State of South Dakota

Legislative Sunset Review

Summer 2009

Mission

To build a high quality state government workforce that South Dakota agencies need to provide critical services and promote economic prosperity.

Major Changes

- FY89 - BOP took over State Benefits

- FY94 - BOP took over State Employee Workers' Compensation Program

- FY97- Human resource agency functions consolidated

- FY98 - Employee training functions consolidated

- FY04 - Risk Pool Program started

Guiding Principles

- Planning for future workforce challenges

- Delivering results-oriented HR programs

- Helping managers lead

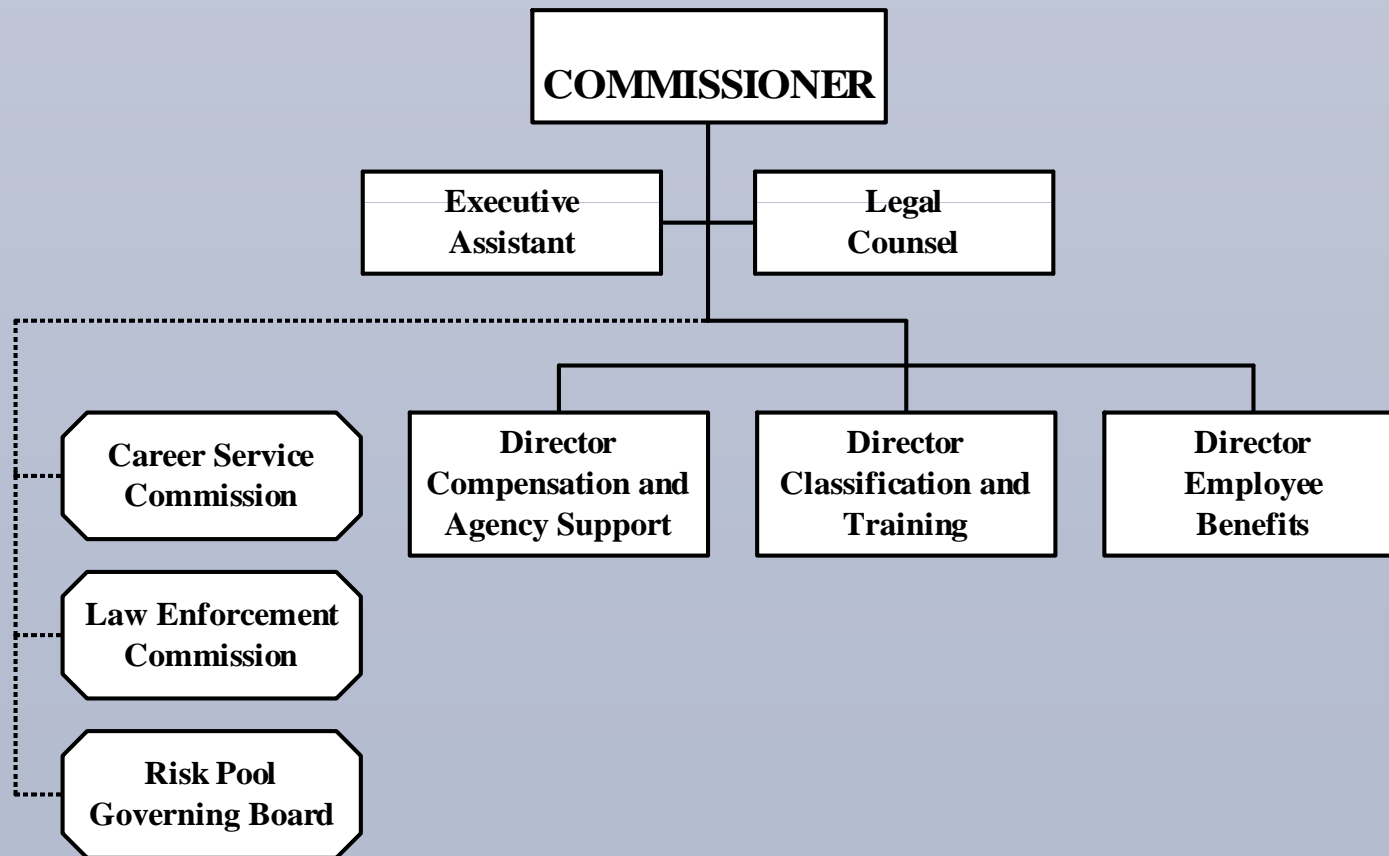- Maximizing human potential within agencies

