

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Policy Session Worksheet

**Presentation Date:** October 18, 2016 **Approx Start Time:** 3:00 PM **Approx Length:** 60 Minutes

**Presentation Title:** Benefits Update

**Department:** Employee Services

**Presenters:** Evelyn Minor-Lawrence, Director of Employee Services

**Other Invitees:** Kristi Durham, Benefits Manager

**EXECUTIVE SUMMARY:** This policy session is to provide the Board with information regarding upcoming benefits changes for the 2017 plan year. We have concluded the annual health plan renewals through the Benefits Review Committee and are presenting these changes to the Board in preparation for future Board action as part of the Open Enrollment process.

**FINANCIAL IMPLICATIONS (current year and ongoing):** Not available at this time. Our broker Mercer is currently compiling this information.

**LEGAL/POLICY REQUIREMENTS:** None at this time. DES is working with providers to complete plan contract documents. When completed, they will be reviewed and approved by County Counsel prior to submission to the Board for final approval at an upcoming policy session and business meeting.

**PUBLIC/GOVERNMENTAL PARTICIPATION:** N/A

**OPTIONS:**

None at this time, this policy session is informational only.

**RECOMMENDATION:** None at this time. DES will be presenting final plan year contracts for approval by the Board at a later date.

**ATTACHMENTS:**

- Benefits Update PowerPoint Presentation
- Benefits Communications Plan
- Save the Date Flyer
- General County – Plan Options

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval \_\_\_\_\_

County Administrator Approval \_\_\_\_\_

<p>For information on this issue or copies of attachments, please contact: Evelyn Minor-Lawrence @ 503-655-8812.</p>
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# Benefits Update

Presentation to the Board of County Commissioners

By the Department of Employee Services

10/18/2016

# Current State

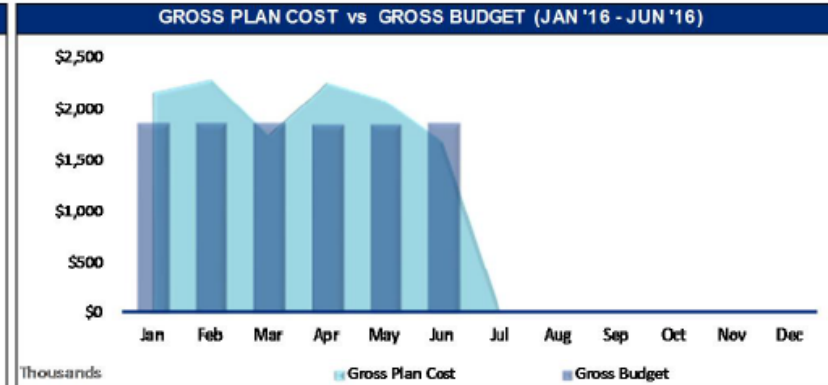
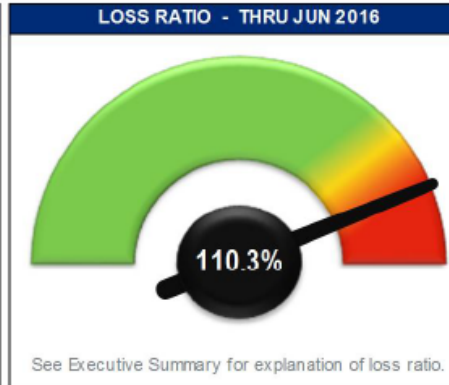
- Significant medical plan renewal increases
- Underutilization of preventive benefits
- Increased need for participant education

# Current State

- Significant medical plan renewal increases
  - Claims experience across all medical plans

# TOTAL MEDICAL & PHARMACY YEAR-TO-DATE (YTD) JUNE 2016

BUDGET SUMMARY - THRU JUN 2016	
<b>Gross Plan Cost</b>	<b>\$12,306,603</b>
PEPM	\$1,493.70
<b>Gross Budget</b>	<b>\$11,154,583</b>
PEPM	\$1,353.88



