



TO: Summit County Council
 FROM: Ronie Wilde and Brian Bellamy, Summit County Personnel
 DATE: October 4, 2017
 SUBJECT: Staff Report - Health Care for 2018

BACKGROUND

In 2012, the Summit County Council created a health care self-insurance pool inviting three of our dependent districts to participate. Members of this pool included: Summit County, Park City Fire, Snyderville Basin Recreation, and Mt. Regional Water. The pool has been functioning well since its inception. Each of these entities pay premium equivalents to Summit County for claims and administration. The County then disburses payment for the invoices.

Current enrollment per entity is:

- Summit County - 257 employees,
 - Park City Fire - 83 employees,
 - Snyderville Basin Recreation - 20 employees, and
 - Mt. Regional Water - 25 employees.
- Total - 385 employees and 1,260 participants in the plan.

To establish the pool's finances, Summit County seeded the plan \$200,000. Due to the viability of the self-insurance pool; the plan will be returning the seed money to Summit County this year. As of August 2017 the insurance pool has a cumulative balance of \$2,630,749. This is the equivalent of 4½ - 5 months of claims and administration payments.

2017 Net Pool Balance

8/30/2017

Agency	Balance 12/31/2016	2017 Change	Cumulative Balance
Summit County	\$1,118,965.00	\$367,333.00	\$1,486,298.00
Mountain Regional	\$669,361.00	\$22,932.00	\$646,429.00
Basin Recreation	\$178,207.00	\$96,147.00	\$274,354.00
Park City Fire	\$1,158,073.00	\$358,453.00	\$1,516,526.00
Entire Fund	\$1,785,884.00	\$844,865.00	\$2,630,749.00

Biometrics

The County has been, and continues to participate in biometric testing for county employees and their spouses. This testing helps participants in the plan make informed health related decisions and be better stewards of their health care dollars.

We have participated in biometric testing since 2013. Employees have the opportunity to schedule an appointment with the LiVeWell Center at the Park City Medical Center to have their tests completed. We also accept completed tests by the employee's personal physicians. We have

Biometrics Testing Criteria	
Blood Pressure	<140/90
Cholesterol	<200 Total
	<130 LDL
Blood Sugar (A1C)	<7%
Waist Circumference	<40" men
	<35" Women
Flu Shot	Yes/No
Tobacco Use	Yes/No

had good success with employees participating in biometric testing. A few employees have discovered unknown health concerns after participating.

By providing this testing we potentially save the employees and the pool money. We want the employees to be healthy and hopefully catch a possible problem in the targeted health areas early.

If an employee passes three of the first five listed biometric criteria, they receive a 5% discount in the cost of their health care premium. If they don't use tobacco products, they

receive an additional 5%, for a total discount of 10%. If an employee does not pass their biometrics test, they can receive the same benefits as those who do, by participating in the Health Department's Healthy Employee Lifestyle program.

Reinsurance

From the inception of the plan, we contracted with SelectHealth as our plan administrator and our reinsurance provider. In 2016, we changed reinsurers, contracting with SunLife for our reinsurance; staying with SelectHealth as our plan administrator

Self-funded plans all have a reinsurance level to cover catastrophic claims. The reinsurance level selected in 2012 was \$150,000. It was felt this was a safe harbor for our new plan. Since going self-insured we have had a total of eleven claims exceeding our reinsurance level of \$150,000. The amounts exceeding the reinsurance level for the separate years are:

2012	\$ 72,279.59
2013	\$ 34,292.02
2014	\$ 66,840.30
2015	\$185,317.66
2016	\$205,999.34
2017	\$464,778.29 ¹ to date.

¹ Most of the refund is for claims incurred the latter months of 2016.

We recommend the County change our reinsurance level from \$150,000 to \$175,000. If we stay at the \$150,000 level, there will be a 22% increase to our reinsurance rates and will cost an additional \$93,000. If we change to the \$175,000 level, there will only be a 4% increase and will increase our premiums \$16,000.

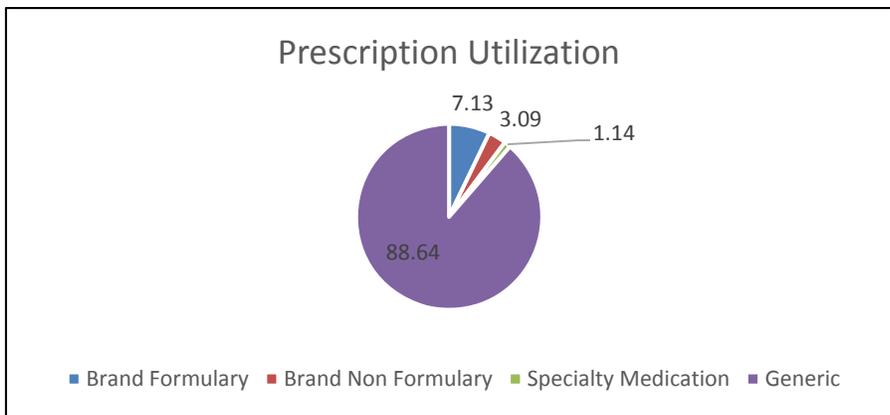
All claims exceeding the reinsurance level have been credited back to the appropriate agency within the pool of funds.

