

GULF BREEZE CITY COUNCIL
SPECIAL MEETING

AUGUST 25, 2015
TUESDAY, 5:00 P.M.
COUNCIL CHAMBERS

1. **ACTION ITEM:**
 - A. Group Health Insurance Renewal
2. New Business
3. Open Forum
4. Adjournment

If any person decides to appeal any decisions made with respect to any matter considered at this meeting or public hearing, such person may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and any evidence upon which the appeal is to be based. The public is invited to comment on matters before the City Council upon seeking and receiving the recognition from the Chair.

City of Gulf Breeze

Memorandum

To: Edwin A. Eddy, City Manager
From: Curt Carver, Deputy City Manager
Date: 8/21/2015
Subject: Group Insurance Renewal

The City has received renewal quotes from the various providers of group insurance products. This includes health, life, dental and vision insurances. Obviously, the largest cost center is group health. The City currently offers a Florida Blue (BCBS) HMO plan. Our renewal quote from BCBS was disappointing and came in at 19% over this year's premium. The FY16 budget targeted an increase in the 10-12% range. As part of their renewal effort on behalf of the City, Rodney Rich & Company also solicited quotes from both United Health Care and Aetna. While multiple programs were evaluated, staff sought to offer employees a consistent level of benefits within budgetary goals.

United Health Care (UHC) responded with a medically underwritten proposal that met both of these objectives. Their Florida Choice Balanced Plan (Option 1) offers the same deductibles and out-of-pocket maximums as the current BCBS program. It is also a 90/10 coinsurance plan. While there is a difference between the plans with respect to the calculation for hospitalizations, employees should experience comparable benefit levels for these types of services subject to the same out-of-pocket maximums. We have also been advised that the provider networks are very comparable. The UHC plan also provides more out-of-state provider options. Enclosed is a summary sheet of the current plan benefits compared to the renewal quote and the recommended UHC plan.

As you can see from the enclosed summary sheet, the UHC Plan is 5.84% higher than the current offering. Staff is recommending that this plan be supplemented with a FlexCare product that offers employees with telephone access to health care providers to treat certain conditions. This is designed to offer employees an alternative to urgent care visits. This will hopefully reduce claims experience and translate into lower insurance costs to the City in the long term. An explanation of this program is also enclosed. The cost of this program is \$7 a month per covered employee. (Please note that the employee's dependents are also eligible to

use this service). Adding the cost of the FlexCare product to the UHC Plan yields a 6.8% increase over the current health care premium.

With respect to the other lines of coverage, there was no change in life, voluntary life, voluntary long term disability and vision insurance. The dental plan increased 5.99% over the current year. The renewal from the Standard Insurance Company for this coverage was still more competitive than quotes received from other providers.

Due to time constraints, I recommend that the renewal information and staff's recommendations be presented to the City Council before the end of the month so that an employee orientation meeting can be scheduled. Representative from Rich & Company will be at both meetings to answer questions and facilitate the process. Should you have any questions, please do not hesitate to contact me.

Recommendation: That the City Council accept the group health insurance proposal from UHC regarding their Florida Choice Balanced (Option 1) Plan supplemented with the FlexCare Program and that the City renew its group dental insurance, life insurance, voluntary life insurance and voluntary long-term disability programs with Standard Insurance Company. Finally, that the City Council renew the City's group vision insurance with Superior Vision.

