City of Holly Springs

Date: Monday, November 16, 2020

Location: 3235 Holly Springs Parkway

Holly Springs Finance Committee
Agenda
5:30 p.m., Public Safety Conference Room

I. CALL TO ORDER

II. NEW BUSINESS

A. Discuss the 2021 health insurance renewal
Presented By: Karen Norred, City Clerk/Human Resources Director

III. ADJOURNMENT

City of Holly Springs

Benefits Review – January 2021

Presentation by MSI Benefits Group, Inc.

November 11, 2020

2020 Renewal

- Declined to accept an 8.81% ($81,237) renewal offer from HUMANA
- Accepted a 19.28% ($171,595) decrease from Anthem BCBS. Employee contributions did not change
- Changed Dental to Anthem BCBS at a 7.04% reduction in cost
- Changed Vision coverage to Anthem BCBS at a 14.75% decrease in cost
- Basic Life and Disability renewed with Standard Life with no cost change

Benefit Cost Summary

	Annual Premium	% Change	Employee Cost	City Net Annual Cost	Net % Change to City	Annual Budget Difference
MEDICAL						
Anthem BCBS						
Current	$801,216		$113,337	$687,879		
Renewal	$945,413	18.00%	$113,337	$832,076	20.96%	$144,197
Option	$922,232	15.10%	$113,337	$808,894	17.59%	$121,015
UHC						
Option	$918,075	14.59%	$113,337	$804,738	16.99%	$116,859
Cigna, Aetna, Humana were not competitive with 29% initial renewal offer						
Dental *- No Change*						
Anthem BCBS						
Current/Renewal	$44,666	0.00%	$8,363	$36,304	0.00%	$0
VISION *-No Change*						
Anthem BCBS						
Current/Renewal	$6,634	0.00%	$6,634	$0	0.00%	$0
Basic Life - *No Change*						
Standard						
Current/Renewal	$9,180	0.00%	$0	$9,180	0.00%	$0
Long Term Disability - *No Change*						
Standard						
Current/Renewal	$24,857	0.00%	$0	$24,857	0.00%	$0

Anthem BCBS Renewal

			Anthem BCBS 2020		Anthem BCBS 2021	
			BASE	BUY UP	BASE	BUY UP
	BASE	BUY UP	Anthem Blue Open Access POS OAP5 2500/0%/3750 AE	Anthem Blue Open Access POS OAP5 1000/0%/2500 AE	Anthem Blue Open Access POS OAP5 2500/0%/3750 AE	Anthem Blue Open Access POS OAP5 1000/0%/2500 AE
Employee	25	2	621.14	665.78	733.13	784.40
Employee + Spouse	8	1	1,304.40	1,398.13	1,539.57	1,647.24
Employee + Child(ren)	5	1	1,211.23	1,298.26	1,429.61	1,529.58
Employee + Family	13	3	1,894.49	2,030.62	2,236.05	2,392.43
	51	7	$56,648	$10,120	$66,862	$11,923
Annual Total				$801,216		$945,413
Percent Change						18.00%
In-network			POS	POS	POS	POS
Lifetime Maximum			Unlimited	Unlimited	Unlimited	Unlimited
Deductible			$2,500 / $7,500	$1,000 / $3,000	$2,500 / $7,500	$1,000 / $3,000
Coinsurance			100%	100%	100%	100%
PCP Office Co-Pay			$30	$30	$30	$30
Specialist Office Co-Pay			$60	$60	$60	$60
Emergency Room Co-Pay			$350	$350	$350	$350
Max Out-of-Pocket			$3,750	$2,500	$3,750	$2,500
Hospital Copay			None	None	None	None
Outpatient/Surgical Copay			None	None	None	None
Prescription			$15 Tier 1 $35 Tier 2 $60 Tier 3 25% up to $350 per Rx	$15 Tier 1 $35 Tier 2 $60 Tier 3 25% up to $350 per Rx	$15 Tier 1 $35 Tier 2 $60 Tier 3 25% up to $350 per Rx	$15 Tier 1 $35 Tier 2 $60 Tier 3 25% up to $350 per Rx
Out-of-network						
Deductible			$7,500 / $22,500	$3,000 / $9,000	$7,500 / $22,500	$3,000 / $9,000
Coinsurance			50%	50%	50%	50%
Out-of-pocket			$11,250/ $33,750	$7,500/ $22,500	$11,250/ $33,750	$7,500/ $22,500
DEDUCTIONS (26)			Deductions *(Frozen)*	Deductions (Frozen) - BUY UP	Deductions *(Frozen)*	Deductions (Frozen) - BUY UP
Employee	25	2	8.01	59.54	8.01	59.54
Employee + Spouse	8	1	74.36	177.42	74.36	177.42
Employee + Child(ren)	5	1	67.24	162.57	67.24	162.57
Employee + Family	13	3	145.51	292.37	145.51	292.37
	51	7	$78,597	$34,740	$78,597	$34,740
Total Annual Deductions				$113,337		$113,337
Net ANNUAL Cost to City				$687,879		$832,076
				0.00%		20.96%

