

**ADAMS COUNTY**  
**COLORADO**  
BOARD OF COUNTY COMMISSIONERS

Eva J. Henry - District #1  
Charles "Chaz" Tedesco - District #2  
Emma Pinter - District #3  
Steve O'Dorisio - District #4  
Mary Hodge - District #5

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**STUDY SESSION AGENDA**  
**TUESDAY**  
**October 15, 2019**

*ALL TIMES LISTED ON THIS AGENDA ARE SUBJECT TO CHANGE*

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<b>11:30 A.M.</b>	<b>ATTENDEE(S):</b>	<b>Terri Lutt / Cindy Bero / Jeanette Sharp, Lokton</b>
	<b>ITEM:</b>	<b>2020 Benefit Plan Renewal</b>
<b>12:30 P.M.</b>	<b>ATTENDEE(S):</b>	<b>Raymond Gonzales / Nancy Duncan</b>
	<b>ITEM:</b>	<b>Review of 2020 Proposed Budget</b>
<b>1:30 P.M.</b>	<b>ATTENDEE(S):</b>	<b>Raymond Gonzales</b>
	<b>ITEM:</b>	<b>Administrative Item Review / Commissioners Communication</b>

(AND SUCH OTHER MATTERS OF PUBLIC BUSINESS WHICH MAY ARISE)

\*\*\*AGENDA IS SUBJECT TO CHANGE\*\*\*



## STUDY SESSION AGENDA ITEM

<b>DATE:</b> October 15, 2019
<b>SUBJECT:</b> 2020 Benefit Plan Renewal
<b>FROM:</b> Terri Lutt, Director
<b>AGENCY/DEPARTMENT:</b> People & Total Rewards Excellence
<b>ATTENDEES:</b> Cindy Bero, Terri Lutt, Jeanette Sharp - Lockton
<b>PURPOSE OF ITEM:</b> To provide the Board with information and recommendations for the 2020 Benefit Plan Renewal.
<b>STAFF RECOMMENDATION:</b>

### **BACKGROUND:**

Each year the county does a comprehensive benefit renewal analysis. This presentation includes information from that analysis and recommendations for the 2019 Benefit Plan Renewal.

### **AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:**

People & Total Rewards  
County Manager's Office  
Budget Department  
Finance Department

### **ATTACHED DOCUMENTS:**

Presentation

**FISCAL IMPACT:**

Please check if there is no fiscal impact . If there is fiscal impact, please fully complete the section below.

**Fund:** 19

**Cost Center:**

	Object Account	Subledger	Amount
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
<b>Total Revenues:</b>			

	Object Account	Subledger	Amount
Current Budgeted Operating Expenditure:			
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
<b>Total Expenditures:</b>			

New FTEs requested:  YES  NO

Future Amendment Needed:  YES  NO

**Additional Note:**

Budget for 2020 has not been finalized.

**APPROVAL SIGNATURES:**


  
Raymond H. Gonzales, County Manager

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Alisha Reis, Deputy County Manager

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Bryan Ostler, Deputy County Manager

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Chris Kline, Deputy County Manager

**APPROVAL OF FISCAL IMPACT:**

  
Nancy Duran  
Budget



PEOPLE  
&  
CULTURE  
SERVICES

OCTOBER 15, 2019

**BENEFIT PLAN RENEWAL 2020**  
**Board of County Commissioners**



# Benefit Plan Renewal Overview

- Overview of benefits strategy
- Full marketing of medical, dental, vision
- Long-term disability proposed increase
- Early retiree renewal

# Multi-Year Benefits Strategy Considerations

## Primary Goals

- Remain an employer of choice with holistic focus on Total Rewards
- Provide value, stability, and security in benefits programs

### Short-term Strategies 1 – 4 Yrs

- Manage risk pool (ongoing)
- Balance UHC/KP plan design
- Educate employees to encourage accountability
- Consider options like High Deductible Health Plan/Health Savings Account

