

City of Carson City  
Agenda Report

Item # 8-2B

Date Submitted: 05/06/10

Agenda Date Requested: 05/20/2010  
Time Requested: Consent Agenda

To: Board of Supervisors

From: Jennifer Schultz, Human Resources Director

**Subject Title:** Action to approve the employee health insurance plan with Saint Mary's HealthFirst, the employee dental and life plans with The Standard and the employee vision plan with VSP. (Jennifer Schultz)

**Staff Summary:** This action is to approve the benefit plans for health, dental, life and vision for city employees. There are no rate increases or changes to the benefit plans of dental, vision and life. According to the terms of the existing agreement with Saint Mary's HealthFirst, the City would incur a 9% increase based on utilization rates to continue with the current plan design. In order to contain costs for medical insurance, with no increase to premium, Human Resources suggests offering an HMO plan as the standard offering to employees, with an additional Point of Service plan available at an additional cost to employees. Approximately ninety-seven percent of activity in the current Point of Service plan takes place in the HMO category, indicating an unsubstantial impact to participants. These plan design changes have been submitted to all bargaining units and management employees of the City.

**Type of Action Requested:** (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

**Does This Action Require A Business Impact Statement:**  Yes  No

**Recommended Board Action:** I move to approve the employee health insurance plan with Saint Mary's HealthFirst, the employee dental and life plans with The Standard and the employee vision plan with VSP.

**Explanation for Recommended Board Action:** The changes to plan design and offerings will provide estimated savings of \$507,737.43 for Fiscal Year 2010-2011 due to the fact no additional charges will be incurred.

**Applicable Statue, Code, Policy, Rule or Regulation:** N/A

**Fiscal Impact:** \$507,737 cost savings in original proposed budget.

**Explanation of Impact:** Current plan design would require a nine percent increase of medical rates. Approval of the contracts as set forth above would be a rate pass and the City would not incur the 9% increase.

**Funding Source:** All operating funds

**Alternatives:** Remain with the current plan design and experience a nine percent increase.

**Supporting Material:** Health plan summary

**Prepared By:** Zee McClintock, Benefits Manager

**Reviewed By:** *[Signature]* Date: 5-7-10  
(Department Head)  
*[Signature]* Date: 5/11/10  
(City Manager)  
*Melanie Rouketta* Date: 5.11.10  
(District Attorney)  
*[Signature]* Date: 5/11/10  
(Finance Director)

**Board Action Taken:**

Motion: \_\_\_\_\_ 1) \_\_\_\_\_ Aye/Nay  
2) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

