

Department of Administration

**Office
of
Group Insurance**

Interim Committee on Benefits

July 31, 2017

With me today...

- ❑ Bob Geddes, Director
- ❑ Keith Reynolds, Deputy Director
- ❑ Cindy Dickinson, Benefit Manager
- ❑ Robert Schmidt, Actuary, Milliman

Office of Group Insurance

□ 5 full-time employees

- Administrator
- Benefit Manager
- Group Insurance Specialist
- Employee Benefit Specialist
- Employee Benefits Technician

□ Annual operating & personnel budget of \$824,700 for FY2018

Administers group plans including:

- Basic Life Insurance
- Voluntary Term-Life Insurance
- Short and Long-Term Disability
- Flexible Spending Account (FSA)
- Active employee dental
- Active employee & retiree medical



FY2018 – Monthly Medical Premiums

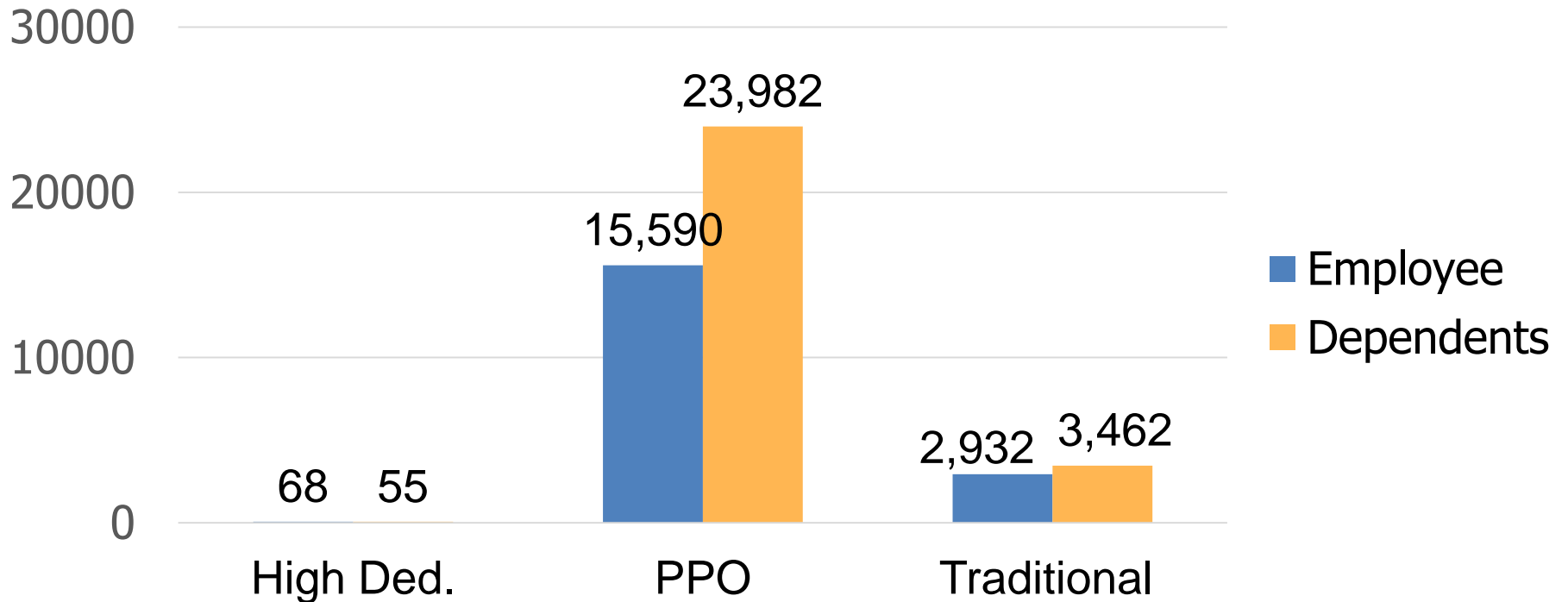
Full-Time Tier (30 – 40 hours/week) State Contribution = \$1072.32

| | Employee Only | Employee & Spouse | Employee, Spouse & Children |
|-----------------|---------------|-------------------|-----------------------------|
| PPO Plan | \$51 | \$128 | \$185 |
| Traditional | \$63 | \$155 | \$218 |
| High Deductible | \$41 | \$109 | \$152 |

