

MINUTES

THE CITY AND COUNTY OF BUTTE-SILVER BOW

HEALTH BENEFIT PLAN INSURANCE COMMITTEE, SPECIAL MEETING 5.1.2020 @ 9:15

Meeting held via Zoom Teleconference hosted by Lori Fearon from Payne West Insurance.

Roll call was taken verbally.

Present: PJ O'Brien, Brandon Warner, Beth Parks, John Moodry, Michele Shea, Levi Davenport, Brian Cetraro, Julia Crain, Gary Abney, Lori Fearon, Kareniesa Kohn, Leslie Clark, Sherrie Walsh, Danette Gleason, Ann Shea, DeHanza Kwong, Doug Conway Beth Wurm

Absent: None

1. Lori Fearon from Payne West presented the Medical, Dental, Vision Renewal Presentation attached.
2. Rates to fund to expected are set with 20.3 % increase over last year rates. Includes stop loss premium rates with no lasers.
3. Navitus Formulary Change - there is an exception to coverage feature on new prescriptions that has allowed a very expensive prescription to flow through even though it is listed as non-covered on the formulary. Removing the exception to coverage feature allows us to have stop loss coverage without lasers on certain plan members.
 - a. Change can be made at plan renewal, there will be a notice to members by Navitus to avoid a disruption due to the change. Allegiance & Payne West will work with members impacted by this change.
4. Individual rates - employer share determined by collective bargaining units and are in the process of being calculated, however, plan rates per month are set by actuary.
5. Insurance Renewal presentation scheduled for council of commissioners meeting; final budget information will be presented later.
6. Another special meeting to be scheduled to review final budget information.
7. Meeting was adjourned.

City and County of Butte-Silverbow

2020-21 Plan Year

Allegiance & HCC

Medical/Dental/Vision				
Projected Budget - Active Rates				
Traditional Plan				
	<u>Enrollment</u>	<u>2019-20</u> <u>Current</u>	<u>2020-21</u> <u>Projected</u>	<u>Maximum</u> <u>Liability</u>
Employee Only	45	\$1,442.31	\$1,726.78	\$2,084.49
Employee + One	64	\$1,608.52	\$1,925.77	\$2,324.70
Employee + Family	115	\$1,684.06	\$2,016.21	\$2,433.88
Total	224			
Composite Rate		\$1,613.91	\$1,932.23	\$2,332.49
Annual Projected Budget		\$4,338,194	\$5,193,824	\$6,269,746
Change to Current			\$855,630	\$1,931,552
			19.7%	44.5%

Medical/Dental/Vision				
Projected Budget - Active Rates				
HDHP Plan				
	<u>Enrollment</u>	<u>2019-20</u> <u>Current</u>	<u>2020-21</u> <u>Projected</u>	<u>Maximum</u> <u>Liability</u>
Employee Only	38	\$1,341.35	\$1,605.91	\$1,938.58
Employee + One	23	\$1,495.92	\$1,790.96	\$2,161.97
Employee + Family	29	\$1,566.17	\$1,875.07	\$2,263.50
Total	90			
Composite Rate		\$1,453.29	\$1,739.93	\$2,100.36
Annual Projected Budget		\$1,569,557	\$1,879,123	\$2,268,391
Change to Current			\$309,567	\$698,835
			19.7%	44.5%

Total Medical/Dental/Vision Plan				
Projected Budget				
Composite Rate		\$1,567.87	\$1,877.11	\$2,265.96
Total Annual Projected Budget		\$5,907,750	\$7,072,947	\$8,538,137
Change to Current			\$1,165,197	\$2,630,387
			19.7%	44.5%

Composite Fixed Fees			
	<u>2019-20</u> <u>Current</u>	<u>2020-21</u> <u>Projected</u>	<u>Change</u>
Medical Administration	\$29.00	\$29.50	1.7%
Health Joy	\$7.50	\$7.50	N/A
Health Rosetta			N/A
Aggregate Stop Loss Premium	\$6.38	\$8.82	38.2%
Individual Stop Loss Premium	\$104.81	\$187.75	79.1%
Maximum Claim Factors	\$1,728.81	\$2,016.79	16.7%
Aggregating Spec. Deductible	\$79.62		-100.0%
Broker Consulting Fee	\$15.60	\$15.60	0.0%

