



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.16.

8/4/2020

Subject:

2021 Group Health Plan Design Changes

Fiscal Impact:

Minimum - \$535,000-year 1 cost reduction resulting from the previously completed RFP selection of Cigna and Health First Health Plans can be further enhanced with a potential estimated additional savings of \$2,697,000 based on plan design recommendations made by the EBIAC if adopted by the Board. The combined RFP and Plan Design potential savings is estimated at \$3,232,000 in the first year of the new contract period.

Dept/Office:

Office of Human Resources / Employee Benefits

Requested Action:

That the Board approves a Group Health Insurance program for CY2021 as recommended by the Office of Human Resources/Employee Benefits and the County's Employee Benefits Insurance Advisory Committee (EBIAC).

Summary Explanation and Background:

The actuarial projections for the 2021 plan year pursuant to F.S. 112.08 estimate the following plan performance in 2020 and 2021 with no changes:

	2020	2021
Revenue	\$56,568,000	\$56,568,000
Expenses	\$61,791,000	\$65,727,000
Projected Gain/-Loss	-\$5,223,000	-\$9,159,000

This information was provided to the County's Employee Benefits Insurance Advisory Committee (EBIAC) by the Office of Human Resources/Employee Benefits for their consideration along with the County's Benefits Consultant's analysis of responses received to this office's RFP.

The EBIAC was tasked to evaluate several plan design options that would help the group health plan mitigate its future plan costs. The following Plan Design recommendations were made by the County's Employee Benefits Insurance Advisory Committee (EBIAC):

- Overage dependents assessed \$100/month surcharge (this is in line with the current Working Spouse surcharge in place for several years).
- Medical care management - The EBIAC opted to access just the Cigna HMCM Basic enhanced care management option vs the more aggressive HMCM Preferred enhanced care management option offered as an upgrade, in order to evaluate the impact of the Basic option on savings and access to

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care.

- Pharmacy - Enhanced Specialty Solutions option is a clinical prior authorization program aimed at addressing the prescribing of “specialty” pharmaceuticals. These medications are a major contributor to the cost of pharmacy benefits while making up a small percentage of the prescriptions filled under our health plan. The impact of more aggressive management of these highest priced medications will have a significant financial impact on the plan while causing minimal disruption to a small percentage of plan participants.
- Retain Three Plan Designs with the changes illustrated below:
 - EPO - Cigna & Health First Health Plan (the lowest cost / base plan providing in-network only coverage with a Health Reimbursement Account (HRA) benefit.)
 - PPO- Cigna & Health First Health Plan - traditional PPO with both in and out of network coverage and a Health Reimbursement Account (HRA) benefit.
 - PPO Preferred - Cigna Only with a higher premium and lower deductible providing both in and out of network coverage.
 - Lower the EPO/PPO deductible from \$1500/\$3000 to \$1000/2000 (individual / family). PPO Preferred deductible will remain \$600/\$1200 with participation in the County’s Wellness Program.
 - Disconnect HRA from health plan and contract with TASC, this allows for HRA credits to be used to offset pharmacy costs in addition to unreimbursed medical expenses (co-pays/deductibles / other out of pocket costs not covered by the health plan). This will be accomplished using the same vendor and debit card program currently providing Flexible Spending Account benefits on a single debit card, at half the cost of administering the HRA through the health plans;
 - Change HRA contributions to \$500 individual / \$1,000 family;
 - No up-front (tiered) deductible;
 - HRA eligibility limited to unreimbursed medical and pharmacy expenses;
 - Cap HRA rollover at \$8,000 (equal to the in-network family OOP Max);
 - No new HRA credits until accumulated balance falls below the \$8,000 cap.
- Lower Annual Deductibles and Disconnect HRA from Medical Plans

The Office of Human Resources/Employee Benefits requests that the Board review and approve the attached recommendations.

Clerk to the Board Instructions:



August 13, 2020

M E M O R A N D U M

TO: Jerry Visco, Human Resources Director

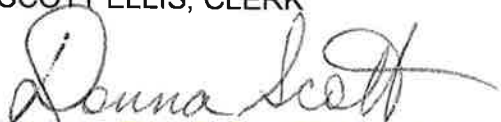
RE: Item F.16., 2021 Group Health Plan Design Changes

This is correct the memorandum dated August 5, 2020. The Board of County Commissioners, in regular session on August 4, 2020, **tabled the** Group Health Insurance program for CY2021 as recommended by the Office of Human Resources/Employee Benefits and the County's Employee Benefits Insurance Advisory Committee (EBIAC) **to the August 25, 2020, Board meeting.**

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

for 
Kimberly Powell, Clerk to the Board

/sm

cc: County Manager
Employee Benefits
Finance
Budget



August 5, 2020

M E M O R A N D U M

TO: Jerry Visco, Human Resources Director

RE: Item F.16., 2021 Group Health Plan Design Changes

The Board of County Commissioners, in regular session on August 4, 2020, approved a Group Health Insurance program for CY2021 as recommended by the Office of Human Resources/Employee Benefits and the County's Employee Benefits Insurance Advisory Committee (EBIAC).

Your continued cooperation is greatly appreciated.

