

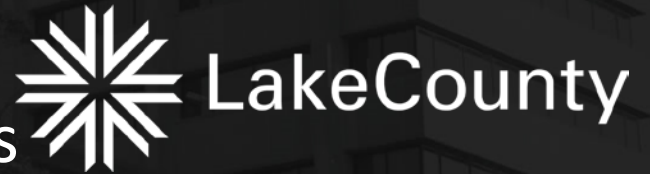


LAKE COUNTY
Investing in People
and Our Communities

Lake County Health Insurance
July 2018

AGENDA

- Previous Years Overview
- FY2018 Projection
- FY2019 Direction/Plan Objectives
- Cadillac Tax



LakeCounty

Purpose

- Share FY18 & FY 19 projected cost
- Discuss Plan Objectives/Changes for FY19
- Discuss Timing for FY19 Health Insurance Approvals

Past Years Highlights/Costs

FY16, FY17 & FY18 Summary Actual & Budgeted

	<u>Budgeted*</u>	<u>Actual</u>	<u>Over/Under(-) Budget</u>
FY 16**	\$37,837,015	\$34,946,570	-\$2,890,439
FY 17	\$37,789,400	\$36,389,800	-\$1,399,600
FY 18	\$38,671,865	\$38,479,700***	-\$192,165

*Budgeted amount reflects premiums associated with plan type and tier selection

**New Hires no longer eligible to join Traditional PPO

***Projected

3-Year Actuals & Projected Costs Per Employee Per Year Cost by Plan Type

<u>Plan Type</u>	FY 2017		FY 2018		FY 2019	
	<u>Empl</u>	<u>\$PEPY</u>	<u>Empl</u>	<u>\$PEPY</u>	<u>Empl</u>	<u>\$PEPY</u>
PPO	648	\$18,308	546	\$19,877	455	\$21,303
CDHP-PPO	670	\$18,473	760	\$19,546	851	\$20,763
HMO IL	684	\$13,820	695	\$14,114	695	\$15,203
BA HMO IL	253	\$10,652	254	\$11,659	254	\$12,538
Totals	2,255	\$16,137	2,255	\$17,604	2,255	\$18,232

FY17

Actuals by Plan Type

<u>Plan Type</u>	<u>Empl</u>	<u>Budget</u>	<u>Actual</u>	Above/Below(-) Budget	
				\$	%
PPO	648	\$10,763,700	\$11,864,200	\$1,100,500	10.2%
CDHP-PPO	670	\$12,658,600	\$12,377,100	-\$281,500	-2.2%
HMO IL	684	\$10,913,800	\$9,453,500	-\$1,460,300	-13.4%
BA HMO IL	253	\$3,453,300	\$2,695,000	-\$758,300	-21.9%
Totals	2,255	\$37,789,400	\$36,389,800	-\$1,399,600	-3.7%

5-YR Average Annual Increase In Employee Premium Contributions

Coverage	CDHP	PPO	HMO	HMO Blue
SINGLE	3.06%	9.32%	3.36%	3.58%
Employee+1	2.92%	8.52%	3.14%	3.28%
Family	2.82%	7.92%	3.00%	3.10%

FY18 Projections

FY18 HIGHLIGHTS

- Decreased the County's HSA Contribution \$50/single; \$100 family
- CDHP Deductibles Increased \$50/single & \$100/family (legally required)
- Increased the Empl share of Traditional PPO premiums by 2%; no % share changes to the other plan premiums
- New Prescription Benefits Manager; Change from Express Scripts to Optum
- FY18 budget (39M) was the same for FY17; Approximately 8M collected in premiums

FY18

Projections by Plan Type

<u>Plan Type</u>	<u>Empl</u>	<u>Budget</u>	<u>Projection</u>	<u>\$ Incr</u>	<u>% Incr</u>
PPO	546	\$9,229,082	\$10,853,000	\$1,623,918	17.6%
CDHP-PPO	760	\$14,657,390	\$14,855,500	\$198,110	1.4%
HMO IL	695	\$11,210,211	\$9,809,600	-\$1,400,611	-12.5%
BA HMO IL	254	\$3,575,182	\$2,961,600	-\$613,582	-17.2%
Totals	2,255	\$38,671,865	\$38,479,700	-\$192,165	-0.5%

FY19 Planning

FY19

Projections by Plan Type-No Changes

<u>Plan Type</u>	<u>Empl</u>	<u>FY18 Budget</u>	<u>FY19 Projection</u>	<u>\$ Incr</u>	<u>% Incr</u>
PPO	455	\$7,692,430	\$9,692,900	\$2,000,470	26.0%
CDHP-PPO	851	\$16,416,913	\$17,670,100	\$1,253,187	7.7%
HMO IL	695	\$11,210,211	\$10,566,600	-\$643,611	-5.7%
BA HMO IL	254	\$3,575,182	\$3,184,700	-\$390,482	-10.9%
Totals	2,255	\$38, 894,736	\$41,114,300	\$2,219,564	5.7%

RFP

In May, Segal helped us issue an RFP for a new Healthcare vendor.

Decision is pending final approval.