### Long-term Strategies 5 – 10 Yrs

- Manage risk pool (ongoing)
- Balance UHC/KP plan design
- Consider options like narrow networks and/or direct contracts with providers



# Medical Plans

A full marketing/RFP was completed for the self-funded medical plan. Quotes were received from UHC, Anthem and Cigna:

Cost Components	UHC - Current	UHC - Renewal	Anthem	Cigna
<b>Stop Loss Carrier:</b>	UHC	UHC	Anthem	Cigna
Deductible/Person	\$250,000	\$250,000	\$250,000	\$250,000
Contract Type	Paid	Paid	12/12	24/12
<b>Monthly Fixed Costs:</b>				
<b>Administrative Fee</b>	\$52.62	\$28.81	\$40.30	\$36.91
PPO Access Fee	Included in Administrative Fees	Included in Administrative Fees	Included in Administrative Fees	Included in Administrative Fees
Large Case Management				
Utilization Review				
<b>Specific Stop Loss</b>	\$64.13	\$69.15	\$59.29	\$73.19
<b>Monthly Fixed Cost</b>	\$116.75	\$97.96	\$99.59	\$110.10
<b>Annual Fixed Costs</b>				
Annual Stop Loss	\$644,122	\$694,543	\$595,509	\$735,120
Annual Admin. Costs	\$528,515	\$289,368	\$404,773	\$370,724
Total Fixed Costs	\$1,172,637	\$983,910	\$1,000,282	\$1,105,844
\$ Difference from Current		(\$188,727)	(\$172,355)	(\$66,793)
<b>Enrollment</b>	837	837	837	837



# Medical Plans

We recommend staying with United Healthcare based on the following:

- Lowest overall fixed costs
- Most beneficial stop loss contract type

<b>Anthem</b>	<b>Cigna</b>
No EPO or similar plan	Medicare requires 25% subsidy
Will not provide Medicare coverage	Quote could change
Requires mirroring of Kaiser cont.	





# Medical Plans

## Highlights of the UHC renewal:

- \$188,727 reduction in administration fees.
- 5% claims increase based on projections of last 24 months of claims data and Lockton’s actuarial assumptions.

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### Renewal Projections – Keeping Plan the Same

Plan	Current	Renewal	Change	% Change
United HealthCare	\$11,686,933	\$12,306,378	\$619,445	5%

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# Medical Plans

We are recommending the following changes to the UHC medical plan:

## **Stop Loss Deductible**

- Increase the specific stop loss deductible from \$250,000 to \$300,000
- **Cost Savings - \$87,170**



# Medical Plans

We are recommending the following changes to the UHC medical plan:

## Hearing Aids

- Cover hearing aids for children and adults
- Kaiser plan currently covers hearing aids
- **Cost Increase - \$49,600 estimated**



# Medical Plans

## Renewal Projections – With Recommended Changes

Plan	Current	Renewal	Change	% Change
United HealthCare	\$11,686,933	\$12,268,809	\$581,876	5%



# Medical Plans

## Highlights of the Kaiser renewal:

- Increase of 15% or \$2.1 million.
- This increase is mostly due to increase in claims incurred.
- The medical benefits ratio increased from 86% in 2017/2018 to 104% in 2018/2019.

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### Renewal Projections – Keeping Plan the Same

Plan	Current	Renewal	Change	% Change
Kaiser HMO	\$14,067,870	\$16,178,020	\$2,110,150	15.0%

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# Medical Plans

We are proposing the following options for the 2020 Kaiser plan:

- HMO \$15 Plan - County Manager Recommendation
- HMO Plan (current) – Alternate One
- HMO Deductible Plan (DHMO) – Alternate Two



# Medical Plans

## **Kaiser HMO \$15 Plan – County Manager Recommendation**

- Because we have not changed plan design, the current plan is considered to be “grandfathered” and isn’t required to cover certain services.
- This plan change would now cover the following services:
  - Select generic birth control covered at 100%
  - Additional well-woman services, breast pumps
  - Certain clinical trials
  - Cost of all services will now go towards OOP maximum



# Medical Plans

## **Kaiser HMO \$15 Plan – County Manager Recommendation** (cont.)

- This plan change would also increase the cost of hospital services to the employee.

