

Finance and Budget Committee Meeting



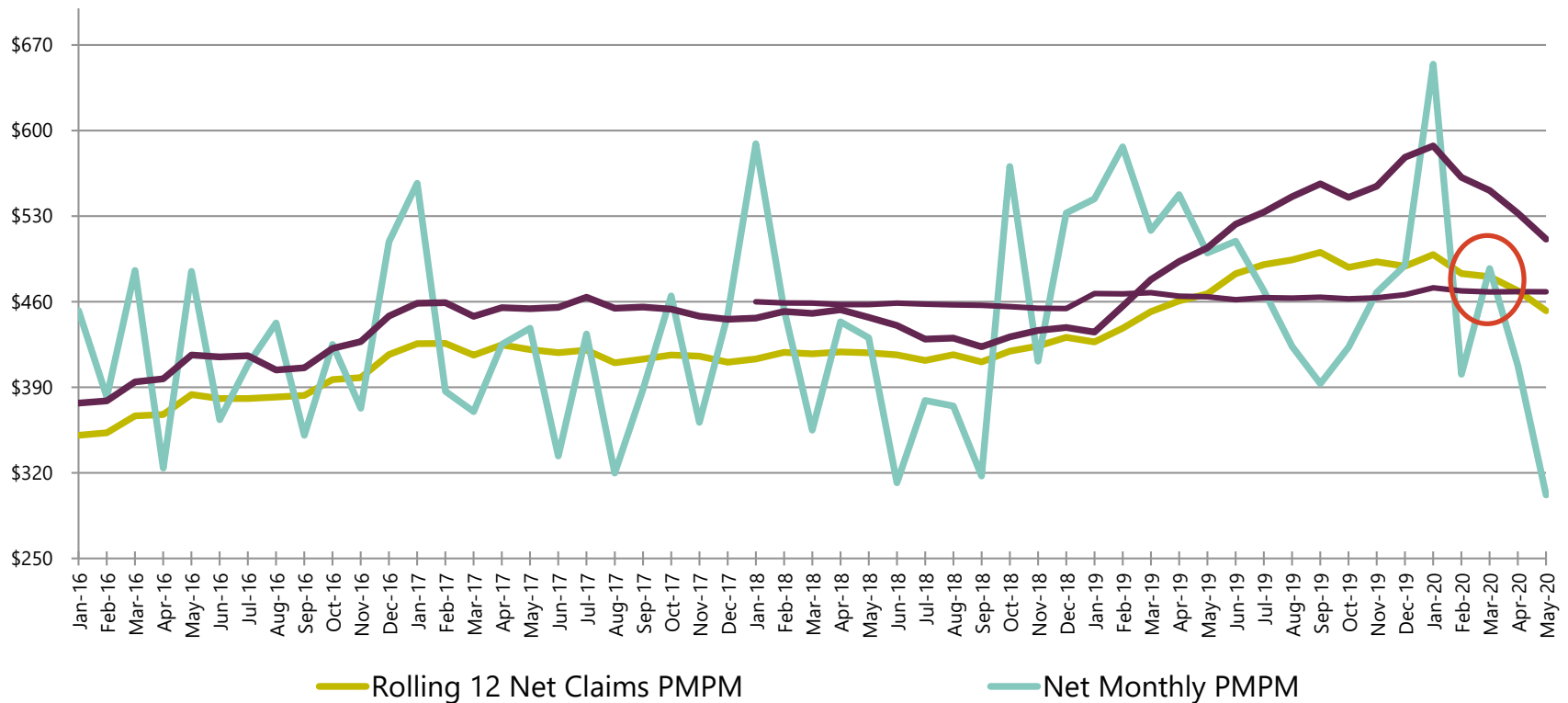
August 10th, 2020

Agenda

- Medical Plan Renewal
- Life and Disability Renewal & Options

Medical Plan Renewal

How is the Medical Plan Trending?



		Net Trend	Gross Trend
Annual Trend Over:	36 Months	2.5%	4.2%
Annual Trend Over:	24 Months	4.1%	7.1%
Annual Trend Over:	12 Months	-3.0%	1.4%

- Impact of COVID deferral of elective procedures beginning to materialize in May paid claims data
 - May paid claims were down 43% compared to the April 2019-March 2020 Rolling 12 average

Proposed 2021 Employee Costs

CIGNA +8.9% Fully-Insured

2021 Cost Share of 90%/75% of \$500 Base PPO Plan

Cigna Buy Up PPO Plan (\$0 Deductible)	Employee Monthly Contribution	%	City Monthly Contribution	%	Total Monthly Premium	Monthly Employee Increase
Employee Only	\$173.87	19%	\$719.07	81%	\$892.94	\$14.21
Employee + Spouse or Child(ren)	\$633.72	32%	\$1,319.03	68%	\$1,952.75	\$51.79
Employee + Family	\$735.58	32%	\$1,531.21	68%	\$2,266.79	\$60.12

Cigna Base PPO Plan (\$500 Deductible)	Employee Monthly Contribution		City Monthly Contribution		Total Monthly Premium	Monthly Employee Increase
Employee Only	\$79.90	10%	\$719.07	90%	\$798.97	\$6.53
Employee + Spouse or Child(ren)	\$439.67	25%	\$1,319.03	75%	\$1,758.70	\$35.93
Employee + Family	\$510.40	25%	\$1,531.21	75%	\$2,041.61	\$41.71

