RESOLUTION <u>18-74</u>

A RESOLUTION APPROVING FISCAL YEAR 2018-2019 HEALTH INSURANCE PROGRAM FOR THE CITY OF SPRING HILL
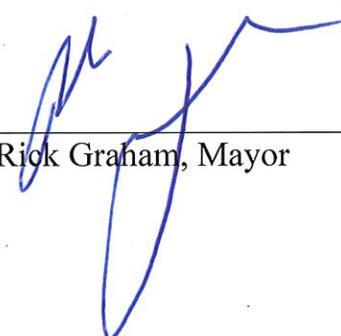
WHEREAS, the City of Spring Hill, Board of Mayor and Aldermen has reviewed proposals from The Drury Group, its agent of record, regarding health insurance functions for Spring Hill City employees; and

WHEREAS, multiple proposals utilizing various scenarios of program type and deductible limits were evaluated noting different healthcare cost increases or savings; and

WHEREAS, upon much consideration of the pertinent aspects of each health insurance program type;

NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill, Board of Mayor and Aldermen hereby selects Option 3 of the attached addendum including the HSA contribution in the amount of $1,500.00.

Passed and adopted on the 4th day of June, 2018.

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Rick Graham, Mayor

ATTEST:

_____
April Goad, City Recorder

LEGAL FORM APPROVED:

_____
Patrick Carter, City Attorney

CITY OF SPRING HILL, MEDICAL BENEFITS COMPARISON
JULY 2018

OPTION #3

Cigna PLAN OFFERED	CURRENT (PPO)	PPO W/ HSA OPTION #3	H.S.A. Option #3
Plan Offering	Dual Option	Dual Option	Dual Option
Funding	Level Funding	Level Funding	Level Funding
Cigna MEDICAL BENEFITS*			
Collective Deductible	NO	NO	YES
Collective OOP	NO	NO	YES
Combined Medical / Pharmacy Ded /	Combined OOP Only	Combined OOP Only	N/A
Deductible/OOP Max Accumulator	No Cross Accumulation	No Cross Accumulation	No Cross Accumulation
Variable Coinsurance Applies	YES	YES	NO
In-Network:			
Office Copay - PCP	$25	$25	Ded/Coins
Office Copay - SPC	$40	$40	Ded/Coins
Emergency Room Copay	None	None	Ded/Coins
Urgent Care Copay	$25	$25	Ded/Coins
Deductible - Individual	$500	$1,000	$3,000
Deductible - Family	$1,000	$2,000	$6,000
Out-of-Pocket - Individual	$2,500	$3,000	$3,000
Out-of-Pocket - Family	$5,000	$6,000	$6,000
Out-of-Pocket Max Deductibles	Ded Accumulates	Ded Accumulates	Ded Accumulates
Out-of-Pocket Max Copays	All Copays Accumulate	All Copays Accumulate	All Copays Accumulate
Coinsurance	Variable (80% to 100%)	Variable (80% to 100%)	100%
Out of Network:			
Deductible - Individual	$1,000	$2,000	$6,000
Deductible - Family	$2,000	$4,000	$12,000
Out-of-Pocket - Individual	$7,500	$7,500	$6,000
Out-of-Pocket - Family	$15,000	$15,000	$12,000
Out-of-Pocket Max Deductibles	Ded Accumulates	Ded Accumulates	Ded Accumulates
Out-of-Pocket Max Copays	All Copays Accumulate	All Copays Accumulate	All Copays Accumulate
Coinsurance	Variable (60% to 80%)	Variable (60% to 80%)	80%
Pharmacy Benefits			
Pharmacy Network	Focused 90-CVS	Focused 90-CVS	Focused 90-CVS
Formulary/PDL	Performance	Performance	Advantage
Retail Copay (90 days)	$45/$120/$180	$45/$120/$180	0%/0%/0%
Deductible	N/A	N/A	Combined w/ Medical
Retail	$15	$15	0%/0%/0%/0%
	$40	$40	
	$60	$60	
	NA	NA	
Home Delivery	3 x Retail	3 x Retail	0%/0%/0%/0%
Out-of-Pocket Max	Combined With Medical	Combined With Medical	Combined w/ Medical

