Newnan Special Called City Council Meeting

SEPTEMBER 29, 2020
Newnan City Hall
Richard A. Bolin Council Chambers
25 LaGrange Street
2:30 PM

CALL TO ORDER

INVOCATION

NEW BUSINESS

A. Consideration of Insurance Program and Presentation by MSI Benefits Group and City Staff

ADJOURNMENT

City of Newnan

2021 Renewal Presentation

Presentation By:

MSI Benefits Group

September 29, 2020

2021 GMA Renewal

	BASE - POS			MIDDLE - HMO 80			HIGH - HMO 90		
PREMIUM	Current		Renewal	Current		Renewal	Current		Renewal
Employee	8	604.00	715.85	32	629.00	743.85	46	682.00	804.85
Employee + 1	7	1,600.00	1,860.85	14	1,667.00	1,937.85	32	1811.00	2,102.85
Employee + Family	10	1,600.00	1,860.85	38	1,667.00	1,937.85	73	1,811.00	2,102.85
Monthly Total	25	$32,032	$37,361	84	$106,812	$124,571	151	$221,527	$257,822
Percentage of Change			16.64%			16.63%			16.38%

	EMPLOYEE SEMI-MONTHLY DEDUCTIONS (24) With Wellness Exam								
Employee	8	0.00	0.00	32	12.00	12.00	46	39.00	39.00
Employee + 1	7	30.00	30.00	14	77.00	77.00	32	134.00	134.00
Employee + Family	10	50.00	50.00	38	97.00	97.00	73	154.00	154.00

Annual Net Cost	$3,768,084	$4,480,692
Percentage of Change		18.91%

City Annual Net Increase	$712,608

2021 Health Plan/Contract – *Recommendation*

FIXED COST	
Third Party Administrator (TPA)	Cigna
(A) Total Annual Administrative Cost	$130,884

Stop Loss Carrier *($100,000 Deductible)*	Cigna
(B) Total Annual Stop Loss Premium	$770,422
Annual Admin (A) + Stop Loss Premium (B)	$901,306

CLAIMS	
Network	Cigna
(C) Annual Expected Claim Total	$3,966,078
(D) Annual Maximum Claim Liability	$4,759,293
(Y) Fixed Cost (A/B) + Expected Claims (C)	$4,867,383
Fixed Cost (A/B) + Expected Claims (D)	$5,660,599

DEBITS	
Pharmacy Rebates (guaranteed)	-$192,084
Administrative Waiver	-$65,000
Employee Deductions	-$556,368
(Z) Total Debits	-$813,452
(Y+Z) City Total Expected Net Cost	$4,053,931
City Anticipated Annual Net Increase	$285,847
	7.59%

Important Notes:

- **Self-insured plan**
- **$100,000 specific stop loss deductible** (city pays claims on all members up to $100K at which point the insurance coverage would apply)
- **2 Networks (Local Plus / National OAP)**
- **Cigna included $68,500 in administrative waivers** (will reduce first administrative invoice by this amount - $46K for year two and $31K for year three)
- **$20,000 in Wellness Fund dollars**
- **No laser guarantee for the 2022 renewal** (will not increase the stop loss deductible on any individual at the next renewal regardless of health history/conditions)

