

Board of County Commissioners

Agenda Request

Date of Meeting: August 2, 2016

Date Submitted: July 19, 2016

To: Honorable Chairperson and Members of the Board

From: Robert M. Presnell, County Administrator
Insurance Committee

Subject: Approval of Health Insurance Rates/Options

Statement of Issue:

This agenda item provides the Board with proposed health insurance information as it relates to the County's current health care coverage and seeks Board approval to accept the Insurance Committee's recommendation of remaining with the current healthcare plan (Capital Selection) under Capital Health Plan and share the premium increase between the employee and the employer at the current percentage contribution.

Background:

Capital Health Plan is the health insurance provider for the Board and currently offers a four tier program to employees under the Capital Selection plan. Currently the Board pays 85% of the insurance premium for single coverage, 70% for employee plus spouse and employee plus dependent, and 75% of the family coverage premium.

Analysis:

Capital Health Plan presented a renewal premium for the Capital Selection plan with an increase of 8.5%. There was also an option presented that would increase the prescription co-pays as well as co-pays for physician visits, specialists, CT/MRIs, outpatient procedures, emergency room visits, and inpatient hospital admittance.

The new insurance rates offered by Capital Health Plan to the Board have been reviewed by the insurance committee. The renewal option will increase the monthly premiums by 8.5 percent and the prescription endorsement would remain at \$15/30/50/50. All other co-pays would remain as they are currently.

The insurance committee voted unanimously to remain with the current plan, Capital Selection, and share the premium increase between the employee and the employer at the current percentage contribution.

The insurance committee recommendation would result in the Board's and Constitutionals' premiums increasing monthly from \$452.48 to \$491.02 for single coverage, from \$745.28 to 808.72 for employee + spouse coverage, from \$633.50 to \$687.42 for employee + dependent children coverage, and from \$1,197.76 to \$1,299.74 for family coverage. This recommendation would be an annual increase of \$174,568.32 for the Board.

Additionally, the insurance committee suggested a possible alternate option that would result in the employee's contribution increasing by 3% and the Board's contribution decreasing by 3%. This option would increase the Board's monthly contribution for single coverage from \$452.48 to \$473.68, from \$745.28 to \$774.06 for employee + spouse, from \$633.50 to \$657.96 for employee + dependent(s), and from \$1,197.76 to \$1,247.74 for family coverage. This recommendation would be an annual increase of \$88,469.04 for the Board.

Fiscal Impact:

The fiscal impact would be included in the FY 2016/2017 budget upon direction from the Board:

Recommendation

Type of Coverage	Current Employees With Coverage	Current Monthly/Annual Cost	Proposed Monthly/Annual Cost	Total Increase Monthly/Annually
Single	159	\$71,944.32	\$78,072.18	\$6,127.86
Employee + Spouse	31	\$23,103.68	\$25,070.32	\$1,966.64
Employee + Dependents	27	\$17,104.50	\$18,560.34	\$1,455.84
Family	49	\$58,690.24	\$63,687.26	\$4,997.02
	Monthly Totals	\$170,842.74	\$185,390.10	\$14,547.36
	Annual Totals	\$2,050,112.88	\$2,224,681.20	\$174,568.32

Alternate Option

Type of Coverage	Current Employees With Coverage	Current Monthly/Annual Cost	Proposed Monthly/Annual Cost	Total Increase Monthly/Annually
Single	159	\$71,944.32	\$75,315.12	\$3,370.80
Employee + Spouse	31	\$23,103.68	\$23,995.86	\$892.18
Employee + Dependents	27	\$17,104.50	\$17,764.92	\$660.42
Family	49	\$58,690.24	\$61,139.26	\$2,449.02
	Monthly Totals	\$170,842.74	\$178,215.16	\$7,372.42
	Annual Totals	\$2,050,112.88	\$2,138,581.92	\$88,469.04

Options:

1. Approve the Insurance Committee's recommendation.
2. Approve the Alternate Option.
3. Do not approve the Insurance Committee's recommendation.
4. Board direction.

