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# City of Riviera Beach Employee Benefits Renewal Fiscal Year: 2020-2021

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Presented by:

Christian Bergstrom, CHRS  
Senior Benefits Consultant

August TBD, 2020 at TBD p.m.



# Employee Benefits Renewal 2020-2021



- Agenda

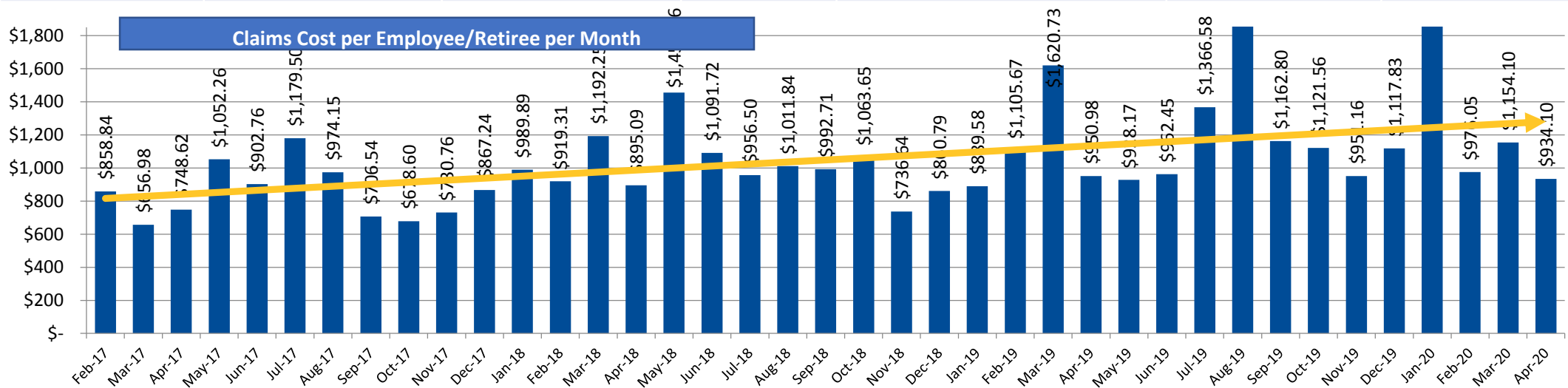
- Medical Claims Experience & Utilization Trends
- Medical Plan Renewal & Proposals
- Considerations for Fiscal Year 2020-2021
- Plan Design
- Ancillary Renewals
- Bentek





