



Office of the City Manager
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Memo

To: Members of Dublin City Council
From: Dana L. McDaniel, City Manager 
Initiated By: Homer C. Rogers, Jr., Human Resources Director
Jason Nahvi, Benefits Administrator
Date: June 9, 2016
Re: Employee Health Benefits Review

Background

It has been the City of Dublin's goal to provide a benefits plan that promotes wellness and prevention while encouraging employees to be partners in their healthcare coverage. Employees at the City of Dublin may elect to participate in Healthy by Choice (HBC), a health management initiative that rewards employees for participating in a healthy lifestyle.

The Healthy by Choice Benefit Plan is a consumer-driven benefit plan, which includes a high deductible health plan with the option of a health savings account (H.S.A), or a health reimbursement account (H.R.A.) for those employees not eligible for an H.S.A.

This plan was developed over time and implemented in 2011. Its purpose is to assist employees with their own personal well-being and make them smart consumers when it comes to their health care. The City continually evaluates the performance of the plan.

At Council's request, staff is reviewing the City of Dublin's benefits and wellness program. Previously, staff briefed Council on the fiscal condition of the current benefits program. At Council's Finance Committee of the Whole meeting on June 13, staff will review assumptions regarding the City's benefit plan; summarize plan options analyzed from local municipalities, consortiums and the private sector; present several courses of action; and make recommendations that could be considered for further review relative to the City's current benefits and wellness program.

At the meeting, staff will review the attached presentation covering in more detail the following information:

Assumptions

The following are a list of principles and/or assumptions that, in the past, have served as a guidepost for the City's benefits and wellness program:

- Be an employer of choice by providing competitive compensation to include a benefits and wellness program that will attract the best and brightest candidates to the City of Dublin.
- Promote a benefits plan that is both fiscally responsible and provides access to programs and services that address the needs of our employees.
- Maintain a high employee awareness of their health and develop strategies for providing benefits that are long-term in focus and sustainable over time.

- Focus on cost containment of the benefits and wellness program.
- Design a benefits and wellness program that has the agility and flexibility to act, respond, and mitigate the impacts of rising costs in healthcare, changes in government rules and regulations, and the evolving needs of employees.
- Prepare for the upcoming operating budget process.
- Communicate openly, honestly and timely with employees regarding potential adjustments to the existing benefits and wellness program.

Summary

Staff assessed several other programs to provide City Council some benchmarks for comparison. Please keep in mind that every public entity's program and private sector programs are going to vary in many ways. Getting a comparison to an exact "apples-to-apples" comparison is very difficult if not impossible as we did not specifically request that any of the other groups/consortiums analyze our claims experience to provide a quote. The following are comparisons to similar cities, city consortiums, the County program, and private sector:

City of Dublin: Self-insured vs. Fully-insured

- United Healthcare (UHC) and our third-party administrator Oswald estimates it would cost the City of Dublin \$1,058,850 more in medical claim cost to move to a fully-insured plan.
- Self-insured: Estimated total cost for paid claims, administrative fees, and stop-loss fees is \$6,355,580. Estimated reimbursements for large claims is \$2,034,204. The City's estimated net cost for claims with the self-funded plan is \$4,321,376.
- Fully-insured: Estimated fully-insured premium is \$448,352 a month to United Healthcare (UHC). Total cost for a fully-insured plan is estimated \$5,380,226
- Annual Difference: \$4,321,376 (self-funded cost) - \$5,380,226 (fully-insured premiums) = \$1,058,850

City of Westerville

- Self-insured.
- High-Deductible Health Care Plan with a Health Savings Account (HSA) – covered through United Healthcare (UHC).
- Annual Deductible and Out-Of-Pocket-Max - \$2,000/Single and \$4,000/Family.
- Employee Monthly Premium (15%) - \$53.70/Single and \$157.87/Family.
- Health Savings Account (HSA) – 85% of deductible - \$1,700/Single and \$3,400/Family.
- United Steel Workers (50 employees) covered under national United Steel Workers plan.
- Spouses must choose employer's insurance first as primary coverage.

City of Gahanna (part of Central Ohio Health Care Consortium)

- Self-insured.
- Traditional Preferred Provider Organization (PPO) – covered through United Healthcare (UHC).
- Annual Deductible - \$200/Single and \$600/Family.
- Out-Of-Pocket-Max - \$1,000/Single and \$2,000/Family.

- Employee Monthly Premium - 15%, 10%, or 6% depending on wellness program involvement.
- Health Savings Account (HSA) – None.
- United Steel Workers covered under national United Steel Workers plan.
- Paid Central Ohio Health Care Consortium \$1,915,382 in premiums for 2015.

Franklin County Cooperative

- Wellness program is voluntary and employees/spouse/partner earn a monetary reward.
- Out-Of-Pocket-Max - \$1,000/Single and \$2,000/Family.
- Employee Monthly Premium - 15%, 10%, or 6% depending on wellness program involvement.
- Control of health plans set by Franklin County Benefits Department.
- Cooperative controls funds.
- Estimated premiums for City of Dublin to join close to \$7 million dollars. As a member of the Cooperative the City would have no equity position. The Cooperative would be acting as the insurance company for the City.
- "Spike" in costs due to increased claims in preventable conditions.
- Increase in catastrophic claims.

Central Ohio Health Care Consortium (COHCC)

- Board of Directors sets and approves all benefit programs and premiums.
- Members must stay on plan at least 3 years.
- Members pay a premium based on number of covered lives and claim experience.

Private Sector (information provided by our Third Party Administrator, Oswald Companies, and is based on overall averages of public sector employers that they work with)

- Self-insured and Fully-insured.
- High-Deductible Health Care Plan with a Health Savings Account and Traditional Preferred Provider Organization (PPO).
- Annual Deductible - (HSA) \$1,500/Single and \$3,000/Family and (PPO) \$500/Single and \$1,250/Family.
- Out-Of-Pocket-Max – (HSA) \$3,500/Single and \$7,000/Family and (PPO) \$2,500/Single and \$6,000/Family.
- Employee Monthly Premium - (HSA) \$72/Single and \$275/Family and (PPO) \$120/Single and \$432/Family.
- Health Savings Account (HSA) –\$500/Single and \$1,000/Family.

City of Dublin

- Self-insured.
- High-Deductible Health Care Plan with a Health Savings Account – covered through United Healthcare (UHC).
- Annual Deductible - \$2,500/Single and \$5,000/Family.
- Out-Of-Pocket-Max - \$3,425/Single and \$6,850/Family.
- Employee Monthly Premium - None
- Health Savings Account (HSA) – 75% of deductible - \$1,875/Single and \$3,750/Family.

Changes – Equal Employment Opportunity Commission (EEOC)

On May 17, 2016 the Equal Employment Opportunity Commission (EEOC) issued a change in rules effective for the plan year starting January 1, 2017.

The rules were set to ensure wellness programs were complying with the Americans with Disabilities Act (ADA) and the Genetic Information and Nondiscrimination Act (GINA). It is protecting employees who might not be able to meet guidelines set by a wellness program due to a disability.

Employers cannot incentivize an employee wellness program more than 30% of the total cost for self only coverage, which is the single COBRA rate for medical and prescription coverage with our plan.

