



**Employee Benefits Program  
2014 – Renewal  
Analysis and Recommendation**

*Prepared by:*



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# Section I

## Executive Summary

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As a result of rising healthcare inflation in Florida, Wellington's medical claims experience, and the Patient Protection and Affordable Care Act (PPACA), Gehring Group solicited competitive proposals for group medical insurance for the 2014 plan year. Conducting a Request for Proposal (RFP) process allows Wellington to take advantage of all options available in the employee benefits industry. The competitive nature of the RFP process also ensures that Wellington will receive the most cost effective options.

### **CURRENT PROGRAM INFORMATION**

Wellington currently offers group medical, dental, health reimbursement accounts (HRA), vision, life & accidental death, long term disability and short term disability insurance to current employees, retirees and dependents (subject to eligibility guidelines) as well as an employee assistance program. In addition, employees have the option to purchase supplemental life, legal and hospitalization insurance benefits on a voluntary basis.

At the time the RFP was released to the market, Wellington's medical claims were 88% of claims paid versus premium paid for the prior 12 month period through July 2013. It should also be noted that during the period September 2009 through August 2010, there were nineteen individual members with claims totaling more than \$25,000 each with three of these claims exceed \$175,000 each. These costs are a significant factor when other insurance carriers are determining whether or not to provide proposals to Wellington. Current renewal projections estimate that premiums should increase approximately 18% based upon current plan losses and utilization data.

In addition to the group medical plan Wellington offers employees and their dependents health reimbursement accounts (HRA). This account allows employees and dependents to receive reimbursement for their out-of-pocket expenses associated with the medical, dental, vision plan and/or any other approved Internal Revenue Code expenses. The amount of funds Wellington is the same for all employees which is annual adjusted based upon the United States Department of Labor Consumer Price Index (CPI) medical inflation rate. Due to PPACA regulations employees that do not participate in the group medical plan can longer utilize the HRA to receive reimbursement for their out-of-pocket medical expenses. These individuals will continue to be allowed to participate in the HRA; however, they will only be able to utilize the HRA for non-medical expenses such as dental and/or vision out-of-pocket costs.

Dental insurance is self funded with Dental Decisions administering the direct assignment dental plan for Wellington. The current program has been in place since 2003 without any

significant changes or rate increases. In addition, Wellington's vision insurance plan through Humana Specialty Benefits has had no significant changes or rate increases throughout the past ten years.

Wellington's group life and accidental death, long term disability and short term disability programs were bid in the summer of 2009. As a result of the complete bid process, coverage was transitioned from Lincoln Financial Group to CIGNA Group Benefits. Coverage will continue for the next twenty-four months with CIGNA Group Benefits with no changes in premium.

## Section II

### Medical Insurance Evaluation

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The Request for Proposals (RFP) was submitted to the market during the months of September – October, 2013. Proposers were asked to provide guaranteed cost premium proposals with plan designs that match the current schedule of benefits as closely as possible. As a result of the competitive bid process, the following proposers (listed in alphabetical order) responded to the RFP for group medical insurance:

- AETNA;
- BlueCross BlueShield of Florida (dba FloridaBlue);
- CIGNA HealthCare;
- Humana; and
- United Healthcare (incumbent).

Additional carriers including:

- AvMed;
- Coventry; and
- The Florida Municipal Insurance Trust.

were approached to provide proposals; however, each declined to quote due to the Wellington's claim experience or lack of network providers in the area.

AETNA submitted a guaranteed cost\* premium proposal closely matching the current benefit schedule at a 19.8% premium increase. After review of additional claims; the final proposal from AETNA results in a 17% premium increase.

CIGNA HealthCare submitted a fully insured premium dividend earning proposal. The responses from CIGNA included matching plan designs to the existing in-force program with no changes to employee cost share.

The initial renewal offer from CIGNA HealthCare was an increase in premiums of 14.3%. After subsequent negotiations, CIGNA reduced their overall increase to 10.5% with no benefit changes.

BlueCross BlueShield of Florida proposed a guaranteed cost\* plan with benefits similar to those being offered currently. The premiums rates proposed resulted in a 29.3% overall increase.

