

PIKES PEAK LIBRARY DISTRICT BOARD OF TRUSTEES
SEPTEMBER 3, 2024 3:00 p.m.
LIBRARY 21C, 2ND FLOOR STAFF TRAINING ROOM



[Special Meeting link](#)

Call in: 1 719 359 4580 or 1-253-215-8782 or 1-312-626-6799 or 1-669-900-6833

Meeting ID: 860 0690 6006

Passcode: 261165

SPECIAL MEETING OF THE BOARD OF TRUSTEES

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PUBLIC COMMENT (*3 Minute Time Limit per Person*)
- IV. BUSINESS ITEMS
 - A. DECISION 24-9-1: 2025 Benefits Renewal
- V. ADJOURNMENT

The full packet of materials for this meeting of the Pikes Peak Library District Board of Trustees is available at <https://ppld.org/board-trustees>

PIKES PEAK LIBRARY DISTRICT
2025 Employee Benefit Programs

BENEFIT AND POLICY REVIEW TEAM

The Benefits and Policy Review Team reviews employee benefit programs and makes recommendations to the Pikes Peak Library District's Chief Librarian & CEO and Leadership Team. Moody Insurance, the Employee Benefits Consultant for the District, has handled the 2025 benefits renewal process. This memo outlines the District's benefit options and presents recommendations to the Board of Trustees for the District's 2025 benefit programs.

HEALTH PLAN

The Health Plan is offered to District employees with a regularly scheduled workweek of 30 – 40 hours and in accordance with the provisions of the Patient Protection and Affordable Care Act.

2023 Health Plan Financial Data

The following chart depicts certain financial data for the period of January 1, 2023, through December 31, 2023:

Worst case expected (amount funded @120% of expected))	\$1,944,147
Expected claims	\$1,620,123
Cumulative Benefit Payments	\$1,666,893
Ratio of claims paid to expected claims	103%

For this twelve-month period, the financial position of the Plan remains negative; meaning total claims paid by the Plan are more than the expected claims for the Plan. The Plan is funded at a level that approximates the worst-case scenario, and the Plan has the resources to cover substantially ALL potential liabilities including incurred-but-not-reported claims. The Plan is liable for up to 120% of expected claims. The Plan has an insurance policy in place to cover claims paid in excess of the 120% maximum liability both on a monthly basis and on an annual basis. In addition, the Plan is covered for specific claims that exceed \$45,000 during 2023. This is congruent to catastrophic insurance coverage for specific claims. A total of \$451,511 in claims has exceeded the \$45k Individual Stop Loss level (SSL) through 12/31/2023.

The cost of the Plan is shared by District and eligible District employees who have elected to participate in the Plan. In 2023, the District will have contributed 89.7% to the Plan, and the employees contributed about 10.3%. In 2022, the library contributed \$2,691,398 to the Health Fund and employees contributed \$460,452 for a total of \$2,497,061.

2025 Medical Plan Options

For the 2025 renewal, Moody did not solicit proposals from other medical plan carriers. Moody last solicited proposals from other carriers back in 2018.

Instead, our current carrier, Cigna, submitted the following renewal proposals for 2025:

Wellness benefit will increase from \$7,000 to \$10,000, no change in the Individual Specific Stop Loss amount. There will be plan design changes to both High Plan and High Deductible plan which will include:

- Increasing deductibles
- Increasing out-of-pocket maximums
- Increasing emergency room visit Co-Pay
- Increasing prescription tier Co-Pays

PPLD will continue to bundle the dental, life insurance and long-term disability plans with Medical increase of 6.4 while Group Life, AD&D, Vision, and LTD came in with an 0% increase.

Plan Details

We have been offering a Network Only Plan since 2016. PPLD offers two networks: Cigna's Standard Network and the Local Plus Network. Cigna's standard network includes both major Colorado Springs area Hospital systems (CommonSpirit Health and UCHealth Memorial) and provides access to the large, nationwide, Open Access Plus network of Cigna providers. Participants in the Local Plus option can only utilize members of the Local Plus Network which consists primarily of Memorial Hospital and UC Health Partners. PPLD began offering the Local Plus (smaller) Network option in 2019 as a way to reduce costs to both the employee and the employer. While members do not have coverage for non-emergency services from out-of-network providers, emergency care is always treated as in-network regardless of the facility's network status.

