

RESUME: Health Insurance Update & Recommendation
April 26, 2016

The County and School Division have completed the evaluation of health insurance plans for County and School employees underway since the fall of 2015. The County and School Division considered the following:

1. Moving to The Local Choice (and changing to a fully-insured coverage type)
2. Renewing our current coverage with Anthem and remaining self-insured

The FY2017 budget was prepared based on changing to The Local Choice using a 10% premium increase to cover product migration to richer benefit offerings and claims “run off.”

We received renewal information from our benefits consultant on April 6, 2016. The renewal with Anthem suggested a potential reduction in funding (premium contributions).

Potential reduction:

County (20.4%)

Schools (10.7%)

Combined (13.5%)

This means the county *could potentially reduce premiums below their current FY16 levels* and pay claims at their predicted levels in FY17. If rates are not reduced (but rather maintained at the current FY16 levels), the County and Schools can potentially build reserves in the health insurance fund to offset upcoming years where claims may be not be as favorable.

School Board - The School Board voted on Wednesday, April 13, 2016 to renew with our current insurance, remain self-funded, and to remain combined with the County for health insurance purposes. Additionally, they voted to increase their employer HSA contribution by \$500 annually for all tiers.

Health Insurance Update & Recommendation - Continued
 April 26, 2016

The School Board currently contributes more to their employee's HSA than the County; however the County employees pay lower premiums for the High Deductible Health Plan with HSA.

County / School *Employer* HSA Contribution:

County Annual H.S.A.	School Current H.S.A.	Current School Over County	School Planned H.S.A.	Planned School Over County
\$ 750.00	\$ 1,500.00	\$ 750.00	\$ 2,000.00	\$ 1,250.00
\$ 1,000.00	\$ 1,750.00	\$ 750.00	\$ 2,250.00	\$ 1,250.00
\$ 1,250.00	\$ 2,000.00	\$ 750.00	\$ 2,500.00	\$ 1,250.00
\$ 1,000.00	\$ 1,750.00	\$ 750.00	\$ 2,250.00	\$ 1,250.00
\$ 1,250.00	\$ 2,000.00	\$ 750.00	\$ 2,500.00	\$ 1,250.00

County / School *Employee Paid* Premiums (County pays higher *employer* premium):

	County	School	Monthly	Annual
HDHP	EE monthly	EE monthly	Difference	Difference
Employee Only	\$ -	\$ 51	\$ 51	\$ 612
Employee/Child	\$ 108	\$ 215	\$ 107	\$ 1,284
Employee/Children	\$ 213	\$ 410	\$ 197	\$ 2,364
Employee/Spouse	\$ 250	\$ 486	\$ 236	\$ 2,832
Employee/Family	\$ 355	\$ 672	\$ 317	\$ 3,804

Health Insurance Update & Recommendation - Continued
 April 26, 2016

Staff Recommendations for FY2017:

Category	Recommendation	Budgetary Impact	Employee Impact
Health Insurance	Renew with Anthem; Remain self-insured; Keep Rates the Same as in FY2016	(\$153,000) Savings from <i>Proposed Budget</i>	None; No change; no rate increase
Employer HSA Contribution	Increase County Employer HSA Contribution by \$250 annually	\$12,750 Budget Increase (51 Enrolled X \$250)	No impact on employee pay or deductions; increased incentive to migrate to HDHP with HSA
Delta Dental	Renew for 1 Year; High Tier Plan - Add Orthodontia for Children Only to High Tier Plan	None – Employee-Paid	Low Plan – 3% Reduction; High Plan – 3.49% Increase for family tier only; other tiers 0.37% to 3% reduction for added / enhanced benefit
Vision Buy-Up	Renew with Unicare; rates unchanged from FY2016	None – Employee-Paid	None; No change; no rate increase

See attached rate sheets incorporating recommendations.

Overall Impact on Proposed FY2017 Budget - Health Insurance Recommendations:

Keep Plans and Rates same as in FY2016:	\$(153,000) [Decrease]
Increase County HSA Contribution by \$250 annually	\$ 12,750 [Increase]
<u>NET IMPACT TO PROPOSED BUDGET</u>	<u>\$(140,250) [Decrease]</u>

County of Prince George
FY2017 Health, Dental and Vision Insurance Recommended Rates

Prince George County Health and Dental Rates FY/16
Effective June 2015 for July 1, 2015 coverage (monthly rates)

Anthem PIN 30				
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost	
Employee Only	\$ 40.00	\$ 712.00	\$ 752.00	
Employee/Child	\$ 215.00	\$ 792.00	\$ 1,007.00	
Employee/Children	\$ 425.00	\$ 880.00	\$ 1,305.00	
Employee/Spouse	\$ 500.00	\$ 936.00	\$ 1,436.00	
Employee/Family	\$ 710.00	\$ 1,012.00	\$ 1,722.00	

Anthem High Deductible Health Plan (with HSA)				
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost	Annual Employer HSA Contribution
Employee Only	\$ -	\$ 689.00	\$ 689.00	\$ 750.00
Employee/Child	\$ 108.00	\$ 815.00	\$ 923.00	\$ 1,000.00
Employee/Children	\$ 213.00	\$ 984.00	\$ 1,197.00	\$ 1,250.00
Employee/Spouse	\$ 250.00	\$ 1,065.00	\$ 1,315.00	\$ 1,000.00
Employee/Family	\$ 355.00	\$ 1,223.00	\$ 1,578.00	\$ 1,250.00

Prince George County Health and Dental Rates FY/17
Effective June 2016 for July 1, 2016 coverage (monthly rates)

Anthem PIN 30				
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost	
Employee Only	\$ 40.00	\$ 712.00	\$ 752.00	
Employee/Child	\$ 215.00	\$ 792.00	\$ 1,007.00	
Employee/Children	\$ 425.00	\$ 880.00	\$ 1,305.00	
Employee/Spouse	\$ 500.00	\$ 936.00	\$ 1,436.00	
Employee/Family	\$ 710.00	\$ 1,012.00	\$ 1,722.00	

Anthem High Deductible Health Plan (with HSA)				
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost	Annual Employer HSA Contribution
Employee Only	\$ -	\$ 689.00	\$ 689.00	\$ 1,000.00
Employee/Child	\$ 108.00	\$ 815.00	\$ 923.00	\$ 1,250.00
Employee/Children	\$ 213.00	\$ 984.00	\$ 1,197.00	\$ 1,500.00
Employee/Spouse	\$ 250.00	\$ 1,065.00	\$ 1,315.00	\$ 1,250.00
Employee/Family	\$ 355.00	\$ 1,223.00	\$ 1,578.00	\$ 1,500.00

Increase Employer HSA contribution by \$250 annually; all tiers

FY16 TO FY17 CHANGE

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

Premium Change	% Change	Annual Employer HSA Contribution Change
\$ -	0.00%	\$ 250.00
\$ -	0.00%	\$ 250.00
\$ -	0.00%	\$ 250.00
\$ -	0.00%	\$ 250.00
\$ -	0.00%	\$ 250.00