



# Fulton County

## Legislation Text

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File #: 22-0636, Version: 1

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### Department

Finance

### Requested Action *(Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)*

Request approval of 2023 premium rates for the Medical and Pharmacy, Dental and Vision Plans effective January 1, 2023.

### Requirement for Board Action *(Cite specific Board policy, statute or code requirement)*

In accordance with Board Policy, benefit plan premiums are approved prior to the beginning of each plan year

### Strategic Priority Area related to this item *(If yes, note strategic priority area below)*

Open and Responsible Government

### Commission Districts Affected

- All Districts ☒
- District 1 ☐
- District 2 ☐
- District 3 ☐
- District 4 ☐
- District 5 ☐
- District 6 ☐

### Is this a purchasing item?

No

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

Scope of Work: Fulton County currently provides a combination of self-funded and fully-insured Medical & Pharmacy (Rx), Dental and Vision programs to approximately 4,700 employees, 3,400 retirees/beneficiaries, and their eligible dependents. Under a fully-insured funding arrangement, the insurance carrier pays claims from its own funds and sets premium rates to support expected claim payments. While under the self-funded arrangement, the carrier administers the plan, but claims are funded by the County. The Finance Department worked with Segal Consulting to complete the 2023 health plan renewals and premium rate projections. The 2023 funding projection and premium rates assumes no changes in benefit plan design or cost share for active employees and

retirees/beneficiaries.

## 2023 SELF-FUNDED RATE CHANGES

The funding rates for the self-funded plans require calculation 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. Segal, our benefits consultant performed this exercise for 2023 on behalf of the County. Below are the proposed funding (premium) rate changes for 2022. These rates are set to support the expected costs generated by members enrolled in the plans.

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 FULLY-INSURED RATE CHANGES

Fully insured plans account for approximately 36% of the total medical and pharmacy costs. Our benefit consultants from Segal, met with each vendor and successfully negotiated lower renewal premium rates for the 2023 plan year. A summary of negotiation outcomes is listed below.

Plan	Original Increase	Final Negotiated Increase	Total Savings
Aetna DHMO	0.0%	"No change"	\$0
Aetna MAPD Basic Option Enhanced Option	10.0% 10.0% 10.0%	10.0% 10.0% 10.0%	\$0 \$0 \$0
Kaiser Permanente	6.0%	4.5%	\$14M

## 2023 VS 2022 PROJECTED HEALTH PLAN COST COMPARISON

## 2023 Projected Health Plan Cost

The expected total cost for all health plan offerings (Medical, Rx, Dental, and Vision) for 2023 is \$112.3 million as shown below. This incorporates all renewal rate changes outlined above.

	Total Plan Cost	County Funds	Employee Contributions
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

## 2022 Projected Health Plan Cost

	Total Cost All Health Benefits	County Cost	Employee Contribution
2022 Total Medical & Pharmacy Cost	\$100.6M	\$82.3M	\$18.3M
2022 Total Dental Cost	\$4.2M	\$1.8M	\$2.5M
2022 Total Vision Cost	\$1.0M	\$0.5M	\$0.4M
2022 Total Health Plan Cost	\$105.8M	\$84.6M	\$21.2M

Community Impact: None

Project Implications: None

Community Issues/Concerns: None

Department Recommendation: The Finance Department request approval of 2023 health premium rates and funding as presented and summarized below for fully insured and self-insured plans:

**Anthem (BCBS):**

- 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 PPO, and PPO Plus plans)

**Kaiser:**

- 5.4% increase to HMO Active and Pre-65 Retiree rates
- No change to Post-65 Senior Advantage Medicare rates

**Aetna:**

- No change to the Dental HMO rates
- 4.9% increase for the Dental PPO rates
- 3.7% increase to the Basic Medicare Advantage Plan rates
- 4.7% increase to the Enhanced (Buy-Up) Medicare Advantage Plan rates

**EyeMed:**

- No change to the Vision PPO rates

These changes were carefully considered, weighing the financial impact to the plan as well as the financial and logistical impact to the member. Approval is needed to begin open enrollment planning including Employee Self-Service (ESS) enrollment system modifications and communications for the upcoming enrollment period scheduled from September 26<sup>th</sup> through October 14<sup>th</sup> for active employees, and October 3<sup>rd</sup> through October 21<sup>st</sup> for retirees. Employee and retiree information meetings will be held virtually, starting the week of September 26<sup>th</sup>.

Department Issues/Concerns: None

History of BOC Agenda Item: Has this item previously been before the BOC? Yes.

**Contract & Compliance Information** *(Provide Contractor and Subcontractor details.)*

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

Attachment I: 2023 Proposed Medical Premium Rates  
Attachment II: 2023 Proposed Dental Premium Rates  
Attachment III: 2023 Proposed Vision Premium Rates

Attachment IV: 2022 vs 2023 Medical Premium Rates Comparison  
Attachment V: 2022 vs 2023 Dental Premium Rates Comparison  
Attachment VI: 2022 vs 2023 Vision Premium Rates Comparison  
Attachment VII: 2023 Medical & Rx Plan Designs Comparison

**Contact Information** (*Type Name, Title, Agency and Phone*)

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**Fiscal Impact / Funding Source**  
**Funding Line 1:**

426-999-P003-1560: Group Insurance Stabilization, General Fund, Administrative