September 11, 2018
Memo to: Board of Commissioners
From: George Wood, Interim County Manager GAW
Re: Recommendation on Fringe Benefits, Health Insurance Plan, and Beginning the FY 2020 Budget Process

When you hired me in June, you asked that I review all of your major financial and human resources policies. You already had amended several financial and human resources policies prior to my hiring. As part of that review, staff is working on a review and rewrite of your Purchasing Manual, which covers every type of purchase from office supplies to major construction projects. We will be presenting that rewrite to you within a couple of months. Coupled with the contract tracking software that you previously approved, and was presented at the August 28th meeting, this should improve controls over spending and assure the right method of purchase is used.

In HR policies, you had employed in January Evergreen to conduct a Position Classification and Compensation Plan Study. They have now completed that, and gave you a presentation August 14th on the methodology used. That new plan will be presented soon for your review and possible approval.

As part of that compensation policy review, we also studied all of your major fringe benefits to see how you compared to the other nine counties that make up the 10 largest population counties in NC. Buncombe is the seventh largest population county in NC. When analyzing total employee compensation you have to include both pay and fringe benefits. That study confirmed that overall our fringe benefits are much higher than the other jurisdictions.

The most costly of those benefits is the health insurance plan. We studied those plans to see how you compared to the other top 9 population counties in NC. In addition, we added the City of Asheville's plan as well as the two plans offered to State employees (covering k-12 personnel, UNC-A, A-B Tech, and all state agency personnel). We reviewed all of this information with you in a work session on August 14th. As with the other fringe benefits, our three health plans were among the very best compared to these other governmental employers.

A decision on any changes to the health insurance plan need to be made by the first meeting in October if at all possible. The reason is that each year we have open enrollment for our employees in October, where they make the selections for their benefits for the next calendar year. For example, this is when they would select which health insurance level of coverage they want. Consequently, we have prepared a recommendation for these plans.

While you just approved the FY 2019 Budget in June, the reality is that you have already begun developing the FY 2020 Budget. The decision on the health care plan starts it. In addition, since you have an automatic COLA (cost of living adjustment) effective each April 1st mandated in your Personnel Policies, and it is based on what the Consumer Price Index is for December of each year, that decision has to be made early as well. There are two other major cost components that will drive your budget: annual operating budget increases by the Buncombe County School System and the Asheville City School System, and any increase in debt service payments for additional debt issuance. Bear in mind that these are not the only increases that you will face, but they are the largest. These need to be compared with the estimated revenue to cover them.

Figure #1 is a spreadsheet that shows the estimated revenues minus the estimated expenditures for these four expenses, as well as the recently approved six additional school resource officers.

The General Fund revenues in the FY 2019 Budget are $308,183,037 once you remove Fund Balance Appropriated (FBA). FBA is not a revenue source. It is savings from previous years. The FY 2019 General Fund rate of revenue growth was 2.28%. If we assume that revenue growth in FY 2020 will be similar to FY 2019, **revenues will grow by $7,026,573**.

Moving to expenditures, the CPI for 2018 through July is 2.22%. Inflation has been trending higher, but we will use this number for now until we have the December number sometime in January, 2019. At that CPI, the automatic COLA in April will cost the County $2,288,861.

Health Insurance claims are estimated to increase by 10%, which has been the trend. Assuming no changes to the health insurance plans, that increase would cost the County $2,700,000.

If there is no change in the level of requests from both the BCSS and the ACSS, the increase would be 4.3%, as in FY 2019. That would cost the County $3,328,068.

You have approved capital projects for the General Fund that will take $722,429 in new debt service payments. This assumes that we issue that debt on or before June 30, 2019. The current plan is to issue it in the spring. The rest of it will be for schools, and paid from their restricted capital funds. The good news is that the existing debt service payments from the General Fund will decline by $564,064. So the net increase in General Fund debt service payments will be only $158,365.

Finally, you approved a grant match for FY 2020 of $227,617 on September 4th to hire six additional school resource officers.

Adding those five expenditures gives a **total of $8,702,911, or $1,676,338 more than the anticipated revenue growth. This is a structural budget deficit that will recur every budget year unless expenditures are brought into line with revenues.**

Three of the five expenditures have been decided already. The increased debt service is necessary to continue capital projects, and it is a small increase. The COLA issue was decided at the August 28th meeting. The SRO expenditures were approved on September 4th.

That leaves the health plan and education funding to deal with this structural deficit. While everyone supports education, this County cannot continue to fund it at a higher rate than you have

Fig. 1

ESTIMATED FY 2020 BUDGET
REVENUE AND EXPENDITURE INCREASES

		REVENUES
$	316,861,799	General Fund Revenues and Appropriated Fund Balance in FY 19 Budget
$	(8,678,762)	Appropriated Fund Balance
$	308,183,037	Budgeted Revenues in GF
	2.28%	Growth of Revenues from FY2018 to FY 2019 per Budget Office
$	**7,026,573**	**Estimated Additional General Fund Revenue in FY 2020 assuming the same growth rate as in FY 2019**
		EXPENDITURES
$	(2,288,861)	Wage, Salary and Benefits tied to salary at 2.22% CPI for 2018 through July
$	(2,700,000)	Health Insurance Claims Expense Increase at 10%
$	(3,328,068)	BC and AC School Systems Request if the same as in FY 2019. \$3,189,403/\$74,207,534 = 4.3%. See Budget Office Report for Schools. \$77,396,937 x 4.3% = \$3,328,068.
$	564,064	Decrease in GF Debt Service from FY 2018 to Fy 2019 before adding debt service for pending 2019 Bond Issue.
$	(722,429)	Additional Debt Service for pending 2019 Bond Issue.
$	(227,617)	Grant match for 6 additional School Resource Officers
$	**(8,702,911)**	**Estiimated Increase in FY 2020 GF Expenditures**
$	**(1,676,338)**	**SURPLUS/(DEFICIT)**

revenues to support it. If you do, **you will have made a conscious choice to decrease every year the operating budgets of some of the County departments and agencies you support**.

Now let us address the health insurance plan and other fringe benefits. Before getting into the details, an underlying philosophical question needs to be answered. **What fiduciary duty is owed to the taxpayers on one hand, and our employees on the other?** You have the difficult task of deciding the appropriate balance between those two competing interests. They are in competition because any benefit you provide employees must be paid for by the taxpayers. In my professional opinion, a board of commissioners has a responsibility to provide reasonable benefits to their employees, so that taxpayers are not unduly burdened in paying for the County's workforce. How do you define "reasonable" in this situation? In my opinion it is an amount comparable to what similar employers are paying for their employees. To provide below average pay and fringe benefits would cause higher employee turnover and morale issues. To provide above average pay and fringe benefits would place an unnecessary tax burden on the taxpayers.

In looking at where we might eliminate this $1,676,338 structural deficit, our fringe benefit study seems to me to be the logical answer. We have documented that our fringe benefits are much higher than the nine other counties; and our health plan also is much richer than the nine other counties, the City of Asheville and the State of North Carolina. Consequently, I am proposing a change in the Health Insurance Plans for Buncombe County and in the Sale of Annual Leave policy.

Figure #2 is a spreadsheet showing the basic components of the three existing plans, and the two proposed plans to replace them. The first current plan is a 95/5 plan, meaning that after a deductible is met, the medical claims costs are paid 95% by the County, and only 5% by the Employee until his out of pocket maximum is reached. None of the other counties, Asheville, nor the State of NC offer a 95/5 plan due to its cost. Note that it has the lowest deductibles and maximum out of pocket expenses of any of the three existing plans. In addition, this plan has been closed to new hires since 2009. 54% of our employees and retirees are on this plan, but said another way, 46% are excluded. That percentage will increase as new employees are hired. Is that fair to our younger employees, most of which would be our lower paid employees? We simply cannot afford this plan, nor can we justify to our taxpayers keeping it, when compared to other counties, Asheville, and the State of NC.

Our Core Plan is a 70/30 plan which has the highest deductibles and out of pocket maximums of the three existing plans.

Our Buy Up plan is an 80/20 plan which has the highest premiums, but is mid-range on the deductibles and maximum out of pocket expenses.

All three plans participate in BCBSNC's preferred provider organization (PPO) by which BCBSNC has negotiated lower than usual rates with the providers, and passes those savings on to clients using their PPO. The County employs BCBSNC as our Third Party Administrator to handle claims adjudication and assure that PPO prices only are charged.

