



CITY OF MANITOWOC, PERSONNEL COMMITTEE MEETING

PLAN YEAR 2021 EMPLOYEE BENEFITS UPDATE

September 8, 2020

Shawn Esslinger, VP, Employee Benefits Consultant

www.usi.com

Agenda

- Introduction to USI Insurance Services
- 2020 Benefit Plan Reminders/Recap
- 2020 Plan Year to Date Performance Update
- 2021 Plan Year Cost Projections
- 2021 Plan Year Recommendations
- Time for Questions



USI Acquires Associated Benefit & Risk Consulting (ABRC)



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2020 City Benefit Plan Reminders

Medical Plan



- Moved to **Robin HealthPartners** (from Anthem) for health **plan administration** services
- Moved to **HealthPartners *Focused* provider network** (from Anthem Well Priority/Focused network)
- Transitioned the Medical plan design to a **HDHP/HSA**
 - As a reminder, the plan's deductible did not change for PY 2020, however, effective Jan 1, 2020 the plan's deductible must be fully met, before the plan pays anything (not including routine care) (i.e., Most Rx not reimbursed until deductible is met, also office visit co-payments can no longer apply)
 - Offered City HSA contribution (seed-money to employee HSA accounts to offset increased out-of-pocket amounts tied to new HDHP):
 - \$250 single, \$500 family (½ Jan ½ July)
- **No change** in employee contributions (from 2019)

Dental Plan



- Moved to **Delta Dental of Wisconsin** (from Anthem) for dental **plan administration** services
- Transitioned to one dental plan offering (no more dual option available)
- Certain covered benefits were enhanced (i.e., white fillings on back teeth, etc.)
- **No change** in employee contributions (from 2019)

2020 City Benefit Plan Reminders Cont.

Manty Health & Wellness Clinic

- Manty Clinic continues to be a free healthcare venue for all covered City plan members
- Current clinic agreement between the City and Aurora Healthcare goes through 12/31/2020
- New agreement was just shared by Aurora and is under review by USI.

Wellness Programming

- Go365 wellness platform and *Bucks* incentives continue to be well received by employees
- Onsite HRA/Biometric screening events will again take place in August/September and again at several Q4 planned dates
- Worked to consider ways to increase current employee participation (only 60%) for upcoming and future screening events
 - Tie HRA/Biometric participation to eligibility for City HSA contribution effective 1/1/2021

Plan Year 2020 Medical Plan Performance

City of Manitowoc - Medical Funding Analysis Report

Plan Name:
Medical Plan

Prepared By: USI Insurance Services
Date Prepared: 08/18/20
Plan Year: 01/01/20 - 12/31/20

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	\$8.56	\$23.97
Specific Stop Loss (\$100,000)	\$56.39	\$157.89
Aggregate Stop Loss	\$3.38	\$9.46
Robin Fiduciary Fee	\$0.42	\$0.42
Go365 Platform and Incentives	\$10.51	\$10.51
Sum of Total Monthly Fixed Costs	\$100.75	\$244.58

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Monthly Enrollment													
Single	52	51	52	52	52	52	53						364
Family	143	142	143	143	141	141	143						996
Total	195	193	195	195	193	193	196						1,360
Total Funding													
Single	32,258.72	31,638.36	32,258.72	32,258.72	32,258.72	32,258.72	32,879.08						\$225,811.04
Family	224,824.60	223,252.40	224,824.60	224,824.60	221,680.20	221,680.20	224,824.60						\$1,565,911.20
Sum of Total Funding	\$257,083.32	\$254,890.76	\$257,083.32	\$257,083.32	\$253,938.92	\$253,938.92	\$257,703.68						\$1,791,722.24
Fixed Costs													
Single	5,239.00	5,138.25	5,239.00	5,239.00	5,239.00	5,239.00	5,339.75						\$36,673.00
Family	34,974.94	34,730.36	34,974.94	34,974.94	34,485.78	34,485.78	34,974.94						\$243,601.68
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	\$43,713.94	\$43,368.61	\$43,713.94	\$43,713.94	\$43,224.78	\$43,224.78	\$43,814.69						\$304,774.68
Claims Costs													
Medical Claims	10,525.60	181,083.05	185,771.00	128,212.27	70,585.70	50,645.68	120,718.38						\$747,541.68
Prescription Drug Claims	9,369.49	17,615.13	18,850.62	38,480.68	27,782.90	31,960.24	60,305.79						\$204,364.85
Anthem Med Run Out	52,402.00	27,298.00	-57.00	3,480.00	527.00	-3,942.00	-1,757.00						\$77,951.00
Anthem Rx Run Out	-616.00	0.00	0.00	0.00	0.00	0.00	0.00						(\$616.00)
Shared Savings	0.00	295.95	174.95	27.12	69.96	132.81	494.10						\$1,194.89
Clinic Expenses	4,646.66	4,069.68	0.00	11,154.20	3,709.76	5,020.84	5,106.89						\$33,708.03
Discount Share	0.00	48.82	0.00	0.00	0.00	0.00	0.00						\$48.82
Sum of Total Claims Costs	\$76,327.75	\$230,410.63	\$204,739.57	\$181,354.27	\$102,675.32	\$83,817.57	\$184,868.16						\$1,064,193.27
Reimbursements													
Specific Excess Loss	0.00	(25,032.25)	(250.23)	(7,189.57)	0.00	0.00	0.00						(\$32,472.05)
Prescription Drug Rebate	0.00	0.00	0.00	0.00	0.00	0.00	0.00						\$0.00
Sum of Reimbursements	\$0.00	(\$25,032.25)	(\$250.23)	(\$7,189.57)	\$0.00	\$0.00	\$0.00						(\$32,472.05)
Total Costs	\$120,041.69	\$248,746.99	\$248,203.28	\$217,878.64	\$145,900.10	\$127,042.35	\$228,682.85						\$1,336,495.90
Funding Less Costs	\$137,041.63	\$6,143.77	\$8,880.04	\$39,204.68	\$108,038.82	\$126,896.57	\$29,020.83						\$455,226.34
YTD Plan Performance	\$137,041.63	\$143,185.40	\$152,065.44	\$191,270.12	\$299,308.94	\$426,205.51	\$455,226.34						
YTD % of Total Costs to Funding													74.59%
YTD Average Monthly Cost Per Employee	\$615.60	\$950.49	\$1,058.31	\$1,073.10	\$1,010.06	\$951.73	\$982.72						\$982.72

→ =Est. Covid-19 impact

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Jan - Jul 2019: 97.2%
Jan - Dec 2019: 100.46%

Plan Year 2020 Plan Performance cont.

Medical Plan Related

- Move to the HealthPartners network has been a positive cost saving measure for the plan (Average discount PYD=65%)
- HDHP design has aided in lowering the City's overall PYD costs
- As mentioned earlier . . .
 - COVID-19's impact (lack of access to care) has had an impact on PY 2020 lower costs; reviewing the impact of delayed treatment, and eventual access to care, will continue to be monitored into PY 2021.
 - At this point in time, a minimal COVID-19 impact is expected to apply to the City's medical and dental plans now and into PY 2021.
- As expected with a new HDHP design however, employees/plan participants have picked up more out-of-pocket costs (not including their monthly premium contributions)
- Human Resources has heard from numerous employees regarding dissatisfaction with this year's increased out-of-pocket costs (*Note: this is not an unusual occurrence when employer's first move to a HDHP*)

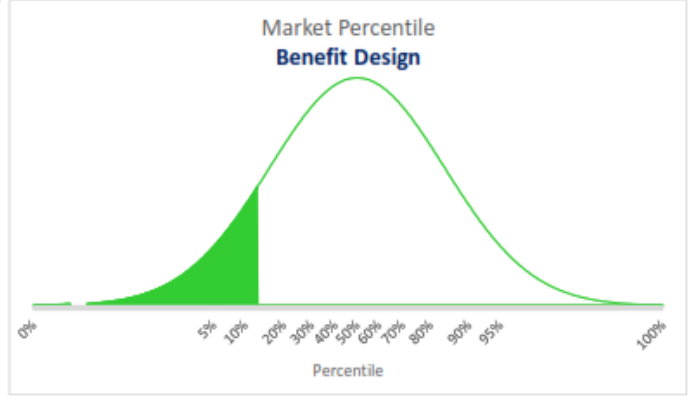
Plan Year 2020 Plan Performance cont.