PPLD offers two plan options for each of the available networks: The Cigna In-network Only High Plan and the Cigna In-network Only High Deductible Health Plan (HDHP).

Cigna Network Only High Plan

The **Cigna Network Only High Plan** currently in 2024 is a Copayment Plan with a \$750/\$1,500 Calendar Year Deductible for single/family respectively, \$30.00 office co-pay, \$40.00 specialist co-pay and a \$10 (generic)/\$25 (preferred brand)/\$50 (nonpreferred brand) prescription drug co-pay. Coinsurance for network services is paid at 80% once the deductible has been met.

The significant provisions of the Plan are summarized below with 2025 changes included. This is a Network Only Plan and there is no benefit coverage/schedule for non-emergency services from out-of-network providers.

In-network Only Physician Office Co-Pay – Office co-pays remain at \$30 office visits for 2025. Total charges for an office visit to a non-network provider are the responsibility of the member. Specialist Office Co-Pay will remain at \$40 for office visits in 2025. The member will be responsible for paying out-of-pocket, the total charges for non-network services.

- a. Coinsurance Percentages and Deductibles – The coinsurance percentage for network services is 80% (the percentage of cost to be borne by the insurance company). The member will be responsible for paying out-of-pocket the total charges for non-network services. The annual deductible will increase to \$850 for single coverage and \$1,700 for family coverage. The member will be responsible for paying out-of-pocket, the total charges for non-network services.
- b. In-network Prescription Co-Pays – Currently, plan participants pay \$10 for generic drugs, \$25 for preferred drugs and \$50 for non-preferred drugs. HDHP participants pay retail for the generic, preferred, non-preferred and mail order drugs, respectively, until they meet their annual deductible. This will increase to \$15 for generic drugs, \$30 for preferred drugs and \$75 for non-preferred drugs. . The member will be responsible for paying out-of-pocket, the total charges for non-network services.
- c. Emergency Room Co-Pays – Currently, plan participants pay \$200 per visit. This will increase to \$300 for 2025. Emergency Care is always treated as In-network regardless of the facility's Network status.
- d. Preventive Care – Paid at 100% when services rendered by an in-network provider. The member will be responsible for paying out-of-pocket, the total charges for non-network services.
- e. Network prescription co-pays accumulate towards the calendar year out-of-pocket maximum as required by PPACA.

Cigna Network Only High Deductible Health Plan (HDHP)

The **Cigna In-network Only High Deductible Health Plan (HDHP)** with a Health Savings Account funding mechanism is a qualified high deductible health plan offered as an alternative to the High Plan. The HSA is like a flexible spending account without the “use it or lose it” aspect. This Network Only plan currently in 2024 offers a calendar year deductible of \$2,000 for individual and \$4,000 for family. Network Only coinsurance for services is paid at 80% once the deductible has been met. Participants in this plan access the same network as the High Plan participants. Network Only Preventive care is unlimited and is paid at 100%. The maximum contribution for 2024 is \$4,150 for individuals and \$8,300 for families, with participants over the age of 55 eligible to contribute an additional \$1,000 per year (catch-up contributions).

Participation in the High Deductible Health Plan with HSA funding mechanism has been steady and is attractive to staff because the savings are portable, permit a carry-over of unused balances, the savings account is funded by the employee, and the savings are tax deductible. 2012 was the first year PPLD offered this benefit plan option.

Some of the HSA provisions presenting some disadvantages include: employees who participate cannot be eligible for Medicare or be covered by a spouse’s medical or pharmacy plan, and cannot be a dependent on another’s tax return. The maximum out of pocket is considerably higher than the High Plan. No prescription co-pay is allowed so participants must pay all prescription costs up to the calendar year deductible before 80% coinsurance kicks in. The relatively small difference between the employee only premium for the HDHP and OAP PPO but a significant difference in the deductible coupled with no employer contribution to Health Savings Accounts may help to explain the relatively low HDHP participation rate.

