COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LABOR RELATIONS BOARD

In the Matter of Impasse Between the

YORK CITY SCHOOL DISTRICT,

"Public Employer,"

-and-

YORK CITY EDUCATION ASSOCIATION,

"Association."

Case No. ACT 88-14-27-E

REPORT
AND
RECOMMENDATIONS

Before
Robert C. Gifford, Esq.
Fact Finder

Appearances:

For the Employer:
Marc G. Tarlow, Esq.
Shumaker Williams

For the Association:
Christopher Wolf, UniServ Representative
Pennsylvania State Education Association

Pursuant to Act 88 of 1992 ["Act 88"] and the Public Employe Relations Act ["PERA"], I was appointed by the Pennsylvania Labor Relations Board ["PLRB" or "Board"] on September 16, 2014, as the Fact Finder in the impasse between the York City School District [the "Employer" or "District"] and the York City Education Association [the "Association"], a unit comprised of approximately 310 professional employees as of the 2013-2014 school year.

The parties' collective bargaining agreement expired on June 30, 2013 but was extended through terms contained in a memorandum of understanding for 2013-2014. The parties commenced negotiations for a successor agreement in October 2013. Their bargaining included the assistance of a mediator. The parties' bargaining committees reached two (2) separate tentative agreements, but each one was rejected by the Association's membership – the first one was rejected in November 2013, the other in June 2014. The issues in dispute therefore remained unresolved, and the Association initiated a request for fact finding.

On October 14, 2014, a fact-finding hearing was held in York at which time the parties were afforded the opportunity to present testimony, examine and cross-examine witnesses, introduce documentary evidence, and argue orally in support of their respective positions on the unresolved issues.

ISSUES

The Association presented the following issues for Fact Finding:

1. II Term – 2 year
2. VI Grievances – expedited arbitration panel to be from PLRB
3. IXAssignment and Transfer – requested transfers should be honored
4. X School Day – status quo
   D. eliminated faculty meetings
   G. Length of Work Year – status quo
5. XVIII Leaves of Absence
   F. Sick Leave – allow the use of 5 days a year for family illness
   G. Personal leave – 3 days per year and can accumulate to 4
6. XX Salaries and Wages – up to 10% reduction from the 2014 rates contingent on health care and with updated financial information
   B. Initial Salary – no new hires above step 1
   C. Annual Salary – to be changed relative to any changes in school year
7. XXI Employee Benefits – to be determined once adequate information is obtained
8. XXVI Salary Schedule – Up to 10% reduction from the 2014 rates contingent on health care, and with updated financial information
9. Management Rights – as per current law
10. Termination of all past practices – status quo
11. Release time for Association president – 1 hour per day
12. Creation of a sick bank – to be jointly administered
13. Retirement Incentive – introduce per our last offer 15 years of service, and take PSERS, no sabbatical preceding, and no disability; then Health Care provided as per current employees for 5 years or Medicare
14. In addition to the issues above, the Association proposes the inclusion of contract language that prevents current school buildings from being operated by outside providers

The School District presented the following issues for Fact Finding:

1. Whether the CBA should reflect the directives of the Recovery Plan with respect to necessary savings, to improve staffing and other resources.
2. Term of four (4) years. (Art. II)
3. Expedited Arbitration of termination proceedings consistent with the AAA rules and practices.
4. Zipper clause and termination of all past practices.
5. Clear management rights clause.
6. Transfer language should remain unchanged. (Art. IX)
7. School day and year changes as directed under the Recovery Plan. (Art. X)
    a. Addition of 25 minutes to the School Day;
    b. Addition of 5 days to School Year for a total of 195 days.
8. Authority of the District to modify the School Day, both length and start time on an as-needed basis without payment of additional compensation. Authority to adjust start and end day at varying times in line with the District's analysis of the needs of the students. (Art. X)
9. Continue faculty meetings. (Art. X)
10. Flexibility to extend the School Year without additional compensation at the discretion of the District. (Art. X)
11. No change to leaves of absences. (Art. XVIII)
12. Salaries and wages to be reduced consistent with the formula in the Recovery Plan. Sufficient savings in benefits and salary to create a fund balance and to provide the necessary funding to hire additional staff, purchase of technology and training necessary to properly educate students. (Art. XXVI)
13. Employee benefits to be reduced in cost by 50%.
14. Merit pay plan, meaning no automatic step movement.
15. No release time for the union president.
16. No sick bank.
17. No retirement incentive.

DISCUSSION

24 P.S. Chapter 1, Article VI-A is entitled "School District Financial Recovery". This Article empowers the Secretary of the Department of Education to declare a school district to be in financial recovery status when certain conditions exist within the school district. See 24 P.S. 6-621-A. It also establishes the powers and duties of a Chief Recovery Officer ("CRO") appointed by the Secretary. The CRO has a duty "with the assistance of the department, [to] develop, implement and administer a financial recovery plan…." 24. P.S. 6-633-A.

The powers and duties of a school district in financial recovery status are also addressed in Article VI-A:

> **24 PS 6-642-A Powers and duties**
>
> (a) **General rule. –** A school district in financial recovery status under this subdivision or in receivership under Subdivision (vi) may exercise any of the following powers only to the extent that the powers are specifically included in the school district's financial recovery plan and the exercise of the powers will effect needed economies in the operation of the district's schools:
>
> (1) Reopen its budget for the current school year, notwithstanding any other provision of law.
>
> (2) Convert school buildings to charter schools. The following shall apply:
>
> (i) The school district may convert an existing public school building or a portion of an existing public school building to a charter school, provided that conversion will result in financial savings. There shall be no limit on the number of public schools in the school district that can be converted to a charter school.

* * *

(15) Negotiate a new collective bargaining agreement if the negotiation of a new collective bargaining agreement will effect needed economies in the operation of the district's schools.

* * *

The Article places limitations on the terms of a negotiated collective bargaining agreement while a financial recovery plan is in effect:

24 PS 6-643-A Financial recovery plan not affected by certain collective bargaining agreements or settlements.

No collective bargaining agreement, arbitration settlement or arbitration award may in any manner violate, expand or diminish the provisions of a financial recovery plan in effect on the date of execution of the collective bargaining agreement, arbitration settlement or arbitration award.

"On December 12, 2012 the School District of the City of York was declared to be a 'moderate financial recovery school district' under the terms of the Commonwealth's Act 141 of 2012. This designation led to the appointment of a Chief Recovery Officer (CRO), David G. Meckley, who was charged with developing a Financial Recovery Plan for the District."

On May 15, 2013, the CRO issued a Financial Recovery Plan ["FRP" or "Plan"] that provided an overview of the District and its challenges, a discussion of the plan development process, and a detailed outline of a multi-year action plan. The Plan is currently publicized on the District's website and shall be incorporated by reference herein – http://www.ycs.k12.pa.us/images/documents/5-15-13_sdcy-recovery_plan.pdf. On May 30, 2013, the Association issued a release:

Members of the York City Education Association today voted to work with the school district's Corbett administration-appointed chief recovery officer on the plan he has proposed, a major component of which would slash their salaries and benefits by nearly half over four years.

During a general membership meeting today, York City teachers voted to continue to negotiate elements of plan authored by the chief recovery officer, which proposes that teachers to take up to a ten-percent salary cut for each of the next four years and cut their benefits by up to 50 percent.

"We're prepared to negotiate elements of this proposal with the school district. We don't like it, but we are committed to putting our students first – even when the governor and his allies haven't," said Bruce Riek, president of the York City EA.

"For years, York City's teachers have sacrificed to protect programs that work for our students. Despite the fact that teachers did not create this fiscal crisis, they believed that the alternative would have been too destructive to their students' education."

Riek emphasized that the draconian salary and benefit cuts proposed by the school district's chief recovery officer are not a final solution to the school district's fiscal crisis and that they are subject to negotiation between the school district's teachers and school officials.

"Gov. Corbett's funding cuts have put us in this position," Riek said. "He is strangling public education, particularly in our city schools. Teachers felt they had no choice."

> York City educators have already agreed to pay freezes in order to save full-day kindergarten. Salaries and benefits for York City's teachers are only 35 percent of the school district's budget, not nearly the 70 percent that some have alleged.
>
> "It is unconscionable that children must bear the brunt of Gov. Corbett's billion dollar budget cuts to public education," Riek said, "Under the policies, corporations are enjoying unprecedented tax breaks and our students are suffering. In York, we have always put our students first, the governor doesn't have the courage to do that, but we do."

The District's school board approved the Financial Recovery Plan on June 10, 2013. On June 21, 2013, William E. Harner, Ph.D, Acting Secretary of Education, approved the plan in a letter to the CRO:

> Dear Mr. Meckley,
>
> I am in receipt of the Financial Recovery Plan (the "Plan") that was approved by the School District of the City of York's (the "District") Board of School Directors on June 10, 2013. With certain conditions described in more detail below, I hereby approve the Plan.
>
> The Department has concerns related to the revenue assumptions made in the Plan, as actual revenues may be higher or lower than actual depending on the enactments of the 2013-14 and future budgets. For example, the Plan contemplates an increase in special education funding, but it is anticipated that special education will be funded in 2013-14 at the same level it was funded in 2012-13. Additionally, the Department has concerns related to the viability of the proposal to borrow more than $8 million to fund operating expenditures.
>
> These issues, combined with that fact that neither the State nor the District's budget have been finalized for 2013-14, will likely lead to modifications to the Plan becoming necessary. As you work to implement the Plan, it is expected that you will work with the District's Board of School Directors to seek the proper amendments to the Plan as the facts of the District's financial situation become clearer. Please submit those amendments to me or before January 1, 2014 for approval.
>
> Pursuant to Section 652-A(d), the approval of the Financial Recovery Plan constitutes the approval of a financial recovery transition loan beginning the fiscal year 2013-2014 for the amount specified in the Financial Recovery Plan. Information on assessing the loan funds specified in the Financial Recovery Plan will be forthcoming in a separate correspondence.
>
> Thank you for accepting the challenge of serving as the Chief Recovery Officer for the District. I wish you luck as you move forward with implementing the Financial Recovery Plan.

The Financial Recovery Plan has impacted the parties' bargaining for a successor collective bargaining agreement. The Association contends that "the recovery Plan is a fluid, and flexible document, which is able to be altered as the needs of the parties change." The District maintains that the parties must negotiate a contract that is consistent with the terms of the plan. The District contends that the Fact Finder lacks authority to deviate from the terms of plan, nor may the Board adopt any such recommendation. The District submits that non-compliance with the plan could be potential grounds for a CRO-recommended takeover of the District by an external provider, or the CRO's appointment of a Receiver.

