superintendent
Peter Wilcoxon Sr.	Executive Director of Business Services
Lisa Switzer	Curriculum and Program Development Coordinator

Orchestra Committee - 2012

AGENDA ITEM: **Health Insurance Options and Planning**

MEETING DATE: **September 22, 2014**

SUGGESTED DISPOSITION: **Discussion Item**

CONTACT PERSON(S): **Dr. Wayne A. Kazmierczak, Director of Finance and Operations**

BACKGROUND:

Rob Keller and Pierre Guilfoile from National Insurance Services, Inc. will be in attendance to review the results of the recently completed health insurance bid process. Information will be provided related to self-funded health insurance as well as the Public Employee Insurance Program (PEIP). The attached documents provide some background information for this discussion item.

Plan Designs

Self-insurance Guide

A growing number of Minnesota employers are making the switch to self-insuring as a way to reduce costs and improve service. Self-insuring or self-funding is not right for every organization. Employers considering a switch from fully funded to self-funded health plans should analyze the advantages and disadvantages before making the switch. This brief guide describes self-insured plans, including the pros and cons of such plans, and helps explain if self-insurance is the right choice for your district's health care benefits.

About Self-insurance

What is self-insurance?

According to the Self-Insurance Institute of America, Inc., "a self-insured group health plan (or a self-funded plan as it is also called) is one in which the employer assumes the financial risk for providing health care benefits to its employees. In practical terms, self-insured employers pay for claim as they are incurred instead of paying a fixed premium to an insurance carrier, which is known as a fully insured plan. Typically, a self-insured employer will set up a special trust fund to earmark money (district and employee contributions) to pay incurred claims." Employers can be partially or fully self-insured. Employers that choose to partially self-fund, may decide, for example, to continue third-party coverage of mental health or prescription benefits, but self-fund all other medical claims.

Self-insured group health plans are governed by a variety of federal laws including, but not limited to: HIPAA, COBRA, the U.S. tax code and federal anti-discrimination laws such as the ADA.

Is self-insurance common?

According to federal statistics, self-funded plans cover 60 percent of the private-sector workforce—almost 90 million workers and dependents. According to a 2012 Kaiser Family Foundation survey, those numbers include 15 percent of small companies (fewer than 200 workers), and 52 percent of mid-sized companies (200 to 999 workers).

Advantages of self-insurance

The primary reasons employers site for self-insuring are:

1. Reduced insurance overhead costs. Carriers assess a risk charge for insured policies (approximately 2 percent annually), but self-insurance removes this charge.
2. Reduced state premium taxes. Self-insured programs, unlike insured policies, are not subject to state premium taxes. The premium tax savings is about 2-3 percent of the premium dollar value.
3. Avoidance of state-mandated benefits. Although both insured and self-insured plans are governed by federal law, self-insured plans are exempt from state insurance laws. State benefit mandates can add to the cost of insured employer benefit programs.
4. Employer control. Employers who want to revise covered benefits and the levels of coverage are free from state regulations that mandate coverage and the carrier negotiation typically required with changes in insured coverage. By self-funding, employers are able to design their own customized health benefit packages.
5. Employers see improved cash flow since they do not have to pre-pay for coverage. Claims are paid as they become due. There is also a cash flow advantage in the year of adoption when "run-out" claims are being covered by the prior insurance policy. Employers pay for claims rather than premiums and earn interest income on any unclaimed reserves.
6. Choice of claim administrator. An insured policy can be administered only by the insurance carrier. A self-insured plan can be administered by the district, an insurance company or independent third-party administrator (TPA), which gives the employer greater choice and flexibility. When selecting a TPA, employers should consider whether the TPA efficiently handles claims, has contacts with stop-loss carriers, has a strong reputation, cost management skills and negotiating clout, has medical expertise on staff and provides excellent customer service and claims administration.

Disadvantages of self-insurance

The primary disadvantage of self-insurance is the assumption of greater risk. A year that brings large unexpected medical claims requires that the district has the financial resources to meet its obligations. This unpredictability puts greater demands on budgeting and cash flow. Budgeting is more difficult because health care expenses will vary from year to year, whereas with a fully insured plan, employers know how much they will pay in premiums in a given year.

