



2021-2022 PLAN YEAR SELF-INSURED HEALTHCARE AND RX BENEFITS

PH-21-075

June 1, 2021

Background of Current Plan

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- Fully-funded insurance plan offered to full-time employees
- Provider is United Healthcare (UHC) – Navigate Plan
- Two plan options:
 - ▣ Plan #1 (lower cost plan)
 - \$2,800 deductible, no copay = employee pays full cost until deductible is met
 - City HSA contribution = \$1,353 annually
 - Lower employee and dependent premiums
 - ▣ Plan #2 (buy-up plan)
 - \$3,500 deductible with copays
 - Higher employee and dependent premiums

Background of Current Plan (cont'd)

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- Requires employees seek care from a primary care physician prior to seeking specialty care (gatekeeper)
- Average participants:
 - ▣ 919 employees
 - ▣ 635 dependents

Employee Benefits Survey II

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- ❑ Based on feedback from the City Council meeting of May 18, staff administered a second survey
- ❑ 572 employees responded
- ❑ 67.48% of respondents prefer:
 - ❑ No increase in premiums and require a referral from a primary care physician to seek specialty care (gatekeeper)

Healthcare Plan Options

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- United Healthcare Navigate

- *No change in premium*
- *Broader network*
- *Gatekeeper*

- United Healthcare Choice

- *Premium increase*
- *Broader network*
- *No gatekeeper*

- Blue Cross Blue Shield

- *Premium increase*
- *Broader network*
- *No gatekeeper*
- *Change carrier*

- Baylor Scott & White Plus

- *Premium increase*
- *Mildly narrow network*
- *Gatekeeper preferred*

- Baylor Scott & White Preferred

- *No change in premium*
- *Incredibly narrowed network*
- *Gatekeeper preferred*

Self-Insured Projections — 2021-2022

Alternatives (Includes Variable Costs)

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	UHC Navigate Fully Insured 2020-2021	UHC Navigate Self-Funded	UHC Choice Plus Self-Funded	BCBS PPO Self-Funded	BS&W Plus Self-Funded	BS&W Preferred Self-Funded
Subscriber Months	11,028	11,028	11,028	11,028	11,028	11,028
Avg Monthly Enrollment	919	919	919	919	919	919
Medical Paid Claims		\$ 4,545,831	\$ 4,814,702	\$ 4,654,013	\$ 4,846,724	\$ 4,356,203
Rx Paid Claims		857,994	908,741	898,615	857,056	857,056
Specialty Rx Load		30,779	30,779	30,779	30,779	30,779
Administration		521,294	513,023	558,237	388,958	428,217
Rx Rebates		(468,846)	(468,846)	(477,512)	(285,261)	(285,261)
Stop Loss Estimate		794,016	794,016	794,016	794,016	794,016
Naviguard		-	49,626	-	-	-
Credits		(111,603)	(111,603)	(165,000)	(40,000)	(40,000)
Wellness Program Fees		-	-	10,500	-	-
Total Cost	\$ 6,170,776	\$ 6,169,464	\$ 6,530,438	\$ 6,303,649	\$ 6,592,273	\$ 6,141,011
Cash Increase/(Decrease) over 2020-2021 Fully Insured		\$ (1,312)	\$ 359,662	\$ 132,873	\$ 421,497	\$ (29,765)

UHC Proposed Premium Rates

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UHC Rates	Plan Year (PY) 2020-21				Plan Year (PY) 2021-22					
	Total	Premium	Employee Monthly Premium	Employer Monthly Premium	Total	Premium	Employee Monthly Premium	Employer Monthly Premium	Change in Cost	
Plan I (HDHP)									Employee	Employer
Employee Only		\$376.06	\$0.00	\$376.06		\$376.06	\$0.00	\$376.06	\$0.00	\$0.00
Employee + Spouse		\$887.04	\$479.38	\$407.66		\$887.04	\$479.38	\$407.66	\$0.00	\$0.00
Employee + Child(ren)		\$541.66	\$157.12	\$384.54		\$541.66	\$157.12	\$384.54	\$0.00	\$0.00
Family		\$1,032.70	\$611.14	\$421.56		\$1,032.70	\$611.14	\$421.56	\$0.00	\$0.00
	Total Premium		Employee Monthly Premium	Employer Monthly Premium	Total Premium		Employee Monthly Premium	Employer Monthly Premium	Change in Cost	
Plan II (Co-Pay)									Employee	Employer
Employee Only		\$480.32	\$25.00	\$455.32		\$480.32	\$25.00	\$455.32	\$0.00	\$0.00
Employee + Spouse		\$1,134.02	\$615.22	\$518.80		\$1,134.02	\$615.22	\$518.80	\$0.00	\$0.00
Employee + Child(ren)		\$692.48	\$220.04	\$472.44		\$692.48	\$220.04	\$472.44	\$0.00	\$0.00
Family		\$1,320.20	\$783.64	\$536.56		\$1,320.20	\$783.64	\$536.56	\$0.00	\$0.00

Alternatives

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- To consider entering into a contract with:
 - ▣ UHC Choice for a medical premium increase of \$359,662 or 6% over current cost
 - ▣ Blue Cross Blue Shield for an increase of \$132,873 or 2% over current cost
 - ▣ Baylor Scott & White Plus Healthcare Plan for a premium increase of \$421,497 or 7% over current cost
 - ▣ Baylor Scott & White Preferred Healthcare Plan for a premium decrease of \$29,765 or 0.5% under current cost
- ***Renewing the contract with UHC Navigate for a premium decrease of \$1,312***

Recommendation

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Approve the agreement with United Healthcare, Navigate Plan for self-insured medical and pharmaceutical insurance for a slight decrease effective October 1, 2021; and authorize the City Manager to execute any necessary change order in accordance with state and local law.