I have carefully reviewed all of the relevant factors. The parties are familiar with the outstanding issues. I will focus on the specific areas in which I recommend alternatives to the CRO's plan. Therefore, the parties must review my recommendations in conjunction with the terms of the Financial Recovery Plan, their collective bargaining agreement for 2009-2013, and their memorandum of understanding that extended terms for 2013-

2014. In the event that the parties accept my recommendations it appears that their ability to implement the terms below is subject to the CRO's review, approval and willingness to modify the plan.

1. Tentative Agreements

Recommendation – To the extent the parties may have executed tentative agreements during their bargaining the TAs shall be made part of the final package and incorporated by reference herein.

2. Term of Agreement

The term of the parties' most recent agreement as extended through a memorandum of understanding expired on June 30, 2014.

Recommendation – I recommend a term of three (3) years – July 1, 2014 through June 30, 2017. This term will provide stability through the 2016-2017 and will enable the parties to reassess the direction of the District's financial condition.

3. Salary

The salary schedule for the 2012-2013 school year, as carried through the 2013-2014 school year pursuant to the parties' MOU is as follows:

Step	B	M	M+30	DOC
1	45564	50060	53058	54931
2	46913	52309	56056	57930
3	48262	54557	58304	60178
4	49611	56805	60552	62425
5	50960	59053	62801	64673
6	52309	61301	65049	66921
7	45929	63550	67297	69170
8	47815	65798	69545	71418
9	49702	68046	71792	73666
10	51587	70294	74041	75914
11	53474	72543	76289	78163
12	55989	74791	78537	80411
13	58505	77039	80785	82659
14	61020	80036	83334	85207

It is my understanding that the bargaining unit members advanced one (1) step between 2012-2013 and 2013-2014.

Page 28 of the Financial Recovery Plan includes a chart outlining the "Maximum Required Staff Wage Adjustments, 2014-15 through 2017-18". The Plan requires a maximum wage reduction of 10.0% for 2014-15, 9.8% for 2015-16, 11.9% for 2016-17, and 10.0% for 2017-18. The Plan also includes an enrichment provision that would enable employees to recoup salary based upon the District meeting outlined objectives. See FRP pp. 29-30.

The District's fact-finding booklet includes an offer that modifies the reduction percentages provided in the FRP. The District submitted proposed salary guides for 2014-2015 through 2016-2017 based upon the proposed maximum wage reductions. Based upon its calculations, salaries will be reduced (subject to increase

through the enrichment provisions) by 6.08% for 2014-2015, 9.80% for 2015-2016, and 10.00% for 2016-2017. The District offers these reductions with the following assumptions:

> The Recovery Plan provides that salary givebacks will be reduced if certain criteria are met:
>
> 1. Scheduled givebacks in teacher salaries –
> The Recovery Plan "the Plan" provides for the following givebacks of teacher salaries. The Plan provides the percentages to be used each year to calculate the givebacks. Those percentages have been applied to the teacher staffing as of July, 2013 to monetize the reductions for future years. The base salaries used to calculate the 2014-15 salaries in the calculations were those in the salary schedule in effect for school year 2012-13. Decreases were applied to the salaries from base year of 2012-2013 to establish the 2014-15 salaries and then for all subsequent years the % reduction was applied to the previous year's salary as calculated. For example, 2015-16 salaries were calculated by applying the reduction % (-9.8%) to the 2014-2015 salaries as calculated.

The Association not only rejects the terms of the FRP, it is also opposed to the District's offer. The Association summarizes its position as follows:

> The Association is proposing a 10% reduction in salary in year one, followed by a 0% increase in year two. There would be no step or column movement in either year. The salary schedule will be reduced by 10% at each cell in year one, however, the salary schedule will sunset on the final day in year two and be replaced by the 2013-2014 schedule for bargaining purposes. There is a provision allowing the salary to be renegotiated during the term of the contract for an increase, should that be possible. There is also a provision that new employees shall not be hired above step one in the appropriate column.

Recommendation – I recommend the following salary schedules that will be subject to the enrichment provisions of the FRP. The 2014-2015 salary schedule shall take effect beginning in the 14th pay period of the 2014-2015. The 2015-2016 and 2016-2017 salary schedules will take effect on July 1st of each school year. There is no step or column movement for the duration of the contract.

2014-2015 (Effective the 14th pay period)

Step	B	M	M+30	DOC
1	41460	45683	48498	50258
2	42727	47795	51314	53074
3	43994	49906	53425	55186
4	45261	52018	55537	57296
5	46528	54129	57649	59407
6	47795	56240	59760	61519
7	43137	58352	61872	63631
8	44908	60464	63983	65742
9	46680	62575	66093	67853
10	48451	64686	68206	69965
11	50223	66799	70317	72077
12	52585	68910	72428	74188
13	54948	71021	74540	76300
14	57310	73836	76934	78693

2015-2016 (Effective July 1, 2015)

Step	B	M	M+30	DOC
1	38454	42371	44982	46614
2	39629	44330	47594	49226
3	40804	46288	49552	51185
4	41980	48247	51511	53142
5	43155	50205	53469	55100
6	44330	52163	55427	57059
7	40010	54121	57386	59018
8	41652	56080	59344	60976
9	43296	58038	61301	62934
10	44938	59996	63261	64893
11	46582	61956	65219	66851
12	48773	63914	67177	68809
13	50964	65872	69136	70768
14	53155	68483	71356	72988

2016-2017 (Effective July 1, 2016)

Step	B	M	M+30	DOC
1	35666	39299	41721	43235
2	36756	41116	44143	45657
3	37846	42932	45959	47474
4	38936	44749	47776	49289
5	40026	46565	49593	51105
6	41116	48381	51409	52922
7	37109	50198	53226	54739
8	38632	52015	55042	56555
9	40157	53831	56857	58371
10	41680	55647	58675	60188
11	43205	57464	60491	62005
12	45237	59280	62307	63821
13	47269	61096	64124	65638
14	49301	63518	66183	67696

4. Insurance

Insurance is addressed on page 29 of the FRP:

> As agreed by District leadership and the YCEA in their proposal to the Chief Recovery Officer, medical benefits shall be realigned such that District costs are reduced by 50 percent effective 2014-2015 and beyond. Employee dental benefits shall be eliminated effective the same year, as proposed by the District.

The parties' proposals on insurance were analyzed by Robert M. Glus, F.S.A., Conrad Siegel Actuaries. His report outlines the parties' proposals and is attached hereto.

Recommendation – I recommend the District's proposal subject to the following. The plan will take effect as of January 1, 2015, and then the beginning of each fiscal year. The spousal eligibility restriction will not take effect until July 1, 2015. The deductibles and opt-out payment for the period from January 1, 2015 through June 30, 2015 shall be pro-rated. The District shall continue to offer dental insurance, but it will be provided at the employee's sole expense.

SUMMARY

I believe that the recommendations above represent a reasonable settlement that the parties can submit to the Chief Recovery Officer for his consideration under the unique circumstances of this matter. I direct the parties' attention to my cover letter which outlines their responsibilities to notify the PLRB of their acceptance or rejection of this Recommendation.

Dated: October 27, 2014
State College, Pennsylvania

_____
Robert C. Gifford

Conrad Siegel
ACTUARIES
Retirement • Investment • Healthcare

MEMO

To: YCSD and YCEA

Company: York City School District

From: Robert M. Glus, F.S.A.

Date: 10/8/2014

Subject: Healthcare Cost Projections

As part of the ongoing negotiations between the York City School District and the York City Education Association, as well as the ongoing implementation of the district's recovery plan, I have been asked to estimate the relative value of proposals put forth by both parties, and provide estimates for the anticipated cost savings associated with each proposal. This memorandum is intended to provide background and context to these estimates, and assist in the evaluation and understanding of the proposal estimates.

York City School District is currently a self-funded health plan, and actual district costs over a period of multiple years will ultimately depend on the actual claim experience and utilization of the plan participants. These projections of the group's proposals make use of estimates and assumptions that we believe are actuarially appropriate for the purpose of comparing and evaluating the costs and savings associated with these proposals.

Background

York City School District (YCSD) is a self-funded health plan and a member of the Lincoln Benefit Trust (LBT). As a member of the Trust, YCSD is responsible for paying the actual health claims of its employees and plan participants, plus the applicable administrative fees. YCSD also purchases stop loss insurance through LBT to provide protection (reimbursement) against catastrophic claims, or shock claims. YCSD is required to maintain a target reserve balance with LBT equal to 3 months of expected claims cost. Each year, LBT determines minimum funding rates that the district must pay each month for that plan year, and while YCSD is ultimately responsible for the claims of its members, the school is only required to fund based on the minimum funding rates for the plan year. Gains or losses are simply applied to the existing balance, and rates are adjusted in the future as needed to maintain the proper reserve level. When claims experience is poor or there is insufficient reserve, funding rate increases are higher, and when experience is good and reserve levels increase, funding rates are lower.

Baseline Funding Projections

Each year as part of the LBT rating process, districts are provided their upcoming plan year funding rates, along with projections to show their anticipated future healthcare funding, assuming standard healthcare trends materialize over the next several years. The most recent projection is attached labeled "York City

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School District – Base Projection". While the prior couple of years had resulted in good claims experience for YCSD, and allowed the district to maintain a 0% funding increase for the current 2014-15 plan year, that 0% increase assumed a sizable credit from the reserve balance, which artificially lowers the minimum funding rates below the real cost. With claims experience worse than expected, and no longer a funding reserve credit available, the projected minimum funding increase for the 2015-16 plan year is substantial, 24.4%. However, for projection purposes and comparing the two proposals, we focus on the increase necessary to cover the projected claims and administrative expenses without consideration of needed reserve credits (Cost labeled under Column (1)). Therefore, our funding assumptions for the proposal projections are assumed to be as follows:

2014-15 – 0.0%
2015-16 – 21.4%
2016-17 – 8.3%

Proposal Projections

Attached are two proposal options:

- District latest proposal – Labeled Option A
- Association latest proposal – Labeled Option C

Each proposal includes the following summary pages:

1. Summary of Proposed Plan Changes
2. Projected Savings Estimates vs. Current Plan
3. Itemized Savings by Benefit Change
4. High Level Plan Design Grids
5. 3-Year Cost Projection (Current Proposal)
6. 3-Year Cost Projection (Current Proposal without Spousal Restriction)

Important Note about Itemized Savings by Benefit Change: Itemizing the value of benefit changes is inherently difficult because of the inter-dependency between the variables. Changes in one benefit design element will affect the value of other design elements. Even the order in which the variables are evaluated will affect their value. In order to itemize the changes, we maintained the following order of evaluation:

First – Plan design (deductible, copays)
Second – Employee Premium Share changes
Third – Spousal Eligibility restrictions

Because we "valued" the spousal restrictions last, they will inherently be valued less than what they are worth if other elements were not changed. When considering the relative value of the different design elements, you must consider the fact that changes in one element will affect the value of others, and savings estimates should always be considered in the context of an overall proposal.

