



Broward County

Legislation Details (With Text)

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In control: Finance - Human Resources Division

On agenda: 9/21/2021 **Final action:** 9/21/2021

Title: MOTION TO APPROVE proposed health insurance funding for calendar/plan year 2022.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - 2022 Health Plan Funding

Date	Ver.	Action By	Action	Result
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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/plan year 2022.

Why Action is Necessary

Board approval is necessary to amend the County's insurance rates for calendar year 2022.

What Action Accomplishes

Provides for continuation of health and pharmacy insurance for calendar year 2022 and approves the items necessary to prepare informational material for open enrollment, which is scheduled to begin on November 1, 2021.

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.

The County has worked with its benefits consultant, USI Services LLC (USI), and its 2022 health and pharmacy insurance administrator, UnitedHealthcare Services, Inc. (UHC), to make the following recommendations to the County's health plans and programs. To prepare for open enrollment for

calendar year 2022, currently scheduled to begin on November 1, 2021, this item seeks the Board approval of the funding for health and pharmacy benefits as provided below.

Health and Pharmacy Plans:

Effective January 1, 2022, health and pharmacy will be provided by UHC pursuant to the results of RFP No. TEC2122482P1, Self-Insured Group Health and Pharmacy Administration. An Agreement with UHC will be brought to the Board for its consideration in October 2021. The following is the recommended health and pharmacy funding for calendar year 2022:

- Continue the 2021 funding with no changes for Employee rates and Employer subsidy based on projections for 2022.
- Continue funding the Health Savings Account for the HDHP Base and HDHP Out-of-Network plans at the 2021 level (Single Coverage \$1,200; Dependent/Family Coverage \$2,400 per year).
- No changes in plan designs.

Waiver Credit:

- Continue Waiver Credit provided to employees who waive County health insurance due to being enrolled under their spouse or parent plans, another group health plan, Medicare, Medicaid, TriCare, or Veteran's insurance.
- Full-time employees: \$2,600 annually, paid on a biweekly basis.
- Part-time 20 employees: \$1,300 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 annual 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 2022 Health Savings Account (HSA) or Health Reimbursement Account (HRA), if not eligible to participate in a Health Savings Account.

This recommendation includes a new Wellness Vaccination Program ("Program") initiative, effective immediately. Due to the increasing impact of COVID-19 on the County as a result of employee exposure impacting the workforce and rising health costs related to COVID-19, the County has worked with its benefits consultant, USI, to develop a two-phase program to encourage all benefit-eligible employees to get vaccinated for COVID-19. It is of utmost importance to provide a safe working environment for County employees, and to also provide a sense of safety to the public for whom the County serves, as such this program is being recommended.

Phase 1: Benefit-eligible employees, who (1) are fully vaccinated for COVID-19 prior to the Program start date or within 60 days of the date the Program is announced; (2) submitted proof of vaccination; and (3) signed an acknowledgment, will qualify for a one-time cash incentive paid as taxable income through payroll, in support of President Joseph Biden's recommendation to State and local governments, to provide a cash incentive for vaccinations.

Note: A person is considered to be "fully vaccinated" against COVID-19 two weeks after receipt of the

second dose in a two-dose series (Pfizer-BioNTech and Moderna) or two weeks after receipt of the single dose of the Janssen (Johnson & Johnson) vaccine. However, to encourage people to receive the vaccination, participants in this program will be considered “fully vaccinated” once they have received the second dose in a two-dose series or the single dose of the one-dose vaccination, waiving the two-week post-vaccination gestation period.

Phase 2: Beginning when the incentive period ends, applicable benefit-eligible employees, who have not submitted proof of vaccination and signed an acknowledgement, will be charged a bi-weekly Wellness Vaccination Surcharge. This amount will automatically be deducted from the employee’s paycheck. In addition to the surcharge, it would be the County’s intent that benefit-eligible employees, who have not submitted proof of vaccination, be required to submit to weekly COVID testing.

If the employee receives the vaccination after the Wellness Vaccination Surcharge is in place, and provides proof of vaccination and a signed acknowledgement, the surcharge will end in the following pay period.

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 2022.

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
Health	
Expected Claims	\$47.7M
Retention* + PCOR	\$3.3M
Stop Loss Coverage	\$2.6M
Pharmacy	
Expected Claims	\$16.9M
Total Health and Pharmacy Costs	\$70.5M

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

Based on flat premium rates for 2022, the cost share is as follows:

	Total Estimated Cost
Employee Portion of Premiums	\$5.0M (7.1%)
COBRA/Retiree Portion of Premiums	\$2.0M (2.8%)
County Portion of Premiums	\$63.5M (90.1%)

TOTAL HEALTH/RX COST	\$70.5M
County Portion of Premiums	\$63.3M
County Funding of HSA	\$9.0M
Funding of Opt-Outs	\$1.5M
TOTAL COST TO COUNTY	\$73.8M

Funds are included in the Fiscal Year 2022 recommended budget to support these programs. Funding for the vaccination program will be covered by federal assistance.