Proposed Future Plans

	Standard 95/5	Buy Up 80/20	Core 70/30	Proposed 80/20 (PPO)	Consumer Directed 80/20 (HDHP)
Co-Payment					
Primary Care Physician Specialist	\$ 25 \$ 40	\$ 25 \$ 40	\$ 25 \$ 40	\$ 25 \$ 40	Deductible then 20% Deductible then 20%
Aggregate Deductible					
Employee Only Employee Plus	\$ 300 \$ 600	\$ 400 \$ 750	\$ 650 \$ 1,000	\$ 750 \$ 1,500	\$ 1,500 \$ 3,000
Coinsurance Maximum					
Employee Only Employee Plus	\$ 450 \$ 900	\$ 750 \$ 1,750	\$ 1,250 \$ 2,750	\$ 1,250 \$ 2,750	\$ 1,500 \$ 3,000
TOTAL Out of Pocket Max					
Employee Only Employee Plus	\$ 750 \$ 1,500	\$ 1,150 \$ 2,500	\$ 1,900 \$ 3,750	\$ 1,900 \$ 3,800	\$ 3,000 \$ 6,000
Bi-Weekly Rates					
Employee Only Employee + 1 Child Employee + Children Employee + Spouse Family	\$ 25 \$ 40 \$ 70 \$ 65 \$ 70	\$ 35 \$ 80 \$ 95 \$ 85 \$ 95	\$ 20 \$ 40 \$ 65 \$ 50 \$ 65	\$ 22 \$ 35.20 \$ 61.60 \$ 57.20 \$ 61.60	\$ 11 \$ 17.60 \$ 30.80 \$ 28.60 \$ 30.80
Emergency Care Co-Pay					
Urgent Care Emergency Room	\$ 40 \$ 150	\$ 40 \$ 150	\$ 40 \$ 150	\$ 40 \$ 250	Deductible then 20% Deductible then 20%
County Funding for Health Savings Account					
Employee Only Employee Plus					\$ 1,000 \$ 1,000

Copays count towards Out of Pocket Max

After the Deductible is met, the Coinsurance % kicks in up to the Out of Pocket Max

* Preventative Care is covered at 100% under all plans listed. Includes screenings, check-ups and patient counseling to prevent illnesses, disease, or other health problems.

Fig. 2

I am recommending that you replace these three plans with two plans: an 80/20 PPO Plan still utilizing BCBSNC's PPO network; and a new Consumer Driven Plan (high deductible with an HSA). An HSA is a health savings account. Please see Figure #3 for more details on this. I am recommending a $1,000 annual contribution to an employee's HSA to incentivize employees to select this plan. It is best suited for employees who have limited medical expenses.

Please review the chart of the five plans for the major differences in them. Note that premiums for the PPO Plan are lower than both the existing Standard Plan and the Buy Up Plan, and lower than most of the categories of the Core Plan. Note also that **the premiums for the Consumer Driven Plan are half of the PPO Plan**, again to incentivize its use.

The PPO Plan does raise the deductibles and the maximum out of pocket expenses. It also raises the Emergency Room co-pay from $150 to $250, to incentivize employees to use Urgent Care for non-emergency medical services. Unfortunately, some employees abuse the Emergency Room using it for non-emergencies. That can cost the County over $1,000 per visit.

Prescription co-pays remain the same for the PPO Plan, but do rise for the Consumer Driven Plan. It requires they meet their deductible, then pay 20% of the actual cost of the drug until the maximum out of pocket is reached. See Figure #4.

By moving to these two new medical insurance plans, and changing to a limit of selling only one week of annual leave (saving $348,351), the County will save $1,600,000. And, both of our medical plans will still be among the richest of the 9 other counties, Asheville, and the State of North Carolina. Please see the charts in Appendix I that document this. The sale of leave comparison with the other 9 counties showed that 8 of them do not allow it at all. Only Mecklenburg allows it, and only to sell one week. So, this proposed change still puts us at the highest level for this benefit. See Figure #5 documenting this.

Appendix II to this report shows the financial impact to our employees of medical claims of $500, $1,000, $2,000, $4,000, $8,000, $16,000, and $50,000, under each of the plans, for both employee only coverage and full family coverage. I urge you to study each of these scenarios in detail.

Finally I know that some people think the pending sale of Mission Hospital System to HCA, which was announced on August 31st, will not require us to make these difficult decisions. The estimated increase in property taxes from that sale is $8,100,000. However, let me caution you that those assets have never been appraised by the Tax Assessor's Office for the simple reason they were non-taxable. It will take a detailed appraisal of all the assets, including real and personal property, minus depreciation, to determine the actual estimated property tax proceeds. For purposes of this discussion, we will use the $8,100,000 figure. See Figure #6 for a breakdown of additional potential uses of this money.

The potential uses should help balance the FY 2020 Budget by covering uses of one-time money to balance the FY 2019 Budget. There were three, as shown. The first is that $675,000 for fleet replacement costs were covered by one-time savings in the Capital Projects Fund. The second is that $1,500,000 was transferred from the Health Insurance Fund to the General Fund. This was the second consecutive year this was budgeted. This cannot continue if you want to stabilize your

Health Savings Account (HSA)

"Like a 401(k) for your health care"

What is a Health Savings Account?

- Tax-favored savings account for health-related purchases
- A core complement to the **Consumer Directed Plan**

Benefits of HSAs

- *Quadruple Tax Advantage*
- *It's yours!* Unlike a Flexible Spending Account (FSA), HSA balances rollover year to year. HSA balances also stay with an employee even after they switch employers
- *Swipe and go!* Employees receive a debit card to cover eligible medical expenses, ranging from band aids to surgery

HSA Eligibility

- Must be enrolled in a high-deductible health plan (proposed **Consumer Directed Plan**)

Four Tax Advantages of HSA's

100%

100% deductible contributions up to a legally mandated maximum amount

Money withdrawn for medical spending never falls under taxable income

Tax deferred interest earnings

TAX FREE

Tax free interest earnings, if money is spent on health care costs

22 million	9%	$3,450	$6,900
Americans with an HSA AHIP, April 2018	HSA growth per year (entire U.S.) AHIP, April 2018	Individual HSA contribution limit	Family HSA contribution limit

Fig. 3

Prescriptions

Prescriptions	Standard 95/5	Buy Up 80/20	Core 70/30	Proposed 80/20 (PPO)	Consumer Directed 80/20 (HDHP)
Tier 1	$ 0	$ 0	$ 0	$ 0	Deductible then 20%
Tier 2	$ 10	$ 10	$ 10	$ 10	Deductible then 20%
Tier 3	$ 40	$ 40	$ 40	$ 40	Deductible then 20%
Tier 4	$ 50	$ 50	$ 50	$ 50	Deductible then 20%
Tier 5	$ 50 - $ 100	$ 50 - $ 100	$ 50 - $ 100	$ 50 - $ 100	Deductible then 20%

Proposed PPO Plan:
Prescription costs remain the same

Consumer Directed Plan:
Subscriber pays deductible then 20% of the cost thereafter up to the out of pocket max

