HEALTH TRUST REPORT CARD

The Rensselaer-Columbia-Greene Health Insurance Trust—Bringing the Power of 23 Districts Together

The Board of Trustees takes its responsibilities very seriously—providing economies of scale to our school Districts as we obtain health insurance and prescription drug services, assessing ways to improve the quality of the benefits offered while maintaining contribution rates at or below the national trends, and providing sound management of our health plans.

Our Mission: To benefit member Districts by providing access to comprehensive, high quality, cost-effective health care services.

While each district negotiates with its unions independently, it is critical that they do so with the best information available—the Board plays a key role in providing that information for the Districts and our members.

This 2013 issue of the **Health Trust Report Card** provides updates on:

- Employer Obligations under the Patient Protection and Affordable Care Act (PPACA) also known as "health care reform" or "ObamaCare;"
- A change to our Pharmacy Benefit Manager effective August 1, 2013; and
- The current status of our wellness initiatives.

We hope you find this information useful.

Sincerely,

The Board of Trustees

Where Do We Stand with Health Care Reform, and What's Next?

What the Trust Has Been Doing: The RCG Health Insurance Trust has been addressing the new health plan benefits and administration requirements under the Patient Protection and Affordable Care Act (PPACA) over the past three years, including:

- Extending eligibilty for dependents to age 26;
- Covering certain preventive services at 100%; and
- Removing annual limits from what the PPACA calls "essential benefits."

These changes have been incorporated into the Trust's plan design and finances.

There are also a number of administrative requirements where the Trust will be helpful to Districts such as working with carriers to provide Summary(ies) of Benefits and Coverage of each medical plan, releasing Notices of the Exchanges, and confirmation that benefits available to employees meet or exceed the PPACA's required minimum value. Let the Trust know if you would like more information.

What Districts Need to Do: Districts are required to tell their members whether their health care coverage is considered affordable and adequate, and if it is, that they are most likely not eligible for any form of premium assistance.

Districts must also make sure that affordable coverage is offered to 95% of all full-time employees. These requirements are collectively called the "Shared Responsibility Penalty" and they impose fees on employers that do not provide health care coverage in a manner defined by PPACA.

The Internal Revenue Service (IRS) recently allowed a one-year delay of the employer penalty from 2014 to 2015, allowing Districts more time to assess their data, and avoid facing a penalty.

Only Districts have the knowledge to avoid the penalty: Since the Trust does not have information on Districts' employees' earnings and employment patterns, nor have direct knowledge of collective bargaining agreements, the Trust is unable to assist Districts in addressing these issues. How these requirements apply to a particular District's employment pattern is complicated. More importantly, PPACA requirements can be addressed in many different ways and the optimal solutions will depend on each District's benefit philosophy and collective bargaining relationship, as well as its employment pattern.

How the Trust is helping: In June 2013, the Trust led an informational session for all Districts that presented the requirements with the expectation that Districts would take this information and apply it, in consultation with their legal counsel and Boards of Education, in the most appropriate ways to address their unique needs.

For example, there are rules regarding measuring employees' income to determine affordability and how to measure if an employee with variable hours, like a substitute teacher, is a full-time or part-time employee. We encourage Districts to review the outline that was presented at the June session with their legal counsel and Boards of Education to develop an approach to properly define and measure these elements. Contact the Trust if you have any questions.

What is the Shared Responsibility Penalty?
Here is a brief summary of the requirements that surround testing a District's workforce relative to two parts of the penalty, expressed in Section 4980H of the PPACA:

- **4980H (a):** This penalty applies 1) if a large employer does not offer to at least 95% of its "full-time" employees and dependent children to age 26 the opportunity to enroll in "minimum essential coverage," and 2) at least one full-time employee obtains a subsidy to buy coverage on the exchange. **The penalty is $2,000 a year times EACH of an employer's full-time employees** minus the first 30 full-time employees. The penalty will be adjusted for inflation in future years.

- **4980H (b):** This penalty applies if a large employer offers to at least 95% of its full-time employees (and their dependent children) an opportunity to enroll in minimum essential coverage, but at least one full-time employee obtains a subsidy to buy coverage on the exchange because the employer's coverage is considered to be either **unaffordable** or of **low-value. The penalty is $3,000/year times each full-time employee who is certified to receive a subsidy** (adjusted for inflation in future years).

What Members Need to Know About Marketplaces: One of the key features of the Affordable Care Act is the Health Insurance Marketplace that offers individual healthcare coverage options for the uninsured. Open enrollment in the Marketplace begins on October 1, 2013. What you should know is that the Health Insurance Marketplace open enrollment is only for those who wish to explore other health coverage options; it has nothing to do with the coverage you receive through your District and the Trust.

