

2019 – 2020 Current and Proposed Health Benefits Overview

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Strategic Focus

**IMPROVE HEALTHCARE
CONSUMERISM**
(HSA & Premium
Copay Plan)

**PROMOTE
PREVENTIVE CARE**
(All Plans Covered at
100% Co-Pay Plans
offer transparency)

**MANAGE COST LONG
TERM THROUGH
TARGETED PROGRAMS
AND WELLNESS**
(HSA & Premium
Copay Plan)

**GIVE CHOICE AND
OPTIONS FOR
PERSONAL
ACCOUNTABILITY**
(HSA & Premium
Copay Plan)

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City of Dallas

HRA Plan

Benefits	<u>CURRENT 2019</u> HRA Open Access Network (8,848 EE's)	<u>PROPOSED 2020</u> HRA Open Access Network (Est. 6,334 EE's)
Annual Deductible	\$2,500	\$2,500
Out of Pocket Maximum	\$6,350 (Individual); \$12,700 (Family)	\$6,350 (Individual); \$12,700 (Family)
Preventive Care Visit	\$0	\$0
City Hall Clinic Visit	\$0	\$0
PCP Visit	25% after deductible	25% after deductible
Specialist Visit	25% after deductible	25% after deductible
Urgent Care	25% after deductible	25% after deductible
Emergency Room	\$250 copay then 25% after deductible	\$350 copay then 25% after deductible
Lab & X-ray	25% after deductible	25% after deductible
Generic / Preferred Brand / Non-Preferred Brand	10% / 25% / 40% after deductible	10% / 25% / 40% after deductible
COD Account Funding (Health Reimbursement Account)	Individual- \$700 Family- \$1,700	Individual- \$200 Family- \$700
Bi-Monthly Premium	EE- \$37.50 EE + SP- \$259.00 EE + CH- \$110.50 FAM- \$296.50	EE- \$37.50 EE + SP- \$259.00 EE + CH- \$110.50 FAM- \$296.50

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Premium Copay Plan

Benefits	<u>CURRENT 2019</u> Copay LocalPlus Network (2,938 EE's)	<u>PROPOSED 2020</u> "Premium" Copay LocalPlus Network (Est. 3,707 EE's)
Annual Deductible	\$2,000	\$1,500
Out of Pocket Maximum	\$6,350 (Individual); \$12,700 (Family)	\$6,350 (Individual); \$12,700 (Family)
Preventive Care Visit	\$0	\$0
City Hall Clinic Visit	\$0	\$0
PCP Visit	\$25 Copay	\$25 Copay
Specialist Visit	\$50 Copay	\$50 Copay
Urgent Care	\$75 Copay	\$40 Copay
Emergency Room	\$250 copay then 20% after deductible	\$300 Copay
Lab & X-ray	\$25/\$50 copay	\$50 copay
Generic / Preferred Brand / Non-Preferred Brand	\$750 Rx deductible then 10% / 25% / 40%	Copay \$15 / \$40 / \$75
COD Funding (Flexible Spending Account)	\$0	\$0
Bi-Monthly Premium	EE- \$25.00 EE + SP- \$234.00 EE + CH- \$85.50 FAM- \$259.00	See Slide #8 for Salary Band Contributions

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HDHP w/ HSA Plan

Benefits	<u>CURRENT 2019</u> HDHP w/HSA LocalPlus Network (551 EE's)	<u>PROPOSED 2020</u> HDHP w/HSA LocalPlus Network (Est. 873 EE's)
Annual Deductible	\$3,000	\$3,000
Out of Pocket Maximum	\$6,350 (Individual); \$12,700 (Family)	\$6,350 (Individual); \$12,700 (Family)
Preventive Care Visit	\$0	\$0
City Hall Clinic Visit	\$25	\$25
PCP Visit	20% after deductible	20% after deductible
Specialist Visit	20% after deductible	20% after deductible
Urgent Care	20% after deductible	20% after deductible
Emergency Room	20% after deductible	20% after deductible
Lab & X-ray	20% after deductible	20% after deductible
Generic / Preferred Brand / Non-Preferred Brand	20% after deductible	20% after deductible
COD Funding (Health Savings Account)	Individual- \$200 Family- \$700	Individual- \$700 Family- \$1,700
Bi-Monthly Premium	EE- \$15.00 EE + SP- \$214.00 EE + CH- \$65.50 FAM- \$229.00	EE- \$15.00 EE + SP- \$214.00 EE + CH- \$65.50 FAM- \$229.00

