

CITY OF MANITOWOC PERSONNEL COMMITTEE MEETING



PRESENTED BY:

Shawn Esslinger

*Vice President,
Employee Benefits Consultant*

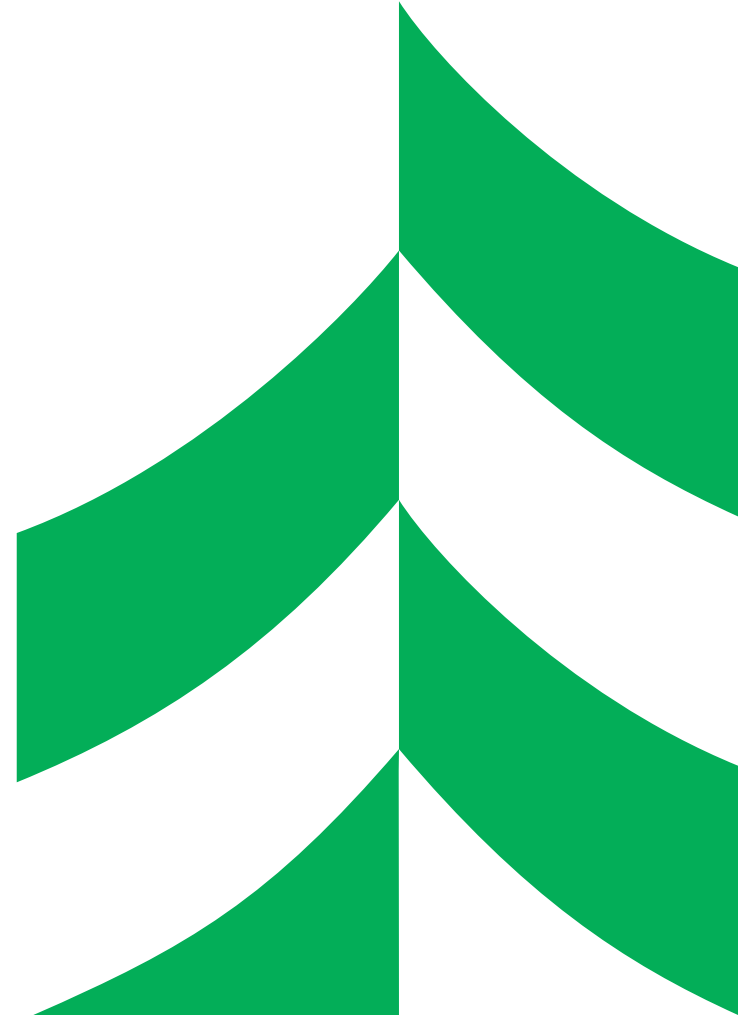


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2019 MEDICAL PLAN PERFORMANCE

City of Manitowoc - Medical Funding Analysis Report

Medical Summary

Prepared By: Associated Financial Group
 Date Prepared: 07/16/19
 Plan Year: 01/01/19 - 12/31/19