Humana proposed a guaranteed cost\* premium arrangement that resulted in 16.6% increase in premiums overall. However, the plan design was different when compared to the current plan design increasing copayments, and out-of-pocket maximums.

United Healthcare submitted their fully insured premium dividend earning renewal proposal resulting in a premium increase of 24.9% with no changes in the benefit offering to employees. After subsequent negotiations United reduced the overall increase to 10.5% with no changes in employee out-of-pocket cost share.

*\*Under a guaranteed cost fully insured premiums arrangement the contract is a “winner-takes-all” arrangements in which the full liability is borne by the insurance company during the plan year. If claims are lower than expected premiums, the company retains the profit. If claims are higher than expected, the company retains the loss. Although this type of arrangement is commonplace in the industry, the company remains the primary benefits of a profitable plan year.*

## **RECOMMENDATION**

Taking into consideration Wellington’s claims loss ratio (claims vs. premium) of 88% over the past 12 months (including large claimants); the Gehring Group was able to successfully negotiate a reduction in the plan proposed rates from an increase of 24.9% to 10.5% resulting in a savings of \$534,176 with no plan changes.

Subsequently, after simultaneous negotiations between CIGNA HealthCare & United Healthcare both provided matching plan designs and rate structures offering a savings to Wellington while maintaining existing copayments to employees & their dependents that are covered by the health insurance plan.

Upon review of the premiums and benefits associated with plan offered through United Healthcare, Gehring Group recommends the Wellington continue with this type of arrangement with United Healthcare for the 2014 plan year at a guaranteed maximum cost increase of 10.5% or \$389,343 with no plan changes to current schedule of plan benefits.

In addition to the medical insurance, there are no increases to the ancillary lines of coverage that Wellington provides including dental, vision, life, accidental death & dismemberment, short term disability, and long term disability. There is a slight COLA increase for the employee assistance program offered through Horizon.

**Section III**  
**Executive Cost Summary (2013 versus 2014)**

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## Wellington Employee Benefits Executive Cost Summary