Strategic Goals

- Talent Acquisition

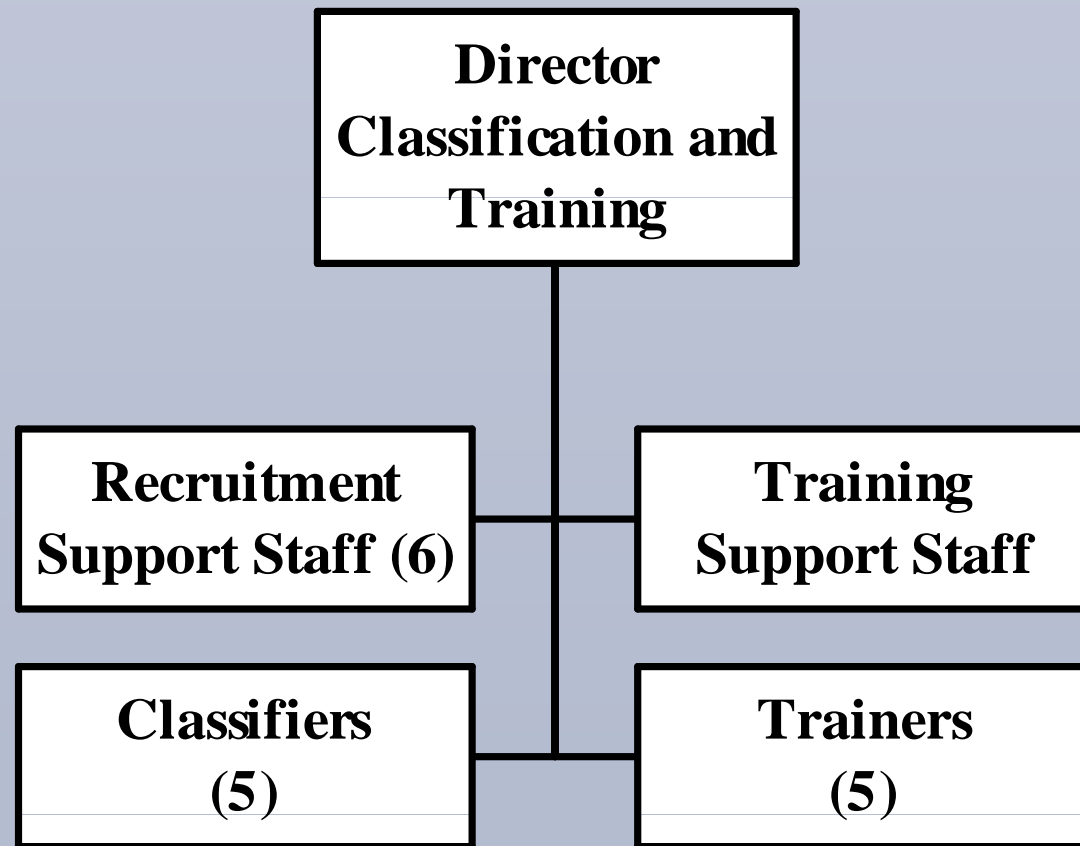- Talent Retention

- Talent Management

Who We Serve

- 18,000 applicants for jobs

- 28,000 benefited employees, dependents, retirees, and COBRA participants

- 27,000 employees and volunteers covered by workers' compensation

- 12,000 employees on central payroll

- 10,000 Executive Agency employees under Governor control

- 650 Risk Pool participants

Bureau of Personnel

COMMISSIONER

Executive Assistant

Legal Counsel

Career Service Commission

Law Enforcement Commission

Risk Pool Governing Board

Director Compensation and Agency Support

Director Classification and Training

Director Employee Benefits

Talent Acquisition

- Recruitment Functions

- Student Intern Program

CLASSIFICATION AND TRAINING

Talent Acquisition

RECRUITMENT FUNCTIONS

- Announce jobs

- Collect applications

- Respond to applicants

Talent Acquisition

RECRUITMENT FUNCTIONS

- Collect Applications

  - Online, email, fax and mail

  - Load into database and copy

  - Route to appointing authority

> - 18,000 applications received
> - 10,000 applications received online

CLASSIFICATION AND TRAINING

Talent Acquisition

RECRUITMENT FUNCTIONS

- Respond to Applicants

  - Initial letter to applicants

  - Follow up letters

Email: bopinfo@state.sd.us

CLASSIFICATION AND TRAINING

Talent Acquisition

STUDENT INTERN PROGRAM

- Purpose of Program

- Three Intern Periods throughout year

    - Spring Semester

    - Summer

    - Fall Semester

- Positions and Applicant Numbers

Talent Retention

- Training and Development Program

- Leadership Development Program

CLASSIFICATION AND TRAINING

Talent Retention

TRAINING AND DEVELOPMENT PROGRAM

- History of Program

- Training Program Areas

CLASSIFICATION AND TRAINING

Talent Retention

TRAINING AND DEVELOPMENT PROGRAM

- History of Program

  - Pre-1996

  - After 1996

  - Additional FTE

Talent Retention

TRAINING AND DEVELOPMENT PROGRAM

- Training Program Areas

  - Professional Development

  - Computer Training

  - Department of Transportation Training

  - Contracted Training/Other Training Functions

Talent Retention

TRAINING AND DEVELOPMENT PROGRAM

- **Professional Development**

  - **Supervisory Training -** Interview and Selection, Sexual Harassment, Orienting the New Employee, Documenting Discipline, Discrimination

  - **Job Skill Training -** Business English, Effective Writing, Effective Presentations, First Aid and CPR

  - **Personal and Professional Development -** Connecting the Generations, Communication, Stress Management, Teambuilding

Talent Retention

TRAINING AND DEVELOPMENT PROGRAM

- Computer Training Program

  - Computer software training

  - Web development and design

  - Geographic Information Systems (GIS) training

  - Training on use of Blackberry phones

  - Individualized, personal training as requested

  - Maintain two computer labs

CLASSIFICATION AND TRAINING

Talent Retention

TRAINING AND DEVELOPMENT PROGRAM

- Transportation Related Courses

  - Maintenance Management

  - Defensive Driving

  - Soils and Earthwork

  - Material Testing

Develop and maintain certification training manuals and video training materials

CLASSIFICATION AND TRAINING

Talent Retention

TRAINING AND DEVELOPMENT PROGRAM

- Contracted Training and Other Training Functions

  - Contracted training courses

    - Annual Training Events

    - Job Specific - grant writing, budgeting, etc

  - Training Lending Library

  - Bi-weekly Training Newsletter

CLASSIFICATION AND TRAINING

Talent Retention

TRAINING AND DEVELOPMENT PROGRAM

- Training Program Overview
  - Instructor led and on-line training
  - Special request training
  - Funding

FY08
- 375 training courses offered
- 5800 employees trained

CLASSIFICATION AND TRAINING

Talent Retention

LEADERSHIP DEVELOPMENT PROGRAM

- Purpose and design of the program

- Participants

By November 2009, **56** students will have graduated.

Talent Management

- Classification System

- Job Evaluation

- Personnel Management Advisory Board

CLASSIFICATION AND TRAINING

Talent Management

CLASSIFICATION SYSTEM

- What is classification?

- Classification process

- What we consider/what we don't consider

Talent Management

CLASSIFICATION FUNCTIONS

- 860 Class specifications

- FY08 – 600+ classification actions taken

CLASSIFICATION AND TRAINING

Talent Management

JOB EVALUATION

- What is Job Evaluation?

- Job Evaluation Process

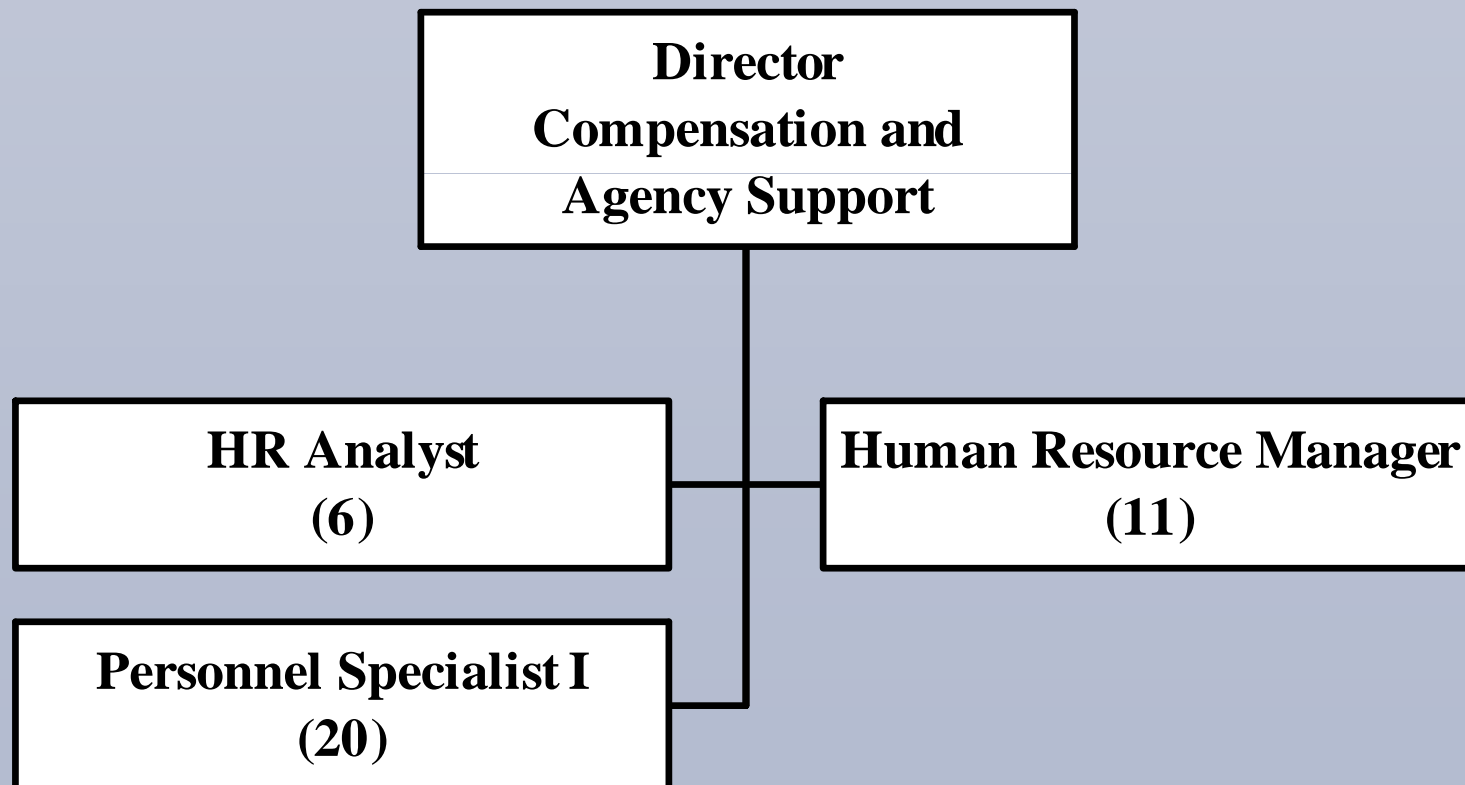# Talent Management

PERSONNEL MANAGEMENT ADVISORY BOARD

- Creation of the PMAB

- Role and purpose of the board

- Current makeup and activities

http://bop.sd.gov/pmab.aspx

13 member board
Six of whom are elected

CLASSIFICATION AND TRAINING

COMPENSATION AND AGENCY SUPPORT

BUREAU OF PERSONNEL

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            ┌─────────────────────────┐
            │        Director         │
            │    Compensation and     │
            │     Agency Support      │
            └─────────────────────────┘
                         │
    ┌──────────────────┐ │ ┌──────────────────────────┐
    │    HR Analyst    │─┼─│  Human Resource Manager  │
    │       (6)        │ │ │           (11)           │
    └──────────────────┘ │ └──────────────────────────┘
    ┌──────────────────────┐
    │ Personnel Specialist I│──┘
    │         (20)         │
    └──────────────────────┘
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Talent Acquisition

- Workforce Planning

- Staffing

- Recruitment and Marketing

- Selection

- Compensation

Talent Acquisition

WORKFORCE PLANNING

- Track demographics

- Provide managers future staffing plans

- Identify succession planning needs

Average Age – 44
Average years of service – 11.5
Average age of new hires – 34.9
% of Workforce Baby Boomers – 43.3%
% of Workforce Gen X – 48.3%
% of Workforce Gen Y – 8.4%

Statistics are from end of FY08 and are for those agencies
in the Executive Branch under control of the Governor.

