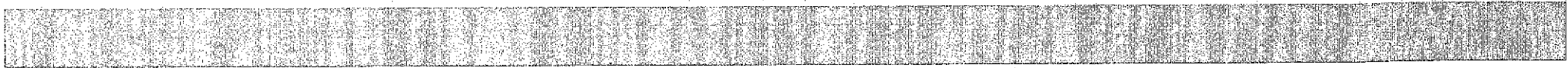


HR Committee Meeting

8/24/17



Discussion Items

Flexible Spending Account (FSA) Administration

High Deductible Health Plan (HDHP)

- Health Savings Account (HSA) rates and plan design

Medical and dental insurance rates

- Pharmacy network options

Discussion regarding separating medical/dental/vision plans

Wellness Program Enhancements

FSA Vendor Proposals

Current Vendor – Payflex

- Admin fee is \$3.65/per participant
- Reenrollment fee is \$250.00
- Rate guarantee for 3 years

Issues with Payflex

- Claim substantiation
- Overall Customer experience

FSA Vendor Proposals

Proposed Vendor – Discovery Benefits

- Admin fee is \$3.25/per participant
- Reenrollment fee is \$0.00
- Rate guarantee for 5 years
- Savings of \$6,737 (20%) over two years vs Payflex

Benefits of Discovery Benefits

- Much better Claim substantiation process
 - Receive patient amounts from medical carriers (no HIPAA related info)
 - Notify of added documentation within 48 hours, and notify again at 30 days
- Debit Cards for all benefits (one card covers Parking, Medical, Dependent care)
- Local Aon clients are using this vendor with great results

HDHP enhancements

Premium reduction

- Freeze premiums to build increase over time
- Reduce premiums by a percentage for 2018 and hold them relative to PPO plan
- Larger wellness premium credit

Make standard plan for retirees

- Set implementation date
- Grandfather any current retirees in the PPO plan?

Frontload HSA contributions

- Makes the transition easier to a HDHP
- Same risk as a PPO/FSA with

Premium Rates

Medical Increase is 4% over 2017

- EE Only – increase from \$50.21 to \$52.21
- EE Family – increase from \$266.04 to \$276.68

Dental increase is 1% over 2017

- EE Only – increase from \$3.79 - \$3.82
- EE Family – increase from \$13.08 to \$13.21

Pharmacy Plan Options

BCBS rolled out additional narrower pharmacy options

- Option 1
 - 55,000+ pharmacies
 - Walgreens, grocery and mass merchandiser
 - Excludes CVS/Target
 - Estimated savings - \$72,600 annually
 - Estimated disruptions – 239 members, 7.2% of claims
- Least aggressive option

Pharmacy Plan Options

BCBS rolled out additional narrower pharmacy options

- Option 2
 - 40,000+ pharmacies
 - Cost share differential \$10 generic/ \$20 brand
 - Excludes CVS/Target and independent pharmacies
 - Estimated savings - \$94,464 annually
 - Estimated disruptions – 322 members, 10.1% of claims
- Middle of the road option

Pharmacy Plan Options

BCBS rolled out additional narrower pharmacy options

- Option 3
 - 20,000 preferred pharmacies (Walgreens/Walmart)
 - Cost share differential \$10 generic/ \$20 brand
 - Excludes CVS/Target
 - Estimated savings - \$124,384 annually
 - Estimated disruptions – 784 members, 25.8% of claims
- Most aggressive option

Separating Medical/Dental/Vision plans

Rules around enrollment

- Different tiers for every plan?
- Family Medical, Employee + Spouse Dental and Single Vision

Unintended consequences

- BCBS rates based on current membership – change of 10% could change the amount we pay for administrative services
- Delta Dental rates won't change until renewal – 2020
 - Should increase participation

Wellness Program Enhancements

Still points based – earn 250 before December 1 to earn premium reduction for the next year

- Should the incentive increase from \$25 per member/spouse?
- Currently 282 with some earned points out of 2945 eligible (9.6%)
- Currently 141 have met the incentive goal (4.8%)

Adding a “new hire” participant level for those hired 9/1 – 10/1 with reduced points goals

Adding a pregnancy goal so there are no negative reading because of the pregnancy