



Employee Benefits Plan Design Update

***Presented by
Monica Wheelis
Human Resources Manager***



History

- The BRA has had a partially self-insured medical plan administered by TML since 2002.
- Liabilities have significantly increased due to a reduced employee base, significantly high medical claim expenses, and additional administrative responsibilities pertaining to the Affordable Care Act.
- At the July meeting, the Board authorized the General Manager/CEO to enter into agreement(s) necessary to transition the BRA from a partially self-insured to a fully-insured healthcare program, within the financial parameters set-forth in the FY 2016 Budget.



IPS Advisors

- BRA contracted with IPS Advisors to perform independent consulting services related to the design, compliance, communication, and overall administration of the BRA's Health and Welfare benefit plans.
- IPS reviewed our plan history and presented their findings at the July Board meeting.
- IPS recommended to the Board that for the 2016 plan year, the BRA solicits for a fully-insured medical plan, which they projected would cost approximately \$3,158,272.



RFP Results

- An RFP for the BRA Health and Welfare Plans was released in August.
- We received a response from four companies offering partially self-insured medical plans and two companies offering fully-insured medical plans, in addition to several responses for each of the ancillary benefit plans.
- IPS conducted a full review of each plan's options, expenses, and design and provided a 2015 – 2016 projected budget comparison.



Medical RFP Results

- Proposals received for partially self-insured plans:
 - TML
 - United Health Care
 - Humana
 - Blue Cross Blue Shield
- Proposals received for fully-insured plans:
 - United Health Care
 - Blue Cross Blue Shield



Medical RFP Results

- Partially self-insured plans
 - All priced higher than the Blue Cross Blue Shield fully-insured plan
 - Rates not final until after claims through October are reviewed
 - Rates do not reflect any lasered participants until after the October review
 - We anticipate that there will be at least as many lasered participants as we had in 2015 (one at \$300,000 and two at \$125,000)
 - BRA retains full liability for the administration of the plan and funding of the claims



Medical RFP Results

- Fully-insured plans
 - Blue Cross Blue Shield (BCBS) came in significantly lower than United Health Care (UHC) and all partially self-insured plans.
 - The projected 2016 medical and prescription premium cost with BCBS is \$2,758,136.
 - The total cost of moving to a fully-insured plan with BCBS, including \$263,683 for the 2015 plan-year claims runout, is \$3,102,219, which is \$56,000 less than IPS projected at the July Board meeting.



IPS Recommendations

- Based upon review of BRA's historical claims experience, projected 2016 claims experience and current liability retention levels, IPS recommended that the BRA transitions to a fully-insured medical plan with BCBS for the 2016 plan year.
- The proposed cost for the BCBS fully-insured medical plan is within the parameters as set forth in the FY2016 budget.



Brazos River Authority