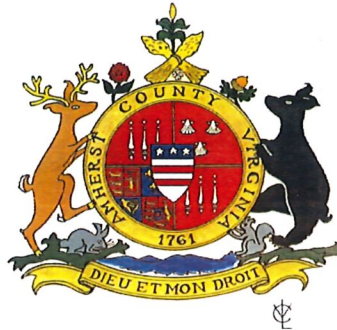


Board of Supervisors

L. J. Ayers III, Chair
District 3
Kenneth M. Campbell, Vice-Chair
District 1
David W. Pugh, Jr., Supervisor
District 4
Jennifer R. Moore, Supervisor
District 5
Claudia D. Tucker, Supervisor
District 2



County Administrator
Dean C. Rodgers

County Attorney
Michael W. S. Lockaby

**AMHERST COUNTY BOARD OF SUPERVISORS
Budget Workshop**

MINUTES

AGENDA

March 19, 2019

Administration Building - 153 Washington Street - Public Meeting Room
Amherst, Virginia 24521
Meeting Convened – 5:30 p.m.

- I. Call to Order**
- II. Special Presentation – School Board Budget**
- III. Discussion**
 - A. Insurance Options
 - B. Budget options
- IV. Adjournment**

MINUTES

At a Budget Workshop Meeting of the Amherst County Board of Supervisors and held at the Amherst County Administration building, Amherst, Virginia, thereof on Tuesday, the 19th day of March, 2019, at 5:30 p.m., the following members were present:

BOARD OF SUPERVISORS:

PRESENT: L. J. Ayers III, Chairman
Kenneth M. Campbell, Vice-Chair
David W. Pugh, Jr., Supervisor (late arrival)
Jennifer R. Moore, Supervisor
Claudia D. Tucker, Supervisor

ABSENT:

STAFF PRESENT: County Administrator Dean C. Rodgers
Deputy County Administrator David R. Proffitt

EA Clerk to Board Regina M. Rice

Finance Director Stacey Wilkes

AMHERST COUNTY SCHOOL MEMBERS PRESENT:

Dr. Rob Arnold, School Superintendent
Mr. Mike Henderson, Chairman Amherst County School Board
Ms. Teresa Crouch, CFO, Amherst County Schools

I. Call to Order

Chairman Ayers called the meeting to order at 5:31 p.m.

The agenda was amended to add a Public Comment session at the beginning of the agenda.

By motion of Supervisor Tucker and with the following vote, the Board approved the amendment to the agenda for March 19, 2019.

AYE:	Mr. Ayers, Mr. Campbell, Mr. Pugh, Ms. Moore and Ms. Tucker
NAY:	None
ABSENT:	Mr. Pugh
ABSTAIN:	None

Chairman Ayers opened the Public Comment session.

Mr. Matt Woernle of Monroe, Virginia addressed the Board regarding the change in the county's health insurance. He claimed to have spoken with many employees and wanted the Board to understand why they were upset. He said that employee morale is at the lowest since he has been employed with the county for twenty-four years, and that the only thing staff had to cling to was good health insurance, which may be replaced by Piedmont Community Health Plan. He said the change has been blamed on insurance increases and asked why this was not accounted for when planning the budget. He asked the Board to cut some "fat" from the budget to cover \$138,864 in the health the insurance shortfall and let the hard working staff retain what they know to be good insurance at this time.

Ms. Rae Hart of Amherst, Virginia addressed the Board and stated she has read reviews on PCHP and found the majority of those were negative. She asked the Board to consider the out-of-pocket expenses coverage for children with on-going illnesses and folks who travel. She asked the Board to stay with Anthem.

Mr. Lyle Carver of Amherst, Virginia addressed the Board and said that discussions with his staff cause him to voice a real concern with the potential insurance change and lack of information. He said the primary concerns were hospitalization and travel and asked the Board look at this from all angles. He said the majority of his employees believed this is not a good idea.

The Public Comment session was closed.

II. Special Presentation - School Board Budget

Chairman Mike Henderson thanked the Board and appreciated their support. He announced that all the schools in the county were fully accredited.

Dr. Rob Arnold, Amherst County School Superintendent presented the School Board Budget. Dr. Arnold highlighted several items including an increase in health insurance costs, a salary increase of 5% for all employees, additional hiring of teachers and increased student enrollment.
(See Attachment A)

III. Discussion

A. Insurance Options

County Administrator Rodgers addressed the Board regarding insurance options and advised an effort was made to share information with staff.

He explained that the health insurance was not damaging to the budget, however, revenues have not risen enough to cover expenses that have occurred this year. He said that the county will save money without decreasing health insurance benefits and premiums and deductibles will be the same or lower.

Human Resource Director Linda Warner presented a PowerPoint presentation. She stated that members from PCHP were present to answer questions from the Board.
(See Attachment B and C)

Supervisor Tucker said she was not enthusiastic about the potential change. She asked Ms. Warner to explain how complaints would be handled and monitored efficiently and effectively and that all employees are protected.

Ms. Warner stated that she would address issues and complaints in the same manner and has direct contact with the PCHP group contact, Mr. Phil Miller.

Supervisor Campbell asked Ms. Warner to explain the benefit comparison sheet. (See Attachment C – page 4)

Supervisor Campbell said that there would be a substantial savings with Piedmont, however, he was not happy years ago when he had the insurance but understood changes have been made by PCHP.

Supervisor Moore stated she had PCHP for thirteen years and did not experience any problems.

Supervisor Campbell said the advantage to employees would be more money in their checks with the change.

Ms. Warner said that with PCHP medical, dental and vision, employees will still pay less than with Anthem, however, did not have a percentage at this time of what employees would pay.

Supervisor Tucker said if a decision is made to change insurance, she requested that Ms. Warner prepare a monthly or quarterly report for the County Administrator to share with the Board including any complaints, the nature of the complaints and the length to resolve. Her concern was that employee issues be resolved in a timely manner.

Ms. Warner advised she will provide the Board with quarterly complaint reports.

