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January 24, 2020

The Honorable Ralph S. Northam, Governor of Virginia  
The Honorable Luke E. Torian, Chairman, House Appropriations Committee  
The Honorable Janet D. Howell, Chairman, Senate Finance and Appropriations Committee

**Subject:** Report on State Employee Health Insurance Program's Proposed Premiums and Benefits Structure

Pursuant to Item 82.F. of Chapter 854, Virginia Acts of Assembly, the attached report details the assumptions included in the Governor's introduced budget for the state employee health insurance program. It includes the proposed premium schedule and recommendations for proposed changes to the benefit structure for fiscal year 2021.

Please contact me if there are questions.

Sincerely,

A handwritten signature in cursive script that reads "Emily S. Elliott".

Emily S. Elliott  
Director  
Department of Human Resource Management

cc: The Honorable Keyanna Conner, Secretary of Administration

**State Employee Health Plan Proposed Premium and Benefit  
Structure for Fiscal Year 2021**

Pursuant to Item 82. F. of Chapter 854, 2019 Acts of Assembly, this report details the assumptions included in Governor Northam's 2020-2022 budget for the state employee health insurance program. The report includes the provisional premium schedule and proposed benefit changes. Consistent with Fiscal Year (FY) 2020 premiums, all premium schedules assume that available premium rewards have been earned by the employee (and spouse). Premiums will be finalized at the conclusion of the legislative process.

#### **Description of Exhibit A - Aon Hewitt Premium Schedule—December 17, 2019**

Exhibit A contains the provisional premiums submitted on December 17, 2019, by Aon, the health plan's actuary. These premiums contain the proposed plan design changes for FY 2021. They were developed using projected claims expenses with a trend of 5.8%. These claim trends were offset by Premium Reward Surplus, which resulted in a net 2.4% increase in FY 2021 premiums. The Health Insurance Fund balance is sufficient to cover the Incurred But Not Reported (IBNR) claims without additional funding in FY 2021; therefore, no cost was added to the premiums to cover these claims. The proposed plan changes for FY 2021 are included at the end of Exhibit A.

#### **Description of Exhibit B - Department of Planning and Budget Premium Schedule and General Fund Breakout – December 17, 2019**

Exhibit B contains the proposed premium schedule and general fund breakout developed by the Department of Planning and Budget for Governor Northam's 2020-2022 introduced budget. The proposed premium schedule reflects enrollment as of September 3, 2019, based on data provided by the Department of Human Resource Management, and policy changes to the state employee health insurance plans described in Exhibit A. The proposed premiums in FY 2021 are based on the premiums provided by Aon and include a subsequent increase of 6.7 percent in FY 2022, as recommended in the November 14, 2019, report on the impact of the renewal cost of the state employee health insurance program premiums.

**Commonwealth of VA  
Drivers of FY2021 Rating Projections  
Active, COBRA, and Retiree without Medicare**

	Estimated Percent Increase	
	Aggregate	Percent Increase vs. Budget Actuarial Rate Plan Assumed/Used
	Total Cost Per CU	
FY2020 COVA Actuarial Rates Plan Assumed/Used (DPB Approved)	\$ 762.00	
FY2020 COVA Actuarial Rates Plan Implemented (w Program Changes)	\$ 762.30	<b>0.00%</b>
Scenario B FY 2020 Actuarial Rates - Update	\$ 746.96	<b>- 2.0%</b>
Scenario B FY 2021 Actuarial Rates	\$ 780.44	<b>+ 2.4%</b>
Scenario B FY 2021 Actuarial Rates (w Additional Subsidy/Funding Impacts Outlined in Section B) <sup>1</sup>	\$ 780.44	<b>+ 2.4%</b>

**FY 2020 vs. FY 2020 Budget**

FY 2020 Benefit Implemented vs FY20 Rates (wo Program Changes)	0.0%	\$ 762.30
FY 2020 Base Claims Experience (Actual vs. Expected)	- 0.2%	\$ 760.48
RFP Impact	- 1.0%	\$ 754.38
Pharmacy Rebates (Actual vs Procurement Estimate)	- 0.3%	\$ 759.71
Trend	- 0.5%	\$ 758.19
<b>Total % Increase (Incremental) vs. 2020 Budget - Actuarial Rate Plan Assumed/Used</b>	<b>- 2.0%</b>	\$ 746.96

**FY 2021 vs. FY 2020**

Program Changes <sup>1</sup>	0.0%	
Impact of Premium Reward Surplus	- 1.4%	
Administrative Fees <sup>1</sup>	0.0%	
Trend	+ 5.8%	
<b>Total % Increase (Incremental) vs. 2020 Budget - Actuarial Rate Plan Assumed/Used</b>	<b>+ 4.4%</b>	\$ 780.44 <b>+ 2.4%</b>

**Additional Liability/Subsidy Funding Impacts <sup>1,2</sup>**

HIF Funding/Subsidy	0.0%	
<b>Total % Increase (Incremental) vs. 2020 Budget - Actuarial Rate Plan Assumed/Used</b>	<b>0.0%</b>	\$ 780.44 <b>+ 2.4%</b>

**Notes:**

1. These line estimates will be updated once decisions have been made
2. FY 2020 and 2021 rates exclude the Comparative Effectiveness (PCORI) fees estimated to be approximately \$450K/\$0K. Based on most recent guidance, PCORI fees may not be passed on to participants / paid from plan assets.