Part-Time Tier (20 – 30 hours/week) State Contribution = \$868.58

| | Employee Only | Employee & Spouse | Employee, Spouse & Children |
|-----------------|---------------|-------------------|-----------------------------|
| PPO Plan | \$254.74 | \$331.74 | \$388.74 |
| Traditional | \$266.74 | \$358.74 | \$421.74 |
| High Deductible | \$244.74 | \$312.74 | \$355.74 |

Enrollment by Medical Plan Type

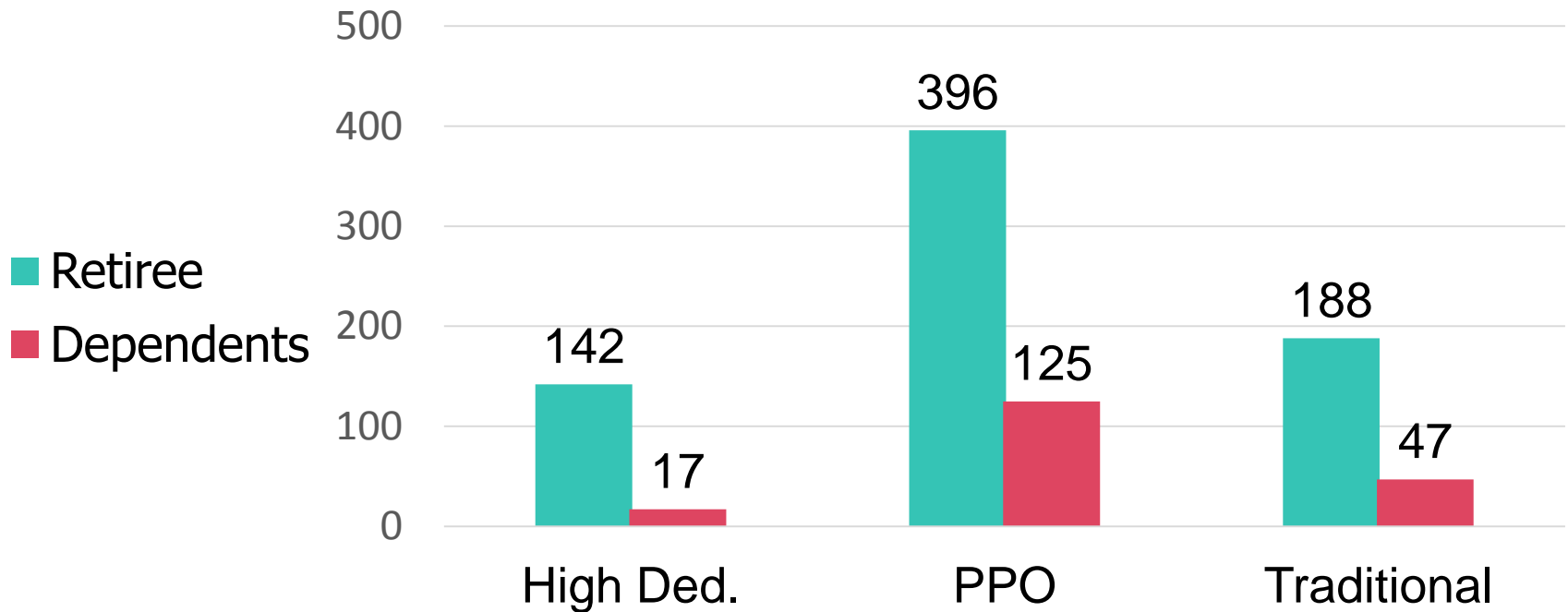


163 enrolled were part-time employees

1,439 full-time employees and 131 part-time employees declined coverage

