

AGENDA ITEM: 5.4
MEETING DATE: 9/6/2016
TO: City Council
FROM: Human Resources
PRESENTER: Julia Holland, Human Resources Director



TITLE:

Update from August 30, 2016 Study Session Presentation of the 2017 Benefit Fund budget recommendations

RECOMMENDED CITY COUNCIL ACTION:

To evaluate alternatives and direct Staff to move forward with necessary steps to incorporate Council recommendations on the Benefit Fund into the 2017 Budget.

OPTIONS:

- 1) Medical Cost share average of 80% employer and 20% employee.
- 2) Medical Cost share average of 85% employer and 15% employee.

SUMMARY:

On August 30, 2016 Staff presented information regarding the City of Loveland Benefits Plan, "Plan". City Council directed Staff to present additional options regarding the "Plan" to allow the Council the opportunity to include updated costs into the 2017 Budget. Staff is currently gathering data necessary to present this agenda item to City Council on September 6, 2016.

Due to the short turn-around the materials will not be available until the morning of the regular meeting. Updated information provided by Staff will respond to Council's questions from the Study Session including percentage contribution split with employee impact comparisons; family medical split, and regional and state health costs comparisons.

Staff will notify Council immediately when the updated information is available on the website.

REVIEWED BY CITY MANAGER:

SCA

LIST OF ATTACHMENTS:

1. Staff memorandum, including attachments, will be provided on September 6, 2016
2. Power point presentation will be provided on September 6, 2016



To: City Council
From: Julia Holland, Human Resources Director
Date: September 6, 2016
RE: 2017 Benefit Fund Supplemental Report

The Employee Benefits Fund tracks revenue and expenses related to medical, dental, life insurance and disability, and wellness programs offered by the City. The revenues to the funds consist primarily of City contributions and employee payments for medical and dental premiums. The majority of the expenses consist of claim payments for medical and prescriptions as well as administrative costs, such as stop loss premiums. Other related expenses are the Administrative Service fees to the insurance carrier that manages the claims for medical and dental insurance, premium payments for both short and long term disability coverage, life insurance, wellness programs, employee assistance program, health plan consulting services, and costs for operating an employee health clinic.

On August 30, 2016, Council reviewed staff recommendations for the 2017 Benefit Fund. Due to the volatility of medical claims, which is the main cost driver of the fund, and the significant increase in claims beginning in 2013 and continuing through 2015 the fund balance was depleted. Relying on the fund balance to cover expenses has resulted in an estimated revenue shortfall of \$4.2 million for projected 2017 medical expenses. Due to the considerable increase required to right-size the fund several options in the cost share structure were considered. The recommendation included a temporary shift from the traditional average of 80% employer and 20% employee cost share, to an average of 85% employer and 15% employee cost share. The 85/15 cost shift is only proposed for 2017 as staff expects to shift the cost share back to 80/20 beginning in 2018. Staff reviewed several options with the City Manager, Budget Office and our independent benefits consultant, IMA, Inc. prior to providing the 85/15 recommendation.

Based on City Council direction received on August 30, 2016, staff has prepared additional information comparing the recommended 85/15 cost share to the traditional 80/20 cost share. Included in the packet are the respective impacts to both the employee and employer, as well as additional benchmark information. The overall difference or shift in cost amounts to \$253,032 depending on the direction of Council. If the traditional cost share is used for 2017 the \$253,032 will be built into the employee premiums and if the 85/15 cost share is used it will be built into the City premiums through the department allocations/charges.

HRA

Premium Equivalents & Monthly Contributions

80/20 Cost Share Average

2016

		EMPLOYEE							
		With incentive				Without incentive			
		\$		%		\$		%	
		EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland
Premium Equivalent		\$500.76				\$540.76			
Full time 40 hour		\$50.08	\$450.68	10%	90%	\$90.08	\$450.68	17%	83%
Part Time 35-39		\$50.08	\$450.68	10%	90%	\$90.08	\$450.68	17%	83%
Part Time 30-34		\$50.08	\$450.68	10%	90%	\$90.08	\$450.68	17%	83%
Part Time 25-29		\$218.86	\$281.90	44%	56%	\$258.86	\$281.90	48%	52%
Part Time 20-24		\$275.42	\$225.34	55%	45%	\$315.42	\$225.34	58%	42%
		EMPLOYEE +SPOUSE							
		With incentive				Without incentive			
		\$		%		\$		%	
		EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland
Premium Equivalent		\$1,091.38				\$1,131.38			
Full time 40 hour		\$212.84	\$878.54	20%	80%	\$252.84	\$878.54	22%	78%
Part Time 35-39		\$212.84	\$878.54	20%	80%	\$252.84	\$878.54	22%	78%
Part Time 30-34		\$212.84	\$878.54	20%	80%	\$252.84	\$878.54	22%	78%
Part Time 25-29		\$542.44	\$548.94	50%	50%	\$582.44	\$548.94	51%	49%
Part Time 20-24		\$651.56	\$439.82	60%	40%	\$691.56	\$439.82	61%	39%
		EMPLOYEE + CHILD(REN)							
		With incentive				Without incentive			
		\$		%		\$		%	
		EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland
Premium Equivalent		\$941.98				\$981.98			
Full time 40 hour		\$183.70	\$758.28	20%	80%	\$223.70	\$758.28	23%	77%
Part Time 35-39		\$183.70	\$758.28	20%	80%	\$223.70	\$758.28	23%	77%
Part Time 30-34		\$183.70	\$758.28	20%	80%	\$223.70	\$758.28	23%	77%
Part Time 25-29		\$468.16	\$473.82	50%	50%	\$508.16	\$473.82	52%	48%
Part Time 20-24		\$562.36	\$379.62	60%	40%	\$602.36	\$379.62	61%	39%
		FAMILY							
		With incentive				Without incentive			
		\$		%		\$		%	
		EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland
Premium Equivalent		\$1,403.04				\$1,443.04			
Full time 40 hour		\$301.66	\$1,101.38	22%	78%	\$341.66	\$1,101.38	24%	76%
Part Time 35-39		\$301.66	\$1,101.38	22%	78%	\$341.66	\$1,101.38	24%	76%
Part Time 30-34		\$301.66	\$1,101.38	22%	78%	\$341.66	\$1,101.38	24%	76%
Part Time 25-29		\$715.42	\$687.62	51%	49%	\$755.42	\$687.62	52%	48%
Part Time 20-24		\$853.06	\$549.98	61%	39%	\$893.06	\$549.98	62%	38%

2017

		EMPLOYEE							
		With incentive				Without incentive			
		\$		%		\$		%	
		EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland
Premium Equivalent		\$757.36				\$757.36			
Full time 40 hour		\$55.93	\$701.43	7%	93%	\$95.93	\$661.43	13%	87%
Part Time 35-39		\$55.93	\$701.43	7%	93%	\$95.93	\$661.43	13%	87%
Part Time 30-34		\$55.93	\$701.43	7%	93%	\$95.93	\$661.43	13%	87%
Part Time 25-29		\$322.55	\$434.82	43%	57%	\$362.55	\$394.82	48%	52%
Part Time 20-24		\$401.76	\$355.60	53%	47%	\$441.76	\$315.60	58%	42%
		EMPLOYEE +SPOUSE							
		With incentive				Without incentive			
		\$		%		\$		%	
		EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland
Premium Equivalent		\$1,584.56				\$1,584.56			
Full time 40 hour		\$292.24	\$1,292.32	18%	82%	\$332.24	\$1,252.32	21%	79%
Part Time 35-39		\$292.24	\$1,292.32	18%	82%	\$332.24	\$1,252.32	21%	79%
Part Time 30-34		\$292.24	\$1,292.32	18%	82%	\$332.24	\$1,252.32	21%	79%
Part Time 25-29		\$775.74	\$808.82	49%	51%	\$815.74	\$768.82	51%	49%
Part Time 20-24		\$928.57	\$655.99	59%	41%	\$968.57	\$615.99	61%	39%
		EMPLOYEE + CHILD(REN)							
		With incentive				Without incentive			
		\$		%		\$		%	
		EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland
Premium Equivalent		\$1,375.31				\$1,375.31			
Full time 40 hour		\$253.95	\$1,121.36	18%	82%	\$293.95	\$1,081.36	21%	79%
Part Time 35-39		\$253.95	\$1,121.36	18%	82%	\$293.95	\$1,081.36	21%	79%
Part Time 30-34		\$253.95	\$1,121.36	18%	82%	\$293.95	\$1,081.36	21%	79%
Part Time 25-29		\$671.70	\$703.61	49%	51%	\$711.70	\$663.61	52%	48%
Part Time 20-24		\$803.64	\$571.68	58%	42%	\$843.64	\$531.68	61%	39%
		FAMILY							
		With incentive				Without incentive			
		\$		%		\$		%	
		EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland
Premium Equivalent		\$2,021.05				\$2,021.05			
Full time 40 hour		\$408.95	\$1,612.10	20%	80%	\$448.95	\$1,572.10	22%	78%
Part Time 35-39		\$408.95	\$1,612.10	20%	80%	\$448.95	\$1,572.10	22%	78%
Part Time 30-34		\$408.95	\$1,612.10	20%	80%	\$448.95	\$1,572.10	22%	78%
Part Time 25-29		\$1,018.00	\$1,003.05	50%	50%	\$1,058.00	\$963.05	52%	48%
Part Time 20-24		\$1,210.78	\$810.28	60%	40%	\$1,250.78	\$770.28	62%	38%

