



Travis County Commissioners Court Agenda Request

Meeting Date: July 10, 2012 Voting session

Prepared By:

Elected/Appointed Official/Dept. Head:

Cindy Purinton, HRMD, 854-9626 ^{CP}

Diane Poirot, HR Director 854-9165 ^{DP}

Leslie Browder, County Executive/ PBO ^{LB}

Director 854-8679

Judge Biscoe

Sponsors:

AGENDA LANGUAGE:

Consider and take appropriate action on the following employee healthcare items for Fiscal Year 2013 plan year, effective October 1, 2012.

- A. Approve Assurant Dental Plan FY13 rates. 100% Employee paid.
 - a. DHMO rates remain the same as FY12.
 - b. PPO and Mac Plans include a 4% rate increase
 - c. Assurant Authorization form (signature needed)
- B. Approve \$50,000 Basic Life and AD&D Insurance rates with UNUM for FY13 with no increase.
 - a. 100% County funded
- C. Approve FBMC-(WageWorks) FSA administrative rates for the FSA Plan that will have annual limit of \$5,000.00 for unreimbursed medical expenses and a Dependent Care annual limit of \$5,000.00
 - a. FSA administrative rate increase of 2.49% FSA participant, un-reimbursed medical and dependent care plans.
 - b. QTB (qualified transportation benefit) or HRA administrative rate increase of 2.49% per participant.
- D. Approve Cigna Supplemental Life Insurance rates for Fy13 including the following:
No rate increases for FY13.
 - a. Employee Supplemental life and AD&D
 - b. Dependent Life
 - c. Additional Spouse Life
 - d. Retiree Life
 - e. Short Term Disability
 - f. Long Term Disability
 - g. Personal Protection Plan (stand alone AD&D).
- E. Approve administrative rates for Sun Life (individual stoploss coverage) no rate increase. The stoploss level is at \$225,000 per covered person.

Note: An RFP is being released for individual stoploss coverage, if a different carrier is selected then the rate extension option with Sun Life would not be exercised.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

**TRAVIS COUNTY EMPLOYEE BENEFIT PLAN
FY13 PLAN YEAR RENEWAL**

BENEFIT ACTION ITEM INFORMATION AND STAFF RECOMMENDATIONS:

A. Assurant Dental Plan FY13 rates

- a. See **Attachment 1** for employee contribution rates for fy13
- b. DHMO,- no rate increase
- c. PPO- 4% rate increase
- d. MAC- 4% rate increase
- e. Assurant Authorization Form- Signature needed

Recommendation: Approve rates for item A- (,b,c,d,) and sign A-e (authorization form) Note: 100% employee paid -no County fund expenditure

B. Basic \$50,000 UNUM Life Insurance and AD&D rates for FY13

No increase for FY13, UNUM Life Insurance cost will remain at \$0.14 per \$1000.00. AD&D will remain at \$0.025 per \$1000.00

**Recommendation: Approve rates for B
Note: 100% County paid-fiscal impact shown below**

C. Approve FBMC-(a division of WageWorks) FSA administrative rates for FSA Plan that will have an FY13 annual limit of \$5000.00 for unreimbursed medical expenses and a Dependent Care annual limit of \$5,000.00

- a. FSA administrative rate increase to \$4.03 per FSA participant, unreimbursed medical and dependent care plans. (2.49% increase).
- b. QTB (qualified transportation benefit) or HRA (health reimbursement account) administrative rate increase to \$4.03 per participant. (2.49% increase)
- c. For a participant that has FSA and participates in the QTB and or HRA the rate is \$7.82. (2.49% increase)

Note: New guidance from the IRS received 5-30-12 will allow the County plan to keep the unreimbursed medical maximum of \$5000 until FY14 plan year at which time the unreimbursed medical will have a \$2500.00 maximum.

Recommendation: Approve 2% rate increase for C-a, b, c. See fiscal impact to County below

D. Supplemental Life Insurance rates for Fy13 including the following:

No rate increase, we are on a multiyear rate guarantee. See attachment for rates.

