



# Washoe County Health Benefits Program

## Calendar Year 2021

- Renewal Process
  - HMO (Commercial/Fully-Insured)
  - PPO and HDHP (Self-Funded)
  
- Insurance Negotiations Committee
  - Overview
  - Process
  
- Calendar Plan Year 2021
  - Insurance Negotiations Committee Recommendations
  - Staff Recommendations



# Renewal Process

- HMO

- Prominence Health Plan is the current HMO provider
- Prominence provided renewal offer of +2.7% increase over current rates for medical and prescription coverage.
- No competitive bids solicited
  - Insurance is exempt from this process under NRS 332.115

- PPO and HDHP

- Medical Claims Funding, Pharmacy Claims Funding and Dental Claims Funding are all determined by Milliman, Inc., the County's contracted provider of actuarial services
- Funding determined by analyzing data to include, enrollment and eligibility, claims experience, reinsurance reimbursements, pharmacy rebates, RDS reimbursements, etc.
- Milliman, Inc. projected an increase of:
  - +21.4% average premium increase – PPO
  - +20.5% average premium increase - HDHP

Renewals resulted in ~\$2,058,678 in unbudgeted premium revenue shortfall



# Insurance Negotiations Committee

- Comprised of nine (9) Washoe County Labor Organization Representatives and one (1) Representative for the Unrepresented category of employees
- Purpose is to recommend benefit changes (co-pays, co-insurance, deductibles, out-of-pocket maximums) to the Board of County Commissioners
- Committee was provided list of benefit change options and was asked to make recommendations totaling \$700,000
- Committee voted unanimously in-favor of recommended benefit changes totaling ~\$505,493
- In exchange for these benefit changes, the County proposed the following:
  - No benefit changes to HMO
  - +6% increase to medical claims funding (PPO and HDHP)
  - +5% increase to pharmacy claims funding (PPO and HDHP)
  - Add Domestic Partner Children as eligible dependents
  - Health Benefits Fund (618) will bridge the gap between premium revenue received and revenue needed to cover anticipated claims expenses, ~\$1,800,000



# Insurance Negotiations Committee Recommendations

## • PPO

- Individual Coverage:
  - Deductible \$375 (+\$25)
  - Out-of-Pocket Maximum
    - In-Network \$3,450 (+100)
    - Out-of-Network \$6,675 (+\$325)
- Family Coverage
  - Deductible \$750 (+\$50)
  - Out-of-Pocket Maximum
    - In-Network \$6,900 (+200)
    - Out-of-Network \$13,350 (+\$650)
- Ambulatory Surgical Centers (ASCs)
  - 80% coverage (-20%)
- Implementation of ShaRx Program for any medication with a cost of \$5,000 or more per dose

## • HDHP

- Individual Coverage:
  - Deductible \$2,600 (+\$100)
  - Out-of-Pocket Maximum
    - In-Network \$5,250 (+250)
    - Out-of-Network \$10,500 (+\$500)
- Family Coverage
  - Deductible \$2,950 (+\$150)
  - Out-of-Pocket Maximum
    - In-Network \$6,350 (+350)
    - Out-of-Network \$10,750 (+\$750)
- Ambulatory Surgical Centers (ASCs)
  - 80% coverage (-20%)
- Implementation of ShaRx Program for any medication with a cost of \$5,000 or more per dose

Recommendations reduce plan costs by ~\$505,493





# Staff Recommendations

These recommendations pertain only to the self-funded medical (PPO and HDHP) and dental plans:

- Single Third-Party Administrator, Hometown Health
  - Network offered with include the current Hometown Health Provider Network with the addition of St. Mary's Medical Center, St. Mary's Urgent Cares and St. Mary's Medical Group
    - Network would not include Northern Nevada Medical Center or Northern Nevada Medical Group
  - Members would have flexibility to select facility or provider at the time of service
  - Consistent claims processing
  - Disease Management opportunities
  - Creates administrative efficiencies
- Pharmacy – Administered by MaxorPlus
  - Mandatory Mail Order for maintenance medications
  - Narrow Formulary
  - Low-Value Drug List

Recommendations reduce plan costs by ~\$477,791



# Washoe County Health Benefits Program

If recommendations set forth are approved:

- PPO premium increase of 21.4% reduced to average increase of 6.99%
- HDHP premium increase of 20.34% reduced to average increase of 8.36%
- HMO average premium increase of 4.78%
- Health Benefits Fund (618) will bridge the gap between premium revenue received and revenue needed to cover anticipated claims expenses, ~\$1,800,000
- Employees will continue to have choice:
  - HMO
    - St. Mary's Medical Center
    - Northern Nevada Center
    - Carson Tahoe Medical Center
  - PPO and HDHP
    - Renown Regional Medical Center
    - St. Mary's Medical Center
    - Carson Tahoe Medical Center