Change

EMPLOYEE					
With incentive			Without incentive		
amount			amount		
	EE	City of Loveland	EE	City of Loveland	
Premium Equivalent	\$256.60	51%	\$216.60	40%	
Full time 40 hour	\$5.85	\$250.75	\$5.85	\$210.75	
Part Time 35-39	\$5.85	\$250.75	\$5.85	\$210.75	
Part Time 30-34	\$5.85	\$250.75	\$5.85	\$210.75	
Part Time 25-29	\$103.69	\$152.92	\$103.69	\$112.92	
Part Time 20-24	\$126.34	\$130.26	\$126.34	\$90.26	
EMPLOYEE +SPOUSE					
With incentive			Without incentive		
amount			amount		
	EE	City of Loveland	EE	City of Loveland	
Premium Equivalent	\$493.18	45%	\$453.18	40%	
Full time 40 hour	\$79.40	\$413.78	\$79.40	\$373.78	
Part Time 35-39	\$79.40	\$413.78	\$79.40	\$373.78	
Part Time 30-34	\$79.40	\$413.78	\$79.40	\$373.78	
Part Time 25-29	\$233.30	\$259.88	\$233.30	\$219.88	
Part Time 20-24	\$277.01	\$216.17	\$277.01	\$176.17	
EMPLOYEE + CHILD(REN)					
With incentive			Without incentive		
amount			amount		
	EE	City of Loveland	EE	City of Loveland	
Premium Equivalent	\$433.33	46%	\$393.33	40%	
Full time 40 hour	\$70.25	\$363.08	\$70.25	\$323.08	
Part Time 35-39	\$70.25	\$363.08	\$70.25	\$323.08	
Part Time 30-34	\$70.25	\$363.08	\$70.25	\$323.08	
Part Time 25-29	\$203.54	\$229.79	\$203.54	\$189.79	
Part Time 20-24	\$241.28	\$192.06	\$241.28	\$152.06	
FAMILY					
With incentive			Without incentive		
amount			amount		
	EE	City of Loveland	EE	City of Loveland	
Premium Equivalent	\$618.01	44%	\$578.01	40%	
Full time 40 hour	\$107.29	\$510.72	\$107.29	\$470.72	
Part Time 35-39	\$107.29	\$510.72	\$107.29	\$470.72	
Part Time 30-34	\$107.29	\$510.72	\$107.29	\$470.72	
Part Time 25-29	\$302.58	\$315.43	\$302.58	\$275.43	
Part Time 20-24	\$357.72	\$260.30	\$357.72	\$220.30	

OAP

Premium Equivalents & Monthly Contributions
80/20 Cost Share Average

2016

EMPLOYEE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$649.50			\$689.50				
Full time 40 hour	\$64.96	\$584.54	10%	90%	\$104.96	\$584.54	15%	85%
Part Time 35-39	\$64.96	\$584.54	10%	90%	\$104.96	\$584.54	15%	85%
Part Time 30-34	\$64.96	\$584.54	10%	90%	\$104.96	\$584.54	15%	85%
Part Time 25-29	\$285.78	\$363.72	44%	56%	\$325.78	\$363.72	47%	53%
Part Time 20-24	\$357.24	\$292.26	55%	45%	\$397.24	\$292.26	58%	42%
EMPLOYEE +SPOUSE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,415.62			\$1,455.62				
Full time 40 hour	\$276.06	\$1,139.56	20%	80%	\$316.06	\$1,139.56	22%	78%
Part Time 35-39	\$276.06	\$1,139.56	20%	80%	\$316.06	\$1,139.56	22%	78%
Part Time 30-34	\$276.06	\$1,139.56	20%	80%	\$316.06	\$1,139.56	22%	78%
Part Time 25-29	\$703.58	\$712.04	50%	50%	\$743.58	\$712.04	51%	49%
Part Time 20-24	\$845.14	\$570.48	60%	40%	\$885.14	\$570.48	61%	39%
EMPLOYEE + CHILD(REN)								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,221.94			\$1,261.94				
Full time 40 hour	\$228.52	\$993.42	19%	81%	\$268.52	\$993.42	21%	79%
Part Time 35-39	\$228.52	\$993.42	19%	81%	\$268.52	\$993.42	21%	79%
Part Time 30-34	\$228.52	\$993.42	19%	81%	\$268.52	\$993.42	21%	79%
Part Time 25-29	\$607.32	\$614.62	50%	50%	\$647.32	\$614.62	51%	49%
Part Time 20-24	\$729.50	\$492.44	60%	40%	\$769.50	\$492.44	61%	39%
FAMILY								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,817.94			\$1,857.94				
Full time 40 hour	\$390.88	\$1,427.06	22%	78%	\$430.88	\$1,427.06	23%	77%
Part Time 35-39	\$390.88	\$1,427.06	22%	78%	\$430.88	\$1,427.06	23%	77%
Part Time 30-34	\$390.88	\$1,427.06	22%	78%	\$430.88	\$1,427.06	23%	77%
Part Time 25-29	\$925.34	\$892.60	51%	49%	\$965.34	\$892.60	52%	48%
Part Time 20-24	\$1,105.32	\$712.62	61%	39%	\$1,145.32	\$712.62	62%	38%

2017

EMPLOYEE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$965.68			\$965.68				
Full time 40 hour	\$97.92	\$867.76	10%	90%	\$137.92	\$827.76	14%	86%
Part Time 35-39	\$97.92	\$867.76	10%	90%	\$137.92	\$827.76	14%	86%
Part Time 30-34	\$97.92	\$867.76	10%	90%	\$137.92	\$827.76	14%	86%
Part Time 25-29	\$416.27	\$549.41	43%	57%	\$456.27	\$509.41	47%	53%
Part Time 20-24	\$516.36	\$449.33	53%	47%	\$556.36	\$409.33	58%	42%
EMPLOYEE +SPOUSE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$2,038.67			\$2,038.67				
Full time 40 hour	\$375.31	\$1,663.36	18%	82%	\$415.31	\$1,623.36	20%	80%
Part Time 35-39	\$375.31	\$1,663.36	18%	82%	\$415.31	\$1,623.36	20%	80%
Part Time 30-34	\$375.31	\$1,663.36	18%	82%	\$415.31	\$1,623.36	20%	80%
Part Time 25-29	\$1,001.42	\$1,037.25	49%	51%	\$1,041.42	\$997.25	51%	49%
Part Time 20-24	\$1,199.68	\$838.99	59%	41%	\$1,239.68	\$798.99	61%	39%
EMPLOYEE + CHILD(REN)								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,767.41			\$1,767.41				
Full time 40 hour	\$312.84	\$1,454.57	18%	82%	\$352.84	\$1,414.57	20%	80%
Part Time 35-39	\$312.84	\$1,454.57	18%	82%	\$352.84	\$1,414.57	20%	80%
Part Time 30-34	\$312.84	\$1,454.57	18%	82%	\$352.84	\$1,414.57	20%	80%
Part Time 25-29	\$866.60	\$900.81	49%	51%	\$906.60	\$860.81	51%	49%
Part Time 20-24	\$1,037.72	\$729.69	59%	41%	\$1,077.72	\$689.69	61%	39%
FAMILY								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$2,602.14			\$2,602.14				
Full time 40 hour	\$526.19	\$2,075.95	20%	80%	\$566.19	\$2,035.95	22%	78%
Part Time 35-39	\$526.19	\$2,075.95	20%	80%	\$566.19	\$2,035.95	22%	78%
Part Time 30-34	\$526.19	\$2,075.95	20%	80%	\$566.19	\$2,035.95	22%	78%
Part Time 25-29	\$1,312.01	\$1,290.13	50%	50%	\$1,352.01	\$1,250.13	52%	48%
Part Time 20-24	\$1,564.08	\$1,038.06	60%	40%	\$1,604.08	\$998.06	62%	38%