# **Exhibit A: Aon Hewitt Premium Schedule—November 1, 2019**

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>ACTIVE EMPLOYEES</b>				
<b>HDHP (with basic dental)</b>				
Enrollment	215	99	141	455
<b>Employee Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>State Portion</b>				
Base Actuarial Rate	\$584	\$1,086	\$1,587	\$5,482,092
<b>Total</b>				
Base Actuarial Rate	\$584	\$1,086	\$1,587	\$5,482,092
<b>HDHP w/Expanded Dental</b>				
Enrollment	136	63	89	288
<b>Employee Portion</b>				
Base Actuarial Rate	\$32	\$59	\$86	\$188,676
<b>State Portion</b>				
Base Actuarial Rate	\$584	\$1,086	\$1,587	\$3,469,020
<b>Total</b>				
Base Actuarial Rate	\$616	\$1,145	\$1,673	\$3,657,696
<b>HealthAware with basic dental</b>				
Enrollment	1,424	443	969	2,836
<b>Employee Portion</b>				
Base Actuarial Rate	\$0	\$24	\$25	\$423,671
<b>State Portion</b>				
Base Actuarial Rate	\$677	\$1,229	\$1,802	\$39,050,209
<b>Total</b>				
Base Actuarial Rate	\$677	\$1,253	\$1,827	\$39,473,880
<b>HealthAware with Expanded Dental</b>				
Enrollment	912	298	606	1,816
<b>Employee Portion</b>				
Base Actuarial Rate	\$31	\$81	\$109	\$1,424,956
<b>State Portion</b>				
Base Actuarial Rate	\$677	\$1,229	\$1,802	\$24,904,748
<b>Total</b>				
Base Actuarial Rate	\$708	\$1,310	\$1,911	\$26,329,704

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>ACTIVE EMPLOYEES</b>				
<b>HDHP (with basic dental)</b>				
Enrollment	215	99	141	455
<b>Employee Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>State Portion</b>				
Base Actuarial Rate	\$598	\$1,112	\$1,625	\$5,613,396
<b>Total</b>				
Base Actuarial Rate	\$598	\$1,112	\$1,625	\$5,613,396
<b>HDHP w/Expanded Dental</b>				
Enrollment	136	63	89	288
<b>Employee Portion</b>				
Base Actuarial Rate	\$33	\$60	\$88	\$193,200
<b>State Portion</b>				
Base Actuarial Rate	\$598	\$1,112	\$1,625	\$3,552,108
<b>Total</b>				
Base Actuarial Rate	\$631	\$1,172	\$1,713	\$3,745,308
<b>HealthAware with basic dental</b>				
Enrollment	1,424	443	969	2,836
<b>Employee Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>State Portion</b>				
Base Actuarial Rate	\$661	\$1,223	\$1,784	\$38,540,988
<b>Total</b>				
Base Actuarial Rate	\$661	\$1,223	\$1,784	\$38,540,988
<b>HealthAware with Expanded Dental</b>				
Enrollment	912	298	606	1,816
<b>Employee Portion</b>				
Base Actuarial Rate	\$30	\$56	\$82	\$1,124,880
<b>State Portion</b>				
Base Actuarial Rate	\$661	\$1,223	\$1,784	\$24,580,680
<b>Total</b>				
Base Actuarial Rate	\$691	\$1,279	\$1,866	\$25,705,560

**FY2021 / FY2020**

	\$	%
<b>DIFFERENCE</b>		
	\$0	0.00%
	\$131,304	2.40%
	\$131,304	2.40%
	\$4,524	2.40%
	\$83,088	2.40%
	\$87,612	2.40%
	-\$423,671	-100.00%
	-\$509,221	-1.30%
	-\$932,892	-2.36%
	-\$300,076	-21.06%
	-\$324,068	-1.30%
	-\$624,144	-2.37%

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>HealthAware with Expanded Dental &amp; Vision</b>				
Enrollment	1,727	679	1,012	3,418
<b>Employee Portion</b>				
Base Actuarial Rate	\$42	\$102	\$138	\$3,383,198
<b>State Portion</b>				
Base Actuarial Rate	\$677	\$1,229	\$1,802	\$45,921,706
<b>Total</b>				
Base Actuarial Rate	\$719	\$1,331	\$1,940	\$49,304,904
<b>COVA Care (with basic dental)</b>				
Enrollment	5,129	2,425	3,753	11,307
<b>Employee Portion</b>				
Base Actuarial Rate	\$75	\$177	\$253	\$21,204,015
<b>State Portion</b>				
Base Actuarial Rate	\$687	\$1,229	\$1,802	\$159,159,141
<b>Total</b>				
Base Actuarial Rate	\$762	\$1,406	\$2,055	\$180,363,156
<b>COVA Care Plus Out-of-Network</b>				
Enrollment	565	349	429	1,343
<b>Employee Portion</b>				
Base Actuarial Rate	\$93	\$210	\$302	\$3,069,619
<b>State Portion</b>				
Base Actuarial Rate	\$687	\$1,229	\$1,802	\$19,076,705
<b>Total</b>				
Base Actuarial Rate	\$780	\$1,439	\$2,104	\$22,146,324
<b>COVA Care Plus Expanded Dental</b>				
Enrollment	6,804	4,162	6,167	17,133
<b>Employee Portion</b>				
Base Actuarial Rate	\$108	\$238	\$342	\$46,078,179
<b>State Portion</b>				
Base Actuarial Rate	\$687	\$1,229	\$1,802	\$250,764,405
<b>Total</b>				
Base Actuarial Rate	\$795	\$1,467	\$2,144	\$296,842,584