Talent Acquisition

STAFFING

- Identify and organize work to be performed

- Determine knowledge, skills and competencies to perform work successfully

- Develop plan for recruiting and filling jobs

Talent Acquisition

RECRUITMENT AND MARKETING

- Identify sources of potential applicants

- Develop methods to attract qualified applicants

- Build recruitment plans to fill vacancies

Talent Acquisition

SELECTION

- Identify knowledge, skills, and competencies needed for successful performance

- Develop selection methods to be used

- Conduct interviews and compile results of all tools

- Assist in hiring decisions

- Conduct background checks

Talent Retention

- Agency and Statewide Payroll

- Orientation and Payroll On-Boarding

- Employee Point of Contact

COMPENSATION AND AGENCY SUPPORT

Talent Retention

AGENCY AND STATEWIDE PAYROLL

- South Dakota Timekeeping System (SDTKS)

- Prepare, edit, and review agency payroll

- Ensure proper recordkeeping and compliance with state and federal laws

Talent Retention

NEW EMPLOYEE ORIENTATION

- Provide materials to explain new hire decisions for benefits

- Acquaint new employees with statewide and agency policies and procedures

- Work with supervisors to ensure new employees are transitioned into employment

- New hire documentation

Talent Retention

EMPLOYEE POINT OF CONTACT

- Employee Communications

  - Benefit Issues

  - Pay Checks (electronic)

  - Paid and Unpaid Leave

  - Policies

  - Employee Relations

COMPENSATION AND AGENCY SUPPORT

Talent Management

- Performance Management and Discipline

- Employee Relations

- Employment Law Administration and Compliance

Talent Management

EMPLOYEE RELATIONS

- Supervisor and employee interaction issues

- Investigations

- Policy development and application

- Union contract administration

- Disciplinary issues

COMPENSATION AND AGENCY SUPPORT

Talent Management

EMPLOYMENT LAW ADMINISTRATION

Career Service Commission and Law Enforcement
Civil Service Commission

- Administrative Rule Adoption

- Contested Case Hearings

Talent Management

EMPLOYMENT LAW ADMINISTRATION: STATE LAWS

- Career Service Act SDCL 3-6A

- Conditions of Employment SDCL 3-6

- Law Enforcement Civil Service SDCL 3-7

- Compensation of Officers and Employees SDCL 3-8

- Public Employee Unions SDCL 3-18

- Employment in general SDCL Title 60

- Drug Testing

COMPENSATION AND AGENCY SUPPORT

Talent Management

EMPLOYMENT LAW ADMINISTRATION: FEDERAL LAWS

- Fair Labor Standards Act

- Title VII Discrimination Laws

- Americans with Disabilities Amendments Act

- Family and Medical Leave Act

- Commercial Driver License Drug Testing

- Uniform Services Employment and Re-employment Rights Act

Compensation Defined

- SDCL 3-8-1.13

  - Compensation defined. The term, compensation, for state employees, means total compensation, which includes direct salary and fringe benefits. Fringe benefits includes employer paid retirement programs, social security, health insurance, life insurance, and any other programs offering a benefit to the employee in which the employer participates.

COMPENSATION AND AGENCY SUPPORT

Talent Acquisition\Retention

- Salary Administration

  - PACE (Performance and Compensation Equity)

  - Career Banding

- Total Compensation

  - Leave benefits

  - Retirement

  - Insurance

Talent Acquisition\Retention

SALARY ADMINISTRATION

- Affects Talent Acquisition, Retention, and Management

- Programs must be designed in conjunction with goals

- Components must address areas of staffing and retention needs

Talent Acquisition\Retention

SALARY ADMINISTRATION

- Compensation Issues before PACE

  - Lack of employee understanding and acceptance

  - Inconsistent salary policies

  - Salaries grouped near range minimum

  - Salaries not competitive with labor market

PACE
(Performance and Compensation Equity)

COMPENSATION AND AGENCY SUPPORT

Talent Acquisition\Retention

SALARY ADMINISTRATION - PACE

- Across-the-Board Adjustment

  - Percentage salary increase to all employees

  - Purpose to keep salaries competitive

  - Raises entire salary range by same percent (Minimum salary, job worth or midpoint salary, and maximum salary)

Talent Acquisition\Retention

SALARY ADMINISTRATION - PACE

- Movement-to-Job Worth Adjustment

  - 2.5% salary increase - employees less than job worth

  - Helps bring new employee salaries to job worth within seven years

  - Needed for salary equity between new employees and existing employees

> Job Worth = salary state government can afford to provide to fully trained and competent employees

Illustration of PACE

Maximum of Range
20% above Job Worth

Reserved for:

- performance
- added duties
- special market rates

24.5% of Workforce

Job Worth
What State can afford to pay

31.5% of Workforce

7 years
6 years
5 years
4 years
3 years
2 years
1 year
6 months

43.9% of Workforce

Minimum of Range
20% below Job Worth

BUREAU OF PERSONNEL

2.5% MOVEMENT TO JOB WORTH

		Hourly	Annual
Pay Grade = 14	Minimum =	$13.91	$29,039
	Job Worth =	$17.39	$36,299
Hire Date = August 1	Maximum =	$20.87	$43,559

			Hourly	Compa-Ratio*
	Beginning Salary =		$13.91	80%
Year 1	February 1, Completion of 6 Months Prob	5%	$14.61	84%
	July 1, Job Worth Adjustment =	2.50%	$14.97	86%
Year 2	July 1, Job Worth Adjustment =	2.50%	$15.34	88%
Year 3	July 1, Job Worth Adjustment =	2.50%	$15.73	90%
Year 4	July 1, Job Worth Adjustment =	2.50%	$16.12	93%
Year 5	July 1, Job Worth Adjustment =	2.50%	$16.52	95%
Year 6	July 1, Job Worth Adjustment =	2.50%	$16.94	97%
Year 7	July 1, Job Worth Adjustment =	2.50%	$17.39	100%
	Longevity =	$100		

*Compa ratio is defined as employee salary divided by Job Worth. Compa ratio identifies where the salary is in the pay rage with respect to Job Worth.

