



City Council Meeting - Final

October 16, 2023

7:00 PM

-
- A. ATH2023-42** Approval of the recommended 2024 employee benefits insurance plans, providers and plan designs as recommended by Insurance Broker, John Knop of Oakbridge Insurance and staff and authorize the Mayor to sign and execute all related documents.



City of Smyrna

Issue Sheet

A Max Bacon
City Hall
2800 King Street
Smyrna, GA 30080

File Number: ATH2023-22

Agenda Date: 10/16/2023

In Control: City Council

File Type: Authorization

Agenda Section:

Agenda Number: A.

Formal Business

Department: Human Resources

Agenda Title:

Approval of the recommended 2024 employee benefits insurance plans, providers and plan designs as recommended by Insurance Broker, John Knop of Oakbridge Insurance and staff and authorize the Mayor to sign and execute all related documents.

Citywide

ISSUE AND BACKGROUND:

Oakbridge Insurance has presented the 2024 employee benefits insurance plans, providers and plan designs as attached and recommends approval and presented to Mayor and Council on October 11, 2023.

RECOMMENDATION / REQUESTED ACTION:

Human Resources and Finance recommend approval of the recommended 2024 employee benefits insurance plans, providers and plan designs as recommended by Insurance Broker, John Knop of Oakbridge Insurance and staff and authorize the Mayor to sign and execute all related documents.

