



2025 Employee Benefits Renewal

October 28, 2024



LAWRENCEVILLE
GEORGIA

**A Strategic Partner for Planning, Designing and Implementing
Your Employee Benefits Program:**



MSI Benefits Group, Inc.
245 TownPark Drive, Suite 100
Kennesaw, GA 30144
Tel: 770-425-1231
Fax: 770-425-4722
www.msibg.com

Ashley Gilder
Benefits Consultant

2023 and 2024 Summary









2023

- Overall claims ran **6%** higher than expected
- **\$1.2M** in stop loss reimbursements (**10** claimants) **vs. \$605K** in annual premium (**197%** loss ratio – 65% target)
- **815K** reimbursed in December 2023 (**68%** of total reimbursements)

2024

- **6%** overall renewal increase (firmed renewal in Oct 23)
- City changed Pharmacy Benefit Managers (claims are running **26%** better than 2023)
- Added “Know The Costs” which has produced savings in imaging claim totals
- Overall claims are running **7%** better than expected
- **\$1.3M** in stop loss reimbursements (**6** claimants) thru August **vs. \$788K** expected in annual premium (**166%** loss ratio assuming no more reimbursements)

2025 Health Plan Renewal

	2024	2025	
	Current	Renewal	
Third Party Administrator (TPA)			
Pharmacy Benefit Manager (PBM)			
Specific Stop Loss Carrier			
Provider Network			
Enrolled	349	349	
Annual Admin Premium Total	\$460,698	\$469,074	2%
Contract Basis	15/12	22/12	
Specific Stop Loss (SSL) Deductible	\$135,000	\$135,000	
Separate Aggregating Spec Deductible	\$125,000	\$125,000	
Annual SSL Premium Total	\$765,568	\$1,148,305	50%
Annual Aggregate Premium Total	\$31,619	\$33,336	5%
Total Annual Fixed Premium Cost	\$1,257,885	\$1,650,716	31%
Excluded Laser	\$600,000	\$0	
Expected Annual Claim Liability	\$6,692,796	\$6,789,165	
Total Fixed + Expected Claims	\$7,950,681	\$8,439,881	
Employee/Retiree Cost	-\$107,772	-\$143,772	
Total Net Cost (Fixed + Expected)	\$7,842,909	\$8,296,109	6%
Projected Cost Increase		\$453,200	
Fixed Cost Increase		\$392,831	
PEPY Cost	\$22,473	\$23,771	

Renewal Notes:

- Stop Loss includes contract change to 22/12 from 15/12 (incurred claims back to March 1st of prior year would be covered through March 1st of new plan year)
- No change to HealthEZ admin fees
- Veracity's PEPM fee is increasing from \$12 to \$14 with access to Mobile App (see following slides)
- Voya issuing max increase (50%) - no competitive proposals (see next slide)
- \$600K laser removed as member is on Medicare (reduces claim liability by \$465K compared to 2024)
- Recommended no change to employee deductions
- 60 employees currently paying working spouse surcharge (\$36,000 per year) - increasing from \$25 to \$50 per pay period