4/30/20

City and County of Butte-Silverbow

2020-21 Plan Year

BCBS & HCSC

Medical/Dental/Vision				
Projected Budget - Active Rates				
Traditional Plan				
	<u>Enrollment</u>	<u>2019-20</u> <u>Current</u>	<u>2020-21</u> <u>Projected</u>	<u>Maximum</u> <u>Liability</u>
Employee Only	45	\$1,442.31	\$1,730.46	\$2,089.00
Employee + One	64	\$1,608.52	\$1,929.88	\$2,329.73
Employee + Family	115	\$1,684.06	\$2,020.51	\$2,439.14
Total	224			
Composite Rate		\$1,613.91	\$1,936.34	\$2,337.54
Annual Projected Budget		\$4,338,194	\$5,204,892	\$6,283,304
Change to Current			\$866,698	\$1,945,110
			20.0%	44.8%

Medical/Dental/Vision				
Projected Budget - Active Rates				
HDHP Plan				
	<u>Enrollment</u>	<u>2019-20</u> <u>Current</u>	<u>2020-21</u> <u>Projected</u>	<u>Maximum</u> <u>Liability</u>
Employee Only	38	\$1,341.35	\$1,609.33	\$1,942.77
Employee + One	23	\$1,495.92	\$1,794.78	\$2,166.64
Employee + Family	29	\$1,566.17	\$1,879.06	\$2,268.39
Total	90			
Composite Rate		\$1,453.29	\$1,743.64	\$2,104.90
Annual Projected Budget		\$1,569,557	\$1,883,128	\$2,273,297
Change to Current			\$313,571	\$703,740
			20.0%	44.8%

Total Medical/Dental/Vision Plan				
Projected Budget				
Composite Rate		\$1,567.87	\$1,881.11	\$2,270.86
Total Annual Projected Budget		\$5,907,750	\$7,088,020	\$8,556,600
Change to Current			\$1,180,269	\$2,648,850
			20.0%	44.8%

Composite Fixed Fees			
	<u>2019-20</u> <u>Current</u>	<u>2020-21</u> <u>Projected</u>	<u>Change</u>
Medical Administration	\$29.00	\$2.56	-91.2%
Health Joy	\$7.50	\$7.50	N/A
Health Rosetta			N/A
Aggregate Stop Loss Premium	\$6.38	\$12.41	94.5%
Individual Stop Loss Premium	\$104.81	\$211.48	101.8%
Maximum Claim Factors	\$1,728.81	\$2,021.31	16.9%
Aggregating Spec. Deductible	\$79.62		-100.0%
Broker Consulting Fee	\$15.60	\$15.60	0.0%

