

# **SISC Questions and Answers**

## **From November 25, 2003 meeting as approved by Russ Bigler**

### **CONTRACT TERM**

1. What will the specific terms of the contract be? Can a sample be provided?

*The contract term will be one year. A copy of the JPA document can be provided*

2. What is the contract length?

*One Year*

3. Are there choices for renewal dates?

*The first year can either be a short year, January 2004 to October 2004, or a 21 month year January 2005 to October 2005. Then October to October.*

4. Are all eligible employee classes required to join SISC?

*No*

5. Who is responsible for writing, approving, distributing contracts and booklets?

*SISC and Blue Cross*

### **FUNDING/FINANCIAL**

1. What are the consequences if you leave SISC after one year?

*If the pool has a deficit, you must pay your portion. If the pool has a surplus, you will receive your portion.*

2. How long is the rate guarantee?

*Rates are guaranteed for nine months with a cap on the October 2005 to October 2006 renewal.*

3. What are the administrative costs?

*They are about 4.5% of premium.*

4. What happens if the pooled premiums exceed the costs?

*The member districts would share in the excess on a pro-rata basis.*

5. If the costs exceed the premiums, how is the deficiency recouped? Is it allocated to each participating entity equally?

*For continuing members it is recouped over time through rates. If a district were to leave the program, they would be required to pay their share of any deficit or be paid their share of any surplus.*

6. Are there any requirements for composite rates?

*Composite rates must be consistent throughout the coverages, PPO and HMO.*

7. How are rates determined?

*Rates are determined based on the plan design, the geographic area and the experience of the pool.*

8. How are fees determined?

*The fees are negotiated with Blue Cross and United Health.*

## **SISC Questions and Answers Cont.**

9. Is a copy of the annual report available?

*Yes, and it will be provided.*

10. Is re-insurance coverage available? If so, what type and how is the cost determined?

*Yes. SISC purchases specific coverage at the \$700,000 attachment point. Internally, amounts over \$150,000 are spread out over the entire membership.*

11. Are utilization reports available? If so, at what frequency? Is there an additional cost for ad hoc reports?

*No. Not applicable.*

12. Are your rates the same for all consultants?

*Yes.*

13. Does SISC underwrite new entrants?

*Yes*

14. How are the renewals handled?

*Renewal rates and plan options are delivered in April for an October 1<sup>st</sup> effective date*

15. Understanding that SISC has made some exceptions in the terms of releasing claims experience, what is the criteria?

*Districts that stand-alone and do not share risk with the pool get claims experience. Five districts do this. The smallest has 3000 members in the PPO.*

## **POOL**

1. What other districts and community colleges are in the medical pool:

*There are approximately 280 in the pool with 270 with medical only coverage. A request was made for a list of the medical only districts that would be in the same pool with ECC.*

2. What are the sizes of the other entities?

*The sizes vary.*

3. How long have the other districts and community college been a part of the medical pool?

*Some of the districts have been in the pool since 1979.*

4. Will other counties be a part of the pool? If so, what counties?

*Yes. The list will be sent.*

5. Is there a separate pool for each plan option?

*No*

6. How does the pool work?

*All of the SISC districts are part of the pool.*

7. How long will SISC be rating colleges and K-12 together? What about the future of rating groups with retirees with groups that does not have retirees?

*The retirees under age 65 are rates the same as the active employees. Over age 65 there are specific products.*

## **SISC Questions and Answers Cont.**

### **BENEFITS**

1. Are the options also pooled? If so, is it the same geographical area?
2. Are there different Kaiser plan options?  
*Yes*
3. Can the Kaiser plan be customized?  
*The plan design options will be sent*
4. How many HMO options are available per entity? Are different options available per bargaining unit?  
*Kaiser and one other HMO per bargaining unit.*
5. What are the options for out-of-state/area members? Are they also a part of the same pool?  
*Through the Blue Cross/Blue Shield association, the Blue Card is available. The information will be sent.*
6. Is there any flexibility for raising the \$2 million lifetime cap?  
*The SISC Board will consider raising the lifetime cap on all PPO plans this Spring.*

### **RETIREEES**

1. What are the plan options for the retirees?  
*The information will be sent.*

### **OTHER**

1. Are there additional services available (COBRA, retiree administration)? If so, how are the costs determined?  
*Yes. There is no additional fee.*
2. What is the claims appeals process? Who has the final decision?  
*The standard appeal process through Blue Cross.*
3. Is there any possibility for binding arbitration?  
*Yes. The jury trial process will be researched.*
4. Who will provide member services? What are the hours?  
*The carriers provide member services. Typically the hours are 7:30 a.m. to 6:00 p.m. through a toll-free number.*
5. What are the on-line capabilities for members?  
*Web access through the various carriers.*
6. How are members identified with SB168?  
*SISC is HIPAA compliant.*

## ***SISC Questions and Answers Cont.***

### **ADMINISTRATION**

1. Does SISC provide the capability for the District to make changes of address, etc., as well as adding or deleting dependent on line? If not, what are the reporting methods available?

*On-line is not currently available. Mail, fax and e-mail are used.*

2. Does the District have on-line visibility of the employees into the SISC medical insurance database?

*No but SISC can be contacted by phone with written follow-up.*

3. Will SISC coordinate the retiree health insurance deductions directly with PERS and STRS? If so, can you provide details on how this task is accomplished.

*No.*

4. What benefit options are available for retirees over age 65 and not Medicare eligible?

*The information will be sent.*

5. Do dependents of retirees continue on the plan after the retiree's death? Will that premium contribution be deducted from PERS or STRS and then paid directly to SISC?

*The information will be sent.*

6. Does SISC administer COBRA? If so, is there an additional administrative charge and how is that charge calculated?

*Yes. SISC administers COBRA at no additional charge.*

7. Is the billing sent to the District on-line or hard copy?

*Hard copy.*

8. Does SISC inform retirees directly of plan changes? Does SISC interact directly with retirees?

*No.*