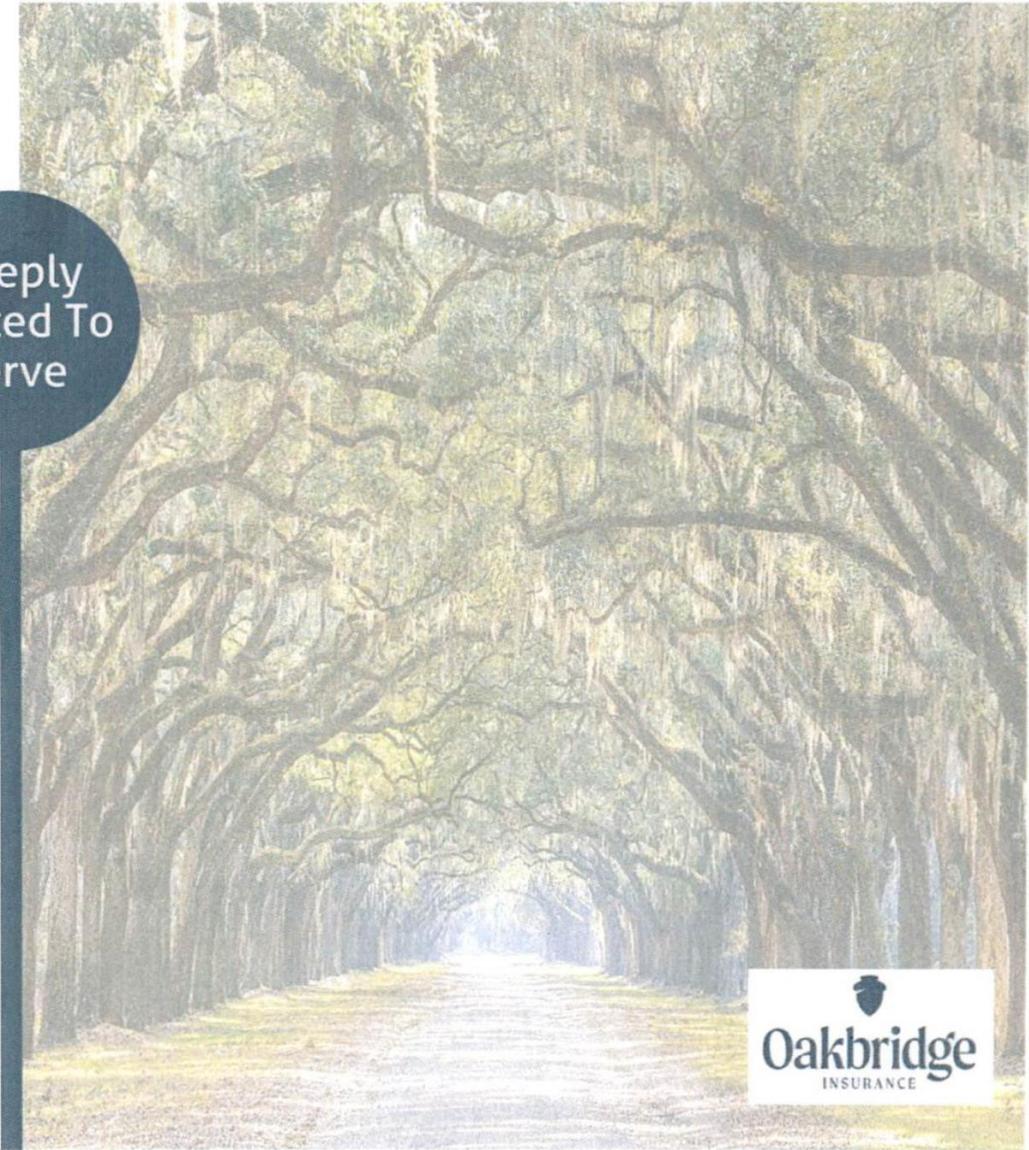


CITY OF SMYRNA
GEORGIA

2024 PLAN YEAR BENEFITS RENEWAL



Deeply
Rooted To
Serve





Renewal Summary – All Plans

Medical	Current	Renewal
Medical Fixed Costs		
Stop Loss Premiums	\$664,467.84	\$713,964.24
Administration Fixed Costs	\$464,202.60	\$482,923.68
Total Annual	\$1,128,670.44	\$1,196,887.92
Change in Fixed Costs		6.04%

Medical	Current	Renewal
Medical Max Claims Liability		
Total Max Claims Liability	\$7,631,015.76	\$8,209,279.44
Total Fixed & Max Claims Liability	\$8,759,686.20	\$9,406,167.36
Overall Change		7.38%

Ancillary Lines	Current	Renewal
DENTAL		
	Guardian	Guardian
Total Monthly Premium	\$16,378.39	\$17,360.84
Total Annual Premium	\$196,540.68	\$208,330.08
Change		6%
VISION		
	Guardian	Guardian
Total Monthly Premium	\$2,932.76	\$2,932.76
Total Annual Premium	\$35,193.12	\$35,193.12
Total Change		0%

Ancillary Lines	Current	Renewal
BASIC LIFE ADD		
	Guardian	Guardian
Total Monthly Premium	\$13,392.52	\$17,203.10
Total Annual Premium	\$160,710.21	\$206,437.15
		28%
STD		
	Guardian	Guardian
Total Monthly Premium	\$6,848.06	\$7,820.32
Total Annual Premium	\$82,176.77	\$93,843.84
		14%
LTD		
	Guardian	Guardian
Total Monthly Premium	\$5,238.17	\$5,442.26
Total Annual Premium	\$62,858.09	\$65,307.11
		4%



Stop Loss Renewal

Executive Summary:

Pareto has provided both an ICM and Non-ICM renewal option. The ICM option reduces the Specific Stop loss Premium by 1% and reduces the Aggregate Claims Liability by 2.5%.

ICM = Pareto's Integrated Cost Management Platform

Employee Count	
EMP	222
FAM	135
Total Employee Count	357

Stop Loss Comparison

Effective Date: January 1, 2024

	Current	Renewal - Non-ICM	Renewal - ICM
TPA	Allied	Allied	Allied
Stop Loss Carrier	HCC	HCC	HCC
Network	Aetna ASA	Aetna ASA	Aetna ASA
Specific Deductible	\$225,000	\$225,000	\$225,000
Aggregating Specific Deductible	n/a	n/a	n/a
Specific Contract Basis	24/12	24/12	24/12
Aggregate Max Annual Reimbursement	\$1,000,000	\$1,000,000	\$1,000,000
Lasers	\$1,000,000	\$275,000	\$275,000
Fixed Costs - Stop Loss Premium			
Specific SL Premium			
	Emp	\$81.90	\$81.14
	Family	\$268.06	\$285.35
Aggregate SL Premium	Composite	\$6.81	\$6.75
Total Stop Loss Fixed Premium			
	Specific SL Premium	\$637,307.28	\$684,790.20
	Aggregate SL Premium	\$27,160.56	\$29,174.04
	Total Annual SL Premium	\$664,467.84	\$713,964.24
	% Change from Current		7.45%
Claims Liability (Aggregate Factors)			
Monthly Aggregate Claim Factors			
	Emp	\$1,183.94	\$1,256.94
	Family	\$2,763.58	\$2,876.90
	Max Aggregate Claims Liability	\$7,631,015.76	\$8,009,066.16
	Expected Aggregate Claims Liability	\$6,104,812.61	\$6,407,252.93
	% Change from Current (Max)		4.95%
Maximum Annual Exposure			
	Fixed Cost	\$664,467.84	\$713,964.24
	Additional Laser Liability	\$375,000.00	\$50,000.00
	Max Aggregate Claims Liability	\$7,631,015.76	\$8,209,279.44
	Total Maximum Liability	\$8,670,483.60	\$8,973,243.68
	% Change from Current		3.49%



