2011 Funding Rates

Calendar Year 2011 Contribution Rates

- Looking back…
  - The City's health benefit cost increased by 11% from 2008 to 2009
  - Another 11% increase is projected in 2010
  - Employee contributions did not change for 2010
- Looking forward…
  - Employee rates will have to change for the plan year effective January 1, 2011
  - Change factors very based on projected costs in each plan category
  - Plan design changes can help mitigate the impact of the increase to employees

2010 – 2011 Employee Contribution Rates

	2010				2011 Required Contribution changes (No Plan Change)				2011 Required Contribution changes (All Plan Changes)			
Basic Plan	**Active**	**No Medicare**	**Medicare - City Plan**	**Medicare Advantage**	**Active**	**No Medicare**	**Medicare - City Plan**	**Medicare Advantage [1]**	**Active**	**No Medicare**	**Medicare - City Plan**	**Medicare Advantage [1]**
Single												
Employee	$120.52	$123.14	$120.52	$66.30	$127.95	$160.47	$132.58	$52.44	$118.11	$148.14	$122.39	$52.34
Change % from prior year												
Employee	0%	0%	0%	0%	6%	30%	10%	-21%	-2%	20%	2%	-21%
Family												
Employee	$255.85	$258.86	$252.84	$132.60	$250.24	$349.86	$269.02	$104.89	$231.00	$322.97	$248.34	$104.67
Change % from prior year												
Employee	0%	0%	0%	0%	-2%	35%	6%	-21%	-10%	25%	-2%	-21%
Premier Plan	**Active**	**No Medicare**	**Medicare - City Plan**	**Medicare Advantage**	**Active**	**No Medicare**	**Medicare - City Plan**	**Medicare Advantage [1]**	**Active**	**No Medicare**	**Medicare - City Plan**	**Medicare Advantage [1]**
Single												
Employee	$128.52	$134.47	$130.90	$71.82	$156.71	$196.64	$163.96	$57.17	$147.01	$184.47	$153.81	$57.05
Change % from prior year												
Employee	0%	0%	0%	0%	22%	46%	25%	-20%	14%	37%	18%	-21%
Family												
Employee	$259.60	$266.68	$259.60	$143.65	$366.86	$390.88	$322.55	$114.34	$344.15	$366.68	$305.03	$114.10
Change % from prior year												
Employee	0%	0%	0%	0%	41%	47%	24%	-20%	33%	37%	18%	-21%

2011 Basic & Premier Plan Designs
Plan change considerations for 2011

	Current 2010 Calendar Year				Proposed 2011 Calendar Year					
	Basic PPO		Premier PPO		Basic PPO			Premier PPO		
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	% Impact	In-Network	Out-of-Network	% Impact
Deductible*										
Individual	$350	$350	$0	$400	$500	$500		$100	$500	
Family	$1,050	$1,050	$0	$1,200	$1,500	$1,500	-1.7%	$300	$1,500	-1.4%
Out-of-Pocket Limit										
Individual	$1,500	$3,500	None	$3,000	$2,500	$5,000		$1,000	$2,000	
Family	$3,000	$7,000	None	$7,000	$5,000	$10,000		$2,000	$4,000	
Coinsurance	90%	70%	100%	60%	80%	60%	-4.2%	90%	60%	-3.7%
Office Visit										
PCP	90%	70%	$20 copay	60%	80%	60%		$20 copay	60%	
Specialist	90%	70%	$20 copay	60%	80%	60%		$40 copay	60%	-1.3%
Lifetime Plan Maximum	$1,000,000	$1,000,000	Unlimited	$1,000,000	Unlimited	$1,000,000	0.5%	Unlimited	$1,000,000	
Preventive Services	Free	Not covered	Free	Not covered	Free	Not covered		Free	Not covered	
Inpatient Hospitalization	90% after $100 copay per stay	70% after $300 copay per stay	$100 copay	60% after $300 copay per stay	80% after $100 copay per stay	60% after $300 copay per stay		90% after $100 copay per stay	60% after $300 copay per stay	
Outpatient Facility Charge	90%	70%	$100 copay	60%	80% after $100 copay per stay	60%	-1.6%	90% after $100 copay per stay	60%	
Emergency Room**	90% after $25 copay	70%	$100 copay	60%	80% after $100 copay	60%	-0.3%	90% after $100 copay	60%	
Total % Impact							-7.5%			-6.0%

- Plan changes developed based on 2009 plan design benchmarks, including:
  - Increases to plan deductibles, out of pocket maximums, office visit co-pay and emergency room co-pay
  - Reduced co-insurance levels
  - Standardization of lifetime maximum at unlimited coverage and Outpatient co-pay

2011 Basic & Premier Plan Designs
Impact of benefit plan changes

- Change factors for the potential benefit plan changes shown on the prior page are as follows:

	Proposed CY2011 Rates		Increase Deductibles to $500 Single/$1,500 Family		Decrease Co-insurance to 80% In-network, 60% Out of Network		Increase Lifetime Maximum to Unlimited		Add $100 co-pay per Outpatient Procedure		Add $100 co-pay per Emergency Room Visit	
	Single	Family	Single	Family	Single	Family	Single	Family	Single	Family	Single	Family
Basic Plan												
Active	$127.95	$250.24	($2.18)	($4.25)	($5.37)	($10.51)	$0.64	$1.25	($2.05)	($4.00)	($0.38)	($0.75)
Retiree - w/o Medicare	$160.47	$349.86	($2.73)	($5.95)	($6.74)	($14.69)	$0.80	$1.75	($2.57)	($5.60)	($0.48)	($1.05)
Retiree - w/Medicare	$132.58	$269.02	($2.25)	($4.57)	($5.57)	($11.30)	$0.66	$1.35	($2.12)	($4.30)	($0.40)	($0.81)
Medicare Advantage	$52.44	$104.89										

	Proposed CY2011 Rates		Increase In-network deductibles to $100 Single/$300 Family & Out of Network deductible to $500 Single/$1,500 Family		Decrease Co-insurance to 90% In-network, 60% Out of Network		Increase co-pay for Specialist Physician Visits to $40 per office visit	
	Single	Family	Single	Family	Single	Family	Single	Family
Premier Plan								
Active	$156.71	$366.86	($2.19)	($5.14)	($5.80)	($13.57)	($2.04)	($4.77)
Retiree - w/o Medicare	$196.64	$390.88	($2.75)	($5.47)	($7.28)	($14.46)	($2.56)	($5.08)
Retiree - w/Medicare	$163.96	$322.55	($2.30)	($4.52)	($6.07)	($11.93)	($2.13)	($4.19)

Approval of Plan Changes

	Yes	No
▪ Basic Plan		
– Increase deductibles to $500 Single/$1,500 Family	____	____
– Decrease co-insurance to 80% In-network, 60% Out of network	____	____
– Increase Lifetime maximum to Unlimited	____	____
– Add $100 co-pay per Outpatient procedure	____	____
– Add $100 co-pay per Emergency room visit	____	____
▪ Premier Plan		
– Increase In-network deductibles to $100 Single/$300 Family and Out of network deductibles to $500 Single/ $1,500 Family	____	____
– Decrease co-insurance to 90% In-network and 60% Out of network	____	____
– Increase co-pay for Specialist physician visits to $40	____	____

Questions?