



2021 EMPLOYEE BENEFIT PROGRAMS



CITY COUNCIL PRESENTATION
September 10, 2020

Benefit Programs/Services Overview

- ❑ **Employee benefit programs and services**
 - Medical (3 plans) – Cigna and CVS/Caremark/SilverScript
 - Dental (3 plans) – Delta Dental of Arizona
 - Vision Care (3 plans) - VSP
 - EAP Program - ComPsych
 - Life/AD&D and Disability Insurance – MetLife and Unum
 - Health and Wellness Center and Mesa 360 Wellness
- ❑ **Employee Benefit Trust Fund – Funding Sources**
 - Contributions from the City
 - Employee and retiree premiums
 - State retirement system subsidies
 - Other third-party subsidies and rebates

Medical Plan Rate Changes for 2021

Medical Plan Premiums:

- ❑ Active employees - \$4 to \$24 per month increase depending upon plan/tier
- ❑ Retirees – maintain 2020 rates

Financial Considerations:

- ❑ National and City medical cost trend increases approximately 7% to 8%
- ❑ Claims volatility in 2020 and beyond due to:
 - ❑ Reductions in healthcare utilization (preventive, elective and non-emergency care) during national pandemic period
 - ❑ Claims lags for pandemic related testing and treatment expenses
 - ❑ Previously-postponed care increases and severity increases as elective and preventive healthcare services become more available and utilized
- ❑ EBT fund balance projections support the need for approx. 4% rate increases in CY 2021
- ❑ General fund reserve for unknown healthcare cost increases

Active Medical Plan Rates for 2021

ACTIVE F/T MEDICAL PLAN RATES – MONTHLY – 4% Increase

BASIC 50% PLAN	2021		
	City Contribution	EE Contribution	EE Difference vs 2020
Single	\$538	\$0	\$0
Family	\$1,197	\$0	\$0

CHOICE 80% PLAN	2021		
	City Contribution	EE Contribution	EE Difference vs 2020
Single	\$538	\$134	+\$4
Family	\$1,197	\$299	+\$12

COPAY PLAN	2021		
	City Contribution	EE Contribution	EE Difference vs 2020
Single	\$538	\$202	+\$8
Family	\$1,197	\$609	+\$24

Highlights - Health Plan Changes for 2021

Medical/Prescription Drug Plans

- ❑ COVID-19 testing and diagnostic services 100% coverage – compliance requirement
- ❑ COBRA continuation and claims/appeals timeframes for election/submission and payment extended
- ❑ Virtual professional office visit services' coverage for medical and behavioral health providers at regular benefit levels
- ❑ Telehealth Connection Services with Cigna consolidated to MDLive at continuing 100% benefit levels

Highlights - Health Plan Changes for 2021 cont.

Flexible Spending Accounts (FSA)

- ❑ Health FSA maximum annual election increased to \$2,750
- ❑ Health FSA rollover amount increased to \$550
- ❑ OTC medicines/supplies FSA reimbursable without prescription or physician provided letter of medical necessity

Highlights - Health Plan Changes for 2021 cont.

Vision Care Plans (VSP)

- ❑ Premium decreases with new insurance contract award
- ❑ Benefit level improvements:
 - ❑ Frames, contact lenses and out-of-network exam allowances increased

Employee Assistance Program (EAP)

- ❑ New contract award with ComPsych
 - ❑ Same benefit levels and City costs

Highlights - Health Plan Changes for 2021 cont.

Voluntary Short-Term Disability Insurance (Unum)

- ❑ 100% employee paid
- ❑ Rate increase for heavily utilized 7-day waiting period plan
- ❑ No rate changes for 29-day or 44-day waiting period plans
- ❑ Continued competitive benefit levels in all three plan designs

Open Enrollment 2020 for 2021 Benefit Programs

- **“Virtual” Open Enrollment**
 - Online eBenMesa (newly upgraded application) October 7 –21
 - Passive enrollment (except FSA)
- **Health and Wellness Updates** – at www.mesaaz.gov/benefits
 - Open Enrollment “button” - updated Guides, communications, 2021 Plan Document and other Required Documents
 - Inside Mesa and Benefits Website links to eBenMesa enrollment application
 - Mesa Wellness 360 for 2021 - including Health and Wellness Center services, virtual classes, incentives and Sonic Boom web site
 - Benefits phone 480-644-2299 and email benefits.info@mesaaz.gov - for information and eBenMesa enrollment assistance
 - Various dates/times/locations and face covering/social distancing protocols for active employee events:
 - Covid-19 Testing
 - Flu shots
 - Mobile unit Mammography/Bone Density/Prostate screening appointments (for employees and retirees who meet screening guidelines)