- a. Employee Supplemental life and AD&D
- b. Dependent Life
- c. Additional Spouse Life
- d. Retiree Life
- e. Short Term Disability
- f. Long Term Disability

g. Personal Protection Plan (stand alone AD&D)

**Recommendation: Approve rates for D-a through g - no rate increase
Note: 100% employee paid, no County fund expenditure**

E. Approve FY13 Sun Life Individual Stoploss administrative rates of \$42.70/ per covered employee per month. No increase from FY12

Recommendation: Approve rates for E . Note, contract extension option may not be exercised if a new carrier is selected as a result of our RFP process.

Conclusion:

As we approach FY13 plan year, we see that we have many changes ahead in the benefits arena. Carrier costs have increased marginally this year, some federal healthcare regulations are beginning to affect our plans, At the same time we are preparing for the transition to the SAP system, which will include big changes for how everyday business is handled for the administration of the plan. We will also be transitioning staff and learning new skills associated with SAP, and new federal legislation requirements. Staff will continue to keep the Court informed as it all progresses.

FISCAL IMPACT TO COUNTY AND SOURCE OF FUNDING:

The financial impact of the attached recommendations for the Employee Health Plan are as follows if not shown above in recommendations.

- Dental- 100% employee paid, no County fiscal impact
- Basic Life and AD&D- \$37,042.50/mo with a projected annual cost to County of \$444,510
- FSA- Total projected administrative fees for FY13 are \$52,922.52. (Because of the FSA plan the County is projected to save approximately \$24,609.48 for FY13 in Social Security and Medicare Taxes)
- Supplemental Life and AD&D and Disability plans- 100% employee paid -No County fiscal impact
- Stoploss administrative rates for Sun Life. Approximately for a \$2,580,960 annual rate.

REQUIRED AUTHORIZATIONS:

Human Resources Management	Diane Poirot
Human Resources Management	John Rabb
Planning and Budget Office	Leslie Browder
County Judge's Office	Cheryl Aker
Commissioners Court	Gillian Porter

Attachments:

Assurant Dental summary with FY13 rates..... page 4-5
Assurant Dental Authorization and Consent document for signature.....page 6
Unum Basic Life and AD&D FY13 Rates page 7
FBMC Flexible Spending attachment.....page 8
Cigna Supplemental Life FY13 age rated rates.....page 9
Cigna Retiree FY13 Life insurance rates.....page 10
Cigna Long and Short Term Disability and Personal Protection Plan ratespage 11
Sun Life FY13 Stoploss Administration feespage 12



TRAVIS COUNTY FY 2013 DENTAL PLAN OPTIONS - EFFECTIVE OCTOBER 1, 2012

COST PER MONTH	Assurant Employee Benefits DHMO 189	Assurant Employee Benefits Preferred-MAC Plan	Assurant Employee Benefits Freedom Preferred-PPO Plan (High Option)
Employee Only	\$11.70	\$20.61	\$33.16
Employee + 1 Adult	\$18.70	\$39.21	\$66.32
Employee + 1 Child	\$18.70	\$39.21	\$66.32
Employee + 2 or more children	\$25.08	\$64.58	\$103.73
Employee + 1 Adult + 1 Child	\$25.08	\$64.58	\$103.73
Employee + Family	\$29.34	\$83.18	\$136.89

Dental coverage is optional, and 100% employee, paid with no County Contributions

PLAN COMPARISONS

TYPE OF SERVICE	Assurant Employee Benefits DHMO 189	Assurant Employee Benefits Preferred-MAC Plan	Assurant Employee Benefits Freedom Preferred-PPO Plan (High Option)
	Provider based on fee schedule	Provider fees are subject to Maximum Allowable Charge	Provider based on Usual & Customary Rates
Calendar Year Deductible per person	\$0	\$50	\$50
Calendar Year Deductible per family	\$0	\$150	\$150
Calendar Year Maximum	No Maximum	\$1,500	\$2,000
Preventative Services Routine oral exams, routine cleanings, fluoride treatment (frequency limitations may apply)	100% no co-pay x-rays are preventative (frequency limitations apply)	100% no deductible Bitewing x-rays Benefits paid for Type I Preventative Services will not be applied to the Calendar yearly Maximum	100% no deductible Bitewing x-rays Benefits paid for Type I Preventative Services will not be applied to the Calendar yearly Maximum
Restorative Services (Type II Basic) Fillings, all other x-rays, simple extractions	Various co-pay amounts based on what service is performed	80% after deductible	80% after deductible
Major Services Crowns, bridgework, dentures, oral surgery, extractions, endodontics (root canals, etc.), periodontics (treatment of gums), implants	Various co-pay amounts based on what service is performed Implants are not covered on DHMO	50% after deductible	50% after deductible
Orthodontic Services (braces)	Employee co-pay amounts \$300 Bracketing, \$2,000 child, \$2,200 adult	50% \$0 deductible	50% \$0 deductible
Orthodontic Maximum	No Maximum	\$1,000	\$1,000