Should you have any questions regarding the estimates and projections provided, please contact me at (717) 652-5633, or by email at robertglus@conradsiegel.com.

cc:

Lincoln Benefit Trust
Self Funded Health Benefits

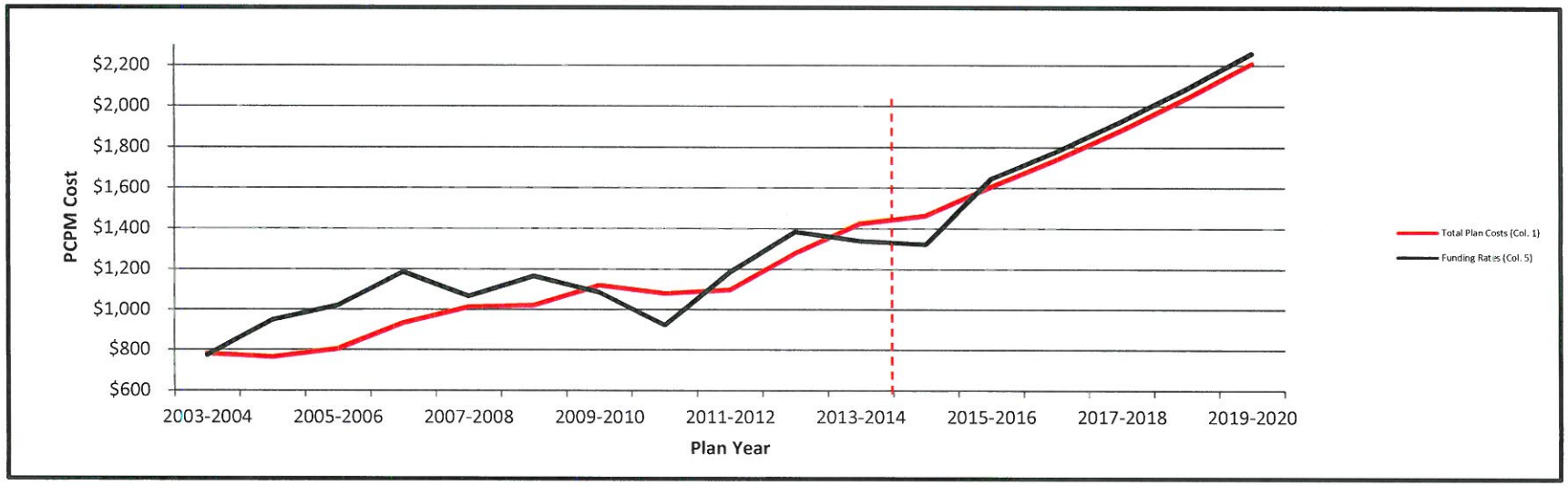
York City School District

BASE PROJECTION

YEAR	PROJECTED (Estimated) Rate Changes and Fund Balances										
	(1) Claims Cost (including Admin and Stop Loss Expense)	(2) Increase to Reserve	(3) Reserve Application	(4) Reserve Due to Cap	(5) Total Cost	(6) % Change	(7) Reserve at Beginning of Year	(8) Reserve at End of Year	(9) $ Change	(10) Target at End of Year	(11) % to Target
2014-2015 (CY)					$1,321.97		$ 3,520,586	$ 2,452,112	$ (1,068,474)	$ 2,571,726	95%
2015-2016	$1,605.10	$ 33.20	$ 5.72		$1,644.26	**24.4%**	$ 2,452,112	$ 2,725,086	$ 272,974	$ 2,803,182	97%
2016-2017	$1,738.95	$ 36.19	$ 3.73		$1,778.04	**8.1%**	$ 2,725,086	$ 2,997,565	$ 272,479	$ 3,055,468	98%
2017-2018	$1,883.65	$ 39.44	$ 2.77		$1,926.36	**8.4%**	$ 2,997,565	$ 3,295,368	$ 297,804	$ 3,330,460	99%
2018-2019	$2,040.58	$ 42.99	$ 1.68		$2,085.76	**8.3%**	$ 3,295,368	$ 3,610,416	$ 315,047	$ 3,630,201	99%
2019-2020	$2,210.80	$ 46.86	$ 0.95		$2,259.32	**8.3%**	$ 3,610,416	$ 3,948,686	$ 338,271	$ 3,956,919	100%

Assumptions:

- **If applicable, assumed 0% minimum increase from actual rates paid.**
- Figures above represent Teachers/Support PPO Plan. The Admin/ACP and Retiree Only Plans should see similar % increases.
- 8.5% claims & stop loss trend used. 2.0% administrative trend used.
- Assumed income changed by % Change in prior year as well as an assumed 1% interest on the BOY Reserve.
- Assumed no enrollment changes or shifts, nor benefit changes.



The School District of the City of York

Summary of Proposed Plan Changes

Option A

(Adjusted for Updated Rate Projection)

1. Plan Type

   All employees will move to PPO Plan effective 7/1/2014

2. Deductibles (In-Network)

	Single	Family Max
2014-15	$2,000	$4,000
2015-16	$2,000	$4,000
2016-17	$2,000	$4,000

3. Office Visit Copays (In-Network) *

	PCP	Specialist	Urgent Care	ER
2014-15	$25	$50	$50	$100
2015-16	$25	$50	$50	$100
2016-17	$25	$50	$50	$100

   * Includes $100 Advanced Imaging Copay for all years.

4. Prescription Drug Copays *

	Generic	Brand Formulary	Brand Non-Formulary	
2014-15	$20	$40	$80	(retail)
	$40	$80	$120	(mail)
2015-16	$20	$40	$80	(retail)
	$40	$80	$120	(mail)
2016-17	$20	$40	$80	(retail)
	$40	$80	$120	(mail)

   * Includes $100 per person deductible on Rx for all years

5. Employee Premium Sharing (Based on 5-Tier COBRA Rates)

	All Employees
2014-15	20% of Premium Cost
2015-16	20% of Premium Cost
2016-17	20% of Premium Cost

6. Eligibility Restrictions

2014-15	Strict Spousal Eligibility Restriction
2015-16	Strict Spousal Eligibility Restriction
2016-17	Strict Spousal Eligibility Restriction

7. Opt Out

2014-15	Increases to $7,500 annually
2015-16	Increases to $7,500 annually
2016-17	Increases to $7,500 annually

The School District of the City of York

Financial Comparison of Healthcare Benefit Proposals

All Active Employees

Option A

($2,000 PPO, Spousal Rule)

(Adjusted for Updated Rate Projection)

	Status Quo (No Changes)			Proposal		
	Overall	Teachers	All Others	Overall	Teachers	All Others
Current Cost 2013-14						
Total Cost	$ 8,369,208	$ 5,176,452	$ 3,192,756	$ 8,369,208	$ 5,176,452	$ 3,192,756
Employer Cost	$ 7,905,990	$ 4,854,132	$ 3,051,858	$ 7,905,990	$ 4,854,132	$ 3,051,858
Employee Cost	$ 463,218	$ 322,320	$ 140,898	$ 463,218	$ 322,320	$ 140,898
Projected Cost 2014-15						
Total Cost	$ 8,369,208	$ 5,176,452	$ 3,192,756	$ 6,416,880	$ 3,992,760	$ 2,424,120
Employer Cost	$ 7,905,990	$ 4,854,132	$ 3,051,858	$ 5,214,504	$ 3,243,708	$ 1,970,796
Employee Cost	$ 463,218	$ 322,320	$ 140,898	$ 1,202,376	$ 749,052	$ 453,324
Projected Cost 2015-16						
Total Cost	$ 10,160,219	$ 6,267,546	$ 3,876,006	$ 7,702,752	$ 4,793,856	$ 2,908,896
Employer Cost	$ 9,697,001	$ 5,945,226	$ 3,735,108	$ 6,243,202	$ 3,884,585	$ 2,358,617
Employee Cost	$ 463,218	$ 322,320	$ 140,898	$ 1,459,550	$ 909,271	$ 550,279
Projected Cost 2016-17						
Total Cost	$ 11,003,517	$ 6,781,289	$ 4,197,714	$ 8,309,328	$ 5,171,784	$ 3,137,544
Employer Cost	$ 10,540,299	$ 6,458,969	$ 4,056,816	$ 6,728,462	$ 4,186,927	$ 2,541,535
Employee Cost	$ 463,218	$ 322,320	$ 140,898	$ 1,580,866	$ 984,857	$ 596,009
Estimated 3-Year Employer Cost Total	$ 28,143,289	$ 17,258,327	$ 10,843,782	$ 18,186,168	$ 11,315,220	$ 6,870,948
Projected Savings *				**$ (9,957,121)**	**$ (5,943,107)**	**$ (3,972,834)**
Benchmark 3-Yr Cost (0% Healthcare Increase over 3 years)				***$ 23,717,970***	***$ 14,562,396***	***$ 9,155,574***

* Note that these savings figures are estimates based on the stated assumptions; actual experience will vary depending on district specific claims experience and eligibility and enrollment shifts.

The School District of the City of York

Itemization of Benefit Change Proposal

Teachers Only

Option A

(Adjusted for Updated Rate Projection)

Benefit Change	Estimated Annualized Value
Year 1 - 7/2014-6/2015 Plan Year	
Switch to 5-tier Rating	**91,320**
Increase Deductible to $2,000/$4,000	(932,699)
Office Visit copay (PCP/Specialist) increased to $25/$50	(72,658)
Urgent Care copay increased to $50	(5,190)
ER copay increased to $150	(36,329)
Advanced Imaging Copay	(25,949)
Rx Deductible to $100 per person	(20,760)
Rx Copays Increased to $20/$40/$80 Retail, $40/$80/$120 Mail Order	(46,709)
Total Benefit Changes	**(1,140,294)**
Increase in Cost-sharing	**(487,577)**
Spousal Rule	**(243,379)**
Increase in Opt Out Benefit	**169,620**
Year 1 Total	**(1,610,310)**
Year 2 - 7/2015-6/2016 Plan Year	
Value of Year 1 changes in Year 2	
Benefit Changes & 5-Tier Rating	(1,273,455)
Cost-sharing	(660,775)
Spousal Rule	(295,462)
Opt Out	169,620
Year 2 Total	**(2,060,072)**
Year 3 - 7/2016-6/2017 Plan Year	
Value of Years 1 & 2 changes in Year 3	
Benefit Changes & 5-Tier Rating	(1,379,152)
Cost-sharing	(742,430)
Spousal Rule	(319,986)
Opt Out	169,620
Year 3 Total	**(2,271,948)**

Notes & Assumptions

It is VERY important to note that the order in which we have listed these changes affects the estimated value of these changes. By not incorporating all the changes listed above, the value of the following changes may be affected.

