



Health Fund & Benefit Plans

FY 2024-2025

Goal: Maintain a benefits plan for employees that is competitive in the marketplace while being financially responsible

Background

Presentation to Council on September 9th showed the need to act due to the health fund financials, including a deficit of \$750,505 and annual inflation estimates at 9%. The FY25 budget includes a 5% employee/employer increase to monthly premium structures for both health plans. However, if the city does nothing else, the 5-year funding forecast shows the deficit growing year over year and depleting the reserves in the fund, making it more challenging for the city and employees to absorb the financial impact.

Council's direction at the September 9th meeting included:

- Staying self-funded vs. moving to a fully-insured plan
- Recognized that we needed to act due to funding gaps and to maintain a healthy fund balance
- Agreed with the cost saving measures, resulting in potential savings of \$204,700
 - Implement Naviguard (UHC) to help negotiate out of network charges
 - Remove Health Reimbursement Accounts (HRA) from Copay plan
 - Remove run-off insurance for Stop-Loss
 - Change short-term disability to a voluntary plan vs. funded by the city
- Continue to review options to offset expenditures while being aware of the impact to our employees
- Focus on saving strategies that have a potential of saving \$475k - \$557k of the total deficient \$750,505

In addition to Council's direction, we continued to meet with employees, including the Benefits Committee members, which helped us in providing the "voice of the employee" on the various saving options being considered.

The city reviewed the following for additional saving options, while focusing on maintaining a competitive benefits package to retrain and attract employees:

- Consider additional monthly contribution changes to the premium rates for both health plans
- Consider plan design changes for both HDHP and Copay plan
- Lower employer paid contributions for the Health Savings Account (HSA)
- Consider adding additional prescription drugs to the current RX Pre-Authorization program

Potential impact to employees

Options	Potential Impact to employees (High-Mid-Low)*
Short-term disability becomes a voluntary benefit	Low
Health Reimbursement Removal (co-pay)	Low
Adding more drugs to the prior RX authorization	Low
Lowering Health Savings Account (HSA) contributions	Mid
Plan design changes	High
10% Monthly Premium increases	High

High = affects greater number of employees (estimate of #377 employees)

Mid = affects a large group enrolled in the HDHP (estimate of #282 employees)

Low – affects small group (less than #50 employees)

**potential impact is looking at a larger group of employees; however, one individual could see a larger impact based upon their circumstances*

Benefit Plan Changes = \$180,509 Potential Savings

			Current		Proposed Plan Changes	
Benefits			UHC		UHC	
			HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)
Network Name			Choice Network	Choice Network	Choice Network	Choice Network
			In Network Only	In Network Only	In Network Only	In Network Only
Coinsurance			90%	80%	80%	80%
Individual Deductible			\$3,200	\$2,000	\$3,500	\$2,500
Family Deductible			\$5,600	\$4,000	\$7,000	\$5,000
Individual Out-of-Pocket			\$5,000	\$4,000	\$5,000	\$4,000
Family Out-of-Pocket Max			\$10,000	\$8,000	\$10,000	\$8,000
Physician Office Copay			90% after ded.	\$25 copay	80% after ded.	\$25 copay
Specialist Office Copay			90% after ded.	\$50 copay	80% after ded.	\$50 copay
Urgent Care Copay			90% after ded.	\$50 copay	80% after ded.	\$50 copay
Emergency Room Copay			90% after ded.	\$250 copay	80% after ded.	\$250 copay
Hospital						
Inpatient			90% after ded.	80% after ded.	80% after ded.	80% after ded.
Outpatient			90% after ded.	80% after ded.	80% after ded.	80% after ded.

5% Increase for Employee Health Care Premiums

Accounted for in FY25 Budget

HDHP Plan	Current Monthly Employee Premiums	Proposed Increase to Monthly Premiums (Non-Wellness Rate)	Monthly Increase (Non-Wellness Rate)	Per Pay Period Increase
Employee Only*	\$44.42	\$46.64	\$2.22	\$1.11
Employee + Spouse	\$155.16	\$162.92	\$7.76	\$3.88
Employee + Child(ren)	\$84.76	\$89.00	\$4.24	\$2.12
Employee + Family	\$238.16	\$250.07	\$11.91	\$5.95

CoPay Plan	Current Monthly Employee Premiums	Proposed Increase to Monthly Premiums (Non-Wellness Rate)	Monthly Increase	Per Pay Period Increase
Employee Only*	\$87.98	\$92.38	\$4.40	\$2.20
Employee + Spouse	\$457.54	\$480.42	\$22.88	\$11.44
Employee + Child(ren)	\$303.56	\$318.74	\$15.18	\$7.59
Employee + Family	\$734.70	\$771.44	\$36.74	\$18.37

*Health Premium Discount increases from \$44.42 to \$46.64

10% Increase for Employee Health Care Premiums

Savings Potential: \$34,774

HDHP Plan	Current Monthly Employee Premiums	Proposed Monthly Premiums (Non-Wellness Rate)	Monthly Increase (Non-Wellness Rate)	Per Pay Period Increase
Employee Only*	\$44.42	\$48.86	\$4.44	\$2.22
Employee + Spouse	\$155.16	\$170.68	\$15.52	\$7.76
Employee + Child(ren)	\$84.76	\$93.24	\$8.48	\$4.24
Employee + Family	\$238.16	\$261.98	\$23.82	\$11.91

CoPay Plan	Current Monthly Employee Premiums	Proposed Monthly Premiums (Non-Wellness Rate)	Monthly Increase (Non-Wellness Rate)	Per Pay Period Increase
Employee Only*	\$87.98	\$96.78	\$8.80	\$4.40
Employee + Spouse	\$457.54	\$503.29	\$45.75	\$22.88
Employee + Child(ren)	\$303.56	\$333.92	\$30.36	\$15.18
Employee + Family	\$734.70	\$808.17	\$73.47	\$36.74

*Health Premium Discount increases from \$44.42 to \$48.86

Option A

Option	Savings
Identified Savings*	\$204,770
Plan Design Change	\$180,509
Reduce HSA \$750/\$1500	\$110,000
RX Prior Authorization	\$62,250
TOTAL	\$557,529

Option B

Option	Savings
Identified Savings*	\$204,770
Plan Design Change	\$180,509
Reduce HSA \$850/\$1700	\$66,000
Rx Prior Authorization	\$62,250
TOTAL	\$513,529

Option C**

Option	Savings
Identified Savings*	\$204,770
Plan Design Change	\$180,509
10% Premium	\$34,774
Reduce HSA \$750/\$1500	\$90,000
TOTAL	\$510,053

Option D

Option	Savings
Identified Savings*	\$204,770
Plan Design Change	\$180,509
10% Premium	\$34,774
Rx Prior Authorization	\$62,250
TOTAL	\$482,303

Option E**

Option	Savings
Identified Savings*	\$204,770
Plan Design Change	\$180,509
10% Premium	\$34,774
Reduce HSA \$850/\$1700	\$46,000
TOTAL	\$466,053

- **No** additional premium changes other than the 5% budgeted
- HDHP - HSA reduced \$250 for individual/\$500 for family
- Add more drugs to RX Prior Authorization

- **No** additional premium changes other than the 5% budgeted
- **HDHP - HSA reduced \$150 for individual/\$300 for family**
- Add more drugs to RX Prior Authorization

- Additional premium increase by 5%
- HDHP - HSA reduced \$250 for individual/\$500 for family but, paid out all upfront in January.

- Additional premium increase by 5%
- Add more drugs to RX Prior Authorization

- Additional premium increase by 5%
- HDHP - HSA reduced \$150 for individual/\$300 for family but, paid out all upfront in January.

