



**CITY OF JONESBORO
Special Called Meeting
170 SOUTH MAIN STREET
November 25, 2019 – 6:00 PM**

NOTE: As set forth in the Americans with Disabilities Act of 1990, the City of Jonesboro will assist citizens with special needs given proper notice to participate in any open meetings of the City of Jonesboro. Please contact the City Clerk's Office via telephone (770-478-3800) or email at rclark@jonesboroga.com should you need assistance.

Agenda

I. CALL TO ORDER

II. ROLL CALL - RICKY L. CLARK, JR., CITY MANAGER

III. AGENDA ITEMS

1. Consideration of Major Medical Benefit Renewal for FY' 2020.

IV. EXECUTIVE SESSION

1. Executive Session for the purpose of discussing personnel related matters and pending litigation.

V. ADJOURNMENT



CITY OF JONESBORO, GEORGIA COUNCIL Agenda Item Summary

Agenda Item #

-1

3.1

COUNCIL MEETING DATE
November 25, 2019

Requesting Agency (Initiator)

Office of the City Manager

Sponsor(s)

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

Consideration of Major Medical Benefit Renewal for FY' 2020.

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

Is this Item Goal Related? *(If yes, describe how this action meets the specific Board Focus Area or Goal)*

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.)

Upon receipt of our 2020 major medical insurance rates, we experienced initially a 68% increase in our insurance rates (major medical) from United Healthcare. After seeing the budgetary impact of an increase that significant, our broker of record informed Staff of other options within the marketplace. After speaking with our broker and reviewing all options, we went back to our carrier to request an increase no greater than 10% based upon the competitive quotes we received. See attachments for a full breakdown of costs. The carrier granted and we are respectfully requesting renewal of our FY' 20 Major Medical Insurance with United Healthcare. Some highlights of the plan include the following:

DENTAL

Lincoln is increasing the Dental rates by 8% for the upcoming year. However, if the City of Jonesboro moves the Vision and Basic Life/AD&D coverage to Lincoln effective January 1st, Lincoln has agreed to hold the current Dental rates as-is for the upcoming year.

By moving the Vision and Basic Life/AD&D benefits to Lincoln, the City of Jonesboro would receive a slight decrease in Basic Life/AD&D and Vision premiums as mentioned below, and administratively would be beneficial as there would then be just 1 bill for the Dental, Life and Vision benefits.

BASIC LIFE & AD&D

The 1x salary to \$50,000 maximum Basic Life/AD&D policy with Anthem is in the middle of a rate guarantee and not scheduled to renew until 1/1/2021. Lincoln is coming in approximately 11% below current with a 2-year rate guarantee (would not renew until 1/1/2022).

VOLUNTARY LIFE

The Voluntary Life policy with Lincoln is in the middle of a rate guarantee and not scheduled to renew until 1/1/2021. Lincoln has a strong Voluntary Life contract with options to increase benefits annually without evidence of insurability.

VISION

Lincoln is coming in about 2% below the current Anthem Vision rates with a 2-year guarantee. Currently, employees pay \$10 for exams and \$0 for standard materials, whereas Lincoln would offer an enhancement as there would be no

FOLLOW-UP APPROVAL ACTION (City Clerk)

Typed Name and Title Ricky L. Clark, City Manager	Date November, 25, 2019	11/20/19	City Council	NO ACTION TAKEN
Signature	City Clerk's Office			

copay

for exams or standard materials. **The following page shows a side-by-side of the current Anthem Vision benefits compared to Lincoln's proposed benefits.**

3.1

Fiscal Impact

(Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.)

Fiscal Impact

(Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.)

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

- City of Jonesboro Renewal Presentation - UPDATED

Staff Recommendation (Type Name, Title, Agency and Phone)

Approval



BALDWIN • KRYSTYN • SHERMAN
P A R T N E R S
INSIGHT BEYOND INSURANCE

CITY OF JONESBORO

BENEFITS RENEWAL

JANUARY 1, 2020





AGENDA

- Non-Medical
 - Dental
 - Basic Life/AD&D
 - Voluntary Life
 - Vision
 - Anthem vs. Lincoln Vision Benefit Comparison
- Medical
- Renewal Decisions
- Renewal Calendar

This executive summary reviews the recommended renewal strategy for the upcoming plan year.

