



**Wrightsville Beach Board of Aldermen
Special Meeting**

4:30 P.M. WEDNESDAY, JUNE 5, 2019
Wrightsville Beach Town Hall Council Chambers
321 Causeway Drive, Wrightsville Beach, NC

AGENDA

1. Call to Order.
3. Review of Health Insurance Proposals.
4. Adjourn.

William Blair, III
Mayor

Elizabeth King
Alderman

Ken Dull
Alderman



Darryl Mills
Mayor Pro Tem

Hank Miller
Alderman

Tim Owens
Town Manager

TOWN OF WRIGHTSVILLE BEACH

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June 5, 2019

MEMORANDUM

To: Mayor Blair and Board Members
From: Tim Owens, Town Manager
Re: Employee Health Insurance Selection Meeting

Agenda Item

One Digital will be in attendance on June 5th to go over the quotes received for health insurance. The Town received a 30% renewal quote from NCBCBS which is the highest I have seen in the 20+ years of completing budgets. According to BCBS, there was an employee on very high medication costs last year and that there were 2 very large claims.

The Town only received quotes from BCBS and United mainly because of the very large renewal quotes. There are several scenarios to consider. These are outlined in the attached materials.

- **\$499,793** Current Rate for PPO (87employees) option and HSA option (9 employees)
- **\$636,623** Renewal Rate for PPO (87employees) option and HSA option (9 employees)
- **\$547,733** (Scenario 1-BCBS) Renewal Rate of Current HSA with all 96 employees participating
- **\$513,024** (Scenario 2-BCBS) Rate for Less Rich HSA with all 96 employees participating
- **\$546,093** (Scenario 3 - United) Rate for 86 PPO with 9 HAS participating

Recommendation 1

- **\$546,093** (Scenario 3) Rate for 86 PPO with 9 HSA participating
 - PPO appears stronger than the Town's current PPO with the exception of possibly the in-patient and outpatient procedure costs
 - 86 employees are on a PPO and accustomed to it. This would allow those 86 to continue a PPO and probably will result in HSA converting to PPO and lower the overall cost to the Town.
 - The HSA for dependents is considerably higher than current HSA dependent rates. This could be offset by increasing the \$600 contribution to \$1000 contribution which would increase the Town's bottom line by \$400 per person that signs up for the HSA.
 - Negatives include the Town moving once again and quotes becoming difficult next year.
 - The cost is about \$47,000 more than current costs.

Recommendation 2

- **\$513,024** (Scenario 2-BCBS) Rate for Less Rich HSA with all 96 employees participating
 - Positive is the cost is closer to current rates
 - Negatives are that 86 employees have to convert to a HSA product and the new HSA product provides less of a benefit than the current year HAS
 - There is only a HSA choice and not a PPO

We will meet with One Digital to cover the options again next week so the recommendations above could change. Each year, staff estimates a 10% increase in benefit costs in the projected budget.

Action Items

1. Discuss the item and Give staff direction on the matter so that we can move forward on open enrollment.

TOWB Health Plan Scenarios

Current Rates	Enrolled	Current Employee Rate	Annual Cost	% Change
Copay Plan (Empl. Only)	87	\$429.93	\$448,847	
HSA Plan (Empl. Only)	9	\$364.32	\$39,347	
			\$488,193	
		Indirect costs (see below)	<u>\$11,600</u>	
		Annual	\$499,793	

Renew with Current 2 Plans

Copay Plan (Empl. Only)	87	\$550.43	\$574,649	
HSA Plan (Empl. Only)	9	\$466.43	\$50,374	
			\$625,023	
		Indirect costs (see below)	<u>\$11,600</u>	
		Annual	\$636,623	27%

Scenario 1 (Current BCBS HSA Plan only)

BCBS premiums (Empl. Only paid by TOWB)	96	\$448.90	\$517,133	
HSA contributions	96	\$600.00	\$57,600	
		Annual	\$574,733	15%