*amount already identified

** HSA contribution paid in full in January

Employee Feedback

- Consider adding the new drugs to the RX prior authorization list vs. making a larger reduction from the Health Savings Account (HSA) employer contribution.
- Do not make drastic plan design changes
- Rather see the Health Savings Account (HSA) employer contribution not be reduced; however, recognize that raising the monthly contribution impacts all employees

From the options presented, Benefits Committee members selected Option B

City Recommendation

- ❖ **Option B:**
 - ❖ Plan design changes
 - ❖ No additional premium changes other than the 5% budgeted
 - ❖ Health Savings Account employer contribution reduced by \$150 for individual/\$300 for family
 - ❖ Add more prescription drugs to RX Prior Authorization

Potential Savings: \$513,529

Option B	Savings
Identified Savings*	\$204,770
Plan Design Change	\$180,509
Reduce HSA \$850/\$1700	\$66,000
Rx Prior Authorization	\$62,250
TOTAL	\$513,529

Council Decision



Approve
Recommended
Direction



Decline
Recommended
Direction

Next Steps



EMPLOYEE BENEFIT EDUCATION
MEETINGS SCHEDULED IN OCTOBER



2025 ANNUAL BENEFITS ENROLLMENT
NOVEMBER 2024



BENEFITS PLAN YEAR BEGINS
JANUARY 1, 2025



Questions?



Backup Slides



Health Fund & Benefit Plans

FY 2024-2025

Goal: Maintain a benefits plan for employees that is competitive in the marketplace while being financially responsible

McGriff Benefits



Core Team

Lance Pendley

Senior Vice Present – Employee Benefits

Niki Ross, CGBA

Senior Account Manager

About McGriff

- Founded over 100 years ago – serving employers with Risk Management Insurance and Employee Benefits Consulting services
- Part of network of six complementary organizations that make up Truist Insurance Holdings; one of the largest insurance advisory firms in the U.S. and world
- Robust market presence and exceptional public entity experience; premier relationships with major insurance companies and health services providers
- Commitment to the local communities we serve with more than 120 locations across 22 states

FY24-25 Projected Health Fund



Revenues

Category	Projection
City Premiums	\$4,892,067
Employee Premiums	\$855,650
Other Revenues	\$792,385
TOTAL	\$6,540,102

Expenditures

Category	Projection
Claims	\$5,626,371
Other Expenditures	\$1,664,236
TOTAL	\$7,290,607
Anticipated Funding Gap	(\$750,505)

FY25 Health Fund Projection

	FY 22-23 Actuals	FY 23-24 Adopted	FY 23-24 Revised	FY 23-24 Year-End	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
Beginning Fund Balance	\$3,826,214	\$ 3,462,577	\$3,462,577	\$ 3,462,577	\$ 3,530,219	\$ 2,779,714	\$ 1,700,060	\$ 248,552	\$ (1,622,010)
Health and Dental Premium- City	\$ 4,930,372	\$ 5,094,499	\$ 5,094,499	\$ 5,203,207	\$ 4,892,067	\$ 5,136,670	\$ 5,393,504	\$ 5,663,179	\$ 5,946,338
Health and Dental Premium- Other	\$ 606,260	\$ 562,401	\$ 562,401	\$ 727,900	\$ 855,650	\$ 898,433	\$ 943,354	\$ 990,522	\$ 1,040,048
Other Revenues	\$ 1,220,978	\$ 709,000	\$ 709,000	\$ 979,941	\$ 792,385	\$ 832,004.25	\$ 873,604	\$ 917,285	\$ 963,149
Total Revenues	\$6,757,610	\$ 6,365,900	\$6,365,900	\$ 6,911,048	\$ 6,540,102	\$ 6,867,107	\$ 7,210,462	\$ 7,570,986	\$ 7,949,535
Claims	\$ 5,339,794	\$ 4,815,000	\$ 4,815,000	\$ 4,815,000	\$ 5,626,371	\$ 6,132,744	\$ 6,684,691	\$ 7,286,314	\$ 7,942,082
Other Expenditures*	\$ 1,781,452	\$ 2,051,688	\$ 2,051,688	\$ 2,028,406	\$ 1,664,236	\$ 1,814,017	\$ 1,977,279	\$ 2,155,234	\$ 2,349,205
Plan Design Changes					\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$7,121,247	\$ 6,866,688	\$6,866,688	\$ 6,843,406	\$ 7,290,607	\$ 7,946,762	\$ 8,661,970	\$ 9,441,547	\$ 10,291,287
Net revenue (loss)	\$ (363,637)	\$ (500,788)	\$ (500,788)	\$ 67,642	\$ (750,505)	\$ (1,079,655)	\$ (1,451,508)	\$ (1,870,562)	\$ (2,341,752)
Ending Fund Balance	\$3,462,577	\$ 2,961,789	\$2,961,789	\$ 3,530,219	\$ 2,779,714	\$ 1,700,060	\$ 248,552	\$ (1,622,010)	\$ (3,963,762)
FB % to Expenditures	48.62%	43.13%	43.13%	51.59%	38.13%	21.39%	2.87%	-17.18%	-38.52%
City Contributions		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Employee Contributions		0.00%	0.00%	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Multi-year approach

1st year – offset expenditures by \$550K

Minimum proposed by city – results will continue to show a deficient fund balance



2nd and 3rd year – expect 9% health care cost increase each year.

Manage health fund to offset expenditures



Ongoing – expect increases and changes to offset expenditures

Addressing Funding Gap

- RFP for fully-insured
- Consider monthly contribution changes
- Consider plan design changes for both HDHP and Copay plan
- Change short-term disability to a voluntary plan vs. funded by the city
- Lower Health Savings Account (HSA) employer paid contributions
- Consider adding additional prescription drugs to RX Pre-Authorization
- Focus on maintaining competitive benefits to retain and attract employees

RFP Summary

- Requested Fully-Insured Proposals for Medical, Dental & Vision
 - Compared Fully-Insured Proposals to current funded rates/costs associated with administering a Self-Funded plan
 - Factored in run out cost to move from Self-Funded to Fully-Insured
 - No issues with current Self-Funded relationship with UnitedHealthcare
- Received 5 Fully-Insured Medical Proposals
- Received 7 Fully-Insured Dental & Vision Proposals