Fig. 4

Annual Leave Sale Policy

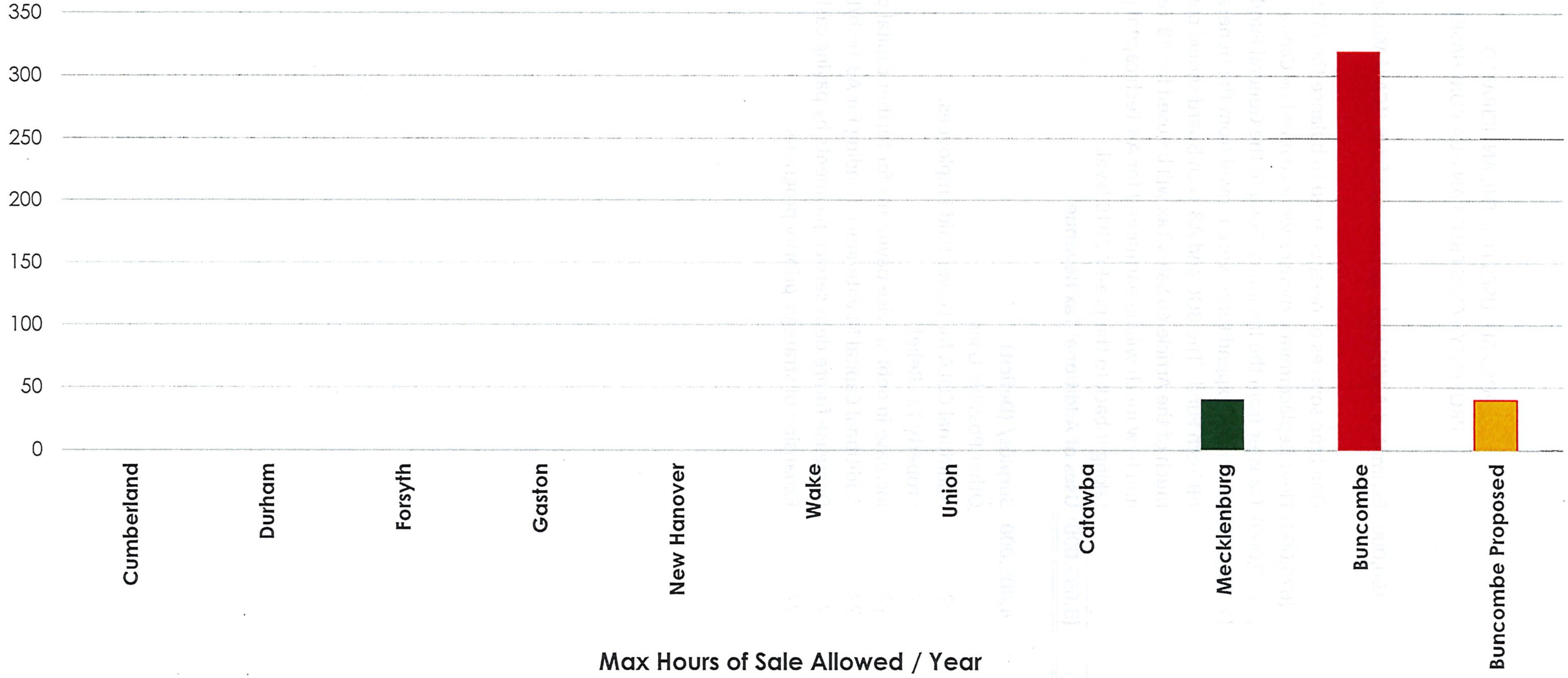

Fig. 5

Fig. 6

POSSIBLE USES FOR THE ANTICIPATED
PROPERTY TAXES FROM AN HCA PURCHASE

$	**8,100,000**	**Estimated Additional Tax Revenue from HCA if Mission Hospital is sold**
		One time sources of revenue used to balance the FY 2019 Budget:
$	(675,000)	Fleet Replacement expenses were covered by Capital Projects savings
$	(1,500,000)	Transfer from the Insurance Fund to the General Fund
$	(1,520,000)	Additional expenditures were moved from the General Fund to the AB Tech Fund. The BOC and AB Tech Board should consider a policy on how much of the Article 46 Sales Tax will be used for AB Tech Operating Expenses, and how much will be earmarked for AB Tech capital projects. This assumes taking it back to the pre-FY 2019 level.
$	**(3,695,000)**	**Uses of Additional Tax Revenue**
$	**4,405,000**	**Surplus/ (Deficit)**
		Other Possible Uses:
	??	Additional COLA for Lower Paid Employees.
	??	Property Tax Relief
	??	Increase in debt service payments for further capital projects
	??	Additional Capital Maintenance Funding for AB Tech/lower GF Transfer
	??	Decrease future debt service payments by paying cash for some projects
	??	Expansion of strategic priority programs

Health Insurance Fund, which faces 10% medical cost increases every year. The third was $1,520,000 of A-B Tech Fund money used to pay for more of the college's operating expenditures. This cannot continue if you want to adequately fund their capital needs.

This AB Tech Capital Projects Fund is unsustainable as currently budgeted (Figure #7). Note that from a beginning fund balance of $17,622,802 on June 30, 2017, it is projected to be only $2,844,458 at the end of FY 2021. In other words, in only four fiscal years, this fund will have decreased by $14,778,344. **FY 2019 alone is projected to spend $6,006,637 more than the revenues.** And we are not even budgeting adequately for their capital maintenance needs. The memorandum from pfa architects (Figure #8) documents an estimated $25,000,000 in deferred maintenance. This estimate will be refined by early December as they are conducting an assessment of all 21 buildings. Six have already been completed, and are the basis for the FY 2019 and FY 2020 budget projections. Note that construction costs are projected to increase nearly 6% annually, and that escalation is not included in the $25,000,000 projected cost.

Even if you were to spread that $25,000,000 cost over an eight year period, it would take over $3,000,000 annually, not the $2,030,000 that is projected. It should be obvious that you cannot continue to transfer $6,500,000 to the General Fund annually. Some portion of this $8,100,000 will need to go to the General Fund so the transfer from the AB Tech Fund can be reduced to a sustainable level.

I am recommending that the BOC and A-B Tech Board develop a policy on how much of the Article 46 Sales Tax should be used for A-B Tech operating expenses, and how much should be reserved for capital projects. This should be based on a thorough discussion of A-B Tech's long-term capital needs. Getting the building condition assessments back in early December should be the basis for this. I started this process last Friday in a meeting with President King and the AB Tech Executive Board. Commissioner Fryar attended that meeting as he serves on their Trustee Board.

When you subtract those items to get to a sustainable budget, $4,405,000 would remain. However, you have a number of items that should be decided upon before you earmark any of this money.

First, you have expressed an interest in giving more of a COLA to your lower paid employees. This discussion has not gotten into a specific percentage, or dollar range.

Second, you may want to consider whether to provide some property tax relief from this money.

Third, you need to look at an updated Capital Improvements Program and determine the amount of new debt it would take to pay for it. Only then can you determine if additional debt service payments will need to be made from some of this money. The CIP will be updated as part of the annual budgeting process.

Fourth, is the need to cover the increased expense to adequately maintain AB Tech's facilities, discussed above. It will be several months before a detailed plan is developed jointly with the County and AB Tech Board.

Article 46 Sales Tax Fund
Cash Flow Forecast

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Beginning Available Fund Balance	$ 17,622,802	$ 15,084,405	$ 9,077,768	$ 5,518,873	$ 2,844,458	$ 958,651	$ 111,565	$ (88,735)	$ 391,972	$ 1,550,369
REVENUES:										
Article 46 Sales Tax Revenue	12,438,915	13,378,560	13,779,917	14,193,314	14,619,114	15,057,687	15,509,418	15,974,700	16,453,941	16,947,560
BAB Subsidy Payments	42,402	42,402	42,402	42,402	42,402	42,402	37,096	31,927	26,758	21,588
Transfer from General Fund	1,520,000									
TOTAL REVENUES	14,301,317	13,420,962	13,822,319	14,235,716	14,661,516	15,100,089	15,546,514	16,006,627	16,480,699	16,969,148
EXPENDITURES:										
Professional Services	525,000	225,000	225,000							
Capital Plan Maintenance	2,480,000	3,550,000	2,030,000	2,030,000	2,030,000	2,030,000	2,030,000	2,030,000	2,030,000	2,030,000
Elm - Repair Water Issues	150,000	300,000								
Arts, Science & Engineering Building	(1,188,070)									
Existing Debt Service	9,072,784	8,852,599	8,626,214	8,380,131	8,017,323	7,417,175	7,216,814	6,995,921	6,792,302	6,513,402
Transfer to General Fund	5,800,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
TOTAL EXPENDITURES	16,839,714	19,427,599	17,381,214	16,910,131	16,547,323	15,947,175	15,746,814	15,525,921	15,322,302	15,043,402
Revenues Over/(Under) Expenditures	(2,538,397)	(6,006,637)	(3,558,895)	(2,674,414)	(1,885,807)	(847,086)	(200,300)	480,707	1,158,398	1,925,745
Ending Available Balance	$15,084,405	$9,077,768	$5,518,873	$2,844,458	$958,651	$111,565	($88,735)	$391,972	$1,550,369	$3,476,114

Assumes no sunset of Sales Tax Revenues and no sale of Enka Campus

Fig. 3

Fig. 8

196 Coxe Avenue
Asheville, NC 28801
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pfa
architects, p.a.
architecture • planning • interiors

MEETING AGENDA

Date: September 6, 2018

Time: 3:00pm

Project: AB Tech Facilities Assessment, Phase 2

A – Estimated Cost Magnitude

1. Average cost per square foot for deferred maintenance, Main Campus (averages below exclude Elm). FY 2017-18 work on Birch, Coman, Simpson, Locke & Dogwood is accounted for in averages since these buildings are also included in the Phase 1 work.
   - Phase 1 Deferred Maintenance total: $8,260,263.73
   - FY 2017-18 Deferred Maintenance work: $725,000
   - Total: $8,985,236.73
   - Phase 1 & FY 2017-18 Building Area: 203,647 sf
   - Average Cost for Phase 1: $44.12/sf
2. Projected Cost per Square Foot, Main Campus (averages below exclude Elm, Allied Health, Conference Center and Parking Garage). Budget average increased 12% for general contingency and unknowns.
   - Main Campus Building Area: 497,628 sf
   - Average Cost for Budget Planning: $50/sf
   - Projected Cost of Deferred Maintenance: $24,881,400
3. Numbers in this summary *do not* account for escalation, currently estimated at 0.45% per month.

B – Attachments for Reference:

1. Simpson Building Summary page; excerpt from 3/6/2018 Condition Assessment.
2. Summary of all Phase 2 priorities.
3. Summary of Phase 2 Priorities 1 & 2 for FY 2019-20 and 2020-2021.
4. Phase 2 scope of work summary, dated 9/6/2018.

This summary prepared by:
Chip Howell, AIA, LEED AP
PFA Architects, PA

Fifth, you may want to decrease future debt service payments by paying cash for some planned capital projects instead of financing with debt.

