



# Broward County

## Legislation Text

File #: 20-1695, Version: 1

### **Broward County Commission Regular Meeting**

**Director's Name:** George Tablack

**Department:** Finance and Administrative Services    **Division:** Human Resources

### Information

#### Requested Action

MOTION TO APPROVE proposed health insurance funding for calendar year (plan year) 2021.

#### Why Action is Necessary

Board approval is necessary to amend the County's insurance rates for calendar year 2021.

#### What Action Accomplishes

Provides for continuation of health and pharmacy insurance for calendar year 2021 and approves the items necessary to prepare informational material for open enrollment, which is scheduled to begin on October 19, 2020.

#### Is this Action Goal Related

No

#### Previous Action Taken

None

#### Summary Explanation/Background

THE FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT AND THE HUMAN RESOURCES DIVISION RECOMMEND APPROVAL OF THE ABOVE MOTION.

As a result of rising medical and pharmacy costs and the potential impact of COVID-19 on claims, the County has worked with its benefits consultant (USI, Inc.), its health insurance administrator (UnitedHealthcare), and its pharmacy benefits manager (OptumRx) to make the following recommended changes to the County's medical and pharmacy plans and programs. To prepare for open enrollment for calendar year 2021, currently scheduled to begin on October 19, 2020, this item seeks Board approval of the funding for health and pharmacy benefits as follows:

#### Health Plans:

- Increase employee rates to share cost of \$4.4M (6.4%) increase for health and pharmacy. Exhibit 1 reflects a cost-share of 67% to the County and 33% to the employee.
- Continue funding the Health Savings Account for the HDHP Base and HDHP Out-of-Network plans at the 2019 level (Single Coverage \$1,200/Dependent/Family Coverage \$2,400 per year).

Pharmacy Plan:

- No changes in plan design.

Waiver Credit:

- Reduce Waiver Credit provided to employees who waive County health insurance due to enrollment under their spouse or parent, another group health plan, Medicare, Medicaid, TriCare or Veteran’s insurance. The last reduction to the Waiver Credit was effective January 1, 2010.
- Full-time employees: reduce from \$3,100 to \$2,600 annually, paid on a biweekly basis.
- Part-time 20 employees: reduce from \$1,550 to \$775 annually, paid on a biweekly basis.

This recommendation also includes the continuation of the following health program initiatives:

1. The \$20 bi-weekly surcharge for working spouses/domestic partners who have health coverage available from their employers, but chose to enroll in the County health plan.
2. The Engagement Incentive with the requirement that employees (and spouses/domestic partners enrolled in a County health plan) must complete a designated preventive screening within the prior 12 months to receive County-funding in their 2021 Health Savings Account (HSA) or Health Reimbursement Account (HRA), if not eligible to participate in a Health Savings Account.

Exhibit 1 reflects the actuarial health and pharmacy premiums for County contribution amounts, net employee cost, and Health Savings Account amount for each plan and tier of coverage for plan year 2021.

**Source of Additional Information**

David Kahn, Director, Human Resources Division, (954) 357-6005

**Fiscal Impact**

**Fiscal Impact/Cost Summary**

The group health insurance agreement on a self-insured basis, based on the proposed plan design options, is estimated to cost:

	Estimated Cost
<b>Health</b>	
Expected Claims	\$47.7M
Retention* + PCOR	\$3.6M
Stop Loss Coverage	\$2.4M
<b>Pharmacy</b>	
Expected Claims	\$19.8M
<b>TOTAL HEALTH AND PHARMACY COSTS</b>	<b>\$73.5M</b>

\*Retention includes administrative fees, network access, disease management programs, wellness, and taxes/fees

Based on increased premiums recommended in this item of \$4.3M, which equates to 5.6% of the

County's estimated 2021 cost for health and pharmacy expenses, County Funding of Health Savings Accounts and County Funding of Opt-Outs based on Plan Option selected would be:

	<b>Total Estimated Cost</b>
Employee Portion of Premiums	\$5.4M (7.35%)
COBRA/Retiree Portion of Premiums	\$2.0M (2.69%)
County Portion of Premiums	\$66.1M (89.97%)
<b>TOTAL HEALTH/RX COST</b>	<b>\$73.5M</b>
County Portion of Premiums	\$66.1M
County Funding of HSA	\$9.2M
Funding of Opt-Outs	\$1.6M
<b>TOTAL COST TO COUNTY</b>	<b>\$76.9M</b>

Funds are included in the Fiscal Year 2021 recommended budget to support these programs.

The funding source for the self-insured health and pharmacy coverage:

Health:

50025 35653000 510650 - Cty-pd Health Insurance Claims

50025 35653000 512030 - Admin Fees

Pharmacy:

50025 35653000 510690 - Prescription Plan Self-Insured