

Office of the City Manager

City of Richland Hills, Texas

Memorandum

To: Honorable Mayor Bill Agan and members of the Richland Hills City Council
From: Eric Strong, City Manager
Date: September 16, 2014
Subject: Health Insurance Renewal

Council Action Requested:

Consideration of renewal of Health Insurance Bid

Background Information:

As council will recall, last year we bid out our employee health insurance and switched to TML. Generally, there have been a lot of positives that have come with the switch. If we want to renew with TML, we need to notify them by September 21. The attached agreement will allow staff to move forward with renewal.

However, for various reasons which we will discuss at the meeting, there may still be some advantages to “shopping” the health plan. We can still put out a bid and shop the plan before our renewal goes into effect. We have talked to TML about this, and they are fine with it. While we have to indicate our desire to renew now, we can still cancel with no penalty by December 2nd. This will give us time to shop the plan and ensure we are happy with our options.

TML has proposed an increase of 3% for our health insurance, which is a total annual cost to the city of approximately \$11,700. We have budgeted more than this in next years budget, so there are funds for this expense.

Board/Citizen Input: N/A

Financial Impact: Approximately \$12,000 per year

Staff Contacts:

Eric Strong
City Manager
estrong@richlandhills.com

Attachments: Rerate Agreement



September 16, 2014
5B - 3

TML MultiState Intergovernmental Employee Benefits Pool Rerate Notice and Benefit Verification Form

Richland Hills

Original

Plan Year 2014-2015 (12 Months)

Rates are subject to change if there is any legislation passed during the plan year affecting benefits.
Supplemental benefits cannot be accessed without accessing the TML MultiState IEBP Medical Benefit Plan

Medical

Employer Group Medical Plan

Plan	Benefit Pcnt	In Net Ded	Out Net Ded	In Net OOP	Office Visit	XRay & Lab in OV	Svc Fee*	Rates	Current	New	New + Svc Fee
P85-150-30-Mac A	80/50	\$1500	\$1750	\$3000	\$30	No	4.5%	Employee:	\$464.86	\$478.82	\$500.37
								Spouse:	\$561.28	\$578.12	\$604.14
								Child(ren):	\$353.30	\$363.90	\$380.28
								Family:	\$970.76	\$999.88	\$1,044.87

Dental Plan

No Dental Coverage

Vision Plan

No Vision Coverage

Pre-65 Retiree Medical

No Pre-65 Retiree Medical Coverage

Pre-65 Retiree Dental

No Pre-65 Retiree Dental Coverage

Pre-65 Retiree Vision

No Pre-65 Retiree Vision Coverage

LTD

No LTD Coverage

STD

No STD Coverage

Basic Life and AD&D

No Basic Life and AD&D Coverage

Dependent Life

No Dependent Life Coverage

Voluntary AD&D

No Voluntary AD&D Coverage

Additional Employee Life and AD&D

No Additional Employee Life and AD&D Coverage

Basic & Additional Retiree Life

No Basic & Additional Retiree Life Coverage

Continuation of Coverage (COC)

Yes

Benefit Waiting Period

1st of mo after date of hire

Medical Network

Choice Plus

Flex, HRA, HSA & RRA

Flex Admin

HRA Admin

HSA Admin

RRA Admin

No

No

No

No

Select one of the following options for Flex:

Debit Card Flex (\$3.70 per participant per month)

Paper Flex (\$5 per participant per month)

Select one or all of the following options for HRA, HSA & RRA:

HRA (\$3.70 per participant per month - debit card only)

HSA (\$3.70 per participant per month - debit card only)

RRA (\$3.70 per participant per month - debit card only)

If employer accesses Debit Card Flex and/or HRA, HSA or RRA, only one charge of \$3.70 per participant per month will be incurred.

Medication Therapy Management Program

Maximum Allowable Cost (MAC A)

If a brand name drug is dispensed and a generic alternate drug exists, the Covered Individual pays the difference between the brand name and generic price in addition to the appropriate copayment for the brand name. The cost difference between the brand name and generic price does not apply to any individual deductibles or out of pocket amounts. The MAC differential applies to all prescriptions purchased through this program when a generic alternate is available.

