



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: October 11, 2017

Department: Business Services Agenda Planning Date: Time required: 15 minutes

Audio/Visual aids

Contact: Justine Flora Phone: 503-584-7786

Department Head Signature: [Handwritten Signature]

TITLE: Marion County Health Plan Renewals for Plan Year 2018

Issue, Description & Background: Annual Renewal and Health Insurance Study Committee (HISC) Recommendations Plan Year 2018

Financial Impacts: See attached Health Plan Contribution Worksheet

Impacts to Department & External Agencies: Specific departmental impact has not been calculated at this time

Options for Consideration: Renew Non-MCLEA Plans as Recommended By HISC: Regence PPO Plan no plan changes, Regence High Deductible Health Plan (HDHP) deductible increase \$1,350 individual/\$2,700 family, Kaiser HMO no plan changes, Moda/ODS Dental no changes, Kaiser Dental no plan changes, Renew MCLEA Plans as Recommended, Renew Temporary/Part Time Plan as Recommended, Accept Health Saving Arrangement Employer Contribution Recommendations, Reject Renewal Recommendations

Recommendation: Accept Renewal Recommendations

List of attachments: Marion County Health Plan Considerations and Health Insurance Study Committee (HISC) recommendations for Plan Year 2018

Presenter: Justine Flora



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Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to:

Justine Flora

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Medical Plan

Currently, Marion County offers Medical coverage through Regence and Kaiser. Regence offers Preferred Provider organization (PPO) options for the MCLEA unit and Non-MCLEA units and a High Deductible Health Plan (HDHP) option to the Non-MCLEA units. Kaiser offers Health Maintenance Organization (HMO) plans to both MCLEA and Non-MCLEA groups.

Dental Plan

Marion County offers dental coverage through both Delta Dental (ODS) and Kaiser.

Non-MCLEA Recommendations

Each year the Health Insurance Study Committee (HISC) meets to review and assess Health Plan renewals and possible plan changes. The HISC then make makes plan recommendations to the Marion County Board of Commissioners.

During the HISC meetings in August, September and October of this year, the HISC reviewed proposed carrier renewals and a number possible plan changes. On October 25, 2017, the committee voted to make the following medical plan recommendations:

- Regence HDHP Plan
 - Comply with IRS requirement of increasing the deductible from \$1,300 individual and \$2,600 family to \$1,350 and \$2,700 respectively.
- Regence PPO Plan
 - Renew with no plan changes
- Kaiser HMO
 - Renew with no plan changes
- Dental
 - Renew Kaiser and Delta dental plans with no change.

Plan contribution worksheets and 2018 options are attached

Health Savings Arrangement (HSA)

The HSA program is offered by Marion County through Key Bank. This program is offered alongside the HDHP provides a vehicle for HDHP participants to save pretax funds to cover out of pocket medical expenses. Traditionally, Marion County has made an employer contribution to employee HSA accounts which to encourage participation by offsetting the high deductible. The current annual employer contribution is \$625 individual and \$1,300 family. The Risk and Benefits Manager requests that the Marion County Board of Commissioners consider continuing the annual employer HSA contribution.

MCLEA Recommendations

- Regence PPO Plan
 - Renew with no plan changes.
- Kaiser HMO Plan
 - Recommend renewing MCLEA Kaiser HMO with no changes
- Dental Plan
 - Renew both Kaiser and Dental and Kaiser Dental plans with no changes

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Part and Temporary Employee Health Plan

In order to comply with eligibility rules under the Affordable Health Care Act, Marion County offers an essential benefit health plan to employees who would not otherwise meet eligibility criteria under Marion County Benefit Plan rules. This plan is offered through Regence and meets essential benefits and with an employer contribution towards the employee premium, meets affordability requirements. The Risk and Benefits Manger recommends renewing this plan as described in the attached Temporary and Part Time Plan description with an employer monthly contribution of \$374.96.

Non-MCLEA Benefit Plans	Carrier	Initial Renewal	Negotiated Renewal
Medical/RX	Regence BlueCross BlueShield of Oregon	16.9%	8.3%
Medical/RX	Kaiser Foundation Health Plan of Northwest	7.4%	7.4%
Dental	Oregon Dental Services (Delta Dental of OR & AK)	3.4%	3.4%
Dental	Kaiser Foundation Health Plan of Northwest	0%	(3.0%)

MCLEA Benefit Plans	Carrier	Initial Renewal	Negotiated Renewal
Medical/RX	Regence BlueCross BlueShield of Oregon	17.1%	8.6%
Medical/RX	Kaiser Foundation Health Plan of Northwest	5.6%	5.0%
Dental	Oregon Dental Services (Delta Dental of OR & AK)	9.0%	7.0%
Dental	Kaiser Foundation Health Plan of Northwest	0%	(3.0%)

The above rates are inclusive of the current and additional taxes.