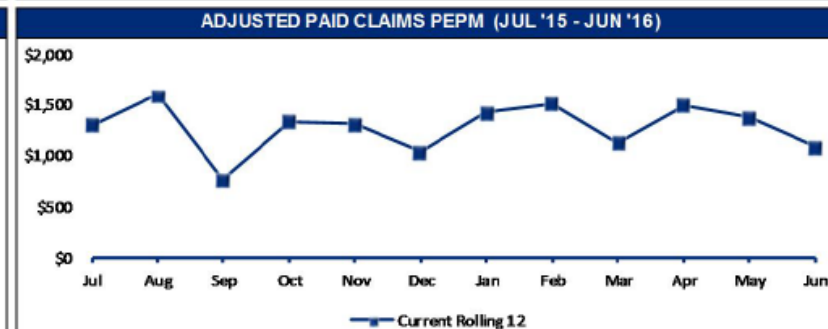
GROSS PLAN COST DETAIL - THRU JUN 2016		
<b>Gross Paid Claims</b>	<b>\$11,280,876</b>	<b>88.6%</b>
Stop Loss Reimbursements	(\$306,043)	
Rx Rebates	(\$74,875)	
Other Claims Adjustments	\$0	
<b>Adjusted Paid Claims</b>	<b>\$10,899,958</b>	88.6%
Stop Loss Fees	\$906,784	7.4%
Other Fixed Costs	\$499,860	4.1%
<b>Gross Plan Cost</b>	<b>\$12,306,603</b>	

ENROLLMENT SUMMARY - THRU JUN 2016 (AVERAGE)

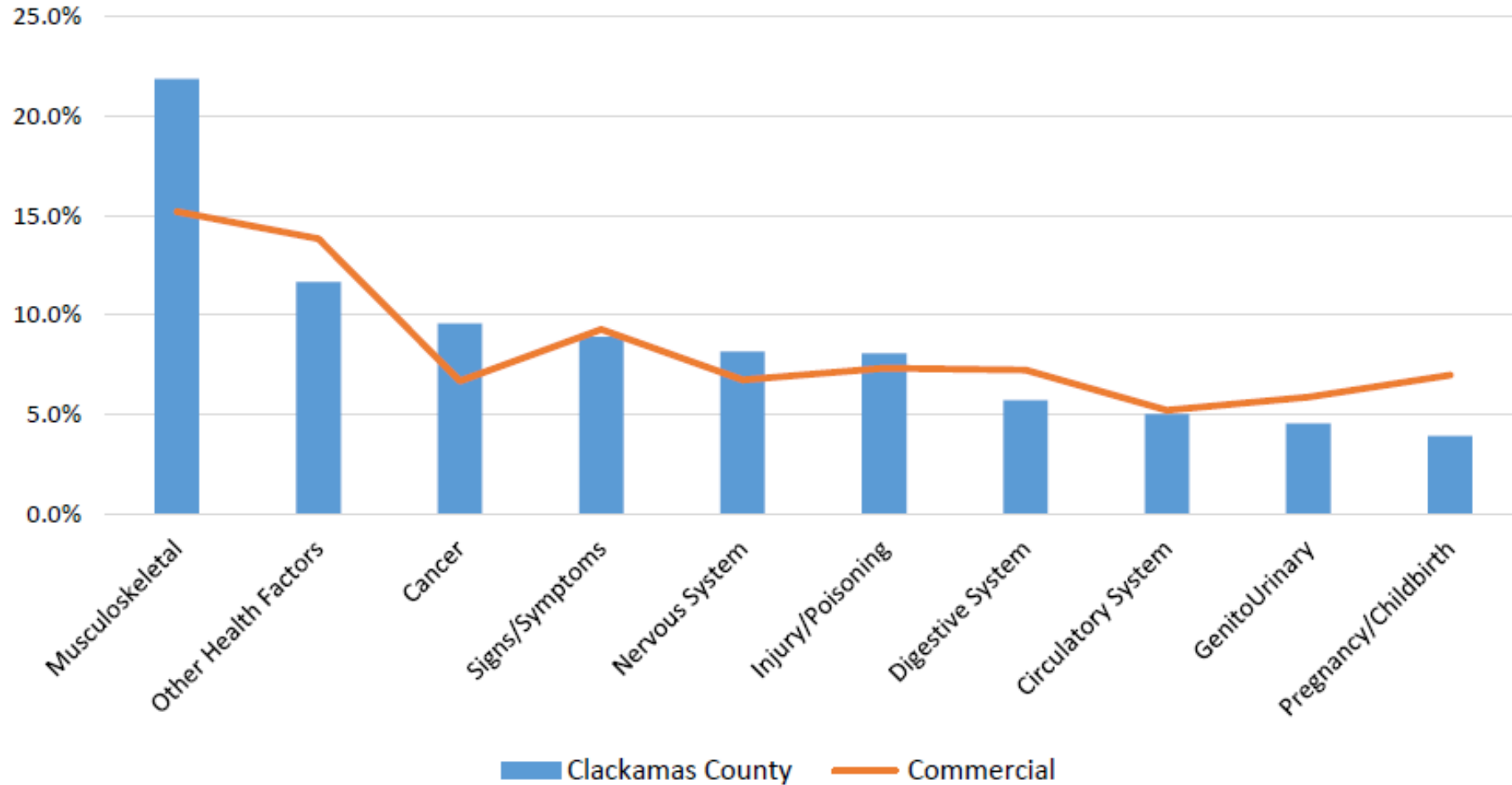
Tier	Current
EE Only	319
EE + Spouse	327
EE + Child(ren)	149
EE + Family	579
<b>Total Avg Enrollment</b>	<b>1,373</b>