Spouses on the medical plan can only be incentivized two times the total cost for self only coverage or 30% of the single COBRA rate for medical and prescription coverage with our plan.

Employees with family coverage and no spouse on the plan will have a major change with the wellness program. Dublin doubles the money funded into an employee's Health Savings Account for an employee with a family plan and no spouse. Under the new rules Dublin cannot apply the times 2 rule for 30% of the single coverage when there is not a spouse on the plan. The EEOC ruling specially states an employee or spouse only can be incentivized.

How will this impact the funding for the employee Health Savings Accounts with our wellness program?

The COBRA rate for single coverage with Medical and Prescription for our plan is \$449.86 a month.

- 30% of \$449.86 = \$134.958
- \$134.958 x 12 = \$1,619.50 for single coverage

Current HSA funding through the Wellness Program

Single Coverage – \$1,875 eligible earnings for employee's HSA account

Family Coverage – \$3,750 eligible earnings for employee's HSA account

Family Coverage (no spouse) - \$3,750 eligible earnings for employee's HSA account

2017 HSA funding through the Wellness Program with new EEOC ruling

The EEOC states employers have to treat all incentives (participation, outcomes based etc.) alike and cannot exceed 30% of the single rate (\$449.86), which is \$1619.50 annually.

An employer that has a tobacco incentive and only asks the employee if they use tobacco (Dublin does not give a medical test to prove tobacco use), can offer up to 50% (an additional 20%) for a non-tobacco incentive. Dublin can continue to incent employees' HSA accounts at \$1,875 for single coverage and \$3,750 for family coverage with a spouse per year.

The wellness program would switch the \$300 incentive for BMI/Waist Circumference to the tobacco incentive and only incent \$150 for BMI/Waist Circumference. That way, not taking tobacco into account, the total annual incentive would be \$1575 (\$1,125 for completing wellness activities

and \$150 for blood pressure, \$150 for BMI/Waist, and \$150 for cholesterol) which is less than \$1619.50. The City would be compliant with the 30% EEOC rule. The additional \$300 for non-tobacco status puts the City at \$1875, which makes the employee whole and keeps the City under the additional 20%.

Employees with a family plan and no spouse on the plan will be negatively impacted. The EEOC ruling only allows employers to incent employees and spouses on the plan. No spouse employees with family coverage would only be able to receive \$1,875 for their HSA funding.

Single Coverage – \$1,875 eligible earnings for employee’s HSA account
Family Coverage – \$3,750 eligible earnings for employee’s HSA account
Family Coverage (no spouse) - \$1,875 eligible earnings for employee’s HSA account

Loss of potential HSA funding through the Wellness Program with new EEOC ruling

Family Coverage (no spouse) - \$1,875.00

Courses of Action

The following briefly outlines possible courses of action for consideration. Of course, more courses of action could be determined and considered or combinations made among these:

1. Keep current High Deductible Plan and adopt Equal Employment Opportunity Commission (EEOC) ruling to incentivize wellness program up to the 50% limit with tobacco adjustment. No employee premiums.
2. Keep current High Deductible Plan and adopt Equal Employment Opportunity Commission (EEOC) ruling to incentivize wellness program up to the 50% limit with tobacco adjustment. Apply employee premiums.
3. Keep current High Deductible Plan. Incentivize Health Savings Account (HSA) up to Equal Employment Opportunity Commission (EEOC) up to the 50% limit with tobacco adjustment.
4. Join the Central Ohio Health Care Consortium (COHCC).
5. Join the Franklin County Cooperative
6. Explore options with regard to employees’ spouses on the City’s benefits plan if other insurance is available.
7. Switch to a fully-insured health plan under United Healthcare (UHC).

Recommendation

The following are recommendations for Council’s consideration and for further review/analysis by staff should Council desire to consider any combination of these and/or other options:

- Keep current High Deductible Health Care Plan with a HSA attached through United Healthcare (UHC).
- Keep the Healthy by Choice wellness program – continue to move program toward outcome based over the next 3 years.

- Incentivize Health Savings Account (HSA) up to Equal Employment Opportunity Commission (EEOC) limits and provide HSA contribution up to previous level prior to EEOC ruling – keeps employees whole.
- No employee premium – remain an employer of choice and competitive with recruiting.
- Explore spouse options with health plan coverage.
- Bargaining units consider looking at national health plans through their union.
- Continue to assess cost savings initiatives with health plan.

Please contact Homer Rogers should you have any questions prior to Monday's meeting at 614-410-4407.



City of Dublin Employee Benefits



Overview of Presentation

- Self-Insured vs. Fully- Insured
- Compare the following entities:
 - City of Westerville
 - City of Gahanna
 - Central Ohio Health Care Consortium (COHCC)
 - Franklin County Cooperative
 - Private Sector
- Highlight City of Dublin’s healthcare plan
- Review recent Equal Employment Opportunity Commission (EEOC) update
- Course of action and recommendation for Dublin’s healthcare plan



Self-Insured

- Employers (City of Dublin) operate their own health plan as opposed to purchasing a fully-insured plan from an insurance carrier. Allows employers to save the profit margin that an insurance company adds to its premium for a fully-insured plan.
- However, there is the risk of larger claims than expected to be paid by the employer.
- Fixed costs include administrative fees, any stop-loss premiums, and any other set fees charged per employee. These costs are billed monthly by the TPA (Oswald Companies) and/or insurance carrier (United Healthcare), and are charged based on plan enrollment.
- Variable costs include payment of health care claims. These costs vary from month to month based on health care use by covered persons (eg: employees and dependents).
- To limit risk, stop-loss insurance is purchased. It reimburses the employer for claims that exceed a predetermined level (\$150,000). This coverage is purchased to cover catastrophic claims that significantly exceed the expected level for the group of covered persons.

City of Dublin has been self-insured for over 13 years. Allows agility and flexibility with the plan. Maintain control over health plan's reserves. Purchase stop-loss insurance for any claim over \$150,000.

The City pays dollar-for-dollar for any healthcare claims up to the stop-loss insurance coverage of \$150,000. United Healthcare reimburses the City for any claims over \$150,000.

Fully-Insured

- Traditional way to structure an employer-sponsored health plan.
- The organization (City of Dublin) pays a premium to the insurance carrier (United Healthcare).
- The premium rates are fixed for a year, based on the number of employees enrolled in the plan each month.
- The monthly premium only changes during the year if the number of enrolled employees in the plan changes.
- The insurance carrier collects the premiums and pays the health care claims based on the coverage benefits outlined in the policy purchased.
- The covered persons (eg: employees and dependents) are responsible to pay any deductible amounts or co-payments required for covered services under the policy.

Changes in the plan design are not as flexible. Premiums paid to the insurance carrier are not controlled in a reserve by the City. Typically a co-pay is required for doctor and ER visits.

United Healthcare would pay medical claims and the City may not need to purchase stop-loss insurance (would depend on plan design). This would be a more hands-off approach than what the City has now with the self-insured plan.

