



Summary Healthcare Budget Projections, Assumptions, Rates & Fees

October 1, 2016



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City of Joplin

Budget Projections

12 Months Ending	Aggregate			PMPM		
	Dec-16	Dec-17	Dec-18	Dec-16	Dec-17	Dec-18
Income						
City Contributions	\$4,263,500	\$4,737,300	\$5,107,000	\$693.92	\$771.04	\$831.22
Employee Contributions	1,136,600	1,249,400	1,339,700	184.99	203.36	218.05
Retiree/COBRA Contributions	82,100	90,300	97,000	13.36	14.70	15.78
Total Income	\$5,482,200	\$6,077,000	\$6,543,700	\$892.27	\$989.10	\$1,065.05
Expenses						
Medical	\$3,148,700	\$3,565,200	\$3,814,900	\$512.49	\$580.28	\$620.91
Prescription Drug	1,159,700	1,283,500	1,424,800	188.76	208.91	231.90
Dental Premium	316,000	316,000	328,600	51.43	51.43	53.49
Vision Premium	40,400	40,400	40,400	6.57	6.57	6.57
Life Insurance Premium	77,700	77,700	77,700	12.64	12.64	12.64
Stop-Loss Insurance Premium	461,700	503,200	558,600	75.14	81.90	90.91
Anthem ASO / EAP Fees	278,900	286,300	293,900	45.40	46.60	47.83
ACA Fees ¹	37,300	2,900	3,000	6.07	0.47	0.49
Total Expenses	\$5,520,400	\$6,075,200	\$6,541,900	\$898.50	\$988.80	\$1,064.74
Operating Surplus (Deficit)	\$(38,200)	\$1,800	\$1,800	\$(6.23)	\$0.30	\$0.31
Enrollment	512	512	512	512	512	512

¹ ACA fees include the comparative research and transitional reinsurance fees. The comparative research fees are paid on all participants per year. The transitional reinsurance fees are paid on all non-Medicare participants each month through December 31, 2016. Since we are unable to distinguish between Medicare and non-Medicare retirees, the transitional reinsurance fee is applied to all 8 retiree participants in our projections.

City of Joplin

Assumptions

Fiscal Year Ending December 31

	2016	2017	2018
Trend on Expenses			
Medical	7.0%	7.0%	7.0%
Prescription Drug	11.0%	11.0%	11.0%
Dental Premium	-10.8%	0.0%	4.0%
Vision Premium	-19.5%	0.0%	0.0%
Life Insurance Premium	-19.0%	0.0%	0.0%
AD&D	33.3%	0.0%	0.0%
Stop-Loss Insurance Premium	8.7%	9.0%	11.0%
Anthem ASO Fees	3.0%	3.0%	3.0%
Enrollment			
Actives	504	504	504
Retirees	8	8	8

Notes:

The percentage changes for medical and prescription drug are based on trend factors. The percentage changes shown for the remaining expenses are based on actual premiums and fees. Historical premiums and fees may be found on page 10 and 11 of this report.

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2017 Renewals

The Budget projections and Monthly Contribution rates reflect the following renewal rates:

- Anthem Administrative Services Only Fee – a rate increase of 3.0%, from \$39.90 to \$41.10, was proposed for the 12-month period – January 1, 2017 through December 31, 2017.
- Anthem Stop Loss Insurance – a premium increase of 9.0%, from a composite cost of \$75.14 to \$81.90, was proposed for the 12-month period – January 1, 2017 through December 31, 2017.
- CIGNA Dental Insurance – a premium decrease of 10.8% from Delta Dental's 2015 rates was accepted for the 24-month period – January 1, 2016 through December 31, 2017.
- EyeMed Vision Insurance – a premium decrease of 19.5% from Humana's 2015 rates was accepted for the 48-month period – January 1, 2016 through December 31, 2019.