Self-insured plans also require strong administrative skills. Self-insured employers can either administer claims in-house or subcontract the administrative obligations to a TPA. TPAs can help employers set up their self-insured group health plans and coordinate stop-loss coverage, provider network contracts and utilization review services. Some of the additional administrative duties associated with self-insurance may include monitoring the plan, determining premium rate equivalents for budgeting purposes, administering employee contributions, filing annual reports and day-to-day administration of the plan, establishing a trust to fund the group insurance plan and setting up cash reserves to offset claim run-out liability.

Self-Insured Terms

- **Stop-loss Insurance**
 - Stop-loss insurance (also known as excess insurance) is a product that provides protection against catastrophic or unpredictable losses. It is purchased by employers who have decided to self-fund their employee benefit plans, but do not want to assume 100% of the liability for losses arising from the plans. Under a stop-loss policy, the insurance company becomes liable for losses that exceed certain limits called deductibles.
- **Aggregate Reinsurance**
 - A form of reinsurance that stipulates payment by the reinsurer when aggregate excess losses for the primary insurer (the district) exceed a certain stated retention level
 - Simply stated: A policy that is activated when the district's total claim payments exceed a stipulated amount
 - Aggregate policies are required by the state of Minnesota

- Specific Stop-loss insurance
 - form of excess risk coverage that provides protection for the employer against a high claim on any one individual
 - Specific stop-loss is protection against a single claimant rather than abnormal frequency of claims in total
- Contract Period
 - A contract period defines the time in which a claim can be incurred to be covered under the insurance policy
- Run-out period
 - Defines the period of time of insurance protection for a claim that was incurred during the contract period but the claim was paid after the contract concluded
 - Standard run-out is one quarter of the contract period
 - An example would be: contract period of 12 months and run-out protect through 15 months (3 months more of protection)
- Claim Lag
 - The standardized time between a medical claim being incurred from the claim being paid
- Incurred But Not Reported
 - IBNR is a factor representing the Claim Lag that is applied to known current claim value to accurately account for all current claim, even the ones that have yet to be paid for a given period
- Expected Claims Rate
 - An ECR is a targeted rate provided by an Aggregate Reinsurer to establish Aggregate reinsurance
 - An estimate of the total amount of claims for a contract period
- Attachment Point
 - The point at which reinsurance provides coverage

Making the Decision

When deciding if self-funding is right for your organization, make sure that you consider the following best practices to ensure that your self-funding strategy is appropriate and effective.

1. Evaluate Stop-loss Coverage Most self-insured employers purchase stop-loss insurance on their self-insured health care benefit plans to reduce the risk of large individual claims or high claims for the entire plan. The employer self-insures claims up to the stop-loss attachment point, which is the dollar amount above which claims will be reimbursed by the stop-loss carrier. Obtain stop-loss quotes at several different levels. There are two types of stop-loss insurance: individual/specific and aggregate.

Individual/Specific Stop-loss Insurance

This type of stop-loss coverage shifts responsibility for a claim to the insurer once it exceeds a certain dollar amount. Specific stop-loss protects the employer against large, individual health care claims.

Example: \$25,000/plan participant per year attachment point.

The attachment point is reapplied each year, like a benefit plan annual deductible. Specific stop-loss attachment points can run from \$5,000 to \$500,000, depending on the employer's size and risk tolerance.

Aggregate Stop-loss Insurance

The insurer assumes responsibility once the total amount of claims for all employees reaches a specific threshold. Aggregate stop-loss insurance protects the employer against high total claims for the health care plan.

Example: 125 percent of expected total annual claims attachment point. The attachment point is recalculated each year and is expressed on a per employee basis to compensate for any change in the number of covered employees.

Example: \$4,500/employee attachment point.

Aggregate stop-loss typically is carried at 125 percent of expected annual claims, but can range from 105 percent to 150 percent of expected annual claims.

2. Understand the volume and nature of your employee health claims for the past five years Knowing facts such as whether your workforce is mostly young or old, whether the majority of claims were due to chronic illnesses or one-time incidents and the total dollar amount of claims will help you budget for claims in the future. Self-funding should be viewed as a long-term strategy in which good and bad years average out in the employer's favor.

3. Cash flow analysis Self-insured plans work best for districts that have a strong cash flow or reserves. Understand what your cash needs are so you have money available to make timely claim payments.

