Rockdale County Board of Commissioners

Agenda Item Summary: Item

Priority: Immediate

MEETING DATE: 08/16/2016

Requesting Department
Human Resources

Requested Action *(Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)*
Board Approval of 2017 Employee Health Benefits Proposal

Requirement for Board Action *(Cite specific Board policy, statute or code requirement)*
Resolution to amend the Association County Commissioners of Georgia Defined Benefit Plan

Is this Item Goal Related? *(If yes, describe how this action meets the specific Board of Commissioners Focus Area or Goal)*
☒ Yes ☐ No To provide quality and affordable benefits

Summary & Background *(First sentence includes Department recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)*

The following is a listing of all the proposed employee benefits recommendations for fiscal year 2017:

Medical – remain with Cigna Healthcare
3.95 % increase resulting in +$375,874
No plan changes
Telemedicine – add FlexCare using the TelaDoc national network
Provide for all medical plan participants with no cost per consult
Use increase in Cigna wellness funds to pay annual costs

Dental – remain with Cigna Healthcare
Rate hold
No plan changes

Vision – remain with Blue Cross Blue Shield of Georgia
Rate hold
No plan changes

Life and Disability – remain with Cigna Healthcare
Rate hold
No plan changes

Fiscal Impact / Funding Source *(Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.)*
+375,000

Exhibits Attached *(Provide copies of originals, number exhibits consecutively, and label all exhibits in the upper right corner.)*

Forthcoming Benefits Presentation Material

Department Head/Director's Approval		Chief of Staff Approval
Typed Name and Title Darryl Bowie, HR Director	**Phone** (770)278-7572	
Signature	**Date** 8/9/2016	

Created 12/6/13/ KH

IV.

Northwestern Benefit CORPORATION OF GEORGIA

Jennifer Pilgrim, Benefit Consultant

HUMAN RESOURCES

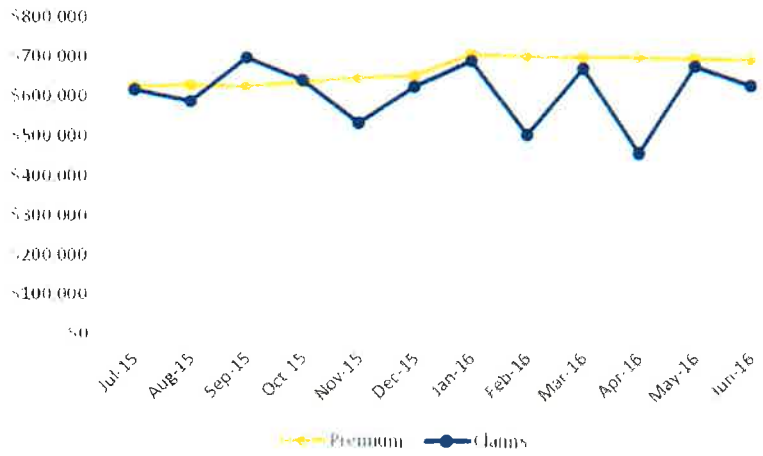
2017 Employee Health Insurance Renewal

ROCKDALE COUNTY
ESTABLISHED 1870
GEORGIA

2017 Renewal Summary

Northwestern Benefit Corporation of Georgia

Rockdale County Board of Commissioners is currently fully insured in a participating contract with Cigna. Rockdale County's loss ratio (premium vs. claims) for the latest 12 months is 91.6%. Premium vs. claims for July 2015 through June 2016 are as follows:



For the same time period, there were 25 claimants with claims in excess of $50,000; 14 employees, 9 spouses and 2 dependent children.

While the claim results and loss ratio remain higher than the tolerable loss ratio (80%), the trending year over year is notably positive and we remain confident the appropriate steps are being taken by Rockdale County to improve health.

2017 Renewal Summary

Northwestern Benefit Corporation of Georgia

The medical renewal is based on trend, actual claims experience, and health care reform fees:

- Annual medical trend: 9.8%;
- Annual Rx trend: 15.6%
- Credibility 100%
- Pooling point $150,000
- **No plan changes**
- Underwriting initial renewal: +19.9%; negotiated renewal + 9.9%
- **Underwriting FINAL renewal: +3.95% (savings of $1,517,178 off the initial renewal)**

The 2016 annualized **medical** premium is projected to be $9,515,797.
The 2017 final renewal premium is $9,891,660; an annual increase of $375,874.

