

Healthcare Benefits

Finance Committee

March 2021

West Suburban Health Group – FY 2022 Rate

West Suburban Health Group
POLICY PERIOD 7/1/21 - 6/30/22

SCENARIO G-2 FY22 HEALTH INSURANCE FUNDING SCENARIO - **A Proposed Alternative Scenario from SC**
ROUNDED RATES Rates **INCLUDE** Alt. Rx and Diabetes Program claims
 & evening out BCBS & Fallon Benchmark & HSAQs

Health Plan	Projected FY22 Rates		% Increase by Plan
	Individual	Family	
HPHC EPO Benchmark	\$ 1,071.00	\$ 2,790.00	4.0%
HPHC HSAQ	\$ 829.00	\$ 2,163.00	4.0%
Blue Choice Benchmark	\$ 1,075.00	\$ 2,883.00	0.7%
BCBS HSAQ "Saver"	\$ 868.03	\$ 2,331.21	0.7%
Tufts Benchmark	\$ 1,133.00	\$ 2,966.00	4.5%
Tufts HSAQ	\$ 877.00	\$ 2,297.00	4.5%
Fallon Select Benchmark	\$ 817.00	\$ 2,200.00	3.4%
Fallon Select HSAQ	\$ 688.00	\$ 1,855.00	3.4%
Fallon Direct Benchmark	\$ 761.00	\$ 2,047.00	3.4%
Fallon Direct HSAQ	\$ 641.00	\$ 1,730.00	3.4%
Harvard Pilgrim PPO	\$ 2,658.00	\$ 5,902.00	0.0%
			3.4%

Composite increase

- 1 Employees and retirees can choose from among multiple health plan options
- 2 Volume pricing reduces cost margins and administrative expenses
- 3 GBS reduces burden for WSHG employers and we get one consolidated monthly bill for multiple plans

