



PERSONNEL COMMITTEE MEETING

2022 EMPLOYEE BENEFITS UPDATE



September 9, 2021

Shawn Esslinger, VP, Employee Benefits Consultant

www.usi.com

Agenda

- 2021 Employee Benefit Reminders/Recap
- 2021 Plan Year to Date Plan Performance
- 2022 City Medical Plan Cost Projections
- Clinic RFP Results: City Sponsored Employee Clinic Services 1/1/2022
- 2022 Plan Year Recommendations
- Time for Questions

2021 (current) City Benefit Plan Reminders



Medical Plan

- Year 2 of self-funded plan administration by Robin HealthPartners and *focused* provider network
- A HDHP/HSA medical plan design has been in effect since 1/1/2020
 - **\$2000 single/\$4000 family deductibles**
 - Deductible must be met before the plan reimburses anything (excluding routine care, certain preventive drugs)
 - **City \$400/\$800 HSA contribution** (wellness participation incentive)
 - Available to covered employee/spouse participating in Fall 2020 HRA biometric events
 - ½ contribution Jan. 2021 and ½ July 2021
- No change in employee contributions
- DPW employees transitioned to the City's medical plan effective 5/1/2021
- The **Manty Clinic agreement** with Aurora continues month-to-month
 - Access to no/low-cost care for covered employee's family members
 - Clinic RFP was initiated and results to be shared later in this presentation

2021 (current) City Benefit Plan Reminders

Dental Plan



- Year 2 of self-funded dental plan administration by Delta Dental of WI
- Employee contributions remained the same and no design changes
- Plan members continue to have two dental provider networks (**PPO** and **Premier**) as well as opportunity to go out-of-network if desired

Wellness Programming



- Go365 wellness platform and *Bucks* incentives continue
- Onsite HRA/biometrics will again take place Oct/Nov/Dec 2021
- As discussed at last year's open enrollment, covered employees and spouses have been working toward Go365 wellness goals -that if reached, a City HSA contribution (if approved) will apply for plan year 2022

Voluntary Vision Insurance

- Insured through NVA

Disability Insurances

- Voluntary STD and LTD insured through Mutual of Omaha

Employee Assistance Program (EAP)

- Provided by Aurora; due diligence marketing undertaken in conjunction with the clinic RAP

Cafeteria Plan and COBRA administration

- FSA (general medical and limited purpose) as well as COBRA administration, provided by Wex

Plan Year 2021 Medical Plan Performance

City of Manitowoc - Medical Funding Analysis Report

Plan Name:
Medical Plan

Prepared By: USI Insurance Services
Date Prepared: 08/16/21
Plan Year: 01/01/21 - 12/31/21

Medical & Rx Carriers:
Health Partners & Health Partners

Total Monthly Funding	
Single	Family
\$620.36	\$1,572.20

	Total Monthly Fixed Costs	
	Single	Family
Administration Fee	\$9.25	\$25.12
Specific Stop Loss (\$100,000)	\$62.03	\$173.68
Aggregate Stop Loss	\$3.38	\$9.46
Wellness Platform / Incentives	\$11.04	\$11.04
COBRA Fee	\$0.66	\$0.66
HSA Admin	\$1.85	\$1.85
Sum of Total Monthly Fixed Costs	\$88.21	\$221.81

Monthly Enrollment	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Single	55	56	56	55	57	57	59						395
Family	137	137	138	138	148	148	143						989
Total	192	193	194	193	205	205	202						1,384

Total Funding	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Single	34,119.80	34,740.16	34,740.16	34,119.80	35,360.52	35,360.52	36,601.24						\$245,042.20
Family	215,391.40	215,391.40	216,963.60	216,963.60	232,685.60	232,685.60	224,824.60						\$1,554,905.80
Sum of Total Funding	\$249,511.20	\$250,131.56	\$251,703.76	\$251,083.40	\$268,046.12	\$268,046.12	\$261,425.84						\$1,799,948.00

