

**RESUME: Health Insurance, Voluntary Dental & Voluntary Vision Buy-Up Update & FY2018 Rate Recommendation
April 11, 2017**

The County and School Division have received the annual health insurance renewal from Anthem via Pierce Group Benefit Consulting. A renewal with Anthem and retention of self-insured status was considered for FY2018.

The FY2018 County Administrator's Budget was prepared with a 5% health insurance increase included as a "place holder,, prior to renewal information being received. The dollar increase included was \$89,000 all funds; \$78,072 General Fund.

Staff and the Pierce Group Benefit Consultants, provided a health insurance update on March 20 where an option of using a **restricted drug formulary** (Essential Formulary) was presented in order to have a more affordable renewal. The board gave consensus that this was the desired renewal option for FY2018.

The final renewal and recommended rates were provided to County and Schools on March 27, 2017. Continued discussions with Pierce Group and analysis and budget impact calculations have been underway since then. The recommended rates were structured to have the County and Schools (employer) absorb the entire contribution/rate increase in FY2018. The overall contribution increases provided for the County were:

Health Insurance - Anthem

With no plan changes – 12% Increase (General Fund Addition = \$91,000)

Restricted / Essential Drug Formulary – 7.68% Increase (General Fund Addition = \$30,000)

Dental and voluntary vision renewals were also provided.

Voluntary Vision Buy-Up – Unicare – No Increase in employee premiums

Voluntary Dental – Delta Dental –

0% increase for active employees; 5.2% increase for retirees

School and County staff discussed moving retirees to a self-pay arrangement for voluntary Dental and Voluntary Vision Buy-Up Insurance (not for health insurance). This will remove staff as the "middle-man / banker,, for these retiree premium collections and remittances to Delta Dental and Unicare.

Continued - Health Insurance, Voluntary Dental & Voluntary Vision Buy-Up
 Update & FY2018 Rate Recommendation
 April 11, 2017

Staff Recommendations for FY2018:

Category	Recommendation	Budgetary Impact	Employee Impact
Health Insurance	Renew with Anthem; Move to Essential Drug Formulary; Remain self-insured; Renewal Contribution Increase = 7.68%; 100% Employer Absorbed	Add \$30,000 General Fund* to County Administrator's Budget Proposal	None; No change; no rate increase
Employer HSA Contribution	Leave H S A contributions the same as in FY2017	\$0	None
Delta Dental	Renew for 1 Year; Move retirees to self-pay arrangement	None – Employee-Paid	Active Employees 0%; Retirees 5.2% Increase
Vision Buy-Up	Renew with Unicare; rates unchanged from FY2017; move retirees to self-pay arrangement	None – Employee-Paid	None; No change; no rate increase

*County Administrators budget included 5% increase as a “place holder,, [\$89,000 total impact; General Fund = \$78,072]
 Addition with actual renewal = General Fund \$30,000; Tourism \$430; Community Corrections \$1,341; Utilities \$2,445.

See attached rate sheets incorporating recommendations.

Recommendation - Approve FY2018 health, dental and voluntary vision renewal at rates listed on the attachments with retirees moving to self-pay arrangement for dental and vision insurance. Resolution provided.

**County of Prince George
FY2018 Health Insurance Rate Change - Restricted Drug Formulary and Employer Absorbed Increase**

ADOPTED REVISED RATES
Prince George County Health Rates FY/17

Revision Effective August 1, 2016 (monthly rates)

Anthem PIN 30				CONTRIBUTION %	
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost	EE	ER
Employee Only	\$ 40.00	\$ 558.85	\$ 598.85	6.68%	93.32%
Employee/Child	\$ 215.00	\$ 596.88	\$ 801.88	26.81%	73.19%
Employee/Children	\$ 425.00	\$ 614.03	\$ 1,039.03	40.90%	59.10%
Employee/Spouse	\$ 500.00	\$ 643.10	\$ 1,143.10	43.74%	56.26%
Employee/Family	\$ 710.00	\$ 660.87	\$ 1,370.87	51.79%	48.21%
				33.99%	66.01%

Anthem High Deductible Health Plan (with HSA)				CONTRIBUTION %	
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost	EE	ER
Employee Only	\$ -	\$ 548.41	\$ 548.41	0.00%	100.00%
Employee/Child	\$ 108.00	\$ 626.55	\$ 734.55	14.70%	85.30%
Employee/Children	\$ 213.00	\$ 739.72	\$ 952.72	22.36%	77.64%
Employee/Spouse	\$ 250.00	\$ 796.79	\$ 1,046.79	23.88%	76.12%
Employee/Family	\$ 355.00	\$ 900.94	\$ 1,255.94	28.27%	71.73%
				17.84%	82.16%