# Medical Claims Experience

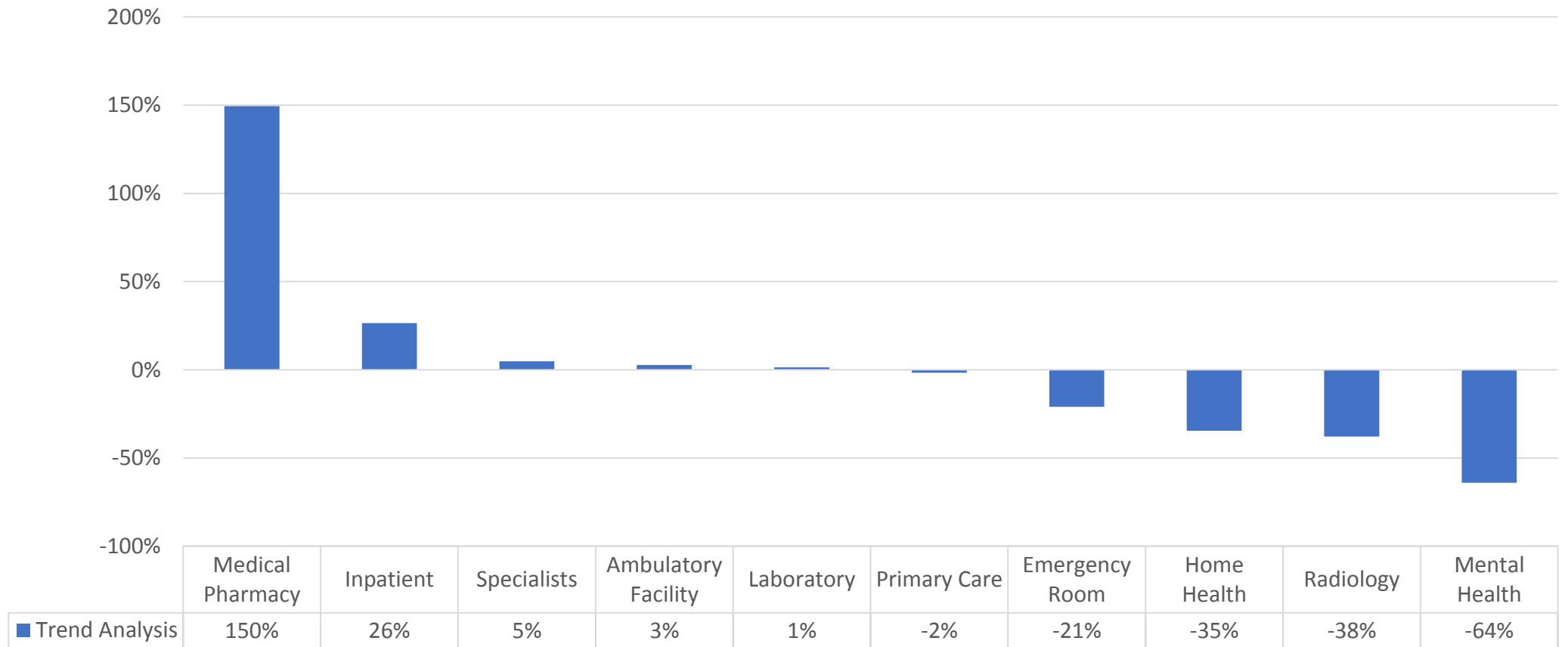
Fiscal Year	Premium Paid	Claims Paid	Loss Ratio	Claims per Employee per Year	Claims Increase	Premium Increase
2016-2017	\$6,097,749	\$5,385,542	88%	\$10,596	-	-
2017-2018	\$5,929,294	\$5,759,340	97%	\$11,760	+11%	+3.0%
2018-2019	\$6,611,625	\$7,112,320	108%	\$13,621	+15.6%	+4.99%
Last 12 mos.	\$7,110,299	\$7,700,919	108%	\$14,786	+8.6%	+6.7%



# Medical Utilization Trends



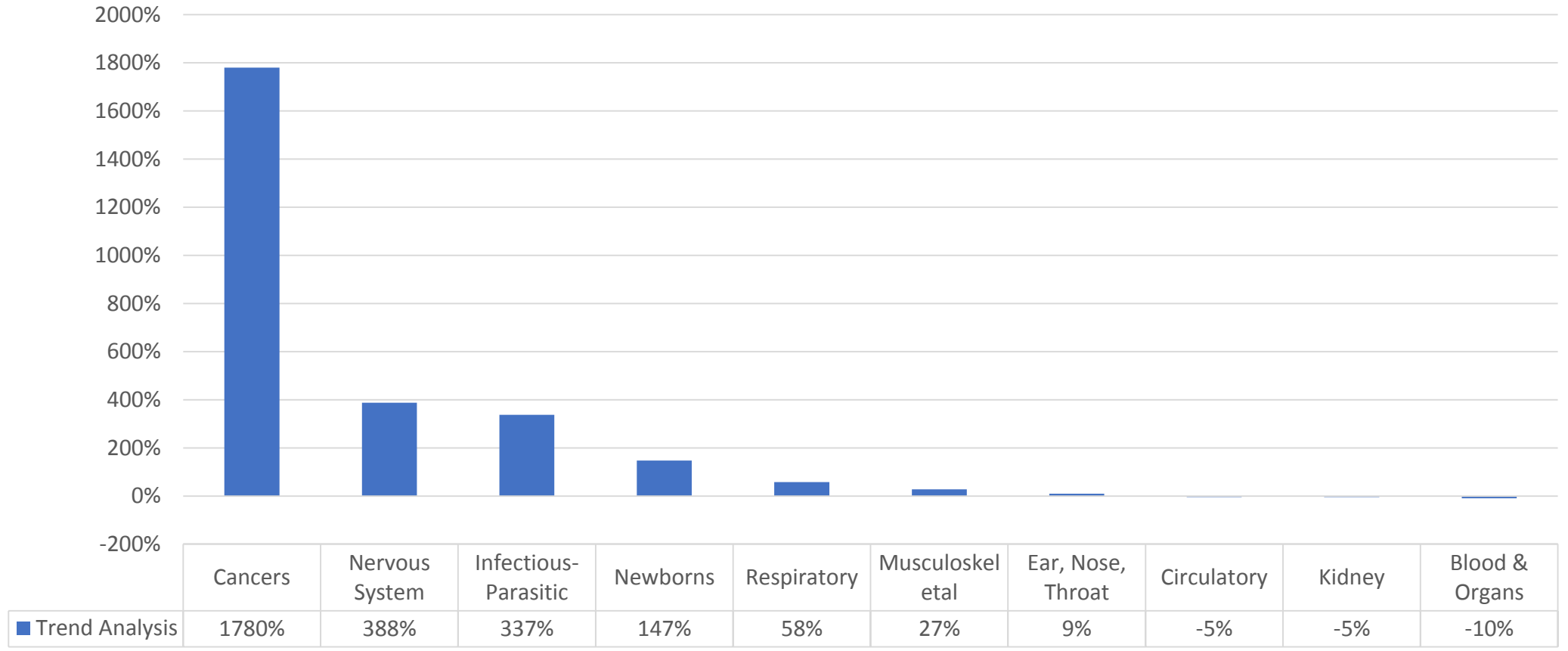
Trend Analysis (May 2019-April 2020)



