



TO: Board of Commissioners

FROM: Diane Hirshberg, Human Resource Manager

THROUGH: Michael Benard, Executive Director

RE: **United Healthcare Health Insurance Renewal for 2020**

DATE: October 2019

SUMMARY:

In October 2018, the Board chose to leave the PDRMA Health Insurance Program and approved CFM Insurance, Inc. as the Park District's Insurance Broker. Through CFM, the Board approved United Healthcare as our health insurance carrier for 2019. The current health coverage consists of an option of a PPO with a \$500 deductible and an HMO plan.

For the plan year beginning January 1, 2020 the District has received quotes for a PPO with a \$500 deductible and an HMO from three insurance carriers. Quoted premium totals reported are based on our current number of employees in the HMO and PPO programs

Quote #1 United Healthcare – UHC's 2020 quote for health insurance has an increase of 10.6% over the 2019 premium. The quote for total premium is \$1,493,412.60.

The renewal quote from United Healthcare is provided below:

Medical Plan Group

Renewal
 United Healthcare
\$ 1,384,858¹⁵ +10.6%

Medical Plan Design

UHC
 BF-C4, Navigate HMO, 0/100%, 20/

UHC
 BD-R3, 500/100%, 20/40

	Single	Family	Single	Family
Deductible	\$ 0	\$ 0	\$ 500	\$ 1,000
Employee Coinsurance	0 %	0 %	0 %	0 %
Out-of-Pocket Max	\$ 1,500	\$ 3,000	\$ 2,000	\$ 4,000
Employer Funding	\$ - 0	\$ - 0	\$ - 0	\$ - 0
Net Out-of-Pocket Max	\$ 1,500	\$ 3,000	\$ 2,000	\$ 4,000
Employee Annual Prem	\$ + 362	\$ + 968	\$ + 1,460	\$ + 3,908
Employee Max Ann. Cost	\$ ▲1,862	\$ ▲3,968	\$ ▲3,460	\$ ▲7,908

Medical Copays

Primary Care	\$ 20
Specialty Care	\$ 40
Urgent Care	\$ 75
Emergency	\$ 300
Out-Patient Hospital	\$ --
In-Patient Hospital	\$ --

Copay	
Primary Care	\$ 20
Specialty Care	\$ 40
Urgent Care	\$ 75
Emergency	\$ 300
Out-Patient Hospital	\$ --
In-Patient Hospital	\$ --
Rx	No Deductible
Tiers	\$10, \$35, \$60, --

Copay	
Primary Care	\$ 20
Specialty Care	\$ 40
Urgent Care	\$ 75
Emergency	\$ 300
Out-Patient Hospital	\$ -- Covered at 100% after Ded...
In-Patient Hospital	\$ -- Covered at 100% after Ded...
Rx	No Deductible
Tiers	\$10, \$35, \$60, --

	Enrollment	Prem	ER	EE		Prem	ER	EE
Employee Only	22	\$ 602 ⁷¹	95 %	\$ 30 ¹⁴		\$ 811 ¹⁸	85 %	\$ 121 ⁶⁸
Employee + Spouse	17	\$ 1,133 ⁰⁸	95 %	\$ 56 ⁶⁵		\$ 1,525 ⁰⁰	85 %	\$ 228 ⁷⁵
Employee + Children	11	\$ 804 ⁷⁵	95 %	\$ 40 ²⁴		\$ 1,083 ¹⁰	85 %	\$ 162 ⁴⁸
Family	34	\$ 1,612 ⁹⁵	95 %	\$ 80 ⁶⁵		\$ 2,170 ⁹⁵	85 %	\$ 325 ⁶³
Ann. Insurance Premium		\$ 1,154,574 ⁹⁸ ▲				\$ 338,838 ²⁴ ▲		

Employer Prem Contribution	\$	1,096,845 ⁶⁴	\$	288,012 ⁵⁰
Budgeted HRA + HSA	\$	+ 0 ⁰⁰ + 0 ⁰⁰	\$	+ 0 ⁰⁰ + 0 ⁰⁰
Employer Ann. Cost	\$	▲1,096,845 ⁶⁴	\$	▲288,012 ⁵⁰

Quote #2 & #3 Blue Cross Blue Shield – BCBS quoted two options. Option one is for a one-year period (2020) with a total premium of \$1,231,644.96, an 8.8% decrease compared to our 2019 UHC rates.

