



P.O. Drawer 140, 100 Central Circle  
 Low Moor, VA 24457  
 540-863-1800 540-863-1804 fax

**DATE: March 20, 2017**

**ACTION ITEM**

<b><i>SUBJECT</i></b>	<b>Health Insurance Provider</b>
<b><i>RATIONALE</i></b>	The Commonwealth of Virginia Local Choice health benefits program provides medical, dental, vision, and wellness coverage to local governments and school divisions. Allegheny County Public Schools has been a participant in this program since 2010. Application to continue in the program for fiscal year 2018 must be received by the Virginia Department of Human Resource Management no later than April 1, 2017. The administration recommends that the school division continue to participate in The Local Choice, to continue to offer the Key Advantage 250 and Key Advantage 1000 plans, and to add a High Deductible Health Plan/Health Savings Account option for a total of three plan offerings.
<b><i>ESTIMATED COSTS</i></b>	Additional FY2018 costs of \$132,672
<b><i>BUDGET CATEGORY</i></b>	Personnel benefits
<b><i>LEGAL REFERENCE</i></b>	N/A
<b><i>STAFF CONTACTS</i></b>	Keven Rice and Fred Vaughan
<b><i>SUPERINTENDENT'S RECOMMENDATION</i></b>	Recommended

**ALLEGHANY COUNTY PUBLIC SCHOOLS  
FY18 HEALTH INSURANCE RATES WITH PREMIUM INCREASE**

**FUND 1 ONLY  
March 3, 2017**

FY2017 KA250 With Comprehensive Dental					
Plan	Monthly Premium	Employee Contrib	Employer Contrib	Number Of Plans	Employer Ann Cost
Single	\$677	\$114	\$563 83.16%	121	\$817,476
Dual	\$1,252	\$559	\$693 55.35%	26	\$216,216
Family	\$1,828	\$928	\$900 49.23%	7	\$75,600
Dual - Both	\$1,252	\$126	\$1,126 89.94%	5	\$67,560
Family - Both	\$1,828	\$702	\$1,126 61.60%	2	\$27,024
<b>Total</b>				<b>161</b>	<b>\$1,203,876</b>

**ALLEGHANY COUNTY PUBLIC SCHOOLS  
FY18 HEALTH INSURANCE RATES WITH PREMIUM INCREASE**

**FUND 1 ONLY  
March 3, 2017**

FY2017 KA1000 With Comprehensive Dental					
Plan	Monthly Premium	Employee Contrib	Employer Contrib	Number Of Plans	Employer Ann Cost
Single	\$588	\$54	\$534 90.82%	30	\$192,240
Dual	\$1,088	\$310	\$778 71.51%	21	\$196,056
Family	\$1,588	\$683	\$905 56.99%	19	\$206,340
Dual - Both	\$1,088	\$0	\$1,088 100.00%	2	\$26,112
Family - Both	\$1,588	\$462	\$1,126 70.91%	2	\$27,024
<b>Total</b>				<b>74</b>	<b>\$647,772</b>

FY2018 KA250 - 7.5% Increase with New Option - Recommendation					
Plan	Monthly Premium	Employee Contrib	Employer Contrib	Number Of Plans	Employer Ann Cost
Single	\$728	\$154	\$574 78.85%	121	\$833,448
Dual	\$1,347	\$529	\$818 60.73%	26	\$255,216
Family	\$1,966	\$904	\$1,062 54.02%	7	\$89,208
Dual - Both	\$1,347	\$199	\$1,148 85.23%	5	\$68,880
Family - Both	\$1,966	\$818	\$1,148 58.39%	2	\$27,552
<b>Total</b>				<b>161</b>	<b>\$1,274,304</b>
			<b>Increase/(Decrease)</b>		<b>\$70,428</b>

FY2018 KA1000 - 7.5% Increase With New Option - Recommendation					
Plan	Monthly Premium	Employee Contrib	Employer Contrib	Number Of Plans	Employer Ann Cost
Single	\$631	\$57	\$574 90.97%	30	\$206,640
Dual	\$1,167	\$349	\$818 70.09%	21	\$206,136
Family	\$1,704	\$642	\$1,062 62.32%	19	\$242,136
Dual - Both	\$1,167	\$19	\$1,148 98.37%	2	\$27,552
Family - Both	\$1,704	\$556	\$1,148 67.37%	2	\$27,552
<b>Total</b>				<b>74</b>	<b>\$710,016</b>
			<b>Increase/(Decrease)</b>		<b>\$62,244</b>

FY2018 Financial Impact Summary - New Option - Recommend				
Plan	Cost Impact	KA250	KA1000	HD/HSA
Single	Employee Monthly Inc/(Dec)	\$40	\$3	(\$114)
	Sch Brd Annual Inc/(Dec)	\$15,972	\$14,400	\$0
Dual	Employee Monthly Inc/(Dec)	(\$30)	\$39	(\$398)
	Sch Brd Annual Inc/(Dec)	\$39,000	\$10,080	\$0
Family	Employee Monthly Inc/(Dec)	(\$24)	(\$41)	(\$562)
	Sch Brd Annual Inc/(Dec)	\$13,608	\$35,796	\$0

Dual and Family Both Work have 2 times the highest employer contribution to single coverage applied to the premium up to the full cost of said premium.

Dual - Both	Employee Monthly Inc/(Dec)	\$73	\$19	(\$126)
	Sch Brd Annual Inc/(Dec)	\$1,320	\$1,440	\$0
Family - Both	Employee Monthly Inc/(Dec)	\$116	\$94	(\$422)
	Sch Brd Annual Inc/(Dec)	\$528	\$528	\$0
	<b>School Brd Cost KA250</b>	<b>\$70,428</b>	<b>\$62,244</b>	<b>\$0</b>

**ALLEGHANY COUNTY PUBLIC SCHOOLS  
FY18 HEALTH INSURANCE RATES WITH PREMIUM INCREASE**

**FUND 1 ONLY  
March 3, 2017**

FY2017 High Deductible Comprehensive Dental					
Plan	Monthly Premium	Employee Contrib	Employer Contrib	Number Of Plans	Employer Ann Cost
Single	This plan is not currently offered by ACPS.				
Dual					
Family					
Dual - Both					
Family - Both					
<b>Total</b>					

FY2018 High Deductible - 7.5% Increase With New Option - Recommendation					
Plan	Monthly Premium	Employee Contrib	Employer Contrib	Number Of Plans	Employer Ann Cost
Single	\$529	\$0	\$529	0	\$0
Dual	\$979	\$161	\$818	0	\$0
Family	\$1,428	\$366	\$1,062	0	\$0
Dual - Both	\$979	\$0	\$979	0	\$0
Family - Both	\$1,428	\$280	\$1,148	0	\$0
<b>Total</b>				0	\$0
			Increase/(Decrease)		\$0
				<b>SB Total</b>	\$132,672

The High Deductible plan monthly employee increase/(decrease) calculation compares the High Deductible plan employee cost to the KA250 plan since we do not currently offer the High Deductible plan.

The High Deductible plan will be set up as a Health Savings Account with the corresponding tax benefits. Employees who enroll in the High Deductible Health Savings Account option will receive a one-time deposit of \$500 into their account (initial enrollment only).