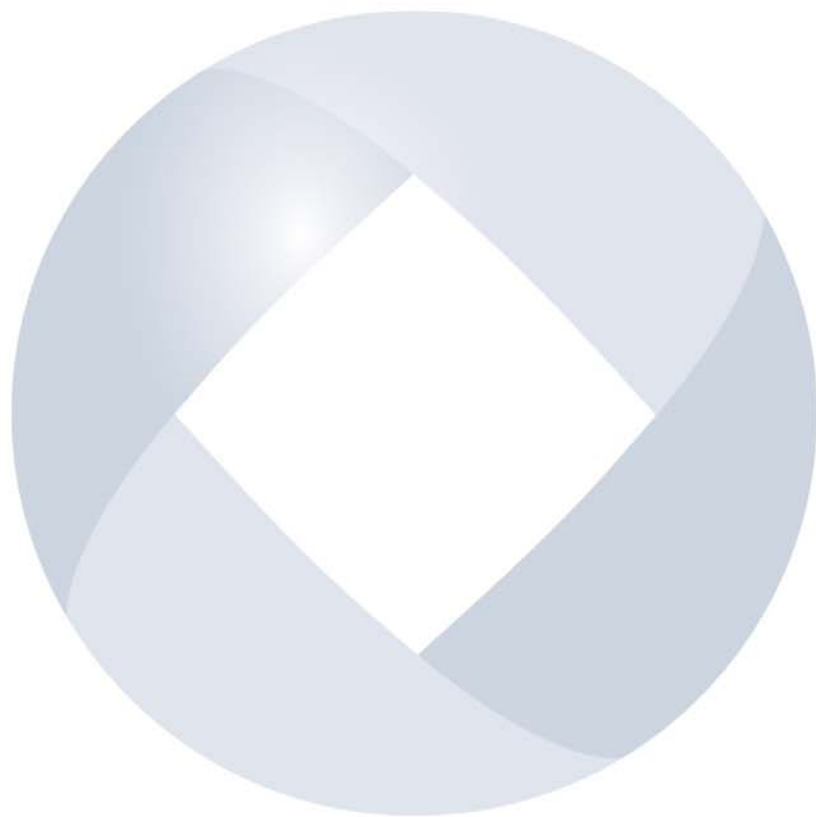


BCC INFORMAL REGULAR SESSION

DATE: Wednesday, October 8, 2014

<u>NAME</u>	<u>TITLE</u>	<u>AFFILIATION</u>	<u>PHONE/EMAIL ADDRESS</u>
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2. <u>[Signature]</u>	<u>Amesbury</u>	<u>DRC</u>	<u></u>
3. <u>Robert Williams</u>	<u>Commun. Coord.</u>	<u>OPI</u>	<u></u>
4. <u>Bob Sand</u>	<u>BCC</u>	<u>BCC</u>	<u></u>
5. <u>Steve Ash</u>	<u>Horan</u>	<u>Horan</u>	<u></u>
6. <u>Sandy Tarrant</u>	<u></u>	<u>DJFS</u>	<u></u>
7. <u>Andy Kusler</u>	<u>ED Director</u>	<u>CED</u>	<u></u>
8. <u>Krishn Raver</u>	<u>Reporter</u>	<u>Clement Sun</u>	<u></u>
9. <u></u>	<u></u>	<u></u>	<u></u>
10. <u></u>	<u></u>	<u></u>	<u></u>
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Clermont County
2015 Renewal Recommendations
October 8, 2014
Steve Ashe, CEBS, Account Manager



1. Final Medical Renewal

- Final Humana Administration and Stop Loss Renewals
- Final 2015 Total Projected Medical Costs

2. Recommended Strategies

- Plan changes
- Premium and Health Savings Account Contributions
- Primary Care Physician Program (execute in 2014/15 and impact premiums 2016)
- Spousal Surcharge

3. Recommended Medical Premium Contributions

4. Dental Care Plus

- Final Dental Care Plus Renewal and 2015 Total Projected Dental Costs
- Employee Contributions

5. EyeMed Vision

- Final EyeMed Renewal

6. Voya, Park National, Chard Snyder and EAP Renewals

7. Final COBRA Administration Recommendation

Humana delivered their administration and stop loss renewals for 2015:

- **Administration:** Humana originally delivered a 4% increase to administration with a 4% cap in 2016 and 4% cap in 2017. After negotiations with Humana, they lowered their renewal to a 2.3% increase for administration with a 2.5% cap for 2016 and 2.5% cap in 2017.
- **Specific Deductible Stop Loss:** Humana originally delivered a 19.97% increase in specific stop loss and a 4.9% increase to aggregate stop loss. After initial discussions with Humana, they lowered their renewal to an 18.3% increase to the specific deductible. Humana agreed to further reduce the stop loss renewal due to Clermont County not marketing the plan for a final increase of 17.4%.
 - Increase is due to Humana paying out \$1,900,000 in stop loss reimbursement for 2013.
- **Aggregate Stop Loss:** The aggregate deductible increase called for a 20% so the business decision was made to offer the original 4.8%. They are unable to reduce the aggregate renewal any further.

