Finance Report for Employee Benefits

Date: *October 17, 2019*

Purpose: *Present information on the Employee Benefit Package Renewal for 2020*

Recommendation: *Switch Medical Health Insurance Providers to PEHP and Renew Other Benefits*

Background:

The City currently has core employee benefits of medical, dental, and vision insurance, as well as long-term disability. These plans run on a calendar year basis and are up for renewal. The FY 2020 budget includes funds to cover these core benefits up to a 10% increase. The City's current medical insurance is provided by Cigna. HUB International (formerly Spectra Management) received bids from 7 providers on behalf of the City. Of those, four bidders declined to quote due to high-risk medical factors. The three remaining bidders' costs are summarized below:

Traditional Plan

	Cigna	PEHP	U of U
Deductible (Individual/Family)*	$500 / $1,000	$500 / $1,000	$500 / $1,000
Out of Pocket Max (Individual/ Family)*	$2,500 / $5,000	$4,000 / $8,000	$2,500 / $5,000

HDHP / HSA

	Cigna	PEHP	U of U
Deductible (Individual/Family)*	$3,000 / $6,000	$2,500 / $5,000	$3,000 / $6,000
Out of Pocket Max (Individual/ Family)*	$3,000 / $6,000	$2,500 / $5,000	$3,000 / $6,000

Cost

	Cigna	PEHP	U of U
Current Monthly Premium	$63,436	$63,436	$63,436
Quoted Monthly Premium	$76,217	$70,039	$72,317
Percent Increase	20.1%	10.4%	14.0%

**In Network*

After considering costs and information provided by HUB, staff recommends the City convert its medical insurance provider to PEHP. This is the least-cost provider that still maintains a level of coverage that will continue to help retain and attract quality employees.

The staff has already informed employees that such a change is possible so that they can inquire with their providers about how it might affect them. We're also prepared to transition employees over if and/or when the change is approved with the help of HUB.

There was some unused budget in the employee benefits line item for each department in the prior fiscal year, therefore a budget amendment isn't considered necessary at this time. It should be noted, however, that the quoted increase (10.4%) is slightly more than the increase budgeted for (10%) and may result in an increase toward the end of the fiscal year.

In addition to medical insurance, HUB also shopped for quotes on the City's other benefits as well. Staff recommends keeping the current providers, which showed no cost increase for the year and no change to the level of benefits provided.

Staff appreciates HUB and the good job they have done in shopping for providers and providing the City with information to make these decisions.

Recommendation:

Staff recommends the City Council authorize maintaining the employee benefit level for calendar year 2020 with the change highlighted for medical insurance to PEHP. The costs for the benefits are within the budgeted amounts in the FY2020 budget.

Respectfully,

Lane Mecham
Director of Finance

October 17, 2017

Ivins City

For a proposed effective date of

January 1, 2020



Medical

	Cigna.				PEHP			
	Current / Renewal							
	OAP $500		OAP $3,000 HSA		Advantage / Summit Option 2		Advantage / Summit Star Option 4	
	Network	Non Network	Network	Non Network	Network	Non Network	Network	Non Network
Deductible (Individual / Family)	$500 / $1,000	$1,000 / $2,000	$3,000 / $6,000	$6,000 / $12,000	$500 / $1,000	$500 / $1,000	$2,500 / $5,000	$2,500 / $5,000
Out of Pocket Maximum (Individual / Family)	$2,500 / $5,000	$4,000 / $8,000	$3,000 / $6,000	$6,000 / $12,000	$4,000 / $8,000	$4,000 / $8,000	$2,500 / $5,000	$2,500 / $5,000
Preventive Care	Covered 100%	Not Covered	Covered 100%	Not Covered	Covered 100%	40%[AD]	Covered 100%	20%[AD]
Office Visit (Primary / Specialist)	$20 / $40	40%[AD]	0%[AD]	50%[AD]	$20 / $30	40%[AD]	0%[AD]	20%[AD]
Outpatient Services	20%[AD]	40%[AD]	0%[AD]	50%[AD]	20%[AD]	40%[AD]	0%[AD]	20%[AD]
Inpatient Services	20%[AD]	40%[AD]	0%[AD]	50%[AD]	20%[AD]	40%[AD]	0%[AD]	20%[AD]
Urgent Care	$40	40%[AD]	0%[AD]	50%[AD]	$40	40%[AD]	0%[AD]	20%[AD]
Emergency Room	$200		0%[AD]		$150[AD]		0%[AD]	
Prescriptions	$10 / $25 / $50 / 20%		0%[AD]		$15 / $30 / $65		0%[AD]	

