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# **2019 Benefit Changes**

Heather Britton – Director of Benefits and Wellness, Office of Human Resources



# Health Insurance Committee

The Employee Health Insurance Committee established per Chapter 18, Article VI, Division 2 of the DRMC. Responsible for advising the Career Service board and OHR Executive Director of the needs of persons in the employ of the City and County of Denver for medical, dental, life, and long-term disability insurance...

Current members, as follows, are appointed by the Mayor:

Councilman Wayne New  
Stephanie Adams (Budget)  
Gisela Shanahan (DIA)  
Arthur Gilkison (PR)  
Roni Kirchhevel (DERP)

Bill Mitchell (Police)  
Robbie Gilmour (Police)  
Toni Jones (Sheriff)  
Connie Coyle (Sheriff)  
Anne Carter (OHR)  
John Utterback (GS)

# Summary of 2019 Recommended Changes

## Medical

1. Retain current carriers (year 1 of contract)
2. Denver Health – modification to networks and prescription copays

## Wellness

1. Increase incentive
2. Shift timing

Dental, vision, life, disability, FSA - no changes

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# Medical Plan Review

# 2019 Medical / HSA Overview

1. Continue partnering with three carriers
  - a) Kaiser
  - b) UHC
  - c) Denver Health
2. Continue offering two plans per carrier (for a total of six plans):
  - a) High Deductible Health Plan (HDHP)
  - b) Deductible HMO (DHMO)
3. Shift City premium contribution – Shift by 0.5 to 1%
4. Continue with current plan designs (copays, deductibles and out-of-pocket maximums).
5. Continue with current City HSA contribution

# Denver Medical Plans

|                 | <b>DHMO</b>                                     | <b>HDHP</b>            |
|-----------------|---|------------------------|
| Carrier         | Kaiser<br>UHC (Navigate)<br>DHMP                | Kaiser<br>UHC<br>DHMP  |
| Office visits   | Copay (may also involve deductible/coinsurance) | Deductible/coinsurance |
| Hospitalization | Deductible/coinsurance                          | Deductible/coinsurance |
| Procedure       | Deductible/coinsurance                          | Deductible/coinsurance |
| Prescription    | Copay   | Deductible/Copays      |
| Savings Vehicle | FSA   | HSA                    |

# High Deductible Health Plan

1. Low up-front premium (pay check cost)
2. Member is responsible for all costs to a preset deductible:
  - a. \$1,350 deductible individual coverage and
  - b. \$2,700 deductible if dependents enrolled.
3. Member pays 20%\* coinsurance for services after deductible is met.
4. All expenses, including deductible, count toward annual out-of-pocket maximum of \$2,700 individual and \$5,400 family.
5. Paired with a Health Savings Account (HSA) – City/Employee funded

# Deductible HMO

1. Copays for Doctor Visits and Prescriptions
2. Deductibles and Coinsurance for all other services
  - a. \$500 single / \$1,500 family Deductible
  - b. 20% Coinsurance
3. Out-of-Pocket Max:  
\$3,000 single / \$6,000 family
4. Paired with Flexible Spending Account
5. UHC calls their plan Navigate. Navigate has per occurrence deductibles (POD) for some services.



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# **2019 Proposed Modifications**

