



AGENDA
CITY OF ORMOND BEACH, FLORIDA
CITY COMMISSION WORKSHOP
November 2, 2021
5:30 PM

Mayor Bill Partington

Zone 1 – Commissioner Dwight Selby

Zone 3 – Commissioner Susan Persis

Zone 2 – Commissioner Troy Kent

Zone 4 – Commissioner Rob Littleton

CITY COMMISSION CONFERENCE ROOM

22 S. Beach Street, Ormond Beach, FL 32174

Phone: 386-677-0311

Web: www.ormondbeach.org

1. CALL TO ORDER

2. DISCUSSIONS

A. HEALTH INSURANCE PLAN UPDATE

Staff Contact: *Claire Whitley, Assistant City Manager (386-676-3202)*

3. ADJOURNMENT

Website Address – www.ormondbeach.org

NOTICE – Pursuant to Section 286.0105 of the Florida Statutes, if any person decides to appeal any decision made by the City Commission with respect to any matter considered at this public meeting, such person will need a record of the proceedings and for such purpose, such person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which the appeal is to be based.



For special accommodations, please notify the City Clerk's Office at least 72 hours in advance.
Phone: 386-677-0311



Help for the hearing impaired is available through the Assistive Listening System. Receivers can be obtained from the City Clerk's Office.

In accordance with the Americans with Disabilities Act (ADA), persons with a disability, such as a vision, hearing or speech impairment, or persons needing other types of assistance, and who wish to attend City Commission meetings or any other board or committee meeting may contact the City Clerk's Office in writing, or may call 386-677-0311 for information regarding available aids and services.



CITY OF ORMOND BEACH

City Manager • 22 S. Beach Street • Ormond Beach • Florida • 32174 • (386) 676-3200 • Fax (386) 676-3384

CITY MANAGER MEMORANDUM

To: The Honorable Mayor Partington and City Commissioners

Through: Joyce A. Shanahan, City Manager

From: Claire Whitley, Assistant City Manager

Date: November 2, 2021

Subject: Health Insurance Plan Update

Commission Goal: Governance - Other

Introduction

Staff, with the City's insurance broker, Brown and Brown, will present an update on the City's Health Insurance Strategic Plan and discuss the upcoming 2022 benefit plan renewals.

Background

As a result of significant rate increases to the City's health insurance program in 2015, the City Commission and staff worked together throughout 2016 to develop a Health Insurance Strategic Plan with the goal of providing quality and affordable health care to City employees. Staff, in partnership with the Commission, continues to evaluate plan options and performance, and revise the Strategic Plan as needed.

Discussion

Current employee benefit coverages expire on December 31, 2021. Brown and Brown, on behalf of the City of Ormond Beach, solicited renewal quotes for coverages effective January 1, 2022. In this workshop, staff will review current plan design; provide updated utilization and claims analysis; and discuss renewal plans and considerations for the 2022 plan year.

Citizen Impact

The City's strategic goal of offering quality and affordable healthcare to its employees contributes to a fair and competitive work environment, which in turn enables the City to recruit and retain staff for successful delivery of services to its residents.

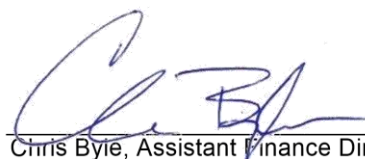
Recommendation

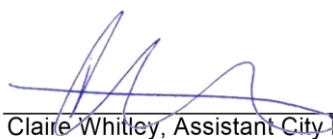
This workshop is for discussion purposes only. Final plan recommendations will be presented at the November 16, 2021 City Commission meeting for final selection and approval by the Commission.

