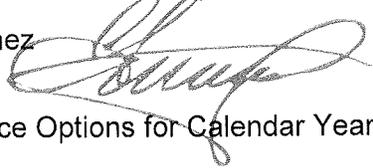


Memorandum



Date: October 6, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Medical Insurance Options for Calendar Year 2015 – Update

As an update to my September 4, 2014 memorandum to the Board of County Commissioners (Board) and the request from Commissioner Dennis C. Moss at the September 26, 2014 Special Meeting, attached please find information regarding the benefits redesign options for 2015 for non-bargaining unit employees and for employees covered by those unions that have agreed to include benefits redesign as part of their 2014-2017 Collective Bargaining Agreements. Information on the Benefits Redesign is also available on our website at: <http://www.miamidade.gov/humanresources/open-enrollment.asp>.

The "Select Network" will be included as a new plan option, which allows the County to offer its employees an option with no premium for single coverage and an average reduction of 20 percent in dependent premiums. The Select Network option offers employees the same level of benefits (except Emergency Room co-pays) as the current High HMO plan. I am also very proud to report that we were successful in further enhancing the existing Select Network, which was established by Jackson Health System in 2013. The University of Miami and Miami Children's Hospitals will be included in the Miami-Dade County Select Network beginning January 2015.

The plan redesign also includes High HMO and Point of Service options. These options provide employees with the ability to access services at AvMed's complete South Florida Network. Plan design changes (co-pays) and the increase of premiums for single coverage are also components of this redesign plan. Employees with dependent coverage will not see an increase in premium payments for calendar year 2015. For example, an employee that pays \$208.35 in dependent premiums under the High HMO option will continue to pay the exact same amount.

By offering the Select Network option and implementing benefit design changes which incentivize the efficient use of services, the County could significantly reduce the overall cost of healthcare by up to 15 percent.

If you should have any questions, please contact Deputy Mayor Edward Marquez at 305-375-1451.

Attachments

c: Honorable Bertila Soto, Chief Judge, Eleventh Judicial Circuit
Honorable Katherine Fernandez Rundle, State Attorney
Honorable Harvey Ruvin, Clerk, Circuit and County Courts
Robert A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Lazaro Solis, Property Appraiser
Carlos A. Migoya, President and Chief Executive Officer, Jackson Health Systems
Department Directors

Honorable Chairwoman Rebeca Sosa,
and Members of the Board of County Commissioners
Page 2

Rick Beasley, Executive Director, Career Source South Florida
Charles D. Scurr, Executive Director, Citizens' Independent Transportation Trust
Joseph Centorino, Executive Director, Commission on Ethics and Public Trust
Mary Cagle, Inspector General
Johanna Porpiglia, Director, Law Library
Karen J. Ladis, Director, Legal Aid
Irma San Roman, Executive Director, Metropolitan Planning Organization
John E. Dixon, Jr., Executive Director, Miami-Dade Economic Advocacy Trust
Charles Anderson, Commission Auditor
Emilio Azoy, President AFSCME Local 121
Andy Madtes, Administrator, AFSCME Local 199
Antonio M. Eiroa, President, AFSCME Local 1542
Joel Hernandez, President, AFSCME Local 3292
John Rivera, President, DCPBA
Greg Blackman, President, GSAF
Al Cruz, President, IAFF
Clarence Washington, President, TWU



Miami-Dade County

MDC Select Network



Plan redesign and the NEW MDC Select Network Option *may* offset premium increases and put money in your pocket!



Who is eligible for the NEW MDC Select Network?

The Select Plan will be a new plan option in 2015 for employees living in Miami-Dade, Broward, or Palm Beach Counties. The plan will be offered to non-bargaining unit employees and to eligible bargaining unit employees per their respective Collective Bargaining Agreement.

How much money can I save?

For employees who have **dependent** coverage and choose the Select Network, the savings are between **\$1,101** and **\$1,346** a year (depending on the coverage selected).

What is the NEW MDC Select Network?

The NEW MDC AvMed Select Network is comprised of conveniently located hospitals, facilities and physicians.

The Benefits offered in the NEW MDC Select Network Plan are the same benefits (co-pays) as those currently offered in the High HMO plan (with the exception of the Emergency Room co-pay).

What happens to premiums?

Instead of the estimated 10% premium increase necessary for the current plan, dependent premiums for current HMO and POS plan rates would remain flat (that means no premium increases on family plans).

Which Providers are included in the NEW MDC Select Network?

The NEW MDC Select Network includes the following hospitals and all AvMed-contracted providers who have privileges at these hospitals:

Miami-Dade County:

- Baptist Hospital of Miami
- Doctor's Hospital
- Holtz Children's Hospital
- Homestead Hospital
- Jackson Memorial Hospital -
- Jackson South Community Hospital
- Jackson North Hospital
- Kendall Regional Medical Center
- Miami Children's Hospital - **NEW in 2015**
- Mt. Sinai Medical Center
- South Miami Hospital
- University of Miami Hospital - **NEW in 2015**
 - Sylvester Comprehensive Cancer Center
 - Bascom Palmer Eye Institute
- West Kendall Baptist Hospital

Broward County:

- Broward Health Medical Center
 - Chris Evert Children's Hospital
- Holy Cross Hospital
- Joe DiMaggio Children's Hospital
- Memorial Hospital West
- Memorial Hospital Miramar
- Memorial Hospital Pembroke
- Memorial Regional Hospital
- Memorial Regional Hospital South
- Northwest Medical Center

Palm Beach County:

- Bethesda Hospital West
- Bethesda Memorial Hospital
- Boca Raton Regional Hospital
- Palms West Hospital
- West Palm Hospital

70% of current physicians are covered under the Select Network.

93% of members who have seen a physician have had at least one visit with a physician in the Select Network.

More Questions...



Premiums - Plan Redesign:

CURRENT PLANS:		CURRENT	PLAN REDESIGN		
Plan	Tier	Biweekly Premium	Premium	Biweekly Difference	Annual Difference
High HMO	Employee Only	\$0.00	\$75.00	\$75.00	\$1,950.00
	Employee + Spouse	\$208.35	\$208.35	\$0.00	\$0.00
	Employee + Child(ren)	\$180.17	\$180.17	\$0.00	\$0.00
	Family	\$287.77	\$287.77	\$0.00	\$0.00
POS	Employee Only	\$14.90	\$100.00	\$85.10	\$2,212.60
	Employee + Spouse	\$344.54	\$344.54	\$0.00	\$0.00
	Employee + Child(ren)	\$285.86	\$285.86	\$0.00	\$0.00
	Family	\$595.59	\$595.59	\$0.00	\$0.00
NEW OPTION:					
Select Network	Employee Only		\$0.00	\$0.00	\$0.00
	*Employee + Spouse		\$166.00	\$42.35	\$1,101.10
	*Employee + Child(ren)		\$141.00	\$39.17	\$1,018.42
	*Family		\$236.00	\$51.77	\$1,346.02

*Savings to employees in the NEW Select Plan compares dependent premiums to current High HMO rates

What other changes will be implemented in 2015?

In order to direct members to more cost efficient services, plan design changes as indicated below will be implemented.

