



# **2025 Employee Benefit Renewal**

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September 2024

Presented in partnership with:





# Background

- Annual collaboration with Acrisure (formerly Peachtree Benefits Group) for benefit renewal
- Historical focus on cost containment, robust benefit offerings, and employee affordability
- Employee benefit cost share strategy adopted based on medical plan type and tier
- 2023 addition of Consumer Driven Healthcare Plan (CDHP) with employer funded Health Savings Account (HSA)
- 2023 implementation of Cordico and WellHub (formerly Gympass) health and wellness programs
- Medical and Rx claims spend increased 128% in the past 12 months; 2025 renewal increase



# Renewal Timeline

**September:** Presentation and adoption of renewal information.

**October:** Buildout of 2025 electronic benefit enrollment platform and carrier EDIs.

**November:** 2025 Benefit Open Enrollment for employee selection of benefits.

**December:** 2025 employee benefit elections sent to insurance carriers.

**January:** 2025 benefits take effect.



# Current Benefit Overview

## **Plans Offered:**

### **CIGNA**

- Medical
- Dental
- Vision

### **United Healthcare**

- Basic Life
- Voluntary Life
- Short-Term Disability
- Long-Term Disability

### **Everything Benefits Corporation (EBC)**

- Healthcare Flexible Spending Account (FSA)
- Dependent Care Flexible Spending Account (FSA)
- Healthcare Savings Account (HSA)

## **Medical Plan Structures:**

**Traditional Co-Pay Plans:** Two (2) options with standard co-payments for medical services. One option with in-network only coverage. Second option has out-of-network coverage and is very similar to CDHP coverage.

**Consumer-Driven Healthcare Plan (CDHP):** One (1) option with an employer funded HSA for triple tax-advantage healthcare savings.



# Renewal Results - Medical, Dental, Vision

## Requests for Proposal

- Aetna                      - Cigna (current)
- Anthem                   - United Healthcare

## Summary

- Declined to Quote: Anthem
- Not Market Competitive: United Healthcare
- Aetna offered similar Cigna premiums for bundled medical, dental, and vision insurances\*
- Aetna matched Cigna's 2026 15% rate cap
- Aetna introduces disruptions to providers and prescription drug coverage
- Cigna renewal includes 2026 15% renewal rate cap, enhanced Employee Assistance Program (EAP), and \$0 preventative care medications
- Plan designs (deductibles, out-of-pocket maximums, coinsurances, etc.) similar to current coverage options; adjustments recommended

## Considerations for Carrier Change

- New Rx Prior Authorizations, Rx Step Therapy Approvals
- Ongoing Cigna Case Management
- Aetna introduces additional administrative and regulatory burden (*level-funded plan not fully-funded plan*)
- Paycom Electronic Data Interface (EDI) file feeds for moving carriers (estimated \$650 per line of coverage)
- Future renewal increase concerns due to revised Aetna renewal of 9% with 2026 15% rate cap

*\* See Executive Summary for Medical, Dental, and Vision renewal details*



# Renewal Results – Life and Disability

## Requests for Proposal

- Unum
- Principal
- One America
- Lincoln Financial
- The Hartford Group
- United Healthcare (current)

## Summary

- Declined to Quote: Unum and Principal
- United Healthcare renewal rate pass (no increase or decrease)
- Not Market Competitive: Lincoln Financial and One America
- \$15k in savings thru The Hartford Group; 2-3 year rate guarantee provided; \$3k implementation credit; Employee Assistance Program (EAP)

## Considerations for Plan Design Change

- House Bill 451 requires additional first responder PTSD benefits; Estimated cost \$11,250; coverage thru GMA

*\* See Executive Summary for Life, Disability, and House Bill 451 detail*



# Renewal Objectives

**Cost Containment:** Control and manage benefit costs effectively.

**Proactive Employee Health:** Encourage employees to take proactive measures for physical and mental health.

**Coverage Continuity:** Minimize provider and prescription drug coverage disruptions by ensuring consistent access to doctors and medications for employees.

**Value:** Offer robust benefits at affordable pricing to employees.



# Plan Cost Comparison

2025 Renewal Options			
	2024 Current	2025 Renewal - Option 1	2025 Renewal - Option 2
Medical	\$3,411,721.32	\$3,719,350.80	\$3,678,378.96
Dental	\$152,198.64	\$156,766.08	\$156,766.08
Vision	\$20,227.08	\$20,227.08	\$20,227.08
Basic Life and Basic Dep Life*	\$26,674.63	\$33,060.60	\$33,060.60
Employer Paid STD*	\$42,657.68	\$21,531.97	\$21,531.97
Voluntary Life	age banded	age banded	age banded
Voluntary LTD	age banded	age banded	age banded
Premium Admin Credit	n/a	n/a	n/a
Wellness Fund	\$15,000	\$15,000	\$15,000
Tech/ Implementation Fund	\$0	\$0	\$0
Optional Services Funds	\$35,000	\$35,000	\$35,000
<b>Annual Total</b>	<b>\$3,653,479.35</b>	<b>\$3,950,936.53</b>	<b>\$3,909,964.69</b>
<b>Annual Change from Current</b>		<b>\$297,457.18</b>	<b>\$256,485.34</b>
<b>% Change from Current</b>		<b>8.14%</b>	<b>7.02%</b>





