



2024 BOC Benefits Renewal

May 07, 2024



MSI

Benefits Renewal Recap

(2023-2024)

- **Health Plan:** Renewed with **Anthem and VeracityRx** at a **13.4% increase**
 - Increased PCP Copay to \$35, Lowered all LHO Copays to \$0 and Increased UC Copay to \$50
 - No Change to Employee Deductions

***Up for Renewal 2024-2025 (No changes to Copays for this year)**
- **Dental:** Renewed with **Anthem** at a **9.9% increase**
 - No Change to Plan Designs
 - No Change to Employee Deductions

***Up for Renewal 2026-2027**
- **Vision:** Renewed with **Anthem** at a **6.2% increase**
 - No Change to Plan Designs
 - No Change to Employee Deductions

***Up for Renewal 2027-2028**
- **Life and Disability:** Secured under Rate Guarantee with **Anthem**

***Up for Renewal 2024-2025 (Increased Basic Life/AD&D Benefit from \$25k to \$50k for this year)**

Historical Health Plan Spend Analysis

| | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 Annualized (through Mar) |
|---------------------------------------------|--------------------|---------------------|---------------------|---------------------------------------|
| Enrollment | | | | |
| Avg Employee Enrollment | 561 | 561 | 573 | 610 |
| Total Spend | | | | |
| Total Fixed Cost | \$1,383,626 | \$1,900,109 | \$1,726,381 | \$2,248,134 |
| Total Net Paid Claims | \$8,292,291 | \$8,296,820 | \$8,693,554 | \$9,260,405 |
| Total Gross Costs | \$9,675,917 | \$10,196,929 | \$10,419,935 | \$11,508,539 |
| Total Gross Costs PEPY | \$17,248 | \$18,176 | \$18,185 | \$18,866 |
| Loss Ratio | | | | |
| Total Net Paid Claims | \$8,292,291 | \$8,296,820 | \$8,693,554 | \$9,260,405 |
| Max Claims Liability | \$10,071,804 | \$10,289,577 | \$11,655,202 | \$13,625,248 |
| Max Medical Loss Ratio (Target: 80%) | 82.3% | 80.6% | 74.6% | 68.0% |
| Expected Claims | \$8,057,443 | \$8,231,662 | \$9,324,162 | \$11,001,543 |
| Expected \$ Difference | \$234,848 | \$65,158 | -\$630,608 | -\$1,741,138 |

- Improved Plan performance can be attributed to Health Clinic and carved-out Pharmacy Program implemented in July 2022