Sincerely yours,

**BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK**

for: Donna Scott
Kimberly Powell, Clerk to the Board

/sm

cc: County Manager
Employee Benefits
Finance
Budget

Brevard County Government 2021 Health Plan Renewal Strategy

2021 Plan Renewal and Simplification Strategy

The actuarial projections for the 2021 plan year pursuant to F.S. 112.08 estimate the following plan performance in 2020 and 2021 with no changes:

	2020	2021
Revenue	\$56,568,000	\$56,568,000
Expenses	\$61,791,000	\$65,727,000
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Plan Management

The following considerations are the result of the health plan RFP and previous discussions with EBIAC:

Issue	Impact	Committee Recommendation
1. ASO fees based on RFP and Negotiations a. Cigna Holiday (-\$427,000) b. HFHP Base Fee Adjustment (-\$110,000) Enhancements: <u>Cigna</u> : Onsite Clinical Resource; OneGuide; HMCM; Access to discounted gym membership for all members; Preferred High-Tech Radiology and ASC networks <u>HFHP</u> : Enhanced customer service; Viera ProHealth	-\$537,000	
2. Overage dependents assessed \$100/month surcharge	-\$120,000	Recommendation: Proceed as outlined

3. Medical - Cigna HCMCM enhanced care management a. HCMCM Basic b. HCMCM Preferred	a. -\$340,000 b. -\$880,000	Recommendation: Basic HCMCM
4. Pharmacy - Enhanced Specialty Solutions a. First Fill at Accredo for specialty meds b. Out-of-Pocket Adjuster Program c. SaveOnSP	-\$401,000	Recommendation: Proceed as outlined
5. Retain 3 Plans with Changes Illustrated Below a. Determine # of Carriers for each plan b. Rename Plan Options i. EPO ii. PPO Plus iii. PPO Preferred	-\$680,000	Recommendation to rename the 3 plans as EPO, PPO and PPO Preferred Recommendation for each plan's carriers: HFHP: EPO & PPO Cigna: EPO, PPO, PPO Preferred
6. Lower Annual Deductibles and Disconnect HRA from plans a. Contract with TASC b. Change contribution to \$500 individual / \$1,000 family c. No up-front deductible d. Limit to covered medical and pharmacy expenses e. Cap at plan Out-of-Pocket Maximum f. No HRA credit until accumulated balance falls below HRA limits (OOP max)	-\$1,156,000	Recommendation: a. Disconnect HRA from health plan and contract with TASC; b. Change contribution to \$500 individual / \$1,000 family; c. No up-front deductible; d. Limit to covered medical and pharmacy expenses; e. Cap HRA at \$8,000 (family OOP Max); f. No HRA credit until accumulated balance falls below \$8,000 cap
7. Increase Employee Rates 2%	\$150,000	Recommendation not to move forward
Total Estimated Impact	-\$3,384,000	
Notes:		



Illustrative Plan design: Current vs. Proposed

Benefit	Current EPO/HRA	Proposed EPO/PPO	Current PPO	Proposed PPO Preferred
Number of Carriers	2	Cigna & Health First	2	Cigna
Network Coverage	EPO – In-Network Only HRA – In and Out-of-Network	EPO – In-Network Only PPO– In and Out-of-Network	In and Out-of-Network	In and Out-of-Network
HRA Description	No Rx; must pay initial \$125 single/\$250 family out of pocket for EPO and \$250/\$500 for HRA	Standalone HRA debit card available for covered medical and Rx expenses	N/A	N/A
HRA Contribution	<\$35k: \$1,000/\$2,000 \$35k-\$70k: \$750/\$1,500 >\$70k & Retirees: \$500/\$1,000	\$500 single/ \$1,000 family with Wellness (waived for 2021)	N/A	N/A
Deductible	\$1,500/\$3,000	\$1,000/\$2,000	\$600/\$1,200 (wellness) \$1,000/\$2,000 (no wellness)	\$600/\$1,200 (wellness) \$1,000/\$2,000 (no wellness)
Coinsurance (in/out)	20%/40%	20%	20%/40%	20%/40%
Out-of-Pocket Maximum	\$3,000 /\$6,000 Med In-Net \$6,000/\$12,000 Out-of-Net (HRA plan only) \$3,600/\$7,200 Rx	\$4,000 /\$8,000 Med In-Net \$8,000/\$16,000 Out-of-Net (HRA plan only) \$3,600/\$7,200 Rx	\$2,000 /\$4,000 Med In-Net \$4,000 /\$8,000 Out-of-Net \$3,600/\$7,200 Rx	\$3,000 /\$6,000 Med In-Net \$8,000 /\$12,000 Out-of-Net \$3,600/\$7,200 Rx
PCP Office Visit	Deductible + Coinsurance	\$30 Copay	\$30 Copay	\$25 Copay
Specialist Office Visit	Deductible + Coinsurance	\$60 Copay	\$30 Copay	\$50 Copay
Urgent Care	\$30 Copay Preferred Urgent Care Network or Deductible + Coinsurance	\$30 Copay Preferred Urgent Care Network or Deductible + Coinsurance	\$30 Copay Preferred Urgent Care Network or Deductible + Coinsurance	\$30 Copay Preferred Urgent Care Network or Deductible + Coinsurance
Hospitalization	Deductible + Coinsurance	Deductible + Coinsurance	Deductible + Coinsurance	Deductible + Coinsurance
Emergency Department	Deductible + Coinsurance	Deductible + Coinsurance	Deductible + Coinsurance	Deductible + Coinsurance
Outpatient Surgery	Deductible + Coinsurance	\$125 Copay Preferred Surgery Network or Deductible + Coinsurance	Deductible + Coinsurance	\$125 Copay Preferred Surgery Network or Deductible + Coinsurance
Advanced Radiology (e.g. MRI, CT, PET)	Deductible + Coinsurance	\$125 Copay Preferred Radiology Network or Deductible + Coinsurance	Deductible + Coinsurance	\$125 Copay Preferred Radiology Network or Deductible + Coinsurance