Talent Acquisition\Retention

SALARY ADMINISTRATION - PACE

- **Longevity Pay**

    - Annual Lump Sum Payment to Employees with More than 7 Years Experience

    - $100 for 7-9 years

    - $10/year of service for 10-14 years

    - $15/year of service for 15-19 years
      (increases in $5 increments for each 5 year bracket)

    - Example: Employee with 15 years of service receives $225
      (15 years X $15)

- **Provides expression of appreciation for years of service**

COMPENSATION AND AGENCY SUPPORT

Talent Acquisition\Retention

SALARY ADMINISTRATION

- Career Banding
  - Difficulties acquiring talent for high demand jobs
    - Nurses
    - Engineers
    - Environmental Scientists
    - Information Technology Specialists
    - Accountants/Auditors
  - Nationwide demand in both public and private sector
  - Constant increase in demand

Today's workforce is seeking opportunities for development and career progression

Talent Acquisition\Retention

SALARY ADMINISTRATION

- **Career Banding Goals**
  - Immediate/Short-Term
    - Keep salary ranges competitive
    - Reduce turnover
    - Increase the quality of applicants
    - Increase flexibility in agency staffing
  - Long-Term
    - Address career ladder issues in flattened organization structure

COMPENSATION AND AGENCY SUPPORT

Talent Acquisition\Retention

SALARY ADMINISTRATION

- Career Banding Pilots
  - Occupations selected
    - Accounting /Auditing
    - Nursing
    - Engineering
    - Environmental Science
    - Information Technology

Talent Acquisition\Retention

SALARY ADMINISTRATION

- **Career Banding Pilots**
  - Criteria for selecting pilot occupations
    - Market comparison
    - Ability to recruit new employees
    - Retention and turnover
    - Potential retirement impact

FY07 Applicant Statistics for Pilot Occupations

	Turnover / *Projected Retirement	Average Applicants per list	Applicants not Qualified or Considered	Applicants Declined Interview / Job Offer	Applicants to consider
Nursing/ Health	19.6% / 24.4%	12.1	39.0%	8.5%	6.8
Engineering	**8.8% / 26.0%**	**8.2**	**41.2%**	**9.0%**	**4.4**
Accountants / Auditors	8.7% / 30.4%	13.3	61.0%	5.5%	4.9
IT Specialists	10.6% / 34.5%	10.8	49.0%	10.2%	4.9

*Projected retirement percentages over the next 10 years

BUREAU OF PERSONNEL

COMPENSATION AND AGENCY SUPPORT

FY07 New Hire Statistics for Pilot Occupations

Job Family	Turnover / *Projected Retirement	Average compa ratio for new hires	Average compa ratio for current emps
Nursing/Health	**19.6% / 24.4%**	**98.1%**	**102.2%**
Engineering	8.8% / 26.0%	92.9%	101.2%
Accountants / Auditors	8.7% / 30.4%	83.8%	96.8%
IT Specialists	10.6% / 34.5%	103.0%	99.8%

*Projected retirement percentages over the next 10 years

COMPENSATION AND AGENCY SUPPORT

Talent Acquisition\Retention

SALARY ADMINISTRATION

- Career Banding Solution

  - Establish "career bands" by occupational groups

  - Administer compensation in a manner that allows us the flexibility to respond to market conditions

> Career band structure is not suitable for all state jobs.

Talent Acquisition\Retention

SALARY ADMINISTRATION

- Career Banding Solution Steps
  - Classification
  - Compensation
  - Performance Management

Talent Acquisition\Retention

SALARY ADMINISTRATION

- Classification Structure

  - Identify Subject Matter Experts (SMEs) to define all levels of work

    □ Nature of work

    □ Knowledge, skills and experience

    □ Performance criteria

    □ Competencies

    □ Career development

  - Place employees into career levels based on nature of work performed

Talent Acquisition\Retention

SALARY ADMINISTRATION

- Compensation Structure

  - The goal of a new compensation structure will be to respond to market conditions for the given occupation

- Performance Management

  - A Performance Management system will be designed specifically for each individual occupation to maximize performance

Compensation Defined

- SDCL 3-8-1.13

  - Compensation defined. The term, compensation, for state employees, means total compensation, which includes direct salary and fringe benefits. Fringe benefits includes employer paid retirement programs, social security, health insurance, life insurance, and any other programs offering a benefit to the employee in which the employer participates.

Talent Acquisition\Retention

TOTAL COMPENSATION

- **Leave Benefits**
  - Vacation Leave
    - 15 days per year for employees with less than 15 years of service.
    - 20 days per year for employees with 15 or more years of service.
    - Amounts are pro-rated for part time employees based on hours worked.
  - Sick Leave
    - 14 days per year for full time employees
    - Amounts are pro-rated for part time employees based on hours worked
  - Personal Leave
    - An employee may use up to 5 days of his or her sick leave in each calendar year for personal emergency reasons.
  - Military Training Leave
    - Up to 3 weeks
  - Court and Jury Leave

Talent Acquisition\Retention
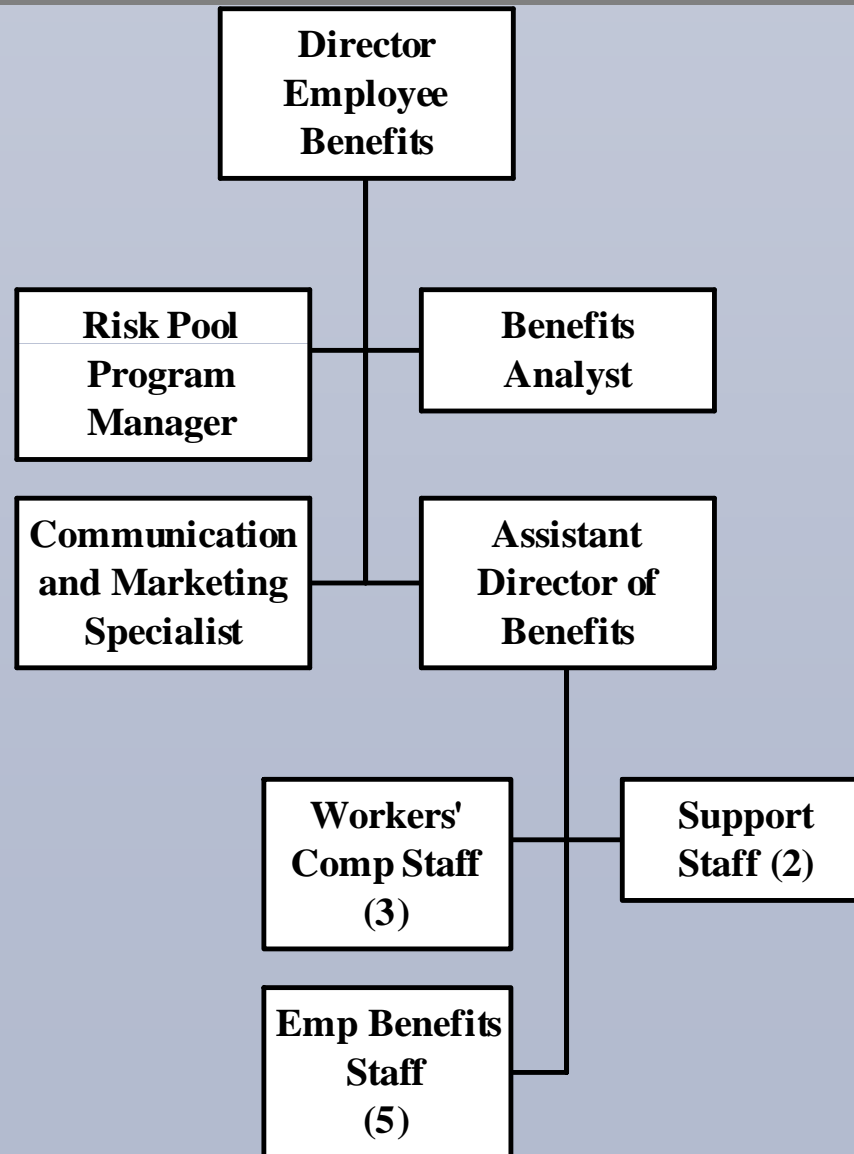
TOTAL COMPENSATION

- Holiday Pay

New Years Day	Independence Day
Martin Luther King, Jr. Day	Labor Day
Presidents' Day	Native Americans' Day
Memorial Day	Veterans' Day
Thanksgiving Day	Christmas Day

BENEFITS

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                    ┌──────────────┐
                    │   Director   │
                    │   Employee   │
                    │   Benefits   │
                    └──────────────┘

┌──────────────┐        ┌──────────────┐
│  Risk Pool   │        │   Benefits   │
│   Program    │────────│   Analyst    │
│   Manager    │        └──────────────┘
└──────────────┘

┌──────────────┐        ┌──────────────┐
│ Communication│        │  Assistant   │
│ and Marketing│────────│ Director of  │
│  Specialist  │        │   Benefits   │
└──────────────┘        └──────────────┘

        ┌──────────────┐      ┌──────────────┐
        │   Workers'   │      │   Support    │
        │  Comp Staff  │──────│  Staff (2)   │
        │     (3)      │      └──────────────┘
        └──────────────┘

        ┌──────────────┐
        │ Emp Benefits │
        │    Staff     │
        │     (5)      │
        └──────────────┘
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Benefits Branding

- **Learn**
- **Act**
- **Thrive**

Learn. Act. Thrive.