# Medical Utilization Trends



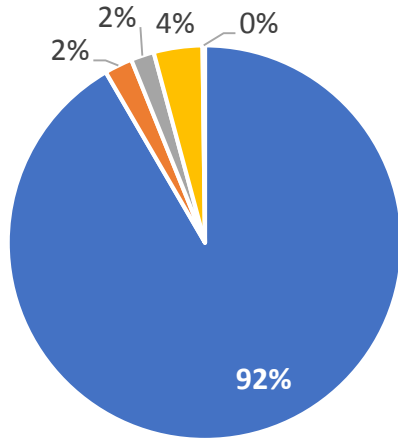
Top Conditions Analysis (May 2019-April 2020)



# Medical Utilization Trends

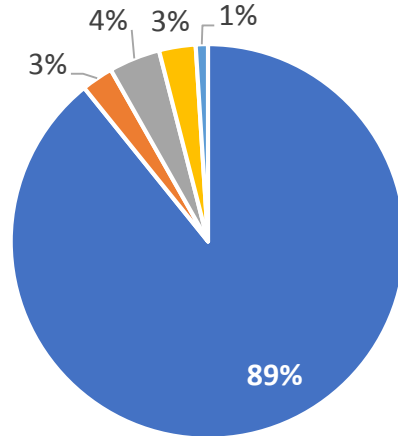


Cost Sharing % of Allowed Amount (Prior 5/18-4/19)