# 2019 Modifications

1. Denver Health Medical Plan network and RX copay modifications
2. Wellness Incentive
3. Premium shift

# Denver Health Medical Plan - HDHP

|                           | Denver Health 2018           |         |                   |         | Denver Health 2019        |         |                              |                       |
|---------------------------|------------------------------|---------|-------------------|---------|---------------------------|---------|------------------------------|-----------------------|
|                           | Denver Health and High Point |         | Cofinity Network  |         | <i>Denver Health Only</i> |         | High point/ Cofinity Network |                       |
|                           | Single                       | Family  | Single            | Family  | Single                    | Family  | Single                       | Family                |
| <b>Preventive Visit</b>   | No cost to member            |         |                   |         | No cost to member         |         |                              |                       |
| <b>Deductible</b>         | \$1,350                      | \$2,700 | \$1,350           | \$2,700 | \$1,350                   | \$2,700 | <b><i>\$2,500</i></b>        | <b><i>\$4,000</i></b> |
| <b>Coinsurance</b>        | 10%                          | 10%     | 20%               | 20%     | 10%                       | 10%     | 20%                          | 20%                   |
| <b>Out-of-Pocket Max</b>  | \$2,700                      | \$5,400 | \$2,700           | \$5,400 | \$2,700                   | \$5,400 | <b><i>\$5,000</i></b>        | <b><i>\$8,000</i></b> |
| <b>Prescription Drugs</b> | After Deductible:            |         | After Deductible: |         | After Deductible:         |         | After Deductible:            |                       |
| Discount                  | n/a                          |         | n/a               |         | <b><i>\$8 copay</i></b>   |         | <b><i>\$16 copay</i></b>     |                       |
| Tier 1                    | \$10 copay                   |         | \$20 copay        |         | \$10 copay                |         | \$20 copay                   |                       |
| Tier 2                    | \$15 copay                   |         | \$40 copay        |         | \$15 copay                |         | <b><i>\$30 copay</i></b>     |                       |
| Tier 3                    | \$30 copay                   |         | \$60 copay        |         | \$30 copay                |         | \$60 copay                   |                       |
| Tier 4                    | n/a                          |         | n/a               |         | <b><i>\$35 copay</i></b>  |         | <b><i>\$70 copay</i></b>     |                       |
| Tier 5                    | n/a                          |         | n/a               |         | <b><i>\$40 copay</i></b>  |         | <b><i>\$80 copay</i></b>     |                       |

# Denver Health Medical Plan - DHMO

|                                | 2018 DHMO                     |                               | 2019 DHMO                     |                               |
|--------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|                                | Denver Health or Highpoint    | Cofinity Only                 | <i>Denver Health Only</i>     | <i>Cofinity and Highpoint</i> |
| <b>Preventive</b>              | Free                          | Free                          | Free                          | Free                          |
| <b>Deductible</b>              | \$500 single/\$1500 family    | \$750 single/\$1750 family    | \$500 single/\$1500 family    | \$750 single/\$1750 family    |
| <b>Coinsurance</b>             | 20% after deductible          | 20% after deductible          | 20% after deductible          | 20% after deductible          |
| <b>Out-of-Pocket Max (OPM)</b> | \$3,000 single/\$6,000 family | \$3,000 single/\$6,000 family | \$3,000 single/\$6,000 family | \$3,000 single/\$6,000 family |
| <b>Prescription Drugs</b>      |                               |                               |                               |                               |
| Discount                       | n/a                           | n/a                           | <b><i>\$8 copay</i></b>       | <b><i>\$16 copay</i></b>      |
| Tier 1                         | \$10 copay                    | \$20 copay                    | \$10 copay                    | \$20 copay                    |
| Tier 2                         | \$15 copay                    | \$40 copay                    | \$15 copay                    | <b><i>\$30 copay</i></b>      |
| Tier 3                         | \$30 copay                    | \$60 copay                    | \$30 copay                    | \$60 copay                    |
| Tier 4                         | n/a                           | n/a                           | <b><i>\$35 copay</i></b>      | <b><i>\$70 copay</i></b>      |
| Tier 5                         | n/a                           | n/a                           | <b><i>\$40 copay</i></b>      | <b><i>\$80 copay</i></b>      |

# 2019 Increases Required by Insurer

## 1. Kaiser

- Actual due to rate cap negotiated in 2017: 5.4%
- Needed based on utilization: 15%

## 2. UHC

- Actual due to rate cap negotiated in 2017: 5.65%
- Needed based on utilization: 13.74%

## 3. DHMP

- Actual with plan design changes: 7.73%
  - Without plan design changes: 13.2%
- Negotiated rate caps artificially kept costs lower than experience (utilization) called for by Kaiser and UHC