Fixed Costs	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Single	4,851.55	4,939.76	4,939.76	4,851.55	5,027.97	5,027.97	5,204.39						\$34,842.95
Family	30,387.97	30,387.97	30,609.78	30,609.78	32,827.88	32,827.88	31,718.83						\$219,370.09
AFG Consulting Fee	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00						\$24,500.00
Sum of Total Fixed Costs	\$38,739.52	\$38,827.73	\$39,049.54	\$38,961.33	\$41,355.85	\$41,355.85	\$40,423.22						\$278,713.04

Claims Costs	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Medical Claims	133,428.60	174,568.73	268,674.52	217,063.03	154,680.68	138,003.70	108,478.63						\$1,194,897.89
Prescription Drug Claims	17,020.78	13,956.73	31,298.57	41,799.78	47,484.47	46,494.74	40,259.09						\$238,314.16
Shared Savings	263.95	1,710.03	818.14	904.67	607.97	118.35	161.39						\$4,584.50
Clinic Expenses	6,247.68	6,454.22	6,908.06	6,422.47	6,043.90	6,474.85	5,966.91						\$44,518.09
ER HSA Contribution	48,000.00	0.00	0.00	0.00	0.00	0.00	50,600.00						\$98,600.00
Sum of Total Claims Costs	\$204,961.01	\$196,689.71	\$307,699.29	\$266,189.95	\$208,817.02	\$191,091.64	\$205,466.02						\$1,580,914.64

Reimbursements	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Specific Excess Loss	0.00	0.00	(19,405.73)	(45,135.73)	(40,211.90)	(43,109.60)	(42,653.26)						(\$190,516.22)
Prescription Drug Rebate	0.00	0.00	0.00	0.00	0.00	0.00	0.00						\$0.00
Sum of Reimbursements	\$0.00	\$0.00	(\$19,405.73)	(\$45,135.73)	(\$40,211.90)	(\$43,109.60)	(\$42,653.26)						(\$190,516.22)

Total Costs	\$243,700.53	\$235,517.44	\$327,343.10	\$260,015.55	\$209,960.97	\$189,337.89	\$203,235.98						\$1,669,111.46
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Funding Less Costs	\$5,810.67	\$14,614.12	(\$75,639.34)	(\$8,932.15)	\$58,085.15	\$78,708.23	\$58,189.86						\$130,836.54
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YTD Plan Performance	\$5,810.67	\$20,424.79	(\$55,214.55)	(\$64,146.70)	(\$6,061.55)	\$72,646.68	\$130,836.54						
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YTD % of Total Costs to Funding 92.73%

YTD Average Monthly Cost Per Employee	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
	\$1,269.27	\$1,244.72	\$1,393.02	\$1,381.58	\$1,306.59	\$1,240.17	\$1,206.01						\$1,206.01

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Plan Year 2022 Dental Plan Performance

City of Manitowoc - Dental Funding Analysis Report

Plan Name: Dental Plan
Prepared By: USI Insurance Services
Date Prepared: 08/16/21
Plan Year: 01/01/21 - 12/31/21

Dental Carriers:
Delta Dental

Total Monthly Funding	
Single	Family
\$40.10	\$112.85

Total Monthly Fixed Costs	
Single	Family
\$4.50	\$4.50
Administration Fee	
Sum of Total Monthly Fixed Costs	\$4.50

Monthly Enrollment	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Single	58	59	59	59	62	63	63						423
Family	131	132	133	133	143	143	142						957
Total	189	191	192	192	205	206	205						1,380

Total Funding	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Single	2,325.80	2,365.90	2,365.90	2,365.90	2,486.20	2,526.30	2,526.30						\$16,962.30
Family	14,783.35	14,896.20	15,009.05	15,009.05	16,137.55	16,137.55	16,024.70						\$107,997.45
Sum of Total Funding	\$17,109.15	\$17,262.10	\$17,374.95	\$17,374.95	\$18,623.75	\$18,663.85	\$18,551.00						\$124,959.75

