



# FY 2013 Employee Benefits Renewal Update



October 4, 2011

# Issues for FY 2013

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- ▶ Baseline cost increases for medical and pharmacy plans projected higher than recent experience
- ▶ Significant differences in employer premium contributions between plans for the same coverage tiers; no clear incentive to steer employees to preferred plans
- ▶ Growing employee dissatisfaction with plan complexity
- ▶ Future direction of incentives



# Medical Plans - Enrollment

	Subscribers:				Members:			
	Emp.	Ret.	Total	%	Dep.	Sub.	Total Mbrs	%
601-CMG I CMG HIGH OPTION	4,670	26	4,696	42.4%	6,697	1.43	11,393	44.6%
602-CMG I CMG LOW OPTION	242	19	261	2.4%	231	0.89	492	1.9%
603-OAP II OAP IN	1,782	14	1,796	16.2%	2,339	1.30	4,135	16.2%
604-OAP H OAP HIGH OPTION	2,939	46	2,985	27.0%	3,264	1.09	6,249	24.5%
605-OAP L OAP LOW OPTION	435	21	456	4.1%	614	1.35	1,070	4.2%
606-CHOICE CHOICE FUND H.S.A.	875	3	878	7.9%	1,303	1.48	2,181	8.5%
	10,943	129	11,072	100.0%	14,448	1.30	25,520	100.0%
CMG Plans	4,912	45	4,957	44.8%	6,928	1.40	11,885	46.6%
OAP Plans	5,156	81	5,237	47.3%	6,217	1.19	11,454	44.9%
CHOICE FUND H.S.A.	875	3	878	7.9%	1,303	1.48	2,181	8.5%
	10,943	129	11,072	100.0%	14,448	1.30	25,520	100.0%



# Medical Plans – Employer Premiums

## FY 2012 Annual Employer Premiums - Full-Time, Active Employees

	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Family
<u>Medical + Behavioral Health + Weighted Average Pharmacy</u>				
OAP HIGH OPTION	\$ 5,865.00	\$ 11,122.84	\$ 9,404.06	\$ 14,582.40
OAP IN	5,661.72	10,569.64	8,817.02	13,678.56
CMG HIGH OPTION	5,227.32	10,256.44	8,551.10	13,281.84
CMG LOW OPTION	3,565.32	7,057.96	5,862.86	9,130.56
OAP LOW OPTION	3,450.84	6,995.08	5,882.30	9,141.84
CHOICE FUND H.S.A.	5,268.48	10,818.96	9,014.16	14,595.36
Maximum	5,865.00	11,122.84	9,404.06	14,595.36
Minimum	3,450.84	6,995.08	5,862.86	9,130.56
Var. - Min to Max	2,414.16	4,127.76	3,541.20	5,464.80
% Variance	70.0%	59.0%	60.4%	59.9%



# Medical Plans – Employee Premium

(exc. incentives)

## FY 2012 Annual Employee Premiums - Full-Time, Active Employees (Exc. Incentives)

	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Family
<u>Medical + Behavioral Health + Weighted Average Pharmacy</u>				
OAP HIGH OPTION	\$ 1,353.51	\$ 3,020.96	\$ 2,408.99	\$ 4,114.16
OAP IN	1,331.91	3,008.00	2,371.07	4,052.48
CMG HIGH OPTION	1,109.67	1,808.96	1,410.83	2,432.48
CMG LOW OPTION	1,046.55	1,600.40	1,295.15	2,061.68
OAP LOW OPTION	1,047.99	1,603.52	1,299.71	2,083.76
CHOICE FUND H.S.A.	720.00	720.00	720.00	720.00
Maximum	1,353.51	3,020.96	2,408.99	4,114.16
Minimum	720.00	720.00	720.00	720.00
Var. - Min to Max	633.51	2,300.96	1,688.99	3,394.16
% Variance	88.0%	319.6%	234.6%	471.4%



# Medical Plans - Total Premium

(exc. incentives)

## FY 2012 Annual Total Premiums - Full-Time, Active Employees (exc. Incentives)

	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Family
<u>Medical + Behavioral Health + Weighted Average Pharmacy</u>				
OAP HIGH OPTION	\$ 7,218.51	\$ 14,143.79	\$ 11,813.05	\$ 18,696.56
OAP IN	6,993.63	13,577.63	11,188.09	17,731.04
CMG HIGH OPTION	6,336.99	12,065.39	9,961.93	15,714.32
CMG LOW OPTION	4,611.87	8,658.35	7,158.01	11,192.24
OAP LOW OPTION	4,498.83	8,598.59	7,182.01	11,225.60
CHOICE FUND H.S.A.	5,988.48	11,538.96	9,734.16	15,315.36
Maximum	7,218.51	14,143.79	11,813.05	18,696.56
Minimum	4,498.83	8,598.59	7,158.01	11,192.24
Var. - Min to Max	2,719.68	5,545.20	4,655.04	7,504.32
% Variance	60.5%	64.5%	65.0%	67.0%



# Current Wellness Premium Reduction Incentives

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	Monthly	Annual
Non-Tobacco User (employee or covered family member)	\$ 40	\$ 480
Health Risk Assessment	10	120
Biometric Screening	10	120
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	\$ 60	\$ 720



# Renewal Process and Timeline

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- Sep – Nov: Finalize Plan Design Recommendations
- Week of Nov 21: Review Recommendations with Deputy County Manager, budget staff
- Week of Dec 5: Brief Board of Trustees (Dec 6<sup>th</sup> BOT Meeting) and Board of Supervisors
- Dec 14: Approval by Board of Supervisors
- Jan 25: Deadline to begin planning changes with ADP and other vendors





## **Business Strategies and Health Care Programs**

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