CLAIM COSTS DETAIL - THRU JUN 2016		
<b>Gross Paid Claims</b>	<b>\$11,280,876</b>	<b>84.6%</b>
Medical	\$9,544,060	84.6%
Rx	\$1,736,817	15.4%

Amounts are prior to adjustment (i.e. Stop Loss Reimbursements, Rx Rebates, etc.)



## Distribution of Allowed Cost by Body System Calendar Year 2015



# Current State

- Underutilization of preventive benefits

# Utilization Preventive Care Benefits

## Clackamas County 1/1/2015 – 12/31/2015

Preventive Care Benefit	# of Members Utilizing Benefits	# of Cohort Eligible Members	% of Cohort Members Utilizing Benefits <sup>1</sup>	PHP Commercial Benchmark CY 2014	School District Trust % Difference from Benchmark
<b>Periodic Health Exams and Well-Baby Care<sup>2</sup></b>					
Members: Ages 0-2	76	86	88.4%	89.4%	-1.2%
Members: Ages 3-11	252	423	59.6%	46.2%	29.0%
Members: Ages 12-17	160	347	46.1%	32.6%	41.6%
Members: Ages >=18	548	2,918	18.8%	18.2%	3.1%
Members: All	1,036	3,774	27.5%	24.5%	11.9%
<b>Routine Immunizations<sup>3</sup></b>					
Members: Ages 0-2	75	86	87.2%	85.9%	1.5%
Members: Ages 3-11	212	423	50.1%	48.8%	2.7%
Members: Ages 12-17	157	347	45.2%	41.5%	9.0%
Members: Ages >=18	983	2,918	33.7%	33.6%	0.1%
Members: All	1,427	3,774	37.8%	37.5%	1.0%

### Comments:

1. % Utilization is calculated as the # of members with >= 6 Member Months (MM) utilizing the service at any time during the measurement period as a % of the # of eligible cohort of members with >= 6 MM. The Benchmark includes all Large Groups (fully insured and ASO) and all Market Segments. Members enrolled in Wellness Business Categories (1800 and 1801), HRIC (0902) and Elder Place (6000 and 6001) are excluded.
2. Members having at least one wellness exam during the measurement period. Diagnostic office visits are excluded.
3. Flu Vaccinations are included under Routine Immunizations. Flu Vaccinations will be under-reported for employer groups that offer on-site flu vaccinations that are not billed to PHP, as well as any other vaccination programs for which PHP does not receive claims. Benchmark ages >= 18 excludes groups that offer on-site flu vaccinations that are not billed to PHP.



