



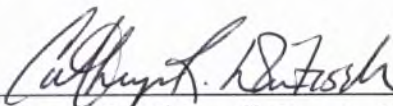
To the Honorable Council
City of Norfolk, Virginia

May 22, 2018

From: Marva A. Smith, Director
Department of Human Resources

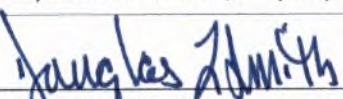
Subject: 2019 Norfolk Consortium
Healthcare Plans and Rates

Reviewed:


Catheryn R. Whitesell, Deputy City Manager

Ward/Superward: Citywide

Approved:


Douglas L. Smith, City Manager

Item Number: R-4

- I. **Recommendation:** Adopt Ordinance
- II. **Applicant:** City of Norfolk
- III. **Description:**
This agenda item includes an ordinance to authorize employee healthcare plan changes, premiums, and Health Savings Account contributions for the City of Norfolk ("City") employees from the Norfolk Healthcare Consortium Fund to eligible employees for the 2019 plan year.
- IV. **Analysis**
The Norfolk Healthcare Consortium provides self-funded healthcare insurance to the City, Norfolk Public Schools ("NPS"), and the Norfolk Redevelopment and Housing Authority ("NRHA") employees and their eligible family members and dependents. Based on healthcare utilization data, including projected expenses, premiums were actuarially adjusted for plan year 2018. The adjustments resulted in no increase to employee premiums for employee only and employee and children plan tiers. Employee and spouse as well as employee and family tier premiums were increased to better align cost with value. Employer healthcare costs increased by an average of 1.5 percent for plan year 2018.
- V. **Financial Impact**
The plan year 2019 premium changes are necessary to balance Healthcare Fund revenue with projected medical and pharmacy expenses for FY 2019 and FY 2020.

VI. Environmental

N/A

VII. Community Outreach/Notification

Public notification for this agenda item was conducted through the City of Norfolk's agenda notification process. Employees will be notified of 2019 premiums through multiple communication outlets, including the City's benefit website and live briefings by Human Resources staff to all consortium member employees.

VIII. Board/Commission Action

N/A

IX. Coordination/Outreach

This letter has been coordinated with the Department of Human Resources, Office of Budget and Strategic Planning, and the City Attorney's Office.

Supporting documentation from the Department of Human Resources:

- Ordinance

Form and Correctness Approved:

By [Signature]
Office of the City Attorney

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose.

Contents Approved:

By [Signature]
DEPT. Human Resources

\$ 92,346,084 — VARIOUS
Account

[Signature] 5/17/18
Director of Finance Date

NORFOLK, VIRGINIA

ORDINANCE No.

AN ORDINANCE APPROVING THE 2019 OFFICER AND EMPLOYEE HEALTH INSURANCE PLANS, THE EMPLOYER AND EMPLOYEE CONTRIBUTION RATES AND AUTHORIZING THE EXPENDITURE FROM THE HEALTH CARE FUND OF A SUM SUFFICIENT HERETOFORE APPROPRIATED.

BE IT ORDAINED, by the Council of the City of Norfolk:

Section 1:- That effective for the 2019 calendar year, the three (3) plans, the summaries of which are described in Attachment A, as well as their benefits and costs, are approved for each officer and employee to elect.

Section 2:- That the tables below set out the 2019 Monthly Medical Premium Rates.