Medical & Rx Carriers:
 Anthem & Anthem

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
Monthly Enrollment													
Single	47	47	47	45	45	46	49						326
Family	150	152	152	151	152	154	155						1,066
Total	197	199	199	196	197	200	204						1,392
Total Members	570	579	580	573	577	586	594						4,059
Total Medical Funding													
Single	29,033.78	29,033.78	29,033.78	27,798.30	27,798.30	28,416.04	30,269.26						\$201,383.24
Family	235,452.00	238,591.36	238,591.36	237,021.68	238,591.36	241,730.72	243,300.40						\$1,673,278.58
Sum of Total Medical Funding	\$264,485.78	\$267,625.14	\$267,625.14	\$264,819.98	\$266,389.66	\$270,146.76	\$273,569.66						\$1,874,662.12
Fixed Medical Costs													
Single	6,392.00	6,392.00	6,392.00	6,120.00	6,120.00	6,256.00	6,664.00						\$44,336.00
Family	41,127.00	41,675.36	41,675.36	41,401.18	41,675.36	42,223.72	42,497.90						\$292,275.88
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 Medical Costs	\$51,019.00	\$51,567.36	\$51,567.36	\$51,021.18	\$51,295.36	\$51,979.72	\$52,661.90						\$361,111.88
Total Fixed Costs	\$51,019.00	\$51,567.36	\$51,567.36	\$51,021.18	\$51,295.36	\$51,979.72	\$52,661.90						\$361,111.88
Claims Costs													
Medical Claims	112,724.00	180,214.00	204,891.00	152,956.00	97,419.00	106,688.00	101,385.00						\$956,277.00
Prescription Drug Claims	55,740.00	68,047.00	83,734.00	51,409.00	67,646.00	70,045.00	68,937.00						\$465,558.00
Clinic Expenses	4,757.29	4,220.16	4,661.37	4,835.72	4,629.88	4,877.77	4,850.11						\$32,832.30
Discount Share	2,895.76	4,559.14	5,896.49	5,250.58	3,200.85	3,764.70	4,969.04						\$30,536.56
Sum of Total Claims Costs	\$176,117.05	\$257,040.30	\$299,182.86	\$214,451.30	\$172,895.73	\$185,375.47	\$180,141.15						\$1,485,203.86
Reimbursements													
Specific Excess Loss	(23,928.93)	0.00	0.00	0.00	0.00	0.00	0.00						(23,928.93)
Prescription Drug Rebate	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00
Sum of Reimbursements	(\$23,928.93)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						(\$23,928.93)
Total Costs	\$203,207.12	\$308,607.66	\$350,750.22	\$265,472.48	\$224,191.09	\$237,355.19	\$232,803.05						\$1,822,386.51
Funding Less Costs	\$61,278.66	(\$40,982.52)	(\$83,125.08)	(\$652.50)	\$42,198.57	\$32,791.57	\$40,766.61						\$52,275.31
YTD Plan Performance	\$61,278.66	\$20,296.14	(\$62,828.94)	(\$63,481.44)	(\$21,282.87)	\$11,508.70	\$52,275.31						
YTD % of Total Costs to Funding													97.21%
YTD Average Monthly Cost Per Employee	\$1,031.51	\$1,292.46	\$1,449.69	\$1,426.09	\$1,368.65	\$1,338.03	\$1,309.19						\$1,309.19



2019 DENTAL PLAN PERFORMANCE

City of Manitowoc - Dental Funding Analysis Report

Dental Summary

Prepared By: Associated Financial Group
 Date Prepared: 07/16/19
 Plan Year: 01/01/19 - 12/31/19

Dental Carriers

Anthem

Monthly Enrollment	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
Single	54	54	54	52	53	52	55						374
Family	144	145	147	147	146	147	148						1,024
Total	198	199	201	199	199	199	203						1,398
Total Funding													
Single	2,184.06	2,184.06	2,184.06	2,119.00	2,167.97	2,119.00	2,265.91						\$15,224.06
Family	15,352.60	15,307.78	15,546.06	15,464.08	15,344.94	15,382.10	15,419.26						\$107,816.82
Sum of Total Funding	\$17,536.66	\$17,491.84	\$17,730.12	\$17,583.08	\$17,512.91	\$17,501.10	\$17,685.17						\$123,040.88
Fixed Costs													
Single	144.72	144.72	144.72	139.36	142.04	139.36	147.40						\$1,002.32
Family	385.92	388.60	393.96	393.96	391.28	393.96	396.64						\$2,744.32
Sum of Total Fixed Costs	\$530.64	\$533.32	\$538.68	\$533.32	\$533.32	\$533.32	\$544.04						\$3,746.64
Claims Costs													
Dental Claims	16,379.64	15,352.34	17,644.41	16,359.19	19,727.83	11,409.60	14,982.68						\$111,855.69
Sum of Total Claims Costs	\$16,379.64	\$15,352.34	\$17,644.41	\$16,359.19	\$19,727.83	\$11,409.60	\$14,982.68						\$111,855.69
Total Costs	\$16,910.28	\$15,885.66	\$18,183.09	\$16,892.51	\$20,261.15	\$11,942.92	\$15,526.72						\$115,602.33
Funding Less Costs	\$626.38	\$1,606.18	(\$452.97)	\$690.57	(\$2,748.24)	\$5,558.18	\$2,158.45						\$7,438.55
YTD Plan Performance	\$626.38	\$2,232.56	\$1,779.59	\$2,470.16	(\$278.08)	\$5,280.10	\$7,438.55						
YTD % of Total Costs to Funding													93.95%
YTD Average Monthly Cost Per Employee	\$85.41	\$82.61	\$85.25	\$85.16	\$88.49	\$83.75	\$82.69						\$82.69



PLAN YEAR 2020 MARKETING EFFORT RECAP

A due diligence marketing effort was conducted on current Anthem/IngenioRx TPA/PBM services, provider network, as well as stop loss coverage.