Self-Funded Plan for 2017

Month	Est. Enrollment	Paid Claims	Admin Fees	Stop-Loss Fees	Total Cost
A	B	C	D	E	F = C+D+E
Jan - 17	355	\$1,345,357	\$17,218	\$72,736	\$1,435,310
Feb-17	355	\$588,277	\$17,218	\$72,736	\$678,230
Mar - 17	355	\$540,667	\$17,218	\$72,736	\$630,620
Apr - 17	355	\$457,638	\$17,218	\$72,736	\$547,591
May - 17	355	\$289,078	\$17,218	\$72,736	\$379,031
Jun - 17	355	\$226,083	\$17,218	\$72,736	\$316,036
Jul - 17	355	\$313,163	\$17,218	\$72,736	\$403,116
Aug - 17	355	\$407,292	\$17,218	\$72,736	\$497,245
Sep - 17	355	\$200,858	\$17,218	\$72,736	\$290,811
Oct - 17	355	\$232,634	\$17,218	\$72,736	\$322,587
Nov - 17	355	\$344,566	\$17,218	\$72,736	\$424,519
Dec - 17	355	\$340,526	\$17,218	\$72,736	\$430,479
Total		\$5,276,139	\$206,610	\$872,831	\$6,355,580
Large Claims - Reimbursements		\$2,034,204			\$2,034,204
Net claims		\$3,241,935			\$4,321,376

A. 2017 Total Cost (Paid Claims + Admin Fees + Stop Loss Fees) = \$6,355,580

B. Large Claims – Reimbursements = \$2,034,204

C. Net Self-Funded Cost (A-B) = \$4,321,376

Paid claims used are paid claims for May 2015 – April 2016

Large Claims – Reimbursements, assume they will be the same as May 2015 through April 2016

Fully-Insured Plan for 2017

Month	Fully-Insured Premium	Paid Claims + Run-Out	Loss Ratio
A	B	C	D=B/C
Jan - 17	\$448,352	\$1,345,357	300.1%
Feb - 17	\$448,352	\$588,277	131.2%
Mar - 17	\$448,352	\$540,667	120.6%
Apr - 17	\$448,352	\$457,638	102.1%
May - 17	\$448,352	\$289,078	64.5%
Jun - 17	\$448,352	\$226,088	50.4%
Jul - 17	\$448,352	\$313,163	69.8%
Aug - 17	\$448,352	\$407,292	90.8%
Sep - 17	\$448,352	\$200,858	44.8%
Oct - 17	\$448,352	\$232,634	51.9%
Nov - 17	\$448,352	\$344,566	74.6%
Dec - 17	\$448,352	\$340,526	76.0%
Total	\$5,380,226	\$5,276,139	98.1%
Large Claims - Reimbursements		\$2,034,204	60.3%
Net claims		\$3,241,935	

A. Fully-Insured Premium , if City of Dublin changes to fully-insured funding = \$5,380,226

B. Annual Difference: \$4,321,376 (self-funded cost) - \$5,380,226 (fully-insured premiums) = \$1,058,850

Fully-insured premium is based on the rates provided by UHC

Health Plan Comparisons

Entity	Type of Plan	Self-Insured or Fully-Insured	Number of Members	Health Provider	Wellness Program
City of Westerville	High Deductible with Health Savings Account	Self-Insured	1,300	United Healthcare (UHC)	Yes - voluntary
City of Gahanna - Part of the Central Ohio Health Care Consortium (COHCC)	Traditional Preferred Provider Organization (PPO) (Part of Central Ohio Health Care Consortium)	Self-Insured	296	United Healthcare (UHC)	Yes
Franklin County Cooperative	Traditional Preferred Provider Organization (PPO)	Self-Insured	Over 15,000 (SWACO - 105 employees)	United Healthcare (UHC)	Yes - voluntary
Central Ohio Health Care Consortium (COHCC)	Traditional Preferred Provider Organization (PPO)	Self-Insured	Over 2,200	United Healthcare Choice Plus (UHC) - 6 plan designs available as part of consortium	Varies depending on plan design of each member
Private Sector (Comparable Information Provided by Oswald)	Traditional Preferred Provider Organization (PPO) & High Deductible with Health Savings Account	Both	Varies (compared similar size organizations to Dublin)	Varies	Varies
City of Dublin: Self-Insured	High Deductible with Health Savings Account	Self-Insured	990	United Healthcare (UHC)	Yes
City of Dublin: Fully-Insured	Traditional Preferred Provider Organization (PPO)	Fully-Insured	990	United Healthcare (UHC)	Yes

Traditional Preferred Provider Organization (PPO) – Not eligible for Health Savings Account (HSA); co-pay for routine and non-invasive office visits; pay co-pay and co-insurance for prescription benefits; pay a co-insurance for inpatient services and outpatient surgery after deductible is met; individual deductible and co-insurance limits with family maximums.

High Deductible Healthcare Plan (HDHP) – Eligible for a Health Savings Account (HSA); pay 100% of medical and prescription costs before deductible is met and co-insurance begins. No co-pays for routine doctors visits and higher costs for ER and urgent care visits. Typically has high deductibles and out-of-pocket maximums.

City of Westerville has similar High Deductible plan with a HSA. More members on their plan than Dublin.

Rest of the plans had a Traditional Preferred Provider Organization or PPO

All comparable (except Private Sector) entities were self-insured like Dublin and had healthcare plans through United Healthcare (UHC).

Private Sector varies based on the company. Our Third Party Administrator, Oswald Companies, provided the comparable information on the private sector. Benchmarked Dublin’s plan against similar size companies in the private sector.

Gahanna’s wellness program was very similar to Dublin. Westerville and Franklin County’s

wellness programs were voluntary.

Looked at SWACO as part of the Franklin County Cooperative

Dublin's fully-insured plan would be a traditional PPO through UHC.

Health Plan Comparisons					
Entity	Deductible	Out-of-Pocket Max	Employee Monthly Premium	HSA Funding	Total Out of Pocket
City of Westerville	\$2,000 – Single \$4,000 - Family	\$2,000 – Single \$4,000 - Family	(15%) \$53.70 – Single \$157.87 - Family	85% of Deductible \$1,700 – Single \$3,400 – Family	\$2,644.40 – Single \$5,894.44 - Family
City of Gahanna - Part of the Central Ohio Health Care Consortium (COHCC)	\$200 – Single \$600 - Family	\$1,000 – Single \$2,000 - Family	Breakdown on Slide 7	None	Breakdown on Slide 8
Franklin County Cooperative	\$200 – Single \$500 - Family	\$600 – Single \$1,500 - Family	\$124 – Single \$253 – Family (SWACO – \$73.21 to \$97.71 bi-weekly)	None	\$2,088 – Single \$4,536 - Family
Central Ohio Health Care Consortium (COHCC)	Varies depending on plan design with each member	Varies depending on plan design with each member	Varies depending on plan design with each member	None	Varies depending on plan design with each member
Private Sector (Comparable Information Provided by Oswald)	PPO \$500 – Single \$1,250 – Family	PPO \$2,550 – Single \$6,000 – Family	PPO \$120– Single \$432 – Family	HSA \$500 – Single, \$1,000 - Family	PPO \$3,990– Single \$11,184 – Family
	HSA \$1,500 – Single \$3,000 - Family	HSA \$3,500 – Single \$7,000 - Family	HSA \$72 – Single \$275 - Family		HSA \$4864 – Single \$10,300 - Family
City of Dublin: Self-Insured	\$2,500 – Single \$5,000- Family	\$3,425 – Single \$6,850- Family	\$0 - no premium	75% of Deductible \$1,875 - Single \$3,750 - Family	\$3,425 – Single \$6,850 - Family
City of Dublin: Fully-Insured	Would be determined with new plan design	Would be determined with new plan design	\$0- no premium	None	Would be determined with new plan design

Westerville had a similar deductible with their plan. PPO plans tended to have lower deductibles and out-of-pocket maximums. Dublin was also similar to the private sector when deductibles and out-of-pocket maximums were compared. We were one of the highest.