### Service Region

- Add the northern service region for employees.
- This service region addition has no cost impact.





# Medical Plans

## **Kaiser HMO Plan (current) – Alternate One**

- This would be the same Kaiser plan that is currently offered.

### Service Region

- Add the northern service region for employees.
- This service region addition has no cost impact.



# Medical Plans

## **Kaiser HMO Deductible Plan (DHMO) – Alternate Two**

- This plan change would introduce a deductible and 10% co-insurance to certain services.

### Service Region

- Add the northern service region for employees.
- This service region addition has no cost impact.



# Medical Plans – Plan Design

Summary of Covered Benefits	Kaiser	Kaiser	Kaiser
	HMO 215 - Current Plan In-Network	HMO \$15 - Add GF Services In-Network	DHMO In-Network
<b>Annual Deductible</b>			
Individual	None	None	\$500
Family	None	None	\$1,000
<b>Out-of-pocket Maximum</b>			
Individual	\$2,000	\$2,000	\$4,500
Family	\$4,500	\$4,500	\$9,000
<b>Physician Services</b>			
Primary Care Physician	\$15	\$15	\$30
Specialist - Premium Provider	\$25	\$25	\$45
Specialist - Non-Premium Provider	N/A	N/A	N/A
Telemedicine	No copay	No copay	90%, after ded., No copay
<b>Preventive Care</b>			
Child/Adult	100% covered	100% covered	100% covered
<b>Urgent Care</b>	\$50	\$50	\$45
<b>Hospital Services</b>			
Inpatient	\$250 per admission	\$500 per admission	90%, after ded.
Outpatient/Ambulatory Surgery	\$200	\$150 / \$300	90%, after ded.
Emergency Room	\$150	\$250	\$250
<b>Lab/X-Ray</b>			
Diagnostic Lab / Xray	100% covered	100% covered	100% covered
High Tech Services (MRI, CT scans, etc.)	\$25	\$100	90%, after ded.
<b>Prescriptions (30 days)</b>			
Tier 1	\$15	\$15	\$10
Tier 2	\$30	\$30	\$30
Tier 3	Covered as Tier 2	Covered as Tier 2	\$50
Tier 4	Covered as Tier 2	20% up to \$250	20% to \$250
Mail Order (90 days)	2x Retail	2x Retail	2x Retail



# Medical Plans

Below are the costs for each Kaiser option:

## Renewal Projections – All Kaiser Options

Plan	Current	Renewal	Change	% Change
HMO \$15-Recommended	\$14,067,870	\$15,904,529	\$1,836,659	13.1%
HMO – Alternate 1	\$14,067,870	\$16,178,020	\$2,110,150	15%
DHMO – Alternate 2	\$14,067,870	\$14,591,478	\$523,608	3.7%



# Medical Plans - Premiums

## **County Manager Recommendation:**

- With Kaiser HMO \$15 plan
- With UHC recommended changes

## **Alternate One:**

- Keeping same Kaiser HMO plan
- With UHC recommended changes

## **Alternate Two:**

- With Kaiser DHMO plan
- With UHC recommended changes

*All plans will reflect an employee premium increase that is the same as the 2019 Kaiser increase:*