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2019 – 2020 Plan Change Summary

Alignment with Guiding Principles



Enhancing Copay Plan Benefit Plan Design: To reduce cost barriers of accessing care, reduce complexity, and to promote appropriate place of care.

Promoting Healthcare Consumerism: To encourage enrollment in plans that promote steerage to high performance networks which will result in better outcomes and reduced employer expenses.

Encourage HDHP w/HSA participation: To provide tax shelter opportunity for future medical expenses.

Refining Wellness Incentives & Activities: To promote preventive care and the importance of establishing a relationship with a Primary Care Physician. Increasing incentive from \$240 to \$500 – based on meaningful activity.

Combining Medical and Pharmacy Card: To reduce the number of cards required to access medical and pharmacy benefits.

Combining HRA and FSA Card: To reduce the complexity of multiple cards. The City has elected to have HRA funds process first for all transactions.

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2020 Dental, Vision, Prescription and Voluntary Benefits

City of Dallas has exercised one-year renewal option for the following:

- Employee vision insurance effective January 1, 2020, through December 31, 2020, with Davis
- Consultant contract for dental benefits with Metropolitan Life Insurance Company and Safeguard Health Plans, Inc
- Administrative services contract for the period January 1, 2020, through December 31, 2020, with Caremark PCS Health, LLC, for prescription benefit management.
- The Standard will serve as the administrator for all voluntary benefits. (life insurance, disability, etc.)

Note: An RFP for new health vendors will be issued by May, 2020



Pre65 & Post65 Retirees

Pre65 Retirees – Current (2020) (Self Funded)

- Approximately – 1,800 Retirees
 - Coverage administered by CIGNA & CVS

Same coverage options as active – with the exception of Voluntary Benefits

Pre65 Retirees – Current (2020) (Self Funded)

- Approximately – 1,800 Retirees
 - Coverage administered by CIGNA & CVS

Same coverage enhancements as Actives

Post65 Retirees – Current (2019) (Fully Insured)

- Approximately – 3,300 Retirees
 - Coverage administered by UnitedHealthcare
- Multiple coverage options:
 - Medicare Supp plans
 - Medicare Advantage HMO plans
 - Prescription Drug Plans

Post65 Retirees – Proposed (2020) (Fully Insured)

- Approximately – 3,300 Retirees
 - Coverage administered by UnitedHealthcare
- 2 Medicare Advantage PPO Plans **(New)**
 - Attached to UHC National Network
 - Includes medical and pharmacy coverage
 - Enhanced retiree clinical programs and discounts
 - Reduced Retiree expense – by combining med/Rx
- Federal government will eliminate two of the current Supplemental plans being offered today – Two of which (Plan F & Plan C) holds the majority of COD Post65 enrollment

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City of Dallas

Pre65 & Post65 Retirees - Enrollment

City of Dallas			
Retiree Enrollment			
(based on most recent census)			
	<u>Pre-65 (all)</u>	<u>Pre-65 (post-2010)</u>	<u>Post-65</u>
Retiree Only	1,228	7	2,111
Retiree + Spouse	222	0	772
Retiree + Child(ren)	79	0	2
Family	87	0	2
Spouse Only	126	15	352
Spouse + Child(ren)	16	6	3
Total	1,758	28	3,242

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Pre 65 Rates – Hired before 2010 – Option B

