

CITY OF INDEPENDENCE

2023 ILLUSTRATIVE SCENARIO

July 25, 2022



2022 Plan Designs



In-Network Benefits	OAP 1	OAP 2	Local Plus
Network	OAP	OAP	Local Plus
Deductible Individual / Family	\$1,000 / \$2,500	\$1,750 / \$3,500	\$1,400 / \$2,800
HSA Contribution	N/A	\$600 / \$1,200	\$700 / \$1,400
Member Coinsurance	20%	20%	20%
Out-of-Pocket Maximum Individual / Family	\$3,500 / \$8,750	\$3,500 / \$7,000	\$3,000 / \$6,000
Physician Visits Office (PCP/Specialist)	\$35/\$70	Deductible then 20%	Deductible then 20%
Preventative Care	100% Covered	100% Covered	100% Covered
Urgent Care / ER	\$50 copay / \$200 copay, then Ded then 20%	Deductible then 20%	Deductible then 20%
Inpatient / Outpatient	\$200 copay, then Deductible then 20%	Deductible then 20%	Deductible then 20%
Prescription Drug Level 1/ Level 2 / Level 3 / Specialty	\$15/\$40/\$75/\$200	Deductible then 20%	Deductible then 20%
Enrollment	Active: 59% Pre-65 Retiree: 97%	Active: 26% Pre-65 Retiree: 2.6%	Active: 15% Pre-65 Retiree: 0.4%

Illustrative Scenario

OAP 1

- Active Members: 5% premium increase
- Pre-65 Retirees: 40% premium increase
- Maintain current 80/20 split based on above rate increases
- Plan Design – Deductible: \$2,000/\$5,000; OOP: \$5,000/\$10,000. No other changes

OAP 2

- No premium increase or change in cost sharing split
- No plan design changes

Local Plus

- No premium increase or change in cost sharing split
- No plan design changes

New Plan

- QHDHP with no city-sponsored HSA contribution
- Deductible: \$3,500/\$7,000; 80% coinsurance; OOP: \$7,000/\$14,000
- “Low cost” Payroll deductions (\$0 for EE only coverage)
- Enrollment assumes 10% of **Active employees only** (0% Pre-65 retirees) choose this plan

2023 Proposed Plan Designs



In-Network Benefits	OAP 1	OAP 2	Local Plus	New Plan
Network	OAP	OAP	Local Plus	OAP
Deductible Individual / Family	\$2,000 / \$5,000	\$1,750 / \$3,500	\$1,500 / \$3,000	\$3,500 / \$7,000
HSA Contribution	N/A	\$600 / \$1,200	\$700 / \$1,400	\$0
Member Coinsurance	20%	20%	20%	20%
Out-of-Pocket Maximum Individual / Family	\$5,000 / \$10,000	\$3,500 / \$7,000	\$3,000 / \$6,000	\$7,000 / \$14,000
Physician Visits Office (PCP/Specialist)	\$35/\$70	Deductible then 20%	Deductible then 20%	Deductible then 20%
Preventative Care	100% Covered	100% Covered	100% Covered	100% Covered
Urgent Care / ER	\$50 copay / \$200 copay, then Ded then 20%	Deductible then 20%	Deductible then 20%	Deductible then 20%
Inpatient / Outpatient	\$200 copay, then Deductible then 20%	Deductible then 20%	Deductible then 20%	Deductible then 20%
Prescription Drug Level 1/ Level 2 / Level 3 / Specialty	\$15/\$40/\$75/\$200	Deductible then 20%	Deductible then 20%	Deductible then 20%
Enrollment	Active: 54% Pre-65 Retiree: 97%	Active: 23% Pre-65 Retiree: 2.6%	Active: 13% Pre-65 Retiree: 0.4%	Active: 10% Pre-65 Retiree: 0%

2023 Illustrative Scenario – Active Employees



2022

	EE	City	Total
OAP 1	<i>Contribution</i>		
	<i>20%</i>		
EE	\$147.58	\$590.26	\$737.84
EE + Spouse	\$357.14	\$1,428.50	\$1,785.64
EE + Child(ren)	\$286.30	\$1,145.16	\$1,431.46
Family	\$498.80	\$1,995.16	\$2,493.96
OAP 2	<i>Contribution</i>		
	<i>18%</i>		
EE	\$106.02	\$482.94	\$588.96
EE + Spouse	\$256.56	\$1,168.76	\$1,425.32
EE + Child(ren)	\$205.68	\$936.94	\$1,142.62
Family	\$358.34	\$1,632.40	\$1,990.74
Local Plus	<i>Contribution</i>		
	<i>14%</i>		
EE	\$76.22	\$482.94	\$559.16
EE + Spouse	\$184.44	\$1,168.76	\$1,353.20
EE + Child(ren)	\$147.87	\$936.94	\$1,084.81
Family	\$257.62	\$1,632.40	\$1,890.01
	EE	City	Total
Total Premium	\$2,854,386	\$12,284,053	\$15,138,439

