

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 9/23/2019	PREPARED BY: Eric Wyant, HR Generalist
Meeting Date Requested: 10/1/2019	PRESENTED BY: Dave Guyll, Conover Insurance; Carlee Nave, HR Director
ITEM: (Select One) <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Brought Before the Board <div style="text-align: right; margin-top: 5px;">Time needed: 30 minutes</div>	
SUBJECT: 2020 Employee Benefits Presentation	
FISCAL IMPACT: \$1,030 per eligible employee per month, based on current County contribution	
BACKGROUND: <p>Conover Insurance has obtained renewal rates for 2020 employee benefits. Conover was able to obtain favorable (based on the current health insurance market) renewal rates from Premera, Willamette Dental, and VSP.</p> <p>Premera provided two different rate structures for consideration for the 2020 plan year for medical and dental coverage: 2-tier coverage (current rate structure), and 6-tier coverage (the number 2 choice of the Benefits Committee in 2018) as well as options to adjust the plan for prescription drugs.</p> <p>As this was the first year with a 2-tier rate structure, a Benefits Values Survey was administered half way through the plan year and all benefits-eligible County employees were invited to participate. Overall, we had 44% participation in the survey.</p> <p>The survey results and the 2020 rates were presented to the Benefits Committee in order to obtain a recommendation for the Board. The Committee consensus is to recommend the 2-tier rate structure for Premera medical and dental, and add a \$150 deductible for brand medications to the medical plan.</p> <p>Staff is requesting Board consensus with regard to rate structure in order to move forward with preparation for 2020 Open Enrollment. Contracts for selected plans and benefits will be presented to the Board in the coming months as they are finalized with the carriers.</p>	
RECOMMENDATION: <p>The Benefits Committee recommends the Board give consensus to move forward with a 2-tier rate structure and \$150.00 annual prescription deductible for the Premera medical plan for the 2020 plan year, and renew coverages for the remaining dental, and vision carriers.</p>	
COORDINATION: <p>In May 2019, the Benefits Committee requested that a Mid-Year Benefits Feedback Survey be administered to solicit feedback from employees particularly with regard to their opinions on benefits in response to the plan structure change to 2-tier rates in 2019.</p>	

In June 2019, the Benefits Committee was presented the results of the feedback survey at their monthly meeting. The presentation was emailed out to all committee members following the meeting for distribution to their employee/union groups, and posted on the public drive:

- 44% of benefits eligible employees responded to the survey.
- When asked what tier of coverage they were enrolled in under the 4-tier rate structure in 2018: 31% of participants selected employee only coverage, 20% waived coverage, 20% employee + child(ren) coverage, 13% employee + spouse coverage, 9% employee + family coverage, and 7% were not employed in 2018 or not eligible for coverage.
- When asked what tier of coverage they are currently enrolled in for 2019: 40% currently in enroll in employee only coverage, 39% employee plus dependents coverage, 20% waive coverage, and 1% are not eligible for coverage.
- When asked how the change to 2-tier rates affected their coverage: 41% experienced no change to their coverage, 16% waived coverage, 10% changed to a higher deductible plan, 8% added dependents, 7% dropped dependents, 7% were not employed in 2018 or not eligible for coverage, 6% listed "other" reasons, and 5% changed to a lower deductible plan.
- When asked how the change to 2-tier rates affected them financially: 34% experienced no change, 20% experienced an increased out-of-pocket amount, 16% experienced an increased VEBA contribution, 10% experienced a decreased out-of-pocket amount, 10% experienced a decreased VEBA contribution, 7% were not employed in 2018 or not eligible for coverage, and 3% listed "other" reasons.
- When asked how their overall benefits situation compares to 2018: 48% experienced no change, 24% stated "worse", 22% stated "improved or better", and 6% were not employed in 2018 or not eligible for coverage.

On 7/23/2019, HR sent out a call for Benefits Committee representatives to All-County and all union business representatives. In that communication we expressed our continued desire to have at least one representative from each office/department and employee group/union to help us make sure all employee groups are represented on the Committee and informed on benefits related topics, including 2020 renewal plan and rate options. In response to this call, 57% of County groups had representatives in attendance at the 8/6/2019 meeting or indicated who would be representing their group for 2020.

Following the 8/6/2019 meeting, a recap was sent out to the 2019 Committee representatives, again calling for confirmation of who will represent their groups (for those who hadn't responded) for the 2020 Committee. Following that email recap, a few additional County groups responded, bringing the total represented groups to 74%

On 8/12/2019, follow up communication was sent out to elected officials/department heads/union business representatives whose groups did not respond to the original call and/or who did not have a representative volunteer at or following the 8/6/2019 meeting. Following that communication, confirmation was received from additional groups for a total of 83% of County groups.

On 8/19/2019, additional follow-up communication was sent out to elected officials/department heads/union business representatives whose groups did not respond to the original call or follow-up communication. Following that communication, confirmation was received from two additional groups for a total of 95% of County groups. The remaining group did not respond.

