

Meeting Date
Sept. 15, 2015



ADD ON	
AGENDA	
Section	New Business
Item No.	IV B

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	2015 Group Health Plan Design Changes
DEPT/OFFICE:	Office of Human Resources / Employee Benefits

Requested Action:
 That the Board approves premiums and plan design changes to the Board's group health plan in accordance with Employee Benefits Insurance Advisory Committee (EBIAC) recommendations.

Summary Explanation & Background:

At the August 4, 2015 Board of County Commissioners meeting the Board approved an EBIAC recommendation for the 2016 Group Health Insurance plan design to consist of a Cigna/Health First dual provider option that would allow for the establishment of two low-cost EPO, narrow network plan options, two HRA's and two PPO's with each provider offering an EPO, HRA and PPO. Upon the Board's approval of this program structure the EBIAC met on August 13, 2016 and developed the following premium and plan design recommendations for the Boards consideration and approval:

1. Add \$30 urgent care copay outside of deductible at preferred contracted facilities – unanimous vote. Identical rate structures have been proposed to Medfast Urgent Care and Health First Now urgent care facilities as direct contracts with The Board of County Commissioners with Cigna and Health First administering those contracts on our behalf. The purpose behind this is to incentivize plan members to use urgent care facilities for emergency care visits instead of utilizing more expensive emergency room care when emergency room services are necessary and can provide the needed care in a much more cost effective manner.
2. Adopt a 4% premium increase in the EPO and 20% premium increases for HRA and PPO premium structures for active employees upon securing additional discounts for services at Parrish Medical Center and proposed discounts at Wuesthoff Hospital as outlined in their RFP responses – unanimous vote.
3. Create a two tired hospital co-insurance structure financially advantageous to the County through an enhanced 90% -10% co-insurance arrangements with Parrish/Wuesthoff in the Cigna Plus EPO option upon securing additional discounts for services at Parrish Medical Center and proposed discounts at Wuesthoff Hospital as outlined in their RFP responses.
4. Retiree premiums (non-Medicare) to increase \$6 ret only/\$18 ret+spouse/\$14 ret+child/\$30 ret+family for each plan and respective coverage tier (however, new premiums are not to exceed vested rate) – unanimous vote.

Under these options the Employer premium will increase to \$1019 per benefits eligible employee per month (\$12,232 annually). Employee and retiree premium increases under this option are illustrated in the attached exhibit The recommendations outlined above create the additional funding and cost reductions needed to meet projected 2016 group health plan expenses and keep the program appropriately funded to meet actuarial requirements.

The Office of Human Resources/Employee Benefits requests that the Board authorizes plan design and premium changes for the 2016 plan year as illustrated on the attached exhibit pending the successful conclusion of negotiations with urgent care and hospital providers referenced above. The Office of Human Resources also requests the Boards authority to execute any service agreements, MOU's and/or contract addendums necessary to secure the negotiated discounted services outlined in the above options.

Clerk to the Board instruction:
 Exhibits Attached: 2016 GHP proposed premiums; provider correspondence

Contract /Agreement (If attached):		Reviewed by County Attorney	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR <input type="checkbox"/>
County Manager		Department Director / Extension Gerard Visco, Insurance Director / 5-5446					
Stockton Whitten		Assistant County Manager 					



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972

September 16, 2015

MEMORANDUM

TO: Jerry Visco, Human Resources Director

RE: Item IV.B., Approval of the 2015 Group Health Plan Design Changes

The Board of County Commissioners, in special session on September 15, 2015, approved premiums and plan design changes to the Board's group health plan in accordance with Employee Benefits Insurance Advisory Committee (EBIAC) recommendations. Enclosed is the executed Letter of Agreement.

Upon execution by all parties, please return a fully-executed copy of the Letter of Agreement to this office for inclusion in the official minutes.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Etheridge
Tammy Etheridge, Deputy Clerk

/af

cc: Finance

Encl. (1)

September 8, 2015

Letter of Agreement

Frank Abbate
Assistant County Manager
2725 Judge Fran Jamieson Way
Bldg C
Viera, FL 32940

Dear Mr. Abbate:

The purpose of this letter is to confirm the agreement ("Agreement") which has been reached between North Brevard County Hospital District d/b/a Parrish Medical Center ("Parrish") and the Brevard Board of County Commissioners ("BOCC").

Parrish and BOCC agree that effective January 1, 2016, Parrish will accept an additional five percent (5%) discount off the inpatient rate identified in Section I of Exhibit A of the Letter of Agreement ("Letter of Agreement"), dated April 25, 2015 between Parrish and Cigna HealthCare of Florida, Inc. ("Cigna") for employees and dependents of BOCC who have elected to enroll in the tiered product (LocalPlusIN network plan) offered by Cigna. All other terms of the Letter of Agreement and the Hospital Services Agreement between Parrish and Cigna shall remain in full effect for employees and dependents of BOCC who have elected to enroll in the LocalPlusIN network plan offered by Cigna.