Sixth, you may want to expand some of your strategic priority programs.

There may be other potential uses for this money of which I am unaware. All of these potential uses should be thoroughly researched before any decisions are made. Consequently, I do not recommend that you use any of the $8,100,000 to offset the FY 2020 Budget expenditures other than to fill the gap created by using one-time revenue to balance the FY 2019 Budget as noted above.

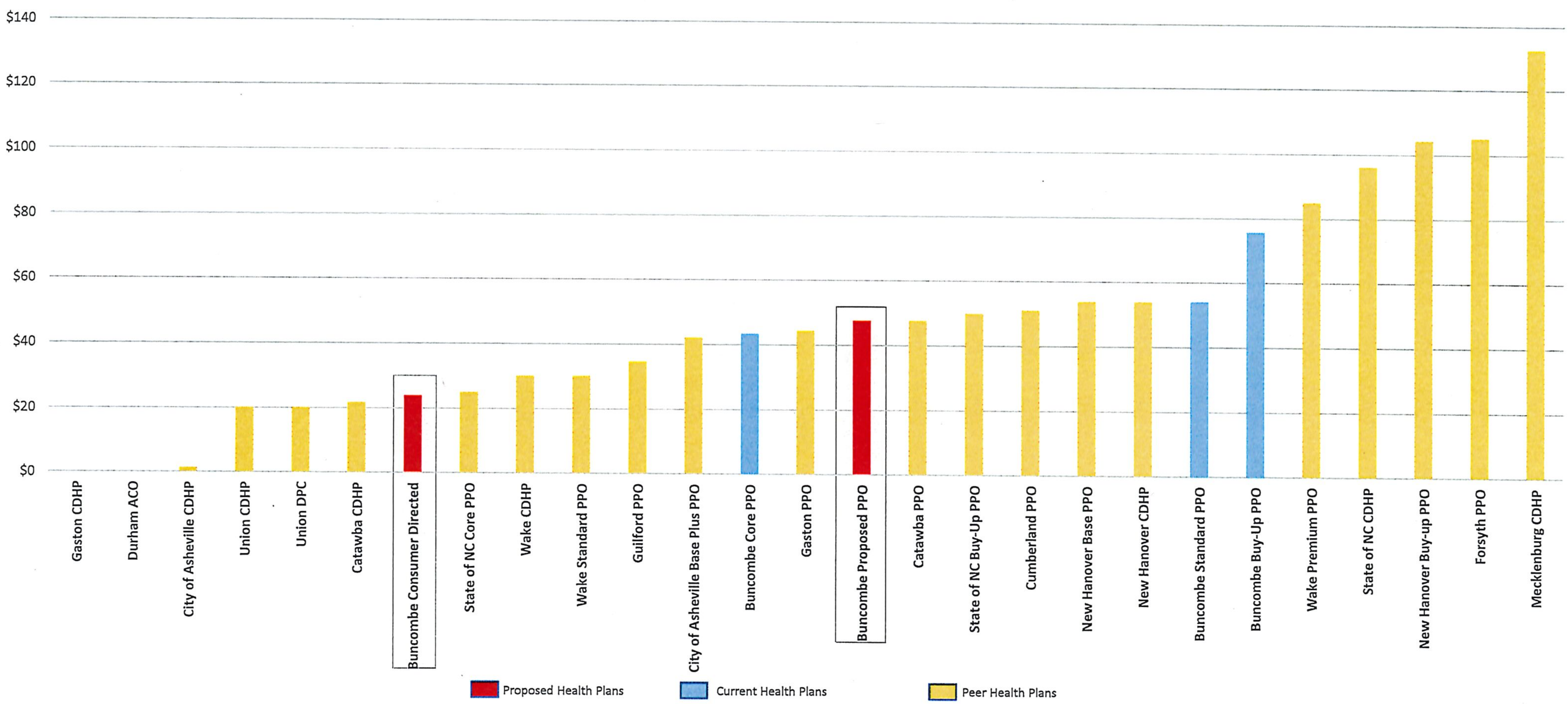
I cannot emphasize too strongly that when you add the $1,676,338 structural deficit noted above, to the $3,695,000 of one-time revenue sources in FY 2019 that won't be available in the FY 2020 Budget, you are facing a structural deficit of $5,371,338. This has to be addressed.

My recommendation is that you approve the two proposed health insurance plans as presented, to be effective on the new plan year, January 1, 2019. Further, I recommend that you approve an amendment to the Personnel Policies that will change the provision on Sale of Annual Leave to allow only one week of leave to be sold annually, provided that the employee maintains a balance of at least 40 hours of annual leave immediately after the sale. These two actions would cut the deficit above by $1,600,000, while getting these policies closer in line with similar governments in North Carolina.

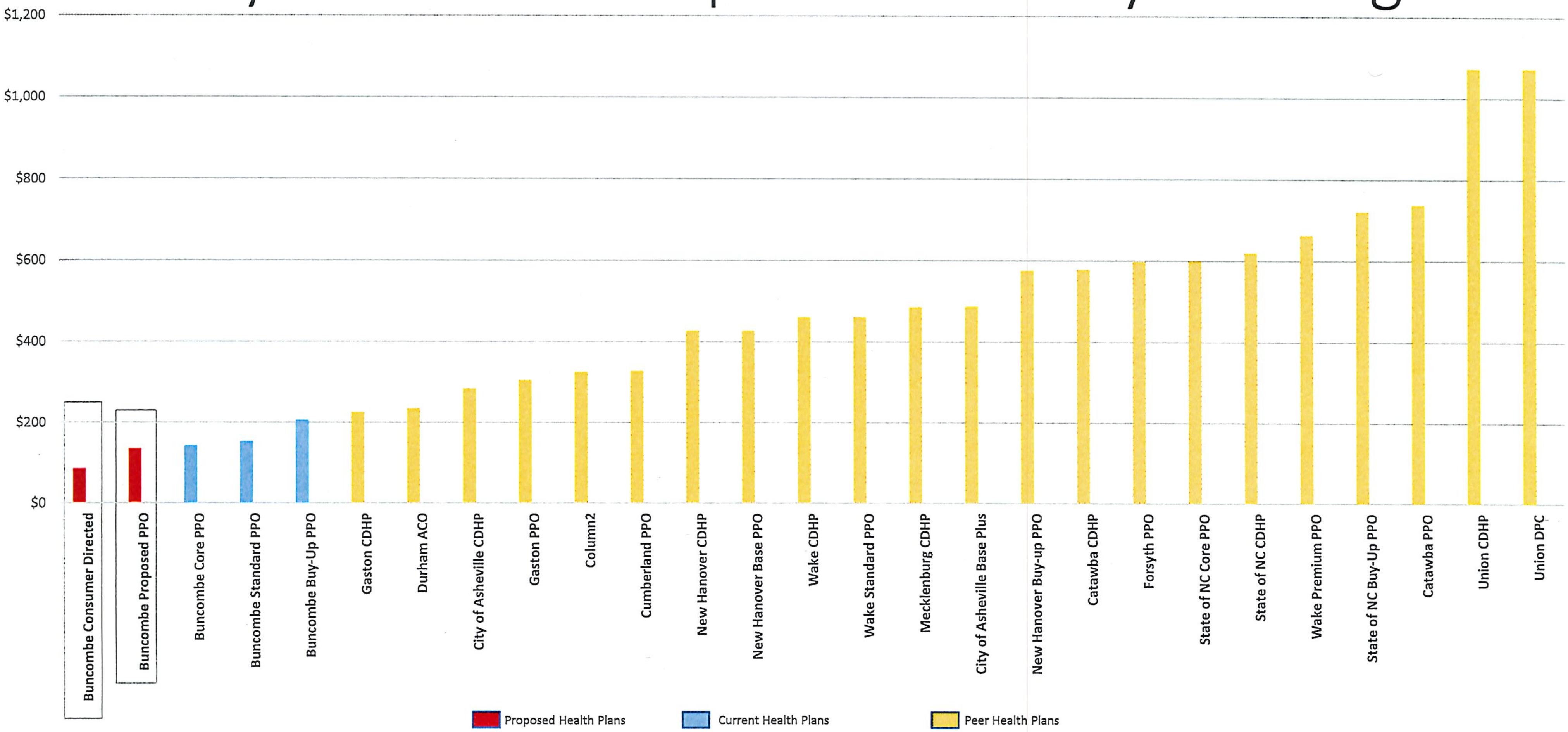
Please call me if you have any questions or comments on this matter.