6 Waive

	Percentage Paid by City	Percentage Paid by City	Percentage Paid by City	Percentage Paid by City
Employee	97.21%	80.62%	97.63%	83.55%
Employee + Spouse	78.96%	65.13%	82.17%	70.40%
Employee + Child(ren)	78.25%	64.71%	81.57%	70.04%
Employee + Family	76.60%	63.04%	80.18%	68.63%

New in 2021:

- First 12 PCP/BH visits are at $0 copay
- Surgery and radiology in free standing centers are no longer subject to deductible
- Chiropractic, OT, PT and ST are now subject to PCP copay (was specialist)

Anthem Option

	BASE	BUY UP	Anthem BCBS 2020 BASE	Anthem BCBS 2020 BUY UP	Option Anthem BCBS 2021 BASE	Option Anthem BCBS 2021 BUY UP
			Anthem Blue Open Access POS OAP5 2500/0%/3750 AE	Anthem Blue Open Access POS OAP5 1000/0%/2500 AE	Anthem Blue Open Access POS OAP5 2500/0%/3750 KE	Anthem Blue Open Access POS OAP5 1000/0%/2500 KE
Employee	25	2	621.14	665.78	714.84	767.04
Employee + Spouse	8	1	1,304.40	1,398.13	1,501.18	1,610.80
Employee + Child(ren)	5	1	1,211.23	1,298.26	1,393.93	1,495.72
Employee + Family	13	3	1,894.49	2,030.62	2,180.27	2,339.48
	51	7	**$56,648**	**$10,120**	**$65,194**	**$11,659**
Annual Total				**$801,216**		**$922,232**
Percent Change						**15.10%**
In-network			**POS**	**POS**	**POS**	**POS**
Lifetime Maximum			Unlimited	Unlimited	Unlimited	Unlimited
Deductible			$2,500 / $7,500	$1,000 / $3,000	$2,500 / $7,500	$1,000 / $3,000
Coinsurance			100%	100%	100%	100%
PCP Office Co-Pay			$30	$30	$30	$30
Specialist Office Co-Pay			$60	$60	$60	$60
Emergency Room Co-Pay			$350	$350	$350	$350
Max Out-of-Pocket			$3,750	$2,500	$3,750	$2,500
Hospital Copay			None	None	None	None
Outpatient/Surgical Copay			None	None	None	None
Prescription					**$200 Ded T2-4**	**$200 Ded T2-4**
			$15 Tier 1	$15 Tier 1	$15 Tier 1	$15 Tier 1
			$35 Tier 2	$35 Tier 2	**$45 Tier 2**	**$45 Tier 2**
			$60 Tier 3	$60 Tier 3	**$85 Tier 3**	**$85 Tier 3**
			25% up to $350 per Rx	25% up to $350 per Rx	25% up to $350 per Rx	25% up to $350 per Rx
Out-of-network						
Deductible			$7,500 / $22,500	$3,000 / $9,000	$7,500 / $22,500	$3,000 / $9,000
Coinsurance			50%	50%	50%	50%
Out-of-pocket			$11,250/ $33,750	$7,500/ $22,500	$11,250/ $33,750	$7,500/ $22,500
DEDUCTIONS (26)			**Deductions *(Frozen)***	**Deductions (Frozen) - BUY UP**	**Deductions *(Frozen)***	**Deductions (Frozen) - BUY UP**
Employee	25	2	8.01	59.54	8.01	59.54
Employee + Spouse	8	1	74.36	177.42	74.36	177.42
Employee + Child(ren)	5	1	67.24	162.57	67.24	162.57
Employee + Family	13	3	145.51	292.37	145.51	292.37
	51	7	**$78,597**	**$34,740**	**$78,597**	**$34,740**
Total Annual Deductions				**$113,337**		**$113,337**
Net ANNUAL Cost to City				**$687,879**		**$808,894**
6 Waive				**0.00%**		**17.59%**
			Percentage Paid by City	**Percentage Paid by City**	**Percentage Paid by City**	**Percentage Paid by City**
Employee			97.21%	80.62%	97.57%	83.18%
Employee + Spouse			78.96%	65.13%	81.72%	69.73%
Employee + Child(ren)			78.25%	64.71%	81.10%	69.36%
Employee + Family			76.60%	63.04%	79.67%	67.92%

