

# Issue Analysis Form

**Date:** May 8, 2018 (Tabled from April 24, 2018)  
**Item:** Health, Vision & Dental Insurance – FY2018-19  
**Lead Department(s):** Finance / Human Resources  
**Contact Person(s):** Betsy Drewry & Corrie Hurt



## Description and Current Status

### Dental Insurance:

Dental is currently a voluntary benefit through Delta Dental of Virginia. There is no benefit or difference in offerings for County & Schools regardless of being combined or separate. Both County and School staff have pursued and recommend separate dental renewals.

The 2018-19 renewal from Delta Dental was ***proposed at the same rates as in FY2017-18 (0% increase)*** for active employees and retirees. Staff and our benefit consultant recommend renewal with Delta Dental on a fully insured basis. Rate sheet is attached for board review – **Attachment A (page 1)**.

### Vision Insurance:

Anthem provided a two-year renewal option for vision insurance with Blue View Vision (formerly Unicare) with slight increases to employees and retirees ranging from \$0.39 to \$1.12 per month varying with dependents on coverage. Staff recommends renewal with Anthem Blue View Vision. Rate sheet is attached for board review – **Attachment A (page 2)**.

### Health Insurance:

County and School staff separately engaged in bid processes to obtain separate health insurance stand-alone options for County & School employees. The County Administrator and Superintendent proposed their FY2018-19 budgets using separate renewal estimates (County – 16% increase in employer rate; schools – 3% increase in rates).

County and School staff also obtained combined renewal information, at the direction of both boards. The results of the combined renewal were provided by Anthem to County and School staff on March 31, 2018.

### ***If County & Schools separate:***

County would have a 16% increase in rates (as budgeted) and experience some ***minor*** reductions in benefit offerings. Ability to customize health plan offerings would also be eliminated. Schools would retain the same benefits and could keep rates as budgeted with a 3% increase.

***If County & Schools remain combined:***

Decreases in fixed costs (Stop-Loss insurance & administrative fees) would lead to savings ***primarily*** on the County side in comparison to a separate renewal. School fixed costs would remain relatively unchanged in comparison to a separate renewal.

***County Impact:*** The County could retain its current benefit offerings, and could budget a 12.7% increase in premiums, instead of a 16% increase. ***General Fund Health Insurance expenditures*** in the proposed FY2018-19 budget ***could be reduced by \$47,563*** (Other funds savings = \$6,944).

***School Impact / Actions:*** The School Board voted to renew with Anthem and remain self-insured on a stand-alone basis (separating from the County) at their meeting on April 16, 2018. A combined renewal option was approved by the School Board on April 19, 2018 to remain combined if the County could provide more funds to the School Board *and employee contributions could be the same (i.e. County employee rates and school employee rates were equal)*. There was no discussion about allowing School employees to re-enroll in the traditional POS plan. The additional funding request is **\$254,000**. The school request with rate sheet is combined as **Attachment B**). *Comment boxes with red text added by County Finance Director.*

**On April 26, 2018, the School Board took a third action on Health Insurance communicated as follows from the Superintendent to County Administrator:**

"Mr. Ashcraft,

Mr. Cox has asked me to inform you of the action the school board took at its meeting on April 26, 2018. Mr. Foster made a motion to stay joined with the County for health insurance as a joint owner of the insurance plan; adopt a 3% increase in the school division's insurance rate as proposed by its Health Insurance Consultant, Pierce Group; and retain the school division's current Health Savings Account (HSA) levels."

The wording "as a joint owner of the insurance plan" above indicates that the school division would like access to the County's claims detail. Detailed school claims data would become available to the County as well.

**The additional funding implication of action above is currently unclear. Staff sought further clarification from the Superintendent on what additional school funding is being requested to schools, if any, from the Board of Supervisors. She is seeking clarification from the School Board Chair and staff and additional information will be provided to the board when received.**

Staff Requests action from the Board of Supervisors to approve 2018-19 health and dental plans and rates for 2018-19.

Recommendations are: Renew with Delta Dental, Blue View Vision and renew with Anthem for health insurance on a combined basis with schools. This necessitates a 12.7% increase in the employer rates (in comparison to budgeted increase of 16%). The FY2018-19 General Fund budgeted savings will be \$47,563 will be added to contingency (until such time the board decides if it wishes to allocate for use).

Proposed rate sheets and draft resolution for adoption are attached.

### Government Path

- Does this require IDA action?  Yes  No
- Does this require BZA action?  Yes  No
- Does This require Planning Commission Action?  Yes  No
- Does this require Board of Supervisors action?  Yes  No
- Does this require a public hearing?  Yes  No
- If so, before what date?  Yes  No

### Fiscal Impact Statement

Remaining combined with schools results in a General Fund rate savings for the County of \$47,563 (which is being placed in Contingency for budget adoption). **Clarification is needed from the school division on any additional local funding request, \$254,000 or other amount for FY2019.**

Separating from schools creates higher fixed costs (and thus rates) for the County as well as the possibility for greater claims risk exposure.