Appendix I

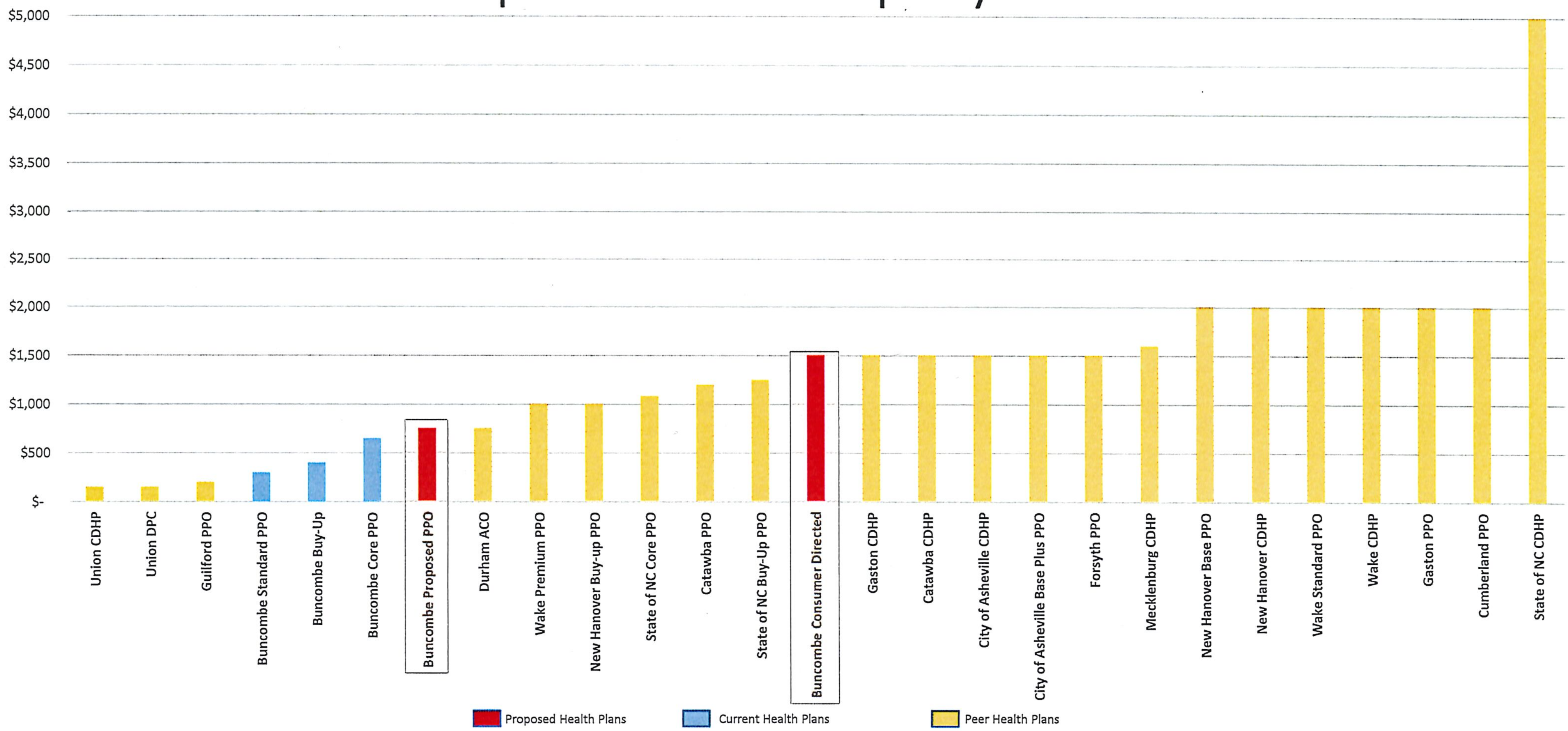
Monthly Premium Comparison- Employee Coverage



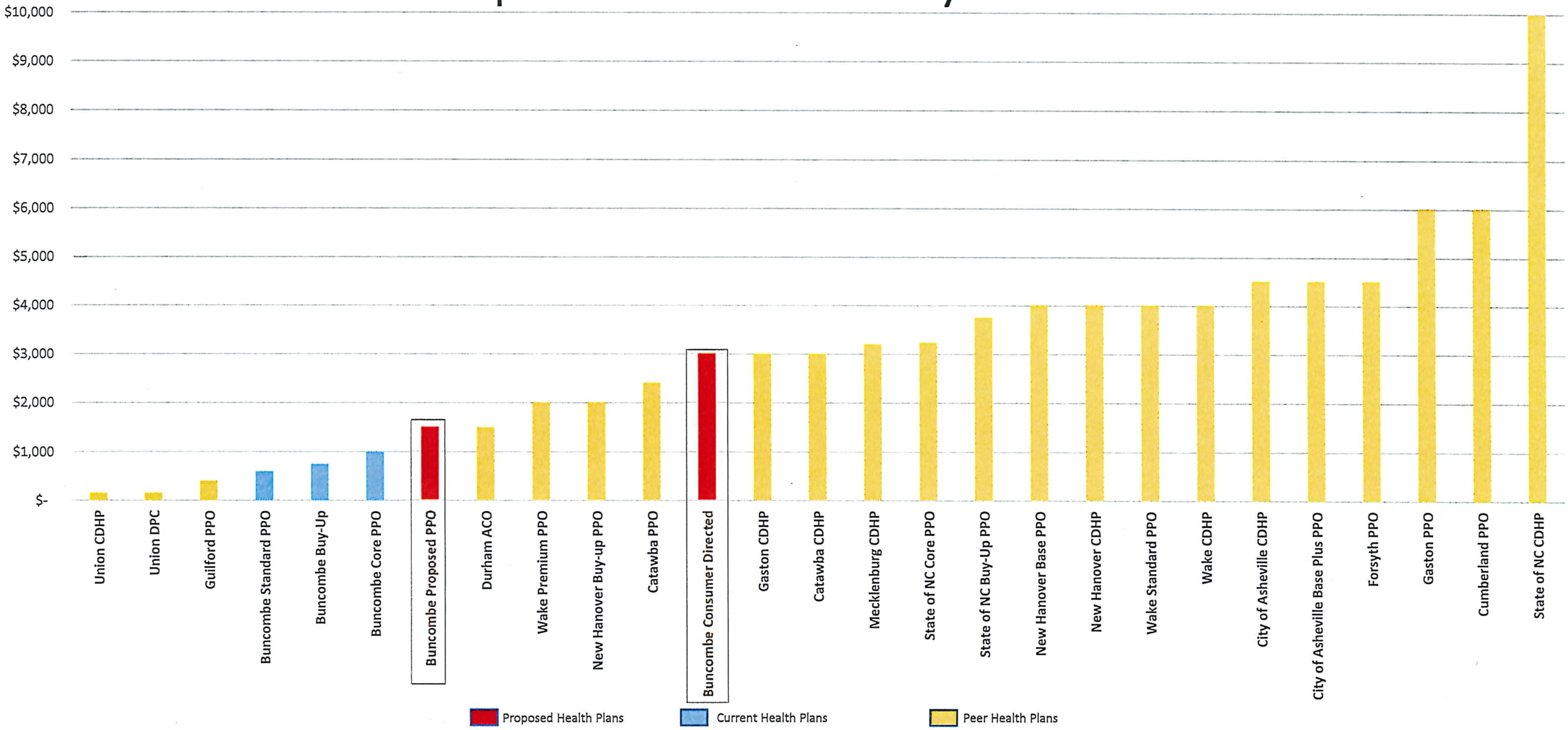
Monthly Premium Comparison- Family Coverage



