

# 2016 Health Insurance Changes and Options

Human Resources Committee  
September 15, 2015

## Local Government Health Plans

- The Group Insurance Board (GIB) has approved benefit changes and increased member cost sharing for the state's group health insurance program in 2016. The changes will provide a projected cost savings of \$85 million over the next two years, which meets requirements proposed in the 2015-2017 State Budget.
- The following information are benefit changes affecting Local Governments at a glance:

## Pharmacy Benefits

Benefit Year	Member Costs	
	2015	2016
Generic – Level 1	\$5	\$5
Brand – Level 2	\$15	20% (\$50 maximum)
Brand – Level 3	\$35 <sup>1</sup>	40% (\$150 maximum) <sup>1</sup>
Brand – Level 4		
•Preferred Pharmacy	\$15 <sup>2</sup>	\$50 <sup>2</sup>
•Non-preferred Pharmacy	\$50	40% (\$200 maximum)

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## Pharmacy Benefits, Con't

### Member Out-of-Pocket Limits (OOPL)

Levels 1 & 2	\$410 Single / \$820 Family	\$600 Single / \$1,200 Family
Level 4	\$1,000 Single / \$2,000 Family	\$1,200 Single / \$2,400 Family

<sup>1</sup> Level 3 copays do not apply toward OOPL.

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## Additional Benefits Co

The GIB also approved:

- Adding coverage for **advanced care planning and/or a palliative care consultation** to ensure that members facing serious illness and survival of less than 6 months are informed of care options and are able to make treatment decisions based on their individual values and goals of care; and **habilitative services** that help members keep, learn, or improve skills and functioning for daily living.

There are two new options, and one former option, the County can adopt

- Consideration of Uniform Dental Benefit in 2016
- Consideration of an Opt-out feature
- Changing the plan design for low-deductible to a no-deductible, co-insurance or a high-deductible plan

## Uniform DENTAL Benefits with the State Health Plan

- The County would need to elect to have health insurance with or without Uniform Dental Benefits
- Employees would still have the option to opt out of the dental plan
- The County would pay the same **percentage of** premium portion on either the health plan with or without dental, depending if an employee opts out of the uniform dental benefits.

## Uniform DENTAL Benefits, Con't

- Employees would have to have the same level of coverage (single or family) for the dental as they do for health coverage
- Currently, many employees opt for single health but carry family dental
- Provider network is Delta Dental, which is the same network Jefferson County currently has as self-funded

## Uniform DENTAL Benefits, Con't

Conflicting information from ETF has been received. However, it appears coverage with the State plan may be better in some areas, but severely lacking in others.

- State dental would cover silver fillings at 100% (vs 80% currently). White fillings covered 100% in front teeth and only up to the dollar amount covered for silver fillings on back teeth (same as current plan, but only at 80%)
- State dental covers NOTHING for root canals, crowns or bridges. Current self-funded plan covers 80% of root canals and 50% of major restorative
- State plan covers 50% of orthodontics, with a lifetime maximum of \$1500. Current self-funded plan covers 50% of orthodontics with a lifetime maximum of \$1000

## Uniform DENTAL Benefits, Con't

- A review of the County's financial impact would indicate that, regardless of the level of benefit, the County is better situated if we remain self-funded.
- Administration, Finance and Human Resources believe that our current plan offers employees a comparable package (or better) than the state is offering for less cost.

## Steps to Add Uniform Dental Benefits as option to Health Plan

If the County would elect to add the Uniform Dental Benefits as an option to the State Health Plan

- Jefferson County would need to submit a Letter of Intent by September 25, 2015
- A new resolution, adopted by County Board, would need to be submitted before January 1, 2016
- Employers may choose to offer the Uniform Dental Benefit in future years, if decide not to elect in 2016

## Uniform DENTAL Benefits, Con't

	Total Family Premium w/ dental	Total Family Premium w/o Dental	Difference
Anthem Blue	\$1913.60	\$1847.90	\$65.70
Dean Health	\$1774.40	\$1708.70	\$65.70
Humana Eastern <sup>3</sup>	\$2819.90	\$2754.20	\$65.70
MercyCare Health	\$1677.60	\$1611.90	\$65.70
Physicians Plus	\$1724.10	\$1658.40	\$65.70
UnitedHealthCare	\$2166.10	\$2100.40	\$65.70
Unity Community	\$1639.40	\$1573.70	\$65.70
Standard Plan - Dane <sup>3</sup>	\$2734.00	\$2668.30	\$65.70

## Health Insurance Opt Out Incentive

Currently, ETF regulations prohibit employers to offer incentives to NOT participate in the health plan

- In 2016, these regulations will change. The County will be able to offer employees an incentive to not take the County offered health plan.

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## Health Insurance Opt Out Incentive

Information provided is that State employees will be offered an amount of a \$2000 opt-out incentive, incentive will not be offered in 2016 for employees currently opting out in 2015, and will not be applicable for spouses working for the same employer.