All entities charged employees a premium for benefits. SWACO as part of the Franklin County Cooperative

SWACO pays \$1404 per employee per month premium to the Cooperative. SWACO’s goal is to keep their percentage of the premium cost at 85%. They look at each employee’s annual increase and increase to the employee health premiums to make sure no employee receives a negative net increase each year

2015 - 105 employees and pay a bi-weekly premium based on coverage and a percentage of the premium paid to the Cooperative

Employee only (includes one child) 11% or \$73.21

Employee + Children 12% or \$77.71

Employee + Spouse 13% or \$86.51

Employee + Family 15% or \$97.71

Employee + Domestic Partner 13% or \$86.51

Employee + Domestic Partner + Family 15% or \$97.71

Westerville was only entity with a HSA. Fund employee’s HSA at 85% and employees do not

have to participate in the wellness program.

The last column is worst case scenario how much an employee may pay out-of-pocket for medical costs. Looked at the out-of-pocket maximums and added premiums. Even with no premiums Dublin employees still had the highest potential out-of-pocket expenses (other than Private Sector).

City of Dublin fully-insured plan – specific plan designs for the fully-insured plan would have to be discussed with UHC and Oswald.

City of Gahanna – Employee Premiums

Supervisory, Police Command Staff and Unclassified employees:

MEDICAL PREMIUMS	TOTAL MONTHLY PREMIUM	EMPLOYEE MONTHLY CONTRIBUTION 15% Level	EMPLOYEE MONTHLY CONTRIBUTION 10% Level	EMPLOYEE MONTHLY CONTRIBUTION 6% Level
Employee	\$710.16	\$106.52	\$71.02	\$42.61
Employee + Spouse	\$1,331.53	\$199.73	\$133.15	\$79.89
Employee + Child(ren)	\$1,469.62	\$220.44	\$146.96	\$88.18
Family	\$2,090.99	\$313.65	\$209.10	\$125.46

Ohio Patrolmen’s Benevolent Association (OPBA) and Fraternal Order of Police (FOP)

MEDICAL PREMIUMS	TOTAL MONTHLY PREMIUM	EMPLOYEE MONTHLY CONTRIBUTION 15% Level	EMPLOYEE MONTHLY CONTRIBUTION 10% Level	EMPLOYEE MONTHLY CONTRIBUTION 6% Level
Employee	\$740.81	\$111.12	\$74.08	\$44.45
Family	\$1,887.30	\$283.10	\$188.73	\$113.24

15%: Employee and/or covered spouse does not meet requirements of wellness program or elects to not participate in Wellness Program.

10%: If employee and/or spouse completes all requirements of wellness program except for presenting a level of 2.0 ng/ml or higher for nicotine and/or a level of cotinine at 20.0 ng/ml or higher.

6%: Employee and spouse must complete all requirements of wellness program AND test negative for nicotine and/or cotinine.

The following are the requirements of Gahanna’s wellness program:

1. Biometric screening by Wednesday, November 25, 2015
2. On-line Clinical Health Risk Assessment (CHRA) between November 2-November 25, 2015
3. Complete and sign a Participation Agreement for 2016 by November 25, 2015
4. If identified as High-Risk or Moderate-Risk Level from CHRA and biometric data, voluntarily agrees to enroll in health and wellness coaching by January 31, 2016 and complete by October 31, 2016. Note: Failure to successfully complete will impact 2017 premium reduction incentive rate.
5. Complete three Educational Sessions by December 16, 2016: See educational page for more details
6. (Employee Only) Attend November City of Gahanna sponsored wellness event (such as a health fair, open enrollment meeting, or similar activity) Example: for 2016 premium

reduction incentive, attend open enrollment meeting in Nov 2015.

City of Gahanna – Total Out-of-Pocket

Supervisory, Police Command Staff and Unclassified employees:

Medical Premiums	Out-of-Pocket Max	Employee Yearly Contribution at 15% level + out-of-pocket	Employee Yearly Contribution at 10% level + out-of-pocket	Employee Yearly Contribution at 6% level + out-of-pocket
Employee	\$1,000	\$2,278.24	\$1,852.24	\$1,511.32
Employee + Spouse	\$2,000	\$4,396.76	\$3,597.80	\$2,958.68
Employee + Child(ren)	\$2,000	\$4,645.28	\$3,763.52	\$3,058.16
Family	\$2,000	\$5,763.80	\$4,509.20	\$3,505.52

Ohio Patrolmen's Benevolent Association (OPBA) and Fraternal Order of Police (FOP)

Medical Premiums	Out-of-Pocket Max	Employee Yearly Contribution at 15% level + out-of-pocket	Employee Yearly Contribution at 10% level + out-of-pocket	Employee Yearly Contribution at 6% level + out-of-pocket
Employee	\$2,000	\$2,333.44	\$1,888.96	\$1,533.40
Family	\$2,000	\$5,397.20	\$4,264.76	\$3,358.88

These figures are the potential total out-of-pocket expenses Gahanna employees would pay for medical expenses. The second column is their out-of-pocket maximums. The third, fourth, and fifth columns are their total yearly premiums plus the out-of-pocket max.

Health Plan Comparisons

Entity	Plan Costs	Premiums to Cooperative or Consortium	Stop-Loss Insurance	Members
City of Westerville	\$7,412.72 – single \$14,825 – employee+ child \$15,968 – employee+ spouse \$29,394 – family	No Premiums Paid - Not part of a cooperative/consortium	Set at \$125,000 - 3 claims met threshold in 2015	Only City of Westerville
City of Gahanna- Part of the Central Ohio Health Care Consortium (COHCC)	\$8,521.92 - employee \$15,978.36 – employee+ spouse \$17,635.44 – employee+ child(ren) \$25,091.99 - family	\$1,915,382 to Central Ohio Health Care Consortium (COHCC) in 2015	Handled through Central Ohio Healthcare Consortium	Canal Winchester, Gahanna, Granville, Grove City, New Albany, Obetz, Powell, Washington Courthouse, Madison Township
Franklin County Cooperative	\$16,848.00 - composite rate paid by each Agency for each person eligible and employed by Agency	Premiums range from \$1,404 to \$1,600 per employee per month based on experience (SWACO - \$1,404 PERM)	Set at \$1 million – each entity responsible for the cost	All Franklin County agencies, elected officials in Franklin County, Fairfield County, Pickaway County, Grandview Heights, and Prairie Township. Have at least 500 employees to join cooperative
Central Ohio Health Care Consortium (COHCC)	Varies depending on plan design with each member	based on total employee lives covered by the member and claim experience	Set at \$175,000 - 3 claims hit threshold in 2014 and 4 claims hit threshold in 2013 for entire cooperative	Canal Winchester, Gahanna, Granville, Grove City, New Albany, Obetz, Powell, Washington Courthouse, Madison Township
Private Sector (Comparable Information Provided by Orewald)	\$8,440 - Traditional Preferred Provider Organization (PPO) \$9,952 - High Deductible Health Care Plan with a Health saving Account (HSA)	Varies - if organization is part of group or cooperative/consortium	Varies	Varies - if organization is part of group or cooperative/consortium
City of Dublin Self-Insured	\$10,195 – Single \$23,980 – Family	No Premiums Paid - Not part of a cooperative/consortium	Set at \$150,000 - 3 claims in 2015 met threshold	Only City of Dublin
City of Dublin Fully-Insured	\$448,352 – monthly premium to UHC Total cost = \$5,380,226	No Premiums Paid - Not part of a cooperative/consortium	Would be determined with new plan design	Only City of Dublin