A focus on costs and customer service was important to this effort due to significant administration and plan member customer service issues experienced with an Anthem system platform change that took place at the start of the 2019 plan year.

The following finalist results apply:

- **UHC-UMR/Optum**

- Participated, and initial results were not as competitive as Anthem or Robin/HealthPartners. To-date, no firm stop loss proposal has been submitted.

- **Robin/HealthPartners**

- Participated, and final proposal was found to be more competitive than the final renewal presented by Anthem.
- The **Robin Focused Network** would replace the current **Well Priority Network**, and would include Holy Family as an in-network provider.
- Moving to Robin/HealthPartners would not impact the City's capability to continue Manty Health & Wellness near-site clinic services.

2020 HEALTH PLAN COST PROJECTIONS

- The following cost comparison applies when reviewing Anthem to Robin/HealthPartners against the **current plan design**:



	2020 Plan Design	(+/-) from Current	Est. Cost from Current
Renew As Is with Anthem	No changes from 2019	-0.91%	-\$29,749
Implement with Robin/HP	No changes from 2019	-2.11%	-\$69,167

- Taking Robin/HealthPartners offer and wanting to transition to an **HDHP HSA plan design**, the following cost comparison applies with Robin/HealthPartners:

Option 1 with Robin/HP	HDHP/HSA plan with Prev. Drug List	-2.54%	-\$83,531
Option 2 with Robin/HP	HDHP/HSA plan with Prev. Drug List & City HSA Contribution \$250 (single) \$500 (family)	0.19%	\$6,223



2020 PROPOSED MEDICAL PLAN DESIGN

Carrier	 	
	Current	Plan Year 2020
	80%/60% PPO Plan	HDHP/HSA with Prev. Rx List & HSA Contribution
Provider Network	Anthem - Blue Priority Network	Robin Focused Network
Deductible		
<i>Embedded or Non-Embedded</i>	<i>Embedded</i>	<i>Non-Embedded</i>
In-Network (Single / Family)	\$2,000 / \$4,000	\$2,000 / \$4,000
Out-of-Network (Single / Family)	\$4,000 / \$8,000	\$4,000 / \$8,000
City HSA Contribution	NA	\$250 Single / \$500 Family
Coinsurance		
In-Network	80%	80%
Out-of-Network	60%	60%
Annual Out-of-Pocket Plan Maximum	<i>Includes Medical Plan Deductible & Coinsurance</i>	<i>Includes Medical & Rx Deductible & Coinsurance</i>
In-Network (Single / Family)	\$4,250 / \$8,500	\$4,250 / \$8,500* <i>*No one individual in a family will contribute more than \$8,150 to the in-network family out-of-pocket amount.</i>
Out-of-Network (Single / Family)	\$8,500 / \$17,000	\$8,500 / \$17,000
Lifetime Maximum	Unlimited	Unlimited
Office Visits		
In-Network	\$80 copay (specialist \$130), 100% Deductible, 60% Coinsurance	Deductible, 80% Coinsurance
Out-of-Network		Deductible, 60% Coinsurance
Routine/Preventive Care		
In-Network	100% Coverage	100% Coverage
Out-of-Network	60% after deductible	Deductible, 60% Coinsurance
In & Outpatient Hospital Services		
In-Network	Deductible, 80% Coinsurance	Deductible, 80% Coinsurance
Out-of-Network	Deductible, 60% Coinsurance	Deductible, 60% Coinsurance
Urgent Care		
In-Network	\$180 copay, 100% Deductible, 60% Coinsurance	Deductible, 80% Coinsurance
Out-of-Network		Deductible, 60% Coinsurance
Emergency Room		
In-Network	\$300 copay, 80%	Deductible, 80% Coinsurance
Out-of-Network		
Prescription Drugs - In-Network		
Out of Network		Deductible, 80% Coinsurance In Network Deductible 60% Coinsurance Out of Network
Tier 1 / Tier 2 / Tier 3 / Tier 4	\$10/\$40/\$60/20% to \$125 (\$75 min.)	<i>Certain preventive drugs may be available to you at \$0 cost. Refer to the HealthPartners Preventive Drug List for more information https://www.healthpartners.com/ucm/groups/pub/lic/@hpl/@public/documents/documents/cntr b_029093.pdf</i>
Annual Prescription Drug Out-of-Pocket Maximum	\$2500/\$5000	NA



2020 PROPOSED MEDICAL PLAN DESIGN CONT.

- The HealthPartners network matched:
 - 94.7% of current in-network providers utilized;
 - 96.9% of claims matched; and
 - 99.5% of dollars paid matched
- The current Anthem plan document and coverage protocols are being reviewed by HealthPartners to determine provisional deviations that might apply to coverage. These deviations are not expected to be significant.
- Currently in search of an exclusive provider to administer employee HSA accounts.
- Educational meetings on the topic of HDHP/HSA plan designs and accounts will be planned in advance of November Open Enrollment events.
- Due to HDHP/HSA plan design, a limited FSA plan will need to be implemented with current FSA Administrator, Discovery Benefits.