Strategic Goals
- Talent Acquisition
- Talent Retention
- Talent Management

Benefits Programs

- Workers' Compensation

- Health\Life\Flexible Benefits

Talent Management

WORKERS' COMPENSATION GOVERNANCE

The South Dakota State Employee Workers' Compensation Program is legislated by SDCL Title 62 and ARSD 47:03.

Workers' Compensation pays medical, disability and death benefits for work-related injuries and diseases.

Talent Management

WORKERS' COMPENSATION

- Coverage includes all state employees

    - Full-time

    - Part-time

    - Seasonal

    - Work Study – Summer Interns

    - Volunteers

Talent Management

WORKERS' COMPENSATION

- Medical Benefits

- Indemnity Benefits

  - Total Disability

  - Partial Disability

  - Rehabilitation

- Death Benefits

> 1700 first reports of injury per year
> 3.6 million dollars in claims per year
> 800 managed cases

Learn. Act. Thrive.

HEALTH BENEFITS GOVERNANCE

The South Dakota State Employee Health Plan is legislated by SDCL 3-12A.

Establishment of group health and dental insurance plans authorized.

BENEFITS

Learn. Act. Thrive.

HEALTH BENEFITS – FEDERAL LAWS

ERISA - Employee Retirement Income Security Act of 1974

COBRA – Consolidated Omnibus Budget Reconciliation Act of 1985

HIPAA - Health Insurance Portability and Accountability Act of 1996

NMHPA - Newborns' And Mothers' Health Protection Act of 1996

WHCRA - Women's Health And Cancer Rights Act of 1998

MHPA - Mental Health Parity Act of 1996

GINA - Genetic Information Nondiscrimination Act of 2008

COBRA Subsidy - American Recovery and Reinvestment Act of 2009

Internal Revenue Service

Health Care Reform?

Learn. Act. Thrive.

HEALTH, LIFE & FLEXIBLE BENEFITS

- Membership
  - Active Permanent Full-time and Part-Time Employees and their dependents

- Life
  - Employee Provided - $25,000
  - Dependents- $10,000 (purchased)
  - Supplemental – five times annual salary or up to $400,000 (purchased)
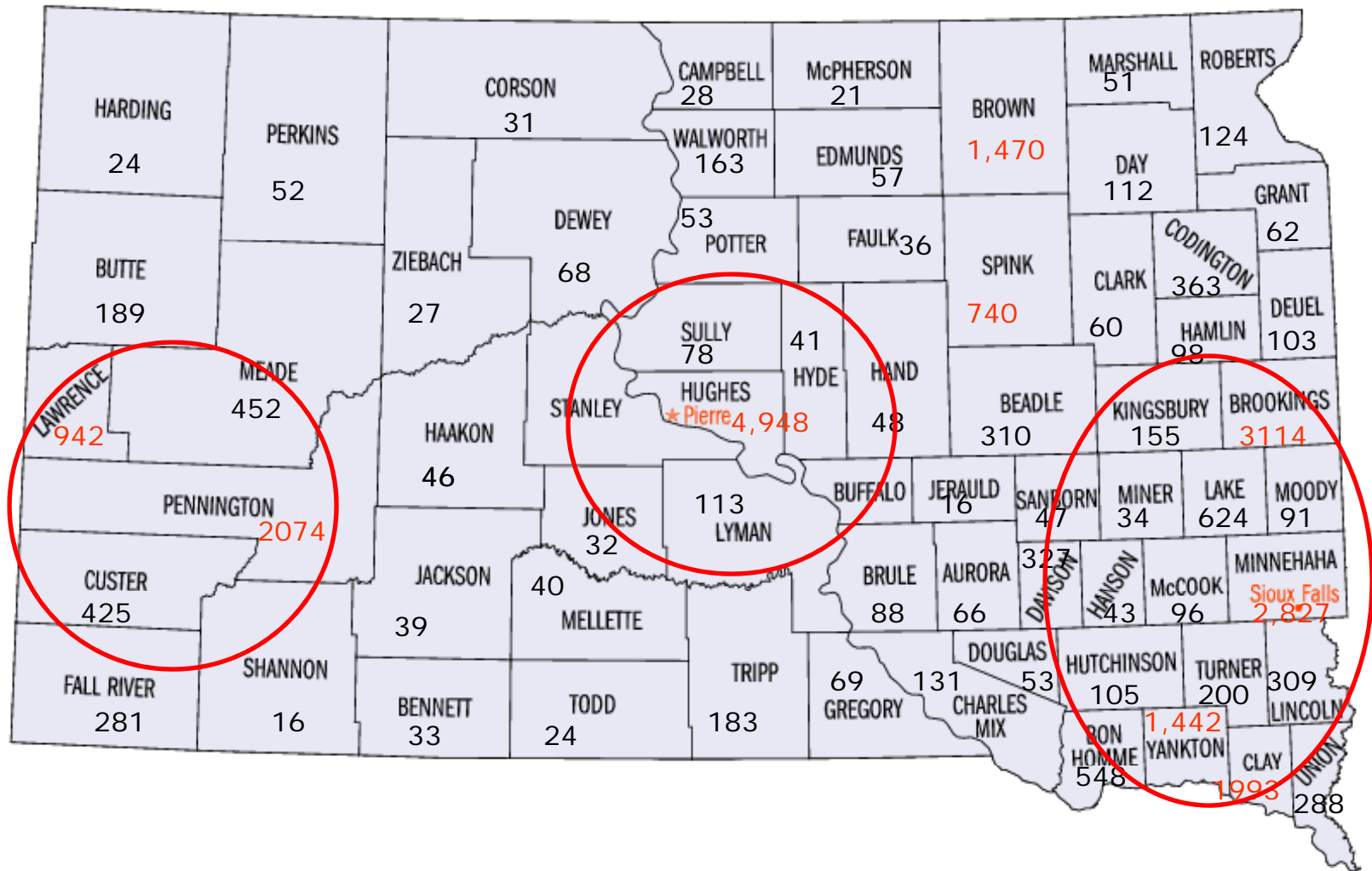
Learn. Act. Thrive.

HEALTH BENEFITS

Membership	
Employees	12,426
Retired Employees	718
COBRA	97
Dependents	11,619
Total Enrolled	**24,860**

Average Age				
	2006	2007	2008	2009
Plan Member	34.62	34.85	35	35.12
Employee	45.85	46.02	46.18	46.37

Benefited Employees and Dependents by Location
(includes retirees & COBRA participants)

BUREAU OF PERSONNEL

HARDING 24
PERKINS 52
CORSON 31
CAMPBELL 28
McPHERSON 21
WALWORTH 163
EDMUNDS 57
BROWN 1,470
MARSHALL 51
ROBERTS 124
DAY 112
GRANT 62

BUTTE 189
ZIEBACH 27
DEWEY 68
POTTER 53
FAULK 36
SPINK 740
CLARK 60
CODINGTON 363
HAMLIN 98
DEUEL 103

LAWRENCE 942
MEADE 452
STANLEY
SULLY 78
HUGHES *Pierre 4,948
HYDE 41
HAND 48
BEADLE 310
KINGSBURY 155
BROOKINGS 3114

PENNINGTON 2074
HAAKON 46
JONES 32
LYMAN 113
BUFFALO
JERAULD 16
SANBORN 47
MINER 34
LAKE 624
MOODY 91

CUSTER 425
JACKSON 39
MELLETTE 40
BRULE 88
AURORA 66
DAVISON 327
HANSON 43
McCOOK 96
MINNEHAHA Sioux Falls 2,827

FALL RIVER 281
SHANNON 16
BENNETT 33
TODD 24
TRIPP 183
GREGORY 69
CHARLES MIX 131
DOUGLAS 53
HUTCHINSON 105
TURNER 200
LINCOLN 309

BON HOMME 548
YANKTON 1,442
CLAY 1993
UNION 288

Learn. Act. Thrive.

