



## MEMORANDUM

To: City of Menasha Administration Committee

From: Peggy Steeno, Director of Administrative Services

Date: September 30, 2015

RE: Health Insurance - 2016

### **BACKGROUND**

In November of 2014, the City of Menasha contracted with Wisconsin Counties Association/Group Health Trust (WCA/GHT) to be the City's medical insurance carrier for the calendar years 2015 and 2016, per the plan details on the attached document.

By selecting this plan, the City saved approximately \$138,000 in comparison to the renewal offered by the City's previous provider Wisconsin Education Association Insurance Trust (WEA), for the same benefits.

WCA/GHT has delivered on all of the commitments made to the City as part of this agreement. While there are always things that can be improved upon, the overall experience with WCA/GHT has been positive. In regard to the issues that have arisen, in the areas of coverage and customer service, I am pleased to report that all issues have been resolved.

### **ANALYSIS**

As part of the two year contract signed in November of 2014, the second year renewal pricing was guaranteed to be 8% or less. Again, WCA/GHT delivered on that commitment. The initial renewal rate provided to the City was 7%. However, after discussions with WCA/GHT, the increase was reduced to 5.5%. And, with a few minor plan design changes, the increase will be 2.5% for 2016.

The recommended plan design changes are as follows:

- (2% Premium Reduction) City agrees to participate in a local clinic being set up exclusively for the Menasha School District and the City of Menasha by offering the clinic to employees as another care option (employees will save money if they choose to participate) (flyer of a similar clinic attached),

- (1% Premium Reduction) The addition of a \$100 co-pay for high tech imaging, including MRI's, CT scans, and PET scans. This co-pay can be reduced to \$50 per occurrence if the covered member chooses to go to Smart Choice MRI (flyer attached), and
- (No cost addition or reduction) The addition of a health club reimbursement of \$120 (Single)/\$240 (Family) per year.

In addition, WCA/GHT provides the following as part of the contract with the City:

- Health Risk Assessments and Biometrics Testing,
- A Wellness Grant, and
- Pays all ACA Fees.

Currently, City employees are not required to pay a contribution toward the premiums. The absence of a premium contribution is a carryover from the transition from a traditional health care plan to a high deductible plan which took place in 2012.

The current Collective Bargaining Agreement for our Police Officers includes a 2.5% employee premium share beginning in 2016. In conjunction with this, we are recommending a 2.5% employee premium share for all employees participating in the City's health insurance program.

### **FISCAL IMPACT**

The recommended changes do not impact the City's Health Insurance Budget. However, there are both pluses and minuses for the employee's, based on the premium sharing and the changes in plan design.

### **RECOMMENDATION**

There is no action required on the agreement with WCA/GHT, since the City already committed to a two year agreement covering the 2015 and 2016 calendar years. However, approval is requested / needed for the plan design changes listed above and the premium contribution of 2.5% by all non-represented employees.

**REQUESTED ACTION:** Approval of the following:

- Plan Design Changes
  - Participation in the local clinic;
  - Addition of a \$100 Co-Pay for High Tech Imaging, and
  - Addition of a health club reimbursement benefit of \$120 (Single)/\$240 (Family).
- A Premium Contribution of 2.5% by all non-represented employees.

City of Menasha  
 Option 1: Current Benefit Match Medical Cost Analysis  
 Effective Date: January 1, 2015

| Insurance / Risk Advisory / Employee Benefits<br><b>HORTON</b> |    | WCA  |                |
|--|----|--|----------------|
|  |    | UHC +  |                |
|  |    | In-Network   | Out-of-Network |
| Rate Guarantee   |    | 2 year NTE 8%  |                |
| <u>Enrollment</u>  |    |  |                |
| Single   | 30 | \$490.00   |                |
| Employee/sp  | 23 | \$1,035.00   |                |
| Employee/ch  | 6  | \$910.00   |                |
| Family   | 53 | \$1,594.00   |                |
| Estimated Monthly Premium                                      |    | \$128,447.00   |                |
| Annual Premium   |    | \$1,541,364.00   |                |
| <b>Total Current Annual</b>                                    |    | <b>\$1,541,364.00</b>                                  |                |
| Deductible   |    |  |                |
| Individual   |    | \$1,500  | \$3,000        |
| Family   |    | \$3,000  | \$6,000        |
| Coinsurance  |    | 100%   | 80%            |
| Out-of-Pocket Limit  |    |  |                |
| Individual   |    | \$1,500  | \$4,250        |
| Family   |    | \$3,000  | \$8,500        |
| Hospitalization  |    | ded/100%   | ded/80%        |
| Emergency Room   |    | ded/100%   | ded/100%       |
| Urgent Care  |    | ded/100%   | ded/100%       |
| Primary Care Copay   |    | ded/100%   | ded/80%        |
| Specialty Copay  |    | ded/100%   | ded/80%        |
| Maximum Out-of- Pocket (MOOP)                                  |    | \$3,000/6,000 - Rx Only                                |                |
| Prescription Drugs - Retail                                    |    | Copay  |                |
| VCDP*  |    | \$0  |                |
| Level 1  |    | \$10   |                |
| Level 2  |    | \$25   |                |
| Level 3  |    | \$50   |                |
| Specialty  |    |  |                |
| WELLNESS   |    | HRA Included<br>Wellness Grant Included<br>No ACA Fees |                |

# OPENING JANUARY 2015!

## Your New Health Wave Employee Clinic

Your new clinic is on its way, and available exclusively to plan members of Oshkosh Area School District, the City of Oshkosh and Winnebago County.