2025 Stop Loss Marketing

City of Lawrenceville - Effective : 2025-01-01

Stop-Loss Terms	Current	Renewal	Option 1	Option 2	Option 3	Option 4
Stop-Loss Market	Voya Financial	Voya Financial	Tokio Marine HCC	Swiss Re	Tokio Marine HCC	Swiss Re
Deductible	\$135,000	\$135,000	\$135,000	\$135,000	\$150,000	\$150,000
Separate Aggregating Specific Deductible	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
Contract Basis	15/12	22/12	18/12	24/12	18/12	24/12
Status	Current	Firm until 9/6/24	Quoted - Contingent	Quoted - Contingent	Quoted - Contingent	Quoted - Contingent
Stop-Loss Premium (Fixed Cost)						
Total Annual Premium/Fees	\$787,774	\$1,167,927	\$1,649,077	\$1,970,409	\$1,415,221	\$1,788,949
<i>Change from Current (\$)</i>		\$380,153	\$861,303	\$1,182,634	\$627,447	\$1,001,175
<i>Change from Current (%)</i>		48.26%	109.33%	150.12%	79.65%	127.09%
Stop-Loss Aggregate Claim Liability (Variable Cost)						
Maximum Claim Liability (Aggregate Attachm	\$7,707,773	\$8,402,321	\$8,306,728	\$8,768,994	\$8,509,458	\$8,884,123
<i>Change from Current (\$)</i>		\$694,548	\$598,956	\$1,061,222	\$801,685	\$1,176,350
<i>Change from Current (%)</i>		9.01%	7.77%	13.77%	10.40%	15.26%
Expected Claim Liability	\$6,166,218	\$6,721,857	\$6,645,383	\$7,015,196	\$6,807,566	\$7,107,298

Stop-Loss Market Response Summary

Stop-Loss Market	Market Response
AccuRisk Solutions, LLC	Declined Uncompetitive Rates
ATS Underwriting	Pending
Berkley Accident and Health	Declined Uncompetitive Rates
Berkshire Hathaway Specialty Insurance Company	Declined Adverse Large Claims History
Crum & Forster	Declined Adverse Large Claims History
Granular Insurance Company	Declined Uncompetitive Rates
Intermediary Insurance Services, Inc.	Declined Adverse Large Claims History
QBE A&H	Declined Adverse Large Claims History
Rockport Benefits, LLC	Declined Adverse Large Claims History
Sun Life Financial	Declined Uncompetitive Rates
Swiss Re	Quoted - Contingent
Symetra	Declined Uncompetitive Rates
Tokio Marine HCC	Quoted - Contingent
Voya Financial	Quoted - Contingent
Wellpoint Stop Loss	Declined Uncompetitive Rates

Optimizing Your Rx Benefits

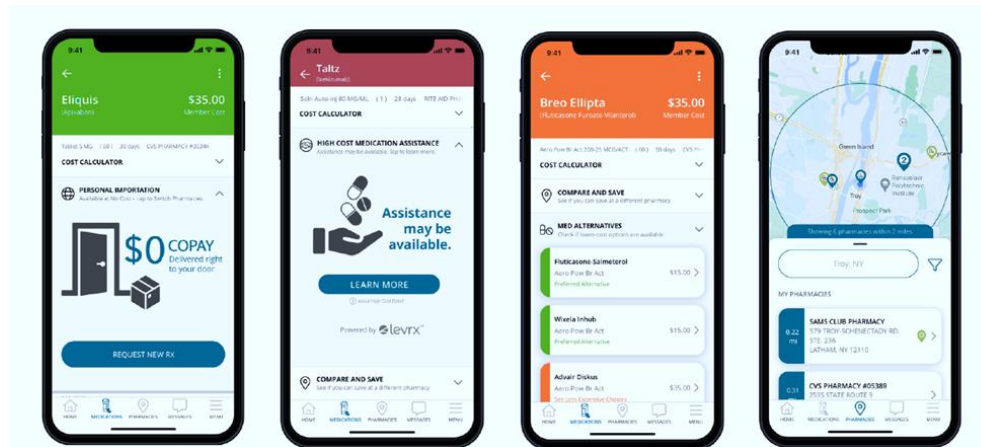
\$\$\$

VeracityRx Real-time Mobile App

Increase Satisfaction, Reduce Member Disruption and Lower Rx Spend

40% Monthly Active User Rate vs. 13% Industry Average

VeracityRx App Fee: \$2 PEPM



Personalized to You

View Medications Listing

Access Patient-Specific Pricing

Locate Closest Pharmacies

Understand Your Options

View Lower Cost Drug Alternatives

Compare Rx Prices at Local Pharmacies

Evaluate Patient Assistance Options

Act with One Tap

Switch Medications

Change Pharmacies

Receive Alerts to Save

Livongo Consideration



Livongo Diabetic Support

Program helps members stay on top of their health with connected devices and personalized coaching with an easy-to-use mobile app.