* As of June 2017

Retiree Medical Enrollment



- Eligibility is limited by I.C. 67-5761
- Pay a greater portion of the premiums

* As of June 2017

FY2017 Demographics

| Active Employee Age | Female | Male | Average |
|---------------------|--------|------|---------|
| Employee | 46 | 46 | 46 |
| Spouse | 45 | 50 | 47 |
| Children | 13 | 13 | 13 |

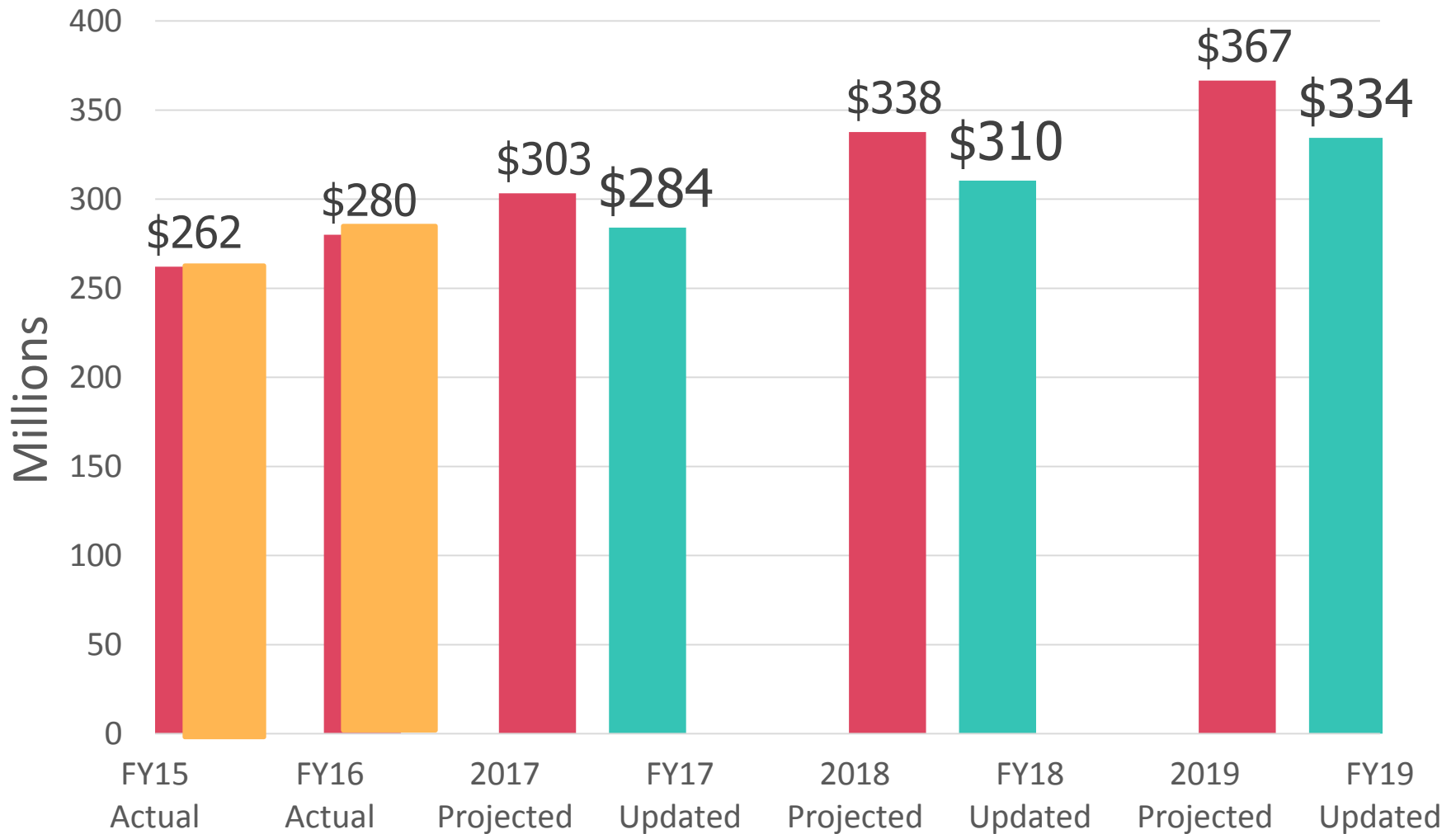
| Retiree Age | Average |
|-------------|---------|
| Retiree | 61 |
| Spouse | 60 |
| Children | 21 |