2015 Total Expected Costs

- Previously the projection included data through July and total medical costs were expected to increase 7.9%, \$885,923.
- HORAN updated the projection with claims data through August and total medical costs are expected to increase 7.3%, \$826,853. The increase includes claims, Humana’s administration and stop loss (specific and aggregate) renewals and health care reform taxes/fees.

	2014 Annual	2015 Annual	% Change	\$ Change
Administration	\$570,367	\$583,419	2.3%	\$13,052
Specific Stop Loss	\$818,738	\$961,171	17.4%	\$142,433
Aggregate Stop Loss	\$31,933	\$33,454	4.8%	\$1,521
Expected Claims	\$9,676,662	\$10,393,321	7.4%	\$716,660
HCR Taxes/Fees	\$161,525	\$114,713	-29.0%	-\$46,812
TOTAL	\$11,259,225	\$12,086,078	7.3%	\$826,853

Does not include the County \$120,000 administration fee
Assumes plans are HCR and IRS compliant

- Clermont County’s total cost increase is below carrier trends which range from 10-15%
- Humana trend has increased since last month and is approximately 12-14%

Clermont County will continue to pay Health Care Reform taxes and fees, but total fees have decreased. In addition there are a few benefit changes and eligibility issues Clermont County will need to comply with:

Taxes & Fees:

- Transitional Reinsurance Plan (TRP) fee which has decreased in 2015 from 2014 (\$63 to \$44 per member per year)
- Patient Centered Outcome Research Institute (PCORI) fee which has increased (\$2.00 to \$2.13 pmpy).

Benefits & Eligibility:

Benefit	Explanation	HORAN Recommendation
Eligibility	If an employee is terminated and reinstated within 13 weeks the person can't be subject to a benefits waiting period	Update eligibility if needed Why: PPACA
Eligibility	Employees working 30 or more hours must be offered medical benefits	Update eligibility if needed Why: PPACA
HDHP Deductibles	Embedded deductibles must have a minimum single deductible of \$2,600 IRS regulation to keep HSA compliant	Increase deductibles to \$2,600/\$5,200 Why: HDHP and HSA Rules and remain at 2x single deductible
Breast cancer drugs and lung cancer screenings	Breast cancer drugs and lung cancer screening must be covered at 100%	Cover at 100% Why: PPACA
Residential treatment	Must include Residential treatment (Methadone Clinics) coverage under the plans	Include Why: Mental Health Parity
Smoking Cessation Drugs	Tobacco Cessation drugs must be covered at \$0 copay	Cover at 105% Why: PPACA

In order to reduce the total projected increase HR, Health Care Advisory Committee and HORAN met on two separate occasions to discuss various strategies. The following strategies are being recommended:

- **Plan Changes**
 - Four plan changes that are projected to save approximately \$279,000
- **Premium and Health Savings Account (HSA) Contributions**
 - Increase in employee and county contributions for both the NPOS and HDHP plans
 - County contributions to the HSA
- **Primary Care Physician (PCP) Initiative**
 - Move forward with the PCP initiative
 - Discount employee premiums in 2016 by \$5 per pay Single and Employee + Child(ren) tiers; \$10 per pay Employee + Spouse and Family tiers
- **Spousal Surcharge**
 - No change in the spousal surcharge amount (currently at \$50 per month)

Four plan changes expected to save approximately \$279,000:

Current Benefit	Plan Change
NPOS Deductible \$750 / \$1,500	NPOS Deductible \$1,000 / \$2,000
NPOS Emergency Room Copay \$150	NPOS Emergency Room Copay \$200
NPOS 90 day retail Rx copay 2x retail	NPOS 90 day retail Rx copay 3x retail
Proton Pump Inhibitors covered	Proton Pump Inhibitors covered as medical necessity

Proposed employee contributions per pay period for both the NPOS and HDHP plans.