Change

EMPLOYEE				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$316.18	49%	\$276.18	40%
Full time 40 hour	\$32.96	\$283.22	\$32.96	\$243.22
Part Time 35-39	\$32.96	\$283.22	\$32.96	\$243.22
Part Time 30-34	\$32.96	\$283.22	\$32.96	\$243.22
Part Time 25-29	\$130.49	\$185.69	\$130.49	\$145.69
Part Time 20-24	\$159.12	\$157.07	\$159.12	\$117.07
EMPLOYEE +SPOUSE				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$623.05	44%	\$583.05	40%
Full time 40 hour	\$99.25	\$523.80	\$99.25	\$483.80
Part Time 35-39	\$99.25	\$523.80	\$99.25	\$483.80
Part Time 30-34	\$99.25	\$523.80	\$99.25	\$483.80
Part Time 25-29	\$297.84	\$325.21	\$297.84	\$285.21
Part Time 20-24	\$354.54	\$268.51	\$354.54	\$228.51
EMPLOYEE + CHILD(REN)				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$545.47	45%	\$505.47	40%
Full time 40 hour	\$84.32	\$461.15	\$84.32	\$421.15
Part Time 35-39	\$84.32	\$461.15	\$84.32	\$421.15
Part Time 30-34	\$84.32	\$461.15	\$84.32	\$421.15
Part Time 25-29	\$259.28	\$286.19	\$259.28	\$246.19
Part Time 20-24	\$308.22	\$237.25	\$308.22	\$197.25
FAMILY				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$784.20	43%	\$744.20	40%
Full time 40 hour	\$135.31	\$648.89	\$135.31	\$608.89
Part Time 35-39	\$135.31	\$648.89	\$135.31	\$608.89
Part Time 30-34	\$135.31	\$648.89	\$135.31	\$608.89
Part Time 25-29	\$386.67	\$397.53	\$386.67	\$357.53
Part Time 20-24	\$458.76	\$325.44	\$458.76	\$285.44

HRA

Premium Equivalents & Contributions

85/15 Cost Share Average

2016

EMPLOYEE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$500.76			\$540.76				
Full time 40 hour	\$50.08	\$450.68	10%	90%	\$90.08	\$450.68	17%	83%
Part Time 35-39	\$50.08	\$450.68	10%	90%	\$90.08	\$450.68	17%	83%
Part Time 30-34	\$50.08	\$450.68	10%	90%	\$90.08	\$450.68	17%	83%
Part Time 25-29	\$218.86	\$281.90	44%	56%	\$258.86	\$281.90	48%	52%
Part Time 20-24	\$275.42	\$225.34	55%	45%	\$315.42	\$225.34	58%	42%
EMPLOYEE +SPOUSE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,091.38			\$1,131.38				
Full time 40 hour	\$212.84	\$878.54	20%	80%	\$252.84	\$878.54	22%	78%
Part Time 35-39	\$212.84	\$878.54	20%	80%	\$252.84	\$878.54	22%	78%
Part Time 30-34	\$212.84	\$878.54	20%	80%	\$252.84	\$878.54	22%	78%
Part Time 25-29	\$542.44	\$548.94	50%	50%	\$582.44	\$548.94	51%	49%
Part Time 20-24	\$651.56	\$439.82	60%	40%	\$691.56	\$439.82	61%	39%
EMPLOYEE + CHILD(REN)								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$941.98			\$981.98				
Full time 40 hour	\$183.70	\$758.28	20%	80%	\$223.70	\$758.28	23%	77%
Part Time 35-39	\$183.70	\$758.28	20%	80%	\$223.70	\$758.28	23%	77%
Part Time 30-34	\$183.70	\$758.28	20%	80%	\$223.70	\$758.28	23%	77%
Part Time 25-29	\$468.16	\$473.82	50%	50%	\$508.16	\$473.82	52%	48%
Part Time 20-24	\$562.36	\$379.62	60%	40%	\$602.36	\$379.62	61%	39%
FAMILY								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,403.04			\$1,443.04				
Full time 40 hour	\$301.66	\$1,101.38	22%	78%	\$341.66	\$1,101.38	24%	76%
Part Time 35-39	\$301.66	\$1,101.38	22%	78%	\$341.66	\$1,101.38	24%	76%
Part Time 30-34	\$301.66	\$1,101.38	22%	78%	\$341.66	\$1,101.38	24%	76%
Part Time 25-29	\$715.42	\$687.62	51%	49%	\$755.42	\$687.62	52%	48%
Part Time 20-24	\$853.06	\$549.98	61%	39%	\$893.06	\$549.98	62%	38%

2017

EMPLOYEE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$757.36			\$757.36				
Full time 40 hour	\$55.93	\$701.43	7%	93%	\$95.93	\$661.43	13%	87%
Part Time 35-39	\$55.93	\$701.43	7%	93%	\$95.93	\$661.43	13%	87%
Part Time 30-34	\$55.93	\$701.43	7%	93%	\$95.93	\$661.43	13%	87%
Part Time 25-29	\$322.55	\$434.82	43%	57%	\$362.55	\$394.82	48%	52%
Part Time 20-24	\$401.76	\$355.60	53%	47%	\$441.76	\$315.60	58%	42%
EMPLOYEE +SPOUSE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,584.56			\$1,584.56				
Full time 40 hour	\$263.41	\$1,321.15	17%	83%	\$303.41	\$1,281.15	19%	81%
Part Time 35-39	\$263.41	\$1,321.15	17%	83%	\$303.41	\$1,281.15	19%	81%
Part Time 30-34	\$263.41	\$1,321.15	17%	83%	\$303.41	\$1,281.15	19%	81%
Part Time 25-29	\$775.74	\$808.82	49%	51%	\$815.74	\$768.82	51%	49%
Part Time 20-24	\$928.57	\$655.99	59%	41%	\$968.57	\$615.99	61%	39%
EMPLOYEE + CHILD(REN)								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,375.31			\$1,375.31				
Full time 40 hour	\$228.44	\$1,146.87	17%	83%	\$268.44	\$1,106.87	20%	80%
Part Time 35-39	\$228.44	\$1,146.87	17%	83%	\$268.44	\$1,106.87	20%	80%
Part Time 30-34	\$228.44	\$1,146.87	17%	83%	\$268.44	\$1,106.87	20%	80%
Part Time 25-29	\$671.70	\$703.61	49%	51%	\$711.70	\$663.61	52%	48%
Part Time 20-24	\$803.64	\$571.68	58%	42%	\$843.64	\$531.68	61%	39%
FAMILY								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$2,021.05			\$2,021.05				
Full time 40 hour	\$369.99	\$1,651.06	18%	82%	\$409.99	\$1,611.06	20%	80%
Part Time 35-39	\$369.99	\$1,651.06	18%	82%	\$409.99	\$1,611.06	20%	80%
Part Time 30-34	\$369.99	\$1,651.06	18%	82%	\$409.99	\$1,611.06	20%	80%
Part Time 25-29	\$1,018.00	\$1,003.05	50%	50%	\$1,058.00	\$963.05	52%	48%
Part Time 20-24	\$1,210.78	\$810.28	60%	40%	\$1,250.78	\$770.28	62%	38%

Change

EMPLOYEE				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$256.60	51%	\$216.60	40%
Full time 40 hour	\$5.85	\$250.75	\$5.85	\$210.75
Part Time 35-39	\$5.85	\$250.75	\$5.85	\$210.75
Part Time 30-34	\$5.85	\$250.75	\$5.85	\$210.75
Part Time 25-29	\$103.69	\$152.92	\$103.69	\$112.92
Part Time 20-24	\$126.34	\$130.26	\$126.34	\$90.26
EMPLOYEE +SPOUSE				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$493.18	45%	\$453.18	40%
Full time 40 hour	\$50.57	\$442.61	\$50.57	\$402.61
Part Time 35-39	\$50.57	\$442.61	\$50.57	\$402.61
Part Time 30-34	\$50.57	\$442.61	\$50.57	\$402.61
Part Time 25-29	\$233.30	\$259.88	\$233.30	\$219.88
Part Time 20-24	\$277.01	\$216.17	\$277.01	\$176.17
EMPLOYEE + CHILD(REN)				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$433.33	46%	\$393.33	40%
Full time 40 hour	\$44.74	\$388.59	\$44.74	\$348.59
Part Time 35-39	\$44.74	\$388.59	\$44.74	\$348.59
Part Time 30-34	\$44.74	\$388.59	\$44.74	\$348.59
Part Time 25-29	\$203.54	\$229.79	\$203.54	\$189.79
Part Time 20-24	\$241.28	\$192.06	\$241.28	\$152.06
FAMILY				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$618.01	44%	\$578.01	40%
Full time 40 hour	\$68.33	\$549.68	\$68.33	\$509.68
Part Time 35-39	\$68.33	\$549.68	\$68.33	\$509.68
Part Time 30-34	\$68.33	\$549.68	\$68.33	\$509.68
Part Time 25-29	\$302.58	\$315.43	\$302.58	\$275.43
Part Time 20-24	\$357.72	\$260.30	\$357.72	\$220.30