The School District of the City of York

Benefit Changes (Request for Pricing)

All Active Employees

Option A

(Adjusted for Updated Rate Projection)

	2013-2014 Plan Year								Year 1 Rule, Cost-sharing Change 2014-2015 Plan Year		Year 2 No Changes 2015-2016 Plan Year		Year 3 No Changes 2016-2017 Plan Year	
Plan	PPO Plan		PPO Plan		PPO Plan		PPO Plan		Only PPO Plan		Only PPO Plan		Only PPO Plan	
	Teachers		Support Other		Administrators		Support Office							
Benefits	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Deductibles	None	$250/$500	None	$250/$500	$400/$1,200	$800/$2,400	$500/$1,500	$1,000/$3,000	$2,000/$4,000	$4,000/$8,000	$2,000/$4,000	$4,000/$8,000	$2,000/$4,000	$4,000/$8,000
Coinsurance	0%	30%	0%	30%	0%	30%	0%	30%	0%	30%	$0	30%	$0	30%
Out of Pocket Max	n/a	$750 per person	n/a	$750 per person	n/a	$750 per person	n/a	$750 per person	n/a	$3,000/$6,000	n/a	$3,000/$6,000	n/a	$3,000/$6,000
ER Copay	$60 – waived if admitted		$40 – waived if admitted		$150 – waived if admitted		$150 – waived if admitted		$150 – waived if admitted		$150 – waived if admitted		$150 – waived if admitted	
OV Copay/Specialist	$25	30%	$15	30%	$35	30%	$30	30%	$25/$50	30%	$25/$50	30%	$25/$50	30%
Urgent Care Copay	$25	30%	$15	30%	$35	30%	$30	30%	$50	30%	$50	30%	$50	30%
Advanced Imaging Copay	n/a	30%	n/a	30%	$100	30%	$100	30%	$100	30%	$100	30%	$100	30%
									Total Medical % Change	-20.7%	Total Medical % Change	0.00%	Total Medical % Change	0.0%
Prescription Drugs	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order
Deductibles	None	n/a	None	n/a	None	n/a	None	n/a	$100 per person		$100 per person		$100 per person	
Coinsurance/Copayments	$20/$35	$20/$35	$15/$30	$20/$35	$20/$40	$40/$80	$15.25/$27	$15 25/$27	$20/$40/$80	$40/$80/$120	$20/$40/$80	$40/$80/$120	$20/$40/$80	$40/$80/$120
Minimums/Maximums	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rx Management	Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization	
									Total Rx % Change	-1.3%	Total Rx % Change	0.00%	Total Rx % Change	0.00%
	Teachers & Support Other plans are priced the same				Administrators & Support Office plans are priced the same. 10% less than the other plans				TOTAL BENEFIT CHANGE: -21.97%		TOTAL BENEFIT CHANGE: 0.00%		TOTAL BENEFIT CHANGE: 0.00%	
									Based on Teachers Plan Current Rates					
Employee Premium Sharing:	$60 Single, $100 Family		$40 Single, $55 2-Party, $70 Family		$55 Single, $70 2-Party, $90 Family		$60 Single, $68.25 2-Party, $80.20 Family		20.0% of Total Rate for Teachers, 20.0% for All Others		20.0% of Total Rate for Teachers, 20.0% for All Others		20.0% of Total Rate for Teachers, 20.0% for All Others	
Eligibility Requirements:									Spousal Rule - Not eligible if access to other employer sponsored coverage		Spousal Rule - Not eligible if access to other employer sponsored coverage		Spousal Rule - Not eligible if access to other employer sponsored coverage	
Other Items:														

Red shows the benefit changes

Not clearly spoken to in the request

The School District of the City of York

Cost Projection - 3 year Projection

All Active Employees

Option A

(Adjusted for Updated Rate Projection)

	Current Plan Year					Year 1					Year 2					Year 3				
						Benefit Changes, Spousal Rule, 5-tiers *Teacher employees pay 20.00% of premium and All Other employees pay 20.00% of premium.*					**No Changes** *Teacher employees pay 20.00% of premium and All Other employees pay 20.00% of premium.*					**No Changes** *Teacher employees pay 20.00% of premium and All Other employees pay 20.00% of premium.*				
	July 2013 - June 2014 Monthly Premiums					July 2014 - June 2015 Expected Monthly Premiums					July 2015 - June 2016 Expected Monthly Premiums					July 2016 - June 2017 Expected Monthly Premiums				
Tier	Current Enrollment	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %
Teachers						**Teachers**					**Teachers**					**Teachers**				
Single	86	$ 632.00	$ 572.00	$ 60.00	9.5%	*100*	$ 543.00	$ 434.40	$ 108.60	20.0%	100	$ 659.00	$ 527.20	$ 131.80	20.0%	100	$ 714.00	$ 571.20	$ 142.80	20.0%
H/W	40	1,517.00	1,417.00	100.00	6.6%	*26*	1,195.00	956.00	239.00	20.0%	26	1,451.00	1,160.80	290.20	20.0%	26	1,571.00	1,256.80	314.20	20.0%
PC	21	1,517.00	1,417.00	100.00	6.6%	*41*	815.00	652.00	163.00	20.0%	41	989.00	791.20	197.80	20.0%	41	1,071.00	856.80	214.20	20.0%
PCn	25	1,782.00	1,682.00	100.00	5.6%	*48*	1,140.00	912.00	228.00	20.0%	48	1,384.00	1,107.20	276.80	20.0%	48	1,499.00	1,199.20	299.80	20.0%
Family	131	1,782.00	1,682.00	100.00	5.6%	*88*	1,575.00	1,260.00	315.00	20.0%	88	1,912.00	1,529.60	382.40	20.0%	88	2,071.00	1,656.80	414.20	20.0%
Opt Outs	33	196.67	196.67	0.00		*33*	625.00	625.00	0.00		33	625.00	625.00	0.00		33	625.00	625.00	0.00	
	4	0.00	0.00	0.00		*4*	0.00	0.00	0.00		4	0.00	0.00	0.00		4	0.00	0.00	0.00	
Subtotal	340	$ 5,176,452	$ 4,854,132	$ 322,320		340	$ 3,992,760	$ 3,243,708	$ 749,052		340	$ 4,793,856	$ 3,884,585	$ 909,271		340	$ 5,171,784	$ 4,186,927	$ 984,857	
Support - Other						**Support - Other**					**Support - Other**					**Support - Other**				
Single	51	$ 632.00	$ 592.00	$ 40.00	6.3%	*60*	$ 543.00	$ 434.40	$ 108.60	20.0%	60	$ 659.00	$ 527.20	$ 131.80	20.0%	60	$ 714.00	$ 571.20	$ 142.80	20.0%
H/W	27	1,517.00	1,462.00	55.00	3.6%	*18*	1,195.00	956.00	239.00	20.0%	18	1,451.00	1,160.80	290.20	20.0%	18	1,571.00	1,256.80	314.20	20.0%
PC	20	1,517.00	1,462.00	55.00	3.6%	*27*	815.00	652.00	163.00	20.0%	27	989.00	791.20	197.80	20.0%	27	1,071.00	856.80	214.20	20.0%
PCn	19	1,782.00	1,712.00	70.00	3.9%	*25*	1,140.00	912.00	228.00	20.0%	25	1,384.00	1,107.20	276.80	20.0%	25	1,499.00	1,199.20	299.80	20.0%
Family	40	1,782.00	1,712.00	70.00	3.9%	*27*	1,575.00	1,260.00	315.00	20.0%	27	1,912.00	1,529.60	382.40	20.0%	27	2,071.00	1,656.80	414.20	20.0%
Opt Outs	12	175.00	175.00	0.00		*12*	625.00	625.00	0.00		12	625.00	625.00	0.00		12	625.00	625.00	0.00	
	2	0.00	0.00	0.00		*2*	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00	
Subtotal	171	$ 2,529,228	$ 2,424,168	$ 105,060		171	$ 1,855,440	$ 1,502,352	$ 353,088		171	$ 2,233,020	$ 1,804,416	$ 428,604		171	$ 2,411,124	$ 1,946,899	$ 464,225	
Administrators						**Administrators**					**Administrators**					**Administrators**				
Single	5	$ 569.00	$ 514.00	$ 55.00	9.7%	*6*	$ 543.00	$ 434.40	$ 108.60	20.0%	6	$ 659.00	$ 527.20	$ 131.80	20.0%	6	$ 714.00	$ 571.20	$ 142.80	20.0%
H/W	3	1,366.00	1,296.00	70.00	5.1%	*2*	1,195.00	956.00	239.00	20.0%	2	1,451.00	1,160.80	290.20	20.0%	2	1,571.00	1,256.80	314.20	20.0%
PC	3	1,366.00	1,296.00	70.00	5.1%	*5*	815.00	652.00	163.00	20.0%	5	989.00	791.20	197.80	20.0%	5	1,071.00	856.80	214.20	20.0%
PCn	2	1,605.00	1,515.00	90.00	5.6%	*3*	1,140.00	912.00	228.00	20.0%	3	1,384.00	1,107.20	276.80	20.0%	3	1,499.00	1,199.20	299.80	20.0%
Family	8	1,605.00	1,515.00	90.00	5.6%	*5*	1,575.00	1,260.00	315.00	20.0%	5	1,912.00	1,529.60	382.40	20.0%	5	2,071.00	1,656.80	414.20	20.0%
Opt Outs	5	250.00	250.00	0.00		*5*	625.00	625.00	0.00		5	625.00	625.00	0.00		5	625.00	625.00	0.00	
	2	0.00	0.00	0.00		*2*	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00	
Subtotal	28	$ 340,092	$ 320,952	$ 19,140		28	$ 289,716	$ 239,273	$ 50,443		28	$ 343,656	$ 282,425	$ 61,231		28	$ 369,096	$ 302,777	$ 66,319	
Support - Office						**Support - Office**					**Support - Office**					**Support - Office**				
Single	3	$ 569.00	$ 509.00	$ 60.00	10.5%	*4*	$ 543.00	$ 434.40	$ 108.60	20.0%	4	$ 659.00	$ 527.20	$ 131.80	20.0%	4	$ 714.00	$ 571.20	$ 142.80	20.0%
H/W	4	1,366.00	1,297.75	68.25	5.0%	*3*	1,195.00	956.00	239.00	20.0%	3	1,451.00	1,160.80	290.20	20.0%	3	1,571.00	1,256.80	314.20	20.0%
PC	2	1,366.00	1,297.75	68.25	5.0%	*4*	815.00	652.00	163.00	20.0%	4	989.00	791.20	197.80	20.0%	4	1,071.00	856.80	214.20	20.0%
PCn	1	1,605.00	1,524.80	80.20	5.0%	*2*	1,140.00	912.00	228.00	20.0%	2	1,384.00	1,107.20	276.80	20.0%	2	1,499.00	1,199.20	299.80	20.0%
Family	9	1,605.00	1,524.80	80.20	5.0%	*6*	1,575.00	1,260.00	315.00	20.0%	6	1,912.00	1,529.60	382.40	20.0%	6	2,071.00	1,656.80	414.20	20.0%
Opt Outs	4	250.00	250.00	0.00		*4*	625.00	625.00	0.00		4	625.00	625.00	0.00		4	625.00	625.00	0.00	
	2	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00	
Subtotal	25	$ 323,436	$ 306,738	$ 16,698		25	$ 278,964	$ 229,171	$ 49,793		25	$ 332,220	$ 271,776	$ 60,444		25	$ 357,324	$ 291,859	$ 65,465	
	564					564					564					564				
Total Cost	*Aggregate*	$ 8,369,208	$ 7,905,990	$ 463,218	5.5%		$ 6,416,880	$ 5,214,504	$ 1,202,376	18.7%		$ 7,702,752	$ 6,243,202	$ 1,459,550	18.9%		$ 8,309,328	$ 6,728,462	$ 1,580,866	19.0%
	PEPM	$ 1,236.59	$ 1,168.14	$ 68.44			$ 948.12	$ 770.46	$ 177.66			$ 1,138.11	$ 922.46	$ 215.65			$ 1,227.74	$ 994.16	$ 233.58	
							-23.3%	-34.0%	+159.6%			+20.0%	+19.7%	+21.4%			+7.9%	+7.8%	+8.3%	