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## Health Insurance Opt Out Incentive

Questions the County has that have not been answered at this time:

1. What about 2017? If employees opted out in 2015 and don't receive the incentive in 2016, are they eligible in 2017? Would employees who would otherwise not take the insurance jump on for one year, to get the incentive in future years?
2. During a webinar it was announced the County could establish the amount of incentive offered. ETF has not provided any written guidance on this.

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## Health Insurance Opt Out Incentive

3. Part-time employees. ETF has not addressed if this incentive would have to be provided to part-time employees who have opted out (County only pays 25% of the premium), or is it a policy decision the County can make.
4. If the County would offer such an incentive, is Board action required or could it just be done through the budget process.

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## The State Health Plan

- Current Traditional or Full Pay Uniform Benefits Option (no deductible) or the P02 plan
- Coinsurance Uniform Benefits Option, P06 Plan (90/10% copay until a maximum out-of-pocket of \$500/\$1000 is met) approximately 4.7% lower than the County's current premiums
- Deductible Uniform Benefits Option, P04 Plan (\$500/\$1000 deductible) approximately 7.87% lower than the County's current premiums
- High Deductible Plan, P07 Plan, new in 2015 (\$1500/\$3000 deductible followed with a 90/10% copay until a maximum out-of-pocket of \$2500/\$5000 is met) approximately 12.3% lower than the County's current premiums

## Proposed 2016 Budget

Jefferson County is not recommending any changes to our current health plan, due to either economic factors or too many questions unanswered. In the 2016 budget, the County Administrator is recommending:

1. A 1% across-the-board increase
2. Remaining self-funded for Dental coverage in 2016 and exploring other options for a comparable plan at a lesser cost

## Proposed 2016 Budget

3. Exploring the opt out incentive in 2017, upon confidence in the county's authority to make independent decisions and economic conditions.
4. Contribute 95% of the lowest qualified plan in Jefferson County. NOTE: This is very near the cap that the County is allowed to contribute.
5. Continue with contributing 25% of the deductible in the Flexible Spending Account.

## Proposed Family Health Contributions

	Total Family Premium w/o Dental	County's Contribution	Employee's Contribution
Anthem Blue	\$1847.90	\$1495.02	\$352.88
Dean Health	\$1708.70	\$1495.02	\$213.68
MercyCare Health	\$1611.90	\$1495.02	\$116.88
Physicians Plus	\$1658.40	\$1495.02	\$163.38
UnitedHealthCare	\$2100.40	\$1495.02	\$605.38
Unity Community	\$1573.70	\$1495.02	\$78.68
Unity UW	\$1439.40	\$1439.40	\$0.00

NOTE: Unity - UW is NOT a qualified plan in Jefferson County, but a significant number of employees choose this plan

## Proposed Single Health Contributions

	Total Single Premium w/o Dental	County's Contribution	Employee's Contribution
Anthem Blue	\$742.70	\$601.36	\$141.34
Dean Health	\$687.00	\$601.36	\$85.64
MercyCare Health	\$648.30	\$601.36	\$46.94
Physicians Plus	\$666.90	\$601.36	\$65.54
UnitedHealthCare	\$843.70	\$601.36	\$242.34
Unity Community	\$633.00	\$601.36	\$31.64
Unity UW	\$579.30	\$579.30	\$0.00

NOTE: Unity – UW is NOT a qualified plan in Jefferson County, but a significant number of employees choose this plan

QUESTIONS???

## Recruitment and Retention

- National and Local issues
- Specific County concerns
- Possible strategies
- Other issues to be aware of

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## National and Local issues

- Job participation is shrinking
- Wages are largely stagnant
- Shift to Competition for candidates
- US Companies recruit passive talent, Social media and tapping in-house talent
- Millennials driving Recruiting Trends

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## Specific County concerns

- Receiving applications for positions, but over 50% do not meet the minimum qualifications
- Candidates turning positions down because of wages, even with the benefit package
- Train candidates without experience desired and they leave within 1-2 years, or less
- Specific positions at Jefferson County currently needing attention:
  - Masters Social Workers with licensure
  - Highway Workers
  - Programming/Systems analyst
  - Public Health Nurse
  - Management positions
  - Attorney positions

## Possible Strategies

- Recruitment/Hire-on bonuses
- Referral bonuses
- Retention bonuses
- Professional/career Development opportunities/provide personal growth
- Performance bonuses or extra step(s)
- Flexible scheduling
- Flexible benefits
- Hire candidates who support and believe in the County's strategic plan and mission (Company branding)
- Considerations for 2016

## Issues of developing strategies

- Ordinance amendment needed
- Policy development
- Fiscal responsibility consideration
- Ability to responding to changing market conditions
- Internal equity differences
- Measuring efforts to ensure meeting the goals and purpose of strategises

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## Questions/Comments

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