



Brevard County Board of County Commissioners

2725 Judge Fran Jamieson Way
Viera, FL 32940

Legislation Text

File #: 1917, **Version:** 1

Subject:

2021 Group Health Plan Design Changes

Fiscal Impact:

Minimum - \$535,000-year 1 cost reduction resulting from the previously completed RFP selection of Cigna and Health First Health Plans can be further enhanced with a potential estimated additional savings of \$2,697,000 based on plan design recommendations made by the EBAC if adopted by the Board. The combined RFP and Plan Design potential savings is estimated at \$3,232,000 in the first year of the new contract period.

Dept/Office:

Office of Human Resources / Employee Benefits

Requested Action:

That the Board approves a Group Health Insurance program for CY2021 as recommended by the Office of Human Resources/Employee Benefits and the County’s Employee Benefits Insurance Advisory Committee (EBAC).

Summary Explanation and Background:

The actuarial projections for the 2021 plan year pursuant to F.S. 112.08 estimate the following plan performance in 2020 and 2021 with no changes:

	2020	2021
Revenue	\$56,568,000	\$56,568,000
Expenses	\$61,791,000	\$65,727,000
Projected Gain/-Loss	-\$5,223,000	-\$9,159,000

This information was provided to the County’s Employee Benefits Insurance Advisory Committee (EBAC) by the Office of Human Resources/Employee Benefits for their consideration along with the County’s Benefits Consultant’s analysis of responses received to this office’s RFP.

The EBAC 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 (EBAC):

- Overage dependents assessed \$100/month surcharge (this is in line with the current Working Spouse surcharge in place for several years).
- Medical care management - The EBAC opted to access just the Cigna HMCM Basic enhanced care management option vs the more aggressive HMCM Preferred enhanced care management option offered as an upgrade, in order to evaluate the impact of the Basic option on savings and access to

care.

- Pharmacy - Enhanced Specialty Solutions option is a clinical prior authorization program aimed at addressing the prescribing of “specialty” pharmaceuticals. These medications are a major contributor to the cost of pharmacy benefits while making up a small percentage of the prescriptions filled under our health plan. The impact of more aggressive management of these highest priced medications will have a significant financial impact on the plan while causing minimal disruption to a small percentage of plan participants.
- Retain Three Plan Designs with the changes illustrated below:
 - EPO - Cigna & Health First Health Plan (the lowest cost / base plan providing in-network only coverage with a Health Reimbursement Account (HRA) benefit.)
 - PPO- Cigna & Health First Health Plan - traditional PPO with both in and out of network coverage and a Health Reimbursement Account (HRA) benefit.
 - PPO Preferred - Cigna Only with a higher premium and lower deductible providing both in and out of network coverage.
 - Lower the EPO/PPO deductible from \$1500/\$3000 to \$1000/2000 (individual / family). PPO Preferred deductible will remain \$600/\$1200 with participation in the County’s Wellness Program.
 - Disconnect HRA from health plan and contract with TASC, this allows for HRA credits to be used to offset pharmacy costs in addition to unreimbursed medical expenses (co-pays/deductibles / other out of pocket costs not covered by the health plan). This will be accomplished using the same vendor and debit card program currently providing Flexible Spending Account benefits on a single debit card, at half the cost of administering the HRA through the health plans;
 - Change HRA contributions to \$500 individual / \$1,000 family;
 - No up-front (tiered) deductible;
 - HRA eligibility limited to unreimbursed medical and pharmacy expenses;
 - Cap HRA rollover at \$8,000 (equal to the in-network family OOP Max);
 - No new HRA credits until accumulated balance falls below the \$8,000 cap.
- Lower Annual Deductibles and Disconnect HRA from Medical Plans

The Office of Human Resources/Employee Benefits requests that the Board review and approve the attached recommendations.

Clerk to the Board Instructions: