



Southeast Iowa Regional Planning Commission

July 25, 2013

11:30 a.m.

211 N. Gear Avenue

West Burlington, IA 52655

Meeting Type

Special Executive Board

— Agenda —

CALL TO ORDER	Schleisman	
Agenda Approval		Board Action
NEW BUSINESS		
1. Health Care Options	Norris	Board Update
MATTERS FROM THE FLOOR		



Memo

To: SEIRPC Board of Directors
 From: Mike Norris, SEIRPC Executive Director
 Date: July 25, 2013
 Re: Health Insurance Options

SEIRPC AND HEALTHCARE

For the past three years, SEIRPC has evaluated ways to lower the cost of health premiums. Just in the past three years, SEIRPC policies have increased 65% for single policies and 66% for family policies. See Table 1 below.

TABLE 1

	Single	Family
2010	\$362.13	\$833.31
2011	\$465.35	\$1,080.71
2012	\$512.85	\$1,189.52
2013	\$599.12	\$1,386.85

SEIRPC currently pays 75% of non-bargaining unit employees' healthcare cost. Union members (SEIBUS Teamsters) receive a 100% paid single health policy, but must pay the difference between single and family premiums.

For a general census of 9 single policies and 8 family policies, the costs for SEIRPC have risen dramatically. See Table 2 below.

TABLE 2

	Single	Family	Single total	Family total	TOTAL	SEIRPC Cost
2010	\$362.13	\$833	\$39,110	\$79,997.76	\$119,108	\$95,849
2011	\$465.35	\$1,081	\$50,258	\$103,748.16	\$154,006	\$123,881
2012	\$512.85	\$1,190	\$55,388	\$114,193.92	\$169,582	\$136,418
2013	\$599.12	\$1,387	\$64,705	\$133,137.60	\$197,843	\$159,166

SEIRPC has evaluated ways to lower the cost in recent years. In 2011, SEIRPC investigated partial self-funding. High annual claims limited the viability of this option.

SEIRPC was rated by United Health Care in 2012, only to find that its premiums would increase slightly under the provider.

Another option is to look at joining a healthcare consortium. A consortium would add SEIRPC to a larger pool of covered employees, thus spreading the risk greater than what SEIRPC can do through its small group plan. This is important after averaging 23% policy increases over three years.

The best option known to SEIRPC is the City of Burlington/County (COBCO) Trust. This trust specific to local governments or other public organizations has a 400-employee census and includes the following entities:

- City of Burlington
- Des Moines County
- West Burlington
- Danville
- Mediapolis
- Des Moines Co Regional Waste Authority
- Two Rivers Levee and Drainage Association
- Burlington Water Works
- Southeast Iowa Regional Airport

COBCO is a partially self-funded insurance pool operating under a 28E agreement, and a board of directors. Two Rivers Insurance administers the group through Wellmark.

Entering into the group would require a one-time buy in calculated with the current reserve balance and the number of covered employees entering the group (est. \$9600). The group's board of directors and Wellmark also must approve SEIRPC's application to enter.

Exiting the group would require a fee of 6 months of a pro-rated share of the operating expenses of the group (likely much less than the entry fee).

Since SEIRPC would have to enter into a 28E agreement binding the agency to the group and under certain terms, this is a board policy issue.

Staff have already requested entry into COBCO via a request letter to start the process.

CONSIDERING COBCO

SEIRPC must look at ways to reduce its healthcare premium increases. The increases have been sustained and SEIRPC is still operating, but all opportunities for premium increase savings should be evaluated.

COBCO'S annual premium increases the last three years have all been under 7%. SEIRPC's are over three times that. Part of this is likely the effect of a partial self-funding system where higher deductible, out of pocket max, co-insurance levels are offset by the pool. A more important part is probably the larger pool of covered employees.

MOVING FORWARD

It's uncertain how the Affordable Care Act (ACA) will affect SEIRPC. However, joining with COBCO would at least offer better coverage for employees and options, which SEIRPC is unable to achieve with current costs. Other items like life insurance premiums would be less expensive. Also, joining a larger pool should have its own advantages for future increases and ratings.

Please see attached comparison with current SEIRPC insurance plan and comparable plans through COBCO.

Comparison of Current Insurance vs. COBCO

Column1	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9
	Current Health	COBCO Health	Current Dental	COBCO Dental	Current Life & ADD, \$50,000 Emp. Only	COBCO Life & ADD, \$50,000 Emp. Only	COBCO Single Wrap	COBCO Family Wrap
Deductible Amount per Single/Family	\$1,000 / \$3,000	\$1,000 / \$2,000						
Out of Pocket Maximum Amount per Individual/Family	\$3,000 / \$9,000	\$2,000 / \$4,000						
Office Copay	\$25	\$20						
Rx Copay - Tier 1, 2, & 3	\$8 / \$35 / \$50	\$5 / \$20 / \$35 / 85						
Rx Deductibles	\$100/\$200 - waived for Tier 1 (Generic)	\$100/\$200 - waived for Tier 1 (Generic)						
Maximum Single / Family	Unlimited	Unlimited	\$1,000 per person/Year	\$1,500 per person/Year				
Plan Pays Coinsurance PPO/Non PPO	70% / 60%	90% / 80%					Pays up to \$1,000 for Coinsurance, Copays, Deductible and OOP	Pays up to \$1,000 for Coinsurance, Copays, Deductible and OOP
Employee Pays Coinsurance PPO/NonPPO	30% / 40%	10% / 20%						
Inpatient Hospital, Outpatient Hospital, Maternity	deductible & coinsurance	deductible & coinsurance						
Emergency Room	\$200 copay	deductible & coinsurance						
Premium Single/Family per Month	\$533 / \$1,386.13	\$483 / \$1,263	\$37.78/\$105.08	\$44 / \$100	\$21 + \$2 = \$23	\$8 + \$2.25 = \$10.25	\$184	\$439