

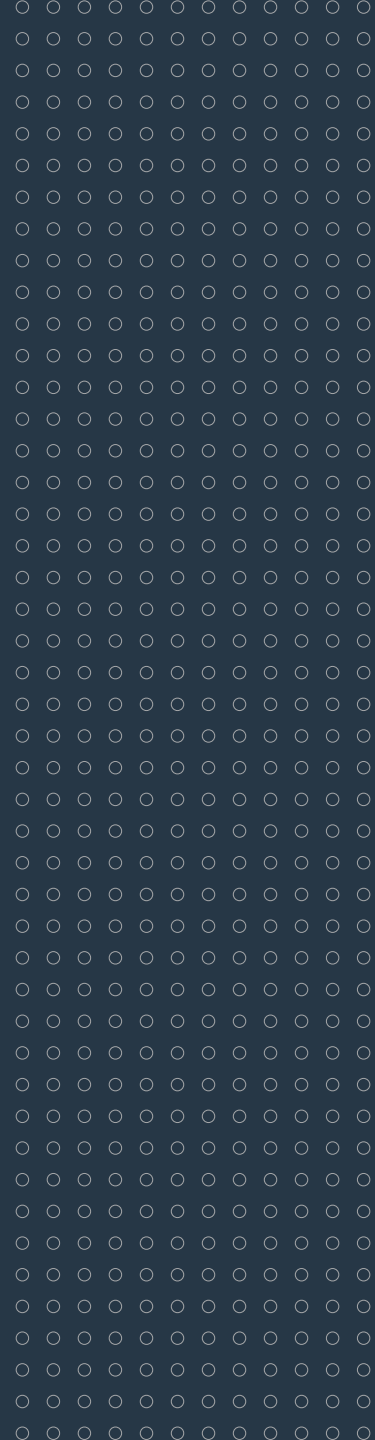


Risk & Insurance | Employee Benefits | Retirement & Private Wealth

Benefits Program Renewal

City of Brighton

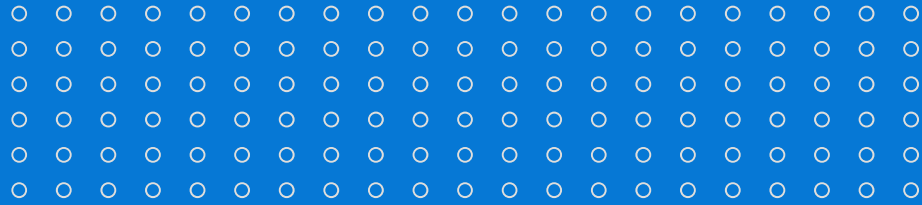
October 8, 2024



Agenda

- 1 | 2024 Review
- 2 | Financial Update
- 3 | Medical/Pharmacy Cost Trends
- 4 | Recommendations

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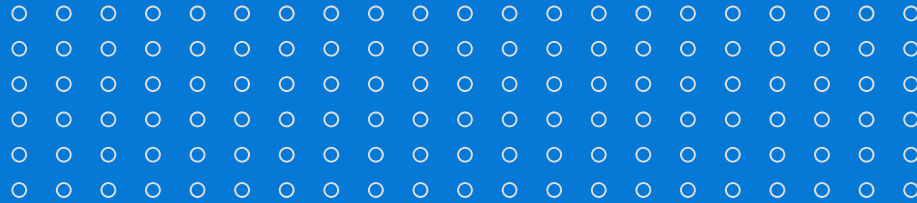
2024 Review



- Medical/Pharmacy program continued with UMR/RxBenefits
 - City budget increase by 6.7%
 - No change to employee contributions
 - Continued Regenexx program
 - Continued Zero program
- Dental program continued with Delta Dental
 - City budget increase by 3.7%
 - No change to employee contributions
- Added Aflac hospital and PetPartners pet insurance
- Continued below programs without changes:
 - Vision program with VSP
 - Telehealth program with Teladoc
 - FSA program with Inspira Financial
 - Life and disability program with Lincoln
 - EAP program with Optum
 - Accident and Critical Illness program with Aflac
 - Identity theft program with ID Shield

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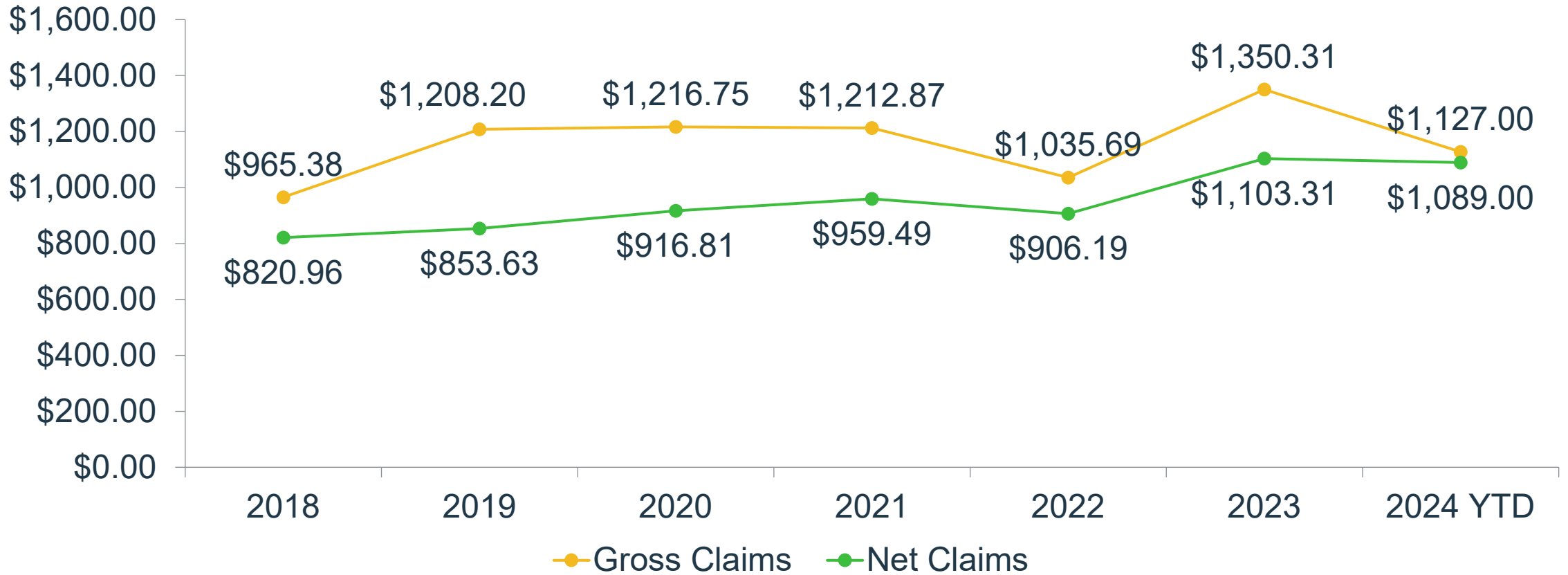
Financial Update



Historical Claims

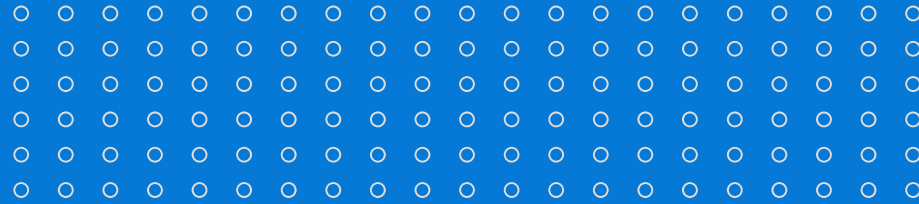


Claims PEPM



- In 2023, the medical program ran 16% higher than in 2022 and ended the year 12% over budget.
- With data through August, the medical program is running about 1.7% lower in 2024 than it was in 2023 but still higher than in 2022.
- The medical/pharmacy program has experienced higher claims years the past three years due to a higher severity of large claimants
 - 2022 – 6 claimants, \$1.1 million paid (\$470K in stop loss reimbursements)
 - 2023 – 7 claimants, \$2.6 million paid (\$952K in stop loss reimbursements)
 - 2024 YTD – 3 claimants, \$1.03 million paid (\$101K in stop loss reimbursements)