	2014 NPOS	2015 NPOS	2014 HDHP	2015 HDHP
Single	\$25.67	\$32.79	\$20.33	\$21.96
EE + Spouse	\$102.93	\$111.23	\$81.49	\$79.66
EE + Child(ren)	\$85.78	\$92.70	\$67.91	\$66.39
Family	\$123.24	\$149.82	\$97.56	\$105.42

County Contributions to the HSA:

- \$600 Single
- \$1,200 Employee + Child(ren); Employee + Spouse; Family

Encourage employees and spouses to receive a wellness exam/physical with their PCP. The PCP will sign off on a form indicating the member had his/her wellness exam/physical. Participation qualifies them for a percent or dollar reduction to premiums.

This strategy will provide several benefits for Clermont County and your members:

- Promote a relationship between participants and their PCP, which will help steer care to the PCP rather than higher cost sources such as the ER.
- Incent employees to develop a relationship with a PCP, which will promote better coordination of care.
- Potential large claimants will be identified sooner when the cost of care / outcomes is more positive.
- Preventive services are at no cost to employees. Clermont would pay the cost as a claim, but this is a positive place to spend money.

Both the employee and spouse need to turn in signed vouchers confirming they met with their PCP and received an annual physical / age appropriate services. Those who do not turn in the Voucher will not receive the premium discount in 2016.

Below is a timeline to execute the program:

- **October 2014:** Communicate the program requirements during Open Enrollment
- **November 2014 through October 2015:** Employees receive their annual physical and turn in the signed PCP voucher form to qualify for discounted contributions
- **January 2016:** Employees receive discounted contributions for participation
 - Single and Employee + Child(ren) tiers receive \$5 discount per pay; \$120 annually
 - Family and Employee + Spouse tiers receive a \$10 discount per pay; \$240 annually
 - Family/Employee + Spouse must both turn in vouchers to receive the full discount. No partial discount for only the employee or only the spouse turning in the voucher.

HORAN negotiated a rate hold guaranteed for two years for the administration costs.

- Previously the projection included data through July and total dental costs were expected to increase 5.0%, \$25,122
- HORAN updated the dental projection with data through August and total dental costs are expected to increase 5.8%, \$28,609. The increase includes claims and DCP's administration.
- Recommendation is to remain at two tier enrollment for 2015 and explore 4 tier enrollment again in 2016

Below are the 2015 per pay employee contributions for dental:

Dental Contributions		
<u>Tier</u>	<u>Current Rates</u>	<u>Renewal Rates</u>
Single	\$12.55	\$13.04
Family	\$35.15	\$37.35

EyeMed initially delivered a 3% increase to current rates. After negotiations, EyeMed has offered a four year rate hold on current rates.

- Recommendation is to remain at two tier enrollment for 2015 and explore 4 tier enrollment again in 2016

- **Voya:** Basic Life and AD&D, Voluntary Life and AD&D and LTD are under rate guarantees until 1/1/16.
- **Park National:** Park National Bank will continue offering a no cost HSA.
- **Chard Snyder:** Chard Snyder is under rate guarantee until 1/1/16.
- **TriHealth:** EAP renews January 1, 2015 and the renewal is expected October 1, 2014.

Currently COBRA is administered internally through HR

- Recommendation is the P&A Group effective January 1, 2015
 - Annual expected cost is \$4,630
 - Rates are guaranteed for three years
 - Utilizing a COBRA administrator to reduce administrative burden and limit any liability

Health Care Reform mandates all employees working 30 or more hours are considered full-time and offered medical coverage.

To track whether an employee is full-time health care reform has outlined a process for measuring employee hours. For current employees Clermont County has chosen the below *Standard* (ongoing) process. All employees will eventually fall into the *Standard* measurement process:

- For current employees Clermont County has chosen a 12 month measurement period, 2 month administrative period and 12 month stability period.
 - Measurement Period: 11-01-13 thru 10-31-14
 - Administrative Period: 11-01-14 thru 12-31-14
 - Stability Period: 01-01-15 thru 12-31-15

- A new hire reasonably expected to work 30 or more hours per week is considered full-time (FT).
- Coverage waiting period cannot be more than 90 days (Clermont County current waiting period is first of the month following 60 days).
- Will be considered FT until completion of a full measurement period in the *Standard* (ongoing) employees.

- Clermont County will use a 12 month measurement period, 30 day administrative period* and 12 month stability period.
 - Measurement will begin the first of the month following date of hire.
- Variable hour employees will also have to be counted in the County's *Standard* measurement period when the Standard measurement period begins again.

* If you have a 12 month measurement period for variable hour new hires, your admin period cannot be more than 30 days as you have to offer employees coverage by the first day of the 14th month of employment.

Questions