*(Employee Only - \$4, Employee +One - \$11, Family - \$19)*

Tier	2019 - CURRENT				2020 - KAISER HMO \$15 - RECOMMENDED					2020 - CURRENT KAISER HMO - ALTERNATE 1					2020 - KAISER DHMO - ALTERNATE 2				
	County \$	County %	EE \$	EE %	County \$	County %	EE \$	EE %	EE \$ Impact	County \$	County %	EE \$	EE %	EE \$ Impact	County \$	County %	EE \$	EE %	EE \$ Impact
	<u>UHC EPO PLAN</u>				<u>UHC EPO PLAN</u>					<u>UHC EPO PLAN</u>					<u>UHC EPO PLAN</u>				
Single	\$ 569.16	86.8%	\$ 86.42	13.2%	\$ 597.80	86.9%	\$ 90.42	13.1%	\$ 4.00	\$ 597.80	86.9%	\$ 90.42	13.1%	\$ 4.00	\$ 597.80	86.9%	\$ 90.42	13.1%	\$ 4.00
Single + 1	\$ 1,126.67	81.9%	\$ 249.09	18.1%	\$ 1,184.17	82.0%	\$ 260.09	18.0%	\$ 11.00	\$ 1,184.17	82.0%	\$ 260.09	18.0%	\$ 11.00	\$ 1,184.17	82.0%	\$ 260.09	18.0%	\$ 11.00
Family	\$ 1,552.13	78.4%	\$ 426.48	21.6%	\$ 1,631.64	78.0%	\$ 445.48	22.0%	\$ 19.00	\$ 1,631.64	78.0%	\$ 445.48	22.0%	\$ 19.00	\$ 1,631.64	78.0%	\$ 445.48	22.0%	\$ 19.00
	<u>UHC DOCTOR'S PLAN</u>				<u>UHC DOCTOR'S PLAN</u>					<u>UHC DOCTOR'S PLAN</u>					<u>UHC DOCTOR'S PLAN</u>				
Single	\$ 496.50	86.1%	\$ 80.41	13.9%	\$ 521.22	86.0%	\$ 84.41	14.0%	\$ 4.00	\$ 521.22	86.0%	\$ 84.41	14.0%	\$ 4.00	\$ 521.22	86.0%	\$ 84.41	14.0%	\$ 4.00
Single + 1	\$ 979.65	80.9%	\$ 231.02	19.1%	\$ 1,028.93	81.0%	\$ 242.02	19.0%	\$ 11.00	\$ 1,028.93	81.0%	\$ 242.02	19.0%	\$ 11.00	\$ 1,028.93	81.0%	\$ 242.02	19.0%	\$ 11.00
Family	\$ 1,353.49	77.7%	\$ 387.68	22.3%	\$ 1,421.18	77.7%	\$ 406.68	22.3%	\$ 19.00	\$ 1,421.18	77.7%	\$ 406.68	22.3%	\$ 19.00	\$ 1,421.18	77.7%	\$ 406.68	22.3%	\$ 19.00
	<u>UHC HDHP/HSA PLAN</u>				<u>UHC HDHP/HSA PLAN</u>					<u>UHC HDHP/HSA PLAN</u>					<u>UHC HDHP/HSA PLAN</u>				
Single	\$ 496.32	87.3%	\$ 72.00	12.7%	\$ 520.62	87.0%	\$ 76.00	13.0%	\$ 4.00	\$ 520.62	87.0%	\$ 76.00	13.0%	\$ 4.00	\$ 520.62	87.0%	\$ 76.00	13.0%	\$ 4.00
Single + 1	\$ 985.12	82.6%	\$ 207.53	17.4%	\$ 1,033.50	82.5%	\$ 218.53	17.5%	\$ 11.00	\$ 1,033.50	82.5%	\$ 218.53	17.5%	\$ 11.00	\$ 1,033.50	82.5%	\$ 218.53	17.5%	\$ 11.00
Family	\$ 1,359.94	79.3%	\$ 355.32	20.7%	\$ 1,426.34	79.0%	\$ 374.32	21.0%	\$ 19.00	\$ 1,426.34	79.0%	\$ 374.32	21.0%	\$ 19.00	\$ 1,426.34	79.0%	\$ 374.32	21.0%	\$ 19.00
	<u>KAISER HMO</u>				<u>KAISER HMO \$15</u>					<u>KAISER HMO</u>					<u>KAISER DHMO</u>				
Single	\$ 503.59	85.4%	\$ 86.42	14.6%	\$ 521.55	86.4%	\$ 90.42	13.6%	\$ 4.00	\$ 588.09	86.7%	\$ 90.42	13.3%	\$ 4.00	\$ 588.09	86.7%	\$ 90.42	13.3%	\$ 4.00
Single + 1	\$ 989.93	79.9%	\$ 249.09	20.1%	\$ 1,025.05	81.4%	\$ 260.09	18.6%	\$ 11.00	\$ 1,164.78	81.7%	\$ 260.09	18.3%	\$ 11.00	\$ 1,164.78	81.7%	\$ 260.09	18.3%	\$ 11.00
Family	\$ 1,355.41	76.1%	\$ 426.48	23.9%	\$ 1,402.73	77.9%	\$ 445.48	22.1%	\$ 19.00	\$ 1,603.69	78.3%	\$ 445.48	21.7%	\$ 19.00	\$ 1,603.69	78.3%	\$ 445.48	21.7%	\$ 19.00