Scenario 2 (BCBS HSA Plan 5243357 only)

BCBS premiums (Empl. Only paid by TOWB)	96	\$362.00	\$417,024	
HSA contributions	96	\$1,000.00	\$96,000	
		Annual	\$513,024	3%

Scenario 3 (UHC Alternate 1) *2 Plans (HSA-PPO)*

Copay Plan cost (Empl. Only paid by TOWB)	87	\$485.30	\$506,653	
HSA Plan cost (Empl. Only paid by TOWB)	9	\$417.37	\$45,076	
HSA contributions	9	\$600.00	\$5,400	
			\$557,129	11%
*2% medical premium reduction if dental is written with UHC			<u>\$11,035</u>	
		Annual	\$546,093	9%

**Dependent rates on the plan are substantially higher than BCBS dependent rates

Indirect benefit costs (current)

HSA TOWB contributions	9	600/year	\$5,400
HRA Spending on claims			\$1,400
FSA/HRA admin fees			\$4,800
			\$11,600



Town of Wrightsville Beach

Presented by: Claude Bridger

The New Generation in Health and Benefits

A Closer Look at OneDigital's Products and Services...

Client Advocate Center

- Benefits experts who troubleshoot all issues for employers/employees related to claims, billing, plans, eligibility, enrollment, prescriptions – and more

Benefits Administration & Payroll Support

- Access and manage all benefits/payroll management from one web-based source
- Streamlined one-time benefits enrollment process; secured data protection
- New-hire processing and payroll integration; time off and leave management
- Easy bill reconciliation and customized ad-hoc reporting

HR Services & Online Benefits Resource Center

- Hotline: Talk directly to certified HR/legal experts and get immediate answers
- Library: Access thousands of online tools, forms, templates and guides
- Training: Use unlimited self-paced employee training from over 200 courses
- "Ask-the-Expert" help desk for next-day HR/benefits advice

Patented Benefits Analytics (1000+ lives)

- Decision-support tools used to optimize plan selections/evaluate contracts
- Plan alternatives with value scores and expected out-of-pocket costs
- Health data tracking, claims experience and risk assessments
- Quantify unique perspectives on impact of benefits changes for employees

Wellness Management Center

- Dynamic online wellness tools and resources
- Health risk assessments and interactive health education lessons
- Health logs/trackers and wellness calculators

Benefits Risk Management & Compliance

- General benefits compliance (ERISA, HIPAA, PPACA, COBRA, FMLA, IRS, Workers' Compensation, Form 5500s – and more)
- Carrier eligibility, non-discrimination testing, risk and exposure education/direction

Benefits Marketplace

- Allows effective budget management
- Enables participants to choose from a variety of medical plans
- Provides flexibility of benefit options and more choice of supplemental products

Tax-Advantaged Solutions

- High deductible health plans with health savings accounts
- Flexible spending & dependent care accounts
- Health reimbursement arrangements
- Premium only and transit plans

Proprietary/Discounted Voluntary Worksite Products

- Life, dental and vision
- Short- and long-term disability
- Accident and critical illness
- Whole, term life, long-term care – and others

Education, Communications & Health Care Reform (HCR) Expertise

- Newsletters, advisories, webinars, handbooks and meetings
- Guidance and timely information on changing HCR regulations/mandates
- Online HCR resource center, timelines, FAQs, InfoBriefs, blogs, tax calculators



Town of Wrightsville Beach
Presented Carriers & Financial Ratings
Proposed Effective Date: 07/01/2019

