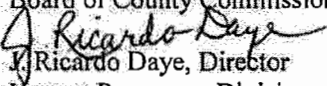




## Memorandum

June 8, 2017

TO: Teresa Jacobs, County Mayor  
-AND-  
Board of County Commissioners

FROM:  Ricardo Daye, Director  
Human Resources Division

SUBJECT: **BCC Consent Agenda – July 18<sup>th</sup>, 2017**  
**2018 Medical Plans Design and Wellness Initiative**

The County offered employees a Consumer Directed Health Plan (CDHP) for the first time in the 2011 calendar year. This was a single high deductible health plan with a health savings account (HSA). In an effort to give employees additional coverage options, the County added a low deductible health plan in calendar year 2012. The move to a CDHP model along with the low deductible plan significantly reduced medical and pharmacy costs for the County's health insurance program and netted no premium increases from 2011 – 2015.

The Medical Oversight Committee (MOC) conducted its annual review of the County's health insurance plans and is recommending minimum changes to the plan design and the premium structure in both medical plans for calendar year 2018. Changes are proposed to the plans' out-of-pocket maximums and premiums for the 2018 calendar year. The changes are required to address the rising number of catastrophic claims on the plans and the increasing cost of prescription drugs. Additionally, in order to forge closer alignment between the two plans, the out-of-network deductible for the high deductible plan is being adjusted. The attached Table 1 reflects the proposed changes to the plan design for 2018.

The medical benefits fund reserve acts as a premium stabilization instrument that allows the County to smooth the impact of any necessary premium increases over several years. For the 2018 plan year, the MOC is recommending an 8% increase in both County contributions and employee premiums for all tiers – see attached Table 2. The ratio of costs shared by the County and employees will remain unchanged. Employee contributions increase is shown on the attached Table 3.

**Actions Requested: Approval of the attached 2018 medical plan design and premium structure.**

Note to clerk: Please return one approved copy of the staff report memo to the Human Resources Division.

cc: Ajit Lalchandani, County Administrator  
Medical Oversight Committee

2018 Benefits Plan Design and Wellness Initiative  
July 18, 2017

Table 1

Benefit	OrangePrime Plus (HDHP)		OrangePrime (LDHP)	
	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>DEDUCTIBLE</b> Individual/Family	\$1,500 / \$3,000	\$3,000 / \$6,000	\$750 / \$1,500	\$2,000 / \$4,000
<b>EMPLOYER CONTRIBUTION</b> Individual/Family	Up to \$750 / \$1,250 (proration rules apply)		No employer contribution for this plan	
<b>OUT-OF-POCKET MAX</b> Individual/Family	\$3,000 / \$6,000	\$6,000 / \$12,000	\$2,100 / \$4,200	\$6,000 / \$12,000
<b>COINSURANCE</b>				
Preventive Care	\$0	***40% after Deductible	\$0	***40% after Deductible
Primary Care	20% after Deductible	*40% after Deductible	**\$20 co-pay	*40% after Deductible
Specialist	20% after Deductible	*40% after Deductible	**\$35 co-pay	*40% after Deductible
Inpatient Hospital Admission	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Outpatient Surgery (Non-Hospital)	20% after Deductible	*40% after Deductible	**\$100 co-pay	*40% after Deductible
Outpatient Surgery	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
X-Rays, Lab, Diagnostics, CT, MRI, PET, Nuclear	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Urgent Care	20% after Deductible	*20% after Deductible	**\$40 co-pay	*\$40 co-pay
Emergency Room	20% after Deductible	*20% after Deductible	20% after Deductible	*20% after Deductible
Ambulance	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Home Healthcare	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Durable Medical Equipment	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
Short-Term Rehabilitation/Therapy	20% after Deductible	*40% after Deductible	20% after Deductible	*40% after Deductible
<b>MENTAL HEALTH / SUBSTANCE ABUSE</b> Inpatient Outpatient	20% after Deductible 20% after Deductible	*40% after Deductible *40% after Deductible	20% after Deductible **\$35 co-pay	*40% after Deductible *40% after Deductible

\* Out-of-network benefits are subject to reasonable and customary limitations. Any amount over reasonable charges will not be calculated toward your out-of-pocket maximum or deductible.

\*\* OrangePrime plan copays do NOT apply to the deductible but are applied to the out-of-pocket maximum.

\*\*\* Out-of-network deductible does not apply to preventive care for dependents under the age of 16.

2018 Benefits Plan Design and Wellness Initiative  
July 18, 2017

Table 2

Medical and Pharmacy Premiums			<i>Bi-Weekly Rates</i>
Cigna	Total Premium	Employee Contribution	County Contribution
OrangePrime Plus Employee only	\$284.03	\$2.92	\$281.11
OrangePrime Plus Employee + Spouse	\$620.20	\$95.64	\$524.55
OrangePrime Plus Employee + Child(ren)	\$572.37	\$87.48	\$484.89
OrangePrime Plus Employee + Family	\$846.14	\$195.37	\$650.77
OrangePrime Employee only	\$303.80	\$14.58	\$289.22
OrangePrime Employee + Spouse	\$641.75	\$110.22	\$531.53
OrangePrime Employee + Child(ren)	\$597.12	\$102.06	\$495.06
OrangePrime Employee + Family	\$872.76	\$212.87	\$659.89

Table 3

<i>OrangePrime Plus (High Deductible Health Plan)</i>		
	2017	2018
Employee Only	\$2.70	\$2.92
Employee and Spouse	\$88.56	\$95.64
Employee and Child	\$81.00	\$87.48
Employee and Family	\$180.90	\$195.37
<i>OrangePrime (Low Deductible Health Plan)</i>		
Employee Only	\$13.50	\$14.58
Employee and Spouse	\$102.06	\$110.22
Employee and Child	\$94.50	\$102.06
Employee and Family	\$197.10	\$212.87