COUNTY DEPARTMENT AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Connie Boehnke
Meeting Date:	Thursday, March 10, 2011	Type of Request:	Old Business

Wording for the Agenda:

Further discussion with Human Resources staff regarding possible changes in the County's self-insured employee health insurance plan in preparation for the annual renewal date of June 1.

Background/History/Details:

The County's health insurance program is renewable on June 1st each year. In 2010 the County changed from a "fully insured" plan with Blue Cross/Blue Shield to a "self insured" health benefit plan. Through Scott Burrell of Pacific General, the County engaged the services of Meritain Health as Third Party Administrator for health, dental, vision and flexible spending accounts.

Items of discussion for consideration will include:

-Plan amendments to improve how the medical plan handles the pre-certification process as it relates to sleep studies and oncology services.
-Review of the renewal data and recommendation of plan options.
-Recommendations on final plan and employee contributions.
-Consideration of replacing CIGNA as the Stop Loss carrier as they are exiting the Stop Loss market.

What action are you seeking from the Board of Commissioners?

Approval to place item on March 10, 2011 Board of Commissioners consent agenda for approval of staff's recommendations.

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?	No	If so, when?	Wednesday, March 2, 2011
Do you need audio-visual for the presentation?	No	Back-up Material Submitted?	Yes

STAFF USE ONLY

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

Staff Notes:

Fayette County GEORGIA

Where Quality Is A Lifestyle

To: Board of Commissioners
Jack Krakeel, County Administrator

From: Connie Boehnke, Human Resources Director

Date: February 21, 2011

Subject: Employee Health Insurance

The County's health insurance program is renewable on June 1st each year. In 2010 the County changed from a "fully insured" plan with Blue Cross/Blue Shield to a "self insured" health benefit plan. Through Scott Burrell of Pacific General, the County engaged the services of Meritain Health as Third Party Administrator for health, dental, vision and flexible spending accounts. Attached for your reference is a summary of the medical plan benefits along with a four year history of employee and County contribution rates.

Human Resources met with Scott Burrell and Jaki Turner from Pacific General Financial to review the County's experience since converting to a self insured plan on June 1, 2010. To date actual claims are running 11% ahead of expected claims. Major factors that were identified as driving up the plan cost are a high employee utilization of medical care services along with a lack of knowledge by employees about the importance of getting prescriptions filled at the lowest price possible.

Educating employees on the cost savings that they can realize by requesting generic medications from their physician and then filling those prescriptions at chain retailers who offer many drugs for as low as $4 or even free is an opportunity that the County will work to continue to communicate to its employees. Data to date for the current plan year shows that employees are doing a much better job of utilizing generic prescriptions compared to several years ago. However, employees are not utilizing the more cost effective chain pharmacies to the greatest extent possible which would drive down the overall prescription cost for the plan. The County will continue to educate employees on their responsibility to do their part to help keep health care costs down for both themselves and for the County.

Several Wellness Program initiatives were discussed. In March, Meritain will provide biometric screenings onsite free of cost to employees and the County. Bloodwork will be performed to look for cholesterol and blood sugar issues. Employees will have the opportunity to complete a free and confidential Health Risk Assessment that will also be administered by Meritain. Information collected will not be shared with the County. Meritain will communicate directly with employees who are identified through the survey as possibly having health risks that should be addressed by a health care professional. Free coaching programs will be made available for employees to assist them with managing ongoing health risks. Several incentives could be utilized to increase employee

participation in the biometric screenings and completion of the health risk assessment, such as a paid day off on the employee's birthday.

After considering all available data, Human Resources is recommending a three tier plan for the coming plan year that begins June 1, 2011. Details on the new offerings are outlined in the attached summary. Contribution rates are currently being actuarially calculated and will be made available as soon as they are received by Human Resources.

The Plan is currently Pre-certifying In-patient hospital stays and surgical procedures. Human Resources also recommends that the Plan now include the following additional pre-certification requirements to better control cost and prevent out-of-network usage:

- Oncology
- Sleep Disorder
- Out-Patient surgical procedures and complex imaging (High Dollar)

Thank your for your consideration of these proposed changes to Fayette County's employee health benefit plan.

