



New River Community Action

2018 Benefits Renewal Meeting

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Sales Executive

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Account Executive

October 27, 2017

PERSONNEL 2

Together we'll go far



Optima Medical Renewal – January 1, 2018

- Optima Health delivered the medical renewal to Wells Fargo Insurance with a requested increase of 20.84% to current premiums. Wells Fargo requested a concession from Optima Health and our request was not approved due to overall utilization on the plan being high.
- Renewal increase was based on the following:
 - Optima Health's first quarter trend of 17.4%
 - Blending of current claims experience with Optima's community rated experience of groups of similar size and demographics
 - MLR (Medical Loss Ratio) of 103.18% for period covered 5/1/2016 – 4/30/2017
 - Conditions noted: Mitral valve disorder, Diabetes
 - Pharmacy on 2000 plan is 171% of total claims; normal utilization 16-18% of total claims
 - PPACA fees (Insurer Fee, Reinsurance Fee)
- Other underwriting considerations:
 - Currently there are 61 subscribers on the plan compared to 57 in September 2016 (+7%)
 - Currently there are 93 members on the plan compared to 88 in September 2016 (+5.7%)
 - Average age is 43.92 compared to 44.40 in September 2016 (-.01)

Optima Health declined our request to provide additional claims detail, however, they did inform us that there are still ongoing medical risks in the group that are active and driving claims.

Medical Marketing Results

- Wells Fargo Insurance solicited fully-insured quotes from the following carriers:
 - *Aetna, Anthem, Cigna, and United Healthcare*

Carrier	Results
Aetna	Declined to quote; unable to provide competitive rates
Anthem	Provided a proposal 49.44% above current premiums
Cigna	Declined to quote; stating rates are not competitive
United Healthcare	Proposal Pending

Optima Renewal Plan Options

In-Network Member Responsibility	Optima Current/Renewing Plans				Buy-Up Plan #1	Buy-Up Plan #2	Base Plan #1	Base Plan #2
	HMO Vantage 1000/30/30%	HMO Vantage 2000/25/30%	HMO Equity HSA 4000/30% Prev Rx	HMO Vantage 2000/25/30%	HMO Vantage 2000/25/30%	HMO Vantage 4000/30/30%	HMO Equity HSA 4000/30% Prev Rx	HMO Equity HSA 4000/40% Prev Rx
Deductible Individual/Fam	\$1,000/\$2,000	\$2,000/\$4,500	\$4,000/\$8,000	\$2,000/\$4,500	\$2,000/\$4,500	\$4,000/\$8,000	\$4,000/\$8,000	\$4,000/\$8,000
Coinsurance	30%	30%	30%	30%	30%	30%	30%	40%
Out-of-Pocket Max Ind/Fam	\$4,500/\$9,000 \$5,000/\$10,000	\$5,500/\$11,000 \$5,000/\$10,000	\$6,550/\$13,100	\$5,500/\$11,000 \$5,000/\$10,000	\$6,600/\$13,200	\$6,550/\$13,100	\$6,550/\$13,100	\$6,550/\$13,100
Preventive Care Visit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Primary Care Physician Visit	\$30	\$25 \$20	Deductible, then 30%	\$25 \$20	\$30	Deductible, then 30%	Deductible, then 30%	Deductible, then \$25
Specialist Office Visit	\$50	\$50 \$45	Deductible, then 30%	\$50 \$45	\$50	Deductible, then 30%	Deductible, then 30%	Deductible, then \$50
MD Live Telemedicine Visit	\$30	\$25	\$39	\$25	\$30	\$39	\$39	\$39
Urgent Care Center	\$50	\$50	Deductible, then 30%	\$50	\$50	Deductible, then 30%	Deductible, then 30%	Deductible, then 40%
Radiology/X-Rays/ Lab	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 40%
Emergency Room	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 40%
Physical /Speech Therapy	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 40%
Outpatient Services	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 40%
Inpatient Hospital Services	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 30%	Deductible, then 40%
Maternity	\$500 global copay	\$500 global copay	Deductible, then 30%	\$500 global copay	\$500 global copay	Deductible, then 30%	Deductible, then 30%	Deductible, then 40%
Vision Exam (every 12 mos)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prescription Copays								
Retail 30-day								
Generic/Preferred Brand/Non-preferred Brand/Specialty	\$15/40/75 or 20%/20% up to \$250 max	Rx Deductible of \$150 Then \$10 BD/45/75 or 20%/20% up to \$250 max AD	Preventive Rx BD \$10/40/60 or 20%/20% up to \$250 max AD	Rx Deductible of \$150 Then \$10 BD/45/75 or 20%/20% up to \$250 max AD	Rx Deductible of \$150 Then \$10 BD/45/75 or 20%/20% up to \$250 max AD	Preventive Rx BD \$10/40/60 or 20%/20% up to \$250 max AD	Preventive Rx BD \$10/40/60 or 20%/20% up to \$250 max AD	Preventive Rx BD \$10/40/60 or 20%/20% up to \$250 max AD
Mail Order 90-day								
Generic/Preferred Brand/Non-preferred Brand/Specialty	\$38/100/225 or 20% up to \$300 \$750/ Not available	Rx Deductible of \$150 Then \$25/113/225 or 20% up to \$300 \$750/ Not available	Preventive Rx BD \$30/120/180 or 20% up to \$300 AD \$750/ Not available	Rx Deductible of \$150 Then \$25/113/225 or 20% up to \$300 \$750/ Not available	Rx Deductible of \$150 Then \$25/113/225 or 20% up to \$300 max AD	Preventive Rx BD \$30/120/180 or 20% up to \$300 AD \$750/ Not available	Preventive Rx BD \$30/120/180 or 20% up to \$300 AD \$750/ Not available	Preventive Rx BD \$30/120/180 or 20% up to \$300 AD \$750/ Not available
Out-of-Network Benefits	Emergency Services Only	Emergency Services Only	Emergency Services Only	Emergency Services Only	Emergency Services Only	Emergency Services Only	Emergency Services Only	Emergency Services Only