Option two is for a two-year period (2020 and 2021) with a total premium of \$1,268,596.68, a 6.1% decrease compared to our 2019 UHC rates. We are not locked into renewing with BCBS in year two.

They are also offering a 1% discount on the health premium if we bundle life, AD&D, and vision.

The 12 Month Quote for BCBS is provided below:

Medical Plan Group

Proposed
Blue Cross/Blue Shield - 12 Mo.
\$ 1,142,557⁵⁰ -3.8%

Medical Plan Design

	BCBS of Illinois MIBAH202, HMO 0/100%		BCBS of Illinois MIBPP202, 500/90% PPO	
	Single	Family	Single	Family
Deductible	\$ 0	\$ 0	\$ 500	\$ 1,500
Employee Coinsurance	0 %	0 %	10 %	10 %
Out-of-Pocket Max	\$ 1,500	\$ 3,000	\$ 1,500	\$ 4,500
Employer Funding	\$ - 0	\$ - 0	\$ - 0	\$ - 0
Net Out-of-Pocket Max	\$ 1,500	\$ 3,000	\$ 1,500	\$ 4,500
Employee Annual Prem	\$ + 270	\$ + 791	\$ + 1,090	\$ + 3,197
Employee Max Ann. Cost	\$ ▼1,770	\$ ▼3,791	\$ ▼2,590	\$ ▲7,697

	BCBS of Illinois MIBAH202, HMO 0/100%	BCBS of Illinois MIBPP202, 500/90% PPO
Medical Copays	Copay	Copay
Primary Care	\$ 20	\$ 20
Specialty Care	\$ 40	\$ 40
Urgent Care	\$ 40	\$ 150
Emergency	\$ 250	\$ 150
Out-Patient Hospital	\$ -- Covered at 100% In-Network...	\$ -- Covered at 90% after Dedu...
In-Patient Hospital	\$ -- Covered at 100% In-Network...	\$ -- Covered at 90% after Dedu...
Rx	No Deductible	No Deductible
Tiers	\$0, \$10, \$50, \$100, \$150, \$250	\$0, \$10, \$50, \$100, \$150, \$250

	BCBS of Illinois MIBAH202, HMO 0/100%				BCBS of Illinois MIBPP202, 500/90% PPO			
	Enrollment	Prem	ER	EE	Enrollment	Prem	ER	EE
Employee Only	22	\$ 449 ³⁵	95 %	\$ 22 ⁴⁷	4	\$ 605 ⁷¹	85 %	\$ 90 ⁸⁵
Employee + Spouse	17	\$ 933 ²⁸	95 %	\$ 46 ⁵⁸	5	\$ 1,258 ⁰⁵	85 %	\$ 188 ⁷¹
Employee + Children	11	\$ 833 ⁵⁷	95 %	\$ 41 ⁸⁸	0	\$ 1,123 ⁸⁵	85 %	\$ 168 ⁵⁵
Family	34	\$ 1,317 ⁵¹	95 %	\$ 65 ⁵⁸	8	\$ 1,775 ⁰⁰	85 %	\$ 266 ⁴⁰
Ann. Insurance Premium	\$ 956,592 ⁸⁴ ▼				\$ 275,052 ¹² ▼			

Employer Prem Contribution	\$	908,763 ²⁰	\$	233,794 ³⁰
Budgeted HRA + HSA	\$	+ 0 ⁰⁰ + 0 ⁰⁰	\$	+ 0 ⁰⁰ + 0 ⁰⁰
Employer Ann. Cost	\$	▼908,763²⁰	\$	▼233,794³⁰

The 24 Month Quote for BCBS is provided below:

Medical Plan Group

Proposed
Blue Cross/Blue Shield - 24 Mo.
\$ 1,176,836⁴⁹ -6.1%

Medical Plan Design

BCBS of Illinois
MIBAH202, 0/100%, 20/40 HMO, 2 y

BCBS of Illinois
MIBPP002, 500/90%, 20/40, 2 yr r

	BCBS of Illinois MIBAH202, 0/100%, 20/40 HMO, 2 y		BCBS of Illinois MIBPP002, 500/90%, 20/40, 2 yr r	
	Single	Family	Single	Family
Deductible	\$ 0	\$ 0	\$ 500	\$ 1,500
Employee Coinsurance	0 %	0 %	10 %	10 %
Out-of-Pocket Max	\$ 1,500	\$ 3,000	\$ 1,500	\$ 4,500
Employer Funding	\$ - 0	\$ - 0	\$ - 0	\$ - 0
Net Out-of-Pocket Max	\$ 1,500	\$ 3,000	\$ 1,500	\$ 4,500
Employee Annual Prem	\$ + 278	\$ + 814	\$ + 1,123	\$ + 3,293
Employee Max Ann. Cost	\$ ▼1,778	\$ ▼3,814	\$ ▼2,623	\$ ▲7,793

	BCBS of Illinois MIBAH202, 0/100%, 20/40 HMO, 2 y		BCBS of Illinois MIBPP002, 500/90%, 20/40, 2 yr r	
	Copay		Copay	
Medical Copays				
Primary Care	\$ 20		\$ 20	
Specialty Care	\$ 40		\$ 40	
Urgent Care	\$ -		\$ -	
Emergency	\$ 250		\$ 150	
Out-Patient Hospital	\$ -- Covered at 100% in-networ...		\$ 300	
In-Patient Hospital	\$ -- Covered at 100% in-networ...		\$ -- Deductible and Consurance...	
Rx	No Deductible		No Deductible	
Tiers	\$0, \$10, \$50, \$100, \$150, \$250		\$0, \$10, \$50, \$100, \$150, \$250	

	BCBS of Illinois MIBAH202, 0/100%, 20/40 HMO, 2 y				BCBS of Illinois MIBPP002, 500/90%, 20/40, 2 yr r			
	84	Prem	ER	EE	17	Prem	ER	EE
Enrollment								
Employee Only	22	\$ 462 ⁸³	95 %	\$ 23 ¹⁴	4	\$ 623 ⁸⁸	85 %	\$ 93 ⁵⁸
Employee + Spouse	17	\$ 961 ²⁸	95 %	\$ 48 ⁹⁸	5	\$ 1,295 ⁷⁹	85 %	\$ 194 ⁹⁷
Employee + Children	11	\$ 858 ⁵⁸	95 %	\$ 42 ⁹³	0	\$ 1,157 ³⁸	85 %	\$ 173 ⁸⁰
Family	34	\$ 1,357 ⁰⁴	95 %	\$ 67 ⁶⁵	8	\$ 1,829 ²⁷	85 %	\$ 274 ³⁹

Ann. Insurance Premium	\$ 985,293 ¹² ▼	\$ 283,303 ⁵⁶ ▼
Employer Prem Contribution	\$ 936,028 ⁴⁸	\$ 240,808 ⁰³
Budgeted HRA + HSA	\$ + 0 ⁰⁰ + 0 ⁰⁰	\$ + 0 ⁰⁰ + 0 ⁰⁰
Employer Ann. Cost	\$ ▼936,028 ⁴⁶	\$ ▼240,808 ⁰³

Quote #4 Cigna – Cigna’s 2020 quote has a 6.9% increase compared to our 2019 UHC rates. The quote for total premium is \$1,444,332.36.