SELF FUNDED

- **Advantages**
    - Increases savings to the State
    - Allows for more effective management
    - Allows plan design flexibility
    - Allows budget control

- **Challenges**
    - Contracting with providers and vendors
    - Managing vendors
    - Handling employee concerns

- **Opportunities**
    - Promotes wellness
    - Addresses medical trends
    - Enhances delivery of benefits
    - Encourages appropriate utilization

BENEFITS

Learn. Act. Thrive.

HEALTH PLAN CHOICES

- $300 Deductible/Co-pay

- $1,000 Deductible

- $2,000 Deductible (HSA Compatible)

Each plan contains a pharmacy component

$300 Deductible/Co-Pay Plan

Eligible Preventive Care: covered

Lifetime Maximum
Plan Pays: 100%

Out–of–Pocket Maximum: $2,500/$5,000

Employee Share: Co-payment or 25% coinsurance	Plan Share: 100% after co-payment or 75% coinsurance

Deductible: $300/$750

Employee Share: 100%

Co-Pay

$30 office visit

$40 specialist office visit

$200 emergency room

$15 physical therapy

$20 chiropractic

$450 outpatient surgery

$550 inpatient hospital care

$200 MRI

$100 CAT scan

$1,000 Deductible

Eligible Preventive Care: covered

Lifetime Maximum

Plan Pays: 100%

Out – of – Pocket Maximum: $3,500/$5,000

Employee Share:
25% coinsurance

Plan Share:
75% coinsurance

Deductible: $1,000/$2,500

Employee Share: 100%

Learn. Act. Thrive.

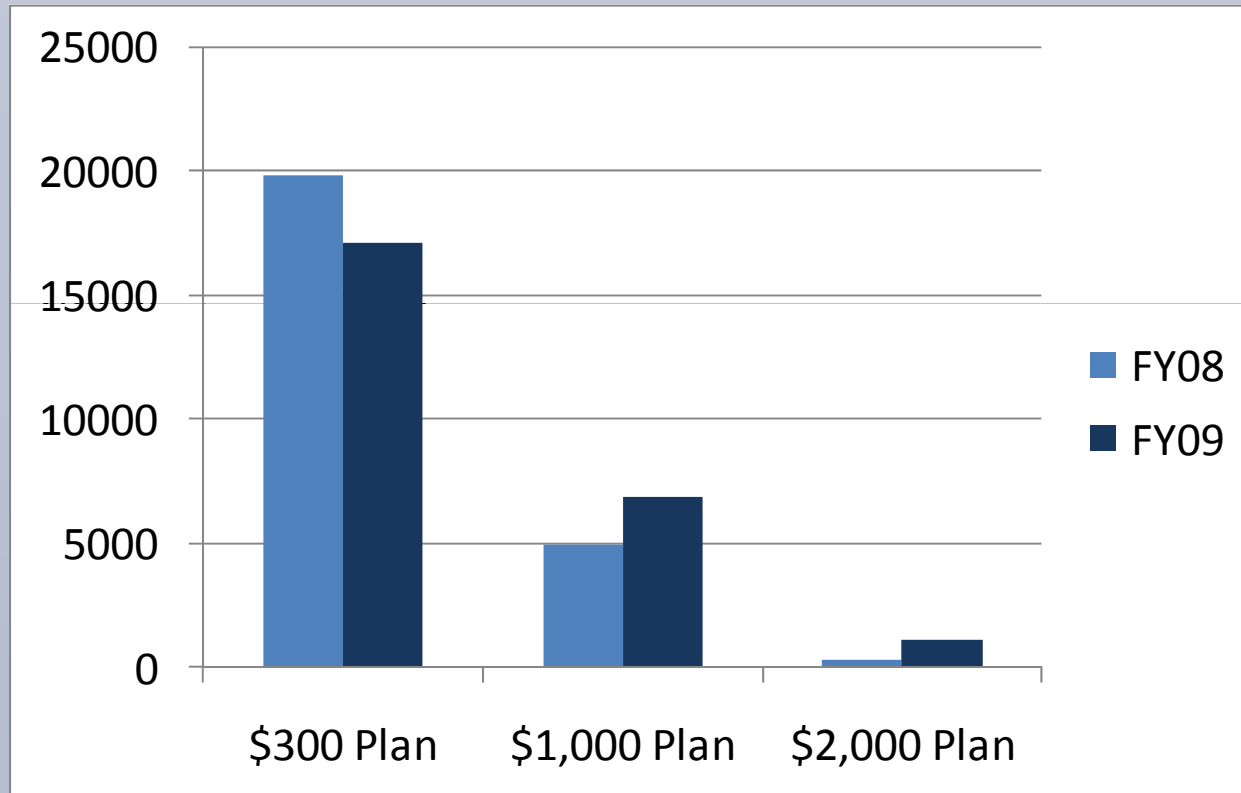PRESCRIPTION DRUG PROGRAM:
$300/$1000 DEDUCTIBLE PLAN

- $50 deductible per employee per year (PEPY)

Generic:	Up to 30-day supply:	$11
Tier One	31- to 90-day supply:	$17
Brand:	Up to 30-day supply:	$25
Tier Two	31- to 90-day supply:	$40
Preferred Brand:	Up to 30-day supply:	$40
Tier Three	31- to 90-day supply:	$60

