

HUMAN RESOURCES DEPARTMENT  
600 W. 4<sup>TH</sup> Street  
Davenport, IA 52801



Office: (563) 326-8767  
Fax: (563) 328-3285  
www.scottcountyiowa.com

---

**Date:** October 15, 2013

**To:** Dee Bruemmer, County Administrator

**From:** Mary J. Thee, Human Resources Director/Asst. County Administrator

**Subject:** Insurance Recommendations

#### Health/Pharmaceutical

We have received a proposal to renew our Administrative Service Agreement with United Health Care for three years. The first year has a 3% increase, with no increase in the second year and a cap of a 5% increase in the final year. Part of this consideration is their desire to move us to the national platform of United Health Care rather than the local River Valley platform. I have attached the comparison of the two platforms for your information

As part of our coverage with UHCRV we annually renew our Specific Stop Loss and Aggregate Stop Loss coverage. This year with the platform change the coverage will be through UHC. Last year we increased our specific deductible to \$150,000, we are not recommending any additional changes. Jeff Scarpinato, Holmes Murphy, was able to negotiate no increase in the Specific Stop Loss should we go to the national platform. If we stay on the local platform we were looking at a 5.7% increase and additional cost of \$15,732. There is a 4.3% increase in the Aggregate Stop Loss coverage for a total cost of \$1,473.

#### Dental

Last year we entered into a 2 year administrative services agreement which resulted in a 2% increase this year. The trend in Iowa is 4%.

#### Vision

We are in the going into the second year of a two year agreement with Avesis for vision coverage. Thus there are no rate changes.

## Health Care Rates

The County has reviewed our health care rates with our actuarial, Silverstone Group and Holmes Murphy and both have recommended slight increase to the employee premium rates for CY14. The recommended increase is 2.5% which results in an employee family premium increase of \$4.24 a month.

The supporting documentation is attached.

Cc: David Farmer, Budget Manager  
Jeff Scarpinato, Holmes Murphy  
Cheri Sexton, Benefits Coordinator

**HUMAN RESOURCES DEPARTMENT**

600 West Fourth Street  
Davenport, Iowa 52801-1030

Ph: (563) 326-8767 Fax: (563) 328-3285  
www.scottcountyiowa.com



Date: October 15, 2013  
To: Dee F. Bruemmer, County Administrator  
From: Mary J. Thee, Human Resources Director/Asst. County Administrator  
Subject: Approval of Health Insurance Premium Rates for CY14

The final rates for the Medical, Dental and Vision benefits are as follows:

<b>United Healthcare Plan (TPA) (Self Funded as of 1-1-10)</b>	<b>CY13 Rates</b>	<b>CY14 Rates</b>	<b>Employee Family Rate</b>
	\$ 454.00 Single \$1,237.00 Family	\$ 465.00 Single \$1,268.00 Family	\$160.60

<b>Delta Dental (TPA) (Self funded as of 7-1-10)</b>	<b>CY13 Rates</b>	<b>CY14 Rates</b>	<b>Employee Family Rate</b>
	\$28.44 Single \$85.47 Family	\$29.18 Single \$87.44 Family	\$11.65

<b>Avesis Vision (Contracted since 7-1-10)</b>	<b>CY13 Rates</b>	<b>CY14 Rates</b>	<b>Employee Family Rate</b>
	\$6.24 Single \$14.37 Family	\$6.24 Single \$14.37 Family	\$1.63

**Scott County**  
**Self Funded Medical Benefit Cost Analysis**  
**Effective January 1, 2014**

Administrator Carrier		UHC of River Valley Self-Funded Current	UHC of River Valley Self-Funded Renewal	UHC - National Platform Self-Funded
<b>FIXED COSTS</b>				
491	Administration Fee			
	Medical	\$37.74	\$38.87	\$46.37
	Rx Rebate Credit	\$0.00	\$0.00	(\$7.50)
	Monthly Administration Costs	\$18,530.34	\$19,085.17	\$19,085.17
	<b>Total Annual Administration Costs</b>	<b>\$222,364.08</b>	<b>\$229,022.04</b>	<b>\$229,022.04</b>
<b>SPECIFIC STOP LOSS (Medical &amp; Rx)</b>				
	Specific Stop Loss Deductible	\$150,000	\$150,000	\$150,000
	Contract Type	Paid	Paid	Paid
	Specific Premium			
206	Single	\$44.43	\$44.43	\$44.43
285	Family	\$44.43	\$44.43	\$44.43
	Monthly Specific Premium	\$21,815.13	\$21,815.13	\$21,815.13
	<b>Annual Specific Premium</b>	<b>\$261,781.56</b>	<b>\$261,781.56</b>	<b>\$261,781.56</b>
<b>AGGREGATE STOP LOSS (Medical &amp; Rx)</b>				
491	Aggregate Premium	Paid	Paid	Paid
	Per Employee Per Month	\$5.62	\$5.87	\$5.87
	Monthly Aggregate Premium	\$2,759.42	\$2,882.17	\$2,882.17
	<b>Annual Aggregate Premium</b>	<b>\$33,113.04</b>	<b>\$34,586.04</b>	<b>\$34,586.04</b>
	<b>Total Annual Stop Loss Costs</b>	<b>\$294,894.60</b>	<b>\$296,367.60</b>	<b>\$296,367.60</b>
<b>VARIABLE COSTS</b>				
<b>AGGREGATE FACTORS (Medical &amp; Rx)</b>				
	Contract Type	Paid	Paid	Paid
	Expected Claims			
206	Single	\$809.36	\$846.19	\$833.98
285	Family	\$809.36	\$846.19	\$833.98
	Maximum Claims			
206	Single	\$1,008.88	\$1,054.68	\$1,042.48
285	Family	\$1,008.88	\$1,054.68	\$1,042.48
	<b>Annual Expected Claims</b>	<b>\$4,768,749.12</b>	<b>\$4,985,751.48</b>	<b>\$4,913,810.16</b>
	<b>Est. Aggregate Attachment Point (125%)</b>	<b>\$5,944,320.96</b>	<b>\$6,214,174.56</b>	<b>\$6,142,292.16</b>
	<b>Total Annualized Fixed Costs</b>	<b>\$517,258.68</b>	<b>\$525,389.64</b>	<b>\$525,389.64</b>
	<b>Increase/(Decrease) to Current Fixed Costs - \$</b>		<b>\$8,130.96</b>	<b>\$8,130.96</b>
	<b>Increase/(Decrease) to Current Fixed Costs - %</b>		<b>1.6%</b>	<b>1.6%</b>
	<b>Total Annualized Expected Costs</b>	<b>\$5,286,007.80</b>	<b>\$5,511,141.12</b>	<b>\$5,439,199.80</b>
	<b>Increase/(Decrease) to Current Expected Costs - \$</b>		<b>\$225,133.3</b>	<b>\$153,192.0</b>
	<b>Increase/(Decrease) to Current Expected Costs - %</b>		<b>4.3%</b>	<b>2.9%</b>
	<b>Total Annualized Maximum Costs</b>	<b>\$6,461,579.64</b>	<b>\$6,739,564.20</b>	<b>\$6,667,681.80</b>
	<b>Increase/(Decrease) to Current Maximum Costs - \$</b>		<b>\$277,984.6</b>	<b>\$206,102.2</b>
	<b>Increase/(Decrease) to Current Maximum Costs - %</b>		<b>4.3%</b>	<b>3.2%</b>

**Notes:** This is a summary of benefits provided by the plans. Refer to the carrier's descriptive material for a full discussion of benefits and rates.

**UHC Second Year Admin Guarantee: No Increase; UHC Third Year Admin Guarantee: Up to 5% Increase**  
**UHC Proposal includes performance guarantees.**

## SOME DIFFERENCES or SIMILARITIES BETWEEN UHC RIVER VALLEY AND UHC UNET PLATFORMS

### UHC RIVER VALLEY

1. Member web portal [www.uhcrivervalley.com](http://www.uhcrivervalley.com)
2. Employer web portal [www.uhcrivervalley.com](http://www.uhcrivervalley.com)
3. Members currently have River Valley i.d. cards
4. Employer can't do any billing online
5. 2<sup>nd</sup> level appeals are handled by River Valley
6. SSAE 16 is not available in 2014 with River Valley
7. RV has U of IA (certain networks) but not Mayo
8. Wellness is online or with Optum Wellness now
9. Local reps here to support
10. Claims go to Moline location after Kingston, NY
11. No smartphone app capabilities just yet
12. Provider contracting very similar to Unet
13. Network access no issue
14. Rx Traditional PDL
15. Benefit variations allowed
16. SF Stop Loss with River Valley
17. Agg, 50% to Spec other reports
18. Optum EAP program with no limits
19. Employer can't access own reports

### UHC UNET

- Member web portal [www.myuhc.com](http://www.myuhc.com)  
Employer web portal [www.myuhc.com](http://www.myuhc.com)  
Members would need new UHC i.d. cards  
Employer has billing available online  
2<sup>nd</sup> level appeals depends on funding check UAF  
SSAE 16 is still available on UHC/Unet  
Unet has both by default  
Unet offers Simply Engaged IF purchased  
Local reps here to support  
Claims will go to Atlanta or other location  
Offers smartphone app similar to member portal  
Provider contracting very similar to River Valley  
Network access no issue  
Need to review Rx PDL comparisons(Advantage)  
Benefit variations allowed  
Move Stop Loss to BP Stop Loss on Unet  
Most reports available here one way or other  
Optum EAP is there but with limits  
Employer can access own standard reports

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES  
THAT THIS RESOLUTION HAS BEEN FORMALLY  
APPROVED BY THE BOARD OF SUPERVISORS ON

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SCOTT COUNTY AUDITOR

## R E S O L U T I O N

### SCOTT COUNTY BOARD OF SUPERVISORS

October 24, 2013

#### APPROVAL OF A THREE YEAR AGREEMENT FOR ADMINISTRATIVE SERVICES AND ONE YEAR STOP LOSS COVERAGE

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the proposal from United Health Care for three years for CY14-16 for third party administration services with no increase the second year and a cap of 5% increase in the third year.

Section 2. That the proposal from United Health Care for one year agreement for specific and aggregate stop loss coverage for calendar year 2014 is hereby accepted and approved.

Section 3. That the Human Resources Director hereby authorized to sign the health insurance contracts for services on behalf of the Board.

Section 4. This resolution shall take effect immediately.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES  
THAT THIS RESOLUTION HAS BEEN FORMALLY  
APPROVED BY THE BOARD OF SUPERVISORS ON

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

October 24, 2013

APPROVAL OF FAMILY HEALTH CARE PREMIUM RATES FOR SCOTT COUNTY  
EMPLOYEES IN CALENDAR YEAR 2014

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. The following schedule of family health care premium rates for Scott County employees in calendar year 2014 is hereby approved:

Health/Pharmaceutical	\$160.60 / mo
Dental	\$ 11.65 / mo
Avesis Vision	\$ 1.63 / mo

Section 2. This resolution shall take effect on January 1, 2014.