OCTOBER 29, 2019

DENTAL

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VISION

Lincoln is coming in about 2% below the current Anthem Vision rates with a 2-year guarantee. Currently, employees pay \$10 for exams and \$0 for standard materials, whereas Lincoln would offer an enhancement as there would be no copay for exams or standard materials. **The following page shows a side-by-side of the current Anthem Vision benefits compared to Lincoln's proposed benefits.**

Based on the details above, it is the recommendation of BKS Partners that the City of Jonesboro move the Basic Life/AD&D and Vision benefits to Lincoln, effective January 1, 2020.



VISION COMPARISON – BCBS vs. LINCOLN

Below is a side-by-side comparison of the BCBS vs. Lincoln Vision benefits:

	BCBS Current Blue View Vision Network	Lincoln Lincoln Vision Connect Network
Exam Copay	\$10	\$0
Lens Copay	\$0	\$0
Annual Eye Exam	Covered in full after copay	Covered in full after copay
Lenses (per pair)		
- Single Vision	Covered in full after copay	Covered in full after copay
- Bifocal	Covered in full after copay	Covered in full after copay
- Trifocal	Covered in full after copay	Covered in full after copay
Standard Progressive Lenses	\$65	\$70
Premium Progressive Lenses	\$85-\$110	\$110-\$250
Std. Polycarbonate	\$40	\$33
Tint (solid & gradient)	\$15	\$14
Scratch Resistant Coating	Factory scratch coating included at no additional cost	Included at no additional cost to all lenses
Std. Anti-Reflective Coating	\$45	\$40
Ultraviolet Coating	\$15	\$16
Contacts		
Fit & Follow-Up Exams		Covered Contact Lens Selection: Covered in full (included in total benefit of covered contacts)
- Standard	Member cost up to \$55	Non-Selection Contacts: Member's responsibility
- Premium	10% off retail	N/A
Elective Contacts	Conventional: \$130 allowance + 15% off balance	Covered Contact Lens Selection: Covered in full after copay
Medically Necessary	Disposable: \$130 allowance	Non-Selection Contacts: \$125 allowance
Frames		
Frequency		
- Exams	Once every 12 months	Once every 12 months
- Lens	Once every 12 months	Once every 12 months
- Frames	Once every 24 months	Once every 24 months
Rate Guarantee	1 Year	2 Years
Minimum Participation	N/A	2+ enrolled

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2020 MEDICAL RENEWAL DETAILS

CLAIMS

- Current 12-Month Loss Ratio: 76%
- Projected Ongoing Loss Ratio: 100%+
- Claimants over \$25,000:
 - 4 claimants at approximately \$25K, with ongoing claims expected to be similar
 - 3 claimants at approximately \$50K – all ongoing
 - 1 claimant at approximately \$50K with future expected claims of \$100K or more.

MARKETING

BKS Partners went to market with the traditional insurance companies (Aetna, Anthem, Cigna, Humana and Kaiser), as well as several other non-traditional carriers (Assured Benefits Administrators, National General and OptiMed).

- Aetna declined to quote due to the claims information and high renewal increase from United Healthcare.
- Anthem is requiring a completed Employer form, but it does not sound as though they will be competitive based on the underwriter's initial review. It is likely they will require employee applications to release final rates.
- Cigna – most competitive traditional carrier option (see next paragraph)
- Humana increased their baseline rates by 215%, essentially declining to quote.
- Kaiser will not release final rates without the completed employer form, and they are also requesting confirmation on where their rates would need to be for Jonesboro to consider moving to Kaiser.

Of the traditional carriers, Cigna is the most competitive option. They are approximately 11% below the renewal – 27% above the current rates for plans as closely matched to current as possible. They also have a good option that includes a low-deductible HSA plan that is priced at a little over 8% above current. These Cigna rates are underwritten based on the current enrollment/census. Please keep in mind, as we experienced when the benefits moved to UHC, changes in enrollment of +/- 10% can result in changes to the proposed Cigna rates. Cigna's option also includes a \$5,000 wellness fund for City of Jonesboro to use towards various employee wellness events throughout the year.

Of the other carriers, Assured Benefits Administrators (ABA) offers the most potential savings. ABA offers a level-funded medical option as well as a reference-based pricing option. Both are forms of self-insuring which could result in potential savings for City of Jonesboro should claims run well. There are risks and possible disruption involved with these offerings as well, which City of Jonesboro will need to consider.