- No cost
- Personalized medical care
- Convenient hours

We sincerely care about you and your health. That means offering programs, tools, and resources which empower people to proactively engage in healthy behaviors that drive personal and work success.

With our partners, we choose to make health and wellness a priority by providing primary care and preventive health resources, and health coaching.



## Health Wave Clinic

This list of services is only a partial list of Family Physician Assistant offerings. Our Family Physician Assistant is capable of performing many other services.

### Physician Assistant Scope of Care

- Provide primary and preventive medical care
- Diagnose and treat illnesses
- Prescriptive authority
- Focus on health promotion and wellness
- Partner with you to manage chronic illnesses (non-insulin dependent diabetes, asthma, cholesterol, etc.)
- Order, perform and interpret diagnostic studies such as lab work and x-ray (x-rays not performed at clinic)

### Health Promotion & Wellness

- Comprehensive Health Risk Assessment (HRA)
- Results shared with you via coach and/or physician assistant
- A plan for wellness coordinated, at your request, by the physician assistant

### Patient Education

- Partnership with physician assistant
- Results of HRA could trigger need to provide additional education
- Health prevention and promotion
- Education before, during and after appointment with physician assistant

### Disease/Case Management

- Identify high risk employees through HRA
- Develop plan based on individual results
- Ongoing monitoring

### Services Not Performed by the Physician Assistant

- Specialty care - management of chronic pain, insulin therapy, eye and hearing exams
- Procedures - excision of moles or skin lesions, suturing
- Diagnostic testing - EKG, x-rays, mammograms
- Emergency care - acute chest/abdominal pain, anaphylactic reactions, difficulty breathing, etc.

### Physician Assistant Primary Medical Care

- Routine physicals
- Well baby visits
- Routine gynecological visits
- Comprehensive primary and preventive care
- Blood pressure monitoring
- Blood glucose monitoring
- Care for injuries-lumps, bumps, etc.
- Care for occupational injuries-work related injuries
- Allergies
- Athlete's foot
- Bladder infections
- Camp physicals
- Cold and flu symptoms
- Cold sores
- Ear infections
- Impetigo
- Insect bites
- Laryngitis
- Minor burns and rashes
- Mononucleosis
- Pharyngitis
- Poison ivy
- Ringworm
- Sinus infections
- Sore throat/strep throat
- Sports physicals
- Styes
- Swimmer's ear
- Upper respiratory infections
- Wart treatment
- Immunizations and screening





**Value, Quality and Convenience**

**Introducing our new Appleton location!**



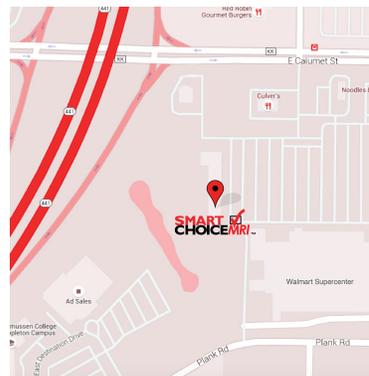
Or less...



Superior GE MRI Technology



**Cleveland Clinic**  
MRI results are read by Cleveland Clinic physicians



3525 Calumet St. #1500  
Appleton, WI 54915  
(HWY 441/KK Next to Walmart)

**Other Locations**

- Milwaukee, WI
- Kenosha, WI
- Sheboygan, WI
- Richfield, WI
- Waukesha, WI

**Bonus Incentive for YOU!**



WCA GHT is offering a **\$50.00 Visa Gift Card** to spend on anything you wish!

**SMART CHOICE MRI™**  
Every MRI, just \$600.



**MEMORANDUM**

To: City of Menasha Administration Committee  
From: Peggy Steeno, Director of Administrative Services  
Date: September 30, 2015  
RE: Dental and Vision Insurance - 2016

**DENTAL**

The City is self-insured for dental coverage, and the plan is administered through Delta Dental. Our insurance administrator has provided experience information for claims and administrative fees for the most recent twelve (12) month period. *Staff has reviewed this information, and no increase in premiums is required for 2016.*

Attached is a Renewal Summary, from the plan administrator, as well as an analysis, prepared by staff, showing a five year history of the of the dental insurance fund and premium rates.

| <u>Current Rates (2015)</u>      | <u>Rates for 2016</u>   |
|----------------------------------|-------------------------|
| Single Plan - \$43.05 per month  | Single Plan – No Change |
| Family Plan - \$114.67 per month | Family Plan – No Change |

In regard to payment of premiums, the City pays 90% and the employees pay 10%. In addition, the City charges COBRA rates at the same level as employee rates. The City does have the ability to add an additional 2% on COBRA policies, however it has no done so in the past and staff is not recommending it for 2016.