# Plan Design Comparison

Renewal Objective	Cigna: Option 1	Cigna: Option 2
<b>Cost Containment</b>		
<i>Renewal Increase</i>	9%	7.82%*
<i>15% Rate Cap</i>	✓	✓
<i>No. of Plans Offered</i>	3	2
<i>Out-of-Network Plans</i>	2	1
<i>Migration to CDHP</i>		✓
<b>Proactive Employee Health</b>		
<i>EE Wellness Incentives</i>	✓	✓
<i>Wellness Funds</i>	\$50K	\$50k
<i>\$0 Preventative Rx</i>	✓	✓
<i>Enhanced EAP</i>	✓	✓

*\* See Executive Summary for plan design and disruption detail*



# Contribution Strategy – Option 1

Council Approved Contribution Strategy				2024 Current Monthly Contributions		2025 Monthly Contributions (including \$20 Spousal surcharge)		2025 YOY Monthly Increase
Coverage Tier	ER Contribution	EE Contribution		Employer	Employee	Employer	Employee	Employee
OAPIN 750								
EE	90%	10%		\$866.58	\$96.29	\$941.71	\$104.63	\$8.35
ES	90%	10%		\$1,819.84	\$222.20	\$1,977.61	\$239.73	\$17.53
EC	90%	10%		\$1,646.51	\$182.95	\$1,789.25	\$198.81	\$15.86
FAM	90%	10%		\$2,599.76	\$328.86	\$2,825.15	\$333.91	\$5.04
OAP 1500								
EE	90%	10%		\$854.13	\$94.90	\$937.53	\$104.17	\$9.27
ES	90%	10%		\$1,793.66	\$219.30	\$1,968.78	\$238.75	\$19.45
EC	90%	10%		\$1,622.83	\$180.31	\$1,781.27	\$197.92	\$17.60
FAM	90%	10%		\$2,562.38	\$304.71	\$2,812.56	\$332.51	\$27.80
CDHP								
EE	95%	5%		\$758.26	\$39.91	\$826.59	\$43.50	\$3.60
ES	92%	8%		\$1,542.05	\$154.09	\$1,681.05	\$166.18	\$12.09
EC	92%	8%		\$1,395.20	\$121.32	\$1,520.96	\$132.26	\$10.94
FAM	92%	8%		\$2,202.92	\$211.59	\$2,401.49	\$228.82	\$17.23
CDHP HSA								
EE				\$750		\$850		
ES/EC/FAM				\$1,500		\$1,700		



# Contribution Strategy – Option 2

Council Approved Contribution Strategy				2024 Monthly Contributions		2025 Monthly Contributions (including \$20 Spousal surcharge)		2025 YOY Monthly Increase
Coverage Tier	ER Contribution	EE Contribution		Employer	Employee	Employer	Employee	Employee
OAPIN 750								
EE	90%	10%		\$866.58	\$96.29	\$941.84	\$104.65	\$8.36
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FAM	92%	8%		\$2,202.92	\$211.59	\$2,402.43	\$228.91	\$17.32
CDHP HSA								
EE				\$750		\$850		
ES/EC/FAM				\$1,500		\$1,700		



# Conclusion

## **Based on the Renewal Objectives, Staff recommends:**

- Bundling medical, dental, vision with Cigna
- Eliminating the OAP 1500 plan
- Increasing the OAPIN Out-of-Pocket Maximum to \$3,000 Individual / \$6,000 Family
- Increasing the OAPIN Emergency Room Copay to \$250
- Adjusting the OAPIN Rx copays to: Tier 1: \$5, Tier 2: \$45; Tier 3: \$85; Tier 4: 25% Coinsurance up to \$350
- Switching to The Hartford Group for Life and Disability coverage
- Offering First Responder PTSD coverage via the GMA in accordance with GA House Bill 451
- Continuing premium contribution share with no changes to % share
- Continuing FSA offerings
- Increasing Employer HSA contributions to \$850 Individual / \$1,700 Family
- Continuing the monthly Spousal Surcharge of \$20 monthly
- Continuing the monthly Employee Wellness Credit of \$20 and the monthly Spouse Wellness Credit of \$20
- Continuing \$50 monthly Tobacco Surcharge



**Questions?**