$2,000 Deductible Plan – HSA Compatible

Eligible Preventive Care: covered

Lifetime Maximum
Plan Pays: 100%

Out-of-Pocket Maximum: $4,000/$8,000

Employee Share: 25% coinsurance	Plan Share: 75% coinsurance

Deductible: $2,000/$4,000

Employee Share: 100%

Health Plan Enrollment

BENEFITS

Learn. Act. Thrive.
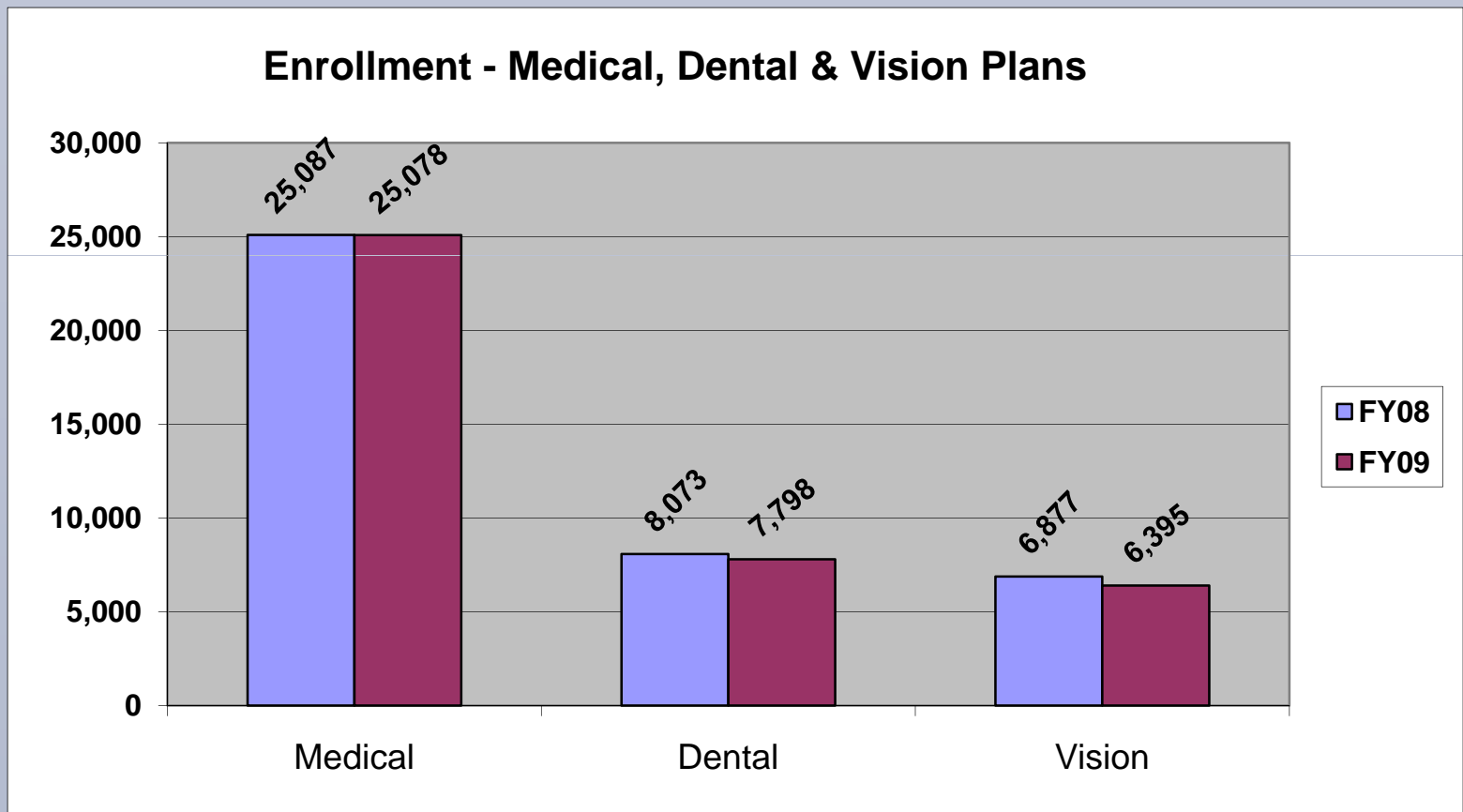
HEALTH PLAN

- **Voluntary Benefits**
  - Dental
  - Vision
  - Supplemental Life
  - Hospital Indemnity Plan
  - Major Injury Protection
  - Short Term Disability Income Protection Plan
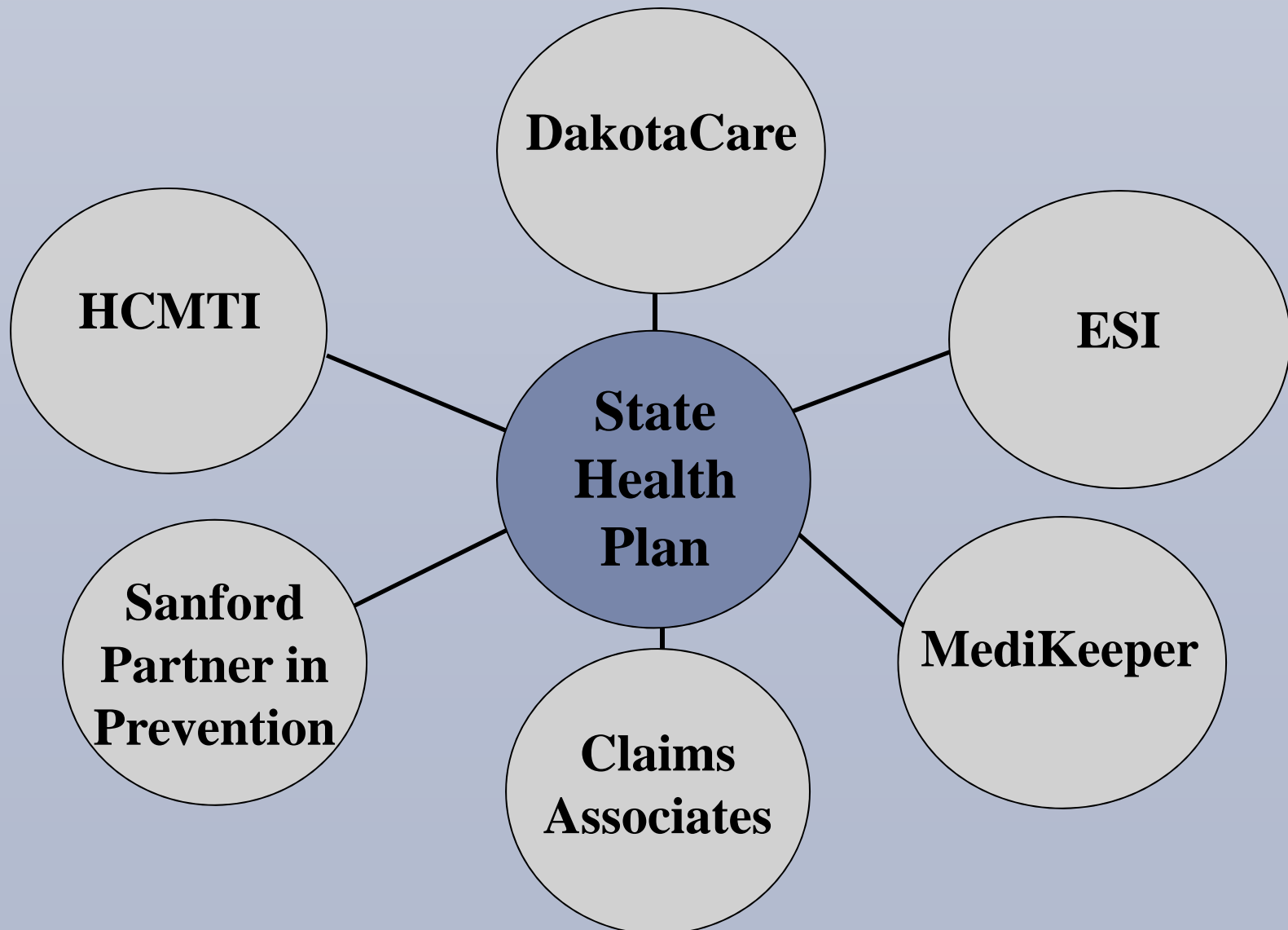- **Flexible Benefits (Section 125)**
  - Medical Expenses Spending Account
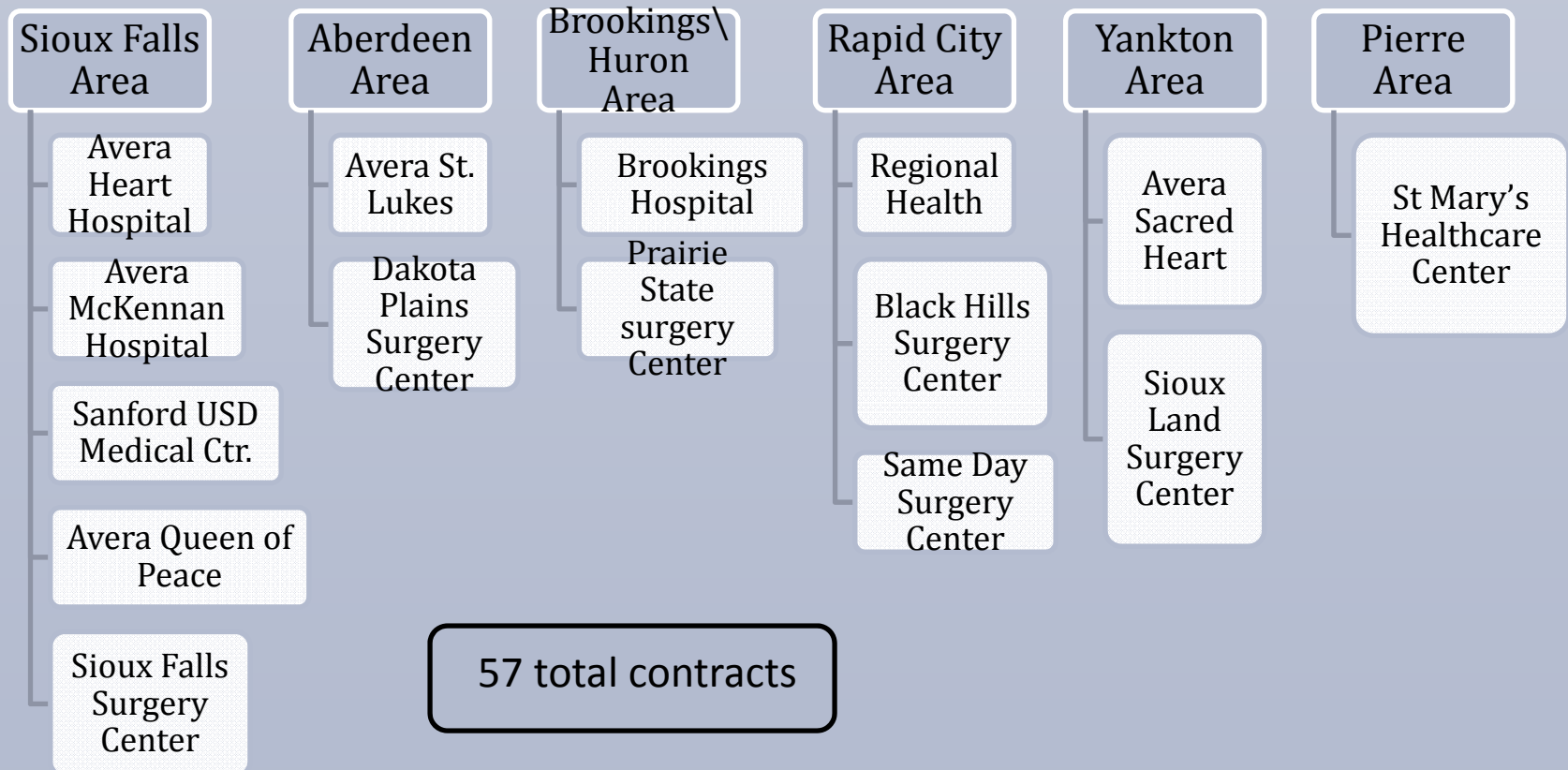 - Dependent Daycare Spending Account