Attachments:

- Health Insurance Plan Update 2022 Renewal Presentation (PDF)

REVIEWED BY:


Chris Byie, Assistant Finance Director 10/27/2021


Claire Whitley, Assistant City Manager 10/26/2021

APPROVED BY:


Joyce A. Shanahan, City Manager 10/27/2021



Ormond Beach

2.A.a

2021 YTD Utilization & Strategy Review

November 2, 2021

Prepared By:

Claire Whitley – City of Ormond Beach, Assistant City Manager

Samantha Potts – City of Ormond Beach, Human Resources Manager

Jessica Scott – Brown & Brown, Senior Vice President



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Plan Utilization Overview



Combined Monthly Utilization Overview

Plan Year	Month	H.S.A. Plan	
		Paid Claims	Paid Premium
2020	October	\$224,154	\$226,349
2020	November	\$146,779	\$226,171
2020	December	\$235,731	\$223,190
2021	January	\$240,744	\$241,121
2021	February	\$261,135	\$242,746
2021	March	\$215,212	\$238,926
2021	April	\$492,412	\$237,746
2021	May	\$229,026	\$238,761
2021	June	\$227,685	\$239,215
2021	July	\$493,288	\$234,206
2021	August	\$249,085	\$230,832
2021	September	\$253,811	\$234,206
2020 YTD Totals		\$5,132,203	\$4,895,786

	Plan Implemented 1/1/2016	Final Renewal %
2015 Loss Ratio		30.1% (Short Year)
2016 Loss Ratio	72%	3.4%
2017 Loss Ratio	67%	4.0%
2018 Loss Ratio	67%	-2.0%
2019 Loss Ratio	81%	3.0%
2020 Loss Ratio	90%	-3.0%
2021 YTD Loss Ratio	125%	6.0%



Large Claims Summary (>\$25k)

2.A.a

Large Claim Summary

	Rolling 12 Months (10/1/20 - 9/31/21)
Total Paid	\$2,156,061
# of Claimants	18
	2020 Plan Year
Total Paid	\$1,353,260
# of Claimants	19
	2019 Plan Year
Total Paid	\$697,001
# of Claimants	13
	2018 Plan Year
Total Paid	\$998,571
# of Claimants	15
	2017 Plan Year
Total Paid	\$785,095
# of Claimants	6
	2016 Plan Year
Total Paid	\$1,151,721
# of Claimants	8
	2015 Plan Year
Total Paid	\$1,244,048
# of Claimants	9



\$0 Copay Medication Program

- Program implemented in January 2017
- Targets three high risk conditions:
 - Heart disease, high blood pressure, high cholesterol
- Objective: eliminate cost barriers to obtaining maintenance medications by eliminating member copays for select medications.

Historical summary of program through September 2021

Period	Total Scripts	Total Paid by City	Average Cost Per Script
January - December 2017	705	\$7,170	\$10
January - December 2018	665	\$8,346	\$13
January - December 2019	719	\$7,081	\$10
January - December 2020	696	\$8,055	\$12
January - September 2021	475	\$3,403	\$7
January - December 2021 (annualized)	633	\$4,537	\$7
Program Total (2017-21 YTD)	3893	\$38,591	\$10



\$0 Copay Medication Summary – 2021 YTD

Drug Class - Blood Pressure	Total Rx	Total Paid by City
Amlodipine Besylate	53	\$395
Atenolol	26	\$195
Benazepril HCL	0	\$0
Carvedilol	0	\$0
Furosemide	9	\$61
Hydrochlorothiazide	39	\$179
Lisinopril	86	\$661
Lisinopril Hydrochlorothiaz	9	\$78
Losartan Potassium	45	\$372
Metoprolol Tartrate	20	\$162
Telmisartan	10	\$84
Total	297	\$2,187

Drug Class - Blood Thinners	Total Rx	Total Paid by City
Warfarin Sodium	0	\$0
Total	0	\$0

Drug Class - Anti-Diabetic	Total Rx	Total Paid by City
Glimepiride	8	\$54
Glipizide	5	\$45
Metformin Hydrochloride	31	\$0
Metformin Hydrochloride ER	9	\$0
Total	53	\$99

Drug Class - Cholesterol / Statins	Total Rx	Total Paid by City
Atorvastatin Calcium	30	\$258
Pravastatin Sodium	9	\$81
Rosuvastatin Calcium	67	\$564
Simvastatin	50	\$417
Total	156	\$1,320

Grand Total 2020-2021 YTD	506	\$3,606
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Emergency Room Utilization