* As of December 2016

OGI Funding

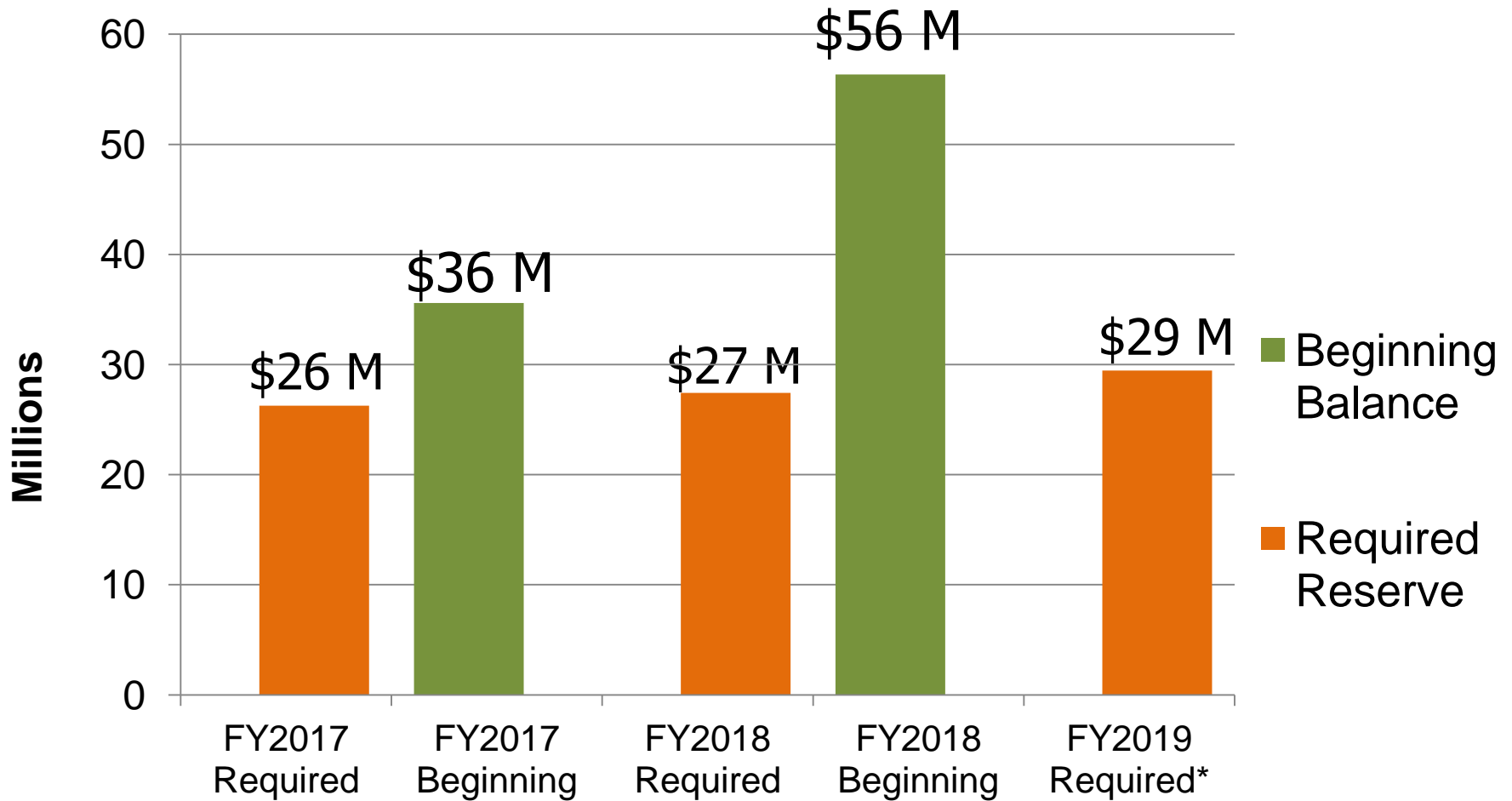
- ❑ **Fully insured** plan that functions much like a self-insured plan
- ❑ Actuarial cost projections (2x per year)
- ❑ Costs are projected 12 months in advance; budgets are set 6 months prior to each plan year
- ❑ Maintain 10% **contingency reserves** to avoid risk charge
- ❑ Excess reserves are used to moderate appropriation increases in future year

