

GROUP BENEFITS

January 1, 2017 Inception

City of Lee's Summit, MO

Charlesworth Benefits, L.C.

*Consultants, Employee Benefits
Specialists*



Presented by:

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2016 YTD SUMMARY

- Cost Saving Technology Programs added/modified during the year:
 - Telemedicine – as a \$40 office visit copay – live and immediate access to care 24/7 (amwell.com) (7/1)
 - Pharmacy Money Saving Solutions that notifies member of a lower cost drug or pharmacy (8/1)
 - Expansion of Patient Centered Medical Homes

2017 HEALTH RENEWAL FOCUS

- Moving to Self-Funded format in 2015 allows City:
 - Negotiate Claims Fees and Stop Loss
 - Save Premium Taxes
- Set City contribution percentage (100% Single/ 80% Family) based on the \$500 Deductible Plan.
 - 2015: Increased 3.7% City and 3.6% Employee
 - 2016: Increased 6.7%
 - **2017: Proposed Recommended Increase 6.5%**

GROUP HEALTH – KEY POINTS

- PPACA FEE/TAXES HAVE BEEN SAVED
 - 2014 Calendar Year Fees/Taxes: \$283,195 (fully insured)
 - 2015 Calendar Year Fees/Taxes: \$87,280
 - 2016 Calendar Year Fees/Taxes: \$93,214
 - 2017 Expected Fees/Taxes ~ = \$3,500
 - Transitional Reinsurance Fee ended;
 - Excise Tax waived for one year;
 - PCORI Fee continues
 - 2018 Expected Fees/Taxes ~ = \$75,000 (Excise Tax Reinstated)

FUNDING SUMMARY

- Funding to “Expected” Claim level in 2017 – the “at risk” aggregate difference is approx. **\$1,480,000** with reserve funds established by the City.
- Through the first 8-months of 2016:
 - 2 Members above Stop Loss
- Employees Pay 9.1% of Allowed Medical Charges in the form of Copayments, Deductibles & Coinsurance.

Health Plan Rate Breakdown

		2016 Rates		2017 Rates	
HDHP w/H.S.A.	Enrollment	City Share	EE Share	City Share	EE Share
Employee Only:	10	\$ 606.40	\$ (46.17)	\$ 645.00	\$ (49.00)
EE Plus Spouse or Child(ren):	1	\$ 1,040.91	\$ 158.14	\$ 1,110.40	\$ 169.60
EE & Family:	7	\$ 1,204.73	\$ 182.67	\$ 1,284.80	\$ 196.20
Preferred PPO	Enrollment	City Share	EE Share	City Share	EE Share
Employee Only:	160	\$ 606.40	\$ -	\$ 645.00	\$ -
EE Plus Spouse or Child(ren):	49	\$ 1,040.91	\$ 260.23	\$ 1,110.40	\$ 277.60
EE & Family:	69	\$ 1,204.73	\$ 301.18	\$ 1,284.80	\$ 321.20
Choice PPO	Enrollment	City Share	EE Share	City Share	EE Share
Employee Only:	133	\$ 606.40	\$ 69.79	\$ 645.00	\$ 74.00
EE Plus Spouse or Child(ren):	64	\$ 1,040.91	\$ 404.35	\$ 1,110.40	\$ 429.60
EE & Family:	154	\$ 1,204.73	\$ 468.43	\$ 1,284.80	\$ 499.20

WELLNESS UPDATE

- Monthly Wellness initiatives supported by BlueKC and the City's HR Department:
 - Wellness program continue numerous activities (administered by Nanci White), including:
 - Biometric Screenings & Health Risk Assessments
 - Monthly Lunch & Learns
 - Wellness is a key culture for the Benefit Program for the City of Lee's Summit, MO as CLAIMS DRIVE RATES!
 - Just finished Wellness Roundtable hosted by LSP&R – to begin greater focus on Community Wellness and key employers roll in such events and activities.

ANCILLARY INSURANCE AND SERVICES

- DENTAL – Delta Dental 3rd year agreement; Experience suggested 8.2%, but contractual max of 7% Rate Increase.
- VISION – VSP offer a rate hold for 2017 and 2018 while increasing frame allowance to \$160 from \$130.
- EAP – New Directions negotiated rate increase from \$1.53PEPM to \$1.71PEPM – paid 100% by City.
- Group Life & LTD – The Standard rates are guaranteed until 1/1/2018.
- Document Compliance Review, already approved by City Council – Hinkle Law Firm – to begin prior to end of 2016.

TOTAL CITY / EE FUNDING BREAKDOWN 2017

2016	CITY	EMPLOYEE
HEALTH	\$ 6,957,985	\$ 1,701,761
DENTAL	\$ 461,779	\$ 77,520
VISION	\$ 79,978	\$ 14,446
EAP	\$ 12,118	\$ -
LIFE & ADD	\$ 72,387	\$ 59,029
DISABILITY	\$ 109,181	\$ -
2017	CITY	EMPLOYEE
HEALTH	\$ 7,410,295	\$ 1,812,377
DENTAL	\$ 499,708	\$ 77,520
VISION	\$ 79,978	\$ 14,446
EAP	\$ 13,543	\$ -
LIFE& ADD	\$ 72,387	\$ 59,029
DISABILITY	\$ 109,181	\$ -

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