Memorandum

To: School Board Members, Superintendent Ferguson, Supervisor of Personnel Jason Smith

From: K.C. Linkous, Human Resource Manager

Angie Vermillion, Health Insurance Clerk

Re: Health Insurance Update

Date: 2/1/2012

Attached you will find three handouts:

A. Bus Driver Health Insurance Questionnaire – we polled our drivers to see who is interested in the health/dental insurance
B. Bus Driver Insurance Coverage Survey – polled other counties on their policy for insurance coverage for bus drivers
C. Health Insurance Committee Meeting Update

INFORMATIONAL

Bus Driver Health Insurance Questionnaire
01/04/2012

Out of 50 drivers – 22 participated in the survey

Are you interested in Health Insurance?
YES – 18 **NO - 4**

Are you interested in Dental Insurance?
YES – 17 **NO - 5**

How much would you be willing to pay for Health Insurance?
$50 (1) $100 (7) $110 (1) $150 (1) $200 (3) $234 (1) $300 (1)
$? (4)

Which coverage would you consider: (Circle One)

A.	Employee Only **(9)**	$110 Health	$15.00 Dental **(1)**
B.	Employee + Child **(2)**	$195 Health	$28.00 Dental
C.	Employee + Spouse **(6)**	$234 Health	$28.00 Dental **(1)**
D.	Family **(2)**	$333 Health	$48.00 Dental

Do you currently have Health Insurance (including medicare)?
YES – 15 **NO – 6** **UNANSWERED - 1**

Are you eligible for Health Coverage anywhere else (including medicare)?
YES – 7 **NO – 14** **UNANSWERED - 1**

If offered, you can only have one plan not both Aetna and Anthem. Would this impact your decision?
YES – 3 **NO - 19**

Our current plan does not cover pre-existing conditions for up to two years. Would this impact your decision?
YES – 5 **NO - 17**

If the School System had to raise premiums for employees, would you still consider taking the Health Insurance?
YES – 17 **NO – 4** **UNANSWERED - 1**

If the School System were able to offer you employee only coverage, would you still consider taking the Health Insurance?
YES – 17 **NO – 3** **MAYBE - 1**

HEALTH INSURANCE UPDATE

K.C. Linkous conducted a survey of some other school divisions in the State to ask if they have a policy that covers bus drivers on their group health insurance plan. Thirty counties were sent the survey and eighteen responded. Below are the results:

YES – 15 (Carroll County, Dickenson County, Floyd County, Galax County, Grayson County, Hopewell City, Lee County, Loudoun County, Norfolk City, Powhatan County, Russell County, Wise, County)

A. One division offers the option to join the group plan at 50% of the premium cost which is a much higher rate than the full time employees. (**Charlotte County**)
B. One division offers the option to join the group plan at a different rate than full-time employees. (**Dinwidie County**)
C. One division offers the option to join the group plan, but drivers pay higher premiums than full time employees. (**Washington County**)

NO – 3 (**Bristol City, Norton City, Wythe County**)

According to our Health Insurance Administrator's Guide, for Groups of 100+ an Eligible Employee is: **A full-time, active, permanent employee of the group who works at least 30 hours per week throughout the year as of the effective date of coverage. (copy attached)**

The average bus run for Scott County Schools is 3 hours per day. We have one run that is 5.5 hours per day.

I. Enrollment and renewals

One of the best ways to help your employees gain and maintain access to their health care coverage is to familiarize yourself with the enrollment and renewal processes, including understanding who is eligible for coverage, what types of enrollment there are and when they happen, how to expedite applications, and the ins-and-outs of renewing your group's coverage.

This Group Administrator's Guide provides general administrative information pertaining to most Anthem BlueCare, Anthem KeyCare, and Anthem HealthKeepers health care plans. It is intended for use by Group Administrators, who are persons designated by employers to handle routine administrative matters associated with the employer's group health insurance policy or plan. It is not intended as legal or benefit plan consulting advice, but only as a convenient reference source for general administrative information.

Eligibility

Determining whether an employee and family members are eligible for your group health plan is the first step in the enrollment process. General eligibility guidelines are discussed in this section. This information pertains to insured groups and most self-funded groups. For specific eligibility information applicable to your group, always refer to your group contract or group policy.

Who is eligible?

In most cases, people who are eligible for coverage under group plans include:

- eligible employees;
- spouses of eligible employees; or
- dependent children of eligible employees

Eligible employees

Unless otherwise agreed in writing by us, an employee is eligible for an Anthem group plan if he or she is:

- (For 2-99 groups): An active, permanent employee of the group who works at least 25 hours per week as of the effective date of coverage and who has met your group's imposed waiting period;
- (For 100+ groups): A full-time, active, permanent employee of the group who works at least 30 hours per week throughout the year as of the effective date of coverage. An employer may request a reduced minimum number of hours for eligibility but not less than 17.5 hours and subject to underwriting approval;
- An eligible employee's wages must be reported on IRS Form W-2; or
- Any other class of persons represented by the group, provided that prior written approval of that class' eligibility is obtained from Anthem;
- Eligible for continuous coverage under state or federal laws.

Additionally, for Anthem HealthKeepers an eligible employee must reside or work in the service area.

The requirements to be an eligible employee also applies to an owner, partner, director, or officer of the policyholder. An eligible employee also includes an enrolled employee who has not worked for a time period not to exceed 6 months because of illness or injury.

An eligible spouse is (for all group plans):

- a person currently legally married to a covered employee.

An eligible dependent child is (for all group plans):

- a natural child;
- a legally adopted child or a child who has been placed for adoption;
- a stepchild who receives more than one-half of his or her support from the covered employee; or
- a child of whom the employee has legal guardianship or court ordered custody and who receives more than one-half of his or her support from the covered employee;
- under the dependent age limit as defined by your group (which for most groups is 26). Coverage for a dependent child typically will end on the last day of the calendar month in which his or her 26th birthday occurs.

Dependents with mental or physical handicaps that prevent them from being self-supporting are eligible for coverage beyond the age limit, provided the condition began prior to reaching the dependent age limit. Coverage will continue as long as the condition prevents the dependent from being self-supporting. We require a doctor's letter verifying the handicap and dependence within 31 days of the date the dependent reaches the age limit.

HEALTH INSURANCE COMMITTEE

The Health Insurance Committee met on January 25, 2012 and we met with Steve Darnell and Candy Snodgrass from Anthem BC/BS and they were able to answer several questions that have been eluding us for the past year. Mr. Darnell was able to give us details about our medical discounts and our administrative costs. He was also able to answer our questions on employee eligibility. Mr. Darnell and Ms. Snodgrass also explained some legislative changes that will be impacting our plan for the next contract year. The information provided, has allowed Angie Vermillion and myself to conduct some educational training at each of the schools to better inform our employees on the health insurance and how they might be able to help cut down on costs. Ms. Vermillion prepared a very informative hand out on "*Emergency Room vs. Urgent Care*" and we have visited four schools with each one being very receptive and willing to help build our fund. It was requested that we continue to hold these educational meetings every couple of months. The insurance committee feels that this will be a good idea and a good way to keep communication open so our employees can stay "in the loop" and be better informed.