City of Joplin

City Contribution Structure

- **Medical & Prescription Drug** – The City pays 100% of the medical and prescription drug costs for single coverage; whereas, the City's cost share for family coverage is 75% with the employee covering the other 25%. It is assumed the cost share will remain the same in 2017.
- **Dental** – The City and employee each pay a portion for both single and family coverage. For single coverage, the City's cost share was 70% in 2016 and is assumed to remain the same in 2017. For family coverage, the City's cost share was 65% in 2016 and is assumed to remain the same in 2017.
- **Life** – The City also provides 1.5 times the annual salary in life insurance benefits at no cost to the employee. Employees can purchase additional life insurance coverage as a voluntary benefit at full cost.
- **Vision** – Vision coverage is offered on a voluntary basis, and 100% is paid by employees.

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2016 Monthly Contribution Rates

Monthly Contributions Fiscal Year Ending December 31, 2016

City Contributions	Single	Family	Employee + Spouse	Employee + Child(ren)
Anthem BCBS PPO	\$417.60	\$877.00		
CIGNA Dental	\$18.70	\$46.18		
Employee Basic Life Insurance	Contributions vary by age and salary			
Employee Contributions	Single	Family	Employee + Spouse	Employee + Child(ren)
Anthem BCBS PPO	No Cost	\$292.34		
CIGNA Dental	\$8.02	\$24.88		
EyeMed Vision – Exam Only	\$1.44	\$4.22	\$2.72	\$2.88
EyeMed Vision – Plan H	\$5.34	\$15.66	\$10.12	\$10.66
Employee Supplemental Life - \$50,000	Contributions vary by age			
Spouse Voluntary Life - \$25,000		Contributions vary by age		
Child(ren) Voluntary Life - \$10,000		\$0.70 per child		
COBRA/Retiree Contributions	Single	Family	Employee + Spouse	Employee + Child(ren)
Anthem BCBS PPO	\$425.96	\$1,192.72		
CIGNA Dental	\$27.26	\$72.48		
EyeMed Vision – Exam Only	\$1.48	\$4.30	\$2.78	\$2.94
EyeMed Vision – Plan H	\$5.44	\$15.98	\$10.32	\$10.88

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2017 Projected Monthly Contribution Rates

Projected Monthly Contributions Fiscal Year Ending December 31, 2017

City Contributions	Single	% Change	Family	% Change	Employee + Spouse	% Change	Employee + Child(ren)	% Change
Anthem BCBS PPO	\$466.82	11.8%	\$980.36	11.8%				
CIGNA Dental	\$18.70	0.0%	\$46.18	0.0%				
Employee Basic Life Insurance	Contributions vary by age and salary							
Employee Contributions	Single	% Change	Family	% Change	Employee + Spouse	% Change	Employee + Child(ren)	% Change
Anthem BCBS PPO	No Cost	0.0%	\$326.78	11.8%				
CIGNA Dental	\$8.02	0.0%	\$24.88	0.0%				
EyeMed Vision – Exam Only	\$1.44	0.0%	\$4.22	0.0%	\$2.72	0.0%	\$2.88	0.0%
EyeMed Vision – Plan H	\$5.34	0.0%	\$15.66	0.0%	\$10.12	0.0%	\$10.66	0.0%
Employee Supplemental Life - \$50,000	Contributions vary by age							
Spouse Voluntary Life - \$25,000								
Child(ren) Voluntary Life - \$10,000	Contributions vary by age \$0.70 per child							
COBRA/Retiree Contributions	Single	% Change	Family	% Change	Employee + Spouse	% Change	Employee + Child(ren)	% Change
Anthem BCBS PPO	\$476.16	11.8%	\$1,333.28	11.8%				
CIGNA Dental	\$27.26	0.0%	\$72.48	0.0%				
EyeMed Vision – Exam Only	\$1.48	0.0%	\$4.30	0.0%	\$2.78	0.0%	\$2.94	0.0%
EyeMed Vision – Plan H	\$5.44	0.0%	\$15.98	0.0%	\$10.32	0.0%	\$10.88	0.0%

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Historical Insurance Premium Rates & Vendor Fees