In addition, these rates are not underwritten and would require all employees to complete individual applications/health questionnaires. These baseline rates appear to be priced extremely low, possibly to entice employers to submit employee applications. We expect these rates will increase significantly after review of employee applications but may still be competitive after underwriting.



MEDICAL RENEWAL & OPTIONS

UNITED HEALTHCARE RENEWAL

The originally released renewal offer from UHC was at a 68% increase due to the high expected claims and large ongoing claim activity. After negotiations with underwriting, they went back and were able to drop this increase down to 38%. One last push got them down to 30%. This is not an "as-is" renewal, as UHC has made several changes to their portfolio of plan options for 2020. One major change is that they no longer offer a \$250 deductible Medical plan, so they have replaced the \$250 90% plan with a \$2,000 deductible 100% plan. While the deductible is higher than current, the total out-of-pocket exposure is lower. Below is a breakdown of the current rates compared to the original renewal offer and the revised renewal offer.

Proposed Benefit Changes for Renewal Options:

- ER Copay on both plans increasing from \$350 to \$500
- PCP Copay on both plans changing to \$25
- Specialist Copay on both plans changing to \$50
- Removing \$500 inpatient per-occurrence copay on both plans
- Buy-Up plan \$250 Deductible increased to \$2,000
- Buy-Up plan member coinsurance reduced from 10% after deductible to 0% after deductible
- Buy-Up plan \$3,000 out-of-pocket maximum reduced to \$2,000

		UHC BASE PLAN (\$500 Deductible 80%)		
		Current	Original Renewal	Revised Renewal
Employee Only	19	\$695.52	\$1,168.82	\$904.52
EE & Spouse	5	\$1,669.00	\$2,804.75	\$2,170.53
EE & Children	8	\$1,174.26	\$1,973.34	\$1,527.12
Family	4	\$2,258.65	\$3,795.66	\$2,937.36
TOTAL MONTHLY		\$39,988.56	\$67,200.69	\$52,004.93
TOTAL PERCENT CHANGE FROM CURRENT			68.05%	30.05%

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)		
		Current	Original Renewal	Revised Renewal
Employee Only	3	\$761.67	\$1,277.55	\$988.11
EE & Spouse	0	\$1,827.73	\$3,065.65	\$2,371.10
EE & Children	4	\$1,285.93	\$2,156.89	\$1,668.23
Family	0	\$2,473.48	\$4,148.77	\$3,208.83
TOTAL MONTHLY		\$7,428.73	\$12,460.21	\$9,637.25
TOTAL PERCENT CHANGE FROM CURRENT			67.73%	29.73%

COMBINED ANNUAL TOTAL	\$569,007.48	\$955,930.80	\$739,706.16
TOTAL PERCENT CHANGE FROM CURRENT		68.00%	30.00%

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United Healthcare Fully Insured Plan Options

UNITED HEALTHCARE OPTION 1:

Under this option, the base plan increases the individual deductible from \$500 to \$1,500, and the out-of-pocket maximum from \$4,000 to \$6,000. On the buy-up plan, the deductible increases from \$250 to \$1,000 and out-of-pocket maximum from \$3,000 to \$4,000. Coinsurance also reduces on this option from 90% to 80%. On the buy-up option, the Rx plan remains the same as current. On the base option, Rx plan is changed to 4-tier Rx UG.

Deductible	\$500 / \$1,000	\$1,500 / \$3,000
Coinurance	80%	80%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$6,000 / \$12,000
PCP/Specialist Copay	\$30 / \$60	\$25 / \$50
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$15 / \$45 / \$85 / \$125 (2.5x Mail Order)

		UHC BASE PLAN (\$500 Deductible 80%)	UHC OPTION 1 (\$1,500 Deductible 80%)
		Current	UHC Option 1 Base Plan
Employee Only	19	\$695.52	\$807.61
EE & Spouse	5	\$1,669.00	\$1,937.98
EE & Children	8	\$1,174.26	\$1,363.50
Family	4	\$2,258.65	\$2,622.65
TOTAL MONTHLY		\$39,988.56	\$46,433.09
TOTAL PERCENT CHANGE FROM CURRENT			16.12%

Deductible	\$250 / \$500	\$1,000 / \$2,000
Coinurance	90%	80%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$4,000 / \$8,000
PCP/Specialist Copay	\$20 / \$40	\$25 / \$50
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$10 / \$35 / \$60 (2.5x Mail Order)