Summary of Benefits

SINGLE PLAN OPTION

	IN-NETWORK	OUT-OF-NETWORK
MAJOR MEDICAL		
Deductible (Ded)	$500/Individual $1,500/Family	$1,000/Individual $3,000/Family
Coinsurance Percent (MM)	100%	60%
Out-of-Pocket Maximum (Includes Deductible)	None None	$5,000/Individual $15,000/Family
Lifetime Maximum per Family Member	$2,000,000	$2,000,000
WELLNESS (Routine Care)		
Pap smears & Mammograms	$25 Copay then 100%	60% after Deductible
Well-child care, Immunizations	$25 Copay then 100%	60% after Deductible (ded waived through age 5)
All other Routine Care services (Includes adult physical exams & cancer screenings)	$25 Copay then 100%	60% after Deductible
PHYSICIANS OFFICE VISITS	$25 Copay then 100%	60% after Deductible
URGENT CARE	$60 Copay then 100%	$60 Copay then 60% after Deductible
HOSPITAL BENEFITS		
In-Patient	100% after Deductible	60% after Deductible
Out-Patient	$100 Copay then 100%	60% after Deductible
Emergency Room	$100 Copay then 100% Copay waived if admitted Medical emergency only	$100 Copay then 100% Copay waived if admitted Medical emergency only
SURGICAL BENEFITS		
In-Patient	100% after Deductible	60% after Deductible
Out-Patient	$100 Copay then 100%	60% after Deductible
DIAGNOSTIC X-RAY & LABORATORY SERVICES	100% after Deductible	60% after Deductible
THERAPY SERVICES		
Speech Therapy	$25 Copay then 100% 20 visit Cal. Yr. Max.	60% after Deductible 20 visit Cal. Yr. Max.
Physical, Occupational Therapy	$25 Copay then 100% 20 visit Cal. Yr. Max	60% after Deductible 20 visit Cal. Yr. Max
Respiratory Therapy	100% after Deductible 30 visit Cal. Yr. Max	60% after Deductible 30 visit Cal. Yr. Max
Radiation Therapy, Chemotherapy	100% after Deductible	60% after Deductible
MENTAL/NERVOUS & SUBSTANCE ABUSE		
In-Patient	100% after Deductible	60% after Deductible
Out-Patient	$25 Copay then 100%	60% after Deductible
ADDITIONAL MEDICAL BENEFITS		
Home Health Care	100% after Deductible 120 Visit Cal. Yr. Max.	60% after Deductible 120 Visit Cal. Yr. Max.
Extended Care Facility	100% after Deductible 30 Day Cal. Yr. Max.	60% after Deductible 30 Day Cal. Yr. Max.
Hospice	100% not subject to Deductible $10,000 Lifetime Max	100% not subject to Deductible $10,000 Lifetime Max
Chiropractic Services	$25 Copay then 100% 20 visit Cal. Yr. Max.	60% after Deductible 20 visit Cal. Yr. Max.
Ambulance Services	100% not subject to Deductible	100% not subject to Deductible
Medical Supplies and Durable Equipment	100% after Deductible	60% after Deductible
PRESCRIPTION DRUG CARD		
Retail (30 day supply)	$15 Generic/$30 Preferred $60 Non Preferred	60% after Deductible 60% after Deductible
Retail (90 day supply)	$30 Generic/$60 Preferred $120 Non Preferred	60% after Deductible 60% after Deductible
Mail Order (90 day supply)	$30 Generic/$60 Preferred No coverage for Non Preferred	Not covered Not covered

Health Contribution History

	Est #Emp. Mar.1/yr.	Employee Monthly Contribution	County Monthly Contribution	Total Monthly Contribution	
FY 2008	632	**Blue Cross**	**HMO**		6/1/2007
Single	336	0.00	276.56	276.56	Chgd to Blue Cross
Emp/Children	83	142.38	418.94	561.32	ACCG
Emp/Spouse	62	210.17	486.73	696.90	
Emp/Fam	129	323.51	600.07	923.58	
FY 2008		**Blue Cross**	**POS**		
Single	12	53.24	276.56	329.80	
Emp/Children	3	250.52	418.94	669.46	
Emp/Spouse	3	344.32	486.73	831.05	
Emp/Fam	4	501.41	600.70	1102.11	
FY 2009	676	**Blue Cross**	**HMO**		
Single	362	0.00	309.75	309.75	
Emp/Children	68	159.46	469.21	628.67	
Emp/Spouse	93	235.38	545.13	780.51	
Emp/Fam	134	362.33	672.07	1034.40	
FY 2009		**Blue Cross**	**POS**		
Single	12	59.63	309.75	369.38	
Emp/Children	1	280.58	469.21	749.79	
Emp/Spouse	2	385.63	545.13	930.76	
Emp/Fam	4	561.57	672.07	1233.64	
FY 2010	680	**Blue Cross**	**HMO**		No rate change
Single	366	92.93	216.83	309.76	Chdg ER funding from
Emp/Children	78	188.60	440.07	628.67	100EE/50/50Dep to
Emp/Spouse	80	234.15	546.36	780.51	HMO - 70% ER, 30% EE
Emp/Fam	144	310.32	724.08	1034.40	POS - 60% ER, 40% EE
FY 2010		**Blue Cross**	**POS**		
Single	8	147.75	221.63	369.38	
Emp/Children	0	299.92	449.87	749.79	
Emp/Spouse	1	372.30	558.46	930.76	
Emp/Fam	3	493.46	740.18	1233.64	
FY 2011	639	**Meritain/CignaGreatWest**	**PPO**		6/1/10-Chgd to
Single	308	92.93	216.83	309.76	self-insured-Meritain
Emp/Children	78	188.60	440.07	628.67	Chgd to PPO
Emp/Spouse	94	234.15	546.36	780.51	No rate change
Emp/Fam	159	310.32	724.08	1034.40	Funding-70%ER,30%EE

Fayette County, Georgia n Year Beginning June 1, 2011

		CURRENT Plan - MERITAIN Option 1		Proposed Plan - MERITAIN Option 2		Proposed Plan - MERITAIN Option 3
Plan Type:		PPO		PPO		PPO
Network		CIGNA-GreatWest		CIGNA-GreatWest		CIGNA-GreatWest
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 *(Including deductible)*	In	$500 Ind / $1,500 Fam	In	$3,000 Ind / $9,000 Fam	In	$5,000 Ind / $15,000 Fam
	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	$25 Copay PCP/ $25 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 100% 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 100% 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 100% 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 100% 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 100% 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		$200 RX ded (per cal yr)		$300 Rx ded (per cal yr)
		Tier 1a - 4 generics		Tier 1a - 4 generics (Rx ded waived)		Tier 1a - 4 generics (Rx ded waived)
		Tier 1b - $15 generic		Tier 1b - $15 generic (Rx ded waived)		Tier 1b - $15 generic (Rx ded waived)
		Tier 2 - $30 preferred brand		Tier 2 - $30 preferred brand		Tier 2 - $30 preferred brand
		Tier 3 - $60 non-preferred brand		Tier 3 - $90 non-preferred brand		Tier 3 - Non-preferred not covered
		Tier 4 - NA		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

This benefits summary is for illustrative purposes only. Rates and benefits will be based on final plan selection, enrollment and contract provisions.

Prepared by Pacific General Financial
3/2/2011