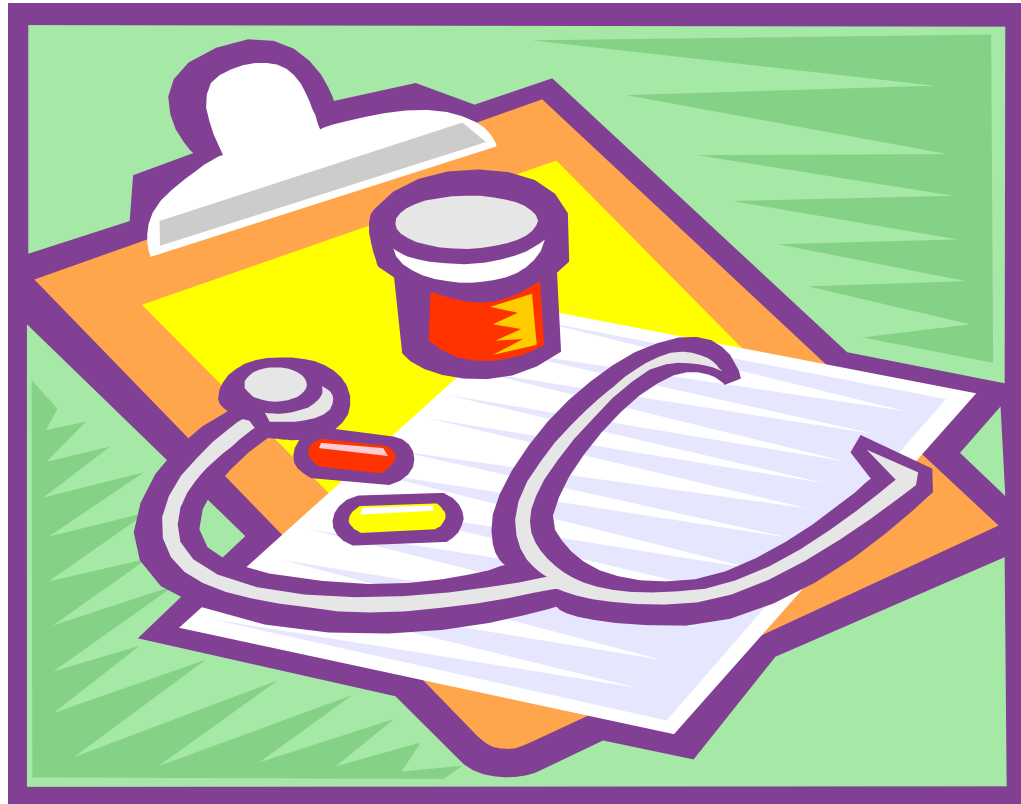


# HEALTH CARE 2017



# 2017 Cost Projection



- **Current anticipated funding needed= \$18.4 million**  
**(City \$14.9 million)**  
**(Employee \$3.5 million)**

