

**Brevard County Board of County
Commissioners**

Health Plan RFP Board Workshop

**Presented by:
John D. Robinson, CEBS**



January 22, 2015

Agenda

- ▶ Goal of Presentation
- ▶ Historic Health Plan Policy
- ▶ Health Plan County Cost
- ▶ Health Plan Design and Plan Cost
- ▶ Health Plan Network Issues
- ▶ Marketplace Impact
- ▶ Direction for the Health Plan RFP

Presentation Goal

To Seek Commissioner Direction on Health Plan RFP Parameters Including:

- County Contribution Portion of Health Plan Costs
- Overall Health Plan Design and Plan Costs
- Network Coverage
- Marketplace Alternatives
- RFP Parameters and Development

Historic Health Plan Policy

- ▶ Access to all Brevard County Hospitals
- ▶ Provide a Competitive Model
 - Member has option of at least of 2 carriers
 - One carrier to include all Brevard County hospitals
 - Broad network of Brevard County physicians
 - Regional, State and National Coverage
- ▶ Cost to the County
 - Currently based on a % of Total Premium(81.8%)
 - Dependent and Retiree coverage subsidized by County
 - Retiree rates increase at 1.5 times Active increases

Current County Health Plan

- ▶ Minimum Value of the Plan Design is approximately 88% including HRA funding; 81% without HRA funding
- ▶ Plan is Self-Funded with Stop Loss Insurance Protection
- ▶ Plan has a Carve-Out Pharmacy Program (last RFP conducted in 2014)



Health Plan Cost Overview

- ▶ Cost to the County
 - County cost based on a % of Plan cost
 - Employee Only coverage primarily paid by County
 - Spouse and Children costs subsidized by County
 - Retiree coverage subsidized
 - Includes Health Reimbursement Arrangement pro-rated based on employee salary
 - County monthly contribution for 2015 is \$980.17 for each full-time budgeted position



Health Plan Cost Overview

Factors Impacting Cost

- ▶ Health Care Reform
 - Eligibility Based on Working 30 Hours per Week
 - Lowest Minimum Value of Plan is 60%
 - Employee Only Deduction Cannot Exceed 9.5% of Annual Salary or 100% of FPL ($\$11,670 \times 9.5\% / 12 = \92.38)
- ▶ Florida Statute Requirements for Retiree Coverage
 - Must be Offered the Same Plans as Active Employees at Premiums Not Greater than Active Employee Premiums
 - Retirees Eligible for Medicare May be Experience Rated Separately as Long as Coverage is Basically the Same and Premiums Not Greater than Active Employee Premiums

Health Plan Comparison

Current 88% MV to 62% MV

Benefit	Current HRA Plan		Minimum Value 62% Plan
	In Network	OON	
Medical			Network Only
Annual HRA - Under \$35,000	\$1,000/\$2,000		None
\$35,000 - \$70,000	\$750/\$1,500		
\$70,000 +	\$500/\$1,000		
Annual Deductible	\$1,500/\$3,000	\$3,000/\$6,000	\$3,500/\$7,000
Annual OOP	\$3,000/\$6,000	\$6,000/\$12,000	\$6,350/\$12,700
Hospital Admit	Pays 80%*	Pays 60%*	Pays 70%*
Office Visits	Pays 80%*	Pays 60%*	Pays 70%*
Emergency Care	Pays 80%*	Pays 80%*	Pays 70%*
Outpatient Surgery	Pays 80%*	Pays 60%*	Pays 70%*
Rx			
Annual Deductible	\$100/\$200		
Generic	\$10		\$15
Brand Preferred	\$30 + 10%*		Pays 60%*
Brand Non-Preferred	\$50 + 10%*		Pays 50%*
Specialty	10% to \$150*		Pays 50%*

* After Deductible is Applied

Health Plan Cost Overview

2015 Plan Year

- ▶ Total Cost Including Member Expenses (\$70.48 million)
 - County Portion of Premium, Including HRA Cost, is \$46.15 million
 - Premium Deductions from Employees and Retirees is \$10.28 million
 - Out-of-Pocket Payments by Members is Estimated to be \$12.11 million
 - 2015 Projected Costs are Expected to Exceed Premiums by \$1.94 million