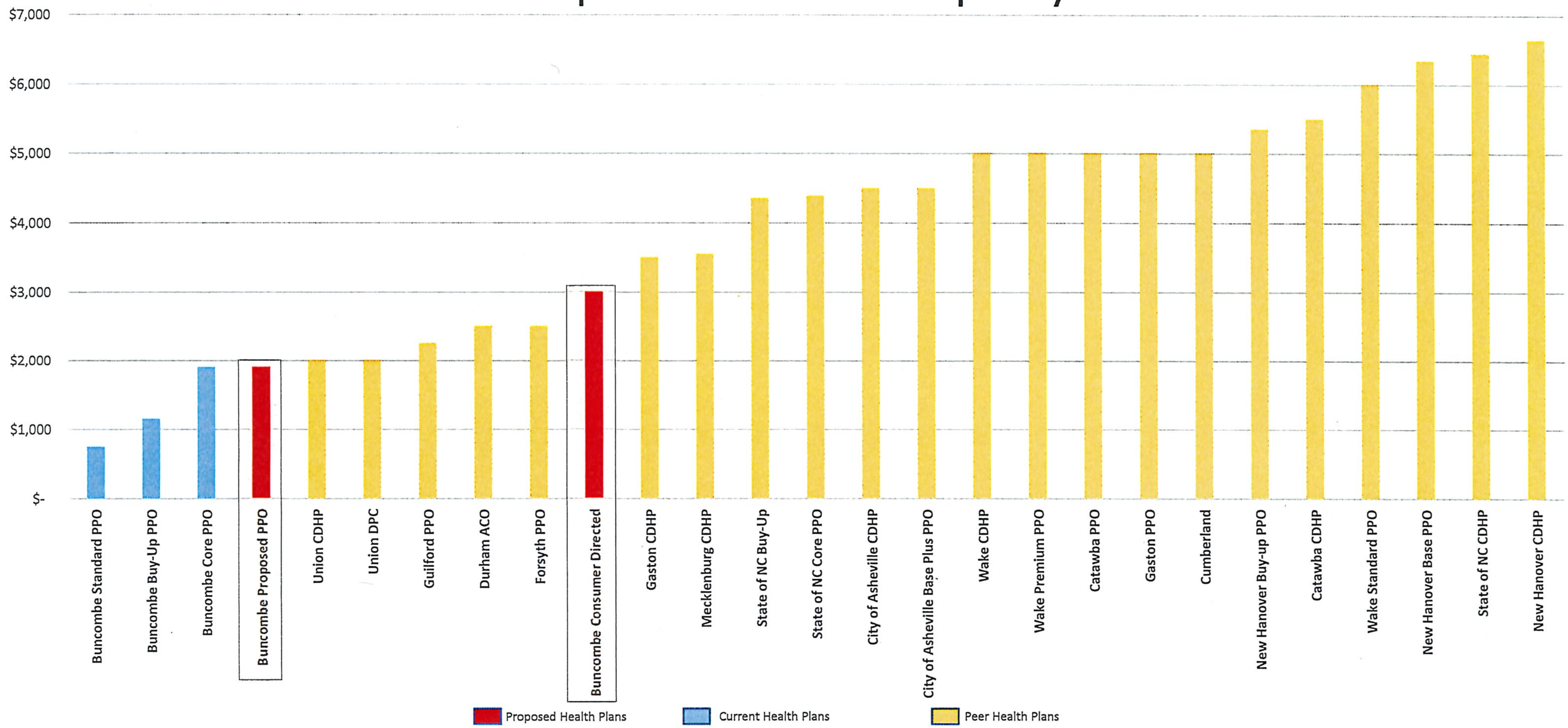
Deductible Comparison – Employee In Network



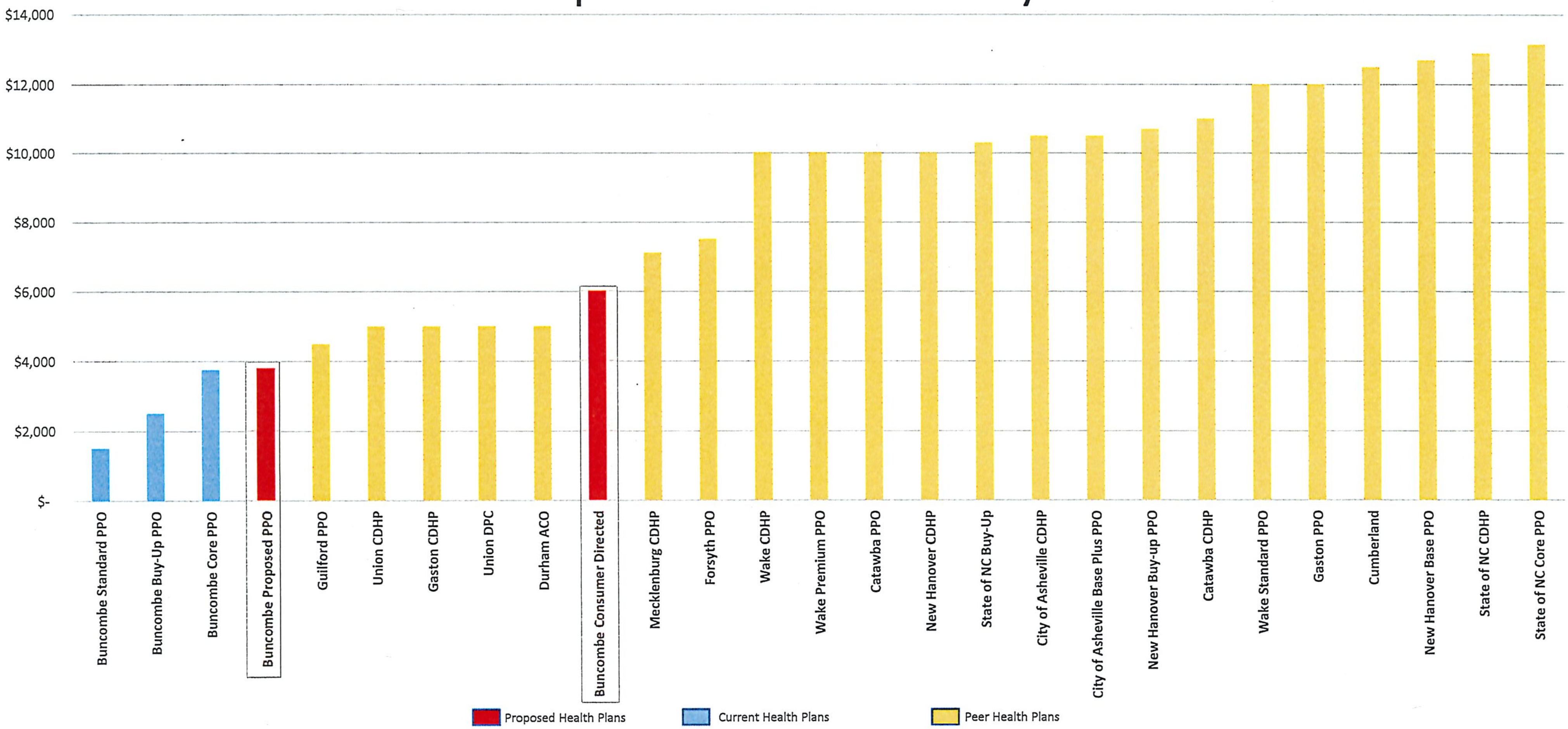
Deductible Comparison – Family In Network



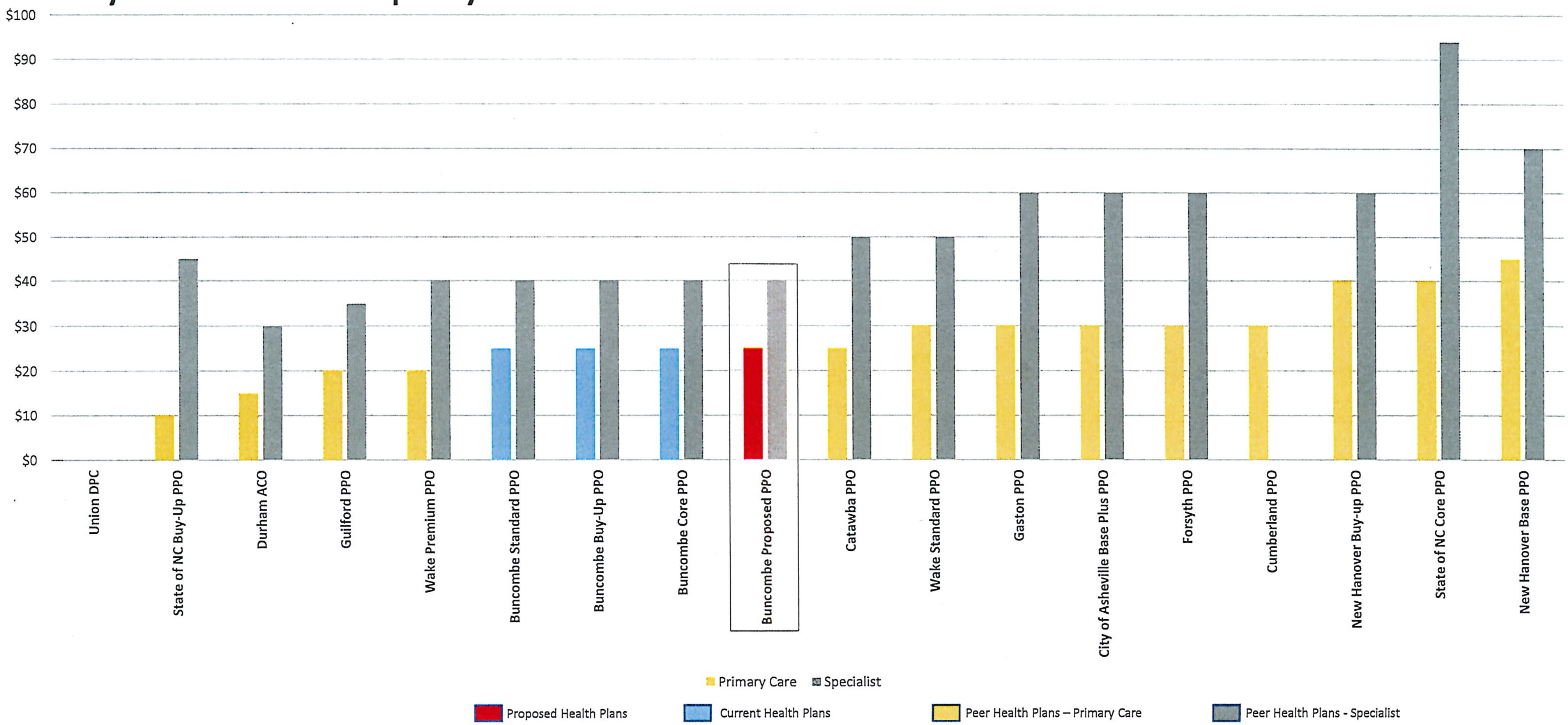
Out of Pocket Comparison – Employee In Network



