

Board of County Commissioners

Work Session
November 7, 2024



CY 2025 Stop Loss Renewal

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- We currently have a **\$425,000 stop loss policy** with United Healthcare (UHC) – **CY2025 Renewal quoted at 7.8% increase**
- Our broker, USI, marketed the policy – **Nine (9) quotes obtained from eight (8) different carriers including UHC**
- Quotes ranged from **0% increase to 32% decrease**, accounting for a “Stop Loss Carve Out Fee”, with some variation in renewal rate caps

- **Symetra was the lowest carrier quote** with a 32% estimated net reduction with a 50% renewal rate cap and a **27.4% estimated net reduction with a 40% renewal rate cap**
- **USI and Staff recommend the Symetra policy at a 27.4% net decrease**, with an estimated premium savings to the County of approximately \$790,523, and a 40% rate cap for our CY2026 renewal (UHC, 45%)
- UHC will charge a “Stop Loss Carve Out Fee” of approximately \$85,740 resulting in a **net total estimated savings of \$704,783**

Questions & Conversation

Requested Action

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Approve price only contract, in substantial form, with Symetra for stop loss coverage for the 2025 plan year in the amount of \$52.07 per member per month to be effective January 1, 2025, for a term of one (1) year. (The anticipated premium expense to the County is \$1,785,793)



CY 2025 Medicare Advantage Renewal (65+ Retirees)

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Definitions

- **Medicare:** Government run insurance program, provided to people aged 65 and older and some people under 65 with specific medical conditions. Provides coverage for hospital stays, doctor visits, prescriptions, and other medical expenses
- **Medicare Advantage:** Resembles a private insurance plan, provides supplemental coverage for medical and pharmacy



Medicare is **eliminating the Coverage Gap** (a.k.a. the “Donut Hole”) in Part D Plans – effective 1/1/2025



Part D is implementing a **\$2,000 OOP** Annual Max effective 1/1/2025



CMS funding changes to Medicare Advantage group plans; less funding available to carriers, impacting rate increases

- Guilford County, per the retiree healthcare resolution, provides a Medicare Advantage Plan for qualifying retirees and dependents and covers a portion of the monthly premium (~1,197 covered)
- Monthly premiums for qualifying retirees must not exceed the premiums for active employees per the retiree healthcare resolution
- Due to changes described, initial renewal quote represented a 25.3% increase in monthly premiums

- Current Medicare Advantage Plan design has significantly lower deductibles, copays, and out-of-pocket (OOP) maximums when compared to the plan for active employees and pre-65 retirees
- USI and County staff reviewed several plan options to align with our plan for active employees and pre-65 retirees and bring down the premium increase

Note: we do not have full control over plan design as we do with our self-funded plan

- USI & Staff recommend a plan design alternate that minimizes changes while aligning more closely with our Active & Pre-65 plan
- Recommended plan will reduce the increase from 25.3% to 2.2% and minimize impact on both the County and qualifying retirees at all contribution levels (30 years, 25 years, 20 years, and <20 years)

A table including design changes is included on the next slide

Broker & Staff Recommendation

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Benefit Description	Medicare Advantage Current Plan	Active Employees Pre-65 Retirees	Medicare Advantage Recommended Plan
Annual Medical Deductible	\$200	\$500	\$500
Medical Individual OOP	\$2,200	\$5,000	\$5,000
Primary Care Copay	\$0	\$25	\$20
Specialist Copay	\$0	\$50	\$35
Emergency Room Copay	\$0	\$200	\$125
Urgent Care Copay	\$0	\$45	\$50
Physical Therapy Copay	\$0	\$10	\$10
Chiropractic Copay	\$0	\$25	\$10
Pharmacy OOP	\$8,000	-	\$2,000



Questions & Conversation



Approve price only contract, in substantial form, with United Healthcare (UHC) to provide Medicare eligible qualified retirees with the current Medicare Advantage plan, with minimal plan design changes, with a total rate of \$242.89 and the County's contribution at \$208.28 per eligible retiree to be effective January 1, 2025. (The anticipated total expense is \$3,488,871.96 including \$977,640 in retiree premium contributions and \$2,511,231.96 in County premium contributions.)

[Section Three]



[Section Four]



Questions & Conversation