COVERAGE		CURRENT			RENEWAL		
HEALTH		United Healthcare			United Healthcare		
		Total	Employer	Employee	Total	Employer	Employee
Employee	111	\$638.50	\$613.50	\$25.00	\$705.52	\$680.52	\$25.00
EE+Spouse	31	\$1,365.25	\$1,133.25	\$232.00	\$1,508.55	\$1,276.55	\$232.00
EE+Child(ren)	48	\$1,180.79	\$1,004.79	\$176.00	\$1,304.73	\$1,128.73	\$176.00
EE+Family	73	\$1,907.30	\$1,507.30	\$400.00	\$2,107.50	\$1,707.50	\$400.00
<b>MONTHLY PREMIUM</b>		<b>\$309,107.07</b>	<b>\$261,492.07</b>	<b>\$47,615.00</b>	<b>\$341,552.31</b>	<b>\$293,937.31</b>	<b>\$47,615.00</b>
<b>ANNUAL PREMIUM</b>		<b>\$3,709,284.84</b>	<b>\$3,137,904.84</b>	<b>\$571,380.00</b>	<b>\$4,098,627.72</b>	<b>\$3,527,247.72</b>	<b>\$571,380.00</b>
<b>\$ INCREASE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$389,342.88</b>	<b>\$389,342.88</b>	<b>\$0.00</b>
<b>% INCREASE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>10.5%</b>	<b>12.4%</b>	<b>0.0%</b>
DENTAL		Dental Decisions			Dental Decisions - NO INCREASE		
		Total	Employer	Employee	Total	Employer	Employee
Employee	104	\$54.30	\$54.30	\$0.00	\$54.30	\$54.30	\$0.00
EE+Spouse	40	\$85.12	\$75.16	\$9.96	\$85.12	\$75.16	\$9.96
EE+Child(ren)	35	\$99.80	\$85.10	\$14.70	\$99.80	\$85.10	\$14.70
EE+Family	91	\$114.48	\$95.04	\$19.44	\$114.48	\$95.04	\$19.44
<b>MONTHLY COST</b>		<b>\$22,962.68</b>	<b>\$20,280.74</b>	<b>\$2,681.94</b>	<b>\$22,962.68</b>	<b>\$20,280.74</b>	<b>\$2,681.94</b>
<b>ANNUAL COST</b>		<b>\$275,552.16</b>	<b>\$243,368.88</b>	<b>\$32,183.28</b>	<b>\$275,552.16</b>	<b>\$243,368.88</b>	<b>\$32,183.28</b>
VISION		Humana			Humana - NO INCREASE		
		Total	Employer	Employee	Total	Employer	Employee
Employee	123	\$3.92	\$3.92	\$0.00	\$3.92	\$3.92	\$0.00
EE+Spouse	52	\$7.84	\$6.28	\$1.56	\$7.84	\$6.28	\$1.56
EE+Child(ren)	30	\$14.51	\$10.27	\$4.24	\$14.51	\$10.27	\$4.24
EE+Family	65	\$18.43	\$12.63	\$5.80	\$18.43	\$12.63	\$5.80
<b>MONTHLY COST</b>		<b>\$2,906.26</b>	<b>\$2,167.66</b>	<b>\$738.60</b>	<b>\$2,906.26</b>	<b>\$2,167.66</b>	<b>\$738.60</b>
<b>ANNUAL COST</b>		<b>\$34,875.12</b>	<b>\$26,011.92</b>	<b>\$8,863.20</b>	<b>\$34,875.12</b>	<b>\$26,011.92</b>	<b>\$8,863.20</b>
HRA FUNDING		Benefits Workshop			Benefits Workshop		
		Total	Employer	Employee	Total	Employer	Employee
Benefit Eligible Employees	270	\$968.00	\$968.00	\$0.00	\$995.00	\$995.00	\$0.00
<b>ANNUAL COST</b>		<b>\$261,360.00</b>	<b>\$261,360.00</b>	<b>\$0.00</b>	<b>\$268,650.00</b>	<b>\$268,650.00</b>	<b>\$0.00</b>
<b>\$ INCREASE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$7,290.00</b>	<b>\$7,290.00</b>	<b>\$0.00</b>
<b>% INCREASE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.8%</b>	<b>2.8%</b>	<b>0.0%</b>
HRA / FSA ADMINISTRATION		Benefits Workshop			Benefits Workshop - NO INCREASE		
		Total	Employer	Employee	Total	Employer	Employee
HRA Administration	270	\$6.00	\$6.00	\$0.00	\$6.00	\$6.00	\$0.00
FSA Administration	30	\$5.00	\$5.00	\$0.00	\$5.00	\$5.00	\$0.00
<b>MONTHLY PREMIUM</b>		<b>\$1,770.00</b>	<b>\$1,770.00</b>	<b>\$0.00</b>	<b>\$1,770.00</b>	<b>\$1,770.00</b>	<b>\$0.00</b>
<b>ANNUAL PREMIUM</b>		<b>\$21,240.00</b>	<b>\$21,240.00</b>	<b>\$0.00</b>	<b>\$21,240.00</b>	<b>\$21,240.00</b>	<b>\$0.00</b>
LIFE		CIGNA Group Benefits			CIGNA Group Benefits - NO INCREASE		
		Total	Employer	Employee	Total	Employer	Employee
Life Rate		\$0.185	\$0.185	\$0.00	\$0.185	\$0.185	\$0.00
AD&D Rate		\$0.025	\$0.025	\$0.00	\$0.025	\$0.025	\$0.00
Total Life and AD&D		<b>\$0.210</b>	<b>\$0.210</b>	<b>\$0.00</b>	<b>\$0.210</b>	<b>\$0.210</b>	<b>\$0.00</b>
Life Volume		\$23,157,750.00	\$23,157,750.00	\$0.00	\$23,157,750.00	\$23,157,750.00	\$0.00
<b>MONTHLY PREMIUM</b>		<b>\$4,863.13</b>	<b>\$4,863.13</b>	<b>\$0.00</b>	<b>\$4,863.13</b>	<b>\$4,863.13</b>	<b>\$0.00</b>
<b>ANNUAL PREMIUM</b>		<b>\$58,357.53</b>	<b>\$58,357.53</b>	<b>\$0.00</b>	<b>\$58,357.53</b>	<b>\$58,357.53</b>	<b>\$0.00</b>
LONG TERM DISABILITY		CIGNA Group Benefits			CIGNA Group Benefits - NO INCREASE		
		Total	Employer	Employee	Total	Employer	Employee
LTD Rate		\$0.35	\$0.35	\$0.00	\$0.35	\$0.35	\$0.00
LTD Volume		\$1,171,839.00	\$1,171,839.00	\$0.00	\$1,171,839.00	\$1,171,839.00	\$0.00
<b>MONTHLY PREMIUM</b>		<b>\$4,101.44</b>	<b>\$4,101.44</b>	<b>\$0.00</b>	<b>\$4,101.44</b>	<b>\$4,101.44</b>	<b>\$0.00</b>
<b>ANNUAL PREMIUM</b>		<b>\$49,217.24</b>	<b>\$49,217.24</b>	<b>\$0.00</b>	<b>\$49,217.24</b>	<b>\$49,217.24</b>	<b>\$0.00</b>
SHORT TERM DISABILITY		CIGNA Group Benefits			CIGNA Group Benefits - NO INCREASE		
		Total	Employer	Employee	Total	Employer	Employee
STD Rate		\$0.40	\$0.40	\$0.00	\$0.40	\$0.40	\$0.00
STD Volume		\$180,225.00	\$180,225.00	\$0.00	\$180,225.00	\$180,225.00	\$0.00
<b>MONTHLY PREMIUM</b>		<b>\$7,209.00</b>	<b>\$7,209.00</b>	<b>\$0.00</b>	<b>\$7,209.00</b>	<b>\$7,209.00</b>	<b>\$0.00</b>
<b>ANNUAL PREMIUM</b>		<b>\$86,508.00</b>	<b>\$86,508.00</b>	<b>\$0.00</b>	<b>\$86,508.00</b>	<b>\$86,508.00</b>	<b>\$0.00</b>
EMPLOYEE ASSISTANCE PROGRAM		Horizon Health			Horizon Health		
		Total	Employer	Employee	Total	Employer	Employee
EAP Rate	270	\$2.48	\$2.48	\$0.00	\$2.53	\$2.53	\$0.00
<b>MONTHLY PREMIUM</b>		<b>\$669.60</b>	<b>\$669.60</b>	<b>\$0.00</b>	<b>\$683.10</b>	<b>\$683.10</b>	<b>\$0.00</b>
<b>ANNUAL PREMIUM</b>		<b>\$8,035.20</b>	<b>\$8,035.20</b>	<b>\$0.00</b>	<b>\$8,197.20</b>	<b>\$8,197.20</b>	<b>\$0.00</b>
<b>\$ INCREASE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$162.00</b>	<b>\$162.00</b>	<b>\$0.00</b>
<b>% INCREASE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.0%</b>	<b>2.0%</b>	<b>0.0%</b>
SUMMARY		Total	Employer	Employee	Total	Employer	Employee
<b>TOTAL ANNUAL PREMIUM</b>		<b>\$4,504,430.09</b>	<b>\$3,892,003.61</b>	<b>\$612,426.48</b>	<b>\$4,901,224.97</b>	<b>\$4,288,798.49</b>	<b>\$612,426.48</b>
<b>\$ INCREASE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$396,794.88</b>	<b>\$396,794.88</b>	<b>\$0.00</b>
<b>% INCREASE</b>		<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.8%</b>	<b>10.2%</b>	<b>0.0%</b>