Coverage	Plan 1	Plan 2	Current	Renewal	Current	Renewal		
Employee	3	3	$547.61	$657.61	$497.27	$598.96	$654.14	$574.58
Employee+Spouse	4	0	$1,440.29	$1,729.61	$1,307.86	$1,575.37	$1,354.04	$1,189.36
Emloyee+Children	2	0	$920.03	$1,104.83	$835.42	$1,006.30	$1,831.56	$1,608.80
Family	26	6	$1,675.75	$2,012.37	$1,521.71	$1,832.98	$1,831.56	$1,608.80
Monthly Premium			**$52,813.55**	**$63,422.55**	**$10,622.07**	**$12,794.76**	**$58,662.26**	**$11,376.54**
Total Current Monthly Premium			**$63,435.62**				**$70,038.80**	
Total Renewal Monthly Premium			**$76,217.31**					
Percent Change to Current			**20.15%**				**10.41%**	

*Three Year Commitment with PEHP

*If renewing in 2019 and are self-funded, level-funded, or part of a pool, please discuss PCORI fees

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.

Medical

	Healthy Premier $500 PPO		Healthy Premier $3,000 HSA	
	Network	Non Network	Network	Non Network
Deductible (Individual / Family)	$500 / $1,000	$1,000 / $2,000	$3,000 / $6,000	$6,000 / $12,000
Out of Pocket Maximum (Individual / Family)	$2,500 / $5,000	$4,000 / $8,000	$3,000 / $6,000	$12,000 / $24,000
Preventive Care	Covered 100%	Not Covered	Covered 100%	Not Covered
Office Visit (Primary / Specialist)	$20 / $40	40%[AD]	0%[AD]	50%[AD]
Outpatient Services	20%[AD]	40%[AD]	0%[AD]	50%[AD]
Inpatient Services	20%[AD]	40%[AD]	0%[AD]	50%[AD]
Urgent Care	$40	40%[AD]	0%[AD]	50%[AD]
Emergency Room	$200[AD]		0%[AD]	
Prescriptions	$10 / $35 / 35% / 30%		0%[AD]	

Coverage	Plan 1	Plan 2		
Employee	3	3	$633.80	$524.10
Employee+Spouse	4	0	$1,666.90	$1,378.30
Emloyee+Children	2	0	$1,064.80	$880.40
Family	26	6	$1,939.40	$1,603.60
Monthly Premium			**$61,123.00**	**$11,193.90**
Total Current Monthly Premium			**$72,316.90**	
Total Renewal Monthly Premium				
Percent Change to Current			**14.00%**	

*If renewing in 2019 and are self-funded, level-funded, or part of a pool, please discuss PCORI fees

Medical

	motivhealth	EMI HEALTH Smart Benefits	Regence	aetna
Deductible (Individual / Family)	Declined to quote due to high-risk medical factors	Declined to quote due to high-risk medical factors	Declined to quote due to high-risk medical factors	Declined to quote due to high-risk medical factors
Out of Pocket Maximum (Individual / Family)				
Preventive Care				
Office Visit (Primary / Specialist)				
Outpatient Services				
Inpatient Services				
Urgent Care				
Emergency Room				
Prescriptions				

Coverage	Plan 1	Plan 2
Employee	3	3
Employee+Spouse	4	0
Emloyee+Children	2	0
Family	26	6
Monthly Premium		
Total Current Monthly Premium		
Total Renewal Monthly Premium		
Percent Change to Current		

*If renewing in 2019 and are self-funded, level-funded, or part of a pool, please discuss PCORI fees

TeleHealth

		WELLVIA		TELADOC
		Combined w/ Additional EMI Line		< 100 Lives
Consultation Fee		$0		$0
Consultation Limits		No		No
Phone Consultation		Yes		Yes
Video Conference		Yes		Yes
Phone App Available		Yes		Yes
Wellness Included		No		No
Online History and PCP Integration		Yes		Yes
Agreement Term		12 Months		12 Months
Rates		**Current**	**Renewal**	
EE's in TeleHealth	45	$3.00	$3.25	$6.25
Total Cost		$135.00	$146.25	$281.25

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.