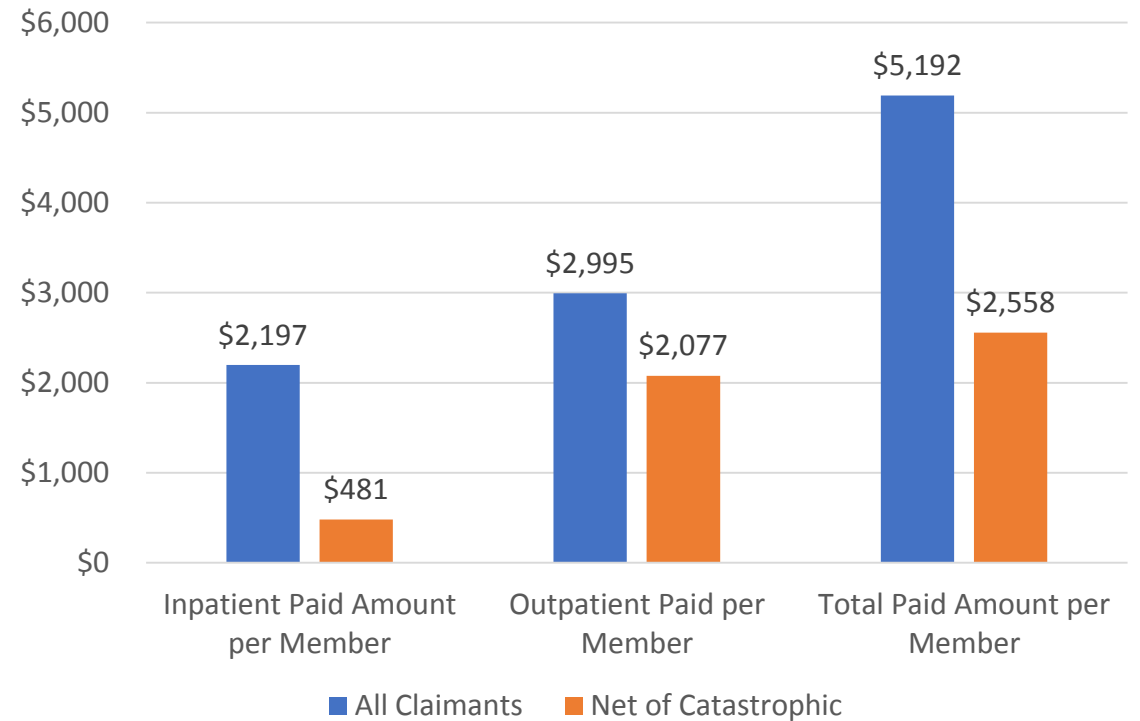
- Employer Plan Paid Portion
- Coordination
- Deductibles
- Copays
- Coinsurance

Cost Sharing % of Allowed Amount (Current 5/19-4/20)



- Employer Plan Paid Portion
- Coordination
- Deductibles
- Copays
- Coinsurance

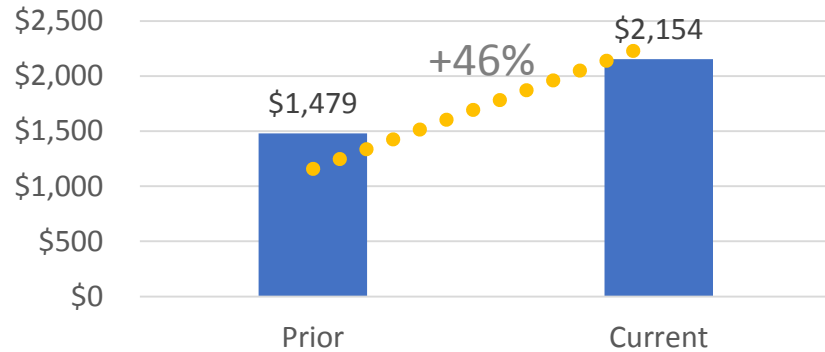
Paid per Member with & without Catastrophic Claimants (May 2019-April 2020)