# Dental Plans

Quotes from the full marketing/RFP for dental coverage:

	<b>Current / Delta Dental</b>	<b>Ameritas</b>	<b>Anthem</b>	<b>Guardian</b>	<b>Cigna</b>	<b>MetLife</b>
Annual Spend	\$1,423,333	\$1,426,005	\$1,458,936	\$1,473,827	\$1,479,284	\$1,501,548
% Difference		.2%	2.5%	3.6%	3.9%	5.5%
EPO Offered?	Y	Y	N	N	N	N
Provider Access	97.9% (in-network)	97.6%	96.7%	97.9%	98.3%	97.8%
Network Savings	42.9%	29.6%	29.7%	29.3%	30.1%	41.8%



## Dental Plans

We recommend staying with Delta Dental of Colorado based on the following:

- Highest network savings.
- Besides Ameritas, only carrier to offer an EPO plan.
- Second highest in provider access (only 0.4% behind Cigna).
- Receive a reduction in administration fees on both plans.
- No disruption to employees.





# Dental Plans

## Highlights of the Delta Dental renewal:

- Premier Plan – Estimated 7% increase in claims.
- EPO Plan – No increase. Rate guarantee for 2020.

### Renewal Projections – Keeping Plans the Same

Plan	Current	Renewal	Change	% Change
Delta Dental Premier	\$865,736	\$922,669	\$56,933	7%
Delta Dental EPO	\$557,597	\$557,597	\$0	0%
Total	\$1,423,333	\$1,480,266	\$56,933	4%



## Dental Plans

We are recommending the following change to the Delta Dental EPO plan:

- Move the EPO plan from fully-insured to self-insured.
- Currently, the Premier plan is also self-insured.
- Would receive a discount on current administration fees.
- **Cost Savings - \$58,000 annually (estimated)**



## Dental Plans

We are recommending the following change to the Delta Dental Premier plan:

- Add the Prevention First platform to the Premier plan.
- Preventative and diagnostic services do not count towards the annual maximum benefit (currently at \$2,000).
- In essence, this will increase the annual maximum benefit.
- **Cost Increase - \$17,485 estimated**



# Dental Plans

## Renewal Projections – With Recommended Changes

Plan	Current	Renewal	Change	% Change
Delta Dental Premier	\$865,736	\$937,728	\$71,992	8%
Delta Dental EPO	\$557,597	\$501,983	(\$55,614)	(10%)
Total	\$1,423,333	\$1,439,711	\$16,378	1%



# Dental Plans

## Dental Plan Options

Option One - Recommended:

- With all recommended plan changes
- Keeping current cost share percentages

Option Two – No Changes:

- Keeping all plans the same
- Keeping current cost share percentages



# Dental Plans - Premiums

Tier	2019 - CURRENT				2020 - OPTION ONE - RECOMMENDED					2020 - OPTION TWO - NO CHANGES				
	County \$	County%	EE \$	EE %	County \$	County%	EE \$	EE %	EE \$ Impact	County \$	County%	EE \$	EE %	EE \$ Impact
	<u>DELTA PREMIER</u>				<u>DELTA PREMIER</u>					<u>DELTA PREMIER</u>				
EE	\$ 9.04	25.0%	\$ 27.09	75.0%	\$ 9.48	25.0%	\$ 28.45	75.0%	\$ 1.36	\$ 9.35	25.0%	\$ 28.05	75.0%	\$ 0.96
EE + 1	\$ 17.01	25.0%	\$ 51.05	75.0%	\$ 17.87	25.0%	\$ 53.60	75.0%	\$ 2.55	\$ 17.61	25.0%	\$ 52.83	75.0%	\$ 1.78
Family	\$ 29.22	25.0%	\$ 87.63	75.0%	\$ 30.67	25.0%	\$ 92.02	75.0%	\$ 4.39	\$ 30.23	25.0%	\$ 90.70	75.0%	\$ 3.07
	<u>DELTA EPO</u>				<u>DELTA EPO</u>					<u>DELTA EPO</u>				
EE	\$ 7.68	25.0%	\$ 23.03	75.0%	\$ 7.35	25.0%	\$ 22.05	75.0%	\$ (0.98)	\$ 7.68	25.0%	\$ 23.03	75.0%	\$ -
EE + SP	\$ 14.51	25.0%	\$ 43.63	75.0%	\$ 13.91	25.0%	\$ 41.74	75.0%	\$ (1.89)	\$ 14.54	25.0%	\$ 43.63	75.0%	\$ -
EE + CH	\$ 18.99	25.0%	\$ 56.97	75.0%	\$ 18.18	25.0%	\$ 54.53	75.0%	\$ (2.44)	\$ 18.99	25.0%	\$ 56.97	75.0%	\$ -
Family	\$ 29.48	25.0%	\$ 88.43	75.0%	\$ 28.22	25.0%	\$ 84.65	75.0%	\$ (3.78)	\$ 29.48	\$ 25.00	\$ 88.43	\$ 75.00	\$ -



# Vision Plan

Quotes from the full marketing/RFP for vision coverage:

<b>Actives and Retirees</b>	<b>Current / VSP</b>	<b>Renewal / VSP</b>	<b>EyeMed</b>
Annual Spend	\$242,469	\$261,721	\$244,030
% Difference		7.9%	.6%
Provider Access (2 within 10 miles)	98.6%	98.6%	100%



# Vision Plan

## Highlights of the vision plan renewal:

- Estimated increase of 8% in claims.
- Administration fees remaining the same.

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### Renewal Projections – Keeping VSP Plan the Same

Plan	Current	Renewal	Change	% Change
VSP	\$242,469	\$261,721	\$19,252	8%

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## Vision Plan

We recommend moving vision carriers to EyeMed based on the following:

- Lowest cost.
- Has highest in-network provider access, including retail (LensCrafters and America's Best).
- Almost no disruption to employees.



# Vision Plan

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## Renewal Projections – With Move to EyeMed

Plan	Current	Renewal	Change	% Change
EyeMed	\$242,469	\$244,030	\$1,561	0.6%

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# Vision Plan

## Vision Plan Options

### Option One - Recommended:

- With all recommended changes
- Employee premiums remain the same due to small overall plan increase

### Option Two – No Changes:

- Keeping all plans the same
- Keeping current cost share percentages



# Vision Plan - Premiums

Tier	2019 CURRENT				2020 - OPTION ONE - RECOMMENDED					2020 - OPTION TWO - NO CHANGES				
	County \$	County %	EE \$	EE %	County \$	County %	EE \$	EE %	EE \$ Impact	County \$	County %	EE \$	EE %	EE \$ Impact
	<u>VSP</u>				<u>EYEMED</u>					<u>VSP</u>				
EE	\$ 1.55	31.0%	\$ 3.44	69.0%	\$ 1.55	31.0%	\$ 3.44	69.0%	\$ -	\$ 1.69	31.0%	\$ 3.76	69.0%	\$ 0.32
EE + 1	\$ 3.78	31.0%	\$ 8.43	69.0%	\$ 3.79	31.0%	\$ 8.43	69.0%	\$ -	\$ 4.13	31.0%	\$ 9.20	69.0%	\$ 0.77
Family	\$ 6.80	31.0%	\$ 15.12	69.0%	\$ 6.80	31.0%	\$ 15.12	69.0%	\$ -	\$ 7.42	31.0%	\$ 16.51	69.0%	\$ 1.39



## Life and Disability Plans

We currently have a rate guarantee with Unum for basic life, short-term disability and long-term disability premiums.