Maximum Allowable Cost (MAC C)

Covered Individual will pay the appropriate copayment amount of the prescription.

Prescription Clinical Program

Refer to Medication Therapy Management Guide for information on step therapy, prior authorization, cost share, generic, best brand, non best brand, align and broad network plan guidelines.

Over the Counter Alternates and Prescription Networks	Retail: Covered Individual OOP (up to 34 days supply max unless noted otherwise)	5B - 5 Mail/Maintenance up to 84/90 day dispensement MedVantx: (866) 744-0621 Specialty/Biotech/Biosimilar up to 34 day dispensement Diplomat: (877) 977-9118 Covered Individual OOP																																										
Prescribed Over the Counter Alternatives: Doctor Ordered: <ul style="list-style-type: none"> Smoking Cessation (Nicorette Gum), Quantity Limit - 3 boxes per plan year Aspirin, Folic Acid, Fluoride Chemoprevention Supplements, Iron Deficiency Supplements, and Vitamin D supplementation to prevent falls in community-dwelling adults age 65 years and older who are at an increased risk for falls; per prescription 	\$0.00	N/A																																										
Women's Preventive Health Services	<table border="1"> <thead> <tr> <th data-bbox="522 537 1058 600">Benefit</th> <th data-bbox="1058 537 1166 600">Medical Plan</th> <th data-bbox="1166 537 1255 600">Rx Plan</th> </tr> </thead> <tbody> <tr> <td data-bbox="522 600 1058 638">Oral Generic/Align Network (no cost share)</td> <td data-bbox="1058 600 1166 638"></td> <td data-bbox="1166 600 1255 638">X</td> </tr> <tr> <td data-bbox="522 638 1058 676">IUD Device (no cost share)</td> <td data-bbox="1058 638 1166 676">X</td> <td data-bbox="1166 638 1255 676">X**</td> </tr> <tr> <td data-bbox="522 676 1058 714">Implant Device (no cost share)</td> <td data-bbox="1058 676 1166 714">X</td> <td data-bbox="1166 676 1255 714">X**</td> </tr> <tr> <td data-bbox="522 714 1058 772">Permanent Implantable Contraceptive Coil (subject to the appropriate deductible and benefit percentages)</td> <td data-bbox="1058 714 1166 772">X</td> <td data-bbox="1166 714 1255 772"></td> </tr> <tr> <td data-bbox="522 772 1058 810">Insertion and/or Removal of Devices (no cost share)</td> <td data-bbox="1058 772 1166 810">X</td> <td data-bbox="1166 772 1255 810"></td> </tr> <tr> <td data-bbox="522 810 1058 848">Sonogram to Detect Placement of Device (no cost share)</td> <td data-bbox="1058 810 1166 848">X</td> <td data-bbox="1166 810 1255 848"></td> </tr> <tr> <td data-bbox="522 848 1058 886">Injectable Contraceptives/Align Network (no cost share)</td> <td data-bbox="1058 848 1166 886">X</td> <td data-bbox="1166 848 1255 886">X</td> </tr> <tr> <td data-bbox="522 886 1058 924">Injectable Administration Fee (no cost share)</td> <td data-bbox="1058 886 1166 924">X</td> <td data-bbox="1166 886 1255 924"></td> </tr> <tr> <td data-bbox="522 924 1058 982">Diaphragm, Hormone Vaginal Ring, Hormone Patch, Cervical Cap, Spermicides, Sponges (no cost share)</td> <td data-bbox="1058 924 1166 982"></td> <td data-bbox="1166 924 1255 982">X</td> </tr> <tr> <td data-bbox="522 982 1058 1020">Diaphragm Instruction and Fitting Fee (no cost share)</td> <td data-bbox="1058 982 1166 1020">X</td> <td data-bbox="1166 982 1255 1020"></td> </tr> <tr> <td data-bbox="522 1020 1058 1058">Contraceptive Management (no cost share)</td> <td data-bbox="1058 1020 1166 1058">X</td> <td data-bbox="1166 1020 1255 1058"></td> </tr> <tr> <td data-bbox="522 1058 1058 1096">Female Condoms</td> <td data-bbox="1058 1058 1166 1096"></td> <td data-bbox="1166 1058 1255 1096">X</td> </tr> <tr> <td data-bbox="522 1096 1058 1163">Medications for risk reduction of breast cancer in women who are at increased risk for breast cancer and at low risk for adverse medication effects: Tamoxifen or Raloxifene</td> <td data-bbox="1058 1096 1166 1163"></td> <td data-bbox="1166 1096 1255 1163">X</td> </tr> </tbody> </table> <p data-bbox="522 1163 1557 1201">** Represents no cost share under prescription plan within Align and Broad Network</p>		Benefit	Medical Plan	Rx Plan	Oral Generic/Align Network (no cost share)		X	IUD Device (no cost share)	X	X**	Implant Device (no cost share)	X	X**	Permanent Implantable Contraceptive Coil (subject to the appropriate deductible and benefit percentages)	X		Insertion and/or Removal of Devices (no cost share)	X		Sonogram to Detect Placement of Device (no cost share)	X		Injectable Contraceptives/Align Network (no cost share)	X	X	Injectable Administration Fee (no cost share)	X		Diaphragm, Hormone Vaginal Ring, Hormone Patch, Cervical Cap, Spermicides, Sponges (no cost share)		X	Diaphragm Instruction and Fitting Fee (no cost share)	X		Contraceptive Management (no cost share)	X		Female Condoms		X	Medications for risk reduction of breast cancer in women who are at increased risk for breast cancer and at low risk for adverse medication effects: Tamoxifen or Raloxifene		X
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Align Network Value Tiered up to 34 day <u>Non-cost Share generic</u> dispensement	\$0.00	N/A																																										
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Broad Network <u>Non-Cost Share Generic</u>	\$10.00	\$25.00																																										
Broad and Align Network <u>Non-Cost Share Best Price Brand List</u>	\$38.00	\$95.00																																										
Broad and Align Network <u>Non-Cost Share Non-Best Price Brand List</u>	\$60.00	\$150.00																																										
Broad and Align Network Cost Share	\$120.00	\$300.00																																										
Specialty/Biotech Prescriptions	N/A	\$100.00 for up to 34 day dispensement																																										
Biosimilar Prescriptions	N/A	\$75.00 for up to 34 day dispensement																																										
Prescription Refill Control Standards	75%	60%																																										