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>HealthAware with Expanded Dental &amp; Vision</b>				
Enrollment	1,727	679	1,012	3,418
<b>Employee Portion</b>				
Base Actuarial Rate	\$41	\$76	\$110	\$2,804,772
<b>State Portion</b>				
Base Actuarial Rate	\$661	\$1,223	\$1,784	\$45,328,464
<b>Total</b>				
Base Actuarial Rate	\$702	\$1,299	\$1,894	\$48,133,236
<b>COVA Care(with basic dental)</b>				
Enrollment	5,129	2,425	3,753	11,307
<b>Employee Portion</b>				
Base Actuarial Rate	\$77	\$181	\$260	\$21,715,656
<b>State Portion</b>				
Base Actuarial Rate	\$703	\$1,259	\$1,845	\$162,996,564
<b>Total</b>				
Base Actuarial Rate	\$780	\$1,440	\$2,105	\$184,712,220
<b>COVA Care Plus Out-of-Network</b>				
Enrollment	565	349	429	1,343
<b>Employee Portion</b>				
Base Actuarial Rate	\$95	\$215	\$310	\$3,140,400
<b>State Portion</b>				
Base Actuarial Rate	\$703	\$1,259	\$1,845	\$19,537,092
<b>Total</b>				
Base Actuarial Rate	\$798	\$1,474	\$2,155	\$22,677,492
<b>COVA Care Plus Expanded Dental</b>				
Enrollment	6,804	4,162	6,167	17,133
<b>Employee Portion</b>				
Base Actuarial Rate	\$111	\$243	\$351	\$47,174,724
<b>State Portion</b>				
Base Actuarial Rate	\$703	\$1,259	\$1,845	\$256,815,420
<b>Total</b>				
Base Actuarial Rate	\$814	\$1,502	\$2,196	\$303,990,144

**FY2021 / FY2020**

\$	%
-\$578,426	-17.10%
-\$593,242	-1.29%
-\$1,171,668	-2.38%
\$511,641	2.41%
\$3,837,423	2.41%
\$4,349,064	2.41%
\$70,781	2.31%
\$460,387	2.41%
\$531,168	2.40%
\$1,096,545	2.38%
\$6,051,015	2.41%
\$7,147,560	2.41%

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>COVA Care Plus Out-of-Network &amp; Expanded Dental</b>				
Enrollment	1,250	996	1,163	3,409
<b>Employee Portion</b>				
Base Actuarial Rate	\$126	\$271	\$391	\$10,597,938
<b>State Portion</b>				
Base Actuarial Rate	\$687	\$1,229	\$1,802	\$50,130,570
<b>Total</b>				
Base Actuarial Rate	\$813	\$1,500	\$2,193	\$60,728,508
<b>COVA Care Plus Expanded Dental Plus Vision &amp; Hearing</b>				
Enrollment	10,629	6,639	8,664	25,932
<b>Employee Portion</b>				
Base Actuarial Rate	\$127	\$273	\$393	\$78,902,739
<b>State Portion</b>				
Base Actuarial Rate	\$687	\$1,229	\$1,802	\$372,792,429
<b>Total</b>				
Base Actuarial Rate	\$814	\$1,502	\$2,195	\$451,695,168
<b>COVA Care Plus Out-of-Network Plus Expanded Dental Plus Vision &amp; Hearing</b>				
Enrollment	4,306	3,813	4,396	12,515
<b>Employee Portion</b>				
Base Actuarial Rate	\$145	\$306	\$442	\$44,854,366
<b>State Portion</b>				
Base Actuarial Rate	\$687	\$1,229	\$1,802	\$186,747,686
<b>Total</b>				
Base Actuarial Rate	\$832	\$1,535	\$2,244	\$231,602,052
<b>Kaiser Permanente HMO - available in Fredericksburg area and Northern Virginia</b>				
Enrollment	724	448	750	1,922
<b>Employee Portion</b>				
Base Actuarial Rate	\$75	\$177	\$253	\$3,887,466
<b>State Portion</b>				
Base Actuarial Rate	\$584	\$1,035	\$1,513	\$24,247,638
<b>Total</b>				
Base Actuarial Rate	\$659	\$1,212	\$1,766	\$28,135,104

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>COVA Care Plus Out-of-Network &amp; Expanded Dental</b>				
Enrollment	1,250	996	1,163	3,409
<b>Employee Portion</b>				
Base Actuarial Rate	\$129	\$277	\$401	\$10,842,060
<b>State Portion</b>				
Base Actuarial Rate	\$703	\$1,259	\$1,845	\$51,341,388
<b>Total</b>				
Base Actuarial Rate	\$832	\$1,536	\$2,246	\$62,183,448
<b>COVA CarePlus Expanded Dental Plus Vision &amp; Hearing</b>				
Enrollment	10,629	6,639	8,664	25,932
<b>Employee Portion</b>				
Base Actuarial Rate	\$130	\$279	\$403	\$80,707,716
<b>State Portion</b>				
Base Actuarial Rate	\$703	\$1,259	\$1,845	\$381,789,216
<b>Total</b>				
Base Actuarial Rate	\$833	\$1,538	\$2,248	\$462,496,932
<b>COVA Care Plus Out-of-Network Plus Expanded Dental Plus Vision &amp; Hearing</b>				
Enrollment	4,306	3,813	4,396	12,515
<b>Employee Portion</b>				
Base Actuarial Rate	\$148	\$313	\$453	\$45,865,740
<b>State Portion</b>				
Base Actuarial Rate	\$703	\$1,259	\$1,845	\$191,259,660
<b>Total</b>				
Base Actuarial Rate	\$851	\$1,572	\$2,298	\$237,125,400
<b>Kaiser Permanente HMO - available in Fredericksburg area and Northern Virginia</b>				
Enrollment	724	448	750	1,922
<b>Employee Portion</b>				
Base Actuarial Rate	\$77	\$181	\$260	\$3,982,032
<b>State Portion</b>				
Base Actuarial Rate	\$612	\$1,085	\$1,585	\$25,415,016
<b>Total</b>				
Base Actuarial Rate	\$689	\$1,266	\$1,845	\$29,397,048

**FY2021 / FY2020**

\$	%
\$244,122	2.30%
\$1,210,818	2.42%
\$1,454,940	2.40%
\$1,804,977	2.29%
\$8,996,787	2.41%
\$10,801,764	2.39%
\$1,011,374	2.25%
\$4,511,974	2.42%
\$5,523,348	2.38%
\$94,566	2.43%
\$1,167,378	4.81%
\$1,261,944	4.49%



**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Optima Health</b>				
Enrollment	292	174	212	678
Employee Portion				
Base Actuarial Rate	\$75	\$177	\$253	\$1,278,486
State Portion				
Base Actuarial Rate	\$685	\$1,230	\$1,785	\$9,507,042
Total				
Base Actuarial Rate	\$760	\$1,407	\$2,038	\$10,785,528

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Optima Health</b>				
Enrollment	292	174	212	678
Employee Portion				
Base Actuarial Rate	\$77	\$181	\$260	\$1,309,176
State Portion				
Base Actuarial Rate	\$709	\$1,273	\$1,846	\$9,838,584
Total				
Base Actuarial Rate	\$786	\$1,454	\$2,106	\$11,147,760

**FY2021 / FY2020**

\$	%
\$30,690	2.40%
\$331,542	3.49%
\$362,232	3.36%

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Summary Active Total</b>				
Enrollment	34,113	20,588	28,351	83,052
<b>Employee Portion</b>				
Base Actuarial Rate				\$215,293,309
<b>State Portion</b>				
Base Actuarial Rate				\$1,191,253,391
<b>Total</b>				
Base Actuarial Rate				\$1,406,546,700

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Summary Active Total</b>				
Enrollment	34,113	20,588	28,351	83,052
<b>Employee Portion</b>				
Base Actuarial Rate				\$218,860,356
<b>State Portion</b>				
Base Actuarial Rate				\$1,216,608,576
<b>Total</b>				
Base Actuarial Rate				\$1,435,468,932

**FY2021 / FY2020**

\$	%
\$3,567,047	1.66%
\$25,355,185	2.13%
\$28,922,232	2.06%

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Early Retirees/COBRA</b>				
<b>HDHP</b>				
Enrollment	83	16	5	104
Employee Portion				
Base Actuarial Rate	\$584	\$1,086	\$1,587	\$885,396
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$584	\$1,086	\$1,587	\$885,396
<b>HDHP w/Expanded Dental</b>				
Enrollment	53	10	3	66
Employee Portion				
Base Actuarial Rate	\$616	\$1,145	\$1,673	\$589,404
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$616	\$1,145	\$1,673	\$589,404
<b>HealthAware with basic dental</b>				
Enrollment	30	7	1	38
Employee Portion				
Base Actuarial Rate	\$677	\$1,253	\$1,827	\$370,896
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$677	\$1,253	\$1,827	\$370,896
<b>HealthAware with Expanded Dental</b>				
Enrollment	24	7	1	32
Employee Portion				
Base Actuarial Rate	\$708	\$1,310	\$1,911	\$336,876
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$708	\$1,310	\$1,911	\$336,876

