



# JOINT MEETING OF THE PERSONNEL COMMITTEE & FINANCE, LICENSE & REGULATION COMMITTEE

**THURSDAY, OCTOBER 4, 2018 – 4:30 PM**

**CITY HALL, CONFERENCE ROOM 2A**

**Committee Members:** Ken Howell, Selena Proksa, Doug Skates, John Halverson, Cindy Flower, Shari Straube, and Rich Hedlund

## **AGENDA**

1. Call to Order by Chairperson Mayor Hartz
2. Roll Call
3. Comments from the public as allowed by Wis. Stats. §19.84(2), limited to items on this agenda except for public hearing items. Comments will be limited to 5 minutes
4. Discussion/Recommendation regarding employee health insurance plan
5. **Adjournment**

*Requests from persons with disabilities, who need assistance to participate in this meeting or hearing, should be made to the City Clerk's office in advance so the appropriate accommodations can be made.*

Posted 10/3/2018 11:00 am

cc: Committee Members, Mayor, Council, Administrator, Attorney

# ETF VS CURRENT SELF-FUNDED PLAN

	ETF	Self-Funded Plan	Notes
2019	\$1,862,384	\$2,239,193	SF Costs assume funding rates, but C of LG has been under projected each of the last three years by nearly \$818k
2020	\$1,705,151	\$2,351,153	
2021	\$1,526,323	\$2,468,710	
Cost of Add'l Ees	\$237,257	\$0	C of LG would have to extend coverage to certain PT workers
Run Out Expenses	\$300,000	\$0	Only a factor in year 1
Total Costs	\$5,631,115	\$7,059,055	
Est EE Contributions	\$1,036,769	\$249,735	Number will be higher if more people enroll in WEA plan, and lower if enrolled in MercyCare
Net Costs	\$4,594,4346	\$6,809,320	

All calculations are based on \$0 deductible plan. ETF costs will lower should the City choose a larger deductible for employees.

**ETF LOCAL TRADITIONAL PLAN #12 - 1/1/2019 Transition Date**  
**\$0 Deductible Option**

Health Plan Name	P12 LOCAL TRADITIONAL		Year 1				Year 2				Year 3			
	2019 ETF Rates Medical without Dental		2019 ETF Rates - Actual** Rate-Up Medical without Dental				2019 ETF Rates - 5% increase W/ Max Rate-Up Yr2 Medical without Dental				2020 ETF Rates - 5% increase Medical without Dental			
	Individual	Family	Individual	Employee Contribution	Family	Employee Contribution	Individual	Employee Contribution	Family	Employee Contribution	Individual	Employee Contribution	Family	Employee Contribution
MercyCare Health Plans	\$747.12	\$1,836.96	\$1,027.12	\$157.28	\$2,536.96	\$389.49	\$924.48	\$146.66	\$2,278.81	\$362.76	\$823.70	\$136.35	\$2,025.25	\$336.80
Dean Health Plan	\$669.80	\$1,643.66	\$949.80	\$79.96	\$2,343.66	\$196.19	\$843.29	\$65.47	\$2,075.84	\$159.80	\$738.45	\$51.11	\$1,812.14	\$123.69
Quartz Community	\$771.54	\$1,898.00	\$1,051.54	\$181.70	\$2,598.00	\$450.53	\$950.12	\$172.30	\$2,342.90	\$426.85	\$850.62	\$163.27	\$2,092.55	\$404.10
WEA Trust-East	\$857.80	\$2,113.66	\$1,137.80	\$267.96	\$2,813.66	\$666.19	\$1,040.69	\$262.87	\$2,569.34	\$653.30	\$945.72	\$258.38	\$2,330.31	\$641.86
<b>Average of Tier 1 Cost</b>	<b>\$708.46</b>	<b>\$1,740.31</b>	<b>\$988.46</b>		<b>\$2,440.31</b>		<b>\$883.88</b>		<b>\$2,177.33</b>		<b>\$781.08</b>		<b>\$1,918.69</b>	
<b>88% of Average Cost - Tier 1</b>	<b>\$623.44</b>	<b>\$1,531.47</b>	<b>\$869.84</b>		<b>\$2,147.47</b>		<b>\$777.82</b>		<b>\$1,916.05</b>		<b>\$687.35</b>		<b>\$1,688.45</b>	