# DHMO – Monthly Rates

|                     | Tier                | 2018 City Share | 2018 Employee Cost/month | Increase needed by Insurer | 2019 City Share | 2019 Employee Cost/month |
|---------------------|---------------------|-----------------|--------------------------|----------------------------|-----------------|--------------------------|
| <b>Kaiser DHMO</b>  | Employee Only       | 85%             | \$81.70                  | 5.37%                      | <b>84%</b>      | <b>\$91.83</b>           |
|                     | Employee + Spouse   | 77.5%           | \$269.62                 | 5.37%                      | <b>76.5%</b>    | <b>\$296.72</b>          |
|                     | Employee + Children | 80%             | \$217.87                 | 5.37%                      | <b>79%</b>      | <b>\$241.05</b>          |
|                     | Family              | 75%             | \$435.75                 | 5.37%                      | <b>74%</b>      | <b>\$477.51</b>          |
| <b>UHC Navigate</b> | Employee Only       | 85%             | \$107.47                 | 5.65%                      | <b>84%</b>      | <b>\$121.11</b>          |
|                     | Employee + Spouse   | 77.5%           | \$354.66                 | 5.65%                      | <b>76.5%</b>    | <b>\$391.35</b>          |
|                     | Employee + Children | 80%             | \$286.60                 | 5.65%                      | <b>79%</b>      | <b>\$317.93</b>          |
|                     | Family              | 75%             | \$573.29                 | 5.65%                      | <b>74%</b>      | <b>\$629.90</b>          |
| <b>DHMP DHMO</b>    | Employee Only       | 85%             | \$104.07                 | 7.73%                      | <b>84%</b>      | <b>\$119.59</b>          |
|                     | Employee + Spouse   | 77.5%           | \$343.42                 | 7.73%                      | <b>76.5%</b>    | <b>\$386.42</b>          |
|                     | Employee + Children | 80%             | \$277.51                 | 7.73%                      | <b>79%</b>      | <b>\$313.91</b>          |
|                     | Family              | 75%             | \$573.29                 | 7.73%                      | <b>74%</b>      | <b>\$621.85</b>          |

# HDHP – Monthly Rates

|                    | Tier                | 2018 City Share | 2018 Employee Cost/month | Increase needed by Insurer | 2019 City Share | 2019 Employee Cost/month |
|--------------------|---------------------|-----------------|--------------------------|----------------------------|-----------------|--------------------------|
| <b>Kaiser HDHP</b> | Employee Only       | 95%             | <b>\$21.97</b>           | 5.45%                      | <b>94.5%</b>    | <b>\$25.48</b>           |
|                    | Employee + Spouse   | 87.5%           | <b>\$120.82</b>          | 5.45%                      | <b>87%</b>      | <b>\$132.50</b>          |
|                    | Employee + Children | 90%             | <b>\$87.87</b>           | 5.45%                      | <b>89.5%</b>    | <b>\$97.29</b>           |
|                    | Family              | 85%             | <b>\$210.85</b>          | 5.45%                      | <b>84.5%</b>    | <b>\$229.75</b>          |
| <b>UHC HDHP</b>    | Employee Only       | 95%             | <b>\$34.21</b>           | 5.65%                      | <b>94.5%</b>    | <b>\$39.76</b>           |
|                    | Employee + Spouse   | 87.5%           | <b>\$188.18</b>          | 5.65%                      | <b>87%</b>      | <b>\$206.76</b>          |
|                    | Employee + Children | 90%             | <b>\$136.86</b>          | 5.65%                      | <b>89.5%</b>    | <b>\$151.82</b>          |
|                    | Family              | 85%             | <b>\$328.44</b>          | 5.65%                      | <b>84.5%</b>    | <b>\$358.57</b>          |
| <b>DHMP HDHP</b>   | Employee Only       | 95%             | <b>\$25.96</b>           | 7.73%                      | <b>94.5%</b>    | <b>\$30.77</b>           |
|                    | Employee + Spouse   | 87.5%           | <b>\$142.80</b>          | 7.73%                      | <b>87%</b>      | <b>\$160.00</b>          |
|                    | Employee + Children | 90%             | <b>\$103.86</b>          | 7.73%                      | <b>89.5%</b>    | <b>\$117.48</b>          |
|                    | Family              | 85%             | <b>\$249.26</b>          | 7.73%                      | <b>84.5%</b>    | <b>\$277.48</b>          |

# 2019 Wellness Incentive

- Continue Incentivizing employees to engage in their individual health with an annual incentive:
  - Complete requirements by 11/30/2018 to receive the following:
    - HDHP - \$600 HSA contribution in January 2019
      - Increased from \$300 in 2018, proportionally on each check
    - DHMO - \$50/month premium reduction
      - Increased from \$25/month in 2018



# HSA

- Maintain City contribution for participants enrolled in the HDHP:
  - Single HDHP enrollees: up to \$300/year. (\$2 from the City for every \$1 the employee contributes)
  - Family HDHP enrollees: up to \$900/year. (\$2 from the City for every \$1 the employee contributes)
  - Contributed each paycheck.

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