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Early Retirees/COBRA</b>				
<b>HDHP (with basic dental)</b>				
Enrollment	83	16	5	104
Employee Portion				
Base Actuarial Rate	\$598	\$1,112	\$1,625	\$906,612
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$598	\$1,112	\$1,625	\$906,612
<b>HDHP w/Expanded Dental</b>				
Enrollment	53	10	3	66
Employee Portion				
Base Actuarial Rate	\$631	\$1,172	\$1,713	\$603,624
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$631	\$1,172	\$1,713	\$603,624
<b>HealthAware with basic dental</b>				
Enrollment	30	7	1	38
Employee Portion				
Base Actuarial Rate	\$661	\$1,223	\$1,784	\$362,100
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$661	\$1,223	\$1,784	\$362,100
<b>HealthAware with Expanded Dental</b>				
Enrollment	24	7	1	32
Employee Portion				
Base Actuarial Rate	\$691	\$1,279	\$1,866	\$328,836
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$691	\$1,279	\$1,866	\$328,836

**FY2021 / FY2020**

	\$	%
<b>DIFFERENCE</b>		
HDHP (with basic dental)		
Employee Portion		
Base Actuarial Rate	\$21,216	2.40%
<b>State Portion</b>		
Base Actuarial Rate	\$0	\$0
<b>Total</b>		
Base Actuarial Rate	\$21,216	2.40%
<b>HDHP w/Expanded Dental</b>		
Employee Portion		
Base Actuarial Rate	\$14,220	2.41%
<b>State Portion</b>		
Base Actuarial Rate	\$0	\$0
<b>Total</b>		
Base Actuarial Rate	\$14,220	2.41%
<b>HealthAware with basic dental</b>		
Employee Portion		
Base Actuarial Rate	-\$8,796	-2.37%
<b>State Portion</b>		
Base Actuarial Rate	\$0	\$0
<b>Total</b>		
Base Actuarial Rate	-\$8,796	-2.37%
<b>HealthAware with Expanded Dental</b>		
Employee Portion		
Base Actuarial Rate	-\$8,040	-2.39%
<b>State Portion</b>		
Base Actuarial Rate	\$0	\$0
<b>Total</b>		
Base Actuarial Rate	-\$8,040	-2.39%

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>HealthAware with Expanded Dental and Vision</b>				
Enrollment	33	8	2	43
<b>Employee Portion</b>				
Base Actuarial Rate	\$719	\$1,331	\$1,940	\$459,060
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$719	\$1,331	\$1,940	\$459,060
<b>COVA Care (with basic dental)</b>				
Enrollment	890	163	20	1,073
<b>Employee Portion</b>				
Base Actuarial Rate	\$762	\$1,406	\$2,055	\$11,381,496
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$762	\$1,406	\$2,055	\$11,381,496
<b>COVA Care Plus Out-of-Network</b>				
Enrollment	151	33	2	186
<b>Employee Portion</b>				
Base Actuarial Rate	\$780	\$1,439	\$2,104	\$2,033,700
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$780	\$1,439	\$2,104	\$2,033,700
<b>COVA Care Plus Expanded Dental</b>				
Enrollment	787	181	25	993
<b>Employee Portion</b>				
Base Actuarial Rate	\$795	\$1,467	\$2,144	\$11,337,504
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$795	\$1,467	\$2,144	\$11,337,504

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>HealthAware with Expanded Dental and Vision</b>				
Enrollment	33	8	2	43
<b>Employee Portion</b>				
Base Actuarial Rate	\$702	\$1,299	\$1,894	\$448,152
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$702	\$1,299	\$1,894	\$448,152
<b>COVA Care (with basic dental)</b>				
Enrollment	890	163	20	1,073
<b>Employee Portion</b>				
Base Actuarial Rate	\$780	\$1,440	\$2,105	\$11,652,240
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$780	\$1,440	\$2,105	\$11,652,240
<b>COVA Care Plus Out-of-Network</b>				
Enrollment	151	33	2	186
<b>Employee Portion</b>				
Base Actuarial Rate	\$798	\$1,474	\$2,155	\$2,081,400
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$798	\$1,474	\$2,155	\$2,081,400
<b>COVA Care Plus Expanded Dental</b>				
Enrollment	787	181	25	993
<b>Employee Portion</b>				
Base Actuarial Rate	\$814	\$1,502	\$2,196	\$11,608,560
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$814	\$1,502	\$2,196	\$11,608,560

**FY2021 / FY2020**

\$	%
-\$10,908	-2.38%
-\$10,908	-2.38%
\$270,744	2.38%
\$270,744	2.38%
\$47,700	2.35%
\$47,700	2.35%
\$271,056	2.39%
\$271,056	2.39%

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>COVA Care Plus Out-of-Network &amp; Expanded Dental</b>				
Enrollment	235	39	12	286
<b>Employee Portion</b>				
Base Actuarial Rate	\$813	\$1,500	\$2,193	\$3,310,452
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$813	\$1,500	\$2,193	\$3,310,452
<b>COVA Care Plus Expanded Dental Plus Vision &amp; Hearing</b>				
Enrollment	1,095	202	26	1,323
<b>Employee Portion</b>				
Base Actuarial Rate	\$814	\$1,502	\$2,195	\$15,021,648
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$814	\$1,502	\$2,195	\$15,021,648
<b>COVA Care Plus Out-of-Network Plus Expanded Dental Plus Vision &amp; Hearing</b>				
Enrollment	743	170	27	940
<b>Employee Portion</b>				
Base Actuarial Rate	\$832	\$1,535	\$2,244	\$11,276,568
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$832	\$1,535	\$2,244	\$11,276,568
<b>Kaiser Permanente HMO - available in Fredericksburg area and Northern Virginia</b>				
Enrollment	8	1	2	11
<b>Employee Portion</b>				
Base Actuarial Rate	\$659	\$1,212	\$1,766	\$120,192
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$659	\$1,212	\$1,766	\$120,192

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>COVA Care Plus Out-of-Network &amp; Expanded Dental</b>				
Enrollment	235	39	12	286
<b>Employee Portion</b>				
Base Actuarial Rate	\$832	\$1,536	\$2,246	\$3,388,512
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$832	\$1,536	\$2,246	\$3,388,512
<b>COVA Care Plus Expanded Dental Plus Vision &amp; Hearing</b>				
Enrollment	1,095	202	26	1,323
<b>Employee Portion</b>				
Base Actuarial Rate	\$833	\$1,538	\$2,248	\$15,375,108
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$833	\$1,538	\$2,248	\$15,375,108
<b>COVA Care Plus Out-of-Network Plus Expanded Dental Plus Vision &amp; Hearing</b>				
Enrollment	743	170	27	940
<b>Employee Portion</b>				
Base Actuarial Rate	\$851	\$1,572	\$2,298	\$11,538,948
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$851	\$1,572	\$2,298	\$11,538,948
<b>Kaiser Permanente HMO - available in Fredericksburg area and Northern Virginia</b>				
Enrollment	8	1	2	11
<b>Employee Portion</b>				
Base Actuarial Rate	\$689	\$1,266	\$1,845	\$125,616
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$689	\$1,266	\$1,845	\$125,616

**FY2021 / FY2020**

\$	%
\$78,060	2.36%
\$78,060	2.36%
\$353,460	2.35%
\$353,460	2.35%
\$262,380	2.33%
\$262,380	2.33%
\$5,424	4.51%
\$5,424	4.51%

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Optima Health</b>				
Enrollment	0	0	0	0
Employee Portion				
Base Actuarial Rate	\$760	\$1,407	\$2,038	\$0
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$760	\$1,407	\$2,038	\$0

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Optima Health</b>				
Enrollment	0	0	0	0
Employee Portion				
Base Actuarial Rate	\$786	\$1,454	\$2,106	\$0
<b>State Portion</b>				
Base Actuarial Rate	\$0	\$0	\$0	\$0
<b>Total</b>				
Base Actuarial Rate	\$786	\$1,454	\$2,106	\$0

**FY2021 / FY2020**

\$	%
\$0	0.00%
\$0	0.00%
\$0	0.00%

**FY2020**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Summary Retiree/COBRA Total</b>				
Enrollment	4,132	837	126	5,095
<b>Employee Portion</b>				
Base Actuarial Rate				\$57,123,192
<b>State Portion</b>				
Base Actuarial Rate				\$0
<b>Total</b>				
Base Actuarial Rate				\$57,123,192
<b>Grand Total</b>				
Enrollment	38,245	21,425	28,477	88,147
<b>Employee Portion</b>				
Base Actuarial Rate				\$272,416,501
<b>State Portion</b>				
Base Actuarial Rate				\$1,191,253,391
<b>Total</b>				
Base Actuarial Rate				\$1,463,669,892

**FY2021**

Health Care Plans	You Only	You Plus One	You Plus Two or More	Total
<b>Summary Retiree/COBRA Total</b>				
Enrollment	4,132	837	126	5,095
<b>Employee Portion</b>				
Base Actuarial Rate				\$58,419,708
<b>State Portion</b>				
Base Actuarial Rate				\$0
<b>Total</b>				
Base Actuarial Rate				\$58,419,708
<b>Grand Total</b>				
Enrollment	38,245	21,425	28,477	88,147
<b>Employee Portion</b>				
Base Actuarial Rate				\$277,280,064
<b>State Portion</b>				
Base Actuarial Rate				\$1,216,608,576
<b>Total</b>				
Base Actuarial Rate				\$1,493,888,640

**FY2021 / FY2020**

\$	%
\$1,296,516	2.27%
\$1,296,516	2.27%
\$4,863,563	1.79%
\$25,355,185	2.13%
\$30,218,748	2.06%

## Proposed Plan Design Changes FY 2021

### COVA Care and COVA HDHP

1. **Remove age limit from Behavioral Health Intensive In-Home Services benefit.**

**Fiscal Impact: Projected cost \$17,600 per year**

This benefit provides concentrated, time-limited interventions for children under the age of 18 who are at risk of being moved into out-of-home placement or who are being transitioned to home from out-of-home placement. DHRM recommends removing the age limit to allow access to this benefit to a wider range of individuals, and to remove any risk of non-compliance with federal mental health parity (MHP) requirements, which generally prevent group health plans from imposing less favorable limitations on behavioral health benefits than on medical/surgical benefits. Medical/surgical benefits are provided on the basis of medical necessity, without regard to a member's age.