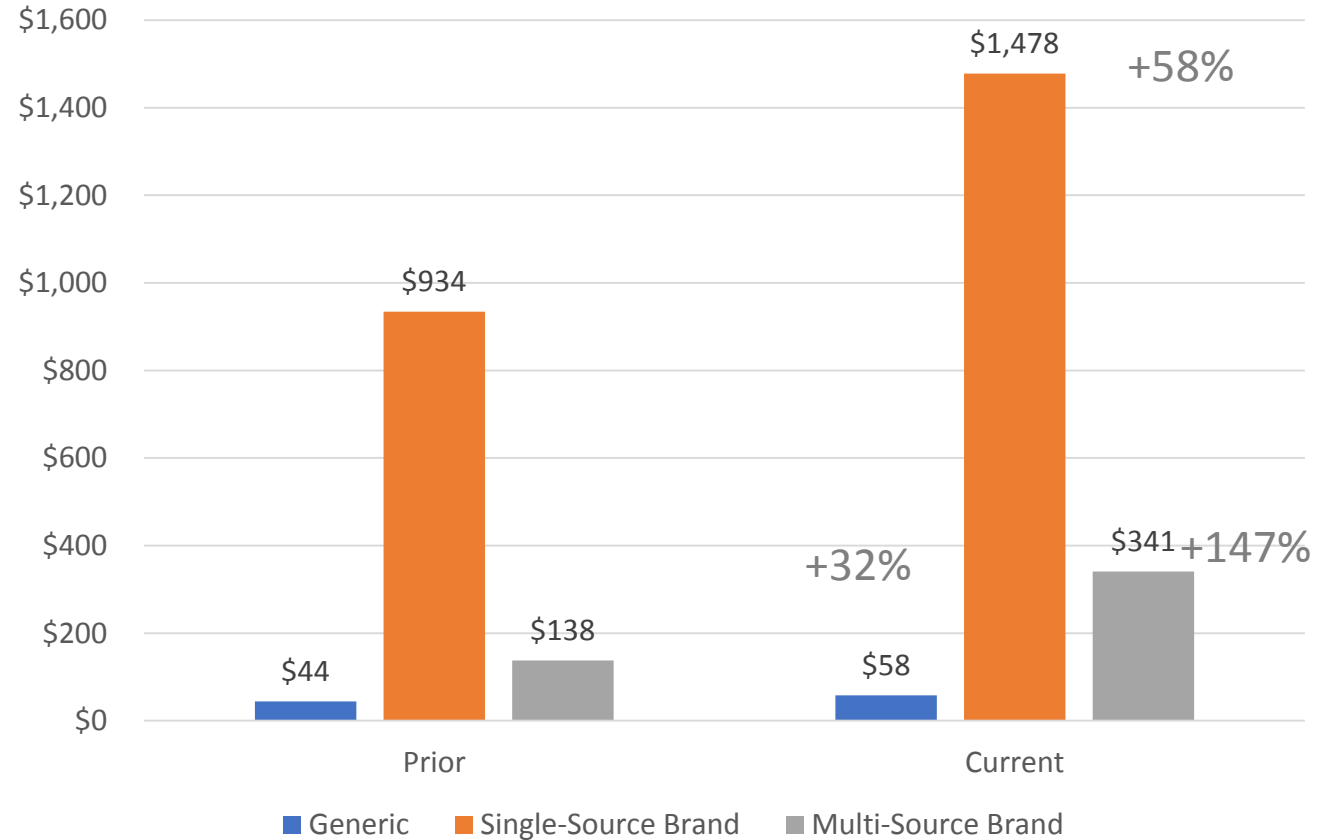


# Pharmacy Utilization Trends

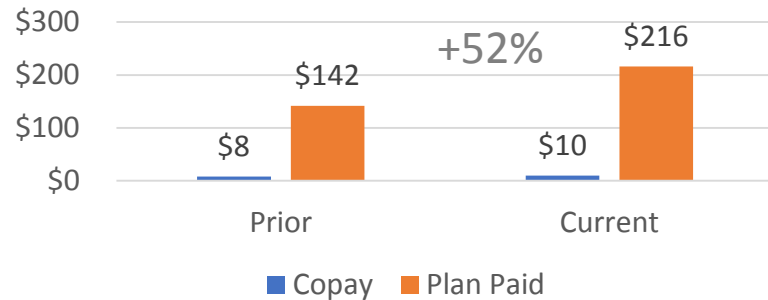
### Pharmacy Amount Paid per Member (5/19-4/20)