Administration Costs

	Current	Renewal - Non ICM	Renewal ICM
TPA	Allied	Allied	Allied
Network	Aetna ASA	Aetna ASA	Aetna ASA
PBM	VeracityRx	VeracityRx	VeracityRx
Total # Enrolled	357		
Fixed Administrative Costs			
<i>Medical Claims Administration</i>	\$32.00	\$32.85	\$32.85
<i>PPO Access</i>	\$16.75	\$17.40	\$17.40
<i>Annual Admin Fee</i>	\$3,250.00	\$3,250.00	\$3,250.00
<i>Large Case Management Vendor</i>	\$130 per hour	\$130 per hour	\$130 per hour
<i>UM/Precert Vendor</i>	HCC \$2.00	HCC \$2.10	HCC \$2.10
<i>Telemedicine Vendor</i>	Teladoc \$1.40	Teladoc \$1.67	Teladoc \$1.67
<i>Government Compliance/Allied Digital</i>	Allied \$1.50	Allied \$4.00	Allied \$4.00
<i>TPA Data Coordination Fees</i>			
<i>Non-Preferred PBM</i>	\$2.00	\$2.00	\$2.00
<i>Stop Loss Coordination</i>	\$2.00	\$2.00	\$2.00
<i>Broker Fee</i>	\$20.50	\$20.50	\$20.50
PBM Fees			
<i>PBM Consulting Fee</i>	\$12.00	\$12.00	\$12.00
<i>Specialty Carve Out Vendor</i>	VeracityRx	VeracityRx	VeracityRx
Cost Containment Program Fees			
<i>Pareto ICM</i>			\$2.00
Total Fixed Premiums			
<i>Total Monthly Fixed</i>	\$35,433.55	\$36,993.64	\$37,707.64
<i>Total Annual Fixed</i>	\$464,202.60	\$482,923.68	\$491,491.68
<i>% Change from Current</i>		4.03%	5.88%

Executive Summary:

Moving to the ICM platform requires an additional \$2.00 per employee per month fee in fixed costs (billed directly by Pareto).

Allied Digital includes mobile app for quick ID card access, submit claims, review claims with member responsibility, and view breakdown of benefits. (This is required by Allied and includes their TiC Compliant cost estimator requirement.)

Teladoc benefit will now include Behavioral Health.



Financials YTD

Total Costs	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Gross Monthly	\$492,013	\$144,297	\$462,903	\$304,329	\$314,719	\$485,677	\$350,974	\$858,617	\$486,251				\$3,899,779
Employee Contributions	\$109,451	\$109,354	\$108,127	\$108,710	\$107,091	\$107,986	\$107,505	\$108,079	\$108,114				\$974,417
Net Monthly	\$382,561	\$34,943	\$354,776	\$195,619	\$207,629	\$377,691	\$243,468	\$750,538	\$378,136				\$2,925,361
Net PEPM	\$1,057	\$97	\$988	\$546	\$590	\$1,064	\$684	\$2,114	\$1,059				\$910

Premium Funding	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Employer Funding	\$664,143	\$657,829	\$659,056	\$656,336	\$645,133	\$650,649	\$653,267	\$650,556	\$654,795				\$5,891,764
Employee Contributions	\$109,451	\$109,354	\$108,127	\$108,710	\$107,091	\$107,986	\$107,505	\$108,079	\$108,114				\$974,417
Total Budget	\$773,594	\$767,183	\$767,183	\$765,046	\$752,224	\$758,635	\$760,772	\$758,635	\$762,909				\$6,866,181
PEPM	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137				\$2,137

Budget Position	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Monthly	\$281,581	\$622,886	\$304,280	\$460,717	\$437,505	\$272,958	\$409,798	-\$99,982	\$276,658				\$2,966,402
PEPM	\$778	\$1,735	\$848	\$1,287	\$1,243	\$769	\$1,151	-\$282	\$775				\$923

*Large claimant claims are those in excess of 50% of the specific deductible.