RATES (MONTHLY)	CURRENT (PPO)	PPO W/ HSA OPTION #3	HSA OPTION #3
LocalPlus, Tier/# eligible			
Employee, 38	$ 616.49	$ 635.64	$ 501.96
Emp + Spouse, 45	$ 1,294.62	$ 1,334.68	$ 1,054.11
Emp + Child(ren), 17	$ 1,171.34	$ 1,207.61	$ 953.72
Emp + Family, 101	$ 1,849.45	$ 1,906.78	$ 1,505.87
Open Access Plus			
Employee, 6	$ 642.69	$ 662.28	$ 523.78
Emp + Spouse, 5	$ 1,349.63	$ 1,390.84	$ 1,099.93
Emp + Child(ren), 2	$ 1,221.13	$ 1,258.41	$ 995.17
Emp + Family, 13	$ 1,928.05	$ 1,986.96	$ 1,571.34
Total Monthly Cost:			
Local Access Plus	$ 288,391.75	$ 297,329.07	$ 234,815.54
Open Access Plus:	$ 38,111.20	$ 39,275.18	$ 31,060.40

Employees have the following healthcare plan choices and corresponding insurance premium based upon Option #3 (excludes additional Spouse Surcharge):

HSA - LocalPlus (Base Plan) Additional Cost per Month to Employees = No additional cost		PPO - LocalPlus Additional Cost per Month to Employees = PPO LocalPlus Premium *minus* HSA LocalPlus (Base) Premium			
Employee =	$ -	Employee =	$ -		
Emp + Spouse =	$ -	Emp + Spouse =	$ 280.57		
Emp + Child(ren) =	$ -	Emp + Child(ren) =	$ 253.89		
Emp + Family =	$ -	Emp + Family =	$ 400.91		
HSA - Open Access Plus Additional Cost per Month to Employees = Open Access Plus Premium *minus* HSA LocalPlus (Base) Premium		**PPO - Open Access Plus** Additional Cost per Month to Employees = PPO Open Access Plus Premium *minus* HSA LocalPlus (Base) Premium			
Employee =	$ 21.82	Employee =	$ 26.64		
Emp + Spouse =	$ 45.82	Emp + Spouse =	$ 336.73	$	56.16
Emp + Child(ren) =	$ 41.45	Emp + Child(ren) =	$ 304.69	$	50.80
Emp + Family =	$ 65.47	Emp + Family =	$ 481.09	$	80.18

Spouse Surcharge = Employee whose spouse has access to health insurance through their employer but elect to stay on City's health insurance plan will be required to pay an additional $200/month surcharge

Savings By Changing Percentage

Renewal of Current

Plan	Current Enrolled	Current	Expected Enrollment (75%)	Renewal	Expected Enrollment (25%)	$2000 H S A	Monthly H S A Employee Cost	Monthly PPO Employee Cost	Total Monthly Savings
Open Access Plus							Monthly H S A Local Plus	Monthly PPO Local Plus	
Employee	6	$642.69	5	$682.10	1	$590.95	$ -	$ -	$0.00
Emp + Spouse	5	$1,349.63	4	$1,432.48	1	$1,240.99	$ -	$ 184.21	$184.21
Emp + Child(ren)	2	$1,221.13	1	$1,296.14	1	$1,122.82	$ -	$ 166.69	$166.69
Emp + Family	13	$1,928.05	10	$2,046.39	3	$1,772.85	$ -	$ 263.21	$789.63
LocalPlus							Monthly HSA Open Access	Monthly PPO Open Access	
Employee	38	$616.49	29	$654.39	9	$566.66	$ 24.29	$ 27.71	$953.80
Emp + Spouse	45	$1,294.62	34	$1,374.18	11	$1,189.97	$ 51.02	$ 242.51	$4,402.29
Emp + Child(ren)	17	$1,171.34	13	$1,243.33	4	$1,076.64	$ 46.18	$ 219.50	$1,478.34
Emp + Family	101	$1,849.45	76	$1,963.16	25	$1,699.95	$ 72.90	$ 346.44	$14,201.40
Total Monthly Cost		$326,502.95		$261,963.34		$73,268.23			$22,176.36
Total Annual Cost		$3,918,035.40		$3,143,560.08		$879,218.76		Total Annual Contribution S	$266,116.32
Percent Increase				6.79%		2.67%		Percent Savings	6.79%