**City of Carson City - 7/1/10 HMO and POS**

**Primary HMO Medical Plan**

**Buy-Up POS Medical Plan**

| Type of Service   | Your Out of Pocket Expense                                  |   |                                 |  |
|---|---|---|---------------------------------|--|
|   | HMO In-Network  | HMO In-Network  | PPO In-Network                  | PPO Out-of-Network                       |
| Calendar Year Deductible  | \$500 (per person per calendar year)                        | NA  | \$1,500 Ind/\$3,000 Family      | \$2,500 Ind/\$5,000 Family               |
| Out-of-Pocket Maximums  | \$4,500 (Ded not Included)                                  | \$3,500   | \$5,000 Ind/\$10,000 Family     | \$7,500 Ind/\$15,000 Family              |
| Lifetime Maximums   | N/A   | N/A   | \$2 million                     |  |
| Physician Office Visits   |   |   |                                 |  |
| • Primary Care Physician (PCP)  | \$25 per visit  | \$20 per visit  | \$40 per visit                  | 50% after deductible                     |
| • Specialist - with a referral from your PCP and prior authorization<br>Specialist - HMO requires prior authorization | \$35 per visit  | \$30 per visit  | \$60 per visit                  | 50% after deductible                     |
| Alcohol and Drug Addiction or Abuse Services  |   |   |                                 | \$600 per admit and 50% after deductible |
| • Inpatient Withdrawal  | \$750 per admit   | \$750 per admit   | 25% after deductible            | 50% after deductible                     |
| • Inpatient Rehabilitation  | \$750 per admit   | \$750 per admit   | 25% after deductible            | 50% after deductible                     |
| • Outpatient Rehabilitation/Day Treatment   | \$300 per admit   | \$300 per admit   | 25% after deductible            | 50% after deductible                     |
| • Outpatient  | \$35 per visit  | \$30 per visit  | 25% after deductible            | 50% after deductible                     |
| Alternative Medicine (Homeopathy, Acupuncture and Integrated Medicine)  |   |   |                                 |  |
| \$1,500 maximum per calendar year - Initial self referral HMO only  | \$35 per visit  | \$30 per visit  | \$60 per visit                  | 50% after deductible                     |
| Ambulance Service   | \$200 per event   | \$200 per event   | \$200 per event                 | \$200 per event                          |
| Durable Medical Equipment   | After CYD, Member pays:                                     |   |                                 |  |
| • Rental  | No Charge   | No Charge   | 25% after deductible            | 50% after deductible                     |
| • Items Approved for Purchase - \$2,500 Maximum per year  | No Charge   | No Charge   | 25% after deductible            | 50% after deductible                     |
| • Emergency Room (The copay is waived when a member is admitted as an inpatient directly from the ER)                 | \$150 per visit   | \$150 per visit   | \$150 per visit                 | \$150 per visit                          |
| Health and Wellness/Preventive Care   |   |   |                                 |  |
| • Executive Physical (Mini) completed at Saint Mary's Center for Health   | \$100 co-pay per visit                                      | \$100 co-pay per visit                                      | Covered under HMO only          | Covered under HMO Only                   |
| • Healthy Mom, Healthy Baby Program™  | No Charge   | No Charge   | Covered Under HMO Only          | Covered Under HMO Only                   |
| • Healthy Decisions for Diabetes™   | No Charge   | No Charge   | Covered Under HMO Only          | Covered Under HMO Only                   |
| • Mammograms - Baseline and annual  | No Charge   | No Charge   | 25% after deductible            | 50% after deductible                     |
| • Colonoscopy for ages greater than 50 years  | \$35 copay per visit Specialist                             | \$30 copay per visit Specialist                             | \$60 copay per visit Specialist | 50% after deductible                     |
| • Pap and pelvic exams  | \$25 copay per visit PCP<br>\$35 copay per visit Specialist | \$20 copay per visit PCP<br>\$30 copay per visit Specialist | 25% after deductible            | 50% after deductible                     |
| • Periodic health assessments for hearing and vision for ages 2-17  | \$25 copay per visit PCP<br>\$35 copay per visit Specialist | \$20 copay per visit PCP<br>\$30 copay per visit Specialist | 25% after deductible            | 50% after deductible                     |
| • Well baby, well child visits, immunizations and vaccinations  | \$25 copay per visit PCP<br>\$35 copay per visit Specialist | \$20 copay per visit PCP<br>\$30 copay per visit Specialist | 25% after deductible            | 50% after deductible                     |
| Home Health Care  | \$25 per visit  | \$20 per visit  | Covered Under HMO Only          | Covered Under HMO Only                   |
| Hospital/Outpatient/Ambulatory Services   |   |   |                                 |  |
| • Inpatient   | \$750 per admit   | \$750 per admit   | 25% after deductible            | \$600 per admit and 50% after deductible |
| • Outpatient  | \$300 per admit   | \$300 per admit   | 25% after deductible            | 50% after deductible                     |
| • Observation   | \$300 per admit   | \$300 per admit   | 25% after deductible            | 50% after deductible                     |
| • Acute Rehabilitation - 30 days per calendar year - each to a Lifetime maximum \$30,000                              | \$750 per admit   | \$750 per admit   | Covered Under HMO Only          | Covered Under HMO Only                   |

**City of Carson City - 7/1/10 HMO and POS**

| Type of Service   | <u>Primary HMO Medical Plan</u>                             | <u>Buy-Up POS Medical Plan</u>                              |  |  |
|---|---|---|--|--|
|   | Your Out of Pocket Expense<br>HMO In-Network                | Your Out of Pocket Expense<br>HMO In-Network                | Your Out of Pocket Expense<br>PPO In-Network                               | Your Out of Pocket Expense<br>PPO Out-of-Network |
| Kidney Dialysis Services - Maximum \$60,000, per calendar year                  | \$25 per visit  | \$20 per visit  | Covered Under HMO Only   | Covered Under HMO Only                           |
| Laboratory and Diagnostic Testing   | No Charge   | No Charge   | 25% after deductible   | 50% after deductible                             |
| Maternity Care - 12 copay maximum per pregnancy                                 | \$25 copay per visit PCP<br>\$35 copay per visit Specialist | \$20 copay per visit PCP<br>\$30 copay per visit Specialist | \$40 per visit \$40 copay per visit PCP<br>\$60 copay per visit Specialist | 50% after deductible                             |
| Delivery Room and Nursery Hospital Care for mother and baby                     | \$750 per admit   | \$750 per admit   | 25% after deductible   | \$600 per admit 50% after deductible             |
| Mental Health Disorders<br>Severe Mental Illness                                |   |   |  | \$600 per admit and 50% after deductible         |
| • Inpatient   | \$750 per admit   | \$750 per admit   | 50% after deductible   | 50% after deductible                             |
| • Day Treatment Program   | \$300 per admit   | \$300 per admit   | 50% after deductible   | 50% after deductible                             |
| • Outpatient  | \$25 per visit  | \$25 per visit  | 50% after deductible   | 50% after deductible                             |
| General Mental Health   |   |   |  |  |
| • Outpatient  | \$25 per visit  | \$25 per visit  | 50% after deductible   | 50% after deductible                             |
| Morbid Obesity  | After CYD, Member pays:                                     |   |  |  |
| • Bariatric Restrictive Surgery (\$10,000 Maximum per lifetime)                 | \$750 per admit   | \$750 per admit   | 25% after deductible   | 50% after deductible                             |
| Nutritional Supplements, Enteral Therapy and Parenteral Nutrition               | \$20 for a 30 day supply                                    | \$20 for a 30 day supply                                    | \$20 for a 30 day supply   | \$20 for a 30 day supply                         |
| Organ Transplants - Lifetime maximum of \$750,000                               | After CYD, Member pays:<br>\$750 per admit                  | \$750 per admit   | Covered Under HMO Only   | Covered Under HMO Only                           |
| Orthotics - Maximum \$250 per calendar year                                     | \$100 per item  | \$100 per item  | 25% after deductible   | 50% after deductible                             |
| Prosthetics - \$25,000 maximum per approved item                                | After CYD, Member pays:<br>\$100 per item                   | \$100 per item  | 25% after deductible   | 50% after deductible                             |
| Radiology - Basic Diagnostic  | \$50 per visit  | \$50 per visit  | 25% after deductible   | 50% after deductible                             |
| Ct Scan, MRI  | \$100 per visit   | \$100 per visit   | 25% after deductible   | 50% after deductible                             |
| Complex Diagnostic Testing  | \$200 per visit   | \$200 per visit   | 25% after deductible   | 50% after deductible                             |
| Radiation Oncology Therapy  | \$25 per visit  | \$20 per visit  | 25% after deductible   | 50% after deductible                             |
| Spinal Manipulation - \$750 per calendar year                                   | \$35 per visit  | \$30 per visit  | \$60 per visit   | 50% after deductible                             |
| Temporomandibular Joint Disorder (TMJ) and Orthognathic Surgery                 | After CYD, Member pays:                                     |   |  |  |
| • TMJ Surgery - \$5,000 lifetime maximum  | \$300 copay per admit                                       | \$300 copay per admit                                       | \$300 copay per admit  | 50% after deductible                             |
| • TMJ Non Surgical Outpatient - \$1,500 lifetime maximum                        | \$35 copay<br>50% after deductible                          | \$30 copay per admit<br>50% after deductible                | \$60 copay per visit<br>50% after deductible                               | 50% after deductible                             |
| Therapies (Physical, Occupational, Speech, and Autism)                          |   |   |  |  |
| • Therapies are limited to 25 visits per condition per member per calendar year | \$35 per visit  | \$30 per visit  | 25% after deductible   | 50% after deductible                             |
| Urgent Care   | \$50 per visit  | \$50 per visit  | \$70 per visit   | 50% after deductible                             |
| Prescription Copays   | \$5 generic/\$30 brand/\$50 non-formulary                   |   |  | \$5 generic/\$30 brand/\$50 non-formulary        |