# Cigna Self-fund Proposal

## City Health Care Cost



**City Budget 2017 = \$15.138 M**

**Estimated City 2017 = \$14.852 M**

**City increase 4.4% (\$621,000)**

- \$285,000= increase in rates 1.7%**
- \$336,000= increase in FTE's 2.7%**

**Budget savings of \$286,000**

# Cigna Self-fund Proposal Total Health Care Cost

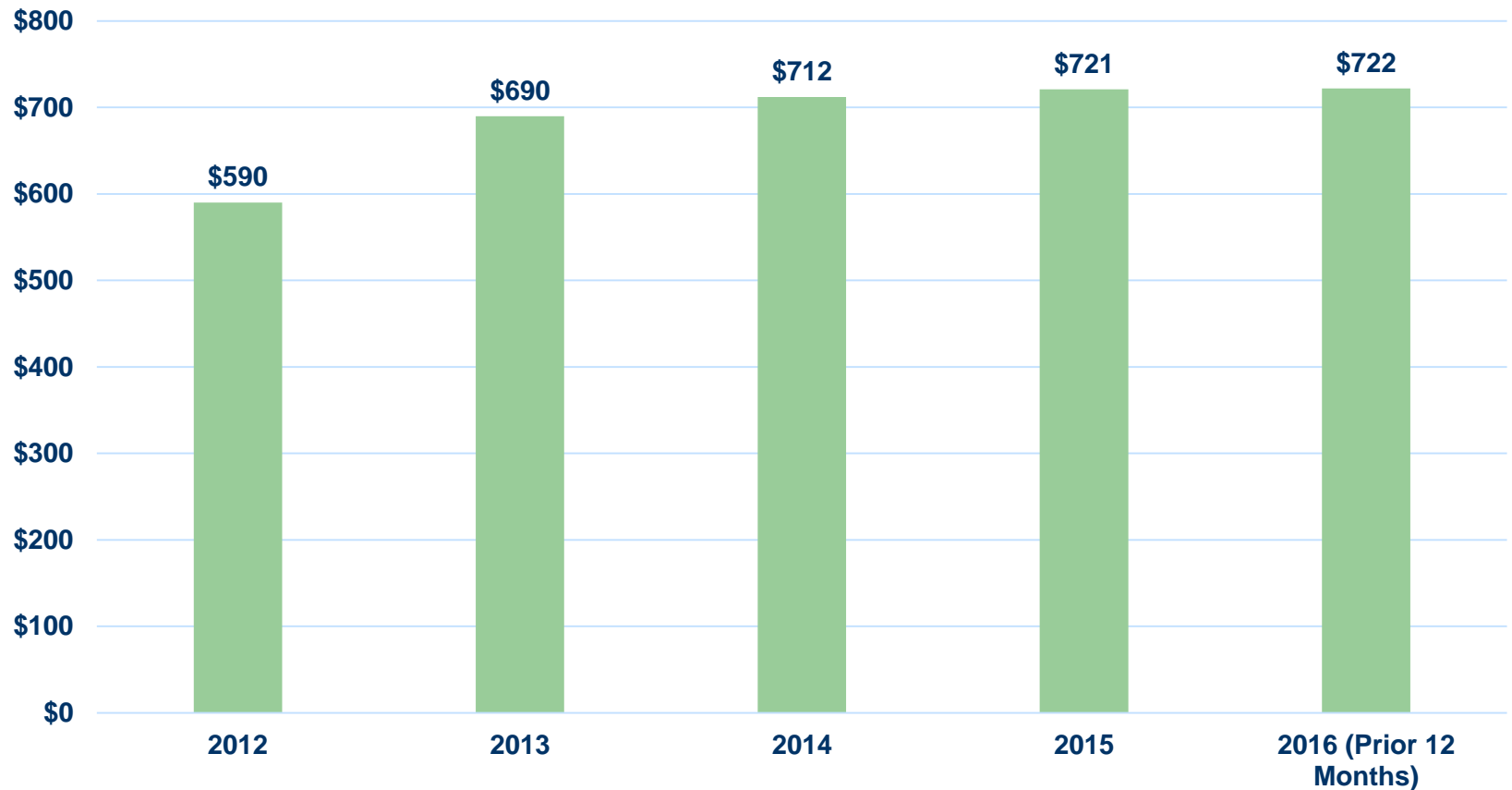


## • Estimated Cost Sharing

- **\$14.9M City**
- **\$3.5M Employee/Retiree/COBRA**
  - **\$2.84 increase/pay employee + one**
  - **\$5.96 increase/pay employee + family**

# City Claims History

## Claims Per Employee/Month



## What's behind the increase?



- Catastrophic claims are down but still account for 56% of medical claims costs.
- Pharmacy claims are down 11% for the prior 12 months.

# Cigna Open Access Plus Plan



- ❑ **Continue self-funding and remain with Cigna.**
- ❑ **Continue “Open Access Plus” network.**
- ❑ **Maintain current rate structure.**
- ❑ **New federal guidelines prohibit PHA requirement.**
- ❑ **New telehealth component.**

# Reasons for renewing with Cigna



- **Open Access Plus Network.**
- **Consistent Claims administration.**
- **Full-time onsite representative.**
- **Wellness funds provided.**



# Employee Health Center

- 55% utilization rate (target is 30%)
- 96% employee satisfaction Rate
- 1.7 to 1.0 Return on Investment
- 1<sup>st</sup> year savings projected at 1.4 million

# Employee Health Center

- **Estimated Cost Savings from January – May \$784,611 based on the following areas:**

Network replacement, Specialist avoidance, ER avoidance, Brand Drug avoidance, Lab replacement, flu shot replacement, estimated productivity savings.

- **Estimated first year cost savings projected at 1.4M.**

# HEALTH CARE 2017