Cigna will continue to maintain the current **wellness** initiatives, which include funding for an onsite health educator, a wellness coordinator and the wellness fund, which they have agreed to *increase* to $100,000 for 2017. This increase will allow for the addition of **TELEMEDICINE** to employee benefits.

The Cigna **dental** renewal was part of a two year offering effective January 1, 2016 that included a 5% rate cap for the January 1, 2017 renewal. However, Cigna has agreed to hold the dental rates for 2017 (savings of $22,511). There will be no changes to the dental plan design.

2017 Renewal Summary

Northwestern Benefit Corporation of Georgia

The BCBS **vision** plan is under rate guarantee until December 31, 2017.

The **life and disability** coverages with Cigna are under rate guarantee that will expire December 31, 2017.

The Humana **voluntary benefits** will have no change in rates or plan design for 2017.

TELEMEDICINE

Using telehealth as the core benefit, studies have shown reductions in doctor, urgent care and ER visits resulting in significant decreases in overall healthcare costs. Results also show fewer sick days and increased productivity, while promoting wellness, prevention and personal responsibility. According to Towers Watson, "Over the next five years...nearly half of employers expect a significant or transformative change. More specifically, 49% expect more healthcare price transparency, and 45% expect to see new access points for healthcare delivery such as telemedicine, e-visits and data-enabled kiosks."

The per employee per month cost for the **FlexCare Teladoc** program is $6.00. This covers employees plus their dependents. The increase in the Cigna wellness fund will pay for the telemedicine program for 2017.

2017 Renewal Summary

Northwestern Benefit Corporation of Georgia

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2017 Renewal – Medical: No Plan Changes

Northwestern Benefit Corporation of Georgia

	Cigna Healthcare					
	HDHP/HSA		OAP		OAPIN	
Benefits	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible						
Individual	$2,000	$4,000	$500	$500	$500	
Family	$4,000	$8,000	$1,500	$1,500	$1,500	Not Covered
Embedded or Non-Embedded	Non-Embedded	Non-Embedded	Embedded	Embedded	Embedded	
Coinsurance	90%	70%	80%	60%	80%	
Out-of-Pocket Maximum						
Individual	$4,000	$8,000	$6,850	$13,700	$6,850	Not Covered
Family	$8,000	$16,000	$13,700	$27,400	$13,700	
Office Visit						
Physician Copay	10% After Deductible	30% After Deductible	$25	30% After Deductible	$25	
Specialist Copay	10% After Deductible	30% After Deductible	$50	30% After Deductible	$50	
Preventive Care	Covered 100%	30% After Deductible	Covered 100%	30% After Deductible	Covered 100%	Not Covered
Urgent Care	10% After Deductible	10% After Deductible	$60 Copay	$60 Copay	$60 Copay	
Emergency Room (Copay Waived if Admitted)	10% After Deductible	10% After Deductible	$200 Copay	$200 Copay	$200 Copay	
Inpatient Services	10% After Deductible	30% After Deductible	20% After Deductible	40% After Deductible	20% After Deductible	
Outpatient Services	10% After Deductible	30% After Deductible	20% After Deductible	40% After Deductible	20% After Deductible	
Prescription Drugs	**In-Network & Out-of-Network**		**In-Network & Out-of-Network**		**In-Network Only**	
Deductible	Subject To Medical Deductible		$0		$0	
Tier 1	Deductible		$20 Copay		$20 Copay	
Tier 2	Deductible		$35 Copay		$35 Copay	
Tier 3	Deductible		$60 Copay		$60 Copay	
Tier 4	N/A		N/A		N/A	
	Current Rates					
Combined Est. Monthly Premium	**$792,982**					
Combined Est. Annual Premium	**$9,515,787**					
	Initial Renewal Rates					
Combined Est. Monthly Premium	**$950,786**					
Combined Est. Annual Premium	**$11,409,428**					
Variance from Current - %	19.90%					
Variance from Current - $	$1,893,642					
	Final Renewal Rates					
Combined Est. Monthly Premium	**$824,305**					
Combined Est. Annual Premium	**$9,891,660**					
Variance from Current - %	3.95%					
Variance from Current - $	$375,874					