2021 Plan Design/Employee Cost – *Recommendation*

	2020 Plans						Proposed 2021 Plans		
	GMA						Cigna		
	POS		HMO 80		HMO 90		Local Plus	Base OAP	Buy-Up OAP
In-Network	**POS**		**HMO**		**HMO**		**Local Plus**	**OAP**	**OAP**
Deductible	$500 (3 x Family)		$150 (3 x Family)		None		$500 (3 x Family)	$500 (3 x Family)	$250 (3 x Family)
Coinsurance	80%		80%		90%		80%	80%	90%
PCP Copay	$30		$25		$20		$25	$25	$20
Preventive Care	100%		100%		100%		100%	100%	100%
Specialist Copay	$40		$35		$30		$35	$35	$30
ER Copay	$150		$150		$150		$300	$300	$250
Urgent Copay	$60		$60		$60		$60	$60	$50
Medical Out-of-Pocket	$2,500 (2 x Family)		$2,150 (2 x Family)		$1,000 (2 x Family)		$2,500 (3 x Family)	$2,500 (3 x Family)	$1,500 (3 x Family)
Prescription									
Tier 1	$10		$10		$10		$10	$10	$10
Tier 2	$35		$35		$35		$35	$35	$35
Tier 3	$60		$60		$60		$75	$75	$75
Specialty Medications	$60		$60		$60		20% up to $200 max	20% up to $200 max	20% up to $200 max
Prescription Out-of-Pocket	$1,600 (2 x Family)		$4,450 (2 x Family)		$4,450 (2 x Family)		$5,000 (3 x Family)	$5,000 (3 x Family)	$5,000 (3 x Family)
Out-of-Network									
Deductible	$1,000		Emergency		Emergency		Emergency	$1,000 (3 x Family)	$1,000 (3 x Family)
Coinsurance	60%		Coverage		Coverage		Coverage	60%	60%
Out-of-Pocket	$5,000		Only		Only		Only	$5,000 (3 x Family)	$5,000 (3 x Family)
	EMPLOYEE SEMI-MONTHLY DEDUCTIONS (24)						EMPLOYEE SEMI-MONTHLY DEDUCTIONS (24)		
Employee	**8**	**0.00**	**32**	**12.00**	**46**	**39.00**	**0.00**	**12.00**	**39.00**
Employee + 1	**7**	**30.00**	**14**	**77.00**	**32**	**134.00**	**30.00**	**77.00**	**134.00**
Employee + Family	**10**	**50.00**	**38**	**97.00**	**73**	**154.00**	**50.00**	**97.00**	**154.00**

Employee Annual Contribution	**$556,368**

Fully Insured vs. Self-Funded

	GMA - Fully Insured		Cigna - Self-Funded	
	Current	Renewal	Expected	Maximum
Total Fixed Cost	$4,324,452	$5,037,060 *16.48%*	$901,306	$901,306
Total Expected Claims Paid by City	$0	$0	$3,966,078 *80.00%*	$4,759,293 *100.00%*
Total Employee Cost	-$556,368	-$556,368 *0.00%*	-$556,368 *0.00%*	-$556,368
Less Rx Rebates/Admin Waiver	$0	$0	-$257,084	-$257,084
Total Net Spend	$3,768,084	$4,480,692	$4,053,932	$4,847,147
Budget Difference	$0	$712,608	$285,848	$1,079,063
Percent of Change		18.91%	7.59%	28.64%

Budget Diff. if Claim Loss Ratio is:	*Budget Difference*	*Total Net Spend*	CTC*
95%	*$841,098*	*$4,609,182*	*22.32%*
90%	*$603,134*	*$4,371,218*	*16.01%*
85%	*$365,169*	*$4,133,253*	*9.69%*
75%	*-$110,760*	*$3,657,324*	*-2.94%*
70%	*-$348,725*	*$3,419,359*	*-9.25%*
65%	*-$586,690*	*$3,181,394*	*-15.57%*
60%	*-$824,654*	*$2,943,430*	*-21.89%*

- The City's claims are anticipated to run at 80% of the maximum liability
- Aggregate Stop Loss coverage (i.e. Maximum Liability) is purchased to provide protection in the event of an extreme high claim year but most employers budget off their expected claim total.

*CTC – Compared to Current

Dental Plan – *Recommendation*

		GMA		Recommendation
		DELTA DENTAL		Cigna
		Current	Renewal	Proposal
Employee Only	85	25.00	25.00	25.32
Employee + Family	164	76.00	76.00	76.96
Monthly Premium	249	14,589	14,589	14,774
Deductible		$50 Indiv. ($150 Family)		$50 Indiv. ($150 Family)
Preventive		100%		100%
Basic		80%		80%
Major		50%		50%
Annual Maximum Benefit		$1,500		$1,500
Fillings		80%		80%
Simple Extractions		80%		80%
Oral Surgery		80%		80%
Periodontics		80%		80%
Endodontics (Root Canals)		80%		80%
Crowns		50%		50%
Dentures / Bridges		50%		50%
Orthodontia Coverage		50% / $1,000 (Adults & dependent children)		50% / $1,000 (Adults & dependent children)
Out of Network Reimbursement		MAC		**90th**
		EMPLOYEE SEMI-MONTHLY DEDUCTIONS		
Employee Only	85	12.50	12.50	12.66
Employee + Family	164	38.00	38.00	38.48
Monthly Premium	249	14,589	14,589	14,774
Annual Premium		175,068	175,068	177,284
Percentage of Change			0.00%	1.27%

