

Human Resources

Employee Benefits – Self Funded Health Plan



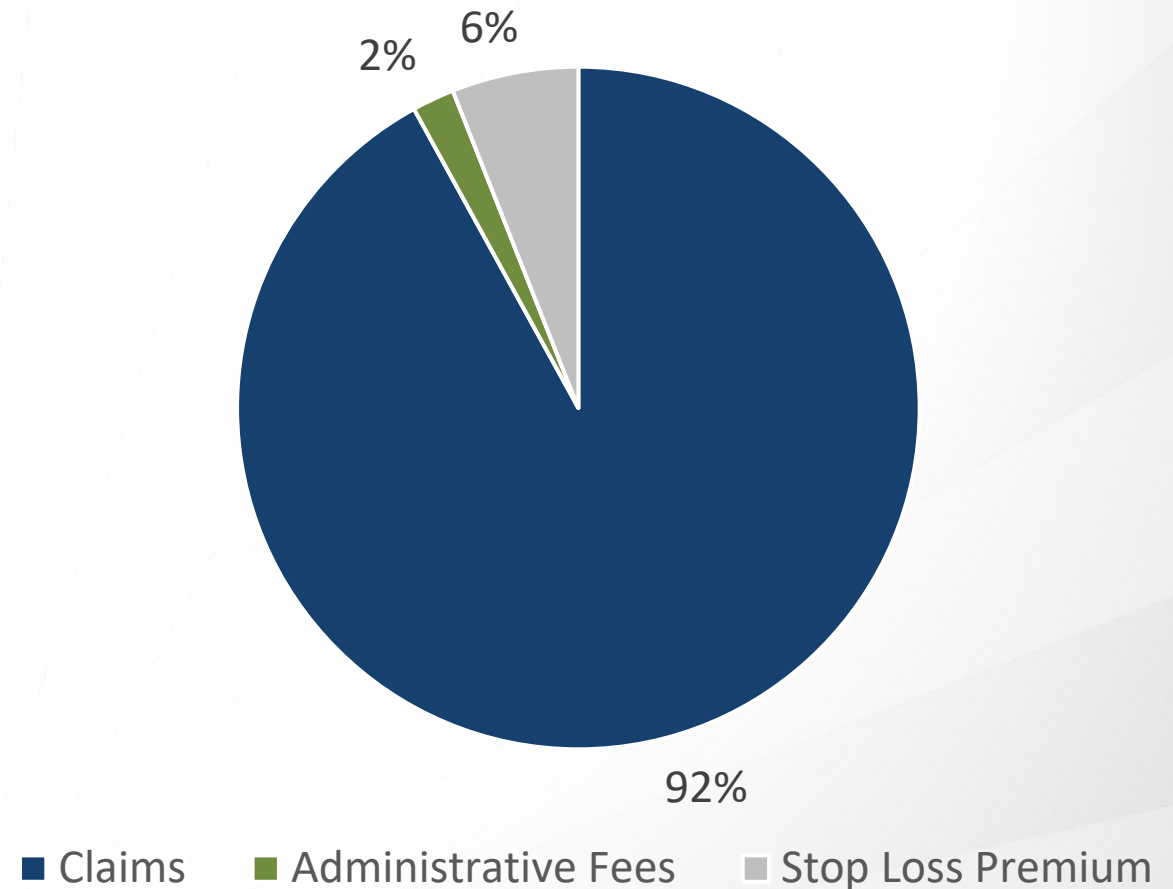


Current Department Highlights

- Durham County's health insurance program is a self-funded health plan
 - Stop Loss Insurance
 - Medical & Pharmacy Claims Administration
 - Claims Funding
- Current administrative services & stop loss insurance provided by Cigna
 - Alternative proposals for a 7/1/2025 received and evaluated
- Plans & contributions regularly reviewed to ensure Durham County's ability to attract & retain quality employees

Self Funded Health Plan

- “Administrative Services Only” contract with Cigna:
 - Cigna manages how claims are paid from Durham County’s claim funding
 - Cigna does not assume any of the “risk” other than the Stop Loss
- Premium Equivalents
 - Claims: \$35.6 million
 - Stop Loss Fee: \$2.3 million
 - Administrative Fee: \$761K





