



Nine Mile Creek Discovery Point
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MEMO

TO: Nine Mile Creek Watershed District Board of Managers
FROM: Randy Anhorn
DATE: December 2, 2019
RE: 2020 Blue Cross Blue Shield (BCBS) Monthly Premiums

Background

The District has been contracting with Blue Cross Blue Shield (BCBS) to provide health insurance to its employees since January 1, 2015. In 2019, the health savings account (HSA) plan, known as BlueAccess HSA Gold 653, had an annual deductible (or maximum out-of-pocket amount) of \$2,200 for individuals and \$4,400 for families. Per District policy, the District covers 100 percent of the employee cost and 75 percent of the family cost for insurance and in the past the Board has elected to cover the full deductible coverage for each employee enrolling in the plan by providing an annual deposit into each employee's HSA account.

In 2017, because the BCBS deductible went up from \$2,000/\$4,000 to \$2,200/\$4,400, the Board chose to increase the annual deposit into each employee's HSA account from \$2,000 to \$2,200 (covering 100% of the employee's deductible). In 2019, the District deposited \$2,200 into each employee's HSA account.

2020 premiums are estimated to increase by 8% over 2019 (\$4,274 as opposed to \$3,953).

In addition to the roughly 8.0% increase in premiums in 2020, the \$2,200/\$4,400 deductible option for the BlueAccess HSA Gold 653 program was replaced with a higher deductible option (\$2,350/\$4,700). So, premiums are going up and each employee's deductible is also going up.

It has been roughly 4-5 years since we have had our insurance brokerage firm, Bearence Management Group, do a comparison of our current health insurance to other options out there. I have already informed them that we would like a comparison done in time for open enrollment for 2021.

Request

For informational purposes to promote discussion.