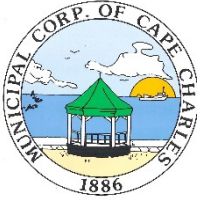




TOWN COUNCIL
Special Meeting
March 7, 2024
Cape Charles Civic Center
6:00 PM

1. Call to Order
 - A. Roll Call
 - B. Establish quorum
2. Moment of Silence and Pledge of Allegiance
3. Public Comments (3 minutes per speaker for agenda item only)
4. Order of Business:
 - *A. [2024-2025 Employee Health Insurance Presentation & Renewal](#)
5. Town Manager Comments
6. Mayor & Council Comments (5 minutes per speaker)
7. Adjournment

 TOWN OF CAPE CHARLES	AGENDA TITLE: 2024-2025 Renewal of Employee Health Insurance Presentation		AGENDA DATE: March 7, 2024
	SUBJECT/PROPOSAL/REQUEST: Council to review and approve the renewal and proposed changes to the health insurance plan for 2024-2025		ITEM NUMBER: 4A
	ATTACHMENTS: Exhibit A – Plan presentation, Exhibit B – Three Plan Comparison from Optima/Sentara		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): Jodi Outland, Director of HR	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

The Town is currently in Open Enrollment for our employee Health Insurance program which will renew on April 1, 2024. Each year at this time, staff presents our renewal options and seeks Council concurrence for program design in the next plan year.

ITEM SPECIFICS:

The Town's renewal of the current Optima (Sentara) fully insured plans came back with a 3% decrease in premiums. The Town reviewed quotes from Anthem and United Health Care, whose rates were comparable to the Sentara '24-'25 renewal. The Town feels that it is not worth the disruption to move to another carrier. Employees just made the transition last year and there have been few complaints.

This proposal recommends that the Town move forward with renewing with Sentara, however, the Town does recommend replacing one of the three silver plans with a lower deductible gold plan that offers lower out of pocket costs. During last year's open enrollment, there were several complaints that all three of the plans offered had high deductibles and higher out-of-pocket expenses than in previous years. By offering a gold plan, employees will have more options to choose from, even if it means a higher payroll deduction for a more robust plan. The Town proposes to continue to offer an employer funded Health Reimbursement Account (HRA) as well as the Wellness & Health Incentive Program, both of which were introduced in 2023. The Town will continue the voluntary vision, an employee-funded Flexible Savings Account, as well as voluntary benefits such as hospitalization, accident, etc.

New this year, the Town proposes a standalone Telehealth plan that would be offered to all full time and part time employees. (covered 100% for full-time employees and as a voluntary benefit for part-time employees). This is a result of the fact that employees, and the general population, have a very difficult time getting into see a provider when they are sick and usually have to travel to an urgent care an hour away for many ailments that could be treated virtually.

Plan components include:

Medical Insurance	Vision Coverage
Dental Insurance	Flexible Savings Account
Employer contribution to health premiums	Employer funded HRA
Wellness Incentive Plan	Employer covered Telehealth
Employee Assistance Program (EAP)	

The Town is only as good as the people who work for it and being able to recruit and retain employees is a significant challenge in this market. Benefits are one of the most important factors when employees are deciding to work for an organization.

RECOMMENDATION:

Staff recommends that Council approves the 2024-2025 (FY25) benefit package, as outlined in the attached presentation, which is set to renew on April 1, 2024.

2024-2025 HEALTH INSURANCE PRESENTATION

TOWN OF CAPE CHARLES



1



2

SUMMARY

Optima (SENTARA HEALTH) came back to us this year with a **3% decrease** in premiums!

- Our new broker, Landmark Insurance, also quoted Anthem and United Health Care.
- Both Anthem & UHC's rates were comparable with some slight plan differences. For example, with UHC, an employee would need a referral to access appointments other than their PCP. Anthem would not allow us to offer more than 2 plans and the out-of-pocket max was slightly higher.
- It is not worth the disruption to move to another carrier. Employees just made the transition last year and there have been few complaints about Sentara.