Anthem Specific Stop Loss	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017		Next Renewal	
Composite				\$79.57	\$59.94	\$69.11	\$75.14	\$81.90		1/1/2018	
Specific Deductible				\$100,000	\$150,000	\$150,000	\$150,000	\$150,000			
Anthem BCBS Medical and Drug ASO ¹	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	Next Renewal	
Per Employee Per Month		\$38.68	\$40.61	\$42.64	\$43.49	\$43.49	\$39.90	\$41.10	\$42.33	1/1/2019	
Anthem BCBS Employee Assistance Program (EAP)							1/1/2016	1/1/2017	1/1/2018	Next Renewal	
Per Employee Per Month							\$2.20	\$2.20	\$2.20	1/1/2019	
Delta Dental	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017		Next Renewal	
Single	\$28.08	\$28.08	\$28.77	\$28.77	\$29.51	\$29.95				Terminated	
Family	\$74.70	\$74.70	\$76.54	\$76.54	\$78.50	\$79.68					
CIGNA Dental							1/1/2016	1/1/2017		Next Renewal	
Single							\$26.74	\$26.74		1/1/2018	
Family							\$71.05	\$71.05			
Humana Vision Exam Plus (Basic)	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Next Renewal
Single	\$1.57	\$1.57	\$1.57	\$1.66	\$1.66	\$1.77					Terminated
EE + 1	\$3.15	\$3.15	\$3.15	\$3.34	\$3.34	\$3.55					
EE + Children	\$2.99	\$2.99	\$2.99	\$3.17	\$3.18	\$3.37					
Family	\$4.70	\$4.70	\$4.70	\$4.98	\$4.98	\$5.30					
EyeMed Vision Exam Only							1/1/2016	1/1/2017	1/1/2018	1/1/2019	Next Renewal
Single							\$1.43	\$1.43	\$1.43	\$1.43	1/1/2020
EE + 1							\$2.72	\$2.72	\$2.72	\$2.72	
EE + Children							\$2.87	\$2.87	\$2.87	\$2.87	
Family							\$4.22	\$4.22	\$4.22	\$4.22	
Humana Vision Care Plan (Extended)	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Next Renewal
Single	\$4.80	\$4.80	\$4.80	\$5.09	\$5.10	\$5.42					Terminated
EE + 1	\$11.22	\$11.22	\$11.22	\$11.89	\$11.90	\$12.65					
EE + Children	\$10.58	\$10.58	\$10.58	\$11.21	\$11.22	\$11.93					
Family	\$17.52	\$17.52	\$17.52	\$18.57	\$18.58	\$19.76					
EyeMed Vision Plan H							1/1/2016	1/1/2017	1/1/2018	1/1/2019	Next Renewal
Single							\$5.33	\$5.33	\$5.33	\$5.33	1/1/2020
EE + 1							\$10.12	\$10.12	\$10.12	\$10.12	
EE + Children							\$10.65	\$10.65	\$10.65	\$10.65	
Family							\$15.65	\$15.65	\$15.65	\$15.65	

¹ Excludes the Blue Card fees.

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Historical Insurance Premium Rates & Vendor Fees *continued*