County Administrator's Recommendation:

Option 1

Attachments:

1. Proposed 2016-2017 CHP Rates
2. Capital Health Plan Renewal Rates Letter

2016-2017 Proposed Capital Health Plan Rates

**Current Plan
Capital Selection
\$15/\$30/\$50 Rx**

	Employee Rate/Percentage %		Board Rate/Percentage %		Total
Single	\$39.93bw/\$79.86mon	15%	\$452.48	85%	\$532.34
Single + Spouse	\$159.70bw/\$319.40mon	30%	\$745.28	70%	\$1,064.68
Single + Dep's	\$135.75bw/\$271.50mon	30%	\$633.50	70%	\$905.00
Family	\$199.63bw/\$399.26mon	25%	\$1,197.76	75%	\$1,597.02
Current Employees Board's Portion:					
	Single: 159	Single +Spouse: 31	Single + Dep: 27	Family: 49	
Board's Monthly Cost:	\$71,944.32	\$23,103.68	\$17,104.50	\$58,690.24	
Board's Annual Cost:	\$863,331.84	\$277,244.16	\$205,254.00	\$704,282.88	
Board's Annual Cost - \$2,050,112.88					

Recommendation – Shared Premium, % Contribution Remaining the Same – 8.5% Increase

**Current Plan
Capital Selection
\$15/\$30/\$50/\$50 Rx**

	Employee Rate/Percentage %		Board Rate/Percentage %		Total
Single	\$43.32bw/\$86.64mon	15%	\$491.02	85%	\$577.66
Single + Spouse	\$173.30bw/\$346.60mon	30%	\$808.72	70%	\$1,155.32
Single + Dep's	\$147.31bw/\$294.62mon	30%	\$687.42	70%	\$982.04
Family	\$216.62bw/\$433.24mon	25%	\$1,299.74	75%	\$1,732.98
Current Employees Board's Portion:					
	Single: 159	Single +Spouse: 31	Single + Dep: 27	Family: 49	
Board's Monthly Cost:	\$78,072.18	\$25,070.32	\$18,560.34	\$63,687.26	
Board's Annual Cost:	\$936,866.16	\$300,843.84	\$222,724.08	\$764,247.12	
Board's Annual Cost - \$2,224,681.20					
Board's Annual Contribution would increase by- \$174,568.32					

Alternate Option – Shared Premium, 3% Contribution Increase for Employee – 8.5% Increase

**Current Plan
Capital Selection
\$15/\$30/\$50/\$50 Rx**

	Employee Rate/Percentage %		Board Rate/Percentage %		Total
Single	\$51.99bw/\$103.98mon	18%	\$473.68	82%	\$577.66
Single + Spouse	\$190.63bw/\$381.26mon	33%	\$774.06	67%	\$1,155.32
Single + Dep's	\$162.04bw/\$324.08mon	33%	\$657.96	67%	\$982.04
Family	\$242.62bw/\$485.24mon	28%	\$1,247.74	72%	\$1,732.98
Current Employees Board's Portion:					
	Single: 159	Single +Spouse: 31	Single + Dep: 27	Family: 49	
Board's Monthly Cost:	\$75,315.12	\$23,995.86	\$17,764.92	\$61,139.26	
Board's Annual Cost:	\$903,781.44	\$287,950.32	\$213,179.04	\$733,671.12	
Board's Annual Cost - \$2,138,581.92					
Board's Annual Contribution would increase by- \$88,469.00					



July 14, 2016

Mr. Arthur Lawson
Gadsden County

Dear Mr. Lawson:

We are pleased to submit the 2016 Capital Health Plan renewal rates for the employees of Gadsden County BOCC. These rates are effective October 1, 2016. The renewal rates do not include any of these changes listed below if enacted after the date of this letter and the effective date:

- 1) Changes from the associated plan designs previously provided
- 2) Changes mandated or made available by State and Federal Regulations
- 3) Changes in eligibility
- 4) Changes in the Anniversary Date
- 5) Significant changes in Demographics (15% or more)

The following are the renewal rates for the current plan option and two alternate plans. These rates continue to reflect costs well below national trends.

Capital Health Plan	Employee	Employee + Spouse	Employee + Child(ren)	Employee + Family	Rate Increase
Current Plan Capital Selection \$15/\$30/\$50 Rx	\$577.66	\$1,155.32	\$982.04	\$1,732.98	8.5%
Alternate Large Group Capital Selection Plan \$15/\$50/\$100 RX	\$567.17	\$1,134.34	\$964.20	\$1,701.51	6.5%

Capital Health Plan has partnered with Gadsden County BOCC to meet the health care needs of its employees and their families for almost 22 years. CHP considers Gadsden County BOCC to be a key business partner and take seriously our responsibility to manage its employee health benefits and administrative needs. Capital Health Plan will continue to devote experienced staff to the Gadsden County BOCC account to ensure a high level of service and responsiveness. We appreciate this partnership and look forward to continuing our relationship.

Sincerely,

Deborah J. Sisk
Sales Account Executive