### COVA HealthAware

1. **Implement Informed Rewards-a shared savings program.**

**Fiscal Impact: Projected savings indeterminate (project annual savings in excess of \$200,000 once members become acclimated to this program).**

This program is similar to the SmartShopper program currently available to COVA Care and COVA HDHP members. COVA Care and COVA HDHP are administered by Anthem. At the time SmartShopper was implemented, Aetna, which administers COVA HealthAware, did not have the capability to operate a shared savings program. This program provides an opportunity for the Commonwealth to reap benefits from lower claims costs, and for members to reap benefits through lower out-of-pocket costs and cash incentives.

2. **Remove member cost share for Teledoc (telemedicine) medical visits.**

**Fiscal Impact: Projected savings of \$34,000 per year.**

Teledoc gives members 24/7/365 telephonic access to U.S. board-certified doctors and pediatricians who can diagnose, recommend treatment and prescribe medications. Currently, a member pays \$40 per visit until his/her deductible is met, and 20% of the cost after his/her deductible is met. Even though the plan would absorb the cost share previously paid by the member, this is projected to create savings. This is because it will drive members to receive care through telemedicine, which costs less per claim than care received through a visit to a doctor's office. This change will also duplicate the benefit available to COVA Care and COVA HDHP members through LiveHealth Online, a similar telemedicine service provider, because there already is no cost share to members under those plans.



**Exhibit B: Department of Planning and Budget Premium Schedule and  
General Fund Breakout—December 17, 2019**

# HB/SB30 Health Insurance Premium Changes

(Premiums Shown Are Monthly Premiums and Include Premium Rewards)

FY 2021	Enrollment		FY 2020 Premiums Paid				Proposed FY 2021 Premiums				Change Over FY 2020		
Plan/Coverage	Active Employees	Retirees	Employer	Employee	Total Active	Retirees	Employer	Employee	Total Active	Retirees	Employer	Employee	Retirees
COVA Care, Single	28,574	3,830	\$687	\$75	\$762	\$762	\$703	\$77	780	\$780	\$16	\$2	\$18
COVA Care, Family	24,541	115	\$1,802	\$253	\$2,055	\$2,055	\$1,845	\$260	2,105	\$2,105	\$43	\$7	\$50
COVA Care, Dual-Minor	5,119	95	\$1,229	\$194	\$1,423	\$1,423	\$1,259	\$198	1,457	\$1,457	\$30	\$4	\$34
COVA Care, Dual-Spouse	13,154	667	\$1,229	\$177	\$1,406	\$1,406	\$1,259	\$181	1,440	\$1,440	\$30	\$4	\$34
COVA HealthAware, Single	4,199	88	\$677	\$0	\$677	\$677	\$661	\$0	661	\$661	-\$16	\$0	-\$16
COVA HealthAware, Family	2,616	7	\$1,802	\$25	\$1,827	\$1,827	\$1,784	\$0	1,784	\$1,784	-\$18	-\$25	-\$43
COVA HealthAware, Dual-Minor	453	1	\$1,229	\$41	\$1,270	\$1,270	\$1,223	\$0	1,223	\$1,223	-\$6	-\$41	-\$47
COVA HealthAware, Dual-Spouse	981	20	\$1,229	\$24	\$1,253	\$1,253	\$1,223	\$0	1,223	\$1,223	-\$6	-\$24	-\$30
COVA High Deductible, Single	345	134	\$584	\$0	\$584	\$584	\$598	\$0	598	\$598	\$14	\$0	\$14
COVA High Deductible, Family	231	9	\$1,587	\$0	\$1,587	\$1,587	\$1,625	\$0	1,625	\$1,625	\$38	\$0	\$38
COVA High Deductible, Dual-Minor	46	1	\$1,086	\$0	\$1,086	\$1,086	\$1,112	\$0	1,112	\$1,112	\$26	\$0	\$26
COVA High Deductible, Dual-Spouse	118	25	\$1,086	\$0	\$1,086	\$1,086	\$1,112	\$0	1,112	\$1,112	\$26	\$0	\$26
Kaiser Permanente, Single	683	35	\$584	\$75	\$659	\$659	\$612	\$77	689	\$689	\$28	\$2	\$30
Kaiser Permanente, Family	753	4	\$1,513	\$253	\$1,766	\$1,766	\$1,585	\$260	1,845	\$1,845	\$72	\$7	\$79
Kaiser Permanente, Dual-Minor	120	3	\$1,035	\$177	\$1,212	\$1,212	\$1,085	\$181	1,266	\$1,266	\$50	\$4	\$54
Kaiser Permanente, Dual-Spouse	313	8	\$1,035	\$177	\$1,212	\$1,212	\$1,085	\$181	1,266	\$1,266	\$50	\$4	\$54
Optima Health, Single	362	7	\$685	\$75	\$760	\$760	\$709	\$77	786	\$786	\$24	\$2	\$26
Optima Health, Family	272	0	\$1,785	\$253	\$2,038	\$2,038	\$1,846	\$260	2,106	\$2,106	\$61	\$7	\$68
Optima Health, Dual-Minor	93	0	\$1,230	\$177	\$1,407	\$1,407	\$1,273	\$181	1,454	\$1,454	\$43	\$4	\$47
Optima Health, Dual-Spouse	116	2	\$1,230	\$177	\$1,407	\$1,407	\$1,273	\$181	1,454	\$1,454	\$43	\$4	\$47
Waived Coverage	10,543	978	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total/Average Amounts</b>	<b>93,632</b>	<b>6,029</b>	<b>\$1,061</b>	<b>\$131</b>	<b>\$1,192</b>	<b>\$746</b>	<b>\$1,083</b>	<b>\$133</b>	<b>1,216</b>	<b>\$763</b>	<b>\$22</b>	<b>\$2</b>	<b>\$17</b>