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### Renewal Projections – Keeping Plans As Is

Unum Insurance Company	Current	Renewal	Change	% Change
Basic Life, STD, LTD	\$1,707,002	\$1,707,002	\$0	0%

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## Life and Disability Plans

We were asked to price the cost to increase the maximum monthly long-term disability benefit from the current \$5,000 per month (\$100,000 annual earnings).

LTD	Current	Option 1	Option 2	Option 3
Benefit	60% to \$5,000	60% to \$6,000	60% to \$7,000	60% to \$9,000
Rate	\$.62	\$.62	\$.62	\$.62
Volume	\$11,018,783	\$11,221,660	\$11,300,181	\$11,349,116
Monthly Premium	\$68,316	\$69,574	\$70,061	\$70,364
Annual Premium	\$819,792	\$834,888	\$840,732	\$844,368
\$ Difference		\$15,096	\$20,940	\$24,576
Total Covered	1,927	2,022	2,073	2,097



## Life and Disability Plans

- We recommend that if a decision is made to increase the benefit, it be increased to the maximum allowable benefit: 60% up to \$9,000 per month benefit.
- This will fully cover an additional 23 employees over the \$7,000 per month benefit for only an additional \$3,636 per year.
- There will only be 6 employees not fully covered.



# Life and Disability Plans

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## Renewal Projection – With LTD Benefit Increase

Unum Insurance Company	Current	Renewal	Change	% Change
60% of earnings up to \$9,000/month	\$819,792	\$844,368	\$24,576	3%

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# Other Recommended Changes

## Benefit Eligibility

- Shorten to first of month after date of hire.
- Currently, employees wait until first of the month after 45 days of service.
- This change will help with attraction/retention of new employees.

**Estimated annual cost increase: \$11,731**



# Other Recommended Changes

## Unbundle Health Plans

- Allow employees to separately select the health plans they want.
- Currently, employees must also enroll in dental and vision if they want medical coverage.
- This restricts employee choice so that they aren't able to elect only the plans they want.

**Estimated annual cost increase: None**



# Total Renewal Recommendations

## Renewal Projection – Kaiser HMO \$15 and All Other Recommendations

Plan	Total Current	Total Renewal	County Cost
United HealthCare	\$11,686,933	\$12,268,809	\$10,054,749
Kaiser HMO \$15	\$14,067,870	\$15,904,529	\$12,849,594
Delta Premier	\$865,736	\$920,243	\$234,432
Delta EPO	\$557,597	\$501,983	\$125,496
EyeMed	\$242,469	\$244,030	\$75,649
Unum Life & Disability	\$1,707,002	\$1,731,578	\$24,576
<b>TOTALS:</b>	<b>\$29,127,607</b>	<b>\$31,571,172</b>	<b>\$23,364,496</b>



# Early Retiree Medical Plans

## Highlights of the early retiree renewal:

- Early Retiree renewals use several factors in their calculations
  - Blending
  - Active renewal
  - Early retiree claims experience and demographics

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### Renewal Projections – Keeping Plans the Same

Plan	Current	Renewal	Change	% Change
United HealthCare	\$410,821	\$395,209	(\$15,611)	(3.8%)
Kaiser HMO	\$730,630	\$840,223	\$109,593	15%



## Early Retiree Medical Plans

We have the same proposals for the early retirees as our active employees:

- Kaiser HMO \$15 (recommended), Kaiser HMO or the Kaiser DHMO.
- Keep UHC plan with recommended changes.
- Keep current blending model. Option to change mid-year 2020 based on review results.
- Review early retiree funding options, blending and subsidies beginning in October 2019.