## **Section IV**

### **Medical Insurance Analysis**

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Village of Wellington  
Medical Insurance RFP Evaluation  
Effective: January 1, 2014



CURRENT

RENEWAL

BEST & FINAL OFFER

INITIAL OFFER

	United Healthcare Choice Plus F8T-P		United Healthcare Choice Plus F8T-P		United Healthcare Choice Plus F8T-P		Cigna 50 DE Single OAP		
Schedule of Benefits	Open Access   Out of Network		Open Access   Out of Network		Open Access   Out of Network		Open Access   Out of Network		
Funding Type	Fully Insured - Participating Insured		Fully Insured - Participating Insured		Fully Insured - Participating Insured		Fully Insured - Participating Insured		
Deductible									
Single	None	\$500	None	\$500	None	\$500	None	\$500	
Family Maximum	None	\$1,000	None	\$1,000	None	\$1,000	None	\$1,000	
Out of Pocket Maximum	Includes Ded, Copays, Coins except Rx		Includes Ded, Copays, Coins except Rx		Includes Ded, Copays, Coins except Rx		Includes Ded, Copays, Coins except Rx		
Single	\$1,500	\$2,500	\$1,500	\$2,500	\$1,500	\$2,500	\$1,500	\$2,500	
Family	\$3,000	\$5,000	\$3,000	\$5,000	\$3,000	\$5,000	\$3,000	\$5,000	
Office Visits									
Physician Office Visit	\$10	CYD + 20%	\$10	CYD + 20%	\$10	CYD + 20%	\$10	CYD + 20%	
Specialist Office Visit	\$25	CYD + 20%	\$25	CYD + 20%	\$25	CYD + 20%	\$25	CYD + 20%	
Chiropractor	\$25 (20v)	CYD + 20%	\$25 (20v)	CYD + 20%	\$25 (20v)	CYD + 20%	\$25	CYD + 20%	
Physical Therapy / Rehab Therapy	\$25 (20v)	CYD + 20%	\$25 (20v)	CYD + 20%	\$25 (20v)	CYD + 20%	\$25	CYD + 20%	
Preventative Care									
Children Birth to age 16	No Charge	20%	No Charge	20%	No Charge	20%	No Charge	20%	
Age 17 and above	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	20%	
Well Woman Exam	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	20%	
Mammograms	No Charge	CYD + 20%	No Charge	CYD + 20%	No Charge	CYD + 20%	No Charge	20%	
Retail Prescriptions (30 days)	Tiering Rx program by Cost		Tiering Rx program by Cost		Tiering Rx program by Cost		Tiering Rx program by Cost		
Tier 1	\$10	Not Covered	\$10	Not Covered	\$10	Not Covered	\$10	Not Covered	
Tier 2	\$30	Not Covered	\$30	Not Covered	\$30	Not Covered	\$30	Not Covered	
Tier 3	\$50	Not Covered	\$50	Not Covered	\$50	Not Covered	\$50	Not Covered	
Mail Order Prescriptions (90 days)	Tiering Rx program by Cost		Tiering Rx program by Cost		Tiering Rx program by Cost		Tiering Rx program by Cost		
Tier 1	\$25	Not Covered	\$25	Not Covered	\$25	Not Covered	\$25	Not Covered	
Tier 2	\$75	Not Covered	\$75	Not Covered	\$75	Not Covered	\$75	Not Covered	
Tier 3	\$125	Not Covered	\$125	Not Covered	\$125	Not Covered	\$125	Not Covered	
Emergency									
Emergency Room Visit	\$100		\$100		\$100		\$100		
Ambulance	No Copayment		No Copayment		No Copayment		No Copayment		
Urgent Care Center	\$35	CYD + 20%	\$35	CYD + 20%	\$35	CYD + 20%	\$35	CYD + 20%	
Hospital									
Inpatient	\$250	CYD + 20%	\$250	CYD + 20%	\$250	CYD + 20%	\$250	CYD + 20%	
Outpatient	\$125	CYD + 20%	\$125	CYD + 20%	\$125	CYD + 20%	\$125	CYD + 20%	
Outpatient Diagnostic Testing	\$125	CYD + 20%	\$125	CYD + 20%	\$125	CYD + 20%	\$125	CYD + 20%	
Laboratory & X-Rays	No Charge	CYD + 20%	No Charge	CYD + 20%	No Charge	CYD + 20%	No Charge	CYD + 20%	
Mental Health & Substance Abuse									
Inpatient	\$250	CYD + 20%	\$250	CYD + 20%	\$250	CYD + 20%	\$250	CYD + 20%	
Outpatient	\$25	CYD + 20%	\$25	CYD + 20%	\$25	CYD + 20%	\$25	CYD + 20%	
Premium	CURRENT	DIFFERENCE	RENEWAL	DIFFERENCE	REVISED RENEWAL	DIFFERENCE	PROPOSED	DIFFERENCE	
Employee	111	\$638.50	n/a	\$797.47	\$158.97	\$705.52	\$67.02	\$729.38	\$90.88
EE + Spouse	31	\$1,365.25	n/a	\$1,705.16	\$339.91	\$1,508.55	\$143.30	\$1,560.87	\$195.62
EE + Child	48	\$1,180.79	n/a	\$1,474.78	\$293.99	\$1,304.73	\$123.94	\$1,349.35	\$168.56
Family	73	\$1,907.30	n/a	\$2,382.17	\$474.87	\$2,107.50	\$200.20	\$2,180.84	\$273.54
Monthly Premium	\$309,107.07		\$386,066.98		\$341,552.31		\$353,318.27		
Annual Premium	\$3,709,284.84		\$4,632,803.76		\$4,098,627.72		\$4,239,819.24		
\$ Increase	N/A		\$923,518.92		\$389,342.88		\$530,534.40		
% Increase	N/A		24.9%		10.5%		14.3%		

\*(v) = number of visits per year

Village of Wellington  
Medical Insurance RFP Evaluation  
Effective: January 1, 2014

	CURRENT		BEST & FINAL OFFER		Alternative #2		Alternative #3	
	United Healthcare Choice Plus F8T-P		Cigna 50 DE Single OAP		Humana NPOS 14 Copay 100/70		Aetna HN Option Plan	
Schedule of Benefits	Open Access	Out of Network	Open Access	Out of Network	Open Access	Out of Network	Open Access	Out of Network
Funding Type	Fully Insured - Participating Insured		Fully Insured - Participating Insured		Fully Insured - Participating Insured		Fully Insured - Participating Insured	
Deductible								
Single	None	\$500	None	\$500	None	\$750	None	\$500
Family Maximum	None	\$1,000	None	\$1,000	None	\$1,500	None	\$1,000
Out of Pocket Maximum	Includes Ded, Copays, Coins except Rx		Includes Ded, Copays, Coins except Rx		Includes Ded, Copays, Coins except Rx		Includes Ded, Copays, Coins, & Rx	
Single	\$1,500	\$2,500	\$1,500	\$2,500	\$2,000	\$6,000	\$1,500	\$2,500
Family	\$3,000	\$5,000	\$3,000	\$5,000	\$4,000	\$12,000	\$3,000	\$5,000
Office Visits								
Physician Office Visit	\$10	CYD + 20%	\$10	CYD + 20%	\$10	CYD + 30%	\$10	CYD + 20%
Specialist Office Visit	\$25	CYD + 20%	\$25	CYD + 20%	\$10	CYD + 30%	\$25	CYD + 20%
Chiropractor	\$25 (20v)	CYD + 20%	\$25	CYD + 20%	\$10 (60v)	CYD + 30%	\$10 (20v)	CYD + 20%
Physical Therapy / Rehab Therapy	\$25 (20v)	CYD + 20%	\$25	CYD + 20%	\$10 (60v)	CYD + 30%	\$10 (20v)	CYD + 20%
Preventative Care								
Children Birth to age 16	No Charge	20%	No Charge	20%	No Charge	30%	No Charge	CYD + 20%
Age 17 and above	No Charge	No Charge	No Charge	20%	No Charge	30%	No Charge	Not Covered
Well Woman Exam	No Charge	No Charge	No Charge	20%	No Charge	30%	No Charge	Not Covered
Mammograms	No Charge	CYD + 20%	No Charge	20%	No Charge	30%	No Charge	CYD + 20%
Retail Prescriptions (30 days)	Tiering Rx program by Cost		Tiering Rx program by Cost		Tiering Rx program by Cost		Tiering Rx program by Cost	
Tier 1	\$10	Not Covered	\$10	Not Covered	\$10	\$10 + 30%	\$10	Not Covered
