



2 0 1 7
Employee
Benefits



DSEHP
DEARBORN SCHOOLS EMPLOYEE
HEALTHCARE PROGRAM
DFT - DEARBORN FEDERATION OF TEACHERS
DFSE - DEARBORN FEDERATION OF SCHOOL EMPLOYEES
ADSA - ASSOCIATION OF DEARBORN SCHOOL ADMINISTRATORS
DSOEA - DEARBORN SCHOOLS OPERATING ENGINEERS ASSOCIATION

DFSE

A Complete
Benefits Package
for Your Complete
Life

Confidentiality Statement

At Gallagher Benefit Services, Inc. we pride ourselves on the skills, experience and integrity of our employees, our intellectual capital, and the results we achieve for our clients and their enrollees. We work diligently to ensure the work we do meets and exceeds your objectives as our client.

The intent of this presentation is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide, legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.

Agenda

- I. DSEHP = Dearborn School Employees Healthcare Program
- II. Wellness Calendar
- III. Open Enrollment
- IV. Benefit Overview
- V. Next Steps
- VI. Q. & A.



DSEHP

Union Sponsored, Union Benefits

Organizational Chart

DSEHP VEBA Trust

President – Chris Sipperley, DFT
Vice President – Tom Hand, DSOEA
Secretary – Rene Ziaja, DFSE
Treasurer – Andrew Denison, ADSA

DSEHP Wellness Committee

Chairperson – Sean Jones, DSOEA
Recording Secretary – Chris Sipperley, DFT
Dana Addis, ADSA
Rene Ziaja, DFSE
Kathryn Straith-Johnson, DFSE
Kathleen McCormick, DFT
Jane Mazza, DFT
Kim Nicholson, Gallagher

DFT Charter

President – Chris Sipperley
Consultant – Kim Nicholson
HCA – Kathleen McCormick
Member – Kimberly O'Rourke
Member – Debbie Cummins

DFSE Charter

President – Rene Ziaja
Consultant – Kim Nicholson
HCA – Christine Leonard
Member – David Williams
Member – Matt Osinski

DSOEA Charter

President – Tom Hand
Consultant – Kim Nicholson
HCA – Gary Schilbe
Member – Arthur Trezil
Member – David Murphy

ADSA Charter

President – Andy Denison
Consultant – Kim Nicholson
HCA – Veronica Williams-Jakubus
Member – Dana Addis
Member – Chadi Farhat

Wellness Events 2017-2018

August

Homecoming Wellness Books to Youth -Booth

September

HAP - Sleep for Your Health (1 hour)

October

Health Fair

- 1 DSEHP Union Information Booth & Move Well Registration
- 2 HAP - Flu Shots
- 3 Delta - Booth Activity
- 4 HAP- BMI and Blood Pressures
- 5 HAP-Healthy Cooking Demonstration
- 6 HAP- 2 Massage Chairs
- 7 HAP - Biomechanical Assessment (2 People)
- 8 DPS Students - Vision Testing

November

HAP - Move Well (4 Week) Program

December

HAP- Financial Fitness (1 hour)

January

Biggest Loser Program (8-15 weeks)

HAP - On-site Exercise (4-6 week)

February

HAP-Cooking Well (4 week)

April

HAP-Stress Management (1 hour)

MARSP

Couch to 5K - Advertising Only

May

HAP-Be a Wise HealthCare Consumer (1 hour)

Open Enrollment

- ❑ May 1st to May 22nd Employee Registration
- ❑ May 23rd to May 31st Employee Verification
- ❑ All Employees Must Complete an On-line Enrollment Form including those with Medical Waivers.
- ❑ Enrollment Elections are Locked in unless a federally approved life event occurs.
- ❑ **Failure to submit a 2017 Enrollment Form will result in NO COVERAGE (i.e. opting out of the plan for the 2017 plan year and no Cash in Lieu payment)**

VERIFY VERIFY VERIFY

**REMEMBER TO REVIEW AND VERIFY WHAT
YOU ENROLLED IN.**

**THE DSEHP CANNOT BE RESPONSIBLE FOR
MISSING DEPENDENTS OR COVERAGE.**

ONLY YOU ARE.