County Cost Breakdown

Employee and Dependents

- ▶ Total County Cost for 2015 is \$46.15 million
- ▶ Employee Funding by County
 - County Pays 93.6% of Plan Cost
 - Employer Subsidy is \$28.35 million
- ▶ Child(ren) Funding by County
 - County Pays 88.2% of Plan Cost
 - Employer Subsidy is \$8.2 million
- ▶ Spouse Funding by County
 - County Pays 83.1% of Plan Cost
 - Employer Subsidy \$7.2 million
- ▶ Retiree Funding by County
 - Employer Subsidy \$2.4 million

County Cost Direction

Employee and Dependents

Discussion	County Impact	Member Impact
Continue funding the Employee portion at the current 93.6% level	Each 1% change = \$308,000	For each 1% change = premium increase of 15.7%
Continue funding the Children portion at the current 88.2% level	Each 1% change = \$104,000	For each 1% change = premium increase of 8.5%
Reduce funding the Spouse portion currently at 83.1% to 82.1%	Each 1% change = \$95,000	For each 1% change = premium increase of 5.9%

County Cost Breakdown

Retiree

- ▶ Total County Cost for 2015 is \$46.15 million
- ▶ Retiree Under 65 Funding by County
 - County Subsidizes \$858,000 of Plan Cost
 - If Premiums are Set at the Vested Rates, Retirees would pay an additional \$561,000 and the County Subsidy would be \$297,000
- ▶ Retiree Over 65 Funding by County
 - County subsidizes \$1.5 Million of Plan Cost
 - Medicare Supplement and Pharmacy EGWP coverage

County Cost Direction

Retirees Under 65

Discussion Options	County Impact	Member Impact
Keep the Retiree funding level to the Active Employee and Dependent Premium increases	County savings \$0	Active Employee Premium % increase
Increase Retiree funding level at 1.5 times the Active Employee and Dependent Premium increase	County savings of \$86,600 per year	Average premium increase of an additional 4% based on an active employee increase of 8%
Increase Retiree funding level to the Active Employee and Dependent Vested Premium rates by 2017	County savings of \$280,500 per year	Average premium increase of 13% each year

Medicare Supplement Benefit Options

Medigap Benefits	Plan F	Plan N
Part A Coinsurance and Hospital Costs	✓	✓
Medicare Part B Coinsurance or Copayment	✓	Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission
Blood (First 3 Pints)	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓
Skilled Nursing Facility Care Coinsurance	✓	✓
Medicare Part A Deductible (\$1,216)	✓	✓
Medicare Part B Deductible (\$147)	✓	
Medicare Part B Excess Charges (15%)	✓	
Foreign Travel Emergency (To Limits)	✓	✓

Medicare Pharmacy Part D

Rx Benefit	Comprehensive	Premier
Drug Coverage		
Drug List	100% + Bonus	100% + Bonus
Initial Coverage Period		
Deductible	\$0	\$0
Generic	\$2 to \$10	\$2 to \$7
Brand Preferred/Non-preferred	\$45/\$75	\$30/\$60
Specialty	33%	\$75
Gap		
Generic Preferred	\$2 to \$10	\$2 to \$7
Brand Preferred/Non-preferred	55% Discount	\$30/\$60
Specialty	55% Discount	\$75
Catastrophic		
Generic	\$2.55 or 5%	\$2.55 or 5%
Brand	\$6.35 or 5%	\$6.35 or 5%
Monthly Premium	\$84.18	\$155.31

County Cost Direction

Retirees Over 65

Discussion Options	County Impact	Member Impact
Keep the Retiree funding level to the Active Employee and Dependent Premium increases	County savings \$0	Active Employee Premium % increase
Increase Retiree funding level to the Active Employee and Dependent Vested Premium rates by 2017	County savings of \$800,500 per year	Average premium increase of 34% each year
Implement a Medicare Supplement Plan and Comprehensive pharmacy plan as the County's sponsored plan for 2016	County savings of \$1.5 million	Retiree savings of \$175,000 Monthly premiums to average about \$320 (currently \$344) for Plan N with Comp. Rx