Plan costs can be difficult to give an “apples to apples” comparison. The numbers depend on the number of employees, claims experience, and plan design. We are showing what it costs per year for each entity listed to cover an employee based on usually single or family coverage. The numbers show we are in line with other agencies on our budgets per employee per year cost.

Gahanna pays a monthly premium to the COHCC based on the number of employees and spouses and their claim experience. Their medical claims are paid from the monthly premium.

The Franklin County Consortium estimated we would pay in the top tier of premiums to join the Cooperative based on our numbers and claims experience. It was estimated that Dublin would pay over \$1,600 per employee per month. We would pay over \$7 million a year in premiums based on our employee numbers.

SWACO had 105 employees in 2015 and paid \$1,404 per employee per month as part of the Cooperative.

Westerville had the same number of claims as Dublin hit their stop-loss threshold in 2015.

Dublin’s fully-insured plan would cost a total of \$5,380,226 with the monthly premiums paid to UHC. Currently employees do not pay a premium for benefits and this would have to be discussed.

Health Plan Comparisons

Entity	Additional Information
City of Westerville	<ul style="list-style-type: none"> • Spouses must choose their own employer's insurance as primary if available • United Steel Worker employees (50 total) now on national USW plan as of May 1, 2016 • Employees do not have to participate in a wellness program to receive HSA contribution - \$1,700 for single and \$3,400 for family
City of Gahanna - Part of the Central Ohio Health Care Consortium (COHCC)	<ul style="list-style-type: none"> • Paid Central Ohio Health Care Consortium \$1,915,382 in premiums for 2015 • United Steel Worker employees covered under national USW plan • Wellness plan similar to Dublin's wellness program
Franklin County Cooperative	<ul style="list-style-type: none"> • Control of health plans set by Franklin County Benefits Department • Cooperative controls funds • Estimated premiums for City of Dublin to join close to \$7 million dollars • "Spike" in costs due to increased claims in preventable conditions. • Increase in catastrophic claims • Wellness program is voluntary and employees/spouse/partner earn a monetary reward
Central Ohio Health Care Consortium (COHCC)	<ul style="list-style-type: none"> • Board of Directors sets and approves all benefit programs and premiums • Each member of the COHCC has a rep on the Board of Directors • Members must stay on plan at least 3 years • Members pay a premium based on number of covered lives and claim experience
Private Sector	<ul style="list-style-type: none"> • Used City of Dublin's current plan to benchmark other plan designs

Westerville was looking at 25% increase in their medical renewal. Decided to "remove" spouses from the plan by making them choose their employer's insurance as primary. Their renewal rate went down to 15% with this action.

The USW employees negotiated to move off Westerville's plan and go onto the national USW plan because of the spouse rule. Westerville pays a 2% administration fee to the USW and the claim experience for these 50 employees no longer impacts Westerville's experience.

Gahanna has only 296 employees on their plan so their premiums would be less compared to Dublin if the City was part of the COHCC. They have an aggressive wellness program and being part of the consortium works for Gahanna.

The Franklin County premiums would be high for Dublin to join. We would have less to no control over our plan design and no control over the premiums being paid into the fund. The Franklin County Cooperative made mention in their "Spotlight" Benefits & Wellness Newsletter from February 2016 that their health plan had experienced a spike in costs over the past 12 months from a number of claims exceeding one million dollars a concern with the increase in claims for conditions that are preventable, such as diabetes and back injury/surgery. They felt these claims were *avoidable* and directly related to how the employees managed their health.

With the COHCC the monthly contribution is determined for each member in accordance

with the number of covered employees and dependents and the prior loss experience of the respective member group. The members' contributions represent an amount in excess of the expected costs of the Plan, which has allowed the Plan to establish reserves for future operations.



City of Dublin's Highlights

- Recipient of the 2015 UnitedHealthcare *Well Deserved Leadership Award* ! Only 2 United Healthcare customers in Ohio and 11 nationwide won this award.
- The Leadership Award recognizes the City of Dublin's innovation, thought leadership and sustained results in helping employees to improve their own health and well-being, demonstrating the highest level of commitment to worksite wellness while leveraging UnitedHealthcare wellness programs, tools and resources.
- American Heart Association's Gold Fit-Friendly Worksite. Building a culture of wellness and providing employees with more options to make healthy choices.

Highlights that we are receiving recognition for our benefits and wellness program



City of Dublin's Highlights

What is making Dublin's Health Plan Successful?	
Healthy Employees	Reduction in cost for health plan
Decrease in catastrophic claims	Reduction of \$634,888
Inpatient admissions decreased	Decrease in medical spend
ER and Urgent Care visits down	Continues to decrease each year
Preventive care screenings above norm	Catch health issues sooner
Strong utilization of generic prescriptions	Keeping cost low for plan
Per employee per year cost increased only 6.2%	National average increase is 8%

The most important take away from the “highlights” is the early preventive screenings. Employees are making sure they are taking care of themselves and getting their preventive care visits. This leads to less acute illnesses and catches major health issues earlier.

EEOC Update

- On May 17, 2016 the EEOC issued a change in rules effective for the plan year starting January 1, 2017.
- The rule states when a wellness program is open only to employees enrolled in a particular plan, then the maximum allowable incentive an employer can offer with the wellness program is **30% of the total cost for self-only coverage** (Dublin's COBRA rate) of the plan in which the employee is enrolled.
- If spouses are included in the incentive plan, employers are limited to 2x the self-only coverage (Dublin's COBRA rate) instead of 30% of family premium for a wellness incentive.
- An employee that has family coverage with no spouse will receive 30% of the total cost of self-only coverage (Dublin's COBRA rate) for a wellness incentive.
 - They will not be eligible for the additional 2x the self-only coverage because there is no spouse on the plan.
- Dublin can incent an additional 20% due to the tobacco rule with the EEOC ruling. A wellness program that merely asks employees whether or not they use tobacco (or whether they ceased using tobacco by the end of the program) is not a wellness program that asks disability-related questions. Therefore, the rule's 30 % incentive limit does not apply and, an employer can offer an incentive up to 50 % (**for tobacco only**) of the cost of self-only coverage, consistent with HIPAA, as amended by the Affordable Care Act

The rules were set to ensure wellness programs were complying with the Americans with Disability Act (ADA) and the Genetic Information and Nondiscrimination Act (GINA). It is protecting employees who might not be able to meet guidelines set by a wellness program due to a disability.