Mr. Rodgers advised the Board that a selection of health insurance will be made at the 7:00 p.m. meeting.

B. Budget Options

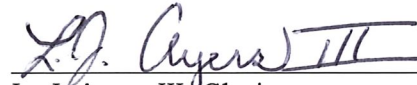
Finance Director Stacey Wilkes addressed the Board and presented the Anthem Local Choice and PCHP options and how each plan effects the budget. She also presented the proposed cut lines if PCHP is chosen. (See Attachment D)

Mr. Rodgers advised the Board there will no tax increase this year and the next budget meeting will be on March 26, 2018 at 6:00 p.m.

IV. Adjournment

By motion of Vice-Chair Campbell and with the following vote, the Board adjourned at 6:40 p.m.

AYE:	Mr. Ayers, Mr. Pugh, Ms. Moore and Ms. Tucker
NAY:	None
ABSENT	None



L. J. Ayers III, Chairman
Amherst County Board of Supervisors



Dean C. Rodgers, Clerk



**Amherst County
Public Schools**

**INVESTING IN
THOSE WHO
INVEST OF
THEMSELVES**

PROPOSED 2019-20 SCHOOL OPERATIONAL BUDGET



March 19, 2019

Dr. Robert Arnold, Superintendent



On January 10, 2019, the members of the Amherst County School Board approved the following Vision & Mission Statements

▫ **Our Vision**

- The Amherst County Public Schools will cultivate excellence in Every Child, Every Day.

▫ **Our Mission**

- The Amherst County Public Schools will create a culture that inspires excellence in academics, career readiness and citizenship in every child.



**Amherst County
Public Schools**

A Community Who Values Its Educators Is A Community Who Values Its Future



The following are changes to the
Proposed 2019-20 School Operational Budget.

- ▣ Health Insurance Premium (Estimate of 10% Increase)
- ▣ Salary Increases for all Employees (5%)
- ▣ Three Instructional Assistants
- ▣ Four Classroom Teachers
- ▣ Two School Buses
- ▣ Laurel Non-Center Based and Center Based
- ▣ Attrition



Summary of Expenditures

2018-19 Budget	\$47,079,968
Deductions	-\$ 397,420
Additions	\$ 2,402,841
Total Proposed 2019-20	
School Operational Budget	\$49,085,389



Amherst County Public Schools

Summary of Revenue

State Revenue	\$23,808,222
State Sales Tax	\$ 5,173,479
Federal Grants	\$ 2,356,645
ABE Grants	\$ 681,681
Child Nutrition	\$ 2,320,307
Other Local Funds	\$ 842,966
Board of Supervisors	<u>\$13,902.089</u>
Total Revenue	\$49,085,389
Total Expenditures	\$49,085,389

With level funding of \$13,902,089 from the members of the Amherst County Board of Supervisors, the Proposed 2019-20 School Operational Budget is balanced.



Amherst County Public Schools

AMHERST COUNTY PUBLIC SCHOOLS

2019-2020

School	K	1	2	3	4	5	6	7	8	9	10	11	12	SpEd	Total
Amherst County High School										315	282	301	291		1189
Amherst Middle School							113	143	109						365
Monelison Middle School							227	194	213						634
Amelon Elementary School	66	69	56	62	76	68									397
Amherst Elementary School	46	53	40	40	44	39									262
Central Elementary School	52	52	53	42	50	57									306
Elon Elementary School	51	65	48	48	58	50									320
Madison Heights Elementary School	70	64	76	61	55	59									385
Temperance Elementary School	16	20	13	22	18	18									107
Totals	301	323	286	275	301	291	340	337	322	315	282	301	291	0	3965

Proposed Budget is based on ADM of 3940

Governor's Proposed Budget is based on ADM of 3855.65

Employee Health Insurance Benefits

Results of FY2020 RFP Process



Response to RFP

- ▶ In January 2019 and with the assistance of benefits consultant Sam Irby of Innovative Insurance Group, the County released a Request for Proposals (RFP) seeking quotes for medical, dental and vision coverage for County employees.
- ▶ Quotes were received from:
 - ▶ 2 medical providers (Anthem and Piedmont Community Health Plan)
 - ▶ 1 self-insurance administrator (Benefit Plan Administrators, Inc.)
 - ▶ 1 dental provider (Delta)
 - ▶ 2 dental/vision providers (Ameritas, The Standard)
 - ▶ 1 vision provider (Vision Service Plan)
- ▶ Four medical providers (Optima Health, Aetna, United Health Care and Cigna) declined to quote. This is likely due to being unable to access the County's prescription, behavioral health and dental claims experience from The Local Choice.
- ▶ On February 15, the County received FY2020 renewal documents from Anthem/Local Choice calling for a 5.9% increase in current rates. The County received a 10.2% increase in rates from Anthem/Local Choice in FY2019.

Interviews

- ▶ Interviews with staff from Piedmont Community Health Plan and Anthem were held on March 7.
- ▶ Sam Irby, County staff and Board of Supervisors members Claudia Tucker and Ken Campbell participated in the interviews.
- ▶ Questions were asked regarding rates, coverages, self-insurance, health savings accounts, etc. It was established that all providers treat emergency/urgent care when traveling out of state as an in-network expense.
- ▶ Written responses to questions asked during the interviews and any follow-up questions were received from both providers.
- ▶ Anthem staff discussed both The Local Choice and the Anthem Direct quotes.

Evaluation of the Providers - The Local Choice

- ▶ The Local Choice insurance pool offers four Anthem PPO plans with very little flexibility on plan design, administration, etc. No negotiation is allowed on rates. Claims for prescriptions, behavioral health and dental are pooled and The Local Choice does not provide individual entity claims experience for these large expenses. The County has not bid health insurance benefit services in the past 20 years.
- ▶ Currently, early retirees (age 50 to 65) may remain on the County's health insurance plan but they must pay twice the full monthly premium for this coverage. The County could choose to change this option allowing early retirees to pay just the full monthly premium cost but this change would add 2% to the overall cost of the plan for all employees every year.
- ▶ The County also offers a Medicare supplement - Advantage 65 With Dental/Vision - through Local Choice for retirees age 65 or older. The retiree pays the full monthly premium cost and they are in a separate pool for claims experience. Currently, no County retirees are enrolled in this plan.

