



Brevard County Board of County Commissioners

2725 Judge Fran Jamieson Way
Viera, FL 32940

Legislation Text

File #: 4783, Version: 1

Subject:

2023 Group Health Plan Design Changes

Fiscal Impact:

Potential estimated additional savings of \$3,247,000 based on plan design recommendations made by the EBIAC with the concurrence of Human Resources staff, if adopted by the Board. Combined with budgeted employer premium increase of 8% and the EBIAC recommended employee premium increase of 8%, an additional \$3,570,000 in premium revenue is generated resulting in a projected \$6,817,000 impact on the group health plan.

Dept/Office:

Office of Human Resources / Employee Benefits

Requested Action:

That the Board approves a Group Health Insurance program for CY2023 as recommended by the Office of Human Resources/Employee Benefits and the County’s Employee Benefits Insurance Advisory Committee (EBIAC).

Summary Explanation and Background:

The actuarial projections for the 2023 plan year pursuant to F.S. 112.08 estimate the following plan performance if there were no plan design or premium changes made for 2023:

	2023
Revenue	\$61,268,000
Expenses	\$70,768,000
Estimated Gain/-Loss	-\$9,500,000

This information was provided to the County’s Employee Benefits Insurance Advisory Committee (EBIAC) by the Office of Human Resources/Employee Benefits for their consideration along with the County’s Benefits Consultant’s analysis of the current medical trends and financial position of the self-insured group health plan.

The EBIAC was tasked to evaluate several plan design options that would help the group health plan mitigate its future plan costs. The following Plan Design recommendations were made by the County’s Employee Benefits Insurance Advisory Committee (EBIAC) and supported by the Office of Human Resources.

- Increase the Employee Premium contributions by 8% to equal the increase budgeted for employers in CY 2023. Fiscal Impact: Approximately \$420,000.

- Medical Care Management - The EBAC opted to recommend accessing the more aggressive Cigna HMCM Preferred Enhanced Care Management option offered as an upgrade to our current Basic Care Management option, in an effort to deliver lower medical costs by identifying patients in need of care management earlier and connecting them with more resources designed to produce improved medical outcomes through more aggressive case management. Fiscal Impact: Approximately \$2.3M
- Pharmacy - Implement the Cigna Value Rx Plan, which excludes two popular classes of drugs widely available over-the-counter; Proton Pump Inhibitors (PPI) treating ulcers or heartburn and non-sedating antihistamines that treat allergies. This plan design also removes certain high cost drugs as outlined in the attached exhibit to maximize affordability while preserving access to medically necessary medications by promoting the use of generic medications and lower cost medications within the same therapeutic classes. Fiscal Impact: Approximately \$450,000.
- Implement "Surgery Plus" as a voluntary option for outpatient surgical procedures as a supplemental benefit for hundreds of non-emergent surgeries through a national network of Surgeons of Excellence and negotiated bundled rates that lower costs, provide transparency and eliminate hidden fees. Full concierge services that help employees navigate this option and waiving employee cost shares are designed to encourage participation. Fiscal Impact: Approximately \$260,000 @ 5% voluntary utilization.
- Maintain current HRA contributions of \$500 individual / \$1,000 family, provide no new HRA credits until accumulated balance falls below \$4,000 cap (current cap limit is \$8,000). Fiscal Impact: Approximately \$237,000.

Detailed revenue and cost savings projections are included on the attached exhibit. The Office of Human Resources/Employee Benefits requests that the Board review and approve the attached recommendations.

Clerk to the Board Instructions: