Fontana Unified School District Board of Education

An Introduction to the Affordable Care Act and Keenan & Associates February 6, 2013

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Innovative Solutions. Enduring Principles.

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Meeting Keenan & Associates

H&W Benefits Consulting Partner for 17 years First hired by USW District made it official Property/ Casualty Since 2004 SERP Client Retirement Planning Focus 2001-2010



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Meeting Keenan & Associates

Annual Stewardship Report Results

11-12 Initial Blue Shield Renewal + 12.77% \$1,565,058 Increase Over Current Costs Comprehensive Market RFP

11-12 Final Renewal Actna Life & Casualty (-14.36%)

\$1,9084,633 Savings Under Current

12-13 - 2nd year Rate Cap/ Guarantee 7% Savings of \$877,560



Blue Shield/Aetna

2012-13 Aetna Total Annual Premium





Fontana USD Return on Investment Dental & Vision Self-Funded in REEP JPA FUSD Equity Rebates: \$1,709,254 Equity Return to Date \$618,000 Current Equity to be Distributed



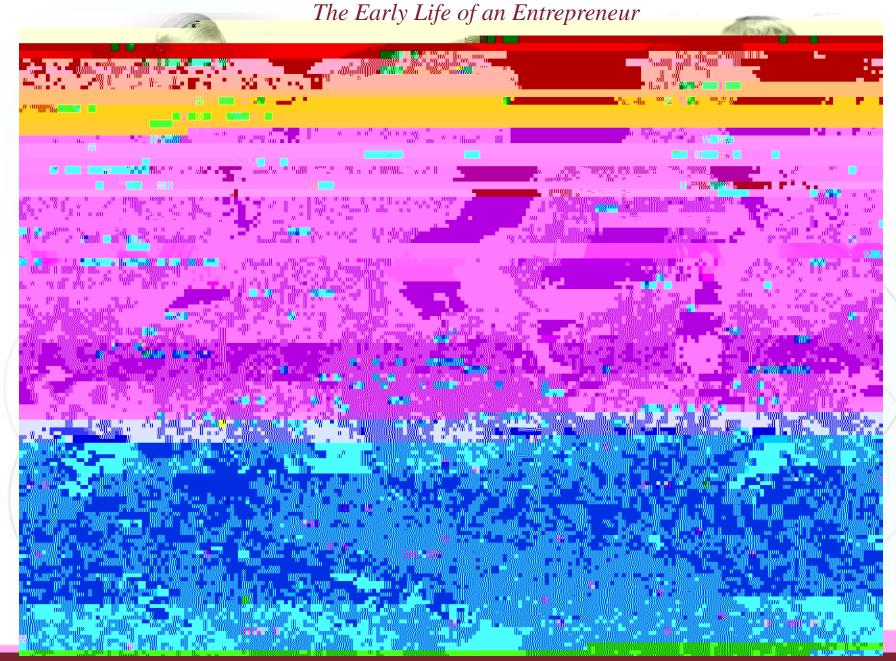
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Return on Investment

SERP Early Retirement Incentive Programs
2000/ 2001/ 2002/ 2003/ 2004/ 2008/ 2009 & 2010
Savings:
2008: 150 retirees; \$2,492,139 net savings
2009: 90 retirees; \$9,168,827 net savings
2010: 72 retirees: \$4,713,975 net savings

3 Year Program Savings: \$16,374,941





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Made in the USA

- > Largest Privately Held Insurance Consultant in California
- > Representing 950 California Public Agencies
- > Providing Insurance Services to 80% of California Schools
 - 227,500 Teachers
 - 161,000 Support Professionals
 - 69,000 Administrators
- Finite Focus Resources Dedicated to Public Agencies

➢ 45% Employee Owned



The Affordable Care Act (ACA)

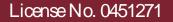


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Legislative History

Name: Patient Protection and Affordable Care Act (PPACA) Common Name: Affordable Care Act (ACA) Enacted: March 23, 2010 Because of ACA, California enacted California

Exchange January 1, 2011: California Senate Bill 900 California Assembly Bill 1602





Six Primary Principles of The Affordable Care Act

Individual Mandate Employer Shared Responsibility ACA Full Time Employee Government Subsidies to Purchase Exchange Coverage California Health Care Exchange



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The Individual Mandate

" E very individual must have " Minimum E ssential Coverage" (MEC) starting in 2014 or pay a tax "

If employees and family members have no MEC, the tax for 2014 is:

the greater of \$95 per adult/ \$47.50 per child or 1% of household income above filing threshold (\$19,000 2011)

In 2016, the penalty is: the greater of \$695 per adult or 2.5% of household income above filing threshold.



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ACA Full-Time Employee

"A n A CA Full-Time employee is an employee who earns, on average, 30 hours of service per week or 130 hours in a <u>month</u>"

Must be tracked on a monthly basis

Excludes part time employees working less than 30 hours per week on average

Includes part time employees earning over 30 hours of service per week, on average in any month, and seasonal / temporary employees who inadvertently satisfy the definition of FTE following an IRS permitted period of time.



California Health Care Exchange

Initially available to individuals and small groups. Expect to open for large groups in 2017.

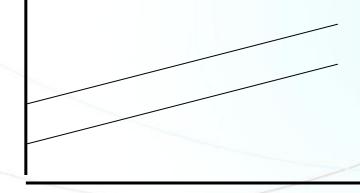




Cadillac Tax

"A nexise tax will be levied on 'rich' or 'Cadillac' employer sponsored medical benefit programs."

\$27,500 (family) in 2010 dollars, with a limited inflation adjustment factor.





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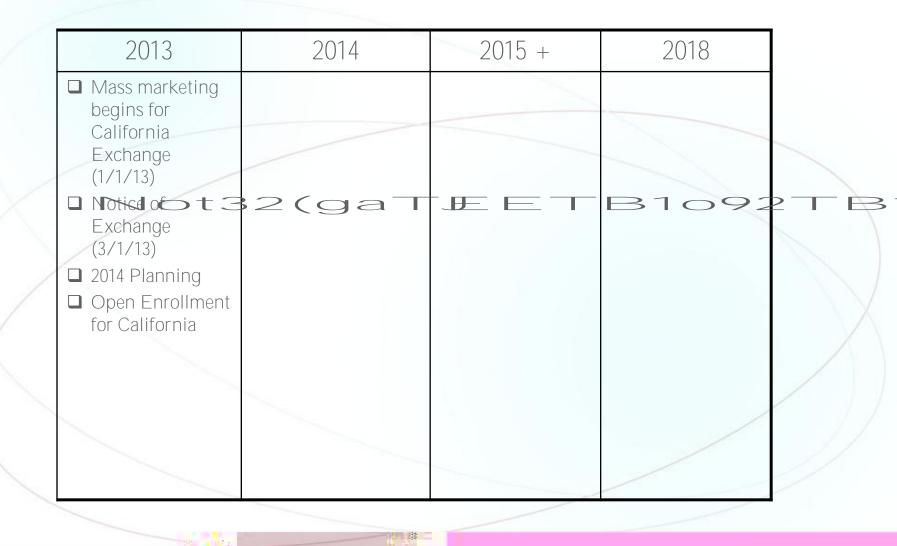
Putting It All Together The Future Re-thinking Your Benefits Philosophy and Approach Assess & confirm benefits philosophy for 2014-2018 Establish a Benefits Mission Statement w/ representatives of all constituents Conduct a workforce analysis to identify current exposure Employees eligible for the Exchange subsidy Full-time vs. Part-time Cadillac tax **District Penalties** And more

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ACA Timeline Key Events



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