The ETF can attach a Max Surcharge:

**Year 1** of \$280/ month for singles and \$700/month for families. That is obviously in addition to premiums.

**Year 2** surcharge: assume half of the 2019 surcharge

**Year 3** there is no surcharge.

Self-Funded Estimated Cost - No EE Cost Share		Total Employer Contribution		Year 1		Year 2		Year 3	
Est. Year 1 - 9 Months	\$2,239,193	Single	29	\$302,706		\$270,680		\$239,197	
Est. Year 2 - 5%	\$2,351,153	Family	48	\$1,236,944		\$1,103,643		\$972,546	
Est. Year 3 - 5%	\$2,468,710	Total Annual Premium Plus Retainer		\$1,539,650		\$1,399,323		\$1,236,744	
		ETF - 3 year		\$4,175,717					
		<b>NEW PT Employees</b>							
		Total Employer Contribution		Year 1		Year 2		Year 3	
		Single	2	\$12,618		\$11,401		\$10,207	
		Family	2	\$31,176		\$28,115		\$25,111	
		Total Annual Premium		\$43,794		\$39,516		\$35,318	
		ETF - 3 Year Cost		\$118,629					
<b>3 Year Estimated Costs</b>		<b>First Year Estimated Run-Out</b>		<b>\$300,000.00</b>					
		ETF - 3 Year Employer Cost		\$4,594,345.65					
		<b>Estimated Savings:</b>		<b>\$2,464,710</b>					

\*Has 4 less contracts since PT are not currently eligible

**Estimated Annual Employee Cost Based on Average Cost Plan**

Total Employee Contribution		Year 1		Year 2		Year 3	
Single	29	\$63,230		\$59,960		\$56,820	
Family	48	\$259,504		\$245,868		\$232,759	
Total Annual Premium		\$322,734		\$305,828		\$289,579	
ETF - 3 year cost		\$918,141					

**Employee Cost due to Expanded Enrollment to PT (20 - 30 Hour/Wk) Employees at 50% Contribution**

Total Employer Contribution		Year 1		Year 2		Year 3	
Single	2	\$12,618		\$11,401		\$10,207	
Family	2	\$31,176		\$28,115		\$25,111	
Total Additional Premium		\$43,794		\$39,516		\$35,318	
ETF - 3 Year		\$118,628.70					



## The Difference Card

Since 2001, The Difference Card has provided clients with an average annual net savings of **OVER 18%** or **\$2,030 per employee**.

All without reducing benefits.

### Financial Protection

A.M. Best Rated  
A (Excellent)

The Difference Guarantee provides the flexibility to customize employee benefits and limit claim exposure. The Difference Guarantee is insured by an A rated division of Assurant.

## City of Lake Geneva UHC PPO 1/01/2019

Renewal Premium	\$2,239,193	
Renewal	0%	
Revised Premium	\$1,495,660	
Claims	Expected	Maximum
	\$154,423	\$171,286
Total Revised Cost	-26.3% \$1,650,083	-25.6% \$1,666,946
Net Savings	\$589,110	\$572,247



