



Employee Benefits

Ongoing 2025 Renewal Planning

August 19, 2024



Total Cost Summary - Preliminary

Medical/Rx/Vision/Dental

		Carrier/Administrator	Estimated 2024 Annual Cost	Estimated 2025 Annual Cost	Net Change (\$/%)	
Med/Rx/Vision - PPO	Self-Funded	Regence	\$10,540,498	\$11,541,845	\$1,001,347	9.50%
Med/Rx/Vision - HDHP	Self-Funded	Regence	\$2,638,880	\$2,889,574	\$250,694	9.50%
Vision	Self-Funded	VSP	\$150,772	\$178,665	\$27,893	18.50%
Med/Rx/Vision - HMO	Fully Insured	Kaiser	\$5,009,872	\$5,254,185	\$244,313	4.88%
Med/Rx/Vision - HDHP	Fully Insured	Kaiser	\$650,432	\$679,259	\$28,827	4.43%
Dental - PPO	Self-Funded	Delta Dental of WA	\$999,795	\$992,796	-\$6,999	-0.70%
Dental - HMO	Fully Insured	Kaiser	\$17,929	\$17,571	-\$358	-2.00%
<i>Total -- Med/Rx/Vision/Dental</i>			<i>\$20,008,178</i>	<i>\$21,553,896</i>	<i>\$1,545,717</i>	<i>7.73%</i>

Assumptions Include:

Estimated Stop loss renewal = +50% (Rate Cap) with same lasered claimants

Regence ASO renewal = 0.00%

Updated pharmacy terms and rebates = \$200,000 savings to the pharmacy plan

No change to ASO VSP renewal, in rate guarantee until January 2026

Estimated Delta Dental ASO renewal = +5%

Using claims data through June 2024

HSA Funding is not included and should be budgeted separately

*COV currently contributes \$1,600 and \$3,200 to the HSA account

PPO Plan Change Considerations

Change from Current: \$300/\$600 Ded/\$20 Copay/\$2,300/\$6,900 OOP Max	Estimated Savings
Copay \$25	0.22%
Copay \$30	0.33%
Deductible \$400/\$1,200	1.00%
Deductible \$500/\$1,500	1.30%
Deductible 750/\$2,250	1.80%
OOP Max \$2,600/\$7,800	1.20%
OOP Max \$3,000/\$9,000	3.16%
OOP Max \$4,000/\$12,000	4.53%
OOP Max \$5,000/\$15,000	5.85%

PPO Plan Change Considerations

Change from Current: \$30-\$60 Copay for Specialty Drug	Estimated Savings <i>*Impacts 33 members</i>
Copay \$250	1.90%
Copay \$100 (could also do 50% to \$100)	1.00%

Change from Current: Unlimited visits for Alternative Care	Estimated Savings
12 Visits (same as Kaiser plan)	<i>Not expected to be substantial, as there is no abuse of this benefit detected.</i>

Regence HSA Plan Change Considerations

Change from Current: \$5,000/\$10,000 OOP Max	Estimated Savings
\$6,000/\$12,000	2.0%

Change from Current: Unlimited visits for Alternative Care	Estimated Savings
12 Visits (same as Kaiser plan)	<i>Not expected to be substantial, as there is no abuse of this benefit detected.</i>

Kaiser HSA Plan Change Considerations

Change from Current: \$3,525/\$6,850 OOP Max	Estimated Savings
\$4,525/\$7,050	2.0%

Regence PPO Option

Benefits		Current Regence PPO Including VSP Vision Current/Renewal		2025 Regence Option 1: \$30 copays, \$400 Ded \$2800 OOP
Deductible				
Individual		\$300		\$400
Family		\$900		\$1,200
Out of Pocket Maximums				
Individual		\$2,300		\$2,800
Family		\$6,900		\$8,400
Office Visits				
Preventive Care Office Visits		\$0		\$0
Primary Care		\$20		\$30
Specialty Care		\$20		\$30
Urgent Care		\$20		\$30
Test (outpatient)				
Simple X-ray and Lab		20%		20%
CT, MRI, PET Scans		20%		20%
Hospital Services				
Ambulance		20%		20%
Emergency Department		\$250, 20%		\$250, 20%
Inpatient Hospitalization		20%		20%
Outpatient Services (other)				
Outpatient surgery visit		20%		20%
Durable medical equipment		20%		20%
Alternative Care				
Acupuncture Services		\$20 Unlimited visits		\$20 12 Visits per year
Chiropractic Services		\$20 Unlimited visits		\$20 12 Visits per year
Prescription Drug				
Generic		\$10		\$10
Preferred Brand		\$30		\$30
Non-Preferred Brand		\$60		\$60
Specialty Drugs		By Tier		\$100
	Regence Enrollment	2024	2025	2025 - Option 1
EE only	145	\$956.55	\$1,048.67	\$1,002.66
EE + Spouse	91	\$2,010.08	\$2,203.65	\$2,106.97
EE + Child(ren)	35	\$1,723.03	\$1,888.96	\$1,806.08
EE + Family	182	\$2,776.01	\$3,043.34	\$2,909.81
	453			
Total Annual Cost		\$10,645,883	\$11,671,081	\$11,159,014
\$ Change from Current			\$1,025,199	\$513,132
% Change from Current			9.6%	4.8%

Kaiser HMO Option

Increase in Benefit
Decrease in Benefit

Benefits		Current Kaiser HMO Current/Renewal		2025 Kaiser Opt 1 Ded Plan 200/20/20/2000
Deductible				
Individual		\$0		\$200
Family		\$0		\$600
Out of Pocket Maximums				
Individual		\$1,500		\$2,000
Family		\$3,000		\$4,000
Office Visits				
Preventive Care Office Visits		0%		0%
Primary Care		\$20		\$20
Specialty Care		\$20		\$20
Urgent Care		\$40		\$40
Test (outpatient)				
Simple X-ray and Lab		\$20 per department visit		10% coinsurance after ded
CT, MRI, PET Scans		\$20 per department visit		10% coinsurance after ded
Hospital Services				
Ambulance		\$75		20% coinsurance after ded
Emergency Department		\$100		\$200
Inpatient Hospitalization		\$200 per day up to \$1,000 per admission		10% coinsurance after ded
Outpatient Services (other)				
Outpatient surgery visit		\$50		10% coinsurance after ded
Durable medical equipment		20%		10% coinsurance after ded
Alternative Care				
Acupuncture Services		\$20 12 visits		\$20 12 visits
Chiropractic Services		\$20 12 visits		\$20 12 visits
Prescription Drug				
Generic		\$15		\$15
Preferred Brand		\$30		\$30
Non-Preferred Brand		\$30		\$30
Specialty Drugs		By Tier		By Tier
	Kaiser Enrollment	2024	2025	2025 - Option 1
EE only	85	\$862.83	\$904.90	\$859.29
EE + Spouse	43	\$1,725.74	\$1,809.90	\$1,718.66
EE + Child(ren)	29	\$1,553.26	\$1,629.01	\$1,546.89
EE + Family	84	\$2,588.99	\$2,715.25	\$2,578.38
	241			
Total Annual Cost		\$4,920,805	\$5,160,774	\$4,900,629
\$ Change from Current			\$239,969	-\$20,176
% Change from Current			4.9%	-0.4%

High Deductible Plan Change Option

Benefits	Current Kaiser HDHP Current/Renewal		2025 Kaiser Opt 1 Ded Plan 200/20/20/2000		Current Regence PPO Including VSP Vision Current/Renewal		2025 Regence Option 1: \$30 copays, \$400 Ded \$2800 OOP	
Deductible								
Individual		\$1,600		\$1,600		\$1,600		\$1,600
Family		\$3,200		\$3,200		\$3,200		\$3,200
Out of Pocket Maximums								
Individual		\$3,425		\$4,425		\$5,000		\$6,000
Family		\$6,850		\$8,850		\$10,000		\$12,000
Office Visits								
Preventive Care Office Visits		Covered in full		Covered in full		Covered in full		Covered in full
Primary Care		20%		20%		20%		20%
Specialty Care		20%		20%		20%		20%
Urgent Care		20%		20%		20%		20%
Test (outpatient)								
Simple X-ray and Lab		20%		20%		20%		20%
CT, MRI, PET Scans		20%		20%		20%		20%
Hospital Services								
Ambulance		20%		20%		20%		20%
Emergency Department		20%		20%		20%		20%
Inpatient Hospitalization		20%		20%		20%		20%
Outpatient Services (other)								
Outpatient surgery visit		20%		20%		20%		20%
Durable medical equipment		20%		20%		20%		20%
Alternative Care								
Acupuncture Services		20% 12 visits		20% 12 visits		20% Unlimited visits		20% Unlimited visits
Chiropractic Services		20% 12 visits		20% 12 visits		20% Unlimited visits		20% Unlimited visits
Prescription Drug								
Generic		\$10, after ded		\$10, after ded		20%		20%
Preferred Brand		\$20, after ded		\$20, after ded		20%		20%
Non-Preferred Brand		Applicable Generic or Preferred brand drug cost shares apply.		Applicable Generic or Preferred brand drug cost shares apply.		20%		20%
Specialty Drugs		Applicable Generic or Preferred brand drug cost shares apply.		Applicable Generic or Preferred brand drug cost shares apply.		20%		20%
	Kaiser Enrollment	2024	2025	2025 - Option 1	Regence Enrollm	2024	2025	2025 - Option 1
EE only	13	\$594.43	\$620.78	\$608.53	39	\$758.88	\$831.96	\$816.33
EE + Spouse	9	\$1,188.39	\$1,241.06	\$1,216.58	27	\$1,593.99	\$1,747.49	\$1,714.66
EE + Child(ren)	4	\$1,070.93	\$1,118.39	\$1,096.33	15	\$1,366.28	\$1,497.85	\$1,469.71
EE + Family	17	\$1,782.82	\$1,861.83	\$1,825.11	59	\$2,201.27	\$2,413.25	\$2,367.91
	43				140			
Total Annual Cost		\$636,177	\$664,372	\$651,267		\$2,676,038	\$2,933,741	\$2,878,614
\$ Change from Current			\$28,195	\$15,090		\$257,702	\$202,576	\$202,576
% Change from Current			4.4%	2.4%		9.6%	7.6%	7.6%

Making Plan Changes and going to 10%/20% contribution Strategy

Changing Plan Design AND Changing to New Contribution Structure;

Employee Only (not adding dependents) = 10% of Total Employee Only Premium

Employees Adding Dependents in Any Tier is 20% of the balance after the Employee Only Portion is Taken out of the Total Premium

Insurance Options:	Total Cost	City Monthly Contribution	Employee Monthly Premium	Employee Monthly Premium Change (from 2024)
Regence PPO w/ VSP vision \$400 Ded Plan 10%/20%				
Employee Only	\$1,002.66	\$902.39	\$100.27	-\$3.95
Employee & Spouse	\$2,106.97	\$1,785.84	\$321.13	\$6.15
Employee & Child(ren)	\$1806.08	\$1,545.13	\$260.95	\$3.34
Family	\$2,909.81	\$2,428.12	\$481.70	\$13.73
Regence PPO HSA w/ VSP vision (Increasing OOP Max) 10%/20%				
Employee Only	\$816.33	\$734.69	\$81.63	-\$5.84
Employee & Spouse	\$1,714.66	\$1,453.36	\$261.30	\$77.58
Employee & Child(ren)	\$1,469.71	\$1,257.40	\$212.31	\$54.88
Family	\$2,367.91	\$1,975.96	\$391.95	\$138.24
Kaiser HMO \$200 Ded Plan 10%/20%				
Employee Only	\$859.29	\$773.36	\$85.93	-\$62.36
Employee & Spouse	\$1,718.66	\$1,460.86	\$257.80	-\$109.07
Employee & Child(ren)	\$1,546.89	\$1,323.44	\$223.45	-\$99.74
Family	\$2,578.38	\$2,148.63	\$429.75	-\$155.72
Kaiser HSA (Increasing OOP Max) 10%/20%				
Employee Only	\$608.53	\$547.68	\$60.85	-\$37.84
Employee & Spouse	\$1,216.58	\$1034.12	\$182.46	-\$14.86
Employee & Child(ren)	\$1,096.33	\$937.92	\$158.41	-\$19.32
Family	\$1,825.11	\$1520.94	\$304.17	\$8.19

Making Plan Changes and going to 10%/20% Contribution Strategy

Changing Plan Design AND Changing to New Contribution Structure;
 Employee Only (not adding dependents) = 10% of Total Employee Only Premium
 Employees Adding Dependents in Any Tier is 20% of the balance after the Employee Only Portion is Taken out of the Total Premium

Insurance Options:	CURRENT 2024 City Annual Cost (net Employee Cost)	EST. RENEWAL 2025 City Annual Cost Making NO Plan Changes	Change from Current	2025 City Annual Cost Making Plan Changes and Contribution Changes	Change from Current	Change from Renewal
Regence PPO w/ VSP vision \$400 Ded Plan 10%/20%						
Estimated Annual	\$8,990,339	\$9,198,484	\$208,145	\$9,472,255	\$481,916	\$273,771
Regence PPO HSA w/ VSP vision (Increasing OOP Max) 10%/20%						
Estimated Annual	\$2,367,613	\$2,420,375	\$52,763	\$2,440,034	\$72,422	\$19,659
Family						
Kaiser HMO \$200 Ded Plan 10%/20%						
Employee Only	\$3,877,620	\$3,889,621	\$12,000	\$3,876,621	-\$1,000	-\$13,000
Kaiser HSA (Increasing OOP Max) 10%/20%						
Employee Only	\$530,560	\$531,970	\$1,410	\$531,316	\$756	-\$654
TOTAL	\$15,766,132	\$16,040,450	\$274,318	\$16,320,226	\$554,094	\$279,776