Prescriptions

Pharmacy benefits have run through VRx since 2016. This change has saved the participants in the plan approximately \$180,000 annually in premiums and rebates.

Through July 31, 2017, 88.64% of prescriptions filled were Generic, 7.13% were Brand Formulary and 3.09%

were Brand Non-Formulary. Specialty prescriptions represent 1.14% of our total utilization. Our employees are good stewards of their money when it comes to filling prescriptions.



DISCUSSION

Health Plans

We are proposing to revamp parts of our health care plan this year. We want to offer two different insurance plans for our employees, Select Med+ and Select Care+. Both plans will be offered as a Qualified High Deductible Health Plan (QHDHP) and as a Traditional Plan. We will be offering:

- HSA SelectMed+,
- Traditional SelectMed+,
- HSA SelectCare+, and
- Traditional SelectCare+.

SelectMed+ is strictly an IHC insurance program. SelectCare+ covers IHC providers and the University of Utah Health facilities and doctors. The plus after the plan name indicates there is a “swing out” provision in the plan. To “swing out” an employee will have the ability to go to a non-covered provider, but the employee will bear the additional costs and balance billing.

We are proposing no changes to the SelectMed+ plans.

There are three changes to SelectCare+.

First, we are recommending changing the “Participating Deductible” of the Care+ plan from \$1,000 for an individual and \$2,000 for a family to \$1,500 and \$3,000 respectively. This requires

changing the “Non-Participating Deductible” of the Care+ plan from \$2,000 for an individual and \$4,000 for a family to \$3,000 and \$6,000.

Secondly, the out of pocket maximums will also change from \$3,500 for an individual and \$7,000 for a family to \$4,000 and \$8,000.

The third recommendation changes copays on Office Visits, Secondary Care, and InstaCare from \$25, \$35, and \$40 respectively to \$40, \$50, and \$50.

These changes make all of the plans identical. The major difference in the two plans is the size of the physician pool. SelectCare+ has a larger pool than SelectMed+.

Health Insurance Plan Comparison from 2017 to 2018

Plan Offered	2017 Participating	2017 Non-Participating	2018 Participating	2018 Non-Participating
Traditional SelectMed +	Deductible \$1,500/\$3,000	Deductible \$3,000/\$6,000	Deductible \$1,500/\$3,000	Deductible \$3,000/\$6,000
HSA SelectMed+	Deductible \$1,500/\$3,000	Deductible \$3,000/\$6,000	Deductible \$1,500/\$3,000	Deductible \$3,000/\$6,000
Traditional SelectCare+	Deductible \$1,000/\$2,000	Deductible \$2,000/\$4,000	Deductible \$1,500/\$3,000	Deductible \$3,000/\$6,000
HSA SelectCare+			Deductible \$1,500/\$3,000	Deductible \$3,000/\$6,000
Traditional SelectMed +	Out of Pocket Max \$4,000/\$8,000	Out of Pocket Max \$6,000/\$12,000	Out of Pocket Max \$4,000/\$8,000	Out of Pocket Max \$6,000/\$12,000
HSA SelectMed+	Out of Pocket Max \$4,000/\$8,000	Out of Pocket Max \$6,000/\$12,000	Out of Pocket Max \$4,000/\$8,000	Out of Pocket Max \$6,000/\$12,000
Traditional SelectCare+	Out of Pocket Max \$3,500/\$7,000	Out of Pocket Max \$6,000/\$12,000	Out of Pocket Max \$4,000/\$8,000	Out of Pocket Max \$6,000/\$12,000
HSA SelectCare+			Out of Pocket Max \$4,000/\$8,000	Out of Pocket Max \$6,000/\$12,000
Traditional SelectMed +	Co-pay Office Visit \$40 Secondary \$50 InstaCare \$50	Co-pay Office Visit 30% AD Secondary 30% AD InstaCare 30% AD	Co-pay Office Visit \$40 Secondary \$50 InstaCare \$50	Co-pay Office Visit 30% AD Secondary 30% AD InstaCare 30% AD
HSA SelectMed+	Co-pay Office Visit 20% AD Secondary 20% AD InstaCare 20% AD	Co-pay Office Visit 30% AD Secondary 30% AD InstaCare 30% AD	Co-pay Office Visit 20% AD Secondary 20% AD InstaCare 20% AD	Co-pay Office Visit 30% AD Secondary 30% AD InstaCare 30% AD
Traditional SelectCare+	Co-Pay Office Visit \$25 Secondary \$35 InstaCare \$40	Co-Pay Office Visit 30% AD Secondary 30% AD InstaCare 30% AD	Co-Pay Office Visit \$40 Secondary \$50 InstaCare \$50	Co-pay Office Visit 30% AD Secondary 30% AD InstaCare 30% AD
HSA SelectCare+			Co-pay Office Visit 20% AD Secondary 20% AD InstaCare 20% AD	Co-pay Office Visit 30% AD Secondary 30% AD InstaCare 30% AD