City of Dallas		Pre-65 Retiree 2020 Hired before 2010 - OPTION B						
Benefit	Current Enrollment	2020 Total Funding Rate	City of Dallas Premium	2020 Retiree Rates	2019 Retiree Rates	2020 Retiree Change	2019 Subsidy % Total of Funding Rate	2020 Subsidy % Total of Funding Rate
Option 1: HRA								
Retiree Only	817	\$1,073.00	\$482.85	\$590.15	\$634.00	-\$43.85	41%	45%
Retiree + Sp.	149	\$2,355.00	\$905.91	\$1,449.09	\$1,326.00	\$123.09	44%	38%
Retiree + Child(ren)	53	\$1,660.00	\$676.56	\$983.44	\$947.00	\$36.44	43%	41%
Retiree + Family	58	\$2,871.00	\$1,099.62	\$1,771.38	\$1,599.00	\$172.38	44%	38%
Spouse Only	74	\$1,282.00	\$280.00	\$1,002.00	\$960.00	\$42.00	42%	22%
Spouse + Children	7	\$1,798.00	\$480.00	\$1,318.00	\$1,233.00	\$85.00	43%	27%
Option 2: Copay Plan								
Retiree Only	332	\$1,034.00	\$465.30	\$568.70	\$584.00	-\$15.30	44%	45%
Retiree + Sp.	60	\$2,198.00	\$949.42	\$1,248.58	\$1,226.00	\$22.58	44%	43%
Retiree + Child(ren)	21	\$1,599.00	\$751.75	\$847.25	\$847.00	\$0.25	47%	47%
Retiree + Family	24	\$2,649.00	\$1,135.87	\$1,513.13	\$1,449.00	\$64.13	45%	43%
Spouse Only	30	\$1,164.00	\$280.00	\$884.00	\$885.00	-\$1.00	36%	24%
Spouse + Children	3	\$1,615.00	\$480.00	\$1,135.00	\$1,103.00	\$32.00	39%	30%
Option 3: HDHP								
Retiree Only	72	\$1,014.00	\$456.30	\$557.70	\$534.00	\$23.70	47%	45%
Retiree + Sp.	13	\$2,156.00	\$833.16	\$1,322.84	\$1,126.00	\$196.84	48%	39%
Retiree + Child(ren)	5	\$1,568.00	\$639.12	\$928.88	\$747.00	\$181.88	52%	41%
Retiree + Family	5	\$2,598.00	\$1,015.98	\$1,582.02	\$1,299.00	\$283.02	50%	39%
Spouse Only	7	\$1,142.00	\$280.00	\$862.00	\$809.00	\$53.00	46%	25%
Spouse + Children	1	\$1,584.00	\$480.00	\$1,104.00	\$973.00	\$131.00	51%	30%
Total	1731			\$1,361,103	\$1,357,978	\$3,125		

Impacted Retirees

510

Annual Cost Impact to City

-\$37,497

Sample HRA Ret + Spouse		City Contribution	Retiree Costs
- Retiree Only	\$1,073.00	45%	\$590.15
- Spouse Only	\$1,282.00	33%	\$858.94
Monthly Total			\$1,449.09

\$280.00	Flat City Contribution to Spouse Only Plan
\$480.00	Flat City Contribution to Spouse + Children Plan
\$100.00	Flat Incentive for CoPay plan all Retiree+ tiers

City Cost Share	
Retiree Only Coverage	45%
Spouse Coverage	33%
Child(ren) Coverage	33%
	-7%
	9%
	4%
	11%
	4%
	7%
	-3%
	2%
	0%
	4%
	0%
	3%
	4%
	17%
	24%
	22%
	7%
	13%

* Assumption - for Retiree+ SP, Retiree+Child(en) and Retiree+Family, City pays:
45% of Retiree only cost
33% of Spouse coverages and Child(en) Coverage

IMPORTANT CHANGE:

- City of Dallas will move towards alignment with their governing documents and offer no subsidies to dependents

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Post65

City of Dallas				Post 65 Retiree			
Benefit	Current Enrollment	Total 2019 Premium Rate	Total 2020 Premium Rate	City of Dallas Premium	2020 Retiree Rates	2019 Retiree Rates	2020 Retiree Change
Plan F High to Medicare Advantage Plan High							
Retiree Only	1446	\$471.38	\$388.61	\$97.15	\$291.46	\$364.00	-\$72.54
Retiree + Sp.	532	\$942.76	\$777.22	\$97.15	\$680.07	\$814.00	-\$133.93
Spouse Only	243	\$471.38	\$388.61	\$0.00	\$388.61	\$697.00	-\$308.39
Plan F Low to Medicare Advantage Plan Low							
Retiree Only	535	\$413.35	\$351.30	\$87.83	\$263.48	\$281.00	-\$17.53
Retiree + Sp.	197	\$826.70	\$702.60	\$87.83	\$614.78	\$592.00	\$22.78
Spouse Only	90	\$413.35	\$351.30	\$0.00	\$351.30	\$549.00	-\$197.70
MAPD High to Medicare Advantage Plan High							
Retiree Only	20	\$451.83	\$388.61	\$97.15	\$291.46	\$228.00	\$63.46
Retiree + Sp.	7	\$903.66	\$777.22	\$97.15	\$680.07	\$652.00	\$28.07
Spouse Only	3	\$451.83	\$388.61	\$0.00	\$388.61	\$430.00	-\$41.39
MAPD Low to Medicare Advantage Plan Low							
Retiree Only	36	\$297.26	\$351.30	\$87.83	\$263.48	\$142.00	\$121.48
Retiree + Sp.	13	\$594.52	\$702.60	\$87.83	\$614.78	\$209.00	\$405.78
Spouse Only	6	\$297.26	\$351.30	\$0.00	\$351.30	\$282.00	\$69.30
Plans - F & MAPD Total	3130	\$21,079,082	\$17,601,921	\$3,161,818	\$14,440,102	\$17,586,798	-\$3,146,695
Plans - C & K Total	112	\$646,263	\$631,726	\$113,476	\$518,250	\$542,138	-\$23,888
Annual Total - All Plans	3242	\$21,725,345	\$18,233,647	\$3,275,295	\$14,958,352	\$18,128,936	-\$3,170,583

Reduction in Premium

\$3,491,698

Retiree Paid (% of Total Cost)

18%

17%

Net Cost Savings to the City

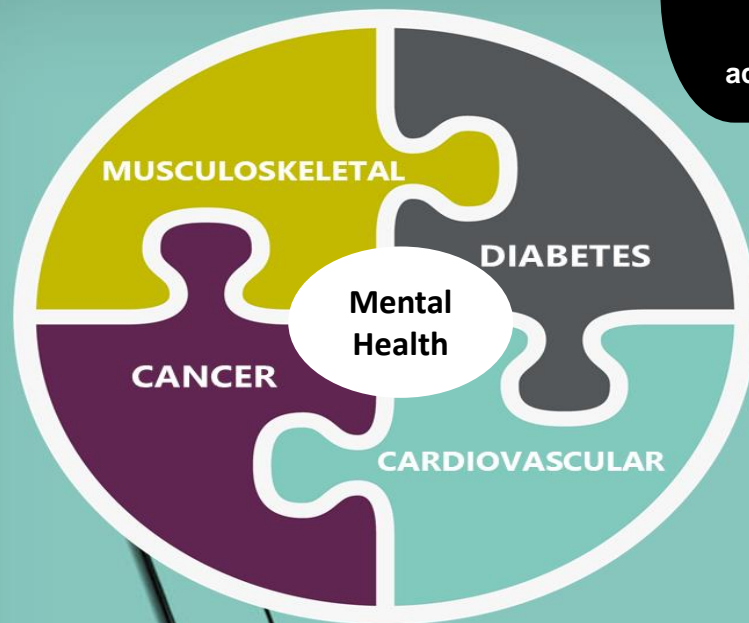
-\$321,115

Sample Plan C High Plan: Ret + Spouse

	City Contribution	Retiree Costs
- Retiree Only	\$388.61	\$291.46
- Spouse Only	\$388.61	\$388.61
Monthly Total		\$680.07