City of Manitowoc – PY 2020 Medical Plan Design (13%) – WI/MN Public Administration Benchmark (ABRC Resource pre-USI)

ABRC Comprehensive Health Plan Benchmarking
City of Manitowoc HDHP/HSA PPO
Public Administration Only, MN & WI, All Plan Types, All Group Sizes
 2020

Enterprise Count	42
Total Plans	73

In-Network Benefit Design	Value
Individual Deductible	\$ 2,000
Family Deductible	\$ 4,000
HSA Contributions for Individual* <small>*Or First Dollar HRA</small>	\$ 250
HSA Contributions for Family <small>*Or First Dollar HRA</small>	\$ 500
HRA Contributions for Individual* <small>*Covers back-end of deductible.</small>	\$ -
HRA Contributions for Family <small>*Covers back-end of deductible.</small>	\$ -
Coinsurance	80%
Individual Max OOP	\$ 4,250
Family Max OOP	\$ 8,500
Embedded Deductible	No
Office Visit Copay	No Copay
Copays for RX	No
Plan Design Overall Percentile	13%



Effective Benefit Design	Value	Percentile
Single Start of Cost Share	\$250	69%
Single Effective Deductible	\$1,750	27%
Coinsurance	80%	0%
Single Effective Max OOP	\$4,000	11%
Family Start of Cost Share	\$500	69%
Family Effective Deductible	\$3,500	32%
Coinsurance	80%	0%
Family Effective Max OOP	\$8,000	11%
Effective Individual Deductible	Medium	
Embedded Deductible	No	17%
Office Visit Copay	No Copay	40%
Copays for RX	No	29%

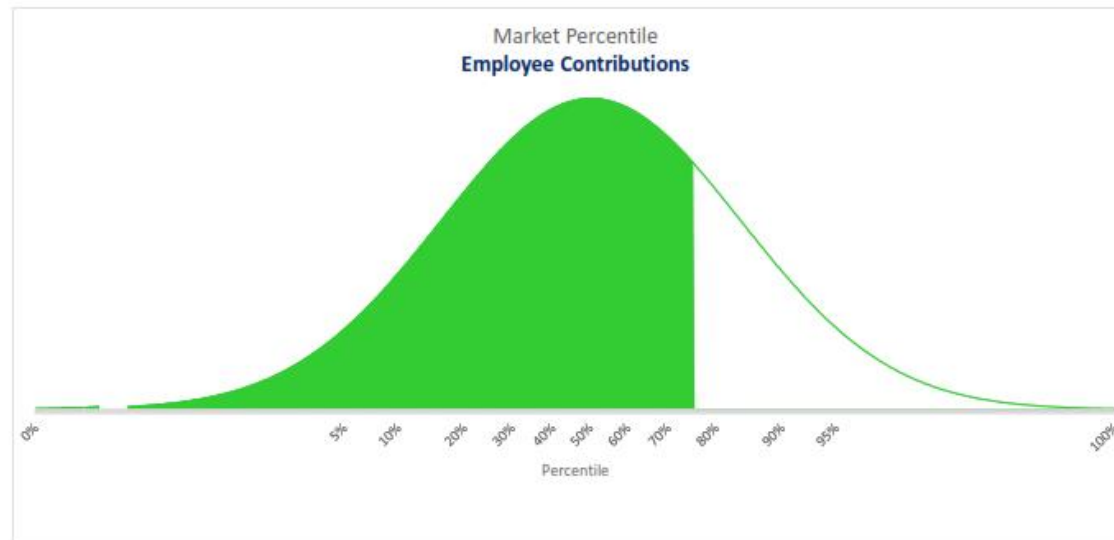
Plan Year 2020 Plan Performance cont.