OAP

Premium Equivalents & Monthly Contributions

85/15 Cost Share Average

2016

EMPLOYEE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$649.50			\$689.50				
Full time 40 hour	\$64.96	\$584.54	10%	90%	\$104.96	\$584.54	15%	85%
Part Time 35-39	\$64.96	\$584.54	10%	90%	\$104.96	\$584.54	15%	85%
Part Time 30-34	\$64.96	\$584.54	10%	90%	\$104.96	\$584.54	15%	85%
Part Time 25-29	\$285.78	\$363.72	44%	56%	\$325.78	\$363.72	47%	53%
Part Time 20-24	\$357.24	\$292.26	55%	45%	\$397.24	\$292.26	58%	42%
EMPLOYEE +SPOUSE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,415.62			\$1,455.62				
Full time 40 hour	\$276.06	\$1,139.56	20%	80%	\$316.06	\$1,139.56	22%	78%
Part Time 35-39	\$276.06	\$1,139.56	20%	80%	\$316.06	\$1,139.56	22%	78%
Part Time 30-34	\$276.06	\$1,139.56	20%	80%	\$316.06	\$1,139.56	22%	78%
Part Time 25-29	\$703.58	\$712.04	50%	50%	\$743.58	\$712.04	51%	49%
Part Time 20-24	\$845.14	\$570.48	60%	40%	\$885.14	\$570.48	61%	39%
EMPLOYEE + CHILD(REN)								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,221.94			\$1,261.94				
Full time 40 hour	\$228.52	\$993.42	19%	81%	\$268.52	\$993.42	21%	79%
Part Time 35-39	\$228.52	\$993.42	19%	81%	\$268.52	\$993.42	21%	79%
Part Time 30-34	\$228.52	\$993.42	19%	81%	\$268.52	\$993.42	21%	79%
Part Time 25-29	\$607.32	\$614.62	50%	50%	\$647.32	\$614.62	51%	49%
Part Time 20-24	\$729.50	\$492.44	60%	40%	\$769.50	\$492.44	61%	39%
FAMILY								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,817.94			\$1,857.94				
Full time 40 hour	\$390.88	\$1,427.06	22%	78%	\$430.88	\$1,427.06	23%	77%
Part Time 35-39	\$390.88	\$1,427.06	22%	78%	\$430.88	\$1,427.06	23%	77%
Part Time 30-34	\$390.88	\$1,427.06	22%	78%	\$430.88	\$1,427.06	23%	77%
Part Time 25-29	\$925.34	\$892.60	51%	49%	\$965.34	\$892.60	52%	48%
Part Time 20-24	\$1,105.32	\$712.62	61%	39%	\$1,145.32	\$712.62	62%	38%

2017

EMPLOYEE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$965.68			\$965.68				
Full time 40 hour	\$85.95	\$879.73	9%	91%	\$125.95	\$839.73	13%	87%
Part Time 35-39	\$85.95	\$879.73	9%	91%	\$125.95	\$839.73	13%	87%
Part Time 30-34	\$85.95	\$879.73	9%	91%	\$125.95	\$839.73	13%	87%
Part Time 25-29	\$416.27	\$549.41	43%	57%	\$456.27	\$509.41	47%	53%
Part Time 20-24	\$516.36	\$449.33	53%	47%	\$556.36	\$409.33	58%	42%
EMPLOYEE +SPOUSE								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$2,038.67			\$2,038.67				
Full time 40 hour	\$339.27	\$1,699.40	17%	83%	\$379.27	\$1,659.40	19%	81%
Part Time 35-39	\$339.27	\$1,699.40	17%	83%	\$379.27	\$1,659.40	19%	81%
Part Time 30-34	\$339.27	\$1,699.40	17%	83%	\$379.27	\$1,659.40	19%	81%
Part Time 25-29	\$1,001.42	\$1,037.25	49%	51%	\$1,041.42	\$997.25	51%	49%
Part Time 20-24	\$1,199.68	\$838.99	59%	41%	\$1,239.68	\$798.99	61%	39%
EMPLOYEE + CHILD(REN)								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$1,767.41			\$1,767.41				
Full time 40 hour	\$282.22	\$1,485.19	16%	84%	\$322.22	\$1,445.19	18%	82%
Part Time 35-39	\$282.22	\$1,485.19	16%	84%	\$322.22	\$1,445.19	18%	82%
Part Time 30-34	\$282.22	\$1,485.19	16%	84%	\$322.22	\$1,445.19	18%	82%
Part Time 25-29	\$866.60	\$900.81	49%	51%	\$906.60	\$860.81	51%	49%
Part Time 20-24	\$1,037.72	\$729.69	59%	41%	\$1,077.72	\$689.69	61%	39%
FAMILY								
With incentive				Without incentive				
\$		%		\$		%		
EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$2,602.14			\$2,602.14				
Full time 40 hour	\$477.06	\$2,125.08	18%	82%	\$517.06	\$2,085.08	20%	80%
Part Time 35-39	\$477.06	\$2,125.08	18%	82%	\$517.06	\$2,085.08	20%	80%
Part Time 30-34	\$477.06	\$2,125.08	18%	82%	\$517.06	\$2,085.08	20%	80%
Part Time 25-29	\$1,312.01	\$1,290.13	50%	50%	\$1,352.01	\$1,250.13	52%	48%
Part Time 20-24	\$1,564.08	\$1,038.06	60%	40%	\$1,604.08	\$998.06	62%	38%

Change

EMPLOYEE				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$316.18	49%	\$276.18	40%
Full time 40 hour	\$20.99	\$295.19	\$20.99	\$255.19
Part Time 35-39	\$20.99	\$295.19	\$20.99	\$255.19
Part Time 30-34	\$20.99	\$295.19	\$20.99	\$255.19
Part Time 25-29	\$130.49	\$185.69	\$130.49	\$145.69
Part Time 20-24	\$159.12	\$157.07	\$159.12	\$117.07
EMPLOYEE +SPOUSE				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$623.05	44%	\$583.05	40%
Full time 40 hour	\$63.21	\$559.84	\$63.21	\$519.84
Part Time 35-39	\$63.21	\$559.84	\$63.21	\$519.84
Part Time 30-34	\$63.21	\$559.84	\$63.21	\$519.84
Part Time 25-29	\$297.84	\$325.21	\$297.84	\$285.21
Part Time 20-24	\$354.54	\$268.51	\$354.54	\$228.51
EMPLOYEE + CHILD(REN)				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$545.47	45%	\$505.47	40%
Full time 40 hour	\$53.70	\$491.77	\$53.70	\$451.77
Part Time 35-39	\$53.70	\$491.77	\$53.70	\$451.77
Part Time 30-34	\$53.70	\$491.77	\$53.70	\$451.77
Part Time 25-29	\$259.28	\$286.19	\$259.28	\$246.19
Part Time 20-24	\$308.22	\$237.25	\$308.22	\$197.25
FAMILY				
With incentive		Without incentive		
amount		amount		
EE	City of Loveland	EE	City of Loveland	City of Loveland
Premium Equivalent	\$784.20	43%	\$744.20	40%
Full time 40 hour	\$86.18	\$698.02	\$86.18	\$658.02
Part Time 35-39	\$86.18	\$698.02	\$86.18	\$658.02
Part Time 30-34	\$86.18	\$698.02	\$86.18	\$658.02
Part Time 25-29	\$386.67	\$397.53	\$386.67	\$357.53
Part Time 20-24	\$458.76	\$325.44	\$458.76	\$285.44

Benefit Fund Supplemental Information

September 6, 2016

Julia Holland, Director of Human Resources

The following information is a supplement to the original agenda item published for August 30, 2016 Study Session