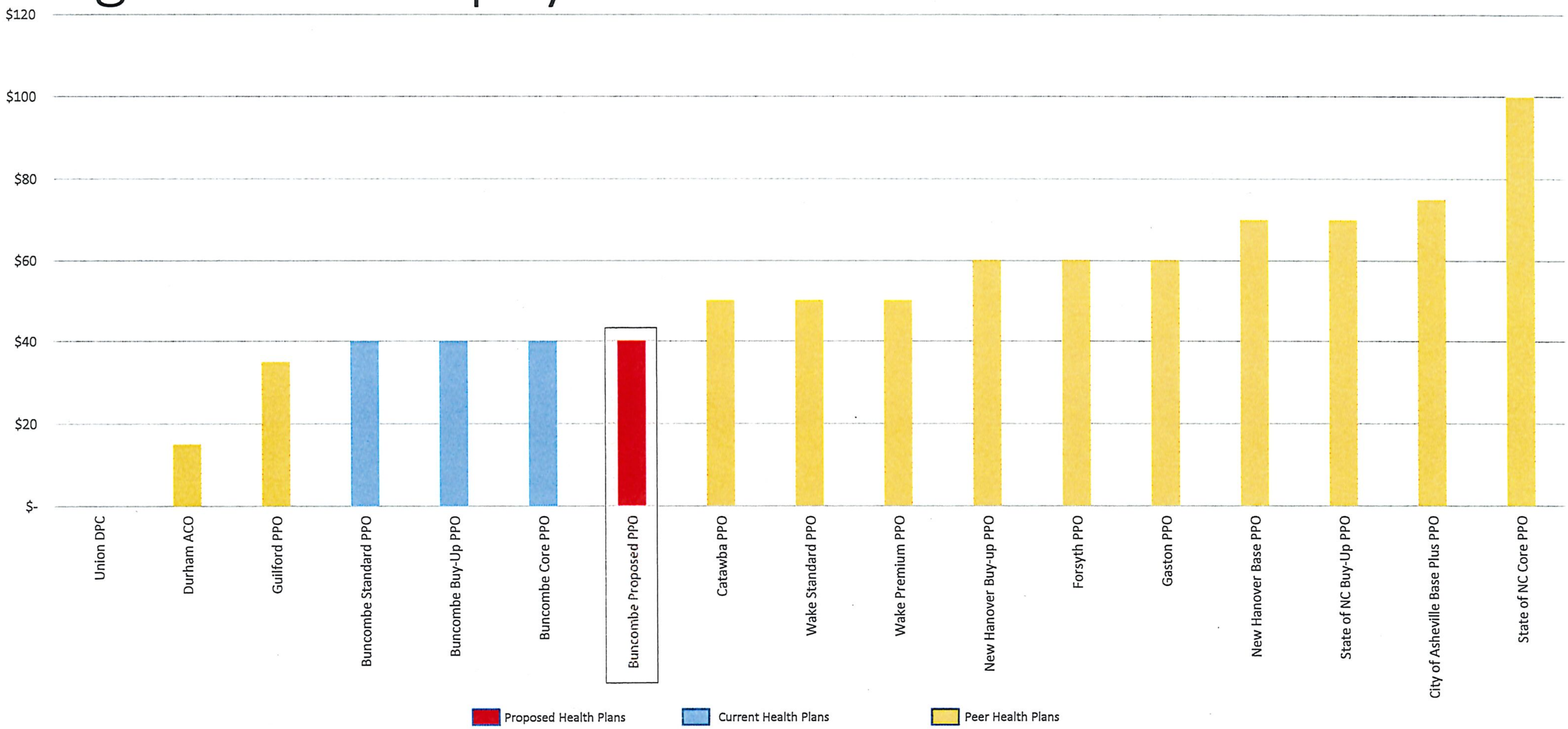
Out of Pocket Comparison – Family In Network



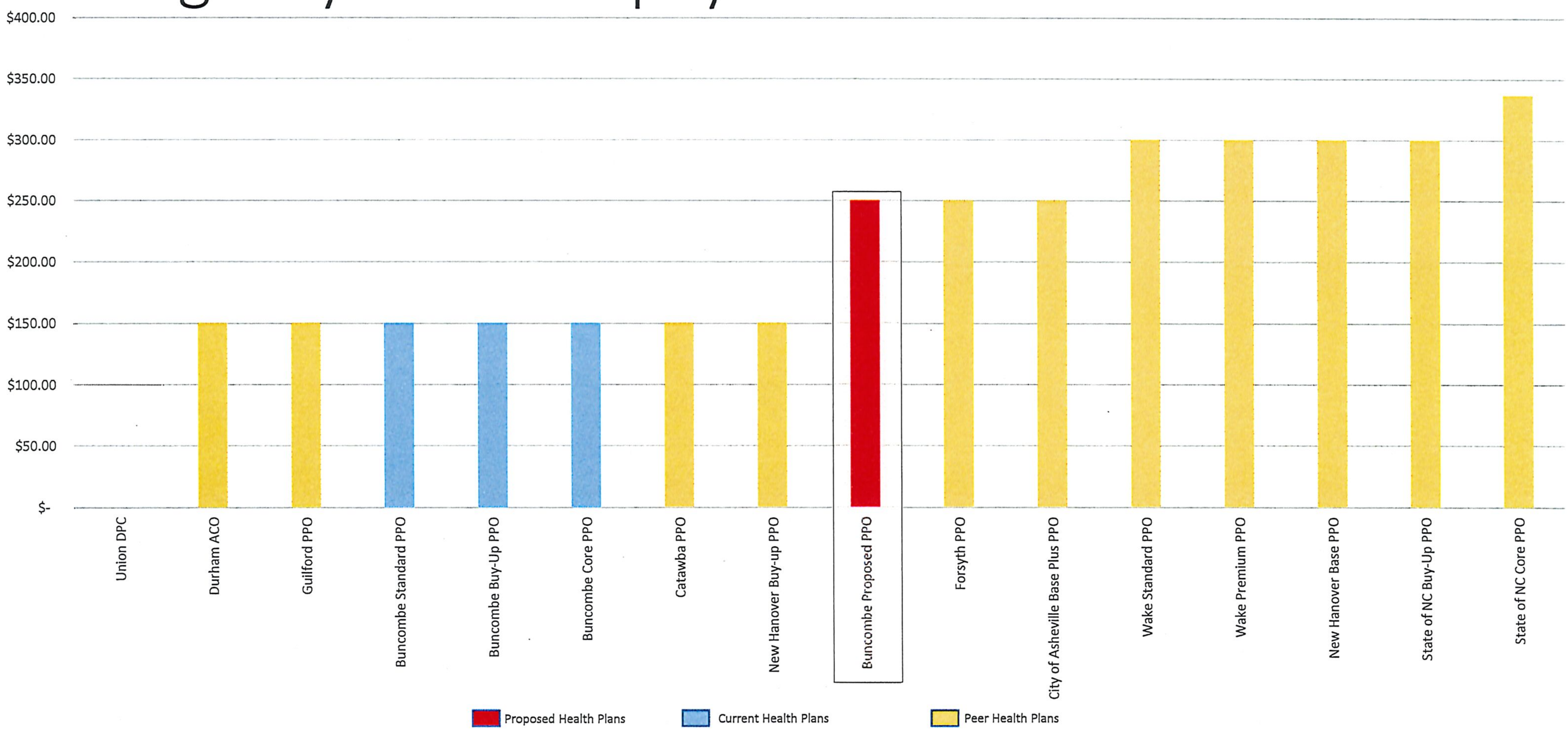
Physician Copays



Urgent Care Copays



Emergency Room Copays



Appendix II

Individual Claim Impact - $500

$500 Annual Claim Cost - Individual	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$300	$400	$650	$750	$1,500
Plan OOPM	$750	$1,150	$1,900	$1,900	$3,000
H.S.A Contribution from County					$1,000
Co-Insurance	$10	$20	$0	$0	$0
County Pays	$190	$80	$0	$0	$0
Employee Out of Pocket	$310	$420	$500	$500	$0
Annual Premium	$650	$910	$520	$572	$286
Employee Total Cost	**$960**	**$1,330**	**$1,020**	**$1,072**	**-$214**