Enclosures

City of Gulf Breeze Medical Benefit Analysis October 1, 2015

		Current	Renewal	UHC Option 1
		Florida Blue BlueCare HMO Plan 60	Florida Blue BlueCare HMO Plan 60	UHC Florida Choice Balanced OKJ Rx Plan 135
		In-Network Only	In-Network Only	In-Network Only
Rates	Counts			
Employee Only	63	\$469.82	\$559.09	\$497.74
Employee / Spouse	12	\$1,118.18	\$1,330.63	\$1,184.63
Employee / Child(ren)	11	\$864.47	\$1,028.72	\$915.84
Family	21	\$1,465.84	\$1,744.35	\$1,552.95
Estimated Annual Premium		\$999,704	\$1,189,650	\$1,059,112
Percentage Change			19.00%	5.94%
Deductible				
Individual		\$500	\$500	\$500
Family		\$1,000	\$1,000	\$1,000
Coinsurance		90% / 10%	90% / 10%	90% / 10%
Out-of-Pocket Maximum				
Individual		\$3,500	\$3,500	\$3,500
Family		\$7,000	\$7,000	\$7,000
Deductible Type****		Embedded	Embedded	Embedded
Deductible Applies to OOP Max		Yes	Yes	Yes
Hospital Services				
Inpatient Hospitalization		\$325 Per Day to \$1,625 Max	\$325 Per Day to \$1,625 Max	Ded + 10%
Outpatient Hospitalization		\$275 Per Occurrence	\$275 Per Occurrence	Ded + 10%
Emergency Room		\$100	\$100	\$100
Urgent Care		\$45	\$45	\$50
Professional Services				
Office Visit (Primary / Specialist)		\$25 / \$45	\$25 / \$45	\$20 / \$20
Preventative Care		0%	0%	0%
Prescription Drugs				
Deductible		None	None	None
Tier 1 - Generic		\$10	\$10	\$10
Tier 2 - Brand Name		\$30	\$30	\$30
Tier 3 - Non-Preferred		\$50	\$50	\$50

(i) Percentage of Increase is based on current rates

** Refer to plan documents for a list of covered services, and limitations or exclusions

**** Non-Embedded - There is not an individual deductible embedded in the family deductible. Embedded - The individual deductible is embedded in the family deductible.

City of Gulf Breeze Dental Benefit Analysis October 1, 2015

	Current		Renewal		Option 1		Option 2	
	Standard Dental		Standard Dental		Guardian Dental		MetLife Dental	
	In-Network	Out-of Network	In-Network	Out-of Network	In-Network	Out-of Network	In-Network	Out-of Network
Rates	Counts							
Employee Only	54	\$24.20	\$25.64	\$27.90	\$27.28			
Employee / Spouse	23	\$54.20	\$57.44	\$63.90	\$61.10			
Employee / Child(ren)	10	\$73.70	\$78.12	\$79.90	\$83.08			
Family	21	\$96.02	\$101.80	\$109.90	\$108.24			
Estimated Annual Premium		\$63,682	\$67,496	\$72,998	\$71,787			
Percentage Change			5.99%	14.63%	12.73%			
Rate Guarantee			1 Year	1 Year	1 Year			
Minimum Participation Required			Current	Current	Current			
Deductible								
Individual		\$50	\$50	\$50	\$50			
Family		\$150	\$150	\$150	\$150			
Annual Maximum		\$1,500	\$1,500	\$1,500	\$1,750			
Percentage UCR	Negotiated Fee	90th UCR	Negotiated Fee	90th UCR	Negotiated Fee	90th UCR	Negotiated Fee	90th UCR
Diagnostic & Preventive								
Exams								
Cleanings								
Fluoride	100%	100%	100%	100%	100%	100%	100%	100%
Sealants								
Space Maintainers								
X-Rays								
Basic Services								
Fillings								
Endodontics (Root Canal)	100%	80%	100%	80%	100%	80%	100%	80%
Periodontics (Gum Disease)								
Simple Extractions								
Major Services								
Implants								
Crowns, Inlays, Onlays	60%	50%	60%	50%	60%	50%	60%	50%
Bridges and Dentures								
Repairs and Adjustments								
Orthodontics								
Appliances and Related Services		50%	50%	50%	50%	50%	50%	50%
Lifetime Maximum		\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Age Limitation		To Age 19	To Age 19	To Age 19	To Age 19	To Age 19	To Age 19	To Age 19
Other Features								
Waiting Periods		None	None	None	None	None	None	None
Maximum Rollover		Included	Included	Included	Included	Included	Included	Included

** Refer to plan documents for a list of covered services, and limitations or exclusions

Telehealth

24/7 Access to U.S. Board-certified
Doctors and Pediatricians. Anytime.
Anywhere.



A value-added
health benefit
that can level
the playing field.

The Issue

One of the most challenging issues of our time is access to affordable and convenient healthcare. With more people entering the system, a shortage of physicians and increased wait times, the time is right for innovative solutions.

The Solution

FlexCare addresses this challenge by providing users with convenient 24/7 access to the healthcare they need

while offering businesses an innovative solution that reduces absenteeism, increases productivity, promotes consumerism and decreases overall healthcare costs.

