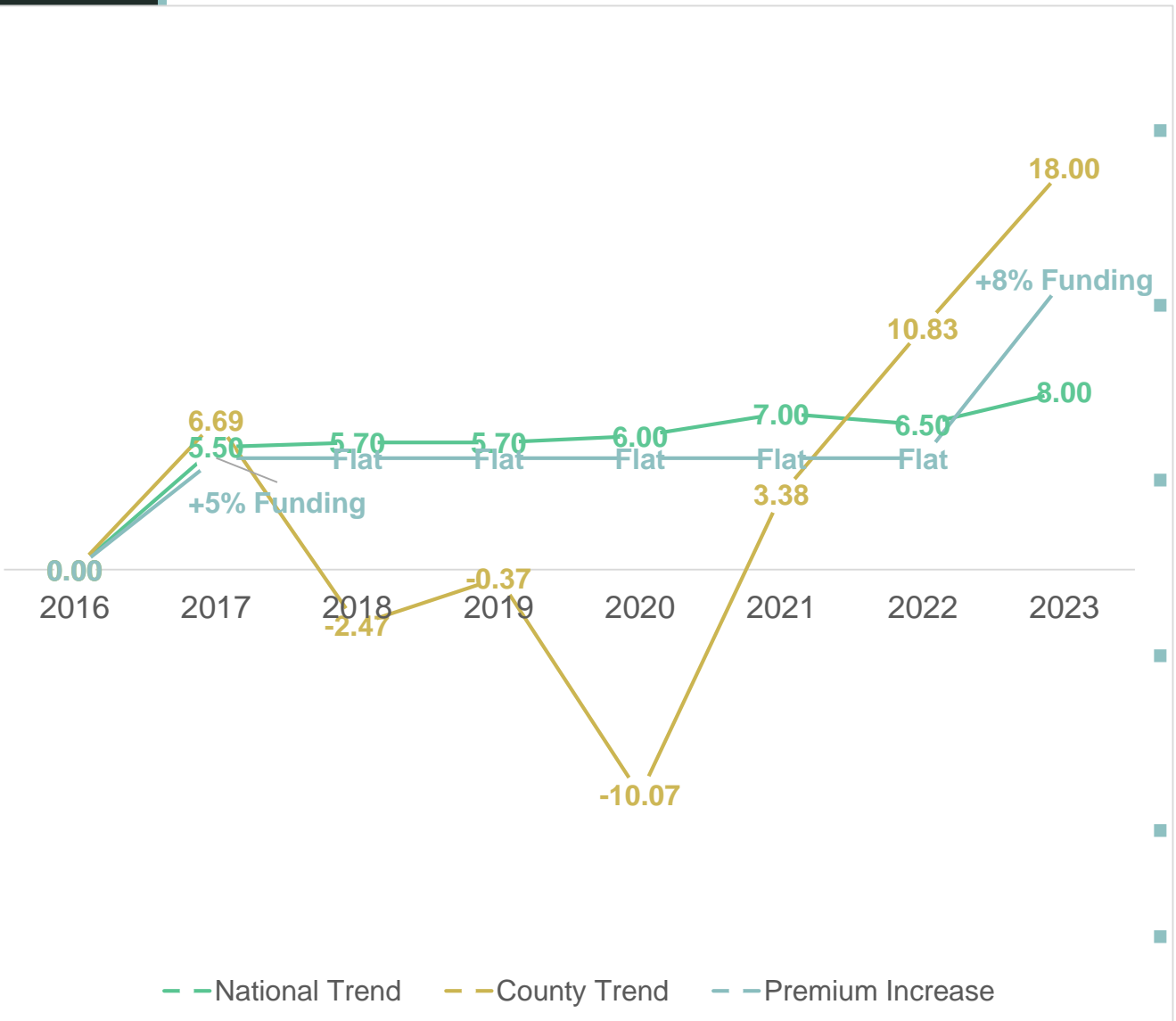


2023 Benefits

# Medical Insurance Recommendations

# County Medical Trends & Performance



- Self-funded plans statistically have two bad years out of five
- County performed better than budgeted funding in 2018-2020
- Strong performance allowed County to keep rates flat through 2022
- Performance in 2021 supported funding increase, but was offset by reserves
- COVID impact in 2020 and beyond
- Need an 18% funding increase

# Considerations

- 18% Funding increase needed
- Use some reserves while keeping balance according to policy & best practice
- Change plan design (deductibles, copay, co-insurance) – has a small impact
- Need a 3-to-5-year strategy for medical insurance – long term planning for sustainability & competitiveness
- Total Rewards package

# Recommendations

- Use \$2M from reserves to cover ~5% of increase
- County funds remaining 13% (~ \$5.4M)
  - Maintain HDHP at zero premium to employees (County pays 100%, employees pay 0%)
  - Maintain current PPO plan premium share (County pays 82%, Employees pay 18%)
    - Both County & employees pay their share of the 13% increase
- Increase ESR charge to organizations to cover funding gap
- HR builds 3–5-year strategic plan by end of Q1 2023
  - Includes goals, recommendations and timeline
  - Uses benefit survey data



# Questions