The Agreement shall automatically terminate on the earlier of (1) the date that Brevard Employers are no longer contracted to receive administrative services from Cigna Health and Life Insurance Company, or (2) the date that Parrish and Cigna terminate their Hospital Services Agreement.

If this letter accurately expresses the agreement between BOCC and Parrish, please indicate your acceptance by signing in the space provided below.

Sincerely,



David Gunsteens

Director, Managed Care and Revenue Integrity

Attachment: Cigna Healthcare Letter of Agreement Exhibit A - Fee Schedule and Reimbursement Terms

October 7, 2015

Frank Abbate
Assistant County Manager
2725 Judge Fran Jamieson Way
Bldg C
Viera, FL 32940

PARRISH
MEDICAL CENTER

951 N. Washington Ave.
Titusville, Florida 32796
P: 321-268-6111
www.parrishmed.com

Dear Mr. Abbate:

The purpose of this letter is to provide the Brevard Board of County Commissioners ("BOCC") with written clarification on the additional inpatient discount offered to BOCC by North Brevard County Hospital District d/b/a Parrish Medical Center ("Parrish") that is not included in the controlling documents between Parrish and Cigna HealthCare of Florida, Inc. ("Cigna").

There are two controlling documents which guide the reimbursement to Parrish from Cigna. The first is the Hospital Services Agreement ("Agreement") between Parrish and Cigna, wherein Cigna pays Parrish for the provision of covered medical services to eligible Cigna members and their beneficiaries. In order to partner with the County to help control their healthcare costs, Parrish entered into a second controlling document with Cigna, a Letter of Agreement ("LOA"). This document provides limits to the increase in billed charges and a discount from the rates outlined in the Agreement for the employees and dependents of the BOCC who have elected to enroll in the tiered product (LocalPlusIN network plan) offered by Cigna. For the purpose of clarity, I've outlined these limits and reductions below.

- For Inpatient Services, any increase in charges for a given service in excess of zero percent (0%) during the period May 1, 2015 through December 31, 2015, and three point five percent (3.5%) for Inpatient Services during any other 12-month period of this Agreement may result in an additional discount to the Stop Loss reduction off Hospital Billed Charges payment rate as defined in Section A.1 above. The percentage discount calculated from charges may be changed appropriately to ensure that Payor's reimbursement to Hospital for a given service does not increase by more than three point five percent (3.5%) for Inpatient Services.
- For Outpatient Services, any increase in charges for a given service in excess of zero percent (0%) during the period May 1, 2015 through December 31, 2015, and three point five percent (3.5%) for Outpatient Services during any other subsequent 12-month period may result in an additional discount. The percentage discount calculated from charges may be changed appropriately to ensure that BOCC's reimbursement to Hospital for a given service does not increase by more than three point five percent (3.5%) for Outpatient Services.
- An additional thirty percent (30%) discount to the Cigna outpatient rates in effect at the time of outpatient services. All outpatient fixed rates will follow the same annual fixed increase of three point five percent (3.5%) on January 1, 2017 and January 1, 2018.

Over the course of several in-person discussions with BOCC representative, Parrish agreed to the following further reduction to the rates outlined above and provided for in the controlling documents (the Agreement and the LOA). This further reduction is not included in the Agreement or LOA but is reflected below and represents the specific additional inpatient discount agreed to by Parrish. This inpatient reduction becomes effective on January 1, 2016 and is applicable only for the employees and

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County Manager's Office

dependents of the BOCC who have elected to enroll in the tiered product (LocalPlusIN network plan) offered by Cigna.

- An additional five percent (5%) discount to the Cigna Inpatient Services case rate ("MS-DRG") in effect at the time the patient is admitted. This additional discount does not apply to the percent of billed charges payment for claims that exceed the stop loss amount. Parrish agrees that the MS-DRG rate of twelve thousand fourteen dollars and sixty-five cents (\$12,014.65), which reflects the aforementioned five percent (5%) reduction to the current Cigna rates paid to Parrish, will not be increased until January 1, 2017, at which time the MS-DRG rate will increase by three point five percent (3.5%) to a rate of twelve thousand four hundred thirty-five dollars and sixteen cents (\$12,435.16). The MS-DRG rate will increase by three point five percent (3.5%) again on January 1, 2018 to a rate of twelve thousand eight hundred seventy dollars and thirty-nine cents (\$12,870.39).

All other terms of the Agreement and the LOA between Parrish and Cigna shall remain in full effect for employees and dependents of BOCC who have elected to enroll in the LocalPlusIN network plan offered by Cigna.