Vision Plan – *Recommendation*

		Current	Recommendation
			
		Current	Proposal
Employee Only	57	6.86	5.13
Employee + 1	38	13.03	9.81
Employee + Family	57	19.14	15.95
Monthly Premium	152	1,977.14	1,574.34
IN-NETWORK			
Routine Eye Exam		$10 copay (1 per year)	$10 copay (1 per year)
Eyeglass Frames		$120 allowance plus 20% discount on additional balance (Every 24 months)	$120 allowance plus 20% discount on additional balance (Every 24 months)
Eyeglass Lenses		Every 12 months	Every 12 months
Standard Plastic Single		$20 copay	$20 copay
Standard Plastic Bifocal		$20 copay	$20 copay
Standard Plastic Trifocal		$20 copay	$20 copay
Contact Lenses		Every 12 months	Every 12 months
Non-Elective Contact Lenses		Covered in full	Covered in full
Elective Conventional Lenses		$120 allowance then 15% off	$120 allowance
Elective Disposable Lenses		$120 allowance	$120 allowance
OUT-OF-NETWORK			
Routine Eye Exam		$30 allowance	$45 allowance
Eyeglass Lenses		$25 - $60 allowance	$32 - $80 allowance
Contact Lenses - Elective		$96 allowance	$100 allowance
Non-Elective		$200 allowance	$210 allowance
Frame		$60 allowance	$66 allowance
		SEMI-MONTHLY DEDUCTIONS	
Employee Only	57	3.43	2.57
Employee + 1	38	6.52	4.91
Employee + Family	57	9.57	7.98
Monthly Premium	152	1,977.14	1,574.34
Annual Premium		23,725.68	18,892.08
Percentage of Change			-20.37%

Notes:

- One Cigna ID card for all members for Medical, Dental and Vision

Basic & Voluntary Life Insurance - *Recommendation*

	Current	Recommendation
BASIC LIFE & AD&D INSURANCE	Georgia Municipal Association	MetLife
Basic Life Benefits and AD&D Amount:	$50,000	$50,000
Reduction Schedule:	35% at age 70 / 55% at age 75	35% at age 70 / 55% at age 75
Life Rate per $1,000:	$0.360	$0.232
AD&D Rate per $1,000:	$0.02	$0.028
Projected Volume:	$14,047,500	$14,047,500
Covered Lives:	284	284
Annual Cost:	**$64,057**	**$43,828**
Rate Guarantee:	1/1/2021	1/1/2024
Percentage of Change:		**-31.58%**
VOLUNTARY LIFE INSURANCE & AD&D	Mutual of Omaha	MetLife
Employee Eligible Amounts:	$10,000 - $500,000 (maximum of 5 x earnings)	$10,000 - $500,000 (maximum of 5 x earnings)
Spouse Eligible Amounts:	$5,000 - $250,000 (Up to 100% of EE amount)	$5,000 - $150,000 (Up to 50% of EE amount)
Children Eligible Amounts:	$10,000	$10,000
Employee Guaranteed Issue Amount:	$150,000 at initial enrollment	$150,000 at initial enrollment
Spouse Guaranteed Issue Amount:	$25,000 at initial enrollment	$25,000 at initial enrollment
Reduction Schedule:	35% at age 70 / 50% at age 75	No Age Reduction
Dep. Life Semi-Monthly Cost:	$1.00 Includes AD&D	$1.155 Includes AD&D
Rate Guarantee	1/1/2021	1/1/2024
Employee Semi-Monthly Deductions:	**Rates Include AD&D**	**Rates Include AD&D**
Age 25 - 29 / $50,000	$2.50	$2.43
Age 30 - 34 / $50,000	$3.00	$2.85
Age 35 - 39 / $50,000	$4.00	$3.70
Age 40 - 44 / $50,000	$5.75	$5.20
Age 45 - 49 / $50,000	$8.50	$7.53
Age 50 - 54 / $50,000	$13.25	$11.58
Age 55 - 59 / $50,000	$20.25	$17.53
Age 60 - 64 / $50,000	$31.25	$26.88
Percentage of Change:		**-12.23%**