The above comparison is intended for informational use only. If this information conflicts with the contract in any way, the contract will prevail.

Lincoln Dental Rates Comparison/Options

Benefits and Features	Lincoln PPO- Current	Delta Dental ¹ \$1,500	Delta Dental ¹ \$1,250	Delta Dental ¹ \$1,000
Deductible (member/family)	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150
Annual Benefit Maximum - Dental	\$1,500	\$1,500	\$1,250	\$1,000
Lifetime Benefit Maximum - Ortho	\$1,500	\$1,500	\$1,250	\$1,000
Out-of-network Fee Schedule	90th percentile U & C	Delta Fee MAC	Delta Fee MAC	Delta Fee MAC
Preventive				
Oral Exams/ Cleanings	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%
Bitewing X-rays/Full mouth	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%
Fluoride	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%
Sealants	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%
Space Maintainers	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%
Basic (deductible applies)				
Fillings	Covered at 80%	Covered at 80%	Covered at 80%	Covered at 80%
Simple Extractions	Covered at 80%	Covered at 80%	Covered at 80%	Covered at 80%
Endodontic Treatment	Covered at 80%	Covered at 80%	Covered at 80%	Covered at 80%
Periodontic	Covered at 80%	Covered at 80%	Covered at 80%	Covered at 80%
Complex Oral Surgery	Covered at 80%	Covered at 80%	Covered at 80%	Covered at 80%
Major (deductible applies)				
Crowns, Inlays, Onlays	Covered at 50%	Covered at 50%	Covered at 50%	Covered at 50%
Dentures/Bridges	Covered at 50%	Covered at 50%	Covered at 50%	Covered at 50%
Implants and prosthetics	Covered at 50%	Covered at 50%	Covered at 50%	Covered at 50%
Orthodontia (children)				
Orthodontia Services (Family)	Covered at 50%	Covered at 50%	Covered at 50%	Covered at 50%
Late Entrant Waiting Period	None	Major and Ortho 12 months	Major and Ortho 12 months	Major and Ortho 12 months
Rate Guarantee	January 1, 2019	January 1, 2019	January 1, 2019	January 1, 2019
ENR Rates	Current/Renewal	Proposed	Proposed	Proposed
Employee Only	43	\$27.27	\$30.54	\$29.20
Employee/Child(ren)	7	\$56.70	\$63.40	\$60.70
Employee/Spouse	9	\$58.95	\$65.88	\$63.10
Employee/Family	11	\$99.57	\$111.32	\$106.58
Monthly Premium		\$3,195	\$3,574	\$3,421
Annual Premium		\$38,344	\$42,894	\$41,049
\$ Change from Current		\$4,550	\$2,705	\$1,065
% Change from Current		11.9%	7.1%	2.8%

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¹ The Delta Dental rates shown include a 5% discount if NRCA renews the medical with Optima Health

Basic Group Life/AD&D Comparison – Aetna

	Aetna	Boston Mutual	Dearborn
	Current/Renewal	Proposed 1-1-2018	Proposed 1-1-2018
Basic Life/AD&D Benefit	1.5 times basic annual earnings, rounded to the next higher \$1,000; subject to a maximum of \$100,000	150% of basic annual earnings rounded to the next higher \$1,000 to a maximum of \$100,000	1.5 times basic annual earnings rounded to next higher \$1,000; up to a maximum of \$100,000
Guarantee Issue	\$100,000	\$100,000	\$100,000
Life Benefit Reduction	35% at age 65; 60% at age 70; 75% at age 75	35% at age 65; 50% at age 70 Life and AD&D terminate at retirement	35% at age 65; 60% at age 70 75% at age 75
Dep Life Benefit (Spouse/Child)	\$5,000	\$5,000	\$5,000
Waiver of Premium	Included	Included	Included
Rate Guarantee	January 1, 2019	January 1, 2020	January 1, 2020
Dependent Life Rate	\$0.160 (per \$1,000)	\$1.600 (per family unit \$10,000)	\$0.160 (per \$1,000)
Rates	Current/Renewal	Proposed	Proposed
Life/\$1,000	0.126	0.120	0.107
AD&D/\$1,000	0.020	0.020	0.020
Combined Rate	0.146	0.140	0.127
Volume -Estimated	4,692,350	4,692,350	4,692,350
Monthly Premium	\$685	\$657	\$596
Annual Premium	\$8,221	\$7,883	\$7,151
\$ Change		-\$338	-\$1,070
% Change		-4.1%	-13.0%

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Short-term Disability Comparison – Lincoln

	Lincoln Financial	Boston Mutual	Dearborn
	Current/Renewal	Proposed 1-1-2018	Proposed 1-1-2018
Weekly Benefit	60% of earnings up to \$500 maximum weekly benefit	60% of earnings up to \$600 maximum weekly benefit	60% of weekly earnings includes commissions; up to \$600 max benefit
Elimination Period	14 days sickness 14 days accident	14 days sickness 14 days accident	14 days sickness 14 days accident
Maximum Benefit Period	13 weeks	13 weeks	13 weeks
Definition of Disability	Partial and Residual 20% earning loss	Any/Own Occupation 20% earning loss	Total or Partial Disability 20% earning loss
Pre Existing	None	None	None
Waiver of Premium	Included	Included	Included
W-2 Printing and FICA match	Not included	Will print W-2; No FICA match	Included
Rate Guarantee	January 1, 2019	January 1, 2020	January 1, 2020
Rate per \$10	0.39	0.36	0.377
Volume/Weekly	\$36,202	\$36,202	\$36,202
Monthly Premium	\$1,411.88	\$1,303.27	\$1,364.82
Annual Premium	\$16,942.54	\$15,639.26	\$16,377.78
\$ Change		-\$1,303.27	-\$564.75
% Change		-7.69%	-3.33%

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SCENARIO 1

Employee Health Insurance same as current; Agency Pays 85% EE Only and 50% All other Policies; No Employer Dental

	# EE's Covered Currently	New Premium Same Policy \$4000/30% Preventive RX	Total Monthly Cost	Agency Monthly Cost at 85% EE; 50% All others	Annual Agency Cost	EE Monthly Cost-15%	Increase in EE monthly Premium from Current
Employee	42	\$406.21	\$17,060.82	\$14,501.70	\$174,020.36	\$60.93	\$27.10
Emp/Child	5	\$568.69	\$2,843.45	\$1,421.73	\$17,060.70	\$284.35	\$47.56
Emp/Children	1	\$812.41	\$812.41	\$406.21	\$4,874.46	\$406.21	\$67.94
Emp/Spouse	7	\$853.03	\$5,971.21	\$2,985.61	\$35,827.26	\$426.52	\$71.33
Empl/Family	6	\$1,177.99	\$7,067.94	\$3,533.97	\$42,407.64	\$589.00	\$98.51
					<u>\$274,190.42</u>		