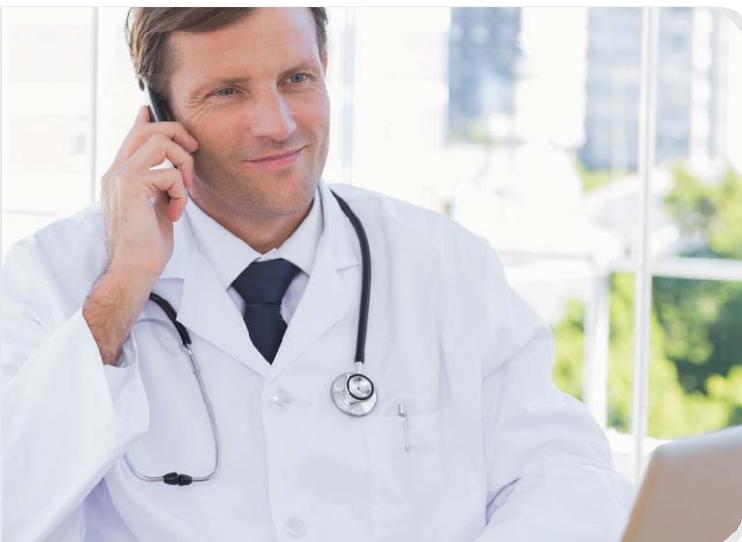
Using telehealth as the core benefit, studies have shown reductions in doctor, urgent care and ER visits resulting in significant decreases in overall healthcare costs. Results also show fewer sick days and increased productivity, while promoting wellness, prevention and personal responsibility.

According to Towers Watson, “Over the next five years...nearly half of employers expect a significant or transformative change. More specifically, 49% expect more healthcare price transparency, and 45% expect to see new access points for healthcare delivery such as telemedicine, e-visits and data-enabled kiosks.”¹

Quality care when and where it's needed.

What is telehealth?

Telehealth is an affordable alternative to unnecessary doctor or urgent care visits that allows members to resolve many medical issues by phone or via online video consultations. Our program provides members (and their immediate families) access to a national network of physicians, available 24 hours a day, 7 days a week. The physicians can diagnose, treat and prescribe medication, when necessary, for many routine medical issues.



Who are the doctors?

- Highest quality board-certified and state-licensed physicians (in all 50 states)
- Experienced—an average of 15 years
- Available 24/7/365
- Credentialed, verified and peer reviewed
- Our quality oversight is the highest in the industry

When should it be used?

- You need care now and can't get to a doctor
- Weekends and holidays when your doctor is not available
- You have a non-emergency condition
- You are on vacation, away from home or on a business trip
- You need a short-term prescription refill
- You want a second opinion

What conditions can be treated?

- Colds and flu
- Bronchitis and respiratory infections
- Headaches, migraines and stomach aches
- Sinus problems and nasal congestion
- Allergies
- Urinary tract infections
- Pediatric care
- Pink eye
- Insect bites and poison ivy
- Prescription refills when deemed appropriate by a physician

How easy is it to access a doctor?

- You can request a consult 24/7 through your home computer
- You can request a consult 24/7 by calling the call center
- You can request a consult 24/7 via a smartphone app



“Telemedicine will play an increasingly central role in getting the right care at the right time to individuals...particularly effective for acute, routine, episodic, self-limited and minor illnesses.”

— “Telephonic Medical Consults Answer the Call for Accessible, Affordable and Convenient Healthcare.”
Position Paper. Center for Health Transformation.

¹<http://www.towerswatson.com/en/Press/2013/03/Employers-Plan-Aggressive-Response-to-Shifting-Health-Care-Landscape-TW-NBGH-Survey-Finds>

How does Telehealth work?

Imagine this . . .

You wake up one morning with cold-like symptoms. You don't want to take time off from work, but you need care now. **What can you do?**

1



You consider urgent care, but don't want to spend the time and money.

2



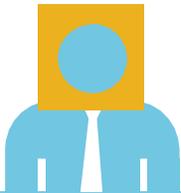
Then you call the doctor.

3



The doctor calls you back about your symptoms.

4



Turns out you have sinus problems.