City Cost Share	
Retiree Only Coverage	25%
Spouse Only Coverage	0%

City of Dallas Cost Drivers



Accounts for **53%**
of total medical
spend

(Based on 2018
active and pre-65 claims
data)

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Phased Wellness

	Musculoskeletal, Cardiovascular 15% of 2018 spend	Diabetes, Weight, Hypertension 23% of 2018 spend	Cancer 13% of 2018 spend	Mental Health 2% of 2018 spend
Baseline (Require biometric screenings and age appropriate exams)	Annual wellness exam (Establish medical home)	Annual wellness exam (Establish medical home)	Annual wellness exam (Establish medical home)	Annual wellness exam (Establish medical home)
Phase 1	<ul style="list-style-type: none"> Physical Therapy Rx Solution* compliance 	<ul style="list-style-type: none"> Rx Solutions* Clinical Coach Fitness Center Nutrition Center 	<ul style="list-style-type: none"> Cancer Specific Screenings 	<ul style="list-style-type: none"> EAP Telehealth COD Resources
Phase 2	<ul style="list-style-type: none"> Airrostiti Disease Management Programs Medical plan Condition Mgmt Coaching Rx Management Programs CareATC Referrals 	<ul style="list-style-type: none"> Weighty Loss Programs Medical plan Lifestyle Coaching / Disease Management Programs Baylor & Methodist Programs CareATC 	<ul style="list-style-type: none"> Non-surgical treatment Medical plan Condition Mgmt Coaching Baylor & Methodist Programs 	<ul style="list-style-type: none"> Expanded EAP offering Improved access-Behavioral telehealth Baylor & Methodist Programs
Phase 3	<ul style="list-style-type: none"> Regennex COE** 2nd Opinion Care Mgmt 	<ul style="list-style-type: none"> COE** 2nd Opinion Care Mgmt 	<ul style="list-style-type: none"> COE** 2nd Opinion Care Mgmt 	<ul style="list-style-type: none"> COE** Care Mgmt
Incentives	Lower copays/out-of-pocket costs; preventing surgery	Lower copays/out-of-pocket costs; better outcomes resulting from steerage	Early detection improves outcomes and lowers costs	Work/Life balance; addressing entire employee

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City of Dallas

Refined Wellness Incentive

GOALS

- ✓ Focus on prevention
- ✓ Capture baseline health status
- ✓ Early disease detection
- ✓ Better health outcomes
- ✓ Identify targeted clinical interventions with multiple partners
- ✓ Simplify wellness activity requirements
- ✓ Create a 3-5 year behavioral and clinical wellness strategy

Current Wellness Incentive

- ✓ \$10 Per pay check premium differential (\$240)
- ✓ \$300 HRA or FSA deposit
- ✓ Incentive paid the **year** after earned

Proposed Wellness Incentive

- ✓ \$500 lump sum paycheck deposit
- ✓ Incentive paid in the **same year** earned. Will encourage and motivate members to complete activity annually