Annualized Employer Cost Increase over 3 years
-12.43%

Assumptions

These are illustrative rates to exhibit the benefit changes stated herewithin. The rates do not dictate what the actual costs will be during the year of the illustration.

It is assumed that the underlying Rate increase is 0% in Year 1, 21.4% in Year 2, and 8.3% in Year 3.

Rates for 2014-15 are based on the LBT Funding rates.

It is assumed that 87 spouses drop from the York City plan, and the remaining 175 spouses remain insured due to the lack of other employer coverage. All employees and other dependents remain enrolled. The estimated value of removing a spouse is $5,375 annually.

It is assumed that the 64 employees that currently opt out will remain as an opt out, and no other employees switch to opting out.

Enrollment is based on a report from Highmark as of 9/18/2014 - Retirees and COBRA Contracts are not included in this document.

The School District of the City of York

Cost Projection - 3 year Projection

All Active Employees

Option A

(Illustrative with NO Spousal Rule)

~~(Adjusted for Updated Rate Projection)~~

	Current Plan Year					Year 1					Year 2					Year 3				
						Benefit Changes, 5-tiers *Teacher employees pay 20.00% of premium and All Other employees pay 20.00% of premium.*					**No Changes** *Teacher employees pay 20.00% of premium and All Other employees pay 20.00% of premium.*					**No Changes** *Teacher employees pay 20.00% of premium and All Other employees pay 20.00% of premium.*				
	July 2013 - June 2014 Monthly Premiums					July 2014 - June 2015 Expected Monthly Premiums					July 2015 - June 2016 Expected Monthly Premiums					July 2016 - June 2017 Expected Monthly Premiums				
Tier	Current Enrollment	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %
Teachers						**Teachers**					**Teachers**					**Teachers**				
Single	86	$ 632.00	$ 572.00	$ 60.00	9.5%	86	$ 529.00	$ 423.20	$ 105.80	20.0%	86	$ 642.00	$ 513.60	$ 128.40	20.0%	86	$ 695.00	$ 556.00	$ 139.00	20.0%
H/W	40	1,517.00	1,417.00	100.00	6.6%	40	1,164.00	931.20	232.80	20.0%	40	1,413.00	1,130.40	282.60	20.0%	40	1,530.00	1,224.00	306.00	20.0%
PC	21	1,517.00	1,417.00	100.00	6.6%	21	794.00	635.20	158.80	20.0%	21	964.00	771.20	192.80	20.0%	21	1,044.00	835.20	208.80	20.0%
PCn	25	1,782.00	1,682.00	100.00	5.6%	25	1,111.00	888.80	222.20	20.0%	25	1,349.00	1,079.20	269.80	20.0%	25	1,461.00	1,168.80	292.20	20.0%
Family	131	1,782.00	1,682.00	100.00	5.6%	131	1,534.00	1,227.20	306.80	20.0%	131	1,862.00	1,489.60	372.40	20.0%	131	2,017.00	1,613.60	403.40	20.0%
Opt Outs	33	196.67	196.67	0.00		33	625.00	625.00	0.00		33	625.00	625.00	0.00		33	625.00	625.00	0.00	
	4	0.00	0.00	0.00		4	0.00	0.00	0.00		4	0.00	0.00	0.00		4	0.00	0.00	0.00	
Subtotal	340	$ 5,176,452	$ 4,854,132	$ 322,320		340	$ 4,296,984	$ 3,487,087	$ 809,897		340	$ 5,162,976	$ 4,179,881	$ 983,095		340	$ 5,571,252	$ 4,506,502	$ 1,064,750	
Support - Other						**Support - Other**					**Support - Other**					**Support - Other**				
Single	51	$ 632.00	$ 592.00	$ 40.00	6.3%	51	$ 529.00	$ 423.20	$ 105.80	20.0%	51	$ 642.00	$ 513.60	$ 128.40	20.0%	51	$ 695.00	$ 556.00	$ 139.00	20.0%
H/W	27	1,517.00	1,462.00	55.00	3.6%	27	1,164.00	931.20	232.80	20.0%	27	1,413.00	1,130.40	282.60	20.0%	27	1,530.00	1,224.00	306.00	20.0%
PC	20	1,517.00	1,462.00	55.00	3.6%	20	794.00	635.20	158.80	20.0%	20	964.00	771.20	192.80	20.0%	20	1,044.00	835.20	208.80	20.0%
PCn	19	1,782.00	1,712.00	70.00	3.9%	19	1,111.00	888.80	222.20	20.0%	19	1,349.00	1,079.20	269.80	20.0%	19	1,461.00	1,168.80	292.20	20.0%
Family	40	1,782.00	1,712.00	70.00	3.9%	40	1,534.00	1,227.20	306.80	20.0%	40	1,862.00	1,489.60	372.40	20.0%	40	2,017.00	1,613.60	403.40	20.0%
Opt Outs	12	175.00	175.00	0.00		12	625.00	625.00	0.00		12	625.00	625.00	0.00		12	625.00	625.00	0.00	
	2	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00	
Subtotal	171	$ 2,529,228	$ 2,424,168	$ 105,060		171	$ 1,971,072	$ 1,594,858	$ 376,214		171	$ 2,373,408	$ 1,916,726	$ 456,682		171	$ 2,562,888	$ 2,068,310	$ 494,578	
Administrators						**Administrators**					**Administrators**					**Administrators**				
Single	5	$ 569.00	$ 514.00	$ 55.00	9.7%	5	$ 529.00	$ 423.20	$ 105.80	20.0%	5	$ 642.00	$ 513.60	$ 128.40	20.0%	5	$ 695.00	$ 556.00	$ 139.00	20.0%
H/W	3	1,366.00	1,296.00	70.00	5.1%	3	1,164.00	931.20	232.80	20.0%	3	1,413.00	1,130.40	282.60	20.0%	3	1,530.00	1,224.00	306.00	20.0%
PC	3	1,366.00	1,296.00	70.00	5.1%	3	794.00	635.20	158.80	20.0%	3	964.00	771.20	192.80	20.0%	3	1,044.00	835.20	208.80	20.0%
PCn	2	1,605.00	1,515.00	90.00	5.6%	2	1,111.00	888.80	222.20	20.0%	2	1,349.00	1,079.20	269.80	20.0%	2	1,461.00	1,168.80	292.20	20.0%
Family	8	1,605.00	1,515.00	90.00	5.6%	8	1,534.00	1,227.20	306.80	20.0%	8	1,862.00	1,489.60	372.40	20.0%	8	2,017.00	1,613.60	403.40	20.0%
Opt Outs	5	250.00	250.00	0.00		5	625.00	625.00	0.00		5	625.00	625.00	0.00		5	625.00	625.00	0.00	
	2	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00	
Subtotal	28	$ 340,092	$ 320,952	$ 19,140		28	$ 313,656	$ 258,425	$ 55,231		28	$ 372,720	$ 305,676	$ 67,044		28	$ 400,560	$ 327,948	$ 72,612	
Support - Office						**Support - Office**					**Support - Office**					**Support - Office**				
Single	3	$ 569.00	$ 509.00	$ 60.00	10.5%	3	$ 529.00	$ 423.20	$ 105.80	20.0%	3	$ 642.00	$ 513.60	$ 128.40	20.0%	3	$ 695.00	$ 556.00	$ 139.00	20.0%
H/W	4	1,366.00	1,297.75	68.25	5.0%	4	1,164.00	931.20	232.80	20.0%	4	1,413.00	1,130.40	282.60	20.0%	4	1,530.00	1,224.00	306.00	20.0%
PC	2	1,366.00	1,297.75	68.25	5.0%	2	794.00	635.20	158.80	20.0%	2	964.00	771.20	192.80	20.0%	2	1,044.00	835.20	208.80	20.0%
PCn	1	1,605.00	1,524.80	80.20	5.0%	1	1,111.00	888.80	222.20	20.0%	1	1,349.00	1,079.20	269.80	20.0%	1	1,461.00	1,168.80	292.20	20.0%
Family	9	1,605.00	1,524.80	80.20	5.0%	9	1,534.00	1,227.20	306.80	20.0%	9	1,862.00	1,489.60	372.40	20.0%	9	2,017.00	1,613.60	403.40	20.0%
Opt Outs	4	250.00	250.00	0.00		4	625.00	625.00	0.00		4	625.00	625.00	0.00		4	625.00	625.00	0.00	
	2	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00		2	0.00	0.00	0.00	
Subtotal	25	$ 323,436	$ 306,738	$ 16,698		25	$ 302,976	$ 248,381	$ 54,595		25	$ 361,356	$ 295,085	$ 66,271		25	$ 388,884	$ 317,107	$ 71,777	
	564					564					564					564				
Total Cost	*Aggregate*	$ 8,369,208	$ 7,905,990	$ 463,218	5.5%		$ 6,884,688	$ 5,588,750	$ 1,295,938	18.8%		$ 8,270,460	$ 6,697,368	$ 1,573,092	19.0%		$ 8,923,584	$ 7,219,867	$ 1,703,717	19.1%
	PEPM	$ 1,236.59	$ 1,168.14	$ 68.44			$ 1,017.24	$ 825.76	$ 191.48			$ 1,221.99	$ 989.56	$ 232.43			$ 1,318.50	$ 1,066.77	$ 251.73	
							-17.7%	-29.3%	+179.8%			+20.1%	+19.8%	+21.4%			+7.9%	+7.8%	+8.3%	

Annualized Employer Cost Increase over 3 years
-9.31%

Assumptions

These are illustrative rates to exhibit the benefit changes stated herewithin. The rates do not dictate what the actual costs will be during the year of the illustration.

