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■ Gaylord Community Schools

2016 Public Act 106 Marketing Results

APRIL 2016

PA 106

Executive Summary

- Michigan Public Employees Health Act 106 (PA 106) of 2007 requires that public employers, including school districts such as Gaylord, to solicit bids from four or more carriers every three years if under an insured or pooled plan arrangement (not required for self-insured plans)
- Due to PA 106, Gaylord Community Schools was required to satisfy the bid requirement in 2016 for its Medical and Prescription Drug plans currently offered through MESSA
 - Allows GCS to ensure current arrangement under MESSA is cost-competitive versus marketplace
- Plante Moran Group Benefit Advisors II solicited bids from multiple carriers, with an effective date beginning July 1, 2016

PA 106 Marketing Results Overview



- The following carriers/administrators were included in the PA 106 RFP process:

Medical/Rx	Comments
BCBSM Direct (incl. Stop-Loss)	Uncompetitive vs. MESSA renewal
BCBSM (w/ HCC Stop-Loss)	Competitive vs. MESSA renewal
Meritain (via Aetna Network and HCC)	Competitive vs. MESSA renewal
Priority Health	Competitive versus current MESSA costs and renewal Most competitive overall bid

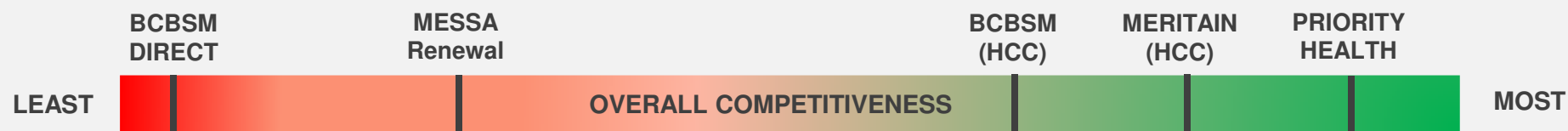
- Third party stop-loss vendors were also engaged for bids for potential pairing with both BCBSM or Meritain (Aetna):

	Comments
HCC	Provided Proposal
Sun Life	Declined to Quote; lack of claims data
Symetra	Declined to Quote; lack of claims data
QBE	Declined to Quote; lack of claims data

Alternative Financing Options Carrier Overview



	MESSA	BCBSM Direct	BCBSM (HCC)	Meritain (HCC)	Priority Health
Financing	Fully-Insured	Self-Funded	Self-Funded	Self-Funded	Self-Funded
Stop-Loss Carrier	N/A (Fully-Insured)	BCBSM	HCC Life	HCC Life	Priority Health
Stop-Loss Policy	N/A (Fully-Insured)	Specific/Agg	Specific/Agg	Specific/Agg	Specific/Agg
Stop-Loss Coverage	N/A (Fully-Insured)	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx
Administrative Costs	●	●	●	●	●
Avoidance of ACA Taxes/Fees	●	●	●	●	●
Network Analysis	●	●	●	●	●
Stop-Loss / Pooling Costs	●	●	●	●	●
Projected Claims	●	●	●	●	●



Alternative Financing Options Premium Rate Comparison



- Due to Priority Health’s favorable expected cost position versus the MESSA renewal rates, proposed employee contributions are estimated to decrease using the 2016 PA152 hard caps
 - Comparable ‘ABC Qualified’ PPO gross premium rates projected to be below the 2016 PA152 hard-cap limits set by the State of Michigan
 - Please note: All ABC plan rates (and comparable Priority Health rates) are illustrated without any H.S.A. contributions provided by GCS

Description	Current 2015 MESSA Fully- Insured Premium Rates	Renewal 2016 MESSA Fully- Insured Premium Rates	Proposed 2016 Priority Health Self-Insured Premium Rate Equivalents	Public Act 152 2016 Hard-Caps
Choices PPO Equivalent				
Single	\$576.68	\$621.85	\$541.17	\$511.84
Two Person	\$1,295.43	\$1,397.06	\$1,131.76	\$1,070.42
Family	\$1,614.70	\$1,742.71	\$1,475.93	\$1,395.94
ABC Plan (QHDHP Plan) Equivalent				
Single	\$522.42	\$560.50	\$483.19	\$511.84
Two Person	\$1,173.34	\$1,259.03	\$1,010.50	\$1,070.42
Family	\$1,462.77	\$1,569.40	\$1,317.79	\$1,395.94

Please Note: MESSA and Priority Health premium rates include all state and federally mandated taxes and fees

Priority Health Network Facility Analysis

- The chart below outlines Hospital/Facilities that are deemed in-network by each provider
- Overall, there is very little disruption in Northern Michigan when comparing the three networks
 - Please note: If utilizing hospital facilities in the Lansing area, Priority Health currently has a coverage gap

Hospital Name	MESSA (BCBSM)	Priority Health	Aetna (POS II)
ALPENA REGIONAL MEDICAL CENTER	X	X	X
CHIPPEWA COUNTY WAR MEMORIAL HOSPITAL	X		
KALKASKA MEMORIAL HOSPITAL	X	X	X
MACKINAC STRAITS HOSPITAL AND HEALTH CENTER	X	X	X
MCLAREN CENTRAL MICHIGAN	X	X	X
MCLAREN NORTHERN MICHIGAN	X	X	X
MCLAREN NORTHERN MICHIGAN - CHEBOYAGAN CAMP	X	X	X
MIDMICHIGAN MEDICAL CENTER GLADWIN	X	X	X
MIDMICHIGAN MEDICAL CENTER-CLARE	X	X	X
MIDMICHIGAN MEDICAL CENTER-MIDLAND	X	X	X
MUNSON HEALTHCARE CADILLAC HOSPITAL	X	X	X
MUNSON HEALTHCARE CHARLEVOIX AREA HOSPITAL	X	X	X
MUNSON HEALTHCARE GRAYLING HOSPITAL	X	X	X
MUNSON MEDICAL CENTER	X	X	X
OTSEGO MEMORIAL HOSPITAL	X	X	X
PAUL OLIVER MEMORIAL HOSPITAL	X	X	X
SCHOOLCRAFT MEMORIAL HOSPITAL	X		X
SPECTRUM HEALTH REED CITY CAMPUS	X	X	X
SPECTRUM HLTH BIG RAPIDS HOSPITAL	X	X	X
ST JOSEPH HOSPITAL SYSTEM TAWAS	X	X	X
ST MARY'S OF MICHIGAN STANDISH HOSPITAL	X	X	X
WEST BRANCH REGIONAL MEDICAL CENTER	X	X	X
WEST SHORE MEDICAL CENTER HOSPITAL	X	X	X

Priority Health Client References - Northern MI

- PMGBA II requested that Priority Health provide references of other public entities located in Northern Michigan currently utilizing their Medical and Prescription Drug services
 - County of Charlevoix
 - County of Wexford
 - Grand Traverse County
 - Crawford County
 - City of Traverse City
 - Antrim County
 - City of Charlevoix
 - Benzie County Central Schools (non-teaching staff only)
 - Charlevoix Public Schools (non-teaching staff only)
 - City of Boyne (PH is one of the carriers offered)
 - Kalkaska Public Schools (non-teaching staff only)
 - Manton Consolidated
 - Suttons Bay Public Schools
 - Traverse Area Public Schools (non-teaching staff only)
 - Cheboygan-Otsego-Presque Isle ESD
 - Kingsley Schools
 - Mesick Consolidated Schools
 - Onaway Public Schools

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■ Thank you.