4/30/20

**Butte Silver Bow County
Self-Funded Administration Analysis (Dual Option)**



Effective 7/1/20

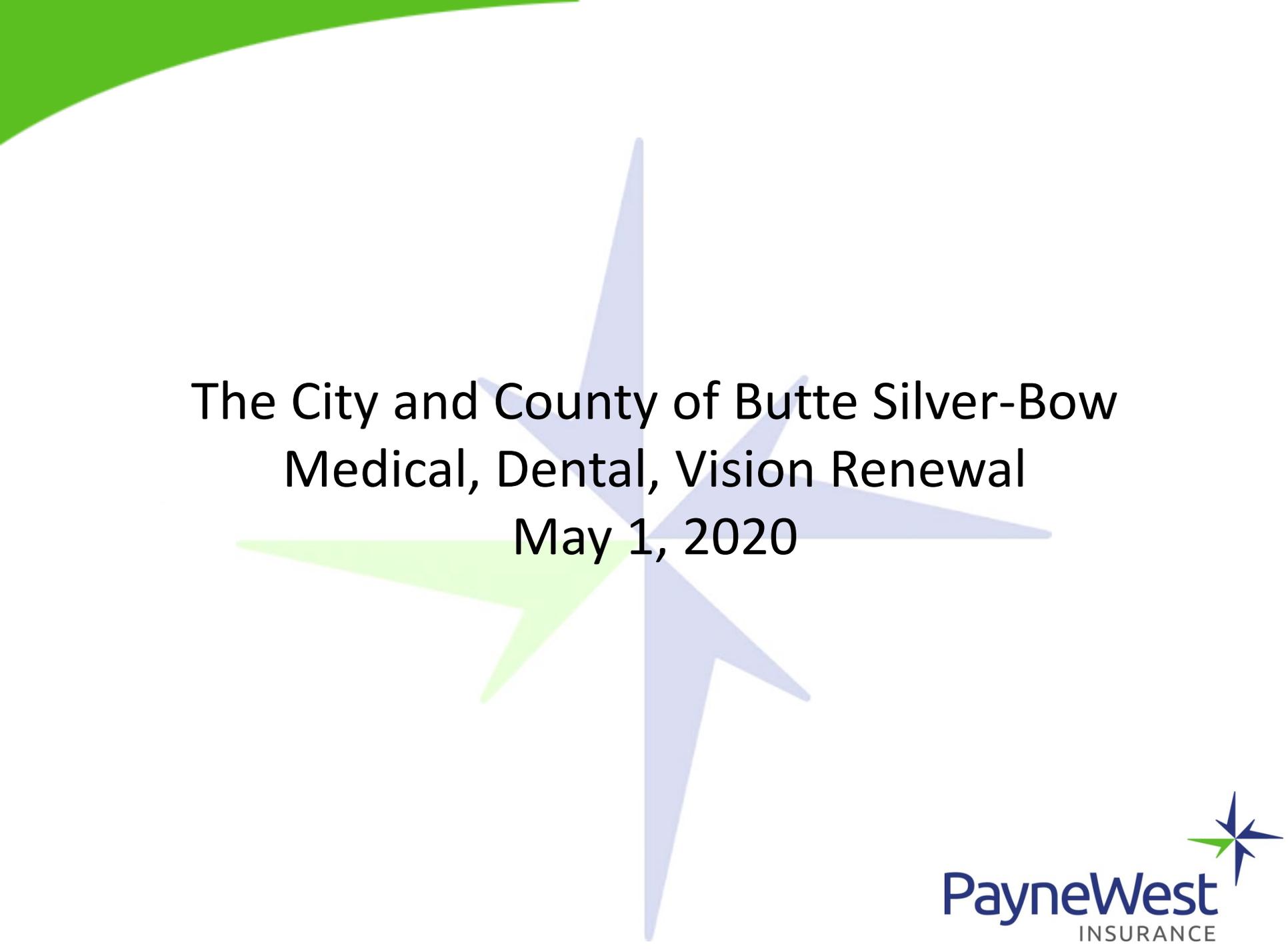
Carrier	HCC Current	HCC Renewal	HCC Option	HCC Option	HCSC	HCSC
MONTHLY FEES (PEPM)						
TPA's Name	Allegiance	Allegiance	Allegiance	Allegiance	HCSC	HCSC
Administration Fees						
Medical/Rx ¹	\$29.00	\$27.85	\$27.85	\$27.85	\$67.95	\$67.95
Rx Rebates	-				(\$65.39)	(\$65.39)
Utilization Review/Pre-Cert/Case Mgmt	-	\$1.65	\$1.65	\$1.65	-	-
Additional Options - Health Joy	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
Broker Fee	\$15.60	\$15.60	\$15.60	\$15.60	\$15.60	\$15.60
Total Administration Costs (PEPM)	\$52.10	\$52.60	\$52.60	\$52.60	\$25.66	\$25.66
Monthly Administration Costs	\$16,359.40	\$16,516.40	\$16,516.40	\$16,516.40	\$8,057.24	\$8,057.24
Total Annual Administration Costs	\$196,313	\$198,197	\$198,197	\$198,197	\$96,687	\$96,687
Specific Stop Loss Deductible	\$140,000	\$140,000	\$150,000	\$160,000	\$140,000	\$150,000
Aggregate Specific Deductible	\$300,000		\$300,000	\$300,000	\$0	\$0
Contract Type	24/12	24/12	24/12	24/12	24/12	24/12
Specific Premium	Med, Rx	Med, Rx	Med, Rx	Med, Rx	Med, Rx	Med, Rx
Employee Only	\$42.09	\$75.20	\$48.61	\$38.29	\$211.48	\$198.17
Family	\$127.35	\$228.19	\$147.80	\$121.79	\$211.48	\$198.17
Composite	\$104.81	\$187.75	\$121.58	\$99.72	\$211.48	\$198.17
Monthly Specific Premium	\$32,911	\$58,953	\$38,176	\$31,312	\$66,405	\$62,225
Annual Specific Premium	\$394,936	\$707,442	\$458,117	\$375,739	\$796,857	\$746,705