- Diabetes management with quick checks and unlimited
- No cost to members
- Coaches help create a custom plan that first members lifestyles (advice on health eating, exercise, and more)
- Mobile app that helps member manage ongoing condition (readings sent right to the app)
- Members can view trends and get personalized tips
- Fees are billed as a claim only for members that use the program
- Monthly reporting and communications with the HR team

- The City currently has 54 members with Diabetes

- Livongo Diabetic Program Cost: \$1,440 Per Person Per Year (PPPY)



2025 Health Plan Benefits and Employee Costs

		2025 Plan Design					
		Option A		Option B		HDHP w/HSA	
Deductible							
Individual		\$800		\$1,000		\$1,650	
Individual + 1		\$1,000		\$1,250		\$3,300	
Individual + Family		\$1,500		\$2,000		\$3,300	
Deductible/OOP Max Type		Non-Embedded		Non-Embedded		Non-Embedded	
Coinsurance		80%		80%		90%	
Out-of-Pocket Max							
Individual		\$1,250		\$1,450		\$1,900	
Individual + 1		\$2,000		\$2,250		\$3,800	
Individual + Family		\$3,000		\$3,250		\$3,800	
PCP Copay		Deductible + 20%		Deductible + 20%		Deductible + 10%	
Specialist Copay		Deductible + 20%		Deductible + 20%		Deductible + 10%	
Preventive Care		100%		100%		100%	
<u>Rx Copays:</u>							
Select Pharmacy Generic		\$10		\$10		Deductible + 10%	
Non-Select Pharmacy Generic		\$20		\$20		Deductible + 10%	
Preferred Brand		\$20		\$20		Deductible + 10%	
Non-Preferred Brand		\$40		\$40		Deductible + 10%	
Specialty Drugs		20% up to \$200 maximum		20% up to \$200 maximum		Deductible + 10%	
HSA Compatible		No		No		Yes	
City HSA Contribution							
Employee		N/A		N/A			
Spouse or Adult Child		N/A		N/A		\$500	
Maximum		N/A		N/A			
		2025 Employee Semi-Monthly (24/yr) Deductions					
Employee Only	36	15.00	12	5.00	48	0.00	
Employee + 1	24	21.00	11	10.00	37	0.00	
Employee + Family	49	25.00	15	12.50	84	0.00	
Annual EE Contributions		\$63,036					
Spousal Surcharge	60	\$72,000					
Combined Annual		\$135,036					
Wellness Incentives		HRA		HRA		HSA	
Employee		\$125 per year		\$300 per year		\$800 per year	
Spouse or Adult Child		\$125 per year		\$300 per year		\$600 per year	
Maximum		\$250		\$600		\$1,400	

- Due to IRS regulations, the HDHP deductible will be increasing in 2025 to remain compliant
- As communicated in 2024, the Working Spouse Surcharge will increase from \$25 to \$50 per pay period
- New employees will no longer be eligible to enroll in Option A or B
- No other recommended changes in plans or employee costs

