



2015 EMPLOYEE BENEFITS PROGRAM



COUNCIL PRESENTATION
September 11, 2014

Current Benefit Plan Overview

- **The City provides four main insurance related benefits**
 - Medical – choice of 3 plan designs
 - Dental – choice of 3 plan designs
 - Vision – choice of 2 plan designs (fully insured)
 - Group Term Life (employee only)
- **Medical and dental benefits – currently self-funded/
self-administered**
- **Funded through the Employee Benefit Trust Fund**
 - Contributions from the City
 - Employee and retiree premiums
 - State retirement system subsidies
 - Trust investment income

Health Plan Updates for 2015

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- **New! AmeriBen – Medical/Medical Management/Disease Management**
\$2,075,856
 - Out-sourced third-party administration of medical claims
 - Health care reform compliance
 - Efficiencies
 - Data analytics and reporting
 - Administration costs offset by reduced internal costs and claims payment efficiencies
 - Enhanced customer service
 - Continued Blue Cross Blue Shield of Arizona network (no disruption)
- **New! Delta Dental of Arizona – Dental** \$158,650
 - Out-sourced third-party administration of dental claims
 - Passive network availability
 - Network discounts
 - Administration costs offset by reduced claims costs
 - Enhanced customer service

Health Plan Updates for 2015 - Cont.

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- ❑ **New! ConnectYourCare – Flexible Spending Account (FSA) Admin \$36,745**
 - ❑ Out-sourced third-party health and dependent care FSA administration
 - ❑ Debit cards (health)
 - ❑ Mobile app and online member portal
 - ❑ Direct deposit
 - ❑ 24 x 7 Customer Service
- ❑ **CVS/Caremark – Prescription Drug Benefits**
 - ❑ Continued third-party prescription drug benefits administration
- ❑ No premium increases in 2015

Changes Due To Health Care Reform in 2015

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- ❑ **Remove Choice Plus Medical Plan**
 - ❑ Plan Frozen in 2013 (low membership)
 - ❑ Reduces Cadillac Tax risk by 2018
- ❑ **Medical Out-of-Pocket Expense Maximums introduced on prescription drugs**
- ❑ **New preventive screenings covered at 100%**
- ❑ **Part-time employees:**
 - ❑ City contributions for part-time benefit eligible employees will increase from 60% to 80% on Basic Medical Plan
 - ❑ Meets health care reform “affordability” compliance requirement

Health Plan Document Revisions for 2015

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❑ **Cost Containment/Administrative Efficiencies**

- ❑ Removed pre-certification requirement on physician office surgeries over \$500

❑ **Plan Enhancements**

- ❑ Retiree health plan eligibility for employees hired on or after 1/1/09 with 20 years of service (access only - no City contributions)
- ❑ Dental Plan PPO network (“passive” - no reduction in benefit levels)

Open Enrollment/Health & Wellness Fair 2014

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- ❑ **Open Enrollment (passive)**
 - ▣ Online October 13 - October 27, 2014
- ❑ **Health and Wellness Fair – October 14, 2014**
9 am to 3 pm – Mesa Convention Center
 - ▣ Multiple wellness events and demonstrations
 - ▣ Multiple Health Care Vendor booths (including new third-party administrators)
 - ▣ Flu Shots – Mesa Fire Department administered

Questions?