# Current State

- Increased need for participant education

	Plan Element	2012	2013	2014	2015	2016
DEDUCTIBLE	Kaiser	\$0	\$0	\$0	\$0	\$0
	Providence Personal Option	\$250	<b>\$500</b>	\$500	<b>\$250</b>	<b>\$500</b>
	Providence Open Option	\$250	<b>\$500</b>	\$500	<b>\$250</b>	<b>\$500</b>
OUT-OF-POCKET MAX	Kaiser	\$600	\$600	\$600	\$600	\$600
	Providence Personal Option	\$1,200	\$1,200	\$1,200	\$1,200	<b>\$1,500</b>
	Providence Open Option	\$2,000	\$2,000	\$2,000	\$2,000	<b>\$2,500</b>

# Path Forward

- Strategic medical plan changes
  - Value, Base, Buy-up model
- Participant outreach
  - Communications plan
  - Expand Open Enrollment on-site meetings
- Greater utilization of carriers and partners
  - Disease and case management
  - Data analytics
- Sharpen the focus of our wellness program

## **Communications Plan – Changes to Employee Benefits**

The following is a list of proposed actions that PGA will take, starting the week of Monday, Aug. 29, regarding the expected changes to county benefits (health care) for employees. This action was requested by DES. Thus far, PGA has had a short meeting with DES Director Evelyn Minor-Lawrence and Benefits Manager Kristi Durham, and two longer meetings with Durham, to explain the situation.

**Background:** Due to a sizable increase in health claims over the past year(s) from county employees and retirees, health benefits are expected to change for all that currently enjoy them. Depending on an individual's/family's health plan, changes could be minor or significant. Changes have been minimal in recent years, so a negative reaction is anticipated.

At this time – late August – because of the structured process by which changes are determined (involving a Benefits Review Committee), it is likely that the final changes will not be known until Sept. 29 (or even possibly later).

Goals of the communications detailed below are:

- Minimize expected worry/isolation/negative reaction of employees/retirees
- Educate as to why this is happening and how DES will continue to meet needs
- Drive individuals to the open enrollment open houses.
- Maximize number of employees/retirees who take advantage of open enrollment period

This last bullet point is key. DES will measure success by how many of the ~1500 universe of affected persons either change their enrollment plan or indicate that they have read/understood communications explaining the change and are opting to remain the same.

It should be stated that communications contained within this plan may be the start of a larger branding narrative for DES and its divisions. While this will be kept in mind with communications, that larger plan can be developed later.

### **Save-The-Dates**

DES, based on its experiences, believes that a Save-The-Date notification should be disseminated this week (~Aug. 31) to the target universe. As it is premature to provide details about the change at this time (due to the lack of finalization), this notification will simply inform as to the dates of the open houses.

Upon receiving the universe list (or email addresses) from DES, PGA will upload the list in GovDelivery and create a graphic for it (the first of many expected). GovDelivery allows PGA to track/monitor the open rate of the email, and to send reminders to those that did not open the initial email. PGA will coordinate with Tech Services to ensure the message is not caught in an email filter.

### **FAQ page**

Through all of the methods of outreach that PGA proposes to use, the crux of our communications will be dependent on a thorough FAQ page on the county intranet. In an approachable tone with very informative language, this page will:

- Explain the reason why changes are occurring
- Offer specific examples of how plans are changing
- Demonstrate how empowering employees/retirees is an essential goal of DES and effectively communicate the options available to them
- Drive people to participate in the open house events
- Provide very specific information (perhaps an Excel file) on the exact changes to be made to plans (if/when available)
- Touch on DES' plan to address the problem in future years, tease at new programs

DES, of course, will sign off on any and all language for this important page. PGA will strive to craft language that builds confidence in DES and ensures the highest level of employee/retiree satisfaction.

