FY16 Employee Benefits

- **Employer Paid**
  - Basic Group Term Life Insurance (through VRS)
  - Short-Term Disability
  - Employee Assistance Program

- **Employer/Employee Shared**
  - VRS
  - Healthcare – Medical, Prescription, Dental, Vision

- **Employee Paid (Voluntary)**
  - 403(b) & 457 Elective Deferral Programs
  - Optional Life Insurance
  - Long-Term Disability (VRS Plans 1&2)
  - Long-Term Care Insurance
  - Cancer Insurance
  - Flexible Spending Accounts
  - Family Sick Leave Bank
  - VA 529 College Savings Programs

LCPS Offers a Comprehensive and Competitive Benefits Package
Health Care – LCPS Enrollment
Medical, Prescription, Dental, Vision

Program Description

- **Loudoun County Public Schools provides health insurance to eligible employees and dependents. Medical/Prescription, Dental and Vision can be elected separately or in combination.**

<table>
<thead>
<tr>
<th>Active Employee Participants</th>
<th>8,449</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirees</td>
<td>1,143</td>
</tr>
<tr>
<td>Combined Total /Actives + Retirees</td>
<td>9,592</td>
</tr>
<tr>
<td>Opt-out Election</td>
<td>1,099</td>
</tr>
</tbody>
</table>

Total enrolled members: 21,865

Medical Enrollment Stats:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS</td>
<td>91%</td>
<td>57%</td>
<td>51%</td>
</tr>
<tr>
<td>OAP</td>
<td>9%</td>
<td>43%</td>
<td>49%</td>
</tr>
</tbody>
</table>
## Health Care Premium Cost-Share Comparison

<table>
<thead>
<tr>
<th>School Division</th>
<th>EmployEE</th>
<th>EmployER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandria</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>Arlington</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>Fairfax</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>Loudoun (POS)</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>Prince William</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>**Loudoun County Gov’t</td>
<td>25%</td>
<td>75%</td>
</tr>
</tbody>
</table>

*LCPS remains competitive with local jurisdictions*
FY ’16 – OAP Total premium – (Employee Only Coverage):
• $16.62 (EE) + $705.54 (ER) = $722.16 x 12 months = $8,665.92
• Flexible Spending Account Contribution: $2,550
• Total Medical Cost: $11,215.92
• This shows $1,015.92 above the individual enrollee cap of $10,200
• $1,015.92 x 40% Excise Tax = $406.37
Medical/RX Premium Rate Increases

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
<td>8%</td>
</tr>
</tbody>
</table>

To remain competitive we must increase employee engagement and personal responsibility in health care choices.
Bundling provides an attractive lower cost option in comparison with the traditional health plan options: OAP and POS
What is a Health Savings Account (HSA)?

- Personal Savings Accounts to use for medical expenses
- Can help meet insurance deductibles
- Unused funds roll over year to year
- Flex still available for dental and vision only

Enroll in the LCPS High Deductible Health Plan

LCPS Deposits
$1,000 – EE Only OR $2,000 – Family

Health Savings Account
HSA Tax Advantages

- Tax-deferred contributions
- Tax-free earnings – both interest and investment gains
- Tax-free payment for qualified medical expenses.

<table>
<thead>
<tr>
<th></th>
<th>2016 HSA Contribution limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$3,350 (Limit combines both EE + LCPS)</td>
</tr>
<tr>
<td>Employee + Spouse or</td>
<td>$6,650 (Limit combines both EE + LCPS)</td>
</tr>
<tr>
<td>Employee + Family</td>
<td></td>
</tr>
</tbody>
</table>
What is a Critical Illness Plan?

- Offers financial protection due to heart attack, stroke, cancer, or other critical illness

- Provides funds to help with:
  - Out-of-pocket medical costs – such as deductibles, etc
  - Unexpected loss of income
The Kiplinger Letter Forecast on Millennials

• By 2025, Millennials will account for 40% of the workforce

• Types of Benefits they value most:
  • High Deductible Health plans w/ an health savings account
  • Wellness benefits – such as yoga and fitness classes
  • Generous parental leave
  • Flexible work schedules
  • Professional development and training
Current Workforce Health

Chronic Conditions:
- High Blood Pressure
- High Cholesterol
- Obesity
- Diabetes
- Heart Disease

32% of our current Workforce have one or more Chronic Conditions

- 2014 EE population with Chronic Condition
- 2014 EE population without Chronic Condition
Chronic Conditions Significantly Impact Costs

Chronic Conditions:
- High Blood Pressure
- High Cholesterol
- Obesity
- Diabetes
- Heart Disease

62% of overall health care costs are generated by Chronic Conditions
LCPS Top Trending Improvements

• 87.4% - Lose Weight
• 80% - Improve Health
• 62% - Increase Physical Activity
• 46% - Lower Cholesterol
• 30% - Lower Blood Pressure

LCPS must take a leadership role in providing resources to improve the health of our employees.
Managing Risks through Successful Wellness Program

• Embrace Health and Wellness as a Core Business Value
• Assess the Overall Health of Employees
  • Biometric Screenings
  • Health Risk Assessments
• Provide Resources to Help Employees be Successful
  • Offer outcome based wellness initiatives
• Determine What Motivates to Encourage Engagement
• Measure and Evaluate the Success of the Programs Offered