Assurant Employee Benefits is the brand name for dental insurance underwritten by Union Security Insurance Company and DHMO dental provided by United Dental Care of Texas, Inc. Plans contain limitations, exclusions, and restrictions.

This document provides only a brief summary of the dental plans. For complete details, please refer to the dental plan documents that are provided to the Travis County employees and retirees during open enrollment. For additional information or questions please contact Assurant Employee Benefits.

Assurant Employee Benefits DHMO 189	Assurant Employee Benefits Preferred-MAC Plan	Assurant Employee Benefits Freedom Preferred-PPO Plan (High Option)
<p>DHMO- You must select a plan Dentist to receive services. Except for certain specialty dental services, all services must be performed by this selected plan dentist. When you enroll for benefits, treatments you receive from your selected plan Dentist will be provided at reduced fees called co-payments.</p>	<p>MAC-Plan allows employee to have access to the DHA[®] PPO providers and take advantage of their fee discounts. Dentists participating in the DHA[®] networks have agreed to discount their usual fees. DHA[®] dentists will not balance bill patients the difference between what they usually charge and the agreed upon discount.</p>	<p>An Access plan allows employees to have access to Dental Health Alliance[®], L.L.C. (DHA[®]) providers and take advantage of their fee discounts. Dentists participating in the DHA[®] networks have agreed to discount their usual fees by up to 20% for employees and their dependents.</p>
	<p>Treatment is available from dentists who do not participate in DHA[®], but their fees are subject to a Maximum Allowable Charge (MAC). A MAC is the most we will pay per procedure to non-participating dentists. In addition to any deductible and coinsurance amounts, the patient is also responsible for fees in excess of the MAC.</p>	<p>Benefits are paid at the negotiated fee level for in network providers. Benefits for services from out-of-network providers will be paid at the 90th percentile of the amount charged by the majority of dentists in the area.</p>
	<p>The allowable amount for non-participating dentists is based on 45% off the 80th percentile of usual and customary. This means that at least 8 out of 10 charges in a given geographical area are at or below what is considered usual and customary.</p>	



Dental Health Alliance, L.L.C. (DHA) would like to use information about Travis County (the Company) to recruit additional dentists to join the DHA dental PPO network (Network) and retain existing dentists in the Network.

Please review the following statements carefully:

1. I represent that I am an officer of the Company and that I am authorized to enter into this authorization and consent on behalf of the Company.
2. I acknowledge that the Company and its covered persons would benefit from the recruitment and retention of dentists in the Network and that the use of information about the Company could assist in the recruitment and retention of dentists.
3. The Company authorizes and consents to the use by DHA and its affiliates of the Company's name, location, number of employees, and business relationship with DHA and its affiliates in printed, spoken and electronic communications (Communications) to recruit and retain dentists in the Network.
4. All Communications, whether or not they contain information about the Company, are and will remain the sole property of DHA and its affiliates. DHA and its affiliates will have the right to copyright or otherwise legally protect Communications and the means by which they are stored. The Company will not receive and is not entitled to any current or future compensation related to Communications or their use.
5. This authorization and consent will remain in effect until the Company's covered persons no longer are entitled to access the Network (unless earlier revoked), and for such additional period as may be reasonably necessary to remove the Company's name from Communications. The Company may revoke this authorization and consent by providing at least 30 days' advance written notice to DHA at the following address: Dental Health Alliance, L.L.C., Attn: Supervisor, Network Development, 2323 Grand Boulevard, Kansas City, MO 64108.

This Authorization and Consent is agreed to by the Company effective _____
PRINT DATE

Travis County

By _____

Print name _____ Print title _____



Dental Health Alliance, L.L.C.® (DHA®) is operated by Assurant Employee Benefits and owned by Union Security Insurance Company and Assurant, Inc.