The monthly premium rates for the High Deductible Health Plan with an HSA funding mechanism are less than the OAP Plan but do not include the fees that would be charged by the banking partner responsible for managing the savings accounts. Fees in 2024 are \$2.45 per account and it remains to be seen if those fees will increase in 2025.

The High Deductible Health Plan with an HSA option does not offer the co-pay feature of the OAP Plan. This is a Network Only Plan and there is no benefit coverage/schedule for non-emergency services from out-of-network providers.

- a) In-network Only Calendar Year Deductible – Currently these are \$2,000 individual and \$4,000 family. These will increase to \$3,000 and \$6,000 for 2025. The entire family deductible must be met before coinsurance benefits apply to any individual within the family. Calendar Year Deductible accumulates toward the out-of-pocket maximum and is not applied after the out-of-pocket maximum has been met. The member will be responsible for paying out-of-pocket, the total charges for non-network services.
- b) The In-network only coinsurance percentage for network services is 80% (the percentage of cost to be borne by the insurance company). The member will be responsible for paying out-of-pocket, the total charges for non-network services.
- c) Out of Pocket Maximum – In-network Only: Currently these are \$3,000 individual and \$6,000 family. These will increase to \$5,000 and \$9,450 for 2025. The member will be responsible for paying out-of-pocket, the total charges for non-network services.
- d) In-network Only Preventive Care - Paid at 100% when services rendered by an In-network Provider. The member will be responsible for paying out-of-pocket, the total charges for non-network services.
- e) Emergency Room Care – Paid by participant and goes towards Calendar Year Deductible. Emergency care is always treated as In-network regardless of the facility’s network status.
- f) In-network Only Prescription Drugs - Paid by participant and goes towards Calendar Year Deductible, once met paid at 80%. The member will be responsible for paying out-of-pocket, the total charges for non-network services.

g) In-network Only Lab and X-Rays – Paid by participant and goes towards Calendar Year Deductible, once met paid at 80%. The member will be responsible for paying out-of-pocket, the total charges for non-network services.

Individual Specific Stop Loss (SSL)

The current plan (for 2024) includes Individual Specific Stop Loss (SSL) insurance for individual claims in excess of \$45,000. This means the insurance company pays all covered costs for claims that exceed \$45,000. As a partially Self-Insured plan, PPLD pays for all covered costs for each participant until they reach the SSL limit. Prescription drug costs are included under this individual (specific) stop loss. For 2025, we recommend the Specific Stop Loss insurance remain the same.

Premium Rates

Due to the proposed increase in plan costs, the monthly premium rates for 2024 should be adjusted. Employee rates for all categories in the OAP and High Deductible OAP Plans will increase by 7% across the board. PPLD’s rates will increase approximately 6.91% for each category with slight differences resulting from minor differences in underwriting rates from year to year.

Affordable Care Act Fees

PPLD pays the following mandatory fees to comply with PPACA:

The Comparative Effectiveness Research Fee (CERF) was \$3.00 in 2024 based upon the rate of medical inflation. Fees are set by the federal government and are a mandate per the Affordable Care Act. The fee is scheduled to be \$3.22 for 2025 (it is due July 31, 2025).

Employee Meetings

The Human Resources Department will conduct Open Enrollment Meetings for employees during the fall to discuss the OAP and HDHP with a HSA funding mechanism and the two network options. It will provide plan design comparisons; describe both Networks, the employee premium rate changes for 2025, and instruction for completing the benefits enrollment process. The goal of these meetings is always to explain to eligible employees the benefit plans available through PPLD so they can make informed enrollment decisions that best meet their healthcare insurance needs. This year the Director of Benefits will ensure that employees will also be made aware of plan design changes to both plans and how that may impact them.

Recommendation

Management recommends that the Board of Trustees:

1. Authorize management to renew PPLD’s contract with CIGNA for calendar year 2025 to provide health care insurance to PPLD employees based on the plan provisions discussed above.