Vision and dental insurance are voluntary employee-paid plans and have no fiscal impact on the county budget.

### County Impact

Remaining combined with schools results in no product changes for County employees and the retention of the ability to customize health insurance products offered to County employees.

Separating from schools leads to slightly diminished product offerings and no ability to customize plans in future years.

### Notes

**RECOMMENDED FY18-19 HEALTH RATES 12.7% INCREASE**

**INCREASE EMPLOYER ABSORBED**

**COMBINED WITH SCHOOLS**

<b>Anthem PIN 30</b>			
	<b>Employee Contribution Amount</b>	<b>Employer Contribution Amount</b>	<b>Total Health Premium Cost</b>
Employee Only	\$ 40.00	\$ 680.21	\$ 720.21
Employee/Child	\$ 215.00	\$ 714.33	\$ 929.33
Employee/Children	\$ 425.00	\$ 747.37	\$ 1,172.37
Employee/Spouse	\$ 500.00	\$ 782.76	\$ 1,282.76
Employee/Family	\$ 710.00	\$ 804.38	\$ 1,514.38

**CONTRIBUTION %**

<b>EE</b>	<b>ER</b>
5.55%	94.45%
23.14%	76.86%
36.25%	63.75%
38.98%	61.02%
46.88%	53.12%
<b>30.16%</b>	<b>69.84%</b>

**Anthem High Deductible Health Plan (with HSA)**

	<b>Employee Contribution Amount</b>	<b>Employer Contribution Amount</b>	<b>Total Health Premium Cost</b>	<b>Annual Employer HSA Contribution</b>
Employee Only	\$ -	\$ 648.03	\$ 648.03	\$ 1,000.00
Employee/Child	\$ 108.00	\$ 762.61	\$ 870.61	\$ 1,250.00
Employee/Children	\$ 213.00	\$ 900.36	\$ 1,113.36	\$ 1,500.00
Employee/Spouse	\$ 250.00	\$ 969.82	\$ 1,219.82	\$ 1,250.00
Employee/Family	\$ 355.00	\$ 1,096.59	\$ 1,451.59	\$ 1,500.00

**NO CHANGE**

<b>EE</b>	<b>ER</b>
0.00%	100.00%
12.41%	87.59%
19.13%	80.87%
20.49%	79.51%
24.46%	75.54%
<b>15.30%</b>	<b>84.70%</b>

<b>AVERAGE CONTRIBUTION %</b>		
	<b>EE</b>	<b>ER</b>
<b>2018-2019 OVERALL AVG</b>	<b>22.73%</b>	<b>77.27%</b>
<b>2018-2019 EE ONLY AVG</b>	<b>2.78%</b>	<b>97.22%</b>

**ACTIVE EMPLOYEES**

**Prince George County Dental Rates FY/19**

*Effective June 2018 for July 1, 2018 coverage (monthly rates)*

**ACTIVE EMPLOYEES - 0% Increase; RETIREES - 0% Increase**

**FY18 TO FY19 CHANGE**

<b>Delta Low Tier Dental Plan</b>			
	<b>Employee Contribution Amount</b>	<b>Employer Contribution Amount</b>	<b>Total Health Premium Cost</b>
Employee Only	\$ 28.98	\$ -	\$ 28.98
Employee/Child	\$ 62.32	\$ -	\$ 62.32
Employee/Children	\$ 62.32	\$ -	\$ 62.32
Employee/Spouse	\$ 59.04	\$ -	\$ 59.04
Employee/Family	\$ 68.74	\$ -	\$ 68.74

<b>Premium Change</b>	<b>% Change</b>
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%

<b>Delta High Tier Dental Plan</b>			
	<b>Employee Contribution Amount</b>	<b>Employer Contribution Amount</b>	<b>Total Health Premium Cost</b>
Employee Only	\$ 35.56	\$ -	\$ 35.56
Employee/Child	\$ 79.86	\$ -	\$ 79.86
Employee/Children	\$ 79.86	\$ -	\$ 79.86
Employee/Spouse	\$ 71.12	\$ -	\$ 71.12
Employee/Family	\$ 100.53	\$ -	\$ 100.53

<b>Premium Change</b>	<b>% Change</b>
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%

**Prince George County Vision Rates FY/19**

**SLIGHT CHANGE**

<b>Blue View (formerly Unicare) Vision Buy-Up (Voluntary)</b>			
	<b>Employee Contribution Amount</b>	<b>Employer Contribution Amount</b>	<b>Total Health Premium Cost</b>
Employee Only	\$ 5.91	\$ -	\$ 5.91
Employee/Child	\$ 10.34	\$ -	\$ 10.34
Employee/Children	\$ 11.81	\$ -	\$ 11.81
Employee/Spouse	\$ 10.34	\$ -	\$ 10.34
Employee/Family	\$ 17.18	\$ -	\$ 17.18