SCENARIO G-2

FY22 HEALTH INSURANCE FUNDING SCENARIO - A Proposed Alternative Scenario from SC

ROUNDED RATES

Rates INCLUDE Alt. Rx and Diabetes Program claims

& evening out BCBS & Fallon Benchmark & HSAQs

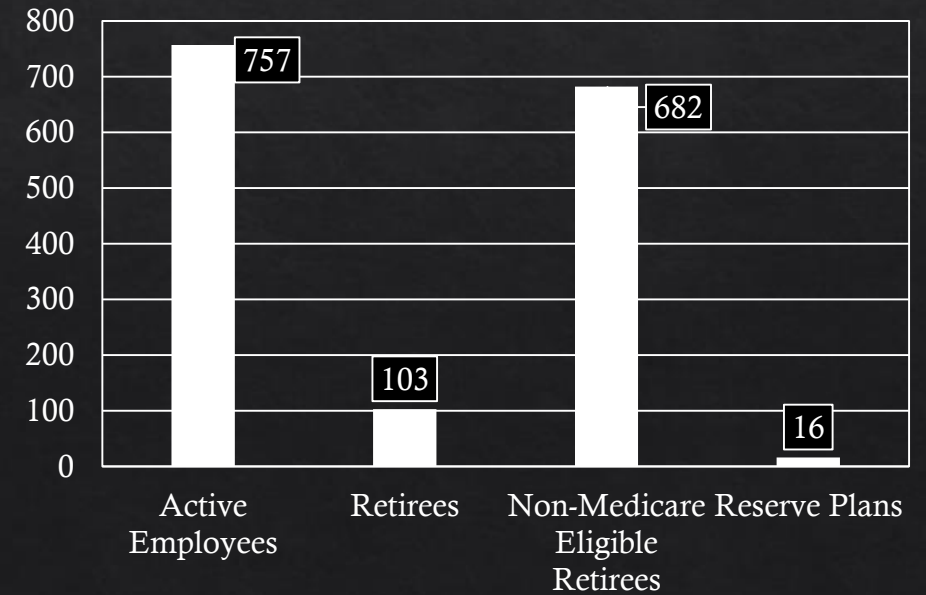
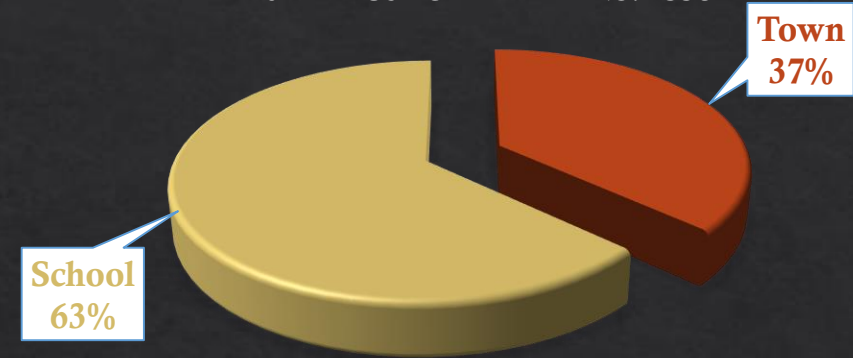
Health Plan	12/20 Enrollments		<i>Projected FY22 Rates</i>		FY22 MONTHLY FUNDING	FY22 ANNUAL FUNDING	% Increase by Plan	6-mo. Paid Claims Expense- to-Funding ratio 7/2020 -12/2020
	Individual	Family	Individual	Family				
<i>HPHC EPO Benchmark</i>	504	471	\$ 1,071.00	\$ 2,790.00	\$ 1,853,874	\$ 22,246,488	4.0%	101.6%
<i>HPHC HSAQ</i>	307	509	\$ 829.00	\$ 2,163.00	\$ 1,355,470	\$ 16,265,640	4.0%	97.0%
<i>Blue Choice Benchmark</i>	220	141	\$ 1,075.00	\$ 2,883.00	\$ 643,003	\$ 7,716,036	0.7%	77.4%
<i>BCBS HSAQ "Saver"</i>	80	96	\$ 868.03	\$ 2,331.21	\$ 293,238	\$ 3,518,861	0.7%	71.2%
<i>Tufts Benchmark</i>	188	134	\$ 1,133.00	\$ 2,966.00	\$ 610,448	\$ 7,325,376	4.5%	89.5%
<i>Tufts HSAQ</i>	88	91	\$ 877.00	\$ 2,297.00	\$ 286,203	\$ 3,434,436	4.5%	81.3%
<i>Fallon Select Benchmark</i>	848	1,166	\$ 817.00	\$ 2,200.00	\$ 3,258,016	\$ 39,096,192	3.4%	93.7%
<i>Fallon Select HSAQ</i>	243	339	\$ 688.00	\$ 1,855.00	\$ 796,029	\$ 9,552,348	3.4%	74.5%
<i>Fallon Direct Benchmark</i>	169	103	\$ 761.00	\$ 2,047.00	\$ 339,450	\$ 4,073,400	3.4%	93.7%
<i>Fallon Direct HSAQ</i>	59	13	\$ 641.00	\$ 1,730.00	\$ 60,309	\$ 723,708	3.4%	74.5%
<i>Harvard Pilgrim PPO</i>	13	1	\$ 2,658.00	\$ 5,902.00	\$ 40,456	\$ 485,472	0.0%	33.4%
TOTALS:	2,719	3,064			\$ 9,536,496	\$ 114,437,957	3.4%	

Composite increase

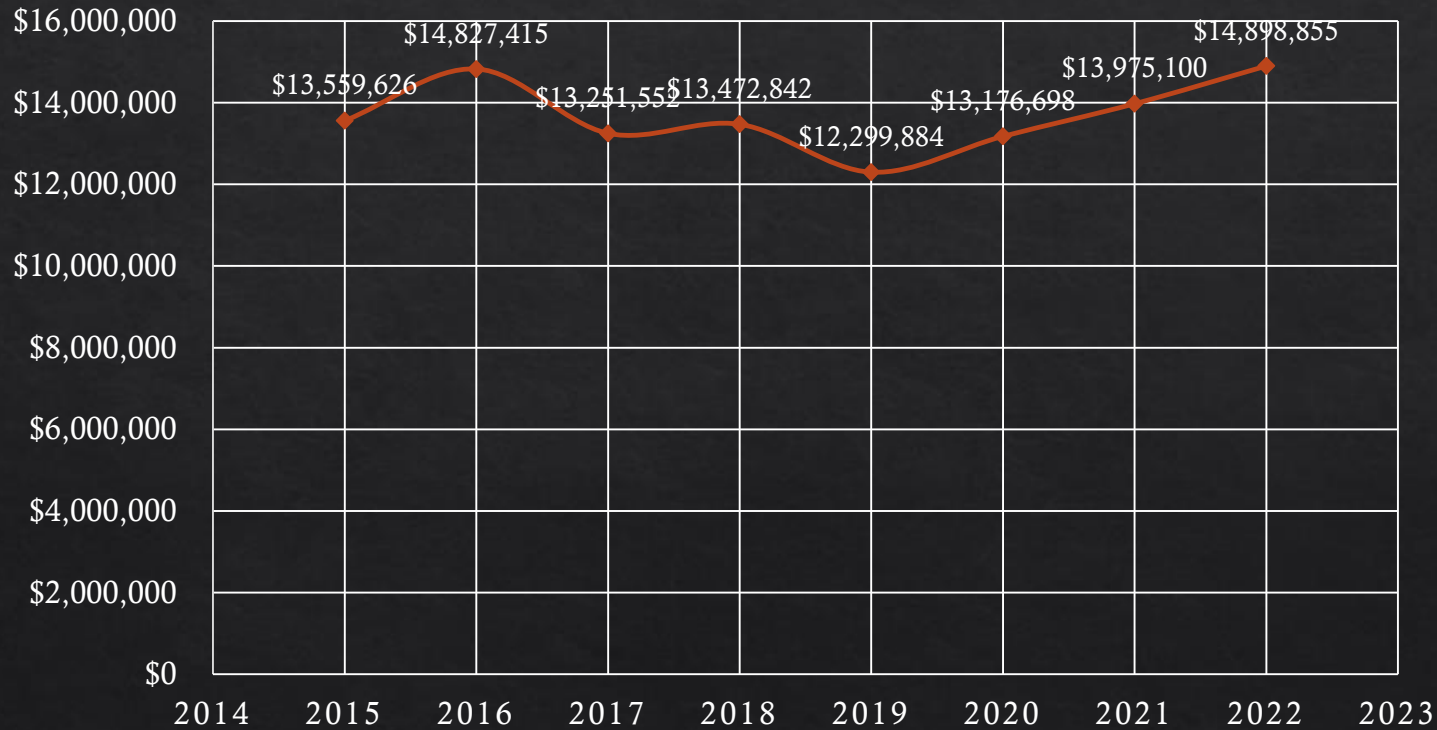
Plan & Cost Summary

Total Health Insurance Costs		
Town	Plans	Costs
Town Active Employees	267	\$3,623,335.48
Town Non-Medicare Eligible Retirees	44	\$607,471.68
Town Retirees	257	\$762,676.89
Town Reserve Plans	6	\$81,459.00
	574	\$5,074,943.05
School	Plans	Costs
Schools Active Employees	490	\$6,908,523.25
Schools Non-Medicare Eligible Retirees	59	\$669,190.92
Schools Retirees	425	\$1,263,617.15
Schools Reserve Plans	10	\$135,765.00
	984	\$8,977,096.32
Total General Fund	Plans	Costs
Active Employees	757	\$10,531,858.73
Non-Medicare Eligible Retirees	103	\$1,276,662.60
Retirees	682	\$2,026,294.03
Reserve Plans	16	\$217,224.00
	1558	\$14,052,039.37
Other Costs		
Life Insurance		\$44,000.00
Flu Shots		\$7,500.00
Occupational Health Nurse		\$21,000.00
Cook & Co - Consultants		\$6,000.00
Miscellaneous Items: (Wellness Programming, Health Fair)		\$25,000.00
Continuity of Care Mitigation		\$60,000.00
Sentinel Benefits Administration Fee		\$40,200.00
Sentinel Benefits		\$10,000.00
Medicare Penalty Re: Section 18		\$33,780.00
Retiree Mitigation		\$40,000.00
Total		\$14,339,519.37

FY2022 PROJECTED PLANS: 1558



Historical Data & Highlights



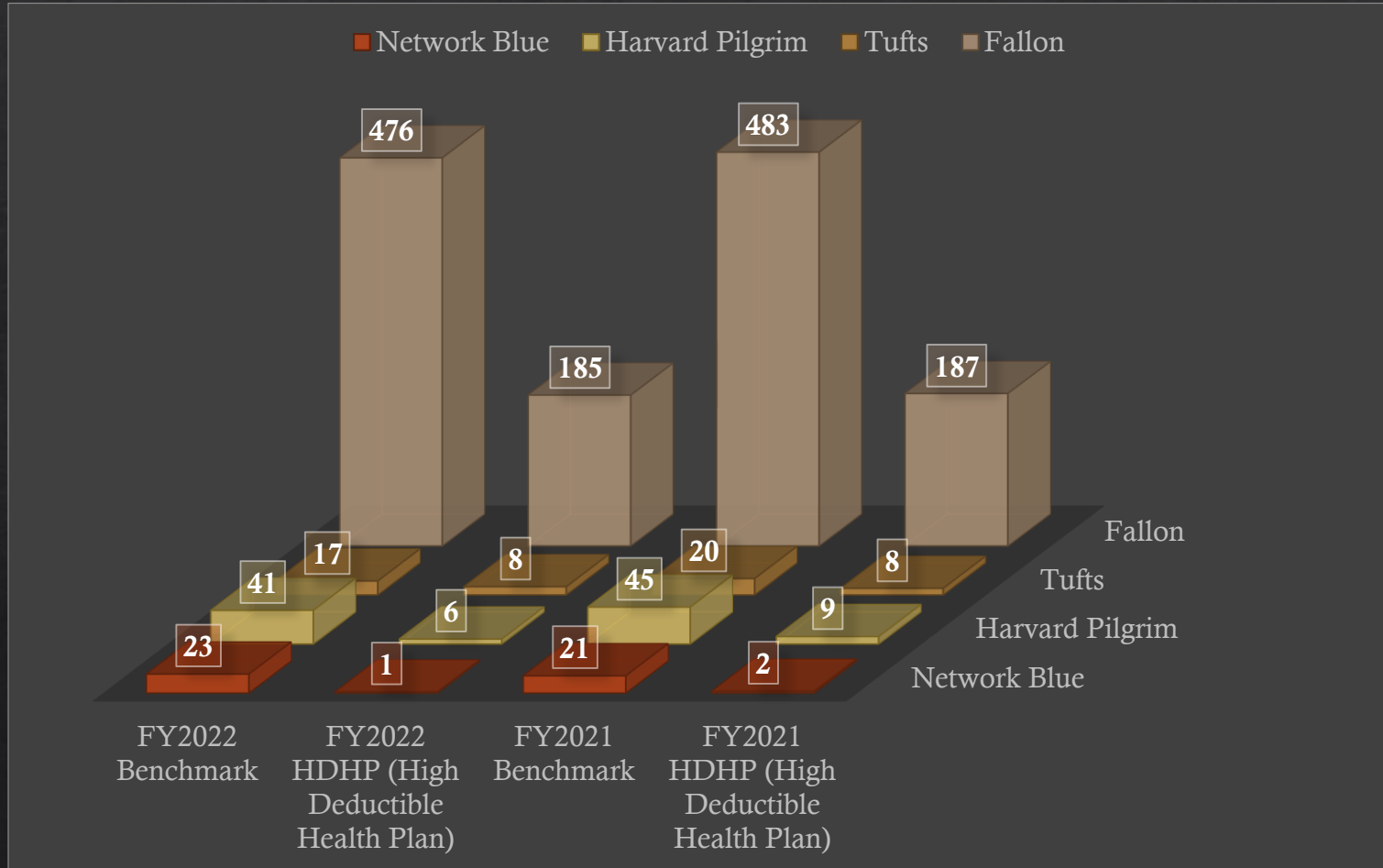
Plan rates increased by 3.4%
substantially below 6.3% forecast

