

Health Insurance bids result in no plan changes

Last month, five potential insurers responded to an Employee Health Insurance Request for Proposals, and after much discussion Levy Court Commissioners decided to approve a retrospective type renewal submitted by Highmark Blue Cross Blue Shield Delaware. The decision retains Kent County's current EPO (with a self-funded Modified HRA) health insurance program featuring a 100% High option and a 90% Low option for employees and retirees under age 65 and the current Medicare supplement.

The RFP review process also included a municipal based cooperative program offered by the Delaware Valley Insurance Trust (DVIT) based in Horsham, PA. The DVIT proposal would have required participants to switch from Blue Cross Blue Shield to the Aetna network and a Medicare Advantage plan under Aetna. While some network concerns and other issues could not be resolved within the required decision window, Levy Court intends to seriously consider the DVIT proposal and Aetna network in the future (2018-19 plan year). Employees/retirees are encouraged to learn more about the Aetna network and/or Medicare Advantage in preparation for a possible transition by visiting www.medicare.gov and clicking the "Supplement & other insurances" Tab. Check out the Aetna network at http://www.aetna.com/dse/search?site_id=docfind&langpref=en&tabKey=tab1

In addition, staff reviewed a number of other proposals including self-insured programs and options with higher deductibles, higher and lower copayments, etc. in hopes of lowering costs. Under the selected retrospective format, the individual premium submitted by Highmark increased about 4% if claims are lower than expected, but could be as high as 15.6% if claims meet or exceed expectations. As a result, the overall annual cost for the active employee health insurance program is approximately \$4.8 million. The County share is about \$4.2 million and the employee share is \$618,000 in the FY18 budget.

On April 25, 2017, Levy Court formally approved the staff recommended phantom rates (*the monthly Highmark premium plus allocated expenses from the self-insured \$5,000/\$10,000 HRA funded by the County*) and the monthly premium share paid by County employees and retirees under age 65 for individual and dependent coverage. The phantom rates are used to allocate expenses and for COBRA coverage cost.

Since no changes were made to the health insurance program, employees and retirees do not need to complete any forms unless making a change to dependents coverage or the high/low options during the open enrollment window. Any coverage change selected by employees/retirees will be deducted one month in advance beginning with the June 2 paycheck (June 1 pension check for retirees).

The County's health insurance broker, L&W Insurance, will be available to provide an overview and details of the High and Low plans during the normal monthly meeting scheduled on **Wednesday, May 10, 2017** from 1:00 – 2:00 p.m. in Room 221. Open enrollment is scheduled during the month of May and is the only opportunity other than a qualifying event to make changes to Kent County benefits.

For more information about Kent County employee/retiree benefits visit the Employee Portal on the Kent County website.

MONTHLY RATES – FY2018 <u>employee paid</u> <i>Unchanged from FY17</i>	Employee (<i>Employee/ Retiree pays</i>)	Employee/Retiree & Spouse (<i>Employee pays</i>)	Employee & Child (ren) (<i>Employee pays</i>)	Employee & Family (<i>Employee pays</i>)
HIGH Plan - FY2018	\$60.00	\$416.90	\$224.72	\$554.17
Low Plan - FY2018	\$30.00	\$372.89	\$188.26	\$504.78
Medicfill - FY2018	\$0.00	\$139.81		
PHANTOM RATES – FY2018 (COBRA) <i>Highmark retrospective</i>	Employee/ Retiree Premium	Employee/Retiree & Spouse Premium	Employee & Child (ren) Premium	Employee & Family Premium
HRA/EPO – 100% HIGH Plan - FY2018	\$1,007.00	\$2,284.85	\$1,652.87	\$2,733.27
HRA/EPO – 90% 90% Coinsurance Low Plan - FY2018	\$968.55	\$2,196.43	\$1,591.53	\$2,628.62
Medicfill - FY2018 Medicare supplement Rx - \$10/\$25/\$75	\$550.47	\$1,100.94		

Dependent rates unchanged from FY2017(All County employees/retirees under age 65 pay \$60or \$30/month) *In addition, County pays flat \$25,000 annual consulting fee to L&W Insurance (about \$7.00 per employee per month).

Ever wonder how Kent County’s health insurance cost share compares to other jurisdictions? In FY 2017 Levy Court increased the County paid cost share for dependent coverage from 60% to 70%. For FY 2018 cost share rates will remain unchanged.

MONTHLY RATES – FY2017 (<i>cost share comparison</i>) Similar type plan – PPO vs. EPO	Employee (<i>Employee pays</i>)	Employee & Spouse (<i>Employee pays</i>)	Employee & Child (ren) (<i>Employee pays</i>)	Employee & Family (<i>Employee pays</i>)
Kent County - FY17 <i>Employee % share of premium</i>	\$60.00 (6.6%)	\$416.90 (30%+\$60)	\$224.72 (30%+\$60)	\$554.17 (30%+\$60)
State of Delaware - FY17 <i>Employee % share of premium</i>	\$105.18 (13.2%)	\$218.26 (13.2%)	\$162.08 (13.2%)	\$272.86 (13.2%)
City of Dover - FY17 (15%) <i>Employee % share of premium</i>	\$125.44 (15%)	\$259.86 (15%)	\$193.10 (15%)	\$324.76 (15%)
City of Dover - FY17 (20%) <i>Employee % share of premium</i>	\$167.24 (20%)	\$346.48 (20%)	\$257.46 (20%)	\$433.02 (20%)

<i>Sussex County - FY17</i>	\$40.00	\$112.36 (+1)	\$112.36 (+1)	\$180.00 (2+)
<i>Employee % share of premium</i>	(5.4%)	(7.5%)	(7.5%)	(8.1%)
<i>City of Newark - FY17 (DVIT)</i>	\$0.00	\$136.11	\$111.43	\$252.23
<i>Employee % share of premium</i>	(0%)	(9.2%)	(8.3%)	(11.8%)

City of Dover employees pay different cost share percentage rates depending upon union contract & hire date.

(Posted 04/26/17)