



Finance Committee Meeting

AGENDA

February 15, 2013

I. **CALL TO ORDER**

II. **MATTERS BEFORE COMMITTEE**

1. [Health Insurance](#)
2. [Bravo Wellness](#)
3. [Stabilization / Budget Amendment Update](#)

III. **ADJOURN**



Finance Committee Meeting

AGENDA

February 15, 2013

Item:

Health Insurance

Department:

Additional Information:

Financial Impact:

Budgeted Item:

Recommendation / Request:

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

[Self Funded Comparison](#)

[Proposed Withholdings](#)

City of Monroe

Self-Funded Comparison to Fully Insured

| <i>Administrator Carrier</i> | Covenant PPO | Covenant PPO | BCBS GMA PPO | BCBS GMA POS | Athens AHP POS |
|-------------------------------------|--------------------------------|--------------------------|-----------------------------|----------------|--------------------------------|
| Product Type | Self-Funded | Self-Funded | Fully Insured | Fully Insured | Fully Insured |
| Funding Type | Current | HCC Offer | Offer | Offer | Offer |
| Plan Status | | | | | |
| Contract Basis: | | | | | |
| Fully Insured | | | 12/24 | 12/24 | 12/24 |
| Specific Stop-Loss Contract | 24/12 | 24/12 | | | |
| Aggregate Stop-Loss Contract | 24/12 | 24/12 | | | |
| Employee | \$ 668.92 | \$ 785.62 | \$ 666.00 | \$ 576.00 | \$ 551.92 |
| Family | \$ 1,702.73 | \$ 1,828.34 | \$ 1,565.00 | \$ 1,355.00 | \$ 1,549.82 |
| Estimated Run-Out Admin/Claims | | | \$ 289,000.00 | \$ 289,000.00 | \$ 289,000.00 |
| Self-Funded Program | | | | | |
| Fixed Cost: | | | | | |
| Employee | \$ 143.33 | \$ 161.42 | | | |
| Family | \$ 283.64 | \$ 291.41 | | | |
| Variable Cost: | | | | | |
| Employee | \$ 525.59 | \$ 624.20 | | | |
| Family | \$ 1,419.09 | \$ 1,536.93 | | | |
| Self-Funded Totals: | | | | | |
| Employee | \$ 668.92 | \$ 785.62 | | | |
| Family | \$ 1,702.73 | \$ 1,828.34 | | | |
| Annual Maximum Cost | \$ 2,705,138 | \$ 2,996,028 | \$ 2,844,736 | \$ 2,500,936 | \$ 2,674,013 |
| % Change | - | 10.75% | 5.2% | -7.5% | -1.2% |
| * Predicted Annual Plan Cost | \$ 2,764,233 | \$ 2,551,747 | \$ 2,844,736 | \$ 2,500,936 | \$ 2,674,013 |
| Plan Design | | | | | |
| Office Visit Primary | \$20.00 | \$40.00 | \$30.00 | \$25.00 | \$20.00 |
| Office Visit Specialist | \$30.00 | \$60.00 50.00 | \$35.00 | \$35.00 | \$50.00 |
| Deductible | \$200.00 | \$500.00 | \$500.00 | \$500.00 | \$500.00 |
| Coinsurance In-Network | 80% | 80% | 80% | 80% | 80% |
| Coinsurance Out-of-Network | 60% | 60% | 60% | 60% | 60% |
| Out of Pocket Employee | \$600.00 | \$1,500.00 | \$2,000.00 | \$2,000.00 | \$2,500.00 |
| Out of Pocket Family | \$1,200.00 | \$3,000.00 | \$6,000.00 | \$6,000.00 | \$7,500.00 |
| Prescription Drugs | \$10/\$20/\$40 | \$20/\$40/\$80 | \$15/\$30/\$50 | \$15/\$30/\$50 | \$20/\$40/\$85 |
| Mail Order (90 day supply) | \$ 10.00 | \$40/\$80/\$160 | \$10/\$30/\$50 | \$30/\$50/\$80 | |
| Plan Networks | First Health | Cigna | BCBS | BCBS | Athens AHP |
| Estimated Average Discounts | 30%-33% | 52%-55% | 52%-55% | 52%-55% | 50%-55% |
| Plan Enrollment: | | | | | Athens Area Health Plan |
| Employee 113 | | | | | Local Hospital |
| Family 88 | | | | | included No |
| Total 201 | | | | | in/out surgical co-pays apply. |
| | Self Insured Plan: | | GMA - BCBS Plan: | | Other plans available. |
| | \$50,000 Specific Deductible 3 | | Traditional Blue Cross | | |
| | Employees are at \$125,000 | | network with Aetna | | |
| | Runout will occur only when | | prescription network. Other | | |
| | exiting this plan. | | plans available. | | |

Footnotes:

1] Aetna, Humana, and United Healthcare declined to offer a fully insured proposal to the City of Monroe due to loss experience.