Short & Long-Term Disability - *Recommendation*

	Current	Recommendation
VOLUNTARY SHORT TERM DISABILITY	Mutual of Omaha	MetLife
Benefit Schedule:	60% of weekly earnings	60% of weekly earnings
Maximum Benefit:	$1,000 per week	$1,000 per week
Day Injury Benefit Commences:	15th day	15th day
Day Sickness Benefit Commences:	15th day	15th day
Benefit Duration:	24 weeks	24 weeks
Rate Guarantee:	1/1/2021	1/1/2023
Employee Semi-Monthly		
Age 18 - 29 / $500 Weekly	12.75	12.75
Age 30 - 34 / $500 Weekly	12.75	12.75
Age 35 - 39 / $500 Weekly	12.75	12.75
Age 40 - 44 / $500 Weekly	15.75	15.75
Age 45 - 49/ $500 Weekly	18.00	18.00
Age 50 - 54/ $500 Weekly	21.00	21.00
Age 55 - 59/ $500 Weekly	28.50	28.50
Age 60 + / $500 Weekly	36.50	36.50
Percentage of Change:		0.00%
***$500 weekly benefit equals a salary of $43,333**		
VOLUNTARY LONG TERM DISABILITY	Mutual of Omaha	MetLife
Benefit Schedule:	60% of monthly earnings	60% of monthly earnings
Maximum Benefit:	$6,000 per month	$6,000 per month
Elimination Period:	180 days	180 days
Benefit Duration:	Age 65	Social Security Normal Retiement Age
Rate Guarantee:	1/1/2021	1/1/2024
Employee Semi-Monthly		
Age <25 / $1,000 Monthy	1.67	1.50
Age 25 - 29 / $1,000 Monthly	3.08	1.50
Age 30 - 34 / $1,000 Monthly	3.83	1.50
Age 35- 39 / $1,000 Monthly	4.83	4.35
Age 40 - 44 / $1,000 Monthly	6.58	5.93
Age 45 - 49 / $1,000 Monthly	8.00	7.20
Age 50 - 54 / $1,000 Monthly	11.25	10.13
Age 55 - 59 / $1,000 Monthly	13.84	12.45
Age 60+ / $1,000 Monthly	18.67	16.80
Percentage of Change:		-14.49%

Notes:

- MetLife is offering a one-time open enrollment for both STD/LTD (no medical questionnaire required)

Accident Insurance - *Recommended*

	Current		Recommendation	
	Mutual of Omaha		MetLife	
Hospital Admission	**$1,000**		**$1,500**	
Hospital Confinement	**$200/Day** *(365 Day max)*		**$300/Day** *(15 Day max)*	
Hospital Intensive Care	**$400/Day** *(30 Day max)*		**$300/Day** *(30 Day max)*	
On/Off Job Coverage	**Off the Job Only**		**Off the Job Only**	
Wellness	**N/A**		**$50**	
Specific Injury Benefits:	***Closed Reduction***	***Open Reduction***	***Closed Reduction***	***Open Reduction***
Complete Fractures:				
Hip/Thigh	**$2,500**	**$5,000**	**$5,000**	**$10,000**
Pelvis	**$1,250**	**$2,500**	**$2,000**	**$4,000**
Skull	**$1,250**	**$2,500**	**$2,500**	**$5,000**
Leg	**$1,250**	**$2,500**	**$2,000**	**$4,000**
Foot/Ankle/Knee Cap	**$450**	**$900**	**$750**	**$1,500**
Shoulder Blade/Collar Bone	**$300**	**$600**	**$1,000**	**$2,000**
Lower Jaw	**$450**	**$900**	**$1,000**	**$2,000**
Finger/Toe	**$100**	**$200**	**$200**	**$400**
Complete Dislocation:				
Hip	**$3,000**	**$6,000**	**$5,000**	**$10,000**
Knee	**$1,500**	**$3,000**	**$2,500**	**$5,000**
Shoulder	**$600**	**$1,200**	**$1,000**	**$2,000**
Foot/Ankle	**$600**	**$1,200**	**$1,000**	**$2,000**
Hand	**$600**	**$1,200**	**$1,000**	**$2,000**
Wrist	**$600**	**$1,200**	**$1,000**	**$2,000**
Finger/Toe	**$150**	**$300**	**$200**	**$400**
Semi-Monthly Deduction				
Employee Only	$6.39		$5.46	
Employee + Spouse	$9.23		$10.71	
Employee + Child(ren)	$11.47		$12.37	
Employee + Family	$14.95		$15.13	