2017 Renewal – Dental and Vision: No Plan Changes

	Cigna Healthcare Dental PPO	
Benefits	In-Network	Out-of-Network
Annual Deductible		
Individual	$50	
Family	$150	
Deductible Applies To	Basic & Major	
Annual Plan Maximum	$1,000	
Preventive Services	100%	
Basic Service	80%	
Major Services	50%	
Periodontic Treatment	80%	
Endodontic Treatment	80%	
Orthodontic Services	50%	
Orthodontia Deductible	$0	
Orthodontia Lifetime Maximum	$1,500	
Orthodontia Age Limits	Adult	
Out of Network Reimbursement	MAC	
	Current Rates	
Estimated Monthly Premium	**$37,534**	
Estimated Annual Premium	**$450,412**	
	Initial Renewal Rates	
Estimated Monthly Premium	**$39,411**	
Estimated Annual Premium	**$472,933**	
Variance from Current - %	**5.0%**	
Variance from Current - $	**$22,521**	
	Final Renewal Rates	
Estimated Monthly Premium	**$37,534**	
Estimated Annual Premium	**$450,412**	
Variance from Current - %	**0.0%**	
Variance from Current - $	**$0**	

	BCBS of Georgia Vision	
Benefits	In-Network	Out-of-Network
Eye Exam	$10 Copay	$35 Allowance
Eyeglass Lenses		
Single Vision	$10 Copay	$25 Allowance
Bifocal	$10 Copay	$40 Allowance
Trifocal	$10 Copay	$55 Allowance
Progressive (Standard)	$65 Copay	Not Covered
Frames	$100 Allowance	$45 Allowance
Contact Lenses		
Conventional/Disposable	$115 Allowance	$92 Allowance
Medically Necessary	Covered 100%	$200 Allowance
Frequency of Services		
Exams	12 Months	
Lenses	12 Months	
Frames	12 Months	
Contact Lenses	12 Months	
	Current Rates (Under Rate Guarantee)	
Estimated Monthly Premium	**$4,703**	
Estimated Annual Premium	**$56,432**	
Variance from Current - %	-	
Variance from Current - $	-	

2017 Renewal – Life Insurance: No Plan Changes

	Cigna Healthcare Basic Life/AD&D
Employee Coverage	
Class Definition	All Active Full-Time Employees
Life Benefit Amount	2 X Basic Annual Earnings
Life Benefit Maximum	$150,000
Life Guarantee Issue	$150,000
AD&D Benefits	
AD&D Benefit Amount	Equal to Life Amount
Dependent Coverage	
Spouse Amount	$5,000
Child(ren) Amount	$100 (14 Days to 6 Months) / $1,000 (6 Months & Older)
Age Reduction Schedule	To: 65% @ 65; 45% @ 70; 30% @ 75; 20% @ 80; 15% @ 85; 10% @ 90
	Current Rates (Under Rate Guarantee)
Estimated Monthly Premium	**$10,225**
Estimated Annual Premium	**$122,697**
Variance from Current - %	-
Variance from Current - $	-

	Cigna Healthcare Voluntary Life Insurance
Employee Coverage	
Life Benefit	$10,000 increments
Benefit Minimum	$10,000
Benefit Maximum	7 x Annual Salary or $300,000
Guarantee Issue	$200,000
Dependent Coverage	
Spousal Life Benefit	$10,000 increments
Spousal Life Benefit Minimum	$10,000
Spousal Life Benefit Maximum	50% of EE Amount up to $150,000
Spousal Life Guarantee Issue	$50,000
Child(ren) Life Benefit	$2,000 increments
Child(ren) Life Benefit Minimum	$500 (Birth to 6 Months)
Child(ren) Life Benefit Maximum	$10,000 (6 Months & Older)
Child(ren) Life Guarantee Issue	All Child Amounts
Age Reduction Schedule	To: 65% @ 65; 45% @ 70; 30% @ 75; 20% @ 80; 15% @ 85; 10% @ 90
Age Banded Rates (Under Rate Guarantee)	