Total Medical Plan Costs



* As of June 2017 Milliman projection

Medical Reserves



* Projected required reserve balance

How does that happen?

- ❑ 6 – 12 more months of claims data to consider
- ❑ Different population
- ❑ Younger demographic
- ❑ Different mix of plan utilization
- ❑ Collecting an increased appropriation

Sample LBB – Projected FY19

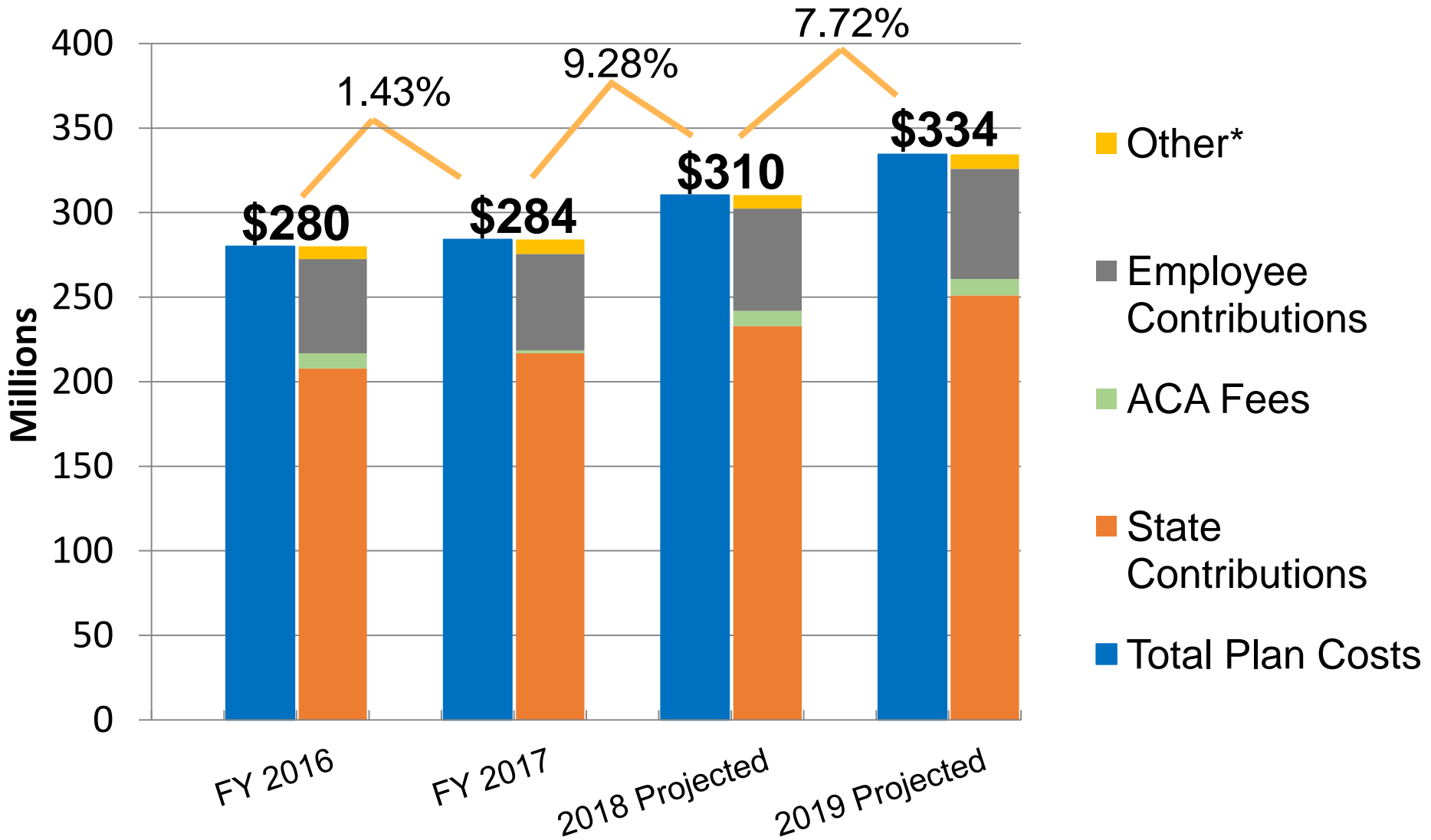
Employer-Paid Health Insurance per Eligible Employee

| | FY2018 Projected | FY2018 Revised | FY2019 Projected |
|--|---------------------|-------------------|---------------------|
| Health Insurance (medical, dental) | \$ 13,945 | \$ 13,134 | \$ 13,655 |
| Retiree Subsidy | \$ 344 | \$ 191 | \$ 329 |
| Health Insurance Continuation Premium | \$ 60 | \$ 58 | \$ 53 |
| Administrative Costs | \$ 50 | \$ 42 | \$ 43 |
| Sweep Funding | \$ (985) | \$ (325) | \$ (790) |
| Proposed use of Reserve Funding | \$ (314) | \$ - | \$ (2,100) |
| Annual Appropriation for Health Benefits | \$ 13,100 | \$ 13,100 | \$ 11,190 |



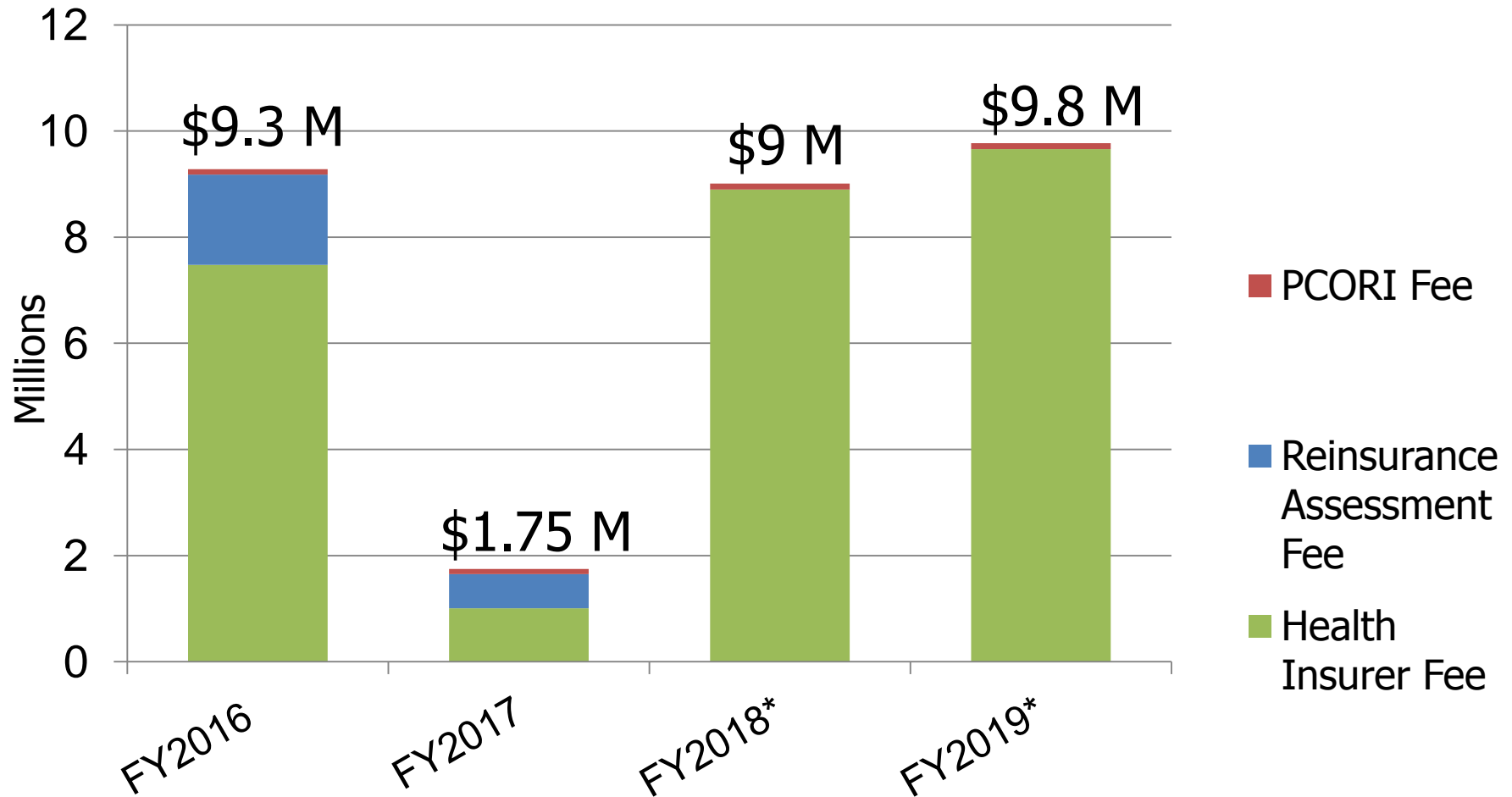
15%↓

Cost & Contribution Breakdown (Medical)



* Other includes retiree and COBRA contributions

Affordable Care Act Fees (Medical)



* As of June 2017 Milliman projection

“Grandfathered” Status

- ❑ Plans that existed before March 23, 2010
- ❑ Mandatory changes included:
 - Removal of lifetime and annual maximums
 - Coverage for dependents to age 26
 - Removal of pre-existing condition exclusions
- ❑ Little or no flexibility in cost shifting and plan design changes

Life Events

www.ogi.idaho.gov

Because life happens, the Office of Group Insurance is here to assist you in accessing the benefits you are eligible for when circumstances in your life change.



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[Retiring](#)



[Switching Agencies](#)



[Having a Baby](#)



[Disability](#)



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Group Insurance Advisory Committee

Members:

- ❑ Senator Fred Martin
- ❑ Representative Phylis King
- ❑ Director Robert L. Geddes
- ❑ Dick Humiston, Retired Employee
- ❑ Roxanne Lopez, Tax Commission, Active Employee
- ❑ Andrea Patterson, Judiciary Representative

Website: <https://ogi.idaho.gov/group-insurance-advisory-committee/>

Questions?

Office of Group Insurance

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