City of Manitowoc – PY 2020 Employee Contributions (75%) - WI/MN Public Administration Benchmark (ABRC Resource pre-USI)

ABRC Comprehensive Health Plan Benchmarking
 City of Manitowoc HDHP/HSA PPO
 Public Administration Only, MN & WI, All Plan Types, All Group Sizes
 2020

Enterprise Count	42
Total Plans	73

Distribution of Employed Population	Monthly Employee Premiums	Percentile	Target Premiums
33%	Employee \$ 77.55	70%	50% \$ 105.45
0%	Employee + Spouse \$ -	100%	\$ 295.98
0%	Employee + Child \$ -	100%	\$ 295.98
0%	Employee + Children \$ -	100%	\$ 310.84
67%	Family \$ 196.53	78%	\$ 310.84
Employee Premium Overall Percentile		75%	



Plan Year 2020 Plan Performance cont.

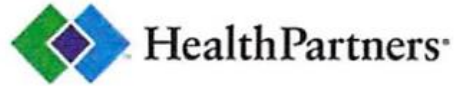
City of Manitowoc – PY 2020 Overall (Design and Employee Contributions- 44%) - WI/MN Public Administration Benchmark (ABRC Resource pre-USI)

ABRC Comprehensive Health Plan Benchmarking
City of Manitowoc HDHP/HSA PPO
Public Administration Only, MN & WI, All Plan Types, All Group Sizes
2020



Plan Year 2020 Plan Performance cont.

City of Manitowoc – Plan Member Liability Report (Jan – July 2020)



City Of Manitowoc [36464]

All Packages - YTD Monthly

Paid Dates of 01/01/2020 through 07/31/2020

Distribution of Claimants and Dollars

Dollar Range	Number of Claimants	Claims	Current Year Actual		Aggregate	
			Cumulative % of Claimants	Cumulative % of Claims	Cumulative % of Claimants	Cumulative % of Claims
1 - 250	209	\$7,407	55.73%	0.78%	22.69%	0.35%
250 - 500	53	\$18,355	69.87%	2.71%	36.13%	1.29%
500 - 1000	40	\$27,869	80.53%	5.63%	52.30%	3.49%
1000 - 2500	30	\$41,991	88.53%	10.05%	70.85%	9.12%
2500 - 5000	13	\$48,703	92.00%	15.16%	82.04%	16.58%
5000 - 10000	10	\$77,845	94.67%	23.34%	89.43%	26.34%
10000 - 15000	3	\$37,618	95.47%	27.29%	92.64%	33.80%
15000 - 25000	5	\$93,416	96.80%	37.10%	95.78%	45.17%
25000 - 35000	6	\$170,928	98.40%	55.06%	97.20%	53.00%
35000 - 50000	1	\$35,969	98.67%	58.84%	98.21%	60.89%
50000 - 75000	3	\$179,880	99.47%	77.74%	99.03%	70.27%
75000 - 100000	1	\$79,454	99.73%	86.08%	99.39%	76.08%
100000 - 125000	0	\$0	0.00%	0.00%	99.56%	79.68%
125000+	1	\$132,472	100.00%	100.00%	100.00%	100.00%
	375	\$951,907				

Note: Claims do not include IBNR

Plan Year 2020 Dental Plan Performance

City of Manitowoc - Dental Funding Analysis Report

Plan Name:
Dental Plan

Prepared By: USI Insurance Services
Date Prepared: 08/18/20
Plan Year: 01/01/20 - 12/31/20

Dental Carriers:
Delta Dental

Total Monthly Funding	
Single	Family
\$40.10	\$112.85

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

Monthly Enrollment

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Single	57	57	59	59	60	61	62						415
Family	136	135	136	136	133	132	134						942
Total	193	192	195	195	193	193	196						1,357

