



# Executive Council Insurance Renewal September 5, 2023

# Agenda

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- ❑ 2024 Health Plans
- ❑ Health Contracts/Covered Members
- ❑ Key Points for 2024 Renewal
- ❑ New for 2024
- ❑ 2024 Health Plan Premium Recommendations
- ❑ 2024 Recommended Dental Premiums
- ❑ 2024 Life and Long Term Disability Rates
- ❑ DAS Recommendation

# 2024 Health Plans

- ❑ Continue with one plan design with two options
  - ❑ Iowa Choice (HMO) – access to network of providers in Iowa and continued access in contiguous counties – 79% of the State’s enrollment
  - ❑ National Choice (PPO)– access to network of providers nationwide – 21% of the State’s enrollment
- ❑ With the PPO plan, the employee buys-up the difference between the PPO plan and the HMO plan
- ❑ Other health promoting, value-added services available through the plan
- ❑ Enrollment Period: October 2<sup>nd</sup>- November 3<sup>rd</sup>

# Health Contracts/Covered Members

- Covered contracts as of 7/1/2023 were 20,023 (previous year 20,337 contracts)
  - Contracts are the State employees who hold the contract
- Covered members as of 7/1/2023 were 51,631 (previous year 52,482 members)
  - Members include the State employee contract holder plus dependents on the plan

\*These numbers are an average over the last 12 months (ex. 7/1/2022 – 6/30/2023)

# Key Points for 2024 Renewal

- Minimal Administrative fee changes were made for the 2024 renewal, as outlined in the RFP. The fee increased by 2% from the prior year.
- State estimated to save \$34 million in rebates on specialty medications for the period.
- Total claims paid were up \$15 million (4.2% from 2022). Pharmacy claims makeup roughly \$10 million of the \$15 million increase in claims.
  - ▣ Weight loss drugs
- Projected CY 2023 paid claims \$346 million (Projected CY 2024 \$397 million for a 11.09% increase)

# New for 2024

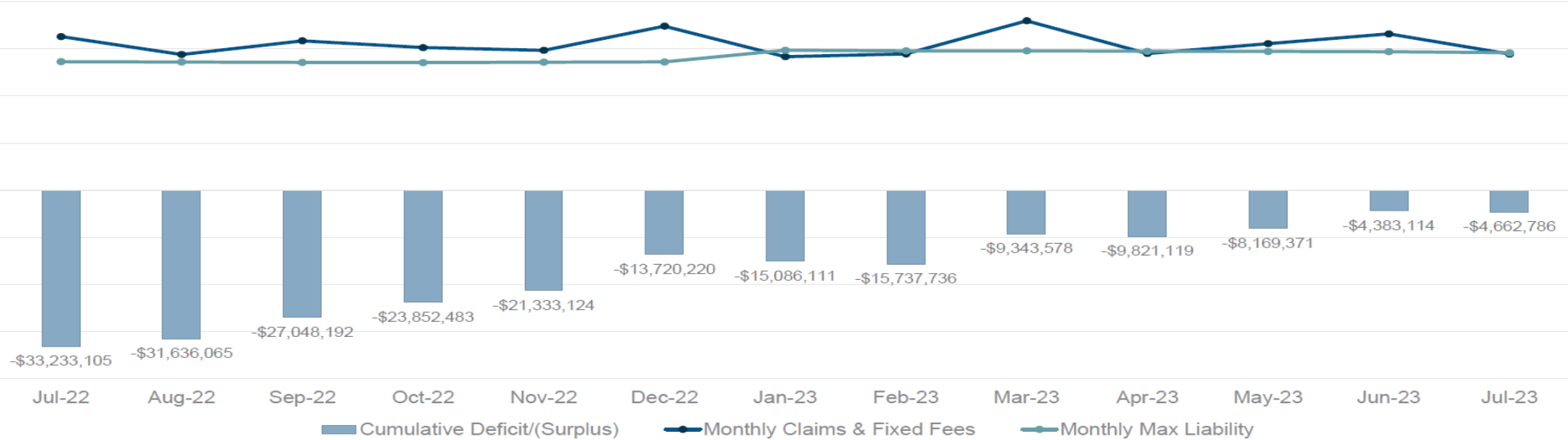
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- Livongo Diabetes Management Program to compliment the pre-diabetes program already in place (\$2.4 million estimated savings annually, \$1 million in year 1)
- PrudentRx copay pharmacy card (\$4.9 million savings)
- BlueRx Value Plus

# Surplus Summary

## Surplus/deficit summary

Monthly Claims and Surplus/Deficit



# 2024 Health Plan Premium Recommendation

2023 Health Premiums					
	Total	State Share	% Contribution	EE Share	%Contribution
Iowa Choice					
Single	\$799.00	\$743.00	93%	\$56.00	7%
Family	\$1,874.00	\$1,687.00	90%	\$187.00	10%
National Choice					
Single	\$878.00	\$743.00	85%	\$135.00	15%
Family	\$2,057.00	\$1,687.00	82%	\$370.00	18%
2024 Health Premiums Remove WL & Add Rx					
	Total	State Share	% Contribution	EE Share	% Contribution
Iowa Choice					
Single	\$879.00	\$818.00	93%	\$61.00	7%
Family	\$2,059.00	\$1,854.00	90%	\$205.00	10%
National Choice					
Single	\$966.00	\$818.00	85%	\$148.00	15%
Family	\$2,261.00	\$1,854.00	82%	\$407.00	18%
Difference 2023-2024					
	State	Employee			
Iowa Choice Single	9.90%	8.93%			
Iowa Choice Family	9.90%	9.63%			
National Choice Single	10.09%	9.63%			
National Choice Family	9.90%	10.00%			



# 2024 Recommended Dental Premiums

	2023					2024				
	Total	Employee		Employer		Total	Employee		Employer	
		Share	%	Share	%		Share	%	Share	%
Single	\$35.00	\$0.00	0%	\$35.00	100%	\$36.00	\$0.00	0%	\$36.00	100%
Family	\$90.00	\$45.00	50%	\$45.00	50%	\$92.00	\$46.00	50%	\$46.00	50%

# Life and Long Term Disability Rates

- RFP was completed for a 1/1/24 effective date. Contract remaining with The Standard.
- Basic Life and LTD rates decreased slightly and supplemental life rates remained the same. Rates are guaranteed for 3 years.
- Approval requested for contract.

# DAS Recommendations for Executive Council

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- Approve recommended premiums for health insurance for 2024
- Approve recommended premiums for dental insurance for 2024
- Approve Standard contract & rates for 2024