2017 Medical Cost Share Options

- 85/15

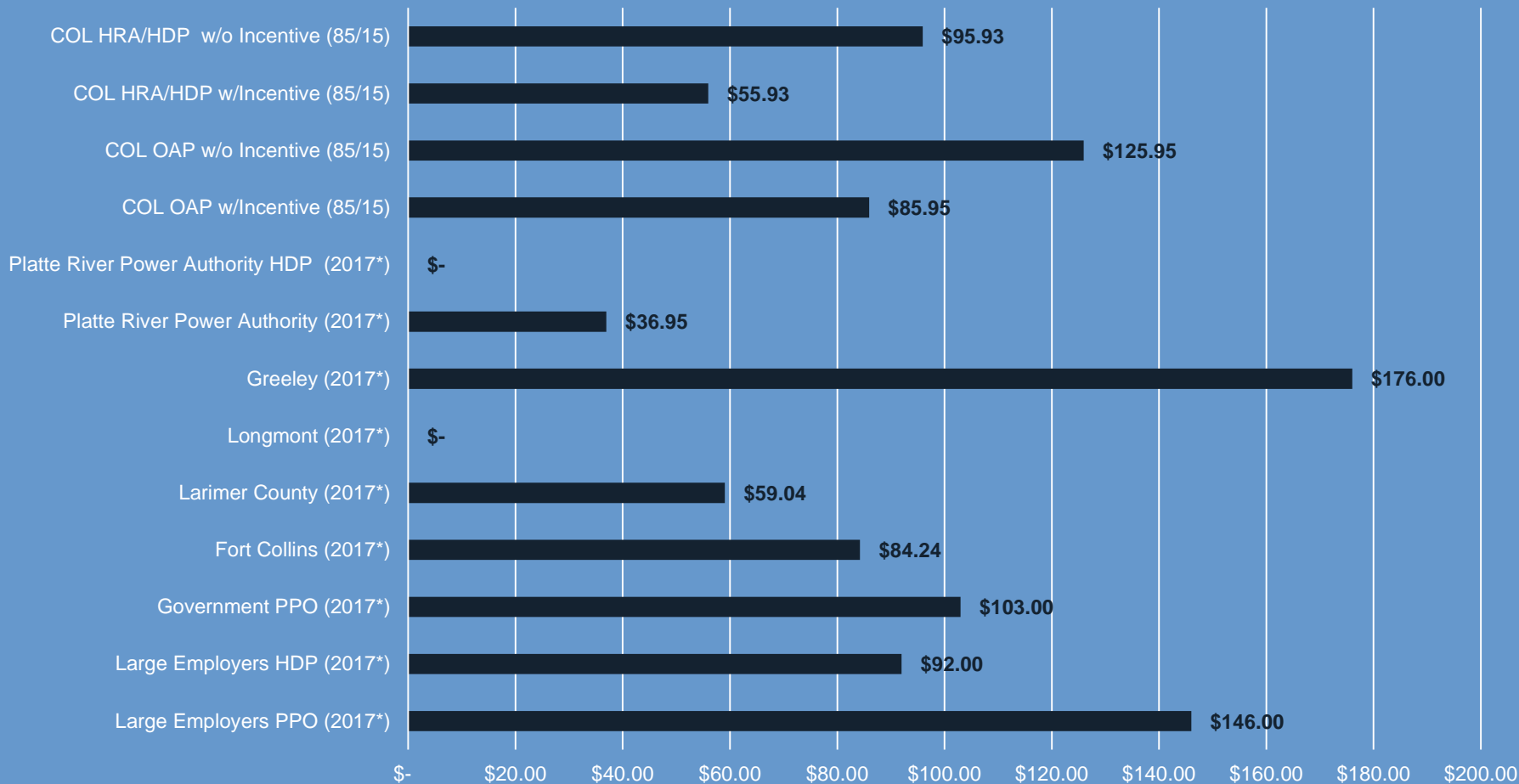
- Average contribution 85% Employer & 15% Employee
- Employer total annual increase \$3,835,497
- Employee total annual increase \$447,719

- 80/20

- Average contribution 80% Employer & 20% Employee
- Employer total annual increase \$3,582,465
- Employee total increase \$700,751

Employee Cost Comparison (85/15)

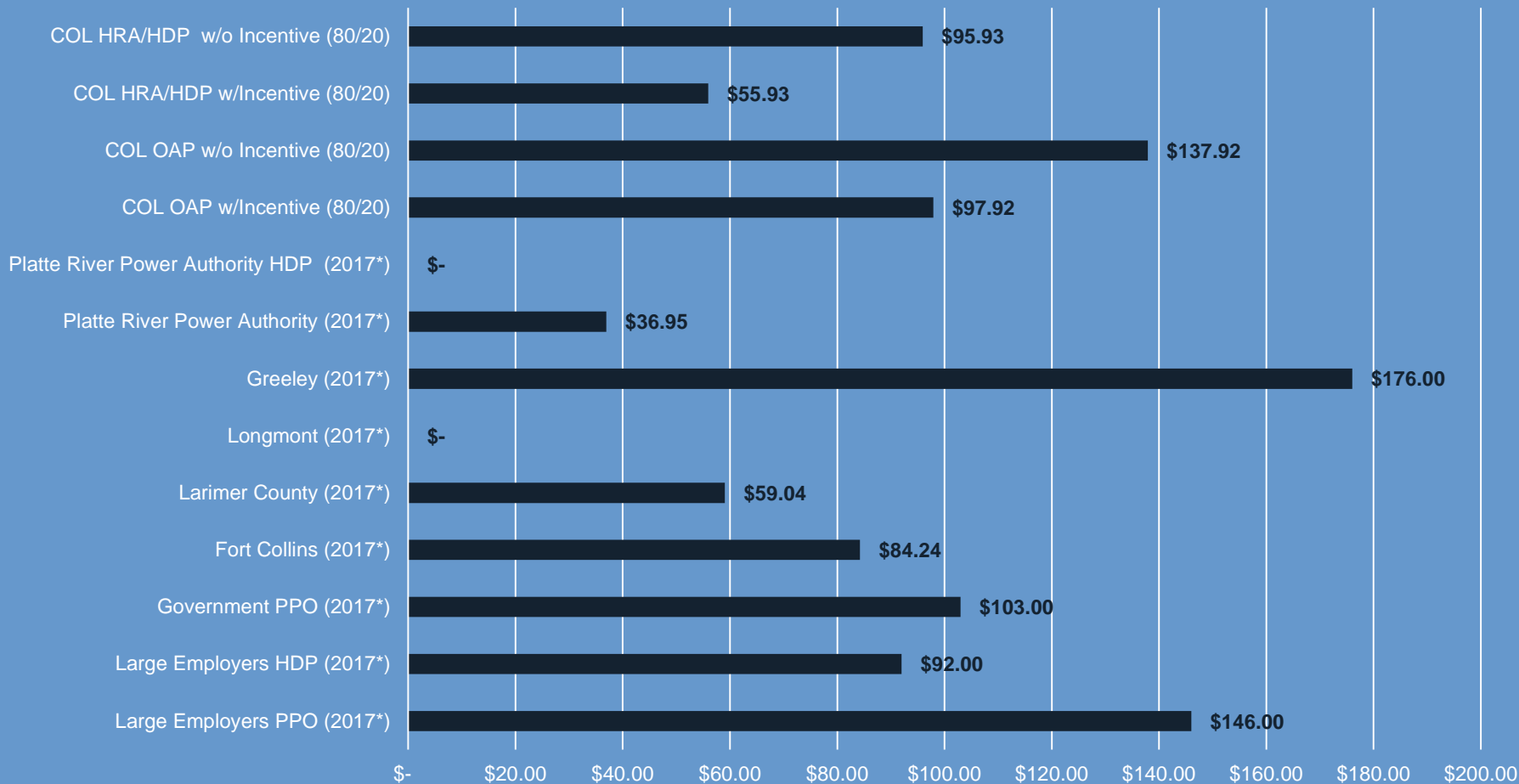
Employee Monthly Contribution – Employee Only Coverage



2016 Platte River Power Annual Benefit Survey & 2015 Mercer National Survey. *Assumptions of trend from survey's were used to project 2017 costs.

Employee Cost Comparison (80/20)

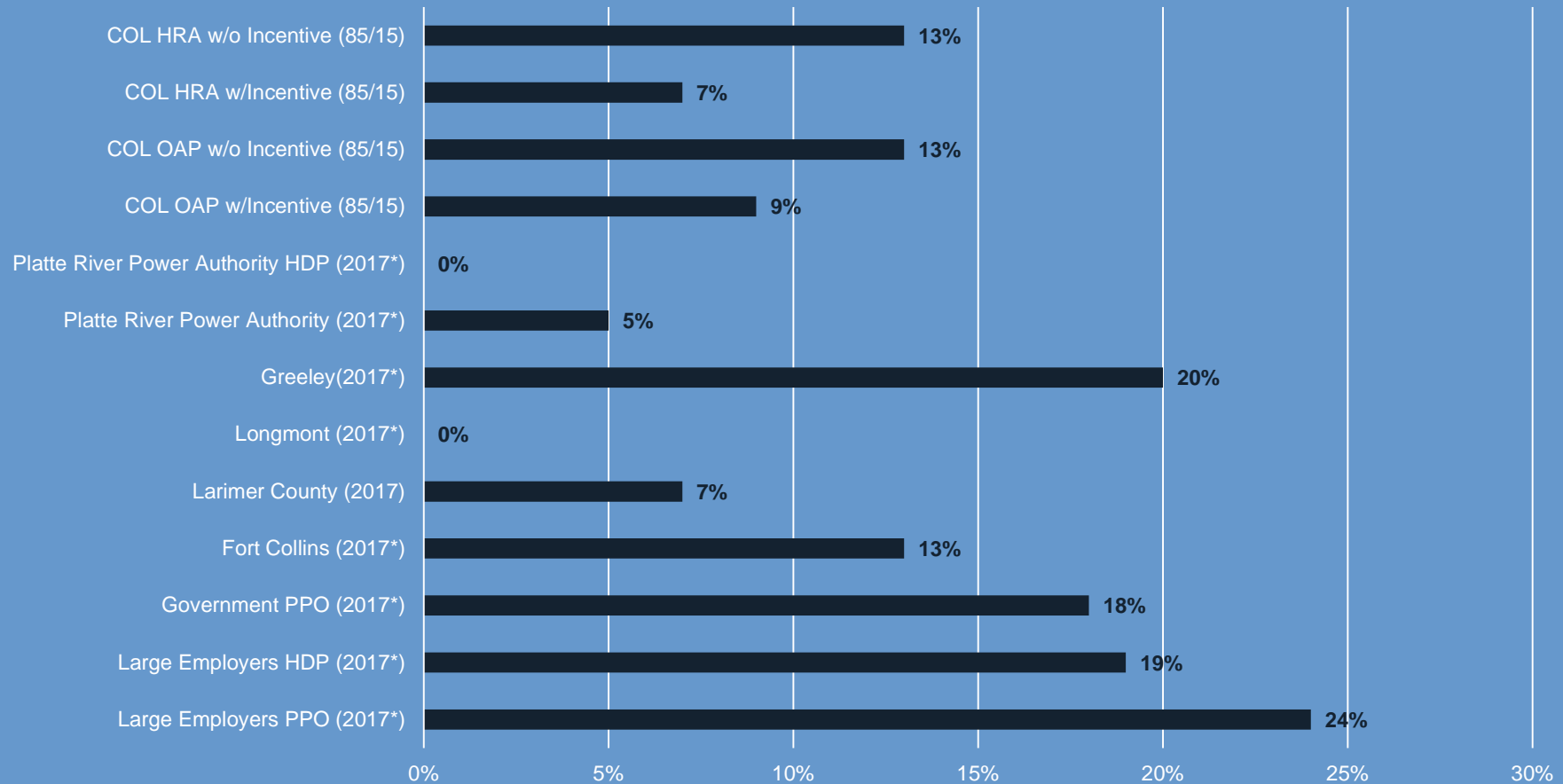
Employee Monthly Contribution – Employee Only Coverage