Dental

	PEHP		beam smarter dental care	
	Current / Renewal			
	Premium Choice		SmartPremium	
	Network	Non-Network	Network	Non-Network
Deductible (Individual / Family)	$0 / $0		$0 / $0	
Maximum Benefit (Per Person)	$2,000		$2,000	
Preventive	100% Covered	20%[AD]	100% Covered	20%[AD]
Basic	20%[AD]	40%[AD]	20%[AD]	40%[AD]
Major	50%[AD]	70%[AD]	50%[AD]	60%[AD]
Endodontics / Periodontics	Included in Basic		Included in Basic	
Implants	Included in Major		Included in Major	
Orthodontics	50% ($1,500 Lifetime Max)		50% ($1,500 Lifetime Max)	30% ($1,500 Lifetime Max)
Waiting Periods	None		None	

Coverage	# Enrolled	Current	Renewal	
Employee	5	$56.26	$56.26	$32.15
Employee+One	4	$76.94	$76.94	$62.92
Family	29	$116.46	$116.46	$130.03
Monthly Premium		**$3,966.40**	**$3,966.40**	**$4,183.30**
Percent Change		**0.00%**		**5.47%**

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.

Dental

	DentalSelect		EMI HEALTH Smart Benefits		
	Platinum PPO		**Choice PPO**		
	Network	Non-Network	Advantage	Premier	Non Network
Deductible (Individual / Family)	$0 / $0		$0 / $0	$0 / $0	
Maximum Benefit (Per Person)	$2,000		$2,000	$2,000	
Preventive	100% Covered	20% of R&C	100% Covered	100% Covered	20% up to MAC
Basic	20%[AD]	40% of R&C	20%[AD]	20%[AD]	40% up to MAC
Major	50%[AD]	60% of R&C	50%[AD]	50%[AD]	60% up to MAC
Endodontics / Periodontics	Included in Basic		Included in Basic		
Implants	Included in Major		Included in Major		
Orthodontics	50% ($1,500 Lifetime Max)		50% ($1,500 Lifetime Max)		
Waiting Periods	None		None		

Coverage	**# Enrolled**		
Employee	5	$55.55	$29.40
Employee+One	4	$75.97	$61.85
Family	29	$114.99	$106.95
Monthly Premium		**$3,916.34**	**$3,495.95**
Percent Change		**-1.3%**	**-11.9%**

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.

Vision

	Opticare of Utah		beam smarter dental care		DentalSelect		EMI HEALTH Smart Benefits	
	Current / Renewal							
	10-120B		**VSP Choice #2**		**EyeMed Select Vision 12**		**VSP Plus 10-130**	
	Network	Non-Network	Network	Non-Network	Network	Non-Network	Network	Non-Network
Vision Exam	$10 Co-Pay	$40 Allowance	$10 Co-Pay	$45 Allowance	$10 Co-Pay	$35 Allowance	$10 Co-Pay	$65 Allowance
Lenses	$10 Co-Pay (Options Additional)	$85 Allowance	$10 Co-Pay (Options Additional)	$30 - $100 Allowance	$10 Co-Pay (Options Additional)	$25 - $55 Allowance	$10 Co-Pay (Options Additional)	$30 - $100 Allowance
Frames	$120 Allowance	$80 Allowance	$150 Allowance 20% Off Remaining	$70 Allowance	$100 Allowance 20% Off Remaining	$50 Allowance	$130 Allowance	$80 Allowance
Contact Lenses	$120 Allowance	$80 Allowance	$150 Allowance	$105 Allowance	$120 Allowance 15% off Remaining	$100 Allowance	$130 Allowance	$115 Allowance
Laser Correction	$250 Off per Eye	No Coverage	15% Off Retail Price	No Coverage	15% Off Retail Price	No Coverage	$250 Off per Eye	No Coverage
Frequency (Exam / Frames / Lenses)	12 Months / 12 Months / 12 Months		12 Months / 12 Months / 12 Months		12 Months / 12 Months / 12 Months		12 Months / 12 Months / 12 Months	