Sophia has employee-only coverage with total allowed healthcare costs of $500. Under the current standard plan, Sophia paid $960 for her total care including premiums. Going forward, Sophia has two options:

1. **Proposed PPO:** with a $750 deductible, Sophia's total cost will be $1,072
2. **Consumer Directed Plan**: with a $1,500 deductible, Sophia's total cost will be -$214 with a $1,000 H.S.A. contribution from Buncombe County

Family Claim Impact - $500

$500 Annual Claim Cost - Family	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$600	$750	$1,000	$1,500	$3,000
Plan OOPM	$1,500	$2,500	$3,750	$3,800	$6,000
H.S.A Contribution from County					$1,000
Co-Insurance	$0	$0	$0	$0	$0
County Pays	$0	$0	$0	$0	$0
Employee Out of Pocket	$500	$500	$500	$500	$0
Annual Premium	$1,820	$2,470	$1,690	$1,602	$801
Employee Total Cost	**$2,320**	**$2,970**	**$2,190**	**$2,102**	**$301**

Individual Claim Impact - $1,000

$1,000 Annual Claim Cost - Individual	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$300	$400	$650	$750	$1,500
Plan OOPM	$750	$1,150	$1,900	$1,900	$3,000
H.S.A Contribution from County					$1,000
Co-Insurance	$35	$120	$105	$50	$0
County Pays	$665	$480	$245	$200	$0
Employee Out of Pocket	$335	$520	$755	$800	$0
Annual Premium	$650	$910	$520	$572	$286
Employee Total Cost	**$985**	**$1,430**	**$1,275**	**$1,372**	**$286**

Family Claim Impact - $1,000

$1,000 Annual Claim Cost - Family	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$600	$750	$1,000	$1,500	$3,000
Plan OOPM	$1,500	$2,500	$3,750	$3,800	$6,000
H.S.A Contribution from County					$1,000
Co-Insurance	$20	$50	$0	$0	$0
County Pays	$380	$200	$0	$0	$0
Employee Out of Pocket	$620	$800	$1,000	$1,000	$0
Annual Premium	$1,820	$2,470	$1,690	$1,602	$801
Employee Total Cost	**$2,440**	**$3,270**	**$2,690**	**$2,602**	**$801**

Individual Claim Impact - $2,000

$2,000 Annual Claim Cost - Individual	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$300	$400	$650	$750	$1,500
Plan OOPM	$750	$1,150	$1,900	$1,900	$3,000
H.S.A Contribution from County					$1,000
Co-Insurance	$85	$320	$405	$250	$100
County Pays	$1,615	$1,280	$945	$1,000	$400
Employee Out of Pocket	$385	$720	$1,055	$1,000	$600
Annual Premium	$650	$910	$520	$572	$286
Employee Total Cost	**$1,035**	**$1,630**	**$1,575**	**$1,572**	**$886**

Family Claim Impact - $2,000

$2,000 Annual Claim Cost - Family	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$600	$750	$1,000	$1,500	$3,000
Plan OOPM	$1,500	$2,500	$3,750	$3,800	$6,000
H.S.A Contribution from County					$1,000
Co-Insurance	$70	$250	$300	$100	$0
County Pays	$1,330	$1,000	$700	$400	$0
Employee Out of Pocket	$670	$1,000	$1,300	$1,600	$1,000
Annual Premium	$1,820	$2,470	$1,690	$1,602	$801
Employee Total Cost	**$2,490**	**$3,470**	**$2,990**	**$3,202**	**$1,801**

Individual Claim Impact - $4,000

$4,000 Annual Claim Cost - Individual	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$300	$400	$650	$750	$1,500
Plan OOPM	$750	$1,150	$1,900	$1,900	$3,000
H.S.A Contribution from County					$1,000
Co-Insurance	$185	$720	$1,005	$650	$500
County Pays	$3,515	$2,880	$2,345	$2,600	$2,000
Employee Out of Pocket	$485	$1,120	$1,655	$1,400	$1,000
Annual Premium	$650	$910	$520	$572	$286
Employee Total Cost	**$1,135**	**$2,030**	**$2,175**	**$1,972**	**$1,286**

Family Claim Impact - $4,000

$4,000 Annual Claim Cost - Family	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$600	$750	$1,000	$1,500	$3,000
Plan OOPM	$1,500	$2,500	$3,750	$3,800	$6,000
H.S.A Contribution from County					$1,000
Co-Insurance	$170	$650	$900	$500	$200
County Pays	$3,230	$2,600	$2,100	$2,000	$800
Employee Out of Pocket	$770	$1,400	$1,900	$2,000	$2,200
Annual Premium	$1,820	$2,470	$1,690	$1,602	$801
Employee Total Cost	**$2,590**	**$3,870**	**$3,590**	**$3,602**	**$3,001**

Individual Claim Impact - $8,000

$8,000 Annual Claim Cost - Individual	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$300	$400	$650	$750	$1,500
Plan OOPM	$750	$1,150	$1,900	$1,900	$3,000
H.S.A Contribution from County					$1,000
Co-Insurance	$385	$750	$1,250	$1,150	$1,300
County Pays	$7,315	$6,850	$6,100	$6,100	$5,200
Employee Out of Pocket	$685	$1,150	$1,900	$1,900	$1,800
Annual Premium	$650	$910	$520	$572	$286
Employee Total Cost	**$1,335**	**$2,060**	**$2,420**	**$2,472**	**$2,086**

Family Claim Impact - $8,000

$8,000 Annual Claim Cost - Family	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$600	$750	$1,000	$1,500	$3,000
Plan OOPM	$1,500	$2,500	$3,750	$3,800	$6,000
H.S.A Contribution from County					$1,000
Co-Insurance	$370	$1,450	$2,100	$1,300	$1,000
County Pays	$7,030	$5,800	$4,900	$5,200	$4,000
Employee Out of Pocket	$970	$2,200	$3,100	$2,800	$3,000
Annual Premium	$1,820	$2,470	$1,690	$1,602	$801
Employee Total Cost	**$2,790**	**$4,670**	**$4,790**	**$4,402**	**$3,801**

Individual Claim Impact - $16,000

$16,000 Annual Claim Cost - Individual	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$300	$400	$650	$750	$1,500
Plan OOPM	$750	$1,150	$1,900	$1,900	$3,000
H.S.A Contribution from County					$1,000
Co-Insurance	$450	$750	$1,250	$1,150	$1,500
County Pays	$15,250	$14,850	$14,100	$14,100	$13,000
Employee Out of Pocket	$750	$1,150	$1,900	$1,900	$2,000
Annual Premium	$650	$910	$520	$572	$286
Employee Total Cost	**$1,400**	**$2,060**	**$2,420**	**$2,472**	**$2,286**

Family Claim Impact - $16,000

$16,000 Annual Claim Cost - Family	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$600	$750	$1,000	$1,500	$3,000
Plan OOPM	$1,500	$2,500	$3,750	$3,800	$6,000
H.S.A Contribution from County					$1,000
Co-Insurance	$770	$2,500	$3,750	$2,900	$2,600
County Pays	$14,630	$13,500	$12,250	$12,200	$10,400
Employee Out of Pocket	$1,370	$2,500	$3,750	$3,800	$4,600
Annual Premium	$1,820	$2,470	$1,690	$1,602	$801
Employee Total Cost	**$3,190**	**$4,970**	**$5,440**	**$5,402**	**$5,401**

Individual Claim Impact - $50,000

$50,000 Annual Claim Cost - Individual	**Standard**	**Buy-Up**	**Core**	**Proposed PPO**	**Consumer Directed**
Plan Deductible	$300	$400	$650	$750	$1,500
Plan OOPM	$750	$1,150	$1,900	$1,900	$3,000
H.S.A Contribution from County					$1,000
Co-Insurance	$450	$750	$1,250	$1,150	$1,500
County Pays	$49,250	$48,850	$48,100	$48,100	$47,000
Employee Out of Pocket	$750	$1,150	$1,900	$1,900	$2,000
Annual Premium	$650	$910	$520	$572	$286
Employee Total Cost	**$1,400**	**$2,060**	**$2,420**	**$2,472**	**$2,286**

Family Claim Impact - $50,000

$50,000 Annual Claim Cost - Family	Standard	Buy-Up	Core	Proposed PPO	Consumer Directed
Plan Deductible	$600	$750	$1,000	$1,500	$3,000
Plan OOPM	$1,500	$2,500	$3,750	$3,800	$6,000
H.S.A Contribution from County					$1,000
Co-Insurance	$2,470	$2,500	$3,750	$3,800	$6,000
County Pays	$48,500	$47,500	$46,250	$46,200	$44,000
Employee Out of Pocket	$1,500	$2,500	$3,750	$3,800	$5,000
Annual Premium	$1,820	$2,470	$1,690	$1,602	$801
Employee Total Cost	**$3,320**	**$4,970**	**$5,440**	**$5,402**	**$5,801**