3

Last year the Town made a lot of changes:

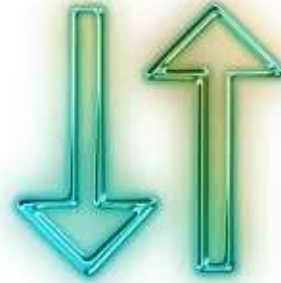
- Moved the group to Optima/Sentara which is a local HMO 
- Only offered plans with high deductibles 
- In order to assist with out-of-pocket expenses, introduced an employer funded Health Reimbursement Plan 
- Introduced a Wellness & Health Incentive Program in which full participation equaled additional employer funding to employees' 2024-2025 HRA 

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The goal for 2024-2025 was to be able to offer an option that had a lower deductible. Some employees indicated that they would be willing to pay more towards their premium deduction for a plan that was richer in benefits and had lower out-of-pocket expenses.

With the decrease in the Town's '24-'25 renewal in overall premium cost, the Town felt that this was do-able:

- Replace the unpopular \$3000 deductible plan, with a \$1,500 deductible plan
- Decrease the employer share from 90% to 85% for the employee-only share, and decrease the employer share for dependents from 40% to 35%
- And because the HRA was introduced last year to help towards deductible and co-pay costs, reduce the HRA funding for employees who enroll in the \$1,500 plan and increase HRA funding for employees enrolled in the \$4000 deductible plans.



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Health Insurance: Employee-Employer Contributions

2023-2024 OPTIMA HEALTH VANTAGE SILVER DIRECT

***TOWN PAYS 90% of the SINGLE- EMPLOYEE ONLY RATE. In addition, TOWN PAYS 40% of the EMPLOYEE'S DEPENDENT COSTS**

	PREMIUM	EMPLOYEE PAYS	ER PAYS	EMPLOYER-MONTHLY per employee	EMPLOYER-FOR DEPENDENTS	EMPLOYEE- MONTHLY	BIWEEKLY DEDUCTION	PLAN DESIGN
PLAN 1								
single	\$583.29	10%	90%	\$524.96	\$0.00	\$58.33	\$26.92	4K deductible
* Plus Spouse	\$1,166.57	60%	40%	\$524.96	256.64	384.97	\$177.68	8650 OOP
* Plus child(ren)	\$1,137.39	60%	40%	\$524.96	244.97	367.46	\$169.60	40/80 co pays
* Family	\$1,720.69	60%	40%	\$524.96	478.29	717.44	\$331.12	20% co-ins.
PLAN 2								
single	\$591.67	10%	90%	\$532.50	\$0.00	\$59.17	\$27.31	3K deductible 8,800 OOP
* Plus Spouse	\$1,183.33	60%	40%	\$532.50	\$260.33	\$390.50	\$180.23	35 (& 70 after Ded)
* Plus child(ren)	\$1,153.73	60%	40%	\$532.50	\$248.49	\$372.74	\$172.03	25% co-insur
* Family	\$1,745.41	60%	40%	\$532.50	\$485.16	\$727.74	\$335.88	
PLAN 3								
single	\$617.72	10%	90%	\$555.95	\$0.00	\$61.77	\$28.51	4K deductible HDHP
* Plus Spouse	\$1,235.44	60%	40%	\$555.95	\$271.80	\$407.70	\$188.17	6900 OOP
* Plus child(ren)	\$1,204.55	60%	40%	\$555.95	\$259.44	\$389.16	\$179.61	0% co-insur after DED
* Family	\$1,822.27	60%	40%	\$555.95	\$506.53	\$759.79	\$350.67	H.S.A. comp.

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Health Insurance: Employee-Employer Contributions

2024-2025 OPTIMA HEALTH VANTAGE SILVER DIRECT

*TOWN PAYS 90% of the SINGLE- EMPLOYEE ONLY RATE. In addition, TOWN PAYS 40% of the EMPLOYEE'S DEPENDENT COSTS For Silver plans

*TOWN PAYS 85% of the SINGLE-EMPLOYEE ONLY RATE. In addition, TOWN PAYS 35% of the EMPLOYEE'S DEPENDENT COST for Gold plan

