COUNTY DEPARTMENT AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Connie Boehnke
Meeting Date:	Thursday, February 9, 2012	Type of Request:	Old Business

Wording for the Agenda:

Consideration of staff's recommendations regarding the County's employee health benefit plan, and authorization for the Chairman to sign any forthcoming contracts and related documents contingent upon the County Attorney's review.

Background/History/Details:

The County's employee health benefits plans are renewable on June 1st of each year. In 2010 the County changed from a "fully insured" plan to a "self insured" health benefit plan using Meritain Health as Third Party Administrator for health, dental, vision and flexible spending accounts with the medical network coverage provided through Cigna Great West. Due to the volume of administrative and customer service issues experienced by both staff and employees alike, the County's broker, Pacific General, was asked to issue Requests for Proposals (RFP's) for health, medical, dental, vision and flexible spending. RFP's were also issued for voluntary products such as supplemental life and cancer policies. Staff recommends the following: 1) Plan design changes as outlined on slide 5, with the major change under Option 1 being an increase in the co-pay from $25 to $30 and going to a 90/60 plan, that would pay 90% in-network and 60% out-of-network after deductible, and transferring administration of the County's self funded employee health insurance from Meritain to Humana, which would include utilization of Human's network; 2) No changes to dental; 3) No plan design changes to Vision Reimbursement Plan other than to bring administration in house; 4) Recommend transfer of servicing and administration of COBRA, HIPPA and FSA from Meritain to Humana; 5) Recommend transferring employee and dependent life/ AD&D, long term disability and voluntary short term disability from Assurant to UNUM; 6) Recommend transitioning from two Voluntary Worksite Programs currently with AFLAC and Colonial to a single platform model with UNUM.

What action are you seeking from the Board of Commissioners?

Consideration of staff's recommendations regarding the County's employee health benefit plan, and authorization for the Chairman to sign any forthcoming contracts and related documents contingent upon the County Attorney's review.

If this item requires funding, please describe:

Health insurance and other benefits are budgeted annually. Costs are shared by the employee and the County.

Has this issue come before the Commissioners in the past?	Yes	If so, when?	Thursday, February 9, 2012
Do you need audio-visual for the presentation?	Yes	Back-up Material Submitted?	No

STAFF USE ONLY

Approved by Finance	Yes	Reviewed by Legal	Yes
Approved by Purchasing	Not Applicable	Approved by County Clerk	Yes
Administrator's Approval	Yes		

Staff Notes:

Staff made a presentation regarding this issue to the Board of Commissioners at its February 9 meeting.

Fayette County Board of Commissioners

Employee Benefits Recommendations for Plan Year beginning June 1, 2012

Performance Re-cap

Plan Year 6/1/2010 to 5/31/2011	Est. Year End Projections for 5/31/2012
Medical Claims	Medical Claims
$4,054,153.89	**$4,453,788.32**
Pharmacy Claims	Pharmacy Claims
$1,067,206.96	**$1,316,409.75**
Dental Claims	Dental Claims
$318,122.15	**$365,958.54**
Vision Claims	Vision Claims
$43,079.61	**$47,368.86**
Administrative Fees	Administrative Fees
$1,013,327.77	**$1,098,749.99**
Year End Totals from above	Year End Totals from above
$6,495,890.38	**$7,282,275.45**

Cost Comparison for 6/1/2012

Meritain – Proposed

Total Annual Premium & Administration
$1,188,422.88

Projected Annual Aggregate Deductible
$6,658,167.15

Total Combined Est. Maximum Liability
$7,846,590.03

Humana – Proposed

Total Annual Premium & Administration
$1,163,134.70

Projected Annual Aggregate Deductible
$6,091,321.72

Total Combined Est. Maximum Liability
$7,254,456.43

Humana is providing 2 year rate guarantee on administrative fees; along with performance guarantees of 15% on service performance and 10% for network discount performance.

Fayette County - Current Plans from 6/1/2011

Fayette County, Georgia Plan Year Beginning June 1, 2011

	Medical Plan Option 1	Medical Plan Option 2	Medical Plan Option 3
Plan Type:	PPO	PPO	PPO
Network	GWH-CIGNA PPO	GWH-CIGNA PPO	GWH-CIGNA PPO
Lifetime Maximum	In Unlimited Lifetime / $2m annual Out Combined w/In Network	In Unlimited Lifetime / $2m annual Out Combined w/In Network	In Unlimited Lifetime / $2m annual Out Combined w/In Network
Deductible (Ind/Fam)	In **$500** Ind / $1,500 Fam Out **$1,000** Ind / $3,000 Fam	In **$1,500** Ind / $4,500 Fam Out **$3,000** Ind / $9,000 Fam	In **$2,500** Ind / $7,500 Fam Out **$5,000** Ind / $15,000 Fam
Annual Out-of-Pocket Maximum *(Including deductible)*	In **$500** Ind / $1,500 Fam Out **$5,000** Ind / $15,000 Fam	In **$3,000** Ind / $9,000 Fam Out **$6,000** Ind / $18,000 Fam	In **$5,000** Ind / $15,000 Fam Out **$10,000** Ind / $30,000 Fam
Per Admission Hospital Copay	In NA Out NA	In NA Out NA	In NA Out NA
Physician Copay	In **$25** Copay PCP/ **$25** Specialist Out Plan pays 60% after Ded	In **$40** Copay PCP/ **$40** Specialist Out Plan pays 60% after Ded	In **$60** Copay PCP/ **$60** Specialist Out Plan pays 60% after Ded
Coinsurance	In Plan pays 100% after Ded Out Plan pays 60% after Ded	In Plan pays 80% after Ded Out Plan pays 60% after Ded	In Plan pays 70% after Ded Out Plan pays 60% after Ded
Inpatient Hospital Facility	In Plan pays 100% after Ded Out Plan pays 60% after Ded	In Plan pays 80% after Ded Out Plan pays 60% after Ded	In Plan pays 70% after Ded Out Plan pays 60% after Ded
Inpatient Physician Services	In Plan pays 100% after Ded Out Plan pays 60% after Ded	In Plan pays 80% after Ded Out Plan pays 60% after Ded	In Plan pays 70% after Ded Out Plan pays 60% after Ded
Outpatient Surgery Facility	In Plan pays 100% after Ded Out Plan pays 60% after Ded	In Plan pays 80% after Ded Out Plan pays 60% after Ded	In Plan pays 70% after Ded Out Plan pays 60% after Ded
Outpatient Physician Services	In Plan pays 100% after Ded Out Plan pays 60% after Ded	In Plan pays 80% after Ded Out Plan pays 60% after Ded	In Plan pays 70% after Ded Out Plan pays 60% after Ded
Emergency Room Facility Copay	**$100** Copay (waived if admitted)	**$200** Copay (waived if admitted)	**$300** Copay (waived if admitted)
Prescription Card:	**No Rx Ded** Tier 1a - 4 generics Tier 1b - $15 generic Tier 2 - $30 preferred brand Tier 3 - $60 non-preferred brand Tier 4 - NA	**$200 RX ded (per cal yr)** Tier 1a - 4 generics (Rx ded waived) Tier 1b - $15 generic (Rx ded waived) Tier 2 - $30 preferred brand Tier 3 - $90 non-preferred brand Tier 4 - $150 copay specialty injectables	**$300 Rx ded (per cal yr)** Tier 1a - 4 generics (Rx ded waived) Tier 1b - $15 generic (Rx ded waived) Tier 2 - $30 preferred brand Tier 3 - Non-preferred not covered Tier 4 - $150 copay specialty injectables
Mail Order Drugs:	2x retail copay for generic & preferred Non-preferred not covered on Mail Order	2x retail copay for generic & preferred Non-preferred not covered on Mail Order	2x retail copay for generic & preferred Non-preferred not covered on Mail Order

This benefits summary is for illustrative purposes only. Benefits will be based on Plan Document.