County Cost Breakdown

HRA

- ▶ **Current Funding Tiers**
 - Employees Under \$35,000 = \$1,000/\$2,000
 - Employees \$35,000 to \$70,000 = \$750/\$1,500
 - Employees Over \$70,000 = \$500/\$1,000
 - Retirees = \$500/\$1,000
- ▶ **Health Reimbursement Account**
 - Employer funding level is \$3.8 Million
 - Projected utilization is estimated at \$3.0 Million

County Cost Direction

Health Reimbursement Change

Discussion	County Impact	Member Impact
Should the County continue the HRA funding for active employees at the pro-rated salary levels?	Impact is approx. \$3.0 million annually	
Should the County continue HRA funding at the current rates for active employees?	\$1,000/\$2,000 \$750/\$1,500 \$500/\$1,000	
Should the County eliminate the HRA funding for Retirees and reduce the premiums?	Savings of \$148,000	Premium reduction of \$148,000 (-6.8%)
Should the County permit the use of HRA balances for Retirees?		

County Cost Breakdown Funding

- ▶ Working Spouse Surcharge
 - Employee Charge of an additional \$100 per Month
 - Annual Surcharge of \$246,000
- ▶ Funding Level Option
 - The % of Premium Increase
 - Employer
 - Employee
 - Dependents
 - Retirees



County Cost Direction Funding

Discussion	County Impact	Member Impact
Should the County continue spousal surcharge at \$ 100 per month?	Current impact of \$246,000	No change
Should the County continue County funding on the % of Plan Cost model, adjusted in 2016 for the previously made decisions?	Current estimate of 8% increase, with possible reductions based on previous decisions	Current estimate of 8% increase, with possible reductions or additions based on previous decisions

Impact of Network

- ▶ Importance of coverage at all Brevard County hospitals
- ▶ Broad versus narrow network
 - Potential cost differences
 - Impact on accessibility
- ▶ Network Coverage
 - Strong influence in Brevard County
 - Increasing need for surrounding counties
 - Statewide and national coverage issues
 - Centers of Excellence issues
- ▶ Influence of the Marketplace

County Direction Network Issues

Issue	Discussion
<p>Importance of coverage in all Brevard County Hospitals</p>	<p>Must network coverage include all Brevard County hospitals?</p>
<p>Regional, statewide, and national coverage</p>	<p>Must network coverage include regional, statewide, and national networks for more than just emergency care?</p>
<p>Narrow Network in Brevard County</p>	<p>Is a smaller performance-based physician network in Brevard County preferred and be accessible County wide and include a comprehensive primary care physician network and specialty network in Brevard County?</p>

Impact of Network

Additional Considerations

- ▶ **Patient Centered Medical Home Concept**
 - Extended access to primary care
 - Team-based approach to health care
 - Improved coordination of care
 - Coordination of screenings and gaps in care
 - Rewards for quality, cost-effective care
- ▶ **Network Discounts**
 - Strong influence in Brevard County
 - Increasing need for surrounding counties
 - Not require a significant shift in provider utilization
 - Guaranteed and able to be audited

County Direction

Additional Network Issues

Issue	Discussion
Implement a PCMH	Should the County's goal over time be to implement the patient centered medical home concept in Brevard County?
Network discounts	Network discounts are to be competitive, based on the current provider utilization. Should network discounts include financial guarantees?

Plan Issues and Plan Cost

Overview

- ▶ Cost of the Plan
 - Influenced by Plan Design and Plan Minimum Value
 - Calculated on Claim Cost of County Experience
 - Subject to Provider Network and Discounts
 - Influenced by how members access care
 - Impacted by Cost to Administer the Plan
 - Influenced by the health of the members

Health Plan Funding

Fully Insured Model

- ▶ County has fixed premium cost and carrier assumes claims risk
- ▶ Premium cost includes additional industry fees and taxes (approximately 4%)
- ▶ Premiums are typically fixed for one year
- ▶ Claims trends are primarily based on the carrier's experience

Health Plan Funding

Self-Funded Model

- ▶ The larger the group the more predictable the claims costs can be projected
- ▶ Includes stop loss insurance protection for catastrophic claims
- ▶ Administrative fees are based on a fixed employee charge per month and are guaranteed multiple years
- ▶ Insurance industry fees and premium taxes are avoided (approximately 4%)
- ▶ County has fixed administrative costs and assumes the claims risk
 - Favorable experience benefits County/builds reserves
 - County covers costs that exceed projections