	PREMIUM	EMPLOYEE PAYS	EMPLOYER PAYS	EMPLOYER-MONTHLY per employee	EMPLOYER-FOR DEPENDENTS	EMPLOYEE-MONTHLY	BIWEEKLY DEDUCTION	PLAN DESIGN
PLAN 1								
single	\$568.65	10%	90%	\$511.79	\$0.00	\$56.87	\$26.25	4K deductible
*Plus Spouse	\$1,137.31	60%	40%	\$511.79	\$250.21	\$375.32	\$173.22	8650 OOP
*Plus child(ren)	\$1,108.88	60%	40%	\$511.79	\$238.84	\$358.26	\$165.35	40/80 co pays
*Family	\$1,677.50	60%	40%	\$511.79	\$466.29	\$699.43	\$322.81	20% co-ins.
PLAN 2- REPLACES! NEW!								
single	\$658.63	15%	85%	\$559.84	\$0.00	\$98.79	\$45.60	\$1500 deductible
*Plus Spouse	\$1,317.27	65%	35%	\$559.84	\$265.10	\$492.33	\$227.23	6500 OOP
*Plus child(ren)	\$1,284.34	65%	35%	\$559.84	\$253.58	\$470.93	\$217.35	25/50 co-pays
*Family	\$1,942.97	65%	35%	\$559.84	\$484.10	\$899.04	\$414.94	20% co-insur
PLAN 3								
single	\$584.64	10%	90%	\$526.18	\$0.00	\$58.46	\$26.98	4K deductible HDHP
*Plus Spouse	\$1,169.28	60%	40%	\$526.18	\$257.24	\$385.86	\$178.09	6900 OOP
*Plus child(ren)	\$1,140.05	60%	40%	\$526.18	\$245.55	\$368.32	\$170.00	0% co-insur after DED
*Family	\$1,724.69	60%	40%	\$526.18	\$479.41	\$719.11	\$331.90	H.S.A. comp.

7

ENCORE! Starring: "What Was New Last Year!"

- The Health Reimbursement Account was very successful and easy to administer. This has been a well received benefit and the Town asks to continue offering it to employees. However, we will be funding the amounts slightly lower than last year for the employees on the Gold plan (\$1,500 deductible) and funding slightly higher amounts for those on the Silver plans (\$4,000 deductible). Adjusting the funding amounts will not be an additional expense to the Town.
- We ask to continue the Wellness & Health Incentive Program. We have not had a huge response, less than 10 employees, however, the Town feels with time this will increase. Many employees were more on top of health and wellness, they just did not track it in order to participate (although we really tried to make it easy!)

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NEW THIS YEAR: TELEHEALTH

A top priority for '24-'25 is a stand alone, easy to use, and reliable Telehealth plan for all employees. Landmark introduced us to SwiftMD, which not only covers telehealth, but also has a Rx plan that offers up to 40 most prescribed Rx's at no cost. At \$7.50 a month per household, the Town could cover all full-time employees and offer this as a voluntary benefit to part-time employees as well.

Sadly, getting in to see a provider when you are sick is VERY difficult. Employees are having to rely on urgent care centers for sick visits which is costly and time consuming.



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Annual Cost to Town-Health Insurance 2023-2024

MEDICAL-OPTIMA	\$224,427.00
DENTAL-DELTA	\$11,829.00
MEDICARE	\$12,780.00
HRA	\$28,950.00*
TOTAL	\$277,986.00
Plan year 2022-2023	\$230,055.00
Increase 2022 to 2023	\$47,931.00

% increase 20.80%

Wellness & Health Incentive Plan **\$7,520**

TOTAL incuding WHIP **\$285,506.00**

*\$750/SINGLE & &1,200/w/DEPENDENTS

Annual Cost to Town-Health Insurance 2024-2025

MEDICAL-OPTIMA	\$203,606.00
DENTAL-DELTA	\$10,702.00
MEDICARE	\$13,845.00
HRA	\$25,651.00*
NEW: TELEHEALTH	\$3,015.00
TOTAL	\$256,819.00**
Current Plan Year 2023-2024	\$277,986.00
Savings 2023 to 2024	\$21,167.00

