



## COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER \_\_\_\_\_

PAGE 1 OF 23

DATE: 08/20/2024

**SUBJECT: APPROVAL OF PLAN CHOICES, SERVICE PROVIDER SELECTIONS, AND THE CONTRIBUTION RATES FOR FUNDING EMPLOYEE AND RETIREE HEALTHCARE BENEFITS IN PLAN YEAR 2025**

### **COMMISSIONERS COURT ACTION REQUESTED**

It is requested that the Commissioners Court approve plan choices, service provider selections, and the contribution rates for funding the employee and retiree healthcare benefits in Plan Year 2025.

### **BACKGROUND**

The Public Employee Benefits Cooperative (PEBC) Board of Governance has determined plan choices and service providers for Plan Year 2025 and is recommending to the Commissioners Court approval of the plan changes outlined in Exhibit A and the designated service provider selections and respective rates that are shown in Exhibit B. Noted changes include new service providers for Medical, Pharmacy, the Employee Assistance Program (EAP Mental Health), and the Administration of HSA (Health Savings Accounts), Flexible Spending Accounts (FSA), COBRA, and Retiree Direct Billing. (Note: Vendor and/or rate changes are highlighted in yellow.)

The new service providers were selected through a PEBC Request for Proposal (RFP) process for the following benefit plan programs: Medical, Pharmacy, EAP Mental Health, Group Term Life Insurance, HSA, FSA, COBRA, and Retiree Direct Billing. Blue Cross Blue Shield of Texas (BCBSTX) was the award-winning bidder for Medical, Pharmacy, EAP, HSA, FSA, COBRA, and Retiree Direct Billing. Hartford was the award-winning bidder for Group Term Life Insurance.

The PEBC Board is recommending BCBSTX as the designated service provider for Medical (network access, health management, claims administration), Pharmacy, EAP Mental Health, General and Limited Purpose FSA, HSA Administration for HDHP active employee medical plan, COBRA, and Retiree Direct Billing. The insurer for Group Term Life Insurance will remain The Hartford.

Following the July 30, 2024, annual benefits finance meeting with a representative from the benefits consultant, Gallagher Benefits Services, County staff met to review the annual funding requirements and contribution scenarios for 2025.

Recommended employer contributions and employee/retiree contribution rates are outlined in the following exhibits:

SUBMITTED BY:	Human Resources	PREPARED BY: APPROVED BY:	Glorimar Lugo Ortiz
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- Exhibit A- Plan Changes and Enhancements Plan Year 2025
  - New Contribution Limits Plan Year 2025 (IRS)
  - Employee/Retiree Rate Action and Employer Contribution Changes
    - Full Summary
    - Refer to Exhibit B for Admin Fees and Premium Detail
    - Refer to Exhibit C for instructions on searching for providers and medications within the BCBSTX network.
    - Refer to Exhibits D 1-4 for Employee Rate Action Detail
- Exhibit B – 2025 Service Providers
- Exhibit C – BlueCross BlueShield of Texas Provider and Prescription Finder
- Exhibit D – Rate Action Detail
  - Exhibit D1 – Active Employees: Rate reduction.
  - Exhibit D2 – Pre-65 Retirees: Rate reduction.
  - Exhibit D3 – Post-65 Retirees: Rate reduction.
  - Exhibit D4– Dental and Vision Plans:
    - Rate increase in employee/retiree monthly contributions for the self-funded PPO dental plan.
    - Rate hold for the fully insured Delta DHMO dental plan.
    - Rate hold for the VSP vision plan.

The Annual Enrollment Period for Plan Year 2025 is October 7 to October 25.

## **FISCAL IMPACT**

Plan costs for healthcare benefits for employees, retirees, and their respective dependents, if any, are accounted for in the benefits budget established for Plan Year 2025.