Pressures on School Corporations

- Indiana House Bill 1260
- General Tax Reforms (property tax caps)
- History of governmental agencies lagging behind private business
- Antiquated Union Contracts
- Community Pressure
- ACA penalties
  - Pay or Play definition of full-time...can not use summer break for averaging part time or seasonal employees
  - Mandated Open Enrollment and no pre-existing condition exclusion
  - No Life-Time Maximum Benefits
Zionsville Community School Corporation

- Antiquated Bargaining Agreement
  - Employee Contributions are limited to .8% of cost or ~ $170 per year

- Effective January 1, 2015 plan will offer two options
  - $500 Deductible & $2,000 Deductible
  - Intend to offer an HSA compliant Consumer Driven Plan in 2016

- On-Site Health Clinic established in 2009
  - Currently managed by St. Vincent Health

- Established an Exclusive Provider Relationship (EPO) with St. Vincent Health ~ 2012
EPO with St. Vincent Health

- Established “ZCS Preferred Provider Network”
- “Best in Industry Discounts” from St. Vincent Health, Witham Health Services and Riverview Health
- In-Network defined as services from the three hospital systems, including their physicians and labs.
- Significant reduction in benefits for Out-Of-Network utilization
Results of Clinic and EPO

- Cost Trend prior to changes = 6.0%
- Cost Trend following changes = (2.8%)

- Name-brand prescriptions in 2007 = 6,393
- Name-brand prescriptions in 2013 = 2,471
  - Savings of $438,718

- Emergency Room Visits in 2007 = 116
- Emergency Room Visits in 2013 = 87
  - Savings of $94,543

- Similar reductions in Primary Care and Specialist office visits

Total Savings of ~ $1,737,820 over past four years

Over past 8 years, ZCS’ average per employee per month cost increase = 1.8%
Future Considerations for ZCS
-and other employers

- Collective Bargaining Agreement ~ August, 2015
- Referenced Based Network (see attachment)
- Consumer Driven Health Plan Option (Health Savings Account)
- Clinics – community based & total body care (including counselling, financial and physical therapy)
- Target Metabolism (100% fat-loss program) -
  - Hillenbrand, Inc.- 122 employees averaging ~25lbs. pure fat reduction
- Concierge Service (assistance in locating providers and comparing their costs and quality metrics)
## Referenced Based Pricing

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<th>Total Billed</th>
<th>Allowed Amount</th>
<th>ELAP Fee</th>
<th>Total Cost</th>
<th>Savings</th>
<th>Savings %</th>
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* First five listings from page 1 of 2 for month of August, 2014 for un-identified client