2023-2024 Plan YTD Pharmacy Savings

Pharmacy Spend

\$929,731

Personal Importation Savings

\$311,391

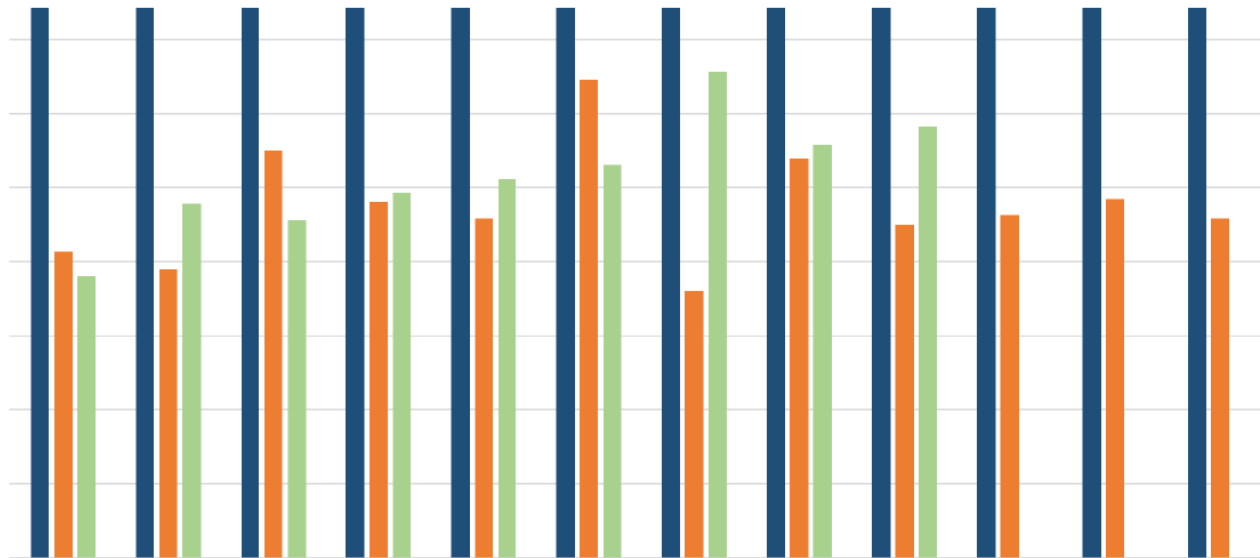
Specialty Savings

\$1,543,154

Average PMPM

\$67.44

2022 PMPM National Forecasted Industry Average: \$138



| Plan Year | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| 2021-22 (Pre/Base) | 148,658 | 148,658 | 148,658 | 148,658 | 148,658 | 148,658 | 148,658 | 148,658 | 148,658 | 148,658 | 148,658 | 148,658 | 1,783,896 |
| 2022-23 | 82,817 | 77,904 | 110,169 | 96,109 | 91,738 | 129,111 | 72,118 | 107,768 | 90,136 | 92,480 | 96,991 | 91,673 | 1,139,014 |
| 2023-24 | 76,097 | 95,755 | 91,318 | 98,671 | 102,449 | 106,140 | 131,284 | 111,600 | 116,417 | | | | 929,731 |

| | |
|--------------|-------------|
| Jul-Mar 2022 | \$1,337,922 |
| Jul-Mar 2023 | \$857,870 |
| Jul-Mar 2024 | \$929,731 |

- The Personal Importation and Specialty Programs account for \$1,854,545 in Savings Plan YTD and are on pace to save approximately \$2.5M by year-end.
- 2022 3rd Quarter Rebate Check: \$21,055.53
- 2022 4th Quarter Rebate Check: \$32,542.14
- 2023 1st Quarter Rebate Check: \$27,478.35
- 2023 2nd Quarter Rebate Check: \$53,383.12 (\$134K total)

2024-2025 Health Plan Stop Loss Market Summary

| Stop Loss Market | Market Response | Market Response Details |
|-----------------------------------------------------|---------------------|-------------------------|
| AccuRisk Solutions, LLC | Quoted | Uncompetitive |
| Berkley Accident and Health | Declined | Uncompetitive |
| Berkshire Hathaway Specialty Insurance Company | Firm Offer Provided | Competitive |
| Crum & Forster | Quoted | Uncompetitive |
| Granular Insurance Company | Pending | No Response |
| Intermediary Insurance Services, Inc. | Quoted | Uncompetitive |
| ISU, a division of Companion Life Insurance Company | Pending | No Response |
| QBE A&H | Quoted | Uncompetitive |
| Sun Life Financial | Quoted | Uncompetitive |
| Swiss Re | Firm Offer Provided | Competitive |
| Symetra | Firm Offer Provided | Competitive |
| Voya Financial | Firm Offer Provided | Most Competitive |
| Anthem Stop Loss | Firm Offer Provided | Competitive |
| AccuRisk Solutions, LLC | Quoted | Uncompetitive |
| Berkley Accident and Health | Declined | Uncompetitive |

- Through MSI's negotiations, Anthem agreed to lower their Premium by \$225K in order to be competitive with the Market

2024-2025 Health Plan Renewal

| 616 Enrolled | Current | Final Renewal |
|----------------------------------------------|---------------------|---------------------|
| Administrator | Anthem | Anthem |
| Provider Network | Anthem | Anthem |
| Stop Loss Carrier | Anthem | Anthem |
| Pharmacy Benefit Manager | Veracity | Veracity |
| Individual Stop Loss Specific Limit | \$175,000 | \$175,000 |
| Administrator/Network/Consulting Fees | \$735,282 | \$747,257 |
| \$ Difference | N/A | \$11,975 |
| % Difference | N/A | 1.6% |
| Stop Loss Premium | \$1,533,766 | \$1,443,953 |
| \$ Difference | N/A | -\$89,813 |
| % Difference | N/A | -5.9% |
| Total Fixed Cost | \$2,269,048 | \$2,191,211 |
| \$ Difference | N/A | -\$77,838 |
| % Difference | N/A | -3.4% |
| Total Expected Claims | \$11,001,543 | \$11,001,543 |
| \$ Difference | N/A | \$0 |
| % Difference | N/A | 0.0% |
| Total Fixed Cost and Expected Claims | \$13,270,591 | \$13,192,754 |
| \$ Difference | N/A | -\$77,838 |
| % Difference | N/A | -0.6% |
| Total Employee Deductions | -\$1,286,254 | -\$1,286,254 |
| Total County Net Annual Spend: | \$11,984,337 | \$11,906,499 |
| \$ Difference | N/A | -\$77,838 |
| % Difference | N/A | -0.6% |
| Total County Net Annual Spend PEPE: | \$19,455 | \$19,329 |

- Actual Net Costs PEPE (through March 2024) is \$16,749 – Overall, the Plan is performing exceptionally well