UHC Option

	BASE	BUY UP	Anthem BCBS 2020 BASE	Anthem BCBS 2020 BUY UP	UHC 2021 BASE	UHC 2021 BUY UP
			Anthem Blue Open Access POS OAP5 2500/0%/3750 AE	Anthem Blue Open Access POS OAP5 1000/0%/2500 AE	Anthem Blue Open Access POS OAP5 2500/0%/3750 AE	Anthem Blue Open Access POS OAP5 1000/0%/2500 AE
Employee	25	2	621.14	665.78	671.64	712.60
Employee + Spouse	8	1	1,304.40	1,398.13	1,625.37	1,724.49
Employee + Child(ren)	5	1	1,211.23	1,298.26	1,213.00	1,286.97
Employee + Family	13	3	1,894.49	2,030.62	2,237.58	2,374.04
	51	7	$56,648	$10,120	$64,948	$11,559
Annual Total				$801,216		$918,075
Percent Change						14.59%
In-network			POS	POS	POS	POS
Lifetime Maximum			Unlimited	Unlimited	Unlimited	Unlimited
Deductible			$2,500 / $7,500	$1,000 / $3,000	$2,500 / $5,000	$1,500 / $3,000
Coinsurance			100%	100%	100%	100%
PCP Office Co-Pay			$30	$30	$25	$25
Specialist Office Co-Pay			$60	$60	$50	$50
Emergency Room Co-Pay			$350	$350	$500	$500
Max Out-of-Pocket			$3,750	$2,500	$5,000	$4,000
Hospital Copay			None	None	None	None
Outpatient/Surgical Copay			None	None	None	None
Prescription			$15 Tier 1 $35 Tier 2 $60 Tier 3 25% up to $350 per Rx	$15 Tier 1 $35 Tier 2 $60 Tier 3 25% up to $350 per Rx	$15 Tier 1 $45 Tier 2 $85 Tier 3 $125 Tier 4	$15 Tier 1 $45 Tier 2 $85 Tier 3 $125 Tier 4
Out-of-network						
Deductible			$7,500 / $22,500	$3,000 / $9,000	$10,000 / $20,000	$5,000 / $10,000
Coinsurance			50%	50%	70%	70%
Out-of-pocket			$11,250/ $33,750	$7,500/ $22,500	$15,000/ $30,000	$10,000/ $20,000
DEDUCTIONS (26)			Deductions *(Frozen)*	Deductions (Frozen) - BUY UP	Deductions *(Frozen)*	Deductions (Frozen) - BUY UP
Employee	25	2	8.01	59.54	8.01	59.54
Employee + Spouse	8	1	74.36	177.42	74.36	177.42
Employee + Child(ren)	5	1	67.24	162.57	67.24	162.57
Employee + Family	13	3	145.51	292.37	145.51	292.37
	51	7	$78,597	$34,740	$78,597	$34,740
Total Annual Deductions				$113,337		$113,337
Net ANNUAL Cost to City				$687,879		$804,738
				0.00%		16.99%