4. Administration. If you decide that it is best for your organization to use a TPA, make sure you factor TPA fees into your decision to self-insure. Obtain several different TPA quotes. Your TPA should offer a strong plan for monitoring the plan.

5. Coverage goals Decide on such things as eligibility, benefit coverage, exclusions, cost-sharing, policy limits and retiree benefits. Weigh the self-insured plan advantages of flexibility and lower average cost versus the increased risk and administrative responsibilities.

The most important step you can take to assure that you make the best decision is to have an experienced professional assist you. Your National Insurance Services, Inc. representative has experience with self-insurance programs, and can answer your questions and assist you with your decision to self-insure your district health plan.

National Insurance Services, Inc. welcomes the opportunity to help your organization examine its plan designs and make recommendations for improvement.

This copy of National Insurance Services, Inc. Plan Designs is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.

White Bear Lake Schools ISD

HealthPartners Medical Plan Highlights

Open Access - \$25 Copay

NationalOne - \$2,000 VEBA

Choice Plan

\$6350 MVP Plan

Partial listing of covered services	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Deductible and Out-of-Pocket								
Lifetime Maximum	Unlimited		Unlimited		Unlimited		Unlimited	
Calendar Plan year deductible	none	\$300 per person \$900 per family	\$2,000 per person \$4,000 per family	\$4,000 per person \$8,000 per family	\$500 per person \$1,000 per family	\$1,000 per person \$2,000 per family	\$6,350 per individual \$12,500 per family	
Calendar Plan year medical out-of-pocket maximum	\$1,000 per person \$2,000 per family	\$2,500 per person \$5,000 per family	\$2,000 per person \$4,000 per family	\$8,000 per person \$16,000 per family	\$2,000 per person \$4,000 per family	\$2,000 per person \$6,000 per family	\$6,350 per individual \$12,500 per family	\$8,250 per individual \$16,500 per family
Prescription out-of-pocket	Included	Included	Included	Included	Included	Included	Included	Included
Preventive								
Routine physical and eye examinations	you pay nothing	you pay 20% after deductible	you pay nothing	you pay 40% after deductible	you pay nothing	you pay 35% after deductible	you pay nothing	you pay 20% after deductible
Well Child to 6, child immunizations and Prenatal								
Postnatal, family planning & cancer screenings								
Office Visits								
Illness or injury	you pay \$25 per visit	you pay 20% after deductible	you pay nothing after deductible	you pay 40% after deductible	you pay \$25 per visit after deductible	you pay 35% after deductible	you pay nothing after deductible	you pay 20% after deductible
Physical, occupational therapy, speech therapy and allergy injections								
Chiropractic care								
Mental / Chemical health care								
Retail Clinic	You pay \$10 per visit							
Emergency Care								
Care at an urgent care clinic or medical center	you pay \$25 per visit	same is in-network benefit	you pay nothing after deductible	same is in-network benefit	you pay \$25 per visit after deductible	you pay 35% after deductible	you pay nothing after deductible	you pay 20% after deductible
Emergency care at a hospital ER & Ambulance	you pay \$75 per visit		you pay nothing after deductible		you pay \$75 per visit after deductible		you pay nothing after deductible	
Inpatient Hospital Care								
Illness or injury	you pay \$100 per visit	you pay 20% after deductible	you pay nothing after deductible	you pay 40% after deductible	you pay \$250 after deductible	you pay 35% after deductible	you pay nothing after deductible	you pay 20% after deductible
Mental / Chemical health care								
Outpatient Care								
Scheduled outpatient procedures	You pay 10% of the first \$1,000	you pay 20% after deductible	you pay nothing after deductible	you pay 40% after deductible	you pay 10% after deductible	you pay 35% after deductible	you pay nothing after deductible	you pay 20% after deductible
MRI/CT	You pay 10%							
Durable Medical Equipment (DME)								
DME & prosthetic devices	you pay 20%	you pay 20% after deductible	you pay nothing after deductible	you pay 40% after deductible	you pay 20% after deductible	you pay 35% after deductible	you pay nothing after deductible	you pay 20% after deductible
Pharmacy Highlights								
Partial listing of covered services								
	Retail Pharmacy (up to a 30-day supply or 3-cycle of oral contraceptives)		Retail Pharmacy (up to a 30 day supply or 3-cycle of oral contraceptives)		Retail Pharmacy (up to a 30 day supply or 3-cycle of oral contraceptives)		Retail Pharmacy (up to a 30 day supply or 3-cycle of oral contraceptives)	
Generic preferred	you pay \$12 copay	you pay 20% after deductible	you pay \$12 copay	you pay 40% after deductible	you pay \$15 copay	you pay 35% after deductible	you pay nothing after deductible	you pay 20% after deductible
Brand preferred	you pay \$25 copay		you pay \$25 copay		you pay \$35 copay			
Non-preferred	you pay \$50 copay		you pay \$50 copay		you pay \$50 copay			
	Mail Order Pharmacy (up to a 90-day supply)		Mail Order Pharmacy (up to a 90-day supply)		Mail Order Pharmacy (up to a 90-day supply)		Mail Order Pharmacy (up to a 90-day supply)	
Generic preferred	you pay \$24 copay	you pay 20% after deductible	you pay \$24 copay	you pay 40% after deductible	you pay \$30 copay	you pay 35% after deductible	you pay nothing after deductible	you pay 20% after deductible
Brand preferred	you pay \$50 copay		you pay \$50 copay		you pay \$70 copay			
Non-preferred	you pay \$100 copay		you pay \$100 copay		you pay \$100 copay			
Rate	Single \$602.53	Family \$1,584.85	Single \$487.42	Family \$1,268.93	Single \$514.62	Family \$1,352.05	Single N/A	Family N/A
Value	Platinum 88.80%		Platinum 95.30%		Silver 78.10%		Bronze 60.00%	