2024-2025 Health Plan Employee Deductions

| Employee Monthly Cost | |
|-----------------------------------|--------------------|
| Employee | \$65.72 |
| Employee + Spouse | \$185.45 |
| Employee + Child(ren) | \$169.13 |
| Family | \$288.86 |
| | |
| Employee Bi-Weekly Cost | |
| Employee | \$30.33 |
| Employee + Spouse | \$85.59 |
| Employee + Child(ren) | \$78.06 |
| Family | \$133.32 |
| | |
| Total Employee Deductions: | \$1,286,254 |

2024-2025 Dental Renewal and Employee Deductions

| Anthem | Current | Renewal | Increase |
|---------------------------------------------|------------------|------------------|-----------------|
| Average Employee Enrollment | 589 | 589 | 0% |
| Administrative Fee | \$3.76 | \$3.76 | 0% |
| Total Fixed Cost | \$26,576 | \$26,576 | 0% |
| Total Expected Claims | \$531,430 | \$558,002 | 5% |
| Total Fixed Cost and Expected Claims | \$558,006 | \$584,577 | 5% |
| Total Employee Deductions | \$141,133 | \$141,133 | 0% |
| Total County Net Annual Spend: | \$416,873 | \$443,444 | 6% |
| \$ Difference | N/A | \$26,572 | - |
| Total County Net Annual Spend PEPY: | \$708 | \$753 | 6% |

| Anthem | Employee Bi-Weekly Cost | |
|-----------------------|--------------------------------|---------------|
| | Base | Buy-Up |
| Employee Only | \$2.71 | \$6.74 |
| Employee + Spouse | \$5.41 | \$14.52 |
| Employee + Child(ren) | \$5.14 | \$14.25 |
| Family | \$8.39 | \$17.50 |

2024-2025 Vision Renewal and Employee Deductions

| Anthem | Current | Renewal | Increase |
|---------------------------------------------|-----------------|-----------------|-----------------|
| Average Employee Enrollment | 553 | 553 | 0% |
| Administrative Fee | \$1.79 | \$1.79 | 0% |
| Total Fixed Cost | \$11,878 | \$11,878 | 0% |
| Total Expected Claims | \$51,001 | \$52,531 | 3% |
| Total Fixed Cost and Expected Claims | \$62,879 | \$64,409 | 2% |
| Total Employee Deductions | \$34,345 | \$34,345 | 0% |
| Total County Net Annual Spend: | \$28,534 | \$30,064 | 5% |
| \$ Difference | N/A | \$1,530 | - |
| Total County Net Annual Spend PEPY: | \$52 | \$54 | 5% |

| Anthem | Employee Bi-Weekly Cost |
|-----------------------|--------------------------------|
| Employee Only | \$1.16 |
| Employee + Spouse | \$2.32 |
| Employee + Child(ren) | \$2.20 |
| Family | \$3.59 |

2024-2025 Basic Life/AD&D Renewal

| OneAmerica | Current | Renewal with Increased Benefit from \$25k to \$50k | Increase |
|---------------------------------------|-----------------|-----------------------------------------------------------|-----------------|
| Average Employee Enrollment | 678 | 678 | 0% |
| Average Volume | \$16,655,000 | \$33,815,000 | 103% |
| Basic Life Rate | \$0.145 | \$0.145 | 0% |
| Total Basic Life Cost | \$28,980 | \$58,838 | 103% |
| Basic AD&D Rate | \$0.020 | \$0.020 | 0% |
| Total AD&D Cost | \$3,997 | \$8,116 | 103% |
| Total County Annual Spend: | \$32,977 | \$66,954 | 103% |
| \$ Difference | N/A | \$33,977 | 103% |
| Total County Annual Spend PEY: | \$49 | \$99 | 103% |

- **Voluntary Term Life/AD&D: Rate Guarantee Extended; Up for Renewal 2025**
- **Voluntary Disability: Rate Guarantee Extended; Up for Renewal 2025**

Benefit Recommendations

| | Current | Recommendations |
|----------------------------------------|------------------------|------------------------|
| Health Plan | Anthem/Veracity/Anthem | Anthem/Veracity/Anthem |
| Total County Net Annual Spend | \$11,984,337 | \$11,906,499 |
| Dental | Anthem | Anthem |
| Total County Net Annual Spend | \$416,873 | \$443,444 |
| Vision | Anthem | Anthem |
| Total County Net Annual Spend | \$28,534 | \$30,064 |
| Basic Life and AD&D | Anthem | Anthem |
| Total County Annual Spend | \$32,977 | \$66,954 |
| Grand Total County Annual Spend | \$12,462,721 | \$12,446,962 |
| \$ Difference | N/A | -\$15,759 |
| % Difference | N/A | -0.13% |

- Above is not inclusive of VeracityRx Pharmacy Rebates passed along to the County