The Difference Card

# CITY OF LAKE GENEVA

1/1/2019

## BENEFIT ANALYSIS

BENEFIT CATEGORY	CURRENT & RENEWAL PLAN DESIGN		REVISED PLAN DESIGN	DIFFERENCE CARD PLAN DESIGN	
CARRIER	SELF FUNDED		UHC	UHC	
NETWORK	SISCO		PPO	PPO	
WELLNESS	N/A		N/A	WELLNESS	BASE
PRIMARY CARE	\$25		\$30	\$25	\$25
SPECIALIST CARE	\$50		\$60	\$50	\$50
IN NETWORK	IN NETWORK		IN NETWORK	IN NETWORK	
EMERGENCY ROOM	\$150		\$350	\$150	
URGENT CARE	\$50		\$100	\$50	
INN DEDUCTIBLE	\$1,000		\$5,000	\$1,000	
INN COINSURANCE	0%		0%	0%	
INN COINS MAX	5600		\$1,350	\$1,350	
OUT OF NETWORK	OUT OF NETWORK		OUT OF NETWORK	OUT OF NETWORK	
OON DEDUCTIBLE	\$2,000		\$10,000	\$10,000	
OON COINSURANCE	20%		20%	20%	
OON COINS MAX	\$9,200		\$2,700	\$2,700	
PRESCRIPTION	PRESCRIPTION		PRESCRIPTION	PRESCRIPTION	
RX COPAYS	\$10 / \$25 / \$50		\$15 / \$35 / \$70	\$0 / \$20 / \$55	
RATE TIER	CURRENT	RENEWAL	DIFFERENCE CARD BASE PLAN	EXPECTED RATES	MAXIMUM RATES
EE RATES 29	\$1,393.75	\$1,393.75	\$754.24	\$832.11	\$840.62
ES RATES 14	\$3,045.43	\$3,045.43	\$1,621.62	\$1,789.05	\$1,807.33
EC RATES 7	\$3,045.43	\$3,045.43	\$1,546.19	\$1,705.83	\$1,723.26
FM RATES 27	\$3,045.43	\$3,045.43	\$2,564.42	\$2,829.19	\$2,858.10
ANNUAL COST 77	\$2,239,193	\$2,239,193	\$1,495,660	\$1,650,083	\$1,666,946
RENEWAL 77	0.0%		-33.2%	-26.3%	-25.6%

Total Annual Costs include a one time set-up fee of: \$2,250

The Difference Guarantee is insured by an A rated member company of Assurant, Inc.

Difference Card Service Premium (PEPM)

\$73.44

Difference Guarantee Attachment Point (PEPM)

\$109.50

The benefit analysis is for illustrative purposes only. Please refer to the carrier summary plan documents. All rates are subject to final carrier underwriting. Above rates are for ILLUSTRATIVE purposes only and need to be confirmed by the carrier and insurance broker.

Assume 5% SF Plan, 9% increase UHC/Diff

	SF Plan	ETF- \$0 Ded	ETF- \$250 Ded	ETF-\$500 Ded	ETF- \$1,500 HDHP	UHC/Diff
2019*	\$2,239,193	\$2,249,972	\$2,173,820	\$2,148,435	\$1,982,844	\$1,980,436
2020	\$2,351,153	\$1,784,183	\$1,704,223	\$1,677,569	\$1,503,698	\$1,821,355
2021	\$2,468,710	\$1,596,959	\$1,513,000	\$1,485,013	\$1,302,449	\$1,974,957
<b>3 Year Total</b>	<b>\$7,059,056</b>	<b>\$5,631,114</b>	<b>\$5,391,043</b>	<b>\$5,311,017</b>	<b>\$4,788,991</b>	<b>\$5,776,748</b>
<b>Savings</b>						
<b>Year 1</b>		-\$10,779	\$65,373	\$90,758	\$256,349	\$258,757
<b>Year 2</b>		\$566,970	\$646,930	\$673,584	\$847,455	\$529,798
<b>Year 3</b>		\$871,751	\$955,710	\$983,697	\$1,166,261	\$493,753
<b>Total Savings</b>		<b>\$1,427,942</b>	<b>\$1,668,013</b>	<b>\$1,748,039</b>	<b>\$2,270,065</b>	<b>\$1,282,308</b>

Assume 9% increase to both SF and UHC/Diff

	SF Plan	ETF	ETF- \$250 Ded	ETF-\$500 Ded	ETF- \$1,500 HDHP	UHC/Diff
2019*	\$2,239,193	\$2,249,972	\$2,173,820	\$2,148,435	\$1,982,844	\$1,980,436
2020	\$2,440,720	\$1,784,183	\$1,704,223	\$1,677,569	\$1,503,698	\$1,821,355
2021	\$2,660,385	\$1,596,959	\$1,513,000	\$1,485,013	\$1,302,449	\$1,974,957
<b>3 Year Total</b>	<b>\$7,340,299</b>	<b>\$5,631,114</b>	<b>\$5,391,043</b>	<b>\$5,311,017</b>	<b>\$4,788,991</b>	<b>\$5,776,748</b>
<b>Savings</b>						
			\$0	\$0	\$0	
<b>Year 1</b>		-\$10,779	\$65,373	\$90,758	\$256,349	\$258,757
<b>Year 2</b>		\$656,537	\$736,497	\$763,151	\$937,022	\$619,365
<b>Year 3</b>		\$1,063,426	\$1,147,385	\$1,175,372	\$1,357,936	\$685,428
<b>Total Savings</b>		<b>\$1,709,185</b>	<b>\$1,949,256</b>	<b>\$2,029,282</b>	<b>\$2,551,308</b>	<b>\$1,563,551</b>