Minnesota Public Employees Insurance Program (PEIP)

Advantage Health Plan 2012 - 2013 Benefits Schedule

2012 – 2013 Benefit Provision	Cost Level 1 – You Pay	Cost Level 2 – You Pay	Cost Level 3 – You Pay	Cost Level 4 – You Pay
A. Preventive Care Services <ul style="list-style-type: none"> • Routine medical exams, cancer screening • Child health preventive services, routine immunizations • Prenatal and postnatal care and exams • Adult immunizations • Routine eye and hearing exams 	Nothing	Nothing	Nothing	Nothing
B. Annual First Dollar Deductible * (single/family)	\$50/100	\$140/280	\$350/700	\$600/1,200
C. Office visits for Illness/Injury, for Outpatient Physical, Occupational or Speech Therapy, and Urgent Care <ul style="list-style-type: none"> • Outpatient visits in a physician's office • Chiropractic services • Outpatient mental health and chemical dependency • Urgent Care clinic visits (in or out of network) 	\$17 copay per visit annual deductible applies	\$22 copay per visit annual deductible applies	\$27 copay per visit annual deductible applies	\$37 copay per visit annual deductible applies
D. Convenience Clinics	\$10 copay	\$10 copay	\$10 copay	\$10 copay
E. Emergency Care (in or out of network) <ul style="list-style-type: none"> • Emergency care received in a hospital emergency room 	\$75 copay annual deductible applies	\$75 copay annual deductible applies	\$75 copay annual deductible applies	25% coinsurance annual deductible applies
F. Inpatient Hospital Copay	\$85 copay annual deductible applies	\$180 copay annual deductible applies	\$450 copay annual deductible applies	25% coinsurance annual deductible applies
G. Outpatient Surgery Copay	\$55 copay annual deductible applies	\$110 copay annual deductible applies	\$220 copay annual deductible applies	25% coinsurance annual deductible applies
H. Hospice and Skilled Nursing Facility	Nothing	Nothing	Nothing	Nothing
I. Prosthetics and Durable Medical Equipment	20% coinsurance	20% coinsurance	20% coinsurance	25% coinsurance annual deductible applies
J. Lab (including allergy shots), Pathology, and X-ray (not included as part of preventive care and not subject to office visit or facility copayments)	5% coinsurance annual deductible applies	5% coinsurance annual deductible applies	10% coinsurance annual deductible applies	25% coinsurance annual deductible applies
K. MRI/CT Scans	5% coinsurance annual deductible applies	5% coinsurance annual deductible applies	10% coinsurance annual deductible applies	25% coinsurance annual deductible applies
L. Other expenses not covered in A – K above, including but not limited to: <ul style="list-style-type: none"> • Ambulance • Home Health Care • Outpatient Hospital Services (non-surgical) <ul style="list-style-type: none"> • Radiation/chemotherapy • Dialysis • Day treatment for mental health and chemical dependency • Other diagnostic or treatment related outpatient services 	5% coinsurance annual deductible applies	5% coinsurance annual deductible applies	10% coinsurance annual deductible applies	25% coinsurance annual deductible applies
M. Prescription Drugs 30-day supply of Tier 1, Tier 2, or Tier 3 prescription drugs, including insulin; or a 3-cycle supply of oral contraceptives.	\$10 tier one \$16 tier two \$36 tier three	\$10 tier one \$16 tier two \$36 tier three	\$10 tier one \$16 tier two \$36 tier three	\$10 tier one \$16 tier two \$36 tier three
N. Plan Maximum Out-of-Pocket Expense for Prescription Drugs (excludes Infertility) (single/family)	\$800/1,600	\$800/1,600	\$800/1,600	\$800/1,600
O. Plan Maximum Out-of-Pocket Expense (excluding prescription drugs) (single/family)	\$1,100/2,200	\$1,100/2,200	\$1,100/2,200	\$1,100/2,200