Medical Carrier	Status	Commissions	Rating	Dental Carrier	Status	Commissions	Rating
Blue Cross Blue Shield	Current	Available upon request	NR	Principal	Current	Available upon request	NR
UnitedHealthcare	Quoted	Available upon request	A	Blue Cross Blue Shield	Pending	Available upon request	NR
Aetna	Declined to Quote			UnitedHealthcare	Quoted	Available upon request	A
CIGNA	Declined to Quote			Guardian	Quoted	Available upon request	A++
First Carolina Care	Declined to Quote			MetLife	Quoted	Available upon request	A
Life Carrier	Status	Commissions	Rating	Vision Carrier	Status	Commissions	Rating
	Not Quoted				Not Quoted		
STD Carrier	Status	Commissions	Rating	LTD Carrier	Status	Commissions	Rating
	Not Quoted				Not Quoted		
Voluntary Worksite Carrier	Status	Commissions	Rating	Voluntary Carrier	Status	Commissions	Rating
	Not Quoted				Not Quoted		

AM Best Rating Guide:

Category	Rating	Explanation
Secure	A++, A+	Superior, very strong ability to meet obligations
	B++, B+	Very good; good ability to meet obligations
Vulnerable	B, B-	Good; adequate ability to meet obligations
Not Rated	NR	Not rated or formally followed

AM's Best Rating Guide indicates a company's relative financial strength and its ability to meet its contractual obligations. As a best business practice OneDigital does not quote or present carriers that fall below a B rating.



Town of Wrightsville Beach

Medical Benefits & Financial Analysis
Proposed Effective Date: 07/01/2019

Scenario #1

Carrier Name	Blue Cross Blue Shield							
	Current/Renewal - Negotiated		Blue Cross Blue Shield Alternate 4					
Name of Plan / Metallic Level	Blue Options Quote #5237757		Blue Options Quote #5243357					
Type of Plan / Policy Period	PPO		HSA					
Office Visits	In Network	Out of Network	In Network	Out of Network				
Primary	\$35 Copay	Deductible then 70%	Deductible then 0%	Deductible then 20%				
Specialist	\$70 Copay	Deductible then 70%	Deductible then 0%	Deductible then 20%				
Pharmacy								
Deductible	NA		Integrated with medical	Integrated with medical				
Retail Standard	\$10 copay tier 1/ 100% all other tiers (max \$100)	Covered at out of network benefit level. Please see plan design.	Deductible then 0%	Deductible then 20%				
Retail Specialty	NA		NA	NA				
Mail Order (90 days - Standard)	3 X Copay		Deductible then 0%	Deductible then 20%				
Common Services								
In-Patient Facility	Deductible then 50%	Deductible then 70%	Deductible then 0%	Deductible then 20%				
Out-Patient Facility	Deductible then 50%	Deductible then 70%	Deductible then 0%	Deductible then 20%				
Urgent Care	\$70 Copay		Deductible then 0%	Deductible then 20%				
Emergency Room	\$500 Copay		Deductible then 0%	Deductible then 20%				
Annual Deductible (Embedded)								
Individual	\$2,500	\$5,000	\$4,000	\$4,000				
Family	\$7,500	\$15,000	\$8,000	\$8,000				
Coinsurance	50%	70%	0%	20%				
Annual Out of Pocket								
Individual	\$5,500	\$11,000	\$4,000	\$6,650				
Family Member	NA	NA	\$6,550	NA				
Family	\$12,700	\$25,400	\$8,000	\$13,300				
Premium	Current Rates	Renewal Rates	Current Rates	Renewal Rates				
Employee	68	\$429.93	\$550.43	4	\$364.32	\$466.43	72	\$362.28
Employee + Spouse	4	\$988.76	\$1,265.89	1	\$738.85	\$945.94	5	\$828.98
Employee + Child(ren)	3	\$810.30	\$1,037.41	2	\$541.23	\$692.93	5	\$693.43
Family	2	\$1,511.18	\$1,934.74	2	\$988.82	\$1,265.97	4	\$1,297.00
Monthly Premium		\$38,643.54	\$49,474.51		\$5,256.23	\$6,729.46		\$38,884.21
Annual Premium		\$463,722.48	\$593,694.12		\$63,074.76	\$80,753.52		\$466,610.52
Annual Cost Difference		\$129,971.64			\$17,678.76			-\$60,186.72
Percentage Change		28.03%			28.03%			-11.43%

Group Signature - Plan Election

All enrollment material must be at the carrier two weeks prior to the effective date. Effective dates later than illustrated may result in an increased premium. Final tier rates will be determined at final enrollment. This is for illustrative purposes only. This benefit comparison will not replace the benefit summary or rates filed and approved by the Office of the Commissioner of Insurance. Full Quote Available upon Request.