	2017		2018		2019		2020		2021 YTD		2021 Annualized	
Month	Enroll	Visits	Enroll	Visits	Enroll	Visits	Enroll	Visits	Enroll	Visits	Enroll	Visits
Average Total	490	38	499	38	520	52	524	37	505	34	505	58
Δ from Prior Year	0%	-22%	2%	0%	4%	37%	1%	-15%	-15%	0%	-15%	57%

Month	2018			2019			2020			2021		
	Enrollment	Visits	Per 1000	Enrollment	Visits	Per 1000	Enrollment	Visits	Per 1000	Enrollment	Visits	Per 1000
Jan	489	4	8	506	5	10	511	6	12	511	4	8
Feb	492	4	8	506	6	12	516	7	14	514	5	10
Mar	500	4	8	508	4	8	526	1	2	506	7	14
Apr	500	5	10	511	6	12	530	3	6	503	2	4
May	500	5	10	517	9	17	531	2	4	504	4	8
Jun	504	6	12	517	2	4	525	6	11	504	6	12
Jul	503	9	18	519	4	8	520	6	12	494	6	12
Aug	502	2	4	525	5	10	518	4	8	0	0	0
Sept	502	3	6	528	6	11	516	6	12	0	0	0
Oct	497	5	10	524	7	13	509	5	10	0	0	0
Nov	496	8	16	524	11	21	506	3	6	0	0	0
Dec	503	6	12	516	9	17	497	6	12	0	0	0
Total		61	122		74	143		55	107		34	67



FHCP Office Visit Utilization

	2019					2020					2021				
Month/ Year	Total Enrolled	Wkdy Visits	Ext Hours	Wkend Visits	Total Visits	Total Enrolled	Wkdy Visits	Ext Hours	Wkend Visits	Total Visits	Total Enrolled	Wkdy Visits	Ext Hours	Wkend Visits	Total Visits
Jan	506	63	10	4	77	511	61	11	2	74	511	66	7	3	76
Feb	506	70	6	0	76	516	78	8	3	89	514	50	7	0	57
Mar	508	62	6	2	70	526	61	6	2	69	506	60	4	1	65
Apr	511	59	14	4	77	530	27	2	3	32	503	68	10	5	83
May	517	54	14	1	69	531	33	5	3	41	504	55	7	4	66
Jun	517	55	5	4	64	525	57	8	0	65	504	58	11	4	73
Jul	519	68	8	2	78	520	71	9	4	84	494	81	17	3	101
Aug	525	48	9	3	60	518	50	3	1	54	485	103	12	2	117
Sept	528	57	7	0	64	516	67	7	3	77	493	64	10	0	74
Oct	524	66	9	2	77	509	54	17	2	73	0	0	0	0	0
Nov	524	64	14	1	79	506	60	13	0	73	0	0	0	0	0
Dec	516	65	10	6	81	497	72	5	1	78	0	0	0	0	0
Total		731	112	29	872		691	94	24	809		605	85	22	712

Other Visits	2019	2020	2021
Doctor's on Demand	9	24	29
Member Education Visits	25	21	8
Nurse Clinical Visits (BP, WGT Checks..)	97	136	81
Total	131	181	118

2021 Annualized Total Visits (est.) : 949



Wellness Incentives & HSA Funding

2.A.a

\$1350 annual contribution per employee

\$450 optional wellness dollars available per employee

Program Name	2020 Quantity	2021 YTD Quantity	Incentive Per Program
Personal Health Assessment	178	162	\$125
Skin Cancer Screening	95	13	\$125
Tobacco Free	185	160	\$100
Wellness Incentive			
Completed 2	75	95	\$100
Completed 1	40	94	-
Total (Participants Incentive)	533	430	\$450
Members that have received full \$450	18	18	



2021 - Individual Deductible & Out of Pocket Accumulation

2.A.a

Deductible	Single Coverage				
	\$1,600 (TI4) \$2,700 (TF4)				
Out-of-Pocket Maximum	\$3,200				
Metric	2017	2018	2019	2020	2021 YTD
Utilizing Individuals	225	229	251	219	276
Individuals that met Deductible	29	30	65	29	27
Individuals that Met Out-of-Pocket Maximum	5	10	0	0	5