5



You pick up an antibiotic at your local pharmacy on your way to work.

6



Problem solved. Boss happy.
TIME: 29 minutes
COST: Free

Most telehealth services require a medical consult fee. FlexCare eliminates the consult fee and provides marketing materials that drive utilization and ROI far faster than traditional programs.

How does it help businesses and their employees?

Our experience last year:

- 125,000 medical consults
- 91% of patient issues resolved
- 97% member satisfaction rating
- Average wait time: 24 minutes
- Re-directed care: of those who were treated,
 - 43% would have used a primary care physician
 - 34% would have used urgent care or a specialist
 - 8% would have gone to the emergency room
- 99% client retention rate
- 0 medical malpractice claims

Bottom line: These are examples of savings using telehealth instead of going to a doctor or clinic.

Average savings per call to self-insured businesses: **\$242.36**

Average annual savings to a family of four with a high deductible plan: **\$1,096.00**

Telehealth addresses the three biggest issues in healthcare:

1. **Timely Access**—24/7 on-demand access
2. **Lower Cost**—costs are far less than doctor, urgent care or an ER visit
3. **Quality Care**—highest quality board-certified physicians

What makes FlexCare different?

FlexCare offers some unique features not found in other programs that drive utilization.

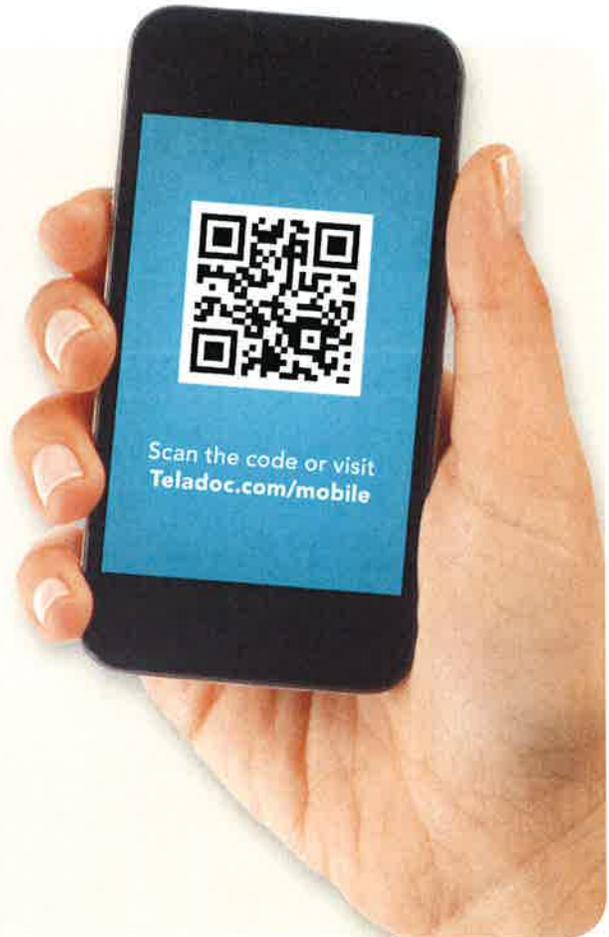
We drive utilization by eliminating the biggest barriers:

- Our telehealth benefit comes with **NO MEDICAL CONSULTATION FEES.**
- We provide a comprehensive awareness building program with targeted messaging:
 - Member kits
 - Call center
 - Co-branded materials
 - Over 20 marketing templates
 - Utilization reports

For more information, please contact:
Rodney Rich & Company • 850.434.5321

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Teladoc.com | 1-800-Teladoc

Teladoc can treat



- Cold & flu symptoms
- Respiratory infection
- Sinus problems
- Ear infection
- And more!

Use Teladoc when

- You need care now
- You're considering the ER or urgent care for a non-emergency issue
- Traveling out of town

All Teladoc doctors



- Are practicing doctors and pediatricians
- Avg 15 yrs experience
- Are board-certified and state-licensed

Teladoc's wait time



Talk to a doctor within **one hour** or less guaranteed

Teladoc

Brought to you by:
Teladoc

With your consent, Teladoc can send consult results to your primary care physician. Get social: [Facebook.com/Teladoc](https://www.facebook.com/Teladoc)

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