FY 2022 Plan/Coverage	Enrollment		Proposed FY 2021 Premiums				Proposed FY 2022 Premiums				Increase Over FY 2021		
	Active Employees	Retirees	Employer	Employee	Total Active	Retirees	Employer	Employee	Total Active	Retirees	Employer	Employee	Retirees
COVA Care, Single	28,574	3,830	\$703	\$77	780	\$780	\$750	\$82	832	\$832	\$47	\$5	\$52
COVA Care, Family	24,541	115	\$1,845	\$260	2,105	\$2,105	\$1,969	\$277	2,246	\$2,246	\$124	\$17	\$141
COVA Care, Dual-Minor	5,119	95	\$1,259	\$198	1,457	\$1,457	\$1,343	\$210	1,555	\$1,555	\$84	\$12	\$98
COVA Care, Dual-Spouse	13,154	667	\$1,259	\$181	1,440	\$1,440	\$1,343	\$193	1,536	\$1,536	\$84	\$12	\$96
COVA HealthAware, Single	4,199	88	\$661	\$0	661	\$661	\$705	\$0	705	\$705	\$44	\$0	\$44
COVA HealthAware, Family	2,616	7	\$1,784	\$0	1,784	\$1,784	\$1,904	\$0	1,904	\$1,904	\$120	\$0	\$120
COVA HealthAware, Dual-Minor	453	1	\$1,223	\$0	1,223	\$1,223	\$1,305	\$0	1,305	\$1,305	\$82	\$0	\$82
COVA HealthAware, Dual-Spouse	981	20	\$1,223	\$0	1,223	\$1,223	\$1,305	\$0	1,305	\$1,305	\$82	\$0	\$82
COVA High Deductible, Single	345	134	\$598	\$0	598	\$598	\$638	\$0	638	\$638	\$40	\$0	\$40
COVA High Deductible, Family	231	9	\$1,625	\$0	1,625	\$1,625	\$1,734	\$0	1,734	\$1,734	\$109	\$0	\$109
COVA High Deductible, Dual-Minor	46	1	\$1,112	\$0	1,112	\$1,112	\$1,187	\$0	1,187	\$1,187	\$75	\$0	\$75
COVA High Deductible, Dual-Spouse	118	25	\$1,112	\$0	1,112	\$1,112	\$1,187	\$0	1,187	\$1,187	\$75	\$0	\$75
Kaiser Permanente, Single	683	35	\$612	\$77	689	\$689	\$653	\$82	735	\$735	\$41	\$5	\$46
Kaiser Permanente, Family	753	4	\$1,585	\$260	1,845	\$1,845	\$1,692	\$277	1,969	\$1,969	\$107	\$17	\$124
Kaiser Permanente, Dual-Minor	120	3	\$1,085	\$181	1,266	\$1,266	\$1,158	\$193	1,351	\$1,351	\$73	\$12	\$85
Kaiser Permanente, Dual-Spouse	313	8	\$1,085	\$181	1,266	\$1,266	\$1,158	\$193	1,351	\$1,351	\$73	\$12	\$85
Optima Health, Single	362	7	\$709	\$77	786	\$786	\$757	\$82	839	\$839	\$48	\$5	\$53
Optima Health, Family	272	0	\$1,846	\$260	2,106	\$2,106	\$1,970	\$277	2,247	\$2,247	\$124	\$17	\$141
Optima Health, Dual-Minor	93	0	\$1,273	\$181	1,454	\$1,454	\$1,358	\$193	1,551	\$1,551	\$85	\$12	\$97
Optima Health, Dual-Spouse	116	2	\$1,273	\$181	1,454	\$1,454	\$1,358	\$193	1,551	\$1,551	\$85	\$12	\$97
Waived Coverage	10,543	978	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total/Average Amounts</b>	<b>93,632</b>	<b>6,029</b>	<b>\$1,083</b>	<b>\$133</b>	<b>1,216</b>	<b>\$763</b>	<b>\$1,156</b>	<b>\$141</b>	<b>1,298</b>	<b>\$814</b>	<b>\$73</b>	<b>\$9</b>	<b>\$51</b>

## Annual Cost Summary

	<b>GF (Employer)</b>	<b>NGF (Employer)</b>	<b>Employee Share</b>	<b>Early Retiree Share</b>	<b>TOTAL</b>
<b>FY 2021</b>	<b>\$12,686,545</b>	\$12,332,135	\$2,476,116	\$1,240,464	<b>\$28,735,260</b>
<b>FY 2022</b>	<b>\$53,914,186</b>	\$52,675,562	\$12,192,480	\$4,925,040	<b>\$123,707,268</b>