BENEFITS

Health Benefits Enrollment

Enrollment - Medical, Dental & Vision Plans

Medical: FY08 25,087, FY09 25,078
Dental: FY08 8,073, FY09 7,798
Vision: FY08 6,877, FY09 6,395

BUREAU OF PERSONNEL

BENEFITS

Service Partners of Health Plan

BUREAU OF PERSONNEL

DakotaCare

HCMTI

ESI

State Health Plan

Sanford Partner in Prevention

MediKeeper

Claims Associates

Learn. Act. Thrive.

MAJOR FACILITY CONTRACTS

Sioux Falls Area
- Avera Heart Hospital
- Avera McKennan Hospital
- Sanford USD Medical Ctr.
- Avera Queen of Peace
- Sioux Falls Surgery Center

Aberdeen Area
- Avera St. Lukes
- Dakota Plains Surgery Center

Brookings\Huron Area
- Brookings Hospital
- Prairie State surgery Center

Rapid City Area
- Regional Health
- Black Hills Surgery Center
- Same Day Surgery Center

Yankton Area
- Avera Sacred Heart
- Sioux Land Surgery Center

Pierre Area
- St Mary's Healthcare Center

57 total contracts

BENEFITS

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WELLNESS PROGRAMS

- Preventive Programs
- Health and Lifestyle
  - Heart disease
  - Diabetes
  - Weight Management
  - Asthma
- Case Management
  - Oncology
  - Our Healthy Baby
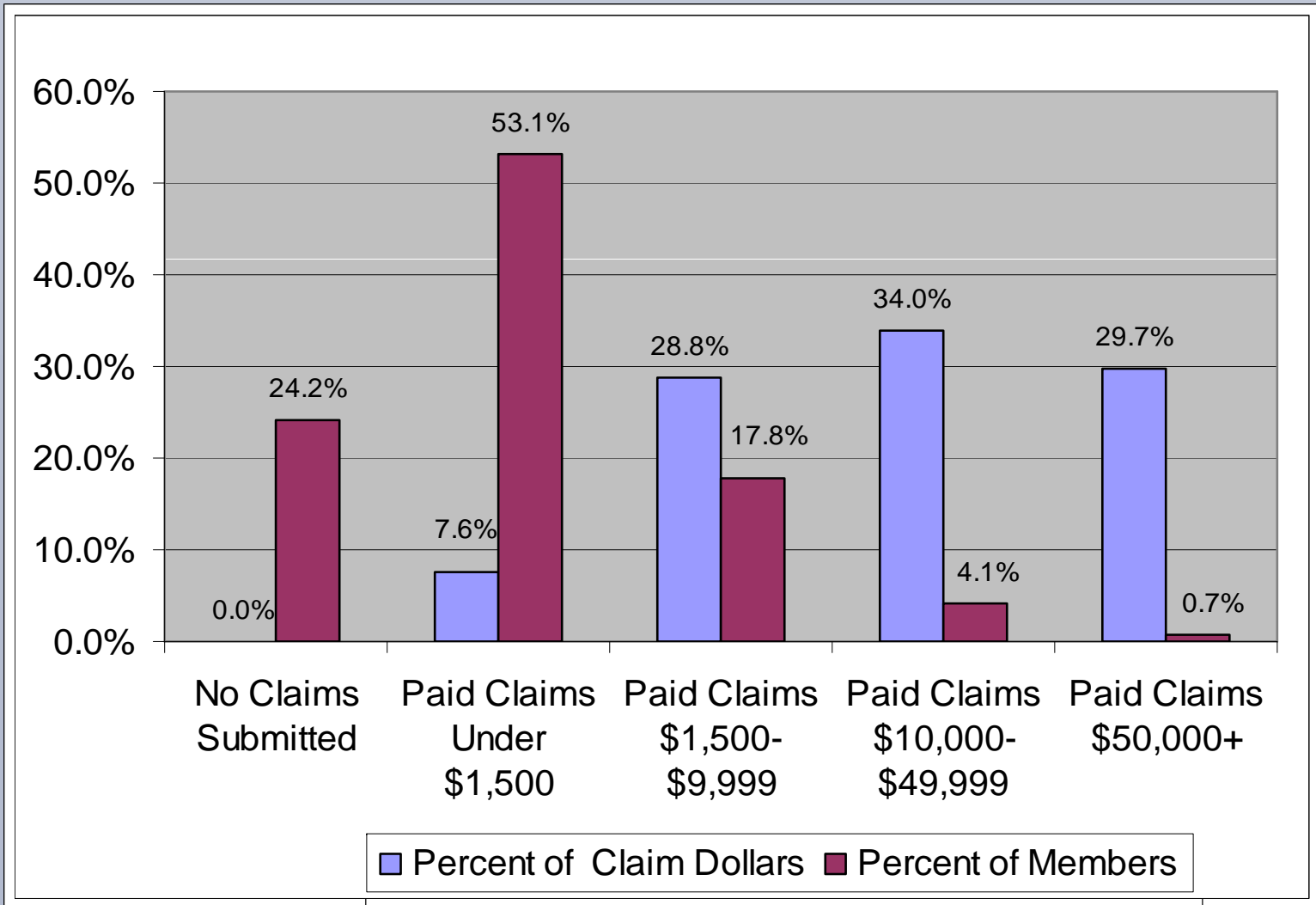 - Bariatric
  - Pharmacy
- Healthy South Dakota http://healthyemployees.sd.gov
- Health Assessments
- Health Screens

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COST SUMMARY FOR FY09

	No Cost	Low Cost	Medium Cost	High Cost	Catastrophic Cost
SD State Employee Health Benefits Criteria	No Claims Submitted	Paid Claims Under $1,500	Paid Claims $1,500-$9,999	Paid Claims $10,000-$49,999	Paid Claims $50,000+
Paid Claims	0%	8%	29%	34%	30%
Members	6,050	13,275	4,450	1,025	175
Average Cost per Member	$0.00	$339.47	$3,851.30	$19,742.68	$105,911.33
Average Claimant Age	32.9	32.7	42.3	47.2	51.5

*Using actual data for the first eleven months and estimating the 12th month

175 CCCs spent $20,079,331 as much as 22,850 other claimants

Cost Summary for FY09

BUREAU OF PERSONNEL

FY09 – Cost per Member by Age Group

BUREAU OF PERSONNEL

Cost Management for FY09

- **Manage cost increases by:**
  - Mid-term Contract Negotiations – Pharmacy Vendor
  - Provider Negotiations (DRG and OP Surgical Schedule)
  - Focus on Wellness Program
  - Utilization Review and Case Management
  - Continue Competitive Bid Process

Cost Management

- Costs not controlled by the State

  - Increasing inflation

  - Increasing costs of new medical treatments

  - Increasing cost of specialty drugs

  - Increasing costs of hospital stays

  - Increasing utilization

State of South Dakota

Legislative Sunset Review

Summer 2009