Plan A	Wellness Reduction Rate, Employee Share	Regular Rate, Employee Share	City's Share, with Wellness Reduction	City's Share, Regular Rate
Employee Only	\$17.56	\$27.56	\$548.55	\$538.55
Employee + Children	\$123.36	\$133.36	\$783.55	\$773.55
Employee + Spouse	\$222.30	\$232.30	\$1,079.76	\$1,069.76
Employee + Family	\$360.63	\$370.63	\$1,620.77	\$1,610.77
Married Employees**	\$132.69	\$142.69	\$1,848.71	\$1,838.71

Plan B	Wellness Reduction Rate, Employee Share	Regular Rate, Employee Share	City's Share, with Wellness Reduction	City's Share, Regular Rate
Employee Only	\$50.62	\$60.62	\$526.79	\$516.79
Employee + Children	\$204.92	\$214.92	\$720.09	\$710.09
Employee + Spouse	\$323.86	\$333.86	\$1,004.18	\$994.18
Employee + Family	\$492.90	\$502.90	\$1,528.03	\$1,518.03
Married Employees**	\$208.57	\$218.57	\$1,812.36	\$1,802.36

Plan C	Wellness Reduction Rate, Employee Share	Regular Rate, Employee Share	City's Share, with Wellness Reduction	City's Share, Regular Rate
Employee Only	\$122.26	\$132.26	\$471.38	\$461.38
Employee + Children	\$304.10	\$314.10	\$646.92	\$636.92
Employee + Spouse	\$509.62	\$519.62	\$855.76	\$845.76
Employee + Family	\$758.14	\$768.14	\$1,319.61	\$1,309.61
Married Employees**	\$424.58	\$434.58	\$1,653.17	\$1,643.17

**Married Employees = both spouses are employed by City of Norfolk (or one spouse can work for NPS or NRHA). Must have family coverage to receive this premium.

Section 3:- That a sum sufficient from the Healthcare Fund heretofore appropriated is authorized to be expended in payment of the coverages and third party administration.

Section 4:- That effective January 1, 2019, a one-time lump sum Health Savings Account contribution of Five Hundred Dollars (\$500) for individual coverage and One Thousand Dollars (\$1,000) for spousal and family coverage will be made for each member electing to enroll in Plan A.

Section 5:- That the City's contribution to such Health Savings Accounts will be prorated based on the hire date for eligible participating employees.

Section 6:- That this ordinance shall be in effect from and after its adoption.

Plan Options

PLAN	Health Savings Account compatible	POS	POS	OOA PPO
Medical Services				
General Deductible (individual/family)	\$1,500/\$3,000 Non-Embedded	\$1,000/\$2,000	\$750/\$1,500	\$750/\$1,500
Out of Pocket Maximum (individual/family)	\$5,000/\$10,000	\$4,500/\$9,000	\$4,000/\$8,000	\$4,000/\$8,000
MDLIVE Office Visit	Covered at 80% ^{AD}	\$15 Copayment	\$15 Copayment	\$15 Copayment
PCP visit	Covered at 80% ^{AD}	\$30 Copayment	\$25 Copayment	\$25 Copayment
Specialist visit	Covered at 80% ^{AD}	\$60 Copayment	\$50 Copayment	\$50 Copayment
Preventive care	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%
Maternity	Covered at 80% ^{AD}	\$350 Global Copayment	\$350 Global Copayment	Covered at 80% ^{AD}
Inpatient Care	Covered at 80% ^{AD}	Covered at 80% ^{AD}	Covered at 85% ^{AD}	Covered at 80% ^{AD}
Outpatient Surgery	Covered at 80% ^{AD}	Covered at 80% ^{AD}	Covered at 85% ^{AD}	Covered at 80% ^{AD}
Emergency Room	Covered at 80% ^{AD}	Covered at 80% ^{AD}	Covered at 85% ^{AD}	Covered at 80% ^{AD}
Urgent Care Center	Covered at 80% ^{AD}	\$50 Copayment	\$50 Copayment	\$50 Copayment
Preventive vision	100% Covered every 12 months	100% Covered every 12 months	100% Covered every 12 months	100% Covered every 12 months
OON Deductible	\$3,000/\$6,000	\$2,000/\$4,000	\$2,000/\$4,000	\$2,000/\$4,000
OON OOP Maximum	\$6,500/\$13,000	\$5,500/\$11,000	\$5,000/\$10,000	\$8,000/\$16,000
OON Coinsurance	50% ^{AD}	50% ^{AD}	50% ^{AD}	50%