<b>Premium Change</b>	<b>% Change</b>
\$ 0.39	7.07%
\$ 0.68	7.04%
\$ 0.77	6.97%
\$ 0.68	7.04%
\$ 1.12	6.97%

**RETIREES**

**Prince George County Dental Rates FY/19**

*Effective June 2018 for July 1, 2018 coverage (monthly rates)*

RETIREES - 0% Increase

**FY18 TO FY19 CHANGE**

<b>Delta Low Tier Dental Plan</b>			
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost
Employee Only	\$ 30.50	\$ -	\$ 30.50
Employee/Child	\$ 65.56	\$ -	\$ 65.56
Employee/Children	\$ 65.56	\$ -	\$ 65.56
Employee/Spouse	\$ 62.12	\$ -	\$ 62.12
Employee/Family	\$ 72.32	\$ -	\$ 72.32

Premium Change	% Change
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%

<b>Delta High Tier Dental Plan</b>			
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost
Employee Only	\$ 37.42	\$ -	\$ 37.42
Employee/Child	\$ 84.02	\$ -	\$ 84.02
Employee/Children	\$ 84.02	\$ -	\$ 84.02
Employee/Spouse	\$ 74.82	\$ -	\$ 74.82
Employee/Family	\$ 105.76	\$ -	\$ 105.76

Premium Change	% Change
\$ -	0.00%
\$ -	0.00%
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Employee/Child	\$ 10.34	\$ -	\$ 10.34
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Employee/Spouse	\$ 10.34	\$ -	\$ 10.34
Employee/Family	\$ 17.18	\$ -	\$ 17.18

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\$ 0.39	7.07%
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Board of Supervisors  
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 8<sup>th</sup> day of May, 2018:

Present:

Vote:

Alan R. Carmichael, Chairman  
Donald R. Hunter, Vice-Chairman  
Floyd M. Brown, Jr.  
Marlene J. Waymack  
T. J. Webb

T-1

On motion of \_\_\_\_\_, seconded by \_\_\_\_\_, which carried unanimously, the following Resolution was adopted:

RESOLUTION; APPROVAL OF RECOMMENDED FY2019 HEALTH, DENTAL AND VISION INSURANCE RENEWALS WITH RECOMMENDED RATES AS ATTACHED.

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 8<sup>th</sup> day of May, 2018, does hereby authorize renewing for FY2019

**Health Insurance** with Anthem for an overall 12.7% increase all County/employer absorbed remaining combined for health insurance with the school division;

**Dental Insurance** with Delta Dental of Virginia with no increase to active employees or retirees;

**Vision Insurance** with Blue View Vision (formerly Unicare) at a slight increase to employees and retirees ranging from \$0.39 to \$1.12 monthly.

BE IT FURTHER RESOLVED That the Board of Supervisors of the County of Prince George this 8<sup>th</sup> day of May, 2018, does hereby approve recommended FY2019 rates as provided and attached.

BE IT FURTHER RESOLVED That the Board of Supervisors of the County of Prince George this 8<sup>th</sup> day of May, 2018, **does hereby agree to provide additional funding to schools in FY2019 with an additional local transfer to schools of \$\_\_\_\_\_ above the Revenue Sharing MOU with Fund Balance / FY2017 School Carryover as the funding source.**

A Copy Teste:

\_\_\_\_\_  
Percy C. Ashcraft  
County Administrator

<b>RECOMMENDED FY18-19 HEALTH RATES</b>				<b>12.7% INCREASE</b>		
<b>INCREASE EMPLOYER ABSORBED</b>				<b>COMBINED WITH SCHOOLS</b>		
<b>Anthem PIN 30</b>					<b>CONTRIBUTION %</b>	
	<b>Employee Contribution Amount</b>	<b>Employer Contribution Amount</b>	<b>Total Health Premium Cost</b>	<b>EE</b>	<b>ER</b>	
Employee Only	\$ 40.00	\$ 680.21	\$ 720.21	5.55%	94.45%	
Employee/Child	\$ 215.00	\$ 714.33	\$ 929.33	23.14%	76.86%	
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				<b>30.16%</b>	<b>69.84%</b>	
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					<b>15.30%</b>	<b>84.70%</b>
				<b>NO CHANGE</b>		
<b>AVERAGE CONTRIBUTION %</b>						
				<b>EE</b>	<b>ER</b>	
<b>2018-2019</b>	<b>OVERALL AVG</b>			<b>22.73%</b>	<b>77.27%</b>	
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**RETIREES**

**Prince George County Dental Rates FY/19**  
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RETIREES - 0% Increase

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