2025 Aetna Medicare Renewal

		2024	2025
		Current - Aetna	Renewal - Aetna
In-Network		Medicare Advantage Plan	Medicare Advantage Plan
Deductible (EE / F)		\$0	\$0
Out-of-Pocket Maximum (OOP Max) (EE / F)		\$0	\$0
Medical Coverage			
Preventive Services		100%	100%
PCP / Specialist Office Visit		\$0	\$0
Podiatry Office Visit		\$0	\$0
Radiation Therapy / Chemotherapy		\$0	\$0
Emergency Room		\$0	\$0
Urgent Care		\$0	\$0
Inpatient / Outpatient Services		\$0 / \$0	\$0 / \$0
Skilled Nursing Facility		\$0 per day, days 1-100	\$0 per day, days 1-100
Hospice Care		\$0	\$0
Imaging		\$0	\$0
Diabetes Self-Monitoring and Supplies		\$0	\$0
Prescription Coverage (Medicare Part D)			
Prescription Deductible (EE / F)		\$0	\$0
Prescription OOP Max (EE / F)		\$0	\$0
Initial Coverage Limit (ICL)		\$5,030	\$2,000
Generic - Preferred / Standard		\$4 / \$5	\$4 / \$5
Preferred Brand		\$30	\$30
Non-Formulary/Non-Preferred Brand		\$60	\$60
Home Deliver / 90-Day Supply		2 Times 30-Day Copay	2 Times 30-Day Copay
Gap Coverage		\$8,000	10% Manufacturer Discount
Members	62	Gross Premium	Gross Premium
Member		\$503.07	\$556.07
Gross Monthly Premium		\$31,190	\$34,476
Gross Annual Premium		\$374,284	\$413,716
\$ Difference		N/A	\$39,432
% Difference		N/A	10.54%

- Premium increase is due to CMS mandates and guidelines

Life and Disability Renewal and Option

Basic Life and AD&D Insurance

Basic Life and AD&D Amount:	2 x Salary (\$15,000 Mayor/Council)
Life Rate (per \$1,000):	\$0.13
AD&D Rate (per \$1,000):	\$0.03
Maximum Life Amount:	\$200,000
Projected Volume:	\$40,915,600
Covered Lives:	322
Monthly Premium:	\$6,546
Annual Premium:	\$78,558

Group Short Term Disability


Benefit Schedule:	60% of weekly earnings
Maximum Benefit:	\$500 per week
Injury/Sickness Benefit Commences:	8th day
Benefit Duration:	51 Weeks
Rate per \$10 Benefit:	\$0.49
Total Weekly Benefit:	\$158,500
Monthly Premium:	\$7,767
Annual Premium:	\$93,198


Group Long Term Disability

Benefit Schedule:	60% of monthly earnings
Maximum Benefit:	\$3,500 per month
Elimination Period:	360 days
Benefit Duration:	SSNRA
Pre-Existing Exclusion:	3/12
Monthly Covered Payroll:	\$1,407,343
Rate per \$100 Benefit:	\$0.24
Monthly Premium	\$3,378
Annual Premium:	\$40,531

Combined Annual Premium:

Annual Increase

Current/Renewal

2 x Salary (\$15,000 Mayor/Council)
\$0.13
\$0.03
\$200,000
\$40,915,600
322
\$6,546
\$78,558
60% of weekly earnings
\$500 per week
8th day
51 Weeks
\$0.49
\$158,500
\$7,767
\$93,198
60% of monthly earnings
\$3,500 per month
360 days
SSNRA
3/12
\$1,407,343
\$0.24
\$3,378
\$40,531
\$212,287

Increase STD Benefit

2 x Salary (\$15,000 Mayor/Council)
\$0.13
\$0.03
\$200,000
\$40,915,600
322
\$6,546
\$78,558
60% of weekly earnings
\$800 per week
8th day
51 Weeks
\$0.49
\$211,193
\$10,348
\$124,181
60% of monthly earnings
\$3,500 per month
360 days
SSNRA
3/12
\$1,407,343
\$0.24
\$3,378
\$40,531
\$243,271
\$30,983

- No change to the life and disability rates
- Recommending increasing the STD weekly benefit max from \$500 to \$800