Coverage	**# Enrolled**	**Current**	**Renewal**			
Single	7	$9.80	$9.80	$7.34	$6.14	$8.70
Employee+One	5	$18.02	$18.02	$13.88	$10.43	$17.00
Family	13	$24.88	$24.88	$25.14	$16.10	$27.10
Monthly Premium		**$482.14**	**$482.14**	**$447.60**	**$304.43**	**$498.20**
Percent Change to Current		**0.00%**		**-7.16%**	**-36.86%**	**3.33%**
		Rate Hold				

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.

Identity Theft Protection

		LegalShield
		IDShield
Identity Consultation Services		Included
Security Monitoring		Included
Credit Monitoring		Included
Lost Wallet Protection		Included
Identity Restoration		Included
Rates		**Current** / **Renewal**
	EE's in ID Protection	
Single	2	$8.95 / $8.95
Family	8	$18.95 / $18.95
Total Cost		$169.50 / $169.50

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.

Critical Illness

	Benefits / Rates	
Covered Illnesses / Benefits		
Invasive cancer	100%	
Carcinoma in situ	25%	
Heart attack	100%	
Major organ failure	100%	
Stroke	100%	
Scheduled Benefit	Employee	Spouse
	$5,000 or $10,000	$5,000
Children	50% of EE benefit	
Wellness Benefit	$50 per insured per calendar year	
Participation Required	5 lives	
Rates per $1,000	**Non-Tobacco**	**Tobacco**
< 24	$0.410	$0.590
25-29	$0.450	$0.700
30-34	$0.650	$1.040
35-39	$0.880	$1.530
40-44	$1.250	$2.240
45-49	$1.720	$3.100
50-54	$2.270	$4.140
55-59	$2.990	$5.270
60-64	$3.830	$6.320
65-69	$4.300	$6.590
70-74	$7.710	$10.610
Child Rates	Included in Employee Rate	
Wellness Monthly Cost	$1.60 per name insured	

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.

Off-the-job Accident

Injury	Benefits / Rates
Burn	Up to $10,000
Coma	$10,000
Concussion	$150
Dental injury	$300
Dislocation	Up to $6,000
Eye injury with surgical repair	$300
Fracture	Up to $7,500
Knee cartilage injury with surgical repair	$750
Ruptured disc with surgical repair	$800
Tendon / ligament / rotator cuff injury with surgical repair	$800
Wellness Benefit	$50 per insured per calendar year
Participation Required	5 lives
AD&D Coverage	
Employee	$50,000
Spouse	$20,000
Child(ren)	$10,000
Rates	
Employee	$12.56
Employee + Spouse	$20.71
Employee + Child(ren)	$23.62
Family	$31.77

*2 Year Rate Guarantee

Hospital Indemnity

	UNUM
	Benefits / Rates
Reimbursement Method	Indemnity benefits paid based on length of stay
HSA Compatible	Yes
Participation	5 Employees
Underwriting	Guaranteed Issue - all years
Hospital Admission (per admission)	$1,000 once per person, per year
Hospital Confinement (per day)	$100/day up to 30 days
Intensive Care (per day)	Subject to Hospital Confinement Benefit
Wellness	$50 twice per covered person, per year (max 4 per policy)
Pre-Existing Conditions/Waiting Period	6/6 Pre-Ex / 10 month waiting period for maternity
Portability	Available
Benefit Reduction	Not Applicable
Rates	
Employee	$15.95
Employee + Spouse	$32.35
Employee + Children	$32.15
Family	$46.05

EAP

		BH
		Current / Renewal
Consultation Fee		$0
Consultation Limits		No
Phone Consultation		Yes
Video Conference		Yes
Phone App Available		Yes
Wellness Included		Yes
Online History and PCP Integration		Yes
Agreement Term		12 Months
Rates		
Enrollment Count	35	$5.00
Total Cost		$175.00

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.