The additional inpatient reduction reflected in this letter will automatically terminate on the earlier of (1) the date that Brevard Employers are no longer contracted to receive administrative services from Cigna Health and Life Insurance Company, or (2) the date that Parrish and Cigna terminate their Hospital Services Agreement.

If this letter accurately expresses your understanding of the discussions we had related to the additional discount to the inpatient rate, please indicate such by signing in the space provided below.

Sincerely,



David Gunsteens
Director, Managed Care

DJG/mm

AGREED TO AND ACCEPTED:

Provider: North Brevard County Hospital District d/b/a Parrish Medical Center

By:  _____

Printed Name: George Mikitarian

Title: President/CEO

Date: 10/15/15

By:  _____

Printed Name: Chris McAlpine

Title: Sr. Vice President - Administration *CTO*

Date: 9/14/15

Employer: Brevard Board of Community Commissioners

By:  _____

Printed Name: **Frank Abbate**

Title: **Assistant County Manager**

Date: 10/26/15

Letter of Agreement

David Gunsteens
Director of Managed Care
Parrish Medical Center
951 N. Washington Avenue
Titusville, FL 32796

Dear David:

The purpose of this letter is to confirm the agreement which has been reached between North Brevard County Hospital District d/b/a Parrish Medical Center ("Parrish") and the Brevard County Board of County Commissioners ("BOCC").

Parrish and Brevard County BOCC agree that effective January 1, 2016, Parrish will accept reimbursement at level reflecting a 0% reduction to the inpatient rates and a 30% reduction to the outpatient rates in effect at the time of inpatient admission or outpatient service between Parrish and Cigna HealthCare of Florida, Inc. in Exhibit C of the Hospital Services Agreement only for employees and dependents of BOCC who have elected to enroll in a tiered product offered by Cigna. Effective January 1, 2017 and January 1, 2018, the fixed level reimbursement and chargemaster allowance payable under this Letter of Agreement will increase by 3.5% annually.

The Agreement shall automatically terminate on the earlier of (1) the date that Brevard Employers are no longer contracted to receive administrative services from Connecticut General Life Insurance Company, or (2) the date that Parrish and Cigna terminate their Hospital Services Agreement.

If this letter accurately expresses the agreement between BOCC and Parrish, please indicate your acceptance by signing in the space provided below.

Sincerely,

AGREED TO AND ACCEPTED:

Provider: North Brevard County Hospital District d/b/a Parrish Medical Center

By: _____

Printed Name: George Mikitarian

Title: President/CEO

Date: _____

By: _____

Printed Name: Timothy K. Skeldon

Title: Executive Vice President - Corporate Finance

Date: _____

Employer: Brevard County Board of Community Commissioners

By: _____

Printed Name: ROBIN FISHER, CHAIRMAN

Title: CHAIRMAN OF THE BOARD
APPROVED BY THE BOARD: 09/15/15

Date: September 15, 2015

ATTEST: _____
SCOTT ELLIS, CLERK



Exhibit A

Effective Date: January 1, 2016

Fee Schedule and Reimbursement Terms

This is an Exhibit to the Letter of Agreement dated January 1, 2016 between Health First Medical Group, LLC (TIN #46-1243081) and Brevard County Government.

I. Reimbursement Terms

1. Per Visit rate includes reimbursement for all physician/professional, therapeutic and diagnostic services and all facility charges under item II below, including, but not limited to: radiology, laboratory, EKG, and other diagnostic procedures and is limited to one payment per date of services. Separate physician billing will not be reimbursed. Major diagnostic services including MRI, CT Scan, and PET Scan are excluded from the Per Visit rate and will be reimbursed at the lesser of billed charges or the reimbursement specified in the prevailing provider agreement with Cigna or Health First Health Plan.
2. Provider shall accept as full and final payment for Covered Services provided to Participants the lesser of billed charges or the reimbursement specified in this Exhibit. Payor shall deduct Copayments, Deductibles, or Coinsurance required by the Participant's Benefit Plan.
3. Payor may adjust coding in its systems to remain consistent with the parties' intent to reimburse for the services listed in this Exhibit.
4. Except as otherwise specified above, for services not included on the rate table below but which are provided on-site, no reimbursement will be made. Participants may not be billed for such services.
5. With respect to each participant visit to Provider, Provider shall send a report, in a format acceptable to Brevard County Government, to the Participant's Primary Care Physician reflecting the services rendered to such Participant within 3 business days of the date of service.