Plan Design	Current High HMO / POS	Design Changes for HMO / POS	NEW Select Option
Inpatient Hospital Copay per Admit*	\$0	\$200	\$0
Emergency Room Copay	\$25/\$50	\$100	\$50
Urgent Care Copay	\$25/\$50	\$25/\$50	\$25
Outpatient Hospital Copay*	\$0	\$100	\$0
Freestanding Diagnostic Center Copay	\$0	\$0	\$0
Ambulatory Surgical Center Copay	\$0	\$0	\$0
Physician Copays	\$15/\$30	\$15/\$30	\$15/\$30
	(Primary Care/Specialist)		
Retail Pharmacy Copays	\$15/\$25/\$35	\$15/\$40/\$55	\$15/\$25/\$35
	(Generic/Pref Brand/Non-Pref Brand)		
Mail Order Pharmacy Copays	\$30/\$50/\$70	\$30/\$80/\$110	\$30/\$50/\$70
	(Generic/Pref Brand/Non-Pref Brand)		
Specialty Pharmacy Copay (HMO)	\$15/\$25/\$35	\$100	\$15/\$25/\$35
Specialty Pharmacy Copay (POS)	\$10/\$16.66/\$23.33		
Out of Pocket Maximum**	\$1,500	\$3,000	\$2,500
	(2x for family)		
* Waived at Jackson Health System			
**In 2015, pharmacy copays will count towards the Out of Pocket Maximum			

**Why are Out-of-Pocket Maximums being adjusted?

In 2015, the *out-of-pocket maximum* will be adjusted for all plans (from \$1,500 to \$2,500 for the NEW Select Plan, and to \$3,000 for the High HMO and POS plans), in order to keep the **same level of benefits** and as a direct result of changes in the **Affordable Care Act** which require pharmacy costs to be applied to out-of-pocket expenses.

How do I know if my physician is in the Select Network?

Easy! Just visit the website below and enter your physician's information.

<http://avmed.prismisp.com/?tab=doctor&plan=jhs&visitor=member>

* Note: As a result of additional enhancements to the MDC Select Network, additional doctors will be added to the directory. The link above currently does not include these additional doctors. The complete list of providers will be available in time for the County's Open Enrollment period.

What do Plan Design Changes mean to me?

The services used the most remain unchanged. There is NO increase to Physician co-pays, generic pharmacy co-pays or Urgent Care co-pays.

What are the benefits to the County?

By offering the NEW MDC Select Plan and implementing benefit design changes which incentivize the efficient use of services, the County could significantly reduce the County's overall cost of healthcare.

What else can I expect between now and Open Enrollment in October?

The County will continue to work on enhancing the proposed plan design, update providers to the Select Network as needed, and provide additional information to you.

Where can I get more information about Open Enrollment for 2015?

Visit:

<http://www.miamidade.gov/humanresources/open-enrollment.asp>

Please be sure to review the Frequently Asked Questions (FAQs).

As of: September 19, 2014

Miami-Dade County

Benefits Redesign and Select Network

Frequently Asked Questions (FAQ's)

1. Q: What is the Select Network?

A: The **Miami-Dade County Select Network** is comprised of conveniently located hospitals, facilities, physicians and other healthcare providers. *Eligible Miami-Dade employees, retirees (under 65), and covered dependents who enroll in the Select Network option must receive all medical care, except emergencies and urgent care services, through an **AvMed contracted Select Network provider**.

- *Note: Employee eligibility is determined in accordance with the employee's respective Collective Bargaining Agreement.

2. Q: Is the Select Network a "Jackson Only" Plan?

A: **No**. There are numerous Hospitals plus additional non-hospital affiliated providers included in the Select Network.

3. Q: What is the Jackson Health System (JHS)?

A: Jackson Health System is an internationally recognized, academic health system composed of six hospitals, 12 specialty care centers and two long term care centers, health clinics and pharmacies.

Visit <http://www.jacksonhealth.org/locations.asp> to learn more about these providers.

4. Q: If I choose the Select Network Option, can I receive services at an out-of-network provider/physician?

A: No. You must use participating providers and facilities for non-emergency services. In order to receive services from out-of-network providers you need to choose the Point of Service (POS) plan.

5. Q: Do I need a referral to see a specialist in the Select Network?

A: No.

6. Q: Are the participating Pharmacies and Urgent Care Centers still the same under the Select Network?

A: Yes.

7. Q: My child attends college outside of the tri-county area. Will the Select Network Option cover medical services outside of the tri-county area?

A: Yes. During Open Enrollment (or at the time your child is scheduled to go away to college) you must complete an "Away from Home" request with the Benefits Administration Unit, Human Resources Department. The "Away from Home" program allows college students with a temporary arrangement to be able to receive services while away at college.

8. Q: What hospitals are in the Select Network?

A: The following hospitals are included in the Select Network:

Miami-Dade County:

- Baptist Hospital of Miami
- Doctor's Hospital
- Holtz Children's Hospital
- Homestead Hospital
- Jackson Memorial Hospital
- Jackson South Community Hospital
- Jackson North Hospital
- Kendall Regional Medical Center
- Miami Children's Hospital – **NEW in 2015 for MDC**
- Mt. Sinai Medical Center
- South Miami Hospital
- University of Miami Hospital - **NEW in 2015 for MDC**
 - *Sylvester Comprehensive Cancer Center*
 - *Bascom Palmer Eye Institute*
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- Broward Health Medical Center
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- Holy Cross Hospital
- Joe DiMaggio Children's Hospital
- Memorial Hospital West
- Memorial Hospital Miramar
- Memorial Hospital Pembroke
- Memorial Regional Hospital
- Memorial Regional Hospital South
- Northwest Medical Center

Palm Beach County:

- Bethesda Hospital West
- Bethesda Memorial Hospital
- Boca Raton Regional Hospital
- Palms West Hospital
- West Palm Hospital

9. Q: How do I know if my physician is in the Select Network?

A: Visit the website below and enter your physician's information.

<http://avmed.prismisp.com/?tab=doctor&plan=jhs&visitor=member>

For the best search results, it is recommended to indicate the doctor's specialty or category of Primary Care Physician to enhance the search results. You may also search by city, state, or zip code without specifying the doctor's name.

Notes:

- If you enter the doctor's name alone and do not spell it correctly you may not get the desired results.
- As a result of additional enhancements to the MDC Select Network, additional doctors will be added to the directory. The link above currently does not include these additional doctors. The complete list of providers will be available in time for the County's Open Enrollment period.

If you have any questions or are having difficulty with the search, please contact the AvMed Dedicated Service Unit at **1-800-682-8633**, 24 hours a day, 7 days a week.

10. Q: What if my physician is not in the Select Network... can he/she be added?

A: In order to be in the Select Network, the physician must be an AvMed contracted physician **and** have privileges at a participating Select Hospital. A physician may decide to apply for "privileging" at a participating Select Hospital in order to become part of the Network.

11. Q: What other services are covered in the Select Network?

A: The Select network was designed as follows:

- AvMed directly contracted physicians that have privileges at Select hospitals (this does not include the Private Healthcare Systems Network (PHCS) which is designed for those who do not reside in the AvMed service area);
- Other AvMed directly contracted Primary Care Physician (PCPs) and specialists that are not hospital-dependent such as:
 - Dermatologists
 - Podiatrists
 - Allergists
 - PCPs (Internal Medicine, Family, General, Pediatrician)
 - Ophthalmologists
- Other AvMed participating providers in the following categories:
 - Chiropractic care
 - Durable Medical Equipment
 - Independent Diagnostic Testing Facilities
 - Independent Ambulatory Surgery Centers
 - Home Health
 - Laboratory
 - Mental Health (Psychcare)
 - Outpatient therapy
 - Optometry
 - Pharmacies

12. Q: I will be traveling outside of AvMed's service area, what kind of coverage will I have while I'm gone?

A: While you are traveling outside of AvMed's service area, you will only be covered for emergency services, unless you have out of network benefits (Point of Service (POS) option).

13. Q: Will AvMed pay for hospital charges if I am admitted while I am out of the country?

A: AvMed provides coverage for emergency and out-of-the-area urgently needed services, as defined in the Certificate of Coverage. You or your designee should notify AvMed of your emergency within 24 hours or as quickly as possible. Most medical providers in foreign countries will not bill an insurance carrier and you may have to pay out-of-pocket. You will need to provide AvMed with an itemized bill within 90 days or as soon as reasonably possible (no later than 1 year) so they can consider reimbursement.

14. Q: What is the difference between an urgent care center and an emergency room?

A: Knowing the difference between when to go to the Emergency Room (ER), or when an Urgent Care Center is more appropriate, can save you time and money. More than half of all ER visits are for minor, non-urgent problems. That means paying three to four times more than you would if you were to go to an Urgent Care Center. View a list of freestanding Urgent Care Centers in your area at: <http://avmed.prismisp.com/?tab=doctor&plan=jhs&visitor=member>.

