



## Human Resources Department

1300 NW Wall St, Suite 201

Bend, OR 97701-1960

541-388-6553

541-330-4626 fax

### Interoffice memorandum

**Date:** June 22, 2016

**To:** Deschutes County Board of County Commissioners

**From:** Kathleen Hinman, HR Analyst KH

**Re:** Changes to Deschutes County Employee Benefit Plan for 2016/17 Plan Year

---

The recommendations listed below were presented to the Employee Benefits Advisory Committee (EBAC) on Tuesday, May 24, 2016 and EBAC supported the presented changes to the Deschutes County Health Plan. Many changes are in response to updated State and Federal requirements, and others are recommendations that were made by Davidson Benefit Planning (Davidson) after completing their financial review of the plan. These changes are scheduled to take effect when the plan renews on August 1, 2016. I have provided a more detailed explanation below on a few of the changes.

1. Change in PPO. Move from current Participating Provider Organization (PPO) network, Aetna, to First Choice. This change is only for accessing the PPO network. Davidson went to multiple PPO networks to have our claims repriced. All three, BlueShield, First Choice, and PacificSource returned results with savings higher than Aetna. This move is expected to:
  - Increase savings from providers
  - Maintain larger network – geographically
  - Increase access to network providers

New ID cards will be mailed to all plan members due to the change in PPO.

2. Change in Stop Loss Carrier. Davidson reviewed the plan's stop loss levels and determined that the plan is adequately insured for stop loss coverage at its current levels. However, Davidson did bid the coverage as there is room for improvement in the contract terms and rates. Of the five responses, the recommendation is to move to Sun Life Financial for stop loss coverage. Their bid is competitive, included no lasering at renewal, and a stronger refunding mechanism.
3. Dependent Audit. During the 2016 Open Enrollment, the plan will be completing a "soft audit" of dependents with a full dependent audit to be completed at the beginning of 2017 by a third party.

4. Retiree and COBRA health plan rates. With the above mentioned changes, the plan would renew with a 9.3% increase to rates for the 2016/17 plan year rather than a 14.8% increase.
  
5. New Pharmacist selected for DOC Pharmacy. The pharmacist will begin the onboarding process in mid July with the expectation that he will assume the full responsibilities by August 1, 2016.
  
6. Update on staffing model in the DOC Clinic. With the departure of the current DOC physician, the County has been reviewing several staffing model options.

**Changes to Deschutes County Employee Benefit Plan for 2016/17 Plan Year**  
**Changes effective 8/1/2016**

Plan Section	New as of 8/1/2016	Reason for Change
Health Plan Document	All limitations on treatment for Transgender individuals need to be removed by January 1, 2017.	Recommendation is to update plan document at first renewal prior to January 1, 2017.
Covered Charges-Lactation Support	Add Lactation Support and Counseling within the Breast pump benefit in the Covered Charges section. These charges will be payable subject to the Preventive Care Benefits (at the Preferred Provider benefit level for both Preferred and Non-Preferred Providers.) The time limitation period for obtaining the breast pump must be removed from the Breast Pump benefit.	Updates required by the U.S. Federal Preventive Services Task Force.
Schedule of Benefits – Preventative Care Services and Exclusions List	Benefits for Obesity Interventions will now have a 26 visit maximum. Revise the Obesity Exclusion in the Plan Exclusion section to align with this new benefit.	Updates required by the U.S. Federal Preventive Services Task Force.
Schedule of Benefits – Preventative Care Services	Update the Nutritional Education benefit to allow for new mandated benefit of Obesity Interventions (for adults ages 18 years and older and with a BMI (body mass index) of 30 kg/m2 or greater).	Updates required by the U.S. Federal Preventive Services Task Force.
Schedule of Benefits – Participating Providers	The Plan will Utilize First Choice as the Participating Provider Organization (PPO)	Improved provider access for plan members and increase savings for the plan.
Pharmacy Benefit	Update list of Preventive Care Drugs with No Cost Share. The plan document will be updated with a link to the list of US Preventive Service Task Force recommended medications as this will keep the plan document current when changes are made to the list off plan year.	U.S. Preventive Service Task Force medication list has been updated.
Dental Benefit	Update the covered charges description. The current description is very specific and may not represent actual billing processes currently being used.	Best practice to stay current in dental field.