	1/1/2010	1/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017	1/1/2018	Next Renewal
Hartford Basic Life and AD&D										
Life Premium Per \$1,000 of Coverage		\$0.110	\$0.110	\$0.110	\$0.121	\$0.121				Terminated
AD& D Premium Per \$1,000 of Coverage		N/A	N/A	\$0.015	\$0.015	\$0.015				Terminated
Symetra Basic Life and AD&D										
Life Premium Per \$1,000 of Coverage							\$0.098	\$0.098	\$0.098	1/1/2019
AD& D Premium Per \$1,000 of Coverage							\$0.020	\$0.020	\$0.020	1/1/2019
Hartford Voluntary Supplemental Life										
Premium Per \$1,000 of Coverage - By Age										Terminated
Under 35		\$0.05	\$0.05	\$0.05	\$0.05	\$0.05				
35 - 39		\$0.08	\$0.08	\$0.08	\$0.08	\$0.08				
40 - 44		\$0.12	\$0.12	\$0.12	\$0.12	\$0.12				
45 - 49		\$0.19	\$0.19	\$0.19	\$0.19	\$0.19				
50 - 54		\$0.33	\$0.33	\$0.33	\$0.33	\$0.33				
55 - 59		\$0.53	\$0.53	\$0.53	\$0.53	\$0.53				
60 - 64		\$0.71	\$0.71	\$0.71	\$0.71	\$0.71				
65 - 69		\$1.11	\$1.11	\$1.11	\$1.11	\$1.11				
70 - 74		\$1.93	\$1.93	\$1.93	\$1.93	\$1.93				
75+		\$3.34	\$3.34	\$3.34	\$3.34	\$3.34				
Child Rate		\$0.07	\$0.07	\$0.07	\$0.07	\$0.07				
Symetra Supplemental Life										
Premium Per \$1,000 of Coverage - By Age										
Under 25							\$0.05	\$0.05	\$0.05	1/1/2019
25 - 29							\$0.05	\$0.05	\$0.05	
30 - 34							\$0.05	\$0.05	\$0.05	
35 - 39							\$0.08	\$0.08	\$0.08	
40 - 44							\$0.12	\$0.12	\$0.12	
45 - 49							\$0.19	\$0.19	\$0.19	
50 - 54							\$0.33	\$0.33	\$0.33	
55 - 59							\$0.53	\$0.53	\$0.53	
60 - 64							\$0.71	\$0.71	\$0.71	
65 - 69							\$1.11	\$1.11	\$1.11	
70 - 74							\$1.67	\$1.67	\$1.67	
75 +							\$2.90	\$2.90	\$2.90	
Child Rate							\$0.07	\$0.07	\$0.07	

Appendix: 2015 Financial Statement

	January	February	March	April	May	June	July	August	September	October	November	December	Year to Date
Beginning Balance	\$2,871,077	\$2,660,668	\$2,790,352	\$2,887,534	\$2,906,965	\$2,787,179	\$2,885,624	\$2,884,255	\$2,721,410	\$2,621,041	\$2,464,576	\$2,563,863	\$2,871,077
Income													
City Contributions	351,877	347,952	347,273	350,448	349,448	352,219	358,067	355,431	349,942	348,238	362,230	356,246	4,229,370
Employee Contributions ¹	111,976	98,036	107,201	110,822	98,452	103,623	99,131	114,206	104,098	104,125	97,822	109,807	1,259,298
Interest Income	0	0	0	0	0	1,167	0	0	0	349	0	1,167	2,682
Total	\$463,853	\$445,988	\$454,474	\$461,270	\$447,900	\$457,009	\$457,198	\$469,637	\$454,040	\$452,712	\$460,052	\$467,219	\$5,491,350
Expense													
Medical ²	\$416,166	\$141,600	\$164,401	\$270,985	\$361,029	\$233,507	\$195,159	\$467,970	\$322,605	\$406,223	\$175,329	\$366,800	\$3,521,774
Stop Loss Reimbursements	(14,931)	0	0	0	0	(75,200)	(8,967)	(3,319)	(1,431)	(334)	(22)	(45)	(104,249)
Prescription Drug ²	87,422	72,916	94,433	65,220	104,047	97,493	97,248	68,607	124,937	103,052	87,263	63,240	1,065,878
Dental Premium	28,665	28,851	28,895	29,134	29,393	29,364	29,453	29,284	29,862	28,745	28,984	28,736	349,366
Vision Premium	3,911	3,862	3,843	3,891	3,952	3,891	3,977	3,955	4,023	3,899	3,896	3,861	46,963
Life Premium	6,468	6,385	6,415	6,417	6,475	6,492	6,424	6,444	6,468	6,388	6,365	6,358	77,097
Stop-Loss Premium	37,011	36,418	36,646	36,139	36,665	36,760	36,690	36,665	37,445	36,710	36,336	36,266	439,752
Medical Administration	22,832	22,441	22,658	22,441	22,876	23,006	23,006	22,876	23,180	22,745	22,615	22,615	273,291
Special Events & Promotions	404	582	0	1,111	0	0	0	0	0	0	0	0	2,097
ACA Fees	75,978	0	0	0	0	0	2,646	0	0	0	0	0	78,624
Administration ³	10,335	3,250	0	6,500	3,250	3,250	72,930	0	7,320	1,749	0	0	108,584
Total	\$674,262	\$316,305	\$357,292	\$441,838	\$567,687	\$358,563	\$458,567	\$632,482	\$554,409	\$609,177	\$360,765	\$527,831	\$5,859,177
Operating Surplus/(Deficit)	(\$210,409)	\$129,683	\$97,182	\$19,432	(\$119,787)	\$98,445	(\$1,368)	(\$162,845)	(\$100,369)	(\$156,465)	\$99,286	(\$60,611)	(\$367,826)
Ending Balance	\$2,660,668	\$2,790,352	\$2,887,534	\$2,906,965	\$2,787,179	\$2,885,624	\$2,884,255	\$2,721,410	\$2,621,041	\$2,464,576	\$2,563,863	\$2,503,251	\$2,503,251
Active/COBRA Lives	505	504	507	509	514	517	516	516	518	511	508	507	511
Retiree Lives	11	11	11	11	10	10	10	10	11	11	11	11	11
Total	516	515	518	520	524	527	526	526	529	522	519	518	522

