SPOTSYLVANIA COUNTY GOVERNMENT
HEALTH CARE OPTIONS 2020

May 14, 2019

FY2020 OPTION 1
ANTHEM BC/BS

- **The decision was made to add $750K additional Funding to $750K in recommended Budget for $1.5M total increase in the County's Share of HI for FY20**

KEY CARE 20 & KEY CARE 30

- **We will maintain KC20 and KC30 plans and coverage will be the same as FY19**
- **Employer will pay the same amount for each type of coverage in all plans: KC30, KC20 and the Qualified High Deductible Health Plan (QHDHP)**
- **While coverages for KC20 and KC30 remain the same there will be a slight increase to the employee per pay period**

KEY CARE 30
PLAN COVERAGE REMAINS THE SAME

OPTION 1 - County pays $1.5M more; EE cost increased		Employee	Child	Spouse	Family
ER/EE split		91%/9%	85%/15%	85%/15%	85%/15%
Opt 1 - EE Per Payroll	KC30	30.45	73.03	110.31	134.14
Opt 1 - ER Per Payroll	KC30	307.84	413.84	625.08	760.11
EE Per Payroll Increase/(decrease)		3.45	7.03	11.31	14.14

EE=Employee
ER=Employer

KEY CARE 20
PLAN COVERAGE REMAINS THE SAME

		Employee	Child	Spouse	Family
ER/EE split		84%/16%	78%/22%	78%/22%	78%/22%
Opt 1 - EE Per Payroll	KC20	60.74	115.55	173.79	211.02
Opt 1 - ER Per Payroll	KC20	307.84	413.84	625.08	760.11
EE Per Payroll Increase/(decrease)		11.74	19.55	29.79	36.02

QUALIFIED HIGH DEDUCTIBLE HEALTH PLAN (QHDHP)

QHDHP- Differs from an HDHP in that it "Qualifies" by IRS guidelines to include a Health Savings Account.

Not all HDHP's can include an HSA

WHAT IS A QHDHP?

- A Qualified High-Deductible Health Plan is a health insurance plan with low premiums and high deductibles, compared to traditional health plans.
- An QHDHP is a requirement for an Health Savings Account
- Many employers choose to assist in the funding of the HSA by contributing funds to the employee's health savings account

QUALIFIED HIGH DEDUCTIBLE HEALTH PLAN(QHDHP)

		Employee	Child	Spouse	Family
ER/EE split		98%/2%	95%/5%	98%/2%	96%/4%
Opt 1 - EE Per Payroll	HD *	18.30	47.83	62.24	70.79
Opt 1 - ER Per Payroll	HD *	307.84	413.84	625.08	760.11

** HD - Includes ER contribution to Health Savings Account as follows : EE only $100/mth; EE Child $125/mth; EE Spouse $175/mth; EE Family $200/mth.*

MANY EMPLOYERS CHOOSE TO ASSIST IN THE FUNDING OF THE HSA BY CONTRIBUTING FUNDS TO THE EMPLOYEE'S HEALTH SAVINGS ACCOUNT

- Spotsylvania County's proposed rates include the following contributions into the Employee's HSA:
  - HD EE Only - $100/Month ($1,200/YR)
  - HD EE Child - $125/Month ($1,500/YR)
  - HD EE Spouse - $175/Month ($2,100/YR)
  - HD EE Family - $200/Month ($2,400/YR)
- Potentially we may consider offering 1st year seed money to entice employees to adopt the plan
  - ➢ SCPS is offering $100 per month seed money to new 2020 QHDHP plan members

ADVANTAGES TO A QHDHP & HEALTH SAVINGS ACCOUNT

QHDHP:

- Lower cost to the employer
- Provides additional plan options to employees

HSA Account:

- Employers typically add funding into the employees account
- Employees can contribute additional funding and their contributions are tax- deferred
- HSA dollars are portable and will always belong to the employee (Unlike an FSA), even when they leave an organization

WHO SHOULD CHOOSE THE QHDHP?

<u>If you're in good health</u>

- If you rarely need prescription drugs, and don't expect to incur significant medical expenses in the coming year, you might consider an QHDHP.
- With the QHDHP plan you save each month with reduced rates

<u>If you have planned medical expenses</u>

- Once you meet the maximum out-of-pocket cost plans will cover 100%
- Employees should compare out of pocket expense numbers / They may benefit with the QHDHP

TAX ADVANTAGES OF THE QHDHP

- Contributions to the HSA are 100% tax deductible
- Withdrawals to pay for qualified medical expenses, including dental and vision, are never taxed
- Interest earnings accumulate tax-deferred and if used for qualified medical expenses, are tax free.
- Unlike Flexible Spending accounts, unused money remains in the HSA and continues to earn interest

DISADVANTAGES TO THE QHDHP

- In some cases, employees with long-term health conditions and frequent medical needs, benefit from a plan with lower deductibles and lower payment obligations
- Because these participants will be paying the high deductible constantly, they will essentially be paying for all medical expenses out-of-pocket
- High monthly drug costs may require initial cash flow
- Each employees situation will be different and must be considered based on individual need

Questions