County Direction

Plan Issues & Plan Cost

Issue	Discussion
Continue or change from the self-funding model	Should the County continue providing County's health plan coverage on a self-funded basis? Should the County provide health plan coverage for retirees over 65 on a fully insured basis?
Competitive carrier model for Brevard County	Should more than one carrier be included, based on desire to have all Brevard County hospitals in at least one of the networks and to have a stable network?
Inclusion of pharmacy incentive model	Should the County continue pharmacy coverage with Cigna, unless the proposing vendor can guarantee and verify savings by incorporating the pharmacy in the medical response to the RFP?



Plan Issues and Plan Cost

- ▶ Adherence Based Incentive
 - Used to encourage members to improve their health
 - Tied to incentives or penalties
 - Generally designed on program participation and leading to outcomes measurements
 - Tobacco surcharge also utilized
 - Includes alternatives for individuals not able to meet the standards
- ▶ Health Plan Offerings
 - Health Reimbursement Account plans
 - PPO Plan
 - EPO Health First

Plan Issues and Plan Cost

Adherence Based Plan

Requirement	Description	Baseline 2015 for 2016	Year 1 2016 for 2017	Year 2 2017 for 2018	Year 3 2018 for 2019	Year 4 2019 for 2020
1. Health Risk Assessment	On-line assessment	X	X	X	X	X
2. Biometric Screenings	Metrics: - Body Mass Index (BMI) of less than or equal to <=30 or 5% improvement in weight - Blood Pressure of less than or equal to <=139/89 or improve blood pressure to a healthy level - Fasting Blood Sugar of <100 mg/dl - Total cholesterol of <=239 mg/dl	X Participation for baseline data	Screenings plus movement toward achieving optimal outcome in 1 of 4 metrics: OR Complete one of the PPACA Required Biometric Outcomes Alternatives OR Submit a physician waiver or work with your Physician on an alternative activity	Screenings plus movement toward achieving optimal outcome in 2 of 4 metrics: OR Complete one of the PPACA Required Biometric Outcomes Alternatives OR Submit a physician waiver or work with your Physician on an alternative activity	Screenings plus movement toward achieving optimal outcome in 3 of 4 metrics: OR Complete one of the PPACA Required Biometric Outcomes Alternatives OR Submit a physician waiver or work with your Physician on an alternative activity	Screenings plus movement toward achieving optimal outcome in 4 of 4 metrics: OR Complete one of the PPACA Required Biometric Outcomes Alternatives OR Submit a physician waiver or work with your Physician on an alternative activity

Impact of Plan Design and Components

- ▶ ACA requires a Minimum Value (MV) of 60%
- ▶ Cost of the plan
 - The lower the MV the lower the cost to the plan
 - The lower the MV the higher the potential for gaps in care
- ▶ Cost of the plan
 - The lower the MV the lower the cost to the plan
 - The lower the MV the higher the potential for gaps in care



County Direction

Plan Issues & Plan Cost

Issue	Discussion
Adherence-based incentive model	<p>Should the County implement an adherence-based incentive to include a health risk assessment and outcomes based biometric screenings? Tobacco surcharge?</p> <p>Should adherence requirements be met to qualify for the HRA funding contribution?</p>
Continue or change Health Reimbursement Arrangement model	<p>Should the County continue to offer the HRA Plan and eliminate the PPO and EPO Plans?</p> <p>Should the County continue the HRA funding model of the base deductible, followed by the HRA, and then the remaining portion of the deductible?</p>
Minimum Value for Health Plans	<p>Should the County establish the Minimum Value target at the current value (88%)?</p>

County Cost Direction Marketplace Impact

Issue	Discussion
RFP Interest	Should the RFP be developed to encourage broad provider and vendor interest?
Influence of Marketplace	<p>Should the County seek innovative solutions that conform with the RFP and that can be evaluated for cost and quality?</p> <p>Should the County request alternative plan from the Marketplace for consideration, with carriers listing the deviations from the requested plans?</p>

