

# Montessori Administrators of Georgia

## Group Insurance Plan – Synopsis

**What is the MAG Group Plan?** The Montessori Administrators of Georgia (MAG) group plan offers a variety of insurance options for Medical, Vision, Dental, Disability, Accident, Life coverage...and more. All of the medical plans offered are Affordable Care Act (ACA) compliant.

**Why does MAG offer a Group Plan?** A number of years ago, the issue of affordable insurance for all schools was brought to MAG. Due to their size, many small and medium sized schools found available options (for the most part) unaffordable. Larger schools, while finding plans a bit more affordable, still lacked the size to be considered for best rates, and were at risk of unpredictable rate increases.

**How is MAG able to qualify for a Group Plan?** After a great deal of research, it was determined that MAG, as an organization with a common core membership or group purpose, could merge its member schools into a 'group' that could and would meet the requirements necessary for a group plan under the MAG umbrella.

**Who provides the plan coverage?** Actual insurance providers are subject to change from year to year, **HOWEVER**, MAG has been fortunate to have not experienced changes in providers for a number of years. The current (2023/2024) Health insurance provider is AETNA. Additional plans (vision, dental, disability, etc.) are provided by Guardian. Both AETNA and Guardian are well established and highly regarded firms whose plans are accepted by the majority of medical practices.

**Do participants have coverage choices?** Yes, but again, the number of choices is subject to change from year to year. For the current (2023/2024) year, participants have a choice of four medical plans, two dental plans, and two vision plans.

**Why is having a Group Plan for MAG member schools important?** While there are a number of good reasons, there are two primary benefits (beyond affordability) for MAG member schools. 1. Regardless of school size, the ability to offer and obtain health insurance is a huge plus in recruiting new employees. Applicants are often looking for a good benefits plan and insurance is one of the most important. When insurance is an available benefit, small schools are better able to attract stronger qualified applicants. 2. And directly related to #1, schools with an insurance plan benefit have stronger retention of current staff. Schools not offering an insurance benefits often lose staff because, '...I'm going to a school that offers better benefits.'

**What schools can participate?** All dues paying MAG member schools are eligible to participate in the group plan.

**Can MAG 'Individual' members and/or individuals at non-participating schools enroll in the Group Plan?** No. A requirement of the plan involves pre-tax payroll deductions and a defined contribution toward coverage (more on that later) by the/a participating school. A school choosing to participate must OFFER the plan to all eligible staff, but eligible staff are NOT required to participate.

**Who is eligible to enroll?** All full-time staff of participating MAG member schools are eligible. Remember...participating member schools are required to offer coverage to all eligible staff. Full-time (for insurance purposes) is defined as scheduled for 30+ hours per week. Enrollment is optional! Eligible staff are NOT required to enroll. They may decline coverage.

**Does the plan provide the opportunity for spouse and/or dependent coverage?** Yes. Enrolling participants may elect to add a spouse and/or child dependents to their plan, but participants may not enroll a spouse or children without enrolling themselves.

**Can schools choose the enrollment schedule for their staff?** No. The MAG Group Insurance plan has a coverage year beginning April 1 and continuing through March 31.

**Why April 1 – March 31?** When the plan was originally implemented, the coverage year ran in sync with a school year – August – July. Immediately there were ‘issues.’ Schools were in the busiest time of year preparing for students and, were often still finalizing staffing plans. Because an August start date required a June open enrollment period, these dates were just not administratively feasible. The move from the August 1 start to an April 1 start now meant a February open enrollment period. Is it perfect? No. Can it be changed or moved again? Yes, but not without considerable risk. Do the benefits outweigh the risks? Probably not.

With (currently) 18 participating schools, MAG recognizes that no one period would be desirable by ALL schools. One size (date) would not and does not fit all. But ... being a group plan, all participating schools are required to adhere to the plan terms.

**Can schools accommodate newly hired or terminated staff during the year?** Yes. While the open enrollment period applies to all existing staff at schools, a new-hire can be entered into the system and that individual would have a limited period of time to elect or decline coverage. If electing to enroll, their coverage would continue to March 31 of the current enrollment year. That individual would participate in open enrollment for subsequent plan years.

Staff can also be terminated at any time and their coverage would end the last day of the termination date month.

**If a participant’s spouse loses coverage elsewhere, do they still need to wait for the next year’s open enrollment to gain coverage?** No. Like all ACA compliant plans, participants have the ability to alter their coverage (add, delete or change) at any time dependent upon a qualifying Life Event. Examples of qualifying events might include: Participant *gains coverage elsewhere*; or spouse *loses coverage elsewhere*. Important...Life event changes to coverage must take place within 30 days of the qualifying event.

**Who is MAG’s partner in providing plan support?** MAG works with One Digital. One Digital is the broker assisting in planning, management and support. A Benefits Consultant is in regular contact with the MAG Insurance Benefits Administrator; and a Client Advocate is readily available to support schools and individuals with questions, concerns, claims, and issue resolution.

Alright...now the part you've all been waiting for...