### Average Paid per Claim (May 2019-April 2020)



### Average Copay & Paid Amount per Claim (5/19-4/20)



# Medical Plan Renewal – Aetna



Initial Projections + 30%



Projected Increase expected based upon claims experience is at +25%

Negotiated Released Offer + 19% (no plan changes) or \$1.13 million increase





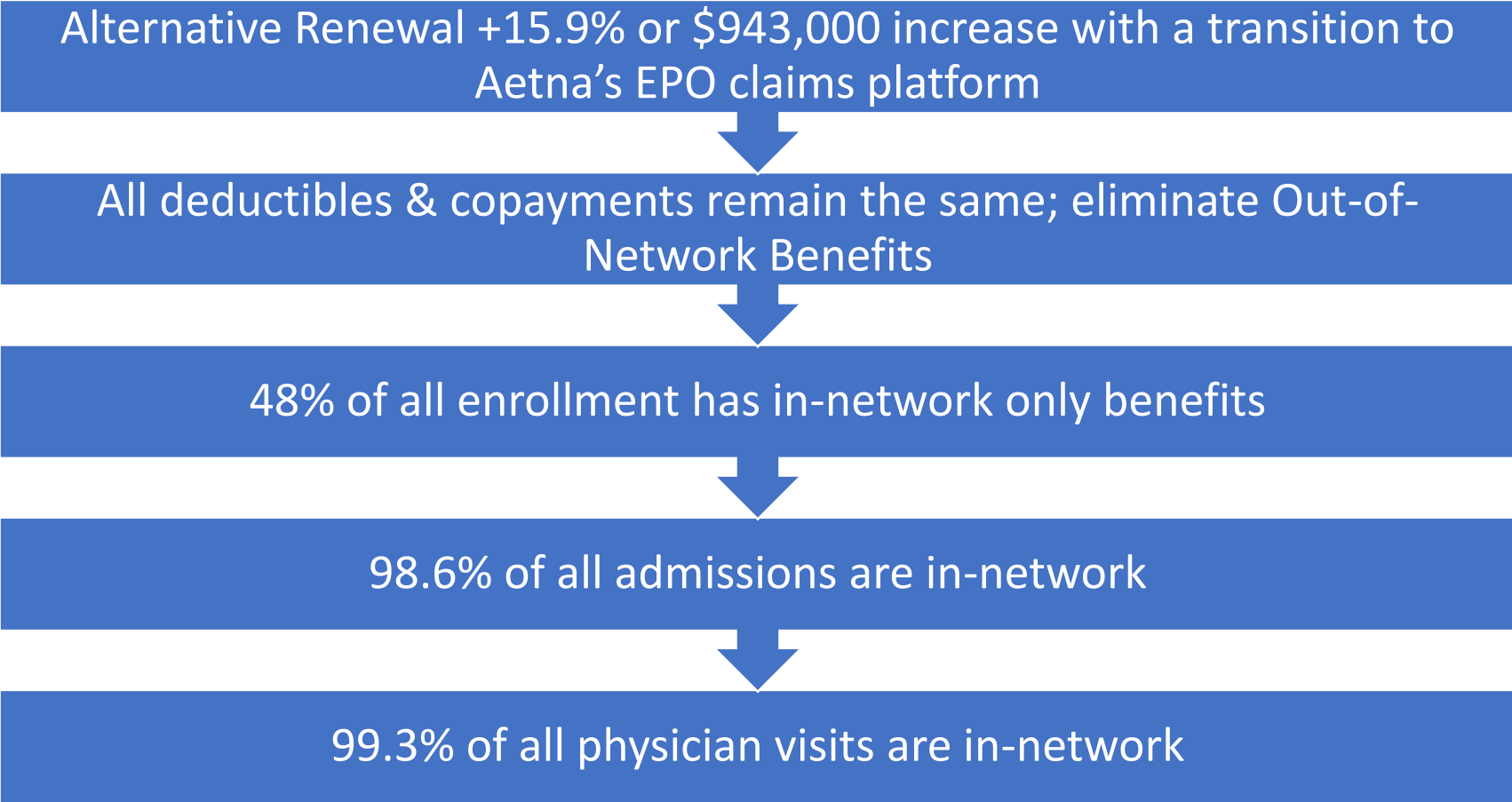
# Consideration for FY 2020-2021



- Maintain Partnership with Aetna
  - Triple plan option: Transition to EPO claims platform with in-network benefits (all plans)
    - **Option One**: Maintain all existing copayments, deductibles and out-of-pocket maximums = \$943,000 Increase (+15.9%)
    - **Option Two**: Increase deductibles and out-of-pocket maximums; copayments remain the same = \$534,000 increase (+8.99%)



# Medical Plan Renewal – Aetna



# Medical Plan Renewal – Aetna



Alternative Renewal +8.99% or \$534,000 increase with a transition to Aetna’s EPO claims platform & changes to Deductibles & Out-of-Pocket Maximums