	# EE's Covered Currently	Current Premium \$4000/30%	Total Monthly Cost	Agency Monthly Cost at 90% EE; 50% All Others	Annual Agency Cost	EE Monthly Cost
Employee	42	\$338.27	\$14,207.34	\$12,786.61	\$153,439.27	\$33.83
Emp/Child	5	\$473.58	\$2,367.90	\$1,183.95	\$14,207.40	\$236.79
Emp/Children	1	\$676.54	\$676.54	\$338.27	\$4,059.24	\$338.27
Emp/Spouse	7	\$710.37	\$4,972.59	\$2,486.30	\$29,835.54	\$355.19
Empl/Family	6	\$980.98	\$5,885.88	\$2,942.94	\$35,315.28	\$490.49
					<u>\$236,856.73</u>	

Additional Annual Cost \$37,333.69
 5% Increase Budgeted (\$11,842.84)
 BALANCE \$25,490.86

NRCA doesn't pay for dental (\$19,172.00)
 BALANCE \$6,318.86
 Savings STD/Life-Switch To Dearborn (\$1,635.00)
 \$4,683.86

Total Monthly Employee Cost for Employee Only Health & Dental (Lincoln)-\$88.20
 Total Monthly Employee Cost for Employee Only Health & Dental (Delta)-\$91.47

SCENARIO 2

Employee Health Insurance same as current; Agency Pays 75% EE Only and 50% All other Policies; Employer Offers Lincoln Dental

	# EE's Covered	New Premium Same Policy \$4000/30% Preventive RX	Total Monthly Cost	Agency Monthly Cost at 75% EE; 50% All others	Annual Agency Cost	EE Monthly Cost-25%	Increase in EE monthly Premium from Current
Employee	42	\$406.21	\$17,060.82	\$12,795.62	\$153,547.38	\$101.55	\$67.73
Emp/Child	5	\$568.69	\$2,843.45	\$1,421.73	\$17,060.70	\$284.35	\$47.56
Emp/Children	1	\$812.41	\$812.41	\$406.21	\$4,874.46	\$406.21	\$67.94
Emp/Spouse	7	\$853.03	\$5,971.21	\$2,985.61	\$35,827.26	\$426.52	\$71.33
Empl/Family	6	\$1,177.99	\$7,067.94	\$3,533.97	\$42,407.64	\$589.00	\$98.51
					<u>\$253,717.44</u>		

	# EE's Covered	Current Premium \$4000/30%	Total Monthly Cost	Agency Monthly Cost at 90% EE; 50% All Others	Annual Agency Cost	EE Monthly Cost
Employee	42	\$338.27	\$14,207.34	\$12,786.61	\$153,439.27	\$33.83
Emp/Child	5	\$473.58	\$2,367.90	\$1,183.95	\$14,207.40	\$236.79
Emp/Children	1	\$676.54	\$676.54	\$338.27	\$4,059.24	\$338.27
Emp/Spouse	7	\$710.37	\$4,972.59	\$2,486.30	\$29,835.54	\$355.19
Empl/Family	6	\$980.98	\$5,885.88	\$2,942.94	\$35,315.28	\$490.49
					<u>\$236,856.73</u>	

Additional Annual Cost	\$16,860.71
5% Increase Budgeted	<u>(\$11,842.84)</u>
BALANCE Savings	\$5,017.87
STD/Life-Switch To Dearborn	<u>(\$1,635.00)</u>
	<u>\$3,382.87</u>

Total Monthly Employee Cost for Employee Only Health & Dental (Lincoln)-\$115.20

SCENARIO 3

Employee Health Insurance \$4,000/40%; Agency Pays 90% EE Only and 50% All other Policies; No Employer Dental