Town of Wrightsville Beach

Medical Benefits & Financial Analysis
Proposed Effective Date: 07/01/2019

Scenario #1 > Current Plan all: HSA

Carrier Name		Blue Cross Blue Shield			
Name of Plan/Metallic Level		Current/Renewal - Negotiated		Blue Cross Blue Shield	
Type of Plan / Policy Period		Blue Options Quote #5237756		Blue Options Quote # 5237756	
Office Visits		HSA		HSA	
Primary		In Network	Out of Network	In Network	Out of Network
Specialist		Deductible then 70%	Deductible then 30%	Deductible then 0%	Deductible then 30%
Pharmacy		Deductible then 70%	Deductible then 30%	Deductible then 0%	Deductible then 30%
Deductible		NA	Covered at out of network benefit level. Please see plan design.	Integrated with medical	Covered at out of network benefit level. Please see plan design.
Retail Standard		\$10 copay tier 1/ 100% all other tiers (max \$100)		Deductible then 0%	
Retail Specialty		NA		NA	
Mail Order (90 days - Standard)		3 X Copay		Deductible then 0%	
Common Services					
In-Patient Facility		Deductible then 50%	Deductible then 70%	Deductible then 0%	Deductible then 30%
Out-Patient Facility		Deductible then 50%	Deductible then 70%	Deductible then 0%	Deductible then 30%
Urgent Care		\$70 Copay		Deductible then 0%	
Emergency Room		\$500 Copay		Deductible then 0%	
Annual Deductible (Embedded)					
Individual		\$2,500	\$5,000	\$4,000	\$8,000
Family		\$7,500	\$15,000	\$8,000	\$16,000
Coinsurance		50%	70%	0%	30%
Annual Out of Pocket					
Individual		\$5,500	\$11,000	\$4,000	\$9,250
Family Member		NA	NA	\$6,550	\$13,100
Family		\$12,700	\$25,400	\$8,000	\$17,250
Premium		Renewal Rates		Current Rates	
Employee		68	\$429.93	\$550.43	\$364.32
Employee + Spouse		4	\$988.76	\$1,265.89	\$738.85
Employee + Child(ren)		3	\$810.30	\$1,037.41	\$541.23
Family		2	\$1,511.18	\$1,934.74	\$988.82
Monthly Premium			\$38,643.54	\$49,474.51	\$5,256.23
Annual Premium			\$463,722.48	\$593,694.12	\$63,074.76
Annual Cost Difference			\$129,971.64	\$17,678.76	\$50,028.00
Percentage Change			28.03%	28.03%	9.50%

Group Signature - Plan Election

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Town of Wrightsville Beach
 Medical Benefits & Financial Analysis
 Proposed Effective Date: 07/01/2019