Emergency care or urgent care at a hospital emergency room or urgent care center out of the plan's service area or out of network is covered as described in sections C and E above.

This chart applies only to In-Network coverage. Out-of-Network coverage is available only for members whose permanent residence is outside the State of Minnesota and outside the service areas of the health plans participating in Advantage. This category includes employees temporarily residing outside Minnesota on temporary assignment or paid leave [including sabbatical leaves] and all dependent children, including college students, and spouses living out of area). These members pay a \$350 single or \$700 family deductible (separate and distinct from the deductibles listed in section B above) and 30% coinsurance to the out-of-pocket maximums described in section O above. Members pay the drug copayment described at section M above to the out-of-pocket maximum described at section N.

A standard set of benefits is offered in all PEIP Advantage Plans. There are still some differences from plan to plan in the way that benefits, including the transplant benefit, are administered, in the referral and diagnosis coding patterns of primary care clinics, and in the definition of Allowed Amount.

* This Plan uses an **embedded deductible**: If any family member reaches the individual deductible then the deductible is satisfied for that family member. If any combination of family members reaches the family deductible, then the deductible is satisfied for the entire family.

Minnesota Public Employees Insurance Program (PEIP)

Advantage Health Plan 2013-2014 Benefits Schedule

Value Option

2013-2014 Benefit Provision	Cost Level 1 – You Pay	Cost Level 2 – You Pay	Cost Level 3 – You Pay	Cost Level 4 – You Pay
A. Preventive Care Services <ul style="list-style-type: none"> Routine medical exams, cancer screening Child health preventive services, routine immunizations Prenatal and postnatal care and exams Adult immunizations Routine eye and hearing exams 	Nothing	Nothing	Nothing	Nothing
B. Annual First Dollar Deductible (single/family)	\$350/700	\$500/1,000	\$750/1,500	\$1,000/2,000
C. Office visits for Illness/Injury, for Outpatient Physical, Occupational or Speech Therapy, and Urgent Care <ul style="list-style-type: none"> Outpatient visits in a physician's office Chiropractic services Outpatient mental health and chemical dependency Urgent Care clinic visits (in or out of network) 	\$20 copay per visit annual deductible applies	\$25 copay per visit annual deductible applies	\$35 copay per visit annual deductible applies	\$45 copay per visit annual deductible applies
D. Convenience Clinics	\$15 copay	\$15 copay	\$15 copay	\$15 copay
E. Emergency Care (in or out of network) <ul style="list-style-type: none"> Emergency care received in a hospital emergency room 	\$75 copay annual deductible applies	\$75 copay annual deductible applies	\$75 copay annual deductible applies	30% coinsurance annual deductible applies
F. Inpatient Hospital Copay	\$100 copay annual deductible applies	\$250 copay annual deductible applies	\$600 copay annual deductible applies	30% coinsurance annual deductible applies
G. Outpatient Surgery Copay	\$75 copay annual deductible applies	\$125 copay annual deductible applies	\$250 copay annual deductible applies	35% coinsurance annual deductible applies
H. Hospice and Skilled Nursing Facility	Nothing	Nothing	Nothing	Nothing
I. Prosthetics and Durable Medical Equipment	20% coinsurance	20% coinsurance	25% coinsurance	35% coinsurance annual deductible applies
J. Lab (including allergy shots), Pathology, and X-ray (not included as part of preventive care and not subject to office visit or facility copayments)	10% coinsurance annual deductible applies	10% coinsurance annual deductible applies	20% coinsurance annual deductible applies	35% coinsurance annual deductible applies
K. MRI/CT Scans	10% coinsurance annual deductible applies	10% coinsurance annual deductible applies	20% coinsurance annual deductible applies	35% coinsurance annual deductible applies
L. Other expenses not covered in A – K above, including but not limited to: <ul style="list-style-type: none"> Ambulance Home Health Care Outpatient Hospital Services (non-surgical) <ul style="list-style-type: none"> Radiation/chemotherapy Dialysis Day treatment for mental health and chemical dependency Other diagnostic or treatment related outpatient services 	10% coinsurance annual deductible applies	10% coinsurance annual deductible applies	20% coinsurance annual deductible applies	35% coinsurance annual deductible applies
M. Prescription Drugs 30-day supply of Tier 1, Tier 2, or Tier 3 prescription drugs, including insulin; or a 3-cycle supply of oral contraceptives.	\$15 tier one \$30 tier two \$50 tier three	\$15 tier one \$30 tier two \$50 tier three	\$15 tier one \$30 tier two \$50 tier three	\$15 tier one \$30 tier two \$50 tier three
N. Plan Maximum Out-of-Pocket Expense for Prescription Drugs (excludes Infertility) (single/family)	\$1,000/2,000	\$1,000/2,000	\$1,000/2,000	\$1,000/2,000
O. Plan Maximum Out-of-Pocket Expense (excluding prescription drugs) (single/family)	\$2,000/4,000	\$2,000/4,000	\$2,000/4,000	\$2,000/4,000