\$14,339,519
-\$14,898,855

\$(559,336)

\$(220'330)

Active Employee Health Plan



Fallon Benchmark is the most popular plan. We have 661 active plans 42%

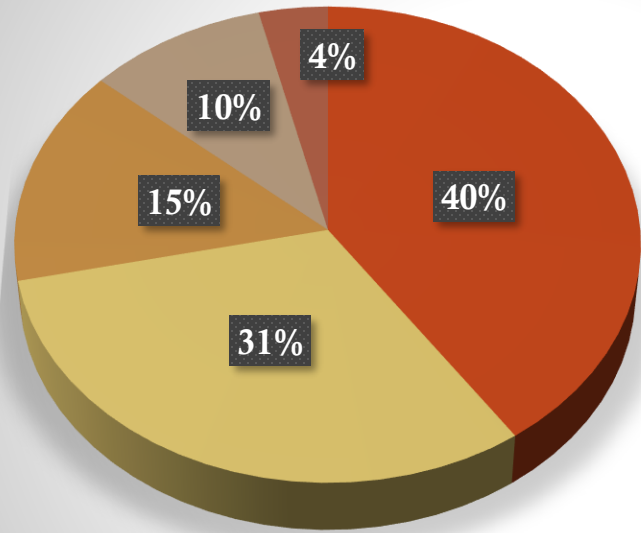


Slightly decrease of 18 plans from 775 in FY 21



Town contributes 75% to Fallon; 62% to others

Top 5 Most Enrolled Plans for Active Employees



- Fallon Select Benchmark - Family
- Fallon Select Benchmark - Individual
- Fallon Select HDHP - Fam (75/25)
- Fallon Select HDHP - Ind (75/25)
- HP Benchmark - Family

	Total Plan	Plan Cost	Town %	Town Health Saving Acct. Contribution
Fallon Select Benchmark - Family	246	\$2,200.00	75%	
Fallon Select Benchmark - Individual	190	\$817.00	75%	
Fallon Select HDHP - Fam (75/25)	90	\$1,855.00	75%	\$2,000
Fallon Select HDHP - Ind (75/25)	60	\$688.00	75%	\$1,000
HP Benchmark - Family	23	\$2,790.00	60%	

Non-Medicare Retiree & Senior Plans

Senior Plans	FY20	FY21
Plan		
Managed Blue for Seniors	13	13
Fallon Senior Plan	3	2
BCBS MEDEX Enhanced	185	178
HPHC MEDICARE Enhanced	287	288
Tufts Medicare Preferred HMO	38	59
Tufts Medicare Plus	152	142
Total	678	682
Non-Medicare Retiree Plans		
Plan	Total	
Network Blue Benchmark - Individual	1	2
Network Blue Benchmark - Family	0	0
HP PPO-Individual	4	4
HP Benchmark-Individual	22	15
HP Benchmark - Family	2	3
Tufts Navigator Benchmark - Individual	6	6
Tufts Navigator Benchmark - Family	2	2
Fallon Direct Benchmark - Individual	0	0
Fallon Direct Benchmark - Family	0	0
Fallon Select Benchmark - Individual	43	39
Fallon Select Benchmark - Family	19	32
Total	99	103