Current			Self-Funded Renewal		Proposed		Proposed		Proposed		Proposed	
Benefits	UHC		UHC		UHC		Aetna		BCBS		Cigna	
	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)
Network Name	Choice Network In Network Only	Choice Network In Network Only	Choice Network In Network Only	Choice Network In Network Only	Choice Network In Network Only	Choice Network In Network Only	Elect Choice In Network Only	Elect Choice In Network Only	Open Access Plus In Network	Open Access Plus In Network	Open Access Plus In Network Only	Open Access Plus In Network Only
Coinsurance	90%	80%	90%	80%	100%	80%	90%	80%	90%	80%	90%	80%
Individual Deductible	\$3,200	\$2,000	\$3,200	\$2,000	\$3,200	\$2,000	\$3,200	\$2,000	\$3,300	\$2,000	\$3,300	\$2,000
Family Deductible	\$5,600	\$4,000	\$5,600	\$4,000	\$5,600	\$4,000	\$5,600	\$4,000	\$5,600	\$4,000	\$6,600	\$4,000
Individual Out-of-Pocket Maximum	\$5,000	\$4,000	\$5,000	\$4,000	\$5,000	\$4,000	\$5,000	\$4,000	\$5,000	\$4,000	\$5,000	\$4,000
Family Out-of-Pocket Max	\$10,000	\$8,000	\$10,000	\$8,000	\$10,000	\$8,000	\$10,000	\$8,000	\$10,000	\$8,000	\$10,000	\$8,000
Physician Office Copay	90% after ded.	\$25 copay	90% after ded.	\$25 copay	100% after ded.	\$25 copay	90% after ded.	\$25 copay	90% after ded.	\$25 copay	90% after ded.	\$25 copay
Specialist Office Copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay	100% after ded.	\$35/\$50 copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay
Urgent Care Copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay	100% after ded.	\$50 copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay
Emergency Room Copay	90% after ded.	\$250 copay	90% after ded.	\$250 copay	100% after ded.	\$250 copay	90% after ded.	\$250 copay	90% after ded.	\$250 copay + 80% after ded.	90% after ded.	\$250 copay
Hospital Inpatient Outpatient	90% after ded. 90% after ded.	80% after ded. 80% after ded.	90% after ded. 90% after ded.	80% after ded. 80% after ded.	100% after ded. 100% after ded.	80% after ded. 80% after ded.	90% after ded. 90% after ded.	80% after ded. 80% after ded.	90% after ded. 90% after ded.	80% after ded. 80% after ded.	90% after ded. 90% after ded.	80% after ded. 80% after ded.
Prescription Retail - (30 day supply)												
Tier 1	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$5 copay after ded.	\$5 copay
Tier 2	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay
Tier 3	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay
Tier 4	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay
Mail Order												
Tier 1	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$10 copay after ded.	\$10 copay
Tier 2	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$87.50 copay after ded.	\$87.50 copay	\$70 copay after ded.	\$70 copay
Tier 3	\$140 copay after ded.	\$140 copay	\$140 copay after ded.	\$140 copay	\$140 copay after ded.	\$140 copay	\$140 copay after ded.	\$140 copay	\$175 copay after ded.	\$175 copay	\$140 copay after ded.	\$140 copay
Rates	HS HR	Current Rates	Current Rates	Renewal Rates	Renewal Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates
Employee Only	132 44	\$657.29	\$902.83	\$723.02	\$993.11	\$724.72	\$883.46	\$783.90	\$1,116.78	\$768.70	\$861.98	\$657.29
Employee + Spouse	26 9	\$1,446.05	\$1,986.22	\$1,590.66	\$2,184.84	\$1,753.82	\$2,137.97	\$1,724.58	\$2,456.90	\$1,691.15	\$1,896.35	\$1,446.05
Employee + Child	50 17	\$1,117.41	\$1,534.82	\$1,229.15	\$1,688.30	\$1,311.74	\$1,599.06	\$1,332.64	\$1,898.53	\$1,306.80	\$1,465.36	\$1,117.41
Employee + Family	74 25	\$2,037.63	\$2,798.78	\$2,241.39	\$3,078.66	\$2,413.32	\$2,491.92	\$2,430.11	\$3,462.01	\$2,330.63	\$2,672.13	\$2,037.63
Monthly Total	282 95	\$331,014.70	\$153,661.94	\$364,116.17	\$169,028.13	\$385,435.04	\$147,595.99	\$400,575.00	\$164,725.00	\$383,244.92	\$146,708.64	\$331,014.70
Annual Total		\$3,972,176.40	\$1,843,943.28	\$4,369,394.04	\$2,028,337.61	\$4,625,220.48	\$1,771,151.88	\$4,806,900.00	\$1,976,700.00	\$4,598,939.04	\$1,760,503.68	\$3,972,176.40
Combined Annual Total		\$5,816,119.68		\$6,397,731.65		\$6,396,372.36		\$6,998,280.00		\$6,359,442.72		\$5,816,119.68
\$ Over Current		-		\$581,611.97		\$580,252.68		\$1,182,160.32		\$543,323.04		\$0.00
% Over Current		-		10.00%		9.98%		20.33%		9.34%		0.00%
Total w/ credit		-		\$6,397,731.65		\$6,396,372.36		\$6,998,270.00		\$6,259,442.72		\$5,700,119.68
IBNR								\$1,250,000				
Total w/ IBNR		-		-		\$7,646,372.36		\$8,248,270.00		\$7,509,442.72		\$6,950,119.68
\$ Over Renewal		-		-		\$1,248,640.71		\$1,850,538.35		\$1,111,711.07		\$552,388.03
% Over Renewal		-		-		19.52%		28.92%		17.38%		8.63%

Notes:

McGriff using 10% projected increase to self funded health plan

Rates for retirees are different than above - annual cost for current enrollment on HSA is \$195,504, HRA is \$19,176 - totals included in Combined annual total
Additional 2.5% discount if bundled with dental and vision
Narrow Network options THA reduced premiums
Non-Preferred generics are considered Tier 2

Additional 1.5% reduction in premium if bundled with dental and vision

Both plan designs would include out of network coverage, unless you moved to the Blue Essentials plan

Site of care, redirection of network

Disclaimer:

The rates and benefits shown in this proposal are for an illustrative comparison only. Please refer to the carrier's certificate of coverage or policy for a complete description of benefits, exclusions, and limitations. In the event of a discrepancy, the carrier's contract will always govern. Rates shown are not final until final underwriting is approved by the carrier.

Current			Self-Funded Renewal		Proposed			Proposed			Proposed				
Benefits			UHC		UHC		Curative		Curative			Curative			
			HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)	EPO Plan		PPO Plan			PPO+ Plan			
Network Name			Choice Network In Network Only	Choice Network In Network Only	Choice Network In Network Only	Choice Network In Network Only	Curative	In-Network	Out-of-Network	Curative	In-Network	Out-of-Network	Curative	In-Network	Out-of-Network
Coinsurance			90%	80%	90%	80%	100%	Med -80% Rx - 75%	N/A	100%	Med -80% Rx - 75%	80%	100%	Med -80% Rx - 85%	80%
Individual Deductible			\$3,200	\$2,000	\$3,200	\$2,000	\$0	\$5,000	N/A	\$0	\$5,000	\$10,000	\$0	\$5,000	\$5,000
Family Deductible			\$5,600	\$4,000	\$5,600	\$4,000	\$0	\$10,000		\$0	\$10,000	\$20,000	\$0	\$10,000	\$10,000
Individual Out-of-Pocket Maximum			\$5,000	\$4,000	\$5,000	\$4,000	\$0	\$7,500		\$0	\$7,500	\$15,000	\$0	\$7,500	\$7,500
Family Out-of-Pocket Max			\$10,000	\$8,000	\$10,000	\$8,000	\$0	\$15,000		\$0	\$15,000	\$30,000	\$0	\$15,000	\$15,000
Physician Office Copay			90% after ded.	\$25 copay	90% after ded.	\$25 copay	\$0	\$25 copay	N/A	\$0	\$25 copay	\$50 copay	\$0	\$25 copay	\$50 copay
Specialist Office Copay			90% after ded.	\$50 copay	90% after ded.	\$50 copay	\$0	\$50 copay	N/A	\$0	\$50 copay	\$100 copay	\$0	\$50 copay	\$100 copay
Urgent Care Copay			90% after ded.	\$50 copay	90% after ded.	\$50 copay	\$0	80% after ded	N/A	\$0	80% after ded	80% after ded	\$0	80% after ded	80% after ded
Emergency Room Copay			90% after ded.	\$250 copay	90% after ded.	\$250 copay	\$0	80% after ded	N/A	\$0	80% after ded	80% after ded	\$0	80% after ded	80% after ded
Hospital															
Inpatient			90% after ded.	80% after ded.	90% after ded.	80% after ded.	100% cov after baseline	80% after ded	N/A	100% cov after baseline	80% after ded	80% after ded	100% cov after baseline	80% after ded	80% after ded
Outpatient			90% after ded.	80% after ded.	90% after ded.	80% after ded.	100% cov after baseline	80% after ded	N/A	100% cov after baseline	80% after ded	80% after ded	100% cov after baseline	80% after ded	80% after ded
Prescription Retail - (30 day supply)							Copay applies after deductible has been met			Copay applies after deductible has been met			Copay applies after deductible has been met		
Tier 1			\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay	\$50 copay	80% after ded	\$0 copay	\$50 copay	80% after ded	\$0 copay	\$50 copay	80% after ded
Tier 2			\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay	\$0 copay	\$50 copay	80% after ded	\$0 copay	\$50 copay	80% after ded	\$0 copay	\$50 copay	80% after ded
Tier 3			\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$50/\$250 copay	\$100 copay after ded	80% after ded	\$50/\$250 copay	\$100 copay after ded	80% after ded	\$50/\$250 copay	\$100 copay after ded	80% after ded
Tier 4 Mail Order			\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay	\$0 copay	\$50 copay	80% after ded	\$0 copay	\$50 copay	80% after ded	\$0 copay	\$50 copay	80% after ded
Rates	HS	HR	Current Rates	Current Rates	Renewal Rates	Renewal Rates	Proposed Rates			Proposed Rates			Proposed Rates		
Employee Only	132	44	\$657.29	\$902.83	\$723.02	\$993.11	\$663.92			\$781.38			\$857.98		
Employee + Spouse	26	9	\$1,446.05	\$1,986.22	\$1,590.66	\$2,184.84	\$1,460.61			\$1,719.03			\$1,887.54		
Employee + Child	50	17	\$1,117.41	\$1,534.82	\$1,229.15	\$1,688.30	\$1,128.66			\$1,328.35			\$1,458.56		
Employee + Family	74	25	\$2,037.63	\$2,798.78	\$2,241.39	\$3,078.66	\$2,058.14			\$2,422.27			\$2,659.73		
Monthly Total	282	95	\$331,014.70	\$153,661.94	\$364,116.17	\$169,028.13	\$447,347.35			\$526,493.11			\$578,105.17		
Annual Total			\$3,972,176.40	\$1,843,943.28	\$4,369,394.04	\$2,028,337.61	\$5,368,168.20			\$6,317,917.32			\$6,937,262.04		
Combined Annual Total			\$5,816,119.68		\$6,397,731.65		\$5,368,168.20			\$6,317,917.32			\$6,937,262.04		
\$ Over Current			-		\$581,611.97		(\$447,951.48)			\$501,797.64			\$1,121,142.36		
% Over Current			-		10.00%		-7.70%			8.63%			19.28%		
Total w/ credit			\$5,816,119.68		\$6,397,731.65		\$5,318,168.20			\$6,267,917.32			\$6,887,262.04		
IBNR							\$1,250,000.00								
Total w/ IBNR			-		-		\$6,568,168.20			\$7,517,917.32			\$8,137,262.04		
% Over Renewal			-		-		2.66%			17.51%			27.19%		

