

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

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



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**Date:** October 11, 2016

**To:** Mahesh Sharma, County Administrator

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

**Subject:** Insurance Recommendations

Health/Pharmaceutical

We bid our third party administrative services this year out through our consultants Holmes Murphy and Associates. United Health Care has provided a bid that reduces their administrative costs over the next three years. This proposal along with the deeper discounts provided from providers, results in our recommendation to remain with United Health Care for the next three years. The anticipated saving to the County is approximately \$82,000.

Stop Loss Coverage

Once again Holmes Murphy has done a reverse auction for our stop loss coverage. As we have indicated in the past we've had two bad years with high claims. In CY15 we had four individuals exceed the specific stop loss coverage of \$160,000 and this year have had one individual exceed the coverage, but several other high claims. Along with Holmes Murphy, staff has analyzed the claims and premium costs. We are recommending we increase our specific stop loss coverage to \$175,000. We believe this will save the County money without taking too much risk on.

Dental

We are in the third year of a three year Administrative Services Agreement with Delta Dental of Iowa, thus there is no increase this year in administrative costs. However we have experienced a 9% increase in claims cost over the last year, which will impact employee premiums. Still the family rate remains \$1.01 less than the rate was in 2009 when we moved from fully funded to self-funded.

## Vision

We rebid our vision plan this year but the recommendation is to remain with Avesis. There is the possibility of lowering the costs if we went with another provider, but their provider list does not include vendors that the majority of employees utilize. Additionally the rates still remain lower than they were in 2009. The employee family premium is \$0.33 less than it was in 2009. This is a fully funded plan.

## Health Care Rates

The County has reviewed our health care rates with our actuarial, Silverstone Group. They have recommended a larger increase to the employee premium rates for CY17, as we continue to have a significant large claims experience. The recommended increase is 7.8% for health and 4% for dental. As the vision plan is fully funded the contract increase for this benefit is 9%. These changes result in an employee family premium increase of \$14.12 a month.

The supporting documentation is attached.

Cc: David Farmer, Budget & Administrative Services Director  
Jeff Scarpinato, Holmes Murphy  
Hiliary Walker, Benefits Coordinator

**HUMAN RESOURCES DEPARTMENT**

600 West Fourth Street  
Davenport, Iowa 52801-1030

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Date: October 11, 2016  
To: Mahesh Sharma, County Administrator  
From: Mary J. Thee, Human Resources Director/Asst. County Administrator  
Subject: Approval of Health Insurance Premium Rates for CY17

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>CY16 Rates</b>	<b>CY17 Rates</b>	<b>Employee Family Rate</b>
	\$ 504.00 Single \$1,370.00 Family	\$ 543.31 Single \$1,476.86 Family	\$186.70

<b>Delta Dental (TPA) (Self funded as of 7-1-10)</b>	<b>CY16 Rates</b>	<b>CY17 Rates</b>	<b>Employee Family Rate</b>
	\$29.18 Single \$87.46 Family	\$30.36 Single \$90.96 Family	\$12.12

Employee's opting to take the Dental supplemental plan shall pay an additional \$5.00/month for single or family coverage.

<b>Avesis Vision (Contracted since 7-1-10)</b>	<b>CY16 Rates</b>	<b>CY17 Rates</b>	<b>Employee Family Rate</b>
	\$6.68 Single \$15.38 Family	\$7.35 Single \$16.92 Family	\$1.90

Carrier	UHC \$160,000 Spec UNET	UHC \$160,000 Spec American Alternative	UHC \$160,000 Spec American Alternative	UHC \$160,000 Spec UHC	Auxiant \$160,000 Spec American Alternative	Wellmark \$160,000 Spec American Alternative
	Current	Renewal	Alternate	Alternate	Alternate	Alternate
<b>FIXED COSTS</b>						
<b>Administration Fee</b>						
490	Claims Administration Fee	\$23.04	\$23.04	\$23.04	\$15.90	\$37.40
490	Rx Rebate Credit	(N/A)	(N/A)	(N/A)	(N/A)	(N/A)
490	Network Access Fee	Included	Included	Included	\$9.90	\$6.95
490	Full Claims Fiduciary (Appeal + Liability)	Included	Included	Included	\$2.00	Included
490	Total Monthly PEPM	\$36.95	\$23.04	\$23.04	\$27.80	\$44.35
	Monthly Administration Costs	\$18,105.50	\$11,289.60	\$11,289.60	\$13,622.00	\$21,731.50
	<b>Total Annual Administration Costs</b>	<b>\$217,266.00</b>	<b>\$135,475.20</b>	<b>\$135,475.20</b>	<b>\$163,464.00</b>	<b>\$260,778.00</b>
<b>SPECIFIC STOP LOSS (Medical/Rx)</b>						
	Specific Stop Loss Deductible	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000
	Contract Type	Paid	Paid	Paid	24/12	24/12
	Specific Premium					
175	Single	\$48.99	\$62.22	\$62.22	\$62.22	\$62.22
315	Family	\$48.99	\$62.22	\$62.22	\$62.22	\$62.22
	Monthly Specific Premium	\$24,005.10	\$30,487.80	\$30,710.17	\$30,487.80	\$30,487.80
	<b>Annual Specific Premium</b>	<b>\$288,061.20</b>	<b>\$365,853.60</b>	<b>\$368,522.06</b>	<b>\$365,853.60</b>	<b>\$365,853.60</b>
<b>AGGREGATE STOP LOSS (Medical/Rx)</b>						
	Aggregate Premium	\$5.50	\$5.50	\$6.68	\$5.50	\$5.50
490	Per Employee Per Month	\$2,695.00	\$2,695.00	\$3,273.20	\$2,695.00	\$2,695.00
	Monthly Aggregate Premium	\$32,340.00	\$32,340.00	\$39,278.40	\$32,340.00	\$32,340.00
	<b>Annual Aggregate Premium</b>	<b>\$320,401.20</b>	<b>\$398,193.60</b>	<b>\$407,800.46</b>	<b>\$398,193.60</b>	<b>\$398,193.60</b>
	<b>Total Annual Stop Loss Costs</b>	<b>\$537,667.20</b>	<b>\$533,668.80</b>	<b>\$543,275.66</b>	<b>\$561,657.60</b>	<b>\$658,971.60</b>
<b>VARIABLE COSTS</b>						
<b>AGGREGATE FACTORS (Medical/Rx)</b>						
	Contract Type					
	Expected Claims	\$1,053.47	\$1,299.05	\$1,284.08	\$1,299.05	\$1,299.05
175	Single	\$1,053.47	\$1,299.05	\$1,284.08	\$1,299.05	\$1,299.05
315	Family	\$1,316.84	\$1,623.81	\$1,605.10	\$1,623.81	\$1,623.81
	Maximum Claims	\$1,316.84	\$1,623.81	\$1,605.10	\$1,623.81	\$1,623.81
175	Single	\$6,194,403.60	\$7,638,402.24	\$7,550,390.40	\$7,638,402.24	\$7,638,402.24
315	Family	\$7,743,019.20	\$9,548,002.80	\$9,437,988.00	\$9,548,002.80	\$9,548,002.80
	<b>Annual Expected Claims</b>	<b>\$13,937,422.80</b>	<b>\$17,186,405.04</b>	<b>\$16,988,378.40</b>	<b>\$17,186,405.04</b>	<b>\$17,186,405.04</b>
	Est. Aggregate Attachment Point (125%)	\$5,377,667.20	\$5,333,668.80	\$5,432,756.66	\$5,616,576.00	\$6,589,716.00
	<b>Total Annual Fixed Costs</b>	<b>\$6,715,334.40</b>	<b>\$6,667,337.60</b>	<b>\$6,865,535.06</b>	<b>\$7,188,152.00</b>	<b>\$8,208,432.00</b>
	<b>Total Annualized Expected Costs</b>	<b>\$8,280,686.40</b>	<b>\$8,172,071.04</b>	<b>\$8,093,666.06</b>	<b>\$8,200,059.84</b>	<b>\$8,297,373.84</b>
	<b>Total Annualized Maximum Costs</b>	<b>\$10,081,671.60</b>	<b>\$10,081,671.60</b>	<b>\$9,981,263.66</b>	<b>\$10,109,660.40</b>	<b>\$10,206,974.40</b>
	Increase in Fixed Costs - Dollar Amount		(\$3,988.40)	\$5,608.46	\$23,990.40	\$121,304.40
	Increase in Fixed Costs - Percent		-0.7%	1.0%	4.5%	22.6%
	Increase in Expected Costs - Dollar Amount		\$1,440,000.24	\$1,361,595.26	\$1,467,989.04	\$1,565,303.04
	Increase in Expected Costs - Percent		21.4%	20.2%	21.8%	23.3%

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.



**Scott County**  
**ASO + Reinsurance Renewal Cost Analysis**  
**Renewal January 1, 2017**

Carrier	UHC \$160,000 Spec Munich Re	UHC \$175,000 Spec Munich Re	UHC \$175,000 Spec UHC	Auxiant \$175,000 Spec Munich Re	Wellmark \$175,000 Spec Munich Re	
	Current	Renewal	Alternate	Alternate	Alternate	
<b>FIXED COSTS</b>						
<b>Administration Fee</b>						
490	Claims Administration Fee	\$49.35	\$23.04	\$22.04	\$15.90	\$37.40
490	Rx Rebate Credit	(\$12.40)	N/A	N/A	N/A	N/A
490	Network Access Fee	Included	Included	Included	\$9.90	\$6.95
490	Full Claims Fiduciary (Appeal + Liability)	Included	Included	Included	\$2.00	Included
490	Total Monthly PEPM	\$36.95	\$23.04	\$22.04	\$27.80	\$44.35
	Monthly Administration Costs	\$18,105.50	\$11,289.60	\$10,799.60	\$13,622.00	\$21,731.50
	<b>Total Annual Administration Costs</b>	<b>\$217,266.00</b>	<b>\$135,475.20</b>	<b>\$129,595.20</b>	<b>\$163,464.00</b>	<b>\$260,778.00</b>
	Second and Third Year Rate Guarantees		2018: \$21.14 PEPM 2019: \$19.17 PEPM	2018: \$20.12 PEPM 2019: \$18.12 PEPM		
<b>SPECIFIC STOP LOSS (Medical,Rx)</b>						
	Specific Stop Loss Deductible	<b>\$160,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$175,000</b>
	Contract Type	Paid	24/12	Paid	24/12	24/12
	<u>Specific Premium</u>					
175	Single	\$48.99	\$50.54	\$50.91	\$50.54	\$50.54
315	Family	\$48.99	\$50.54	\$50.91	\$50.54	\$50.54
	Monthly Specific Premium	\$24,005.10	\$24,764.60	\$24,945.90	\$24,764.60	\$24,764.60
	<b>Annual Specific Premium</b>	<b>\$288,061.20</b>	<b>\$297,175.20</b>	<b>\$299,350.80</b>	<b>\$297,175.20</b>	<b>\$297,175.20</b>
<b>AGGREGATE STOP LOSS (Medical,Rx)</b>						
	<u>Aggregate Premium</u>					
490	Per Employee Per Month	\$5.50	\$6.05	\$6.68	\$6.15	\$6.15
	Monthly Aggregate Premium	\$2,695.00	\$2,964.50	\$3,273.20	\$3,013.50	\$3,013.50
	<b>Annual Aggregate Premium</b>	<b>\$32,340.00</b>	<b>\$35,574.00</b>	<b>\$39,278.40</b>	<b>\$36,162.00</b>	<b>\$36,162.00</b>
	<b>Total Annual Stop Loss Costs</b>	<b>\$320,401.20</b>	<b>\$332,749.20</b>	<b>\$338,629.20</b>	<b>\$333,337.20</b>	<b>\$333,337.20</b>
	<b>Total Annual Fixed Costs</b>	<b>\$537,667.20</b>	<b>\$468,224.40</b>	<b>\$468,224.40</b>	<b>\$496,801.20</b>	<b>\$594,115.20</b>
<b>VARIABLE COSTS</b>						
<b>AGGREGATE FACTORS (Medical,Rx)</b>						
	Contract Type					
	<u>Expected Claims</u>					
175	Single	\$1,053.47	\$1,218.86	\$1,232.72	\$1,238.49	\$1,238.49
315	Family	\$1,053.47	\$1,218.86	\$1,232.72	\$1,238.49	\$1,238.49
	<u>Maximum Claims</u>					
175	Single	\$1,316.84	\$1,523.57	\$1,540.90	\$1,548.11	\$1,548.11
315	Family	\$1,316.84	\$1,523.57	\$1,540.90	\$1,548.11	\$1,548.11
	<b>Annual Expected Claims</b>	<b>\$6,194,403.60</b>	<b>\$7,166,873.28</b>	<b>\$7,248,393.60</b>	<b>\$7,282,309.44</b>	<b>\$7,282,309.44</b>
	<b>Est. Aggregate Attachment Point (125%)</b>	<b>\$7,743,019.20</b>	<b>\$8,958,591.60</b>	<b>\$9,060,492.00</b>	<b>\$9,102,886.80</b>	<b>\$9,102,886.80</b>
	<b>Total Annual Fixed Costs</b>	<b>\$537,667.20</b>	<b>\$468,224.40</b>	<b>\$468,224.40</b>	<b>\$496,801.20</b>	<b>\$594,115.20</b>
	<b>Total Annualized Expected Costs</b>	<b>\$6,732,070.80</b>	<b>\$7,635,097.68</b>	<b>\$7,716,618.00</b>	<b>\$7,779,110.64</b>	<b>\$7,876,424.64</b>
	<b>Total Annualized Maximum Costs</b>	<b>\$8,280,686.40</b>	<b>\$9,426,816.00</b>	<b>\$9,528,716.40</b>	<b>\$9,599,688.00</b>	<b>\$9,697,002.00</b>
	<b>Increase in Fixed Costs - Dollar Amount</b>		<b>(\$69,442.80)</b>	<b>(\$69,442.80)</b>	<b>(\$40,866.00)</b>	<b>\$56,448.00</b>
	<b>Increase in Fixed Costs - Percent</b>		<b>-12.9%</b>	<b>-12.9%</b>	<b>-7.6%</b>	<b>10.5%</b>
	<b>Increase in Expected Costs - Dollar Amount</b>		<b>\$903,026.88</b>	<b>\$984,547.20</b>	<b>\$1,047,039.84</b>	<b>\$1,144,353.84</b>
	<b>Increase in Expected Costs - Percent</b>		<b>13.4%</b>	<b>14.6%</b>	<b>15.6%</b>	<b>17.0%</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.



**Scott County  
Vision Renewal Analysis  
Effective January 1, 2017**

Carrier	CURRENT Avesis		RENEWAL Avesis		RENEWAL Delta Vision Enhanced		RENEWAL Delta Vision Preferred		RENEWAL Delta Vision Standard	
	Network Benefits	Non-Network Amount Covered	Network Benefits	Non-Network Amount Covered	Network Benefits	Non-Network Amount Covered	Network Benefits	Non-Network Amount Covered	Network Benefits	Non-Network Amount Covered
<b>BENEFIT COPAYMENTS</b>										
<b>EXAMS - (Once every 12 Months)</b>	\$10	Up to \$35	\$10	Up to \$35	\$10	Up to \$35	\$10	Up to \$35	\$10	Up to \$35
<b>MATERIALS</b>	\$20	See Below	\$20	See Below	\$25	See Below	\$25	See Below	\$25	See Below
<b>ONE TIME LASIK BENEFIT</b>	\$150 Allowance		\$150 Allowance	15% off retail, 5% off promotional	15% off retail, 5% off promotional		15% off retail, 5% off promotional		15% off retail, 5% off promotional	
<b>FREQUENCY GUIDELINES</b>										
<b>EXAMINATION</b>	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
<b>LENSES</b>	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
<b>FRAMES</b>	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months	24 Months
<b>MAXIMUM ALLOWANCES</b>										
<b>FRAMES - (Once every 24 Months)*</b>	\$50 Wholesale Allowance*	Up to \$45	\$50 Wholesale Allowance*	Up to \$45	\$150 Allowance	Up to \$75	\$130 Allowance	Up to \$65	\$100 Allowance	Up to \$50
<b>LENSES - (Once every 12 Months)</b>										
<b>Elective Contacts</b>	Up to \$130	Up to \$130	Up to \$130	Up to \$130	\$150 Allowance	Up to \$120	\$130 Allowance	Up to \$104	\$100 Allowance	Up to \$80
<b>Medical Necessary Contacts</b>	In Full	Up to \$250	In Full	Up to \$250	In Full	Up to \$200	In Full	Up to \$200	In Full	Up to \$200
<b>Single Vision</b>	In Full	Up to \$25	In Full	Up to \$25	In Full	Up to \$25	In Full	Up to \$25	In Full	Up to \$25
<b>Bifocals</b>	In Full	Up to \$40	In Full	Up to \$40	In Full	Up to \$40	In Full	Up to \$40	In Full	Up to \$40
<b>Trifocals</b>	In Full	Up to \$50	In Full	Up to \$50	In Full	Up to \$55	In Full	Up to \$55	In Full	Up to \$55
<b>Lenticular</b>	In Full	Up to \$80	In Full	Up to \$80	In Full	Up to \$55	In Full	Up to \$55	In Full	Up to \$55
<b>PROVISIONS</b>										
<b>Rate Guarantee</b>	Two Year Rate Guarantee		Two Year Rate Guarantee		Two Year Rate Guarantee		Two Year Rate Guarantee		Two Year Rate Guarantee	
<b>CENSUS</b>										
161 Single	\$6.68	\$7.35	\$6.50	\$6.50	\$6.50	\$6.00	\$6.00	\$5.24	\$5.24	\$5.24
327 Family	\$15.38	\$16.92	\$16.54	\$16.54	\$16.54	\$15.28	\$15.28	\$13.38	\$13.38	\$13.38
<b>MONTHLY PREMIUM</b>	<b>\$6,104.74</b>	<b>\$6,716.19</b>	<b>\$6,455.08</b>	<b>\$6,455.08</b>	<b>\$6,455.08</b>	<b>\$5,962.56</b>	<b>\$5,962.56</b>	<b>\$5,218.90</b>	<b>\$5,218.90</b>	<b>\$5,218.90</b>
<b>ANNUAL PREMIUM</b>	<b>\$73,256.88</b>	<b>\$80,594.28</b>	<b>\$77,460.96</b>	<b>\$77,460.96</b>	<b>\$77,460.96</b>	<b>\$71,550.72</b>	<b>\$71,550.72</b>	<b>\$62,626.80</b>	<b>\$62,626.80</b>	<b>\$62,626.80</b>
<b>Estimated Savings / Increase \$</b>		<b>\$7,337.40</b>	<b>\$4,204.08</b>	<b>\$4,204.08</b>	<b>\$4,204.08</b>	<b>(\$1,706.16)</b>	<b>(\$1,706.16)</b>	<b>(\$10,630.08)</b>	<b>(\$10,630.08)</b>	<b>(\$10,630.08)</b>

Note: This is only a summary of the benefits/premium rates associated with the Group Insurance Program. Please refer to the plan carrier's illustration for full disclosure.

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 20, 2016

APPROVAL OF FAMILY HEALTH CARE PREMIUM RATES FOR SCOTT COUNTY  
EMPLOYEES IN CALENDAR YEAR 2017

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 2017 is hereby approved:

Health/Pharmaceutical	\$186.70 / mo
Dental	\$ 12.12 / mo
Avesis Vision	\$ 1.91 / mo

Section 2. Employee's opting to take the Dental supplemental plan shall pay an additional \$5.00/month for single or family coverage.

Section 3. This resolution shall take effect on January 1, 2017.

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 20, 2016

APPROVAL OF A THREE YEAR AGREEMENT FOR ADMINISTRATIVE SERVICES  
WITH UNITED HEALTH CARE

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 CY17-19 for third party administration services.

Section 2. That the Human Resources Director hereby authorized to sign the health insurance contracts for services on behalf of the Board.

Section 3. 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 20, 2016

APPROVAL OF A ONE YEAR AGREEMENT FOR STOP LOSS COVERAGE

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

Section 1. That the proposal from Munich Re for one year agreement for specific and aggregate stop loss coverage is hereby accepted and approved.

Section 2. That the Human Resources Director hereby authorized to sign the health insurance contracts for services on behalf of the Board.

Section 3. 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 20, 2016

APPROVAL OF TWENTY FOUR MONTH AGREEMENT WITH AVESIS FOR VISION  
COVERAGE

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

Section 1. That the proposal from Avesis for twenty four months for a fully funded vision plan is hereby accepted and approved.

Section 2. That the Human Resources Director hereby authorized to sign the vision insurance contracts for services on behalf of the Board.

Section 3. This resolution shall take effect immediately.