15. Q: When is it an Emergency?

A: If you have an emergency (your condition is life-threatening; loss of consciousness; sudden, sharp abdominal pain; uncontrolled bleeding; complicated fractures), you should go to the nearest hospital or call 911 for emergency medical assistance.

16. Q: I was treated at the emergency room and I was asked to return for follow up; do I have to pay a co-payment?

A: Yes, a co-payment applies every time you visit the emergency room. Always contact your Primary Care Physician after visiting the emergency room to see if follow up can be done at the physician's office.

17. Q: I went to the emergency room and I was triaged, then I felt better and I decided to go home. Do I have to pay a co-payment?

A: Yes, triage services were rendered; therefore the emergency copayment applies.

18. Q: If I were to experience a medical situation that required a visit to an emergency room or emergency clinic outside of the AvMed service area, and the condition required a prescription medication, what should I do?

A: If your plan includes prescription coverage, your prescription medications can be filled at any of our participating pharmacies nationwide. As long as it is a covered medication, all applicable limitations and co-payments will apply. For a list of participating pharmacies, please go to our Online Provider Directory. If there is no participating pharmacy in the area, AvMed will reimburse you for the cost of the prescription medication purchased outside the service area, as long as the prescription is related

to the emergency condition. You should submit the receipt to AvMed Member Services with an explanation of why the prescription was purchased outside the service area. Feel free to print an Online Claim Form for easy submission.

19. Q: Why are out-of-pocket maximums being adjusted?

A: In 2015, the *out-of-pocket maximum* will be adjusted for all plans (from \$1,500 to \$2,500 for the NEW Select Plan, and to \$3,000 for the High HMO and POS plans), in order to keep the **same level of benefits** and as a direct result of changes in the **Affordable Care Act** which require pharmacy costs to be applied to out-of-pocket expenses.

20. Q: What does it take to reach the current out-of-pocket maximum today?

A: Example below is **for illustrative purposes only** (High HMO).....

Out-of-Pocket Example			
	Co-pay	Occurrences	Cost
Primary co-pays	\$15	12	\$180
Specialist co-pay	\$30	34	\$1,020
Emergency Room (High HMO)	\$25	6	\$150
Urgent Care (High HMO)	\$25	6	\$150
			\$1,500

- Note: In 2013, 122 employees (with single coverage) enrolled in the High HMO plan reached their individual \$1,500 out-of-pocket maximum.

In 2015, pharmacy co-pays will count towards the out-of-pocket maximum and thus an adjustment to the out-of-pocket maximum is required to keep the value of the plan constant.

21. Q: What happens if I reach the out-of-pocket maximum?

A: Once the out-of-pocket maximum is reached, the County assumes the cost of remaining co-payments for the calendar year.

Individuals who have high pharmacy usage will be capped in 2015 where today, they are not. This may result in a benefit enhancement for these employees.

22. Q: If I currently have the POS plan and I am considering changing to either the High HMO or the Select Plan, how are pharmacy brand prescriptions covered?

A: The County's HMO options (including the Select Network option), unlike the POS option, provide coverage for generic prescriptions; if generic is available. If you choose an HMO option, and you or your doctor request the brand equivalent when the generic medication is available, you will be required to pay the applicable co-payment and additional charges for the brand medication. Additional charges are the difference between the cost of the Brand medication and the Generic medication, and will not count towards the out-of-pocket maximums.

23. Q: What are “Specialty Drugs”?

A: **Specialty drugs** are high-cost injectable, infused, oral, or inhaled drugs that generally require special storage or handling and close monitoring of the patient's drug therapy. These medications must be prescribed by a physician and are usually dispensed by the participating specialty pharmacy, depending on the medication. Examples: Enbrel, Boniva, Omnitrope (growth hormone), Humira.

- Note: Less than 1% of employees or dependents covered by our plans use specialty drugs.

24. Q: Is Insulin a specialty drug?

A: No.

25. Q: Is acupuncture covered in the Select Network?

A: No, it is not covered in the High HMO today. Acupuncture is covered on the POS plan (out-of-network and subject to deductible and coinsurance).

26. Q: Is a CPAP device (continuous positive airway pressure) covered in the Select Network?

A: Yes, as long as the prescribing physician is under the Select Plan and the device is obtained at the participating Durable Medical Equipment (DME) provider.

As a reminder, out-of-network providers, other than for emergency and urgent care services, are only covered in the Point of Service plan.

27. Q: What is the cost of healthcare in the new Healthcare Public Exchanges offered as a result of the Affordable Care Act?

A: The monthly cost for an individual, age 50 for a comparable HMO plan on a Public Marketplace plan ranges from \$497 to \$636 per month.

28. Q: Is it true that the Benefits Redesign will be providing employees with “less generous” benefits?

A: The actuarial value of a Benefits Plan is a measure of the percent of in-network services that are covered under the plan design that are paid by the plan (Miami-Dade County) rather than the employee.

A plan with an actuarial value of 90% (a “**platinum**” plan under the Affordable Care Act (ACA) definition) would cover, on average, 90% of the cost of in-network services, meaning that the member would pay, on average, 10% of the cost in the form of copays, deductibles, and coinsurance. Currently (in 2014), the High HMO and POS plans are at the “platinum” level.

All three options included in the Benefits Redesign which will be available to employees in 2015 will remain at a “platinum” level.

29. Q: I am a non-bargaining unit employee under the Mayor's purview; will I be required to continue contributing five percent of my base wages towards the overall cost of the County's healthcare?

A: In FY 2014-15 employees under the Mayor's purview will not be required to contribute the 5% Insurance Contribution towards the overall cost of healthcare.

30. Q: Is it true that all non-bargaining unit employees will be required to be on the Select Network Option?

A: No, the Select Network option is one of three options. Employees will still be able to choose the High HMO or the POS plans.

31. Q: How do I know if my union is eligible for the Benefits Redesign... and the Select Plan Option?

A: Those unions that have ratified agreements for their respective 2014-2017 Collective Bargaining Agreements are eligible for this plan.

32. Q: When does Open Enrollment begin for 2015?

A: Open Enrollment is tentatively scheduled to begin on October 27, 2014 and will run through November 14, 2014.

33. Q: If I am a retiree, or soon to be retiree... when will premium rates be available?

A: Retiree premium rates will be made available during the Retiree Open Enrollment period.

34. Q: Who can I call if I have additional questions?

A: Call AvMed's Miami-Dade County Dedicated Member Service Unit at 1-800-682-8633. They are ready to take your call 24 hours a day, 7 days a week.



Miami-Dade County Benefits Redesign and Select Network Option for 2015

Note: Since the September 10, 2014 Special Meeting of the Board of County Commissioners, Miami Children's Hospital has been added to the list of hospitals.

Special Meeting of the
Board of County Commissioners
September 10, 2014

Current County Options/Employee Enrollment

Total “Lives” covered for Miami-Dade County employees, retirees, and dependents: 45,841

High HMO	66.2%
Low HMO	0.9%
POS	23.3%

IAFF Insurance: 6.9%
No Insurance: 2.8%

Updated since 9/10/2014 presentation to reflect IAFF (Fire Union employees) and those with no insurance.

Employee Only	61.7%
Employee + Family	15.0%
Employee + Children	12.4%
Employee+ Spouse	8.0%
No Insurance	2.8%



Side by Side Comparison to other Plans

▶ Miami-Dade Public Schools

- Annual Deductibles for non co-pay services
 - \$500-\$750 for in network services (single coverage)
 - \$1,000-\$1,500 for out of network services (single coverage)
- Co-insurance
 - 20%-30% after deductible is met for in network services
 - 40%-50% after deductible is met for out of network services
- \$300-\$350 Emergency Room co-pay
- \$70 Urgent Care co-pay

▶ Broward County

- High Deductible Plan (\$1,300-\$2,100) for single coverage
- Co-insurance (\$1,500) for single coverage
- \$250 Emergency Room co-pay or 30% after deductible
- \$30-\$50 Urgent Care co-pay or 30% after deductible

Example:

Inpatient Hospital Stay
Subject to Deductible
Plus Co-Insurance:

- Facility
- Physician
- MRI/tests
- Anesthesiologist
- Other services

What is “Benefits Redesign”?