Notes: McGriff using 10% projected increase to self funded health plan

Disclaimer: The rates and benefits shown in this proposal are for an illustrative comparison only. Please refer to the carrier's certificate of coverage or policy for a complete description of benefits, exclusions, and limitations. In the event of a discrepancy, the carrier's contract will always govern. Rates shown are not final until final underwriting is approved by the carrier.

Fully vs Self-Insured Plans Differences

Item	Fully-Insured	Self-Insured
Plans defined	Employers pay fixed premiums to an insurance carrier that handles all the insurance claims including taking on the risk of claims. Premiums are determined by the carrier based on employee count, projected cost and benefit levels.	Employers use their own money to cover employees' claims contracting with a third-party administrator (TPA) for plan administration and claims processing. Employers also pay a stop loss carrier to insure the health plan against large claims.
Pros	<ul style="list-style-type: none"> • Predictability of cost each month, regardless of actual health care costs • Ease of administration for employer - insurance company handles all claims processing, benefits administration, and compliance/reporting • Reduced risk to employer - insurance company assumes all risks related to health care claims • Employers have limited fiduciary responsibility 	<ul style="list-style-type: none"> • Flexibility and customization in plan design, networks, and premium structure • Improved cash flow • Cost savings - Employers retain monies in low claims years to plan for higher claims years and other expected increases in the future, no state insurance taxes • Expanded reporting capability
Cons	<ul style="list-style-type: none"> • Higher cost in the long term - premiums include the insurance company's overhead and profit margins, and premiums can increase at renewal each year (employer has no control into increases employees will experience) • Less flexibility - employers cannot customize plan options and benefits • No cash flow advantage to employer 	<ul style="list-style-type: none"> • Increased financial risk • Cost are not predictable • Greater fiduciary responsibility (employers have obligation being "guardians" of the funds) • More time commitment for employer for plan administration and compliance

McGriff's Recommendation after RFP Analysis

Remain as a Self-Funded plan vs.
moving to Fully-Insured.



Market Benchmarking

2024 Municipality Benchmarking	
City of Arlington	Self-Funded
City of Burleson	Self-Funded
City of Cedar Hill	Self-Funded
City of Cleburne	Fully-Insured
City of Coppell	Self-Funded
City of Euless	Self-Funded
City of Fort Worth	Self-Funded
City of Grand Prairie	Self-Funded
City of Hurst	Self-Funded
City of Keller	Self-Funded
City of Mansfield	Self-Funded
City of Midlothian	Fully-Insured*
City of North Richland Hills	Self-Funded
City of Waxahachie	Fully-Insured
The Colony	Fully-Insured

*reviewing moving to self-funded next year

14 Cities (not including Burleson)
10 = Self-Funded
3 = Fully-Insured
1 = current fully-insured but, looking to change to self-funded