2020 PROPOSED DENTAL PLAN DESIGN

Moving from Anthem triggers the City to also consider its Dental Plan administration. *Delta Dental of Wisconsin* is currently being considered.

ASO Administrator	Anthem BlueCross BlueShield Dual Choice		Anthem BlueCross BlueShield Dual Choice		New Dental ASO Administrator	
	Current - Basic/Preventive Dental		Current - Enhanced		2020 Option 1 - No Dual Choice	
	In-Network	Out-of-Network (80% percentile)	In-Network	Out-of-Network (80% percentile)	In-Network	Out-of-Network
Plan Design	Passive PPO		Passive PPO		Passive PPO	
Deductible	NA/NA		NA/NA		\$25 / \$75	
Annual Maximum	\$1,250		\$1,500		\$1,500	
Preventive Services	No waiting period		No waiting period		No waiting period	
Oral Exams	100%	100%	100%	100%	100%	100%
X-Rays	100%	100%	100%	100%	100%	100%
Cleanings	100%	100%	100%	100%	100%	100%
Topical Fluoride	100%	100%	100%	100%	100%	100%
Sealants	100%	100%	100%	100%	100%	100%
Emergency Treatment to Reduce Pain	100%	100%	100%	100%	100%	100%
Space Maintainers	100%	100%	100%	100%	100%	100%
Basic Services	Not Covered		No waiting period		Deductible Applies No waiting period	
Fillings: (Amalgam silver colored filling/front teeth composite filling)	0%	0%	80%	80%	80%	80%
Emergency Treatment to Reduce Pain	0%	0%	80%	80%	80%	80%
Full & Partial Denture Repair	0%	0%	80%	80%	80%	80%
Extractions	0%	0%	80%	80%	80%	80%
Endodontics	0%	0%	80%	80%	80%	80%
Periodontics	0%	0%	80%	80%	80%	80%
Major Services	Not Covered		12 month waiting period		Deductible Applies No waiting period	
Crowns, inlays, onlays	0%	0%	80%	80%	80%	80%
Partial or Complete Dentures	0%	0%	80%	80%	80%	80%
Removable or Fixed Bridgework	0%	0%	80%	80%	80%	80%
Implants	0%	0%	80%	80%	80%	80%
Orthodontics	Not Covered		12 month waiting period		No waiting period	
Deductible	N/A		N/A		NA	
Benefits Paid At Lifetime Maximum - per eligible insured child	0%	0%	50%	50%	50%	50%
	\$0		\$3,000		\$3,000	



2020 PLAN YEAR RECOMMENDATIONS

- Replace Anthem with Robin HealthPartners to provide 2020 health plan administrative services including these related partners in health:
 - *Robin HealthPartners Provider Network*
 - *Health Partners Insurance Company* – stop loss carrier
 - *MedImpact Pharmacy*, in partnership with HealthPartners
- Transition the City's current medical and pharmacy plan design to the HDHP/HSA as discussed. In addition:
 - For 2020, offer HSA contributions: \$250 single, \$500 per family. The total amount could be deposited 1/1/2020 or multiple installments during the plan year.
 - Providing 'seed money' to employee HSA accounts offers covered employees/family members with immediate funds to offset out-of-pocket amounts tied with the new design (deductible having to be met first before the plan pays).
 - Future City provided HSA contributions would depend on the plan year budget/approval process as normal.
- Increase the medical plan funding budget by .19%, while keeping employee contribution increases minimal.



2020 PLAN YEAR RECOMMENDATIONS CONT.

- The current **Manty Clinic/Aurora Healthcare** contract continues through December 31, 2020.
 - Begin to offer PT services at the Manty Health & Wellness Center which means the current \$7 PMPM rate goes to \$9.50 PMPM
- Keep the current dental plan funding levels and employee contributions the same for 2020.
- Transition the Dental plan to one plan offering, with no more dual option available.



QUESTIONS?



IMPORTANT DISCLOSURES

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