

Annual SWMPC Health Insurance Waiver – 2020

Waiver Background

MICHIGAN PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT

In 2011 the Michigan Legislature passed the Publicly Funded Health Insurance employer's expenditures for employee medical benefit plans while also providing for exemptions to the limits. A 2/3 majority vote of the SWMPC board is required to pass an exemption to the Act. Additionally, if exemptions are to be applied they must be passed annually.

For the previous budgets beginning in 2012, the SWMPC board passed exemptions to the Act along with the submission of its annual budget.

Two options are provided within the Act:

Hard Cap:

- \$5,500 times the number of employees with single coverage, plus
- \$11,000 times the number of employees with two person coverage, plus
- \$15,000 times the number of employees with family coverage.

The 80/20 Plan:

The SWMPC could elect not to pay more than 80% of the total annual cost of the medical benefit plans it offers, without regard to how much that means per employee with single, double, or family coverage.

The remaining 20% of the cost is to be recovered through payments by the employees.

The SWMPC 2020 Budget

The 2020 budget is prepared based on the previous SWMPC standard of a two percent employee premium co-pay for health insurance (health, HSA, dental, vision, disability, life)

Annual SWMPC Health Insurance Waiver – 2020
2020 Health Insurance Coverage Cost Comparison

Renewal of Same Coverage from 2019 “Priority Health/Health Savings Account PPO - High Deductible Plan”

Deductibles

Single = \$2,300

Family = \$4,600

Premiums

Single = \$3,244.60

Family = \$7,690.36

Change to New Coverage “Priority Health Point of Service/Health Savings Account”

Deductibles

Single = \$2,300

Family = \$4,600

Premiums

Single = \$2,700.64

Family = \$6,400.28

SUMMARY: Cost reduction (premiums) for 2020 of 12.4% from previous coverage option.

Annual SWMPC Health Insurance Waiver – 2020
2020 Waiver Options Cost Comparison

Existing Cost Share Option (Carry Over Same Cost Share from Previous)

Annual Costs

Premiums SWMPC =	\$95,052.67
Employee Share Premiums =	\$1,939.85
Health Savings Account SWMPC =	\$29,302.00
HSA Employee Share =	\$598.00

TOTAL SWMPC COSTS = \$124,354.67

TOTAL EMPLOYEE COSTS = \$2,537.85

80/20 Option

Annual Costs

Premiums SWMPC =	\$77,594.02
Premiums Employee Share =	\$19,398.50
Health Savings Account SWMPC =	\$23,920.00
HSA Employee Share =	\$5,890.00

TOTAL SWMPC COSTS = \$101,514.02

TOTAL EMPLOYEE COSTS = \$25,378.50

Hard Cap Option

Annual Costs

Premiums SWMPC =	\$78,190.20
Premiums Employee Share =	\$18,802.32
Health Savings Account SWMPC =	\$0.00
HSA Employee Share =	\$29,900.00

TOTAL SWMPC COSTS = \$78,190.20

TOTAL EMPLOYEE COSTS = \$48,702.32

Medical Plan Group

Current
Current - PH PPO HSA \$2300 ...
\$ 108,529⁶³

Medical Plan Design

Priority Health
PriorityHSA PPO 2300 100%

	Single	Family
Deductible	\$ 2,300	\$ 4,600
Employee Coinsurance	0 %	0 %
Out-of-Pocket Max	\$ 4,000	\$ 8,000
Employer Funding	\$ - 0	\$ - 0
Net Out-of-Pocket Max	\$ 4,000	\$ 8,000
Employee Annual Prem	\$ + 181	\$ + 430
Employee Max Ann. Cost	\$ 4,181	\$ 8,430

Medical Copays

Primary Care	\$ 0 \$0 after deductible
Specialty Care	\$ 0 \$0 after deductible
Urgent Care	\$ 0 \$0 after deductible
Emergency	\$ 0 \$0 after deductible
Out-Patient Hospital	\$ 0 \$0 after deductible
In-Patient Hospital	\$ 0 \$0 after deductible

Rx

Tiers
Integrated with Medical
\$5*, \$10*, \$40*, \$80*, 20%, 20%*

Enrollment

	8	Prem	ER	EE
Employee Only	3	\$ 755 ⁸⁴	98 %	\$ 15 ¹²
Employee + Spouse	1	\$ 781 ⁴³	98 %	\$ 15 ⁶³
Employee + Children	1	\$ 803 ¹¹	98 %	\$ 16 ⁰⁶
Family	3	\$ 1,792 ²²	98 %	\$ 35 ⁸⁴

Ann. Insurance Premium

\$ 110,744⁵²

Employer Prem Contribution	\$ 108,529 ⁶³
Budgeted HRA + HSA	\$ + 0 ⁰⁰ + 0 ⁰⁰
Employer Ann. Cost	\$ 108,529⁶³

Proposed
PH POS HSA \$2300-100%
\$ 95,052⁵⁵ -12.4%

Priority Health
PriorityHSA POS 2300 100%

	Single	Family
\$ 2,300	\$ 4,600	
0 %	0 %	
\$ 4,600	\$ 9,200	
\$ - 0	\$ - 0	
\$ 4,600	\$ 9,200	
\$ + 159	\$ + 376	
\$ ▲4,759	\$ ▲9,576	

Copay

\$ 0 \$0 after deductible
\$ 0 \$0 after deductible
\$ 0 \$0 after deductible
\$ 0 \$0 after deductible
\$ 0 \$0 after deductible
\$ 0 \$0 after deductible

Integrated with Medical

\$20*, \$60*, \$80*, 20%*

	8	Prem	ER	EE
Employee Only	3	\$ 661 ⁹²	98 %	\$ 13 ²⁴
Employee + Spouse	1	\$ 680 ⁰²	98 %	\$ 13 ⁶⁰
Employee + Children	1	\$ 710 ⁸³	98 %	\$ 14 ²²
Family	3	\$ 1,568 ⁷⁰	98 %	\$ 31 ³⁷

\$ 96,992⁴⁰ ▼

Employer Prem Contribution	\$ 95,052 ⁵⁵
Budgeted HRA + HSA	\$ + 0 ⁰⁰ + 0 ⁰⁰
Employer Ann. Cost	\$ ▼95,052⁵⁵