	# EE's Covered Currently	New Premium \$4000/40% Preventive RX	Total Monthly Cost	Agency Monthly Cost at 90%	Annual Agency Cost	EE Monthly Cost-10%	Increase in EE monthly Premium from Current
Employee	42	\$398.59	\$16,740.78	\$15,066.70	\$180,800.42	\$39.86	\$6.03
Emp/Child	5	\$558.03	\$2,790.15	\$1,395.08	\$16,740.90	\$279.02	\$42.23
Emp/Children	1	\$797.19	\$797.19	\$398.60	\$4,783.14	\$398.60	\$60.33
Emp/Spouse	7	\$837.05	\$5,859.35	\$2,929.68	\$35,156.10	\$418.53	\$63.34
Empl/Family	6	\$1,155.92	\$6,935.52	\$3,467.76	\$41,613.12	\$577.96	\$87.47
					\$279,093.68		

	# EE's Covered Currently	Current Premium \$4000/30%	Total Monthly Cost	Agency Monthly Cost at 90%	Annual Agency Cost	EE Monthly Cost
Employee	42	\$338.27	\$14,207.34	\$12,786.61	\$153,439.27	\$33.83
Emp/Child	5	\$473.58	\$2,367.90	\$1,183.95	\$14,207.40	\$236.79
Emp/Children	1	\$676.54	\$676.54	\$338.27	\$4,059.24	\$338.27
Emp/Spouse	7	\$710.37	\$4,972.59	\$2,486.30	\$29,835.54	\$355.19
Empl/Family	6	\$980.98	\$5,885.88	\$2,942.94	\$35,315.28	\$490.49
					\$236,856.73	

Additional
Annual Cost \$42,236.95
5% Increase
Budgeted (\$11,842.84)

NRCA doesn't
pay for dental (\$19,172.00)
Savings
STD/Life-
Switch To
Dearborn (\$1,635.00)
TOTAL \$9,587.11

Total Monthly Employee Cost for Employee Only Health & Dental (Lincoln)-\$67.13
Total Monthly Employee Cost for Employee Only Health & Dental (Delta)-\$70.40

SCENARIO 4

Employee Health Insurance \$4,000/40%; Agency Pays 80% EE Only and 50% All other Policies; Employer Offers Lincoln Dental

	# EE's Covered Currentl y	New Premium \$4000/40% Preventive RX	Total Monthly Cost	Agency Monthly Cost at 80%	Annual Agency Cost	EE Monthly Cost-20%	Increase in EE monthly Premium from Current
Employee	42	\$398.59	\$16,740.78	\$13,392.62	\$160,711.49	\$79.72	\$45.89
Emp/Child	5	\$558.03	\$2,790.15	\$1,395.08	\$16,740.90	\$279.02	\$42.23
Emp/Children	1	\$797.19	\$797.19	\$398.60	\$4,783.14	\$398.60	\$60.33
Emp/Spouse	7	\$837.05	\$5,859.35	\$2,929.68	\$35,156.10	\$418.53	\$63.34
Empl/Family	6	\$1,155.92	\$6,935.52	\$3,467.76	\$41,613.12	\$577.96	\$87.47
					\$259,004.75		

	# EE's Covered Currentl y	Current Premium \$4000/30%	Total Monthly Cost	Agency Monthly Cost at 90%	Annual Agency Cost	EE Monthly Cost
Employee	42	\$338.27	\$14,207.34	\$12,786.61	\$153,439.27	\$33.83
Emp/Child	5	\$473.58	\$2,367.90	\$1,183.95	\$14,207.40	\$236.79
Emp/Children	1	\$676.54	\$676.54	\$338.27	\$4,059.24	\$338.27
Emp/Spouse	7	\$710.37	\$4,972.59	\$2,486.30	\$29,835.54	\$355.19
Empl/Family	6	\$980.98	\$5,885.88	\$2,942.94	\$35,315.28	\$490.49
					\$236,856.73	

Additional
Annual Cost \$22,148.02
5% Increase
Budgeted (\$11,842.84)
Savings
STD/Life-
Switch To
Dearborn (\$1,635.00)

TOTAL \$8,670.18

Total Monthly Employee Cost for Employee Only Health & Dental (Lincoln)-\$93.36