Aggregate Premium	\$6.38	\$8.82	\$9.39	\$10.05	\$12.41	\$13.27
Annual Aggregate Premium	\$24,040	\$33,234	\$35,382	\$37,868	\$46,761	\$50,001
Total Annual Stop Loss Costs	\$418,976	\$740,676	\$493,499	\$413,607	\$843,618	\$796,706
		76.78%	17.79%	-1.28%	101.35%	90.16%
A. Total Annual Fixed Costs	\$615,288	\$938,872	\$691,695	\$611,804	\$940,304	\$893,393
Aggregate Factors (Includes)	Med, Rx	Med, Rx	Med, Rx	Med, Rx	Med, Rx	Med, Rx
Contract Type	24/12	24/12	24/12	24/12	24/12	24/12
Employee Only	\$1,728.81	\$2,016.79	\$2,279.59	\$2,442.99	\$2,021.31	\$2,051.41
Family	\$1,728.81	\$2,016.79	\$2,217.59	\$2,442.99	\$2,021.31	\$2,051.41
Composite	\$1,728.81	\$2,016.79	\$2,233.98	\$2,442.99	\$2,021.31	\$2,051.41
B. Est. Aggregate Attachment Point (125%)*	\$6,514,156	\$7,599,265	\$8,417,631	\$9,205,186	\$7,616,296	\$7,729,713
Expected Claims - Composite	\$1,383.05	\$1,613.43	\$1,787.18	\$1,954.39	\$1,617.05	\$1,641.13
C. Est. Expected Claims (100%)	\$5,211,325	\$6,079,412	\$6,734,105	\$7,364,149	\$6,093,037	\$6,183,770
Total Annualized Maximum Costs (A+B)	\$7,539,445	\$8,538,137	\$9,869,327	\$10,556,990	\$8,556,600	\$8,623,106
Change to Current		13.2%	30.9%	40.0%	13.5%	14.4%
Total Annualized Expected Costs (A+C)	\$6,236,613	\$7,018,284	\$8,185,800	\$8,715,953	\$7,033,341	\$7,077,163
Change to Current		12.5%	31.3%	39.8%	12.8%	13.5%
Additional Laser Liability	\$110,000	\$0	\$460,000	\$440,000		
Lasers -	\$250,000	\$0	\$380,000	\$380,000		
		\$0	\$380,000	\$380,000		
		\$0	\$0	\$0		