3



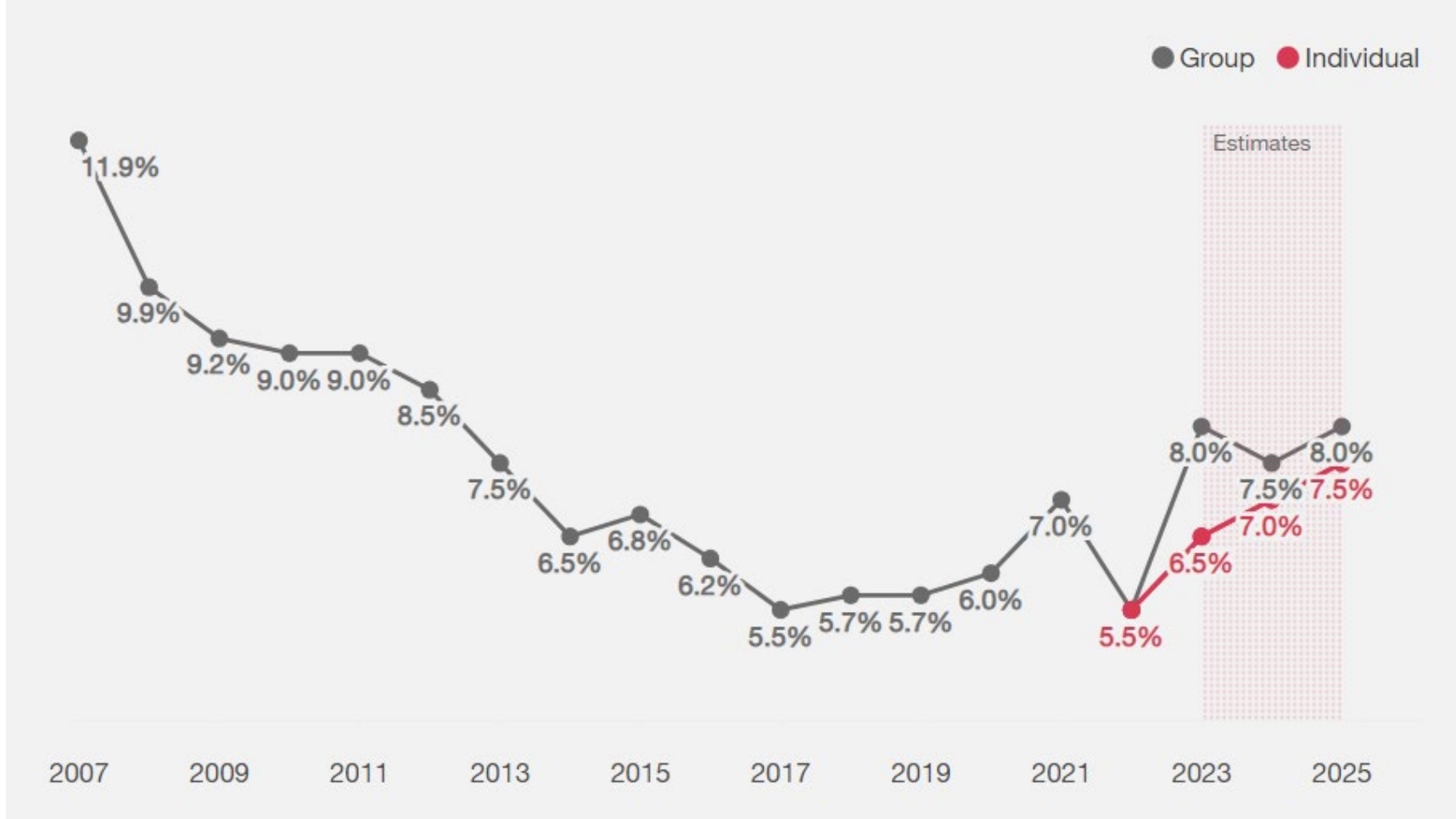
Medical/Pharmacy Cost Trends



Historical Medical Plan Trend



HRI projects medical cost trend to be 8.0% for Group and 7.5% for Individual in 2025



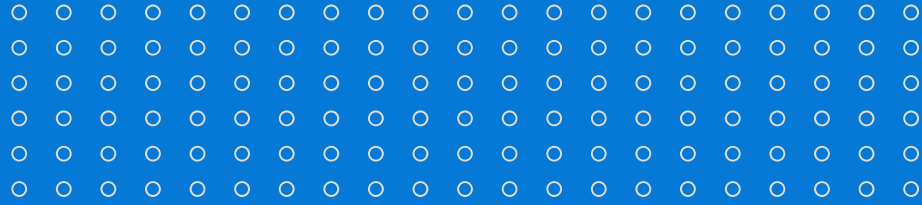
Inflators

- Utilization and cost of behavioral health
- New prescription drug launches, including GLP-1s, Central Nervous System (CNS) drugs, and growth in other rare and chronic conditions

Deflators

- Impact of biosimilars
- Reassessing total cost of care with a holistic approach to affordability

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2025 Renewal Recommendations