Fixed Costs	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Single	261.00	265.50	265.50	265.50	279.00	283.50	283.50						\$1,903.50
Family	589.50	594.00	598.50	598.50	643.50	643.50	639.00						\$4,306.50
Sum of Total Fixed Costs	\$850.50	\$859.50	\$864.00	\$864.00	\$922.50	\$927.00	\$922.50						\$6,210.00

Claims Costs	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
Dental Claims	11,756.00	16,507.00	21,437.00	16,374.00	15,946.00	16,894.00	9,753.00						\$108,667.00
Sum of Total Claims Costs	\$11,756.00	\$16,507.00	\$21,437.00	\$16,374.00	\$15,946.00	\$16,894.00	\$9,753.00						\$108,667.00

Total Costs	\$12,606.50	\$17,366.50	\$22,301.00	\$17,238.00	\$16,868.50	\$17,821.00	\$10,675.50						\$114,877.00
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Funding Less Costs	\$4,502.65	(\$104.40)	(\$4,926.05)	\$136.95	\$1,755.25	\$842.85	\$7,875.50						\$10,082.75
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YTD Plan Performance	\$4,502.65	\$4,398.25	(\$527.80)	(\$390.85)	\$1,364.40	\$2,207.25	\$10,082.75						
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YTD % of Total Costs to Funding 91.93%

YTD Average Monthly Cost Per Employee	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
	\$66.70	\$78.88	\$91.39	\$90.98	\$89.14	\$88.68	\$83.24						\$83.24

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2021 Plan Performance

- Move to HealthPartners continues to be a positive change for City plan members *as well as* for City plan administration
 - Specific to prescription drug coverage:

Comparison	2020 HealthPartners	2019 Anthem/Ingenio
Total Allowed Pharmacy Cost	\$472,895	\$812,293
Total Plan Paid Cost	\$404,297	\$767,393
Generic Dispensing	95.25%	87.42%
Average Generic Cost/Rx	\$18.61	\$51.81
Average Brand Cost/Rx (excl. specialty)	\$341.51	\$1,077

Note: 2021 pharmacy spend is trending like plan 2020

- Over the past 12 months, there have been a higher number of high-cost claimants which in-turn made **securing HealthPartners stop loss coverage** (\$100,000 specific) challenging for plan year 2022
 - 18 claimants had over \$30,000 in claims
 - 4 claimants had more than \$100K in claims
 - 3 of the 18 had more than \$200K in claims
 - 2 claimants are no longer covered by the plan; remainder are considered to have cases that will continue with similar claims utilization
- Regarding plan year **2022 stop loss coverage** with HealthPartners;
 - Renewal offer was negotiated down to an 29% increase and avoided lasers; HealthPartners agreed to do so, to show continued partnership with the City


2021 Plan Performance cont.

Medical Plan cont.

- The current HDHP design, and the amount of out-of-pocket costs, not including employee monthly premiums, City plan members are responsible for, continues to be a concern
 - Annual \$4250 single/\$8500 family **out-of-pocket maximum** applies
- The current employment environment related to recruitment, and retention of our employees, along with the City's current benefit offerings, continues to be a concern
- Due to these concerns, City benefit benchmarking alongside other company's offerings were reviewed by way of *USI's 2021 Benchmark Survey*

2021 Plan Performance cont.

USI Benefits Benchmarking: In all, over 8000 employers participate the 2021 survey, from dozens of industries, and nearly every state in the country.

	 City of Manitowish	City Government	250-500 Employees	Midwest Region
<i>Bolded City benefits are at, or better than benchmarks</i>				
HDHP Medical Plan Deductible				
Individual deductible	\$2,000	\$2,000	\$3,000	\$3,000
Family deductible	\$4,000	\$4,000	\$6,000	\$6,000
Individual Annual out-of-pocket maximum	\$4,250	\$3,000	\$4,500	\$4,500
Family annual out-of-pocket maximum	\$8,500	\$6,000	\$9,000	\$9,000
In-network plan member coinsurance after deductible	20%	20%	20%	20%
Employer Provided HSA contribution				
Single coverage	\$400	\$1,000	\$600	\$600
Family coverage	\$800	\$2,000	\$1,000	\$1,000
Prescription Drug Co-pays				
Generic	20%	20%	20%	20%
Preferred Brand	20%	20%	20%	20%
Non-preferred Brand	20%	20%	20%	20%
Specialty	20%	20%	20%	20%
Monthly Medical Insurance Premiums				
Single	\$620	\$551	\$561	\$552
Family	\$1,572	\$1,635	\$1,667	\$1,608
Monthly Medical Insurance Employee Contribution*				
Single	\$78	\$82	\$105	\$106
Family	\$197	\$262	\$485	\$405
Monthly Employer Contribution Percentage				
Single	87%	85%	81%	81%
Family	87%	84%	71%	75%

Plan Year 2022 Plan Projections

ANNUAL COST SUMMARY

Total Medical & Drug Costs				
	Current	Renewal	% Change	\$ Change
Specific Stop Loss	\$341,952.00	\$441,124.00	29.00%	\$99,172.00
Aggregate	\$18,626.00	\$18,626.00	0.00%	\$0.00
Medical Administration	\$49,655.00	\$49,655.00	0.00%	\$0.00
Wellness Platform/Incentives	\$26,761.00	\$26,761.00	0.00%	\$0.00
COBRA Administrator	\$1,600.00	\$1,600.00	0.00%	\$0.00
HSA 1 Contributions	\$138,004.00	\$138,004.00	0.00%	\$0.00
Annual PCORI Fee	\$1,439.06	\$1,482.23	3.00%	\$43.17
Total Fixed Cost	\$582,521.06	\$681,736.23	17.03%	\$99,215.17
Claims Cost	\$2,694,031.00	\$2,764,396.00	2.61%	\$70,365.00
Total Fixed & Claims Cost	\$3,276,552.06	\$3,446,132.23	5.18%	\$169,580.17

\$400/\$800

Total Dental Costs				
	Current	Renewal	% Change	\$ Change
Fixed Cost	\$11,124.00	\$11,124.00	0.00%	\$0.00
Claims Cost	\$212,842.00	\$212,842.00	0.00%	\$0.00
Total Fixed & Claims Cost	\$223,966.00	\$223,966.00	0.00%	\$0.00

Total Cost Summary				
	Current	Renewal	% Change	\$ Change
Fixed Cost	\$593,645.06	\$692,860.23	16.71%	\$99,215.17
Claims Cost	\$2,906,873.00	\$2,977,238.00	2.42%	\$70,365.00
Total Fixed & Claims Cost	\$3,500,518.06	\$3,670,098.23	4.84%	\$169,580.17





City/SD Sponsored Clinic Services RFP Results

The following vendors were invited to respond to the City/School District RFP:

- Aurora (incumbent)
- Froedtert/Holy Family
- Prevea Health (not in-network with the City’s medical plan)
- Nice Healthcare

Pricing Overview



Effective: January 1, 2022

Vendor				
SUMMARY OF COSTS				
Implementation Cost	\$0	Waived - \$0	\$0	\$0
Advanced Practice Provider (APP) (30 hrs/wk * 50 weeks)	\$165,000	\$142,500	\$117,000	\$352,980
Medical Assistant (MA) (30 hrs/wk * 50 weeks)	See note below	See note below	See note below	Included in above cost
Physical Therapist (PT) (4 hrs/wk * 50 weeks)	\$30,000	\$19,000	\$15,000	Referral to a virtual provider
Licensed Athletic Trainer (LAT) (16 hrs/wk * 50 weeks)	\$40,000	\$52,000	\$32,000	Referral to a virtual provider
Additional Administration Costs	\$0	\$0	\$0	Included in PEPM fee
Management Fee (Supplies)*	Included	Waived - \$0	Waived - \$0	Included in PEPM fee
Labs	Pass through	Pass through	Pass through	Included in PEPM fee
Pharmacy	Pass through	Pass through	Pass through	Included in PEPM fee
Facility fee/Lease	\$0	\$0	\$12,000	N/A - Providers visit patients at home
Estimated Total Cost	\$235,000	\$213,500	\$176,000	\$352,980
Estimated Cost - City of Manitowoc = 33%	\$77,550	\$70,455	\$58,080	\$116,483
Estimated Cost - Manitowoc Public School District = 67%	\$157,450	\$143,045	\$117,920	\$236,497

Clinic Services RFP Results

- The School District originally preferred the Prevea offer
- To aid in retaining the School District as a partner with the City and the Froedtert offer, Froedtert agreed to waive a Management Fee (\$24,000) and the City agreed to taking a higher % of costs (42% from current 33%) in the Manty Clinic

(Note: % share would be reviewed on an annual basis)

Vendor		
SUMMARY OF COSTS	Split = City 33% / MPSD 67%	Split = City 42% / MPSD 58%
Implementation Cost	\$0	Waived - \$0
Advanced Practice Provider (APP) (30 hrs/wk * 50 weeks)	\$165,000	\$142,500
Medical Assistant (MA) (30 hrs/wk * 50 weeks)	See note below	See note below
Physical Therapist (PT) (4 hrs/wk * 50 weeks)	\$30,000	\$19,000
Licensed Athletic Trainer (LAT) (16 hrs/wk * 50 weeks)	\$40,000	\$52,000
Additional Administration Costs	\$0	\$0
Management Fee (Supplies)*	Included	Waived - \$0
Labs	Pass through	Pass through
Pharmacy	Pass through	Pass through
Facility fee/Lease	\$0	\$0
Estimated Total Cost	\$235,000	\$213,500
Estimated Cost - City of Manitowoc	\$77,550	\$89,670
Estimated Cost - Manitowoc Public School District	\$157,450	\$123,830

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Plan Year 2022 Recommendations

Keep:

- Robin HealthPartners **medical plan administration** and its HealthPartners *focused* provider network
- Delta Dental of Wisconsin as **dental plan administrator** and **dental provider network**
- The current **HDHP/HSA medical plan design** in place
- Wellness Related
 - **City HSA contribution** at \$400 single/\$800 family as an incentive for participating in wellness programming
 - **2022 IRS HSA Contributions** limits are . . .
 - \$3,650 single (+\$50 from 2021)
 - \$7,300 family (+\$100 from 2021)
 - **Go365** Wellness platform and \$Bucks incentives
- **Employee monthly contributions** the same as current (\$22,045 from reserves)
- Continue City sponsored **Manty Clinic** access to no/low-cost care for covered employees and spouses
- **100% employee insurance funded plans** (through NVA vision and Mutual of Omaha disability coverages)

Plan Year 2022 Recommendations

Change:

- Increase funding budget for PY 2022 5.18% with overage from current (\$169,580) drawn from City medical plan reserves; year-end 2020 reserves at \$1,009,367
- Clinic services vendor from Aurora to Froedtert/Holy Family
- EAP Vendors
 - Finalist presentations taking place (2 national EAP vendors)
 - Move from Aurora estimated to save City \$1500/\$1600 dependent on vendor selected

Add:

- Voluntary Critical Illness and Accident coverages insured through Mutual of Omaha

		City Government	250-500 Employees	Midwest Region
Voluntary or Worksite Benefits				
Accident Coverage	N/A	68%	58%	62%
Critical Illness/Cancer Coverage	N/A	76%	57%	60%

USI 2021 Benchmark Study

Questions?



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