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City of Dallas

City Comparison Premium Copay Plan

COPAY PLAN		Dallas (20)	San Antonio	Fort Worth	Grand Prairie	Plano
Plan Name		Copay/EPO*	New Value	HCP	EPO	EP1
Plan Value		79%	79%	79%	78%	82%
Offers Out of Network?		No	No	No	No	No
Deductible (Ind./Family)		\$1,500/\$3,000	\$1,500/\$3,000	\$1,500/\$3,000	\$1,500/\$3,000	\$1,250/\$2,500
OOPM (Ind./Family)		\$6,350/\$12,700	\$3,500/\$7,000	\$6,000/\$12,000	\$6,000/\$12,000	\$6,600/\$13,200
PCP/SPC Copay		\$25/\$50	\$30/\$55	\$0/\$60	\$35/\$50	\$25/\$40
Urgent Care/ER Copay		\$40/\$300	\$50/Coin.	\$75/\$500	\$75/\$300	\$50/\$200
Premiums	EO EC	\$40 \$151	\$89 \$331	\$104 \$385	\$85 \$245	\$54 \$168
	ES EF	\$443 \$488	\$208 \$444	\$516 \$723	\$340 \$485	\$268 \$422

*Middle salary band used for Copay

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City Comparison HDHP w/ HSA & HRA

HDHP Plan		Dallas (20)	San Antonio	Fort Worth	Grand Prairie	Dallas (20)
Plan Name		HDHP w/ HSA	Consumer Choice	HDHP	HDHP	HRA
Plan Value		76%	86%	84%	72%	77%
Offers Out of Network?		No	No	No	No	No
Deductible (Ind./Fam.)		\$3,000/\$6,000	\$2,000/\$4,000	\$2,700/\$5,400	\$3,000/\$6,000	\$2,500/\$5,000
OOPM (Ind./Fam)		\$6,350/\$12,700	\$4,000/\$8,000	\$6,550/\$13,000	\$6,000/\$12,000	\$6,350/\$12,700
Coinsurance		80%	80%	80%	80%	80%
Premiums	EO EC	\$30 \$131	\$23 \$105	\$0 \$251	\$35 \$125	\$75 \$221
	ES EF	\$428 \$458	\$37 \$148	\$350 \$525	\$210 \$345	\$518 \$593

Comparable cities do not currently offer HRA plans

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Offering Competitive Benefits

	2017 →	2018 →	2019 →	2020
Plan Design	\$2,500 Ded. 75/25 HRA Plan \$3,000 Ded. 70/30 EPO Plan	\$2,500 Ded. 75/25 HRA Plan \$3,000 Ded. 70/30 EPO Plan	\$2,500 Ded. 75/25 HRA Plan \$2,000 Ded. 80/20 Copay Plan \$2,800 Ded. 80/20 HDHP w/HSA	\$2,500 Ded. 75/25 HRA Plan \$1,500 Ded. 80/20 Copay Plan \$2,800 Ded. 80/20 HDHP w/HSA
Network Access & Complexity Reduction	Broad Network Enhanced Tier Steerage	Broad Network Enhanced Tier Steerage	Broad Network Enhanced Tier Steerage LocalPlus Network	Broad Network Enhanced Tier Steerage LocalPlus Network Copoly Plan Enhancements Increased HSA Funding
Preventive Care Coverage (100% Covered)	Annual Wellness Exam	Annual Wellness Exams	Annual Wellness Exam Preventive Medications Free Reduced Cost Diabetic/HBP Med	Annual Wellness Exam Preventive Medications Free Reduced Cost Diabetic/HBP Med Expanded Preventive Services
Wellness – Incentive	300 HRA/HSA Contribution \$10 per paycheck premium credit (\$240 value)	300 HRA/HSA Contribution \$10 per paycheck premium credit (\$240 value)	\$300 HRA/HSA Contribution \$10 per paycheck premium credit (\$240 value)	\$500 Lump Sum Contribution (December) (Incentive will pay in year earned)
Post Retiree Coverage	7 Medicare Supp. Plans 2 PDP Plans 2 Medicare Adv. Plans	7 Medicare Supp. Plans 2 PDP Plans 2 Medicare Adv. Plans	7 Medicare Supp. Plans 2 PDP Plans 2 Medicare Adv. Plans	2 Medicare PPO Advantage Plans (Will include both medical & Rx coverage. Eliminates multiple retiree policies)

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