PROPOSED HEALTH INSURANCE WITHHOLDING PLAN YEAR 2013-2014

| | Current Rate | Increase | New Rate | Difference | Increase Per Year |
|----------------------|--------------|----------|----------|------------|-------------------|
| Employee Only | \$ 7.20 | \$ 4.62 | \$ 11.82 | (4.62) | (120.12) |
| Employee + 1 | \$ 115.49 | 20% | 138.59 | (23.10) | (600.55) |
| Employee + 2 or More | \$ 132.22 | 25% | 165.28 | (33.06) | (859.44) |



Finance Committee Meeting

AGENDA

February 15, 2013

Item:

Bravo Wellness

Department:

Additional Information:

Financial Impact:

Budgeted Item:

Recommendation / Request:

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

[Bravo Info](#)

[Bravo Rate Info](#)



A Program Designed Specifically for Sample Group
Designed February 14, 2013

- ☆ 75% of all healthcare spending is spent treating conditions that are lifestyle related and preventable.
- ☆ As seen in auto, life and other insurance, a growing number of consumers believe that it is fair to ask those who make high-risk lifestyle choices pay more for their coverage.
- ☆ If attempting to achieve a goal is unreasonably difficult due to a medical condition, or is medically inadvisable, a participant may file an appeal and work with IncentiSoft Solutions on an alternative program.

Participants Earn Points by Achieving Healthy & Reasonable Goals

| Wellness Screening Tests Included in the Plan | National Institutes of Health (NIH) Goals | Employer's Adjusted Goals | Points Earned if Goals Met |
|---|---|---------------------------|----------------------------|
| Body Mass Index (kg/m ²) | ≤ 24.9 | ≤ 29.9 | 1 |
| Blood Pressure (mm Hg) | ≤ 120/80 | ≤ 130/85 | 1 |
| LDL Cholesterol (mg/dL) | ≤ 100 | ≤ 130 | 1 |
| Tobacco/Nicotine | Negative | Negative | 1 |

Change 2014

2014

Screening of Spouses: Tobacco/Nicotine Affidavit Only

Participants Convert Points into Savings and Increase Health Awareness!

Just by participating, participants will earn a significantly lower premium contribution. As results-based points are earned, costs are reduced even more. Participants save money by demonstrating healthy lifestyles. Employers save money through the higher contributions from employees who don't qualify as well as from the decreased claims utilization among the healthier population.



Current Plan Year 2012-2013

| | COBRA 2012 | WH 2012 | Base 2013 | | | |
|----------------------|-----------------|----------|-----------|---------|---------|---------|
| Employee Only | 682.30 | 15.60 | 152.06 | | | |
| Employee + 1 | 1,736.78 | 250.23 | 597.59 | | | |
| Employee + 2 or More | 1,736.78 | 286.48 | 633.84 | | | |
| | Non-Part 20% | 0 15% | 1 10% | 2 5% | 3 2% | 4 0% |
| Employee Only | 152.06 | 117.95 | 83.83 | 49.72 | 29.25 | 15.60 |
| Employee + 1 | 597.59 | 510.75 | 423.91 | 337.07 | 284.97 | 250.23 |
| Employee + 2 or More | 633.84 | 547.00 | 460.16 | 373.32 | 321.22 | 286.48 |

Proposed Plan Year 2013-2014

| | COBRA | WH 2013 | Base 2013 | | | |
|----------------------|-----------------|----------|-----------|----------|---------|---------|
| Employee Only | 801.33 | 25.60 | 266.00 | | | |
| Employee + 1 | 1,864.90 | 300.28 | 859.75 | | | |
| Employee + 2 or More | 1,864.90 | 358.10 | 917.57 | | | |
| | Non-Part 30% | 0 20% | 1 15% | 2 10% | 3 5% | 4 0% |
| Employee Only | 266.00 | 185.87 | 145.80 | 105.73 | 65.67 | 25.60 |
| Employee + 1 | 859.75 | 673.26 | 580.02 | 486.77 | 393.53 | 300.28 |
| Employee + 2 or More | 917.57 | 731.08 | 637.84 | 544.59 | 451.35 | 358.10 |



Finance Committee Meeting

AGENDA

February 15, 2013

Item:

Stabilization / Budget Amendment Update

Department:

Additional Information:

Financial Impact:

Budgeted Item:

Recommendation / Request:

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download