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	UHC OPTION 1 (\$1,000 Deductible 80%)
		Current	UHC Option 1 Buy-Up Plan
Employee Only	3	\$761.67	\$886.99
EE & Spouse	0	\$1,827.73	\$2,128.46
EE & Children	4	\$1,285.93	\$1,497.52
Family	0	\$2,473.48	\$2,880.43
TOTAL MONTHLY		\$7,428.73	\$8,651.05
TOTAL PERCENT CHANGE FROM CURRENT			16.45%

COMBINED ANNUAL TOTAL	\$569,007.48	\$661,009.68
TOTAL PERCENT CHANGE FROM CURRENT		16.17%



UNITED HEALTHCARE OPTION 2:

Under this option, the base plan increases the individual deductible from \$500 to \$1,000, and the out-of-pocket maximum from \$4,000 to \$7,500. It is an HMO option, so no out-of-network benefits. On the buy-up plan, the deductible increases from \$250 to \$1,500 and out-of-pocket maximum from \$3,000 to \$4,000. However, this buy-up option is a 100% plan, so after the \$1,500 has been met, members are only responsible for copays until the out-of-pocket maximum has been reached. On both options, Rx plan changed to 4-tier Rx UG.

Deductible	\$500 / \$1,000	\$1,000 / \$2,000
Coinsurance	80%	80%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$7,500 / \$15,000
PCP/Specialist Copay	\$30 / \$60	\$25 / \$50
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$15 / \$45 / \$85 / \$125 (2.5x Mail Order)

		UHC BASE PLAN (\$500 Deductible 80%)	UHC OPTION 2 (\$1,000 Deductible 80% HMO)
		Current	UHC Option 2 Base Plan
Employee Only	19	\$695.52	\$773.95
EE & Spouse	5	\$1,669.00	\$1,857.20
EE & Children	8	\$1,174.26	\$1,306.67
Family	4	\$2,258.65	\$2,513.35
TOTAL MONTHLY		\$39,988.56	\$44,497.81
TOTAL PERCENT CHANGE FROM CURRENT			11.28%

Deductible	\$250 / \$500	\$1,500 / \$3,000
Coinsurance	90%	100%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$4,000 / \$8,000
PCP/Specialist Copay	\$20 / \$40	\$25 / \$50
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$15 / \$45 / \$85 / \$125 (2.5x Mail Order)

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	UHC OPTION 2 (\$1,500 Deductible 100%)
		Current	UHC Option 2 Buy-Up Plan
Employee Only	3	\$761.67	\$858.31
EE & Spouse	0	\$1,827.73	\$2,059.64
EE & Children	4	\$1,285.93	\$1,449.10
Family	0	\$2,473.48	\$2,787.30
TOTAL MONTHLY		\$7,428.73	\$8,731.33
TOTAL PERCENT CHANGE FROM CURRENT			12.69%

COMBINED ANNUAL TOTAL	\$569,007.48	\$634,429.68
TOTAL PERCENT CHANGE FROM CURRENT		11.50%

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UNITED HEALTHCARE OPTION 3:

Under this option, the base plan is a gatekeeper HMO, meaning employees would need referrals from their Primary Care doctor to see Specialists and seek other care. The deductible and out of pocket on this option increase, while copays decrease slightly. On the buy-up plan, the deductible increases to \$1,500 and employees will spend less on care when they visit freestanding facilities vs. hospital-based, similar to the current plans. The buy-up plan coinsurance is 100%, which means employees only pay applicable copays after the deductible has been met. Rx plan changed to 4-tier Rx UG.

Deductible	\$500 / \$1,000	\$1,000 / \$2,000
Coinsurance	80%	80%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$6,000 / \$12,000
PCP/Specialist Copay	\$30 / \$60	\$25 / \$50
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$15 / \$45 / \$85 / \$125 (2.5x Mail Order)

	Employee Only	19	UHC BASE PLAN (\$500 Deductible 80%)	UHC OPTION 3 (\$1,000 Deductible 80% gatekeeper HMO)
			Current	UHC Option 3 Base Plan
EE & Spouse	EE & Spouse	5	\$695.52	\$755.27
EE & Children	EE & Children	8	\$1,669.00	\$1,812.38
Family	Family	4	\$1,174.26	\$1,275.14
TOTAL MONTHLY			\$2,258.65	\$2,452.68
			\$39,988.56	\$43,423.87
			TOTAL PERCENT CHANGE FROM CURRENT	8.59%

