



Fulton County  
Government

# 2023 Renewal Summary Finance Department

September 7, 2022 BOC Meeting

#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 Health 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    |
|--|-------------------|---------------------------|------------------|
| <b>Aetna DHMO</b>                                    | 0.0%              | "No change"               | \$0              |
| <b>Aetna MAPD</b><br>Basic Option<br>Enhanced Option | 13.1%<br>17.2%    | 3.7%<br>4.7%              | \$469,000        |
| <b>Kaiser HMO</b>                                    | 6.4%              | 5.4%                      | \$263,000        |
| <b>Kaiser Senior Advantage</b>                       | 0.0%              | 0.0%                      | \$0              |
| <b>Total Negotiated Savings</b>                      |                   |                           | <b>\$732,000</b> |

# | Self-Funded Projections & Rates

# Self-Insured Plans

## *Funding Required for Filled and Vacant Positions*

| Medical/Rx                             | Funding Change |
|--|----------------|
| <b>Active Employees</b>                |                |
| Anthem BCBS CDHP/HSA                   | +4.0%          |
| Anthem BCBS HMO                        | +4.0%          |
| Anthem BCBS POS                        | +4.0%          |
| <b>Under 65 Retirees</b>               |                |
| Anthem BCBS CDHP/HSA                   | +4.0%          |
| Anthem BCBS HMO                        | +4.0%          |
| Anthem BCBS POS                        | +4.0%          |
| <b>Over 65 Retirees</b>                |                |
| Anthem BCBS Medicare HMO               | +4.0%          |
| Anthem BCBS Medicare Indemnity         | +4.0%          |
| Anthem BCBS Medicare PPO Plus (closed) | +4.0%          |
| <b>Dental</b>                          |                |
| Aetna Dental PPO                       | +4.9%          |
| <b>Vision</b>                          |                |
| 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<br>Funding Rates | Funding Rates<br>for CY 2023 | Rate Increase |
|-------------------|-------------------------------|------------------------------|---------------|
| Active Employees  |                               |                              |               |
| <b>Anthem POS</b> |                               |                              |               |
| 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%          |
| <b>Anthem HSA</b> |                               |                              |               |
| 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%          |
| <b>Anthem HMO</b> |                               |                              |               |
| 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<br>Funding Rates | Funding Rates<br>for CY 2023 | Rate Increase |
|---------------------------------------|-------------------------------|------------------------------|---------------|
| <b>Non-Medicare Eligible Retirees</b> |                               |                              |               |
| <b>Anthem POS</b>                     |                               |                              |               |
| 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%          |
| <b>Anthem HSA</b>                     |                               |                              |               |
| 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%          |
| <b>Anthem HMO</b>                     |                               |                              |               |
| 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%          |
| <b>Medicare Eligible Retirees</b>     |                               |                              |               |
| <b>Anthem Indemnity</b>               |                               |                              |               |
| Retiree                               | \$615.60                      | \$640.26                     | 4.0%          |
| Retiree + Family                      | \$1,577.13                    | \$1,640.29                   | 4.0%          |
| <b>Anthem PPO Plus</b>                |                               |                              |               |
| Retiree                               | \$615.60                      | \$640.26                     | 4.0%          |
| Retiree + Family                      | \$1,577.13                    | \$1,640.29                   | 4.0%          |
| <b>Anthem Medicare HMO</b>            |                               |                              |               |
| 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<br>2022 Rates | CY 2023 Rates | Required Rate<br>Change |
|------------------------------------|-----------------------|---------------|-------------------------|
| <b>Dental PPO</b>                  |                       |               |                         |
| <b>Actives and Pre-65 Retirees</b> |                       |               |                         |
| Employee                           | \$32.83               | \$34.45       | 4.9%                    |
| Employee + 1                       | \$67.33               | \$70.65       | 4.9%                    |
| Family                             | \$88.29               | \$92.64       | 4.9%                    |
| <b>Post - 65 Retirees</b>          |                       |               |                         |
| Employee                           | \$32.83               | \$34.45       | 4.9%                    |
| Family                             | \$74.75               | \$78.44       | 4.9%                    |
| <b>Vision</b>                      |                       |               |                         |
| <b>Actives and Pre-65 Retirees</b> |                       |               |                         |
| Employee                           | \$7.02                | \$7.02        | 0.0%                    |
| Employee + 1                       | \$14.40               | \$14.40       | 0.0%                    |
| Family                             | \$18.89               | \$18.89       | 0.0%                    |
| <b>Post - 65 Retirees</b>          |                       |               |                         |
| 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                    |
|---|-------------------|--|
| <b>Active Employees and Pre-65 Retirees</b> |                   |  |
| Anthem HSA                                  | 80%               | 20%                                    |
| Anthem POS                                  | 75%               | 25%                                    |
| Anthem HMO                                  | 80%               | 20%                                    |
| Kaiser HMO                                  | 80%               | 20%                                    |
| <b>Post-65 Retirees</b>                     |                   |  |
| 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%                                    |
| <b>Dental</b>                               |                   |  |
| <b>Active Employees</b>                     |                   |  |
| Aetna Dental HMO and Dental PPO             | 75%               | 25%                                    |
| <b>Retirees</b>                             |                   |  |
| Aetna Dental HMO and Dental PPO             | 0%                | 100%                                   |
| <b>Vision</b>                               |                   |  |
| <b>Active Employees and Retirees</b>        |                   |  |
| 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