It is assumed that the underlying Rate increase is 0% in Year 1, 21.4% in Year 2, and 8.3% in Year 3.

Rates for 2014-15 are based on the LBT Funding rates.

It is assumed that the 64 employees that currently opt out will remain as an opt out, and no other employees switch to opting out.

Enrollment is based on a report from Highmark as of 9/18/2014 - Retirees and COBRA Contracts are not included in this document.

The School District of the City of York

Option C

Summary of Proposed Plan Changes

(Adjusted for Updated Rate Projection)

1. Plan Type

   All employees will move to PPO Plan effective 7/1/2014

2. Deductibles (In-Network)

	Single	Family Max
2014-15	$250	$500
2015-16	$250	$500
2016-17	$250	$500

3. Office Visit Copays (In-Network) *

	PCP	Specialist	Urgent Care	ER
2014-15	$25	$30	$30	$100
2015-16	$25	$30	$30	$100
2016-17	$25	$30	$30	$100

   * Includes $100 Advanced Imaging Copay for all years.

4. Prescription Drug Copays *

	Generic	Brand Formulary	Brand Non-Formulary	
2014-15	$20	$35	$35	(retail)
	$20	$35	$35	(mail)
2015-16	$20	$35	$35	(retail)
	$20	$35	$35	(mail)
2016-17	$20	$35	$35	(retail)
	$20	$35	$35	(mail)

5. Employee Premium Sharing (Based on 5-Tier COBRA Rates)

	All Employees	
2014-15	$100	for Single Tier
	$125	for 2-Party Tiers
	$150	for PCn & Family Tiers
2015-16	$100	for Single Tier
	$125	for 2-Party Tiers
	$150	for PCn & Family Tiers
2016-17	$100	for Single Tier
	$125	for 2-Party Tiers
	$150	for PCn & Family Tiers

6. Eligibility Restrictions

2014-15	Limited Spousal Eligibility Restriction
2015-16	Limited Spousal Eligibility Restriction
2016-17	Limited Spousal Eligibility Restriction

The School District of the City of York

Financial Comparison of Healthcare Benefit Proposals

All Active Employees

Option C

($250 PPO, Limited Spousal Rule)

(Adjusted for Updated Rate Projection)

	Status Quo (No Changes)				Proposal			
	Overall	Teachers	Support - Other	All Others	Overall	Teachers	Support - Other	All Others
Current Cost 2013-14								
Total Cost	$ 8,239,128	$ 5,098,572	$ 2,504,028	$ 636,528	$ 8,239,128	$ 5,098,572	$ 2,504,028	$ 636,528
Employer Cost	$ 7,775,910	$ 4,776,252	$ 2,398,968	$ 600,690	$ 7,775,910	$ 4,776,252	$ 2,398,968	$ 600,690
Employee Cost	$ 463,218	$ 322,320	$ 105,060	$ 35,838	$ 463,218	$ 322,320	$ 105,060	$ 35,838
Projected Cost 2014-15								
Total Cost	$ 8,239,128	$ 5,098,572	$ 2,504,028	$ 636,528	$ 7,851,516	$ 4,901,412	$ 2,293,416	$ 656,688
Employer Cost	$ 7,775,910	$ 4,776,252	$ 2,398,968	$ 600,690	$ 7,077,816	$ 4,428,012	$ 2,056,116	$ 593,688
Employee Cost	$ 463,218	$ 322,320	$ 105,060	$ 35,838	$ 773,700	$ 473,400	$ 237,300	$ 63,000
Projected Cost 2015-16								
Total Cost	$ 10,002,301	$ 6,189,666	$ 3,039,890	$ 772,745	$ 9,532,692	$ 5,950,908	$ 2,784,480	$ 797,304
Employer Cost	$ 9,539,083	$ 5,867,346	$ 2,934,830	$ 736,907	$ 8,758,992	$ 5,477,508	$ 2,547,180	$ 734,304
Employee Cost	$ 463,218	$ 322,320	$ 105,060	$ 35,838	$ 773,700	$ 473,400	$ 237,300	$ 63,000
Projected Cost 2016-17								
Total Cost	$ 10,832,492	$ 6,703,409	$ 3,292,201	$ 836,883	$ 10,323,852	$ 6,444,780	$ 3,015,588	$ 863,484
Employer Cost	$ 10,369,274	$ 6,381,089	$ 3,187,141	$ 801,045	$ 9,550,152	$ 5,971,380	$ 2,778,288	$ 800,484
Employee Cost	$ 463,218	$ 322,320	$ 105,060	$ 35,838	$ 773,700	$ 473,400	$ 237,300	$ 63,000
Estimated 3-Year Employer Cost Total	$ 27,684,268	$ 17,024,687	$ 8,520,939	$ 2,138,642	$ 25,386,960	$ 15,876,900	$ 7,381,584	$ 2,128,476
Projected Savings *					**$ (2,297,308)**	**$ (1,147,787)**	**$ (1,139,355)**	**$ (10,166)**
Benchmark 3-Yr Cost (0% Healthcare Increase over 3 years)					***$ 23,327,730***	***$ 14,328,756***	***$ 7,196,904***	***$ 1,802,070***

* Note that these savings figures are estimates based on the stated assumptions; actual experience will vary depending on district specific claims experience and eligibility and enrollment shifts.

The School District of the City of York

Itemization of Benefit Change Proposal

Teachers Only

Option C

(Adjusted for Updated Rate Projection)

Benefit Change	Estimated Annualized Value
Year 1 - 7/2014-6/2015 Plan Year	
Switch to 5-tier Rating	91,320
Increase Deductible to $250/$500	(171,266)
Office Visit copay (PCP/Specialist) increased to $25/$30	(15,570)
Emergency Room copay increased to $100	(20,760)
Total Benefit Changes	**(207,596)**
Increase in Cost-sharing	**(153,180)**
Spousal Rule	
Spouses Dropping	**(78,096)**
Year 1 Total	**(347,552)**
Year 2 - 7/2015-6/2016 Plan Year	
Value of Year 1 changes in Year 2	
Benefit Changes & 5 Tier Rating	(141,159)
Cost-sharing	(153,180)
Spousal Rule	(94,809)
Year 2 Total	**(389,147)**
Year 3 - 7/2016-6/2017 Plan Year	
Value of Years 1 & 2 changes in Year 3	
Benefit Changes & 5 Tier Rating	(152,875)
Cost-sharing	(153,180)
Spousal Rule	(102,678)
Year 3 Total	**(408,732)**

Notes & Assumptions

It is VERY important to note that the order in which we have listed these changes affects the estimated value of these changes. By not incorporating all the changes listed above, the value of the following changes may be affected.

The School District of the City of York

Benefit Changes (Request for Pricing)

All Active Employees

Option C

(Adjusted for Updated Rate Projection)

	2013-2014 Plan Year								Year 1 Rule, Cost-sharing Change 2014-2015 Plan Year		Year 2 No Changes 2015-2016 Plan Year		Year 3 No Changes 2016-2017 Plan Year	
Plan	PPO Plan		PPO Plan		PPO Plan		PPO Plan		Only PPO Plan		Only PPO Plan		Only PPO Plan	
	Teachers		Support Other		Administrators		Support Office							
Benefits	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Deductibles	None	$250/$500	None	$250/$500	$400/$1,200	$800/$2,400	$500/$1,500	$1,000/$3,000	$250/$500	$500/$1,000	$250/$500	$500/$1,000	$250/$500	$500/$1,000
Coinsurance	0%	30%	0%	30%	0%	30%	0%	30%	0%	30%	$0	30%	$0	30%
Out of Pocket Max	n/a	$750 per person	n/a	$750 per person	n/a	$750 per person	n/a	$750 per person	n/a	$750 per person	n/a	$750 per person	n/a	$750 per person
ER Copay	$60 – waived if admitted		$40 – waived if admitted		$150 – waived if admitted		$150 – waived if admitted		$100 – waived if admitted		$100 – waived if admitted		$100 – waived if admitted	
OV Copay/Specialist	$25	30%	$15	30%	$35	30%	$30	30%	$25/$30	30%	$25/$30	30%	$25/$30	30%
Urgent Care Copay	$25	30%	$15	30%	$35	30%	$30	30%	$30	30%	$30	30%	$30	30%
Advanced Imaging Copay	n/a	30%	n/a	30%	$100	30%	$100	30%	n/a	30%	n/a	30%	n/a	30%
									Total Medical % Change	-4.0%	Total Medical % Change	0.00%	Total Medical % Change	0.0%
Prescription Drugs	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order	Retail	Mail Order
Deductibles	None	n/a	None	n/a	None	n/a	None	n/a	None	n/a	None	n/a	None	n/a
Copayments *	$20/$35	$20/$35	$15/$30	$20/$35	$20/$40	$40/$80	$15.25/$27	$15.25/$27	$20/$35	$20/$35	$20/$35	$20/$35	$20/$35	$20/$35
Minimums/Maximums	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rx Management	Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization		Quantity Level Limits, Step Therapy, Prior Authorization	
									Total Rx % Change	0.0%	Total Rx % Change	0.00%	Total Rx % Change	0.00%
	Teachers & Support Other plans are priced the same				Administrators & Support Office plans are priced the same. 10% less than the other plans				TOTAL BENEFIT CHANGE: -4.00%		TOTAL BENEFIT CHANGE: 0.00%		TOTAL BENEFIT CHANGE: 0.00%	
									Based on Teachers Plan Current Rates					
Employee Premium Sharing:	$60 Single, $100 Family		$40 Single, $55 2-Party, $70 Family		$55 Single, $70 2-Party, $90 Family		$60 Single, $68.25 2-Party, $80.20 Family		Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150 .		Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150 .		Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150 .	
Eligibility Requirements:									Spousal Rule - Only applicable to certain Public employers		Spousal Rule - Only applicable to certain Public employers		Spousal Rule - Only applicable to certain Public employers	
Other Items:														