What’s Changing?

- NEW SELECT Option will be offered
- Emergency room co-pays
- Out-of-pocket maximums
- High HMO and POS plans will still be offered
 - Plan Design (co-pays)
 - Premiums for Single coverage
- LOW Option HMO will not be offered

What’s Not Changing?

- Physician co-pays
- Generic pharmacy co-pays
- Urgent Care visit co-pays

What is the Select Network?

- ▶ This is not a “JACKSON ONLY” plan

- ▶ **Benefits offered in the NEW Select Network Plan mirror the benefits (co-pays) as those currently offered in today’s High HMO plan (*with the exception of the Emergency Room co-pay*)**

- ▶ Employees will not be “forced” into the Select Network... employees will still have three options
 - 1. Point of Service (POS)
 - 2. High HMO
 - 3. Select Network

Providers in the NEW Select Network

The NEW and enhanced MDC Select Network includes the following hospitals and all AvMed-contracted providers who have privileges at these hospitals:

Miami-Dade County:

- Baptist Hospital of Miami
- Doctor's Hospital
- Holtz Children's Hospital
- Homestead Hospital
- Jackson Memorial Hospital
- Jackson South Community Hospital
- Jackson North Hospital
- Kendall Regional Medical Center
- Mt. Sinai Medical Center
- South Miami Hospital
- University of Miami Hospital - *NEW in 2015*
 - Sylvester Comprehensive Cancer Center
 - Bascom Palmer Eye Institute
- West Kendall Baptist Hospital

Broward County:

- Broward Health Medical Center
- Holy Cross Hospital
- Joe DiMaggio Children's Hospital
- Memorial Hospital West
- Memorial Hospital Miramar
- Memorial Hospital Pembroke
- Memorial Regional Hospital
- Memorial Regional Hospital South
- Northwest Medical Center

Palm Beach County:

- Bethesda Hospital West
- Bethesda Memorial Hospital
- Boca Raton Regional Hospital
- Palms West Hospital
- West Palm Hospital

Note: Since the September 10, 2014 Special Meeting of the Board of County Commissioners, Miami Children's Hospital has been added to the list of hospitals.

Physicians on the Select Network

- ▶ AvMed contracted Physicians who have privileges in any of the Select Hospitals are on the Select Network
- ▶ 70% of current physicians are covered under the New Select Network (over 6,700 physicians included)
- ▶ 93% of members who saw a physician in 2013 had at least one visit with a physician in the NEW Select Network

* This does not take into consideration the addition of the University of Miami into the Select Network

Note: Since the September 10, 2014 Special Meeting of the Board of County Commissioners, Miami Children's Hospital has been added to the list of hospitals.

Eligibility

- ▶ The Select Plan will be a new plan option in 2015 for employees, retirees (under 65) and dependents who reside in Miami-Dade, Broward, or Palm Beach Counties.
- ▶ The Plan will be offered to non-bargaining unit employees and to eligible bargaining unit employees in accordance with their respective Collective Bargaining Agreement.

Premiums

CURRENT PLANS:		CURRENT		PLAN REDESIGN		
Plan	Tier	Biweekly Premium	Annual Premium	Premium	Biweekly Difference	Annual Difference
High HMO	Employee Only	\$0.00	\$0.00	\$75.00	\$75.00	\$1,950.00
	Employee + Spouse	\$208.35	\$5,417.10	\$208.35	\$0.00	\$0.00
	Employee + Child(ren)	\$180.17	\$4,684.42	\$180.17	\$0.00	\$0.00
	Family	\$287.77	\$7,482.02	\$287.77	\$0.00	\$0.00
POS	Employee Only	\$14.90	\$387.40	\$100.00	\$85.10	\$2,212.60
	Employee + Spouse	\$344.54	\$8,958.04	\$344.54	\$0.00	\$0.00
	Employee + Child(ren)	\$285.86	\$7,432.36	\$285.86	\$0.00	\$0.00
	Family	\$595.59	\$15,485.34	\$595.59	\$0.00	\$0.00
Low HMO	Employee Only	\$0.00	\$0.00	ELIMINATE		
	Employee + Spouse	\$196.42	\$5,106.92			
	Employee + Child(ren)	\$169.83	\$4,415.58			
	Family	\$271.36	\$7,055.36			
NEW OPTION:						
Select Network	Employee Only			\$0.00	\$0.00	\$0.00
	*Employee + Spouse			\$166.00	\$42.35	\$1,101.10
	*Employee + Child(ren)			\$141.00	\$39.17	\$1,018.42
	*Family			\$236.00	\$51.77	\$1,346.02

*Savings to employees in the NEW Select Plan compares dependent premiums to current High HMO rates

Memorandum



Date: July 29, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in blue ink, appearing to read "Carlos A. Gimenez", written over the printed name of the sender.

Subject: Labor Healthcare Committee
Final Report and Considerations

On February 27, 2014 I established a Labor Healthcare Committee which was tasked with evaluating all possibilities available to Miami-Dade County and Jackson Health Systems as it related to healthcare issues and the rising costs associated with healthcare. One of the main goals of the Committee was to provide a venue for the Administration and our Labor Unions to share information about current plan design, the challenges which lie ahead with regard to healthcare and compliance with the Affordable Care Act, and the possibilities and recommendations in moving forward.

Committee members expressed their appreciation for the opportunity to serve on this Committee and the need to ensure our employees are provided a high level of benefits as we continue to explore ways in which the County can reduce the overall cost of healthcare. The topic of healthcare is one which is complex and is very important to employees and to their families.

I would like to thank Commissioner Jean Monestime, Andy Madtes, Administrator American Federation of State, County, and Municipal Employees (AFSCME) and Russell Benford, Deputy Mayor for their time and dedication to serving on this Committee. I would also like to thank and commend the many individuals who participated at different levels in these meetings.

Attached is the Committee's Final Report and Considerations. The report summarizes the main topics discussed and concludes with 14 considerations presented to me and to the Board of County Commissioners to be considered when discussing potential changes to the County's current benefit design.

I look forward to having fruitful discussions with you as we continue to strive in providing our employees with a high level of benefits while ensuring we are fiscally responsible with taxpayer dollars.

Attachment

c: Honorable Harvey Ruvin, Clerk, Circuit and County Courts
Lazaro Solis, Property Appraiser
Carlos A. Migoya, President and Chief Executive Officer, Jackson Health Systems
Robert A. Cuevas, Jr., County Attorney
Mary Cagle, Inspector General
Joseph Centorino, Executive Director, Commission on Ethics and Public Trust
Office of the Mayor Senior Staff

Arleene Cuellar, Director, Human Resources
Tyrone W. Williams, Director, Labor Relations, Human Resources
Emilio Azoy, President, AFSCME Local 121
Martha Baker, RN, President, SEIU 1991
Greg Blackman, President, GSAF Local 100
Al Cruz, President, IAFF Local 1403
Antonio M. Eiroa, President, AFSCME Local 1542
Joel Hernandez, President, AFSCME Local 3292
Andy Madtes, Administrator, AFSCME Local 199
John Rivera, President, PBA
Vivienne Dixon-Shim, President, AFSCME Local 1363
Clarence Washington, President, TWU Local 291
Patricia Nelson, AvMed
Barbara Crowe-Brewster, Gallagher Benefits Services
Glen Volk, Gallagher Benefits Services
Charles Anderson, Commission Auditor



Miami-Dade County

**Labor Healthcare
Committee**

**Final Report and
Considerations**

July 2014

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Background

The Labor Healthcare Committee (Committee) was established by Mayor Carlos A. Gimenez in February 2014 in order to identify potential savings for the County while continuing to provide a high level of benefits to its employees. The work of the Committee is time sensitive with collective bargaining agreements expiring on September 30, 2014, the elimination of more than 700 positions in order to close a budget gap for FY 2014-15 and a new open enrollment period fast approaching for calendar year 2015. The goal for establishing the Committee was to provide a venue where all interested parties, including labor and management could share, learn, and explore possible benefit plan changes for 2015 and to yield possible savings in healthcare costs.

