



# Agenda Report

2725 Judge Fran Jamieson  
Way  
Viera, FL 32940

## Unfinished Business

I.1.

8/25/2020

### 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

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:



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

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Kimberly.Powell@brevardclerk.us

August 26, 2020

**M E M O R A N D U M**

TO: Jerry Visco, Human Resources Director

RE: Item I.1. 2021 Group Health Plan Design Changes

The Board of County Commissioners, in regular session on August 25, 2020, approved 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).

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

*Kimberly Powell*  
Kimberly Powell, Clerk to the Board

/cld

cc: Budget  
Finance



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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 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 |
| Projected Gain/-Loss | -\$5,223,000 | -\$9,159,000 |

### 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 <ul style="list-style-type: none"> <li>a. Cigna Holiday (-\$427,000)</li> <li>b. HFHP Base Fee Adjustment (-\$110,000)</li> </ul> Enhancements:<br><u>Cigna</u> : Onsite Clinical Resource; OneGuide; HMCM; Access to discounted gym membership for all members; Preferred High-Tech Radiology and ASC networks<br><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<br>a. HCMCM Basic<br>b. HCMCM Preferred  | a. -\$340,000<br>b. -\$880,000 | Recommendation: Basic HCMCM  |
| 4. Pharmacy - Enhanced Specialty Solutions<br>a. First Fill at Accredo for specialty meds<br>b. Out-of-Pocket Adjuster Program<br>c. SaveOnSP  | -\$401,000                     | Recommendation: Proceed as outlined  |
| 5. Retain 3 Plans with Changes Illustrated Below<br>a. Determine # of Carriers for each plan<br>b. Rename Plan Options<br>i. EPO<br>ii. PPO Plus<br>iii. PPO Preferred   | -\$680,000                     | Recommendation to rename the 3 plans as EPO, PPO and PPO Preferred<br><br>Recommendation for each plan's carriers:<br>HFHP: EPO & PPO<br>Cigna: EPO, PPO, PPO Preferred  |
| 6. Lower Annual Deductibles and Disconnect HRA from plans<br>a. Contract with TASC<br>b. Change contribution to \$500 individual / \$1,000 family<br>c. No up-front deductible<br>d. Limit to covered medical and pharmacy expenses<br>e. Cap at plan Out-of-Pocket Maximum<br>f. No HRA credit until accumulated balance falls below HRA limits (OOP max) | -\$1,156,000                   | Recommendation:<br>a. Disconnect HRA from health plan and contract with TASC;<br>b. Change contribution to \$500 individual / \$1,000 family;<br>c. No up-front deductible;<br>d. Limit to covered medical and pharmacy expenses;<br>e. Cap HRA at \$8,000 (family OOP Max);<br>f. No HRA credit until accumulated balance falls below \$8,000 cap |
| 7. Increase Employee Rates 2%  | \$150,000                      | Recommendation not to move forward   |
| <b>Total Estimated Impact</b>  | <b>-\$3,384,000</b>            |  |
| <b>Notes:</b>  |                                |  |

**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<br>HRA – In and Out-of-Network   | EPO – In-Network Only<br>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<br>\$35k-\$70k: \$750/\$1,500<br>>\$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)<br>\$1,000/\$2,000 (no wellness)                        | \$600/\$1,200 (wellness)<br>\$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<br>\$6,000/\$12,000 Out-of-Net (HRA plan only)<br>\$3,600/\$7,200 Rx | \$4,000 /\$8,000 Med In-Net<br>\$8,000/\$16,000 Out-of-Net (HRA plan only)<br>\$3,600/\$7,200 Rx | \$2,000 /\$4,000 Med In-Net<br>\$4,000 /\$8,000 Out-of-Net<br>\$3,600/\$7,200 Rx | \$3,000 /\$6,000 Med In-Net<br>\$8,000 /\$12,000 Out-of-Net<br>\$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<br>Deductible + Coinsurance                          | \$30 Copay Preferred Urgent Care Network or<br>Deductible + Coinsurance                          | \$30 Copay Preferred Urgent Care Network or<br>Deductible + Coinsurance          | \$30 Copay Preferred Urgent Care Network or<br>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<br>Deductible + Coinsurance                             | Deductible + Coinsurance   | \$125 Copay Preferred Surgery Network or<br>Deductible + Coinsurance              |
| Advanced Radiology (e.g. MRI, CT, PET) | Deductible + Coinsurance   | \$125 Copay Preferred Radiology Network or<br>Deductible + Coinsurance                           | Deductible + Coinsurance   | \$125 Copay Preferred Radiology Network or<br>Deductible + Coinsurance            |