County Cost Direction RFP Development

Issue	Discussion
Set RFP parameters based on direction given	Develop RFP based on the previous direction given
Proposals from Vendors	Accept proposals from vendors licensed to provide the services requested Permit vendors to subcontract services, with the proposing vendor holding the master contract
Fully insured health plan proposals	Accept fully insured health plan proposals that: meet the Plan Design requested; include cost guarantees beyond one year; include guarantees incurred claims cost ratios; and include a network that meets the established standards

County Cost Direction RFP Development

Issue	Discussion
Self-funded health plan proposals	Require self-funded cost guarantees beyond one year for: ASO fees; Network discount guarantees; Pharmacy discount guarantees
Alternative Marketplace Proposals	Permit alternative proposals from qualified vendors with the stipulation that the proposal must include specific cost and service deviations from the services requested along with guarantees for cost and performance
RFP Weighting and Importance Criteria	Rank the importance of the following areas: Service and Administration Health Plan Design Network Plan Management Cost and Guarantees

County Cost Direction RFP Development

Issue	Discussion
<p>RFP Evaluation and Recommendation</p>	<p>The Employee Benefits Insurance Advisory Committee will serve as the working committee to: approve the final scope of services; evaluate the initial proposals received and short list the vendors for further consideration; interview the short listed vendors; and make recommendations to the County.</p> <p>A workshop on the RFP will be conducted with the County prior to its release</p> <p>A workshop on the recommended actions with the County following the interview and selection by the Committee</p> <p>County action on the recommendations with take place no later than July 2015</p>

I.C

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A. History and Financial Information on Plan

B. Overview of Plans and Design

C. Seeking Commissioner Direction on Health Plan and RFP Parameters

1. County Contribution Portion of Health Plan Cost
2. Network Coverage
3. Overall Health Plan Issues and Plan Cost
4. Marketplace Impact
5. RFP Parameters and Development

D. Current County Health Plan Concepts

1. Include all Brevard County Hospitals in Health Plan
2. Provide a Competitive Health Plan Model
 - a. Member option of at least 2 carriers
 - b. One carrier to include all Brevard County Hospitals
 - c. Broad network of Brevard County physicians
3. Cost to the County
 - a. Currently Based on a % of the Plan Cost (81.8%)
 - b. Employee Only Coverage (\$29-\$38-\$71/Month) Paid by the County
 - c. Spouse and Children Coverage Subsidized by County
 - d. Retiree Coverage Subsidized by County
4. Minimum Value of Plan Design is Approximately 88%, including the HRA Funding and 81% without the HRA Funding
5. Health Plan is self-funded with Stop Loss Insurance protection
6. Health Plan has a carve-out pharmacy program
7. County Has Maintained Good to Excellent Coverage for Employees and Dependents

E. Health Plan Cost Overview

1. Factors Impacting Cost
 - a. Health Care Reform
 1. Employee Eligibility for Coverage Based on Average of 30 Hours Worked per Week
 2. Lowest Minimum Value of Health Plan is 60%
 3. Employee Only Deduction Cannot Exceed 9.5% of Lowest Eligible Employee Annual Salary or 100% of Federal Poverty Level (\$11,670)

