

2023 Healthcare Rates

**Presented to
Government Operations Committee
October 2022**

HEALTHCARE PHILOSOPHY

- Provide a comprehensive and competitive benefits package that promotes the well-being of employees, and aids in the retention of the qualified employees while attracting highly qualified candidates. The city's benefit package aims to:
 - Provide high quality, affordable benefits.
 - Support the health, security, well-being, and productivity of employees.
 - Offer choices to tailor benefits to individual needs.
 - Provide, where applicable, the strong coverage of highly accessible networks with the after-hour assistance of coverage providers.
 - Offer packages that protect employees from certain major catastrophic expenses that can arise in unexpected healthcare issue, loss of life, loss of income, etc.



HEALTHCARE PHILOSOPHY (CONTINUED)

- Provide the advantage of using pre-tax benefits and/or tax-deferred options.
- Be compliant with federal, state, and local laws.
- Provide a strong Employee Assistant Program (EAP), including offering many resources and services that are free.
- Provide programs that support the cost of retirement as well as provide the employee with the ability to effectively save toward their retirement.
- Communicate benefits effectively to employees in an accurate, user-friendly, easily accessible, and efficient manner.



RATES ARE BASED ON CLAIM EXPERIENCE

Claim Type	Current 2022	Estimate 2023
Amounts shown in millions		
Medical	\$34.5	\$37.2
Pharmacy	\$11.4	\$12.1
Total	\$45.9	\$49.3
Fixed Fees	\$3.4	\$3.9
Total Liability	\$49.3	\$53.2
% Change		8.0%

Employees have not had an increase in premiums for the five years prior to 2022. All the increases have been absorbed by the city while the claim costs have steadily increased.



2023 ACTIVE EMPLOYEE RATE CHANGES

<i>ER = Employer</i> <i>EE = Employee</i>	2022 Premium Rates (Wellness Incentive)			2023 Premium Rates (Wellness Incentive)			Changes			
Category	Total	ER	EE	Total	ER	EE	ER %	ER \$	EE %	EE \$
Plan 3										
EE Only	\$914.19	\$788.49	\$125.70	\$987.33	\$839.33	\$148.00	6.4%	\$50.84	17.7%	\$22.30
EE + One Child	\$1,554.88	\$1,118.66	\$436.22	\$1,679.26	\$1,260.26	\$419.00	12.7%	\$141.60	-3.9%	-\$17.22
EE + Spouse	\$2,124.05	\$1,528.15	\$595.90	\$2,293.96	\$1,720.46	\$573.50	12.6%	\$192.31	-3.8%	-\$22.40
EE + Family	\$2,475.46	\$1,675.20	\$800.26	\$2,673.51	\$1,950.51	\$723.00	16.4%	\$275.31	-9.7%	-\$77.26
Plan 2										
EE Only	\$835.60	\$768.48	\$67.12	\$901.45	\$834.33	\$67.12	8.6%	\$65.85	0%	\$0.00
EE + One Child	\$1,420.54	\$1,067.92	\$352.62	\$1,534.18	\$1,239.18	\$295.00	16.0%	\$171.26	-16.3%	-\$57.62
EE + Spouse	\$1,940.55	\$1,458.87	\$481.68	\$2,095.80	\$1,676.64	\$419.16	14.9%	\$217.77	-13.0%	-\$62.52
EE + Family	\$2,261.56	\$1,590.28	\$671.28	\$2,442.47	\$1,832.47	\$610.00	15.2%	\$242.19	-9.1%	-\$61.28
Plan 1										
EE Only	\$701.54	\$671.84	\$29.70	\$757.66	\$727.96	\$29.70	8.4%	\$56.12	0.0%	\$0.00
EE + One Child	\$1,205.32	\$960.28	\$245.04	\$1,300.75	\$1,105.75	\$195.00	15.1%	\$145.47	-20.4%	-\$50.04
EE + Spouse	\$1,646.55	\$1,311.81	\$334.74	\$1,776.27	\$1,510.53	\$265.74	15.1%	\$198.72	-20.6%	-\$69.00
EE + Family	\$1,918.93	\$1,431.27	\$487.66	\$2,071.44	\$1,621.44	\$450.00	13.3%	\$190.17	-7.7%	-\$37.66



HOW DO WE COMPARE TO OUR NEIGHBORS?

Amounts are provided for comparative purposes only. Specific locality coverage will differ depending plan design.

EE Share	Richmond			Chesterfield		Hanover ¹			Henrico		
	3	2	1 (HD)	POS25	HD	Premier	Standard	HD	Premier	Standard	HD
Employee	\$148.00	\$67.12	\$29.70	\$76.00	\$25.00	\$118.60	\$47.60	\$29.60	\$84.64	\$52.00	\$24.84
EE+ Child	\$419.00	\$295.00	\$195.00	\$344.00	\$243.00	\$373.20	\$163.20	\$128.20	\$305.80	\$192.32	\$109.06
EE+Spouse	\$573.50	\$419.16	\$265.74	\$523.00	\$399.00	\$732.20	\$341.20	\$304.20	\$406.96	\$271.50	\$163.70
EE+Family	\$723.00	\$610.00	\$450.00	\$768.00	\$598.00	\$911.82	\$467.82	\$379.82	\$724.82	\$516.06	\$305.70

¹ Hanover's rate include medical and vision premium rates for comparison purposes.



OPEN ENROLLMENT IS COMING!

Monday, October 31
to
Friday, November 18



COMMUNICATION PLAN

- Printed materials mailed to homes
- StarNet page containing all materials, videos, forms, links, instructions, etc.
 - Available 24/7 during the three-week Open Enrollment period
- Education and counseling
 - Live and/or virtual sessions
 - Open enrollment sessions (summary of all benefits and what's new)
 - Deep-dive into healthcare plans
 - Virtual Q&A sessions - open to all employees
 - Individual assistance in making healthcare plan choice decisions through the city's healthcare consultant's Benefit Resource Center (BRC) – available every business day
 - Individual questions answered by the Benefits Team. Access by phone, email, virtual meeting or in person – available every business day



Discussion