6 Waive

	Percentage Paid by City	Percentage Paid by City	Percentage Paid by City	Percentage Paid by City
Employee	97.21%	80.62%	97.42%	81.90%
Employee + Spouse	78.96%	65.13%	84.93%	74.76%
Employee + Child(ren)	78.25%	64.71%	76.29%	61.13%
Employee + Family	76.60%	63.04%	80.98%	69.64%

Dental

		Anthem - NO CHANGE	
Employee	24	29.22	29.22
Employee + Spouse	0	88.85	88.85
Employee+ Child(ren)	0	88.85	88.85
Employee + Family	34	88.85	88.85
Annual Total	58	$44,666	$44,666
5 Waive			0.00%
Preventive Services		100%	
Deductible		$50	
Basic Services		80%	
Major Services		50%	
Orthodontia		50%; Child Only	
Annual Maximum		$1,000	
Lifetime Orthodontia Maximum		$1,000	
Fee Schedule		90th Percentile	
Bi-Weekly Deductions			
Employee	24	0.00	0.00
Employee + Spouse	0	9.46	9.46
Employee+ Child(ren)	0	9.46	9.46
Employee + Family	34	9.46	9.46
Annual Total Deductions	58	$8,363	$8,363
Net Annual City Cost		$36,304	$36,304

Vision

		Next Renewal 1-1-23
		Anthem BCBS
		B10.10
Employee Only	**23**	**5.76**
Employee + Spouse	**10**	**11.53**
Employee + Child(ren)	**2**	**11.82**
Employee + Family	**16**	**17.59**
Annual Premium	**51**	**$6,634**
IN-NETWORK		
Routine Eye Exam		$10 copay (1 per year)
Eyeglass Frames		**$130** allowance plus 20% discount on coverage (Every 24 months)
Eyeglass Lenses		Every 12 months
Standard Plastic Single		$10 copay
Standard Plastic Bifocal		$10 copay
Standard Plastic Trifocal		$10 copay
Contact Lenses		Every 12 months
Non-Elective Contact Lenses		Covered in full
Elective Conventional Lenses		**$130** allowance then 15% off
Elective Disposable Lenses		
OUT-OF-NETWORK		
Routine Eye Exam		$42 allowance
Eyeglass Lenses		$40 - $80 allowance
Contact Lenses - Elective		$105 allowance
Non-Elective		$210 allowance
Frame		$45 allowance
Employee Only	**23**	**2.66**
Employee + Spouse	**10**	**5.32**
Employee + Child(ren)	**2**	**5.46**
Employee + Family	**16**	**8.12**

Basic Life

	The Standard - NO CHANGE
BASIC LIFE and AD&D INSURANCE	**Current / Renewal**
Basic Life Benefits and AD&D Amount:	$50,000
Reduction Schedule:	35% at age 65 / 50% at age 70 65% at age 75
Life Rate per $1,000:	$0.210
AD&D Rate per $1,000:	$0.035
Projected Volume:	$3,122,500
Covered Lives:	64
Monthly Rate per Employee:	$12.25
Basic Life Monthly Premium:	$765.01
Annual Cost:	**$9,180**
Rate Guarantee:	1/1/2024

Long Term Disability

	The Standard - NO CHANGE
GROUP LONG TERM DISABILITY	
Benefit Schedule:	60% of Monthly Earnings
Maximum Benefit:	$6,000 Monthly
Elimination Period:	90 days
Benefit Duration:	Later of SSNRA or age 65
FICA:	
EAP:	Yes
Rate Guarantee:	1/1/2024
Estimated Volume	246,596
Rate per $100 Monthly	0.840
Estimated Monthly Premium	2,071
Annual Cost	**$24,857**