Due to the employer customization regarding defined contribution amount for employees, part-time employees that meet the definition of an active employee (an Employee who works at least twenty (20) hours per week or is accessing vacation, sick or paid/unpaid Family Medical Leave Act of 1993 (FMLA) and is receiving the same benefits as all other employees) and/or dependents, TML MultiState Intergovernmental Employee Benefits Pool requests the below information to ensure accurate information is maintained in the enrollment, eligibility and billing adjudication system.

Employer Funded Defined Contribution

Dependent Additional Employer Subsidy or Defined Contribution

	<u>Employee</u>		<u>Spouse</u>		<u>Child</u>		<u>Family</u>	
	Amount	% of Rate						
Active Employees								
Employer Subsidy	\$ _____ or _____ %							
Employer Defined Contribution	\$ _____		\$ _____		\$ _____		\$ _____	
Retirees	\$ _____ or _____ %							

Additional Employer Funding for HRA, FSA or HSA (Example criteria: 100% participation in Employer Fair; Receipt of Healthy Initiative Payment)

HRA \$ _____ Criteria: _____

Employer Contribution to FSA \$ _____ Criteria: _____

Employer Contribution to HSA \$ _____ Criteria: _____

NOTE: If you have funding requirements that cannot be specified in the above form, please contact your Billing & Eligibility Representative.

Signature Section

The entity named on this Rerate and Benefit Verification Form desires large claim information as specified in Article 21.49-15 of the Insurance Code in Section 2.(2), to be for individual claims that reach or exceed \$35,000 during the plan year. This information is considered confidential for purposes of Chapter 552 of the Local Government Code.

The rates are based on May census information. If the census changes by more than 10%, TML MultiState IEBP reserves the right to revise rates due to census change and underwriting impact.

Tax ID Number

Authorized Signature

Date

Proposed rates, for your convenience, include any applicable service fees. Service fees are not a contingency of obtaining benefit coverage but are fees agreed to between you (employer) and your non TML MultiState IEBP benefit service representative.