AVERAGE CONTRIBUTION %		
	EE	ER
2016-2017 OVERALL AVG	25.91%	74.09%
2016-2017 EE ONLY COVERAGE	3.34%	96.66%

RECOMMENDED FY17-18 HEALTH RATES
RECOMMENDED EMPLOYER ABSORBED; ESSENTIAL FORMULARY

Anthem PIN 30				CONTRIBUTION %	
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost	EE	ER
Employee Only	\$ 40.00	\$ 603.56	\$ 643.56	6.22%	93.78%
Employee/Child	\$ 215.00	\$ 633.83	\$ 848.83	25.33%	74.67%
Employee/Children	\$ 425.00	\$ 663.15	\$ 1,088.15	39.06%	60.94%
Employee/Spouse	\$ 500.00	\$ 694.55	\$ 1,194.55	41.86%	58.14%
Employee/Family	\$ 710.00	\$ 713.74	\$ 1,423.74	49.87%	50.13%
				32.47%	67.53%

Anthem High Deductible Health Plan (with HSA)				CONTRIBUTION %	
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost	EE	ER
Employee Only	\$ -	\$ 575.00	\$ 575.00	0.00%	100.00%
Employee/Child	\$ 108.00	\$ 676.67	\$ 784.67	13.76%	86.24%
Employee/Children	\$ 213.00	\$ 798.90	\$ 1,011.90	21.05%	78.95%
Employee/Spouse	\$ 250.00	\$ 860.53	\$ 1,110.53	22.51%	77.49%
Employee/Family	\$ 355.00	\$ 973.02	\$ 1,328.02	26.73%	73.27%
				16.81%	83.19%

7.68% AVERAGE
7.37% AVG
NO CHANGE

AVERAGE CONTRIBUTION %		
	EE	ER
2017-2018 OVERALL AVG	24.64%	75.36%
2017-2018 EE ONLY AVG	3.11%	96.89%

**County of Prince George
FY2018 Dental and Vision Insurance Recommended Rates**

Prince George County Dental Rates FY/17

Effective June 2016 for July 1, 2016 coverage (monthly rates)

Delta Low Tier Dental Plan			
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost
Employee Only	\$ 28.98	\$ -	\$ 28.98
Employee/Child	\$ 62.32	\$ -	\$ 62.32
Employee/Children	\$ 62.32	\$ -	\$ 62.32
Employee/Spouse	\$ 59.04	\$ -	\$ 59.04
Employee/Family	\$ 68.74	\$ -	\$ 68.74

Delta High Tier Dental Plan			
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost
Employee Only	\$ 35.56	\$ -	\$ 35.56
Employee/Child	\$ 79.86	\$ -	\$ 79.86
Employee/Children	\$ 79.86	\$ -	\$ 79.86
Employee/Spouse	\$ 71.12	\$ -	\$ 71.12
Employee/Family	\$ 100.53	\$ -	\$ 100.53

Adding Ortho (child only) to High Tier; 50% coverage up to \$1,000 lifetime maximum

Prince George County Vision Rates FY/17

Unicare Vision Buy-Up (Voluntary)			
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost
Employee Only	\$ 5.52	\$ -	\$ 5.52
Employee/Child	\$ 9.66	\$ -	\$ 9.66
Employee/Children	\$ 11.04	\$ -	\$ 11.04
Employee/Spouse	\$ 9.66	\$ -	\$ 9.66
Employee/Family	\$ 16.06	\$ -	\$ 16.06

Prince George County Dental Rates FY/18

Effective June 2016 for July 1, 2016 coverage (monthly rates)

ACTIVE EMPLOYEES - 0% Increase; RETIREES - 5.2% Increase

Delta Low Tier Dental Plan			
	Employee Contribution Amount	Employer Contribution Amount	Total Health Premium Cost
Employee Only	\$ 28.98	\$ -	\$ 28.98
Employee/Child	\$ 62.32	\$ -	\$ 62.32
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Prince George County Vision Rates FY/18

NO CHANGE

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FY17 TO FY18 CHANGE

Premium Change	% Change
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
\$ -	0.00%
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Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 11th day of April, 2017:

Present:

Vote:

William A. Robertson, Jr., Chairman
Donald R. Hunter, Vice-Chairman
Alan R. Carmichael
Jerry J. Skalsky
T. J. Webb

A-5

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; APPROVAL OF RECOMMENDED FY2018 HEALTH, DENTAL AND VISION INSURANCE RENEWALS WITH RECOMMENDED RATES AS ATTACHED.

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 11th day of April, 2017, does hereby authorize renewing for FY2018

Health Insurance with Anthem for an overall 7.68% increase all County/employer absorbed;

Dental Insurance with Delta Dental of Virginia with no increase to active employees, and moving retirees to a self-pay arrangement;

Vision Insurance with Unicare at no increase to employees or retirees, and moving retirees to a self-pay arrangement.

BE IT FURTHER RESOLVED That the Board of Supervisors of the County of Prince George this 11th day of April, 2017, does hereby approve recommended FY2018 rates as provided and attached as Rate Sheet 1 and Rate Sheet 2.

A Copy Teste:

Percy C. Ashcraft
County Administrator

County of Prince George
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