The Committee, comprised of Commissioner Jean Monestime (Chairwoman Rebeca Sosa, Alternate); Andy Madtes, Administrator, American Federation of State, County, and Municipal Employees (AFSCME) Local 199; and Russell Benford, Deputy Mayor, held a total of eight meetings where numerous healthcare topics were discussed. The meetings provided an excellent opportunity for all participants including Committee members, Union Representatives, County staff, County and Union consultants as well as members of the public to put all healthcare related issues on the table. The discussions were insightful, challenging and oftentimes led to follow-up questions, further discussions and additional analyses.

This report provides a summary of the topics discussed as well as considerations being offered to the Mayor and the Board of County Commissioners when discussing potential changes to the County's and Jackson Health Systems' current benefit design plans.

Topics Discussed

Affordable Care Act Overview

- The Affordable Care Act (ACA) requires employers to provide what is considered “minimum essential coverage,” equivalent to what is referred to as a “Bronze” Plan and provides benefits at a 60 percent level of coverage.
 - In comparison, the County’s High HMO and Point of Service (POS) plans both offer a level of benefits at 91.6 percent (equivalent to a “Platinum Plan” on the Public Marketplace/Exchanges).
- The monthly cost for an individual, age 50 for a comparable HMO plan on a Public Marketplace plan ranges from \$497 to \$635 per month.
 - In comparison, a County employee’s single coverage cost for a comparable HMO plan has no premium. The County pays the entire cost of \$9,090 (for employees who do not contribute five percent of base wages towards the County’s cost of healthcare.)
- In 2018, the County will owe a 40 percent excise tax (also known as the “Cadillac Tax”) if the aggregate value of the County’s health insurance coverage for an employee exceeds the ACA threshold amount (threshold amount is \$10,200 per year for single coverage; \$27,500 family coverage).
 - Based on current per employee per year cost and an 8 percent trend increase per year, the County’s Cadillac Tax in 2018 is projected to be \$26 million.
- In 2015, employers are required to offer group medical coverage to at least 70 percent of their “full-time” employees (increasing to at least 95 percent in 2016). For the purposes of ACA, the definition of a “full-time” employee is an employee who works on average 30 or more hours per week.
- As a result of the ACA, the County has already incurred additional costs and has been required to comply with reporting requirements as well as plan design mandates.
- The County is currently in compliance with all requirements of the ACA.

Miami-Dade County/Jackson Health System Enrollment

In 2014, enrollment includes coverage for approximately 60,000 “lives”. This includes Miami-Dade County and Jackson Health System (JHS) employees, retirees, and dependents. Approximately 62 percent of Miami-Dade County employees have employee only coverage. Much concern was expressed with regard to the high cost of dependent premiums and the need for the County and JHS to be able to offer their employees a more affordable option to provide healthcare for families.

Cost of Healthcare

- The 2014 Medical Plan forecast is projected to be \$424 million, including healthcare reform fees and administrative services fees.
- Healthcare costs for 2015 are projected to be \$455 million.

AvMed – Miami-Dade County’s Third Party Administrator

- Since 2008, Miami-Dade County has contracted with AvMed, a Third Party Administrator (TPA), for the complete administration of the County’s healthcare program.
- AvMed charges a flat rate administrative services fee (ASO), which is based on a per employee per month amount that is negotiated each year. Services include, but are not limited to:
 - Negotiating contracts with all providers;
 - Aggregate claims data for 2013 indicates AvMed contracts yield a 65 percent discount.
 - Gallagher Benefits Consultants affirmed these discounts are competitive and comparable to discounts offered by other insurance carriers.
 - Maintaining dedicated 24/7 Member Service Call Center, dedicated website and four on-site representatives;
 - Administering member grievances and appeals;
 - Processing and administering enrollment, eligibility and all mandated programs;
 - Coordinating workplace health events and education sessions;
 - Processing claims, coordinating benefits, and identifying subrogation opportunities;
 - Investigating and reporting fraud, waste and abuse.

Union representatives requested that AvMed disclose provider contracts. AvMed maintains that contracts between AvMed and their facilities/providers are proprietary information and that legally, they are not able to disclose said contracts. Administration staff consulted with the County Attorney’s Office who confirmed that if the provider contracts are in fact proprietary trade secrets, then under the law they would be exempt from disclosure even if they were found to be public records.

AvMed’s Select Network

- For the 2013 plan year, JHS implemented a “Select Network” option for its employees. In collaboration with JHS, AvMed performed a market analysis to determine a geographic distribution of hospitals that would be attractive to Miami-Dade County/JHS employees. AvMed re-negotiated hospital contracts with these “Select” facilities and was able to yield additional discounts on the expectation that with a smaller network, the participating hospitals would get greater volume.

- For the 2014 plan year, additional facilities/providers were added to the Select Network in order to provide greater access to healthcare from a geographical perspective. As illustrated below, out of 49 hospitals in the AvMed South Florida network, 24 hospitals in Miami-Dade, Broward, and Palm Beach Counties are part of the Select Network.

AvMed South Florida Network (49)		
*AvMed Select Network (24)		
Miami-Dade County (21/11)	Broward County (16/8)	Palm Beach County (12/5)
Anne Bate Leach Eye Hospital	Broward Health Medical Center*	Bethesda Memorial Hospital*
Aventura Hospital and Medical Center	Cleveland Clinic Hospital	Boca Raton Regional Hospital *
Baptist Hospital*	Coral Springs Medical Center	Delray Medical Center
Coral Gables Hospital	Holy Cross*	Good Samaritan Medical Center
Doctor's Hospital*	Imperial Point Medical Center	JFK Medical Center
Hialeah Hospital	Memorial Hospital West*	Jupiter Medical Center*
Homestead Hospital*	Memorial Hospital Miramar*	Lakeside Medical Center
Jackson Memorial Hospital*	Memorial Hospital Pembroke*	Palm Beach Gardens Medical Center
Jackson North Medical Center*	Memorial Regional Hospital*	Palms West Hospital*
Jackson South Community Hospital*	Memorial South*	St. Mary's Medical Center
Kendall Regional Medical	North Broward Medical Center	Wellington Regional Medical Center
Larkin Community Hospital	Northwest Medical Center*	West Boca Medical Center*
Mercy Hospital*	Plantation General Hospital	
Miami Children's Hospital	North Shore Medical Center/FMC	
Mt. Sinai Medical Center*	University Hospital Medical Center	
North Shore Medical Center	Westside Regional Medical Center	
Palmetto General Hospital		
South Miami Hospital*		
University of Miami Hospital		
University of Miami Hospital & Clinics		
West Kendall Hospital*		

Note: Since the release of this Labor Healthcare Committee - Final Report and Considerations on July 29, 2014, the list of hospitals has changed. The changes include the addition of Miami Children's Hospital and University of Miami Hospital, as well as the removal/addition of other hospitals on the list.

- Seventy percent of current physicians are covered under the Select Network.
 - Ninety-three percent of members who have seen a physician have had at least one visit with a physician in the Select Network.
- The Select Plan offers employees lower dependent premiums, while maintaining the same benefit levels of the County's High HMO Option plan.
- AvMed's analysis shows that if 100 percent of Miami-Dade County and JHS employees were in the Select Network Plan, hospitalization costs alone would decrease by approximately 16 percent.
- There is little incentive for employees with single coverage to choose the Select Plan, since single coverage has either no premium or a \$14.90 per pay period premium for the HMO and POS plans, respectively.
- Concerns were expressed that Miami Children's Hospital and University of Miami are not in the Select Network. Due to the negotiated network discounts with the existing providers, it is not guaranteed that the same discounts and/or providers would be extended if additional facilities/providers were added. It should be noted that both

Miami Children's Hospital and the University of Miami are a part of AvMed's South Florida network and are both included in the HMO and the POS plans.