Cigna HDHP with HSA Plan	Employee Monthly Contribution		City Monthly Contribution		Total Monthly Premium	Monthly Employee Increase
Employee Only	\$20.10	3%	\$719.07	97%	\$739.17	\$1.64
Employee + Spouse or Child(ren)	\$307.44	19%	\$1,319.03	81%	\$1,626.47	\$25.13
Employee + Family	\$356.84	19%	\$1,531.21	81%	\$1,888.05	\$29.16



City Health Savings Account Contribution

- Recommend we continue to contribute to employee HSA Accounts in 2021
 - If you enroll in any tier (employee, family, etc.) of the HDHP plan for 2021, the City will deposit \$50 per month into your HSA Account
 - This equals up to \$600 per year

COVID-19 Plan Design Changes

CIGNA Benefit Changes

- ☐ Waive member cost-share for telemedicine for suspected/possible exposure to COVID-19 through October 31, 2020
 - Includes virtual visits with AmWell, MDLive and local in-network healthcare providers
- ☐ Waive member cost-share for COVID-19 Testing through October 31, 2020
- ☐ Waive member cost-share for COVID-19 Treatment through October 31, 2020
- ☐ Cover virtual visits (for any medical issue) with local in-network healthcare providers (at regular in-person cost share) through December 31, 2020
- ☐ Temporarily covering dental PPE charges between June 15 and July 31

IRS /DOL Allowed Changes

- ☐ IRS allows first dollar coverage for treatment and testing, as well as telehealth on HDHP/HSAs
- ☐ IRS allows HSA/FSA/HRA reimbursement of over-the-counter medications without a prescription (*as of 1/1/2020*)

CIGNA Resource Reminders – Virtual Care

EASY-TO-ACCESS SERVICE OPTIONS.

Schedule appointments on myCigna.com or by phone.

MDLIVE® Virtual
medical and
behavioral care*

888.726.3171

Amwell™
Virtual medical
care only*

Visits must be
started via
myCigna.com

Also available:
Virtual
counseling
through Cigna
Behavioral
Health network.



*Cigna provides access to virtual care through national telehealth providers as part of your plan. Providers are solely responsible for any treatment provided to their patients. Video chat may not be available in all areas or with all providers. This service is separate from your health plan's network and may not be available in all areas. A primary care provider referral is not required for this service.

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Life and Disability Renewal & Options

Life & Disability Benefit Overview

Group Life and AD&D

Employee Basic Life/AD&D: 1x Annual Earnings up to \$100,000

Spouse Basic Life: \$3,000

Child(ren) Basic Life: \$3,000

Long Term Disability

Monthly Benefit Payments: 60% of monthly earnings up to a maximum monthly benefit of \$3,000

Benefit Waiting Period: 90 days

Benefit Duration: to age 65

Voluntary Life

Employee: Increments of \$10,000 up to \$500,000 (\$100,000 Guarantee Issue)

Spouse: Increments of \$5,000 up to \$150,000 (\$10,000 Guarantee Issue)

Child: Increments of \$2,000 up to \$10,000

Voluntary AD&D

Employee: Increments of \$25,000 up to \$500,000

Employee & Family:

- Employee: Increments of \$25,000 up to \$500,000
- Spouse: 50% of EE
- Child(ren): 10% of EE
- Spouse & Child(ren): 40% of EE (Spouse) & 5% of EE (Child(ren))

Overall Renewal Premium & Competitive Options

	<i>Current - The Standard</i>	<i>Renewal - The Standard</i>	<i>Hartford</i>	<i>Prudential</i>	<i>Voya</i>
<i>Total Annual Employer Premium</i>	\$185,659	\$161,827	\$140,624	\$135,655	\$140,459
<i>Total Annual Employee Premium</i>	\$92,513	\$92,513	\$84,479	\$92,513	\$92,513

<i>Total Annual Premium Spend</i>	\$278,172	\$254,340	\$225,103	\$228,168	\$232,972
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<i>Total Premium Savings/Increase Compared to Current Spend (\$)</i>		(\$23,832)	(\$53,069)	(\$50,004)	(\$45,200)
<i>Total Premium Savings/Increase Compared to Current Spend (%)</i>		-8.57%	-19.08%	-17.98%	-16.25%
<i>Total Premium Savings/Increase Compared to Renewal Spend (\$)</i>			(\$29,237)	(\$26,172)	(\$21,368)
<i>Total Premium Savings/Increase Compared to Renewal Spend (%)</i>			-11.50%	-10.29%	-8.40%



2021: Hartford What You Need to Know

- Matching current benefits offered with The Standard
- One-time true open enrollment for 2021 OE
 - If you declined Voluntary Life when first hired you may elect coverage up to the Guarantee Issue amount without health questions (Evidence of Insurability)
 - If you already have Voluntary Life but are not yet at the Guarantee Issue amount, you may elect up to the GI without health questions
- Increased Employee Guarantee Issue from \$100K to \$150K and Spouse Guarantee Issue from \$10K to \$30K



Thank you

We would ask for your approval to continue with Cigna on Medical and to move Life and Disability to the Hartford.