Peer City Benchmark

Benefits	City of Burleson Self Funded UHC				City of Arlington Self-Funded UHC				City of Cedar Hill Self-Funded UHC								City of Cleburne Fully-Insured Aetna				City of Coppell Self Funded UMR	
	HDHP/HSA (EPO)		HRA/Copay (EPO)		HDHP/HSA		EPO		HDHP/HSA		EPO		HDHP/HSA Plan		Catastrophic Plan		HDHP/HSA Plan THA Option		Catastrophic Plan THA Option		HRA	
	In-Network Only		In-Network Only		In-Network Only		In-Network Only		In-Network		Out-of-Network		In-Network		Out of Network		In-Network		Out of Network		In-Network Only	
Coinsurance	90%		80%		90%		80%		80%		50%		80%		50%		90%		50%		80%	
Deductible	\$3,200/\$5,600		\$2,000/\$4,000		\$2,250/\$4,500		\$1,750/\$3,500		\$3,000/\$6,000		\$5,000/\$10,000		\$3,000/\$6,000		\$3,000/\$6,000		\$5,000/\$10,000		\$5,000/\$10,000		\$10,000/\$20,000	
Out-of-Pocket Maximum	\$5,000/\$10,000		\$4,000/\$8,000		\$6,000/\$12,000		\$6,000/\$12,000		\$5,000/\$10,000		\$10,000/\$20,000		\$5,000/\$10,000		\$17,000/\$34,000		\$6,000/\$12,000		\$17,000/\$34,000		\$6,600/\$13,200	
Prescription Drugs																						
Retail - 30 day																						
Generic	\$0 copay after ded.		\$0 copay				15% max of \$25		\$10 copay after ded.		\$10 copay		\$10 copay after ded.		\$10 copay		\$10 copay after ded.		\$10 copay after ded.		\$10 copay	
Preferred Brand	\$35 copay after ded.		\$35 copay				25% max of \$125		\$35 copay after ded.		\$35 copay		\$40 copay after ded.		\$40 copay		\$40 copay after ded.		\$40 copay after ded.		\$40 copay	
Non Preferred	\$70 copay after ded.		\$70 copay		90% after ded.		40% after ded.		\$60 copay after ded.		\$60 copay		\$85 copay after ded.		\$85 copay		\$85 copay after ded.		\$85 copay after ded.		\$85 copay	
Specialty	\$200 copay after ded.		\$200 copay				50% after ded.		\$60 min/\$200 max after ded.		80% \$60 min/\$200 max		\$200 copay after ded.		\$200 copay		\$200 copay after ded.		\$200 copay after ded.		\$200 copay	
Rates																						
Employee Only	\$657.29		\$902.93		\$672.86		\$774.08		\$596.37		\$883.16		\$837.96		\$923.87		\$729.30		\$742.79		\$943.00	
Employee+Spouse	\$1,446.05		\$1,986.22		\$1,100.41		\$1,221.95		\$1,192.73		\$1,589.67		\$1,886.34		\$2,079.72		\$1,641.72		\$1,672.07		\$1,807.00	
Employee+Child(ren)	\$1,117.41		\$1,534.82		\$1,394.80		\$1,548.84		\$1,073.46		\$1,501.36		\$1,466.96		\$1,616.18		\$1,276.72		\$1,300.34		\$1,509.00	
Employee+Family	\$2,037.63		\$2,798.78		\$1,958.64		\$2,174.98		\$1,669.83		\$2,296.20		\$1,313.74		\$2,550.91		\$2,013.69		\$2,050.93		\$2,415.00	
Employee Cost																						
Wellness																						
Non-Wellness																						
Employee Only	\$0.00		\$44.42		\$43.56		\$87.98		\$74.17		\$111.93		\$12.97		\$143.01		\$0.00		\$41.28		\$0.00	
Employee+Spouse	\$110.74		\$155.16		\$413.11		\$457.53		\$94.73		\$214.89		\$152.91		\$343.02		\$362.06		\$455.66		\$302.36	
Employee+Child(ren)	\$40.34		\$84.76		\$259.14		\$303.56		\$173.72		\$333.52		\$134.30		\$323.97		\$217.22		\$289.98		\$181.40	
Employee+Family	\$193.74		\$238.16		\$690.28		\$734.70		\$226.48		\$450.82		\$690.28		\$450.82		\$624.52		\$425.62		\$520.30	
HSA/HRA Contributions	\$1,000/year (in 2 payments) single coverage, \$2,000/year (in 2 payments) family coverage		\$1,000/year (in 2 payments) single coverage, \$2,000/year (in 2 payments) family coverage		No contributions		\$950 annually single coverage \$1,800 annually family coverage		\$41.67/pay period single coverage (\$1,000 annual) \$83.33/pay period family coverage (\$2,000 annual)		None		\$41.67/pay period single coverage (\$1,000 annual) \$83.33/pay period family coverage (\$2,000 annual)		None		\$500 FT/\$250 PT					
Opt Out Benefit	\$200/month with written proof		No Opt Out Benefit Listed		Spouses eligible for coverage under their own employers are not eligible for coverage		\$75/pay period with proof (\$1,800 annually)															
Notes																						

Benefits	City of Euless Self Funded UHC		City of Fort Worth Self Funded Aetna						City of Grand Prairie Self Funded BCBS			City of Hurst Self Funded Cigna		City of Keller Self Funded BCBS				City of North Richland Hills Self Funded UHC		
	Tier 1	Nexus	Health Center Plan (HCP)			Consumer Choice Plan (CCP) HDHP			HDHP	EPO	HDHP	EPO/HRA	HDHP		HDHP/EPO		HRA/EPO	EPO		
	In-Network Only	In-Network Only	In-Network Only			In-Network Only			In-Network Only	In-Network Only	In-Network Only	In-Network Only	In-Network Only	Out-of-Network	In-Network	In-Network	In-Network			
Coinsurance	80%	70%	80%			80%			80%	80%	80%	80%	80%	60%	100%	80%/90%	80%/90%			
Deductible	\$1,800/\$3,600		\$1,500/\$3,000			\$3,200/\$5,400			\$3,200/\$6,400	\$1,500/\$3,000	\$2,500/\$5,000	\$1,500/\$3,000	\$1,700/\$3,400	\$2,250/\$4,500	\$3,500/\$7,000	\$3,000/\$6,000	\$2,000/\$4,000			
Out-of-Pocket Maximum	\$4,800/\$9,600		\$6,000/\$12,000			\$6,550/\$13,000			\$6,000/\$12,000	\$6,000/\$12,000	\$4,550/\$9,000*	\$4,000/\$11,700	\$3,250/\$6,500	\$8,500/\$17,000	\$3,500/\$7,000	\$6,000/\$12,000	\$4,000/\$8,000			
Prescription Drugs										\$100/Ind Ded. \$300/Fam Ded.		\$1,00 /Ind OOP \$2,000/Fam OOP								
Retail - 30 day																				
Generic	\$10 Copay		20% after ded. \$10 min/\$30 max			20% after ded. *				\$10 copay		\$15 copay	\$10 copay after ded.			\$10 copay	\$10 copay			
Preferred Brand	15%/\$35 min, \$125 max		20% after ded. \$30 min/\$50 max			20% after ded. **				\$40 copay		\$40 copay	\$35 copay after ded.			\$35 copay	\$35 copay			
Non Preferred	15%/\$35 min, \$350 max		20% after ded. \$50 min/\$75 max			20% after ded.			20% after ded.	\$65 copay	20% after ded.	\$70 copay	\$60 Copay after ded.		100% after ded.	\$70 copay	\$70 copay			
Specialty	15%/\$35 min, \$500 max		20% after ded. \$200 max			Not Covered				\$150 copay		20% up to \$500	-			\$100 copay	\$100 copay			
Rates																				
Employee Only			\$751.12			\$645.08			\$300.00	\$328.50	\$973.32	\$1,062.16	\$854.28		\$708.11	\$732.11	\$744.40			
Employee+Spouse			\$1,858.71			\$1,586.53			\$660.50	\$723.00	\$1,709.20	\$1,907.68	\$1,782.36		\$1,487.03	\$1,537.42	\$1,563.23			
Employee+Child(re n)			\$1,337.27			\$1,142.41			\$600.50	\$657.00	\$1,423.47	\$1,578.74	\$1,620.59		\$1,372.07	\$1,418.57	\$1,442.28			
Employee+Family			\$2,412.51			\$2,057.27			\$960.50	\$1,051.50	\$2,159.50	\$2,426.14	\$2,131.46		\$2,284.53	\$2,361.95	\$2,401.60			
Employee Cost	Wellness	Non-Wellness	MHA + Phys + TOB	MHA + Phys or TOB	None	MHA + Phys + TOB	MHA + Phys or TOB	None					Band 1	Band 2	Band 3	Band 4				
Employee Only	\$175.24	\$235.24	\$110.74	\$160.74	\$210.74	\$0.00	\$50.00	\$100.00	\$35.00	\$85.00	\$25.00	\$75.00	\$25.63	\$29.05	\$35.03	\$45.28	\$16.00	\$0.00		
Employee+Spouse	\$372.36	\$432.36	\$547.92	\$597.92	\$647.92	\$371.60	\$421.60	\$471.60	\$210.00	\$340.00	\$50.00	\$100.00	\$258.44	\$315.48	\$399.25	\$509.75	\$260.00	\$228.00		
Employee+Child(re n)	\$459.98	\$579.98	\$408.81	\$458.81	\$508.81	\$266.10	\$316.10	\$366.10	\$125.00	\$245.00	\$50.00	\$100.00	\$178.26	\$226.88	\$299.81	\$403.53	\$202.00	\$170.00		
Employee+Family	\$591.40	\$711.40	\$766.52	\$816.52	\$866.51	\$527.41	\$607.41	\$657.41	\$345.00	\$485.00	\$50.00	\$100.00	\$321.85	\$383.66	\$475.32	\$603.20	\$370.00	\$322.00		
HSA/HRA Contributions	No Contributions		No Contributions			\$540 annually for single coverage, \$1,000 annually for family coverage			No Contributions		\$1,000 annually for single coverage, \$2,000 enrollment tier for family coverage		\$500 annually for single coverage, \$1,000 for family coverage				\$600 annually for single and family coverage		No contributions	
Opt Out Benefit	No Opt Out Benefit Listed		No Opt Out Benefit Listed			*Certain generic maintenance meds covered at 100% ded. waived. **Certain preferred preventative maintenance meds. are covered at 20% ded. waived.			No Opt Out Benefit		No Opt Out Benefit		No Opt Out Benefit Listed				No Opt Out Benefit			
Notes	Spousal Surcharge \$125, Tobacco Surcharge \$40 EE, \$80 Family								\$30 monthly tobacco surcharge		\$6,550/individual in a family, premiums are based on a flat rate + a % of current pay rate		Band 1: \$50K, Band 2: \$50K-\$70K, Band 3: \$70K-\$100K, Band 4: \$100k+ \$50 non physical surcharge, \$50 tobacco surcharge, \$20 wellness premium deduction							