Request for Proposal Overview: 7/1/2025

- Proposals received from all major medical administrators (Aetna, BCBSNC, Cigna, MedCost, UnitedHealthcare)
- 6 additional pharmacy benefits management (PBM) proposal
- 23 additional Stop Loss only responses
- Cigna's improved pricing proposal was the overall most competitive option
 - Strong discounts of claims repricing
 - No provider disruption
 - Improved Pharmacy Pricing (discounts & rebates)
 - Positive impact of projected ~\$2 million per year compared to current contract
 - Increased Wellness funding
 - From \$100,000 to \$150,000 annually
 - Firm stop loss proposal
 - No lasers, renewal rate cap
 - Improved Performance Guarantees
 - Services and Claims discount guarantee



NACo and United Healthcare Proposals

- NACo EDGE Pharmacy Benefits Manager Coalition – CVS
 - Pharmacy pricing comparable to Cigna's 7/1/2025 updated guarantees
 - 268 medications currently being taken that would be excluded on the CVS-NACo formulary
 - 494 members impacted
- UnitedHealthcare
 - Proposed Stop Loss, Pharmacy Benefits Management and Administrative Services bundled
 - Pharmacy pricing comparable to Cigna's 7/1/2025 updated guarantees
 - Claims repricing \$730k higher than Cigna
 - Unable to match current vision benefit plan design

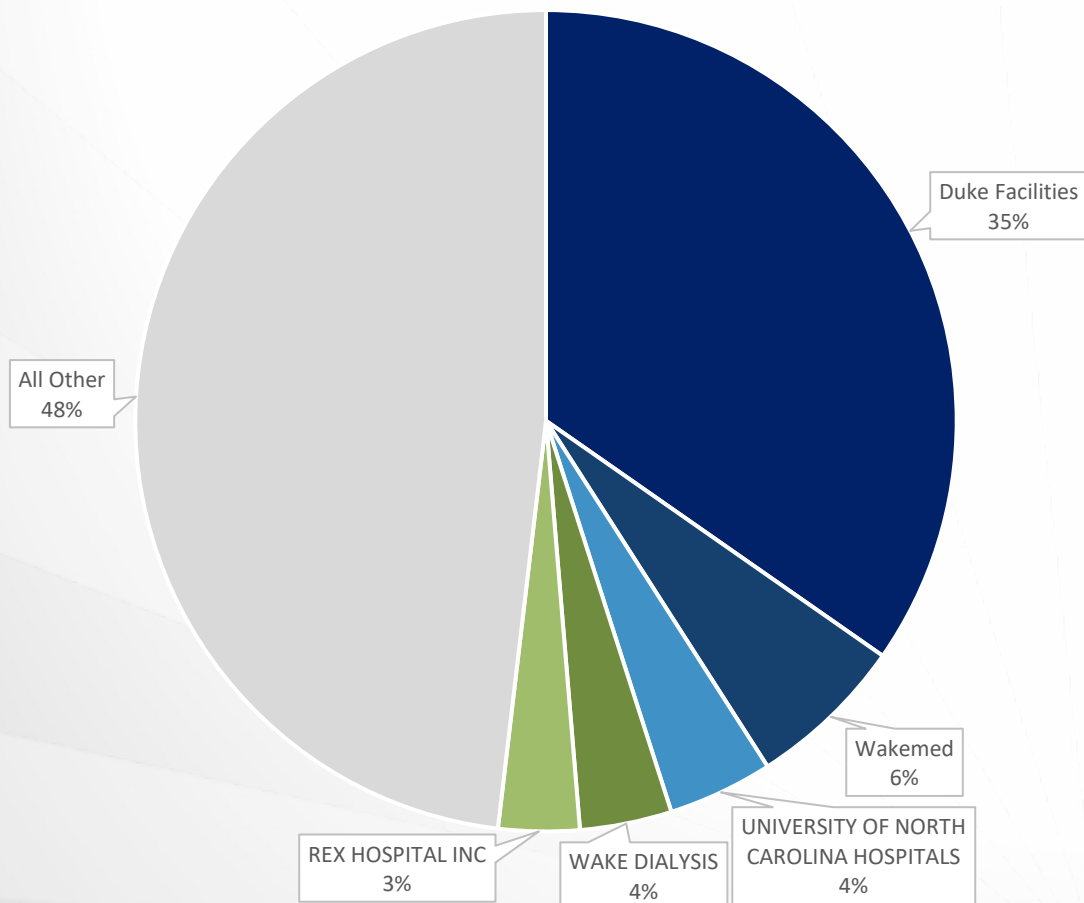


FY 2025-2026 Budget Considerations

- Overall projecting an increase in claims funding needed to cover health plan costs
 - Utilization increases (frequency of members receiving care & medications)
 - Claim amount increases (providers & facilities charging more, medication price increase)
 - Stop Loss Insurance renewal (cost of insuring risk of High Cost Claimants)
- Cost containment measures being implemented
 - Promoting use of Durham County's Health Clinic for employees
 - Alternative sourcing of GLP-1 Weight Loss Medications
 - Utilization Management of all GLP-1 Medications
- Continually evaluated
 - Employee coverage plan design (significant changes 7/1/2024)
 - Employee contributions
 - Duke Contract

