



CUMBERLAND
★ COUNTY ★
NORTH CAROLINA

Health Insurance Plan Update

Amy H. Cannon, County Manager

March 2016



Overview

Background on Medical Plan

Challenges

Plan Changes for FY2017

Future Considerations

Wellness Services

Open Enrollment



Background

Self Funded

- Lowest cost strategy
- Greater flexibility
- Administrative cost = 8.76%
- Claims = 91.24%



Background

Employer Contribution

- \$7,668 per year, per employee
- 92.6% of total cost paid by County



Background

Strategies Implemented to Impact Cost

- 2010-14: Wellness screenings with incentive to participate
- 2011-12: Pharmacy, clinic, wellness program
- 2014-15: Incentive qualification baseline measurements taken
- 2015-16: Dependent eligibility audit; Novant took over clinic & screenings; incentive standards go into effect



Challenges

- Health Care Reform costs \$1.8 million (outside the County's ability to control)
- Increase in claims
 - FY2015 – 17% increase; budgeted for 6.62%
 - FY2016 – 12% increase; budgeted for 8.6%
- Frequency of visits is above industry standard, driven by population's health



Challenges

- Health of the population
 - Cumberland County, as a community, struggles with the health of its citizens
 - County employee population closely reflects the health of the community
 - Risk score for County = 1.86
 - Benchmark for N.C. Cities/Counties = 1.31



Challenges

Top Health Risks for County Employees

- **Weight** (cardiovascular disease, hypertension, diabetes)
- **Cholesterol** (coronary artery disease)
- **Blood Pressure** (heart disease, heart failure, kidney disease)



Plan Changes for FY2017

- Additional **\$4.1 million** required if plan unchanged
- Even with approved changes, the County still faces an increase of **\$1.5 million** for the employer contribution to the plan



Plan Changes for FY2017

Items Not Changed

- Employee Premiums
- Primary Care Physician Visits (\$30 co-pay)
- Well Baby Care (100%)
- Immunizations/Injections (100%)
- Physicals/Exams (100%)
- Pap Smears/Mammograms (100%)
- Hospital Services, ER (Deductible/20%)
- Family max. for coinsurance limit (\$6,000)



Plan Changes for FY2017

Changes Effective July 1, 2016

- **Deductibles** will increase
 - Individual in-network from \$1,500 to **\$2,000**
 - Family max. in-network from \$4,500 to **\$6,000**
- **Specialists Visits** will cost more
 - Once you meet the deductible, you will pay 20 percent of each visit's cost. Current cost is a \$60 co-payment.
- **Coinsurance Limits**
 - Individual from \$2,000 to **\$3,000**



Plan Changes for FY2017

Changes Effective July 1, 2016

- **Pharmacy: \$150 deductible**
- No deductible for using the Employee Pharmacy
- The County will no longer offer retiree health insurance coverage for any employees **hired after June 30, 2016.**



Plan Changes for FY2017

Options to Mitigate Changes

- Use County Pharmacy instead of retail pharmacy
- Use Wellness Clinic
- Join Wellness Initiative
- Flexible Spending Account
 - Maximum annual contribution \$2,550



Plan Changes for FY2017

Flexible Spending Account

- Allows you to set aside a set amount of money each paycheck, **pre-tax**, to help pay out-of-pocket expenses such as:
 - Deductibles, co-insurance, co-payments and other non-covered expenses
- Sign up during Open Enrollment, use worksheet to determine amount
- IRS requires all \$ be spent in plan year
- Debit card



Plan Changes for FY2017

How Does the FSA Work?

	With FSA	Without FSA
Salary:	\$1,000.00	\$1,000.00
Less Pre-taxed Dollars:		
Healthcare Reimbursement	- <u>100.00</u>	<u>0</u>
Taxable income	\$ 900.00	\$1,000.00
LESS:		
Federal Income Tax (15%)	- 135.00	- 150.00
State Income Tax (5%)	- 45.00	- 50.00
Social Security (7.65%)	- 68.85	- 76.50
Net Take Home Pay:		
Less Healthcare Expenses	- <u>0</u>	- <u>100.00</u>
Net After Expenses:	\$ 651.15	\$ 623.50



Future Considerations

FY2018 Weight Incentive Plan

- Receive \$250 if you meet the waist measurement
 - Less than 40 inches for men
 - Less than 35 inches for women
 - Or reduce waist circumference or weight by 5%



Future Considerations

If claims continue to rise, future considerations include:

- premium increase for employees



Wellness Services

Employee Pharmacy – E. Newton Smith Center

Hours:

Monday–Thursday

7:30 a.m. - 4:30 p.m.

(Pharmacist is unavailable from 12:30 -1 p.m.)

Friday

8:30 a.m. – 1:30 p.m.





Wellness Services

Employee Pharmacy

- Lower co-payments than retail pharmacies

	County Pharmacy	Retail Pharmacy
Tier 1 – Most generics	\$0	\$10
Tier 2	\$25	\$55
Tier 3	\$40	\$70



Wellness Services

Employee Pharmacy

- Increased use could result in expanded hours
- Mail order is a possibility being explored





Wellness Services

Employee Wellness Clinic

- No sick leave taken for visits
- All County employees (even those not on plan)
- Retirees and dependents age 12 and older





Wellness Services



Health Insurance Plan Update



Wellness Services

Employee Wellness Clinic

- Nurse practitioner & registered nurse on staff
- Treatment of minor illnesses
- Wellness coaching





Wellness Services

Employee Wellness Clinic

Hours:

Monday: 7:15 a.m. to 3:30 p.m.

Tuesday: 7:15 a.m. to 3:30 p.m.

Wednesday: 8:15 a.m. to 5:30 p.m.

Thursday: 7:15 a.m. to 3:30 p.m.

Friday: 7:15 a.m. to 1 p.m.



Wellness Services

Wellness Program

Weight Watchers at Work program

- Various locations
- Partial reimbursement if 80% of meetings attended

Classes – yoga, zumba, healthy cooking



Wellness Services

Wellness Program

Activities –
running,
walking,
biking,
garden,
various team
sports





Wellness Services



Wellness Program



Wellness Services

Wellness Fair – October 24-28, 2016

- **Make-up days are not guaranteed;** plan ahead
- **Moderate controls** for \$30 monthly savings
 - Waist circumference: < 40” inches for males; <35” for females (or reduced by 10%)
 - Blood pressure <140 / 90 (or reduced by 10 / 5 mmhg)
 - Cholesterol ratio is 5.5 (or improved by 10%)
 - Glucose is less than 199 mg / dl



Open Enrollment

Web Open Enrollment – April 1-29

On-site enroller support – April 11-22

E. Newton Smith Center April 11, 13 & 19

Courthouse, Rm. 119 April 12 & 22

DSS April 14, 15, 18, 20, 21



Employee Information Sessions

March 24, DSS Conference Rooms

March 31, Crown Complex Ballroom

8 a.m.

10 a.m.

1 p.m.

3 p.m.

***Coordinating with Sheriff's Office, Detention Center,
Emergency Services on shift changes***



Employee Concerns

Questions and Answers

Contact:

- **Benefits:**

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- **Wellness: Tammy Gillis, 910-678-7728**

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