The Quote for Cigna is provided below:

Medical Plan Group		Proposed Cigna \$ 1,339,345 ³³ +6.9%			
Medical Plan Design		Cigna HMO, 0/100%		Cigna OAP, 500/100%	
		Single	Family	Single	Family
Deductible		\$ 0	\$ 0	\$ 500	\$ 1,000
Employee Coinsurance		0 %	0 %	0 %	0 %
Out-of-Pocket Max		\$ 1,500	\$ 3,000	\$ 2,000	\$ 4,000
Employer Funding		\$ -	\$ -	\$ -	\$ -
Net Out-of-Pocket Max		\$ 1,500	\$ 3,000	\$ 2,000	\$ 4,000
Employee Annual Prem		\$ + 350	\$ + 936	\$ + 1,412	\$ + 3,779
Employee Max Ann. Cost		\$ ▲1,850	\$ ▲3,936	\$ ▲3,412	\$ ▲7,779
Medical Copays		Copay		Copay	
Primary Care		\$ 20		\$ 20	
Specialty Care		\$ 40		\$ 40	
Urgent Care		\$ 75		\$ 75	
Emergency		\$ 300		\$ 300	
Out-Patient Hospital		\$ -- Covered at 100% after Ded...		\$ -- Covered at 100% after Ded...	
In-Patient Hospital		\$ -- Covered at 100% after Ded...		\$ -- Covered at 100% after Ded...	
Rx		No Deductible		No Deductible	
Tiers		\$10, \$35, \$60, --, --, --		\$10, \$35, \$60, --, --, --	
Enrollment		84	Prem ER EE	17	Prem ER EE
Employee Only		22	\$ 582 ⁰⁰ 95 % \$ 29 ¹⁵	4	\$ 784 ⁵⁵ 85 % \$ 117 ⁶⁸
Employee + Spouse		17	\$ 1,095 ⁰⁰ 95 % \$ 54 ⁸⁰	5	\$ 1,474 ⁹⁸ 85 % \$ 221 ²⁴
Employee + Children		11	\$ 778 ²¹ 95 % \$ 38 ⁹¹	0	\$ 1,047 ³⁷ 85 % \$ 157 ¹¹
Family		34	\$ 1,559 ⁹² 95 % \$ 77 ⁰⁰	8	\$ 2,099 ⁴⁶ 85 % \$ 314 ⁹²
Ann. Insurance Premium		\$ 1,116,628 ²⁰ ▲		\$ 327,704 ¹⁶ ▲	
Employer Prem Contribution		\$	1,060,796 ⁷⁹	\$	278,548 ⁵⁴
Budgeted HRA + HSA		\$	+ 0 ⁰⁰ + 0 ⁰⁰	\$	+ 0 ⁰⁰ + 0 ⁰⁰
Employer Ann. Cost		\$ ▲1,060,796 ⁷⁹		\$ ▲278,548 ⁵⁴	

Aetna and Humana declined to quote because their rates were not competitive.

Wellness Benefit

The Wellness Benefit is provided by Blue Cross Blue Shield as Blue Points—Rewards for Healthy Living. With this program, employees will be able to earn points for participating in many different healthy activities. The points can be redeemed for merchandise in an online shopping mall such as apparel, books, health and personal care items, jewelry, electronics, etc.

The points can roll over from one year to the next and can earn up to 104,000 points per year. There is no cost to the District or the employees for this program.

Employee Assistance Program

The BCBS employee assistance program is provided by ComPsych. The coverage is similar to that of Optum and formerly Workplace Solutions providing legal, and financial resources, critical incident support, and management and employee support.

We have four options available (see chart below). The one that most closely resembles our current program is the 3-sessions full integrated for \$1.28 per employee per month. We are currently paying \$1.04 per employee per month with UHC. Based on our October 2019 count of 551 full-time and part-time employees, the total would be approximately \$705 per month.

	3-session	5-session
Fully integrated GuidanceResources (Face-to-face EAP counseling, FamilySource, LegalConnect, FinancialConnect and GuidanceResources Online)	\$1.28 pepm	\$1.41 pepm
Telephonic GuidanceResources Option (Telephonic EAP counseling, FamilySource, LegalConnect, FinancialConnect and GuidanceResources Online)	\$1.04 pepm	\$1.19 pepm

REVIEW OF FINDINGS

Below is a summary of the 2020 annual cost for United Healthcare, Blue Cross Blue Shield and Cigna. Blue Cross Blue Shield shows as the best option for a cost savings of 8.8% compared to 2019 rates for a one-year period and 6.1% cost savings compared to 2019 for a two year period.