Employee Assistance Program (EAP) Consideration

Employee Assistance Program	Current - ComPsych	Alt Option - Ulliance
Online Counseling	Unlimited	Unlimited
Face-to-Face Counseling	6	Unlimited
Referral Services	Unlimited	Unlimited
Financial Consulting	Included	Included
Legal Consulting	Included	Included
Identity Theft Recovery and Credit Monitoring	Not Included	Included
Critical Incident Stress Debriefing	Not Included	Unlimited
Critical Incident Onsite Response Time	N/A	24 Hours
24-hour Crisis Line	Not Included	Included
Police, Fire and EMT Specialty Emphasis	Not Included	Included
HR/Supervisor/Manager Consultation	Not Included	Included
HR/Supervisor/Manager Onsite Training	Not Included	Included
Employee/Supervisor Orientations	Not Included	Included
Customized Communication Materials	Not Included	Included
Wellbeing Portal	Not Included	Included
Discount Program	Not Included	Included
Designated Clinical Account Manager	Not Included	Included
Reporting Capabilities	Not Included	Quarterly
City EAP Annual Cost	Annual Cost: \$9,274	

- \$2.40 Per Employee Per Month (PEPM)
- This significantly improves the City's EAP

2026 Proposed Benefit Changes

2026 Plan Design		
	<u>HDHP w/HSA 1</u>	<u>HDHP w/HSA 2</u>
Deductible		
Individual	\$1,650	\$2,000
Individual + 1	\$3,300	\$4,000
Individual + Family	\$3,300	\$4,000
Deductible/OOP Max Type	Non-Embedded	Non-Embedded
Coinsurance	90%	90%
Out-of-Pocket Max		
Individual	\$2,000	\$2,500
Individual + 1	\$4,000	\$5,000
Individual + Family	\$4,000	\$5,000
PCP Copay	Deductible + 10%	Deductible + 10%
Specialist Copay	Deductible + 10%	Deductible + 10%
Preventive Care	100%	100%
<u>Rx Copays:</u>		
Select Pharmacy Generic	Deductible + 10%	Deductible + 10%
Non-Select Pharmacy Generic	Deductible + 10%	Deductible + 10%
Preferred Brand	Deductible + 10%	Deductible + 10%
Non-Preferred Brand	Deductible + 10%	Deductible + 10%
Specialty Drugs	Deductible + 10%	Deductible + 10%
HSA Compatible	Yes	Yes
City HSA Contribution		
Employee	\$1,300	\$1,300
Spouse or Adult Child	\$1,800	\$1,800
Maximum		
2026 Employee Semi-Monthly (24/yr) Deductions		
Employee Only	25.00	0.00
Employee + 1	50.00	0.00
Employee + Family	50.00	0.00
Wellness Incentives		
	HSA	HSA
Employee	\$800 per year	\$800 per year
Spouse or Adult Child	\$600 per year	\$600 per year
Maximum	\$1,400	\$1,400

- Eliminate Option A and B
- Only offer two HDHP w/HSAs
- While Plan 2 has a higher Deductible with increased Out-of-Pocket Maximums for both Plans, a zero-cost option remains available
- Additionally, both options include a higher and very generous HSA Contribution by the City
- Deductibles, Out-of-Pocket Maximums and Employee Deductions are intended to remain the same for 2026-2028, unless the IRS mandates changes to the Deductible

Additional Suggested Changes:

- Change the HSA administration from HealthEquity/WageWorks to AdminAmerica (one vendor, local)
- Eliminate the \$500 Retiree HRA (MedCom) – first offered in 2013 to help offset Rx costs when the City moved to the Medicare Advantage Plan

2025 and 2026 Plan Recommendations

2025

- Renew with HealthEZ/Veracity/Voya/Cigna
- No change to health plan or employee costs (other than IRS mandated deductible increase)
- Increase Working Spouse Surcharge to **\$50** per pay period
- Add VeracityRx Mobile App
- **6%** expected increase (**+\$453K**)
- Renew Aetna Medicare Advantage Plan with mandated changes at a **10.54%** increase (**+\$39K**)
- Renew Life and Disability with OneAmerica and increase the weekly STD benefit max to \$800 (**+\$31K**)
- Change EAP to Ulliance at an annual premium of **\$9,300**
- No changes to Dental, Vision, Know The Costs, or Supplemental Plans

2026

- Implement recommended benefit and employee cost changes to the Health Plan
- Change to AdminAmerica for HSA administration
- Eliminate Retiree HRA through MedCom