On 8/20/2019, the 2020 Benefits Committee met to review claims data, along with the renewal plan and rate presentation from Conover for the carriers which renewal rates had been received. Representatives from 57% of County groups attended the presentation and participated in discussions of plan options.

On 9/3/2019, the Committee conducted an additional meeting to discuss the rates which had been received from the remaining carriers along with individual group feedback. Representatives from 65% of County groups attended the presentation and participated in discussions of plan options. The Committee elected to share this information with their respective groups and share their group's feedback/recommendation in one week's time.

On 9/10/2019, the Committee conducted a third meeting to discuss individual group recommendations/consensus, to determine the Committee's recommendation to the Board for 2020 benefits plans. 78% of the County groups were present at this meeting or shared their groups' feedback prior to the meeting. Of those groups, 33% recommended a 2-tier renewal, 17% recommended 6-tier change, 22% were split between the 2 and 6 tiers, and 28% did not receive enough feedback to make a recommendation on behalf of their group. Of the groups that recommended a 2 or 6 tier or were split, 50% recommended adding the prescription deductible of \$150.00.

At the Benefits Committee meeting there were some individual employees, new to the Committee, who expressed displeasure with the process by which the Committee determines a recommendation and the recommendation formulated. There was some discussion regarding the process and the representation of groups. Ultimately, given this was the third meeting, past practice, and the current timeline for renewal, the process continued consistent with past practice and what was communicated to Committee members beforehand. The conversation was tabled until the Committee reconvenes in the new year.

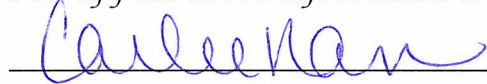
ATTACHMENTS: (Documents you are submitting to the Board)

1. Conover Benefits Renewal Presentation

HANDLING / ROUTING: (Once document is fully executed it will be imported into Document Manager. Please list name(s) of parties that will need a pdf)

n/a

I certify the above information is accurate and complete.



Carlee Nave, HR Director

FRANKLIN COUNTY

COMMISSIONERS PRESENTATION

OCTOBER 1, 2019



Franklin County – Current Medical Plan Offerings

Premiera Blue Cross

- Medical Plans
 - \$750 PPO Deductible / \$20 Office Copay
 - \$1500 PPO Deductible / \$30 Office Copay
 - \$3000 PPO Deductible / \$30 Office Copay
 - \$2500 Deductible H S A Plan
- Prescription Drug Plan – Same RX for all PPO Plans
 - \$0 Deductible
 - \$20 Copay – Generic
 - \$40 Copay – Preferred Brand
 - \$70 Copay – Non-preferred Brand

Franklin County – Current PPO Dental Plan Offerings Premera Blue Cross

- Dental Plans
 - High Option
 - \$50 Deductible / \$2000 Annual Maximum
 - Low Option
 - \$50 Deductible / \$1000 Annual Maximum



Franklin County Benefits Committee Pre-Renewal Observations and Feedback

- Employees are satisfied with the benefit choices of the current plan offerings.
- Employees are satisfied with Premiera's level of service.
- The Benefits Committee's desire is to renew with Premiera.
- The Benefits Committee is concerned about increasing prescription drug costs and their effect on the plan.
- The Benefits Committee requested to see alternate plan structures in addition to the 2-tier renewal rates.
- The Benefits Committee requested alternate prescription drug plan designs to see their impact on the renewal rate.

Franklin County Premera Renewal Process Overview

- Premera's Target Loss Ratio is 75%.
- Franklin County's Year to Date Combined Loss Ratio is 79%.
 - Medical Loss Ratio 70%
 - Prescription Drug Loss Ratio 107%
 - Dental Loss Ratio 104%
- Premera initially proposed a 14% increase for renewal.
- Conover negotiated the renewal to a 5% increase
 - This was identified as a fair renewal, so the need to shop the market with other carriers was not explored.
- Premera provided 2-tier renewal rates and 6-tier change rates
- Premera provided 7 prescription plan design options for the PPO plans, including the current plan design where the renewal rate increase ranges from 2.36% to 5%.

Franklin County Other Plan Renewals

■ Willamette Dental	
■ Initial Renewal	9.7% Increase
■ Negotiated Renewal	8.4% Increase
■ Vision Service Plan	
■ Renewal	3.2% Increase
■ Lincoln Financial (Pending Renewal Rates)*	Current Rates
■ Life and AD&D (Employer Paid)	\$4.56/per employee per month
■ Base Long Term Disability (Employer Paid)	\$4.99/per employee per month

* Presentation will be updated in advance of the meeting once the carrier has submitted renewal rates

Franklin County Benefits Committee Recommendation

- Medical
 - Maintain 2-tier rate structure
 - Add \$150 annual prescription deductible for preferred and non-preferred brand medications with current co-pays remaining the same
- Dental
 - Maintain current Premiera and Willamette dental plan offerings
- Vision
 - Maintain current VSP vision plan