Tier 2	\$30	Not Covered	\$30	Not Covered	\$30	\$30 + 30%	\$30	Not Covered
Tier 3	\$50	Not Covered	\$50	Not Covered	\$50	\$50 + 30%	\$50	Not Covered
Mail Order Prescriptions (90 days)	Tiering Rx program by Cost		Tiering Rx program by Cost		Tiering Rx program by Cost		Tiering Rx program by Cost	
Tier 1	\$25	Not Covered	\$25	Not Covered	\$25	\$25 + 30%	\$25	Not Covered
Tier 2	\$75	Not Covered	\$75	Not Covered	\$75	\$75 + 30%	\$75	Not Covered
Tier 3	\$125	Not Covered	\$125	Not Covered	\$125	\$125 + 30%	\$125	Not Covered
Emergency								
Emergency Room Visit	\$100		\$100		\$150		\$100	
Ambulance	No Copayment		No Copayment		No Copayment		No Copayment	
Urgent Care Center	\$35	CYD + 20%	\$35	CYD + 20%	\$75	CYD + 30%	\$35	CYD + 20%
Hospital								
Inpatient	\$250	CYD + 20%	\$250	CYD + 20%	\$250	CYD + 30%	\$250	CYD + 20%
Outpatient	\$125	CYD + 20%	\$125	CYD + 20%	\$250	CYD + 30%	\$125	CYD + 20%
Outpatient Diagnostic Testing	\$125	CYD + 20%	\$125	CYD + 20%	No Charge	CYD + 30%	\$125	CYD + 20%
Laboratory & X-Rays	No Charge	CYD + 20%	No Charge	CYD + 20%	No Charge	CYD + 30%	No Charge	CYD + 20%
Mental Health & Substance Abuse								
Inpatient	\$250	CYD + 20%	\$250	CYD + 20%	\$250	CYD + 30%	\$250	CYD + 20%
Outpatient	\$25	CYD + 20%	\$25	CYD + 20%	\$10	CYD + 30%	\$25	CYD + 20%
Premium	CURRENT	DIFFERENCE	PROPOSED	DIFFERENCE	PROPOSED	DIFFERENCE	PROPOSED	DIFFERENCE
Employee 111	\$638.50	n/a	\$705.10	\$66.60	\$744.08	\$105.58	\$764.91	\$126.41
EE + Spouse 31	\$1,365.25	n/a	\$1,508.91	\$143.66	\$1,592.33	\$227.08	\$1,635.54	\$270.29
EE + Child 48	\$1,180.79	n/a	\$1,304.43	\$123.64	\$1,376.55	\$195.76	\$1,414.57	\$233.78
Family 73	\$1,907.30	n/a	\$2,108.25	\$200.95	\$2,224.80	\$317.50	\$2,284.91	\$377.61
Monthly Premium	\$309,107.07		\$341,557.20		\$360,439.91		\$370,304.54	
Annual Premium	\$3,709,284.84		\$4,098,686.40		\$4,325,278.92		\$4,443,654.48	
\$ Increase	N/A		\$389,401.56		\$615,994.08		\$734,369.64	
% Increase	N/A		10.5%		16.6%		19.8%	