Carrier Name	Blue Cross Blue Shield				UnitedHealthcare			
	Current/Renewal - Negotiated		Blue Options Quote #5237756		BL-UI w/RX 2V		BL-U2	
Name of Plan/Metallic Level	Blue Options Quote #5237757		H S A		Choice Plus Direct		Choice Plus Direct H S A	
Type of Plan / Policy Period	PPO							
Office Visits	In Network	Out-of-Network	In Network	Out-of-Network	In Network	Out-of-Network	In Network	Out-of-Network
Primary	\$35 Copay	Deductible then 70%	Deductible then 0%	Deductible then 30%	\$25 Copay Age 19 and under \$0	Deductible then 50%	Deductible then 0%	Deductible then 30%
Specialist	\$70 Copay	Deductible then 70%	Deductible then 0%	Deductible then 30%	\$50 Copay	Deductible then 50%	Deductible then 0%	Deductible then 30%
Pharmacy	NA		Integrated with medical		NA		Integrated with Medical	
Deductible	\$10 copay tier 1/ 100% all other tiers (max \$100)	Covered at out of network benefit level. Please see plan design.	Deductible then 0%	Covered at out of network benefit level. Please see plan design.	\$10/\$35/\$60	Covered at out of network benefit level. Please see plan design.	Deductible then 0%	Covered at out of network benefit level. Please see plan design.
Retail Standard	NA		NA		NA		NA	
Retail Specialty	3 X Copay		Deductible then 0%		2.5 x copay		Deductible then 0%	
Mail Order (90 days - Standard)								
Common Services								
In-Patient Facility	Deductible then 50%	Deductible then 70%	Deductible then 0%	Deductible then 30%	Deductible then 30%	Deductible then 50%	Deductible then 0%	Deductible then 30%
Out-Patient Facility	Deductible then 50%	Deductible then 70%	Deductible then 0%	Deductible then 30%	Deductible then 30% for services in a ambulatory center or physician's office. \$500 Copay, then deductible then 30% in a outpatient hospital based center.	Deductible then 50% for services in a ambulatory center or physician's office. \$500 Copay, then deductible then 50% in a outpatient hospital based center.	Deductible then 0% for services in a ambulatory center or physician's office. \$500 Copay, deductible then 0% in a outpatient hospital based center.	Deductible then 30% for services in a ambulatory center or physician's office. \$500 Copay, deductible then 30% in a outpatient hospital based center.
Urgent Care	\$70 Copay		Deductible then 0%		\$50 Copay	Deductible then 50%	Deductible then 0%	Deductible then 30%
Emergency Room	\$500 Copay		Deductible then 0%		\$500 Copay	Deductible then 0%	Deductible then 0%	Deductible then 30%
Annual Deductible (Embedded)								
Individual	\$2,500	\$5,000	\$4,000	\$8,000	\$2,500	\$5,000	\$4,000	\$8,000
Family	\$7,500	\$15,000	\$8,000	\$16,000	\$5,000	\$10,000	\$8,000	\$16,000
Coinsurance	50%	70%	0%	30%	30%	50%	0%	30%
Annual Out of Pocket								
Individual	\$5,500	\$11,000	\$4,000	\$9,250	\$6,000	\$12,000	\$4,000	\$8,000
Family Member	NA	NA	\$6,550	\$13,100	NA	NA	NA	NA
Family	\$12,700	\$25,400	\$8,000	\$17,250	\$12,000	\$24,000	\$8,000	\$16,000
Premium Rates	Current Rates	Renewal Rates	Current Rates	Renewal Rates	Current Rates	Renewal Rates	Current Rates	Renewal Rates
Employee	68	\$429.93	\$550.43	\$466.43	68	\$485.30	\$417.37	\$417.37
Employee + Spouse	4	\$988.76	\$1,265.89	\$945.94	4	\$1,115.60	\$959.44	\$959.44
Employee + Child(ren)	3	\$810.30	\$1,037.41	\$692.93	3	\$915.81	\$787.62	\$787.62
Family	2	\$1,511.18	\$1,934.74	\$1,265.97	2	\$1,708.36	\$1,469.23	\$1,469.23
Monthly Premium		\$38,643.54	\$49,474.51	\$6,729.46		\$43,626.95	\$7,142.62	\$7,142.62
Annual Premium		\$463,722.48	\$593,694.12	\$80,753.52		\$523,523.40	\$85,711.44	\$85,711.44
Annual Cost Difference		\$129,971.64	\$17,678.76	\$17,678.76		\$59,800.92	\$22,636.68	\$22,636.68
Percentage Change		28.03%	28.03%	28.03%		12.90%	35.89%	35.89%

Note: Bundling UHC Dental with Medical - 2% savings off medical rates

Group Signature - Plan Election

All enrollment material must be at the carrier two weeks prior to the effective date. Effective dates later than illustrated may result in an increased premium. Final tier rates will be determined at final enrollment. This is for illustrative purposes only. This benefit comparison will not replace the benefit summary or rates filed and approved by the Office of the Commissioner of Insurance. Full Quote Available upon Request.



