CITY OF GAUTIER
MEMORANDUM

To: Samantha Abell, City Manager

From: Jason D. Pugh, Human Resources Director

Through: Veneice A. Barnett, Personnel Generalist

Date: September 13, 2012

Subject: Renewal Agreement of FY2013 Health Insurance with Fox Everett Inc.

REQUEST:
The Human Resources Department requests City Council approval to renew third party administration (TPA) services for the self-funded medical and dental plans from Fox Everett Inc. for a period of three (3) years effective October 1, 2012 to September 30, 2015. The Council should also accept the reinsurance policy from HCC Life effective October 1, 2012; the managed transplant renewal from OptumHealth effective October 1, 2012; and accept Drug Card change from Express Scription to CVS/Caremark effective October 1, 2012; and accept Consult A Doctor program.

BACKGROUND:
The Human Resources Department has received the annual renewal agreement for FY 2013 with Fox Everett Inc. This company has provided exceptional TPA services to our municipality and its employees since October 1, 2004.

DISCUSSION:
By including Consult A Doctor in the FY 2013 Health Insurance Renewal Plan at a premium rate of $3.20 per employee; staff anticipates a reduction to the cost of claims paid through the plan. Employees who utilize this benefit will be able to reduce their individual medical costs with a decrease of office visits thereby paying no co-payment.

RECOMMENDATION:
Staff recommends the City Council approve entering into a renewal agreement with Fox Everett Inc. for a period of three (3) years effective October 1, 2012 to September 30, 2015; acceptance of the reinsurance policy from HCC Life effective October 1, 2012; acceptance of the managed transplant renewal from OptumHealth effective October 1, 2012; Drug Card change from Express Scription to CVS/Caremark effective October 1, 2012; and accept Consult A Doctor program.

The City Council may:

1. Approve the attached order;
2. Approve the attached order with changes; or
3. Disapprove the attached order.

ATTACHMENT(S):
City of Gautier Renewal Agreement with Fox Everett Inc.
City of Gautier Recap of Costs
Consult A Doctor Program Brochure and ROI Summary

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CITY OF GAUTIER

The Board voted to accept the reinsurance policy proposal from HCC Life effective date October 1, 2012	Yes ☐ No ☐
The Board voted to accept the managed transplant renewal from OptumHealth effective October 1, 2012	Yes ☐ No ☐
The Board voted to accept the Drug Card change from Express Scription to CVS/Caremark effective October 1, 2012	Yes ☐ No ☐
The Board voted to accept the Consult A Doc program at $3.20 per person per month	Yes ☐ No ☐
The Board voted to accept the third party administration proposal for the self-funded medical and dental plans from Fox/Everett for a period of three years effective October 1, 2012 to September 30, 2015	Yes ☐ No ☐

Signed:_____

Title:_____

Date:_____

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City of Gautier
Recap of Costs
Revised 9/11/2012
Renew on October 1, 2012