Wheaton Park District
Report as of 1 October 2019

Coverage Period Overview - 1/1/20 - 12/31/20
This is a trial, illustrative summary of the benefits and rates. This is not intended to be a complete comparison of contract provisions. Refer to the contract language for actual benefit details. While every effort has been made to ensure the accuracy of the rates, final rates are subject to change and are based on final enrollment and underwriting approval.

Plan Group	Total Premium	Budgeted HSA/HRA	Total Cost	Employee Cost	Employer Cost
Budget: \$ 1,587,991⁶⁸					
Current United Healthcare 2 plans	\$ 1,350,886 ³²	\$ 0 ⁰⁰	\$ 1,350,886 ³²	\$ 98,194 ²⁰	\$ 1,252,692¹²
Fully Insured. Medically Underwritten. Dual Choice HMO/PPO. UHC gave 5% rate relief at NB. Included an additional 3% off for bundling of Dental, Vision, Life/AD&D and VTL. UHC will give \$5k in charitable contributions, annually. Group Received 0.5% for Online Onboarding.					
Renewal United Healthcare 2 plans	\$ 1,493,412 ⁶⁰ +10.6%	\$ 0 ⁰⁰	\$ 1,493,412 ⁶⁰ +10.6%	\$ 108,554 ⁴⁵ +10.6%	\$ 1,384,858¹⁵ +10.8%
Fully Insured. Medically Underwritten. Dual Choice HMO/PPO. Rates include +7.9% rate cap + 2.65% PPACA Insurer Fee re instituted for 2020.					
Proposed Blue Cross/Blue Shield - 12 Mo. 2 plans	\$ 1,231,644 ⁸⁶ -8.8%	\$ 0 ⁰⁰	\$ 1,231,644 ⁹⁸ -8.8%	\$ 89,087 ⁴⁶ -9.3%	\$ 1,142,557⁵⁰ -8.8%
Fully Insured. Medically Underwritten. Dual Choice HMO/PPO. Rates are guaranteed for 12 months and subject to change on 1/1/21 renewal. Final rates subject to final enrollment (census changes).					
Proposed Blue Cross/Blue Shield - 24 Mo. 2 plans	\$ 1,268,596 ⁶⁸ -6.1%	\$ 0 ⁰⁰	\$ 1,268,596 ⁶⁸ -6.1%	\$ 91,760 ¹⁹ -6.6%	\$ 1,176,836⁴⁹ -6.1%
Fully Insured. Medically Underwritten. Dual Choice HMO/PPO. Rates are guaranteed for 24 months and subject to change on 1/1/22 renewal. Final rates subject to final enrollment (census changes).					
Proposed Cigna 2 plans	\$ 1,444,332 ³⁶ +6.9%	\$ 0 ⁰⁰	\$ 1,444,332 ³⁶ +6.9%	\$ 104,987 ⁰³ +6.9%	\$ 1,339,345³³ +6.0%
Fully Insured. Medically Underwritten. Dual Choice HMO/PPO. Rates include 3% NB discount, and reflect 1% discount with the bundling of the dental coverages. Rates subject to final enrollment (census changes).					
Proposed Aetna 0 plans	\$ 0 ⁰⁰ -100.0%	\$ 0 ⁰⁰	\$ 0 ⁰⁰ -100.0%	\$ 0 ⁰⁰ -100.0%	\$ 0⁰⁰ -100.0%
Aetna declined to quote due to "Not Competitive."					
Budget: \$ 1,587,991⁶⁸					
Plan Group	Total Premium	Budgeted HSA/HRA	Total Cost	Employee Cost	Employer Cost
Proposed Humana 0 plans	\$ 0 ⁰⁰ -100.0%	\$ 0 ⁰⁰	\$ 0 ⁰⁰ -100.0%	\$ 0 ⁰⁰ -100.0%	\$ 0⁰⁰ -100.0%
Humana declined to quote due to "Not competitive."					