Approve a premium rate plan that is discussed above as indicated in the monthly breakdown below:

<u>CIGNA OAP HIGH PLAN</u>	<u>Total Cost</u>	<u>Employee Cost</u>	<u>PPLD Cost</u>
Single	\$1,071.16	\$116.00	\$ 955.16
Employee + Spouse	\$2,269.38	\$378.98	\$1,890.40
Employee + Child(ren)	\$1,600.70	\$272.60	\$1,328.10
Family	\$2,773.98	\$459.10	\$2,314.88

<u>CIGNA HSA OAP (HDHP)</u>	<u>Total Cost</u>	<u>Employee Cost</u>	<u>PPLD Cost</u>
Single	\$ 899.28	\$ 52.52	\$ 846.76
Employee + Spouse	\$1,919.86	\$335.40	\$1,584.46
Employee + Children	\$1,362.06	\$246.68	\$1,115.38
Family	\$2,340.28	\$402.30	\$1,937.98

<u>CIGNA HIGH PLAN</u>			
<u>LOCAL PLUS</u>	<u>Total Cost</u>	<u>Employee Cost</u>	<u>PPLD Cost</u>
<u>NETWORK</u>			
Single	\$ 999.66	\$100.18	\$ 899.48
Employee + Spouse	\$2,117.92	\$356.44	\$1,761.48
Employee + Child(ren)	\$1,494.18	\$257.14	\$1,237.04
Family	\$2,588.98	\$431.32	\$2,157.66

<u>CIGNA HSA (HDHP)</u>			
<u>LOCAL PLUS</u>	<u>Total Cost</u>	<u>Employee Cost</u>	<u>PPLD Cost</u>
<u>NETWORK</u>			
Single	\$ 839.10	\$ 42.96	\$ 796.14
Employee + Spouse	\$1,791.28	\$314.92	\$1,476.36
Employee + Children	\$1,270.88	\$232.18	\$1,038.70
Family	\$2,183.66	\$377.34	\$1,806.32

BASIC LIFE, VOLUNTARY LIFE & LONG-TERM DISABILITY INSURANCE PLANS

Basic Life & Voluntary Life

PPLD purchases term life insurance benefits through New York Life for employees working 20 – 40 hours per week. The face value is equal to twice an employee’s annual salary up to a maximum of \$250,000.

Basic Life & Long-Term Disability premiums are 100% employer paid and voluntary life premiums are 100% employee paid.

Long-Term Disability Insurance

LTD insurance provides income protection when an employee working 20 – 40 hours per week is unable to work due to a long-term illness or injury. Our current plan through New York Life offers a benefit up to 50% of monthly earnings which is available after 120 days and until Social Security Normal Retirement Age (SSNRA).

We are in a rate guarantee with Cigna for our current plans. Cigna’s monthly premium rates for 2025 are presented below:

Basic Life – \$0.120 per month for each \$1,000 of insurance net premium LTD - \$0.141 per \$100.00 of salary net premium.

Voluntary Life – Age Based Rate Table with no changes to the age banding tiers.

Recommendation

Management recommends that the Board of Trustees authorize PPLD to continue to offer Life/LTD and Voluntary Life Insurance with Cigna, our current carrier, and approve the 0% premium increase.

DENTAL PLAN

Background/Plan Summary

In 2024, the District offered two dental plans provided by Cigna. This is a 100% employee paid dental benefit that offers a choice between a Dental PPO and Dental Care Access plan. These plans are fully insured plans and the renewals for Dental PPO and Dental Care Access plans for 2025 have a \$0 increase for 2025.

Premium Rates Comparisons

Cigna D-PPO OPTION

	2024 Employee Cost	2025 Employee Cost
Employee Only	\$36.80	\$ 36.80
Employee + 1	\$72.38	\$ 72.38
Employee +2 or more	\$125.05	\$ 125.05

Cigna Dental Care Access OPTION

	2024 Employee Cost	2025 Employee Cost
Employee Only	\$9.45	\$ 9.45
Employee + 1	\$15.69	\$ 15.69
Employee + 2 or more	\$24.16	\$ 24.16

The Cigna Dental Care Access plan does not have deductibles and discounts apply to preventive, basic, endodontics and major services. Participants must go to network providers.