Benefit Review

PA 152 & Plan Cost - Current Medical Plan Per Month

HAP-DFSE, DSOEA	July 2016 through June 2017	July 2017 through June 2018	Rate Difference in Dollars	PA 152 2017 Increase	Census	Variance
Single	\$575.56	\$612.40	\$36.84	\$16.89	150	\$19.95
Two Person	\$1151.13	\$1224.80	\$73.67	\$35.32	144	\$38.35
Family	\$1569.74	\$1670.21	\$100.47	\$46.07	162	\$54.40

This variance amounts to

\$207,932.40

that would be the responsibility to the members with no changes to benefits.

District Comparison - Neighboring Districts

Census	Taylor 2017	Hamtramck 2016-17	DSEHP 2016	DSEHP 2017
Single 482	\$733.68	\$1,584.40	\$404.86	\$515.75
Two Person 403	\$3,719.16	\$3,644.10	\$861.68	\$1085.15
Family 919	\$3,931.20	\$4,119.40	\$1066.64	\$1388.00
Employee Cost Annualized based on census	\$5,465,228	\$6,017,981	\$1,522,644	\$1,961,484

What's Changing in Benefit Design?

- Medical –
 - No Change in Coverage
- Dental
 - No Change in Coverage
- Vision
 - No Change in Coverage
- Medical Waivers
 - No Change
- F.S.A. – Flexible Spending Account
 - No Change

Refer to Employee Packet for Details

Co-Pay Changes

HAP- DFSE, DSOEA	SERVICE TYPE	July 2015 through June 2016	July 2016 through June 2017
Medical	PHP/MHSA Visit	\$20	\$20
	Specialist	\$30	\$30
	Urgent Care	\$40	\$40
	Emergency Room	\$200	\$200
	SNF	100 days	100 days
	Deductible	\$250/500	\$250/500
Prescription	Generic	\$10	\$10
	Preferred	\$30	\$30
	Non-Preferred	\$50	\$50

“The contents of this presentation is intended for use as an easy to read summary only. It does not constitute a contract. Additional limitations and exclusions may apply. For an official description of benefits, please refer to each carrier’s official certificate/benefit guide.”

Employee Contributions - Monthly 2017-2018

	Single	Two Person	Family
Medical	\$59 Monthly (Per Pay \$35.40 based on 20 pays *)	\$119 Monthly (Per Pay \$71.40 based on 20 pays *)	\$159 Monthly (Per Pay \$95.40 based on 20 pays *)
Dental	\$0	\$0	\$0
Vision	\$0	\$0	\$0

* Regardless of how you seek care from July 2017 to June 2018, these amounts will be deducted from your pay starting in September 2017 and ending June 2018.

The UNKNOWN is what services or care you and your family will seek from slide above.

Deductible - REMINDER

- Calendar Year
 - January 1, 2017 to December 31, 2017
 - Deductible Starts Over
 - Single Deductible \$250.00
 - Two Person/Family \$500.00
 - January 1, 2018 to December 31, 2018
 - Deductible Starts Over
 - Single Deductible \$250.00
 - Two Person/Family \$500.00

Flexible Spending Accounts (FSA)

- Every dollar you put in your Flex plan, reduces your W-2 wages.
- Taxes are based on W-2 wages, therefore you avoid all taxes on these dollars.
 - + All federal taxes
 - + All state taxes *(and local taxes if applicable)*
 - + Social Security and Medicare Taxes

= You save 25-40% of your Flex Dollars

- Check list of eligible expenses for items and services you need
- When in doubt, under-estimate!
- Remember:
 - Annual maximum for health care: \$2,500
 - Annual maximum for dependent care: \$5,000



FSA - Tax Advantage

Examples of Tax Savings

	Using the Reimbursement Account		Without the Reimbursement Account
	\$30,000.00	Gross Salary	\$30,000.00
	<u>\$ 1,000.00</u>	FSA Deduction	<u>\$ 0.00</u>
	\$29,000.00	Taxable Salary	\$30,000.00
	<u>\$ 7,830.00</u>	Taxes Owed (27%)	<u>\$ 8,100.00</u>
	\$21,170.00	Net Income	\$21,900.00
	\$ 0.00	After-Tax Expenses	\$ 1,000.00
	<u>\$21,170.00</u>	Spendable Income	<u>\$20,900.00</u>
	\$ 270.00	Savings	\$ 0.00

Voluntary Benefits-Optional

These benefits are available to you on an optional basis. They are not employer paid and do not affect any of the employer provided benefits or our Collective Bargaining Agreement. All Voluntary benefits will roll over automatically if no change requested.