2017 Renewal – Disability: No Plan Changes

Northwestern Benefit Corporation of Georgia

	Cigna Healthcare Short Term Disability
Class / Eligibility	All Active Full-Time Employees
Benefit Detail	
Benefit Percentage	60%
Minimum Weekly Benefit	$25
Maximum Weekly Benefit	$1,000
Maximum Benefit Duration	24 Weeks
Elimination Period	
Accident	14 Days
Illness	14 Days
Pre-Existing Limitation	N/A
	Current Rate (Under Rate Guarantee)
Estimated Monthly Premium	**$9,412**
Estimated Annual Premium	**$112,942**
Variance from Current - %	-
Variance from Current - $	-

	Cigna Healthcare Long Term Disability
Benefit Percentage	60%
Monthly Benefit Maximum	$6,000
Elimination Period	180 Days
Disability Definition	Own Occupation / Any Occupation
Benefit Duration (Own/Any Occupation)	2 Years / Age 65
Social Security Integration	Family
Mental & Nervous Coverage	24 Months
Chemical Dependency Coverage	24 Months
Self-Reported Limitation	N/A
Pre-Existing Limitation	3/12
Survivor Benefit	3 Months
	Current Rate (Under Rate Guarantee)
Estimated Monthly Premium	**$8,803**
Estimated Annual Premium	**$105,637**
Variance from Current - %	-
Variance from Current - $	-

Telemedicine

Northwestern Benefit Corporation of Georgia

FlexCare (using the Teladoc network) is a secure, fast, and easy way to receive treatment for common medical ailments, such as allergies, flu, sinus infections, and similar illnesses. Get care when you need it from the comfort (and convenience) of your home. Coverage is for all Rockdale County medical plan participants as well as their spouse and dependent children.

No charge for physician consults

You can access this service via phone or online

This service is available 24/7/365!

Get a call from a board certified physician in less than 20 minutes

Set up an account so doctors can access your previous health information

Telemedicine

Northwestern Benefit Corporation of Georgia

Top 10 Diagnoses

- Sinus Problems
- Urinary Tract Infection
- Pink Eye
- Bronchitis
- Upper Respiratory Infection
- Nasal Congestion
- Allergies
- Flu
- Cough
- Ear Infection
- Headaches and Migraines
- Stomach aches
- Prescription refills

Prescription Management

- Electronic prescribing (SureScripts) or by phone if needed
- Frequency of prescribing similar to provider practice (about 75%)
- Use of antibiotics limited to short durations
- No prescribing of DEA-controlled substances, medication for psychiatric illness, or lifestyle drugs (i.e. erectile dysfunction, diet, etc.).
- Generic drugs are automatically recommended

TelaDoc provides non-emergency medical assistance when a doctor is not available.

Telemedicine

- When the physician is unavailable and cannot be seen on a timely basis
- Schedule doesn't permit traveling to see your physician (work, etc.)
- On vacation or a business trip
- For refill of recurring prescription (short term only)
- Pediatric care for any age

Step 1.
Medical history

Member receives fulfillment kit with instructions. Member is required to complete their medical history online, by phone, or by faxing a paper form prior to requesting a consultation.

Step 2.
Request consult

They simply log on to their account or call Teladoc, 24/7/365, to request either a telephone or video consultation. There is NO CONSULT FEE with FlexCare.

Step 3.
Talk with a physician

A board-certified physician licensed in their state reviews their medical history and provides a consultation over the phone or through video, just like an in-person visit.

Step 4.
Resolve the issue

The physician recommends the right treatment for their medical issue. If a prescription is necessary, it is electronically sent to the member's pharmacy of choice.

Step 5.
Continuity of care

The physician documents the results of the consultation in the member's medical history. Consultation information can be sent to the member's primary care physician.

Step 6.
Results

Your member's medical issue gets resolved saving time and money.

Recommendation

Northwestern Benefit Corporation of Georgia

- Medical – remain with Cigna Healthcare
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  - No plan changes
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  - Rate hold
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