Benefits	City of Mansfield				City of Midlothian				City of Waxahachie Fully Insured BCBS						The Colony Fully-Insured Cigna				
	Cigna				Cigna														
	HDHP/HSA Plan		Base Plan		Open Access Plus Base Plan		Open Access Plus Buy Up Plan		HDHP/HSA Plan		Base Plan PPO		Buy-Up Plan PPO		HDHP/HSA Plan	Local Plus HDHP/HSA	PPO	Local Plus PPO	
	In-Network	Out of Network	In-Network Only	Out of Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	In-Network	In-Network	In-Network	
Coinsurance	100%	70%	80%	60%	80%	50%	80%	50%	80%	60%	80%	60%	85%	50%	80%	80%	80%	80%	
Deductible	\$3,750/\$7,500	\$7,500/\$15,000	\$1,750/\$3,500	\$3,500/\$7,000	\$3,000/\$6,000	\$7,500/\$15,000	\$1,500/\$3,000	\$5,000/\$15,000	\$3,200/\$6,000	\$6,000/\$12,000	\$3,000/\$6,000	\$6,000/\$12,000	\$1,250/\$2,500	\$1,500/\$3000	\$3,200/\$5,600	\$3,200/\$5,600	\$1,000/\$2,000	\$1,000/\$2,000	
Out-of-Pocket Maximum	\$3,750/\$7,500	\$9,375/\$18,750	\$3,000/\$6,000	\$6,000/\$12,000	\$7,150/\$14,300	\$15,000/\$30,000	\$7,150/\$14,300	\$10,000/\$20,000	\$6,000/\$12,000	\$12,000/\$24,000	\$5,000/\$10,000	\$10,000/\$20,000	\$3,000/\$6,000	\$6,000/\$12,000	\$5,400/\$10,800	\$5,400/\$10,800	\$4,000/\$8,000	\$4,000/\$8,000	
Prescription Drugs																			
Retail - 30 day																			
Generic	100% after ded.	40% after ded.	\$10 copay	40% after ded.	\$15 copay		\$15 copay				\$5 copay		\$5 copay				\$10 copay	\$10 copay	
Preferred Brand	100% after ded.	40% after ded.	\$30 copay	40% after ded.	\$35 copay		\$35 copay				\$38 copay	50% after copay	\$38 copay	50% after copay			\$30 copay	\$30 copay	
Non Preferred	100% after ded.	40% after ded.	\$45 copay	40% after ded.	\$70 copay	50% after ded.	\$70 copay	50% after ded.	80% after ded.	80% after ded.	\$60 copay		\$60 copay		20% after ded.	20% after ded.	\$60 copay	\$60 copay	
Specialty	-	-	-	-	Not Covered		Not Covered										-	-	
Rates																			
Employee Only									\$575.93		\$741.61		\$817.67		\$679.13		\$663.74	\$907.21	\$888.82
Employee+Spouse									\$1,526.92		\$1,965.08		\$2,166.19		\$1,426.43		\$1,394.17	\$1,905.41	\$1,866.86
Employee+Child(ren)									\$1,036.39		\$1,333.99		\$1,470.61		\$1,290.56		\$1,261.37	\$1,723.93	\$1,689.04
Employee+Family									\$1,808.06		\$2,326.77		\$2,564.85		\$2,037.86		\$1,991.81	\$2,722.13	\$2,667.09
Employee Cost																			
Employee Only	\$0.00		\$50.00						\$0.00		\$90.30		\$144.44		\$20.00		\$0.00	\$150.00	\$50.00
Employee+Spouse	\$162.00		\$270.00						\$322.35		\$702.27		\$853.71		\$340.00		\$300.00	\$550.00	\$400.00
Employee+Child(ren)	\$90.00		\$150.00						\$116.93		\$354.24		\$498.55		\$80.00		\$50.00	\$300.00	\$150.00
Employee+Family	\$250.00		\$400.00						\$440.07		\$874.27		\$1,034.38		\$490.00		\$410.00	\$650.00	\$520.00
HSA/HRA Contributions	\$2,000 annually for single coverage, \$4,000 annually for family coverage		No Contribution		No Contributions		No Contributions		\$750 annually self coverage, \$1,250 annually family coverage		No Contributions		No Contributions		\$750 annually for self coverage, \$1,500 annually for family coverage		\$1,000 annually for single coverage, \$2,000 annually for family coverage	No Contributions	
Opt Out Benefit	No Opt Out Benefit Listed				No Opt Out Benefit Listed				No Opt Out Benefit Listed				No Opt Out Benefit						
	\$50 wellness surcharge				2022-2023 data				-				Local Plus are limited networks. All 4 plans have out of network coverage (not listed)						

Recommend Benefit Changes

CITY INITIATED CHANGES:

- 5% Employee Medical Monthly Contribution Increase
- Implementing Naviguard with UHC*
- Remove Health Reimbursement Account (HRA with Copay Plan)*
- Remove roll-out insurance with Stop Loss (only needed if we were going fully-insured)*
- Move Short-Term Disability to a voluntary benefit vs. an employer paid benefit*

CARRIER INITIATED CHANGES:

- Vision premium increase of 2.5%

WHAT IS STAYING THE SAME:

- UHC network
- Health Premium Discount
- Medical Opt-Out benefit
- Long-Term Disability as an employer paid benefit
- EAP and Life Insurance plans – employer provided and optional coverages
- Dental plan design and coverage – no rate changes
- Vision plan design

*City initiated changes result in potential savings
\$204,700

Additional reductions still must be made

Other Benefit Changes

OTHER CITY ADDED BENEFITS:

- Adding employee voluntary pet insurance benefit
- Implementing a Catastrophic Leave Donation Program
- Adding 1 personal day
- Expanding telework and alternate work schedules where appropriate for certain departments/work groups
- Expanding Wellness Points program – increasing opportunities to volunteer for points

Disability Benefit - Market Benchmarking

2024 Municipality Benchmarking		
Municipality	STD	LTD
City of Arlington	Voluntary	Employer Paid
City of Cedar Hill	Voluntary	Employer Paid
City of Cleburne	Not Offered	Employer Paid
City of Coppell	Employer Paid	Employer Paid
City of Euless	Employer Paid	Employer Paid
City of Fort Worth	Voluntary	Voluntary
City of Grand Prairie	Not Offered	Employer Paid
City of Keller	Employer Paid	Employer Paid
City of Mansfield	Not Offered	Voluntary
City of Midlothian	Not Offered	Employer Paid
City of North Richland Hills	Not Offered	Employer Paid
City of Waxahachie	Voluntary	Employer Paid
The Colony	Not Offered	Employer Paid
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Short-term disability benefit - 13 Cities (does not include Burleson)

- 4 have as a Voluntary benefit
- 3 have as an Employer paid benefit
- 6 Do not offer

Long-term disability benefit - 13 Cities (does not include Burleson)