Evaluation of Providers - Anthem Direct

- ▶ The original quote received from Anthem for comparable Anthem Direct PPO plans with the same network as the Anthem/Local Choice plans was approximately 11% higher than The Local Choice renewal. A revised rate quote with a 3% reduction was later received.
- ▶ Although switching to Anthem Direct would allow the County to provide essentially the same health insurance coverage and receive full claims experience, the increased cost is prohibitive.
- ▶ Anthem Direct would also require an employer contribution of 50% of the employee only cost for early retirees to remain on the plan.
- ▶ Anthem Direct's Medicare supplement also requires an employer contribution and group billing.

Evaluation of Providers - Piedmont Community Health Plan

- ▶ Piedmont Community Health Plan is owned and backed by Centra. The County already contracts with Centra-owned HealthWorks for prescreening, occupational testing, and the Employee Assistance Program services.
- ▶ The rates quoted by Piedmont Community Health Plan ranged from approximately 7% to 23% less than current Anthem/Local Choice rates depending on the plans selected.
- ▶ Piedmont Community Health Plan offers both PPO and HMO options.
- ▶ The coverages provided by the two PPO options quoted are comparable or better than those currently offered County employees through Anthem/Local Choice.
- ▶ The Piedmont Plus (PPO) Network provided through contracts with Virginia Health Network is statewide and also comparable.

Evaluation of Providers - Piedmont Community Health Plan (continued)

- ▶ The HMO option is limited to the Centra Lynchburg area network but does not require Primary Care Physician (PCP) referrals in-network. With the exception of one large UVA claim, 67% of the County's claims fell within the Centra Network and 95% fell within the Piedmont Plus Network.
- ▶ The HMO option does require pre-authorization of services referred by in-network physicians for out of network services.
- ▶ Because dental and vision services would be contracted separately, choosing Piedmont Community Health Plan would allow employees to decide whether or not they want these services. We anticipate employees' total combined premium should they choose medical, dental and vision still being less than they are currently paying.
- ▶ Piedmont Community Health Plan is also offering the County a \$10,000 credit to be used to develop a wellness program or apply to other services provided by HealthWorks.
- ▶ Piedmont Community Health Plan staff also addressed complaints heard from County employees regarding problems encountered 15 to 20 years ago when Piedmont Community Health Plan was solely an HMO.

Fiscal Impact and Other Considerations

- ▶ The fiscal impact of an employee health insurance benefit vendor change will be discussed during the Finance Director's O & M budget presentation.
- ▶ The Piedmont Community Health Plan quote includes allowing early retirees to remain on the plan at the full monthly premium cost with no employer contribution required.
- ▶ Piedmont Community Health Plan coverage does not include dental or vision. Should the Board of Supervisors direct staff to negotiate with Piedmont Community Health Plan, county staff would also interview and negotiate contracts for dental and vision services with those providers who responded to the RFP.
- ▶ The County's benefit consultant will also evaluate resources for a Medicare supplement for retirees 65 and over.

Staff Recommendation

- ▶ It is the recommendation of the staff that the County leave The Local Choice insurance pool and contract with Piedmont Community Health Plan for FY2020 and FY2021, negotiating a second year rate cap for FY2021.
- ▶ If so directed, the negotiated Piedmont Community Health Plan and dental and vision contracts will be brought back to the Board of Supervisors for final approval.



THE COUNTY OF AMHERST

EXECUTIVE SUMMARY

2-19-2019

The County contracted with Innovative Insurance Group, LLC on 9/5/18 per an RFP for Consultant released on 4/5/18. Our team was asked to review the following:

1. The County's voluntary employee products and employee deductions i.e.: (Aflac, American Fidelity, Beacon Credit Union, United Way, HM Life, VaCorp, etc.)
2. The Nationwide Supplemental Retirement 457b
3. Current enrollment/onboarding processes.
4. The County's health, dental and vision insurance which is currently placed with The Local Choice.
5. Current Employer/Employee contributions. (page 7)

The County's Voluntary Product Offerings:

The County currently allows numerous vendors to offer products to its employees (cancer policies, etc.). These representatives work with Amherst employees at various times throughout the year and it is suggested that we streamline this process requiring them to be present during the health insurance open enrollment and discontinue the year-round visits. We also can facilitate an online self-serve enrollment portal to minimize the disruption throughout the year.

The Nationwide Supplemental Retirement 457b:

These types of plans are wonderful retirement tools for eligible employees. We would suggest scheduling interviews with several vendors to discuss the pros and cons considering factors such as company financial strength, servicing representatives and investment options. We will work with Linda to establish a list and set appointments for interviews. This can be accomplished later this year.

Enrollment/Onboarding Processes:

Our online software will increase efficiencies for these tasks.

Health, Dental and Vision Coverages:

An RFP for Health, Dental and Vision insurance was released on 1/8/19 with a return date of 1/30/19. Proposals were provided by:

1. Anthem - Fully insured and self-funded quotes
2. Piedmont Community Health Plan - Fully insured and self-funded quotes
3. Benefit Plan Administrators - Self-funded quotes
4. VSBA Captive/Benefit Plan Administrators - Self-funded quotes
5. Aetna - Declined to provide a proposal
6. Optima - Declined to provide a proposal
7. United HealthCare - Declined to provide a proposal
8. Cigna - Declined to provide a proposal
9. Delta Dental - Fully insured quotes
10. VSP Vision - Fully insured quotes
11. Ameritas - Fully insured quotes
12. The Standard - Fully insured quotes
13. Eye Med Vision - Declined to quote

The Local Choice has issued a renewal for FY 2020 with an increase of 5.9%. Total plan cost with this increase of approximately \$138,864 will be approximately \$2,421,684 annually.