**VISION**

The City contracts with Superior Vision (previously known as Vision Insurance Plan of America) to provide vision insurance, for materials only, to its employees. A three year contract for this was approved and signed in 2013, covering the calendar years of 2014, 2015, and 2016. Therefore, the plan and rates are already set for 2016. In regard to payment of premiums, the City pays 90% and the employees pay 10%.

Rates for 2014 – 2016

Single Plan - \$4.84 per month  
Limited Family Plan - \$9.68 per month  
Family Plan - \$12.77 per month

**REQUESTION ACTION:** No action is necessary / requested at this time.

# Renewal Summary

*A review of experience results, administrative fee for your renewal period, and COBRA rate analysis.*

## Experience Results

|                             | Experience Period<br>August 2014 - July 2015 |
|-----------------------------|--|
| Paid Claims                 | \$104,071                                    |
| Administrative Fees         | \$7,155                                      |
| Total Cost                  | \$111,226                                    |
| Number of Claims            | 698  |
| Average Claims per Employee | 6.20   |
| Average Paid Claim          | \$149.10                                     |
| Average Enrollment          | 113  |

## COBRA Rate Projections For Renewal

|  |           |
|--|-----------|
| Revenue Generated at Current COBRA Rates | \$127,242 |
| Projected Total Cost                     | \$116,366 |
| Calculated Adjustment to Rates           | -8.5%     |
| Experience Credibility Factor            | 43.0%     |

## COBRA Rate Recommendation\*

|                    | Current Rates | Renewal Rates | Rate Change |
|--------------------|---------------|---------------|-------------|
| Employees Only     | \$39.98       | \$39.98       | 0.0%        |
| Employees w/Family | \$106.77      | \$106.77      | 0.0%        |

\* The recommended rates do not include the plan sponsor's 2% administrative allowance.

## Administrative Fee For Renewal Period January 2016 - December 2016

|                | Per Employee Per Month |
|----------------|------------------------|
| Present Rate   | \$5.30                 |
| Renewal Rate   | \$5.50                 |
| Percent Change | 3.8%                   |

CITY OF MENASHA

95212-00000



**Dental Premiums Analysis  
9/30/2015**

| <i>History of Fund 735 - Dental</i> | <u>2010 ACTUAL</u> | <u>2011 ACTUAL</u> | <u>2012 ACTUAL</u> | <u>2013 ACTUAL</u> | <u>2014 ACTUAL</u> | <u>Estimate - 2015</u> |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| Revenues (Premiums)                 | \$117,162.30       | \$127,083.53       | \$125,012.49       | \$128,415.16       | \$134,085.58       | \$137,935.34           |
| Expenditures (Claim & Admin. Fees)  | (\$123,458.11)     | (\$126,514.95)     | (\$124,435.56)     | (\$116,780.89)     | (\$110,922.36)     | (\$121,488.06)         |
| Net for the Year                    | (\$6,295.81)       | \$568.58           | \$576.93           | \$11,634.27        | \$23,163.22        | \$16,447.28            |
| Fund Balance                        | (\$599.24)         | (\$30.66)          | \$546.27           | \$12,180.54        | \$35,343.76        | \$51,791.04            |

| # of Employees in Each Plan |      |      |   |
|-----------------------------|------|------|---|
| 2013                        | 2014 | 2015 |   |
| 20                          | 22   | 20   | S |
| 86                          | 91   | 94   | F |

*History of Rates for Dental*

|      | <u>From Company</u>       | <u>City Established Rates</u> |
|------|---------------------------|-------------------------------|
|      | <b>Same rates as 2015</b> |                               |
| 2016 | S \$39.98                 | <b>\$43.05</b>                |
|      | F \$106.77                | <b>\$114.67</b>               |
|      |                           | <b>No Change</b>              |
| 2015 | S \$39.98                 | No Change                     |
|      | F \$106.77                | No Change                     |
|      |                           | <b>No Change</b>              |
| 2014 | S \$39.98                 | No Change                     |
|      | F \$106.77                | No Change                     |
|      |                           | <b>No Change</b>              |
| 2013 | S \$38.80                 | 10.95%                        |
|      | F \$103.36                | 10.94%                        |
|      |                           | <b>No Change</b>              |
| 2012 | S \$37.40                 | 15.11%                        |
|      | F \$99.88                 | 14.81%                        |
|      |                           | <b>No Change</b>              |
| 2011 | S \$36.44                 | Multiple Rates                |
|      | F \$97.06                 | Multiple Rates                |



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