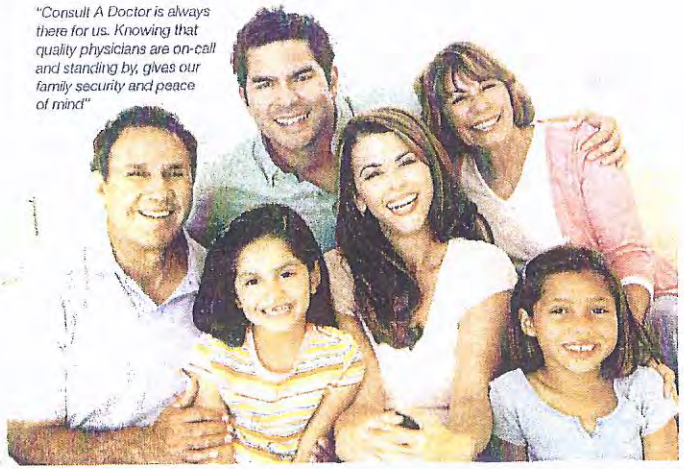
HCC

SPECIFIC EXCESS COVERAGE	**October 1, 2012 to November 30, 2012**	**December 1, 2012 to September 30, 2013**	
Coverage's	*Medical & Rx Drugs*	*Medical & Rx Drugs*	
Contract Basis	12/15	12/15	
1. Individual Specific Deductible	$ 65,000	$ 65,000	
2. Employees without dependents	72	54	
3. Families (including employees)	78	59	
4. Monthly Premium Rates - Single	$ 79.27	$ 79.27	
5. Monthly Premium Rates - Family	$ 203.59	$ 203.59	
6. Estimated Annual Specific Premium	$ 43,175	$ 162,924	
AGGREGATE EXCESS LOSS			
Coverage's	*Medical & Rx Drugs*	*Medical & Rx Drugs*	
Contract Basis	12/15	12/15	
Maximum Aggregate Reimbursement	$ 1,000,000	$ 1,000,000	
Individual Claim Limit	$ 65,000	$ 65,000	
Aggregate Corridor	125%	125%	
7. Monthly Aggregate Factor - Single	$ 361.46	$ 361.46	
8. Monthly Aggregate Factor - Family	$ 907.91	$ 907.91	
9. Minimum Annual Aggregate Attachment Point	$ 193,684	$ 730,855	
10. Expected Annual Claims	$ 154,947	$ 584,684	
11. Monthly Premium Rate - Composite	($7.94 PEPM)	($7.94 PEPM)	
12. Estimated Annual Aggregate Premium	$ 2,382	$ 8,972	
FULLY INSURED TRANSPLANT POLICY - Fairmont			
13. Monthly Premium Rates - Single	$ 5.25	$ 5.87	
14. Monthly Premium Rates - Family	$ 13.20	$ 15.32	
15. Estimated Annual Transplant Premium	$ 6,595	$ 12,843	
ADMINISTRATIVE FEES			
16. Medical Claims Administration - (PEPM)	$ 14.50	$ 14.50	
17. Consult A Doc	3.20	$ 3.20	
18. Broker Fee - (PEPM)	$ 3.00	$ 3.00	
19. Dental Fee - (PEPM)	$ 3.00	$ 3.00	
20. COBRA & HIPAA Administration - (PEPM)	$ 1.50	$ 1.50	
21. Pre-Admission Certification - (PEPM)	$ 1.46	$ 1.46	
22. PPO Access Fee - (PEPM)	$ 4.95	$ 4.95	
23. PPACA - (PEPM)	$ 1.00	$ 1.00	
24. Bloodhound "Claims Edit" - (PEPM)	$ 0.50	$ 0.50	
25. Estimated Annual Administration Cost	$ 9,933	$ 37,414	
TOTAL ANNUAL COST			*12 month total*
26. Minimum annual cost* ($-0- claims)	$ 62,085	$ 222,153	$ 284,238
27. Expected annual cost*	$ 217,032	$ 806,837	$ 1,023,870
28. Maximum annual cost*	$ 255,769	$ 953,008	$ 1,208,778

*Note 1: Line #27 and Line #28 does not reflect the exposure of the $500,000 contingent laser. If the employee does not tranfer off the City of Gautier plan the contingent laser will stay inplace.

Note 2: Consult A Doc program is $3.20 per employee per month

"Consult A Doctor is always there for us. Knowing that quality physicians are on-call and standing by, gives our family security and peace of mind"



70% The American Medical Association has reported that as many as 70 percent of all doctor visits are for information only or for matters that can be easily handled over the phone.

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* Consult A Doctor makes no warranty as to the content of any treatment response. You and your physician are solely responsible for all information and/or communication sent during a tele-consultation or other communication. Consult A Doctor is not health insurance. Its services do not replace your primary care doctor or regular office visits. You agree to contact your Primary Care Physician should your condition change or your symptoms worsen. Priority and By Appointment Tele-Consults do not guarantee prescriptions as requested. Consult A Doctor is not a prescription distribution center. Consult A Doctor's physicians do not prescribe DEA-controlled medications or lifestyle drugs. If you require urgent care, you should contact your local emergency services, example dial 911. Consult A Doctor, at it's sole discretion, reserves the right to cancel your membership at any time. Services are not available in Oklahoma.