% decrease 7.60%***

Wellness & Health Incentive Plan **\$6,500**

TOTAL incuding WHIP **\$263,319.00**

* GOLD 500/825 SILVER 825/1325

** 3 additional full-time employees included in these numbers to account for growth or replacements

*** A 7.6% decrease from last last year is attributed to a reduction in work force in utilities fund due to sale to VAW. Numbers include utilities employees for 3 months of coverage

10

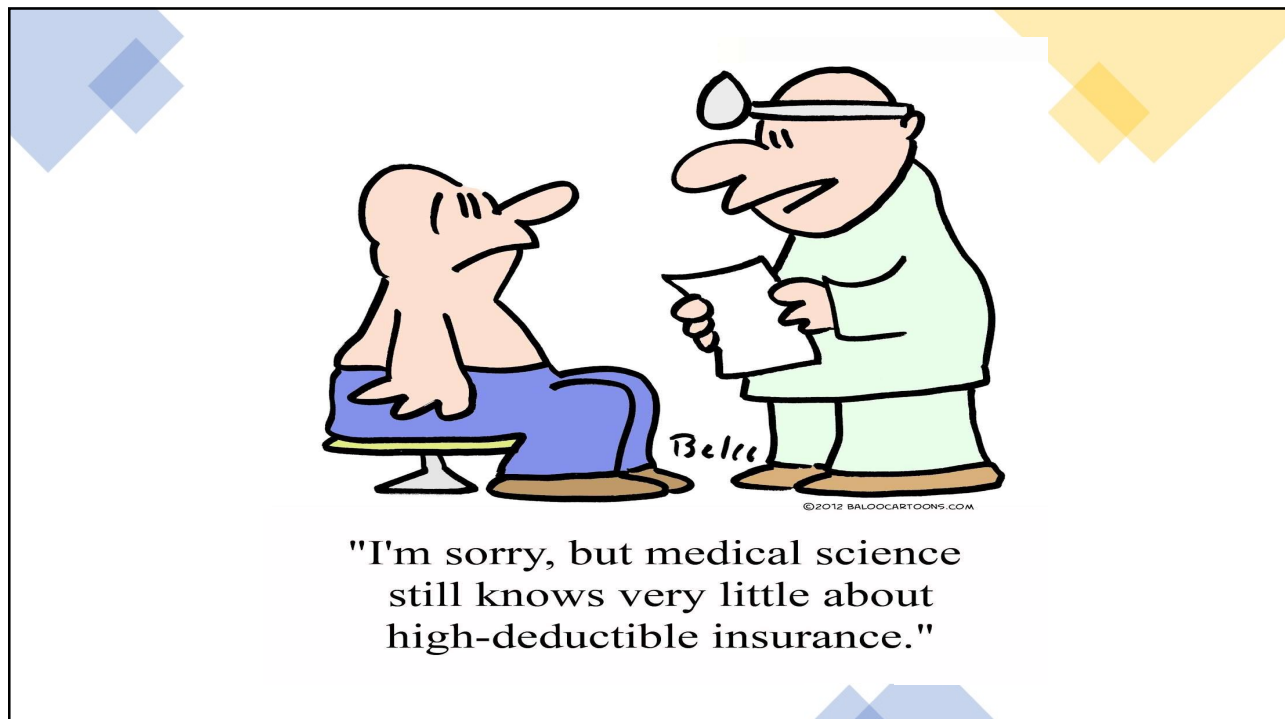
CONCLUSION

- The Town's premiums with Sentara decreased by 3%.
- It is not worth the disruption, nor is there any significant added cost benefit, to switch carriers

The Town Proposes to:

- Introduce one plan with a lower deductible and more affordable out-of-pocket costs
- Continue to fund employee's Health Reimbursement Accounts
- Continue with Delta Dental and pay 100% of the employee-only share
- Keep the vision plan with VSP as a voluntary benefit
- Keep the FSA as a voluntary benefit (as has been done in past years)
- Introduce a robust Telehealth plan
- Keep the Wellness & Health Incentive Plan