2023

	EE	City	Total
OAP 1	<i>Contribution</i>		<i>Increase</i>
	<i>20%</i>	<i>Increase</i>	<i>5%</i>
EE	\$154.95	\$7.37	\$619.79
EE + Spouse	\$374.98	\$17.84	\$1,499.94
EE + Child(ren)	\$300.61	\$14.31	\$1,202.43
Family	\$523.73	\$24.93	\$2,094.93
OAP 2	<i>Contribution</i>		<i>Increase</i>
	<i>18%</i>	<i>Change</i>	<i>0%</i>
EE	\$106.02	\$0.00	\$482.94
EE + Spouse	\$256.56	\$0.00	\$1,168.76
EE + Child(ren)	\$205.68	\$0.00	\$936.94
Family	\$358.34	\$0.00	\$1,632.40
Local Plus	<i>Contribution</i>		<i>Increase</i>
	<i>14%</i>	<i>Change</i>	<i>0%</i>
EE	\$76.22	\$0.00	\$482.94
EE + Spouse	\$184.44	\$0.00	\$1,168.76
EE + Child(ren)	\$147.87	\$0.00	\$936.94
Family	\$257.62	\$0.00	\$1,632.40
New Plan	<i>Contribution</i>		
	<i>13%</i>		
EE	\$0.00		\$471.57
EE + Spouse	\$148.36		\$992.86
EE + Child(ren)	\$118.93		\$795.94
Family	\$207.21		\$1,386.73
	EE	City	Total
Total Premium	\$2,778,019	\$12,360,237	\$15,138,256
Increase from 2022	-\$76,367	\$76,185	-\$183

2023 Illustrative Scenario – Pre-65 Retirees



2022

	EE	City	Total
OAP 1	<i>Contribution</i>		
	<i>20%</i>		
EE	\$147.58	\$590.26	\$737.84
EE + Spouse	\$357.14	\$1,428.50	\$1,785.64
EE + Child(ren)	\$286.30	\$1,145.16	\$1,431.46
Family	\$498.80	\$1,995.16	\$2,493.96
OAP 2	<i>Contribution</i>		
	<i>18%</i>		
EE	\$106.02	\$482.94	\$588.96
EE + Spouse	\$256.56	\$1,168.76	\$1,425.32
EE + Child(ren)	\$205.68	\$936.94	\$1,142.62
Family	\$358.34	\$1,632.40	\$1,990.74
Local Plus	<i>Contribution</i>		
	<i>14%</i>		
EE	\$76.22	\$482.94	\$559.16
EE + Spouse	\$184.44	\$1,168.76	\$1,353.20
EE + Child(ren)	\$147.87	\$936.94	\$1,084.81
Family	\$257.62	\$1,632.40	\$1,890.01
	EE	City	Total
Total Premium	\$811,783	\$3,263,809	\$4,075,593

2023

	EE	City	Total
OAP 1	<i>Contribution</i>		<i>Increase</i>
	<i>20%</i>	<i>80%</i>	<i>40%</i>
EE	\$206.60	\$59.02	\$826.38
EE + Spouse	\$499.98	\$142.84	\$1,999.92
EE + Child(ren)	\$400.81	\$114.51	\$1,603.24
Family	\$698.31	\$199.51	\$2,793.24
OAP 2	<i>Contribution</i>		<i>Increase</i>
	<i>18%</i>	<i>Change</i>	<i>Change</i>
EE	\$106.02	\$0.00	\$482.94
EE + Spouse	\$256.56	\$0.00	\$1,168.76
EE + Child(ren)	\$205.68	\$0.00	\$936.94
Family	\$358.34	\$0.00	\$1,632.40
Local Plus	<i>Contribution</i>		<i>Increase</i>
	<i>14%</i>	<i>Change</i>	<i>Change</i>
EE	\$76.22	\$0.00	\$482.94
EE + Spouse	\$184.44	\$0.00	\$1,168.76
EE + Child(ren)	\$147.87	\$0.00	\$936.94
Family	\$257.62	\$0.00	\$1,632.40
New Plan	<i>Contribution</i>		
	<i>13%</i>		
EE	\$0.00		\$471.57
EE + Spouse	\$148.36		\$992.86
EE + Child(ren)	\$118.93		\$795.94
Family	\$207.21		\$1,386.73
	EE	City	Total
Total Premium	\$1,127,143	\$4,538,583	\$5,662,726
Increase from 2022	\$315,360	\$1,274,774	\$1,590,134

2023 Illustrative Scenario



Illustrative Scenario Funding Generation

	Employees	City	Total
2022 Totals	\$3,666,170	\$15,547,862	\$19,214,032
2023 Totals	\$3,905,162	\$16,898,820	\$20,803,982
<i>Change from 2022</i>	<i>\$238,992</i>	<i>\$1,350,958</i>	<i>\$1,589,951</i>

CBIZ Projection

CBIZ 2023 Funding Projection – No Changes	\$23,176,228 +\$3,962,196 (+20.6%)
CBIZ 2023 Funding Projection with Changes (Plan Design changes to OAP 1; Addition of New Plan with 10% Active EE migration)	\$21,701,565 +\$2,487,533 (+12.9%)
<i>Shortfall Created by Illustrative Scenario</i>	<i>\$897,582</i>