Total Based On Participation $4,022,778.84

	Grade	Current Coverage Level	Current Plan	Current Cost
Employee #1		Family	Local Plus	0
Employee #2		Family	Local Plus	0
			Annual Total	

	Current Gross Per Pay Period	Local Plus $3000 H S A	Local Plus $500 PPO	Open Access $3000 H S A	Open Access $500 PPO
Employee 1 Not Surcharge	$ 1,654.02	$ 1,716.52	$ 1,522.42	$ 1,680.07	$ 1,480.80
Employee 1 With Surcharge	$ 1,654.02	$ 1,616.52	$ 1,422.42	$ 1,580.07	$ 1,380.80
Employee 2 No Surcharge	$ 1,356.80	$ 1,419.30	$ 1,225.20	$ 1,257.85	$ 1,183.58
Employee 2 No Surcharge	$ 1,356.80	$ 1,319.30	$ 1,125.20	$ 1,282.85	$ 1,083.58

New Hires 7/1/18

Monthly HSA Contribution	Annual HSA Contribution	Employees have the following healthcare plan choices and corresponding insurance premium based upon Option #3 figures above (excludes additional Spouse Surcharge):	
		HSA - LocalPlus (Base Plan) Additional Cost per Month to	**PPO - LocalPlus** Additional Cost per Month to Employees
$83.33	$1,000.00	Employee = $ -	133.68
$166.67	$2,000.00	Emp + Spouse = $ -	280.57
$166.67	$2,000.00	Emp + Child(ren) = $ -	253.89
$166.67	$2,000.00	Emp + Family = $ -	400.91
		HSA - Open Access Plus Additional Cost per Month to	**PPO - Open Access Plus** Additional Cost per Month to Employees
$83.33	$1,000.00	Employee = $ 21.82	160.32
$166.67	$2,000.00	Emp + Spouse = $ 45.82	336.73
$166.67	$2,000.00	Emp + Child(ren) = $ 41.45	304.69
$166.67	$2,000.00	Emp + Family = $ 65.47	481.09

Spouse Surcharge = Employee whose spouse has access to health insurance through their employer but elect to stay on City's health insurance plan will be required to pay an additional $200/month surcharge

Emp Hired before 7/1/18

Monthly HSA Contribution From Diff in Current and HSA Premium	Annual HSA Contribution From Diff in Current and HSA Premium	Employees have the following healthcare plan choices and corresponding insurance premium based upon Option #3 figures above (excludes additional Spouse Surcharge):	
		HSA - LocalPlus (Base Plan) Additional Cost per Month to	**PPO - LocalPlus** Additional Cost per Month to
$114.53	$1,374.00	Employee = $ -	$0.00
$240.51	$2,886.00	Emp + Spouse = $ -	$40.06
$217.62	$2,611.00	Emp + Child(ren) = $ -	$36.27
$278.11	$3,337.00	Emp + Family = $ -	$57.33
		HSA - Open Access Plus Additional Cost per Month to	**PPO - Open Access Plus** Additional Cost per Month to
$114.53	$1,374.00	Employee = $ 21.82	$26.64
$240.51	$2,886.00	Emp + Spouse = $ 45.82	$96.22
$217.62	$2,611.00	Emp + Child(ren) = $ 41.45	$87.07
$278.11	$3,337.00	Emp + Family = $ 65.47	$137.51

Spouse Surcharge = Employee whose spouse has access to health insurance through their employer but elect to stay on City's health insurance plan will be required to pay an additional $200/month