



Illinois Heartland Library System

MEMO TO: IHLS Board of Directors
 FROM: Finance Committee
 DATE: June 16, 2017
 RE: IHLS FY2018 Ancillary Benefit Insurance Policies

Attached please find ancillary benefit proposals from Arch Brokerage Inc. (Arch). IHLS solicited proposals from two insurance brokers – Arch and Arthur J. Gallagher & Co, with Arch presenting the most competitive proposal. At our June 14 meeting, the Finance Committee recommended the MetLife package of ancillary insurances to the entire board.

As you may be aware, IHLS has contracts expiring June 30, 2017 for staff dental insurance with Guardian and accidental death, life, and vision insurances with Humana. The recommendation for FY2018 is to execute a contract with MetLife to provide ancillary benefit insurances to staff.

Here is a comparison between current provider and proposed MetLife coverage for each insurance type, plus the monthly IHLS savings:

	Monthly Renewal of Current Provider Premium	Monthly Proposed MetLife Premium	Monthly % Savings per Employee	Monthly \$ Savings per Employee
Dental Insurance	\$37.04	\$23.51	36.5%	\$13.53
Vision Insurance	\$6.43	\$6.44	0%	(\$0.01)
Life/AD&D	\$6.50	\$6.03	7.8%	\$0.47

Please note:

--Rates quoted by each vendor in the Arch proposal are provided with the assumption IHLS will contract with that vendor for *all ancillary benefit insurances*.

--The FY2018 budgets approved at our May meeting included an estimated 12.5% increase for ancillary benefit insurances.

Thank you.



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**Illinois Heartland Library System
Dental Benefits Market Survey 2017**

Benefits and Features	Guardian		UNUM		MetLife		Humana	
	Current and Renewal		Option		Option		Option	
	In Network/Open	Out of Network	In Network/Open	Out of Network	In Network/Open	Out of Network	In Network/Open	Out of Network
Individual Deductible	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Family Deductible	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Office Visit Co-Pay	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Type I - Preventative Care (Exams, Cleanings)	100/0 No Ded.	100/0 No Ded.	100/0 No Ded.	100/0 No Ded.	100/0 No Ded.	100/0 No Ded.	100/0 No Ded.	100/0 No Ded.
Type II - Basic Procedures: (Fillings, Extractions)	80/20	80/20	80/20	80/20	80/20	80/20	80/20	80/20
Type III - Major Procedures: (Caps, Crowns)	50/50	50/50	50/50	50/50	50/50	50/50	50/50	50/50
Periodontics/Endodontics:								
Endodontics:	50/50	50/50	80/20	80/20	80/20	80/20	80/20	80/20
Periodontics:	80/20	80/20	80/20	80/20	80/20	80/20	80/20	80/20
Maximum Benefit/Year:	\$1,750	\$1,750	\$1,750	\$1,750	\$2,000	\$2,000	\$2,000	\$2,000
Type IV - Orthodontics:	50/50	Not Covered	50/50	50/50	50/50	50/50	50/50	50/50
Orthodontic Maximum/Lifetime:	\$1,000	Not Covered	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
	Maximum Allowable Charge UCR		Maximum Allowable Charge UCR		Maximum Allowable Charge UCR		Maximum Allowable Charge UCR	
Comments:								
PREMIUM	<u>Current</u>	<u>Renewal</u>	<u>Option</u>		6% Second Year Rate Cap		<u>Option</u>	
Employee 22	\$32.21	\$37.04	\$29.30		\$23.51		\$25.27	
Employee plus Spouse 2	\$51.86	\$59.64	\$47.18		\$46.40		\$50.54	
Employee plus Child(ren) 1	\$68.67	\$78.97	\$62.48		\$55.86		\$70.69	
Family 7	\$93.15	\$107.12	\$84.76		\$84.74		\$97.22	
MONTHLY TOTAL (Full Census)	\$1,533.06	\$1,762.97	\$1,394.76		\$1,259.06		\$1,408.25	
% CHANGE		15.00%	-24.02%		-32.87%		-23.14%	
MONTHLY TOTAL (IHLS COST)	\$1,030.72	\$1,185.28	\$937.60		\$ 752.32		\$ 808.64	
ANNUAL TOTAL (IHLS COST)	\$12,368.64	\$14,223.36	\$11,251.20		\$ 9,027.84		\$ 9,703.68	
% CHANGE		15.00%	-9.03%		-27.01%		-21.55%	