Town of Wrightsville Beach

INTRODUCTORY INFORMATION & ASSUMPTIONS

Disclaimers

OneDigital is pleased to provide you with this proposal. It is very important that you read and understand the following:

1. This proposal is based on recent census data and information received by OneDigital. Insurance carriers and other vendors may require further documentation of information before a policy will be accepted or implemented.
2. Actual costs will be based on the final enrollment data of employees (and dependents, if applicable) covered under the benefit plan on its effective date.
3. Most employee benefit plans include an "actively-at-work" requirement. It is imperative, therefore, that OneDigital be informed of all employees (and dependents, if applicable) who are hospitalized, otherwise disabled or out under any waiver of premium provision on the effective date of coverage. Coverage may not be available for these individuals.
4. This proposal is intended to be a summary of the premium costs and benefits of the plan(s) under consideration. Please refer to the carrier(s) or vendor(s) proposal for actual terms, conditions, limitations, and exclusions. If there is any discrepancy between the information presented in this proposal and the actual proposal from the carrier, the terms of the carrier's proposal govern.
5. Never terminate your existing coverage until advised that replacement coverage has been confirmed in writing by the replacement carrier.
6. Presentation of this proposal does not constitute binding coverage.
7. In accordance with California Law AB 1672, upon request, you have the right to receive: a) copies of any plan design summary of benefits brochure; b) rates for any given benefit plan design; c) evidence of coverage brochure for each benefit plan design the carrier offers; d) submitted information to the carrier to ascertain the group's risk rate for any benefit plan design.

Coverage Considerations

1. Family Deductibles - There are two types of family deductibles; embedded and non-embedded. The difference between the two effects when benefits are paid for each individual in the family. Embedded Deductible - the family deductible is the maximum amount applied before benefits begin, however, no more than the individual amount will be taken from any one family member. Non-embedded Deductible - the full amount of the family deductible must be reached before any benefits become payable. This can be done by one person or a combination of family members.
 2. Plan Year - The period of time a policy is in effect. Typically, this is a 12- month period based on calendar year or policy period.
Calendar year - Begins January 1 and extends to December 31
Policy year - Begins on the coverage effective date, i.e. date of renewal or the date coverage is applied for, and extends for 12 months. (Example: renewal date is 6/1 - policy year is 6/1 - 5/31.)
- These time periods are used when calculating your deductible and out-of-pocket amounts. When making a plan change, it is important to understand which of these apply to your current plan and the plan you are considering. This will help you avoid additional out-of-pocket costs.

Disclosure About Compensation

OneDigital is an appointed agent for the insurance companies we represent. OneDigital provides services to the customer on behalf of the insurer in connection with the placement of insurance. In our role as the insurance carrier's agent, we receive all of our compensation from insurance companies for our professional services in the form of commissions, which consist of a percentage of the premium collected by the insurance companies. In some cases, we may also receive additional compensation, under agreements with one or more insurance carriers, in the form of commission overrides, bonuses or marketing fees which can be based on some combination of volume, new business, persistency and other factors. OneDigital may be a party to such agreements with one or more of the insurers or insurance intermediaries with or through which OneDigital places insurance. Any additional compensation is not customarily attributable to a particular client and is not factored into a decision on where to place business.

We are able to provide more specific information about our compensation structure at a client's request.

[The disclosure was revised to incorporate the provisions of the Producer Licensing Model Act Compensation Disclosure section requirements. To the extent that you feel OneDigital directly represents the client and not an insurer, or is not appointed by an insurer, then there are more stringent disclosure and acknowledgement requirements.)

Name _____

Date _____