Red shows the benefit changes

Not Spoken to in the Request

* Rx Copayments: 2-tiers are Generic/Brand, 3-tiers are Generic/Brand Formulary/Brand Non-Formulary

The School District of the City of York

Cost Projection - 3 year Projection

All Active Employees

Option C

(Adjusted for Updated Rate Projection)

	Current Plan Year					Year 1					Year 2					Year 3				
						Benefit Changes, Spousal Rule, 5-tiers *Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150.*					**Minor Copay changes** *Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150.*					**Minor Copay changes** *Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150.*				
	July 2013 - June 2014 Monthly Premiums					July 2014 - June 2015 Expected Monthly Premiums					July 2015 - June 2016 Expected Monthly Premiums					July 2016 - June 2017 Expected Monthly Premiums				
Tier	Current Enrollment	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %
Teachers						**Teachers**					**Teachers**					**Teachers**				
Single	86	$ 632.00	$ 572.00	$ 60.00	9.5%	***89***	$ 654.00	$ 554.00	$ 100.00	15.3%	89	$ 794.00	$ 694.00	$ 100.00	12.6%	89	$ 860.00	$ 760.00	$ 100.00	11.6%
H/W	40	1,517.00	1,417.00	100.00	6.6%	***37***	1,439.00	1,314.00	125.00	8.7%	37	1,747.00	1,622.00	125.00	7.2%	37	1,892.00	1,767.00	125.00	6.6%
PC	21	1,517.00	1,417.00	100.00	6.6%	***25***	980.00	855.00	125.00	12.8%	25	1,190.00	1,065.00	125.00	10.5%	25	1,289.00	1,164.00	125.00	9.7%
PCn	25	1,782.00	1,682.00	100.00	5.6%	***30***	1,373.00	1,223.00	150.00	10.9%	30	1,667.00	1,517.00	150.00	9.0%	30	1,805.00	1,655.00	150.00	8.3%
Family	131	1,782.00	1,682.00	100.00	5.6%	***122***	1,896.00	1,746.00	150.00	7.9%	122	2,302.00	2,152.00	150.00	6.5%	122	2,493.00	2,343.00	150.00	6.0%
Subtotal	303	$ 5,098,572	$ 4,776,252	$ 322,320		303	$ 4,901,412	$ 4,428,012	$ 473,400		303	$ 5,950,908	$ 5,477,508	$ 473,400		303	$ 6,444,780	$ 5,971,380	$ 473,400	
Support - Other						**Support - Other**					**Support - Other**					**Support - Other**				
Single	51	$ 632.00	$ 592.00	$ 40.00	6.3%	***53***	$ 654.00	$ 554.00	$ 100.00	15.3%	53	$ 794.00	$ 694.00	$ 100.00	12.6%	53	$ 860.00	$ 760.00	$ 100.00	11.6%
H/W	27	1,517.00	1,462.00	55.00	3.6%	***25***	1,439.00	1,314.00	125.00	8.7%	25	1,747.00	1,622.00	125.00	7.2%	25	1,892.00	1,767.00	125.00	6.6%
PC	20	1,517.00	1,462.00	55.00	3.6%	***20***	980.00	855.00	125.00	12.8%	20	1,190.00	1,065.00	125.00	10.5%	20	1,289.00	1,164.00	125.00	9.7%
PCn	19	1,782.00	1,712.00	70.00	3.9%	***21***	1,373.00	1,223.00	150.00	10.9%	21	1,667.00	1,517.00	150.00	9.0%	21	1,805.00	1,655.00	150.00	8.3%
Family	40	1,782.00	1,712.00	70.00	3.9%	***38***	1,896.00	1,746.00	150.00	7.9%	38	2,302.00	2,152.00	150.00	6.5%	38	2,493.00	2,343.00	150.00	6.0%
Subtotal	157	$ 2,504,028	$ 2,398,968	$ 105,060		157	$ 2,293,416	$ 2,056,116	$ 237,300		157	$ 2,784,480	$ 2,547,180	$ 237,300		157	$ 3,015,588	$ 2,778,288	$ 237,300	
Administrators						**Administrators**					**Administrators**					**Administrators**				
Single	5	$ 569.00	$ 514.00	$ 55.00	9.7%	***5***	$ 654.00	$ 554.00	$ 100.00	15.3%	5	$ 794.00	$ 694.00	$ 100.00	12.6%	5	$ 860.00	$ 760.00	$ 100.00	11.6%
H/W	3	1,366.00	1,296.00	70.00	5.1%	***3***	1,439.00	1,314.00	125.00	8.7%	3	1,747.00	1,622.00	125.00	7.2%	3	1,892.00	1,767.00	125.00	6.6%
PC	3	1,366.00	1,296.00	70.00	5.1%	***4***	980.00	855.00	125.00	12.8%	4	1,190.00	1,065.00	125.00	10.5%	4	1,289.00	1,164.00	125.00	9.7%
PCn	2	1,605.00	1,515.00	90.00	5.6%	***2***	1,373.00	1,223.00	150.00	10.9%	2	1,667.00	1,517.00	150.00	9.0%	2	1,805.00	1,655.00	150.00	8.3%
Family	8	1,605.00	1,515.00	90.00	5.6%	***7***	1,896.00	1,746.00	150.00	7.9%	7	2,302.00	2,152.00	150.00	6.5%	7	2,493.00	2,343.00	150.00	6.0%
Subtotal	21	$ 325,092	$ 305,952	$ 19,140		21	$ 330,300	$ 297,600	$ 32,700		21	$ 401,028	$ 368,328	$ 32,700		21	$ 434,316	$ 401,616	$ 32,700	
Support - Office						**Support - Office**					**Support - Office**					**Support - Office**				
Single	3	$ 569.00	$ 509.00	$ 60.00	10.5%	***3***	$ 654.00	$ 554.00	$ 100.00	15.3%	3	$ 794.00	$ 694.00	$ 100.00	12.6%	3	$ 860.00	$ 760.00	$ 100.00	11.6%
H/W	4	1,366.00	1,297.75	68.25	5.0%	***4***	1,439.00	1,314.00	125.00	8.7%	4	1,747.00	1,622.00	125.00	7.2%	4	1,892.00	1,767.00	125.00	6.6%
PC	2	1,366.00	1,297.75	68.25	5.0%	***3***	980.00	855.00	125.00	12.8%	3	1,190.00	1,065.00	125.00	10.5%	3	1,289.00	1,164.00	125.00	9.7%
PCn	1	1,605.00	1,524.80	80.20	5.0%	***1***	1,373.00	1,223.00	150.00	10.9%	1	1,667.00	1,517.00	150.00	9.0%	1	1,805.00	1,655.00	150.00	8.3%
Family	9	1,605.00	1,524.80	80.20	5.0%	***8***	1,896.00	1,746.00	150.00	7.9%	8	2,302.00	2,152.00	150.00	6.5%	8	2,493.00	2,343.00	150.00	6.0%
Subtotal	19	$ 311,436	$ 294,738	$ 16,698		19	$ 326,388	$ 296,088	$ 30,300		19	$ 396,276	$ 365,976	$ 30,300		19	$ 429,168	$ 398,868	$ 30,300	
	500					500					500					500				
Total Cost	*Aggregate*	$ 8,239,128	$ 7,775,910	$ 463,218	5.6%		$ 7,851,516	$ 7,077,816	$ 773,700	9.9%		$ 9,532,692	$ 8,758,992	$ 773,700	8.1%		$ 10,323,852	$ 9,550,152	$ 773,700	7.5%
	PEPM	$ 1,373.19	$ 1,295.99	$ 77.20			$ 1,308.59	$ 1,179.64	$ 128.95			$ 1,588.78	$ 1,459.83	$ 128.95			$ 1,720.64	$ 1,591.69	$ 128.95	
							-4.7%	-9.0%	+67.0%			+21.4%	+23.8%	+0.0%			+8.3%	+9.0%	+0.0%	

Annualized Employer Cost Increase over 3 years
4.32%

Assumptions

These are illustrative rates to exhibit the benefit changes stated herewithin. The rates do not dictate what the actual costs will be during the year of the illustration.

It is assumed that the underlying Rate increase is 0% in Year 1, 21.4% in Year 2, and 8.3% in Year 3.

Rates for 2014-15 are based on the LBT Funding rates.

It is assumed that 18 spouses drop from the York City plan, and the remaining 244 spouses remain insured due to the lack of other employer coverage. All employees and other dependents remain enrolled. The estimated value of removing a spouse is $6,613 annually.

Enrollment is based on August 2014 - 81 Retirees and 0 COBRA Contracts are not included in this document.