Overview of Renewals

Assuming benefits remain unchanged and considering current employer contribution amounts:

Non-MCLEA: Total overall change to current health costs is an increase of 4.0%. Prior to consideration of tax increases, the Regence renewal increase was approximately 3.6%, and the Kaiser renewal increase was approximately 4.76%.

MCLEA: The total overall change to current health costs is an increase of 6.4%. Prior to consideration of the tax increases the MCLEA Regence renewal increase was approximately 3.76%, and the Kaiser renewal increase was approximately 2.61%.

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Total Summary of Annual Renewal Based on Recommendations

Program	Ees	County Cost	Employee Contributions	Total Annual Cost
MCLEA	214	\$ 4,019,091.00	\$ 294,018.00	\$ 4,313,109.00
Non-MCLEA	1,161	\$ 18,960,089.00	\$ 1,998,096.00	\$ 20,958,184.00
Temporary part Time	-			
HSA Employer Contribution	105	\$ 120,300.00		
Total	1,537	\$ 23,099,480.00	\$ 2,292,114.00	\$ 25,391,594.00

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**Employee Benefit Plans - Total Estimated Annual
Costs January 1, 2018 Renewal
For All Non-MCLEA Employees**

	Current Costs			Renewal Costs			\$ Change		% Change	
	Annual Cost	EEs	Cost/EE	Annual Cost	EEs	Cost/EE	Annual Cost	Cost/EE	Annual Cost	Cost/EE
Regence PPO - Non-MCLEA	\$5,823,787	385	\$15,127	\$6,304,150	385	\$16,374	\$480,363	\$1,248	8.2%	8.2%
Regence CDHP - Non-MCLEA	\$1,459,419	111	\$13,148	\$1,579,937	111	\$14,234	\$120,519	\$1,086	8.3%	8.3%
Kaiser HMO - Non-MCLEA	\$10,606,650	665	\$15,950	\$11,387,944	665	\$17,125	\$781,294	\$1,175	7.4%	7.4%
Medical/Rx/Vision Subtotal	\$17,889,855	1,161	\$15,409	\$19,272,031	1,161	\$16,600	\$1,382,176	\$1,191	7.7%	7.7%
Moda Dental - Non-MCLEA	\$813,225	582	\$1,397	\$841,038	582	\$1,445	\$27,813	\$48	3.4%	3.4%
Kaiser Dental - Non-MCLEA	\$871,288	540	\$1,613	\$845,115	540	\$1,565	(\$26,173)	(\$48)	-3.0%	-3.0%
Dental Subtotal	\$1,684,513	1,122	\$1,501	\$1,686,153	1,122	\$1,503	\$1,640	\$1	0.1%	0.1%
All Health Subtotal	\$19,574,368	1,161	\$16,860	\$20,958,184	1,161	\$18,052	\$1,383,816	\$1,192	7.1%	7.1%
Employee/Retiree Contributions	(\$1,342,755)	1,161	(\$1,157)	(\$1,998,096)	1,161	(\$1,721)	(\$655,341)	(\$564)	48.8%	48.8%
Net Total All Plans	\$18,231,613	1,161	\$15,703	\$18,960,089	1,161	\$16,331	\$728,476	\$627	4.0%	4.0%

The cost/employee in each plan is based on the current number of employees in that plan (including COBRA, retirees, and disableds if participating).
Estimated employee contributions are based on current contribution method/formula. Alternative methods/formulas can be modeled upon request.

