

2019 BENEFITS PROPOSAL

STRATEGIC FOCUS AREA

Provide the most financially responsible options with the least affect to the medical care employee's receive



STRATEGIC INITIATIVES

- Medical Plan performance review
- Address the rising cost of Pharmacy by placing with an RX coalition
- Self-fund Dental benefits
- Biometrics through employee provider
- Enhanced Vision

MEDICAL/RX PLAN OBJECTIVES

- Address problem of medical and pharmacy trend
 - 2019 projected national medical trend is **7.1%**
 - 2019 projected national drug trend is **12.7%**
- Continue to offer a comprehensive, quality network of providers
- Minimize disruption to members

MEDICAL/RX CONSIDERATIONS

- Prescription cost management is currently the highest priority among plan sponsors.
 - On behalf of the City of Brighton, HUB performed an evaluation of the pharmacy contract which resulted in an estimated savings of **\$272,658** over the current contract terms and **\$126,816** over UHC's renewal offer.
- Carving out the pharmacy program requires a more flexible administrator that can coordinate information from multiple sources.
 - HUB obtained a proposal from UMR, a UHC wholly-owned Third Party Administrator.

MEDICAL/RX SOLUTIONS

- Change Administrator from UHC to UMR
 - Brighton will continue to use the UHC Choice plus network – **No impact to network access.**
- Utilize RxBenefits contract with Caremark/CVS
 - Significant improvement to financial outcome through coalition purchasing – lowers annual increases
 - Minimal impact to members

UNITED MEDICAL RESOURCES UMR

- As a United Healthcare company, UMR can offer the resources and savings power of the nation's largest proprietary provider network.
- UMR works to lower medical costs, improve the health of their employee populations, and help them achieve their benefits goals
- Third Party Administrator
 - Pay claims
 - Customer service
 - Coordinate access to provider network
 - Claim reporting
 - Utilization review & case management

RXBENEFITS

- Large coalition of employers (1.2m+ members)
- Larger purchasing power
- Negotiate better rates/rebates
- Annual renegotiation of contract terms
- Minimal impact to members

SELF-FUNDING DENTAL

- Maintain Delta Dental provider network
- Risk minimal
- Current reserves cover risk

BIOMETRICS

- Face – face with Provider
- Generous compliance period
- Preventive care covered benefit

VISION BENEFIT

- Renewal 4% below current rate
- Retail frame allowance from \$130 - \$150

COUNCIL APPROVAL CONSIDERATIONS

- Change Administrator from UHC to UMR
- Change PBM (Pharmacy Benefit Manager) from UHC/Optum to RxBenefits/Caremark
- Approve changing dental funding to self-funded while continuing with Delta Dental
- Approve City Biometric Screening Plan
- Approve Vision renewal with rate reduction and increased frame benefit
- **Emergency Ordinance Needed to ensure adequate time for successful implementation**



QUESTIONS???

- Thank you!