The School District of the City of York

Cost Projection - 3 year Projection

All Active Employees

Option C

(Illustrative with NO Spousal Rule)

~~(Adjusted for Updated Rate Projection)~~

	Current Plan Year					Year 1					Year 2					Year 3				
						Benefit Changes, 5-tiers *Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150*					**No Changes** *Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150*					**No Changes** *Single employees pay $100, H/W & P/C employees pay $125 and PCn and Family employees pay $150*				
	July 2013 - June 2014 Monthly Premiums					July 2014 - June 2015 Expected Monthly Premiums					July 2015 - June 2016 Expected Monthly Premiums					July 2016 - June 2017 Expected Monthly Premiums				
Tier	Current Enrollment	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %	#Ees	Total Cost	ER Cost	EE Cost	EE %
Teachers						**Teachers**					**Teachers**					**Teachers**				
Single	86	$ 632.00	$ 572.00	$ 60.00	9.5%	86	$ 651.00	$ 551.00	$ 100.00	15.4%	86	$ 790.00	$ 690.00	$ 100.00	12.7%	86	$ 856.00	$ 756.00	$ 100.00	11.7%
H/W	40	1,517.00	1,417.00	100.00	6.6%	40	1,432.00	1,307.00	125.00	8.7%	40	1,738.00	1,613.00	125.00	7.2%	40	1,882.00	1,757.00	125.00	6.6%
PC	21	1,517.00	1,417.00	100.00	6.6%	21	976.00	851.00	125.00	12.8%	21	1,185.00	1,060.00	125.00	10.5%	21	1,283.00	1,158.00	125.00	9.7%
PCn	25	1,782.00	1,682.00	100.00	5.6%	25	1,367.00	1,217.00	150.00	11.0%	25	1,660.00	1,510.00	150.00	9.0%	25	1,798.00	1,648.00	150.00	8.3%
Family	131	1,782.00	1,682.00	100.00	5.6%	131	1,887.00	1,737.00	150.00	7.9%	131	2,291.00	2,141.00	150.00	6.5%	131	2,481.00	2,331.00	150.00	6.0%
Subtotal	303	$ 5,098,572	$ 4,776,252	$ 322,320		303	$ 4,981,608	$ 4,506,108	$ 475,500		303	$ 6,047,592	$ 5,572,092	$ 475,500		303	$ 6,549,600	$ 6,074,100	$ 475,500	
Support - Other						**Support - Other**					**Support - Other**					**Support - Other**				
Single	51	$ 632.00	$ 592.00	$ 40.00	6.3%	51	$ 651.00	$ 551.00	$ 100.00	15.4%	51	$ 790.00	$ 690.00	$ 100.00	12.7%	51	$ 856.00	$ 756.00	$ 100.00	11.7%
H/W	27	1,517.00	1,462.00	55.00	3.6%	27	1,432.00	1,307.00	125.00	8.7%	27	1,738.00	1,613.00	125.00	7.2%	27	1,882.00	1,757.00	125.00	6.6%
PC	20	1,517.00	1,462.00	55.00	3.6%	20	976.00	851.00	125.00	12.8%	20	1,185.00	1,060.00	125.00	10.5%	20	1,283.00	1,158.00	125.00	9.7%
PCn	19	1,782.00	1,712.00	70.00	3.9%	19	1,367.00	1,217.00	150.00	11.0%	19	1,660.00	1,510.00	150.00	9.0%	19	1,798.00	1,648.00	150.00	8.3%
Family	40	1,782.00	1,712.00	70.00	3.9%	40	1,887.00	1,737.00	150.00	7.9%	40	2,291.00	2,141.00	150.00	6.5%	40	2,481.00	2,331.00	150.00	6.0%
Subtotal	157	$ 2,504,028	$ 2,398,968	$ 105,060		157	$ 2,314,056	$ 2,076,156	$ 237,900		157	$ 2,809,152	$ 2,571,252	$ 237,900		157	$ 3,042,384	$ 2,804,484	$ 237,900	
Administrators						**Administrators**					**Administrators**					**Administrators**				
Single	5	$ 569.00	$ 514.00	$ 55.00	9.7%	5	$ 651.00	$ 551.00	$ 100.00	15.4%	5	$ 790.00	$ 690.00	$ 100.00	12.7%	5	$ 856.00	$ 756.00	$ 100.00	11.7%
H/W	3	1,366.00	1,296.00	70.00	5.1%	3	1,432.00	1,307.00	125.00	8.7%	3	1,738.00	1,613.00	125.00	7.2%	3	1,882.00	1,757.00	125.00	6.6%
PC	3	1,366.00	1,296.00	70.00	5.1%	3	976.00	851.00	125.00	12.8%	3	1,185.00	1,060.00	125.00	10.5%	3	1,283.00	1,158.00	125.00	9.7%
PCn	2	1,605.00	1,515.00	90.00	5.6%	2	1,367.00	1,217.00	150.00	11.0%	2	1,660.00	1,510.00	150.00	9.0%	2	1,798.00	1,648.00	150.00	8.3%
Family	8	1,605.00	1,515.00	90.00	5.6%	8	1,887.00	1,737.00	150.00	7.9%	8	2,291.00	2,141.00	150.00	6.5%	8	2,481.00	2,331.00	150.00	6.0%
Subtotal	21	$ 325,092	$ 305,952	$ 19,140		21	$ 339,708	$ 306,708	$ 33,000		21	$ 412,404	$ 379,404	$ 33,000		21	$ 446,628	$ 413,628	$ 33,000	
Support - Office						**Support - Office**					**Support - Office**					**Support - Office**				
Single	3	$ 569.00	$ 509.00	$ 60.00	10.5%	3	$ 651.00	$ 551.00	$ 100.00	15.4%	3	$ 790.00	$ 690.00	$ 100.00	12.7%	3	$ 856.00	$ 756.00	$ 100.00	11.7%
H/W	4	1,366.00	1,297.75	68.25	5.0%	4	1,432.00	1,307.00	125.00	8.7%	4	1,738.00	1,613.00	125.00	7.2%	4	1,882.00	1,757.00	125.00	6.6%
PC	2	1,366.00	1,297.75	68.25	5.0%	2	976.00	851.00	125.00	12.8%	2	1,185.00	1,060.00	125.00	10.5%	2	1,283.00	1,158.00	125.00	9.7%
PCn	1	1,605.00	1,524.80	80.20	5.0%	1	1,367.00	1,217.00	150.00	11.0%	1	1,660.00	1,510.00	150.00	9.0%	1	1,798.00	1,648.00	150.00	8.3%
Family	9	1,605.00	1,524.80	80.20	5.0%	9	1,887.00	1,737.00	150.00	7.9%	9	2,291.00	2,141.00	150.00	6.5%	9	2,481.00	2,331.00	150.00	6.0%
Subtotal	19	$ 311,436	$ 294,738	$ 16,698		19	$ 335,796	$ 305,196	$ 30,600		19	$ 407,652	$ 377,052	$ 30,600		19	$ 441,468	$ 410,868	$ 30,600	
	500					500					500					500				
Total Cost	*Aggregate*	$ 8,239,128	$ 7,775,910	$ 463,218	5.6%		$ 7,971,168	$ 7,194,168	$ 777,000	9.7%		$ 9,676,800	$ 8,899,800	$ 777,000	8.0%		$ 10,480,080	$ 9,703,080	$ 777,000	7.4%
	PEPM	$ 1,373.19	$ 1,295.99	$ 77.20			$ 1,328.53	$ 1,199.03	$ 129.50			$ 1,612.80	$ 1,483.30	$ 129.50			$ 1,746.68	$ 1,617.18	$ 129.50	
							-3.3%	-7.5%	+67.7%			+21.4%	+23.7%	+0.0%			+8.3%	+9.0%	+0.0%	

Annualized Employer Cost Increase over 3 years
5.16%

Assumptions

These are illustrative rates to exhibit the benefit changes stated herewithin. The rates do not dictate what the actual costs will be during the year of the illustration.

It is assumed that the underlying Rate increase is 0% in Year 1, 21.4% in Year 2, and 8.3% in Year 3.

Rates for 2014-15 are based on the LBT Funding rates.

Enrollment is based on August 2014 - 81 Retirees and 0 COBRA Contracts are not included in this document.

MEMBER HEALTH
SERVICES

FOR

YORK CITY SCHOOL DISTRICT EMPLOYEES

2003 E. Market St. York, PA 17402 | **PHONE** 717.885.9150

MemberHealthServices.com

Employee Savings...**GUARANTEED!**

GOT A SINUS INFECTION?

Simply call a Member Health provider, and we will deliver your prescription to your home or place of work at no cost and no inconvenience to you.

PRIMARY CARE **PHYSICIAN SERVICES**

Member Health Services Primary Care Physician Services include, but are not limited to:

- *Routine office care*
- *Sick visits*
- *Annual physical*
- *EKG*
- *Biometric testing*
- *Wellness*
- *Preventive care*
- *Work, school and sports physicals*
- *Acute medical problems*
- *Chronic medical problems*
- *Workplace injuries*

AT MEMBER HEALTH SERVICES, **100%** OF THE PHYSICIANS' TIME IS SPENT CARING FOR PATIENTS.

No out-of-pocket costs for high quality, convenient care.

Set up your appointment online, see a provider, get your prescription and have no or lower out-of-pocket costs. It's that easy!

PRESCRIPTION **DRUGS**

Member Health Services Pharmacy carries all brand-name drugs, generic drugs and most specialty medications.

- *Receive lower copays on most brand name, generic and specialty drugs than through your current pharmacy.*
- ***Copays can be discounted as much as 100%.***
- *Call us to see how much you can save on your prescription drug copays!*

It's convenient & FREE! We deliver to your home or place of work.

TELE**MEDICINE**

What is telemedicine? Telemedicine is a convenient option for an Employee to have the ability to consult with a Physician via video conference or telephone from work, home or anywhere in the world.

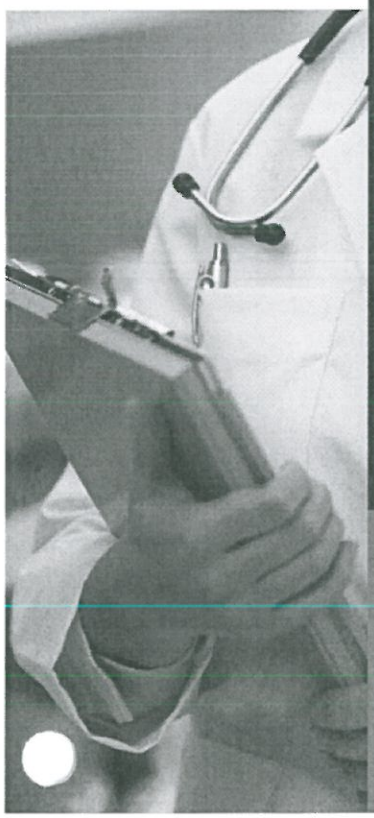
TELEMEDICINE IS GREAT FOR:

- *Minor medical concerns*
- *Getting a prescription*
- *Second opinions*

PLUS, IT'S CONVENIENT:

- *You or a family member can see a Physician without leaving your home or place of work.*
- *Simply call us. We'll schedule your Telemedicine appointment.*

BEST PART – TELEMEDICINE SAVES TIME AND MONEY FOR EVERYONE.



BENEFITS OF **MEMBER HEALTH SERVICES**

- *Lower Out-of-Pocket costs to you and your family* ***GUARANTEED****.*
- *Wellness and Preventive Services to keep you and your family healthy.*
- *Guaranteed access to Primary Care Providers.*
- *Shorter wait time to see a Provider.*
- *Referrals to specialists when needed.*
- *Electronic Medical Records with easy access for you and your family.*
- *Easy and convenient access to care.*
- *FREE Prescription delivery.*

OFFICE HOURS
Monday – Friday 8am to 8pm

LAB SERVICES
The Lab opens early for your convenience on **Tuesday & Thursday at 7am**

Our providers will refer you to a specialist when needed. Any Lab services not offered onsite will be sent to an outside Lab.

Your health insurance will cover all services referred off site.