\*(v) = number of visits per year

Village of Wellington

Medical Insurance RFP Evaluation

Effective: January 1, 2014



CURRENT

Alternative #4

	United Healthcare Choice Plus F8T-P		Florida Blue Blue Options Plan 03748	
Schedule of Benefits	Open Access	Out of Network	Open Access	Out of Network
Funding Type	Fully Insured - Participating Insured		Fully Insured - Participating Insured	
Deductible				
Single	None	\$500	None	\$500
Family Maximum	None	\$1,000	None	\$1,500
Out of Pocket Maximum	Includes Ded, Copays, Coins except Rx		Includes Ded, Copays, Coins except Rx	
Single	\$1,500	\$2,500	\$1,500	\$3,000
Family	\$3,000	\$5,000	\$3,000	\$6,000
Office Visits				
Physician Office Visit	\$10	CYD + 20%	\$10	CYD + 40%
Specialist Office Visit	\$25	CYD + 20%	\$25	CYD + 40%
Chiropractor	\$25 (20v)	CYD + 20%	\$25	CYD + 40%
Physical Therapy / Rehab Therapy	\$25 (20v)	CYD + 20%	\$25	CYD + 40%
Preventative Care				
Children Birth to age 16	No Charge	20%	No Charge	40%
Age 17 and above	No Charge	No Charge	No Charge	40%
Well Woman Exam	No Charge	No Charge	No Charge	40%
Mammograms	No Charge	CYD + 20%	No Charge	40%
Retail Prescriptions (30 days)	Tiering Rx program by Cost		Tiering Rx program by Cost	
Tier 1	\$10	Not Covered	\$10	50%
Tier 2	\$30	Not Covered	\$30	50%
Tier 3	\$50	Not Covered	\$50	50%
Mail Order Prescriptions (90 days)	Tiering Rx program by Cost		Tiering Rx program by Cost	
Tier 1	\$25	Not Covered	\$25	50%
Tier 2	\$75	Not Covered	\$75	50%
Tier 3	\$125	Not Covered	\$125	50%
Emergency				
Emergency Room Visit	\$100		\$100	
Ambulance	No Copayment		No Copayment	
Urgent Care Center	\$35	CYD + 20%	\$30	CYD + 40%
Hospital			Opt 1/2	
Inpatient	\$250	CYD + 20%	\$250/\$500	\$750
Outpatient	\$125	CYD + 20%	\$150/\$250	\$300
Outpatient Diagnostic Testing	\$125	CYD + 20%	\$125	CYD + 40%
Laboratory & X-Rays	No Charge	CYD + 20%	No Charge	CYD + 40%
Mental Health & Substance Abuse				
Inpatient	\$250	CYD + 20%	No Charge	\$750
Outpatient	\$25	CYD + 20%	No Charge	\$750
Premium	CURRENT	DIFFERENCE	PROPOSED	DIFFERENCE
Employee 111	\$638.50	n/a	\$797.83	\$159.33
EE + Spouse 31	\$1,365.25	n/a	\$1,898.85	\$533.60
EE + Child 48	\$1,180.79	n/a	\$1,468.02	\$287.23
Family 73	\$1,907.30	n/a	\$2,489.24	\$581.94
Monthly Premium	\$309,107.07		\$399,602.96	
Annual Premium	\$3,709,284.84		\$4,795,235.52	
\$ Increase	N/A		\$1,085,950.68	
% Increase	N/A		29.3%	

\*(v) = number of visits per year

Carrier	Proposed Medical Plan Caveats
Aetna	<p>*Minimum participation is 75% of all eligible employees.</p> <p>*Minimum employer contribution level is 75% of single premium.</p> <p>*Aetna reserves the right to recalculate rates if enrollment changes by 10%.</p> <p>*COBRA or Retiree eligible participants may not represent more than 10% of the total enrolled count.</p>
Florida Blue	<p>*Minimum participation is 75% of all eligible employees.</p>
Humana	<p>*COBRA or Retiree eligible participants may not represent more than 10% of the total enrolled count.</p> <p>*Humana reserves the right to recalculate the rates if employee shifts between offered medical coverages, demographic changes, or Federal or State regulations would impact premium more than 5% in the aggregate from the proposal.</p> <p>*Minimum employer contribution level is 50% of the single premium.</p> <p>*Minimum participation is 75% of all eligible employees.</p>

*\*This page is a high level summary of the key caveats taken from the respective proposals. Please refer to the proposals for a more detailed description.*

**Section V**  
**HRA Account Increase Amount Backup**

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# Consumer Price Index - All Urban Consumers

## 12-Month Percent Change

Bureau of Labor Statistics

**Series Id:** CUURA320SAM, CUUSA320SAM  
**Not Seasonally Adjusted**  
**Area:** Miami-Fort Lauderdale, FL  
**Item:** Medical care  
**Base Period:** 1982-84=100  
**Years:** 2003 to 2013

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2003		4.3		4.3		7.7		7.5		10.6		6.7	6.8	5.2	8.3
2004		6.9		7.4		4.5		4.3		2.3		3.5	4.9	6.4	3.4
2005		5.2		5.1		4.6		5.1		6.9		7.2	5.5	4.8	6.2
2006		5.6		5.1		5.3		5.2		3.7		0.8	4.5	5.5	3.6
2007		1.2		1.5		0.9		0.3		1.4		5.2	1.6	1.2	1.9
2008		4.1		4.0		4.8		8.8		6.6		5.6	5.6	4.3	6.9
2009		5.4		5.5		5.0		1.8		2.0		2.0	3.7	5.3	2.2
2010		3.1		2.4		3.2		3.0		3.1		2.5	2.9	2.8	2.9
2011		1.7		4.9		4.9		4.7		4.7		4.5	4.1	3.6	4.7
2012		6.1		3.5		4.8		3.4		3.0		4.4	4.2	4.8	3.6
2013		4.5		2.1		0.8		3.9						2.8	