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- b. Florida Statute Requirements for Retiree Coverage
 - 1. Retirees Must be Offered the Same Health Plans as Active Employees at a Premium That is no More than the Active Employee Premiums
 - 2. Retirees Eligible for Medicare May be Experienced Rated Separately as Long as the Premium is no More Than the Active Employee Premium and the Coverage is Basically the Same
 - 3. Protected by Stop Loss Insurance for Catastrophic Cases
- 2. Cost of the Plan (County and Employee Premiums Projected at \$56.43 million)
 - a. Influenced by Plan Design (Currently Minimum Value of approximately 88%)
 - b. Calculated on Claim Cost of County Experience
 - c. Subject to Provider Network and Discounts
 - d. Impacted by Amount Spent on Administration
- 3. Cost to the County (Currently Projected at \$46.15 million or 81.8% of Plan Cost, and includes \$3.0 million HRA Contribution)
 - a. County Cost Currently Based on a % of the Plan Cost
 - b. Employee Only Coverage Primarily Paid by the County (EE \$29-\$38-\$71/Month)
 - 1. Subtracting the Employee Cost and deductions from the County Cost for 3,924 funded Employees, \$15.88 million remains and is used to subsidize Dependent and Retiree coverage
 - c. Spouse and Children Coverage Subsidized by County
 - 1. Subtracting the Spouse deductions from the Spouse Cost, \$7.22 million of County Cost is used to subsidize 1,225 Spouses
 - 2. Subtracting the Children deductions from the Children Cost, \$8.2 million of County Cost is used to subsidize 2,692 Children
 - d. Retiree Coverage Subsidized by County
 - 1. Subtracting the Retiree under 65 deductions from the Retiree Cost, \$0.9 million of County Cost is used to subsidize 386 Retirees under 65
 - 2. Subtracting the Retiree over 65 deductions from the Retiree Cost, \$1.5 million of County Cost is used to subsidize 608 Retirees over 65
 - e. Includes Health Reimbursement Arrangement that is pro-rated based on employee salary
- 4. Total Cost of the Health Plan Including Member Expenses (\$70.48 million)
 - a. Premium Cost and HRA Cost to County is \$46.15 million
 - b. Premium Deductions from Employees and Retirees is \$10.28 million
 - c. Projected Claims cost, above Premiums, is \$1.94 million
 - d. Out of Pocket Payments by Members is estimated at \$12.11 million

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F. Health Plan Funding

1. Self-Funded Model
 - a. County Has a Fixed Administrative Cost and Assumes the Claims Risk
 1. Favorable Claims Experience Benefits the County and Builds Reserves
 2. Higher Than Projected Claims Are the County's Responsibility
 - b. Administrative Fees Are Based on a Fixed Employee Charge per Month and Guaranteed for Several Years
 - c. Premium Taxes Are Lower by Approximately 4%
 - d. The Larger the Group, the More Predictable the Claims Cost Can be Projected
2. Fully Insured Model
 - a. County Has Fixed Premium Cost and Carrier Assumes Claims Risk
 - b. Premium Cost Includes Additional Taxes of Nearly 4%
 - c. Premiums are Only Fixed for 1 Year
3. The Health Plan (self-funded) Includes Stop Loss Insurance protection
4. County Monthly Contribution for 2015 is \$980.17 for Each Full Time Budgeted Staff Position

G. Impact of Plan Design and Components

1. To meet Health Care Reform requirements, the Health Plan must have a Minimum Value of 60% (Show example)
2. Cost of the Plan
 - a. The lower the MV, the lower the cost of the Plan
 - b. The lower the MV, the higher the potential for gaps in care
3. Inclusion of Pharmacy benefit with Medical benefit
 - a. Consolidate pharmacy with medical if cost effective
4. Implementation of Patient Centered Medical Home concept
 - a. Need for expanded access of primary care services
 - b. Need for extended hours and weekend appointments
 - c. Coordination of screenings and gaps in care
5. Coverage Options for Retirees Eligible for Medicare
 - a. Provide Medicare Supplement Plan N and a comprehensive pharmacy plan as the County's sponsored plans for Medicare eligible retirees
 - b. County funding to be based on the sponsored plans with buy-up options
6. Programs to Encourage Optimal Health
 - a. Incentive programs beginning with program participation and progressing to outcomes
 - b. Tobacco surcharge
 - c. Comprehensive programs on disease or illness states

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H. Impact of Claims Experience

1. Cost of claim
 - a. Based on network discounts
 - b. Influenced by place of service
2. Claims Utilization
 - a. Impacted by disease and case management programs
 - b. Influenced by member education on options
 - c. Impacted by carrier interaction with member
3. Health of Members
 - a. Access to screenings and age and gender screenings
 - b. Identification and action on controllable risk factors
 - c. Education on importance
4. Cost of Plan based on the claims experience of Plan members
5. Influence of the Marketplace

I. Impact of Network

1. Importance of coverage in all Brevard County hospitals
2. Broad versus Narrow Network
 - a. Potential cost differences
 - b. Impact on accessibility
3. Network Coverage
 - a. Strong influence in Brevard County
 - b. Increasing need in surrounding Counties
 - c. Need for statewide and national coverage for more than emergencies
 - d. Need for Centers of Excellence
4. Influence of the Marketplace

