

The background features abstract, flowing waves in shades of red, orange, and yellow, creating a dynamic and energetic feel. The waves are layered and semi-transparent, giving a sense of depth and movement.

# 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!