



# Blount County Government HR/Insurance Committee

## 05/22/2017

*Presented by:*

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# Topics –Employee Benefit Planning

- 2018 Carriers
- Additional Products
- Medical Plan Design
- Tobacco Rates



# 2018 Carriers

- Allegiance (medical / FSA)
  - Employers Health / CVS Pharmacy
    - Under Humana \$98.56 Per Employee Per Month Cost
    - 1<sup>st</sup> full year under Employers Health / CVS - \$85.81 Per Employee Per Month Cost
- Delta Dental of Tennessee (dental)
- Superior Vision (vision)
- Dearborn (life, STD, LTD)
- Colonial (critical illness, accident, cancer, whole life)



# Flexible Spending Account (FSA)

- **Current carrier: Ameriflex**
  - Administrative cost for the 2017 Flexible Spending Account is covered by Colonial, as Ameriflex is their preferred vendor
  - \$4.00 per employee per month
  - Blount County members have encountered several service issues with this vendor, and therefore a change is recommended
- **Suggested carrier for 2018: Allegiance**
  - Colonial has agreed to contribute the same dollar amount that they are paying for the FSA in 2017 towards the cost of administration by Allegiance
  - \$5.25 per employee per month
  - Cost difference (\$1.25 per employee per month) would be charged to Blount County Government.
    - \$373.75 per month (based on 299 enrollees)
    - \$4,485 per year



# Dental Plan – Delta Dental of TN

The county pays 100% of employee only dental premiums

- Current fully insured arrangement - \$472K Costs to the County
- **Requested renewal – 5% increase**
  - Without rate cap, renewal would have exceeded 15% due to claims
- Reviewed self-funded arrangement as an alternative
  - 2016 dental claims were high, therefore, the self-funded plan cost would be higher than the fully insured plan cost
- Recommended change to a \$5 per pay-period cost in premium for employee only coverage
  - Mitigates the risk of double coverage



# Additional Products



# Legal Shield

- Voluntary Product - no costs to the county; pricing may look as follows:
  - Individual Legal Plan: \$14.95
  - Family Legal Plan: \$15.95
- Small Monthly fee gives members access to an attorney on any matter without worrying about high hourly costs. Example of services:
  - Estate Planning (Will, Living Will, Power of Attorney)
  - Family Law (Divorce, Child Support, Child Custody)
  - Traffic Issues (moving violations, accidents)
  - Real Estate (Purchase, Refinance, Foreclosure, Landlord/Tenant)
  - Consumer Finance (Collections, Warranties, Guarantees and Other Contracts)



# Convenient Care

- **Telemedicine**

- Voluntary product at \$10 rate per month per enrolled employee (covers employee and family members)
- Access to a doctor 24 hours a day by phone or video for treatment of minor illnesses / injuries (skin conditions, upper respiratory infections, urinary tract infections, bronchitis, allergies, pink eye, sinusitis, earaches, strep throat, sore throat, minor strains & sprains)
- Prescriptions sent to your local pharmacy - includes Generic Drugs (if on their the list) - at no cost to the member





# Convenient Care

- **Optional Buy-Up CVS/Walgreens Walk-in Clinics**
  - \$15 Employee Cost / \$30 Family Premium
  - \$30 Copay for CVS/Walgreens walk-in clinics
  - Includes all of the benefits under the telemedicine/pharmacy
- **Blount County paid option:**
  - \$14.00 for the Employee / \$28.00 for Family



| <b>Antibiotics</b>  | <b>Headache/Migraine</b>   | <b>Sore Throat/Strep</b>  |
|---|--|---|
| <b>Amoxicillin</b><br>AMOXICILLIN CAP 500 MG  | <b>Naproxen</b><br>NAPROXEN TAB 500 MG   | See antibiotics   |
| <b>Cephalexin</b><br>CEPHALEXIN CAP 500 MG  |  | <b>UTI</b>  |
| <b>Bactrim (Sulfa)</b><br>BACTRIM 400-80 MG<br>SULFAMETHOXAZOLE/TRIMETHO PRIM DS TAB 800-160 MG<br>SULFAMETHOXAZOLE/TRIMETHO PRIM TAB 400-80 MG | <b>Nausea/Vomiting</b><br><b>Meclizine</b><br>MECLIZINE HCL 12.5 TAB   | <b>Bactrim</b><br>BACTRIM 400-80 MG<br>SULFAMETHOXAZOLE/TRIMETHO PRIM DS TAB 800-160 MG<br>SULFAMETHOXAZOLE/TRIMETHO PRIM TAB 400-80 MG                   |
| <b>Cipro</b><br>CIPROFLOXACIN HCL TAB 500 MG  | <b>Pain Management</b><br><b>Tramadol</b><br>TRAMADOL HCL TAB 50 MG  | <b>Cipro</b><br>CIPROFLOXACIN HCL TAB 500 MG  |
| <b>Bronchitis and Asthma</b>  | <b>Norco</b><br>HYDROCODONE/ACETAMINOPHEN TAB 7.5-325 MG   | <b>Rash</b>   |
| <b>Prednisone</b><br>PREDNISONE TAB 10 MG<br>PREDNISONE TAB 20 MG<br>PREDNISONE TAB 5 MG  | <b>Flexeril</b><br>CYCLOBENZAPRINE HCL TAB 10 MG<br>CYCLOBENZAPRINE HCL TAB 5 MG   | <b>Hydrocortisone cream/ointment</b><br>HYDROCORTISONE CREAM 1%<br>HYDROCORTISONE CREAM 2.5%<br>HYDROCORTISONE OINTMENT .5%<br>HYDROCORTISONE OINTMENT 1% |
| <b>Prednisolone (liquid for kids)</b><br>PREDNISOLONE 15 MG/5ML SYR   | <b>Poison Ivy</b><br><b>Hydrocortisone cream/ointment</b><br>HYDROCORTISONE CREAM 1%<br>HYDROCORTISONE CREAM 2.5%<br>HYDROCORTISONE OINTMENT .5%<br>HYDROCORTISONE OINTMENT 1%<br>HYDROCORTISONE OINTMENT 2.5% | <b>Triamcinolone cream/ointment</b><br>TRIAMCINOLONE ACETONIDE OINTMENT .1%   |
| <b>Ear Infection</b>  |  |   |
| <b>Amoxicillin</b><br>AMOXICILLIN CAP 500 MG  |  |   |
|   |  |   |
| <b>Fever</b>  | <b>Prednisone</b><br>PREDNISONE TAB 10 MG<br>PREDNISONE TAB 20 MG  |   |
| <b>Ibuprofen 400-800mg Rx</b><br>IBUPROFEN 400MG TAB<br>IBUPROFEN 600MG TAB<br>IBUPROFEN 800MG TAB  | <b>Triamcinolone cream/ointment</b><br>TRIAMCINOLONE ACETONIDE OINTMENT .1%  |   |