Critical Illness Insurance – *Recommendation*

	Recommendation
	MetLife
Rate Structure	Attained Age
Employee Coverage Levels	$10,000 or $20,000
Spouse Coverage Levels	50% of EE Election
Children Coverage Levels	50% of EE Election
Enrollment	Guaranteed Issue
Wellness	$50 / Calendar Year
Covered Illnesses	*Percent Paid of Face Amount*
Heart Attack	100%
Stroke	100%
Major Organ Transplant	100%
Invasive Cancer	100%
Non-Invasive Cancer	25%
Coronary artery	50% (Graft)
Employee Semi-Monthly Cost:	*Unismoker Rates*
Age <25 / $10,000	$2.60
Age 26 - 29 / $10,000	$2.90
Age 30 - 34 / $10,000	$3.45
Age 35 - 39 / $10,000	$4.20
Age 40 - 44 / $10,000	$5.55
Age 45 - 49 / $10,000	$7.70
Age 50 - 54 / $10,000	$11.40
Age 55 - 59 / $10,000	$16.35
Age 60 - 64 / $10,000	$23.20
Age 65 - 69 / $10,000	$32.80

Notes

- This would replace the current Colonial Cancer plan and covers more illnesses beyond cancer (i.e. heart attack, stroke, organ transplant, etc.)
- Employees enrolled in the Colonial plan would be able to keep their coverage and pay direct

MetLaw – Hyatt Legal Plan – *Recommendation*

The City currently offers employees a voluntary Legal Plan through LegalShield (17 enrolled).

Hyatt Legal Plans, a MetLife company, provides a new solution to the narrow network Legal Plan offering currently in place. Below are some highlights of the plan:

- Covers the most frequently needed personal legal matters with unlimited advice and consultation on any legal matter
- Attorneys are available for daytime, evening and weekend
- One cost that covers the employee, spouse and any legal dependents in the household
- A network with over 14,000 attorneys nationally
- 246 firms in Georgia with 373 attorneys. Members can choose the attorney that specializes in their matter based on where they live or work (LegalShield offers on law firm out of Norcross, Georgia)
- The plan covers services with no co-pays, no deductibles, no out-of-pocket fees and no claim forms when using an in-network attorney
- Employees may choose between 2 plans options (LOW or HIGH)

	LOW	HIGH
EMPLOYEE MONTHLY COST	$10.37	$19.50

- This plan would replace the current LegalShield Plan

Summary of Plans/Recommendations

Plan	Current Carrier	Enrolled	Recommened
Medical	GMA/Anthem BCBS	260	Cigna
Dental	GMA/Delta Dental	249	Cigna
Vision	EyeMed	152	Cigna
Basic Life	GMA/Anthem Life	284	MetLife
Short-Term Disability	Mutual of Ohmaha	106	MetLife
Long-Term Disability	Mutual of Ohmaha	118	MetLife
Voluntary Life	Mutual of Ohmaha	111	MetLife
Accident	Mutual of Ohmaha	63	MetLife
Cancer	Colonial Life	64	MetLife (CI)
Universal Life	Colonial Life	27	Remove
Legal / Identity Theft	LegalShield	17	MetLaw
Flexible Spending (FSA)	AmerifFlex	56	Cigna

Notes:

- Not shown on any slide, recommending a change in FSA/DCA administrators to Cigna – this will improve the member experience
- Cost is $4.59 per participant but Cigna increased Admin Waiver by $3,500 to offset (ultimately no cost)