- 2 have as a Voluntary benefit
- 11 have as an Employer paid benefit

5% Increase for Employee Health Care Premiums

Accounted for in FY25 Budget

HDHP Plan	Current Monthly Employee Premiums	Proposed Increase to Monthly Premiums (Non-Wellness Rate)	Monthly Increase (Non-Wellness Rate)	Per Pay Period Increase
Employee Only*	\$44.42	\$46.64	\$2.22	\$1.11
Employee + Spouse	\$155.16	\$162.92	\$7.76	\$3.88
Employee + Child(ren)	\$84.76	\$89.00	\$4.24	\$2.12
Employee + Family	\$238.16	\$250.07	\$11.91	\$5.95

CoPay Plan	Current Monthly Employee Premiums	Proposed Increase to Monthly Premiums (Non-Wellness Rate)	Monthly Increase	Per Pay Period Increase
Employee Only*	\$87.98	\$92.38	\$4.40	\$2.20
Employee + Spouse	\$457.54	\$480.42	\$22.88	\$11.44
Employee + Child(ren)	\$303.56	\$318.74	\$15.18	\$7.59
Employee + Family	\$734.70	\$771.44	\$36.74	\$18.37

*Health Premium Discount increases from \$44.42 to \$46.64

10% Increase for Employee Health Care Premiums

Savings Potential: \$34,774

HDHP Plan	Current Monthly Employee Premiums	Proposed Monthly Premiums (Non-Wellness Rate)	Monthly Increase (Non-Wellness Rate)	Per Pay Period Increase
Employee Only*	\$44.42	\$48.86	\$4.44	\$2.22
Employee + Spouse	\$155.16	\$170.68	\$15.52	\$7.76
Employee + Child(ren)	\$84.76	\$93.24	\$8.48	\$4.24
Employee + Family	\$238.16	\$261.98	\$23.82	\$11.91

CoPay Plan	Current Monthly Employee Premiums	Proposed Monthly Premiums (Non-Wellness Rate)	Monthly Increase (Non-Wellness Rate)	Per Pay Period Increase
Employee Only*	\$87.98	\$96.78	\$8.80	\$4.40
Employee + Spouse	\$457.54	\$503.29	\$45.75	\$22.88
Employee + Child(ren)	\$303.56	\$333.92	\$30.36	\$15.18
Employee + Family	\$734.70	\$808.17	\$73.47	\$36.74

*Health Premium Discount increases from \$44.42 to \$48.86

VARIABLE OPTION Increase for Employee Health Care Premiums

Savings Potential: \$96,775

HDHP Plan	Current Monthly Employee Premiums	Proposed Monthly Premiums (Non-Wellness Rate)	Monthly Increase (Non-Wellness Rate)	Per Pay Period Increase	% INCREASE
Employee Only*	\$44.42	\$50.00	\$5.58	\$2.79	13%
Employee + Spouse	\$155.16	\$191.00	\$35.84	\$17.92	23.0%
Employee + Child(ren)	\$84.76	\$120.00	\$35.24	\$17.62	42%
Employee + Family	\$238.16	\$279.00	\$40.84	\$20.42	17%

CoPay Plan	Current Monthly Employee Premiums	Proposed Monthly Premiums (Non-Wellness Rate)	Monthly Increase (Non-Wellness Rate)	Per Pay Period Increase	% INCREASE
Employee Only*	\$87.98	\$110.00	\$22.02	\$11.01	25%
Employee + Spouse	\$457.54	\$518.00	\$60.46	\$30.23	13%
Employee + Child(ren)	\$303.56	\$364.00	\$60.44	\$30.22	20%
Employee + Family	\$734.70	\$805.00	\$70.30	\$35.15	10%

***Health Premium Discount increases from \$44.42 to \$50.00**

Benefit Plan Changes

Proposed plan design

	Current		Self-Funded Renewal		Option #1 - IRS Change		Option #2 - Deductible and		Option #3 - Deductible and OOP	
Benefits	UHC		UHC		UHC		UHC		UHC	
	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)	HSA/HDHP	HRA (Copay)
Network Name	Choice Network	Choice Network	Choice Network	Choice Network	Choice Network	Choice Network	Choice Network	Choice Network	Choice Network	Choice Network
	In Network Only	In Network Only	In Network Only	In Network Only	In Network Only	In Network Only	In Network Only	In Network Only	In Network Only	In Network Only
Coinsurance	90%	80%	90%	80%	90%	80%	80%	80%	80%	80%
Individual Deductible	\$3,200	\$2,000	\$3,200	\$2,000	\$3,300	\$2,000	\$3,500	\$2,500	\$4,000	\$3,000
Family Deductible	\$5,600	\$4,000	\$5,600	\$4,000	\$5,600	\$4,000	\$7,000	\$5,000	\$8,000	\$6,000
Individual Out-of-Pocket	\$5,000	\$4,000	\$5,000	\$4,000	\$5,000	\$4,000	\$5,000	\$4,000	\$6,500	\$6,000
Family Out-of-Pocket Max	\$10,000	\$8,000	\$10,000	\$8,000	\$10,000	\$8,000	\$10,000	\$8,000	\$13,000	\$12,000
Physician Office Copay	90% after ded.	\$25 copay	90% after ded.	\$25 copay	90% after ded.	\$25 copay	80% after ded.	\$25 copay	80% after ded.	\$25 copay
Specialist Office Copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay	80% after ded.	\$50 copay	80% after ded.	\$50 copay
Urgent Care Copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay	90% after ded.	\$50 copay	80% after ded.	\$50 copay	80% after ded.	\$50 copay
Emergency Room Copay	90% after ded.	\$250 copay	90% after ded.	\$250 copay	90% after ded.	\$250 copay	80% after ded.	\$250 copay	80% after ded.	\$250 copay
Hospital										
Inpatient	90% after ded.	80% after ded.	90% after ded.	80% after ded.	90% after ded.	80% after ded.	80% after ded.	80% after ded.	80% after ded.	80% after ded.
Outpatient	90% after ded.	80% after ded.	90% after ded.	80% after ded.	90% after ded.	80% after ded.	80% after ded.	80% after ded.	80% after ded.	80% after ded.
Prescription										
Retail - (30 day supply)										
Tier 1	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay
Tier 2	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay	\$35 copay after ded.	\$35 copay
Tier 3	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay
Tier 4	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay	\$200 copay after ded.	\$200 copay
Mail Order										
Tier 1	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay	\$0 copay after ded.	\$0 copay
Tier 2	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay	\$70 copay after ded.	\$70 copay
Tier 3	\$140 copay after ded.	\$140 copay	\$140 copay after ded.	\$140 copay	\$140 copay after ded.	\$140 copay	\$140 copay after ded.	\$140 copay	\$140 copay after ded.	\$140 copay