Deductible	\$250 / \$500	\$1,500 / \$3,000
Coinsurance	90%	100%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$4,000 / \$8,000
PCP/Specialist Copay	\$20 / \$40	\$25 / \$50
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$15 / \$45 / \$85 / \$125 (2.5x Mail Order)

	Employee Only	3	UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	UHC OPTION 3 (\$1,500 Deductible 100%)
			Current	UHC Option 3 Buy-Up Plan
EE & Spouse	EE & Spouse	0	\$761.67	\$858.31
EE & Children	EE & Children	4	\$1,827.73	\$2,059.64
Family	Family	0	\$1,285.93	\$1,449.10
TOTAL MONTHLY			\$2,473.48	\$2,787.30
			\$7,428.73	\$8,371.33
			TOTAL PERCENT CHANGE FROM CURRENT	12.69%

COMBINED ANNUAL TOTAL	\$569,007.48	\$621,452.40
TOTAL PERCENT CHANGE FROM CURRENT		9.23%



UNITED HEALTHCARE OPTION 4:

Under this option, the base plan is again a gatekeeper HMO. The deductible and out of pocket on this option increase, while copays decrease slightly. On the buy-up plan, the deductible increases to \$1,000 and employees will spend less on care when they visit freestanding facilities vs. hospital-based, as well as seeking care as designated network providers. Rx plan changed to 4-tier Rx UG.

Deductible	\$500 / \$1,000	\$2,000 / \$4,000
Coinsurance	80%	80%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$6,000 / \$12,000
PCP/Specialist Copay	\$30 / \$60	\$25 / \$50
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$15 / \$45 / \$85 / \$125 (2.5x Mail Order)

		UHC BASE PLAN (\$500 Deductible 80%)	UHC OPTION 4 (\$2,000 Deductible 80% gatekeeper HMO)
		Current	UHC Option 4 Base Plan
Employee Only	19	\$695.52	\$725.74
EE & Spouse	5	\$1,669.00	\$1,741.52
EE & Children	8	\$1,174.26	\$1,225.28
Family	4	\$2,258.65	\$2,356.79
TOTAL MONTHLY		\$39,988.56	\$41,726.06
TOTAL PERCENT CHANGE FROM CURRENT		4.34%	

Deductible	\$250 / \$500	\$1,000 / \$2,000
Coinsurance	90%	80%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$6,000 / \$12,000
PCP/Specialist Copay	\$20 / \$40	\$25 / \$50 or \$75
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$15 / \$45 / \$85 / \$125 (2.5x Mail Order)

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	UHC OPTION 4 (\$1,000 Deductible 80%)
		Current	UHC Option 4 Buy-Up Plan
Employee Only	3	\$761.67	\$795.63
EE & Spouse	0	\$1,827.73	\$1,909.23
EE & Children	4	\$1,285.93	\$1,343.28
Family	0	\$2,473.48	\$2,583.75
TOTAL MONTHLY		\$7,428.73	\$7,760.01
TOTAL PERCENT CHANGE FROM CURRENT		4.46%	

COMBINED ANNUAL TOTAL	\$569,007.48	\$593,832.84
TOTAL PERCENT CHANGE FROM CURRENT		4.36%

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UNITED HEALTHCARE OPTION 5:

Under this option, the base plan deductible would increase to \$3,000 and buy-up plan would increase to \$2,000. UHC would pay 100% after the deductible has been met (outside of any applicable copayments). Total out of pocket exposure would increase to \$5,000 on the Base plan and \$4,000 on the buy-up plan. No copays for primary care, and Specialist visits would be subject to the deductible (applicable copay after deductible has been met). Rx plan changes to 4-tier formulary with \$0 copay for tier 1 prescriptions.