Total Funding

Single	2,285.70	2,285.70	2,365.90	2,365.90	2,406.00	2,446.10	2,486.20						\$16,641.50
Family	15,347.60	15,234.75	15,347.60	15,347.60	15,009.05	14,896.20	15,121.90						\$106,304.70
Sum of Total Funding	\$17,633.30	\$17,520.45	\$17,713.50	\$17,713.50	\$17,415.05	\$17,342.30	\$17,608.10						\$122,946.20

Fixed Costs

Single	256.50	256.50	265.50	265.50	270.00	274.50	279.00						\$1,867.50
Family	612.00	607.50	612.00	612.00	598.50	594.00	603.00						\$4,239.00
Sum of Total Fixed Costs	\$868.50	\$864.00	\$877.50	\$877.50	\$868.50	\$868.50	\$882.00						\$6,106.50

Claims Costs

Dental Claims	10,426.00	14,024.00	9,027.00	3,503.00	4,727.00	13,061.00	22,769.00						\$77,537.00
Anthem Run Out Claims	8,235.28	593.37	316.00	-317.00	0.00	0.00	0.00						\$8,827.65
Sum of Total Claims Costs	\$18,661.28	\$14,617.37	\$9,343.00	\$3,186.00	\$4,727.00	\$13,061.00	\$22,769.00						\$86,364.65

→ =Est. Covid-19 impact

Total Costs

	\$19,529.78	\$15,481.37	\$10,220.50	\$4,063.50	\$5,595.50	\$13,929.50	\$23,651.00						\$92,471.15
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Funding Less Costs

	(\$1,896.48)	\$2,039.08	\$7,493.00	\$13,650.00	\$11,819.55	\$3,412.80	(\$6,042.90)						\$30,475.05
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YTD Plan Performance

	(\$1,896.48)	\$142.60	\$7,635.60	\$21,285.60	\$33,105.15	\$36,517.95	\$30,475.05						
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YTD % of Total Costs to Funding

75.21%

YTD Average Monthly Cost Per Employee

	\$101.19	\$90.94	\$77.99	\$63.61	\$56.71	\$59.28	\$68.14						\$68.14
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Jan - Jul 2019: 94%
Jan - Dec 2019: 93%

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Plan Year 2021 Plan Projections

Medical Plan

- Estimate a slightly better than flat increase for 2021
 - -\$104,356.72: 2021 -4% **Claims Funding** projections
 - +\$33,000 Fixed Costs increase (+10% stop loss premium and +3% HP administration increases)
 - = (-)\$71,357 estimated lower cost compared to current
- With expected lower cost compared to current, the City could consider providing more seed-money into employee HSA contributions as follows:
 - -\$71,357 lower costs for 2021 from above
 - +\$50,204 increased HSA contribution expense →
 - = (-)\$21,153 estimated lower claims cost compared to current

Current	City HSA Contribution	Overall Cost
Single	\$250.00	\$83,500
Family	\$500.00	
PY 2021	City HSA Contribution	Overall Cost
Per covered Employee and covered spouse participating in HRA event	\$400.00	\$133,604 (\$50,204 difference from current)

Dental plan

- No increase applies for 2021

Plan Year 2021 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
- **Funding Budget** for PY 2021 the same as current
- **Employee monthly contributions** the same as current
- **Manty Clinic** access to free care to be continue for covered employees/families, with a successfully negotiated new Aurora/City of Manitowoc agreement
 - Will consider an employer sponsored Clinic RFP if negotiations do not fair well
- **Go365** Wellness platform and \$Bucks incentives

Plan Year 2021 Recommendations Cont.

- **Change:**

- The City HSA Contribution for PY 2021 to \$400 per covered employee and per covered spouse (from current \$250) on the City's medical plan, for those who participate in PY 2020's HRA/Biometric events
 - Future PY City HSA contributions will continue to be subject to City Council approval
- Note: 2021 IRS HSA Contributions limits are . . .
 - \$3,600 single (+\$50 from 2020)
 - \$7,200 family (+\$100 from 2020)

Questions?



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