

Response to Questions on the FY 2017 Budget

Request By: Supervisor Herrity

Question: Please analyze the changes in FCPS medical plan benefits over the past 5 years. Please include employees portions of the total premium costs, employee deductibles and employee copay.

Response: The following response was prepared by Fairfax County Public Schools (FCPS):

FCPS has implemented a number of plan changes over the past several years that have provided significant savings/cost avoidance. The majority of these savings were achieved through re-contracting or renegotiation of terms, however, significant cost avoidance was achieved with the dependent audit conducted in 2011. Additionally, significant plan changes were made in 2016 that mitigated double digit premium increases, but resulted in increased out of pocket costs to employees. A summary of FCPS Plan Year 2016 health benefits can be found at: http://www.fcps.edu/hr/benefits/publications/2016/comparison_by_vendor.pdf

Like other employers, FCPS has also incurred additional expense due to the rising cost of medical inflation and federal/state mandates (most notably, compliance with the Affordable Care Act). A five year summary of premiums and plan changes is attached.

Fairfax County Public Schools

2016 Annual Medical Insurance Premiums

Coverage Level	<u>Aetna/ Innovation</u>			<u>CareFirst BlueChoice</u>			<u>Kaiser Permanente</u>		
	<u>Health (AIH)</u>			<u>Advantage (CF BCA)</u>			<u>(KP)</u>		
	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>
Individual	\$1,229.75	\$6,968.55	\$8,198.30	\$983.69	\$5,574.24	\$6,557.93	\$1,110.82	\$6,294.62	\$7,405.44
Minifamily	\$4,099.15	\$12,297.46	\$16,396.61	\$3,278.97	\$9,836.89	\$13,115.86	\$3,702.69	\$11,108.06	\$14,810.75
Family	\$5,123.90	\$15,371.71	\$20,495.61	\$4,098.73	\$12,296.17	\$16,394.90	\$4,628.37	\$13,885.10	\$18,513.47

2015 and 2014 Annual Medical Insurance Premiums

Coverage Level	<u>Aetna/ Innovation</u>			<u>CareFirst BlueChoice</u>			<u>Kaiser Permanente</u>		
	<u>Health (AIH)</u>			<u>Advantage (CF BCA)</u>			<u>(KP)</u>		
	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>
Individual	\$1,159.00	\$6,567.96	\$7,726.96	\$893.40	\$5,062.94	\$5,956.34	\$1,078.80	\$6,113.04	\$7,191.84
Minifamily	\$3,863.40	\$11,590.52	\$15,453.92	\$2,978.20	\$8,934.48	\$11,912.68	\$3,595.80	\$10,787.76	\$14,383.56
Family	\$4,829.40	\$14,487.86	\$19,317.26	\$3,722.80	\$11,168.12	\$14,890.92	\$4,494.80	\$13,484.68	\$17,979.48

2013 Annual Medical Insurance Premiums

Coverage Level	<u>CareFirst</u>			<u>CareFirst BlueChoice</u>			<u>Kaiser Permanente</u>		
	<u>BluePreferred PPO</u>			<u>POS (CF BC POS)</u>			<u>(KP)</u>		
	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>
Individual	\$1,046.07	\$5,927.72	\$6,973.79	\$778.27	\$4,410.18	\$5,188.45	\$1,014.19	\$5,747.09	\$6,761.28
Minifamily	\$3,486.90	\$10,460.68	\$13,947.58	\$2,594.23	\$7,782.67	\$10,376.90	\$3,380.67	\$10,142.01	\$13,522.68
Family	\$4,358.59	\$13,075.76	\$17,434.35	\$3,242.80	\$9,728.39	\$12,971.19	\$4,225.83	\$12,677.49	\$16,903.32

2012 Annual Medical Insurance Premiums

Coverage Level	<u>CareFirst</u>			<u>CareFirst BlueChoice</u>			<u>Kaiser Permanente</u>		
	<u>BluePreferred PPO</u>			<u>POS (CF BC POS)</u>			<u>(KP)</u>		
	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>
Individual	\$982.22	\$5,565.94	\$6,548.16	\$770.56	\$4,366.52	\$5,137.08	\$1,014.19	\$5,747.09	\$6,761.28
Minifamily	\$3,274.08	\$9,822.24	\$13,096.32	\$2,568.54	\$7,705.62	\$10,274.16	\$3,380.67	\$10,142.01	\$13,522.68
Family	\$4,092.57	\$12,277.71	\$16,370.28	\$3,210.69	\$9,632.07	\$12,842.76	\$4,225.83	\$12,677.49	\$16,903.32

2011 Annual Medical Insurance Premiums

Coverage Level	<u>CareFirst</u>			<u>CareFirst BlueChoice</u>			<u>Kaiser Permanente</u>		
	<u>BluePreferred PPO</u>			<u>POS (CF BC POS)</u>			<u>(KP)</u>		
	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>	<u>Employee Cost</u>	<u>Employer Cost</u>	<u>Total Premium</u>
Individual	\$964.85	\$5,467.51	\$6,432.36	\$770.56	\$4,366.52	\$5,137.08	\$980.12	\$5,554.00	\$6,534.12
Minifamily	\$3,216.18	\$9,648.54	\$12,864.72	\$2,568.54	\$7,705.62	\$10,274.16	\$3,267.06	\$9,801.18	\$13,068.24
Family	\$4,020.21	\$12,060.63	\$16,080.84	\$3,210.69	\$9,632.07	\$12,842.76	\$4,083.81	\$12,251.43	\$16,335.24

PY11	PY12	PY13	PY14	PY15	PY16
<p>1. Renegotiated Pharmacy Benefit Management contract terms.</p> <p>2. Increased dependent age limit from 23 to 26 (ACA requirement).</p> <p>3. Expanded coverage due to Mental Health Parity Act.</p> <p>4. Conducted Dependent Eligibility Audit.</p>	<p>1. Converted all employees to 10 month deduction cycle (previously, deductions were based on employee contract length).</p> <p>2. Converted part time employees to full-time rate structure in order to achieve efficiencies in plan maintenance.</p> <p>3. Added Virginia mandated Autism benefit.</p>	<p>1. Renegotiated Rx contract terms.</p> <p>2. Implemented step therapy for specialty drugs.</p> <p>3. Replaced Medicare retiree drug subsidy with Employer Group Waiver Plan (EGWP) eff. 8/1/13.</p> <p>4. Reduce the employer subsidy for two employee spouses/families (employer share of premium was 75%, increased to 80%).</p> <p>5. Eliminated PCP referral requirement under POS plan.</p> <p>6. Increased PCP and Specialist copays from \$15 to \$20.</p> <p>7. Increased contact lens allowance from \$105 to \$125.</p> <p>8. Implemented benefits eligibility pilot program in preparation for ACA compliance.</p>	<p>1. Implemented new contracts/plan offerings resulting from Medical and Dental RFPs.</p> <p>2. Eliminated stand-alone vision plan and bundled vision benefits with medical; provided additional vision benefit credit to Kaiser participants.</p> <p>3. Began phasing in limited disease management programs under health plans.</p> <p>4. First full year Medicare D (EGWP) program.</p> <p>5. Continued pilot program for ACA eligibility.</p> <p>6. Modified some provisions of dental contract to make market relevant.</p> <p>7. Modified pharmacy benefit to allow participants to fill a 90 day supply of medication at retail by paying an additional copay.</p> <p>8. Made first required payment under ACA for PCORI funding fee.</p>	<p>1. Renegotiated Express Scripts, Inc. contract, resulting in enhanced rebates.</p> <p>2. Aligned medical and pharmacy plan copays and out of pocket maximums with local market.</p> <p>3. Implemented MedQuery disease management program under Aetna Innovation Health plan.</p> <p>4. Affordable Care Act compliance, including implementation of preventive care provisions (\$0 copay for preventive exams, contraceptives); extension of coverage to employees determined to meet the 'full-time' criteria, and required payments for ACA transitional re-insurance fee and second required PCORI funding fee.</p> <p>5. Benefits eligibility changes mandated by Supreme Court decision.</p> <p>6. Reduced copays for generic medications from maximum of \$25 to flat \$7. Increased maximum copays for brand name drugs from \$25 per 34 day supply to \$50.</p> <p>7. Increased copayments for Kaiser Permanente plan.</p>	<p>1. Expanded disease management programs.</p> <p>2. Introduced telemedicine benefits under Aetna plan.</p> <p>3. Increased wellness programming to support healthy pregnancies.</p> <p>4. Realigned plan structures under both the CareFirst and Aetna/Innovation Health plan. Aetna/Innovation plan is now largely coinsurance based, except for office visits. CareFirst plan is now largely copay based.</p> <p>5. Introduced in-network deductibles for self-insured plans</p> <p>- \$250 individual/\$500 family. Deductibles previously in place for out-of-network services.</p> <p>6. Increased out of pocket maximums under self-insured plan:</p> <p>- Aetna/Innovation Health: from \$500 Individual/\$1,000 Family to \$1,000 Individual/\$2,000 Family</p> <p>- CareFirst: From \$500 Individual/\$1,000 Family to \$2,000 individual/\$4,000 Family.</p> <p>7. Increased hospital admission deductible from \$100 to \$150 under self-insured plans.</p> <p>8. Increased specialist copays under CareFirst plan from \$20 to \$40; implemented copay for high tech radiology.</p>