Deductible	\$500 / \$1,000	\$3,000 / \$6,000
Coinsurance	80%	100%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$5,000 / \$10,000
PCP/Specialist Copay	\$30 / \$60	\$0 / \$75 after deductible
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500 after deductible
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$0 / \$50 / \$75 / \$150 (2.5x Mail Order)

		UHC BASE PLAN (\$500 Deductible 80%)	UHC OPTION 5 (\$3,000 Deductible 100%)
		Current	UHC Option 5 Base Plan
Employee Only	19	\$695.52	\$704.26
EE & Spouse	5	\$1,669.00	\$1,689.97
EE & Children	8	\$1,174.26	\$1,189.02
Family	4	\$2,258.65	\$2,287.03
TOTAL MONTHLY		\$39,988.56	\$40,491.07
TOTAL PERCENT CHANGE FROM CURRENT			1.26%

Deductible	\$250 / \$500	\$2,000 / \$4,000
Coinsurance	90%	100%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$4,000 / \$8,000
PCP/Specialist Copay	\$20 / \$40	\$0 / \$60 after deductible
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$500 after deductible
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$0 / \$50 / \$75 / \$150 (2.5x Mail Order)

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	UHC OPTION 5 (\$2,000 Deductible 100%)
		Current	UHC Option 5 Buy-Up Plan
Employee Only	3	\$761.67	\$789.55
EE & Spouse	0	\$1,827.73	\$1,894.64
EE & Children	4	\$1,285.93	\$1,333.01
Family	0	\$2,473.48	\$2,564.01
TOTAL MONTHLY		\$7,428.73	\$7,700.69
TOTAL PERCENT CHANGE FROM CURRENT			3.66%

COMBINED ANNUAL TOTAL	\$569,007.48	\$578,301.12
TOTAL PERCENT CHANGE FROM CURRENT		1.63%



Cigna Fully Insured Plan Options

CIGNA OPTION 1:

This option with Cigna is matching the current plans as closely as possible. For this option, Cigna is coming in approximately 11% below the renewal – 27% above current.

Deductible	\$500 / \$1,000	\$500 / \$1,000
Coinsurance	80%	80%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$4,000 / \$8,000
PCP/Specialist Copay	\$30 / \$60	\$30 / \$60
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$350
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$10 / \$35 / \$60 (3x Mail Order)

		UHC BASE PLAN (\$500 Deductible 80%)	CIGNA OPTION 1 (\$1,400 Deductible 80% High-Deductible Health Plan)
		Current	Cigna Option 1 Base Plan
Employee Only	19	\$695.52	\$886.79
EE & Spouse	5	\$1,669.00	\$2,128.32
EE & Children	8	\$1,174.26	\$1,496.91
Family	4	\$2,258.65	\$2,879.44
TOTAL MONTHLY		\$39,988.56	\$50,983.65
TOTAL PERCENT CHANGE FROM CURRENT			27.50%

Deductible	\$250 / \$500	\$250 / \$500
Coinsurance	90%	90%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$3,000 / \$6,000
PCP/Specialist Copay	\$20 / \$40	\$20 / \$40
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$350
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$10 / \$35 / \$60 (3x Mail Order)

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	CIGNA OPTION 1 (\$1,500 Deductible 90%)
		Current	Cigna Option 1 Buy-Up Plan
Employee Only	3	\$761.67	\$950.52
EE & Spouse	0	\$1,827.73	\$2,281.24
EE & Children	4	\$1,285.93	\$1,604.48
Family	0	\$2,473.48	\$3,086.33
TOTAL MONTHLY		\$7,428.73	\$9,269.48
TOTAL PERCENT CHANGE FROM CURRENT			24.78%

COMBINED ANNUAL TOTAL	\$569,007.48	\$723,037.56
TOTAL PERCENT CHANGE FROM CURRENT		27.07%

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CIGNA OPTION 2:

This option with Cigna is a dual option High-Deductible Health Plan (HDHP) that is eligible to pair with a Health Savings Account. The buy-up plan increases the individual deductible to \$1,500 from \$250, but the out-of-pocket maximum is the same as current at \$3,000.

Deductible	\$500 / \$1,000	\$1,400 / \$2,800
Coinsurance	80%	80%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$4,000 / \$8,000
PCP/Specialist Copay	\$30 / \$60	80% after deductible
Urgent Care/ER Copay	\$50 / \$350	80% after deductible
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	80% after deductible

		UHC BASE PLAN (\$500 Deductible 80%)	CIGNA OPTION 2 (\$1,400 Deductible 80% High-Deductible Health Plan)
		Current	Cigna Option 2 Base Plan
Employee Only	19	\$695.52	\$751.94
EE & Spouse	5	\$1,669.00	\$1,811.90
EE & Children	8	\$1,174.26	\$1,272.83
Family	4	\$2,258.65	\$2,453.17
TOTAL MONTHLY		\$39,988.56	\$43,341.68
TOTAL PERCENT CHANGE FROM CURRENT			8.39%