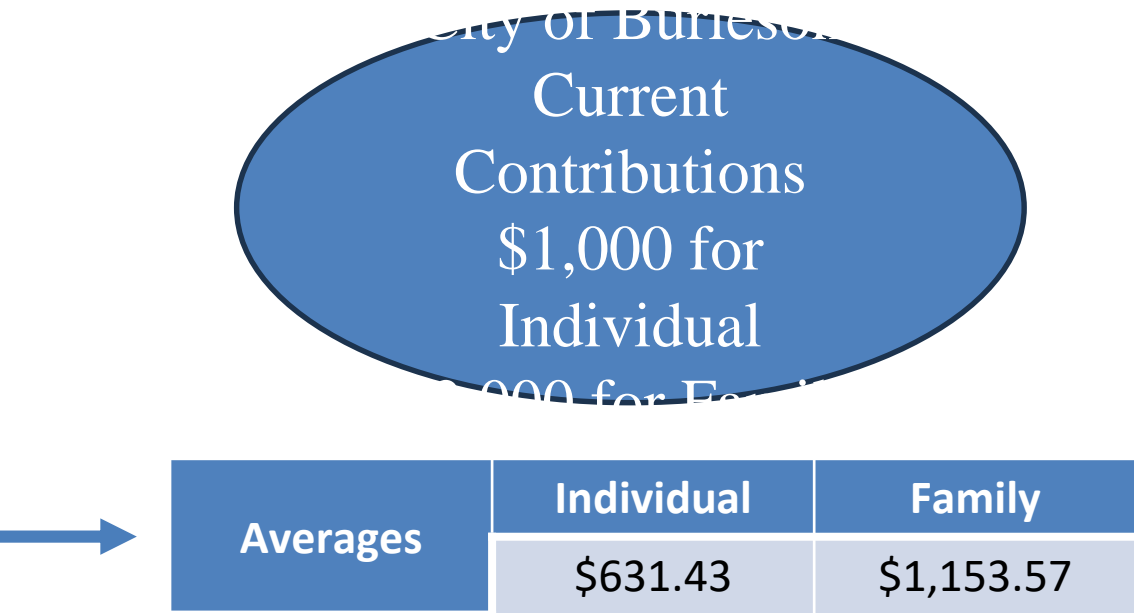
Option 2
\$180,509 Savings

Option 3
\$371,275 Savings

Health Savings Account (HSA) Contribution Amounts- Market Benchmarking

2024 Municipality Benchmarking		
Municipality	Individual Contribution	Family Contribution
City of Arlington	\$0	\$0
City of Cedar Hill	\$950	\$1,800
City of Cleburne*	\$1,000	\$2,000
City of Coppell	\$500	\$500
City of Euless	\$0	\$0
City of Fort Worth	\$540	\$1,000
City of Grand Prairie	\$0	\$0
City of Hurst	\$1,000	\$2,000
City of Keller	\$500	\$1,000
City of Mansfield	\$2,000	\$4,000
City of Midlothian	\$0	\$0
City of North Richland Hills	\$600	\$600
City of Waxahachie*	\$750	\$1,250
The Colony*	\$1,000	\$2,000
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*fully-insured plans



Options and Potential Impact to Employees

Option	Impacted
Plan design changes (increasing deductibles and out of pocket)	Every employee on the health plan, estimated #377 employees
Lower Health Savings Account contributions: \$1,000 is lowered to \$750 and \$2,000 is lowered to \$1,500	Employees on HDHP, estimated #282 employees
Additional increase (on top of the 5% increase) to monthly premium for health plans	Every employee on the health plan, estimated #377 employees
Expand RX Prior Authorization	45 members, 29 drugs (members could include employees or family)

POTENTIAL COST SAVINGS OPTIONS

Options Already Selected

Saving Options Identified	Amount Saved
Naviguard	\$52,500
HRA Removal	\$5,000
Remove run-off for Stop-Loss	\$50,000
Move STD to Voluntary Benefit	\$97,200
TOTAL	\$204,700

POTENTIAL COST SAVINGS OPTIONS Continued

Other Options to Consider

Option	Potential Savings
Premium 10%	\$34,774
Premium – Variable	\$96,775
Reduce HSA Contribution	\$110,000
Rx Prior Authorization	\$62,250
Plan Design 2	\$180,509
Plan Design 3	\$371,275

Example A

Option	Amount Saved
Identified Savings*	\$204,770
Reduce HSA Contribution	\$110,000
RX Prior Authorization	\$62,250
Plan Design – Option 2	\$180,509
TOTAL	\$557,529

Example B

Option	Amount Saved
Identified Savings*	\$204,770
Plan Design – Option 3	\$371,275
TOTAL	\$576,045

Example C

Option	Amount Saved
Identified Savings*	\$204,770
Premium - Variable	\$96,775
Reduce HSA	\$110,000
Plan Design – Option 2	\$180,509
TOTAL	\$592,054

All examples exceed the 1st year goal of \$550,000

History



No premium increases since 2020 for HDHP and 2021 for Copay



Changed HDHP Co-insurance from 80/20 to 90/10 in 2020



Added city provided Short-Term Disability in 2022



Improved city provided Life Insurance – increased employee to 2x, added dependent basic life



Improved leave program – increased vacation & payout, added paid parental leave, and added 1 more wellness day off if criteria met

Employee Feedback

Benefits Committee

Police and Fire Association Members

Department meetings

General feedback includes

- **Reservations about RX Pre-Authorization**
- **Prefer to see plan design change in lieu of premium increases**
- **Prefer to see Health Savings Account (HSA) contributions stay the same**

FY25 Health Fund Projection - including 1st year approach

	FY 22-23 Actuals	FY 23-24 Adopted	FY 23-24 Revised	FY 23-24 Year-End	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected	FY 27-28 Projected	FY 28-29 Projected
Beginning Fund Balance	\$3,826,214	\$ 3,462,577	\$3,462,577	\$ 3,462,577	\$ 3,530,219	\$ 3,240,173	\$ 3,240,173	\$ 3,264,895	\$ 2,990,369
Health and Dental Premium- City	\$ 4,930,372	\$ 5,094,499	\$ 5,094,499	\$ 5,203,207	\$ 4,892,067	\$ 5,136,670	\$ 5,393,504	\$ 5,663,179	\$ 5,946,338
Health and Dental Premium- Other	\$ 606,260	\$ 562,401	\$ 562,401	\$ 727,900	\$ 855,650	\$ 898,433	\$ 943,354	\$ 990,522	\$ 1,040,048
Other Revenues	\$ 1,220,978	\$ 709,000	\$ 709,000	\$ 979,941	\$ 792,385	\$ 832,004.25	\$ 873,604	\$ 917,285	\$ 963,149
Total Revenues	\$6,757,610	\$ 6,365,900	\$6,365,900	\$ 6,911,048	\$ 6,540,102	\$ 6,867,107	\$ 7,210,462	\$ 7,570,986	\$ 7,949,535
Claims	\$ 5,339,794	\$ 4,815,000	\$ 4,815,000	\$ 4,815,000	\$ 5,271,022	\$ 5,299,545	\$ 5,776,504	\$ 6,296,389	\$ 6,863,064
Other Expenditures*	\$ 1,781,452	\$ 2,051,688	\$ 2,051,688	\$ 2,028,406	\$ 1,559,126	\$ 1,567,562	\$ 1,708,643	\$ 1,862,420	\$ 2,030,038
Plan Design Changes					\$ -	\$ -	\$ (299,406)	\$ (313,298)	\$ (342,064)
Total Expenditures	\$7,121,247	\$ 6,866,688	\$6,866,688	\$ 6,843,406	\$ 6,830,148	\$ 6,867,107	\$ 7,185,741	\$ 7,845,512	\$ 8,551,039
Net revenue (loss)	\$ (363,637)	\$ (500,788)	\$ (500,788)	\$ 67,642	\$ (290,046)	\$ 0	\$ 24,722	\$ (274,526)	\$ (601,504)
Ending Fund Balance	\$3,462,577	\$ 2,961,789	\$2,961,789	\$ 3,530,219	\$ 3,240,173	\$ 3,240,173	\$ 3,264,895	\$ 2,990,369	\$ 2,388,865
FB % to Expenditures	48.62%	43.13%	43.13%	51.59%	47.44%	47.18%	45.44%	38.12%	27.94%
City Contributions		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Employee Contributions		0.00%	0.00%	0.00%	5.00%	5.00%	5.00%	5.00%	5.00%
					1.01	9.0%	9.0%	9.0%	9.0%
						9.0%	9.0%	9.0%	9.0%

Next Steps



COUNCIL DIRECTION/INPUT
SEPTEMBER 9TH



EMPLOYEE BENEFIT EDUCATION
MEETINGS SCHEDULED IN OCTOBER



2025 ANNUAL BENEFITS ENROLLMENT
INCORPORATING CHANGES
(NOVEMBER 2024)

Benefits Plan Year begins January 1, 2025



Questions?