Fully Insured Proposals:

1. Anthem's direct quote pricing is much higher than your current Local Choice rates and need not be considered at this time. (page 1)
2. Piedmont has provided the only competitive fully insured health plan options for the coming year. They are proposing similar plans with lower premium costs. (page 1)
3. Delta Dental is the most competitive dental option. (page 2)
4. VSP, Anthem, and Ameritas all offered competitive vision prices and plans. (page 3)
5. Health insurance benefit comparisons are attached. (page 4)

Self-funded Proposals:

1. Anthem, Piedmont, Benefit Plan Administrators, and the Virginia School Board/BPA Captive provided self-funded health insurance proposals. (pages 6-7)
2. Expected liability with each proposal is as high or higher than the Piedmont fully insured option and therefore should not be considered as a replacement for your current plan unless the Piedmont fully insured option is eliminated.
3. Several self-funded dental and vision quotes were reviewed, but I would suggest being fully insured FY 2020 to get valid claims data and then consider self-funding FY 2021.

So, what are the next steps?

As you are aware, The Local Choice requires you to either accept their renewal by April 1 or request an extension until May 1. I would encourage the Amherst team to meet with Piedmont and either Anthem or Benefit Plan Administrators the third-party administrator offering a self-funded option to discuss their proposals. We can also ask Delta or VSP or any other vendor to present. If suitable to Amherst, I would suggest the following schedule:

Week of March 4th - Amherst team meet with our team to discuss this analysis in detail and develop a list of questions for the presenter(s).

Week of March 4th - Piedmont and any other Carriers you desire will make a presentation to the Amherst administrative team/insurance committee.

Week of March 11th - Amherst team reconvenes with our team to further discuss Carriers and plans to recommend to the Board. Additional meetings as necessary.

TBD – Board Approval of Recommendation

TBD – Extension Letter to Local Choice if necessary

TGD – Enrollment meetings

Sincerely,

Samuel S. Irby

Samuel S. Irby, CLU

Chartered Financial Consultant

Innovative Insurance Group, LLC

P. O. Box 440

Kenbridge, VA 23944

Amherst County Board of Supervisors RFP Responses 1/30/19 - Fully Insured

				FULLY INSURED MEDICAL RATES FOR SIMILAR PLANS EXCLUDING DENTAL AND VISION			
	FY 2019	RENEWAL					
Key Advantage 250 Comprehensive	Local Choice Premium	Census	Local Choice FY 2020 Premium	Anthem Keycare PPO	Anthem Healthkeepers HMO	Piedmont Community Health PPO	Piedmont Community Health HMO
Single (Employee only)	\$715	50	\$769	\$791	\$740	\$605	\$547
Employee + 1 Child	\$1,323	3	\$1,423	\$1,567	\$1,466	\$1,119	\$1,012
Employee + Spouse	\$1,323	14	\$1,423	\$1,567	\$1,466	\$1,119	\$1,012
Family	\$1,931	16	\$2,076	\$2,453	\$2,295	\$1,634	\$1,477
Monthly Cost	\$89,137	83	\$95,857	\$105,437	\$98,642	\$75,417	\$68,186
Key Advantage 500 Comprehensive	Premium	Census	FY 2020 Premium	Anthem Keycare PPO	Anthem Healthkeepers HMO	Piedmont Community Health PPO	Piedmont Community Health HMO
Single (Employee only)	\$658	42	\$687	\$760	\$718	\$557	\$503
Employee + 1 Child	\$1,217	5	\$1,271	\$1,505	\$1,421	\$1,030	\$931
Employee + Spouse	\$1,217	9	\$1,271	\$1,505	\$1,421	\$1,030	\$931
Family	\$1,777	30	\$1,855	\$2,357	\$2,225	\$1,503	\$1,359
Monthly Cost	\$97,984	86	\$102,298	\$123,700	\$116,800	\$82,904	\$74,930
Key Advantage 500 Preventive	Premium	Census	FY 2020 Premium	Anthem Keycare PPO	Anthem Healthkeepers HMO	Piedmont Community Health PPO	Piedmont Community Health HMO
Single (Employee only)	\$642	3	\$671	\$760	\$718	\$557	\$503
Employee + 1 Child	\$1,188	-	\$1,241	\$1,505	\$1,421	\$1,030	\$931
Employee + Spouse	\$1,188	1	\$1,241	\$1,505	\$1,421	\$1,030	\$931
Family	\$1,733	-	\$1,812	\$2,357	\$2,225	\$1,503	\$1,359
Monthly Cost	\$3,114	4	\$3,254	\$3,785	\$3,575	\$2,701	\$2,440
Monthly All Plans	\$190,235	173	\$201,409	\$232,922	\$219,017	\$161,022	\$145,556
Delta Dental			Included	\$8,270	\$8,270	\$8,270	\$8,270
VSP Vision			Included	\$1,408	\$1,408	\$1,408	\$1,408
EAP			Included	\$175	\$175	\$175	\$175
Morbid Obesity			Included	\$4,658	\$4,380	\$15,045	\$14,326
Monthly inc Dental & Vision	\$190,235		\$201,409	\$247,433	\$233,250	\$185,920	\$169,735
Annual inc Dental & Vision	\$2,282,820		\$2,416,908	\$2,969,198	\$2,799,001	\$2,231,037	\$2,036,817
	TLC Annual Increase		\$134,088	Potential Savings with Piedmont		\$185,871	\$380,091

Illustrative Purposes Only. Please refer to the RFP responses for full benefit coverages. Rates rounded for this illustration.

Amherst County Board of Supervisors RFP Responses 1/30/19
DENTAL INSURANCE 2019-2020

		Comprehensive			
		ANTHEM	DELTA	AMERITAS	THE STANDARD
Single (Employee only)	92	\$33	\$30	\$31	\$30
Employee + 1 Child	8	\$72	\$60	\$64	\$78
Employee + Spouse	23	\$72	\$60	\$64	\$62
Family	46	\$111	\$79	\$118	\$110
	169	\$10,386	\$8,216	\$10,256	\$9,870
Preventive					
Single (Employee only)	3	\$16	\$11	\$31	\$10
Employee + 1 Child	0	\$42	\$22	\$64	\$26
Employee + Spouse	1	\$42	\$22	\$64	\$20
Family	0	\$68	\$29	\$118	\$35
	4	\$89	\$54	\$157	\$48
	173	\$10,475	\$8,270	\$10,413	\$9,918

Ameritas did not provide preventive rates.
 Illustrative Purposes Only. Please refer to the RFP responses for full benefit coverages.
 Rates rounded for this illustration.

Amherst County Board of Supervisors RFP Responses 1/30/19
VISION INSURANCE 2019-2020

	CENSUS	ANTHEM	VSP	AMERITAS	BPA VSP
Single (Employee only)	95	\$5.18	\$5.22	\$5.28	\$5.89
Employee + 1 Child	8	\$9.84	\$7.96	\$9.80	\$8.99
Employee + Spouse	24	\$9.84	\$7.96	\$9.80	\$8.99
Family	46	\$15.09	\$14.28	\$14.64	\$16.12
	<u>173</u>	<u>\$1,501.12</u>	<u>\$1,407.50</u>	<u>\$1,488.64</u>	<u>\$1,588.75</u>
Antem EAP (4 Visits)		1.01			
MONTHLY TOTAL EAP		174.73			

Illustrative Purposes Only. Please refer to the RFP responses for full benefit coverages. Rates rounded for this illustration.
EAP may not be available at this price as a stand-alone product.

Amherst 2019

	Local Choice - KEY ADVANTAGE 250 COMPREHENSIVE	PIEDMONT PREFERRED PPO 200	Local Choice - KEY ADVANTAGE 500 COMPREHENSIVE	PIEDMONT PREFERRED PPO 500
Deductible:	\$250 Individual/\$500 Family	\$200/\$400	\$500 Individual/\$1,000 Family	\$500 Individual/\$1,000 Family
Office Visit:	PCP: \$20 copay; Specialist: \$35 copay	PCP: \$20 copay; Specialist: \$30 copay	PCP: \$25 copay; Specialist: \$40 copay	PCP: \$20 copay; Specialist: \$40 copay
Inpatient:	\$400 copay per stay	20% After Deductible	20% coinsurance after deductible	20% coinsurance after deductible
Outpatient:	Facility Services: \$150 copay per visit / Professional Provider Services: PCP: \$20 copay; Specialist: \$35 copay / Diagnostic Tests, Labs and X-Rays: 20% coinsurance after deductible	20% coinsurance after deductible	Facility Services: 20% coinsurance after deductible / Professional Provider Services: PCP: \$25 copay; Specialist: \$40 copay / Diagnostic Tests, Labs and X-Rays: 20% coinsurance after deductible	20% coinsurance after deductible
Emergency Room:	Facility Services: \$350 copay per visit / Professional Provider Services: PCP: \$20 copay; Specialist: \$35 copay / Diagnostic Tests, Labs and X-Rays: 20% coinsurance after deductible	\$200 Co-Pay; 20% after deductible	Facility Services: 20% coinsurance after deductible / Professional Provider Services: PCP: \$25 copay; Specialist: \$40 copay / Diagnostic Tests, Labs and X-Rays: 20% coinsurance after deductible	\$250 Co-Pay; 20% after deductible
Rx:	Retail Pharmacy: \$10/\$30/\$45/\$55; Home Delivery Services (Mail Order): \$20/\$60/\$90/\$110; Diabetic Supplies: 20% coinsurance	Retail Pharmacy: \$10/\$30/\$50/\$125; Mail Order \$20/\$60/\$100/\$250	Retail Pharmacy: \$10/\$30/\$45/\$55; Home Delivery Services (Mail Order): \$20/\$60/\$90/\$110; Diabetic Supplies: 20% coinsurance	Retail Pharmacy: \$10/\$30/\$50/\$125; Mail Order \$20/\$60/\$100/\$250
Lab & X-Ray:	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible
Out-of-Network:	See Benefit Summary	See Benefit Summary	See Benefit Summary	See Benefit Summary
Out-of-Pocket Maximum:	\$3,000 Individual/\$6,000 Family	\$3,000 Individual/\$6,000 Family	\$4,000 Individual/\$8,000 Family	\$2,500 Individual/\$5,000 Family
		PPO plans include access to Virginia Health Network		PPO plans include access to Virginia Health Network
Illustrative purposes only. Please see full benefits comparison for details.				

Amherst County Board of Supervisors RFP Responses 1/30/19

HEALTH INSURANCE SELF-FUNDED ASSUMPTIONS 2019-2020

Please refer to the Proposals for more complete details

Anthem Assumptions:

Specific Claim Limit is \$100,000

Aggregate Claims Limit is 120% of Projected.

Based on current enrollment, benefits and networks:

Projected 1st Year Claims are \$1,985,934 with an estimated (IBNR) of \$274,631 as of June 30, 2020.

Projected Mature Year Claims are \$2,260,565.

Reinsurance Cost Estimate for 1st Year is \$354,506.

Plan receives a Rx credit instead of Rx rebates.

Piedmont Community Health Assumptions:

Specific Claim Limit is \$100,000

Aggregate Claims Limit is 120% of Projected.

Based on current enrollment, benefits and networks:

Projected 1st Year Claims are \$1,474,164 with an estimated (IBNR) of ?? as of June 30, 2020.

Mature Year Claims were not Projected.

Reinsurance Cost Estimate for 1st Year is \$484,038.

Plan receives Rx rebates.

Benefit Plan Administrators Assumptions:

Specific Claim Limit is \$100,000

Aggregate Claims Limit is 120% of Projected.

Based on current enrollment, benefits and networks:

Projected 1st Year Claims are \$1,474,164 with an estimated (IBNR) of ?? as of June 30, 2020.

Mature Year Claims were not Projected.

Reinsurance Cost Estimate for 1st Year is \$468,740.

Plan receives Rx rebates.

VSBA Captive, Benefit Plan Administrators Assumptions:

Specific Claim Limit is \$100,000

Aggregate Claims Limit is 120% of Projected.

Based on current enrollment, benefits and networks:

Projected 1st Year Claims are \$1,474,164 with an estimated (IBNR) of ?? as of June 30, 2020.

Mature Year Claims were not Projected.

Reinsurance Cost Estimate for 1st Year is \$493,469.

Plan receives Rx rebates.

Amherst County Board of Supervisors RFP Responses - Self Funded						
	FY 2019		SELF FUNDED OFFERINGS EXPECTED 1ST YEAR RATES			
Key Advantage 250 Comprehensive	Local Choice Premium	Census	Anthem PPO Expected Rates	Anthem HMO Expected Rates	Piedmont PPO Expected Rates	Benefit Plan Adm. VSBA Sponsored Captive
Single (Employee only)	\$715	50	\$674	\$631	\$607	\$559 \$677
Employee + 1 Child	\$1,323	3	\$1,335	\$1,249	\$1,187	\$1,042 \$1,259
Employee + Spouse	\$1,323	14	\$1,335	\$1,249	\$1,187	\$1,042 \$1,259
Family	\$1,931	16	\$2,090	\$1,956	\$1,813	\$1,582 \$1,916
Monthly Cost	\$89,137	83	\$89,835	\$84,079	\$79,537	\$70,972 \$85,926
Key Advantage 500 Comprehensive	Premium	Census				
Single (Employee only)	\$658	42	\$648	\$611	\$558	\$559 \$677
Employee + 1 Child	\$1,217	5	\$1,282	\$1,211	\$1,092	\$1,042 \$1,259
Employee + Spouse	\$1,217	9	\$1,282	\$1,211	\$1,092	\$1,042 \$1,259
Family	\$1,777	30	\$2,008	\$1,895	\$1,669	\$1,582 \$1,916
Monthly Cost	\$97,984	86	\$105,404	\$99,466	\$88,794	\$85,522 \$103,558
Key Advantage 500 Preventive	Premium	Census				
Single (Employee only)	\$642	3	\$648	\$611	\$558	\$559 \$677
Employee + 1 Child	\$1,188	0	\$1,282	\$1,211	\$1,092	\$1,042 \$1,259
Employee + Spouse	\$1,188	1	\$1,282	\$1,211	\$1,092	\$1,042 \$1,259
Family	\$1,733	0	\$2,008	\$1,895	\$1,669	\$1,582 \$1,916
Monthly Cost	\$3,114	4	\$3,226	\$3,044	\$2,766	\$2,719 \$3,291
Monthly All Plans	\$190,235	173				
Delta Dental			\$8,270	\$8,270	\$8,270	\$8,270
VSP Vision			\$1,408	\$1,408	\$1,408	\$1,408
EAP			\$175	\$175	\$175	\$175
Morbid Obesity			NA	NA	NA	NA
Monthly inc Dental & Vision	\$190,235		\$208,318	\$196,442	\$180,950	\$169,066 \$202,629
Annual inc Dental & Vision	\$2,282,820		\$2,499,816	\$2,357,304	\$2,171,400	\$2,028,789 \$2,431,542
Illustrative Purposes Only. Please refer to the RFP responses for full benefit coverages. Rates rounded for this illustration.						
Rates are illustrative only.						

Key Advantage 250 Comprehensive		Premium for 2018-2019 Plan Year				Census
Monthly Cost per tier (FT employees)	FY2019 Total Monthly Premium	Employee Cost	Employer Cost			
Single (Employee only)	\$ 715.00	\$ 165.00	\$ 550.00			50
Employee + 1 Child	\$ 1,323.00	\$ 493.00	\$ 830.00			3
Employee + Spouse	\$ 1,323.00	\$ 493.00	\$ 830.00			14
Family	\$ 1,931.00	\$ 721.00	\$ 1,210.00			16
			\$ 60,970.00			83
Key Advantage 500 Comprehensive		Monthly		Monthly Premium		
Monthly Cost per tier (FT employees)	FY2019 Total Monthly Premium	Employee Cost	Employer Cost			
Single (Employee only)	\$ 658.00	\$ 108.00	\$ 550.00			42
Employee + 1 Child	\$ 1,217.00	\$ 387.00	\$ 830.00			5
Employee + Spouse	\$ 1,217.00	\$ 387.00	\$ 830.00			9
Family	\$ 1,777.00	\$ 567.00	\$ 1,210.00			30
			\$ 71,020.00			86

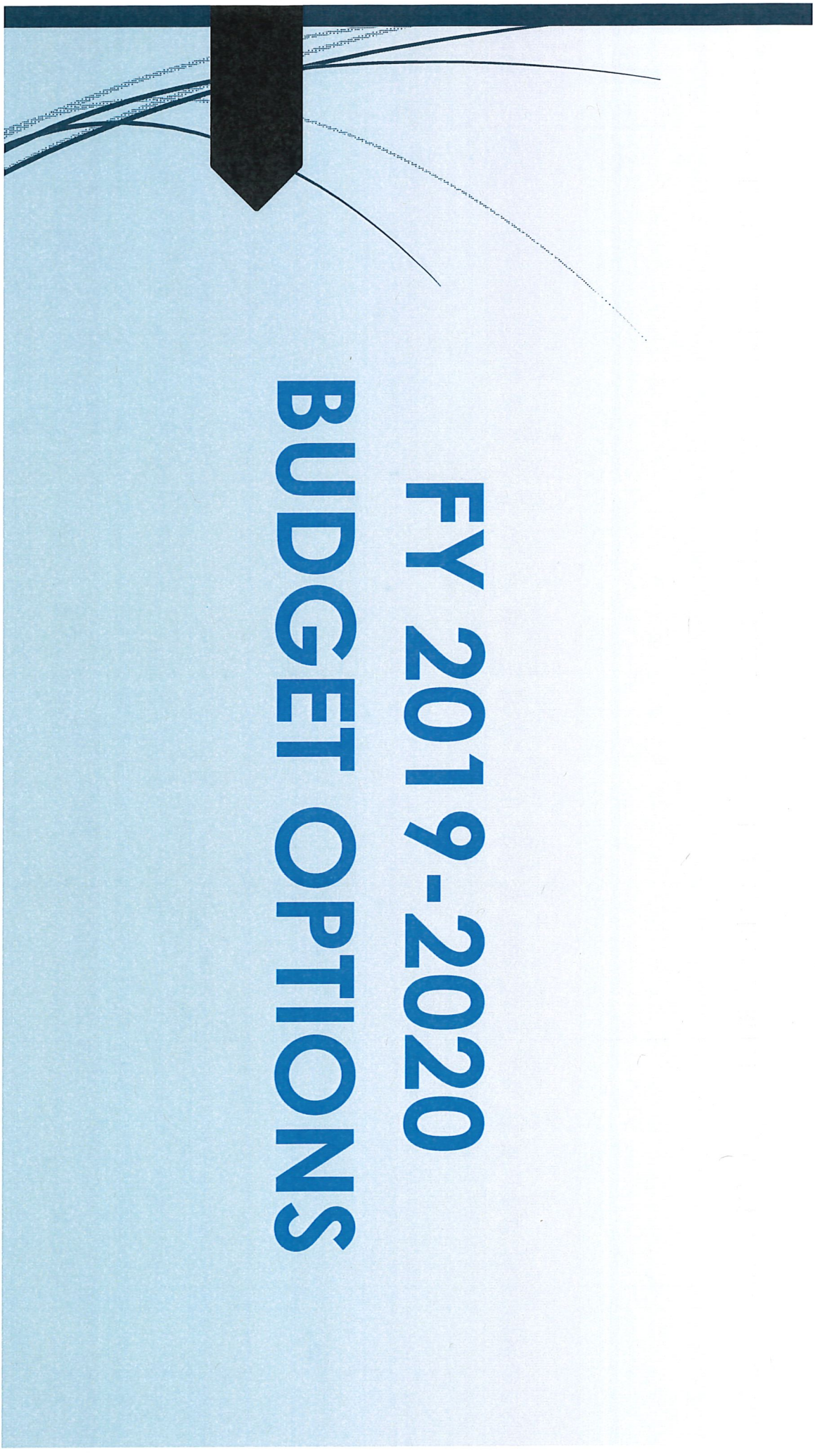
Preventive Coverage (does not include major dental)

Key Advantage 250 Preventative		Premium for 2018-19 Plan Year				
Monthly Cost per tier (FT employees)	FY2019 Total Monthly Premium	Employee Cost	Employer Cost			
Single (Employee only)	\$ 699.00	\$ 149.00	\$ 550.00			0
Employee + 1 Child	\$ 1,293.00	\$ 463.00	\$ 830.00			0
Employee + Spouse	\$ 1,293.00	\$ 463.00	\$ 830.00			0
Family	\$ 1,887.00	\$ 677.00	\$ 1,210.00			0
			#REF!			0
Key Advantage 500 Preventive		Premium for 2018-19 Plan Year				
Monthly Cost per tier (FT employees)	FY2019 Total Monthly Premium	Employee Cost	Employer Cost			
Single (Employee only)	\$ 642.00	\$ 92.00	\$ 550.00			3
Employee + 1 Child	\$ 1,188.00	\$ 358.00	\$ 830.00			0
Employee + Spouse	\$ 1,188.00	\$ 358.00	\$ 830.00			1
Family	\$ 1,733.00	\$ 523.00	\$ 1,210.00			0
			\$ 2,480.00			4
ANNUAL TOTAL			\$ 1,613,640			

Illustrative Purposes Only. Please refer to the RFP responses for full benefit coverages. Rates rounded for this illustration.

	Local Choice - KEY ADVANTAGE 250 COMPREHENSIVE	PIEDMONT PREFERRED PPO 200	Local Choice - KEY ADVANTAGE 500 COMPREHENSIVE	PIEDMONT PREFERRED PPO 500
Deductible:	\$250 Individual/\$500 Family	\$200/\$400	\$500 Individual/\$1,000 Family	\$500 Individual/\$1,000 Family
Office Visit:	PCP: \$20 copay; Specialist: \$35 copay	PCP: \$20 copay; Specialist: \$30 copay	PCP: \$25 copay; Specialist: \$40 copay	PCP: \$20 copay; Specialist: \$40 copay
Inpatient:	\$400 copay per stay	20% After Deductible	20% coinsurance after deductible	20% coinsurance after deductible
	Facility Services: \$150 copay per visit / Professional Provider Services: PCP: \$20 copay; Specialist: \$35 copay / Diagnostic Tests, Labs and X-Rays: 20% coinsurance after deductible	20% coinsurance after deductible	Facility Services: 20% coinsurance after deductible / Professional Provider Services: PCP: \$25 copay; Specialist: \$40 copay / Diagnostic Tests, Labs and X-Rays: 20% coinsurance after deductible	20% coinsurance after deductible
Outpatient:	Facility Services: \$350 copay per visit / Professional Provider Services: PCP: \$20 copay; Specialist: \$35 copay / Diagnostic Tests, Labs and X-Rays: 20% coinsurance after deductible	\$200 Co-Pay; 20% after deductible	Facility Services: 20% coinsurance after deductible / Professional Provider Services: PCP: \$25 copay; Specialist: \$40 copay / Diagnostic Tests, Labs and X-Rays: 20% coinsurance after deductible	\$250 Co-Pay; 20% after deductible
Emergency Room:	Retail Pharmacy: \$10/\$30/\$45/\$55; Home Delivery Services (Mail Order): \$20/\$60/\$90/\$110; Diabetic Supplies: 20% coinsurance	Retail Pharmacy: \$10/\$30/\$50/\$125; Mail Order \$20/\$60/\$100/\$250	Retail Pharmacy: \$10/\$30/\$45/\$55; Home Delivery Services (Mail Order): \$20/\$60/\$90/\$110; Diabetic Supplies: 20% coinsurance	Retail Pharmacy: \$10/\$30/\$50/\$125; Mail Order \$20/\$60/\$100/\$250
Rx:				
Lab & X-Ray:	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible
Out-of-Network:	See Benefit Summary	See Benefit Summary	See Benefit Summary	See Benefit Summary
Out-of-Pocket Maximum:	\$3,000 Individual/\$6,000 Family	\$3,000 Individual/\$6,000 Family	\$4,000 Individual/\$8,000 Family	\$2,500 Individual/\$5,000 Family
		PPO plans include access to Virginia Health Network		PPO plans include access to Virginia Health Network
Illustrative purposes only. Please see full benefits comparison for details.				