¹ Employee contributions include Retiree and COBRA contributions

² Based on financial statements received from City of Joplin personnel. Reported medical and prescription drug payments are combined on the financial statements received from the City.

³ Administration expense includes "Equipment Operating" line item from financial statements.

Appendix: 2016 YTD Financial Statement

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Year to Date</u>
<u>Beginning Balance</u>	\$2,503,251	\$2,329,626	\$2,339,210	\$2,244,921	\$2,344,626	\$2,515,915	\$2,475,750	\$2,503,251
<u>Income</u>								
City Contributions	356,307	354,407	344,725	356,833	361,461	354,767	352,266	2,480,766
Employee Contributions ¹	102,878	99,505	98,628	101,902	99,451	106,154	100,635	709,154
Interest Income	0	0	0	0	0	1,167	0	1,167
Total	\$459,185	\$453,912	\$443,353	\$458,735	\$460,912	\$462,088	\$452,901	\$3,191,087
<u>Expense</u>								
Medical ²	\$362,593	\$246,207	\$359,956	\$158,721	\$104,099	\$320,557	\$110,770	\$1,662,904
Stop Loss Reimbursements	0	0	0	0	0	0	0	0
Prescription Drug ²	117,907	90,825	80,566	103,634	86,325	82,811	103,510	665,578
Dental Premium	26,380	26,572	26,234	26,190	26,767	26,830	26,048	185,022
Vision Premium	3,371	3,390	3,408	3,388	3,380	3,455	3,385	23,777
Life Premium	6,382	6,438	6,370	6,494	6,531	6,543	6,545	45,303
Stop-Loss Premium	38,474	38,008	38,205	37,168	38,191	38,394	37,961	266,401
Medical Administration	20,904	20,549	20,868	19,910	20,588	20,828	20,668	144,315
Special Events & Promotions	391	423	25	690	909	0	0	2,438
ACA Fees	56,408	0	0	0	0	1	2,771	59,180
Administration ³	0	11,917	2,010	2,833	2,833	2,833	2,250	24,677
Total	\$632,810	\$444,329	\$537,642	\$359,030	\$289,623	\$502,253	\$313,907	\$3,079,594
Operating Surplus/(Deficit)	(\$173,625)	\$9,584	(\$94,289)	\$99,706	\$171,289	(\$40,165)	\$138,994	\$111,493
<u>Ending Balance</u>	<u>\$2,329,626</u>	<u>\$2,339,210</u>	<u>\$2,244,921</u>	<u>\$2,344,626</u>	<u>\$2,515,915</u>	<u>\$2,475,750</u>	<u>\$2,614,744</u>	<u>\$2,614,744</u>
Active/COBRA Lives	508	511	506	507	508	507	510	508
Retiree Lives	8	8	7	8	8	8	8	8
Total	516	519	513	515	516	515	518	516

¹ Employee contributions include Retiree and COBRA contributions

² Based on financial statements received from City of Joplin personnel. Reported medical and prescription drug payments are combined on the financial statements received from the City.

³ Administration expense includes "Equipment Operating" line item from financial statements.