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# Medical Plan Design



# Morbid Obesity

- Morbid Obesity
  - 19 members with morbid obesity claims diagnosis
  - Total Paid Claims for the 19 members equals \$574,468.84
- Barinet
  - No Per Employee Cost
  - Network for Bariatric Surgery
  - Data shows .5% utilization of the benefit
  - Post surgery has lead to declines in prescriptions associated with diabetes, hypertension, and hyperlipidemia by 76%, 51%, and 59% respectively



# Morbid Obesity (continued)

- Separate deductible for the procedure
  - Recommend \$2,500 - \$10,000 (no maximum) for employee's cost
  - Does not apply to member medical deductible/out-of-pocket expenses
- Procedures Covered (Average Costs)
  - Gastric Bypass (\$28,750)
  - Gastric Sleeve (\$19,500)
  - Gastric Band (\$18,950)
  - Laparoscopic Duodenal Switch (\$27,950)
- Coverage for 12 months post surgery for complications
  - Cardiopulmonary, Thromboembolic, Bleeding, Infection, Leak, Perforation, Obstruction, Stenosis, Band Slip, Band Port Site Problems



# Plan Design Changes

- Single coinsurance tier at 85%
  - Administrative burden due to providers with multiple locations in and outside of Blount County
  - Allegiance agrees to hold current ASO rates for one year if Blount County moves to 1 in-network coinsurance strategy
    - Based on 2016 utilization, cost savings of \$73,000
- Emergency Room
  - Increase from \$50 to \$250 copay
  - \$318,921.68 in allowable expenses which were non-emergent in nature
    - Headache (#3), Fever, UTI (#9), Nausea (#7), Constipation, Upper Respiratory
  - 971 total claims



# Plan Design Changes (continued)

- 1 Plan Design
  - In 2017, both plan designs met State standards
  - State will vote on 2018 plans typically in June or July, but we anticipate the one plan will more than meet the standards
  - \$750 Deductible Plan for the single option
- Reduced Out-Of-Pocket
  - Reduction from \$4,000 down to \$3,000
    - 55 Members maxed out \$4,000 (1.5%)
    - 83 Members met \$3,000+ of their Out-of-pocket (2.2%)
      - Estimated total difference at \$70,000



# Tobacco Surcharge





# Tobacco Surcharge

- Implementation of approved policy effective 1/1/2018
- Tobacco/Non-Tobacco Rate Structure
  - \$10 Surcharge (per pay period) for Tobacco users
- Retirees will receive the Non-Tobacco Rate
- Communication
  - Open Enrollment Messaging (benefit booklets, benefits/health fair, etc.)
  - Approved Tobacco Policy

# Tobacco Cessation Vendor Options

| Vendors                                    | Interactive Health  | Blount Discount Pharmacy   | Blount Memorial Hospital  |
|--|---|--|---|
| Format:                                    | Telephonic Only   | Group Class and Telephonic Combo   | Group Class only  |
| Program Details:                           | <ul style="list-style-type: none"> <li>8 sessions, telephonic</li> <li>Books and other materials mailed to home</li> <li>Price includes unlimited coaching throughout the year after the course is completed</li> </ul> | <ul style="list-style-type: none"> <li>3 on-site group sessions                             <ul style="list-style-type: none"> <li>Bi-weekly; held at pharmacy</li> </ul> </li> <li>3 Follow-up calls with individual</li> <li>Includes assistance with obtaining prescription for cessation RX and NRT</li> </ul> | <ul style="list-style-type: none"> <li>Onsite classes at County location(s)</li> <li>1 kick-off class and 8 sessions (2 hours each)</li> <li>6-16 participants per class</li> </ul> |
| Pricing:                                   | \$300 per participant   | \$150 per participant  | \$35 per participant plus \$90/hour   |
| Annual Cost Estimates:<br>*50 participants | \$15,000  | \$7,500  | Too many variables to estimate at this time   |
| Annual Cost Estimates:<br>*25 participants | \$7,500   | \$3,750  | Too many variables to estimate at this time   |



**Thank you!**