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Non-MCLEA Employee Health Plan Contributions

January 1, 2018 Renewal

Based on Current Contribution Method	Non-MCLEA 2017 Contributions			Non-MCLEA 2018 Contributions			\$ Change
	<u>Premium Rates</u>	<u>County Cost</u>	<u>Employee Cost</u>	<u>Premium Rates</u>	<u>County Cost</u>	<u>Employee Cost</u>	
Kaiser HMO	\$1,348.75			\$1,448.10			
Kaiser Dental	\$135.49			\$131.42			
Kaiser/Kaiser - Non-MCLEA	\$1,484.24	\$1,396.00	\$88.24	\$1,579.52	\$1,446.00	\$133.52	\$45.28
Kaiser/Kaiser - FOPPO	\$1,484.24	\$1,454.00	\$30.24	\$1,579.52	\$1,454.00	\$125.52	\$95.28
Kaiser HMO	\$1,348.75			\$1,448.10			
Moda Dental	\$118.71			\$122.77			
Kaiser/Moda - Non-MCLEA	\$1,467.46	\$1,396.00	\$71.46	\$1,570.87	\$1,446.00	\$124.87	\$53.41
Kaiser/Moda - FOPPO	\$1,467.46	\$1,454.00	\$13.46	\$1,570.87	\$1,454.00	\$116.87	\$103.41
Regence PPO	\$1,296.07			\$1,402.95			
Kaiser Dental	\$135.49			\$131.42			
Regence PPO/Kaiser - Non-MCLEA	\$1,431.56	\$1,396.00	\$35.56	\$1,534.37	\$1,446.00	\$88.37	\$52.81
Regence PPO/Kaiser - FOPPO	\$1,431.56	\$1,431.56	\$0.00	\$1,534.37	\$1,454.00	\$80.37	\$80.37
Regence PPO	\$1,296.07			\$1,402.95			
Moda Dental	\$118.71			\$122.77			
Regence PPO/Moda - Non-MCLEA	\$1,414.78	\$1,396.00	\$18.78	\$1,525.72	\$1,446.00	\$79.72	\$60.94
Regence PPO/Moda - FOPPO	\$1,414.78	\$1,414.78	\$0.00	\$1,525.72	\$1,454.00	\$71.72	\$71.72
Regence CDHP	\$1,137.75			\$1,231.70			
Kaiser Dental	\$135.49			\$131.42			
Regence CDHP/Kaiser - Non-MCLEA	\$1,273.24	\$1,273.24	\$0.00	\$1,363.12	\$1,363.12	\$0.00	\$0.00
Regence CDHP/Kaiser - FOPPO	\$1,273.24	\$1,273.24	\$0.00	\$1,363.12	\$1,363.12	\$0.00	\$0.00
County HSA Contribution		\$650 Individual / \$1,300 Family			\$650 Individual / \$1,300 Family		
Regence CDHP	\$1,137.75			\$1,231.70			
Moda Dental	\$118.71			\$122.77			
Regence CDHP/Moda - Non-MCLEA	\$1,256.46	\$1,256.46	\$0.00	\$1,354.47	\$1,354.47	\$0.00	\$0.00
Regence CDHP/Moda - FOPPO	\$1,256.46	\$1,256.46	\$0.00	\$1,354.47	\$1,354.47	\$0.00	\$0.00
County HSA Contribution		\$650 Individual / \$1,300 Family			\$650 Individual / \$1,300 Family		

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**Employee Benefit Plans - Total Estimated Annual
Costs January 1, 2018 Renewal**

For MCLEA Employees

	Current Costs			Renewal Costs			\$ Change		%
	Annual Cost	EEs	Cost/EE	Annual Cost	EEs	Cost/EE	Annual Cost	Cost/EE	Change Annual
Regence PPO - MCLEA	\$1,975,568	105	\$18,815	\$2,145,896	105	\$20,437	\$170,329	\$1,622	8.6%
Kaiser HMO - MCLEA	\$1,699,017	109	\$15,587	\$1,783,976	109	\$16,367	\$84,959	\$779	5.0%
Medical/Rx/Vision Subtotal	\$3,674,585	214	\$17,171	\$3,929,872	214	\$18,364	\$255,288	\$1,193	6.9%
Moda ODSDental - MCLEA	\$153,357	99	\$1,549	\$164,090	99	\$1,657	\$10,733	\$108	7.0%
Kaiser Dental - MCLEA	\$225,917	117	\$1,931	\$219,146	117	\$1,873	(\$6,771)	(\$58)	-3.0%
Dental Subtotal	\$379,274	216	\$1,756	\$383,236	216	\$1,774	\$3,962	\$18	1.0%
All Health Subtotal	\$4,053,859	214	\$18,943	\$4,313,108	214	\$20,155	\$259,250	\$1,211	6.4%
Employee/Retiree Contributions	(\$275,951)	214	(\$1,289)	(\$294,018)	214	(\$1,374)	(\$18,067)	(\$84)	6.5%
Net Total All Plans	\$3,777,908	214	\$17,654	\$4,019,091	214	\$18,781	\$241,183	\$1,127	6.4%

The cost/employee in each plan is based on the current number of employees in that plan (including COBRA, retirees, and disableds if participating). Estimated employee contributions are based on current contribution method/formula. Alternative methods/formulas can be modeled upon request.