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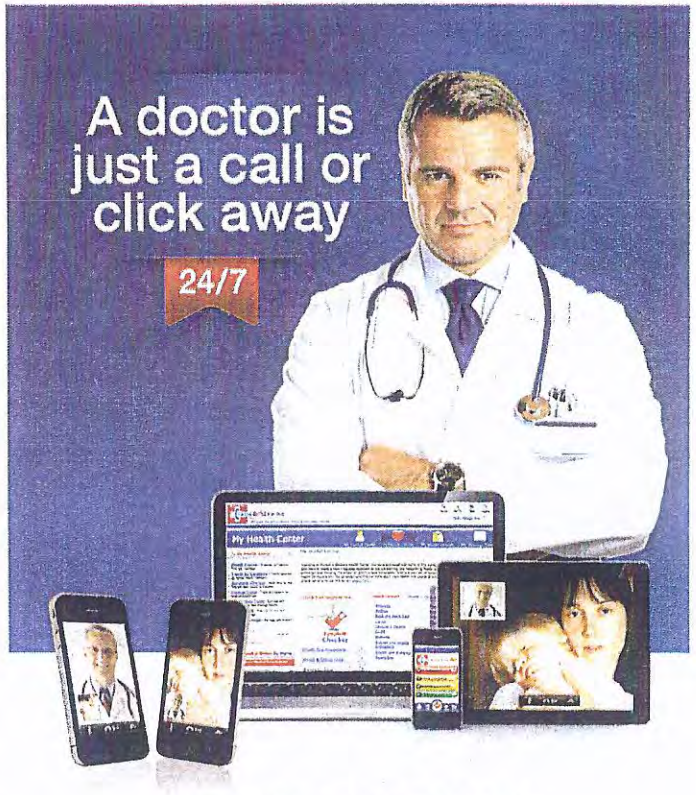

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BE HEALTHY!

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Affordable Healthcare Access, Anytime, Anywhere, Anyone.

EE-ME-1211-003

ConsultADoctor 24/7
Where the doctor is always in

Welcome to Consult A Doctor!

Congratulations on taking the first step to better health! Your organization has partnered with Consult A Doctor to provide you with a new healthcare benefit.

What is Consult A Doctor?

As a member, you can now **consult with a physician 24/7 by telephone or online.**

Consult A Doctor is a convenient and affordable program that allows you to call or e-mail a doctor at *anytime*, from *anywhere*. Consult A Doctor's services allow you to:

- ✓ Access physician card anytime around-the-clock
- ✓ Get advice and treatment for non-emergency medical concerns
- ✓ Ask important questions about your health concerns
- ✓ Be able to reach a doctor when traveling or away from home
- ✓ Request prescriptions or refills (there is no guarantee that you will be prescribed medication)

Why Use Consult A Doctor?

- ✓ **On-demand healthcare** – wherever and whenever, as often as you need
- ✓ **Save money** – Save hundreds or thousands of dollars by replacing unnecessary doctor's office, Urgent Care or ER visits
- ✓ **Save time** - Avoid waiting for an appointment or sitting at the doctor's office
- ✓ **Our network of physicians** – U.S.-based, licensed, and highly qualified

Consultation

BY PHONE

- ✓ **On Call: (Informational only, connect within minutes)** – The fastest way to reach a doctor. Ask informational medical questions; receive advice and recommendations for common conditions. (No prescriptions (Rx) or Diagnosis provided.)
- ✓ **Priority: (Get a call back, usually within 1 hour, guaranteed 3 hours)** For a more comprehensive consultation that includes possible diagnosis and treatment plan. Your consulting physician calls you with medical history in-hand and may be able to prescribe medication (Rx) when appropriate, including refills. You will need to complete a medical history and assessment online or by phone before requesting your consult.
- ✓ **By Appointment: (Choose times starting next day; available Mon-Fri)** Just like a Priority Consult, but you can set a time that fits your schedule if you don't need a doctor to call you as soon as possible.

ONLINE CONSULTATIONS

- ✓ **E-Consult: (Response within 24 hours)** Consult with a doctor discreetly using our secure messaging system. Get expert information and advice from a physician in response to your questions. (No prescriptions (Rx) or Diagnosis provided.)
- ✓ **Video Consults:** Available upon request for enhanced medical service and patient peace of mind.

*Consult A Doctor physicians do not prescribe controlled medications. Refills are not guarantees and may have limitations.

Consult A Doctor – 24/7
Access to Physicians by Phone and Online

Consult A Doctor provides 24/7 access to licensed physicians via phone or secure email. Our services provide you with peace of mind, save you time and money, and offer you cutting-edge decision making tools to help you take greater control of your family's health.