2025 Renewal Overview



Coverage	Carrier	2025 Renewal Results	Next Renewal
Medical Claims	HUB Expected	13% increase	1/1/2026
Broker	HUB	Decreasing commissions from \$20.75 PEPM to \$16 PEPM on medical to compensate for an increase in employee enrollment over time	1/1/2026
TPA	UMR	Admin fee has rate pass for year 3 of 3 of UMR contract	1/1/2026
Pharmacy	RxBenefits CVS/Caremark	Estimated 8.97% (\$63,138) in annual pricing improvements	1/1/2026
Stop Loss	SunLife	Initial Most Competitive Offer: -3.6% ISL, 13.7% ASL Firm results expected soon	1/1/2026
Medical Extras	Zero Regenexx	No changes expected	1/1/2026
Dental	Delta Dental	Admin in rate guarantee until 2026 Claims: -2% (-\$5,231 annual)	1/1/2026
Vision	VSP	Rate pass	1/1/2026
Life/Disability	Lincoln Financial	In rate guarantee until 2026	1/1/2026
Telehealth	New Benefits	No changes expected	1/1/2026
Employee Assistance Program (EAP)	Optum	Rate pass	1/1/2026
FSA Administration	Inspira Financial (Formerly Payflex)	Rate pass- HUB pays	1/1/2026
COBRA	Internal	No changes expected	N/A
Personalized Benefits	Aflac ID Shield PetPartners	No changes expected	1/1/2026

2025 Recommendations



- Continue medical program with UMR/RxBenefits
 - Increase City costs by 9.4%
 - Increase employee contributions by 8%
 - Continue Regenexx program
 - Continue Zero program
- Continue dental program with Delta Dental
 - Decrease City costs by 2.3%
 - No change to employee contributions
- Continue below programs without changes to benefits, rates, or contributions:
 - Vision program with VSP
 - Life and disability program with Lincoln
 - Telehealth program with Teladoc
 - FSA program with Inspira Financial
 - EAP program with Optum
 - Accident, Hospital, and Critical Illness program with Aflac
 - Identity theft program with ID Shield
 - Pet insurance program with PetPartners

2025 Medical/Rx Recommendation



Projected Budget Rates

Choice	Enrollment		Budget Rates	
	2024	2025	2024	2025
	Current	Renewal	Current	Renewal
EE Only	153	153	\$800.84	\$874.35
EE + Spouse	30	30	\$1,681.74	\$1,836.11
EE + Child(ren)	34	34	\$1,377.43	\$1,503.86
EE + Family	71	71	\$2,426.50	\$2,649.23
Select Co				
EE Only	15	15	\$709.17	\$774.26
EE + Spouse	4	4	\$1,489.24	\$1,625.94
EE + Child(ren)	7	7	\$1,219.74	\$1,331.70
EE + Family	15	15	\$2,148.76	\$2,345.99
Total Funding PEPM	329	329	\$1,366.14	\$1,491.53
Total Funding Annual			\$5,393,507	\$5,888,578
% Difference				9.2%

Employee Contributions

Choice	Enrollment		EE Contributions	
	2024	2025	2024	2025
	Current	Renewal	Current	Renewal
EE Only	153	153	\$25.00	\$27.00
EE + Spouse	30	30	\$302.40	\$326.59
EE + Child(ren)	34	34	\$231.72	\$250.26
EE + Family	71	71	\$414.16	\$447.29
Select Co				
EE Only	15	15	\$5.00	\$5.40
EE + Spouse	4	4	\$243.04	\$262.48
EE + Child(ren)	7	7	\$184.70	\$199.47
EE + Family	15	15	\$330.71	\$357.17
EE Contributions PEPM	329	329	\$174.72	\$188.69
Annual EE Contributions			\$689,779	\$744,959
\$ Change				\$55,180
% Change				8.0%

Employer Contributions

ER Contributions PEPM	329	329	\$1,191.42	\$1,302.84
Annual ER Contributions			\$4,703,728	\$5,143,619
\$ Change				\$439,891
% Change				9.4%

2025 Dental Recommendation



Projected Budget Rates

	Enrollment	2024	2025
		Current	Renewal
Dental			
Employee Only	170	\$32.35	\$31.69
Employee + Spouse	37	\$90.14	\$88.29
Employee + Child(ren)	33	\$90.14	\$88.29
Family	105	\$90.14	\$88.29
Total Funding PEPM	345	\$61.66	\$60.40
Total Funding Annual		\$255,288	\$250,057
% Change			-2.0%

Employee Contributions

		2024	2025
		Current	Renewal
Employee Only	170	\$0.00	\$0.00
Employee + Spouse	37	\$11.25	\$11.25
Employee + Child(ren)	33	\$11.25	\$11.25
Family	105	\$11.25	\$11.25
EE Contributions PEPM	345	\$5.71	\$5.71
Annual EE Contributions		\$23,625	\$23,625
\$ Change			\$0
% Change			0.0%

Employer Contributions

ER Contributions PEPM	345	\$55.96	\$54.69
Annual ER Contributions		\$231,663	\$226,432
\$ Change			-\$5,231
% Change			-2.3%

Enrollment is based on July 2024.

Thank you.