## Financial Information

**Is there a cost for the school?** Yes, remember...this is a BENEFIT that the school offers. The cost to the school is determined by the number of eligible employees who elect to enroll, and by their respective employment classifications. Remember too, ALL participating schools are required to adhere to the same plan terms, providing equal treatment for all staff regardless of school size.

**So how much does it cost the school?** The group plan is a *Defined Contribution* plan. This means that the participating school contributes a fixed/defined amount toward each participant's premium. That amount is determined by the classifications of the participants and number of participants enrolled.

There are three classes of employee: Class 1 - Owners/Directors/Head's of School; Class 2 - Lead Teachers; Class 3 - Hourly Support Staff. Note: With multiple schools making up the group, staff definitions will not always perfectly align from school to school. The broad description of groups does allow for a small bit of flexibility for schools when assigning group classifications.

The school's contributions are currently as follows: Class 1 - \$450.00 per month; Class 2 - \$325.00 per month; Class 3 - \$294.00 per month. There is also a \$24.00 per month per participant administrative fee. The purpose of the admin. fee is to cover the monthly cost of partner fees, technology portal maintenance (billing, enrollment, reports, changes, etc.), benefits administrator compensation, banking fees, and general administrative expenses.

**What if an employee enrolls in coverage with a premium higher than the school contribution?** With the exception of a Class 1 employee enrolling ONLY in the least expensive medical plan, all premiums will be higher than the school's contribution. Employees can elect as much, or a little coverage (medical and/or supplemental) as they desire. It is truly a 'menu' plan.

Schools, through their respective payroll providers, will withhold (pre-tax) any amount over the school's defined contribution. This may occur on a schedule determined by the school (monthly/bi-monthly, semi-weekly, etc.) Schools have access through the technology portal to enrollment reports providing premium information.

Important to remember: The defined contribution amount (plus admin. fee) is the maximum that it will cost the school to provide insurance for any employee, regardless of the full cost of the coverage(s) requested by the employee. i.e. - If an employee enrolls in coverage for themselves, a spouse and family costing more than their defined contribution, the school is ONLY responsible for the defined amount, collecting the excess by payroll deduction.

**How (and when) do schools receive their respective invoices?** MAG, as the group 'organizer,' collects the invoices provided by the plan providers. The MAG Insurance Benefits Administrator then breaks out the individual charges by participant and school and submits an invoice from MAG to each school. These school invoices are typically sent the last week of each month.

**How do schools pay their invoices?** Each participating school provides MAG with the necessary banking information for the account that the school will use to make payment. MAG will then set up

a direct draft from the school account into the MAG Insurance account. It is then MAG's responsibility (as recipient of the primary invoices) to pay the providers in full.

Remember too... the school will be paying the full premium amounts to MAG to pay the providers, but WILL be withholding the funds from participants to cover the amount in excess of the defined contribution.

**How long do schools have to review invoices, and when do the school account drafts take place?** Unfortunately, the review time is relatively short and drafts occur very quickly. Invoices are typically sent the last week of the month and payments are due to carriers the first of the month. When schools receive their invoice, they will also be notified of the subsequent draft date.

**Can a school request their account to be drafted on 'different' date?** Unfortunately, No. Invoices from the carriers must be paid in full and at one time. The carriers do not accept staggered payments and payments cannot be 'allocated' to a specific school's participants. Remember, for the purpose of the group plan, MAG is considered one group – not a collection of individual schools.

**If the invoiced amount is not correct, what do school's do?** Immediately notify the MAG Insurance Administrator in writing of errors, corrections, concerns, omissions, etc. on the invoice. This may (or may not) allow for changing the amount of the scheduled draft, but it will prepare the plan for issuing appropriate credits or retroactive charges if necessary.

**Are there any important nuances or unique challenges schools need to be aware of? YES!!!**

\*Because of MAG's need to consolidate multiple carrier invoices into individual participant's respective schools, there are occasionally times when a delay or lag occurs between coverage starts, billing, and new hire or termination entry. This results in the need to retro-actively bill charges or issue credits. While inconvenient, this is not rare and there is no way around it. For example: a participant is terminated at the end of the month, but the invoices for the coming month (insurance is always paid a month in advance) have already been issued. The school must still pay the invoice, but will receive a retro-credit on the next month's invoice.

**\*\*A school does NOT need to provide a contribution for any participant who does not enroll in the medical portion of coverage.** Any employee wishing 'only' a dental, or vision, or disability, or etc. plan coverage is fully responsible (still via payroll deduction) for the full cost of the premium.

**\*\*\*A school IS responsible for the \$24.00 per mo. admin fee for each participant, regardless of level of coverage.** Yes, a school would pay that fee even if the employee was only enrolled in a \$7.00 vision plan. That employee, as a participant, would be included in the technology portal, would generate system billing, would be included in the billing breakouts, and would require the same level of admin support as someone with over \$1000.00 in premiums. If a school, at any time, has no participants, that school will still be charged a \$24.00 per month fee to remain active in the system.

**\*\*\*\*Each participating school must have one administrator with school-specific credential access to that individual school's census and reports within the technology portal.** The administrator is responsible to imputing new hires, terminations, and/or status changes for their respective school. School administrators with access to the plan technology portal will ONLY have access to information for their own respective schools. School administrators DO NOT have access to another school's information.