Fulton County Government

2023 Renewal Summary Finance Department

September 7, 2022 BOC Meeting

Segal

#22-0636

Discussion Items

Background

Insured Plan Renewals

Self-Insured Plans

2023 Total Plan Funding

Summary

Background

- Segal worked with Fulton County staff to complete the 2023 Heath Benefit Renewal.
- Combination of fully-insured and self-insured plans
  - Fully-insured: Carrier pays claims from their own funds and sets premium rates to support expected payments.
  - Self-insured: Carrier administers the plan, but claims are funded by the County. Funding rates must be calculated using historical claims and enrollment data, to which actuarially sound methodologies and assumptions are applied, and costs and credits associated with administration of the plan are incorporated.
- Fully-insured premium rates were effectively negotiated for the following products:
  - Aetna Medicare Advantage Plans with Part D, for Post-65 Retirees
  - Kaiser Senior Advantage Plan with Part D, for Post-65 Retirees
  - Kaiser Medical/Rx HMO for Active employees and Pre-65 Retirees
  - Aetna Dental HMO, for Actives, Pre-65 and Post-65 Retirees
- Self-insured funding and contribution rates were calculated by Segal using actuarially sound methodology for the following products:
  - Anthem BCBS Medical/Rx HMO, POS, and HSA for Actives and Pre-65 retirees
  - Anthem BCBS Medical/Rx Medicare HMO, Indemnity, and PPO Plus (closed/grandfathered) for Post-65 eligible retirees
  - Aetna Dental PPO
  - EyeMed Vision PPO

Insured Renewals

Insured Plan Renewals

Negotiated Savings

Plan	Original Increase	Final Negotiated Increase	Total Savings
Aetna DHMO	0.0%	"No change"	$0
Aetna MAPD Basic Option Enhanced Option	 13.1% 17.2%	 3.7% 4.7%	$469,000
Kaiser HMO	6.4%	5.4%	$263,000
Kaiser Senior Advantage	0.0%	0.0%	$0
Total Negotiated Savings			$732,000

Self-Funded Projections & Rates

Self-Insured Plans

Funding Required for Filled and Vacant Positions

Medical/Rx	Funding Change
Active Employees	
Anthem BCBS CDHP/HSA	+4.0%
Anthem BCBS HMO	+4.0%
Anthem BCBS POS	+4.0%
Under 65 Retirees	
Anthem BCBS CDHP/HSA	+4.0%
Anthem BCBS HMO	+4.0%
Anthem BCBS POS	+4.0%
Over 65 Retirees	
Anthem BCBS Medicare HMO	+4.0%
Anthem BCBS MedicareIndemnity	+4.0%
Anthem BCBS Medicare PPO Plus (closed)	+4.0%
Dental	
Aetna Dental PPO	+4.9%
Vision	
EyeMed Vision	0.0%

2023 Funding Rates – Filled and Vacant Positions

Active Employees

Table below shows monthly rates for Active employees enrolled in Anthem BCBS plans

Plan	Current 2022 Funding Rates	Funding Rates for CY 2023	Rate Increase
Active Employees			
Anthem POS			
Employee	$869.79	$904.63	4.0%
Employee + 1	$1,605.32	$1,669.61	4.0%
Employee + Family	$2,178.27	$2,265.50	4.0%
Anthem HSA			
Employee	$681.45	$708.74	4.0%
Employee + 1	$1,302.61	$1,354.78	4.0%
Employee + Family	$1,698.20	$1,766.20	4.0%
Anthem HMO			
Employee	$763.50	$794.08	4.0%
Employee + 1	$1,409.14	$1,465.58	4.0%
Employee + Family	$1,912.08	$1,988.65	4.0%

Notes

For budgetary purposes, Fulton Finance team expects to spread the cost among all positions including filled and vacant in line with our customary method of funding positions.

