



## CITY OF STEPHENVILLE RECOMMENDATIONS 2022

The following summarizes the results of our marketing effort and focuses on the recommended providers for the City.

**Medical Current Plans with Blue Cross Blue Shield of Texas. TML, Cigna, EMI Health, Scott & White declined to quote.**

### MEDICAL - BLUE CROSS BLUE SHIELD OF TEXAS

- \* Initial Renewal Offer was a rate increase of 9.9%
- \* 64% Loss Ratio at time of renewal
- \* Shopped the market and received proposals from United Healthcare and Aetna
- \* UHC came in with a 6% increase over current rates with comparable plans. Aetna was uncompetitive with similar plans.
- \* BCBS reduced their renewal offer to 5% above current as their Best and Final Offer.
- \* Bundled discount with ancillary products (Dental, Vision, Life, and Disability) will reduce medical premiums by 3.5%
- \* **BCBS net increase for the 2022-2023 plan year will be 1.36% over current rates if all ancillary products remain in place.**
- \* **Illustrated numbers below reflect the projected discount including dental, basic life, vol. life, std, ltd and vision**
- \* The applied estimated discounts are: Dental 2%, std & ltd .5%, vision .5%, life and vol. life .5%
- \* UHC offers various plan designs and limited network (EPO & HMO) options that could hold rates flat or reduce cost; however, there would be unnecessary coverage disruption. UHC Navigate HMO option requires PCP designation and referral for specialist.
- \* Recommend renewing with BCBS of Texas. Two plans currently in force: \$3000 HSA-qualified plan and \$3000 PPO copay plan. Last year, the City funded 100% of the Employee Only premium for the HSA plan and changed the PPO Copay plan to a "buy up" option, only available to those who were already enrolled in that plan.
- \* Considerations: HSA-qualified Medical Plan - Will the City contribute to the Health Savings Accounts? How much?

#### Dental

- \* Blue Cross Blue Shield Ancillary offered a rate pass on the Dental plan - No Change in rates
- \* The City receives a 2% discount on medical premiums to keep dental with BCBS Ancillary. (Approx \$18266 value)

#### Vision

- \* Voluntary Vision - Under a rate guarantee with BCBS Ancillary until 5/1/2025
- \* Bundle discount = 0.5% (Approx \$457 value). Not available as a Stand Alone option with other carriers.

#### Life & Disability

- \* BCBS Ancillary - Life and Disability products - Under a rate guarantee until 5/1/2023
- \* Bundle discount = 0.5% (Life and Voluntary Life) and 0.5% (Voluntary LTD and Voluntary STD). Approx value = \$9,133

#### City Cost Scenario Recommendations:

	Current Cost PEPM	New Cost PEPM	Net Change in Cost
> BCBS with NO changes to deductible, OOP and RX	\$420.28	\$425.85	\$5.57
> Dental - Renew with NO changes (2% discount on medical)	\$24.04	\$24.04	\$0.00
> Vision - Renew with NO changes (0.5% discount on medical)	\$7.60	\$7.60	\$0.00
> Basic Life/AD&D (Vol Life/AD&D - No cost to City) = 0.5% discount on medical	\$3.68	\$3.68	\$0.00
> Voluntary LTD / Voluntary STD (No cost to City) = 0.5% discount on medical	\$0.00	\$0.00	\$0.00
> New Benefits - Telemedicine/Advocacy/Discount Services	\$7.50	\$7.50	\$0.00
Net Cost Change to the City	\$463.10	\$468.67	\$5.57
		101.2%	
> Proposed Responder Health program for First Responders (approx 88 inc dispatchers)		\$5.00	
> HSA Employer Contributions	\$125.00	\$0.00	\$0.00