# Early Retiree Medical Plans

## Renewal Projections – All Options

Plan	Current	Renewal	Change	% Change
United HealthCare	\$410,821	\$395,209	(\$15,611)	(3.8%)
Kaiser HMO \$15 - Recommended	\$730,630	\$825,742	\$95,112	13%
Kaiser HMO (current)	\$730,630	\$840,223	\$109,593	15%
Kaiser DHMO	\$730,630	\$756,625	\$25,995	4%



# Early Retiree Medical Plans - Premiums

Tier	2019 CURRENT			2020 - NO CHANGES			2020 - KAISER HMO \$15			2020 - KAISER DHMO		
	County	Employee		County	Employee	EE Impact	County	Employee	EE Impact	County	Employee	EE Impact
Single	UHC EPO PLAN			UHC EPO PLAN			UHC EPO PLAN			UHC EPO PLAN		
	\$ 50.00	\$ 1,158.73		\$ 50.00	\$ 1,112.80	\$ (45.93)	\$ 50.00	\$ 1,112.80	\$ (45.93)	\$ 50.00	\$ 1,112.80	\$ (45.93)
Single	KAISER HMO			KAISER HMO			KAISER DHMO			KAISER DHMO		
	\$ 50.00	\$ 585.42		\$ 50.00	\$ 680.73	\$ 95.31	\$ 50.00	\$ 668.14	\$ 82.72	\$ 50.00	\$ 608.03	\$ 22.61



## Next Steps

- Board decision on benefit plans made.
- Open enrollment 11/11/19 – 11/22/19.
- Benefit plan changes effective 1/1/2020.
- Early retiree medical plan options to Board of County Commissioners by end of 2019.





## STUDY SESSION AGENDA ITEM

<b>DATE:</b> October 15, 2019
<b>SUBJECT:</b> Review of 2020 Proposed Budget
<b>FROM:</b> Nancy Duncan, Budget & Performance Measurement Director
<b>AGENCY/DEPARTMENT:</b> Budget & Performance Measurement Department
<b>ATTENDEES:</b> Budget & Performance Measurement Department
<b>PURPOSE OF ITEM:</b> To provide information to the Board of County Commissioners regarding the 2020 Proposed Budget
<b>STAFF RECOMMENDATION:</b> Direction from the Board of County Commissioners regarding the 2020 Proposed Budget

### **BACKGROUND:**

The Annual Budget Process began in February 2019. This is to provide information and answer any remaining questions regarding the 2020 Proposed Budget before the First Reading of the 2020 Proposed Budget in Public Hearing on December 3, 2019.

### **AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:**

County Manager's Office and Budget & Performance Measurement Department

### **ATTACHED DOCUMENTS:**

None

**FISCAL IMPACT:**

Please check if there is no fiscal impact. If there is fiscal impact, please fully complete the section below.

**Fund:** \_\_\_\_\_

**Cost Center:** \_\_\_\_\_

	<b>Object Account</b>	<b>Subledger</b>	<b>Amount</b>
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
<b>Total Revenues:</b>			_____

	<b>Object Account</b>	<b>Subledger</b>	<b>Amount</b>
Current Budgeted Operating Expenditure:			
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
<b>Total Expenditures:</b>			_____

New FTEs requested:             YES             NO

Future Amendment Needed:     YES             NO

**Additional Note:**

The fiscal impact will be discussed at this Study Session.

**APPROVAL SIGNATURES:**

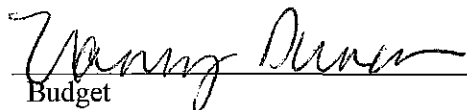
  
\_\_\_\_\_  
Raymond H. Gonzales, County Manager

\_\_\_\_\_  
Alisha Reis, Deputy County Manager

\_\_\_\_\_  
Bryan Ostler, Deputy County Manager

\_\_\_\_\_  
Chris Kline, Deputy County Manager

**APPROVAL OF FISCAL IMPACT:**

  
\_\_\_\_\_  
Budget