HRA High Deductible Plan	Current	Proposed
Deductible – Single	\$1,500 (\$1,000 after HRA fund)	\$2,000 (\$1,500 after HRA fund)
Deductible – Family	\$3,000 (\$2,000 after HRA fund)	\$4,000 (\$3,000 after HRA fund)
Out-of-Pocket Maximum – Single	\$3,000 (\$2,500 after HRA fund)	\$3,500 (\$3,000 after HRA fund)
Out-of-Pocket Maximum – Family	\$6,000 (\$5,000 after HRA fund)	\$7,000 (\$6,000 after HRA fund)
Buy-Up Plan	Current	Proposed
Deductible – Single	\$500	\$750
Deductible – Family	\$1,000	\$1,500
Out-of-Pocket Maximum – Single	\$1,500	\$3,000
Out-of-Pocket Maximum – Family	\$3,000	\$6,000



# Employee Cost Share: Option 1 (15.9%)



Aetna – HRA Plan				
Tier of Coverage	Current Employee Cost per Month	Proposed Employee Cost per Month	Semi-Monthly Payroll Deduction (24-Deductions)	Increase per Pay / Year
Employee Only	\$0	\$0	\$0	\$0
Employee + One	\$380.13	\$440.46	\$220.23	\$30.16 / \$723.84
Employee + Family	\$551.15	\$638.62	\$319.31	\$43.74 / \$1,049.76

Aetna – Copayment Buy-Up Plan				
Tier of Coverage	Current Employee Cost per Month	Proposed Employee Cost per Month	Semi-Monthly Payroll Deduction (24-Deductions)	Increase per Month / Year
Employee Only	\$91.79	\$106.36	\$53.18	\$7.28 / \$174.72
Employee + One	\$508.62	\$589.34	\$294.67	\$40.36 / \$968.64
Employee + Family	\$696.17	\$806.66	\$403.33	\$55.24 / \$1,325.76



# Employee Cost Share: Option 2 (8.99%)



Aetna – HRA Plan with Plan Changes at +8.99%				
Tier of Coverage	Current Employee Cost per Month	Proposed Employee Cost per Month	Semi-Monthly Payroll Deduction (24-Deductions)	Increase per Pay / Year
Employee Only	\$0	\$0	\$0	\$0
Employee + One	\$380.13	\$414.29	\$207.15	\$17.08 / \$409.92
Employee + Family	\$551.15	\$600.67	\$300.34	\$24.76 / \$594.24

Aetna – Copayment Buy-Up Plan with Plan Changes at +8.99%				
Tier of Coverage	Current Employee Cost per Month	Proposed Employee Cost per Month	Semi-Monthly Payroll Deduction (24-Deductions)	Increase per Month / Year
Employee Only	\$91.79	\$126.31	\$63.16	\$17.26 / \$414.24
Employee + One	\$508.62	\$591.11	\$295.56	\$41.55 / \$977.20
Employee + Family	\$696.17	\$800.24	\$400.12	\$52.03 / \$1,248.72



# Plan Design (Option 1 and Option 2)



- This plan uses the exact same provider network that is used today
- Aetna will continue to fund \$500 for Single Coverage and \$1,000 for Family Coverage in a Health Reimbursement Account (HRA) to offset deductibles
- Employees will have 1<sup>st</sup> dollar coverage up to HRA amount
- Unused funds roll year-to-year and can be used in future years up to the annual out-of-pocket maximum
- Employees can elect to fund Flexible Spending Accounts (FSA) to coverage additional healthcare expenditures



# Ancillary Renewals



- Dental Insurance
  - Maintain Solstice Benefits DHMO & DPPO plans at no increase for the next 24-months
- Vision Insurance
  - Maintain Solstice Benefits at no increase for the next 24-months
- Life & Disability Insurance
  - Maintain Unum at no increase for the next year



# Conclusion



- Maintain plans that allows for transparency in costs & improved consumerism in health care expenditures
- Provider networks will remain the same; however transition to Aetna's EPO claims platform (new ID Cards issued)
- No Transition of Care Issues that would be seen with a change
- Billing processes will become more accurate and transparent
- Employees & dependents enroll online vs. in-person
- Moving Forward: Option 1 or Option 2 ?