FY13 UNUM BASIC LIFE AND AD&D RATES

100% County paid for every active benefited employee

BASIC LIFE.....	\$.14 per \$1,000
ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)	\$.025 per \$1,000

**Estimate of FSA Admin Fees Compared to
FSA County Social Security Medicare Savings**

	# Current Participants	Rate	Total/Mo	Total Annual		
FSA Accounts	1,068	\$ 4.03	\$ 4,304.04	\$ 51,648.48		
QTB Participants	5	\$ 4.03	\$ 20.15	\$ 241.80		
Both FSA & QTB	11	\$ 7.82	\$ 86.02	\$ 1,032.24	Total Admin Fees	\$ 52,922.52

	Monthly FSA deductions	Soc Security Rate	Medicare Rate	Total Monthly Savings		
Federal Soc Sec & Medicare Savings	\$ 71,000	7.65%	1.45%	\$ 6,461.00	Annual Soc Sec & Medicare Savings	\$ 77,532.00

Admin Fees less Savings	\$ (24,609.48)
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**FY13 Monthly Rates for Active Employee Supplemental Life/AD&D Coverage –
Age Rated
Employee pays 100% of cost**

Amount of coverage selected cannot be more than 4 x annual salary.

Minimum Annual Salary Employee	\$1	\$6,251	\$12,501	\$18,751	\$25,001	\$31,251	\$37,501	\$43,751	\$50,001	\$56,251
Age as of Oct 1	25,000	50,000	75,000	100,000	125,000	150,000	175,000	200,000	225,000	250,000
less than 25	1.50	3.00	4.50	6.00	7.50	9.00	10.50	12.00	13.50	15.00
25-29	1.50	3.00	4.50	6.00	7.50	9.00	10.50	12.00	13.50	15.00
30-34	2.25	4.50	6.75	9.00	11.25	13.50	15.75	18.00	20.25	22.50
35-39	2.25	4.50	6.75	9.00	11.25	13.50	15.75	18.00	20.25	22.50
40-44	3.25	6.50	9.75	13.00	16.25	19.50	22.75	26.00	29.25	32.50
45-49	4.75	9.50	14.25	19.00	23.75	28.50	33.25	38.00	42.75	47.50
50-54	7.75	15.50	23.25	31.00	38.75	46.50	54.25	62.00	69.75	77.50
55-59	10.75	21.50	32.25	43.00	53.75	64.50	75.25	86.00	96.75	107.50
60-64	17.25	34.50	51.75	69.00	86.25	103.50	120.75	138.00	155.25	172.50
65-69	25.50	51.00	76.50	102.00	127.50	153.00	178.50	204.00	229.50	255.00
70+	44.50	89.00	133.50	178.00	222.50	267.00	311.50	356.00	400.50	445.00

**FY13 Pay-Period Rates for Active Employee Supplemental Life/AD&D Coverage - Age Rated
Employee pays 100% of cost**

Amount of coverage selected cannot be more than 4 x annual salary.

Minimum Annual Salary Employee	\$1	\$6,251	\$12,501	\$18,751	\$25,001	\$31,251	\$37,501	\$43,751	\$50,001	\$56,251
Age as of Oct 1	25,000	50,000	75,000	100,000	125,000	150,000	175,000	200,000	225,000	250,000
less than 25	0.75	1.50	2.25	3.00	3.75	4.50	5.25	6.00	6.75	7.50
25-29	0.75	1.50	2.25	3.00	3.75	4.50	5.25	6.00	6.75	7.50
30-34	1.13	2.25	3.38	4.50	5.63	6.75	7.88	9.00	10.13	11.25
35-39	1.13	2.25	3.38	4.50	5.63	6.75	7.88	9.00	10.13	11.25
40-44	1.63	3.25	4.89	6.50	8.13	9.75	11.38	13.00	14.63	16.25
45-49	2.38	4.75	7.14	9.50	11.89	14.25	16.63	19.00	21.38	23.75
50-54	3.88	7.75	11.64	15.50	19.38	23.25	27.13	31.00	34.88	38.75
55-59	5.38	10.75	16.14	21.50	26.88	32.25	37.63	43.00	48.38	53.75
60-64	8.63	17.25	25.89	34.50	43.13	51.75	60.38	69.00	77.63	86.25
65-69	12.75	25.50	38.25	51.00	63.75	76.50	89.25	102.00	114.75	127.50
70+	22.25	44.50	66.75	89.00	111.25	133.50	155.75	178.00	200.25	222.50