J. Direction for Health Plan RFP

1. County Cost
 - a. Continue or change Dependent premium reimbursements
 - b. Continue or change Retiree premium reimbursements
 - c. Continue or change County funding model, currently % of Total Premium
 - d. Continue or change Employee Only member cost (\$29-\$38-\$71/Month)
2. Network Coverage
 - a. Strong influence in Brevard County and coverage in all Hospitals
 - b. Interest in statewide and national coverage for more than just emergencies
 - c. Interest in Centers of Excellence

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3. Plan Issues and Plan Cost
 - a. Determine Plan or Plans to be offered
 - b. Determine status of Pharmacy benefit
 - c. Determine adherence based incentive model
 - d. Determine Patient Centered Medical Home inclusion
 - e. Continue or change self-funding arrangement for the Health Plan
 - f. Determine continuation of Competitive Plan model of at least 2 carriers
 - g. Determine Minimum Value target

4. Marketplace Impact
 - a. Develop RFP to encourage broad provider and vendor interest
 - b. Request alternative Marketplace Plan to include deviations from RFP parameters

5. RFP Development
 - a. Set RFP parameters based on direction given
 - b. Require fully insured proposal guarantees on health plan premiums and costs for more than one year
 - c. Require self-funded guarantees beyond one year
 1. ASO fees
 2. Network discount guarantees
 3. Pharmacy guarantees
 - d. Weighting and Importance Criteria
 1. Service and Administration
 2. Health Plan Design
 3. Network
 4. Plan Management
 5. Cost and Guarantees
 - e. Evaluation and recommendation for approval criteria



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999
January 28, 2015

Telephone: (321) 637-2001
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MEMORANDUM

TO: Frank Abbate, Human Resources Director

RE: Brevard County Health Plan

The Board of County Commissioners, in special session on January 22, 2015, directed staff as follows:

- Implement a Medicare Supplement Plan with a comprehensive pharmacy plan as the only County sponsored plans available to Medicare eligible retirees for plan year 2016
- Draft a Request for Proposals (RFP) that requests proposals for a narrow network health plan design offered by a single health plan provider with a five-year cost guarantee
- Draft an RFP that requests proposals for a broad network health plan design that includes all three Brevard County Hospital systems offered by a single health plan provider with a five-year cost guarantee
- Implement an adherence-based incentive plan to include health risk assessments and biometric screening requirements which must be met in order to qualify for Health Reimbursement Account (HRA) funding contributions

The Board additionally directed staff as follows:

- Maintain family coverage levels with proportionate contributions as they exist currently to provide stability to employees following the 2015 plan designs already implemented
- Maintain the current funding mechanism for non-Medicare eligible retirees (i.e. premium increases at 1.5x employee increases)
- Maintain current level of Health Reimbursement Account (HRA) funding
- Draft an RFP that uses the current program as a base line option and allow for deviations from that base line to be proposed
- Draft an RFP that encourages use of innovative methods

Your continued cooperation is greatly appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Etheridge
Tammy Etheridge, Deputy Clerk

cc: County Manager

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Direction for Health Plan RFP

1. County Cost

Issue	Discussion	County	Impact	Board Position
			Member	
a Continue or change Employee Only member cost (\$29-\$38-\$71/Month)	Continue funding the Employee portion at the current 93.6% level for the 2016 Plan Year	Each 1% change = \$308,000	EE Premium increase of 15.7% needed for each 1% ER change	
b Continue or change Dependent premium reimbursements	Continue funding the Child(ren) at the current 88.2%% level for 2016	Each 1% change = \$104,000	EE Premium increase of 8.5% needed for each 1% ER change	
c. Continue or change Retiree under 65 premium reimbursements	Increase Retiree funding level to the Active Employee and Dependent Vested Premium rates by 2017	Each 1% change = \$95,000	EE Premium increase of 5.9% needed for each 1% ER change	
d Continue or change Retiree over 65 premium reimbursements	Implement a Medicare Supplement Plan and Comprehensive pharmacy plan as the County's sponsored plan	County savings of \$280,000 per year	Average premium increase of 13% each year	
		County savings of \$1.5 million		