Monthly totals are based on census provided. IHLS cost is based on 32 employee premiums.

5-Jun-17

THIS SUMMARY IS FOR ILLUSTRATION PURPOSES ONLY. If there are discrepancies between this summary and the proposed policy, the policy will prevail.

Guardian and Unum offer carryover/rollover options



**Illinois Heartland Library System
Vision Benefits Market Survey 2017**

Benefits and Features	(Current, Renews 7.1.18) HUMANA		UNUM		MetLife	
	<u>In-Network</u>	<u>Out-of-Network</u>	<u>In-Network</u>	<u>Out-of-Network</u>	<u>In-Network</u>	<u>Out-of-Network</u>
Frequency						
Exam	12 months	12 months	12 months	12 months	12 months	12 months
Lenses	12 months	12 months	12 months	12 months	12 months	12 months
Frames	24 months	24 months	24 months	24 months	24 months	24 months
Service		<u>Reimbursed Up To</u>		<u>Reimbursed Up To</u>		<u>Reimbursed Up To</u>
Exam	\$10 co-pay	\$35	\$10 co-pay	\$35	\$10 co-pay	\$45
Lenses						
Single	\$15 co-pay	\$25	\$15 co-pay	\$25	\$25 co-pay	\$30
Bifocal	\$15 co-pay	Not Provided	\$15 co-pay	\$40	\$25 co-pay	\$50
Trifocal	\$15 co-pay	Not Provided	\$15 co-pay	\$50	\$25 co-pay	\$65
Progressive	\$15 co-pay	Not Provided	\$15 co-pay	\$40	\$25 co-pay	\$100
Frames	\$15 co-pay	\$40	\$15 co-pay	\$45	\$25 co-pay	\$70
	(up to \$50 allowance)		(up to \$130 allowance)		(up to \$130 allowance)	
Contacts (Incl. Exam)						
Instead of Eyewear	\$150 allowance	\$150	\$130 allowance	up to \$100	\$130 allowance	\$105
Medically Necessary	\$25 co-pay	Not Provided	\$15 co-pay	\$210	\$25 co-pay	\$210
Premium	Current					
Employee	26	\$6.43	\$5.58		\$6.44	
Employee/Spouse	3	\$12.86	\$11.14		\$12.91	
Employee/Child(ren)	0	\$12.21	\$11.82		\$10.93	
Family	3	\$19.20	\$18.54		\$18.02	
MONTHLY TOTAL (Full Census)		\$263.36	\$234.12		\$260.23	
ANNUAL TOTAL (Full Census)		\$3,160.32	\$2,809.44		\$3,122.76	
% of CHANGE			-11.10%		-1.19%	
MONTHLY TOTAL (IHLS COST)		\$ 205.76	\$178.56		\$206.08	
ANNUAL TOTAL (IHLS COST)		\$ 2,469.12	\$2,142.72		\$2,472.96	
% CHANGE		NA	-13%		0%	

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**Illinois Heartland Library System
Life/AD&D Market Survey 2017**

Company	Life	AD&D	Volume	Estimated Monthly Premium	Estimated Savings
Humana - Renewal	\$0.260	Included	\$ 836,400	\$217.46	
Unum	\$0.210	\$0.020	\$ 836,250	\$192.34	-12%
MetLife	\$0.225	\$0.016	\$ 836,250	\$201.58	-7%

5-Jun-17