When to Use Consult A Doctor

- Primary care physician is not available or accessible
- Need treatment for your medical condition
- After normal business hours, nights, weekends
- For non-emergent medical issues, questions, or concerns
- Traveling and need medical advice
- Request prescription (Rx) or refills (there is not guarantee that you will be prescribed medication)

The Benefits

- Saves time – avoid waiting for appointment or sitting in a doctor's office or ER
- Saves money – dramatic cost reduction compared to doctor's office, urgent care, ER
- Peace of mind – quality care anytime, anywhere
- Get healthier faster – network of US based physicians available 24/7/365
- Prescription program – request refills or (Rx) prescription if appropriate
- 24/7 Multiple ways to consult – consult via telephone, online via secure email or video
- Member health portal – powerful interactive healthcare tools to enable better health

Our Physicians

- **Experienced** Avg. over 10 years of experience
- **Progressive** Using the latest technology to provide unparalleled access to care
- **Qualified/U.S.-Based** Licensed and credentialed
- **Quality Care** Over 90% satisfaction rate
- **Compassionate** Professional and knowledgeable
- **Quality assurance** Consultations reviewed to assure quality care standards

OVER 90% of survey respondents said that Consult A Doctor physicians spent an appropriate amount of time with them and answered all their questions, saving them time, money and/or a trip to the ER or doctor's office.

My Personal Health Manager

As a Consult A Doctor member, you can access our user-friendly health portal which allows you to request physician consults, update your medical history, and browse a vast library of health topics.

- **Symptom Checker** – Interactive tools, designed to help you get well.
- **Health Library** – Research the latest health articles, then click to consult with a doctor.
- **E-mail a Doctor** – Send an e-mail message about any medical questions, securely and discreetly.
- **Personal Health Record (PHR)** – Maintain your medical history and assessment information for review by your consulting physician.
- **Risk Assessments** – Identify health risks with interactive health tools.
- **Health Centers** – Comprehensive resource guides for every medical condition, with medical tests, reference libraries, and corresponding links to community resource forums.

Common Medical Treatments

- Cold/Flu
- Allergies
- Sinus Infections
- Bronchitis
- Headaches/Migraines
- Stomach Ache/Diarrhea
- Respiratory Infections
- Urinary Tract Infections
- Prescription Refills*

...and many more

* If appropriate

Never wait for a doctor again!

Type of Consult	On Call Tele-Consult	Priority Tele-Consult*	By Appointment Tele-Consult*	E-Consult
When to Call	• Reach a doctor in minutes • Informational • Advice • Discuss symptoms • No diagnosis or prescription	• Talk to a doctor within about 1 hour • Prescription medication** • Diagnosis** • Recommended treatment plan**	• Select a time from up to 7 days (Mon-Fri) • Prescription medication** • Diagnosis** • Recommended treatment plan**	• Email doctor • Response within hours • Store your secure record • Informational • Advice • No diagnosis or prescription

*You must complete a Medical Assessment prior to an Priority or By Appointment Tele-Consult
**There is no guarantee that you will receive prescription medication, diagnosis or treatment plan

Consult A Doctor is not health insurance and does not replace your primary care physician. Consult A Doctor physicians do not prescribe controlled medications. If you have an emergency, please dial 911. All services are HIPAA-compliant.

Consult A Doctor is dedicated to providing the highest level of medical care in the most convenient and comfortable setting – your own home. Our primary concern is your health and the health of your family.

Consult A Doctor

Employer Return On Investment (ROI)

Return on Investment

Monthly Cost	$ 480
Annual Cost	$ 5,760

	Benefit Utilization 5%	10%	15%
Annual Office Visit Savings	$ 3,966	$ 7,932	$ 11,898
Annual UC Visit Savings	$ 70	$ 141	$ 211
Annual ER Visit Savings	$ 1,172	$ 2,344	$ 3,516
Annual Productivity Savings	$ 1,824	$ 3,649	$ 5,473
Total Annual Savings	**$ 7,033**	$ 14,066	$ 21,098
Return on Investment per $1 Spent	**$1.22**	$2.44	$3.66
Monthly Cost Savings	**$ 586**	$ 1,172	$ 1,758
Monthly Net Monthly Savings	**$ 106**	$ 692	$ 1,278
Annualized Net Savings	**$ 1,273**	**$ 8,306**	**$ 15,338**