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2. Network Issues

	Issue	Discussion	Board Position
a.	Importance of coverage in all Brevard County hospitals	Network coverage must include all Brevard County hospitals	
b.	Regional, statewide, and national coverage	Network coverage must include regional, statewide, and national networks for more than just emergency care	
c.	Narrow Network in Brevard County	A smaller performance-based physician network in Brevard County is preferred however it must be accessible County wide and include a comprehensive primary care physician network and specialty network in Brevard County	
d.	Implement a PCMH	The County's goal over time is to implement the patient centered medical home concept in Brevard County	
e.	Network discounts	The patient centered medical home concept will be developed using Brevard County providers and facilities Network discounts are to be competitive, based on the current provider utilization, and include financial guarantees	
f.	Other		

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Issue	Discussion	County	Impact Member	Board Position
	Monthly premiums to be 100% paid by Retiree		Monthly premiums to average about \$320 (currently \$344) for Plan N with Comp. Rx	
e	Continue or change spousal surcharge	Impact of \$246,000		
f.	Continue or change the Health Reimbursement Arrangement	Impact of approximately \$3.0 million annually	Premium reduction of \$148,000	
g	Continue or change % of County Cost	Current estimate of 8% increase	Current estimate of 8% increase	

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3. Plan Issues and Plan Cost

Issue	Discussion	Board Position
a. Continue or change from the self-funding model	Continue providing County's health plan coverage for on a self-funded basis Provide health plan coverage for retirees over 65 on a fully insured basis	
b. Competitive carrier model for Brevard County	More than one carrier will be included based on desire to have all Brevard County hospitals in at least one of the networks	
c. Inclusion of pharmacy with medical carrier	The pharmacy carrier will continue to be Cigna, following their selection in 2014, unless the vendor can guarantee and verify savings by incorporating the pharmacy in the medical response to the RFP.	
d. Adherence-based incentive model	Implement an adherence-based incentive to include a health risk assessment and outcomes based biometric screenings Adherence requirements need to be met to qualify for the HRA funding contribution	
e. Continue or change Health Reimbursement Arrangement model	Continue to offer the HRA Plan and eliminate the PPO and EPO Plans	
f. Minimum Value target for Health Plans	Continue the HRA funding model of the base deductible, followed by the HRA, and then the remaining portion of the deductible	
g. Other	Establish the Minimum Value target at the current value (88%)	

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4. Marketplace Impact

Issue	Discussion	Board Position
a. RFP Interest	Develop RFP to encourage broad provider and vendor interest	
b. Influence of Marketplace	Seek innovative solutions that conform with the RFP and that can be evaluated for cost and quality Request alternative plans from the Marketplace for consideration, with carriers listing the deviations from the requested plans	
c. Other considerations		
d.		

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5. RFP Development

	Issue	Discussion	Board Position
a.	Set RFP parameters based on direction given	Develop RFP based on the previous direction given	
b.	Proposals from Vendors	Accept proposals from vendors licensed to provide the services requested Permit vendors to subcontract services, with the proposing vendor holding the master contract	
c.	Fully insured health plan proposals	Accept fully insured health plan proposals that: meet the Plan Design requested; include cost guarantees beyond one year; include guaranteed incurred claims cost ratios; and include a network that meets the established standards	
d.	Self-funded health plan proposals	Require self-funded cost guarantees beyond one year for: ASO fees; Network discount guarantees; Pharmacy discount guarantees	
e.	Alternative Marketplace Proposals	Permit alternative proposals from qualified vendors with the stipulation that the proposal must include specific cost and service deviations from the services requested along with guarantees for cost and performance	

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f.	RFP Weighting and Importance Criteria	Rank the importance of the following areas: Service and Administration Health Plan Design Network Plan Management Cost and Guarantees	
9.	RFP Evaluation and Recommendation	The Employee Benefits Insurance Advisory Committee will serve as the working committee to: approve the final scope of services; evaluate the initial proposals received and short list the vendors for further consideration; interview the short listed vendors; and make recommendations to the County. A workshop on the RFP will be conducted with the County prior to its release A workshop on the recommended actions with the County following the interview and selection by the Committee County action on the recommendations will take place no later than July 2015	
h.	Other considerations		