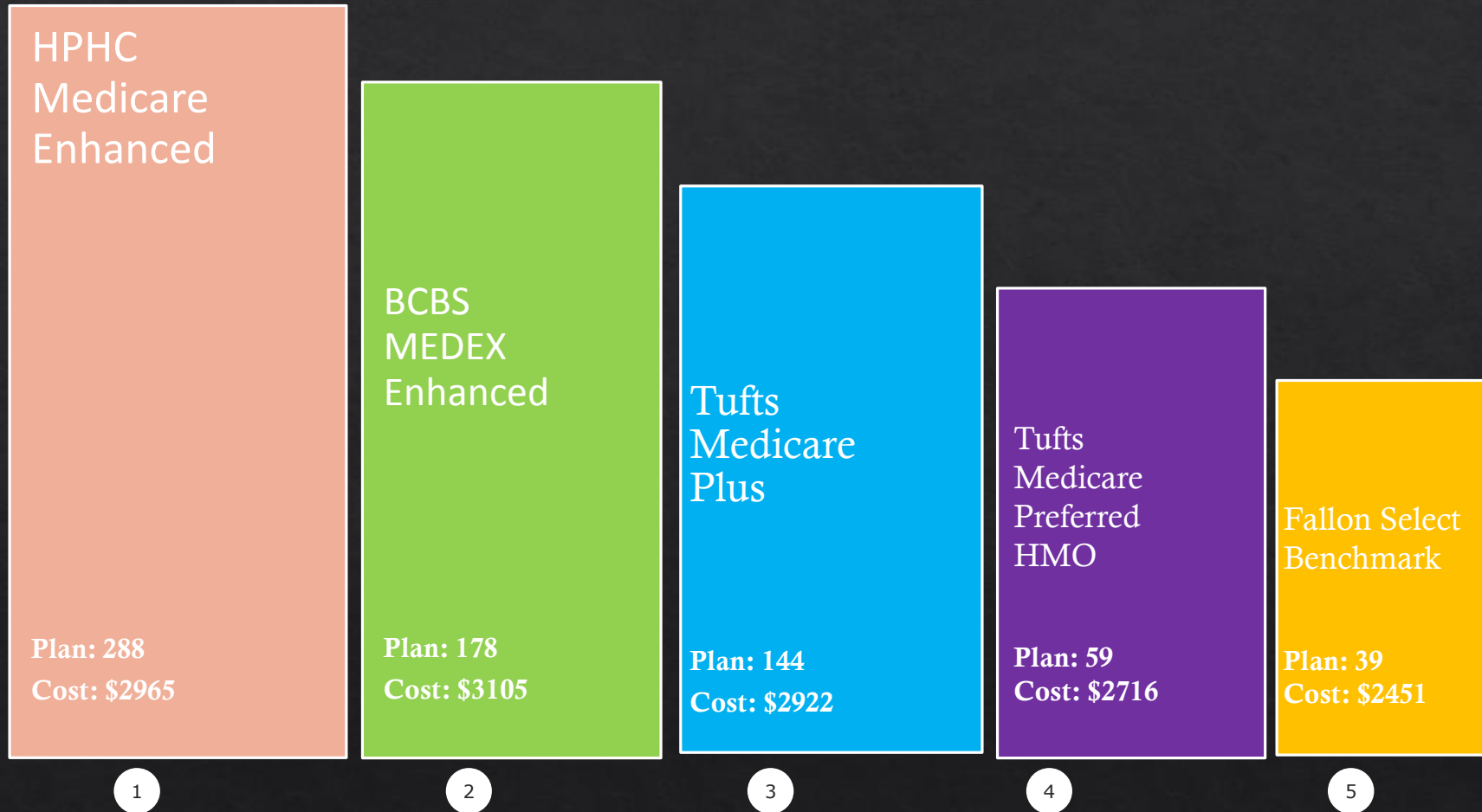


- BCBS MEDEX Enhanced
- Tufts Medicare Plus



- Tufts Medicare Preferred HMO
- Fallon Select Benchmark - Family

Top 5 Most Enrolled Plans for Retirees



PEC Agreement

- ◆ Collective agreement between the Town and all Unions, including the School units and retirees, to negotiate the terms and conditions of employee healthcare.
- ◆ The types of plans and the cost distribution are agreed upon with the PEC for a term of 3 years. FY22 will be final year of the agreement – we start negotiations for a successor agreement on Monday.
- ◆ Other terms of the agreement
 - ◆ HSA contributions to HDHP
 - ◆ Terms of the opt-out plan
 - ◆ Continuity of Care Mitigation Provisions