Health Care Rates

The rate increases the pool has received since the inception of the plan and the SelectHealth market trends are as follows:

Year	SelectHealth Trends	Summit County Pool
2013	9.36	7.8
2014	9.32	2.5
2015	7.92	6.0
2016	8.09	6.5
2017	7.99	5.0

The current SelectHealth insurance trend for 2018 is 7.9%. We were originally given a 5.36% renewal rate increase in our premiums. After looking at alternatives, it was agreed we should accept the higher reinsurance level of \$175,000 for a 3.97% increase.

Health Savings Account (HSA)

For those employees in the QHDHP we have provided \$2,500 (family plan) and \$1,250 (single plan) in an HSA. As an incentive to move more employees to the high deductible plan we are recommending the County front load 25% of the HSA contribution in 2018.

CURRENT PREMIUMS AND 2018 PROPOSED PREMIUMS

Current	Employer Contribution	Traditional SelectMed+		HSA SelectMed+		Traditional Select Care+		HSA SelectCare+	
		Employee	Total	Employee	Total	Employee	Total	Employee	Total
		Curent 2017 Premium		Curent 2017 Premium		Curent 2017 Premium		Curent 2017 Premium	
Single	\$466	\$0	\$466	\$0	\$466	\$129	\$595	N/A	N/A
Two Party	\$930	\$0	\$930	\$0	\$930	\$258	\$1,188	N/A	N/A
Family	\$1,440	\$0	\$1,440	\$0	\$1,440	\$400	\$1,840	N/A	N/A
Option 1	Proposed Increase								
	5.36%	Traditional SelectMed+		HSA SelectMed+		Traditional Select Care+		HSA SelectCare+	
		Proposed 2018 Premium		Proposed 2018 Premium		Proposed 2018 Premium		Proposed 2018 Premium	
Single	\$491	\$29	\$520	\$0	\$491	\$136	\$627	\$101	\$592
Two Party	\$980	\$59	\$1,039	\$0	\$980	\$272	\$1,252	\$201	\$1,181
Family	\$1,517	\$91	\$1,608	\$0	\$1,517	\$421	\$1,935	\$311	\$1,828
Option 2	Proposed Increase								
	3.97%	Traditional SelectMed+		HSA SelectMed+		Traditional Select Care+		HSA SelectCare+	
		Proposed 2018 Premium		Proposed 2018 Premium		Proposed 2018 Premium		Proposed 2018 Premium	
Single	\$485	\$29	\$514	\$0	\$485	\$134	\$619	\$99	\$584
Two Party	\$967	\$59	\$1,025	\$0	\$967	\$268	\$1,235	\$198	\$1,165
Family	\$1,497	\$91	\$1,587	\$0	\$1,497	\$415	\$1,912	\$307	\$1,804

Rates shown are for employees who have passed their biometrics.

RECOMMENDATIONS

1. We recommend the County change our reinsurance level from \$150,000 to \$175,000 for 2018.
2. We recommend the Council provide the QHDHP SelectMed+ as the no-premium plan for our employees who pass their biometrics.
3. We recommend front loading 25% of the HSA money as an incentive to help the employees get started on their HSA's and promote more employees moving to that plan.
4. Employees who are 65 years old or older are not eligible to participate in an HSA program. Therefore, we recommend the Council allow us to open an HRA (Health Reimbursement Account) for these employees. This will help these employees with their health expenses. This is an account the County contributes money to, allowing these employees to submit their claim receipts for reimbursement. We recommend putting \$1,000 for a single and \$2,000 for a family into the HRA. The employees who are eligible for Medicare, but not drawing social security, would be allowed to use this fund up to the allotted amount. Unlike an HSA the money in an HRA is County money, it does not stay with the employee. Employees are not allowed to put money into this fund.
5. We need a decision from the Council by October 13, 2017; open enrollment begins on October 23. We need to be prepared to explain the changes in health care at our open enrollment meetings and give the employees an opportunity to select the health care program they choose.