2016 Platte River Power Annual Benefit Survey & 2015 Mercer National Survey. *Assumptions of trend from survey's were used to project 2017 costs.

Employee Contribution Comparison (85/15)

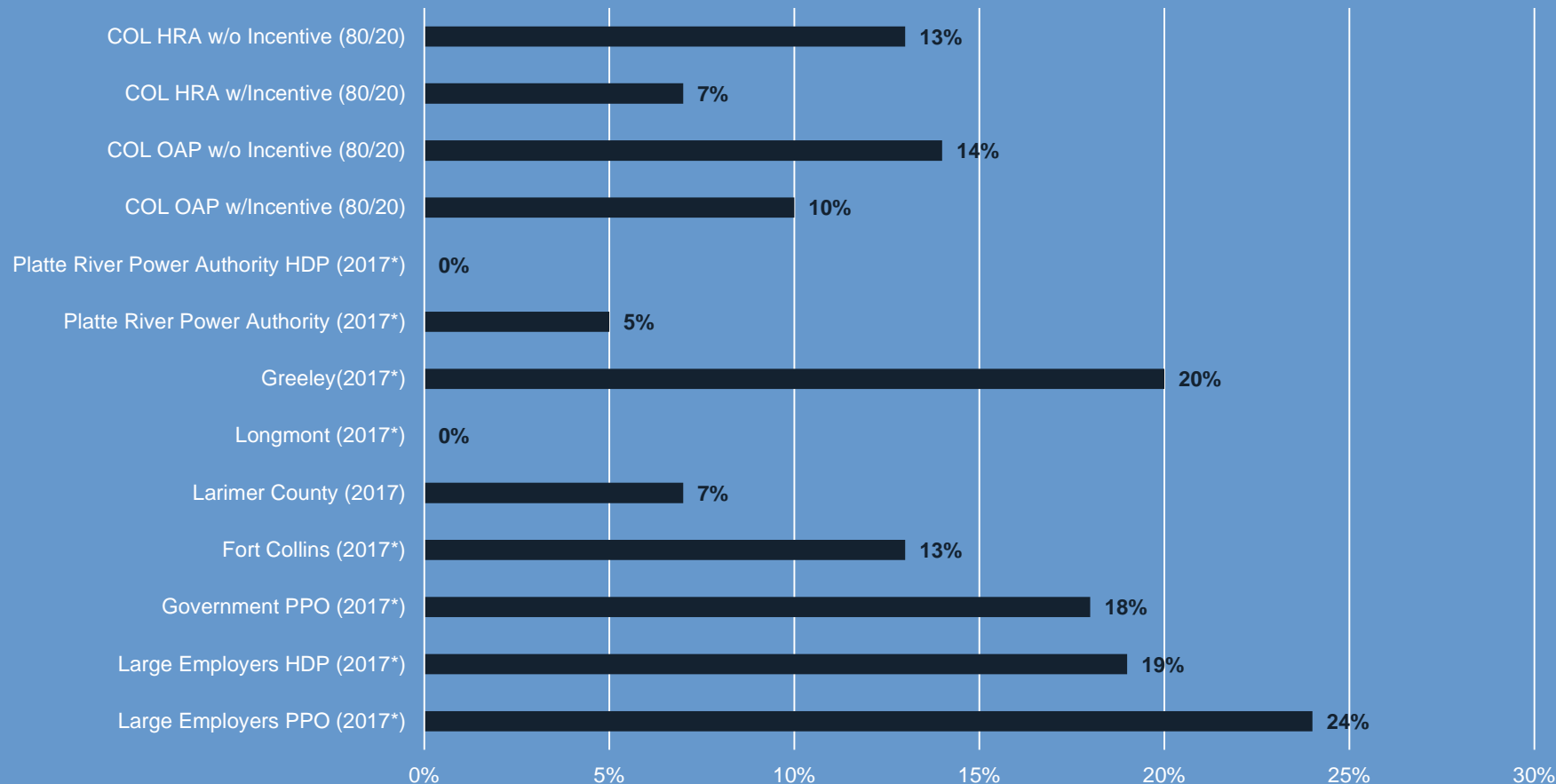
Employee % of Premium – Employee Only Coverage



2016 Platte River Power Annual Benefit Survey & 2015 Mercer National Survey. *Assumption that cost share structure from respective 2016 & 2015 surveys will remain the same for 2017 programs

Employee Contribution Comparison (80/20)

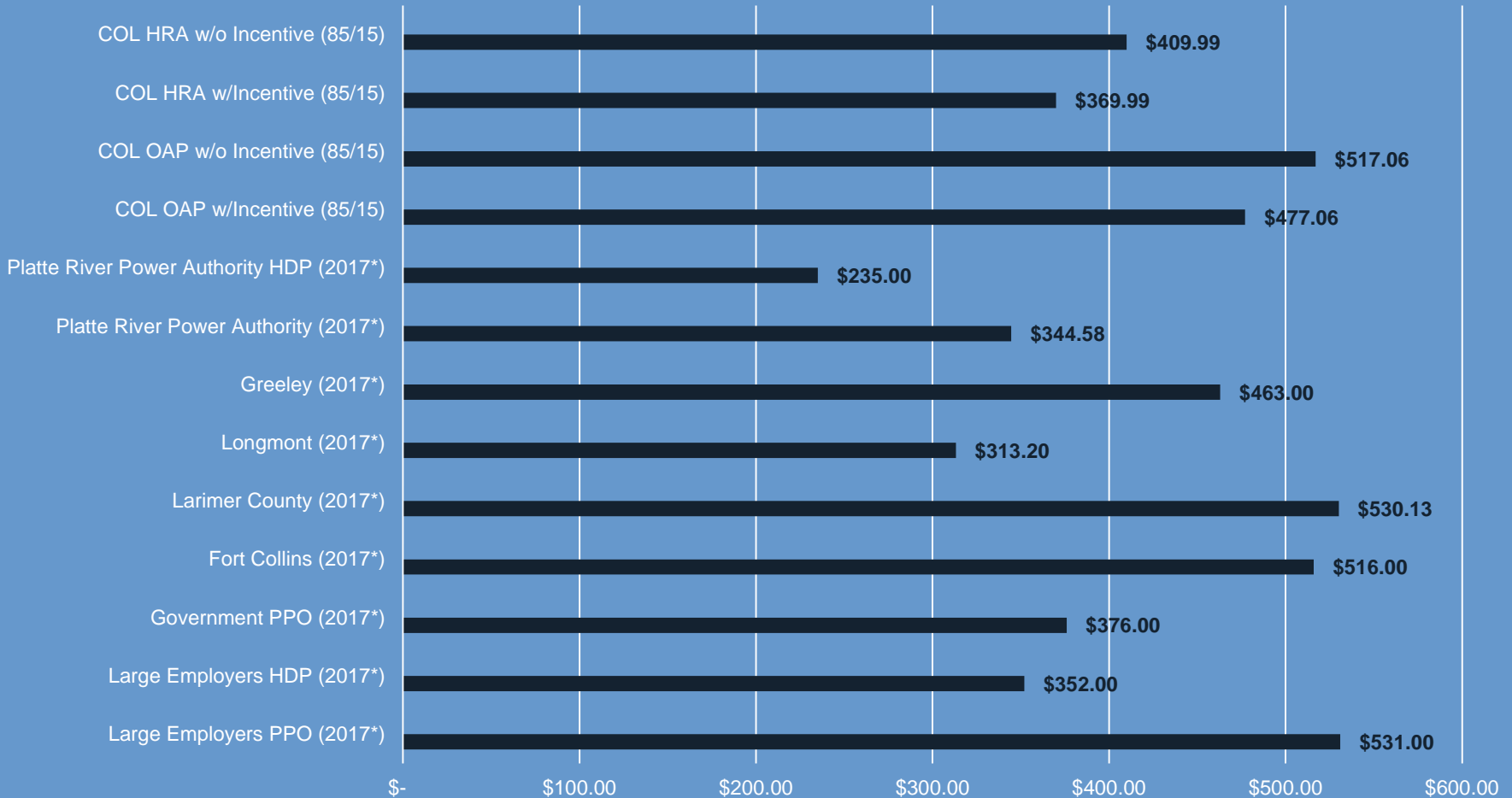
Employee % of Premium – Employee Only Coverage