Deductible	\$250 / \$500	\$1,500 / \$3,000
Coinsurance	90%	90%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$3,000 / \$6,000
PCP/Specialist Copay	\$20 / \$40	\$30 / \$60
Urgent Care/ER Copay	\$50 / \$350	\$75 / \$500
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$10 / \$35 / \$60 (3x Mail Order)

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	CIGNA OPTION 2 (\$1,500 Deductible 90%)
		Current	Cigna Option 2 Buy-Up Plan
Employee Only	3	\$761.67	\$819.98
EE & Spouse	0	\$1,827.73	\$1,967.94
EE & Children	4	\$1,285.93	\$1,384.12
Family	0	\$2,473.48	\$2,662.47
TOTAL MONTHLY		\$7,428.73	\$7,996.42
TOTAL PERCENT CHANGE FROM CURRENT			7.64%

COMBINED ANNUAL TOTAL	\$569,007.48	\$616,057.20
TOTAL PERCENT CHANGE FROM CURRENT		8.27%



ABA Level-Funded Option

Under the Level-Funded model, a portion of the monthly premium would be used to pay for administrative (fixed) costs and the other portion would be put into a claims funding “bucket” that is used to pay claims throughout the year. Built into the administrative costs is stop-loss which protects Jonesboro from possible high claims utilization. If claims run well, City of Jonesboro could stand to earn a refund of a portion of the unused claims funding account balance after the end of the plan year. If claims do not run well, no deficit would be owed, but City of Jonesboro would likely be facing another high renewal increase in 2021.

Deductible	\$500 / \$1,000	\$500 / \$1,000
Coinsurance	80%	80%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$4,000 / \$8,000
PCP/Specialist Copay	\$30 / \$60	\$30 / \$60
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$350
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$10 / \$35 / \$60 (3x Mail Order)

		UHC BASE PLAN (\$500 Deductible 80%)	ABA OPTION 1 (\$500 Deductible 80% Level-Funded)
		Current	ABA Option 1 Base Plan
Employee Only	19	\$695.52	\$436.58
EE & Spouse	5	\$1,669.00	\$865.23
EE & Children	8	\$1,174.26	\$779.50
Family	4	\$2,258.65	\$1,186.71
TOTAL MONTHLY		\$39,988.56	\$23,604.01
TOTAL PERCENT CHANGE FROM CURRENT			-40.97%

Deductible	\$250 / \$500	\$250 / \$500
Coinsurance	90%	90%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$3,000 / \$6,000
PCP/Specialist Copay	\$20 / \$40	\$20 / \$40
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$350
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$10 / \$35 / \$60 (3x Mail Order)

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	ABA OPTION 1 (\$250 Deductible 90% Level-Funded)
		Current	ABA Option 1 Buy-Up Plan
Employee Only	3	\$761.67	\$474.51
EE & Spouse	0	\$1,827.73	\$941.10
EE & Children	4	\$1,285.93	\$847.78
Family	0	\$2,473.48	\$1,291.04
TOTAL MONTHLY		\$7,428.73	\$4,814.65
TOTAL PERCENT CHANGE FROM CURRENT			-35.19%

COMBINED ANNUAL TOTAL	\$569,007.48	\$341,023.92
TOTAL PERCENT CHANGE FROM CURRENT		-40.07%

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ABA Reference-Based Pricing Option

Under the Reference-Based Pricing model, employees can choose to go to any provider they choose, and ABA will reimburse the provider 150% of what Medicare would pay. This model offers significant savings on claims because traditional insurance contracts typically pay 200-500% of Medicare. However, the major downside to reference-based pricing is that, because there is no network or negotiated costs with providers/facilities, employees can be balance billed if the provider doesn't accept the Reference-Based Pricing payment for their services. This can lead to disruption and/or hardship on Jonesboro's employees, including bills being sent to collections, potential litigation, etc.