The EEOC is stating that employers have to treat all incentives (participation, outcomes based etc.) alike and they cannot exceed 30% of the single rate (\$449.86) which is \$1619 annually.

Employers cannot incentivize an employee wellness program more than 30% of the total cost for self only coverage, which is the single COBRA rate for medical and prescription coverage with our plan.

Spouses on the medical plan can only be incentivized two times the total cost for self only coverage. Dublin cannot incent our wellness program for an employee plus a spouse more than twice the 30% of the single COBRA rate for medical and prescription coverage with our plan.

Employees with family coverage and no spouse on the plan will have a major change with the wellness program. Dublin doubles the money funded into an employee's Health Savings Account for an employee with a family plan and no spouse. Under the new rules Dublin cannot apply the times 2 rule for 30% of the single coverage when there is not a spouse on the plan. The EEOC ruling specially states an employee or spouse only can be incentivized.

We can incent an additional 20% for the tobacco incentive with our wellness program. Because we do not perform a medical test for tobacco use and only ask employees if they are tobacco free we can use incent up to 50% for the tobacco premium only.

EEOC Update

Current HSA Funding with Wellness Program

HSA Deposits	Coverage	Complete Wellness Activities	Met Blood Pressure	Met BMI/Waist	Tobacco Free for One Year	Met Cholesterol	Total
1/18/16	Employee	\$375	\$150	\$300	\$150	\$150	\$1,125
5/13/16	Employee	\$375	N/A	N/A	N/A	N/A	\$375
9/2/16	Employee	\$375	N/A	N/A	N/A	N/A	\$375
Total							\$1,875

HSA Deposits	Coverage	Complete Wellness Activities	Met Blood Pressure	Met BMI/Waist	Tobacco Free for One Year	Met Cholesterol	Total
1/18/16	Employee + Spouse Employee (no spouse)	\$375 + \$375	\$150 + \$150	\$300 + \$300	\$150 + \$150	\$150 + \$150	\$1,125 + \$1,125
5/13/16	Employee + Spouse Employee (no spouse)	\$375 + \$375	N/A	N/A	N/A	N/A	\$375 + \$375
9/2/16	Employee + Spouse Employee (no spouse)	\$375 + \$375	N/A	N/A	N/A	N/A	\$375 + \$375
Total							\$3,750

The two charts detail how we currently fund our HSA accounts for single and family coverage. Note that an employee with family coverage and no spouse currently receives the same contribution as an employee with a spouse on the family plan.

HSA deposits are made three times a year for a total of \$1,875 for single coverage and \$3,750 for family coverage.

EEOC Update

- The COBRA rate for single coverage with Medical and Prescription for our plan is \$449.86 a month
 - 30% of \$449.86 = \$134.958
 - \$134.958 x 12 = \$1,619.50 for single coverage

HSA Funding for 2017 with EEOC Regulations and Wellness Program

HSA Deposits	Coverage	Complete Wellness Activities	Met Blood Pressure	Met BMI/Waist	Tobacco Free for One Year	Met Cholesterol	Total
1/18/16	Employee Employee (no spouse)	\$375	\$150	\$150	\$300	\$150	\$1,125
5/13/16	Employee Employee (no spouse)	\$375	N/A	N/A	N/A	N/A	\$375
9/2/16	Employee Employee (no spouse)	\$375	N/A	N/A	N/A	N/A	\$375
Total							\$1,875

HSA Deposits	Coverage	Complete Wellness Activities	Met Blood Pressure	Met BMI/Waist	Tobacco Free for One Year	Met Cholesterol	Total
1/18/16	Employee+Spouse	\$375 + \$375	\$150 + \$150	\$150 + \$150	\$300 + \$300	\$150 + \$150	\$1,125 + \$1,125
5/13/16	Employee+Spouse	\$375 + \$375	N/A	N/A	N/A	N/A	\$375 + \$375
9/2/16	Employee+Spouse	\$375 + \$375	N/A	N/A	N/A	N/A	\$375 + \$375
Total							\$3,750

The EEOC is stating that employers have to treat all incentives (participation, outcomes based etc.) alike and they cannot exceed 30% of the single rate (\$449.86) which is \$1619.50 annually. An employer that has a tobacco incentive, and does not test for tobacco use and only asks the employee if they use tobacco, can go up to 50% (an additional 20%) for a non-tobacco incentive. Dublin can continue to incent employees HSA accounts at \$1,875 for single coverage and \$3,750 for family coverage with a spouse per year, if we switch the \$300 incentive from BMI/Waist Circumference to the tobacco incentive and only incent \$150 for BMI/Waist Circumference. That way, not taking tobacco into account the total annual incentive would be \$1575 (\$1,125 for completing wellness activities and \$150 for blood pressure, \$150 for BMI/Waist, and \$150 for cholesterol) which is less than \$1619.50. We would be compliant with the 30% rule. The additional \$300 for non-tobacco status puts us at \$1875 which makes the employee whole and keeps us under the additional 20%.

Employees with a family plan and no spouse on the plan will be impacted. The EEOC ruling only allows employers to incent employees and spouses on the plan. With no spouse employees with family coverage and no spouse would only be able to receive \$1,875 for their HSA funding.

Final Comparisons

Entity	Premiums paid to Cooperative/Consortium	Budget	HSA Funding	Self-insured or Fully-insured	Plan Costs
City of Westerville	<ul style="list-style-type: none"> No Premiums Paid - Not part of a cooperative/consortium City of Dublin - No Premiums Paid 	<ul style="list-style-type: none"> City of Westerville - \$5.5 million for just medical premium City of Dublin - \$4.9 million 	<ul style="list-style-type: none"> City of Westerville - 85% of Deductible \$1,700 - Single \$3,400 - Family City of Dublin - 75% of Deductible \$1,975 - Single \$3,750 - Family 	Self-insured	<ul style="list-style-type: none"> City of Westerville \$7,412.72 - single \$14,825 - employee + child \$15,968 - employee + spouse \$23,394 - family (includes both employee and employer premium as well as HSA contribution) City of Dublin \$10,195 - Single \$29,080 - Family
City of Gahanna - Part of the Central Ohio Health Care Consortium (COHCC)	<ul style="list-style-type: none"> Gahanna paid \$1,915,382 in premiums for 296 total members in 2015 Dublin's estimate premiums could be \$5 million to join 	<ul style="list-style-type: none"> City of Gahanna - \$2.4 million with 296 total lives (includes premiums and United Steel Workers not covered by COHCC) City of Dublin - \$4.9 million with 990 total lives 	None - Traditional Preferred Provider Organization (PPO) plan	Self-insured	<ul style="list-style-type: none"> City of Gahanna \$5,521.92 - employee \$15,978.36 - employee + spouse \$17,635.44 - employee + child(ren) \$25,091.99 - family City of Dublin \$10,195 - Single \$29,080 - Family

Westerville vs Dublin – similar high deductible plan with a HSA. Westerville has more covered members on their plan. Both self-insured through United Healthcare. Plan costs are similar and budgets are close. Westerville funds their HSA at 85% and does not make employees go through a wellness program to receive the funds. They charge employees a premium while Dublin does not.

Gahanna – Gahanna has a PPO plan through the COHCC. They are self-insured through United Health-Care. They have fewer total members on their plan at 296 compared to Dublin's 990. They pay a premium to the COHCC and medical claims are paid through the premium. They have a strong wellness program charge their employees a premium based on wellness participation.

Final Comparisons

Entity	Premiums	Budget	HSA Funding	Self-Insured or Fully-Insured	Plan Costs
Franklin County Cooperative	<ul style="list-style-type: none"> Estimated premiums for City of Dublin to join close to \$7 million dollars (SWACO - \$1,404 minus employee premium PEPM - Total expense \$1,533,643 Premiums range from 11% - 15% or \$73.21 - \$97.71 bi-weekly) 	<ul style="list-style-type: none"> Estimated budget to join Franklin County Cooperative = over \$7 million Budget with current Dublin plan = \$4.9 million 	None - Traditional Preferred Provider Organization (PPO) plan	Self-Insured	<ul style="list-style-type: none"> Franklin County - \$16,848.00 - composite rate paid by each Agency for each person eligible and employed by Agency City of Dublin - \$10,195 - Single, \$29,080 - Family (SWACO - \$1,404 per employee minus employee contribution)
Central Ohio Health Care Consortium (COHCC)	<ul style="list-style-type: none"> Dublin's estimate premiums could be \$5 million to join 	<ul style="list-style-type: none"> Estimated budget to join COHCC = could be \$5 million Budget with current plan = \$4.9 million 	None - Traditional Preferred Provider Organization (PPO) plan	Self-Insured	<ul style="list-style-type: none"> COHCC - varies depending on claim experience City of Dublin - \$10,195 - Single, \$29,080 - Family
Private Sector	<ul style="list-style-type: none"> Varies - If organization is part of group or cooperative/consortium City of Dublin - No Premiums Paid 	<ul style="list-style-type: none"> Private Sector - Varies City of Dublin - \$4.9 million 	<ul style="list-style-type: none"> Private Sector - \$500 - Single, \$1,000 - Family City of Dublin - 75% of Deductible \$1,875 - Single, \$3,750 - Family 	<ul style="list-style-type: none"> Private Sector - Both City of Dublin - Self-Insured 	<ul style="list-style-type: none"> PPG - \$8,440 HDHP w/ (HSA) - \$9,953 City of Dublin - \$10,195 - Single, \$29,080 - Family
City of Dublin Fully-Insured	<ul style="list-style-type: none"> Fully-Insured - estimated premiums = \$5,380,226 Self-Insured - estimated net self-funded cost = \$4,321,376 	<ul style="list-style-type: none"> Extra \$1,058,850 for medical claims cost. 	None - Traditional Preferred Provider Organization (PPO) plan	Fully-Insured	Plan cost per employee undetermined.

Franklin County Consortium – the plan is a traditional PPO, they are self-insured, and covered through UHC. We would have no control over plan design. Our estimated premiums would be over \$1,600 according to the Consortium which puts us at over \$7 million dollars a year in premiums. Employees are charged a premium and Dublin could determine the premium for employees.

Central Ohio Health Care Consortium – premiums are based on the number of covered employees and spouses and claims experience. Dublin’s premiums may be around \$5 million dollars. It is a traditional PPO through United Healthcare and they are self-insured. There are options with the plan and we would be part of the Board of Directors making decisions about the Consortium as a whole.

Private Sector – Information varies based on the company. Benchmarked companies similar to Dublin in size. Number show we are in line with private sector deductibles and plan costs. Private sector companies do charge employees premiums.

City of Dublin Fully-Insured – The fully-insured plan would cost an additional \$1,050,850 in medical claims costs with the premium we would to United Healthcare (UHC). Specific aspects of the plan would have to be discussed if this type of plan is chosen.

Assumptions

The following are a list of principles and/or assumptions that that, in the past, have served as a guidepost for the City's benefits and wellness program:

- Be an employer of choice by providing competitive compensation to include a benefits and wellness program that will attract the best and brightest candidates to the City of Dublin.
- Promote a benefits plan that is both fiscally responsible and provides access to programs and services that address the needs of our employees.
- Maintain a high employee awareness of their health and develop strategies for providing benefits that are long-term in focus and sustainable over time.
- Focus on cost containment of the benefits and wellness program. Keep costs in line or lower than other plans comparable to the City of Dublin.
- Design a benefits and wellness program that has the agility and flexibility to act, respond, and mitigate the impacts of rising costs in healthcare, changes in government rules and regulations, and the evolving needs of employees.
- Prepare for the upcoming operating budget process.
- Communicate openly, honestly and timely with employees regarding potential adjustments to the existing benefits and wellness program.

Course of Action

#1

Health Insurance Plan Options	Potential Outcomes
<p>Keep current High Deductible Plan and adopt Equal Employment Opportunity Commission (EEOC) ruling to incentivize wellness program up to the 50% limit with tobacco adjustment. No employee premiums.</p>	<p>74 - Single plan (Offer full \$1,875 HSA incentive and no savings)</p> <p>214 - Family plan (Offer full \$3,750 HSA incentive and no savings)</p> <p>49 - Family plan with no spouse (\$91,875 and premium would be \$72.12 a pay period for employees with Family plan with employee + child(ren) only)</p> <p>Total savings = \$91,875.00</p> <p>Keep our award winning wellness program. Even though we would incentivize tobacco more than BMI/waist we can still make BMI a focal point of the wellness program. Allows us to keep ultimate plan of moving our wellness program to an outcome based program instead of participation based. Only real way to be effective in making real changes to employees health and wellness.</p>

Dublin would keep the current high deductible health plan and wellness program. We would not charge employees a premium. We accept the changes from the EEOC with funding employees HSA accounts and do not make up the difference lost with the new calculations. Potentially saving the City \$91,875.00 with not making up the HSA funding and putting that money back into the budget.

Course of Action

#2

Health Insurance Plan Options	Potential Outcomes
<p>Keep current High Deductible Plan and adopt Equal Employment Opportunity Commission (EEOC) ruling to incentivize wellness program up to the 50% limit with tobacco adjustment. No employee premiums.</p>	<p>Total savings from new 50% HSA incentivizing limits = \$91,875.00</p>
	<p>Current Plan Costs \$10,195 - Single \$23,080 - Family</p>
	<p>15% premiums Single - \$1,529.25 or \$58.82/pay period Family - \$3,462 or \$133.15/pay period Savings - \$113,164.50 and Family - \$910,506 Total Premiums = \$1,023,670.50</p>
	<p>10% premiums Single - \$1,019.5 or \$39.21/pay period Family - \$2,308 or \$88.77/pay period Savings - \$75,443 and Family - \$607,004 Total Premiums = \$682,447</p>
	<p>5% premiums Single - \$509.75 or \$19.61/pay period Family - \$1,154 or \$44.38/pay period Savings - \$37,721.50 and Family - \$303,502 Total Premiums = \$341,223.50</p>

Dublin would keep the current high deductible health plan and wellness program. We would not charge employees a premium. We accept the changes from the EEOC with funding employees HSA accounts and do not make up the difference lost with the new calculations. Potentially saving the City \$91,875.00 with not making up the HSA funding and putting that money back into the budget.