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2018 Limits for HSAs and High Deductible Health Plans

The Internal Revenue Service (IRS) released Revenue Procedure 2013-25 which announced various inflation-adjusted amounts for 2018 for Health Savings Accounts (HSAs) and High-Deductible Health Plans (HDHPs). The IRS calculates the annual adjustments using the 12-month period ending March 31st. The 2018 amounts are shown below.

Maximum Annual HSA* Contribution**

Individual Coverage	\$3,450 (Up \$50 from \$3,400 for 2017)
Family Coverage	\$6,900 (Up \$150 from \$6,750 for 2017)

Minimum HDHP Deductible

Individual Coverage	\$1,350 (Up \$50 from \$1,300 for 2017)
Family Coverage	\$2,700 (Up \$100 from \$2,600 for 2017)

Maximum HDHP Out-of-Pocket Expenses***

Individual Coverage	\$6,650 (Up \$100 from \$6,550 for 2017)
Family Coverage	\$13,300 (Up \$200 from \$13,100 for 2017)

* HSAs, established by the Medicare Modernization Act (MMA) as of January 1, 2004, allow individuals or employers to contribute to an HSA as long as the individual is covered under an HDHP.

** Individuals age 55 or over can contribute an additional \$1,000 to their HSAs.

*** The out-of-pocket expense does not include premiums.

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Marion County Temporary and Part-Time Plan
January 1, 2018 Renewal

Plan Features	Regence PPO Plan Option	
	PPO	Par/Non-Participating
Plan Info		
Annual Deductible/Individual		\$7,000
Annual Deductible/Family		\$14,000
Coinsurance (<i>member pays</i>)	30%	50%
Annual Out-of-Pocket Limit/Individual		\$7,150
Annual Out-of-Pocket Limit/Family		\$14,300
General Services		
Office Visit	After deductible, \$55 Copay, then coinsurance	
Specialist Visit	After deductible, \$55 Copay, then coinsurance	
Naturopath Visit	After deductible, \$55 Copay, then coinsurance	
Preventive Services X-Ray & Lab	Paid in full	
High Cost Imaging	30% after ded	50% after ded
Hospital Services		
Inpatient Hospitalization	30% after ded	50% after ded
Outpatient Services	30% after ded	50% after ded
	ded After deductible, \$100 copay	
Alternative Care		
Chiropractic Spinal	Not covered	Not covered
Manipulations Acupuncture	Not covered	Not covered
Massage Therapists	30% after ded	50% after ded
Prescription Drug Benefits	Rx Accrues to Medical OOP Maximum	
Prescription Drug Deductible	No Rx deductible	
Retail Optimum Value Generic	20%	
Retail Generic	30%	
Retail Brand (Preferred)	35%	
Retail Brand (Non-preferred)	50%	
Specialty Preferred	40%	
Specialty Non-Preferred	50%	
Retail # of Days Supply	30	
Mail Order	same percentage as retail	
Mail Order # of Days Supply	90	
Vision Exam & Hardware		
Eye Exam	Not covered	
Rate Summary	Regence Option 1	
Part Time Employee 0	\$502.35	
Employee & Spouse 0	\$1,456.80	
Employee & Child(ren) 0	\$1,456.8	
Employee & Family 0	\$1,456.8	
Monthly	\$0	
Annual	\$0	
\$ Change	\$0	
% Change	-	

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**ACA Affordability Calculation
Temporary Employee Plan Test**

	<u>PPO Option</u>
Oregon Standard Minimum Wage	\$10.25
Hours/Week Safe Harbor	30
Weekly Wage	\$307.50
Monthly Wage	\$1,332.50
Minimum ACA Affordability 2018	9.56%
Maximum Safe Harbor Monthly Employee Cost	\$127.39
Employee-Only Premium Rate	\$502.35
County Monthly Cost	\$374.96
County Annual Cost	\$4,500