\*ETF and UHC include \$300,000 runout in 2019

**CITY OF LAKE GENEVA**  
**Health Insurance Premiums Comparison**  
**Monthly Costs - Self Insured**

Tier	\$1,000/\$2,000 Deductible Current Plan-Self Insured	
	Cobra Rate	Employee Portion
Employee Only	\$ 1,393.75	\$ - pays zero
Employee and Spouse	\$ 3,045.43	\$ 165.16
Employee and Children	\$ 3,045.43	\$ 165.16
Full Family	\$ 3,045.43	\$ 165.18
Full Family with Spousal Surcharge	\$ 3,045.43	\$ 304.56

**CITY OF LAKE GENEVA**  
**Health Insurance Premiums Comparison**  
**Monthly Costs - ETF**

Tier	Zero Deductible - Single					Zero Deductible - Family				
	Premium	Surcharge	Total	Maximum Employer Portion	Employee Portion	Premium	Surcharge	Total	Maximum Employer Portion	Employee Portion
Dean Health	\$ 669.80	\$ 280.00	\$ 949.80	\$ 869.84	\$ 79.96	\$ 1,643.66	\$ 700.00	\$ 2,343.66	\$ 2,147.47	\$ 196.19
Mercy Care Health	\$ 747.12	\$ 280.00	\$ 1,027.12	\$ 869.84	\$ 157.28	\$ 1,836.96	\$ 700.00	\$ 2,536.96	\$ 2,147.47	\$ 389.49
Quartz	\$ 771.54	\$ 280.00	\$ 1,051.54	\$ 869.84	\$ 181.70	\$ 1,898.00	\$ 700.00	\$ 2,598.00	\$ 2,147.47	\$ 450.53
WEA Trust East	\$ 857.80	\$ 280.00	\$ 1,137.80	\$ 869.84	\$ 267.96	\$ 2,113.66	\$ 700.00	\$ 2,813.66	\$ 2,147.47	\$ 666.19

Maximum Employer Portion is calculated as follows:

Dean Health Premium (Tier 1)	\$ 949.80	\$ 2,343.66
Mercy Care Health Premium (Tier 1)	\$ 1,027.12	\$ 2,536.96
Average	\$ 988.46	\$ 2,440.31
Times: 88%	88%	88%
Maximum Employer Portion is calculated	\$ 869.84	\$ 2,147.47

**CITY OF LAKE GENEVA**  
**Health Insurance Premiums Comparison**  
**Monthly Costs - ETF**

Tier	250/500 Deductible - Single					250/500 Deductible - Family				
	Premium	Surcharge	Total	Maximum Employer Portion	Employee Portion	Premium	Surcharge	Total	Maximum Employer Portion	Employee Portion
Dean Health	\$ 635.22	\$ 280.00	\$ 915.22	\$ 837.37	\$ 77.85	\$ 1,557.20	\$ 700.00	\$ 2,257.20	\$ 2,066.28	\$ 190.92
Mercy Care Health	\$ 707.90	\$ 280.00	\$ 987.90	\$ 837.37	\$ 150.53	\$ 1,738.90	\$ 700.00	\$ 2,438.90	\$ 2,066.28	\$ 372.62
Quartz	\$ 730.86	\$ 280.00	\$ 1,010.86	\$ 837.37	\$ 173.49	\$ 1,796.30	\$ 700.00	\$ 2,496.30	\$ 2,066.28	\$ 430.02
WEA Trust East	\$ 811.94	\$ 280.00	\$ 1,091.94	\$ 837.37	\$ 254.57	\$ 1,999.00	\$ 700.00	\$ 2,699.00	\$ 2,066.28	\$ 632.72

Maximum Employer Portion is calculated as follows:

Dean Health Premium (Tier 1)	\$ 915.22
Mercy Care Health Premium (Tier 1)	\$ 987.90
Average	\$ 951.56
Times: 88%	88%
Maximum Employer Portion is calculated	\$ 837.37

