

HUB



REVIEW OF SURVEYS FOR HEALTH PLAN COSTS

Comparison of Plan Costs to National Averages*

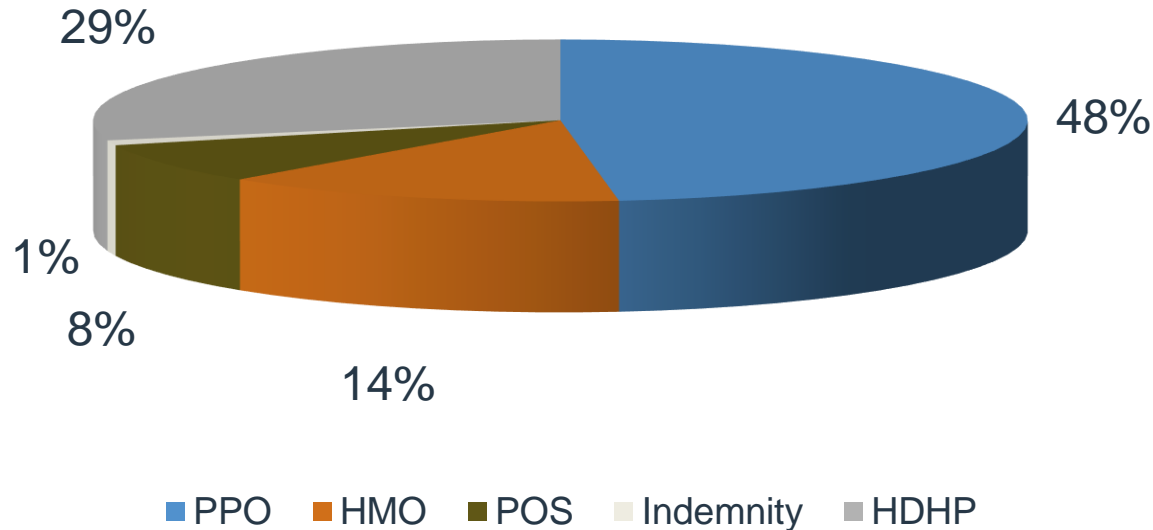
**Data taken from the 2016 Kaiser Family Foundation & HRET Employer Health Benefits Survey & the 2016 Mercer Survey of Employer Sponsored Health Plans.*

KEY FINDINGS, CONTINUED



- The average monthly premium for single PPO coverage in 2016 was \$567 and the average monthly family PPO premium was \$1,584. The average monthly premium for HDHP coverage was \$480 and the average monthly family premium was \$1,395.
- Average PPO premiums are lowest in the South for both Single and Family coverage than in any other region. That is not the case for HDHPs.
- The average family premium for PPO plans in small firms (3-199 workers) is \$1,511 and in large firms (200+ workers) is \$1,607.

ENROLLMENT BY PLAN TYPE



48% of covered workers are enrolled in PPO plans, followed by 29% in HDHPs, 14% in HMOs, 8% in POS plans, and <1 in Indemnity plans.

Over the last 2 years enrollment in PPOs has fallen 10% while enrollment in HDHPs has increased 8%.

AVERAGE MONTHLY HEALTH & PHARMACY PREMIUM COSTS



Plans		Individual	Family
500+ Employees	PPO	\$572	\$1,511
	HDHP	\$466	\$1,392
Government	PPO	\$604	\$1,702
	HDHP	\$552	\$1,498
South	PPO	\$540	\$1,474
	HDHP	\$490	\$1,410
COF Option 1		\$669	\$2,024
COF Option 2		\$549	\$1,656

AVERAGE MONTHLY EMPLOYEE PREMIUM CONTRIBUTIONS (In Dollars)



Plans		Individual	Family
500+ Employees	PPO	\$133	\$477
	HDHP	\$91	\$349
Government	PPO	\$121	\$458
	HDHP	\$77	\$290
South	PPO	\$129	\$497
	HDHP	\$82	\$341
COF Option 1		\$100	\$405
COF Option 2		\$82	\$331

AVERAGE EMPLOYER HSA CONTRIBUTIONS



HDHP/HSA Plans	Individual	Family
500+ Employees	\$500	\$1,000
Government	\$750	\$1,500
South	\$500	\$1,000
COF	\$0	\$0

DEDUCTIBLE BY PLAN TYPE



HDHP & PPO Plans		Deductible (In-network/Out-of-network)	
		Individual	Family
500+ Employees Median Deductible	PPO HDHP	\$750/\$1,300 \$2,000/\$3,000	\$1,500/\$3,000 \$4,000/\$6,000
Government Median Deductible	PPO HDHP	\$600/\$1,200 \$2,000/\$3,000	\$1,200/\$2,400 \$4,000/\$6,000
South Median Deductible	PPO HDHP	\$600/\$1,250 \$2,000/\$3,968	\$1,500/\$3,000 \$4,000/\$7,800
COF Option 1		\$500/\$1,000	\$1,000/\$2,000
COF Option 2		\$1,000/\$2,000	\$3,000/\$6,000

Determine Type of HDHP to Offer



- HSA (Health Savings Account) -
 - Employer and employee money put into an account owned by the employee
 - IRS sets limits each year – 2017 is \$3,400 for employee only coverage and \$6,750 for employee + coverage
 - Example \$500 employee / \$1,000 employee +
 - Only money in the account is available to spend
 - Money always rolls over
 - Money is the employees once it goes into the account
- HRA (Health Reimbursement Arrangement) –
 - Employer money put into an account owned by the employer
 - Example \$500 employee / \$1,000 employee +
 - Full amount available from day 1 to spend
 - Money can rollover to a max
 - Usually about 40% spent each year

Choose a Vendor



- HSA –
 - Several banks and vendors to choose from
 - BCBST has a relationship with Health Equity, allows for integration
 - Review Health Equity
- HRA-
 - Many HRA vendors to choose from, tend to also do FSAs
 - BCBST can do HRA administration in house

Choose an HDHP Plan Design



- Currently plans are a \$500 deductible and \$1,000 deductible; we could have BCBST turn the \$1,000 deductible plan into an HDHP
- Sample Quote 1 – HSA qualified
 - \$2,000 Individual deductible / \$4,000 Family deductible
 - \$5,000 Individual OOP / \$10,000 Family OOP
 - BCBST funding rates could be as much as ~15% below the current option 2
- Sample Quote 2 – HSA qualified
 - \$3,000 Individual deductible / \$6,000 Family deductible
 - \$5,000 Individual OOP / \$10,000 Family OOP
 - BCBST funding rates could be as much as ~25% below the current option 2

Determine the Amount of City Funding in Account



- Several different ways to structure the contribution
- Most common - estimate how many will enroll and budget that amount annually
 - Example \$500 for employee (assume 30 enrolled) and \$1,000 for employee + (assume 10 enrolled)
 - COF funding would be \$25,000 annually

Determine Best Way to Communicate the HDHP



- Discuss before annual open enrollment
- BCBST to help with communication pieces
- Have a question and answer session
- Review HDHP Fact Sheet