

**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



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: _____



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	<i>Medical & Rx Drugs</i>	<i>Medical & Rx Drugs</i>	
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	<i>Medical & Rx Drugs</i>	<i>Medical & Rx Drugs</i>	
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			
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 \$600,000 contingent laser. If the employee does not transfer off the City of Gautier plan the contingent laser will stay in place.
 Note 2: Consult A Doc program is \$3.20 per employee per month



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 email a doctor at anytime, from anywhere. Consult A Doctor's services allow you to:

- Access physician care 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's no guarantee that you will be prescribed medication)

Why Use Consult A Doctor?

- **On-demand healthcare** – whenever and wherever, as often as you need
- **Save money** – Save hundreds or thousands of dollars by reducing 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, cannot within minutes)** – The fastest way to reach a doctor. Ask informational medical questions, receive advice and recommendations for common conditions. (No prescriptions, (No) or Diagnosis provided)
- **Priority (Call a call back, usually within hour, guarantee)** – Get a doctor's advice on your health concerns. Your consulting physician calls you with medical history in-hand and may be able to prescribe medication (that 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 Primary Care, but you can set a time that fits your schedule! You don't need a doctor to call you or see you as possible.

ONLINE CONSULTATIONS

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

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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 service provides you with peace of mind, saves you time and money, and offers you cutting-edge doctoring tools to help you take greater control of your daily health.

When to Use Consult A Doctor

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



The Benefits

- **Save time** – avoid waiting for a doctor's office or ER
- **Save money** – eliminate doctor's office, urgent care, ER, or ER visits
- **Get healthier faster** – network of 24/7 licensed physicians available
- **Prescription program** – request appropriate prescription
- **24/7** – Available to you 24/7 via mobile app or website, without needing a doctor's office or ER

Our Physicians

- **Experienced** – Avg. over 10 years of experience
- **Progressive** – Using the latest technology to provide urgent relief
- **Qualified U.S. Based** – Over 50% satisfaction rate
- **Quality Care** – Licensed and credentialed
- **Compassionate** – Professional and knowledgeable
- **Quality assurance** – Standard in-person quality care standards

OVER 90% of survey respondents said that Consult A Doctor physician's care is better than their own. **90%** of survey respondents said that Consult A Doctor physician's care is better than their own. **90%** of survey respondents said that Consult A Doctor physician's care is better than their own.

My Personal Health Manager

As a Consult A Doctor member, you can access your personal health portal when allowed. You can request a physician consult, 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.
- **Email a Doctor** – Send an email message about your 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 Drivers** – Comprehensive resource guide for every medical condition, with medical facts, relevant behaviors, and corresponding links to community resource forums.

Common Medical Treatments

- Cough/Flu
 - Allergies
 - Sinus Infections
 - Borethritis
 - Headaches/Migraines
 - Stomach Ache/Diarrhea
 - Dehydration/Headaches
 - Urinary Infections
 - Prescription Refills
- ...and many more

Never wait for a doctor again!

What	How	When
• Cold/Flu	• Call or text	• 24/7
• Allergies	• Call or text	• 24/7
• Sinus Infections	• Call or text	• 24/7
• Borethritis	• Call or text	• 24/7
• Headaches/Migraines	• Call or text	• 24/7
• Stomach Ache/Diarrhea	• Call or text	• 24/7
• Dehydration/Headaches	• Call or text	• 24/7
• Urinary Infections	• Call or text	• 24/7
• Prescription Refills	• Call or text	• 24/7

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

Annual Office Visit Savings
Annual UC Visit Savings
Annual ER Visit Savings
Annual Productivity Savings
Total Annual Savings

Return on Investment per \$1 Spent
Monthly Cost Savings
Monthly Net Monthly Savings
Annualized Net Savings

	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	\$12.22	\$24.44	\$36.66
Monthly Cost Savings	\$ 586	\$ 1,172	\$ 1,758
Monthly Net Monthly Savings	\$ 108	\$ 692	\$ 1,278
Annualized Net Savings	\$ 1,273	\$ 8,306	\$ 15,338

There came for consideration of the Mayor and Members of the Council of the City of Gautier, Mississippi the following:

ORDER NUMBER 218-2012

IT IS HEREBY ORDERED by the Mayor and Member of the Council of the City of Gautier, Mississippi that the following is hereby authorized for the FY 2013 Budget effective October 1, 2012, to provide funding for the self-insured health insurance policy.

1. To continue to pay 100% of premiums for employee only coverage in the amount of \$405.65 per month.
2. To continue to pay 87.056% of premiums for employee/child coverage in the amount of \$595.70 per month – total premium \$684.26 per month. Employee portion will be in the amount of \$88.56 per month.
3. To continue to pay 86.378% of premiums for employee/spouse coverage in the amount of \$707.30 per month – total premium \$818.84per month. Employee portion will be in the amount of \$111.54 per month.
4. To continue to pay 86.961% of premiums for family coverage in the amount of \$916.78 per month – total premium \$1,054.24 per month. Employee portion will be in the amount of \$137.46 per month.
5. To continue to pay 100% of premiums for life only covered employees in the amount of \$6.00 per month.

IT IS FURTHER ORDERED that the City Manager or City Clerk is authorized to execute any and all documents necessary.

Motion was made by Councilman Colledge, seconded by Councilwoman Martin and the following vote was recorded:

AYES: Tommy Fortenberry
Johnny Jones
Gordon Gollott
Mary Martin
Scott Macfarland
Adam Colledge

NAYS: None

ABSTAINED: Hurley Ray Guillotte

MAYOR

ATTEST:

CITY CLERK

PASSED AND ADOPTED by Mayor and Members of the Council of the City of Gautier, Mississippi, at the meeting of September 18, 2012.