

Citizens Property Insurance Corporation

Medical and Prescription Drug 2017 Plan Overview

Board of Governors Meeting
September 28, 2016



2017 Medical Plan Overview

Staff Recommendations

- Considerations
 - National medical trend of 6.5 to 8.4% increases projected for 2017
 - Current medical plans design (copays, deductibles, etc.) are competitive
 - Continued shift to employee cost share to align with competitive practice

- Plan funding change will create a projected \$2.2 M savings
 - Florida Blue - Administrative Services Only (ASO)
 - Florida Blue – Stop Loss Carrier
 - CHP - fully insured with a 6.5% premium increase

- 2017 total cost including employee contributions of 18%
 - Citizens Cost \$12.4 M
 - Employee Cost \$2.7 M

2017 Medical Plan Overview

2017 Medical Plan Total Cost Summary

- **Citizens Cost** **\$12.4 M**
- **Employee Contributions (18% of total cost)** **\$ 2.7 M**
 - No increase to employee only coverage level
 - 5% increase to premiums for all dependent coverage levels
- **Total Cost** **\$15.1 M**

Projected Savings

- **Estimated Fully Insured cost** **(\$17.3 M)**
- **2017 Total Cost Savings** **(\$ 2.2 M)**

2017 Medical Plan Overview

Board Action Items

- Contract approvals
 - Medical and Prescription Drug Administrative Services Only (Florida Blue)
 - Stop Loss Coverage for Medical and Prescription Drug Coverage (Florida Blue)
 - Medical and Prescription Drug Insurance (Capital Health Plan)

Requested Board Delegation

With Board approval and execution of the contracts above, the necessary contractual steps will be in place for Citizens to complete transition to a self-funded Medical and Prescription Drug Plan.

Functioning as a self-funded health plan could include additional responsibilities with regard to areas such as accounting for contributions, HIPAA and the Affordable Care Act. Therefore, the following request for delegation by the Board is made:

- That the Board formally delegate the responsibility for day to day oversight and management of the self-funded group Medical and Prescription Drug Plans to Human Resources (** see special note on associated Action Items*).

Appendix

2017 Medical Plan Overview – HMO Plans

Employer/Employee Medical Premium Contributions

Florida Blue HMO

Current 2016	Monthly Rate 2016	Employer Contribution Monthly Premium	Employee Contribution Monthly Premium
Employee Only	\$610.55	\$518.97	\$91.58
Employee & Spouse	\$1,282.14	\$1,089.82	\$192.32
Employee & Child(ren)	\$1,160.03	\$986.83	\$174.00
Family	\$1,904.89	\$1,619.15	\$285.74

Florida Blue HMO ¹

Renewal 2017	Monthly Rate 2017	Employer Contribution Monthly Premium	Employee Contribution Monthly Premium	Employee Monthly Cost Increase
	100%	82%	18%	
Employee Only	\$522.77	\$431.19	\$91.58	\$0.00
Employee & Spouse	\$1,097.81	\$895.87	\$201.94	\$9.62
Employee & Child(ren)	\$993.25	\$810.55	\$182.70	\$8.70
Family	\$ 1,631.02	\$1,330.99	\$300.03	\$14.29

¹ Capital Health Plan (CHP) employee contributions will continue to be set equal to FL Blue HMO. The per capita total cost of this plan is now 11% higher (\$1,605/year) than the FL Blue HMO. Staff will continue to monitor the FL Blue HMO network in Tallahassee as well as the cost of the CHP plan.

2017 Medical Plan Overview – PPO Plans

Employer/Employee Medical Premium Contributions

Florida Blue PPO

Current 2016	Monthly Rate 2016	Employer Contribution Monthly Premium	Employee Contribution Monthly Premium
Employee Only	\$699.94	\$594.94	\$105.00
Employee & Spouse	\$1,469.87	\$1,249.39	\$220.48
Employee & Child(ren)	\$1,329.88	\$1,130.40	\$199.48
Family	\$2,183.80	\$1,856.22	\$327.58

Florida Blue PPO

2017	Monthly Rate 2017	Employer Contribution Monthly Premium	Employee Contribution Monthly Premium	Employee Monthly Cost Increase
	100%	82%	18%	
Employee Only	\$599.31	\$494.31	\$105.00	\$0.00
Employee & Spouse	\$1,258.54	\$1,027.04	\$231.50	\$11.02
Employee & Child(ren)	\$1,138.68	\$929.23	\$209.45	\$9.97
Family	\$1,869.83	\$1,525.87	\$343.96	\$16.38