FY 2019-2020 BUDGET OPTIONS





AGENDA

- I. Local Choice Option
- II. Piedmont Community Health Plan
- III. Proposed Cut Lines
- IV. Final Thoughts
- V. Questions

I. LOCAL CHOICE INSURANCE OPTION

➤ Assumptions

- The Compensation Board approves 3% increase for all constitutional officers and their full-time staff
- The County has historically funded All employees of constitutional offices for a Compensation Board increase
- The State adopts 3% increase for Department of Social Services
- Local Choice is chosen as the employee health insurance provider; average 5.9% increase in rates
- 0% salary increase is proposed for county employees



LOCAL CHOICE – BUDGET SUMMARY

REVENUES

\$41,583,901

OPERATING EXPENSES

\$41,590,444

NET LOSS (SHORTFALL)

(\$6,543)



Conclusions Local Choice Budget Option

- ▶ 3% for Constitutional Offices and Department of Social Services is funded
- ▶ No pay increase for county employees
- ▶ Any county employee with dependent coverage on their health insurance will see a reduction in their take home pay.
- ▶ CPI is 2.5% and thus every employee will realize a reduction in their spending power for the year.



II. PIEDMONT COMMUNITY HEALTH PLAN INSURANCE OPTION

➤ Assumptions

- The Compensation Board approves 3% increase for constitutional officers and their full-time staff
- The County has historically funded All employees of constitutional offices for a Compensation Board increase
- The State adopts 3% increase for Department of Social Services
- Piedmont Community Health Plan is chosen as the employee health insurance provider; with \$400K realized savings
- 3% salary increase is proposed for county employees



PIEDMONT COMMUNITY HEALTH PLAN - BUDGET SUMMARY

REVENUES

\$41,583,901

OPERATING EXPENSES

\$41,449,488

NET REVENUE (SURPLUS)

\$134,413



Conclusions Piedmont Community Health Plan Budget Option

- ▶ 3% for Constitutional Offices and Department of Social Services is funded
- ▶ 3% for county employees can be funded
- ▶ Insurance premiums will be below what the FY 2019 rates are for all plans
- ▶ A surplus exists that staff will present their recommendation with the review of cut lines for the Supplemental Budget Requests.



III. PROPOSED CUT LINES

FY 2020 SUPPLEMENTAL BUDGET REQUESTS WORKSHEET

Project Number	Average Score	Recurring Costs	One-time Costs	Other Funding Sources	Total
8 Clerk - Plat Book restoration	1		\$ 36,000	\$ 10,000	\$ 46,000
15 Maintenance Shop Roof	2		\$ 15,000		\$ 15,000
22 APS Investigator	3			\$ 26,400	\$ 26,400
13 Building Inspections - Plat table	5		\$ 12,500		\$ 12,500
10 Voting Machines	9		\$ 25,000		\$ 25,000
23 Adobe licenses - Finance	10		\$ 1,400		\$ 1,400
27 Riveredge Design Phase 3A	11		\$ 31,520		\$ 31,520
28 Riveredge Design Phase 3B	12		\$ 34,000		\$ 34,000
29 Riveredge Design Phase 4	13		\$ 25,000		\$ 25,000
19 Planning Comm Laptops	14		\$ 10,000		\$ 10,000
12 Museum Microfilm	15		\$ 1,911		\$ 1,911
11 Museum Painting	18		\$ 26,500	\$ 4,000	\$ 30,500
20 Route 29 - Banners	19		\$ 15,000		\$ 15,000
21 Sign grant program	20		\$ 10,000		\$ 10,000
18 Logo - painting on Water tank	22		\$ 10,200		\$ 10,200
5 EMS Fitness Initiative	24		\$ 4,000		\$ 4,000
6 HR - Performance Management	25		\$ 8,241		\$ 8,241
14 Air Lock Admin Building	26		\$ 9,500		\$ 9,500
4 Registrar Floor	27		\$ 4,915		\$ 4,915
17 Windows 1& D Courtroom	28		\$ 30,000		\$ 30,000
31 General District Furniture	30		\$ 4,600		\$ 4,600
1 IT - Network Specialist	4	\$ 57,600			\$ 57,600
7 HR Specialist (make full-time)	8	\$ 24,613			\$ 24,613
3 Clerk - Full-time Position	6	\$ 52,200			\$ 52,200
9 CSA Position (make full-time)	7	\$ 25,380			\$ 25,380
26 Microsoft 365	6	\$ 45,000			\$ 45,000
24 Grounds Technician	16	\$ 44,000	\$ 10,000		\$ 54,000
25 Maintenance Technician	17	\$ 44,000	\$ 10,000		\$ 54,000
16 Maintenance Worker - I	21	\$ 45,195			\$ 45,195
2 Academic Excellence	23	\$ 100,000			\$ 100,000
30 Benefit Consultant	29	\$ 35,000			\$ 35,000
					\$ -
Total of Cost to the General Fund		\$ 472,988	\$ 335,287		
Total Other Funding Sources				\$ 40,400	
Total Project costs					\$ 451,687



FINAL THOUGHTS

- ▶ Both options have no proposal for a tax increase included in the calculations.
- ▶ You will be choosing the insurance option during your regular board meeting tonight
- ▶ The budget workshop March 26 will be when the final budget proposal based on your insurance choice will be presented.



QUESTIONS?