2016 Platte River Power Annual Benefit Survey & 2015 Mercer National Survey. *Assumption that cost share structure from respective 2016 & 2015 surveys will remain the same for 2017 programs

Employee Cost Comparison Family Coverage (85/15)

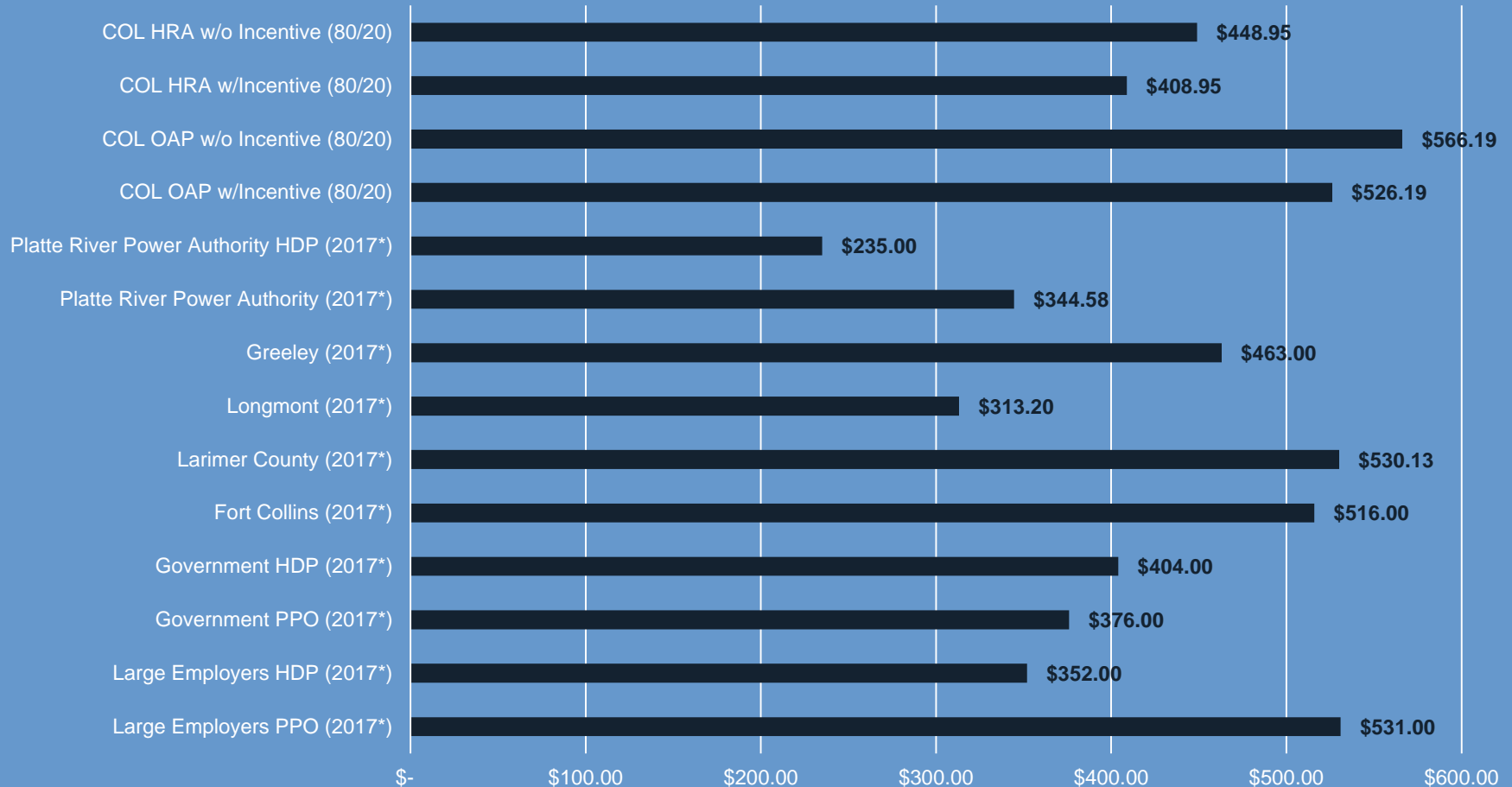
Employee Monthly Contribution – Family Coverage



2016 Platte River Power Annual Benefit Survey & 2015 Mercer National Survey. *Assumptions of trend from survey's were used to project 2017 costs.

Employee Cost Comparison Family Coverage (80/20)

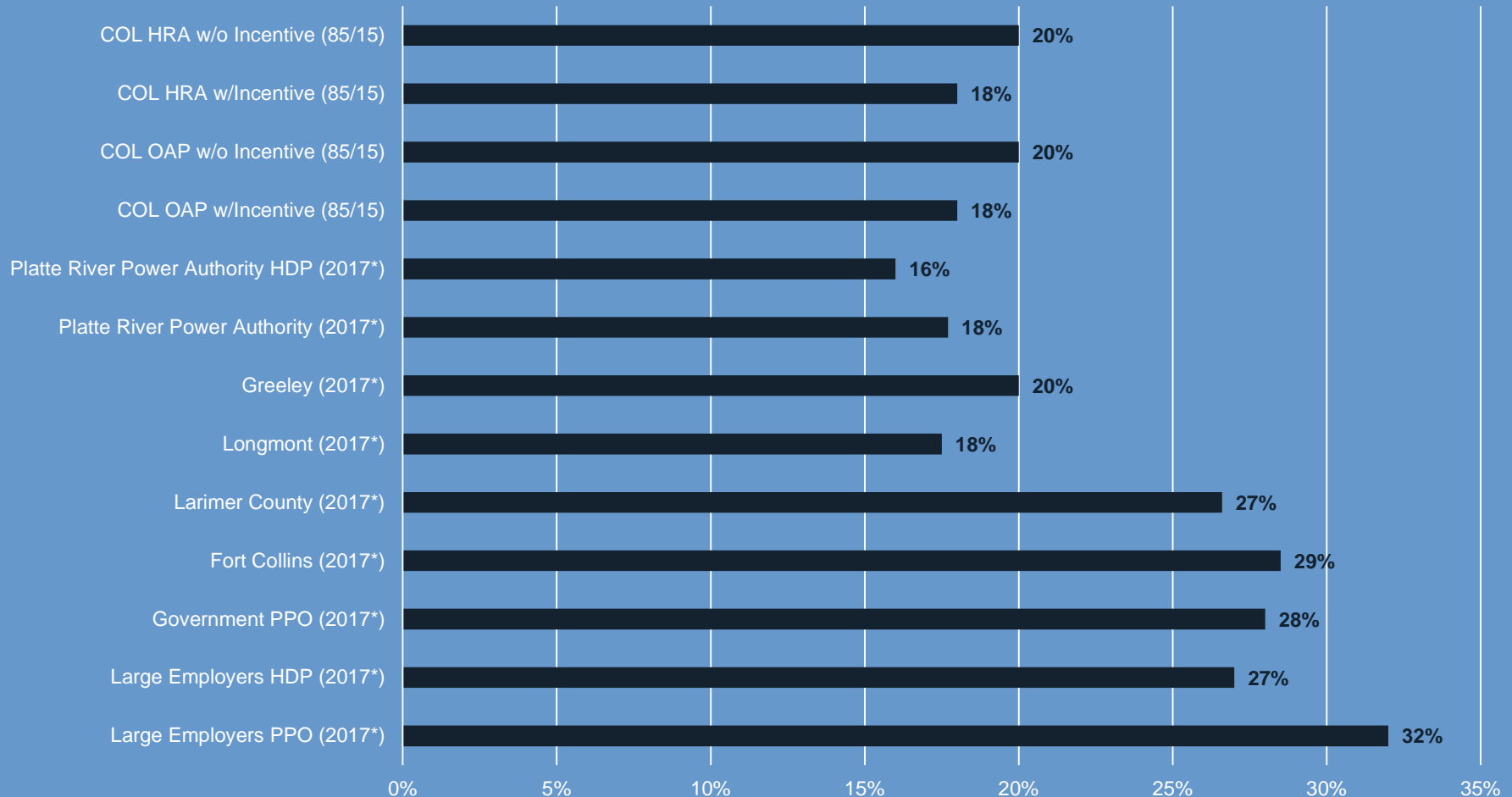
Employee Monthly Contribution - Family Coverage