- Critical Illness
- Accident Insurance
- Short Term Disability
- Life Insurance

Voluntary – Critical Illness Insurance

Guardian Critical Illness Insurance



Financial protection to help you cope

Worry less about how to pay your illness-related expenses and concentrate more on your recovery.

- For just a few dollars a month, it pays you **in addition to your medical insurance**, no matter what type of plan you have
- Guardian pays you **cash benefits** based on each covered diagnosis
- The cash benefits are **paid directly to you** and you decide how to use them

How it works:

- Sue suffers a heart attack and receives \$10,000
- Three years later, she has a stroke and receives \$10,000
- Sue received \$20,000 to help offset out-of-pocket costs, enabling her to focus on recovery.

Illnesses can you cost thousands you of dollars — even with medical insurance.

- Every minute of each day, an American becomes seriously ill¹
- More than 5.7 million patients are admitted annually to intensive care units (ICUs) in the United States²

Are you financially prepared to cover the out-of-pocket costs and other expenses?

- Average out-of-pocket expenses for illnesses can be up to **\$5,000 per year**³
- 63%** of Americans **with** medical insurance lost all their savings to out-of-pocket medical costs⁴
- The out-of-pocket costs to treat a serious illness is the **primary cause of personal bankruptcies** for Americans — even with medical insurance!⁵



Benefit Plan Overview	
Employee Benefit	Choose From 2 Options: \$5,000 or \$10,000
Spouse Benefit	50% of Employee Benefit, up to \$5,000
Child(ren) Benefit, up to age 26	25% of Employee Benefit, up to \$2,500
Portability Privileges	Included
Pre-Existing Condition Limitation	3 Month Look-back Period for 1 st 12 Months on Plan
Evidence of Insurability	You must provide Evidence of Insurability if you waived this coverage when initially offered
Wellness Benefit - \$50 Per Year	Included for Employee, Spouse & Child

Guardian makes it easy

- Affordable group rates
- Convenient payroll deduction
- Take the coverage with you if you leave your current employer



1. Google Consumer Survey for personal finance website GOseekingRates.com, 2015.
 2. Society of Critical Care Medicine, <http://www.sccm.org/Communications/Pages/CriticalCareStats.aspx>.
 3. <http://www.bankrate.com/finance/insurance/coping-with-out-of-pocket-health-care-cost-3.aspx>.
 4. Kaiser Family Foundation and the Health Research & Educational Trust, 2015.
 5. NerdWallet Health, 2013, <https://www.nerdwallet.com/blog/health/medical-bankruptcy/>.

Voluntary - Group Accident Insurance

Guardian Accident Insurance



An accidental injury can seriously impact your finances

- For a few dollars a month, Accident Insurance **supplements your medical plan** — no matter what other insurance you have
- Cash is paid directly to you**, based on covered injuries, treatments and services
- Use the money for any purpose**, whether for medical or non-medical expenses
- 20% increase** in your benefit if a covered dependent child is injured while playing an organized sport



Accidents happen, to anyone at anytime — and could happen to you.

- Over 40 million Americans received emergency room treatment for an accidental injury last year¹

Medical insurance doesn't cover everything — recovering from an injury could cost you thousands of dollars.

- The average cost of an injury from a fall is **\$30,000**²
- The average cost of an emergency room visit in the U.S. is **\$2,168**³



Do you have enough savings to cover your share of the costs?

- 63%** of Americans **with** medical insurance used all their savings for out-of-pocket medical costs⁴

How it works*

While John was hiking in a local park, he fell and tore the cartilage in his knee. He went to the hospital ER for treatment. The doctor gave him a brace and scheduled him for a follow up visit

Ambulance	\$100	Knee Brace	\$100
Hospital Admission	\$750	X-ray	\$20
Emergency Room Visit	\$150	Knee Cartilage Tear	\$500
Hospital Confinement – 2 days	\$350	6 Follow-up Visits with Dr.	\$150
Medical Resonance Imaging (MRI)	\$100		

Total Cash Benefit Paid to John: \$2,220

Guardian makes it easy

- No health or medical questions to answer
- Affordable group rates
- Convenient payroll deduction
- Take the coverage with you if you leave
- Elect coverage for you, your spouse & your children

1

1. CDC Centers for Disease Control and Prevention, <http://www.cdc.gov/nchs/teosats/hospital.htm>, 2005
 2. National Safety Council Injury Facts, 2013
 3. How Much Does It Cost to Go to the ER?, 2013, <http://www.theatlantic.com/health/archive/2013/03/how-much-does-it-cost-to-go-to-the-er/273299/>
 4. Kaiser Family Foundation and the Health Research & Educational Trust, 2015.