We would also charge employees a bi-weekly premium at 15%, 10%, or 5% of the current plan costs. This would be additional savings to the plans as the employee premiums paid would be put back into the budget.

Course of Action

#3

Health Insurance Plan Options	Potential Outcomes
<p>Keep current High Deductible Plan, Incentivize Health Savings Account (HSA) up to Equal Employment Opportunity Commission (EEOC) 50% limit with tobacco adjustment. The City contributes the difference to the employee's HSA account. No impact to the employees.</p>	<p>The strength and richness of our wellness program is a driving force in keeping costs down and making employees aware of keeping a healthy lifestyle. Without the incentive of a wellness program we would see a rise in cost of preventable conditions and catastrophic claims.</p> <p>Only incentivize the 2017 limits dictated by the EEOC ruling:</p> <p>Incent 50%</p> <p>\$1,875 for single coverage – extra contribution not necessary</p> <p>\$3,750 for family coverage – extra contribution not necessary</p> <p>\$1,875 for family coverage with no spouse– extra contribution necessary.</p>

Dublin would keep the current high deductible health plan and wellness program. We would not charge employees a premium. We accept the changes from the EEOC with funding employees HSA account and incent their HSA accounts at the 50% levels when they complete the wellness program requirements. Dublin would make up the difference lost to employees with their HSA accounts with the new EEOC ruling. Essentially making the employees whole and allowing them to have the same HSA funding they are used to receiving.

Course of Action

#4

Health Insurance Plan Options	Potential Outcomes
Join the Central Ohio Health Care Consortium (COHCC).	Estimated premiums could be \$5 million to join consortium. Used to pay claim expenses. Board of Directors governing body of Consortium. Each entity with the consortium appoints one person to be a representative on the Board of Directors. Board of Directors sets and approves all benefit programs offered. Have to stay in the cooperative for a minimum of 3 years. Still move forward with our Healthy By Choice wellness program.

The Consortium gives some options with plan choices through United Healthcare. We would have a member of the staff sit on the Board of Directors to give input on plan designs. We would go back to a traditional PPO plan and would still have our wellness program.

Premiums are just an estimate and we would not know the true numbers unless we had an actuarial look at our claims experience through the Consortium.

Being part of the group there is less flexibility with changes to our plan.

Course of Action

#5

Health Insurance Plan Options	Potential Outcomes
Join the Franklin County Cooperative.	<p>Potential Premiums approximately \$7 million in the cooperative vs our current budget of \$6 million dollars for health insurance.</p> <p>Control of health plan set by Franklin County Benefits Department. We would have a seat at monthly board meetings but would not have a say in the plan design.</p> <p>Cooperative controls the money put into the fund. If we left the cooperative we would not get the money back.</p> <p>There has been a spike in costs due to increased claims for preventable conditions and an increase in catastrophic claims.</p> <p>Any exceptions we wanted to make to the plan design would cost extra money.</p> <p>Wellness program is voluntary.</p> <p>No incentive to be a wise consumer and think about taking care of yourself and improving health with this type of plan.</p>

Potential for high premiums with our employee numbers and claims experience. According to the Cooperative premiums would be over \$1,600 per employee per month and for the year over \$7 million.

Control of plan is set through the Cooperative. We would have a seat at the table but not a lot of say in plan design. We would not control our premiums paid into the fund for the Cooperative.

The Franklin County Cooperative made mention in their “Spotlight” Benefits & Wellness Newsletter from February 2016 that their health plan had experienced a spike in costs over the past 12 months from a number of claims exceeding one million dollars a concern with the increase in claims for conditions that are preventable, such as diabetes and back injury/surgery. They felt these claims were *avoidable* and directly related to how the employees managed their health. We have been able to keep costs down by making preventive care visits a priority with our plan.

Course of Action	
#6	
Health Insurance Plan Options	Potential Outcomes
Explore options with employee's spouses on the City's benefits plan.	<p>Phase in different options :</p> <p>Option 1. - Spouses with insurance through their employer must choose their employer's insurance as primary.</p> <p>Option 2: Allow spouses with insurance through their employer to stay on our plan but charge a spousal surcharge of \$150 per month.</p> <p>Option 3: Pay employees \$2,500 for spouse to elect employer's insurance.</p> <ul style="list-style-type: none"> - True savings would be the difference between option 1 and option 3. - May run into a discrimination issue and have to pay \$2,500 to all employees who have a spouse on their own employer's insurance.

Spouses are the City's highest cost claimant (on a net basis) when compared to employees and dependents.

Option 1:

Used the 2015 per employee per year cost for a spouse of \$3,951. Reviewed the cost savings if 30%/20%/15% of spouses came off of our plan.

30% - 65 spouses off the plan for an estimated savings of \$256,830

20% - 43 spouses off the plan for an estimated savings of \$169,903

10% - 22 spouses off the plan for an estimated savings of \$86,927

Option 2:

Monthly surcharge of \$150 and annual surcharge of \$1,800

30% - 65 spouses pay the yearly surcharge of \$1,800 for a savings of \$117,000

20% - 43 spouses pay the yearly surcharge of \$1,800 for a savings of \$77,400

10% - 22 spouses pay the yearly surcharge of \$1,800 for a savings of \$39,600

Option 3:

Dublin pays spouses \$2,500 to take coverage with employer

30% - 65 spouses receive the \$2,500 payment for a cost of \$162,500

20% - 43 spouses receive the \$2,500 payment for a cost of \$107,500

10% - 22 spouses receive the \$2,500 payment for a cost of \$55,000

Course of Action

#7

Health Insurance Plan Options	Potential Outcomes
Switch to a fully-insured plan under United Healthcare (UHC).	Fully-Insured plan is estimated to cost an additional \$1,058,850 in medical claims cost. Switch from a high-deductible health plan to a traditional PPO. Maintain current wellness program and look at different ways to incent the program. No Health Savings Account (HSA) with this type of plan.

Recommendation

- Keep current High Deductible Health Care Plan with a HSA attached through United Healthcare (UHC)
- Keep the Healthy By Choice wellness program – continue to move program toward outcome based over the next 3 years
- Incentivize HSA up to EEOC limits and provide HSA contribution up to previous level prior to EEOC ruling – Keeps employees whole
- No employee premium – remain an employer of choice and competitive with recruiting
- Explore spouse options with health plan coverage
- Bargaining units consider looking at national health plans through their union
- Continue to assess cost savings initiatives with health plan

Bullet Point 3 – We propose accepting the changes from the EEOC with funding employees HSA account and incent their HSA accounts at the 30% or 50% levels when they complete the wellness program requirements. Dublin would make up the difference lost to employees with their HSA accounts with the new EEOC ruling. Essentially making the employees whole and allowing them to have the same HSA funding they are used to receiving.