YTD data is through September 2021



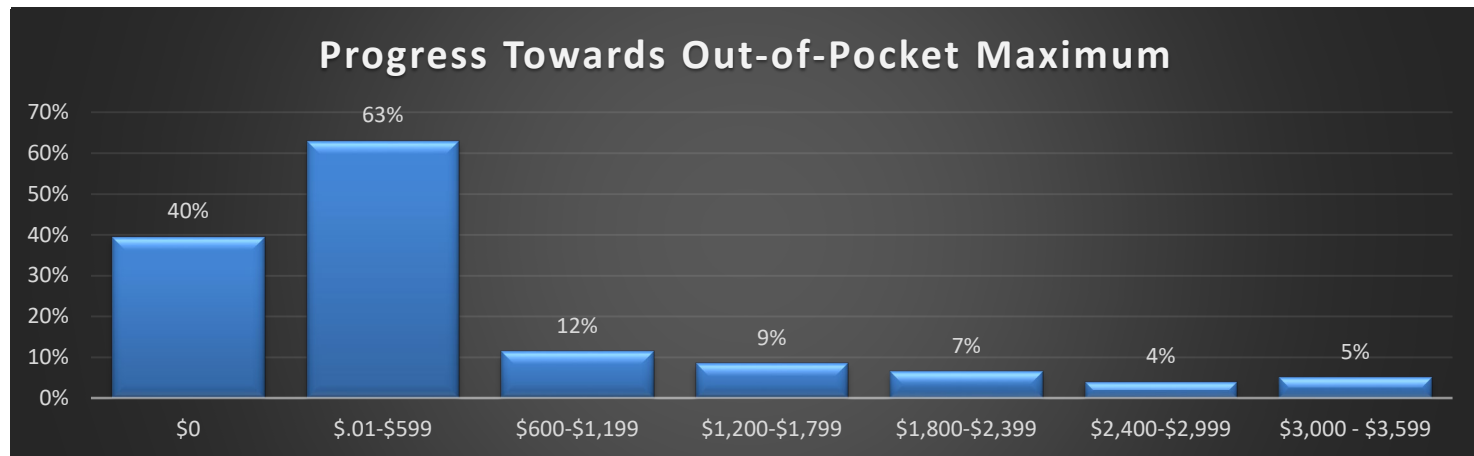
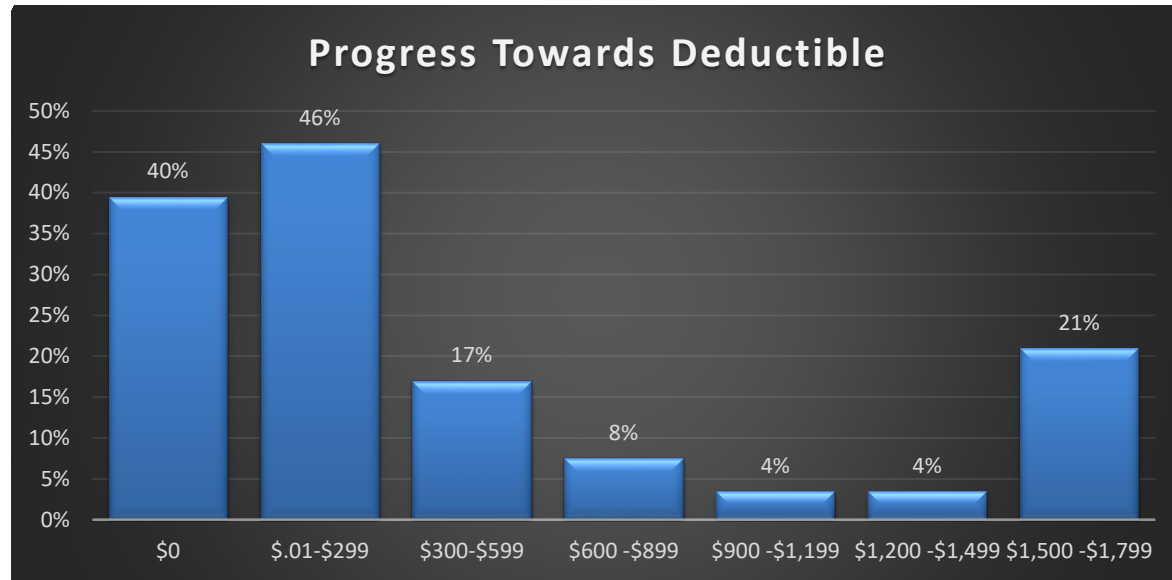
2021 - Family Deductible & Out of Pocket Accumulation

