

# **2018 EMPLOYEE BENEFIT CONSIDERATIONS**

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**10/17/17**

# 2018 Benefit Considerations

## What's New for 2018?

### Change To Calendar Year

- Change to calendar year begins January 1, 2018

### New Vendors

- *Cigna Dental* replaces *EMI* as the county's dental administrator



- *ASI* replaces *AxisPlus* as the county's Flex Spending administrator



# 2018 Benefit Considerations

- National Health Care Projections- 6.5%\*
- Current Medical Trend- 8.83%
- Pharmacy Cost Projections- 15.8%

## **Currently, the ESR Fund Reserves are (12/31/16):**

- Unrestricted Reserves: \$3,417,616
- Health Insurance Reserves: \$6,347,027

## **Recommendation:**

7.0% overall increase due current medical trend and taking into consideration the current ESR reserve levels

\* PwC's Health Research Institute (HRI)

# 2018 Benefit Considerations

**Traditional PPO Plan**—Increase premiums by 7%. County sees an increase on 80% and employee sees an increase on 20%

❖ EE:	\$7/mo. / \$84/year
❖ EE+1:	\$16/mo. / \$192/year
❖ EE+2 or more:	\$21/mo. / \$252/year

# 2018 Benefit Considerations

## Good News!

### Change To PEHP In 2017

- Improved Discounts
- Lower medical costs have been trending lower



### RX Rebates

2016 SH 2nd Qtr. RX Rebates	\$135,316
2016 SH 3rd Qtr. RX Rebates	\$135,731
2016 SH 4th Qtr. RX Rebates	\$165,966
2017 SH 1st Qtr. RX Rebates	\$207,618
2017 SH 2nd Qtr. RX Rebates	\$195,032
2017 SH 3rd Qtr. RX Rebates (estimate)	\$201,323
2017 PEHP 2nd Qtr. RX Rebates (estimate)	\$78,000
2017 PEHP 3rd Qtr. RX Rebates (estimate)	\$78,000
	<b>\$1,196,986</b>

# 2018 Benefit Considerations

## Other Health Care Recommendations:

### HDHP

- Continue offering plan at zero cost for full-time employees with continuing the HSA seed (\$600 and \$1,200) and wellness incentive (\$275 and \$550).
- Continue with employee education with increasing enrollment from **70% to 73% participation**

**Dental**—No increase proposed

# 2018 Benefit Considerations

## **Retirement**

- Rates for both tiers are flat for next year

## **Other**

- Approve 20% Employee Discount Card

# 2018 Benefit Considerations



- 93.17% of all Utah employer's benefits remained the same or improved overall
- 35.15% stated it was due to "Increased Employee Demand and Expectation"
- According to *SHRM*, to remain competitive in the talent marketplace, 1/3 of organizations increased their overall benefit offerings in the last 12 months



# 2018 HSA Education

# 2018 HSA Education

## HEALTH SAVINGS ACCOUNTS

### TRIPLE-TAX ADVANTAGED

**TAX-FREE  
CONTRIBUTIONS  
ARE 100%  
DEDUCTIBLE (UP TO  
THE LEGAL LIMIT)  
LIKE AN IRA**

**TAX-FREE  
WITHDRAWALS TO  
PAY QUALIFIED  
MEDICAL  
EXPENSES ARE  
NEVER TAXED**

**TAX-FREE  
ANY EARNINGS  
ACCUMULATE  
TAX-FREE**

### EMPLOYEE BENEFITS

**EMPLOYEE-  
OWNED  
UNLIKE A  
FLEXIBLE  
SPENDING  
ACCOUNT (FSA),  
UNUSED MONEY IS  
NOT FORFEITED**

**EMPLOYER  
CONTRIBUTIONS  
80% OF WORKERS  
ENROLLED  
RECEIVED AN HSA  
EMPLOYER  
CONTRIBUTION<sup>1</sup>**

# 2018 HSA Education

502K

**NEED FROM 401(K) TO COVER  
AVERAGE HEALTH COSTS**

- 377K

**AVERAGE HEALTH COSTS FOR A  
65-YEAR-OLD COUPLE**

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125K

**SAVINGS FROM TAX-FREE HSA  
FOR ILLUSTRATIVE PURPOSES ONLY.**

# HSA s By Balance

<b>HSA Balance</b>	<b>October 2017</b>
<b>\$0-\$1,999</b>	<b>1,286</b>
<b>\$2,000-\$3,999</b>	<b>445</b>
<b>\$4,000-\$7,499</b>	<b>292</b>
<b>\$7,500+</b>	<b>187</b>

- **924 employees with balances over \$2,000**
- **Currently only 55 members have investment accounts**

# 2018 Benefit Considerations-DA Daycare

**With the opening of the DA's office in early 2018, proposing to offer daycare (with current vendor)**

- **Budget request of \$20,000 for 2018**



Questions