**Dependent Family Supplemental Life Coverage - Unit Cost
Employee pays 100% of cost**

Family Coverage	Coverage Amount	
Spouse	\$10,000	\$0.77 per pay-period
Children (14 days to 6 months)	\$1,000	\$1.54 per month
Children (6 months to age 26)	\$5,000	

**Dependent Spouse Supplemental Life Coverage - Age Rated
Employee pays 100% of cost**

Spouse Age as of Oct 1	Per Month		Per Pay-Period	
	\$10,000	\$20,000	\$10,000	\$20,000
less than 25	0.40	.80	0.20	0.40
25-29	0.40	.80	0.20	0.40
30-34	0.70	1.40	0.35	0.70
35-39	0.70	1.40	0.35	0.70
40-44	1.10	2.20	0.55	1.10
45-49	1.70	3.40	0.85	1.70
50-54	2.90	5.80	1.45	2.90
55-59	4.10	8.20	2.05	4.10
60-64	6.70	13.40	3.35	6.70
65-69	10.00	20.00	5.00	10.00
70+	17.60	35.20	8.80	17.60

**TRAVIS COUNTY
RETIREE LIFE INSURANCE
FY13**

CIGNA Life Insurance Company

RETIREE LIFE INSURANCE (selections based on age of retiree not dependent)	Basic Coverage Guarantee issue	Basic Monthly Cost	Basic Selection x	Additional Life* (Buy up option-requires approval)	Monthly Cost of Buy up Coverage	Total Monthly Cost Basic + buy up option	Buy up option Selection x
RETIREE LIFE age 70 or less	Basic \$15,000	\$2.08/mo		\$10,000*	\$4.84/mo	\$6.92 for \$25,000	
RETIREE SPOUSE LIFE age 70 or less	Basic \$7,500	\$2.08/mo		\$5,000*	\$4.84/mo	\$6.92 for \$12,500	
			Selection X				Selection X
RETIREE LIFE age 71 or more	Basic \$5,000	\$5.90/mo		\$5000	\$8.80/mo	\$14.70 for \$10,000	
				\$10000	\$17.60/mo	\$23.50 for \$15,000	
				\$15000	26.40/mo	\$32.50 for \$20,000	
RETIREE SPOUSE LIFE age 71 or more	Basic \$2,500	\$2.95/mo		\$2500	\$4.40/mo	\$7.35 for \$5,000	
				\$5000	\$8.80/mo	\$11.75 for \$7,500	

Last year we offered for the first time to the over 71 retirees an option to apply for a "buy up" option for their life insurance, like we had offered to the under 71 retirees in the past.. Enrollment in basic retiree life is required for the "buy up" option. It does require carrier approval and completion of an evidence of insurability form. *(Answering health questions).*

If you are interested in a buy up option on retiree life insurance, (both over and under age 71) you should complete the attached Evidence of Insurability form and send directly to CIGNA, (keeping a copy for your records). CIGNA will respond directly to applying retirees when underwriting process is complete. No need to reapply if you have been previously approved or disapproved.

Note: Not everyone will be approved.

FY13 CIGNA Rates for Short Term and Long Term Disability.

Short Term Disability	Long Term Disability
Salary rated based on salary as of Aug. 31 each year	Salary rated based on salary as of Aug. 31 each year
\$.30 per \$10 of weekly covered salary	\$.05 per \$100 of salary
Approximately \$591,480.72 annual premium	Approximately \$780,799 annual premium
100% Employee paid, no County funds.	100% Employee paid, no County funds.

Fy13 CIGNA PERSONAL PROTECTION PLAN

(stand alone AD&D) rates

100% employee paid, no County contribution

Employee only rate \$.02 per \$1000
Family rate \$.035 per \$1000

Month	Active/Cobra	Retirees	Total	Rate	Actives	Retirees	Total
2012-6	4,357	680	5,037	\$ 42.70	\$ 186,043.90	\$ 29,036.00	\$ 215,079.90
					\$ 186,043.90	\$ 29,036.00	\$ 215,079.90

Attachment 5-Stoploss

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