Deductible	Family Coverage				
	\$3,200				
Out-of-Pocket Maximum	\$6,400				
Metric	2017	2018	2019	2020	2021 YTD
Utilizing Families	98	98	98	91	87
Families that met Deductible	16	19	16	8	17
Families that Met Out-of-Pocket Maximum	1	0	1	0	0

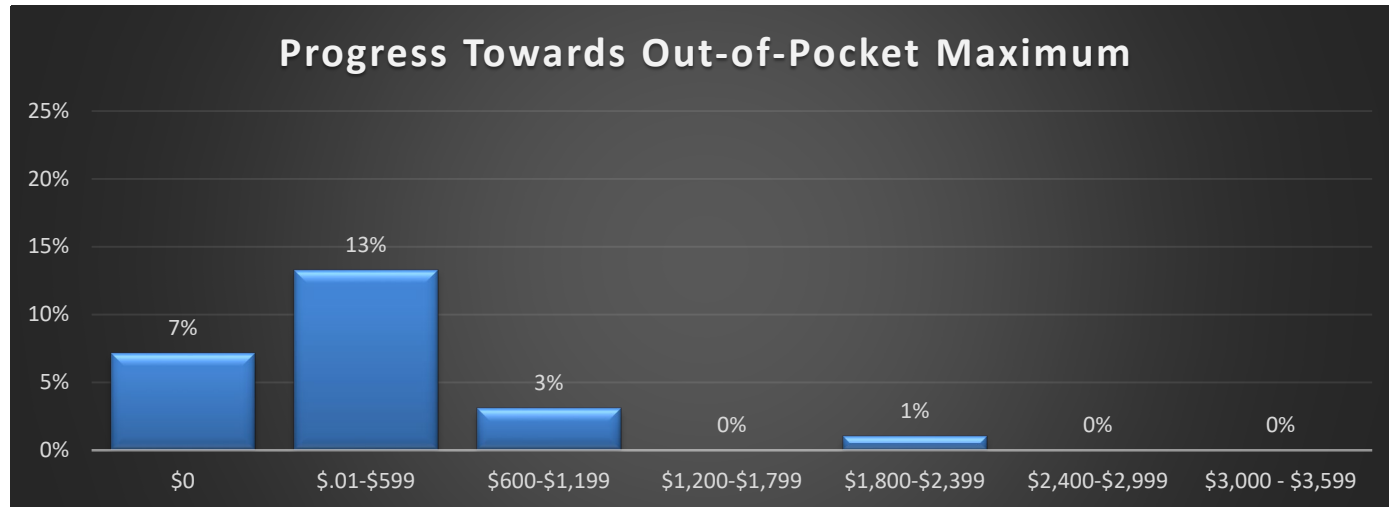
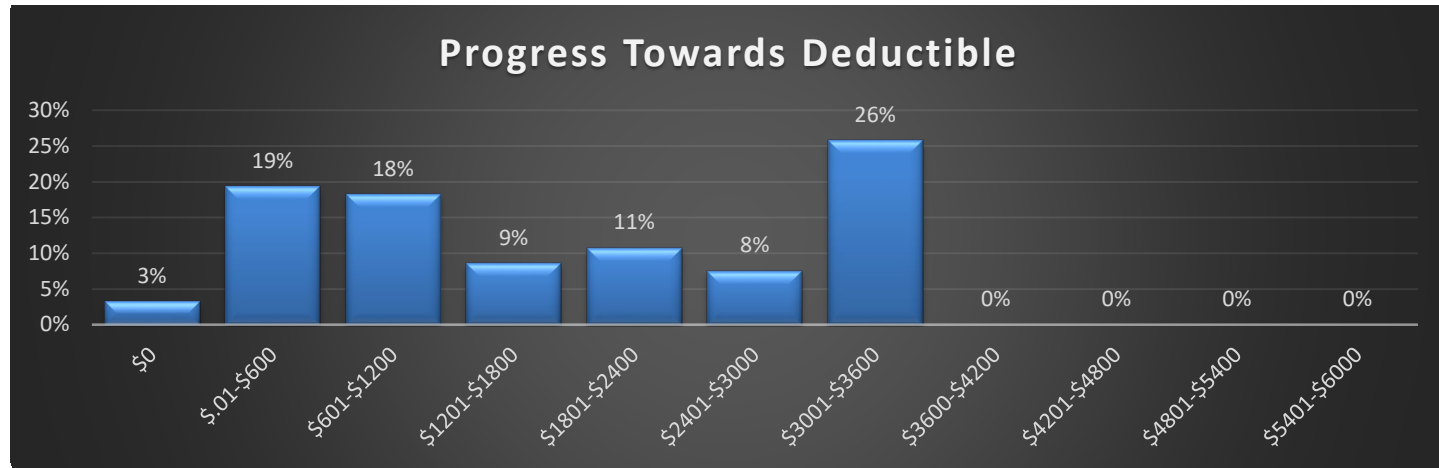
YTD data is through September 2021