	\$ 2,257.20
	\$ 2,438.90
	\$ 2,348.05
	88%
	\$ 2,066.28

**CITY OF LAKE GENEVA**  
**Health Insurance Premiums Comparison**  
**Monthly Costs - ETF**

Tier	500/1000 Deductible - Single					500/1000 Deductible - Family				
	Premium	Surcharge	Total	Maximum Employer Portion	Employee Portion	Premium	Surcharge	Total	Maximum Employer Portion	Employee Portion
Dean Health	\$ 623.70	\$ 280.00	\$ 903.70	\$ 826.56	\$ 77.14	\$ 1,528.40	\$ 700.00	\$ 2,228.40	\$ 2,039.25	\$ 189.15
Mercy Care Health	\$ 694.84	\$ 280.00	\$ 974.84	\$ 826.56	\$ 148.28	\$ 1,706.26	\$ 700.00	\$ 2,406.26	\$ 2,039.25	\$ 367.01
Quartz	\$ 717.30	\$ 280.00	\$ 997.30	\$ 826.56	\$ 170.74	\$ 1,762.40	\$ 700.00	\$ 2,462.40	\$ 2,039.25	\$ 423.15
WEA Trust East	\$ 796.66	\$ 280.00	\$ 1,076.66	\$ 826.56	\$ 250.10	\$ 1,960.80	\$ 700.00	\$ 2,660.80	\$ 2,039.25	\$ 621.55

Maximum Employer Portion is calculated as follows:

Dean Health Premium (Tier 1)	\$ 903.70
Mercy Care Health Premium (Tier 1)	\$ 974.84
Average	\$ 939.27
Times: 88%	88%
Maximum Employer Portion is calculated	\$ 826.56

	\$ 2,228.40
	\$ 2,406.26
	\$ 2,317.33
	88%
	\$ 2,039.25

**CITY OF LAKE GENEVA**  
**Health Insurance Premiums Comparison**  
**Monthly Costs - ETF**

Tier	1500/3000 Deductible - Single ETF					1500/3000 Deductible - Single ETF				
	Premium	Surcharge	Total	Maximum Employer Portion	Employee Portion	Premium	Surcharge	Total	Maximum Employer Portion	Employee Portion
Dean Health	\$ 546.44	\$ 280.00	\$ 826.44	\$ 754.82	\$ 71.62	\$ 1,335.26	\$ 700.00	\$ 2,035.26	\$ 1,859.91	\$ 175.35
Mercy Care Health	\$ 609.06	\$ 280.00	\$ 889.06	\$ 754.82	\$ 134.24	\$ 1,491.80	\$ 700.00	\$ 2,191.80	\$ 1,859.91	\$ 331.89
Quartz	\$ 628.84	\$ 280.00	\$ 908.84	\$ 754.82	\$ 154.02	\$ 1,541.26	\$ 700.00	\$ 2,241.26	\$ 1,859.91	\$ 381.35
WEA Trust East	\$ 698.72	\$ 280.00	\$ 978.72	\$ 754.82	\$ 223.90	\$ 1,715.96	\$ 700.00	\$ 2,415.96	\$ 1,859.91	\$ 556.05

Maximum Employer Portion is calculated  
as follows:

Dean Health Premium (Tier 1)	\$ 826.44
Mercy Care Health Premium (Tier 1)	\$ 889.06
Average	\$ 857.75
Times: 88%	88%
Maximum Employer Portion is calculated	\$ 754.82

\$ 2,035.26
\$ 2,191.80
\$ 2,113.53
88%
\$ 1,859.91

**CITY OF LAKE GENEVA**  
**Health Insurance Premiums Comparison**  
**Monthly Costs - UHC Difference Card**

<b>Tier</b>	<b>\$1,000/\$2,000 Deductible UHC/Difference Card</b>		<b>\$1,000/\$2,000 Deductible UHC/Difference Card</b>	
	Total Premium Rate	Employee Portion - 10%	Total Premium Rate	Employee Portion - 12%
Employee Only	\$ 847.42	\$ 84.74	\$ 847.42	\$ 101.69
Employee and Spouse	\$ 1,821.96	\$ 182.20	\$ 1,821.96	\$ 218.64
Employee and Children	\$ 1,737.21	\$ 173.72	\$ 1,737.21	\$ 208.47
Full Family	\$ 2,881.23	\$ 288.12	\$ 2,881.23	\$ 345.75