2022 /2023 cost comparison:

	Net Medical Claims	Net Rx Claims	Admin Costs	Stop Loss	VeracityRx	Total Costs
2022 Plan Year	\$4,878,500.00	\$657,712.00	\$341,755.00	\$575,663.00	\$50,172.00	\$6,503,802.00
2022 Plan Year through September	\$3,839,008.00	\$417,325.00	\$257,316.00	\$433,859.00	\$37,776.00	\$4,985,284.00
2023 Plan Year through September	\$2,713,853.00	\$342,799.00	\$244,312.00	\$496,000.00	\$37,140.00	\$3,834,104.00

Cost Containment

Allied Advocate – currently embedded

Kisx – implementation in process

CancerCare – implementation in process

Personal Importation/SpecialtyRx Program – currently embedded



Rx Performance Review

Through August 2023 the Average Per Member Per Month (PMPM) Rx cost is \$76.96, which is well below the 2023 forecasted industry average of \$138 PMPM. You have saved \$169k due to the Personal Importation program (102 prescriptions) and have saved \$442.5k with the Specialty prescription program (60 prescriptions).



Recommendations

Increase HDHF reducible
to ensure compliance

Renew with Allied and Pareto

Install CancerCare and Kisx
Surgical – currently in process. (Need
to complete implementation)

Consider changing the Advanced
Imaging Benefit

Advertise Teladoc benefit to
increase utilization

Ancillary Lines

Rate Summary

Dental Plan		Guardian Current	Guardian Renewal	The Standard Option
Monthly Rates				
EO	158	\$31.34	\$33.22	\$33.22
EE+1	60	\$61.97	\$65.69	\$65.69
FAM	71	\$108.57	\$115.08	\$115.08
Total Monthly Premium		\$16,378.39	\$17,360.84	\$17,360.84
Total Annual Premium		\$196,540.68	\$208,330.08	\$208,330.08
Change			6%	6%

Vision		Guardian Current	Guardian Renewal	The Standard Option
Monthly Rates				
EO	123	\$8.33	\$8.33	\$7.08
EE+1	52	\$16.16	\$16.16	\$13.74
FAM	45	\$23.73	\$23.73	\$20.17
Total Monthly Premium		\$2,932.76	\$2,932.76	\$2,492.97
Total Annual Premium		\$35,193.12	\$35,193.12	\$29,915.64
Change			0%	-15%

Basic Life		Guardian Current	Guardian Renewal	The Standard Option
Basic Life		0.342	0.445	0.400
ADD		0.020	0.020	0.020
Monthly Rates				
Basic Life	\$ 36,995,905.00	\$12,652.60	\$16,463.18	\$14,798.36
ADD	\$ 36,995,905.00	\$739.92	\$739.92	\$739.92
Total Monthly Premium		\$13,392.52	\$17,203.10	\$15,538.28
Total Annual Premium		\$160,710.21	\$206,437.15	\$186,459.36
			28%	16%

STD		Guardian Current	Guardian Renewal	The Standard Option
60% up to \$700		0.324	0.370	0.350
Monthly Rates				
STD	\$ 211,360.00	\$6,848.06	\$7,820.32	\$7,397.60
Total Monthly Premium		\$6,848.06	\$7,820.32	\$7,397.60
Total Annual Premium		\$82,176.77	\$93,843.84	\$88,771.20
			14%	8%

LTD		Guardian Current	Guardian Renewal	The Standard Option
60% up to \$4000 / \$5000		0.308	0.320	0.320
Monthly Rates				
LTD	\$ 1,700,706.00	\$5,238.17	\$5,442.26	\$5,442.26
Total Monthly Premium		\$5,238.17	\$5,442.26	\$5,442.26
Total Annual Premium		\$62,858.09	\$65,307.11	\$65,307.11
			4%	4%