FINANCIAL CONSIDERATIONS:

Our annual cost for the Blue Cross Blue Shield two-year plan will be approximately \$1,268,596.68. This is a savings of \$224,816 compared to United Healthcare's 2020 quote of \$1,493,412.60. Compared to UHC's 2019 cost, this is an annual savings of approximately \$82,289.

History of Wheaton Park District Health Insurance Premium Rates and Increases

History of Health Insurance Premiums

Year	Provider	PPO - \$500 Deductible Monthly Premiums				PPO Inc/(Dec) from Previous Year			
		Single	S+Sp	S+Ch	Fam	Single	S+Sp	S+Ch	Fam
2011	PDRMA	686	1,240	824	1,517				
2012	PDRMA	729	1,320	877	1,615	6.3%	6.5%	6.4%	6.5%
2013	PDRMA	779	1,414	938	1,732	6.9%	7.1%	7.0%	7.2%
2014	PDRMA	859	1,557	1,033	1,907	10.3%	10.1%	10.1%	10.1%
2015	PDRMA	926	1,674	1,146	2,150	7.8%	7.5%	10.9%	12.7%
2016	PDRMA	947	1,730	1,210	2,332	2.3%	3.3%	5.6%	8.5%
2017	PDRMA	947	1,730	1,210	2,332	0.0%	0.0%	0.0%	0.0%
2018	PDRMA	963	1,761	1,267	2,482	1.7%	1.8%	4.7%	6.4%
2019	United Healthcare	734	1,380	980	1,964	-23.8%	-21.6%	-22.7%	-20.9%

Year	Provider	HMO - Monthly Premiums				HMO Inc/(Dec) from Previous Year			
		Single	S+Sp	S+Ch	Fam	Single	S+Sp	S+Ch	Fam
2011	PDRMA	453	865	610	1,328				
2012	PDRMA	453	865	610	1,328	0.0%	0.0%	0.0%	0.0%
2013	PDRMA	472	903	636	1,386	4.2%	4.4%	4.3%	4.4%
2014	PDRMA	510	965	683	1,476	8.1%	6.9%	7.4%	6.5%
2015	PDRMA	579	1,080	770	1,604	13.5%	11.9%	12.7%	8.7%
2016	PDRMA	603	1,127	803	1,637	4.1%	4.4%	4.3%	2.1%
2017	PDRMA	603	1,127	803	1,637	0.0%	0.0%	0.0%	0.0%
2018	PDRMA	626	1,177	836	1,675	3.8%	4.4%	4.1%	2.3%
2019	United Healthcare	545	1,025	728	1,459	-12.9%	-12.9%	-12.9%	-12.9%

The financial results of moving from the PDRMA Health Pool to using our own Broker

Comparison of PDRMA vs. Switching Health Insurance Coverage

Year		Annual Cost		Annual Cost
2019	PDRMA *	\$ 1,803,374	UHC	\$ 1,397,409
2020	PDRMA *	\$ 1,803,374	BCBS**	\$ 1,268,596
2021	PDRMA *	\$ 1,803,374	BCBS**	\$ 1,268,596
		<u>\$ 5,410,122</u>		<u>\$ 3,934,601</u>

* Assumes no increase.

**Assumes two-year locked rate.

Savings over 3-Year Period	\$1,475,521
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STAKEHOLDER PROCESS:

Employee Survey Results Concerning UHC - In July and August 2019, a survey was conducted to solicit feedback from the employees about their experience using United Healthcare. Approximately 27.5% of employees were not happy with the choice of doctors while almost 40% were happy. Of the respondents, 47% of the employees experienced issues with getting referrals, prescriptions, and treatments approved. When asked how they rated the service and coverage, 27% said above average, 42% said average, and 21% said below average. Employees were given the opportunity to provide comments about their experience with United Healthcare. Thirteen of the 31 comments were negative about their experience. The survey results are attached.

RECOMMENDATION:

Staff and Broker Recommend Blue Cross Blue Shield for a two-year period at a cost of approximately \$1,268,596.68 per year with the Fully Integrated Guidance Resource Program at \$1.28 per employee per month (Employee Assistance Program).