2016 Platte River Power Annual Benefit Survey & 2015 Mercer National Survey. *Assumptions of trend from survey's were used to project 2017 costs

Employee Contribution Comparison (85/15)

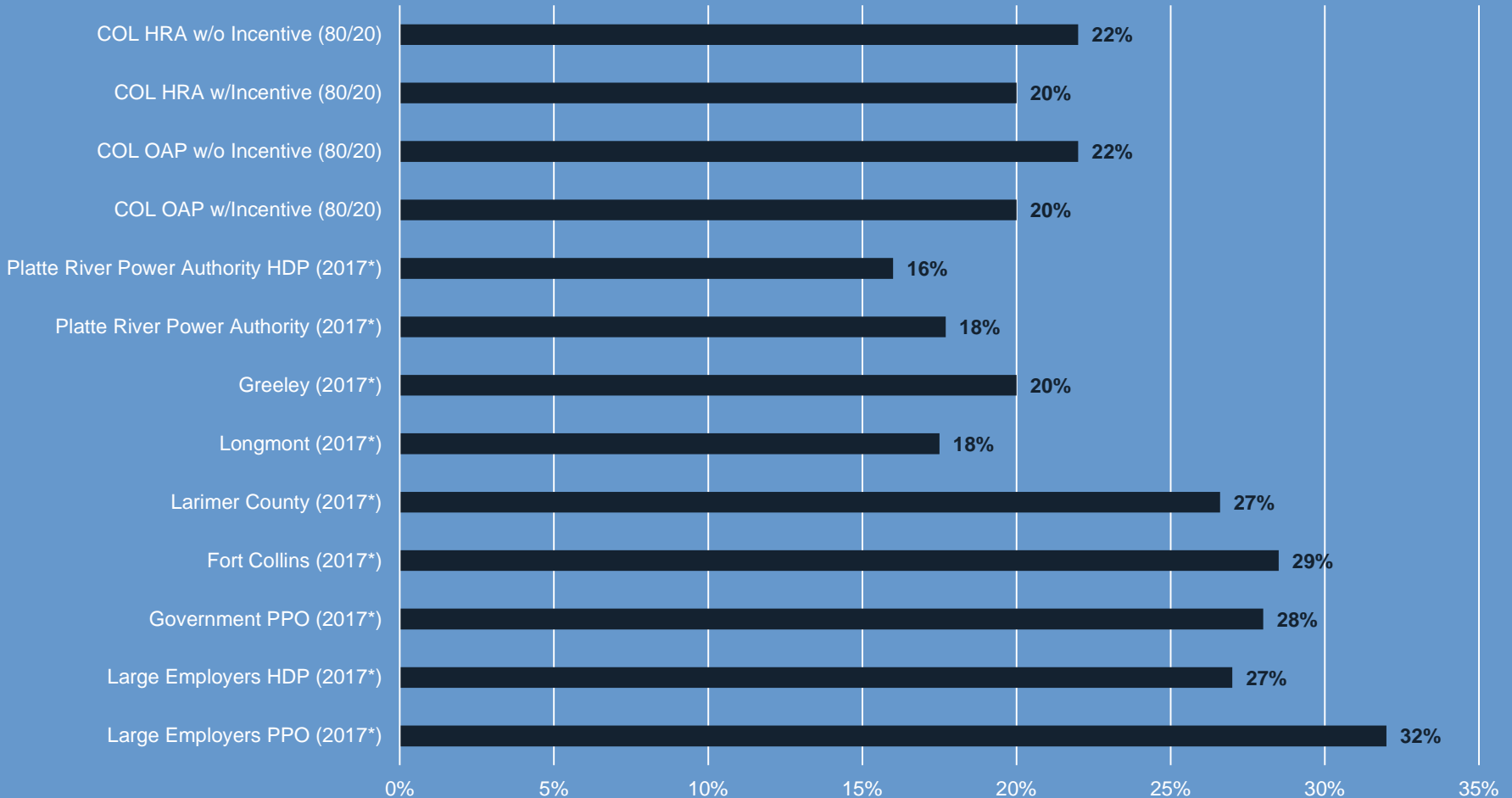
Employee % of Premium – Family Coverage



2016 Platte River Power Annual Benefit Survey & 2015 Mercer National Survey. *Assumption that cost share structure from respective 2016 & 2015 surveys will remain the same for 2017 programs

Employee Contribution Comparison (80/20)

Employee % of Premium – Family Coverage



2016 Platte River Power Annual Benefit Survey & 2015 Mercer National Survey. *Assumption that cost share structure from respective 2016 & 2015 surveys will remain the same for 2017 programs

Employee Impact Average 85/15

Cost Share with Incentive

OAP	2016 Annual Medical Premium	2017 Annual Medical Premium	2017 Annual Medical Increase
Employee Only	\$780	\$1,032	\$252
Employee & Spouse	\$3,313	\$4,072	\$759
Employee & Children	\$2,742	\$3,386	\$644
Family	\$4,691	\$5,725	\$1,034
HRA			
Employee Only	\$601	\$671	\$70
Employee & Spouse	\$2,554	\$3,161	\$607
Employee & Children	\$2,204	\$2,741	\$537
Family	\$3,620	\$4,440	\$820

*Assumes proposed 2017 merit of 3.5% on average full-time benefit eligible employee salary compared to rate with incentive

Employee Impact Average 80/20 Cost Share with Incentive

OAP	2016 Annual Medical Premium	2017 Annual Medical Premium	2017 Annual Medical Increase
Employee Only	\$780	\$1,176	\$395
Employee & Spouse	\$3,313	\$4,504	\$1,191
Employee & Children	\$2,742	\$3,754	\$1,012
Family	\$4,691	\$6,314	\$1,624
HRA			
Employee Only	\$601	\$671	\$70
Employee & Spouse	\$2,554	\$3,507	\$953
Employee & Children	\$2,204	\$3,047	\$843
Family	\$3,620	\$4,907	\$1,287

*Assumes proposed 2017 merit of 3.5% on average full-time benefit eligible employee salary compared to rate with incentive

Employee Merit Impact Average 85/15 Cost Share with Incentive

OAP	2017 Annual Medical Increase	Merit Net of Premium Increase	Net Merit %
Employee Only	\$252	\$2,013	3.11%
Employee & Spouse	\$759	\$1,506	2.33%
Employee & Children	\$644	\$1,621	2.50%
Family	\$1,034	\$1,231	1.90%
HRA			
Employee Only	\$70	\$2,194	3.39%
Employee & Spouse	\$607	\$1,658	2.56%
Employee & Children	\$537	\$1,728	2.67%
Family	\$820	\$1,445	2.23%

*Assumes proposed 2017 merit of 3.5% on average full-time benefit eligible employee salary compared to rate with incentive

Employee Merit Impact Average 80/20 Cost Share with Incentive

OAP	2017 Annual Medical Increase	Merit Net of Premium Increase	Net Merit %
Employee Only	\$395	\$1,870	2.89%
Employee & Spouse	\$1,191	\$1,074	1.66%
Employee & Children	\$1,012	\$1,253	1.94%
Family	\$1,624	\$641	.99%
HRA			
Employee Only	\$70	\$2,194	3.39%
Employee & Spouse	\$953	\$1,312	2.03%
Employee & Children	\$843	\$1,422	2.20%
Family	\$1,287	\$978	1.51%

*Assumes proposed 2017 merit of 3.5% on average full-time benefit eligible employee salary compared to rate with incentive

Employer Budget Impact for Benefit Fund - 85/15 Cost Share

Fund Name	Increase from 2016 Adopted Budget to 2017 Proposed Budget	
General Fund	\$3,132,801	63%
Enterprise Funds	\$892,325	41%
Special Revenue Funds	\$113,863	67%
Internal Service Funds	\$142,283	59%
Other Entities	\$754,560	76%
TOTAL	\$5,035,832	59%

Note: This is entire benefit fund not just medical impact. Detail of impact by specific funds are included in Agenda Item Packet

Employer Budget Impact for Benefit Fund – 80/20 Cost Share

Fund Name	Increase from 2016 Adopted Budget to 2017 Proposed Budget	
General Fund	\$2,981,716	60%
Enterprise Funds	\$835,437	38%
Special Revenue Funds	\$108,568	64%
Internal Service Funds	\$135,106	56%
Other Entities	\$722,005	73%
TOTAL	\$4,782,832	56%

Change from 85/15 to 80/20 shifts \$253,000 from the employer to the employee City-wide, \$151,085 of which is General Fund.

Note: This is entire benefit fund not just medical impact. Detail of impact by specific funds are included in Agenda Item Packet

City Council Feedback & Direction

- Confirm Council Support and/or Direction
- Benefit Fund recommendations to be adopted as part of 2017 Recommended Budget in October