New Pharmacy Benefit Manager—Blue Shield of New York

In December of 2012, the Trust began assessing the administration of the RCG Trust's self-funded pharmacy benefits. The Pharmacy Benefit Manager (PBM) was Express-Scripts, Inc.

Large group health plans (like the Trust) generally find it advantageous to "carve out" prescription drug benefits and directly contract with specialized firms for drug pricing, a pharmacy network and specialized prescription drug care management rather than obtain those services through the various health benefits providers. That is why most of the Trust's plan offerings have a separate PBM.

The Trust released a Request for Proposal (RFP) to Express-Scripts, Blue Shield of Northeastern New York, Catamaran, CVS/Caremark, New York State Municipal Benefit Coalition, Optum and Pharmacy Benefit Dimensions. Blue Shield of Northeastern New York was asked to submit a proposal because they have an arrangement with Express-Scripts available to their large group health plans.

The responses to the RFP gave insights into the different pharmacy networks, the formularies and the discounts and rebates offered by each of the vendors. The most competitive proposals were submitted by Blue Shield of Northeastern New York, Catamaran and Optum, with the direct Express Scripts renewal offer coming in fourth in financial terms.

The decision was made to move the Trust's pharmacy benefit program to Blue Shield of Northeastern New York. This will both maximize the financial savings and prevent any disruption to the Trust membership because of our current data relationship with Express-Scripts.

The new program was implemented on August 1, 2013 and we continue to monitor the transition.

New Pharmacy Benefits Manager **Effective August 1, 2013, the Trust selected Blue Shield of Northeastern New York to be our new pharmacy benefits manager. This decision was made after a comprehensive review of the capabilities and costs of a number of candidates. Blue Shield of Northeastern New York has provided our members with a seamless transition and quality and affordable prescription drug benefit options.**

Wellness—What Are We Doing; What's Working?

Last year we highlighted what many Districts were doing along the wellness front. Wellness programs are designed to improve the health of those who participate, preventing people from developing high-risk health factors such as obesity, high blood pressure, diabetes, high cholesterol and chronic heart disease.

Over the past two years, employees from Schodack Central, Taconic Hills, Troy City, Hudson City and other Districts engaged in a number of wellness initiatives such as:

- A clinical review of population risk drivers
- An employee interest survey, to find out what programs piqued employees' interests
- Meetings and consultations with district wellness committees
- Voluntary, totally confidential personal health assessments
- Health improvement challenges, such as walking or weight loss programs
- Student activities such as Field Days
- Educational wellness seminars
- Fitness classes
- Health fairs

Designed to help employees and their family members understand, maintain, and improve their health, many of these options were made available at no cost and were tailored specifically to each District.

So How Did We Do?

One example of a District taking their wellness programs seriously in 2013 is Greenville Central School District. In addition to Weight Watchers, Zumba, Breast Cancer Awareness education and workshops on everything from exercise to nutrition to how to get a good night's sleep, Greenville launched a "Lose to Win Challenge"—a nine-week exercise and weight loss program that pitted teams of three to six members against each other and themselves.

Here are some of the results:

- More than 80 employees participated on 18 teams;
- They lost more than 620 pounds; and
- They lost 3.74% of their total starting weight.

While weight loss is only one aspect of wellness, it has a tremendous impact on other health risk factors such as diabetes, high blood pressure and high cholesterol.

Way to go Greenville CSD! By losing, you're the real winners!

MEET THE BOARD

The Board of Trustees are elected by the 23 member Districts to oversee the Trust. They perform these duties in addition to their regular responsibilities and meet monthly to approve the direction of the Trust.

The RCG Health Insurance Trustees are:

Tammy Sutherland, Chairperson
Leslie Copleston, Vice Chairperson
Harry Hadjioannou, Treasurer
Lyn Derway
Sally Shield
Karen McGraw
Kate Farrell

Advisory Members to the Trust are:

Mark Notarnicola/NYSUT Representative
John Wilary/NYSUT Representative
Beth Whitney/SAANYS Representative

Let us know if you have any questions or suggestions. You can reach us by email at **RCGHealthTrust@questar.org.**

THE BOARD OF TRUSTEES' GOALS FOR 2013 TO 2014

1. **Assist districts in implementing requirements of the Affordable Care Act.**
2. **Expand our communication by holding informational presentations for Superintendents and Business Officials in the fall at their respective meetings as well as continue to provide monthly updates on Trust initiatives and accomplishments.**
3. **Continue to expand Wellness initiatives.**
4. **Continue Preferred Plan implementation and integration.**