Prepared by Pacific General Financial
3/25/2011

Fayette County - Proposed Plans for 6/1/2012

Fayette County proposed plans for 6/1/2012 to 5/31/2013		Humana Option 1		Humana Option 2		Humana Option 3
Plan Type:		NPOS		NPOS		NPOS
Network		NPOS		NPOS		NPOS
Lifetime Maximum	In	Unlimited Lifetime / $2m annual	In	Unlimited Lifetime / $2m annual	In	Unlimited Lifetime / $2m annual
	Out	Combined w/In Network	Out	Combined w/In Network	Out	Combined w/In Network
Deductible (Ind/Fam)	In	$500 Ind / $1,500 Fam	In	$1,500 Ind / $4,500 Fam	In	$2,500 Ind / $7,500 Fam
	Out	$1,000 Ind / $3,000 Fam	Out	$3,000 Ind / $9,000 Fam	Out	$5,000 Ind / $15,000 Fam
Annual Out-of-Pocket Maximum	In	$500 Ind / $1,500 Fam	In	$3,000 Ind / $9,000 Fam	In	$5,000 Ind / $15,000 Fam
(deductible does not apply to out-of-pocket)	Out	$5,000 Ind / $15,000 Fam	Out	$6,000 Ind / $18,000 Fam	Out	$10,000 Ind / $30,000 Fam
Per Admission Hospital Copay	In	NA	In	NA	In	NA
	Out	NA	Out	NA	Out	NA
Physician Copay	In	$30 Copay PCP/ $30 Specialist	In	$40 Copay PCP/ $40 Specialist	In	$60 Copay PCP/ $60 Specialist
	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded
Coinsurance	In	Plan pays 90% after Ded	In	Plan pays 80% after Ded	In	Plan pays 70% after Ded
	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded
Inpatient Hospital Facility	In	Plan pays 90% after Ded	In	Plan pays 80% after Ded	In	Plan pays 70% after Ded
	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded
Inpatient Physician Services	In	Plan pays 90% after Ded	In	Plan pays 80% after Ded	In	Plan pays 70% after Ded
	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded
Outpatient Surgery Facility	In	Plan pays 90% after Ded	In	Plan pays 80% after Ded	In	Plan pays 70% after Ded
	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded
Outpatient Physician Services	In	Plan pays 90% after Ded	In	Plan pays 80% after Ded	In	Plan pays 70% after Ded
	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded	Out	Plan pays 60% after Ded
Emergency Room Facility Copay		$100 Copay (waived if admitted)		$200 Copay (waived if admitted)		$300 Copay (waived if admitted)
Prescription Card:		No Rx Ded		No Rx Ded		No RX Ded
		Tier 1a - $4		Tier 1a - $4		Tier 1a - $4
		Tier 1b - $15		Tier 1b - $15		Tier 1b - $15
		Tier 2 - $30		Tier 2 - $30		Tier 2 - $30
		Tier 3 - $50		Tier 3 - $90		Tier 3 - Non-preferred not covered
		Tier 4 - $100 copay specialty injectables		Tier 4 - $150 copay specialty injectables		Tier 4 - $150 copay specialty injectables
Mail Order Drugs:		2x retail copay for generic & preferred		2x retail copay for generic & preferred		2x retail copay for generic & preferred
		Non-preferred not covered on Mail Order		Non-preferred not covered on Mail Order		Non-preferred not covered on Mail Order

Tier 1a and Tier 1b drug list must be clearly defined prior to implementation.

Fayette County - Proposed Plans for 6/1/2012

- Recommending no changes to Dental Plan Design and transfer administration to Humana.
- No recommended plan design changes to Vision Reimbursement Plan; and bring administration in house.
- COBRA, HIPAA & FSA recommendation is to transfer servicing and administration duties from Meritain to Humana.

Fayette County - Proposed Plans for 6/1/2012

Assurant – Current	UNUM – Proposed
Annual Premium	Annual Premium
Employee Life/AD&D	Employee Life/AD&D
$57,993.12	**$55,605.17**
Dependent Life/AD&D	Dependent Life/AD&D
$2,807.04	**$1,548.00**
Long Term Disability	Long Term Disability
$105,336.67	**$82,294.27**

- The rates for Employee Voluntary Life and Voluntary Short Term Disability are matched by UNUM
- UNUM providing 3 year rate guarantee

Fayette County - Proposed Plans for 6/1/2012

Recommendation for Voluntary Worksite Programs:

- combine the two current (Colonial/AFLAC) into single offering through UNUM

- County would no longer support workplace access of AFLAC/Colonial to employees for enrollment.
- No more payroll withholding of AFLAC/Colonial premiums moving forward.
- However, all current AFLAC/Colonial products are available to the employees to continue on an individual basis.

Advantages…

- The proposed group worksite products are designed and have been selected to complement the county's other benefit plans
- One enrollment platform
- One service representative for all products available to Human Resource Department by UNUM
- "Integrated" claims process
- Salaried benefit counselors versus commissioned agents
- Guaranteed issue benefit levels versus individual medical underwriting requirements
- Group rates versus individual rates

Thank you…

PACIFIC GENERAL
FINANCIAL