Progress Towards Deductible and OOP Maximum (Individual)



Progress Towards Deductible and OOP Maximum (Family)



Renewal Results



Health Insurance Bid Results

	Current FHC HDHP	Aetna	UnitedHealthcare
Premium Rates (Employee Only)	\$590.00	\$826.00 40% increase	\$755.20 28% increase
Deductible	\$1,600/\$3,200 (\$2,800 pp)	\$1,600/\$3,200	\$1,600/\$3,200
Out of Pocket Max	\$3,200/\$6,400 (\$3,200 pp)	\$3,200/\$6,400	\$3,200/\$6,400
Cost Increase		\$838,272	\$586,790
Total Premium	\$2,514,816	\$3,520,742	\$3,218,964
Total Cost to City	\$2,095,680	\$2,933,952	\$2,682,470



Health Insurance Bid Results

	Current FHC HDHP	1 Year Renewal Option	2 Year Renewal Option
Premium Rates (Employee Only)	\$590.00	\$737.50 25% increase	\$678.50 15% increase*
Deductible	\$1,600/\$3,200 (\$2,800 pp)	\$1,600/\$3,200 (\$2,800 pp)	\$1,600/\$3,200 (\$2,800 pp)
Out of Pocket Max	\$3,200/\$6,400 (\$3,200 pp)	\$3,200/\$6,400 (\$3,200 pp)	\$3,200/\$6,400 (\$3,200 pp)
Cost Increase		\$523,920	\$314,352
Total Premium	\$2,514,816	\$3,143,520	\$2,892,038
Total Cost to City	\$2,095,680	\$2,619,600	\$2,410,032

*2023 plan year will be negotiated with FHCP based on up to date claims and utilization data, with a guaranteed not to exceed increase of 18%



HSA Funding

Included in FY 2021-22 Budget

Current HSA funding model:

- \$1,350 base funding
- \$450 in wellness incentives consisting of the following:
 - \$125: Skin Cancer Screening
 - \$125 Personal Health Assessment (PHA)
 - \$100 Tobacco Free Affidavit/Cessation
 - \$100 Wellness Action Team Activity – Consisting of any 2 of the following:
 - Mayor's Health & Fitness Challenge
 - 4 Lunch & Learns
 - Annual Physical
 - 12 FHCP Gym Visits (in any 1 quarter)
 - 1 FHCP Action Plan
 - 1-on-1 with FHCP Dietician
 - 1-on-1 with FHCP Nutritionist
 - 1 FHCP Member Education Class
 - Community Walk/Run/Race



Ancillary Plan Results

- Dental
 - 5% increase from Standard
- Vision
 - 5% increase from Standard
- Life and Voluntary Life
 - No increase
- Long Term Disability
 - 10.5% increase from Standard
- Short Term Disability
 - No increase



Next Steps

- City Commission discussion and direction on benefit insurance renewals.
- Staff will prepare and present renewals for each coverage at the November 16, 2021 City Commission Meeting.

