

**Summary of 2019 Benefit Recommendations/Modifications
Proposed for Redmond Medical Plan, Flexible Spending Account & Life Insurance**

Source	Type of Change	Effective Date	Description	Purpose	Cost Impact	EBAC Recommendation	HR Recommendation
Gallagher Recommendation	Benefit Enhancement - Medical Plan	January 1, 2019	Remove reimbursement feature from retail prescriptions (discount applied at point of sale) and remove separate Mail Order out-of-pocket maximum	This is an outdated plan design that causes confusion, administrative burden, and inability to offer a FSA Debit Card. Having this plan feature will likely cause third-party administrators to decline to bid on our business. In order to allow for better member experience and administrative ease, if we were to eliminate the reimbursement feature on retail prescriptions, we would also want to combine the out-of-pocket limits in our plan designs. This would allow Caremark to administer both the retail and mail order benefits.	The estimated impact is an increase of .25%. This equates to \$20,000/yr or \$3.26 per employee per month.	TBD	TBD
HMA/Gallagher Recommendation	Benefit Enhancement - Medical Plan	January 1, 2019	Add MDLive Telehealth Services	Telehealth is becoming a more common benefit in the industry and can potentially reduce the number of unnecessary emergency room and urgent care visits. There were 14 visits to the emergency room and 91 visits to urgent care that could have been handled with an MDLive visit.	MDLive has a per employee per month charge of \$1.30. This is an annual cost of approximately \$8,000. It is possible that in the long run this benefit could save money as the cost for an MDLive visit on average costs \$38 where an emergency room visit on average costs \$821 and urgent care costs \$220.	TBD	TBD
HMA Recommendation	Benefit Enhancement - Medical Plan	January 1, 2019	Add coverage for non-surgical treatment for obesity	This coverage is becoming a standard in the industry and is being recommended by the Centers for Medicare and Medicaid Services as well as the Centers for Disease Control and Prevention. They have concluded that behavioral therapy for patients who are obese can prevent obesity-related illness or disability.	The financial impact of this change cannot be determined. A typical course of treatment runs around \$247. This is typically offset by the plan savings due to increased health of the patient.	TBD	TBD
EBAC Recommendation	Benefit Enhancement - Dental/Vision Plan	January 1, 2019	Unbundle Dental and Vision	This is the number one question we received during open enrollment in 2017. Most employers offer the option to select these coverage as separate benefits.	In order to cost the impact of this change we could assume increased enrollment in the plans. Below illustrates the cost increase to the City : Assuming 10% increase on dental = \$112,935 & on vision = \$25,496 Assuming 20% increase on dental = \$223,586 & on vision = \$50,560	TBD	TBD

EBAC Recommendation	Benefit Enhancement - Vision Plan	January 1, 2019	Add coverage for LASIK to the Vision plan	The question was asked if adding LASIK benefits could reduce future costs in the plan because the patient would have reduced future claims due to no longer needing glasses or contacts.	Adding LASIK would have an estimated increase in costs to the plan as illustrated below: Assuming \$500 lifetime benefit = \$10,000/yr or \$1.30 PEP Assuming \$750 lifetime benefit = \$15,000/yr or \$1.94 PEP	TBD	TBD
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