Medical Provider Charges

All Billed Medical Charges



Provider Name	Billed Charges*
Duke Facilities	\$16,262,206.11
Wakemed	\$2,919,445.95
UNC HOSPITALS	\$1,937,155.24
WAKE DIALYSIS	\$1,695,404.42
REX HOSPITAL INC	\$1,495,212.94
All Other	\$22,556,234.88

*2024 calendar year billed charges

Base Plan Design & Contributions

BASE PLAN	
Deductible	\$2,250 Ind. / \$4,500 Fam.
Max Out-of-Pocket	\$4,500 Ind. / \$9,000 Fam.
Primary Care Visit	\$30 Copay
Specialist Visit	\$50 Copay
Urgent Care Copay	\$30 Copay
Emergency Room Copay	\$150 Copay
Inpatient Hospital	80% After Deductible
Outpatient Hospital	80% After Deductible
Advanced Imaging	80% After Deductible
PRESCRIPTION DRUG	
Generic	\$0 Copay
Preferred Brand	\$40 Copay
Non-Preferred Brand	\$60 Copay
Specialty	25% up to \$200 Max

This is the lower cost option of the two plans that DCo employees have access to. If an employee completed their Wellness requirements, their payroll deductions for this plan are:

Employee Only – \$0.00

Employee + Spouse – \$77.34

Employee + Child(ren) – \$53.73

Family – \$126.75

Buy-up Plan Design & Contributions

BUY-UP PLAN	
Deductible	\$1,000 Ind. / \$2,000 Fam.
Max Out-of-Pocket	\$2,500 Ind. / \$5,000 Fam.
Primary Care Visit	\$15 Copay
Specialist Visit	\$30 Copay
Urgent Care Copay	\$15 Copay
Emergency Room Copay	\$150 Copay
Inpatient Hospital	80% After Deductible
Outpatient Hospital	80% After Deductible
Advanced Imaging	80% After Deductible
PRESCRIPTION DRUG	
Generic	\$0 Copay
Preferred Brand	\$30 Copay
Non-Preferred Brand	\$45 Copay
Specialty	25% up to \$200 Max

This is the higher cost option of the two plans that DCo employees have access to. If an employee completed their Wellness requirements, their payroll deductions for this plan are:

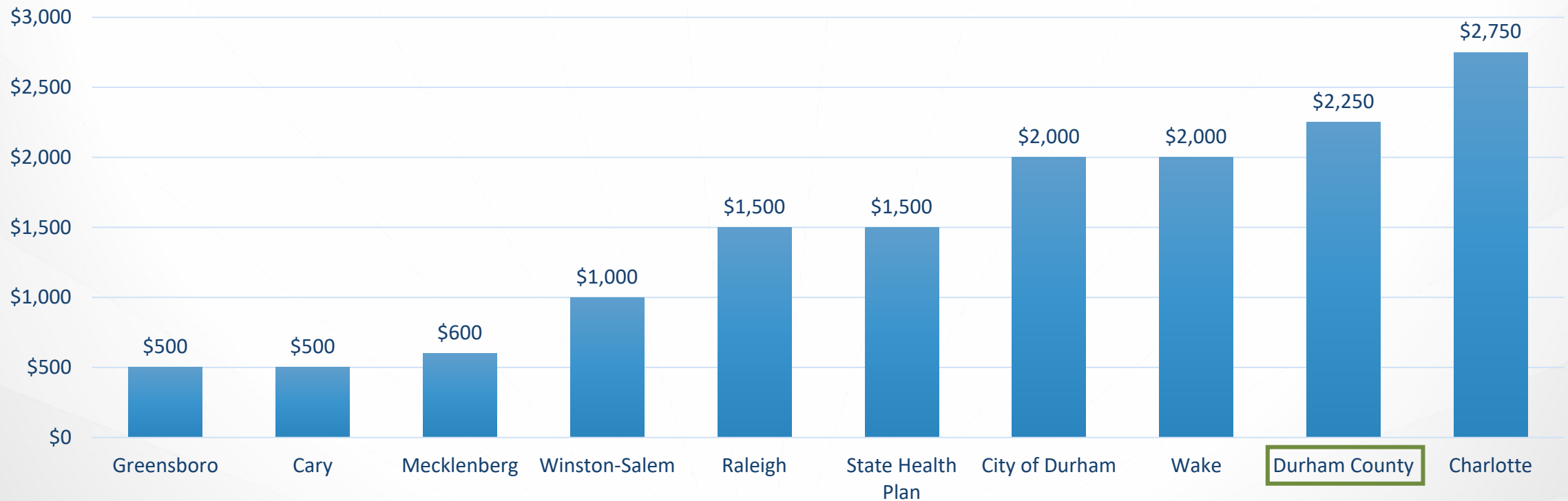
Employee Only – \$34.32

Employee + Spouse – \$144.53

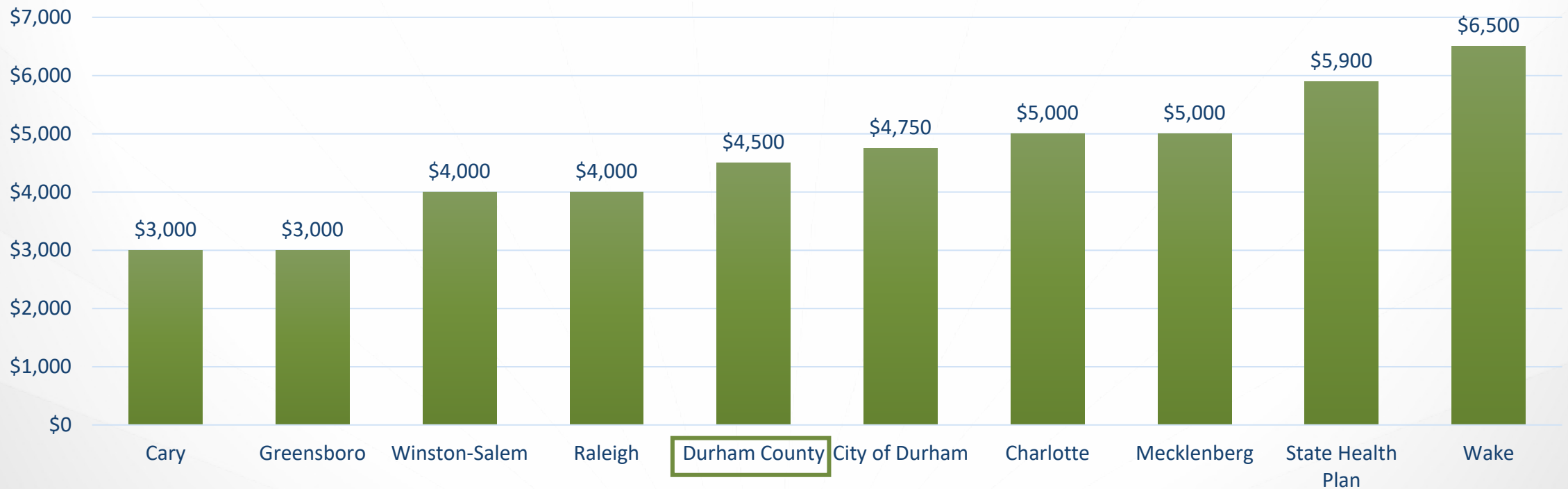
Employee + Child(ren) – \$110.06

Family – \$220.62

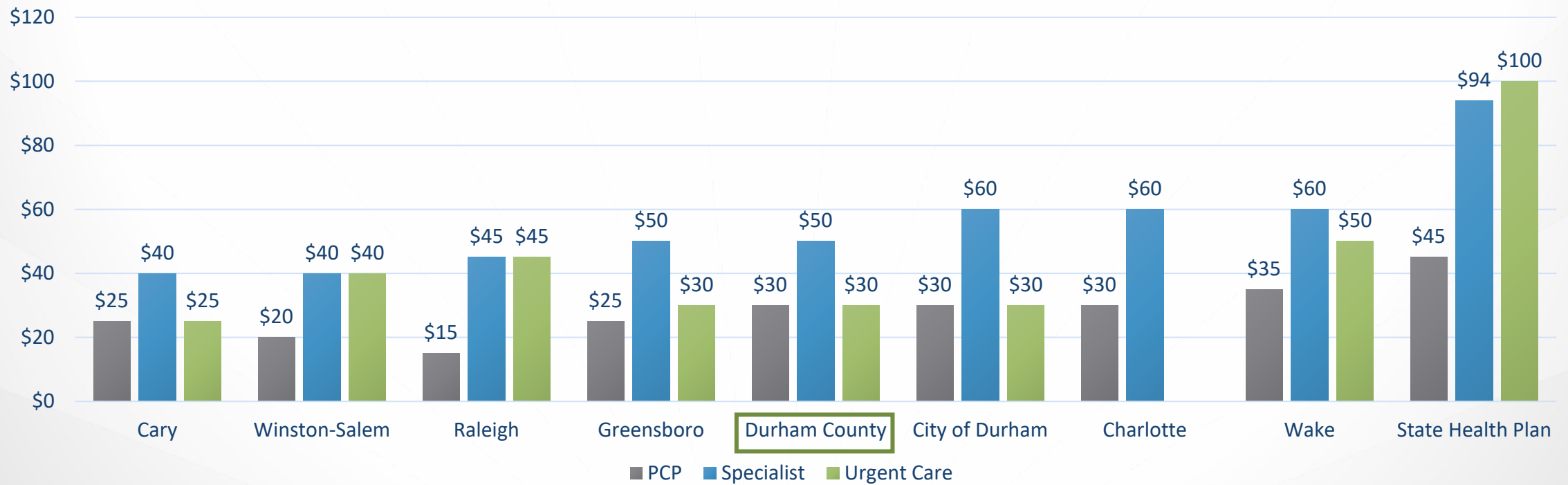
Benchmarking: Base Plan Deductible



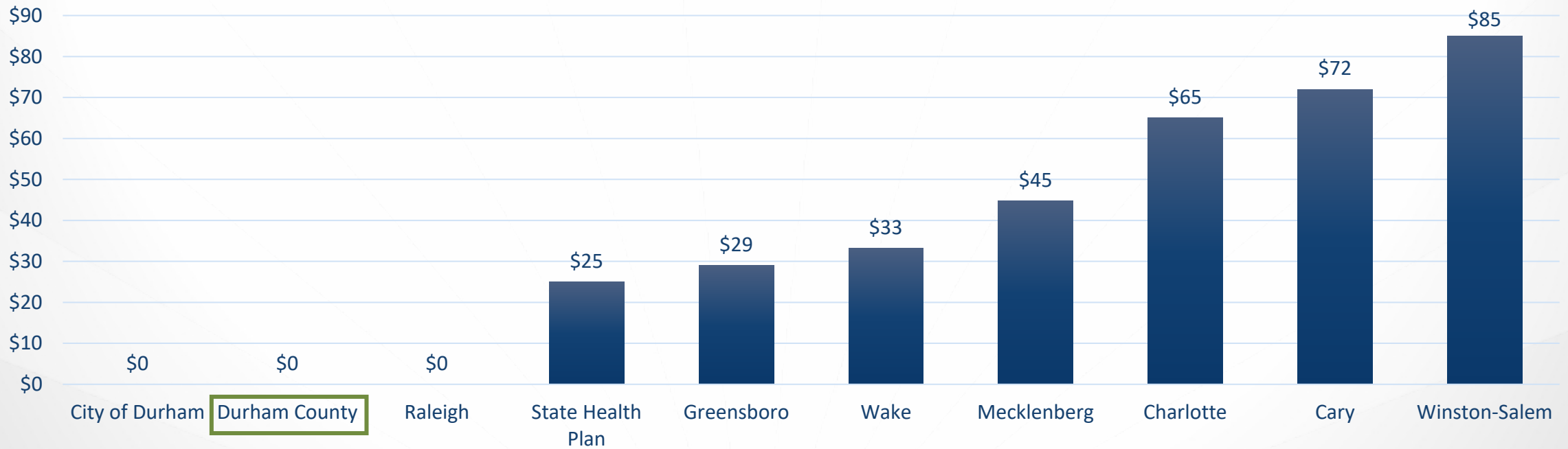
Benchmarking: Base Plan Out-of-Pocket Maximum



Benchmarking: Copayments



Benchmarking: Base Plan Contributions (Employee Only)



Benchmarking: Base Plan Contributions (Family)





Employee Benefit Differentiators

- Wellness Clinic
- Onsite Gyms
- Coverage for Weight Loss medications
- Unlimited Weight Management Counseling
- Choose to Move Program
- Coverage for Eye Exams and Hearing Aids