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Qualified Bidders

BCBS

&

UNITED

HEALTH CARE

STAFF'S SUGGESTED CHANGES FOR FY19

Continue to cost shift to employees who choose more expensive plan (i.e. raise employee share of the Traditional PPO plan more than other plans)

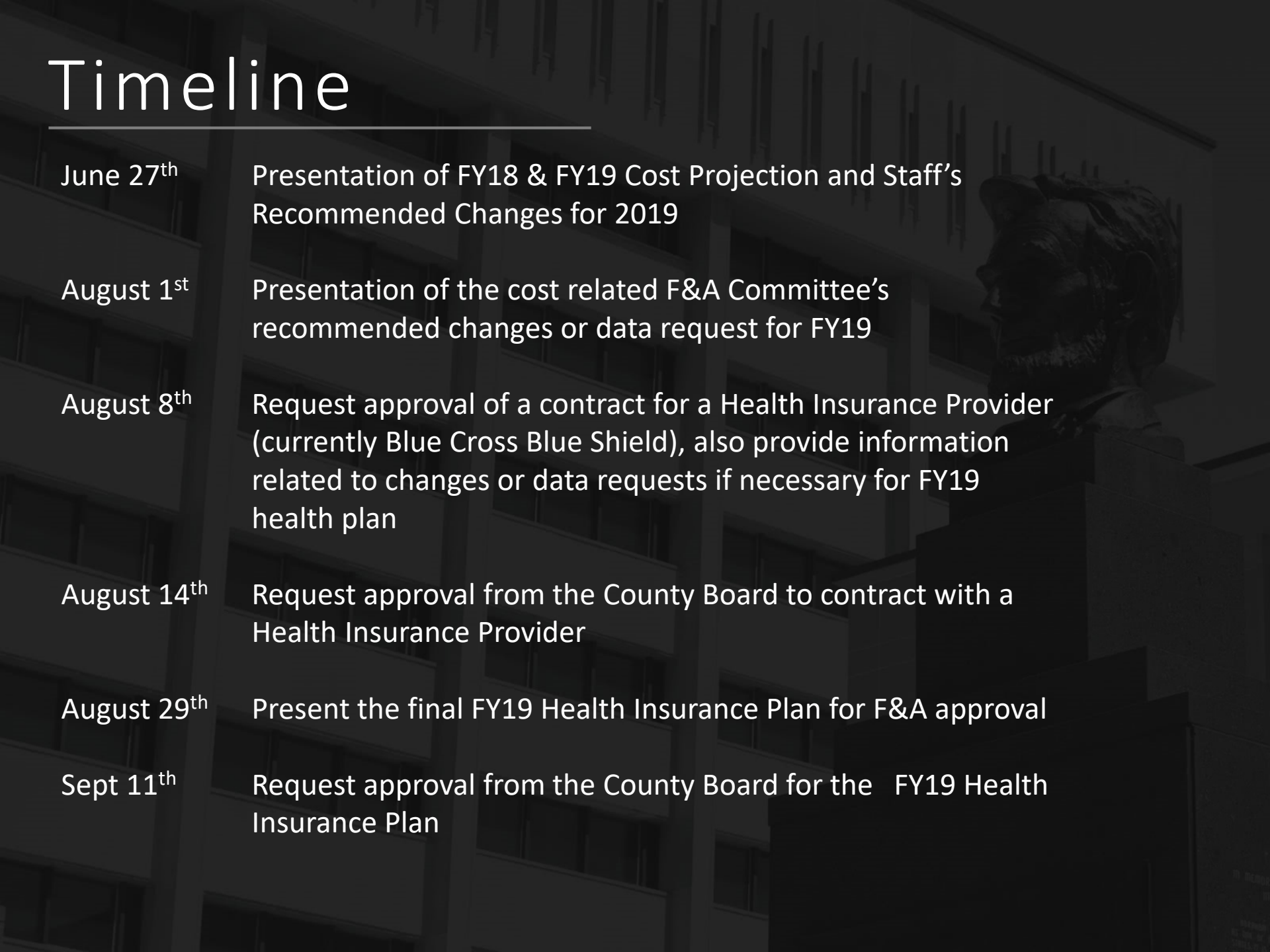
Reduce County's Contribution to Health Savings Account by \$50/Single, \$100/Family

Cadillac Tax

Cadillac Tax

- On January 22, 2018, Congress passed and the president signed into law a two year delay of the “Cadillac tax,” changing the effective date from 2020 to 2022.
- Originally included in the 2010 Affordable Care Act, the Cadillac tax has now been delayed twice; it was also delayed for two years (from 2018 to 2020) through the Consolidated Appropriations Act of 2016

Timeline

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- June 27th Presentation of FY18 & FY19 Cost Projection and Staff's Recommended Changes for 2019
- August 1st Presentation of the cost related F&A Committee's recommended changes or data request for FY19
- August 8th Request approval of a contract for a Health Insurance Provider (currently Blue Cross Blue Shield), also provide information related to changes or data requests if necessary for FY19 health plan
- August 14th Request approval from the County Board to contract with a Health Insurance Provider
- August 29th Present the final FY19 Health Insurance Plan for F&A approval
- Sept 11th Request approval from the County Board for the FY19 Health Insurance Plan



QUESTIONS?



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