Emergency care or urgent care at a hospital emergency room or urgent care center out of the plan's service area or out of network is covered as described in sections C and E above.

Out-of-Network coverage is available only for members whose permanent residence is outside the State of Minnesota and outside the service areas of the health plans participating in Advantage. This category includes employees temporarily residing outside Minnesota on temporary assignment or paid leave [including sabbatical leaves] and all dependent children, including college students, and spouses living out of area). These members pay a \$350 single or \$700 family deductible (separate and distinct from the deductibles listed in section B above) and 30% coinsurance to the out-of-pocket maximums described in section O above. Members pay the drug copayment described at section M above to the out-of-pocket maximum described at section N.

A standard set of benefits is offered in all PEIP Advantage Plans. There are still some differences from plan to plan in the way that benefits are administered, and in the referral and diagnosis coding patterns of primary care clinic

Minnesota Public Employees Insurance Program (PEIP) Advantage Health Plan

2013 - 2014 Benefits Schedule

HSA Compatible

2013 – 2014 Benefit Provision	Cost Level 1 – You Pay	Cost Level 2 – You Pay	Cost Level 3 – You Pay	Cost Level 4 – You Pay
A. Preventive Care Services <ul style="list-style-type: none"> Routine medical exams, cancer screening Child health preventive services, routine immunizations Prenatal and postnatal care and exams Adult immunizations Routine eye and hearing exams 	Nothing	Nothing	Nothing	Nothing
B. Annual First Dollar Deductible * Combined Medical/Pharmacy (single coverage) Combined Medical/Pharmacy (family coverage)	\$1,500 \$2,500 per family member \$3,000 per family	\$2,000 \$3,200 per family member \$4,000 per family	\$3,000 \$4,800 per family member \$6,000 per family	\$4,000 \$6,400 per family member \$8,000 per family
C. Office visits for Illness/Injury, for Outpatient Physical, Occupational or Speech Therapy, and Urgent Care <ul style="list-style-type: none"> Outpatient visits in a physician's office Chiropractic services Outpatient mental health and chemical dependency Urgent Care clinic visits (in or out of network) 	\$25 copay per visit annual deductible applies	\$35 copay per visit annual deductible applies	\$45 copay per visit annual deductible applies	\$55 copay per visit annual deductible applies
D. Convenience Clinics	\$20 copay annual deductible applies	\$20 copay annual deductible applies	\$20 copay annual deductible applies	\$20 copay annual deductible applies
E. Emergency Care (in or out of network) <ul style="list-style-type: none"> Emergency care received in a hospital emergency room 	\$100 copay annual deductible applies	\$100 copay annual deductible applies	\$100 copay annual deductible applies	40% coinsurance annual deductible applies
F. Inpatient Hospital Copay	\$200 copay annual deductible applies	\$400 copay annual deductible applies	\$800 copay annual deductible applies	40% coinsurance annual deductible applies
G. Outpatient Surgery Copay	\$100 copay annual deductible applies	\$200 copay annual deductible applies	\$400 copay annual deductible applies	40% coinsurance annual deductible applies
H. Hospice and Skilled Nursing Facility	Nothing after annual deductible	Nothing after annual deductible	Nothing after annual deductible	Nothing after annual deductible
I. Prosthetics and Durable Medical Equipment	20% coinsurance annual deductible applies	25% coinsurance annual deductible applies	30% coinsurance annual deductible applies	40% coinsurance annual deductible applies