**Butte Silver Bow County
Self-Funded Administration Analysis (HDHP Only)**



Effective 7/1/20

Carrier	HCC Current	HCC Renewal	HCC Option	HCC Option	HCSC	HCSC
MONTHLY FEES (PEPM)						
TPA's Name	Allegiance	Allegiance	Allegiance	Allegiance	HCSC	HCSC
Administration Fees						
Medical/Rx ¹	\$29.00	\$27.85	\$27.85	\$27.85	\$67.95	\$67.95
Rx Rebates	-				(\$65.39)	(\$65.39)
Utilization Review/Pre-Cert/Case Mgmt	-	\$1.65	\$1.65	\$1.65	-	-
Additional Options - Health Joy	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
Broker Fee	\$15.60	\$15.60	\$15.60	\$15.60	\$15.60	\$15.60
Total Administration Costs (PEPM)	\$52.10	\$52.60	\$52.60	\$52.60	\$25.66	\$25.66
Monthly Administration Costs	\$16,359.40	\$16,516.40	\$16,516.40	\$16,516.40	\$8,057.24	\$8,057.24
Total Annual Administration Costs	\$196,313	\$198,197	\$198,197	\$198,197	\$96,687	\$96,687
Specific Stop Loss Deductible	\$140,000	\$140,000	\$150,000	\$160,000	\$140,000	\$150,000
Aggregate Specific Deductible	\$300,000		\$300,000	\$300,000	\$0	\$0
Contract Type	24/12	24/12	24/12	24/12	24/12	24/12
Specific Premium	Med, Rx	Med, Rx	Med, Rx	Med, Rx	Med, Rx	Med, Rx
Employee Only	\$42.09	\$75.20	\$48.61	\$38.29	\$211.48	\$198.17
Family	\$127.35	\$228.19	\$147.80	\$121.79	\$211.48	\$198.17
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		76.78%	17.79%	-1.28%	101.35%	90.16%
A. Total Annual Fixed Costs	\$615,288	\$938,872	\$691,695	\$611,804	\$940,304	\$893,393
Aggregate Factors (Includes)	Med, Rx	Med, Rx	Med, Rx	Med, Rx	Med, Rx	Med, Rx
Contract Type	24/12	24/12	24/12	24/12	24/12	24/12
Employee Only	\$1,728.81	\$1,926.03	\$2,279.59	\$2,442.99	\$1,960.67	\$2,051.41
Family	\$1,728.81	\$1,926.03	\$2,217.59	\$2,442.99	\$1,960.67	\$2,051.41
Composite	\$1,728.81	\$1,926.03	\$2,233.98	\$2,442.99	\$1,960.67	\$2,051.41
B. Est. Aggregate Attachment Point (125%)*	\$6,514,156	\$7,257,298	\$8,417,631	\$9,205,186	\$7,387,807	\$7,729,713
Expected Claims - Composite	\$1,383.05	\$1,540.83	\$1,787.18	\$1,954.39	\$1,568.54	\$1,641.13
C. Est. Expected Claims (100%)	\$5,211,325	\$5,805,838	\$6,734,105	\$7,364,149	\$5,910,246	\$6,183,770
Total Annualized Maximum Costs (A+B)	\$7,539,445	\$8,196,170	\$9,869,327	\$10,556,990	\$8,328,112	\$8,623,106
Change to Current		8.7%	30.9%	40.0%	10.5%	14.4%
Total Annualized Expected Costs (A+C)	\$6,236,613	\$6,744,711	\$8,185,800	\$8,715,953	\$6,850,550	\$7,077,163
Change to Current		8.1%	31.3%	39.8%	9.8%	13.5%
Additional Laser Liability	\$110,000	\$0	\$460,000	\$440,000		
AggReduction to Move to HDHP Only						
Aggregate Factor Reduction		-4.5%			-3.0%	
Expected Claim Reduction		(\$273,574)			(\$182,791)	
Lasers -	\$250,000	\$0	\$380,000	\$380,000		
		\$0	\$380,000	\$380,000		
		\$0	\$0	\$0		



The City and County of Butte Silver-Bow
Medical, Dental, Vision Renewal
May 1, 2020

Agenda

- ◆ Marketing Results
- ◆ St. James Contract Negotiations
- ◆ 2020 RX Formulary Recommendations
- ◆ Budget

Marketing

- ◆ PayneWest submitted request for proposals (RFP) to the following:
 - BCBS of Montana
 - MMIA
 - Allegiance Medical Benefit Plan
 - 9 stop loss carriers
 - Berkley and Everlong Captives

Declines:

- ✓ MMIA declined to quote
 - ✓ Covid 19 timing
 - ✓ Actuary increase to their overall plan to occur
 - ✓ Willing to look at proposing for 1/1 effective date
- ✓ Pacific Source
- ✓ Berkley Captive
- ✓ 3 Stop Loss Carriers

Proposals

- ◆ Allegiance
 - TMHCC renewal
 - Initially included 3 lasers and 31% increase for current plan
 - Negotiated 13.2 % Medical increase for Dual Option
 - No lasers (based on RX Formulary Change)
 - Removed \$300K Aggregating Specific Deductible
 - Move to single HDHP option saves 4.5% (\$273,547 in claims cost)
 - Overall 19% budget increase for Medical, Dental, Vision
- ◆ BCBS
 - 13.5% increase over current
 - Matching Allegiance Plan Design/RX
- ◆ Captives
 - Everlong pricing for entry 10% more than renewal with TMHCC

TPA Pro's

◆ BCBS

- Very cooperative in PBM contract negotiations for transparency and pass thru
- Offered \$175K transition credit
- Willingness to Integrate Health Joy

◆ Allegiance

- Incumbent TPA
- No member disruption to move
- HealthJoy currently integrated

2020 St. James Contract

- ◆ Current percentage of Medicare rate in place
 - COVID situation primary reason for no movement
- ◆ NEW: J-Code pricing reductions
 - Based on current claims-equates to an additional \$200K savings to plan

Navitus Formulary Change

- ◆ Remove “exception to coverage” contract feature
- ◆ 30 day notice to members (normally 60, but not on renewal)
- ◆ Allegiance and PWI will work with members who might have disruption due to change.

Budget Calculations

- ◆ See attached.

