

HEALTH CARE 2015

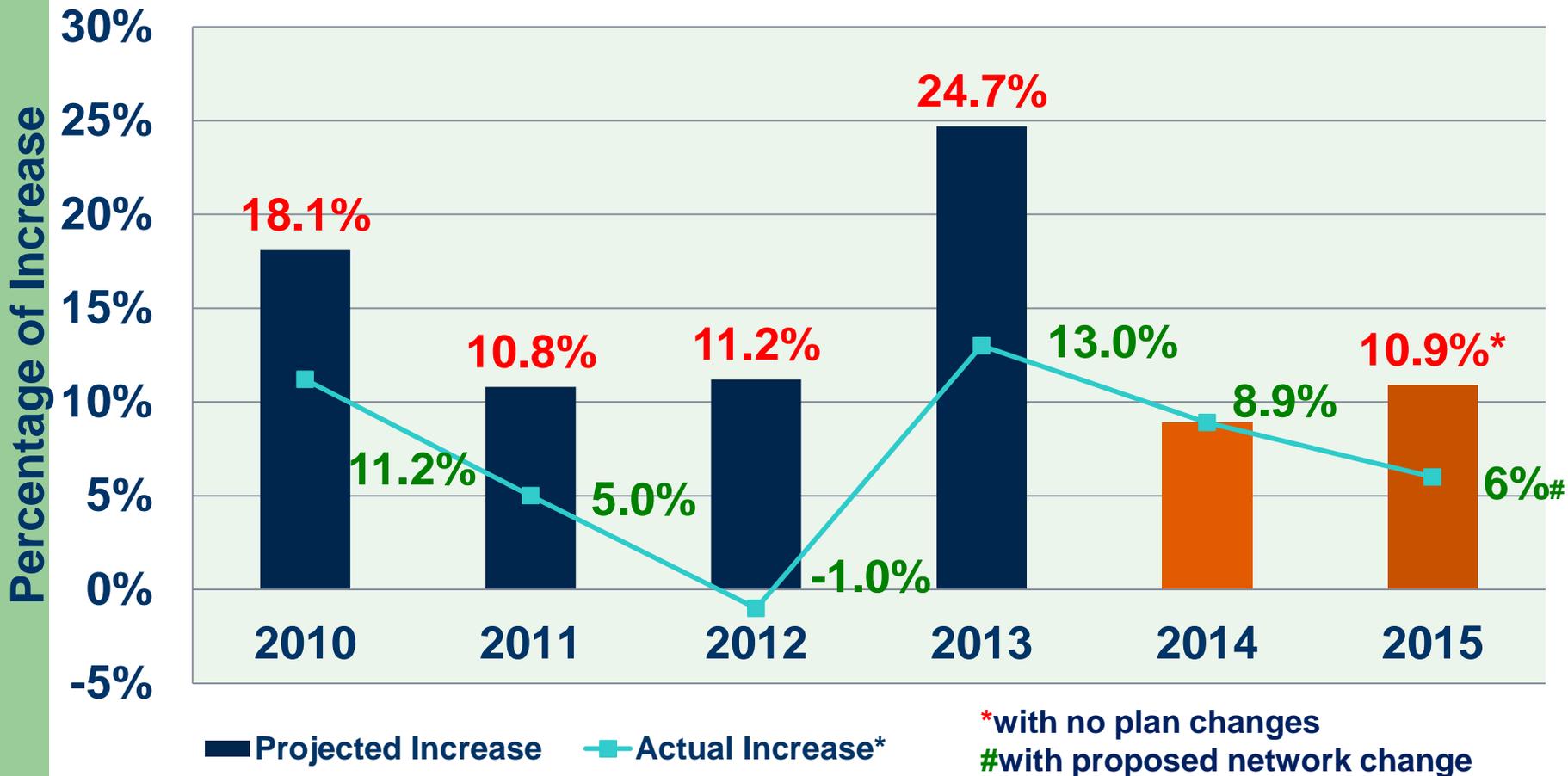




2015 Cost Projection

- **Current anticipated funding = \$17.2 million CY (City and Employee)**
- **Anticipated CY increase projected at 10.9%**
- **City increase is 1.7M above FY 2014 budget**

City Renewal History Projected vs. Actual



City Claims History

Claims Per Employee/Month



What's Driving Claim Increases



- Of the top catastrophic claims, there were:
 - 8 Cancers (\$1.2m in cost)
 - 5 Neurological and Circulatory Issues (\$598k in cost)
 - 4 Musculoskeletal (\$574k in cost)



New Cigna Plan Design

- ❑ **Continue self-funding and remain with Cigna.**
- ❑ **Adopt new dual-plan with “Local Plus Network” (Cigna projects 4-8% savings with this plan)**
- ❑ **Single rate with PHA and Base options.**
- ❑ **PHA incentive: must complete both EHC and Cigna online to receive incentive.**
- ❑ **Shared Savings Incentive for 2015.**
- ❑ **MH/SA coverage to be provided under Cigna. EAP to remain carved out under MHNet.**

Reasons for renewing with Cigna



- **Local network with proven results**
- **Claims administration and reporting track record**
- **Customer service including full-time onsite representative**
- **Wellness funding**

Cigna Self-fund Proposal Total Health Care Cost



- **Estimated Cost CY2015**

= \$16.66M

- **\$13.02M City**
- **\$3.64M Employee/Retiree/COBRA**

Cigna Self-fund Proposal City Health Care Cost



City Budget FY 2015 = \$12,813,900

Estimated City 2015 = \$12,832,200

TOTAL INCREASE = \$18,300

The difference would be funded by reduction in the MH/SA cost under the Cigna medical plan, expected to save the City approx \$75,000 annually.

(All figures based on FY14 enrollment and 1498 FTE positions)

Surplus Sharing Example



Employees must complete the PHA and Cigna's Online Health Assessment. Surplus is based on a 50% split of projected savings at the end of the plan year.

Surplus Range	HRA Account Funding
1.25% - 2.24%	\$100
2.25% - 3.49%	\$200
3.5% - 4.49%	\$300
4.5% - 5.99%	\$400
>6%	\$500

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