



2013 Health Insurance Changes

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The Career Service Authority on
behalf of the Health Insurance
Advisory Committee



Who is Making Recommendation?

- Health Insurance Advisory Committee (EHIC), Established per Chapter 18, Article VI, Division 2 of the DRMC.
 - Jeanne Faatz, City Council
 - Janna Bergquist, City Council
 - Brendan Hanlon, BMO
 - Steven Oliver, CPD
 - Michael Trivette, DIA
 - Vacant, DPD & DHS
 - Don Andriese, PW
 - Arthur Gilkison, PR
 - Roni Kirchhevel, DERP



Challenges

- City Health Insurance costs continue to outpace revenue
- 85% of employee population in HMOs
 - Not prevailing, 37% of local employers offer HMO plans
- HMOs and copay structure insulate employees from true cost of service.



Opportunities

- Incent movement from HMO plans
- Introduce cost sharing
 - deductibles and coinsurance on non-routine services
 - Copays office visits and prescription
- Increase City contribution for DHMO plans, decrease for HMO plans



Why move from HMOs

- Inflexible plans
 - Copay structure
 - Hides true cost of care
 - Limits ability to control costs
 - High Premiums
 - As claims increase, premiums must increase
- Not Prevailing



Recommendations

- Copay changes for Kaiser and UHC HMO
 - Inpatient Hospital: \$500/day up to \$2500
 - Prescription: \$20/40/60
 - Emergency Room: \$300
- Reduce City HMO contribution by 5%
- Introduce DHMO plan by Denver Health



How We Compare

Metric	MSEC survey (Denver/Boulder)	Denver Current (HMO/DHMO)	Denver Proposed (HMO/DHMO)
Single Contribution	20%	15/5%	20/5%
Family Contribution	37%	25/15%	30/15%
Single Deductible	\$750	\$0/\$500	\$0/\$500
Single Out of Pocket Max	\$2500	\$2000/\$2500	\$3000/\$2500
Emergency Room	\$250	\$200	\$300/\$200





2013 Medical Plans

- Six Medical Options Available in 2013
 - Three Insurance Carriers
 - Denver Health Medical Plan – Local, private clinic
 - Kaiser Permanente (Kaiser) - Closed network, one-stop shop, integrated medical record
 - United Health Care (UHC) - Broad, national network
 - Each Carrier Offers one HMO and one DHMO plan



HMO vs. DHMO

- Free preventive care all plans
- HMO
 - High up-front premium
 - Low/consistent cost at point of service in form of copay
- DHMO (Navigate for UHC)
 - Low up-front premium
 - Copays at point of service for office and RX
 - Deductible/Coinsurance for other services



Kaiser DHMO

- Same providers as HMO
- Deductible/Co-insurance plan
 - Free preventive care (immunizations and annual exam)
 - Copay for Primary Care, Specialty visits and Rx
 - Deductible/Co-insurance for all other services (including hospital, ER, procedures, urgent care, x-ray, etc.)
- \$500/\$1500 Single/Family Annual Deductible
- \$2500/\$5000 Single/Family Annual Out-of-pocket max
- 20% coinsurance
- Lower premium than HMO



Kaiser Premium Compare

Tier	HMO	DHMO	Difference (yearly)
Employee only	\$94.10	\$19.29	\$74.81 (\$897)
Employee plus Spouse	\$282.68	\$105.17	\$177.51 (\$2130)
Employee plus Children	\$233.76	\$76.54	\$157.22 (\$1886)
Family	\$447.73	\$183.16	\$264.57 (\$3174)



UHC Navigate

- Smaller network than HMO
- Referrals managed by PCP
- Deductible/Co-insurance plan
 - Free Preventive Care (immunizations and annual exam)
 - Copay for office visits and prescriptions
 - Deductible and Co-insurance/Copay for all other services
- \$500/\$1500 Single/Family Annual Deductible
- \$2500/\$5000 Single/Family Annual Out-of-pocket max
- 20% coinsurance
- Lower premium than HMO



HMO/Navigate Premium Compare

Tier	HMO	Navigate	Difference (yearly)
Employee only	\$142.11	\$29.13	\$112.98 (\$1356)
Employee plus Spouse	\$427.92	\$159.31	\$268.61 (\$3223)
Employee plus Children	\$353.80	\$115.92	\$237.88 (\$2854)
Family	\$678.31	\$277.71	\$400.60 (\$4807)



DHMP DHMO

- Similar to other carrier's HMO/DHMO plans
- Members enrolled in DHMO will see significant premium savings each paycheck



Delta Dental

- Plan designs remain the same
- Utilization increase requires 12% premium increase for 2013

- Note: we are requesting no other plan or premium changes to any other benefit



How We Communicate

- Face-To-Face
 - 10 Fairs over 3 weeks at various locations (9/17-10/3)
 - Train-the-trainer – HR shared services/agency HR Rep
 - Agency staff meetings
- Written
 - Electronic
 - 3 targeted emails and reminders in weekly bulletins
 - Open enrollment web page
 - Hard copy
 - Post card mailed to employee's home
 - Annual Benefit Guide (printed and electronic)
- Dates – enroll 10/8-10/31



Kaiser Hospitalization

- \$20,000, 4-day Inpatient Hospital stay
- How does it work?

HMO (annual premium \$1129 single, \$5372 family)

- Your cost: \$2000
 - \$500/day, 4 days

DHMO (annual premium \$231 single, \$2198 family)

- Your cost: \$3000
 - \$500 deductible, plus
 - 20% of remaining cost (\$19,500) to Out-of-Pocket Max or \$2500