



Health Insurance Update

FY 11/12

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Medical



- Summary of Changes
 - Health Care Reform
 - Effective July 01, 2011
 - Increased projected premium costs
 - Changes to benefit structure



Health Care Reform



- Remove \$2,000,000 Lifetime Maximum;
- Remove pre-existing exclusion limitations for children up to age 19;
- Extension of coverage to dependents up to age 26;
- Remove pre-authorization requirement for emergency room visits;
- Cover identified preventive services at 100% with no co-pay, deductible or coinsurance; and
- Implement an external appeals process.



Medical Insurance Changes



- Office Visit co-pay
 - Increase from \$20 to \$25
- Urgent Care co-pay
 - Increase from \$25 to \$50
- Emergency Room co-pay
 - Increase from \$50 to \$75
- Annual Out-of-Pocket Max
 - Increase from \$1500 to \$1750
- No change to Wellness benefit - \$500/yr
 - Exceeds healthcare reform requirement



Medical Insurance Changes (cont'd)



- Remove \$1,000 limit on Durable Medical Equipment
- Add exclusion - Durable Medical Equipment for replacement due to loss, theft or damage
- Add exclusion for inpatient services provided to patients who discharge themselves against medical advice



Medical Insurance Changes (cont'd)



- Add exclusion for sublingual immunotherapy
- Require pre-authorization for injectables over \$1,000 provided in a physician's office
- Effective January 1, 2012
 - Increase Deductible from \$250/\$750 to \$300/\$900
 - Increase Out-of-Pocket Maximum from \$1,500 to \$1,750



Prescription Drug Changes



- Increase Generic Retail 90 and Mail Order co-pay from \$10 to \$20
- Remove quantity limits on all sleep medications except Lunesta, Rozerem and Ambien
- Implement a differential co-pay for Singular
 - (affected members will be notified of this change in advance)



Prescription Drug Changes



- Implement a VOLUNTARY asthma management program
- Transition to the Navitus Select Formulary
 - Direct members to the lowest net cost drugs, whether they are Brand or Generic
 - Tier 1: Formulary generics and certain low cost brand name drugs
 - Tier 2: Formulary brand name drugs and certain higher cost generic drugs
 - Tier 3: Non-formulary drugs, both brand and generic
 - MSP: Mandatory Specialty Medications



Dental Insurance Changes



- Implementing preferred provider network - Ameritas.
- A list of network providers will be included with the new ID cards.



Vision Insurance Changes



- Change vision providers from Avesis to EyeMed.
- Updated ID cards and a list of covered providers will be provided to employees



Funding Increase

- | | |
|-------------------------|---------------------|
| • Total Cost – FY 10/11 | \$ 7,142,954 |
| • Total Cost – FY 11/12 | <u>\$ 7,207,306</u> |
| • Increase | \$ 64,352 |
- Vacancies are included (funded)
 - Options
 - Employees - \$ 55k, County - \$ 9k
 - \$ 64k funded from CCT Reserves
 - Not paid into CCT



Health Insurance



- No change to contributions

Plan	Census	Current County Monthly	Current Employee Monthly FY 10/11 (no change)	Annual County Costs	Annual Employee Costs	TOTAL
EE Only	956	\$ 483.88	-			\$ 5,551,071
EE & Spouse	136	357.27	206.98	245,273	337,791	583,065
EE & Child	170	211.00	119.84	185,966	244,474	430,440
EE & Family	91	529.65	318.60	230,467	347,911	578,378
Totals		\$ 1,581.80		\$ 6,212,778	\$ 930,176	\$ 7,142,954



Health Insurance



- Option – employees pay increase

Plan	Census	Current Monthly Rate \$\$\$	New Monthly Rate \$\$\$	Percent Increase %	Dollar Increase \$\$\$	Current Employee Monthly FY 10/11 \$\$\$	Proposed Employee Monthly \$\$\$	Proposed Annual County Cost \$\$\$	Proposed Annual Employee Cost \$\$\$	TOTAL \$\$\$
EE Only	930	483.88		2.97%	14.36	-		5,560,358	-	5,560,358
EE & Spouse	136	357.27		3.57%	12.77	206.98		245,273	358,632	603,905
EE & Child	166	211.00	223.23	5.80%	12.23	119.84	132.07	181,591	263,083	444,674
EE & Family	89	529.65	560.27	5.78%	30.62	318.60	349.22	225,401	372,967	598,368
Totals		\$ 1,581.80	\$ 1,651.78					\$ 6,212,624	\$ 994,682	\$7,207,306



Summary

- Changes to Health Insurance
 - Health Care Reform
 - Adjusted co-pay/co-insurance
 - Holds current costs to Employee/County
- Changes
 - Increase in co-pays - medical
 - No significant change to prescription coverage
 - Change providers/plan for Dental and Vision
- County to cover cost of vacancies
 - Use of CCT Premium Holiday