### **Email campaign**

In addition to the initial **Save-The-Date** email detailed above, PGA will craft the following email communications. Each one will drive people to the dedicated intranet page:

- An initial email to the entire ~1500 universe breaking the news of the changes (***\*except to retirees***).
- Reminder notifications sent via the County Weekly Update every week until the open enrollment period has ended.
- One week after the initial email, messages sent to distinct sub-universes of affected persons will be disseminated. Groups include those individuals on the:
  - Kaiser plan
  - Providence **Personal Option** plan
  - Providence **Open Option** plan

PGA can also work with DES to identify other groups to receive specifically-tailored emails as well (e.g., POA members)

- **Don Krupp notification:** An email from County Administrator Don Krupp strongly encouraging the universe to pay attention to open enrollment and the open house events this year can be disseminated in mid-October.
- A reminder email will be sent to all groups one week ahead of the open houses.
- “Remember!” notifications will be sent each day of an open house.
- An email sent to all universes about the start of open enrollment.

- One week prior to when enrollment ends, a reminder email will be sent out.
- Last day/chance to enroll: Self-explanatory.

When feasible, each message when be branded with the same look for consistency\*\*.

It is unclear when this email series could begin, as the FAQ page will be dependent on the changes being finalized to the pages. But PGA can develop the general language by mid-late September.

***\* Unfortunately, at this time, the county intranet is inaccessible to the retiree population. A special, all-inclusive email will be sent to this group specifically.***

***\*\* Ryan Johnson will be utilized for some graphical work.***

## **Fliers/Materials/Presentations**

DES is planning to conduct outreach directly at department/division meetings. Additionally, staff may make presentations at the EMT/managerial meetings. To this end, PGA will assist DES staff with:

- **Flier development\*\*** about changes/open houses: To be shared via hard copy at meetings and graphically for follow-up from directors/managers to staff. Other materials can be requested by DES as desired. All materials will drive people to this intranet page
- **Presentation feedback\*\***: PGA staff can provide feedback to DES about any PowerPoint presentations upon request.

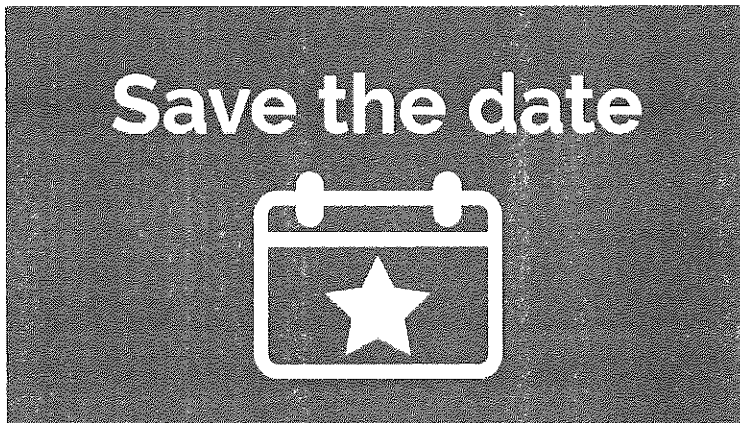
***\*\* Ryan Johnson will be utilized for some graphical/feedback work.***

Again, the above recommendations only relate to communications about open enrollment/open houses. DES has indicated the desire for a long-term, ongoing communication campaign aimed at a philosophical shift for employees/retirees and their benefits (“We’re all in this together” style, with programs). PGA will follow up with DES in November-December to address these points.

Hill, Caroline

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**From:** Clackamas County <clackamascounty@public.govdelivery.com>  
**Sent:** Thursday, September 01, 2016 2:58 PM  
**To:** Durham, Kristi  
**Subject:** Save the Date! Benefits open houses!



### Save-the-Date! Benefits open houses!

Dear Clackamas County benefits-eligible employees:

The Open Enrollment open house event dates are set! Mark your calendars now!

Open houses are **Wednesday, Nov. 2**, and **Tuesday, Nov. 8**. Each will take place from 11 a.m. to 3 p.m. in the first floor of the county's Development Services Building on the Red Soils campus in Oregon City. **Flu shots will also be available!**

This year's Open Enrollment period, which is your annual opportunity to make benefit plan changes, runs from Oct. 31 through Nov. 16.

Please come join us on one of the days! Our partners and staff will be on hand to answer any of your questions and share ideas!