The plan design for the Cigna D-PPO is a true insurance product with deductibles, calendar year limits, and employees having the option of using in and out-of-network providers.

Recommendation

Employee participants in 2025 will see a 0% increase in premiums. Management recommends the Board of Trustees approve the premium rates and plans discussed above.

VISION PLAN

The District has been using Vision Service Plan (VSP) for several years for employee vision benefits.

The District covers all employees (employee only coverage) with a regularly scheduled workweek of 20 to 40 hours. Over the years, PPLD employees have expressed high satisfaction with the vision plan and its network of providers.

Considering this is a benefit that impacts all staff members and that the premiums changed last in 2021, we did not seek out any changes to the VSP benefit plan.

Premium Rates Comparisons for 2024

	Total Cost	Employee Cost	District Cost
Employee Only	\$12.08/month	\$0.00/month	\$12.08/month
Employee + 1	\$17.54/month	\$5.46/month	\$12.08/month
Employee + 2 or	\$31.42/month	\$19.34/month	\$12.08/month

Recommendation

Management recommends that the Board of Trustees authorize the contract renewal with Vision Plan Services (VSP) for calendar year 2025 to continue the current vision coverage plan as discussed above with zero plan changes and a 0% premium change.

FLEXIBLE SPENDING ACCOUNT

PPLD offers two FSA options administered by Rocky Mountain Reserve. One is a flexible spending account for healthcare costs. The second one is for dependent care costs, which can be used toward childcare while the staff member is working. These plans are fully funded by the employee and provide tax savings for eligible expenses.

Recommendation

Flexible Spending Accounting: We recommend continuing to offer Flexible Spending Accounts for 2025 with the provisions noted above (no cost to PPLD).

PET INSURANCE

This employer offered, employee paid benefit according to Moody and the State of Colorado is very pet friendly. Moody has presented 2 options through Nationwide Insurance - Basic Protection and Protection with a Wellness Component. There are rates for Dogs, Cats and Avian & Exotic Pets. The annual maximum benefit paid is \$7,500. Rates are a monthly premium for dogs and cats or exotic pets and vary per employee based on age, breed and location of pet. Employees can receive 50 to 70% reimbursement for eligible veterinary expenses.

Recommendation

Pet Insurance: We recommend continuing to offer voluntary Pet Insurance for 2025 with the provisions noted above (no cost to PPLD).

CollegelInvest

This employer offered, employee paid benefit is a great option for those individuals looking to save up for educational expenses like college, trade schools, and apprenticeships — and take advantage of tax-free earnings. It can be used for children, grandchildren or even the employees themselves. As an extra incentive, employees who attend a monthly webinar receive a \$50 Kickstart Bonus for a new CollegelInvest 529 account. Employees also have access to a designated CollegelInvest representative who can assist with questions prior to setup of an account.

Recommendation:

CollegelInvest: We recommend continuing to offer the CollegelInvest option (no cost to PPLD).

Nationwide 457(b) Plan

This employer offered, employee paid benefit is another great choice for those who want to invest in their retirement. All benefitted employees can participate, even those who already participate in the El Paso County Retirement Plan. Participants can take deductions out of their paychecks pre-tax or post- tax.

Recommendation:

Nationwide 457(b) Plan: We recommend continuing to offer the 457(b) plan (no cost to PPLD).

Comparion Home and Auto Insurance

This employer offered, employee paid benefit is a great option that allows employees to get a quote from over 14 different insurance providers at one time. Quotes are automatically rated at a higher tier for PPLD employees. Higher tiers result in lower cost, giving employees premier pricing. A Comparion representative works with PPLD employees to find the best value.

Recommendation:

Comparion Home and Auto Insurance: We recommend continuing to offer the Comparion Home and Auto services to employees (no cost to PPLD).