J. Lab (including allergy shots), Pathology, and X-ray (not included as part of preventive care and not subject to office visit or facility copayments)	20% coinsurance annual deductible applies	25% coinsurance annual deductible applies	30% coinsurance annual deductible applies	40% coinsurance annual deductible applies
K. MRI/CT Scans	20% coinsurance annual deductible applies	25% coinsurance annual deductible applies	30% coinsurance annual deductible applies	40% coinsurance annual deductible applies
L. Other expenses not covered in A – K above, including but not limited to: <ul style="list-style-type: none"> Ambulance Home Health Care Outpatient Hospital Services (non-surgical) <ul style="list-style-type: none"> Radiation/chemotherapy Dialysis Day treatment for mental health and chemical dependency Other diagnostic or treatment related outpatient services 	20% coinsurance annual deductible applies	25% coinsurance annual deductible applies	30% coinsurance annual deductible applies	40% coinsurance annual deductible applies
M. Prescription Drugs 30-day supply of Tier 1, Tier 2, or Tier 3 prescription drugs, including insulin; or a 3-cycle supply of oral contraceptives.	\$20 tier one \$35 tier two \$60 tier three annual deductible applies	\$20 tier one \$35 tier two \$60 tier three annual deductible applies	\$20 tier one \$35 tier two \$60 tier three annual deductible applies	\$20 tier one \$35 tier two \$60 tier three annual deductible applies
N. Plan Maximum Out-of-Pocket Expense (including prescription drugs) (single/family)	\$4,000/8,000	\$4,000/8,000	\$4,000/8,000	\$4,000/8,000

Emergency care or urgent care at a hospital emergency room or urgent care center out of the plan's service area or out of network is covered as described in sections C and E above.

Out-of-Network coverage is available only for members whose permanent residence is outside the State of Minnesota and outside the service areas of the health plans participating in Advantage. This category includes employees temporarily residing outside Minnesota on temporary assignment or paid leave (including sabbatical leaves) and all dependent children, including college students, and spouses living out of area. These members pay a \$1,500 single or \$3,000 family deductible (separate and distinct from the deductibles listed in section B above) and 30% coinsurance to the out-of-pocket maximums described in section N above. Members pay the drug copayment described at section M above to the out-of-pocket maximum described at section N.

A standard set of benefits is offered in all PEIP Advantage Plans. There are still some differences from plan to plan in the way that benefits are administered, and in the referral and diagnosis coding patterns of primary care clinics.

*The family Deductible is the maximum amount that a family has to pay in deductible expenses in any one calendar year. The family Deductible is not the amount of expenses a family must incur before any family member can receive benefits. Individual family members only need to satisfy their individual deductible once to be eligible for benefits. Once the family Deductible has been met, deductible expenses for the family are waived for the balance of the year.

AGENDA ITEM: Negotiation Study Session

MEETING DATE: September 22, 2014

SUGGESTED DISPOSITION: Discussion Item

CONTACT PERSON: Chris Picha, Director of Human Resources
Dr. Wayne Kazmierczak, Director of Finance and
Operations

Background:

Chris Picha and Wayne Kazmierczak will provide an update on negotiations.

This portion of the meeting may be closed to consider strategy for labor negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals, conducted pursuant to Minnesota Statutes 179.A.01 to 179.A.25.