Promoting Jackson Health Systems

A strong desire to promote JHS was expressed by all parties. There were concerns raised about JHS' ability to handle increased capacity if there were significant numbers of employees migrating to plans which would have JHS as the primary hospital provider.

- JHS assures that capacity is not an issue with the migrations which can be expected (estimated at approximately 10 percent).
- JHS is rated number one in media rankings with more than a dozen specialties and is a comprehensive health system from primary care to specialty care.
- Renovations to JHS facilities are currently ongoing as a result of the \$800 million Bond Initiative approved by the voters in 2013.

Concerns were raised regarding the overall branding of JHS and the limited locations of its facilities, scheduling, wait times, and parking availability/fees at the facilities. JHS is working on improving these areas and has implemented a physician referral service and is considering implementing a priority and registration system for JHS/County employees.

Market Comparisons

Market comparisons were presented comparing Miami-Dade County plans to Miami-Dade County Public Schools (Exhibit 1) and three private sector employers (Exhibit 2). Understanding that the comparisons are not comparing like plans or like benefits, "relative value" was used to compare the level of benefits between any two plans.

- The relative value of the Miami-Dade Public Schools is between 0.8099 and 0.8274;
- The private sector plans' relative value is between 0.7959 and 0.9696;
- Miami-Dade County's High HMO's relative value is 1.00 and the POS plan has a relative value of 1.0098.

In other words, over the course of a plan year for any one member, a plan with a relative value of 0.95 will pay (or provide benefits), on average five percent less than a plan with a relative value of 1.00.

In addition, a benchmark study of health insurance premiums in the local healthcare community reveals that all employers surveyed require premium contributions from their employees with single coverage (Exhibit 3).

Utilization of Services

- Emergency Room/Urgent Care: A review of emergency room utilization by employees shows that a number of diagnoses could have been directed to an urgent care facility or a primary care doctor.
 - The total claims costs of seven non-emergency related diagnoses e.g., headache, dizziness, acute pharyngitis, were presented to show the average costs when services were rendered at an emergency room, an urgent care center and a primary care physician’s office:

	Average Cost of Service	Copays	
		High HMO	POS
Emergency Room visit*	\$1,240	\$25	\$50
Urgent Care visit	\$448	\$25 \$50 if Non-Participating	\$50
Primary Care visit	\$70	\$15	\$15

*Copay is waived if admitted.

- As a result of the copay structure for emergency room and urgent care centers, there is little incentive for members to go to an urgent care facility instead of the emergency room.
- Advanced Imaging: Imaging services delivered in a “free standing” facility are a fraction of the cost of services delivered in an outpatient hospital setting.

	Average Cost of Service	Copay
Free Standing Facility Imaging	\$473	\$0
Hospital Outpatient Imaging	\$1,636	\$0

- Pharmacy: Miami-Dade County’s “generic” pharmacy utilization is well below Gallagher’s and AvMed’s benchmark data. The County’s utilization reflects 74.2 percent of scripts were generic in comparison to benchmark data that shows an 80 percent utilization rate.
- Claims data analyzed for inpatient, outpatient, and emergency room utilization for 2013 reflects lower claim payments for services rendered at Jackson versus services rendered at all other facilities.

Inpatient Payments	Average Cost of Service Per Encounter
Jackson Facilities	\$9,380
All Other Facilities	\$15,513

For Emergency Room and other outpatient facility encounters, the difference in average payments per encounter between JHS facilities and all other hospitals was even greater on a percentage basis.

Benefit Design Changes

Benefit redesign scenarios were requested showing savings in \$20 million increments. In developing scenarios, the following goals and assumptions were considered:

Goals:

- Provide options to employees where same level of benefits is available (See ~~Select~~ Network Option).
- Offer family plans to employees at a reduced rate (premiums).
- Based on utilization data, begin to shift behavior to more cost efficient services. For example: Emergency Room copays with the current plans are very low and there is little incentive for a person to select an Urgent Care Center or a primary care visit, instead of an Emergency Room visit. It should be noted that in the event a person is admitted, the emergency room copay is waived.
- Promote the use of JHS services (JHS is included in the Select Network).
- Realize an overall savings to the County's cost of healthcare.

Assumptions:

- The Select Plan (currently offered to JHS employees) would offer Miami-Dade County employees the same level of benefits of the High HMO at a reduced cost for dependent coverage as well as a reduced cost to the County.
- There is little incentive for a person with single coverage to choose the "Select Plan" when there is a no premium for a High HMO plan and a minimal premium for the POS plan. Migration to the Select Plan can be achieved by requiring a premium for the single coverage option for the current HMO and increasing the current single premium for the POS plans.

In 2015, the Affordable Care Act mandates that pharmacy costs be applied against out-of-pocket costs. In order to maintain the same level of benefits, out-of-pocket maximums need to be adjusted accordingly. The maximum out-of-pocket costs for the High HMO and POS plans are proposed to be adjusted from \$1,500 to \$3,000. The maximum out-of-pocket cost for the Select Plan is proposed to be established at \$2,500 as noted in Table 1.

The benefit design changes (copays, out-of-pocket maximums) in Table 1 and the proposed premium changes presented in Table 2 in addition to other plan efficiencies, e.g., implementation of a Disease Management Program and Formulary/Pharmacy changes represent the **total projected impact/savings** outlined in Table 2. The current plan design and rates are provided on the tables for ease of comparison. Amounts displayed in red represent a change from the current benefit design/premiums. Gallagher Benefits Services, Inc., at the request of the Committee, presented the following five scenarios for consideration:

Benefit Design Changes:

Table 1

Plan Design	Current High					
	HMO & POS	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5 **
Deductible (2x Family)	\$0	\$0	\$0	\$0	\$250	\$500
Inpatient Hospital Copay per Admit*	\$0	\$0	\$0	\$200	\$350	\$500
Emergency Room Copay	\$25	\$25	\$100	\$100	\$150	\$200
Urgent Care Copay	\$25	\$25	\$25	\$25	\$25	\$25
Outpatient Hospital Copay*	\$0	\$0	\$100	\$100	\$150	\$200
Freestanding Diagnostic Center Copay	\$0	\$0	\$0	\$0	\$0	\$0
Ambulatory Surgical Center Copay	\$0	\$0	\$0	\$0	\$0	\$0
Physician Copays (Primary Care/Specialist)	\$15/\$30	\$15/\$30	\$15/\$30	\$15/\$30	\$15/\$30	\$20/\$40
Retail Pharmacy Copays (Generic/Pref Brand/Non-Pref Brand)	\$15/\$25/\$35	\$15/\$25/\$35	\$15/\$25/\$35	\$15/\$40/\$55	\$15/\$40/\$55	\$15/\$40/\$55
Mail Order Pharmacy Copays (Generic/Pref Brand/Non-Pref Brand)	\$30/\$50/\$70	\$30/\$50/\$70	\$30/\$50/\$70	\$30/\$80/\$110	\$30/\$80/\$110	\$30/\$80/\$110
Specialty Pharmacy Copay	\$20	\$20	\$50	\$100	\$100	\$100
Out of Pocket Maximum (2x Family)	\$1,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

* Waived at Jackson Health System

**Plan changes apply to Select Plan

Deductible applies to all services

In 2015, pharmacy copays will count towards the Out-of-Pocket Maximum

\$2,500 Out-of-Pocket Maximum for Select Plan

Premium Rate Changes:

Table 2

Plan	Tier	Current	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
High HMO	Employee Only	\$0.00	\$25.00	\$50.00	\$75.00	\$100.00	\$125.00
	Employee + Spouse	\$208.35	\$208.35	\$208.35	\$208.35	\$232.00	\$229.00
	Employee + Child(ren)	\$180.17	\$180.17	\$180.17	\$180.17	\$199.00	\$196.00
	Family	\$287.77	\$287.77	\$287.77	\$287.77	\$328.00	\$324.00
POS	Employee Only	\$14.90	\$50.00	\$75.00	\$100.00	\$125.00	\$150.00
	Employee + Spouse	\$344.54	\$344.54	\$344.54	\$344.54	\$383.00	\$372.00
	Employee + Child(ren)	\$285.86	\$285.86	\$285.86	\$285.86	\$330.00	\$320.00
	Family	\$595.59	\$595.59	\$595.59	\$595.59	\$596.00	\$596.00
Select Network	Employee Only	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Employee + Spouse	\$165.99	\$149.00	\$166.00	\$166.00	\$166.00	\$166.00
	Employee + Child(ren)	\$140.93	\$127.00	\$141.00	\$141.00	\$141.00	\$141.00
	Family	\$236.11	\$212.00	\$236.00	\$236.00	\$236.00	\$236.00
Total Projected Impact/Savings			\$21,300,000	\$40,400,000	\$62,200,000	\$83,300,000	\$99,400,000

Wellness Programs

Several options were presented as possible ideas to expand the County's current Wellness Program, such as providing incentives for:

- Non-smokers;
- Employees who complete a health risk assessment or biometric testing;
- Participate in exercise programs;
- Employees who achieve improved results (blood pressure, cholesterol, weight loss).

Disease Management Program

Currently, the County does not have a Disease Management Program. Within the five scenarios provided, a Disease Management Program was incorporated with the assumption that the results would yield a net savings to the County.

The program would be designed to be an "opt in" program versus an "opt out" program which was offered by the County many years ago. By offering an "opt in" option, the County would only be charged for those employees who chose to actively participate in the maintenance of their medical care plan tailored for their respective illness.

"Jackson First" Option

The "Jackson First" Option presented by JHS and the Service Employees International Union (SEIU) offers employees with an affordable health plan option with JHS being the sole provider for non-emergency related services. The option presented addressed the Committee's concern regarding reducing employee dependent premiums as well as steering usage towards the County hospital but did not address the need to realize overall healthcare savings for the County.

The option presented offered no premium requirements for employees who elect single coverage and significantly lower premiums for dependent coverage in comparison to what is currently required for existing plans. While the presentation originally did not establish premium increases for single coverage for the High HMO and POS plans, updated presentation materials establish a single coverage premium requirement for the High HMO and POS plans. These increases are necessary in order to incentivize employees to choose the "Jackson First" option.

For clarification purposes, the "Jackson First" option is not currently available to Miami-Dade County or Jackson employees. The option presented is a conceptual proposal which was developed between JHS, SEIU and their consultants as a possible option for calendar year 2015. The "Jackson First" option was presented as a preliminary proposal and has not been fully vetted by Miami-Dade County.

Considerations

As a result of deliberations and assessment of the information discussed, the Committee presents the following items for consideration:

1. Require AvMed to negotiate additional discounts with existing facilities/providers.
2. Reduce the cost of dependent premiums for employees.
3. Require a biweekly premium for High HMO and POS plans for employees with single coverage.
4. Promote JHS and provide greater opportunities for employees to use the "County Hospital."
5. Solicit competition via a Request for Proposal (RFP) for a Third Party Administrator (TPA) every two years. Prepare RFP in 2014 for 2016 plan year.
6. Offer the Select Network to Miami-Dade County employees (provides high level of benefits with lower dependent premiums and no premiums for single coverage).
7. Enhance current Wellness Program. Hire a full-time person to develop, coordinate and manage wellness activities.
8. Consider implementing a Disease Management Program.
9. Establish a joint labor management group (Cost Containment Committee) to review healthcare trends, utilization, etc., on a quarterly basis.
10. Avoid shifting healthcare costs to employees if possible, while continuing to reduce the overall cost of healthcare to the County.
11. Consider offering "Jackson First" option to all County and JHS employees.
12. Conduct "forensic" audits of all claims on an annual basis.
13. Explore building state of the art modernized health clinics (similar to the New York model- more information available on the Labor Healthcare Committee website).
14. Initiate an education campaign to provide information to employees about the NEW Select Plan as well as the existing plans.

Committee Meetings/Resources

Below is a summary of the Committee meetings and topics discussed at each meeting:

Date	Topics Discussed
March 11, 2014	<ul style="list-style-type: none"> • Purpose of Labor Healthcare Committee • Overview of the Affordable Care Act • Miami-Dade County/Jackson Health System 2014 Enrollment Overview
April 9, 2014	<ul style="list-style-type: none"> • Appointment of Committee Members • Costs and Discounts • Jackson vs. Other Facilities • Utilization <ul style="list-style-type: none"> ○ Emergency Room vs. Urgent Care ○ Advanced Imaging • Market Comparisons to other Organizations • AvMed's Role as Third Party Administrator
April 30, 2014	<ul style="list-style-type: none"> • Public Health Trust Presentation • Follow-ups and additional data/analysis requested from April 9th meeting
May 13, 2014	<ul style="list-style-type: none"> • Recap of Meetings to Date: Goals, Timelines, Summary of Utilization • Redesign Options Presented Adopting the "Select Network" for Miami-Dade County Employees
May 28, 2014	<ul style="list-style-type: none"> • Identify Goals for Workshop to be held on 6/4/2014 <ul style="list-style-type: none"> ○ Identify "Win, Win, Win" Scenarios for Employees, Jackson Health System, and the County ○ Identify Benefit Plan Design Changes which would yield savings in increments of \$20 million
June 4, 2014	<ul style="list-style-type: none"> • AvMed's Cost Savings Initiatives, Challenges, and Commitment • Benefit Plan Scenarios (5 Scenarios Presented) • "Jackson First" Healthcare Option
July 2, 2014	<ul style="list-style-type: none"> • AvMed's Commitment of Ongoing Negotiations • AFSCME 199 Presentation • Review of Market Comparisons for the local healthcare industry
July 23, 2014	<ul style="list-style-type: none"> • Final Report and Considerations

The materials presented at all of the Labor Healthcare Committee meetings as well as additional resources are available on the County's Human Resources website: <http://www.miamidade.gov/humanresources/labor-relations-healthcare-committee.asp>

Recognition

The Committee would like to thank all of the individuals who participated in the Labor Healthcare Committee meetings. In developing its considerations, the Committee relied on experts in the field of healthcare such as Gallagher Benefits Services, Inc., AvMed, and Jackson Health Systems.

The information, analysis, and discussions held were invaluable in the development of the Committee's considerations. The Committee would like to extend its gratitude to the following individuals who made presentations at the Committee meetings:

Martha Baker, R.N., President SEIU 1991

Arleene Cuellar, Human Resources Director, Miami-Dade County

Paul Hebert, Area Vice President, Compliance, Gallagher Benefit Services, Inc.

Mark Knight, Chief Financial Officer, Jackson Health System

Andy Madtes, Administrator, American Federation of State, County and Municipal Employees (AFSCME) Local 199

Patricia Nelson, Regional Head of Strategic Accounts, AvMed

James Repp, Sr. Vice President of Marketing, AvMed

Donald Steigman, Executive Vice President and Chief Operating Officer, Jackson Health System

Glen Volk, Vice President and Consulting Actuary, Gallagher Benefits Services, Inc.

Exhibits

Exhibit 1: Comparison of Miami-Dade County and Miami Dade County Public Schools

Exhibit 2: Comparison of Miami-Dade County and Public Sector Employers

Exhibit 3: Health Insurance Local Benchmark

Exhibit 1

Comparison of Miami-Dade County and Miami-Dade Public Schools

2014 Miami-Dade County
Medical Benefit Comparison To Other Public Entity

	Miami-Dade County 2014 Benefits			Miami-Dade County Public Schools *		
	High Option HMO	Low Option HMO	POS	Local Plus	OAP10	OAP20
Employee Monthly Premium						
Employee Only	\$0.00	\$0.00	\$32.28	\$0.00	\$103.00 - \$198.00	\$10.01 - \$70.01
Employee + Spouse or 1 Dependent	\$451.43	\$425.58	\$146.50	\$161.01 - \$492.00	\$307.00 - \$851.00	\$175.00 - \$626.02
Employee & 1 Child*	\$390.37	\$367.97	\$619.36	\$115.01 - \$389.00	\$249.00 - \$695.00	\$126.01 - \$495.00
Employee + Child(ren)	\$390.37	\$367.97	\$619.36	\$115.01 - \$389.00	\$249.00 - \$695.00	\$126.01 - \$495.00
Employee + Family	\$623.50	\$587.95	\$1,290.45	\$306.00 - 792.00	\$499.01 - \$1,313.00	\$334.01 - \$1,008.00
*Plan Deductible, Coinsurance, and Maximum OOP						
Annual Deductible (Individual / Family) In-Network/Out-of-Network	\$0/\$0	\$0/\$0	\$0/\$0	\$750/\$1,500/ \$1,500/\$3,000	\$500/\$1,000/ \$1,000/\$2,000	\$750/\$1,500/ \$1,500/\$3,000
Coinsurance (In-Network/Out-of-Network)	0%	0%	0%/30%	30%/50%	20%/40%	30%/50%
Out of Pocket Maximum (Individual/Family) (In-Network/Out-of-Network)	\$1,500/\$3,000	\$6,350/\$12,700	\$1,500 per individual	\$4,000/\$8,000/ \$8,000/\$16,000	\$3,750/\$7,500/ \$7,500/\$15,000	\$4,000/\$8,000/ \$8,000/\$16,000
Physician Services - In Network						
Office Visit PCP (In-Network/Out-of-Network)	\$15	\$30	\$15/30% after deductible	\$20/50% after deductible	\$30/40% after deductible	\$30/50% after deductible
Office Visit Specialist (In-Network/Out-of-Network)	\$30	\$45	\$30/30% after deductible	\$50/50% after deductible	\$50/CCN/\$70 Non-CCN 40% after deductible	\$50/CCN/\$70 Non-CCN 50% after deductible
Facility Services						
Hospital Inpatient (In-Network/Out-of-Network)	\$0	\$150/day for first 3 days per admission	\$0/30% after deductible	30% after deductible/50% after deductible	20% after deductible/40% after deductible	30% after deductible/60% after deductible
Outpatient Hospital Surgery - Hospital (In-Network/Out-of-Network)	\$0	\$0	\$0/30% after deductible	\$100 per visit/50% after deductible	\$100 per visit/40% after deductible	\$100 per visit/50% after deductible
Outpatient Diagnostic Services/Imaging (In-Network/Out-of-Network)	\$0	\$0	\$0/30% after deductible	\$100/50% after deductible	\$100/40% after deductible	\$100/50% after deductible
Emergency Room (In-Network/Out-of-Network)	\$25	\$100	\$50	\$300	\$350	\$350
Urgent Care Facility (In-Network/Out-of-Network)	\$25	\$50	\$50	\$70 per visit	\$70 per visit	\$70 per visit
Prescription Drug Coverage - In Network						
Generic / Brand / Brand Non-Pref / Specialty	Generic: \$15 Brand: \$25 Non-Pref: \$35	Generic: \$20 Brand: \$35 Non-Pref: \$55	Generic: \$15 Brand: \$25 Non-Pref: \$35 30% (OON)	Generic: \$15 Brand: \$40 Non-Pref: \$50 \$100 minimum/\$150 maximum	Generic: \$20 Brand: \$50 Non-Pref: \$50 \$105 minimum/\$160 maximum 50% (OON)	Generic: \$15 Brand: \$45 Non-Pref: \$50 \$105 minimum/\$160 maximum 50% (OON)
Relative Value	1.0000	0.9379	1.0088	0.8210	0.8274	0.8099

Comparison of Miami-Dade County and Public Sector Employers

Market Comparison

	Miami Dade County		Private Sector 1	Private Sector 2	Private Sector 3
	High HMO	POS			
Deductible (In Network/Out of Network)	\$0	\$0/\$200	\$1000-\$1500/\$2000-\$3000	\$0/\$700	\$400/\$650
HRA Amount	Per Individual	Per Individual	2x Family	2.5x Family	2.5x Family
Coinsurance (In Network/Out of Network)	100%	100%	\$300, \$500 - \$500, \$1000	90%/70%	80%/70%
Out of Pocket Max (In Network/Out of Network)	\$1500	\$1500/\$1500	\$2500/\$5000	\$1000/\$1800	\$1050/\$2000
Inpatient Copay	Per Individual	Per Individual	2x Family	2.5x Family	2.5x Family
ER Copay	0%	0%	Info not available	Info not available	Info not available
PCP/SCP	\$25	\$50	\$150 + 80% Coinsurance	\$75	\$75
Generic	\$15/\$30	\$15/\$30	Coinsurance	\$20/\$25	\$20
Pref	\$15	\$15	\$5	\$8	\$8
Non-Pref	\$25	\$25	80% Coinsurance with \$30 min and \$40 max	70% Coinsurance with \$25 max	70% Coinsurance with \$25 max
	\$35	\$35	70% Coinsurance with \$47 min and \$107 max	50% Coinsurance	50% Coinsurance
Relative Value	1	1.0098	0.7959-.8568	0.9696	0.9346
EE Only Contribution			\$65 - \$115/\$120 - \$170	\$45 - \$103	\$68 - \$126
Non - EE Only Contribution			\$251 - 430/\$371 - \$597	\$90 - \$148	\$135 - \$193

Relative Values are used to compare the level of benefits paid between any two plans. These values do not include adjustments to account for demographic factors.

Example: Over the course of a plan year for any one member, a plan with a relative value of .95 will pay, on average, 5% less than a plan with a relative value of 1.00.

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Exhibit 3

Health Insurance Local Benchmark

Health Insurance Local Benchmark

	MDC/JHS	MCH (\$10 surcharge for smokers)	University of Miami (9% surcharge for smokers)	Broward Health	Baptist (\$30 surcharge for smokers)	Memorial Health System
HIGH HMO - BI-WKLY DEDUCTIONS						
Employee	\$0.00	\$56.48	71.54	52.33	83.13	40.00
Employee + Child	\$180.17	\$114.27	142.62	83.64	150.40	85.00
Employee + Children	\$180.17	\$114.27	174.00	83.64	150.40	130.00
Employee + Spouse /DP	\$208.35	\$132.78	228.46	113.61	173.80	85.00
Family	\$287.77	\$202.24	253.85	154.67	241.07	130.00
SELECT HMO - BI-WKLY DEDUCTIONS						
Employee	\$0.00	N/A	33.92	10.27	59.28	N/A
Employee + Child	\$140.93	N/A	72.92	19.29	103.92	N/A
Employee + Children	\$140.93	N/A	110.77	19.29	103.92	N/A
Employee + Spouse /DP	\$165.99	N/A	126.00	26.21	121.73	N/A
Family	\$236.11	N/A	138.00	35.67	170.29	N/A
LOW HMO - BI-WKLY DEDUCTIONS						
Employee	\$0.00	N/A	33.92	10.27	59.28	N/A
Employee + Child	\$169.83	N/A	72.92	19.29	103.92	N/A
Employee + Children	\$169.83	N/A	110.77	19.29	103.92	N/A
Employee + Spouse /DP	\$196.42	N/A	126.00	26.21	121.73	N/A
Family	\$271.36	N/A	138.00	35.67	170.29	N/A
POS - BI-WKLY DEDUCTIONS						
Employee	\$14.90	\$136.55	N/A	46.73	158.30	60.00
Employee + Child	\$285.86	\$279.05	N/A	75.07	295.09	150.00
Employee + Children	\$285.86	\$279.05	N/A	75.07	295.09	200.00
Employee + Spouse /DP	\$344.54	\$306.80	N/A	101.97	332.82	150.00
Family	\$595.59	\$470.25	N/A	138.83	468.59	200.00

Note: The Select Plan is not currently offered to MDC employees.