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	Plan 1		Plan 2		Plan 3	
Carrier	Sentra/Optima		Sentra/Optima		Sentra/Optima	
Plan Name	Sentara Vantage Silver 4000 Ded 250 RX Ded		SentaraVantage Gold 1500 Ded 200 RX Ded		SentaraVantage HSA Silver 4000 Ded	
Network	Direct Vantage		Direct Vantage		Direct Vantage	
Member Portal	https://sentarahealthplans.healthsparq.com/healthsparq/public/#/one/insurerCode=OPTIMAH_I&bran		https://sentarahealthplans.healthsparq.com/healthsparq/public/#/one/insurerCode=OPTIMAH_I&bran		https://sentarahealthplans.healthsparq.com/healthsparq/public/#/one/insurerCode=OPTIMAH_I&bran	
Additional Information	dCode=OPTIMAH		dCode=OPTIMAH		dCode=OPTIMAH HSA Compatible	
	Tier 1	Out of Network	Tier 1	Out of Network	Tier 1	Out of Network
Medical Deductible & Maximum Out of Pocket						
Individual/Family Medical Deductible	\$4,000/\$8,000	Not Covered	\$1,500/\$3,000	Not Covered	\$4,000/\$8,000	Not Covered
Individual/Family Maximum Medical Out of Pocket	\$8,650/\$17,300	Not Covered	\$6,500/\$13,000	Not Covered	\$6,900/\$13,800	Not Covered
Coinsurance	20% after Deductible	30% after Deductible	20% after Deductible	40% after Deductible	20% after Deductible	40% after Deductible
Physicians Services						
Preventive Care	\$0	Not Covered	\$0	Not Covered	\$0	Not Covered
Virtual Consult	\$0	Not Covered	\$0	Not Covered	\$0 after Deductible	Not Covered
Primary Care Visit	\$40	Not Covered	\$25	Not Covered	\$40 after Deductible	Not Covered
Specialist Care Visit	\$80	Not Covered	\$50	Not Covered	\$80 after Deductible	Not Covered
Emergency Services						
Emergency Room	30% after Deductible	30% after Deductible	30% after Deductible	30% after Deductible	20% after Deductible	20% after Deductible
Urgent Care	\$80	Not Covered	\$40	Not Covered	\$80 after Deductible	Not Covered
Hospital Services						
Inpatient Facility	20% after Deductible	Not Covered	20% after Deductible	Not Covered	\$0 after Deductible	Not Covered
Outpatient Facility	20% after Deductible	Not Covered	20% after Deductible	Not Covered	\$0 after Deductible	Not Covered
Diagnostic Procedures						
Imaging	20% after Deductible	Not Covered	20% after Deductible	Not Covered	\$0 after Deductible	Not Covered
Lab Test	\$80	Not Covered	20% after Deductible	Not Covered	\$0 after Deductible	Not Covered
Pharmacy Deductible and Maximum Out of Pocket						
Individual/Family Drug Deductible	\$250 per person	Not Covered	\$200 per person	Not Covered	Included in Medical	Not Covered
Individual/Family Drug Maximum Out of Pocket	Included in Medical	Not Covered	Included in Medical	Not Covered	Included in Medical	Not Covered
Pharmacy Retail						
ACA Preventive	\$0	Not Covered	\$0	Not Covered	\$0	Not Covered
Generic Drugs (Preferred)	\$25 after Deductible	Not Covered	\$15	Not Covered	\$25 after Deductible	Not Covered
Generic Drugs (Non-Preferred)	\$50 after Deductible	Not Covered	\$50 after Deductible	Not Covered	\$55 after Deductible	Not Covered
Brand Drugs (Preferred)	\$50 after Deductible	Not Covered	\$50 after Deductible	Not Covered	\$55 after Deductible	Not Covered
Brand Drugs (Non-Preferred)	20% after Deductible	Not Covered	20% after Deductible	Not Covered	20% after Deductible	Not Covered
Specialty Drugs	20% after Deductible up to Maximum Copayment \$350	Not Covered	20% after Deductible up to Maximum Copayment \$350	Not Covered	20% after Deductible up to Maximum Copayment \$350	Not Covered
Pharmacy Mail Order (up to 90 day supply)	See Benefit Summary	Not Covered	See Benefit Summary	Not Covered	See Benefit Summary	Not Covered