



Jeremiah W. (Jay) Nixon, Governor • Kip A. Stetzler, Acting Director

DEPARTMENT OF NATURAL RESOURCES


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MEMORANDUM

2011-012

DATE: October 1, 2010

TO: All Soil and Water Conservation Districts

FROM: Jim Boschert, Planner III 
Soil and Water Conservation Program

SUBJECT: Calendar Year 2011 Health Insurance

For calendar year 2011, the Soil and Water Districts Commission will continue to provide health insurance grant allocations to soil and water conservation districts (SWCDs) for select plans offered through Missouri Consolidated Health Care Plan (MCHCP). Soil and Water Conservation District Boards with employees that are employed at least 1,000 hours from state funds, are eligible to participate in the MCHCP PPO600 or PPO2000 plan. These two plans most closely mirror the plans available for the current year. The PPO300 that is available this year to SWCD employees is not an option for calendar year 2011; this was based on a decision made by the MCHCP Board of Trustees.

One significant change to the calendar year 2011 health insurance is that district employees will no longer be reimbursed for any deductible or out of pocket expenses. Continuing to reimburse these expenses created significant financial risk to the program. In addition, MCHCP management warned the program that reimbursing the out of pocket expenses would ultimately drive the cost of the insurance premium rates higher. The monthly premiums for the district employee are the only health insurance expenses that will be allowed from the health insurance grant funds.

The cost of the PPO600 plan is \$601.08 per month for employee only coverage. The program will provide \$560.08 per employee per month or \$ 6,720.96 per year to the district board in semi annual allotments. The district board can then use these grant funds to supplement their district employee's health insurance premium(s). District staff electing to participate in the PPO600 plan will be asked to pay a \$41.00 per month premium co pay, which is the same minimum premium co pay that state employees pay. The program will not provide any reimbursement for deductible or out of pocket expenses associated with the PPO600 plan. These expenses will be the responsibility of the district employee.

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The other option available to SWCD employees is the PPO2000. The cost of the PPO2000 plan is \$467.31 per month for employee only coverage. The program will provide 100 percent or \$467.31 per employee per month or \$5,607.72 per year to the district board in semi annual allotments. The district board can then use these grant funds to pay the health insurance premium(s) for those district employees that choose the PPO2000 plan for their health coverage. This plan has typically been offered to the district employees to make available a less expensive premium option for those employees that wish to purchase family coverage (coverage for family insurance is not an allowable expense from the state grants). As mentioned above for calendar year 2011, the program will not provide reimbursement for the deductible or out of pocket expenses associated with the PPO2000 plan.

Management from MCHCP has strongly cautioned the program and asked us to inform the district supervisors to refrain from covering the cost of the district employee's portion of the monthly premium, deductible and/or out of pocket expenses due to increased utilization of the health insurance. Such an approach will serve to drive up the cost of health care for all the districts. If the district supervisors decide to pay the employee expenses, then the health insurance monthly premiums will need to be renegotiated at a higher cost for all 114 districts.

Missouri Consolidated Health Care will send open enrollment forms to the districts in the near future. Open enrollment for SWCD employees is October 8th – November 9th. Please remember if your district has employees that choose not to participate in the MCHCP health insurance plans offered, they will still need to complete the open enrollment forms and indicate that they do not wish to participate. For specific information regarding the PPO600 and the PPO2000 plans, please refer to the MCHCP website at mchcp.org.

If you have any questions, please contact Jim Boschert at the Soil and Water Conservation Program, P.O. Box 176, Jefferson City, MO 65102-0176 or by phone at 573-522-3320.

JB:tm