In thanks,  
Your Clackamas County Benefits Team



Questions?  
Contact Us

STAY CONNECTED:



SUBSCRIBER SERVICES:  
[Manage Preferences](#) | [Unsubscribe](#) | [Help](#)

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This email was sent to [kdurham@clackamas.us](mailto:kdurham@clackamas.us) using GovDelivery, on behalf of: Clackamas County · 2051 Kaen Road · Oregon City, OR 97045



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**Clackamas County**  
**General County - Plan Options**  
**Effective January 1, 2017**  
**October 6, 2016**

	Fully Insured	Self-Funded	
	Kaiser	PHP (Personal)	PHP (Open)
2017 Composite Rate that Causes County to Hit Cap of \$1,440.14:	<b>\$1,516.00</b>	<b>\$1,516.00</b>	<b>\$1,516.00</b>
Negotiated 2017 County Contribution Cap:	<b>\$1,440.14</b>	<b>\$1,440.14</b>	<b>\$1,440.14</b>
Employee Portion:	<b>\$75.86</b>	<b>\$75.86</b>	<b>\$75.86</b>
Renewal Composite if No Plan Changes Made:	<b>\$1,446.64</b>	<b>\$1,664.00</b>	<b>\$1,712.00</b>
\$ Savings Needed to Reduce 2017 Composite to \$1,516:	<b>\$69.36</b>	<b>(\$148.00)</b>	<b>(\$196.00)</b>
Current 2016 Composite:	<b>\$1,334.27</b>	<b>\$1,436.00</b>	<b>\$1,476.00</b>

General County Plan Design	As-Is			Value		Base		Buy-Up	
	Kaiser	Personal	Open	Kaiser		Personal		Open	
Deductible	\$0	\$500	\$500	\$250	(40.23)	\$1,000	(60.00)	\$750	(24.00)
Out-of-Pocket Maximum	\$600	\$1,500	\$2,500	\$1,000	-	\$3,000	(53.00)	\$2,500	-
Office Visit Copayment	\$10	\$20	\$15	\$10	-	\$25	(8.00)	\$20	(7.00)
Inpatient Hospital Coinsurance	0%	20%	10%	10%	-	20%	-	10%	-
Emergency Room Copayment	\$75	\$100	\$100	\$75	-	\$100	-	\$100	-
Lab & X-ray Coinsurance	0%	0%	10%	0%	-	10%	(7.00)	0%	7.00
Outpatient Coinsurance (copay for Kaiser)	\$10	20%	10%	\$10	-	20%	-	10%	-
Alternative Care Annual Maximum	\$1,500	\$2,000	\$2,000	\$1,500	-	\$2,000	-	\$2,000	-
Alternative Care Copayment	\$10/\$25	\$20	\$15	\$10/\$25	-	\$25	(3.00)	\$20	(3.00)
Pharmacy (Rx) Retail Copayment	\$10/\$20	\$15/\$30	\$15/\$30	\$10/\$20	-	\$10/\$10 /50%<\$200 /50%<\$200	-	\$15/\$30	-
Pharmacy (Rx) Mail Order Copayment	2x Retail	2x Retail	2x Retail	2x Retail	-	2x Retail	(21.00)	2x Retail	-
Renewal Composite	\$1,446.64	\$1,664.00	\$1,712.00	\$1,446.64		\$1,664.00		\$1,712.00	
Option Composite	\$1,446.64	\$1,664.00	\$1,712.00	\$1,406.41		\$1,512.00		\$1,685.00	
Employer Renewal Contribution	\$1,374.30	\$1,440.14	\$1,440.14	\$1,336.09		\$1,436.40		\$1,440.14	
Overall Percentage Increase	8.4%	15.9%	16.0%	5.4%		5.3%		14.2%	
Employee Current Contribution	\$67.69	\$67.44	\$76.44	\$67.69		\$67.44		\$76.44	
Employee New Contribution	<b>\$72.33</b>	<b>\$223.86</b>	<b>\$271.86</b>	<b>\$70.32</b>		<b>\$75.60</b>		<b>\$244.86</b>	
Difference	\$4.64	\$156.42	\$195.42	\$2.63		\$8.16		\$168.42	
Employee Percentage Increase	7%	232%	256%	4%		12%		220%	