2023 Funding Rates

Pre-65 and Post-65 Retirees

Table below shows monthly rates for Pre-65 and Post-65 retirees enrolled in Anthem BCBS plans

Plan	Current 2022 Funding Rates	Funding Rates for CY 2023	Rate Increase
Non-Medicare Eligible Retirees			
Anthem POS			
Retiree	$1,294.15	$1,345.97	4.0%
Retiree + 1	$2,388.72	$2,484.38	4.0%
Retiree + Family	$3,241.09	$3,370.88	4.0%
Anthem HSA			
Retiree	$1,013.98	$1,054.59	4.0%
Retiree + 1	$1,938.35	$2,015.97	4.0%
Retiree + Family	$2,586.18	$2,689.75	4.0%
Anthem HMO			
Retiree	$1,136.05	$1,181.54	4.0%
Retiree + 1	$2,096.82	$2,180.79	4.0%
Retiree + Family	$2,845.16	$2,959.10	4.0%
Medicare Eligible Retirees			
Anthem Indemnity			
Retiree	$615.60	$640.26	4.0%
Retiree + Family	$1,577.13	$1,640.29	4.0%
Anthem PPO Plus			
Retiree	$615.60	$640.26	4.0%
Retiree + Family	$1,577.13	$1,640.29	4.0%
Anthem Medicare HMO			
Retiree	$804.83	$837.06	4.0%
Retiree + Family	$1,520.31	$1,581.19	4.0%

Notes

For budgetary purposes, Fulton Finance team expects to spread the cost among all positions including filled and vacant in line with our customary method of funding positions.

Dental and Vision Self-Insured Rates

Active Employees and Retirees

For CY 2023, monthly funding rates for the self-insured DPPO will increase 4.9%, while monthly vision rates will remain at 2022 rates.

Plan	Current 2022 Rates	CY 2023 Rates	Required Rate Change
Dental PPO			
Actives and Pre-65 Retirees			
Employee	$32.83	$34.45	4.9%
Employee + 1	$67.33	$70.65	4.9%
Family	$88.29	$92.64	4.9%
Post - 65 Retirees			
Employee	$32.83	$34.45	4.9%
Family	$74.75	$78.44	4.9%
Vision			
Actives and Pre-65 Retirees			
Employee	$7.02	$7.02	0.0%
Employee + 1	$14.40	$14.40	0.0%
Family	$18.89	$18.89	0.0%
Post - 65 Retirees			
Retiree	$7.02	$7.02	0.0%
Retiree + Family	$15.99	$15.99	0.0%

Notes

- For budgetary purposes, Fulton Finance team expects to spread the cost among all positions including filled and vacant in line with our customary method of funding positions.

Cost Share by Plan

Active Employees and Retirees

Medical/Rx	County Cost Share	Employee Cost Share
Active Employees and Pre-65 Retirees		
Anthem HSA	80%	20%
Anthem POS	75%	25%
Anthem HMO	80%	20%
Kaiser HMO	80%	20%
Post-65 Retirees		
Anthem Medicare HMO	80%	20%
Anthem Medicare Indemnity	75%	25%
Anthem Medicare PPO Plus (closed)	90%	10%
Aetna Base MAPD	80%	20%
Aetna Enhanced MAPD (Buy-up)	80% of Base MAPD	20% of Base MAPD + Difference in Rates
Kaiser Senior Advantage	80%	20%
Dental		
Active Employees		
Aetna Dental HMO and Dental PPO	75%	25%
Retirees		
Aetna Dental HMO and Dental PPO	0%	100%
Vision		
Active Employees and Retirees		
EyeMed Vision	58%	42%

Summary

Summary Total Projected Health Cost

Medical, Pharmacy, Dental and Vision

	Total Plan Cost	County Funds	Employee Contribution
2023 Total Medical & Pharmacy Costs	$107.0M	$88.3M	$18.7M
2023 Total Dental Costs	$4.3M	$1.7M	$2.6M
2023 Total Vision Costs	$1.0M	$0.6M	$0.4M
2023 Total Annual Costs	$112.3M	$90.6M	$21.7M

- Recommendation:

  Request approval of rates and funding as presented for fully insured and self-insured plans:
  - Anthem:
    - 4.0% increase to Active and Pre-65 Retiree rates (HSA, POS, and HMO plans)
    - 4.0% increase to Post-65 Retiree rates (Medicare HMO, Indemnity, and PPO Plus plans)
  - Kaiser:
    - 5.4% increase to HMO Active and Pre-65 Retiree rates
    - No change to Post-65 Senior Advantage rates
  - Aetna:
    - 3.7% increase to the Basic MAPD rates
    - 4.7% increase to the Enhanced (Buy-Up) MAPD rates
    - No change to the DHMO rates
    - 4.9% increase for the Dental PPO rates
  - EyeMed:
    - No change to vision rates