Voluntary - Disability

Guardian Disability Insurance



Why do you need Short-Term Disability insurance?

If you depend on your income, you should consider...

- For just a few dollars a month, you can help to provide a financial safety net for yourself and those who depend on you
- Replaces a portion of your income if you become seriously ill or injured
- Enrollment at the workplace is affordable with convenient payroll deductions
- Fast claims payments



You might underestimate your risk of a disabling illness or injury

- Over 50% of disabled Americans are between ages 18 – 64¹
- 95% of disabilities are not covered by Workman's Compensation plans¹

50% of Americans would have financial difficulties within a month of being disabled, and one in four would have problems immediately²



	Benefit Plan Overview
Coverage amount	Flat Weekly Options Ranging from \$200 to \$750 per Week
Maximum Payment Period	26 weeks
Accident Benefits Begin	Day 1
Illness Benefits Begin	Day 8
Pre-Existing Condition Limitation Benefits Limited to 2 Weeks for Pre-Existing Conditions	3 Month Look-back Period for 1 st 12 Months on Plan
Evidence of Insurability	You must provide Evidence of Insurability if you waived this coverage when initially offered

Guardian makes it easy

- Affordable group rates
- Convenient payroll deduction
- Extensive resources and support help you get back to work and a productive life.
- Timely, efficient claims review and payment

1

1. Council for Disability Awareness, 2015 http://www.disabilitycanhappen.org/chances_disability/
2. Life Happens study, 2015.



Voluntary - Life Insurance



Guardian Life Insurance

Keep your family and finances safe with Voluntary Life Insurance

Life insurance is not just about final expenses.

50% of US households would suffer significant financial impact from the loss of their primary wage earner¹

A general guideline is to have a policy equal to five to seven times your annual salary:

- Provides a benefit to help pay expenses and provide financial security for those who depend on you.
- Three unique benefits only life insurance provides:
 - Paid directly to your beneficiaries
 - Generally, not subject to income taxes
 - The value is not affected by market conditions
- Flexible coverage that you can update as your life changes



Free Online WillPrep Services
Included for All Voluntary Life Members!



Guardian Benefits Enrollment Meeting

Online Enrollment Begins April 15th!
www.PlanSource.com/DSEHP
14 hours/day, 7 days/week

Good financial health and security begins with the benefits offered at your workplace

- Special fee for 4 those spend you
- Save the burden of out of pocket costs from an accident or illness
- Simplified enrollment through your benefit program
- Cost effective and convenient payroll deduction

	Benefit Plan Overview
Employee Benefit	8 Flat Options, ranging from \$5,000 to \$150,000
Spouse Benefit	50% of Employee Benefit, up to \$25,000
Child(ren) Benefit, up to age 26	10% of Employee Benefit, up to \$10,000
Portability & Conversion Privileges	Included
Evidence of Insurability	You must provide Evidence of Insurability if you waived this coverage when initially offered

Next Steps

- ❑ Review the Email address on file with Plan Source (NGE was acquired).
- ❑ Notification will be sent to you by email for the open enrollment process. The DSEHP will also be sending you a postcard reminder to your address on file.
- ❑ Complete the Appropriate Enrollment Process Between May 1st and May 22nd Utilizing One of These Methods
 - ❑ On-line
 - ❑ By Phone
 - ❑ On-Site, By Appointment Only
- ❑ Print and verify your confirmation statement of benefits for no changes are allowed after May 31, 2017



Failure to submit the 2017 Enrollment Form will result in NO COVERAGE (i.e. opting out of the plan for the July 2017 through June 2018 plan year)

VERIFY VERIFY VERIFY

**REMEMBER TO REVIEW AND VERIFY WHAT
YOU ENROLLED IN.**

**THE DSEHP CANNOT BE RESPONSIBLE FOR
MISSING DEPENDENTS OR COVERAGE.**

ONLY YOU ARE.



Q & A