Deductible	\$500 / \$1,000	\$500 / \$1,000
Coinsurance	80%	80%
Out-Of-Pocket Maximum	\$4,000 / \$8,000	\$4,000 / \$8,000
PCP/Specialist Copay	\$30 / \$60	\$30 / \$60
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$350
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$10 / \$35 / \$60 (3x Mail Order)

		UHC BASE PLAN (\$500 Deductible 80%)	ABA OPTION 2 (\$500 Deductible 80% Reference-Based Pricing)
		Current	ABA Option 2 Base Plan
Employee Only	19	\$695.52	\$348.93
EE & Spouse	5	\$1,669.00	\$689.95
EE & Children	8	\$1,174.26	\$621.74
Family	4	\$2,258.65	\$945.71
TOTAL MONTHLY		\$39,988.56	\$18,836.18
TOTAL PERCENT CHANGE FROM CURRENT			-52.90%

Deductible	\$250 / \$500	\$250 / \$500
Coinsurance	90%	90%
Out-Of-Pocket Maximum	\$3,000 / \$6,000	\$3,000 / \$6,000
PCP/Specialist Copay	\$20 / \$40	\$20 / \$40
Urgent Care/ER Copay	\$50 / \$350	\$50 / \$350
Rx (Tier 1/2/3)	\$10 / \$35 / \$60 (2.5x Mail Order)	\$10 / \$35 / \$60 (3x Mail Order)

		UHC BUY-UP PLAN (\$250 Deductible 90% - CHANGING TO \$2,000 Ded. 100%)	ABA OPTION 2 (\$250 Deductible 90% Reference-Based Pricing)
		Current	ABA Option 2 Buy-Up Plan
Employee Only	3	\$761.67	\$380.93
EE & Spouse	0	\$1,827.73	\$753.93
EE & Children	4	\$1,285.93	\$679.33
Family	0	\$2,473.48	\$1,033.68
TOTAL MONTHLY		\$7,428.73	\$3,860.11
TOTAL PERCENT CHANGE FROM CURRENT			-48.04%

COMBINED ANNUAL TOTAL	\$569,007.48	\$272,355.48
TOTAL PERCENT CHANGE FROM CURRENT		-52.13%



KEY DECISIONS

Below are the key decisions to be made for Jonesboro's upcoming plan year. BKS Partners' recommendations are in bold.

Renewal	Key Decision	In Force Carrier Rate Impact
Medical	<input type="checkbox"/> Renew with no plan changes <input type="checkbox"/> Explore options within UHC <input type="checkbox"/> Move to Cigna effective 1/1/20 <input type="checkbox"/> Explore Assured Benefits Level-Funded Option <input type="checkbox"/> Explore Assured Benefits Reference-Based Pricing Option	+38.0% (Reduced from +68.0% initial offer)
Dental	<input type="checkbox"/> Renew as is with Lincoln <input type="checkbox"/> Explore other carrier options / plan alternatives	+8.0% (Lincoln will hold current rates if adding Basic Life/AD&D and Vision)
Basic Life & AD&D	<input type="checkbox"/> Renew as is with Anthem <input type="checkbox"/> Move Basic Life/AD&D to Lincoln effective 1/1/20	0%
Voluntary Life	<input type="checkbox"/> Renew as is with Lincoln <input type="checkbox"/> Explore other carrier options / plan alternatives	0%
Vision	<input type="checkbox"/> Renew as is with Anthem <input type="checkbox"/> Move Vision to Lincoln effective 1/1/20	0%
Flexible Spending Account (FSA)	<input type="checkbox"/> Keep current allowed annual FSA election maximum of \$2,700 <input type="checkbox"/> Change maximum to IRS limit (not set yet, but expected to be \$2,750) <input type="checkbox"/> Reduce maximum allowed FSA election	N/A

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2020 RENEWAL PREPARATION

The following is the proposed timeline for the 2020 renewal and open enrollment:

Action Item	Due Date
Renewal Meeting <ul style="list-style-type: none">• Marketing Results• Plan Renewals	October 29 th
Employees Complete Health Applications (if applicable)	November 1 st
Follow Up <ul style="list-style-type: none">• Review underwritten rates from ABA (if applicable)• Additional Plan Options• Additional Negotiations• Contribution Considerations	Week of November 4 th
Final Decisions <ul style="list-style-type: none">• Confirm Carrier(s)• Confirm Plans• Confirm Final 2020 Employee Contributions	November 8 th
Open Enrollment Materials Drafted	Week of November 11 th
Open Enrollment Announced and Materials Distributed	Week of November 11 th
Employee Navigator Enrollment Portal Updated	Week of November 11 th
Open Enrollment (including group Meeting)	November 18 th – December 4 th
Employee Elections Due	December 4 th
Coverage Effective	January 1, 2020