Comments:

1. Making no plan changes (including staying with same employee contributions) = an additional \$274,318 annually to the City
1. Making all plan changes and changing employee contribution = an additional \$554,094 annually to the City

Making Plan Changes and going to 10%/20% Contribution Strategy for PPO/HMO and 10%/15% for HSA Plans

Changing Plan Design AND Changing to New Contribution Structure;
Employee Only (not adding dependents) = 10% of Total Employee Only Premium
PPO and HMO: Employees Adding Dependents in Any Tier is 20% of the balance after the Employee Only Portion is Taken out of the Total Premium
HSA Plans: Employees Adding Dependents in Any Tier is 15% of the balance after the Employee Only Portion is taken out of the Total Premium

Insurance Options:	Total Cost	City Monthly Contribution	Employee Monthly Premium	Employee Monthly Premium Change (from 2024)
Regence PPO w/ VSP vision \$400 Ded Plan 10%/20%				
Employee Only	\$1,002.66	\$902.39	\$100.27	-\$3.95
Employee & Spouse	\$2,106.97	\$1,785.84	\$321.13	\$6.15
Employee & Child(ren)	\$1806.08	\$1,545.13	\$260.95	\$3.34
Family	\$2,909.81	\$2,428.12	\$481.70	\$13.73
Regence PPO HSA w/ VSP vision (Increasing OOP Max) 10%/15%				
Employee Only	\$816.33	\$734.69	\$81.63	-\$5.84
Employee & Spouse	\$1,714.66	\$1,498.27	\$216.38	\$32.66
Employee & Child(ren)	\$1,469.71	\$1,290.07	\$179.64	\$22.21
Family	\$2,367.91	\$2,053.54	\$314.37	\$60.66
Kaiser HMO \$200 Ded Plan 10%20%				
Employee Only	\$859.29	\$773.36	\$85.93	-\$62.36
Employee & Spouse	\$1,718.66	\$1,460.86	\$257.80	-\$109.07
Employee & Child(ren)	\$1,546.89	\$1,323.44	\$223.45	-\$99.74
Family	\$2,578.38	\$2,148.63	\$429.75	-\$155.72
Kaiser HSA (Increasing OOP Max) 10%/15%				
Employee Only	\$608.53	\$547.68	\$60.85	-\$37.84
Employee & Spouse	\$1,216.58	\$1064.52	\$152.06	-\$45.26
Employee & Child(ren)	\$1,096.33	\$962.31	\$134.02	-\$43.71
Family	\$1,825.11	\$1581.77	\$243.34	-\$52.64

Making Plan Changes and going to 10%/20% Contribution Strategy for PPO/HMO and 10%/15% for HSA Plans

Changing Plan Design AND Changing to New Contribution Structure; Employee Only (not adding dependents) = 10% of Total Employee Only Premium PPO and HMO: Employees Adding Dependents in Any Tier is 20% of the balance after the Employee Only Portion is Taken out of the Total Premium HSA Plans: Employees Adding Dependents in Any Tier is 15% of the balance after the Employee Only Portion is taken out of the Total Premium						
Insurance Options:	CURRENT 2024 City Annual Cost (net Employee Cost)	EST. RENEWAL 2025 City Annual Cost Making NO Plan	Change from Current	2025 City Annual Cost Making Plan Changes and Contribution Changes	Change from Current	Change from Renewal
Regence PPO w/ VSP vision \$400 Ded Plan 10%/20%						
Estimated Annual	\$8,990,339	\$9,198,484	\$208,145	\$9,472,255	\$481,916	\$273,771
Regence PPO HSA w/ VSP vision (Increasing OOP Max) 10%/15%						
Estimated Annual	\$2,367,613	\$2,420,375	\$52,763	\$2,515,394	\$147,781	\$95,018
Family						
Kaiser HMO \$200 Ded Plan 10%/20%						
Employee Only	\$3,877,620	\$3,889,621	\$12,000	\$4,169,010	\$291,390	\$279,389
Kaiser HSA (Increasing OOP Max) 10%/15%						
Employee Only	\$530,560	\$531,970	\$1,410	\$569,277	\$38,717	\$37,307
TOTAL	\$15,766,132	\$16,040,450	\$274,318	\$16,725,936	\$959,803	\$685,486

Comments:

1. Making no plan changes (including staying with same employee contributions) = an additional \$274,318 annually to the City
1. Making all plan changes and changing employee contribution = an additional \$959,803 annually to the City