II. Reimbursement Rates

Urgent Care Center Services	HCPCS Code: S9083	\$120.00 Per Visit
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EMPLOYEE MONTHLY HEALTH INSURANCE CONTRIBUTIONS						EMPLOYEE MONTHLY HEALTH INSURANCE CONTRIBUTIONS					
RATES EFFECTIVE JANUARY 1, 2016						RATES EFFECTIVE JANUARY 1, 2015					

EMPLOYER RATE		\$1,019.38				EMPLOYER RATE		\$980.17			
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ACTIVE EMPLOYEE RATES	Cigna or HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO	ACTIVE EMPLOYEE RATES	HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO
Employee (EE) only	\$35.00	\$46.00	\$85.00	Employee (EE) only	\$29.00	\$38.00	\$71.00
EE + Spouse	\$108.00	\$140.00	\$334.00	EE + Spouse	\$90.00	\$117.00	\$278.00
EE + Child(ren)	\$85.00	\$112.00	\$265.00	EE + Child(ren)	\$71.00	\$93.00	\$221.00
EE+ Family	\$179.00	\$233.00	\$385.00	EE+ Family	\$149.00	\$194.00	\$321.00

RETIREE RATES (All Non-Medicare)	Cigna or HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO	RETIREE RATES (All Non-Medicare)	HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO
Retiree Not Medicare Eligible (NME)	\$455.00	\$575.00	\$688.00	Retiree Not Medicare Eligible (NME)	\$449.00	\$569.00	\$682.00
Retiree + Spouse	\$793.00	\$1,026.00	\$1,406.00	Ret NME + Spouse	\$775.00	\$1,008.00	\$1,388.00
Retiree + Child(ren)	\$622.00	\$805.00	\$949.00	Ret NME + Child(ren)	\$608.00	\$791.00	\$935.00
Retiree + Family	\$965.00	\$1,246.00	\$1,626.00	Ret NME + Family	\$935.00	\$1,216.00	\$1,596.00

VESTED RATES	Cigna or HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO	VESTED RATES	HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO
Vested EE Only	\$508.00	\$586.00	\$702.00	Vested EE Only	\$493.00	\$569.00	\$682.00
Vested EE + Spouse	\$1,189.00	\$1,372.00	\$1,722.00	Vested EE + Spouse	\$1,154.00	\$1,332.00	\$1,672.00
Vested EE + Child(ren)	\$961.00	\$1,108.00	\$1,389.00	Vested EE + Child(ren)	\$932.00	\$1,076.00	\$1,349.00
Vested EE + Family	\$1,675.00	\$1,933.00	\$2,330.00	Vested EE + Family	\$1,626.00	\$1,877.00	\$2,262.00

EMPLOYEE MONTHLY HEALTH INSURANCE CONTRIBUTIONS RATES EFFECTIVE JANUARY 1, 2016				EMPLOYEE MONTHLY HEALTH INSURANCE CONTRIBUTIONS RATES EFFECTIVE JANUARY 1, 2015			
EMPLOYER RATE				EMPLOYER RATE			
\$1,019.38				\$980.17			
ACTIVE EMPLOYEE RATES				ACTIVE EMPLOYEE RATES			
Employee (EE) only	Cigna or HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO	Employee (EE) only	HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO
EE + Spouse	\$35.00	\$46.00	\$85.00	EE + Spouse	\$29.00	\$38.00	\$71.00
EE + Child(ren)	\$108.00	\$140.00	\$334.00	EE + Child(ren)	\$90.00	\$117.00	\$278.00
EE + Family	\$85.00	\$112.00	\$265.00	EE + Family	\$71.00	\$93.00	\$221.00
	\$179.00	\$233.00	\$385.00		\$149.00	\$194.00	\$321.00
RETIREE RATES (All Non-Medicare)				RETIREE RATES (All Non-Medicare)			
Retiree Not Medicare Eligible (NME)	Cigna or HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO	Retiree Not Medicare Eligible (NME)	HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO
Retiree + Spouse	\$455.00	\$575.00	\$688.00	Retiree + Spouse	\$449.00	\$569.00	\$682.00
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	\$965.00	\$1,246.00	\$1,626.00		\$935.00	\$1,216.00	\$1,596.00
VESTED RATES				VESTED RATES			
Vested EE Only	Cigna or HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO	Vested EE Only	HFHP EPO	Cigna or HFHP HRA	Cigna or HFHP PPO
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Letter of Agreement

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Director of Managed Care
Parrish Medical Center
951 N. Washington Avenue
Titusville, FL 32796

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OLD

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Sincerely,

AGREED TO AND ACCEPTED:

Provider: North Brevard County Hospital District d/b/a Parrish Medical Center

By: _____

Printed Name: George Mikitarian

Title: President/CEO

Date: _____

By: _____

Printed Name: Timothy K. Skeldon

Title: Executive Vice President - Corporate Finance

Date: _____

Employer: Brevard County Board of Community Commissioners

By: _____

Printed Name:

Title:

Date: _____

Exhibit A

Effective Date: January 1, 2016

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